

ALASKA ECONOMIC **TRENDS**

FEBRUARY 2010

Anchorage Migration

WHAT'S INSIDE

Alaska's 2008 Per Capita Income

A standout in 2008, but not in 2009

Employment Scene

Unemployment rate ends year at 8.8 percent



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Sean Parnell, Governor
Commissioner Click Bishop

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& WORKFORCE DEVELOPMENT

Sean Parnell, Governor of Alaska
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February 2010
Volume 30
Number 2
ISSN 0160-3345

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To contact *Trends* authors or request a free subscription, email trends@alaska.gov or call (907) 465-4500. *Trends* is on the Web at laborstats.alaska.gov.

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Alaska Economic Trends is a monthly publication dealing with a wide variety of economic-related issues in the state. Its purpose is to inform the public about those issues.

Alaska Economic Trends is funded by the Employment Security Division within the Alaska Department of Labor and Workforce Development. It's published by the Department of Labor.

Alaska Economic Trends is printed and distributed by Assets, Inc., a vocational training and employment program, at a cost of \$1.17 per copy.

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Cover: Two unnamed Yupik Eskimo students from Chevak hold a tundra swan cygnet in September 2005. They were student volunteers helping with an annual U.S. Geological Survey waterfowl banding program along the Kashunuk River near the Bering Sea coast in Western Alaska. To see other USGS photos on a range of subjects, go to gallery.usgs.gov/collections.asp.

Photo by Craig Ely, U.S. Geological Survey; photo courtesy of U.S. Geological Survey

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Making Job Training Available No Matter Where You Live

By Commissioner Click Bishop

This month's *Trends* focuses on Alaska's population, specifically migration between Anchorage and eight major Native areas. A snapshot showing where Alaskans reside and how they're moving around the state is critical to almost every facet of private and public enterprise – from schools and health care to economic development and job training.

Alaska's Native population represents 18 percent of the state's 680,000 residents. About 26 percent of Alaska's 122,000 Natives live in Anchorage. Thirty-eight percent live in eight rural boroughs and census areas where Natives make up more than 50 percent of the population – the eight Majority Native Areas referred to in the article. The other 36 percent live in the rest of Alaska.

What the numbers show is a pattern similar to that for most other rural areas across the U.S. – a gradual migration from rural Majority Native Areas, equating to about 1 percent net population loss each year, as residents move to access post-secondary education, training and jobs.

We're working with Alaska's regional training centers – such as Yuut Elitnaurviat in Bethel, the Southwest Alaska Vocational and Education Center in King Salmon and the Alaska Technical Center in Kotzebue – to deliver services more efficiently, helping to address the highest rates of unemployment that exist in rural Alaska, where many of the centers are located.

A good example of what this looks like is the first-of-its-kind core driller training program that's preparing Alaskans to compete locally and globally in the mining industry. The training is for Alaskans who live in the remote areas where our natural resources are being developed.

The intensive core driller training program is a collaborative effort of the Alaska Department of Labor and Workforce Development's Office of Apprenticeship, the U.S. Department of Labor Employment Training Administration's Office of Apprenticeship, the University of Alaska's Mining and Petroleum Training Service, Alaska's regional training centers, Alaska Native regional corporations and the mining industry.

By partnering with industry, we're developing a premier work force development model that will meet employers' needs and provide jobs. Our goal is to increase the ability of companies to hire locally and keep dollars in Alaska, helping raise the standard of living in our rural communities.

Building on the successful Gasline Training Strategic Plan and the Alaska Education Plan, the Alaska Departments of Labor and Education have formed a partnership to develop a comprehensive career and technical education plan that meets both the educational needs of students and the work force needs of the state.

A new \$3.6 million grant to the Alaska State Energy Sector Partnership will train 700 workers in the skills required for careers in emerging energy-efficient and renewable energy industries, including geothermal, hydroelectric, wind turbine and biomass. Through a sustainable, strategic work force plan, we'll be able to help workers access good jobs. We're focusing this effort to serve veterans, people with disabilities, unemployed and under-employed workers, low-income individuals, dislocated workers and out-of-school youth.

The partnership is comprised of the Alaska Workforce Investment Board, AVTEC-Alaska's Institute of Technology, Alaska Energy Authority, Alaska Housing Finance Corporation, Alaska AFL-CIO, Denali Commission, University of Alaska, U.S. Office of Apprenticeship and Alaska Works Partnership, Inc.

The Alaska Department of Labor is actively engaged in forming successful partnerships and innovative delivery systems, and leveraging our resources to make job training available no matter where Alaskans live.

The movement between Alaska's major Native areas and Anchorage

Are people leaving Alaska's Native villages and other rural communities to move to Anchorage?

That question has recently been of substantial interest for educators, government and community leaders, and a wide range of service providers. Although attempts have been made to document the trends, questions persist. How many people are involved? What communities are losing people? What are the characteristics of the movers and are the movements permanent?

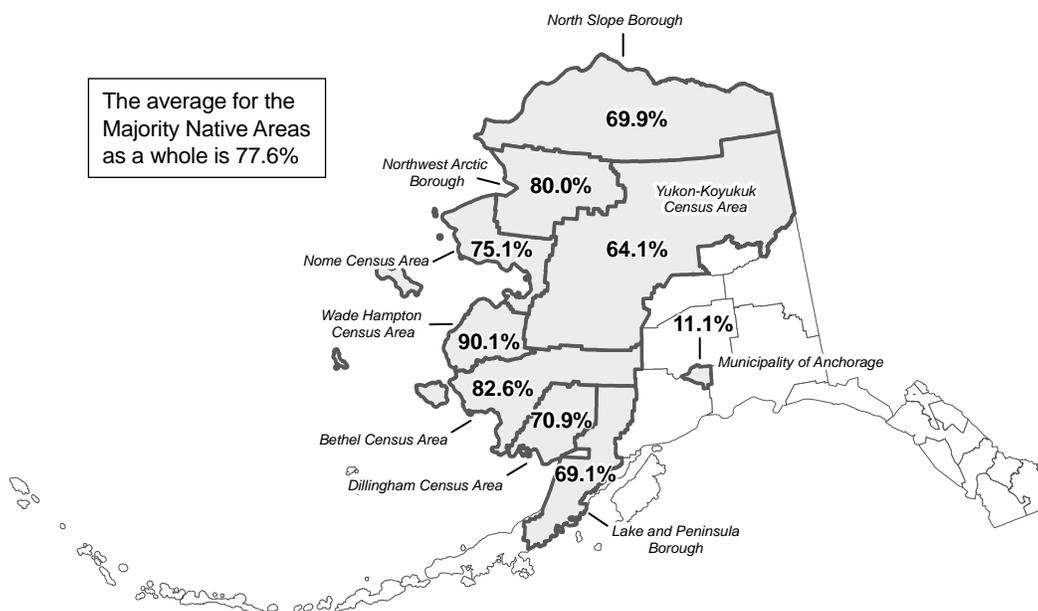
While not all these questions can be answered here, our goal is to define the key parameters of the movement to Anchorage, in general, and from eight rural boroughs and census areas, in particular. The eight were more than 50 percent Alaska Native¹ in 2008 – referred to in this article as Majority Native Areas.

Majority Native Areas

The eight Majority Native Areas and their total population² are the Bethel Census Area (population 13,984), Nome Census Area (7,138), Wade Hampton Census Area (6,909), Northwest Arctic Borough (5,922), North Slope Borough (4,690), Yukon-Koyukuk Census Area (3,757), Dillingham Census Area (3,385), and Lake and Peninsula Borough (1,073).

This analysis uses data from the Alaska Permanent Fund dividend from 2000 to 2009 to track the movement of residents from the Majority Native Areas to and from Anchorage. While that movement includes Natives and non-Natives, the results should serve to

1 The Alaska Native Population¹ Alaska, 2008



¹ This map shows the percentage of the population in the Majority Native Areas and Anchorage that is Native. Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Demographics Unit

¹ All references to Natives in this article are to Alaska Natives.

² All population numbers in this article refer to the average annual resident population, often referred to as the July 1 population.

illustrate the trend, patterns and characteristics of Native rural-to-urban movement during the decade.

A Breakdown of the Population 2 By borough and census area, 2008

Alaska's Native population

Alaska's Native population in 2008 was 121,929,³ or about 17.9 percent of the state's total population of 679,720.

While the Native population is distributed throughout the state, Natives are a larger proportion of the population in some areas. (See Exhibits 1 and 2.) About 26 percent of the state's Natives, 31,539 people, live in Anchorage, where Natives make up about 11 percent of the population.

