

ALASKA ECONOMIC TRENDS

NOVEMBER 2017

COMMERCIAL FISHING EMPLOYMENT

Craft Breweries



Workplace deaths on long decline

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Enforcement, honoring compliance reduce deaths



Heidi Drygas
Commissioner

Trends has great news this month: Alaska's on-the-job fatality rate hit a record low in 2015, the most recent year available. Despite having a larger-than-average share of workers in high-risk industries, we have succeeded in reducing workplace deaths by 85 percent since 1992. That figure represents a decline in total deaths, which is even more impressive considering that Alaska's workforce is much larger today than in 1992.

Put in terms of the fatality rate per 100,000 workers, the decline is equally impressive: In 1992, Alaska's on-the-job death rate was nearly 10 times higher than the national average. In 2015, our rate was almost equal to the national average.

As *Trends* notes, there are a number of factors behind this change, including improvements in technology and policy. We cannot rest on these achievements, however, and must take further action to improve workplace safety. Fourteen deaths — the most recent available yearly number — are far too many. Just one death is too many.

Consider some tragic workplace deaths that have occurred recently. Two young construction workers employed by different companies in Anchorage died following separate collapses involving a trench and a retaining wall. Both of these deaths were avoidable and would never have happened if the employers had followed basic safety protocols. Our department fined the company owners the maximum amount allowable under the law. We hope these massive fines send a clear message: Employers should not expect to profit from putting workers at risk.

These large fines represent part of a culture shift at the Alaska Occupational Safety and Health Section in our Labor Standards and Safety Division. I am

proud of our staff for their commitment to integrity and service, and for using all our powers under the law to protect Alaska workers.

In addition to strengthened enforcement, we have worked to improve partnerships with employers. Our AKOSH industry consultation staff have worked with oil companies and employers in seafood, construction, and health care on voluntary efforts to improve workplace safety.

We honor high-performance companies each year at the Governor's Safety and Health Conference. This year, the CEO of Alaska Tanker Company, Anil Mathur, gave a compelling presentation on how his company has avoided serious on-the-job injuries for more than a decade. Companies like ATC promote a culture of workplace safety. We applaud the work of Mr. Mathur and others who hold worker safety in the highest regard and understand that workplace safety is also good for business.

Finally, the state is expanding its policy toolkit to promote workplace safety. Administrative Order 286 directed state departments to reform regulations to promote workplace safety in the context of public contracts. We are working on those regulations now, which will focus on valuing worker safety and ensuring nobody profits from unsafe practices. The state can and should be a leader by rewarding high-road companies for doing right by their employees.

As long as I am Labor Commissioner, improving workplace safety will be a priority for this department. I am grateful to our staff for their hard work and to our partners in the private sector who have made safety a priority. Let's continue working together to get Alaska's workplace fatality rate down to zero.



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.

COMMERCIAL FISHING EMPLOYMENT



Jobs declined 5 percent in 2016, mainly in salmon harvesting

By **JOSHUA WARREN**

Alaska's seafood harvesting employment fell by 5 percent from 2015 to 2016. The job losses were mostly in salmon fishing, which had hit record employment the year before.

While total employment remains above average historically, 2016 marked a second year of overall loss. (See Exhibit 1.) The modest decline in 2015 was mostly in groundfish harvesting.

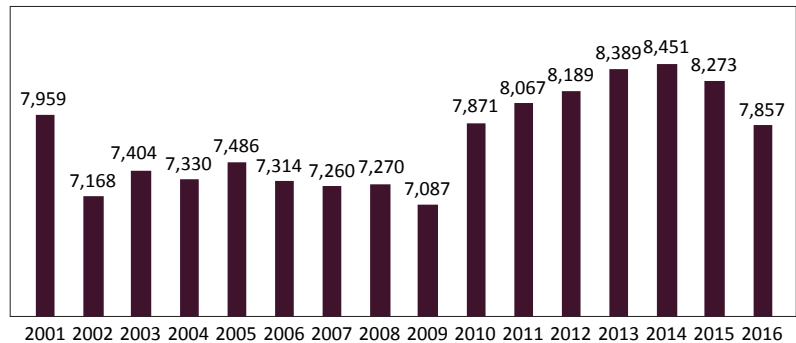
Seafood harvesting can be volatile, though, and early reports from 2017 show record catches and large value increases for salmon harvesting, with the amount paid to fishermen nearly 67 percent higher than in 2016. This suggests a resurgence for salmon fisheries this year, while other catches, such as cod, appear weaker so far.

Large losses in salmon fisheries

Salmon harvesting employment, which represents the majority of Alaska's commercial fishing jobs, fell by 6.4 percent in 2016, a loss of 323 jobs. Salmon fishing employment declined in most regions, except South-central, where it grew slightly.

After reaching just over 5,000 total jobs in 2013, statewide salmon employment hovered around that level

1 Average Monthly Fishing Jobs Down ALASKA, 2001 TO 2016



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

Alaska fisheries account for over half of total U.S. harvest volume and almost a third of U.S. harvest value.

for the next two years before declining to 4,714 in 2016.

Groundfish jobs remain stable

Groundfish harvests spiked dramatically in 2014, then snapped back to typical levels in 2015 where they

remained in 2016, commensurate with historical norms. The monthly average for groundfish¹ differed by just three jobs between 2015 and 2016.

While groundfish employment held steady on the statewide level and in some regions, Kodiak's groundfish employment fell by 8.3 percent, a drop that was offset by small groundfish gains in other regions.

Groundfish, which is mainly walleye pollock and Pacific cod, leads Alaska fisheries for sheer poundage and represents nearly half of the state's catch value — and its shares of both grew in 2016.

Groundfish's percentage of Alaska's total catch grew from 78.5 percent in 2015 to 88.3 percent. But because salmon harvests have higher returns per pound, groundfish made up just 48.2 percent of Alaska's gross earnings in seafood harvesting, up slightly from 47.8 percent in 2015.

Groundfish leads poundage, but most jobs are in salmon

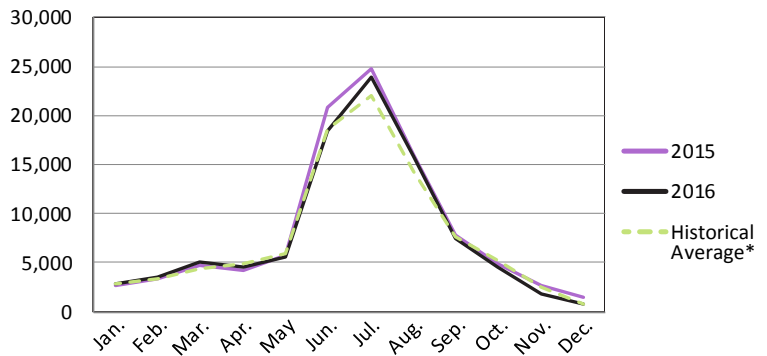
While value and poundage can shift considerably from year to year, the differences in labor required to harvest salmon mean the majority of commercial fishing jobs are always in salmon harvesting.

Salmon fishermen have limits on the size and type of equipment they can use as well as the number of fishing days allowed, so they require a larger crew to harvest the same volume as some other species. The larger ships that fish the Bering Sea for pollock, for example, can get by with fewer crew while fetching higher total value because of the sheer mass of their catch. So while groundfish leads Alaska fisheries for poundage, groundfish harvesting represented just 1,163 jobs in 2016 compared to 4,714 for salmon.

