

ALASKA ECONOMIC **TRENDS**

JUNE 2012

Alaska's High School Graduates

An early look at where they go and what they do

WHAT'S INSIDE

A profile of Alaska's public schools

The insured unemployment rate

How much money Alaskans made in 2011



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Sean Parnell, Governor
Dianne Blumer, Commissioner

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On the cover: High school graduation photo by Dave Herholz

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Alaska offers students a range of education and job opportunities



**By Dianne Blumer,
Commissioner**

Some sure signs that summer has arrived in Alaska: the trees are “greening up,” RVs and campers are showing up on our highways — and high school graduates and their families are celebrating.

Alaska’s young people have many choices as they decide on a path to their futures. Those next steps could be to enter the workforce, enter career training, or pursue a college degree.

This month’s *Trends* focuses on Alaska’s young people, who are finding more opportunities and options for life after high school.

One exciting trend is the majority of our college-bound young adults are choosing to stay in Alaska and eventually work here. But even among those who go out of state for a degree, many ultimately return to Alaska and begin building a career.

Education and training still pay. A substantial number of our young people — more than 21,000 in the past six years — choose career training programs or registered apprenticeships after high school, and both are well-paying career alternatives to college.

Education provides more options, too. Most young workers without degrees or career training are working in retail, construction, or travel. With job training or college, we see younger workers begin to enter the full spectrum of job opportunities and the corresponding opportunity to earn higher wages.

Higher Education Investment Fund

Building on Gov. Sean Parnell’s Alaska Performance Scholarship program, the Alaska Legislature established the Higher Education Investment Fund. The \$400 million fund will support both the Alaska Performance Scholarship and the Alaska Advantage Education Grant.

The Alaska Performance Scholarship program is leading to increased academic rigor

in Alaska’s high schools as a result of students’ efforts to earn the scholarships. Alaska Performance Scholarships are available for students who seek career and technical training as well as university-level classes.

The graduating class of 2012 is the second eligible for three maximum award levels: \$4,755 a year, \$3,566 a year, and \$2,378 a year. Alaska Performance Scholarship recipients may be eligible for up to eight semesters.

The Alaska Commission on Postsecondary Education offers webinars about the scholarship program twice a month. For more information, go to: http://akadvantage.alaska.gov/Grants_and_Scholarships/Alaska_Performance_Scholarship.aspx.

Public education jobs

We also take a look this month at public education in our state. About one in 12 Alaska workers — more than 21,600 — are employed in public education, with about a third working in jobs other than teaching.

School districts are the largest single employer in many communities. With a growing population of school age-children, we anticipate education will continue to provide large numbers of jobs and stable careers.

What Alaskans earned in 2011

Also in this issue is a report on what Alaskans earned in 2011. The good news is that pay continues to increase statewide, as it has for the past decade.

Oil, gas, and mining jobs still pay the highest average wage, and the parts of the state with more of those jobs also had the highest average wages overall.

While work and pay vary as widely as our state’s geography, the great news is Alaska remains a good place to work regardless of industry — which should encourage even more young Alaskans to stay in the state.

Alaska's High School Graduates

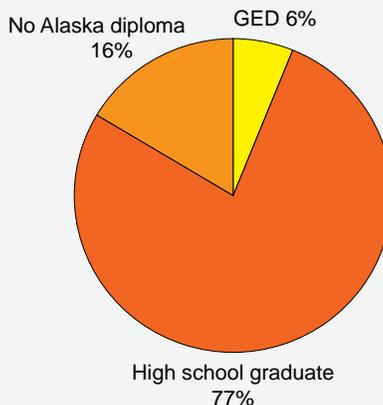
An early look at where they go and what they do

What happens to the thousands of Alaska high school students after they leave school — whether as graduates or otherwise — is not just an educational question. It's also an economic issue for the state, given that much of Alaska's workforce will come from that pool of potential workers.

In a research partnership with the Alaska Department of Education and Early Development, the Alaska Department of Labor and Workforce Development began tracking high school students starting with the class of 2005 to see where they attended college, whether they remained Alaska residents, and where they showed up in the working world.

So far, nearly 64,000 students are being tracked.

1 Graduation Status Alaska, 2005 to 2011



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Department of Education and Early Development

That number includes students who graduated from Alaska high schools from 2005 to 2011, but also students who attended Alaska high schools and then left, regardless of the reason, without a diploma from an Alaska school. Some of them dropped out, some moved into home schooling programs, and some left the state so their graduation status was unknown. (See Exhibit 1.)

The college track

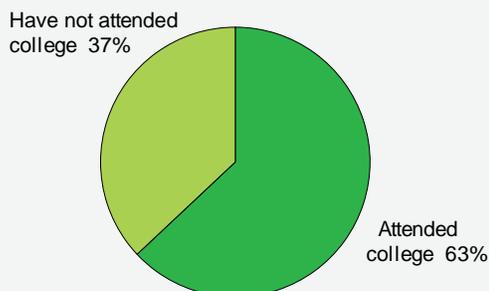
A total of 49,000 students have graduated from Alaska high schools over the 2005 to 2011 period, and of that group, 63 percent have attended college so far. (See Exhibit 2.)

Not all high school graduates enroll in college at their first opportunity — typically the fall semester after a spring graduation. Of the seven classes the state is tracking, the most recent graduates in particular may not yet have enrolled in a college or university, though they will eventually. In other words, that 63 percent will likely increase in the coming years.

Where Alaskans attend college

Slightly more than 60 percent of the high school graduates who have attended college enrolled in Alaska, and of those who left Alaska for college, many stayed in the Northwest. A combined 10 percent attended college in Washington or Oregon, and another 6 percent chose California or Arizona. (See Exhibit 3.)

2 College Attendance Alaska high school graduates, 2005 to 2011



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; Alaska Department of Education and Early Development; and National Student Clearinghouse

Alaska students attended college in all other states and the District of Columbia, as well. (See Exhibit 4.) Among states east of the Continental Divide, the largest concentration of Alaska graduates attended schools in Texas, Minnesota, Illinois, and Massachusetts.

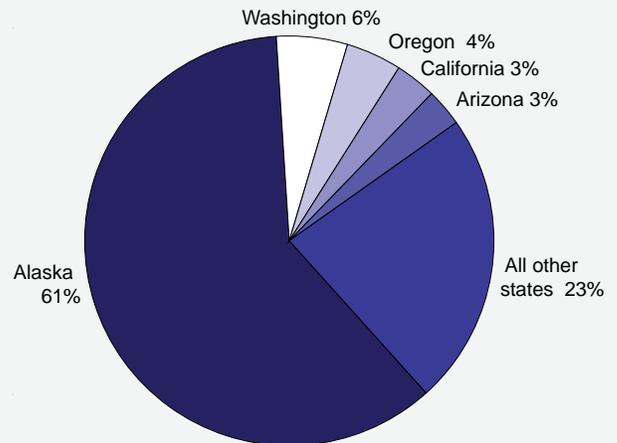
Postsecondary job training

College is just one path to further education and preparation for a career. Of the 49,000 high school graduates being tracked, more than 21,000 have participated in some kind of job training program or apprenticeship. Examples range from certified nursing aides to flight training.

These types of programs offer a range of opportunities to those who decide not to go to college, and they can also lead to highly paid jobs. Most students take these programs in addition to college, though — close to three-quarters were also enrolled in a college or university at some point after graduating from high school.

