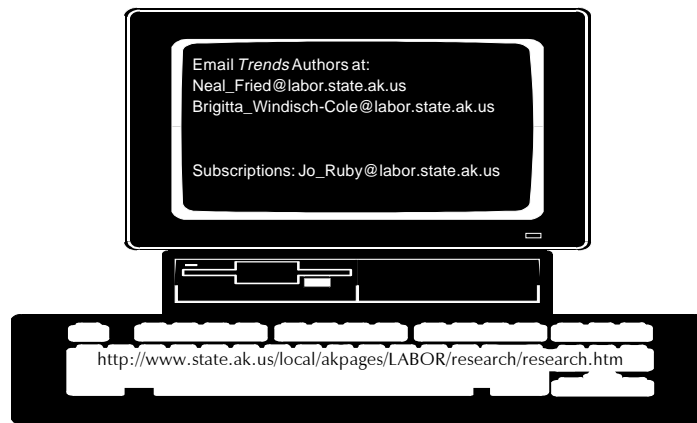


# ALASKA ECONOMIC TRENDS



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# Public School Education— a Big Industry

by Neal Fried and Brigitta Windisch-Cole

Local public education is one of Alaska's largest industries. Alaska's local school districts, combined, represent one of the state's biggest employers. Jobs with local school districts in kindergarten through 12th grade number over 20,000—nearly seven percent of all wage and salary jobs in Alaska. No industry is more ubiquitous. Often local education is the single largest employer in a community. In fact, two of the state's 10 largest employers are school districts. In many communities, one of the few employers is the local school district.

Local education is also a billion-dollar business. In Alaska, unlike nearly anywhere else in the country, local education is a basic sector employer. This anomaly occurs because, with almost 70 percent of all funds for local education coming from the state budget, oil revenues, not local tax dollars, provide the major funding for this industry. (See Figure 1.) As a result, when these education dollars are spent, they represent new economic activity in the state and in all of its communities. Therefore, local education spending in Alaska is not only an investment in education but also has immediate economic impacts. This article will explore these economic effects and will discuss the employment opportunities provided by this industry.

For the purpose of this article, local education represents public education, covering kindergarten through grade 12. Private schools are not within the scope of this analysis.

## The ubiquitous industry

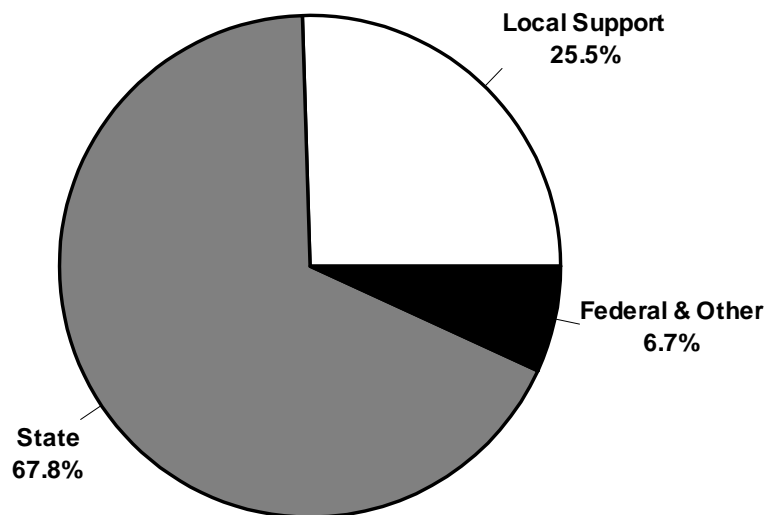
In 1997, over 127,000 children, more than one-fifth of the state's population, attended public school in Alaska. (See Figure 2.) Only Utah had a larger percentage of its population in school. Alaska's high proportion of schoolchildren creates education-related jobs in practically every community. During 1997, on average, more than \$7,500 was spent educating each child.

In many communities, both large and small, the local school district is one of the largest employers, if not the largest. For example, in the Bristol Bay, Anchorage and Mat-Su Boroughs, the Copper Center region, Bethel and many other areas, the local school district is the single largest employer. In some communities, the public schools are one of the few sources of full-time, nonseasonal employment. In the Bethel, Wade Hampton (Yukon Delta area), and the Yukon Koyukuk census areas, more than 20 percent of wage and salary employment comes from school districts. (See Table 1.) In

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Figure • 1

## Sources of the \$910 Million Spent for Local Education in Alaska in 1996



*Source: Alaska Department of Education, 1996.*

Figure • 2

## Alaska's School Enrollment Continues to Climb Kindergarten through Grade 12

Source: Alaska Department of Education.

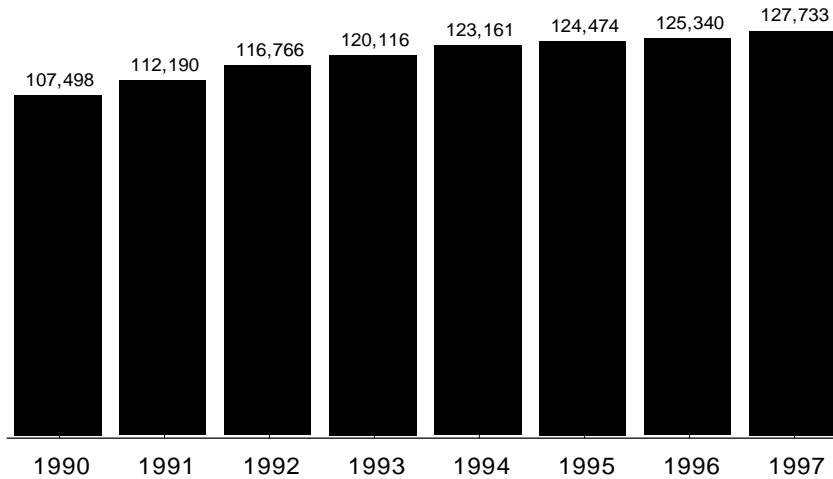
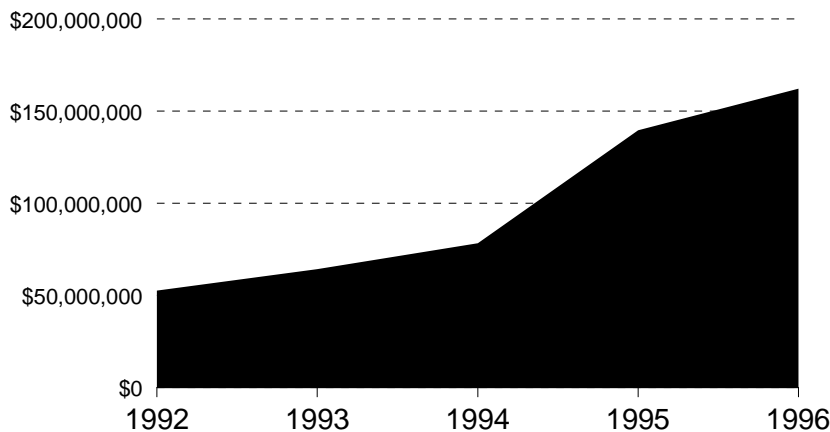


Figure • 3

## School District Capital Expenditures

Source: Alaska Department of Education.



eight other boroughs or census areas, schools provide over 10 percent of wage and salary employment. In addition, these employment numbers do not include all employees connected to, but not employed by, the school district, such as contracted school bus drivers. Neither do they include the hundreds of millions of dollars spent on school construction around the state, (See Figure 3.), nor the employment and income multiplier effects these education jobs create.

