ALASKA ECONOMIC TRENDS

SEPTEMBER 2015

THE '80s RECESSION:
Are we in a similar position today?

ALSO IN THIS ISSUE
The Denali Borough

ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

ALASKA ECONOMIC TRENDS

The '80s RECESSION:
Are we in a similar position today?

The DENALI BOROUGH

The MONTH in NUMBERS

Diversifying economy through fishing, health care

Heidi Drygas
Commissioner

With low oil prices and a vigorous public discussion about the state budget, many Alaskans are wondering what the future holds, including the job outlook for our biggest industries. September *Trends* examines demographic and economic data and provides some insight into our strengths and vulnerabilities as a state.

Two of our economic drivers that are performing well are tourism and seafood. This summer, I was fortunate enough to visit several seafood processing plants in Bristol Bay and witnessed the vibrant, rapid-paced processing of Alaska's wild seafood. I saw firsthand how innovations in processing can expand markets for fresh-frozen salmon and salmon roe, and how refrigerated seawater systems are improving the quality of Alaska's product at market.

It is hard to appreciate just how difficult and intense the work on a slime line is if you haven't spent time in a processing facility, and I'm grateful for the opportunity to have witnessed it for myself. I also appreciated learning about creative business models, such as fishermen who cooperatively own seafood processing companies.

Like seafood, the tourism industry has grown significantly over the last few decades. This month's *Trends* highlights how many jobs tourism generates for areas like the Denali Borough. Demand for Alaska tourism will likely remain strong, as visitors are drawn to the unique beauty of our state. Of course, we have a lot of work to do to improve Alaska Hire for these challenging seasonal workforces.

Our single largest economic growth opportunity is in health care. Medicaid expansion represents the only near-term opportunity to infuse billions (yes, *billions*) of dollars of investment in our communities.

Governor Walker recently announced that the state is expanding Medicaid, which will bring billions of dollars in federal investment and create approximately 4,000 new jobs. Those jobs aren't limited to just the health care industry, because health care wages for Alaskans get spent in local retail establishments, invested in local businesses, translate into a more robust real estate market, and create a positive economic ripple effect. At a time when federal investment and oil revenue are declining, Medicaid expansion is a major opportunity for economic growth.

Of course, to get the most out of Medicaid expansion, we must have a robust training infrastructure in the health care industry. This is a primary focus of our department. We are working closely with employers to expand registered apprenticeship and pre-apprenticeship in the health care industry.

Registered apprenticeship is a tried and true method of workforce development that has flourished in both construction and the oil and gas industry. We're using that successful model for the health care sector, because health care jobs are projected to grow faster than any other segment of our economy.

We have some big challenges ahead, but with Medicaid expansion and growth in tourism and seafood I'm optimistic about our long-term economic outlook. Our department will continue doing its part to prepare the workforce for Alaska's ever-changing economy.

THE '80s RECESSION

Are we in a similar position today?

Economic structure hasn't changed, but we're bigger, with deeper roots

By **CAROLINE SCHULTZ**

When crude oil prices slid precipitously in late 2014, many began to draw parallels between Alaska's current budget shortfall and the deep recession of the mid-1980s, questioning whether we're headed for another meltdown.

The fiscal similarity between the two eras is clear: state general fund revenue is just as dependent on the value of oil now as it was then, and Alaska still relies heavily on federal spending. The relative importance of these two economic drivers hasn't diminished even as the rest of the economy has grown.

There have been some industry shifts, such as the collapse of the timber industry, development of hard rock mines, and continued growth in tourism and fishing, but they remain on the margins compared to the giants of oil and federal dollars. In general, the foundation of Alaska's economy has not changed, except to get larger.

But other things have changed considerably since the '80s, which was a period of extreme and unprecedented growth. (See exhibits 1 and 2.) In some ways, today's Alaska is barely recognizable. We have a much bigger and older population, many with deeper roots in the state. We also have larger amounts saved in budget reserve accounts, but face declining oil production.

These differences complicate the question of whether current low oil prices could push Alaska into a similar recession. A larger, more mature economy makes a repeat of the massive 1980s bust less likely, but it doesn't

1 Since the '80s, Jobs Have Grown Slowly

PERCENT CHANGE FROM PRIOR YEAR, 1960 TO 2014
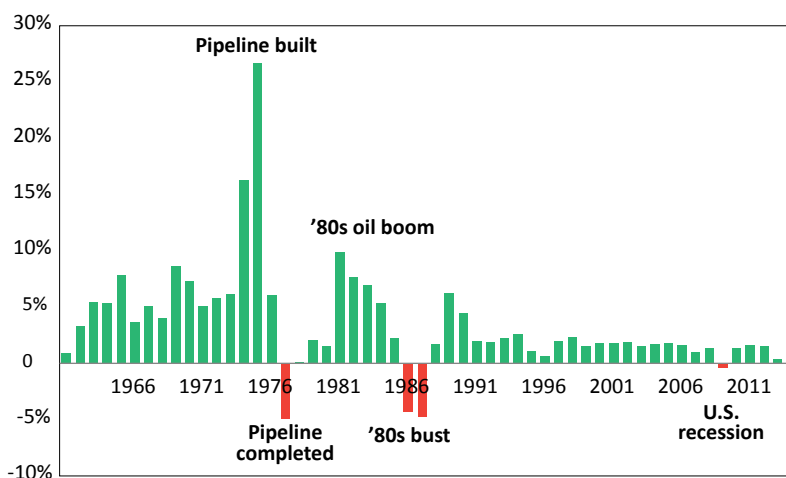
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

guarantee a soft landing. The future will largely depend on policy decisions and how resilient today's economy is compared to the 1980s.