Where They Attend College **3**

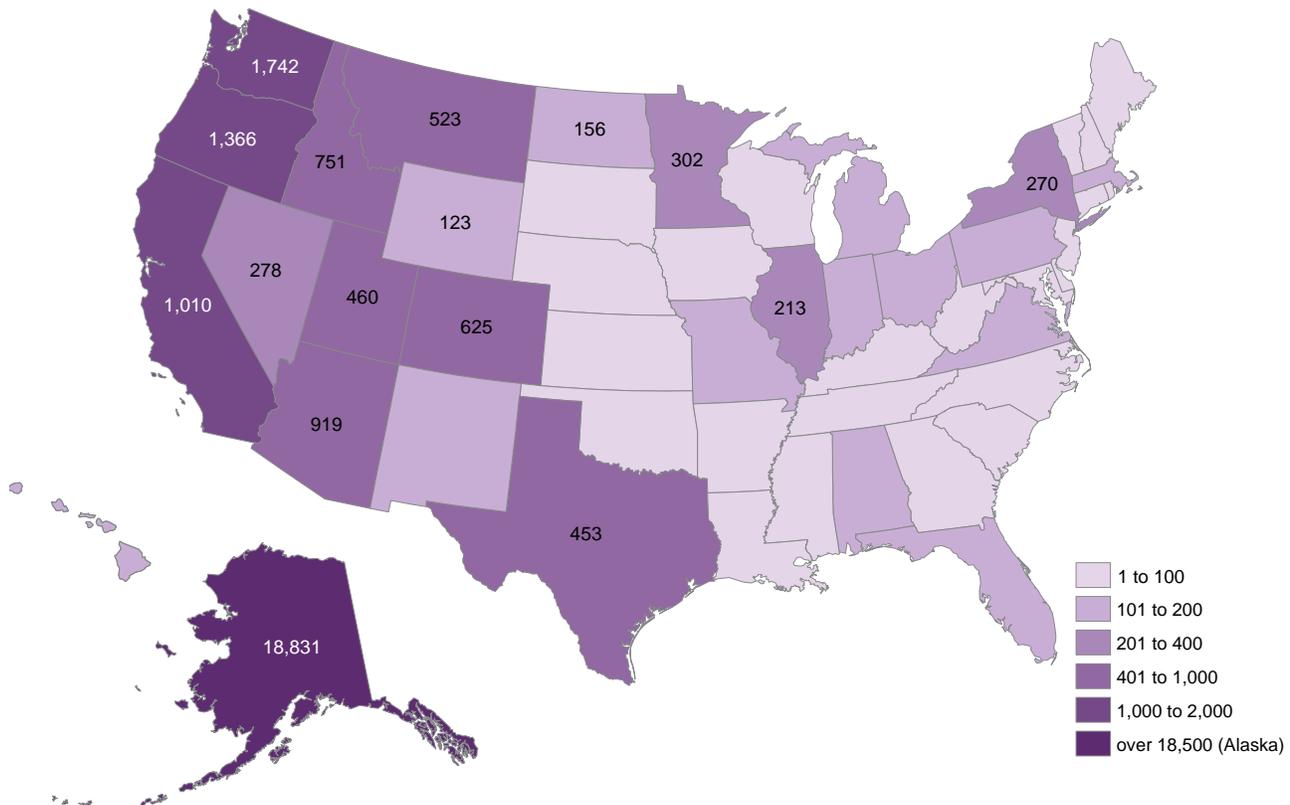
Alaska high school graduates, 2005–11



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; Alaska Department of Education and Early Development; and National Student Clearinghouse

Numbers of Alaskans in College, By State **4**

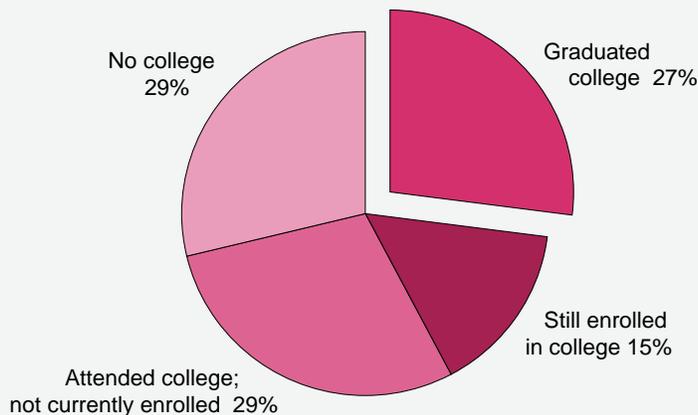
Students who graduated from Alaska high schools from 2005 to 2011



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; Alaska Department of Education and Early Development; and National Student Clearinghouse

5 Percent With College Degrees

2011 status of Alaska high school class of 2005



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; Alaska Department of Education and Early Development; and National Student Clearinghouse

Those numbers suggest there isn't a clear line between high school graduates who are college-bound and those committed to job training programs exclusively. Rather, many high school graduates take a more winding path to a career through a combination of college and job training courses.

How many are still in Alaska

In the years the state has followed them, Alaska's high school graduates have left the state and given up their resident status at a rate of about 3 to 5 percent a year. Students who attended college out of state or joined the military but maintained their Alaska residency for Permanent Fund Dividend purposes were not counted among the 3 to 5 percent who leave.

Status as an Alaska resident can be fluid, however, and a certain percentage of Alaska high school graduates who left the state and gave up residency will make their way back in future years.

Their rate of return will become more apparent as the state continues to track them. As with any longitudinal tracking project, conclusions become firmer and more patterns emerge with time.

Another key point is that Alaska consistently attracts more residents from other states who are in

Tracking Alaska's students

Since 2009, the Alaska departments of Labor and Workforce Development and Education and Early Development have worked together to study Alaska's students — what they do after high school, and if they join Alaska's workforce.

The Department of Labor has combined various data sources with the Department of Education's student data, including Alaska Permanent Fund Dividend records and information on Alaska GEDs, employment and wages, job training, and national postsecondary education.

The earliest data available are from the 2004–2005 academic year. This means many of the students in this article are just entering the labor force or are still in college or postsecondary job training, and some who left high school in the last few years may still be earning a GED. More about their career paths will become clear in future years.

their 20s and 30s than it loses. So while some Alaska graduates seek opportunities elsewhere, a significantly larger number of people in that age group come from other states in search of work — or in many cases, the distinct lifestyle available here.

Zeroing in on the class of 2005

Graduates from the class of 2005 are of special interest, because they have now been tracked for six years — long enough for many to have finished college or job training and moved into the workforce.

Out of about 6,200 high school graduates in 2005, 27 percent have already obtained a college degree. (See Exhibit 5.) Another 29 percent have attended college but were not still enrolled as of 2011, and 15 percent were still enrolled but had not yet obtained a degree. About 29 percent had never enrolled in college between 2005 and 2011.

Typical jobs by education

About 5,770 of the 6,200 Alaska high school graduates from 2005 have shown up on Alaska employers' payrolls at some point since graduating. (This group does not include military, federal workers, or the self-employed.)