¹ "Groundfish" refers primarily to walleye pollock and Pacific cod. Although sablefish (or black cod) is considered groundfish, it is categorized separately in this article.

2 Seasonal Job Pattern Is Consistent

ALASKA, 2015 AND 2016

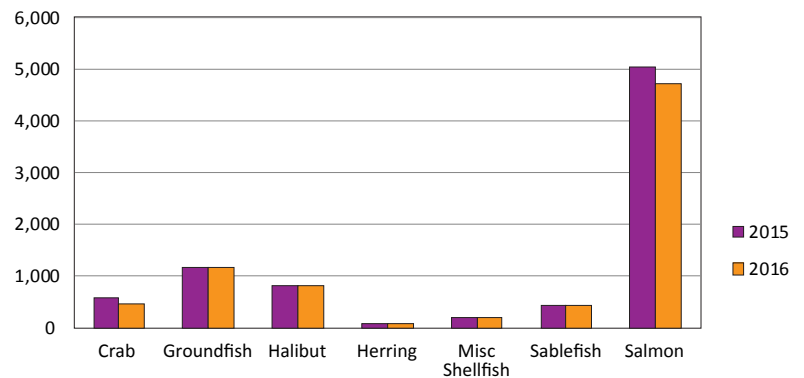


*Historical average is over 16 years, since the data series began.

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

3 Salmon Jobs Down, Others Stable

ALASKA, TOTAL JOBS BY SPECIES, 2015 AND 2016



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

Crab fisheries also lose jobs

Crab harvesting's employment trend resembled that of salmon, growing in recent years and then declining to 464 in 2016. Losses were spread throughout the year, with fewer crab permits fished overall.

Crab fisheries shed 107 average jobs in 2016, a loss of 18.7 percent. This brought the fishery's employment to its lowest level since 2009 and below the 10-year average.

Other fisheries stable

Jobs in halibut, herring, sablefish and shellfish fisheries remained stable between 2015 and 2016. (See Exhibit 3.) All of these fisheries had lost jobs in the few

years prior before leveling off last year. While annual employment was stable in all of these fisheries, levels varied from month to month, with strong growth in some and declines in others.

Combined, these fisheries represent about 1,510 average jobs each year, with most in halibut and sablefish harvesting.

Regional employment

Southeast

Southeast continues to have the highest percentage of industry jobs in the state (see Exhibit 4), but its share declined again in 2016 due to small job losses in most of its fisheries and large losses in salmon. Southeast salmon employment went up by 14 jobs in 2015, then fell by 52 jobs in 2016.

Southeast lost fishing jobs overall for the third straight year in 2016, and losses were bigger than the year before. The region's harvesting employment dipped 0.8 percent in 2015 and then 2.3 percent in 2016, declining by 53 jobs to a total of 2,275.

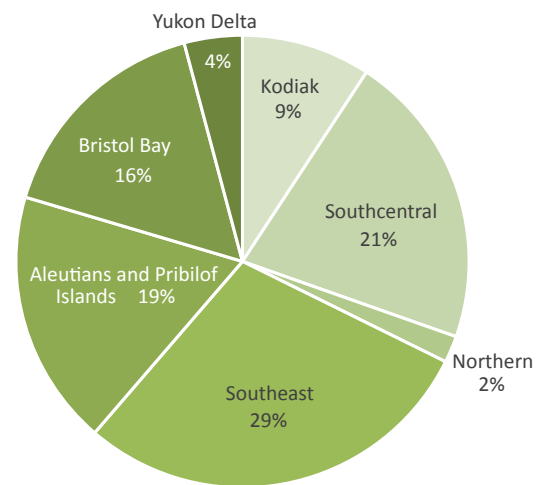
While the larger fisheries lost employment, the smaller Southeast fisheries grew. Although those gains look impressive in terms of percent growth, the highest growth of 11.5 percent for the herring fishery translated to just seven additional jobs.

Southcentral

The Southcentral Region, which includes the Prince William Sound and Cook Inlet salmon fisheries and a halibut fleet, recorded the state's second-highest

4 Southeast Has Largest Slice of Fishing Jobs

ALASKA REGIONS, 2016



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

total employment in 2016 and was the only region to gain fishing jobs over the year.

All of Southcentral's fisheries added jobs, even salmon, which makes up over three-quarters of Southcentral's harvesting employment.

Although Southcentral's salmon employment declined in June and July, other months' levels grew more, producing growth that was slight but still enough to produce record employment levels.

Continued on page 18

How we estimate fishing jobs

Unlike the employment numbers state and federal statistical agencies publish each month for wage and salary jobs, fish harvesting employment can't be estimated simply by asking employers how many people were on their payroll that month. Instead, we infer employment from landings — the initial sale of the catch.

Because of the way the fisheries are managed — by permits that are generally associated with a specific type of gear, including boat size — a landing under a certain permit requires about the same number of people, which is called the crew factor.

For example, a permit to fish for king crab in Bristol Bay with pot gear on a vessel more than 60 feet long requires about six people, according to a survey of permit holders. So when

crab is landed under that permit, we assume the permit generated six jobs that month.

Most permits designate where specific species can be harvested, and we assign jobs to the harvest location rather than the residence of the permit holder. This approach best approximates payroll employment, which is categorized by place of work rather than worker residence. (Employment generated under permits that allow fishing anywhere in the state receive a special harvest area code and are estimated differently.)

This article's numbers are annual averages because, as with location, they come closest to payroll employment data. And because seafood harvesting employment is much higher in summer than winter, like tourism and construction jobs, averaging employment across all 12 months allows for more meaningful comparisons of job counts in different industries.

Craft Breweries



Alaska brewers continue to grow, increase market share

By **NEAL FRIED**

Just three years ago, we reported that Alaska brewing had grown dramatically. That trend has continued, with new breweries continuing to pop up and more Alaska consumers choosing craft beer.

Alaskans' consumption of locally crafted beer has increased another 35 percent since 2013, even as overall beer consumption has continued to decline. Alaskans still drink a lot of beer, though. According to the Brewers Association, Alaska ranks third among states for gallons consumed per capita by the population 21 and older, and seventh for breweries per capita.

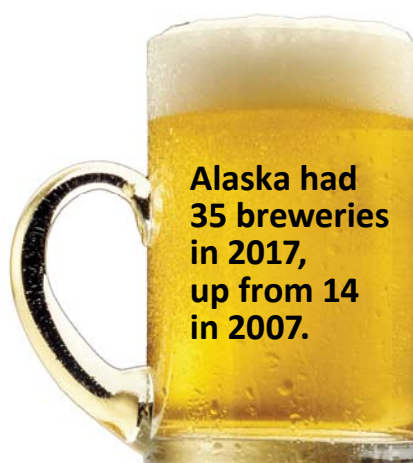
Alaska's breweries and brewpubs are scattered across the state, from Sitka to Fairbanks, in 24 communities of all sizes. Anchorage has the largest number, but communities as small as Skagway and Gakona have their own craft breweries, some of which cater to tourists and only operate seasonally.

