

News Release

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Construction records steady growth, second only to oil in workers' wages

ANCHORAGE – Alaska's construction industry is recording steady growth and increased economic stability, according to state labor officials.

Neal Fried, an economist with the Research and Analysis Section in the state Department of Labor and Workforce Development, this week reported that Alaska's construction industry has changed from its earlier years of "boom and bust" to become more stable and predictable.

Fried said a growth trend now considered long-term lends certainty and steadiness to the state's overall economy, and that stability has been apparent in construction "more than most industries."

Commissioner of Labor and Workforce Development Greg O'Claray said the construction statistics are "especially gratifying because they confirm the logic of Governor Murkowski's priority emphasis on resource development. Maintaining and expanding a healthy construction industry goes hand-in-hand with the administration's A-list goal of a prosperous, expanding economic foundation."

Lead economist Brynn Keith and economists Fried and Brigitta Windisch-Cole expand on construction industry projections in the November issue of the department's *Alaska Economic Trends* magazine. They report that construction employment began a recovery in 1989 that has "basically been growing incrementally ever since."

Construction activity has increased steadily by about four percent per year. The economists estimate that the average annual number of construction jobs for fiscal year 2003 reached 16,400 statewide.

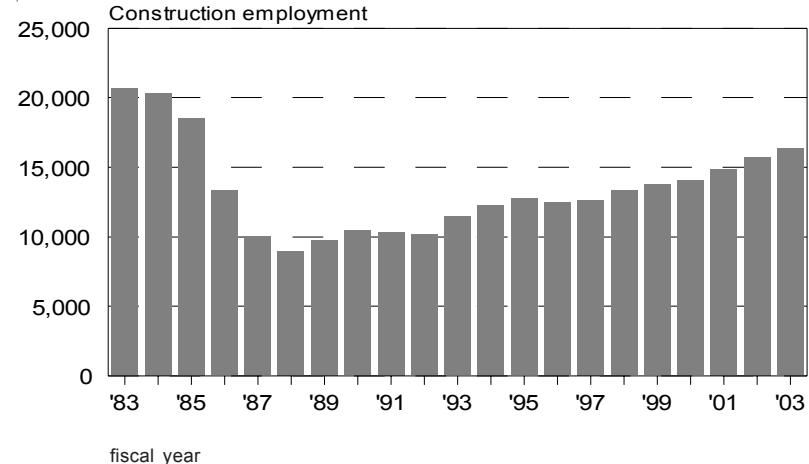
Labor department studies show that construction in Alaska during the past two years posted strong numbers, accelerating to a growth rate of 5.7 percent in 2001 and 6 percent in 2002. Mid-year performance for FY 2003 was up by 2.7 percent over 2002.

The impetus for construction industry growth has come from a variety of public- and private-sector sources, and Fried noted that only the oil industry enjoys higher worker earnings. Construction workers' earnings averaged \$50,700 a year in 2002, about 37 percent more than the \$37,000 average for all industries statewide.

Construction trades employ workers in more than 160 occupations including careers as diverse as accountants and pipe-layers.

The complete research report by Keith, Fried and Windisch-Cole is detailed in the November *Trends* along with the magazine's regular monthly feature, the *Alaska Employment Scene*.

Alaska's Construction Industry The picture of stability since 1989



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