

ALASKA ECONOMIC TRENDS

April 2004

The Year 2003 in Review

Alaska Department of Labor
and Workforce Development

Frank H. Murkowski
Governor of Alaska

ALASKA ECONOMIC TRENDS

**April 2004
Volume 24
Number 4**

<http://almis.labor.state.ak.us>

ISSN 0160-3345

**Frank H. Murkowski, Governor of Alaska
Greg O'Claray, Commissioner of Labor
and Workforce Development**

Alaska Economic Trends is a monthly publication dealing with a variety of economic-related issues in the state.

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Cover design by Sam Dapcevich

Alaska Economic Trends is funded by the Employment Security Division and published by the Department of Labor and Workforce Development, P.O. Box 21149, Juneau, Alaska 99802-1149.

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April *Trends* authors are staff with the Research and Analysis Section, Administrative Services Division, Department of Labor and Workforce Development.

Printed and distributed by Assets, Inc., a vocational training and employment program, at a cost of \$1.29 per copy.

Subscriptions:

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The Year 2003 in Review

by Dan Robinson, Neal Fried,
Brigitta Windisch-Cole, and Neal
Gilbertsen, Labor Economists

State marks 16 consecutive years of employment growth

STATEWIDE by Dan Robinson

Alaska added about 4,500 new jobs in 2003, continuing an impressive sixteen consecutive years of employment growth. (See Exhibits 1 and 2.) Slightly more than half of the new jobs were in health care and social assistance. The state's 1.5 percent growth rate in 2003 was down from the levels of the last three years, but was still healthy compared to most of the country, which continued to struggle to create jobs following the 2001 recession.

Oil down for second year in a row

The oil industry job count fell again in 2003 and at 8,100 is now 15 percent lower than in 2001. Spending on both exploration and development was down despite oil prices near \$30 a barrel. Since completion of the big Northstar and Alpine projects a few years ago, the industry appears to be in a holding pattern.

Seafood processing lifts manufacturing

A strong year for seafood processing employment created growth in the state's manufacturing sector. Although the average number of processing jobs was 400 higher than in 2002, low salmon prices are a continuing concern for the industry. The remainder of the state's manufacturing sector, which includes everything from sawmills and fertilizer plants to refineries and commercial printing businesses, employed approximately 3,700 people in 2003, the same number as in 2002.

Wage and Salary Employment

Statewide — 2002-2003

| | 2002 | 2003 | Change | Percent Change |
|-----------------------------------|---------|---------|--------|----------------|
| Total Nonfarm Wage & Salary | 295,100 | 299,600 | 4,500 | 1.5% |
| Goods Producing | 38,100 | 38,600 | 500 | 1.3% |
| Services Providing | 256,900 | 261,000 | 4,100 | 1.6% |
| Natural Resources & Mining | 11,000 | 10,200 | -800 | -7.3% |
| Logging | 600 | 600 | 0 | 0.0% |
| Mining | 10,400 | 9,600 | -800 | -7.7% |
| Oil & Gas Extraction | 8,900 | 8,100 | -800 | -9.0% |
| Construction | 15,800 | 16,700 | 900 | 5.7% |
| Manufacturing | 11,300 | 11,700 | 400 | 3.5% |
| Wood Products Mfg. | 300 | 300 | 0 | 0.0% |
| Seafood Processing | 7,600 | 8,000 | 400 | 5.3% |
| Trade, Transportation & Utilities | 61,200 | 61,100 | -100 | -0.2% |
| Wholesale Trade | 6,200 | 6,100 | -100 | -1.6% |
| Retail Trade | 33,900 | 34,100 | 200 | 0.6% |
| General Merchandise Stores | 5,700 | 5,900 | 200 | 3.5% |
| Food and Beverage Stores | 9,400 | 8,700 | -700 | -7.4% |
| Trans/Warehousing/Utilities | 21,100 | 20,800 | -300 | -1.4% |
| Air Transportation | 6,600 | 6,500 | -100 | -1.5% |
| Truck Transportation | 2,700 | 2,700 | 0 | 0.0% |
| Information | 7,100 | 6,900 | -200 | -2.8% |
| Telecommunications | 4,100 | 4,100 | 0 | 0.0% |
| Financial Activities | 13,800 | 14,400 | 600 | 4.3% |
| Professional & Business Svcs | 22,700 | 23,100 | 400 | 1.8% |
| Educational & Health Services | 30,600 | 32,900 | 2,300 | 7.5% |
| Health Care & Social Assistance | 28,400 | 30,700 | 2,300 | 8.1% |
| Ambulatory Health Care | 12,000 | 12,500 | 500 | 4.2% |
| Hospitals | 7,500 | 8,400 | 900 | 12.0% |
| Leisure & Hospitality | 29,400 | 29,700 | 300 | 1.0% |
| Accommodation | 7,500 | 7,700 | 200 | 2.7% |
| Food Svcs & Drinking Places | 17,800 | 18,200 | 400 | 2.2% |
| Other Services | 11,800 | 11,300 | -500 | -4.2% |
| Government | 80,600 | 81,600 | 1,000 | 1.2% |
| Federal Government | 16,800 | 17,200 | 400 | 2.4% |
| State Government | 23,800 | 24,100 | 300 | 1.3% |
| State Education | 6,800 | 7,100 | 300 | 4.4% |
| Local Government | 40,000 | 40,200 | 200 | 0.5% |
| Tribal Government | 3,500 | 3,800 | 300 | 8.6% |
| Local Education | 22,200 | 22,300 | 100 | 0.5% |

Benchmark: March 2003. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Construction builds on previous growth

Over the last two years the construction industry has added 1,800 jobs to the state's economy. Military spending on base infrastructure was strong in 2003 and activity continued on a number of public sector projects such as the Ted Stevens International Airport expansion in Anchorage. On the private side, low interest rates encouraged residential building, as has been the case for several years in a row.

Retail trade weathers Kmart closure

About 12 percent of the state's jobs are in retail trade industries, which saw only minimal growth in 2003. Any growth at all, however, was a healthy sign considering the loss of approximately 600 jobs due to Kmart's closing all of its Alaska stores. One bright spot for the past several years has been building material and garden equipment stores. Stores catering to both professional and do-it-yourself builders and landscapers are thriving both in Alaska and throughout the country.

A strong year for banking and real estate

After a flat year in 2002, financial institutions and real estate businesses saw strong growth in 2003. Both industries profited from low interest rates and brisk residential construction. Insurance carriers, which added about 100 jobs in 2003, are also counted in this category.

Health care and social assistance booms

Employment in health care and social assistance has grown rapidly for the last decade; in the last two years alone these employers have added 4,800 jobs to the state's total, 2,300 of them in 2003. Health care growth has been well documented, but the social assistance component receives less attention. It reached more than 7,000 jobs in 2003 and grew at a faster rate than health care. Much of the growth came from multipurpose social service centers that provide services to families and individuals and from agencies providing services to the elderly and disabled.

A modest year for hotels and restaurants

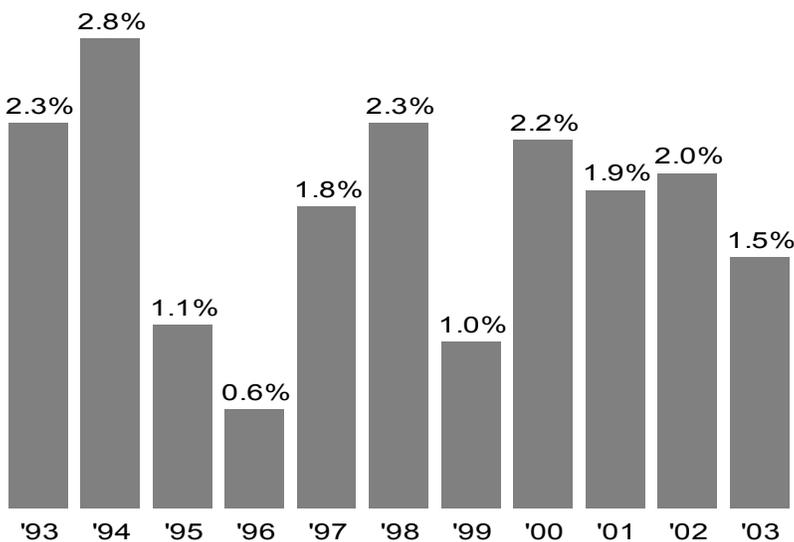
Both the accommodations industry and restaurants/drinking places added jobs in 2003, but not in large numbers. The visitor industry has faced uncertain prospects in recent years because of travel concerns related to terrorism and the national recession, but so far the lure of Alaska seems nearly as strong as ever. National hotel chains and cruise ship companies have invested heavily in new facilities over the past two years in anticipation of growing visitor interest. Growth in restaurants and drinking places slowed to 2.2 percent in 2003, but over the last two years these establishments have added 1,000 jobs.

Restrained growth in government

Average monthly employment for government was 1,000 jobs higher in 2003 than in 2002. The federalization of airport security accounted for

2 State Maintains Modest Growth

Percent employment change from previous year



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

400 of those jobs, and the remainder were in the University of Alaska system, the public elementary and secondary schools, and tribal government. Budget concerns kept the rest of state government from growing and reduced the number of municipal employees.

Unemployment rate rises

The state's 8.0 percent unemployment rate in 2003 was the highest since 1992. The rate increased three-tenths of a percentage point from 2002, and is eight-tenths of a percentage point higher than the ten-year average of 7.2 percent. The small increase in unemployment correlates with the slower rate of employment growth in 2003.

ANCHORAGE by Neal Fried

It is official—Anchorage's economy completed its fifteenth consecutive year of employment growth, a new post-statehood record for the state's largest city. Anchorage's growth run began a year after that of the state, because the city was not affected by the 1988 gains in seafood processing and timber. In 2003, employment climbed by 1.3 percent or by 1,800 jobs. (See Exhibit 4.) This growth is below par for the decade, which has been running at approximately two percent a year. The highest growth rate during the past decade was 3.9 percent in 1998, and the lowest was 0.3 percent in 1995. (See Exhibit 3.) For most of this past decade the range of annual growth rates has been tight. This is quite the contrast with the historic volatility of Anchorage's economy. During the turbulent 1980s, employment grew by 9,400 in 1982 and fell by 7,300 in 1987.

The slightly weaker growth is not surprising given the continued weak level of activity in the oil

industry along with another soft year for the visitor sector. The overarching influence of federal dollars has remained a key factor in keeping the overall economic numbers positive. Most responsible for keeping Anchorage's employment picture in the black were construction, financial activities, government, and health care. The year 2003 was largely uneventful, in that no single project or handful of projects moved the economy, but broad-based activity kept the economy on an even keel.

Oil prices high but employment falls

When after four years of \$22 per barrel oil, prices rose to nearly \$30 per barrel in 2003, the normal expectation would have been for petroleum activity to either remain high or rebound, but growth was again elusive in 2003. Oil industry employment in Anchorage fell by 600 jobs or twenty-two percent—similar to the 2002 losses. Most of the losses came from the oil field services share of the industry but BP also scaled back their workforce in 2003. Work performed on the North Slope was either of the maintenance variety or drilling that took place close to existing fields. Exploration was slower than usual. Exploration increased in Cook Inlet but the employment numbers were relatively small.

Another very good year for construction

It was another strong year for construction in Anchorage. Employment grew by 400 jobs or by nearly five percent. The city's building permit valuations totaled \$728 million, an increase of \$144 over 2002 and the largest dollar amount since 1984. Public construction was probably the dominant force in 2003 but residential construction also enjoyed a strong year. The original International Airport expansion at \$308 million, which did not include remodeling of concourses A and B, loomed large in 2003, construction of the new South Anchorage High School was in full swing, work on the new Dimond High School was finishing up, and work just began on the new Eagle River High School. Ground was also broken for the new \$41 million Alaska Psychiatric Institute. Military related construction to accommodate

the new Stryker Brigade was another important element. Highway construction enjoyed another strong season, anchored by the \$44 million Glenn-Parks Highway interchange.

Residential building permits issued reached nearly 2,200 in 2003, the second highest number since 1985. A stable economy and low interest rates were a big help here. Although commercial related construction activity was probably off a bit, there were some solid pockets. The strongest was in hotels—four new hotels, representing 447 new rooms, broke ground in 2003 and are scheduled to be completed by mid-2004. A number of small office buildings also got underway. No large new retail stores were under construction in 2003.

