



ALASKA ECONOMIC  
**TRENDS**

October 2002

**RENTAL  
HOUSING**

Alaska Department of Labor  
and Workforce Development

Tony Knowles  
Governor of Alaska

# ALASKA ECONOMIC TRENDS

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# Rental Housing

by Jill Lewis  
and Rob Kreiger  
Labor Economists

## One in three Alaskans lives in rental housing

**A**laska has a higher proportion of its population living in rental housing than most states, ranking seventh in the U.S., according to Census 2000 figures. About 34 percent of Alaskans live in rental housing. Trends in the residential rental market are of interest to tenants, landlords, banks, developers, and public housing agencies.

This article compares renters and property owners, describes the characteristics of the rental housing stock, and examines rental costs.

### Rentals are a significant share of real estate industry

Many Alaskans are employed in rental property management, and they earned more than \$12 million in wages in 2001. Annual average employment in firms that operate apartment buildings and other dwellings is approximately 16 percent of total real estate industry employment in 2001. According to the U.S. Census Bureau's County Business Patterns, County and State Economic Profiles for 2000, this sector of the real estate industry had revenues of more than \$60 million in 1997.

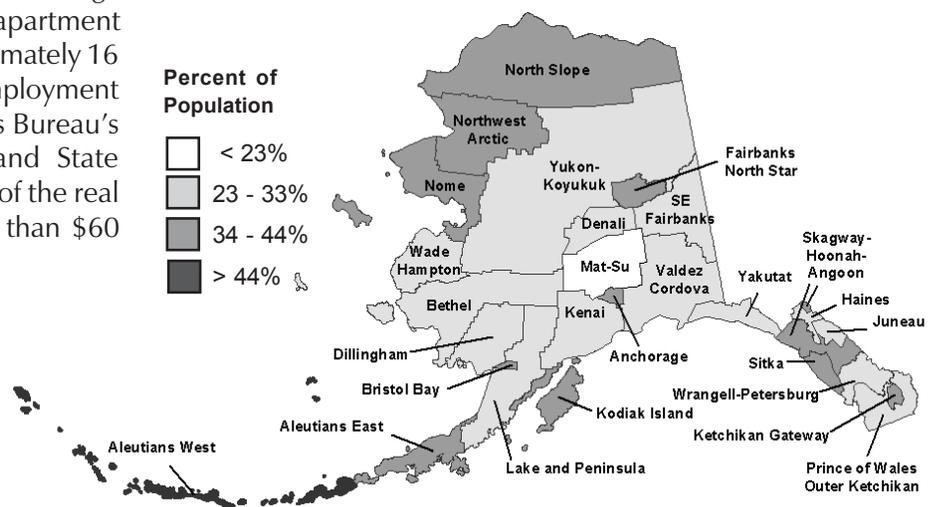
### Aleutians West has most renters; Mat-Su has fewest

More than 207,000 Alaskans lived in 83,000 rental units in 2000, according to the Census Bureau. One in three housing units in Alaska is for rent. The

Aleutians West Census Area had the highest proportion of its population living in rental housing, 68 percent, and the Matanuska-Susitna Borough had the lowest proportion at 19 percent.

The low concentration of renters in Mat-Su may be related to the low sales price of single-family homes in the area. The Alaska Affordability Index, produced quarterly by the Alaska Department of Labor and Workforce Development's Research and Analysis section, consistently ranks the Mat-Su Borough as one of the most affordable areas in the state to purchase

## Percent of Alaskans In rental housing units **1**



Source: U.S. Bureau of the Census

## 2 Renters and Homeowners Differ

### Characteristics of householders

	Renter Occupied	Owner Occupied
Occupied housing units	37%	63%
Age of householder		
15 to 34 years	64%	36%
35 to 64 years	29%	71%
Over 64 years	23%	77%
Gender of householder		
Male	51%	49%
Female	51%	49%
Married couple	25%	75%
Race of householder		
White alone	34%	66%
African American alone	66%	34%
Alaska Native/American Indian alone	40%	60%
Asian alone	50%	50%
Other race alone	60%	40%
Two or more races	49%	51%
Ethnicity of householder*		
Hispanic origin	57%	43%
Not of Hispanic origin	37%	63%
Number of persons in household		
1	52%	48%
2	34%	66%
3	36%	64%
4	31%	69%
5 or more	30%	70%
Avg. persons/household	2.5	2.8
Type of household		
Family	31%	69%
Married	25%	75%
Male householder, no wife present	42%	58%
Female householder, no husband present	51%	49%
Non-family	52%	48%
Living alone	52%	48%
Not living alone	55%	45%

\* Persons of Hispanic origin may be of any race.

Source: U.S. Bureau of the Census, Census 2000

a home. Between the extremes of Mat-Su and Aleutians West, the rest of Alaska's renting population was more evenly distributed. As the map in Exhibit 1 shows, the percentage of the population renting in the remainder of the state ranged from 23 to 44 percent.

### Renters differ from owners

Are households in Alaska that rent different from households that own? The answer is yes—renters do differ from owners in several significant ways. The 2000 Census provides data on demographic characteristics of Alaska householders in owner-occupied and renter-occupied housing units. (See Exhibit 2.)

In the ten years between the last two censuses, the number of renter-occupied units has remained largely unchanged. Total housing stock grew 17 percent, but only one-half of one percent of the increase was rentals. The home ownership rate in Alaska rose from 56 percent in 1990 to 63 percent in 2000.

In Alaska, householders who rent tend to be younger than those who own. A householder is the person in whose name the home is rented or owned. Nearly two out of three householders aged 15 to 34 years were renters. In contrast, fewer than one out of three householders aged 35 to 64 years rented. Since income tends to rise with age, younger householders may not have sufficient resources to move into home ownership.

With married couples excluded, the number of householders renting versus owning is about evenly split between males and females. Whites have the lowest percent of renter-occupied households, 34 percent, while African Americans have the highest at 66 percent. The majority of Alaska Native householders own rather than rent. Fifty-seven percent of householders of Hispanic origin are renters.

The average number of persons per household is

lower in renter-occupied units than in owner-occupied units. This supports the finding that slightly more than half the one-person households in Alaska were renters. The average number of persons per household was 2.5 for renters. For owner-occupied units it was somewhat higher, 2.8 persons. A household includes all the people who occupy a housing unit.

### One-third of family households rent

A household is either a family or a non-family household. Families are classified one of three ways: married couples, male householder without a wife present, or female householder without a husband present. Most families, both renters and owners, are married couple families. Female-led family households outnumber male households two to one in Alaska. Nearly 47,000 family households are renters.

### Owner-renter status differs by type of household

Families occupy more than half of the rental housing units in the state. Most married couple families are home owners. Only one in four married couples lives in rental housing. Slightly more than half of the families with female householders rent rather than own. For families with male householders the reverse is true, slightly more than half own rather than rent.

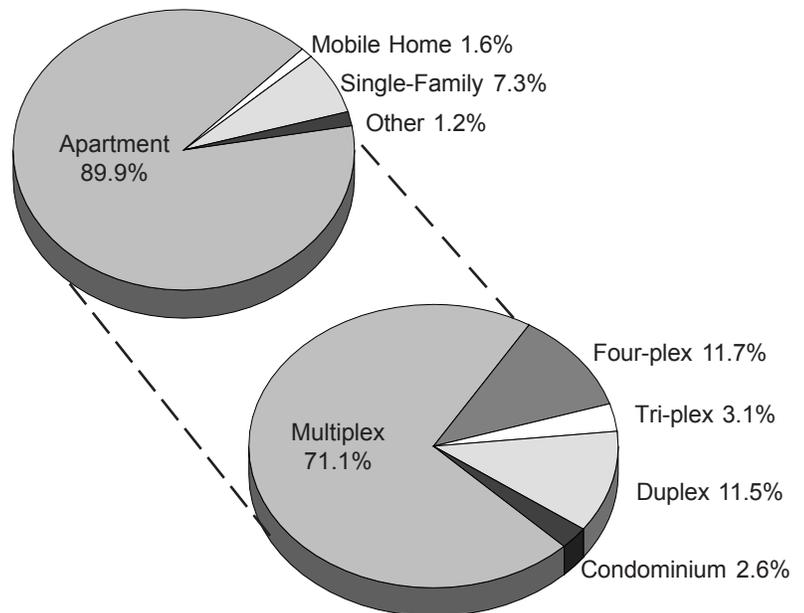
Non-family households account for 44 percent of all renters. Just over half of all non-family households are renters. Of those, three out of four are living alone. There are nearly as many rental units occupied by householders living alone as by married couples. This seems to contradict the common notion that a single person cannot afford a place of one's own in Alaska. Indeed, non-family households living alone actually have a higher home ownership rate than those not living alone.

### Annual rental market survey

Each March the Alaska Department of Labor and Workforce Development's Research and Analysis Section and the Alaska Housing Finance Corporation survey Alaska's landlords to obtain information on residential rental units. The survey identifies the cost, availability, and features of the residential rental housing stock in the ten largest rental markets in Alaska. Participants tell whether the unit was vacant or occupied and note which utilities, if any, are included in the rent.

