



ALASKA ECONOMIC
TRENDS

SEPTEMBER 2014

ALASKANS in their
TWENTIES

ALSO IN THIS ISSUE

Gustavus and Glacier Bay
The City of Wrangell
Arts, entertainment, and recreation

ALASKA ECONOMIC TRENDS

SEPTEMBER 2014

Volume 34 Number 9
ISSN 0160-3345

ALASKANS IN THEIR TWENTIES

The state has a relatively large and growing share

By EDDIE HUNSINGER



PAGE 4

GUSTAVUS AND GLACIER BAY

Town's identity, beginnings stand out from rest of panhandle

By CAROLINE SCHULTZ

PAGE 9

THE CITY OF WRANGELL

Southeast town keeps fishing base through decades of change

By CONOR BELL

PAGE 13

ARTS, ENTERTAINMENT, AND RECREATION

Small part of economy but big in everyday life

By NEAL FRIED

PAGE 16

To request a free electronic or print subscription, e-mail trends@alaska.gov or call (907) 465-4500.
Trends is on the Web at labor.alaska.gov/trends.

**ALASKA DEPARTMENT
of LABOR
and WORKFORCE
DEVELOPMENT**

**Sean Parnell,
Governor**

**Dianne Blumer,
Commissioner**

Dan Robinson
Chief, Research and Analysis

Sara Whitney
Editor

Sam Dapcevich
Cover Artist

ON THE COVER: UAF wellness coordinator Kaydee Miller is pulled out of the Nenana River after an involuntary dunking during a UAF Outdoor Adventures rafting trip in June.
Photo by Todd Paris, University of Alaska Fairbanks

Inside banner photos:

Page 4: 1st Lt. Robin Kunz says goodbye to her husband, 1st Lt. Nathan Kunz, before deploying to Afghanistan from Fort Wainwright in 2011. Photo by Spc. Thomas Duval, U.S. Army

Page 9: Wild strawberry photo by Flickr user littleBiGsis

Page 13: Wrangell petroglyph photo by Flickr user brewbooks
Flickr license: creativecommons.org/licenses/by-nc/4.0/legalcode

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 Security 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.

Helping young Alaskans navigate a path to future careers



By Dianne Blumer
Commissioner



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.

This month's *Trends* takes a look at the “twentysomethings” in Alaska — a large and growing share of our state's population. There were 110,000 Alaskans in their twenties in 2010, up from fewer than 85,000 in 2000.

As of 2010, more than a quarter of Alaskans between 18 and 24 attended college, up from 19 percent in 2000. Seven out of 10 Alaskans ages 20 to 24 were in the workforce as of 2010, and another 11 percent were part of the uniformed military. For 25-to-29-year-olds, 75 percent were in the workforce and another 7 percent were active duty military.

We also know that early in their careers, many Alaskans in their twenties work in retail, food service, and accommodations. This changes over time. By their late twenties and early thirties, they are often working in higher paying jobs and industries.

Although one in five jobs in Alaska requires a four-year degree or higher, most jobs do need some postsecondary education and training.

The Alaska Department of Labor and Workforce Development is focusing efforts on helping young Alaskans make the connection to industry-driven jobs — and on teaching them how to be successful by identifying career choices and pathways.

“Compass Alaska — Charting Ca-

reer Pathways” is investing in Alaska's young people ages 16 to 24 to help them focus on a future field and navigate a path that leads to postsecondary placement, supported by a Personal Learning and Career Plan.

This grant program is designed to help young Alaskans make the transition from high school to education, training, and the workforce. This may include technical career programs, associate degree programs, registered apprenticeships, or occupational certificates or endorsements.

Compass Alaska is a “learn and work” tier-level approach to competency development in basic and applied work skills, helping expose young Alaskans to careers and providing a pathway to workforce skills development.

The department's Division of Business Partnerships recently awarded \$1.1 million in competitive grants. The grants focus on career development and employability activities, provide paid work experience, teach work maturity skills, and fund internships and job shadowing.

E-mail directordbp@alaska.gov for more information about Compass Alaska and other state workforce development grants.

Requests for grant proposals for the 2016 state fiscal year will be accepted in a single solicitation in early 2015.

This grant program is designed to help young Alaskans make the transition from high school to education, training, and the workforce.

Alaskans In Their Twenties



The state has a relatively large and growing share

By **EDDIE HUNSINGER**

Alaska has about 110,000 people in their twenties today, 25,000 more than it had in 2000. That's more twentysomethings than the state has had since the early 1980s, when Alaska was awash in young workers attracted first by pipeline construction and then the boom years fueled by new oil revenue.

In 1985, people in their twenties made up nearly 25 percent of the state's population, at more than 123,000. In fact, the population booms of the 1970s and early 1980s — which included many then-twen-

tysomethings moving to Alaska and starting families — set the stage for the jump in numbers for that age group over roughly the past decade.

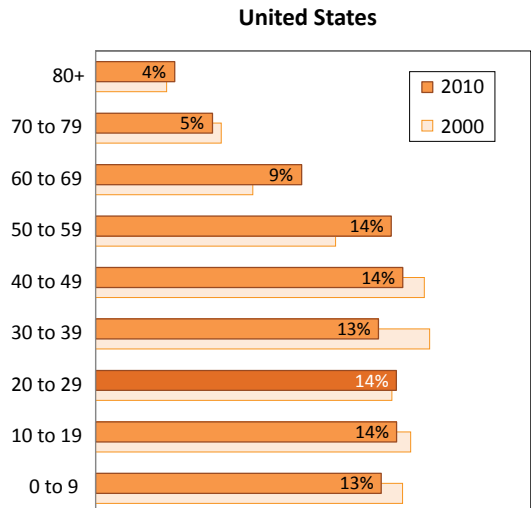
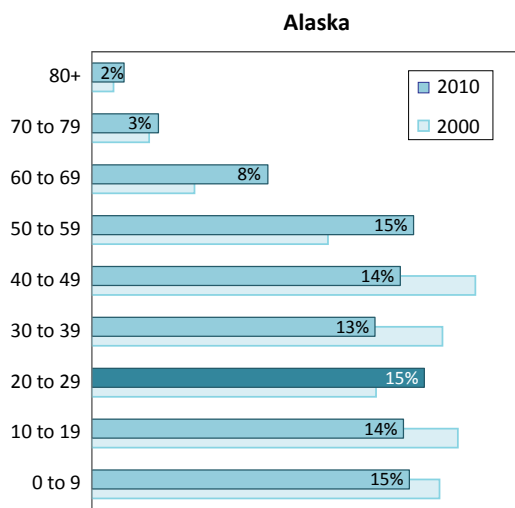
Those booms — along with continuous net migration gains of people in their twenties — added up to big increases in that age group from 2000 on.