The '70s swing was expected

The 1980s oil boom and bust was precipitated by construction of the Trans-Alaska Oil Pipeline. In 1968, geologists discovered the largest known oil field in North America beneath state-owned land near Prudhoe Bay. The lease sale the following year netted $900 million, about nine times the previous year's entire state budget. In today's dollars, that would be $5.9 billion.

Pipeline construction was delayed until 1974 by the settlement of Alaska Native land claims and environmental concerns. But when construction finally started, people flooded the state to capture some of the new circulating wealth. In 1975, Alaska's population grew more in one year than it had during the 10-year period that included the Klondike Gold Rush.

The construction boom was short-lived, as anticipated. As the pipeline work finished, the first round of layoffs hit in late 1976. More than 10,000 construction jobs disappeared between 1976 and 1977.

Losses of that magnitude may suggest an economic bust after the pipeline was completed, but it really wasn't a bust. It was well understood that pipeline construction jobs were temporary, and when the project was done, nearly all the job loss was in pipeline construction and support work while other parts of the economy continued to grow.

... but the '80s were so huge, the crash was catastrophic

High oil prices and the expanding volume of crude oil pumping through the pipeline brought rapid growth between 1980 and 1985 that seemed to usher in a new, unprecedented era of wealth for Alaska.

The state's budget doubled from $1.6 billion in 1980 to $3.4 billion in 1981, pumping money into the economy at a breakneck pace. Spending created demand for goods and services that was a catalyst for the most dynamic five-year expansion in Alaska's history.

During the first half of the 1980s, Alaska's population exploded, growing by 36 percent. It was the largest five-year population increase in Alaska's history at 125,000 people, which is roughly the current population of the Matanuska-Susitna Borough and the Chugiak/Eagle River area combined.

About 60 percent of that growth was from migration. Alaska was no longer the least populous state, surpassing Wyoming in the early part of the decade.

In retrospect, it's easy to see that the helter-skelter growth was built on a shaky foundation. The crash that followed still haunts many Alaskans. Nearly everyone who was around for the bust has a story about the

2 Events That Transformed Alaska's Population

Net population gains and losses, 1946 to 2014
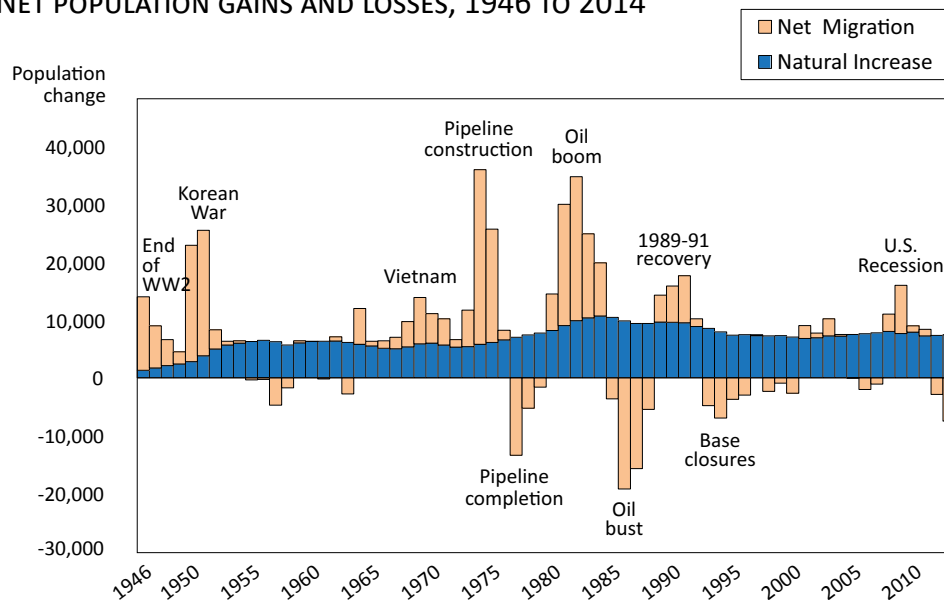
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

3

Foreclosures Skyrocketed in the 1980s

ALASKA, NUMBER FILED PER YEAR, 1980 TO 2014

Source: Alaska Department of Natural Resources, Recorder's Office

in the last half of the 1980s, 44,000 more people left Alaska than moved in.
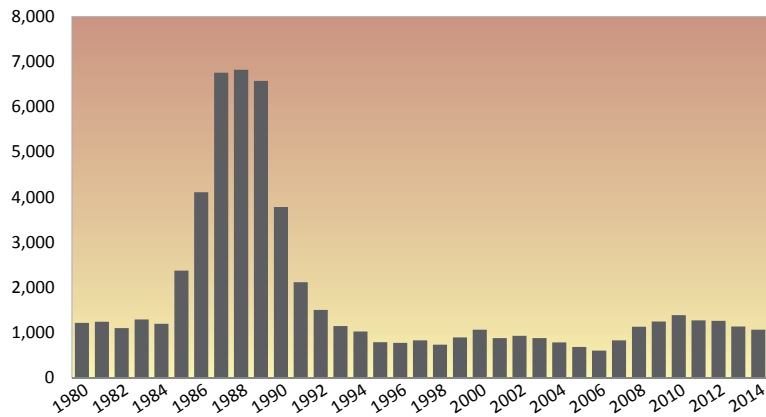
A closer look at the housing crash

Alaska had the biggest real estate bubble of its short history in the 1980s. Demand skyrocketed as the population surged, which fueled speculation and risk. This was compounded by state programs that subsidized interest rates and eliminated income requirements for mortgages. These programs were designed to help Alaskans deal with cripplingly high interest rates, but they were also another way for the state to spend money as quickly as it was pulling it in.

neighbors who dropped their house keys at the bank before heading down the Alcan back to the Lower 48.

