

ALASKA ECONOMIC **TRENDS**

AUGUST 2012



The Shift to an Older Alaska

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Prince of Wales profile

Alaskans' household and personal income

The diversity of the state's labor force



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Sean Parnell, Governor
Dianne Blumer, Commissioner

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On the cover: Erquita Horca is an accounting technician for the Department of Labor and Workforce Development. Photo by Kim Andree

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Alaska's population is aging, changing the state's workforce



**By Dianne Blumer,
Commissioner**

The image of the gray and weathered Alaska sourdough is one of the icons of our state. While that image is mostly myth, our state's population is growing older — this month's *Trends* focuses on the aging of Alaska's workforce.

Alaska is a young state, just 53 years old. Our population is also young, with a median age of just under 34. Only Texas and Utah have a younger population. In large part, Alaska is young because we have a low percentage of residents over age 65, at less than 8 percent.

Part of the reason is that many of our seasonal and transient jobs are more attractive to younger, more mobile workers, as is the lifestyle these jobs demand.

This trend is changing though, reflecting both national and state trends. In the past 10 years, our 65-plus population has grown faster than any other state's.

Baby boomers across the United States are reaching retirement age, and Alaska has a particularly large baby boomer population. Many boomers migrated here during the construction of the Trans-Alaska Pipeline and during the early 1980s economic expansion. Many older Alaskans are choosing to stay in the state, both to work and to stay put after retirement.

As they age, older workers generally need more access to quality health care. In the last 10 years the health care industry has created about 10,000 new jobs in Alaska, more than any other industry in the state. Based on the increase in our population and the increase in the number of folks who are 65-plus, we expect the number of jobs in the health care industry will grow 26.5 percent from 2008 to 2018, the current 10-year forecast.

Prince of Wales-Hyder

This month we also look at the Prince of Wales-Hyder Census Area, which includes Alaska's second-largest island and some of the more remote communities in Southeast Alaska. This area has weathered the end of the large-scale timber industry there and a significant loss of jobs over the past 20 years.

Today almost half the jobs are government- and tribal-related, providing health care and education services to residents. While timber has declined, it's still a key part of the local economy. The visitor industry continues to emerge and fishing generates income and jobs for Prince of Wales residents.

Registered apprenticeship

Gov. Sean Parnell proclaimed August 2012 to be Registered Apprenticeship Awareness Month to recognize the 75th anniversary of the National Apprenticeship Act of 1937. Apprenticeship allows participants to earn while they learn.

The Alaska Department of Labor and Workforce Development focuses on apprenticeship as part of a connected education and training system in Alaska. The department has registered record numbers of new apprenticeships — 26 for 2012 so far and more than the previous year's total of 23. Even small Alaska employers can help grow their own workforce with apprenticeship programs.

For more information, go to:
www.EarnAndLearnAK.Org or
www.jobs.state.ak.us/apprentice.

The Shift to an Older Alaska

Baby boomers changed the makeup of state's population

With a median age of 33.8 years, Alaska is the third-youngest state in the nation after Utah and Texas. Alaska is young in part because it has a higher-than-average birth rate and it tends to attract young workers — but more importantly, it's home to relatively few people age 65 and older. In 2010, that age group was just 7.7 percent of Alaska's population, the smallest share of any state.

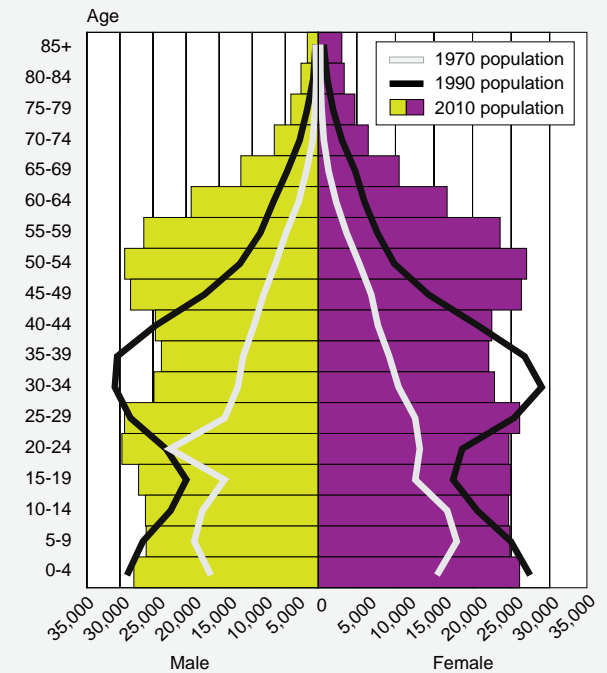
Alaska's senior population is rapidly changing though. While it's currently the smallest in the nation, Alaska's 65-plus population grew at a faster rate than that of any other state between 2000 and 2010. That rate is still on the rise, largely due to aging of the "baby boomers" born during the high birth rate years between 1946 and 1964. The first boomers turned 65 in 2011.

Seniors are not only a growing demographic in Alaska, but one that is rapidly changing. Older Alaskans as a group are becoming more urban-centered and more active in the labor market.

Large influx in the '70s and '80s

The construction of the Trans-Alaska Oil Pipeline was nearly four decades ago, but it drives

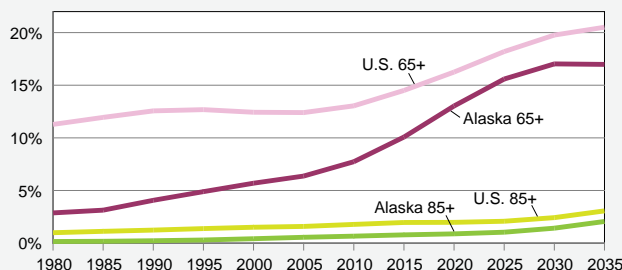
1 Population by Age and Sex Alaska, 1970, 1990, and 2010



Source: U.S. Census Bureau

much of the current population change, particularly for the older age groups.

2 Percent Over Ages 65 and 85 Alaska and U.S., 1980 to 2035



Note: Values for 2015 to 2035 are population projections.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Tens of thousands of baby boomers moved to Alaska during the pipeline construction boom of the 1970s, permanently altering the state's makeup. Though a significant number left after the pipeline's completion, many also stayed, so the change in the age structure remained and was reinforced when oil revenue and the economy expanded in the 1980s.

Bigger change for Alaska

Though migration of young workers brought dramatic population shifts between 1970 and 1990, the biggest changes between 1990 and 2010 were

due to aging. Even with high rates of annual migration, the relative size of each cohort — or those born within a certain time period — has been stable since 1990, with a very small share born before 1946.

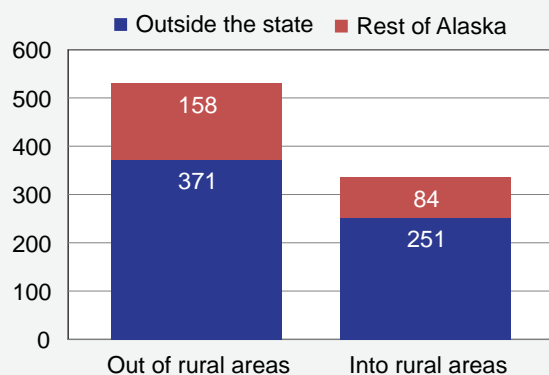
A large group of Alaskans is moving into their senior years, and this shift to an older population is expected to continue through 2030. In 1980, Alaska had just under 12,000 seniors, and by 2010 it had nearly 55,000. As boomers continue to age, Alaska is projected to have almost 150,000 senior citizens by 2030 — that’s an increase from about 3 percent of the total population in 1980 to 17 percent by 2030. (See Exhibit 2.)

This shift won’t be nearly as dramatic in the United States as a whole. Those age 65 and over were already a larger share of the U.S. population in 1980 at just over 11 percent, and they were 13 percent in 2010. By 2030, seniors are projected to be a little less than 20 percent of the nation’s population — that’s a higher projected percentage than in Alaska, but a much smaller change.

Growth for oldest Alaskans

Residents age 85 and older have historically been a small part of Alaska’s population, and in 1980, there were just 619. By 2010 that number had grown to 4,711 people, or around half a percent of the state total.