Thirty-eight percent of Alaska's Natives, or 46,858 people, live in the eight Majority Native Areas. And 64 percent of the state's Natives live in the Majority Native Areas and Anchorage.

The remaining 36 percent, 43,532 people, live in the rest of the state. About two-thirds of the Natives living in the rest of the state live in the Fairbanks North Star Borough (Native population 9,534), Matanuska-Susitna Borough (7,704), Kenai Peninsula Borough (5,293) and Juneau Borough (4,720).

The movement to and from Anchorage

The Majority Native Areas are about 78 percent Native. However, a disproportionate share of the movement to Anchorage is from the larger rural hubs, such as Dillingham and Barrow, where the Native percentage is somewhat lower than the Majority Native Areas as a whole. So the estimate of movement from the Majority Native Areas to Anchorage likely includes about 30 percent non-Native residents.

The overall population movement to and from Anchorage is substantial be-

	Total Population	Native Population	Percentage of Borough or Census Area that's Native	Percentage of Natives Statewide
Alaska	679,720	121,929	17.9%	100.0%
Anchorage Municipality	284,994	31,539	11.1%	25.9%
Majority Native Areas	60,405	46,858	77.6%	38.4%
Balance of the state	334,321	43,532	13.0%	35.7%
Aleutians East Borough	2,699	990	36.7%	0.8%
Aleutians West Census Area	4,439	813	18.3%	0.7%
Anchorage Municipality	284,994	31,539	11.1%	25.9%
Bethel Census Area	16,940	13,984	82.6%	11.5%
Bristol Bay Borough	1,029	436	42.4%	0.4%
Denali Borough	1,848	169	9.1%	0.1%
Dillingham Census Area	4,771	3,385	70.9%	2.8%
Fairbanks North Star Borough	89,896	9,534	10.6%	7.8%
Haines Borough	2,310	323	14.0%	0.3%
Juneau Borough	30,427	4,720	15.5%	3.9%
Kenai Peninsula Borough	52,990	5,293	10.0%	4.3%
Ketchikan Gateway Borough	12,993	2,348	18.1%	1.9%
Kodiak Island Borough	13,373	2,193	16.4%	1.8%
Lake and Peninsula Borough	1,552	1,073	69.1%	0.9%
Matanuska-Susitna Borough	82,515	7,704	9.3%	6.3%
Nome Census Area	9,499	7,138	75.1%	5.9%
North Slope Borough	6,706	4,690	69.9%	3.8%
Northwest Arctic Borough	7,407	5,922	80.0%	4.9%
Prince of Wales-Outer Ketchikan CA	5,360	2,247	41.9%	1.8%
Sitka Borough	8,615	1,935	22.5%	1.6%
Skagway-Hoonah-Angoon Census Area	2,946	993	33.7%	0.8%
Southeast Fairbanks Census Area	7,008	957	13.7%	0.8%
Valdez-Cordova Census Area	9,513	1,571	16.5%	1.3%
Wade Hampton Census Area	7,670	6,909	90.1%	5.7%
Wrangell-Petersburg Census Area	5,959	1,068	17.7%	0.9%
Yakutat Borough	592	238	40.2%	0.2%
Yukon-Koyukuk Census Area	5,669	3,757	64.1%	3.1%

Note: These estimates are "bridge estimates," meaning they're an average of the number of people who identify themselves as "American Indian or Alaska Native alone" and "American Indian or Alaska Native alone and in combination" with some other race due to the multi-race self-identification from the 2000 Census.

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

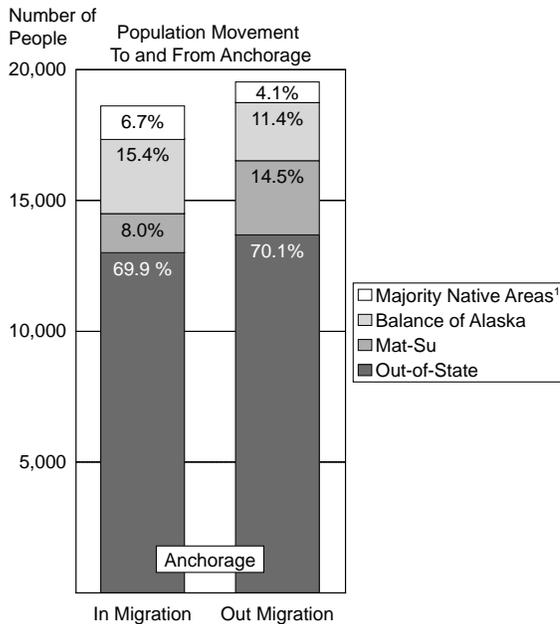
Movement To and From Anchorage 3 Average annual movement, 2000 to 2008

		Total	Out of State	Mat-Su Borough	Majority Native Areas	Balance of Alaska
Movement to Anchorage	Number of People	18,613	13,006	1,493	1,245	2,871
	Percentage	100%	69.9%	8.0%	6.7%	15.4%
Movement from Anchorage	Number of People	19,535	13,685	2,837	792	2,221
	Percentage	100%	70.1%	14.5%	4.1%	11.4%
Net Movement		-922	-679	-1,344	453	650

³ The estimates in this article are "bridge" estimates – an average of people who identify themselves as "American Indian or Alaska Native alone" and "American Indian or Alaska Native alone and in combination" with some other race due to the multi-race self-identification from the 2000 Census.

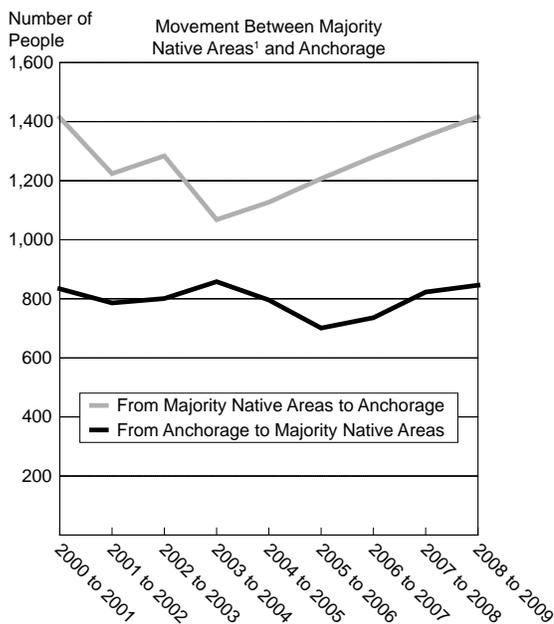
Notes:
The average annual movement is estimated.
The years for the cumulative sum on this exhibit, 2000 to 2008, are different than the other exhibits in this article; those are based on 2000 to 2009.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Demographics Unit

4 To and From Anchorage 2000 to 2008



Note: This exhibit shows estimated average annual movement.
¹ The Majority Native Areas are the Bethel, Nome, Wade Hampton, Yukon-Koyukuk and Dillingham census areas, and the Northwest Arctic, North Slope, and Lake and Peninsula boroughs.
 Source: Alaska Department of Labor and Workforce Development, Research and Analysis, Demographics Unit

5 Between Native Areas, Anchorage 2000 to 2009



Note: Each reference period is from July 1 of the first year to June 30 of the second year. For example, 2000 to 2001 represents the movement between July 1, 2000, and June 30, 2001.
¹ The Majority Native Areas are the Bethel, Nome, Wade Hampton, Yukon-Koyukuk and Dillingham census areas, and the Northwest Arctic, North Slope, and Lake and Peninsula boroughs.
 Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Demographics Unit

cause Anchorage is Alaska’s largest city, it’s a key entry point to the state, and it has a substantial military population subject to regular rotation.

It’s estimated that between 2000 and 2008, about 18,600 people moved to Anchorage and about 19,500 people left the city on a yearly basis from and to all areas within and outside Alaska. (See Exhibits 3 and 4.) All population movement to and from Anchorage adds up to about 14 percent of Anchorage’s total population annually.

About 70 percent of the total number of people who moved to and from Anchorage during the 2000-2008 period were coming from or going to some place outside Alaska. An annual average of 13,006 people moved to Anchorage from out of state and 13,685 left for out-of-state destinations.

In-state movement accounts for 30 percent of the total migration to and from Anchorage during the 2000-2008 period.