Unscathed by state recession

The number of Alaska breweries and brewpubs mushroomed by over 150 percent from 2007 to 2017, and there's no sign the state recession has hit Alaska's brewers. New establishments continued to open and employment increased even as the overall eating and drinking industry began to lose jobs.

Brewery employment grew from 121 jobs in 2007 to 340 in 2017. (See Exhibit 1.) Brewpubs have also grown considerably over the last decade, reaching total employment of 921 in 2017.¹

¹Earlier comparable data aren't available for brewpubs, which are typically categorized as restaurants.



7 breweries:
Anchorage

3 breweries:
Wasilla

2 breweries each:
Palmer, Talkeetna, Homer, Soldotna,
Juneau, Skagway, Fairbanks

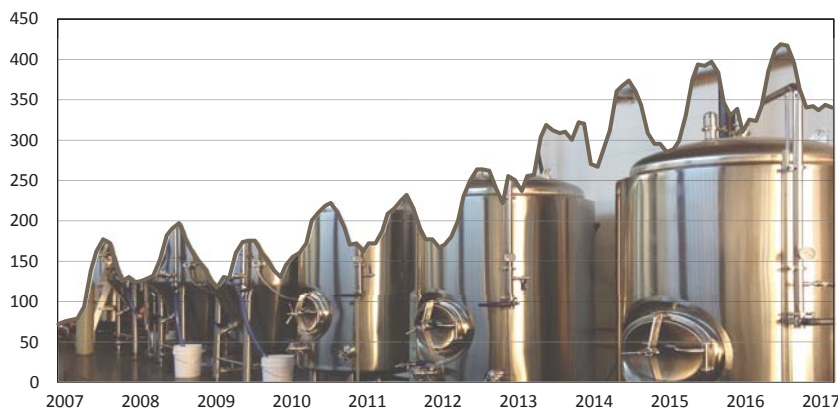
1 brewery each:
Eagle River, Girdwood, Kenai, Seward,
Sitka, Hoonah, Haines, Gakona,
Healy, Kodiak, Cooper Landing

Breweries vs. brewpubs

The Brewers' Association defines a craft brewer as an establishment that produces 6 million gallons of beer or less per year. Alaska's brewers fall in two basic cat-

1 Brewery Employment Continues to Climb

ALASKA, EXCLUDES BREWPUBS,* 2007 TO 2017



*Brewpubs are typically categorized as restaurants because more of their employment is in serving food. Brewpub employment was 921 in 2017.

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

Alaska is fifth among states for brewery earnings per capita, at \$239 million in 2016.

egories: breweries and brewpubs, with others classified as hybrids.

Breweries produce beer mainly for distribution. They sell kegs, bottles, growlers, and cans to people and businesses such as restaurants, bars, and stores. Brewery jobs are mainly in the manufacturing industry, and the employment numbers in Exhibit 1 encompass most of these players.

Most breweries are open to the public for tastings and some serve food. However, by law, their public hours are limited and so is the amount of beer customers can consume on site.

Hoodoo Brewing Company of Fairbanks is an example of such a brewery. The largest — and oldest — is Alaskan Brewing Company of Juneau. In 2016, Alaskan was ranked the 19th largest craft brewery in the United States and the 24th largest brewery overall.

Brewpubs also brew beer, often on site, and often sell beer to other restaurants or stores and serve customers on site. Brewpubs typically serve a large variety of foods as well, and they're usually classified as restaurants because most of their employees work in food service rather than brewing.

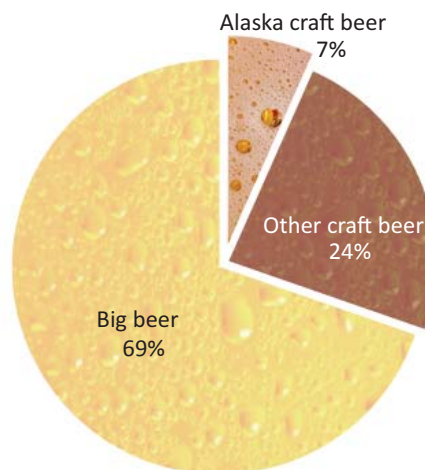
Examples of brewpubs are Glacier Brew House in Anchorage and St. Elias Brewing Company of Soldotna.

Beer types and taxation

As a byproduct of its taxation authority, the Alaska Department of Revenue produces a variety of statistics on beer sold. Beer sales fall into two categories with two tax rates. The first is "qualifying beer," which this

2 'Big' Beer Sales Still Dominate Market

ALASKA, 2017



Sources: Alaska Department of Revenue; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

article calls craft beer, and it is taxed at a lower rate. The other is "malt beverage," called big beer here. The big beer category is taxed at a higher rate and covers the large breweries such as Pabst Blue Ribbon and Budweiser.

In the craft beer category, a brewery's first 60,000 barrels of beer sold in Alaska each year are taxed at a lower rate to encourage local business. Although all Alaska breweries and brewpubs fall into this category, so do many from elsewhere in the country that sell beer in

Alaska. They also receive this lower tax rate because the state can't discriminate based on production location. However, the Department of Revenue can still break the craft beer category down into beer produced in Alaska and that produced elsewhere. (See Exhibit 2.)

Sales and production of local beer double

Between 2007 and 2017, the amount of locally produced craft beer sold more than doubled, from 454,000 gallons to 919,000 gallons. The percentage of Alaska-produced beer sold in the state also more than doubled, from 3 percent to 7 percent.

During that same period, the amount of craft beer consumed in the state grew from 2.3 million gallons to 4.2 million gallons per year. At the same time, consumption of big beer fell from 11.9 million gallons to 9.6 million gallons, a 25 percent drop. (See Exhibit 3.)

Breweries: \$12.5 million in payroll, 340 jobs

Brewpubs: \$23.4 million in payroll, 921 jobs

Big beer still holds nearly 70 percent of the market, but most literature on the subject predicts the declining trend for big beer will continue. And if Alaska-produced beer also continues to absorb a larger share of the existing market, overall beer consumption wouldn't need to increase for Alaska brewing to continue to grow.

Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or neal.fried@alaska.gov.

3 We're Consuming More Craft Beer

ALASKA, 2007 TO 2017



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

Long Decline in Deaths at Work

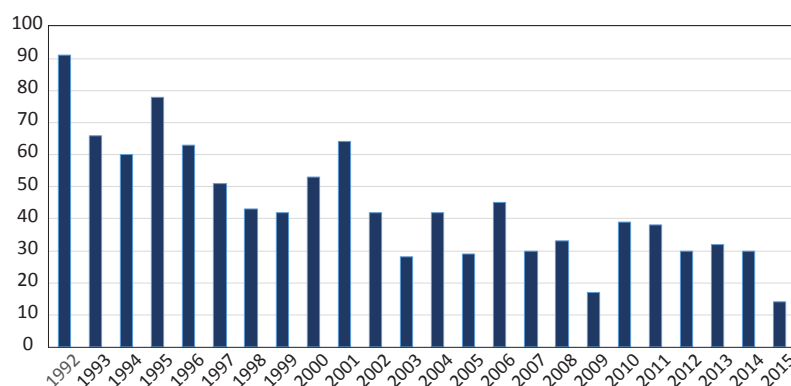
Alaska's rate drops near U.S. level for the first time

By **ROB KREIGER**

The number of workplace fatalities in Alaska hit a new low in 2015, a continuation of the downward trend for on-the-job deaths since statistics were first collected in 1992. (See Exhibit 1.)

