

ALASKA ECONOMIC **TRENDS**

AUGUST 2015



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The Carnival Spirit anchors in Sitka's Crescent Bay. Photo courtesy of sitkaphotos.com
On page 4: A gull takes off at Tracy Arm. Photo by Flickr user Daniel Cornwall
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Alaska Economic Trends is a monthly publication dealing with a wide variety of economic issues in the state. Its purpose is to inform the public about those issues. *Trends* is funded by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development. It's published by the Research and Analysis Section. *Trends* is printed and distributed by Assets, Inc., a vocational training and employment program, at a cost of \$1.37 per copy. Material in this publication is public information, and with appropriate credit may be reproduced without permission.

Departments collaborate to promote tourism



Heidi Drygas
Commissioner, Labor

It's the summer visitor season once again in Alaska. Next time you're stuck behind an RV or trying to walk through throngs of shoppers on the wharf in Juneau, consider what a profound impact tourism has on Alaska's economy. Tourism generates more than 14,000 jobs in Alaska and represents 11 percent of Southeast Alaska's economic activity. It is the primary source of income for many coastal communities like Skagway and Ketchikan. These tourism-related jobs and income are particularly important as federal investment and oil revenue decline. Our continued economic prosperity demands economic diversification — tourism is a critical part of that effort.

This month's *Trends* highlights economic impacts of tourism on Southeast, the epicenter of cruise ship traffic. When it comes to cruise ship tourism, economic development policies are important because they determine how much value we retain in Alaska versus how much flows back to corporate offices in the Lower 48. This month, we are writing a joint *Trends* introduction because the departments of Labor and Commerce play complementary roles in maximizing the benefits of tourism for Alaska's economy.

The Department of Commerce, Community, and Economic Development has a range of programs designed to create job and entrepreneurship opportunities related to tourism. The department works with business partners to promote rural and cultural tourism and supports the development of regional tourism infrastructure. DCCED also sponsors AlaskaHost, a statewide customer service training program for employees of the hospitality and visitor services industry. DCCED collaborates with the Department of Labor Job Centers to expand AlaskaHost training programs with the goal of improving Alaska's hospitality industry while creating local job opportunities.

The Department of Labor and Workforce Development has complementary programs designed to promote Alaska Hire and good jobs in the tourism industry. In response to growing tourism around Nome, the NACTEC regional training center has started offering guide classes. Our SAVEC regional training center in King Salmon offers maritime and safety courses that help

prepare locals for work in tourism, including guided fishing trips. We recently connected the village corporation of Gambell with Kawerak's business development staff to consider how Gambell can maximize income from birding tourists. The department's Wage and Hour and Workers' Compensation staff also play a critical role by ensuring that tourism employers comply with the state's labor laws. Our department's staff recently investigated foreign-owned gift shops in Skagway that were attempting to avoid paying taxes and workers' compensation. We won't let perpetrators of fraud undercut legitimate Alaska businesses that play by the rules.

In many cases, visitors journey to Alaska for many of the same reasons most of us live here — Alaska is a special place with unparalleled scenery, outdoor opportunities, and bountiful resources. August *Trends* provides a snapshot of people moving to Alaska and shows that many of our new neighbors are relatively young and well-educated.

In today's economy, young professionals often choose a place to live rather than living wherever they can get a job. That means our state's quality of life has economic value. DCCED's Alaska Regional Development Organizations program supports local efforts such as the Anchorage Economic Development Corporation's Live.Work.Play. initiative, which is aimed at improving quality of life, including public schools, trails, and parks. Initiatives such as these serve the dual purpose of improving quality of life and generating economic value. Net migration into Alaska also provides an economic stimulus; an influx of well-educated workers is likely to lead to productivity increases among our workforce.

From tourism to Alaska Hire, our departments have many opportunities to collaborate. Commerce and Labor will continue working together to maximize the positive impacts of the tourism industry and to institute the kind of public policies that ensure Alaska remains the best place to live.

Heidi Drygas is the Commissioner of Labor and Workforce Development. Chris Hladick is the Commissioner of Commerce, Community, and Economic Development.



Chris Hladick
Commissioner,
Commerce



Follow the Alaska Department of Labor and Workforce Development on Facebook ([facebook.com/alaskalabor](https://www.facebook.com/alaskalabor)) and Twitter (twitter.com/alaskalabor) for the latest news about jobs, workplace safety, and workforce development.

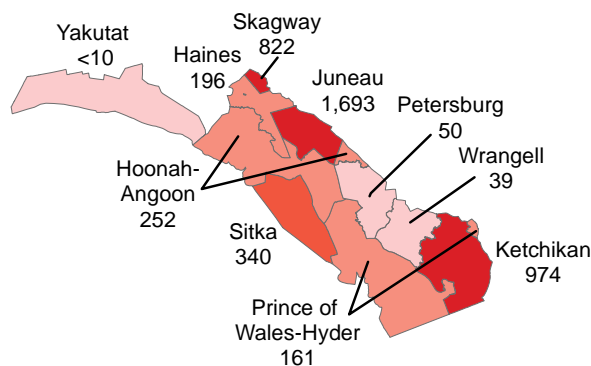
TOURISM IN SOUTHEAST



Visitor-related jobs a key part of the region's economy

1 Where the Tourism Jobs Are

SOUTHEAST ALASKA, 2014



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

By CONOR BELL

Tourism's rise in Southeast Alaska was tied primarily to the development of cruise lines, which helped the region's economies flourish and continue to transport the vast majority of Southeast's visitors. Today, around a million people visit Southeast Alaska each summer, and most arrive by cruise ship.