Slightly bigger share than nationwide

Alaska's growing group in their twenties is also proportionally larger than that of the nation as a whole

1 Alaska is Younger Than the U.S.

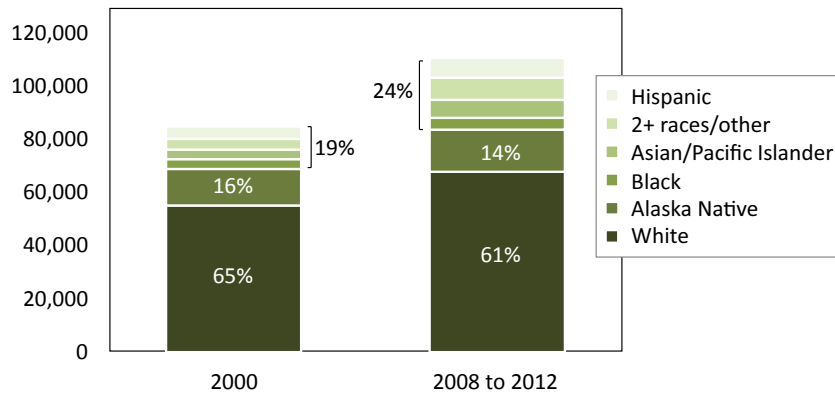
AGE STRUCTURE, 2000 AND 2010



Source: U.S. Census Bureau, 2000 and 2010 censuses

2 Twentysomethings Become More Diverse

ALASKA, CHANGE OVER THE PAST DECADE



Source: U.S. Census Bureau, 2000 Census and 2008 to 2012 American Community Survey

— as of the 2010 Census, it was 15 percent versus 14 percent. (See Exhibit 1.) The group has grown even more since then as the large cohort who were 16 to 19 that year has moved into their twenties.

Racial diversity continues to increase

Alaska's twentysomethings are not just a bigger group than in 2000, they're more racially diverse. That shift is due to different birth and migration rates by race.

In 2000, 65 percent of Alaskans in their twenties were non-Hispanic white, and by 2010 that was down to 61 percent. (See Exhibit 2.) For the nation as a whole, 61 percent were non-Hispanic white in 2000, declining to 58 percent by 2010.

It's notable that those in their twenties and younger are less white than any of the older age groups, which suggests Alaska will become even more racially diverse in the future.

Most in Anchorage and Fairbanks

More than 60 percent of Alaska's twentysomethings lived in the population centers of Anchorage and Fairbanks in 2010, and that share has held since. In addition to having the state's largest university campuses and military installations, Anchorage and Fairbanks

are among the top destinations for young people looking for new work in Alaska.

In terms of a percentage of each area's population, several areas in western Alaska have the biggest shares of twentysomethings. (See Exhibit 3.) The North Slope and Northwest Arctic boroughs in the north and the Lake and Peninsula Borough and Wade Hampton Census Area in the southwest have consistently high birth rates and relatively large young populations in general. The Aleutians East Borough has a significant number of young seafood processing workers.

More are living with parents

The share of 25-to-29-year-olds living with parents or grandparents in Alaska has increased considerably since 2000, from 10 percent to 16 percent for the 2008 to 2012 period. (See Exhibit 4.) Nationwide, it grew from 15 percent to 21 percent.

As these percentages have gone up, the percentage living alone or with a spouse, partner, or housemate has gone down. Eighty-four percent of Alaskans ages 25 to 29 are either a householder or live with another householder who isn't a parent or grandparent, according to 2008 to 2012 American Community Survey data. That's higher than the nationwide figure of 79 percent, but a drop from 90 percent in the 2000 Census.

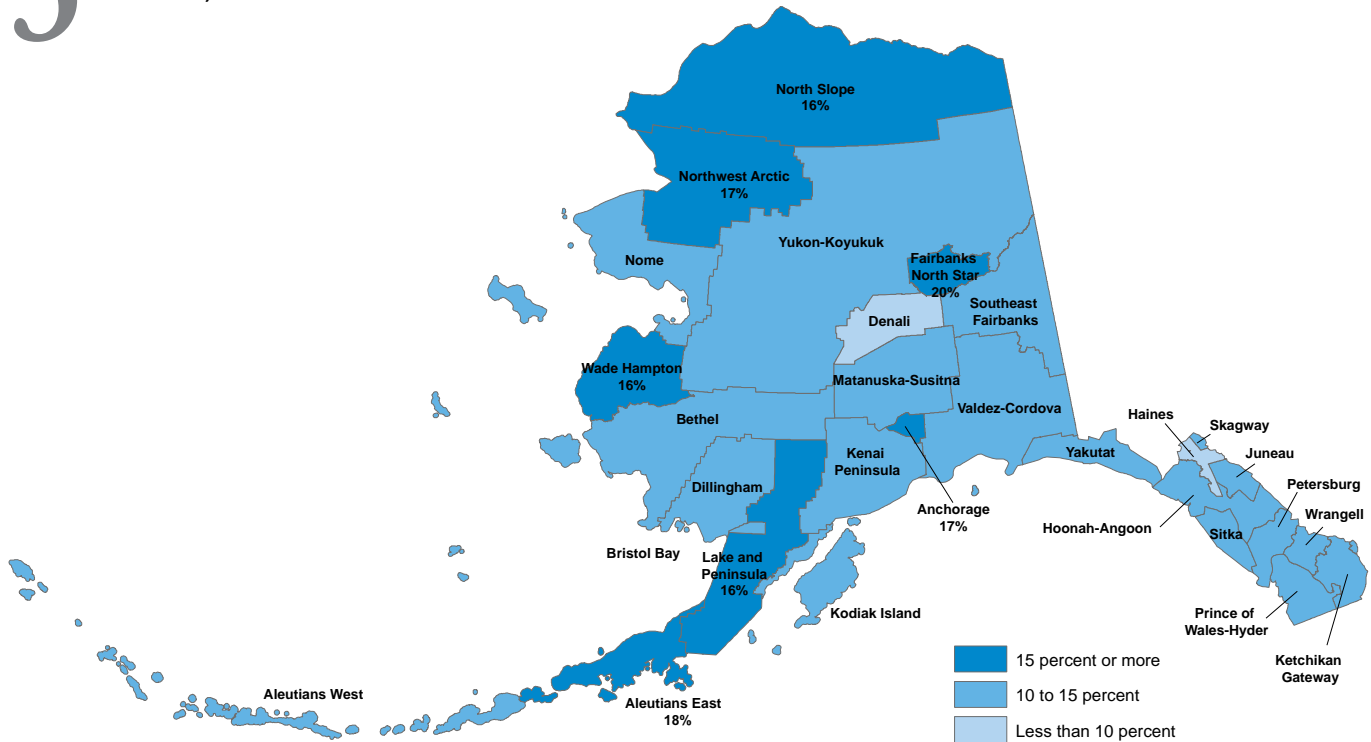
Looking at only those who live alone shows that percentage hasn't changed much, though. Between 2008

Although marriage is down, birth rates haven't changed much.

3

Percent in Each Area Between Ages 20 and 29

ALASKA, 2010

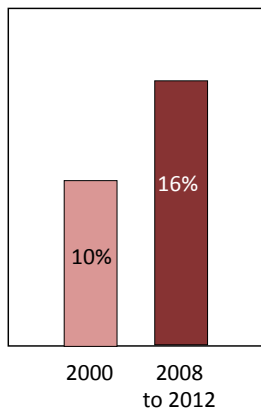


Source: U.S. Census Bureau, 2010 Census

4

More Living With Parents

ALASKANS 25 TO 29



Note: Includes grandparents
Source: U.S. Census Bureau, 2000 Census and 2008 to 2012 American Community Survey

and 2012, it was 10 percent for twentysomethings in both Alaska and the U.S., both up slightly from 9 percent in 2000.

Marriage down, but birth rates steady

Most Alaskans in their twenties have never married, and substantially fewer are getting married now than they were a decade ago.

During the 2008 to 2012 period, just 22 percent of 20-to-24-year-olds had ever married, and for 25-to-29-year-olds it was 48 percent. (See Exhibit 5.) In 2000, the rates were 33 percent and 64 percent respectively.