6 Typical Jobs According to Education Level

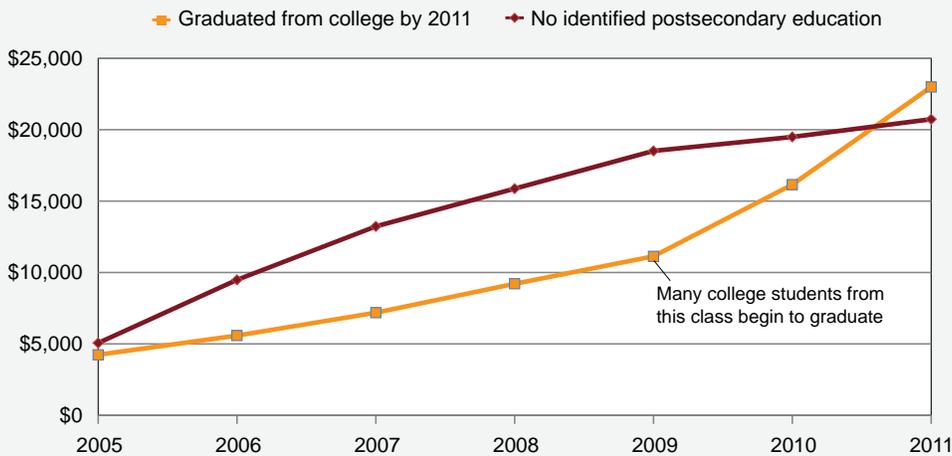
2011 employment and earnings of Alaska's class of 2005

Education status	Top occupations	Employed	Total earnings	Average earnings
All 2005 high school graduates	Construction Trades Workers	311	\$12,304,036	\$39,563
All 2005 high school graduates	Retail Sales Workers	299	\$4,456,186	\$14,904
All 2005 high school graduates	Other Office and Administrative Support Workers	257	\$5,568,064	\$21,666
All 2005 high school graduates	Food and Beverage Serving Workers	219	\$2,751,613	\$12,564
All 2005 high school graduates	Information and Record Clerks	207	\$4,712,868	\$22,767
All 2005 high school graduates	Financial Clerks	136	\$3,026,342	\$22,253
All 2005 high school graduates	Material Moving Workers	111	\$2,125,691	\$19,150
All 2005 high school graduates	Other Health Care Support Occupations	108	\$2,508,622	\$23,228
All 2005 high school graduates	Other Personal Care and Service Workers	108	\$1,492,488	\$13,819
All 2005 high school graduates	Material Recording, Scheduling, Dispatching, and Distributing Workers	91	\$1,625,898	\$17,867
College degree	Other Office and Administrative Support Workers	95	\$1,993,608	\$20,985
College degree	Food and Beverage Serving Workers	57	\$704,251	\$12,355
College degree	Information and Record Clerks	47	\$887,818	\$18,890
College degree	Retail Sales Workers	47	\$573,852	\$12,210
College degree	Financial Clerks	41	\$907,226	\$22,127
College degree	Health Technologists and Technicians	33	\$903,531	\$27,380
College degree	Counselors, Social Workers, and Other Community and Social Service Specialists	31	\$676,125	\$21,810
College degree	Engineers	28	\$1,485,865	\$53,067
College degree	Health Diagnosing and Treating Practitioners	28	\$1,218,365	\$43,513
College degree	Other Teachers and Instructors	28	\$203,375	\$7,263
Job training only	Construction Trades Workers	79	\$3,767,671	\$47,692
Job training only	Retail Sales Workers	45	\$820,455	\$18,232
Job training only	Other Installation, Maintenance, and Repair Occupations	29	\$1,218,913	\$42,031
Job training only	Material Moving Workers	28	\$519,894	\$18,568
Job training only	Matl Recording, Scheduling, Dispatching, and Distributing Workers	24	\$541,010	\$22,542
Job training only	Food and Beverage Serving Workers	21	\$276,396	\$13,162
Job training only	Vehicle and Mobile Equipment Mechanics, Installers, Repairers	21	\$914,028	\$43,525
Job training only	Other Office and Administrative Support Workers	18	\$419,270	\$23,293
Job training only	Building Cleaning and Pest Control Workers	17	\$244,996	\$14,412
Job training only	Extraction Workers	17	\$892,104	\$52,477
No postsecondary	Retail Sales Workers	66	\$845,538	\$12,811
No postsecondary	Construction Trades Workers	54	\$1,701,863	\$31,516
No postsecondary	Food and Beverage Serving Workers	34	\$407,469	\$11,984
No postsecondary	Information and Record Clerks	33	\$661,184	\$20,036
No postsecondary	Other Office and Administrative Support Workers	27	\$622,289	\$23,048
No postsecondary	Material Moving Workers	25	\$391,884	\$15,675
No postsecondary	Building Cleaning and Pest Control Workers	23	\$329,002	\$14,304
No postsecondary	Matl Recording, Scheduling, Dispatching, and Distributing Workers	21	\$373,695	\$17,795
No postsecondary	Other Personal Care and Service Workers	21	\$274,097	\$13,052
No postsecondary	Financial Clerks	19	\$326,216	\$17,169
Some college	Construction Trades Workers	114	\$4,927,156	\$43,221
Some college	Retail Sales Workers	89	\$1,581,944	\$17,775
Some college	Information and Record Clerks	71	\$1,830,529	\$25,782
Some college	Food and Beverage Serving Workers	64	\$768,982	\$12,015
Some college	Other Office and Administrative Support Workers	64	\$1,637,036	\$25,579
Some college	Financial Clerks	43	\$1,029,830	\$23,950
Some college	Other Health Care Support Occupations	39	\$986,080	\$25,284
Some college	Material Moving Workers	35	\$790,406	\$22,583
Some college	Other Food Preparation and Serving Related Workers	33	\$411,010	\$12,455
Some college	Building Cleaning and Pest Control Workers	31	\$477,691	\$15,409
Still enrolled	Other Office and Administrative Support Workers	53	\$895,861	\$16,903
Still enrolled	Retail Sales Workers	52	\$634,396	\$12,200
Still enrolled	Food and Beverage Serving Workers	43	\$594,516	\$13,826
Still enrolled	Information and Record Clerks	39	\$922,631	\$23,657
Still enrolled	Construction Trades Workers	38	\$1,153,357	\$30,352
Still enrolled	Other Personal Care and Service Workers	23	\$169,563	\$7,372
Still enrolled	Financial Clerks	22	\$471,331	\$21,424
Still enrolled	Nursing, Psychiatric, and Home Health Aides	21	\$472,561	\$22,503
Still enrolled	Other Health Care Support Occupations	18	\$336,873	\$18,715
Still enrolled	Material Moving Workers	16	\$321,542	\$20,096

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; Alaska Department of Education and Early Development; and National Student Clearinghouse

7 Yearly Earnings by Education Level

Alaska high school class of 2005



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Department of Education and Early Development

Much of their employment so far has been in occupations that new high school graduates and part-time or full-time students often work, although two different strands have emerged.

The first includes typically full-time work with relatively higher earnings in construction, administrative support, and health care support occupations. The second comprises jobs that are typically part-time with flexible hours and lower average earnings — such as work in retail and restaurants — that are common among college students and those in postsecondary training programs. (See Exhibit 6.)

Patterns of annual earnings by education level

Although the 2005 high school graduates who have since earned college degrees are just beginning their post-college careers — and some are now pursuing advanced degrees — they provide an early peek at what college means for earnings.

Predictably, the 2005 high school graduates who would eventually obtain college degrees made less on average while enrolled than those who did not pursue any postsecondary education or

training and could presumably work full time. (See Exhibit 7.)

In 2006, for example, the students who were on the college track made just \$5,578 on average — considerably less than the \$9,481 earned by those who didn't enroll.

The earnings gap reached its widest point four years after high school graduation, when many in college were close to finishing or had just graduated. In that year, they earned an average of \$11,131, compared to \$18,513 for the group who had been out of school and presumably in the workforce for four years.

In 2010, the fifth year after high school, earnings increased sharply for those who were at or near college graduation, narrowing the earnings gap significantly. Earnings also increased from 2009 to 2010 for those who didn't further their formal education, but by a much smaller amount.

In 2011, the lines crossed and for the first time since high school, earnings were higher among college graduates.