The cost of rent is frequently used as an indicator of the cost of living relative to other areas. Householders relocating to Alaska can use survey data to give them a picture of the cost and availability of housing. Survey results also help AHFC make determinations about housing assistance subsidy amounts. The complete Alaska Annual Rental Market Survey report is available

## Rental Housing Building Types 3 Alaska Rental Market Survey 2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2002 Rental Market Survey

# 4 Rental Housing Characteristics

## Percent in single-family and apartments

Total Rental Units Location	Single-Family Percent	Apartments Percent	Other Percent
Municipality of Anchorage	6	94	0
Fairbanks North Star Borough	3	96	2
Juneau City and Borough	9	81	10
Kenai Peninsula Borough	18	79	3
Ketchikan Gateway Borough	9	89	2
Kodiak Island Borough	10	86	5
Matanuska-Susitna Borough	21	77	2
Sitka Borough	18	78	4
Valdez-Cordova Census Area	10	81	9
Wrangell-Petersburg Census Area	17	70	13
<b>Number of bedrooms</b>			
Studio/Efficiency	2	7	6
1 Bedroom	19	36	25
2 Bedrooms	30	45	39
3 Bedrooms	38	10	27
4 + Bedrooms	11	2	3
<b>Utilities included in rent</b>			
Heat	36	88	67
Lights	27	57	55
Hot Water	34	87	65
Water	51	94	84
Garbage	38	94	76
Sewer	54	95	84
<b>Features of Units</b>			
Furnished	10	17	20
Wheelchair accessible	5	14	4
Carpet	80	86	77
Dishwasher	44	49	30
Disposal	20	46	32
Microwave	15	8	15
Washer/Dryer or connections	62	19	47
Laundry facility	17	61	13
Parking off-street	66	73	71
Covered parking	30	21	6
Balcony/deck	37	37	25
Location (view, corner, etc.)	35	28	24
Additional storage	35	36	26
Community room	2	13	0
Playground	6	17	12
Daycare on-site	0	1	0
Pets allowed	40	30	35
Management or Desk service	8	49	18
Security system	2	17	2
Maintenance staff	11	50	23
<b>Age of Properties</b>			
Older than 42 years	25	16	14
33 to 42 years old	12	9	21
23 to 32 years old	21	33	30
12 to 22 years old	29	34	16
Less than 12 years	14	8	19

on-line at [http://www.ahfc.state.ak.us/Department\\_Files/Planning\\_Department/Indicators/rental2002.pdf](http://www.ahfc.state.ak.us/Department_Files/Planning_Department/Indicators/rental2002.pdf).

### Most rental units are in multi-plexes

In the survey, rental properties are broken down into four major categories: Single-Family, Apartment, Mobile Home, and Other (see Exhibit 3). Survey results show that apartments account for nearly nine out of ten rental units. Apartments include condominiums, duplexes, tri-plexes, four-plexes, and multi-plexes with five or more units. Seventy-one percent of apartment units surveyed are in multi-plexes.

Single-family homes account for seven percent of the surveyed units. Single-family rentals in the survey include both detached and attached buildings (such as zero-lot-lines). The remaining two categories, mobile homes and buildings in the Other category, represent a small portion of the market (less than three percent combined).

In general, apartment rentals tend to have lower rents and higher vacancy rates than single-family homes for rent. Single-family rentals typically offer fewer amenities and include fewer utilities in the rent than apartment units.

The average age of apartment buildings and single-family home rentals is the same—28 years. Two out of three apartment units were built between 12 and 32 years ago. One in four single-family rentals was built before 1960. (See Exhibit 4.)

### Apartments tend to be smaller than single-family rental homes

Forty-five percent of the apartments surveyed were two-bedroom, as opposed to 30 percent of single-family rentals. Thirty-eight percent of single-family rentals were three-bedroom properties compared to only 10 percent of apartment units. Since two-bedroom apartments and three-bedroom single-family units are the most common in the survey, they are used as benchmarks

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corp. 2002 Rental Market Survey

# Number of Bedrooms in Rental Apartments and single-family homes **5**

throughout this article. (See Exhibit 5.)

The average square footage of a two-bedroom apartment was 829 sq. ft. Thirty-three percent of the surveyed units were between 800 and 1,000 sq. ft. In a three-bedroom single-family rental, the average square footage was 1,409 sq. ft. Ten percent of three-bedroom single-family rentals were smaller than 1,000 sq. ft.; 57 percent were between 1,000 and 1,500 sq. ft. The remaining 33 percent were larger than 1,500 sq. ft.

## Landlords offer a variety of features to tenants

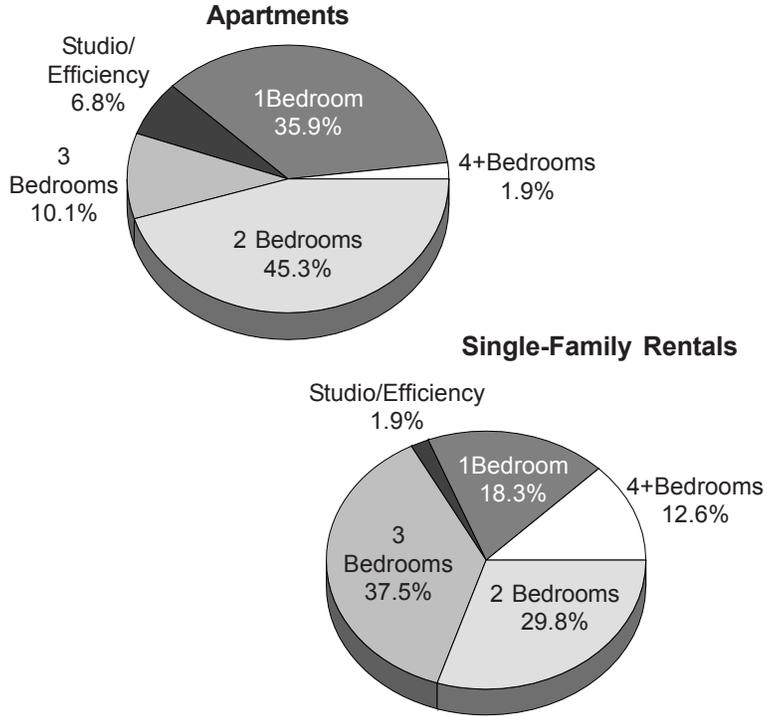
The survey includes questions regarding various features that landlords provide for their tenants. Features offered differ with building type and location. Apartments generally include more features than single-family home rentals. Single-family rentals typically lack the features associated with central offices or common areas for tenants. The most substantial differences in features between apartments and single-family rentals occurred in the categories of shared laundry facility, on-site management or desk service, and on-site maintenance staff.

Some features were included with fairly high frequency across all building types and locations. Carpet, for example, was included eighty-five percent of the time. On the opposite end of the spectrum, daycare service was provided less than one percent of the time. (See Exhibit 6.)

Among single-family rentals, three-bedroom units included the most features, with home appliances particularly popular. Eighty-eight percent of the units in this category included washers and dryers, 87 percent included dishwashers, and 80 percent included garbage disposals.

## Apartments in Anchorage include the most features

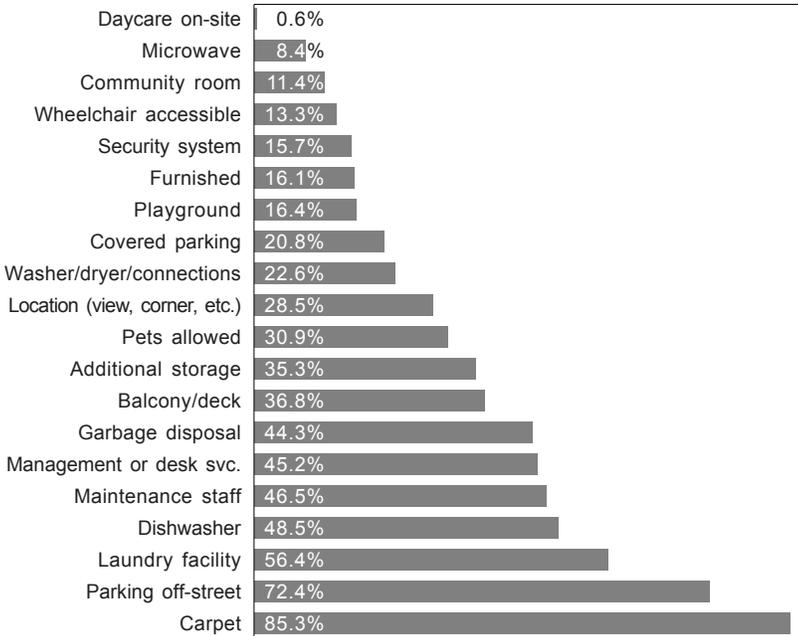
In general, regardless of building type, units in the Municipality of Anchorage had the highest number



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corp. 2002 Rental Market Survey

# Features of Rental Units **6**

All building types and sizes



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corp. 2002 Rental Market Survey

of unit features. Larger properties tend to include features such as a security service or on-site maintenance staff more frequently than smaller complexes or single-family rentals. Since Anchorage has the highest number of multi-unit properties in the state, it is to be expected that a greater number of features would be found there than in areas with primarily smaller properties.

### Sitka units have the fewest amenities

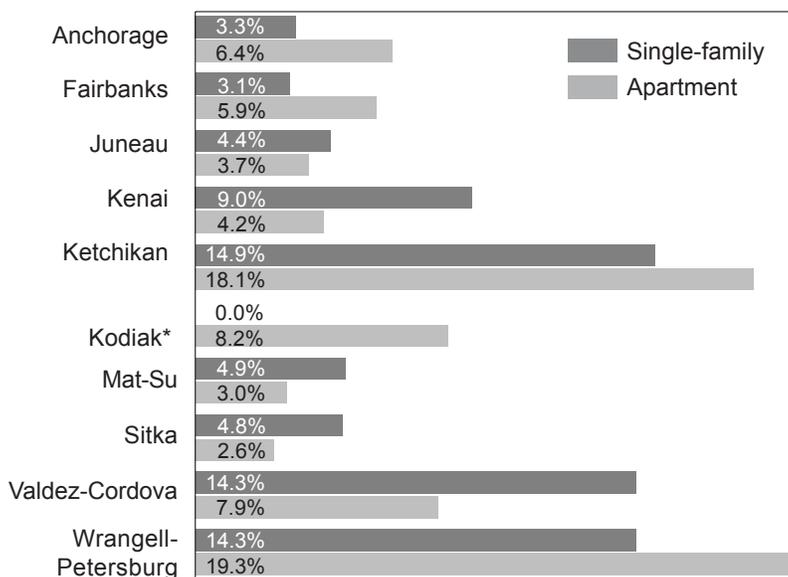
Sitka has the highest proportion of occupied units in all of the surveyed areas, and the fewest amenities. High occupancy leads to competition among tenants for rental housing, as opposed to landlords competing for tenants, and reduces the need for owners to provide additional features to attract renters. In addition, Sitka has a higher percentage of single-family home rentals than most other surveyed areas; 18 percent of the rentals in Sitka are of this variety. This larger percentage may help explain the infrequency of certain unit features.