3 Yearly Migration of Seniors Rural Alaska, 2000 to 2010



Note: Based on Permanent Fund Dividend data. “Rural” in this chart includes all boroughs and census areas except Anchorage, Mat-Su, Kenai Peninsula, Fairbanks North Star, and Juneau. Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

A few facts about seniors’ households

- Over 95 percent of Alaska and U.S. seniors live in households rather than group housing. Group housing, or “group quarters,” includes nursing homes, but assisted living facilities are usually counted as households.
- Just under 90 percent of seniors living in households are either the householder or the spouse of the householder, and roughly 5 percent live with grown children.
- Just over 80 percent own their homes, and 19 percent rent.
- The average senior household size in Alaska is 1.9 people, roughly the same as among U.S. seniors. In comparison, the overall average household size in Alaska is 2.7 people.
- Nearly 8 percent of Alaska seniors live with grandchildren, in contrast to 4.8 percent for the U.S. as a whole. Approximately 3 percent are responsible for their grandchildren.

The state projects nearly 12,500 Alaska residents over age 85 in 2030 — that’s a significantly larger number, but would still be just 1.4 percent of the state’s total population.

The baby boomers will reach age 85 beginning in 2031, so larger increases for this group will likely follow through 2050.

Although Alaska’s oldest population is not very large, people over 85 have high rates of disability and need for care, so they are an important group to understand and plan for.

Fewer moves at higher ages

People tend to move less as they get older, and although a larger senior population will mean higher numbers of moves, the rate will remain much lower than among younger groups.

Permanent Fund Dividend data show overall migration rates at 7 percent into and 7 percent out of the state per year, but for those 65 and older, the rates fall to 3 percent in and 4 percent out each year.

The effect on the total population count, or “net migration,” is determined by subtracting the number who move out each year from the number who move in. For seniors, that translates into an average net loss of 471 per year from 2000 to 2010.

4 Senior Population by Alaska Area 2010 Census

Area	Total population	Age 65+	Age 85+
State of Alaska	710,231	54,938	4,711
Aleutians East Borough	3,141	155	7
Aleutians West Borough	5,561	193	5
Anchorage, Municipality	291,826	21,139	1,962
Bethel Census Area	17,013	1,041	69
Bristol Bay Borough	997	83	4
Denali Borough	1,826	137	3
Dillingham Census Area	4,847	367	28
Fairbanks North Star Borough	97,581	6,375	521
Haines Borough	2,508	345	30
Hoonah-Angoon Census Area	2,150	288	19
Juneau, City and Borough	31,275	2,635	247
Kenai Peninsula Borough	55,400	6,276	533
Ketchikan Gateway Borough	13,477	1,367	163
Kodiak Island Borough	13,592	915	72
Lake and Peninsula Borough	1,631	127	10
Matanuska-Susitna Borough	88,995	7,069	526
Nome Census Area	9,492	603	36
North Slope Borough	9,430	402	21
Northwest Arctic Borough	7,523	455	36
Petersburg Census Area	3,815	438	39
Prince of Wales-Hyder Census Area	5,559	559	25
Sitka, City and Borough	8,881	1,008	137
Skagway, Municipality	968	88	6
Southeast Fairbanks Census Area	7,029	664	38
Valdez-Cordova Census Area	9,636	798	61
Wade Hampton Census Area	7,459	404	41
Wrangell, City and Borough	2,369	374	33
Yakutat, City and Borough	662	64	5
Yukon-Koyukuk Census Area	5,588	569	34

Source: U.S. Census Bureau

Perhaps just as important for determining the size of the 65-plus population is Alaska's fairly large annual net migration loss of people aged 40 to 70, which decreases the future size of the state's senior population. Based on PFD data for 2000 and 2010, the annual net loss of 40-to-70-year-olds was just over 2,000 people per year. Still, aging of the population is by far the largest factor in determining the size of Alaska's senior population through 2030.

More seniors move to cities

Slightly more seniors move from rural to urban Alaska each year than those who move from urban to more rural areas. Anchorage/Mat-Su, Fairbanks North Star Borough, Juneau, and the Kenai Peninsula Borough gained an average of 158 seniors per year from the rest of the state from 2000 to 2010 and lost 84 per year, netting an average of 74 seniors annually from the rest of the state.

A larger portion who left Alaska's rural areas moved outside the state, and rural areas lost a net total of 120 seniors per year over the last decade. (See Exhibit 3.)

Large percentages in Southeast

In 2010, 80 percent of Alaska seniors lived in Anchorage/Mat-Su, Fairbanks North Star Borough, Juneau, or the Kenai Peninsula Borough. By 2030, that rate is projected to increase to 82 percent.

With more than 21,139 seniors in 2010, Anchorage was home to the most residents age 65 or older by far, followed by Mat-Su (7,069), Fairbanks North Star Borough (6,375), Kenai Peninsula Borough (6,276), and Juneau (2,635). Anchorage also had the most Alaskans over 85, with nearly 2,000. (See Exhibit 4.)

Southeast has had a large proportion of older residents for decades, a trend that is expected to continue. Wrangell had the highest percentage at 15.8 percent, followed by Haines (13.8 percent) and Hoonah-Angoon (13.4 percent).

Those with the highest percentage of residents age 85 or older were Sitka (1.5 percent), Wrangell (1.4 percent), and Ketchikan and Haines, both at 1.2 percent. (See Exhibit 5.)

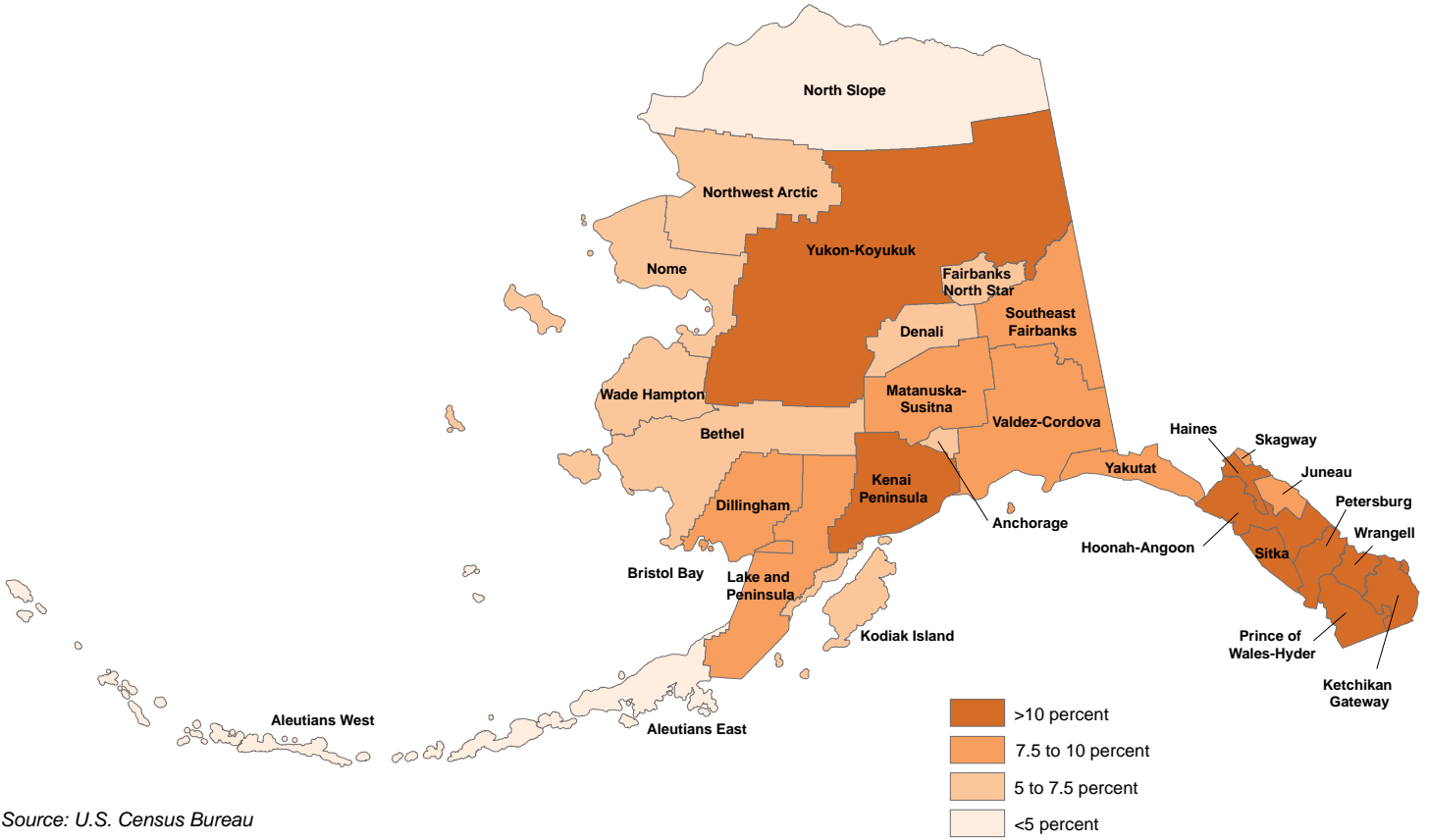
The Alaska Department of Labor projects that due to population aging, the senior share of population will continue to grow in each region through 2030.