The payroll impact of local education is even greater. (See Table 1.) In 1996, the total payroll for local education was \$641 million. (See Table 2.) This total is nearly equivalent to the payroll of the oil industry. In the economically depressed region of Wade Hampton, in the Yukon Delta area, almost half of the payroll in the region comes from its local school district. In all but two areas of the state, the average wage in education is greater than the overall average wage for that region. The average annual wage for local education in Alaska in 1996 was \$36,557 as compared to Alaska's overall annual average wage of \$32,088. The exceptions were the North Slope Borough and the Valdez-Cordova census area where high oil industry wages pushed average earnings above the norm.

### The industry keeps growing

During the 1990s, school enrollment has steadily grown, spurring growth in local education employment. In 1997, employment in public education topped

the 20,000 mark. (See Figure 4.) In recent years, public education has been the impetus for nearly all the growth in local government. Because of its large size, turnover, and recent early retirement incentive programs, local education is providing more employment opportunities than it has since the 1980s.

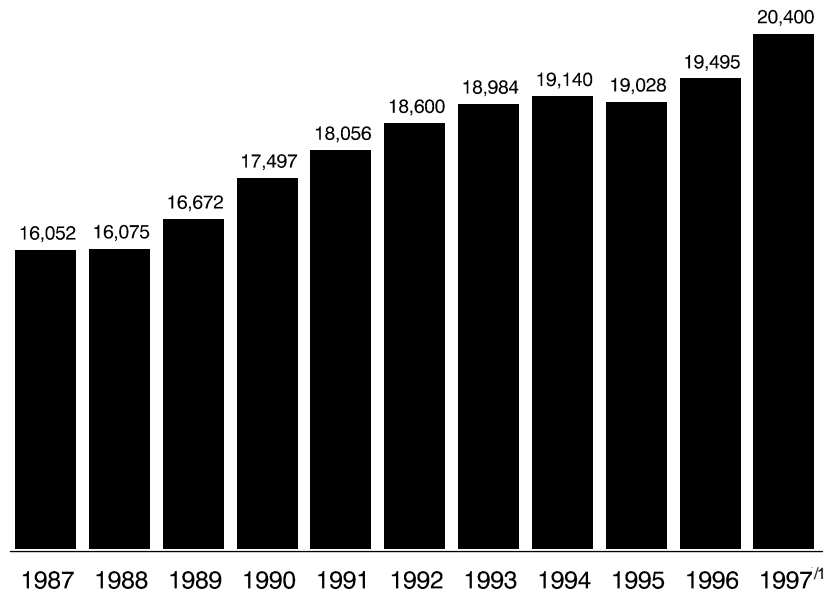
Discussing employment opportunities in this industry often translates into examining opportunities for teachers. (See Figure 5.) Teaching positions account for nearly half of the jobs in local education. (See Figure 6.) The other half of public education's occupational profile includes various types of professionals, service workers, support and managerial positions. Most of the discussion in this article, however, refers to teachers, since they are largely the backbone of this industry.

### Job opportunities for teachers are good

During the past two years, and probably for the next two years, the job outlook for teachers in Alaska is more positive than it has been in a long time. Many factors affect the supply and demand for teachers. On the demand side, there is growth in enrollments, teacher-pupil ratios, funding, legal requirements and the national labor market for teachers. Influencing the supply side are the number of graduates, wages, the national supply of certified teachers and the general condition of the overall job market. In Alaska, there are two distinct labor markets for teachers—school districts that are

Figure • 4

## Alaska's School District Employment Reaches Record in 1997

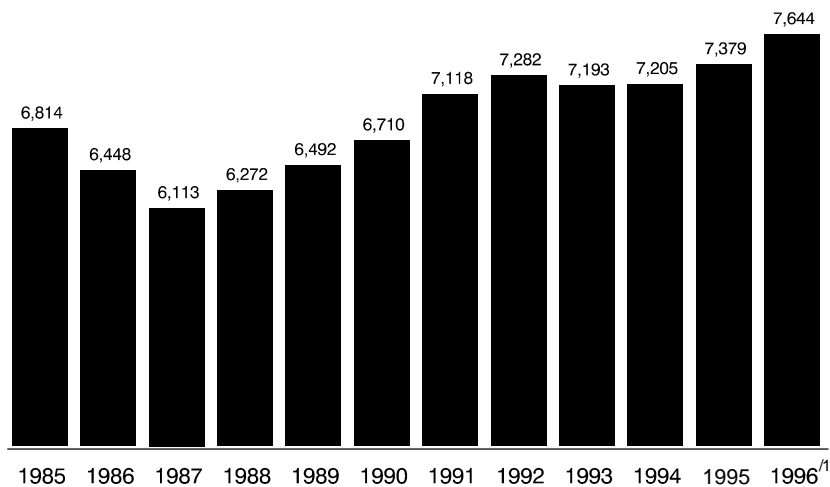


1/ Estimate.

Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 5

## The Number of Alaska School Teachers Continues to Grow



1/ Estimate.

Source: U.S. Department of Education.

T a b l e • 1

## School Districts Play an Important Role in Alaska's Economy

Source: Alaska Department of Labor, Research and Analysis Section.

Area:	Share of Total Area Employment in 1996	Share of Total Area Payroll in 1996
Statewide	6.7%	7.6%
Aleutians East Borough	5.5	5.9
Aleutians West Borough	3.2	3.6
Municipality of Anchorage	4.4	5.3
Bethel Census Area	21.5	27.5
Bristol Bay Borough and Lake & Pen. Borough	14.1	17.2
Denali Borough	5.3	6.1
Dillingham Census Area	14.1	17.1
Fairbanks North Star Borough	5.5	6.9
Haines Borough	8.1	10.0
Juneau Borough	4.0	5.5
Kenai Peninsula Borough	8.7	10.1
Ketchikan Gateway Borough	5.0	5.0
Kodiak Island Borough	6.0	7.9
Lake & Peninsula Borough	<i>(combined with Bristol Bay Borough)</i>	
Matanuska-Susitna Borough	14.7	21.2
Nome Census Area	16.8	20.6
North Slope Borough	7.4	5.3
Northwest Arctic Borough	15.6	16.4
Prince of Wales/Outer Ketchikan	10.4	12.3
Sitka Borough	6.6	8.2
Skagway-Hoonah-Angoon Census Area	12.7	12.4
Southeast Fairbanks Census Area	14.8	17.2
Valdez-Cordova Census Area	8.4	8.0
Wade Hampton Census Area	29.0	48.5
Wrangell-Petersburg Census Area	8.8	10.4
Yakutat Borough	8.9	9.0
Yukon Koyukuk Census Area	25.8	26.6

urban or on the main road system, and the rural job market.

### The urban teacher scene

For the past two decades, a constant flood of applicants chased after a limited number of teaching jobs in urban and on-the-road system school districts. Many of these districts, particularly the larger ones, were often quite passive about re-

cruiting for most teaching positions because the applicant pool was so large. It was not unusual for the school districts of Fairbanks, Anchorage, Mat-Su, Kenai and Juneau to have thousands of applicants on file. During the 1980s, there were years when there were only 10 openings for secondary teachers for the entire Anchorage School District. During this period, the following comment appeared in one of Alaska's newspapers: "to become a school teacher . . . appears almost analogous to becoming a movie star." However, more recently the script has changed.

