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reconciliation items directly related to the state account.[29] Deposits are made by mail, lock box, wire transfer, and over the counter. All disbursements are made by check with several series currently being used.[30]

Although there may be numerous modifications and refinements in the procedures followed by the State and the working bank, the essential services required by the State are reasonably well defined by the investment board, state treasurer, and Department of Administration. Based on these services and the anticipated volume, the bank's bid for the State's account. Among the services needed are:[31]

(1) The minimum time of credit shall be at least that provided by the Milwaukee Office of the Federal Reserve Bank of Chicago

(2) The state working bank, if located outside Madison, shall designate a Madison bank to serve as its agent and accept all deposits made on behalf of the state treasurer,

(3) Special courier runs from the state treasurer's office to the Federal Reserve Bank and to Chicago Loop banks to collect large dollar items,

(4) Lock box services used by employers for withheld state income taxes and also for motor and special fuel taxes,

(5) Same-day transfer of funds for settlements resulting from short-term investments,

(6) Normal checking services plus separate reconciliation for each of several series of checks, microfilms of all cancelled checks and microfiche indices of the microfilms,

(7) Telegraph transfer services, and

(8) Foreign exchange services.

In order to facilitate the State's investment program, each working day at 8:15 a.m. the bank must notify the state treasurer of the collected balance in the State's account in order that short-term investments can be made that day. A monthly account analysis will be provided showing the average daily balance and the resulting excess or deficit position in compensating balances.

Banks and the Selection Process

As noted above, the state working bank is selected by the investment board from among those Wisconsin commercial banks which prepare and submit a proposal for the State's account. Not all banks are anxious to have the State's account. The volume is great and it will have a significant impact on the bank's operations. Obviously only a large bank with a highly computerized transit department could handle the very large volume of work generated by the state account. If the bank doesn't have accurate information about its internal costs, income from this account may not cover the costs associated with servicing it. Another important consideration is what happens when the account is shifted again in 6 to 12 years as seems entirely likely. Since the addition in demand deposits resulting from the State's account are substantial, it may be necessary to increase the bank's capital structure. Finally, potential bidders must consider what, if any, effect serving as the state working bank will have on other large bank customers (e.g., will these customers want banks to bid for their account?).

On the other hand, both state officials and bankers believe there is some prestige in being the State's banker. Banks might also see this as an opportunity to make new contacts and possibly as an opportunity to further develop certain banking functions that previously had received too little attention. Undoubtedly, however, the chief reason Wisconsin's banks would consider bidding for the State's account is to increase profits.

Competing banks' proposals are submitted in terms of compensating balances that the State must keep in demand deposits at the working bank. The State provides information on the type and volume of services needed. Each bank details the costs of handling the State's banking business and indicates what compensating balance is required to cover these costs including whatever profit the bank considers appropriate. Appendix B is the proposal form devised by the Wisconsin Investment Board.

Table 3 illustrates the computation of costs and their relationship to compensating balances. In this hypothetical one-month period, the State's balance exceeded the minimum required balance so the resulting excess is credited to the following month. In instances where the State's balance was below that needed to cover the costs of administering the account, the deficit would be made up in the following month.

Again, in the Table 3 illustration, a deficit would occur if the monthly direct charges had exceeded $52,016 or if the compensating balance had been at a level such that the interest credit (102 percent of the treasury bill rate) was less than $48,705, or some combination of both.

Table 3

Example of Compensating Balance Credit Calculations

Total Monthly Direct Charges	$ 48,705
Average Collected Balance in the State's Account During the Month	10,618,300
Less 12 percent Federal Reserve Requirement	1,274,196
Net Collected Balance	$ 9,344,104
Interest Credit Computed at 102 percent of the Average Treasury Bill Rate (6.55 percent) for the month[a] (102 percent x 6.55 percent = 6.68 percent x $9,344,104 ÷ 12 =	$ 52,016
Excess Credit ($52,016 - $48,705) available to apply to subsequent month's charges	$ 3,311

[a] *102 percent of the average treasury rate is the credit rate determined by the State and the bank through the "bid" process.*

Source: *State of Wisconsin, "Specifications for Proposals to be the State Working Bank," Appendix B, October 15, 1975.*

In addition to providing the services listed previously, it is the view of investment board staff that the state working bank should have deposits of at least $120 million and that its capital, capital notes, surplus, undivided profits, and reserves equal at least $11 million.[32]

Questions that might be asked are, "Is the investment board the most appropriate agency to select the state working bank?" and "Does the selection procedure insure that the State gets the best possible deal?"

Regarding the first question, it is true that on a day-to-day basis both the treasurer and the Department of Administration have more extensive dealings with the state working bank than the board. The procedures developed will affect these agencies most directly, and the board has no particular expertise in developing the needed cash management, auditing, or accounting systems.

No compelling case can be made for an independent investment board's selecting the state working bank. Nevertheless, in Wisconsin the board's independent status, its arms-length review of proposals, and its generally good reputation lend considerable credibility to the selection process. Moreover, the trustees have financial and investment expertise, solicit the ideas of the treasurer's office and the Department of Administration in developing the specifications, and seek the advice of their custodian bank in New York City in evaluating the proposals.

Whether or not the State is getting the lowest possible costs as reflected in the required compensating balance is not known. However, the bidding procedure would seem to assure a reasonable charge for services. State officials appear satisfied. The response by the Wisconsin state treasurer is believed representative:

> ". . .under the State of Wisconsin philosophy of securing bids to serve as the state depository, we feel that the bidding banks through competition will arrive at a proper cost factor for their services. As a matter of truth we would be very reluctant to impinge our limited knowledge of bank costs upon banks who should bid on the basis of their own particular costs plus a reasonable profit.[33]

Again, this is not to suggest that the investment board is precluded from reviewing the bank's range of services, professional staff, equipment and facilities to ascertain if the bank can provide a proper level of services.

Utilizing the State Working Bank in Other States

In most States, the greatest obstacle to implementing the single state working bank concept is political. In Wisconsin the state working bank has been in operation for over 20 years and is generally accepted by Wisconsin's bankers. As taxpayers and businessmen it is difficult for banks and bankers to argue with the substantial efficiency savings and investment earnings.

Needless to say, the State's bankers have not always been so sanguine where the single depository for state money is concerned and as noted in the previous section, they opposed the creation of the local government investment funds. Perhaps the rationale most frequently advanced for maintaining numerous state accounts is the economic development one: these state dollars are used by local banks to generate additional business in the region. The viewpoint expressed by Wisconsin's elected treasurer seems appropriate:

> "Up to this time (although I admit there is considerable pressure to the contrary) the State of Wisconsin, the Investment Board specifically. . .subscribes to the philosophy that money is a free-flowing object of trade that ignores political boundaries, and that attempts to promote local or regional business through bank de-

posits is to little avail. We tend to feel that generally such deposits are merely invested by the receiving bank in that form of investment which will realize to that bank the greatest income.[34]

In other words, many investment officials do not accept the economic development argument since local government funds will be used wherever the bank can obtain the highest rate of return—usually not in the local economy unless it is expanding rapidly. Furthermore, a number of States require that banks must put up collateral as security for state deposits. For instance, in Kentucky; banks must post government securities worth 110 percent of the uninsured portion of the deposit. Consequently, the result of these "linked deposits" in Kentucky is that state deposits of public funds in commercial banks may reduce the amount available to promote economic expansion. Recently, South Dakota dropped the collateral requirements on state deposits from 100 percent to 5 percent potentially "freeing up" an estimated $180 million in South Dakota banks for other investments and loans.

The local economy and town residents, in fact, may benefit precisely because local funds are temporarily withdrawn from local banks in order to obtain a better interest rate elsewhere, such as through investments in the State's local government pooled investment fund.

From the standpoint of being able to engage banks that can provide the necessary services, a State's largest banks probably will bid to become the state working bank. Since the size of state government and the size of banks are both somewhat related to population, it seems likely that within each State there are banks that could handle the State's business. The banks in Wisconsin that bid on the state account have total deposits of $1,859,678,000 (First Wisconsin) and $581,525,000 (Marshall & Ilsley). This makes them the 48th and 161st largest banks in the country, suggesting that banks of varying size can handle the state account.[35]

While Wisconsin uses only one bank, it would be possible, if slightly more difficult, to use more than one working bank. For example, South Dakota uses two banks and alternates each month. A thorough analysis of the services required and volume of transactions within various state accounts would reveal the complexity involved.

In branch banking States, it might even be easier to implement the state working bank concept since transactions could be made throughout the State with immediate accounting. Collections and cash disbursements would occur more rapidly.

VI. TRANSFERRING THE WISCONSIN PROGRAM

Some innovative state government programs are not applicable to many other States. This one is. It is not associated with size or composition of population, rural/urban considerations, size of State, geography, or the State's fiscal condition. All States collect large amounts of money and expend large amounts of money; therefore they have an enormous cash flow. All States have significant amounts of cash that are not needed for payments on any particular day and which, therefore, could be earning interest.

The review of the Wisconsin investment program suggests that the administrative factors are probably less important than the political ones in precluding the transfer of this comprehensive investment program from one State to another. The two groups most adversely affected appear to be bankers and existing boards, agencies, or councils which are responsible for investing various public funds. The latter group simply will not want to have this important investment responsibility transferred from it to a centralized investment board. The reasons are easily deduced and don't require expansion here. Bankers naturally will not like losing the earnings from the deposits of the State. The combination of establishing a state working bank, investing the check float, creating a local government investment pool, and investing idle cash balances are all programs that result in greater earnings for government at the expense of banks. In the case of both centralized banking and centralized investing the benefits to government can easily be measured.

Opposition may also come from the state treasurer since a comprehensive investment program probably will mean the treasurer's loss of some control of these funds. In Wisconsin, for example, the Department of Administration, not the treasurer, operates the computer system and performs the data processing and accounting. The investment board and staff make all the investment decisions.

Legal Issues

State investment policies are influenced by the institutional setting in which investment policy is developed and by the philosophy and investment goals of various policymakers, but all of these factors are circumscribed by the constitutional, statutory, and administrative guidelines of the individual States.

In numerous States, the laws are silent on many matters affecting the development of a comprehensive investment program. Such was the case in Wisconsin and interpretations of the statutes generally have been strict in findings that necessitate specific statutory provisions authorizing board activities—the municipal investment pool, the investment of float, expanding the types of instruments that can be used for investment purposes, and the use of a custodian bank in New York City to physically hold and transfer securities.

There are other instances where the statutes limit the number and types of securities which may be held in the portfolio, the time periods an investment may be held, or the amount of treasury balances that may be invested. The use of banks as holding institutions for treasury balances when the money is not invested may also be subject to statutory limitation.

Equally as important as the statutes or administrative guidelines are the administrative procedures and policies (sometimes spelled out in law) that greatly affect the potential for cash management. Wisconsin has a system of centralized cash disbursement; rapid and centralized collections through lock boxes; one bank account; regulations requiring agencies to transfer funds immediately to the treasury; a centralized uniform accounting system, and a sophisticated, centralized, computer system. This centralized management capacity is lodged in a Department of Administration which has considerable authority over management systems and reports as well as budgeting and personnel. These factors certainly facilitate the development of a comprehensive state investment program. As the Wisconsin case shows, developing an extensive investment program can occur in stages with an investment board, followed by a working bank(s), and sophisticated accounting and computer systems, flexibility in investment instruments, and a custodian bank.

Another major component in the present program is competent staff to manage over $2 billion in assets. However, the market for investment professionals is a national one, so it should not be difficult to attract personnel if reasonably competitive salaries are offered. It has been suggested that many state capitals offer pleasant living environments that many prospective employees would find desirable.

An equally important issue is whether outside consultants should manage state investments or whether this important activity should be conducted by state employees. While States may wish to divide investment operations between government and nongovernment employees for a period of time to determine which group achieves greater success, several items suggest that in-house investment may be the preferable course. First, responsibility for state investment operations should be assumed by a state official who can be rewarded or disciplined based on performance. With delegation of this responsibility to an outside firm, there is less control of personnel, and little redress for poor investment performance except dismissal of the firm. Secondly, if state officials invest state funds, they are investing some of their own retirement and tax funds, a procedure which is different than investing someone else's funds. Thirdly, and perhaps most importantly, in-house investment salary costs (for an equivalent level of service) will nearly always be significantly less than private firms' salaries. If this differential in salaries could be offset by higher investment returns from private consulting firms, there would be no problem. Private consulting services, however, have not consistently produced better investment yields than state investment officials. Finally, in-house investing has no administrative marketing or advertising expense.

In sum, if the political obstacles can be overcome and translated into satisfactory legislation, then any State can begin developing the computer and accounting programs and banking relationship needed to pursue an efficient investment program. The State of Wisconsin appears to be managing its cash flow in such a way as to permit maximum investment opportunity. There are no idle cash balances in Wisconsin, only a compensating balance to pay for bank services. There are very few unutilized or unauthorized investment channels.

In conclusion, the modifications described in this report, almost always mandated by specific statute, have resulted in an investment process in Wisconsin that can serve as a model for other state officials in evaluating their investment practices.

FOOTNOTES

1. Derived from data presented in State of Wisconsin Investment Board

1. Derived from data presented in State of Wisconsin Investment Board *Annual Report* for fiscal year ending June 30, 1975. p. 6.

2. *Annual Report*, p. 8.

3. The Legislative Audit Bureau reports that some state departments have a few small working or contingent checking accounts which are restricted for specific payments.

4. Interdepartmental memo to Pat Hays, Bureau of Budget and Planning, from Peter J. Nelson, Assistant State Treasurer, November 28, 1975.