The regions projected to gain the highest numbers of seniors between 2010 and 2030 are Anchorage/Mat-Su (+53,354), Interior (+13,960), Gulf Coast (+12,922), and Southeast (+9,848). The Southwest (+2,954) and Northern (+1,832) regions, with relatively smaller baby boomer populations, are also expected to gain a significant number over 65, but will likely be less than in Southeast and along the Railbelt.

Fewer men in higher age groups

Women generally have a longer life expectancy, so there are more women than men in the oldest age groups. As of 2010, Alaska had 1.05 women for every man over 65 — a ratio that is consid-

5 Population Ages 65 and Over by Borough and Census Area Alaska, 2010 Census



ered low. Among all U.S. seniors, there were more than 1.3 women to every man.

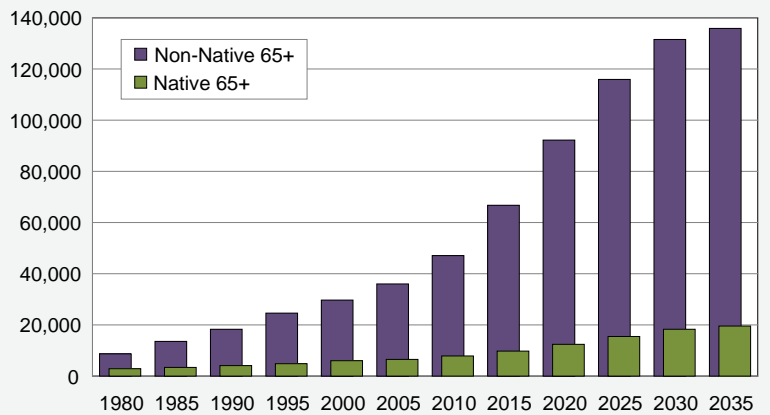
The relative parity in Alaska is because the state has gained a larger number of men through migration, particularly in the past — but by age 85, male mortality rates increase the ratio of women to men substantially: 1.84 women to every man. For U.S. seniors over 85, it's 2.07 women to each man.

Decreasing Alaska Native share

The population of Alaska Native elders is growing, but not as fast as the non-Native population. (See Exhibit 6.) The department projects that the Alaska Native senior population will more than double between 2010 and 2030 — from 7,870 to 18,293 people — but the Alaska Native share of the total will be less, as the massive influx of people during the '70s and '80s was largely non-Native.

The proportion of seniors who are Alaska Na-

6 Native and Non-Native Seniors Alaska, 1980 to 2035



Note: Values for 2015 to 2035 are population projections.
Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Census Bureau

Where to find data on Alaska seniors

For annual estimates of the senior population, go to labor.alaska.gov/research. Click on “Population and Census,” then select “Population Estimates.” For projections of Alaska’s future senior population, select “Population Projections,” and for income and other characteristics from the U.S. Census Bureau’s American Community Survey, select “American Community Survey (ACS).”

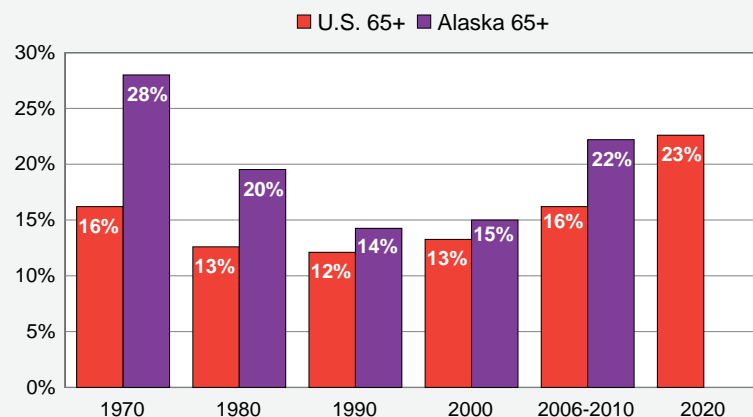
tive has decreased steadily for decades. In 1980, about 25 percent of Alaska’s seniors were Native, which fell to 16.9 percent in 2000 and to 14.3 percent by 2010. The department projects that by 2030, Alaska Natives will be just 12.2 percent of the state’s senior population.

More seniors in the workforce

Labor force participation — those working or available to work — traditionally drops between ages 55 and 64 as people retire. (See Exhibit 7.) However, seniors are more likely to remain in the workforce in Alaska than in the nation as a whole, and the rate of seniors in the workforce is on the rise.

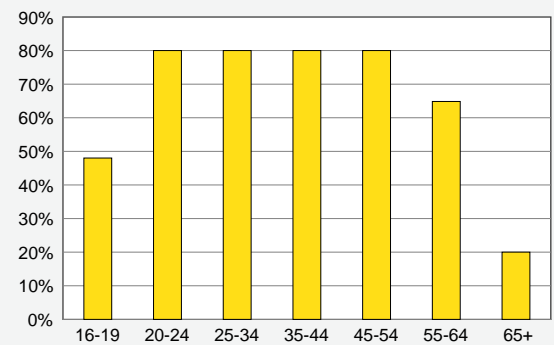
In 1970, a high percentage of Alaska seniors were part of the workforce — 28 percent — but the rate dropped significantly through 1990. (See Exhibit 8.) The major causes may have been a large cohort of baby boomers competing for jobs, or that financially it was a good time to retire. The trend has shifted since then, though, and the

8 Percent of Seniors in the Workforce Alaska and U.S., 1970 to 2010



Sources: U.S. Census Bureau; and Bureau of Labor Statistics projection for 2020

7 Labor Force Participation By age, Alaska, 2006 to 2010



Source: U.S. Census Bureau, American Community Survey

senior labor force participation rate grew to 22 percent in Alaska between 2006 and 2010.

The Bureau of Labor Statistics projects that senior participation in the national workforce will be markedly higher in 2020, and if that trend holds for Alaska as well, the state would be at or above its 1970 levels.

It’s important to note that labor force participation doesn’t cover all of the work seniors do. Many older Alaskans are involved in volunteer work, subsistence, and the care of family members.

Poverty rates decrease

Though seniors work less, their incomes are an important part of the economy. The median income of Alaska households headed by people age 65 or older was \$45,414 during the period from 2006 to 2010 — much lower than the \$66,521 earned by the average Alaska household but considerably more than the average senior-headed household in the U.S. (\$33,906). This doesn’t mean seniors are living on less money, though, because these figures don’t include their retirement savings.

Over 90 percent of Alaska senior households received income from Social Security during that period, and it was about the same nationwide. (See Exhibit 9.) Social Security income averaged nearly \$16,000 per year in Alaska, and the 55 percent who received retirement income averaged about \$28,000.