Tourism was one of Alaska's first industries, and Southeast was the first visitor destination. During the late 19th century, small numbers of tourists traveled north on steamships, sharing space with miners, fishermen, and aspiring business owners in the new territory.

Throughout the next 100 years, the romance of Alaska sank deeper into the American consciousness. Many idealized the ruggedness of Alaska, and it became a point of pride even among Americans who had never seen it.

Though many miners returned home empty-handed, stories of Alaska's natural beauty spread further after the Klondike Gold Rush. Naturalists such as John Muir published detailed accounts of the territory. Sitting President Warren G. Harding traveled through Alaska



The steamship S.S. Aleutian docks in Juneau sometime between 1939 and 1959. Steamships carried initial visitors to Southeast Alaska, but they were phased out as air travel gained popularity and eventually, cruise ships offered lower-cost trips with more amenities. Photo courtesy of the Captain Lloyd H. "Kinky" Bayers Collection, Alaska State Library

shortly before his death. Hollywood began producing films set in Alaska.

Steamships fall from favor

Though acclaim for Alaska was widespread, steamships' limited capacity and expense restricted the number of travelers to Southeast. Vacationing by steamship was mostly limited to wealthy travelers, and it lacked the comforts available elsewhere. In 1929, a traveler-class round trip between Seattle and Skagway cost around \$90, equivalent to about \$1,250 in 2015.

The U.S. built the Alaska-Canada Highway during World War II, and though the Alcan increased traffic into Alaska, most of its travelers went farther north to Southcentral or Fairbanks.

By the 1960s, steamship travel dwindled with the rise of air travel. The U.S. had a huge stock of aircraft at the end of the war, and it provided subsidies and discounts for emerging airlines to purchase surplus army airplanes.

Steamships couldn't compete with the airlines' rates, and sea trips took days rather than hours. Alaska Steamship Company, the last hold-out, ended passenger service in 1954. Though Juneau and Annette Island had runways, Alaska's tourist

traffic was largely diverted from Southeast.

After steamships became archaic, newly formed cruise line companies began to target a broader market. By building giant ships, they could provide trips at a lower cost per customer while expanding onboard amenities, making travel to Alaska accessible to more Americans and returning the focus to Southeast.

In the second half of the 20th century, the growing number of visitors to Southeast tracked with the development of more and bigger cruise ships. The first cruise



Employees of the Blue Fox Restaurant in Ketchikan pose behind the bar in the early-to-mid 20th century. Photo by the Skinner Foundation, Alaska Steamship Company, Alaska State Library

From *Alaska Now, 1948* by Herbert H. Hilscher

“Basically there are five classifications of travelers — and, from top to bottom, they all want to see Alaska. Yet the territory today is ill-prepared to roll out the welcome mat to any of these groups — except the least profitable. The five classifications are:

1. *“The wealthy, bored-with-life traveler. Minimum expenditure \$100 per day.*
2. *“The society-conscious family with “means” that travels to the right places at the right times so daughter may meet the right people.*
3. *“The great American public that travels to have a good time, see things, do things, and meet people just as natural as themselves. They expect good service, good drinks, good food, and plenty of post-cards and souvenirs. The classification includes the American schoolteacher and the business girl who travels for romance, thrills, and to do some of the things they [sic] can’t do at home.*
4. *“The dyed-in-the-wool sportsman and big-game hunter. He spends a sizable chunk of his money to get his trophies.*
5. *“The ‘rough-it’ crowd. The thousand-mile-canoe-trip-in-all-kinds-of-weather-without-a-bath-except-God’s-liquid-sunshine type. Women wearing men’s long-handled drawers, flannel shirts, and tin pants. Men avoiding razors and smelling strongly of stale sweat. They usually travel without funds and ‘mooch’ their way along.*

“As far as the recreation industry is concerned, only the first four groups are important, and it is these groups Alaska must prepare for.”

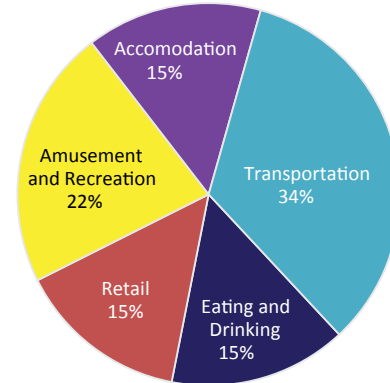
ships sailing the Inside Passage in the late 1960s could carry between 300 and 700 passengers. In 2016, Royal Caribbean’s Explorer of the Seas will set a new record in the state with its 3,840-passenger capacity.

Tourism vital to Southeast economy

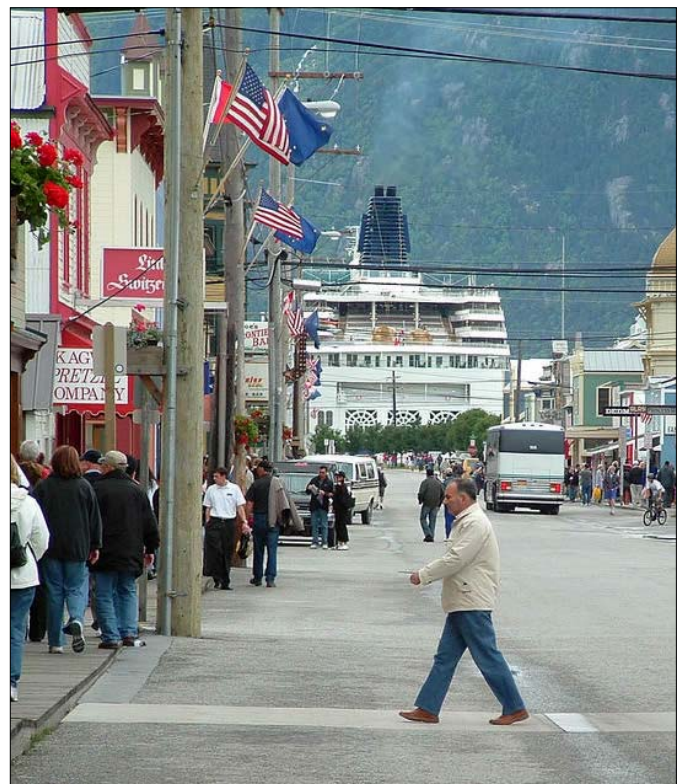
The state had 14,056 visitor-related jobs in summer 2014, and though just a third of those were in Southeast, they were a much bigger portion of the region’s summer economy at 11 percent versus the statewide 4 percent.