College graduates in and out of state

Of the 1,685 high school graduates from 2005 who have already obtained college degrees, 40 percent did so in Alaska and 60 percent graduated outside Alaska. Over 80 percent of the graduates of Alaska colleges worked for an Alaska employer in 2011, as did about 37 percent of those who graduated elsewhere.

One caveat with this comparison is that some of the Alaska college graduates may have worked part-time while in school, and the non-Alaska college graduates might have worked similar jobs in their respective states. A larger percentage will likely show up on Alaska companies' payrolls in future years.

Again, as these students continue to be tracked, more information will emerge about earnings and which postsecondary paths are most likely to result in Alaska employment.

Future research opportunities

Although this article has focused primarily on Alaska high school graduates, a growing body of information is also available on the career paths of high school students who didn't graduate. Some in that category obtain General Equivalency Diplomas — or GEDs — sometime after leaving high school.

High school dropouts, which are a difficult group to precisely identify, are also important to track as they make their way into careers. Future data will shed more light on how their earnings compare to those who obtain degrees or complete other postsecondary training. As the state gathers more information over time, these data will help educators, training providers, and policy makers understand student paths and how they relate to Alaska's economy.

Alaska's Public Schools

A profile of occupations, earnings, and employment

About 132,000 children attend public schools around the state, and that generates many jobs in a wide range of occupations. In both rural and urban Alaska, the local school district is often among an area's largest employers.

Teachers make up about 60 percent of employees in public schools, a part of local government known as local education. (See Exhibit 1.) The other 40 percent includes everything from librarians and school nurses to janitors and administrators.

Modest growth for a big employer

With the exception of the state's few boarding schools, Alaska's public school enrollment and jobs correspond roughly with the concentration of population. Generally, where there are people, there will be school-aged children — and when

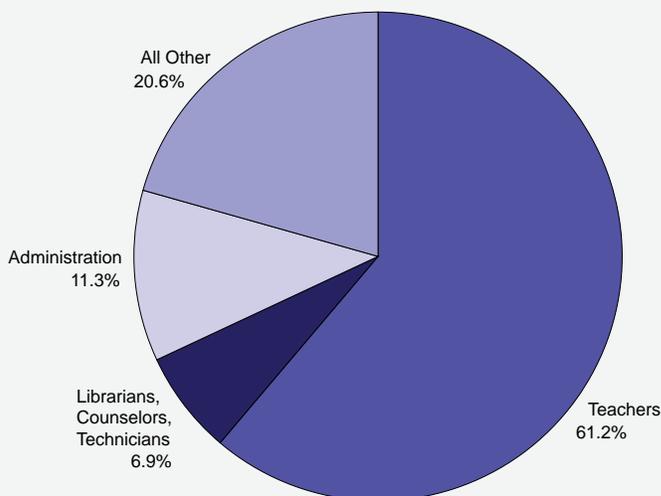
there are enough school-aged children, there will be schools and jobs in local education. Enrollment numbers are predictably largest in Anchorage, Mat-Su, Fairbanks, and Juneau. (See Exhibit 2.)

The 21,600 jobs in local education made up 7 percent of all wage and salary employment in 2011. (See Exhibit 3.) By major category, only health care, retail trade, leisure and hospitality, professional and business services, and state government were larger. (See Exhibit 4.)

From 2000 to 2011, jobs in local education grew at an average rate of 1.3 percent a year. That growth rate was slightly below the overall job growth rate of 1.6 percent and well below the growth of health care (7.4 percent) and natural resources and mining (4.4 percent), two of the state's strongest performers over the last decade. (See Exhibit 5.)

1 More Than Half Are Teachers

Alaska education occupations, 2011



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

Less-than-average earnings

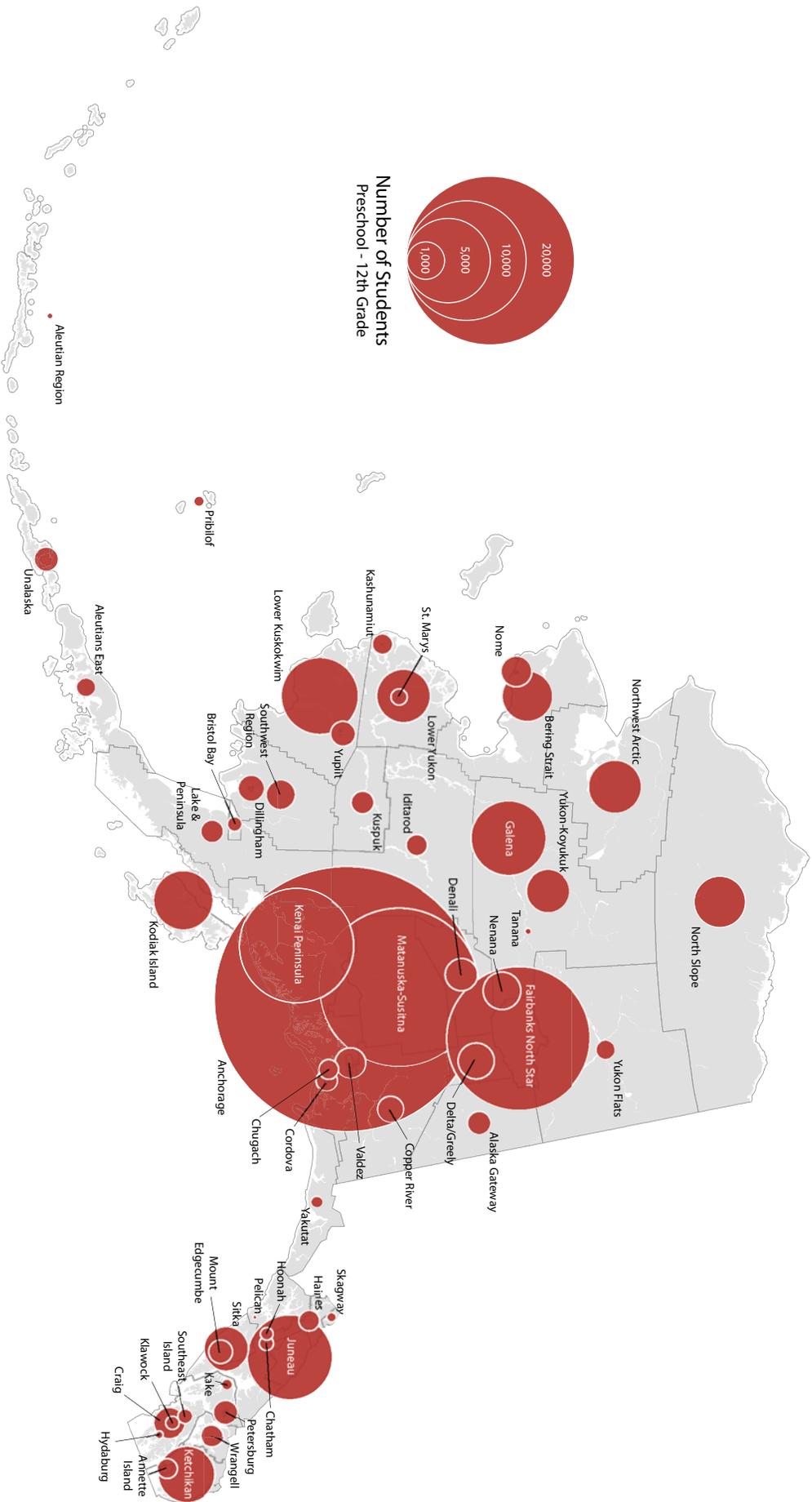
The average local education job paid \$43,800 in 2011, about 11 percent less than the statewide average and 24 percent less than the average for other public sector jobs.