The aftermath of the crash was the deepest recession in Alaska's modern history. From 1985 through 1987, Alaska lost more than 20,000 jobs. Over 40 percent of Alaska banks failed, and Alaska led the nation in bank failure rates for the decade. The housing market collapsed, and

More than 36,000 homes were built in urban Alaska alone between 1980 and 1985, yet prices still increased by more than 50 percent during that period.

Even if oil prices had stayed relatively high, the housing market would have likely suffered a correction. Con-

4

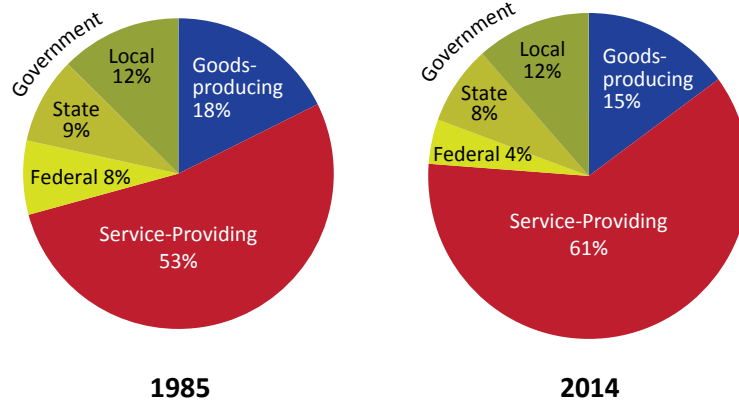## The Population Has Gotten Older

ALASKA'S AGE STRUCTURE, 1985 AND 2014
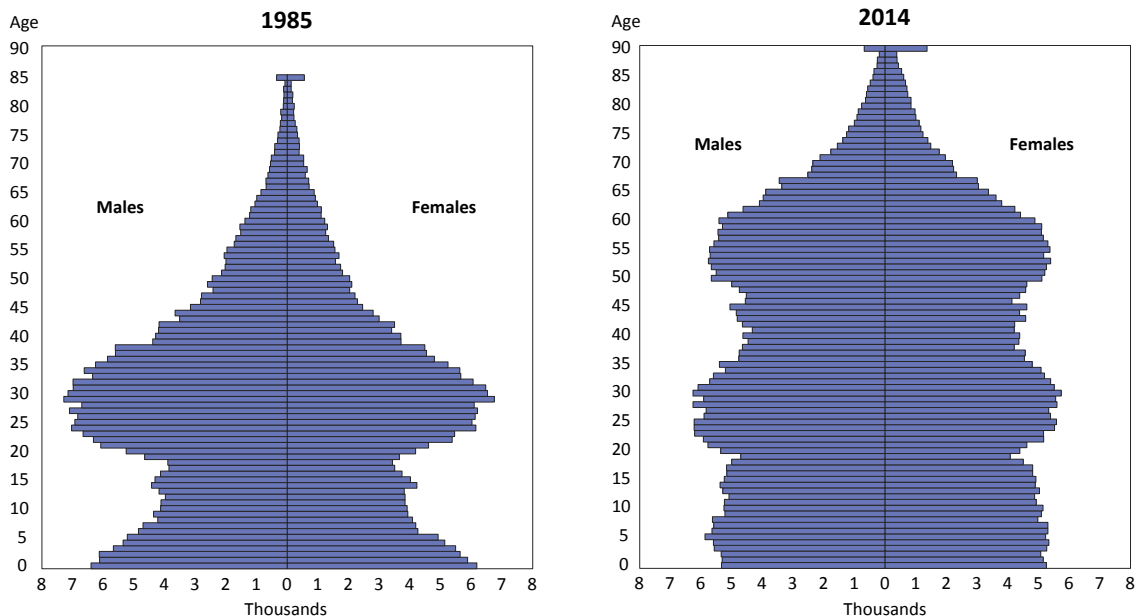
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

5 Bigger Service Sector, Smaller Federal

Alaska's private and public sectors in 1985 and 2014

1985

Government
Local 12%
State 9%
Federal 8%
Goods-producing 18%
Service-Providing 53%

2014

Government
Local 12%
State 8%
Federal 4%
Goods-producing 15%
Service-Providing 61%

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

struction employment started falling even before oil prices dropped, and foreclosures accelerated as early as 1985.

When prices crashed and state spending dipped sharply, the fever turned into a flu. By the end of 1987, Anchorage had 14,000 empty homes. Foreclosures peaked in 1988 at 6,821, and by the end of the decade, more than 30,000 foreclosures had been filed. (See Exhibit 3.)

What's different in 2015

Fast-forward to 2015 and Alaska has a much more staid housing market. Residential construction has been steady and modest since the large national recession of the late 2000s, which largely bypassed Alaska. Between 2010 and 2014, 11,000 housing units went up statewide, including multi-family units.

Prices have been level through the period, and even with record low interest rates, mortgage lending has been stable. There were just 6,300 foreclosures filed from 2010 to 2014, and 10,600 filed in the previous 10 years.

Population growth slowed

After the exodus in the late '80s, Alaska's population rebounded and has grown a modest 35 percent in the past 29 years. Recent growth has been much slower, though. Between 2009 and 2014, Alaska grew by 5 percent, almost entirely through natural increase. Migration to and from Alaska have essentially canceled each other out.

All regions have gained residents, although growth hasn't been even around the state. Anchorage is still the population center of Alaska, but its share shrank slightly, from 43 percent of the statewide population

in 1985 to 41 percent in 2014. Nearly one-third of the growth was in Mat-Su, which added almost 60,000 residents and increased its share of the statewide population from 7 to 13 percent.

Alaskans are much older overall

Most of the migrants to Alaska during both the pipeline construction and early 1980s expansion were baby boomers, then in their 20s and early 30s. Many had no connection to Alaska other than following the money, making them more likely to pack up and leave as soon as the economy went south.