5. Interdepartmental memo to Pat Hays from Ken Engle, dated December 11, 1973.

6. Investment Board, "Manual of Functions, Goals, Policies, and Procedures," October 15, 1974.

7. Both amounts represent increases provided in 1975 Assembly Bill 222, Sections 256 and 257, respectively.

8. The investment board addresses the social responsibility issue in its *Annual Report* for fiscal year ending June 30, 1975, pp. 19-20.

9. See State of Wisconsin Investment Board, "Manual of Functions, Goals, Policies, and Procedures," October 15, 1974.

10. A number of restrictions have been placed on the private financial transactions of board employees to prevent unethical behavior. No employee, including support personnel, may purchase a new stock or bond offering until it has traded on one of the financial markets. In addition, a board employee cannot buy issues of a company at the same time as the board is adding the issue to its portfolio unless the employee can demonstrate a long-term continuous pattern of purchasing the specific issue. Furthermore, each investment director must file with the executive director a quarterly report listing all equity transactions. Finally, all board employees' federal tax returns must be submitted with the Wisconsin state tax return, and state returns are audited annually.

11. *Annual Report*, p. 13.

12. *Annual Report*, p. 18.

13. "Manual of Functions, Goals, Policies, and Procedures," page 11. It is also policy of the board that "no investment shall be made in stocks of companies which sell as a substantial product line tobacco, liquor, or gambling."

14. Interview with James Severance, May 14, 1976.

15. See "Background and Operations of the Private Placement Division," a paper prepared by Robert Zobel, Investment Director for Private Placements.

16. By policy of the board, no private placements are made in tobacco and alcohol firms or in real estate investment trusts. Few placements have been made in the insurance, finance, and medical fields because of limited staff experience with those areas. Normally preference will be given to loans which generate new jobs through capital expansion if the return is nearly equivalent to other loan applications. No distinctions are made according to characteristics of either the owner or company product line except those noted above.

17. Nor may the placements division entirely own a firm, a policy adopted by the board's trustees. Trustees, however, will permit the division director to sit on boards of directors of various companies. As the largest lender to many smaller firms, it would be appropriate for the investment board to be given a board seat. The current division director has decided not to become a member of any boards because of time constraints.

18. See the 1975 *Annual Report*, pages 9, 10.

19. It is understood that much of this section of Wisconsin law was derived from New York Statutes (Chapter 260, Section 34).

20. The 9.02 percent return on an average daily balance in fiscal 1974 of $662 million earned $5.9 million for the State. In fiscal 1975, $54 million was generated.

21. According to investment agency officials, Wisconsin is one of a few States that uses the reverse repurchase agreement. The South Dakota Investment Council, also a sophisticated state investment agency, has arranged double-reverse repurchase agreements. In contrast to other state governments, the investment board normally does not invest heavily in bank certificates of deposit. Certificates of deposit (CD's) limit investment flexibility because their rates are established for a given time period, thereby preventing investment officials from taking advantage of fluctuating interest rates on other investments. Also, because CD's are not collateralized, CD's are not easily transferred in the national market.

22. Readers should note that the board's tax-exempt status is not the primary reason for its lower administrative expenses. In Table 2 the asset/expense comparison was computed with taxes excluded.

23. The Wisconsin legislation was modeled after a 1973 local government investment program enacted in Oregon. In Oregon the program was available at first only to county governments and larger cities. Presently, the majority of local governments in Oregon are participating in the program, and the level of local funds has expanded from $100 million to over $400 million.

24. The investment board has not yet established criteria (such as minimum times for investments, types of investments, and restrictions on number of purchases) for the trust fund.

25. Memo from Peter Nelson, Office of the Wisconsin State Treasurer, July 1976.

26. The Department of Administration anticipates that a monthly letter will be distributed to local officials whose cities have funds in the pooled fund. However, it is unlikely that specific investments will be identified.

27. In South Dakota, for example, state funds are rotated each month between two banks, and a South Dakota official estimated that this costs the State one day's interest on $5 million each month—or over $8,000 per year (assuming a 5 percent interest rate and a 360-day year).

28. From 1958 to 1964 the state working bank was First Wisconsin National Bank of Milwaukee; 1964 to 1976 the Marshall & Ilsley Bank (Milwaukee); and in 1976 First Wisconsin is the state working bank. Only these two banks bid on the state account although it has been suggested five or six Wisconsin banks are large enough to handle the State's account.

29. These volume figures are reported in an investment board staff memo to the trustees dated June 17, 1975. The number of deposit items was provided by Peter Nelson, Office of the Treasurer.

30. Washington State adopted a lock box procedure for all state tax remittances in mid-1975. At that time, the Department of Revenue anticipated a reduction in collection costs of $60,000 annually and increased earnings of over $340,000 a year based on additional investment through quicker tax collection. The bank involved handles the deposits without charging the State a fee.

31. Taken from a 10-page memorandum (plus appendices) prepared by the State of Wisconsin Investment Board entitled "Specifications for Proposals to be the State Working Bank," dated October 15, 1975.

32. Memo to trustees from the staff's State Working Bank Committee, dated June 17, 1975.

33. Letter from Charles P. Smith, Wisconsin State Treasurer, to Jack Kiley, Administrative Assistant to the State Treasurer of Washington, dated July 19, 1972.

34. Wisconsin State Treasurer Charles P. Smith, letter to Jack Kiley.

35. Based on information compiled by the *American Banker*, 525 West 42nd Street, New York City. Data are for June 30, 1975.

APPENDICES

STATE OF WISCONSIN

1975 Senate Bill 788

Date published*: February 20, 1976

CHAPTER 164 , LAWS OF 1975

AN ACT to amend 20.906 (1) and (5), 34.01 (intro.), (1) and (8) (a), 59.75 (1) and 66.04 (2); and to create 16.53 (10) and (11), 20.002 (11), 20.855 (8), 20.906 (6), 25.17 (1) (jg) and (jr), 25.50, 25.55 and 59.74 (2) of the statutes, relating to state treasury cash flow management, establishing a local government pooled-investment fund and a local government trust-investment fund and granting rule-making authority.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 16.53 (10) and (11) of the statutes are created to read:

16.53 (10) PRIORITY OF CLAIMS. If, between the effective date of this act (1975) and 30 days after the publication of the budget adopted for the 1977-79 fiscal biennium, an emergency arises which requires the department to draw vouchers for payments which will be in excess of available funds in any state fund, the secretary, in consultation with the state treasurer and the joint committee on finance, may prorate and establish priority schedules for all payments, including those payments for which a specific payment date is provided by statute. The secretary shall draw all vouchers according to the following preference. All direct or indirect payments of principal or interest on state bonds and notes have first priority and may not be prorated or reduced under this subsection. All state employe payrolls shall have 2nd priority. All payments to local units of government which are required by statute to be made on a specific date and all aid payments to individuals have 3rd priority. All remaining payments have 4th priority. The secretary shall maintain records of all claims prorated under this subsection and shall provide written notice to the state treasurer when a potential cash flow emergency is anticipated.

(11) INTEREST ON PRORATED PAYMENTS. Payments prorated under sub. (10) which are payable to local units of government shall earn interest on the daily unpaid balance at the rates of interest earned by the state investment fund during the calendar quarter in which the proration occurred. The interest payments under this subsection shall be credited to the respective local units of government at the end of the quarter in which the proration occurred.

SECTION 2. 20.002 (11) of the statutes is created to read:

20.002 (11) TEMPORARY REALLOCATION OF SURPLUS GENERAL FUND APPROPRIATIONS. All appropriations and special accounts within the general fund may be made temporarily available for the purpose of allowing encumbrances or financing expenditures of other general fund activities which do not have sufficient funds in their account but have accounts receivable balances. The secretary of administration shall determine the composition and allowability of the accounts receivable balances for this purpose and shall specifically approve the use of surplus general funds for use by specified activities or programs. The secretary may assess a special interest charge against the programs or activities utilizing surplus funds under this subsection in amounts not to exceed the daily interest earnings rate of the state investment fund during the period of transfer of surplus funds to other accounts or programs.

SECTION 3. 20.855 (8) of the statutes is created to read:

20.855 (8) PAYMENTS TO LOCAL UNITS OF GOVERNMENT. (a) *Interest on prorated payments.* A sum sufficient to pay interest on payments to local units of government under s. 16.53 (11).

SECTION 4. 20.906 (1) and (5) of the statutes are amended to read:

* *

*Section 990.01, Wisconsin Statutes: Laws and acts; time of going into force. "Every law or act which does not expressly prescribe the time it takes effect shall take effect on the day after its publication."

20.906 (1) FREQUENCY OF DEPOSITS. Unless otherwise provided by law, all moneys collected or received by any state agency for or in behalf of the state, or which is required by law to be turned into the state treasury, shall be deposited in or transmitted to the state treasury at least once a week and also ~~whenever~~ at other times as required by the governor, or the state treasurer and shall be accompanied by a statement in such form as the treasurer may prescribe showing the amount of such collections and from whom and for what purpose or on what account the same was received. All moneys paid into the treasury shall be credited to the general purpose revenues of the general fund unless otherwise specifically provided by law.

(5) CONDITIONS PRECEDENT TO RELEASE OF APPROPRIATIONS. All appropriations ~~made by law~~ from state revenues for any state agency, are made on the express conditions that such state agency pays all moneys received by it into the state treasury within one week of receipt or as often as otherwise directed by the governor or state treasurer, and conforms with ss. 16.53 (1) and 20.002, both as to program revenue and general purpose revenue appropriations from all funds. Upon failure to comply with the above conditions, the department of administration shall refuse to draw its warrants, and the state treasurer shall refuse to pay any moneys appropriated to the state agency from state revenues, until compliance is made with said conditions ~~and upon~~. Upon failure or refusal to so comply, after due notice received from the department of administration, any appropriations ~~made by law~~ from state revenues to the state agency shall permanently revert to the fund from which appropriated.

SECTION 5. 20.906 (6) of the statutes is created to read:

20.906 (6) DIRECT DEPOSITS. The governor or the state treasurer may require state agencies making deposits under this section to make direct deposits to a bank designated as a depository by the state investment board, if such a requirement is advantageous or beneficial to this state.

SECTION 6. 25.17 (1) (jg) and (jr) of the statutes are created to read:

25.17 (1) (jg) Local government pooled-investment fund (s. 25.50);

(jr) Local government trust-investment fund (s. 25.55);

SECTION 7. 25.50 and 25.55 of the statutes are created to read:

25.50 Local government pooled-investment fund. (1) DEFINITIONS. In this section:

(a) "Board" means the state investment board.

(b) "Fund" means the local government pooled-investment fund.

(c) "Local funds" means funds under the control or in the custody of any local government or local official that are not required to meet current expenditures or demands.

(d) "Local government" means any county, town, village or city in this state.

(e) "Local official" means each officer or employe of a local government who by law or vote of the governing body of the local government is made the custodian of funds.

(2) CREATION. There is established within the state investment fund a local government pooled-investment fund with a separate and identifiable account within the fund for each local government.

(3) LOCAL GOVERNMENTS AUTHORIZED TO PLACE FUNDS IN FUND. (a) With the consent of the governing body, a local official may transfer local funds to the state treasurer for deposit in the fund.

(b) On the dates specified and to the extent to which they are available, subject to s. 16.53 (10), funds payable to local governments under ss. 70.996 (1) (a), 79.02 (2) (a), 79.03 (1), 79.04 (1), (2) (a) and (3), 79.05 (2), 79.055, 79.06, 79.08, 79.10 (1) and (3) and 79.17 (1) and (3) shall be considered local funds and, pursuant to the instructions of local officials, may be paid into the separate accounts of all local governments established in the local government pooled-investment fund and, pursuant to the instructions of local officials, to the extent to which they are available, be disbursed or invested.

(4) PERIOD OF INVESTMENTS; WITHDRAWAL OF FUNDS. Subject to the right of the local government to specify the period in which its funds may be held in the fund, the state treasurer shall prescribe the mechanisms and procedures for deposits and withdrawals.

(5) INVESTMENT POLICIES. The investment board shall formulate policies for the investment and reinvestment of moneys in the fund and the acquisition, retention, management and disposition of such investments.

(6) INVESTMENT BOARD TO INVEST, REINVEST POOLED FUNDS. In the amounts available for investment purposes and subject to the policies formulated by the investment board, the investment

board shall invest and reinvest moneys in the fund and acquire, retain, manage, including the exercise of any voting rights, and dispose of investments of the fund.

(7) REIMBURSEMENT OF EXPENSES. The state treasurer shall deduct quarterly a maximum of 0.25% of the amount of income received from the earnings of the fund during the preceding calendar quarter for all actual and necessary expenses incurred by the state in administering the fund.

(8) SEPARATE ACCOUNTS. (a) The department of administration shall keep a separate account for each local government and shall record the individual amounts and the totals of all investments of each local government's moneys in the fund.

(b) The state treasurer shall report monthly to each local official the deposits and withdrawals of the preceding month and any other activity within the account.

25.55 Local government trust-investment fund. (1) There is created a local government trust-investment fund under the jurisdiction and management of the investment board.

(2) Local governments as defined in s. 25.50 (1) (d), may transfer to the state treasurer for deposit in the local government trust-investment fund excess cash for investment by the investment board. Local governments shall specify the term of investment of moneys transferred. The department of administration shall set up a separate account for each local government. The investment board shall invest each account separately in investments authorized under s. 25.17 (3) (b), (ba) and (dg). All interest accruing as a result of such investment shall be allocated to the account for which it was invested. The investment board shall prescribe rules determining the amounts which may be transferred to this fund for investment and the procedures to be followed for making deposits and withdrawals.