The poverty rate has steadily decreased among

9 Senior Households and Income

Alaska and the U.S., 2006 to 2010

	United States				Alaska			
	Total		Householders age 65+		Total		Householders age 65+	
	Estimate	Margin of error	Estimate	Margin of error	Estimate	Margin of error	Estimate	Margin of error
Income in the past 12 months								
Households	114,235,996	+/-248,114	24,039,344	+/-107,132	248,248	+/-1,590	30,768	+/-526
Households with earnings	79.7%	+/-0.1%	34.0%	+/-0.1%	88.4%	+/-0.3%	47.5%	+/-1.8%
Mean earnings	\$71,902	+/- \$139	\$44,228	+/- \$150	\$76,891	+/- \$956	\$48,034	+/- \$4,934
Households with Social Security income	27.5%	+/-0.1%	92.2%	+/-0.1%	17.7%	+/-0.3%	90.6%	+/-0.9%
Mean Social Security income	\$15,495	+/- \$18	\$16,736	+/- \$28	\$14,409	+/- \$257	\$15,896	+/- \$358
Households w/ supplemental security Income	4.0%	+/-0.1%	5.6%	+/-0.1%	3.2%	+/-0.2%	6.7%	+/-0.9%
Mean supplemental security Income	\$8,221	+/- \$17	\$7,769	+/- \$27	\$7,740	+/- \$328	\$6,176	+/- \$569
Households w/ cash public assistance income	2.5%	+/-0.1%	1.6%	+/-0.1%	6.4%	+/-0.3%	11.8%	+/-1.0%
Mean cash public assistance income	\$3,553	+/- \$19	\$3,558	+/- \$41	\$4,041	+/- \$193	\$3,670	+/- \$320
Households with retirement income	17.5%	+/-0.1%	49.2%	+/-0.1%	17.1%	+/-0.4%	54.2%	+/-1.6%
Mean retirement income	\$21,489	+/- \$39	\$21,016	+/- \$51	\$27,187	+/- \$951	\$27,511	+/- \$1,074
Households w/ food stamp/SNAP* benefits	9.3%	+/-0.1%	6.3%	+/-0.1%	8.8%	+/-0.3%	6.3%	+/-0.8%
Median household income	\$51,914	+/- \$89	\$33,906	+/- \$80	\$66,521	+/- \$642	\$45,414	+/- \$1,589

*SNAP stands for Supplemental Nutrition Assistance Program.
 Note: All earnings and income are in 2010 inflation-adjusted dollars.
 Source: U.S. Census Bureau

Alaska seniors over the decades. In 1980, 14 percent were below the poverty line, which fell to 7.6 percent by 1990 and 6.8 percent by 2000. Between 2006 and 2010 the rate fell further, to 4.5 percent.

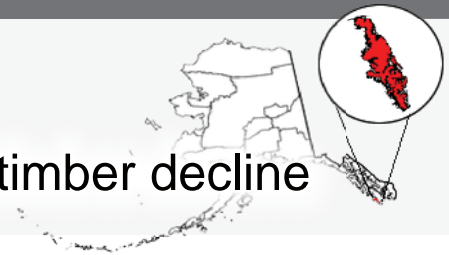
Anticipating the changes

Alaska is always changing — it has been a different place in at least some ways for every generation since statehood — and usually the changes aren't predictable. However, because population typically evolves so gradually for older age groups, it lends some certainty to the future increase of Alaska's senior population, which will have important effects on cities, remote communities, the workforce, and Alaska households.

David Howell, a demographer with the Alaska Department of Labor and Workforce Development, contributed to this article.

Prince of Wales

Area redefines its economy after the timber decline



The Prince of Wales area's water, forest, and land and their many users are its economic core — the region has a rich history of fur farms, mining claims, and quarries, and transitioned to fly-in fishing lodges and mariculture.

Prince of Wales relied heavily on logging for decades, but the decline of the timber industry and deindustrialization throughout the 1990s forced the region to redefine its economy and look more toward government jobs and tourism.

Timber is still a cottage industry in the region, and Viking Lumber is one of its largest private employers. However, the availability of industrial jobs has declined steadily over the decades, and the region's economy increasingly centers around small proprietorships such as family-run specialty wood mills, fishing and seafood, and hospitality businesses.

Geographic changes

The 12 communities on Prince of Wales Island, the second-largest island in Alaska after Kodiak, are connected by 2,000 miles of Forest Service roads and accessible to the outside only by air and the Ketchikan-Hollis Inter-Island ferry.

The 2,755-square-mile island is the main hub of the Prince of Wales-Hyder Census Area, which includes several largely uninhabited Alexander Archipelago islands to the west and an "island" of land surrounding the town of Hyder on the Canadian border at the terminus of Portland Canal. Hyder is the area's only community accessible to the outside by road.



Above, this ferry makes regular trips between Ketchikan and Hollis on Prince of Wales Island. Photo courtesy of J. Brew

The census area also includes Annette Island, which is home to Alaska's only Indian reservation, Metlakatla. Like the communities on Prince of Wales Island, Metlakatla is accessible only by air or water. It's also the area's largest community, followed by Craig — the only two towns with a population of more than 1,000. Most of the region is highly rural, with people living outside the boundaries of even the smallest settlements.

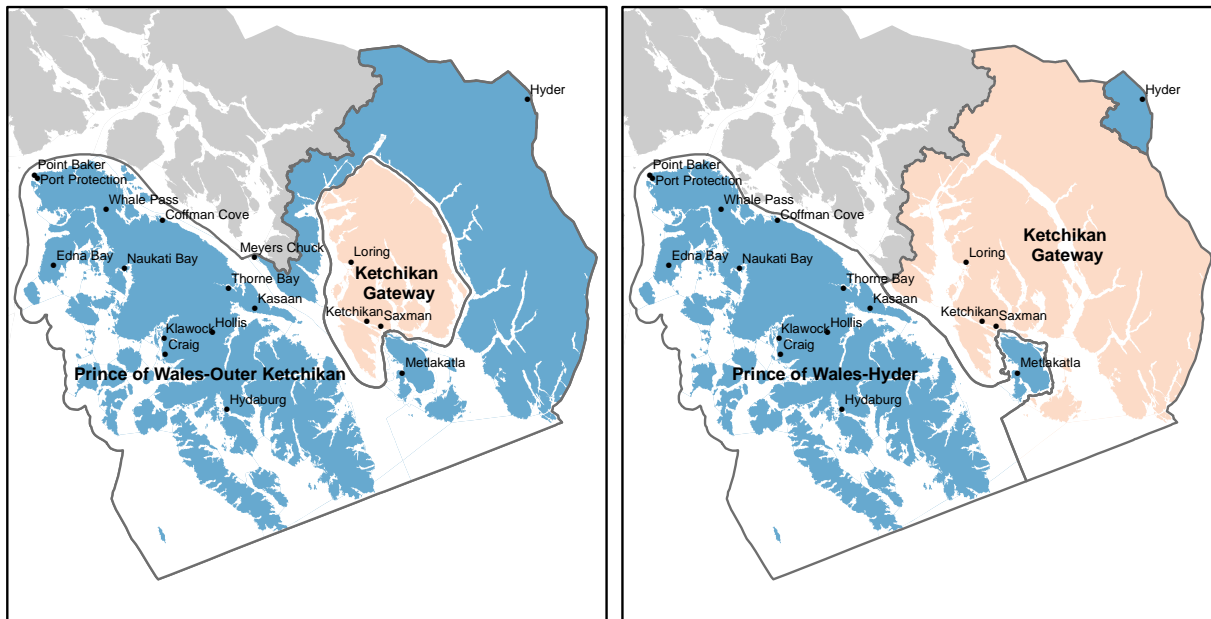
The area has seen boundary shifts in recent years as well as changes to its industry makeup. In 2008, after several years of petitioning, the Ketchikan-Gateway Borough annexed most of the outer Ketchikan areas into its incorporated borough — areas that until then were part of the census area known as Prince of Wales-Outer Ketchikan. For the newly named Prince of Wales-Hyder Census Area, this was a size reduction of about 4,700 square miles of inleted coastal range rainforest that abuts Canada. (See Exhibit 1.)

A change in population

The Prince of Wales-Hyder Census Area had a population of 5,814 in 2011. With the decline in the timber industry and subsequent closure of logging camps, the region's population dropped 20 percent

1 Prince of Wales Area Boundaries Changed in 2008

Some outlying areas were incorporated into Ketchikan's borough



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

between 1996 and 2007. (See Exhibit 2.) However, the population has risen by a total of 440 since 2007, a sign that the economy may be stabilizing.