Alaskans are much older today overall, and people are less likely to move as they age. Alaska's median age has risen from 27.5 to 34.4, and a larger portion of today's working-age population is home-grown. Babies born in Alaska now are much more likely to have grandparents in the state.

Alaska had far fewer senior citizens in the 1980s, and until the baby boomers hit their prime child-bearing years, it also had fewer children. Then, the birth rate jumped from 1.94 children per woman in 1976 to 2.43 in 1983.

Exhibit 4 shows how significantly the age structure has changed. In addition to aging, the state's population is more evenly distributed today, with a large segment of baby boomers at or approaching retirement age. Relatively fewer Alaskans today are in their prime child-bearing years, and there are fewer children.
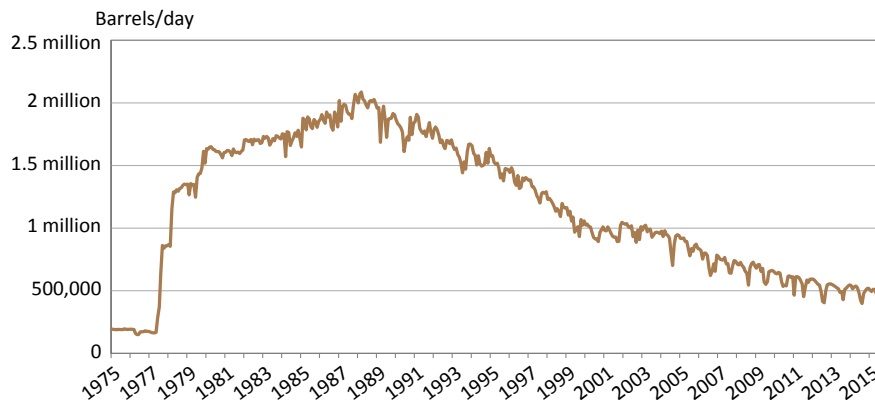
Job growth has been moderate

The blistering job growth that characterized the early

6 Oil Production On a Long Decline

ALASKA CRUDE OIL, 1975 TO 2015

Barrels/day

Source: U.S. Energy Information Agency

The manufacturing industry's share of total employment fell slightly, from 5 percent to 4 percent. However, this relatively small change masks some large shifts in the types of manufacturing. The timber industry was in full swing in the '80s, and two large pulp mills employed thousands in Southeast Alaska. By 2014, the timber industry was a shadow of its former self. These losses were offset by big changes in the management of commercial fishing after the 1980s, which led to growth in seafood processing.

1980s is also very different from the current situation. Between 1980 and 1985, employment grew by 36 percent, an average of 6 percent per year. Alaska's job growth rates haven't been that high since.

In the most recent six-year period, total employment increased at an annual rate of close to 1 percent. Growth has been consistent. Alaska added jobs in 26 out of the past 27 years, albeit slowly — a clear change from the heady times of the early 1980s.

More services in the industry mix

One of the most apparent differences between Alaska's industry mix now and in the 1980s is the increase in services, mostly in urban areas. Service-providing businesses have increased their share of total employment the most since 1985, from 53 percent to 61 percent. (See Exhibit 4.)

Although shopping and eating options have skyrocketed, growth has kept pace with the state's economy and population, so the percentage of jobs in bars and restaurants has remained about the same. The majority of the growth in services jobs as a percentage of the total job count has been in private health care and social services.

The goods-producing sector shrank from 18 percent in 1985 to 15 percent in 2014, mainly due to declines in construction, which has never regained its early 1980s peak.

Others in the goods-producing category stayed about the same size. The mining industry, which includes oil and gas, is at record high employment but its share of total jobs increased only slightly, from around 4 percent to 5 percent.

The total share of government jobs dropped between 1985 and 2014, but only because the percentage of federal jobs declined. The shares of local and state government employment have remained steady, as they provide basic services and are mainly driven by the size of the economy and population.

The future oil picture has changed

When the bottom fell out of the economy in 1986, there was a light at the end of the tunnel: the volume of oil produced in Alaska was still rising. It peaked shortly thereafter, in 1988, but the slope of production decline was much less steep than the run-up to full operation. (See Exhibit 6.) At the time, there was still plenty of economically feasible oil left to drill.

Even if oil prices hadn't collapsed in 2014, Alaska would have eventually lacked enough oil revenue to fund its government. The state made some hard choices about cuts in the 1980s, but not about how to fund a state budget with nonoil revenue sources.

Still, nearly 30 years after the big bust, Alaska has accrued large budget reserves. Based on varying estimates of future spending and oil prices, state government (including the university system and a hefty slice of local governments' budgets) can fund itself on savings for a couple of years.

The state didn't have that kind of breathing room in the 1980s, and it slashed budgets almost immediately. Drastic cuts over short periods have a much larger impact on an economy than small cuts, and policymakers have more time now to address the problem.

Caroline Schultz is an economist in Juneau. Reach her at (907) 465-6027 or caroline.schultz@alaska.gov.

The Denali Borough

A diverse, stable rural economy

By **NEAL FRIED**

The sparsely populated Denali Borough covers more than 12,000 square miles at the center of Alaska, making it larger than nine states. About 70 percent of its area is Denali National Park and Preserve, home to Denali, North America's highest peak.

Nearly all of the borough's 1,785 residents live along a 70-mile stretch of the Parks Highway in Anderson, Cantwell, Ferry, Healy, or McKinley Park. (See Exhibit 1.) Residents rely on Fairbanks for many of their services, as it's only about 100 miles away.

Although the Denali Borough is young — 2015 is the 25th anniversary of its incorporation — most of its economic drivers gained a foothold nearly a century ago. Tourism, mining, and the military have built a hardy, diverse economy; for its size, Denali Borough's economy is one of the most diverse in the state. It's also remained remarkably stable.