### Vacancy rates

Vacancy rates vary greatly in different areas of the state, as seen in Exhibit 7. Vacancy rates fell in 2002 from their 2001 levels in eight of the ten areas surveyed. Only the Municipality of Anchorage and the Wrangell-Petersburg Census Area saw increases. When looking only at two-bedroom apartments, vacancy rates ranged from a high of 17 percent in Wrangell-Petersburg to a low of two percent in both Juneau and Sitka. In the survey, a vacant unit is defined as one that is available or is expected to be available the week of March 12. The vacancy rate is determined by dividing the number of vacant units in a given area by the total number of units in that area.

Vacancy rates for all units in the survey ranged from a low of less than three percent in Sitka to a high of 22 percent in the Wrangell-Petersburg area. Wrangell-Petersburg has had among the highest vacancy rates in the survey over the past five years. This area also has one of the smallest sample sizes, so minor fluctuations in the number of vacant units can create large percentage changes.

## 7 Vacancy Rates—2002 Single-family homes and apartments



\*Kodiak Island Borough reported no vacant single-family rental units in 2002

### Anchorage vacancy rate rises in 2002

Anchorage vacancy rates increased from 4.7% in 2001 to 6.2% in 2002, an increase of 32 percent, the highest percentage increase in the survey. Anchorage ranked fifth overall in vacancy rate for the ten areas surveyed. For the first time in many years some Anchorage apartment multi-plexes report offering incentives to attract and retain tenants.

One possible explanation for the large vacancy rate increase in the Anchorage area for the 2002 survey is that renters may have purchased homes and condominiums. Data from the 2001 and first quarter of 2002 Alaska Survey of Lender's Activity showed the number of loans issued in Anchorage to first-time home buyers for both single-family and condominium homes was the highest in over

ten years. The number of loans for 2001 approached 11,250, and 2,692 more loans were issued in the first quarter of 2002.

### Utilities are often included in rent

The type and amount of utilities property managers include in the contract rent varies significantly from one area of the state to another. Substantial differences also exist between building types. Contract rent is the monthly cash rent the tenant pays based on the contract, or lease agreement. Contract rent usually includes some, and possibly all, of the six utilities surveyed.

For example, for two-bedroom apartments, contract rental costs are least likely to include utilities in Southeast Alaska communities. Climate, lower vacancy rates, and higher overall utility costs all play a role in the differences between Southeast Alaska and other parts of the state.

By contrast, in areas that experience cold winters, heat is usually included. For example, in Fairbanks heat is included for 99 percent of two-bedroom apartments. Of all the surveyed areas, Fairbanks had the highest occurrence of heat included in contract rent. Oil and natural gas were the most popular energy sources for heating and hot water in the Fairbanks area.

### Apartments usually include some utilities in the rent

Utilities are far less frequently included with single-family homes than with apartments, as seen in Exhibit 8. One explanation may be that single-family homes are larger and consume more energy; as a result, landlords may be less inclined to provide utilities. An apartment property may have common utilities, making it difficult to separate the costs of one unit from another. It is also possible that landlords of single-family home rentals may not be willing to add anything into the rent that would widen the gap between their rent and the typically lower apartment rents.

The utilities most commonly provided were sewer and water. In single-family homes for rent they were included about half of the time. More than 90 percent of apartment contract rents included these two utilities.

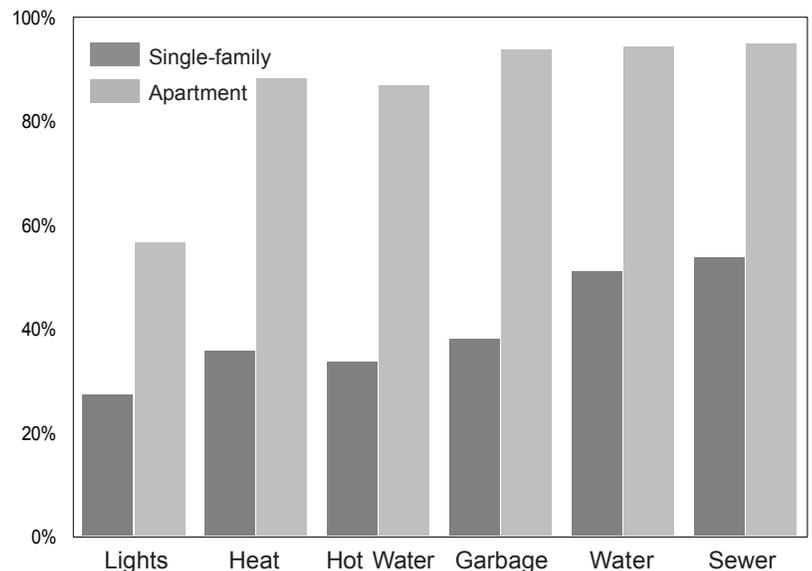
Lights were the utility least likely to be included for either apartments or single-family homes. Lights were provided in 50 percent of all units surveyed. Landlords in the Municipality of Anchorage included this utility most often at 60 percent.

Sitka was the least likely to include utilities of any kind with two-bedroom apartment rentals. Heating and hot water costs were included only 47 and 25 percent of the time respectively. Rentals in the Municipality of Anchorage included the most utilities in two-bedroom contract rents. (See Exhibit 9.)

One possible reason why so few utilities are provided in Sitka is related to energy type. A majority of rental units in Sitka listed electricity as

## Utilities Included in Rent

### Single-family homes and apartments



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corp. 2002 Rental Market Survey

the primary source of energy for cooking (98%) and hot water (68%). A large portion (37%) listed electricity as the energy source for heat. Electricity tends to be more expensive than other energy types. In such cases landlords may not be willing to charge rents high enough to cover utilities, preferring that tenants pay them on their own.

## Rents are high in Alaska

Many people complain that affordable rentals are hard to find in Alaska. According to U.S. Census data, Alaska is one of the most expensive states in which to rent housing. With a median gross rent of \$720 in 2000, Alaska ranks fourth in the nation behind Hawaii, New Jersey, and California. One in four Alaska renters spent at least 35 percent of their income on rent in 2000.

## Comparing rental costs

Comparisons of contract rents are problematic since the utilities included and their costs can vary from unit to unit and community to community.

A better measure for comparing rents is the adjusted rent. The adjusted rent refers to the monthly contract rent plus the estimated utility costs of all six measured utilities. HUD determines the cost adjustment for each utility annually based on location, energy type, and number of bedrooms. For example, the contract rent for a two-bedroom single-family house in Sitka is \$870 with no utilities included. The same unit's adjusted rent equates to \$1,085. Median adjusted rents are used to compare rental costs. A median is the middle value in a set of values.

As with vacancy rates, median adjusted rents vary by region. Due to localized economic factors, making comparisons between geographic regions is difficult. Other factors such as response rate can also create differences.

## Highest rents are in Juneau

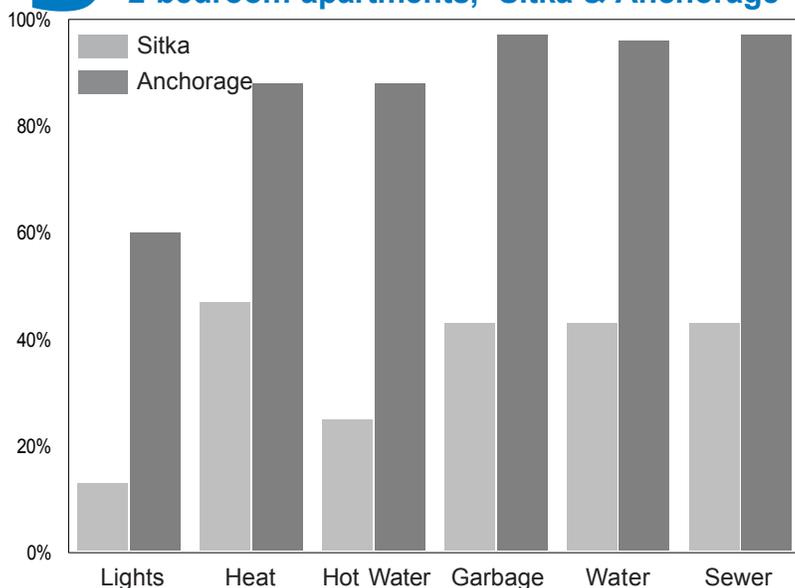
In the 2002 survey, the highest median adjusted rents in all surveyed areas for both two-bedroom apartments and three-bedroom single-family units occurred in Juneau. (See Exhibits 10 & 11.) Two-bedroom apartments were \$967 and three-bedroom single-family units were \$1,446. Valdez-Cordova followed with two-bedroom apartments and three-bedroom single-family units at \$920 and \$1,439 per month respectively. The lowest rents for three-bedroom single-family rentals were in Wrangell-Petersburg, \$854 per month.

## Tenants pay a premium for larger units

In all ten areas surveyed, the more bedrooms a rental unit has, the higher the median adjusted rent. In general, the largest premium, that is, the additional money a tenant would have to pay in order to move into a larger apartment, exists between studio/efficiencies and one-bedroom units. Tenants pay between 22 percent more in the Municipality of Anchorage and 51 percent more in Kodiak to have a unit with a separate bedroom.

The premium paid for moving from a one- to a two-bedroom apartment was highest in Kodiak,

## 9 Utilities Included in Rent 2-bedroom apartments, Sitka & Anchorage



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corp. 2002 Rental Market Survey

where the median adjusted rent for a two-bedroom apartment was \$463 higher than for a one-bedroom. Other areas with premiums greater than \$200 were all in Southeast Alaska: Juneau, Ketchikan, Sitka, and Wrangell-Petersburg.

Moving from a three-bedroom apartment to a three-bedroom single-family rental was most expensive in the Mat-Su Borough. Here, the premium for such a move was about 30 percent more per month. Anchorage, Fairbanks, and Kenai also had premiums over 25 percent.