The mix of occupations in local education explains some of the difference, and a possible larger-than-average percentage of part-time jobs could also be a factor because the data set that produces earnings numbers counts a 20-hour-per-week job the same as a full-time job.

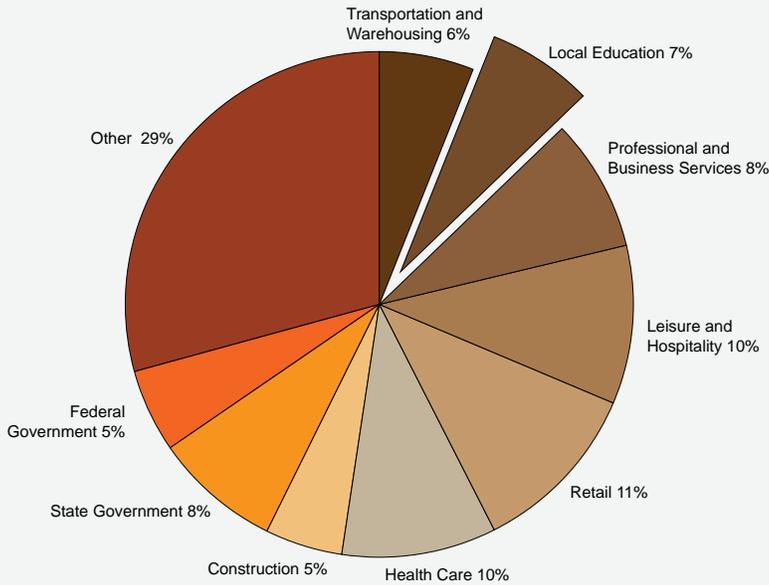
In nominal terms, average earnings in local education have climbed from around \$35,000 in 2000 to nearly \$44,000 in 2011 — but when adjusted for inflation, they actually fell by 7.4 percent over that period. In contrast, overall earnings statewide were up 5.4 percent when adjusted for inflation. (See Exhibit 6.)

2

Public School Enrollment Alaska districts, 2011–2012 school year



3 Local Education a Significant Employer Alaska industries, 2011



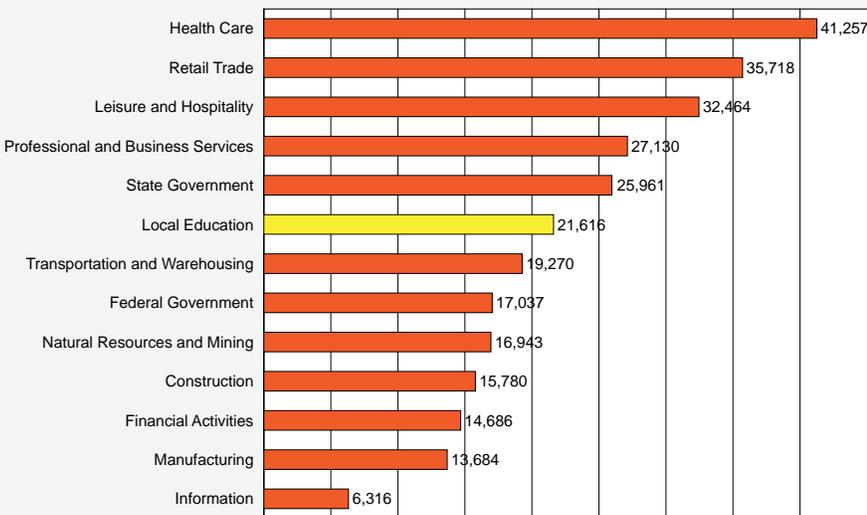
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Caution is necessary when interpreting those numbers, however. Many factors affect a sector's average earnings, including seniority and a change in the mix of occupations, and the education world has certainly seen its share of change in recent years in the form of federal legislation and education reforms.

For example, if a significant percentage of experienced, higher-paid teachers retired or if education reforms resulted in more jobs for lower-paid teachers' assistants, average earnings would fall even though an individual teacher or other local education worker's earnings may have more than kept pace with inflation.

The simplistic conclusion to avoid is that earnings for any specific local education occupation — whether it be teachers, administrators, or the many others — have lost ground to inflation or that specific people who work in public schools have seen their earnings decline when adjusted for inflation. That's a question the average earnings data can't answer.

4 School Districts Among Top Employers Alaska employment by industry, 2011



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

Trends in enrollment and employment

Intuitively, one might think enrollment trends would roughly match employment trends — and over a long period, that is likely. However, enrollment fell 1.3 percent from 2000 to 2011, and local education employment grew 13.9 percent. (See Exhibit 7.)

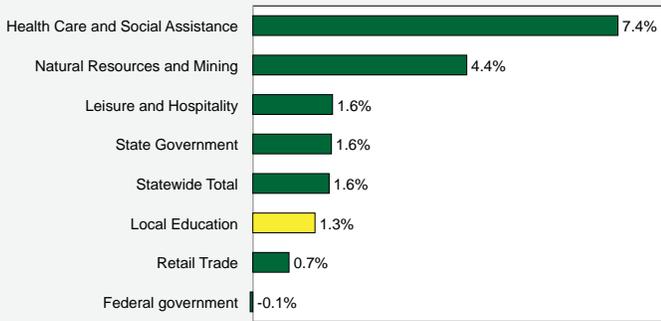
The year-to-year changes in enrollment were generally small, which may partially explain why employment did not follow the same pattern over the period.

Another possible explanation, similar to the earnings data, is that with federal education reform and a variety of state and federal efforts to improve public schools, positions may have been created or maintained that wouldn't have been otherwise.

The enrollment decline isn't expected to continue, though, because Alaska's

Education Jobs Grow Modestly 5

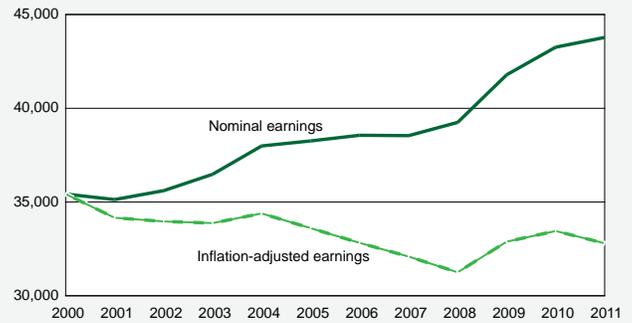
Average annual growth, 2000 to 2011



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

Inflation Cuts Average Earnings 6

Alaska public education, 2000 to 2011



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

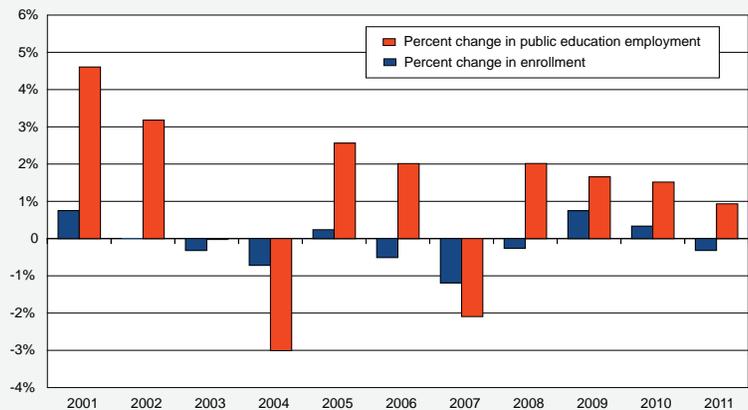
school-aged population is projected to grow 24 percent by 2035.