The three most important population flows for in-state movement are the flows that move to and from the Majority Native Areas, Mat-Su Borough and the balance of Alaska.⁴

Looking at the total number of people who moved to Anchorage each year during the 2000-2008 period – the average annual movement – 6.7 percent of that movement was from the Majority Native Areas. (See Exhibit 3.) Considering the people who moved from Anchorage during that same period, only 4.1 percent of that movement went to the Majority Native Areas.

The movement from Majority Native Areas to Anchorage declined from 2000 to 2004, but it has increased steadily since 2004 to about 1,400 each year in the 2008-2009 period. (See Exhibit 5.) Yet the movement from Anchorage back to the Majority Native Areas has remained fairly stable at about 800 people a year. The re-

⁴ The balance of Alaska, for the purposes of this article, covers all areas outside Anchorage, the Mat-Su Borough and the Majority Native Areas.

sult is that Anchorage has gained no more than 600 people each year from the Majority Native Areas between 2000 and 2009.

Some of those who move from the Majority Native Areas to Anchorage remain in Anchorage; others stay for varying periods, circulating between Anchorage and the Majority Native Areas. Over a period of time, some also move to a community in the balance of the state; others no longer get the dividend because they move out of state or their dividend record stops because they die.

Anchorage was by far the primary destination for people from the Majority Native Areas over the 2000-2009 period. (See Exhibit 6.) About 53 percent of the Majority Native Area gross flows were to and from Anchorage. The next most common destinations were the Fairbanks North Star Borough (23 percent), Mat-Su Borough (9 percent), Kenai Peninsula Borough (5 percent), and all other areas of the state (10 percent).

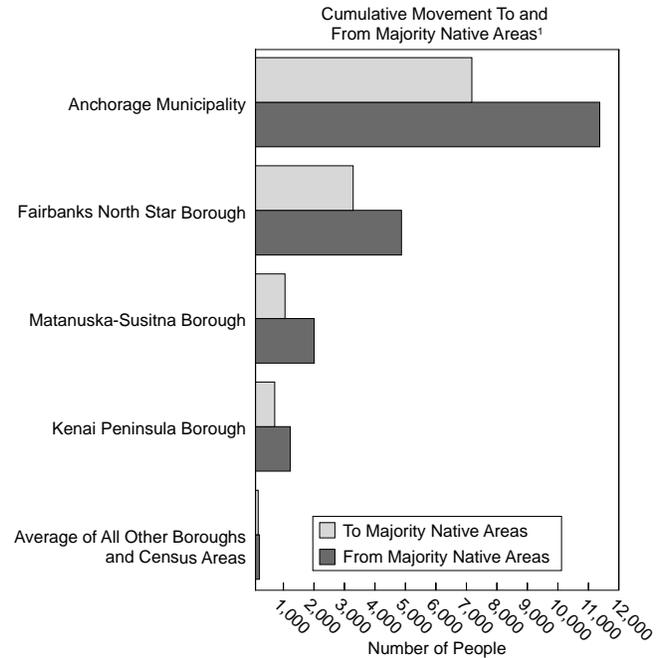
The Yukon-Koyukuk Census Area, however, was the main exception within the Majority Native Areas. About 59 percent of the gross flows to and from Yukon-Koyukuk had Fairbanks North Star Borough as an origin or destination; 17 percent had Anchorage.

What the migration means to the areas

As a share of the population, the movement from the Majority Native Areas to Anchorage has a greater impact on the Majority Native Areas than for Anchorage. The total population movement from the Majority Native Areas to Anchorage amounts to only 0.5 percent of Anchorage's population annually.

For the Majority Native Areas, though, the movement to Anchorage amounts to about 2 percent of their population annually. Given the rates of return from Anchorage to the Majority Native Areas, the actual net annual loss of population for the Majority Native Areas is an average of 1.0 percent of the population of those areas. Still, over a decade, that's a loss of roughly 10 percent of the Majority Native Areas' population.

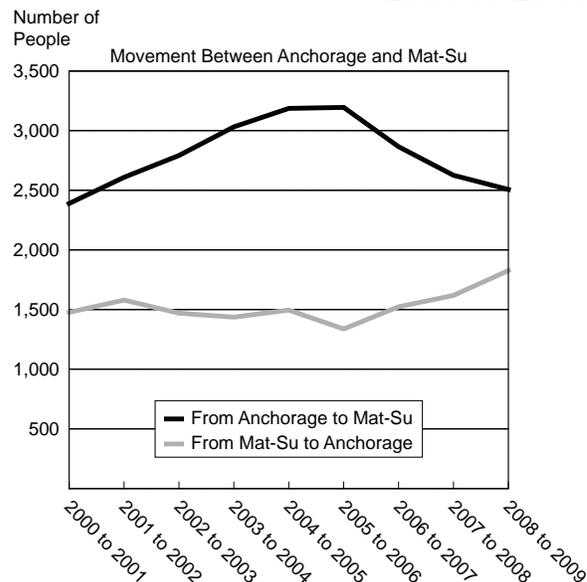
To and From Majority Native Areas 2000 to 2009 **6**



¹ The Majority Native Areas are the Bethel, Nome, Wade Hampton, Yukon-Koyukuk and Dillingham census areas, and the Northwest Arctic, North Slope, and Lake and Peninsula boroughs.

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

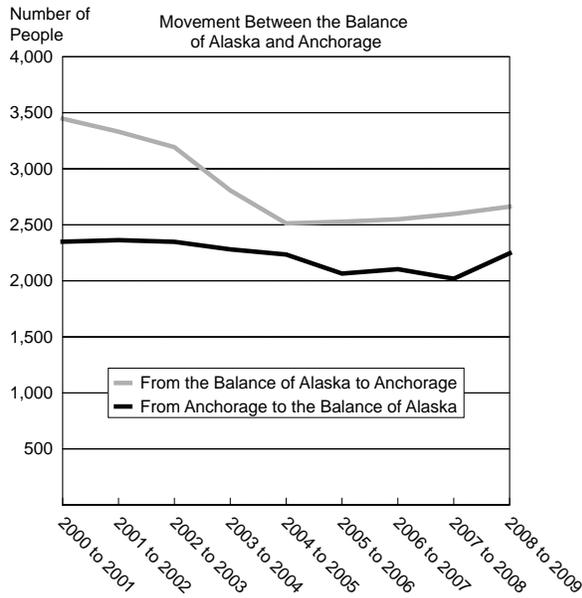
Between Anchorage and Mat-Su 2000 to 2009 **7**



Note: Each reference period is from July 1 of the first year to June 30 of the second year. For example, 2000 to 2001 represents the movement between July 1, 2000, and June 30, 2001.

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

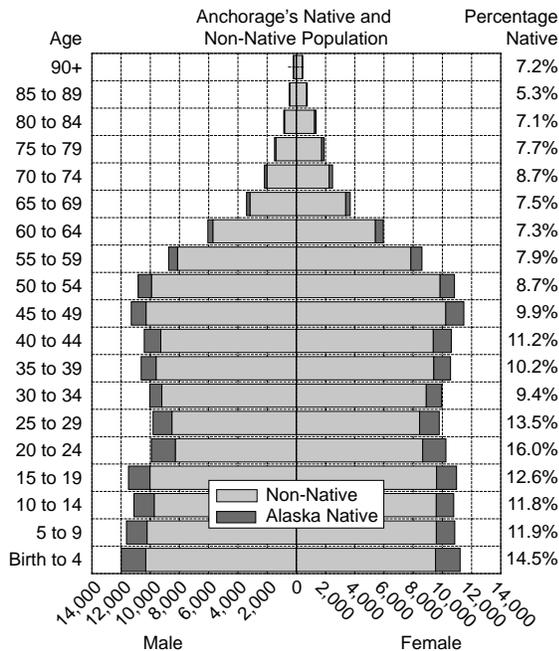
8 Balance of Alaska and Anchorage 2000 to 2009



Note: Each reference period is from July 1 of the first year to June 30 of the second year. For example, 2000 to 2001 represents the movement between July 1, 2000, and June 30, 2001.

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

9 Anchorage's Population By race, age and sex, 2008



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

The Mat-Su Borough

The movement to and from the Mat-Su Borough is somewhat different because the Matanuska Valley is in many ways an Anchorage suburb. While Anchorage has net gains from the rest of the state, Anchorage has consistently lost population to the Valley.

During the 2000-2008 period, 14.5 percent of the average annual movement out from Anchorage was to the Mat-Su Borough and 8.0 percent of the average annual movement to Anchorage was from Mat-Su. (See Exhibits 3 and 7.)