### Rents increase moderately over 5 years

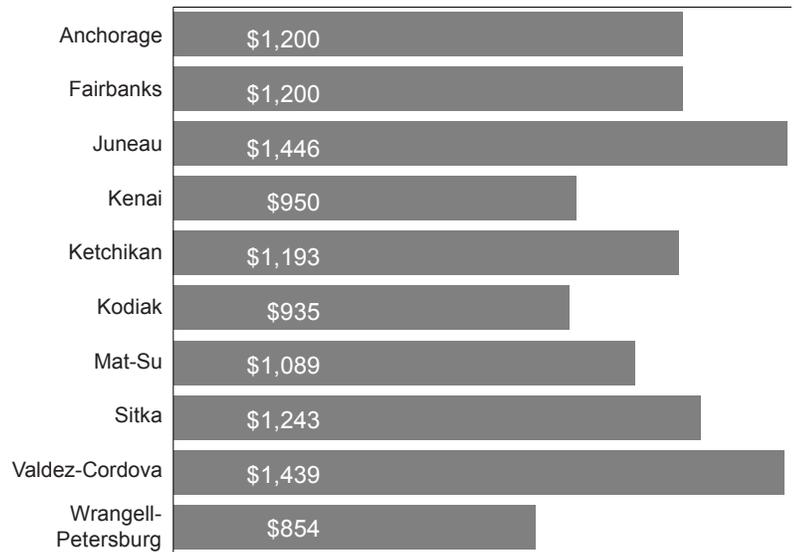
Over a five-year period from 1997 to 2002, most areas have seen low to moderate increases in median adjusted rents. When looking at two-bedroom apartments, Fairbanks showed the greatest increase over a five-year period at 13 percent. The Municipality of Anchorage and Mat-Su Borough followed, each having a 10 percent increase. In a few cases, decreases in median adjusted rents have occurred. Kodiak rents, in particular, decreased for almost every bedroom size and building type. (See Exhibit 12.)

The Juneau Borough, which typically has among the highest rents in the survey, had the smallest percentage change in two-bedroom median adjusted rent from 1997 to 2002. This would suggest a stable rental market despite high rental costs.

Median adjusted rents for apartments in Kenai and Mat-Su boroughs have remained some of the lowest in the survey despite increases in rents during that time. Kenai had an increase of eight percent over the five years but still had the lowest rent in the survey in 2002 and in 1997. Mat-Su has the second lowest rents in both years despite the ten percent increase that occurred there.

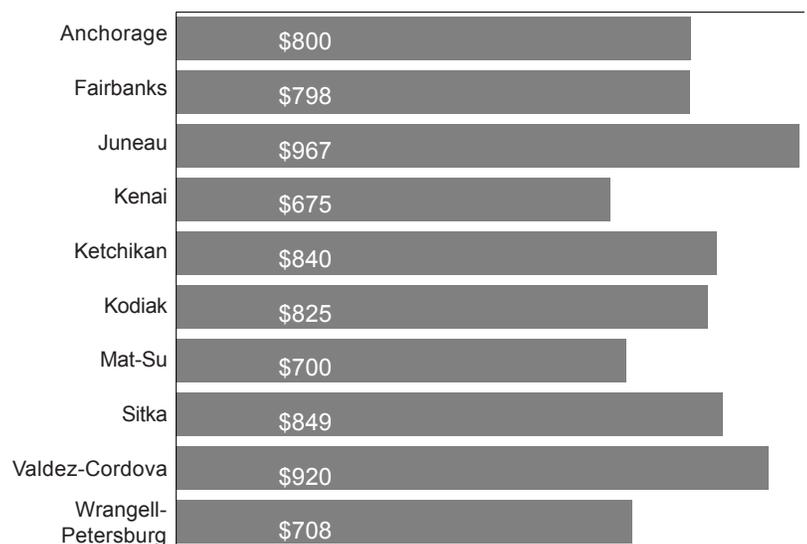
Median adjusted rents for single-family homes have similarly changed in many of the same areas as apartments. However, in general, single-family rental percentage changes were not as large as in apartments. In less common unit sizes (such as

## Median Adjusted Rent **10** 3-bedroom single-family home



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corp. 2002 Rental Market Survey

## Median Adjusted Rent **11** 2-bedroom apartments



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corp. 2002 Rental Market Survey

# 12 Median Adjusted Rent 2002 and 1997

	Single-Family			Apartments		
	2002	1997	% Change	2002	1997	% Change
<b>Anchorage Borough</b>						
0 Bedroom	n/a	n/a	n/a	545	462	18%
1 Bedroom	575	537	7%	650	583	11%
2 Bedroom	800	729	10%	800	725	10%
3 Bedroom	1,200	1,098	9%	950	850	12%
4 Bedroom	1,650	1,296	27%	1,225	980	25%
<b>Fairbanks North Star Borough</b>						
0 Bedroom	n/a	n/a	n/a	450	395	14%
1 Bedroom	645	554	16%	640	527	21%
2 Bedroom	900	765	18%	798	707	13%
3 Bedroom	1,200	1,094	10%	934	900	4%
4 Bedroom	1,303	1,286	1%	1,276	1,165	10%
<b>Juneau Borough</b>						
0 Bedroom	n/a	n/a	n/a	602	578	4%
1 Bedroom	800	766	4%	735	754	-3%
2 Bedroom	950	997	-5%	967	973	-1%
3 Bedroom	1,446	1,266	14%	1,298	1,002	30%
<b>Kenai Peninsula Borough</b>						
0 Bedroom	n/a	n/a	n/a	420	475	-12%
1 Bedroom	634	560	13%	550	502	10%
2 Bedroom	728	735	-1%	675	625	8%
3 Bedroom	950	875	9%	750	709	6%
4 Bedroom	1,110	1,022	9%	n/a	n/a	n/a
<b>Ketchikan Gateway Borough</b>						
0 Bedroom	n/a	n/a	n/a	520	500	4%
1 Bedroom	712	676	5%	650	619	5%
2 Bedroom	984	892	10%	840	805	4%
3 Bedroom	1,193	1,118	7%	1,153	1,021	13%
4 Bedroom	1,449	1,085	34%	n/a	n/a	n/a
<b>Kodiak Island Borough</b>						
0 Bedroom	n/a	n/a	n/a	500	450	11%
1 Bedroom	643	679	-5%	729	731	0%
2 Bedroom	837	939	-11%	825	946	-13%
3 Bedroom	935	1,137	-18%	1,288	1,150	12%
<b>Matanuska-Susitna Borough</b>						
0 Bedroom	n/a	n/a	n/a	450	439	3%
1 Bedroom	650	550	18%	610	540	13%
2 Bedroom	902	755	19%	700	637	10%
3 Bedroom	1,089	964	13%	847	766	11%
4 Bedroom	1,300	1,166	11%	n/a	n/a	n/a
<b>Sitka Borough</b>						
0 Bedroom	n/a	n/a	n/a	n/a	n/a	n/a
1 Bedroom	855	695	23%	653	692	-6%
2 Bedroom	1,015	843	20%	849	821	3%
3 Bedroom	1,243	1,021	22%	1,242	1,057	18%
<b>Wrangell-Petersburg Census Area</b>						
0 Bedroom	n/a	n/a	n/a	n/a	n/a	n/a
1 Bedroom	620	532	16%	625	568	10%
2 Bedroom	711	720	-1%	708	689	3%
3 Bedroom	854	786	9%	948	831	14%

four-bedroom), larger increases occurred.

In the three-bedroom single-family category, Sitka showed the largest increases in median adjusted rent at 22 percent. Recent drops in Sitka vacancy rates may explain the large jump in single-family rents. As the supply of available housing has dwindled, demand has driven up the price. Sitka was also experiencing an economic downturn following the closure of the pulp mill during that same period. Juneau showed the highest median adjusted rent in both 1997 and 2002 for three-bedroom single-family units. The percentage change of 14 percent over that period was the highest in all surveyed areas.

## The need for affordable housing

In areas with low vacancy rates, finding an available rental that meets the occupant's needs can be difficult. Finding one that is affordable is an even greater challenge, especially for low-to-moderate income individuals and families.

State and federal programs exist to help low-income families find affordable housing. Several of these programs are profiled in the following article on *Subsidized Rental Housing*.

n/a The quantity of data was too small to report

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corp. 2002 and 1997 Rental Market Surveys

# Subsidized Rental Housing

by Jill Lewis  
Labor Economist

## Government programs help Alaskans find affordable rentals

**F**inding affordable housing in Alaska can be a challenge. This is especially true for those with low and moderate incomes. State and federal programs provide affordable rental housing by subsidizing contract rents for families and developing new rental units.

### Subsidy helps low-income tenants

Alaska Housing Finance Corporation (AHFC) helps eligible low-income Alaskans obtain affordable housing. One of the ways AHFC does this is through the Housing Choice Voucher Program, previously known as Section 8.

The Housing Choice Voucher Program allows a low-income tenant to live in private rental housing as well as subsidized housing projects. The tenant can shop around for an apartment, using the voucher to bridge the gap between the contract rent and what the tenant can afford.

The Housing Choice Voucher program encourages families whose income is at or below 50 percent of the area median income to request a housing subsidy. In 2002, the Housing Choice Voucher income limit for a four-person household ranges from \$25,050 to \$35,900, depending on where the family lives. Census figures show more than 15 percent of Alaska families had income less than \$25,000 in 1999. As of July 1, 2002, AHFC had a total of 4,026 vouchers available in 11 Alaska communities.

### Fair market rent key to rental assistance

The contract rent offered by the private landlord must be a fair market rent. The fair market rent

amount is determined by the U.S. Department of Housing and Urban Development (HUD). Fair market rent is an estimate of the contract rent plus utility costs and services that a tenant would be expected to pay in order to rent a privately owned, modest unit with suitable features. AHFC will pay up to the fair market rent, or greater, depending on rental market conditions and vacancy rates. If a tenant selects a unit with rent above fair market rent, AHFC and the tenant share the extra cost.

