

ECONOMIC
Studies,
Reports

FDIC

Federal Deposit Insurance Corporation

Memorandum to: Laurence D. Schannault
Deputy Regional Director (DOL)
San Francisco Regional Office

From: James K. Cook *James K. Cook*
Bank Liquidation Specialist

Date: March 4, 1988

Subject: 2766 - First Interstate Bank of Alaska (FIB)
Anchorage, AK - In Liquidation

5915 - Alaska National Bank of the North (ANBN)
Anchorage, AK - In Receivership
Types of Loans/Businesses and Numbers of Employees

As you requested, the following is a breakdown of the assets of First Interstate Bank of Alaska and Alaska National Bank of the North. The assets are categorized by type of loans, number of employees employed by those businesses that are obligated to the FDIC and the number of loans and book values by type of business. ~~The source of this~~ information is the call report data of each bank and the analysis of each portfolio by each Account Officer, as of March 1, 1988.

<u>Commercial Loans</u>		<u>ANBN</u>		<u>FIB</u>	
<u>Secured by:</u>	<u>#</u>	<u>BV</u>	<u>#</u>	<u>BV</u>	
Commercial RE	175	21.0mm	178	35.4mm	
A.R. & Contract Rights	97	10.5mm	38	8.3mm	
Inventory	45	2.0mm	26	6.9mm	
Equipment	184	13.0mm	176	17.0mm	
Stocks	4	3.0mm	0	.2mm	
Miscellaneous	3	1.2mm	65	4.3mm	
Unsecured	94	3.5mm	61	3.4mm	
Totals	602	74.2mm 59.2mm	549	76.3mm	

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<u>Real Estate Mortgage Loans</u>		<u>ANDN</u>		<u>FID</u>	
<u>A Real Estate Construction Type</u>	<u>#</u>	<u>BV</u>	<u>#</u>	<u>BV</u>	
Land Acquisition (Comm)	3	2.7mm	4	838,257	
Land Acquisition (Res.)	4	341,000	--	--	
Land Development (Res.)	7	3.2mm	11	4.3mm	
Commercial-Apartments	7	1.2mm	2	4.4mm	
Commercial-Retail Offices	1	500,000	--	--	
Commercial-Offices	1	2.0mm	1	3.7mm	
Commercial-Warehouse	3	2.4mm	3	3.8mm	
Single Family Residences	36	3.2mm	24	6.2mm	
Other	2	1.2mm	0	5.1mm	
Totals	64	18.4mm	54	28.3mm	

B. Covered Transaction-Type

Condom	7	400m	N/A	
Zero Lot Lines	7	600m		
SFR	7	700m		
Vacant	3	160m		
Commercial	1	375m		
Mobile Homes	1	68m		
Motel/Motel	1	680m		
Other	1	210m		
Totals	28	3.193m	0	* 0

* FTR did not segregate covered transactions.

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	ANBN		FIB	
C. <u>Amortized/Term-Type</u>	#	BV	#	BV
SFR	60	5.0mm	167	13.3mm
Conventional 2-4 Units	10	1.2mm	30	5.1mm
FHA	3	100,000	--	--
VA	2	160,000	--	--
Commercial	20	2.9mm	148	34.4mm
Vacant Lots	2	50,000	9	4.8mm
Other	13	500,000	12	5.6mm
Totals	110	84.8mm	266	63.2mm
GRAND TOTALS	804	84.8mm	969	167.8mm

The breakdown above includes the original inventory retained by the FIB and all putbacks in date, from both banks. It is probable that the National Bank of Alaska will put back approximately 40 more loans, with a BV of about \$8.0MM, under the 75% putback provision for FIB. The putback process for ANBN is complete.

There is a total of about 120 installment loans, with an accumulative BV of approximately \$200,000.00, from both banks. These were not included in the schedules above. The schedules above also include charged off loans, owned real estate, bank properties and other fixed assets.

Attached to this memorandum is a listing of one properties for Security National Bank as well as ANBN and FIB.

Should you have any questions, please call.

JC:cn

cc: Thomas S. Ruth, Jr.
Reid Judd
Mike MacDermott
Jack Smith
Section Chiefs
File

**REAL ESTATE PROPERTIES OWNED
AS OF: March 3, 1988**

<u>TYPE</u>	<u>BANK NO: 2608</u> <u>BANK: SNB</u>	<u>BANK NO: 5915</u> <u>BANK: ANBN</u>	<u>BANK NO: 2766</u> <u>BANK: FIAK</u>	<u>TOTAL</u>
<u>SFR</u> (B.V.)	10 (1,165,132.35)	18 (1,315,087.06)	24 (1,649,920.07)	52 (4,130,139.48)
<u>COMMERCIAL OFFICE</u> (B.V.)	2 (427,000.00)	8 (830,351.51)	13 (1,827,890.50)	23 (3,085,242.01)
<u>COMMERCIAL OTHER</u> (B.V.)	1 (63,636.14)	3 (291,508.41)	13 (4,064,632.95)	17 (4,419,777.50)
<u>DUPLEX</u> (B.V.)	-0-	1 (64,800.00)	1 (704,444.06)	2 (769,244.06)
<u>4-PLEX</u> (B.V.)	1 (234,351.50)	6 (723,632.65)	10 (1,181,821.94)	17 (2,139,806.09)
<u>6-PLEX</u> (B.V.)	2 (493,969.22)	-0-	2 (9,165.75)	4 (503,134.97)
<u>APTS MULTI-FAMILY</u> (B.V.)	-0-	-0-	4 (3,476,099.19)	4 (3,476,099.19)
<u>CONDOS</u> (B.V.)	2 (145,816.99)	20 (843,272.62)	120 (3,781,043.59)	142 (4,770,133.20)
<u>1-4 SFR LOTS</u> (B.V.)	33 (1,359,016.32)	61 (1,502,188.33)	247 (3,178,157.89)	341 (6,039,362.54)
<u>COMMERCIAL LOTS</u> (B.V.)	5 (455,344.00)	1 (103,153.57)	3 (2,300,881.65)	9 (2,859,379.22)
<u>TRAILORS MOBILE HOMES</u> (B.V.)	-0-	1 (35,700.00)	1 (36,000.36)	2 (71,700.36)
<u>TOTAL:</u> (B.V.)	56 (4,344,266.52)	119 (5,709,694.15)	436 (22,210,057.95)	611 (32,264,018.62)

REAL ESTATE PROPERTIES OWNED
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SUBSIDIARY ACCOUNT

BANK NUMBER: 5915
BANK: ALASKA NATIONAL BANK

BANK NUMBER: 2766
BANK: FIRST INTERSTATE BANK

TOTAL

COMMERCIAL 2
(B.V.) (400,000.00)

10
(22,099,494.62)

12
(22,499,494.62)

The Subsidiary accounts consist of owned bank buildings.

MORTGAGE LOANS

ANEN

<u>Types of Business</u>	<u># of Assets</u>	<u>Book Value</u>	<u>Employees (Estimated)*</u>		
			<u>1-24</u>	<u>25-100</u>	<u>100+</u>
Agriculture					
Real Estate Related	8	5,132M		48	
Tourism	2	829M	23		
Transportation					
Fishing	2	219M	8		
Mining					
Construction	7	1,298M	44		
Timber					
Oil Related	1	1,299M	4		
Communication					
Retail/Services					
Not Designated	182	21,673M	(Not Available)		
Totals	202	30,450M	79*	48*	

FIB

<u># of Assets</u>	<u>Book Value</u>	<u>Employees (Estimated)*</u>		
		<u>1-24</u>	<u>25-100</u>	<u>100+</u>
76	18,903M			615
17	6,687M			462
5	1,410M		41	120
3	2,723M			112
3	3,739M	7		
2	1,317M		35	
260	16,037M	(Not Available)		
366	50,816M	7*	76*	1309*

* Represents total number of employees for each type of business.

COMMERCIAL LOANS

ANEN

<u>Types of Business</u>	<u># of Assets</u>	<u>Book Value</u>	<u>Employees (Estimated)*</u>		
			<u>1-24</u>	<u>25-100</u>	<u>100+</u>
Agriculture	3	205M	15		
Real Estate Related	12	1,084M	21		
Tourism	9	185M	18		
Transportation	24	3,794M	205	242	
Fishing	—	—	—		
Mining	15	1,001M	18		
Construction	69	3,757M	282	90	
Timber	9	271M	60		
Oil Related	—	—	—		
Communication	—	—	—		
Retail/Services	144	17,886M	450	151	223
Not Designated	317	26,017M	(Not Available)		
Totals	602	54,200M	1,069*	483*	223*

FIB

<u># of Assets</u>	<u>Book Value</u>	<u>Employees (Estimated)*</u>		
		<u>1-24</u>	<u>25-100</u>	<u>100+</u>
—	—	—	—	—
59	7,672M	244		
16	8,869M	39	185	
26	1,508M	79		
14	1,060M	56		125
1	811M	8		
61	3,577M	241	151	
1	28M	5		
9	3,641M	18	39	219
4	639M	20	45	
179	30,020M	543	516	491
233	46,690M	(Not Available)		
603	104,515M	1,253*	936*	835*

* Represents total number of employees for each type of business.

Alaska Housing Market Council

April 7, 1988

Senator Arliss Sturgulewski
P.O. Box V
Juneau, Ak. 99811

Dear Senator Sturgulewski:

I have enclosed a copy of "Residential Mortgages in Alaska, A Comparison of the Last Three Quarters of 1987", for your information.

If you have any comments or questions, please call me at 563-3325.

Sincerely,

ALASKA HOUSING MARKET COUNCIL



Glenda Straube
Executive Director

GJS/mr

Enclosure

RESIDENTIAL MORTGAGE LOANS IN ALASKA
A COMPARISON OF THE LAST THREE QUARTERS OF 1987

Prepared By:

**The Alaska Housing Market Council
624 W. International Airport Rd., Suite E
Anchorage, Alaska 99518
563-3325**

SUMMARY

Statewide trends are strongly influenced by changes in Alaska Housing Finance Corporation (AHFC) held loans. While the statewide trend may move in one direction, the non-AHFC state held loans and the non-state agency loans may move in the opposite direction.

Synopsis of Results for the Last Three Quarters of 1987:

- 1) Statewide, the number of outstanding loans decreased 5.5% over the last three quarters of 1987.
- 2) The number of loans in delinquency and default dropped 11% during the survey period.
- 3) Statewide delinquency rates dropped by .4% during both the 3rd and 4th quarters.
- 4) The number of real estate owned properties (those held in inventory) increased by 34% over the last three quarters of 1987. The rate of increase, however, fell by 2% from the 3rd to the 4th quarter.

SURVEY METHODOLOGY

This report was compiled through a survey conducted by the Alaska Housing Market Council (AHMC). The survey period extends from June 30 to December 31, 1987. After each survey was received, the agency was contacted to verify the information and answer any additional questions. Sales information (see Table 1, pg.6) was added to the 4th quarter survey; hence, not all agencies were able to provide 3rd quarter statistics. Some of the agencies included in this report rely on lenders to provide them with loan information; therefore, an estimate was used for some statistics. For example, FNMA, FHLMC, FHA and the VA do not keep track of how many of their loans are held by AHFC. This information had to be collected through AHFC. The figures reported here are agency figures, net AHFC loans.

Approximately 25% of the information contained in the June 30th report, came from a report by the Institute of Social and Economic Research (ISER). The information in the other two reports came solely from the survey.

An effort is being made to include private lending institutions in future surveys. The information has been difficult to obtain in the past because of the number of institutions and the fact that some do not compile statistics on a regular basis.

SURVEY RESULTS

A summary of the changes reported in this section can be found in Figure 1, on page 3.

Number of Outstanding Loans:

The total number of outstanding loans, in Alaska, decreased from 88,875 in June to 83,921 in December of 1987. The number of loans fell 5.7% during the 3rd quarter, but increased slightly (.1%) in the 4th quarter. This increase was the result of enhanced participation by non-AHFC agencies (Appendix I).

Looking at the participation of state agencies, the number of outstanding loans fell from 56,764 to 54,860 over the last three quarters of 1987. Non-state agencies saw a decrease of 3,050 loans over the survey period. Review of 1st quarter 1988 statistics should indicate whether the slowing trend, implied here, continues.

Loans in Delinquency and Default:

The total number of loans in delinquency and default, statewide, dropped 11% over the last three quarters of 1987. State agency loans in delinquency and default fell 17% over the same period. Non-state agencies loans fell in the 3rd quarter, but increased 18.7% in the 4th quarter.

Delinquency Rates:

Statewide delinquency rates decreased from 13.4% in June to 12.6% in December of 1987.

This drop is mirrored in the 2.2% drop in delinquency rates for loans held by state agencies. However, non-state agencies saw their overall delinquency rate increase from 9.6% in the 2nd quarter to 11.4% in the 4th quarter.

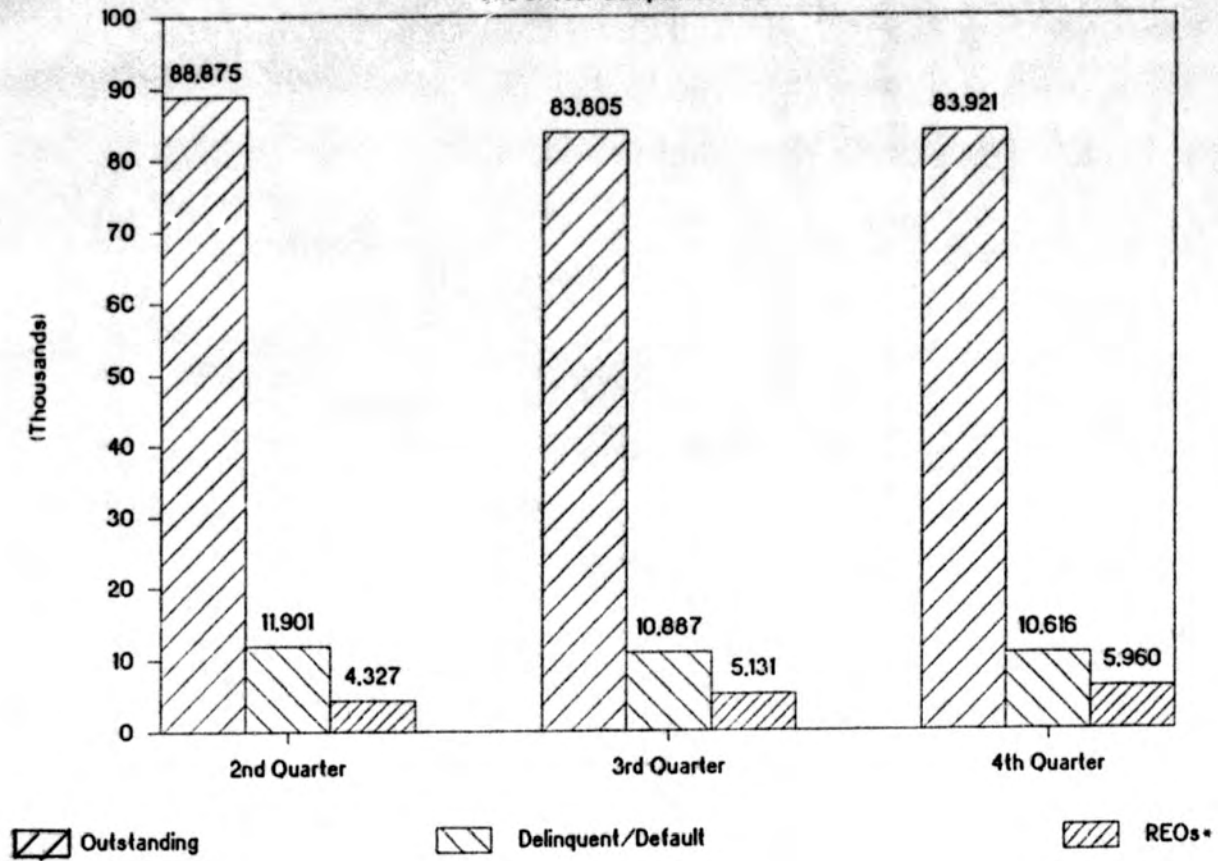
Number of Real Estate Owned (REO):

This review of the changes in foreclosed upon, institutionally owned properties, (REOs) in Alaska does not include those held by private lending institutions. This information is difficult to obtain from private lenders. Most lending institutions do not compile these statistics on a regular basis.

The number of REO properties, held statewide, increased from 4,327 in June to 5,960 in December of 1987. There was an 18.6%

Residential Mortgage Loans in Alaska

End of Year Comparisons 1987



increase in the 3rd quarter followed by another 16.1% increase in the 4th quarter.

REOs held by state agencies increased from 2,847 in June to 3,761 in December. However, the rate of increase fell from 15.4% between the 2nd and 3rd quarters to 14.5% between the 3rd and 4th.

Non-state agencies saw an increase in REO properties from 1,480 in June to 2,199 in December of 1987. The rate of increase also went down from 24.7% between the 2nd and 3rd quarters, to 19.1% between the 3rd and 4th quarters.

REVIEW

The rapid rise in statewide foreclosures (Figure 2, pg. 5) and the tightening of current lending policies may be responsible for the decrease in the number of outstanding loans held by state agencies. Non-state agencies saw an increase in the number of outstanding loans in the 4th quarter primarily due to increases in FHLMC and VA loans. Increases in the loans not held by AHFC offset the decreases in other loans and caused the statewide total to rise in the last quarter of 1987.

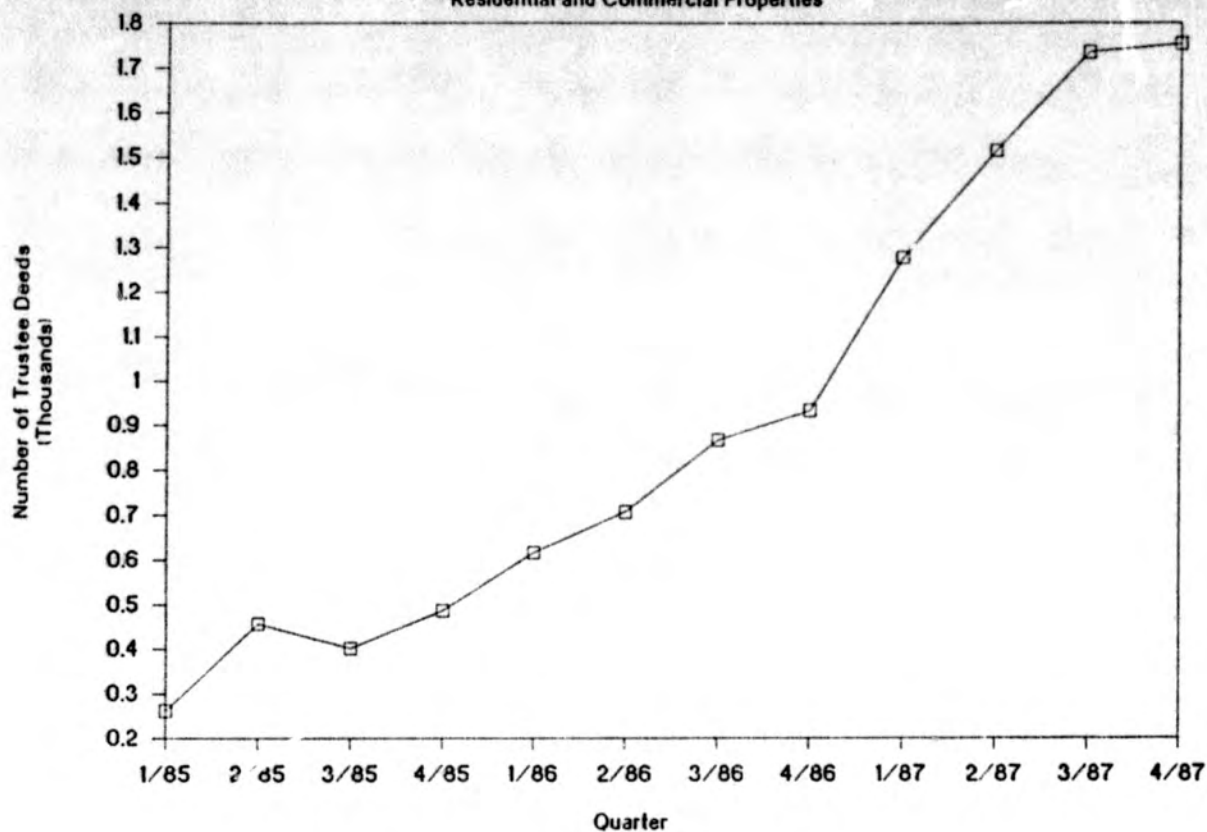
The fact that the number of loans in delinquency and default are decreasing would be encouraging if it weren't for the sharp increase in the number of REO properties. It's probable that the number of loans in delinquency and default are falling because they are going through foreclosure and becoming REOs. Non-state agencies don't seem to be faring as well as state agencies in reducing the number of loans in delinquency or default; meanwhile their REO inventory is also increasing.

One encouraging aspect of this analysis is that the rate of increase in REO inventories appears to be slowing. It is likely that the foreclosure moratorium, established by the Governor during the 4th quarter, may have helped slow the pace of foreclosures in the residential market.

With the start up of AHFC's HOAP programs, we can expect the rate of increase in REO inventories to slow even more during the 1st quarter of 1988.

Foreclosures Statewide: 1985 - 1987

Residential and Commercial Properties



Source: Motznik Computer Services, Anchorage, Alaska.

Foreclosures Statewide: 1982 - 1987

Residential and Commercial Properties

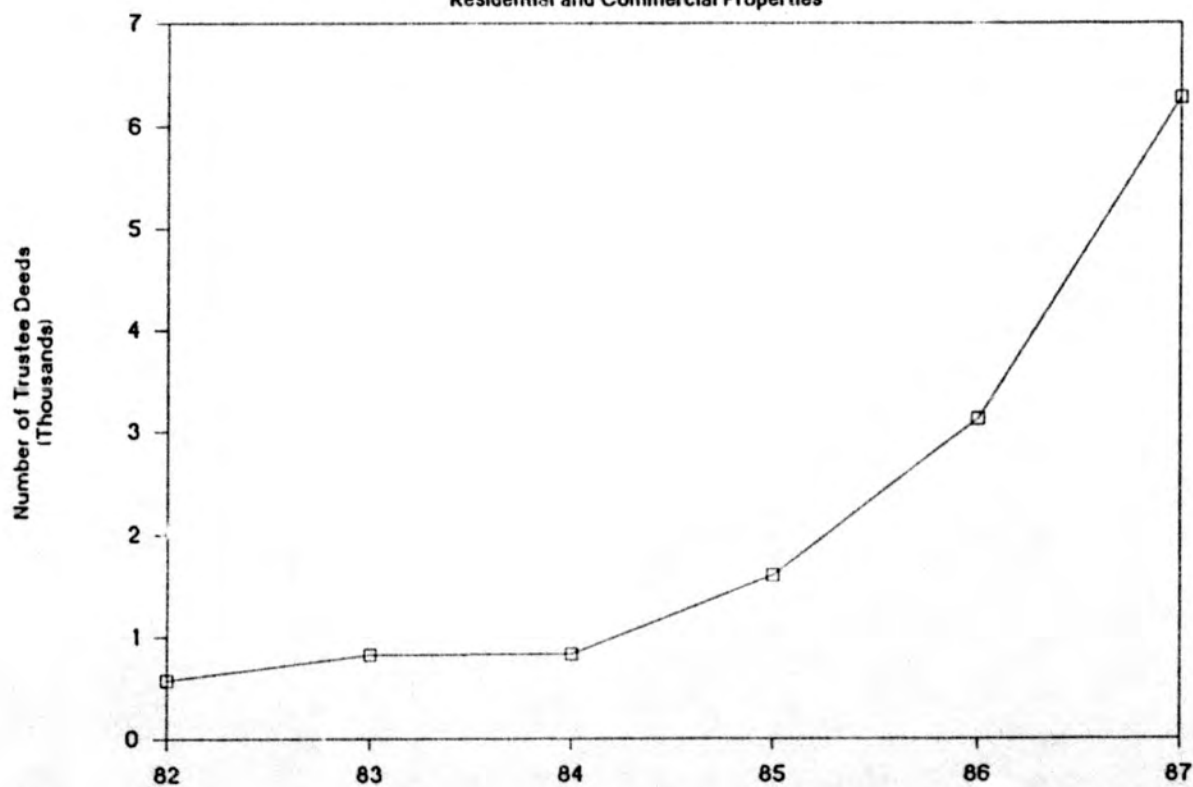


TABLE 1. NUMBER OF FORECLOSED PROPERTIES HELD AND SOLD

AGENCY	HELD 9/30/87	SOLD 3rd Quarter 1987	HELD 12/31/87	SOLD 4th Quarter 1987
AHFC*	3,216	417	3,687	511
DCRA	37	3	44	5
AK PERMANENT FUND	25	2	24	2
AIDEA/DIV. OF INV	7	0	6	1
FNMA	473	139	498	169
FHLMC	52	--	79	--
FHA	719	66	948	121
VA	386	17	391	21
FARMERS'	117	12	146	12
MGIC	99	3	137	6
TOTAL	5,131	659	5,960	848

*includes properties conveyed to and acquired by other agencies.

APPENDIX I

	Number of Loans Outstanding	Unpaid Principal Balance [\$ in millions]	Number of Loans Delinquent or in Default	Unpaid Principal Balance [\$ in millions]	Delinquency Rate [a]	Number of REOs	Value of REOs [\$ in millions] [b]
AHFC (Active Loans)	45,859	\$3,905.5	6,981	\$597.1	15.2%	3,687	\$215.9
AHFC (Total Loans Owned) [c]	50,646	4,140.2	6,981	597.1	13.8%		
DCRA HAD	1,376	140.1	82	12.4	6.0%	44	3.9
AK Permanent Fund	225	37.2	20	3.3	8.9%	24	2.8
AIDEA/Division of Invest.	1,518	64.9	116	5.9	7.6%	6	0.4
State Res. Energy Loans [d]	1,082	2.5	97	1.2	9.0%	n/a	n/a
AIDEA multi-family residential loans [e]	13	11.5	7	8.6	53.8%	0	0.0
Alaska Pension Funds [f]	NA	NA	NA	NA	NA	NA	NA
TOTAL STATE LOANS	54,860	\$4,396.4	7,303	\$628.5	13.3%	3,761	\$223.0
FNMA	5,605	421.4	886	66.6	15.8%	498	43.4 [g]
FHLMC	5,648	519.1	421	40.2 [h]	7.5%	79	25.1
FHA-Insured	11,864	1,128.1	1,453	138.0 [i]	12.2%	948	90.0 [i]
VA-Guaranteed [j]	4,674	376.3	449 *	36.1 [k]	9.6%	391	23.4 [l]
Farmer's Home Admin.	1,270	75.1	104	7.8 [m]	8.2%	146	10.4
MGIC [n]	n/a	n/a	n/a	n/a	n/a	137	6.5 [o]
TOTALS	83,921	\$6,916.4	10,616	\$917.2	12.6%	5,960	\$421.8

c*Alaska Housing Market Council estimate n/a - Not applicable NA - Not available

[a]- Determined by dividing "number of loans delinquent or in default" by "number of loans outstanding".

[b]- Most entities determine this value to be the unpaid principal balance of the loans on the properties foreclosed.

[c]- This figure reflects the total number of loans "owned". It includes active loans, REO loans, and loan insurance receivables.

[d]- State Residential Energy Loans are not mortgage loans per se, but reflect second or third mortgages.

[e]- These loans are commercial loans, but affect residential markets. The delinquency rate is a better reflection of the commercial market than the residential market.

[f]- Information not released by agency.

[g]- FNMA estimate of market value. Based on 61% of original property appraisal.

[h]- Figures based on average loan balance of \$95,500.

[i]- Based on average loan balance of \$95,000.

[j]- Does not include mobile home loans.

[k]- Based on average loan balance of \$80,500.

[l]- VA estimate of market value. Based on average asking price of listed properties.

[m]- Based on Farmers' Home Administration estimated average balance of \$75,000.

[n]- MGIC is a mortgage insurance company which does not purchase loans. However, they do acquire property in settling insurance claims.

[o]- MGIC estimate of market value. Based on 66% of acquisition value.

	Number of Loans Outstanding	Unpaid Principal Balance [\$ in millions]	Number of Loans Delinquent or in Default	Unpaid Principal Balance [\$ in millions]	Delinquency Rate [a]	Number of REOs	Value of REOs [\$ in millions] [b]
AHFC (Active Loans)	46,718	\$3,970.9	7,770	\$650.4	16.6%	3,216	\$194.4
AHFC (Total Loans Owned) [c]	51,034	4,251.6	7,770	650.4	15.2%		
DCRA-HAD	1,336	138.0	75	12.3	5.6%	37	3.2
AK Permanent Fund	258	39.7	19	3.0	7.4%	25	2.9
AIDEA/Division of Invest.	1,542	66.1	117	5.8	7.6%	7	0.4
State Res. Energy Loans [d]	1,103	2.7	107	0.3	9.7%	N/A	N/A
AIDEA multi-family residential loans [e]	13	11.5	8	9.0	61.5%	0	0.0
Alaska Pension Funds [f]	NA	NA	NA	NA	NA	NA	NA
TOTAL STATE LOANS	55,286	\$4,509.6	8,096	\$680.8	14.6%	3,285	\$200.9
FNMA	5,606	444.7	680	53.9	12.1%	473	43.3 [g]
FHLMC	5,279	504.0	307	29.3 [h]	5.8%	52	8.9
FHA-Insured	11,873	1,137.2	1,300	124.8 [i]	10.9%	719	69.0 [i]
VA-Guaranteed [j]	4,461	354.4	415 *	32.8 [k]	9.3%	386	23.2 [l]
Farmer's Home Admin.	1,300	77.0	89	6.7 [m]	6.8%	117	8.0
MGIC [n]	N/A	N/A	N/A	N/A	N/A	99	4.9 [o]
TOTALS	83,805	\$7,026.9	10,887	\$928.3	13.0%	5,131	\$358.2

*Alaska Housing Market Council estimate. N/A - Not applicable. NA - Not available

[a]- Determined by dividing the "number of loans delinquent or in default" by the "number of loans outstanding".

[b]- Most entities determine this value to be the unpaid principle balance of the loans on the properties foreclosed.

[c]- This figure reflects the total number of loans "owned" which includes active loans, REO loans, and loan insurance receivables.

[d]- State Residential Energy Loans are not mortgage loans per se, but reflect second or third mortgages.

[e]- These loans are commercial loans, but affect residential markets. The delinquency rate is a better reflection of the commercial market than the residential market.

[f]- Information not released by agency.

[g]- FNMA estimate of market value. Based on 61% of original property appraisal.

[h]- Based on an estimated average loan balance of \$95,500.

[i]- Based on average loan balance of \$96,000.

[j]- Does not include mobile home loans.

[k]- Based on average loan balance of \$79,000.

[l]- VA estimate of market value. Based on average value of \$50,000.

[m]- Based on Farmers' Home Administration estimated average balance of \$75,000.

[n]- MGIC is a mortgage insurance company which does not purchase loans. However, they do acquire property in settling insurance claims.

[o]- MGIC estimate of market value. Based on 66% of the acquisition value.

	Number of Loans Outstanding	Unpaid Principal Balance [\$ in millions]	Number of Loans Delinquent or in Default	Unpaid Principal Balance [\$ in millions]	Delinquency Rate (a)	Number of REOs	Value of REOs [\$ in millions] (b)
AHFC (Active Loans)	48,334		8,500		17.6%		
AHFC (Total Loans Owned)(c)	51,973	\$4,258.2	8,500	\$681.3 (d)	16.4%(e)	2,777	\$194.5
DCRA-HAD	1,328	137.2	70	9.9	5.3%	40	3.5
AK Permanent Fund	300	42.0	24	3.0	8.0%	23	2.9
AIDA/Division of Invest.	1,792	78.7	84	4.2	4.7%	7	0.5
State Res. Energy Loans (f)	1,359	3.7	143	0.3	10.5%	N/A	N/A
AIDA multi-family residential loans (g)	12	11.7	5	7.2	41.7%	0	0.0
Alaska Pension Funds (h)	NA	NA	NA	NA	NA	NA	NA
TOTAL STATE LOANS	56,764	\$4,531.5	8,826	\$705.9	15.5%	2,847	\$201.4
FNMA	5,471	400.0	770 *	61.6 *	14.1%	394	31.5 *
FHLMC	5,152	479.0	230 *	20.7 *	4.5%	46	4.1 (i)
FHA-Insured	11,600 (j)	1,125.2 (k)	1,015	98.5 (k)	8.8%	478	46.4 (k)
VA-Guaranteed	8,602	763.0	850 *	68.0 *	9.9%	366	29.3 *
Farmer's Home Admin.	1,286	100.3	210	16.4 (l)	16.3%	100	7.8 (l)
MGIC	N/A	N/A	N/A	N/A	N/A	96	9.1 (m)
Private Lending Institutions	NA	NA	NA	NA	N/A	596	49.4
TOTALS	88,875	\$7,399.0	11,901	\$971.1	13.4%	4,923	\$379.0

* Alaska Housing Market Council estimate. N/A - Not applicable NA - Not available

(a)- Determined by dividing the "number of loans delinquent or in default" by the "number of loans outstanding".

(b)- Most entities determine this value to be the unpaid principal balance of the loans on the property foreclosed.

(c)- This figure reflects the total number of loans "owned". It includes active loans, REO loans, and loan insurance receivables.

(d)- This information was not available to the researcher; it was estimated as 16% of the "unpaid principle balance of outstanding loans".

(e)- Most institutions determine that a loan is delinquent after 60 days. AHFC uses the 30 day cutoff; if they were to compute for 60 days, the delinquency rate would fall to approximately 11%.

(f)- State Residential Energy Loans are not mortgage loans, per se, but reflect second or third mortgages.

(g)- These loans are commercial loans, but affect residential markets. The delinquency rate is a better reflection of the commercial market than the residential market.

(h)- Information not released by agency.

(i)- Based on an estimated average REO balance of \$90,000.

(j)- Based on HUD estimate.

(k)- Based on HUD's estimated average balance of \$97,000.

(l)- Based on Farmers' Home Administration estimated average balance of \$78,000.

(m)- Based on MGIC's estimated average balance of \$95,500.

Approximately 25% of the raw data used to compile this report was derived from the ISER report on Residential Mortgage Holdings of Major Alaska Lenders.



MORTGAGE HOME OWNERSHIP ASSISTANCE PROGRAM

Anchorage Neighborhood Services
3700 Woodland Park Drive
Anchorage, Alaska 99517
(907) 243-1558

Anchorage Neighborhood Housing Services, Inc.
Business Loan Fund
ECONOMIC DEVELOPMENT IMPACT
Seven Months

<u>PROJECT/LOAN</u>	<u>TOTAL \$</u>	<u>ANHS Loan \$</u>	<u>PRIVATE \$</u>	<u>CONST. JOBS</u>	<u>PERM. EMP.</u>
<u>LOANS CLOSED</u>					
Spenard Inv. Group	\$ 83,000	\$ 33,000	\$ 50,000	15	
Northland Sales	440,000	50,000	390,000	7	14
Quality Travel	75,000	50,000	25,000	4	6
3001 Tanglewood	15,500	15,500		4	
G.H. Private	3,500	3,500		2	Residence
N.V. Private	1,000	1,000		1	Residence
G.H. Private	3,500	3,500		2	Residence
N.V. Private	<u>1,098</u>	<u>1,098</u>	<u> </u>	<u>2</u>	<u>Residence</u>
TOTAL	622,598	157,598	465,000	37	20

LOANS APPROVED PENDING CLOSING

Puffin Inn	3,053,000	195,000	2,858,000	15	8
Videoplex	255,000	75,000	180,000		15
Norene Property	75,000	75,000		3	For <u>Lease</u>
Northland Soy	300,000	270,000	30,000	12	8
House of Harley	420,000	84,000	336,000	4	7
Wm. Southworth	<u>130,000</u>	<u>100,000</u>	<u>30,000</u>	<u>4</u>	<u>4</u>
TOTAL	4,233,000	799,000	3,434,000	38	42

OTHER PROJECTS

	<u>CONST. JOBS</u>	<u>NEW PERMANENT EMPLOYMENT</u>
Lakeshore/Sundae Shoppe	4	5
Pickle Barrel Deli	3	5
Chelsea Inn	5	5
Barratt Inn	25	40
Alaska Distributors	30	10
Aleutian Center/Foodland	N/A	N/A

TOTALS

<u>TOTAL INVESTMENT</u>	<u>ANHS \$</u>	<u>PRIVATE \$</u>	<u>CONST. JOBS</u>	<u>PERM. EMP.</u>
\$4,855,598	\$956,598	\$3,899,000	142	127

MORTGAGE HOME OWNERSHIP ASSISTANCE PROGRAM

I. Executive Summary

II. Proposal

Financial Counseling

Debt Consolidation

Social Service Assistance

III. Marketing and Outreach Program

IV. Anchorage Neighborhood Housing Services Background

V. Staffing and Budget

I. EXECUTIVE SUMMARY

This report contains a proposal to AHFC, MGIC and FNMA to provide financial and debt counseling by Anchorage Neighborhood Housing Services, Inc. It is our proposal to offer a program parallel to the HOAP program developed by AHFC, MGIC and FNMA, but including more in depth counseling and social service assistance. We propose that a revolving loan fund be established for individuals needing debt consolidation loans. This loan fund would provide minimum debt consolidation for exceptional hardship uses and would be used to prevent mortgage foreclosure during these hard economic times. The loans would be reviewed by a loan committee and administered by ANHS. ANHS proposes to seek its secondary market support for this fund and would ask FNMA and MGIC to consider providing private mortgage insurance on loans made with this fund. ANHS also proposes to develop a marketing and outreach plan to make consumers aware of this program.

Staffing will be provided by ANHS. Attached is a budget of anticipated expenses for the first year of operation.

Anchorage Neighborhood Housing Services, Inc. has a successful six year history in Anchorage community and economic development. We have maintained a close working relationship with our loan clients, which has resulted in an extremely low delinquency rate.

II. MORTGAGE HOME OWNERSHIP ASSISTANCE PROGRAM

Anchorage Neighborhood Housing Services, Inc. proposes to administer a mortgage assistance and financial counseling program in Anchorage. This program will be modeled after the Home Ownership Protective Effort (HOPE) of Housing Opportunities, INC. in McKeesport, Pa. In preparing this proposal we have also contacted Washington D.C. Delinquent Home Mortgage Programs, the National Federation of Housing Counselors and other counseling and delinquency programs in other areas. The ANHS program will work in close cooperation with the HOAP program currently underway by AHFC, MGIC and FNMA, but will offer more in depth counseling. This will include personal financial planning, mortgage debt counseling and restructuring, consumer debt counseling, and social service agency assistance, if necessary.

The ANHS program will include the following:

- Financial counseling: This will be the cornerstone of the program.
 - ANHS counselors will help the consumer focus on their most essential needs ie. food, mortgage and utilities.
 - We will teach money management skills and record keeping of all income and expenses.
 - We will help develop a budget based on individual income and needs
 - Counselors will work out mortgage modification or forbearance agreements with the appropriate agencies.
 - Counselors will assist in negotiating repayment schedules with consumer creditors. Where it is necessary for consumers to have their credit managed for them, we will refer them to the Consumer Credit Counseling Service of Alaska. It is expected, based on our own experience and that of the HOPE program, that this will not usually be necessary.
- Social Service Assistance: Referral and connection to appropriate community resources will be available when necessary.
 - ANHS has a close working relationship with the various public and private community resources. We will refer consumers to them on a case by case basis.
 - We will help workers find job retraining programs, where appropriate.

- **Debt Consolidation Program**

Where debt consolidation is necessary, consumers will be provided with an opportunity to borrow money through a revolving loan fund. Loan fund applicants will be reviewed by a loan committee of ANHS. ANHS will look to the State to capitalize this fund and will ask FNMA and MGIC to participate through a mortgage insurance pool. ANHS would be willing to entertain participation through its secondary market to recapitalize this fund. Loans will be secured by a Deed of trust on the residence or by a personal note. The repayment plan will be flexible and based on need and ability to repay the loan.

It is expected, based on the HOPE model, that new clients will require an average of six (6) hours of counseling and staff time in their first month in the program. This will consist of an initial visit in the client's home with both borrowers present (if applicable) lasting 2-3 hours. At the time of this visit, the counselor will be able to see the condition of the home and recommend any necessary deferred maintenance and repairs, as well

as obtain a detailed picture of the family's financial situation. Subsequent sessions will be on a face to face basis as necessary. Once a plan is established and implemented, contact will be maintained by phone and personal visits, as needed. Based on the HOPE model, we estimate an average of 2-3 hours per month of follow-up once a family's financial situation is stabilized for at least four months.

III. OUTREACH PROGRAM

ANHS will develop an outreach program to make consumers aware of our services. This will consist of:

- Two (2) Public Service Announcements to be aired on Anchorage TV stations - KIMO Channel 13, KTVA Channel 11 and, KTUU Channel 2
- Two (2) public service announcements to be aired on Anchorage radio stations - KBYR, KENI, KFQD, KHAR, KNIK, KYAK.
- Print advertisements to appear in the Anchorage Times and the Anchorage Daily News.
- Brochures explaining our program will be printed and distributed by mail and through lending institutions and other agencies.

ANHS will conduct several (based upon need) community workshops. These workshops will cover financial planning and money management as well as budget making and record keeping. This would also present an excellent opportunity to acquaint the public with this service as well as the Alaska HOAP program.

ANHS will expect referrals from AHFC, MGIC and FNMA as well as the Alaska Housing Market Council and local financial institutions themselves. A close well coordinated relationship with these entities is essential if the program is to be successful.

IV. BACKGROUND

Anchorage Neighborhood Housing Services is a private non-profit corporation which has been involved in community and economic development since 1982. The corporation operates on a partnership model, bringing together lenders, residents, and government representatives. Representatives of this partnership comprise the Board of Directors, which sets policy for the corporation and its various committees.

The corporation is part of a national network of Neighborhood Housing Services of America and the Neighborhood Reinvestment Corporation, a congressionally chartered, public, non-profit corporation charged with neighborhood revitalization activities. Neighborhood Reinvestment is governed by a board of directors comprised of the Chairman of the Federal Home Loan Bank Board, the Secretary of HUD, the Chairman of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, a member of the Board of Governors of the Federal Reserve System and the Chairman of the National Credit Union Administration.

A key program element of ANHS is the Revolving Loan Fund. There are two funds administered by ANHS: a commercial loan fund for business district revitalization efforts, and a residential loan fund for home improvements, and to refinance existing mortgages. The Residential Loan Fund loans to both single family homes and multifamily properties. The loan fund operates as a lender of last resort, thus allowing for neighborhood-wide improvements.

There are two separate loan committees which review administration of all loan funds. The committees follow the partnership model, each one comprised of local lenders, residents and government representatives. The Residential Loan Committee's lenders include representatives from three different banking institutions and are experienced mortgage lenders; the commercial loan committee lenders have experience in their commercial loan functions. Through the partnership model, ANHS has developed an active and solid working relationship with local lending institutions. When appropriate, ANHS leverages its funds by participating with local banks in loans. This allows the Loan Fund to assist a greater number of neighborhood residents. Furthermore, ANHS has a secondary market for its real estate loans, Neighborhood Housing Services of America. By selling its loans to NHSA, the loan fund is continually being replenished.

Despite the often high risk nature of the ANHS loan portfolio, the recovery rate has been commendable. To date, more than \$3.0 million dollars have been loaned; the current principal balance is \$1.3 million. Of these loans, only one in the past six years has resulted in a foreclosure. In the current loan portfolio, there is only one loan which is 90 days delinquent. The problems within the community the corporation is seeing today are clearly related to the present economic conditions.

Part of the reason for ANHS' success rate in lending is the close on going relationship ANHS develops with its loan clients. ANHS has also sponsored community workshops, both on conventional lending including FNMA and AHFC's HOF program, and on more technical home improvement topics.

While the ANHS approach over the last six years has been neighborhood based redevelopment, the problems the corporation has been addressing are citywide. Essentially, the central issue around which ANHS' work has focused is quality of life for the city's residents. This, of course, takes a number of forms. Clearly one of the most important measures of quality of life is maintaining one's own home. Given ANHS's commitment to decent housing, the corporation has been an active participant in the housing support sector. As a result, ANHS has worked closely with such agencies as Alaska State Building Authority, the Alaska Housing Finance Corporation, the Alaska Housing Market Council, the State's Department of Community and Regional Affairs, and the Municipality's Department of Community Planning.

ANHS has become a well respected participant in the Anchorage housing and lending communities. This position has been earned by the work of both the staff and the many committed volunteers who have helped create this effective, professional enterprise. The skills of the staff are complemented by the abilities and expertise of the professional volunteers who serve on the Board of Directors and the various committees. They are listed at the back of this proposal.

V. STAFFING PATTERNS AND DRAFT BUDGET

Anchorage Neighborhood Housing Services is currently staffed by seven employees, including two loan packagers, a housing inspector, project administrative and clerical positions. It would be our intent to include the housing foreclosure and debt counseling program within the present organizational structure, but as a separate component. Staff requirements would be based upon volume of people requiring this service, and the type of counseling needed. Based on the HOPE experience, it is anticipated that each counseling applicant would require 6 - 12 initial hours of counseling assistance over a four month period, including initial document review, and an at-home visit. Counseling needs will vary with some individuals requiring referral and connection to other social service agencies, mortgage counseling or assistance with credit forbearance. ANHS would propose that a small loan fund similar to its Revolving Loan Fund be available for occasional debt consolidation if necessary. ANHS believes this loan fund could be capitalized at \$1.5 million, and would be prepared to seek secondary funds through its secondary market. The ANHS Loan Committee comprised of realtors, bankers and private citizens would act as the review body for approval of those loans. ANHS proposes that MGIC and FNMA look at participation in this loan pool by providing private mortgage insurance for these type of loans.

BUDGET

Assuming an average of 6 - 12 hours counseling per individual, we would propose the following one year budget: It is our belief that this program should run parallel to the Alaska "HOAP" Program for a two year period.

Personnel

Personnel * 1	\$113,000
Employee Expense	<u>22,600</u>
	\$135,600

Office Expenses

Telephone	\$ 2,400
Postage	1,200
Printing	7,000
Travel	5,000
Training and Development	7,000
Office Supplies	2,000
Advertising and PR *2	12,000 - 35,000
Equip/Software	3,000
Miscellaneous	<u>1,200</u>
	\$ 40,800

General and Administrative

Rent and Utilities *3	\$ 24,000
Insurance	800
Legal	5,000
Accounting	4,000
Outside Services	2,400
Depreciation	1,200
Amortization	<u>-0-</u>
	\$ 37,400

TOTAL OPERATIONS - FIRST YEAR \$213,800

CONTINGENCY IF EXPANDED SERVICE
IS NECESSARY \$ 42,000

*1 Personnel Costs assume a maximum review of 2,000 clients

*2 Advertising and PR costs depend on necessity for paid announcement
vs. Public Service use.

*3 Rent may require expansion of existing facilities, but is anticipated
that the program will not require it.

ANHS Board of Directors

Barry Hulin, President
Alaska Mutual Bank

Tyler Jones, Director
Port of Anchorage

Dan Dixon, Director
State Office of International Trade

Tom Scott, Executive Director
South Region Emergency Medical
Services

Will Walker, Mathematics Teacher
Service High School

Bert Wagon
Alaska Industrial Development
Authority

Nick Rodes
Graduate Student

Julie Liska, Volunteer Coordinator
Anchorage Arts Council

Dan O'Connell
Federal Deposit Insurance Corp.

Lois Reed
Department of Transportation

David Leppanen, General Contractor
Leppanen Construction

Donald Keil, Anchorage Director
Federal Aviation Administration

Veronica Slager
Marketing Specialist

Ex-Officio Board of Directors

Jim Kubitz, President
Kubitz Construction

Jim Cash, President/CEO
Cash's Machine and Welding

Connie Parker
Anchorage Resident

Faye Connolly
Anchorage Resident

Residential Loan Committee

Gale Cipra, Vice President
Key Pacific Mortgage

Lois Reed
Department of Transportation

Faye Connolly
Anchorage Resident

Mike Hanley, Vice President
Commercial Lending, Rainier Bank

Patricia Ledbetter, SR Vice Pres.
National Bank of Alaska

Commercial Development and Loan Committee

Barbara Steckel, Chief Fiscal Officer
Municipality of Anchorage

Will Walker, Mathematics Teacher
Service High School

Steven Street, Vice President
Alaska Continental Bank

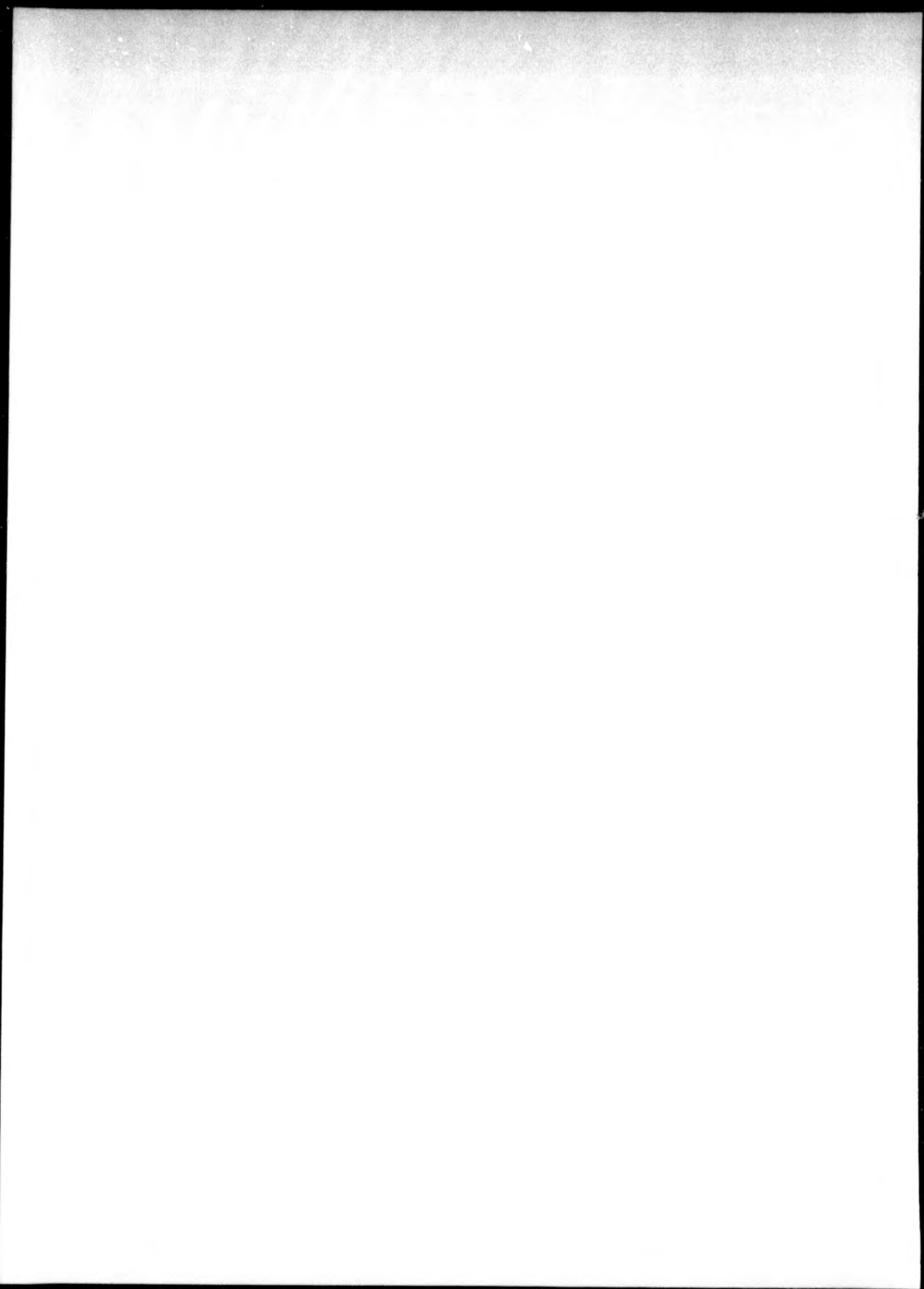
Jay Hanseth, Assoc. Broker
Jack White Company

Gordon Godfred, President/CEO
Arctic Circle Enterprises

Mike Hanley, Vice President
Commercial Lending, Rainier Bank

Paul Smith
Owner, Sunset Travel
Controller, Barratt Inn

Jim Kubitz, Owner/Manager
Kubitz Construction



Alaska Continental Bank



January 6, 1988

A SUGGESTED PLAN FOR AIDEA TO ACQUIRE AND LEASE PROPERTIES

SECTION 44.88.080 "POWERS OF THE ALASKA INDUSTRIAL AND EXPORT AUTHORITY" under (5) & (6) states the following. (5) "to acquire an interest in a project as necessary or appropriate to provide financing for the project whether by purchase, gift or lease. (6) to lease to others a project acquired by it for the rentals and upon the terms and conditions the authority may consider advisable including, without limitation, provisions for options to purchase or renew".

During these tough economic times it is suggested that if a servicing lender and the existing borrower concur, AIDEA would acquire properties currently financed, in lieu of the outstanding debt, provided that the originating lender maintains either its 10 or 20% share of the project as originally provided and further provided that the seller agree to lease that property back for three to five years at a 6% cap rate. The seller would have an option to re-acquire the property within three to five years by paying the original amount the property was transferred for in satisfaction of the debt plus an option premium of 2½% per year up to the time of repurchase.

AIDEA and the participating lender would take title to the property in their joint names with the servicing lender continuing to collect the rent and service the lease. The servicing lender would have the second right of refusal to acquire the property at the option price in the event the seller chose not to and could finance that project through AIDEA under the original terms of the bonds sold to support the project in the first place.

AIDEA would offer to work with lenders to purchase any commercial project for up to 75% of the latest appraisal used to support any loan against the project and would agree to purchase projects in conjunction with the lender whether within or outside of the state so as to help all commercial borrowers on a broad basis.

This program could acquire an estimated \$1 Billion of properties. It may be necessary for AIDEA to go to the bond market to raise additional funds to support their purchases. AIDEA has the capital and reputation to allow for additional bond sales. It has statutory authority to provide this type of financing. Implementation would require no legislation, only a regulation change as approved by the AIDEA Board on an emergency basis.

Page 2 of 2
Jan. 6, 1988

The benefits would be many and this could be a "win-win" situation. A borrower could sell a project to AIDEA and the participating lender for its outstanding debt and immediately reduce its monthly overhead by 50%. The seller may also be able to show a tax loss on the sale of the property and apply for a tax refund. A 6% cap rate on the lease would effectively lower the cost of operation and avoid foreclosures. The lender could assist its borrower and eliminate a non-performing loan by converting the loan to Other Real Estate Owned (OREO) and supporting the investment in OREO by the lease paying 6%, which should cover the lenders cost of funds. AIDEA would be able to expand its program and bring more outside capital into the area. The borrower will benefit by knowing that when the market improves, the property can be re-acquired at a pre-determined price.

AIDEA and lender would agree not to lease the property for less than 6% nor sell for less than its capitalized cost. This could strengthen lease and resale rates on commercial projects.

Finally, AIDEA would have to adopt a moratorium on financing any new projects to be constructed unless a broad need was shown for that project.


H. A. BUZ HOFFMAN
PRESIDENT

HAH/jwb

Alaska Continental Bank



VALUE OF THEIR REAL ESTATE PLUMMET TO WAY BELOW ITS DEBT.

HOW ABOUT THE COMMERCIAL PROPERTY OWNERS?

HOW ABOUT THE BUSINESS PERSON WHO CREATES JOBS THAT WON'T BE ABLE TO
MEET PAYROLLS?

HOW ABOUT THE PERSON WHO LOSES THEIR JOB - CAR - FURNITURE - HOME?

HOW DEEP IS THE AGONY GOING TO GO?

Alaska Continental Bank



AS A STATE, WE HAVE TREMENDOUS FINANCIAL RESOURCES BUT LACK THE POLITICAL WILL AND LEADERSHIP TO USE THEM.

I DO EXPECT TO SEE SEVERAL "BAND-AID" PACKAGES PASS THE LEGISLATURE. BUT WILL IT BE ENOUGH?

IT MIGHT BE IF THEY RECOGNIZE THAT THEIR OWN PENSIONS ARE AT RISK DUE TO THE PENSION FUNDS INVESTMENT.

SOME OF OUR LEGISLATORS LIKE TO SNEER ABOUT BANK BAIL-OUT'S.

THE BANKS DON'T NEED A BAIL OUT

NBA?

FNBA?

KEYBANK? DEEP OWNER POCKETS

RAINIER?

ALLIANCE AND FDIC BAILED OUT ALASKA MUTUAL AND UNITED BANK.

ONLY ALASKA CONTINENTAL BANK AND ALASKA STATEBANK LEFT - OUR CLOSURES WOULDN'T CREATE A RIPPLE.

NO - THE REAL NEED FOR A BAIL OUT IS EVERY HOMEOWNER WHO HAS SEEN THE

Alaska Continental Bank



TOTAL EQUITY CAPITAL OF ALL BANKS ON 9/30/87 WAS \$207,477,000.

ON 9/30/87 ALL BANKS HAD A TOTAL OF \$165,189,000 IN FORECLOSED REAL ESTATE.

TOTAL DEPOSITS IN ALL BANKS DROPPED \$105,985,000.

STATE DEPOSITS DROPPED \$220,320,000.

BANKS WERE USING \$341,465,000 IN FED FUNDS - ONE DAY BORROWINGS.

TOTAL PAST DUE AND NON ACCRUAL LOANS TOTALED \$407,740,000 OF BANKS
TOTAL ASSETS OF \$5,206,702.

THE BANKS BY THEMSELVES WILL NOT BE ABLE TO PROVIDE THE CREDIT AND
FINANCING NEEDED TO FUEL ANY NEAR TERM RECOVERY - THEY WILL NEED HELP.

THE STATE OWNS MOST OF THE RESOURCES - DOES NOT REINVEST MOST OF IT
HERE.

PERMANENT FUND	\$9 BILLION OUTSIDE
AIDEA	\$400 MILLION OUTSIDE
AHFC	\$1,200,000,000 OUTSIDE
RAILBEST ENERGY FUND	\$350,000,000 OUTSIDE



WHO KNOWS WHAT ELSE!

AIDEA ALONE HAS A COMBINED NET WORTH OF \$519,600,000, MORE THAN 2 1/2 TIMES THE NET WORTH OF ALL BANKS COMBINED. HAD PROFITS OF \$24,500,000 - UNUSED CASH ON HAND OF \$420,000,000.

AIDEA COULD CUT THE INTEREST ON ALL OF ITS LOANS TO 6% - WOULD ONLY COST THEM \$18,000,00 PER YEAR - LESS THAN TWO THIRDS OF ONE YEARS PROFITS.

AIDEA COULD OFFER TO PURCHASE AND LEASE BACK COMMERCIAL PROJECTS.

AHFC HAS AN EQUITY OF \$1,521,000,000 ALMOST EIGHT TIMES THE EQUITY OF ALL OF THE BANKS IN THE STATE. HAS OVER \$1,256,000,000 CASH AND INVESTMENTS ON HAND - HAD PROFITS OF \$21,000,000 AFTER RFBD AND EARLY RETIREMENT OF DEBT.

COULD HAVE OFFERED A SIMPLE MODIFICATION OF NOTE AND DEED OF TRUST FOR \$30.00 FOR ANYONE THAT HAD REDUCED INCOME AND REVISED THE NOTE TO 25% OF INCOME. DID NOT NEED TO DO A REFUNDING BOND ISSUE.

OUR BANKS DO NOT HAVE EVEN A SMALL PERCENTAGE OF THE RESOURCES THAT THE STATE AGENCIES CONTROL.

Alaska Continental Bank



THE GOOD - THE BAD & THE UGLY

1987 WAS A DISASTROUS YEAR FOR ALASKA BANKS AND OTHER FINANCIAL INSTITUTIONS.

FIVE BANKS FAILED WITH THREE CLOSED AND TWO MERGED.

TWO CREDIT UNIONS FAILED.

TWO SAVINGS & LOANS FAILED.

YEAR END FIGURES ARE NOT AVAILABLE FOR ALL BANKS BUT IT APPEARS ONLY FNBA & NBA SHOWED A PROFIT.

ALL OTHERS COMBINED LOST MILLIONS.

IN THE FIRST NINE MONTHS OF 1987, ALL STATE BANKS COMBINED HAD A MINUS NET WORTH OF \$130,971,000.

SINCE THEN 1ST INTERSTATE CLOSED.

ALL NATIONAL BANKS HAD A COMBINED NET WORTH OF \$330,276,000.

SINCE THEN, BANK OF THE NORTH CLOSED. COMPARED TO 9/86, ALL BANKS IN THE STATE LOST A TOTAL OF \$297,177,000 AND THE FIGURES THROUGH 12/31/87 WILL BE WORSE.

MEMORANDUM

State of Alaska

TO: Milt Barker
Deputy Commissioner, Treasury
Department of Revenue

DATE: February 12, 1988

FILE NO:

TELEPHONE NO:

THRU: Vincent Wright *VW*
Chief of Research
Department of Revenue

SUBJECT: Commercial Real Estate
Subsidy

FROM: Alfred G. Zangri *AGZ*
Economist

Conclusion: Recent proposals to have the State purchase existing 'excess supply' of commercial real estate will likely have the following impacts:

1. Could cost the State something in the neighborhood of \$115 million to \$165 million if all current nonperforming and foreclosed property is covered;

2. Force rents higher than would have been in the absence of such a program which in turn will;

3. - decrease the level of business activity,
- increase layoffs,
- decrease aggregate demand and
- decrease aggregate income

more they would have been in the absence of such a program while at the same time sending signals to the market which will;

4. Provide incentives for additional investment in commercial real estate in the face of existing excess supply;

5. Create an additional source of uncertainty in the economy as other interest groups exert pressure on the system to fashion their own bail out program which will in turn;

6. Further delay the adjustment process and delay the process of economic recovery;

7. Bail out a few banks rather than nonperforming building owners;

8. Result in a tax leakage to the federal government if commercial real estate investors tend to have a higher than average income;

9. Subsidize owners of commercial real estate and banks at the expense of the economy and the rest of the citizens of the state;

10. Result in leakage to out-of-state owners who will also benefit from the subsidy;

11. Result in additional leakage as the funds used in the program are unlikely to be reinvested in the state due to excess capacity;

12. Replace the market price with a state bureaucracy in making commercial real estate investment and allocation decisions with the resulting fallibility, inefficiency and opportunity for unequal treatment.

Discussion: This memo discusses the impact that the recently proposed commercial real estate excess capacity purchase program will have on the State economy. The primary focus of the discussion will be whether the economy is likely to be helped or hurt by the program. As a part of this discussion it is necessary to examine the distribution of gains and losses throughout the economy resulting from such a program. However, the central question is not the equity of the distribution. Instead, the question is whether the overall net impact of the program is to help or hurt the State economy.

Before assessing the impact of these proposals we must first examine the way the commercial real estate market works.

There are two types of operators in the market for commercial real estate:

1. The Users - these are businesses or professionals that rent or own commercial space for their use in day-to-day business activities.
2. The Investor - these are individuals or businesses that own commercial real estate for the revenue stream (rents and/or capital gains) the space yields.

The level of aggregate demand for goods and services determines the rental value and in turn the market value of commercial real estate. Investors' demand for commercial real estate is derived from the future stream of rents that the owner expects to receive. Users demand is derived from the profits they expect to receive from its use which are in turn derived from consumers' demand for the product or service offered by the business occupying the commercial space.

The problem that has occurred in the Alaskan economy is that the overall level of aggregate demand has fallen below the level anticipated during the building boom because there are fewer people than anticipated and those people are spending less. The result of this fall in aggregate demand is that business profitability has fallen, increasing both business failures and the number of marginal businesses. This in turn has reduced the level of demand for commercial space and created 'excess supply' in the commercial real estate market (as well as most, if not all, other markets).

We should realize, however, that 'excess supply' is a price dependent concept. This means that as aggregate demand falls and the general level of business activity declines users of commercial space have a demand for less space because some have gone out of business while others have found it necessary to reduce costs in order to stay in business. Part of this reduction in costs will be accomplished by reducing the rent they are willing to pay. This will cause these businesses to seek rent reductions from their existing landlords and/or move to less expensive or smaller quarters. Rents for all commercial space will begin to fall as owners of commercial space try to bring vacancy factors back to prior levels. Even businesses that are not feeling pinched will find that they can now rent larger and/or higher quality space at reduced rates.

Simply stated, excess capacity exists when prices are too high to clear the market. As prices fall the excess capacity will tend to be absorbed back into the economy. Two factors must be noted about this reabsorption: First, as rents fall and businesses tend to move up to higher quality space, vacancy factors in lower quality (older, less luxurious) space will tend to be higher than in higher quality (newer, more luxurious) commercial space. This occurs because the more marginal or risky or newer businesses will tend to locate in this cheaper space thus creating a higher turnover. This will in turn tend to increase the rent differential between lower quality and higher quality space. This process will be reversed as the economy recovers -- a fact that any investor in lower quality properties realizes.

The second factor to note about the eventual reabsorption of 'excess capacity' is that the adjustment period will not be fast. It may well take a number of years. There are some indications that the adjustment is well under way (see for example the Anchorage Office Space Market Analysis Summary - midyear 1987 which shows an increasing vacancy factor for lower quality space and a slowing vacancy factor for higher quality space).

On the other hand, as rents fall it is likely that leveraged commercial space investors will be unable to avoid increasingly negative cash flows which may cause additional buildings to be sold at losses. It is possible that the capitalized value of some commercial real estate has not only fallen below the level of existing financing but also below current replacement cost.

From the above discussion we can identify which people will benefit and which will lose from a general decline in commercial real estate rents. Those that stand to gain from decreased rents are

- businesses that use rented commercial space;
- customers of businesses that use rented commercial space;
- employees of businesses that use rented commercial space;
- investors in businesses that use rented commercial space.

Those that stand to lose from falling commercial space rents are

- owners of commercial space for rent;
- businesses that operate from owned commercial space;
- employees of businesses operating from owned commercial space;
- investors in businesses operating from owned commercial space;
- investors in banks that have inadequate reserves to cover nonperforming commercial real estate loans.

It is also possible to examine the likely impact of proposed solutions to the 'excess capacity' problem. First, if the State buys distressed properties at market prices and rents these properties at market prices there is no effect on the market. Rents will be driven down to the same level they would have reached in the absence of the State purchase. However, since this does nothing to relieve the perceived 'excess capacity' problem, the proposals put forward have been to purchase these properties and withhold them from the market either temporarily, by keeping them vacant, or permanently by bulldozing them. In either case this action on the part of the State will result in a subsidy to the owners of non-State owned buildings. This subsidy will occur because rents will be kept higher than they would have been in the absence of the State program. The result remains unchanged even if aggregate demand falls so far that some buildings cannot be sold at any price: the ghost town effect. Even in this case, purchase for land value or any other price by the State represents a subsidy to other building owners. Purchase and subsequent bulldozing by the State represents destruction of wealth.

This subsidy is directly paid for by:

- businesses that use rented commercial space;
- customers of businesses that use rented commercial space;
- employees of businesses that use rented commercial space;
- investors in businesses that use rented commercial space;

through higher rents, higher prices and/or fewer products available, fewer jobs available and decreased returns on their investments.

The subsidy is also indirectly paid for by all the citizens of the state through the opportunity cost of the program. This cost is the value of the lost benefits of the other programs that could have been funded with the revenues spent on the purchase of commercial real estate. Opportunity costs arise because the State has a limited amount of money to spend. Any money spent to purchase commercial real estate reduces the amount available to spend on other programs. The foregone benefits of these lost or reduced programs are, therefore a cost associated with the proposal.

One estimate of the potential size of this opportunity cost is 25% to 35% of the \$292.3 million in past due & non-accruing commercial

real estate loans plus the 165.2 million in foreclosed real estate owned by banks identified by the Governor's Office of Management and Budget (1/4/88)¹. To place these numbers into perspective consider that this \$115 million to \$165 million represents two to three times the FY88 authorization to the Municipal Assistance program². State purchase of these nonperforming loans will actually result in a bail out of the banks holding these loans not the current building owners. In fact the nonperforming owners will likely not only lose the building but also be hit with a taxable gain on the amount of the loan the bank has written off plus the accumulated interest, fees and charges associated with the foreclosure.

Both the direct and indirect costs will be imposed upon the State economy even if it is the lowest quality space that is taken off the market since this will keep rents higher than necessary and could well keep many start-up businesses from ever making it. Actual estimation of the net costs and benefits of higher rents for commercial space would require a difficult and, due to data availability problems, perhaps impossible, empirical study. It is likely, however, that since the proportion of businesses that rent space is greater than the proportion that own space, the losses of the losers from higher rents will more than offset any gains to the gainers.

Further if, as is likely, the income of commercial real estate investors is higher than the average income of the rest of the population of the state then the leakage to Federal income taxes will be greater than if the funds were used in alternative ways. It may also be more likely that commercial real estate owners will spend incremental income on out-of-state travel and other out-of-state goods and services. Additionally, to the extent that buildings are owned by out-of-state individuals or corporations, this leakage from the economy is increased.

It has been argued that the owners of other buildings will be unable to compete with buildings sold at distress sales. It is true that market conditions are causing building owners to accept reduced returns on their buildings as rents fall. On the other hand, if current owners believe that prices at any potential distress sale will be so low that they will be unable to compete, they have the option of purchasing the distress priced buildings themselves. This option will allow the owners of other buildings to minimize the reduction in their revenue.

In summary, the outcome of a State program to reduce excess capacity in commercial real estate will be to keep rents higher than they would have been in the absence of such a program which will, in turn, drive business, employment, aggregate demand, and aggregate income lower than they would be in the absence of such a program. Furthermore, implementation of this type of program will create an additional source of uncertainty in the economy as other interest groups exert pressure on the system to fashion their own 'bail out' program. This will further prolong the adjustment

period and delay the process of economic recovery. Banks and owners of commercial real estate will be the beneficiaries of this program while the costs will be borne by all the other citizens of the State.

FOOTNOTES

1. Memorandum to Mary Holloran, "Commercial Real Estate Background Report", R.A. Finegerg and Joan Kasso, Table 1, Jan. 28, 1988.

2. "Special Report Governor's FY89 Spending Plan", Legislative Finance Division, January 14, 1988.

Comment Draft 2/18/88

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The Recession, The Real Estate Crash, and Alaska's Economic Prospects

Introduction

Many Alaskans have been surprised by the severity of the current recession, and the speed with which it engulfed the state's economy. The collapse of the real estate market has been a shock, particularly in Anchorage. As long as anyone there can remember, investment in Anchorage real estate has been about as sure a thing as one could hope to find in this uncertain world. Granted, there have been ups and downs, but Anchorage real estate always held its value when the economy was doing poorly. When the economy was expanding -- during the Korean War, again after statehood, after the \$900 million North Slope lease sale in 1969, during the pipeline boom, and in the biggest boom of all in the early 1980s -- an investor could achieve extraordinary returns. In the intervals when the economy was stagnant, a real estate investor in Anchorage felt protected. "You never sold a piece of property for less than you paid for it," recalls John Rader, Anchorage lawyer and investor whose experience in Anchorage dates to the early 1950s. "It was almost a religious statement."

The benefits of real estate appreciation weren't just restricted to the very rich. Anyone wealthy enough to buy a home was able to play the game. The more a family borrowed to buy a home and the less of their own cash they used in the purchase, the faster their home equity would compound. Over the years, ordinary folks and major investors alike came to believe that there some rules of investing were better ignored. In Alaska, it always paid to be highly leveraged. In Alaska, the more an individual borrowed, the more an individual stood to make. And in Anchorage, one would never need to sell a piece of real estate for less than one paid for it.

No single event swept away this folklore, but it vanished nonetheless. In January 1986 Anchorage taxable real estate had an assessed value of \$13.9 billion, up 38 percent from two years earlier. In January 1988 municipal assessors estimated it at \$8.3 billion, down 41 percent in two years. Because a half billion in new construction was added to the tax rolls over the '86-'88

period, the average property in Anchorage took an even bigger beating.

This kind of collapse would spell trauma in any community, but because of Anchorage's demographics, growth pattern, and the policies of an activist state government, the distress has touched an especially large number of households. Anchorage's population is relatively young, and the town has been growing fast. In any other state most of the young families that dominate Anchorage's demographics would still be renting; a crash in real estate values would then be to their advantage since it would mean falling rents. In Alaska, though, the state has actively encouraged home ownership by providing mortgage credit at subsidized rates. The booming market made it look foolish not to participate, and in Anchorage about 29,000 households now owe about \$2.5 billion on subsidized residential mortgages.

According to Anchorage real estate broker Brooke Marston, these subsidized mortgages are now virtually all "underwater," e.g., the principal owed on the mortgage exceeds the market value of the home. The average family's equity in its home is one of its major repositories of savings. In Alaska, for most urban households, the value of that asset has been erased or become a net liability. The probability is that many now have negative net worth.

The purpose of this analysis is to examine these painful events in the broader context of Alaska's overall economic performance, addressing five questions: What caused the recession? When will it end? What sort of recovery can we expect? How will the real estate crash affect the recovery? And what are the economic policy options for state government?

The Inevitable Recession

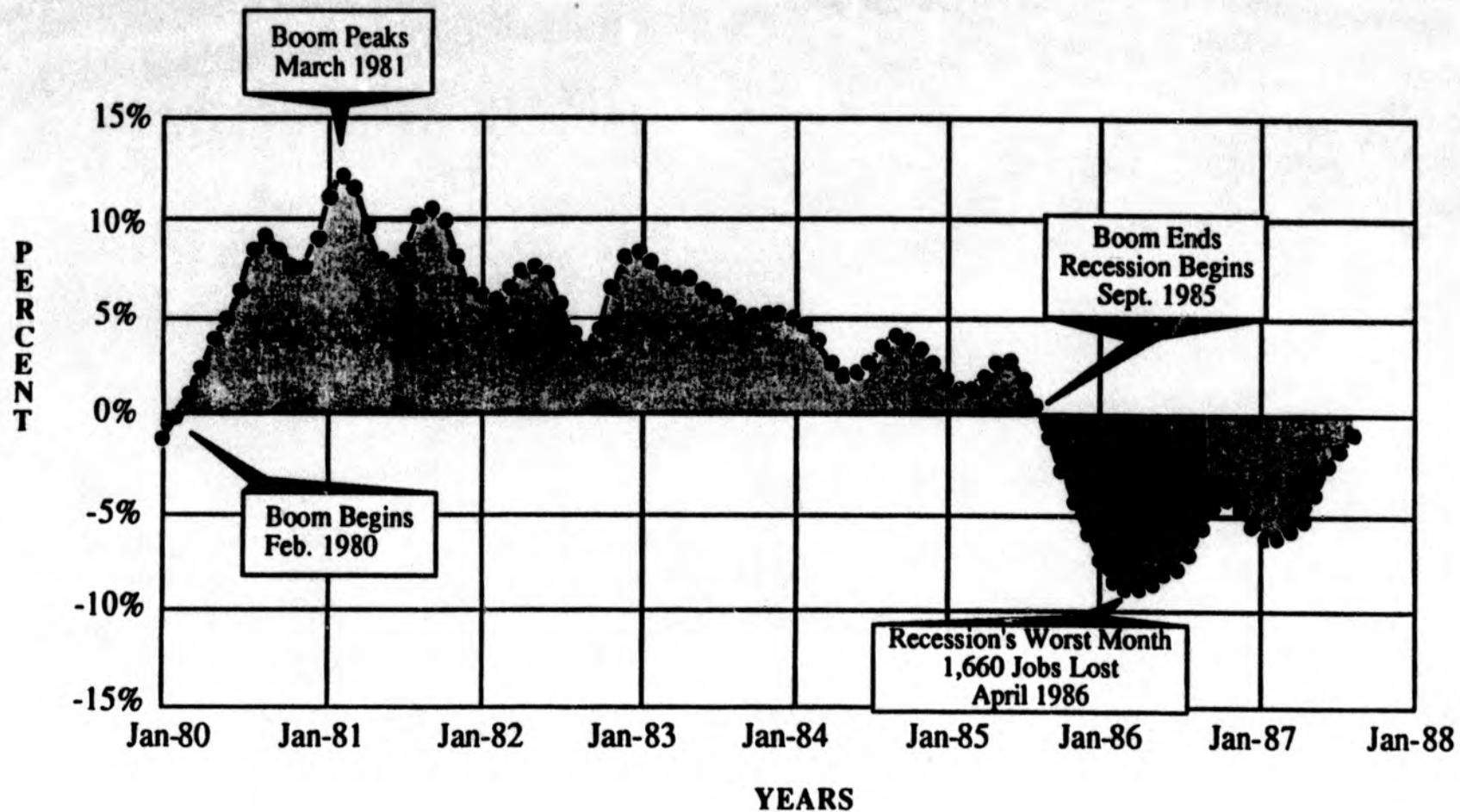
Alaska's recession had its roots in the extraordinary boom that began in early 1980s. *When the state government doubled its real per capita spending between 1980-81, a recession became virtually inevitable.* Using the rate of job creation and job loss (shown in Figure 1) as his yardstick, Scott Goldsmith, economics professor at the University of Alaska's Institute of Social and Economic Research, measures the peak of the boom in early 1981, when jobs were being added at the phenomenal 12 percent annual rate.¹ The rate tapered off slowly after that, but since growth was still occurring the economy continued to get bigger. The economy stopped growing in September 1985, which is the date ISER's Goldsmith identifies as the beginning of the recession. The first phase of the recession was exceptionally sharp, but it was also short: the economy hit bottom in April 1986, just 6 months after the recession started; at that point

¹ Economists who keep track of the business cycle on a national basis generally define a recession as two consecutive quarters of falling gross national product. Because figures for gross *regional* product are more difficult to determine, regional economists generally use falling employment as their measure. Economists recognize that there is much more to the evaluation of economic performance than is told by either GNP or employment.

Figure 1

Rates of Growth and Decline in Alaska Employment

Seasonally Adjusted Annual Rate



Source: Scott Goldsmith, ISER

Office of the Governor
Division of Policy
2/8/88

jobs were being lost at an 8.5 percent annual rate. Thereafter things improved, with the data from late 1987 showing jobs being lost at a 1 percent annual rate.²

The Alaska recession has not been typical. Regional recessions usually result from regional specialization, as in the manufacture of airplanes or the production of corn, combined with declining worldwide demand for the specialized product or service. The Seattle area specialized in large commercial jet transport aircraft. When demand for that product ebbed in the 1960s, Seattle lost 70,000 jobs in the space of a year. In the mid-1980s declining agricultural prices triggered a regional recession encompassing much of the Midwest. Here is the way the Scott Goldsmith, of the University of Alaska's Institute of Social and Economic Research (ISER) put it:

It is critically important to recognize that we brought this recession on ourselves, and that it was not primarily the result of weakness in the markets for the goods and services which Alaska sells to the rest of the world. This fact distinguishes our recession from those that have occurred in other regional economies.

The dramatic growth in state spending in the first years of this decade guaranteed that there would be an explosion of demand, and that private capital and labor would mobilize to meet that demand. Since much of this demand was from new public and private investment, demand was especially strong in the area of investment goods -- especially construction services and housing. Just to keep up with the growth in population and business required a Herculean effort. Few communities ever find themselves needing to add housing at a rate that would double the number of units in seven years. Since much of the growth was itself the result of new investment, there was a feedback loop. Economists call it an investment accelerator -- the expansion called forth investment which in turn accelerated the expansion. Unfortunately, the process also works in reverse. When growth stopped (notice we didn't say "reversed"), the Herculean effort would no longer be needed. And once a downturn was started, the feedback loop would cause it to feed on itself, to accelerate.

The only thing that could have prevented an eventual demand collapse was for state spending to keep growing. This would have required state revenue to keep growing. Some thought this a likely future, but it wasn't. When state spending stopped going up, the balloon would be punctured and the Alaska economy would deflate. The only questions remaining were when the recession would occur and how severe it would be.

This logic leads to an important conclusion. *The oil price collapse was not an important cause of the recession.* The oil price slide started in December 1985, three months *after* the recession began and two

² Some economists are less sanguine in their interpretation of the employment data, but most conclude that the recession, if not yet over, is in its final stages.

years *after* job losses started in the Alaska construction industry. Real (inflation adjusted) state spending stayed constant at \$6,800 per capita in FY 1983 and 1984, then increased to \$7,400 in FY 1985. The construction recession began in December 1984 (mid-FY 1985), notwithstanding the spending increase. With the beginning of FY 1986 spending fell to \$5,400 per capita.³

The FY 86 spending cut hurried along the recession which started three months later and made it more intense, but didn't cause it. The cause was that in 1981 the state of Alaska increased its spending at growth rates it could not reasonably hope to sustain, and adopted policies that encouraged private investment in housing, where the needs were only a temporary response to the inflated spending. *When state spending stopped growing, a recession resulted from falling demand for investment goods.* The collapse had its most severe consequences in construction and housing, precisely those areas where the state had the most success in its efforts to stimulate the economy.

The recession did not take Alaska's economists by surprise. Ten years ago, in March 1978, economist David Reaume and Goldsmith independently analyzed the effects of state spending growth expected with the beginning of Prudhoe oil production. Their analyses were contained in separate papers delivered to the annual meeting of the Western Economic Association. Both authors used the concept of "sustainable" spending (Reaume called it "sustainable revenue"). Both papers concluded that spending growth above the sustainable level would culminate in a self-inflicted regional recession.

Over the following decade this central conclusion was refined and reiterated by virtually every Alaska economist who wrote or spoke on the subject. Sometimes the conclusions were cloaked in mathematics or couched in eco-speak, but the warning was clear from the beginning. Here is how Dr. Reaume, phrased it ten years ago:

[I]ndependence from non-renewable resource revenue can be achieved ...if real state spending grows by no more than 2.5 percent per year...and if short term budget surpluses are carefully invested. A parallel conclusion is that ...the state faces a financial crisis by 1990 if it does not immediately restrict spending.

Despite the warnings, between fiscal 1979 and 1985, real (inflation adjusted) state spending rose at a compounded annual rate of 13.9 percent.⁴

³ The average U.S. state spends about \$1,700 per capita. All figures are unrestricted general funds expressed in constant 1987 dollars.

⁴ The annual real per capita growth rate over the whole fiscal 1979-88 period was 3.7 percent.

Recovery

If the economists are right, the end of Alaska's recession is imminent and doesn't depend on outside events like a rise in the price of zinc or corn or a change in the demand for Boeing airplanes. Alaska's recession will end when the decline in state spending ends and the excess capacity in areas like construction has, in the words of ISER director Lee Gorsuch, "been fully wrung out." Since most economists believe that both have already happened or are due soon, most also believe the job losses will end soon as well.

Precisely when will the recession end? Some economists believe it may already be over. A simple-minded extrapolation of Goldsmith's data (Figure 1) would suggest that employment actually started to grow between December and January. Chuck Caldwell, the state's chief labor economist, thinks this is possible: "I'm not going to make any predictions now, but when [the final seasonally adjusted numbers are in] we may well see that the economy started growing again around the first of the year." A Dittman Research Corporation survey of Railbelt business owners and managers conducted in January 1988 seems to provide some confirming evidence. Twenty-one percent of those responding said they planned to increase the number of employees in 1988, while only 12 percent said they planned to cut. Goldsmith himself predicts that the recession will end in the second half of 1988, a view shared by Reaume.

The pace of the recovery thereafter will be affected by any structural changes that occur in the Alaska economy, by changes in state spending, and by demand for Alaska's exports -- energy, fisheries products, wood products, visitor services, and defense services. The outlook for the state's export industries is generally favorable. Virtually all international economic experts foresee a protracted period -- perhaps 15 years -- during which foreigners will find U.S. dollars cheaper than at any time in recent history. For Alaska the change will mean growth. Consider tourism. The weakening dollar has reduced the cost in Japanese yen of an Alaska vacation, making it more affordable to the Japanese tourist. Moreover, Americans tourists will also be more likely to come to Alaska since the dollar cost of visiting foreign destinations, Alaska's competitors for tourist spending, will have increased. The same altered incentive structure will increase demand for Alaska minerals, wood and fisheries products.

In fishing, development of an on-shore bottomfish processing industry, discussed for years, has finally shown up this winter as real growth in employment. With one mine preparing for production and others well along in development, this time it appears that metal mining has finally started to grow. Federal spending is under pressure everywhere, but new military deployments to Alaska and increased federal park and wilderness management responsibilities in the state may mean an increasing overall federal presence in the economy. Petroleum employment is growing now,

reflecting the extraordinary profits available from further investments in already producing fields. The oil companies and state forecasters expect long-term increases in the real price of Alaska oil, but even if this doesn't materialize, labor required to produce existing fields will increase due to technical factors common to all declining fields even as production declines. The consensus among Alaska economists is that demand for the goods and services Alaska produces will grow, and that this growth will add new jobs to the Alaska economy at a rate of 1 percent or so annually, starting in 1988 or 1989 at the latest.

Recession's Dividends

Scholars of economic development have noted that the great economic "leaps" recorded in history often come as the result of a crisis of one sort or another. The crisis brought about a reordering of society that was key to releasing suppressed opportunities and efficiencies. Alaska's recession isn't likely to spawn an economic miracle, but it is eroding two longtime barriers to Alaska's development -- high wages and inflated prices. Whatever one may feel about these changes -- and there are many who are hurt by them -- "[t]he bonus ...is an increase of competitiveness of our economy both in the production of basic commodities, and in the local production of support services," states Goldsmith.

The most immediate economic impact of falling real estate values is the boost it gives to the purchasing power of people that rent. Mike Breedlove, chief demographer for the Municipality of Anchorage, estimates that 31,000 Anchorage households live in rented quarters.⁵ Assuming 2.4 persons per household, and if the average rental cost two years ago was \$200 per month per person, the roughly 40 percent drop in rents has added an average \$960 to the annual spendable incomes of these 75,000 people. This "renter's dividend" has thus increased Anchorage's spendable income by about \$72 million, and has had about the same economic impact as would result from hiring 1,400 new state employees in Anchorage.⁶

The recession hasn't been all bad for businesses either. Anchorage has about 7.8 million square feet of net rentable office space, and 5.4 million square feet of retail space. Assuming that 70 percent of that space is renter occupied and that monthly costs have declined by \$0.75 per square foot from their levels three years ago, the business renter dividend in Anchorage is over \$80 million per year, the equivalent of another 1,600 additional jobs in the Anchorage economy.

Declining real wages have hurt household purchasing power, but they've provided business with a powerful competitive boost, and many have taken

⁵ The figures do not include renters living on military bases.

⁶ The calculation assumes an average annual salary of \$35,000, and a personal income multiplier of 1.30.

advantage of it. Oil companies can now make money in fields like Kuparuk with wellhead prices as low as \$3.50 per barrel, and Alaska petroleum construction contractors are starting to bid fabrication work away from competitors in Oregon or Korea. Space rental and labor are the biggest cost items in many service and support sector businesses, so declines in these costs are particularly important to holding on to the recent growth in these sectors. Alaska retailers have also been helped by declining transportation charges. According to Greg Carr, of Carr's Quality Centers, these factors together contributed to narrowing the differential between grocery costs in Alaska and Seattle, a differential which he believes is now only about 3 percent. This has also produced a "dividend" for all residents.

The full ramifications of these changes cannot be predicted, but they suggest structural resilience and adaptability in the Alaska economy. These are good attributes for any economy, and especially valuable traits in a period of economic uncertainty.

The Real Estate Crash

The economists haven't completely ignored the \$8 billion or so in Alaska real estate values lost over the past two years.⁷ ISER economists recently studied the Anchorage housing market for the Alaska Housing Finance Corporation; they said to expect further declines in values, especially in Anchorage. Nevertheless, there is wide agreement among Alaska economists: *The real estate crash will tend to stimulate economic growth in Alaska.*

The reason is jobs. A bankrupt real estate investor has minimal impact on employment, but a bankrupt hardware store may signify a real loss in jobs. The real estate crash makes it hard for real estate investors, but it makes it easier on hardware store by lowering its costs. This mean the store is more competitive, which means more business and more jobs, so the real estate crash means employment is likely to grow. What if the investor also owns the hardware store? No problem -- the investor sells the business to cover his losses. The new owner pays more attention to the business, and with lower occupancy costs becomes more competitive. Because it means more jobs, the real estate crash is good for the Alaska economy, however difficult it may be for individuals.

Given this view, economists tend to be skeptical of schemes to rescue the economy by spending public money on real estate. Indeed, they express considerable skepticism about any *economic* justification for trying to prop up the real estate market. Part of this skepticism arises from growing doubts

⁷ The loss in Anchorage private real property values has already been \$5 billion; making allowances for the losses elsewhere in the state, the likelihood of further losses, and losses of "going concern" values, \$8 to \$10 billion is a reasonable guess for the toll the recession has taken on the value of Alaska assets. Outside investors, mortgage insurance companies, and the federal deposit insurers have absorbed a major part of this, however.

concerning state government's institutional suitability for managing economic change in general. "It seems very clear to me now that politics and the kind of hard objective decision-making needed...will never be reconciled," writes Dr. Reaume, formerly chief economist in the state Department of Commerce and Economic Development and formerly a leading advocate of aggressive government action to achieve development. Professor Hayden Green's skepticism is more concrete: "Some of the same people who recommended we spend ourselves into this nightmare are now telling us that they can get us out by using the same concoction that made us sick as medicine to heal us...."

The Dissenters

One expert who disagrees with this generally upbeat view of the economy is Scott Hawkins, formerly chief economist with Alaska Pacific Bank and now executive director of the Anchorage Economic Development Corporation. He believes that the real estate collapse and repercussions in the banking sector have "given Alaska a bad name" among outside banks that had been providing loans for Alaska development or were thinking of coming in. "It will be ten years before some of those [institutions] consider coming back to Alaska," Hawkins predicts. He argues that the resulting lack of capital is likely to cause retarded development.

Some economists are concerned that mergers will increase the share of the state's banking business controlled by the two or three largest institutions, possibly causing reduced competition in credit markets. Nevertheless economists apart from Hawkins discount "capital shortage" as a significant drag on development. Less money is flowing to the state now than two years ago, just as Hawkins suggests, and outside banks that thought they saw opportunities here, now probably see the issue differently. But it is important not to confuse cause and effect. Less money is being invested in Alaska because there are fewer opportunities for profitable investment, not the other way around. It is a situation that is not likely to change for several years, at least as far as the kind of lending that outside banks did during the boom. Their loans went largely to build shopping malls, offices, and homes, all of which are now in oversupply in urban Alaska. Meanwhile, deposits in Alaska banks have declined by less than 3 percent during the recession. Opportunities to make profitable loans, on the other hand, have declined much more significantly. The result is that *Alaska bankers are scrambling to find creditworthy loan customers*. "If someone with a serious business proposition comes through my door, I can assure you that person will have no difficulty in getting what he needs," said one Anchorage banker. Juneau economist and business consultant Eric McDowell agrees: "If I had a money-making idea that required capital, I could get it in an instant. The problem is that there aren't that many opportunities out there right

now."

Hayden Green, professor of real estate at the University of Alaska at Anchorage, is the other notable dissenter from the consensus view, though not on the capital shortage issue. Green argues that the collapse in property values will cause Alaskans to feel less wealthy, and this will cause them to reduce their consumption of goods and services, including goods and services provided by other Alaskans. Declining demand will mean more layoffs, thus propagating and prolonging the recession.

In eco-speak this is a "wealth effect." It will have some impact, but economists don't generally expect it to be significant. Goldsmith notes that the stock market crash wiped out \$1 trillion in wealth overnight and has had little apparent effect on consumption. In interviews with Anchorage retailers, Seattle consultant Dr. Bill Mundy found that "stores...that sell non-discretionary items (such as groceries) indicate that sales [in the first half of 1987] are just about the same as a year ago or off some, but not dramatically as one might expect." Mundy also notes that employment in stores selling general merchandise didn't decrease at all from March 1986 to March 1987, and that food store employment actually increased. According to Professor Lee Huskey, co-author of ISER's recent study of the housing market, if people do respond with reduced consumption, items foregone will be heavily weighted toward items with low "Alaskan" content such as Hawaiian vacations and Cadillacs. "The effect will be very marginal."

What about the arguments that a state funded entity, a so-called vulture fund, is needed to buy up distressed properties and keep them off the market? The "Phoenix Fund" proposed by Hawkins would be designed to prevent...

an unnecessary acceleration of small business bankruptcies [and] the additional failure of Alaska financial institutions, which would set off another cycle of falling real estate values, rising foreclosures, business bankruptcies, job losses, population outflow, etc.

The fund would be run by Hawkins' Anchorage Economic Development Corporation.

Fundamental to this line of thinking is the assumption that Alaska economic development will be hurt by falling property values. Economists, as noted earlier, simply don't buy this idea because they think falling property values will on balance increase jobs. "The real estate collapse is tough on those who invested in property," says McDowell, "but for the economy at large it is of little consequence." According to Reaume, "the current real estate situation may have major positive ramifications on the economy. A 'buy out,' on the other hand, could induce mistakes in the future. It's a bad idea." Department of Revenue economist Al Zangri is specific:

" [a] state program to reduce excess capacity in commercial real estate...will

... drive business, employment, aggregate demand, and aggregate income lower than they would be in the absence of such a program. Furthermore, this will create an additional source of uncertainty in the economy as other interest groups exert pressure on the system to fashion their own 'bail out' program. This will further prolong the adjustment period and delay the process of economic recovery."

Connie Yoshimura, an Anchorage real estate broker, points out the shaky technical assumption underlying the vulture/Phoenix fund idea -- that purchasing distressed properties will stabilize the market for holders of other properties. The Anchorage market has seen a "distinct flight to quality." She argues that the demand for mid- and high quality property is largely independent of the demand for the low quality properties that constitute virtually all the distressed assets. According to Yoshimura, removing those assets by demolition might make sense as an urban renewal strategy, but will have no effect on prices or demand for anything except the the very lowest quality properties, most of which are already in foreclosure. Professor Green expresses similar concerns.

Loss of Confidence

Despite economists belief that the direct economic effects of the real estate crash will be positive, the regional recession in Alaska is at least partly beyond the range of economic experience. It is a reason for caution.

An event this encompassing could conceivably have non-economic effects that could feed back into the economic system in unanticipated ways. Anchorage real estate broker Chris Stephens has suggested that most severe effect of the market crash could be the loss of entrepreneurial talent. Most economists scoff at this idea. "Heck," ISER's Lee Huskey remarks, "lower costs are going to make it *more* likely entrepreneurs will succeed."

Arlon Tussing, a Seattle economist and frequent visitor, thinks the odds are good that the loss of confidence won't last very long or extend very deep into the fabric of Alaska society. So far, the evidence seems to favor this view. Anchorage's municipal demographer Michael Breedlove estimates that 59 percent of the households lost in Anchorage since 1985 have been male headed, non-family households, a category that accounts for only 18 percent of total households. Moreover, 80 percent of the population loss has been in 20-30 age group, and two-thirds of the loss is accounted for by males. These numbers don't suggest a broad-based exodus.

But what about the attitudes and intentions of those who remain? Population movements tend to lag changes in the economy, so a collapse of confidence could have already happened, with the resulting wave of out-migration only now beginning. As far as attitudes are concerned, the answers given by Dittman's Railbelt respondents don't reflect any sense of crisis: 44 percent say the economy will get better over the next two years,

compared with 16 percent who see things getting worse.

What about the 18 percent of Dittman's respondents who reported they were "very likely" or "quite likely" to leave Alaska within two years? For some observers the number was "shocking." Gregg Williams, the state's chief demographer, doesn't see it that way. "Every year, in good times and bad, about 15 percent of the people in Alaska leave. The [poll] results are about what I'd have expected." According to Dr. Williams, the number of people coming to Alaska is much more variable than the number leaving, and much more sensitive to economic conditions. Unfortunately, surveys of people already in Alaska, whether the results are "shocking" or "expected," tell nothing about the intentions of those not yet here. The guessing among experts like Breedlove and Williams is that population isn't in for any collapse in Anchorage, and certainly not in the balance of the state.

Alaska's Policy Options

Many of the experts who are saying there is no economic justification for using public money to prop up the real estate market are also owners of homes and other real estate. A few of them suggest that there may be some *moral* justification for state government involvement. "After all," one asked rhetorically, "doesn't everyone agree that the state government was responsible for getting us into this?" But even those who see a moral basis for state intervention sense that whatever state government's guilt, indemnification of those who have taken losses would be beyond its means. And proposals to assist only a segment of the market, say the commercial real estate market, are hard to take seriously when so many others have also been hurt. Indemnifying all Alaskans hurt by the real estate collapse would simply cost more than the state could afford.

Besides, excess capacity in investment goods and services (like construction) has dissipated, and it seems likely that the state will arrest the decline in public spending. If this happens, the recovery will occur regardless of what else the state does or does not do. That doesn't mean that prompt, informed government action would not save a lot of pain. Unfortunately, what the government should do, apart from not trying to corner the real estate market, is not nearly so clear. It would make sense to allow people to carry their negative equity along with them to a different house. Whether the public and private bureaucracies involved are able to handle these transactions remains to be seen. It doesn't make sense to have a moratorium on foreclosures. The rights of condominium associations may need to be strengthened. The policies and role of the state's lending agencies -- especially AHFC, need review. Millett Keller, an Anchorage business consultant, suggests that the real estate collapse provides Alaska communities with "opportunities to accomplish ... public sector projects at bargain rates," including acquisition of property for parks, greenbelts and rights-of-way for

future transportation facilities, assuming government can avoid carelessly mixing in subsidies and economic recovery. That may be an optimistic assumption, but Commerce and Economic Development Commissioner Tony Smith was surely on target when he testified that "we can't spend ourselves out of this one, we have to manage ourselves out of it."