Possibly as important as local activity is the fact that so many contractors in the state are headquartered in Anchorage. Healthy levels of construction activity around the state, anchored by a boom in military related construction in the Interior, have also helped keep local contractors and their workers busy.

Retail budgeted little

For the second year in a row, retail employment grew little in Anchorage in 2003. For an industry with 17,500 jobs, the addition of 200 jobs in 2003 represents a very modest increase. Two large stores opened in Anchorage in 2003—the new Abbott Loop Carrs that replaced the much smaller Dimond Carrs, and a new Fred Meyer in Eagle River. The Best Buy electronics store opened at the end of 2002, giving 2003 retail employment numbers a relatively big boost. Offsetting a big chunk of this growth was the closure of the two Kmart stores in April. Among the approximately 800 other retailers in Anchorage, some expanded or contracted, some closed their doors and others opened them, but many showed little change.

Information industry steady

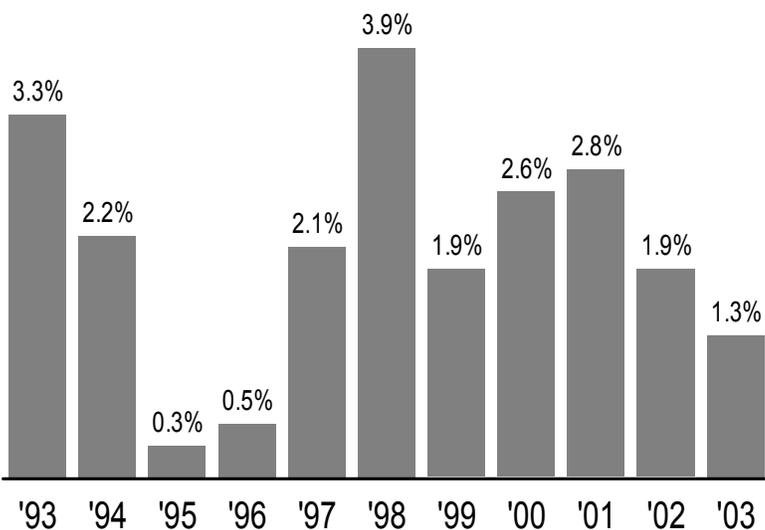
Information's largest components are newspapers, other media outlets, and telecommunications. Although telecommunications is a dynamic industry because of fierce competition, regulatory issues, and changing technology, employment remained stable in 2003.

Despite a weak year for visitors, leisure and hospitality grew a little

For the second year in a row, bed taxes collected in Anchorage fell slightly. Contributing factors were the weak national economy, the war in Iraq, and lingering effects from September 11th. In fact, some were bracing for a much worse outcome. But interestingly enough, employment in leisure and hospitality, which is dominated by hotels and food services, grew modestly in 2003. The opening of two new hotels in Anchorage in 2002 and three more in 2003 prevented accommodations employment from falling. Food services employment got a small boost from the opening of T.G.I. Friday's along with a number of other smaller eating and drinking places. Leisure and hospitality was also helped by the opening of H2Oasis Waterpark, that employs about 130 workers.

3 Anchorage Continues to Grow

Percent employment change from previous year



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Little movement in transportation

Parts of Alaska's transportation sector may have been feeling some effects both of September 11th and the weaker national economy in 2003. Air transportation showed no momentum in 2003. Alaska Airlines cut back on the size of its workforce, and other industry segments, such as ground transportation, also lost ground. The weaker visitor sector might explain much of the softness in the transportation industry. International air cargo freight came in positive in 2003, but employment for major players such as Federal Express, UPS and Northwest Airlines changed little.

Health care created more than half the jobs

The education and health services super sector generated more than half of the new jobs in Anchorage's economy, and the sub-category of health care and social services, which represents more than ninety percent of this sector, was responsible for nearly all of the gains. In 2003, this sector grew by eight percent or more, an impressive 1,200 jobs. All levels of health care gained, including hospitals, clinics, doctors' offices and other health care providers. The privatization and expansion of the Alaska Native Health Center continued to provide an important boost to this sector. The year-in and year-out growth of health care makes one wonder how long this trend can be sustained. But each year the industry continues to expand.

Low interest rates and construction boost financial sector

Financial activities was one of stronger sectors in 2003, adding 400 jobs. Real estate is a large slice of this industry and it enjoyed another strong year. The number of new residential permits issued was the largest since 1984. A dynamic real estate market is a plus for other sectors of the financial industry such as insurance and lending institutions. Strong refinancing activity and a rebounding securities market also buoyed this sector.

Federal, state and local government added 500 jobs

Employment in Anchorage's public sector grew by 1.7 percent. State government contributed 100 of these new jobs and federal and local government each grew by 200. Local government gains came from the Anchorage School District.

Wage and Salary Employment **4** Anchorage – 2001-2002

| | 2002 | 2003 | Change | Percent Change |
|-----------------------------------|---------|---------|--------|----------------|
| Total Nonfarm Wage & Salary | 140,800 | 142,600 | 1,800 | 1.3% |
| Goods Producing | 12,700 | 12,500 | -200 | -1.6% |
| Services Providing | 128,100 | 130,100 | 2,000 | 1.6% |
| Natural Resources & Mining | 2,800 | 2,200 | -600 | -21.4% |
| Mining | 2,700 | 2,100 | -600 | -22.2% |
| Oil & Gas Extraction | 2,600 | 2,000 | -600 | -23.1% |
| Construction | 8,100 | 8,500 | 400 | 4.9% |
| Manufacturing | 1,800 | 1,800 | 0 | 0.0% |
| Trade, Transportation & Utilities | 33,100 | 33,000 | -100 | -0.3% |
| Wholesale Trade | 4,600 | 4,600 | 0 | 0.0% |
| Retail Trade | 17,300 | 17,500 | 200 | 1.2% |
| General Merchandise Stores | 4,400 | 4,200 | -200 | -4.5% |
| Food and Beverage Stores | 2,300 | 2,400 | 100 | 4.3% |
| Trans/Warehousing/Utilities | 11,200 | 10,900 | -300 | -2.7% |
| Air Transportation | 3,500 | 3,500 | 0 | 0.0% |
| Truck Transportation | 1,600 | 1,700 | 100 | 6.3% |
| Information | 4,700 | 4,600 | -100 | -2.1% |
| Telecommunications | 2,700 | 2,700 | 0 | 0.0% |
| Financial Activities | 8,400 | 8,800 | 400 | 4.8% |
| Professional & Business Svcs | 16,100 | 16,000 | -100 | -0.6% |
| Educational & Health Services | 16,100 | 17,300 | 1,200 | 7.5% |
| Health Care & Social Assistance | 14,900 | 16,100 | 1,200 | 8.1% |
| Ambulatory Health Care | 5,900 | 6,200 | 300 | 5.1% |
| Hospitals | 4,600 | 5,200 | 600 | 13.0% |
| Leisure & Hospitality | 14,500 | 14,600 | 100 | 0.7% |
| Accommodation | 3,000 | 3,000 | 0 | 0.0% |
| Food Svcs & Drinking Places | 9,800 | 9,900 | 100 | 1.0% |
| Other Services | 5,700 | 5,700 | 0 | 0.0% |
| Government | 29,600 | 30,100 | 500 | 1.7% |
| Federal Government | 9,600 | 9,800 | 200 | 2.1% |
| State Government | 9,500 | 9,600 | 100 | 1.1% |
| State Education | 2,300 | 2,300 | 0 | 0.0% |
| Local Government | 10,500 | 10,700 | 200 | 1.9% |
| Tribal Government | 200 | 200 | 0 | 0.0% |
| Local Education | 7,200 | 7,400 | 200 | 2.8% |

Benchmark: March 2002. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Unemployment rate changed little in 2003

Anchorage's 2003 unemployment rate of 5.7 percent was materially no different from 2002's rate of 5.5 percent. This was more than two points below the statewide average of eight percent and came in slightly below the national rate of six percent.

FAIRBANKS by Brigitta Windisch-Cole

In 2003, wage and salary employment in the Fairbanks North Star Borough increased by 350 jobs, achieving an annual growth rate of just one percent. (See Exhibits 5 and 6.) Although employment increased in six industry sectors, the combined gain barely offset employment losses in the two other categories. Employment fell in the trade, transportation, and utility sector and in the other services category that includes all types of repair businesses, personal services estab-

lishments, social and civic organizations, and business associations. Some of the job losses recorded in other services translated to gains in other sectors, and were due to corrections in industry classifications. Real job losses, however, occurred in Fairbanks trade and transportation industries and detracted from overall economic performance.

The Fairbanks economy displayed stability and growth in all four quarters of the year. During the first quarter employment was up 0.6 percent above the first quarter 2002 average, and growth accelerated to 1.6 percent in the second quarter. During the high season summer quarter employment maintained its performance with a growth rate of 1.2 percent. Employment also averaged higher during the fourth quarter but the annual growth rate lessened to 0.7 percent. Current wage data, available for the first nine months of 2003, suggest that the performance of the local economy improved significantly. Fairbanks' all-industry payroll was up eight percent from comparable 2002 figures.

Construction showed strength

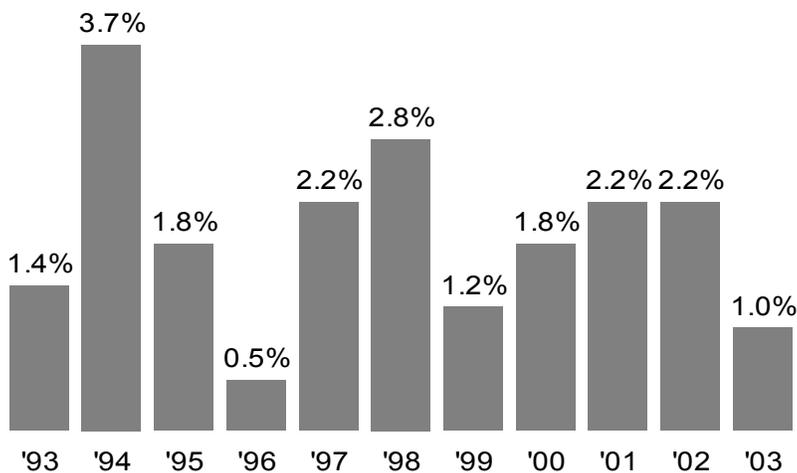
Construction employment flexed its muscle in the 2003 season. Annual average employment came in 200 jobs stronger than in 2002. Large public projects such as the Bassett Hospital, military construction including the nearby Fort Greely missile defense project, university projects, roadwork, and private sector commercial and residential activities made up a big building season. While employment in construction grew nine percent, its payroll (January through September) increased by a hefty 12 percent. The strong payroll growth points at a heightened level of activity that included not only more jobs but also longer working hours for construction crews. The sector contributed a significant 15 percent slice to area-wide payroll growth.

Metal mining and oil and gas employment took opposite directions

Jobs were fewer in Fairbanks' oil and gas industry than in the previous year. The industry's

5 Fairbanks is Still Growing

Percent employment change from previous year



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

employment level dropped by four percent, in sync with the North Slope decline. Employment growth in the gold mining and quarrying industries, however, offset nearly all of the job losses of the oil and gas industry. As a result the level in overall mining employment remained virtually unchanged. A positive climate developed for the gold mining industry when a strong recovery of gold prices began in 2003. The annual average price per ounce of gold appreciated by 17 percent and landed at \$363.38, yielding its highest value in seven years.

Leisure and hospitality employment numbers up

The leisure and hospitality sector gained jobs in spite of some indications that the tourism industry experienced a down year. Several lodge, motel or hotel managers reported that they struggled to keep their heads above water. Some traveler statistics validate this impression. In all, fewer Canadian border crossings were recorded in 2003 between April and September than in 2002, and incoming traffic dominated. Such traffic flows would seem to point to in-migration rather than visitor traffic. Moreover, air passenger traffic between April and September was lighter in 2003 than in 2002. Fewer passengers arrived at Fairbanks International Airport and fewer were leaving. These numbers suggest a lackluster visitor season. However, hotel revenue showed a fairly strong 4.6 percent increase over 2002 receipts.