The region is 40 percent Alaska Native. Historical Native villages in the area were Haida and Tlingit, then Tsimshians emigrated from Canada to Annette Island in 1887 and were granted reservation status in 1891.

The area has 23 percent more men than women, a gap that's considerably larger than the 8 percent average statewide. Its population is also six years older than the statewide median, similar to other low-growth regions.

Jobs, wages since timber fallout

The area's current employment is mostly in government, with local agencies providing 41 percent of jobs in 2011, half of which were in education. (See Exhibit 3).

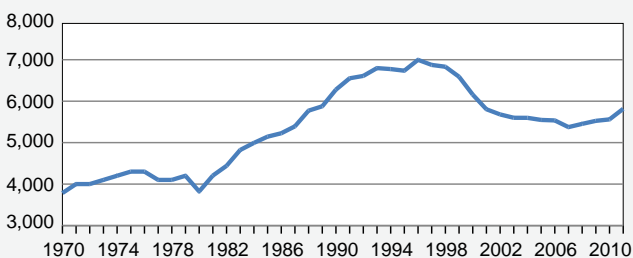
Because the tribal government operates the majority of Metlakatla's services and businesses on the reservation, local government is more prominent than in other boroughs where private firms provide more services.

Government agencies as a whole paid 52 percent of total census area wages in 2011. Of the \$38 million in government wages, 40 percent — or \$26 million — was from school districts, tribal government, and municipalities.

The federal government provides fewer jobs than local agencies, but they are important because federal wages are higher. (See Exhibit 4.) While some of those wages go to seasonal nonresidents working for the U.S. Department of Agriculture, much of that money stays in the region as year-round Forest Service jobs in Hyder and Point Baker.

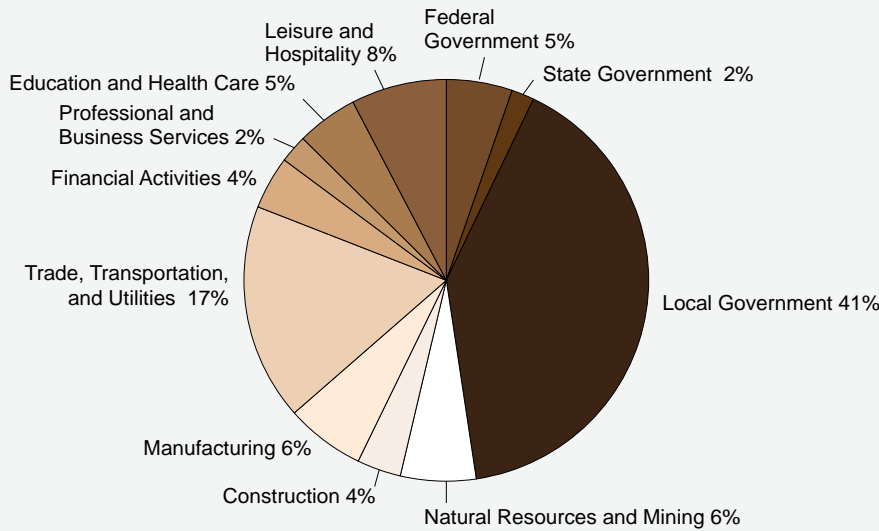
State and federal employment hasn't

2 Estimated Population Prince of Wales, 1970 to 2011



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

3 Employment by Industry Prince of Wales-Hyder Census Area, 2011



Note: Does not include seafood harvesting.

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

particular sector.

Year-round private-sector jobs are those that serve residents, including a few grocers, restaurants, and financial and health care institutions. Construction, charters, fishing lodges, and transportation jobs ramp up in the summer to serve the seasonal visitor and forestry industries.

There's evidence that jobs are scarce overall, though — the unemployment rate was high even before the timber industry decline and has continued to diverge from the statewide average. Regional unemployment averaged 15.3 percent in 2011, roughly double the state average.

Commercial fishing

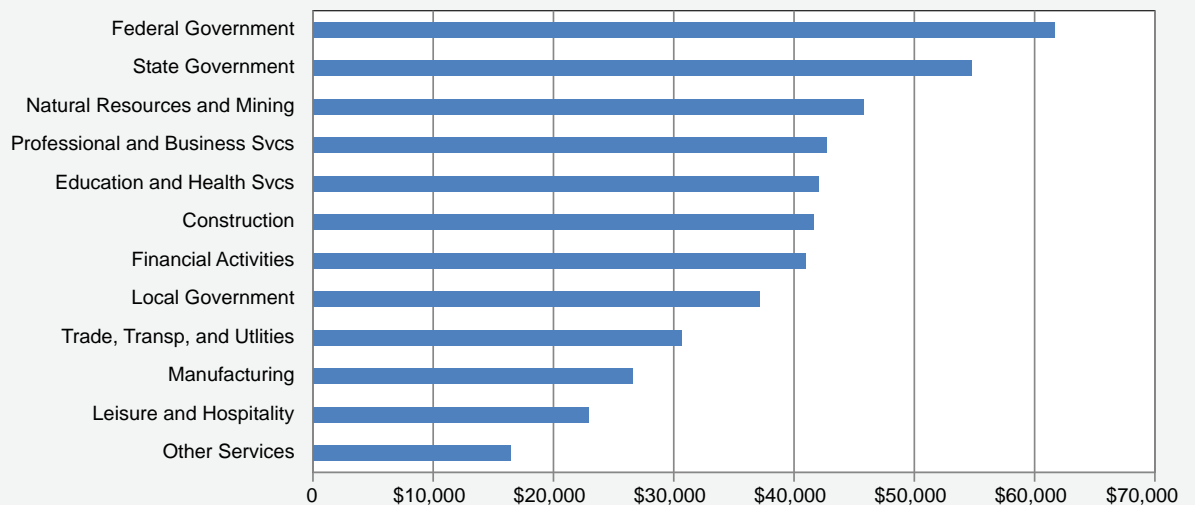
changed much in the past 10 years, and though the local sector grew in some years and shrank in others, its overall growth trend was flat.

The Prince of Wales commercial fishing fleet remains a cornerstone of the economy and the livelihood for many residents and nonresidents alike.

The same is true of the private sector. Following sharp declines in employment in 2000 and 2001, net job growth was just 120 between 2002 and 2011 (see Exhibit 5), with no sustained job growth in any

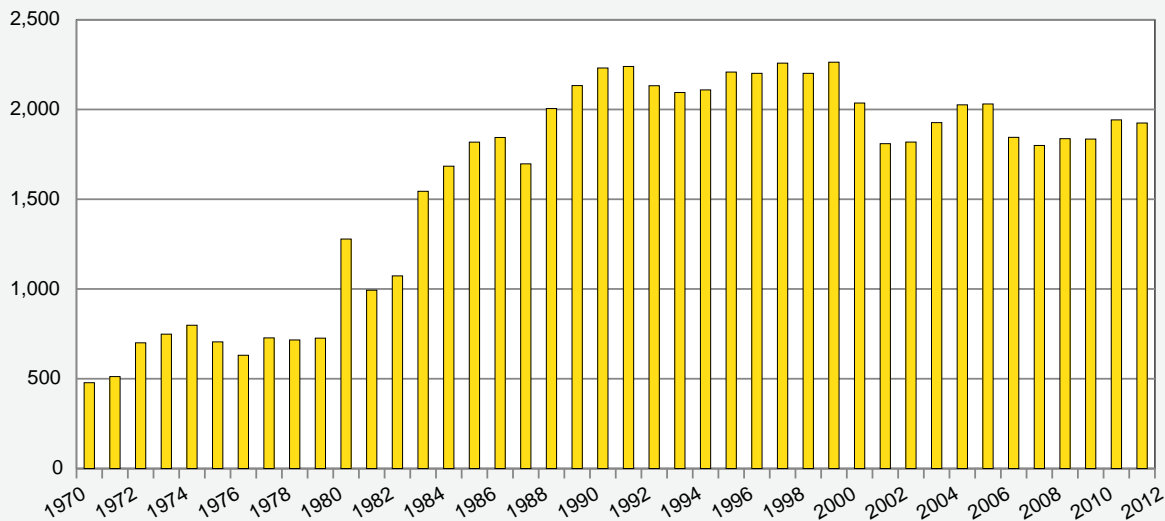
Fish and Game reported that Prince of Wales-Hyder harvested 19.6 million pounds of fish in 2011, 15.4 million of which were salmon. The associated earnings were \$15.9 million and \$11.3

4 Average Yearly Wages by Industry Prince of Wales-Hyder Census Area, 2011



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

5 Average Number of Jobs Each Year Prince of Wales-Hyder Census Area, 1970 to 2011



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

million, respectively. (See Exhibit 6.)