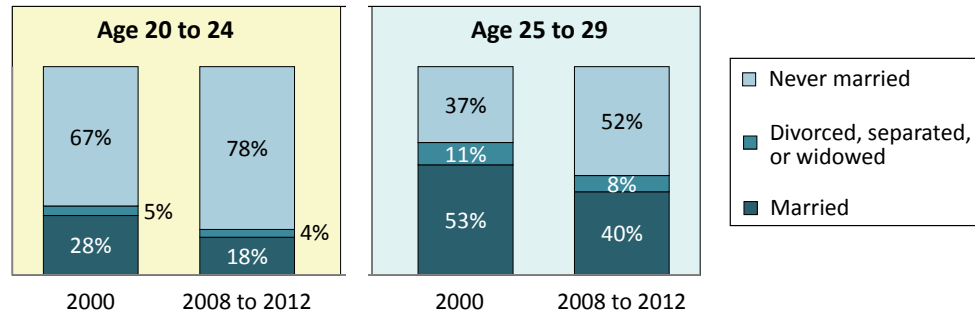
To compare with older people — keeping in mind they've had more time to get married — about 85 percent of Alaskans and U.S. residents age 30 or older have been married.

The proportion in their twenties that are divorced, separated, or widowed has also dropped during that time period, from 11 percent to 8 percent for Alaskans between 25 and 29. For 20-to-24-year-olds, the percentage dropped from 5 percent in 2000 to 4 percent from 2008 to 2012.

5

Percent Who Have Never Married Has Grown

ALASKANS IN THEIR TWENTIES, 2000 vs. 2008–2012



Source: U.S. Census Bureau, 2000 Census and 2008 to 2012 American Community Survey

Though marriage is down, birth rates are little-changed for Alaska’s 20-to-29-year-olds. Based on vital statistics for 2000 and 2009 and American Community Survey data for 2008 to 2012, about 12 to 14 percent of Alaskan women in their twenties had given birth in the previous year.

The rates were a bit lower for the entire U.S. between 2008 and 2012, at around 9 percent for women ages 20 to 24 and 11 percent for ages 25 to 29.

While birth rates haven’t changed much, the sheer number of births has increased because of the larger number of people in their twenties. Just as Alaska had a large bubble of “echo boomers” born during the baby boomers’ family-building era, the echo boomers themselves have produced an uptick in births in recent years.

More are going to college

More young adults are attending college in Alaska as well as nationwide. For the 2008 to 2012 period, 27 percent of Alaskans between 18 and 24 were enrolled in college or graduate school, up markedly from 19 percent as of the 2000 Census. At the national level, enrollment for that group was 43 percent, up from 34 percent.

Educational attainment has remained about the same, with 21 percent of Alaska’s 25-to-29-year-olds having at least a bachelor’s degree in 2008 to 2012 versus 20 percent in 2000. (See Exhibit 6.) This isn’t the case nationwide, where the share with a bachelor’s degree has grown from 27 percent to 31 percent.

High shares working or in the military

Relatively fewer Alaskans in their early twenties are in college than nationwide, but a similar percentage are in the labor force and more are in the military. (See Exhibit 7.) To be considered part of the labor force, a person has to be either working or actively seeking work.

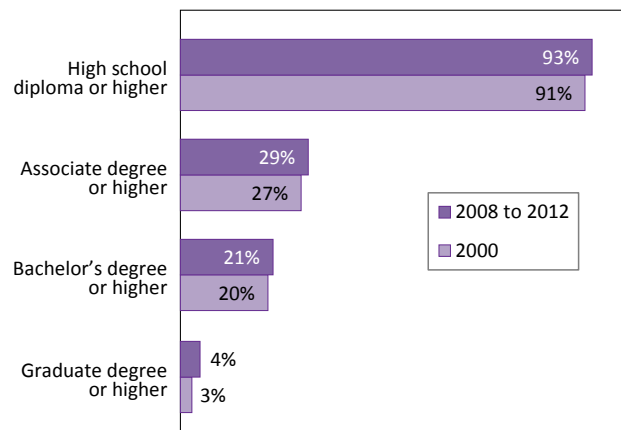
Seventy-one percent of Alaskans between 20 and 24 were in the civilian labor force during the 2008 to 2012 period, and another 11 percent were part of the active duty armed forces.

Nationwide, 73 percent of 20-to-24-year-olds were

6

They’re Getting Higher Degrees

ALASKANS AGES 25 TO 29, 2000 vs. 2008–2012



Source: U.S. Census Bureau, 2000 Census and 2008 to 2012 American Community Survey

in the civilian workforce, but just 2 percent were serving in the military. Alaska's higher military percentage is mainly due to its large bases.

Different industries in early, late 20s

While people in their early and late twenties participate in the labor force at similar rates, their industries tend to differ. Alaska's 20-to-24-year-olds work more in lower-paying industries including retail, food service, and accommodations, something that has changed little over time.

Many of these younger workers transition to careers in higher-paying industries by their late twenties or early thirties.

Poverty levels haven't changed

About 15 percent of Alaska's 18-to-24-year-olds population lived below the federal poverty threshold during 2008 to 2012, the same as in 2000. (See Exhibit 8.)

For 25-to-34-year-olds, who are often much further into their careers, it was roughly 10 percent — about the same as the total population's 11 percent and close to 2000's 9 percent.

Federal poverty thresholds are solely statistical measures, and though they reflect adjustments for household size, there's no adjustment for local cost of living.

To reach state demographer Eddie Hunsinger, call (907) 269-4960 or e-mail Eddie.Hunsinger@alaska.gov.

7

More Alaskans in the Military

EMPLOYMENT AMONG TWENTYSOMETHINGS, 2008–12

Alaska, Ages 20 to 24

In civilian labor force	71%
Unemployed	14%
Armed forces (active)	11%

Alaska, Ages 25 to 29

In civilian labor force	75%
Unemployed	9%
Armed forces (active)	7%

U.S., Ages 20 to 24

In civilian labor force	73%
Unemployed	15%
Armed forces (active)	2%

U.S., Ages 25 to 29

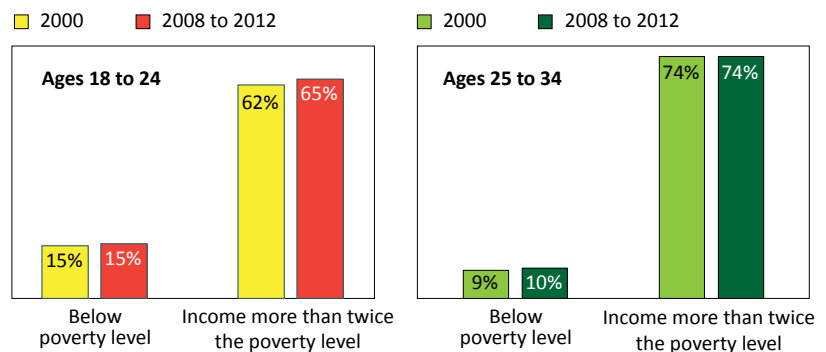
In civilian labor force	81%
Unemployed	10%
Armed forces (active)	1%

Source: U.S. Census Bureau, 2008 to 2012 American Community Survey

8

Poverty Levels Haven't Changed Much

ALASKANS AGES 18 TO 34, 2000 vs. 2008–2012



Source: U.S. Census Bureau, 2000 Census and 2008 to 2012 American Community Survey

Gustavus and Glacier Bay



Town's identity, beginnings stand out from rest of panhandle



Above, sea lions rest on a rock along the Marble Islands in Glacier Bay National Park. Photo by Flickr user Cocoabiscuit

By **CAROLINE SCHULTZ**

The picturesque community of Gustavus, with a 2013 population of 442, sits along the southeastern border of Glacier Bay National Park in the northern Southeast panhandle.