Alaska has some of the highest rents in the nation, and some of the highest fair market rents as well. All of the fair market rents for places in Alaska fall

## HUD Fair Market Rents 2002

### Two-bedroom units

San Francisco Calif. MSA	\$1,747
Maui County HI	\$1,133
Juneau Borough	\$1,100
Kodiak Island Borough	\$1,022
Ketchikan Gateway Borough	\$900
Seattle-Bellevue-Everett MSA	\$845
Municipality of Anchorage	\$812
Sitka Borough	\$788
Valdez-Cordova Census Area	\$765
Fairbanks Northstar Borough	\$756
Portland-Vancouver MSA	\$747
Wrangell-Petersburg CA	\$733
Matanuska-Susitna Bor.	\$732
Kenai Peninsula Borough	\$699

MSA: Metropolitan Statistical Area CA: Census Area

Source: U.S. Department of Housing and Urban Development

into the upper 10 percent of rents in the nation. Exhibit 1 shows the fair market rent for a two-bedroom unit in selected places in Alaska and other states. In Alaska, rents for 2002 range from \$1,100 in Juneau to \$699 in the Kenai Peninsula Borough.

### **AHFC adds affordable multi-family units**

Another AHFC program works to increase the stock of affordable rental units in the state. AHFC's GOAL program (Greater Opportunities for Affordable Living) provides financing to developers willing to set aside a portion of their units for eligible low-to-moderate income family or senior housing. Since its inception in 1987, GOAL has provided \$25.5 million in funding for 1,981 units in 62 projects. Nine projects recently funded but not yet in service include 173 new units in seven communities: Cooper Landing, Dillingham, Juneau, Kotzebue, New Stuyahok, Sterling, and Wasilla. The GOAL program receives funding from HUD and the state of Alaska and tax credits from the Internal Revenue Service. AHFC also operates and maintains more than 1,300 single-family and multi-family units in its public housing program for low-income households.

### **Federal agencies offer assistance**

Low-income renters can obtain affordable housing through federal government programs as well as through AHFC. The U.S. Department of Agriculture's Rural Housing Service specifically targets housing developers in rural Alaska. A variety of loans and grants for the construction, acquisition, or renovation of affordable multi-family rental housing for low-to-moderate income families is offered. These units are owned and operated by private and non-profit developers.

The Office of Native American Programs at HUD offers funding in Alaska to 15 local, tribally designated housing authorities. These regional housing authorities (RHAs) design programs tailored to the housing needs of Alaska Native and American Indian families that cannot afford housing in the private market. The largest RHA in Alaska is the Association of Village Council

Presidents Regional Housing Authority (AVCP RHA), which represents approximately 40 tribes in Southwestern Alaska. AVCP RHA operates 32 low-income apartment units in Bethel.

Another large RHA is the Bristol Bay RHA, which administers more than 100 single-family rental homes and apartments in Dillingham, Nondalton, Newhalen, Chignik Lagoon, King Salmon, and South Naknek. Demand for these subsidized units always exceeds the supply. However, this year the waiting list for rental units has greatly shortened, although occupancy is still full. For the last two years the waiting list was at 200 percent of the units; this year it has dropped to 30 percent. The RHA speculates that residents are moving away to seek work after the recent financial disasters in the fishing industry.

### **Lease-to-own programs popular**

From 1998 to 2002 the Office of Native American Programs awarded \$150 million in grants to RHAs to maintain and operate more than 5,000 lease-to-own single-family homes. Because of the high cost of construction and limited job opportunities in rural Alaska, many Alaska Natives cannot obtain traditional financing to purchase a home. Since the mid-1970s, HUD has helped many low-income families into home ownership through these and other subsidized housing programs.

### **For more information**

Alaska Housing Finance Corporation, 4300 Boniface Parkway, Anchorage, Alaska 99504  
Phone: (907) 338-6100 or 1-800-478-2432  
[www.ahfc.state.ak.us/](http://www.ahfc.state.ak.us/)

USDA Rural Development Alaska State Office, 800 W. Evergreen, Suite 201, Palmer, AK 99645  
Phone: (907) 761-7705 [www.rurdev.usda.gov/ak/rural.housing.htm](http://www.rurdev.usda.gov/ak/rural.housing.htm)

U.S. Housing and Urban Development, Alaska Office of Native American Programs, 949 E. 36<sup>th</sup> Ave., Suite 401, Anchorage, AK 99508-4399  
Phone: (907) 271-4644 [www.codetalk.fed.us/AKONAP.html](http://www.codetalk.fed.us/AKONAP.html)

## Developed to keep track of nonresident workers, it serves other purposes as well

**D**uring the economic boom that accompanied the building of the Trans-Alaska Pipeline in the 1970s, the state witnessed a large influx of nonresident workers. Despite relatively high unemployment rates among Alaska residents, nonresident workers were taking many high paying jobs that could have been filled by Alaska residents. This resulted in a simultaneous increase in employment and unemployment in Alaska.

As oil dollars supported massive publicly funded construction projects in the early 1980s, the Alaska Legislature asked the Department of Labor to enforce resident hire on these projects, collect information to support this effort and to report annually on nonresidents working in Alaska. The goal was to increase resident hire, reduce unemployment, identify industries and occupations with large numbers of nonresident workers, and find resident workers that have skills required for publicly funded projects.

In order to determine the number of resident and nonresident workers in particular occupations, the Alaska Occupational Database (ODB) system was developed.

### Size of the database

The ODB contains occupation and place of work information on each employed wage and salary worker covered by unemployment insurance in Alaska. About 18,000 Alaska employers report wages for employees during any given quarter.

Alaska has approximately 350,000 employer/worker combinations per quarter. Because workers may hold multiple jobs in a quarter, this file is not directly comparable to average monthly employment figures reported by the department. The file identifies the types of work employees are performing and the skills that employers need. Occupation and place of work information is available for more than 90 percent of all unemployment insurance wage records.

### Authority to collect data

The authority of the Department of Labor and Workforce Development (AKDOL) to collect data stems from Alaska law which authorizes it to adopt regulations necessary to administer the law and requires employers to comply. Further regulations require employers to file a quarterly contribution report and wage schedule to AKDOL. For each employee, the report includes, among other things: name, social security number, occupational code or title, place of work location code, and total wages paid during the calendar quarter. Occupations may be submitted using the Standard Occupational Classification (SOC) codes or by supplying a descriptive title. The ODB system also maintains data on employers (i.e., employer name, industry classification, wages paid per quarter, etc.).

### Database mechanics

If an employer reports an occupational title, those titles are converted to valid SOC codes using an

# 1 Top Five Occupations by Worker Count For selected areas—2001

Geographic Area	Occupational Title	Occupational	
		Count of Workers <sup>1</sup>	Wages (\$millions) <sup>2</sup>
North Slope Borough	Roustabouts, Oil and Gas	1,278	\$47.4
North Slope Borough	Operating Engineers & Other Construction Equip. Operators	1,210	42.6
North Slope Borough	Construction Laborers	1,055	15.8
North Slope Borough	Office Clerks, General	640	10.3
North Slope Borough	Laborers and Freight, Stock, and Material Movers, Hand	609	5.3
Fairbanks North Star Borough	Office Clerks, General	2,477	22.0
Fairbanks North Star Borough	Combined Food Preparation & Serving Workers, Incl. Fast Food	2,378	4.5
Fairbanks North Star Borough	Retail Salespersons	2,338	16.4
Fairbanks North Star Borough	Waiters and Waitresses	1,856	5.9
Fairbanks North Star Borough	Laborers and Freight, Stock, and Material Movers, Hand	1,529	12.7
Municipality of Anchorage	Retail Salespersons	10,757	95.7
Municipality of Anchorage	Office Clerks, General	8,042	85.2
Municipality of Anchorage	Combined Food Preparation & Serving Workers, Incl. Fast Food	6,739	21.1
Municipality of Anchorage	Laborers and Freight, Stock, and Material Movers, Hand	5,109	50.0
Municipality of Anchorage	Waiters and Waitresses	4,771	26.2
Juneau Borough	Office Clerks, General	1,163	11.2
Juneau Borough	Retail Salespersons	1,149	7.3
Juneau Borough	Child Care Workers	990	1.7
Juneau Borough	Cashiers	677	3.6
Juneau Borough	Waiters and Waitresses	674	2.1
Matanuska-Susitna Borough	Retail Salespersons	1,470	11.8
Matanuska-Susitna Borough	Combined Food Preparation & Serving Workers, Incl. Fast Food	1,168	4.5
Matanuska-Susitna Borough	Construction Laborers	1,088	8.3
Matanuska-Susitna Borough	Teachers and Instructors, All Other	1,020	**
Matanuska-Susitna Borough	Office Clerks, General	840	8.3
Kenai Peninsula Borough	Seafood Processing Workers, Except Surimi and Fish Roe	1,985	6.1
Kenai Peninsula Borough	Retail Salespersons	1,346	9.7
Kenai Peninsula Borough	Combined Food Preparation & Serving Workers, Incl. Fast Food	1,225	2.9
Kenai Peninsula Borough	Waiters and Waitresses	1,026	3.6
Kenai Peninsula Borough	Teachers and Instructors, All Other	962	**

1. Worker count may overstate employment in that workers holding multiple jobs are counted more than once, and multiple workers holding the same job (turnover) are counted multiple times.

2. Wages are suppressed when more than 50 percent of the workers are employed by the same employer.

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

extensive industry-specific crosswalk system. Custom crosswalks have also been developed in support of major Alaska employers. Titles or codes not recognized as a SOC code are checked against these special files developed in cooperation with larger employers. Early in the process of establishing the ODB system, AKDOL worked with large employers to develop these tables for automating the reporting process. The employer crosswalk enables employers to set up a table with their own company's codes for job classifications. This crosswalk enables employers to continue to use classifications already established in their organization for coding of employees and allows the ODB unit to automatically recode the employer classifications to the correct SOC. While requiring some effort on the front end, this has proven effective for the department, a time-saver for employers, and it makes the data more accurate.

## Uses for ODB data

Although the ODB data is used primarily for the preparation of the annual resident hire report and in the enforcement of resident hire on publicly funded construction projects, a wide variety of labor market questions can be answered by this database. For instance:

- What is the percentage of female workers in a particular occupation?
- Do students exiting training programs find employment in an occupation related to their course of study?
- Which occupations have a large percentage of nonresident workers? (suggesting that a training program could help fill the need with Alaska residents)
- What are the highest paying occupations available in rural Alaska?
- Which occupations are year round occupations?
- How many workers in a particular borough or census area actually live in another part of the state?
- What occupations provide the majority of the wage income in an area?
- How much of an area's economy hinges on a particular occupation?