(3) Administrative expenses allocated to the operation of this fund shall be deducted from interest earned by the fund in an amount not to exceed 0.25% per quarter of the interest earned by the separate accounts in the fund.

SECTION 8. 34.01 (intro.), (1) and (8) (a) of the statutes are amended to read:

34.01 Definitions. (intro.) ~~As used in~~ In this chapter:

(1) "Public deposit" ~~shall mean~~ means moneys deposited by the state or any county, city, village, town, drainage district, power district, school district, sewer district, or any commission, committee, board or officer of any governmental subdivision of the state, or any court of this state, in any state bank, savings and trust company, mutual savings bank, or national bank in this state or in the local government pooled-investment fund or the local government trust-investment fund, including private funds held in trust by a public officer ~~for persons, corporations or associations of individuals~~.

(8) (a) "Inactive deposits ~~shall mean~~ means public deposits which have been deposited subject to the bank's rules and regulations relative to time accounts and the investment board's rules relative to amounts invested in the local government trust-investment fund.

SECTION 9. 59.74 (2) of the statutes is created to read:

59.74 (2) In addition to the depositories specified in sub. (1), the local government pooled-investment fund and the local government trust-investment fund may be designated as depositories for investment purposes.

SECTION 10. 59.75 (1) of the statutes is amended to read:

59.75 (1) Whenever any county board ~~shall have~~ has designated a county depository ~~or depositories in accordance with the provisions of section~~ under s. 59.74 the county treasurer shall deposit therein as soon as received all funds that come to ~~his~~ the treasurer's hands in that capacity in excess of the sum ~~he~~ the treasurer is authorized by ~~such~~ the board to retain ~~and any~~. Any sum so on deposit shall be deemed to be in the county treasury, and ~~such~~ the treasurer shall not be liable for any loss thereon resulting from the failure or default of such depository~~, provided, that the~~. The county board or a committee thereof designated by it may invest any funds that come into ~~his~~ the county treasurer's hands in excess of the sum ~~he~~ the treasurer is authorized by the county board to retain for immediate use, in the name of the county in the local government pooled-investment fund, in the local government trust-investment fund or in ~~interest-bearing~~ interest-bearing bonds of the United States, or of any county or municipality in the state~~, and such~~. The board or committee may sell such securities when deemed advisable.

SECTION 11. 66.04 (2) of the statutes is amended to read:

66.04 (2) INVESTMENTS. Any county, city, village, town, school district, drainage district, vocational, technical and adult education district, or other governing board as defined by s. 34.01 (4) may invest any of its funds, not immediately needed, in time deposits in any bank, savings bank or trust company which is authorized to transact business in this state, such time deposits maturing in not more than one year, or in bonds or securities issued or guaranteed as to principal and interest of the U.S. government, or of a commission, board or other instrumentality of the U.S. government, or bonds or securities of any county, city, drainage district, vocational, technical and adult education district, village, town or school district of this state, or, in the case of a town, city or village, in any bonds or securities issued under the authority of such municipality, whether the same create a general municipality liability or a liability of the property owners of such municipality for special improvements ~~made thereon~~, and may sell or hypothecate the same. Any county, city, village or town may also invest surplus funds in the local government pooled-investment fund or the local government trust-investment fund. Cemetery perpetual care funds, pension funds under s. 62.13 (9) or (10), or endowment funds including gifts where the principal is to be kept intact may also be invested under ch. 881.

SECTION 12. **Program responsibilities.** (1) In the list of program responsibilities enumerated for the office of the state treasurer in section 14.561 of the statutes, insert references to sections "25.50" and "25.55".

(2) In the list of program responsibilities enumerated for the department of administration in section 15.101 (intro.) of the statutes, insert reference to sections "25.50" and "25.55".

(3) In the list of program responsibilities enumerated for the investment board in section 15.761 of the statutes, insert reference to sections "25.50" and "25.55".

SECTION 13. **Cash flow study.** The department of administration is directed to prepare a report on the present statutory and administrative structure and procedure for the payment of local assistance funds to counties, towns, villages, cities and school districts. The report, after review by a 7-member committee consisting of the state treasurer, representatives of the departments of administration and public instruction, and designees appointed by the league of Wisconsin municipalities, county boards association, Wisconsin towns association and the Wisconsin school boards association, shall be submitted to the governor and the legislature no later than February 1, 1977, and shall include but not be limited to:

(1) The identification of major local assistance payments.

(2) The identification of payment schedules either required by statute or established by administrative action.

(3) An assessment of the impact of such payments and schedules on fund balances and the operation and management of the state budget.

(4) The criteria on the basis of which the current payment schedules were established.

(5) The impact of current payment schedules on the operation of local and state government.

(6) Recommendations, if deemed appropriate, for changes in the statutes or in administrative procedures concerning such payments and schedules.

PROPOSAL FORM TO BE
THE STATE OF WISCONSIN WORKING BANK

To: State of Wisconsin Investment Board

The following constitutes our proposal to provide the State of Wisconsin's banking business requirements for the period commencing July 1, 1976, and terminable on our part by giving one year's notice.

It in understood that, should our proposal be accepted, we will be designated as (1) State Working Bank, and (2) a State depository bank pursuant to the provisions of s. 25.17 (61), Wisconsin Statutes.

It is further understood that the State of Wisconsin Investment Board, in its sole discretion, may reject this or any other proposal.

In addition, this bank agrees that the Investment Board may exclude any specific service or element thereof in any contract which may result from this proposal.

OFFER

This bank offers to provide all of the services outlined in that certain set of specifications dated October 15, 1975 and labeled "Specifications for Proposals to be the State Working Bank."

This bank agrees that it will maintain dormant balances, as directed, in designated banks for the benefit of the state. In consideration, an identical amount shall be subtracted from the net collected balance before applying the compensating balance formula outlined on page 6 of this proposal.

This bank agrees that it will establish and maintain a $10 million open line of credit and allow draws against such line by the Wisconsin Building Commission on the condition that any draw against the line of credit shall bear interest at the rate of

_____%

of the bank's prime rate as posted from time to time.

-1-

-2-

TIME SCHEDULE UNDER WHICH
THIS BANK WILL CREDIT THE STATE TREASURER'S
ACCOUNT WITH COLLECTED FUNDS

This bank agrees that all deposits delivered during any working day to it or its Madison Agent, if any, will be credited to the State Treasurer's account as though they had been delivered to the Milwaukee Branch of the Federal Reserve Bank on that same day.

In addition this bank agrees that it will credit the State Treasurer's account with collected funds earlier than the Milwaukee office schedule on the following:

	When Credited (Same day, 1 day deferred)
e	

This bank will provide the following system for check retrieval and copying for the Treasurer's Office and our time table for making it available is as follows:

1. System Description

2. Time Table

COMPENSATION

This bank agrees to provide the services as specified for the following direct (hard dollar) charge per item:

Item	Dollars per item
1. Deposit Items	
(a) Per local deposit item	$ _____
(b) Per transit deposit item	$ _____
(c) Per N.S.F. item	$ _____
(d) Blank Deposit tickets - per 1000	$ _____
(e) Coupon Interest Collection Service per coupon	$ _____
(f) Wisconsin G.O. Bond Coupons per presentation	$ _____
2. Ledger Items	
(a) Deposit ticket or credit memo - each	$ _____
(b) Per check drawn on us	$ _____
3. Other Checking Services	
(a) Blank Checks	
(1) Series A,C,D,E,F,H, and R per 1000 checks	$ _____
(2) Series B - per 1000 checks	$ _____
(3) Series G,I, and X - per 1000 checks	$ _____
(b) Reconciliation - per item	$ _____
(c) Storage boxes - each	$ _____
(d) Microfilming checks for Treasurer's use - per check	$ _____
(e) Microfiche index for Treasurer's use per microfiche	$ _____
(f) Microfiche images of computer printouts - per microfiche	$ _____

4. Lockbox Services

(a) Withholding

(1) Employers deposit report form - each $ _____

(2) Microfilming report form - each $ _____

(b) Motor and Special fuel

(1) Motor fuel report form - each $ _____

(2) Special fuel report form - each $ _____

(3) Microfilming report form - each $ _____

5. Wire Transfer Services

(a) Federal Wire - each $ _____

(b) Bank Wire - each $ _____

(c) Telephone advice - each $ _____

6. Securities Clearance Services

(a) Transaction - each $ _____

7. Government Bond Services

(a) per Bond $ _____

8. Transportation Services

(a) Cash pick-up from State Treasurer's Office, Madison - per trip $ _____

(b) Deposit pick-up from Department of Revenue, Milwaukee - per trip $ _____

(c) Pick-up and delivery of various items (checks, deposits, cancelled check, microfilm, etc., no cash) round trip from Working Bank to Madison offices of State Treasurer, Department of Revenue, and Department of Transportation per round trip $ _____

(d) Special Courier runs

(1) Federal Reserve Bank, Chicago - per trip $ _____

(2) Chicago Loop Banks - per trip $ _____

COMPENSATING BALANCES
IN LIEU OF DIRECT CHARGE

In lieu of a direct charge for the services referred to above, this bank agrees that it may be compensated by collected balances in the State Treasurer's account.

The bank agrees to credit as payment for such charges an amount equal to one day's interest (computed on a 360-day year) using an interest rate equal to

_____%

of the monthly average of the 90 (91-92) day U.S. Treasury Bill rate* on each dollar of collected balances (less reserve requirements of the Federal Reserve Bank) left on hand each day during the month in the State's account.

*as reported in the Moodys Bond Survey

In the event that the application of this formula produces a credit in excess of monthly charges, the bank agrees to apply such excess as credit towards the following month's charges. Conversely, the State will make up any deficit by increasing balances the following month.

Dated this ____ day of _____, 1975.

Name of Bank: _____

By: _____

Title: _____

Attest: _____

Title: _____

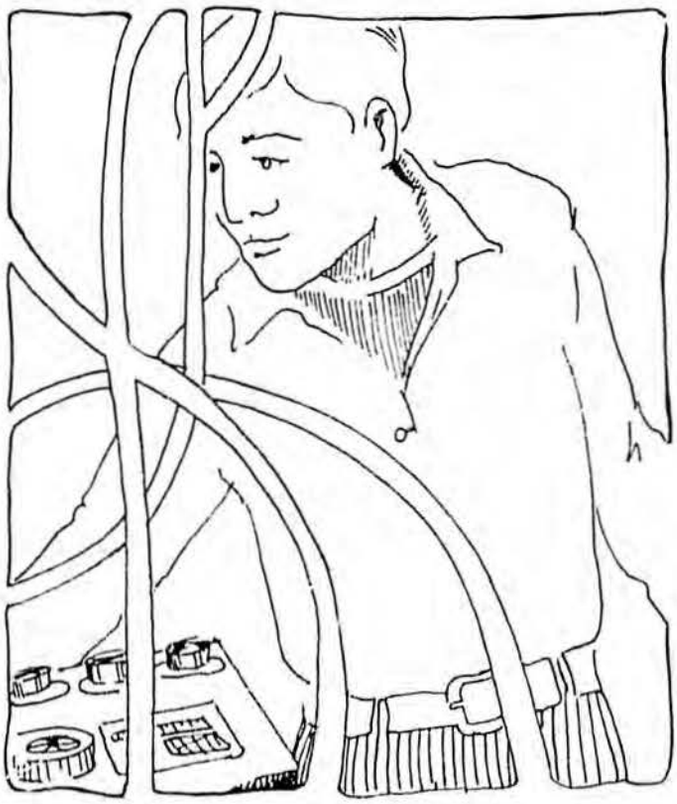
SCOMM

9:68

alaska state MANPOWER REVIEW

march 1977

alaska department of labor JAY S. HAMMOND, GOVERNOR



ALASKA

STATE MANPOWER REVIEW

Jay S. Hammond, Governor
State of Alaska

Edmund N. Orbeck, Commissioner
Department of Labor

Rod Brown, Acting Chief
Research and Analysis

September, 1977

This publication was prepared by:

Carol Williams, Labor Economist

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PREFACE

The State Manpower Review (SMR) is a publication prepared for the State of Alaska to provide current and historical information on statewide employment and unemployment trends, characteristics of the unemployed, hours and earnings, labor turnover, and special manpower program activities.

The SMR is designed to serve the needs of a broad range of Labor Market Information users such as public officials, CETA planners, state and local officials, educators, community leaders, and the general public.

March, 1977 data is used throughout the report making it possible to maintain a certain level of consistency and making it possible to compare data.

SUMMARY HIGHLIGHTS

Population: Alaska's population has increased 111,000 – or 37 percent – since 1970, growing to 413,300 people in 1976. The U.S. rate of increase over the same period was 5 percent.

Employment: From 1966 to 1973, Total Nonagricultural Wage and Salary employment experienced an annual growth rate of nearly 6 percent, as compared to a 2.7 percent increase across the United States. During the pipeline construction period, 1974–1976, Total Nonagricultural employment increased over 16 percent annually, for a total increase of 56 percent. Total employment from third quarter 1973 to third quarter 1976 went up nearly 70,000.

Nonagricultural Wage and Salary Employment decreased almost 34,000 from third quarter 1976 to first quarter 1977. Much of this was due to seasonality and the near completion of the pipeline.

Total Employment in 1977 is expected to be below that of 1976 as a result of completion of the pipeline project. By the end of 1978 employment is expected to begin adjusting to the pre-pipeline growth rate.