The year 1997 or 1998 may go down as a record year for new hires in Alaska's public education system. (See Figure 7.) Last year the Alaska Teacher Placement staff predicted that "Alaska's demand for educators would be astronomically high." This demand is partially due to the current local and statewide early retirement incentive programs that began in 1996 and will continue through the year 2000. Although this is the third time an early retirement incentive package has been offered, under present circumstances it is translating into almost unprecedented opportunities for teachers in Alaska. Thus far, 435 teachers have taken early retirement, and the number

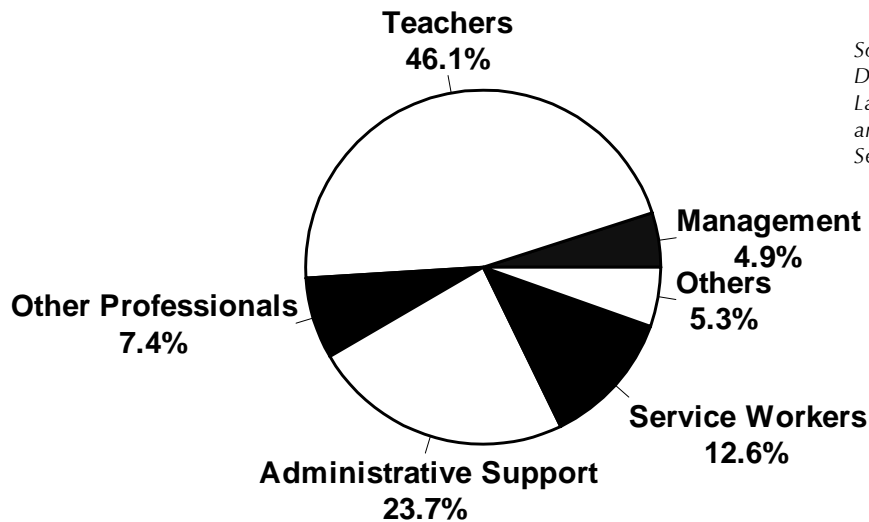
will increase significantly. The Anchorage School District alone expects to see more than 220 and possibly as many as 300 teachers retire at the end of the 1997-98 school year. This is in addition to those who took advantage of the package last year. Therefore, demand is high and opportunities are good.

During the first wave of early retirements, many urban districts drew on their large local supply of

individuals with teaching credentials. This included a large pool of substitute teachers. As a result the supply of substitutes in many school districts is now stretched thin. Additionally, the supply of students graduating with teaching credentials from Alaska's schools has changed little during the past five years. Their numbers actually fell a bit during the past two years. (See Figure 8.)

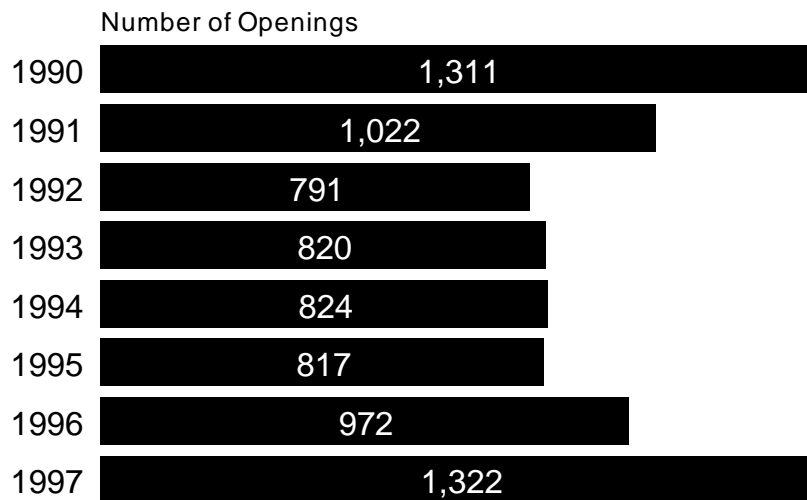
A tighter national market further affects this drawdown on Alaska's supply of teachers. Growing enrollments nationwide and some education initiatives, such as California's effort to cut classroom size, have increased the demand for school teachers around much of the country. The median age of teachers nationally is higher than that of the overall workforce; therefore, as older teachers retire, they are creating more opportunities for new teachers. And the hot overall national job market is attracting people with teaching credentials into other professions. Additionally, salaries for Alaska's teachers during the past decade have increased more slowly than they have in much of the rest of the nation. (See Figure 9 and Table 3.) This combination of factors has meant that fewer applicants with teaching credentials from elsewhere in the country are looking for teaching jobs in Alaska.

### The Job Breakdown in Local Education in Alaska's Schools



Source: Alaska Department of Labor, Research and Analysis Section.

### Openings for Teachers in Alaska's Public Schools



Source: University of Alaska Fairbanks, Alaska Teacher Placement.

As a result, many of Alaska's school districts are having to make greater efforts to recruit teachers. For example, during last year's three job fairs put on by the Alaska Teacher Placement, there were fewer candidates to choose from as the year progressed. By the third job fair, there were only 130 registrants for 90 positions compared to a

3-to-1 ratio of registrants to positions during the first fair. For the first time, students in the 1998 graduating class of the University of Alaska-Anchorage's School of Education are being recruited well before graduation. The Anchorage School District also experienced a first by putting on a job fair in December to recruit teachers in antici-

(continued on page 8)

## School District Employment and Earnings by Area in 1996

Census Area or Borough	Name of District	Location of Headquarters or District Office	Average Annual Employment	Total Payroll by School District
<b>Statewide</b>			17,532	\$640,910,978
<b>Aleutians East Borough</b>	Aleutians East School District	Sand Point	95	2,484,188
<b>Aleutians West Borough</b>	Pribilof School District	St. Paul	53	1,820,507
	Unalaska City School District	Unalaska	75	2,406,499
	Aleutian Region District School Center	Unalaska	8	235,506
	Adak Region School District <sup>1</sup>	Adak	3	288,743
<b>Municipality of Anchorage</b>	Anchorage School District	Anchorage	5,285	211,481,340
<b>Bethel Census Area</b>	Kuspuk School District	Aniak	136	4,250,179
	Lower Kuskokwim School District	Bethel	946	29,070,874
	Yupit School District	Akiachak	115	3,170,865
<b>Bristol Bay Borough and Lake &amp; Peninsula Borough</b>	Bristol Bay Borough Schools	Naknek	70	2,139,660
	Lake & Peninsula Borough Schools	King Salmon	159	5,770,963
<b>Denali Borough</b>	Denali Borough Schools	Healy	73	2,408,841
<b>Dillingham Census Area</b>	Dillingham City Schools	Dillingham	97	3,578,251
	Southwest Region Schools	Dillingham	193	6,114,063
<b>Fairbanks North Star Borough</b>	Yukon/Koyukuk School District <sup>2</sup>	Fairbanks	28	1,160,902
	Fairbanks N.S. Borough School District	Fairbanks	1,651	60,338,999
<b>Haines Borough</b>	Haines Borough Schools	Haines	71	2,262,465
<b>Juneau Borough</b>	Juneau City Schools	Juneau	654	28,045,011
<b>Kenai Peninsula Borough</b>	Kenai Peninsula Borough	Soldotna	1,408	48,446,078
<b>Ketchikan Gateway Borough</b>	Ketchikan Gateway Borough Schools	Ketchikan	284	10,444,588
	Southeast Island School District	Ketchikan	112	2,369,631
<b>Kodiak Island Borough</b>	Kodiak Island Borough Schools	Kodiak	376	12,359,054
<b>Lake &amp; Peninsula Borough (combined with Bristol Bay Borough)</b>	Lake & Peninsula Borough Schools	King Salmon	(see above)	
<b>Matanuska-Susitna Borough</b>	Mat-Su Borough Schools	Palmer	1,482	59,371,910

1/Dissolved in June 1996.

2/The headquarters of the Yukon/Koyukuk School District is located in Fairbanks.

3/School district boundaries cross census area or borough.

Source: Alaska Department of Labor, Research and Analysis Section.