Southeast’s economy is highly seasonal, and most of its additional summer employment is tied to tourism. May through September of 2014 averaged 7,320 more jobs each month than the rest of the year. Of those ad-

2 Types of Tourism Jobs SOUTHEAST ALASKA, 2014



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



Summer visitors walk through downtown Skagway in front of the cruise ship dock. More than half of Skagway’s summer jobs are directly tied to tourism. Photo by Flickr user tommcb05

ditional jobs, 4,570 were in visitor-related industries. (See the sidebar on page 8 for how we defined these industries.)

Other additional summer employment included seafood processing (1,963 more jobs) and construction (416 more jobs).

3 10 Highest-Paying Tourism Occupations

SOUTHEAST ALASKA, APRIL TO SEPTEMBER 2014

	Avg Summer Earnings*
1 Captains, Mates, and Pilots of Water Vessels	\$16,781
2 Commercial Pilots	\$14,643
3 Transportation Attendants, Except Flight Attendants	\$12,680
4 Supervisors of Food Preparation and Serving Workers	\$11,857
5 Sales and Related Workers	\$11,643
6 Travel Guides	\$9,206
7 Receptionists and Information Clerks	\$7,875
8 Reservation and Transportation Ticket Agents	\$7,305
9 Entertainment Attendants and Related Workers	\$7,228
10 Bookkeeping, Accounting, and Auditing Clerks	\$6,968

*These include workers who worked at any time during this period, even if it was just a short time. This makes the average lower than it would be if the data counted only those who worked the whole period from April 1 to Sept. 30.

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

4 10 Most Common Tourism Occupations

SOUTHEAST ALASKA, APRIL TO SEPTEMBER 2014

	Workers	Avg Summer Earnings*
1 Tour Guides and Escorts	395	\$5,790
2 Waiters and Waitresses	306	\$4,644
3 Retail Salespeople	276	\$6,775
4 Combined Food Prep and Serving Workers	208	\$2,706
5 Maids and Housekeepers	198	\$4,389
6 Cashiers	183	\$4,718
7 Transportation Attendants, Exc Flight Attendants	140	\$12,680
8 Captains, Mates, and Pilots of Water Vessels	138	\$16,781
9 Restaurant Cooks	121	\$6,374
10 Customer Service Representatives	113	\$5,433

*These include workers who worked at any time during this period, even if it was just a short time. This makes the average lower than it would be if the data counted only those who worked the whole period from April 1 to Sept. 30.

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

Most jobs are in Juneau, Ketchikan, and Skagway

Southeast's tourism jobs are concentrated in Juneau, Ketchikan, and Skagway at over three-quarters of the region's visitor-related employment in 2014. Juneau had the most at 1,693. (See Exhibit 1.)

Though Skagway has a much smaller number of these jobs, the town's economy is centered on tourism, with total summer employment far exceeding the year-round population. Hundreds of thousands of people visit the small town each summer to see the former mining camp. Fifty-three percent of Skagway's summer jobs are directly visitor-related, and the share is even higher if you include jobs resulting from increased

spending by tourism businesses and employees.

Another indicator of how significant tourist traffic is to Skagway's economy is its annual sales tax revenue. Skagway's local sales tax of 3 percent, which goes up to 5 percent in the summer, pulled in \$7 million in 2013, or \$6,996 per year-round resident. Juneau, with a 5 percent sales tax year-round, netted just \$1,305 per resident that year.

Though Juneau and Ketchikan had more visitor-related jobs overall, their economies are diversified, with tourism jobs representing just 9 and 12 percent of their total summer employment, respectively.

Hoonah-Angoon Census Area, which includes Gustavus and Glacier Bay, had the second-highest proportion in

About these numbers

Tourism's effect on employment is hard to determine because there's no official "tourism industry" in the data. That's because jobs are categorized by what a person or company does rather than for whom they do it. So, for example, a restaurant that caters to tourists is not easily distinguished from one that mainly serves locals. Here, we've approximated visitor-related employment by defining visitor-related industries as transportation, accommodation, food services, certain retail stores, and amusement and recreation industries. We only counted direct employment; jobs created to support visitor industry and those resulting from the increased demand that employment growth brings are outside the scope of this analysis.

Because bars and restaurants would have employees regardless of summer visitors, taking the difference between summer and winter is the closest way to determine how many jobs the seasonal influx creates. The seasonal change in the industries is defined as the average level of employment in May through September against average levels in all other months of 2014.

Visitors' effect on the economy extends outside these industries, however, as they use a range of other services. A small number of visitors also arrive during the winter. Locals may also patronize restaurants and bars more frequently during summer. Businesses may also hire workers in the off-season to prepare or take down infrastructure.

Most of this article defines summer employment as May to September. But for occupational counts and wages, the period is April through September, or second and third quarter, because of data limitations.