Unemployment: Historically, unemployment in Alaska ran about 3 percent higher on the average than the rest of the U.S. In March of 1977, however, unemployment hit 16 percent. Unemployment is expected to decrease during the summer then gradually rise till the first quarter of 1978, which will be the worst quarter for unemployment since the completion of the pipeline. After first quarter 1978, unemployment should decrease.

The construction industry contributes more to insured unemployment in the state of Alaska than any other industry. As a result insured unemployment is consistently lower from July through September.

Hours and Earnings: Employees in Alaska not only earn higher weekly wages but they work more hours per week than the average employee in the "Lower 48".

Total earnings should fall in 1977 due to less overtime, lower proportion of construction workers, excess supply of labor, and less pressure on employers for higher wages caused by the decline in economic activity since the completion of the pipeline project.

Jobs: Opening received by Job Service Centers steadily increased from FY '74 to FY '76 but experienced a decrease in FY '77 of about 11,000 from FY '76 levels

From 1978 to 1982 positions should increase about 10,000 annually due to industry expansion. There should be about 15,700 openings per-year due to industry expansion plus death and retirement.

Much is being done to help the unemployed, underemployed, and economically disadvantaged to find jobs in Alaska. CETA, one of the many manpower programs offered in Alaska, spent about $13,000,000 in FY '76 to help this cause.

Pipeline: About one-fourth of the areas in Alaska have been drastically affected by the pipeline while others have experienced only slight impacts.

1970 Through 1976 – PIPELINE IMPACT

Much has been said about the impact of the pipeline on the population, the economy, the labor force, and the way of life in Alaska. There is no precise way of knowing what effect "the Pipeline" had. To be sure, almost every aspect of Alaskan life has been drastically changed over the past seven years (1970 to 1976); the pipeline alone may not have caused all this change, though much can be attributed to it. Since this was a period when many people wanted to get away from the cement jungles and the overcrowded situation in many areas of the "lower 48," Alaska, (being the "Last Frontier" and the largest state in the union with the smallest population) appealed to many people who were trying to "get away from it all," not to mention stories of high wages and fortunes to be had.

Therefore, the following analysis is an attempt to disclose what effect the pipeline had on certain industries, how it affected labor forces of various areas and the Unemployment Insurance enrollments and benefits. Because all cannot be attributed to the "the pipeline," this analysis should be put in its proper perspective.

INDUSTRY ANALYSIS

During the brief seven year period from 1970 to 1976, total population in Alaska increased 36.7 percent; total Civilian Labor Force nearly doubled; and Total Nonagricultural Wage and Salary Employment grew almost 84 percent. The three year period, 1974 to 1976, was when most of these drastic changes occurred due mostly to the pipeline project – the biggest private construction project in history.

Construction was the industry most affected by the pipeline project. From 1970 to 1973 construction made up about 7.5 percent of total Nonagricultural Wage and Salary Employment. It jumped to 22.0 percent in 1974, to 16.1 percent in 1975, then to 17.7 percent in 1976. The total increase from 70 to 76 was 23,300 – from 6,900 to 30,200 – an increase of 337 percent. See Table 12.

Because Contract Construction makes up a bigger portion of Total Nonagricultural Wage and Salary

TABLE 12
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
1970 – 1976

INDUSTRY	% of Total Nonagricultural Wage & Salary Employment		Total Nonagricultural Wage & Salary Employment		% Change from 70 – 76
	1970	1976	1970	1976	
TOTAL	100%	100%	93,100	171,100	83.8
MINING	3.3	2.4	3,000	4,000	33.4
CONTRACT CONSTRUCTION	7.5	17.7	6,900	30,200	337.7
MANUFACTURING	8.4	6.1	7,800	10,300	32.1
TRANSPORTATION, COMMUNICATION, and PUBLIC UTILITIES	9.8	9.3	9,100	15,800	73.7
TRADE	16.6	16.2	15,400	27,600	79.3
Wholesale	3.5	3.6	3,200	6,100	90.7
Retail	13.1	12.6	12,200	21,500	76.3
FINANCE, INSURANCE, REAL ESTATE	3.4	4.2	3,100	7,100	129.1
SERVICES	12.3	16.3	11,400	27,800	143.9
MISCELLANEOUS	1.0	.7	900	1,200	33.4
TOTAL GOVERNMENT	38.2	27.6	35,600	47,100	32.3
Federal	18.4	10.5	17,100	17,900	4.7
State	11.1	8.2	10,300	14,100	36.0
Local	8.7	8.9	8,100	15,200	87.7

Employment than it used to, some other industry or industries must make up relatively less than before. Surprisingly enough, Government is that industry. In 1970, the Government percentage of Nonagricultural Wage and Salary Employment was 38.2; it decreased to 17.6 in 1976. Federal Government was the main cause of this decrease. Relatively, it dropped from 18.4 percent in 1970 to 10.5 percent in 1976, while in number it increased a total of only 800 over this period. The percentage of state government to Total Nonagricultural Wage and Salary Employment decreased from 11.1 to 8.2, while Local Government remained stable at about 8.8 percent. In number State Government employment grew about 3,700 and Local grew 7,100. As population and employment mushroomed, the ratio of Federal and State Government employment to the total was shrinking, but the local government ratio remained the same. Total Nonagricultural Wage and Salary Employment increased 83.8 percent during this seven year period: Federal Government increased only 4.7 percent; State Government increased 36.0 percent, but Local Government increased a comparable 87.7 percent.

Although all other industries' employment increased drastically over the years, their relative positions in Nonagricultural Wage & Salary Employment remained the same. The exception to this was the Services industry which experienced a relative increase of 4 percent. Its total employment increased 14.4 percent.

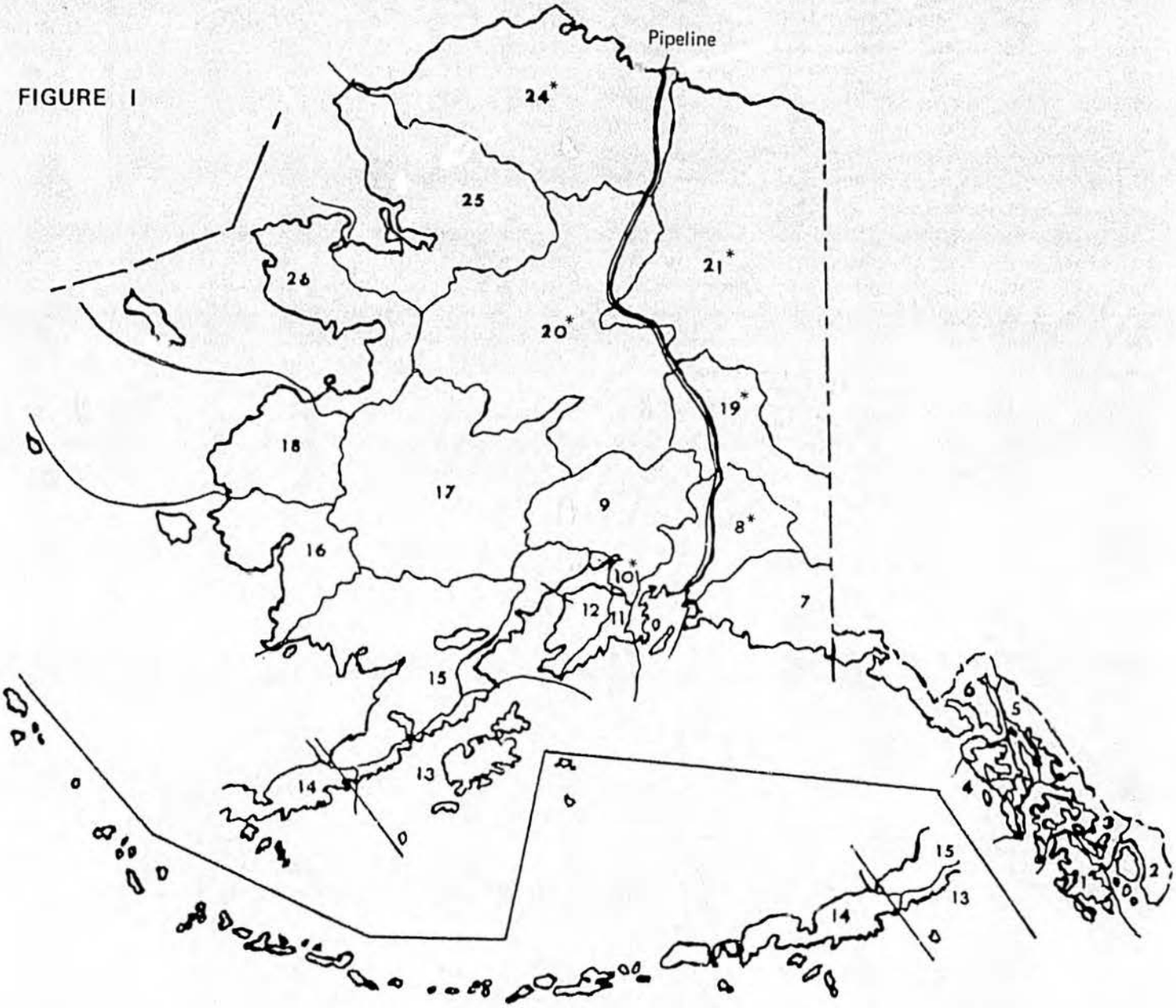
AREA ANALYSIS

The impact of the pipeline on sub-state area Nonagricultural Wage and Salary Employment is the subject of this analysis. The areas represented are the 24 election districts described in Figure I. This picture also shows the route of the trans-Alaska oil pipeline. The areas starred (*) are those which were most affected by the pipeline project.

A close look at the graphs of Total Nonagricultural Wage and Salary Employment by area reveals that only six areas were substantially impacted by the pipeline project: Anchorage, Valdez–Chitina– Whittier, Fairbanks, Upper Yukon, Yukon–Koyukuk, and Barrow. It should be noted that each of these small graphs have a different scale, therefore they cannot be compared to each other in terms of numbers. They do show, however the relative increases and decreases in employment within their own areas by quarter from first quarter 1970 through fourth quarter 1976.

24 ELECTION DISTRICT AREAS

FIGURE I



1. Prince of Wales
2. Ketchikan
3. Wrangell--Petersburg
4. Sitka
5. Juneau
6. Lynn Canal – Icy Straits
7. Cordova – McCarthy
8. Valdez – Chitina – Whittier*
9. Palmer – Wasilla – Talkeetna
10. Anchorage*
11. Seward
12. Kenai – Cook Inlet
13. Kodiak
14. Aleutian Islands
15. Bristol Bay
16. Bethel
17. Kuskokwim
18. Wade Hampton
19. Fairbanks*
20. Yukon – Koyukuk*
21. Upper Yukon*
24. Barrow*
25. Kobuk
26 Nome

Anchorage

The Anchorage area Nonagricultural Wage and Salary Employment more than doubled over this seven year period – from 37,650 to 77,200. There was a period of steady growth between'70 and'73, but in'74 and '75 Anchorage experienced sharp increases in employment. Government dominated the employment scene in 1970 comprising 37 percent of the Total Nonagricultural Wage and Salary Employment in that area. The Trade and Services industries came in second and third respectively. But combined, their total employment didn't match government employment. In 1976, government still employed the most people in Anchorage but it comprised only 25 percent of the total. Trades and Services have grown immensely since the start of the pipeline due to Anchorage being an entry port for many people migrating to Alaska to find work. Alyeska was classified in services with its March offices located in Anchorage. Many other service corporations had their main offices in Anchorage.

Faibanks

Employment growth in the Fairbanks area was phenomenal, rising continuously for six quarters: the first quarter of'74 to the second quarter of 1975. (It is extremely unusual for Fairbanks not to experience a downturn in employment in the fourth and first quarters). In just one and one half years employment more than doubled. Since Fairbanks was the center of pipeline activity it can be assumed that most of this growth stemmed from the pipeline project. Like Anchorage, government employment dominated employment in 1970, but in 1976, employment was divided between construction, services, trades, transportation, and government. Mining and manufacturing have always been of minor importance in Fairbanks.

Upper Yukon & Barrow

In the Upper Yukon and Barrow areas mining was of major importance before the pipeline. These areas, being in the path of the pipeline, and having small economic bases to start with, experienced tremendous growth in construction employment which increased about 1000 percent: from 300 in 1970 to 3300 in 1976. Total employment in Upper Yukon increased almost 1,200 percent since 1970. The graph for Barrow reflects the high employment in 1969 caused by oil exploration (discovery) and initial build-up ("the false boom") for pipeline construction and the sharp drop in employment when the project was called off due to legal hangups in 1970.

Valdez–Chitina–Whittier

Employment activity in the Valdez–Chitina–Whittier boomed from '74 to '76, increasing almost 900 percent. Since Valdez is the southern terminus where petroleum is transferred to tankers, a lot of construction took place to make the port ready including docking facilities, central facilities and tank farm. In 1970, average construction employment was about 20 while in third quarter 1976 it was 6,700. There are permanent facilities at Valdez that require a sizable workforce after the end of the construction period.

Yukon–Koyukuk

The Yukon–Koyukuk area is also one of the areas where major prepipeline employment was government in 1970, but switched to construction in '74, '75, and '76. Total employment increased about 500 percent from 1,200 in '70 to 5,800 in '76. Construction grew from almost nothing to approximately four thousand in three years.

Less Affected Areas

Other areas in the state were not affected directly by the pipeline project although many of them grew at an accelerated rate. This growth was partially due to the large influx of people who could not find jobs on the pipeline but settled in other communities throughout the state upon finding jobs which developed from the momentum of an expanding statewide economy. Outside of the six principally impacted areas major growth occurred in the Juneau, Kodiak, Palmer–Wasilla–Talkeetna, and Sitka areas.

