

Heidi Drygas
Commissioner

P.O. Box 111149
Juneau, AK 99811-1149

www.labor.alaska.gov



Press Release

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For more information: Caroline Schultz, Economist
(907) 465-6027 or Caroline.Schultz@Alaska.Gov

Overall job count down in third quarter 2014

JUNEAU, Alaska—Newly released data show that employment in Alaska dropped slightly below the prior year's levels in the third quarter of 2014 as a result of job losses in the public sector and slower private sector growth.

Government losses

Public-sector losses have slowed total job growth since 2011. Federal cuts were the first to have a serious impact, followed by shrinking local governments and school districts. State government, which includes the University of Alaska, began to show losses last summer.

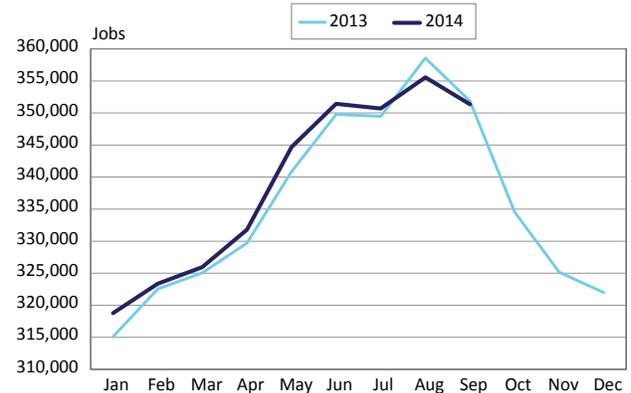
Slight variations in school start dates can distort trends, however, suggesting or exaggerating losses that will disappear in later months. For example, about 3,000 more jobs were counted in August 2013 than in August 2014 because of the way teacher pay periods and school calendars aligned. This discrepancy overstated total local government job losses in the third quarter.

Seafood processing and seasonal trends

Several other factors also contributed to the overall job count dropping below year-ago levels. The bulk of seafood *harvesting* jobs are not captured by normal payroll employment data, but seafood *processing* jobs are. Although the seafood processing industry showed strong growth from its prior-year levels in the first half of 2014 due to healthy winter trawl and other fisheries, by late summer, the numbers were below 2013.

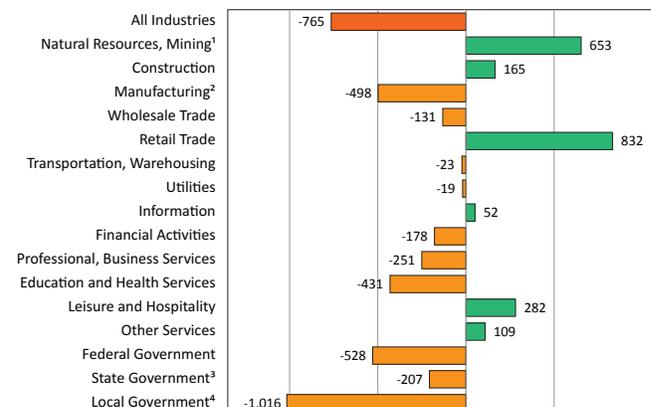
Processors also added jobs earlier for the summer salmon season, possibly because an especially early sockeye season in 2013 caught harvesters and processors off guard. The season peaked quickly,

Monthly Employment in 2013 and 2014



Note: Excludes uniformed military and the self-employed
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Third Quarter Jobs by Industry Compared to 3rd quarter 2013



Note: Excludes uniformed military and the self-employed

¹Includes oil and gas

²Includes seafood processing

³Includes the University of Alaska

⁴Includes K-12 public schools

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

however, because pink salmon returns are much smaller on even years as a result of their life cycle, and a glut of pinks from 2013's record catch remained on the market. Seafood processing employment was down nearly 500 jobs in August and more than 1,500 jobs in September from the same months in 2013.

Professional and business services slows

Reductions in professional and business services jobs — which include those in accounting, law, and engineering firms, consulting and temporary help services, and waste management companies — also contributed to summer losses. Employers in this industry are varied, so it's difficult to attribute the decline to any one thing.

The industry has grown since 2009, supported by major gains in the oil and gas, mining, and construction sectors and moderate growth across all sectors. Some of the recent losses may be due to firms settling down after a period of growth, but a slowing economy may also be putting downward pressure on the industry.

Effects of Medicaid fraud crackdown

Job losses in social assistance were connected to the state's

expanded efforts to eliminate Medicaid fraud. Several large employers temporarily or permanently shut down while under investigation or indictment. The social assistance sector, which is part of the education and health services category and includes services for youth, the elderly, and people with disabilities, was down 500 jobs.

Industries that grew

Sources of job growth included construction, information, oil and gas (part of the natural resources and mining category), leisure and hospitality, retail trade, and other services. Increased activity on the North Slope contributed to construction job gains through the first half of 2014, though growth slowed in the third quarter.

Tourism had another strong year in 2014, which boosted leisure and hospitality jobs by about 500 over the May to November visitor season.

Retailers continued to add jobs last summer, with 800 more jobs in August 2014 than in August 2013. It was a strong year for the industry, which had been relatively flat since 2009. Several large retailers opened in Southcentral over the past 18 months, and a handful of smaller stores also opened in other parts of the state.

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For more on specific industries, boroughs or census areas, visit laborstats.alaska.gov/qcew/qcew.htm.
Research and Analysis Web site: laborstats.alaska.gov