A stable force in the economy

Local education employment has been fairly steady since 2000, varying between 19,000 and 21,600 jobs. Over the last four years, the job count has climbed every year by small percentages. That same basic pattern is expected to continue in the absence of significant shocks to the state's economy.

Enrollment Declined Slightly 7

Local education enrollment and employment



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

The Insured Unemployment Rate

Why it's often the highest in the United States

Alaska is often an outlier among states economically, and one way we differ from the rest of the nation is the pattern of our insured unemployment rate, or IUR, which is typically the highest in the United States.

In February, *Trends* profiled the IUR and how it differs from the commonly reported unemployment rate — the IUR measures only those who actually file for unemployment insurance benefits.

While the standard total unemployment rate attempts to capture all of those without jobs who are looking for work, the IUR is as much a reflection of relative participation in the unemployment insurance program as it is an unemployment or economic indicator.

The IUR and the standard total unemployment rate are calculated using vastly different methods,

The insured unemployment rate, or IUR, is the “other” unemployment rate. It measures only the unemployed workers who actually apply for benefits.

and as with any single measure, interpretation requires caution. While year-over-year changes in the Alaska IUR can indicate relative softening of the state’s labor market, comparing the current level to that of the U.S. as a whole or to other states is not of much use in gauging Alaska’s relative economic health.

Seasonality plays a role

The disparity between participation in Alaska’s UI system and others is due mainly to seasonal employment qualifiers for collecting benefits.

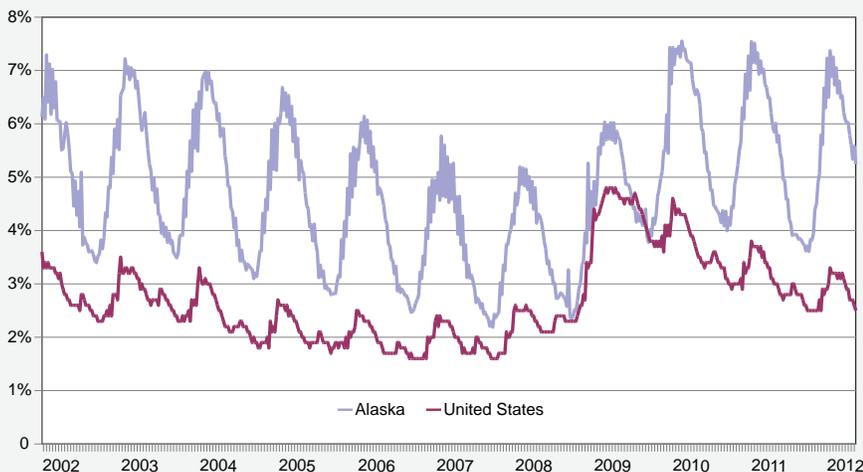
Outside Alaska, only 16 states allow seasonal workers to collect benefits — the caveat is they only qualify for benefits during their industries’ normal operating period. Alaska has no such requirement and as a result, workers in Alaska routinely collect UI when their season of employment ends and they are laid off.

Instead of turning seasonal workers away, Alaska adjusts the duration of benefits based on the degree of seasonality in the applicant’s occupation. This additional participation drives up the corresponding rate significantly on a seasonal basis, as seen in Exhibit 1.

More to the picture

While the Alaska IUR is both the highest in the nation and elevated

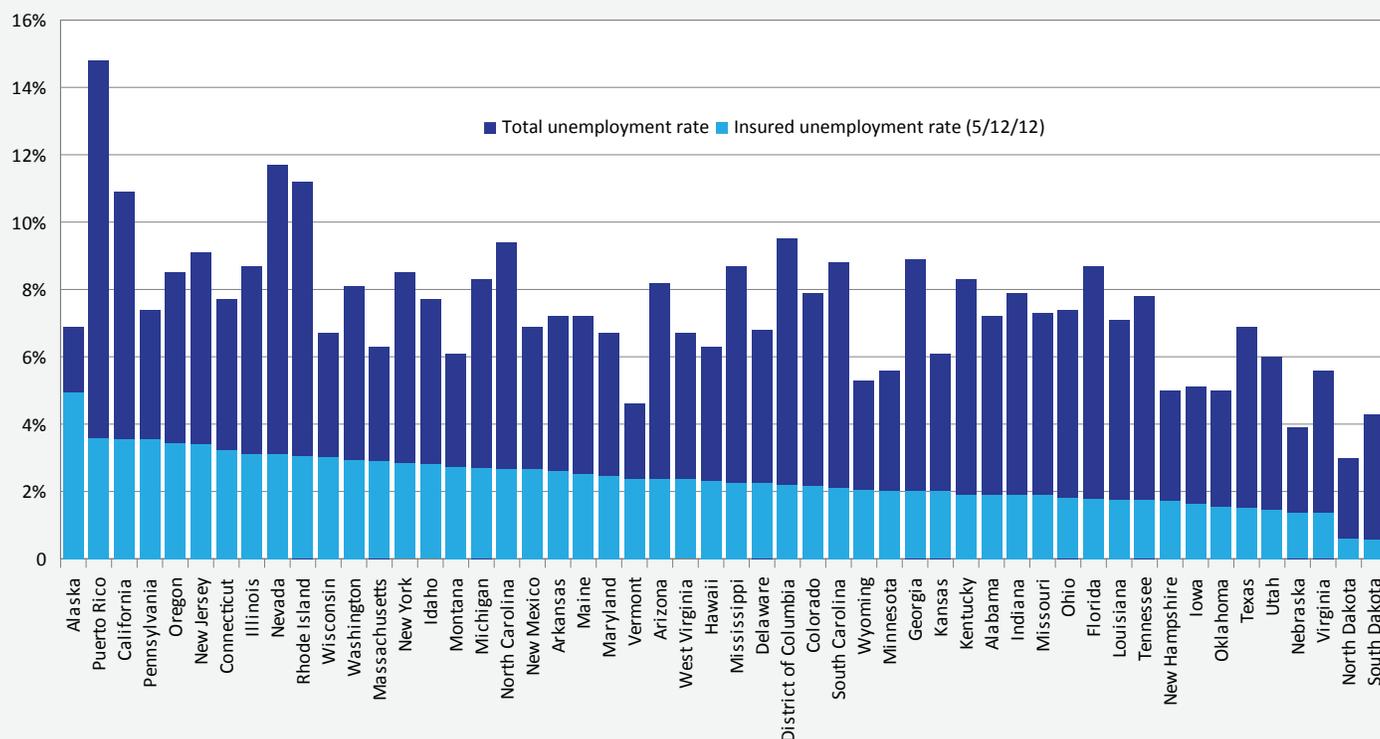
1 The IUR: Alaska vs. United States 2002 to 2012, week ending April 18



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

Insured Unemployment Rate Vs. Total Unemployment Rate 2

By state, May 2012



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

from pre-recession levels, it is neither on the rise nor alarmingly high. In addition to seasonal flux, Exhibit 1 also shows that Alaska consistently has a higher overall rate, even during periods of healthy economic growth.

For example, before claims began to reflect the most recent recession, the national IUR was running between 1.6 and 2.6 percent seasonally, while the comparative Alaska IUR fluctuated between 2.3 and 5.2 percent.

The single-week IUR rate reported by the U.S. Department of Labor in Exhibit 1 is highly volatile, moving by as much as a half a percentage point from one week to the next. This differs from the 13-week moving average Alaska uses to

determine extended benefits.