Originally known as Strawberry Point because of the bounty of wild strawberries that grow along the beach, Gustavus is anomalous in Southeast because it's located on a relatively vast expanse of flat glacial outwash. With more deciduous than coniferous trees, sprawling family farms, and a viable moose population, Gustavus seems more like Palmer than Juneau, which is only 48 miles east.

Along the northern entrance to the Inside Passage, Gustavus and the surrounding area have a long history of periodic settlement and use by Tlingits and Athabascans.

A forced name change

The community celebrated its centennial this summer, which marked the 100th year from white settlers' first attempt to homestead in the area. Although the 1914 settlers didn't last, they were followed by a hardier bunch in 1917 that patented homesteads and established the community of Strawberry Point.

The U.S. Postal Service officially changed the name to Gustavus in 1925, but locals resented the perceived overreach and stuck with the original name. The name change was the beginning of a long, complicated relationship with the federal government that would shape Gustavus for the next century.

Atypical beginnings for the town

Gustavus is among a unique group of Alaska communities that developed in the early 20th century without the impetus of resource extraction or along a strategic transportation corridor. These early settlers eked out a living by farming, ranching, and operating a small-scale sawmill.

Gustavus entrepreneurs sold beef, vegetables, and lumber to several canneries and salteries operating in northern Icy Strait in the early 1900s, but there were no big commercial fish harvesting ventures close to town. Personal use fishing was common, but Gustavus was never a cannery town like many others in Southeast.

Glacier Bay National Park

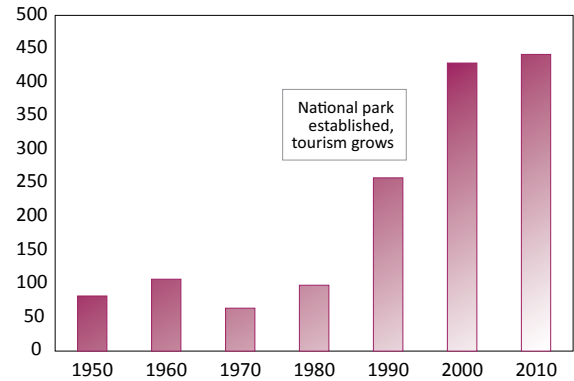
Gustavus' history and development is inexorably linked to Glacier Bay and its federal managers. Glacier Bay had become something of a national treasure due to the writings of naturalist and wilderness advocate John Muir in the late 1880s, and it was frequented by early tourists and scientists who wanted to witness the massive tidewater glaciers and abundant wildlife.

The bay's newness, in the geologic sense, was of particular interest to researchers and nature enthusiasts. In 1794, while charting parts of the Inside Passage, Captain George Vancouver observed what is now Glacier Bay as a single gigantic glacier protruding into Icy Strait.

In less than 100 years, the glacier had receded nearly 30 miles, forming a true bay. Today, it's more than 60 miles

1 Big Population Jumps

GUSTAVUS, 1950 TO 2010



Source: U.S. Census Bureau

from the mouth of the bay to a tidewater glacier.

Glacier Bay National Monument was established in 1925 with little initial impact on Gustavus residents. In 1939, the monument was significantly expanded to include the community, which enraged residents who viewed the expansion as a landgrab that gravely threatened homesteaders' right to economic self-determination.

Existing private homesteads became island inholdings in the monument, and any additional homesteading was prohibited. Gustavus cattle ranchers were particularly incensed by a ban on shooting brown bears, which were a threat to herds.

After an aggressive community letter-writing campaign and years of appeals, the federal government signed 19,000 acres back to Gustavus in 1955.

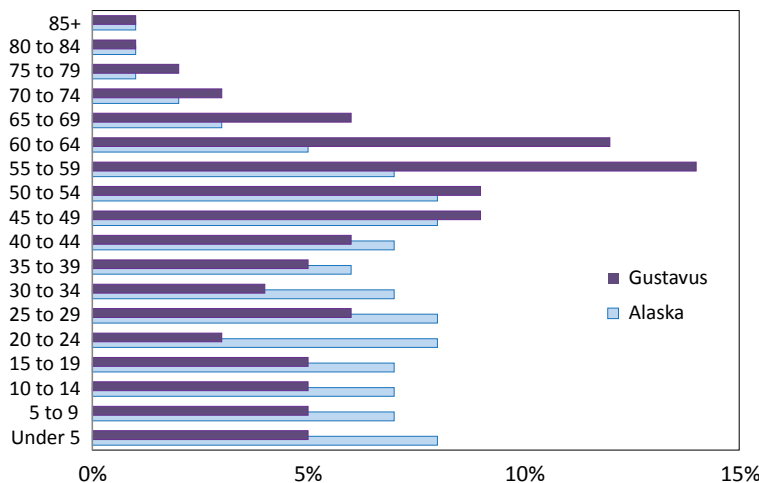
World War II's role

World War II accelerated development throughout Alaska, and Southeast was no exception. The army identified Gustavus' flatness as a major asset and declared it the "best location for an air base between Juneau and Nome."

Although the National Park Service wasn't enthused by the prospect of building an airfield within a park, it cooperated in the spirit of patriotism. Gustavus residents were much keener on the idea. By 1941,

2 Heavily Middle-Aged Population

GUSTAVUS AND ALASKA, 2013

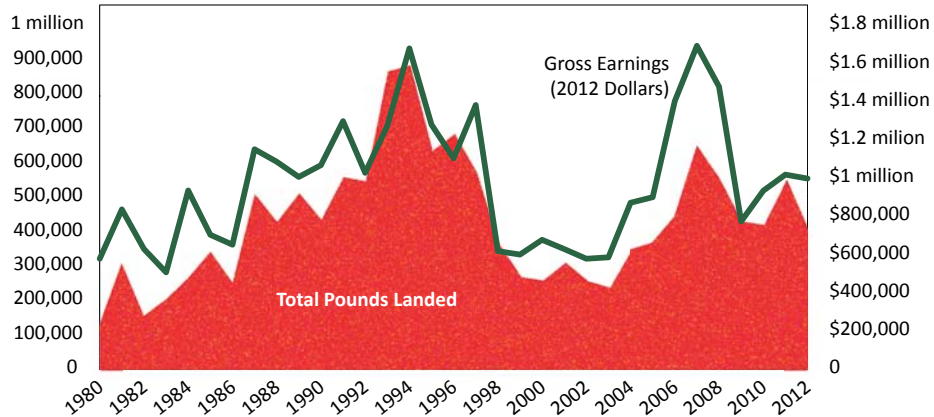


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

3

Millions in Fisheries Earnings

GUSTAVUS PERMIT HOLDERS, 1980 TO 2012



Note: Includes earnings and landings by Gustavus residents anywhere in Alaska
Sources: Alaska Department of Fish and Game; Commercial Fisheries Entry Commission

two paved and lit runways were completed at Gustavus Airfield, which remains the only field in Southeast Alaska with perpendicular runways.

A few miles east of Gustavus, Excursion Inlet underwent even more massive infrastructure development. The army wanted a secret barge terminal in Southeast Alaska for resupplying the Pacific theater, particularly after the invasion of Attu and Kiska islands.

Excursion Inlet was a natural deep water harbor with abundant timber, and it was close to the Gustavus airfield. The terminal, completed in 1943, comprised more than 800 buildings, including a 200-bed hospital and quarters for nearly 4,000 officers and troops.

The Gustavus airfield never saw a fleet of bombers land to refuel and resupply for the Aleutians campaign, and the Excursion Inlet terminal only operated for a few months. After the war, the military dismantled the terminal using the labor of 700 German prisoners of war. The airfield remains, hosting the third longest runway in Southeast Alaska, which allows Alaska Airlines to make regularly scheduled summer flights from Juneau.