In the early-to-mid-1990s, Alaska had the highest workplace fatality rate in the nation, largely driven by commercial fishing deaths, followed by flight and logging accidents. A lot has changed since then — high-fatality industries have become smaller, regulations have changed the way some indus-

1 Workplace Deaths Down Considerably ALASKA, 1992 TO 2015



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

About the Census of Fatal Occupational Injuries

The U.S. Bureau of Labor Statistics began conducting annual surveys in 1972 to estimate injuries, illnesses, and fatalities at work. Subsequent analyses showed traumatic occupational fatalities were underreported, and widely varying estimates raised concern about using a sampled survey to estimate deaths. In response, BLS and state agencies developed the Census of Fatal Occupational Injuries, implementing it in all 50 states and the District of Columbia in 1992.

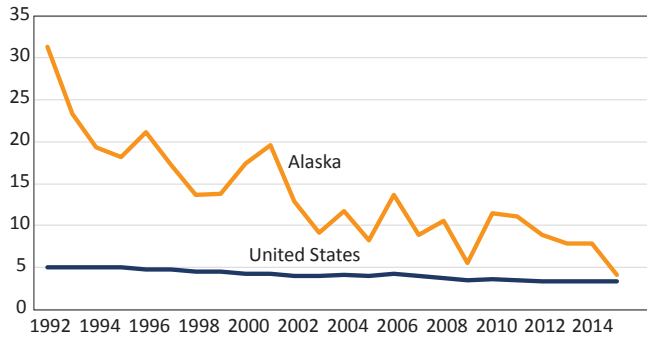
CFOI maintains a complete count of worker fatalities and analyzes them in detail. The program relies primarily on death certificates, newspaper articles, reports from federal and state agencies, and workers' compensation re-

ords. It includes employer characteristics, fatality details, and demographic information about the deceased while keeping identifying information confidential. Because these data are so specific, they're especially useful to policy makers, researchers, employers and workers, unions, trade organizations, and safety equipment manufacturers.

CFOI records any job-related death in Alaska, even if the worker was not a resident or didn't work for an Alaska company. These deaths include homicides, suicides, transportation accidents, contact with objects, falls, and exposure to harmful substances. Natural deaths that happen at work, such as heart attacks, are not part of the record. CFOI also excludes work-related illnesses.

2 Alaska Down Near U.S. Level

DEATHS PER 100,000 WORKERS, 1992-2015



Note: U.S. number for 2001 does not include the fatalities resulting from the 9/11 terrorist attacks.

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

tries operate, and technology has made some dangerous activities safer.

Logging, for example, which had a large number of fatalities in the early-to-mid-'90s, barely exists in Alaska today. Other changes, such as the quota system in commercial fishing and advancements in flight technology, have made many of these jobs safer. Together, these factors brought Alaska's workplace fatality rate more in line with the nation overall.

Work fatalities hit a low but levels remain volatile

The 14 work-related deaths recorded in Alaska in 2015 were about half the total from 2014 and down 85 percent from the high of 91 deaths in 1992. The drop is even more dramatic considering how much Alaska's total workforce had grown by 2015.

While there are clear reasons for the decline, workplace fatalities also have a random element, and the number of fatalities can be volatile from year to year. For a population as small as Alaska's, even one severe accident with multiple deaths can swing that year's rate considerably. And while the trend has been downward, certain jobs have inherent risks. Even with precautions, unforeseen situations can make a dangerous job deadly.

Rate similar to U.S. for first time

To compare Alaska's fatalities to other states, it's necessary to convert them to rates of death per every 100,000 workers. The nation's rate has historically ranged between 3.4 and 5.0 per 100,000. Alaska's rate

3 Death Rates By State

PER 100,000 WORKERS, 1992-2015

	1992 to 1996	2015
U.S. Total	5.1	3.4
Alabama	7.7	3.7
Alaska	22.9	4.1
Arizona	3.8	2.4
Arkansas	7.3	5.8
California	4.3	2.2
Colorado	5.4	2.9
Connecticut	2.1	2.6
Delaware	3.8	1.9
District of Columbia	6.6	2.4
Florida	5.5	3.1
Georgia	6.6	4.3
Hawaii	4.0	2.6
Idaho	8.9	4.8
Illinois	4.4	2.9
Indiana	5.4	3.9
Iowa	5.2	3.9
Kansas	7.1	4.4
Kentucky	7.9	5.5
Louisiana	8.3	5.8
Maine	3.4	2.5
Maryland	3.3	2.4
Massachusetts	2.3	2.1
Michigan	3.5	3.1
Minnesota	3.8	2.7
Mississippi	10.2	6.8
Missouri	5.2	4.3
Montana	10.9	7.5
Nebraska	7.2	5.4
Nevada	6.2	3.5
New Hampshire	2.0	2.7
New Jersey	3.2	2.3
New Mexico	7.0	4.1
New York	4.1	2.7
New York City	5.0	2.0
North Carolina	5.3	3.4
North Dakota	7.3	12.5
Ohio	3.8	3.9
Oklahoma	7.4	5.5
Oregon	5.3	2.6
Pennsylvania	4.8	3.0
Rhode Island	2.6	1.2
South Carolina	5.6	5.6
South Dakota	7.8	4.9
Tennessee	6.3	3.7
Texas	5.8	4.5
Utah	6.5	3.2
Vermont	3.2	2.9
Virginia	4.4	2.8
Washington	4.3	2.1
West Virginia	8.9	5.0
Wisconsin	4.5	3.6
Wyoming	12.5	12.0

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

has swung widely, from a high of 31.4 in 1992 to the current rate of 4.1. (See Exhibit 2.)

From 1992 to 1996, Alaska had the highest average fatality rate in the country at 22.9. In contrast, by 2015, North Dakota was highest at 12.5, three times higher than Alaska, which ranked 16th. (See Exhibit 3.)

Most deaths transportation-related

Transportation-related accidents have always been the most common cause of workplace fatalities in Alaska, at just over two-thirds of deaths since 1992. (See Exhibit 4.)

The balance differed in 2015, though, as the lack of deaths in commercial fishing put transportation behind falls/contact with objects or equipment. (See Exhibit 5.)

Transportation accidents are the most prevalent at the national level as well, but differ from Alaska in that most are on highways while Alaska's are associated with boats (as with commercial fishing) or aircraft.

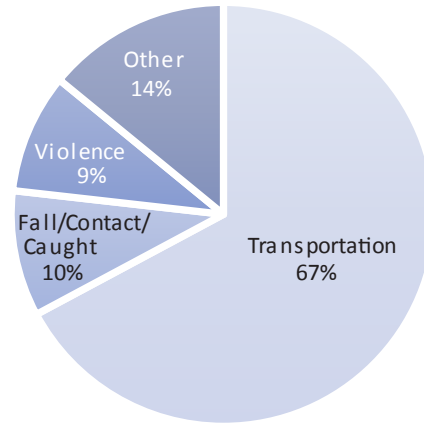
Commercial fishing leads decline

The zero commercial fishing deaths reported in 2015 was a first. In 1992, 35 workers died commercial fishing in Alaska, the highest of any year available — although anecdotal figures suggest the numbers were even higher in the 1970s and '80s.