Borrowed Time

With management -- and a little luck -- the real estate crash will do no lasting damage to Alaska's economy. Years hence Alaskans may look back at the recession and post-recession period as a time of renewal and opportunity. If so, it will probably be because Alaskans learned the lessons that this self-inflicted recession had to teach.

On this point, however, the returns are still to be counted. Alaska did cut its spending in FY 1985-88, but not enough to erase the fundamental imbalance that Drs. Goldsmith and Reaume first described ten years ago. In a speech early this year Goldsmith described the imbalance as a problem

which always takes a back seat to concerns which are more immediate or pressing, but it is the most pervasive issue we will face in the next decade. *In the long run the economy is still living on borrowed time.* We continue to artificially stimulate the economy by selling off the assets of the state -- our petroleum wealth. How we adjust to a sustainable level of government will affect us all as surely as this recession. [emphasis added]

Unless Alaska controls its public spending, the state will be buying a ticket to a rerun of its present recession. Showtime will be within the decade, and probably sooner.

Another old imbalance also remains. Alaska has developed a mature economy, but parts of rural Alaska have increasingly been left behind. Disparities in income, employment, educational success, health, and a host of other measures all are all widening. Some economists say that this is the kind of problem that economics shouldn't have much say in solving, but all agree that the growing disparities are already a drag on economic development *throughout* Alaska, and that these disparities will become an even greater burden in the future. Economic solutions that might work seem unacceptable on other grounds, and solutions acceptable on other grounds clearly don't work economically. It is a tough issue that won't be ignored.

Alaska's economist emeritus George Rogers wrote in 1962 of how many Alaskans subscribe to the view that economic forecasting "should be a projection of present hopes, that prediction should bolster self assurance. Forecasting in this view is only valid if it agrees with a popularly held dream of the future and makes its realization appear likely."

Today, economists' believe that the real estate collapse will not produce dangerous consequences for the economy as a whole. This view runs counter not to a popular hope, but to a popular fear. A lesson from the recession and

real estate crash may be that hopes and fears, like dreams, are better servants when they are firmly founded on a hardheaded respect for history.

Reference Notes (Incomplete)

If not otherwise cited, quotations are from personal conversations with the author.

Taxable Anchorage real estate values are from Phil Webber, municipal assessor's office, Municipality of Anchorage. Data on the number of Anchorage AHFC mortgages are from AHFC. State spending data are Division of Policy figures.

Goldsmith's seasonally adjusted employment figures have not been published, but are available from him or the author. Goldsmith's statement on the cause of the recession is from "Remarks to the Alaska Policy Forum," January 7, 1988.

The papers presented ten years ago to the Western Economic Association are "Fiscal Planning and the Long-run Growth Pattern of Resource Based Open Economies," by Goldsmith, and "Alaska Financial Planning and the Permanent Fund," by Reaume, both dated March 1978.

For more on Caldwell's and his Department of Labor research staff's view on the end of the recession, see Edward Eboch, "Alaska's Employment Scene," *Alaska Economic Trends* January 1988. Reaume's recovery estimate is found in his article, "One More Year of Employment Decline," *Alaska Construction and Oil Report*, January 1988. He thinks despite the expected upturn in late 1988, average employment figures for the year will be down. Goldsmith predictions are found in his Alaska Policy Forum remarks. Also see "Can State Spending Speed Alaska's Economic Recovery," December 8, 1988, by Goldsmith and Gorsuch, research memorandum prepared for Governor Cow

The Dittman survey data is found in *Railbelt Economic Assessment Survey*, January 1988, by Dittman Research Corp. The Anchorage demographic information is from the *1987 Anchorage Population Profile*, December 1987, prepared by Breedlove, et al, in the Community Planning Department, Municipality of Anchorage. It is an extraordinarily useful document.

Figures on total available office space figures are from Norman Rokeberg, Jack White Realty. Retail space figures are from Alaska Valuation Services, Fred Ferrara, president, as provided by Connie Yoshimura in testimony to the trustees of the Alaska Permanent Fund, February 10, 1988.

The Greg Carr quotation is from an Associated Press story datelined Fairbanks, December 2, 1987.

Alaska

HOUSING



FINANCE

CORPORATION

MEMO

TO: AHFC Board of Directors

FROM: Ronald D. Lehr *RL*
Executive Director

DATE: March 8, 1988

RE: Attached Memo from Representative Brown
to Commissioner Malone

Commissioner Malone has requested that I comment on the attached memo from Representative Brown regarding funds for demolition costs for Willow Park and Hollywood Vista. As Representative Brown notes in her cover letter, a total of \$4.75 million additional is needed, and she believes these funds should come from AHFC reserves.

It seems there are two separate issues raised by this letter. First, is the demolition of these projects an issue that should involve AHFC (and its resources)? Second, assuming AHFC will be financially involved in assisting this demolition, what is the most appropriate form of involvement?

The first question is largely a policy decision. However, it is perhaps appropriate to note that even though both these projects are multifamily rental projects, and hence not normally the province of AHFC, any action that involves 500 units of housing is likely to have some effect on the housing market in general.

The second question raises certain sensitive issues regarding legislative appropriation of AHFC resources. As has been discussed, there is a great deal of concern in the financial community regarding just how secure AHFC's assets are. Any use of AHFC resources for other than standard programs is bound to raise the question again, and we should be prepared to deal with it.

With regard to the specific subject of \$4.75 million for the two projects, clearly AHFC has adequate resources to actually provide funding. Furthermore, an appropriation to fund these projects would appear to be simple. However, it would certainly raise the questions cited above, as well as legal questions about the legislature's ability to appropriate AHFC funds. Furthermore, it would seem to

Memo to AHFC Board of Directors
Re: Willow Park/Hollywood Vista
March 8, 1988
Page 2

encourage additional appropriations of AHFC resources for other real-estate related projects.

I believe that the Board should at least consider another approach. Willow Park and Hollywood Vista are merely representatives of a much bigger problem, that being a large excess supply of housing, particularly in the lower end of the quality range. It may be appropriate to devote a significant amount of AHFC resources toward dealing with this overall problem, rather than simply funding requests for these two projects.

Specifically, I think the Board should consider a program whereby, say, \$20 million of AHFC resources are to be used as a "stabilization and upgrade fund." This fund could be used for grants to other state agencies or local governments. The purpose of the fund would be to upgrade the overall supply and availability of adequate housing. In operation the fund would be used for two purposes. First, it could make grants to destroy substandard housing. Second, it could be used as grants to allow applicable governmental bodies to purchase AHFC-owned property that would be used for qualified purposes. Examples of qualified purposes could be low income housing, student housing, senior citizen housing, etc. This would include, for instance, the sale of mobile homes to rural areas to make more housing available. I believe that all grants should be matching grants, since there is a natural screening process done when an applicant needs to put some of their own resources into a project. Furthermore, I believe it would be best to limit the eligible recipients to state and local governments. This will limit the number of applications which AHFC will have to contend with and avoid AHFC having to establish a significant grants bureaucracy.

The costs of this program are clearly greater than simply an appropriation of \$4.75 million. However, I believe the concept does have certain advantages that may justify the additional costs. First, it is a more broad based approach, so should provide more overall help. Second, I believe that such an approach could be more easily explained to the financial community. It should not be surprising to the financial community that AHFC would be engaging in programs that not only help individual housing needs, but also help contribute to improving the overall situation in the housing market in a planned and coordinated fashion.

su

Attachment

Kay Brown

**Alaska State Legislature
House of Representatives**

RECEIVED
ALASKA DEPARTMENT OF REVENUE

FEB 25 1988

OFFICE OF THE COMMISSIONER

*Rev
FVI*

TO: Commissioner Hugh Malone
Department of Revenue

FROM: Representative Kay Brown *Kay*

RE: Willow Park and Hollywood Vista Apartments

DATE: February 25, 1988

As we discussed yesterday, please find attached background information on the Willow Park and Hollywood Vista demolition costs. A total state appropriation of \$4.75 million is needed, and I believe it would be appropriate to fund this work from AHFC reserves.

If you need further information or have questions on this material, please contact me or Katy McHugh of my office.

P. O. Box 20-2661
Anchorage, AK 99520-2661
(907) 272-0207

During Session:
P. O. Box V
Juneau, AK 99811
(907) 465-4998

**WILLOW PARK AND HOLLYWOOD VISTA SITE DEMOLITION AND RESIDENT
RELOCATION PLANS****WILLOW PARK**

The \$13.8 million proposal is a comprehensive plan to remove Willow Park, a 35-year old, 150-unit low rent multifamily housing project, from the Anchorage rental inventory. The funding for this project would be obtained from three sources: federal, state and municipal government.

\$2.6 million state funds (asbestos abatement)
\$2.2 million municipal funds (demolition and site restoration costs)
\$9 million federal funds (relocation and administration costs)

=\$13.8 million

Municipal officials have indicated that the municipality will make a commitment on its \$2.2 million share in the next few days. The Alaska State Building Authority cannot obtain the \$9 million of federal funds until both the state and municipality have committed to funding their portions of the project.

HOLLYWOOD VISTA APARTMENTS

The Hollywood Vista Apartment Complex consists of 347 units of which 51 are currently occupied. The municipality of Anchorage purchased the project from the United States Department of Housing and Urban Development for the sum of \$1.00 in February 1988. This sale is contingent on the Municipality's agreement to raze the complex within two years of title acquisition. The Municipality has proposed demolition of this property due to its substandard condition and the current abundance of multi-family rental units available in Anchorage.

The proposed costs of the demolition and relocation are approximately \$2.15 million.

\$650,000 (asbestos abatement)
\$1.5 million (demolition, site restoration and relocation)

=\$2.15 million

The Alaska State Building Authority has agreed to issue vouchers or certificates (through HUD) for Hollywood Vista residents that qualify for public housing assistance. (30 to 40 tenants out of the 51 remaining.)

A total appropriation of \$4,750,000 in state funds is sought for the purpose of demolition of Willow Park and Hollywood Vista Apartments in Anchorage. This decision is based on several determining factors including:

- Existing buildings are old and in need of extensive renovation to remedy safety code violations. Renovation would cost more than structures are worth.
- Removing substandard units and replacing them with available public and privately owned housing units will help to stabilize the current housing market.
- Relocation would provide improved quality of life and upgraded housing for Willow Park and Hollywood Vista residents.
- The complexes are functionally obsolete and no longer meet the needs of the community.

Prepared by:
Rep. Kay Brown
2/25/88

Work Session

Office Room Discussion

10

10

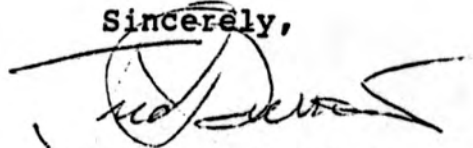
Alliance Bank

March 19, 1988

Mr. Gumbiner has asked us to transmit the enclosed updated "PROPOSAL FOR THE ESTABLISHMENT OF THE HALLWOOD ALASKAN REAL ESTATE STABILIZATION TRUST" to you in an effort to keep you informed.

Should you have questions or comments, they could be directed to him through my office.

Sincerely,



Fred H. Burrow
President

Enclosure

**PROPOSAL FOR THE ESTABLISHMENT OF THE HALLWOOD ALASKAN
REAL ESTATE STABILIZATION TRUST**

A liquidating trust formed to liquidate on an orderly basis at stable appraised prices in the best interests of the Beneficiary Institutions, the supply of distressed real estate properties and loans currently overhanging the Alaskan market.

Background

As a result of the current severe recession in the Alaskan economy which followed a period of strong economic growth in the commercial and residential real estate market, Alaskan lending institutions and certain state and government agencies who have assumed the obligations of failed institutions, are today burdened with an unprecedented holding of "bad" real estate loans, some of which have been foreclosed and all of which are at least partially non-performing. Real estate values have been declining monthly. Although the decline in real estate values has been slow and the recession is seen to be bottoming out, the recovery is extremely fragile and prices could be precipitously collapsed if the overhanging real estate were offered back into the market at distressed prices for forced sale.

Alliance Bancorporation ("Alliance") was recently formed by the merger of Alaska Mutual Bank, United Bank Alaska and United Bank Alaska Southeastern and was recently recapitalized by the Hallwood Group Incorporated ("Hallwood") and the FDIC. Alliance currently holds some \$300 million of bad real estate loans of which about \$80 million has already been foreclosed and the balance being in the form of classified and non and partly performing real estate loans. The FDIC, as Receiver of the failed First Interstate Bank of the North, holds about \$200 million of "bad" loans of which at least half are property related. Additionally, Fannie Mae, the Federal Home Loan Bank Board, Alaska Housing Finance, MGIC, New York Life and other Alaskan lending institutions all hold similar "bad" loan portfolios.

If any of the above institutions were to "dump" their real estate holdings into the local market they would collapse the fragile price structure and ensure the continuation of the current recession to the detriment of not only themselves individually and as a group, but all Alaskan citizens and property owners.

The objective of "The Hallwood Alaskan Real Estate Stabilization Trust" is to prevent a further decline in real estate values by allowing the Trustee of the Trust to manage the liquidation of the trust assets so as to prevent an oversupply of property in the local marketplace such as would cause further declines in the price of residential or commercial properties.

The Proposal

In order to maintain a stable market and to encourage a recovery, Hallwood proposes the establishment of "The Hallwood Alaskan Real Estate Stabilization Trust" (the "Trust") to be formed as a liquidating trust with the purpose of liquidating trust property by sale or other disposition as promptly as shall be economically feasible in the best interests of the Beneficiary Institutions and to distribute the distributable proceeds to the Facilitating Beneficiary Institutions solely and exclusively in accordance with the provisions of a Distribution Agreement.

The Board of Alliance Bank has already agreed to subscribe its distressed portfolio of real estate assets to the Trust and we intend to invite the FDIC and the other concerned institutions mentioned above to become subscribers to the Trust prior to its formation date of March 31, 1988. Following subscription of assets to the Trust, beneficiary institutions will own an undivided interest in the Trust.

We anticipate that the transferred assets will consist of single family homes, condominium projects, apartment buildings, a few

office buildings and other commercial structures, shopping centers and parcels of raw and improved land. We also anticipate receiving non-performing or partly performing mortgage loans secured by real estate.

It is our intention that all transferred assets will be recorded in the Trust's books at fair market value as of March 31, 1988. The fair market value of real estate properties will be based upon current independent appraisals except for those assets where a sale was pending and subsequently closed. In those cases, the proposed selling price will be considered as a more accurate indication of fair market value. Fair market value of real estate loans will be based upon current independent appraisals. All appraisals will be carried out in accordance with accepted appraisal methods by a qualified independent appraiser who is a member of the American Institute of Real Estate Appraisers and who regularly performs appraisal services for major financial institutions. Credit will be given in the appraisal process for any income flowing from any transferred asset.

It is intended that Hallwood will act as the Trustee for the Trust which would be established for a ten-year period expiring in March 1998. If all of the Trust assets have not been sold off by this time, then the Trust will come to an end unless a new five-year liquidating trust is established by the Beneficiary Institutions.

It is intended that a Procedures Agreement would be drafted to establish a minimum sales price for each of the Transferred Assets. Minimum sales prices will be based upon appraised values. The Procedures Agreement will also establish restrictions on financing by the Trust although it is intended that the Trust will offer financing to purchasers to assist in the sell-out (see "Marketing"). The requirement of the Procedures Agreement will assure the Beneficiary Institutions

that no asset will be sold for less than a certain fixed amount and that the deferred portion of any sales price will be properly secured and payable over a limited period of time. The Trustee's powers and duties would be governed by a Trust Agreement which will generally authorize the Trustee to preserve and manage but not to develop the Trust assets.^d Accordingly the Trustee has discretion, for the purpose of marketing, to obtain necessary appraisals, feasibility studies, engineering studies or marketing surveys. The Trust cannot undertake to develop unimproved properties to the extent of commencement of any sort of major construction.

Generally the Trustee will limit expenses to any necessary management costs such as taxes, insurance and maintenance and to its own office budget and outside professional fees. Additionally, the Trust may expend sums necessary to preserve its properties or prevent the enforcement of liens superior to the Trust's mortgage loan assets.

As to borrowing funds, the Trust Agreement will provide that borrowings shall not exceed an aggregate of 10% of total Trust assets at appraised value and further that borrowings may only be made from the State of Alaska, secured on any future profit which may be realized from future sales of Trust Assets. Under such borrowings we would expect the State to roll over interest payments to the extent that such payments were not available out of Trust cash flow. It is not anticipated that the Trust will need to avail itself of this borrowing facility and it is anticipated that the cash flow from the prospective sale of Trust assets together with the \$15 million cash contribution which will be contributed by the State of Alaska (see "Assistance from the State of Alaska") will be sufficient to fund all ongoing operations of the Trust.

Under the terms of the Distribution Agreement, the Trustee will

first satisfy itself that sufficient working capital is available to the Trustee to operate the Trust and will then distribute

- a) To the Beneficiary Institutions such sum as represents a proportional return of appraised value and any profit achieved thereon unless some drawdown shall have been made by the Trustee under the standby credit facility from the State of Alaska more particularly mentioned hereafter.
- b) If such drawdown shall have been made, then any such profit shall first be applied to repay with interest any advance made by the State.

The Trustee will be empowered to sell off blocks of property to other trusts or corporations dedicated to a long term holding period such as that currently proposed by the Commissioner for the Department of Commerce and Economic Development for the State of Alaska and Sealaska Corporation.

As to the tax consequences of the Trust to the Beneficiary Institutions, the Trust will be treated as a "Grantor Trust" for federal income tax purposes and, as such, all tax trust consequences flow through the Trust to its beneficiaries in accordance with their respective interests. The Trust beneficiaries are fully insulated, on the other hand, from any liability which might arise out of the various Trust Assets.

To ensure that the Trust will distribute all distributable proceeds in a timely manner and in accordance with the proper percentages to the Beneficiary Institutions, the Trust Agreement will require that the Trust's financial statements will be examined by a firm of independent certified public accountants. Following each examination, the accountants will issue a letter to the Beneficiary Institutions stating whether all distributions have been made in accordance with the Trust Agreement and the Distribution Agreement.

The Trust Agreement will also require the Trustee to furnish the following reports to beneficiary banks:

- a) A monthly statement of cash receipts and cash disbursements with a detailed description of all sales or dispositions of trust property and of any modifications, amendments or extensions of obligations owing the Trust.
- b) A quarterly unaudited balance sheet, income statement, statement of Trust principal, statement of changes in financial position and a schedule of all distributions made during such quarter.
- c) A semi-annual summary of the status of each Transferred Asset and a description of any negotiations then in progress concerning the sale or other disposition of such Transferred Assets.
- d) An annual audited balance sheet, income statement, statement of Trust principal, statement of changes in financial position and a schedule of all dispositions made during the year.
- e) In connection with the examination of the annual reports and financial statements, the independent certified public accountants must issue letters stating:
 - i. that the sales and distributions made during the preceding year were in accordance with the terms of the Trust Agreement, Procedures Agreement and Distribution Agreement, and,

- ii. with respect to the internal financial controls and practices of the Trust, setting forth such recommendations as the independent certified public accountants may consider appropriate.

Assistance from the State of Alaska

In order to ensure that the Trust is funded with sufficient working capital, we shall request the State of Alaska, through one or more of its agencies, to appropriate and subscribe the sum of \$15 million in cash to the Trust for which the State shall receive a beneficial interest in the Trust, in proportion to its subscription.

We anticipate that this \$15 million plus the proceeds of sale of Trust Assets will be sufficient to ensure the continuity of the Trust and the payment of all marketing and general and administrative costs and expenses of the Trustee, for at least one year. At the end of the year if the Trust requires further funding from the State, we shall report our then position and request a further sum of up to \$15 million for the next current year in the form of a loan from the State to be secured by a first lien on any profit that may be realized by the Trustee from future sales of Trust Assets, such loan to bear interest at current market rates. The Trust shall have the power to roll over interest payments until sufficient cash flow becomes available from profits generated from Trust operations to make

settlement. Repayment of interest and principal upon such loans drawn down during the life of the Trust shall have priority to any distributions of any profit which shall be made to Beneficiary Institutions.

Marketing

Immediately following the establishment of the Trust, the Trustee shall prepare a cash flow projection to determine how quickly the Beneficiary Institutions can reasonably expect the transferred assets to be sold and to what extent their interests could be converted into cash. At the outset the Trustee will review all of the non-performing real estate loans and real estate owned to identify essential problem areas. Problems involving construction, design, budgets, cash flow, management location, competition, marketing techniques and various other factors must be analyzed to determine the causes of non-performance or under-performance for each specific asset. Independent appraisals will have to be obtained to arrive at a minimum selling price for each real estate property and further, an initial status report must be prepared for the real estate unit for each asset containing the description of the asset, the loan history, net book value, current status, pending litigation.

For real estate owned, professional quality sales packages will need to be prepared for each real estate property. Each package will contain a full description of the property site and

improvements, income and expense information, lease abstracts, information on available utilities, zoning, taxes, etc.

Regarding loan workouts, the Trustee will evaluate the financial condition of the debtor and the prospect for recovery and will evaluate existing collateral and the prospect for obtaining additional collateral in addition to various types of loan modification, intervention in management or leasing, increased monitoring and control of collateral and possible turnaround methods may also be considered.

Both real estate owned and real estate loans deemed appropriate for foreclosure, i.e., future real estate owned, will be marketed for sale although particular care will be taken with regard to the amount and pricing of real estate offered for sale in the local Alaskan marketplace. The major marketing effort will be made to foreign, i.e., non-American, prospective purchasers through Hallwood's international network around the world.

Hallwood is a public company listed on the New York and London Stock Exchange, specializing in the financial services industry and owned by approximately 35,000 shareholders and institutional investors. Prominent amongst these are the Fidelity Group of Boston, one of the largest fund managers in the United States, with offices in London, Hong Kong, Singapore, and various other countries. Fidelity owns approximately 11.2% of Hallwood's

equity. Another major shareholder is M&G, one of the largest fund managers in the United Kingdom, controlled by Kleinwort Benson, an international merchant bank with a major presence around the world. Hallwood has considerable expertise in the liquidation and management of distressed real estate. In 1979, Hallwood restructured First Pennsylvania Mortgage Trust, a New York Stock Exchange listed real estate investment trust, owning a major portfolio of distressed real estate and mortgage loans located throughout the United States.

In 1981 Hallwood restructured the Umet Trust, a New York Stock Exchange listed real estate investment trust formed by Union Bank of California, again holding a major portfolio of distressed real estate and real estate loans.

In 1983 Hallwood restructured the Institutional Investors Trust, yet another New York Stock Exchange listed real estate investment trust, this time formed by Donaldson, Lufkin, Jenrette, the New York investment bank, again holding a portfolio of poor quality distressed real estate. Finally, in 1984, Hallwood acquired the assets of The Twenty Seven Trust which was formed to liquidate the assets of the bankrupt Chase Manhattan Mortgage and Realty Trust for the beneficiaries of 26 creditor banks and the FDIC. This current proposal is based upon the arrangements entered into by the creditor banks and the FDIC for the liquidation of The Twenty Seven Trust's assets.

Over the years, Hallwood has liquidated the assets of all of the above through its Cleveland-based Property Liquidation Division and has performed several similar functions in the United Kingdom where we have liquidated the assets of Bank and Commercial Holdings Limited acquired in 1978, West Kent Estates Limited acquired in 1980, Redfern and Rankpert Limited acquired in 1981 and the Globe Group of Companies acquired in 1985.

The total value of real estate properties and loans liquidated over the last five years is in excess of \$300 million.

Hallwood intends to offer the Alaskan real estate assets to investors in Japan, Hong Kong, Taiwan, Australia, New Zealand, Malaysia, Singapore, the Philippines, Korea, Canada, South America, Germany, Switzerland, Holland, the United Kingdom, France, Scandinavia and also in the U.S. Sales brochures will stress the current Alaskan economic climate and the cyclical nature of the economy and likelihood of early recovery. Foreign investors will be offered a speculative real estate investment on a highly leveraged, non-recourse basis. For the payment of a 20% deposit, buyers will be speculating on the dollar, the oil price and the Alaskan economic recovery with the benefit of an attractive loan package. In short, anywhere where there is a local investment market and no exchange controls, Hallwood will find and motivate an experienced local agent to offer Alaskan

real estate investment properties, both residential and commercial. Buyers will also be offered a management service where our local managers will, for a small fee, manage local investment properties on behalf of non-resident investors, seek new tenants and advise as to prospects for resale. We believe that marketing to foreign investors in this way will not pose a threat to the stability of the local market as an investor buying from Hallwood will be buying on a long term hold with a view to a large capital gain some years in the future.

Hallwood will also be organizing regular marketing trips to Alaska by foreign investors, many of whom may also be interested in other Alaskan commercial investment projects.

Management

The Trustee will enter into agreement with Alliance whereby Alliance will provide the Trust with management services on a non-profit, recovery of costs only, basis utilizing the services of Gordon Willhite and his 50-strong workout staff. The Trust will be administered from offices in Anchorage and the Trustee will employ and/or retain employees, real estate consultants, real estate brokers, real estate management and leasing agents, appraisers, architects, engineers, mortgage correspondents, mortgage servicing agents, escrow agents, attorneys, accountants and any other such persons as the Trustee may deem necessary to assist it in fulfilling the purpose of the Trust.

In order to facilitate the sale of Trust Assets, the Trustee may grant a loan to purchasers to facilitate such sale as follows:

1. Subject to receiving a cash deposit of 20% of the purchase price, the Trust may grant a non-recourse loan secured by a valid first mortgage lien on the asset sold for a term of not more than twenty years on an amortizing basis at a variable rate of interest floating not less than one point above Alliance Bank minimum lending rates as posted from time to time.
2. Should an asset be sold with less than 20% deposit, then the Trustee may sell the asset with a twenty year amortizing loan as described above but with recourse to the credit of the purchaser.
3. If the deposit of 25% or more is received, then the Trustee may lend up to twenty years on an interest only basis as described above.
4. Under no circumstances may the Trustee sell with less than a 5% deposit.

Upon the formation of the Trust, each of the Beneficiary Institutions shall be entitled to nominate a committee member to

the Trust Committee. The Trust Committee shall have the power to remove the Trustee and appoint a successor Trustee in the event of any breach of the Trust Agreement, Procedures Agreement or Distribution Agreement.

Fees to the Trustees

Hallwood as Trustee will not receive any fee in respect of its services hereunder as it is acting to preserve its own financial interests as 85% shareholder of Alliance. In effect, Hallwood will be receiving an indirect fee in that Alliance staff costs in its workout department will be partially reduced by the formation of the Trust.

In the event that Hallwood exercises its put to the FDIC and is thereafter no longer a major shareholder of Alliance, Hallwood's services as manager and Trustee will still be available to the Trust on a fee basis should Beneficiary Institutions request Hallwood to continue its Trusteeship.

The Trustee will expect to be reimbursed for all its necessary expenses expended in connection with the Trust's business.

March 17, 1988

The Hallwood Group Incorporated
767 Third Avenue
New York, NY 10017
Tel: 212-319-2360

MEMORANDUM

State of Alaska
Department of Law

TO: Ronald D. Lehr, Executive Director
Alaska Housing Finance Corporation

DATE: April 4, 1988

FILE NO: 663-89-0438

TEL. NO: 465-3600

SUBJECT: Urban renewal powers of AHFC

FROM: James L. Baldwin
Assistant Attorney General
Governmental Affairs-Juneau

You have requested our advice concerning the power of the Alaska Housing Finance Corporation (AHFC) to take certain action regarding real estate owned by another public entity. This memo will briefly set out our conclusions regarding some of the questions you asked.

It has been suggested that AHFC would be an appropriate source of financing for the cost of demolishing two dilapidated, low-cost housing projects in Anchorage. Apparently, the Alaska State Building Authority (ASBA) would be the project director, with ownership of the projects currently held by the Municipality of Anchorage. AHFC has been considered as a source of financing for part of the cost of demolition. The purpose of the demolition is to remove substandard housing from the market and decrease the supply of residential housing in Anchorage.

AHFC does not currently own an interest in either project. Any benefit flowing to AHFC would be indirect in that the former tenants of the projects may enter the market for owner-occupied residential housing and become borrowers or eligible for AHFC financing. It is also probable that existing developers of rental housing financed by AHFC would be able to prevent further defaults.

We have advised that the legislature may appropriate surplus assets of a public corporation for any public purpose. 1985 Inf. Op. Att'y Gen. (Apr. 24; 663-85-0463). However, an appropriation directly from the assets is quite unusual and will undoubtedly cause concern in the financial community. The concern centers upon the continuing ability of AHFC to repay its bonds. As we understand the financing proposal, AHFC would effectively grant \$4.75 million to ASBA and would not receive an interest in the property to be demolished.

Our review of the general powers of AHFC discloses that this type of grantmaking activity is not specifically authorized by statute. AHFC is authorized to make grants in the form of

Ronald D. Lehr, Executive Director
Alaska Housing Finance Corporation
663-88-0433

April 4, 1988
Page #2

subsidized rent or mortgage payments for lower or moderate income persons. AS 18.56.090(4). Other powers of the AHFC are expressly directed toward implementing an enterprise activity consisting of a secondary mortgage market. The prefatory language of section 90 suggests that AHFC's general powers are directed toward "providing housing for persons of lower and moderate income or persons located in remote, underdeveloped or blighted areas of the state.... (Emphasis added.) Under the demolition proposal, AHFC would not be providing housing; rather, it would be assisting in the elimination of housing.

As currently structured, involvement in this transaction could not be conducted under the general investment power of the corporation. Based on existing law, AHFC may only invest in guaranteed certificates of deposit and obligations or other securities or investments in which banks or trust companies in the state may legally invest reserves. AS 18.56.090(24).

AHFC also enjoys the power to acquire property "when necessary or appropriate to protect any loan in which the corporation has an interest." AS 18.56.090(7). To our knowledge, the projects set for demolition are not now financed under any program administered by AHFC.

The foregoing suggests that it would be advisable for AHFC to seek a specific amendment to section 90 which would add urban renewal powers similar to those possessed by AS3A. By doing this, AHFC could finance all or a part of the cost of demolition without the disruptive effect of direct legislature appropriation of surplus assets of the corporation.

Set out below is the wording for a provision that could authorize the type of activity contemplated for the projects under consideration:

* Sec. ____ AS 18.56.090 is amended by adding a new paragraph to read:

(28) provide financing to demolish or remove buildings and improvements used for residential housing when necessary to eliminate unhealthful, unsanitary or unsafe conditions, lessen density, reduce traffic hazards, eliminate obsolete or other uses detrimental to the public welfare, or to otherwise remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities.

We hope this memorandum answers your questions.

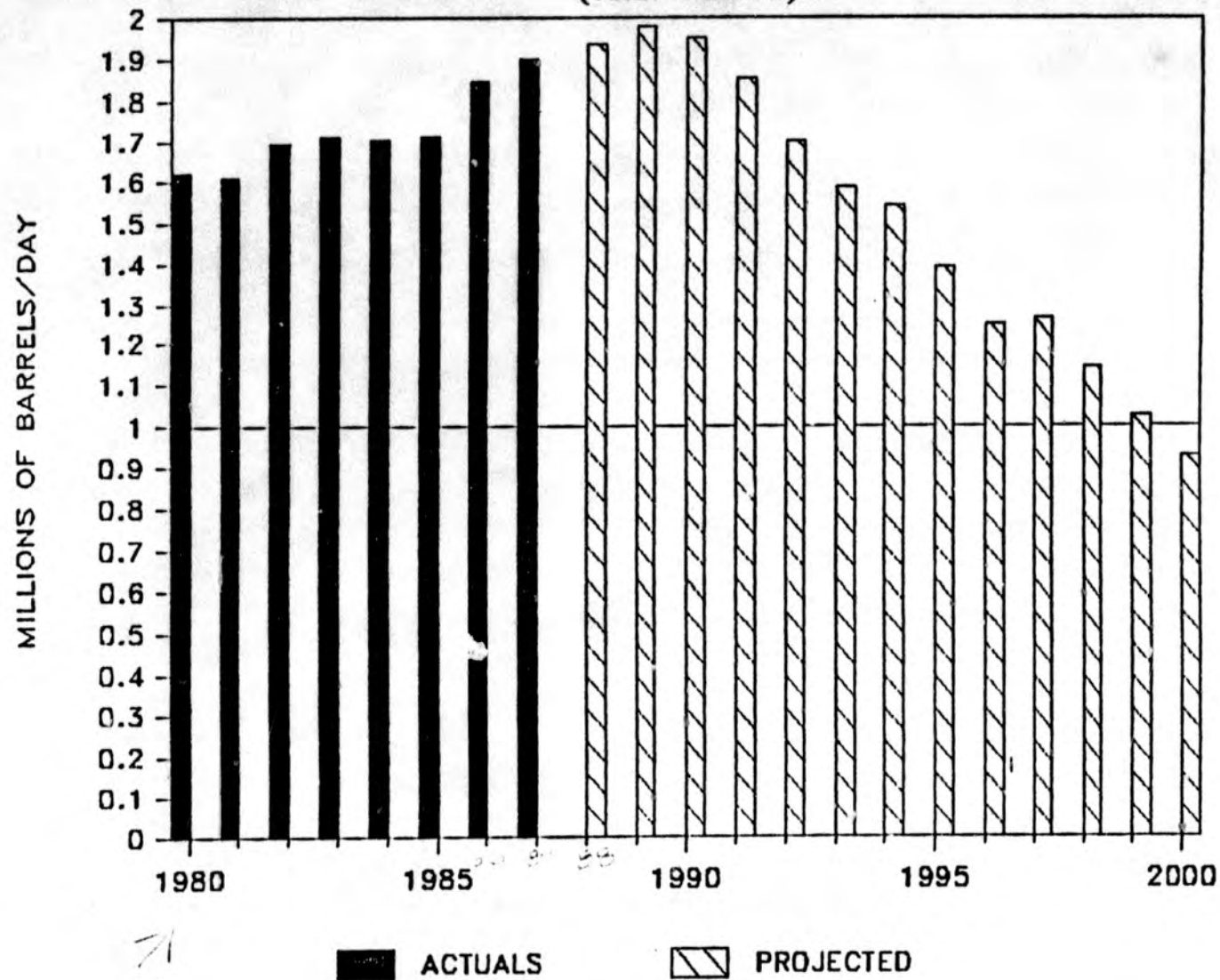
ULR/pjg

*Does not fit
AHFC to financial
prudence standard*

FIGURE 2

PETROLEUM PRODUCTION PROJECTIONS

(Total Alaskan)



Per m + barrels

TABLE 2
PETROLEUM PRODUCTION PROJECTIONS
(Millions of Barrels/Day)

FISCAL YEAR	ALL ALASKAN BARRELS/DAY
1980	1.621
1981	1.609
1982	1.696
1983	1.714
1984	1.704
1985	1.714
1986	1.848
1987	1.902
1988	1.937
1989	1.978
1990	1.952
1991	1.854
1992	1.699
1993	1.587
1994	1.541
1995	1.392
1996	1.245
1997	1.259
1998	1.139
1999	1.024
2000	0.928

FIGURE 5A

ACTUAL & PROJECTED TOTAL REVENUES

(30% Case/Nominal \$)

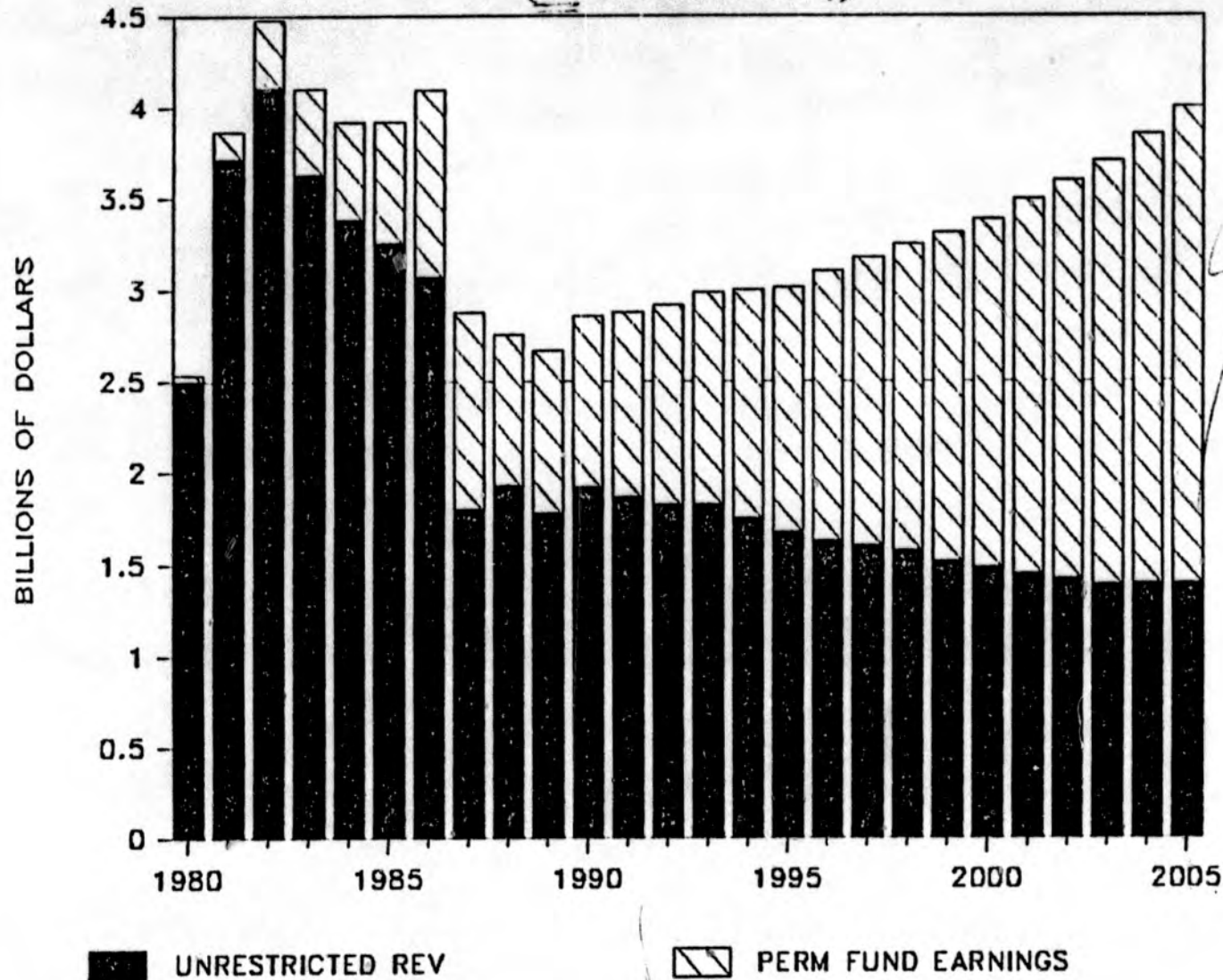


TABLE 5A
ACTUAL & PROJECTED TOTAL REVENUES
(30% Case/Nominal \$)

FISCAL YEAR	GENL FUND UNRESTRICTED REVENUES	PERM FUND EARNINGS	TOTAL REVENUES
1980	2.501	0.032	2.533
1981	3.718	0.150	3.868
1982	4.108	0.368	4.476
1983	3.631	0.471	4.102
1984	3.390	0.530	3.920
1985	3.260	0.658	3.918
1986	3.076	1.021	4.097
1987	1.799	1.069	2.868
1988	1.934	0.811	2.745
1989	1.785	0.878	2.663
1990	1.925	0.926	2.851
1991	1.870	1.006	2.876
1992	1.834	1.080	2.914
1993	1.829	1.160	2.989
1994	1.757	1.243	3.000
1995	1.683	1.330	3.013
1996	1.632	1.468	3.100
1997	1.610	1.570	3.180
1998	1.577	1.677	3.254
1999	1.522	1.789	3.311
2000	1.484	1.906	3.390
2001	1.452	2.043	3.495
2002	1.423	2.173	3.596
2003	1.393	2.309	3.702
2004	1.397	2.451	3.848
2005	1.401	2.600	4.001

FIGURE 5B

ACTUAL & PROJECTED TOTAL REVENUES

(30% Case/Real 1981 \$)

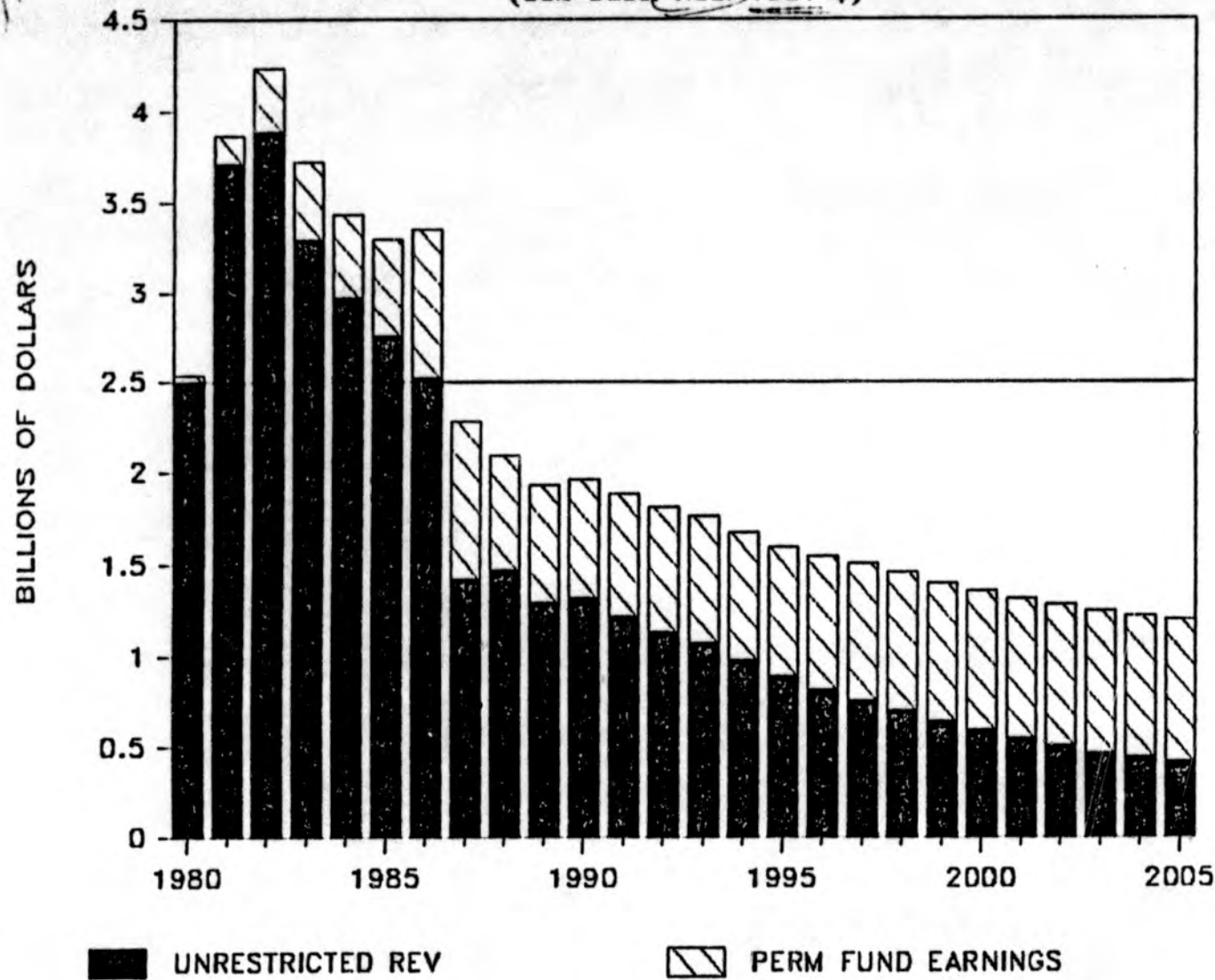
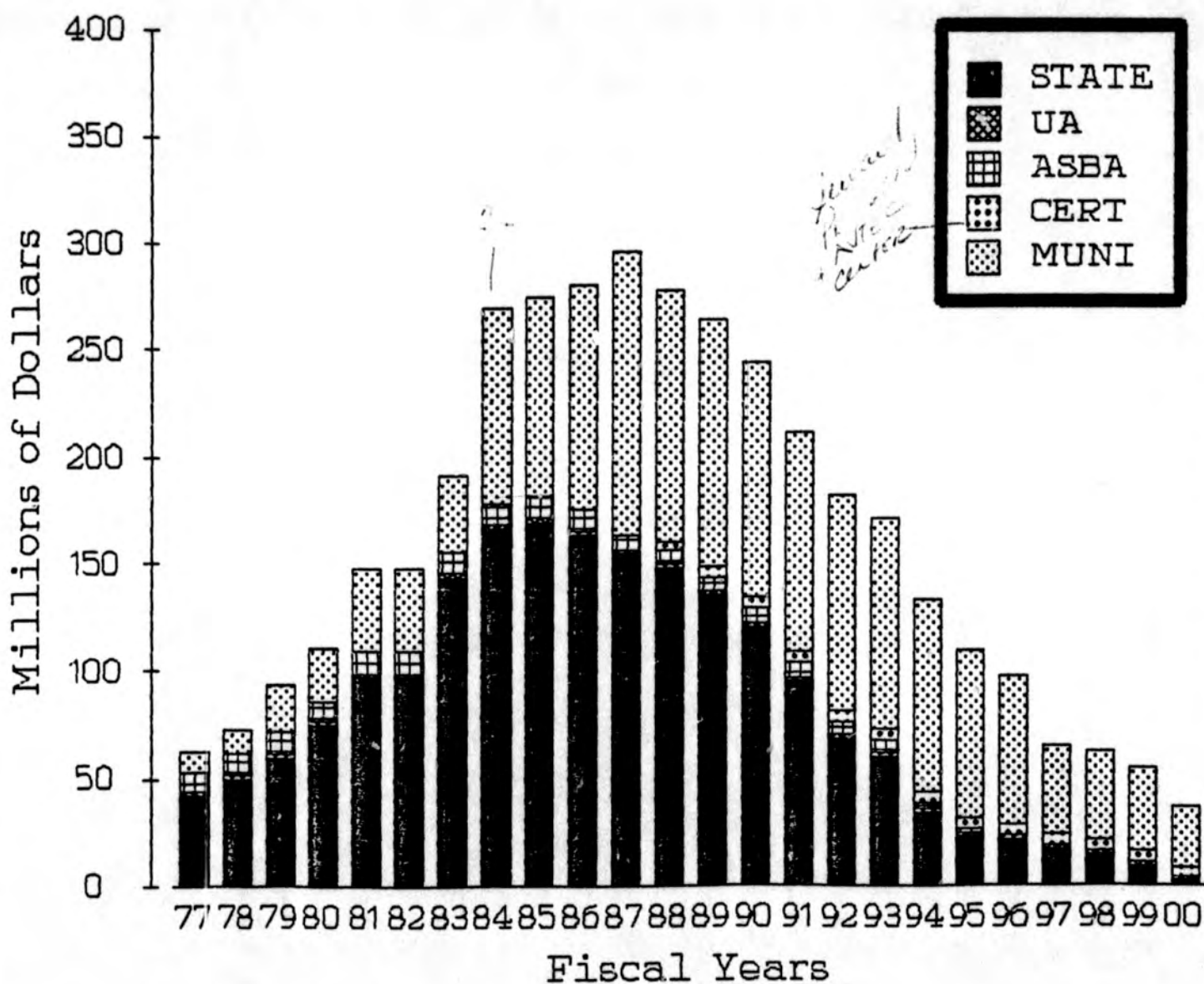


TABLE 5B
ACTUAL & PROJECTED TOTAL REVENUES
(30% Case/Real 1981 \$)

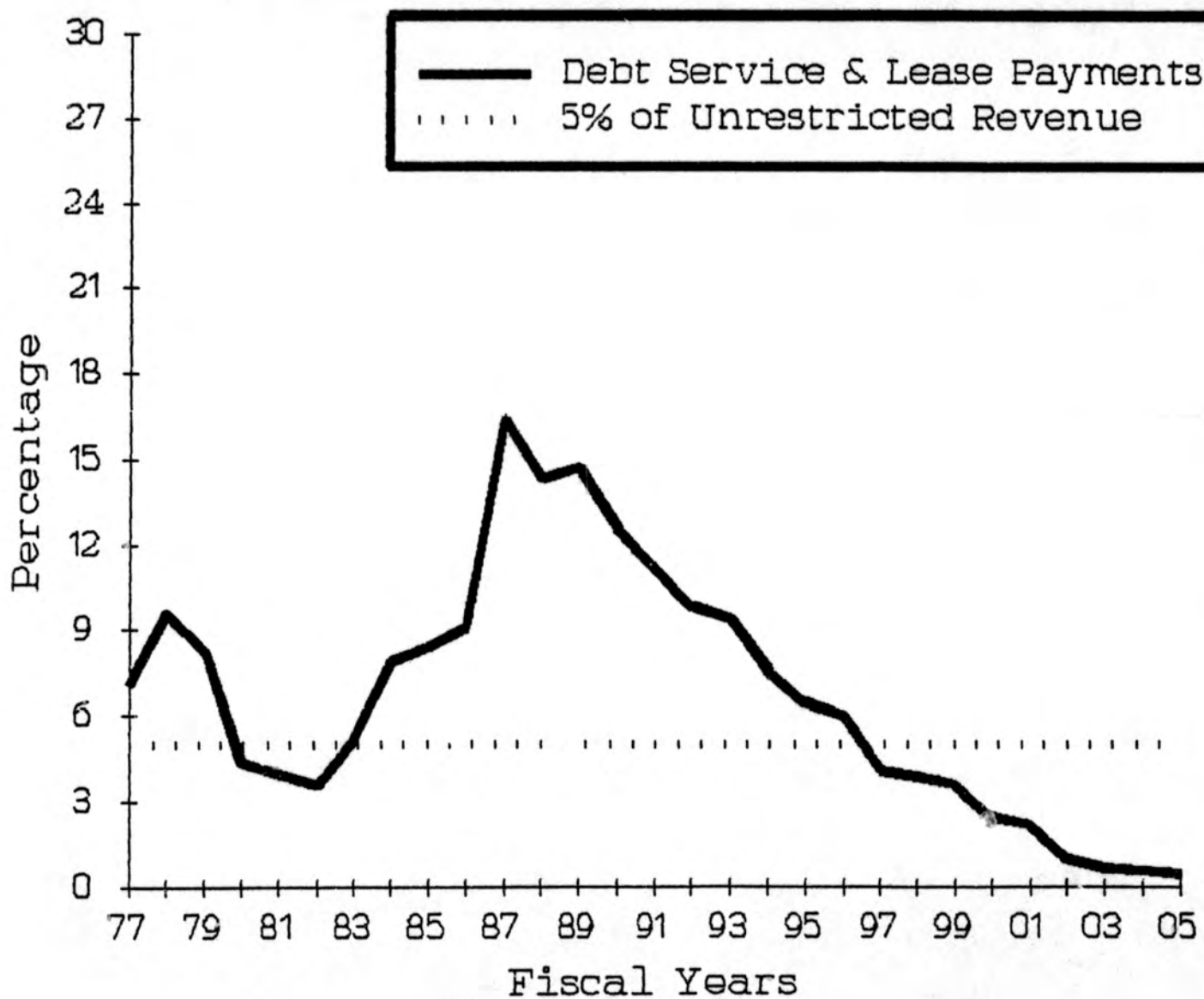
FISCAL YEAR	GENL FUND UNRESTRICTED REVENUES	PERM FUND EARNINGS	TOTAL REVENUES
1980	2.501	0.032	2.533
1981	3.718	0.150	3.868
1982	3.891	0.349	4.240
1983	3.298	0.428	3.726
1984	2.968	0.464	3.432
1985	2.746	0.554	3.300
1986	2.517	0.836	3.353
1987	1.429	0.849	2.278
1988	1.473	0.618	2.091
1989	1.296	0.638	1.934
1990	1.328	0.638	1.966
1991	1.223	0.658	1.881
1992	1.138	0.670	1.808
1993	1.076	0.682	1.758
1994	0.980	0.693	1.673
1995	0.890	0.704	1.594
1996	0.816	0.734	1.550
1997	0.762	0.743	1.505
1998	0.705	0.750	1.455
1999	0.644	0.757	1.401
2000	0.593	0.762	1.355
2001	0.549	0.772	1.321
2002	0.508	0.776	1.284
2003	0.470	0.779	1.249
2004	0.445	0.781	1.226
2005	0.422	0.783	1.205

Total Debt Service & Lease Payments



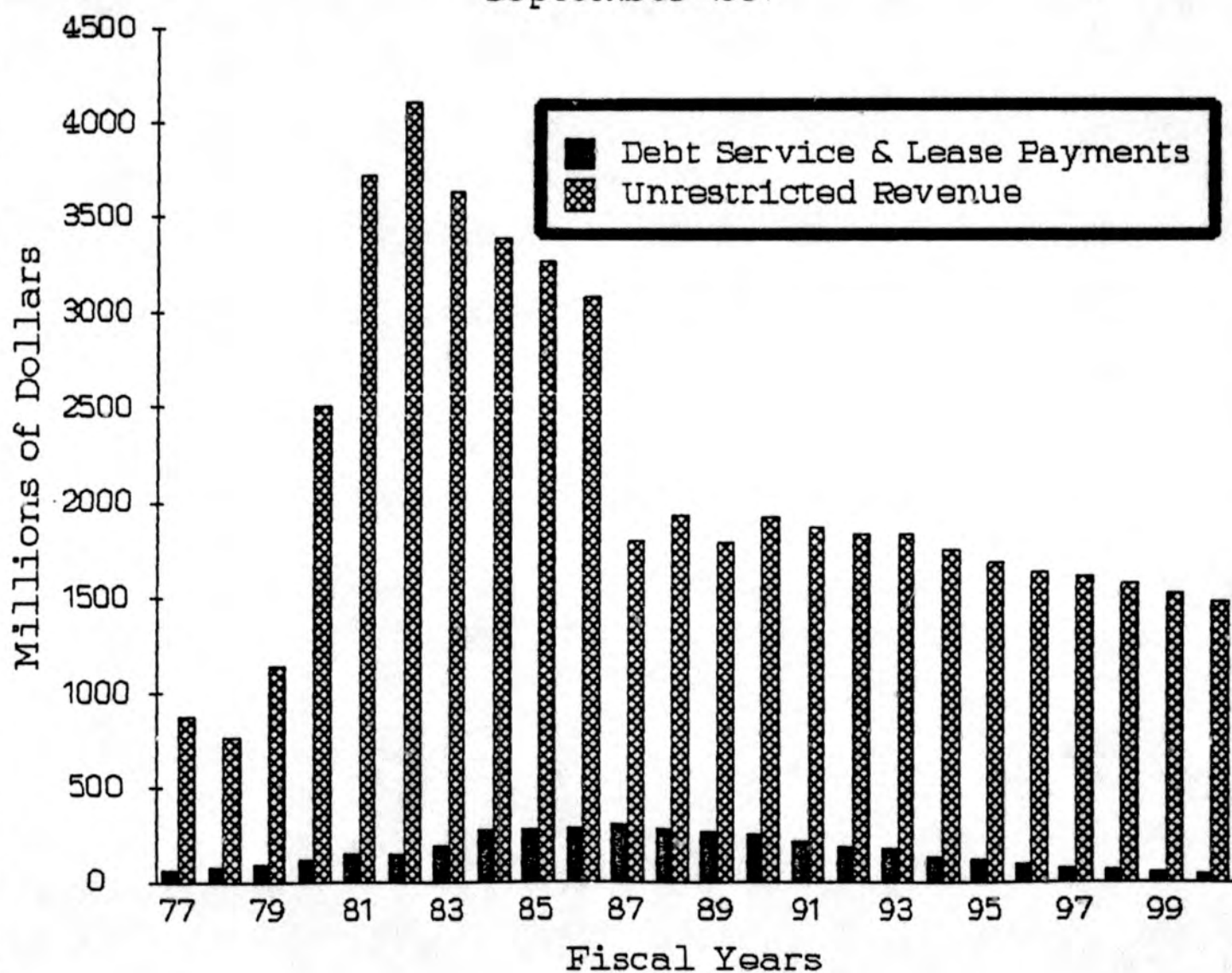
Debt Service as % of Revenue

September 1987



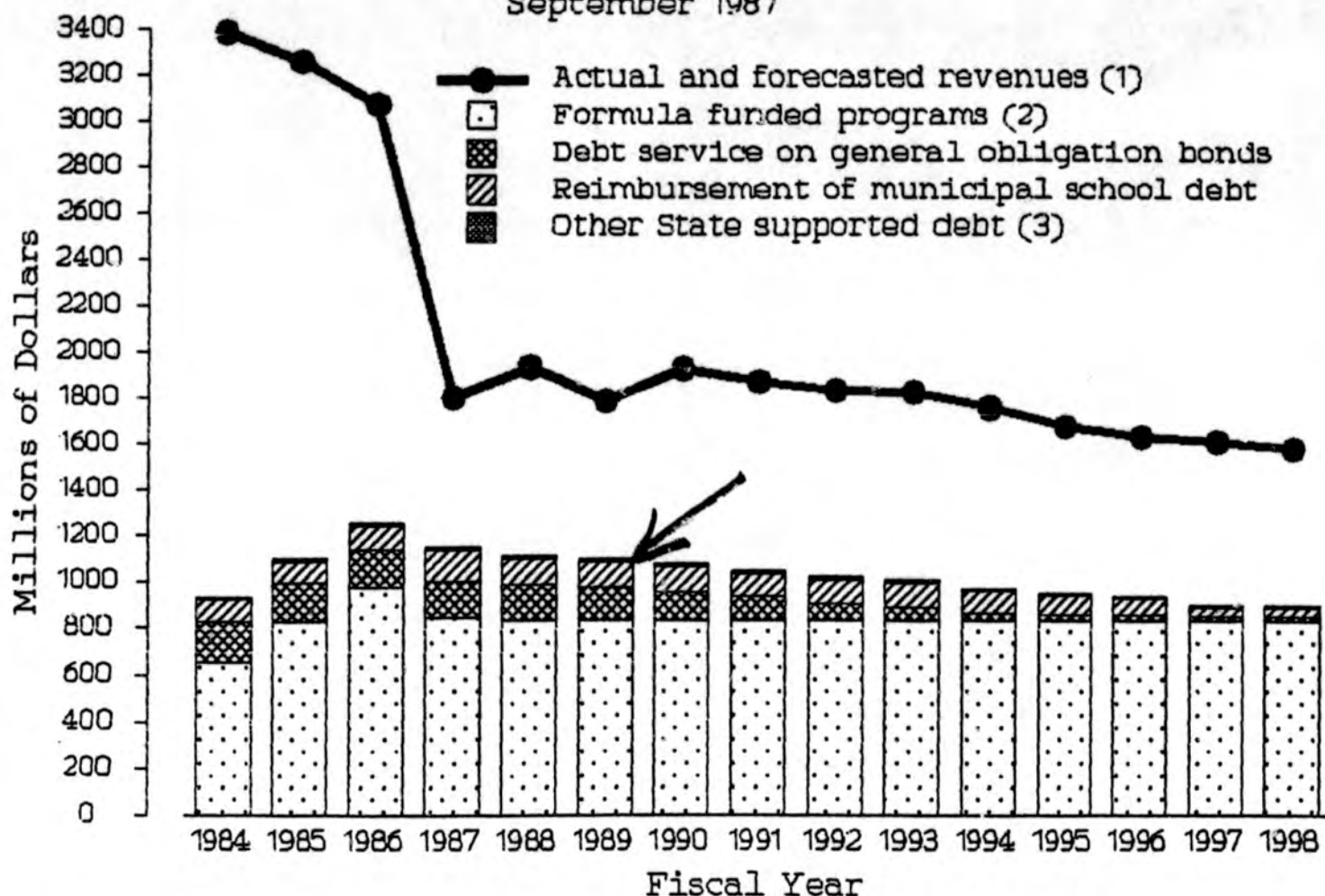
Debt Service vs. Unrestricted Revenue

September 1987



FORMULA PROGRAMS & DEBT SERVICE COMPARED WITH UNRESTRICTED REVENUE

September 1987



- (1) Actual revenue for FY84 - FY87, forecast for FY88 and beyond from Sept. 1987 Dept. of Revenue, 30th percentile
- (2) Actual formula program amounts paid from General Fund for FY84 - FY86. Amount authorized for FY87 & FY88. Amount for FY88 and beyond is FY88 authorization for the purpose of illustration.
- (3) Debt Service on University of Alaska bonds, ASHA lease revenue bonds, and certificates of participation issued for construction of the Seward Student Service Center and the Spring Creek Correctional Center.

Table XXV

Ratio of Debt Service to Unrestricted Revenues
September 1987
(\$ Millions)

Fiscal Year	(1) Unrestricted Revenue	State GOB's	(2) %	UA	(3) %	ASBA	Certificates of Participation	(4) %	School Debt	Total Debt Service	%
77	874.3	41.9	4.8%	1.5	.2%	9.9	0	0	9.0	62.3	7.1%
78	764.9	50.0	6.5	1.7	.2	10.1	0	0	11.4	73.2	9.6
79	1133.0	60.0	5.3	1.7	.2	10.1	0	0	22.3	94.1	8.3
80	2501.2	75.1	3.0	1.8	.1	10.1	0	0	24.1	111.1	4.4
81	3718.2	97.6	2.6	2.2	.1	10.0	0	0	38.4	148.2	4.0
82	4108.4	97.5	2.4	2.3	.1	10.0	0	0	38.3	148.1	3.6
83	3631.0	143.6	4.0	2.3	.1	9.9	0	0	36.2	192.0	5.3
84	3390.1	166.3	4.9	2.0	.1	9.9	0	0	91.2	269.4	7.9
85	3260.0	169.5	5.2	2.0	.1	9.9	.8	0	92.8	275.0	8.4
86	3075.0	163.2	5.3	1.8	.1	9.9	.5	0	105.3	280.7	9.1
87	1798.7	154.9	8.6	1.8	.1	6.5	.7	0	132.5	296.4	16.5
88	1934.2	147.9	7.6	1.7	.1	6.5	3.7	.2	118.1	277.9	14.4
89	1784.3	135.5	7.6	1.8	.1	6.5	4.8	.3	115.8	264.4	14.8
90	1925.1	120.3	6.2	1.7	.1	6.5	5.2	.3	110.2	243.8	12.7
91	1870.5	95.5	5.1	1.7	.1	6.5	5.2	.3	102.9	211.7	11.3
92	1834.5	68.2	3.7	1.7	.1	6.5	5.2	.3	100.9	182.5	9.9
93	1829.0	59.7	3.3	1.7	.1	5.9	5.2	.3	98.9	171.3	9.4
94	1757.5	33.9	1.9	1.5	.1	3.1	5.2	.3	89.1	132.8	7.6
95	1682.5	23.1	1.4	1.5	.1	1.5	5.2	.3	78.6	109.9	6.5
96	1631.7	21.5	1.3	1.5	.1	0	5.2	.3	69.5	97.7	6.0
97	1610.3	16.7	1.0	1.5	.1	0	5.2	.3	42.1	65.5	4.1
98	1577.0	14.4	.9	1.5	.1	0	5.2	.3	41.1	62.2	3.9
99	1522.0	9.0	.6	1.5	.1	0	5.2	.3	39.2	54.9	3.6
00	1484.2	2.6	.2	1.5	.1	0	4.3	.3	28.6	37.0	2.5
01	1452.1	0	0	1.0	.1	0	4.3	.3	26.7	32.0	2.2
02	1423.5	0	0	.4	0	0	4.3	.3	9.1	13.9	1.0
03	1393.1	0	0	.3	0	0	4.3	.3	4.6	9.2	.7
04	1397.4	0	0	.2	0	0	4.3	.3	3.4	8.0	.6
05	1400.8	0	0	.1	0	0	4.3	.3	2.6	7.1	.5

(1) September 1987 Department of Revenue revenue estimates, 30th percentile.

(2) University of Alaska bonds.

(3) Alaska State Building Authority lease revenue bonds.

(4) Includes State reimbursement of municipal school debt issued through June 30, 1987.



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8am 'til 9pm Every Day

562-7653

Residential Homes For Sale By Price Range Multiple Listing Service

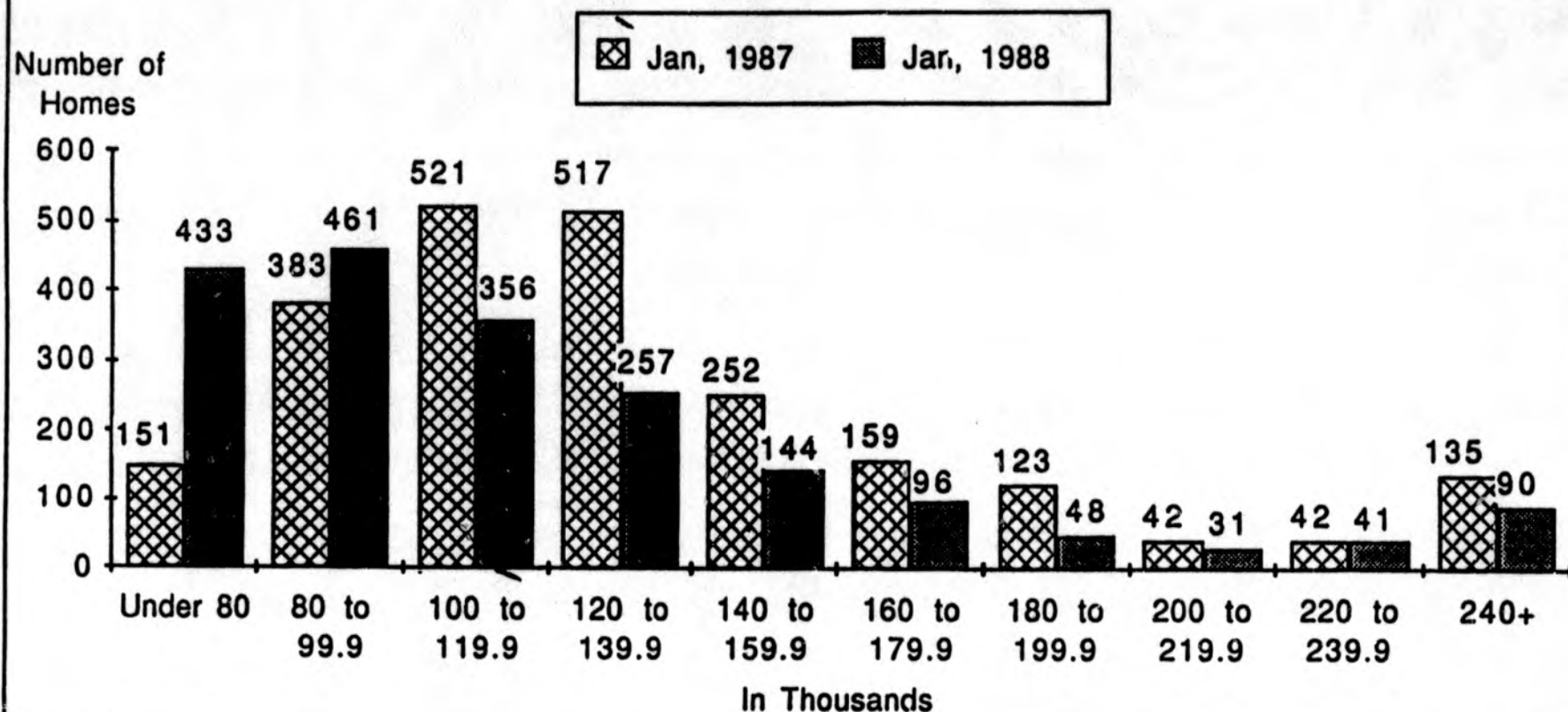


Chart Preparation: FORTUNE PROPERTIES, INC.

Condominium Active Units For Sale By Price Range Multiple Listing Service

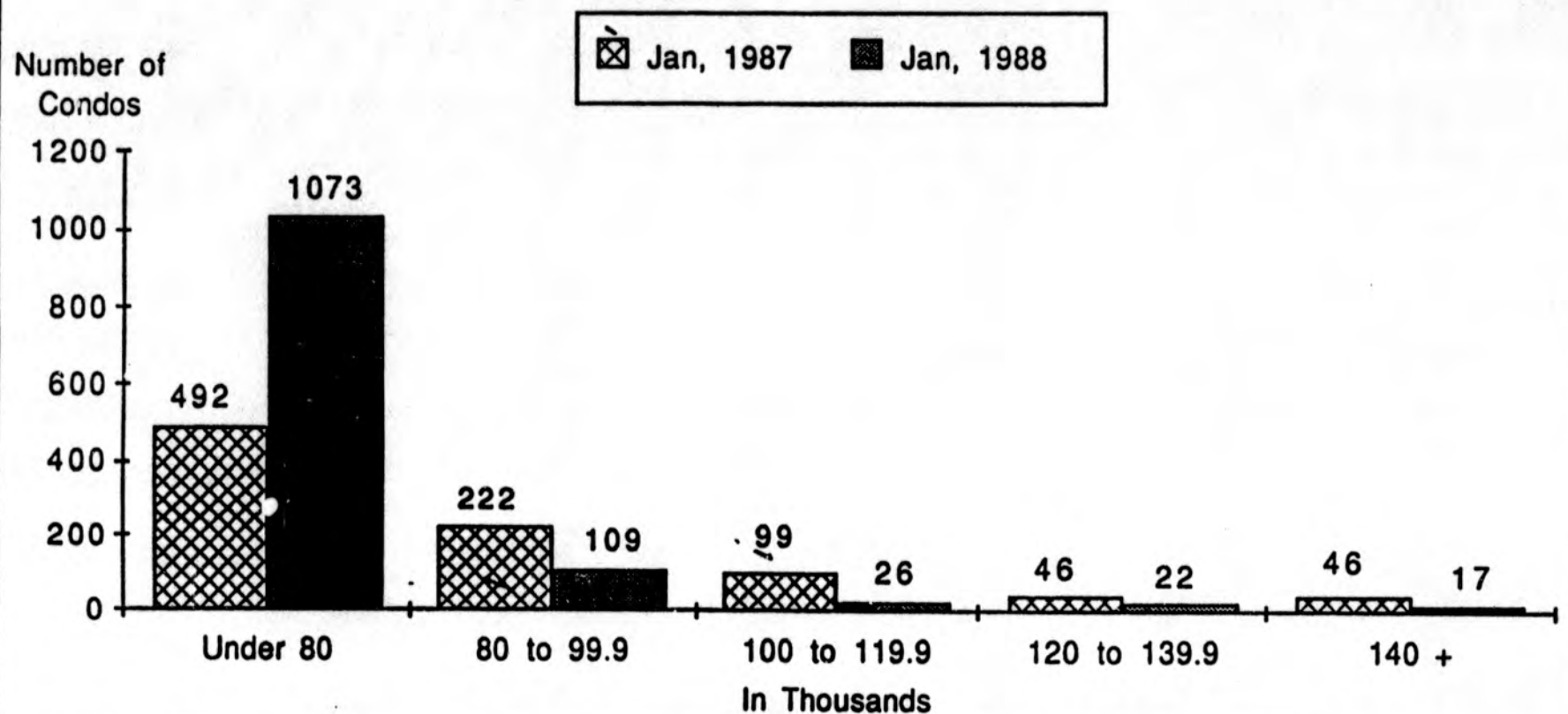
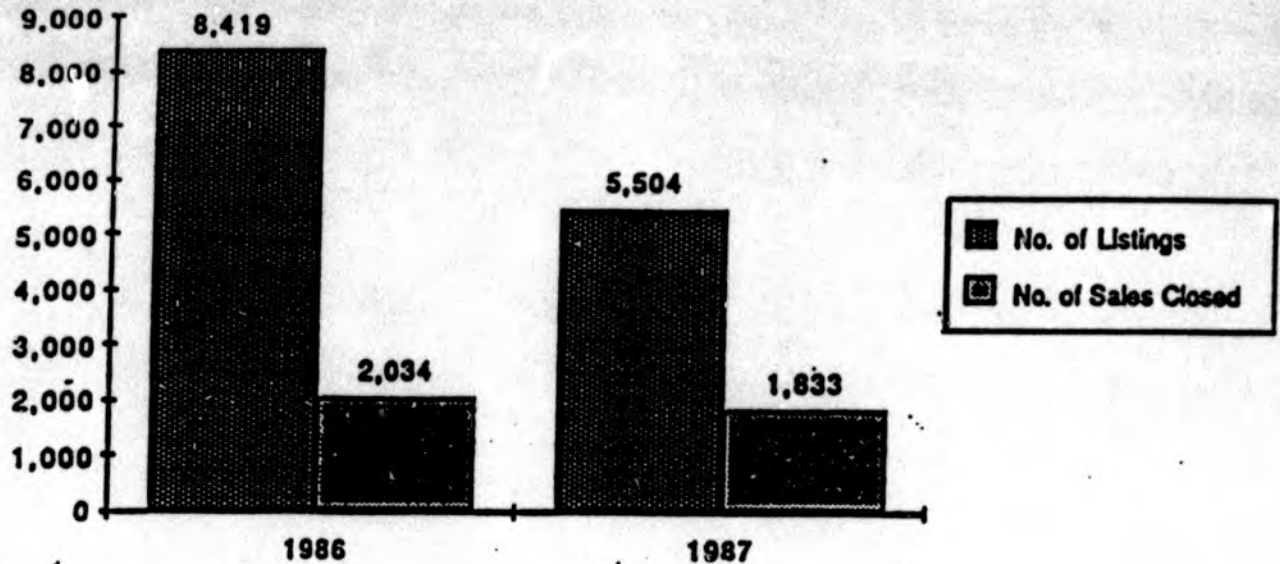


Chart preparation by: FORTUNE PROPERTIES

Residential Inventory and Sales 1986 vs. 1987



35% decline in inventory vs. only a 10% drop in sales units.

Source: Multiple Listing Statistical Year End 1987

COMMENTS:

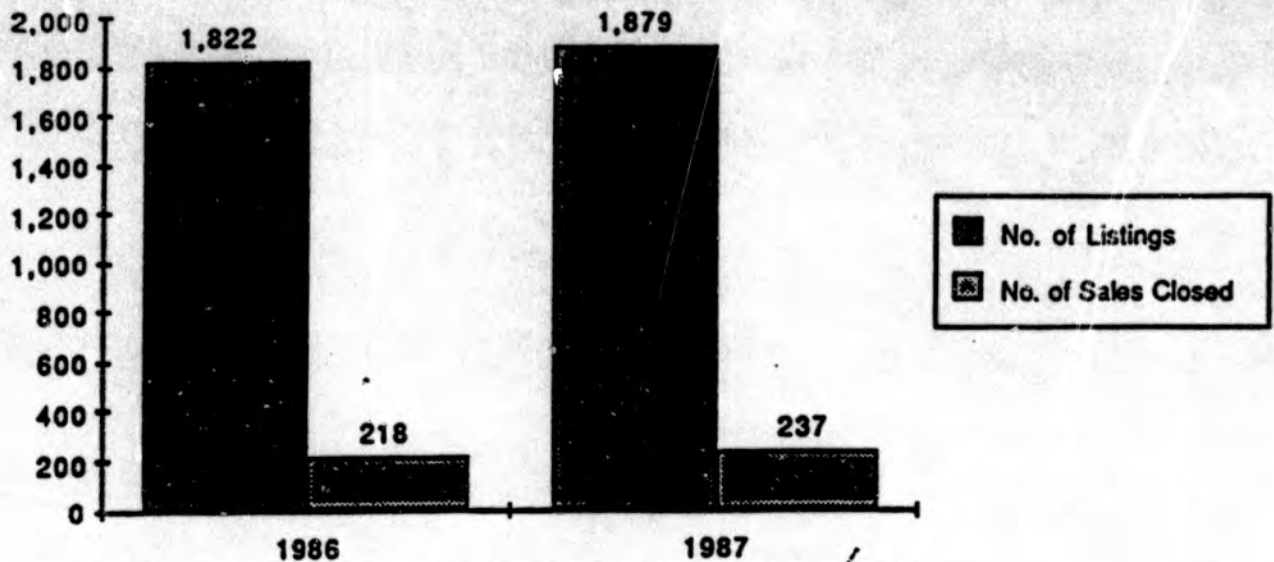
If there is any good news in the Anchorage real estate market, it is the fact that residential inventory (classified as single family and zero lot line properties) had a significant 35% drop in number of units available.

This figure is particularly significant in the fact that sales, measured by unit count, and not dollar value, declined by only 10%. This indicates a fairly healthy absorption of property in Anchorage.

There is no problem selling property in Anchorage according to these statistics. The only problem is in the value that is obtained for residential properties. This value, however, has indicated considerable stability and it is anticipated that little, if any, further decline will take place in value for single family and zero lot lines.

This market, if left alone, will continue its absorption. There is no recommended action for the single family and zero lot line market. Given all the economic circumstances of the times, it is functioning well.

Condominium Inventory and Sales 1986 vs. 1987



Inventory Increased 4%; Sales Volume Increased 9%

Source: Multiple Listing Service Year-End Statistics

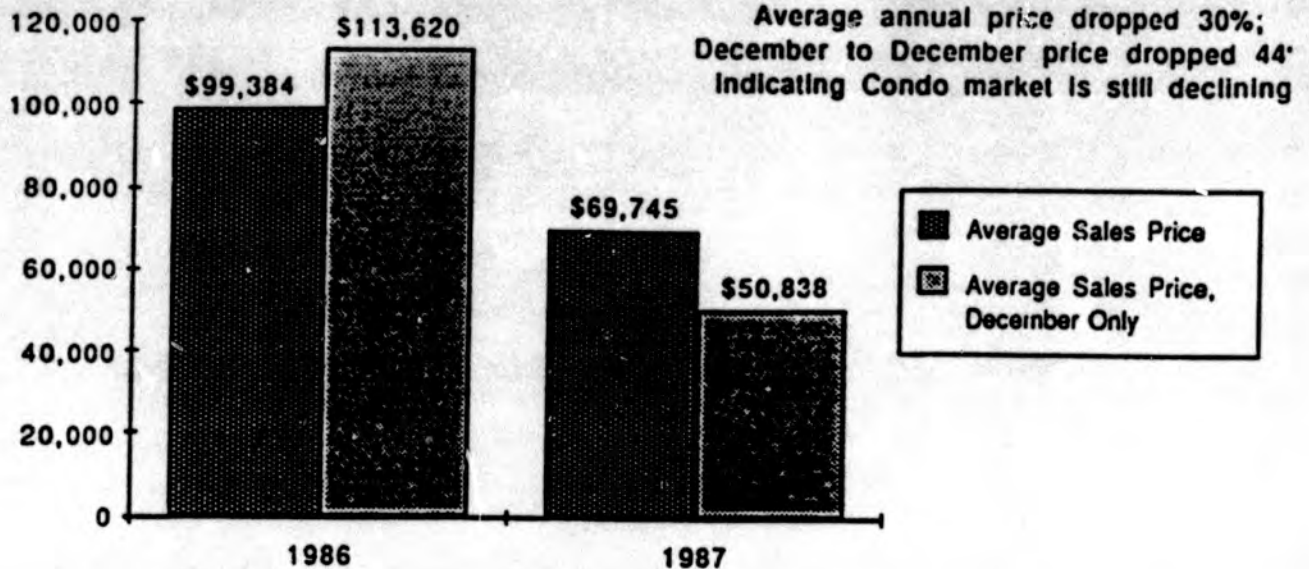
COMMENTS:

From the above chart, it is obvious that the condominium market is virtually stagnant. Neither inventory nor sales have increased or decreased a significant amount.

It is an interesting note, however, which is not on the graph that closed sales for the month of December 1987 was exactly double that of 1986, or 34 compared to 17. Doubling the number of closed condominium sales is admirable, which was accomplished primarily through the marketing efforts of MGIC, but it does not address the basic problem of oversupply. Other action must be considered.

At the current absorption rate, assuming no new inventory, there is a nine year supply of condos within the Municipality of Anchorage.

Condominium Sales Prices 1986 vs. 1987



Additional Information: 17 Condo Closed Sales In 1986;
34 Closed Condo Sales In 1987

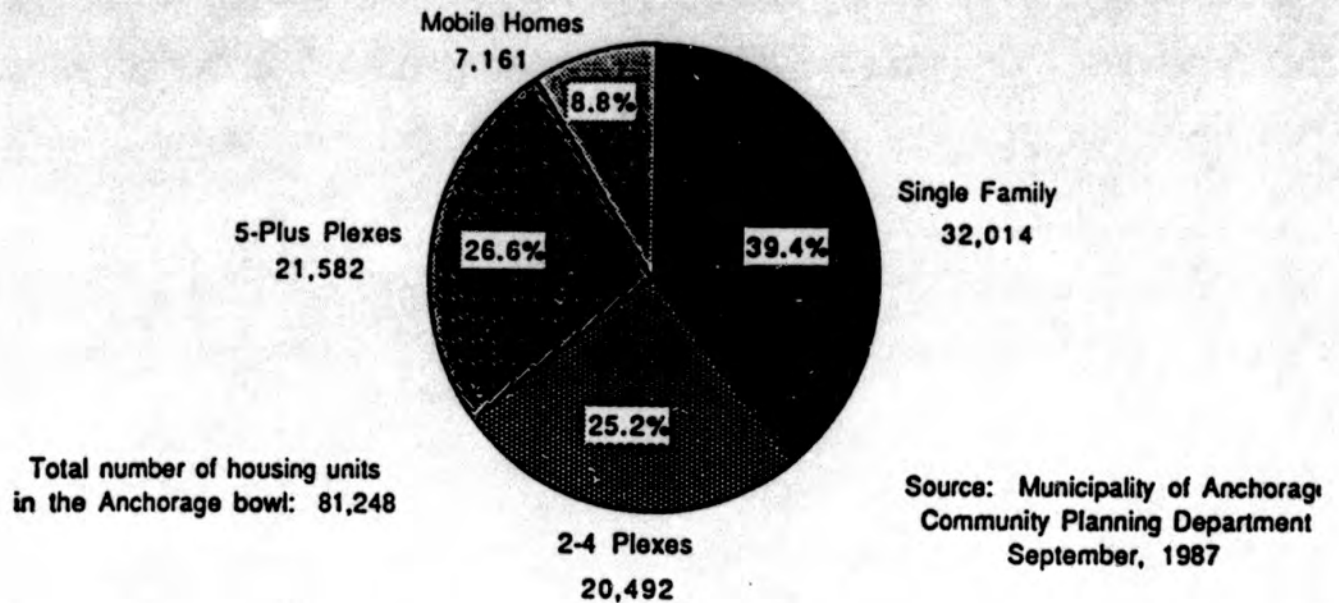
Source: Multiple Listing Service Year-End Statistics

COMMENTS:

By comparing December 1986 to December 1987, it is obvious that the condominium market is still in its downward spiral. The year end statistics show a drop of 30% in value from 1986. However, the December comparison shows that the drop is 44%. Since the December statistic is not averaged and is the most current, it is obvious that the present value is 44% of last year's value and not the 30%.

There is no reason to think with the oversupply that exists that all condominiums will not continue to decline in value unless steps are taken to take properties off the market, either through warehousing or rentals.

1987 Population and Housing Unit Statistics Housing Unit Types

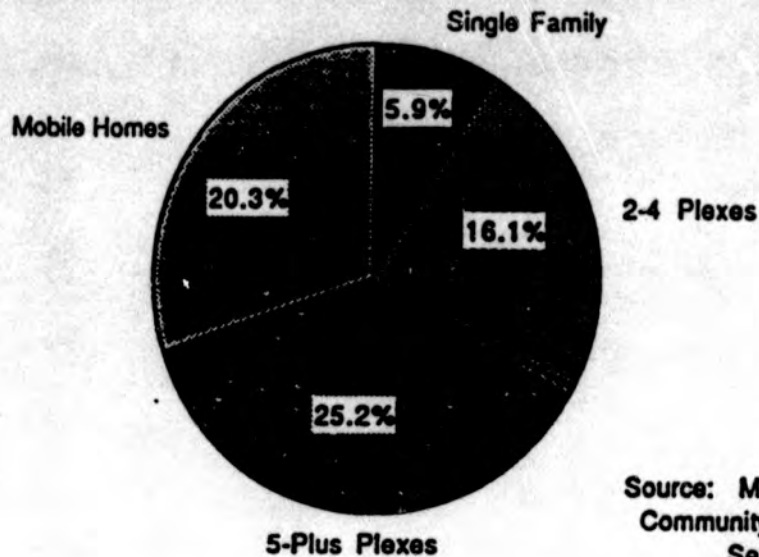


COMMENTS:

Nobody knows for sure how many condominiums there actually are in Anchorage, Alaska. The reason for this is that the Municipality of Anchorage counts housing units by physical building type. This means that condominiums fall within the 2-4 plex category, if they are in a building of that size or in the 5-plus category if located in a larger structure. The majority of condominiums fall within the 5-plus structures.

AHFC has over 7,000 condominium loans, the vast majority of which are in Anchorage. Condominiums could probably best be counted by taking a survey of investors because most condominiums were financed at the time of purchase.

1987 Population and Housing Unit Statistics Census Vacancy Rates--Anchorage Bowl



Source: Municipality of Anchorage
Community Planning Department
September, 1987

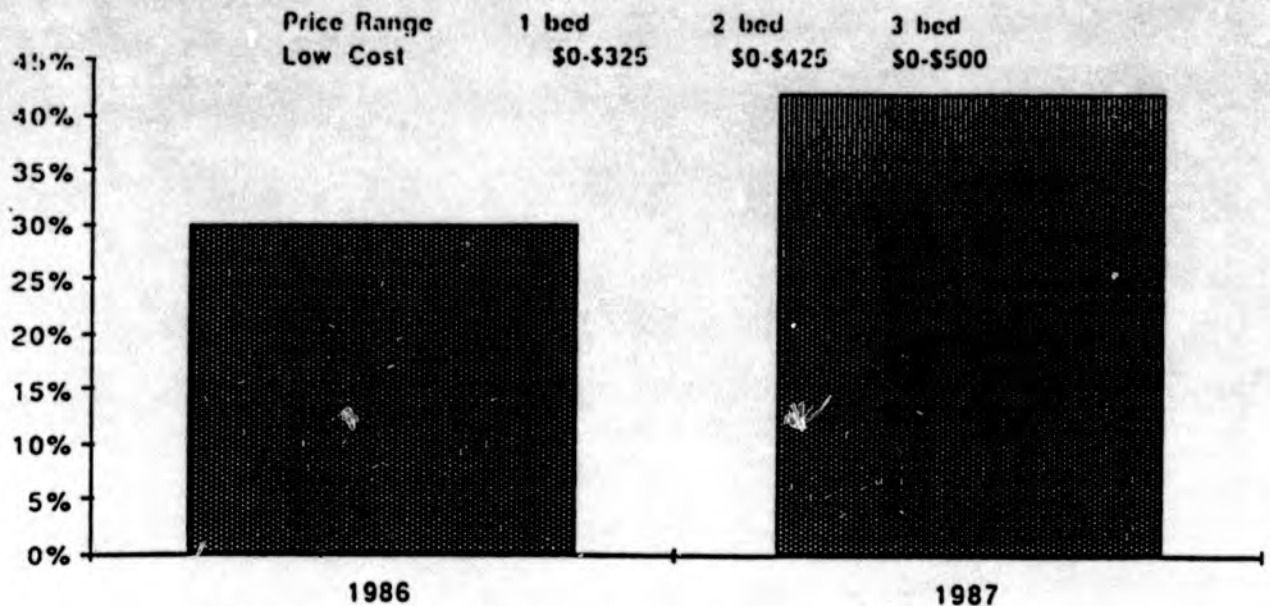
COMMENTS:

This pie-chart shows a 25% vacancy in the 5-plus category, which demonstrates that renters prefer to live in as low a density as possible.

This chart measures physically vacant properties which were inspected by the Municipality during the second quarter of 1987. As you can see, it indicates all product type.

The overall vacancy for the Anchorage bowl is 14.9% taking into consideration all product type. The chart breaks down this overall vacancy into percent of product type.

Fourth Quarter Low Cost Apartment Vacancy Rates 1986 vs. 1987



There has been a 40% Increase in low cost apartment vacancies.

Source: Shorett and Riely Appraisers, Ken Kincaid

COMMENTS:

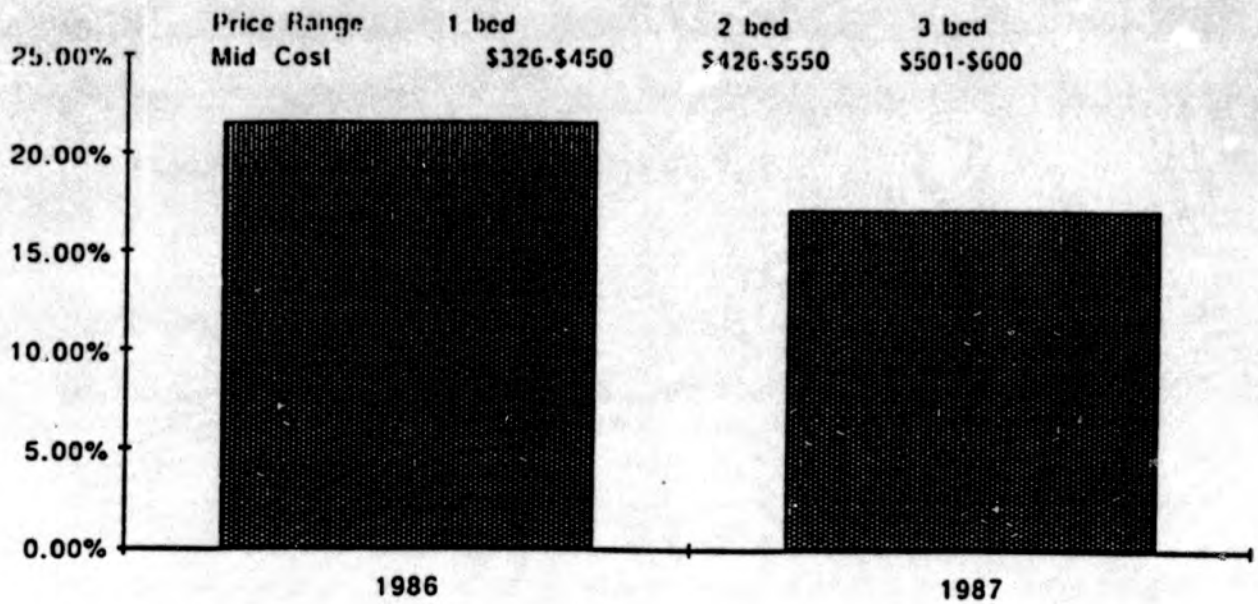
The most revealing statistic from the 5,000 unit survey completed by Shorett and Riely was the fact that there had been an increase of 40% in the vacancy of low cost apartments.

This substantiates a flight to quality that is being taken advantage of by savvy renters, as well as upgrading home buyers. There are certain areas of Anchorage which, without extensive urban renewal projects, are not going to be repopulated for many years. These areas include Mt. View, parts of Spenard, some pocket areas of the Eastside, as well as areas in Muldoon.

The apartment projects in these areas are functionally and cosmetically obsolete and with loss of rental income are in dire need of maintenance and repair which the owners cannot afford to make at this time. Many of these properties should probably be torn down. Even the newer four-plexes, etc., which were built in these areas suffer from higher vacancy factors.

There is a definite flight to the southside of Anchorage. Although Anchorage lost 10% of its population in the past two years, the southside of Anchorage, defined as being south of Tudor Road, has had an increase in population. In fact, the elementary schools on the southside of town, such as Rabbit Creek, O'Malley, Huffman, and Spring Hills are considered to be overcrowded, and there has been purchase of a new elementary school site off Huffman Road.

Fourth Quarter Mid Cost Apartment Vacancy Rates 1986 vs. 1987



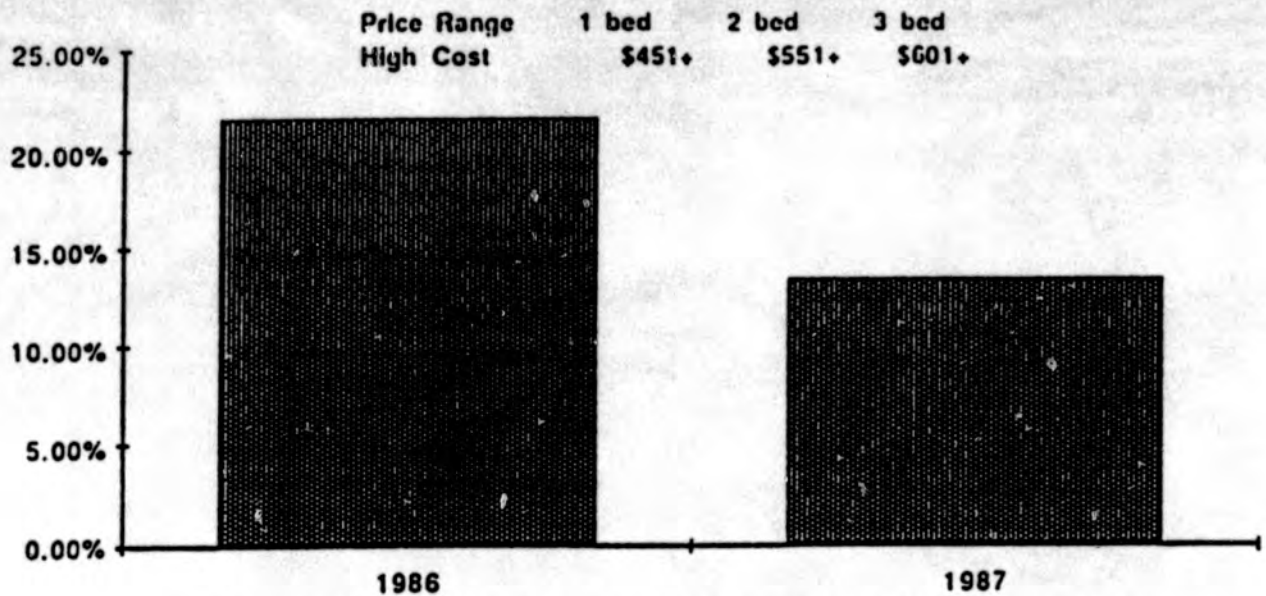
There has been a 21% decrease in mid cost apartment vacancies.

Source: Shorett & Riely, Real Estate Appraisers

COMMENTS:

Although there has been a substantial decrease in mid-cost apartment vacancies, it is important to note that these apartments were previously at one point in time considered high cost. In other words, just as vacancies have declined in this price range so as the rental rate. This is the flight to quality in rentals previously commented upon.

Fourth Quarter High Cost Apartment Vacancy Rates 1986 vs. 1987



There has been a 37% decrease in high cost apartment vacancies.

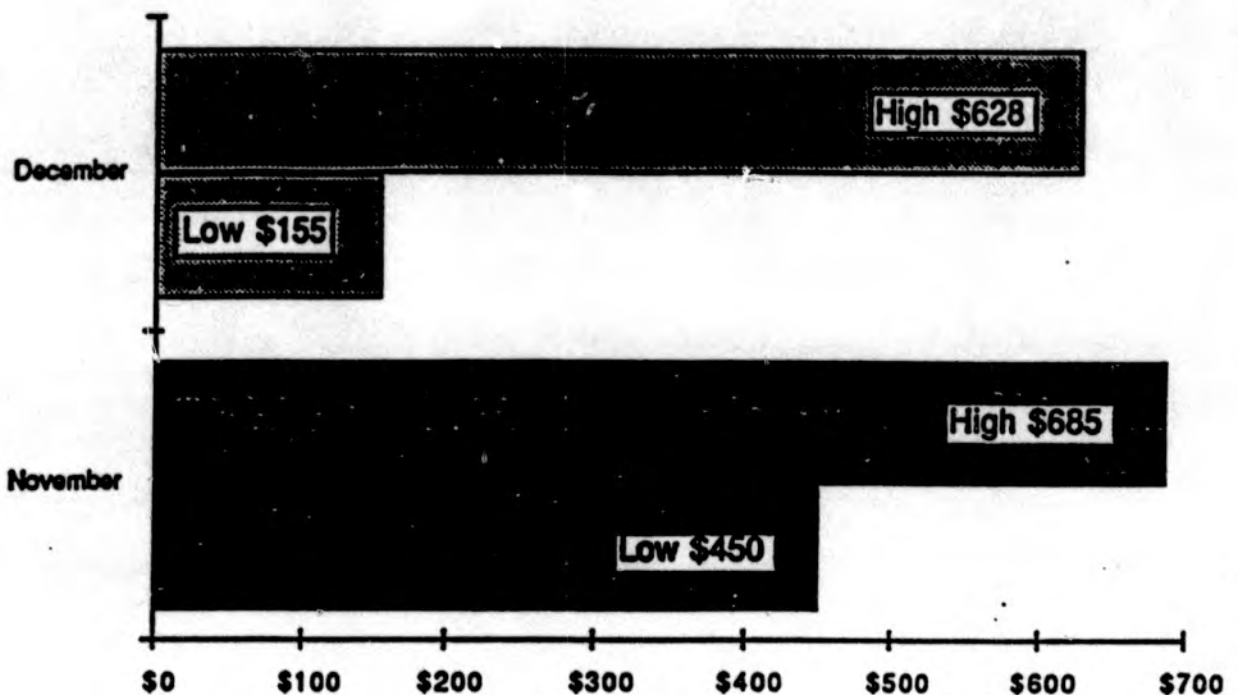
Source: Shorett & Riely, Real Estate Appraisers

COMMENTS:

The decrease in vacancies for pricey apartments is significant. Again, however, it must be pointed out that this decrease in vacancy is a result of only lower rents being charged for these apartments.