One thing that is obvious after a look at the graphs is the extreme seasonality in all areas of Alaska. Historically, the second and third quarters are usually times of high employment, while the first and fourth quarters experience low employment. In some areas

employment in the third quarter is almost triple the employment in the first quarter. This is especially true in those areas dependent on natural resources (primarily fishing and logging) for employment.

Aleutian Islands

The Aleutian Islands are an exception since its third and fourth quarters are times of high employment. Shell-fishing takes place at this time causing food processing employment to reach its peak then.

Bethel

Employment in Bethel increased steadily over the past several years but its economy is not quite as volatile as most other areas in the state. Over half of the employment here is government related – a major reason for the economic stability. Located in Bethel are regional offices for the Bureau of Indian Affairs, hospitals, and schools.

Bristol Bay

Bristol Bay has not experienced an increase in employment, and in 1974 was considered a depressed area caused by extremely poor salmon returns. Because fishing and food processing are the major industries in Bristol Bay, employment is extremely seasonal. Government is really the only other industry here.

Cordova–McCarthy

The Cordova–McCarthy area also has government and food processing as its major industries with food processing employment negligible from October through March. This area has experienced only slight growth since 1970.

Juneau

Employment in Juneau has grown steadily from '70 to '76. Most of this was due to the growth of state and local government and spin-off effects in support industries. Therefore, total employment increased about 3,800 in seven years. Most industries in Juneau are fairly stable except the construction industry which usually picks up in May and slows down in November.

Southeastern

Most of the other Southeastern areas – Sitka, Wrangell–Petersburg, Ketchikan, and Prince of Wales – have manufacturing as their main industry. Manufacturing in these areas consists of: food processing; and logging, lumber, and pulp processing. Both are very seasonal and account for the drastic peaks and valleys in employment. High government employment in these areas lends some stability to the economy. Both Ketchikan and Sitka experienced growth from '70 to '76 but Wrangell–Petersburg and Prince of Wales remained relatively stable.

Kodiak

Kodiak has grown a lot since '70 mostly because of the growth in canneries, fisheries, and food processing. Besides manufacturing, government is the only other large industry here.

Lynn Canal–Icy Straits

Manufacturing and Transportation are big in the Lynn Canal–Icy Straits area. Logging and lumber processing was healthy in past years in the Haines area, however current difficulties in this sector are showing adverse effects in total employment. Transportation is an important industry in both Haines and Skagway: Haines is the end of the Alcan Highway in Southeastern Alaska; Skagway is a stopping point for the White Pass–Yukon Railroad. This area did not experience much growth since '70.

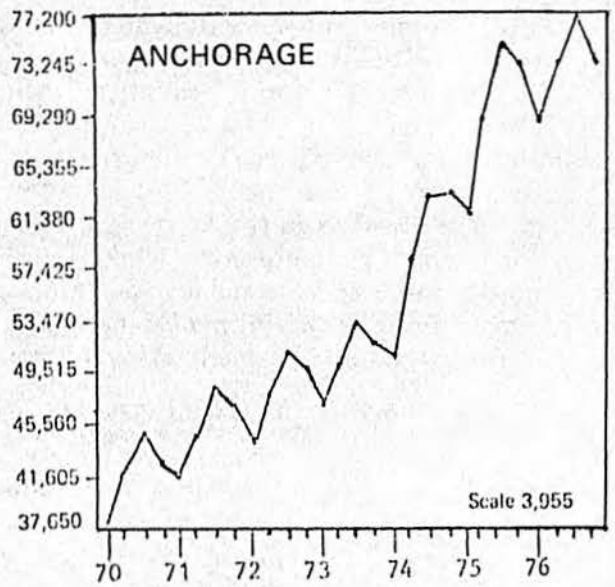
Seward, Wade Hampton

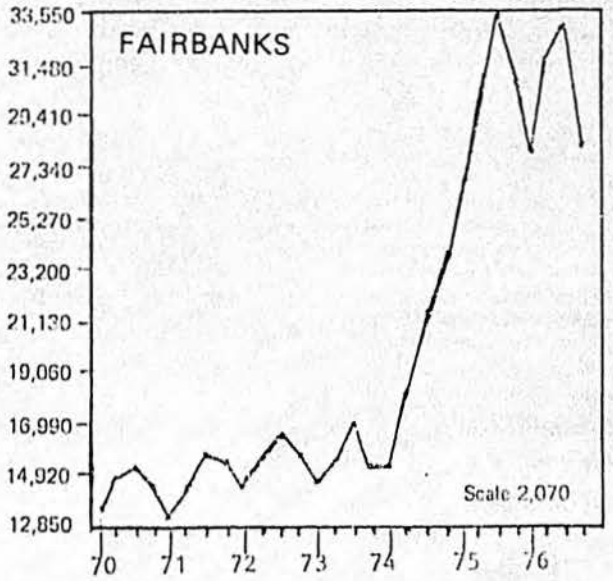
Government employment is predominant in both the Seward and Wade Hampton areas. Seasonal fluctuations in employment are caused by the food processing industry in the second and third quarters when fishing picks up. These areas also experienced relatively small growth in seven years.

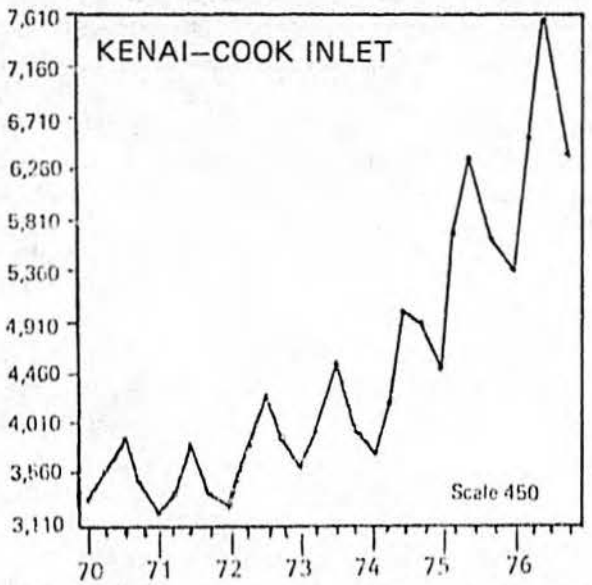
Kobuk, Kuskokwim, Nome

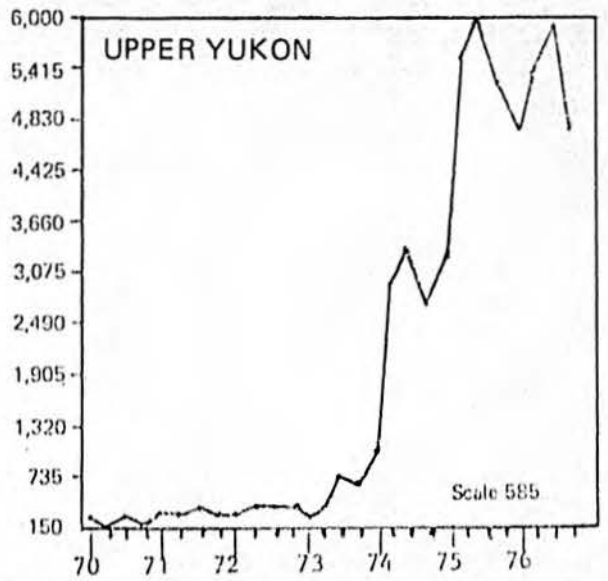
Kobuk, Kuskokwim, and Nome have grown a little from '70 to '76, but they have very few private industries. Nome gold mine operations, due to recent revival, stimulates employment in the summer and there is limited construction activity. Usually, these areas' main sources of employment are government related with services, transportation, and trade to support it.

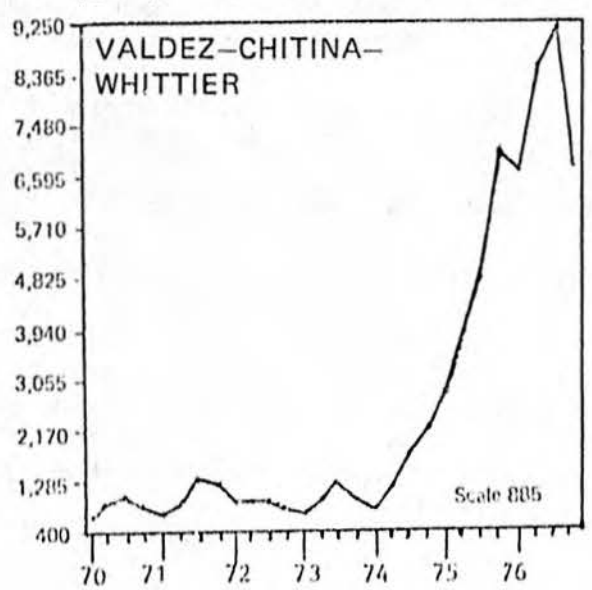
TOTAL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT BY AREA 1970 – 1976