The movement to Mat-Su reached its peak during the 2000-2009 period in 2005-2006, when Anchorage lost 1,857 people to Mat-Su. After that, migration to Mat-Su declined and migration from Mat-Su increased; Anchorage's net loss to Mat-Su was only 689 residents in the 2008-2009 period. That migration trend appears to be reflected in the Anchorage School District's enrollment in 2009.

The balance of Alaska

Finally, the remaining 15.4 percent of the average annual movement to Anchorage came from the balance of Alaska and 11.4 percent of the average annual movement from Anchorage went to the balance of Alaska. From 2000 to 2008, an average of 2,871 people moved from the balance of Alaska to Anchorage annually, and 2,221 left Anchorage for the balance of Alaska. The migrant net gain from the balance of Alaska has narrowed to about 400 each year. (See Exhibit 8.)

Characteristics of the population and the movers

While only about 11 percent of Anchorage's population is Native, the percentage of the city's population that's Native varies significantly by age. (See Exhibit 9.) Only 7 percent to 8 percent of the population older than 55 is Native, compared to 14 percent to 16 percent of people in their 20s and under age 5. Like Alaska as a whole, the younger population is more diverse than the older population.

The Majority Native Areas present a very different age profile. (See Exhibit 10.) Here, because of large Native families, the population under 20 tends to be twice the size of the population older than 24.

At the same time, the non-Native population in the Majority Native Areas tends to be overrepresented in the 40- to 64-year-old age groups. Those tend to be part of Alaska's baby boomer population. Non-Natives tend to be only 13 percent to 18 percent of the children under 20 and non-Natives tend to leave the Majority Native Areas after age 65. Only about 12 percent of the elders are non-Natives.

The under-20 population of the Majority Native Areas is rapidly growing, and without a similarly rapid growth in jobs and training opportunities following high school, there's a strong pressure for young people – individuals and families – to move out of the state's rural communities.

Looking at the age and sex of the people who moved from the Majority Native Areas to Anchorage from 2000 to 2009 (see Exhibit 11), the movement is similar to migration in general. The peak of migration fairly universally follows high school.

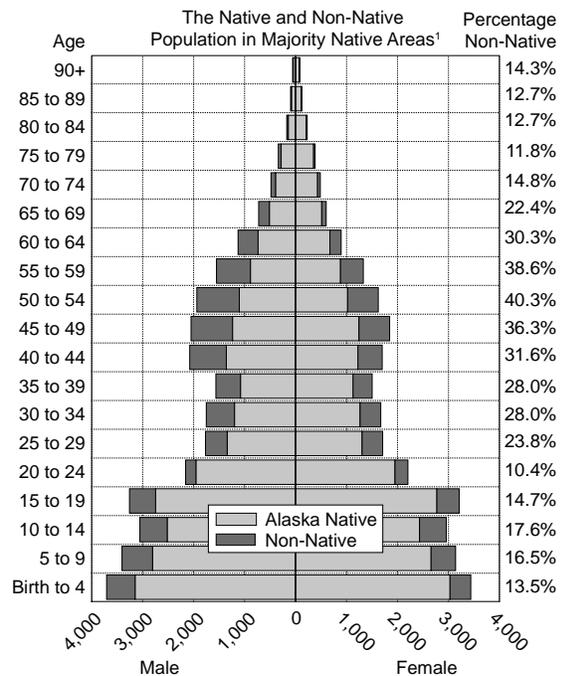
Starting at ages 17 and 18 and extending through their 20s, some young adults leave home to pursue a first civilian job, post-secondary training or join the military. Since the 20s is also when people marry and start having children, the movement of young adults is usually matched by the movement of children under 5.

About 70 percent of the people who moved from the Majority Native Areas to Anchorage were under 35; about a third of the 70 percent were ages 20 to 29 and children under 5. The people who moved accounted for 3.8 percent of those ages 20 to 24 annually and 3.0 percent of those ages 25 to 29.

The movement was more than 2 percent annually for ages 17 to 39 and for those under 5. The movement then diminished with age.

There was little migration above age 65; elders were the least likely to move out of the Major-

The Population in Native Areas **10** By race, age and sex, 2008



¹ The Majority Native Areas are the Bethel, Nome, Wade Hampton, Yukon-Koyukuk and Dillingham census areas, and the Northwest Arctic, North Slope, and Lake and Peninsula boroughs.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis, Demographics Unit

ity Native Areas. That contrasts with migration in general, where some populations experience a small increase in movement in the 60- to 65-year-old group as people retire from work.

The return movement from Anchorage to the Majority Native Areas for the same 2000-2009 period followed the same age pattern as movement to Anchorage. For most ages, the return movement is about 60 percent of the movement to Anchorage. For ages 25 to 29, the return tends to be higher at 70 percent to 80 percent.

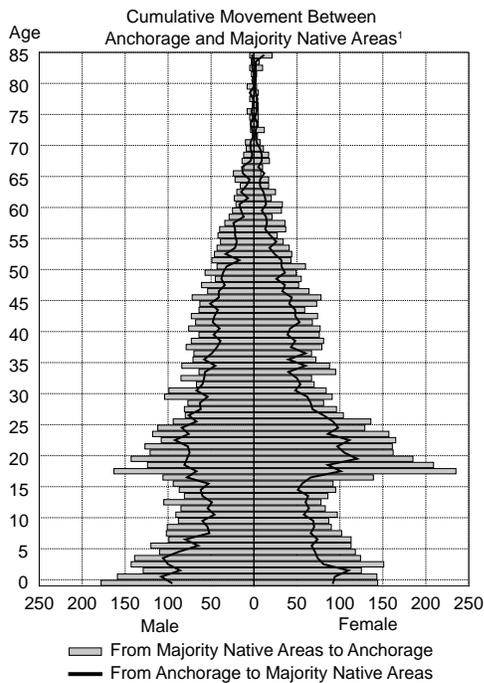
After the return movement is taken into consideration, the total net loss to Anchorage was 0.8 percent per year overall, and 1.0 percent to 1.5 percent annually for the Majority Native Areas' 17- to 24-year-old population.

The movement of women versus men

An outstanding trend is the substantially greater movement of young women from the Majority Native Areas to Anchorage compared to young

11 Cumulative Movement

By age and sex, 2000 to 2009



¹ The Majority Native Areas are the Bethel, Nome, Wade Hampton, Yukon-Koyukuk and Dillingham census areas, and the Northwest Arctic, North Slope, and Lake and Peninsula boroughs.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis, Demographics Unit

men during the 2000-2009 period. Overall, 92 men moved to Anchorage for every 100 women.

From ages 17 to 27, women moved to Anchorage in substantially larger numbers – an average of 74 men moved to Anchorage for every 100 women. At age 19, only 59 men moved to Anchorage for every 100 women. The average annual movement of 20- to 24-year-old women was 4.4 percent, compared to 3.2 percent for men.

One factor contributing to this differential may be that more women pursue post-secondary education. University of Alaska Anchorage enrollment since 2004 for Native women has been about twice that of Native men.

But the return movement from Anchorage to the Majority Native Areas is a bit more equal. Overall, 96 men returned for every 100 women. For men ages 45 to 64, the return was higher for men than for women – 111 men returned for every 100 women.

While the net gain in population by age and sex reflects the male/female movement in the post-secondary ages (see Exhibit 11), other trends beg explanation, including the larger number of males compared to females ages 10 to 14.

Detailed origin and destination of the movers

Thirty-nine Majority Native Area communities out of the area's 155 communities contribute the most to movement to and from Anchorage. (See Exhibit 12.) These 39 communities either had the largest number of movers, the largest percentage of the population who moved or had the largest number of people who moved from the Majority Native Areas and stayed in Anchorage.

An index was created based on a rank order of each of those variables – the lowest index number indicates the most movement. All 39 communities on the list have populations that are more than 50 percent Native, except one. McGrath was only 44 percent Native in 2000.

Among the 20 communities highest on the list are the regional population centers of Dillingham, Kotzebue, Barrow, Bethel and Nome. Those five communities were the largest numerical contributors to movement to Anchorage and may also serve as collection points for smaller communities in their surrounding areas. While that analysis is beyond the scope of this paper, migration to and from Bethel during the 2007-2008 period consisted of 193 into Bethel and 128 out of Bethel to the villages in the Bethel Census Area.

Among the other communities with high movement rates are Point Hope, McGrath, Grayling, Unalakleet, Aniak, Togiak, Mountain Village, Emonak, Nuiqsut, Stebbins, Hooper Bay, Noorvik, Kotlik, Shageluk and Holy Cross. For the communities with the greatest movement, the movement is quite noticeable and may add up to 3 percent to 4 percent of the population annually.