(continued on next page)

## School District Employment and Earnings by Area in 1996 *(continued)*

Census Area or Borough	Name of District	Location of Headquarters or District Office	Average Annual Employment	Total Payroll by School District
<b>Nome Census Area</b>	Nome Public Schools	Nome	120	4,309,180
	Bering Strait School District	Unalakleet	453	14,437,121
<b>North Slope Borough</b>	North Slope Borough Schools	Barrow	608	26,771,109
<b>Northwest Arctic Borough</b>	Northwest Arctic Borough Schools	Kotzebue	381	14,214,340
<b>Prince of Wales/ Outer Ketchikan Census Area</b>	Annette Island Schools	Metlakatla	78	2,776,553
	Craig City Schools	Craig	73	2,082,824
	Hydaburg City School District	Hydaburg	30	822,262
	Klawock City School District	Klawock	47	1,527,241
<b>Sitka Borough</b>	Mt. Edgecumbe (State government))	Sitka	47	1,575,009
	Sitka Borough School District	Sitka	208	6,971,668
<b>Skagway-Hoonah- Angoon Census Area</b>	Hoonah City School District	Hoonah	60	1,640,886
	Pelican City School District	Pelican	11	368,223
	Chatham School District	Angoon	104	2,494,060
	Skagway City Schools	Skagway	29	857,647
<b>Southeast Fairbanks Census Area</b>	Alaska Gateway Schools	Tok	110	2,973,154
	Delta/Greely School District	Delta Junction	131	4,727,015
<b>Valdez-Cordova Census Area</b>	Copper River School District	Glennallen	126	3,188,080
	Cordova City School District	Cordova	75	2,623,770
	Valdez City School District	Valdez	150	6,009,358
	Chugach School District (Whittier)	Anchorage	33	1,066,391
<b>Wade Hampton Census Area</b>	Kashunamiut School District	Chevak	47	1,712,985
	St. Mary's City Schools	St. Marys	35	801,562
	Lower Yukon School District	Mountain Village	428	13,053,080
<b>Wrangell-Petersburg Census Area</b>	Kake City School District	Kake	51	1,181,662
	Petersburg School District	Petersburg	97	3,450,479
	Wrangell Public Schools	Wrangell	82	2,755,468
<b>Yakutat Borough</b>	Yakutat School District	Yakutat	38	1,196,982
<b>Yukon Koyukuk Census Area</b>	Yukon/Koyukuk School District <sup>1/2</sup>	Fairbanks	137	3,795,800
	Galena City School District	Galena	46	1,417,666
	Nenana School District	Nenana	39	1,092,766
	Tanana City School District	Tanana	25	797,013
	Iditarod Area School District <sup>3</sup>	Mc Grath	129	3,952,039
	Yukon Flats School District	Fort Yukon	130	4,248,468



## Average Teacher Salaries by State 1989-90 and 1996-97

1/ Estimated by the National Education Association.

Source: National Education Association.

	1989-90	1996-97	Percent of Change	Percent of U.S. Average
<b>United States</b>	<b>\$31,367</b>	<b>\$38,509</b>	<b>22.8%</b>	<b>100.0%</b>
Alabama	24,828 <sup>1/</sup>	32,549	31.1	84.5
Alaska	43,153 <sup>1/</sup>	50,847	17.8	132.0
Arizona	29,402	33,350	13.4	86.6
Arkansas	22,352	29,975	34.1	77.8
California	37,998	43,474	14.4	112.9
Colorado	30,758	38,175	24.1	99.1
Connecticut	40,461	50,426	24.6	130.9
Delaware	33,377	41,436	24.1	107.6
District of Columbia	38,402	45,012	17.2	116.9
Florida	28,803	33,881	17.6	88.0
Georgia	28,006	36,042	28.7	93.6
Hawaii	32,047	36,842	15.0	95.7
Idaho	23,861	31,818	33.3	82.6
Illinois	32,794	42,679	30.1	110.8
Indiana	30,902	38,575	24.8	100.2
Iowa	26,747	33,275	24.4	86.4
Kansas	28,744	35,837	24.7	93.1
Kentucky	26,292	33,950	29.1	88.2
Louisiana	24,300	28,347	16.7	73.6
Maine	26,881	33,800	25.7	87.8
Maryland	36,319	41,148	13.3	106.9
Massachusetts	34,712 <sup>1/</sup>	43,806	26.2	113.8
Michigan	37,072 <sup>1/</sup>	44,251	19.4	114.9
Minnesota	32,190	37,875	17.7	98.4
Mississippi	24,292	27,720	14.1	72.0
Missouri	27,094	34,342	26.8	89.2
Montana	25,081	29,950	19.4	77.8
Nebraska	25,522	31,768	24.5	82.5
Nevada	30,590	37,340	22.1	97.0
New Hampshire	28,986	36,867	27.2	95.7
New Jersey	35,676	49,349	38.3	128.1
New Mexico	24,756	29,715	20.0	77.2
New York	38,925	49,560	27.3	128.7
North Carolina	27,883	31,225	12.0	81.1
North Dakota	23,016	27,711	20.4	72.0
Ohio	31,218	38,831	24.4	100.8
Oklahoma	23,070	29,270	26.9	76.0
Oregon	30,640	40,900	33.5	106.2

(continued on next page)

(continued from page 5)

tion of the 1998-99 school year. The Alaska Teacher Placement Spring Annual Fair is anticipating a record number of recruiters in 1998.

### Far more opportunities in rural Alaska

In many ways, recruitment of teachers in rural school districts is not different from recruitment in more urban areas; it is simply far more intense. Turnover is much higher in rural Alaska. In 1996, before the most recent early retirement package, rural school districts replaced nearly 21 percent of their staff versus nine percent for urban and on-the-road system districts. In 1997, the first year of the early retirement package, the Yupiit school district, based in Akiachak, replaced 47 percent of its teachers. Some school districts will not be extending the retirement packages next year for fear of losing too many experienced teachers.

Often the small size and isolation of rural communities are given as reasons for a much higher turnover rate. Stress related to the meeting of two cultures is also a contributor. Other factors include the absence of a career ladder, housing and weather problems and the lack of amenities. Although starting salaries in most rural school districts are higher than those in urban districts, the cost-of-living differences and high travel costs often cancel out the higher salaries. (See Table 4.)

Most rural school districts generally have little or no pool of local qualified teachers to choose from. Nearly 60 percent of their new recruits come from out-of-state. The average tenure for rural school teachers is far shorter than in urban areas. It is not uncommon for teachers of rural school districts to use their experience as a stepping stone into urban Alaska. Although fewer rural teachers are taking advantage of the early retirement package, these districts are feeling the ripple effect. For example, the Lower Kuskokwim school district, the state's largest rural district, typically experiences a 10 percent turnover rate, but last year that rate climbed to 14 percent. Higher turnover means there are far more opportunities for individuals with teaching credentials to find jobs in rural Alaska.