Development of the park

Development in Gustavus and surrounding areas slowed after World War II as it did in much of Alaska. In 1956, a new nine-mile road connected Gustavus to Bartlett Cove, close to the entrance of Glacier Bay, where a dock and some park facilities were installed.

The airfield and connecting road made Gustavus the gateway to Glacier Bay, which became the community's main economic driver. Glacier Bay Lodge in Bartlett

Cove opened in 1966 to increase visitor accessibility and remains the only lodging concession within the park.

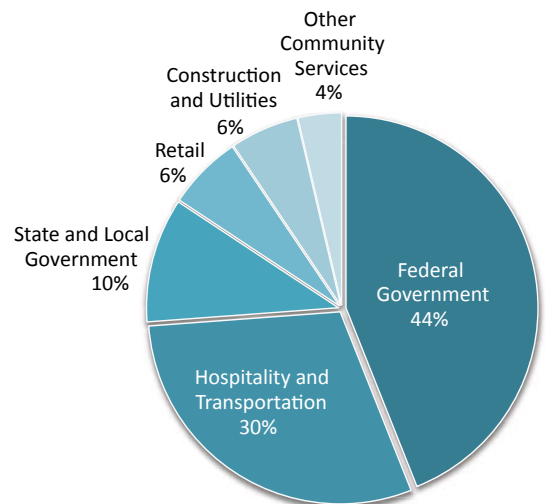
Between 1950 and 1980, the Gustavus population remained relatively stable. (See Exhibit 1.) Small-scale agriculture, animal husbandry, fishing, and tourism supported the small community through those years.

The Alaska National Interest Land Claims Act of 1980, or ANILCA, established Glacier Bay National Park and Preserve, made up of the existing Glacier Bay National

4

Tourism and Federal Jobs

GUSTAVUS, 2013



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

Monument plus adjacent territory.

The park and preserve encompasses more than 3.2 million acres of mountains, ice fields, glaciers, and marine waters. Forty-one thousand acres of the park are designated wilderness areas with even more stringent land and water use regulations than the rest of the park.

National Park Service employment in Glacier Bay expanded after the passage of ANILCA. Year-round federal employment in Gustavus had been minimal prior to 1980, with just a handful of year-round rangers and a less than a dozen additional seasonal employees.

Commercial fishing legality

Throughout these otherwise quiet times, the issue of commercial fishing within the confines of Glacier Bay was coming to a head. A number of obstacles prevented resolution of whether commercial fishing was allowed within the park, including unclear jurisdiction over the open waters of Glacier Bay, the lack of law enforcement, and the lack of existing policy.

Alaska had again become a frontier in determining the roles of federal and state agencies, as well as private actors, in an unprecedented landscape. Ultimately, there were no clear winners in this conflict. Commercial fishing in the park was phased out by the late 1990s through a series of permit buy-backs, settlement payouts, and closures. Some fishermen were grandfathered in for certain fisheries and gear types, but the rest were shut out of the bay.

Despite their proximity to the bay, Gustavus fishermen weren't as affected by the closure as nearby Hoonah and Pelican. Gustavus didn't have large seafood processing facilities or a big commercial fleet, and Glacier Bay wasn't a traditional fishing area for most Gustavus fishermen.

Through the late 1980s and into the '90s, Gustavus residents fished an average of 50 commercial permits. That number declined to about 30 active permits between 2000 and 2012. Changes in the global seafood market — including the rise of fish farms, a strong U.S. dollar, and Japan's weak economy — depressed salmon prices in the early 2000s.

Exhibit 3 shows a drop in landings and gross earnings



Above, Reid Glacier in Glacier Bay National Park, near Gustavus. Photo courtesy of Flickr user Myna IT Consulting

by Gustavus permit holders between 1994 and 2002, a decline that's difficult to attribute to a single cause.

In the past five years, Gustavus commercial permit holders have earned about \$1 million each year, or about \$33,000 per active permit.

Most jobs connected to tourism

The Gustavus economy relies heavily on the National Park and Preserve. The Park Service is the largest employer, providing around 60 year-round jobs and an additional 40 seasonal jobs.

An estimated 400,000 people visit Glacier Bay each year, and many come through Gustavus or make a stop in Bartlett Cove. The lodge at Bartlett Cove, along with the rest of Gustavus' inns, bed and breakfasts, restaurants, and travel and transportation services, make up nearly two-thirds of private employment. Between the Park Service and visitor-related private employers, nearly 75 percent of Gustavus jobs depend directly on tourism.

The Gustavus school, city government, and small private firms make up the rest of Gustavus employers. Of course, many residents are self-employed, but data for self-employment is limited in such a small community.

Despite heavy reliance on tourism, Gustavus residents pride themselves on not being a "tourist trap." A big part of the town's appeal is how much it's retained the

Continued on page 18

THE CITY OF WRANGELL



Southeast town keeps fishing base through decades of change

By **CONOR BELL**

Wrangell Island was originally home to Stikine (Shtax'héen) Tlingits, who had a population of about 1,500 in the early 19th century when Russians first engaged them in trade. The Tlingits traded furs, which they gained mostly through trading with the Athabascans in the Interior, to the Russians for textiles and other European goods.

The Russian American Company built a fort by the Stikine River in 1834, which it began leasing to the British Hudson Bay Company six years later. The British company continued the fur trade until 1849, when it abandoned the fort due to a poor relationship with the Tlingits.

Two minor gold rushes renewed the area's economic activity during the 1860s and 1870s. In 1880, Alaska's first census put Wrangell's population of white settlers at 106 and area Tlingits at 817. Later, during the Klondike Gold Rush, prospectors stopped in Wrangell on their way up the Stikine River.

Traffic through the town slowed as other routes proved easier, but a base of businesses was already in place, allowing other industries to develop.

A history of timber

The fishing and logging industries gained prominence in the late 19th and early 20th centuries. While fishing's presence in Wrangell's economy has been steady, logging grew continuously through the 20th century.

Initially supplying wood for local construction and



Above, float houses rest on the mud in Wrangell. Photo courtesy of Flickr user brewbooks

crates for shipping salmon, the local sawmill provided lumber for airplane manufacturing beginning around 1920. It also produced wood for U.S. military bases through World War II and for Japanese industries through most of the second half of the century.

Total employment in Wrangell fluctuated between 900 and 1,100 through the 1980s and early 1990s, with logging by far the largest employer.

The Tongass Timber Reform Act of 1990 limited harvesting areas and ended heavy federal subsidization. The Wrangell sawmill, which had been the town's primary economic driver, closed in 1995. Just one year prior, the sawmill alone had provided almost 20 percent of the area's employment and 30 percent of wages.

Between 1994 and 1997, the population decreased from 2,800 to 2,500, and in 2006, it bottomed out at 2,200 — 20 percent lower than in 1994. Since then, the city’s population and jobs have never fully rebounded.

1 Wrangell Has an Older Population

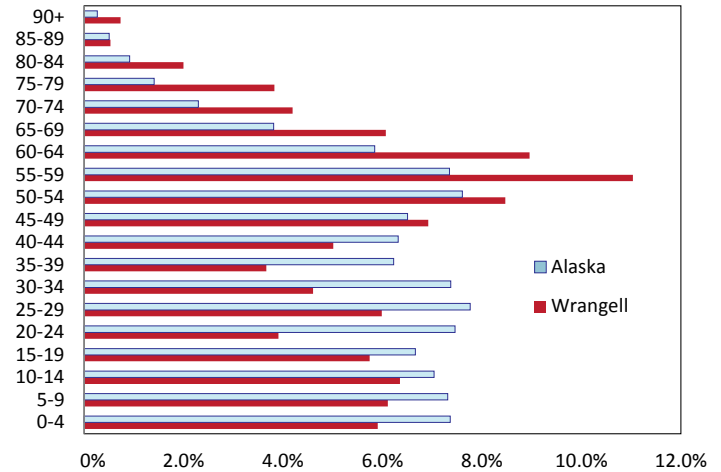
VERSUS ALASKA AVERAGE, 2013

Older, less diverse population

Today, the City and Borough of Wrangell’s population is around 2,500, with mild losses projected over the next few decades.