There are reasons that could explain this increase. During the first quarter of 2003 the shift of the start of the Iditarod Dog Sled Race from the Mat-Su Borough to Fairbanks brought an unexpected wave of visitors and race support personnel who filled Fairbanks rooms in early March. The upbeat construction season also helped hotel occupancy in 2003. Rotating military personnel, intra-state tourists, business travelers, and cruise ship passengers most likely formed a larger clientele than in 2002. In addition, it is likely that business has been expanding more in Fairbanks than it did in previous years. Fairbanks' hotel room inventory has grown by at least 650 guestrooms since 1997, making competition much stiffer. All told, in

2003 employment in the leisure and hospitality sector increased by 3.9 percent. This growth closely followed the hike in room receipts.

Specialized services and the financial sector became larger employers

A variety of business support industries increased staff levels during 2003. The trickle down effect, caused by heightened construction activities and continued privatizing of military support services, contributed to employment growth in this sector. Employment in professional and technical services increased by nearly 11 percent.

Financial services employment also gained ground during the short, hectic building season, partly due to a new credit union built during the summer.

Wage & Salary Employment 6 Fairbanks 2002–2003

| | 2002 | 2003 | Change | Percent Change |
|-----------------------------------|--------|--------|--------|----------------|
| Total Nonfarm Wage & Salary | 35,450 | 35,800 | 350 | 1.0% |
| Goods Producing | 3,650 | 3,850 | 200 | 5.5% |
| Services Providing | 31,750 | 31,950 | 200 | 0.6% |
| Natural Resources & Mining | 900 | 900 | 0 | 0.0% |
| Construction | 2,250 | 2,450 | 200 | 8.9% |
| Manufacturing | 500 | 500 | 0 | 0.0% |
| Trade, Transportation & Utilities | 7,250 | 7,050 | -200 | -2.8% |
| Wholesale Trade | 550 | 600 | 50 | 9.1% |
| Retail Trade | 4,100 | 3,950 | -150 | -3.7% |
| Trans/Warehousing/Utilities | 2,650 | 2,500 | -150 | -5.7% |
| Information | 600 | 600 | 0 | 0.0% |
| Financial Activities | 1,300 | 1,400 | 100 | 7.7% |
| Professional & Business Svcs | 1,850 | 2,050 | 200 | 10.8% |
| Educational & Health Services | 3,800 | 4,050 | 250 | 6.6% |
| Health Care & Social Assistance | 3,500 | 3,850 | 350 | 10.0% |
| Leisure & Hospitality | 3,850 | 4,000 | 150 | 3.9% |
| Accommodation | 1,050 | 1,100 | 50 | 4.8% |
| Food Svcs & Drinking Places | 2,350 | 2,400 | 50 | 2.1% |
| Other Services | 1,800 | 1,350 | -450 | -25.0% |
| Government | 11,350 | 11,500 | 150 | 1.3% |
| Federal Government | 3,300 | 3,350 | 50 | 1.5% |
| State Government | 5,000 | 5,150 | 150 | 3.0% |
| Local Government | 3,050 | 3,000 | -50 | -1.6% |

Benchmark: March 2003. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Public sector helped job growth

The public sector created 150 new jobs in 2003, with all the gains in federal and state employment. Local government shed 50 jobs from its 2002 employment level. Tight budgets and falling school enrollments were the reasons. The gains in federal employment came from the creation of the Homeland Security agency that tightened air passenger security. The 2003 increase in state government employment was mostly university related.

Transportation industry shed jobs

During 2003 employment fell in several transportation industries. The largest job loss occurred in pipeline transportation. Alyeska Pipeline Services Company reduced staff in 2002 to half their former levels at the Fairbanks business unit, and these reductions continued to register in most months of 2003. Other transportation industries such as airlines and trucking also lost employment. Several airlines shed jobs and a trucking company went out of business.

Slumping retail looks at turnaround

Retail employment once again lost ground in 2003 when Kmart closed its doors, an event that cast a shadow over Fairbanks' retail scene. Fairbanks has lost store variety since the mid-90s. Both big box and small store closures have trimmed choices, and empty retail spaces in shopping malls have become a common sight. But the long awaited turnaround may be just around the corner. Wal-Mart started to build a new store in 2003 that will fill the void caused by the Kmart closure. Fred Meyer has announced that it will expand its presence with a large replacement store. Rumors are afloat that another big home improvement retail store will debut in the Fairbanks market.

Unemployment fairly steady

The unemployment rate in Fairbanks increased to 6.9 percent in 2003 from 6.7 percent in 2002. This closely resembles the average rate for the

past ten years of 6.8 percent. The Fairbanks labor market has enjoyed relatively low jobless rates over the past decade.

SOUTHEAST by Neal Gilbertsen

The Southeast economy recovered in 2003 from two consecutive years of decline, adding 450 jobs. The resulting growth rate of 1.3 percent was the third best of the decade. This increase came as somewhat of a surprise, especially in light of the way the year began.

Early in 2003, Wards Cove Packing Company announced it was exiting the Alaska salmon industry. The loss of one of Southeast's largest processors and the anticipated closure of three of the region's plants seemed to mean that fewer fishermen would have markets and fewer processing workers would have jobs. Kmart's bankruptcy led to the closure of its Juneau store and the loss of more than 100 retail sales jobs. In the same time frame, Wrangell's Silver Bay Logging filed for Chapter 11 protection as it reorganized its operations. As if all this were not enough, worldwide concerns about terrorism and SARS raised questions about the success of the Southeast tourist season.

Concerns that Southeast might continue to shed both jobs and population proved, by year's end, to have been exaggerated. E.C. Phillips & Son acquired and operated the Wards Cove cold storage in Ketchikan, and Ocean Beauty Seafoods took over the Excursion Inlet facility. While the number of fishermen was down, the large salmon returns led to increased employment in seafood processing. The Silver Bay reorganization seemed to have been a success, and overall employment in the logging and wood products industry actually increased over the year. Finally, tourists visited

the region in numbers apparently unaffected by threats of terrorism or disease.

Federal government grows

Southeast's job growth was evenly divided between the private and public sectors, with the former adding 250 jobs, while the latter accounted for 200. Most of the increase in government was federal employment, which increased by 150, and can be largely attributed to the growth of the Transportation Security Agency.

Construction

The goods producing sector, which had suffered through a series of disappointing years, showed some signs of recovery in 2003. Construction was especially strong and gained 150 jobs over 2002. In large part this was due to building activity inspired by record low mortgage rates. The 9.4 percent growth in this industry accounted for 60 percent of the gains in private employment.

A number of proposals exist for long-term infrastructure projects that could stimulate short-term job growth, such as the Ketchikan-Gravina bridge, the Bradfield Canal road, and the Juneau-Skagway highway, but none of them is likely to affect construction employment in the coming year. Other projects, such as the waterfront improvements envisioned by both Juneau and Ketchikan seem to point to long-term increased activity in this industry.

Timber

Logging also fared a bit better in 2003, adding 50 jobs, which represented a 14.3 percent over-the-year gain. Silver Bay's decision to abandon logging in order to focus on mill operations seems to be proving a success as overall wood products manufacturing employment remained at 2002 levels. The addition of a dry kiln at the Pacific Log and Lumber plant in Ketchikan was another step forward that should result in lower production costs and make more Alaska lumber available for local markets.

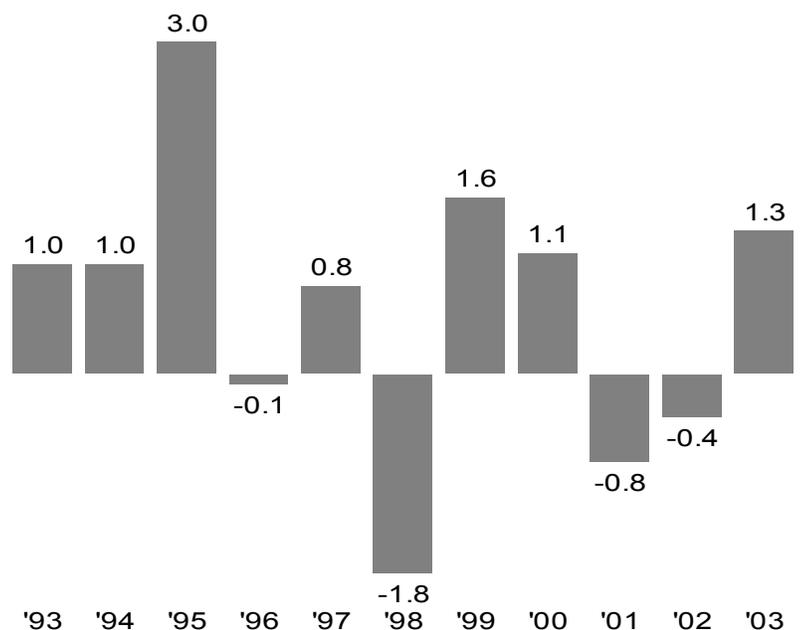
The softwood trade dispute with Canada continues, and despite rulings by a NAFTA panel and the World Trade Organization generally favoring the Canadian position, stiff U.S. tariffs remain in place. Even if these rulings eventually require the removal of the tariff, gains of over 20 percent by the Canadian dollar against U.S. currency since 2002 should make Alaska wood products more competitive on both domestic and foreign markets. Demand should remain high if the U.S. building boom continues and the Asian economies continue to show strength.

Fish

Southeast salmon runs were extremely strong in 2003. While fewer fishermen participated in the fishery, and many catches were restricted by delivery limits, total volume increased by 11 percent to 284 million pounds. As is usual in Southeast, pink and chum salmon represented 88 percent of the harvest by weight. Due to continuing price erosion for both chums and pinks, the increased volume was not reflected in the value of the catch, which increased only 1.6 percent to \$51 million.

Southeast Resumes Growth

Percent employment change from previous year



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Prices paid for the target species of the purse seine and gillnet fisheries were generally down. Pink prices fell 33 percent, from the nine cents a pound paid in 2002 to just six cents in 2003. Chum prices declined 13.6 percent to nineteen cents a pound. On a more hopeful note, sockeye prices rose 14.8 percent, increasing from 74 cents a pound in 2002 to 85 cents a pound.

The troll fisheries fared somewhat better. While coho catches were down, the increase in price more than offset these reductions. Coho prices increased 55 percent, from 42 cents a pound in 2002 to 65 cents a pound in 2003. The reduced harvest with higher prices led to an overall 15.1 percent increase in value to \$11.8 million. The value of the king salmon harvest fell slightly from \$7.5 million to \$7 million.

The good catches kept seafood processors busy and the peak processing employment of August 2003 was 600 higher than in 2002. This contributed to a 7.4 percent over-the-year increase of 100 jobs in this industry.

Services

In general, employment in private services was flat, adding only 50 jobs. Growth in financial services, professional and business services, and educational and health care services, was offset by losses in leisure and hospitality. Most of these apparent job losses were actually due to administrative changes at a single large employer in the arts, entertainment, and recreation industry. While there were 50 fewer jobs at the area's hotels and lodges, this represented only a 4 percent over-the-year decline. Food services and drinking places employment remained unchanged over the year. Retail trade, in spite of the Kmart closure, also maintained last year's employment levels.

Whether the employment gains of 2003 will continue into 2004 remains an open question. In the meantime it is good news to see the number of jobs increasing once again.