### Always shortages in some areas

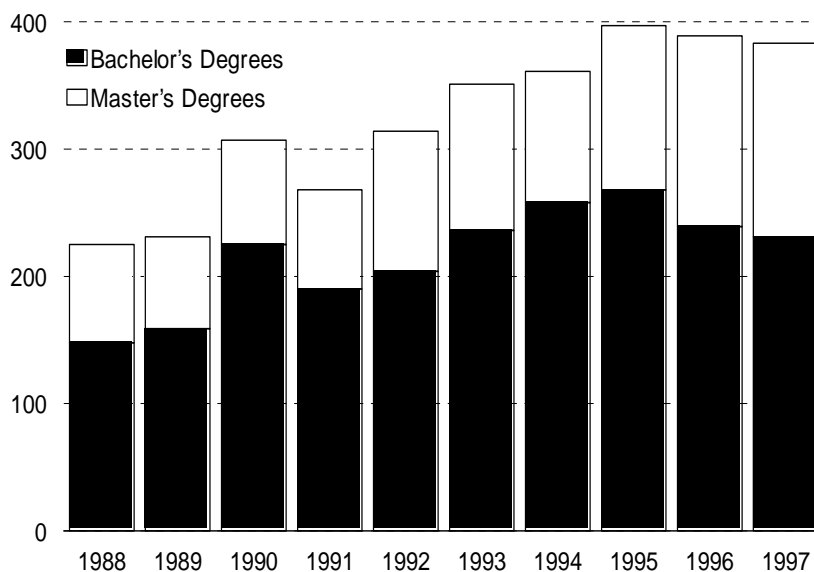
Both urban and rural school districts find certain occupations persistently difficult to fill because there are not enough qualified applicants. (See Table 5.) Special education has topped the shortage list for more than a decade. There are several factors pushing the demand for special education teachers. The number of special-ed students is climbing faster than general enrollments, partially due to federal legislation that continues to expand the coverage of eligible students. The integration of special-ed students into regular classrooms also requires more teachers. There is more turnover and burnout

## Average Teacher Salaries by State 1989-90 and 1996-97 *(continued)*

	1989-90	1996-97	Percent of Change	Percent of U.S. Average
Pennsylvania	33,338 <sup>1</sup>	47,429	42.3%	123.2%
Rhode Island	36,057	43,019	19.3	111.7
South Carolina	27,217	32,659	20.0	84.8
South Dakota	21,300	26,764	25.7	69.5
Tennessee	27,052	33,789	24.9	87.7
Texas	27,496	32,644	18.7	84.8
Utah	23,686	31,750	34.0	82.4
Vermont	29,012	37,200	28.2	96.6
Virginia	30,938	35,837	15.8	93.1
Washington	30,457	37,860	24.3	98.3
West Virginia	22,842	33,169	45.2	86.1
Wisconsin	31,821	38,950	22.4	101.1
Wyoming	28,141	31,721	12.7	82.4

Figure • 8

## Education Graduates from University of Alaska Number of Graduates



Source: University of Alaska, Institutional Research.

## Teachers' Base Salary 1996-97

Source:  
Association of  
Alaska School  
Boards.

District	Location of District Office	Average Annual Salary
<b>Alaska</b>		<b>\$32,542</b>
Alaska Gateway Schools	Tok	34,329
Aleutian Region District School Center	Unalaska	32,600
Aleutians East School District	Sand Point	36,100
Anchorage School District	Anchorage	30,079
Annette Island Schools	Metlakatla	32,073
Bering Strait School District	Unalakleet	31,939
Bristol Bay Borough Schools	Naknek	33,667
Chatham School District	Angoon	32,285
Chugach School District	Anchorage	29,383
Copper River School District	Glennallen	31,965
Cordova City School District	Cordova	30,414
Craig City Schools	Craig	30,208
Delta/Greely School District	Delta Junction	31,400
Denali Borough Schools	Healy	30,939
Dillingham City Schools	Dillingham	34,244
Fairbanks N.S. Borough School District	Fairbanks	31,931
Galena City School District	Galena	34,500
Haines Borough Schools	Haines	28,209
Hoonah City School District	Hoonah	31,908
Hydaburg City School District	Hydaburg	29,593
Iditarod Area School District	McGrath	32,780
Juneau City Schools	Juneau	31,242
Kake City School District	Kake	32,189
Kashunamiut School District	Chevak	35,500
Kenai Peninsula Borough	Soldotna	29,500
Ketchikan Gateway Borough Schools	Ketchikan	30,544
Klawock City School District	Klawock	29,621
Kodiak Borough Schools	Kodiak	32,482
Kuspuk School District	Aniak	34,070
Lake & Peninsula Borough Schools	King Salmon	31,500
Lower Kuskokwim School District	Bethel	33,947
Lower Yukon School District	Mountain Village	34,039
Mat-Su Borough Schools	Palmer	31,037
Nenana School District	Nenana	32,321
Nome Public Schools	Nome	31,820
North Slope Borough Schools	Barrow	39,474
Northwest Arctic Borough Schools	Kotzebue	33,441
Pelican City School District	Pelican	32,718
Petersburg School District	Petersburg	30,712
Pribilof School District	St. Paul	34,810
Sitka Borough School District	Sitka	30,506
Skagway City Schools	Skagway	29,165
Southeast Island School District	Ketchikan	29,344
Southwest Region Schools	Dillingham	35,560
St. Mary's City Schools	St. Marys	32,596
Tanana City School District	Tanana	33,718
Unalaska City School District	Unalaska	35,700
Valdez City School District	Valdez	34,631
Wrangell Public Schools	Wrangell	28,000
Yakutat School District	Yakutat	28,687
Yukon Flats School District	Fort Yukon	31,520
Yukon/Koyukuk School District	Fairbanks	34,172
Yupit School District	Akiachak	34,500

among special-ed teachers than among other teaching staff. In Alaska, only the University of Alaska-Anchorage offers special-ed teaching credentials. There is a strong demand for special-ed teachers throughout the United States. Therefore, the shortage of teachers specializing in this field will likely remain unchanged for the foreseeable future.

A growing number of school districts are grappling with a shortage of applicants qualified to teach secondary science and math. School districts are also experiencing a shortage of music and art teachers. The rapid introduction of technology and computers into the classroom is causing the demand for teachers endorsed in technology and computers to grow faster than the supply. Districts also are struggling to fill school counselor positions. Because many rural schools are small and one teacher often teaches a variety of subjects, multiple endorsements can be critical; but many rural school districts are finding these positions difficult to fill. In a similar vein, a number of rural districts are finding it harder to locate teaching couples. These teams are sought after because of housing availability. Alaska's school-age population is far more ethnically and racially diverse than the state's overall population, and diversity in this age group is increasing rapidly. Most school districts feel there is a real shortage of minority candidates. The demand for Native Alaskan teachers is so strong that a number of programs exist to increase the supply of

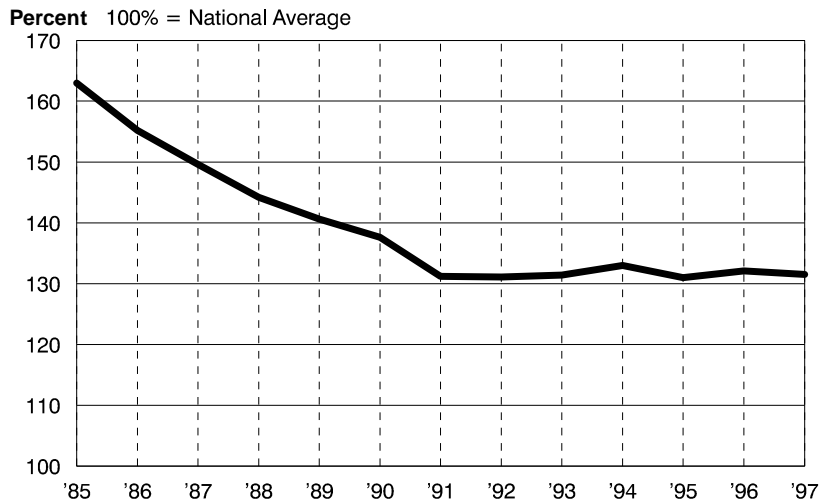
Native Alaskan teachers. Teachers who can teach English as a second language or are bi-lingual are also in big demand. Recruitment in the area of elementary education seems to be less problematic.

Other staff can also be difficult to recruit. Filling the positions of physical and occupational therapists is a perennial problem. These shortages are likely to persist because they also reflect the national labor market. School districts also note shortages of speech pathologists, school psychologists and librarians.