These charts point out, however, that the trend to quality is overwhelming and that there is probably no market force great enough to deter it except more population.

**Analysis of Rental Rates for 2 Bedroom Condos
As Advertised in the Anchorage Daily News and Anchorage Times
November, 1987 vs. December, 1987**



Information Provided by Kay E. Eliason

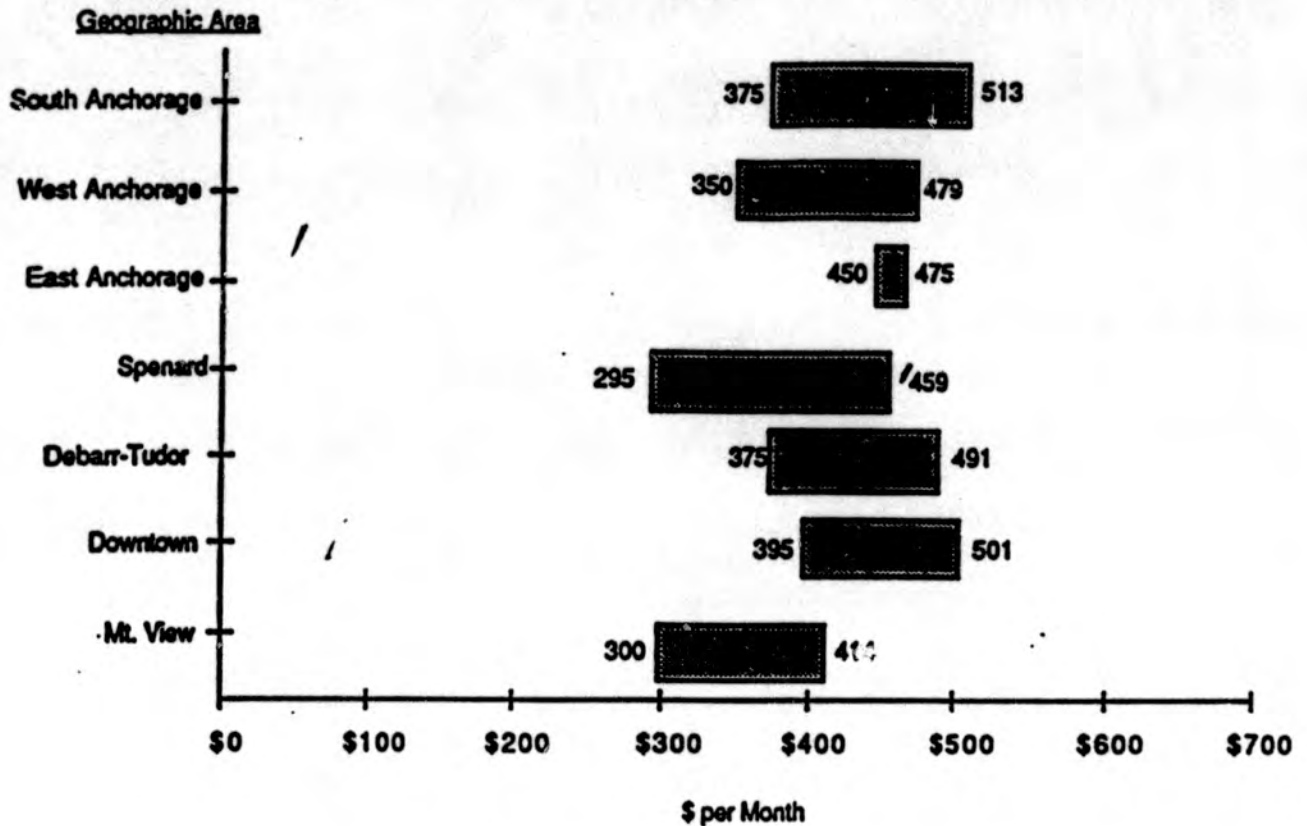
COMMENT:

This newspaper survey was done by a private consultant who used Sunday's Anchorage Times and News to do a comparison of rental rates.

This chart demonstrates from November to December that rental rates fell for two bedroom condos a significant amount. The high rate in November advertised in the paper was \$685. In December that rate dropped to \$628.

The number of ads for November was 39; for December 41.

**Rental Rate Analysis
of Two-Bedroom Unfurnished Apartments
According to Classified Advertising
Anchorage Daily News and Times Classified A
December 6, 1987**



Information Provided by Kay E. Eliason

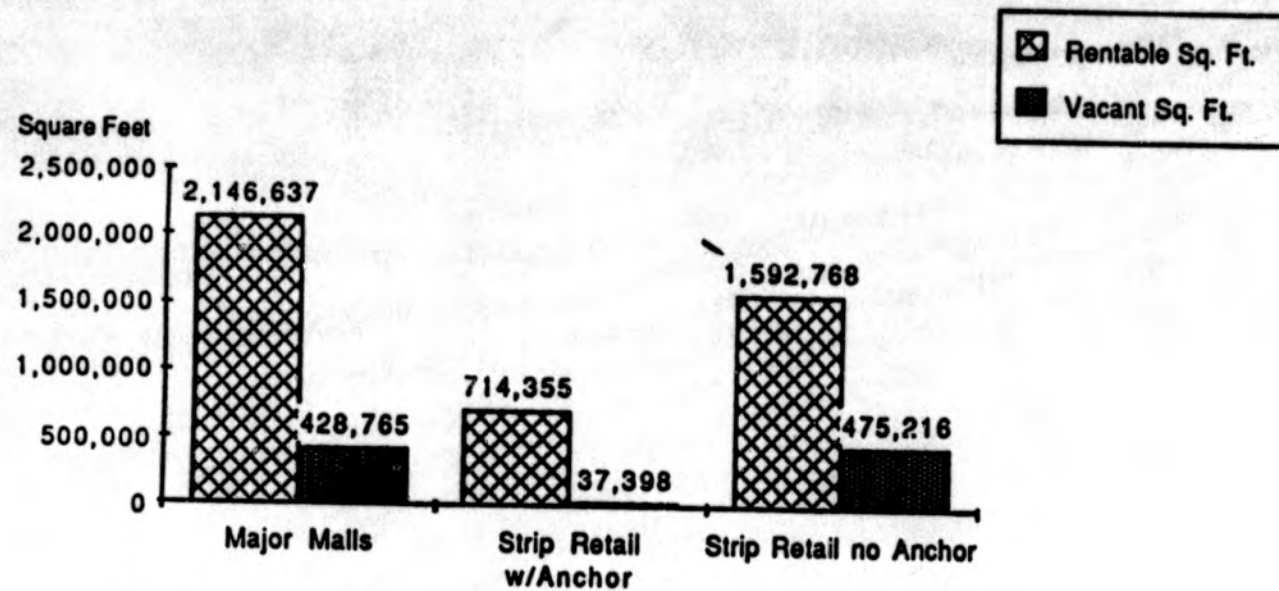
COMMENTS:

This chart demonstrates the asking rental rates for two-bedroom unfurnished apartments as advertised for sale on Dec. 6, 1987.

The two-bedroom unfurnished apartments were selected for analysis because MGIC condos fall into the two bedroom, unfurnished classification as rental properties.

This chart, therefore, gives you an idea of what can be expected for rental income in the various geographical locations. Utilities are not factored into these asking rental prices.

Anchorage Retail Inventory and Vacancies by Type of Mall



SOURCE: Alaska Valuation Services
Fred Ferrara, President

**ANCHORAGE CHAMBER OF COMMERCE
1988 LEGISLATIVE PRIORITIES**

Approved by the
Board of Directors
December 4, 1987

SUMMARY OF LEGISLATIVE PRIORITIES

- I. Budget: Selective reductions in operating expenditures and entitlements. Increased capital expenditures based on budget surpluses caused by enhanced oil revenues and/or reductions in operating expenditures and entitlements. Endorsement of constitutional amendment allocating permanent fund earnings and restricting expenditures.
- II. Economy: Legislative measures to protect and reinvigorate the economy in recognition of continuing recessionary trends, including the following recommendations:
 - (A) No tax increases.
 - (B) Enactment of economic incentive policy.
 - (C) Alternative methods of compensation for overtime.
 - (D) Conveyance of public lands to private sector.
 - (E) Regulatory reform.
 - (F) Modification of return transportation law.
 - (G) Reform of State "Davis-Bacon Act."
 - (H) Legislation imposing limitations on public employee wages and benefits.
 - (I) Reform of workers' compensation statutes.
- III. Capital Projects: Establish financially viable priorities:
 - (A) Water and wastewater projects.
 - (B) Anchorage road projects.
- IV. Health and Social Services: Equitable distribution of funding based on point of delivery to the recipient rather than the recipient's place of origin.
- V. Crime: Endorsement of Anchorage Crime Commission recommendations:
 - (A) State conspiracy law related to drug trafficking.
 - (B) Recriminalization of marijuana.
 - (C) Telephonic testimony in grand jury proceedings.
 - (D) Private sector access to state conviction records.
- VI. Alaskan Hire/Purchase: Legislative incentives to hire Alaskans and to purchase Alaska goods and services.
- VII. Energy: Railbelt Energy Fund/Bradley Lake Hydro Project.
- VIII. ANWR: Open ANWR coastal plain to environmentally responsible oil and gas exploration, development and production.
- IX. Tort Reform: Support additional efforts to secure genuine reform of tort liability laws.
- X. Anchorage International Airport: Support legislation establishing an Anchorage Airport Authority.

I. Budget

The legislature should continue to reduce the state operating budget in response to expected future declines in oil production and the inherent instability of market prices. Aggressive reductions in state spending should occur prior to consideration of appropriating monies from other distinct funds. Any surplus created as a result of rising oil prices or further reductions in the state operating budget should be expended on capital projects designed to improve infrastructure and stimulate the economy. The Chamber strongly opposes increases in taxes of any kind, including modification of the economic limit factor, imposition of an individual income tax, state sales tax, or increases in the motor fuel tax. Excess earning reserves are to be applied to a budget deficit only after aggressive measures have been undertaken to reduce state spending. The legislature should not use the corpus of the Permanent Fund to finance the activities of state government under any foreseeable circumstances. The Chamber endorses SJR 40 proposing a ballot measure to amend the Alaska State Constitution to authorize allocation of permanent fund earnings as follows: 40% to dividends, 30% to inflation proofing, and 30% to the budget reserve account. The Chamber also supports provisions in SJR 40 imposing constitutional spending limitations on future state legislatures.

II. Economy

The Chamber recommends that the legislature consider the following recommendations to protect and reinvigorate the Alaskan economy:

A. Taxes. The legislature should not, under any foreseeable circumstances, impose increased taxes or user fees on any segment of the Alaska economy during the impending recession. Nor should the legislature impose the equivalent of additional taxes on the oil industry by modifying the economic limit factor. Such action would disrupt long-term operating plans for major Alaskan oilfields and weaken the commitment of industry to expend additional exploration and development funds in the state. The Chamber is also opposed to any proposals in the Alaska state legislature to impose separate accounting methodology on oil and gas companies for the purpose of calculating corporate income taxes. Nor should the legislature consider imposing a personal income tax, state sales tax, or any increased motor fuel tax.

B. Alaska is one of a dwindling number of U.S. states that does not have an "economic incentives policy" in place to help local development groups lure basic industry to Alaska. The Anchorage Chamber of Commerce supports the enactment of an economic incentives policy that would include:

- 1) Temporary tax abatement
- 2) Infrastructure investment
- 3) Land and resource availability
- 4) Financing assistance

These inducements should be made available only to qualifying private-sector projects that expand Alaska's economic base. They should provide a flexible array of incentives that encourage development without unduly subsidizing it.

In addition, the Chamber supports amending Alaska Statutes, Title 29 to allow local governments to offer temporary property tax incentives to qualifying economic development projects.

C. Alternative methods of compensation for overtime. The state legislature should adopt legislation incorporating appropriate federal regulatory methodology for compensating employees engaged in operations involving irregular work weeks. Specifically, the legislature should eliminate impediments to alternative methods of compensating for overtime, including compensatory time off and flexible work week plans. Such action will assist natural resource development projects involving work schedules which are unpredictable with respect to time demands on employers and employees.

D. Expeditious Conveyance of Public Land to Private Sector.

The legislature should expedite the conveyance of municipal, state and federal public lands to the private sector. The legislature should require the Department of Natural Resources to expedite the process of issuing permits, leases, and mining production licenses on state mineral lands to facilitate natural resource development.

E. Regulatory Reform. The State of Alaska's redundant, overly complicated, and counterproductive regulatory processes impede economic development and growth. The Chamber supports passage of House Bill 212 establishing the Department of Natural Resources as the lead agency for all natural resource projects in Alaska. The legislature should consolidate coastal zone management authority within DNR and curtail CZM jurisdiction over all upland areas which are more than three miles removed from the Alaska coastline. Many of the existing regulations of DF&G and DEC are redundant with federal regulations promulgated by the EPA and Federal Fish and Wildlife Service. The state legislature should review and consider eliminating any unnecessary regulatory programs in an effort to conserve public funds and encourage development of Alaska's natural resources through private investment. Federal programs which are appropriate for the state to assume exclusive control and jurisdiction in an effort to benefit local industry should be excluded from this process.

F. Return Transportation Law. The Anchorage Chamber of Commerce strongly supports revisions to AS 23.10 which clarify the rights of employees and the responsibilities of employers with respect to return transportation. Revisions should include time period and dollar cost limitations on the right to return transportation. The Chamber recommends passage of legislation limiting the right to return transportation to a period of one year after the employee's first day of employment in the state. In addition, the maximum obligation of the employer to provide return transportation should not exceed \$5,000. The Anchorage Chamber of Commerce opposes passage of House Bill 43 in its present form which modifies AS 23.10 dealing with employee rights to return transportation. Provisions of HB 43 requiring notification of employees of their rights under the statute and requiring return transportation for employees hired outside the state when such transportation was not originally furnished are counterproductive and contrary to sound public policy objectives.

G. State Davis-Bacon Act. The State legislature should adopt legislation altering the formula for determining prevailing wage utilized by the Department of Labor to more realistically reflect actual labor costs in the State of Alaska.

H. Legislation Imposing Limitations on Public Employee Wages and Benefits. State of Alaska employees are the most highly compensated in the nation. Alaska also has comparatively more public employees per capita than other states. Under no

circumstances should the existing tax burden on the economy be increased to provide funding for public employee wages and benefits. If public employees are unwilling to accept a 40-hour work week and contractual limitations on wages and benefits, the legislature should enact legislation mandating further reductions in force to limit the size of state government.

I. Workers' Compensation Insurance Reform. The Anchorage Chamber of Commerce endorses and supports efforts to reduce workers' compensation costs in the State of Alaska through the following legislative reform measures:

1. Scheduling more injuries for payment at a fixed rate of reimbursement for the injury.
2. Payment of all medical costs on a reasonable and customary charges basis.
3. Imposition of controls on the frequency of visits to health care practitioners by claimants.
4. Voluntary vocational rehabilitation for eligible claimants by nationally certified professionals.

III. Capital Projects

The legislature should adopt a capital budget that reflects realistic municipal priorities and is designed to provide maximum benefit to the Alaskan public. The legislature should, at a minimum, allocate funds to those projects that are on-going

(multi-year) and necessary for viable economic development of the area. These projects have been identified by the Municipality of Anchorage as critical to the city's future development. The remainder of the Anchorage Road Projects that are not specifically identified should be preserved to the extent possible in the 1989 capital budget. A more detailed analysis of the Anchorage Chamber of Commerce's position on capital spending is as follows:

A. Water and Wastewater Projects. The Municipality of Anchorage has experienced substantial growth during the past several years. This growth has created a need to provide water and wastewater services that exceeds the capabilities of the utilities in many areas. These service limitations will have an impact on the future growth and development of many areas of the Municipality. The Chamber urges the continued funding of the Alaska Department of Environmental Conservation (DEC) Grant Program. This Grant Program provides for approximately 50 percent state matching funds on local qualifying water and wastewater projects. A funding of \$6 million is being requested for DEC's program to match the Municipality of Anchorage project funds. These projects may include water and wastewater improvement districts to neighborhoods which reduce the assessments to be paid by the property owner.

B. Anchorage Road Projects. The Municipality of Anchorage has experienced substantial growth during the past several years. This growth has created a need for more and better highways,

streets, and roads for Anchorage's traveling public. The Anchorage roads program has identified those routes that will contribute to a more efficient vehicular and pedestrian traffic flow, create a grid of major traffic distribution routes, decrease accidents and provide safe access to businesses and residential areas which will not detract from neighborhoods. Design and in some cases construction has already started on these projects, and construction funding is necessary for their timely completion to meet traffic and pedestrian needs.

C. State Roads. There are state highways within the Municipality of Anchorage that intertie with those routes of the roads program that also require upgrading to obtain continuity of traffic flow. It is urged that the State Department of Transportation and Public Facilities pursue the design and construction of these projects for timely interfacing with the Anchorage roads program and that operation and maintenance funds be budgeted and funded to adequately service the existing infrastructure. It is also urged that DOT/PF and the legislature pursue all avenues possible to obtain Federal Highway Administration funding. Federal highway funding is at 95 percent for those projects that qualify and would allow for the construction of projects with only 5 percent state money at a time when the availability of project money is scarce. The Chamber urges the legislature to implement the recommendations of the Anchorage Metropolitan Area Transportation Study Policy Committee.

IV. Health and Social Services

The Chamber supports a formula which more equitably distributes state funding (and federal funding distributed by the state) for health and social service programs based on the point of delivery to the recipient, as opposed to the recipient's place of origin. Many of the human services funded by or through the state are provided to residents of rural Alaska in the major population centers such as Anchorage. These population centers generally provide the health and social services to a far greater percentage of the state than is indicated by their local populations. These services include mental health counseling, alcohol and drug abuse programs, youth services, day care, child abuse investigation and prevention, and shelters for victims of domestic violence. The Chamber recommends that the legislature and administration analyze the geography of health and social service delivery and fund the programs accordingly. Funding must generate the greatest possible benefit to the public. This can only be possible if support is concentrated on the point of delivery, not the beneficiary's point of origin.

V. Crime

A. State Conspiracy Law Related to Drug Trafficking. The Anchorage Chamber of Commerce supports the adoption of a state conspiracy law related to drug trafficking. Based on interviews with justice professionals and surveys of public opinion, the

Anchorage Crime Commission has established that traffic of illegal drugs is the key driver of the majority of crimes against individual citizens. Additionally, during the recent political campaigns there was overwhelming recognition by legislators of the importance in strengthening Alaska's drug laws and enforcement efforts. State drug enforcement efforts are hampered by Alaska's unique absence of a conspiracy statute.

B. Recriminalization of Marijuana. The Anchorage Chamber of Commerce supports legislation recriminalizing marijuana. As noted above, substance abuse is our community's No. 1 problem and priority. Over the last decade the significant harmful effects of marijuana have been medically documented. Public opinion surveys indicate a two-to-one ratio in favor of making marijuana in any quantity an illegal substance.

C. Telephone Testimony in Grand Jury Proceedings. The Anchorage Chamber of Commerce supports legislation permitting the introduction of telephonic testimony in grand jury proceedings. Providing prosecutors with the option to utilize telephonic sworn testimony in grand jury proceedings will significantly reduce witness expenses without compromising individual rights or justice.

D. Private Sector Access to State Conviction Records. The Anchorage Chamber of Commerce supports legislation authorizing the Alaska State Troopers to provide criminal history information

upon request to private sector employers. Although such information is already available to the public through time consuming and complex searches of court records, private sector employers are currently denied access to the computerized records of the Alaska State Troopers. Many other states have already made such records available to private sector employers for a nominal fee.

VI. Alaskan Hire/Purchase

The Anchorage Chamber of Commerce continues to support local hire and purchase of goods and services. The Chamber endorses continued research and development of legislation based on an incentive approach to facilitate local hire and purchase of Alaskan goods and services. The Chamber opposes any legislative approach to local hire/purchase based upon the imposition or assessment of penalties.

VII. Energy

The Anchorage Chamber of Commerce supports completion of the Bradley Lake Hydro Electric Project. The Chamber recommends that the legislature continue the feasibility studies of the proposed railbelt electric interties and the proposed intrastate gas pipeline between Anchorage and Fairbanks. The Chamber urges the Alaska legislature to insure that the monies in the railbelt energy fund are used for energy project development for the benefit of communities throughout the railbelt.

VIII. Arctic National Wildlife Refuge

The Anchorage Chamber of Commerce strongly urges the state legislature to adopt a joint resolution supporting legislation by the United States Congress to open the Arctic National Wildlife Refuge Coastal Plain to environmentally responsible oil and gas exploration, development and production. The ANWR Joint Resolution should be unqualified and should not contain restrictions based on the existence of a core caribou calving area.

IX. Tort Reform

The Anchorage Chamber of Commerce supports significant changes and reform in civil liability laws, including revisions resulting in lower insurance cost to businesses, while providing adequate and fair compensation to claimants. Specifically, the Chamber supports a change in current law to limit liability in civil cases to a pro rata percentage of each party's fault. (ie) "Several" rather than "joint liability.

X. Anchorage International Airport

The Anchorage Chamber of Commerce supports HB 173 creating the Alaska International Airport Authority. The Authority should aggressively market the Anchorage airport and pursue stopover rights for international travelers.

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Anchorage Chamber of Commerce
415 F Street
Anchorage, AK 99501-2254



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December 4, 1987

SUMMARY OF LEGISLATIVE PRIORITIES

- I. **Budget:** Selective reductions in operating expenditures and entitlements. Increased capital expenditures based on budget surpluses caused by enhanced oil revenues and/or reductions in operating expenditures and entitlements. Endorsement of constitutional amendment allocating permanent fund earnings and restricting expenditures.
- II. **Economy:** Legislative measures to protect and reinvigorate the economy in recognition of continuing recessionary trends, including the following recommendations:
 - (A) No tax increases.
 - (B) Enactment of economic incentive policy.
 - (C) Alternative methods of compensation for overtime.
 - (D) Conveyance of public lands to private sector.
 - (E) Regulatory reform.
 - (F) Modification of return transportation law.
 - (G) Reform of State "Davis-Bacon Act."
 - (H) Legislation imposing limitations on public employee wages and benefits.
 - (I) Reform of workers' compensation statutes.
- III. **Capital Projects:** Establish financially viable priorities:
 - (A) Water and wastewater projects.
 - (B) Anchorage road projects.
- IV. **Health and Social Services:** Equitable distribution of funding based on point of delivery to the recipient rather than the recipient's place of origin.
- V. **Crime:** Endorsement of Anchorage Crime Commission recommendations:
 - (A) State conspiracy law related to drug trafficking.
 - (B) Recriminalization of marijuana.
 - (C) Telephonic testimony in grand jury proceedings.
 - (D) Private sector access to state conviction records.
- VI. **Alaskan Hire/Purchase:** Legislative incentives to hire Alaskans and to purchase Alaska goods and services.
- VII. **Energy:** Railbelt Energy Fund/Bradley Lake Hydro Project.
- VIII. **ANWR:** Open ANWR coastal plain to environmentally responsible oil and gas exploration, development and production.
- IX. **Tort Reform:** Support additional efforts to secure genuine reform of tort liability laws.
- X. **Anchorage International Airport:** Support legislation establishing an Anchorage Airport Authority.

I. Budget

The Legislature should continue to reduce the state operating budget in response to expected future declines in oil production and the inherent instability of market prices. Aggressive reductions in state spending should occur prior to consideration of appropriating monies from other distinct funds. Any surplus created as a result of rising oil prices or further reductions in the state operating budget should be expended on capital projects designed to improve infrastructure and stimulate the economy. The Chamber strongly opposes increases in taxes of any kind, including modification of the economic limit factor, imposition of an individual income tax, state sales tax, or increases in the motor fuel tax. Excess earning reserves are to be applied to a budget deficit only after aggressive measures have been undertaken to reduce state spending. The legislature should not use the corpus of the Permanent Fund to finance the activities of state government under any foreseeable circumstances. The Chamber endorses SJR 40 proposing a ballot measure to amend the Alaska State Constitution to authorize allocation of permanent fund earnings as follows: 40% to dividends, 30% to inflation proofing, and 30% to the budget reserve account. The Chamber also supports provisions in SJR 40 imposing constitutional spending limitations on future state legislatures.

II. Economy

The Chamber recommends that the legislature consider the following recommendations to protect and reinvigorate the Alaskan economy:

A. **Taxes.** The legislature should not, under any foreseeable circumstances, impose increased taxes or user fees on any segment of the Alaska economy during the impending recession. Nor should the legislature impose the equivalent of additional taxes on the oil industry by modifying the economic limit factor. Such action would disrupt long-term operating plans for major Alaskan oilfields and weaken the commitment of industry to expand additional exploration and development funds in the state. The Chamber is also opposed to any proposals in the Alaska state legislature to impose separate accounting methodology on oil and gas companies for the purpose of calculating corporate income taxes. Nor should the legislature consider imposing a personal income tax, state sales tax, or any increased motor fuel tax.

B. **Economic Incentive Policy.** Alaska is one of a dwindling number of U.S. states that does not have an "economic incentives policy" in place to help local development groups lure basic industry to Alaska. The Anchorage Chamber of Commerce supports the enactment of an economic incentives policy that would include:

- 1) Temporary tax abatement
- 2) Infrastructure investment
- 3) Land and resource availability
- 4) Financing assistance

These inducements should be made available only to qualifying private-sector projects that expand Alaska's economic base. They should provide a flexible array of incentives that encourage development without unduly subsidizing it. In addition, the Chamber supports amending Alaska Statutes, Title 29 to allow local governments to offer temporary property tax incentives to qualifying economic development projects.

C. **Alternative methods of compensation for overtime.** The state legislature should adopt legislation incorporating appropriate federal regulatory methodology for compensating employees engaged in operations involving irregular work weeks. Specifically, the legislature should eliminate impediments to alternative methods of compensating for overtime, including compensatory time off and flexible work week plans. Such action will assist natural resource development projects involving work schedules which are unpredictable with respect to time demands on employers and employees.

D. **Expedient Conveyance of Public Land to Private Sector.** The legislature should expedite the conveyance of municipal, state and federal public lands to the private sector. The legislature should require the Department of Natural Resources to expedite the process of issuing permits, leases, and mining production licenses on state mineral lands to facilitate natural resource development.

E. **Regulatory Reform.** The State of Alaska's redundant, overly complicated, and counterproductive regulatory processes impede economic development and growth. The Chamber supports passage of House Bill 212 establishing the Department of Natural Resources as the lead agency for all natural resource projects in Alaska. The legislature should consolidate coastal zone management authority within DNR and curtail CZM jurisdiction over all upland areas which are more than three miles removed from the Alaska coastline. Many of the existing regulations of DF&G and DEC are redundant with federal regulations promulgated by the EPA and Federal Fish and Wildlife Service. The state legislature should review and consider eliminating any unnecessary regulatory programs in an effort to conserve public funds and encourage development of Alaska's natural resources through private investment. Federal programs which are appropriate for the state to assume exclusive control and jurisdiction in an effort to benefit local industry should be excluded from this process.

F. **Return Transportation Law.** The Anchorage Chamber of Commerce supports revisions to AS 23.10 dealing with employee rights to return transportation. Provisions of HB 43 requiring notification of employees of their rights under the statute and requiring return transportation for employees hired outside the state when such transportation was not originally furnished are counterproductive and contrary to sound public policy objectives.

G. **State Davis-Bacon Act.** The State legislature should adopt legislation altering the formula for determining prevailing wage utilized by the Department of Labor to more realistically reflect actual labor costs in the State of Alaska.

H. **Legislation Imposing Limitations on Public Employee Wages and Benefits.** State of Alaska employees are the most highly compensated in the nation. Alaska also has comparatively more public employees per capita than other states. Under no circumstances should the existing tax burden on the economy be increased to provide funding for public employee wages and benefits. If public employees are unwilling to accept a 40-hour work week and contractual limitations on wages and benefits, the legislature should enact legislation mandating further reductions in force to limit the size of state government.

I. **Workers' Compensation Insurance Reform.** The Anchorage Chamber of Commerce endorses and supports efforts to reduce workers' compensation costs in the State of Alaska through the following legislative reform measures:

- 1) Scheduling more injuries for payment at a fixed rate of reimbursement for the injury.
- 2) Payment of all medical costs on a reasonable and customary charges basis.
- 3) Imposition of controls on the frequency of visits to health care practitioners by claimants.
- 4) Voluntary vocational rehabilitation for eligible claimants by nationally certified professionals.

III. Capital Projects

The legislature should adopt a capital budget that reflects realistic municipal priorities and is designed to provide maximum benefit to the Alaskan public. The legislature should, at a minimum, allocate funds to those projects that are on-going (multi-year) and necessary for viable economic development of the area. These projects have been identified by the Municipality of Anchorage as critical to the city's future development. The remainder of the Anchorage Road Projects that are not specifically identified should be preserved to the extent possible in the 1989 capital budget. A more detailed analysis of the Anchorage Chamber of Commerce's position on capital spending is as follows:

A. **Water and Wastewater Projects.** The Municipality of Anchorage has experienced substantial growth during the past several years. This growth has created a need to provide water and wastewater services that exceeds the capabilities of the utilities in many areas. These service limitations will have an impact on the future growth and development of many areas of the Municipality. The Chamber urges the continued funding of the Alaska Department of Environmental Conservation (DEC) Grant Program. This Grant Program provides for approximately 50 percent state matching funds on local qualifying water and wastewater projects. Funding of \$6 million is being requested for DEC's program to match the Municipality of Anchorage project funds. These projects may include water and wastewater improvement districts to neighborhoods which reduce the assessments to be paid by the property owner.

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ALASKA

REVIEW OF SOCIAL AND ECONOMIC CONDITIONS

University of Alaska Anchorage, Institute of Social and Economic Research December 1987, Vol. XXIV, No. 2

Alaska's Economy: What's Ahead?

We'll know the Alaska recession is over when we can open a newspaper and see no mention of layoffs or banks on the brink of failure; when we go to a store we haven't been to in six months and find it still in business; when we can drive around and see no notices for garage sales that say: Everything Must Go—Leaving State.

When will the recession let go, and what lies beyond it? We believe that the worst of the recession—as measured by job loss—is now behind us. If oil prices remain stable in the range of \$16 to \$20 a barrel, the recession will likely end in mid-1988. During the recession the economy has lost jobs, population, and income—but by no means will we lose everything we gained during the boom years of the early 1980s. Once the recession ends, the economy should begin growing again—but at a much slower rate than the breakneck pace of several years ago. And unlike in the recent past, when we could always look to some big specific project or event to push the economy, this time we think it will be moderate growth throughout Alaska's basic industries that will lead us out of the doldrums over the next several years.

In this *Review* we describe what caused the recession, assess how much it has cost Alaska, and project economic change through 1995. Our economic projections are based on what we know right now. As we learn more in the coming months we'll be revising our projections. What we say here is our best judgment as of late 1987, and we think it is sound. But as all Alaskans know, the Alaska economy is changeable and forecasting its movements is risky: you never know what surprises might be waiting around the bend.

In the first sections we briefly discuss Alaska's economy in general and describe the causes and dimensions of the economic boom of the early 1980s. Then we turn to an analysis of the recession

and the economic projections.

Methods of Economic Forecasting

We made our projections through the use of a computer simulation model developed by ISER. The projections cover what now looks like the probable range of change through three scenarios—high, medium, and low—that incorporate different assumptions about the future price of oil and other factors that will influence the economy.

The high case assesses what would happen if oil prices suddenly rose to \$26 a barrel (in 1986 dollars) and stayed that high throughout the forecast period. The medium case assumes that oil prices remain stable in their current range of about \$18 a barrel (again, in 1986 dollars) and stay around that level through 1995. The low case is a worst-case scenario that we consider extremely unlikely but which we include to illustrate what would happen if there were a prolonged collapse of oil prices—if the price of oil dropped below \$15 a barrel and stayed that low for several years.¹

We consider the medium case most likely, if oil prices in fact remain stable in their current range. It is

¹ A listing of the other major assumptions in each case appears in Appendix A of *Alaska's Economy and Housing Market*, available from ISER.

This Review is based largely on materials from Alaska's Economy and Housing Market (October 1987), an ISER report prepared for the Alaska Housing Finance Corporation. AHFC commissioned the report to help the corporation in its efforts to stabilize the Alaska housing market, which has been hit hard by the current recession. This publication describes the economic forecasts in the ISER report; an upcoming Review will discuss the report's findings on the housing market.

ALASKA REVIEW OF SOCIAL AND ECONOMIC CONDITIONS

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Alaska's Economy: What's Ahead?

Oliver Scott Goldsmith is professor of economics with ISER.

the medium-case projections that we discuss most in the following pages, and in those figures where only one projection is included, it is the medium case. Other figures include projections under all three cases, to show how the economy would change in response to changes in assumptions.

Another important point to remember about the actual and projected employment figures we use throughout this article is that all are adjusted to remove the effects of seasonal fluctuations.

BACKGROUND: ALASKA'S ECONOMY

In Alaska in recent years, talk about the economy has mostly meant talk about oil. High oil prices in the early 1980s brought Alaska billions of dollars and tens of thousands of new jobs. Collapsing oil prices helped pitch the state into the current recession. And oil prices will be key in determining how fast Alaska's economy recovers over the next several years, although growth in other basic industries will take on increased importance.

Why has oil had such a pervasive influence on Alaska's economy in recent times? A lucky set of circumstances made development of the Prudhoe Bay oil field different from a number of previous developments.

Before the huge Prudhoe Bay field was developed, Alaska was a state of relatively modest means. Military and other federal government spending and a

handful of resource industries—fishing, mining, logging, and some oil production in Cook Inlet—formed the state's economic base. Alaska's cold climate, rugged terrain, and isolation made it an expensive and difficult place to do business. High costs and other factors restricted economic development. In recent years, improved transportation and communications have begun to alter those historical limitations, but most kinds of economic activities can still be carried out for less in other places.

Alaska's main draw—aside from its strategic military location—has been and continues to be its many natural resources. But in a number of past resource developments, little of the income from development made its way into Alaska's economy: entrepreneurs came in, harvested the resources, and left with most of the profits.

Unlike these earlier developments, Prudhoe Bay oil has been a bonanza for Alaska's economy and its state government. Three things made this development different. First, the state government owns the Prudhoe Bay field—which means it not only collects taxes but also royalties from oil production. Second, the Prudhoe Bay field and adjacent fields produce very large amounts of oil—currently about 1.9 million barrels a day. Finally, in 1979—soon after oil began flowing from Prudhoe Bay—the world price of oil tripled (reaching around \$30 a barrel) and stayed high for several years.

Taken together, those circumstances meant that

the state government came into billions of dollars in petroleum revenues in the early 1980s. But as a consequence, the state became extremely vulnerable to changes in the price of oil: throughout the 1980s, petroleum revenues have made up 80 percent or more of the state's unrestricted general fund revenues (which do not include federal grants or earnings of the Permanent Fund).

Figure 1 shows the tremendous growth in state government revenues from the 1970s to the early 1980s, the sharp drop-off in the late 1980s, and petroleum's contribution to state revenues. From 1972 to 1979, the state's unrestricted general revenues grew from \$220 million to \$1.1 billion, and petroleum revenues jumped from 21 percent of total revenues to 73 percent. By 1980, the state took in \$2.5 billion, and revenues kept climbing to peak at \$4.1 billion in 1982. From 1980 through 1982, petroleum revenues made up 90 percent of total revenues.

After 1982 oil prices started to fall, but it was in 1986 that prices briefly plummeted as low as \$10 a barrel. State revenues in fiscal 1987 dropped to around \$1.7 billion—a decline of more than 40 percent from the previous year, and nearly 60 percent

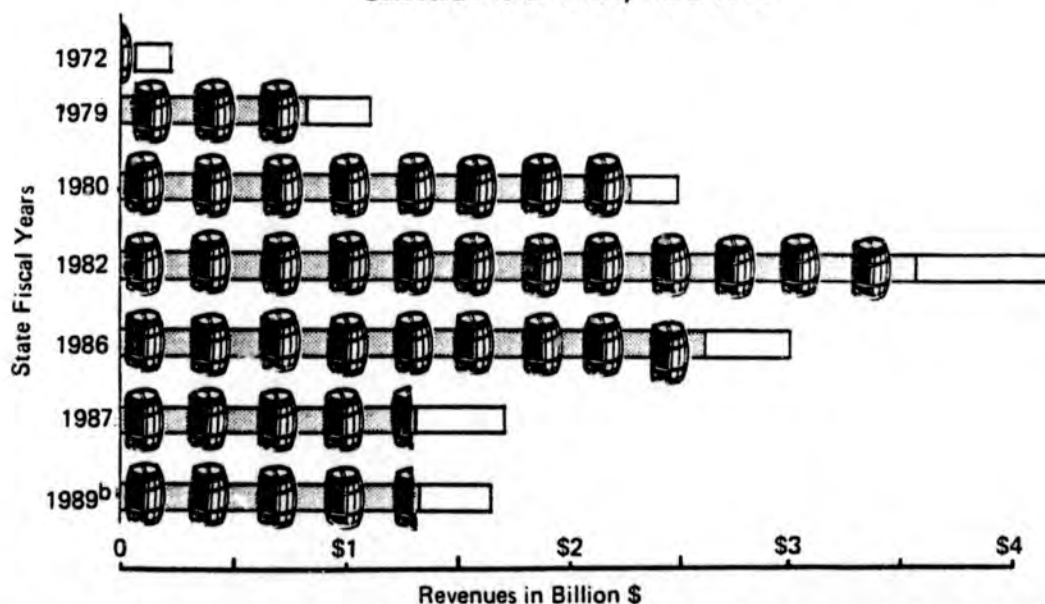
less than 1982 revenues. As of late 1987, state officials estimate that petroleum revenues in fiscal 1989 will be in the neighborhood of \$1.7 billion. Even as petroleum revenues decline, they will continue to make up more than 80 percent of the state's unrestricted general fund revenues.

THE BOOM

Expansive state spending was responsible for most of the growth in jobs, population, and incomes in Alaska from 1980 through 1985: during those five years, the number of wage and salary jobs in the state grew 35 percent, from 170 thousand to 227 thousand; population 30 percent, from 414 thousand to 540 thousand; and total personal income 70 percent, from \$5.6 billion to \$9.5 billion.

What did Alaska do with its oil billions in the first half of the 1980s? Nearly everything. The state spent most of its money in ways that reached throughout the economy—building new roads, community centers, harbors, and hundreds of other capital projects; subsidizing loans for homebuyers, students, and others; and boosting aid to local govern-

Figure 1. State of Alaska General Fund Revenues, Petroleum and Total^a
Selected Fiscal Years, 1972-1989

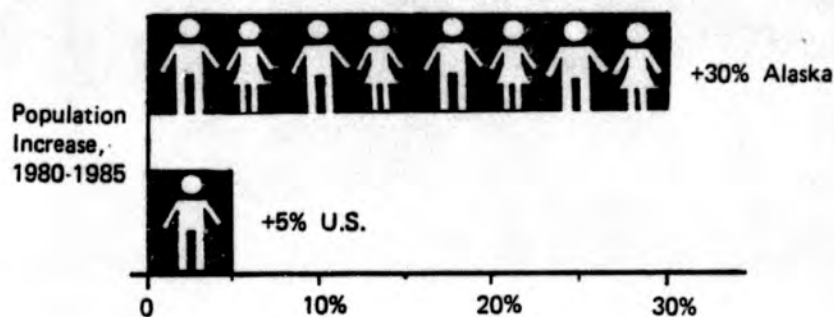


^aIncludes just unrestricted general fund revenues; excludes restricted revenues, which are mainly federal grants-in-aid. Graph represents actual revenues received with no adjustment for inflation.

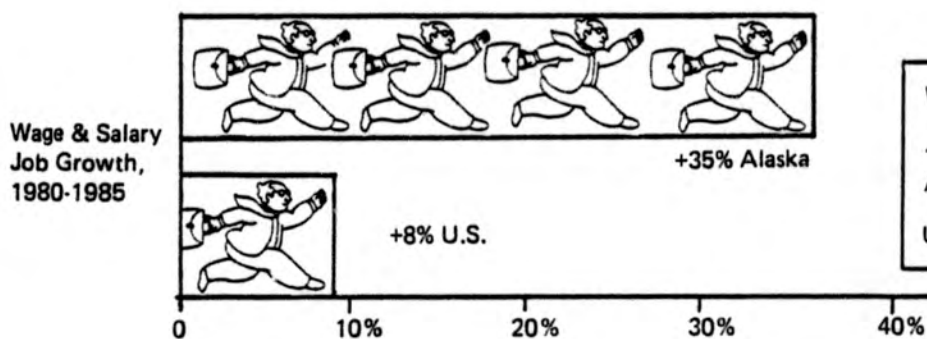
^bEstimate as of June 1987.

Source: Alaska Department of Revenue, *Revenue Sources*, FY 1987-89, Quarterly Update, June 1987.

Figure 2. Growth in Population, Jobs, and Personal Income
Alaska and the U.S., 1980-1985



Population	1980	1985
Alaska	414 thousand	540 thousand
U.S.	228 million	239 million



Wage & Salary Jobs	1980	1985
Alaska	170 thousand	227 thousand
U.S.	90 million	97 million

Total Personal Income Growth, 1980-1985



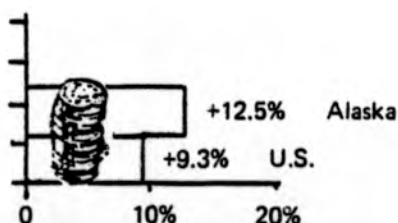
U.S.
+ 47%



Alaska
+70%

Total Personal Income	1980	1985
Alaska	\$ 5.6 billion	\$ 9.5 billion
U.S.	\$2,252 billion	\$3,310 billion

Growth in Real per Capita Disposable Income, 1980-1985



Real Disposable per Capita Income (1986 \$)	1980	1985
Alaska	\$14,437	\$16,245
U.S.	\$11,030	\$12,059

ments, among many other things.²

Figure 2 gives us a graphic measure of just how extraordinary the growth in Alaska was in the first half of the 1980s: it compares growth in Alaska with growth in the U.S. as a whole during that period. The population of the entire country increased about 5 percent during that time and the number of wage and salary jobs about 8 percent. Jobs and population in Alaska increased more than four times that fast. Total personal income (not adjusted for inflation) throughout the U.S. grew 47 percent from 1980 through 1985, compared with 70 percent in Alaska.

Most of the income growth in Alaska in those five years took place between just 1980 and 1982. Per capita incomes of all Americans actually grew more than those of Alaskans over the entire period from 1980 through 1985—40 percent as compared with Alaska's 34 percent. But if we look at changes in purchasing power as measured by real per capita disposable income—income adjusted for inflation and minus taxes—Alaskans fared better than other Americans in the first half of the 1980s: real per capita disposable incomes of Alaskans grew about 12.5 percent as compared with 9.3 percent for all Americans. The average purchasing power of Alaskans increased more because inflation in Alaska³ was somewhat lower than in the entire U.S. during that period, and because Alaskans paid no state personal taxes and low local taxes during those years.

THE RECESSION

We date the recession from late 1985 because it was then that the economy as a whole began losing more jobs than it was creating. The recession has now lasted two years, and we think that the worst—as measured by job loss—is now behind us. Our medium case projects that the recession will bottom out in mid-1988 and that slow but steady growth will follow.

Big government spending created the great Alaska boom by pumping billions of dollars into the economy in a short time. Construction in the state burgeoned overnight. Businesses overextended themselves, because they expected state and local government spending to keep growing and to keep stimulating the economy.

²For a detailed examination of where Alaska spent its oil billions, see "Where Have All the Billions Gone?" *Alaska Review of Social and Economic Conditions*, February 1987, Vol. XXIV, No. 1.

³Inflation in Alaska as measured by the Anchorage Consumer Price Index, which is the only time series that measures price changes in Alaska.

But the high oil prices that had propped up state spending began to drift down as early as 1982, and by late 1985 the effects of lower oil prices on state revenues and spending had brought on an economic slowdown. Construction had already started shrinking after expanding so much in the early 1980s, and businesses found that the level of economic activity they had anticipated wasn't there.

The recession began in the last quarter of 1985, before the crash in oil prices in early 1986. But that crash has made the recession longer and much more severe than it would otherwise have been, because (1) it led the oil companies to sharply curtail spending for exploration and development in Alaska; (2) it drastically reduced the budgets (particularly capital budgets) of state and local governments; and (3) it made consumers and businesses lose confidence in the economy.

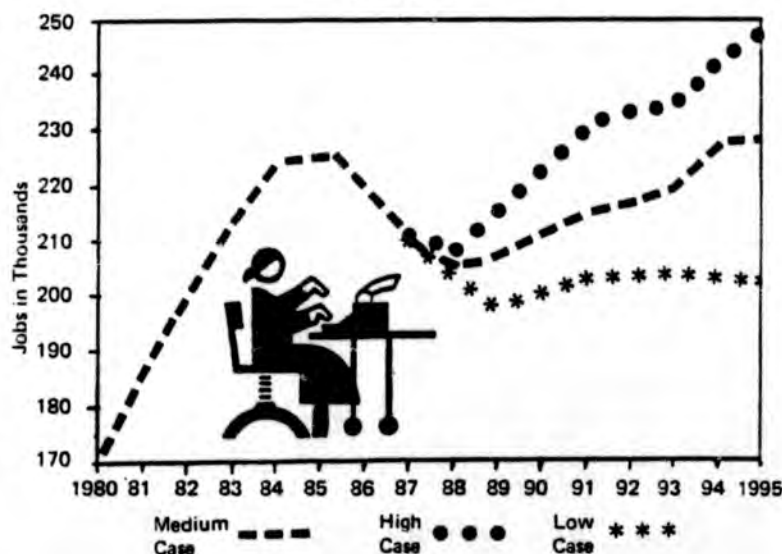
Job Loss

Our medium case projects that before the recession ends, Alaska will lose 10 percent of the wage and salary jobs it had at the employment peak in 1985. But we will still have nearly 20 percent more jobs than we had in 1980.

Figures 3 through 9 give us a picture of how many jobs were added to the Alaska economy in the first half of the 1980s and how many we're likely to lose by the end of the recession.

Figure 3 shows overall change in the number of wage and salary jobs in Alaska from 1980 through mid-1987 (as well as projected change under low,

Figure 3. Alaska Wage and Salary Employment, Historical and Projected Under Three Cases, 1980-1995



medium, and high cases, which we discuss in a later section on projections). Figures 4 through 8 are employment indexes for all Alaska wage and salary jobs and for individual industries. The number of wage and salary jobs in January 1980 is the base for the indexes—meaning that the indexes measure change from the levels of employment at the start of 1980 (January 1980 = 100). Indexing allows us to compare rates of change among the industries: which grew fastest? how did growth in any given industry compare with overall growth in wage and salary jobs? which industries have been hurt most by the recession?

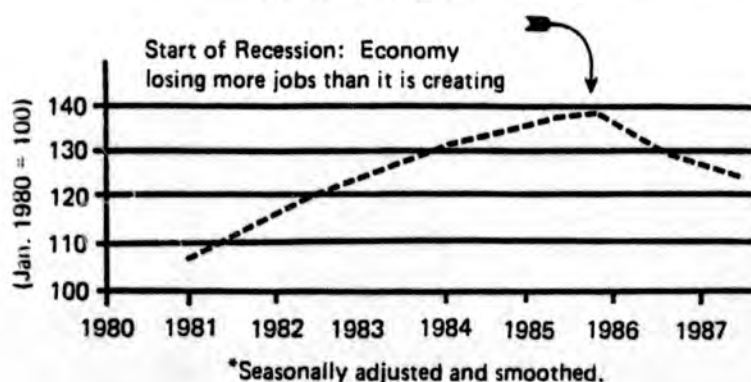
Figure 9 shows actual numbers of jobs by industry at the start of the cycle in January 1980; at the peak of the boom (individual industries peaked at somewhat different times); in July 1987; and in mid-1988, when our medium case projects that the economy will bottom out.

These figures do not include some workers who are important to Alaska's economy but who are not paid standard civilian wages and salaries: self-employed people (like small businessmen, most commercial fishermen, and farm workers) and military personnel. (Other figures in this publication look at total employment in Alaska and do include those who aren't paid standard wages or salaries.)

The overall number of wage and salary jobs in Alaska climbed steadily until the end of 1985, although jobs in one industry—construction—had been disappearing since 1984: the economy overall was still adding enough jobs to offset the losses in construction. At the employment peak—which was in September 1985—there were nearly 230 thousand wage and salary jobs in Alaska, or 38 percent more than there had been in January 1980 (Figure 4).⁴

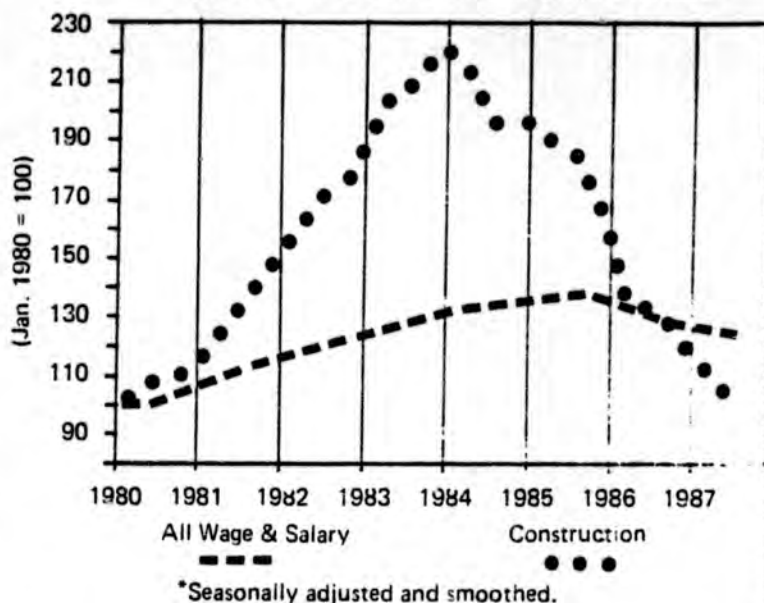
⁴The 38 percent growth in wage and salary jobs as measured on a monthly basis from January 1980 is slightly higher than the growth as measured from annual average employment in 1980—the 35 percent shown in Figure 2.

Figure 4. Alaska Employment Index*
All Wage and Salary Jobs



At the end of 1985 the total number of jobs in the state began dropping. By June 1987, the economy had lost 21 thousand jobs, and wage and salary employment stood at 209 thousand—still 25 percent higher than at the start of 1980. Under our medium case we project that Alaska will lose about 7 thousand more jobs by mid-1988. We project that Alaska will have about 202 thousand wage and salary jobs at the end of the recession—28 thousand fewer than it had in 1985, but still about 30 thousand, or nearly 20 percent, more than it had in 1980.

Figure 5. Alaska Construction Employment Index*



Construction Jobs

Construction employment in Alaska more than doubled between 1980 and 1984—but between 1984 and mid-1987 half of Alaska's construction jobs disappeared. We project that construction employment by mid-1988 will be 65 percent less than it was in 1984.

At the height of Alaska construction employment in January 1984, more than 22 thousand men and women had construction jobs—which was more than twice as many construction workers as there had been in 1980. But construction has also taken the hardest hit in the recession: by June 1987, 12 thousand of the construction jobs that existed in 1984 had disappeared—a drop of 55 percent. That loss put construction employment back just about where it had been in 1980 (Figure 5).

We project that roughly 2 thousand more construction jobs will disappear between now and the middle of 1988—mostly because the demand for construction workers in the near term is likely to be

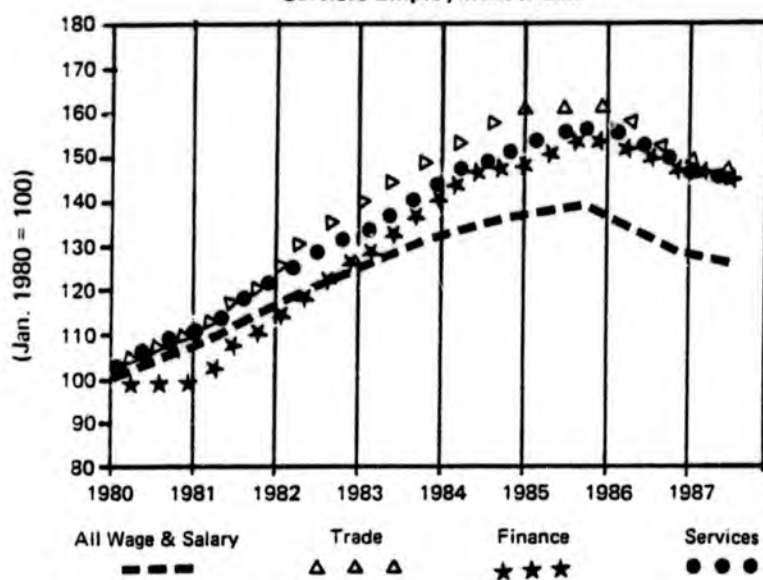
relatively low. By mid-1988, numbers of construction jobs in Alaska will be down about 65 percent from the peak 1984 level (Figure 9).

Trade, Finance, and Service Jobs

Alaska's trade, finance and service industries were second only to construction in growth in the early 1980s—they grew more than 50 percent. But they have also been hit hard by the recession: an estimated 14 percent of trade and service jobs will disappear before the recession ends.

At their peaks in late 1985, the trade, finance, and service industries each had between 50 and 60 percent more jobs than had existed in January 1980 (Figure 6). These industries include stores, banks, in-

Figure 6. Alaska Trade, Finance, and Services Employment Index*



*Seasonally adjusted and smoothed.

insurance companies, hotels, and other kinds of establishments that sell goods or offer services. Roughly 91 thousand trade and service jobs existed in Alaska in September 1985, or 40 percent of all wage and salary jobs. By June 1987 10 thousand trade and service jobs—11 percent of all such jobs—had disappeared. The finance industry had lost about 600 jobs—5 percent—of its wage and salary jobs by June 1987, but that figure does not include real estate agents and others who work for commissions rather than salaries. We don't have figures on numbers of such jobs lost during the recession, but we do know that the housing industry has been one of the most visible casualties of the economic downturn.

Our medium case projects that another 3 thousand trade and service jobs will disappear before the recession ends. We expect more job loss in those

industries because of the business overextension we described earlier. Some of the rapid expansion of trades and services in the early 1980s was based on businesses' expectation that markets would continue to grow—so some of the job loss to date has been the result not of shrinking markets but simply of markets that stopped growing. Also, consumers' and businesses' general lack of confidence in the economy right now will continue to hurt the trade and service industries. Overall from the peak in 1985 through mid-1988, 14 percent of trade and service jobs will likely disappear (Figure 9).

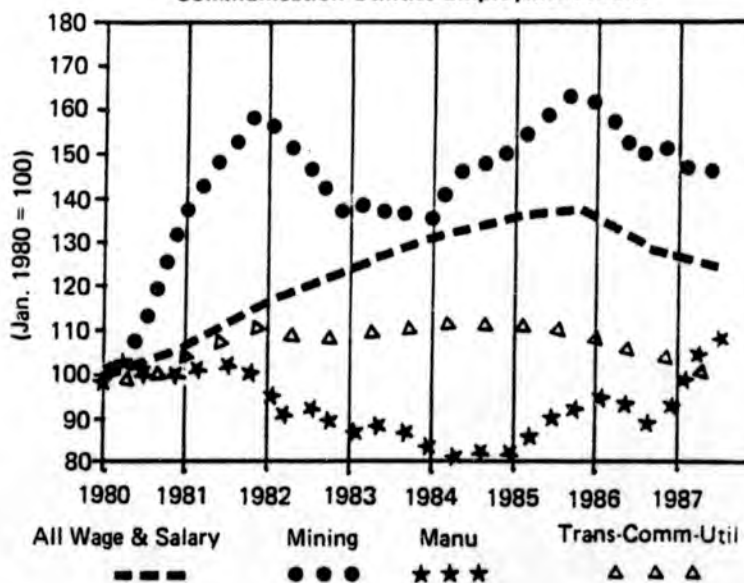
Mining, Manufacturing, and Transportation, Communications, and Utilities Jobs

Led by growing numbers of petroleum jobs, mining employment in Alaska in the early 1980s was up 60 percent—but the recession eliminated about 10 percent of mining jobs. Numbers of jobs in transportation, communications, and utilities grew a much more modest 11 percent—and declined by the same amount between 1985 and 1987. Jobs in manufacturing—which consist mainly of seafood processing and timber industry work—have actually increased during the recession.

Mining jobs shown in Figures 7 and 9 are almost entirely jobs in the petroleum industry.⁵ Numbers of such jobs grew quickly in the first half of the 1980s,

⁵Figures 12 and 13 later in the text separate petroleum from other mining activity.

Figure 7. Alaska Mining, Manufacturing, and Transportation-Communication-Utilities Employment Index*



*Seasonally adjusted and smoothed.

as high oil prices prompted the oil industry to sharply increase exploration and development on the North Slope, and as some oil companies increasingly shifted management and support jobs to Anchorage from other U.S. cities.

About 1 thousand—or nearly 10 percent—of the roughly 10 thousand mining jobs in Alaska in 1985 disappeared with the crash of oil prices. We project that the number of petroleum jobs will rebound slightly by mid-1988, if oil prices stabilize in their current range and the oil industry begins to recover. Still, as Figure 9 shows, by the end of the recession there are likely to be about 9 percent fewer petroleum jobs than there were in 1985.

The numbers of Alaska jobs in the transportation, communication, and utilities industries grew about 11 percent between 1980 and 1985—a much slower rate than overall job growth during that period. The number of jobs in those industries declined from a peak of about 19 thousand in mid-1985 to 17 thousand two years later. That loss brought the industries down to roughly the size they were in 1980, and we expect them to remain about the same through the middle of next year (Figure 9).

Alaska's manufacturing industries depend not on state government spending but on the size of the harvests and the demand for Alaska's fish and timber. In the early 1980s, when other parts of the economy were growing, overall employment in manufacturing actually dropped—and during the recession, when other industries have shrunk, these industries have grown. As Figure 7 shows, manufacturing employment in the 1980s was at its lowest point in 1984 and 1985 and then began to rebound. By July 1987 there were nearly 15 thousand jobs in manufacturing—or 6 percent more than there had been in 1980. We project under our medium case that numbers of Alaska jobs in manufacturing will decline slightly by the middle of next year (Figure 9).

Government Jobs

Numbers of state and local government jobs in Alaska grew about 37 percent between 1980 and 1985—just about the same amount that overall numbers of wage and salary jobs grew. By mid-1988, state and local governments will likely be employing about 11 percent fewer Alaskans than in 1985. Federal civilian jobs, unaffected by the ups and downs of petroleum revenues, have helped moderate the effects of the recession.

About 50 thousand Alaskans—22 percent of all Alaska wage and salary employees—worked for state and local governments in October 1985. That represented a 37 percent increase in numbers of state and local jobs between early 1980 and late 1985 (Figure 8). More than 3 thousand of those state and local

Figure 8. Alaska Government Employment Index*



*Seasonally adjusted and smoothed.

jobs had disappeared by July 1987. The drop in state and local jobs to date has been relatively modest as compared with the huge drop in anticipated petroleum revenues. This has been true because governments concentrated their early budget cuts in capital spending and other areas that affected fewer jobs.

Our medium case projects that numbers of state and local jobs in Alaska will continue to shrink through mid-1988, as governments around the state continue to adjust to less money. By June 1988, about 2 thousand more state and local jobs are likely to disappear (Figure 9).

Numbers of federal civilian jobs in Alaska have changed little in the 1980s. At the start of the decade there were nearly 18 thousand such jobs in Alaska. Those numbers declined a bit in the early 1980s, but grew again recently. And as Figure 9 shows, we expect about the same number next year. These federal jobs have historically and still do provide some stability for the volatile Alaska economy.

Income Loss

Real personal income (income adjusted for inflation) in Alaska dropped about 5 percent from late 1985 through early 1987. Our medium case projects that at the bottom of the recession real personal income will be about 8 percent below its 1985 peak, but still about 27 percent higher than in 1980 (Figure 10).

Measured in 1986 dollars, Alaska personal income from all sources reached a high of \$9.7 billion in the third quarter of 1985 and fell to about \$9.2 billion in the first quarter of 1987. However, we

Figure 9. Alaska Wage and Salary Jobs, By Industry, Selected Years, 1980-1988

	January 1980	Employment Peak ^a	July 1987	June 1988 ^b	PERCENT CHANGE BY JUNE 1988	
					From the Peak	From 1980
Construction	10,000	22,000 (Jan. 1984)	10,200	8,000	-64%	-20%
Trade & Services ^c	58,000	91,400 (Nov. 1985)	82,100	79,000	-14%	+36%
State & Local Govt.	36,750	50,200 (Oct. 1985)	47,100	45,000	-11%	+22%
Transportation, ^c Communication, Utilities	17,000	19,000 (May 1985)	17,000	17,000	-11%	0%
Finance, Insurance, Real Estate	7,740	11,800 (Oct. 1985)	11,000	11,000	-7%	+42%
Petroleum & Mining	6,000	9,800 (Sept. 1985)	8,700	9,000	-9%	+50%
Federal Civilian	17,900	17,600 ^a (Sept. 1985)	18,000	18,000	+2%	+1%
Manufacturing ^d	13,800	12,800 ^a (Sept. 1985)	14,700	14,000	+10%	+1%

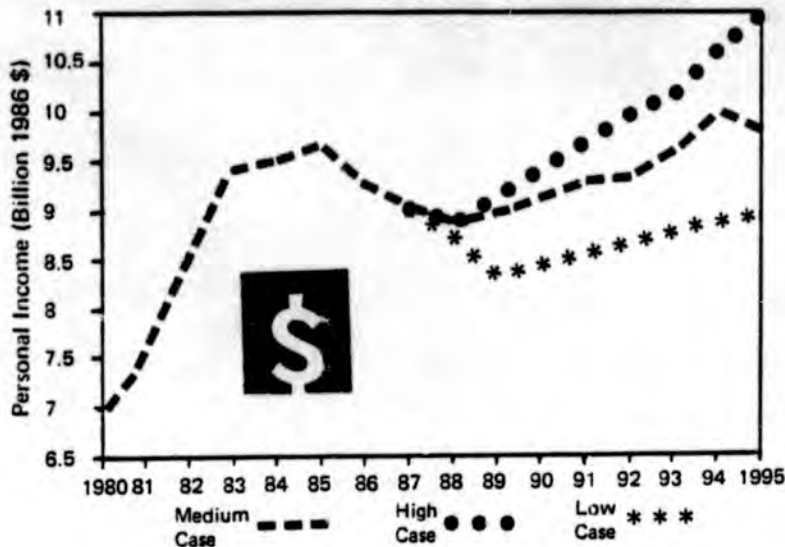
^aEmployment in various industries peaked at somewhat different times, but mostly in late 1985. Federal civilian and manufacturing employment did not peak in 1985.

^bAs projected under the medium case economic projections from ISER's report, *Alaska's Economy and Housing Market*.

^cTourism accounts for a portion of employment in these industries; tourism employment has not declined in recent years.

^dThis category is largely made up of seafood processing and timber harvesting and processing. It does not include employment in fish harvesting, which has not declined. Most commercial fishermen do not work for standard wages or salaries.

Figure 10. Alaska Real Personal Income (in 1986 \$)
Historical and Projected Under Three Cases,
1980-1995



think the federal Bureau of Economic Analysis (BEA) figures showing such a modest decline in personal income may be misleading for two reasons. First, the statistics probably don't adequately gauge the severity of the drop in Alaskans' personal income from rents, interest, and dividends or the drop in proprietors' income; accurate information on those sources of income is available only after a considerable delay. Second, personal income does not measure the capital gains and losses for property owners when values go up and down—so "personal income" is really an incomplete gauge of both consumer purchasing power and economic well-being, particularly in times of rapid economic change. Despite these shortcomings, the BEA figures are the best available on personal income.

Population and Household Losses

Alaska's population reached 540 thousand in 1985—up 30 percent from 1980. Our medium case projects that by the middle of 1988 the state population will be about 3 percent smaller, to stand around 524 thousand (Figure 11). Numbers of households will likely drop about the same proportion.

There are several reasons why we expect the population and household loss to be smaller than job loss, which we project at 10 percent. One reason is that many of the jobs Alaska has lost during the recession were in construction, and many construction workers in the state have historically been non-residents.

Other reasons have to do with natural increase in the population and changes in its composition. The

number of people we expect to live in Alaska in 1988 is the net result of people coming to and leaving the state and of natural increase within Alaska. If the 540 thousand persons living in Alaska in 1985 had all stayed and no one else had emigrated to the state, natural increase alone would have added roughly 30 thousand to the population by 1988. Also, the proportion of working-age adults (those 16 to 64) in the Alaska population seems to be declining as babies are born and as some families with working-age adults leave the state.

Also, not all those who have lost their jobs have left the state—some have stayed, either continuing to look for work or dropping out of the labor force at least temporarily. Finally, some Alaskans—particularly those over 65 and Alaska Natives—are not as likely to base their decisions about staying in Alaska on job opportunities.

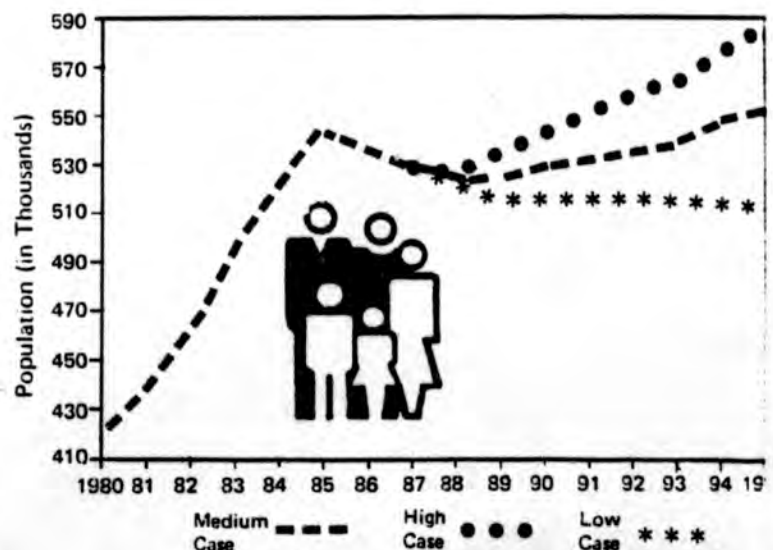
Regional Effects of Recession

The effects of both the economic recession and the boom that came before have been concentrated in those regions of Alaska where petroleum, support industries, and government are most important.

Anchorage's economy has seen the most growth and the most decline in the 1980s. Numbers of wage and salary jobs in Anchorage grew 43 percent between 1980 and 1985, as compared with just 10 percent in southeast Alaska; job growth in other regions fell between those extremes, with job growth throughout the state during that period at 35 percent.

Anchorage and the adjacent Mat-Su Borough

Figure 11. Alaska Population,
Historical and Projected Under Three Cases,
1980-1995



have also seen the most jobs disappear during the recession: of the 21 thousand jobs Alaska lost between late 1985 and mid-1987, Anchorage lost 14 thousand—or two-thirds of the total. The North Slope, site of Prudhoe Bay and other oil fields, has also been hit by job loss in the wake of low oil prices.

Regions that rely more on basic industries other than petroleum have been less severely affected by the downturn in the economy—although all regions have seen job opportunities shrink, personal income decline, and unemployment increase.

THE RECOVERY: ECONOMIC PROJECTIONS

What can stop the downward spiral of Alaska's economy and start it growing again? Essentially, we expect the recession to end when the excess capacity—capacity above what Alaska's economy can sustain in the absence of huge petroleum revenues—in the construction, state and local government, and support industries has been eliminated. We are most of the way to that point now, and we expect the economy to bottom out around the middle of next year.

But what then? What can we point to that will start Alaska's economy growing again? Unlike in the recent past, when we have looked to specific big projects to get the economy moving, this time we think it most likely that a slow but steady recovery will be led by gradual growth in Alaska basic industries. The basic industries are those that drive the economy by producing goods or services for export and sale to the rest of the U.S. Alaska's most important basic industries are petroleum, other mining, fishing, timber, tourism, and federal government activities, both civilian and military. We classify federal activities as a basic industry for Alaska because the federal government's activities here are for the benefit of the whole country rather than just Alaska, and because military and most federal civilian jobs are independent of economic activity in Alaska.

The initial move toward recovery will be prompted by basic industries other than petroleum. All these are relatively healthy, they have helped moderate the current economic decline, and they have opportunities for expansion.

In the longer run, recovery of the petroleum industry will be key to Alaska's economic recovery. The recovery of the petroleum industry in Alaska is at least two years away, because of the long lead times needed for developing major North Slope fields and because the world oil price has not yet stabilized at a level that justifies significant new North Slope development. We expect oil prices over the next few years to fluctuate within a band of about \$2 on either side of the current world oil price of around

\$18 a barrel. With oil prices in that range, the industry will begin a slow recovery and will cautiously undertake carefully selected development activities. After 1990, the price of oil should firm and more exploration and development will take place in Alaska.

All of Alaska's basic industries are important to the economy, but petroleum is and will remain throughout the forecast period the state's dominant basic industry—because of its contribution to gross state product and its potential for expanding rapidly and stimulating the economy.

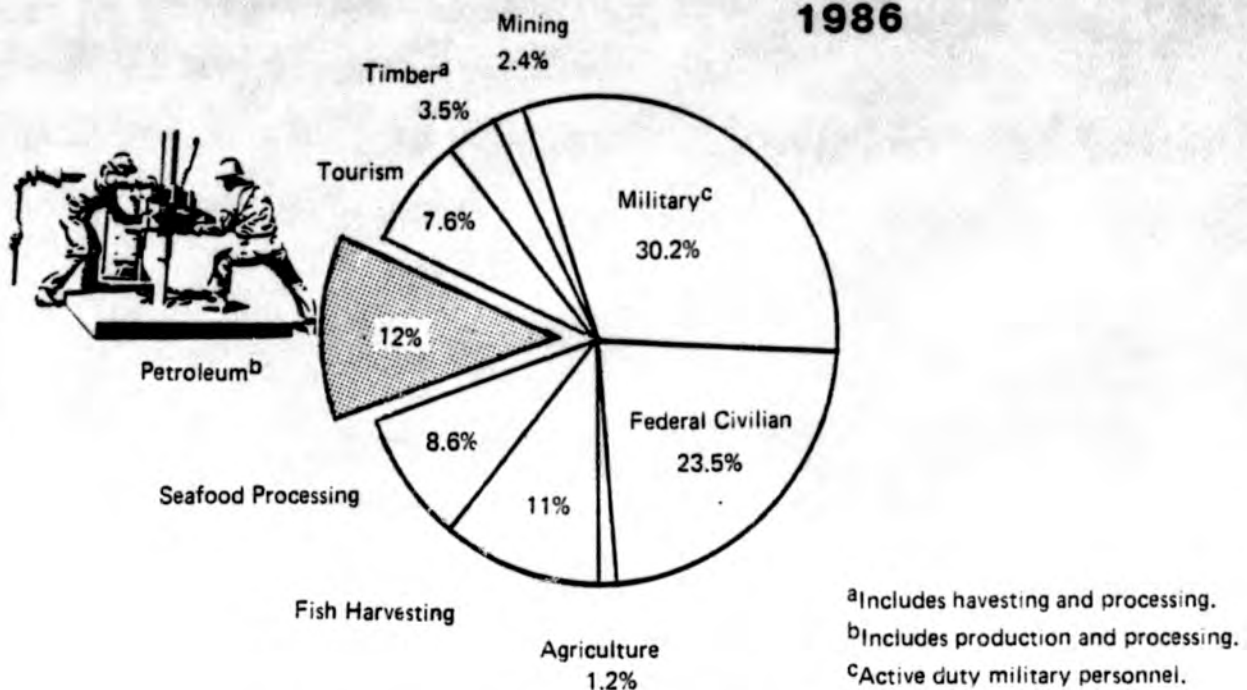
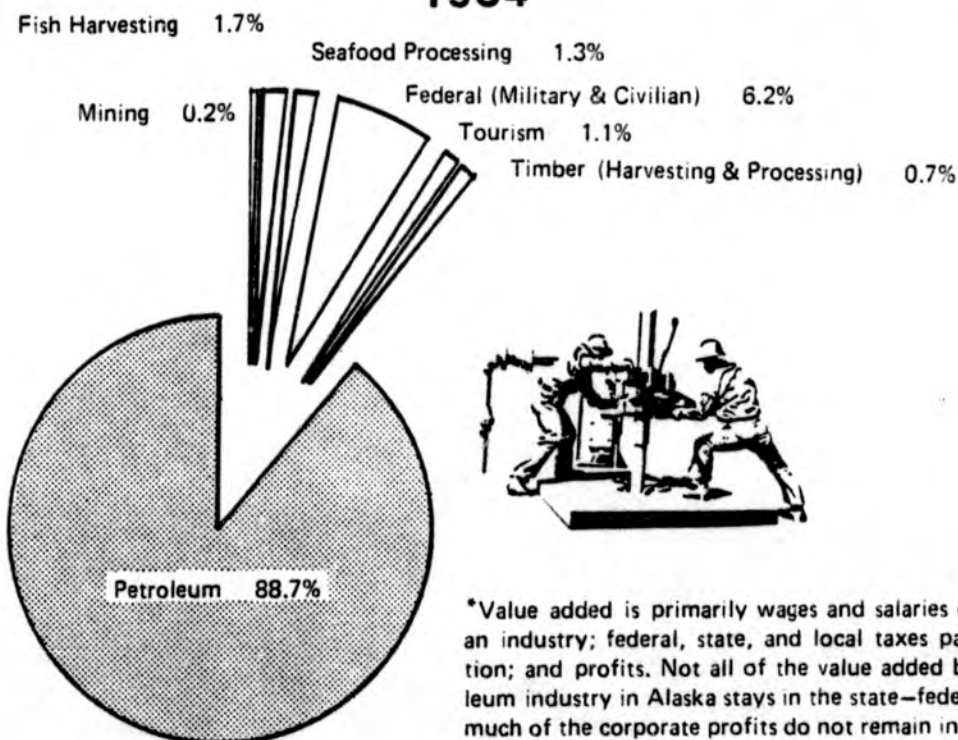
Figures 12 and 13 show the contributions of the basic industries to employment and to what economists call "value added," and help explain why we emphasize the importance of petroleum to Alaska's economy. If we look just at numbers of jobs each industry contributes to the economy, we would judge petroleum to be an important but not a dominant industry: in 1986 (the most recent year for which we have figures) 12 percent of the basic industry jobs in Alaska were in petroleum, while the federal government was responsible for 54 percent of basic jobs. Fishing and seafood processing together accounted for another 20 percent. Tourism contributed another nearly 8 percent of basic jobs, logging and timber processing 4 percent, mining other than petroleum about 2 percent, and agriculture 1 percent.

But if we look at *value added* by each of the basic industries—a much more comprehensive measure of the potential contribution of an industry to the economy—a different picture emerges. Value added consists primarily of the wages and salaries contributed by an industry, taxes paid (federal, state, and local), depreciation, and profits generated⁶—profits that are the source of money for new capital spending. Taxes paid by the petroleum industry have paid for most of state government operation in the 1980s; profits from Prudhoe Bay oil prompted the oil companies to undertake big new capital projects on the North Slope. Of course, not all of this value added remains in Alaska—federal taxes and much of the profits do not stay in Alaska.

Figure 13 shows how Alaska's basic industries contribute to value added. The percentages cited are for 1984, the most recent year for which we have calculated these figures. Oil prices were higher then—so the current contribution of petroleum would be smaller in relation to those of the other industries. But the general picture would be the same: petroleum creates much more "value added" than do the other basic industries combined.

Together, Alaska's basic industries other than petroleum are responsible for about 70 thousand jobs

⁶Including royalties in the petroleum industry.

Figure 12. Alaska Basic Industry Employment**1986****Figure 13. Value Added* of Alaska Basic Industries**
1984

Note: Agriculture's contribution to value added in 1984 was 0.03%—too small to show on the chart.

in Alaska—and more jobs in those industries will certainly benefit Alaska's economy. We just want to point out here that job creation is only one of several measures of an industry's contribution to the economy.

Summary: 1980-1995

Figure 14 summarizes historical and projected changes in Alaska population, wage and salary jobs, and personal income from 1980 through 1995. Figure 15 divides all Alaska jobs (wage and salary and other) into four categories and shows historical and projected changes in their absolute and relative sizes.

Figure 14 tells us that while the current recession is severe, it is not taking away all the gains we made in the first half of the 1980s. It also shows that the economic recovery—as projected under our medium case—will be slow as compared with growth in the recent past.

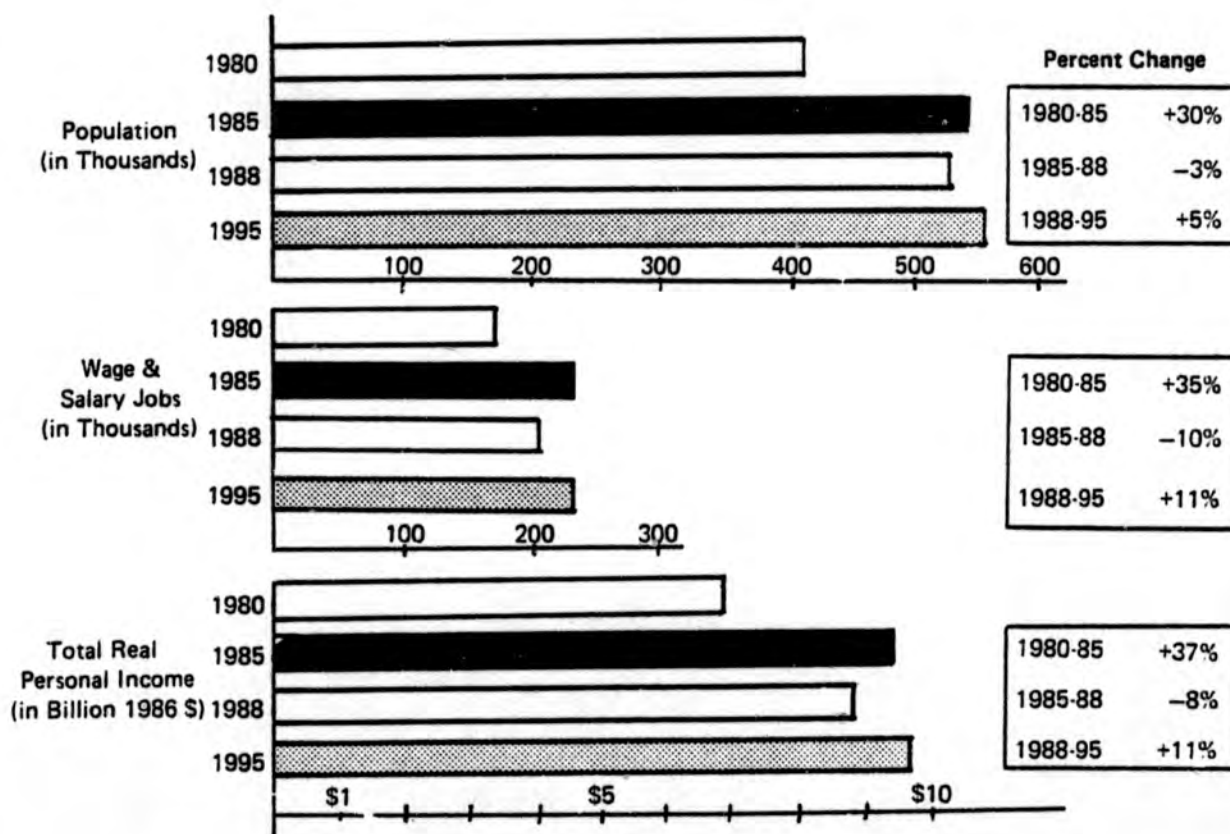
Alaska's population grew 30 percent between 1980 and 1985. Between 1985 and mid-1988 it will likely drop about 3 percent, and grow by 5 percent between 1988 and 1995.

Numbers of wage and salary jobs grew 35 percent in the first half of the decade, and are projected to drop 10 percent by 1988. Between 1988 and 1995 such jobs would increase by 11 percent under our medium-case projections.

Total real personal income (inflation-adjusted, in 1986 dollars) rose 37 percent between 1980 and 1985, and is projected to drop 8 percent by the bottom of the recession. Under our medium-case projections, real income will increase about 11 percent from 1988 to 1995.

Figure 15 divides all Alaska jobs into basic jobs, support jobs, infrastructure jobs, and state and local government jobs. Basic industry jobs, as we noted earlier, are those that drive the economy by

Figure 14. Historical and Projected^a Change in Alaska Population, Jobs, and Income, 1980-1995



^aAs projected under medium-case economic projections prepared for *Alaska's Economy and Housing Market*, ISER report, October 1987.

producing goods or services for export. The other kinds of jobs shown in the figure—support, infrastructure, and state and local government—are generated by basic industry activity: all those jobs in one way or another produce goods or services for local use. The industries that make up the support and infrastructure categories are listed at the bottom of Figure 15.

Between 1980 and 1985 the number of basic jobs in Alaska grew less than 10 percent, while numbers of support, infrastructure—particularly construc-

tion—and state and local government jobs grew several times that fast. As we discussed earlier, those high levels of support and other non-basic jobs could be sustained only when the state government was pumping billions of dollars into the economy.

With the crash of oil prices and the abrupt decline in state spending, Alaska's non-basic industries began to shrink, moving back toward the relationship they had with the basic industries before the boom.

Wage and Salary Jobs

Numbers of wage and salary jobs in Alaska would increase about 1.4 percent annually between 1988 and 1995 under our medium-case projections.

Figure 3 shows that under the medium case, numbers of wage and salary jobs would regain their 1985 levels by 1994. If the economy grows faster, Alaska could have about 8 percent more jobs by 1995; under the worst case, very few jobs would be created between 1988 and 1995.

New Basic Industry Jobs

Our medium case projects that about 7 thousand jobs will be added to Alaska's basic industries between now and 1995—which would be an increase of about nine percent. Those increases will be largely in military and mining (including petroleum) employment, but all basic industries should see some growth.

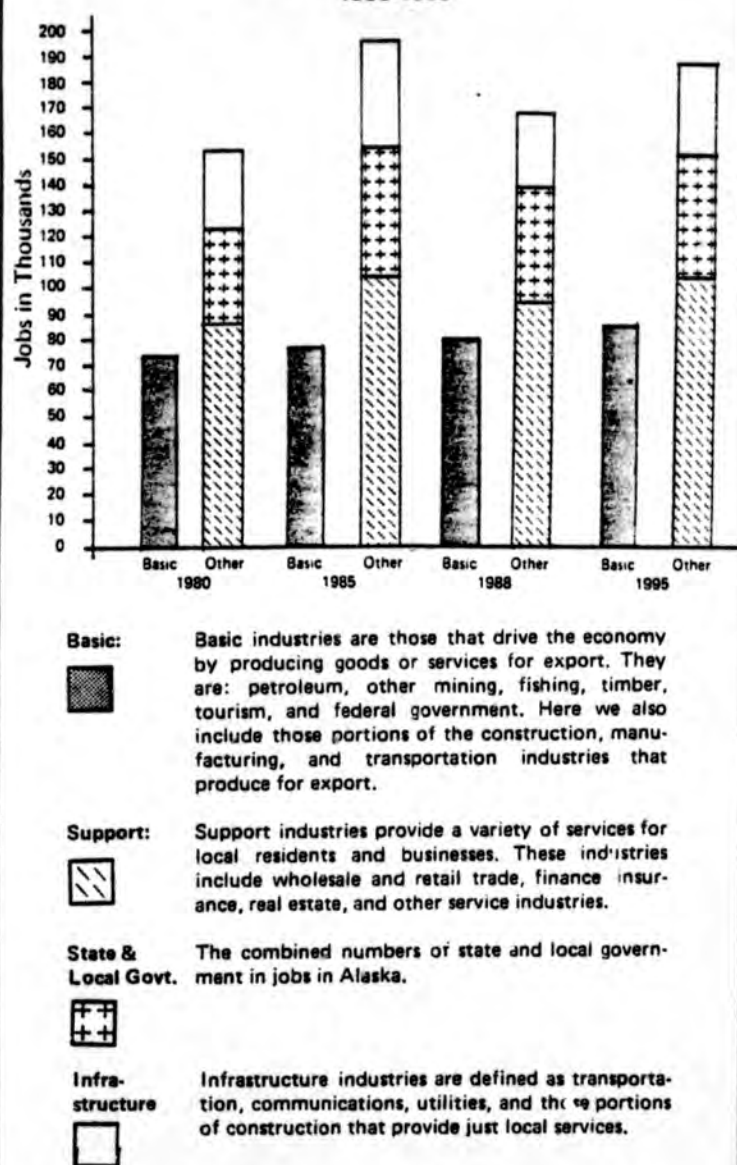
As Figure 16 shows, numbers of basic industry jobs could be slightly higher or somewhat lower if the economy grows faster or slower than under the medium case.

The Red Dog Mine in northwest Alaska and the Greens Creek Mine in the southeast will be the two main additions to Alaska's mining industry in the short run. A number of smaller mines in the interior and southeast regions of the state are in the early stages of development.

Alaska's fishing industry is benefiting from strong demand for seafood and from recent U.S. legislation that excludes foreign fishing boats from certain fisheries. Opportunities exist for growth in mariculture, bottom fishing, and specialty markets. Fishing is a dynamic and very competitive industry, and Alaska producers and processors will have to adapt to changing technologies and market conditions. We assume the number of jobs in the Alaska fishing industry will grow moderately between now and 1995.

The timber industry has been enjoying a boom in Alaska recently, particularly in the southeast region, because Native corporations that received lands under terms of the Alaska Native Claims Settlement Act have been harvesting more timber. We anticipate

Figure 15. Historical and Projected* Changes in Alaska Basic and Other Jobs, Selected Years, 1980-1995



*As projected under medium-case economic projections prepared for *Alaska's Economy and Housing Market*, ISER report, October 1987.

that increased logging from Native lands will continue into the early 1990s and that employment will then stabilize. No additional processing of timber—beyond what is already being done—is likely to take place in Alaska during the forecast period.

We expect tourism to continue to grow. Among the large projects now being discussed are new visitor facilities at Denali National Park and a large winter resort just north of Anchorage. Anchorage has also put in a bid to host the 1994 Winter Olympics. The state government and others are increasing their efforts to bring foreign tourists to Alaska—efforts that are being helped by the fall in the value of the dollar relative to some foreign currencies. We expect the numbers of tourists traveling to Alaska to continue to grow as they have historically.

Even with the potential growth we've described in other basic industries, it is military employment in Alaska that we expect to grow most rapidly over the next few years. A new light infantry division that is scheduled to be assigned to Fairbanks between now and 1989 will add nearly 4 thousand military and federal civilian jobs to the economy.

Future of State and Local Government Jobs

We assume there will continue to be pressure to hold government wages down, so more people can have jobs. Our medium case projects that if those wage rates are held down, numbers of state and local government jobs will begin to recover after 1988 and by 1993 regain the jobs lost during the recession (Figure 17).

Figure 16. Alaska Basic Industry Employment, Historical and Projected Under Three Cases, 1980-1995

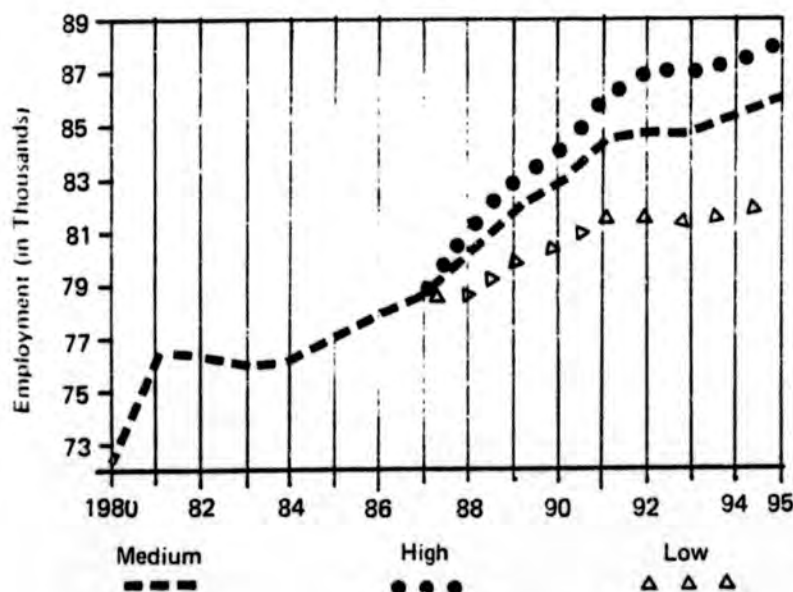
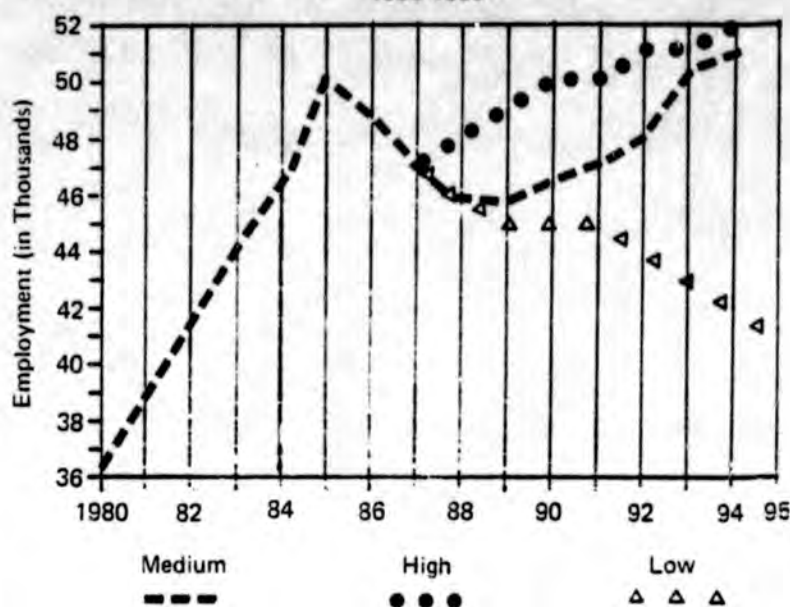


Figure 17. Alaska State and Local Government Employment, Historical and Projected Under Three Cases, 1980-1995



Less oil money has meant that the state government and all local governments have had to cut spending back sharply. They have tried to keep layoffs to a minimum by concentrating budget cuts in capital spending, loan programs, and equipment and supply purchases. They have also attempted to hold down wages.

We think that the unprecedented severity of the current recession will put tremendous pressure on state and local governments to maintain spending at or near its current level while at the same time holding the line on household and business taxes. Evidence of that pressure are the modest budget cuts the 1987 Alaska Legislature made in the state operating budget, even though the state Department of Revenue was concurrently projecting deficits of several hundred million dollars for that year and coming years.

Could the state keep spending near its current level, if oil prices stabilized slightly above or slightly below the current world price of about \$18 a barrel? For the state government to maintain its current spending level of about \$2 billion annually (in 1986 dollars) through 1995 would require using some combination of a number of possible sources: potentially large cash settlements of pending litigation, a portion of Permanent Fund earnings, personal income taxes, or increased petroleum tax rates. The timing and the specific choices among these possible measures would have slightly different effects on the overall state economy. We are not advocating any of these measures—we are just pointing out that they

would be required to maintain current levels of state spending if oil prices stay at around \$18 a barrel.

If oil prices are higher than we assume under the medium case, state revenues would be higher and could reduce pressure to tap other revenues and could push up state and local employment. But if oil prices drop much lower than we expect, state and local employment could continue to decline through 1995 (Figure 17).

Infrastructure and Support Jobs

The infrastructure industries and the support industries will be the slowest to recover. That slow recovery of these industries will keep overall wage and salary employment in Alaska below the 1985 peak until 1994 (Figures 18 and 19).

During the boom the infrastructure and support industries became much bigger than the Alaska economy could sustain without huge state spending: that excess capacity will take time to absorb. Also, real incomes of Alaskans will be lower, and there will be less government spending for capital goods, services, and equipment. The construction industry—which is the segment of the infrastructure industry that has been hit hardest by the recession—will remain smaller than we might expect even after economic growth resumes, until the many vacant Alaska residential and commercial properties have been filled.

If the economy grows faster or slower than we project under our medium case, infrastructure employment could be 10 to 15 percent higher or lower

Figure 18. Alaska Infrastructure Employment, Historical and Projected Under Three Cases, 1980-1995

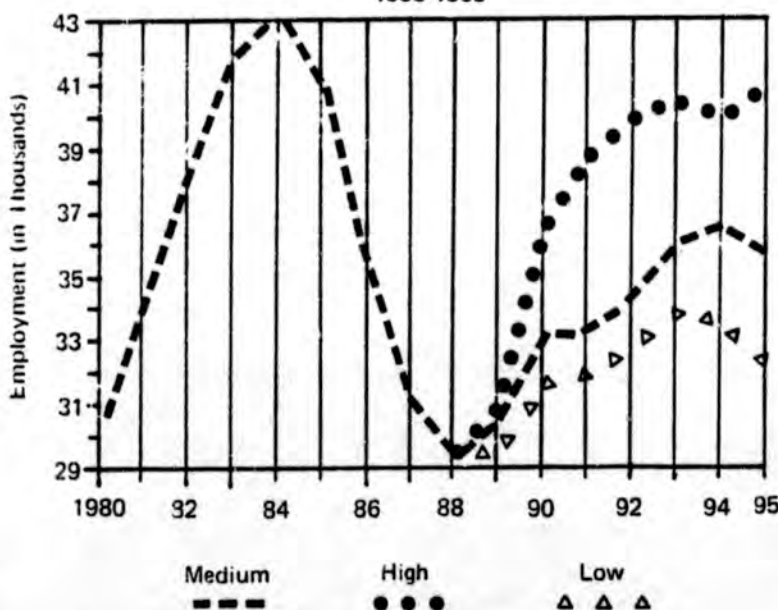
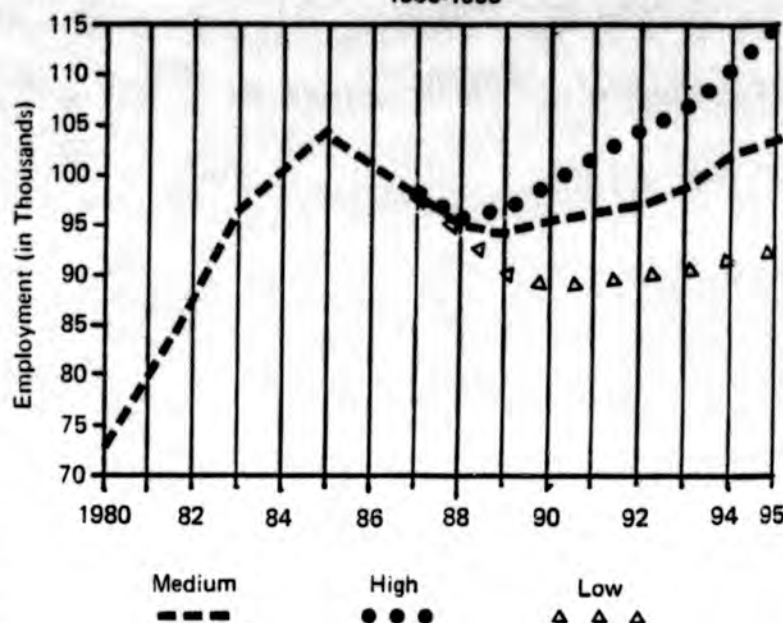


Figure 19. Alaska Support Industry Employment, Historical and Projected Under Three Cases, 1980-1995



by 1995, and support employment about 10 percent higher or lower (Figures 18 and 19).

Personal Income

Personal income in Alaska will begin growing again as employment grows, and our medium case projects that by 1994 real personal income—income adjusted for inflation—will be about 2 percent higher than it was in 1985, and roughly 40 percent higher than it was in 1980 (Figure 10).

Real per capita disposable income—which is income per Alaskan, adjusted for inflation and minus taxes—will grow little between now and 1995, if personal state income taxes are reimposed or Permanent Fund dividends are eliminated. Either of those measures would keep real per capita disposable income in 1994 at around \$15 thousand—about \$1 thousand below its 1983 peak of \$16 thousand. (All these figures are in 1986 dollars.) Faster or slower growth than under the medium case could make real personal income roughly 12 percent higher or lower by 1995.

Population and Household Growth

Our medium case projects population on average to grow just under 1 percent a year from 1988 through 1995 (Figure 11).

Just as more jobs than people disappeared during the recession, jobs will be created faster than the population grows during the recovery—about 1.4 percent annually as compared with less than 1 percent,

under our medium-case projections. That will happen because as new jobs become available in Alaska, they will be taken by those already in the state who had been unable to find jobs before, or who had stopped looking for work until the economy began to pick up. Population growth in Alaska in the next few years will be mainly through natural increase rather than emigration to the state.

Numbers of Alaska households will grow slightly faster than the population—just over 1 percent annually—because the average household is likely to become smaller in the coming years, continuing recent trends. By 1991, the numbers of households in the state will exceed the previous high of 1985—but the composition of those households will be different. The numbers and the proportions of military and Native households will increase relative to numbers and proportions of civilian non-Native households.