The decline in commercial fishing deaths is the main driver of Alaska's overall workplace fatality rate decline. Commercial fishing deaths began to drop in the 1990s,

4 Historical Causes of Death

ALASKA, 1992 TO 2015 AVERAGE



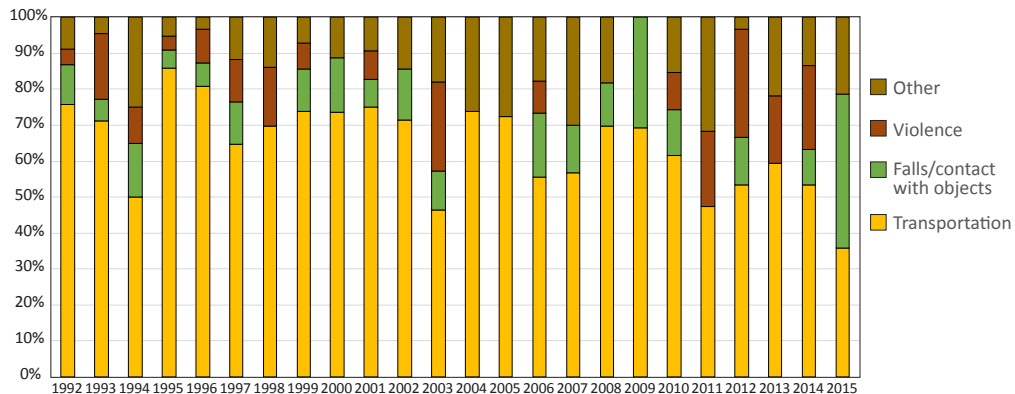
Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Bureau of Labor Statistics

due at least partly to the individual fishing quotas implemented later in the decade.

Quotas meant fishermen no longer needed to scramble to get as many fish and crab as possible during openings that often lasted just a few days, with the combination of tight openings, high pressure, heavy competition, and unpredictable weather leading to more accidents. The reduced need to take extreme risk, fewer vessels, advancements in technology, and increased attention to safety have helped make fishing a safer way to earn a living.

5 Causes of Death Shift from Year to Year

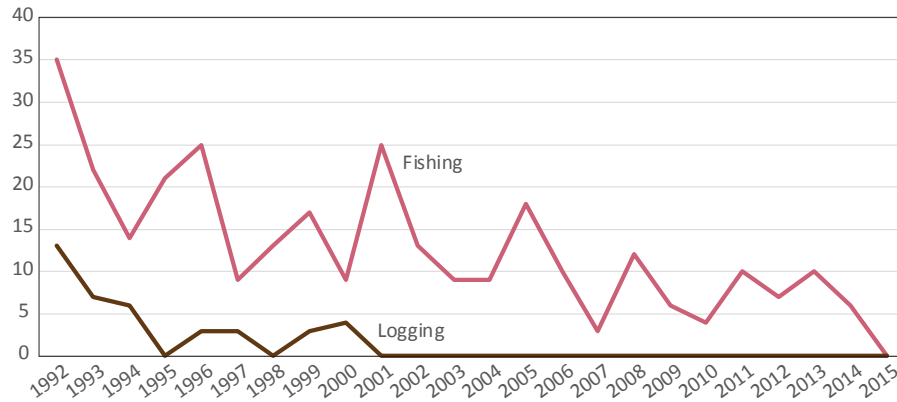
ALASKA, 1992 TO 2015



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

6 No Fishing or Logging Deaths in 2015

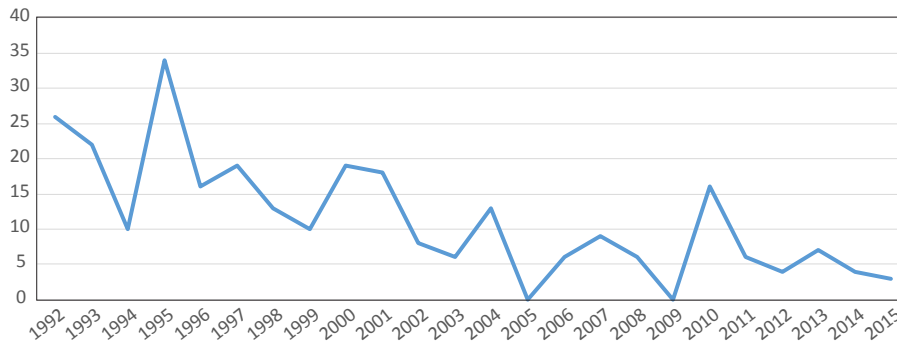
ALASKA, 1992 TO 2015



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

7 Airplane-Related Deaths Fluctuate

ALASKA, 1992 TO 2015



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

No logging deaths since 2000

At its peak, the timber industry had more than 4,000 jobs, a large slice of which were in logging, but employment has declined steadily since 1990 and so have fatalities.

In 1992, 13 logging deaths were recorded in Alaska, but with the industry decline, there were no logging deaths between 2000 and 2015. (See Exhibit 6.)

Plane crashes create volatility

Aircraft remain a leading cause of workplace death in Alaska. From 1992 to 2015, 26 percent of all job fatalities in Alaska were aircraft-related. In the U.S. as a

whole, it was less than 8 percent.

Exhibit 7 shows how Alaska’s air fatality tallies can swing from year to year, and this volatility can be caused by a single crash. For example, in 1995, a majority of aircraft fatalities were associated with the military due to a single accident. A United States Air Force Boeing E-3 Sentry airborne early warning aircraft crashed out of Elmendorf Air Force Base, killing 24 resident military personnel. (This bump is also visible in Exhibit 2, the graph of total yearly fatalities.) Then in 2010, several planes crashed while transporting passengers on business.

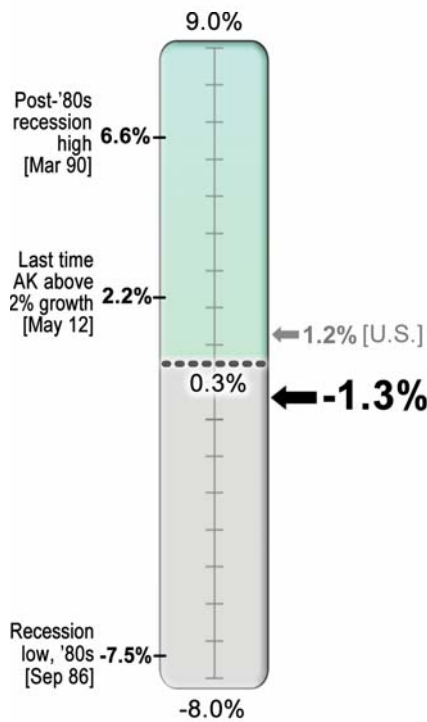
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Gauging Alaska's Economy