The rise of mining and tourism

The area's evolution began with gold mining in the Kantishna mining district during the early 1900s,
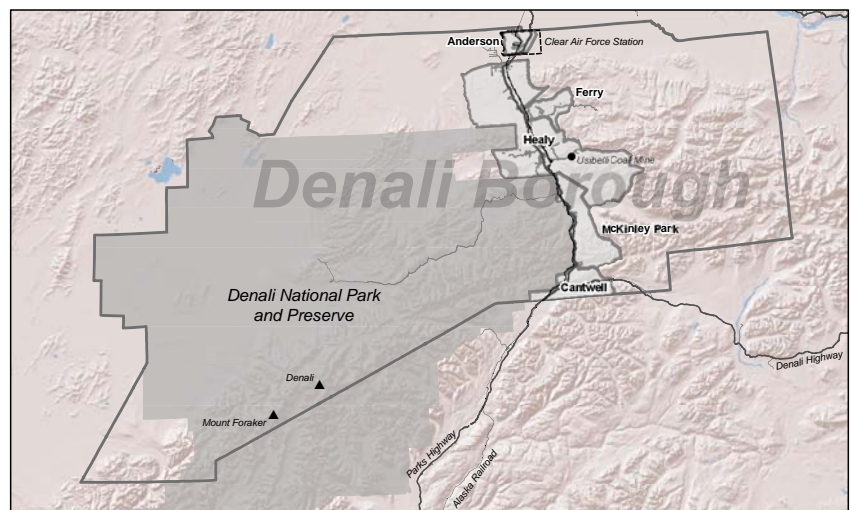
1 Borough Population
DENALI, 2000 TO 2014

	2000	2010	2014
Denali Borough	1,893	1,826	1,785
Anderson	367	246	209
Cantwell	222	219	182
Ferry	29	33	25
Healy	1,000	1,021	1,104
McKinley Park	142	185	179
Rest of borough	133	122	86

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

2 Visitors to Denali National Park
1980 to 2014

The National Park Service ranks Denali third among all national parks for visitor spending.
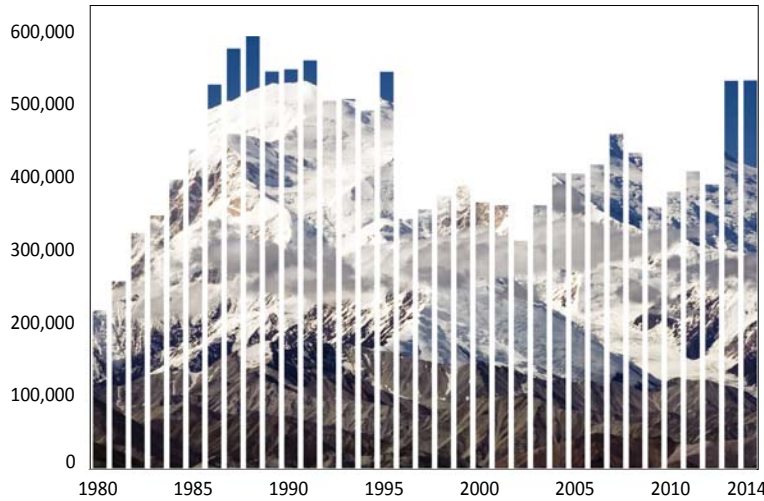
Note: The methods of counting visitors have changed several times, making it difficult to assess year-to-year trends.
Source: National Park Service

which was eclipsed in 1917 when President Woodrow Wilson established Denali National Park, the first national park in Alaska.

By Thanksgiving of 1921, the park had its first hotel, which recorded seven official visitors the following year. With the 1923 completion of the Alaska Railroad, the park became one of the state's most popular tourist destinations, and yearly visits crested the 1,000 mark by 1929.

The railroad also made it possible to ship large quantities of coal from the area, first from the Suntrana coal mines and ultimately from the Usibelli Coal Mine in Healy in the 1940s. Usibelli remains one of the borough's major employers and the only operating coal mine in the state. With the availability of coal, Golden Valley Electric Association built a power plant in Healy in 1967 to export its coal-fired electricity to Fairbanks and beyond.

The Denali Highway opened in 1957, and visitor numbers to the park doubled in a single year, reaching 25,900 in 1958. The region's economy also gained a third pillar during the late '50s: the military. At the height of the Cold War, the military built Clear Air Force Station near Anderson to track any hostile incoming missiles.

The most recent transformation came with the completion of the Parks Highway in 1971, which connected Alaska's two largest cit-

ies, Anchorage and Fairbanks, and created the busiest road transportation corridor in the state. It also spurred a dramatic rise in visitors to the park, and the borough began to provide support services for the highway's increasing traffic.

Burgeoning summer population

The borough's resident count of 1,785 barely scratches the surface of its summer population. In 2014, the

3 Denali Highly Seasonal
Monthly visits to the park, 2014
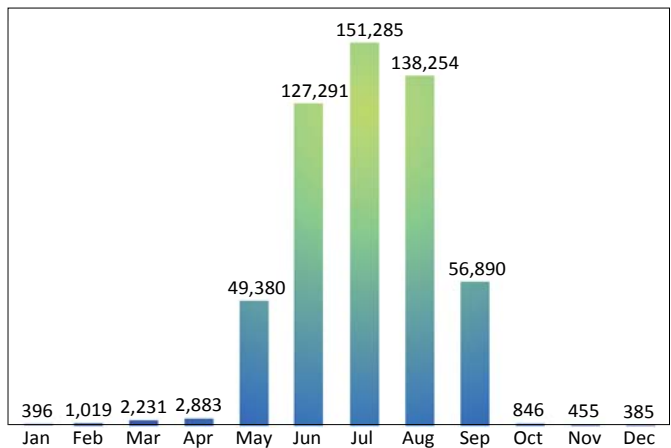
Source: National Park Service

park had more than half a million visitors (see Exhibit 2), with more than three-quarters arriving between June and August. At the July peak, 151,285 people visited the park, which fell to a low of 385 in December. (See Exhibit 3.)