Wage & Salary Employment Southeast 2002–2003

| | 2002 | 2003 | Change | Percent Change |
|-----------------------------------|--------|--------|--------|----------------|
| Total Non-farm Wage & Salary | 35,800 | 36,250 | 450 | 1.3% |
| Goods Producing | 4,050 | 4,300 | 250 | 6.2% |
| Services Providing | 31,750 | 31,950 | 200 | 0.6% |
| Natural Resources & Mining | 650 | 700 | 50 | 7.7% |
| Logging | 350 | 400 | 50 | 14.3% |
| Mining | 300 | 300 | 0 | 0.0% |
| Construction | 1,600 | 1,750 | 150 | 9.4% |
| Manufacturing | 1,800 | 1,850 | 50 | 2.8% |
| Wood Products Mfg. | 150 | 150 | 0 | 0.0% |
| Seafood Processing | 1,350 | 1,450 | 100 | 7.4% |
| Trade, Transportation & Utilities | 7,000 | 7,050 | 50 | 0.7% |
| Retail Trade | 4,350 | 4,350 | 0 | 0.0% |
| Trans/Warehousing/Utilities | 2,200 | 2,250 | 50 | 2.3% |
| Information | 500 | 500 | 0 | 0.0% |
| Financial Activities | 1,250 | 1,250 | 0 | 0.0% |
| Professional & Business Svcs | 1,300 | 1,400 | 100 | 7.7% |
| Educational & Health Services | 3,400 | 3,450 | 50 | 1.5% |
| Health Care & Social Assistance | 3,150 | 3,250 | 100 | 3.2% |
| Leisure & Hospitality | 3,750 | 3,550 | -200 | -5.3% |
| Accommodation | 1,250 | 1,200 | -50 | -4.0% |
| Food Svcs & Drinking Places | 1,650 | 1,650 | 0 | 0.0% |
| Other Services | 1,150 | 1,150 | 0 | 0.0% |
| Government | 13,450 | 13,650 | 200 | 1.5% |
| Federal Government | 1,850 | 2,000 | 150 | 8.1% |
| State Government | 5,600 | 5,650 | 50 | 0.9% |
| Local Government | 6,000 | 6,000 | 0 | 0.0% |
| Tribal Government | 750 | 800 | 50 | 6.7% |

Benchmark: March 2003. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

GULF REGION by Brigitta Windisch-Cole

In 2003, 50 new wage and salary jobs were created in the Gulf Coast region and the growth rate came in at two-tenths of a percentage point. (See Exhibit 9.) Employment gained some ground in the Valdez-Cordova census area and the Kenai Peninsula Borough but suffered losses in the Kodiak Island Borough. Therefore, regional job numbers remained flat. Current payroll data collected between January and September of 2003 confirm that the Cordova-Valdez area economy performed the best of the three Gulf Coast areas, with a 5.6 percent increase over the same period in 2002. Lean annual growth rates of 0.6 percent and 0.3 percent were registered for the Kenai Peninsula and Kodiak Island respectively.

Mixed reviews for three area economies

The Prince William Sound economy of the Valdez-Cordova area received its main boost from a bountiful salmon harvest and construction of a hospital in Valdez. The other two Gulf Coast economies were struggling in several employment sectors. Employment data between January and September of 2003 showed a big drop in Kodiak's seafood-processing employment, offset by an increase in processing employment on the Kenai Peninsula. The seafood industry job losses on Kodiak Island, however, were large enough to reduce the area's total employment level.

The Kenai Peninsula's economy suffered large job losses in the oil industry. Although gas exploration continued along the shores of Cook Inlet, scaled back offshore oil operations caused job losses that surfaced as early as February 2003. In January, the local oil industry posted over 1,200 jobs, but by April employment had fallen below 1,000, a level it held in the remaining months. Employment dropped by 60 jobs in oil and gas related manufacturing due to scaled back production. Moreover, the closure of Kmart in Kenai adversely affected retail employment on the peninsula. Employment growth in the leisure

and hospitality sector and in the healthcare industry partially offset these losses.

Turbulence in the seafood industry

Ownership changes of seafood processing plants, closures and near closures marked another turbulent year for the industry. Although the former Wards Cove Packing plants in Kodiak and on the Kenai Peninsula sold just in time to operate during the salmon season, it brought little relief from existing problems. In Kodiak, the True World Foods plant, formerly known as International Seafood, hardly operated during the summer months. During the fishing season, several plants put their harvesters on delivery limits, setting caps on processing quantity due to saturated global salmon markets. Markets were particularly

Wage & Salary Employment Gulf Coast Region 2002-2003

| | 2002 | 2003 | Change | Percent Change |
|-----------------------------------|--------|--------|--------|----------------|
| Total Non-farm Wage & Salary | 28,150 | 28,200 | 50 | 0.2% |
| Goods Producing | 6,050 | 5,750 | -300 | -5.0% |
| Services Providing | 22,100 | 22,450 | 350 | 1.6% |
| Natural Resources & Mining | 1,450 | 1,200 | -250 | -17.2% |
| Oil & Gas Extraction | 1,300 | 1,050 | -250 | -19.2% |
| Construction | 1,650 | 1,600 | -50 | -3.0% |
| Manufacturing | 3,000 | 2,950 | -50 | -1.7% |
| Seafood Processing | 2,250 | 2,250 | 0 | 0.0% |
| Trade, Transportation & Utilities | 5,450 | 5,400 | -50 | -0.9% |
| Retail Trade | 3,250 | 3,200 | -50 | -1.5% |
| Trans/Warehousing/Utilities | 1,850 | 1,900 | 50 | 2.7% |
| Information | 450 | 450 | 0 | 0.0% |
| Financial Activities | 850 | 750 | -100 | -11.8% |
| Professional & Business Svcs | 1,400 | 1,400 | 0 | 0.0% |
| Educational & Health Services | 1,950 | 2,150 | 200 | 10.3% |
| Health Care/Social Assistance | 1,850 | 2,100 | 250 | 13.5% |
| Leisure & Hospitality | 3,250 | 3,400 | 150 | 4.6% |
| Accommodation | 1,100 | 1,150 | 50 | 4.5% |
| Food Svcs & Drinking Places | 1,750 | 1,800 | 50 | 2.9% |
| Other Services | 1,400 | 1,350 | -50 | -3.6% |
| Government | 7,400 | 7,550 | 150 | 2.0% |
| Federal Government | 800 | 850 | 50 | 6.3% |
| State Government | 1,650 | 1,650 | 0 | 0.0% |
| Local Government | 4,950 | 5,050 | 100 | 2.0% |
| Tribal Government | 300 | 350 | 50 | 16.7% |

Benchmark: March 2003. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

depressed in the pink and chum salmon species. In Prince William Sound, Cook Inlet and Kodiak waters, sockeye salmon remained the money-making species.

Harvests were abundant in all three areas of the Gulf region. In Prince William Sound the catch was up nearly 60 percent from the 2002 total due to huge pink salmon returns. The high volume pink salmon and sockeye catches increased total earnings of Prince William Sound fishermen by 20 percent from the 2002 level. Kodiak and Cook Inlet fishermen caught fewer fish than in 2002 but more of them were sockeye. The favorable product mix in these two areas increased their respective harvest values by 29 and 25 percent from 2002 earnings. Despite the good harvest results and their positive impact on Gulf economies in 2003, the salmon industry's problems remain. The post season closure of the North Pacific Seafoods plant in Cordova after 50 years operation signaled that the 2004 salmon season will pose new challenges.

Despite all the shuffling and unrest in the seafood industry, processing employment in the Gulf region remained on par with the 2002 season. Employment gains in the Valdez/Cordova area and on the Kenai Peninsula offset Kodiak's job losses. Groundfish harvests and halibut catches helped to bring some stability to the industry.

SOUTHWEST REGION

by Brigitta Windisch-Cole

In the Southwest Region, wage and salary employment increased by 650 jobs in 2003, which translated into an annual growth rate of 3.5 percent. (See Exhibit 10.) Employment rose by 500 jobs in the goods-producing sector and by 150 jobs in the service-providing sector. The seafood industry and construction contributed to job growth in the goods-producing sector. Health care and social assistance providers created most jobs in the services-providing segment. The seafood industry created most of the new jobs in the region due to good groundfish harvests, a decent crab fishery, and a larger harvest of salmon.

Swift harvests and good catches

Employment in seafood processing in Southwest Alaska was up during most fishing months. The year 2003 started with high employment levels at the start of the winter fisheries that target mainly snow crab and pollock, a groundfish species. Fishermen caught the crab quota in only 11 days of fishing, and the first pollock season also ended earlier than usual because of the rich biomass and good weather conditions. During the high impact summer harvests that took place between June and September employment was up nearly 18 percent over the 2002 season level. Salmon harvests in all areas exceeded 2002 catches.

The Bristol Bay fishery rebounded with a 47 percent increase in harvest volume and the ex-vessel value moved in sync with the higher volume. Area sockeye prices were slightly above the 2002 per pound average. Salmon fishing also went well in the Kuskokwim River basin. This small commercial fishery more than doubled its volume from the previous season and its ex-vessel value also increased substantially. This recovery of fish returns also meant that an important subsistence resource was making a comeback. The remaining three salmon areas of Chignik, the Alaska

10 Wage & Salary Employment Southwest Region 2002–2003

| | 2002 | 2003 | Change | Percent Change |
|-----------------------------|--------|--------|--------|----------------|
| Total Nonfarm Wage & Salary | 18,400 | 19,050 | 650 | 3.5% |
| Goods Producing | 4,100 | 4,600 | 500 | 12.2% |
| Services Providing | 14,300 | 14,450 | 150 | 1.0% |
| Seafood Processing | 3,900 | 4,200 | 300 | 7.7% |
| Government | 7,500 | 7,500 | 0 | 0.0% |
| Federal Government | 350 | 350 | 0 | 0.0% |
| State Government | 550 | 550 | 0 | 0.0% |
| Local Government | 6,600 | 6,600 | 0 | 0.0% |
| Tribal Government | 1,550 | 1,550 | 0 | 0.0% |

Benchmark: March 2003. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Peninsula/Aleutians, and the Yukon River recorded improved catches, but little increase in value due to depressed area fish prices and the species mix harvested.

The best performing fishery once again was the groundfishery. Halibut also performed well. The global demand for white-fleshed fish is up and Alaska has become one of the largest suppliers to world markets of the various species of ground and flat fish. In the past few years regulators have increased fishing quotas because the resource biomass in the Bering Sea area is considered to be healthy. The fall king crab harvest also helped to augment earnings in the 2003 season.

Military related projects gave construction employment a boost

Construction employment doubled in Western Alaska in 2003. The biggest push came from the military construction in preparing for the installation of an X-Band radar site on Shemya Island, near the western tip of the Aleutian chain. This project is an integral part of the missile defense shield that extends to Fort Greely, the planned location of ground-based interceptors. Other construction activity included the continuous effort to improve rural infrastructure.

During the first nine months of the year, employment losses took place in the North Slope and Northwest Arctic boroughs. In both areas, the mining industry shed jobs, although a change in industry classification disguised this loss. In real terms oil employment in the North Slope Borough fell nearly four percent. The Red Dog Mine in the Northwest Arctic Borough also downsized because of low zinc prices. Employment gains, however, were recorded for the Nome census area, where construction was strong, and this partially offset the job losses in the neighboring northern economies. Employment levels in all three areas of the Northern Region stabilized during the fourth quarter. Most other industry sectors showed little change.

In all three areas of the Northern Region, employment in the leisure and hospitality sector increased. Most of the gain was concentrated in North Slope catering firms that support oilfield work crews. In general, the vast Northern Region's 2003 employment snapshot reflected curtailed activity in the industry that dominates its economy, oil.

NORTHERN REGION

by Brigitta Windisch-Cole

Wage and salary employment in 2003 in the Northern Region was up 50 jobs from 2002, for a growth rate of 0.3 percent. (See Exhibit 11.) The totals give the impression that not much happened in the Northern Region's job market. Job losses in goods-producing industries were offset by gains in services-providing industries. Nevertheless, changes did occur in the region's economy.

Wage & Salary Employment Northern Region 2002-2003



| | 2002 | 2003 | Change | Percent Change |
|-----------------------------|--------|--------|--------|----------------|
| Total Nonfarm Wage & Salary | 16,100 | 16,150 | 50 | 0.3% |
| Goods Producing | 5,550 | 5,400 | -150 | -2.7% |
| Services Providing | 10,550 | 10,750 | 200 | 1.9% |
| Oil & Gas Extraction | 4,600 | 4,650 | 50 | 1.1% |
| Government | 5,050 | 5,050 | 0 | 0.0% |
| Federal Government | 150 | 150 | 0 | 0.0% |
| State Government | 350 | 350 | 0 | 0.0% |
| Local Government | 4,600 | 4,550 | -50 | -1.1% |
| Tribal Government | 550 | 500 | -50 | -9.1% |

Benchmark: March 2003. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The Alaska Department of Labor and Workforce Development revises the nonfarm wage and salary employment estimates each January in a procedure

called benchmarking. Exhibits 1 and 2 show statewide revised estimates for 2002 and 2003. Regional estimates are available on the web site.