Southeast at 26 percent of all summer employment. Petersburg and Wrangell each had a handful of these jobs, and Yakutat had almost no tourism employment in 2014, as defined here, but hosted its first cruise ships this year.

Transportation dominates

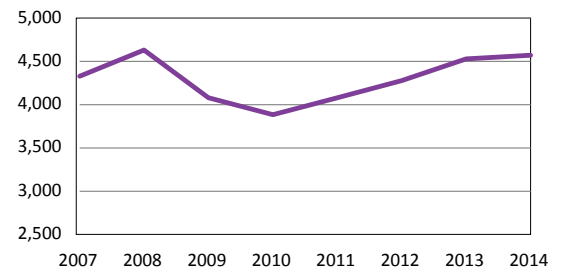
The largest chunk of Southeast's tourism jobs, about a third, is in transportation. These include work on everything from whale-watching boats to tour buses and airlines. (See Exhibit 2.)

In Skagway, employment in scenic and sightseeing transportation is 432 times more common than in the nation as a whole, largely due to the White Pass and Yukon Route, a refurbished railway originally built during the Gold Rush.

The highest-paying occupations are also in transportation. The top-paying job group, which includes captains, mates, and pilots of water vessels, is also one of

5 Rebound After Recession

SOUTHEAST TOURISM JOBS, 2007-2014



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

the most common. (See exhibits 3 and 4.) These 138 workers made an average of \$16,781 in summer 2014. Commercial pilots were second at \$14,643, and non-flight transportation attendants (who primarily work on whale-watching boats) came in third at \$12,680. Almost all seasonal pilots fly small planes, either for flightseeing or passage to rural Alaska.

The next-largest category, at 24 percent, was entertainment and recreation, which encompasses tours and visitor experiences that range from ziplining to wilderness expeditions.

The rest were in retail, eating and drinking, and accommodation, each at 14 to 15 percent. These other categories have significantly lower earnings, partly due to more part-time or short-term employment. The most common workers in these categories are tour guides, waiters, and salespeople.

Still bouncing back after recession

Visitor-related industries took a major hit nationwide during the 2007-09 national recession. (See Exhibit 5.) While the rest of Alaska's economy fared relatively well, the bleak conditions in the rest of the country stifled travel. U.S. vacation expenditures tanked, and Southeast's visitor-related industries shed more than 500 jobs in summer 2009. Alaska cruise travel dropped by less than a percentage point that year, though visitor expenditures declined more significantly.

During summer 2010, cruise ship traffic fell by 15 percent and employers cut another 200 jobs.

Visitors and jobs both rebounded in 2011 and have recovered alongside the national economy. Since 2011, the region's visitor-related employment has been rising toward its 2008 high of 4,631, though that figure hasn't yet been reached.

MOVERS TO ALASKA

A look at the demographics of our newest residents

By **EDDIE HUNSINGER**

Of the 735,000 people who live in Alaska today, more than 40,000 arrived in just the last year. Although the number who move here each year is mostly balanced by the number who leave, newcomers significantly and continuously change the state's makeup.

From large, close states

The states that send the most people to Alaska are either close or have large populations (see Exhibit 1), a trend that has been steady over time. Likewise, when Alaskans leave, they typically move to these states. Over the most recent time period available, 2009 to 2013, Texas had the most Alaska-bound movers — but the top spot fluctuates among Washington, California, and Texas.

Altogether, people moving here from other U.S. states or territories make up about 90 percent of our recent arrivals, and 10 percent come from other countries. Eleven percent were born in Alaska and are returning. (Just 40 percent of Alaska's population was born in the state, far less than the national figure of 59 percent born in their current state of residence.)

Also many international movers

Alaska receives 3,000 to 5,000 movers from other countries each year. Nations that send the most people, typically a few hundred per year, are the Philippines, Mexico, and Canada. Military deployments and bases overseas also affect migration from foreign coun-

About these numbers

The American Community Survey collects socioeconomic data throughout the country on an ongoing basis. Due to limited sample sizes, data released in a combined five-year format (such as the 2009 to 2013 data used here) are considered more reliable, especially for small areas. Still, they often have large margins of error.

The geographic mobility data presented in this article are based on the following questions: "Did this person live in this house or apartment one year ago?" and "Where did this person live one year ago?"

tries, and many movers in recent years were soldiers returning from Iraq and Afghanistan.

About 8 percent of newcomers aren't U.S. citizens, versus 3 percent of the current state population. (See Exhibit 2.) Of the noncitizens who moved here recently, it's notable that about half moved from another state rather than from abroad. For comparison, about 40 percent of Washington's noncitizen newcomers moved from another state, and for California the figure is just 20 percent.

Just over 80 percent of the recent arrivals ages 5 or older speak English at home — not much different from the 84 percent of all Alaskans age 5-plus who do.