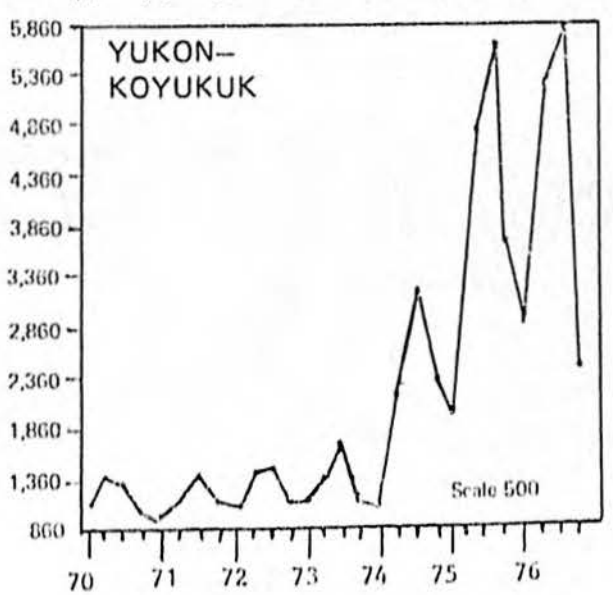












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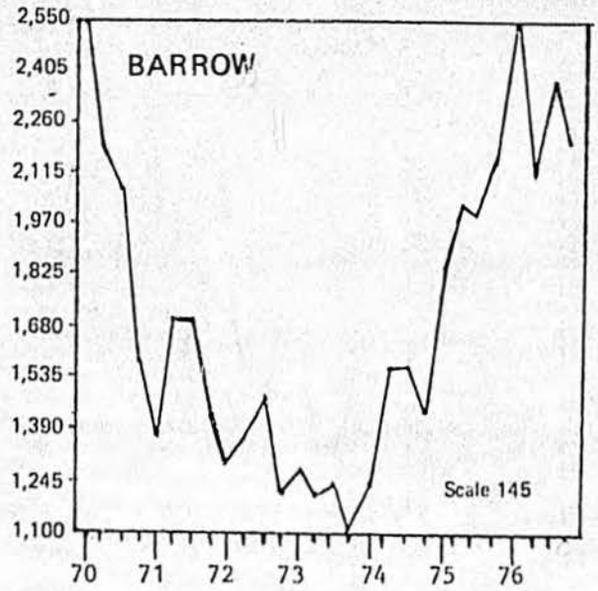
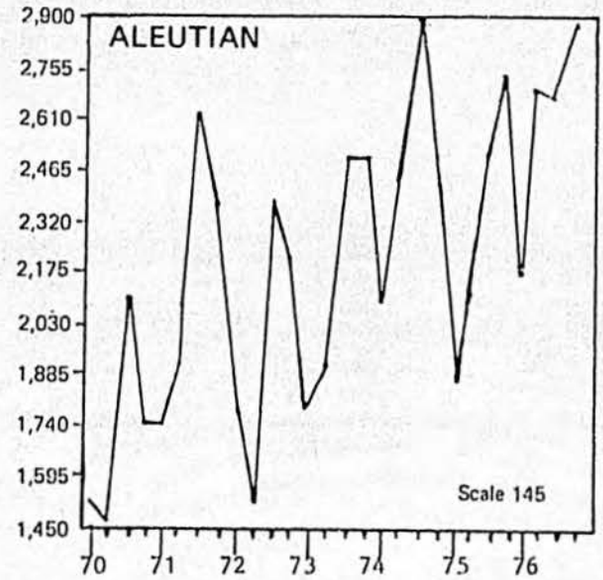
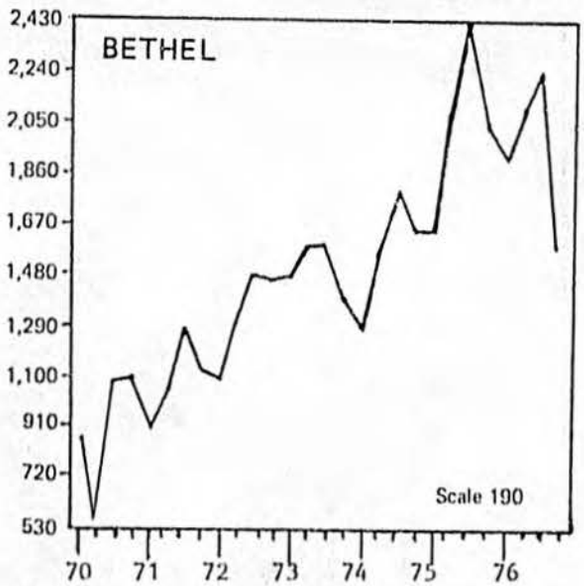
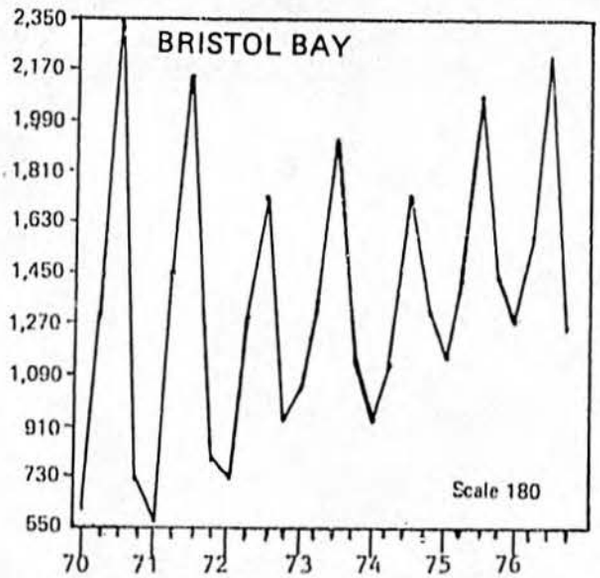
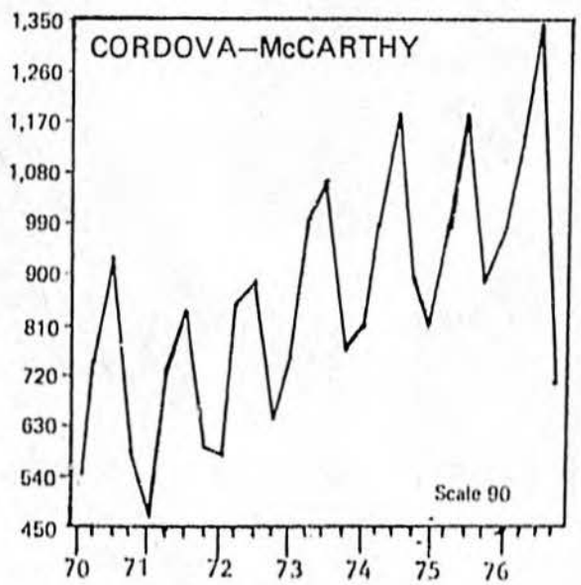
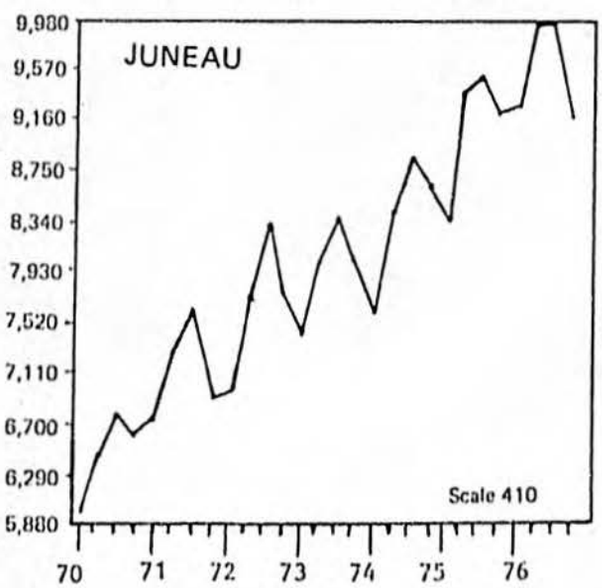




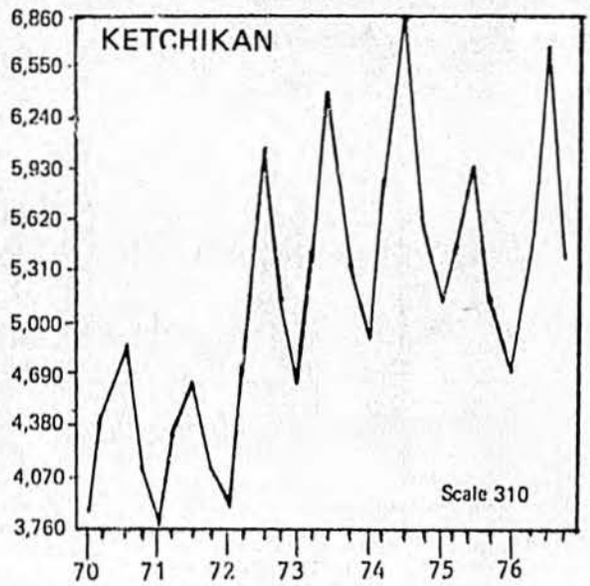


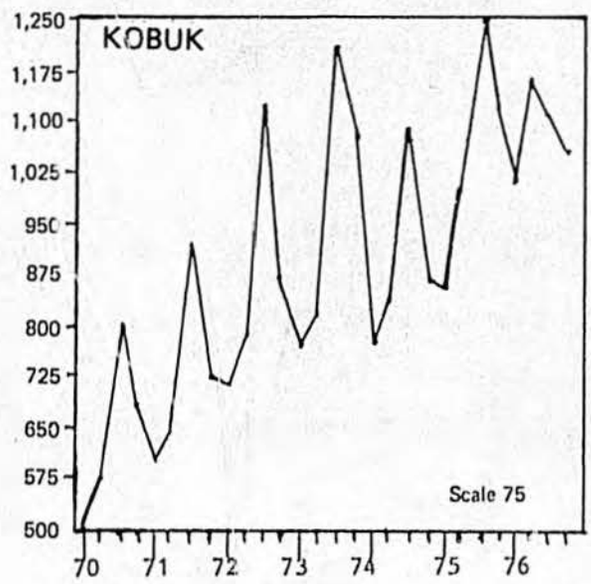


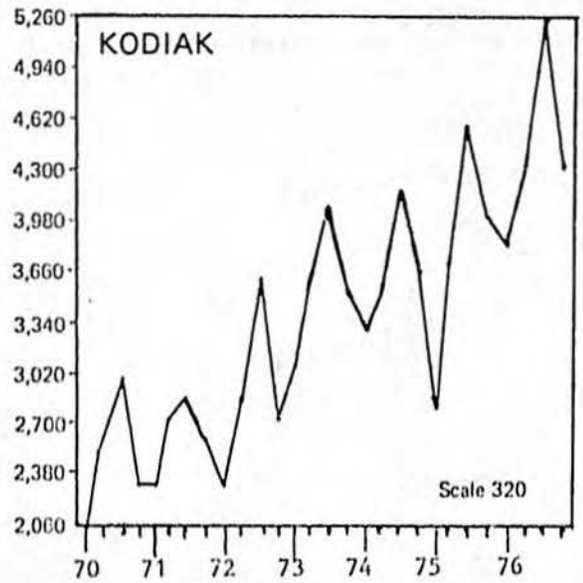


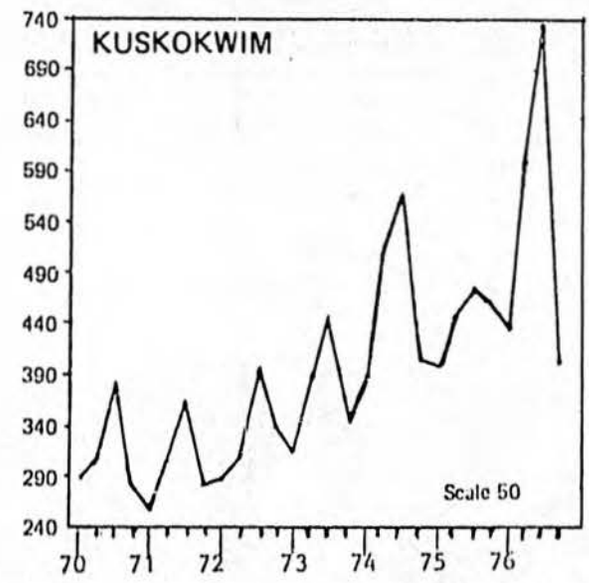


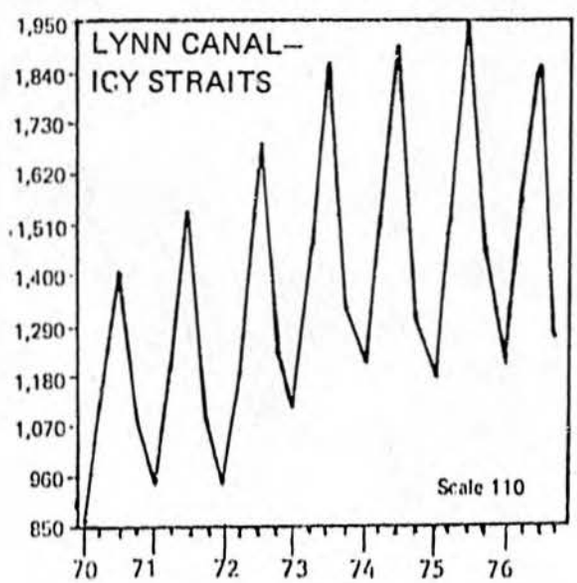
TOTAL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT BY AREA 1970 – 1976