1 Wage and Salary Employment 2002

| | Jan. | Feb. | Mar. | April | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Annual Average |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| Nonfarm Wage & Sal | 271,200 | 280,400 | 283,500 | 286,800 | 297,700 | 308,500 | 315,000 | 316,000 | 309,800 | 297,100 | 287,800 | 285,900 | 295,100 |
| Goods Producing | 30,900 | 35,100 | 35,400 | 34,500 | 36,200 | 40,800 | 48,900 | 47,900 | 43,600 | 39,200 | 33,800 | 31,000 | 38,100 |
| Services Providing | 240,300 | 245,400 | 248,100 | 252,300 | 261,500 | 267,700 | 266,100 | 268,100 | 266,200 | 257,900 | 254,000 | 254,900 | 256,900 |
| Nat Resource/Mining | 10,500 | 10,700 | 10,800 | 11,100 | 10,900 | 11,100 | 11,600 | 11,500 | 11,200 | 11,100 | 10,800 | 10,500 | 11,000 |
| Logging | 200 | 300 | 400 | 500 | 600 | 700 | 800 | 800 | 800 | 700 | 700 | 500 | 600 |
| Mining | 10,300 | 10,500 | 10,500 | 10,600 | 10,300 | 10,400 | 10,900 | 10,700 | 10,500 | 10,400 | 10,100 | 10,000 | 10,400 |
| Oil & Gas Extraction | 8,900 | 9,100 | 9,100 | 9,200 | 8,800 | 8,800 | 9,200 | 9,100 | 8,900 | 8,800 | 8,600 | 8,500 | 8,900 |
| Construction | 12,200 | 12,400 | 12,800 | 13,400 | 15,800 | 18,100 | 19,000 | 19,600 | 18,900 | 17,700 | 15,500 | 14,300 | 15,800 |
| Manufacturing | 8,200 | 11,900 | 11,700 | 10,000 | 9,500 | 11,700 | 18,300 | 16,800 | 13,500 | 10,400 | 7,500 | 6,200 | 11,300 |
| Wood Products Mfg. | 300 | 300 | 300 | 300 | 300 | 300 | 400 | 400 | 400 | 400 | 300 | 300 | 300 |
| Seafood Processing | 4,600 | 8,300 | 8,000 | 6,400 | 5,800 | 7,800 | 14,300 | 12,800 | 9,700 | 6,700 | 4,000 | 2,600 | 7,600 |
| Trade/Trans/Util | 56,700 | 57,000 | 57,800 | 58,700 | 62,400 | 64,900 | 66,400 | 66,400 | 64,100 | 61,200 | 59,300 | 59,300 | 61,200 |
| Wholesale Trade | 5,700 | 5,700 | 5,800 | 6,100 | 6,200 | 6,500 | 7,000 | 6,900 | 6,400 | 6,000 | 5,900 | 5,900 | 6,200 |
| Retail Trade | 32,000 | 31,900 | 32,200 | 32,600 | 34,200 | 35,400 | 35,800 | 35,600 | 34,900 | 34,300 | 34,000 | 34,200 | 33,900 |
| Food/Bev Stores | 5,400 | 5,500 | 5,500 | 5,500 | 5,800 | 6,000 | 6,100 | 6,000 | 5,900 | 5,600 | 5,500 | 5,500 | 5,700 |
| Gen Merch. Stores | 9,300 | 9,100 | 9,200 | 9,100 | 9,200 | 9,400 | 9,600 | 9,400 | 9,400 | 9,300 | 9,500 | 9,600 | 9,400 |
| Trans/Warehous/Util | 19,000 | 19,400 | 19,900 | 20,100 | 22,000 | 23,000 | 23,600 | 23,900 | 22,800 | 20,800 | 19,400 | 19,200 | 21,100 |
| Air Transportation | 6,100 | 6,100 | 6,100 | 6,300 | 6,700 | 7,100 | 7,100 | 7,200 | 6,900 | 6,400 | 6,300 | 6,300 | 6,600 |
| Truck Trans | 2,500 | 2,600 | 2,500 | 2,600 | 2,800 | 3,000 | 3,100 | 3,100 | 2,900 | 2,800 | 2,600 | 2,600 | 2,700 |
| Information | 6,900 | 6,800 | 6,900 | 7,100 | 7,100 | 7,200 | 7,400 | 7,200 | 7,200 | 7,100 | 7,000 | 7,100 | 7,100 |
| Telecommunications | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,400 | 4,200 | 4,200 | 4,100 | 4,100 | 4,100 | 4,100 |
| Financial Activities | 13,200 | 13,200 | 13,300 | 13,300 | 13,700 | 14,100 | 14,300 | 14,400 | 14,200 | 13,900 | 13,900 | 13,800 | 13,800 |
| Prof/Business Svcs | 21,200 | 21,800 | 22,000 | 22,200 | 23,000 | 24,100 | 23,800 | 24,300 | 23,300 | 22,500 | 21,900 | 21,900 | 22,700 |
| Education/Health Svc | 29,000 | 29,500 | 29,700 | 30,100 | 30,500 | 30,800 | 30,800 | 31,000 | 30,800 | 31,200 | 31,500 | 31,900 | 30,600 |
| HealthCare/Soc | 26,800 | 27,200 | 27,500 | 27,900 | 28,300 | 28,600 | 28,800 | 28,900 | 28,700 | 29,000 | 29,300 | 29,700 | 28,400 |
| Amb. Health Care | 11,300 | 11,400 | 11,700 | 11,700 | 11,900 | 12,100 | 12,200 | 12,400 | 12,200 | 12,300 | 12,500 | 12,600 | 12,000 |
| Hospitals* | | | | | | | | | | | | | |
| Leisure & Hospitality | 24,000 | 24,800 | 25,000 | 26,900 | 30,500 | 34,300 | 35,700 | 35,400 | 33,000 | 28,300 | 26,700 | 26,600 | 29,400 |
| Accommodation | 5,400 | 5,500 | 5,500 | 6,200 | 7,900 | 10,000 | 10,700 | 10,600 | 9,300 | 7,200 | 6,100 | 6,100 | 7,500 |
| Food Svcs/Drinking | 15,200 | 15,600 | 15,900 | 16,800 | 18,300 | 19,700 | 20,400 | 20,300 | 19,300 | 17,600 | 17,300 | 17,300 | 17,800 |
| Other Services | 11,600 | 11,800 | 12,000 | 12,000 | 12,100 | 11,900 | 12,000 | 11,900 | 11,700 | 11,500 | 11,400 | 11,300 | 11,800 |
| Government | 77,700 | 80,400 | 81,400 | 82,100 | 82,100 | 80,300 | 75,800 | 77,400 | 82,000 | 82,300 | 82,200 | 83,100 | 80,600 |
| Federal | 15,900 | 15,900 | 16,000 | 16,100 | 16,600 | 17,400 | 17,600 | 17,300 | 17,300 | 16,700 | 16,700 | 17,600 | 16,800 |
| State | 22,500 | 23,900 | 24,100 | 24,400 | 23,500 | 23,400 | 22,900 | 23,300 | 24,600 | 24,400 | 24,300 | 24,000 | 23,800 |
| State Education | 6,200 | 7,600 | 7,500 | 7,800 | 6,500 | 5,500 | 5,200 | 5,600 | 7,400 | 7,600 | 7,900 | 7,700 | 6,800 |
| Local | 39,300 | 40,700 | 41,200 | 41,600 | 42,000 | 39,500 | 35,300 | 36,800 | 40,100 | 41,100 | 41,200 | 41,500 | 40,000 |
| Tribal | 3,400 | 3,300 | 3,400 | 3,400 | 3,600 | 3,900 | 4,200 | 4,200 | 3,800 | 3,800 | 3,700 | 3,600 | 3,500 |
| Local Education | 22,500 | 23,800 | 24,200 | 24,100 | 24,000 | 20,800 | 16,200 | 17,700 | 22,100 | 23,300 | 23,800 | 24,000 | 22,200 |

* Due to a break in series, data not available prior to January 2003.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section in cooperation with U.S. Bureau of Labor Statistics

Wage and Salary Employment 2

2003

| | Jan | Feb | Mar | April | May | June | July | August | Sept | Oct | Nov | Dec | Annual Average |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| Nonfarm Wage & Sal | 279,000 | 285,200 | 288,400 | 290,000 | 303,600 | 313,800 | 319,500 | 319,400 | 313,300 | 301,000 | 291,900 | 290,200 | 299,600 |
| Goods Producing | 31,200 | 34,700 | 35,300 | 34,000 | 37,200 | 43,200 | 50,200 | 49,100 | 44,100 | 39,400 | 34,000 | 31,200 | 38,600 |
| Services Providing | 247,800 | 250,500 | 253,100 | 256,100 | 266,300 | 270,600 | 269,400 | 270,400 | 269,200 | 261,600 | 258,000 | 259,000 | 261,000 |
| Nat Resource/Mining | 10,000 | 10,200 | 10,300 | 10,200 | 10,400 | 10,200 | 10,300 | 10,400 | 10,200 | 10,300 | 9,900 | 10,000 | 10,200 |
| Logging | 300 | 400 | 600 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 600 | 500 | 600 |
| Mining | 9,700 | 9,800 | 9,800 | 9,500 | 9,700 | 9,500 | 9,600 | 9,700 | 9,600 | 9,700 | 9,400 | 9,500 | 9,600 |
| Oil & Gas Extraction | 8,300 | 8,400 | 8,400 | 8,100 | 8,200 | 7,900 | 8,000 | 8,100 | 8,100 | 8,100 | 7,900 | 8,100 | 8,100 |
| Construction | 12,500 | 12,700 | 13,100 | 14,600 | 17,300 | 19,200 | 20,200 | 20,700 | 20,200 | 18,500 | 16,400 | 15,300 | 16,700 |
| Manufacturing | 8,700 | 11,800 | 11,900 | 9,200 | 9,500 | 13,800 | 19,600 | 17,900 | 13,700 | 10,500 | 7,600 | 5,900 | 11,700 |
| Wood Products Mfg. | 200 | 200 | 200 | 300 | 300 | 300 | 400 | 400 | 300 | 300 | 300 | 300 | 300 |
| Seafood Processing | 5,300 | 8,500 | 8,500 | 5,600 | 5,700 | 9,700 | 15,800 | 13,900 | 9,800 | 6,600 | 4,000 | 2,500 | 8,000 |
| Trade/Trans/Util | 57,200 | 56,900 | 57,300 | 58,600 | 62,300 | 64,400 | 65,800 | 65,800 | 63,800 | 61,100 | 59,700 | 59,700 | 61,100 |
| Wholesale Trade | 6,000 | 5,900 | 5,900 | 5,900 | 6,100 | 6,300 | 6,500 | 6,500 | 6,300 | 6,000 | 6,000 | 6,000 | 6,100 |
| Retail Trade | 32,300 | 32,100 | 32,200 | 32,800 | 34,300 | 35,600 | 36,200 | 35,800 | 35,100 | 34,600 | 34,300 | 34,300 | 34,100 |
| Food/Bev Stores | 5,400 | 5,500 | 5,600 | 5,600 | 6,000 | 6,200 | 6,300 | 6,300 | 6,100 | 6,000 | 5,900 | 5,900 | 5,900 |
| Gen Merch. Stores | 8,900 | 8,700 | 8,900 | 8,500 | 8,500 | 8,700 | 8,900 | 8,900 | 8,500 | 8,600 | 8,800 | 8,900 | 8,700 |
| Trans/Warehouse/Util | 18,900 | 18,900 | 19,200 | 19,800 | 21,900 | 22,500 | 23,100 | 23,500 | 22,300 | 20,500 | 19,400 | 19,300 | 20,800 |
| Air Transportation | 6,300 | 6,300 | 6,300 | 6,500 | 6,700 | 7,000 | 6,800 | 7,000 | 6,600 | 6,100 | 6,000 | 6,000 | 6,500 |
| Truck Trans | 2,500 | 2,500 | 2,600 | 2,500 | 2,700 | 2,900 | 3,100 | 3,000 | 2,800 | 2,800 | 2,600 | 2,600 | 2,700 |
| Information | 6,800 | 6,800 | 6,800 | 6,900 | 7,000 | 7,100 | 7,200 | 7,000 | 6,900 | 6,900 | 6,900 | 7,000 | 6,900 |
| Telecommunications | 4,000 | 3,900 | 4,000 | 4,000 | 4,100 | 4,100 | 4,200 | 4,100 | 4,100 | 4,100 | 4,000 | 4,000 | 4,100 |
| Financial Activities | 13,700 | 13,600 | 13,900 | 14,000 | 14,400 | 14,800 | 14,900 | 15,100 | 14,700 | 14,500 | 14,400 | 14,400 | 14,400 |
| Prof/Business Svcs | 22,000 | 22,000 | 22,200 | 22,400 | 23,900 | 24,600 | 24,400 | 24,700 | 23,600 | 23,000 | 22,300 | 22,300 | 23,100 |
| Education/Health Svc | 31,500 | 32,300 | 32,500 | 32,700 | 33,000 | 32,900 | 33,000 | 33,200 | 32,900 | 33,300 | 33,600 | 33,900 | 32,900 |
| HealthCare/Soc | 29,400 | 30,000 | 30,300 | 30,500 | 30,800 | 30,800 | 31,000 | 31,000 | 30,700 | 31,000 | 31,400 | 31,600 | 30,700 |
| Amb. Health Care | 11,900 | 12,100 | 12,200 | 12,300 | 12,500 | 12,600 | 12,700 | 12,800 | 12,700 | 12,900 | 12,800 | 12,900 | 12,500 |
| Hospitals | 8,300 | 8,400 | 8,400 | 8,300 | 8,400 | 8,400 | 8,500 | 8,500 | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 |
| Leisure & Hospitality | 25,600 | 25,600 | 26,000 | 27,100 | 30,700 | 34,000 | 35,500 | 35,500 | 33,300 | 28,600 | 27,100 | 27,300 | 29,700 |
| Accommodation | 5,900 | 5,900 | 6,000 | 6,300 | 8,200 | 9,800 | 10,500 | 10,600 | 9,400 | 7,100 | 6,100 | 6,300 | 7,700 |
| Food Svcs/Drinking | 16,400 | 16,400 | 16,600 | 17,300 | 18,600 | 19,900 | 20,400 | 20,500 | 19,600 | 18,000 | 17,500 | 17,700 | 18,200 |
| Other Services | 11,100 | 11,200 | 11,300 | 11,400 | 11,500 | 11,500 | 11,500 | 11,500 | 11,400 | 11,300 | 11,300 | 11,200 | 11,300 |
| Government | 79,900 | 82,100 | 83,000 | 83,100 | 83,600 | 81,300 | 77,100 | 77,800 | 82,700 | 82,800 | 82,500 | 83,100 | 81,600 |
| Federal | 16,500 | 16,500 | 16,800 | 16,800 | 17,300 | 17,900 | 17,900 | 17,800 | 17,700 | 17,000 | 16,800 | 17,700 | 17,200 |
| State | 23,700 | 24,300 | 24,600 | 24,900 | 24,200 | 23,800 | 23,400 | 23,000 | 24,700 | 24,500 | 24,400 | 24,000 | 24,100 |
| State Education | 7,400 | 7,900 | 8,000 | 8,000 | 6,700 | 5,700 | 5,300 | 5,300 | 7,400 | 7,700 | 7,900 | 7,700 | 7,100 |
| Local | 39,700 | 41,300 | 41,600 | 41,400 | 42,100 | 39,500 | 35,700 | 37,000 | 40,300 | 41,300 | 41,300 | 41,400 | 40,200 |
| Tribal | 3,500 | 3,500 | 3,600 | 3,600 | 3,800 | 4,100 | 4,200 | 4,300 | 3,900 | 3,900 | 3,800 | 3,800 | 3,800 |
| Local Education | 22,700 | 24,300 | 24,400 | 24,300 | 24,400 | 20,700 | 16,700 | 18,100 | 22,200 | 23,000 | 23,500 | 23,500 | 22,300 |