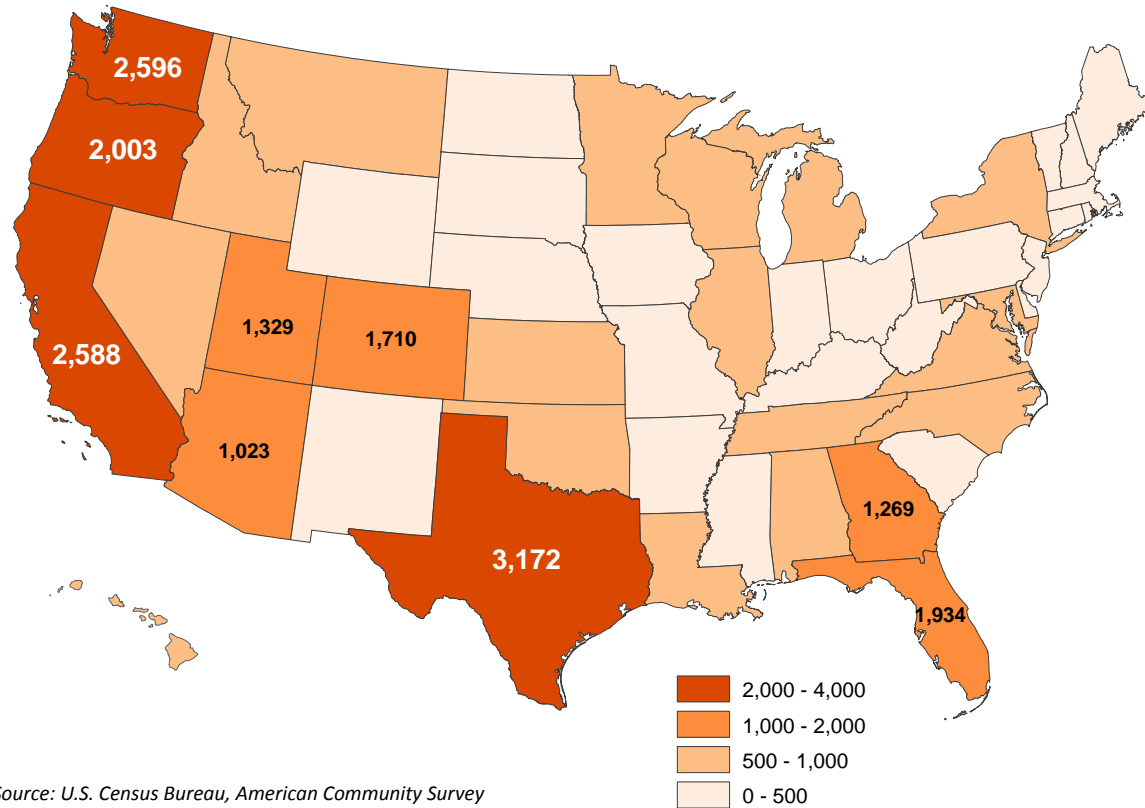
To population centers and bases

Anchorage, Alaska's biggest city and home to just over

1

Migration to Alaska by State

PER YEAR, 2009 TO 2013



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

40 percent of the state's population, was the destination for 44 percent of Alaska's recent migrants, according to the 2009 to 2013 American Community Survey.

Within Anchorage, the areas with the most newcomers were on or near Joint Base Elmendorf-Richardson, including the base itself (between 4,000 and 5,000 per year) as well as the lower Eagle River Valley (about 1,000 per year). The areas with the fewest newcomers included higher-income areas like Chugiak, the upper Eagle River Valley, and Turnagain, each with less than 100 per year.

In general, where people move in Alaska follows the distribution of population across the state, but the locations of military bases also play an important role. Fairbanks North Star Borough, which is home to 14 percent of the state's population and two major military bases, received an estimated 23 percent of annual migrants.

Movers are typically young

Throughout the country, people in their late teens

and early twenties move the most, and the oldest age groups tend to move the least. Thirty-five percent of those who moved to Alaska from 2009 to 2013 were 20 to 29 years old, and just 4 percent were over age 60. If we were to look at the population moving *from* Alaska, it would have a similar age structure.

It's important to note, though, that the aging of Alaska's population will overwhelm the migration-related changes at higher ages. With the aging of Alaska's baby boomers, the 65-plus population will continue to grow.

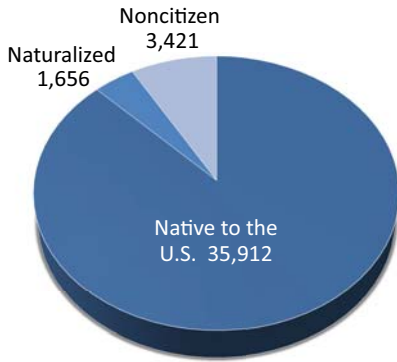
Slowly changing racial makeup

Ten percent of the new Alaskans from 2009 to 2013 were Hispanic, 10 percent were Asian or Pacific Islander, 7 percent were black, and just 4 percent were American Indian or Alaska Native. (See Exhibit 3.) About two-thirds were non-Hispanic white.

Altogether, the population that recently moved to the state is a bit more nonwhite and non-Native than Alaska's total population and, based on analysis of population estimates by age and race, a bit more non-

2 Most Are U.S. Citizens

MIGRANTS TO ALASKA, 2009 TO 2013



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

white and non-Native than the population that left Alaska. Though the differences are slight, they contribute to a continuously changing racial makeup of the state over time when coupled with differing birth rates by race.

More in military, college

About 63 percent of the 16-plus newcomer population were in the civilian labor force,¹ and 12 percent of those were unemployed, according to the 2009 to 2013 data. Sixteen percent were in the active duty armed forces. In Alaska's overall 16-plus population, about 69 percent were in the civilian labor force, of which 9 percent were unemployed. Just 3 percent were in the military.

New arrivals were also more likely to be in college than the current population. For those 16 and over, 16 percent who recently arrived were enrolled versus just 9 percent of Alaskans. Much of this is related to the greater tendency for young people to move.