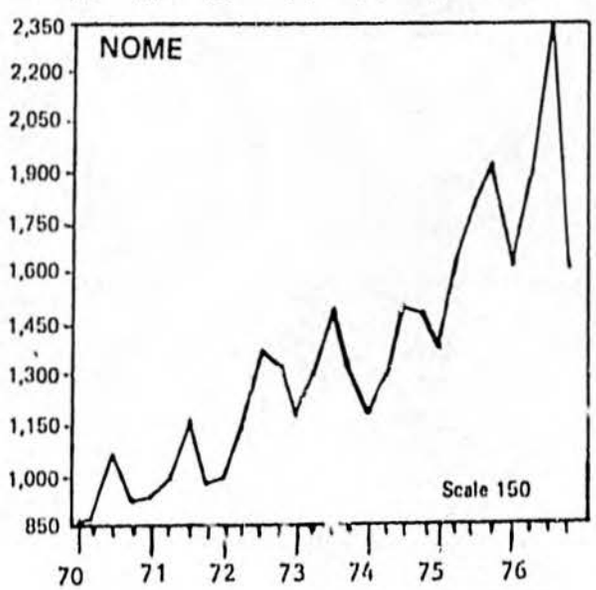




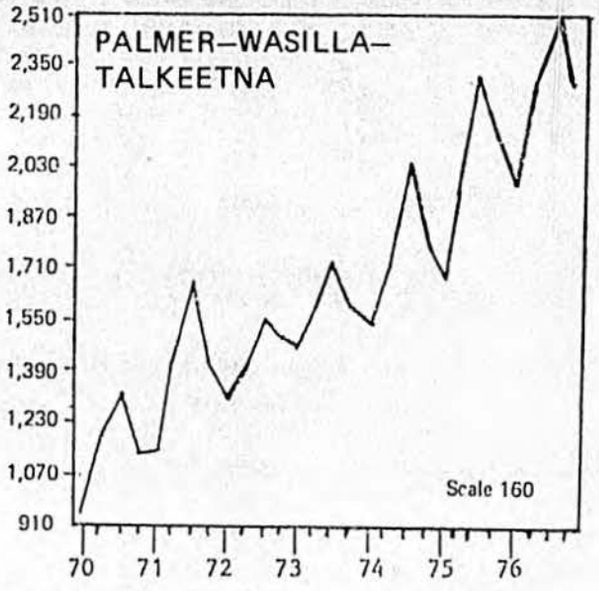


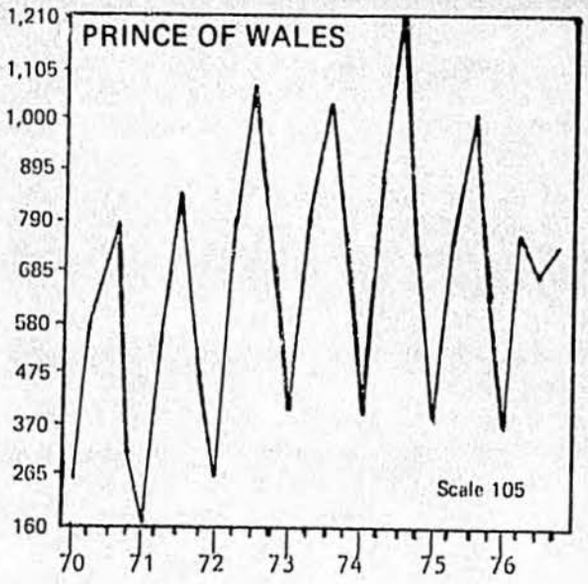


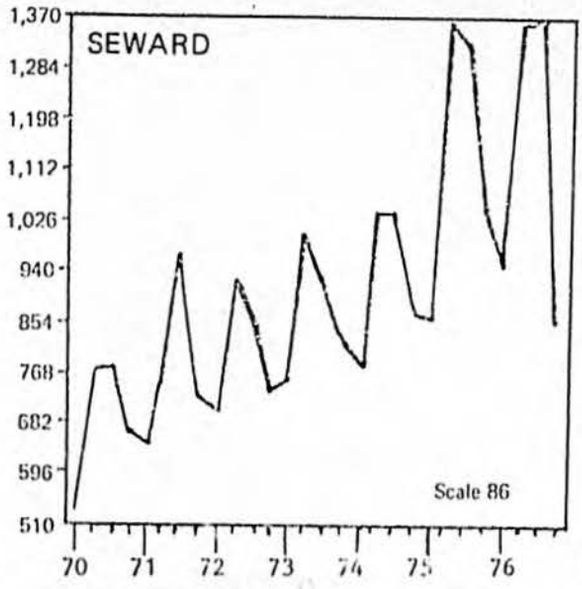


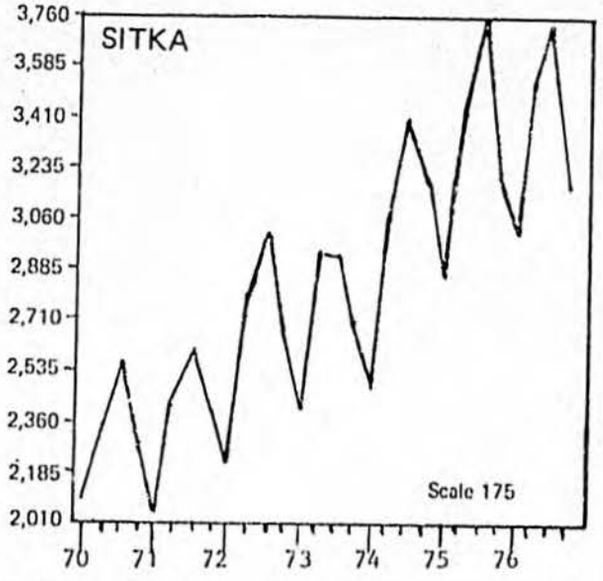


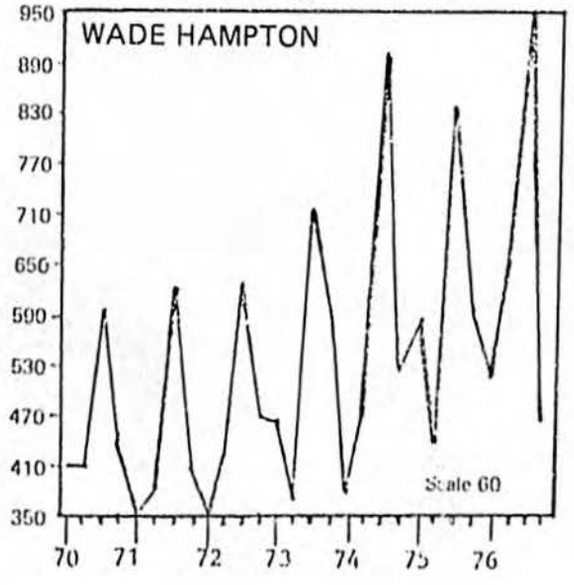
TOTAL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT BY AREA 1970 – 1976

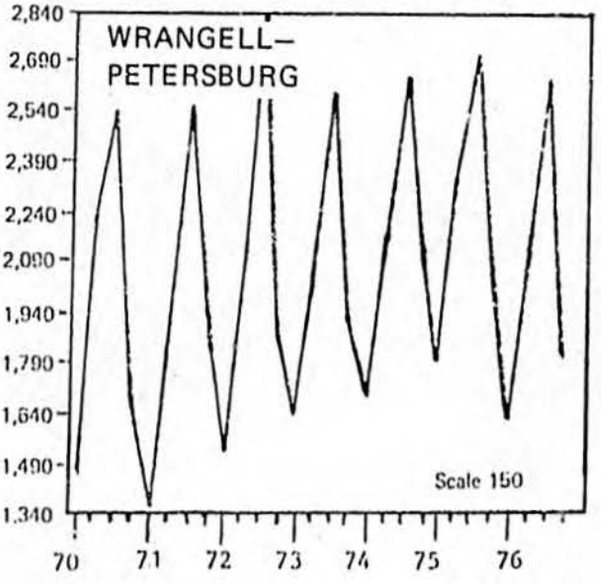












Palmer–Wasilla–Talkeetna

The Palmer–Wasilla–Talkeetna area grew steadily from '70 to '76 in all industries except mining and manufacturing which are of minor importance here. Palmer is near the site for the new capital besides being close to the rapidly expanding Anchorage area. It is also one of the key agricultural centers in the state. All these factors have caused a steady growth over the past seven years in this area.

Kenai–Cook Inlet

Most Employment in the Kenai–Cook Inlet area was dependent on the Mining and Manufacturing industries in 1970. With the pipeline came a lot of construction employment so that it is now almost as vital an industry as mining and manufacturing. The food processing and construction industries make employment in this area very seasonal.

Prognosis

Those areas which were affected most by the pipeline project will also experience more post-pipeline unemployment than other areas. Unless there is a stable economic base – a foundation for employment – these areas will probably experience a serious recession. Anchorage and to some extent Fairbanks have a stable economic base and although they will experience a rise in unemployment more serious economic downturns will occur in Upper Yukon, Barrow, and Yukon–Koyukuk. Employment should remain fairly stable in Valdez as it is the southern terminal for the pipeline and has permanent facilities there.

UNEMPLOYMENT INSURANCE ANALYSIS

The Unemployment Insurance (UI) Program in Alaska experienced some interesting changes since the commencement of the pipeline project. Before an analysis can be made, however, three components of the program must be introduced and defined. These are Intrastate, Interstate Liable, and Interstate Agent categories of UI claims.

Intrastate claims are claims filed in the state of Alaska and paid by the state of Alaska. People filing these claims live and have recently worked in Alaska.

Interstate Liable claims are those that are filed in another state but are paid by the state of Alaska. These claims are filed by people who had worked in Alaska, became unemployed, and moved to another state.

Those claims which are filed in the State of Alaska but paid by another state are Interstate Agent claims. People filing these claims have moved to Alaska but are receiving unemployment insurance from the state where they were last employed. In summary:

Claims	Paid By	Filed In
Intrastate	Alaska	Alaska
Interstate Liable	Alaska	State where now residing
Interstate Agent	State where previously Employed	Alaska

Figure J shows average covered employment across the state and total UI weeks filed in Alaska (Intrastate and Interstate Agent claims). Total covered employment more than doubled from 1970 to 1976 with most of the growth occurring between 1974 and 1976. Much of this growth was due to the large influx of pipeline construction workers covered by Unemployment Insurance. Total weeks claimed in Alaska jumped to an average of 42,000 monthly in 1976 as opposed to an average of 20,000 monthly in 1970.

FIGURE J

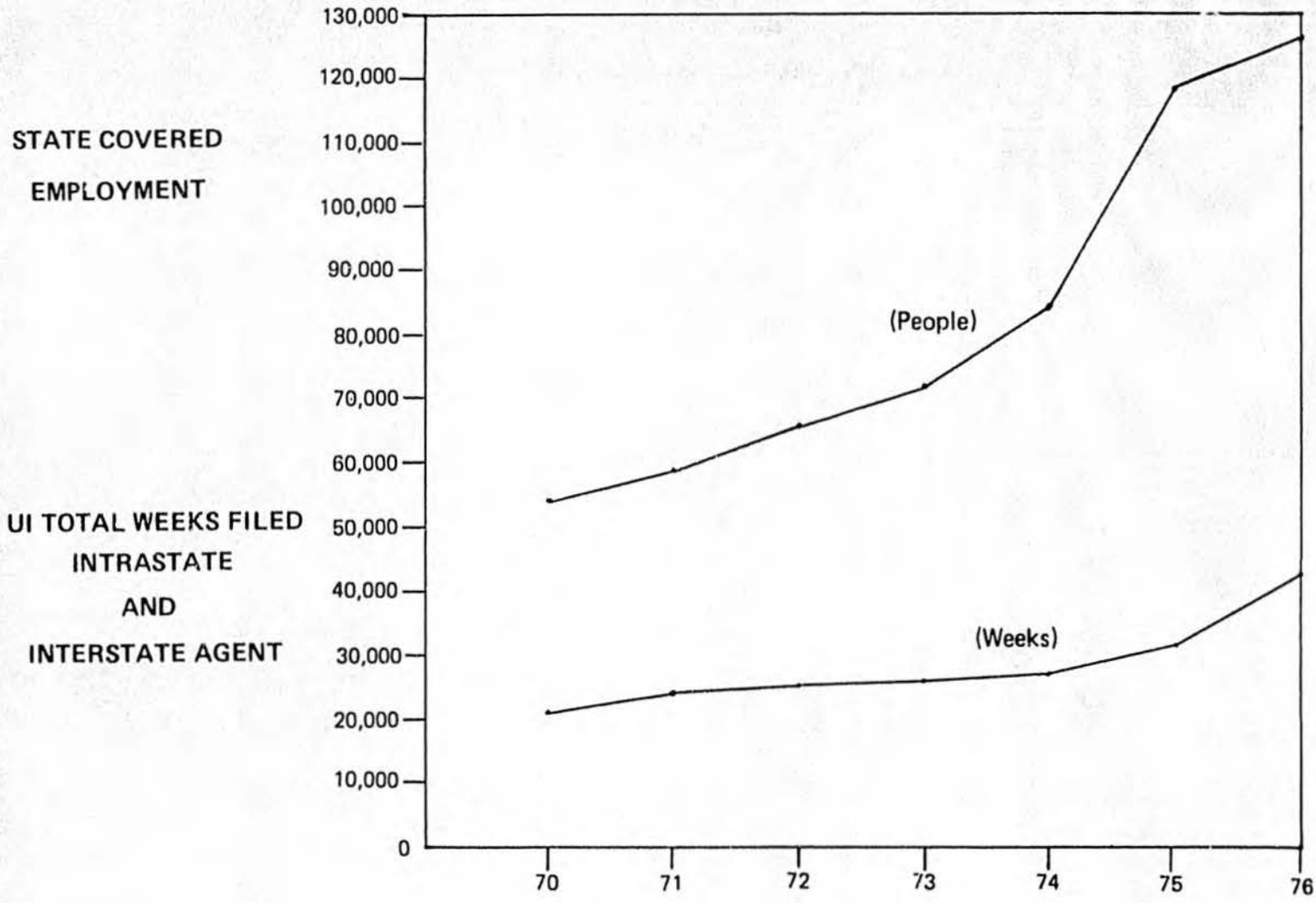
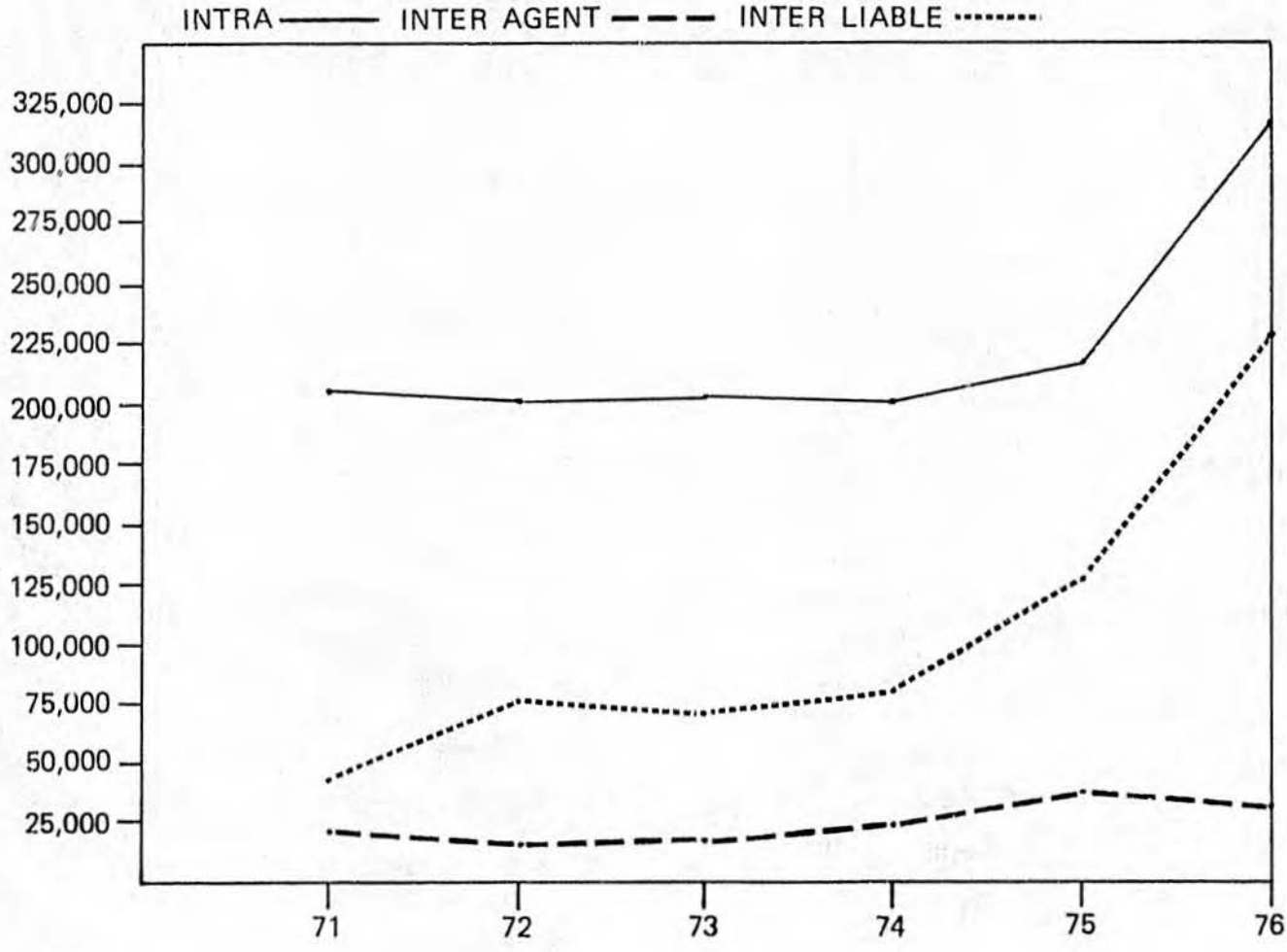


Figure K breaks down continued weeks claimed into Intrastate, Interstate Agent, and Interstate Liable. This graph gives a good idea as to what sort of effect the pipeline had on the Unemployment Insurance program. Interstate Agent claims were relatively stable in '71, '72, and '73; rose in '74 and '75; then declined again in 1976. In 1974 and 1975 many of unemployed from other states came to Alaska seeking jobs on the pipeline. They were still claiming Unemployment Insurance in their old state but filing in Alaska causing the Interstate Agent claims to rise. As expected, while Interstate Agent claims were decreasing in 1976, Interstate Liable claims expanded immensely. Many of the people who moved to Alaska to work on the pipeline had worked long enough to qualify for Unemployment Insurance here. At the end of 1976 when the pipeline project was near completion, many workers (especically construction) were laid off. These people then migrated to one of the southern 48 states and were paid Unemployment Insurance compensation by Alaska. Interstate Liable Claims increased from about 75,000 weeks to 225,000 weeks in just a three year period ('74–'76) and are now not far behind Intrastate weeks claimed. This means that almost as many people are drawing Alaska Unemployment Insurance compensation outside the state (non-residents) as there are people drawing compensation in-state (residents).