Government includes teachers in primary and secondary schools and personnel employed by the University of Alaska.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section in cooperation with U.S. Bureau of Labor Statistics

Job Counts Swing Downward in January

But over-the-year figures are up

Alaska Employment Scene

by
Brigitta Windisch-Cole
Labor Economist

In a seasonal movement typical for January, Alaska's economy shed 5,500 jobs. Government employment declined due to seasonal cutbacks as well as the semester break at the University of Alaska. Employment usually reaches its low point for the year in January or February. The seafood processing industry bucked the downward trend, adding 3,200 jobs for the start of the big winter fisheries in the Gulf Coast and Bering Sea.

The over-the-year employment trend showed improvement, in contrast to January's monthly contraction. Statewide employment showed a net gain of 5,700 jobs over-the-year with a corresponding growth rate of two percent. (See Exhibit 2.) Even in this off-season month, construction employment came in strong, with annual growth of 9.6 percent. Jobs in health care and social assistance grew by 7.5 percent over the year. These two industries had 3,400 more jobs in January than a year earlier, more than half the state's new jobs over the period. Job growth in other industries was more moderate and broad-based. Some weakness surfaced in the natural resources & mining and other services sectors. Oil and gas employment has not recovered, and the multifaceted "other" category of services has lost ground due to classification changes. Most of these losses show up as gains in other employment

sectors. In most sectors the January-to-January numbers were positive, but there were also a few setbacks as the year began.

A few clouds appeared on Alaska's employment scene

In late December, the Alaska franchise owner of Burger King shut down the business because of financial problems. This closure affected approximately 350 employees in five different areas of the state. Mid-year 2003 labor statistics show over half of the company's staff employed in Anchorage. The remaining eight locations were on the Kenai Peninsula (3), in the Mat-Su Borough (2), in Fairbanks (2), and Ketchikan (1). A new owner purchased six of the restaurants and has already put one Anchorage location back into operation. The remaining five will reopen soon.

The bad news front once again dealt blows to Alaska's timber industry. One timber company will cease its operation on Afognak in the Kodiak Island Borough, where about 50 loggers worked. Another firm that specialized in wood chip exports on the Kenai Peninsula has downsized its operation and could close, costing the industry up to 45 jobs. Moreover, Cape Fox in Ketchikan is at least temporarily getting out of the timber business, which could affect employment at its contracted logging firm.

The Gulf and Bering Sea fisheries call seafood processing crews back to work

January marks the start of major seafood harvests. In the Bering Sea a snow crab harvest overlaps with the start of the pollock "A" season, which largely focuses on roe recovery. In addition to pollock, fishermen also target cod, rockfish, Aleutian brown king crab, and Kodiak tanner crab. Seafood industry employment normally surges in January as processors prepare for these busy seasons. This January, the industry added 3,200 jobs and total employment stood at 5,700. This was 400 jobs above the year-ago level, a 7.5 percent increase. For the 2004 season pollock fishing quotas were raised significantly because scientists believe stocks to be at a near-record abundance level. The Bering Sea snow crab harvest ended in just nine days with nearly 22 million pounds landed. At \$2.05 per pound, up 10 percent from 2003, the harvest was worth approximately \$45 million. This was a good start for the winter fishery.

January's unemployment follows its usual trend

As expected, the unemployment rate rose in January, rising five-tenths of a percentage point to 8.9 percent. This meant that about 30,200 Alaskans were looking for work. The state's most populated areas continued to report lower unemployment rates than the state as a whole. Anchorage's rate in January was 6.0 percent, Fairbanks' was 8.0 percent, and Juneau's came in at 7.5 percent.

Inflation accelerates in Anchorage

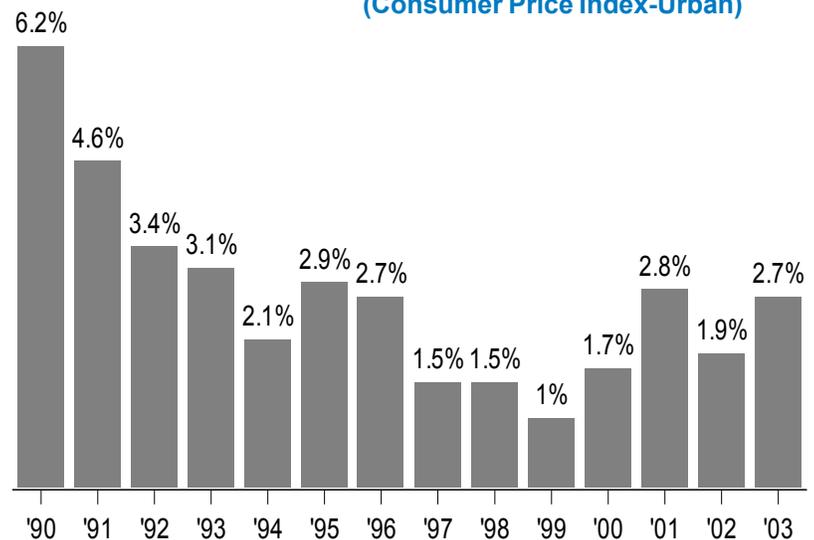
The most widely used measure of inflation is the consumer price index for urban consumers. In 2002, the Anchorage index rose 1.9 percent, and in 2003, it rose 2.7 percent. (See Exhibit 1.) Prices increased in all but one of the eight

consumer expenditure categories. Apparel was the exception, where costs fell by 2.8 percent. Detailed data have not been available for the last few years for medical costs, but other indicators suggest prices of medical care continue to rise more rapidly than other components. In the remaining categories the magnitude of increases varied. The smallest price change, up eight-tenths of a percent, registered in the other goods and services category, which includes personal care items and personal services. The steepest increase was in costs for education and communications, up 6.4 percent. Housing costs, the heavyweight of consumer expenditures, rose 2.3 percent over the year. Food and beverage items inched up 2.5 percent and transportation went up 4.5 percent. Prices in the recreational category increased by 1.9 percent.

(continued on page 22)

Anchorage Consumer Prices Rise

Change from previous year in CPI-U
(Consumer Price Index-Urban)



Source: U.S. Bureau of Labor Statistics

2 Nonfarm Wage and Salary Employment

By place of work

| Alaska | preliminary revised | | Changes from: | | |
|--|---------------------|---------|---------------|--------|-------|
| | 1/04 | 12/03 | 1/03 | 12/03 | 1/03 |
| Total Nonfarm Wage & Salary | 284,700 | 290,200 | 279,000 | -5,500 | 5,700 |
| Goods Producing | 32,300 | 31,200 | 31,200 | 1,100 | 1,100 |
| Services Providing | 252,400 | 259,000 | 247,800 | -6,600 | 4,600 |
| Natural Resources & Mining | 9,600 | 10,000 | 10,000 | -400 | -400 |
| Logging | 300 | 500 | 300 | -200 | 0 |
| Mining | 9,300 | 9,500 | 9,700 | -200 | -400 |
| Oil & Gas Extraction | 7,900 | 8,100 | 8,300 | -200 | -400 |
| Construction | 13,700 | 15,300 | 12,500 | -1,600 | 1,200 |
| Manufacturing | 9,000 | 5,900 | 8,700 | 3,100 | 300 |
| Wood Products Manufacturing | 200 | 300 | 200 | -100 | 0 |
| Seafood Processing | 5,700 | 2,500 | 5,300 | 3,200 | 400 |
| Trade, Transportation, Utilities | 57,900 | 59,700 | 57,200 | -1,800 | 700 |
| Wholesale Trade | 6,000 | 6,000 | 6,000 | 0 | 0 |
| Retail Trade | 32,700 | 34,300 | 32,300 | -1,600 | 400 |
| Food & Beverage Stores | 5,800 | 5,900 | 5,400 | -100 | 400 |
| General Merchandise Stores | 8,300 | 8,900 | 8,900 | -600 | -600 |
| Trans/Warehousing/Utilities | 19,200 | 19,300 | 18,900 | -100 | 300 |
| Air Transportation | 6,000 | 6,000 | 6,300 | 0 | -300 |
| Truck Transportation | 2,600 | 2,600 | 2,500 | 0 | 100 |
| Information | 6,900 | 7,000 | 6,800 | -100 | 100 |
| Telecommunications | 4,000 | 4,000 | 4,000 | 0 | 0 |
| Financial Activities | 14,100 | 14,400 | 13,700 | -300 | 400 |
| Professional & Business Svcs | 22,000 | 22,300 | 22,000 | -300 | 0 |
| Educational & Health Services | 33,800 | 33,900 | 31,500 | -100 | 2,300 |
| Health Care/Social Assistance | 31,600 | 31,600 | 29,400 | 0 | 2,200 |
| Ambulatory Health Care | 12,600 | 12,900 | 11,900 | -300 | 700 |
| Hospitals | 8,500 | 8,400 | 8,300 | 100 | 200 |
| Leisure & Hospitality | 26,000 | 27,300 | 25,600 | -1,300 | 400 |
| Accommodation | 6,000 | 6,300 | 5,900 | -300 | 100 |
| Food Svcs & Drinking Places | 16,700 | 17,700 | 16,400 | -1,000 | 300 |
| Other Services | 11,000 | 11,200 | 11,100 | -200 | -100 |
| Government | 80,700 | 83,100 | 79,900 | -2,400 | 800 |
| Federal Government | 16,700 | 17,700 | 16,500 | -1,000 | 200 |
| State Government | 23,800 | 24,000 | 23,700 | -200 | 100 |
| State Education | 7,400 | 7,700 | 7,400 | -300 | 0 |
| Local Government | 40,200 | 41,400 | 39,700 | -1,200 | 500 |
| Local Education | 3,700 | 3,800 | 3,500 | -100 | 200 |
| Tribal Government | 23,200 | 23,500 | 22,700 | -300 | 500 |