### A good time to find a job in local education

Local education is big business in Alaska. It is often the largest employer in a community. Alaska's public education payroll is nearly as large as that of the oil industry. In rural Alaska it's not unusual for local education to be the primary source of both employment and payroll. Local education employs over 20,000 people in the state and has always been an important source of employment opportunities. During the past year, and over at least the next two years, local education will generate an above average number of job opportunities. An early retirement package, a strong demand for educators nationally, fewer out-of-state applicants and a generally tighter job market have led to better than usual job opportunities for teachers and others associated with local education. Given the industry's size and its diverse needs, opportunities will continue to exist even after the last wave of retirees moves through the system.

## Average Teacher Salaries in Alaska As Percentage of the National Average



Source: National Education Association.

Table • 5

## A Partial List of Jobs In Local Education Which Are In Strong Demand

### Teaching Staff

- Special Education Teachers
- Math And Science Teachers
- Music Teachers
- Art Teachers
- Technology and Computer Teachers
- Teachers With Multi-Endorsements
- Minority and Native Alaskan Teachers
- Bi-Lingual Teachers
- Teaching Couples

### Other Staff

- School Counselors
- Physical Therapists
- Occupational Therapists
- School Psychologists
- Speech Pathologists
- Librarians

Source: Alaska Department of Labor, Research and Analysis Section.

# A Decade of Employment Growth

At the end of 1997, it appeared that Alaska's workforce would reach a 2,900-job gain over the last calendar year. This increase marks a decade of uninterrupted employment gains in the state. Not only is this period one of the longest of sustained growth, it was also one of the most stable in Alaska's recent economic history. Unlike 1996, where gains were razor thin (0.5%) and decelerating, 1997 saw a moderate pick-up in growth of over one percent.

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The industry responsible for more than half the employment growth is the many faceted services industry. (See Figure 1.) Health care, social services and business services continued to provide this industry with most of its stimulus. Hotel employment also edged upward with the opening of several new lodging places. The transportation, communication and utilities sector is growing on nearly all fronts. Air transportation has climbed the highest, with expansion in both international cargo and domestic airlines. Trucking and transporta-

tion services are also on the go, and deregulation of the communications industry has brought a surge of hiring.

Another plus for the 1997 economy is that this year's negatives are not as large as they were in 1996. For example, by the end of 1997, employment declines in the oil industry nearly disappeared. Federal government losses also narrowed. (See Table 1.) The only industry with bigger losses this year has been timber—a result of the closure of the Ketchikan Pulp Mill.

## Fairbanks and Anchorage are the stronger performers

In all regions of the state, November's wage and salary employment numbers reflected the usual seasonal declines. (See Table 3.) However, the year-to-year comparisons are far more telling. In both the Interior and the Anchorage/Mat-Su regions, employment in November was running

two percent or better than it was at the same time in 1996. The strongest industries in these regions are similar to those in the rest of the state—services, transportation and retail. Fairbanks' strongest growth is in transportation, communication and utilities. However, a third of this growth resulted from the privatization of utilities that had been publicly held. Another third of the gains came from the relocation of nearly 200 Alyeska Pipeline Service personnel from Anchorage to Fairbanks. The last third reflects gains in air transportation and other segments of

Figure • 1

## Services—A Big Source of Employment Growth

Employment Changes—November 1996 Compared to November 1997



Source: Alaska Department of Labor, Research and Analysis Section.

the transportation industry. The expansion of Sears and Fred Meyer, along with strong growth in eating and drinking establishments, helped keep Fairbanks' retail trade employment numbers in the black.

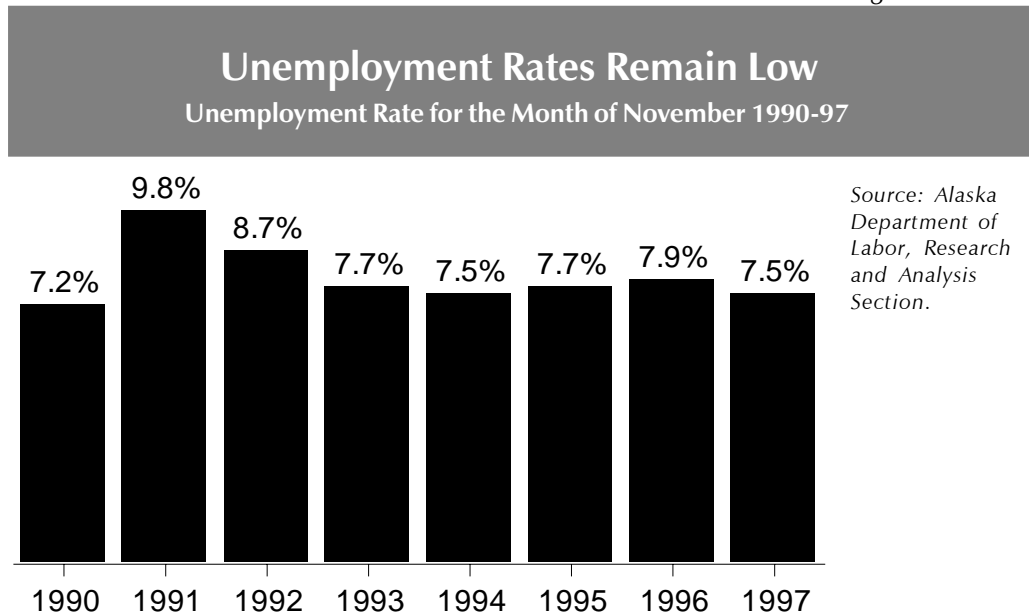
In the Anchorage/Mat-Su region, the employment gains in November are broader, running 2.7% or 3,500 jobs ahead of year-ago levels. Nearly all of the region's industries grew. Similar to the statewide picture, services added the most jobs. On a percent basis, construction enjoyed the biggest year-to-year gains in November. Strong hotel construction, retail-related construction, healthy levels of public construction and the strongest year for residential construction since 1985 pushed the region's construction numbers higher. Construction valuation in Anchorage alone was up \$48 million for the first 11 months of 1997. Transportation's employment in the region remains positive despite the movement of over 200 Alyeska Pipeline personnel to elsewhere in the state. Air transportation also enjoyed strong growth. International air cargo activity climbed 17 percent in 1997. Simultaneously, many domestic cargo and passenger carriers have expanded their operations, making these past two years stellar ones for the industry. November's numbers in the communications field were over 100 ahead of year-ago levels. New players are entering this increasingly deregulated market and others are expanding. The introduction of new products is also a factor in this industry's growth. If employment in retail is any gauge for the health of the Christmas season, the news is positive. Both Christmas-sensitive general merchandise and miscellaneous retail were running over three percent ahead of year-ago levels. Even government in the region was in the black in November. Although both state and federal

employment is running below year-ago levels, local government's gains were large enough to offset these losses. Strong growth in school enrollments pushed local education employment up in Anchorage and the Mat-Su Borough by nearly seven percent in November.

### Another good year in the labor market

The annual average unemployment rate for 1997 should come in close to eight percent, and could mark the fifth straight year that the unemployment rate came in at or below eight percent. (See Figure 2.) Relatively strong labor markets in Fairbanks, Anchorage/Mat-Su and the Kenai Peninsula helped the state maintain these lower rates. In the state's larger urban areas, an increasing number of employers are struggling to find enough qualified workers. Help wanted listings have increased significantly in the state's largest newspaper. Alaska's labor market is also getting indirect help from the rest of the nation. With the national unemployment rate at a 24-year low, more job seekers are staying closer to home and are not traveling north to seek job opportunities. This

Figure • 2



Source: Alaska Department of Labor, Research and Analysis Section.