While the patterns of where people from the Majority Native Areas settle when they move to Anchorage are also beyond the scope of this

Movement Between Selected Communities and Anchorage 2000 to 2009

12

Movement To and From Majority Native Areas¹

Column	2008 Population	2000 Population	Change, 2000 to 2008	Percentage Native Alone in 2000	Average Annual Percentage of Movement to Anchorage, 2000 to 2009	Cumulative Percentage of Movement to Anchorage, 2000 to 2009	Total Movement to Anchorage, 2000 to 2009 ²	Total Movement from Anchorage, 2000 to 2009 ²	Net Move- ment, 2000 to 2009	Move- ment Index ³	
A	B	C	D	E	F	G	H	I	J		
Anchorage Municipality	284,994	260,283	24,711	7.3%	---	---	---	---	---	---	
Total for All Majority Native Areas	60,405	60,118	287	78.3%	2.07%	18.6%	11,182	7,180	-4,002		
Percentage of the Majority Native Areas ¹ Total that Selected Communities Represent							75.5%	69.6%	86.1%		
Total for Selected Communities	35,432	35,739	-307	72.6%	2.64%	23.7%	8,442	4,997	-3,445		
Place	Borough or Census Area										
Dillingham	Dillingham Census Area	2,347	2,466	-119	52.6%	3.60%	32.4%	780	425	-355	14
Kotzebue	Northwest Arctic Borough	3,126	3,082	44	71.2%	3.39%	30.5%	948	627	-321	16
Barrow	North Slope Borough	4,054	4,581	-527	57.2%	2.75%	24.8%	1,069	478	-591	17
Bethel	Bethel Census Area	5,665	5,471	194	61.8%	2.69%	24.2%	1,346	815	-531	18
Point Hope	North Slope Borough	689	757	-68	87.1%	3.44%	31.0%	224	132	-92	19
Nome	Nome Census Area	3,570	3,505	65	51.0%	2.90%	26.1%	924	595	-329	20
McGrath	Yukon-Koyukuk Census Area	317	401	-84	43.9%	5.17%	46.5%	167	103	-64	22
Grayling	Yukon-Koyukuk Census Area	152	194	-42	88.1%	5.65%	50.9%	88	38	-50	35
Unalakleet	Nome Census Area	723	747	-24	85.3%	2.54%	22.9%	168	113	-55	37
Aniak	Bethel Census Area	494	572	-78	68.4%	2.90%	22.3%	139	93	-46	41
Togiak	Dillingham Census Area	802	809	-7	86.3%	2.48%	26.1%	180	133	-47	41
Mountain Village	Wade Hampton Census Area	765	755	10	90.5%	2.47%	22.2%	169	123	-46	47
Emmonak	Wade Hampton Census Area	794	767	27	91.3%	2.01%	18.1%	141	86	-55	49
Nuiqsut	North Slope Borough	383	433	-50	88.2%	3.13%	28.2%	115	79	-36	52
Stebbins	Nome Census Area	577	547	30	94.0%	2.53%	22.8%	128	85	-43	54
Hooper Bay	Wade Hampton Census Area	1,160	1,014	146	93.7%	1.67%	15.0%	163	112	-51	55
Noorvik	Northwest Arctic Borough	642	634	8	90.1%	2.35%	21.2%	135	89	-46	56
Kotlik	Wade Hampton Census Area	610	591	19	93.6%	1.74%	15.7%	94	39	-55	59
Shageluk	Yukon-Koyukuk Census Area	102	129	-27	96.9%	5.19%	46.8%	54	23	-31	64
Holy Cross	Yukon-Koyukuk Census Area	194	227	-33	96.5%	3.33%	29.9%	63	34	-29	66
Chignik Lake	Lake and Peninsula Borough	105	145	-40	86.9%	5.24%	47.2%	59	35	-24	67
Chevak	Wade Hampton Census Area	922	765	157	90.5%	1.83%	16.5%	139	106	-33	68
Pilot Station	Wade Hampton Census Area	587	550	37	96.9%	1.58%	14.2%	81	33	-48	71
Alakanuk	Wade Hampton Census Area	670	652	18	95.4%	1.63%	14.7%	97	54	-43	73
Saint Michael	Nome Census Area	434	368	66	92.7%	2.41%	21.7%	87	60	-27	74
Napakiaik	Bethel Census Area	348	353	-5	96.0%	1.93%	17.4%	61	15	-46	74
Mekoryuk	Bethel Census Area	195	210	-15	90.5%	3.29%	29.6%	60	38	-22	76
Chignik Lagoon	Lake and Peninsula Borough	71	103	-32	81.6%	6.26%	56.3%	49	29	-20	77
White Mountain	Nome Census Area	191	203	-12	83.7%	2.65%	15.3%	47	16	-31	81
Selawik	Northwest Arctic Borough	846	772	74	94.8%	1.70%	23.9%	124	97	-27	81
Kiana	Northwest Arctic Borough	383	388	-5	92.5%	2.02%	18.2%	70	43	-27	83
Elim	Nome Census Area	280	313	-33	92.7%	2.40%	21.6%	64	40	-24	84
Akiachak	Bethel Census Area	659	585	74	92.3%	1.23%	11.1%	69	32	-37	85
Shaktoolik	Nome Census Area	223	230	-7	94.3%	2.55%	23.0%	52	30	-22	88
Galena	Yukon-Koyukuk Census Area	580	675	-95	63.4%	1.36%	12.3%	77	48	-29	88
Savoonga	Nome Census Area	722	643	79	95.3%	0.94%	8.5%	58	18	-40	92
Wainwright	North Slope Borough	534	546	-12	90.3%	1.11%	10.0%	54	22	-32	96
Ambler	Northwest Arctic Borough	259	309	-50	84.8%	2.07%	18.7%	53	33	-20	97
Point Lay	North Slope Borough	257	247	10	82.6%	2.03%	18.3%	46	26	-20	103

¹ The Majority Native Areas are the Bethel, Nome, Wade Hampton, Yukon-Koyukuk and Dillingham census areas, and the Northwest Arctic, North Slope, and Lake and Peninsula boroughs.

² As shown on the column headers above, the cumulative sum of movement is for the years 2000 to 2009. The years for the cumulative sum for Exhibit 3, however, are 2000 to 2008.

³ For the Movement Index, the lowest index number indicates the most movement. The Movement Index was created by ranking columns F and G, and the absolute value of I (dropping the minus signs), from high to low and assigning "1, 2, 3..." to the rows in each column, with 1 being assigned to the highest number. The assigned ranking numbers ("1, 2, 3...") for the three columns were then added to get the index number.

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

article, in general, they tend to settle in areas that already have somewhat higher proportions of Natives.

In summary

The total movement from the Majority Native Areas to Anchorage each year is small relative to Anchorage's total population. Yet, from the point of view of the Majority Native Areas, the annual movement to Anchorage is a noticeable share of the population. For some communities,

the movement is quite noticeable and may add up to 5 percent to 6 percent annually.

Given the rates of return from Anchorage to the Majority Native Areas, the net loss may average 7 percent a decade. Those who move are disproportionately young adults just out of high school, young women and young families with small children. The pattern of movement observed in rural Alaska, however, is not unique. It tends to be the norm for most of the rural areas of the United States.

Safety and Health Training Available for Free

The Alaska Department of Labor and Workforce Development's Alaska Occupational Safety and Health, often called AKOSH, provides various types of training, for free:

Ten-hour card training – It's a course that provides 10 hours of instruction on safety and health topics. Participants receive a U.S. Department of Labor Occupational Safety and Health Administration 10-hour safety training card in construction, general industry or maritime. (Ten-hour safety training courses in construction and general industry will be available at the Governor's Safety and Health Conference in Anchorage on March 23-25. To register, go to labor.alaska.gov/lss.)

Custom training – Worksite training sessions specific to hazards or AKOSH standards applicable to your worksite are available by request, along with confidential worksite evaluations, and help with eliminating hazards and developing programs to reduce worksite accidents.