| Municipality of Anchorage | preliminary revised | | Changes from: | | |
|--|---------------------|---------|---------------|--------|-------|
| | 1/04 | 12/03 | 1/03 | 12/03 | 1/03 |
| Total Nonfarm Wage & Salary | 140,200 | 143,500 | 137,600 | -3,300 | 2,600 |
| Goods Producing | 11,000 | 11,800 | 10,700 | -800 | 300 |
| Services Providing | 129,200 | 131,700 | 126,800 | -2,500 | 2,400 |
| Natural Resources & Mining | 2,100 | 2,200 | 2,300 | -100 | -200 |
| Mining | 1,900 | 2,100 | 2,200 | -200 | -300 |
| Oil & Gas Extraction | 1,900 | 1,900 | 2,200 | 0 | -300 |
| Construction | 7,200 | 7,900 | 6,800 | -700 | 400 |
| Manufacturing | 1,700 | 1,700 | 1,700 | 0 | 0 |
| Trade, Transportation, Utilities | 32,400 | 33,500 | 32,100 | -1,100 | 300 |
| Wholesale Trade | 4,500 | 4,500 | 4,500 | 0 | 0 |
| Retail Trade | 17,200 | 18,200 | 17,000 | -1,000 | 200 |
| Food & Beverage Stores | 2,300 | 2,400 | 2,200 | -100 | 100 |
| General Merchandise Stores | 4,100 | 4,500 | 4,200 | -400 | -100 |
| Trans/Warehousing/Utilities | 10,600 | 10,800 | 10,600 | -200 | 0 |
| Air Transportation | 3,400 | 3,400 | 3,400 | 0 | 0 |
| Information | 4,600 | 4,700 | 4,500 | -100 | 100 |
| Telecommunications | 2,700 | 2,700 | 2,700 | 0 | 0 |
| Financial Activities | 8,700 | 8,800 | 8,400 | -100 | 300 |
| Professional & Business Svcs | 15,400 | 15,700 | 15,400 | -300 | 0 |
| Educational & Health Services | 18,100 | 18,000 | 16,500 | 100 | 1,600 |
| Health Care/Social Assistance | 16,900 | 16,700 | 15,300 | 200 | 1,600 |
| Ambulatory Health Care | 6,400 | 6,400 | 5,800 | 0 | 600 |
| Hospitals | 5,200 | 5,200 | 5,100 | 0 | 100 |
| Leisure & Hospitality | 14,300 | 14,600 | 14,200 | -300 | 100 |
| Accommodation | 3,000 | 3,100 | 2,900 | -100 | 100 |
| Food Svcs & Drinking Places | 9,700 | 10,000 | 9,600 | -300 | 100 |
| Other Services | 5,500 | 5,600 | 5,600 | -100 | -100 |
| Government | 30,200 | 30,700 | 30,100 | -500 | 100 |
| Federal Government | 9,800 | 10,000 | 9,700 | -200 | 100 |
| State Government | 9,600 | 9,700 | 9,600 | -100 | 0 |
| State Education | 2,500 | 2,600 | 2,500 | -100 | 0 |
| Local Government | 10,900 | 11,000 | 10,800 | -100 | 100 |
| Local Education | 300 | 300 | 200 | 0 | 100 |
| Tribal Government | 7,900 | 7,700 | 7,600 | 200 | 300 |

Notes to Exhibits 2, 3, 4, & 6—Non-farm excludes self-employed workers, fishermen, domestics, and unpaid family workers as well as agricultural workers. Government category includes employees of public school systems and the University of Alaska. Exhibits 2 & 3—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. Exhibits 4 & 6—Prepared in part with funding from the Employment Security Division.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

3 Hours and Earnings

For selected industries

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|----------------------------------|-------------------------|---------------|--------------|----------------------|---------------|--------------|-------------------------|---------------|--------------|
| | preliminary 1/04 | revised 12/03 | revised 1/03 | preliminary 1/04 | revised 12/03 | revised 1/03 | preliminary 1/04 | revised 12/03 | revised 1/03 |
| Mining | \$1,274.13 | \$1,216.47 | \$1,217.88 | 42.9 | 41.0 | 40.8 | 29.70 | 29.67 | 29.85 |
| Construction | 1,034.49 | 1,083.12 | 1,100.38 | 37.7 | 38.3 | 40.8 | 27.44 | 28.28 | 26.97 |
| Manufacturing | 409.19 | 538.98 | 337.96 | 35.8 | 39.0 | 23.8 | 11.43 | 13.82 | 14.20 |
| Seafood Processing | 423.86 | 523.09 | 226.18 | 40.1 | 44.9 | 19.6 | 10.57 | 11.65 | 11.54 |
| Trade, Transportation, Utilities | 532.13 | 527.41 | 509.86 | 33.3 | 33.7 | 32.6 | 15.98 | 15.65 | 15.64 |
| Retail Trade | 422.02 | 437.40 | 451.88 | 31.4 | 32.4 | 32.3 | 13.44 | 13.50 | 13.99 |
| Financial Activities | 759.26 | 721.41 | 667.23 | 35.2 | 34.6 | 35.7 | 21.57 | 20.85 | 18.69 |

Average hours and earnings estimates are based on data for full-time and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing). Averages are for gross earnings and hours paid, including overtime pay and hours.

Benchmark: March 2003

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

4 Nonfarm Wage and Salary Employment

By place of work

| | preliminary | | Changes from: | | |
|--|-------------|--------|---------------|--------|------|
| | 1/04 | 12/03 | 1/03 | 12/03 | 1/03 |
| Fairbanks | | | | | |
| North Star Borough | | | | | |
| Total Nonfarm Wage & Salary | 33,800 | 35,200 | 32,900 | -1,400 | 900 |
| Goods Producing | 2,900 | 3,450 | 2,750 | -550 | 150 |
| Services Providing | 30,900 | 31,750 | 30,150 | -850 | 750 |
| Natural Resources & Mining | 800 | 850 | 850 | -50 | -50 |
| Mining | 800 | 850 | 850 | -50 | -50 |
| Construction | 1,650 | 2,150 | 1,500 | -500 | 150 |
| Manufacturing | 450 | 450 | 450 | 0 | 0 |
| Trade, Transportation, Utilities | 6,750 | 6,900 | 6,850 | -150 | -100 |
| Wholesale Trade | 600 | 600 | 600 | | |
| Retail Trade | 3,750 | 4,000 | 3,800 | -250 | -50 |
| Trans/Warehousing/Utilities | 2,400 | 2,300 | 2,450 | 100 | -50 |
| Information | 650 | 600 | 600 | 50 | 50 |
| Financial Activities | 1,350 | 1,350 | 1,300 | 0 | 50 |
| Professional & Business Svcs | 1,850 | 1,900 | 1,850 | -50 | 0 |
| Educational & Health Services | 4,200 | 4,250 | 3,950 | -50 | 250 |
| Health Care/Social Assistance | 3,950 | 3,950 | 3,800 | 0 | 150 |
| Leisure & Hospitality | 3,400 | 3,550 | 3,450 | -150 | -50 |
| Accommodation | 800 | 850 | 800 | -50 | 0 |
| Food Svcs & Drinking Places | 2,200 | 2,250 | 2,250 | -50 | -50 |
| Other Services | 1,400 | 1,400 | 1,350 | 0 | 50 |
| Government | 11,400 | 11,850 | 10,850 | -450 | 550 |
| Federal Government | 3,250 | 3,350 | 3,200 | -100 | 50 |
| State Government | 5,050 | 5,300 | 5,000 | -250 | 50 |
| Local Government | 3,100 | 3,150 | 2,650 | -50 | 450 |
| Tribal Government | 0 | 0 | 0 | 0 | 0 |

Southeast Region

| | | | | | |
|--|--------|--------|--------|--------|------|
| Total Nonfarm Wage & Salary | 31,850 | 33,050 | 31,850 | -1,200 | 0 |
| Goods Producing | 2,650 | 2,900 | 2,650 | -250 | 0 |
| Services Providing | 29,250 | 30,150 | 29,200 | -900 | 50 |
| Natural Resources & Mining | 450 | 700 | 450 | -250 | 0 |
| Logging | 150 | 400 | 200 | -250 | -50 |
| Mining | 300 | 300 | 300 | 0 | 0 |
| Construction | 1,300 | 1,350 | 1,300 | -50 | 0 |
| Manufacturing | 900 | 850 | 900 | 50 | 0 |
| Wood Products Mfg. | 150 | 150 | 100 | 0 | 50 |
| Seafood Processing | 550 | 550 | 550 | 0 | 0 |
| Trade, Transportation, Utilities | 5,700 | 6,300 | 5,700 | -600 | 0 |
| Retail Trade | 3,800 | 4,050 | 3,850 | -250 | -50 |
| Trans/Warehousing/Utilities | 1,600 | 1,850 | 1,550 | -250 | 50 |
| Information | 500 | 500 | 500 | 0 | 0 |
| Financial Activities | 1,200 | 1,200 | 1,200 | 0 | 0 |
| Professional & Business Svcs | 1,150 | 1,350 | 1,150 | -200 | 0 |
| Educational & Health Services | 3,500 | 3,500 | 3,400 | 0 | 100 |
| Health Care/Social Assistance | 3,350 | 3,350 | 3,200 | 0 | 150 |
| Leisure & Hospitality | 2,650 | 2,750 | 2,650 | -100 | 0 |
| Accommodation | 850 | 850 | 850 | 0 | 0 |
| Food Svcs & Drinking Places | 1,350 | 1,400 | 1,300 | -50 | 50 |
| Other Services | 1,150 | 1,150 | 1,100 | 0 | 50 |
| Government | 13,350 | 13,400 | 13,450 | -50 | -100 |
| Federal Government | 1,800 | 1,950 | 1,750 | -150 | 50 |
| State Government | 5,500 | 5,250 | 5,550 | 250 | -50 |
| Local Government | 6,050 | 6,150 | 6,100 | -100 | -50 |
| Tribal Government | 800 | 800 | 800 | 0 | 0 |

| | preliminary | | Changes from: | | |
|--|-------------|--------|---------------|--------|------|
| | 1/04 | 12/03 | 1/03 | 12/03 | 1/03 |
| Interior Region | | | | | |
| Total Nonfarm Wage & Salary | 38,400 | 40,300 | 37,450 | -1,900 | 950 |
| Goods Producing | 3,150 | 3,750 | 3,000 | -600 | 150 |
| Services Providing | 35,250 | 36,600 | 34,450 | -1,350 | 800 |
| Natural Resources & Mining | 900 | 950 | 950 | -50 | -50 |
| Mining | 900 | 950 | 950 | -50 | -50 |
| Construction | 1,750 | 2,300 | 1,650 | -550 | 100 |
| Manufacturing | 450 | 500 | 450 | -50 | 0 |
| Trade, Transportation, Utilities | 7,450 | 7,600 | 7,500 | -150 | -50 |
| Information | 650 | 600 | 600 | 50 | 50 |
| Financial Activities | 1,400 | 1,450 | 1,400 | -50 | 0 |
| Professional & Business Svcs | 2,200 | 2,200 | 2,200 | 0 | 0 |
| Educational & Health Services | 4,400 | 4,400 | 4,150 | 0 | 250 |
| Leisure & Hospitality | 3,700 | 4,050 | 3,700 | -350 | 0 |
| Accommodation | 900 | 1,000 | 900 | -100 | 0 |
| Food Svcs & Drinking Places | 2,400 | 2,600 | 2,400 | -200 | 0 |
| Other Services | 1,550 | 1,550 | 1,550 | 0 | 0 |
| Government | 13,950 | 14,700 | 13,350 | -750 | 600 |
| Federal Government | 3,700 | 4,000 | 3,650 | -300 | 50 |
| State Government | 5,250 | 5,500 | 5,200 | -250 | 50 |
| Local Government | 5,000 | 5,200 | 4,500 | -200 | 500 |
| Tribal Government | 300 | 350 | 250 | -50 | 50 |