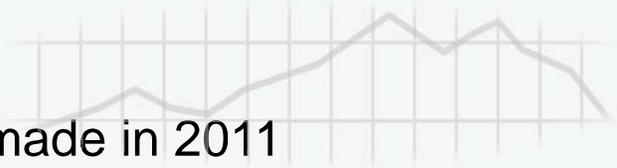
However, Alaska's single-week rate is down to 4.9 percent from a high of 7.3 percent reflecting the second week of the year, and is lower than the same week in either of the past two years.

Differences among states

Exhibit 2 shows why the IUR alone isn't the best indicator of a state's economic health. The IUR and total unemployment rate vary by state, and the difference between the two can be significant. A state can have a high IUR and lower total unemployment, like Alaska, or high total unemployment with a low IUR, such as Florida.

Employment Scene

How much money Alaskans made in 2011



Alaskans' average yearly earnings are one way to measure the health of the state's economy. According to the recently released Quarterly Census of Employment and Wages series covered in *April Trends*, the average job in Alaska paid \$48,844 in 2011.

These data take an area's total payroll and divide it by the total number of jobs. In 2011, there were 328,654 wage and salary jobs in Alaska with a total payroll of \$16.1 billion.

As with any data set, there are some factors this series can't explain. It measures jobs, not workers, and it doesn't distinguish between full-time and part-time work or include self-employment. Finally, because it's an average, it could be disproportionately affected by extreme values.

Despite these shortcomings, average annual earnings provide powerful insight into an industry's or area's capacity to generate income. Wage and

salary earnings are the single largest source of income in Alaska — in 2011, they were over a third of all personal income. Consequently, no other single source of income has so much influence on the standard of living in the state.

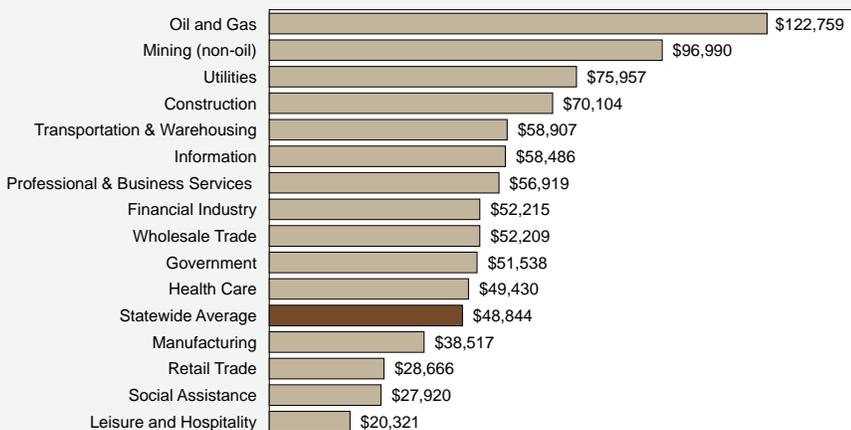
Earnings vary widely by industry

The average earnings by industry range from a high of \$122,759 for the oil and gas industry to a low of \$20,321 for leisure and hospitality. (See Exhibit 1.)

What propels the oil industry to the top spot are high wages for skilled workers, a predominantly full-time workforce, and an abundance of overtime. For similar reasons, the mining industry — minus oil and gas — is not far behind.

In contrast, the leisure and hospitality workforce — which includes entertainment, hotels, and eating and drinking places — tends to have lower-paying occupations and more part-time employment.

1 Average Yearly Earnings by Industry Alaska, 2011



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

Earnings also vary by area

Average annual earnings by location are nearly as wide-ranging as they are by industry. (See Exhibit 2.) Industry employment mix is the primary explanation for the earning differences between areas — that is, an area with a larger share of high-paying industries tends to have a higher average.

An extreme example is the North Slope Borough, which has the highest concentration of oil and gas jobs in the state and the highest average annual earnings as a result — 89 percent above the statewide average. However, earnings are reported

by a job's location, unlike income, which is adjusted for area of residency. That means most of the oil-related wages paid on the North Slope are earned by workers who live elsewhere. In general, where workers live and work is a factor, and areas with high average earnings also tend to have higher incomes.

A slight gain over the decade

Earnings that have been adjusted for inflation grew by 5.4 percent between 2000 and 2011. This change can be influenced by a mix of factors, including changes in the mix of industries or occupations, hours worked, and real gains in wages.

Modest Gains in Earnings 3 Alaska, 2000 to 2011



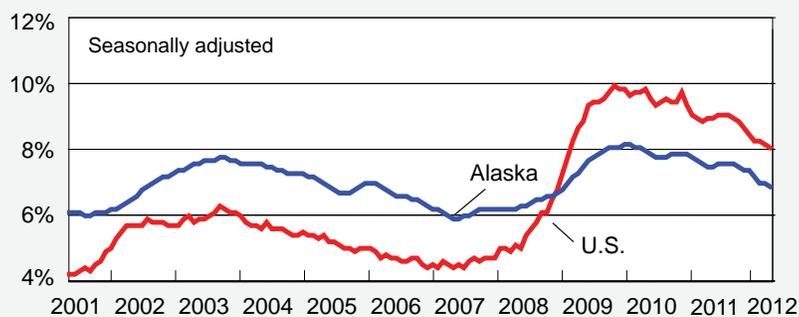
Source: U.S. Bureau of Labor Statistics, American Community Survey, 2006 to 2010

Average Earnings 2 Alaska by area, 2011

Statewide	\$48,844
Aleutians East Borough	\$32,940
Aleutians West Census Area	\$41,523
Anchorage, Municipality of	\$51,411
Bethel Census Area	\$37,557
Bristol Bay Borough	\$41,273
Denali Borough	\$45,542
Dillingham Census Area	\$38,446
Fairbanks North Star Borough	\$46,436
Haines Borough	\$32,468
Hoonah-Angoon Census Area	\$31,453
Juneau, City and Borough of	\$45,216
Kenai Peninsula Borough	\$42,158
Ketchikan Gateway Borough	\$41,171
Kodiak Island Borough	\$40,345
Lake and Peninsula Borough	\$37,277
Matanuska-Susitna Borough	\$37,461
Nome Census Area	\$41,616
North Slope Borough	\$92,426
Northwest Arctic Borough	\$55,224
Petersburg Census Area	\$35,734
Prince of Wales-Hyder CA	\$36,600
Sitka, City and Borough of	\$39,536
Skagway, Municipality of	\$39,978
Southeast Fairbanks CA	\$62,663
Valdez-Cordova Census Area	\$46,751
Wade Hampton Census Area	\$23,744
Wrangell, City and Borough of	\$35,930
Yakutat, City and Borough of	\$33,742
Yukon-Koyukuk Census Area	\$38,807