Under faster or slower economic growth, Alaska could have about 7 percent more or fewer residents by 1995.

Regional Economic Recovery

We expect—based on our medium-case projections—that the economies of Fairbanks and nearby areas and of southeast Alaska will recover fastest, because most of the basic industry growth in the next few years is projected to be in those regions.

Fairbanks will enjoy a stronger recovery than some other areas of the state because most of a new light infantry division will be stationed there over the next few years. We also expect some growth in the timber and fishing industries, which are important to Kodiak, the Aleutians, and parts of the southeast region.

On the other hand, the Anchorage and North Slope regions will likely be the slowest to recover, because they depend heavily on the petroleum industry and on state spending. Anchorage's recovery will also be hampered by excess capacity in its support industries; it will take time for the market to absorb that excess. Other regions of the state will either remain stable or begin slow growth in 1989.

INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH

The University of Alaska's Institute of Social and Economic Research (ISER) studies the population and economy of Alaska to help public and private agencies and individuals better understand social and economic change in Alaska and enable them to make more informed decisions about Alaska's future.

Alaska's size, geographic isolation, resource-based economy, small population, young political institutions, urban-rural differences, and other characteristics make it unique among the states, but similar to other northern regions. For that reason, ISER examines not only those issues unique to Alaska but those relevant to other northern areas as well. ISER research provides specific information needed by policymakers and others as well as broad-based knowledge of Alaska's social, economic, and political processes.

As part of the University of Alaska Anchorage, ISER shares that institution's mission of serving the higher educational needs of the state's largest population, business, and government center. ISER's faculty and staff produce and disseminate knowledge about Alaska by carrying out a wide variety of research projects, by teaching, by involving students in research, and through many public service activities.

OTHER ISER PUBLICATIONS

Institute of Social and Economic Research (ISER) publications over the past 25 years have looked at virtually all the major economic and social issues facing Alaska. A list, by topic, of hundreds of ISER publications is available from ISER in the library building on the campus of the University of Alaska Anchorage (phone 907-786-7710). Below are brief descriptions of some recent work which ISER produced or contributed to. Unless otherwise noted, all publications are available from ISER, University of Alaska Anchorage, 3211 Providence Drive, Anchorage, Alaska 99508 (907-786-7710).

Alaska State Government and Politics, edited by Gerald A. McBeath, professor of political science with the University of Alaska Fairbanks, and Thomas A. Morehouse, professor of political science with ISER, University of Alaska Anchorage. Published by University of Alaska Press, 1987, 400 pages. Soft-cover copies \$17.00 and hardbound \$27.00, plus \$1.50 for postage and handling if ordered by mail. Available from University of Alaska Press, Signers' Hall, University of Alaska Fairbanks, Fairbanks, Alaska 99775-1580.

The first book that comprehensively describes Alaska state government and politics is now available from the University of Alaska Press. The book describes the authorities, organization, and functions of state government as well as the people and the events that put life into government operations. It also discusses the private forces that influence government, including the press, public opinion, and interest groups. The book was written by eleven political scientists and one historian, all of whom now teach or previously taught at the University of Alaska. Several of the authors have also been directly involved in state government.

Developing America's Northern Frontier, edited by Theodore Lane, adjunct professor of economics, ISER, University of Alaska Anchorage. Published by University Press of America, 1987, 250 pages. Soft-cover copies \$11.50. Available from ISER.

The ten essays and a technical appendix in this book present some U.S. and Canadian perspectives on development issues facing the arctic and subarctic areas of Alaska and northern Canada. Written by American and Canadian economists, anthropologists, and others, the book examines topics that range from the relationships between Native peoples and economic development to the potential for more energy and other kinds of development on the northern frontier. Overall, the book gives readers insight into the complexity and diversity of problems accompanying economic development in Alaska and northern Canada.

Native Claims and Political Development, by Thomas A. Morehouse, professor of political science with ISER, University of Alaska Anchorage. ISER Occasional Paper No. 18, October 1987, 28 pages. Available for \$2.00 from ISER.

This paper discusses six existing and proposed settlements of Native claims in Alaska and northern Canada. The author assesses how such settlements fit into the broader, ongoing process of Native political development; he argues that claims settlements should be seen not as "final" political solutions but rather as important junctures in a continuing process of political development.

Report on Alaska Benefits and Costs of Exporting Alaska North Slope Crude Oil, May 1987. Prepared by ISER for the Finance Committee of the Alaska State Senate by Matthew Berman, Susan Fison, Arlon Tussing, and Samuel VanVactor. Report findings and conclusions available from ISER for \$1.50; technical appendixes available at 10 cents per page.

This report finds that Alaska could reap fiscal and other economic benefits amounting to billions of dollars in the coming years if the federal government agreed to lift the existing ban on the export of crude oil from Alaska's North Slope. It also concludes that such exports would help reduce the United States' balance-of-payments deficit, and that overall the benefits of lifting the ban would far outweigh any potential costs.

"Where Have All The Billions Gone?" Alaska Review of Social and Economic Conditions, February 1987. By Linda Leask, editor, ISER; Karen Foster, research associate, ISER; and Lee Gorsuch, director, ISER. 36 pages. Available at no charge from ISER.

This *Review* documents how the State of Alaska spent its billions of dollars in petroleum revenues in the first half of the 1980s. It reports, for instance, how much went into the Permanent Fund; how much was transferred to Alaska's local governments; how much was loaned to individual Alaskans; and how much was spent for capital projects.

Alaska Resources Development, edited by Thomas A. Morehouse, professor of political science with ISER, University of Alaska Anchorage. Published by Westview Press, 1984, 212 pages. Soft-cover copies \$11.00. Available from ISER.

Alaska's renewable and non-renewable resources and their potential for development are the subjects of this book. Six authors—three economists, a political scientist, a geographer, and a biologist—wrote individual chapters. The book cites as the chief determinants of future resource development in Alaska: (1) the costs of producing resources as compared with their market value; (2) the world political climate and the availability of secure supplies of vital resources outside Alaska; and (3) government policy. Of the three, the first is by far the most important.

Alaska's Urban and Rural Governments, by Thomas A. Morehouse, professor of political science at ISER; Gerald A. McBeath, professor of political science at the University of Alaska Fairbanks; and Linda Leask, editor and research associate with ISER. Published by University Press of America, 1984. Soft-cover copies \$11.25. Available from ISER.

This book describes all aspects of Alaska's local governments, including the sharp differences in urban and rural systems; their strengths and weaknesses; the quasi-government organizations that share government power in rural areas; the effects that big state oil revenues had on Alaska's local governments in the early 1980s; and the future of local governments around the state.

Alaska's Small Rural High Schools: Are They Working? by Judith Kleinfeld, professor of educational psychology with the Center for Cross-Cultural Studies, University of Alaska Fairbanks; G. Williamson McDiarmid, former assistant professor of education with the Center for Cross-Cultural Studies; and David Hagstrom, associate professor of education with the College of Human and Rural Development, University of Alaska Fairbanks. Published by ISER, 1985. Soft-cover copies \$5.00. Available from ISER.

Based on a 1985 study, this book reports that some small village high schools in Alaska are—despite popular opinion to the contrary—providing students with quality education. But the book also finds that other small high schools have serious problems. The authors collected information from 162 small rural high schools throughout Alaska and visited dozens of schools. By analyzing test scores and interviewing local teachers, school officials, and others, the authors were able to assess the advantages and disadvantages of small high schools—which are defined as those with fewer than 100 students. The book also provides specific examples of successful and less successful schools.

Alaska's Constitution: A Citizen's Guide, by Gordon S. Harrison, former associate professor of political science with the University of Alaska Fairbanks. Published by ISER, Second Edition, 1986, 134 pages. Soft-cover copies \$2.00. Available from ISER.

Several thousand copies of this guide to Alaska's constitution were distributed before the 1982 general election, when Alaskans voted on whether to call a constitutional convention to consider revisions to the constitution. It is a concise, article-by-article explanation of what Alaska's constitutional provisions mean and how they have been tested since the constitution went into effect in 1959. Alaskans decided against calling a convention in 1982, but the guide was so popular that the author updated it for a second edition in 1986.

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ALASKA

DRAFT REVIEW OF SOCIAL AND ECONOMIC CONDITIONS

University of Alaska, Anchorage, Institute of Social and Economic Research

Alaska Housing and the Recession

The recession that started at the end of 1985 turned the Alaska housing market on its head. Prices of houses, condominiums, and mobile homes—especially the last two—have come down so far that Alaskans have been left queasy and disbelieving. Recent ISER economic projections are for the recession to end in 1988, and a *gradual* economy recovery to begin—if oil prices remain stable in the \$16- to \$20-per-barrel range. Oil prices are the crucial element in ISER's projections. But if the Alaska economy does begin to recover in 1988, the effects of the recession on the housing market will not disappear overnight.

Thousands of houses, condominiums, and mobile homes have been foreclosed on in Alaska over the past two years: grim testimonials to the population, job, and income losses that have come with the recession. Even after the economy bottoms out, the housing market will be slow in recovering. This is particularly true of the market for condominiums and mobile homes in Anchorage.

Recent ISER work projects that it will likely be well into the 1990s before real-adjusted for inflation—condominium prices in Anchorage regain their 1985 levels. There are hundreds more mobile homes in Anchorage right now than are likely to be occupied by 1992.¹ Very few condominiums or apartments will be built in Anchorage over the next few years: the units that already exist will more than meet the projected demand.

We expect single-family houses to fare better—because most buyers prefer houses when they can afford them. Lower prices in the past two years have put single-family houses within the reach of some buyers who in the early 1980s might have bought condominiums or mobile homes.

Future economic conditions will of course be crucial in determining the future health of the Alaska

housing market. But after economic conditions, what will make the most difference to the stability of the Anchorage housing market in the next few years is how the major lenders handle their big inventory of foreclosed properties. If they try to quickly sell large numbers of those properties, they will further depress prices and increase loan defaults.

This *Review* reports on a recent ISER examination of how various policies might affect the Alaska housing market. The Alaska Housing Finance Corporation (AHFC) asked us to do this work to help AHFC in its efforts to stabilize the housing market.

Depressed prices and large numbers of loan defaults are serious problems for all Alaska homeowners and mortgage lenders—but particularly for AHFC, which holds more than 60 percent of the outstanding residential mortgages in the state.

This publication has two main parts. The first part describes conditions in the Alaska housing market in 1987, and contrasts them with conditions during the economic boom of the early 1980s. Those descriptions set the stage for the second part of this publication, which reports on how various policies available to AHFC and other lenders might affect the housing market.

ALASKA MORTGAGES AND FORECLOSURES

National Secondary Lenders

Alaskans planning to buy houses generally apply for mortgage loans at banks or savings and loans or mortgage companies. These institutions—known as primary lenders—process the applications, approve or disapprove the loans, and collect the monthly mortgage payments. But very rarely do the banks themselves actually hold the mortgages: they sell almost all of them on the secondary market. In fact, primary lenders as a rule won't make a mortgage loan without

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FEATURE

Oliver Scott Goldsmith

Alaska's Economy: What's Ahead?

Oliver Scott Goldsmith is professor of economics with ISER.

first determining that a secondary lender will buy it. This system greatly reduces the risks for primary lenders in making long-term loans and frees their money for other uses.

The biggest secondary lenders nationally were created by the federal government to help increase the amount of home mortgage money available—on the grounds that a healthy housing industry is important to the U.S. economy. Of these by far the biggest is the Federal National Mortgage Association (FNMA)—widely known as Fannie Mae—which holds about \$100 billion in mortgage loans. Another, much smaller, secondary lender is the Federal Home Loan Mortgage Corporation (FHLMC, or Freddie Mac).

The Federal Housing Administration (FHA) and the Veterans Administration (VA) are federal agencies that do not actually buy mortgage loans but rather insure or guarantee them. Loans insured by FHA or guaranteed by the VA sell easily on the secondary market because they carry government backing. Most FHA-insured or VA-guaranteed loans go on to the secondary market through mortgage-backed securities that are issued by yet another federal organization—the Government National Mortgage Association (Ginnie Mae)—and are sold to investors. FHA and VA are often thought of as secondary lenders, because their backing for a loan generally insures its marketability.

The Farmers' Home Administration is another

federal agency that makes home loans, but only to farmers and to low-income Americans living in rural areas. This agency holds its own mortgages.

Alaska Housing Finance Corporation

The national lenders and insurers described above all operate in Alaska, but here the state government has also created several secondary lenders. The biggest is of course the Alaska Housing Finance Corporation, which holds more than \$4 billion in Alaska residential mortgages, or about 60 percent of the outstanding home mortgage debt in Alaska in 1987.

AHFC is a public corporation created by the Alaska Legislature in 1971. As a public corporation, AHFC is under the control of the state government, but it has more authority than traditional state agencies—the most important authority being the ability to sell bonds.

The state legislature originally established AHFC to help Alaskans with low or moderate incomes get housing at reasonable costs. Alaska officials said that the high cost of housing in Alaska, the lack of mortgage money in many rural areas, and other factors was making it difficult for many Alaskans to buy houses. From 1971 through 1980, AHFC raised virtually all its mortgage money by selling tax-exempt bonds. Tax-exempt bonds carry lower interest rates than taxable bonds, so AHFC was able to offer rates somewhat below the going market rates.

In 1980 the state legislature made two decisions that rapidly transformed AHFC into the dominant mortgage lender in Alaska: it opened AHFC's lending programs to virtually all Alaskans by removing the income ceilings for borrowers, and it directed AHFC to begin subsidizing mortgage interest rates. At that time rates for home loans nationally were at around 15 percent and still going up.

As Figure 1 shows, in 1981 Alaska borrowers could get a \$135,000 loan from AHFC for less than 11 percent—or they could go to a national lender and pay more than 15 percent. AHFC's interest rate advantage narrowed in later years as the legislature tied AHFC's rates closer to its costs of borrowing money, but through 1985 AHFC loaned money at significantly lower rates than the national lenders.

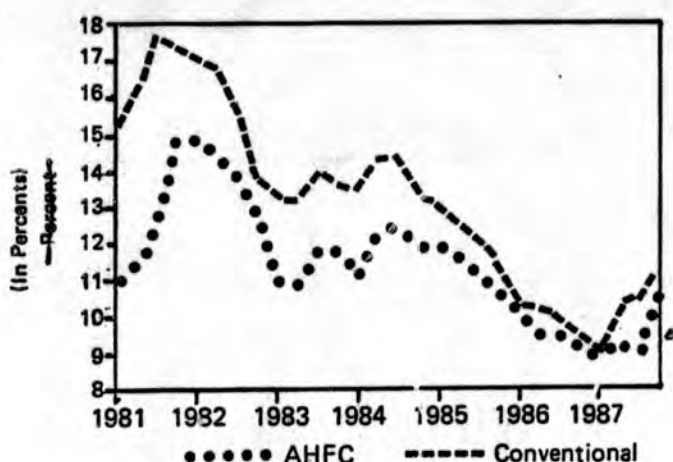


Figure 1. Home Mortgage Interest Rates, AHFC Taxable Program and Conventional,* 1981-1987

*Mortgage rates for a \$135,000 loan under AHFC's taxable program and under FNMA's 30-year, fixed-rate mortgages.

Changes in federal law forced AHFC to begin selling most of its bonds in the taxable market after 1980. Since 1980 AHFC has raised several billion dollars in mortgage money by selling bonds. The legislature appropriated about \$1 billion for AHFC mortgage subsidies between fiscal years 1981 and 1984. For the past several years, AHFC has had a revolving loan fund and received no subsidies.

It's not surprising that AHFC bought 80 percent of the new home mortgages written in Alaska in the first half of the 1980s. In recent years AHFC's share of Alaska mortgages has declined steadily. Market interest rates began dropping off sharply in 1985, and in 1987 reached their lowest point since the 1970s. During part of 1987 rates under AHFC's biggest loan program were the same as other lenders'. (See Figure 1.) As interest rates fell, buyers weighed other things in choosing a lender—loan restrictions,

refinancing terms, and principal payment systems, for example. Still, in 1987 AHFC remained the biggest single buyer of mortgages written for home sales.

Other Sources of Mortgage Money

The Alaska Department of Community and Regional Affairs also acts as a secondary lender, but it buys loans only in the most remote areas of Alaska. Its operations are small as compared with AHFC's, and it gets its loan money not through bond sales but through state appropriations.

The managers of the Alaska Permanent Fund and the state pension funds (the Public Employees Retirement System and the Teachers Retirement System) also buy some residential mortgage loans—but not many as compared with the other secondary lenders, and frequently those that exceed the loan limits of other lenders. In recent times, however, those agencies have bought very few loans.

There are a variety of others who hold some Alaska mortgage loans. Credit unions hold rather than sell some mortgages. Individuals sometimes finance the sale of their own houses. Figures on mortgages held by those and others are not available, but they are few compared with those held by the big lenders.

Mortgage Activity, 1979-1987

Figure 2 marks the ups and downs of housing sales in Alaska from 1979 through 1987: it shows the numbers of mortgages written for home sales. (The figure excludes mortgages for refinancing, which are shown in Figure 3.)

About 5,500 mortgages worth \$380 million were written in Alaska in 1979. That was a slow year as compared with what was to come. The economic boom created by construction of the trans-Alaska

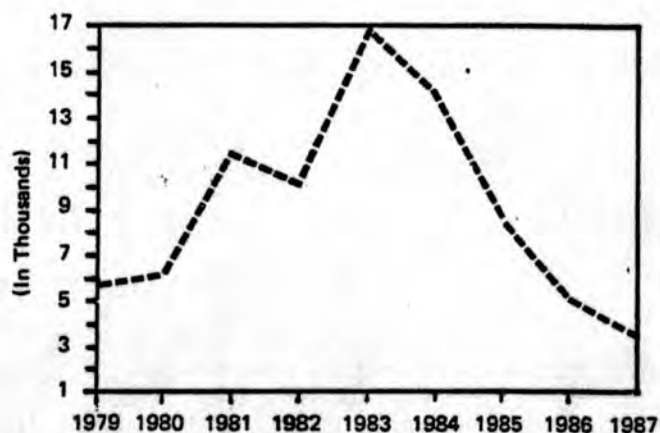


Figure 2. Alaska Mortgages for Home Sales, 1979-1987

*1987 figure is an estimate based on numbers for the first six months of the year.

pipeline was over; some people were leaving the state? and mortgage interest rates were on their way up. Mortgage activity in 1980 was not much higher, but the stage was set for the next boom. High oil prices were fattening the Alaska treasury. The state government began spending its oil revenues in hundreds of ways that sparked unprecedented economic growth. At the same time, the legislature also voted to subsidize mortgage interest rates.

The economic boom created by state spending drew tens of thousands of people into the state. The combination of a burgeoning population and subsidized interest rates more than tripled numbers of new mortgages between 1979 and 1983, when more than 16,500 mortgages for home sales were written. Numbers of new mortgages began dropping in 1984, but it was in 1985 that the really sharp decline started.

The recession began toward the end of 1985, as state spending declined. In 1986 the recession worsened as oil prices plummeted. Fewer than 5,000 mortgages for home sales in Alaska were written in 1986: fewer than had been written in 1979. And we estimate that in 1987 roughly 3,000 mortgages were created for home sales in Alaska.

Home Refinancing

Firm figures on how many mortgages are written for Alaskans refinancing their homes are hard to get. Figure 3 shows our estimates of how many mortgages written in Alaska in 1985, 1986, and the first half of 1987 were for refinances and how many for sales. We assume that there was very little refinancing before 1985, when interest rates were much higher.

The figure shows that in 1985 less than 20 percent of the 10,000 mortgages created in Alaska were

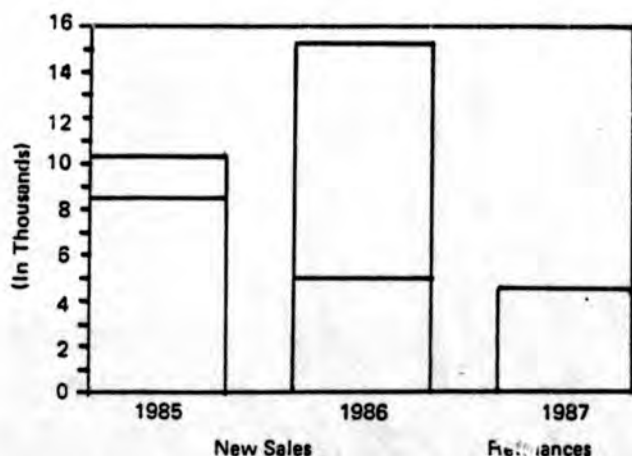


Figure 3. Alaska Mortgages for Home Sales and Refinancing, 1985-1987*

*The 1987 figure is just the first six months.

for refinancing. In 1986, 15,000 mortgages were written—but more than 10,000 of those, or 70 percent, were for refinancing. In the first half of 1987, more than 60 percent of new Alaska mortgages were for refinancing.

AHFC's Market Share

Figure 4 clearly shows why AHFC is the biggest mortgage holder in Alaska: it identifies shares of total mortgages (including those for sales and for refinances) AHFC and other lenders bought each year from 1979 through the first half of 1987. From 1980 through 1982, when AHFC's rates were several percentage points below those of other lenders, AHFC bought 90 percent or more of new mortgages. Through 1984 AHFC still had 80 percent of the market. In the past several years interest rates and terms of other lenders became more competitive. AHFC's share dropped from about 50 percent in 1985 to less than 40 percent in the first half of 1987.

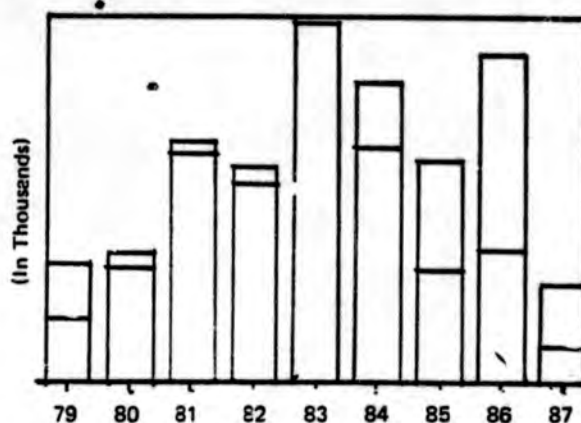


Figure 4. AHFC's Share of Alaska Mortgages,^a 1979-1987^b

^aIncludes mortgages for sales and for refinances.

^bFigures for just the first six months of 1987.

1987 Mortgage Holdings of Major Alaska Lenders

What is at stake in the Alaska housing market? How much home mortgage debt is there in the state? Table 1 shows the mortgage holdings of major Alaska lenders as of mid-1987.

In 1987 the major lenders in Alaska held more than 84,000 home mortgage loans worth \$7 billion dollars. The biggest mortgage holder is AHFC, which as of June held more than 52,000 home mortgages with an outstanding balance of about \$4.3 billion. Other state government entities held another 3,000 loans with a balance of \$230 million.

National lenders and insurers are also carrying tens of thousands of loans. There were nearly 8,500 FHA-insured loans and 8,600 VA-guaranteed loans in

Table 1

Residential Mortgage Holdings of Major
Alaska Lenders, June 1987^a

	Number of Loans Outstanding	Unpaid Principal Balance (\$ millions)
AHFC		
Mobile Home	4,760	\$ 151
AHFC/FNMA ^b	10,722	1,170
AHFC/Other	36,686	2,967
Total	52,168	\$4,288
FNMA^c	5,471	400
FHLMC^d	5,152	479
FHA-Insured^e	8,437	844
VA-Guaranteed^f	8,602	763
Alaska Dept. of CRAS	1,194	123
Farmers' Home Admin. ^h	1,322	106
Alaska Permanent Fund	300	42
Alaska Pension Funds	NA	NA
AIDA & Div. of Invest. ^j	1,565	68
Total	84,211	\$7,113

^aAs of June 1987, unless otherwise noted.^bThese are loans financed with FNMA money from early 1984 through 1986; AHFC makes principal and interest payments to FNMA on collateralized notes. FNMA is, however, liable for any losses not covered by private mortgage insurance if borrowers default.^cExcluding loans cited in note b; these are loans financed through banks and other primary Alaska lenders.^dFigures are for FHLMC loans serviced by Alaska lenders as of June 1987; they may include some loans on homes outside the state but serviced by Alaska lenders and exclude some loans on Alaska homes that are serviced by lenders outside the state.^eOutstanding loans as of December 31, 1986, excluding AHFC loans insured by FHA. The unpaid principal balance is an estimate, based on average size of outstanding loan. Although FHA is an insurer rather than a lender, FHA-insured loans are included here because most of those loans go to lenders other than those listed in this table. Most FHA-insured loans go into mortgage-backed securities (MBSs) issued by the Government National Mortgage Association (GNMA) and sold to various investors.^fFigures as of March 31, 1987, excluding VA-guaranteed loans held by AHFC. A very large share of new VA-guaranteed loans in Alaska in the first half of the 1980s were purchased by AHFC. Most VA-guaranteed loans not purchased by AHFC go into MBSs issued by GNMA and sold to various investors.^gAs of March 1987.^hOutstanding loans as of May 1987. Unpaid principal balance is an estimate based on average size of outstanding loan.ⁱGood estimates of cumulative Alaska residential mortgage holdings of the pension funds are not available because figures on such holdings are combined with figures on other mortgage holdings of the funds.^jThese are mortgage loans made under a state veterans' loan program that no longer exists; it was replaced in the early 1980s by the state veterans' program administered by AHFC. Most of these loans are now held by the Alaska Industrial Development Authority (AIDA); the Division of Investments in the Alaska Department of Commerce and Economic Development holds a few and services those held by AIDA.Source: *Alaska's Economy and Housing Market*, ISER Report, October 1987, Tables 3.1 and 3.3.

Alaska in 1987, with a combined unpaid balance of \$1.6 billion. (AHFC also holds some FHA-insured and VA-guaranteed loans; those are included in AHFC's holdings and excluded from FHA's and VA's, to avoid double-counting.) FNMA and FHLMC were each carrying more than 5,000 mortgage loans with a combined balance of nearly \$900 million.

Mortgage Liabilities

The current recession has pushed thousands of Alaska homeowners into default and foreclosure. Before we look at 1987 figures on properties in foreclosure, we'll broadly outline liability on mortgage loans when borrowers default. When we say "mortgage liabilities" here we just mean losses lenders and borrowers take when individual borrowers default. There are of course other kinds of liabilities—for instance, AHFC is liable for payments on the billions of dollars in bonds it sold to finance mortgage loans. We don't discuss that or other potential liabilities here.

Table 2 summarizes insurance requirements and

liabilities of home buyers and major lenders. The first step lenders take to protect themselves is requiring a down payment, generally 5 to 10 percent of the sales price. The chief exception is the Veterans Administration, under which qualified veterans can borrow up to a specific amount with no money down.

The next line of defense for the lender is requiring borrowers to carry private mortgage insurance (PMI) on loan amounts above 70 to 80 percent of the purchase price. This mortgage insurance protects the lender, not the borrower: if the borrower defaults, the private mortgage insurer pays the lender any losses on the insured portion of the loan. Loans in remote areas of Alaska generally don't carry private insurance because insurance usually isn't available in those areas. Loans held by the Alaska Department of Community and Regional Affairs and the Farmers' Home Administration are uninsured. Also, some loans made before 1980 under various state loan programs are uninsured.

So what happens when a borrower defaults and his property goes into foreclosure? First, borrowers

Table 2

Liability* in Home Foreclosures

Lender	Insurance Requirements	Liability of Borrower in Foreclosure	Liability of Lender in Foreclosure
Conventional Loans FNMA/FHLMC	Borrowers required to carry private mortgage insurance (PMI) on loan amounts above 80% of the house price.		Lender liable for any losses not covered by PMI.
FHA-Insured Loans	Borrowers pay premium for government insurance, either in lump sum or as part of monthly payments.		FHA liable for all losses.
VA-Guaranteed Loans	The federal Veterans Administration guarantees up to \$27,500 on mortgage loans to veterans as a benefit of military service; this guarantee takes the place of private mortgage insurance.	Borrowers in all cases lose their down payments, which can be as low as 0-5% but are generally 10% or more of the purchase price. Also forfeited is any amount subsequently paid on the loan principal. And, in some cases, lenders will undertake judicial foreclosures, in which they go to court to make borrowers who default liable for losses on resale of the properties.	VA liable for losses up to \$27,500 on each loan; additional liability falls on primary or secondary lender.
Farmers' Home Administration	This federal agency makes loans to low-income households in rural areas; no private mortgage insurance.		Farmers' Home Administration liable for all losses.
STATE OF ALASKA			
AHFC	Most borrowers required to carry private mortgage insurance on loan amounts above 75% to 80% of the house price; on mobile home loans, borrowers must carry private credit insurance on 40% of the loan amount.		Varies substantially among different types of loans; see Table 3.
DCRA	Loans in rural areas; no private mortgage insurance required (because it is not available in many cases).		DCRA takes all losses.
Ak Permanent Fund	Borrowers required to carry private mortgage insurance on loan amounts over 70% of the house price.		Permanent Fund bears any losses not covered by PMI.
Division of Investments and AIDA	These loans were made to veterans before 1981 through the former Division of Veterans Affairs; no private mortgage insurance required.		Losses accrue either to Veterans' Revolving Loan Fund or AIDA.

*Includes just losses the various parties may be liable for when individual loans go into foreclosure; does not include AHFC's liability for repayment of bonds and notes financing the loans.

who default lose their down payments and any additional amount they've paid on the loan principal. (Damage that defaulting does to a borrower's future credit is also certainly a loss, but a less direct one.)

Another liability that borrowers face is that lenders may institute what is known as a judicial foreclosure. If a lender believes that a borrower who defaulted could have continued to make his payments but chose not to, he may go to court to make the borrower liable for any losses when the property is re-sold. In a non-judicial foreclosure, the lender accepts that the borrower couldn't meet his payments and does not press or any further liability.

Losses that lenders and insurers face when properties go into foreclosure is a complicated question influenced by many things. But the biggest factor is the condition of the housing market.

Insurers face the first losses when properties with private mortgage insurance go into foreclosure. But in a market where properties values are rising, insurers don't generally lose because the properties can be sold for enough to cover the outstanding mortgage and foreclosure costs. However, property values

in Alaska in the past two years have been falling rather than rising. Many mortgages written when prices were at their peak exceed the current value of the property. So insurers have been taking losses—but they try to keep those losses to a minimum. An insurer can let the lender re-sell a property and then pay a claim to the lender, up to the maximum amount covered by the insurance. Or he can try to sell the property himself, if he thinks he can reduce his liability by doing so.

What about lenders? What losses do they take in foreclosures? Again, that depends on the condition of the housing market. In a market where prices are rising, lenders who require mortgage insurance don't generally take any losses. But in the Alaska market today, values of many properties are so much lower than the outstanding mortgages that insurance doesn't cover all the losses. And on loans not covered by insurance, lenders take all the losses.

AHFC's liability on mortgage loans varies considerably among loans made at different times and under different programs, as Table 3 shows. But AHFC has better protection than most lenders on the

Table 3

AHFC's Liability* in Foreclosures

Types of Loans by Insurance Coverage

ALL LOANS EXCEPT MOBILE HOMES

Loans with private mortgage insurance and pool insurance; include most loans made from 1981 to early 1984.

Loans with private mortgage insurance that were financed by FNMA, 1984-1986; include most loans made during that period.

Loans with just private mortgage insurance; include some loans made throughout AHFC history and almost all loans made since January 1987.

Loans with no insurance; include loans made under several special programs that no longer exist.

Loans with federal government insurance or guarantee; include loans made throughout most of AHFC's history.

MOBILE HOME LOANS

Loans before 1983 with no insurance.

Loans since 1983 with private credit insurance.

AHFC Liability

None, until bonds carrying pool insurance provision area paid off; then AHFC liable for any losses not covered by PMI.

None. FNMA is liable for any losses not covered by PMI on loans it financed for AHFC during this period.

AHFC is liable for any losses not covered by PMI.

AHFC liable for all losses.

FHA takes all losses on FHA-insured loans; VA takes liability only up to \$27,500 on each VA-guaranteed loan; AHFC liable for additional losses.

AHFC liable for all losses.

AHFC liable for losses not covered by PCI.

*Includes just losses AHFC is liable for when individual borrowers default.

majority of loans it made between 1981 and 1986. Almost all AHFC loans made during that period carry private mortgage insurance. AHFC loans made between 1981 and early 1984 also carry pool insurance—insurance that covers any losses not covered by private mortgage insurance. Mortgage Guarantee Insurance Company (MGIC) provided that pool insurance as a provision of bonds AHFC sold to finance loans during that period. So AHFC has virtually no liability when borrowers default on those particular loans—until the bonds backing them are paid off: the pool insurance is in effect only until the bonds are paid off.

From 1984 through 1986, the national lender FNMA financed a large share of AHFC loans—and on those particular loans, FNMA rather than AHFC is liable for any losses not covered by private insurance. (AHFC is, of course, liable to re-pay principal and interest to FNMA on the notes that financed the loans.)

AHFC's liability on other loans varies, as Table 3 shows. Some loans it took over from earlier state loan programs carry no insurance. Mobile home loans made before 1983 carry no insurance; loans made after that time carry private credit insurance on 40 percent of the value of the loan. AHFC takes losses beyond what private credit insurance covers.

Homes in Foreclosure

We've seen the mortgage holdings of major lenders and how the losses are divided up when borrowers default. Now we turn to the grim evidence of Alaska battered housing market: properties in foreclosure.

Table 4 shows foreclosed properties held by the major lenders and insurers as of mid-1987. Table 5 shows AHFC's inventory of foreclosed properties in each year from 1984 through 1987, and Figure 5 graphically illustrates the steep climb in foreclosures over the past several years.

In June 1987, lenders and insurers were holding more than 4,200 foreclosed properties. During the preceding 18 months, they had sold an additional 1,600 properties that had been foreclosed on. Taken together, the foreclosed properties still in inventory and those re-sold during the preceding year and a half totaled nearly 5,900—or 7 percent of outstanding residential mortgage in Alaska in mid-1987. And there were doubtless other foreclosures not recorded on Table 4—properties held by individual banks and private mortgage insurers other than MGIC, for instance. Reliable figures on such foreclosures are hard to get.

It's no surprise that AHFC held about 65 percent of foreclosed properties in mid-1987. AHFC bought most of the new mortgages written in Alaska in the 1980s and in particular most of those written

Table 4

Inventory of Foreclosed Properties Held by Major Alaska Lenders and Insurers, June 1987

	Held in Inventory June 1987	Foreclosed Properties Sold 1986–June 1987
AHFC		
Mobile Home	965	143
Other	1,793	1,075
Total	2,758	1,218
FNMA	394	160^c
FHLMC ^b	78	—
FHA-Insured	385	87
VA-Guaranteed ^c	366	80
MGIC	105	25 ^f
Alaska Dept. of CRA	40	1
Farmers' Home Admin.	100	30
Alaska Permanent Fund	23	11
AIDA and Div. of Invest.	5	6
Others ^d	NA	NA
Total	4,254	1,618

^aProperties "held by" each lender or insurer include just those to which each already held title or was in the process of acquiring title as of June 1987.

^bIncludes both completed and nearly completed foreclosures.

^cIncludes both properties the VA has already acquired title to and pending title acquisitions. Excluded are properties that the VA paid claims on but did not take possession of. Most such properties probably went into AHFC's inventory of foreclosed properties; some ended up in the hands of mortgage companies, banks, or other primary lenders.

^dSome foreclosed properties are held by a wide range of Alaska banks, other primary lenders, and private mortgage insurance companies. Figures on such holdings are extremely difficult to get, and the numbers are small compared with the holdings of the secondary lenders and largest insurers.

^eProperties sold 1986–May 1, 1987.

^fEstimated sales from November 1986–June 1987.

Sources: See Sources, Table 3.1.

when prices were at their peak. Also, from 1980 on, AHFC bought almost all the mortgage loans on mobile homes—which have seen tremendous losses in value during the recession.

FNMA, FHA, and VA were also holding several hundred properties each in the middle of the year:

Table 5

AHFC Cumulative Inventory* of Foreclosed Properties, Year-End, 1984-1987

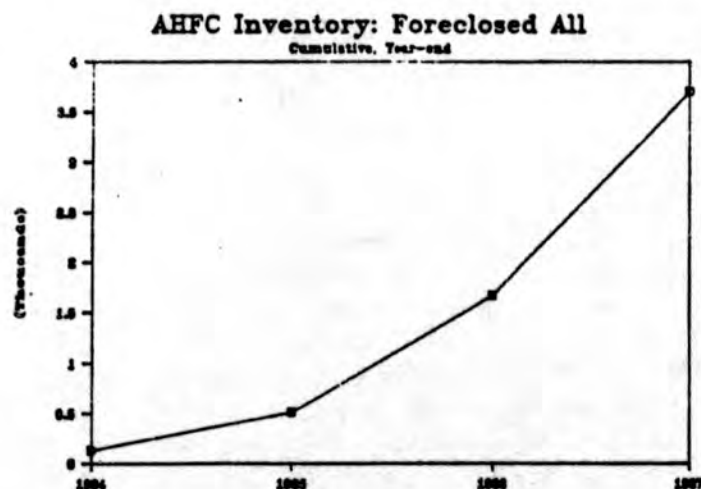
	1984	1985	1986	1987	% of 1987 Total
Mobile Homes	38	186	610	1,179	32%
Other	91	322	1,061	2,522	68%
All	129	508	1,671	3,701	100%

*The year-end inventories are total properties foreclosed on minus those resold. These figures are AHFC's state-wide inventory.

other lenders held fewer. The 100 properties that the insurer MGIC was holding at that time were just properties it had actually taken title to; remember that MGIC carries substantial liability on properties that are in AHFC's inventory.

Table 5 and Figure 5 document that relentless climb in AHFC's inventory of foreclosures from 1984—before the start of the recession—through the end of 1987. At year-end in 1984, AHFC held just 129 properties. By the end of 1985 that had grown to more than 500, and in 1986 to more than 1,600. At the end of 1987 AHFC held 3,700 properties—nearly a thousand more than it had held just 6 months earlier.

Table 6 shows a more detailed breakdown of properties in AHFC's inventory as of the end of 1987: 1,325 single-family houses and duplexes, 1,171 condominiums and townhouses; 1,192 mobile homes; and 13 triplexes and fourplexes.



It's easy to see why the problems in the condominium and mobile home markets are more severe than in the market for single-family houses: there are a great many more single-family houses in Alaska than there are either condominiums or mobile homes, but there are just about as many mobile homes and condominiums in foreclosure as there are single-family houses. Mobile homes, for example, make up less than 10 percent of housing in Anchorage, but more than 30 percent of foreclosures.

Table 6

AHFC Inventory of Properties, Year-End 1987

	Number	Percentage of Total
Single-Family Houses & Duplexes	1,325	36%
Condominiums & Townhouses	1,171	32
Mobile Homes	1,192	32
Triplexes & Fourplexes	13	>1
Total	3,701	100%

Source: AHFC.

POLICY OPTIONS

Thousands of Alaskans and dozens of institutions have important stakes in the future of the Alaska housing market. But it is the big secondary lenders who may be able to help stabilize the market over the next few years—and they have compelling reasons to try. Collectively they hold more than \$7 billion in Alaska home mortgages. AHFC alone holds 60 percent of that mortgage debt.

If prices continue to fall and defaults persist in such disheartening numbers, investors will be reluctant to put money into the Alaska housing market in the future. That reluctance will translate into more expensive mortgage money for Alaskans. AHFC's ability to sell bonds could be hampered. Mortgage insurers might pull out of the Alaska market entirely, or charge much higher premiums for staying in.

The biggest factor in the recovery of the housing market will of course be economic conditions. ISER projects that if—a crucial qualifier—oil prices remain stable in the \$16-to-\$20-per-barrel range, the state economy should bottom out in 1988 and begin a gradual recovery. We consider this the most likely case if oil prices stay in that range. The economic recovery would be faster over the next several years if oil

prices suddenly rose to around \$25 a barrel and stayed that high. Or, on the other extreme, if oil prices plummeted below \$16 and stayed very low for several months or more, the economy could continue to decline into 1989 and we would see very little growth over the next few years.

But even after the economy begins to recover, the problems in the housing market will not disappear. The big lenders will dominate housing sales for the foreseeable future because they have so many foreclosed properties to sell.

So while economic conditions will be the biggest force in recovery of the housing market, lenders' decisions about how quickly to sell their large inventories of properties will strongly influence the stability of the market over the next several years. This is by far the most critical policy choice the lenders will make. Anything else they do to try to stabilize the market will be critically influenced by how many properties they are putting on the market and how quickly.

In the following pages we assess how rates of foreclosure sales and other factors could affect the Anchorage housing market between now and 1992. We don't have enough information to make such assessments for housing markets in other areas of the state, but movements in the Anchorage market will reflect general trends in housing markets throughout Alaska—with some obvious regional differences.

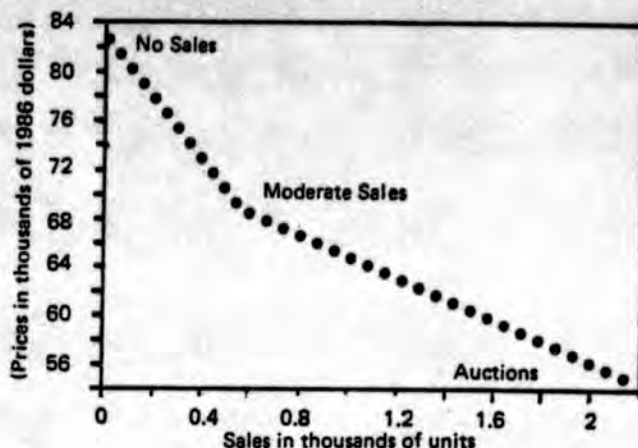
Sliding Prices and Rising Defaults: A Vicious Circle

The faster AHFC and other big lenders and insurers put foreclosed properties on the market—at the extreme, through large auctions—the more prices will be depressed and defaults persist. And more defaults will mean the lenders will end up with even more foreclosed properties.

It's easy to see why selling large numbers of properties quickly leads more homeowners to default. Flooding the market with properties pushes prices down. As prices go down, more and more homeowners find themselves with negative equity—that is, their mortgages are larger than the market prices of their properties. If owners with negative equity are forced to sell, they will likely default because they are unable or unwilling to make up the sometimes substantial difference between what they owe and what the properties will sell for.

Figure 6 illustrates how prices of Anchorage condominiums are related to the number of foreclosed units on the market. The figure is hypothetical: it does not show numbers of condominiums that will actually be sold this year. (We have no way of knowing what that number will be.) The prices shown on the vertical axis of the figure are for a particular kind of unit and are not intended to represent

Figure 6. Relationship Between Real Prices and Sales of Foreclosed Anchorage Condominiums, 1988



average prices of all condominiums on the Anchorage market. (We know that in recent months condominiums in Anchorage have sold for as little as \$25,000 and as much as \$100,000.) What we are showing here is how different rates of sale could affect the price of the same condominium.

As the figure shows, if all foreclosed condominiums were kept off the market—a very unrealistic scenario—condominium prices could be nearly 50 percent higher than if the market were flooded with condominiums through large auctions. At more moderate rates of sale, prices would be about 25 percent higher than if large auctions were held.

Holding properties off the market is of course very expensive for lenders and insurers: they pay in the neighborhood of \$18 to \$30 a day for each unit, depending on the size of the outstanding mortgage and the interest rate. We are not suggesting that lenders and insurers should simply hold onto all their foreclosed units: that simply is not feasible. What we are saying is that AHFC and other lenders should take into account all the possible costs and benefits when deciding how to manage their inventories of foreclosures.

Sliding property values and rising defaults have already cost Alaska lenders, insurers, and borrowers tens of millions of dollars. The foreclosure process itself is expensive. Costs of judicial foreclosures—under which the lender goes to court to try to make borrowers liable for any losses when the property is re-sold—are particularly high. And falling property values also have other social costs. For example, some homeowners who could find better jobs elsewhere don't move because they can't sell their houses for what they owe on them and they don't want to default.

What Can Be Done?

We examined a number of policies AHFC and other lenders might try to increase demand, keep prices from falling more, and reduce defaults. Those include loosening down payment and other loan requirements; easing restrictions on owner-occupancy in AHFC-financed condominium complexes; subsidizing interest rates; removing housing stock; and limiting mortgage liability in some circumstances.

We made our analysis with a complex computer model that simulates the Anchorage housing market. The model assumes that in general certain relationships exist between elements of the housing market, as shown in Figure 7. Higher prices are linked with fewer defaults, increased equity, more construction, and more private sales. Lower prices result in more defaults, less equity, less construction, and fewer private sales.

Fewer Defaults
Increased Equity
More Construction
More Private Sales

Prices Up

Figure 7. Relationships Among Market Variables

Prices Down

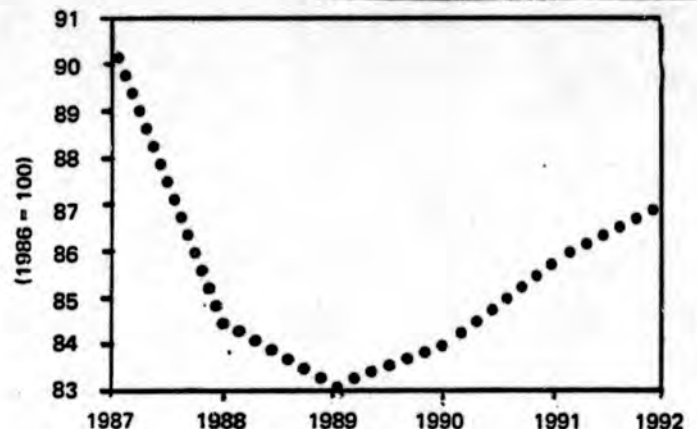
More Defaults
Less Equity
Less Construction
Fewer Private Sales

Our findings about how various policies might affect the Anchorage housing market are detailed in ISER's recent report, *Alaska's Economy and Housing Market*.² Below we summarize our main findings:

- o It is impossible to "forecast" how a specific policy would affect the housing market without knowing how many foreclosed properties will be put up for sale in a given time: the rate of sale of foreclosed properties dominates all other policies.
- o The market for single-family houses will recover more quickly than the market for condominiums. Most buyers prefer houses when they can afford them—and today's lower prices mean houses are within the reach of more buyers. Once the economy turns around, the market should be able to absorb the inventory of foreclosed single-family houses relatively quickly. And there will be some construction of single-

family houses in Anchorage over the next several years—but the cumulative number of new houses built between now and 1992 will likely be smaller than the number built during the peak construction year of 1983.

- o Very few condominiums or apartments will be built in Anchorage between now and 1992, if our medium case economic projections prove correct. The existing supply will be more than ample to meet demand. Under that same case, real rents—rents adjusted for inflation—in Anchorage in 1992 will still be below 1986 levels. (See Figure 8.)



*Rents adjusted to eliminate the effects of price inflation.

Figure 8. Projected Anchorage Real* Rent Index (1987-1992)

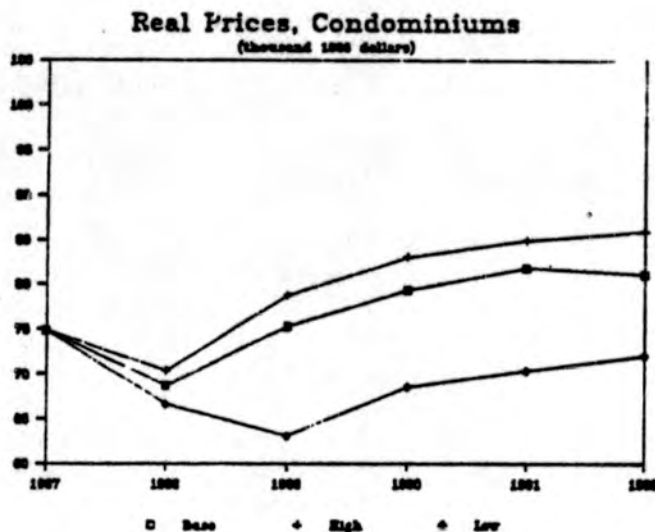
- o Because such a large proportion of Anchorage condominiums are in foreclosure, it would likely take several years beyond 1988 to sell the inventory of foreclosed condominiums without further depressing prices.
- o For some Alaskans there is a silver lining in the real estate cloud: lower prices may mean that they can move into better-quality housing than they could afford before. But a big barrier for those who already own homes is that many now owe more on their houses than the houses will sell for. Lenders may want to consider a policy that somehow allows those who want to buy better houses in Alaska to transfer a portion of their current mortgage liability to new homes.

Faster or Slower Economic Recovery

We consider our medium case economic projections most likely if oil prices stay in the range of \$16 to \$20 per barrel. But it's always possible that the economy could grow faster or slower than we expect: the Alaska economy is often surprising. If the econ-

omy grew more or less than we expect in the next few years, the housing market would of course be affected. Figures 9 and 10 show how real—adjusted for inflation—prices of Anchorage condominiums and single-family houses would be different under the high, medium, and low economic projections. All three cases assume a moderate rate of sales of foreclosed properties.

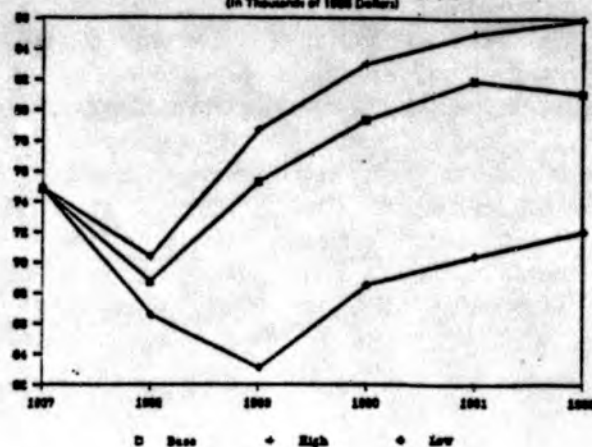
Figure 9 shows projected average real prices for a standard condominium under the high, medium, and low cases from 1987 through 1992. In the medium and the high cases prices bottom out in 1988 and in the low case in 1989. Prices then begin a very gradual recovery. But even under the most optimistic case, 1992 average condominium prices when adjusted for inflation are still far below their 1985 peak of around \$100,000.



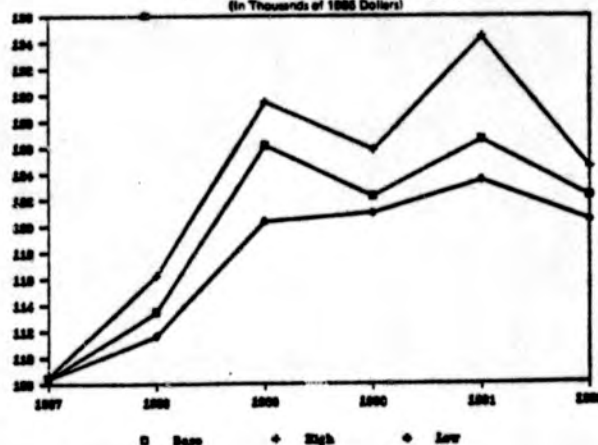
Real prices of single-family houses will rebound faster, although the pattern is not consistently upward. (Figure 10.) In our housing model, price increases of a certain level trigger new house construction—and when more new houses go on the market, prices are pushed down somewhat. But overall, real prices of houses under the medium or the high case in 19?? are projected to come fairly close to the peak prices of 1986.

Finally, Figure 11 shows projected cumulative numbers of building permits for new single-family houses in Anchorage between 1987 through 1992. Under any of the cases projected construction is modest as compared with the frenzied building of the early 1980s: under the medium case, a total of fewer than 3,000 new houses would be built in Anchorage between now and 1992. By contrast, in 1983 alone 3,500 new houses were built in Anchorage.

10 maybe
Figure 4-23 Real Prices, Anchorage Condominiums, Under Three Cases (in Thousands of 1985 Dollars)



11
Figure 4-24 Real Prices, Anchorage Single-Family Houses, Under Three Cases (in Thousands of 1985 Dollars)



FDIC

Federal Deposit Insurance Corporation

Memorandum to: Laurence D. Schannault
Deputy Regional Director (DOL)
San Francisco Regional Office

From: James K. Cook *James K. Cook*
Bank Liquidation Specialist

Date: March 4, 1988

Subject: 2766 - First Interstate Bank of Alaska (FIB)
Anchorage, AK - In Liquidation

5915 - Alaska National Bank of the North (ANBN)
Anchorage, AK - In Receivership
Types of Loans/Businesses and Numbers of Employees

As you requested, the following is a breakdown of the assets of First Interstate Bank of Alaska and Alaska National Bank of the North. The assets are categorized by type of loans, number of employees employed by those businesses that are obligated to the FDIC and the number of loans and book values by type of business. The source of this information is the call report data of each bank and the analysis of each portfolio by each Account Officer, as of March 1, 1988.

<u>Commercial Loans</u>		<u>ANBN</u>		<u>FIB</u>	
<u>Secured by:</u>	<u>#</u>	<u>BV</u>	<u>#</u>	<u>BV</u>	
Commercial RE	175	21.0mm	178	35.4mm	
A.R. & Contract Rights	97	10.5mm	38	8.3mm	
Inventory	45	2.0mm	26	6.9mm	
Equipment	184	13.0mm	176	17.8mm	
Stocks	4	3.0mm	6	.2mm	
Miscellaneous	3	1.2mm	65	4.3mm	
Unsecured	94	3.5mm	61	3.4mm	
 Totals	 602	 54.2mm 57.2mm	 549	 76.3mm	

Laurence D. Schannault
March 4, 1988
Page 2

Real Estate Mortgage LoansANDNFID

<u>A Real Estate Construction Type</u>	<u>#</u>	<u>DV</u>	<u>#</u>	<u>SV</u>
Land Acquisition (Comm)	3	2.7mm	4	838,257
Land Acquisition (Res.)	4	341,000	--	--
Land Development (Res.)	7	3.2mm	11	4.3mm
Commercial-Apartments	7	1.2mm	2	4.4mm
Commercial-Retail Offices	1	500,000	--	--
Commercial-Offices	1	2.0mm	1	3.7mm
Commercial-Warehouse	3	3.4mm	3	3.8mm
Single Family Residences	36	3.2mm	24	6.2mm
Other	2	1.2mm	0	5.1mm
Totals	64	18.4mm	54	28.3mm

B. Covered Transaction-Type

Condos	7	400m		N/A
Zero Lot Lines	7	600m		
SFR	7	700m		
Vacant	3	160m		
Commercial	1	375m		
Mobile Homes	1	68m		
Hotel/Motel	1	680m		
Other	1	210m		
Totals	28	3,193m	0	*

* FTR did not segregate covered transactions.

Lawrence D. Schannault
March 4, 1988
Page 3

	<u>ANBN</u>		<u>FIB</u>	
<u>C. Amortized/Term-Type</u>	<u>#</u>	<u>DV</u>	<u>#</u>	<u>BV</u>
SFR	60	5.0mm	167	13.3mm
Conventional 2-4 Units	10	1.2mm	30	5.1mm
FHA	3	100,000	--	--
VA	2	160,000	--	--
Commercial	20	2.9mm	148	34.4mm
Vacant Lots	2	50,000	9	4.8mm
Other	13	500,000	12	5.6mm
Totals	<u>110</u>	<u>84.8mm</u>	<u>266</u>	<u>63.2mm</u>
GRAND TOTALS	<u>804</u>	<u>84.8mm</u>	<u>969</u>	<u>167.8mm</u>

The breakdown above includes the original inventory retained by the FDIC and all putbacks in date, from both banks. It is probable that the National Bank of Alaska will put back approximately 40 more loans, with a DV of about \$5.0mm, under the 75% putback provision for FIB. The putback process for ANBN is complete.

There is a total of about 120 installment loans, with an accumulative BV of approximately \$200,000.00, from both banks. These were not included in the schedules above. The schedules above also exclude charged off loans, owned real estate, bank properties and other fixed assets.

Attached to this memorandum is a listing of our properties for Security National Bank as well as ANBN and FIB.

Should you have any questions, please call.

JC:cn

cc: Thomas S. Ruth, Jr.
Reid Judd
Mike MacDermott
Jack Smith
Section Chiefs
File

**REAL ESTATE PROPERTIES OWNED
AS OF: March 3, 1988**

<u>TYPE</u>	<u>BANK NO: 2608</u> <u>BANK: SNB</u>	<u>BANK NO: 5915</u> <u>BANK: ANBN</u>	<u>BANK NO: 2766</u> <u>BANK: FIAK</u>	<u>TOTAL</u>
<u>SFR</u> (B.V.)	10 (1,165,132.35)	18 (1,315,087.06)	24 (1,649,920.07)	52 (4,130,139.48)
<u>COMMERCIAL OFFICE</u> (B.V.)	2 (427,000.00)	8 (830,351.51)	13 (1,827,890.50)	23 (3,085,242.01)
<u>COMMERCIAL OTHER</u> (B.V.)	1 (63,636.14)	3 (291,508.41)	13 (4,064,632.95)	17 (4,419,777.50)
<u>DUPLEX</u> (B.V.)	-0-	1 (64,800.00)	1 (704,444.06)	2 (769,244.06)
<u>4-PLEX</u> (B.V.)	1 (234,351.50)	6 (723,632.65)	10 (1,181,821.94)	17 (2,139,806.09)
<u>6-PLEX</u> (B.V.)	2 (493,969.22)	-0-	2 (9,165.75)	4 (503,134.97)
<u>APTS MULTI-FAMILY</u> (B.V.)	-0-	-0-	4 (3,476,099.19)	4 (3,476,099.19)
<u>CONDOS</u> (B.V.)	2 (145,816.99)	20 (843,272.62)	120 (3,781,043.59)	142 (4,770,133.20)
<u>1-4 SFR LOTS</u> (B.V.)	33 (1,359,016.32)	61 (1,502,188.33)	247 (3,178,157.89)	341 (6,039,362.54)
<u>COMMERCIAL LOTS</u> (B.V.)	5 (455,344.00)	1 (103,153.57)	3 (2,300,881.65)	9 (2,859,379.22)
<u>TRAILORS MOBILE HOMES</u> (B.V.)	-0-	1 (35,700.00)	1 (36,000.36)	2 (71,700.36)
<u>TOTAL:</u> (B.V.)	56 (4,344,266.52)	119 (5,709,694.15)	436 (22,210,057.95)	611 (32,264,018.62)

REAL ESTATE PROPERTIES OWNED
PAGE 2

SUBSIDIARY ACCOUNT

BANK NUMBER: 5915

BANK: ALASKA NATIONAL BANK

BANK NUMBER: 2766

BANK: FIRST INTERSTATE BANK

TOTAL

COMMERCIAL 2
(B.V.) (400,000.00)

10
(22,099,494.62)

12
(22,499,494.62)

The Subsidiary accounts consist of owned bank buildings.

MORTGAGE LOANS

<u>Types of Business</u>	<u>ANEN</u>					<u>FIB</u>				
	<u># of Assets</u>	<u>Book Value</u>	<u>Employees (Estimated)*</u>			<u># of Assets</u>	<u>Book Value</u>	<u>Employees (Estimated)*</u>		
			<u>1-24</u>	<u>25-100</u>	<u>100+</u>			<u>1-24</u>	<u>25-100</u>	<u>100+</u>
Agriculture										
Real Estate Related	8	5,132M		48		76	18,903M			615
Tourism	2	829M	23			17	6,687M			462
Transportation						5	1,410M		41	120
Fishing	2	219M	8			3	2,723M			112
Mining										
Construction	7	1,298M	44			3	3,739M	7		
Timber										
Oil Related	1	1,299M	4			2	1,317M		35	
Communication										
Retail/Services										
Not Designated	182	21,673M	(Not Available)			260	16,037M	(Not Available)		
Totals	202	30,450M	79*	48*		366	50,816M	7*	76*	1309*

* Represents total number of employees for each type of business.

COMMERCIAL LOANS

ANEN

<u>Types of Business</u>	<u># of Assets</u>	<u>Book Value</u>	<u>Employees (Estimated)*</u>		
			<u>1-24</u>	<u>25-100</u>	<u>100+</u>
Agriculture	3	205M	15		
Real Estate Related	12	1,084M	21		
Tourism	9	185M	18		
Transportation	24	3,794M	205	242	
Fishing	—	—	—		
Mining	15	1,001M	18		
Construction	69	3,757M	282	90	
Timber	9	271M	60		
Oil Related	—	—	—		
Communication	—	—	—		
Retail/Services	144	17,886M	450	151	223
Not Designated	317	26,017M	(Not Available)		
Totals	602	54,200M	1,069*	483*	223*

FIB

<u># of Assets</u>	<u>Book Value</u>	<u>Employees (Estimated)*</u>		
		<u>1-24</u>	<u>25-100</u>	<u>100+</u>
—	—	—	—	—
59	7,672M	244		
16	8,869M	39	185	
26	1,508M	79		
14	1,060M	56		125
1	811M	8		
61	3,577M	241	151	
1	28M	5		
9	3,641M	18	39	219
4	639M	20	45	
179	30,020M	543	516	491
233	46,690M	(Not Available)		
603	104,515M	1,253*	936*	835*

* Represents total number of employees for each type of business.



**INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH
UNIVERSITY OF ALASKA, ANCHORAGE**

**CAN STATE SPENDING SPEED
ALASKA'S ECONOMIC RECOVERY?**

A BRIEFING PAPER AND ECONOMIC PROSPECTUS

Prepared by

**Institute of Social and Economic Research
University of Alaska Anchorage**

**Mr. Lee Gorsuch, Director
Dr. Scott Goldsmith, Professor^f**

Prepared for

**The Honorable Steve Cowper
Governor
State of Alaska**

December 8, 1987



UNIVERSITY OF ALASKA, ANCHORAGE

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Anchorage, Alaska 99508
(907) 786-7710

INSTITUTE OF SOCIAL AND
ECONOMIC RESEARCH

MEMORANDUM

DATE: December 1, 1987
TO: Governor Steve Cowper
FROM: Lee Gorsuch⁶ Director, ISER
SUBJECT: Can State Spending Speed Alaska's Economic Recovery?

Economic Overview and Background The Alaska economy recently entered its ninth consecutive quarter of an economic recession. Assuming relative stability in future oil prices, the recession is progressively dissipating and is likely to end over the course of the coming calendar year. ISER projects a modest economic recovery commencing around the last quarter of 1988 and extending into the mid-1990s. ISER's projected recovery is largely driven by growth in most of the state's basic industries, augmented by an increased military presence. It also assumes state General Fund spending stays in the two billion dollar range.

The question this economic projection raises is, could the state hasten the projected economic recovery or minimize the economic hardship imposed by this third, and hopefully final, successive year of a recession without jeopardizing future economic stability and growth. To answer this question, it is instructive to review how the state got into its current economic condition and to briefly profile it before attempting to devise strategies on how to improve it.

Over the span of the last decade, Alaska's employment base has increased by almost fifty percent, with the most rapid growth occurring between 1981 and 1984. This rapid growth in employment precipitated a corresponding growth in population which, in turn, triggered additional demands in the public sector for such services as education and schools and in the private sector for housing and a host of business services. This growth in both the public and private sector is almost exclusively attributable to the state's spending of its oil wealth.

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State General Fund spending more than tripled between 1980 and 1982. The sudden infusion of an additional two billion dollars into an economy which had a personal income base of only seven billion dollars could only have a dramatic accelerating impact on the state's economy. This infusion of state dollars continued through fiscal year 1985 and then began to decline at an accelerating rate as the state's oil revenues declined. Not surprisingly, the current economic recession coincided with and, in fact, was caused by the decline in state spending due to the corresponding decline in oil revenues. The subsiding of the recession is also largely a result in the subsiding of state spending cuts and, hopefully, some stability in oil prices and state oil revenues.

Policy Analysis. What this recent economic experience reveals is that state spending, unless it can be sustained, will have a destabilizing impact on the economy. It will accelerate the economy when spending increases and decelerate it when spending declines. I should hasten to add that dividends paid out from the Permanent Fund affect the state's economy similarly; i.e., increases accelerate the economy and decreases decelerate it. It is also important to note that the size of the dividends, proportionate to state spending, are playing an increasingly important role in the public sector's impacts on the overall economy. Thus, decisions regarding how state spending will impact the state economy must include consideration of the dividend payments.

If current levels of state (and local government) spending can be sustained (which to compute with some degree of reliability requires, among other assumptions, projections of future oil prices), a one-time state expenditure could arguably be justified if it were comparable to the modest economic gains expected by the state's basic industries in 1989. However, it is important to recognize that these projected gains are themselves subject to many unknowns, even though they do represent a best reasoned guess.

Although ISER is not in the oil forecasting business, if oil prices stay in the \$16-20 range, we project state spending could be sustained reasonably close to its current spending levels. However, to do so would require generating an additional \$250 million or the equivalent of using approximately one-fourth of the earnings of the Permanent Fund. If oil prices fall below this range or new nonpetroleum revenues are not available, then current levels of state spending cannot be sustained.



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Should the state receive a large cash settlement or payment in relation to its various lawsuits, these new revenues should be viewed and treated as one-time revenues. Any amount of these funds received and expended which exceeds the projected economic gains or which cannot be sustained by future oil price increases will further destabilize the economy. The exception to this rule is the extent to which the state spends such funds on projects or programs that generate sustainable economic activity, independent of future state spending.

Conclusions and Recommendations. The answer to the question "could an increase in state spending accelerate the projected economic recovery?" therefore lies in the assessment of the level of state spending which can be sustained over time. An increase in state spending will not hasten an enduring economic recovery unless the increased spending can be sustained or the state's basic industries increase their economic output to match a future decline in state spending.

ISER is projecting annualized employment gains in 1989 of about 2000. Applying an average wage of \$50,000 per job, it is conceivable that the personal income added to the economy would be in the vicinity of \$100 million over that of 1988. Thus, devising a state plan to spend an additional \$100 million above the level it can sustain could be absorbed by the private economy as it recovers. This additional expenditure would be a one-time expenditure, and it would be important to devise criteria to ensure that the expenditure maximize its economic impact and minimize future claims to state spending.

It would be counterproductive if the additional state spending constructed facilities which subsequently had to be operated and maintained, attracted outside workers rather than unemployed resident workers, or aided individuals or businesses that have not been adversely affected by the recession or that are likely to leave Alaska or fail as a business independently of the state's assistance. Ideally, the funds would attract additional dollars to Alaska and stimulate investment in Alaska's basic economy. Thus, to maximize the economic benefit of the additional state spending, the spending should be specifically targeted to where it will do the greatest net economic good.

Types of projects which would generally meet these criteria would include such initiatives as (1) an employment program for youth and the chronically unemployed (like a conservation corps building recreational cabins and related improvements in state



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December 1, 1987

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parks), (2) a major maintenance and repair program which would be labor intensive and reduce future O&M costs, (3) a tax relief or refinance program for small Alaska businesses which are viable but undercapitalized, and (4) a challenge fund which matches organizations which increase their recent levels of federal or philanthropic funding on some predetermined ratio.

There are also a variety of measures the state can and should take to provide economic relief to individuals, businesses, organizations, and markets which are experiencing severe hardship and future uncertainty. AHFC and AIDA have already initiated programs which may provide substantial economic benefits at relatively minimal expense to the state.

Please feel free to call me if you would like to discuss this matter further or would like any additional elaboration.

Figure 2.1

ALASKA EMPLOYMENT INDEX--PART I.

Percent of January 1980 Level

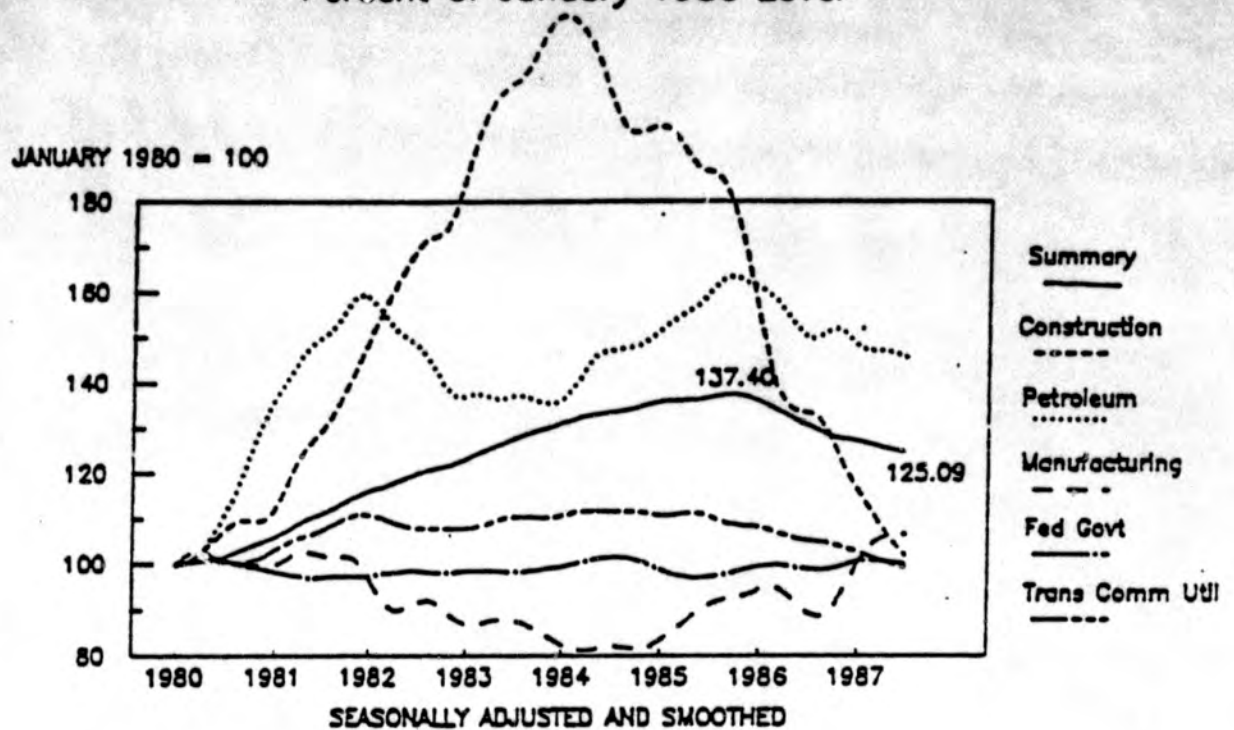


Figure 2.1

ALASKA EMPLOYMENT INDEX--PART II.

Percent of January 1980 Level

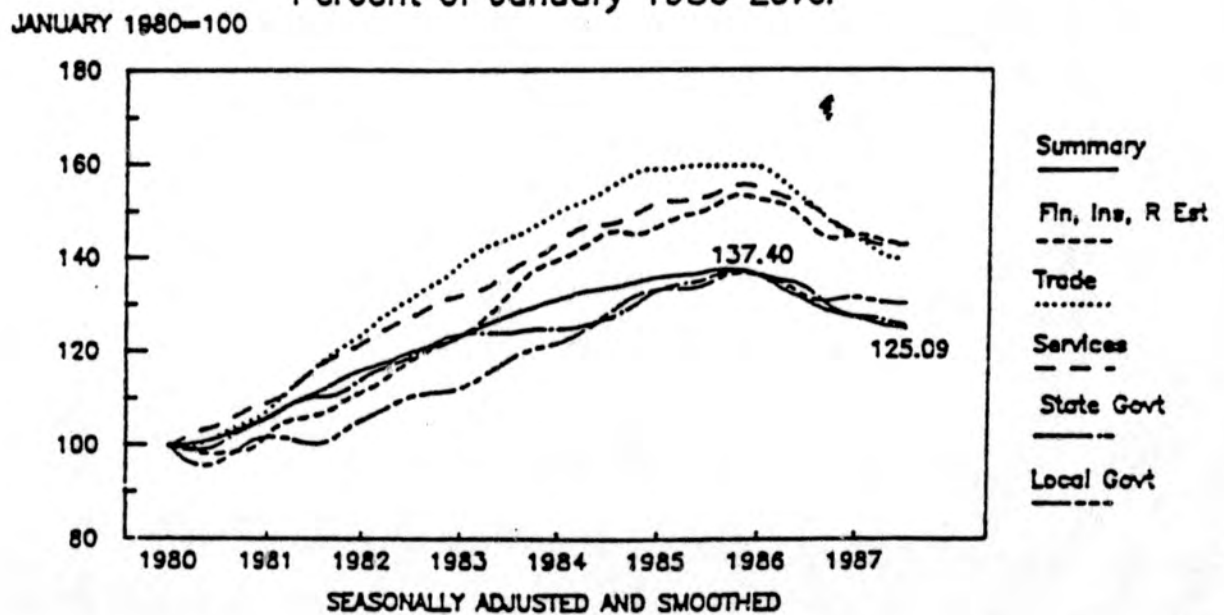


TABLE 2.2. JOB LOSS FROM THE CYCLICAL PEAK
(seasonally adjusted annual average in thousands)

	Job Peak Sept. 1985	Employment			
		June 1987	Loss from Peak	June 1988	Estimated Further Loss
Total Wage and Salary	230	209	21	202	7
Mining	9.8	8.8	1	9	-
Manufacturing ^a	-	14.8	-	14	1
Federal Civilian ^a	-	18	-	18	
Transportation, Communications, Public Utilities	19	17	2	17	
Construction ^b	22	10.2	11.8	8	2
Finance	11.8	11.2	.6	11	
Trade	45.9	39.9	6	39	1
Services	45.6	41.4	4.2	40	1
State Government	20.7	19.3	1.4	18	1
Local Government	29.5	28.2	1.3	27	1

^aNo significant loss from peak to date. These industries are experiencing a cyclical peak.

^bpeak month--January 1984.

Figure 2.6

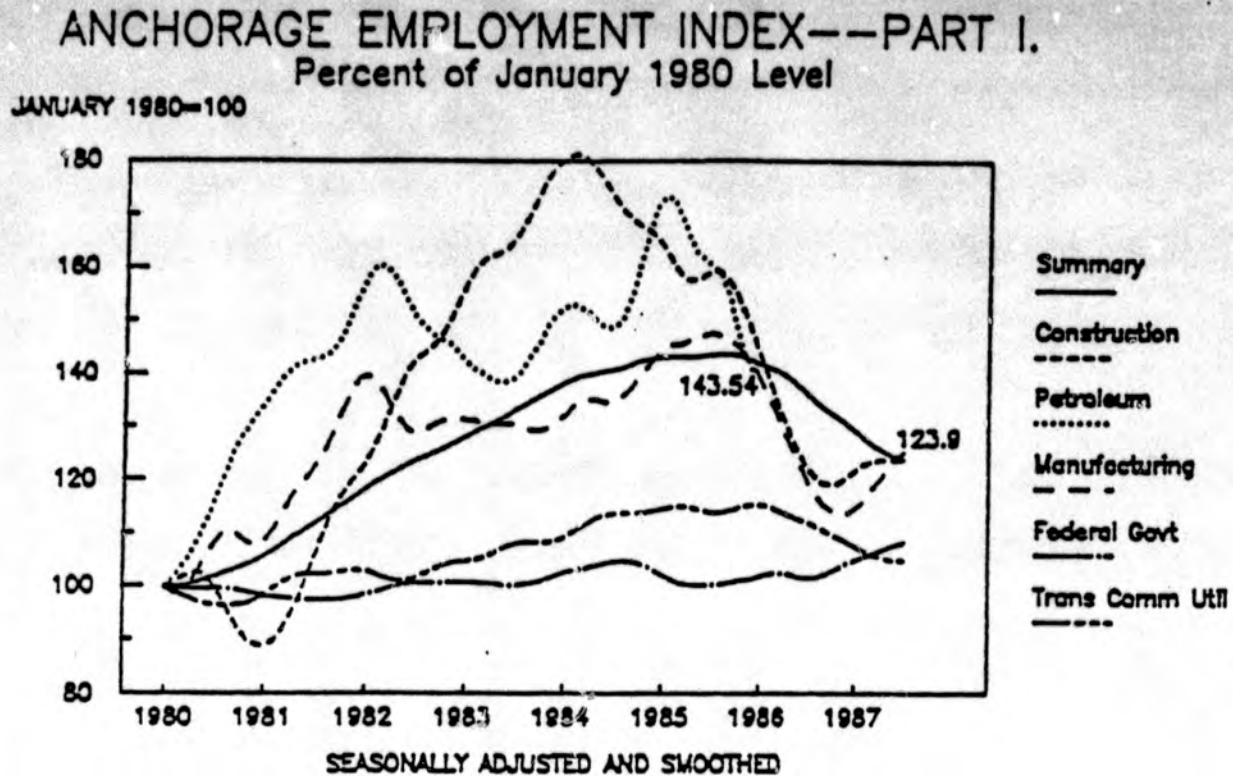


Figure 2.6

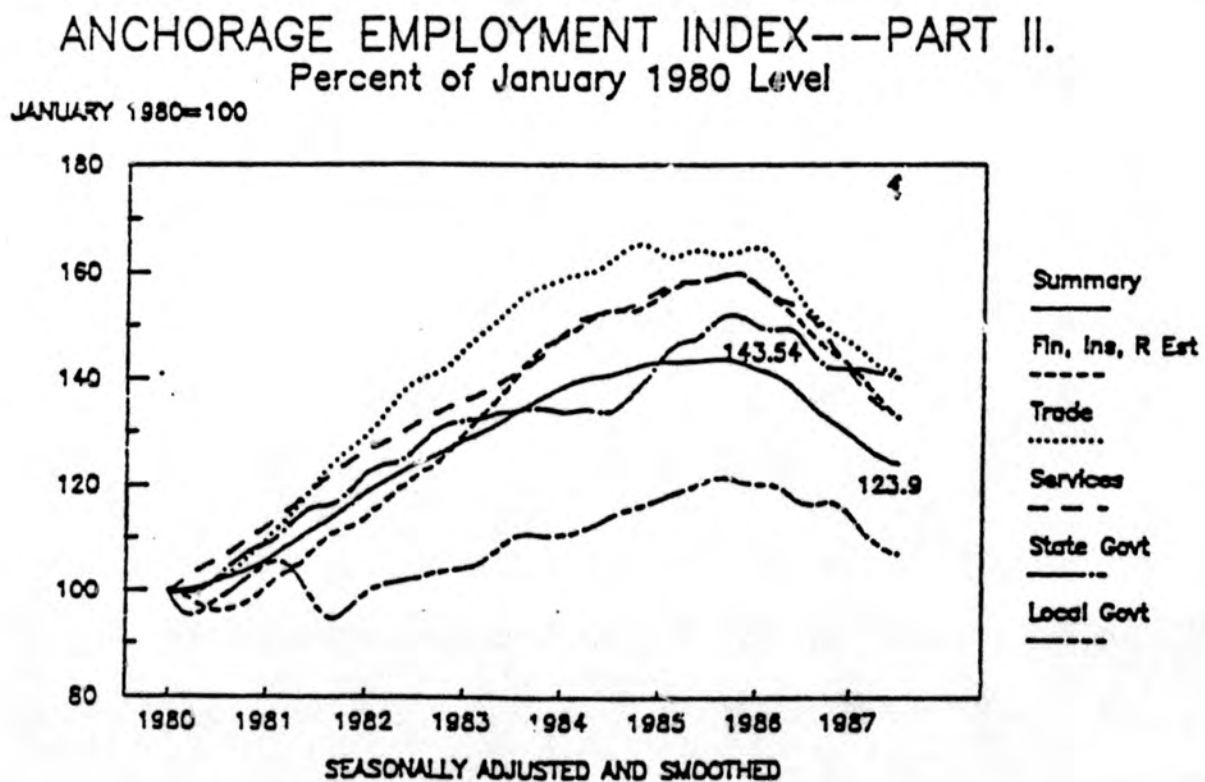


Figure 2.11

ALASKA BASIC INDUSTRY EMPLOYMENT (AHFC STUDY)

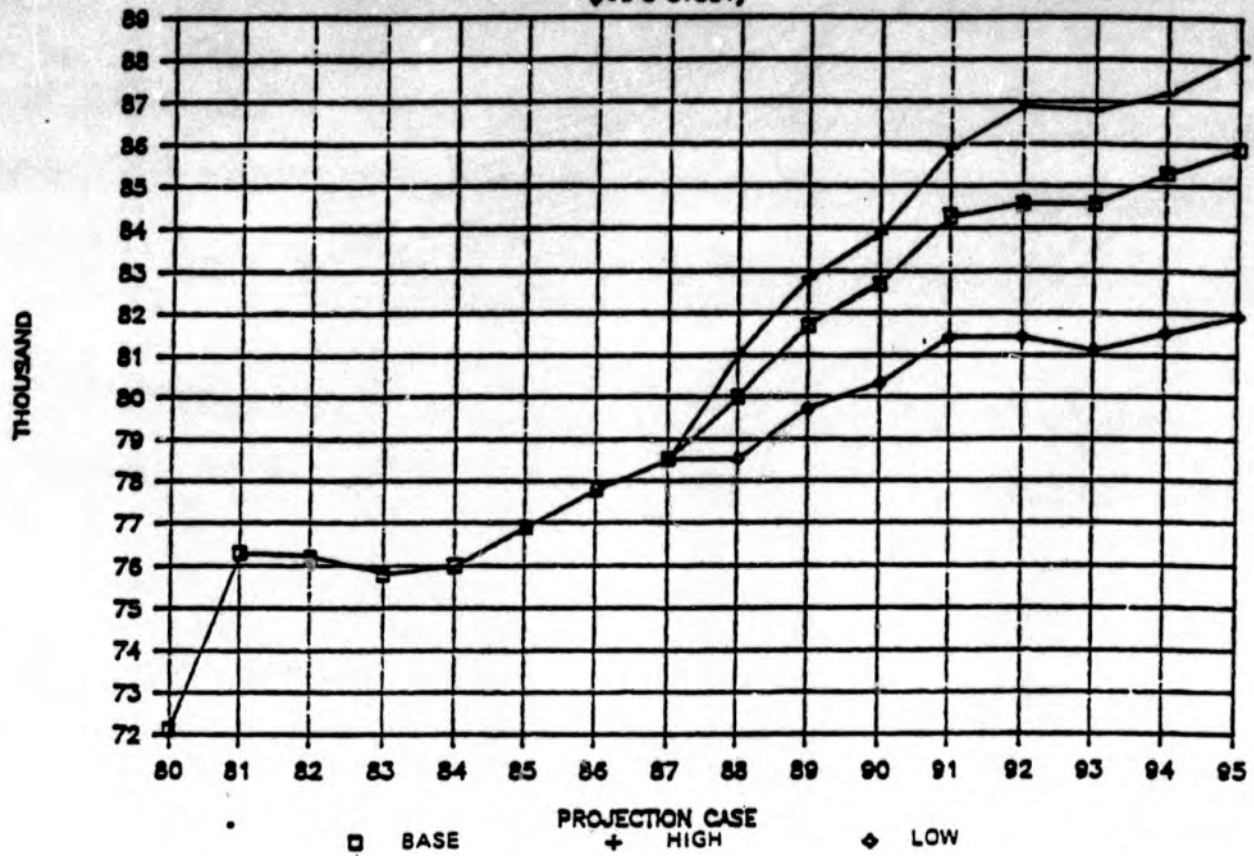


Figure 2.12

STATE-LOCAL GOVERNMENT EMPLOYMENT (AHFC STUDY)

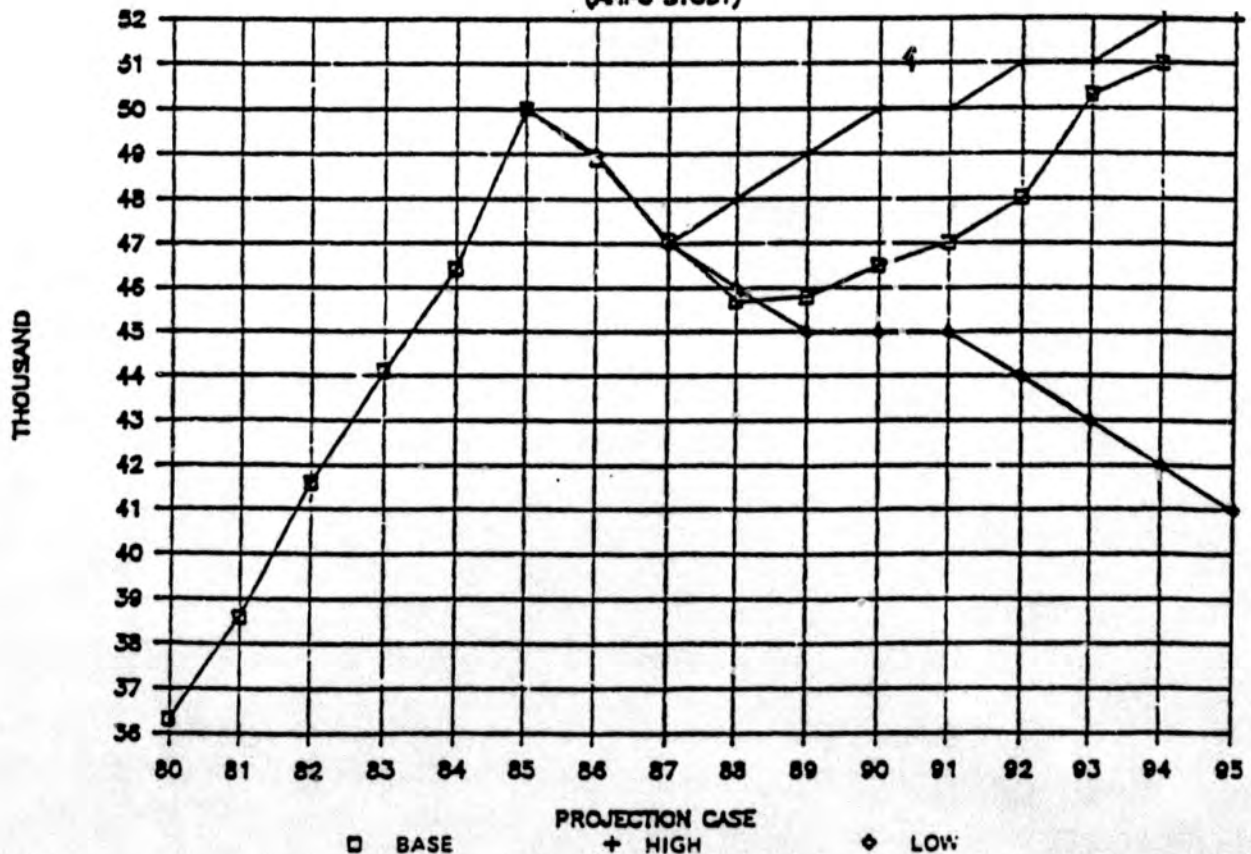


Figure 2.15

ALASKA INFRASTRUCTURE EMPLOYMENT (AHFC STUDY)

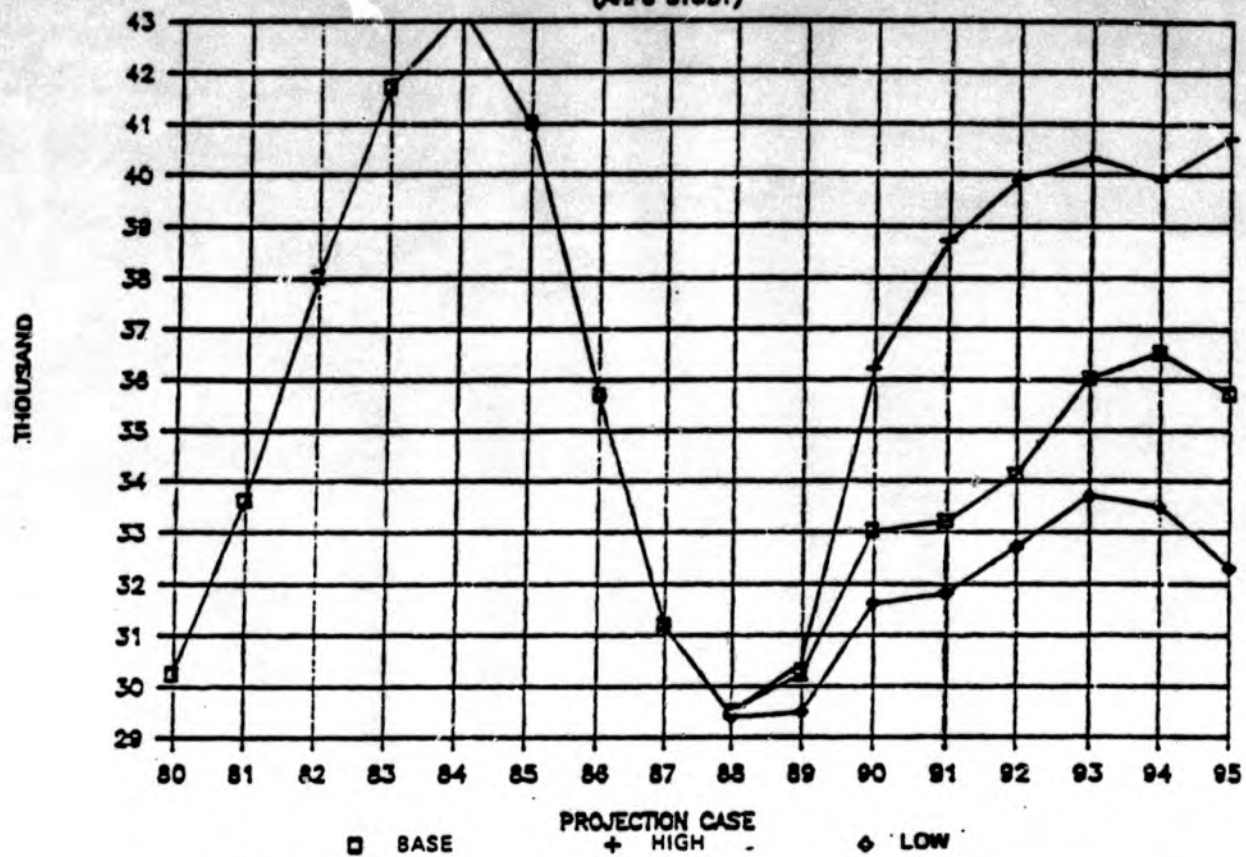


Figure 2.16

ALASKA SUPPORT INDUSTRY EMPLOYMENT (AHFC STUDY)

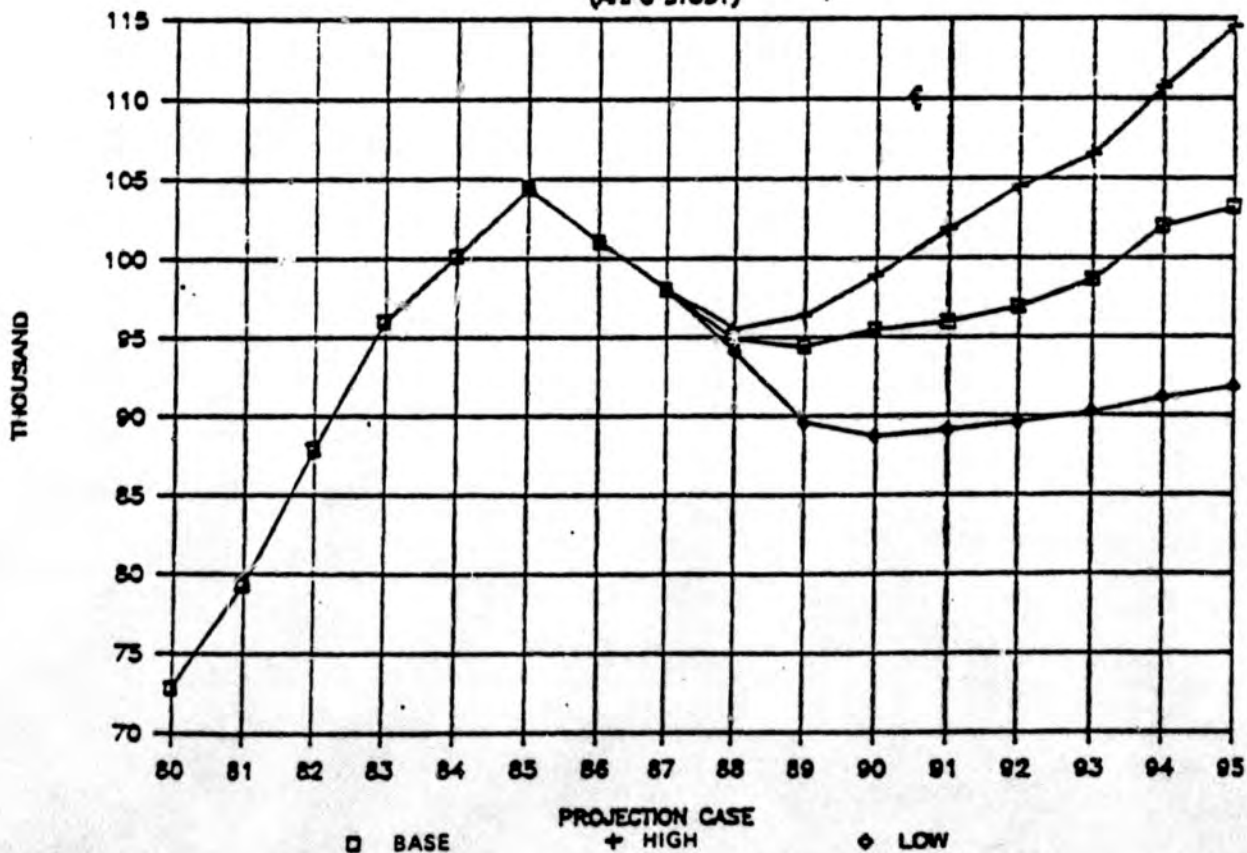


Figure 2.17

ALASKA WAGE AND SALARY EMPLOYMENT (AHFC STUDY)

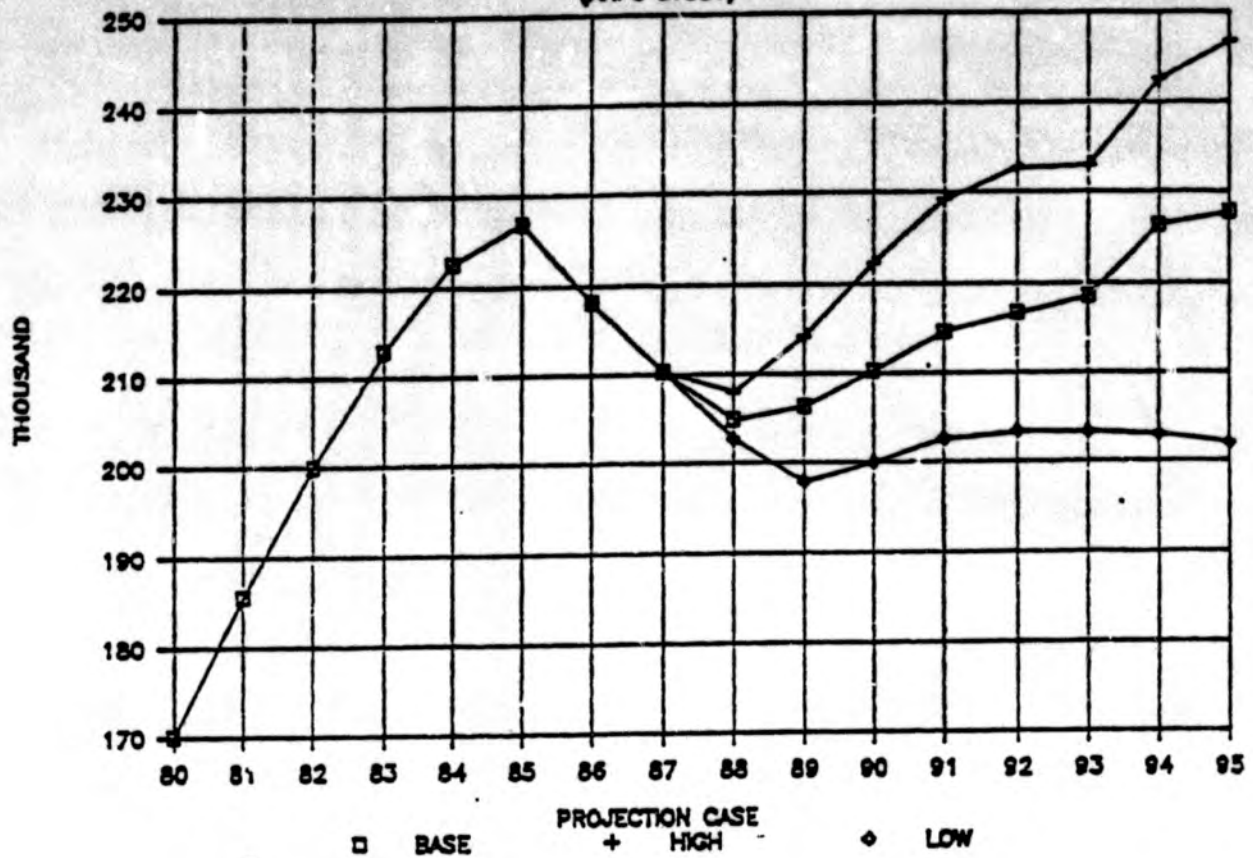


Figure 2.18

ALASKA REAL PERSONAL INCOME (AHFC STUDY)