Looking at the leading occupations around the state gives a feel for regional differences in the state's economy. Exhibit 1 lists the top five occupations by worker count for several areas of the state. For the North Slope Borough, the leading occupation by both worker count and wages is Roustabouts, who earned more than \$47 million in wages for calendar year 2001. Other oil and gas-related construction occupations completed the North Slope's top five list. For the Fairbanks North Star Borough, the leading occupation is Office Clerk, followed by a mix of office, retail, and construction occupations. Fairbanks' largest occupation has nearly twice as many workers as that for the North Slope, but they earn less than half the total wages. For Anchorage, the top occupation by wages earned is Managers, while the largest number of workers are employed as Retail Salespersons. In Juneau, the top occupation by wages earned is General Managers, while the largest number of workers are employed as General Office Clerks.

To obtain a complete data set and to answer similar questions about your area, go to <http://www.labor.state.ak.us/research/research.html>.

## Reports using ODB data

The Research and Analysis section produces several reports annually using the ODB data in conjunction with other proprietary databases (i.e., the Department of Revenue's Permanent Fund Dividend (PFD) Division). These reports include: Resident Hire report, New Hires evaluation, Statewide Training and Employment Program (STEP) evaluation, Training Program Performance report, and articles on Gender Gap and Age Analysis. This is not the limit of uses for ODB data. Government leaders and consultants receive ODB data on an ad hoc basis as the need arises. For full report copies, visit <http://www.labor.state.ak.us/research/research/pub.htm>.

More information regarding occupation and geographic coding, and a complete set of codes can be found at <http://www.labor.state.ak.us/research/erg/occmanual.pdf>.

# Unemployment Remains Low

## Alaska Employment Scene

by  
Neal Fried  
Labor Economist

The unemployed elsewhere are not making a beeline for Alaska

**A**laska's unemployment rate of 5.7% remains surprisingly low, despite the national economic slowdown and the state's slower employment growth. The national unemployment rate in July was 5.9%, up significantly from last year's rate of 4.6%. The number of unemployed in the nation is 1.5 million higher than it was a year ago.

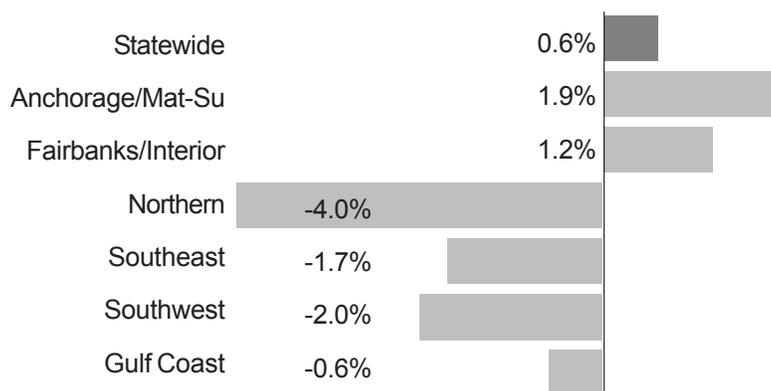
In areas closer to home, such as the Pacific Northwest, which historically sends Alaska many job seekers, the employment picture is no better. Unemployment is up significantly in Idaho, Washington, Oregon, and California. In the latter

three states fewer jobs exist this year than in 2001. As a result, one might expect that Alaska would see an influx of workers. So far, however, it doesn't seem to be happening in significant numbers.

A few subtle changes have been in the offing. This year, the fish processors had no problem recruiting a workforce both for the winter and summer fisheries. In fact, they were able to attract an unusual number of experienced workers—a complete reversal of last year's situation and, to a lesser extent, the previous five years. The phrase, "labor shortage" has been heard less in the employer community. While it is possible that the number of job seekers coming from elsewhere in the nation has grown, their numbers are still too faint to be picked up on the economic radar screen. One possibility is that news about poor salmon seasons and layoffs in the oil industry is keeping job seeking migrants away.

The strength of the state's construction industry, however, which contrasts with the weakening national construction picture, supports the notion that Alaska might look attractive to out-of-work construction workers, a group that tends to be especially mobile. High profile projects such as the Missile Defense Test Facility and the new Basset Hospital at Fort Wainwright also seem likely to attract workers. But thus far, Alaska has

## 1 Mixed Picture Persists July Employment Growth 2001-2002



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

not experienced a big labor force response from workers escaping a national recession. This is one factor in the state's low unemployment rate.

### Big differences around the state

Unlike most of the western states mentioned above, July employment in Alaska is still running ahead of year-ago levels. Alaska has 1,900 more jobs than it did a year ago, a gain of 0.6%. Although still positive, growth has slowed significantly from the 2.1% for 2001. In July, only the Anchorage/Mat-Su and Fairbanks/Interior regions were running in the black. Strong construction, service, and retail sectors are keeping these regions positive. In other regions of the state, employment in July was scarcer than a year ago. In the Gulf Coast, Southwest and Southeast regions, where fishing is a big or dominant player, the story is well known. (See Exhibit 1.) The heaviest hit came in Bristol Bay where the ex-vessel value of salmon to the fishers fell to \$31 million, compared to the ten-year average of \$129 million. Large losses in Southeast timber jobs also remain a big negative in that region. In July, timber jobs had dwindled to half what they were in 2001—a slide that began over a decade ago. The transfer and loss of Alyeska jobs in Valdez and Fairbanks were also evident in the July numbers. Fairbanks lost approximately 150 jobs and Valdez about 80. The Northern region's numbers remain negative because of the decline in oil industry employment.

### How does Alaska compare to the nation?—a Readers' Digest version

Once every ten years Alaska and every state and community in the nation see a pretty detailed statistical portrait of themselves in the form of the decennial census. For the past year and for the next couple of years the Census Bureau has been and will be releasing results from the 2000 Census. Because this same information is produced for every community and state in the nation, comparisons come easy. Most of the information can also be compared to previous decades. Alaskans love to compare themselves with others, so in this spirit Exhibit 2 was constructed. This is just a teaser—there's much more to come in the future.

### The census still depicts a frontier state—younger and more male than the nation

A frontier state often has a younger population and Alaska continues to fill that bill. Although the median age in Alaska climbed by exactly three years over the past decade, it remains nearly three years younger than the nation as a whole. Alaska is the third youngest state in the nation, with Utah being the youngest at 27.1, and Texas, just a hair younger at 32.3. Another frontier feature of Alaska is its gender balance. With 107 men for every 100 women, Alaska has the nation's highest male-to-female ratio. In fact, we are one of only a handful of states with more men than women. But each decade this ratio moves closer to parity and is already nearer balance than the popular perception.

*(continued on page 22)*

## How Does Alaska's Census Profile Compare to the nation's? **2**

	Alaska	U.S.
Median Age	32.4	35.3
Native American	15.6%	0.9%
Ratio of Males to Females	107/100	96/100
Family Households	68.7%	68.1%
Owner Occupied Homes	62.5%	66.2%
High School or higher	88.3%	80.4%
Bachelors Degree or higher	24.7%	24.4%
Married (over 15)	54.5%	54.4%
Divorced (over 15)	11.7%	9.7%
Veterans (over 18)	17.1%	12.7%
Born in Alaska (or state where living)	38.1%	60.0%
Speak other than English at home	14.3%	17.9%
Unemployed	9.0%	5.8%
Labor Force Participation	65.9%	57.5%
Commuting time to work (minutes)	19.6	25.5
Median Household Income	\$51,571	\$41,994
Per Capita Income	\$22,660	\$21,587
Percent Families in Poverty	6.7%	9.2%
Median Value of Home	\$144,200	\$119,600

Source: U.S. Bureau of the Census, Census 2000

# 3 Nonagricultural Wage and Salary Employment

## By place of work

Alaska	preliminary	revised	Changes from:		
	7/02	6/02	7/01	6/02	7/01
<b>Total Nonag. Wage &amp; Salary</b>	<b>313,500</b>	<b>305,800</b>	<b>311,600</b>	<b>7,700</b>	<b>1,900</b>
Goods-producing	49,700	41,100	51,300	8,600	-1,600
Service-producing	263,800	264,700	260,300	-900	3,500
<b>Mining</b>	<b>10,600</b>	<b>10,500</b>	<b>11,500</b>	<b>100</b>	<b>-900</b>
Oil & Gas Extraction	8,900	8,900	9,900	0	-1,000
<b>Construction</b>	<b>18,600</b>	<b>17,700</b>	<b>18,000</b>	<b>900</b>	<b>600</b>
<b>Manufacturing</b>	<b>20,500</b>	<b>12,900</b>	<b>21,800</b>	<b>7,600</b>	<b>-1,300</b>
Durable Goods	2,300	2,300	2,900	0	-600
Lumber & Wood Products	900	900	1,400	0	-500
Nondurable Goods	18,200	10,600	18,900	7,600	-700
Seafood Processing	15,200	7,700	15,900	7,500	-700
<b>Transportation/Comm/Utilities</b>	<b>30,100</b>	<b>29,900</b>	<b>30,500</b>	<b>200</b>	<b>-400</b>
Trucking & Warehousing	3,500	3,400	3,500	100	0
Water Transportation	2,300	2,100	2,500	200	-200
Air Transportation	10,600	10,500	10,600	100	0
Communications	5,500	5,600	5,600	-100	-100
Electric, Gas & Sanitary Svcs.	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>0</b>	<b>0</b>
<b>Trade</b>	<b>63,600</b>	<b>62,700</b>	<b>62,800</b>	<b>900</b>	<b>800</b>
Wholesale Trade	8,800	8,500	9,000	300	-200
Retail Trade	54,800	54,200	53,800	600	1,000
Gen. Merchandise & Apparel	10,600	10,600	10,200	0	400
Food Stores	6,600	6,500	6,900	100	-300
Eating & Drinking Places	20,200	20,000	19,700	200	500
<b>Finance/Insurance/Real Estate</b>	<b>13,100</b>	<b>13,200</b>	<b>13,000</b>	<b>-100</b>	<b>100</b>
<b>Services &amp; Misc.</b>	<b>80,200</b>	<b>79,400</b>	<b>78,700</b>	<b>800</b>	<b>1,500</b>
Hotels & Lodging Places	10,400	9,800	10,200	600	200
Business Services	8,900	8,800	9,200	100	-300
Health Services	19,000	19,000	18,500	0	500
Legal Services	1,700	1,600	1,700	100	0
Social Services	9,100	9,100	8,600	0	500
Engineering/Account'g/Research	8,700	8,600	8,500	100	200
<b>Government</b>	<b>76,800</b>	<b>79,500</b>	<b>75,300</b>	<b>-2,700</b>	<b>1,500</b>
Federal	17,500	17,400	17,700	100	-200
State	23,100	23,500	22,300	-400	800
Local	36,200	38,600	35,300	-2,400	900
Tribal	3,500	3,400	3,200	100	300