The population is older, with a median age of 47 (see Exhibit 1) — considerably higher than Alaska’s 34 years and the United States’ 37. Older populations have lower birth rates and more deaths, and Wrangell also tends to lose population through more people moving out than in, which is common for smaller Alaska communities.

Wrangell’s composition also differs from the state as a whole in that it is 73 percent white versus 67 percent for Alaska. While Wrangell has a much smaller percentage of blacks, Asians, and Hispanics than Alaska, it has a slightly larger share of Alaska Natives.



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

and Alaska’s was \$51,030. Per capita personal income, which encompasses wages plus all other sources of income including fishing, was \$39,359 in 2012,¹ considerably below the statewide average of \$49,436.

Personal income includes transfer payments — such as retirement income, dividends, and welfare — and Wrangell has more per capita, mainly due to its older population. However, this additional income doesn’t fully compensate for the city’s lower wages.

¹For personal income, 2012 data are the most recent available.

Lower wages and income

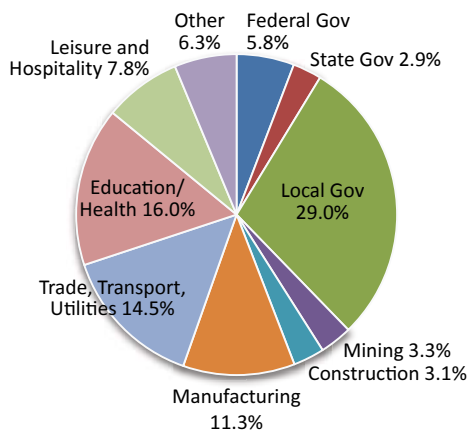
Wrangell’s average annual wages and average personal income are both lower than statewide.

In 2013, Wrangell’s average yearly wage — which doesn’t include earnings from fishing — was \$37,520,

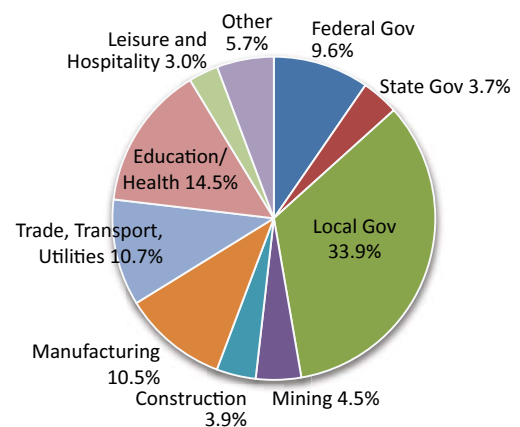
2 Largest Share of Jobs, Wages in Local Government

CITY AND BOROUGH OF WRANGELL, 2013

Employment



Total Wages



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

38 percent of jobs are in government

Wrangell's employment is 38 percent government (see Exhibit 2), and as is common in small communities, it's largely local. Local government represents 29 percent of all jobs in Wrangell and includes the school district and the Wrangell Medical Center.

Local government jobs, which provide basic services in small communities, tend to pay less than state and federal jobs. Heavy reliance on government jobs also suggests a lack of other economic activity.

Federal employment makes up a much smaller share, at 6 percent, and is mainly U.S. Forest Service. State jobs are scarce at just under 3 percent of total employment compared to 8 percent for Alaska as a whole, and include a handful of jobs at the Department of Fish and Game and the Department of Transportation and Public Facilities.

Fishing plays a major role

Fish harvesting is a key piece of Wrangell's economy, but these workers don't show up in regular employment data because they're generally considered self-employed. Because the employment figures in the rest of this article exclude fish harvesting, alternative measures are necessary to quantify its role in the economy.

Wrangell residents fished 259 permits in 2012. These residents brought in 9.9 million pounds that year and \$12.9 million in earnings (see Exhibit 3), with 57 percent coming from salmon permits. For a permit holder, this averages out to \$77,895 in gross earnings.

While fisheries earnings vary from year to year, 2012's earnings were near the 10-year average of \$11.8 million.

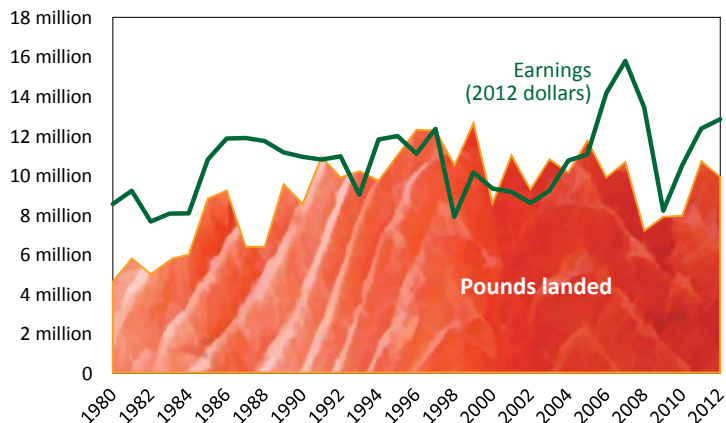
The millions of pounds coming into port each year feed into seafood processing jobs, which make up the majority of manufacturing employment in Wrangell. The average monthly job count for manufacturing was 97 in 2013.

Seafood processing is highly seasonal and spikes with the summer salmon season. Manufacturing jobs peaked at 237 in August of that year.

Wrangell also draws in fishermen from the surrounding area with its marine service center, which has a 300-ton boat lift.

3 Seafood a Major Part of Economy

WRANGELL, 1980 TO 2012



Source: Commercial Fisheries Entry Commission

Fewer cruise ships

While Wrangell doesn't have Juneau's or Ketchikan's high volume of visitors, it brings in a steady flow of travelers throughout the summer — about 18,000 in the summer of 2011. For comparison, Juneau had 917,000 and Ketchikan brought in 867,000 that season.

Wrangell is scheduled to receive more than 50 cruise ships this summer, mainly small ones. The community lacks the larger cities' ability to port ships carrying thousands of passengers; its largest visiting ship carries about 500. Just four ships that visit Wrangell carry more than 100 passengers, and these make 10 total summer visits.

Visitor-related industries averaged 73 monthly jobs in 2013, fluctuating from 54 in February to 89 in July.

Wrangell has several notable visitor attractions. It's home to the Petroglyph Beach State Historic Park, which has the highest concentration of rock engravings in Southeast Alaska. George T. Emmons, an ethnographer, wrote in the early 20th century that no Tlingit elders knew of the engravings' origin, and some denied they were created by Tlingit ancestors. There's no consensus on their age, either, but some speculate they could be thousands of years old.

Other destinations include the Anan Wildlife Observatory, 30 miles from town by charter boat or float plane, and Anan Creek, which has one of Southeast's largest pink salmon runs as well as a large population of grizzly and black bears.

To reach economist Conor Bell, call (907) 465-6037 or e-mail Conor.Bell@alaska.gov.

Arts, Entertainment and Recreation

A small part of economy but big in everyday life

By NEAL FRIED

Arts, entertainment, and recreation jobs represent just 1.4 percent of all Alaska employment, but it's highly visible work to many Alaskans and visitors alike. There also appears to be an increasing demand for its services.