Scheduled training – AKOSH also provides scheduled monthly training at its Anchorage office at 3301 Eagle St., Room 100. The sessions are at 9 a.m. on the following dates:

April 5	Excavation and Trenching
May 3	Health Hazards in Construction
June 7	Hazard Communication
July 6	Fall Protection
Aug. 2	OSHA 300 Recordkeeping
Sept. 7	OSHA 300 Recordkeeping
Oct. 4	Personal Protection Equipment Job Hazard Assessment
Nov. 1	Respiratory Protection

For more information, to enroll or request other training, contact AKOSH Consultation and Training at (907) 269-4940 or (800) 656-4972, or send an email to Juneau.LSS-OSH@alaska.gov. Training request forms are also available at the AKOSH Web site at labor.alaska.gov/lss. AKOSH is part of the department's Labor Standards and Safety Division.

The state's personal income in 2008 is a standout, but in 2009 it loses steam

Slightly more than a year ago, we analyzed Alaska's per capita income numbers for 2007, in *Trends'* December 2008 issue. So what's changed so much to warrant looking at this story again so soon?

The answer is everything. In 2008, all Alaska residents – women, men and children – earned \$30.2 billion. So what? Well, that's \$2.2 billion or 7.8 percent more than Alaska's residents earned the year before. The \$2.2 billion represents the largest increase since 1989, when the oil spill cleanup pushed personal income up by 9.7 percent.

Only North Dakota bested Alaska in 2008, with a 9.3 percent increase. The nation's grew by 2.9

percent. Over the past decade, Alaska's average annual increases have been about 5 percent.

Personal income is the income received by all people from all sources. It includes net earnings (mostly wages and salaries), investment income (corporate dividends, income from rent and interest earned from savings), transfer payments (income from government or private social insurance programs and in Alaska's case, Alaska Permanent Fund dividends) and interest income.

Once those sources are added up, it becomes the total personal income and represents the most comprehensive measure of income in Alaska.

One of the most popular uses of personal income data is to compare states and other areas. (See Exhibit 2.) Per capita income is calculated by dividing the total personal income of people in an area by the resident population of that area. It's considered a good measurement of economic well-being because its definition is so inclusive.

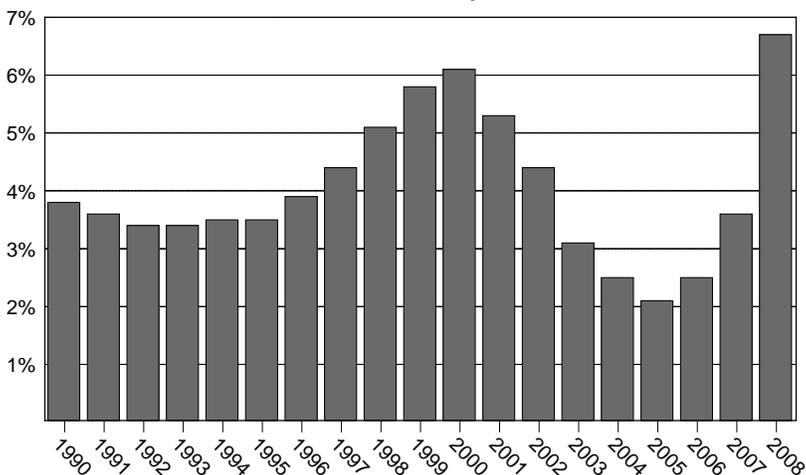
The 2008 record Permanent Fund dividend was the big reason

There's more than one explanation for the spectacular increase in income in 2008.

Hands-down, the record Permanent Fund dividend is the biggest reason. A healthy, robust economy, driven largely by record employment levels in the state's highest-paid industry, oil, is another reason.

1 PFD Has a Record Influence in 2008 Impact on personal income, 1990 to 2008

Alaska Permanent Fund Distributions as a Percentage of Total Personal Income



Sources: U.S. Department of Commerce, Bureau of Economic Analysis; Alaska Department of Revenue, Permanent Fund Dividend Division

2 Alaska's Ranking Up Seven Spots Per capita income by state, 2008

Rank		Per Capita Income in 2008	Percentage of U.S.
1	Connecticut	\$56,272	140%
2	New Jersey	\$51,358	128%
3	Massachusetts	\$51,254	127%
4	New York	\$48,753	121%
5	Wyoming	\$48,608	121%
6	Maryland	\$48,378	120%
7	Virginia	\$44,244	110%
8	Alaska	\$44,039	110%
9	California	\$43,641	109%
10	New Hampshire	\$43,623	108%
11	Minnesota	\$43,037	107%
12	Colorado	\$42,985	107%
13	Washington	\$42,857	107%
14	Illinois	\$42,347	105%
15	Hawaii	\$42,055	105%
16	Rhode Island	\$41,368	103%
17	Nevada	\$41,182	102%
18	Delaware	\$40,519	101%
	U.S. Average	\$40,208	100%
19	Pennsylvania	\$40,140	100%
20	North Dakota	\$39,870	99%
21	Florida	\$39,267	98%
22	Nebraska	\$39,150	97%
23	Kansas	\$38,820	97%
24	Vermont	\$38,686	96%
25	South Dakota	\$38,661	96%
26	Texas	\$37,774	94%
27	Wisconsin	\$37,767	94%
28	Iowa	\$37,402	93%
29	Missouri	\$36,631	91%
30	Maine	\$36,457	91%
31	Louisiana	\$36,424	91%
32	Oregon	\$36,297	90%
33	Ohio	\$36,021	90%
34	Oklahoma	\$35,985	89%
35	North Carolina	\$35,344	88%
36	Tennessee	\$34,976	87%
37	Michigan	\$34,949	87%
38	Georgia	\$34,893	87%
39	Montana	\$34,644	86%
40	Indiana	\$34,605	86%
41	Arizona	\$34,335	85%
42	Alabama	\$33,768	84%
43	New Mexico	\$33,430	83%
44	Idaho	\$33,074	82%
45	South Carolina	\$32,666	81%
46	Arkansas	\$32,397	81%
47	Kentucky	\$32,076	80%
48	Utah	\$31,944	79%
49	West Virginia	\$31,641	79%
50	Mississippi	\$30,399	76%

Note: Alaska ranked No. 15 a year earlier, in 2007, with a per capita income of \$40,352. That was 105 percent of the U.S. per capita that year.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Given 2008's record Permanent Fund dividend of \$3,269, which includes a \$1,200 resource rebate, it's not surprising it had such an impact. The total disbursement was nearly \$2 billion, double the previous year's payout. It represented nearly 7 percent of all personal income (see Exhibit 1), the highest contribution in the dividend's history. The Permanent Fund dividend has been responsible for 3.8 percent of the state's total personal income since the first dividend in 1982.

Permanent Fund dividends are accounted for as transfer payment income, and in Alaska, that grew by \$1.3 billion in 2008, according to the U.S. Department of Commerce's Bureau of Economic Analysis. As a result, total transfer payment income in Alaska grew nearly 31 percent. In contrast, that same income for the United States as a whole grew 9 percent.

More than half the increase in Alaska's personal income came from the jump in the transfer income category. That pushed transfer income to 17.6 percent of all personal income, the highest level in the state's history.

The run up in oil industry employment, along with no big negatives in Alaska's economy, also explains this past year's strength. While the nation lost wage and salary jobs in 2008, Alaska gained wage and salary jobs. And since wages and salaries represent the largest source of personal income, Alaska's relative income position improved that much more.

Alaska's ranking leapfrogs from 15th place to eighth in a year

Alaska's per capita income of \$44,039 in 2008 put Alaska in eighth place in the rankings among all 50 states. (See Exhibit 2.) The state's \$44,039 was 10 percent higher than the nation's per capita income.

That represents Alaska's best ranking since 1994 and the biggest improvement of any state in 2008. As recently as 2000, Alaska's per capita income ranked 14th and was only \$23 higher than the nation's. (See Exhibit 3.)

The 2009 picture turns a bit negative – a sneak preview

The Bureau of Economic Analysis recently released data through the third quarter of 2009 that show Alaska's income picture is changing from 2008's highs. (See Exhibit 4.) In fact, comparing the first three-quarter average of total personal income from 2008 to 2009, total income actually fell by 1.4 percent.

Alaska's personal income hasn't declined since 1987, but like in 2008, the state is faring better than most of the rest of the nation. For the same period – the first three-quarter average of total personal income from 2008 to 2009 – total national personal income fell 1.7 percent.