Municipality of Anchorage	preliminary	revised	Changes from:		
	7/02	6/02	7/01	6/02	7/01
<b>Total Nonag. Wage &amp; Salary</b>	<b>143,600</b>	<b>144,500</b>	<b>141,500</b>	<b>-900</b>	<b>2,100</b>
Goods-producing	14,600	14,100	14,600	500	0
Service-producing	129,000	130,400	126,900	-1,400	2,100
<b>Mining</b>	<b>2,700</b>	<b>2,800</b>	<b>3,100</b>	<b>-100</b>	<b>-400</b>
Oil & Gas Extraction	2,600	2,600	2,900	0	-300
<b>Construction</b>	<b>9,500</b>	<b>9,000</b>	<b>9,100</b>	<b>500</b>	<b>400</b>
<b>Manufacturing</b>	<b>2,400</b>	<b>2,300</b>	<b>2,400</b>	<b>100</b>	<b>0</b>
<b>Transportation/Comm/Utilities</b>	<b>16,300</b>	<b>16,200</b>	<b>16,000</b>	<b>100</b>	<b>300</b>
Air Transportation	6,400	6,400	6,300	0	100
Communications	3,500	3,600	3,600	-100	-100
<b>Trade</b>	<b>33,700</b>	<b>33,600</b>	<b>33,200</b>	<b>100</b>	<b>500</b>
Wholesale Trade	6,400	6,300	6,400	100	0
Retail Trade	27,300	27,300	26,800	0	500
Gen. Merchandise & Apparel	5,500	5,400	5,200	100	300
Food Stores	2,200	2,300	2,400	-100	-200
Eating & Drinking Places	10,500	10,500	10,300	0	200
<b>Finance/Insurance/Real Estate</b>	<b>7,700</b>	<b>7,900</b>	<b>7,700</b>	<b>-200</b>	<b>0</b>
<b>Services &amp; Misc.</b>	<b>42,400</b>	<b>42,700</b>	<b>41,600</b>	<b>-300</b>	<b>800</b>
Hotels & Lodging Places	3,400	3,500	3,400	-100	0
Business Services	6,300	6,400	6,500	-100	-200
Health Services	10,200	10,200	10,000	0	200
Legal Services	1,200	1,200	1,200	0	0
Social Services	4,400	4,400	4,300	0	100
Engineering/Account'g/Research	6,300	6,300	6,100	0	200
<b>Government</b>	<b>28,900</b>	<b>30,000</b>	<b>28,400</b>	<b>-1,100</b>	<b>500</b>
Federal	9,800	9,900	10,000	-100	-200
State	9,300	9,300	8,800	0	500
Local	9,800	10,800	9,600	-1,000	200
Tribal	200	200	150	0	50

Notes to Exhibits 3, 4, & 5—Nonagricultural excludes self-employed workers, fishers, domestics, and unpaid family workers as well as agricultural workers. Government category includes employees of public school systems and the University of Alaska.

Exhibits 3 & 4—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Exhibit 5—Prepared in part with funding from the Employment Security Division. Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 4 Hours and Earnings

## For selected industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary 7/02	revised 6/02	revised 7/01	preliminary 7/02	revised 6/02	revised 7/01	preliminary 7/02	revised 6/02	revised 7/01
Mining	\$1,298.57	\$1,310.65	\$1,432.21	43.3	44.1	48.5	\$29.99	\$29.72	\$29.53
Construction	1,224.47	1,234.39	1,365.16	45.2	45.6	46.8	27.09	27.07	29.17
Manufacturing	494.27	478.94	594.95	32.2	26.1	51.6	15.35	18.35	11.53
Seafood Processing	388.48	200.58	510.97	29.7	15.3	52.3	13.08	13.11	9.77
Transportation/Comm/Utilities	735.33	758.39	758.93	33.7	36.2	35.9	21.82	20.95	21.14
Trade	499.05	506.58	500.16	35.8	35.7	35.7	13.94	14.19	14.01
Wholesale Trade	676.89	728.23	718.57	40.1	41.4	39.7	16.88	17.59	18.10
Retail Trade	471.74	474.99	465.43	35.1	34.9	35.1	13.44	13.61	13.26
Finance/Insurance/Real Estate	652.30	663.94	641.78	35.9	37.3	37.4	18.17	17.80	17.16

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 2001

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

# 5 Nonagricultural Wage and Salary Employment

## By place of work

	preliminary	revised	Changes from:				preliminary	revised	Changes from:		
	7/02	6/02	7/01	6/02	7/01	Interior Region	7/02	6/02	7/01	6/02	7/01
<b>Fairbanks</b>						<b>Total Nonag. Wage &amp; Salary</b>	44,350	43,800	43,850	550	500
<b>North Star Borough</b>						Goods-producing	4,950	4,550	4,850	400	100
						Service-producing	39,400	39,250	39,000	150	400
						Mining	1,100	1,100	1,300	0	-200
						Construction	3,100	2,750	2,800	350	300
						Manufacturing	750	700	750	50	0
						Transportation/Comm/Utilities	4,600	4,450	4,900	150	-300
						Trade	9,000	8,900	8,750	100	250
						Finance/Insurance/Real Estate	1,350	1,350	1,300	0	50
						Services & Misc.	11,350	11,000	11,000	350	350
						Hotels & Lodging Places	2,250	2,150	2,250	100	0
						Government	13,100	13,550	13,050	-450	50
						Federal	4,050	3,950	4,100	100	-50
						State	5,000	5,200	4,900	-200	100
						Local	4,050	4,400	4,050	-350	0
						Tribal	450	350	350	100	0
<b>Total Nonag. Wage &amp; Salary</b>	37,450	36,950	37,050	500	400	<b>Total Nonag. Wage &amp; Salary</b>	158,800	159,450	155,900	-650	2,900
Goods-producing	4,550	4,200	4,500	350	50	Goods-producing	16,600	15,950	16,400	650	200
Service-producing	32,900	32,750	32,550	150	350	Service-producing	142,200	143,500	139,500	-1,300	2,700
Mining	950	950	1,150	0	-200	Mining	2,800	2,800	3,100	0	-300
Construction	2,900	2,600	2,650	300	250	Construction	11,200	10,650	10,700	550	500
Manufacturing	700	650	700	50	0	Manufacturing	2,600	2,500	2,600	100	0
Transportation/Comm/Utilities	3,350	3,300	3,700	50	-350	Transportation/Comm/Utilities	17,300	17,200	17,100	100	200
Trucking & Warehousing	750	750	700	0	50	Trade	37,800	37,600	37,000	200	800
Air Transportation	1,100	1,050	1,150	50	-50	Finance/Insurance/Real Estate	8,200	8,400	8,150	-200	50
Communications	350	350	400	0	-50	Services & Misc.	46,700	46,850	45,650	-150	1,050
Trade	7,300	7,250	7,100	50	200	Government	32,200	33,450	31,600	-1,250	600
Wholesale Trade	750	750	700	0	50	Federal	10,000	10,050	10,150	-50	-150
Retail Trade	6,550	6,500	6,400	50	150	State	10,150	10,200	9,700	-50	450
Gen. Merchandise & Apparel	1,200	1,200	1,150	0	50	Local	12,050	13,200	11,750	-1,150	300
Food Stores	650	600	650	50	0	Tribal	250	250	200	0	50
Eating & Drinking Places	2,550	2,550	2,450	0	100						
Finance/Insurance/Real Estate	1,250	1,250	1,250	0	0						
Services & Misc.	10,200	9,950	9,900	250	300						
Hotels & Lodging Places	1,650	1,600	1,650	50	0						
Health Services	2,200	2,200	2,150	0	50						
Government	10,800	11,000	10,600	-200	200						
Federal	3,450	3,450	3,500	0	-50						
State	4,750	4,900	4,550	-150	200						
Local	2,600	2,650	2,550	-50	50						
Tribal (no data)	-	-	-	-	-						
						<b>Southeast Region</b>					
						<b>Total Nonag. Wage &amp; Salary</b>	40,700	38,600	41,300	2,100	-600
						Goods-producing	6,350	4,650	7,000	1,700	-650
						Service-producing	34,350	33,950	34,300	400	50
						Mining	300	300	300	0	0
						Construction	1,900	1,950	1,900	-50	0
						Manufacturing	4,150	2,400	4,800	1,750	-650
						Durable Goods	750	800	1,350	-50	-600
						Lumber & Wood Products	500	500	1,000	0	-500
						Nondurable Goods	3,400	1,600	3,450	1,800	-50
						Seafood Processing	3,100	1,300	3,150	1,800	-50
						Transportation/Comm/Utilities	3,400	3,300	3,500	100	-100
						Trade	7,350	7,200	7,500	150	-150
						Wholesale Trade	700	650	750	50	-50
						Retail Trade	6,650	6,550	6,750	100	-100
						Food Stores	1,300	1,300	1,400	0	-100
						Finance/Insurance/Real Estate	1,350	1,350	1,400	0	-50
						Services & Misc.	9,000	8,650	9,050	350	-50
						Health Services	1,800	1,800	1,750	0	50
						Government	13,250	13,450	12,850	-200	400
						Federal	2,050	2,050	1,950	0	100
						State	5,400	5,500	5,300	-100	100
						Local	5,800	5,900	5,600	-100	200
						Tribal	550	550	550	0	0
						<b>Northern Region</b>					
						<b>Total Nonag. Wage &amp; Salary</b>	15,750	15,400	16,450	350	-700
						Goods-producing	5,500	5,400	6,200	100	-700
						Service-producing	10,250	10,000	10,250	250	0
						Mining	4,950	4,900	5,450	50	-500
						Oil & Gas Extraction	4,500	4,450	4,950	50	-450
						Government	4,550	4,650	4,450	-100	100
						Federal	150	150	150	0	0
						State	350	350	350	0	0
						Local	4,050	4,150	3,950	-100	100
						Tribal	450	450	400	0	50
						<b>Southwest Region</b>					
						<b>Total Nonag. Wage &amp; Salary</b>	20,250	17,400	20,700	2,850	-450
						Goods-producing	6,750	3,700	7,150	3,050	-400
						Service-producing	13,500	13,700	13,550	-200	-50
						Seafood Processing	6,500	3,500	6,900	3,000	-400
						Government	6,700	7,000	6,700	-300	0
						Federal	400	400	400	0	0
						State	600	600	600	0	0
						Local	5,700	6,000	5,700	-300	0
						Tribal	1,550	1,500	1,400	50	150
						<b>Gulf Coast Region</b>					
						<b>Total Nonag. Wage &amp; Salary</b>	33,050	30,400	33,300	2,650	-250
						Goods-producing	9,350	6,700	9,750	2,650	-400
						Service-producing	23,700	23,700	23,550	0	150
						Mining	1,300	1,350	1,300	-50	0
						Oil & Gas Extraction	1,300	1,350	1,300	-50	0
						Construction	1,750	1,750	1,850	0	-100
						Manufacturing	6,300	3,600	6,600	2,700	-300
						Seafood Processing	5,300	2,650	5,650	2,650	-350
						Transportation/Comm/Utilities	2,500	2,500	2,650	0	-150
						Trade	6,500	6,200	6,500	300	0
						Wholesale Trade	550	450	650	100	-100
						Retail Trade	5,950	5,750	5,850	200	100
						Eating & Drinking Places	2,250	2,200	2,200	50	50
						Finance/Insurance/Real Estate	750	750	750	0	0
						Services & Misc.	6,950	6,800	6,850	150	100
						Health Services	1,250	1,300	1,250	-50	0
						Government	7,000	7,450	6,800	-450	200
						Federal	900	900	900	0	0
						State	1,600	1,600	1,550	0	50
						Local	4,500	4,950	4,350	-450	150
						Tribal	250	300	300	-50	-50