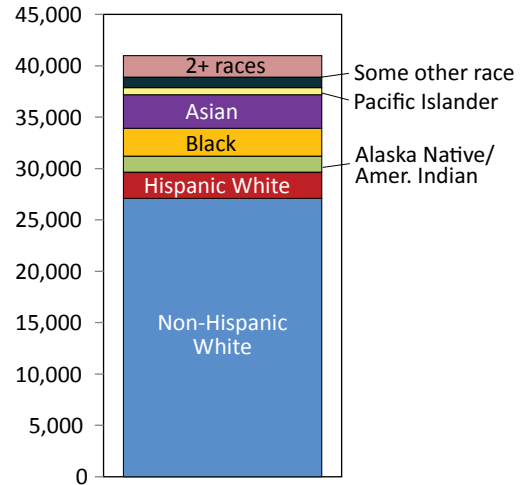
Alaska's recent arrivals tend to have higher levels of education, as well. Among newcomers 25 or older, 71 percent have some college and 34 percent have a degree. (See Exhibit 4.) For the state as a whole, it's 64 percent and 28 percent.

The new arrivals tend to have lower incomes, though, as younger people are often in school or earlier in their careers. Alaskans 15 and older had a median income of \$30,947. The median income for recent movers from another state was \$24,520, and for those who came from abroad it was \$26,256.

¹"In the labor force" means a person is either working or actively looking for work.

3 Most Migrants Are White

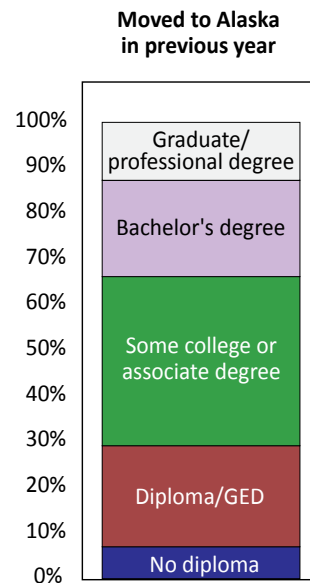
MIGRANTS TO ALASKA, 2009 TO 2013



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

4 Most Have Gone to College

MIGRANTS TO ALASKA



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

Similarly, the poverty rate for newcomers was higher than Alaska's 10 percent overall, at 15 percent for those from another state and 16 percent for international migrants.

RENT OVER A DECADE

An overview of trends in four major Alaska rental markets

By **KARINNE WIEBOLD**

Every March, the Alaska Department of Labor and Workforce Development surveys about 15,000 Alaska landlords to gather residential rental unit information in cooperation with the Alaska Housing Finance Corporation. The following sections give an overview of rental trends over the past decade for four of Alaska's largest markets, including the latest survey results.

The rental amounts shown here are adjusted rent, which is the amount the tenant pays to the landlord each month plus any additional utility costs. This allows for more accurate comparisons between places. We also include the affordability index value, which tells you how many paychecks it would take to afford the area's average rent, based on the area's average wages.

The complete survey methods and results, which include more areas and detail on vacancies and affordability, are available at laborstats.alaska.gov/housing/housing.htm and www.ahfc.us/efficiency/research-information-center/alaska-housing-market-indicators/.

Fairbanks

Rent in Fairbanks has been on the rise, increasing by 50 percent from 2005 to 2015, although it declined slightly in 2012 and 2015. Apartment rent has increased 39 percent over the period while single-family house rent has risen a significant 73 percent, from \$1,094 to \$1,892. The high cost of utilities in the Interior is a significant factor in this jump.

Vacancies in Fairbanks have traditionally been higher than the survey-wide average, at an average of 10.5 percent since 2005. The vacancy rate has gone up significantly in the last couple of years, to 15.6 percent in 2014 and 16.0 percent in 2015. Slight population declines in 2013 and 2014,

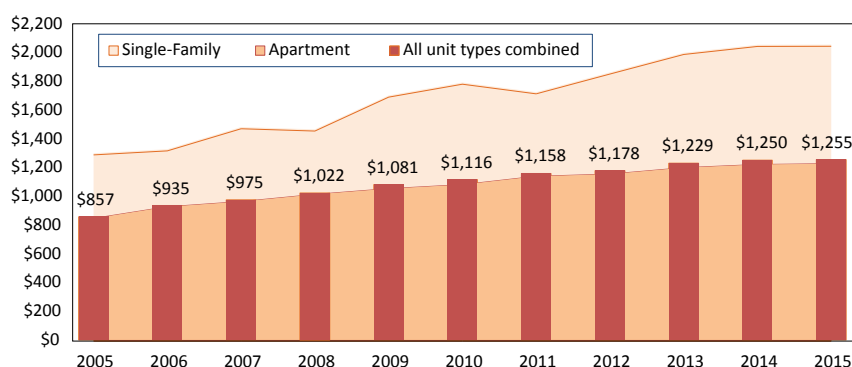
Continued on page 14

Anchorage

Average adjusted rent in Anchorage has been on a gradual rise over the last decade, increasing 46 percent from 2005 to 2015. Apartment rent increased 45 percent, up from \$846 to \$1,227, while single-family rent increased at a much faster rate of 59 percent, or from \$1,288 to \$2,044.

Single-family rental homes are scarce relative to apartments in Anchorage, and while houses are generally in high demand, they're also more susceptible to price and vacancy changes when local demand shifts.

The survey-wide average vacancy rate from 2005 to 2015 was 6.3 percent. Anchorage's vacancy rate over this period averaged just 4.4 percent, and it has been below that since 2010.