The long-term growth of visitors to the park brought a steady increase in the number of hotel rooms and other accommodations. In 1990, the borough counted nearly 1,800 rooms and by 2014, it had 2,181 rooms. The borough also has 258 cabins and 406 RV spaces plus seven campgrounds and many backcountry camping opportunities.

The northbound Denali Star rounds the bend just north of Denali National Park. Photo by Flickr user Timothy Wildey

Slew of tourism jobs

In addition to the thousands of visitors, an army of summer workers move in temporarily to cater to those tourists. Denali Borough's workforce rivals Bristol Bay's for the most seasonal in the state. From trough to peak, Denali's workforce went from 856 jobs in January 2014 to 3,656 in August, a peak employment figure that's double the borough's resident population. (See Exhibit 4.)

Similarly, the borough's February unemployment rate was second-highest in the state at 25 percent, but it fell to 4.2 percent in August, one of the lowest.

More than half of jobs in the Denali Borough last year were in leisure and hospitality, which includes hotels, bars, restaurants, and other entertainment. This is in

contrast to just 10 percent statewide. Denali Borough also has the state's highest concentration of bar and restaurant workers, at three times the statewide average.
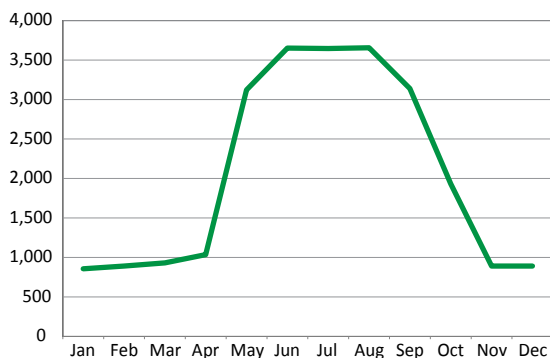
The dramatic seasonality explains why most support workers come from outside the borough. Last year, just 16 percent of the area's payroll workers were Denali Borough residents. Another 20 percent came from elsewhere in the state, and 64 percent came from outside Alaska. Only the Aleutians East and Bristol Bay boroughs had smaller resident workforces. (See Exhibit 5.)

Denali residents are more likely to hold less seasonal — and for the most part better-paying — jobs at the mine, park, school district, power plant, or Clear Air Force Station. The borough also has some government employment. The park employs 281 federal workers, 91 of whom are permanent. Of those, at least 41 work at the park year-round.

Although most park-related activity shuts down during the winter, it keeps an economic presence throughout the year outside its handful of year-round employees. Denali residents who work in the park in the summer spend their earnings in the area throughout the year, and nearly two-thirds of the borough's revenue comes from bed tax collection — $3 million in fiscal year 2014 — which is also spent year-round.

Coal is a mainstay

Though tourism has become the largest and most visible industry in the area, coal still plays a big role.

4 Jobs Triple in the Summer
Denali Borough, 2014

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

Emil Usibelli began operating the Usibelli mine in Healy in 1943, and it's remained one of the area's major employers for 72 years.

Because of the coal deposits in Healy, the borough and Fairbanks began generating coal-fired power. The mine supplies coal for seven Interior power generation plants: two locally and five in the Fairbanks area. Five of these plants also provide space heat for homes and businesses.

Usibelli mines approximately 1.5 million tons of coal a year. The domestic power plants burn about 1.2 million tons and export the rest to mostly Pacific Rim nations.

The mine employs more than 100 workers in mostly year-round, high-paying jobs, with miners represented by the Teamsters Union. According to Usibelli, all of the miners are Alaska residents with average annual pay at double the statewide average. The mine also contributes directly to the borough's coffers with a value-linked severance tax.

Golden Valley Electrical Association, a co-op that exports most of its power to Fairbanks, has two coal-fired power plants in Healy: one operational and another in progress.

Healy Unit 1 began operating in 1967. The second, Healy Unit 2, began as the $300 million Healy Clean Coal Power Plant in 1997, which ran into problems and never became operational. In 2013, GVEA bought the plant from the Alaska Industrial Development and Export Authority for $44 million, and expect work on it to continue through 2017.

The military plays a quiet role

Clear Air Force Station is a relatively small military installation situated a few miles off the Parks Highway. It's easily missed, but it's been part of the area's economy for more than 55 years. Clear serves as a radar surveillance site that detects and tracks sea-launched and intercontinental ballistic missile movement, and as a secondary mission it tracks objects orbiting in space for the

A visitor poses with the bus from the movie "Into the Wild," about the death of Christopher McCandless, near Healy alongside the Stampede Trail on the eastern bank of the Sushana River. McCandless ventured into the wilderness in 1992 and lived in this bus until his remains were found by a hunter four months later. The old converted Fairbanks city bus had been used by trappers and outdoorsmen as a backcountry shelter. McCandless, whose desires for a simple life and a transcendental odyssey were the subject of a book by Jon Krakauer and subsequent film, continues to fascinate many. Photo by Kwong Yee Cheng

Space Control Center.

About 100 Air Force National Guard personnel run the site. The Department of Defense has another 50 civilians working there and approximately 220 private contract personnel.

In May of this year, the Department of Defense chose Clear as a site for the Long Range Discrimination Radar system, which will improve targeting for missile defense.