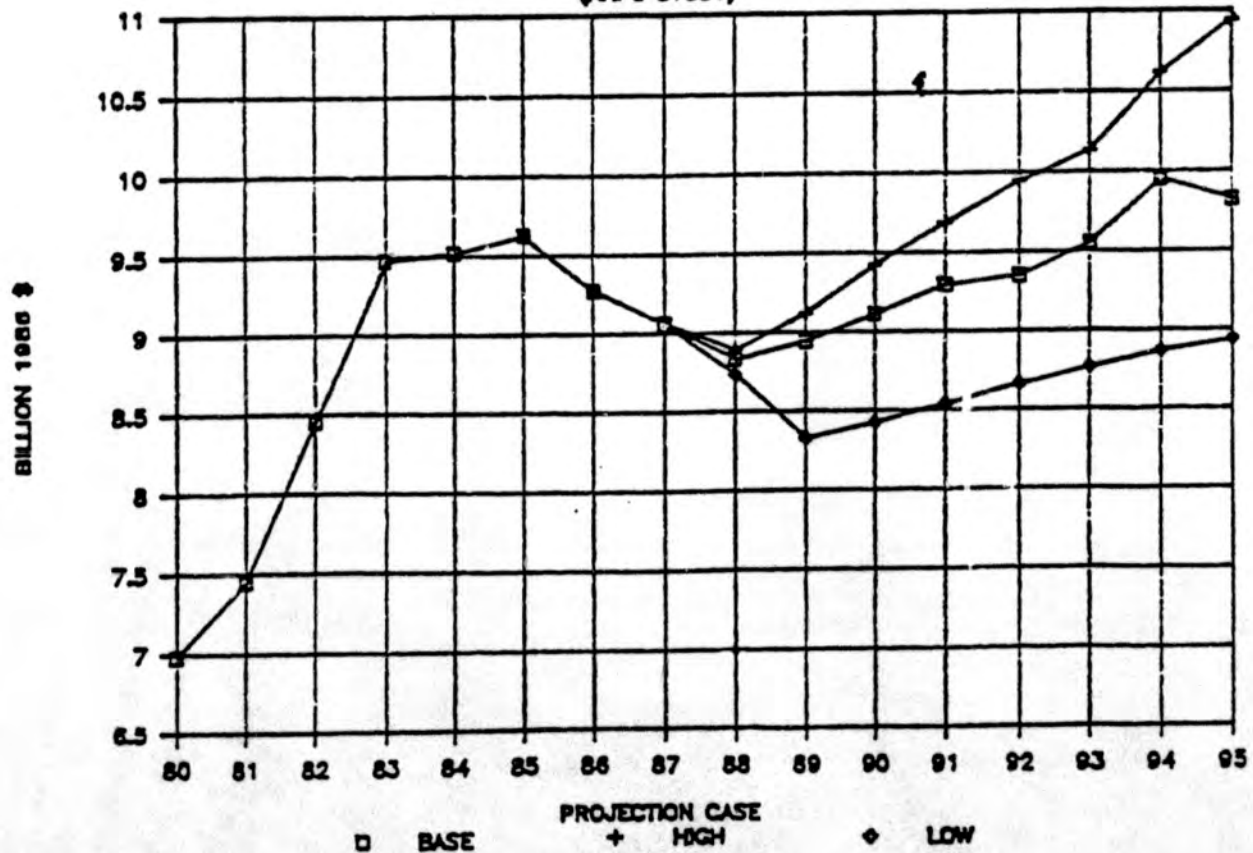


Figure 2.19

REAL PER CAPITA DISPOSABLE INCOME (AHFC STUDY)

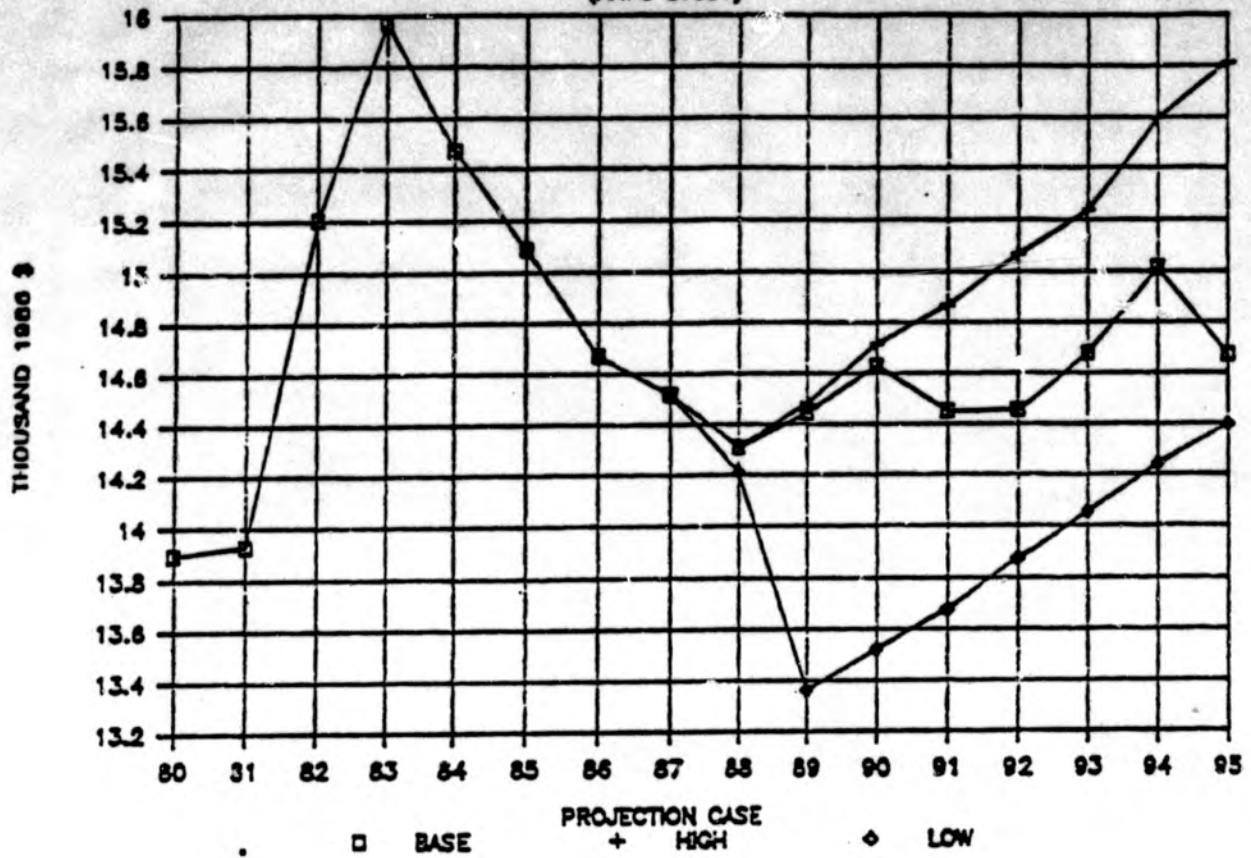


Figure 2.20
ALASKA POPULATION
(AHFC STUDY)

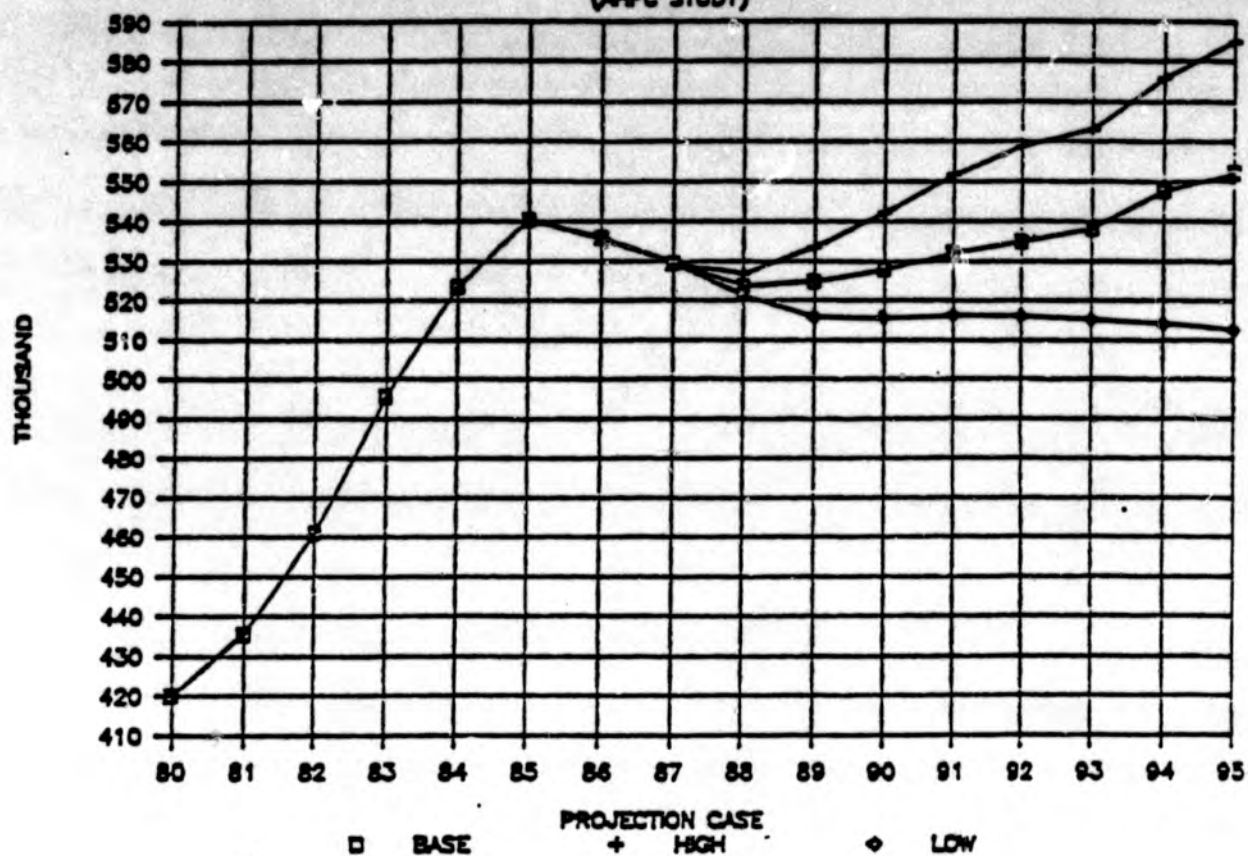


Figure 2.21
ALASKA HOUSEHOLDS
(AHFC STUDY)

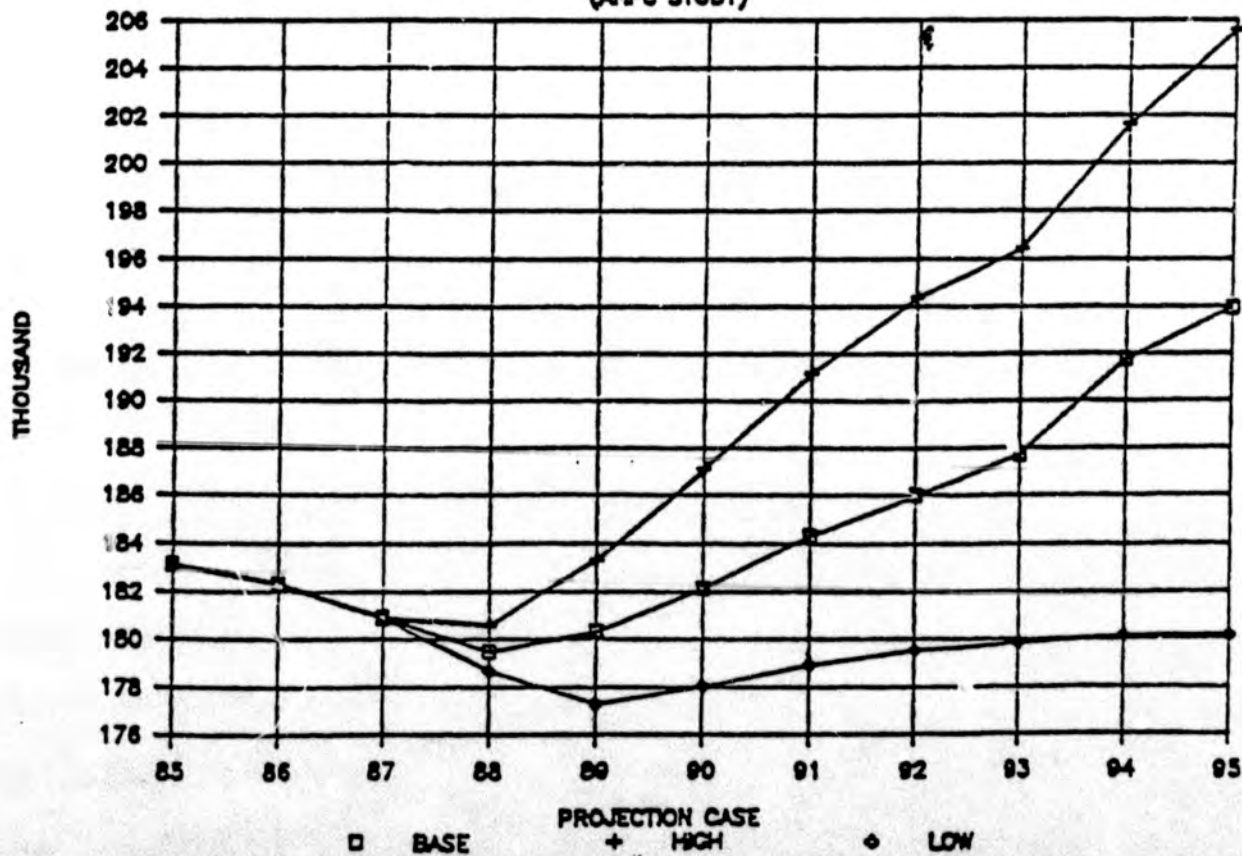


Figure 2.13

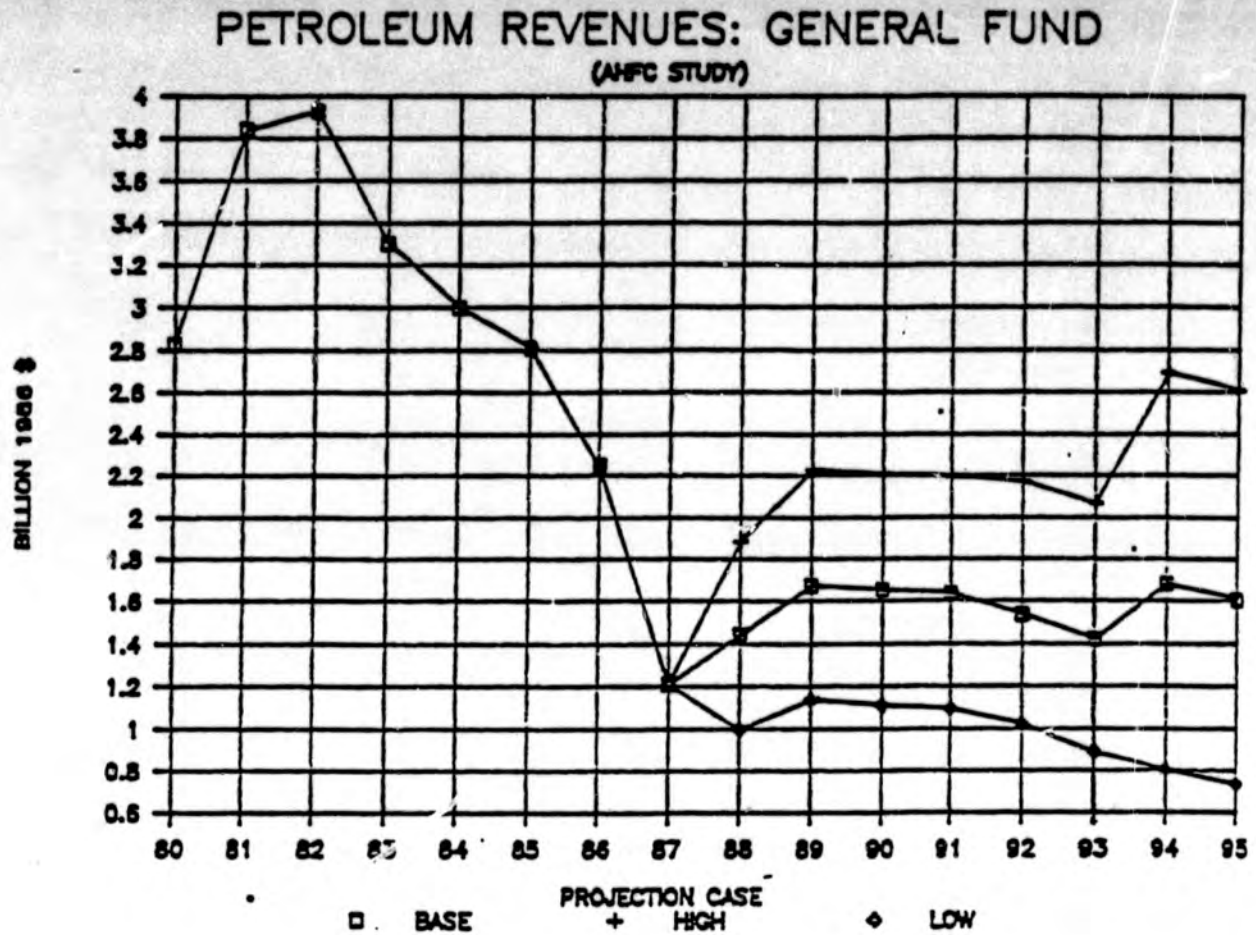


Figure 2.14

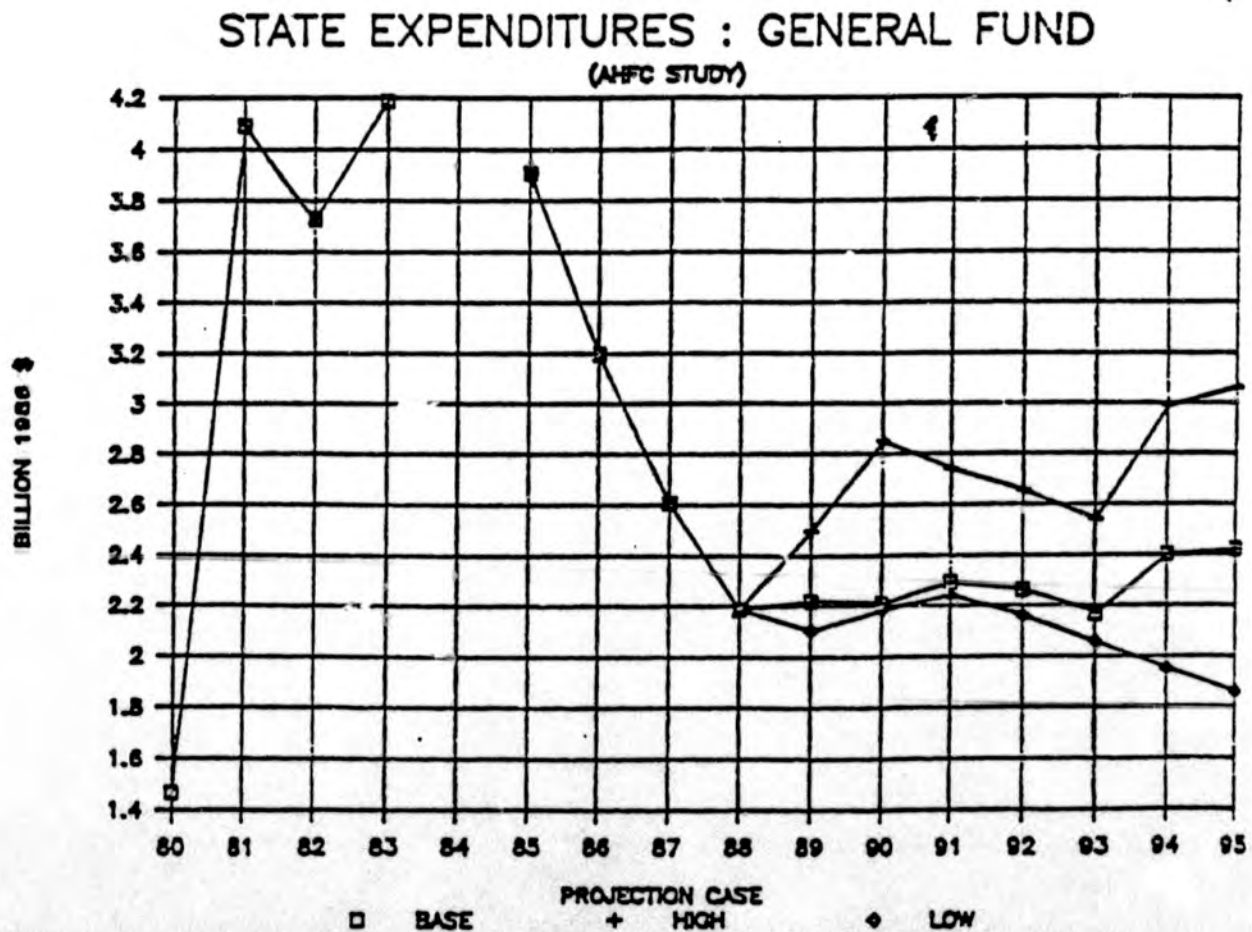


Figure 2.26

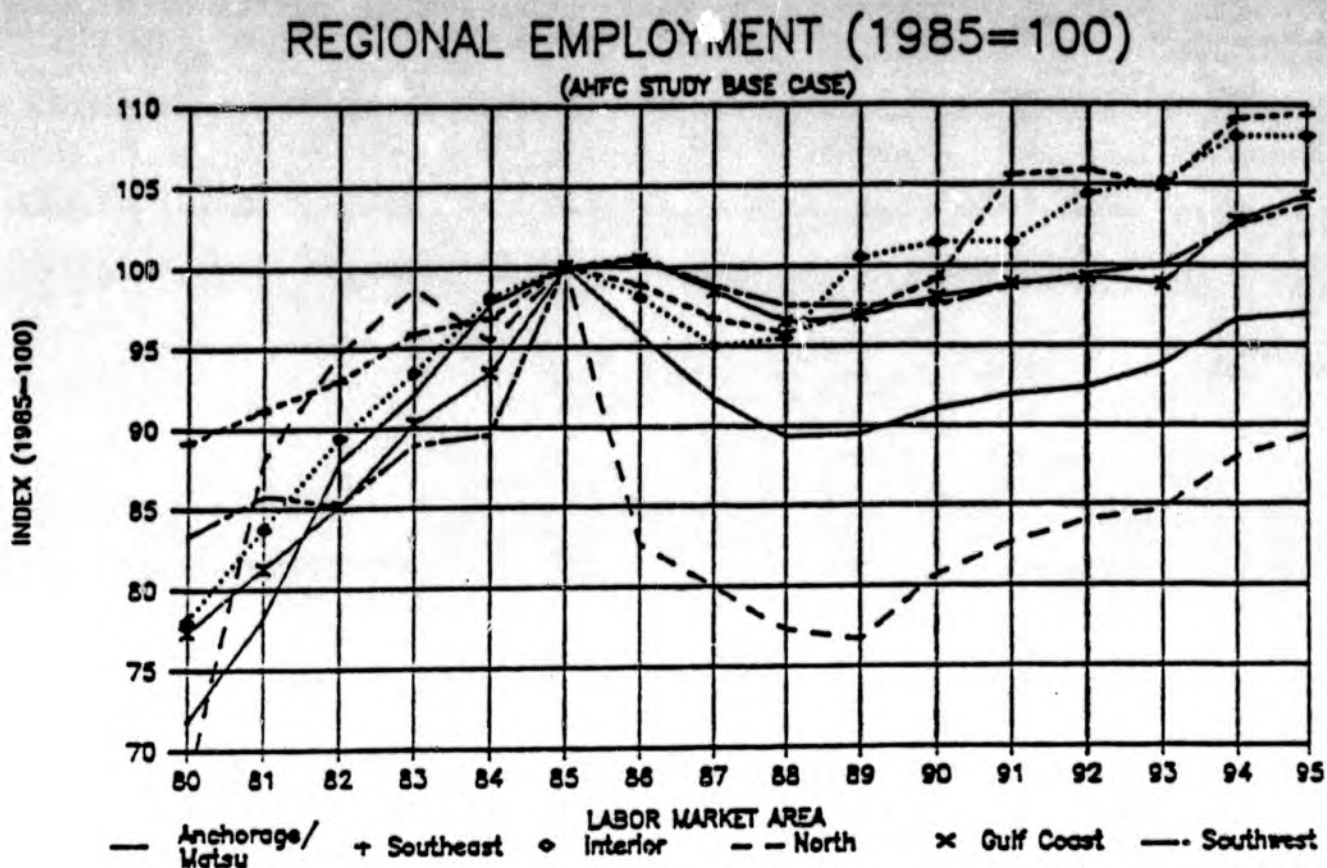


Figure 2.27

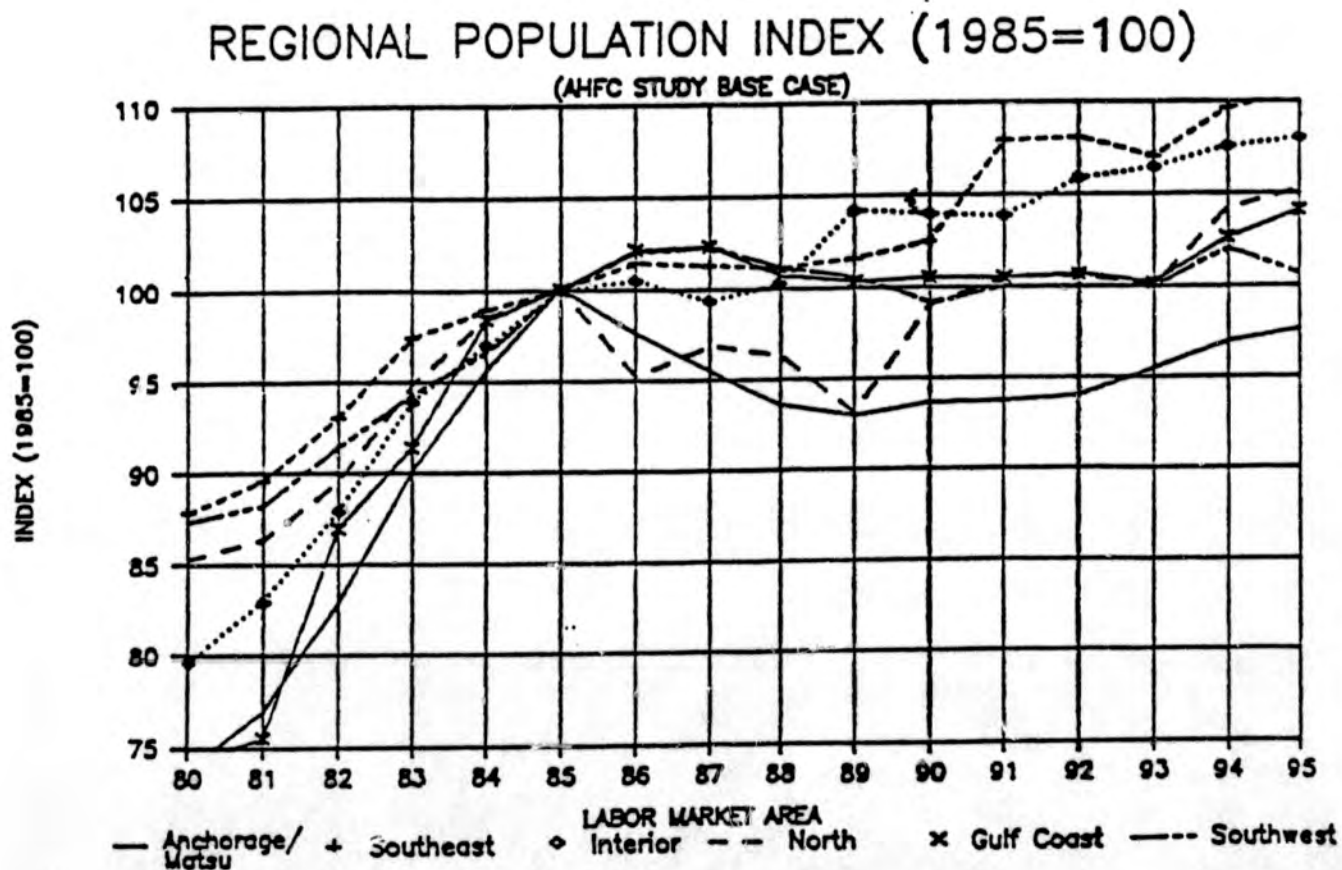


Figure 2.28

ANCHORAGE/MATSU POPULATION (AHFC STUDY)

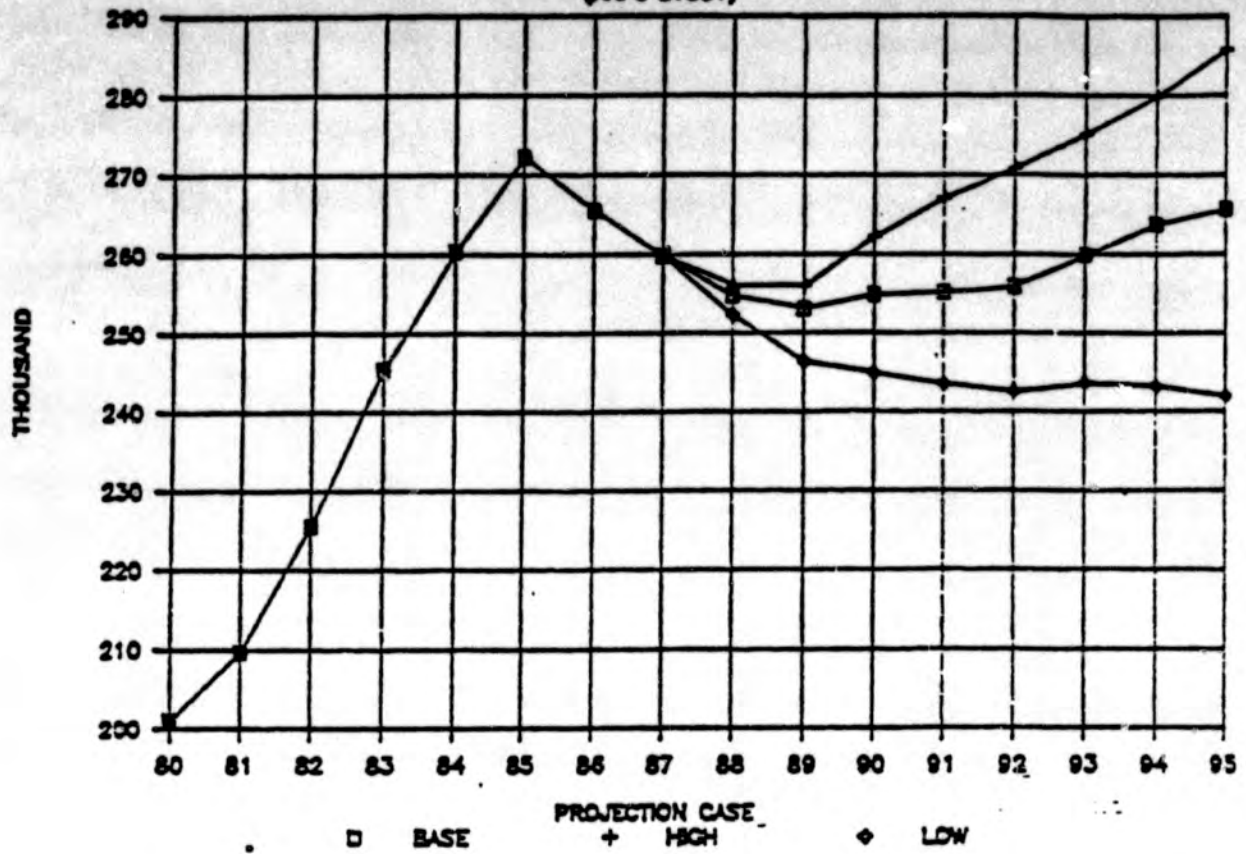
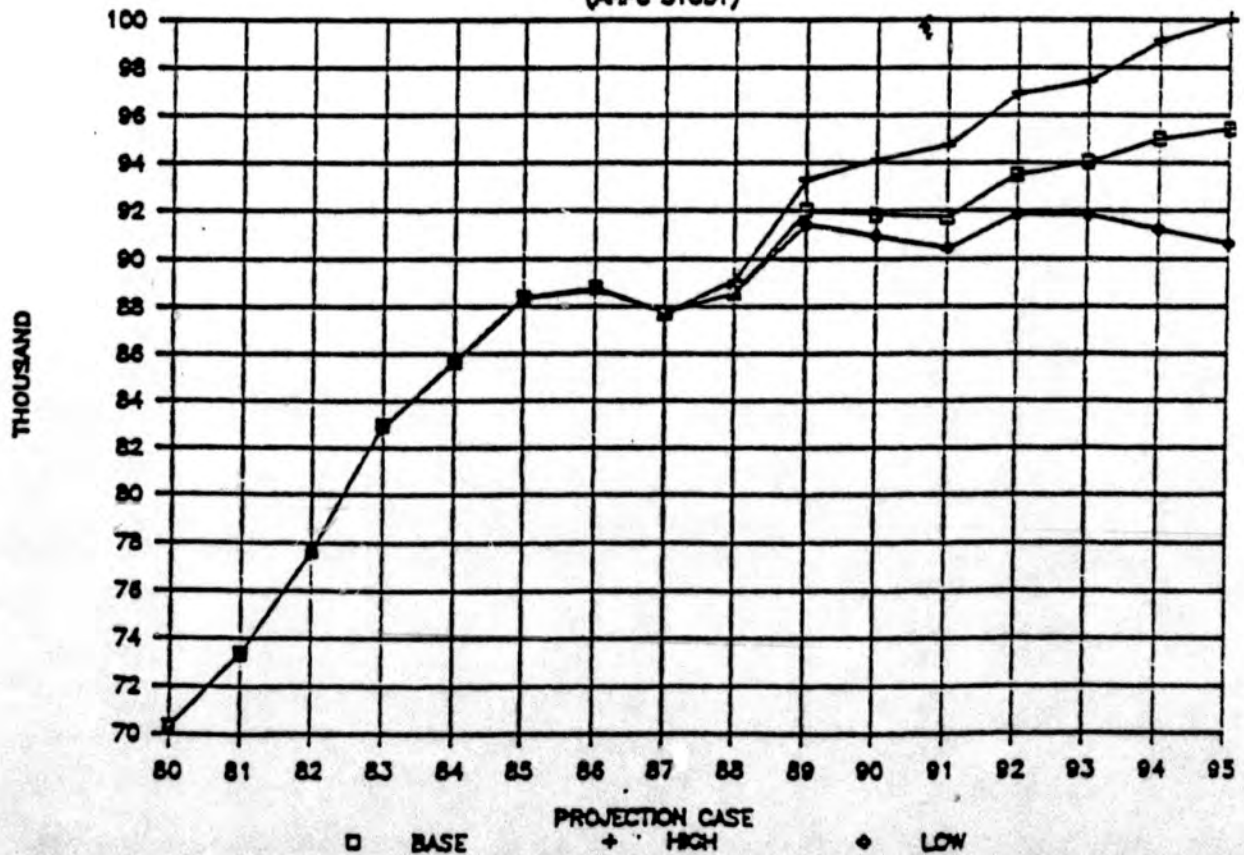


Figure 2.29

INTERIOR POPULATION (GREATER FAIRBANKS) (AHFC STUDY)



1987 AHFC STUDY
SUMMARY OF MAP MODEL ASSUMPTIONS: BASE [AHFC.B]

- A. PETROLEUM REVENUE ASSUMPTIONS: \$19 WORLD PRICE
- B. FISCAL ASSUMPTIONS: NEW REVENUES MEASURES IMPOSED
IN EARLY 1990S (A6.2EX1)
- C. INDUSTRY ASSUMPTIONS: MODERATE GROWTH (S87.N1)
- D. NATIONAL VARIABLE ASSUMPTIONS: MODERATE GROWTH

A. PETROLEUM REVENUE ASSUMPTIONS

- | | |
|---|---|
| 1. Average Expected
OPEC Price | \$19 nominal world oil price in late 1980s. The real price rises slightly faster than inflation in 1990s. |
| 2. Petroleum Production--
North Slope & Cook Inlet | Total production gradually declines with the depletion of the giant Prudhoe Bay field from 674 million barrels/year in 1987 to 452 in 1995 and 187 in 2003. Producing fields include Prudhoe Bay, Kuparuk, West Sak, Lisburne, Endicott, Milne Point, Cook Inlet, and other small onshore and offshore fields (DORD6.7X). |
| 3. Severance Taxes | Based on assumed price and production applied to current tax structure. After 2003, revenues remain constant in nominal dollars (DORD6.7X). Alyeska pipeline tariff dispute settlement revenues include [RPTS]. |
| 4. Royalties | Based on assumed price and production applied to current royalty structure. After 2003, revenues remain constant in nominal dollars. These revenues are distributed between the General Fund and Permanent Fund (DORD6.7X) [RPRY]. |
| 5. Bonuses | Alaska receives \$500 million over the period FY 1989 to 1992 in settlement of disputed offshore leases in the Beaufort Sea. Also treated as bonuses are \$500 million received between 1991 and 1995 in settlement of lawsuits and tax disputes regarding the valuation of North Slope oil. These revenues are distributed between the General Fund and Permanent Fund [RPBS]. |

(a) Codes in parentheses indicate ISER names for MAP Model SCEN_ case files, and codes in brackets indicate MAP variable names.

- | | |
|---|--|
| 6. Property Taxes | Based on projections published by Alaska Department of Revenue, <u>Revenue Sources</u> (DORD6.7X) augmented by taxes on onshore facilities related to OCS development (OCS.6NGT -12) [RPPS]. |
| 7. Petroleum Corporate Income Tax | Based on projections published by Alaska Department of Revenue, <u>Revenue Sources</u> (DORD6.7X). No change in tax regulations [RTCSPX]. |
| 8. Rents | Increasing slowly from current level of \$8 million [RFEN]. |
| 9. Miscellaneous Petroleum Revenues | Zero [RP9X]. |
| 10. Federal-State Petroleum-Related Shared Revenues | Increasing \$1 million annually from current level of \$25 million [RSFDNPX]. |
| 11. Windfalls | During FY 1986 the Permanent Fund experienced a capital gain of approximately \$323 million. During FY 1987, \$250 million accrues to Alaska from a litigation settlement with ARCO, \$450 million in settlement of the Alyeska pipeline tariff dispute, and \$50 million from past federal revenue sharing. |

B. FISCAL ASSUMPTIONS

B.1. State Appropriations

- | | |
|---|--|
| 1. Aggregate Appropriations | If funds available, ceiling established by Constitutional Spending Limit; otherwise appropriations equal revenues plus 50 percent [EXWIND] of general fund balance available for appropriations. |
| 2. Capital/Operations Split | Two-thirds operations if Spending Limit in effect; 85 percent operations otherwise [EXSPLITX]. |
| 3. General Obligation Bonds | Bonding occurs up to point where debt service is 5 percent of state revenues. |
| 4. Federal Grants-in-Aid for Capital Expenditures | Constant at \$75 million [RSFDNCAX]. |

5. State Loan Programs	New capitalization terminated after FY 1987 [EXKTR1X]. Programs continue functioning on existing capitalization including AHFC [EXLOAN2] and APA revenue bond expenditures [EXCPSR1].
6. Municipal Capital Grants	Funding terminated after FY 1987 [RLTHCAP].
7. State-Local Revenue Sharing	Continuation proportional to total state expenditures [RLTRS].
8. State-Local Municipal Assistance	Continuation proportional to total state expenditures [RLTMA].
9. Permanent Fund/Other Appropriations in Excess of Spending Limit	None for operations [EXGFOPSX]; none for capital [EXSPCAP].
<u>3.2. Permanent Fund</u>	
10. Permanent Fund Principal	Continuous accumulation from petroleum revenues [EXPF1]; inflation-proofing eliminated when complete withdrawal of earnings commences.
11. Permanent Fund Earnings	A quarter of the earnings after payment of the dividend are allocated to the General Fund beginning in 1988, rising to 50 percent of earnings in 1998, 75 percent in 2002, and all earnings in 2005 [EXPFTOGF].
12. Permanent Fund Dividend	Eliminated after FY 1994 distribution which occurs in the fall of that year [EXPFDIST].
<u>3.3. Revenues</u>	
13. Personal Income Tax	Reimposed FY 1991; collections begin January of that year [EXPIT].
14. Miscellaneous Local Revenue Sources	Miscellaneous state-local transfers [RLTX], large project property taxes [RLPTX], petroleum-related federal transfers [RLTFPX] all set to zero.
15. New Federal-State Shared Revenues	Zero [RSFDNX].

16. Large Project Corporate
Income Taxes

Zero [RTCSX].

B.4. Miscellaneous

17. State-Local Wage Rates

Constant average real wage rate
beginning from 1988 through 1995
[EXWR].

C. INDUSTRY ASSUMPTIONS

1. Trans-Alaska Pipeline

Operating employment remains constant
at 885 through 2010 (TAP.S86X).

2. North Slope--ANWR
Petroleum Development
and Production

Petroleum industry employment on the
North Slope rises from 3.5 thousand in
1988 to 4 thousand in 1998. Employment
engaged in new construction is
constant at 1 thousand (NSO.S87A).

3. Upper Cook Inlet
Petroleum Production

Employment in exploration and devel-
opment of oil and gas in the Upper
Cook Inlet area declines gradually
beginning in 1983 by approximately
2.5 percent per year (UPC.S86).

4. OCS Development

Employment in exploration and develop-
ment activity associated with Bering
Sea and Arctic areas peaks at about
7,000 in 2005. Direct employment con-
tinues through the following decade at
a level of about 3,000 (OCS.6NGT -12).

5. Oil Industry Headquarters

Oil company headquarters employment in
Anchorage remains at about 3,900
through 2010 (OHQ.S86).

6. Healy Coal Mining

Export of approximately 1 million tons
of coal annually adds 25 new workers
to current base of 100 by 1986
(HCL.84X).

7. Beluga Chuitna Coal
Production

Development of a 4.4 million ton/year
mine for export beginning in 1989
provides employment of 524 (BCL.04T -4).

8. U.S. Borax

The U.S. Borax mine near Ketchikan is
brought into production with operating
employment of 685 beginning in 1993 and
eventually increasing to 1,020
(BXM.F84-4).

9. Greens Creek Mine
Production from the Greens Creek Mine on Admiralty Island results in employment of 150 people from 1988 through 2003 (GCM.F84).
10. Red Dog Mine
The Red Dog Mine in the Western Brooks Range begins operation in 1991 with production employment of 393 rising to 428 (RED.F84-1).
11. Other Mining Activity
Mining employment not included in special projects increases from current level at 1 percent annually (OMN.S86).
12. Agriculture
Reduction in state support results in constant employment in agriculture (AGR.S86).
13. Logging and Sawmills
Logging for export by Native corporations expands employment to 3,100 by 1992 before declining at 1% annually due to productivity gains (FLL.S87).
14. Pulp Mills
Productivity gains result in employment declines at a rate of 1 percent per year after 1991 from the present level of 600 (FPU.S86).
15. Commercial Fish
Harvesting--Nonbottomfish
Employment levels in traditional fisheries harvest remain constant at 7,500 through 2010 (TCF.S86).
16. Commercial Fish
Processing--Nonbottomfish
Employment in processing traditional fisheries harvest remains at 7,000 (TFP.S87).
17. Commercial Fishing--
Bottomfish
The total U.S. bottomfish catch expands at a constant rate to allowable catch in 2000, with Alaska resident harvesting employment rising to 1.033 thousand. Onshore processing capacity expands in the Aleutians and Kodiak census divisions to provide total resident employment of 1.471 thousand by 2000 (BCF.S86).
18. Federal Military
Employment
Employment declines at 1 percent per year, consistent with the long-term trend since 1960 (CFM.S86).

19. Light Army Division
Deployment

A portion of a new Army division is deployed to Fairbanks and Anchorage beginning in 1986, augmenting active-duty personnel by 3,800 by 1989 (GFH.S87)

20. Federal Civilian
Employment

After remaining constant from 1987 through 1990, employment rises at 0.5 percent annual rate consistent with the long-term trend since 1960 (GFC.S87).

21. Tourism

Number of visitors to Alaska increases by 30,000 per year to over 1.3 million by 2010 (TRS.J85).

22. State Hydroelectric
Projects

Construction employment from Alaska Power Authority projects includes several projects in Southcentral and Southeast Alaska, including Bradley Lake (SHP.F85) and (SHP.B86).

D. NATIONAL VARIABLE ASSUMPTIONS

1. U.S. Inflation Rate

Consumer prices rise at an annual rate of 3% in 1987, 4.6% from 1988 to 1992, and gradually increase to 5.4% in 1997. This assumption is consistent with petroleum price and revenue.

2. Real Average Weekly
Earnings

Growth in real average weekly earnings averages 1 percent annually.

3. Real Per Capita Income

Growth in real per capita income averages 1.5 percent annually.

4. Unemployment Rate

Long-run rate of 6.5 percent.

E. REGIONAL ASSUMPTIONS

1. Population

Regional population growth allocated on the basis of employment growth.

2. Employment

No significant shifts in the location of support industries.

Alaska State Legislature

Senate Advisory Council



P.O. Box V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

MEMORANDUM

TO: Senator A. Sturgulewski/Senator L. Jones
Co-Chairmen, Committee on Economic Recovery

FROM: Lee Ann Lucas *WQ*
Administrative Officer

DATE: February 4, 1988

SUBJECT: Economic Development

Attached for your information, is a list of pending legislation in all fifty states related to economic development. Each entry indicates state, house and bill number, title and sponsor. The "PYB" stands for previous year bill.

If you would like more detailed information on any specific bill, please contact Lee Ann Lucas or Julie Sparks at 465-3114.

LAL:jts
Attachment

SCO=GLOBAL

FOR=B

SUB=3090

PRI=OVE

REPORT FORMATS .. B

.....

REPORT FORMAT - B

AK-CCH 68	ECON DEVELOPMENT	By: GOVERNORJ
AK-HBN 15	ENTERPRISE ZONES	By: MARTIN
AK-HBN 60	INDUST DEVELOP	By: MARTIN ET AL
AK-HBN 185	LOAN PROGRAMS	By: RULES COMM
AK-HBN 263	STATE AGENCIES	By: RULES COMM.
AK-HBN 267	COMMERCE/ECON. DEPT.	By: BROWN ET. AL.
AK-HBN 278	RESIDENT EMPLOYMENT	By: CATO
AK-HBN 350	BUSINESS LICENSING	By: RULES COMM
AK-HCR 21	AK PRODUCTS/SERVICES	By: POURCHOT ET AL
AK-HCR 32	ECONOMIC RECOVERY	By: RULES COMM
AK-SBN 64	EXPORT ENTERPRISE	By: KELLY ET AL
AK-SBN 94	MINERAL POLICY	By: COGHILL ET AL
AK-SBN 166	SMALL BUSINESS/MUNIC	By: FAHRENKAMP
AK-SBN 249	EMPL. PREFERENCE	By: COGHILL
AK-SBN 257	BUSINESS LICENSES AC	By: RULES COMM.
AK-SBN 300	BUILDING CODES	By: FAIKS
AK-SBN 329	BUSINESS LICENSES	By: RULES COMM
AK-SBN 345	RESOURCE DEVELOPMENT	By: SZYMANSKI
AK-SJR 23	RURAL DEVELOPMENT	By: STURAULEWSKI ET AL
AK-SRN 3	SENATE TRADE COM	By: VEHLING
AK-SRN 9	ECON OPPORTUNITY	By: RULES COMM
AK-SRN 28	RESOURCE DEVELOPMENT	By: RULES COMMITTEE
PYBAL-HBN 66	VENTURE CAPITAL	By: BUSKEY
PYBAL-HBN 542	DEVELOPMENT BONDS	By: ADAMS
PYBAL-HBN 719	ECONOMIC DEVELOPMENT	By: HOOPER ET AL
PYBAL-HBN 742	ECONOMIC DEVELOPMENT	By: MELTON
PYBAL-HBN 1007	DOWNTOWN REDEVELOP	By: TURNHAM
PYBAL-HJR 522	UNEMP. COMP.	By: JOHNSON
PYBAL-SBN 273	REDEVELOPMENT AREAS	By: HILLIARD
PYBAL-SBN 274	TAX INCREMENT DISTRI	By: HILLIARD
PYBAL-SBN 382	INDUSTRIAL DEVELOPME	By: MANLEY
PYBAL-SBN 533	TAX-EXEMPT BONDS	By: HAND
PYBAL-SBN 579	BONDS	By: MANLEY
PYBAL-SJR 119	CHILD DAY CARE	By: SANDERS ET AL
PYBAR-HBN 1327	SCIENCE AUTHORITY	By: LIPTON ET AL
PYBAR-HBN 1365	INTERIM COMMITTEES	By: FLANAGIN
PYBAR-HBN 1366	INTERIM COMMITTEES	By: FLANAGIN
PYBAR-HBN 1367	INTERIM COMMITTEES	By: FLANAGIN
PYBAR-HBN 1368	ADMINISTRATIVE RULES	By: FLANAGIN
PYBAR-HBN 1413	INDUST DEVELOPMENT	By: GLOVER ET AL
PYBAR-HBN 1844	INDUSTRIAL DEVELOPME	By: JT. BUDGET COMM.
PYBAR-HBN 2023	ECONOMIC DEVELOPMENT	By: SCHEXNAYDER/NORTHCUT
PYBAR-HBN 2037	REVENUE BONDS	By: J. MILLER

PYBAR-HBN 2059	INDUSTRIAL ENTERPRIS	By: RAMSEY
PYBAR-HCR 1024	HIGHWAY DEPT	By: SCHEXNAYDER
PYBAR-HCR 1038	AGRICULTURE STUDY	By: FLANAGIN
PYBAR-HCR 1078	BUILDING LOAN FUND	By: ARNOLD
PYBAR-HCR 1092	SMALL BUSINESS STUDY	By: HOGUE
PYBAR-HCR 1099	SMALL BUSINESS STUDY	By: HOGUS
PYBAR-SBN 544	INDUSTRIAL DEVELOP	By: GIBSON
PYBAR-SBN 578	INDUSTRIAL DEVELOPME	By: BUDGET COMM
PYBAR-SBN 627	MINORITY BUSINESS	By: JEWELL
PYBAR-SBN 647	DEVELOPMENT BONDS	By: GIBSON/BRADFORD
PYBAR-SBN 657	ECONOMIC DEVELOPMENT	By: MALONE
PYBAR-SBN 662	SMALL BUSINESS	By: LUELF
PYBAR-SRN 12		By: WOOD
PYBAZ-HBN 2107	ENTERPRISES ZONES	By: GIORDANO
PYBAZ-HBN 2383	BANKING FEES	By: WHITE ET AL
PYBAZ-HBN 2409	PUBLIC BONDING	By: HAWKE
PYBAZ-SBN 1088	ENTERPRISE BOARD	By: MAWHINNEY
PYBAZ-SBN 1254	ENTERPRISE ZONES	By: HIGUERS
PYBAZ-SBN 1275	RURAL DEVELOPMENT	By: LUNN/MACDONALD
PYBAZ-SBN 1276	STATE PROMOTION	By: LUNN/MACDONALD
PYBAZ-SBN 1277	PUBLIC REDEVELOPMENT	By: LUNN/MACDONALD
CA-ABN 7	FILM INDUSTRY	By: FARR ET AL
CA-ABN 25	EMPLOYMENT STUDIES	By: FARR
CA-ABN 26	RURAL DEVELOPMENT	By: FARR
CA-ABN 143	STATE CONTRACTS	By: MOLINA
CA-ABN 248	SAN DIEGO DAY	By: STIRLING
CA-ABN 390	STOCK DEDUCTION	By: KOTZ
CA-ABN 650	PUBLIC FINANCE	By: COSTA ET AL
CA-ABN 760	SMALL BUSINESS	By: BATES
CA-ABN 861	INDUSTRIAL MARKETING	By: QUACKENBUSH
CA-ABN 864	SMALL BUSINESS	By: QUACKENBUSH
CA-ABN 916	REDEVELOPMENT	By: GRISHAM
CA-ABN 944	COMMERCE DEPT STUDY	By: SEASTRAND ET AL
CA-ABN 962	ECONOMIC DEVELOPMENT	By: CHACON
CA-ABN 1030	CHILD CARE OFFICE	By: BATES
CA-ABN 1122	DEVELOPMENT FUND	By: ZELTNER
CA-ABN 1350	SURPLUS LAND	By: CORTESE
CA-ABN 1354	PUB EMP RETIREMENT	By: WRIGHT
CA-ABN 1456	INDUSTRIAL BONDS	By: FARR
CA-ABN 1470	ECON DEVELOPMENT	By: FLOYD
CA-ABN 1486	DEVELOPMENT PROJECTS	By: SHER
CA-ABN 1752	STATE CONTRACTS	By:
CA-ABN 1769	ENTERPRISE ZONES	By: NOLAN
CA-ABN 1810	ECONOMIC DEVELOPMENT	By: AGNOS
CA-ABN 1859	GOVERNMENT/TERRITORY	By: WATERS
CA-ABN 1915	SUBDIVISIONS, ECONOM	By: HARRIS
CA-ABN 1939	INDUSTRIAL DEVT.	By: QUACKENBUSH
CA-ABN 2070	RESTRUCTURING OF THE	By: HAUSER
CA-ABN 2145	RURAL ECONOMIC DEVEL	By: JONES
CA-ABN 2178	HOUSING BONDS	By: POLANCO
CA-ABN 2270	COORDINATION OF INFO	By: FERGUSON
CA-ABN 2343	WORLD TRADE COMMISSI	By: KILLEA
CA-ABN 2349	EXPORT FINANCE	By: A
CA-ABN 2350	EXPORT FINANCING	By: KILLEA

CA-ABN 2352	ENTERPRISE ZONES	By: KILLEA
CA-ABN 2353	SMALL BUSINESSES	By: KILLEA
CA-ABN 2552	STATE CONTRACTS	By: HARRIS
CA-ABN 2565	DIRECT LOANS TO FARM	By: FARR
CA-ABN 2603	DISPUTE SETTLEMENT A	By: HAUSER
CA-ABN 2735	TAX CONFORMITY	By: WATERS
CA-ABN 2737	YOUTH CENTERS	By: WATERS
CA-ABN 2764	ENTERPRISE ZONES	By: NOLAN
CA-ABN 2771	SMALL BUSINESS	By: CHACON
CA-ACR 25	TOURIST REST INFO	By: STATHAM
CA-AJR 42	DEPT OF ENERGY FUNDS	By: ZELTNER ET AL
CA-SBN 80	SMALL BUSINESS DEVL	By: GARAMENDI
CA-SBN 368	ENTERPRISE ZONES	By: DILLS
CA-SBN 700	SMALL BUSINESS	By: ROBBINS
CA-SBN 899	LAND USE	By: CAMPBELL
CA-SBN 1138	SM. BUSINESS DEVELOP	By: ROYCE
CA-SBN 1139	JUVENILE COURT LAW	By: ROYCE
CA-SBN 1255	REDEFINES DUTIES OF	By: ROBERTI
CA-SBN 1650	SMALL BUSINESS DEVEL	By: MARKS
CA-SBN 1797	SMALL BUS. INCUBATOR	By: TORRES
CA-SCR 41	HAZARDOUS WASTE	By: ROBERTI
CA-SCR 48	PENSION INVESTMENTS	By: KEENE ET AL
*01CA-ABN 7	DISASTER RELIEF	By: HILL
CO-HBN 1005	ECONOMIC DEVELOPMENT	By: BERRY
CO-HBN 1028	SMALL BUSINESS	By: HERNANDEZ
CO-HBN 1182	IMPROVEMENT DISTRICT	By: AMENT
CO-SBN 29	STRATEGIC SEED FUND	By: RIZZUTO
PYBCO-HBN 1033	SMALL BUSINESS DEVEL	By: HERNANDEZ
PYBCO-HBN 1092	CONVENTION CENTER	By: ALLISON
PYBCO-HBN 1245	ECONOMIC DEVELOPMENT	By: BERRY
PYBCO-HBN 1264	ECONOMIC ASSISTANCE	By: WEBB
PYBCO-HBN 1274	ENTERPRISE ZONES	By: AMENT
PYBCO-HBN 1309	TELECOMMUNICATIONS	By: GREEN
PYBCO-HBN 1366	ECONOMIC DEVEL COMM	By: ARMSTRONG
PYBCO-HJR 1032	HOUSE STUDIES	By: PAULSON
PYBCO-SBN 5	CAPITAL DEVELOPMENT	By: LEE
PYBCO-SBN 119	ECONOMIC DEVELOPMENT	By: TRAYLOR
PYBCO-SBN 129	ECONOMIC DEVELOPMENT	By: MCCAULEY
PYBCO-SBN 146	HOUSING AUTHORITY	By: BIRD
PYBCO-SBN 147	FINANCE AUTHORITY	By: BIRD
PYBCO-SBN 148	ENTERPRISE ZONES	By: PASTORE
PYBCO-SBN 162	ECONOMIC DEVELOPMENT	By: LEE ET AL
PYBCO-SBN 219	VESTED PROPERTY	By: FENLON
PYBCT-HBN 6334	JOB PROTECTION	By: TABORSAK
PYBCT-HBN 6641	SMALL BUSINESS	By: MEYER
PYBCT-HBN 6724	HOUSING INVESTMENTS	By: HOUSING
PYBCT-HBN 6757	INDUSTRIAL CENTER	By: BEAMON
PYBCT-HBN 6761	ENTERPRISE ZONES	By: LUBY
PYBCT-HBN 6767	ECONOMIC DEVEL	By: LANGLOIS
PYBCT-HBN 6884	DEVELOPMENT PROJECTS	By: BELDEN
PYBCT-HBN 6952	MUNI DEVELOPMENT	By: COLEMAN
PYBCT-HBN 7035	ENTERPRISE ZONE	By: TABORSAK
PYBCT-HBN 7288	ECONOMIC DEVELOPMENT	By: APPROPRIATIONS
PYBCT-HBN 7383	CEMETERY DEVELOPMENT	By: PLANNING

PYBCT-HBN 7440	MINORITY CONTRACTS	By: PLANNING
PYBCT-HBN 7619	ECONOMIC DEVELOPMENT	By: PLANNING
PYBCT-HBN 7644	BUSINESS LOANS	By: PLANNING
PYBCT-SBN 474	ECON DEVELOPMENT	By: BARROWS
PYBCT-SBN 477	NEW JOBS	By: BARROWS
PYBCT-SBN 479	JOBS PILOT PROGRAM	By: DIBELLA
PYBCT-SBN 707	BUSINESS ASSISTANCE	By: MALONEY
PYBCT-SBN 808	TUITION WAIVER	By: EDUCATION
PYBCT-SBN 886	RESEARCH ASSISTANCE	By: STOLBERG ET AL
DE-HBN 114	REINVESTMENT	By: SILLS ET AL
DE-HBN 206	ENTERPRISE ZONES	By: PLANT, ET AL
DE-HBN 224	DEVELOPMENT NOTICE	By: CLARK ET AL
DE-SBN 162	COMMUNITY REINVEST	By: MCDOWELL, ET AL
DE-SBN 294	BOND ISSUES	By: COOK ET AL
FL-HBN 46	STATE REVENUE LIMIT	By: SAMPLE
FL-HBN 126	SMALL CITIES GRANT	By: LOGAN
PYBFL-HBN 124	CONTRACTS	By: BURNSED
PYBFL-HBN 308	SMALL CITIES GRANT	By: LOGAN
PYBFL-HBN 399	DOWNTOWN AREAS	By: WALLACE
PYBFL-HBN 437	HORSE RACING	By: SILVER
PYBFL-HBN 732	BREVARD COUNTY	By: GARDNER
PYBFL-HBN 748	REGIONAL DEVELOPMENT	By: DUNBAR
PYBFL-HBN 807	HIALEAH RACE COURSE	By: MEFFERT
PYBFL-HBN 867	MINORITY ENTERPRISES	By: REAVES
PYBFL-HBN 890	DOWNTOWN DEVELOP	By: TOBIN
PYBFL-HBN 892	INDUSTRIAL DEVELOPME	By: CANADY
PYBFL-HBN 957	DOWNTOWN DEVELOP	By: PRESS
PYBFL-HBN 995	ECONOMIC DEVELOP	By: SANSOM
PYBFL-HBN 1043	ECONOMIC DEVELOP	By: HARGETT
PYBFL-HBN 1193	ENTERPRISE ZONES	By: BLOOM
PYBFL-HBN 1215	GROWTH INCREMENT DIS	By: KING
PYBFL-HBN 1290	REVISERS BILL	By: RULES
PYBFL-HBN 1291	REVISERS BILL	By: RULES
PYBFL-HBN 1293	REVISERS BILL	By: RULES
PYBFL-HBN 1299	FAR EAST COUNCIL	By: INTERNATIONAL TRADE
PYBFL-HBN 1308	AGRICULTURAL DEVELOP	By: AGRICULTURE
PYBFL-HBN 1451	REORGANIZE GOVT.	By: APPROPRIATIONS
PYBFL-HBN 1467	CRIME PREVENTION	By: CRIMINAL JUSTICE
PYBFL-HBN 1480	GOVT REORGANIZATION	By: GOVT OPERATIONS
PYBFL-SBN 388	DEVELOP DOWNTOWN	By: FRANK
PYBFL-SBN 479	REVISER'S BILL	By: BARRON
PYBFL-SBN 709	ECONOMIC DEVELOPMENT	By: DERATANY
PYBFL-SBN 733	ENERGY GOALS	By: KISER
PYBFL-SBN 759	REGIONAL DEVELOPMENT	By: KISER
PYBFL-SBN 958	HIALEAH RACE COURSE	By: THURMAN
PYBFL-SBN 1049	CORPORATE TAX	By: DERATANY
PYBFL-SBN 1058	INDUSTRIAL DEVELOPME	By: HAIR
PYBFL-SBN 1140	MINORITY ENTERPRISES	By: MEEK
PYBFL-SBN 1168	AGRICULTUREL DEVELOP	By: HOLLINGSWORTH
PYBFL-SBN 1229	FAR EAST COUNCIL	By: PETERSON
PYBFL-SBN 1326	REORGANIZE GOVT.	By: APPROPRIATIONS
PYBFL-SBN 1352	ECONOMIC DEVELOP	By: DERATANY
GA-HBN 23	CODE REVISION	By: THOMAS ET AL
GA-HBN 211	CITY REDEVELOPMENT	By: WALKER

GA-HBN 281	METROPOLITAN AREA	By: ADAMS/ISAKSON
GA-HBN 295	MUNICIPAL LEVY	By: STANCIL
GA-HBN 330	LAND USE PLANNING	By: LAWLER ET AL
GA-HBN 362	INDUSTRIAL BUILDING	By: CLARK/JAMIESON
GA-HBN 400	CITY TAX LEVY	By: BRANCH
GA-HBN 561	REDEVELOPMENT	By: COUCH ET AL
GA-HBN 619	BOND ISSUES	By: SMYRE ET AL
GA-HBN 720	BUSINESS LOANS	By: PINKSTON
GA-HBN 762	MUNICIPAL LEVY	By: RAMSELY ET AL
GA-HBN 953	DEVT AUTHORITY	By: GROOVER ET AL
GA-HBN 1026	COMMUNITY DEVT	By: SHEPARD ET AL
GA-HBN 1035	TRADE SHOWS FACILITY	By: MCDONALD ET AL
GA-HBN 1036	COMMUNITY DEVT	By: MCDONALD ET AL
GA-HBN 1303	CHARITABLE CORP	By: ROBINSON
GA-HBN 1309	MINORITY BUSINESS	By: WALKER ET AL
GA-HBN 1310	MINORITY BUSINESS	By: WALKER ET AL
GA-HBN 1403	VOCATIONAL ED	By: SMYRE ET AL
GA-HBN 1442	CITY BUSINESS	By: RAINEY ET AL
GA-HBN 1502	DOWNTOWN DEVT.	By: MCKINNEY
GA-HRN 77	ECONOMIC DEVELOPMENT	By: HOLMES ET AL
GA-HRN 329	ECONOMIC DEVELOPMENT	By: JOHNSON ET AL
GA-HRN 580	VOCATIONAL ED.	By: WILSON ET AL
GA-SBN 85	URBAN DEVELOPMENT	By: LANGFORD COVERDELL
GA-SBN 95	LAGRANGE CO DEV	By: BALDWIN
GA-SBN 181	INDUSTRIAL DEVELOP	By: BOWEN
GA-SBN 191	DEVELOPMENT COMMISSN	By: FOSTER ET AL
GA-SBN 263	GOVT CONTRACTS	By: LANGFORD ET AL
GA-SBN 267	ECONOMIC DEVELOPMENT	By: BROUN ET AL
GA-SBN 268	ECONOMIC DEVELOPMENT	By: BROUN ET AL
GA-SBN 331	COUNTY DEVELOPMENT	By: TOLLESON ET AL
GA-SBN 475	COMMUNITY AFFAIRS	By: DEAN ETAL
GA-SRN 164	ECONOMIC DEVELOPMENT	By: KIDD
GA-SRN 174	ECONOMIC DEVELOPMENT	By: KIDD
HI-HBN 33	ECONOMIC COUNCIL	By: LEVIN ET AL
HI-HBN 36	INDUSTRIAL CORP	By: LEVIN ET AL
HI-HBN 38	SMALL BUSINESS	By: IGE ET AL
HI-HBN 39	AREA DEVELOPMENT	By: IGE ET AL
HI-HBN 184	ECONOMIC DEVELOPMENT	By: BUNDA
HI-HBN 309	REVENUE BONDS	By: KAWAKAMI
HI-HBN 310	REVENUE BONDS	By: KAWAKAMI
HI-HBN 311	DISTRICT IMPROVEMENT	By: KAWAKAMI
HI-HBN 461	INDUSTRIAL BONDS	By: KANOHO ET AL
HI-HBN 462	INDUSTRIAL BONDS	By: KANOHO ET AL
HI-HBN 552	INTL BUSINESS MART	By: LEVIN
HI-HBN 676	COMMUNITY DEVT	By: SHITO
HI-HBN 727	COMMUNITY DEVT	By: SHITO
HI-HBN 758	NEIGHBORHOODS	By: SHON ET AL
HI-HBN 769	EXPORTS	By: SAY ET AL
HI-HBN 781	ECONOMIC DEVELOPMENT	By: LEVIN
HI-HBN 782	ECONOMIC DEVELOPMENT	By: LEVIN
HI-HBN 783	ECONOMIC DEVELOPMENT	By: LEVIN
HI-HBN 784	ECONOMIC DEVELOPMENT	By: LEVIN
HI-HBN 795	SPACE INDUSTRIES	By: HEMMINGS ET AL
HI-HBN 820	VISTOR INDUSTRY	By: YOSHIMURA ET AL

HI-HBN 875	DEPT OF AGRICULTURE	By: KAWAKAMI
HI-HBN 950	PLANNING	By: ANDREWS
HI-HBN 1016	DEVELOPMENT OFFICES	By: OKAMURA
HI-HBN 1029	PERMIT PROCESSING	By: ANDREWS
HI-HBN 1033	VISITORS BUREAU	By: SOUKI
HI-HBN 1077	DEPT OF PLANNING	By: TAM ET AL
HI-HBN 1167	DEVEL AUTHORITY	By: CROZIER
HI-HBN 1243	ALOHA TOWER	By: SAY ET AL
HI-HBN 1326	ECONOMIC DEVELOPMENT	By: KOWAKAMI
HI-HBN 1354	REVENUE BONDS	By: TAJIRI ET AL
HI-HBN 1386	OCEAN RESOURCES	By: BUNDA
HI-HBN 1501	SPACE TECHNOLOGY	By: KAWAKAMI
HI-HBN 1503	PLANNING DEPT	By: KAWAKAMI
HI-HBN 1626	INTL BUSINESS CENTR	By: LEVIN
HI-HBN 1637	PURCHASE OF SERVICE	By: CACHOLA ET AL
HI-HBN 1766	VENTURE CAPITAL	By: FUKUNAGA
HI-HBN 1898	REVENUE BONDS	By: APO
HI-HBN 1899	COMMUNITY DEVELOP	By: METCALF ET AL
HI-HBN 1903	REVENUE BONDS	By: METCALF ET AL
HI-HBN 2001	ECONOMIC DEVELOPMENT	By: ASHIRO ET AL
HI-HBN 2003	ECONOMIC DEVELOPMENT	By: METCALF ET AL
HI-HBN 2019	ECONOMIC DEVELOPMENT	By: LEVIN ET AL
HI-HBN 2021	BUSINESS FINANCING	By: LEVIN ET AL
HI-HBN 2022	BUSINESS PERMITS	By: LEVIN ET AL
HI-HBN 2023	SMALL BUSINESSES	By: LEVIN ET AL
HI-HBN 2024	WATERFRONT PLANNING	By: LEVIN ET AL
HI-HBN 2027	ECONOMIC DEVELOPMENT	By: LEVIN ET AL
HI-HBN 2028	ECONOMIC DEVELOPMENT	By: LEVIN ET AL
HI-HBN 2031	INTERNAT'L SERVICES	By: LEVIN ET AL
HI-HBN 2032	TELECOMMUNICATIONS	By: LEVIN ET AL
HI-HBN 2038	EMERGENCY FUND	By: SOUKI ET AL
HI-HBN 2039	ECONOMIC DEVELOPMENT	By: BUNDA ET AL
HI-HBN 2061	ECONOMIC DEVELOPMENT	By: CACHOLA
HI-SBN 130	FOREIGN INVESTMENT	By: CHANG
HI-SBN 134	BUSINESS PROCUREMENT	By: CHANG
HI-SBN 145	TRADE CENTER	By: CHANG
HI-SBN 388	INTL TRADE	By: IKEDA ET AL
HI-SBN 511	REVENUE BONDS	By: MATSUURA ET AL
HI-SBN 717	INTERNATIONAL TRADE	By: HENDERSON ET AL
HI-SBN 934	PERMIT PROCESS	By: HAGINO
HI-SBN 1075	COMMUNITY DEV	By: AKI ET AL
HI-SBN 1110	INCUBATOR FACILITY	By: MATSUURA ET AL
HI-SBN 1154	HAWAIIAN ECONOMY	By: WONG
HI-SBN 1178	CONVENTION CENTER	By: MCMURDO ET AL
HI-SBN 1185	ECONOMIC DEVELOPMENT	By: KURODE
HI-SBN 1190	TOURIST BUREAUS	By: HOLT ET AL
HI-SBN 1294	ECONOMIC DEVELOPMENT	By: CHANG ET AL
HI-SBN 1295	EXCHANGE PROGRAM	By: CHANG
HI-SBN 1326	LAND USE	By: FERNANDES-SALLING
HI-SBN 1334	ECONOMIC PROSPERITY	By: CHANG ET AL
HI-SBN 1394	CONVENTION CENTER	By: NAKASATO ET AL
HI-SBN 1517	BUSINESS DEVELOP	By: WONG
HI-SBN 1711	AGRICULTURAL PARKS	By: WONG
HI-SBN 1747	PLANNING	By: WONG

HI-SBN 1755	TRAINING PROGRAM	By: WONG
HI-SBN 2024	OCEAN RESOURCES	By: MATSURRA ET AL
PYBHI-HRN 43	FILM PRODUCTION	By: LEVIN ET AL
PYBHI-HRN 109	ECON DEVELOPMENT	By: LEVIN ET AL
PYBHI-HRN 143	SPACE DEVELOPMENT	By: LEVIN ET AL
PYBHI-HRN 178	MINORITY BUSINESS	By: TOM
PYBHI-HRN 260	SMALL BUSINESS	By: YOSHIMURA ET AL
PYBHI-HRN 269	MOLOKAI STUDY	By: PFEIL
PYBHI-HRN 329	ECON DEVELOPMENT	By: LEVIN ET AL
PYBHI-HRN 382	BUSINESS MART	By: LEVIN
PYBHI-SRN 47	MOLOKAI LOCAL GOVT.	By: REED ET AL
PYBHI-SRN 131	JOB TRAINING	By: SOLOMO ET AL
IA-HBN 223	PAY/PREVAILING RATE	By: OSTERBERG
IA-HBN 298	COMMO ECO BETTERMENT	By: PLATT
IA-HBN 320	ECONOMIC DEVELOPMENT	By: SHONING
IA-HBN 365	MUN UTILITY REVENUE	By: DIEMER
IA-HBN 383	URBAN RENEWAL	By: BISIGNANO/HATCH
IA-HBN 497	ECO DEVELOP/TAX LEVY	By: ECONOMIC DEVELOPMENT
IA-HBN 540	WELCOME CENTERS	By: ECONOMIC DEVELOPMENT
IA-HBN 555	VENTURE CAPITAL COMP	By: DAGGETT ET AL
IA-HBN 592	SM. BUSINESS DEVELOP	By: SMALL BUSINESS
IA-HBN 636	INTERNATIONAL TRADE	By: ECONOMIC DEVELOP
IA-HBN 644	ECONOMIC DEVELOPMENT	By: ECONOMIC DEVELOP.
IA-HCR 22	ECONOMIC DEVELOPMENT	By: ECONOMIC DEVELOPMENT
IA-HCR 32	CREDIT MECHANISMS	By: SWARTZ
IA-HCR 33	WELFARE SYSTEMS	By: HUMAN RESOURCES
IA-HCR 38	STATE PROGRAMS	By: RUNNING ET AL
IA-SBN 44	ECO DEVELOP BOARD	By: WELLS
IA-SBN 47	ENTERPRISE ZONES	By: HOLDEN ET AL
IA-SBN 139	ECO DEVELOPMENT PROJ	By: HUTCHINS
IA-SBN 171	PAY/PREVAILING RATE	By: PETERSON
IA-SBN 180	ECO CRISIS RELIEF	By: SMALL BUSINESS
IA-SBN 207	ST EMP LOAN PROGRAM	By: MURPHY
IA-SBN 233	ENTERPRISE ZONES	By: VANDE HOEF ET AL
IA-SBN 301	PILOT PROGRAM	By: HANNON ET AL
IA-SBN 361	BANKING	By: GRONSTAL ET AL
IA-SBN 369	VENTURE CAPITAL CO	By: BODWELL
IA-SBN 374	STATUTORY CORRECTION	By: JUDICIARY
IA-SBN 395	ECO DEVELOPMENT	By: SMALL BUSINESS
IA-SBN 402	ECO BETTERMENT FUND	By: LOCAL GOVT
IA-SBN 431	INSURANCE/BENEFITS F	By: MURPHY
IA-SBN 432	GUARANTY FUND	By: PALMER
IA-SBN 453	URBAN RENEWAL AND UR	By: LOCAL GOVT.
IA-SBN 463	ECONOMIC ASSISTANCE	By: AGRICULTURE
IA-SBN 487	INVESTMENT POOLS	By: SMALL BUSINESS
IA-SBN 491	JOB TRAINING PROG	By: SMALL BUSINESS
IA-SBN 493	SMALL BUSINESS ECONO	By: SMALL BUSINESS
IA-SBN 501	ST GOVT/PROCEDURES	By: HUTCHINS
IA-SBN 508	INVESTMENT POOLS	By: WAYS & MEANS
IA-SBN 517	PETROLEUM OVERCHARGE	By: APPROPRIATIONS
IA-SBN 2072	LOTTERY REVENUES	By: MILLER ET AL
IA-SCR 33	WELFARE SYSTEM	By: HUMAN RESOURCES
IA-SCR 36	STATE PROGRAMS	By: CARR, ET AL
PYBID-HBN 46	IMPROVEMENT DIST	By: REVENUE

PYBID-SBN 1116	SMALL BUSINESS	By: COMMERCE
PYBID-SBN 1128	IDAHO BIDCO ACT	By: COMMERCE
PYBID-SBN 1191	URBAN RENEWAL AGENCY	By: STATE AFFAIRS
PYBID-SCR 118	EXPORT MARKETS	By: JUDICIARY
IL-HBN 301	DEVELOPMENT AUTHORIT	By: MCPIKE ET AL
IL-HBN 308	SEWER BONDS	By: MCPIKE
IL-HBN 839	WEST SIDE DEVEL COMM	By: HUFF
IL-HBN 888	CREATES URBAN DEVELO	By: YOUNGE
IL-HBN 928	DEMOLISHED FACTORY G	By: STANGE
IL-HBN 1194	MINORITY BUSINESS	By: BRAUN ET AL
IL-HBN 1494	ENTERPRISE ZONES	By: BLACK
IL-HBN 1681	INDUSTRY ASSISTANCE	By: MAUTINO
IL-HBN 1791	SCIENCE FOUNDATION	By: CURRIE
IL-HBN 1859	DEVELOPMENT FINANCE	By: MCPIKE
IL-HBN 1965	ZONE GRANTS	By: HULTGREN
IL-HBN 1966	ENTERPRISE ZONES	By: HULTGREN
IL-HBN 1967	REDEVELOPMENT	By: HULTGREN
IL-HBN 1971	SELF-RELIANCE CENTER	By: YOUNG
IL-HBN 1973	CAPITAL RESOURCES	By: YOUNG
IL-HBN 2102	ENTERPRIZE ZONE	By: GRANBERG
IL-HBN 2205	PUBLIC CONTRACTS	By: A. YOUNG
IL-HBN 2406	QUAD CITIES AUTHORIT	By: DEJAEGHER ET AL
IL-HBN 2407	ZONE PROMOTION	By: WAIT
IL-HBN 2459	ZONE LOANS	By: REA
IL-HBN 2464	URBAN DEVEL DEPT	By: YOUNGE
IL-HBN 2474	URBAN REDEVELOPMENT	By: KUBIK
IL-HBN 2489	TECHNO. FINANCE CORP	By: MORROW
IL-HBN 2555	INDUSTRIAL LOANS	By: DEJAEGHER ET AL
IL-HBN 2626	REGIONAL DEVELOPMENT	By: CHURCHILL ET AL
IL-HBN 2866	DEFINES ZONES	By: BLACK
IL-HRN 629	ECON DEVEL TASK FORC	By: EWING
IL-SBN 1	TRADE NEGOTIATIONS	By: SEVERENS
IL-SBN 57	LOTTERY DISTRIBUTION	By: BROOKING ET AL
IL-SBN 59	LOTTERY REVENUE	By: BROOKINS ET AL
IL-SBN 144	EXPORT DEVELOPMENT	By: DEMUZIO
IL-SBN 200	FOREIGN BUSINESS	By: HOLMBERG
IL-SBN 486	ZONE DECERTIF.	By: KARPIEL ET AL
IL-SBN 493	SMALL BUSINESS	By: HALL ET AL
IL-SBN 503	ENTERPRISE ZONE	By: WOODYARD
IL-SBN 559	ELECTRICITY CONTRACT	By: JOYCE
IL-SBN 848	QUAD CITIES DEVLPMT	By: JACOBS
IL-SBN 884	RURAL BUSINESSES	By: DEMUZIO
IL-SBN 885	ECONOMIC DEVELOPMENT	By: DEMUZIO
IL-SBN 981	ENTERPRISE ZONE AREA	By: WOODYARD
IL-SBN 1055	REGIONAL DEVELOPMENT	By: POSHARD
IL-SBN 1085	1987 REVISORY ACT	By: WELCH ET AL
IL-SBN 1086	ENTERPRISE ZONE	By: WOODYARD
IL-SBN 1112	PUB. CORP.-BONDS	By: LUFT
IL-SBN 1239	MANUF. ASSIST.	By: DEANGELIS
IL-SBN 1258	COUNCIL APPOINTMENTS	By: ROCK
IL-SBN 1300	ECON DEVELOPMENT	By: ROCK ET AL
IL-SBN 1357	EVIDENCE	By: DUNN
IL-SBN 1534	TIF DEFINITION	By: ROCK
IL-SBN 1561	BUSINESS INNOVATION	By: HOLMBERG ET AL

IL-SRN 151	ECONOMIC DEVELOPMENT	By: ROCK
IN-HBN 1097	ECON IMPROVEMENT	By: MISHLER
IN-HBN 1151	ECONOMIC DEVELOPMENT	By: POOL
IN-HBN 1195	SMALL BUSINESS	By: GOODALL ET AL
IN-HBN 1279	ECONOMIC REVITALIZAT	By: BUELL
IN-HBN 1288	AID TO BUSINESS	By: BAUER
IN-HBN 1315	MINORITY BUSINESS	By: HARRIS
IN-HBN 1364	MUNICIPAL BONDS	By: LEEUW
IN-HBN 1370	ECONOMIC IMPROVE	By: AYRES
IN-HBN 1432	MARITIME DISTRICTS	By: BUDAK
IN-SBN 61	SMALL BUSINESS LOAN	By: O'BANNON
IN-SBN 221	MARION COUNTY	By: SOARDS ET AL
IN-SBN 245	EDUCATION FUNDING	By: MILLS
IN-SBN 246	FOREIGN TRADE SHOWS	By: MILLS
IN-SBN 289	INVESTMENT CAPITAL	By: MILLS
IN-SBN 309	ECONOMIC DEVEL	By: MOSBY
IN-SBN 323	REDEVELOPMENT COMM	By: HUNT
IN-SBN 346	ECONOMIC DEVEL	By: O'BANNON
IN-SBN 355	EXPORT AUTHORITY	By: BORST
IN-SBN 368	PRIVATE ENTERPRISE	By: CORCORAN
PYBIN-HBN 1626	SEED LOAN FUND	By: HARPER
PYBIN-HBN 1646	SMALL BUSINESS	By: GOODALL/BECKER
PYBIN-HBN 1684	TAX FINANCE	By: POOL
PYBIN-HBN 1706	ECONOMIC GROWTH	By: ESPICH ET AL
PYBIN-HBN 1725	ECON DEV FUND	By: BAUER/COCHRAN
PYBIN-HBN 1727	ECONOMIC DEVELOP	By: BAUER
PYBIN-HBN 1742	ECONOMIC DEVELOP	By: SPENCER
PYBIN-HBN 1753	INDUSTRIAL DEVELOP	By: ESPICH
PYBIN-HBN 1759	ECONOMIC DEVELOP	By: POOL
PYBIN-HBN 1776	ECONOMIC DEVELOP	By: PHILLIPS
PYBIN-HBN 1801	EMPLOYEMENT COMM	By: DELLINGER/DAVIS
PYBIN-HBN 1840	BUSINESS INCENTIVES	By: BODIKER
PYBIN-HCR 21	ENTERPRISE ZONES	By: BODIKER
PYBIN-SBN 185	INTERNATIONAL FUTURE	By: BORST
PYBIN-SBN 217	INCUBATOR LOAN FUND	By: O'BANNON
PYBIN-SBN 296	BUSINESS ASSISTANCE	By: MOSBY
PYBIN-SBN 303	SMALL BUSINESS	By: KEARNS
PYBIN-SBN 442	ENTERPRISE ZONE	By: SINKS
PYBIN-SBN 452	REDEVELOPMENT COMM	By: HUNT
PYBIN-SBN 462	AG RESEARCH	By: JESSUP ET AL
PYBIN-SCR 13	CENTRAL HIGHWAY	By: JUSTICE
KS-HBN 2357	BUSINESS DISTRICTS	By: ROY/ACHESON
KS-HCR 5033	ECONOMIC DEVELOPMENT	By: ECONOMIC DEVELOP
KS-SBN 42	EASEMENT RESTRICTION	By: ENERGY & NAT RES COM
KS-SBN 70	VENTURE CAPITAL	By: ECON DEVELOP COMM
KS-SBN 73	FINANCE AUTHORITY	By: ECON DEVELOP COMM
KS-SBN 176	BUSINESS LOAN FUND	By: ANDERSON
KS-SBN 243	VENTURE CAPITAL	By: ECONOMIC DEVELOPMF T
KS-SBN 250	INTERLOCAL AGREEMENT	By: LOCAL GOVT
KS-SBN 470	ECONOMIC DEVELOPMENT	By: ECONOMIC DEVELOP
KY-HBN 19	INVESTMENT TAX CREDI	By: MORRIS ET AL
KY-HBN 99	ECONOMIC ASSISTANCE	By: BROWN ET AL
K.-HBN 164	AREA DEVELOPMENT	By: GREGORY
KY-HBN 244	DEVELOPMENT BONDS	By: LONG

KY-HBN 420	ECONOMIC ASSISTANCE	By: STRONG, ET AL
KY-HCR 48	FOREIGN TRADE ISSUES	By: O'BRIEN ET AL
KY-HJR 28	ECONOMIC PLANS	By: BURCH
KY-HRN 2	DEVELOPMENT OFFICE	By: SMITH
KY-SBN 133	STATE TAX CREDIT	By: QUINLAN
PYBLA-HBN 91	ECON DEVELOPMENT	By: JETSON
PYBLA-HBN 502	MINORITY BUSINESSES	By: CARTER
PYBLA-HBN 657	TOURISM DEVELOPMENT	By: CARTER
PYBLA-HBN 736	WOMEN/BUSINESSES	By: BLANCO
PYBLA-HBN 755	VACATED STATE PROP.	By: LABORDE ET AL
PYBLA-HBN 767	MINORITY BUSINESS	By: SINGLETON
PYBLA-HBN 905	SMALL BUSINESS	By: BRADLEY
PYBLA-HBN 987	EDUCATION DEVELOPMEN	By: LONG
PYBLA-HBN 1089	ECONOMIC DEVELOPMENT	By: ALARIO
PYBLA-HBN 1359	CORRECTNAL FACILITIE	By: DELPIT
PYBLA-HBN 1362	INDUS DEVELOPMENT	By: DOUCET
PYBLA-HBN 1405	TAX INCENTIVES	By: DASTUGUE
PYBLA-HBN 1485	ECONOMIC DEVELOPMENT	By: DEANO
PYBLA-HBN 1519	REGIONAL PLANNING	By: JONES
PYBLA-HBN 1541	AEROSJPACE DEVELOPME	By: ALARIO ET AL
PYBLA-HBN 1599	ECONOMIC DEVELOP	By: LEACH ET AL
PYBLA-HBN 1606	WOMEN BUSINESS	By: FERNANDEZ
PYBLA-HBN 1630	RETIREMENT SYSTEMS	By: LEACH ET AL
PYBLA-HBN 1695	HOTEL & FOOD TAX	By: COPELINE, ET AL
PYBLA-SBN 46	OIL REVENUE FUND	By: CASEY
PYBLA-SBN 151	INDUSTRIAL, EXEMPTIO	By: JOHNSON
PYBLA-SBN 261	MINORITY BUSINESSES	By: JOHNSON
PYBLA-SBN 339	AEROSPACE DEVELOPMEN	By: NUNEZ ET AL
PYBLA-SBN 345	PORT INDUS DISTRICTS	By: LAURICELLA
PYBLA-SBN 433	ENTERPRISE ZONES	By: HUDSON
PYBLA-SBN 439	ECONOMIC INCENTIVES	By: HUDSON
PYBLA-SBN 573	INDUSTRIAL DEVELPMT	By: MCPHERSON
PYBLA-SBN 587	ECON. DEVELOPMENT	By: JOHNSON
PYBLA-SBN 590	MINORITY BUSINESS	By: JOHNSON
PYBLA-SBN 616	MINORITY BUSINESSES	By: JEFFERSON ET AL
PYBLA-SBN 647	ECON. DEVELOPMENT	By: HUDSON ET AL
PYBLA-SBN 760	ECON. DEVELOPMENT	By: LAURICELLA
PYBLA-SCR 139	BUSINESS DEVELOPMENT	By: HUDSON
PYBLA-SCR 160	BUSINESS INCENTIVES	By: JOHNSON
PYBLA-SRN 13	ECONOMIC DEVELOPMENT	By: HUDSON
MA-HBN 324	BUSINESS ASSISTANCE	By: MURRAY
MA-HBN 696	EDUCATION FUND	By: LAWRENCE
MA-HBN 847	MINORITY ENTERPRISES	By: ASSOC CONTRACTORS
MA-HBN 851	STATE PROCUREMENTS	By: SCACCIA
MA-HBN 890	ECONOMIC DEVELOPMENT	By: FINNERAN
MA-HBN 892	WOMEN BUSINESS	By: GRAY
MA-HBN 893	WOMEN ENTERPRISES	By: GRAY
MA-HBN 1061	CONVENTION CENTERS	By: SCACCIA
MA-HBN 1071	SMALL BUSINESS STUDY	By: ALEXANDER ET AL
MA-HBN 1126	REVOLVING LOAN FUND	By: GRAY
MA-HBN 1270	SMALL BUSINESS	By: MORIN
MA-HBN 1464	BUSINESS EXPANSION	By: LORING
MA-HBN 1465	TECHNOLOGICAL FUND	By: ALF-CIO
MA-SBN 49	SMALL BUSINESS EQUIP	By: BRENNAN

MA-SBN 81	APPAREL LOAN BOARD	By: NORTON
MA-SBN 85	FOREIGN SALES CORP	By: PINES ET AL
MA-SBN 87	PROMOTIONAL CAMPAIGN	By: PINES ET AL
MA-SBN 88	ECONOMIC DEVELOPMENT	By: PINES ET AL
MA-SBN 92	ECONOMIC DEVELOPMENT	By: PINES ET AL
MA-SBN 93	ECONOMIC DEVELOPMENT	By: PINES ET AL
MA-SBN 97	EXPORT FINANCE BOARD	By: SHEEHY
MA-SBN 100	SHELL BUILDINGS	By: WEBBER
MA-SBN 102	ECONOMIC DEVELOPMENT	By: WEBBER
MA-SBN 105	ECONOMIC DEVELOPMENT	By: WETMORE
MA-SBN 107	SMALL BUSINESSES	By: WETMORE
MA-SBN 939	AID TO BUSINESSES	By: COSTELLO
MA-SBN 1162	REGIONAL DEVELOPMENT	By: BOLLING, ET AL
MA-SBN 1175	JOB OPPORTUNITIES	By: CELLUCCI, ET AL
MA-SBN 1206	STATE AUTHORITIES	By: MCGOVERN
MA-SBN 1242	EXPANSION ZONES	By: BRENNAN
MA-SBN 1307	LOCAL AID PROGRAMS	By: KRAUS
PYBMA-HBN 276	BUSINESS ASSISTANCE	By: MURRAY
PYBMA-HBN 787	SIGNIFICANT IMPACT	By: HYNES
PYBMA-HBN 841	STATE PROCUREMENTS	By: SCACCIA
PYBMA-HBN 1017	NEW DEVELOPMENTS	By: GRAY
PYBMA-HBN 1114	VETERAN BUSINESS	By: LEMANSKI
PYBMA-HBN 1241	SUB-BIDDERS	By: GENERAL CONTRACT
PYBMA-HBN 1268	FINANCE CORPORATION	By: GRAHAM
PYBMA-HBN 1484	ECONOMIC DEVELOPMENT	By: LEMANSKI
PYBMA-HBN 1633	MINORITY BUSINESS	By: FOX ET AL
PYBMA-HBN 1634	UNEMPLOYMENT PROG	By: FOX ET AL
PYBMA-HBN 1764	TAX INCREMENT	By: BLANCHETTE
PYBMA-HBN 2481	WOMEN BUSINESS	By: GRAY ET AL
PYBMA-HBN 2482	WOMEN BUSINESS	By: GRAY ET AL
PYBMA-HBN 2484	ECONOMIC DEVELOPMENT	By: LEMANSKI
PYBMA-HBN 2538	URBAN REDEVELOPMENT	By: FITZGERALD
PYBMA-HBN 2539	URBAN RENEWAL	By: FITZGERALD
PYBMA-HBN 2541	PUBLIC PROJECTS	By: FITZGERALD
PYBMA-HBN 2667	TAX INCREMENT	By: FLOOD ET AL
PYBMA-HBN 2901	ECONOMIC DEVELOP	By: FITZGERALD
PYBMA-HBN 3075	BUSINESS INCUBATOR	By: ALEXANDER ET AL
PYBMA-HBN 3090	LAND BANK	By: LEMANSKI ET AL
PYBMA-HBN 3099	ECONOMIC DEVELOPMENT	By: LEMANSKI/MORIN
PYBMA-HBN 3104	SMALL BUSINESSES	By: LEMANSKI/MORIN
PYBMA-HBN 3442	EXPANSION OF BUSINE	By: HOLLAND ET AL
PYBMA-HBN 4141	MINORITY BUSINESS	By: DIMASI/PALUMBO
PYBMA-HBN 4182	STATE PROJECTS	By: MOORE
PYBMA-HBN 4504	YOUTH ENTREPRENEUR	By: GRAHAM ET AL
PYBMA-HBN 4508	EMPLOYEE ASSISTANCE	By: MAGNANI
PYBMA-HBN 4655	COMMONWEALTH GROWTH	By: BUELL
PYBMA-HBN 4887	LOW INCOME HOUSING	By: FITZGERALD
PYBMA-HBN 4893	ECONOMIC DEVELOPMENT	By: FITZGERALD ET AL
PYBMA-HBN 4895	RURAL DEVELOPMENT	By: HEALY
PYBMA-HBN 5236	BUSINESS INCUBATOR	By: FLOOR
PYBMA-HBN 5351	UNPAID BILLS	By: FLOOR
PYBMA-HBN 5435	PUBLIC CONSTRUCTION	By: FLOOR
PYBMA-HBN 5437	PUBLIC CONTRACTS	By: FLOOR
PYBMA-HBN 5530	ECONOMIC DEVELOPMENT	By: FLOOR

PYBMA-HBN 5535	BUSINESS LAWS	By: FLOOR
PYBMA-HBN 5755	EMPLOYMENT/TRAINING	By: FLOOR
PYBMA-HBN 5801	PROTECT ENVIRONMENT	By: FLOOR
PYBMA-HBN 5899	ECON DEVELOPMENT	By: FLOOR
PYBMA-HBN 5903	INTEREST ON BILLS	By: FLOOR
PYBMA-HBN 5981	WATERTOWN REDEVELOP	By:
PYBMA-HBN 5992	BUSINESS EXPANSION	By: PIERCE
PYBMA-HBN 5996	LAWS CHANGES	By: KENNEALLY JR ET AL
PYBMA-HBN 5997	BUSINESS DEVELOPMENT	By: GOVERNOR
PYBMA-HBN 6002	ZONING	By: FLOOR
PYBMA-HBN 6048	ECONOMIC AFFAIRS	By: GOVERNOR
PYBMA-HBN 6200	ENTERPRISE DEVELOPME	By: FLOOR
PYBMA-HBN 6217	BUSINESS DEVELOPMENT	By: GOVERNOR
PYBMA-HBN 6219	DEVELOPMENT PATTERNS	By: FLOOR
PYBMA-HBN 6232	BUSINESS INCUBATOR	By: FLOOR
PYBMA-HBN 6319	BOND ISSUE	By: FLOOR
PYBMA-SBN 52	BUSINESS EQUITY	By: BRENNAN
PYBMA-SBN 83	APPAREL INDUSTRY	By: NORTON
PYBMA-SBN 88	INCENTIVES TO FIRMS	By: SCOTI
PYBMA-SBN 89	EXPORT DEVELOPMENT	By: PINES
PYBMA-SBN 91	INTL PROMOTION PROG	By: PINES
PYBMA-SBN 92	FOREIGN SALES CORP	By: PINES
PYBMA-SBN 101	SHELL BUILDINGS	By: WEBBER
PYBMA-SBN 762	INDUSTRIAL DEVELOP	By: BUELL ET AL
PYBMA-SBN 958	DEVELOPMENT DISTRICT	By: COSTELLO
PYBMA-SBN 959	REGIONAL GROWTH	By: GOLDEN
PYBMA-SBN 1239	SMALL BUSINESS	By: ALBANO
PYBMA-SBN 1246	ECONOMIC DEVELOPMENT	By: BOLLING
PYBMA-SBN 1325	ECONOMIC DEVELOPMENT	By: BOLLING
PYBMA-SBN 1338	JOB EXPANSION ZONES	By: BRENNAN
PYBMA-SBN 1488	LAND BANK	By: WETMORE
PYBMA-SBN 1602	SMALL BUSINESSES	By: COSTELLO
PYBMA-SBN 1637	LAND BANK	By: FLOOR
PYBMA-SBN 1672	SMALL BUSINESSES	By: WETMORE
PYBMA-SBN 1797	INTL PROMOTION PROG	By: FLOOR
PYBMA-SBN 1811	INTERNATIONAL TRADE	By: FLOOR
PYBMA-SBN 1813	FOREIGN CORP TAX	By: FLOOR
PYBMA-SBN 1940	BOND ISSUE	By: FLOOR
PYBMA-SBN 2096	THRIFT FUND DIRECTOR	By: FLOOR
MD-HBN 1	PROCUREMENT LAW	By: SPEAKER
MD-HBN 161	ECONOMIC DEVELOPMENT	By: WASHINGTON COUNTY
MD-HBN 269	COMMUNITY DEVELOPMEN	By: TAYLOR
MD-HBN 280	INDUSTRIAL LAND ACT	By: TAYLOR
MD-HBN 474	ECONOMIC DEVELOPMENT	By: SHAPIRO
MD-HBN 483	STATE ACTION LOANS	By: TAYLOR
MD-HBN 564	ECONOMIC DEVELOPMENT	By: THE SPEAKER
MD-HBN 566	ECONOMIC DEVELOPMENT	By: TAYLOR
MD-SBN 1	GENRAL TAX REVISION	By: PRESIDENT
MD-SBN 60	MINORITY BUSINESS	By: TROTTER
MD-SBN 95	SPORTS ADVISORY COMM	By: RILEY
MD-SBN 96	SMALL BUSINESS FINAN	By: RILEY
MD-SBN 97	INDUSTRIAL DEVELOPMT	By: RILEY
MD-SBN 150	INDUSTRIAL DEVEL	By: LEVITAN
MD-SBN 151	INDUSTRIAL DEVEL	By: LEVITAN