Table • 1

## Nonagricultural Wage and Salary Employment by Place of Work

Alaska	p/	r/	Changes from:			Municipality of Anchorage	p/	r/	Changes from:		
	11/97	10/97	11/96	10/97	11/96		11/97	10/97	11/96	10/97	11/96
Total Nonag. Wage & Salary	259,400	266,700	256,000	-7,300	3,400	Total Nonag. Wage & Salary	123,600	125,000	120,600	-1,400	3,000
Goods-producing	33,000	38,100	33,600	-5,100	-600	Goods-producing	10,800	12,000	10,400	-1,200	400
Service-producing	226,400	228,600	222,400	-2,200	4,000	Service-producing	112,800	113,000	110,200	-200	2,600
Mining	9,800	10,300	9,700	-500	100	Mining	2,500	2,500	2,500	0	0
Construction	12,200	14,100	12,300	-1,900	-100	Construction	6,400	7,500	6,000	-1,100	400
Manufacturing	11,000	13,700	11,600	-2,700	-600	Manufacturing	1,900	2,000	1,900	-100	0
Durable Goods	2,900	3,200	3,000	-300	-100	Transportation	11,800	12,100	11,400	-300	400
Lumber & Wood Products	1,900	2,100	1,900	-200	0	Air Transportation	4,900	5,000	4,600	-100	300
Nondurable Goods	8,100	10,500	8,600	-2,400	-500	Communications	2,400	2,300	2,200	100	200
Seafood Processing	5,400	7,800	5,500	-2,400	-100	Trade	30,700	30,700	30,200	0	500
Pulp Mills	100	100	500	0	-400	Wholesale Trade	6,300	6,400	6,400	-100	-100
Transportation	22,900	23,600	21,700	-700	1,200	Retail Trade	24,400	24,300	23,800	100	600
Trucking & Warehousing	2,800	2,900	2,700	-100	100	Gen. Merch. & Apparel	5,100	4,900	5,000	200	100
Water Transportation	1,700	2,000	1,700	-300	0	Food Stores	2,900	2,900	2,800	0	100
Air Transportation	7,900	8,000	7,400	-100	500	Eating & Drinking Places	8,300	8,400	8,000	-100	300
Communications	4,100	4,100	3,800	0	300	Finance-Ins. & Real Estate	7,100	7,100	7,100	0	0
Trade	55,000	55,100	54,200	-100	800	Services & Misc.	34,600	34,500	33,300	100	1,300
Wholesale Trade	8,500	8,600	8,600	-100	-100	Hotels & Lodging Places	2,400	2,400	2,300	0	100
Retail Trade	46,500	46,500	45,600	0	900	Business Services	6,100	6,200	5,900	-100	200
Gen. Merch. & Apparel	10,000	9,500	9,700	500	300	Health Services	7,400	7,400	7,200	0	200
Food Stores	6,900	6,900	6,900	0	0	Engineering & Mngmt. Serv.	5,400	5,400	5,100	0	300
Eating & Drinking Places	14,600	15,000	14,300	-400	300	Government	28,600	28,600	28,200	0	400
Finance-Ins. & Real Estate	11,700	11,800	11,600	-100	100	Federal	9,900	9,900	10,000	0	-100
Services & Misc.	62,700	63,800	60,800	-1,100	1,900	State	8,500	8,500	8,500	0	0
Hotels & Lodging Places	5,400	5,800	5,200	-400	200	Local	10,200	10,200	9,700	0	500
Business Services	8,200	8,400	8,000	-200	200						
Health Services	14,400	14,300	13,800	100	600						
Engineering & Mngmt. Serv.	7,500	7,700	7,500	-200	0						
Government	74,100	74,300	74,100	-200	0						
Federal	16,700	16,900	16,800	-200	-100						
State	21,700	21,800	22,000	-100	-300						
Local	35,700	35,600	35,300	100	400						

Table • 2

## Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/	r/	11/96	p/	r/	11/96	p/	r/	11/96
	11/97	10/97	11/96	11/97	10/97	11/96	11/97	10/97	11/96
Mining	\$1,320.24	\$1,328.64	\$1,171.87	47.8	49.3	46.8	\$27.62	\$26.95	\$25.04
Construction	1,011.32	1,108.67	979.70	40.1	43.7	39.6	25.22	25.37	24.74
Manufacturing	579.74	649.84	497.42	43.2	55.4	38.5	13.42	11.73	12.92
Seafood Processing	327.64	526.55	316.13	40.4	59.7	37.5	8.11	8.82	8.43
Trans., Comm. & Utilities	695.80	662.74	657.38	35.5	34.5	34.4	19.60	19.21	19.11
Trade	418.89	420.84	405.93	33.7	33.4	33.3	12.43	12.60	12.19
Wholesale	645.89	642.75	620.46	38.4	38.1	38.3	16.82	16.87	16.20
Retail	378.35	379.60	366.44	32.9	32.5	32.4	11.50	11.68	11.31
Finance-Ins. & R.E.	552.05	517.27	496.66	37.2	36.3	35.4	14.84	14.25	14.03

Notes to Tables 1-3:  
Nonagricultural also excludes self-employed workers, fishers, domestics, and unpaid family workers.

Tables 1&2- Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Table 3- Prepared in part with funding from the Employment Security Division.

p/ denotes preliminary estimates.  
r/ denotes revised estimates.

Government includes employees of public school systems and the University of Alaska.

Average hours and earnings estimates are based on data for full-time and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing). Averages are for gross earnings and hours paid, including overtime pay and hours.

Benchmark: March 1996

# Nonagricultural Wage and Salary Employment by Place of Work

Southeast Region	p/	r/	Changes from:		
	11/97	10/97	11/96	10/97	11/96
Total Nonag. Wage & Salary	34,050	35,550	34,300	-1,500	-250
Goods-producing	4,850	5,450	5,150	-600	-300
Service-producing	29,200	30,100	29,150	-900	50
Mining	350	350	300	0	50
Construction	1,700	1,900	1,750	-200	-50
Manufacturing	2,800	3,200	3,100	-400	-300
Durable Goods	1,500	1,600	1,350	-100	150
Lumber & Wood Products	1,350	1,450	1,200	-100	150
Nondurable Goods	1,300	1,600	1,750	-300	-450
Seafood Processing	900	1,250	1,000	-350	-100
Pulp Mills	150	100	500	50	-350
Transportation	2,500	2,750	2,600	-250	-100
Trade	6,250	6,450	6,400	-200	-150
Wholesale Trade	500	550	500	-50	0
Retail Trade	5,750	5,900	5,900	-150	-150
Finance-Ins. & Real Estate	1,500	1,550	1,400	-50	100
Services & Misc.	6,650	6,850	6,350	-200	300
Government	12,300	12,500	12,400	-200	-100
Federal	1,800	1,900	1,850	-100	-50
State	5,200	5,200	5,300	0	-100
Local	5,300	5,400	5,250	-100	50

## Anchorage/Mat-Su Region

Total Nonag. Wage & Salary	134,400	136,100	130,900	-1,700	3,500
Goods-producing	11,600	12,950	11,100	-1,350	500
Service-producing	122,800	123,150	119,800	-350	3,000
Mining	2,500	2,550	2,500	-50	0
Construction	7,150	8,350	6,650	-1,200	500
Manufacturing	1,950	2,050	1,950	-100	0
Transportation	12,800	13,050	12,300	-250	500
Trade	33,500	33,450	32,850	50	650
Finance-Ins. & Real Estate	7,550	7,600	7,550	-50	0
Services & Misc.	37,300	37,400	35,900	-100	1,400
Government	31,650	31,650	31,200	0	450
Federal	10,000	10,050	10,150	-50	-150
State	9,300	9,350	9,350	-50	-50
Local	12,350	12,250	11,700	100	650