Stable demographics that stand out

Although the borough's population has declined slightly in recent years, it's changed little overall during its existence. But behind the stable resident count

5 Workers Mostly Not Local
PERCENT LOCAL EMPLOYMENT, 2013
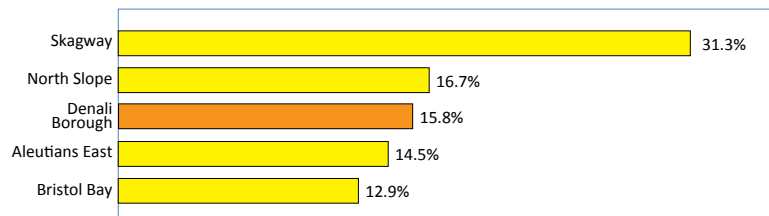
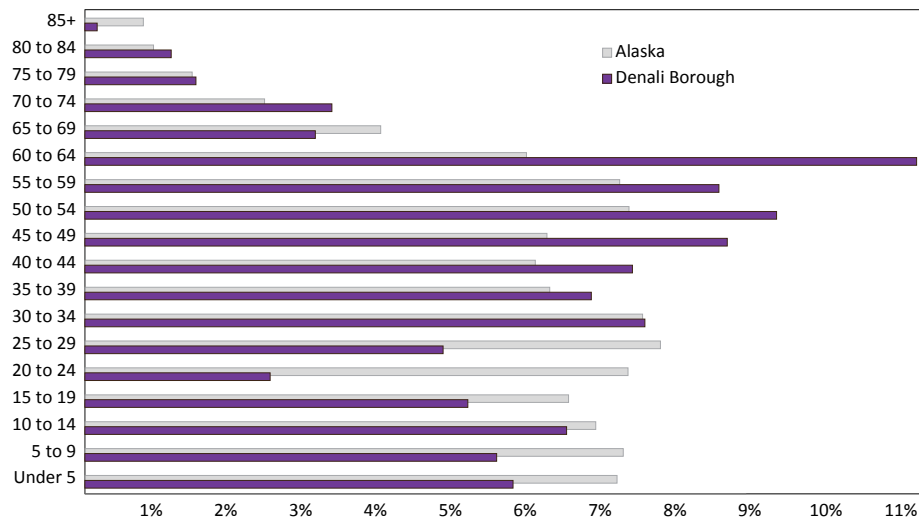|	
Skagway	31.3%
North Slope	16.7%
Denali Borough	15.8%
Aleutians East	14.5%
Bristol Bay	12.9%

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

6 An Older Population

DENALI BOROUGH VS. ALASKA AVERAGE, 2014

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

there's a considerable amount of churn — proportionally even more than for the state as a whole, which is known for high population turnover. Each year, about 200 people move out of the borough and are replaced by the same number moving in.

But the year-round population is still known for its "maleness," especially among those over 40, and is considerably older than the state as a whole. Denali Borough has 127 males for every 100 females, versus 107 statewide.

Outside of Southeast, it's home to the state's oldest population. Denali's median age in 2014 was 43.3 versus the state median of 34.4. This isn't because the borough has a large senior population — just 9 percent of its population is over 65, compared to 10 percent statewide — but rather due to its large group of baby boomers between 50 and 69. Approximately a third of the population is part of this generation, versus a quarter in Alaska. (See Exhibit 6.)

Denali's racial makeup also differs considerably from the rest of the state, at 86 percent white in 2014 and

4 percent Alaska Native. Overall, Alaskans are 67 percent white and 15 percent Alaska Native.

Higher incomes and earnings

Denali residents also stand out from the statewide average for their high earnings; per capita and median household income figures both paint a positive picture of the borough's standard of living. This is likely because residents hold the higher-paying jobs in the borough while the lower-paying and seasonal jobs are mainly held by nonresidents.

In 2013, Denali Borough's per capita income — which includes all sources of income and not just wages — was $66,674, 33 percent above the statewide average and 49 percent above the U.S. average. Median household income in 2013 for the borough was $72,500 compared to $70,760 statewide.
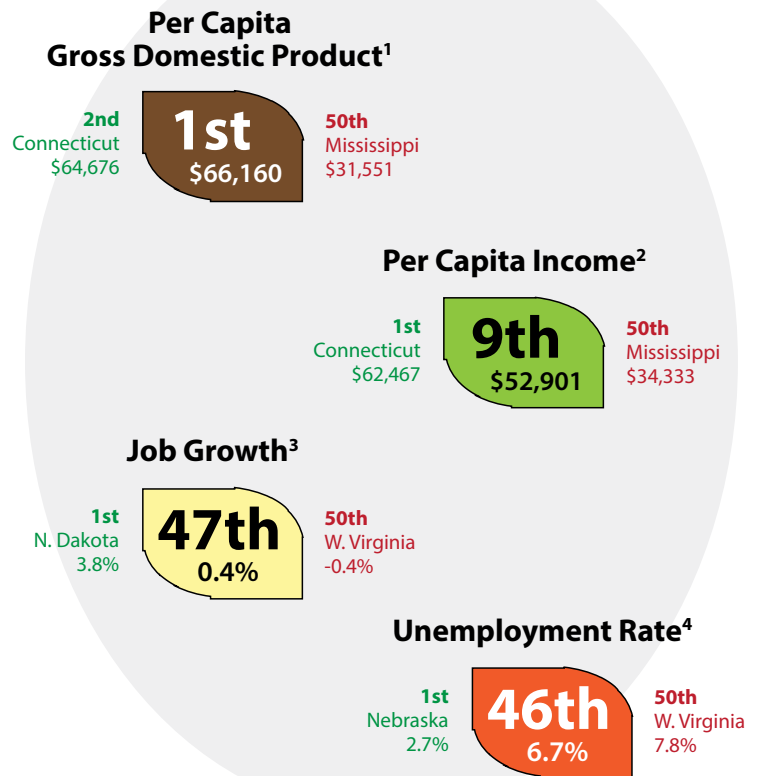
Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or neal.fried@alaska.gov.
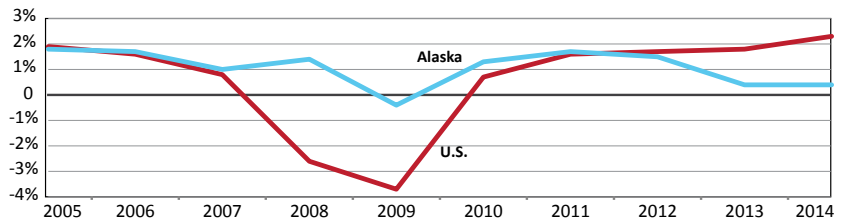
The Month in Numbers