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

4 Unemployment Rates January 2001 to April 2012



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

5 Statewide Employment Nonfarm wage and salary

	Preliminary		Revised		Year-Over-Year Change	
	4/12	3/12	4/11	4/11	90% Confidence Interval	
Alaska						
Total Nonfarm Wage and Salary¹	321,800	319,900	321,400	400	-6,983	7,783
Goods-Producing ²	38,600	39,700	41,100	-2,500	-8,554	3,554
Service-Providing ³	283,200	280,200	280,300	2,900	-	-
Mining and Logging	16,300	16,100	15,500	800	7	1,593
Mining	15,900	15,800	15,200	700	-	-
Oil and Gas	13,200	13,200	12,600	600	-	-
Construction	11,600	11,400	14,100	-2,500	-5,083	83
Manufacturing	10,700	12,200	11,500	-800	-1,794	194
Wholesale Trade	6,000	6,000	6,100	-100	-656	456
Retail Trade	34,600	33,600	34,600	0	-2,028	2,028
Food and Beverage Stores	6,300	6,100	6,000	300	-	-
General Merchandise Stores	9,600	9,400	9,700	-100	-	-
Transportation, Warehousing, Utilities	21,100	20,700	20,300	800	-238	1,838
Air Transportation	5,600	5,500	5,600	0	-	-
Information	6,300	6,300	6,400	-100	-681	481
Telecommunications	4,100	4,100	4,100	0	-	-
Financial Activities	14,600	14,600	14,600	0	-1,943	1,943
Professional and Business Services	27,300	27,200	26,500	800	-993	2,593
Educational⁴ and Health Services	46,300	46,200	44,300	2,000	-1,068	1,468
Health Care	32,300	32,000	31,300	1,000	-	-
Leisure and Hospitality	29,300	28,900	29,600	-300	-2,337	1,737
Other Services	10,800	10,900	11,300	-500	-3,676	2,676
Government	86,900	85,800	86,600	300	-	-
Federal Government ⁵	16,200	16,100	16,800	-600	-	-
State Government	26,800	26,500	26,700	100	-	-
State Government Education ⁶	8,600	8,600	8,600	0	-	-
Local Government	43,900	43,200	43,100	800	-	-
Local Government Education ⁷	25,800	25,700	26,000	-200	-	-
Tribal Government	3,800	3,700	3,600	200	-	-

A dash means confidence intervals aren't available at this level.

¹Excludes the self-employed, fishermen and other agricultural workers, and private household workers. For estimates of fish harvesting employment and other fisheries data, go to labor.alaska.gov/research/seafood/seafood.htm.

²Goods-producing sectors include natural resources and mining, construction, and manufacturing.

³Service-providing sectors include all others not listed as goods-producing sectors.

⁴Private education only

⁵Excludes uniformed military

⁶Includes the University of Alaska

⁷Includes public school systems

Sources for Exhibits 4, 5, and 6: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Department of Labor, Bureau of Labor Statistics

6 Unemployment Rates Boroughs and census areas

	Prelim.	Revised	
	4/12	3/12	4/11
SEASONALLY ADJUSTED			
United States	8.1	8.2	9.0
Alaska Statewide	6.9	7.0	7.5
NOT SEASONALLY ADJUSTED			
United States	8.1	8.2	9.0
Alaska Statewide	6.9	7.0	7.5
Anchorage/Mat-Su Region	6.3	6.7	6.8
Municipality of Anchorage	5.7	5.9	6.2
Matanuska-Susitna Borough	8.6	9.8	9.1
Gulf Coast Region	8.4	9.1	9.4
Kenai Peninsula Borough	8.9	9.8	10.0
Kodiak Island Borough	5.8	5.7	6.5
Valdez-Cordova Census Area	9.5	10.5	10.2
Interior Region	7.5	8.2	7.7
Denali Borough	16.3	20.2	15.1
Fairbanks North Star Borough	6.5	7.1	6.7
Southeast Fairbanks Census Area	11.0	11.9	11.3
Yukon-Koyukuk Census Area	15.5	17.2	15.3
Northern Region	9.7	10.0	9.9
Nome Census Area	11.5	11.6	12.5
North Slope Borough	5.0	5.5	4.9
Northwest Arctic Borough	15.4	16.0	15.0
Southeast Region	7.0	8.2	7.5
Haines Borough	9.2	12.0	9.3
Hoonah-Angoon Census Area ¹	20.0	25.6	20.1
Juneau, City and Borough of	4.8	5.3	5.3
Ketchikan Gateway Borough ¹	7.2	8.4	7.7
Petersburg Census Area ¹	9.4	12.0	11.0
Prince of Wales-Hyder Census Area ¹	15.0	18.1	15.4
Sitka, City and Borough of ¹	5.6	6.3	5.8
Skagway, Municipality of ¹	15.4	23.6	16.0
Wrangell, City and Borough of ¹	9.6	11.7	8.3
Yakutat, City and Borough of	9.1	13.9	11.8
Southwest Region	13.8	12.7	13.2
Aleutians East Borough	9.3	8.4	9.0
Aleutians West Census Area	10.3	4.9	8.0
Bethel Census Area	15.2	15.6	15.0
Bristol Bay Borough	7.2	11.6	6.7
Dillingham Census Area	11.1	10.4	11.7
Lake and Peninsula Borough	10.0	11.5	10.4
Wade Hampton Census Area	21.4	21.8	19.8

A Safety Minute

How to keep young people safe and healthy in the workplace

Millions of teens in the United States work, and every nine minutes a U.S. teen is hurt on the job. Though employment can help young people build self-esteem, develop new skills, and earn money, it can also be dangerous. Working teens may be exposed to unsafe tasks or environments, particularly when training and supervision are limited.

As new workers, adolescents are likely to be inexperienced and unfamiliar with many of their required tasks. Some of their positive traits — energy, enthusiasm, and the need for challenge — can result in taking on work they aren't ready for, and they may also be reluctant to ask questions of their employers.

Though workplace-specific training is critical, young people also need to learn and practice general health and safety skills that they will carry throughout their careers.

As an employer of a minor, you are responsible for:

- Providing a safe and healthy place to work
- Using terminology that employees can understand during training

- Providing proper protective gear when necessary
- Giving minors appropriate breaks

As a young worker, you are responsible for:

- Learning rights and responsibilities that apply to safety and health
- Reporting any health and safety hazard to management
- Using safety equipment and protective clothing when needed
- Finding out what to do in an emergency
- Asking questions about safety training
- Learning about hazards before starting a new task

For more information on youth safety, see <http://www.cdc.gov/niosh/topics/youth/> or <http://www.osha.gov/SLTC/teen-workers/networkmembers.html>. For information on general workplace safety and health, see www.osha.gov or contact the Alaska Occupational Safety and Health Consultation Youth Training program at (800) 656-4972.

Employer Resources

On-the-job training benefits employers as well as workers

The Department of Labor's two ACT WorkKeys® job profilers provide job analysis services to businesses statewide, helping employers find skilled workers and reduce employee turnover. Additional benefits of job profiling include more efficient recruiting and screening, improved training practices a detailed list of important tasks, required skills, and skill levels for students and job seekers.

Job profiling is part of ACT WorkKeys®, the nation's leading job skills assessment system, which helps prepare job seekers and students for the workplace.

Job profilers develop accurate worker profiles through analyzing the tasks most critical to a job, and identifying skills and skill levels required for job entry and effective performance. Skills analysis may include reading, locating information, mathematics, teamwork, applied technology, writing, business writing, workplace observation, and listening for understanding.

WorkKeys® profiles completed in Alaska include office assistant, accounting clerk, inside wireman apprentice, plumber and pipefitter apprentice, direct support staff in adult day services, phlebotomist, field service technician, employment

security specialist, employment security case manager, back filler, well control instructor, parts clerk, cashier, and warehouse mechanic.

Alaska Job Centers proctor WorkKeys® assessments for students and job seekers, and provide CareerReady101 courseware to prepare for the testing. As of the 2010-11 school year, all high school juniors are required to take WorkKeys® skill assessments in applied mathematics, reading for information, and locating information. Students can obtain the National Career Readiness Certificate at the bronze, silver, gold, or platinum level.

Businesses can recognize, request, or require the NCRC. As of May 2012, 17,239 students and 2,644 job seekers had obtained these certificates in Alaska.

For WorkKeys® job profiling details, contact Laurie Fuglvog at (907) 465-5926 or laurie.fuglvog@alaska.gov. Visit careerready.alaska.gov for an Alaska Career Ready and Job Profiling PowerPoint and a link to the ACT WorkKeys® Case Studies Web site, which illustrates the benefits of WorkKeys® and the NCRC.