## Gulf Coast Region

Total Nonag. Wage & Salary	24,600	26,500	24,700	-1,900	-100
Goods-producing	5,250	6,500	5,350	-1,250	-100
Service-producing	19,350	20,000	19,350	-650	0
Mining	1,100	1,200	1,050	-100	50
Construction	1,150	1,350	1,200	-200	-50
Manufacturing	3,000	3,950	3,100	-950	-100
Seafood Processing	1,750	2,650	1,750	-900	0
Transportation	2,250	2,300	2,200	-50	50
Trade	4,700	4,850	4,700	-150	0
Wholesale Trade	500	550	550	-50	-50
Retail Trade	4,200	4,300	4,150	-100	50
Finance-Ins. & Real Estate	650	700	700	-50	-50
Services & Misc.	5,000	5,250	4,900	-250	100
Government	6,750	6,900	6,850	-150	-100
Federal	650	700	650	-50	0
State	1,600	1,700	1,700	-100	-100
Local	4,500	4,500	4,500	0	0

Interior Region	p/	r/	Changes from:		
	11/97	10/97	11/96	10/97	11/96
Total Nonag. Wage & Salary	36,600	37,800	36,000	-1,200	600
Goods-producing	3,450	4,100	3,800	-650	-350
Service-producing	33,150	33,700	32,200	-550	950
Mining	1,100	1,400	1,200	-300	-100
Construction	1,750	2,050	2,050	-300	-300
Manufacturing	600	650	550	-50	50
Transportation	3,350	3,550	2,600	-200	750
Trade	7,600	7,650	7,350	-50	250
Finance-Ins. & Real Estate	1,050	1,050	1,050	0	0
Services & Misc.	8,250	8,600	8,150	-350	100
Government	12,900	12,850	13,050	50	-150
Federal	3,650	3,700	3,600	-50	50
State	4,800	4,750	4,850	50	-50
Local	4,450	4,400	4,600	50	-150

## Fairbanks North Star Borough

Total Nonag. Wage & Salary	32,100	32,750	31,450	-650	650
Goods-producing	3,150	3,650	3,250	-500	-100
Service-producing	28,950	29,100	28,200	-150	750
Mining	900	1,150	1,050	-250	-150
Construction	1,650	1,900	1,700	-250	-50
Manufacturing	600	600	500	0	100
Transportation	2,900	2,950	2,200	-50	700
Trucking & Warehousing	600	600	500	0	100
Air Transportation	650	650	550	0	100
Communications	450	450	300	0	150
Trade	7,100	7,100	6,850	0	250
Wholesale Trade	800	800	750	0	50
Retail Trade	6,300	6,300	6,100	0	200
Gen. Merch. & Apparel	1,450	1,350	1,350	100	100
Food Stores	750	750	800	0	-50
Eating & Drinking Places	2,100	2,100	2,000	0	100
Finance-Ins. & Real Estate	950	950	950	0	0
Services & Misc.	7,550	7,800	7,450	-250	100
Government	10,450	10,300	10,750	150	-300
Federal	3,050	3,050	3,100	0	-50
State	4,550	4,500	4,600	50	-50
Local	2,850	2,750	3,050	100	-200

## Southwest Region

Total Nonag. Wage & Salary	15,100	16,600	15,050	-1,500	50
Goods-producing	2,900	4,150	3,000	-1,250	-100
Service-producing	12,200	12,450	12,050	-250	150
Seafood Processing	2,650	3,850	2,750	-1,200	-100
Government	5,750	5,750	5,700	0	50
Federal	400	400	450	0	-50
State	500	500	500	0	0
Local	4,850	4,850	4,750	0	100

## Northern Region

Total Nonag. Wage & Salary	15,000	15,250	15,200	-250	-200
Goods-producing	4,950	5,100	5,100	-150	-150
Service-producing	10,050	10,150	10,100	-100	-50
Mining	4,750	4,850	4,700	-100	50
Government	4,750	4,800	4,850	-50	-100
Federal	200	200	200	0	0
State	300	300	300	0	0
Local	4,250	4,300	4,350	-50	-100



Table • 4

## Unemployment Rates by Region and Census Area

*p/* denotes preliminary estimates

*r/* denotes revised estimates

Benchmark: March 1996

Data presented here are intended to show the relative condition of Alaska's labor force for the reference month. Data published for prior years are not necessarily comparable to current information, which does not reflect benchmark revisions.

The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaskan locations, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. These individuals are considered not in the labor force.

### Percent Unemployed

Not Seasonally Adjusted:	Percent Unemployed		
	<i>p/</i> 11/97	<i>r/</i> 10/97	11/96
<b>United States</b>	4.3	4.4	5.0
<b>Alaska Statewide</b>	7.5	7.0	7.9
<b>Anch.-MatSu Region</b>	6.3	6.0	6.4
Municipality of Anchorage	5.7	5.5	5.5
MatSu Borough	9.6	8.7	10.8
<b>Gulf Coast Region</b>	12.7	10.7	14.3
Kenai Peninsula Borough	13.8	12.0	16.1
Kodiak Island Borough	10.3	6.9	10.3
Valdez-Cordova	11.5	10.4	12.4
<b>Interior Region</b>	7.9	7.1	8.5
Denali Borough	14.4	13.4	13.2
Fairbanks North Star Borough	7.2	6.5	7.7
Southeast Fairbanks	10.6	8.7	12.0
Yukon-Koyukuk	15.2	12.9	17.7
<b>Northern Region</b>	8.1	8.9	8.2
Nome	9.0	8.6	8.0
North Slope Borough	5.1	6.3	4.5
Northwest Arctic Borough	11.5	13.3	14.1
<b>Southeast Region</b>	7.5	7.0	8.3
Haines Borough	13.3	9.2	13.4
Juneau Borough	6.4	6.5	6.9
Ketchikan Gateway Borough	7.7	8.0	9.5
Prince of Wales-Outer Ketchikan	10.4	8.4	13.5
Sitka Borough	6.1	5.1	6.5
Skagway-Hoonah-Angoon	7.4	6.7	6.3
Wrangell-Petersburg	8.7	8.0	10.0
Yakutat Borough	13.1	6.6	5.6
<b>Southwest Region</b>	7.3	7.4	6.4
Aleutians East Borough	4.8	2.5	4.3
Aleutians West	5.0	6.1	2.7
Bethel	7.6	8.4	6.9
Bristol Bay Borough	15.6	11.6	11.0
Dillingham	6.6	7.3	6.4
Lake & Peninsula Borough	5.3	5.7	7.2
Wade Hampton	10.7	9.4	10.3
<b>Seasonally Adjusted</b>			
United States	4.6	4.7	5.3
Alaska Statewide	7.4	7.4	7.8

continues the trend toward a less competitive job market in Alaska. There are still areas in the state, however, where unemployment remains high. In 11 places in November, the unemployment rate exceeded 10.0%. (See Table 4.) The disastrous fishing season in Bristol Bay is reflected in the jobless rate. Bristol Bay's unemployment rate was running at 15.6% in November, nearly five points higher than last year's.

### Summary— generally another good year

Alaska's economy picked up a bit and was running smoothly this past year, as it completed a decade of growth. The economy got most of its boost from services, retail and transportation. It was a positive sign that most of the industries that lost jobs last year showed some recovery. One of these was the oil industry where employment is turning the corner. A more mixed employment picture exists around the state. The strength of the state's economy lies in the railbelt or the Anchorage/Mat-Su region, Fairbanks and the Kenai Peninsula. Southeast Alaska is struggling with employment losses in timber, fishing and government. Most other areas of the state have remained close to where they were last year.

Source: Alaska Department of Labor, Research and Analysis Section.