This tiny industry, which generated about 4,800 jobs in 2013, grew by nearly 23 percent over the past decade across all its categories — and its categories are broad. (See exhibits 1 through 3.)

Most jobs in gambling and 'amusements'

The largest subcategory by far is "amusement, gambling, and recreation," which has more than three-quarters of industry jobs and 426 separate businesses. The bulk of these jobs are in skiing facilities, golf courses, bowling alleys, billiard parlors, gyms, and all kinds of backcountry guiding operations.

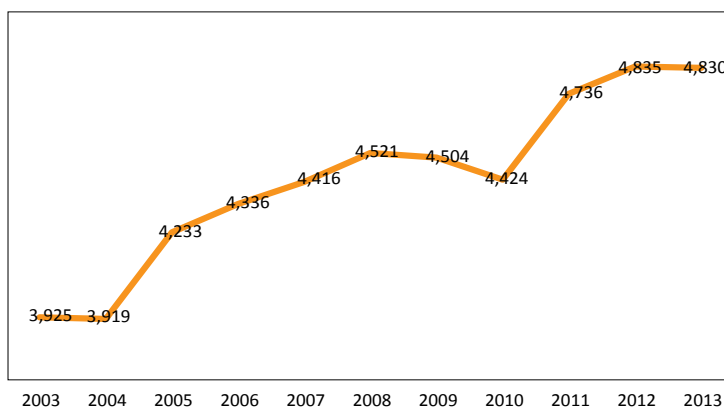
Gambling is the second-largest piece of the amusements, gambling, and recreation category and includes bingo and pull tab parlors as well as the well-known Nenana Ice Classic, for which patrons pay to guess the date and time the ice will break up on the Nenana River each spring.

By law, revenue from these activities, which are licensed by the Alaska Department of Revenue, goes to charity or other public purposes such as fire departments, school activities, and community budgets.

These gaming operations are spread throughout the

1 Small Industry With Steady Growth

ALASKA ARTS, ENTERTAINMENT, AND RECREATION, 2003–13



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

state, from the smallest villages to major operations in urban areas, and they generate impressive receipts. In 2010, the most current year available, more than 1,000 game permittees grossed more than \$361 million. Pull tab parlors alone accounted for \$281 million, and bingo came in a distant second at \$68 million.

Performing arts mainly in sports

The performing arts are a small part of the industry, with 99 establishments in the state that are mainly non-profits with five or fewer employees. Most are tied to sporting events such as spectator sports, participation sports, and sports promotion, from referee organizations and private club sports to professional sports such as hockey, baseball and, yes, dog mushing.

The balance is mostly performance art such as com-

munity theater groups but also concert, dance, and other performers.

Museums bring in stream of visitors

The smallest industry grouping is museums, zoos, and parks. Alaska isn't known for zoos, but museums are found throughout the state, from one-person operations to those with large, full-time staffs.

According to Museums Alaska, Alaska's 50-plus museums had more than 300,000 visitors in 2013 — and the museum job count is even bigger than shown here, as some museums are government-run and don't show up in this article's employment data.

Growing fast, but earnings low

This industry's 23 percent growth over the decade far eclipses Alaska's 13 percent overall job growth. Population increases and expansion of the state's visitor sector are two factors that bumped up this growth. These jobs are also well-represented across the state. (See Exhibit 4.)

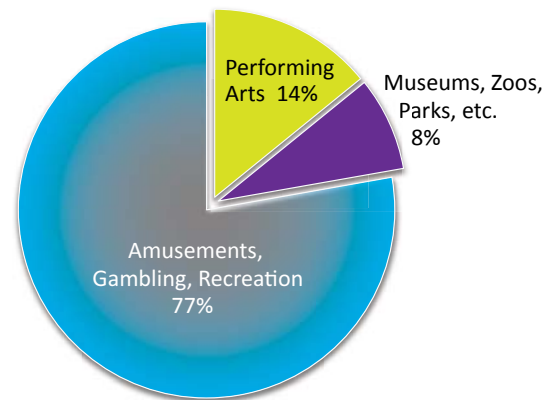
Wages tend to be low, however. (See Exhibit 5.) Average annual earnings in 2013 were \$19,920, less than half the state average of \$51,036 for all industries. The wages per job are below average, and many of these jobs are also part-time, which brings down the average.

Many jobs hard to capture

This industry's reach is broader than these numbers

2 Types of Jobs

ARTS AND ENTERTAINMENT, 2013



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

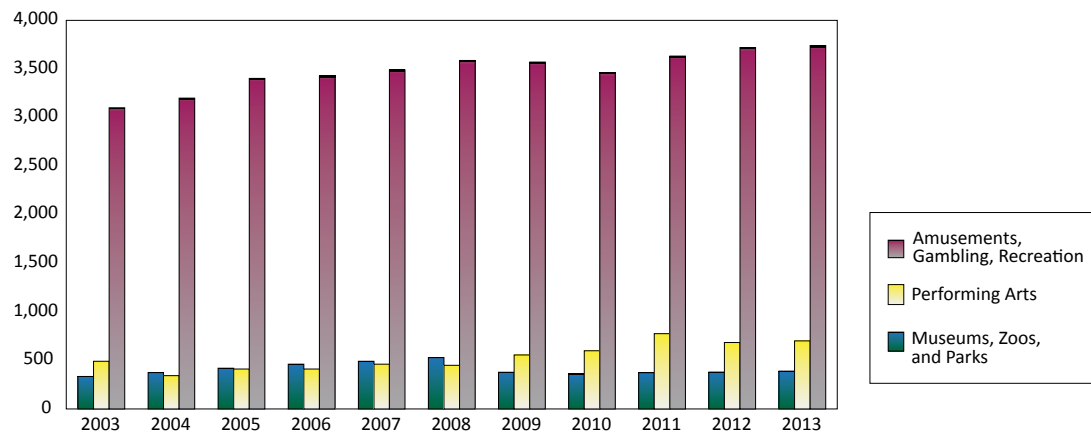
suggest. Many of these workers might identify as artists or entertainers but earn their wages in another industry. These data don't capture the self-employed. Regular employment data are based on employers' payroll reports and few visual artists, for example, are on someone's payroll.

According to the U.S. Census Bureau, 16 percent of those working in the industry were self-employed from 2010 to 2012, compared to 10 percent of the entire civilian workforce. That's the largest self-employment percentage among all Alaska industries.

Some information on these freelancers is available through the Census Bureau's "nonemployer statistics," which look at businesses with no employees.

3 Gains Mainly in Recreation, Gambling

ARTS, ENTERTAINMENT, AND RECREATION JOBS, 2003 TO 2013



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

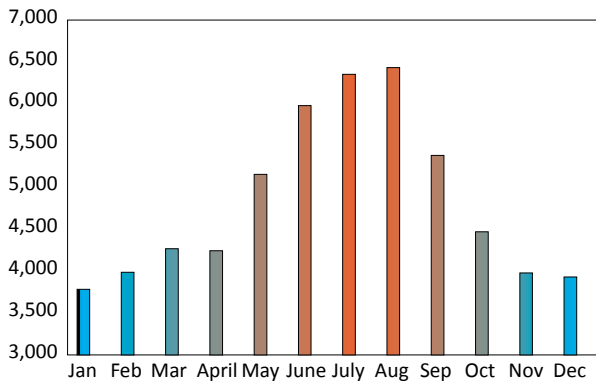
These statistics are based on tax records that show at least \$1,000 in yearly receipts. In 2012, they included 3,140 firms that generated \$62 million.