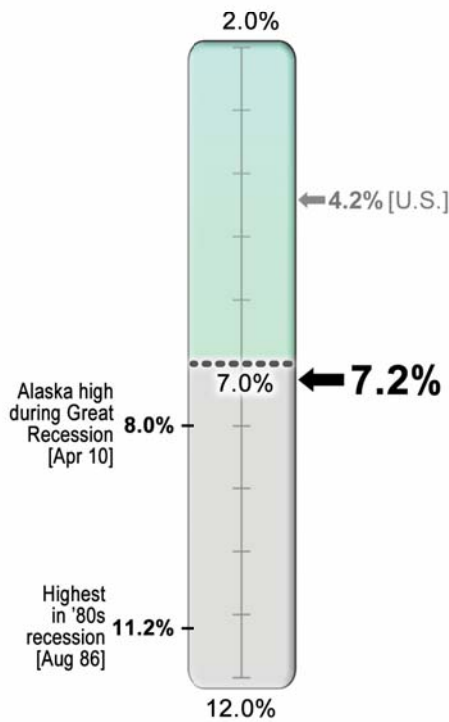
Job Growth

September 2017



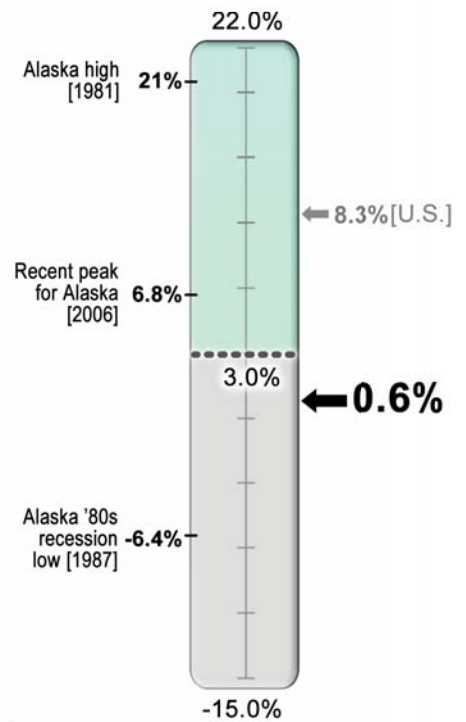
Unemployment Rate

September 2017
Seasonally adjusted



Wage Growth

1st Quarter 2017*



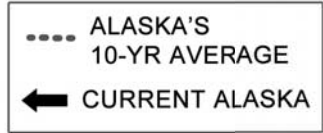
- September was the 24th consecutive month Alaska has recorded job losses.
- Alaska had 25 consecutive months of job losses during the state's 1980s recession, although the magnitude of the losses in the '80s was much larger as a percentage of total jobs.
- Job losses during the current recession were at their worst in September 2016 (-2.6 percent).

- Alaska's unemployment rate is the highest in the nation, but not significantly higher than the state's 10-year average.
- Unemployment rates are more complicated as an economic indicator than job growth, although most of the time high rates signal economic weakness.
- In the short term, unemployment rates can rise because a state is especially attractive to job seekers (a positive) or fall because people have given up on looking for work (a negative).

- Wage growth or decline is one of the most basic and useful measure of overall economic health.
- Wages were up slightly in the first quarter of 2017 compared to the first quarter of 2016 after four quarters of decline.
- Resumed and sustained wage growth, when it occurs, will be a good indicator that the Alaska recession is over.

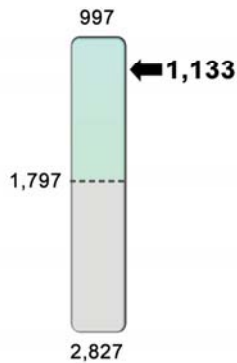
*Four-quarter moving average ending with the specified quarter

Gauging Alaska's Economy



Initial Claims

Unemployment, week ending October 7, 2017†

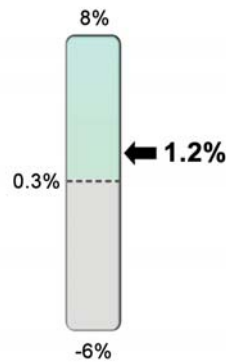


➤ For a variety of reasons, initial claims are well below the 10-year average despite job losses.

† Four-week moving average ending with the specified week

GDP Growth

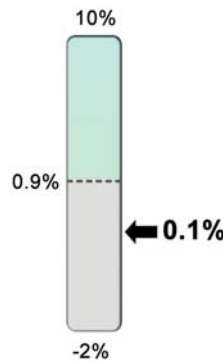
1st Quarter 2017*



➤ Gross domestic product is the market value of all goods and services produced in Alaska.

Personal Income Growth

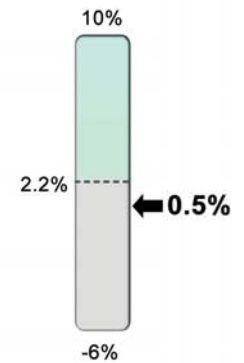
2nd Quarter 2017*



➤ Personal income includes wages as well as government transfer payments (such as Social Security, Medicaid, and the PFD) and investment income. Declines during the current recession have been small so far.

Change in Home Prices

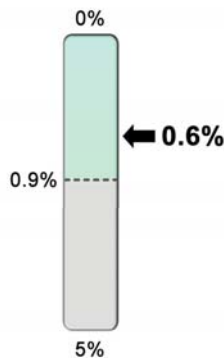
2nd Quarter 2017



➤ Home prices include only those for which a commercial loan is used. This indicator tends to be quite volatile from quarter to quarter.

Foreclosure Rate

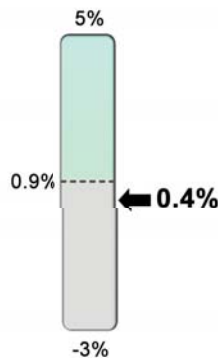
2nd Quarter 2017



➤ Foreclosure rates remain very low, highlighting how different the current recession is from the '80s recession when foreclosure rates exceeded 10 percent.

Population Growth

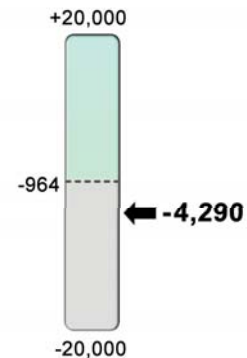
2015 to 2016



➤ The state's population has remained relatively stable despite moderate job losses. Population estimates for 2017 will be released in January 2018.