# 6 Unemployment Rates

## By region and census area

(continued from page 19)

### Alaska is more diverse

Alaska's population is also more diverse than the rest of the nation. The single biggest reason for this is the state's large Native American population (in this case nearly all of it is Native Alaskan). Alaska has the highest concentration of Native Americans in the country. Moreover, the state's Hispanic and Asian populations are both growing faster than the overall population.

### Some similarities, but more Alaskans are high school graduates, and fewer are born here

The average family size, the percent of people married, and the number of college graduates in Alaska are quite similar to the rest of the nation. More Alaskans have at least a high school diploma—in fact Alaska has one of the highest percentages of high school graduates in the nation. There are more veterans in Alaska, which is not surprising given its historically large military population. Another familiar difference is that most Alaskans still hark from elsewhere in the nation. Only 38 percent of the state's citizens were born here, versus a 60 percent figure for the rest of nation as a whole. This helps explain why Alaskans so often ask each other "Where did you come from?" In contrast, 78 percent of Pennsylvania's residents were born in that state.

### Unemployment higher, more people work, and incomes are higher

Because of seasonality and scarce opportunities in rural Alaska, Alaska's unemployment rate ran 2.5 points higher than the nation's. At the same time, a significantly larger percentage of Alaskans participate in the workforce. A younger population may explain some of those differences. Alaska's median family income was a full 23 percent above the nation's—partly due to this greater participation in the workforce. Per capita income was also higher, but the advantage shrank to 5 percent. The percentage of families living below poverty was lower than the nation's because of higher incomes. These figures are not adjusted for cost-of-living differences. Not as many Alaskans lived in their own homes but the median value of a home in Alaska was \$144,200, nearly \$25,000 higher than the national median.

The painting drawn with these numbers is a very sketchy one. If one delves into the details, the differences around the state are nothing short of dramatic. During the next two years much more detailed analysis of this intriguing information will become available.

Not Seasonally Adjusted	preliminary	revised	07/01
	07/02	06/02	
<b>United States</b>	<b>6.0</b>	<b>6.0</b>	<b>4.7</b>
<b>Alaska Statewide</b>	<b>5.7</b>	<b>6.3</b>	<b>5.3</b>
<b>Anchorage/Mat-Su Region</b>	<b>4.8</b>	<b>4.9</b>	<b>4.4</b>
Municipality of Anchorage	4.3	4.4	3.9
Mat-Su Borough	6.7	7.3	6.6
<b>Gulf Coast Region</b>	<b>7.0</b>	<b>9.5</b>	<b>6.3</b>
Kenai Peninsula Borough	7.8	8.3	6.9
Kodiak Island Borough	4.4	14.9	4.7
Valdez-Cordova	6.7	6.6	5.7
<b>Interior Region</b>	<b>5.3</b>	<b>5.8</b>	<b>5.3</b>
Denali Borough	3.1	4.0	4.3
Fairbanks North Star Borough	4.8	5.3	4.8
Southeast Fairbanks	8.8	8.6	8.0
Yukon-Koyukuk	13.5	14.5	12.8
<b>Northern Region</b>	<b>13.2</b>	<b>14.0</b>	<b>11.8</b>
Nome	12.2	13.1	12.6
North Slope Borough	10.5	11.1	8.9
Northwest Arctic Borough	18.5	19.5	15.0
<b>Southeast Region</b>	<b>5.6</b>	<b>6.1</b>	<b>5.1</b>
Haines Borough	6.1	6.9	5.1
Juneau Borough	4.4	4.7	4.1
Ketchikan Gateway Borough	6.2	7.2	5.4
Prince of Wales-Outer Ketchikan	10.2	10.5	9.2
Sitka Borough	4.2	5.2	4.1
Skagway-Hoonah-Angoon	6.4	6.6	6.9
Wrangell-Petersburg	6.2	7.2	5.7
Yakutat Borough	10.7	12.2	10.7
<b>Southwest Region</b>	<b>10.9</b>	<b>13.2</b>	<b>9.8</b>
Aleutians East Borough	2.1	3.8	3.3
Aleutians West	9.4	13.4	7.2
Bethel	11.3	13.2	10.8
Bristol Bay Borough	6.3	8.1	5.1
Dillingham	8.4	9.7	7.1
Lake & Peninsula Borough	7.9	11.5	7.4
Wade Hampton	20.7	23.3	17.9
<b>Seasonally Adjusted</b>			
United States	5.9	5.9	4.6
Alaska Statewide	6.7	6.7	6.3

#### 2001 Benchmark

Comparisons between different time periods are not as meaningful as other time series produced by Research and Analysis. 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

# Employer Resources

Success in today's business world is not easy. Employers must be aware of every available opportunity to save time and money. The Alaska Employment Service can help businesses reduce the time and money spent recruiting employees. Click on: <http://www.job.state.ak.us/employer.html>

<http://www.job.state.ak.us/employer.htm>

## Welcome to the Alaska Job Center Network Employer Connection

### Job Order Options

[Online Job Order](#)

[Email Job Order Form](#)

[Job Order by Fax \(.pdf\)](#)

Call the Anchorage Job Center  
Midtown: 1-888-830-4473

[Contact an Alaska Job Center](#)



America's  
Job Bank

Direct job order input,  
resume search, resume  
scout, and more.

AJCN staff help employers recruit qualified workers by listing job openings in each [Alaska Job Center](#) across the state, on [Alaska's Job Bank](#), and on [America's Job Bank](#).

### Welfare-to-Work

To recruit Welfare-to-Work clients or for information about on-the-job training, call 1-888-838-JOBS (5627) or contact a [job developer](#).

### On-the-Job Training

**\$\$\$ for employers** to train dedicated workers!

### Seafood Industry Employers

[Seafood Jobs](#) (home page)

[Seafood Job Order Form](#)

[Alaska Employer Handbook](#)

[Business Services](#)

[DOL Links for Employers](#)

[Employee Bonding](#)

[Employment Application \(.pdf\)](#)

[Employment Related Posters](#)

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## Alaska Employer Handbook

*Most Alaska employers do not enter the business world with a degree in business management. An understanding of business practices, particularly in personnel management, often comes from common sense, trial and error, and "learning the hard way."*

This handbook is designed to provide employers with basic information about sound personnel practices and a working knowledge of state and federal requirements regarding employers. Information presented here is intended to be used as a guideline and, unless specifically stated, should not be considered legally binding nor a full representation of legal requirements

- [Guidelines for good employee management](#)
- [Alaska Employment Service--The leading edge in Alaska business](#)
- [Meeting Legal Obligations](#)
- [Alaska Employment Security Tax Handbook](#)

Chapter 1 - Guidelines for good employee management - Microsoft Internet Explorer

## Alaska Employment Service-- The leading edge in Alaska business

***Success in today's business world is not easy. Employers must be aware of every available time and money saving opportunity. The Alaska Employment Service can help businesses reduce the time and money spent recruiting employees.***

The Alaska Employment Service (AES) acts as a recruiting agency for Alaska businesses. Employers can call or visit a local office and the Employment Center Manager will answer questions and explain the recruiting process and employer services. By working with an employer and learning about the business' special needs, the AES helps to match the right employee with the right job.

There are [19 AES offices](#) located in the state. Trained Employment Specialists have the capability of searching and exploring for that right employee by accessing applicant files from the vast Alaska labor pool. They can locate candidates with the qualifications that individual businesses need.

- [Placing a job order](#)