MD-SBN 152	ECONOMIC DEVEL	By: LEVITAN
MD-SBN 209	STATUTE CORRECTION	By: THE PRESIDENT
MD-SBN 225	ECONOMIC DEVELOPMENT	By: RILEY
MD-SBN 312	ECONOMIC DEVELOPMENT	By: THE PRESIDENT
MD-SBN 350	INDUSTRIAL DEVELOPME	By: RILEY
MD-SBN 366	COMMUNITY REINVESTME	By: WYNN
PYBMD-HBN 117	SMALL BUSINESS	By: TAYLOR/CUMMINGS
PYBMD-HBN 257	CORRECTIVE BILL	By: THE SPEAKER
PYBMD-HBN 426	BUSINESS DEVELOPMENT	By: RYAN
PYBMD-HBN 427	COMMERCIAL REDEVELOP	By: RYAN
PYBMD-HBN 502	BUSINESS DEVELOPMENT	By: TAYLOR
PYBMD-HBN 503	EQUITY PARTICIPATION	By: TAYLOR
PYBMD-HBN 728	MINORITY BUSINESS	By: MONTGOMERY COUNTY
PYBMD-HBN 748	MINORITY CONTRACTS	By: MONTGOMERY/PRINCE GE
PYBMD-HBN 777	SPORTS DEVELOPMENT	By: MCCAFFREY/DONALDSON
PYBMD-HBN 854	SURETY BOND GUARANTY	By: EXUM ET AL
PYBMD-HBN 873		By: RAWLINGS
PYBMD-HBN 1079	REINVESTMENT	By: MONTAGUE ET AL
PYBMD-HBN 1150	LOCAL DEVELOPMENT	By: YOUNG
PYBMD-HBN 1153	LOCAL DEVELOPMENT	By: YOUNG
PYBMD-HBN 1156	EMINENT DOMAIN	By: YOUNG
PYBMD-HBN 1159	RETENTION INDUSTRY	By: YOUNG
PYBMD-HBN 1175	ECON DEVELOPMENT	By: SPEAKER
PYBMD-HBN 1188	BANK REINVESTMENT	By: OAKS ET AL
PYBMD-HBN 1191	SMALL BUSINESS LOAN	By: OAK ET AL
PYBMD-HBN 1194	BUSINESS DEVELOP	By: OAKS ET AL
PYBMD-HBN 1227	EMPLOYMENT INCENTIVE	By: LITTRELL ET AL
PYBMD-HBN 1527	REDEVELOPMENT BOND A	By: WEISENGOFF
PYBMD-HJR 39	MINORITY BUSINESS	By: OAKS ET AL
PYBMD-HJR 43	WOMEN ENTREPRENEURS	By: REHRMANN ET AL
PYBMD-SBN 28	LOCAL DEVELOPMENT	By: PICA
PYBMD-SBN 39	LOCAL DEVELOPMENT	By: PICA
PYBMD-SBN 210	SMALL BUSINESS	By: RILEY
PYBMD-SBN 211	SMALL BUSINESS BOND	By: RILEY
PYBMD-SBN 517	UTILITY RATES	By: BAKER
PYBMD-SBN 538	BUSINESS SURETY BOND	By: LEVITAN
PYBMD-SBN 540	REDEVELOPMENT FUND	By: LEVITAN
PYBMD-SBN 580	EMINENT DOMAIN	By: PICA
PYBMD-SBN 587	LOCAL DEVELOPMENT	By: PICA
PYBMD-SBN 592	LOCAL DEVELOPMENT	By: PICA
PYBMD-SBN 615	MINORITY BUSINESS	By: MITCHELL
PYBMD-SBN 665	COMM DEVELOPMENT	By: BLOUNT
PYBMD-SBN 673	PRIVATE ACTIVITY BON	By: PRESIDENT
PYBMD-SBN 699	ECON DEVELOPMENT	By: PRESIDENT
PYBMD-SBN 713	ECON DEVELOPMENT	By: PICA
PYBMD-SBN 750	REINVESTMENT	By: CUSHWA
PYBMD-SBN 861	SMALL BUSINESS	By: WYNN
PYBMD-SBN 993	INFRASTRUCTURE	By: WINEGRAD ET AL
PYBMD-SBN 1038	SMALL BUSINESS DEVEL	By: WYNN
PYBMD-SBN 1060	INDUSTRIAL DEVELOPME	By: PICA
PYBMD-SBN 1064	REDEVELOPMENT	By: PICA
PYBMD-SJR 3	VETERAN BUSINESSES	By: KOMENDA
PYBMD-SJR 25	ECONOMIC DEVELOP	By: WYNN
PYBMD-SJR 30	WOMEN ENTREPRENEURS	By: HOFFMAN ET AL

ME-HBN 197	PRODUCT DEVELOPMENT	By: CARTER ET AL
ME-HBN 735	ECON DEVELOP AND EDU	By: ECONOMIC DEVELOPMENT
ME-HBN 761	ME FILM-MAKING	By: DIAMOND ET AL
ME-HBN 857	ECONOMIC DEVELOPMENT	By: ECONOMIC DEVELOPMENT
ME-HBN 878	DEVELOPMENT TAXES	By: CONNELLY ET AL
ME-HBN 891	JOB DEV. TRAINING	By: RUHLIN ET AL
ME-HBN 938	HUMAN RESOURCE DEVEL	By: ECONOMIC DEVELOPMENT
ME-HBN 1057	JOB OP ZONES	By: BAILEY ET AL
ME-HBN 1116	JOB OPPORTUNITY ZONE	By: BAILEY ET AL
ME-HBN 1141	CHILD CARE	By: PRIEST
ME-HBN 1277	ECONOMIC DEVELOPMENT	By: ECONOMIC DEVELOPMENT
ME-HBN 1312	JOB OPPORTUNITY ZONE	By: ECON. DEVELOPMENT
ME-HBN 1313	STATE SERVICE	By: ECON. DEVELOPMENT
ME-HBN 1324	ECONOMIC DEVELOPMENT	By: CROWLEY
ME-SBN 220	ECON DEVELOP BONDS	By: PRAY ET AL
ME-SBN 232	FUTURE COMMISSION	By: PRAY ET AL
ME-SBN 234	ADULT EDUCATION	By: PRAY ET AL
ME-SBN 258	BUSINESS ADVISORY BD	By: TUTTLE ET AL
ME-SBN 288	LABOR MARKET AID	By: PRAY ET AL
ME-SBN 298	BUSINESS ADVOCATE	By: TUTTLE ET AL
ME-SBN 313	BOND ISSUES	By: CARTER ET AL
ME-SBN 353	ECONOMIC DEVELOPMENT	By: TUTTLE ET AL
ME-SBN 401	CAPITALIZATION	By: TWITCHELL ET AL
ME-SBN 417	JOB TRAINING	By: PRAY ET AL
ME-SBN 419	CAPITAL CORP	By: TWITCHELL
ME-SBN 479	COMMUNITY DEVELOPMEN	By: ANDREWS ET AL
ME-SBN 491	DEVELOPMENT ACTIVITY	By: WHITMORE ET AL
ME-SBN 592	LABOR MARKET AID	By: ECONOMIC DEVELOPMENT
ME-SBN 598	TRANSPORTATION	By: THERIAULT ET AL
ME-SBN 601	COMMUNITY DEVELOPMEN	By: TUTTLE
ME-SBN 628	FREEDOM OF ACCESS	By: BRANNIGAN
ME-SBN 657	STUDY COMMISSIONS	By: PRAY ET AL
MI-HBN 4016	ENTERPRISE ZONE ACT	By: STACEY
MI-HBN 4209	MINORITY BUSINESS	By: YOUNG ET AL
MI-HBN 4210	MINORITY BUSINESS	By: YOUNG ET AL
MI-HBN 4528	DOWNTOWN DEVELOPMENT	By: VAN SINGEL ET AL
MI-HBN 4529	ECONOMIC DEVELOPMENT	By: VAN SINGEL ET AL
MI-HBN 4530	TAX INCREMENT FINANC	By: VAN SINGEL, ET AL
MI-HBN 4735	ECONOMIC DEVELOPMENT	By: HERTEL ET AL
MI-HBN 4849	COMMERCIAL REDEVELOP	By: STRAND ET AL
MI-HBN 5144	ECONOMIC DEVELOPMENT	By: SMITH
MI-SBN 142	ETHNIC RESEARCH ACT	By: VAUGHN
MI-SBN 158	LOCAL ROAD AGENCIES	By: FESSLER
MI-SBN 278	PLANT REHAB DISTRICT	By: SHINKLE
MI-SBN 321	TRANSPORTATION FUND	By: FESSLER
MI-SBN 495	TRANSPORTATION FUND	By: BINSFELD
MN-HBN 2	RURAL DEVELOPMENT	By: SCHOENFIELD ET AL
MN-HBN 82	WHITE BEAR LAKE	By: STANIUS
MN-HBN 92	PROTECTION TRUST	By: MINNE ET AL
MN-HBN 133	ENTERPRISE ZONE	By: REDING
MN-HBN 254	BRAINERD PORT AUTHOR	By: WENZEL
MN-HBN 280	ST PAUL AUTHORITY	By: OSTHOFF
MN-HBN 289	ST PAUL BONDS	By: KELLY ER AL
MN-HBN 345	ADVERTISING OF CITY	By: WENZEL

MN-HBN 363	DISLOCATED WORKERS	By: CLARK
MN-HBN 475	URBAN PROGRAM	By: O'CONNOR ET AL
MN-HBN 476	URBAN PROGRAM	By: CLARK ET AL
MN-HBN 609	EMPLOYMENT DATA	By: SHAKOREE
MN-HBN 616	CORPORATE TAXES	By: VOSS ET AL
MN-HBN 649	PLANT CLOSINGS	By: OGREN ET AL
MN-HBN 713	REVISOR'S BILL	By: REST ET AL
MN-HBN 749	DEVELOPMENT PANELS	By: LIEDER ET AL
MN-HBN 759	LAKE SUPERIOR ZOO	By: MUNGER ET AL
MN-HBN 795	LOCAL DEVELOPMENT	By: REST ET AL
MN-HBN 799	KOOCHICHING AUTHORIT	By: LOCAL AFFAIRS
MN-HBN 803	GOVERNMENT/BUSINESS	By: SPARBY ET AL
MN-HBN 832	PORT AUTHORITY	By: SVIGGUM
MN-HBN 856	SERVICE BLOCK GRANTS	By: BISHOP ET AL
MN-HBN 916	ADMINISTRATION DEPT	By: LASLEY ET AL
MN-HBN 928	ENTERPRISE ZONE	By: RICHTER
MN-HBN 929	SMALL BUSINESS LOANS	By: OTIS
MN-HBN 930	SM BUSINESS GRANTS	By: OTIS
MN-HBN 934	INTEREST REDUCTION	By: SCHEID
MN-HBN 1023	DISTRESSED COUNTIES	By: NELSON ET AL
MN-HBN 1074	BUSINESS ASSISTANCE	By: OTIS ET AL
MN-HBN 1095	ECONOMIC DEVELOPMENT	By: G. ANDERSON
MN-HBN 1098	BUILDING CONTRACTS	By: REDING
MN-HBN 1109	COUNCIL ON QUALITY &	By: OTIS
MN-HBN 1138	SMALL BUSINESS SERVI	By: KLUDT
MN-HBN 1150	HERMAN TOWN PROPERTY	By: MURPHY
MN-HBN 1151	PUBLICLY HELD LAND	By: MURPHY
MN-HBN 1173	STATE CONTRACT BIDDI	By: RUKAVINA ET AL
MN-HBN 1187	ECONOMIC OPPORTUNITY	By: JEFFERSON ET AL
MN-HBN 1224	COOK COUNTY AUTHORIT	By: BATTAGLIA ET AL
MN-HBN 1237	ENTERPRISE ZONES	By: KLUDT
MN-HBN 1270	STATE LOTTERY	By: ANDERSON ET AL
MN-HBN 1279	RURAL DEVELOPMENT CO	By: JENNINGS ET AL
MN-HBN 1298	BORROWING AUTHORITY	By: REST ET AL
MN-HBN 1302	ITASCA COUNTY TAX	By: SOLBERG
MN-HBN 1355	MINNEAPOLIS PROMOTIO	By: GREENFIELD
MN-HBN 1380	INVENTION INSTITUTE	By: REDING ET AL
MN-HBN 1399	LOANS/SECURITIES	By: OTIS
MN-HBN 1413	REDWOOD FALLS DISTRI	By: MILLER
MN-HBN 1447	TACONITE TAX	By: BEGICH ET AL
MN-HBN 1453	SCIENCE/TECHNOLOGY	By: REDING
MN-HBN 1465	HOSPITALITY HOSTS	By: RUKAVINA ET AL
MN-HBN 1478	MANKATO SERVICE DIST	By: DORN ET AL
MN-HBN 1504	DEVELOPMENT CORPORAT	By: JOHNSON ET AL
MN-HBN 1505	MUSIC ARTS CENTER	By: LARSEN
MN-HBN 1545	IRON RANGE DEVELOPME	By: BEGICH ET AL
MN-HBN 1548	STATE FEES	By: CARLSON
MN-HBN 1620	MINNESOTA LOGO	By: WENZEL
MN-HBN 1649	HAZARDOUS SUBSTANCES	By: JEFFERSON
MN-SBN 1	RURAL DEVELOPMENT	By: MOE
MN-SBN 19	SM BUSINESS GRANTS	By: DAHL
MN-SBN 82	VENTURE CAPITAL	By: DAHL/FRANK
MN-SBN 84	SMALL BUSINESS LOANS	By: DAHL/FRANK
MN-SBN 122	PROTECTION TRUST	By: DICKLICH ET AL

MN-SBN 129	ENTERPRISE ZONE	By: PIPER
MN-SBN 164	ADVERTISING OF CITY	By: SAMUELSON
MN-SBN 170	LOCAL DEVELOPMENT	By: POGEMILLER
MN-SBN 197	BUSINESS PROGRAM	By: COHEN
MN-SBN 233	BRAINERD PORT AUTHOR	By: SAMUELSON
MN-SBN 384	DISLOCATED WORKERS	By: DICKLICH
MN-SBN 401	ST PAUL AUTHORITY	By: MARTY/LANTRY
MN-SBN 468	INVENTION INSTITUTE	By: DICKLICH ET AL
MN-SBN 485	WHITE BEAR LAKE	By: KNAAK
MN-SBN 486	LAKE SUPERIOR ZOO	By: SOLON/GUSTAFSON
MN-SBN 510	ST PAUL BONDS	By: LANTRY ET AL
MN-SBN 521	URBAN PROGRAM	By: BERGLIN ET AL
MN-SBN 533	HERMANTOWN PROPERTY	By: GUSTAFSON/SOLON
MN-SBN 638	CORPORATE TAXES	By: JOHNSON
MN-SBN 707	INTEREST REDUCTION	By: POSEMILLER
MN-SBN 711	KOOCHICHING AUTHORIT	By: LESSARD
MN-SBN 727	STATE LOTTERY	By: LESSARD
MN-SBN 734	GOVERNMENT AND BUSIN	By: METZEN ET AL
MN-SBN 765	PORT AUTHORITY	By: MEHRKENS
MN-SBN 854	EMPLOYMENT DATA	By: COHEN ET AL
MN-SBN 892	PLANT CLOSINGS	By: CHMIELEWSKI ET AL
MN-SBN 898	RURAL INITIATIVES	By: CHMIELEWSKI
MN-SBN 906	ENTERPRISE ZONE	By: ANDERSON
MN-SBN 921	SERVICE BLOCK GRANTS	By: PTPER ET AL
MN-SBN 971	BORROWING AUTHORITY	By: POGEMILLER/REICHGOTT
MN-SBN 1016	RURAL DEVELOPMENT CO	By: DAVIS ET AL
MN-SBN 1111	IRON RANGE DEVELOP	By: EICKLICH ET AL
MN-SBN 1186	COOK COUNTY AUTHORIT	By: JOHNSON
MN-SBN 1195	STATE CONTRACT BIDD	By: DICKLICH
MN-SBN 1203	DEPARTMENTS OF TRADE	By: LUTHER ET AL
MN-SBN 1224	ITASCA COUNTY TAX	By: LESSARD
MN-SBN 1226	DEVELOPMENT CORPORAT	By: WILLET
MN-SBN 1249	SMALL BUSINESS SERVI	By: PETERSON ET AL
MN-SBN 1297	REDWOOD FALLS DISTRI	By: FREDERICKSON
MN-SBN 1332	ECONOMIC DEVELOPMENT	By: DAHL
MN-SBN 1352	PUBLICLY HELD LAND	By: GUSTAFSON
MN-SBN 1359	LOTTERY REVENUES	By: LESSARD ET AL
MN-SBN 1360	ECONOMIC OPPORTUNITY	By: POGEMILLER
MN-SBN 1365	HOSPITALITY HOSTS	By: DICKLICH
MN-SBN 1375	MINNESOTA LOGO	By: MORSE ET AL
MN-SBN 1399	LOTTERY REVENUES	By: VICKERMAN ET AL
MN-SBN 1417	LOANS/SECURITIES	By: DAHL
MN-SBN 1437	SCIENCE/TECHNOLOGY	By: BRANDL
MN-SBN 1439	TACONITE TAX	By: DICKLICH
MN-SBN 1454	BUSINESS ASSISTANCE	By: BECKMAN ET AL
MN-SBN 1468	MUSIC ARTS CENTER	By: POGEMILLER
MN-SBN 1471	MANKATO SERVICE DIST	By: TAYLOR
MN-SBN 1479	COUNCIL ON QUALITY A	By: L:UTHER
MN-SBN 1530	CAPITAL BONDING	By: MERRIAM
MN-SBN 1548	COMMODITY CODE	By: BERG
MO-HBN 940	ENTERPRISE ZONES	By: NILGES
MO-HBN 1095	DEVEL CORPORATION	By: RAUCH
MO-HBN 1201	ECON DEVELOPMENT	By: RIBAUDO
MO-HBN 1209	ENTERPRISE ZONE	By:

MO-HBN 1223	MAIN STREE PROGRAM	By: CARROLL ET AL
MO-HBN 1245	ENTERPRISE ZONES	By: BARNES
MO-HBN 1246	MAIN STREET PROGRAM	By: BARNES
MO-HBN 1250	EXPORT DEVELOPMENT	By: BANTON
MO-HBN 1329	ECONOMIC DEVELOPMENT	By: BARNES
MO-HBN 1330	URBAN REDEVELOPMENT	By: SCHELLHORN
MO-HBN 1339	R.R. GRANT PROGRAM	By: DRISKILL
MO-HBN 1491	ECON DEVELOPMENT	By: DRISKILL, ET AL
MO-HJR 56	PUBLIC MONEY GRANTS	By: RAUCH
MO-HJR 60	CASH OPERATING FUND	By: RAUCH
MO-SBN 450	LINKED DEPOSIT LOANS	By: SCOTT
MO-SBN 520	URBAN DEVELOPMENT	By: DOCTORIAN
MO-SBN 570	ECON DEVELOPMENT	By: MERRELL ET AL
MO-SBN 619	ENTERPRIZE ZONES	By: BANKS
MO-SBN 674	PRESERVATION PROJECT	By: BANKS
PYBMO-HBN 141	ENTERPRISE ZONES	By: NILGES
PYBMO-HBN 223	URBAN REDEVELOPMENT	By: TREADWAY
PYBMO-HBN 271	INDUSTRIAL DEVELOP	By: BARNES
PYBMO-HBN 294	LINKED DEPOSIT	By: BURCH/LYNN
PYBMO-HBN 401	ECONOMIC RESEARCH	By: JACOB
PYBMO-HBN 410	ENTERPRIZE ZONES	By: COPELAND
PYBMO-HBN 479	ECONOMIC DEVELOP	By: BANTON ET AL
PYBMO-HBN 729	ENTERPRISE ZONES	By: SCOTT
PYBMO-HBN 769	ECONOMIC DEVELOPMENT	By: SCOVILLE
PYBMO-HBN 849	SALES AND USE TAX	By: MCQUITTY
PYBMO-HBN 853	INCOME TAX REVENUES	By: PROFFER
PYBMO-HBN 880	INDUSTRIAL DEVELOPME	By: BANTON ET AL
PYBMO-HBN 881	ENTERPRISE ZONES	By: COPELAND
PYBMO-HBN 892	OFFICE OF RURAL DEVE	By: DRISKILL ET AL
PYBMO-SBN 8	INDUST DEVELOP	By: MERRELL
PYBMO-SBN 61	TRANSPORTATION DEPT	By: WEBSTER
PYBMO-SBN 134	MAIN STREET PROGRAM	By: MERRELL
PYBMO-SBN 179	RESEARCH PROJECTS	By: MERRELL
PYBMO-SBN 288	ENTERPRISE ZONES	By: RUSSELL
PYBMO-SBN 304	SMALL BUSINESS PROG	By: BASS
PYBMO-SBN 316	LICENSING BOARD	By: DIRCK
PYBMO-SBN 351	ECON DEV BONDS	By: MERRELL
PYBMO-SBN 367	ECONOMIC DEVELOPMENT	By: MCCARTHY
PYBMO-SBN 421	ENTERPRISE ZONES	By: DENNIS
MS-HBN 48	ENERGY ASSISTANCE	By: SHEPPHARD
MS-HBN 98		By: SHEPPARD
MS-HBN 248	ENTERPRISE ZONES	By: WARREN
MS-HBN 253	ECONOMIC DEVELOPMENT	By: HINES
MS-HBN 316	MINORITY BUSINESSES	By: BLACKMON ET AL
MS-HBN 372	INDUSTRIAL DEVELOP	By: BRYAN
MS-HBN 407	SMALL BUSINESS	By: SHAPPHARD ET AL
MS-HBN 475	INDUSTRIAL SERVICES	By: SAVAGE ET AL
MS-HRN 8	ECONOMIC DEVELOPMENT	By: WADKINS
MS-HRN 13	ECONOMIC DEVELOPMENT	By: FORTENBERRY ET AL
MS-SBN 2089	ENTERPRISE ZONES	By: SHOWS
MS-SBN 2127	BUSINESS ASSISTANCE	By: MONTGOMERY
MS-SBN 2128	HOUSING AUTHORITY	By: MONTGOMERY
MS-SBN 2130	ECONOMIC DEVT	By: MONTGOMERY
MS-SBN 2131	URBAN RENEWAL	By: MONTGOMERY

MS-SBN 2239	STATE LIABILITY	By: CROOK
MS-SBN 2251	TRANSFER STUDENTS	By: BENJAMIN
MS-SBN 2257	SMALL BUSINESS LOAN	By: MONTGOMERY
PYBMS-HBN 194	COMMUNITY DEVELOPMNT	By: FORTENBERRY
PYBMS-HBN 249	ECONOMIC DEVELOP	By: JUNKIN
PYBMS-HBN 437	ECON DEV AUTHORITY	By: STEVENS
PYBMS-HBN 512	FURNITURE RESEARCH	By: SCOTT
PYBMS-HBN 514	ECONOMIC DEVELOPMENT	By: FORD
PYBMS-HBN 520	AGRICULTURAL PROGRAM	By: SCOTT ET AL
PYBMS-HBN 537	ECONOMIC COMMITTEE	By: HALL
PYBMS-HBN 649	TOURISM	By: SIMPSON
PYBMS-HBN 650	PRIVATE COMPANY	By: SIMPSON
PYBMS-HBN 653	MINORITY BUSINESS	By: SHEPPARD
PYBMS-HBN 922	PRIVATE CO INVESTMEN	By: ENDRIS
PYBMS-HBN 924	ECONOMIC DEVELOPMENT	By: WILKERSON ET AL
PYBMS-HBN 999	WATERWAY AREA	By: MOSS
PYBMS-HBN 1107	BUSINESS INVESTMENT	By: SIMPSON
PYBMS-HBN 1206	HIGHWAY CONSTRUCTION	By: PENNEBAKER/MCCOY
PYBMS-HBN 1229	COMMERCIAL DISTRICT	By: SAVAGE
PYBMS-HBN 1251	INDUSTRIAL AUTHORITY	By: REYNOLDS ET AL
PYBMS-SBN 2146	SURETY BONDS	By: MORGAN
PYBMS-SBN 2147	SURETY BONDS	By: GORDON
PYBMS-SBN 2341	RESEARCH & DEVELOPME	By: MONTGOMERY
PYBMS-SBN 2342	SMALL BUSINESS	By: MONTGOMERY
PYBMS-SBN 2343	TOURISM	By: MONTGOMERY
PYBMS-SBN 2345	BUSINESS INVESTMENT	By: MONTGOMERY
PYBMS-SBN 2346	ARTS ENTERPRISES	By: MONTGOMERY
PYBMS-SBN 2356	IMPROVEMENT BONDS	By: FORTENBERRY
PYBMS-SBN 2400	INDUSTRIAL DEVELOP	By: MONTGOMEY
PYBMS-SBN 2444	STATE TREASURY FUND	By: SMITH ET AL
PYBMS-SBN 2620	SMALL BUSINESS	By: WHITE
PYBMS-SBN 2699	POLLUTION CONTROL	By: ROSENBLATT
PYBMS-SBN 2751	MARKETING DEPT	By: SMITH
PYBMS-SBN 2779	ECONOMIC DEPARTMENT	By: MONTGOMERY
PYBMS-SBN 2839	ECONOMIC DEVELOPMENT	By: MONTGOMERY
PYBMT-HBN 9	JOBS INVESTMENT ACT/	By: VINCENT
PYBMT-HBN 53	CODE REVISION	By: EUDAILY
PYBMT-HBN 97	COAL GRANTS	By: ASAY ET AL
PYBMT-HBN 593	PRIVATE ENTERPRISE	By: BROWN
PYBMT-HBN 700	CAPITAL FUND BONDS	By: BRADLEY
PYBMT-HBN 765	JOBS ACT	By: VINCENT
PYBMT-HBN 790	ATTORNEY FEES	By: REHBERG
PYBMT-HBN 809	SUBDIVISION DEVELOP	By: IVERSON
PYBMT-HBN 817	SMALL BUSINESS	By: GLASER
PYBMT-HBN 862	DEVELOPMENT ACT	By: WINSLOW
PYBMT-HBN 889	CREATES MONTANA AGRI	By: WINSLOW
PYBMT-HBN 899	ECONOMIC DEVELOPMENT	By: COBB
PYBMT-HBN 905	ECONOMIC DEVELOPMENT	By: WINSLOW
PYBMT-SBN 1	INTERSTATE COMPACT	By: ANDERSON
PYBMT-SBN 22	FIREARMS	By: HALLIGAN
PYBMT-SBN 83	ECONOMIC DEVELOPMENT	By: MAZUREK
PYBMT-SBN 110	CAPITAL COMANIES	By: THAYER
PYBMT-SBN 263	TAXABLE BONDS	By: WILLIAMS B
PYBMT-SBN 298	INVESTMENTS BOARD	By: NEUMAN

PYBMT-SBN 373	RECLAMATION GRANTS	By: BLAYLOCK
NC-HBN 115	CLEAN WATER FUND	By: COCHRANE
NC-HBN 415	MINORITY/WOMEN BUSIN	By: KENNEDY
NC-HBN 679	TECHNOLOGICAL DEVELO	By: BOB ETHERIDGE
NC-HBN 708	ECONOMIC DEVELOPMENT	By: BARBEE
NC-HBN 798	INDUSTRIAL DEVELOPME	By: YOUNG ET AL
NC-HBN 1097	ECONOMIC DEVEL	By: HIGHTOWER ET AL
NC-HBN 1122	DEVELOP PROJECT	By: THOMPSON
NC-HBN 1251	ECONOMIC DEVELOPMENT	By: STAMEY
NC-HBN 2164	PUBLIC RECORDS	By: MILLER
NC-SBN 206	ECONOMIC DEVELOPMENT	By: STATON
NC-SBN 208	ECONOMIC DEVELOPMENT	By: STATON
NC-SBN 290	CITY CONTRACTS	By: RICHARDSON
NC-SBN 317	CAPITAL CORPORACTIONS	By: WALKER
NC-SBN 318	ECONOMIC DEVELOPMENT	By: STATON
NC-SBN 399	MINORITY/WOMENS BUSI	By: HUNT
NC-SBN 407	ECONOMIC DEVELOPMENT	By: WARREN
NC-SBN 421	DOWNTOWN DEVELOPMENT	By: STATON
NC-SBN 518	SALISBURY CHARTER	By: SMITH
NC-SBN 554	SMALL BUSINESS	By: STATON
NC-SBN 610	ECONOMIC DEVELOPMENT	By: HUNT
NC-SBN 753	FOREIGN SALES CORP.	By: BLOCK
NC-SBN 965	GROWTH COMMISSION	By: ROYALL ET AL
PYBND-HBN 1110	ECON DEVELOPMENT	By: INDUSTRY
PYBND-HBN 1202	ECONOMIC COMMISSION	By: INDUSTRY COMM
PYBND-HBN 1449	MUNICIPAL LEVIES	By: WALD ET AL
PYBND-HBN 1543	CAPITAL INVESTMENT	By: THOMPSON
PYBND-HBN 1615	BUSINESS DEVELOPMENT	By: HAUSAUER
PYBND-HBN 1624	JOB DEVELOPMENT	By: ULMER
PYBND-HBN 1628	ECON DEVELOPMT	By: STRINDEN
PYBND-HBN 1633	LEGAL INVESTMENTS	By: STRINDEN
PYBND-HBN 1634	ECON DEVELOPMENT	By: STRINDEN
PYBND-HCR 3005	JOB DEVELOPMENT	By: LEGISLATIVE COUNCIL
PYBND-SBN 2050	INDUST DEVEL BONDS	By: LEGISLATIVE COUNCIL
PYBND-SBN 2051	FUND INVESTMENT	By: LEGISLATIVE COUNCIL
PYBND-SBN 2190	REGIONAL PLANNING	By: POLITICAL SUBDIVISIO
PYBND-SBN 2264	JOB DEVELOPMENT	By: POLITICAL SUB DIV
PYBND-SBN 2477	FARM TAX RELIEF	By: KELSH ET AL
PYBND-SBN 2516	BUSINESS LOANS	By: WALDERA ET AL
PYBND-SCR 4011	COMMERCIAL DEVELOP	By: WOGSLAND ET AL
PYBND-SCR 4048	OUTDOOR RECREATION	By: INGSTAD ET AL
NE-LBN 23	APPLIANCE SALES	By: MARSH
NE-LBN 141	ECONOMIC DEVELOPMENT	By: ABBOUD
NE-LBN 163	VENUTRE CAPITAL ACT	By: ABBOUD
NE-LBN 247	INVESTMENT CREDIT	By: ABBOUD
NE-LBN 491	STATE EMP BENEFITS	By: LANDIS
NE-LBN 707	ECONOMIC DEVELOPMENT	By: SCHMIT
NE-LBN 736	BUSINESS DEVELOPMENT	By: SCOFIELD ET AL
NE-LBN 740	ECONOMIC DEVELOPMENT	By: LANDIS ET AL
NE-LBN 742	ECONOMIC DEVELOPMENT	By: LANDIS ET AL
NE-LBN 743	ECONOMIC DEVELOP	By: LANDIS ET AL
NE-LBN 745	ECONOMIC DEVELOPMENT	By: LANDIS ET AL
NE-LBN 748	ECONOMIC DEVELOPMENT	By: WESELY
NE-LBN 749	DISTRESSED AREAS	By: HARRIS

NE-LBN 775	INVESTMENT GROWTH	By: BARRETT
NE-LBN 915	SMALL BUSINESS	By: ABBODD
NE-LBN 1072	APPLICATION CHANGE	By: WESELY
NE-LBN 1082	COMMUNITY PROGRAMS	By: LANDIS
NE-LBN 1171	VENTURE CAPITAL	By: WESELY
NE-LRN 21	LOCAL INDUST DEV	By: URBAN AFFRS COMM
NE-LRN 207	CORPORATIONS	By: PIRSCH
NE-LRN 212	ECON DEVELOPMENT	By: WESELY
NH-HBN 271	LOCAL PROMOTIONS	By: JEAN
NH-HBN 321	CT RIVER VALLEY AUTH	By: MILLER ET AL
NH-HBN 381	RESIDENTIAL GROWTH	By: GAGE
NH-HBN 470	COMMERCE DEPT	By: WARD ET AL
NH-HBN 570	NATURAL RESOURCES	By: MCCAIN ET AL
NH-HBN 1062	ECON DEVELOP COMM	By: GRODIN ET AL
NH-HRN 54	LOW INCOME HOUSING	By: WEDDLE
NH-SBN 1	LAND CONSERVATION	By: BLAISDELL ET AL
NH-SBN 102	ENTERPRISE ZONES	By: BOND
NH-SBN 144	INDUS DEV MARKETING	By: BOND ET AL
NH-SBN 335	MUNICIPAL LEVIS	By: NELSON ET AL
NJ-ABN 111	VENTURE FUND	By: VILLANE
NJ-ABN 304	ENTERPRISE ZONES	By: SALMON
NJ-ABN 310	ENTERPRIZE ZONES	By: VILLANE
NJ-ABN 404	SMALL BUSINESSES	By: KALIK
NJ-ABN 492	SMALL BUSINESS	By: SCHUBER
NJ-ABN 532	UTILIZATION GOALS	By: SCHUBER
NJ-ABN 554	SMALL BUSINESS	By: GENOVA
NJ-ABN 1011	EXPORT FINANCE	By: COLLINS
NJ-ABN 1161	STATE CONTRACTS	By: BRYANT
NJ-ABN 1173	SPORTS EXPENDITURES	By: BRYANT
NJ-ABN 1174	SPORTS CONCESSIONS	By: BRYANT
NJ-ABN 1179	FRAUDULENT BUSINESS	By: BRYANT
NJ-ABN 1188	ENTERPRISE ZONES	By: BRYANT
NJ-ABN 1251	BUSINESS INCUBATORS	By: ROONEY
NJ-ABN 1308	ENTERPRISE ZONE	By: GILL
NJ-ABN 1489	ECONOMIC DEVELOPMENT	By: SALMON
NJ-ABN 1805	ENTERPRISE ZONE	By: CHARLEA/
NJ-ABN 2046	MEADOWLANDS DEVELOP	By: MCENROE
NJ-ABN 2052	DEVELOPMENT NOTICE	By: MCENROE
NJ-ABN 2172	EXPORT TRADING	By: HARDWICK
NJ-ABN 2199	EMPLOYMENT DEVELOPME	By: LITTELL
NJ-SBN 68	BAY DEVELOPMENT	By: VANWAGNER
NJ-SBN 97	ENTER ZONE/SALES TAX	By: LESNIAK
NJ-SBN 235	ECON DEV LIABILITY	By: O'CONNOR
NJ-SBN 566	INTERNATIONAL CENTER	By: BROWN
NJ-SBN 578	EXPORT FINANCE	By: BROWN
NJ-SBN 653	TUITION PAYMENTS	By: COWAN
NJ-SBN 654	ENTERPRISE ZONE	By: COWAN
NJ-SBN 748	SALES TAX EXEMPTION	By: CODEY
NJ-SBN 949	SALES TAX	By: HURLEY
NJ-SBN 1006	CORPORATE TAX CREDIT	By: LIPMAN
NJ-SBN 1017	ENTERPRISE ZONE	By: LIPMAN
NJ-SBN 1028	SET-ASIDE CONTRACT	By: LIPMAN
NJ-SBN 1126	BUSINESS DEVELOPMT	By: CARDINALE
NJ-SBN 1364	PLANNING BOARD	By: STOCKMAN

NJ-SBN 1468	STATE DEVELOPMENT	By: ZANE
NJ-SBN 1524	ENTERPRISE ZONES	By: PALLONE
NJ-SBN 1533	SHORE DEVELOPMENT	By: PALLONE
NJ-SBN 1823		By: DORSEY
NJ-SBN 1837	DEVELOPMENT BOND ACT	By: DORSEY
NJ-SBN 1838	DEVELOPMENT RIGHTS	By: DORSEY
NJ-SBN 1839	DEVELOPMENT RIGHTS	By: DORSEY
NJ-SBN 1896	REDEVELOPMENT BONDS	By: LYNCH
NJ-SBN 1915	MEADOWLANDS DEVELOP	By: AMBROSIO
PYBNJ-ABN 28	BOND ACT	By: SCHWARTZ
PYBNJ-ABN 89	STATE CONTRACTS	By: BROWN
PYBNJ-ABN 90	SMALL BUSINESS	By: BROWN
PYBNJ-ABN 92	STATE INVESTMENTS	By: BROWN
PYBNJ-ABN 94	MUNICIPAL CONTRACTS	By: BROWN
PYBNJ-ABN 95	COUNTY FINANCING	By: BROWN
PYBNJ-ABN 96	SMALL BUSINESS	By: BROWN
PYBNJ-ABN 180	ENTERPRISE ZONE	By: VILLANE
PYBNJ-ABN 449	ECONOMIC DEVELOPMENT	By: MUZIANI
PYBNJ-ABN 477	URBAN LOAN AUTHORITY	By: MUZIANI
PYBNJ-ABN 571	MINORITY BUSINESS	By: BRYANT
PYBNJ-ABN 591	DEVELOPMENT LOANS	By: BRYANT
PYBNJ-ABN 592	WOMEN BUSINESS	By: BRYANT
PYBNJ-ABN 594	MINORITY BUS AUTH	By: BRYANT
PYBNJ-ABN 617	BUSINESS DEVELOP	By: BRYANT
PYBNJ-ABN 625	ENTERPRISE ZONES	By: BRYANT
PYBNJ-ABN 638	DEVELOPMENT ADS	By: RANDALL
PYBNJ-ABN 924	BUSS IMPROVEMENT	By: COOPER
PYBNJ-ABN 949	SMALL BUSINESS ASSIS	By: SCHUBER
PYBNJ-ABN 1111	OFF TRACT IMPROVE	By: OGDEN
PYBNJ-ABN 1134	SMALL BUSINESS	By: OGDEN
PYBNJ-ABN 1385	CASINO MONEYS	By: DOYLE
PYBNJ-ABN 1543	DEVELOP CONTRIBUTION	By: NAPLES
PYBNJ-ABN 1640	ECON DEVELOP COMM	By: MCENROE
PYBNJ-ABN 1670	BUSINESS ASSISTANCE	By: KALIK
PYBNJ-ABN 1694	URBAN ENTERPROSE	By: AZZOLINA
PYBNJ-ABN 1703	ENTERPRISE ZONES	By: DIGAETANO
PYBNJ-ABN 1711	URBAN TRUST FUND	By: BRYANT
PYBNJ-ABN 1837	URBAN ENTERPRISE	By: SCHWARTZ
PYBNJ-ABN 1858	DISTRESSED CITIES	By: LITTELL
PYBNJ-ABN 1865	ECON DEVELOPMENT	By: SCHWARTZ
PYBNJ-ABN 1886	ECON DEV PROFITS	By: CHINNICI
PYBNJ-ABN 2019	ENERGY DEPT	By: HAYTAIAN ET AL
PYBNJ-ABN 2028	BUSINESS FRAUD	By: BRYANT
PYBNJ-ABN 2051	SMALL BUSINESS	By: DONOVAN
PYBNJ-ABN 2061	DEVELOPMENT LOANS	By: FOY
PYBNJ-ABN 2100	DEVELOP DISTRICT	By: DARIO
PYBNJ-ABN 2106	ENTERPRISE ZONES	By: DARIO
PYBNJ-ABN 2179	CAPITOL REDEVELOPMEN	By: WATSON
PYBNJ-ABN 2224	URBAN ENTERPRISE	By: DARIO
PYBNJ-ABN 2318	LAND WAIVERS	By: SCHUBER
PYBNJ-ABN 2413	SM BUSINESS DIV	By: BRYANT
PYBNJ-ABN 2476	ENTERPRISE ZONE	By: CHARLES/DARIO
PYBNJ-ABN 2514	CAFRA PERMITS	By: HENDRICKSON/MORAN
PYBNJ-ABN 2550	ENTERP ZONES	By: SCHWARTZ/SMITH

PYBNJ-ABN 2560	URBAN ENTERPRISE	By: MUZIANI ET AL
PYBNJ-ABN 2592	HACKENSACK TAX SHAR	By: DONOVAN/DIGAETANO
PYBNJ-ABN 2665	URBAN AID	By: COLLINS/STUHLTRAGER
PYBNJ-ABN 2677	ENTERPRISE ZONE AID	By: SCHWARTZ/SMITH
PYBNJ-ABN 2679	URBAN AID LOANS	By: DARIO/ARANGO
PYBNJ-ABN 2711	COMMUNITY LOANS	By: WATSON
PYBNJ-ABN 2874	ENTERPRISE STUDY	By: DARIO
PYBNJ-ABN 2880	SMALL BUSINESS	By: ARANGO/DARIO
PYBNJ-ABN 3074	SMALL BUSINESS FUND	By: CHARLES
PYBNJ-ABN 3113	SMALL BUSINESS FUND	By: BRYANT/WATSON
PYBNJ-ABN 3129	ENTERPRISE SALES TAX	By: MCENROE
PYBNJ-ABN 3151	BUSINESS ARRANGEMENT	By: ZIMMER/AZZOLINA
PYBNJ-ABN 3216	MEADOWLANDS DISTRICT	By: GARGIULO/CATRILLO
PYBNJ-ABN 3282	TECHNOLOGY FUND	By: AZZOLINA ET AL
PYBNJ-ABN 3378	EXPORT PROGRAM	By: AZZOLINA/COLLINS
PYBNJ-ABN 3472	BUSINESS GRANT	By: BROWN
PYBNJ-ABN 3499	CASINO SET ASIDES	By: SCHUBER/DIGAETANO
PYBNJ-ABN 3500	DEVELOPMENT APPL	By: DOYLE
PYBNJ-ABN 3668	MINORITY SET ASIDES	By: AZZOLINA/CATRILLO
PYBNJ-ABN 3685	DEVELOP AGREEMENTS	By: HAYTAIAN
PYBNJ-ABN 3780	ENTER ZONE SALES TAX	By: MUZIANI/CHINNIC
PYBNJ-ABN 3919	DEVELOPMENT TAX	By: RAFFERTY
PYBNJ-ABN 4002	REDEVELOPMENT PLAN	By: FRANCK
PYBNJ-ABN 4022	REDEVELOPMENT PLAN	By: HAYTAIAN
PYBNJ-ABN 4041	VET BUSINESS AID	By: GENOVA
PYBNJ-ABN 4053	SM BUSINESS PAY	By: SHUSTED
PYBNJ-ABN 4170	BUSINESS INCUBATORS	By: ROONEY
PYBNJ-ABN 4216	SMALL BUSINESSES	By: KALIK
PYBNJ-ABN 4331	SMALL FIRS.	By: MARSELLA ET AL
PYBNJ-ABN 4710	BUSINESS INCUBATORS	By: ROONEY
PYBNJ-AJR 49	HEALTH ZONES	By: FELICE
PYBNJ-AJR 50	NJ MANUFACTURING	By: FRANKS
PYBNJ-SBN 271	END COMMERCE DEPT	By: DUMONT
PYBNJ-SBN 421	ECONOMIC DEVELOPMENT	By: GARIBALDI
PYBNJ-SBN 468	EMPLOYMENT RETENTION	By: GARIBALDI
PYBNJ-SBN 543	STATE PROMOTION	By: CARDINALE
PYBNJ-SBN 575	ECONOMIC DEVELOPMENT	By: BASSANO
PYBNJ-SBN 699	RARITAN BAY PLANNING	By: VANWAGNER
PYBNJ-SBN 1186	HIGH TECH ENDEAVORS	By: OCONNOR
PYBNJ-SBN 1442	CONTRIBUTION	By: STOCKMAN
PYBNJ-SBN 1457	ENTERPRIZE ZONES	By: PALLONE
PYBNJ-SBN 1592	URBAN ENTERPRISE	By: LYNCH
PYBNJ-SBN 1641	CAPITAL REDEVELOPMEN	By: STOCKMAN
PYBNJ-SBN 1686	URBAN LOANS	By: RUSSO
PYBNJ-SBN 1697	SMALL BUSINESS	By: GAGLIANO
PYBNJ-SBN 1709	SMALL BUSINESSES	By: LIPMAN
PYBNJ-SBN 1768	SHORE FRONT DEVEL	By: PALLONE
PYBNJ-SBN 1807	LAND DEVELOPMENT	By: COWAN
PYBNJ-SBN 1885	DEVELOP TAX SHARING	By: HIRKALA
PYBNJ-SBN 1886	ENTERPRISE SALES TAX	By: LESNIAK
PYBNJ-SBN 1890	DEVELOPMENT NOTICE	By: HIRKALA
PYBNJ-SBN 1969	BUSINESS ASISTANCE	By: RUSSO
PYBNJ-SBN 2004	INCUBATORS	By: DIFRANCESCO
PYBNJ-SBN 2160	COMMUNITY DEVELOP	By: RUSSO ET AL

PYBNJ-SBN 2195	URBAN DEVELOPMENT	By: BUBBA ET AL
PYBNJ-SBN 2303	MINORITY BUSINESSES	By: LYNCH
PYBNJ-SBN 2324	ENTERPRISE ZONE	By: COWAN
PYBNJ-SBN 2626	REGIONAL PLANNING	By: COWAN ET AL
PYBNJ-SBN 2711	ENTERPRISE ZONE PROP	By: LIPMAN
PYBNJ-SBN 2881	CASINO SET ASIDES	By: LIPMAN
PYBNJ-SBN 2947	EXPORT PROGRAM	By: DORSEY
PYBNJ-SBN 2963	SET-ASIDE PROGRAMS	By: RICE
PYBNJ-SBN 2966	DEVELOP AGREEMENTS	By: VANWAGNER
PYBNJ-SBN 3104	MINORITY CONTRACTS	By: LIPMAN
PYBNJ-SBN 3156	EXECUTIVE DEPTS.	By: LYNCH
PYBNJ-SBN 3270	SALES TAX EXEMPTION	By: CODEY
PYBNJ-SBN 3398	COUNTY PLANNING	By: VAN WAGNER
PYBNJ-SBN 3426	STATE PLAN	By: LIPMAN
PYBNJ-SBN 3432	STATE PLAN	By: ZANE
PYBNJ-SBN 3445	ENTERPRISE ZONES	By: LYNCH
PYBNJ-SBN 3548	DEVELOPMENT PERMITS	By: CONNORS
PYBNJ-SBN 3704	DEVELOPMENT RIGHTS	By: DORSEY
PYBNJ-SBN 3724	DEVELOPMENTAL RIGHTS	By: DORSEY
PYBNJ-SCR 125	DEVELOPMENT CONTROLS	By: DORSEY
NM-HBN 13	ENTERPRISE ZONES	By: CASEY
NM-HBN 87	ECON DEVELOPMENT	By: ROBBINS
NM-HMN 14	GOVERNMENT PROPERTY	By: VARELA
NM-SBN 1	ECONOMIC DEVELOPMENT	By: CHAVEZ
NM-SBN 16	PROMOTION AREAS	By: CHANDLER ET AL
PYBNM-HBN 62	TECHNICAL CENTERS	By: SALAZAR ET AL
PYBNM-HBN 362	ENTERPRISE ZONES	By: CASEY ET AL
PYBNM-HBN 444	GAS CARRIAGE	By: HILL
PYBNM-HBN 516	PROCUREMENT DATA BAS	By: SMITH
PYBNM-HBN 645	ECON DEVELOPMENT	By: MADALENA
PYBNM-HJM 5	TECHNOLOGY	By: SALAZAR ET AL
PYBNM-HMN 74	BUSINESS DISTRICTS	By: MCSORLEY
PYBNM-SBN 2	ENCONOMIC DEVELOPMEN	By: COSNER ET AL
PYBNM-SBN 4	TECHNOLOGY COMMITTEE	By: COSNER ET AL
PYBNM-SBN 274	TOURISM BOARD	By: KAMERMAN
PYBNM-SBN 325	ECONOMIC ADVANCEMENT	By: HARVEY ET AL
PYBNM-SBN 514	ECON DEVELOPMENT	By: MAES ET AL
PYBNM-SMN 86	BUSINESS DISTRICTS	By: RUTHERFORD ET AL
PYBNV-ABN 5	REGIONAL PLANNING	By: NICHOLAS ET AL
PYBNV-ABN 241	PUBLIC RECORD	By: HALLER
PYBNV-ABN 243	CODE REVISION	By: JUDICIARY
PYBNV-ABN 373	ECONOMIC DEVELOPMENT	By: ECONOMIC DEVELOPMENT
PYBNV-ABN 403	SMALL BUSINESS DEVT.	By: PRICE ET AL
PYBNV-ABN 492	ECONOMIC DEVELOPMENT	By: DINI ET AL
PYBNV-ABN 501	ECONOMIC DEVELOPMENT	By: PRICE ET AL
PYBNV-ABN 506	ECONOMIC DEVELOPMENT	By: PRICE ET AL
PYBNV-ABN 598	SUPERCOLLIDER	By: PRICE, ET AL
PYBNV-ABN 669	BUSINESS INVESTMENTS	By: WILLIAMS, ET AL
PYBNV-ABN 717	ECONOMIC DEVELOPMENT	By: ECONOMIC DEVELOPMENT
PYBNV-ABN 770	REDEVELOPMENT AREA	By: GOVT. AFFAIRS
PYBNV-ABN 779	STATUTE REVISION	By: GOVT. AFFAIRS
PYBNV-ABN 790	STATUTE REVISION	By: JUDICIARY
PYBNV-ABN 795	STATE INVESTMENTS	By: HUMKE ET AL
PYBNV-ACR 18	ECONOMIC DEVELOPMENT	By: WILLIAMS ET AL

PYBNV-ACR 19	ECONOMIC DEVELOPMENT	By: HALLER
PYBNV-SBN 56	ECONOMIC DEVELOPMENT	By: BEYER/HORN
PYBNV-SBN 301	TAHOE COMPACT	By: NATURAL RESOURCES
PYBNV-SBN 399	ECONOMIC DEVELOPMENT	By: HUMAN RESOURCES
NY-ABN 258	INT TRADE	By: GRIFFITH ET AL
NY-ABN 504	DEVELOPMENT ACT	By: HARRIS ET AL
NY-ABN 807	EXPORT TRADE LOANS	By: GORSKI
NY-ABN 863	URBAN RENEWAL	By: DEARIE
NY-ABN 1145	ECON DEVELOPMENT	By: PATTON ET AL
NY-ABN 1163	JOB DEVELOPMENT	By: GORSKI
NY-ABN 1170	WORKING CAPITAL	By: ROBACH
NY-ABN 1171	INDUSTRIAL DEVELOPMN	By: ROBACH
NY-ABN 1173	SMALL BUSINESS CASES	By: SCHIMMINGER ET AL
NY-ABN 1174	INDUST DEVELOPMENT	By: SHEFFER
NY-ABN 1232	URBAN DEVELOPMENT	By: SULLIVAN
NY-ABN 1277	INDUSTRIAL AGENCY	By: WALSH
NY-ABN 1597	ECON DEVELOPMENT	By: EVE
NY-ABN 1718	ECONOMIC DEVELOP	By: CATAPANO
NY-ABN 1734	TECHNOLOGY DEVELOP	By: HEALEY
NY-ABN 1768	MINORITY BUSINESSES	By: EVE
NY-ABN 1857	HOUSING ASSISTANCE	By: BOYLAND ET AL
NY-ABN 1924	DISCRIMINATION	By: BOYLAND ET AL
NY-ABN 1940	PUBLIC PENSION FUNDS	By: HEALEY ET AL
NY-ABN 2322	TAX EXEMPT CONSTRUC	By: HARENBERG ET AL
NY-ABN 2696	LOW COST POWER	By: HOYT ET AL
NY-ABN 2770	PUBLICLY AIDED CONST	By: EVE ET AL
NY-ABN 2776	MINORITY BANKS	By: EVE ET AL
NY-ABN 2796	LAND DEVELOPMENT	By: JACOBS
NY-ABN 3316	INDUSTRIAL DEVEL	By: HARENBERG ET AL
NY-ABN 3378	SMALL BUSINESS LOAN	By: SCHIMMINGER ET AL
NY-ABN 3675	ECON DEVELOPMENT	By: GOTTFRIED ET AL
NY-ABN 3841	URBAN DEVELOPMENT	By: WEINSTEIN ET AL
NY-ABN 3959	ECONOMIC DEVELOPMENT	By: WERTZ ET AL
NY-ABN 4282	SMALL BUSINESS	By: O'NEIL ET AL
NY-ABN 4335	EXPORTS	By: HINCHEY
NY-ABN 4569	DEPT TERMINATION	By: BEHAN ET AL
NY-ABN 4571	JOB DEVELOPMENT	By: BEHAN ET AL
NY-ABN 4605	JOB DEVELOPMENT	By: HALPIN ET AL
NY-ABN 4652	SMALL BUSINESS	By: VITALIANO ET AL
NY-ABN 4792	SMALL BUSINESS	By: SCHIMMINGER ET AL
NY-ABN 4793	STATE CONTRACTS	By: GORSKI
NY-ABN 4826	DEVELOPMENT ZONE	By: GORSKI
NY-ABN 5358	PROCUREMENT CONTRACT	By: SULLIVAN ET AL
NY-ABN 5359	PROCUREMENT CONTRACT	By: SULLIVAN ET AL
NY-ABN 5388	EXPANSION POWER	By: BRODSKY ET AL
NY-ABN 5492	IMPROVEMENT DISTRICT	By: DINAPOLI
NY-ABN 5509	VENTURE CAPITAL	By: EANNACE ET AL
NY-ABN 5563	RURAL DEVELOPMENT	By: PARMENT
NY-ABN 5730	MINORITY BUSINESS	By: GREEN ET AL
NY-ABN 5744	FRANCHISE TAX	By: SCHIMMINGER ET AL
NY-ABN 5798	INDUST DEVEL BONDS	By: YOUNG ET AL
NY-ABN 5891	JOB STABILIZATION	By: BARBARO
NY-ABN 5905	CIVIC FACILITY	By: CONNELLY
NY-ABN 5919	HOUSING ENTERPRISE Z	By: YOUNG

NY-ABN 6081	EQUITY CAPITAL	By: ROBACH ET AL
NY-ABN 6177	INFRASTRUCTURE	By: ROBACH
NY-ABN 6178	INDUST MODERNIZATION	By: ROBACH
NY-ABN 6355	INDUSTRY ASSISTANCE	By: SCHIMMINGER
NY-ABN 6390	STATE BONDS	By: ZALLESKI
NY-ABN 6417	BUSINESS DEVELOPMENT	By: RULES COM
NY-ABN 6526	VENTURE CAPITAL FUND	By: FRISA ET AL
NY-ABN 6527	WORKING CAPITAL LOAN	By: FRISA ET AL
NY-ABN 6529	BUSINESS INNOVATION	By: FRISA ET AL
NY-ABN 6634	HOSPITAL BONDS	By: SIEGEL ET AL
NY-ABN 6653	INCENTIVE RATES	By: HOYT ET AL
NY-ABN 6788	INNOVATION DEVEL	By: ROBACH
NY-ABN 6791	TECHNOLOGY DEVELOPME	By: ROBACH
NY-ABN 6839	TECHNOLOGY CENTERS	By: ROBACH ET AL
NY-ABN 6861	ECONOMIC DISTRESS	By: YEVOLI ET AL
NY-ABN 6892	BOND VOLUME CEILING	By: GORSKI, ET AL
NY-ABN 7447	MINORITY ENTERPRISES	By: RULES COMM
NY-ABN 7623	ECONOMIC DEVELOPMENT	By: RULES COM
NY-ABN 7638	URBAN DEVELOPMENT	By: RULES COMM
NY-ABN 7700	ECONOMIC GROWTH ACT	By: RULES COM
NY-ABN 7831	SECONDARY MATERIALS	By: RULES COMM
NY-ABN 7859	URBAN DEVELOPMENT	By: RULES COMM
NY-ABN 7863	IMPROVEMENT DISTRICT	By: RULES COMM
NY-ABN 8007	URBAN DEVELOPMENT	By: RULES COMM
NY-ABN 8098	URBAN DEVELOPMENT	By: RULES COMM
NY-ABN 8370	ECONOMIC DEVELOPMENT	By: RULES
NY-ABN 8372	ECON DEVELOPMENT	By: RULES
NY-ABN 8420	ECONOMIC DEVELOPMENT	By: RULES
NY-ABN 8443	ECONOMIC DEVELOPMENT	By: RULES
NY-ABN 8591	ECONOMIC DEVELOPMENT	By: RULES COM
NY-ABN 8745	ECONOMIC DEVELOP	By: BRODSKY
NY-ABN 8810	DEVELOPMENT AGENCY	By: PILLITTERE
NY-ABN 11759	NUCLEAR POWER SALE	By: RULES
NY-SBN 350	DEVELOPMENT ACT	By: STAFFORD
NY-SBN 482	EXPORT TRADE LOANS	By: FLOSS ET AL
NY-SBN 675	JOB DEVELOPMENT	By: FLOSS ET AL
NY-SBN 676	INDUSTRIAL DEVELOPME	By: FLOSS ET AL
NY-SBN 677	INDUST DEVELOPMENT	By: FLOSS ET AL
NY-SBN 680	WORKING CAPITAL	By: FLOSS ET AL
NY-SBN 681	SMALL BUSINESS CASES	By: FLOSS ET AL
NY-SBN 730	INDUSTRIAL AGENCY	By: PRESENT
NY-SBN 856	URBAN RENEWAL	By: JENKINS
NY-SBN 868	INDUST DEVELOPMENT	By: JENKINS
NY-SBN 1098	HOUSING ASSISTANCE	By: JENKINS
NY-SBN 1801	COMMUNITY RENEWAL	By: DALY ET AL
NY-SBN 1859	DEVELOPMENT RIGHTS	By: ONORATO ET AL
NY-SBN 1875	LOW COST POWER	By: DALY ET AL
NY-SBN 1950	JOB DEVELOPMENT	By: FLOSS
NY-SBN 2272	MINORITY BUSINESS	By: BARTOSIEWICZ
NY-SBN 2292	SMALL BUSINESS	By: FLOSS
NY-SBN 2469	INDUSTRIAL DEV	By: TRUNZO ET AL
NY-SBN 2619	PUBLIC WORKS	By: JOHNSON ET AL
NY-SBN 2733	ECON DEVELOPMENT	By: FLOSS ET AL
NY-SBN 2769	TOURISM INDUSTRY	By: MCHUGH ET AL

NY-SBN 2895	ECON DEVELOPMENT	By: LACK
NY-SBN 2983	URBAN DEVELOPMENT	By: OPPENHEIMER ET AL
NY-SBN 2998	BUSINESS DEVELOPMENT	By: FLOSS
NY-SBN 3181	EXPORTS	By: FARLEY
NY-SBN 3381	INNOVATION DEVEL	By: FLOSS
NY-SBN 3395	DEVELOPMENT ZONE	By: MASIELLO ET AL
NY-SBN 3479	PROCUREMENT CONTRACT	By: FLOSS
NY-SBN 3480	PROCUREMENT CONTRACT	By: FLOSS
NY-SBN 3501	EXPANSION POWER	By: LACK ET AL
NY-SBN 3556	IMPROVEMENT DISTRICT	By: TULLY ET AL
NY-SBN 3572	RURAL DEVELOPMENT	By: COOK
NY-SBN 3642	DISCRIMINATION	By: JENKINS
NY-SBN 3643	HOUSING ASSISTANCE	By: JENKINS
NY-SBN 3785	MINORITY BUSINESS	By: JENKINS
NY-SBN 3791	FRANCHISE TAX	By: LEVY ET AL
NY-SBN 3943	INDUSTRY ASSISTANCE	By: FLOSS
NY-SBN 4049	URBAN DEVELOPMENT CO	By: LEICHTER
NY-SBN 4174	"CIVIC FACILITY"	By: MARCHI
NY-SBN 4178	HOUSING ENTERPRISE Z	By: SPANO ET AL
NY-SBN 4179	HOUSING ENTERPRISE Z	By: SPANO ET AL
NY-SBN 4421	TECHNOLOGY DEVELOPME	By: FLOSS
NY-SBN 4537	STATE BONDS	By: VELELLA
NY-SBN 4896	IMPROVEMENT DISTRICT	By: COOK
NY-SBN 5091	TAX EXEMPT CONSTRUC	By: TRUNZO
NY-SBN 5113	BUSINESS INCENTIVES	By: LOMBARDI
NY-SBN 5248	ENTERPRISE ZONES	By: GALIBER
NY-SBN 5249	CONSTRUCTN CONTRACTS	By: GALIBER
NY-SBN 5280	BOND VOLUME CEILING	By: MARCHI
NY-SBN 5465	ECON DEVELOPMENT	By: SEWARD
NY-SBN 5500	HIGH TECH INCUBATORS	By: FLOSS
NY-SBN 5508	REDEVELOPMENT CONTRA	By: LEICHTER
NY-SBN 5510	SMALL BUSINESS	By: LEICHTER
NY-SBN 5560	URBAN DEVELOPMENT	By: TRUNZO
NY-SBN 5734	SECONDARY MATERIALS	By: BRUNO
NY-SBN 5754	URBAN DEVELOPMENT	By: DALY
NY-SBN 5792	ECON DEVELOPMENT	By: LOMBARDI
NY-SBN 5824	ECON DEVELOPMENT	By: PADAVAN
NY-SBN 5880	ECONOMIC DEVELOPMENT	By: VOLKER
NY-SBN 6027	ECON DEVELOPMENT	By: RULES COMM
NY-SBN 6256	ECON DEVELOPMENT	By: RULES
NY-SBN 6367	ECONOMIC DEVELOPMENT	By: PATERSON
NY-SBN 6495	ECONOMIC DEVELOPMENT	By: ANDERSON ET AL
NY-SBN 6668	ECON DEVELOPMENT	By: FLOSS
NY-SBN 6805	DEVELOPMENT AGENCY	By: DALY
NY-SBN 6811	FREE TRADE STUDY	By: MASIELLO
OH-HBN 76	PRIVATE CARRIERS	By: BEATTY
OH-HBN 153	RURAL JOBS	By: CERA ET AL
OH-HBN 292	ECONOMIC DEVELOPMENT	By: CERA ET AL
OH-HBN 509	STEEL FUTURES	By: VERICH ET AL
OH-HBN 692	ECONOMIC DEVELOPMENT	By: HUGHES ET AL
OH-HBN 708	REVISIONS BILL	By: SHIVERS
OH-HBN 713	ECONOMIC DEVELOPMENT	By: THOMPSON ET AL
OH-HBN 714	PUBLIC FUNDS	By: SCHUCK
OH-HBN 715	ECONOMIC DEVELOPMENT	By: SCHUCK

OH-HJR 15	LAKE REDEVELOPMENT	By: BARA
OH-SBN 9	ENTERPRISE ZONE	By: SUHADOLNIK
OH-SBN 160	ECONOMIC DEVELOPMENT	By: BURCH ET AL
OH-SBN 215	STATE BOARDS	By: BURCH, ET AL
OH-SBN 233	STEEL FUTURES PROGRA	By: LEVEY
OH-SBN 321	ECONOMIC DEVELOPMENT	By: CUPP ET AL
OH-SJR 11	BLACK UNEMPLOYMENT	By: BOWEN ET AL
OK-HBN 1082	ECONOMIC DEVELOPMENT	By: ROSS
OK-HBN 1145	WORLD TRADE	By: CRAIGHEAD
OK-HBN 1334	INDUSTRIAL LOANS	By: BREWSTER
OK-HBN 1416	STATE ARTS COUNCIL	By: MC CORKELL
OK-HBN 1442	SMALL BUSINESSES	By: MCCORKELL
OK-HBN 1444	ECONOMIC RECOVERY	By: BARKER
OK-HBN 1447	HIGHER EDUCATION	By: HILL
OK-HBN 1465	INTERNATIONAL TRADE	By: BARKER/CRAIGHEAD
OK-HBN 1470	ENERGY CONSERVATION	By: HOBSON
OK-HBN 1498	PUBLIC FINANCE	By: COTNER
OK-HCR 1045	STATE TAXATION	By: GISH ET AL
OK-HJR 1029	PLEDGES OR LOANS	By: BARKER ET AL
OK-SBN 31	VENTURE CAPITAL	By: STIPE/ROBERTS
OK-SBN 77	ECONOMIC DEVELOP	By: CULLISON ET AL
OK-SBN 120	BUSINESS ENTERPRISE	By: HORNER
OK-SBN 448	JOB TRAINING	By: SCHUELEIN
OK-SCR 47	STATE FARM INSUR	By: WRIGHT ET AL
OK-SRN 8	TOURISM ENTERPRISES	By: FLOYD
OK-SRN 9	EXPANDING BUSINESS	By: HOOPER/SODLER
PYBOR-HBN 2178	ENTERPRISE INCENTIVE	By: ECONOMIC DEVELOPMENT
PYBOR-HBN 2247	INDUSTRIAL MARKETING	By: TRADE/ECON DEVLPMT
PYBOR-HBN 2248	ENTERPRISE ZONE	By: TRADE/ECON DEVLMT
PYBOR-HBN 2249	NONPROFIT CORPS	By: TRADE/ECON DEVLPMT
PYBOR-HBN 2250	OREGON MARKETPLACE	By: TRADE/ECON DEVLPMT
PYBOR-HBN 2409	GENDER CHANGES	By: JUDICIARY
PYBOR-HBN 2491	AREA TAX CREDIT	By: ANDERSON
PYBOR-HBN 2552	CREDIT CARDS	By: JUDICIARY
PYBOR-HBN 2611	PORT PROJECT FUND	By: TRADE DEVELOP
PYBOR-HBN 2612	PORT COMMISSION	By: TRADE DEVELOP
PYBOR-HBN 2641	BUSINES INCUBATOR	By: KOTULSKI ET AL
PYBOR-HBN 3010	ECON DEVEL DEPT	By: TRADE DEVELOP COMM
PYBOR-HBN 3011	ECONOMIC DEVELOPMENT	By: TRADE COMMITTEE
PYBOR-HBN 3020	SMALL BUSINESSES	By: DIX ET AL
PYBOR-HBN 3122	ECONOMIC INTERGRATIO	By: GOLD
PYBOR-HBN 3140	SMALL BUSINESS	By: EACHUS ET AL
PYBOR-HBN 3182	BUSINESS CORP LICENS	By: FAWBUSH
PYBOR-HBN 3288	SMALL BUSINESSES	By: DIX
PYBOR-HBN 3289	ECON DEVELOPMENT	By: DIX ET AL
PYBOR-HBN 3334	PORT COMMISSION	By: HANLON ET AL
PYBOR-HBN 3364	MINORITY BUSINESS	By: CARTER ET AL
PYBOR-SBN 113	PUBLIC WORKS FUND	By: EXECUTIVE DEPT
PYBOR-SBN 129	EXEMPT REVENUE BONDS	By: REVENUE DEPT
PYBOR-SBN 164	BUILD BOND PROGRAM	By: TREASURY
PYBOR-SBN 281	ECON DEVELOPMENT	By: TRADE DEVELOP
PYBOR-SBN 282	DEVELOPMENT CORP	By: TRADE DEVELOP
PYBOR-SBN 283	FINANCE AUTHORITY	By: TRADE DEVELOP
PYBOR-SBN 378	TOURISM PROMOTION	By: HAMBY ET AL

PYBOR-SBN 389	SUPER COLLIDER	By: YIH ET AL
PYBOR-SBN 428	RURAL HOSPITAL	By: TIMMS ET AL
PYBOR-SBN 465	WAGE INCENTIVE	By: KERANS ET AL
PYBOR-SBN 698	STATE CONTRACTS	By: OLSON ET AL
PYBOR-SBN 701	EMPLOYEE-OWNED BUS	By: HILL
PYBOR-SBN 821	MINORITY BUSINESSES	By: MCCOY ET AL
PYBOR-SBN 871	DEVELOPMENT FUND	By: DERANS
PYBOR-SBN 886	SOFTWARE DEVELOPMENT	By: KERANS ET AL
PYBOR-SBN 949	SMALL BUSINESS TRAIN	By: RULES COMM
PYBOR-SBN 950	ECONOMIC DEVEL	By: RULES
PYBOR-SBN 953	INVESTMENT RECORD DI	By: RULES COMM.
PYBOR-SBN 955	PROPERTY TAX EXEMPT	By: RULES
PYBOR-SBN 956	PRIVATE BUSINESS MAT	By: RULES
PYBOR-SBN 957	ECONOMIC DEVEL	By: RULES
PYBOR-SBN 963	HELP SMALL BUSINESS	By: TRADE DEVELOP
PYBOR-SBN 966	FOREIGN SALES CORPOR	By: TRADE DEVELOP
PYBOR-SBN 1012	WATER MANAGEMENT PLA	By: BROCKMAN ET AL
PYBOR-SBN 1034	ADMINISTRATIVE BOARD	By: RULES
PYBOR-SJR 25	MINORITY BUSINESS	By: RULES
PA-CCH 10	INDUSTRY DEV BOARD	By: GENERAL ASSEMBLY
PA-CCH 11	MINORITY BUSINESS	By: GENERAL ASSEMBLY
PA-HBN 1	ECON. DEVELOPMENT	By: MANDERINO ET AL
PA-HBN 2	POOL BONDS	By: SWEET ET AL
PA-HBN 3	DISTRESSED INDUSTRY	By: YANDRISEVITS ET AL
PA-HBN 4	EMPLOYMENT OPS	By: FATTAH ET AL
PA-HBN 5	COAL USE	By: LLOYD ET AL
PA-HBN 91	PRODUCT DEVELOP	By: HALUSKA
PA-HBN 246	SMALL BUSINESS	By: LLOYD ET AL
PA-HBN 389	ECON REVITALIZATION	By: REBER ET AL
PA-HBN 575	VENTURE CAPITAL	By: DORR ET AL
PA-HBN 576	SMALL BUSINESSES	By: DORR ET AL
PA-HBN 580	INDUS DEVELOPMENT	By: DORR ET AL
PA-HBN 717	DEVELOPMENT FINANCE	By: SWEET ET AL
PA-HBN 735	PLANT SHUTDOWN	By: RICHARDSON ET AL
PA-HBN 763	REDEVELOPMENT	By: LAUGHLIN ET AL
PA-HBN 815	REVITALIZATION RATES	By: BURNS
PA-HBN 823	INFRASTRUCTURE	By: LASHINGER ET AL
PA-HBN 893	SMALL BUSINESS	By: COY
PA-HBN 931	BLIGHTED PROPERTY	By: COWELL ET AL
PA-HBN 1149	INDUSTRIAL DEVELOPME	By: BELFANTI, ET AL
PA-HBN 1370	ECONOMIC DEVELOPMENT	By: LAGROTTA, ET AL
PA-HBN 1400	INDUSTRIAL DEVELOPME	By: SWEET, ET AL
PA-HBN 1435	ECONOMIC ADJUSTMENT	By: KUKOVICH ET AL
PA-HBN 1727	DEVELOPMENT ACT	By: DUFFY ET AL
PA-HBN 1940	INDUSTRIAL DEVELOPME	By: SWEET ET AL
PA-HBN 2056	SMALL BUSINESS	By: HERSHEY ET AL
PA-HBN 2072	INDUSTRIAL DEVELOP	By: BUSINESS & COMMERCE
PA-HRN 40	LOWER UTILITY COST	By: BURN
PA-HRN 55	COAL PRODUCTS	By: DALEY ET AL
PA-SBN 10	INSURANCE INVESTMENT	By: HOLL
PA-SBN 300	CAPITAL IMPROVEMENTS	By: ZEMPRELLI
PA-SBN 460	EXEC REORGANIZATION	By: SHAFFER ET AL
PA-SBN 551	RURAL DEVELOPMENT	By: PETERSON ET AL
PA-SBN 634	PRODUCT DEVELOPMENT	By: AFFLERBACH ET AL

PA-SBN 703	TECHNICAL ASSISTANCE	By: SHAFFER ET AL
PA-SBN 728	HOUSING SERVICES	By: JONES ET AL
PA-SBN 750	ECON DEVELOPMENT	By: ZEMPRELLI ET AL
PA-SBN 774	INDUSTRIAL PROJECTS	By: ROMANELLI ET AL
PA-SBN 940	SMALL BUSINESS INCUB	By: MOORE ET AL
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ALASKA



REVIEW OF SOCIAL AND ECONOMIC CONDITIONS

University of Alaska Anchorage, Institute of Social and Economic Research

May 1988, Vol. XXV, No. 2

The Effects of Alaska's Economic Recession on Anchorage Households

Why Anchorage?

Over the past two years a strong recession has choked the Alaska economy. All Alaska communities have been hurt by it. But Anchorage and other communities in southcentral Alaska have seen the sharpest economic decline and the biggest population drain.

Those southcentral communities grew the fastest in the early 1980s, and they have come down the hardest. Anchorage is the state's major commercial center and is home to more than 40 percent of Alaskans. Anchorage's economic recovery will be an important measure of the state's overall recovery.

Because the Anchorage economy is such a big part of the state economy and it has been hit so hard by the recession, this publication looks specifically at the effects of the recession on Anchorage. By looking only at Anchorage, we're not implying that the recession has left other communities untouched.

This publication is based on two large telephone surveys of Anchorage households done in June and November 1987. Household surveys show us the human dimension of the recession: how different kinds of households have been affected by the recession, as described by the household residents themselves. We asked residents questions about their incomes, housing status, employment, occupa-

tions, moving plans, and expectations about their own financial futures.

The recession that started at the end of 1985 has been much harder on some Anchorage residents than on others. Some have lost--or are near losing--homes, jobs, businesses. Some have watched the value of their properties shrink but have reasonably steady incomes that help them hold on, waiting for better times. Some who lived here two years ago have left, looking for brighter prospects. And some--particularly those who arrived after the recession started--are seeing the bright spot on the dark landscape: lower rents and bargain prices for houses, with plenty of choices--and, in general, higher paying jobs than in the lower 48.

In this *Review*, we tell the story of a city in recession. Who has been most affected and who least? Who is leaving, and who is staying? Who has moved into Anchorage in the past couple of years? How much are people moving around within the city? How many households have been touched by unemployment? How much income have we lost? How many homeowners paid more than their properties will sell for today? Who feels most optimistic about the future and who least? On page 3 we highlight the survey findings that are discussed in detail in later pages.

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The Effects of Alaska's Economic Recession on Anchorage Households

This publication is based on telephone surveys of Anchorage households conducted by ISER in June and November 1987. The authors are ISER staff members Karen Foster, Linda Leask, and Teresa Hull.

Survey Methods

In June we developed a random telephone sample of 551 Anchorage households; a random sample is designed to capture the characteristics of the population at large.¹ In November we tried to call the same households again. By November we lost some of the households in our original sample, either because they left Anchorage, moved within the city and changed phone numbers, declined to answer the survey questions the second time, or couldn't be reached for the second survey.²

Despite the smaller sample size, the November survey still provides a good representation of the Anchorage population as a whole.³ Combined, the two surveys give us information that a single survey or two independent surveys couldn't. For example, in June we asked how many households had plans to move within the next three months; in November we were able to trace how many had actually moved and what their characteristics were.

We hope to continue these surveys over time,

to monitor change as Anchorage climbs out of the recession. If oil prices hold somewhere in the range of \$16 to \$20 a barrel, we expect the number of jobs to stop shrinking and the recession to end toward the latter part of this year.⁴ But unfortunately not all the effects of the recession--particularly on the housing market--will disappear as soon as the economy turns around. We hope to document the course of the recovery.

Presentation of Findings

We collected a great deal of information in the two surveys; our biggest problem has been sorting through the results and deciding how to present them so they give the most interesting and useful picture of Anchorage households in 1987, without drowning readers in a sea of statistics. We finally settled on several summaries and comparisons that seem to us the most revealing. In looking at the survey results presented in the following pages, keep this in mind: each time we break the whole sample

(Continued on page 4)

Highlights of Findings

Migration: In and Out

- Close to 13 percent of our survey households left Anchorage between our June and November surveys. If we apply that percentage to all Anchorage households, it amounts to about 10,000 households. This is not a net loss of households, however, as people were still arriving in the city, although in smaller numbers than in past years.
- Those who left Anchorage between our two surveys were more likely to be younger, to be out of work, to have lower incomes, to be renters, to be in the military, and to have lived in Anchorage fewer years than those who stayed.
- Households that left the city were twice as likely to have one or more members unemployed as those who remained. About 20 percent of households that left had reported someone in the household was out of work in June, as compared with 11 percent among those who stayed.
- About 13 percent of households we surveyed in mid-1987 said that they had plans to leave Anchorage within a year. That was twice the percentage that had plans to leave the city in 1976, when pipeline construction was winding down.

Anchorage Housing Status

- About 80 percent of those who own single-family houses in Anchorage could probably cover their mortgage debt if they had to sell today. However, nearly half of single-family homeowners paid more than their homes are worth today.
- Nearly 70 percent of condominium owners--those who bought between 1982 and 1986--owe more than their properties are worth now.
- Half the renters we surveyed in 1987 said they were considering buying homes in Anchorage. Almost all of them said they would prefer to buy single-family houses.
- More than 65 percent of renters surveyed had moved in Anchorage within the past 18 months and

35 percent had moved within the past six months.

- Only 7 percent of homeowners we interviewed had plans to move within the city in the coming year, and only 11 percent had bought their houses in the previous 18 months.

Profile of Anchorage Households

- People who came to Anchorage during the boom years of the early 1980s are among those hardest hit by the recession. Many are in occupations that have been hurt by the real estate slide; one in four had 1986 household incomes below \$20,000; more own mobile homes; they are also among the most likely to have bought houses and condominiums when prices were at their peak.
- Long-time residents--those who have been here longer than 8 years--are also being hit hard by the recession. Around 40 percent reported that they were worse off financially in 1987 than they had been in 1986, even though most still had their jobs and reasonably steady incomes.
- New arrivals to the city are the clear winners during the recession. Most came with jobs, they can buy or rent their homes at bargain prices, and they are overwhelmingly optimistic about their financial futures.
- Roughly 40 percent of households that had reported having at least one member out of work in June had found work by November. Another 20 percent of those households had left the city by November.

Expectations for the Future

- Anchorage residents as a whole became more optimistic about the economy between June and November: one in four felt more optimistic about their own financial outlooks in November than they had in June. And many Anchorage households think better times are coming: about 45 percent thought their own finances would improve during the coming year, in contrast to only 16 percent who thought their finances would worsen.

then fell into recession at the end of the year.

Further evidence of net out-migration from Anchorage can be seen in our finding that military households made up only about 17 percent of the households that left Anchorage in the last half of 1987. If we assume that about the same number of military people transfer in as transfer out at any given time, we can see that the overall number of people leaving the city in recent times has been much larger than the number coming in.

Plans and Reasons for Moving

People move for various reasons, but the recession has naturally focused attention on those who move because they can't make a living in Anchorage. In our June survey we asked households to tell us not only whether they were likely to move in the coming year, but where they were likely to move and why, and whether they were homeowners or renters. Table 6 and Figures 1 and 2 show plans for moving and reasons.

Table 6 shows that 16 percent of households said they were likely to move in Anchorage in the coming year, 4 percent said they were likely to move somewhere else in Alaska, and 13 percent said they were likely to leave the state. As we noted above, the percentage of people who thought they were likely to move Outside was considerably higher in 1987 than it had been in earlier times. But nearly 70 percent of all households said they were not likely to move at all in the coming year.

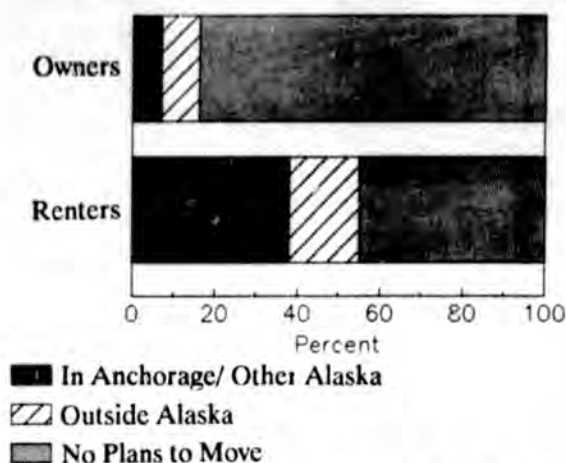
Table 6
Households Likely to Move Within a Year

	Percent
Likely, within Anchorage	16
Likely, within Alaska	4
Likely, outside Alaska	13
Not likely to move	67
	100

(June sample, N = 551)

Figure 1 shows what we would expect--that renters are far more likely to move both within the city and from the city than are homeowners: 7 percent of homeowners and 38 percent of

Figure 1
Plans to Move Within One Year,
by Owner/Renter Status

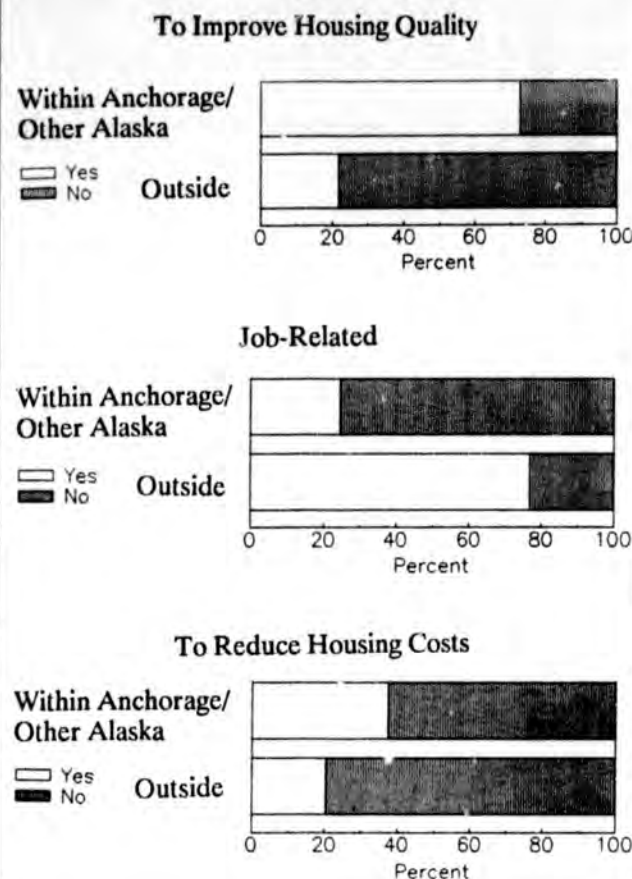


(June sample, N = 551)

renters said they were likely to move in Anchorage within a year; 9 percent of homeowners and 17 percent of renters said they were likely to leave Alaska in the coming year. Though renters in any American city are more likely to move than people who own homes, in Anchorage the difference is greater because the mobility of homeowners has been hampered in recent years by depressed housing prices, as we discuss further in the housing section. So it seems probable that if we had taken a similar survey in the early 1980s, when housing prices were rising, a larger share of homeowners would have had plans to move.

Figure 2 shows why households planned to move. This figure supports the popular opinion in Anchorage that those people who can move freely--mostly renters--are taking advantage of reduced rents and lower housing prices to move into better-quality homes. Nearly three in four households with plans to move in Anchorage said the move would be at least partly to improve housing quality. (Those we surveyed could cite more than one reason why they were moving, so the categories in Figure 2 aren't mutually exclusive.) And of those likely to move Outside, more than 75 percent said the move was job-related. Figure 3 profiles those households that actually left Anchorage between June and November 1987--as opposed to those that simply said they were likely to move--and looks at unemployment, occupa-

Figure 2
Reasons for Planned Moves*



*These are not households that did move, but those who said in June that they were likely to move within a year, and the percentages who cited these specific reasons.

(June sample, N = 179)

tions and many other characteristics of the households that left.

Who Left? Who Stayed?

Between June and November 1987 we lost about 13 percent of our original household sample because those households had their phones disconnected and had no new listings in the city.⁶ There could be several reasons why those households no longer had phones: people who had once had phones listed in their names moved to households where the phones were listed in other names; the households could no longer afford phones or their service was cut off; or, the households were no longer in Anchorage.

We weren't able to get information on the

percentage of Anchorage telephones that were disconnected in 1987 because the householders didn't pay their telephone bills, but we know that in general most people will try to hold onto their phones as long as they can. It's also impossible to trace how many people who once had phones listed in their names have moved into places where the phone is listed in someone else's name.

But we believe that such instances would be relatively few, and that all or almost all of the households whose phones were disconnected and who had no new listings as of November left Anchorage. We know that thousands of people did leave the city in 1987. We know that if households with school-age children are planning to move they often do so in the summer, after school lets out.

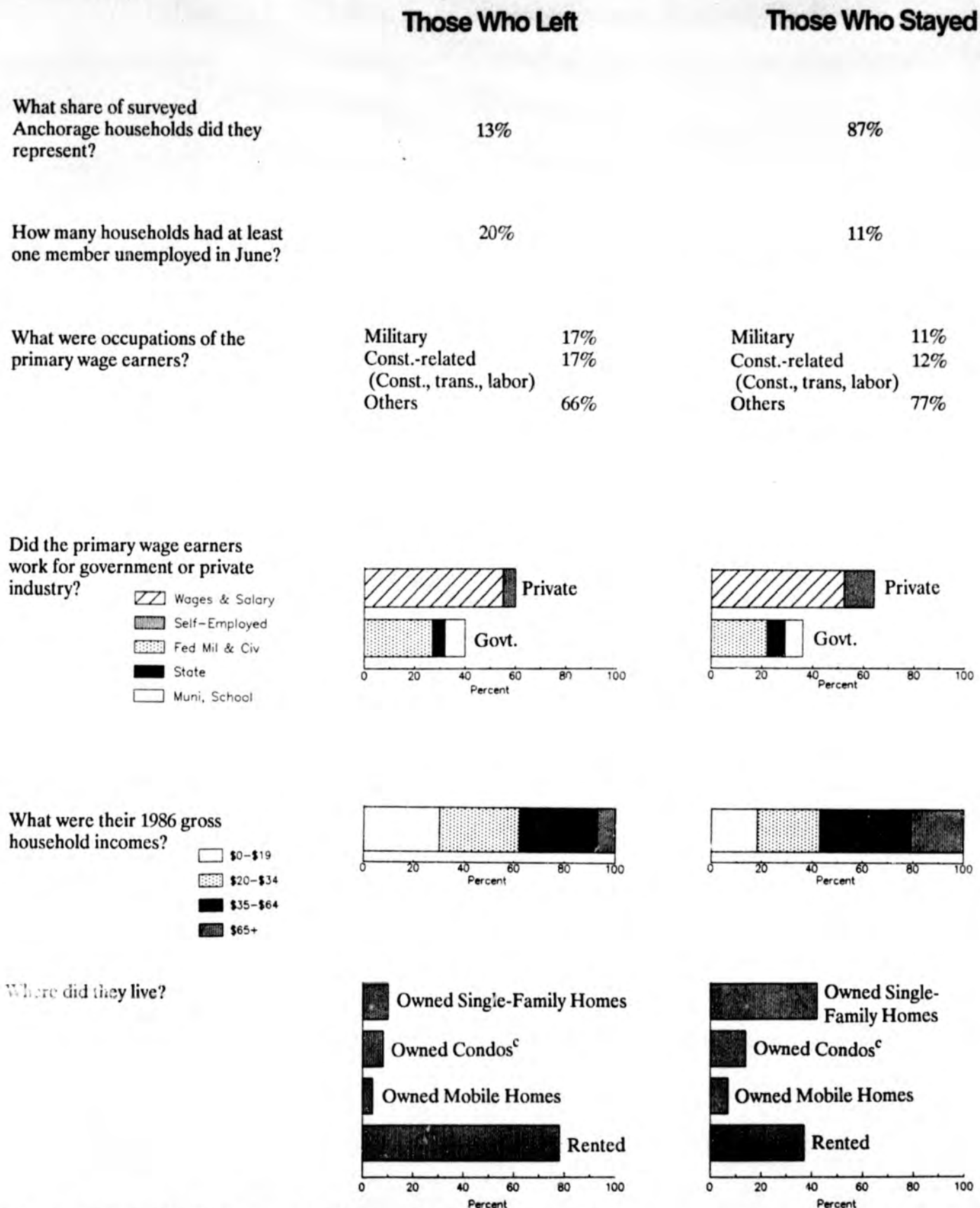
If we take that 13 percent and apply it to all Anchorage households as of mid-1987, that would mean about 10,000 households—including a significant share of households made up of just one person—left the city in the last half of 1987. Given what we know from other sources, such a number does not seem unreasonable. Keep in mind that this *does not mean* that Anchorage saw a net loss of that many households: households were still moving into the city, although fewer were moving in than moving out. (See Table 2; the municipality estimates that for every 5 persons who left Anchorage between 1985 and 1987, 3 arrived.)

Figure 3 compares households that left Anchorage between June and November with those that stayed. How were those who left different from those who stayed?

- Unemployment. *Households that left were nearly twice as likely as those who stayed to have one or more member unemployed.*

In June 1987, 20 percent of the households that later left Anchorage reported that at least one adult in the household—either the principal wage earner or another adult—was out of work. Among those who stayed, 11 percent said at least one adult in the household was unemployed.

Similarly, the primary wage earners⁷ in households that left Anchorage had unemployment rates more than twice as high as among

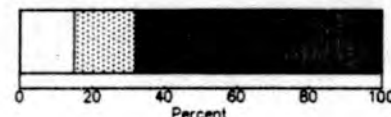
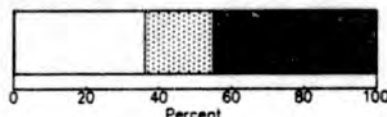
Figure 3. Who Left^a Anchorage and^aBased on households with disconnected phones and no new listings, n = 74.^bn = 477.^cActually includes other attached housing but is largely condominiums and townhouses.

Who Stayed,^b June – November, 1987

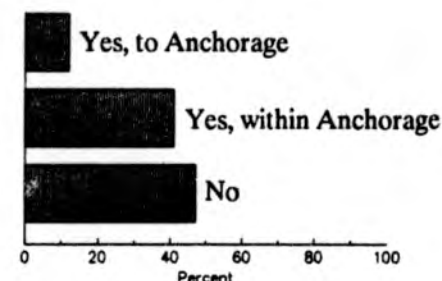
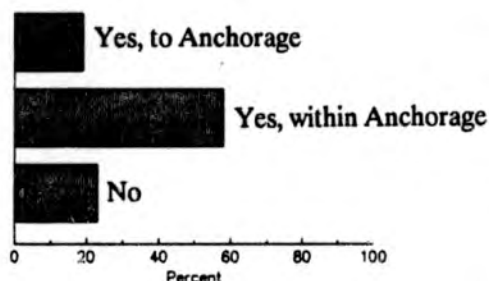
Those Who Left

Those Who Stayed

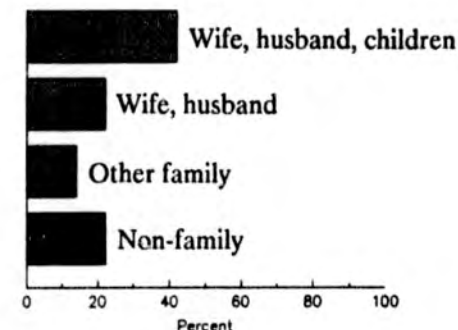
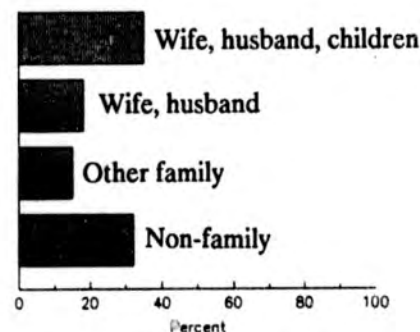
As of June 1987, how long had the households lived at their current address?



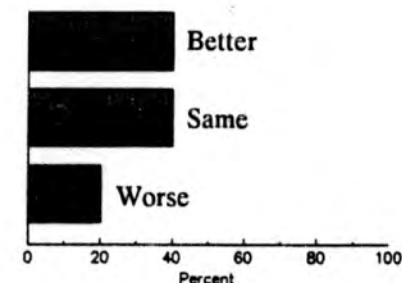
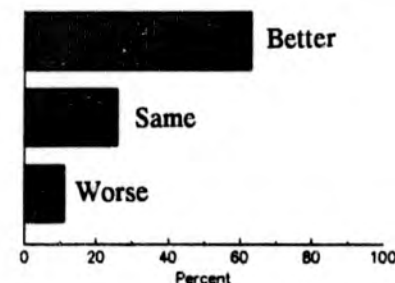
Had the households moved during the 3 years before June 1987?



What type of households were they?



Did they expect their households to be better or worse off financially by June 1988?



How old were they?
(Primary wage earners)

Under 35
 35-54
 55 & over

65%
 34
 1

39%
 47
 14

How long had they lived in Alaska?
(Primary wage earners)

Duration	Percentage	Duration	Percentage
0-3 yrs.	33%	8-17 yrs.	21%
4-7 yrs.	21%	18+ yrs.	26%

Duration	Percentage	Duration	Percentage
0-3 yrs.	20%	8-17 yrs.	32%
4-7 yrs.	19%	18+ yrs.	29%

those who stayed: 7 percent as compared with 3 percent.

So while unemployment undoubtedly influenced one-fifth or more of the households that left--and certainly could have influenced others who may have lost their jobs after June--the majority of those who left had jobs in June.

- **Occupations of Primary Wage Earners.** *Military personnel and workers with construction-related jobs made up the largest percentages of primary wage earners among those who left. Movers did not differ significantly from stayers in other occupations.*

As stated above, military people rotating to and from Anchorage's army and air force bases have historically made up a significant share of Anchorage population turnover. During our survey period, military personnel made up 17 percent of households that left and they accounted for roughly 10 percent of those who stayed.

The construction industry has been the hardest hit by the current recession; statewide about 11,000 construction jobs disappeared between 1984 and 1987. Workers in construction-related jobs (we are including those who described themselves as construction workers, laborers, and transportation workers) accounted for another 17 percent of the households that left. Among those who stayed, construction-related workers made up about 12 percent of the work force.

- **Government versus Private Industry Workers.** *The proportions of primary wage earners working in government and private industry were roughly the same among those who left and those who stayed.*

Among those who left, 60 percent had worked for private industry and 40 percent for government. Most of the private workers who left were wage or salary workers; only a few (5 percent) were self-employed. Of the private workers who stayed, a bigger share (12 percent) were self-employed--which makes sense if you assume that many self-employed people have

their own businesses and are more likely to try to stick it out than are those who work for wages.

The biggest share--27 percent--of government workers who left were military and federal civilian employees, and we can assume that all or almost all of those were transferring to jobs elsewhere. But another 13 percent of those who left had worked for either state or local government in Alaska--a percentage that wasn't significantly different than it was among those who stayed.

- **Incomes.** *More of the households that left had low or modest incomes and fewer had high incomes.*

These generally lower incomes make sense, in light of the fact that many of those who left were in the military, where pay scales have historically been lower than civilian wages.

More than 60 percent of the households that left earned less than \$34,000 in 1986, and 30 percent made less than \$20,000. Only 7 percent had household incomes at the top end--\$65,000 or more. By comparison, about 43 percent of households that stayed in Anchorage during our survey period had incomes below \$34,000, and 21 percent made more than \$65,000 in 1986.

- **Homeownership.** *Not everyone leaving Alaska is leaving a foreclosed house behind--in fact, only 22 percent of those households that left had even owned homes.*

The households that left were much more likely to have rented homes when they lived in Anchorage: among households that left the city, 78 percent were renters, 10 percent owned single-family houses, 8 percent owned condominiums, and 4 percent owned mobile homes. By contrast, among households that stayed, 37 percent were renters, 42 percent owned single-family houses, 14 percent owned condominiums, and 7 percent owned mobile homes.

- **Mobility.** *In a city where there has historically been a lot of moving, the households that left the city moved even more than the average.*

Three in four of the households that left had moved to or within Anchorage during the three years before June 1987. And more than one-third of them had lived at their current addresses less than 6 months as of June.

Among those who stayed, more than 60 percent had moved to or within Anchorage in the previous three years, but only about 15 percent had lived at their current addresses less than six months--a substantially smaller figure than among those who left.

- **Family Status.** *Fewer of those who left were families with children and more were non-family households.*

Among the households that left, 53 percent were married couples with or without children, compared with 64 percent among those who stayed. Another 15 percent who left were other kinds of families--single parents with children, for instance, or households with at least some related members; that percentage was roughly the same among those who stayed. And the other 32 percent of those who left were non-family households--many of them likely just one-person households.⁸ Among those who stayed, only 22 percent were non-family households.

- **Financial Expectations.** *The chance to improve their financial condition was evident in some people's decisions about leaving Anchorage.*

Whereas six in ten of the households that left predicted they would be better off financially by June 1988, only 4 in 10 of those who stayed saw better times on the horizon. Similarly, only 11 percent of those who left foresaw being worse off in a year's time, as compared with 20 percent among those who stayed.

- **Age.** *Young people were chiefly the ones who left. Sixty-five percent of the heads of households that left were under 35.*

In our sample, only one head of a household that left was over 55 years old. By comparison, 39 percent of the heads of our sample households that remained in the city were under

35, and 14 percent were 55 or older.

- **Length of Residence.** *Those who left were somewhat more likely to be short-term residents, but one in four had lived in Alaska 18 years or longer.*

Figure 3 shows that primary wage earners in the households that left Anchorage were split almost evenly among shorter and longer term residents. That doesn't mean, however, that older people were leaving the city, since most of those who left were under 35. What it means is that some people who left had probably been born in Alaska or come here when they were very young. Many of those young but long-term residents who left were construction workers--not surprising, considering the hit construction has taken in the recession.

A primary effect of the Alaska economic recession on Anchorage is this loss of population--something the city has not experienced in many years. The exodus of households from the city occurring on the heels of a real estate boom has left behind vacant housing, resulting in a secondary effect of the recession--the real estate crash. In the next section, we discuss what our survey results tell us about the Anchorage housing situation in 1987.