Because a small place tends to have small businesses, many industries have a high level of self-employment, including fishing. Census data from the IRS show \$20 million in reported receipts from 530 area businesses in 2009, the most recent year available. Small businesses are an important source of income in the region, especially considering 221 private-sector firms in the region had employees that year.

ration on the Niblack copper-gold-zinc-silver project off the southern tip of the island, which if put in production could be similar in scope to the Greens Creek mine in Juneau.

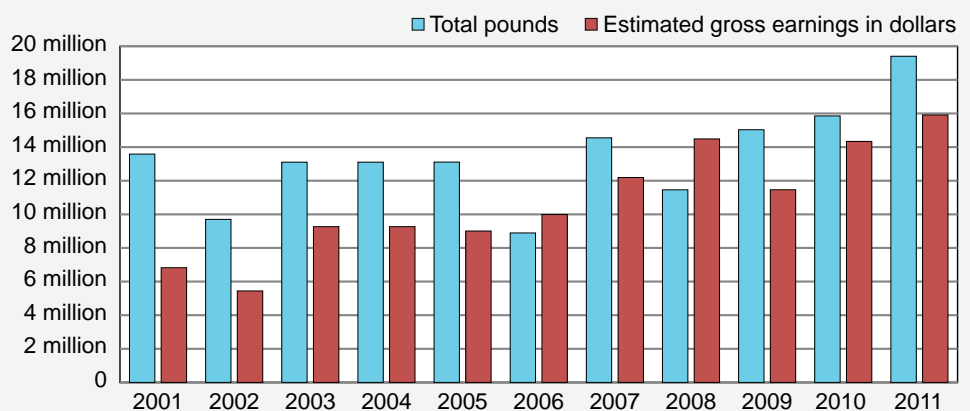
However, the industry faces significant challenges in exploration and permitting, so its future remains uncertain. The region doesn't yet have the infrastructure needed for industrial mining, despite its proximity to Ketchikan's facilities. The uncertainty of commodities prices is another barrier to full-scale production.

Mining has an uncertain future

Prince of Wales island has a legacy of mineral extraction — marble, copper, and gold have all been part of the area's settlement history. In recent years, trade barriers with China have renewed interest in mineral extraction.

Ucore Rare Metals is exploring the Bokan Mountain site, a former uranium mine dubbed the "Silicon Valley of Rare Earth Elements." Heatherdale Resources has focused explo-

6 Fishing Harvests and Earnings Prince of Wales, 2001 to 2011



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

Household and Personal Income

Recent release covers range of rural areas

The U.S. Census Bureau measures income in a variety of ways, but when it comes to sparsely populated areas, it's difficult to produce reliable results because of small sample sizes. In Alaska's case, 24 of its 29 boroughs and census areas have populations of less than 20,000.

Averaging over a larger period of time adds reliability for small populations, though, and the bureau's recently released American Community Survey for 2006 to 2010, or ACS, covers median household income and per capita income for detailed geographic areas across the state. However, margins of error for some of the smaller areas still remain large.

Household income is broad

Median household income is considered one of the better measures of an area's economic well-being, because of its breadth and inclusiveness. The ACS includes the median, or midpoint, as well as the mean. The median is considered a better representation because potential extremes on either side of the spectrum have less influence.

According to the Census Bureau, a household includes everyone who occupies a housing unit. It may be a single family, one person living alone, two or more families living together, or any group of people sharing living arrangements, whether or not they're related.

The ACS leaves very little out in its calculations of household income. It includes all earnings from:

- Employment
- Investment income such as dividends, interest, and rents
- All types of public and private retirement including Social Security
- Public assistance, including welfare
- Nearly all types of transfer payments, including unemployment

It also includes Permanent Fund Dividends for Alaskans, with one major omission — it excludes recipients under age 15. This is a measurable factor in Alaska, where 61 percent of households have children under 15.

Another potential shortcoming is that the ACS can't measure the value of subsistence hunting and fishing, which can be significant in rural areas.

Wide variation across Alaska

In Alaska, the disparity in income around the state can be extreme, varying by as much as \$50,000. (See Exhibit 1.) In general, income disparity is loosely split along rural and urban lines, and in many Alaska rural areas, income falls below both statewide and national averages.

High unemployment and a lack of job opportunities in rural areas help explain these differences from their urban counterparts. Households in rural Alaska also tend to be larger and the populations younger, which further depresses income.

However, there are plenty of exceptions to the rural-urban division, as both the highest and lowest median household incomes in the state are in rural areas.

Rural has highest and lowest

The highest median household income reported by the ACS was in the Bristol Bay Borough at \$84,000 a year, more than double the \$33,712 earned in the Yukon-Koyukuk Census Area, the state's lowest. (However, it's important to keep an outsized margin of error in mind when looking at Bristol Bay.) Though these areas are both rural, most of their similarity ends there.

Bristol Bay has a population of 1,035, all of whom live in the communities of South Naknek, Na-

knek, and King Salmon. All three are close to each other, and the borough sits at the center of one of the most lucrative and largest commercial salmon fisheries in the world.

In contrast, Yukon-Koyukuk comprises 28 dispersed, mostly isolated communities with a total population of 5,665. Fort Yukon is its largest town, with a population of 598, and the area is known for a lack of economic opportunities.

Per capita income

Per capita income divides the state's income by the total population rather than the number of households. It allows some related but different comparisons, as there is generally a strong relationship between household and per capita income.

Unlike median household income, per capita income is a simple average and therefore more susceptible to extreme values. It's still considered a good socioeconomic measurement of a population though, because of its inclusiveness.

The influence of household size is removed in per capita data, but the age structure is important. For example, areas with more children tend to have a lower average income because children aren't earners.

A good example is the Wade Hampton Census Area, where the median age was 21.5, the second-

youngest in the state, and the average household size was 4.28. Its per capita income of \$11,269 was the state's lowest — less than half the nation's per capita income and just 37 percent of the state's.

On the other side of the spectrum, households in the Denali Borough were both smaller and older. Household income in Denali was 9 percent above the state median while per capita income was 38 percent higher than the state average.