Area Unemployment Rates

	Prelim.	Revised	
SEASONALLY ADJUSTED	7/15	6/15	7/14
United States	5.3	5.3	6.2
Alaska Statewide	6.7	6.8	6.9
NOT SEASONALLY ADJUSTED			
United States	5.6	5.5	6.5
Alaska Statewide	5.9	6.9	6.3
Anchorage/Mat-Su Region	5.3	6.1	5.6
Municipality of Anchorage	4.8	5.4	5.0
Matanuska-Susitna Borough	7.4	8.3	7.7
Gulf Coast Region	6.1	7.2	6.6
Kenai Peninsula Borough	6.5	7.6	6.7
Kodiak Island Borough	4.4	5.8	5.9
Valdez-Cordova Census Area	6.0	7.2	6.8
Interior Region	5.7	6.8	6.3
Denali Borough	3.8	4.3	4.4
Fairbanks North Star Borough	4.9	6.0	5.4
Southeast Fairbanks CA	9.9	11.1	11.6
Yukon-Koyukuk Census Area	16.5	17.3	17.1
Northern Region	11.2	12.2	11.4
Nome Census Area	12.9	13.8	13.3
North Slope Borough	5.8	6.9	5.9
Northwest Arctic Borough	16.5	17.5	16.7
Southeast Region	5.2	6.3	5.6
Haines Borough	5.6	8.0	6.5
Hoonah-Angoon Census Area	11.0	12.1	9.8
Juneau, City and Borough	4.3	4.9	4.6
Ketchikan Gateway Borough	5.2	6.4	5.8
Petersburg Borough*	6.1	9.0	6.7
Prince of Wales-Hyder CA	10.8	11.9	11.4
Sitka, City and Borough	3.5	4.8	3.9
Skagway, Municipality	4.5	5.2	4.3
Wrangell, City and Borough	6.5	8.0	6.4
Yakutat, City and Borough	7.2	6.9	7.4
Southwest Region	10.8	12.6	11.6
Aleutians East Borough	3.1	5.1	3.5
Aleutians West Census Area	3.1	4.5	4.3
Bethel Census Area	15.7	16.1	16.9
Bristol Bay Borough	2.1	3.7	2.4
Dillingham Census Area	7.4	9.6	7.6
Kusilvak Census Area*	26.9	25.8	27.0
Lake and Peninsula Borough	8.5	12.3	11.1

How Alaska Ranks

Per Capita Gross Domestic Product[1]

2nd	1st	50th
Connecticut $64,676	$66,160	Mississippi $31,551

Per Capita Income[2]

1st	9th	50th
Connecticut $62,467	$52,901	Mississippi $34,333

Job Growth[3]

1st	47th	50th
N. Dakota 3.8%	0.4%	W. Virginia -0.4%

Unemployment Rate[4]

1st	46th	50th
Nebraska 2.7%	6.7%	W. Virginia 7.8%

Job Growth in Alaska and the Nation[5]

All data sources are U.S. Bureau of Labor Statistics and Alaska Department of Labor and Workforce Development, Research and Analysis Section, unless otherwise noted.
[1] U.S. Bureau of Economic Analysis, 2014
[2] U.S. Bureau of Economic Analysis, 2014
[3] Annual average percent change, 2014; Maine and Utah also had 0.4 percent job growth
[4] Seasonally adjusted July rates
[5] Annual average percent change

Employer Resources

The BEST ally for employers and federal contractors

Alaska employers, especially federal contractors, have a dedicated ally in BEST, the Business Employment Services Team. BEST is an interagency alliance between the departments of Health and Social Services and Labor and Workforce Development as well as many other state and federal agencies dedicated to improving hiring outcomes for veterans and people with disabilities while meeting the workforce needs of Alaska employers.

BEST works with the Office of Federal Contractor Compliance Programs to help contractors with federal recruitment compliance requirements. Alaska federal contractor outreach, trainings, and state hiring resources are a strong facet of BEST's work and include frequent joint trainings with OFCCP on changes to Section 503 of the Rehabilitation Act and the Vietnam Era Veterans' Readjustment Assistance Act.

In October 2015, BEST will begin hosting monthly employer events such as "Breakfast with BEST," where presenters will speak on best practices for hiring veterans and those with disabilities. These will be held the third Wednesday of every month from 8 to 10 a.m. at the Anchorage Midtown Job Center.

According to the 2013 Disability Status Report for Alaska, 26.3 percent of working-age veterans in Alaska have a service-connected disability and over 10 percent of nonveteran job seekers have a disability. "Breakfast with BEST" topics will help employers learn ways to save time and money while increasing their awareness of these largely untapped labor pools. In just one example of a win-win scenario, civic-minded Alaska employers will learn how to receive a $3,000 tax credit for hiring a disabled veteran while demonstrating leadership to the business community by honoring diversity and America's veterans.

Past hiring events have included the first annual BEST Job Fair last February and the annual Veterans' Job Fair in November, in conjunction with the Anchorage Midtown Job Center.

For more information about BEST or to register for a "Breakfast with BEST" event, please contact the Midtown Business Connection at (907) 269-4777 or anchorage.employers@alaska.gov.

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