Anchorage Housing Status

For Anchorage property owners these days, the term "depressed housing market" isn't just an economic condition they read about in the newspapers: it's the reality they face if they need or want to sell their houses, condominiums, or mobile homes. Prices of residential property have dropped anywhere from 15 to 50 percent or more in the past two years.

The causes of the housing market crash are plain. As shown in earlier tables, Anchorage population and number of households have declined, while the number of housing units has remained essentially fixed. In mid-1987 close to 14,000 housing units in the city stood vacant--15 percent of all the housing stock in the city.⁹ And for certain kinds of properties--big apartment complexes and mobile homes, for instance--the vacancy rate was much higher. Compounding the situation, many Anchorage residents have lost their jobs or watched their incomes fall. The

combination of declining population and lower incomes has pushed thousands of homeowners into foreclosure. Reduced demand has made it much harder to sell properties, and reduced incomes have made it hard for some homeowners to make their mortgage payments. The soft housing market has driven housing prices down--which has put more homeowners in the position of owing more on their properties than the properties will sell for.

For renters, a depressed housing market means something very different: it means lower rents and the chance to pick and choose, to move into nicer apartments or houses. And lower housing prices mean more renters can afford to buy.

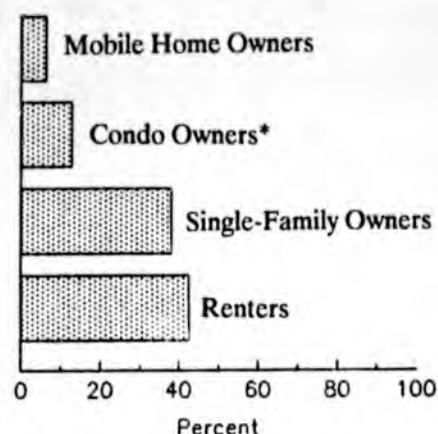
Homeownership and Mobility

In several tables and figures that follow, we examine the status of housing in Anchorage in 1987, and discuss what the figures tell us about the effects of the recession.

Figure 4 shows the shares of Anchorage households that owned mobile homes, condominiums, and single-family houses in mid-1987, and how many households rented. About 57 percent of our survey households owned their own homes in 1987, with the biggest share of those--38 percent--in single-family houses, 13 percent in condominiums and townhouses, and 6 percent in mobile homes. Among the 43 percent of households that were renters, most lived in apartments but some rented houses and a few rented mobile homes.

Table 7 shows the relative mobility of renters and owners in Anchorage in 1987 by how long they had lived at their current addresses. Renters naturally move more often, but what is striking in this table is just how often: 35 percent of the renters in our sample had lived at their current addresses less than 6 months at the time of our survey, and another 31 percent had moved within the previous 18 months. Some of those renters were undoubtedly new arrivals in Anchorage, but we know that fewer people have been arriving in the past couple of years--so we assume that many renters have in fact been moving around within the city to take advantage of nicer apartments and houses available at lower rents--the much-discussed "flight to quality." Only two in ten renters in Anchorage at the time of our survey had lived at their cur-

Figure 4
Anchorage Owners and Renters,
by Type of Housing, 1987



*Actually includes other attached housing but is largely condominiums and townhouses.

(June sample, N = 551)

rent addresses for as long as two and a half years.

Homeowners, as Table 7 shows, are more sedentary: half of them had owned their homes for more than four and a half years. And only 11 percent of the homeowners in our sample had bought their houses during 1986 or the first half of 1987. We know of course that fewer people have bought houses during the recession--partly because there are fewer prospective buyers and partly because some people who could buy are wary of getting into the market. But we also think that the low proportion of new homeowners may show another effect of the recession. Many Anchorage homeowners aren't able to sell their current homes and move into

Table 7
Length of Residence in Current Home by
Owner/Renter Status, 1987

	6 months or less	7 - 18 mos.	1.5 - 2.5 yrs.	2.5 - 4.5 yrs.	More than 4.5 yrs.
Own	5%	6%	13%	23%	53%
Rent	35	31	14	9	10

(June sample, N = 551)

bigger or better homes, despite lower prices. Ironically it is those lower prices that are keeping many current owners from taking advantage of lower prices. The fall in prices means that many now owe more on their properties than the properties will sell for.

Table 8 provides some more evidence of the effects of the recession on mobility of homeowners in Anchorage. It compares the shares of owners and renters who had lived at their current addresses less than a year and a half as of 1980 and as of 1987. Renters in 1980 were very mobile, as they remained in 1987--although we believe that in 1980 more renters had recently arrived in Anchorage than was true in 1987.

Table 8
Percentage of Households at Their Current Address Less Than 1.5 Years

	1980 ^a	1987 ^b
Owners	22%	11%
Renters	66%	66%

^aU.S. Department of Commerce, Bureau of the Census, 1980 census of population. This actually represents households that had lived at their current addresses 15 months or less in March 1980.

^bISER household survey for Alaska Housing Finance Corporation, June 1987.

But in 1980 owners were twice as likely to be recent buyers than were owners in 1987. During 1979 and early 1980, the big influx of people into Anchorage had not yet really begun, and mortgage interest rates were high. Still, 22 percent of Anchorage homeowners reported in March 1980 that they had bought their homes in 1979 or 1980. At least part of those new homeowners were people who had sold houses within Anchorage and bought new ones.

And we know that during the boom years of the early 1980s, thousands of people were moving into Anchorage and many Anchorage homeowners were selling their homes and moving into bigger or better houses--so if we had figures from, say, 1983, we would expect the share of new homeowners to be much higher. By contrast, in mid-1987, only 11 percent of

homeowners had bought in the previous 18 months.

Even in times of dwindling population, there are prospective homebuyers, and renters are an important part of that group--particularly now, when lower housing prices are putting homeownership within the reach of more people. In our June survey we asked renters whether they were considering buying homes, and if so, what kind. Table 9 shows that close to half the renters surveyed said they were thinking about buying. Of those, almost all--80 percent--said they were thinking about buying single-family houses. Another 12 percent were considering buying condominiums, 5 percent

Table 9
Renters Considering Buying, 1987

If you currently rent a home,	Yes	49%
are you considering buying?	No	51%

If you are considering buying a home, what kind?

Single-Family House	80%
Condominium	12
Mobile Home	2
Other	5

(June sample, N = 97)

other kinds of attached housing, and just 2 percent mobile homes.

That obvious preference of buyers for single-family houses is reflected by the fact that houses have held their value much better than condominiums or mobile homes, although values of all kinds of properties have dropped. One of the big subjects of conversation in Anchorage lately has been just how many homeowners are underwater in this submerged market--how many owe more on their properties than they would sell for today?

Homeowners: How Are They Doing?

Figures 5 and 6 give us a measure of how owners of houses and condominiums are doing by comparing prices paid by homeowners and estimated average outstanding mortgages with the average 1987 prices of houses and condominiums.¹⁰ The figures show the average prices paid by homeowners who bought in each year from 1980 through 1987, as well as what percentage bought their homes in any given

year. So, for example, Figure 5 shows that just over 4 percent of all those who owned homes in 1987 bought their houses in 1980, that they paid an average of around \$104,000, and they had outstanding mortgages of about \$93,000. (We assume, for the sake of simplicity, that all buyers paid 10 percent down; actual down payments of course can vary from zero to 20 percent or more of the purchase price.)

The Anchorage Multiple Listing Service (MLS) reports that in 1987 single-family houses sold for an average \$127,150 and condominiums for an average \$68,800. Remember that these are *averages*, calculated simply by totalling sale prices for all units sold during the year and then dividing by the number of units. Of course some units sell for much more than the average and some for much less.

Figure 5 shows that 65 percent of all those who owned single-family houses in Anchorage in 1987 had bought those houses since 1980. The biggest years for homebuying were 1983 and 1985. Average prices during the 1980s have ranged from a low of \$104,000 in 1980 to a high of \$152,000 in 1985--an increase of nearly 50 percent in five years. Prices began to drop in 1986, and in 1987 the average price homebuyers in our survey sample paid was around \$128,000--which was very close to the MLS average of \$127,000 for all homes sold in Anchorage last year. So average house prices in Anchorage dropped more than 15 percent between 1985 and 1987.

The top line on Figure 5 shows average price paid by year; the second line is an estimate of outstanding mortgage size by year. The straight line indicates average price of houses sold in 1987. What the figure tells us is that the average homeowner who bought in 1980 or earlier, or in 1982 when prices temporarily dipped, could probably sell his house for as much or more than he paid for it. About 47 percent of those who own single-family houses in Anchorage bought in 1980 or earlier or in 1982. An additional 5 percent in our sample bought in 1987. So roughly 52 percent of home owners could likely sell their houses for at least as much as they *paid* for them.

If we also look at who could at least cover their outstanding mortgage debt--assuming the average buyer put 10 percent down--the average

buyer through 1984 could come close. This means that on average, those who bought in 1981, 1983, and 1984 could probably sell their houses for close to what they still *owe* on them, but lose part or all of what they had already paid on the principal.

If we combine those homeowners who probably could sell their houses for at least what they paid for them and those who could at least cover their outstanding mortgages, that amounts to around 80 percent of those who own single-family houses. It is the nearly 20 percent of homeowners who bought in 1985 and 1986 that would face the biggest losses if they had to sell today: the average outstanding mortgage on houses bought in 1985 and 1986 would exceed the average 1987 sales price by something in the neighborhood of \$10,000.

The news is worse for condominium owners, as Figure 6 tells us. Relatively few condominiums were built in Anchorage before 1980, and we don't have good figures on average prices paid by those who bought condominiums before 1980 and were still living in them in 1987. The Multiple Listing Service (MLS) reports that in 1980 the average price of condominiums sold in the city was about \$69,000. Prices went up from there, peaking at an average close to \$100,000 in 1985. We know that the bottom began to fall out of condominium prices in 1986, but that fall is not reflected in the average price of condominiums sold that year. Prices of condominiums sold in 1986 remained near the 1985 level. We think what happened in 1986 was that only better-quality (and therefore higher priced) condominiums sold. By 1987, the lenders holding hundreds of foreclosed condominiums were putting big efforts into selling them and the re-sale of some of those foreclosed units meant that the 1987 average price of less than \$69,000 better reflected the drop in condominium values.

The top line in Figure 6 is the average price condominium owners paid by year, and the second line is the estimated average outstanding mortgage, assuming buyers put 10 percent down. The straight line is the average price, as reported by the Anchorage Multiple Listing Service, for condominiums sold in Anchorage in 1987: less than \$69,000, as we noted above.

What the figure tells us is no surprise--a lot of

Figure 5. Anchorage Single-Family Houses, Average Prices,^a 1980-1987

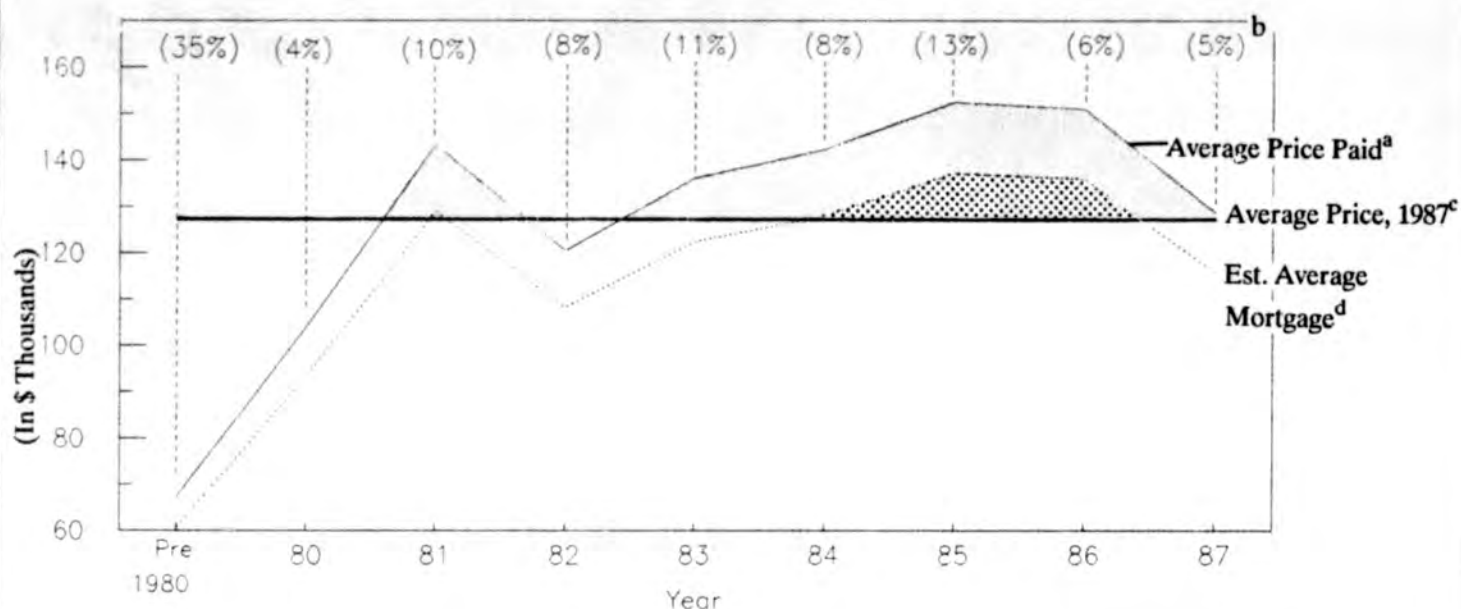
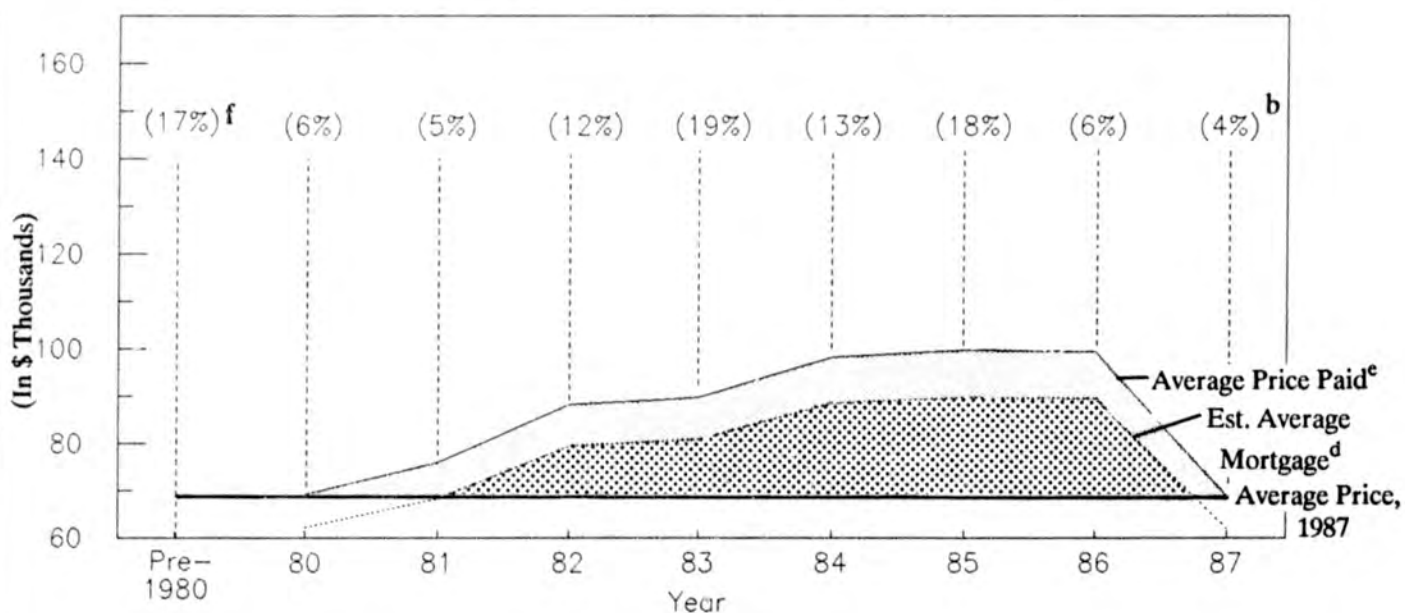


Figure 6. Anchorage Condominiums, Average Prices,^e 1980-1987



^aOwner-occupied houses only; based on responses in June 1987 ISER survey.

^bNumbers in parentheses are the percentages of all single-family houses (or condominiums in Figure 6) still owned in 1987, by year of purchase.

^cAnnual average for all single-family houses sold through Anchorage Multiple Listing Service in 1987.

^dAssuming all buyers paid 10 percent down.

^eAverage prices for all condominiums sold through Anchorage Multiple Listing Service in each year; small sub-sample numbers in our survey caused large deviations from the average.

^fPre-1980 price information for condominiums not available.

Key: Price higher than 1987 prices.

Mortgage debt higher than 1987 prices.

condominium owners would be in trouble if they had to sell at today's prices. If we assume that the 17 percent of condominium owners who bought before 1980 have positive equity, and that those who bought in 1980 and 1987 could likely sell for about what they paid, then about 27 percent of those who owned condominiums in 1987 could probably get as much or more than they paid for their condominiums. If we consider those who could probably at least cover their mortgage debt, we would add in those who bought in 1981. So roughly 32 percent of those who owned condominiums in 1987 could at least cover their mortgage debt at today's average prices.

So how much negative equity is there among Anchorage homeowners, if we use the average 1987 average prices of houses and condominiums as a measure of current market value? We use two measures of negative equity: (1) the difference between *outstanding mortgage debt* and average 1987 prices; and (2) the difference between *average prices paid* in earlier years and average 1987 prices. Table 10 makes some very rough estimates of these two groups.

The first set of numbers in Table 10 looks at house and condominium owners whose mortgage debt exceeds the current market value of their houses, as measured by 1987 average prices.

Approximately 19 percent of owners of single-family houses--those who bought in 1985 and 1986--have mortgage debt that exceeds current market value. That amounts to around 4,300 homeowners in the city, and the difference between what these homeowners owe and 1987 average house prices is around \$9,600. If we multiply that average \$9,600 deficit by 4,300, we see that the difference between the total outstanding mortgage debt held by these homeowners and the 1987 market value of their properties is about \$41 million. Looking at it another way, if all these homeowners had to sell--or defaulted--at current market value, the overall mortgage losses to them and their insurers would be \$41 million. (These figures do not include any costs of foreclosing on or holding properties--just the amount by which outstanding mortgage debt exceeds current market

value of single-family houses bought in 1985 and 1986.)

Among condominium owners, roughly 68 percent owe more than the 1987 average price of condominiums. That amounts to about 6,300 condominium owners in Anchorage, and the difference between their average mortgage debt and 1987 value is \$16,400. The total difference between mortgage debt held by these condominium owners and current market values of their properties is around \$103 million.

Adding together "underwater" mortgage debt of house and condominium owners, we estimate that amounted to about \$145 million at the end of 1987.

But there is a larger group also facing losses: those who paid more than their properties would sell for today. This group includes not only those we described above, but also others who could likely cover their mortgage debt but would lose all or part of their down payments and any additional payments on principal if they had to sell at today's prices. The second part of Table 10 looks at that larger group.

Among owners of single-family houses, we estimate that 48 percent paid more than current market value for their houses. That amounts to around 13,300 homeowners. We estimate the difference between the average price those people paid and the average 1987 price is roughly \$17,700. If we multiply 13,300 homeowners by \$17,700, we see that the total difference between what these homeowners paid and what their properties would sell for today is about \$235 million.

About 73 percent of condominium owners--6,800--paid more than their properties would sell for now, with an average difference of approximately \$24,500. If we multiply 6,800 condominium owners by \$24,500, we see that the total difference between what they owners paid and the 1987 value of their properties is about \$167 million.

Together, the difference between what house and condominium owners paid and what they could sell their properties for today is about \$400 million.

In summary, Figures 5 and 6 and Table 10 tell us most owners of houses could at least cover

Table 10

Estimated Negative Equity Among Anchorage Homeowners, December 1987

Single-Family Houses	Condominiums
Percentage of Anchorage homeowners whose mortgage debt exceeds 1987 average price: 19% ^a	Percentage of Anchorage condo owners whose mortgage debt exceeds 1987 average price: 68% ^a
No. of homeowners whose mortgage debt exceeds 1987 average price: 4,300 ^b	No. of condo owners whose mortgage debt exceeds 1987 average price: 6,300 ^b
Average difference, mortgage debt and 1987 average price: -\$9,600 ^c	Average difference, mortgage debt and 1987 average price: -\$16,400 ^h
Total potential mortgage loss to 1985-86 buyers or insurers: \$41 million [4,300 x \$9,600]	Total potential mortgage loss to 1982-86 buyers or insurers: \$103 million [6,300 x \$16,400]
Percentage of Anchorage homeowners who paid more than average 1987 price: 48% ^d	Percentage of Anchorage condo owners who paid more than the 1987 average price: 73% ^d
No. of homeowners who paid more than average 1987 price: 13,300 ^e	No. of Anchorage condo owners who paid more than 1987 average price: 6,800 ⁱ
Average difference, purchase price and average 1987 price: -\$17,700 ^f	Average difference, purchase price and 1987 average price: -\$24,500 ^j
Total potential price loss to buyers and insurers: \$235 million [13,300 x \$17,700]	Total potential price loss to buyers & insurers: \$167 million [6,800 x \$24,500]

^aFrom Figures 5 and 6. Mortgage debt was assumed to equal 90 percent of the average sale price at the time of purchase. "Condominium" calculations are based on estimated numbers of owner-occupied condominiums, townhouses, and zero-lot line units.

^bCalculated by multiplying total owner-occupied houses as of mid-1987 by 19% and subtracting estimated number of houses foreclosed on between June and December 1987.

^cCalculated by taking a weighted average of 1985 and 1986 estimated mortgages and average 1987 price.

^dFrom Figures 5 and 6.

^eCalculated by multiplying total owner-occupied houses as of mid-1987 by 48% and subtracting estimated number of houses foreclosed on between June and December 1987.

^fCalculated by taking a weighted average of 1981 and 1983-86 prices and subtracting average 1987 price.

^gCalculated by multiplying total owner-occupied condominiums as of mid-1987 by 68% and subtracting estimated number of condominiums foreclosed on between June and December 1987.

^hCalculated by taking a weighted average of 1982-86 estimated mortgages and the average 1987 price.

ⁱCalculated by multiplying total owner-occupied condominiums as of mid-1987 by 73% and subtracting estimated number of condominiums foreclosed on between June and November 1987.

^jCalculated by taking a weighted average of the 1981-86 purchase prices and subtracting 1987 average price.

their mortgage debt if they had to sell at today's prices, and close to half could get about as much as they paid. Among condominium owners, only around 32 percent could cover their mortgage debt and 27 percent could recoup at least as much as they paid.

Profile: Anchorage Households, November 1987

In this section we report what the households in our November 1987 survey sample looked like. We start by briefly describing some broad characteristics of Anchorage households at the end of 1987--household composition, income distribution, labor force participation, and expectations about income. Those broad characteristics are shown in Figure 7. Then we divide the households up and look at them by length of residence.

General Characteristics

As Figure 7 shows, a majority (63 percent) of Anchorage households we surveyed in November were married couples, either with or without children. Married couples with children made up 41 percent of all Anchorage households and 53 percent of all families in our survey. Non-family households made up the next largest category with 22 percent of all households. These figures are not much different from the nationwide pattern and show little change from what Anchorage looked like in the 1980 census.

Households with two adults, including those with children, made up by far the largest share of all households we surveyed--65 percent--and in most of those both adults were in the labor force.¹¹ As the figure shows, 45 percent of all Anchorage households had two adults with both in the labor force. In 20 percent more households, only one of the two adults was in the labor force. We can't tell whether the recession has changed labor force participation among Anchorage households--we don't know, for instance, what household labor force participation looked like in 1985. It might be that the share of households with two workers has dropped as the recession cost some people their jobs. On the other hand, the recession may have forced some households to send a second adult out to look for work, to make ends meet. We'll

keep monitoring this labor force participation in future surveys.

Anchorage households we surveyed in November reported a median gross 1986 income of around \$38,000. The distribution in Figure 7 shows that nearly 14 percent of Anchorage households made less than \$14,000 in 1986, while just about as many made \$75,000 or more. About 45 percent of all households reported 1986 incomes between \$15,000 and \$44,000.

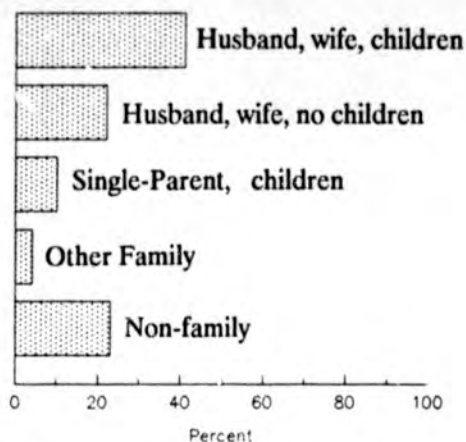
Most of the households we surveyed near the end of 1987 estimated their 1987 incomes would be at least as high or higher than their 1986 incomes. Thirty-eight percent expected higher incomes, 40 percent the same, and 22 percent lower. This supports the notion that household incomes overall were at least holding steady in Anchorage in the second half of 1987.

But when we asked a related question--is your household better or worse off financially now than it was a year ago?--more households reported being worse off than we would expect, based on just the income figures. While only 22 percent reported that their incomes had dropped between 1986 and 1987, 35 percent reported they were worse off financially than a year earlier. This finding indicates that some households were taking into account things other than just income in deciding if they were better or worse off. For instance, some households likely classified themselves as worse off because they had lost such non-income services as fringe benefits or because the value of their properties had dropped so much.

Households by Length of Residence

In an Alaska conversation, you're just as likely to be asked how long you've lived in the state as what kind of work you do or whether you have children: length of residence has always been an important piece of information among Alaskans.

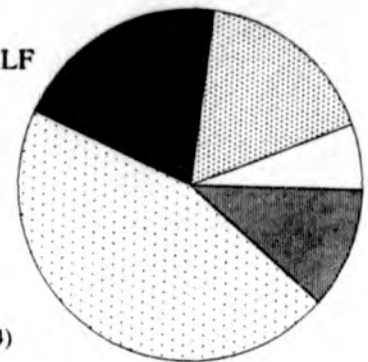
When we were sorting through our survey data, looking for ways to assess the effects of the recession on different households in Anchorage, we tried a number of comparisons among households. We found that the old Alaska stand-by--how long have you been here?--gave us some of the most revealing comparisons

Figure 7. Selected Characteristics of Anchorage Households, 1987**Household Composition**

(June sample, N = 551)

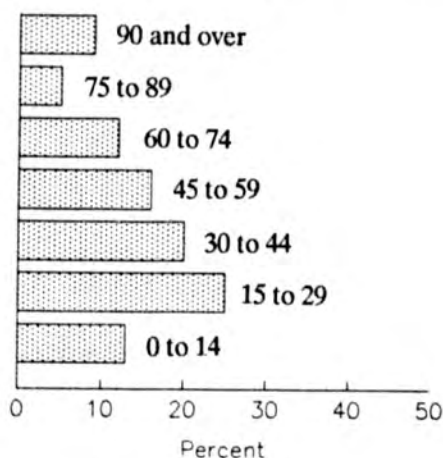
Household Labor Force Participation

- 1 or more adults in LF
- 1 adult, 1 in LF
- 2 adults, 1 in LF
- 2 adults, 2 in LF
- 3 or more adults, 1 or more in LF



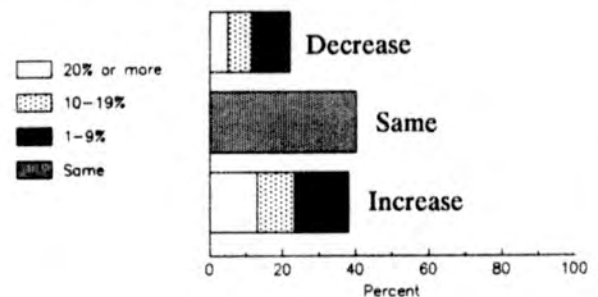
(November sample, N = 414)

What was your gross household income in 1986?
(in \$ thousands)



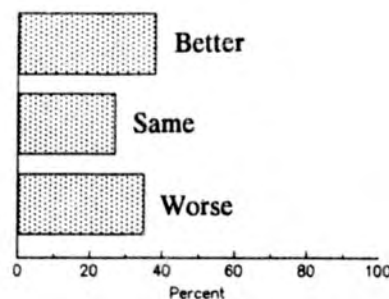
(June sample, N = 551)

Do you estimate your 1987 household income will be
higher or lower than your 1986 income?



(November sample, N = 414)

Is your household better or worse off than it was a year
ago?



(November sample, N = 414)

among households--not only about how the recession has affected different types of households but more broadly about various characteristics of shorter and longer term residents. Figure 8 presents a profile of Anchorage households by length of residence from our November 1987 survey. Here's what the figure tells us:

Government and Private Industry Workers

- Anchorage's newest households (those that have been here less than 3 years) are most likely to be headed by military men and women--which reflects the fact that fewer nonmilitary households have been arriving in Anchorage since the recession started.
- At least one in eight of the heads of households across all residence groups are federal civilian employees. But if we calculate government employment *excluding* military households--which make up a very big share of new households but none of the longer term ones--we see that federal civilian workers head almost one in four of Anchorage's newest nonmilitary households. That too corresponds with what we know of the recession: that it has not affected federal employment in the state, and that a good share of those arriving in Anchorage in the past three years came with federal civilian jobs.¹²
- Few of the heads of Anchorage's newer households work for the state government--which reflects the cutbacks in state hiring in recent years. State workers are much more likely to be long-term residents; in our sample, 15 percent of the heads of households that had been in Anchorage 18 or more years were state workers.
- The municipal government and the school district have hired some workers since 1985--as shown by the fact that some heads of Anchorage's newer households work for local government--but the percentages of local government workers are higher among the longer term residents. For

example, municipal and school district workers account for 3 percent of the primary wage earners in households that had been in the city 4-7 years, but 12 percent of those in households that have been here longer than 18 years.

- The share of self-employed people is biggest among those who have been here longest--which is what we would expect, if many of those self-employed people own businesses: 22 percent of the heads of households that have been in Anchorage 18 years or more are self-employed. By contrast, wage and salary workers make up almost all of the private workers among households that have been here less than 3 years.

Occupations

- If we exclude military personnel, professional and technical workers make up the most common occupation group among the city's newest households--nearly 50 percent of the heads of non-military households that arrived in Anchorage within the past three years are in professional or technical occupations. This indicates that in recent years proportionally fewer people have come to and remained in Anchorage for construction, service-related, and other jobs than have for professional jobs. For example, only 6 percent of the 0 to 3 year residents have construction-related jobs and only 3 percent marketing and sales jobs.
- Among households that arrived in the city during the boom years (4 to 7 years ago), marketing and sales and construction-related jobs--which made up about 14 percent each of the occupations of heads of households--are more common than among newer residents. Remember that this survey was done in November--after, as we discussed earlier, a substantial number of construction workers had already left the city. That there were still such a significant percentage of construction workers left among those who had been in the city 4 to

7 years shows that before the recession began construction workers must have made up a very big share of those who came to the city in the early 1980s. Also, the fact that marketing and sales show up as among the most common occupations among the 4-7 year residents--and not among other newer or longer-term households--indicates that many people in these service-related occupations were also drawn to Anchorage by the real estate boom of the early 1980s.

- One in three of the heads of households that have been in the city longest (18 years or more) are in executive, administrative, and managerial jobs. That high percentage shows that not all executives and managers are short-term residents, transferred in from outside the state--many are long-time Alaskans who have worked their way up.

Homeownership

- No one in our sample who arrived in Anchorage within the past 3 years owns a mobile home. By contrast, 13 percent of those who came to Anchorage 4-7 years ago own mobile homes--a bigger share of mobile home owners than in any other group. As much as anything else, those figures tell us about the rise and fall of the real estate market in Anchorage in the 1980s. In the early 1980s, when thousands of people were arriving in the city, housing prices were high, and vacancies were few, mobile homes became the only alternative for many people who wanted to own homes but couldn't afford houses or condominiums. But when vacancies increased and prices began to slide, the first to slide were mobile home prices. Most people prefer something other than a mobile home if they can afford it--and in a market of falling prices and abundant supplies of houses, more people can afford to bypass mobile homes.
- Another sign of the times in the Anchorage real estate market is that only 6 percent of those who have been here less than 3 years own condominiums, while 21

percent own single-family houses. Buyers prefer houses--and more of the smaller number of buyers in Anchorage in the past couple of years have bought houses. By comparison, among those who arrived in the city 4-7 years ago--during the boom years--14 percent own condominiums and just 17 percent own single-family houses.

- Most long-time residents own single-family houses: roughly 6 in 10 of those who have been here at least 8 years own houses. About 20 percent of these long-time residents still rent--as compared with more than 55 percent among those who have been in the city 4-7 years.

Incomes and Financial Well-Being

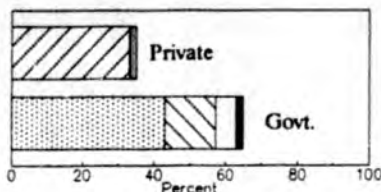
- Many Anchorage households earned less than \$20,000 in 1986, but that share was largest among those who had been in Anchorage between 4 and 7 years--25 percent in that group earned less than \$20,000 in 1986.
- More than 60 percent of Anchorage's newest households (0-3 year residents) took in less than \$34,000 in 1986. Those incomes concentrated at the low end are due at least in part to the fact that many of those households are military--and military pay is typically lower than civilian pay. Also, in 1986 some of those households were still in the lower 48--where pay rates are generally lower.
- About one in four of Anchorage's longer-term households (those that have been here 8 years or more) had 1986 household incomes that exceeded \$65,000. That makes sense, given that longer term residents are more likely to be older, to have been in their occupations longer, to have worked their way up the pay scale, and to hold executive or managerial jobs.
- Most residents in all categories expected their 1987 incomes to be at least as high or higher than their 1986 incomes. But the newest residents were the most optimistic: 23 percent of the heads of households that

Figure 8. Profile 1987: Anchorage

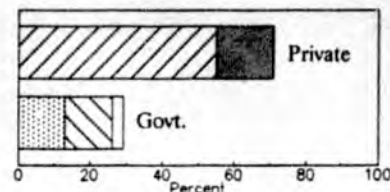
Do you work for government or private industry?
(Primary wage earner)

Wages & Salary Fed. Civilian
Self-Employed Muni. School
Military State

0-3 Year Residents
(17% of total)



4-7 Year Residents
(23% of total)



What is your occupation?
(Primary wage earner)

Military (43%)

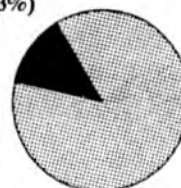


Other (57%)

Other

Professional, techn.
Exec., admin., mgr.
Marketing & sales
Admin. support
Const.-related
All others

Military (13%)



Other (87%)

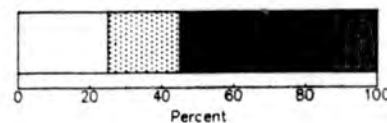
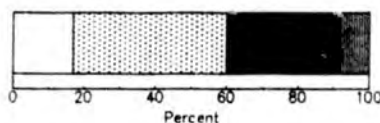
Other

Professional, techn.
Exec., admin., mgr.
Marketing & sales
Admin. support
Const.-related
All others

30%
11%
14%
17%
13%
22%

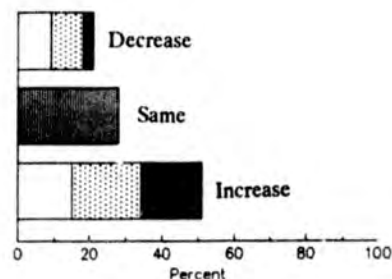
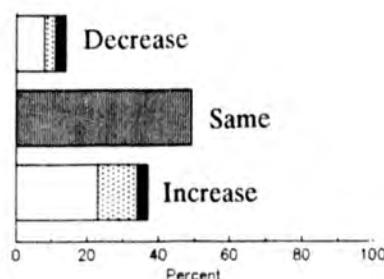
What was your gross household income in 1986?

\$0-\$19 \$35-\$64
\$20-\$34 \$65+

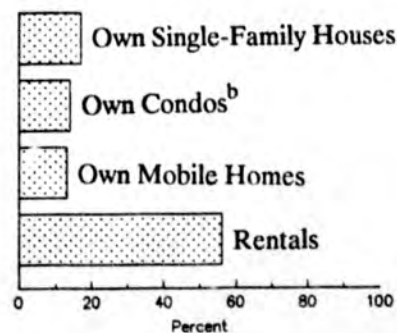
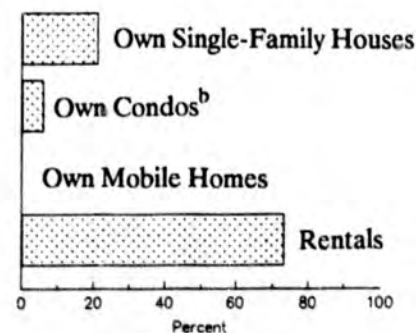


Do you estimate your 1987 household income will be higher or lower than your 1986 income?

20% or more
10-19%
1-9%
Same

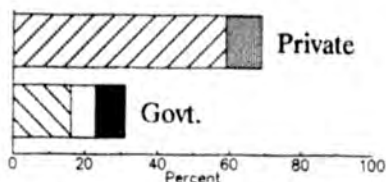


What kind of home do you live in?

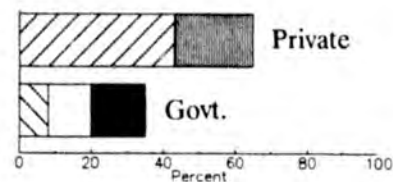


Residents by Time Lived in City*

8-17 Year Residents (31% of total)

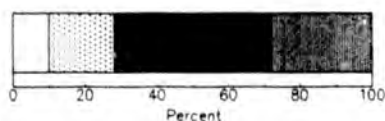


18+ Year Residents (29% of total)



(No Military)

Professional, techn.	27%
Exec., admin., mgr.	25%
Marketing & sales	8%
Admin. support	10%
Const.-related	12%
All others	18%

(No Military)^a

Professional, techn.	29%
Exec., admin., mgr.	32%
Marketing & sales	6%
Admin. support	11%
Const.-related	9%
All others	13%

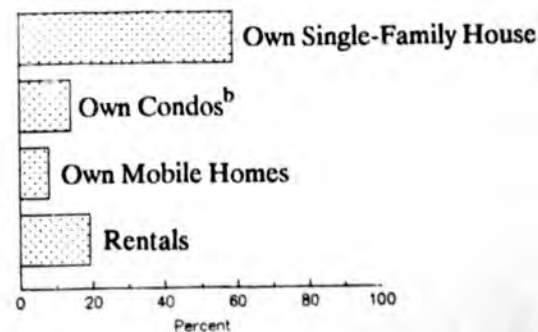
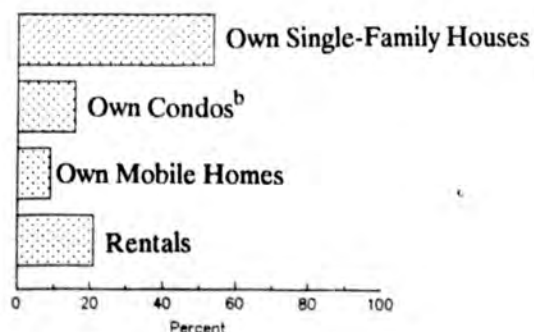
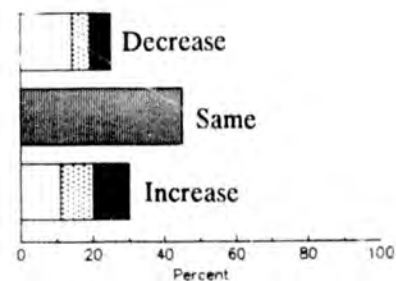
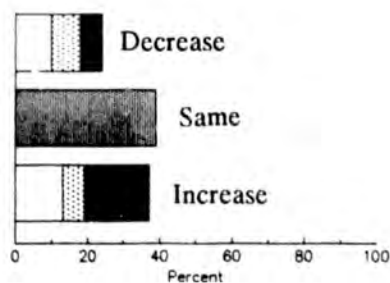
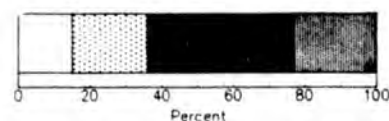


Figure 8. (cont.) Profile 1987: Anchorage Residents

0-3 Year Residents

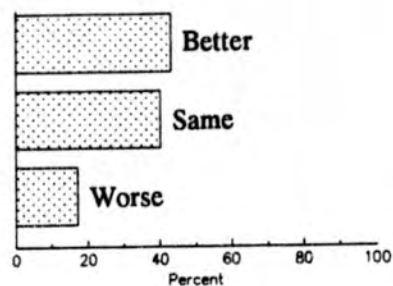
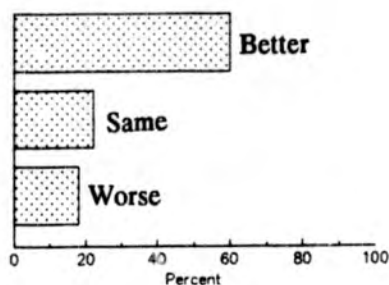
4-7 Year Residents

Is anybody in your household
currently unemployed?

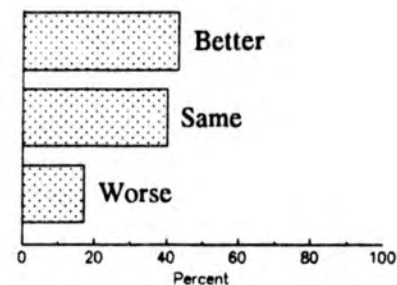
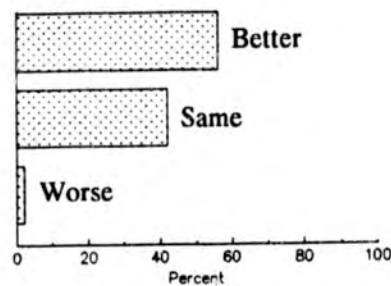
Yes 10.3%

Yes 12.1%

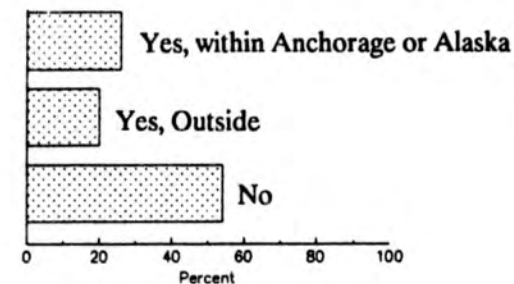
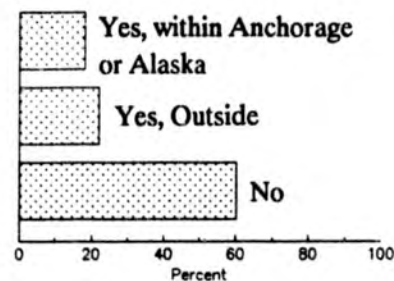
Is your household better or worse off
financially now than a year ago?



Do you expect your household to be
better or worse off financially a year
from now?



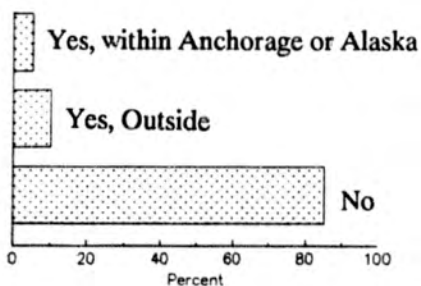
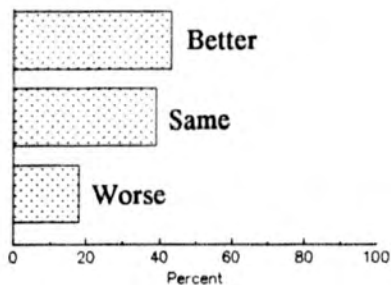
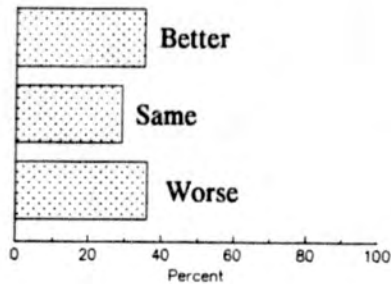
Is your household likely to move in
the next year?



by Time Lived in City*

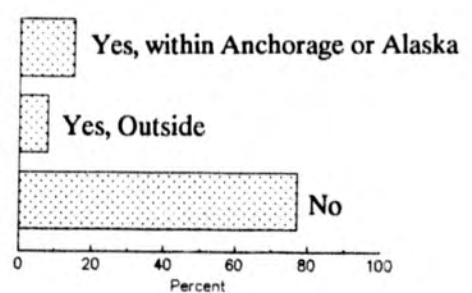
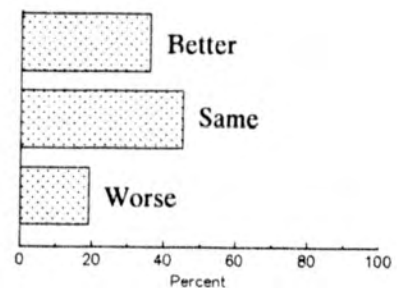
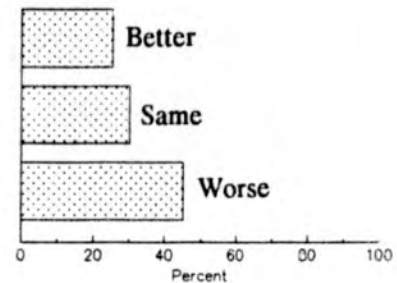
8-17 Year Residents

Yes 9.8%



18+ Year Residents

Yes 11.4%



^aDoes not take into account National Guard; just full-time military.

^bActually includes other attached housing but is mostly condominiums and townhouses.

had been here less than 3 years expected their incomes to be 20 percent or more higher than in the previous year. Those great expectations could have been the result of many things--including the fact that those who came to Alaska with jobs are likely earning more here than they earned in the lower 48.

- Householders who had been here longer--8 years or more--were somewhat more likely to say they expected their incomes to drop. And of those long-term residents who expected increased incomes, most foresaw small increases; for example, about 20 percent of households that had been here 8-17 years expected their incomes to increase by 1 to 9 percent. The more negative expectations of longer-term residents could have various causes. We've seen that many of these long-term residents were in the higher income brackets in 1986--some of them may have felt that they were already at the top of their pay scales; some may have taken pay cuts. Also, more people who have been here longer own real estate--and if that real estate is income-producing, it's likely producing less income than it used to.
- Looking back on the previous year, the newest residents were by far the most likely to say they were better off financially in 1987 than they had been in 1986, and the longest residents were most likely to say they were worse off. About 60 percent of the households that had been in Anchorage less than 3 years reported they were better off at the time of the survey than they had been a year earlier. That probably reflects the fact that most newer residents came here with jobs, and most don't own real estate--and those who do bought when prices were lower rather than higher.
- Among those who have been here 18 years or more, 45 percent said they were financially worse off in 1987 than they had been in 1986. That response helps us get at

a measure of financial well-being beyond income: we know that people who have been here longer are more likely to own residential and commercial real estate. The value of that real estate may have dropped anywhere from 15 to 50 percent or more in the past two years--and certainly those who have lost the equity in their properties, who may in fact owe more than the properties are worth, and who may have to meet large payments on vacant properties, would be financially worse off than they were earlier.

Household Unemployment

- Households that have just arrived and those that have been here for a long time suffered just about equally from unemployment at the end of 1987. Around 10 percent of households in all categories reported at least one adult unemployed as of November. Households that had been here 4-7 years reported slightly higher unemployment--more than 12 percent. That might indicate people in that residence category are more concentrated in the kinds of jobs--construction, for instance--that have been hurt the most by the recession, but the difference is not large enough to make much of. Remember, however, that these were unemployment figures as of November--and we know from our earlier discussion that unemployed people made up a substantial share of those who left Anchorage between June and November.

Financial Expectations

- Households in all the various residence groups are generally optimistic about their future finances--at least 80 percent of all households in every category said in November 1987 that they would be at least as well off or better off in a year's time. Those responses reflect a widespread belief--and widespread hope--that the recession is coming to an end.
- Following the trend we have already seen above, the newest residents are the most optimistic and the longest residents the least. More than half--56 percent--of those

who had been in Anchorage less than 3 years believe they will be better off financially in a year's time. That optimism is probably attributable to the same reasons why most newcomers felt they were better off at the time of the survey than they had been in the past: they came to Anchorage with jobs; they were enjoying lower rents and cheaper housing prices; and they were less likely to be carrying real estate debt than were residents who had been here longer.

- And although most long-time residents agree that better times are ahead, 20 percent still believe that their finances will be worse in a year's time--and that pessimism probably also reflects the fact that many longer term residents own properties or businesses that have been hurt by the recession and which will not recover immediately.

Moving Plans

- Not everyone is planning to pack up and leave Anchorage: a majority of households in every residence category had no plans to leave the city in 1988. But one in four of the newer households--those that had been in the city less than 7 years--do plan to leave Anchorage within the next year. Some of those households--particularly among those who have been here less than 3 years--are military households, anticipating their regular transfers to other posts. A portion of the nonmilitary households would also likely have plans to leave the city, even if there were no recession--as we saw in Table 2, substantial numbers of people left the city even during the economic boom times. But some are undoubtedly planning to leave because their job prospects here are still poor.
- And a substantial number of households--26 percent among households that had been here 4-7 years--say they plan to move within Anchorage in the coming year. We saw in earlier tables that the chief reason people move in the city is to get better-quality housing--so it seems that in fact many

newer residents are planning to take advantage of lower prices and abundant supplies of housing. Longer-term residents are more likely to be homeowners, some of whom are constrained by having negative equity in their current homes.

Changes in Employment and Expectations, June-November

In this final section we look specifically at the way two indicators of the state of the economy--employment and expectations about the future--changed between our June and our November surveys.

We report employment measures in Table 11: among households where someone was out of work in June and, conversely, where no one was out of work in June, what had happened by November? And were there any significant labor force changes between June and November?

The table shows that of the households where there was unemployment in June, most had either found jobs (42 percent) or left the city (22 percent) by November. Only about one in four households that reported unemployment in June still reported unemployment 5 months later--which is grim evidence of the duration of unemployment among some households. But overall the table shows that many of those out of work in mid-1987 were able to find work by later in the year, or had left the city to look elsewhere.

The second part of Table 11 shows what had happened by November in households that reported no one unemployed (full employment) in June. Most of them--70 percent--were still experiencing full employment. Only 5 percent had someone unemployed in November, and much of that was probably loss of seasonal jobs.

The last part of Table 11 shows that there were only slight changes in labor force participation between June and November: about 98 percent of all household heads had jobs in June, as compared with 94 percent in November; in June 93 percent of all people in the labor force had jobs, as compared with 92 percent in November.

At first glance, the table seems to show that

Table 11
Employment Comparisons, June and November

Households Experiencing Unemployment in June
(12.2% of Respondents)

	Number	Percent
Total number of households w/unemployment in June	67	100%
<u>As of November:</u>		
HH still experiencing unemployment	19	28
HH no longer experiencing unemployment	28	42
HH moved from Anchorage	15	22
Non-response	5	8

Households Experiencing Full Employment in June
(87.8% of Respondents)

	Number	Percent
Total no. of households with full employment in June	484	100%
<u>As of November:</u>		
HH still experiencing full employment	341	70
HH experiencing unemployment	26	5
HH moved from Anchorage	59	13
Non-response	68	12

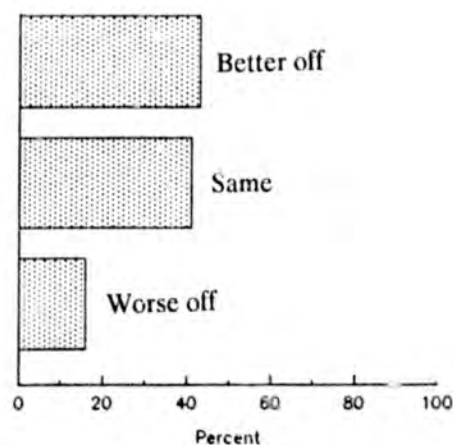
Labor Force Changes

	June		November	
	No.	%	No.	%
Percent employed of primary wage earners in the labor force:	493	98%	363	94%
Percent employed of all wage earners in the labor force:	873	93%	647	92%
1 or more household members expect job to end within 3 mos.:	66	12%	19	5%

things were slightly better in June--but in fact what it mainly shows is a normal seasonal variation. The last part of Table 11 illustrates this point--in June 12 percent of households had someone who expected his job to end within three months and in November the number was just 5 percent. Many Alaska jobs are just summer jobs that disappear long before November. However, the very normality of these figures is a sign that the recession was slowing down in the second half of 1987--that the change in employment was due mainly to the expected loss of summer jobs.

Finally, Figures 9 and 10 show that most households we surveyed were at least as optimistic or more optimistic about the economy in November than they had been in June. In both June and November, respondents were asked if they expected their household finances to be better, worse, or the same in a year's time. In November, close to 45 percent of households we surveyed said they expected to be better off financially in a year's time; another 40 percent expected to be doing at least as well. Only 15 percent of household's expected to be doing

Figure 9
Household Financial Expectations, November 1987



(November sample, N = 414)

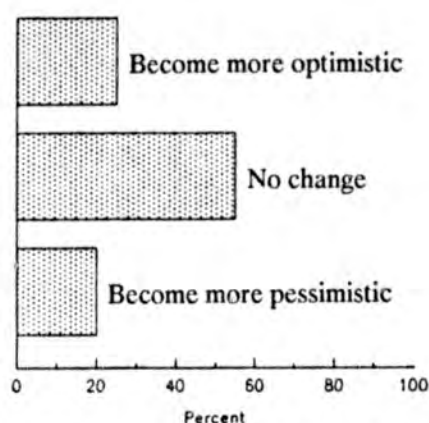
worse a year down the road.

Figure 10 illustrates changes in respondents' expectations for household finances between June and November. Did people become more optimistic about the year ahead, more pessimistic, or have about the same expectations? To answer this, we categorized as "more optimistic"

those people whose outlook for their financial future had improved, i.e., they had expected things to get worse or stay the same in June and changed their answer to "better" in November, or said "worse" in June and changed to "same" in the November survey. The "more pessimistic" respondents did the opposite, i.e., they changed from saying in June that things would get better or stay the same to "worse" in November, or changed from saying "better" in June to answering "same" in November. Respondents whose answers did not change between the two surveys were put in the "no change" category. The resulting table shows that the financial expectations of about 25 percent of households improved between June and November, 55 percent stayed the same, and 20 percent grew more pessimistic. It's interesting to point out that very few respondents (8 percent) said in both June and November that they expected their finances to worsen over the next year. In fact, close to half answered in both surveys that they expected household finances to stay the same or to get better--25 and 22 percent, respectively.

We don't want to put too much emphasis on such slight evidence--but it does show a turn toward optimism: the Anchorage households that had made it to the end of 1987 were beginning to see--or at least hoped to see--better things on the horizon.

Figure 10
Changes in Household Financial Expectations,
June to November*



(June and November, N = 414)

*See text explanation of categories.

Endnotes

¹We realize that one shortcoming of telephone surveys is obvious: they don't reach people without phones. Most Anchorage households do have phones, but some don't; our surveys may therefore under-represent some of the poorest or most transient residents.

²We continue to be grateful that most households we call are willing to answer our questions carefully and thoughtfully.

³Our sample size in November was 414 households; we analyzed the June and November samples and found no significant differences in household characteristics between the two.

⁴See Scott Goldsmith, "Alaska's Economy: What's Ahead?" *Alaska Review of Social and Economic Conditions*, Vol. XXIV, No. 2, University of Alaska Anchorage, Institute of Social and Economic Research, December 1987.

⁵Figures from the Municipality of Anchorage.

⁶ISER thanks the Anchorage Telephone Utility for its help in determining how many households with disconnected phones had no new listings in the city. ATU provided this information while maintaining the confidentiality of its phone subscribers.

⁷The primary wage earner, also referred to as the head of household, is defined as the adult earning the highest wages or, if wages are equal or no adults are currently working, it is the oldest person in the household. We iden-

tified the primary wage earner based on the June data and referred to the same person in analyses of the November data.

⁸The Municipality of Anchorage has found that single men have left the city at a much higher rate than single women during the recession. See the municipality's *1987 Anchorage Population Profile* (December 1987). Another good source of information on the sex, age, education, and other characteristics of Anchorage residents in late 1987 is *The Belden Continuing Market Survey 1988*, done for the *Anchorage Daily News*--which reported the results in a series of articles by Bill White from March 20 through March 25, 1988.

⁹Vacancies as reported by the Municipality of Anchorage; some of those structures may not have been available for occupancy.

¹⁰Although there are some shortcomings in using average 1987 prices of units sold to reflect market values, we believe this measure better reflects market value than does assessed valuation.

¹¹A person is defined as being in the labor force if he or she has a job or is looking for one. Persons without jobs but who are not looking for work are considered out of the labor force.

¹²Federal employment in Anchorage has, however, been affected in 1988 by federal budget cuts; some civilian employees of Anchorage's army and air force bases are losing their jobs this year.

OTHER ISER PUBLICATIONS

Institute of Social and Economic Research (ISER) publications over the past 25 years have looked at virtually all the major economic and social issues facing Alaska. A list, by topic, of hundreds of ISER publications is available from ISER in the library building on the campus of the University of Alaska Anchorage (phone 907-786-7710). Below are brief descriptions of some recent work which ISER produced or contributed to. Unless otherwise noted, all publications are available from ISER, University of Alaska Anchorage, 3211 Providence Drive, Anchorage, Alaska 99508.

Alaska State Government and Politics, edited by Gerald A. McBeath, professor of political science with the University of Alaska Fairbanks, and Thomas A. Morehouse, professor of political science with ISER, University of Alaska Anchorage. Published by University of Alaska Press, 1987, 400 pages. Soft-cover copies \$17.00 and hardbound \$27.00, plus \$1.50 for postage and handling if ordered by mail. Available from University of Alaska Press, Signers' Hall, University of Alaska Fairbanks, Fairbanks, Alaska 99775-1580.

The first book that comprehensively describes Alaska state government and politics is now available from the University of Alaska Press. The book describes the authorities, organization, and functions of state government as well as the people and the events that put life into government operations. It also discusses the private forces that influence government, including the press, public opinion, and interest groups. The book was written by eleven political scientists and one historian, all of whom now teach or previously taught at the University of Alaska. Several of the authors have also been directly involved in state government.

Native Claims and Political Development, by Thomas A. Morehouse, professor of political science with ISER, University of Alaska Anchorage. ISER Occasional Paper No. 18, October 1987, 28 pages. Available for \$2.00 from ISER.

This paper discusses six existing and proposed settlements of Native claims in Alaska and northern Canada. The author assesses how such settlements fit into the broader, on-going process of Native political development; he argues that claims settlements should be seen not as "final" political solutions but rather as important junctures in a continuing process of political development.

Report on Alaska Benefits and Costs of Exporting Alaska North Slope Crude Oil, May 1987. Prepared by ISER for the Finance Committee of the Alaska State Senate by Matthew Berman, Susan Fison, Arlon Tussing, and Samuel Van Vactor. Report findings and conclusions available from ISER for \$1.50; technical appendixes available at 10 cents per page.

This report finds that Alaska could reap fiscal and other economic benefits amounting to billions of dollars in the coming years if the federal government agreed to lift the existing ban on the export of crude oil from Alaska's North Slope. It also concludes that such exports would help reduce the United States' balance-of-payments deficit, and that overall the benefits of lifting the ban would far outweigh any potential costs.

Alaska's Constitution: A Citizen's Guide, by Gordon S. Harrison, former associate professor of political science with the University of Alaska Fairbanks. Published by ISER, Second Edition, 1986, 134 pages. Soft-cover copies \$2.00. Available from ISER.

Several thousand copies of this guide to Alaska's constitution were distributed before the 1982 general election, when Alaskans voted on whether to call a constitutional convention to consider revisions to the constitution. It is a concise, article-by-article explanation of what Alaska's constitutional provisions mean and how they have been tested since the constitution went into effect in 1959. Alaskans decided against

calling a convention in 1982, but the guide was so popular that the author updated it for a second edition in 1986.

Alaska's Urban and Rural Governments, by Thomas A. Morehouse, professor of political science at ISER; Gerald A. McBeath, professor of political science at the University of Alaska Fairbanks; and Linda Leask, editor and research associate with ISER. Published by University Press of America, 1984. Soft-cover copies \$11.25. Available from ISER.

This book describes all aspects of Alaska's local governments, including the sharp differences in urban and rural systems; their strengths and weaknesses; the quasi-government organizations that share government power in rural areas; the effects that big state oil revenues had on Alaska's local governments in the early 1980s; and the future of local governments around the state.

Alaska Resources Development, edited by Thomas A. Morehouse, professor of political science with ISER, University of Alaska Anchorage. Published by Westview Press, 1984, 212 pages. Soft-cover copies \$11.00. Available from ISER.

Alaska's renewable and non-renewable resources and their potential for development are the subjects of this book. Six authors--three economists, a political scientist, a geographer, and a biologist--wrote individual chapters. The book cites as the chief determinants of future resource development in Alaska: (1) the costs of producing resources as compared with their market value; (2) the world political climate and the availability of secure supplies of vital resources outside Alaska; and (3) government policy. Of the three, the first is by far the most important.

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RAILBELT ECONOMIC
ASSESSMENT SURVEY

JANUARY 1988

PREPARED FOR
THE LEADERSHIP OF THE
ALASKA STATE SENATE

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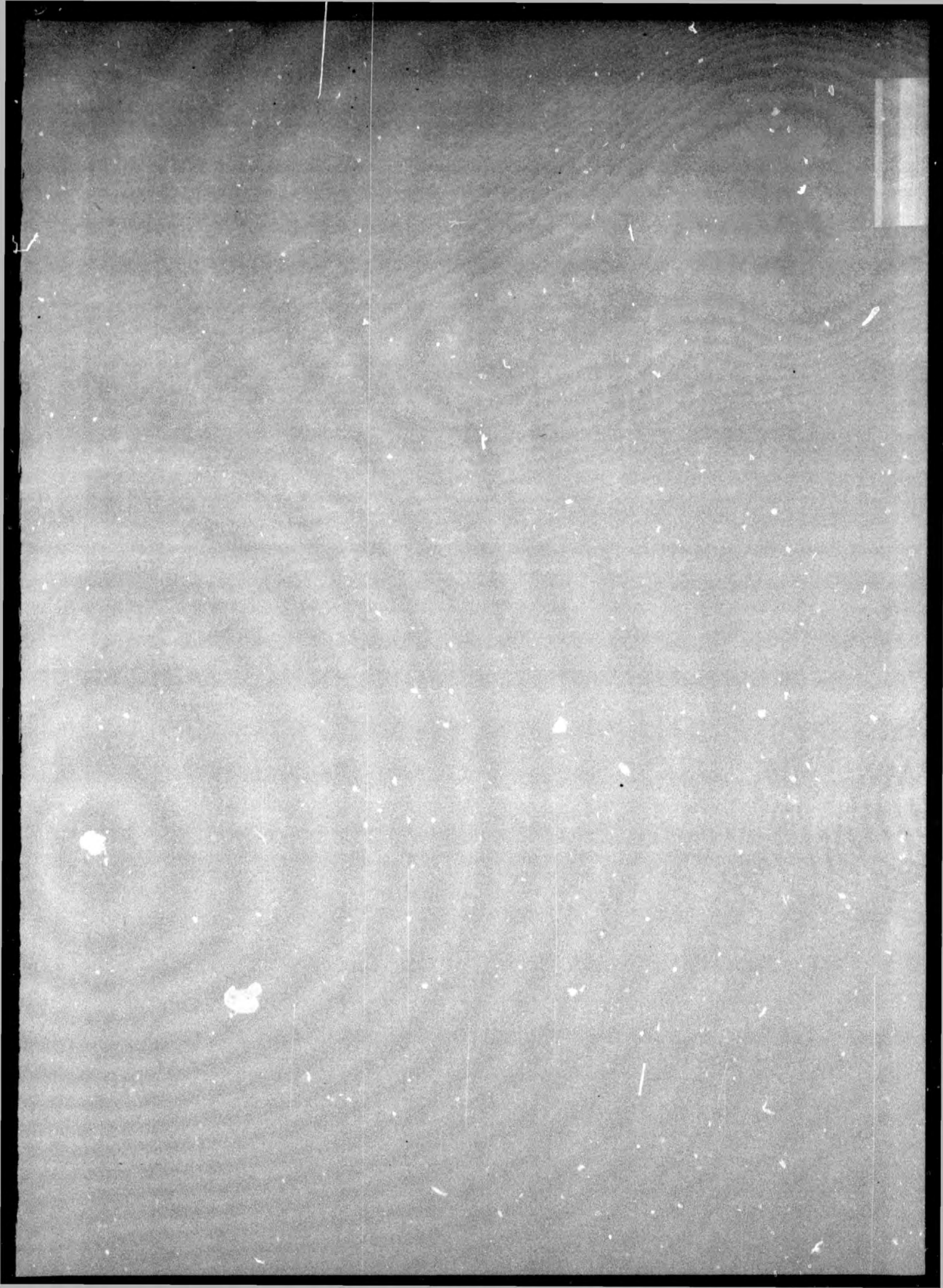
RAJLBELT ECONOMIC ASSESSMENT
JANUARY 1988

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Crosstabulations Section

(This section presents all findings by
the individual geographic regions and
demographic characteristics)

Appendix (Questionnaire)



RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

METHODOLOGY

During the period of January 19 through January 28, 1988, 1,002 residents of twenty-seven Alaskan railbelt communities were personally contacted by telephone by professional interviewing employees of the Dittman Research Corporation of Alaska. The findings of this report are presented in four regions -- Fairbanks/Central, Anchorage, Matanuska Valley, Kenai Peninsula. The views and opinions of the railbelt area residents were recorded on a strictly confidential basis.

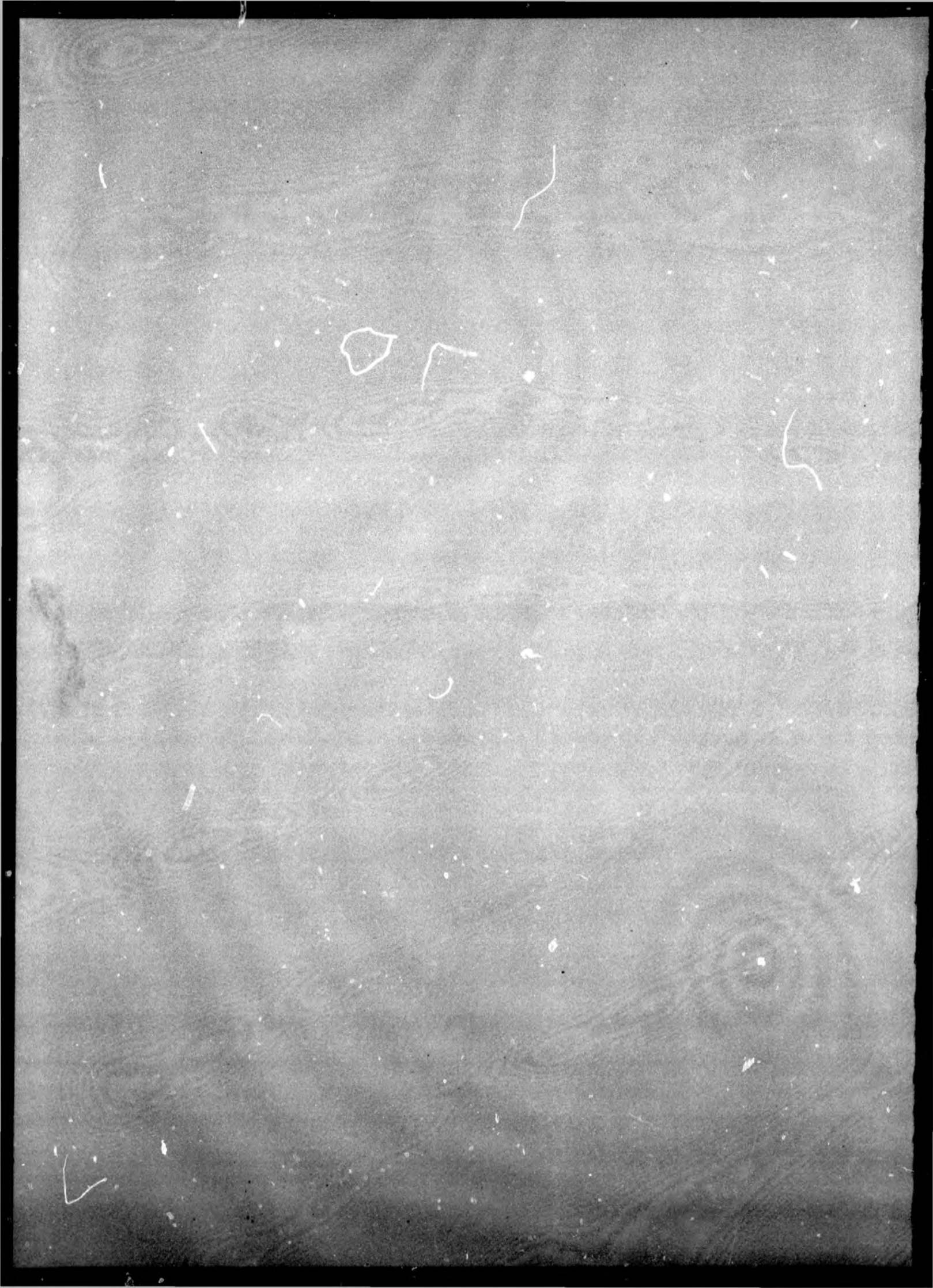
Research Design - A random sample design was featured which provided that all adult residents of communities included had essentially an equal chance of being interviewed.

Sample Selection - The sample was randomly selected from current telephone subscribers listed in the most current directory for each community.

Sample Error - Samples of 1,000 may have a sample error of approximately 1-3%.

PROCESSING THE DATA

Dittman Research employees completed coding, editing, data entry and verification, while data processing was completed through the in-house Dittman Research Corporation Computer system featuring the Statistical Package for the Social Sciences (SPSS/PC+) programs. The SPSS program is one of the most sophisticated research-oriented data processing and analytical systems available, and is designed specifically for the processing and analysis of survey research data.



FINDINGS

RAILBELT ECONOMIC ASSESSMENT SURVEY

JANUARY 1988

(Random Sample of 1,002 Residents
of Alaska Railbelt Region)

The overall economic assessment of Alaskans in the railbelt region is clearly on the troublesome side...

"Overall, what is your opinion of the economy in the area where you live -- is it very good, pretty good, so-so, pretty bad, or very bad?"

1%	Very good
11%	Pretty good
36%	So-so
34%	Pretty bad
19%	Very bad

...and the situation has definitely not gotten better during the past year...

"Is this a change from a year ago -- has the economic situation in your area gotten better, worse or stayed about the same over the past year?"

7%	Better
50%	Worse
43%	Stayed same

...with over half (54%) reporting their family unit has faced wage cuts, reduced work hours or lay-offs...

"Have you or members of your family who live with you taken a salary or wage cut, had work hours reduced or been laid off from work during the past two years?"

54%	Yes
46%	No

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

Sixty percent (60%) are making payments on a home in Alaska...

"Are you making payments on a home in Alaska?"

60% Yes
40% No

...and over one-third (35%) reported it is getting more difficult to make the payments...

"Is it getting easier or harder to make the payments, or is it staying about the same?"

7% Easier
35% Harder
58% About the same

...with one-half (50%) of that number saying they are beginning to be concerned about being able to continue making their home payments...

"Are you beginning to be concerned that you might not be able to keep up with the payments?"

50% Yes
50% No

...and one out of four (26%) home owners who declared it harder to make the payments, reported they have seriously thought about letting their house go back to the bank or mortgage company...

"Have you seriously thought about letting the house go back to the bank or mortgage company?"

26% Yes
73% No

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

Additionally, twenty-five percent (25%) said they have been making payments on real estate or raw land investments...

"Do you have real estate or raw land investments in Alaska that you're making payments on (other than your home if "yes" to Q.9)?"

25% Yes
75% No

...with nearly half (44%) reporting making those payments is getting to be more difficult...

"Is it getting easier or harder to make the payments, or is it staying about the same?"

4% Easier
44% Harder
51% About the same

...and well over half (57%) said they are beginning to be concerned about being able to keep up...

"Are you beginning to be concerned that you might not be able to keep up with the payments?"

57% Yes
43% No

...which leads to 28% of those who say it's getting harder to make those payments seriously thinking about letting their investments go back to the bank or mortgage company...

"Have you seriously thought about letting it/them go back to the bank or mortgage company?"

28% Yes
69% No

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

On an overall basis, approximately one-out-of-six railbelt residents (17%) say their personal economic condition is on the bad side -- with over one-third (37%) describing their personal economic situation as "so-so"...

"How would you describe your personal economic situation at the present time -- is it very good, pretty good, so-so, pretty bad, or very bad?"

10%	Very good
36%	Pretty good
37%	So-so
11%	Pretty bad
6%	Very bad

...and over half (54%) don't see things getting any better in the near future...

"What do you see looking into the future for the next two years -- will things get better, worse or stay about the same as they are now?"

44%	Better
16%	Worse
38%	Stay the same

With this in mind, it's not too surprising that approximately one-out-of-four (24%) railbelt respondents reported they have seriously considered leaving Alaska due to the economy here...

"Have you seriously considered leaving Alaska and moving somewhere else to live because of the economy here?"

24%	Yes
76%	No

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

...and nearly one-out-of-five (19%) said they are "quite" or "very likely" to move to another state within the next two years...

"How likely do you think it is that you will move to another state within the next two years -- very likely, quite likely, not too likely, or not at all likely?"

8%	Very likely
11%	Quite likely
20%	Not too likely
60%	Not at all likely

Sixty-one percent (61%) say that Alaska's current economy is a special situation which requires special attention...

"Do you feel Alaska's economy is or is not a special situation that warrants special government attention?"

61%	Is
36%	Is not

...and two-out-of-three (66%) said they feel the damage has been worse among average citizens...

"As far as the economy is concerned, where do you think the worst damage has occurred -- among real estate speculators or among average citizens?"

30%	Speculators
66%	Average citizens

...so three-out-of-four (75%) believe the state legislature should take action to try to help...

"What do you think should be the state legislature's role -- do you think it should or should not take action and try to help?"

75%	Should
19%	Should not

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

Approximately one-out-of-three (36%) railbelt employers said they have reduced the number of their employees during the past year...

"During the past year, have you increased or reduced the number of employees -- or have they stayed the same?"

18%	Increased
36%	Reduced
46%	Stayed the same

...and one-out-of-four (23%) have reduced wages and salaries...

"Have you increased or reduced the wages and salaries or have they stayed about the same?"

17%	Increased
23%	Reduced
57%	Stayed about the same

Looking ahead, the employment situation probably won't improve very much -- three-out-of-four employers (76%) expect to reduce or maintain their number of employees...

"Looking ahead for the next 12 months, do you expect to increase or reduce the number of employees who work for you -- or will it stay about the same?"

21%	Increased
12%	Reduced
64%	Stayed about the same

...and a similar percentage (78%) don't expect to increase wages and salaries in 1988...

"...and what about salaries and wages -- do you expect to increase them, decrease them or have them stay at the current level?"

19%	Increase
10%	Decrease
68%	Stay at current level

DITTMAN RESEARCH CORPORATION

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

In summary, the economic condition of the railbelt region is clearly on the serious side -- with over one-third of home-owners reporting it is getting difficult to make payments. In addition, approximately one-fourth (24%) of all respondents report they have seriously considered leaving Alaska, and one-out-of-five (19%) say they are likely to leave within the next two years.

The seriousness of the situation is clear -- now, what were the causes, and what should be done?

First of all, railbelt residents see "oil" and "government" as the primary culprits...

"Who do you think is mainly responsible for Alaska's current economic situation?"

33% State government/legislature/politicians/
federal government/local government/Sheffield/
Cowper *

30% Oil prices/OPEC/oil companies *

13% Everyone

5% No one

3% World economy

5% Miscellaneous

11% Unsure

* State gov't (13%); legislature (8%); politicians (3%);
federal government (3%); Sheffield (3%); Cowper (2%);
local government (1%)

Oil prices (22%); oil companies (6%); OPEC (2%)

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

...and based on descriptions of the specific cases, it appears the blame is related to the prior abundance of money...

"What did they do to help cause it?"

- 46% Spent too much/over-stimulated economy/no planning/
spent money on wrong things/poor management
- 23% Let oil prices go down
- 10% Too dependent on one industry
- 6% Money goes out of state/no local hire
- 4% Regulations/restrictions/barriers to economic
development
- 3% World situation
- 2% It's natural
- 2% Miscellaneous
- 4% Unsure

As far as solutions are concerned, railbelt residents most strongly support the strongest possible constitutional local hire law...

"Do you support or oppose the tightest possible law to require local hire that is still constitutional?"

- 88% Support
- 10% Oppose

...and they also want to eliminate higher taxes and utility charges...

"Would you support or oppose the state not allowing any new or increased taxes or utility charges for the next two years?"

- 75% Support
- 22% Oppose

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

Reducing interest rates are seen as being helpful...

"Would you support or oppose reducing the interest rate on all Alaska Housing Finance Corporation (AHFC) home mortgages by 2% for the next two years?"

79% Support
16% Oppose

...and opening additional areas of Alaska to oil and gas exploration are highly recommended...

"Do you support or oppose immediately opening "ANN-WHAR," the Arctic National Wildlife Refuge on Alaska's North Slope, to oil and gas exploration?"

71% Support
24% Oppose

A "jobs bill" -- spending money to provide jobs -- is strongly supported...

"Would you support or oppose the state spending 150 million dollars to provide jobs for people who would perform deferred maintenance for roads, schools and other public buildings?"

69% Support
22% Oppose

...and eliminating general business taxes is seen as a helpful step...

"Would you support or oppose reducing or eliminating general business taxes to encourage businesses to locate here?"

65% Support
29% Oppose

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

...reducing commercial loan rates is also seen as being helpful...

"Would you support or oppose reducing the interest rate on all Alaska Industrial Development Authority (AIDA) commercial loans by 2% for the next two years?"

65% Support
27% Oppose

Removing excess AHFC-owned mobile homes is recommended...

"Would you support or oppose having the AHFC ship the excess mobile homes it owns to the lower 48 and selling them down there?"

59% Support
32% Oppose

...and then spending money to encourage a U.S. Navy presence would be a good step...

"Would you support or oppose spending up to 100 million dollars to upgrade Southcentral Alaska ports so they could serve as the home port for large Navy ships?"

57% Support
29% Oppose

Over half (53%) support another Permanent Fund dividend check early this year...

"Would you support or oppose having the state issue another Permanent Fund Dividend check early this year to get more money in the economy?"

53% Support
42% Oppose

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

...demolishing sub-standard public housing is also supported, with a subsequent utilization of repossessed condominiums...

"Would you support or oppose having the state tear down the older sub-standard public housing it owns and replacing it with repossessed condominiums?"

53% Support
36% Oppose

...a majority support halting mortgage loan foreclosures...

"Would you support or oppose the state halting foreclosure on people who aren't paying their mortgage loans?"

53% Support
38% Oppose

...maybe because by over a 2:1 ratio, there is a feeling that non-Alaskans may be taking control of Alaskan real estate and commercial properties...

"Do you believe there is or is not a danger of too many non-Alaskans taking control of Alaskan real estate and commercial buildings by buying up property at auctions and low forced-sale prices?"

62% Is danger
30% Is not danger

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

Paying off school construction bonds also seems to be a good idea...

"Would you support or oppose the state paying off school construction bonds which are now being paid for through property taxes?"

53% Support
40% Oppose

...on the other hand, paying off local government bonds is supported by less than half the respondents...

"Would you support or oppose having the state pay off local government bonds to lower local taxes and user fees?"

46% Support
42% Oppose

Real estate auctions are not widely supported or opposed...

"Would you support or oppose the state not allowing real estate auctions of foreclosed properties for the next two years?"

46% Support
47% Oppose

...and sentiment regarding using condominiums for UAA student housing is slightly on the opposed side...

"Would you support or oppose the state providing money to the University of Alaska to buy condominiums for student housing?"

44% Support
49% Oppose

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

Public sentiment opposes the state tearing down strip malls and paying off the loans...

"Would you support or oppose the state reducing excess office and commercial space by tearing down strip malls and old commercial buildings and paying off the loans?"

34% Support
55% Oppose

...and using the Permanent Fund principal to invest in excess commercial properties is strongly opposed...

"Would you support or oppose using the Permanent Fund principal to buy excess commercial properties and hold them as investments until the prices go up?"

21% Support
76% Oppose

Overall recommendations for the legislature are primarily on the "growth" side ("create jobs," "help business," "encourage new businesses," "spend on construction," etc.), however another large bloc is on the other side ("spend less money" and "do nothing")...

"Now that we've gone through a fairly long list of possible economic steps that could be taken, what are your thoughts -- what are your overall recommendations for the legislature?"

- 36% Encourage business/create jobs/spend more money/help new business/diversify
- 22% Spend less money/do nothing
- 12% Work together/help people who are struggling
- 5% Guard the Permanent Fund
- 4% Find new sources of money
- 1% Spend more on education
- 2% Miscellaneous
- 17% Unsure

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

Regarding sources of money to accomplish economic enhancement projects, by a 2:1 ratio, railbelt residents reported they would probably vote for using undistributed Permanent Fund earnings...

"There is currently approximately 490 million dollars in unspent earnings from the Permanent Fund -- this is money left over after dividends and inflation proofing have been paid. If the issue were on the ballot, would you probably vote for or against using the undistributed Permanent Fund earnings money to help pay for programs to help the economy?"

64% Support
32% Oppose

...however, even if the economy declined further, a majority oppose using the Permanent Fund principal to help...

"If the Alaskan economy declines further, would you support or oppose a constitutional amendment which would allow some of the money within the principal of the Permanent Fund to be taken out and used for programs to help the economy?"

43% Support
54% Oppose

Well over half (55%) also feel the Railbelt Energy Fund should be used to provide electrical energy to railbelt communities rather than being used for other construction projects...

"There is currently approximately 230 million dollars set aside in the Railbelt Energy Fund to provide electrical energy for communities along the railbelt from the Kenai Peninsula to Fairbanks. Would you support using the money for that purpose, or would you support using the money for other capital construction projects around the state?"

55% Provide electrical energy
35% Provide other capital construction

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

...and when it is all put together, support for various possible sources of funds is fairly broadly distributed...

"Nearly all of the programs to help the Alaskan economy will require money. If something is going to be done to help the economy, where should the money come from?"

- 21% Use Permanent Fund earnings (490 million)
- 19% Use windfall lawsuit money (150 million)
- 13% Use Railbelt Energy Fund (234 million)
- 8% Use Alaska Industrial Development Authority Fund (270 million)
- 8% Use Permanent Fund principal (9 billion)
- 7% Use Alaska Housing Finance Corporation Revolving Fund (1.5 billion)
- 3% Sales and/or income taxes
- 2% Anything, but not the Permanent Fund

Support for education is high -- in fact, by nearly a 2:1 ratio, railbelt residents support the idea of an educational endowment fund...

"Do you support or oppose setting aside 700 million dollars as a "mini"-permanent fund, with the earnings - - which may be 50-70 million dollars per year -- to be added to the 400 million dollar public education budget?"

59% Support
32% Oppose

...and a slightly smaller majority also support scientific research in Alaska...

"Do you support or oppose establishing a 100 million dollar science and applied technology fund to encourage scientific research in Alaska?"

54% Support
39% Oppose

SUMMARY

RAILBELT ECONOMIC ASSESSMENT SURVEY

On a overall basis, the economic situation in the railbelt region is probably worse than previously assumed...

- ** Over fifty percent (53%) report the economy is "bad" in their area.
- ** And it's not getting better -- half (50%) reported their economic condition has changed for the worse compared to a year ago.
- ** Although there is some optimism -- 44% report they feel things will get better within the next two years -- a substantial majority (54%) see things staying about the same or getting even worse.
- ** And this is serious because the same percentage (54%) reported their family unit has already faced wage and salary cuts, reduced work hours and layoffs.
- ** With over half of railbelt families realizing reduced incomes, it's not surprising that one-third (35%) of railbelt homeowners said it is getting more difficult to make their mortgage payments.
- ** One-half (50%) of that number report they are concerned about being able to continue; and approximately one-out-of-four (26%) said they have seriously thought about letting their house go back to the bank or mortgage company.
- ** And the situation is even worse for those who are making payments on real estate or raw land investments -- nearly half (44%) say it is getting harder to make the payments.
- ** And within that group, nearly three-out-of-five (57%) are concerned that they may not be able to continue making payments, with over one-fourth (28%) seriously thinking about letting their investments go back to the bank or mortgage company.
- ** If the economic condition of railbelt residents doesn't improve, a significant population exodus may occur -- approximately one-out-of-four railbelt respondents (24%) reported that they have seriously considered leaving Alaska and moving somewhere else to live because of the economy here.
- ** And going beyond "seriously considering" leaving Alaska, nearly one-out-of-five (19%) said it is likely that they will be gone within the next two years.

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

Again, from the railbelt residents' point-of-view, the economic situation is serious -- so what's the solution?

- ** First of all, over three-out-of-five (61%) feel Alaska's economy is a special situation which warrants special attention, and three-out-of-four (75%) feel the legislature should take action and try to help.

So the question is: "what kind of help?" -- what should be done...

- ** First of all, pass the strongest possible local hire law that is constitutional (81%).
- ** Then reduce AHFC home mortgage rates by 2% for the next two years (79%).
- ** Next, eliminate any idea of new or increased taxes or utility charges for the next two years (75%).
- ** Support opening the Arctic National Wildlife Refuge to oil and gas exploration (71%).
- ** Pass the "jobs bill" to provide money for deferred maintenance projects (69%).
- ** And reduce or eliminate general business taxes in order to provide incentives for businesses to locate in Alaska (65%).
- ** Also, reduce AIDA commercial loan rates by 2% (65%).
- ** Sending AHFC-owned mobile homes south for sale is widely supported (59%).
- ** And bringing the Navy north is also supported by a strong majority (57%).
- ** An additional Permanent Fund dividend check is supported by over half (53%).
- ** Then consider tearing down older, sub-standard state-owned public housing, and replace it with state-owned condominiums (53%).
- ** There is some concern that too many non-Alaskans are taking control of local real estate by buying up property at auctions and low forced-sale prices (61%).

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

- ** So a little over half (53%) would support a state moratorium on foreclosures for people who can't pay their mortgage loans; and a little under half (46%) would support a moratorium on real estate auctions for the next two years.
- ** Paying off school construction bonds (53%) and local government bonds (46%), are supported if it would provide property tax relief or lower user fees.

At the other end of the scale, there are some things that the state should probably stay away from...

- ** In this case, there is more opposition (49%) than support (44%) for the idea of the University of Alaska buying condominiums for student housing.
- ** And only 34% support the idea of razing excess commercial buildings and strip malls and paying off the loans.
- ** Forty-three percent (43%) would support using some of the Permanent Fund principal to help the economy, however, the main thing to stay away from is any idea of using the principal of the Permanent Fund to take excess commercial properties off the market (76% oppose).

If the principal of the Permanent Fund isn't used, where is the money going to come from?

- ** Nearly two-thirds (64%) reported they would probably vote in support of using the 490 million dollars in Permanent Fund earnings to help pay for programs to help the economy.
- ** Another possible source is the "windfall" lawsuit money (\$150,000,000).
- ** And the 234 million dollar Railbelt Energy Fund was also recommended, however, by a 20% margin (55% to 35%), railbelt residents reported they would rather use the money to provide electrical energy for communities along the railbelt.



CONCLUSIONS

RAILBELT ECONOMIC ASSESSMENT SURVEY

After talking with 1,002 randomly selected railbelt respondents regarding their personal economic condition on a strictly confidential basis, it's clear that the region as a whole is facing serious economic problems. And if things don't materially improve, a substantial exodus of up to 20% could take place during the next two years.

** The top six recommendations for immediate action are quite clear:

- 1) Local hire, local hire and local hire
- 2) Lower home mortgage rates
- 3) No new taxes or utility increases
- 4) Pass the "jobs bill"
- 5) Reduce the cost of doing business for employers
- 6) Upgrade ports for general Navy use

** Opening ANWR is strongly supported, but is a much longer-term project.

** Recommended actions with economic consequences, but of a lower priority are:

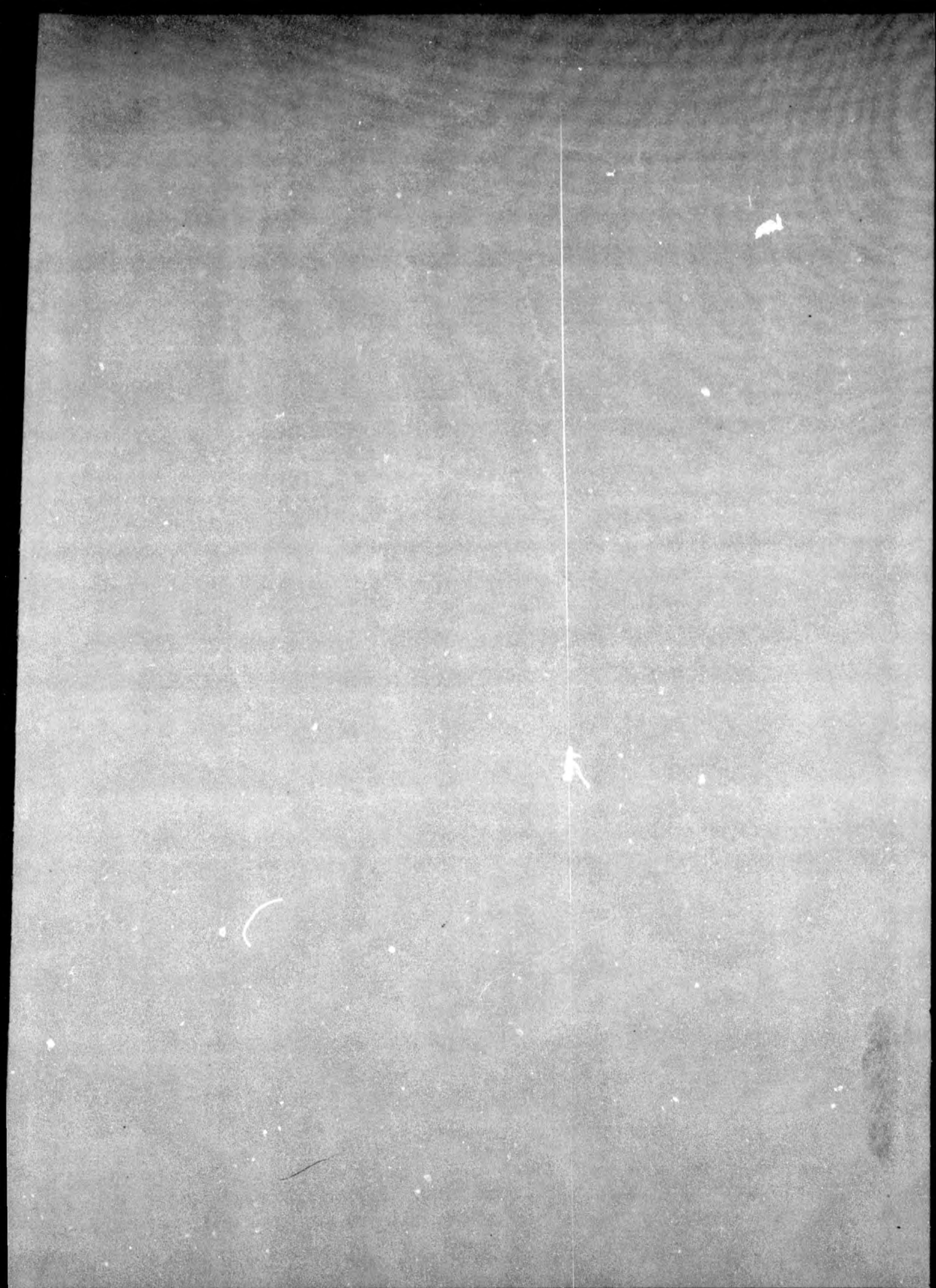
- 1) Additional Permanent Fund dividend
- 2) Replace sub-standard AHFC housing with repossessed state-owned buildings
- 3) Pay off school construction and local government bonds if it will lower property taxes
- 4) Provide a moratorium on foreclosures and real estate auctions

RAILBELT ECONOMIC ASSESSMENT
JANUARY 1988

While the railbelt economic condition is seriously on the troubled side for many, it should be remembered that support for state action is still not unanimous -- approximately one-out-of-four (22%) said the state should spend less money or do nothing, and 5% basically stated "I don't care what you do, just don't touch the Permanent Fund."

On the other hand, a much larger number say the state should take direct action, with 40% supporting the idea of encouraging business, creating jobs, spending more money, diversifying, and finding new sources of money; and an additional 12% feel we should all work together and help people who are struggling.

As far as funding is concerned, nearly two-out-of-three respondents (64%) reported they would probably support using Permanent Fund earnings to help the economy, and there appears to be little objection to using the "windfall" lawsuit money. Use of the AHFC and AIDA funds will require some explanation; use of the Railbelt Energy Fund will meet opposition; use of the Permanent Fund principal to "help" is generally opposed (by 54%); and using the Permanent Fund principal specifically for Alaskan real estate investments is out of the question.



WHAT IS YOUR OPINION OF THE ECONOMY IN THE AREA WHERE YOU LIVE?

DEMOGRAPHICS	OAECONMY				
	VERYGOOD	PRTYGOOD	SOSO	PRTYBAD	VERYSAD
TOTAL.....	1%	11%	36%	34%	19%
LOCATION					
CENTRAL.....	0%	11%	39%	31%	18%
MATVALLEY.....	1%	9%	31%	36%	23%
ANCHORAGE.....	1%	11%	34%	36%	18%
KENAI/PEN.....	1%	11%	41%	31%	16%
REGISTER					
DEMOCRAT.....	0%	10%	39%	34%	17%
REPBLCAN.....	0%	9%	34%	38%	19%
NONPART.....	1%	10%	35%	35%	19%
NOTREGIS.....	2%	22%	43%	12%	22%
SEX					
MALE.....	1%	9%	35%	32%	23%
FEMALE.....	1%	12%	36%	36%	15%
AGE					
18-24YRS OF AGE..	0%	21%	50%	28%	2%
25-40.....	1%	10%	43%	32%	15%
41-55.....	0%	10%	29%	37%	24%
56+ YRS.....	2%	10%	23%	38%	27%
INCOME					
N-R.....	0%	9%	30%	40%	21%
TO \$20000 INCOME..	0%	10%	36%	26%	28%
\$20,000-\$40,000..	1%	9%	37%	37%	16%
\$40,000-\$60,000..	1%	11%	36%	33%	19%
\$60,000+.....	0%	14%	35%	36%	15%
WORKFOR					
FEDERAL.....	0%	13%	46%	27%	13%
STATE.....	0%	18%	37%	32%	13%
LOCAL.....	1%	9%	40%	38%	11%
PRIVATE.....	1%	10%	35%	35%	19%
NOTWORK.....	1%	10%	32%	33%	25%
TIMEINAK					
UNDER 1YR IN AK..	0%	0%	33%	33%	33%
1-4 YRS.....	0%	19%	43%	28%	10%
5-9 YRS.....	1%	11%	40%	31%	16%
10-14YRS.....	1%	9%	40%	32%	19%
15+ YRS.....	1%	10%	31%	37%	21%

IS THIS A CHANGE FROM 1 YEAR AGO? IS THE ECONOMIC SITUATION IN YOUR AREA...

DEMOGRAPHICS	PASTYEAR			
	UNSURE	BETTER	WORSE	SAME
TOTAL.....	1%	7%	50%	43%
LOCATION				
CENTRAL.....	1%	11%	42%	46%
MATVALLEY.....	0%	4%	51%	45%
ANCHORAGE.....	1%	5%	55%	39%
KENAI PEN.....	3%	6%	54%	37%
REGISTER				
DEMOCRAT.....	0%	6%	52%	42%
REPBL CAN.....	0%	7%	50%	43%
NONPART.....	1%	7%	51%	41%
NOT REGIS.....	2%	6%	32%	60%
SEX				
MALE.....	1%	6%	47%	45%
FEMALE.....	1%	7%	52%	40%
AGE				
18-24 YRS OF AGE.	2%	14%	34%	50%
25-40.....	0%	6%	50%	44%
41-55.....	2%	6%	51%	41%
56+ YRS.....	0%	8%	53%	40%
INCOME				
N-R.....	0%	2%	53%	44%
TO \$20,000 INCOME.	1%	7%	49%	43%
\$20,000-\$40,000.	1%	7%	50%	43%
\$40,000-\$60,000.	0%	6%	51%	43%
\$60,000+.....	1%	9%	49%	41%
WORKFOR				
FEDERAL.....	1%	7%	43%	49%
STATE.....	1%	5%	44%	49%
LOCAL.....	0%	7%	52%	41%
PRIVATE.....	1%	8%	48%	44%
NOT WORK.....	0%	6%	56%	38%
TIME IN AK				
UNDER 1 YR IN AK..	33%	33%	0%	33%
1-4 YRS.....	0%	4%	39%	57%
5-9 YRS.....	1%	8%	52%	39%
10-14 YRS.....	1%	6%	52%	41%
15+ YRS.....	1%	7%	51%	41%

WHAT DO YOU SEE LOOKING INTO THE FUTURE FOR THE NEXT TWO YEARS?