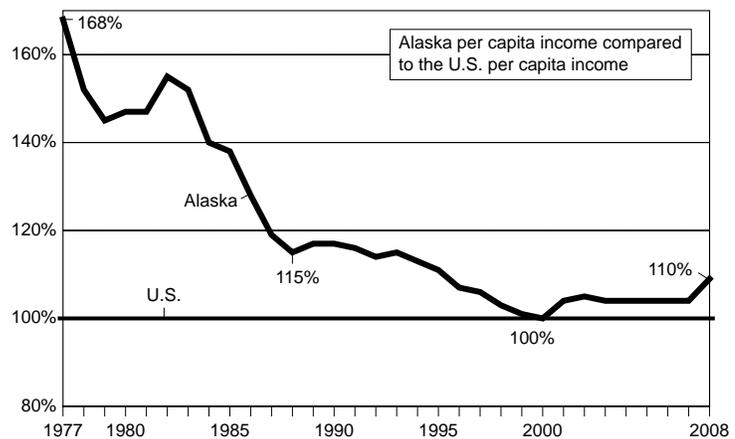
A weakening job picture for Alaska and the U.S. in 2009 explains part of the change.

In addition, Alaska received a much smaller boost from Permanent Fund dividends in 2009 – a \$1,305 dividend versus 2008's \$3,269.

Per capita income data for 2009 won't be available until all four quarters of personal income are released in 2010.

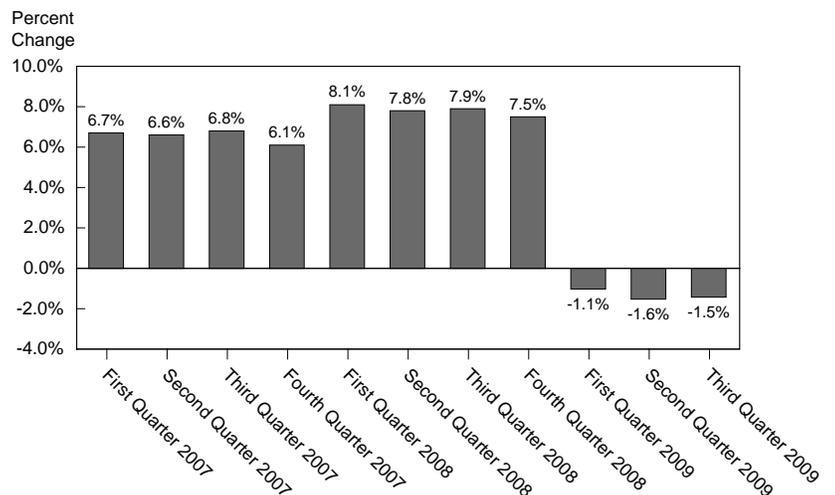
But it's clear that 2009 won't come close to 2008's stellar income. Even so, Alaska will likely still hold onto some of its improved per-capita ranking because its income numbers are performing a bit better than the nation's.

An Improvement in 2008 Alaska's per capita income, 1977 to 2008



Source: U.S. Department of Commerce, Bureau of Economic Analysis

Alaska's Income Falls in 2009 Year-over-year percent change, 2007 to 2009



Note: Each bar represents the percent change in the total personal income from the same period the year before. For instance, the far right bar shows that personal income was down 1.5 percent in third quarter 2009 compared to third quarter 2008.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Unemployment rate ends year at 8.8 percent

Alaska's December seasonally adjusted unemployment rate was 8.8 percent. November's preliminary rate was revised down three-tenths of a percentage point to 8.4 percent.

The comparable national unemployment rate in December was 10 percent. (See Exhibits 1 and 3.) A year before, in December 2008, the jobless rate was 6.7 percent.

Still below the nation's

December marks the 12th month Alaska's unemployment rate has remained significantly below the nation's. The last time that happened was in the early 1980s when the nation was again in the midst of a very deep recession and Alaska was in the middle of an economic boom. In November 1982, the nation's jobless rate reached 10.8 percent; Alaska's was 9.9 percent.

Unemployment higher around the state

All the state's regions saw higher over-the-year unemployment rates in December. In Southeast,

the rates were higher because of employment losses in leisure and hospitality, construction and retail. In the Gulf Coast region, it was losses in the oil, and leisure and hospitality industries. In the Northern region, losses in the oil industry took their toll. In the Interior and in the Anchorage/Mat-Su regions, a long list of industries contributed to higher unemployment.

Another factor contributing to the rising jobless rate was the growth in the number of job seekers. Because Alaska's relative employment picture remains better than most of the nation's, fewer Alaskans are leaving the state to look for jobs elsewhere in the country and more job seekers are coming north looking for job opportunities.

Over-the-year job losses for nine months

In December, over-the-month and over-the-year wage and salary employment were down. (See Exhibits 2 and 4.) Seasonal losses in December are typical, led by seasonal losses in seafood processing, construction, and leisure and hospitality.

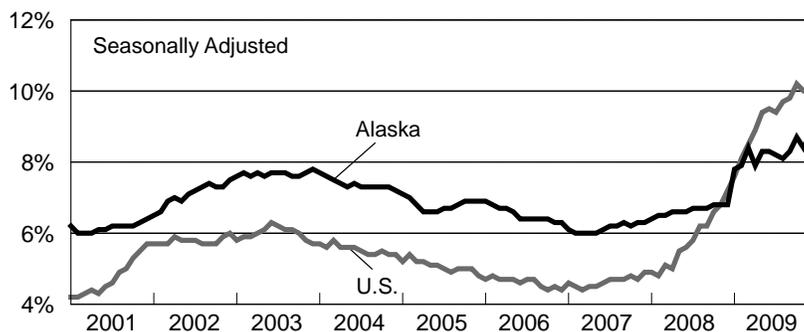
Over-the-year losses are less typical. The last time that happened was in 1988.

December marks the ninth month in a row of over-the-year employment losses. As 2009 progressed, the number of industries with losses grew. By December, only health care and social assistance, and government remained positive.

Because of those sustained losses, 2009 marks the end of 21 years of uninterrupted employment growth in Alaska. It also marks the third

(Continued Page 18)

1 Unemployment Rates, Alaska and U.S. January 2001 to December 2009



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Department of Labor, Bureau of Labor Statistics; National Bureau of Economic Research

2 Nonfarm Wage and Salary Employment

	Preliminary	Revised	Revised	Changes from:	
	12/09	11/09	12/08	11/09	12/08
Alaska					
Total Nonfarm Wage and Salary¹	306,500	310,500	309,200	-4,000	-2,700
Goods-Producing ²	35,700	39,700	38,100	-4,000	-2,400
Service-Providing ³	270,800	270,800	271,100	0	-300
Mining and Logging	15,100	15,200	15,700	-100	-600
Logging	100	200	200	-100	-100
Mining	15,100	15,000	15,500	100	-400
Oil and Gas	12,900	12,800	13,100	100	-200
Construction	14,000	15,000	15,200	-1,000	-1,200
Manufacturing	6,600	9,500	7,200	-2,900	-600
Wood Product Manufacturing	300	300	400	0	-100
Seafood Processing	3,300	5,000	3,400	-1,700	-100
Trade, Transportation, Utilities	61,900	61,700	63,200	200	-1,300
Wholesale Trade	6,200	6,200	6,300	0	-100
Retail Trade	35,500	35,500	36,500	0	-1,000
Food and Beverage Stores	6,200	6,100	6,200	100	0
General Merchandise Stores	9,800	9,800	10,000	0	-200
Transportation, Warehousing, Utilities	20,200	20,000	20,400	200	-200
Air Transportation	6,100	6,100	6,100	0	0
Truck Transportation	3,100	3,200	3,200	-100	-100
Information	6,800	6,800	7,100	0	-300
Telecommunications	4,200	4,200	4,700	0	-500
Financial Activities	14,200	14,300	14,600	-100	-400
Professional and Business Services	24,500	24,700	24,700	-200	-200
Educational⁴ and Health Services	39,600	39,500	37,600	100	2,000
Health Care	28,700	28,600	27,300	100	1,400
Leisure and Hospitality	26,600	27,000	28,200	-400	-1,600
Accommodations	6,000	6,100	6,600	-100	-600
Food Services and Drinking Places	16,800	17,000	17,800	-200	-1,000
Other Services	11,400	11,500	11,400	-100	0
Government	85,800	85,300	84,300	500	1,500
Federal Government ⁵	16,400	16,200	16,400	200	0
State Government	26,200	26,200	25,700	0	500
State Government Education ⁶	8,100	8,100	7,900	0	200
Local Government	43,200	42,900	42,200	300	1,000
Local Government Education ⁷	24,700	24,500	24,100	200	600
Tribal Government	3,300	3,300	3,500	0	-200

Notes for Exhibits 2 and 4:

¹ Excludes the self-employed, fishermen and other agricultural workers, and private household workers; for estimates of fish harvesting employment, and other fisheries data, go to labor.alaska.gov/research/seafood/seafood.htm

² Goods-producing sectors include natural resources and mining, construction and manufacturing.