1 Income, Median Age, and Household Size

Alaska boroughs and census areas, 2006–2010

	Median household income	Margin of error	Per capita income	Margin of error	Median age	Average household size
Statewide	\$66,521	+/-1.0%	\$30,726	+/-1.1%	33.8	2.68
Aleutians East Borough	\$54,375	+/-17.9%	\$22,279	+/-6.1%	38.5	2.75
Aleutians West Census Area	\$72,917	+/-14.8%	\$29,920	+/-17.8%	42.0	2.74
Anchorage, Municipality	\$73,004	+/-1.6%	\$34,678	+/-2.0%	33.0	2.66
Bethel Census Area	\$52,214	+/-6.6%	\$18,584	+/-5.7%	33.0	2.66
Bristol Bay Borough	\$84,000	+/-23.7%	\$31,260	+/-15.1%	38.9	2.56
Denali Borough	\$72,500	+/-15.6%	\$42,245	+/-16.1%	42.4	2.21
Dillingham Census Area	\$60,800	+/-8.2%	\$22,597	+/-6.0%	28.9	3.42
Fairbanks North Star Borough	\$66,598	+/-3.6%	\$30,395	+/-3.4%	30.8	2.63
Haines Borough	\$47,981	+/-12.2%	\$27,979	+/-16.5%	49.6	2.22
Hoonah-Angoon Census Area	\$43,750	+/-15.6%	\$24,932	+/-13.8%	45.7	2.02
Juneau, City and Borough	\$75,517	+/-7.0%	\$34,923	+/-4.5%	38.6	2.52
Kenai Peninsula Borough	\$57,454	+/-4.6%	\$29,127	+/-2.9%	40.6	2.35
Ketchikan-Gateway Borough	\$61,695	+/-8.5%	\$29,520	+/-5.9%	38.3	2.36
Kodiak Island Borough	\$60,776	+/-13.1%	\$26,413	+/-7.4%	33.5	2.76
Lake and Peninsula Borough	\$40,909	+/-24.2%	\$15,161	+/-23.1%	18.0	3.30
Matanuska-Susitna Borough	\$67,703	+/-2.9%	\$27,910	+/-2.0%	34.7	2.81
Nome Census Area	\$53,899	+/-10.1%	\$20,549	+/-6.1%	27.7	3.31
North Slope Borough	\$68,517	+/-8.8%	\$22,109	+/-7.7%	26.1	4.47
Northwest Arctic Borough	\$55,217	+/-7.2%	\$21,278	+/-9.6%	25.7	3.88
Petersburg Census Area	\$62,317	+/-14.3%	\$30,971	+/-10.3%	42.8	2.41
Prince of Wales Census Area	\$45,728	+/-6.2%	\$24,193	+/-6.6%	39.5	2.29
Sitka, City and Borough	\$62,024	+/-6.2%	\$29,982	+/-6.9%	40.0	2.36
Skagway, Municipality	\$73,500	+/-13.9%	\$35,536	+/-27.5%	37.2	2.27
Southeast Fairbanks Census Area	\$59,596	+/-11.9%	\$27,657	+/-7.4%	35.9	2.64
Valdez-Cordova Census Area	\$60,383	+/-12.9%	\$30,703	+/-6.3%	39.0	2.42
Wade Hampton Census Area	\$37,955	+/-5.4%	\$11,269	+/-5.8%	21.5	4.28
Wrangell, City and Borough	\$50,389	+/-10.4%	\$28,731	+/-18.2%	42.1	2.35
Yakutat, City and Borough	\$65,750	+/-40.1%	\$28,576	+/-19.5%	38.6	2.48
Yukon-Koyukuk Census Area	\$33,712	+/-8.7%	\$18,614	+/-4.9%	35.1	2.61
U.S.	\$51,914	+/-0.2%	\$27,334	+/-0.3%	33.4	2.59

Source: U.S. Census Bureau, American Community Survey, 2006-2010

Employment Scene

Alaska's labor force is more diverse than the nation's

If racial and ethnic diversity of a labor force is measured by what percentage is not white, then Alaska's is more diverse than that of the nation as a whole.

The national labor force — those working or looking for work — is nearly 76 percent white, but in Alaska it's 71 percent white, followed by Alaska Native and American Indian at 11 percent. (See Exhibit 1.)

Alaska Natives make the biggest difference between the racial makeup of Alaska's labor force and that of the nation, as Alaska has the highest percentage of Natives in the nation.

Alaskans are also more than twice as likely to identify themselves in the "two or more races" category, and the single largest group in this category is a combination of Alaska Native and white.

Although a small group, Pacific Islanders are also a higher percentage of the labor force in Alaska. In contrast, black and Hispanic shares in Alaska are much smaller than in the labor force nationwide. Hispanics are considered an ethnicity, as Hispanics can be of any race, and the most common race identified with Hispanic is white.

2 Alaska vs. U.S. Race/ethnicity, 2008–2010

	Alaska	U.S.
White	71.3%	75.8%
Black	3.4%	11.6%
Alaska Native	11.4%	0.7%
Asian	6.0%	5.0%
Pacific Islander	0.9%	0.2%
Some other race	1.5%	4.8%
Two or more races	5.6%	1.8%
Hispanic*	5.1%	15.0%

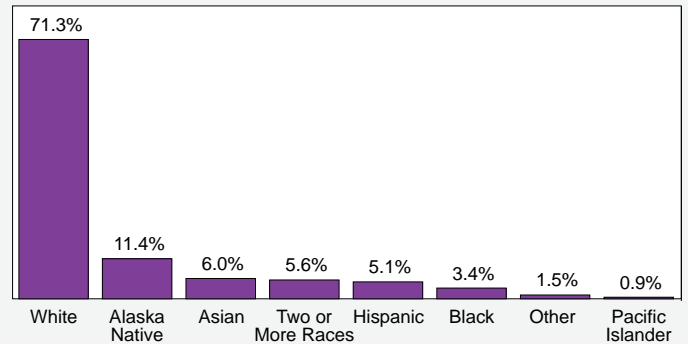
Notes: Includes civilian labor force only. *Hispanic is considered an ethnicity; hispanics can be of any race.

Source: U.S. Census Bureau, American Community Survey 2008 to 2010

Asian and Hispanic shares grow

Some groups are growing much faster than others, which means their

Race, Ethnicity in the Workforce Alaska, 2010

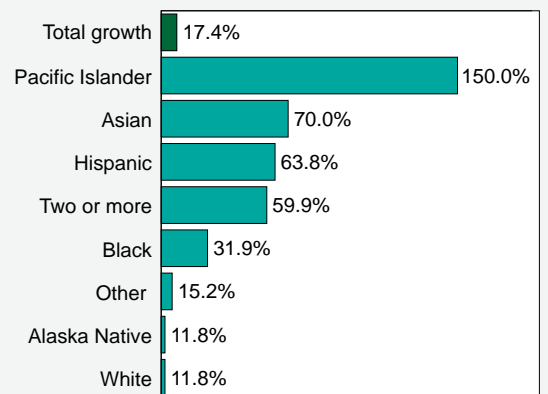


Source: U.S. Census Bureau, American Community Survey, 2010

representation in Alaska's labor force has grown. (See Exhibit 3.)

The share of Pacific Islanders has more than doubled over the past decade, making it the fastest growing category, though they still represent less than 1 percent of the state's labor force.

Growth by Race, Ethnicity Alaska labor force, 2000 to 2010



Source: U.S. Census Bureau, American Community Survey, 2000 to 2010

Two other fast-growing groups are Asians and Hispanics. In 2000, these two groups combined made up 6.8 percent of the labor force, which has grown to 11.8 percent.

The “two or more races” category, which is similar in size to the Asian and Hispanic slices, also grew much faster than average. This large increase is likely due to a jump in interracial marriage and a growing number who identify themselves as more than one race, though they might previously have identified as a single race.

The shares of both white and Alaska Native/American Indian, the state’s two largest groups, grew more slowly than average and now represent a smaller share of Alaska’s labor force. Although the decline in the percentage of whites has been a long-term trend, all categories grew over the past decade in terms of total numbers.

Increasing diversity will continue

This diversification is likely to continue, as shown by Alaska’s current demographic makeup. The nonwhite share of the population is younger (see Exhibit 4), so this population will produce a more diverse workforce as they get older.

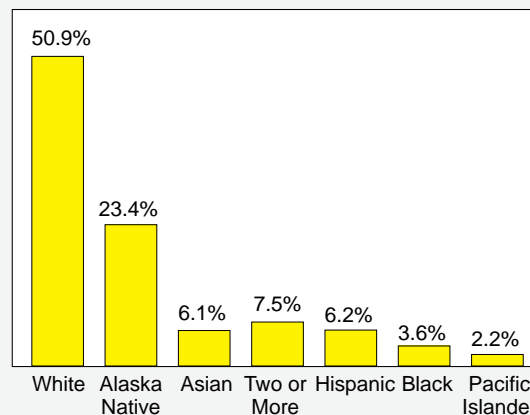
Another factor that will boost the nonwhite share of the labor force in future years is that Alaska’s population of school children is also far more diverse than the current labor force. (See Exhibit 5.)