Anchorage/Mat-Su Region

| | | | | | |
|--|---------|---------|---------|--------|-------|
| Total Nonfarm Wage & Salary | 156,000 | 159,450 | 151,400 | -3,450 | 4,600 |
| Goods Producing | 13,050 | 13,900 | 12,100 | -850 | 950 |
| Services Providing | 142,950 | 145,500 | 139,300 | -2,550 | 3,650 |
| Natural Resources & Mining | 2,100 | 2,250 | 2,300 | -150 | -200 |
| Construction | 9,050 | 9,750 | 8,000 | -700 | 1,050 |
| Manufacturing | 1,900 | 1,950 | 1,850 | -50 | 50 |
| Trade, Transportation, Utilities | 35,750 | 36,950 | 35,150 | -1,200 | 600 |
| Information | 5,000 | 5,100 | 4,950 | -100 | 50 |
| Financial Activities | 9,450 | 9,500 | 9,050 | -50 | 400 |
| Professional & Business Svcs | 16,300 | 16,650 | 16,100 | -350 | 200 |
| Educational & Health Services | 20,500 | 20,300 | 18,550 | 200 | 1,950 |
| Leisure & Hospitality | 15,850 | 16,300 | 15,550 | -450 | 300 |
| Other Services | 6,150 | 6,150 | 6,050 | 0 | 100 |
| Government | 34,000 | 34,550 | 33,800 | -550 | 200 |
| Federal Government | 9,950 | 10,200 | 9,850 | -250 | 100 |
| State Government | 2,700 | 2,750 | 2,750 | -100 | 0 |
| Local Government | 13,500 | 13,700 | 13,400 | -200 | 100 |
| Tribal Government | 300 | 300 | 250 | 0 | 50 |

Gulf Coast Region

| | | | | | |
|--|--------|--------|--------|------|------|
| Total Nonfarm Wage & Salary | 24,950 | 25,150 | 25,050 | -200 | -100 |
| Goods Producing | 4,050 | 3,900 | 4,400 | 150 | -350 |
| Services Providing | 20,900 | 21,250 | 20,600 | -350 | 300 |
| Natural Resources & Mining | 950 | 1,000 | 1,350 | -50 | -400 |
| Oil & Gas Extraction | 950 | 900 | 1,200 | 50 | -250 |
| Construction | 1,200 | 1,450 | 1,200 | -250 | 0 |
| Manufacturing | 1,900 | 1,450 | 1,900 | 450 | 0 |
| Seafood Processing | 1,250 | 750 | 1,250 | 500 | 0 |
| Trade, Transportation, Utilities | 5,050 | 4,950 | 4,850 | 100 | 200 |
| Retail Trade | 3,100 | 3,050 | 2,900 | 50 | 200 |
| Trans/Warehousing/Utilities | 1,650 | 1,650 | 1,700 | 0 | -50 |
| Information | 450 | 450 | 400 | 0 | 50 |
| Financial Activities | 650 | 650 | 750 | 0 | -100 |
| Professional & Business Svcs | 1,250 | 1,300 | 1,300 | -50 | -50 |
| Educational & Health Services | 2,250 | 2,200 | 2,050 | 50 | 200 |
| Health Care/Social Assistance | 2,150 | 2,150 | 2,000 | 0 | 150 |
| Leisure & Hospitality | 2,550 | 2,800 | 2,500 | -250 | 50 |
| Accommodation | 800 | 850 | 800 | -50 | 0 |
| Food Svcs & Drinking Places | 1,450 | 1,600 | 1,400 | -150 | 50 |
| Other Services | 1,250 | 1,300 | 1,350 | -50 | -100 |
| Government | 7,500 | 7,650 | 7,350 | -150 | 150 |
| Federal Government | 750 | 900 | 700 | -150 | 50 |
| State Government | 1,650 | 1,700 | 1,600 | -50 | 50 |
| Local Government | 5,100 | 5,100 | 5,050 | 0 | 50 |
| Tribal Government | 350 | 350 | 350 | 0 | 0 |

5 Unemployment Rates

By region and census area

(continued from page 19)

| Not Seasonally Adjusted* | preliminary | | revised | |
|---------------------------------|-------------|-------------|-------------|--|
| | 01/04 | 12/03 | 01/03 | |
| United States | 6.3 | 5.4 | 6.5 | |
| Alaska Statewide | 8.9 | 8.4 | 9.7 | |
| Anchorage/Mat-Su Region | 6.8 | 6.3 | 7.5 | |
| Municipality of Anchorage | 6.0 | 5.6 | 6.5 | |
| Mat-Su Borough | 10.0 | 9.2 | 11.9 | |
| Gulf Coast Region | 13.8 | 14.4 | 15.1 | |
| Kenai Peninsula Borough | 15.1 | 13.8 | 16.1 | |
| Kodiak Island Borough | 8.1 | 17.4 | 10.2 | |
| Valdez-Cordova | 14.9 | 12.9 | 17.1 | |
| Interior Region | 9.4 | 8.2 | 10.3 | |
| Denali Borough | 18.6 | 17.0 | 17.9 | |
| Fairbanks North Star Borough | 8.0 | 7.1 | 8.9 | |
| Southeast Fairbanks | 17.7 | 14.5 | 19.0 | |
| Yukon-Koyukuk | 20.9 | 17.6 | 22.4 | |
| Northern Region | 15.7 | 15.0 | 15.0 | |
| Nome | 16.4 | 14.5 | 14.9 | |
| North Slope Borough | 13.4 | 13.8 | 11.4 | |
| Northwest Arctic Borough | 18.0 | 17.3 | 20.0 | |
| Southeast Region | 11.3 | 9.9 | 11.5 | |
| Haines Borough | 16.1 | 15.1 | 19.2 | |
| Juneau Borough | 7.5 | 7.1 | 7.3 | |
| Ketchikan Gateway Borough | 11.8 | 9.6 | 13.3 | |
| Prince of Wales-Outer Ketchikan | 20.2 | 16.0 | 21.1 | |
| Sitka Borough | 9.1 | 9.2 | 8.3 | |
| Skagway-Hoonah-Angoon | 18.9 | 16.6 | 17.8 | |
| Wrangell-Petersburg | 16.5 | 14.1 | 17.2 | |
| Yakutat Borough | 21.7 | 17.4 | 20.2 | |
| Southwest Region | 14.4 | 15.4 | 14.9 | |
| Aleutians East Borough | 5.6 | 8.2 | 6.9 | |
| Aleutians West | 10.2 | 12.1 | 13.7 | |
| Bethel | 14.8 | 16.2 | 14.8 | |
| Bristol Bay Borough | 14.3 | 15.1 | 12.0 | |
| Dillingham | 13.2 | 13.1 | 14.5 | |
| Lake & Peninsula Borough | 23.3 | 21.3 | 18.1 | |
| Wade Hampton | 23.2 | 23.3 | 23.0 | |
| Seasonally Adjusted | | | | |
| United States | 5.6 | 5.7 | 5.8 | |
| Alaska Statewide | 7.3 | 8.1 | 7.9 | |

Increases in the overall consumer price index are often used to adjust rents, wages, service contracts, and child support payments, and are considered in other financial negotiations or projections. The national consumer price index for all urban consumers, which increased 2.3 percent in 2003, is also widely used by business and government. Adjustments to social security payments, for example, are linked to national figures.

6 Nonfarm Wage/Salary Employment

By place of work

| Northern Region | preliminary | | revised | | Changes from: | |
|--|-------------|--------|---------|-------|---------------|--|
| | 1/04 | 12/03 | 1/03 | 12/03 | 1/03 | |
| Total Nonfarm Wage & Salary | 15,800 | 16,100 | 15,900 | -300 | -100 | |
| Goods Producing | 5,400 | 5,500 | 5,250 | -100 | 150 | |
| Services Providing | 10,400 | 10,650 | 10,700 | -250 | -300 | |
| Oil & Gas Extraction | 4,750 | 4,750 | 4,600 | 0 | 150 | |
| Government | 5,000 | 5,100 | 4,900 | -100 | 100 | |
| Federal Government | 150 | 150 | 150 | 0 | 0 | |
| State Government | 350 | 350 | 300 | 0 | 50 | |
| Local Government | 4,500 | 4,600 | 4,450 | -100 | 50 | |
| Tribal Government | 400 | 400 | 400 | 0 | 0 | |

Southwest Region

| | | | | | | |
|--|--------|--------|--------|-------|-----|--|
| Total Nonfarm Wage & Salary | 18,050 | 15,700 | 17,350 | 2,350 | 700 | |
| Goods Producing | 4,150 | 1,350 | 3,750 | 2,800 | 400 | |
| Services Providing | 13,900 | 14,300 | 13,600 | -400 | 300 | |
| Seafood Processing | 3,900 | 1,100 | 3,500 | 2,800 | 400 | |
| Government | 7,150 | 7,600 | 7,100 | -450 | 50 | |
| Federal Government | 350 | 400 | 300 | -50 | 50 | |
| State Government | 500 | 550 | 500 | -50 | 0 | |
| Local Government | 6,300 | 6,700 | 6,300 | -400 | 0 | |
| Tribal Government | 1,500 | 1,600 | 1,450 | -100 | 50 | |

2003 Benchmark

Data for the current year will undergo a major revision process at the end of the year. The revisions are often significant, so numbers from the current year should not be compared with those from previous years. The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaska, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. They are considered not in the labor force.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

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Employer Resources

The Alaska Labor Relations Agency administers the Public Employment Relations Act and the labor provisions of the Alaska Railroad Corporation Act pertaining to collective bargaining for public employers, including the state, municipalities, boroughs, university, school districts and their employees in Alaska.

The agency conducts elections to certify or decertify employee representatives; hears unfair labor practice charges brought by employers, unions, or individuals; determines appropriate bargaining units; and enforces collective bargaining agreements. Go to: <http://www.labor.state.ak.us/laborr/home.htm> for more information.

The image displays two overlapping screenshots of a Microsoft Internet Explorer browser window. The top screenshot shows the 'Links for Employers' page on the Alaska Department of Labor & Workforce Development website. The page features a navigation menu with 'Job Seekers', 'Workers', 'Employers', 'Researchers', and 'Labor Shortcuts'. A list of links for employers is provided, including 'Alaska Business Handbook', 'Alaska Job Center Network', 'Alaska Job Centers', 'Alaska UI Tax Calculation Cookbook', 'Alaska's Job Bank', 'Alien Labor Certifications', 'America's Job Bank', 'Business Partnerships', 'Community and Small Business Development', 'Economic, Occupation & Population Information', 'Employment Application', 'Employment Practices and Working Conditions', 'Employment-Related Posters', 'Employment Security Tax', 'Fidelity Bonding Program', 'Fishermen's Fund', 'Government Labor Relations', 'Job Order Form', 'Job Order Fax Form', 'Laborers' & Mechanics' Minimum', 'Occupational Coding Manual', 'Occupational Safety and Health', 'Seafood Jobs', 'Second Injury Fund', 'The Workforce ATM', 'Unemployment Insurance', 'Vocational Rehabilitation', 'Wage and Hour', 'Workers' Compensation', and 'Work Opportunity and Welfare'. A white arrow points to the 'Links for Employers' section header. The bottom screenshot shows the 'Alaska Labor Relations Agency' page, which includes contact information for Mark Torgerson, Hearing Examiner/Administrator, and a 'Quick Links...' section with links to 'About Us', 'ALRA News', 'Calendar', 'Forms & Publications', 'Decisions and Orders', and 'Outside Links'. A white arrow points to the 'Alaska Labor Relations Agency' header. The Alaska Department of Labor & Workforce Development logo is visible in the top right of the first screenshot.