Finally, volunteers aren't included in employment data, but they play a key role in keeping many of these institutions operating. For example, the Baranov Museum in Kodiak has two full-time and five part-time staffers but about 50 volunteers.

To reach economist Neal Fried, call (907) 269-4861 or e-mail Neal.Fried@alaska.gov.

6 Its Jobs Are Highly Seasonal

ARTS, ENTERTAINMENT, AND RECREATION, 2013



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

GUSTAVUS

Continued from page 12

original flavor of a friendly homesteading community.

Although Gustavus seems frozen in time in some ways, its residents are getting older. Like many Southeast communities, the median age in Gustavus is much higher than the statewide average, at 49 compared to 34. The Gustavus population is much more heavily weighted in the 45 through 69 age brackets than the state, and has far fewer young people as a percent of its population. (See Exhibit 4.)

Gustavus' racial makeup also stands out from the rest of the state in that residents are nearly all Caucasian, at 91 percent. Alaska Natives make up roughly 7 percent.

As the baby boomers age into retirement, the question remains whether they stay in Gustavus and who will replace them. Although the town attracts adventurous young people, year-round employment is hard to come by and services can't compete with cosmopolitan Juneau. The community may be more attractive to older people who want a summer home in a peaceful place.

To reach economist Caroline Schultz, call (907) 465-6027 or e-mail Caroline.Schultz@alaska.gov.

4 Most Jobs in Cities

ARTS AND ENTERTAINMENT, 2013

	2013 jobs	Percent of state
Alaska	4,830	100.0%
Anchorage, Municipality	2,317	48.0%
Fairbanks North Star Borough	455	9.4%
Matanuska-Susitna Borough	386	8.0%
Juneau, City and Borough	369	7.6%
Kenai Peninsula Borough	254	5.3%
Ketchikan Gateway Borough	186	3.9%
Skagway, Municipality	128	2.7%
Haines Borough	83	1.7%
Denali Borough	83	1.7%
Bethel Census Area	71	1.5%
Nome Census Area	69	1.4%
Valdez-Cordova Census Area	61	1.3%
Kodiak Island Borough	44	0.9%
North Slope Borough	36	0.7%
Sitka, City and Borough	32	0.7%
Prince of Wales-Hyder CA	7	0.1%
Petersburg Borough	6	0.1%

Note: Doesn't sum to 100 percent because of a small number of jobs in unknown locations.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

5 Earnings and Job Counts

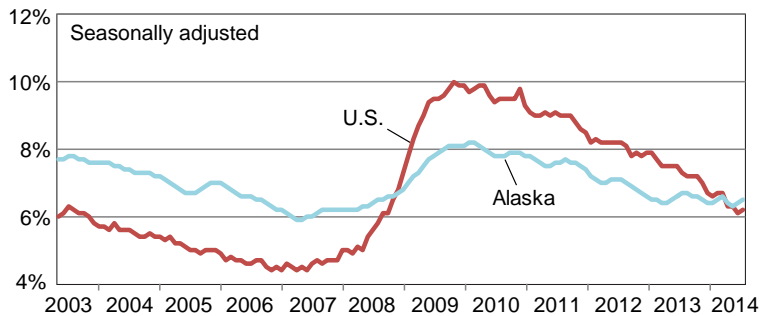
ARTS AND ENTERTAINMENT, 2013

	Jobs	Average annual earnings
All Arts, Entertainment and Recreation	4,830	\$19,920
Performing Arts	700	\$23,148
Performing Arts Companies	177	\$26,640
Spectator Sports	294	\$17,556
Promoters, Sports Events	171	\$21,720
Agents, Managers	-	-
Artists, Writers, Performers	-	-
Museums, Zoos, Parks	389	\$31,428
Amusements, Gambling, Recreation	3,742	\$18,108
Amusement Parks, Arcades	116	\$22,932
Gambling Industries	747	\$16,200
Other Amusement, Recreation	2,879	\$18,408

Note: A dash means values can't be disclosed for confidentiality reasons.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Employment Scene

1 Unemployment Rates JANUARY 2003 TO JULY 2014



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

2 Unemployment Rates BOROUGHES AND CENSUS AREAS

	Prelim. 7/14	Revised 5/14	7/13
SEASONALLY ADJUSTED			
United States	6.2	6.1	7.3
Alaska Statewide	6.5	6.4	6.7
NOT SEASONALLY ADJUSTED			
United States	6.5	6.3	7.7
Alaska Statewide	6.1	6.7	6.0
Anchorage/Mat-Su Region	5.5	5.9	5.4
Municipality of Anchorage	5.1	5.6	5.1
Matanuska-Susitna Borough	7.0	7.3	6.8
Gulf Coast Region	6.1	6.7	6.0
Kenai Peninsula Borough	6.3	6.9	6.2
Kodiak Island Borough	5.4	5.8	5.3
Valdez-Cordova Census Area	6.0	6.5	6.1
Interior Region	6.2	6.8	6.2
Denali Borough	2.9	3.3	3.4
Fairbanks North Star Borough	5.6	6.1	5.5
Southeast Fairbanks Census Area	10.1	11.0	10.0
Yukon-Koyukuk Census Area	13.8	13.5	14.7
Northern Region	10.1	10.6	9.9
Nome Census Area	13.3	13.4	12.9
North Slope Borough	4.5	5.1	5.3
Northwest Arctic Borough	15.5	16.1	14.3
Southeast Region	5.3	6.1	5.0
Haines Borough	4.7	6.7	4.6
Hoonah-Angoon Census Area	8.6	10.4	8.8
Juneau, City and Borough	4.4	4.8	4.2
Ketchikan Gateway Borough	4.8	5.8	4.7
Petersburg Census Area	7.0	8.5	5.6
Prince of Wales-Hyder CA	12.4	14.3	10.3
Sitka, City and Borough	4.2	5.3	4.3
Skagway, Municipality	2.4	1.4	2.2
Wrangell, City and Borough	6.0	8.1	7.2
Yakutat, City and Borough	6.5	8.0	6.5
Southwest Region	11.2	13.3	10.9
Aleutians East Borough	6.7	10.5	8.5
Aleutians West Census Area	6.0	8.0	7.2
Bethel Census Area	15.7	16.5	15.3
Bristol Bay Borough	1.0	1.8	1.0
Dillingham Census Area	7.4	9.7	7.0
Lake and Peninsula Borough	6.0	7.5	4.4
Wade Hampton Census Area	26.2	25.9	24.3

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

Employer Resources

Having at least one employee requires workers' comp insurance

The Alaska Workers' Compensation Act requires all employers with one or more employees in Alaska to have workers' compensation insurance, unless the employer has at least 100 employees and has been approved as a self-insurer.

Employers purchase workers' compensation insurance from commercial insurance carriers. Once employers have insurance, they're required to post in their workplaces an Employer's Notice of Insurance, which insurance companies provide. Employers must also submit proof of insurance to the Workers' Compensation Division, the administrative arm of the Workers' Compensation Board.

Executive officers of for-profit corporations are required to have workers' compensation insurance unless they choose to waive coverage by filing a waiver with the division. If employers are unable to obtain insurance coverage from a commercial carrier, they can purchase insurance through a state assigned risk pool. And if employers feel their insurance premium is too high, they can request arbitration.

For more information or forms, call the Workers' Compensation Division at (907) 465-2790 or visit the department's "Links for Employers" Web site at: www.labor.alaska.gov/employer/employer.htm and click on "Workers' Compensation." On the Workers' Compensation page, the "Forms" and "Employer Information" links under "Quick Links" on the right are particularly helpful.

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