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

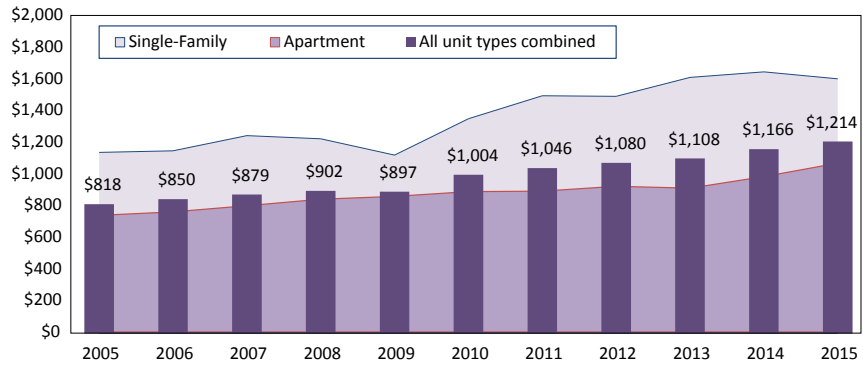
Anchorage's rental affordability index value has fluctuated around 1.0 over the last decade. Before 2011, rent required a single average paycheck or slightly less, which increased to an average of 1.03 after that as increases in rent outpaced increases in wages. While rents in Anchorage are fairly high, so are wages.

Matanuska-Susitna

Rent in the Matanuska-Susitna Borough has gone up 48 percent since 2005. Unlike other areas, the increase was greater for apartments (45 percent) than single-family homes (41 percent).¹ Single-family rents have had their ups and downs in Mat-Su, with small drops in 2008, 2009, 2012, and 2015.

Mat-Su's average 10-year vacancy rate was 5.8 percent, below the survey wide average of 6.3 percent. In 2015, Mat-Su's vacancy rate of 3.3 percent was half the survey-wide 6.7 percent that year and on par with Juneau and Anchorage, two historically tight markets.

¹The number of single-family units went up considerably over this period, so the change in the mix is the reason the overall increase is higher than the percent increase for each type of unit.



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

Mat-Su's population and economy have grown rapidly in the last decade, putting more pressure on the rental market, as seen in the low vacancy rate.

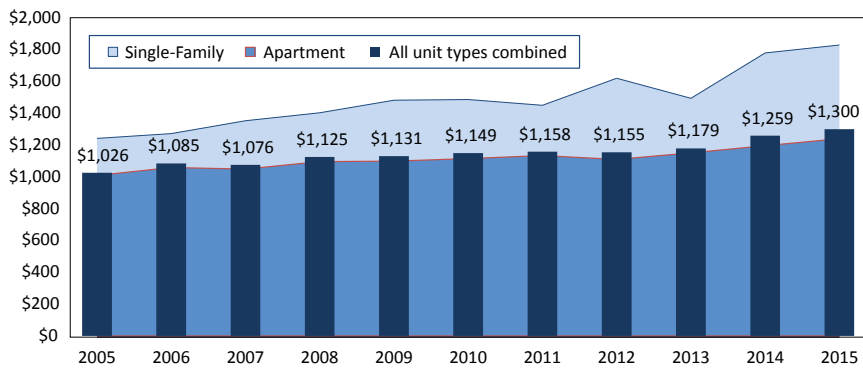
Renting is less affordable for Mat-Su residents than for those renting in Anchorage, Fairbanks, or Juneau. Although Mat-Su rents are a bit lower, so are wages. Mat-Su was at peak affordability in 2009 (1.08 paychecks required), but has become increasingly less affordable since, climbing to an additional third of an income required to afford rent in 2015 (1.31).

Juneau

Juneau is one of the most expensive areas surveyed, but overall, its average rent has increased by just 27 percent since 2005. That's much less than the other areas highlighted in this article as well as the survey-wide increase, which was 43 percent. Juneau's rent was higher in 2005 than Anchorage, Mat-Su, or Fairbanks, and while it remains slightly higher, the gap has narrowed.

Juneau apartment rent has increased 23 percent since 2005, rising from \$1,009 to \$1,240. Single-family house rent, on the other hand, has increased at more than twice that rate, from \$1,242 in 2005 to \$1,829 in 2015.

Vacancies in Juneau averaged a low 4.4 percent over the decade, the same rate as Anchorage. Juneau's vacancy rate has been below average the last six years, hitting 3.4 percent in 2015.



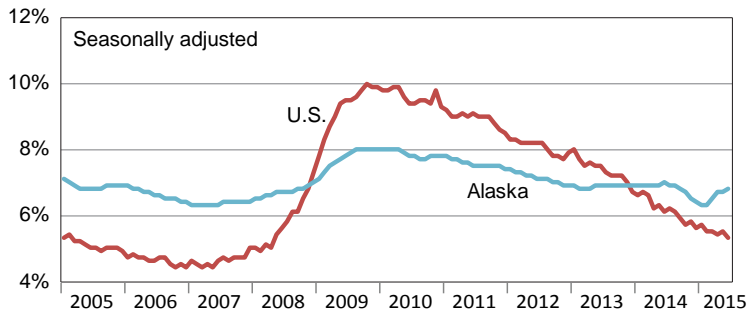
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Juneau's high average wage, coupled with more moderate growth in average rent, means Juneau's rental housing has been more affordable in the past five years than the five before that, though index values appear to be creeping up. The current value is 1.16, or just over one monthly paycheck required to afford rent.

Renting in Juneau was most affordable from 2012 to 2014, when wages grew more than rents.

Employment Scene

1 Unemployment Rates JANUARY 2005 TO JUNE 2015



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

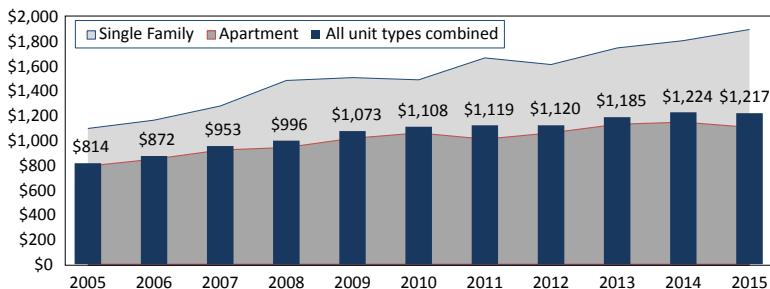
FAIRBANKS

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military movements, and an increase in rental housing stock with the construction of new military housing are likely factors. It's also possible that low interest rates in recent years have prompted some renters to purchase.