Net Migration

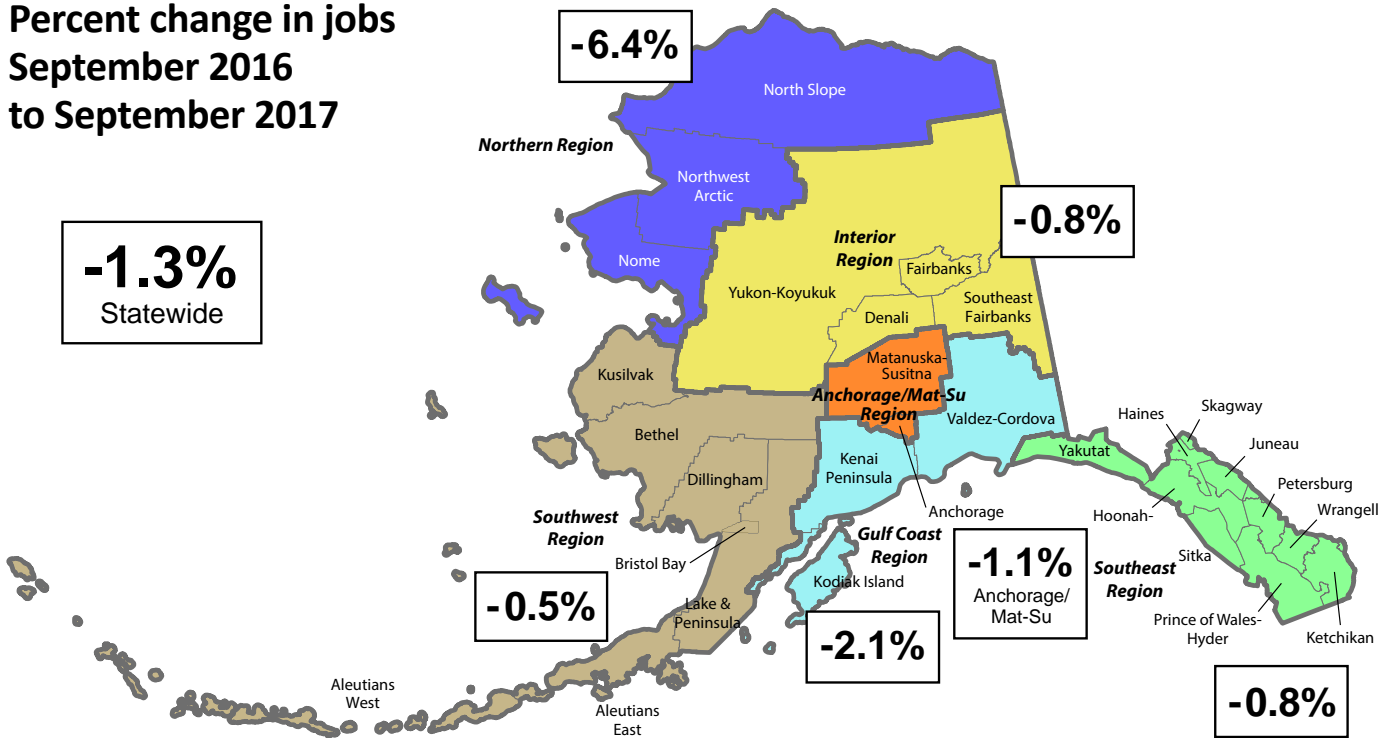
2015 to 2016



➤ More people have left Alaska than have moved here in recent years, but the losses have been relatively small (much smaller than during the 1980s recession).

Employment by Region

Percent change in jobs
September 2016
to September 2017



Unemployment Rates

Seasonally adjusted

	Prelim.		Revised
	9/17	8/17	9/16
United States	4.2	4.4	4.9
Alaska, Statewide	7.2	7.2	6.6

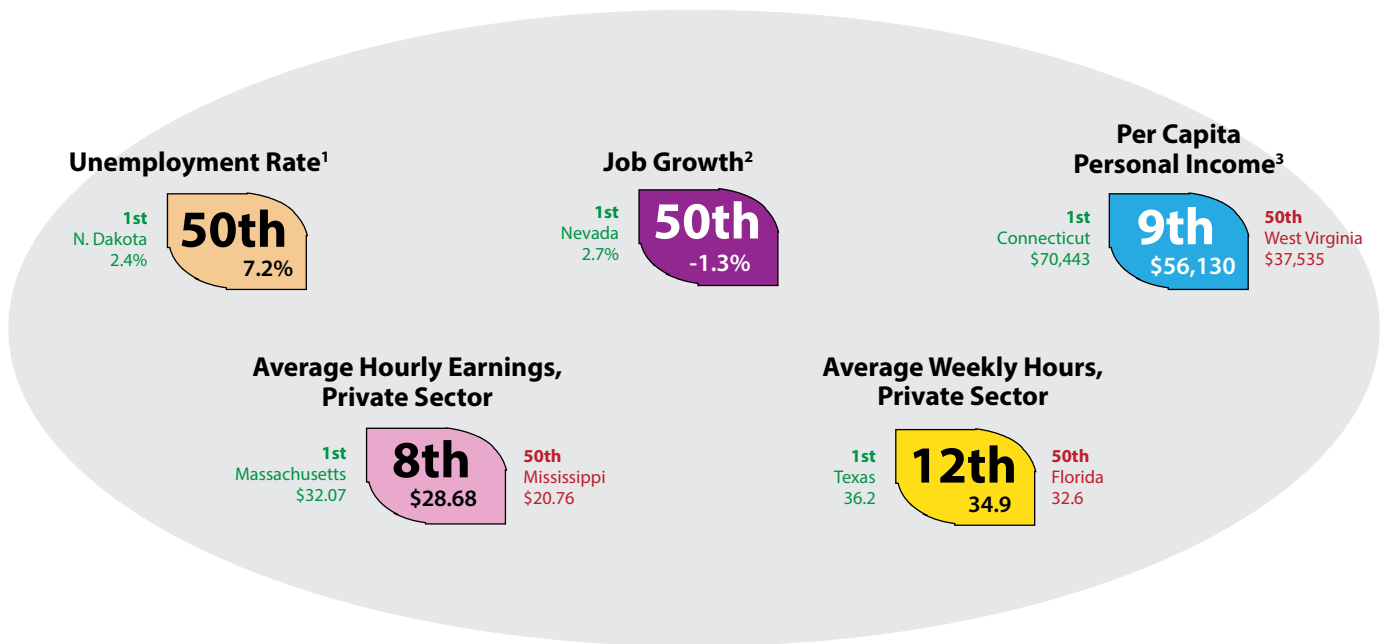
Not seasonally adjusted

	Prelim.		Revised
	9/17	8/17	9/16
United States	4.1	4.5	4.8
Alaska, Statewide	6.6	6.3	6.1

Regional, not seasonally adjusted

	Prelim.			Revised				Prelim.			Revised			
	9/17	8/17	9/16	9/17	8/17	9/16		9/17	8/17	9/16	9/17	8/17	9/16	
Interior Region	6.3	6.1	5.9				Southwest Region	10.0	10.0	9.4				
Denali Borough	4.1	3.4	4.0	Aleutians East Borough	2.6	1.8	2.8	Southeast Region	5.4	4.9	4.9			
Fairbanks N Star Borough	5.8	5.5	5.3	Aleutians West Census Area	4.3	2.7	3.3	Haines Borough	6.6	5.5	6.8			
Southeast Fairbanks Census Area	8.2	8.4	8.8	Bethel Census Area	13.5	14.9	12.9	Hoonah-Angoon Census Area	7.9	7.7	7.6			
Yukon-Koyukuk Census Area	15.5	16.7	14.3	Bristol Bay Borough	7.2	3.6	8.2	Juneau, City and Borough	4.6	4.1	4.1			
Northern Region	11.7	13.0	10.4	Dillingham Census Area	9.1	7.9	9.2	Ketchikan Gateway Borough	5.1	4.6	4.8			
Nome Census Area	11.7	14.2	10.7	Kusilvak Census Area	17.8	21.2	16.2	Petersburg Borough	7.4	7.1	6.5			
North Slope Borough	8.0	8.0	7.2	Lake and Peninsula Borough	9.7	11.3	9.0	Prince of Wales-Hyder Census Area	10.2	9.7	9.2			
Northwest Arctic Borough	16.4	17.6	14.1	Gulf Coast Region	6.8	6.1	6.7	Sitka, City and Borough	4.4	3.8	3.8			
Anchorage/Mat-Su Region	6.3	6.0	5.7	Kenai Peninsula Borough	7.4	6.8	7.2	Skagway, Municipality	3.6	2.8	3.4			
Anchorage, Municipality	5.8	5.5	5.2	Kodiak Island Borough	4.7	4.1	4.8	Wrangell, City and Borough	6.7	6.4	6.3			
Mat-Su Borough	7.9	7.8	7.3	Valdez-Cordova Census Area	6.3	5.0	6.8	Yakutat, City and Borough	8.5	8.2	6.6			