DEMOGRAPHICS	NEXTTWO			
	UNSURE	BETTER	WORSE	SAME
TOTAL.....	3%	44%	15%	38%
LOCATION				
CENTRAL.....	1%	50%	11%	39%
NATVALLEY.....	5%	38%	17%	41%
ANCHORAGE.....	3%	39%	20%	39%
KENAI PEN.....	3%	50%	15%	32%
REGISTER				
DEMOCRAT.....	1%	44%	15%	40%
REPUBLICAN.....	2%	48%	13%	37%
NONPART.....	3%	43%	17%	38%
NOTREGIS.....	9%	29%	15%	46%
SEX				
MALE.....	1%	42%	15%	42%
FEMALE.....	4%	46%	16%	35%
AGE				
18-24 YRS OF AGE..	0%	53%	14%	33%
25-40.....	3%	44%	14%	39%
41-55.....	2%	42%	17%	39%
56+ YRS.....	3%	43%	18%	37%
INCOME				
N-R.....	7%	37%	26%	30%
TO \$20,000 INCOME..	2%	45%	18%	35%
\$20,000-\$40,000..	4%	43%	17%	36%
\$40,000-\$60,000..	1%	43%	12%	43%
\$60,000+.....	2%	45%	13%	39%
WORKFOR				
FEDERAL.....	2%	37%	13%	48%
STATE.....	2%	45%	16%	36%
LOCAL.....	1%	34%	16%	48%
PRIVATE.....	2%	48%	12%	37%
NOTWORK.....	4%	40%	20%	35%
TIME IN AK				
UNDER 1 YR IN AK..	0%	33%	0%	67%
1-4 YRS.....	4%	49%	16%	32%
5-9 YRS.....	4%	42%	17%	37%
10-14 YRS.....	2%	45%	13%	40%
15+ YRS.....	2%	43%	16%	39%

WHAT SHOULD BE THE ROLE OF THE LEGISLATURE -- TAKE ACTION AND TRY TO HELP?

DEMOGRAPHICS	LEGIROLE			
	UNSURE	SHOULD	SHULDN'T	3
TOTAL.....	6%	75%	19%	0%
LOCATION				
CENTRAL.....	5%	76%	19%	0%
MATVALLEY.....	5%	76%	19%	0%
ANCHORAGE.....	4%	75%	21%	0%
KENAI PEN.....	17%	69%	15%	0%
REGISTER				
DEMOCRAT.....	9%	79%	12%	0%
REPUBLICAN.....	3%	78%	18%	0%
NONPART.....	5%	72%	23%	0%
NOT REGIS.....	14%	74%	12%	0%
SEX				
MALE.....	4%	73%	23%	0%
FEMALE.....	8%	77%	15%	0%
AGE				
18-24 YRS OF AGE..	7%	79%	14%	0%
25-40.....	6%	78%	16%	0%
41-55.....	5%	73%	22%	0%
56+ YRS.....	7%	69%	25%	0%
INCOME				
N-R.....	7%	74%	19%	0%
TO \$20,000 INCOME..	9%	76%	16%	0%
\$20,000-\$40,000..	6%	76%	19%	0%
\$40,000-\$60,000..	4%	78%	18%	0%
\$60,000+.....	7%	70%	23%	0%
WORK FOR				
FEDERAL.....	5%	79%	17%	0%
STATE.....	9%	65%	26%	0%
LOCAL.....	2%	78%	20%	0%
PRIVATE.....	5%	77%	18%	0%
NOT WORK.....	7%	74%	19%	0%
TIME IN AK				
UNDER 1 YR IN AK..	33%	33%	33%	0%
1-4 YRS.....	12%	78%	10%	0%
5-9 YRS.....	6%	81%	13%	0%
10-14 YRS.....	5%	73%	22%	1%
15+ YRS.....	5%	73%	22%	0%

WHAT IS THE MAIN THING YOU WOULD LIKE TO SEE THEM DO?

DEMOGRAPHICS	THINGDO							
	UNSURE	CREATE JOBS	HELPSUSI	HELPEOPL	NEWBUSI	SPENDLESS	DO NOTHIN	NEWMONEY
TOTAL.....	11%	23%	7%	8%	17%	9%	2%	2%
LOCATION								
CENTRAL.....	8%	22%	10%	9%	18%	7%	2%	3%
MATVALLEY.....	13%	27%	6%	4%	19%	8%	1%	2%
ANCHORAGE.....	13%	18%	5%	11%	16%	10%	4%	2%
KENAI PEN.....	5%	30%	8%	5%	11%	13%	0%	3%
REGISTER								
DEMOCRAT.....	11%	31%	3%	6%	15%	8%	1%	2%
REPUBLICAN.....	10%	16%	9%	7%	21%	10%	2%	2%
NONPART.....	10%	21%	8%	10%	17%	9%	3%	2%
NOT REGIS.....	17%	33%	4%	2%	8%	8%	0%	4%
SEX								
MALE.....	8%	23%	7%	5%	19%	9%	3%	2%
FEMALE.....	13%	22%	7%	11%	16%	8%	1%	2%
AGE								
18-24 YRS OF AGE..	20%	30%	7%	13%	11%	2%	0%	2%
25-40.....	11%	26%	7%	8%	17%	7%	2%	1%
41-55.....	9%	17%	10%	7%	19%	10%	3%	3%
56+ YRS.....	7%	21%	4%	10%	16%	14%	2%	4%
INCOME								
N-R.....	9%	16%	9%	9%	19%	13%	0%	3%
TO \$20,000 INCOME..	12%	29%	7%	7%	13%	7%	0%	2%
\$20,000-\$40,000..	9%	23%	6%	7%	19%	10%	2%	3%
\$40,000-\$60,000..	11%	24%	8%	6%	16%	7%	2%	1%
\$60,000+.....	11%	16%	7%	12%	19%	8%	3%	1%
WORKFOR								
FEDERAL.....	17%	20%	3%	9%	17%	7%	3%	3%
STATE.....	7%	14%	12%	12%	25%	5%	2%	3%
LOCAL.....	14%	22%	7%	7%	14%	3%	3%	0%
PRIVATE.....	8%	22%	8%	6%	20%	11%	1%	1%
NOT WORK.....	13%	27%	5%	11%	11%	8%	2%	4%
TIME IN AK								
UNDER 1 YR IN AK..	0%	0%	0%	100%	0%	0%	0%	0%
1-4 YRS.....	15%	26%	7%	11%	25%	4%	0%	1%
5-9 YRS.....	10%	25%	8%	5%	15%	8%	2%	2%
10-14 YRS.....	9%	26%	9%	6%	14%	9%	2%	1%
15+ YRS.....	10%	20%	6%	9%	17%	10%	2%	3%

(cont.)

WHAT IS THE MAIN THING YOU WOULD LIKE TO SEE THEM DO?

DEMOGRAPHICS	THINGDO				
	SPNDMORE	SPNDONED	WORKTGTH	GRDPFDIV	MISC
TOTAL.....	11%	4%	2%	4%	2%
LOCATION					
CENTRAL.....	8%	7%	1%	4%	2%
MATVALLEY.....	12%	3%	2%	2%	3%
ANCHORAGE.....	11%	0%	3%	5%	2%
KENAI PEN.....	16%	4%	1%	1%	4%
REGISTER					
DEMOCRAT.....	9%	5%	3%	2%	4%
REPUBLICAN.....	12%	5%	1%	4%	3%
NONPART.....	11%	2%	2%	4%	1%
NOT REGIS.....	8%	4%	0%	4%	6%
SEX					
MALE.....	15%	2%	2%	5%	1%
FEMALE.....	7%	5%	2%	3%	4%
AGE					
18-24 YRS OF AGE..	7%	4%	0%	2%	2%
25-40.....	11%	4%	2%	3%	2%
41-55.....	13%	4%	3%	4%	1%
56+ YRS.....	7%	1%	1%	5%	7%
INCOME					
N-R.....	6%	3%	3%	3%	6%
TO \$20,000 INCOME..	7%	4%	3%	3%	4%
\$20,000-\$40,000..	9%	4%	0%	4%	3%
\$40,000-\$60,000..	12%	4%	1%	4%	1%
\$60,000+.....	17%	1%	3%	3%	1%
WORKFOR					
FEDERAL.....	13%	3%	1%	3%	0%
STATE.....	8%	5%	0%	5%	2%
LOCAL.....	13%	10%	6%	0%	0%
PRIVATE.....	13%	2%	2%	4%	2%
NOT WORK.....	7%	3%	1%	4%	5%
TIME IN AK					
UNDER 1 YR IN AK..	0%	0%	0%	0%	0%
1-4 YRS.....	5%	4%	0%	1%	2%
5-9 YRS.....	12%	6%	2%	5%	1%
10-14 YRS.....	13%	4%	1%	2%	3%
15+ YRS.....	11%	2%	2%	4%	3%

HAVE YOU OR FAMILY MEMBERS TAKEN WAGE CUTS, REDUCED HOURS, OR BEEN LAID OFF?

DEMOGRAPHICS	WAGECUT		
	UNSURE	YES	NO
TOTAL.....	0%	54%	45%
LOCATION			
CENTRAL.....	0%	56%	44%
NATVALLEY.....	0%	57%	42%
ANCHORAGE.....	0%	51%	49%
KENAI PEN.....	1%	55%	44%
REGISTER			
DEMOCRAT.....	0%	51%	49%
REPUBLICAN.....	0%	56%	44%
NONPART.....	0%	55%	45%
NOT REGIS.....	0%	55%	45%
SEX			
MALE.....	0%	56%	44%
FEMALE.....	0%	53%	47%
AGE			
18-24 YRS OF AGE..	0%	57%	43%
25-40.....	0%	58%	42%
41-55.....	0%	60%	40%
56+ YRS.....	0%	33%	67%
INCOME			
N-R.....	0%	42%	58%
TO \$20,000 INCOME..	0%	56%	44%
\$20,000-\$40,000..	1%	57%	43%
\$40,000-\$60,000..	0%	55%	45%
\$60,000+.....	0%	52%	48%
WORKFOR			
FEDERAL.....	0%	36%	64%
STATE.....	0%	47%	53%
LOCAL.....	0%	67%	33%
PRIVATE.....	0%	58%	42%
NOT WORK.....	0%	53%	47%
TIME IN AK			
UNDER 1 YR IN AK..	0%	33%	67%
1-4 YRS.....	0%	53%	47%
5-9 YRS.....	1%	56%	43%
10-14 YRS.....	1%	58%	41%
15+ YRS.....	0%	53%	47%

HOW WOULD YOU DESCRIBE YOUR PERSONAL ECONOMIC SITUATION AT THE PRESENT TIME...

DEMOGRAPHICS	PECONMIC					
	UNSURE	VERYGOOD	PRTYGOOD	SOSO	PRTYBAD	VERYBAD
TOTAL.....	0%	10%	36%	37%	11%	6%
LOCATION						
CENTRAL.....	0%	10%	32%	41%	12%	5%
MATVALLEY.....	0%	10%	40%	31%	13%	6%
ANCHORAGE.....	0%	10%	38%	37%	9%	6%
KENAI PEN.....	0%	7%	32%	40%	13%	8%
REGISTER						
DEMOCRAT.....	0%	10%	33%	40%	10%	7%
REPBLCAN.....	0%	10%	39%	36%	10%	5%
NONPART.....	0%	10%	35%	37%	13%	5%
NOTREGIS.....	0%	5%	34%	40%	11%	11%
SEX						
MALE.....	0%	9%	36%	38%	10%	7%
FEMALE.....	0%	10%	36%	37%	13%	5%
AGE						
18-24YRS OF AGE..	0%	2%	34%	47%	10%	7%
25-40.....	0%	11%	37%	36%	11%	5%
41-55.....	0%	8%	34%	38%	12%	8%
56+ YRS.....	1%	11%	35%	38%	9%	6%
INCOME						
N-R.....	2%	2%	47%	40%	9%	0%
70-\$20000 INCOME..	0%	1%	18%	41%	23%	18%
\$20,000-\$40,000..	0%	6%	30%	44%	12%	7%
\$40,000-\$60,000..	0%	8%	45%	36%	9%	2%
\$60,000+.....	0%	24%	45%	26%	3%	1%
WORKFOR						
FEDERAL.....	0%	11%	49%	35%	4%	2%
STATE.....	0%	10%	54%	24%	11%	1%
LOCAL.....	0%	18%	37%	33%	9%	2%
PRIVATE.....	0%	9%	34%	42%	10%	5%
NOTWORK.....	0%	7%	29%	36%	17%	11%
TIMEINAK						
UNDER1YR IN AK..	0%	33%	33%	0%	0%	33%
1-4 YRS.....	0%	10%	38%	38%	10%	3%
5-9 YRS.....	0%	9%	37%	38%	10%	7%
10-14YRS.....	0%	11%	36%	36%	10%	7%
15+ YRS.....	0%	9%	35%	38%	12%	6%

ARE YOU MAKING PAYMENTS ON A HOME IN ALASKA?

DEMOGRAPHICS	PAYHOME		
	UNSURE	YES	NO
TOTAL.....	0%	60%	40%
LOCATION			
CENTRAL.....	0%	54%	46%
MATVALLEY.....	0%	62%	38%
ANCHORAGE.....	0%	67%	33%
KENAI PEN.....	0%	51%	49%
REGISTER			
DEMOCRAT.....	0%	52%	48%
REPUBLICAN.....	0%	66%	34%
NONPART.....	0%	63%	37%
NOT REGIS.....	0%	42%	58%
SEX			
MALE.....	0%	59%	41%
FEMALE.....	0%	60%	40%
AGE			
18-24 YRS OF AGE..	0%	19%	81%
25-40.....	0%	64%	36%
41-55.....	0%	72%	28%
56+ YRS.....	1%	38%	62%
INCOME			
N-R.....	2%	.	35%
TO \$20,000 INCOME..	0%	27%	73%
\$20,000-\$40,000..	0%	52%	48%
\$40,000-\$60,000..	0%	74%	26%
\$60,000+.....	0%	80%	20%
WORKFOR			
FEDERAL.....	0%	67%	33%
STATE.....	0%	60%	40%
LOCAL.....	0%	74%	26%
PRIVATE.....	0%	63%	37%
NOT WORK.....	0%	48%	51%
TIME IN AK			
UNDER 1 YR IN AK..	0%	0%	100%
1-4 YRS.....	0%	43%	57%
5-9 YRS.....	0%	64%	36%
10-14 YRS.....	0%	70%	30%
15+ YRS.....	0%	59%	41%

ARE YOU MAKING PAYMENTS ON REAL ESTATE INVESTMENTS OTHER THAN YOUR HOME?

DEMOGRAPHICS	REALLAND		
	UNSURE	YES	NO
TOTAL.....	0%	25%	75%
LOCATION			
CENTRAL.....	0%	25%	75%
MATVALLEY.....	0%	26%	74%
ANCHORAGE.....	0%	22%	78%
KENAI PEN.....	0%	34%	66%
REGISTER			
DEMOCRAT.....	0%	22%	78%
REPBL CAN.....	0%	26%	74%
NONPART.....	0%	29%	71%
NOT REGIS.....	0%	9%	91%
SEX			
MALE.....	0%	27%	73%
FEMALE.....	0%	24%	76%
AGE			
18-24 YRS OF AGE..	0%	19%	81%
25-40.....	0%	24%	76%
41-55.....	0%	33%	67%
56+ YRS.....	1%	16%	83%
INCOME			
N-R.....	2%	16%	81%
TO \$20,000 INCOME..	0%	18%	83%
\$20,000-\$40,000..	0%	20%	80%
\$40,000-\$60,000..	0%	29%	71%
\$60,000+.....	0%	37%	63%
WORKFOR			
FEDERAL.....	0%	20%	80%
STATE.....	0%	24%	76%
LOCAL.....	0%	33%	67%
PRIVATE.....	0%	30%	70%
NOTWORK.....	0%	18%	82%
TIME IN AK			
UNDER 1 YR IN AK..	0%	0%	100%
1-4 YRS.....	0%	7%	93%
5-9 YRS.....	0%	17%	83%
10-14 YRS.....	0%	31%	69%
15+ YRS.....	0%	30%	70%

SERIOUSLY CONSIDERED LEAVING ALASKA AND MOVING BECAUSE OF THE ECONOMY HERE?

DEMOGRAPHICS	LEAVEAK			
	UNSURE	YES	NO	4
TOTAL.....	0%	24%	76%	0%
LOCATION				
CENTRAL.....	0%	27%	73%	0%
MATVALLEY.....	0%	24%	76%	0%
ANCHORAGE.....	0%	23%	77%	0%
KENAI PEN.....	0%	17%	83%	0%
REGISTER				
DEMOCRAT.....	0%	26%	74%	0%
REPUBLICAN.....	0%	23%	77%	0%
NONPART.....	0%	21%	78%	0%
NOT REGIS.....	0%	38%	62%	0%
SEX				
MALE.....	0%	24%	76%	0%
FEMALE.....	0%	23%	77%	0%
AGE				
18-24 YRS OF AGE..	0%	33%	67%	0%
25-40.....	0%	27%	73%	0%
41-55.....	0%	23%	77%	0%
56+ YRS.....	1%	11%	88%	0%
INCOME				
N-R.....	2%	16%	81%	0%
TO \$20,000 INCOME..	0%	35%	65%	0%
\$20,000-\$40,000..	0%	25%	75%	0%
\$40,000-\$60,000..	0%	24%	76%	0%
\$60,000+.....	0%	15%	85%	0%
WORKFOR				
FEDERAL.....	0%	21%	79%	0%
STATE.....	0%	24%	76%	0%
LOCAL.....	0%	11%	89%	0%
PRIVATE.....	0%	25%	74%	0%
NOT WORK.....	0%	25%	75%	0%
TIME IN AK				
UNDER 1 YR IN AK..	0%	67%	33%	0%
1-4 YRS.....	0%	23%	77%	0%
5-9 YRS.....	0%	31%	69%	0%
10-14 YRS.....	0%	24%	76%	0%
15+ YRS.....	0%	21%	79%	0%

HOW LIKELY IS IT THAT YOU WILL MOVE TO ANOTHER STATE WITHIN TWO YEARS?

DEMOGRAPHICS	MOVE2YRS				
	UNSURE	VRYLKLY	OTELIKELY	NOTLIKLY	NOTATALL
TOTAL.....	1%	8%	10%	20%	60%
LOCATION					
CENTRAL.....	2%	10%	11%	24%	53%
MATVALLEY.....	1%	6%	9%	19%	65%
ANCHORAGE.....	1%	9%	12%	18%	59%
KENAI/PEN.....	0%	7%	8%	10%	75%
REGISTER					
DEMOCRAT.....	1%	13%	11%	17%	57%
REPBLCAN.....	1%	7%	10%	21%	61%
NONPART.....	2%	7%	10%	19%	63%
NOTREGIS.....	3%	9%	14%	28%	46%
SEX					
MALE.....	2%	8%	12%	19%	58%
FEMALE.....	1%	8%	9%	20%	62%
AGE					
18-24 YRS OF AGE..	2%	16%	16%	19%	48%
25-40.....	1%	9%	12%	19%	58%
41-55.....	2%	7%	10%	24%	58%
56+ YRS.....	2%	5%	6%	13%	74%
INCOME					
N-R.....	2%	9%	7%	19%	63%
TO \$20,000 INCOME..	4%	13%	13%	18%	53%
\$20,000-\$40,000..	1%	7%	10%	22%	60%
\$40,000-\$60,000..	0%	8%	11%	23%	58%
\$60,000+.....	2%	7%	9%	14%	68%
WORKFOR					
FEDERAL.....	1%	8%	12%	12%	57%
STATE.....	1%	5%	12%	25%	56%
LOCAL.....	5%	5%	9%	16%	66%
PRIVATE.....	1%	9%	11%	21%	59%
NOTWORK.....	1%	10%	10%	19%	60%
TIME IN AK					
UNDER 1 YR IN AK..	0%	33%	0%	0%	67%
1-4 YRS.....	2%	16%	11%	23%	48%
5-9 YRS.....	1%	12%	12%	21%	53%
10-14 YRS.....	2%	6%	13%	23%	56%
15+ YRS.....	2%	6%	9%	17%	66%

OWN OR MANAGE A BUSINESS WHERE YOU ARE RESPONSIBLE FOR STAFF/SALARY DECISIONS?

DEMOGRAPHICS	OWNBUSI	
	YES	NO
TOTAL.....	16%	84%
LOCATION		
CENTRAL.....	17%	83%
MATVALLEY.....	19%	81%
ANCHORAGE.....	14%	86%
KENAI PEN.....	17%	83%
REGISTER		
DEMOCRAT.....	10%	90%
REPUBLICAN.....	20%	80%
NONPART.....	19%	81%
NOT REGIS.....	8%	92%
SEX		
MALE.....	20%	80%
FEMALE.....	13%	87%
AGE		
18-24 YRS OF AGE..	7%	93%
25-40.....	18%	83%
41-55.....	18%	82%
56+ YRS.....	13%	87%
INCOME		
N-R.....	9%	91%
TO \$20,000 INCOME..	5%	95%
\$20,000-\$40,000..	13%	87%
\$40,000-\$60,000..	17%	83%
\$60,000+.....	31%	69%
WORKFOR		
FEDERAL.....	6%	94%
STATE.....	12%	88%
LOCAL.....	3%	97%
PRIVATE.....	30%	70%
NOT WORK.....	3%	97%
TIME IN AK		
UNDER 1 YR IN AK..	33%	67%
1-4 YRS.....	10%	90%
5-9 YRS.....	13%	87%
10-14 YRS.....	16%	84%
15+ YRS.....	19%	81%

WHO IS MAINLY RESPONSIBLE FOR ALASKA'S CURRENT ECONOMIC SITUATION?

DEMOGRAPHICS	WHOFULT							
	UNSURE	OILPRICE	POLITICN	NOONE	EVERYONE	WORLDECN	MISC	90
TOTAL.....	11%	30%	33%	6%	13%	3%	5%	0%
LOCATION								
CENTRAL.....	9%	26%	40%	3%	14%	2%	6%	0%
MATVALLEY.....	12%	31%	32%	8%	11%	2%	4%	0%
ANCHORAGE.....	12%	35%	27%	6%	12%	3%	7%	0%
KENAI/PEN.....	14%	27%	32%	7%	15%	3%	2%	0%
REGISTER								
DEMOCRAT.....	12%	31%	31%	5%	14%	3%	5%	0%
REPUBLICAN.....	10%	35%	31%	5%	13%	2%	5%	0%
NONPART.....	10%	28%	34%	7%	12%	3%	6%	0%
NOTREGIS.....	23%	26%	35%	3%	11%	2%	0%	0%
SEX								
MALE.....	7%	34%	35%	5%	11%	2%	5%	0%
FEMALE.....	15%	26%	30%	6%	14%	3%	5%	0%
AGE								
18-24YRS OF AGE..	19%	28%	29%	5%	14%	2%	3%	0%
25-40.....	12%	28%	36%	5%	12%	3%	5%	0%
41-55.....	9%	35%	30%	6%	12%	1%	7%	3%
56+ YRS.....	8%	28%	31%	7%	16%	6%	4%	0%
INCOME								
N-R.....	9%	35%	40%	2%	9%	2%	2%	0%
TO \$20,000 INCOME..	18%	23%	34%	5%	11%	4%	6%	0%
\$20,000-\$40,000..	10%	28%	34%	8%	12%	3%	3%	0%
\$40,000-\$60,000..	8%	32%	34%	4%	13%	2%	6%	0%
\$60,000+.....	10%	35%	28%	5%	15%	2%	6%	0%
WORKFOR								
FEDERAL.....	8%	25%	37%	5%	13%	6%	6%	0%
STATE.....	4%	33%	35%	7%	13%	3%	4%	0%
LOCAL.....	11%	36%	32%	2%	14%	2%	2%	0%
PRIVATE.....	11%	33%	31%	6%	12%	1%	6%	0%
NOTWORK.....	14%	24%	36%	7%	14%	3%	5%	0%
TIME IN AK								
UNDER 1YR IN AK..	0%	33%	33%	0%	33%	0%	0%	0%
1-4 YRS.....	16%	38%	26%	3%	12%	2%	3%	0%
5-9 YRS.....	11%	32%	31%	6%	11%	3%	6%	0%
10-14YRS.....	12%	30%	29%	6%	14%	2%	7%	1%
15+ YRS.....	10%	28%	36%	6%	13%	3%	5%	0%

WHAT DID THEY DO TO HELP CAUSE ALASKA'S CURRENT ECONOMIC SITUATION?

DEMOGRAPHICS	WHATDO							
	UNSURE	OILDOWN	DEPNDOIL	LOCLHIRE	OUTCNTL	DEVREGS	SPENDING TOOMUCH	BOOMBUST
TOTAL.....	5%	23%	10%	4%	2%	4%	8%	17%
LOCATION								
CENTRAL.....	4%	19%	7%	6%	3%	6%	6%	17%
MATVALLEY.....	5%	25%	15%	2%	1%	4%	8%	12%
ANCHORAGE.....	5%	27%	11%	4%	1%	2%	10%	17%
KENAI PEN.....	7%	19%	8%	3%	4%	2%	10%	24%
REGISTER								
DEMOCRAT.....	5%	23%	12%	5%	3%	2%	5%	11%
REPUBLICAN.....	5%	25%	11%	4%	2%	5%	9%	17%
NONPART.....	4%	22%	8%	3%	2%	4%	9%	20%
NOTREGIS.....	8%	20%	6%	6%	0%	2%	12%	10%
SEX								
MALE.....	3%	25%	10%	3%	2%	4%	7%	16%
FEMALE.....	6%	21%	10%	4%	2%	3%	9%	18%
AGE								
18-24 YRS OF AGE..	11%	32%	6%	6%	2%	4%	2%	9%
25-40.....	4%	19%	11%	4%	2%	3%	8%	16%
41-55.....	4%	29%	9%	3%	1%	3%	10%	19%
56+ YRS.....	5%	21%	8%	2%	3%	7%	8%	21%
INCOME								
N-R.....	5%	26%	13%	3%	3%	5%	3%	13%
TO \$20,000 INCOME..	8%	23%	6%	4%	5%	6%	7%	12%
\$20,000-\$40,000..	7%	19%	13%	5%	2%	2%	8%	15%
\$40,000-\$60,000..	3%	25%	6%	3%	0%	4%	9%	20%
\$60,000+.....	3%	28%	11%	2%	2%	4%	9%	20%
WORKFOR								
FEDERAL.....	8%	21%	22%	4%	3%	5%	4%	13%
STATE.....	5%	30%	8%	2%	0%	2%	7%	10%
LOCAL.....	3%	24%	8%	1%	1%	1%	9%	13%
PRIVATE.....	5%	23%	8%	5%	2%	3%	8%	20%
NOTWORK.....	4%	21%	11%	3%	2%	4%	9%	18%
TIME IN AK								
UNDER 1 YR IN AK..	0%	0%	33%	0%	0%	0%	33%	33%
1-4 YRS.....	5%	29%	18%	3%	1%	2%	9%	13%
5-9 YRS.....	2%	26%	10%	5%	1%	3%	7%	14%
10-14 YRS.....	5%	26%	9%	4%	1%	4%	8%	15%
15+ YRS.....	5%	20%	8%	4%	3%	4%	8%	19%

(contir

WHAT DID THEY DO TO HELP CAUSE ALASKA'S CURRENT ECONOMIC SITUATION?

DEMOGRAPHICS	WHAT DO				
	SPENTMNY WRNGTHNG	NOLRPLAN	INEPT	NATRWRLD	MISC
TOTAL.....	5%	11%	5%	5%	2%
LOCATION					
CENTRAL.....	5%	13%	7%	5%	3%
MATVALLEY.....	5%	9%	7%	9%	1%
ANCHORAGE.....	4%	11%	3%	3%	2%
KENAI PEN.....	7%	8%	4%	2%	1%
REGISTER					
DEMOCRAT.....	3%	15%	6%	6%	3%
REPBLCAN.....	5%	7%	4%	4%	2%
NONPART.....	6%	11%	5%	6%	1%
NOTREGIS.....	4%	6%	16%	4%	6%
SEX					
MALE.....	6%	10%	6%	6%	2%
FEMALE.....	4%	12%	5%	5%	1%
AGE					
18-24 YRS OF AGE..	2%	6%	9%	9%	2%
25-40.....	4%	14%	7%	5%	2%
41-55.....	6%	9%	3%	5%	1%
56+ YRS.....	5%	8%	5%	4%	3%
INCOME					
N-R.....	10%	10%	8%	0%	3%
TO \$20,000 INCOME..	4%	8%	10%	8%	2%
\$20,000-\$40,000..	5%	9%	6%	5%	3%
\$40,000-\$60,000..	5%	15%	4%	5%	1%
\$60,000+.....	4%	10%	2%	4%	2%
WORKFOR					
FEDERAL.....	3%	9%	6%	3%	1%
STATE.....	6%	16%	5%	8%	1%
LOCAL.....	4%	21%	4%	9%	3%
PRIVATE.....	5%	9%	5%	4%	2%
NOTWORK.....	6%	9%	7%	5%	1%
TIME IN AK					
UNDER 1 YR IN AK..	0%	0%	0%	0%	0%
1-4 YRS.....	4%	3%	5%	3%	3%
5-9 YRS.....	3%	14%	6%	8%	3%
10-14 YRS.....	4%	11%	8%	5%	1%
15+ YRS.....	6%	11%	5%	5%	2%

ANOTHER PF DIVIDEND CHECK EARLY THIS YEAR TO GET MORE MONEY IN THE ECONOMY?

DEMOGRAPHICS	PFCHECK2		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	6%	53%	42%
LOCATION			
CENTRAL.....	4%	53%	43%
NATVALLEY.....	3%	50%	47%
ANCHORAGE.....	8%	55%	37%
KENAI PEN.....	6%	54%	40%
REGISTER			
DEMOCRAT.....	6%	55%	40%
REPBLCAN.....	5%	51%	44%
NONPART.....	5%	52%	43%
NOTREGIS.....	11%	60%	29%
SEX			
MALE.....	4%	50%	46%
FEMALE.....	7%	56%	38%
AGE			
18-24 YRS OF AGE..	5%	64%	31%
25-40.....	6%	52%	42%
41-55.....	6%	50%	44%
56+ YRS.....	5%	56%	39%
INCOME			
N-R.....	16%	47%	37%
TO \$20,000 INCOME..	3%	68%	29%
\$20,000-\$40,000..	5%	61%	34%
\$40,000-\$60,000..	5%	46%	49%
\$60,000+.....	6%	38%	56%
WORKFOR			
FEDERAL.....	6%	50%	44%
STATE.....	8%	41%	52%
LOCAL.....	5%	41%	54%
PRIVATE.....	6%	52%	42%
NOTWORK.....	5%	62%	34%
TIME IN AK			
UNDER 1 YR IN AK..	0%	67%	33%
1-4 YRS.....	8%	58%	34%
5-9 YRS.....	4%	53%	43%
10-14 YRS.....	7%	47%	46%
15+ YRS.....	5%	53%	41%

REDUCING THE INTEREST RATE ON ALL AHFC HOME MORTGAGES BY 2% FOR TWO YEARS?

DEMOGRAPHICS	AHFCRATE		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	5%	78%	17%
LOCATION			
CENTRAL.....	4%	80%	16%
MATVALLEY.....	5%	81%	14%
ANCHORAGE.....	6%	74%	20%
KENAI PEN.....	5%	82%	13%
REGISTER			
DEMOCRAT.....	9%	77%	14%
REPBL CAN.....	4%	78%	18%
NONPART.....	4%	78%	18%
NOT REGIS.....	5%	83%	12%
SEX			
MALE.....	6%	73%	22%
FEMALE.....	4%	84%	12%
AGE			
18-24 YRS OF AGE..	5%	79%	16%
25-40.....	4%	81%	15%
41-55.....	5%	77%	18%
56+ YRS.....	10%	70%	19%
INCOME			
N-R.....	16%	58%	26%
TO \$20,000 INCOME..	4%	81%	14%
\$20,000-\$40,000..	5%	79%	15%
\$40,000-\$60,000..	4%	81%	15%
\$60,000+.....	4%	76%	20%
WORKFOR			
FEDERAL.....	5%	80%	15%
STATE.....	5%	74%	21%
LOCAL.....	3%	79%	17%
PRIVATE.....	3%	79%	18%
NOTWORK.....	8%	78%	14%
TIME IN AK			
UNDER 1 YR IN AK..	33%	67%	0%
1-4 YRS.....	4%	91%	6%
5-9 YRS.....	3%	85%	12%
10-14 YRS.....	3%	74%	22%
15+ YRS.....	6%	75%	19%

REDUCING THE INTEREST RATE ON ALL AIDA COMMERCIAL LOANS BY 2% FOR TWO YEARS?

DEMOGRAPHICS	AIDARATE		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	8%	65%	27%
LOCATION			
CENTRAL.....	7%	64%	29%
MATVALLEY.....	7%	69%	24%
ANCHORAGE.....	8%	60%	32%
KENAI PEN.....	11%	71%	17%
REGISTER			
DEMOCRAT.....	9%	63%	28%
REPUBLICAN.....	7%	68%	26%
NONPART.....	7%	65%	28%
NOT REGIS.....	12%	58%	29%
SEX			
MALE.....	7%	60%	33%
FEMALE.....	9%	69%	22%
AGE			
18-24 YRS OF AGE..	5%	60%	34%
25-40.....	5%	67%	28%
41-55.....	10%	65%	26%
56+ YRS.....	13%	60%	27%
INCOME			
N-R.....	21%	49%	30%
TO \$20,000 INCOME..	6%	64%	29%
\$20,000-\$40,000..	7%	67%	25%
\$40,000-\$60,000..	8%	68%	25%
\$60,000+.....	8%	60%	32%
WORKFOR			
FEDERAL.....	13%	57%	30%
STATE.....	12%	58%	30%
LOCAL.....	1%	68%	31%
PRIVATE.....	6%	67%	26%
NOT WORK.....	10%	64%	27%
TIME IN AK			
UNDER 1 YR IN AK..	33%	33%	33%
1-4 YRS.....	8%	69%	22%
5-9 YRS.....	4%	71%	24%
10-14 YRS.....	6%	60%	34%
15+ YRS.....	9%	63%	27%

SPENDING UP TO \$100M ON SOUTHCENTRAL PORTS TO SERVE AS HOME FOR NAVY SHIPS?

DEMOGRAPHICS	PORTS		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	13%	57%	29%
LOCATION			
CENTRAL.....	12%	56%	32%
MATVALLEY.....	12%	68%	21%
ANCHORAGE.....	14%	62%	25%
KENAI/PEN.....	19%	30%	50%
REGISTER			
DEMOCRAT.....	13%	57%	30%
REP/BLCAN.....	11%	57%	32%
NONPART.....	14%	58%	28%
NOT REGIS.....	18%	55%	26%
SEX			
MALE.....	8%	62%	30%
FEMALE.....	18%	53%	28%
AGE			
18-24 YRS OF AGE..	7%	78%	16%
25-40.....	13%	58%	29%
41-55.....	13%	56%	31%
56+ YRS.....	18%	50%	32%
INCOME			
N-R.....	35%	37%	28%
TO \$20,000 INCOME..	15%	57%	28%
\$20,000-\$40,000..	11%	59%	30%
\$40,000-\$60,000..	13%	59%	28%
\$60,000+.....	12%	57%	31%
WORKFOR			
FEDERAL.....	10%	56%	35%
STATE.....	13%	51%	36%
LOCAL.....	9%	66%	25%
PRIVATE.....	12%	61%	27%
NOT WORK.....	18%	52%	30%
TIME IN AK			
UNDER 1 YR IN AK..	0%	33%	67%
1-4 YRS.....	14%	59%	27%
5-9 YRS.....	13%	61%	26%
10-14 YRS.....	11%	57%	32%
15+ YRS.....	14%	56%	29%

STATE TEAR DOWN SUB-STANDARD PUBLIC HOUSING REPLACING WITH REPOSSESSED CONDOS.

DEMOGRAPHICS	REPOCND0		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	11%	53%	36%
LOCATION			
CENTRAL.....	10%	51%	39%
MATVALLEY.....	7%	58%	35%
ANCHORAGE.....	12%	57%	32%
KENAI PEN.....	20%	37%	43%
REGISTER			
DEMOCRAT.....	11%	52%	37%
REPSLCAN.....	11%	55%	34%
NONPART.....	11%	53%	36%
NOTREGIS.....	9%	49%	42%
SEX			
MALE.....	11%	49%	40%
FEMALE.....	11%	56%	33%
AGE			
18-24 YRS OF AGE..	2%	48%	50%
25-40.....	10%	54%	3%
41-55.....	12%	54%	34%
56+ YRS.....	14%	48%	38%
INCOME			
N-R.....	16%	44%	40%
TO \$20,000 INCOME..	9%	55%	36%
\$20,000-\$40,000..	11%	49%	40%
\$40,000-\$60,000..	10%	57%	34%
\$60,000+.....	12%	55%	33%
WORKFOR			
FEDERAL.....	10%	61%	30%
STATE.....	12%	55%	33%
LOCAL.....	8%	57%	34%
PRIVATE.....	12%	48%	40%
NOTWORK.....	11%	55%	34%
TIME IN AK			
UNDER 1 YR IN AK..	0%	67%	33%
1-4 YRS.....	7%	56%	36%
5-9 YRS.....	13%	53%	34%
10-14 YRS.....	12%	51%	37%
15+ YRS.....	11%	52%	37%

STATE PROVIDING MONEY TO UAA FOR PURCHASE OF CONDOS FOR STUDENT HOUSING?

DEMOGRAPHICS	UAA CONDO		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	7%	44%	49%
LOCATION			
CENTRAL.....	3%	34%	63%
MATVALLEY.....	5%	56%	39%
ANCHORAGE.....	8%	51%	41%
KENAI PEN.....	17%	33%	50%
REGISTER			
DEMOCRAT.....	8%	44%	47%
REPBLCAN.....	6%	44%	50%
NONPART.....	6%	45%	49%
NOT REGIS.....	9%	45%	46%
SEX			
MALE.....	6%	44%	50%
FEMALE.....	8%	45%	48%
AGE			
18-24 YRS OF AGE..	3%	43%	53%
25-40.....	7%	44%	49%
41-55.....	4%	50%	46%
56+ YRS.....	11%	36%	52%
INCOME			
N-R.....	5%	28%	67%
TO \$20,000 INCOME..	9%	43%	48%
\$20,000-\$40,000..	8%	44%	48%
\$40,000-\$60,000..	4%	48%	48%
\$60,000+.....	8%	45%	47%
WORKFOR			
FEDERAL.....	4%	55%	42%
STATE.....	4%	40%	56%
LOCAL.....	2%	59%	39%
PRIVATE.....	7%	45%	48%
NOT WORK.....	10%	38%	52%
TIME IN AK			
UNDER 1 YR IN AK..	0%	0%	100%
1-4 YRS.....	13%	37%	50%
5-9 YRS.....	6%	48%	46%
10-14 YRS.....	6%	45%	49%
15+ YRS.....	6%	44%	49%

REDUCE EXCESS COMMERCIAL SPACE BY TEARING DOWN STRIP MALLS & PAYING OFF LOANS?

DEMOGRAPHICS	STRPMALL		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	11%	34%	55%
LOCATION			
CENTRAL.....	10%	29%	61%
MATVALLEY.....	11%	36%	53%
ANCHORAGE.....	11%	34%	55%
KENAI PEN.....	16%	43%	41%
REGISTER			
DEMOCRAT.....	11%	40%	50%
REPUBLICAN.....	9%	33%	58%
NONPART.....	12%	30%	58%
NOT REGIS.....	17%	45%	38%
SEX			
MALE.....	8%	30%	62%
FEMALE.....	15%	38%	48%
AGE			
18-24 YRS OF AGE..	7%	45%	48%
25-40.....	9%	37%	55%
41-55.....	13%	29%	57%
56+ YRS.....	18%	29%	53%
INCOME			
N-R.....	16%	28%	56%
TO \$20,000 INCOME..	11%	41%	48%
\$20,000-\$40,000..	11%	34%	55%
\$40,000-\$60,000..	13%	33%	53%
\$60,000+.....	9%	29%	61%
WORKFOR			
FEDERAL.....	12%	32%	56%
STATE.....	11%	21%	68%
LOCAL.....	10%	32%	57%
PRIVATE.....	10%	35%	55%
NOT WORK.....	14%	37%	49%
TIME IN AK			
UNDER 1 YR IN AK..	33%	33%	33%
1-4 YRS.....	9%	42%	49%
5-9 YRS.....	9%	43%	48%
10-14 YRS.....	11%	31%	59%
15+ YRS.....	13%	30%	57%

SPEND \$150M FOR JOBS FOR DEFERRED MAINTENANCE TO ROADS, SCHOOLS, PUBLIC BLDGS?

DEMOGRAPHICS	JOBS150M		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	8%	69%	22%
LOCATION			
CENTRAL.....	7%	67%	27%
MATVALLEY.....	6%	69%	25%
ANCHORAGE.....	12%	69%	18%
KENAI PEN.....	6%	78%	16%
REGISTER			
DEMOCRAT.....	7%	75%	18%
REPUBLICAN.....	9%	66%	25%
NONPART.....	9%	67%	24%
NOT REGIS.....	3%	82%	15%
SEX			
MALE.....	7%	67%	26%
FEMALE.....	9%	71%	19%
AGE			
18-24 YRS OF AGE..	0%	84%	16%
25-40.....	7%	73%	20%
41-55.....	9%	65%	27%
56+ YRS.....	14%	60%	25%
INCOME			
N-R.....	16%	58%	26%
TO \$20,000 INCOME..	10%	73%	18%
\$20,000-\$40,000..	5%	73%	21%
\$40,000-\$60,000..	8%	70%	22%
\$60,000+.....	10%	63%	27%
WORKFOR			
FEDERAL.....	10%	73%	18%
STATE.....	7%	66%	27%
LOCAL.....	7%	75%	18%
PRIVATE.....	8%	69%	22%
NOT WORK.....	9%	68%	23%
TIME IN AK			
UNDER 1 YR IN AK..	33%	67%	0%
1-4 YRS.....	3%	79%	18%
5-9 YRS.....	8%	67%	25%
10-14 YRS.....	7%	73%	19%
15+ YRS.....	10%	67%	24%

NOT ALLOWING ANY NEW/INCREASED TAXES OR UTILITY CHARGES FOR NEXT TWO YEARS?

DEMOGRAPHICS	TAXFREZE		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	3%	75%	22%
LOCATION			
CENTRAL.....	3%	67%	30%
MATVALLEY.....	3%	80%	18%
ANCHORAGE.....	4%	74%	22%
KENAI PEN.....	2%	90%	9%
REGISTER			
DEMOCRAT.....	3%	79%	18%
REPUBLICAN.....	2%	70%	28%
NONPART.....	4%	74%	23%
NOT REGIS.....	5%	83%	12%
SEX			
MALE.....	3%	70%	27%
FEMALE.....	3%	79%	18%
AGE			
18-24 YRS OF AGE.	3%	74%	22%
25-40.....	4%	75%	21%
41-55.....	3%	74%	23%
56+ YRS.....	2%	73%	25%
INCOME			
N-R.....	5%	81%	14%
TO \$20,000 INCOME.	4%	81%	15%
\$20,000-\$40,000.	3%	76%	20%
\$40,000-\$60,000.	2%	74%	25%
\$60,000+.....	4%	66%	30%
WORKFOR			
FEDERAL.....	1%	73%	26%
STATE.....	1%	70%	29%
LOCAL.....	6%	70%	24%
PRIVATE.....	3%	77%	21%
NOT WORK.....	4%	74%	22%
TIME IN AK			
UNDER 1 YR IN AK..	0%	100%	0%
1-4 YRS.....	6%	79%	16%
5-9 YRS.....	4%	74%	22%
10-14 YRS.....	2%	72%	26%
15+ YRS.....	2%	75%	23%

STATE NOT ALLOWING REAL ESTATE AUCTIONS OF FORECLOSED PROPERTIES FOR 2 YEARS?

DEMOGRAPHICS	NOAUCTION		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	7%	45%	47%
LOCATION			
CENTRAL.....	7%	41%	52%
MATVALLEY.....	6%	47%	47%
ANCHORAGE.....	8%	45%	48%
KENAI PEN.....	10%	57%	34%
REGISTER			
DEMOCRAT.....	12%	45%	43%
REPUBLICAN.....	5%	44%	51%
NONPART.....	6%	45%	49%
NOT REGIS.....	8%	55%	37%
SEX			
MALE.....	5%	43%	52%
FEMALE.....	9%	48%	43%
AGE			
18-24 YRS OF AGE..	3%	43%	53%
25-40.....	6%	45%	48%
41-55.....	8%	47%	45%
56+ YRS.....	11%	42%	47%
INCOME			
N-R.....	12%	47%	42%
TO \$20,000 INCOME..	11%	43%	46%
\$20,000-\$40,000..	6%	47%	48%
\$40,000-\$60,000..	8%	47%	45%
\$60,000+.....	6%	42%	52%
WORKFOR			
FEDERAL.....	11%	40%	49%
STATE.....	11%	32%	57%
LOCAL.....	6%	47%	47%
PRIVATE.....	6%	47%	48%
NOT WORK.....	8%	48%	44%
TIME IN AK			
UNDER 1 YR IN AK..	33%	33%	33%
1-4 YRS.....	8%	41%	50%
5-9 YRS.....	6%	45%	49%
10-14 YRS.....	8%	43%	49%
15+ YRS.....	7%	47%	46%

CONSTITUTIONAL AMMENDMENT TO USE PF PRINCIPAL FOR PROGRAMS TO HELP ECONOMY?

DEMOGRAPHICS	USEPRCPL		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	3%	43%	54%
LOCATION			
CENTRAL.....	3%	45%	52%
MATVALLEY.....	2%	41%	57%
ANCHORAGE.....	5%	45%	51%
KENAI PEN.....	3%	32%	64%
REGISTER			
DEMOCRAT.....	3%	47%	50%
REPBLCAN.....	2%	38%	60%
NONPART.....	3%	41%	55%
NOTREGIS.....	6%	58%	35%
SEX			
MALE.....	2%	39%	59%
FEMALE.....	4%	47%	49%
AGE			
18-24 YRS OF AGE..	2%	66%	33%
25-40.....	3%	47%	50%
41-55.....	3%	43%	54%
56+ YRS.....	4%	20%	75%
INCOME			
N-R.....	9%	30%	60%
TO \$20,000 INCOME..	2%	43%	55%
\$20,000-\$40,000..	2%	43%	55%
\$40,000-\$60,000..	5%	45%	51%
\$60,000+.....	3%	41%	56%
WORKFOR			
FEDERAL.....	1%	44%	55%
STATE.....	3%	43%	54%
LOCAL.....	1%	40%	59%
PRIVATE.....	4%	44%	52%
NOTWORK.....	3%	40%	56%
TIME IN AK			
UNDER 1 YR IN AK..	0%	0%	100%
1-4 YRS.....	5%	56%	39%
5-9 YRS.....	3%	53%	44%
10-14 YRS.....	3%	40%	57%
15+ YRS.....	3%	37%	60%

USE PF PRINCIPAL TO BUY EXCESS COMMERCIAL PROPERTY-HOLD UNTIL PRICES GO UP?

DEMOGRAPHICS	BUYEXESS		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	4%	22%	74%
LOCATION			
CENTRAL.....	2%	22%	76%
MATVALLEY.....	3%	17%	80%
ANCHORAGE.....	5%	24%	72%
KENAI PEN.....	3%	15%	82%
REGISTER			
DEMOCRAT.....	4%	21%	75%
REPUBLICAN.....	3%	23%	74%
NONPART.....	3%	21%	75%
NOT REGIS.....	8%	23%	69%
SEX			
MALE.....	2%	23%	74%
FEMALE.....	5%	21%	74%
AGE			
18-24 YRS OF AGE..	1%	27%	72%
25-40.....	4%	24%	72%
41-55.....	4%	21%	75%
56+ YRS.....	3%	16%	81%
INCOME			
N-R.....	6%	19%	75%
TO \$20,000 INCOME..	4%	21%	76%
\$20,000-\$40,000..	4%	22%	74%
\$40,000-\$60,000..	4%	23%	74%
\$60,000+.....	3%	22%	75%
WORKFOR			
FEDERAL.....	5%	22%	73%
STATE.....	4%	17%	79%
LOCAL.....	3%	20%	77%
PRIVATE.....	3%	23%	74%
NOT WORK.....	4%	23%	73%
TIME IN AK			
UNDEP 1 YR IN AK..	0%	0%	100%
1-4 YRS.....	7%	22%	71%
5-9 YRS.....	5%	26%	69%
10-14 YRS.....	5%	16%	79%
15+ YRS.....	2%	23%	75%

ANFC SHIP IT'S EXCESS MOBILE HOMES TO THE LOWER 48 TO SELL DOWN THERE?

DEMOGRAPHICS	MOBLHOME		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	9%	59%	32%
LOCATION			
CENTRAL.....	5%	56%	38%
MATVALLEY.....	10%	59%	31%
ANCHORAGE.....	10%	58%	32%
KENAI PEN.....	14%	66%	20%
REGISTER			
DEMOCRAT.....	6%	63%	30%
REPUBLICAN.....	8%	64%	28%
NONPART.....	10%	55%	35%
NOT REGIS.....	11%	49%	40%
SEX			
MALE.....	6%	58%	35%
FEMALE.....	11%	59%	29%
AGE			
18-24 YRS OF AGE..	5%	62%	33%
25-40.....	8%	62%	30%
41-55.....	8%	58%	34%
56+ YRS.....	14%	50%	36%
INCOME			
N-R.....	14%	51%	35%
TO \$20,000 INCOME..	14%	46%	40%
\$20,000-\$40,000..	8%	62%	30%
\$40,000-\$60,000..	7%	60%	33%
\$60,000+.....	9%	63%	28%
WORKFOR			
FEDERAL.....	4%	54%	43%
STATE.....	7%	57%	36%
LOCAL.....	8%	60%	32%
PRIVATE.....	9%	62%	29%
NOT WORK.....	11%	56%	33%
TIME IN AK			
UNDER 1 YR IN AK..	67%	33%	0%
1-4 YRS.....	10%	55%	35%
5-9 YRS.....	7%	61%	32%
10-14 YRS.....	7%	61%	31%
15+ YRS.....	10%	58%	33%

STATE PAY OFF LOCAL GOVERNMENT BONDS TO LOWER LOCAL TAXES AND USER FEES?

DEMOGRAPHICS	PAYBONDS		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	12%	46%	43%
LOCATION			
CENTRAL.....	10%	41%	50%
MATVALLEY.....	12%	48%	41%
ANCHORAGE.....	15%	43%	42%
KENAI PEN.....	10%	62%	28%
REGISTER			
DEMOCRAT.....	13%	45%	42%
REPUBLICAN.....	11%	47%	42%
NONPART.....	11%	44%	45%
NOT REGIS.....	20%	54%	26%
SEX			
MALE.....	9%	44%	47%
FEMALE.....	15%	47%	38%
AGE			
18-24 YRS OF AGE..	14%	55%	31%
25-40.....	9%	50%	42%
41-55.....	12%	42%	46%
56+ YRS.....	22%	36%	42%
INCOME			
N-R.....	28%	37%	35%
TO \$20,000 INCOME..	15%	50%	35%
\$20,000-\$40,000..	10%	50%	40%
\$40,000-\$60,000..	11%	44%	44%
\$60,000+.....	10%	39%	51%
WORKFOR			
FEDERAL.....	11%	37%	52%
STATE.....	9%	30%	62%
LOCAL.....	10%	46%	44%
PRIVATE.....	10%	50%	40%
NOT WORK.....	17%	47%	36%
TIME IN AK			
UNDER 1 YR IN AK..	33%	0%	67%
1-4 YRS.....	11%	56%	33%
5-9 YRS.....	11%	46%	43%
10-14 YRS.....	10%	43%	48%
15+ YRS.....	13%	45%	42%

REDUCING OR ELIMINATING BUSINESS TAXES TO ENCOURAGE BUSINESSES TO LOCATE HERE?

DEMOGRAPHICS	BUSITAX		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	6%	65%	29%
LOCATION			
CENTRAL.....	5%	61%	33%
MATVALLEY.....	5%	72%	23%
ANCHORAGE.....	8%	62%	30%
KENAI PEN.....	9%	70%	22%
REGISTER			
DEMOCRAT.....	6%	63%	31%
REPUBLICAN.....	8%	67%	26%
NONPART.....	6%	64%	30%
NOT REGIS.....	6%	68%	26%
SEX			
MALE.....	5%	67%	28%
FEMALE.....	8%	63%	30%
AGE			
18-24 YRS OF AGE..	3%	67%	29%
25-40.....	6%	65%	30%
41-55.....	7%	67%	26%
56+ YRS.....	9%	60%	31%
INCOME			
N-R.....	21%	53%	26%
TO \$20,000 INCOME..	8%	65%	28%
\$20,000-\$40,000..	5%	64%	31%
\$40,000-\$60,000..	7%	63%	30%
\$60,000+.....	4%	71%	25%
WORKFOR			
FEDERAL.....	5%	68%	27%
STATE.....	7%	55%	38%
LOCAL.....	3%	67%	30%
PRIVATE.....	6%	70%	23%
NOT WORK.....	8%	58%	34%
TIME IN AK			
UNDER 1 YR IN AK..	33%	67%	0%
1-4 YRS.....	8%	64%	27%
5-9 YRS.....	2%	69%	30%
10-14 YRS.....	7%	67%	26%
15+ YRS.....	7%	63%	30%

RAILBELT ENERGY FUND USED FOR ENERGY NEEDS OR OTHER CAPITOL CONSTRUCTION?

DEMOGRAPHICS	USEREF		
	UNSURE	ENERGY	CAPCONST
TOTAL.....	11%	55%	34%
LOCATION			
CENTRAL.....	9%	57%	35%
MATVALLEY.....	11%	55%	33%
ANCHORAGE.....	14%	53%	33%
KENAI/PEN.....	7%	52%	41%
REGISTER			
DEMOCRAT.....	10%	50%	41%
REPUBLICAN.....	11%	56%	32%
NONPART.....	11%	58%	30%
NOT REGIS.....	8%	38%	54%
SEX			
MALE.....	7%	57%	35%
FEMALE.....	14%	53%	33%
AGE			
18-24 YRS OF AGE..	7%	50%	43%
25-40.....	10%	53%	37%
41-55.....	10%	58%	32%
56+ YRS.....	15%	57%	28%
INCOME			
N-R.....	12%	74%	14%
TO \$20,000 INCOME..	13%	53%	34%
\$20,000-\$40,000..	10%	52%	38%
\$40,000-\$60,000..	11%	56%	34%
\$60,000+.....	10%	56%	34%
WORKFOR			
FEDERAL.....	13%	52%	35%
STATE.....	10%	60%	30%
LOCAL.....	5%	66%	30%
PRIVATE.....	10%	53%	37%
NOT WORK.....	13%	53%	34%
TIME IN AK			
UNDER 1 YR IN AK..	0%	33%	67%
1-4 YRS.....	17%	39%	44%
5-9 YRS.....	11%	51%	38%
10-14 YRS.....	11%	52%	38%
15+ YRS.....	10%	60%	30%

VOTE FOR/AGAINST USING UNDISTRIBUTED PF EARNINGS FOR PROGRAMS TO HELP ECONOMY.

DEMOGRAPHICS	PFEARNGS		
	UNSURE	VOTEFOR	AGAINST
TOTAL.....	4%	64%	32%
LOCATION			
CENTRAL.....	3%	67%	30%
MATVALLEY.....	1%	67%	32%
ANCHORAGE.....	7%	65%	28%
KENAI PEN.....	4%	47%	49%
REGISTER			
DEMOCRAT.....	5%	65%	29%
REPBLCAN.....	2%	64%	34%
NONPART.....	4%	64%	33%
NOTREGIS.....	9%	63%	28%
SEX			
MALE.....	3%	61%	36%
FEMALE.....	5%	67%	28%
AGE			
18-24YRS OF AGE..	2%	78%	21%
25-40.....	3%	67%	30%
41-55.....	6%	66%	29%
56+ YRS.....	4%	46%	50%
INCOME			
N-R.....	2%	53%	44%
TO \$20,000 INCOME.	4%	64%	32%
\$20,000-\$40,000..	3%	64%	33%
\$40,000-\$60,000..	3%	65%	32%
\$60,000+.....	7%	66%	27%
WORKFOR			
FEDERAL.....	5%	60%	36%
STATE.....	3%	64%	33%
LOCAL.....	6%	70%	24%
PRIVATE.....	3%	67%	30%
NOTWORK.....	4%	59%	36%
TIME IN AK			
UNDER 1YR IN AK..	0%	33%	67%
1-4 YRS.....	5%	74%	21%
5-9 YRS.....	5%	66%	29%
10-14YRS.....	4%	65%	30%
15+ YRS.....	3%	61%	36%

STATE HALTING FORECLOSURE ON PEOPLE WHO AREN'T PAYING THEIR MORTGAGES?

DEMOGRAPHICS	FORCLOSE		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	9%	53%	38%
LOCATION			
CENTRAL.....	5%	55%	40%
MATVALLEY.....	6%	56%	37%
ANCHORAGE.....	14%	44%	42%
KENAI/PEN.....	10%	65%	24%
REGISTER			
DEMOCRAT.....	10%	61%	29%
REP/BLCAN.....	8%	50%	42%
NONPART.....	8%	51%	41%
NOTREGIS.....	14%	54%	32%
SEX			
MALE.....	9%	49%	42%
FEMALE.....	9%	57%	34%
AGE			
18-24 YRS OF AGE.	7%	47%	47%
25-40.....	10%	54%	36%
41-55.....	8%	52%	40%
56+ YRS.....	9%	53%	38%
INCOME			
N-R.....	23%	42%	35%
TO \$20,000 INCOME.	9%	52%	39%
\$20,000-\$40,000.	7%	59%	34%
\$40,000-\$60,000.	8%	51%	42%
\$60,000+.....	10%	49%	41%
WORKFOR			
FEDERAL.....	10%	50%	40%
STATE.....	4%	54%	42%
LOCAL.....	8%	52%	40%
PRIVATE.....	10%	53%	37%
NOTWORK.....	8%	53%	38%
TIME IN AK			
UNDER 1 YR IN AK..	0%	100%	0%
1-4 YRS.....	12%	51%	36%
5-9 YRS.....	10%	56%	34%
10-14 YRS.....	8%	49%	43%
15+ YRS.....	8%	54%	38%

STATE PAYING OFF SCHOOL CONSTRUCTION BONDS WHICH ARE NOW PAID BY PROPERTY TAX?

DEMOGRAPHICS	PAYSCHOL		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	7%	53%	40%
LOCATION			
CENTRAL.....	7%	53%	40%
MATVALLEY.....	6%	49%	45%
ANCHORAGE.....	8%	48%	43%
KENAI PEN.....	4%	76%	20%
REGISTER			
DEMOCRAT.....	6%	56%	39%
REPUBLICAN.....	6%	51%	43%
NONPART.....	8%	52%	40%
NOT REGIS.....	9%	63%	28%
SEX			
MALE.....	5%	52%	43%
FEMALE.....	8%	55%	37%
AGE			
18-24 YRS OF AGE..	10%	67%	22%
25-40.....	6%	53%	41%
41-55.....	8%	53%	40%
56+ YRS.....	7%	51%	42%
INCOME			
N-R.....	14%	49%	37%
TO \$20,000 INCOME..	12%	53%	36%
\$20,000-\$40,000..	7%	54%	39%
\$40,000-\$60,000..	5%	53%	42%
\$60,000+.....	5%	53%	42%
WORKFOR			
FEDERAL.....	8%	39%	52%
STATE.....	9%	40%	52%
LOCAL.....	2%	64%	33%
PRIVATE.....	6%	55%	39%
NOT WORK.....	9%	55%	36%
TIME IN AK			
UNDER 1 YR IN AK..	33%	33%	33%
1-4 YRS.....	7%	55%	37%
5-9 YRS.....	7%	51%	42%
10-14 YRS.....	9%	48%	43%
15+ YRS.....	6%	55%	39%

HAS THE WORST ECONOMIC DAMAGE OCCURRED AMONG DEVELOPERS OR PRIVATE CITIZENS?

DEMOGRAPHICS	DAMAGE		
	UNSURE	SPCLATOR	CITIZEN
TOTAL.....	4%	30%	66%
LOCATION			
CENTRAL.....	1%	28%	71%
MATVALLEY.....	7%	29%	64%
ANCHORAGE.....	6%	34%	60%
KENAI PEN.....	4%	23%	72%
REGISTER			
DEMOCRAT.....	6%	28%	67%
REPBLCAN.....	1%	34%	64%
NONPART.....	5%	29%	66%
NOTREGIS.....	8%	20%	72%
SEX			
MALE.....	5%	35%	59%
FEMALE.....	3%	24%	73%
AGE			
18-24 YRS OF AGE..	2%	40%	59%
25-40.....	3%	28%	69%
41-55.....	6%	29%	65%
56+ YRS.....	6%	31%	62%
INCOME			
N-R.....	9%	21%	70%
TO \$20,000 INCOME..	4%	28%	69%
\$20,000-\$40,000..	3%	25%	71%
\$40,000-\$60,000..	3%	34%	63%
\$60,000+.....	6%	35%	59%
WORKFOR			
FEDERAL.....	5%	35%	61%
STATE.....	3%	29%	68%
LOCAL.....	6%	36%	59%
PRIVATE.....	3%	31%	66%
NOTWORK.....	5%	25%	70%
TIME IN AK			
UNDER 1 YR IN AK..	33%	33%	33%
1-4 YRS.....	4%	22%	74%
5-9 YRS.....	4%	29%	67%
10-14 YRS.....	4%	27%	69%
15+ YRS.....	4%	32%	63%

ALASKA ECONOMY IS/IS NOT IN A SPECIAL SITUATION WARRANTING GOV'T ATTENTION?

DEMOGRAPHICS	GOVTATTN		
	UNSURE	IS	ISNOT
TOTAL.....	3%	61%	36%
LOCATION			
CENTRAL.....	2%	66%	33%
MATVALLEY.....	1%	67%	32%
ANCHORAGE.....	5%	56%	38%
KENAIPEN.....	4%	46%	50%
REGISTER			
DEMOCRAT.....	3%	62%	35%
REPBLCAN.....	2%	63%	35%
NONPART.....	3%	58%	39%
NOTREGIS.....	6%	66%	28%
SEX			
MALE.....	2%	61%	37%
FEMALE.....	4%	60%	35%
AGE			
18-24YRS OF AGE.	2%	76%	22%
25-40.....	2%	62%	36%
41-55.....	3%	60%	37%
56+ YRS.....	6%	52%	42%
INCOME			
N-R.....	9%	40%	51%
TO\$20000 INCOME.	3%	69%	28%
\$20,000-\$40,000.	3%	63%	34%
\$40,000-\$60,000.	3%	60%	37%
\$60,000+.....	2%	56%	42%
WORKFOR			
FEDERAL.....	2%	68%	30%
STATE.....	2%	58%	40%
LOCAL.....	3%	64%	32%
PRIVATE.....	2%	60%	38%
NOTWORK.....	6%	58%	36%
TIMEINAK			
UNDER1YR IN AK..	0%	67%	33%
1-4 YRS.....	1%	68%	31%
5-9 YRS.....	3%	65%	31%
10-14YRS.....	3%	59%	39%
15+ YRS.....	4%	58%	38%

WHAT ARE YOUR RECOMMENDATIONS FOR THE LEGISLATURE? -- WHAT SHOULD THEY DO?

DEMOGRAPHICS	RECOMEND							
	UNSURE	CREATE JOBS	HELPSBUSI	HELPEOPL	NEWBUSI	SPENDLESS	DO NOTHIN	NEWMONEY
TOTAL.....	17%	10%	5%	6%	12%	17%	5%	4%
LOCATION								
CENTRAL.....	18%	7%	6%	6%	14%	16%	6%	6%
NATVALLEY.....	19%	12%	6%	4%	14%	16%	3%	3%
ANCHORAGE.....	16%	11%	3%	9%	9%	17%	8%	2%
KENAI/PEN.....	14%	15%	5%	3%	11%	24%	1%	3%
REGISTER								
DEMOCRAT.....	26%	12%	2%	3%	12%	14%	3%	5%
REPUBLICAN.....	14%	10%	7%	6%	12%	16%	6%	4%
NONPART.....	13%	9%	5%	7%	13%	20%	7%	3%
NOTREGIS.....	29%	18%	8%	11%	8%	8%	2%	2%
SEX								
MALE.....	13%	11%	6%	4%	14%	15%	7%	4%
FEMALE.....	22%	9%	3%	8%	10%	19%	3%	3%
AGE								
18-24 YRS OF AGE..	24%	12%	3%	5%	10%	16%	2%	5%
25-40.....	16%	10%	6%	7%	13%	16%	5%	3%
41-55.....	15%	9%	5%	5%	13%	19%	6%	4%
56+ YRS.....	21%	12%	1%	6%	8%	18%	6%	4%
INCOME								
N-R.....	28%	12%	5%	12%	5%	7%	0%	5%
TO \$20,000 INCOME..	22%	16%	5%	6%	10%	18%	3%	4%
\$20,000-\$40,000..	17%	11%	5%	5%	12%	20%	4%	4%
\$40,000-\$60,000..	17%	8%	3%	7%	13%	14%	6%	3%
\$60,000+.....	11%	7%	8%	5%	14%	18%	9%	4%
WORKFOR								
FEDERAL.....	15%	7%	4%	10%	11%	17%	11%	1%
STATE.....	10%	5%	4%	5%	14%	19%	9%	7%
LOCAL.....	16%	8%	5%	6%	9%	13%	8%	8%
PRIVATE.....	15%	10%	6%	5%	14%	17%	4%	3%
NOTWORK.....	23%	14%	5%	7%	9%	18%	3%	3%
TIME IN AK								
UNDER 1 YR IN AK..	0%	33%	0%	33%	0%	33%	0%	0%
1-4 YRS.....	26%	10%	0%	7%	14%	13%	5%	1%
5-9 YRS.....	14%	12%	6%	4%	15%	19%	4%	4%
10-14 YRS.....	16%	10%	7%	5%	13%	15%	7%	5%
15+ YRS.....	17%	10%	5%	6%	10%	18%	5%	3%

(cont)

WHAT ARE YOUR RECOMMENDATIONS FOR THE LEGISLATURE? -- WHAT SHOULD THEY DO?

DEMOGRAPHICS	RECOMMEND				
	SPNDMORE	SPNDONED	WORKTGTH	GRDPFDIV	MISC
TOTAL.....	8%	1%	6%	5%	2%
LOCATION					
CENTRAL.....	7%	2%	6%	4%	3%
MATVALLEY.....	5%	0%	7%	9%	1%
ANCHORAGE.....	12%	1%	8%	4%	2%
KENAI PEN.....	10%	4%	3%	4%	3%
REGISTER					
DEMOCRAT.....	8%	2%	5%	4%	4%
REPBL CAN.....	9%	1%	7%	6%	2%
NONPART.....	9%	1%	7%	5%	2%
NOT REGIS.....	5%	0%	2%	6%	3%
SEX					
MALE.....	11%	1%	5%	6%	2%
FEMALE.....	6%	2%	8%	4%	3%
AGE					
18-24 YRS OF AGE..	5%	2%	7%	7%	2%
25-40.....	10%	1%	7%	4%	1%
41-55.....	10%	2%	6%	6%	1%
56+ YRS.....	3%	1%	6%	6%	8%
INCOME					
N-R.....	5%	0%	7%	9%	7%
TO \$20,000 INCOME..	5%	0%	6%	4%	2%
\$20,000-\$40,000..	6%	2%	6%	5%	2%
\$40,000-\$60,000..	10%	2%	8%	6%	2%
\$60,000+.....	13%	1%	5%	3%	1%
WORKFOR					
FEDERAL.....	6%	1%	8%	8%	1%
STATE.....	12%	4%	4%	4%	1%
LOCAL.....	10%	1%	9%	6%	1%
PRIVATE.....	11%	1%	7%	6%	1%
NOT WORK.....	4%	1%	5%	4%	5%
TIME IN AK					
UNDER 1 YR IN AK..	0%	0%	0%	0%	0%
1-4 YRS.....	7%	2%	7%	5%	2%
5-9 YRS.....	8%	2%	4%	4%	2%
10-14 YRS.....	7%	1%	7%	4%	2%
15+ YRS.....	9%	1%	6%	6%	3%

OPENING ANWR ON ALASKA'S NORTH SLOPE TO OIL AND GAS EXPLORATION?

DEMOGRAPHICS	OPENANWR		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	5%	70%	24%
LOCATION			
CENTRAL.....	4%	68%	28%
MATVALLEY.....	3%	72%	25%
ANCHORAGE.....	8%	74%	18%
KENAI PEN.....	6%	64%	30%
REGISTER			
DEMOCRAT.....	6%	64%	30%
REPUBLICAN.....	3%	78%	19%
NONPART.....	7%	71%	23%
NOT REGIS.....	6%	54%	40%
SEX			
MALE.....	3%	75%	23%
FEMALE.....	8%	66%	26%
AGE			
18-24 YRS OF AGE..	3%	60%	36%
25-40.....	8%	61%	31%
41-55.....	5%	78%	17%
56+ YRS.....	1%	86%	14%
INCOME			
N-R.....	5%	79%	16%
TO \$20,000 INCOME..	6%	68%	26%
\$20,000-\$40,000..	5%	67%	28%
\$40,000-\$60,000..	6%	72%	22%
\$60,000+.....	5%	74%	20%
WORKFOR			
FEDERAL.....	2%	63%	35%
STATE.....	7%	63%	31%
LOCAL.....	6%	71%	23%
PRIVATE.....	6%	71%	22%
NOT WORK.....	5%	73%	23%
TIME IN AK			
UNDER 1 YR IN AK..	0%	100%	0%
1-4 YRS.....	6%	52%	42%
5-9 YRS.....	9%	61%	30%
10-14 YRS.....	7%	67%	26%
15+ YRS.....	4%	78%	18%

TIGHTEST POSSIBLE LOCAL HIRE LAW THAT IS STILL CONSTITUTIONAL?

DEMOGRAPHICS	LOCLHIRE		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	2%	88%	10%
LOCATION			
CENTRAL.....	1%	90%	10%
MATVALLEY.....	1%	89%	10%
ANCHORAGE.....	3%	85%	12%
KENAIPEN.....	3%	90%	7%
REGISTER			
DEMOCRAT.....	1%	91%	8%
REPUBLICAN.....	1%	88%	11%
NONPART.....	2%	87%	10%
NOTREGIS.....	5%	88%	8%
SEX			
MALE.....	1%	87%	12%
FEMALE.....	3%	89%	8%
AGE			
18-24YRS OF AGE..	0%	86%	14%
25-40.....	2%	89%	9%
41-55.....	2%	87%	10%
56+ YRS.....	2%	89%	9%
INCOME			
N-R.....	0%	86%	14%
TO \$20,000 INCOME..	3%	89%	8%
\$20,000-\$40,000..	2%	90%	8%
\$40,000-\$60,000..	2%	87%	11%
\$60,000+.....	1%	85%	13%
WORKFOR			
FEDERAL.....	5%	82%	13%
STATE.....	1%	90%	9%
LOCAL.....	2%	85%	13%
PRIVATE.....	2%	88%	10%
NOTWORK.....	1%	90%	9%
TIMEINAK			
UNDER 1YR IN AK..	0%	100%	0%
1-4 YRS.....	4%	82%	14%
5-9 YRS.....	2%	85%	13%
10-14YRS.....	2%	87%	11%
15+ YRS.....	2%	91%	8%

DANGER OF NON-ALASKANS TAKING CONTROL OF REAL ESTATE BY BUYING UP PROPERTY?

DEMOGRAPHICS	TAKECNLT		
	UNSURE	IS	ISNOT
TOTAL.....	8%	62%	30%
LOCATION			
CENTRAL.....	10%	59%	31%
MATVALLEY.....	7%	62%	31%
ANCHORAGE.....	6%	63%	31%
KENAI PEN.....	7%	70%	23%
REGISTER			
DEMOCRAT.....	9%	67%	24%
REPBL CAN.....	6%	62%	33%
NONPART.....	8%	59%	34%
NOTREGIS.....	9%	77%	14%
SEX			
MALE.....	6%	55%	40%
FEMALE.....	9%	70%	21%
AGE			
18-24 YRS OF AGE.	9%	67%	24%
25-40.....	5%	63%	32%
41-55.....	12%	58%	30%
56+ YRS.....	6%	66%	28%
INCOME			
N-R.....	12%	67%	21%
TO \$20,000 INCOME.	10%	71%	19%
\$20,000-\$40,000.	5%	66%	29%
\$40,000-\$60,000.	8%	59%	33%
\$60,000+.....	9%	52%	39%
WORKFOR			
FEDERAL.....	11%	60%	30%
STATE.....	12%	56%	32%
LOCAL.....	7%	62%	31%
PRIVATE.....	6%	59%	36%
NOTWORK.....	9%	70%	21%
TIME IN AK			
UNDER 1 YR IN AK..	33%	67%	0%
1-4 YRS.....	10%	61%	29%
5-9 YRS.....	6%	65%	29%
10-14 YRS.....	11%	53%	36%
15+ YRS.....	6%	65%	29%

ESTABLISH \$100M SCIENCE/TECHNOLOGY FUND TO ENCOURAGE RESEARCH IN ALASKA?

DEMOGRAPHICS	SATFUND		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	7%	54%	39%
LOCATION			
CENTRAL.....	5%	65%	29%
MATVALLEY.....	5%	56%	39%
ANCHORAGE.....	10%	49%	41%
KENAI/PEN.....	7%	32%	61%
REGISTER			
DEMOCRAT.....	9%	57%	34%
REPBLCAN.....	5%	53%	42%
NONPART.....	7%	53%	40%
NOTREGIS.....	8%	58%	34%
SEX			
MALE.....	6%	55%	39%
FEMALE.....	8%	54%	38%
AGE			
18-24 YRS OF AGE..	3%	79%	17%
25-40.....	7%	54%	39%
41-55.....	7%	51%	41%
56+ YRS.....	9%	50%	41%
INCOME			
N-R.....	12%	33%	56%
TO \$20,000 INCOME..	9%	54%	37%
\$20,000-\$40,000..	6%	55%	40%
\$40,000-\$60,000..	6%	56%	38%
\$60,000+.....	9%	55%	36%
WORKFOR			
FEDERAL.....	6%	61%	33%
STATE.....	4%	60%	35%
LOCAL.....	6%	54%	40%
PRIVATE.....	7%	58%	35%
NOTWORK.....	9%	44%	47%
TIME IN AK			
UNDER 1 YR IN AK..	0%	67%	33%
1-4 YRS.....	6%	62%	33%
5-9 YRS.....	8%	56%	35%
10-14 YRS.....	5%	53%	42%
15+ YRS.....	8%	52%	40%

SET ASIDE \$700M AS "MINI-PF" WITH THE PF EARNINGS, ADDED TO EDUCATION BUDGET?

DEMOGRAPHICS	MINIFUND		
	UNSURE	SUPPORT	OPPOSE
TOTAL.....	9%	59%	32%
LOCATION			
CENTRAL.....	7%	69%	24%
MAINT VALLEY.....	8%	61%	31%
ANCHORAGE.....	12%	56%	33%
KENAI PEN.....	10%	37%	52%
REGISTER			
DEMOCRAT.....	9%	62%	29%
REPUBLICAN.....	6%	59%	35%
NONPART.....	11%	58%	32%
NOT REGIS.....	6%	63%	31%
SEX			
MALE.....	8%	55%	36%
FEMALE.....	10%	63%	27%
AGE			
18-24 YRS OF AGE..	3%	78%	19%
25-40.....	7%	68%	25%
41-55.....	10%	50%	39%
56+ YRS.....	14%	43%	43%
INCOME			
N-R.....	21%	44%	35%
TO \$20,000 INCOME..	8%	58%	34%
\$20,000-\$40,000..	9%	60%	30%
\$40,000-\$60,000..	7%	65%	28%
\$60,000+.....	9%	55%	36%
WORKFOR			
FEDERAL.....	11%	69%	20%
STATE.....	9%	68%	23%
LOCAL.....	7%	70%	23%
PRIVATE.....	9%	58%	33%
NOT WORK.....	10%	52%	38%
TIME IN AK			
UNDER 1 YR IN AK..	33%	0%	67%
1-4 YRS.....	8%	75%	17%
5-9 YRS.....	11%	63%	26%
10-14 YRS.....	4%	55%	40%
15+ YRS.....	10%	56%	33%

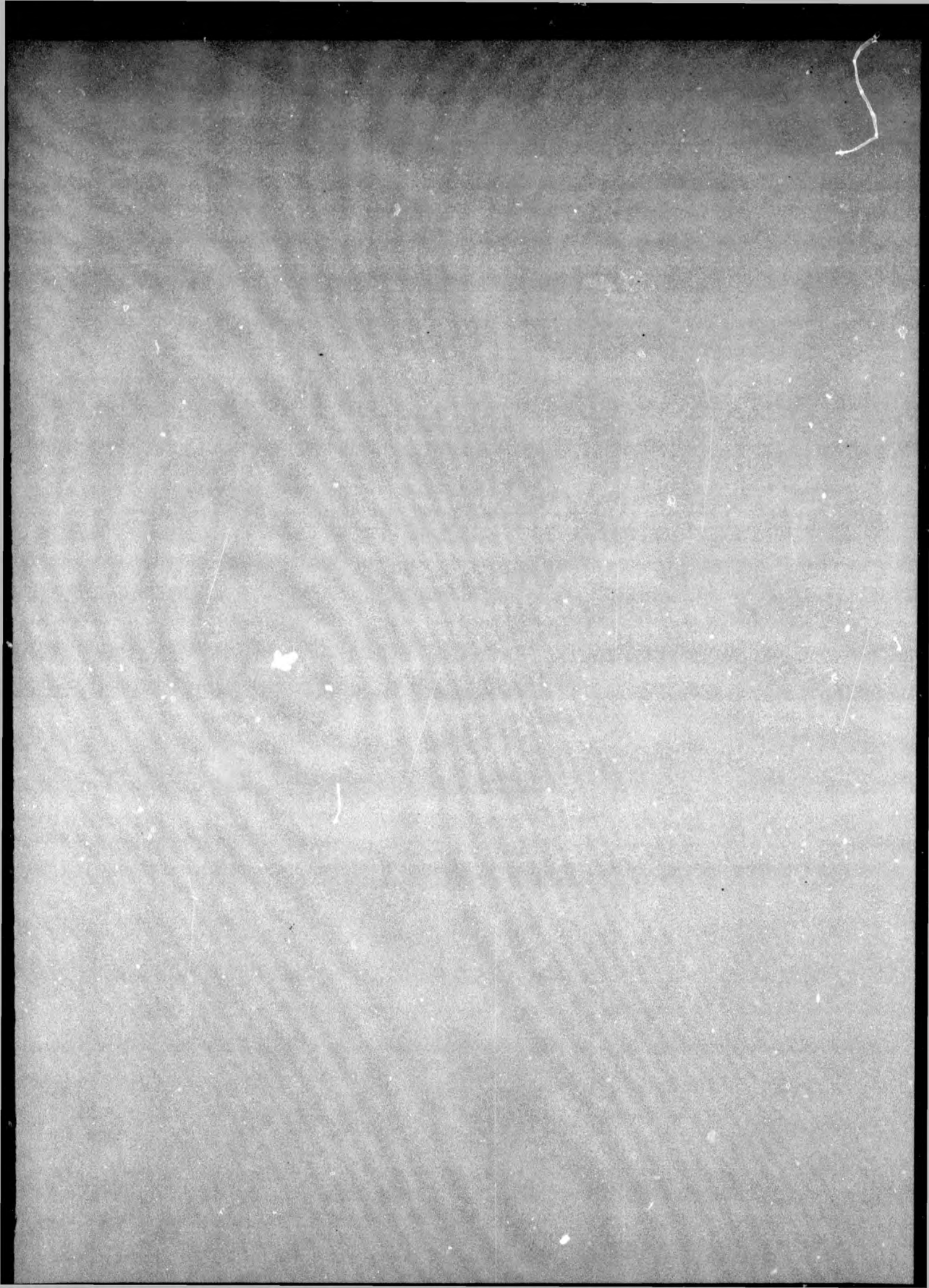
WHERE SHOULD MONEY COME FROM IF SOMETHING IS GOING TO BE DONE TO HELP ECONOMY?

DEMOGRAPHICS	MONEYCOME							
	UNSURE	EARNINGS	PRINCIPAL	RAILFUND	AHFCFUND	AIDAFUND	WINDFALL	NEWTAX
TOTAL.....	19%	20%	8%	12%	7%	8%	19%	3%
LOCATION								
CENTRAL.....	10%	22%	9%	12%	7%	10%	24%	3%
MATVALLEY.....	25%	20%	5%	10%	5%	5%	22%	4%
ANCHORAGE.....	21%	23%	9%	11%	7%	8%	13%	2%
KENAI PEN.....	28%	5%	9%	22%	7%	6%	13%	3%
REGISTER								
DEMOCRAT.....	16%	19%	12%	13%	7%	7%	20%	1%
REPUBLICAN.....	18%	24%	8%	10%	7%	7%	19%	3%
NONPART.....	20%	19%	6%	13%	6%	8%	19%	4%
NOT REGIS.....	22%	17%	9%	15%	8%	11%	14%	2%
SEX								
MALE.....	18%	18%	7%	13%	8%	8%	21%	3%
FEMALE.....	20%	23%	9%	12%	6%	8%	16%	3%
AGE								
18-24 YRS OF AGE..	17%	19%	21%	10%	12%	7%	12%	2%
25-40.....	16%	23%	10%	13%	6%	9%	16%	4%
41-55.....	18%	20%	4%	14%	6%	7%	23%	3%
56+ YRS.....	32%	12%	3%	9%	8%	7%	21%	1%
INCOME								
N-R.....	33%	23%	7%	5%	7%	0%	16%	5%
TO \$20,000 INCOME..	24%	11%	11%	13%	6%	8%	21%	3%
\$20,000-\$40,000..	19%	17%	8%	14%	8%	9%	16%	3%
\$40,000-\$60,000..	18%	27%	6%	11%	4%	8%	20%	2%
\$60,000+.....	14%	23%	9%	12%	8%	7%	20%	2%
WORKFOR								
FEDERAL.....	17%	19%	7%	7%	6%	15%	20%	6%
STATE.....	5%	27%	5%	8%	8%	5%	29%	4%
LOCAL.....	18%	25%	13%	10%	6%	7%	16%	1%
PRIVATE.....	18%	19%	9%	13%	8%	7%	18%	3%
NOT WORK.....	26%	18%	5%	14%	5%	8%	17%	2%
TIME IN AK								
UNDER 1 YR IN AK..	67%	0%	0%	0%	0%	33%	0%	0%
1-4 YRS.....	19%	10%	12%	10%	7%	12%	22%	3%
5-9 YRS.....	14%	22%	13%	11%	6%	7%	19%	3%
10-14 YRS.....	20%	22%	9%	14%	5%	8%	12%	5%
15+ YRS.....	20%	21%	5%	12%	8%	7%	21%	2%

(cont)

WHERE SHOULD MONEY COME FROM IF SOMETHING IS GOING TO BE DONE TO HELP ECONOMY?

DEMOGRAPHICS	MONEYCOME	
	NOTPFUND	OTHER
TOTAL.....	2%	3%
LOCATION		
CENTRAL.....	1%	2%
MATVALLEY.....	2%	2%
ANCHORAGE.....	2%	2%
KENAI PEN.....	1%	7%
REGISTER		
DEMOCRAT.....	2%	1%
REPUBLICAN.....	1%	4%
NONPART.....	2%	3%
NOTREGIS.....	2%	2%
SEX		
MALE.....	2%	3%
FEMALE.....	2%	2%
AGE		
18-24 YRS OF AGE..	0%	0%
25-40.....	2%	2%
41-55.....	2%	4%
56+ YRS.....	2%	4%
INCOME		
N-R.....	5%	0%
TO \$20,000 INCOME..	3%	1%
\$20,000-\$40,000..	2%	4%
\$40,000-\$60,000..	1%	2%
\$60,000+.....	1%	4%
WORKFOR		
FEDERAL.....	2%	0%
STATE.....	3%	4%
LOCAL.....	1%	2%
PRIVATE.....	1%	3%
NOTWORK.....	2%	3%
TIME IN AK		
UNDER 1 YR IN AK..	0%	0%
1-4 YRS.....	2%	2%
5-9 YRS.....	2%	3%
10-14 YRS.....	2%	3%
15+ YRS.....	2%	3%



RAILBELT PUBLIC ECONOMIC ASSESSMENT
DITTMAN RESEARCH CORPORATION
JANUARY 1988

1. ...and how many years have you lived in ALASKA?

Less than a year (-1).....()
Since 1984 (1-4).....()
Since 1979 (5-9).....()
Since 1947 (10-14).....()
1973 or before? (15+).....()

2. Overall, what is your opinion of the economy in the area where you live -- is it very good, pretty good, so-so, pretty bad, or very bad?

Very good.....()
Pretty good.....()
So-so.....()
Pretty bad.....()
Very bad.....()
UNSURE.....(DON'T READ).....()

3. Is this a change from a year ago -- has the economic situation in your area gotten better, worse or stayed about the same over the past year?

Better.....()
Worse.....()
Stayed same.....()
UNSURE.....(DON'T READ).....()

4. What do you see looking into the future for the next two years -- will things get better, worse or stay about the same as they are now?

Better.....()
Worse.....()
Stay the same.....()
UNSURE.....(DON'T READ).....()

5. What do you think should be the state legislature's role -- do you think it should or should not take action and try to help?

Should.....()
Should not....(SKIP TO #7).....()
UNSAFE.....(DON'T READ).....()

6. What's the main thing you would like to see them do?

7. Have you or members of your family who live with you taken a salary or wage cut, had work hours reduced or been laid off from work during the past two years?

Yes.....()
No.....()
UNSURE.....(DON'T READ).....()

8. How would you describe your personal economic situation at the present time -- is it very good, pretty good, so-so, pretty bad, or very bad?

Very good.....()
Pretty good.....()
So-so.....()
Pretty bad.....()
Very bad.....()
UNSURE.....(DON'T READ).....()

9. Are you making payments on a home in Alaska?

Yes.....()
No.....(SKIP TO Q. 13).....()
UNSURE.....(DON'T READ).....()

10. Is it getting easier or harder to make the payments, or is it staying about the same?

Easier.....(SKIP TO Q. 13).....()
Harder.....()
About the same..(SKIP TO Q. 13).....()
UNSURE.....(DON'T READ).....()

11. Are you beginning to be concerned that you might not be able to keep up with the payments?

Yes.....()
No.....()
UNSURE.....(DON'T READ).....()

12. Have you seriously thought about letting the house go back to the bank or mortgage company?

Yes.....()
No.....()
UNSURE.....(DON'T READ).....()

13. Do you have real estate or raw land investments in Alaska that you're making payments on (other than your home if "yes" to Q.9)?

Yes.....()
No.....(SKIP TO Q.17).....()
UNSURE.....(DON'T READ).....()

14. Is it getting easier or harder to make the payments, or is it staying about the same?

Easier.....(SKIP TO Q.17).....()
Harder.....()
About the same..(SKIP TO Q. 17).....()
UNSURE.....(DON'T READ).....()

15. Are you beginning to be concerned that you might not be able to keep up with the payments?

Yes.....()
No.....()
UNSURE.....(DON'T READ).....()

16. Have you seriously thought about letting it go back to the bank or mortgage company?

Yes.....()
No.....()
UNSURE.....(DON'T READ).....()

17. Have you seriously considered leaving Alaska and moving somewhere else to live because of the economy here?

Yes.....()
No.....()
UNSURE.....(DON'T READ).....()

18. How likely do you think it is that you will move to another state within the next two years -- very likely, quite likely, not too likely, or not at all likely?
- Very likely.....()
Quite likely.....()
Not too likely.....()
Not at all likely.....()
UNSURE.....(DON'T READ).....()
19. Do you own or manage a business where you are responsible for staffing and salary decisions?
- Yes.....()
No.....(SKIP TO Q.25).....()
UNSURE.....(DON'T READ).....()
20. How many employees do you current have? _____
21. During the past year, have you increased or reduced the number of employees -- or have they stayed the same?
- Increased.....()
Reduced.....()
Stayed the same.....()
UNSURE.....(DON'T READ).....()
22. Have you increased or reduced the wages and salaries or have they stayed about the same?
- Increased.....()
Reduced.....()
Stayed about the same.....()
UNSURE.....(DON'T READ).....()
23. Looking ahead for the next 12 months, do you expect to increase or reduce the number of employees who work for you -- or will it say about the same?
- Increased.....()
Reduced.....()
Stayed about the same.....()
UNSURE.....(DON'T READ).....()
24. ...and what about salaries and wages -- do you expect to increase them, decrease them or have them stay at the current level?
- Increase them.....()
Reduce them.....()
Stay at the current level.....()
UNSURE.....(DON'T READ).....()
25. Who do you think is mainly responsible for Alaska's current economic situation?
- -----
UNSURE.....(DON'T READ).....()
26. What did they do to help cause it?_____
- -----

27. Would you support or oppose having the state issue another permanent Fund Dividend check early this year to get more money in the economy?
- Support.....()
Oppose.....()
UNSURE.....()

28. Would you support or oppose reducing the interest rate on all Alaska Housing Finance Corporation (AHFC) home mortgages by 2% for the next two years?
Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
29. Would you support or oppose reducing the interest rate on all Alaska Industrial Development Authority (AIDA) commercial loans by 2% for the next two years?
Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
30. Would you support or oppose spending up to 100 million dollars to upgrade Southcentral Alaska ports so they could serve as the home port for large Navy ships?
Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
31. Would you support or oppose having the state tear down the older sub-standard public housing it owns and replacing it with repossessed condominiums?
Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
32. Would you support or oppose the state providing money to the University of Alaska to buy condominiums for student housing?
Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
33. Would you support or oppose the state reducing excess office and commercial space by tearing down strip malls and old commercial buildings and paying off the loans?
Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
34. Would you support or oppose the state spending 150 million dollars to provide jobs for people who would perform deferred maintenance for roads, schools and other public buildings?
Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
35. Would you support or oppose the state not allowing any new or increased taxes or utility charges for the next two years?
Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
36. Would you support or oppose the state not allowing real estate auctions of foreclosed properties for the next two years?
Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
37. If the Alaskan economy declines further, would you support or oppose a constitutional amendment which would allow some of the money within the principal of the Permanent Fund to be taken out and used for programs to help the economy?
Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
38. Would you support or oppose using the Permanent Fund principal to buy excess commercial properties and hold them as investments until the prices go up?
Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()

39. Would you support or oppose having the AHFC ship the excess mobile homes it owns to the lower 48 and selling them down there?
- Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
40. Would you support or oppose having the state pay off local government bonds to lower local taxes and user fees?
- Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
41. Would you support or oppose reducing or eliminating general business taxes to encourage businesses to locate here?
- Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
42. There is currently approximately 230 million dollars set aside in the Railbelt Energy Fund to provide electrical energy for communities along the railbelt from the Kenai Peninsula to Fairbanks. Would you support using the money for that purpose, or would you support using the money for other capital construction projects around the state?
- Provide electrical energy.....()
Provide other capital construction.....()
UNSURE.....(DON'T READ).....()
43. There is currently approximately 490 million dollars in unspent earnings from the Permanent Fund -- this is money left over after dividends and inflation proofing have been paid. If the issue were on the ballot, would you probably vote for or against using the undistributed Permanent Fund earnings money to help pay for programs to help the economy?
- Vote for.....()
Vote against.....()
UNSURE.....(DON'T READ).....()
44. Would you support or oppose the state halting foreclosure on people who aren't paying their mortgage loans?
- Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
45. Would you support or oppose the state paying off school construction bonds which are now being paid for through property taxes?
- Support.....()
Oppose.....()
UNSURE.....(DON'T READ).....()
46. As far as the economy is concerned, where do you think the worst damage has occurred -- among real estate speculators or among average citizens?
- Speculators.....()
Average citizens.....()
UNSURE.....(DON'T READ).....()
47. Do you feel Alaska's economy is or is not a special situation that warrants special government attention?
- Is.....()
Is not.....()
UNSURE.....(DON'T READ).....()
48. Now that we've gone through a fairly long list of possible economic steps that could be taken, what are your thoughts -- what are your overall recommendations for the legislature?

49. Do you support or oppose immediately opening "ANN-WHAR," the Arctic National Wildlife Refuge on Alaska's North Slope, to oil and gas exploration?
 Support.....()
 Oppose.....()
 UNSURE.....(DON'T READ).....()
50. Do you support or oppose the tightest possible law to require local hire that is still constitutional?
 Support.....()
 Oppose.....()
 UNSURE.....(DON'T READ).....()
51. Do you believe there is or is not a danger of too many non-Alaskans taking control of Alaskan real estate and commercial buildings by buying up property at auctions and low forced-sale prices?
 Is danger.....()
 Is not danger.....()
 UNSURE.....(DON'T READ).....()
52. Do you support or oppose establishing a 100 million dollar science and applied technology fund to encourage scientific research in Alaska?
 Support.....()
 Oppose.....()
 UNSURE.....(DON'T READ).....()
53. Do you support or oppose setting aside 700 million dollars as a "mini"-permanent fund, with the earnings -- which may be 50-70 million dollars per year -- to be added to the 400 million dollar public education budget?
 Support.....()
 Oppose.....()
 UNSURE.....(DON'T READ).....()
54. Nearly all of the programs to help the Alaskan economy will require money. If something is going to be done to help the economy, where should the money come from?... (READ OPTIONS & ROTATE)...
- Use Permanent Fund earnings (490 million).....()
 - Use Permanent Fund principal (9 billion).....()
 - Use Railbelt Energy Fund (234 million).....()
 - Use Alaska Housing Finance Corporation Revolving Fund (1.5 billion).....()
 - Use Alaska Industrial Development Authority Fund (270 million).....()
 - Use windfall lawsuit money (150 million).....()
- or... something else?-----
 UNSURE.....(DON'T READ).....()
- ...and finally, some questions for classification purposes...
55. AGE GROUP.....18 - 24 years.....()
 25 - 40 years.....()
 41 - 55 years.....()
 56 years plus.....()
56. SEX.....MALE.....()
 FEMALE.....()
57. OCCUPATION SECTOR...Federal.....()
 State.....()
 Local.....(INCLUDES SCHOOL DISTRICT).....()
 Private company.....()
 NOT WORKING.....()
58. OCCUPATION TYPE....White collar, degree-required.....()
 White collar, non-degreed.....()
 Blue collar, skilled/technical.....()
 Blue collar, non-skilled.....()
 Retired, student.....()
 Homemaker.....()
59. ANNUAL INCOME.....0 - \$20,000.....()
 \$20,000 - \$40,000.....()
 \$40,000 - \$60,000.....()
 \$60,000 plus.....()
60. VOTER REGISTRATION..Democrat.....()
 Republican.....()
 Non-partisan.....()
 NOT REGISTERED.....()



THE FOLLOWING DOCUMENT HAS
NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL
FILE

ASCC

ALASKA STATE
CHAMBER OF COMMERCE

Alaska State Chamber of Commerce
Commission on Strategic Planning



Report to Alaska's economic leaders — Report update

Publication of this document in the Juneau Report is an important part of the commission's mandate to communicate its findings to all Alaska's economic leaders. We are grateful to Standard Alaska for their assistance with this communication. It is our goal that every business person and public policy maker have this strategic planning information available for use in their decision making.

Peter McDowell

Alaska State Chamber plots strategies for 1990s

"Export Model" designed to gauge Alaska's economy

Editor's Note: In 1985, Alaska State Chamber of Commerce (ASCC) Chairman Al Fleetwood established the Commission on Strategic Planning for the 1990s. During the past two years the report has undergone extensive analysis and review. The Juneau Report is now pleased to present ASCC's final document, "Report to Alaska's Economic Leaders," in its entirety.

A strategy does not imply the development of detailed plans nor a presumption to direct the activities of the private sector. To the contrary, a strategy is important for assuring the development of a market-driven and competitive economy.

The Methodology

In the summer of 1985, Alaska State Chamber of Commerce Chairman Al Fleetwood established the *Commission on Strategic Planning for the 1990s*. Now, two years later, after numerous meetings, teleconferences, letters and memoranda, and review of volumes of material, the Commission has prepared its findings and action recommendations.

The charge of the Commission is to build a *STATEWIDE* coalition of thoughtful — and thought-provoking — Alaskan economic leaders. The goal of the coalition is to study the implications and opportunities of the major socio-political and economic forces which are affecting the Alaskan economy today and will be facing the Alaskan economy into the 1990s.

Toward that end, the Commission's Co-chairmen Harold Heinze and Peter McDowell, recruited representatives of major industries with diverse philosophical perspectives from various geographic regions throughout

The Mission

In November 1985, the Commission adopted the following Mission Statement:

"The charge to the Commission is to build a statewide coalition of thoughtful Alaska economic leaders to identify and consider the implications and opportunities of the major social, political, and economic issues facing Alaska into the 1990s.

The Commission will develop and communicate a framework and unified strategies for the Alaskan political economy that draw strength from our abilities and highlight our common concerns.

Recognizing that:

- *We have accumulated a permanent fund of intellectual capital more than adequate to the task*