³ Service-providing sectors include all others not listed as goods-producing sectors.

⁴ Private education only

⁵ Excludes uniformed military

⁶ Includes the University of Alaska

⁷ Includes public school systems

⁸ Fairbanks North Star Borough

Sources for Exhibits 2 and 3: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Department of Labor, Bureau of Labor Statistics

Sources for Exhibit 4: Alaska Department of Labor and Workforce Development, Research and Analysis Section; also the U.S. Department of Labor, Bureau of Labor Statistics, for Anchorage/Mat-Su and Fairbanks

3 Unemployment Rates By borough and census area

SEASONALLY ADJUSTED	Prelim.	Revised	Revised
	12/09	11/09	12/08
United States	10.0	10.0	7.4
Alaska Statewide	8.8	8.4	6.8
NOT SEASONALLY ADJUSTED			
United States	9.7	9.4	7.1
Alaska Statewide	9.0	8.2	7.6
Anchorage/Mat-Su Region	7.7	7.2	6.3
Municipality of Anchorage	7.0	6.6	5.7
Mat-Su Borough	10.4	9.5	8.8
Gulf Coast Region	12.6	11.2	10.5
Kenai Peninsula Borough	12.3	11.2	10.0
Kodiak Island Borough	14.0	11.5	12.3
Valdez-Cordova Census Area	12.4	11.1	11.1
Interior Region	9.1	8.4	7.9
Denali Borough	19.1	18.2	15.5
Fairbanks North Star Borough	8.3	7.7	7.1
Southeast Fairbanks Census Area	11.6	9.8	10.0
Yukon-Koyukuk Census Area	15.9	13.9	15.1
Northern Region	9.0	8.7	7.5
Nome Census Area	11.8	11.1	10.3
North Slope Borough	5.0	5.2	3.7
Northwest Arctic Borough	12.7	11.7	10.4
Southeast Region	9.5	8.5	8.4
Haines Borough	13.0	11.3	12.2
Juneau Borough	6.6	6.2	6.0
Ketchikan Gateway Borough ¹	9.9	8.4	7.6
Prince of Wales-Outer Ketchikan CA ¹	16.8	15.2	16.4
Sitka Borough	7.9	6.9	6.6
Skagway-Hoonah-Angoon CA ¹	24.6	22.6	24.5
Wrangell-Petersburg Census Area ¹	14.5	11.0	12.7
Yakutat Borough	12.6	11.2	11.7
Southwest Region	15.2	12.9	14.3
Aleutians East Borough	20.2	12.5	22.6
Aleutians West Census Area	13.7	7.9	13.8
Bethel Census Area	14.8	13.7	14.0
Bristol Bay Borough	13.5	9.9	10.2
Dillingham Census Area	12.0	11.2	10.9
Lake and Peninsula Borough	9.3	7.6	8.3
Wade Hampton Census Area	20.3	19.7	18.6

¹ Because of the creation of new boroughs, this borough or census area has been changed or no longer exists. Data for the Skagway Borough and Hoonah-Angoon Census Area will be available in 2010. Data for the other new boroughs and census areas will be available in 2011. Until then, data will continue to be published for the old areas.

4 Nonfarm Wage and Salary Employment By region

	Preliminary	Revised	Revised	Changes from:		Percent Change:	
	12/09	11/09	12/08	11/09	12/08	11/09	12/08
Anch/Mat-Su	169,500	169,700	170,900	-200	-1,400	-0.1%	-0.8%
Anchorage	150,400	150,600	152,500	-200	-2,100	-0.1%	-1.4%
Gulf Coast	25,350	26,350	26,000	-1,000	-650	-3.8%	-2.5%
Interior	42,300	43,000	43,100	-700	-800	-1.6%	-1.9%
Fairbanks ⁸	36,100	36,200	37,000	-100	-900	-0.3%	-2.4%
Northern	20,250	20,350	20,350	-100	-100	-0.5%	-0.5%
Southeast	33,350	33,750	33,250	-400	100	-1.2%	0.3%
Southwest	15,600	17,150	15,650	-1,550	-50	-9.0%	-0.3%

For more current state and regional employment and unemployment data, visit our Web site:

laborstats.alaska.gov

5 Areas Where Jobs Are Still Growing Alaska, 2009¹

	Job Growth, 2008 to 2009	Percent Growth, 2008 to 2009
Bristol Bay Borough	43	2.8%
Dillingham Census Area	95	3.6%
Haines Borough	26	2.5%
Kodiak Island Borough	183	3.1%
Matanuska-Susitna Borough	609	3.3%
Valdez-Cordova Census Area	40	0.8%
Wade Hampton Census Area	71	3.2%
Yukon-Koyukuk Census Area	86	4.1%

¹ This exhibit compares the first three quarters of 2008 with the first three quarters of 2009 using the most recent data available for most boroughs and census areas.

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

(Continued from Page 16)

time in the state's history where employment experienced a period of employment contraction.

But on the brighter side, compared to the nation's employment losses, Alaska's remain modest.

In some areas, employment remains positive

Despite the negative statewide employment report, there are some areas in Alaska where the picture is different. (See Exhibit 5.) In eight of

the state's boroughs and census areas, over-the-year employment remained positive during the first nine months of 2009.

The eight are geographically diverse. In places such as the Bristol Bay, Haines and Kodiak Island boroughs, and the Dillingham and Valdez-Cordova census areas, where fishing is often important, they've felt few if any of the effects of the current national recession.

Yet in places such as the Wade Hampton and Yukon-Koyukuk census areas – where jobs are always scarce and where more than two-thirds of all direct employment is in government – employment levels have remained largely unchanged.

Interestingly, the Mat-Su Borough, the fastest-growing area in the state, continued to register healthy job growth through the first three quarters of 2009. Continued population gains are probably one factor keeping Mat-Su's numbers robust.

Employer Resources

A COBRA subsidy helps laid-off workers pay for health insurance premiums

In an economic recession, employers face one of the hardest decisions they will ever have to make: the layoff of one or more valued employees.

You've probably already started looking for ways to protect your employees' future. One way to minimize your employees' financial worries is to tell them about their options after being laid off, including the COBRA premium subsidy and the COBRA program in general.

The federally enacted Consolidated Omnibus Budget Reconciliation Act, commonly known as COBRA, allows certain former employees and their families to extend and receive their health insurance coverage at their employer's group rate, following a layoff or other qualifying event.

The COBRA premium subsidy is relatively new. Created under the American Recovery and Reinvestment Act of 2009, the subsidy allows eligible people who have been laid off to pay only 35 percent of their COBRA health insurance premiums. The remaining 65 percent is reimbursed to the health insurance provider through a federal tax credit.

People were eligible for the premium subsidy if they were laid off on or before Dec. 31; newly passed legislation means that people are eligible if they're laid off on or before Feb. 28.

Also, the length of time people can receive the subsidy has been extended; people can now receive it through June 30.

As far as the COBRA program in general, here's one important piece of information to explain to your employees: Employees and their family members each have 60 days from when they're notified of their COBRA eligibility following a layoff to elect COBRA coverage. If they don't, they lose their rights to COBRA benefits. Other deadlines apply for other qualifying events.

COBRA generally covers health plans maintained by private-sector employers with 20 or more employees, state or local governments, or employee organizations, according to the U.S. Department of Labor.

Layoffs are one type of qualifying event for the program. Others range from voluntary or involuntary job termination¹ to divorce, the death of the covered employee or his or her becoming eligible for Medicare. The coverage can last up to 18 months, and in some cases, up to 36.

The program can apply to former employees, retirees, spouses, former spouses and dependent children, and each may choose whether to elect COBRA coverage, depending on eligibility rules. In some cases, it also applies to independent contractors and others covered by a group health plan.

Group health coverage for COBRA participants is usually more expensive than health coverage for active employees, because the employer often pays part of the premium for active employees and COBRA participants generally pay the entire premium themselves. But it's often less expensive than individual health coverage, according to the U.S. Department of Labor.

For more information, go to the U.S. Department of Labor's COBRA Web sites below or call (866) 444-3272:

http://www.dol.gov/ebsa/faqs/faq_compliance_cobra.html

http://www.dol.gov/ebsa/faqs/faq_consumer_cobra.html

www.dol.gov/COBRA

¹ Other than for gross misconduct