How Alaska Ranks



¹September seasonally adjusted unemployment rates
²September employment, over-the-year percent change
³Second quarter 2017, U.S. Bureau of Economic Analysis

Other Economic Indicators

	Current		Year ago		Change
Anchorage Consumer Price Index (CPI-U, base yr 1982=100)	218.616	1st half 2017	216.999		+0.75%
Commodity prices					
Crude oil, Alaska North Slope, * per barrel	\$54.82	Sept 2017	\$44.51		+23.15%
Natural gas, residential, per thousand cubic ft	\$17.75	July 2017	\$16.55		+7.25%
Gold, per oz. COMEX	\$1,276.40	10/23/2017	\$1,273.60		+0.22%
Silver, per oz. COMEX	\$16.97	10/23/2017	\$17.78		-4.56%
Copper, per lb. COMEX	\$317.35	10/23/2017	\$209.30		+51.62%
Zinc, per MT	\$3,099.00	10/20/2017	\$2,312.00		+34.04%
Lead, per lb.	\$1.13	10/20/2017	\$0.95		+18.95%
Bankruptcies					
	130	Q2 2017	115		+13%
Business	8	Q2 2017	13		-38%
Personal	122	Q2 2017	102		+20%
Unemployment insurance claims					
Initial filings	5,171	Sept 2017	6,180		-16.33%
Continued filings	27,379	Sept 2017	33,769		-18.92%
Claimant count	8,007	Sept 2017	9,076		-11.78%

*Department of Revenue estimate

Sources for pages 14 through 17 include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Census Bureau; COMEX; Bloomberg; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

COMMERCIAL FISHING

Continued from page 6

Overall, Southcentral fisheries employment grew by about 1.4 percent in 2016, or 22 jobs, bring total average employment to 1,661.

Kodiak

Kodiak seafood harvesting employment fell by 8.5 percent in 2016, erasing the job gains of the few prior years.

While groundfish harvesting was stable on a state-wide level, Kodiak was one of the few areas to lose groundfish jobs. And, like most of the state, Kodiak's salmon employment fell in 2016. Kodiak lost 14.0 percent of its salmon harvesting employment, or 66 jobs.

Bristol Bay

Because Bristol Bay's harvesting employment is almost entirely in salmon, the region sustained the largest job losses in 2016.

Bristol Bay had fewer permit holders in 2016 as well as a later harvest. With that shift, August's employment was higher than the year before, but the bump wasn't enough to make up for job losses in June and July.

Bristol Bay's loss of 133 jobs, or 9.5 percent, brought its total employment down to 1,276.

Northern

The Northern Region has just 150 seafood harvesting jobs, so even small losses can mean large percent decreases for the region. Northern Region's seafood harvesting employment fell by 4.4 percent from 2015, with the decline mainly in salmon — although

this amounted to a loss of just eight jobs.

Northern Region's crab fishery employment spiked, however, with 65 jobs in June after zero June jobs the year before and 49 in June of 2014.

Northern Region's other fisheries were down slightly or stable in 2016.

Yukon Delta

Ninety-two percent of the Yukon Delta's harvesting employment is in salmon fisheries, which took a hit in most areas of the state. The region lost 55 salmon harvesting jobs in 2016, a 15.5 percent decline.

With area groundfish harvesting employment stable at 22 jobs and the halibut fishery closed for the year, the region's harvesting employment was down 14.5 percent overall in 2016, to 325 total jobs.

Aleutians

The Aleutians and Pribilof Islands lost more than 122 fishing jobs in 2016, a 7.8 percent decline. Some months' employment was higher than the year before — January through April plus July — although gains were small and not enough to offset the losses in November and December, when employment plummeted to near-record lows.

Most of the area's job loss was in crab harvesting, with employment falling to below-average levels. The only fishery in the region to gain jobs was groundfish, but growth was small compared to the losses in salmon and crab harvesting employment.

For detailed seafood harvesting data, visit: <http://live.laborstats.alaska.gov/seafood/>.

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Safety Minute

How to protect yourself when cutting firewood

Fall is when many Alaskans turn to the forests for home heating fuel. For many, it's a tradition to use chainsaws, axes, and splitting mauls to fall and buck the trees into rounds to split and stack. While many consider ourselves experienced with this type of work, using chainsaws and other tools to handle and split firewood has inherent hazards. Here's how to stay safe when gathering your winter wood supply:

- Stretch first and stay hydrated to avoid injury and exhaustion.
- Clear small trees and brush away from the base of the tree before falling so there's a clear escape path.
- Fuel the saw at least 10 feet from ignition sources.
- Shut off the saw and engage the chain brake when carrying it over uneven or rough terrain, or for more than 50 feet.
- Keep both hands on the chainsaw's handles and

maintain secure footing when running the saw.

- When running a chainsaw, wear personal protective equipment such as gloves, safety glasses, earplugs/muffs, safety-toed boots, and chaps.
- Be aware of saw kickbacks and avoid making cuts with the tip of the saw.
- Ensure that the handles of axes, splitting mauls, and sledgehammers are free from cracks and splinters.
- Remove sharp metal burrs from the edges of steel splitting wedges and ax heads with files or grinders before splitting wood to avoid getting cut.

For more information on safety and health, please contact the Alaska Occupational Safety and Health Consultation and Training program at (800) 656-4972 or visit OSHA at www.osha.gov.

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

Employer Resources

Program gives students with disabilities work experience

This summer, 12 agencies and 65 businesses across Alaska partnered to provide work experience for teens and young adults with disabilities, many of whom had never worked before. The 2017 Summer Work Program was designed to help students with disabilities receive the pre-employment services they need to transition from school to work, postsecondary education, or training.

This year, 177 students between ages 14 and 21 explored careers in a variety of industries and learned skills for work such as landscaping, customer service, janitorial, and child care. These work experiences benefitted their communities as well, as each agency designed a program that fit the needs of area students and local businesses. For example, Arctic Access in Nome and the surrounding villages worked

with many businesses to provide area youth with summer jobs and an opportunity to gain skills they need for future employment. Statewide, six employers hired their summer interns after the program.

The Summer Work Program is administered by the Department of Labor and Workforce Development's divisions of Vocational Rehabilitation and Employment and Training Services Disability Employment Initiative.

For more information on how your business can get involved in the 2018 summer work program, contact Jim Kreatschman at jim.kreatschman@alaska.gov or Windy Swearingin at windy.swearingin@alaska.gov.

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