4 Race and Age Alaska, 2010

Race/ethnicity	Median age
Total	33.8
White	37.9
Black	30.1
Alaska Native	27.8
Asian	35.0
Pacific Islander	23.4
Some other race	29.2
Two or more races	17.7
Hispanic	24.4

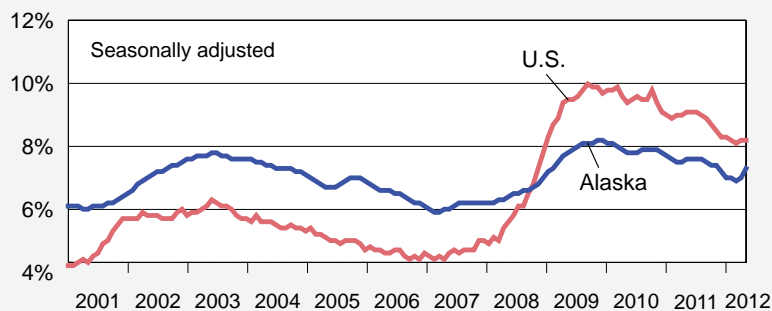
Source: U.S. Census Bureau

5 Schools Are More Diverse Alaska, fiscal year 2012



Note: Covers public schools, kindergarten through 12th grade.
Source: Alaska Department of Education and Early Development

6 Unemployment Rates January 2001 to June 2012



Source: Alaska Department of Labor and Workforce Development, Research and Analysis; and U.S. Bureau of Labor Statistics

8 Unemployment Rates Boroughs and census areas

	Prelim.	Revised	
	6/12	5/12	6/11
SEASONALLY ADJUSTED			
United States	8.2	8.2	9.1
Alaska Statewide	7.3	7.0	7.6
NOT SEASONALLY ADJUSTED			
United States	8.4	7.9	9.3
Alaska Statewide	7.7	7.0	7.7
Anchorage/Mat-Su Region	6.9	6.2	7.1
Municipality of Anchorage	6.4	5.7	6.6
Matanuska-Susitna Borough	8.9	7.9	8.8
Gulf Coast Region	8.2	7.7	8.2
Kenai Peninsula Borough	8.6	8.0	8.7
Kodiak Island Borough	7.1	5.9	6.9
Valdez-Cordova Census Area	7.6	8.2	7.3
Interior Region	7.6	6.9	7.4
Denali Borough	5.1	7.7	4.4
Fairbanks North Star Borough	6.9	6.1	6.9
Southeast Fairbanks Census Area	10.9	9.8	10.0
Yukon-Koyukuk Census Area	15.8	14.9	15.0
Northern Region	11.6	9.9	11.1
Nome Census Area	13.8	11.9	13.9
North Slope Borough	6.6	5.3	6.1
Northwest Arctic Borough	17.0	15.2	16.0
Southeast Region	6.8	6.3	6.8
Haines Borough	7.0	7.0	6.9
Hoonah-Angoon Census Area	13.0	13.6	13.2
Juneau, City and Borough of	5.2	4.5	5.3
Ketchikan Gateway Borough	6.5	6.3	6.7
Petersburg Census Area ¹	11.1	10.5	9.0
Prince of Wales-Hyder Census Area	14.8	13.3	15.8
Sitka, City and Borough of	6.2	5.7	6.2
Skagway, Municipality of	3.2	3.6	3.2
Wrangell, City and Borough of	7.7	7.0	7.3
Yakutat, City and Borough of	8.3	8.3	8.2
Southwest Region	13.9	14.9	12.8
Aleutians East Borough	13.4	21.1	11.1
Aleutians West Census Area	8.5	16.3	7.4
Bethel Census Area	17.4	15.4	16.4
Bristol Bay Borough	2.2	4.1	1.8
Dillingham Census Area	10.5	10.2	10.9
Lake and Peninsula Borough	7.2	8.0	6.5
Wade Hampton Census Area	25.6	21.5	23.0

7 Statewide Employment Nonfarm wage and salary

Alaska	Preliminary	Revised		Year-Over-Year Change		
	6/12	5/12	6/11	6/11	90% Confidence Interval	
Total Nonfarm Wage and Salary¹	350,300	330,000	348,500	1,800	-4,277	7,877
Goods-Producing ²	49,100	39,700	51,300	-2,200	-5,166	766
Service-Providing ³	301,200	290,300	297,200	4,000	-	-
Mining and Logging	17,300	16,600	16,400	900	-335	2,135
Mining	16,800	16,100	16,000	800	-	-
Oil and Gas	13,500	13,300	13,100	400	-	-
Construction	15,200	13,100	18,100	-2,900	-4,413	-1,387
Manufacturing	16,600	10,000	16,800	-200	-2,559	2,159
Wholesale Trade	6,400	6,100	6,500	-100	-439	239
Retail Trade	37,000	36,300	37,200	-200	-984	584
Food and Beverage Stores	6,500	6,400	6,500	0	-	-
General Merchandise Stores	10,600	10,100	10,100	500	-	-
Transportation, Warehousing, Utilities	24,800	23,200	23,600	1,200	366	2,034
Air Transportation	6,500	6,000	6,200	300	-	-
Information	6,500	6,400	6,400	100	-175	375
Telecommunications	4,200	4,100	4,100	100	-	-
Financial Activities	15,400	14,700	15,100	300	-567	1,167
Professional and Business Services	29,900	28,300	28,600	1,300	-56	2,656
Educational⁴ and Health Services	46,500	46,400	44,400	2,100	965	3,235
Health Care	32,300	32,300	31,600	700	-	-
Leisure and Hospitality	38,900	33,300	38,200	700	-1,969	3,369
Other Services	11,400	11,100	11,600	-200	-1,021	621
Government	84,400	84,500	85,600	-1,200	-	-
Federal Government ⁵	17,100	16,600	17,900	-800	-	-
State Government	25,000	25,700	25,700	-700	-	-
State Government Education ⁶	6,300	7,400	6,400	-100	-	-
Local Government	42,300	42,200	42,000	300	-	-
Local Government Education ⁷	23,800	24,700	23,500	300	-	-
Tribal Government	4,100	3,800	4,000	100	-	-

A dash means confidence intervals aren't available at this level.

¹Excludes 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.

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

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

⁴Private education only

⁵Excludes uniformed military

⁶Includes the University of Alaska

⁷Includes public school systems

Sources for Exhibits 6, 7, and 8: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Department of Labor, Bureau of Labor Statistics

Employer Resources

Training program helps older Alaskans re-enter the workforce

Older workers can be a great source of knowledge and experience in the workplace. They often bring an attention to detail, emphasis on customer service, lengthy work history, and a proven work ethic. Employers also tend to rate seniors high on factors such as judgment, commitment to quality, attendance, and punctuality. These qualities make them an attractive resource for Alaska employers.

However, a lack of basic computer skills is a major barrier to employment for many older Alaskans. To help address these specific training needs, the department's Mature Alaskans Seeking Skills Training programs, or MASST, provide a range of services to help older Alaskans find jobs and increase their financial security.

Susie Allen is an example of how MASST can help seniors return to the workforce. When Allen began the

program, she didn't know how to turn on a computer. Through MASST, Allen was placed in an office for on-the-job training in keyboarding, office routines, several computer programs, and how to use the Internet.

After Allen became comfortable, she began to apply for positions and was hired full time as an in-home services coordinator handling Medicaid billing, health services paperwork, and scheduling. Her new supervisor described her as well-equipped for her duties as well as "balanced and confident."

For more information about MASST, see <http://labor.alaska.gov/masst/home.htm>, stop by your local Alaska Job Center, or contact Rita Bowen, the program's coordinator, at (907) 465-4872 or rita.bowen@alaska.gov. To find your local job center, see <http://www.jobs.alaska.gov/offices/index.html>.

August marks 75th anniversary of registered apprenticeships

The National Apprenticeship Act of 1937 recognized what people have been doing for thousands of years — transferring skills from one generation to the next. To mark the 75th anniversary of the act, Gov. Sean Parnell has proclaimed August 2012 to be Registered Apprenticeship Awareness Month in Alaska. The proclamation encourages Alaskans to recognize the value of apprenticeship and on-the-job training programs, and the contributions of skilled tradesmen across our state.

Registered apprenticeship combines on-the-job learning, classroom instruction, and a progressive pay scale so participants earn while they learn. It also gives employers a high return on their training investment, allowing them to establish the standards of proficiency they need while developing a local and loyal workforce that tends to stay in Alaska.

The Alaska Department of Labor is working with the U.S. Department of Labor to focus on nontraditional use of apprenticeship as part of a connected career and technical education system in Alaska. High school students can begin planning a career path before graduation that combines postsecondary education with registered apprenticeship.

High school students can earn Tech Prep credit through partnership of Alaska high schools, the Alaska Office of Apprenticeship, AVTEC—Alaska's Institute of Technology, and the University of Alaska. These students earn postsecondary credit or advanced placement in construction, welding, mechanics, and health care occupations that directly lead to registered apprenticeships and employment.