Like Anchorage, rentals in 2005 and 2006 were more affordable in Fairbanks, requiring just under one full paycheck, before rent increases outpaced wage increases.

Fairbanks' affordability has been fairly consistent in the last seven years, remaining between 1.06 and 1.08 required monthly paychecks.



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

2 Unemployment Rates BOROUGHES AND CENSUS AREAS

	Prelim. 6/15	Revised 5/15	Revised 6/14
SEASONALLY ADJUSTED			
United States	5.3	5.5	6.1
Alaska Statewide	6.8	6.7	7.0
NOT SEASONALLY ADJUSTED			
United States	5.5	5.3	6.3
Alaska Statewide	6.9	6.6	7.0
Anchorage/Mat-Su Region	6.1	5.7	6.2
Municipality of Anchorage	5.5	5.1	5.6
Matanuska-Susitna Borough	8.3	7.9	8.3
Gulf Coast Region	7.3	7.3	7.2
Kenai Peninsula Borough	7.6	7.6	7.3
Kodiak Island Borough	5.8	5.5	6.4
Valdez-Cordova Census Area	7.3	8.2	7.4
Interior Region	6.8	6.2	7.1
Denali Borough	4.3	5.0	4.9
Fairbanks North Star Borough	6.0	5.3	6.1
Southeast Fairbanks Census Area	11.0	11.4	12.5
Yukon-Koyukuk Census Area	17.3	17.3	17.8
Northern Region	12.3	11.6	12.3
Nome Census Area	13.9	13.1	13.5
North Slope Borough	6.9	6.2	6.8
Northwest Arctic Borough	17.6	17.1	18.1
Southeast Region	6.3	6.1	6.5
Haines Borough	8.0	8.5	8.9
Hoonah-Angoon Census Area	12.1	13.4	10.9
Juneau, City and Borough	5.0	4.5	5.1
Ketchikan Gateway Borough	6.4	6.2	6.9
Petersburg Borough*	9.1	9.2	9.4
Prince of Wales-Hyder CA	12.0	12.5	12.5
Sitka, City and Borough	4.8	4.5	5.0
Skagway, Municipality	5.2	6.0	4.6
Wrangell, City and Borough	8.0	7.4	7.8
Yakutat, City and Borough	6.9	7.6	9.2
Southwest Region	12.5	13.9	13.0
Aleutians East Borough	5.0	5.8	5.4
Aleutians West Census Area	4.5	6.5	5.8
Bethel Census Area	16.0	16.3	16.7
Bristol Bay Borough	3.7	6.6	3.8
Dillingham Census Area	9.5	9.7	9.3
Lake and Peninsula Borough	12.2	12.7	14.0
Kusilvak Census Area*	25.7	25.6	25.1

*Wade Hampton Census Area was renamed Kusilvak Census Area, and Petersburg Census Area became a borough.

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

Safety Minute

Protect yourself from pesticide exposure at home

Many of the pesticides available in your local gardening store can be just as harmful as commercial pesticides. Pesticides can enter your body in many ways, from simple contact through skin and clothes to breathing mist, dust, fumes, or smoke containing pesticides and chemicals. You can even poison yourself while eating if you don't wash your hands after spraying a pesticide around your home.

It's important to know which chemicals are in the pesticides you use and take the following measures to protect yourself from the harmful effects of exposure:

- While working with pesticides, be aware that chemicals may be on or in plants, soil, irrigation water, or air drifting from nearby applications.
- The minimum protection when working with pesticides should always be long sleeves, long pants, shoes, and socks, rubber gloves, and splash-proof eye protection, regardless of the toxicity level of the pesticide.
- Make sure you're able to wash immediately if you're accidentally exposed.

Contact the Alaska Occupational Safety and Health Consultation and Training Section at (800) 656-4972 or labor.state.ak.us/lss/oshhome.htm to learn more about chemicals used in pesticides or for any questions about health and safety in the workplace.

Safety Minute is written by the Labor Standards and Safety Division of the Alaska Department of Labor and Workforce Development.

Employer Resources

Fidelity bonding helps employers, at-risk applicants

Fidelity bonding is a form of business insurance. It offers a proven job placement tool that helps both employers and at-risk job applicants.

Bond coverage is available in Alaska at no cost to job seekers or employers. The bonds are issued in increments of \$5,000 and provide six months of insurance coverage, with larger bonds issued on a case-by-case basis. Employers may also use bonding to promote an employee to a more responsible position without exposing the company to risk.

Any at-risk job applicant is eligible for bonding services, including ex-offenders, recovering substance abusers, welfare recipients, those with poor financial credit, economically disadvantaged youth, adults who lack a work history, and those who have been

dishonorably discharged from the military. Each year, between 18 and 25 Alaska employers take advantage of fidelity bonding.

There are no forms for the employer to sign and no processing to delay matters — the insurance goes into effect immediately.

Employers seeking bonding insurance can find their nearest Alaska Job Center by visiting jobs.alaska.gov/offices/ or calling (877) 724-2539. For more information about the program, visit labor.alaska.gov/bonding.

Employer Resources is written by the Division of Employment and Training Services of the Alaska Department of Labor and Workforce Development.