FIGURE K

CONTINUED CLAIMS (Weeks)

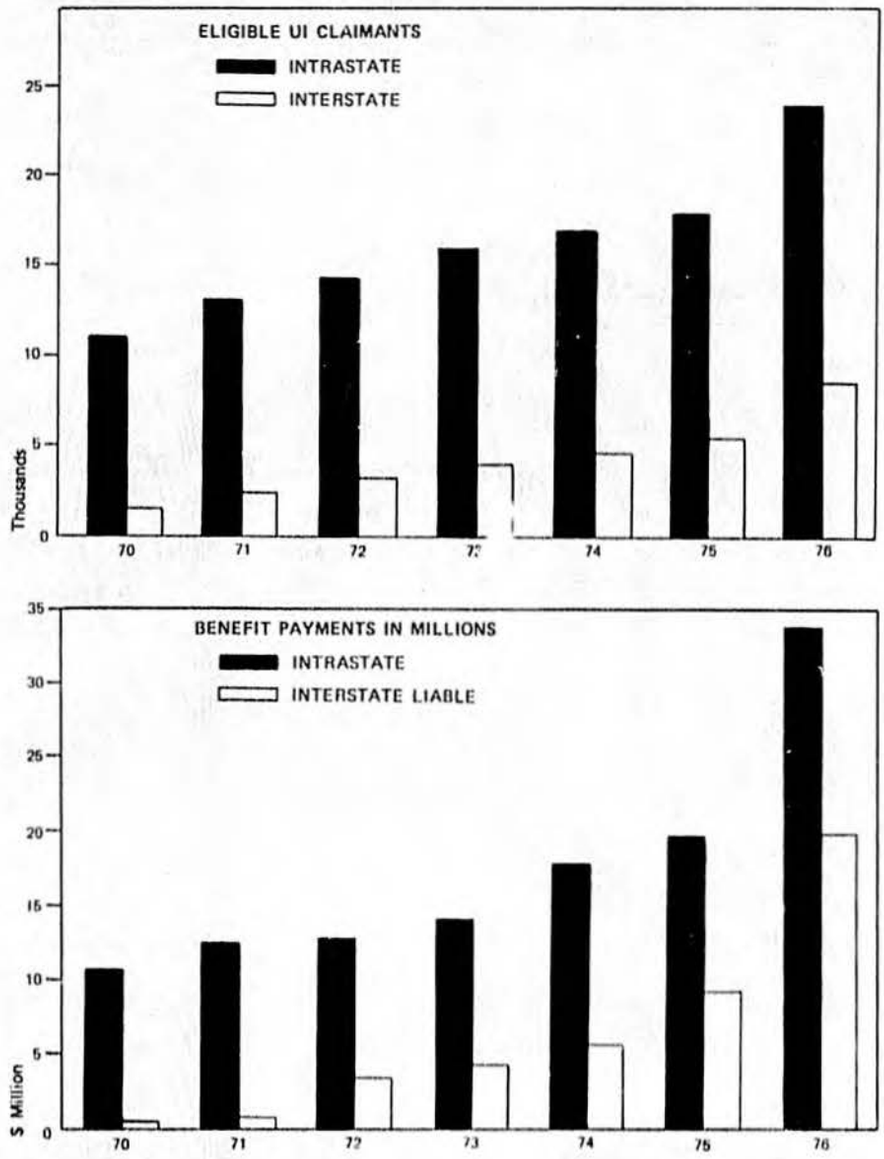


Intrastate claims grew tremendously from '75 to '76: increasing about 100,000. Many Alaska residents were laid off near the fourth quarter of 1976 making it necessary for them to draw Unemployment Insurance.

Figure L shows the number of eligible claimants in thousands and the amount of Benefit Payments in millions of dollars for Intrastate and Interstate Liable from '70 to '76. These charts reflect the huge increases of participation in the Unemployment Insurance program since 1970. It should be noted that benefit amounts were raised in 1973 causing much of the increase in benefit payments.

Participation in the Unemployment Insurance program cannot continue to climb (provided there is not another huge construction project in the near future). In a short while many of the people who are now drawing unemployment will exhaust their benefits. They will have to quit drawing unemployment insurance causing total participation in the program and total payments to drop.

FIGURE L



STATE MANPOWER PROFILE FOR ALASKA

Population:	July 1, 1976	413,289 – a 36.7 percent gain since 1970. – U.S. increased 5 percent over the same period.
Civilian Labor Force:	1976 Average	198,946 – a 10.6 percent gain over 1975. – U.S. increased 2.4 percent over 1975.
	March, 1977 estimates	190,870 – a 4.1 percent decrease from the 1976 average. – U.S. increased 1.8 percent over the 1976 average.
Nonagricultural Wage and Salary Employment:	1976 Average	171,078 – a 6.1 percent gain over 1975. – U.S. increased 2.4 percent over 1975.
	March, 1977 estimates	154,700 – a 9.6 percent decrease from the 1976 average. – U.S. shows 1.3 percent increase over 1976 average.
Manufacturing Employment:	1976 Average	10,331 – a 7.6 percent gain over 1975. – U.S. increased 3.3 percent over 1975.
	March, 1977 estimates	9,300 – a 10 percent decrease from the 1976 average. – U.S. increased 1.1 percent over 1976 average.

EMPLOYMENT IN MAJOR ALASKAN INDUSTRIES: 1976 Average

Government	47,100
Construction	30,200
Services	27,800
Trade	25,600

UNEMPLOYMENT RATES:

	Total	% of Labor Force
Alaska 1976 Average	21,000	10.6
March, 1977 est. for Alaska	30,200	16.0
U.S. 1976 Average	7,302,000	7.7
March, 1977 est. for U.S.	7,100,000	7.3

EMPLOYMENT DEVELOPMENTS

The last full year for major pipeline employment was 1976. Employment in the state of Alaska had been increasing, and most of the State had been prospering, while the "lower 48" had been coming out of the recession. The situation this year will be slightly reversed.

Employment has decreased drastically from one year ago. Although from February of 1977 to March of 1977 there was an amazing increase in total employment of 5,900, total employment was down 8,000 from March 1976. (See Table 1.) The main reason for this decrease was a slowdown in pipeline activities, which was completed in June of 1977. March of 1977 was the last month for hiring on the pipeline, causing the huge increase in employment between February and March. April has shown a decline in employment because certain pipeline activities have ceased. Employment through the summer will remain relatively stable but will decline through the fall and winter.

From March 1976 to March 1977, total Nonagricultural Wage and Salary Employment dropped 7,400 – a substantial decrease. Even though mining and manufacturing employment increased by 1,300 apiece, construction employment offset this with a decrease of 5,100. Transportation, Communications and Public Utilities employment decreased about 900 over the same period. The service industry is an easy entry, easy exit type of industry; the 3,400 drop in employment in services and miscellaneous is indicative of this. When the pipeline activity started to decline, many of these services made their exit. While wholesale trade was decreasing, retail trade was increasing, therefore, there was a total decrease in the trade industry of only 100. The rest of the industries employment statewide declined only slightly over the past year.

TABLE 1

State of Alaska Labor Force Summary
by Place of Residence

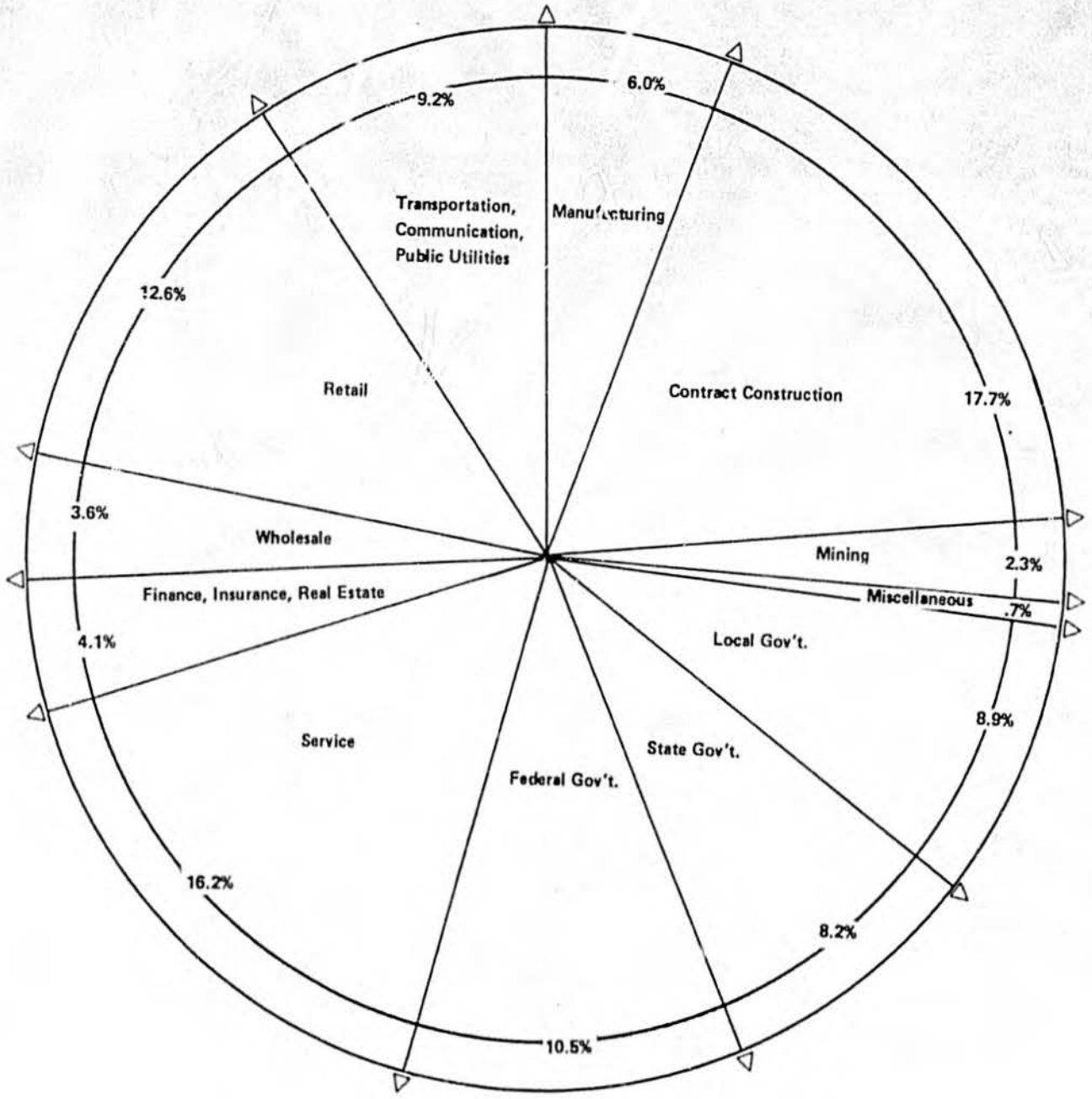
				Change From	
	Mar. 1977	Feb. 1977	Mar. 1976	Feb. 1977	Mar. 1976
Civilian Labor Force	190,850	184,800	192,450	+6,050	-1,600
Unemployment	30,400	30,250	24,000	+ 150	+6,400
Percent of Labor Force.....	15.9	16.4	12.5		
Total Employment.....	160,450	154,550	168,450	+5,900	-8,000

TABLE 2

Total Nonagricultural Wage and Salary Employment by Industry for State of Alaska.

Industry	March 1977	March 1976	Change
Total	154,700	162,100	- 7,400
Mining	5,100	3,800	+1,300
Construction	21,700	26,800	- 5,100
Manufacturing	9,300	8,000	+1,300
Trans., Comm., P.U.	14,300	15,200	- 900
Trade	26,000	26,100	- 100
Wholesale	5,400	5,100	700
Retail	20,600	20,000	+ 600
Finance, Insurance, R.E.	7,300	6,600	+ 700
Service & Miscellaneous	25,100	28,500	- 3,400
Government	45,900	47,100	- 1,200
Federal	17,500	17,700	- 200
State	14,500	13,800	+ 700
Local	13,900	15,600	- 1,700

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
INDUSTRY PERCENTAGE
1976



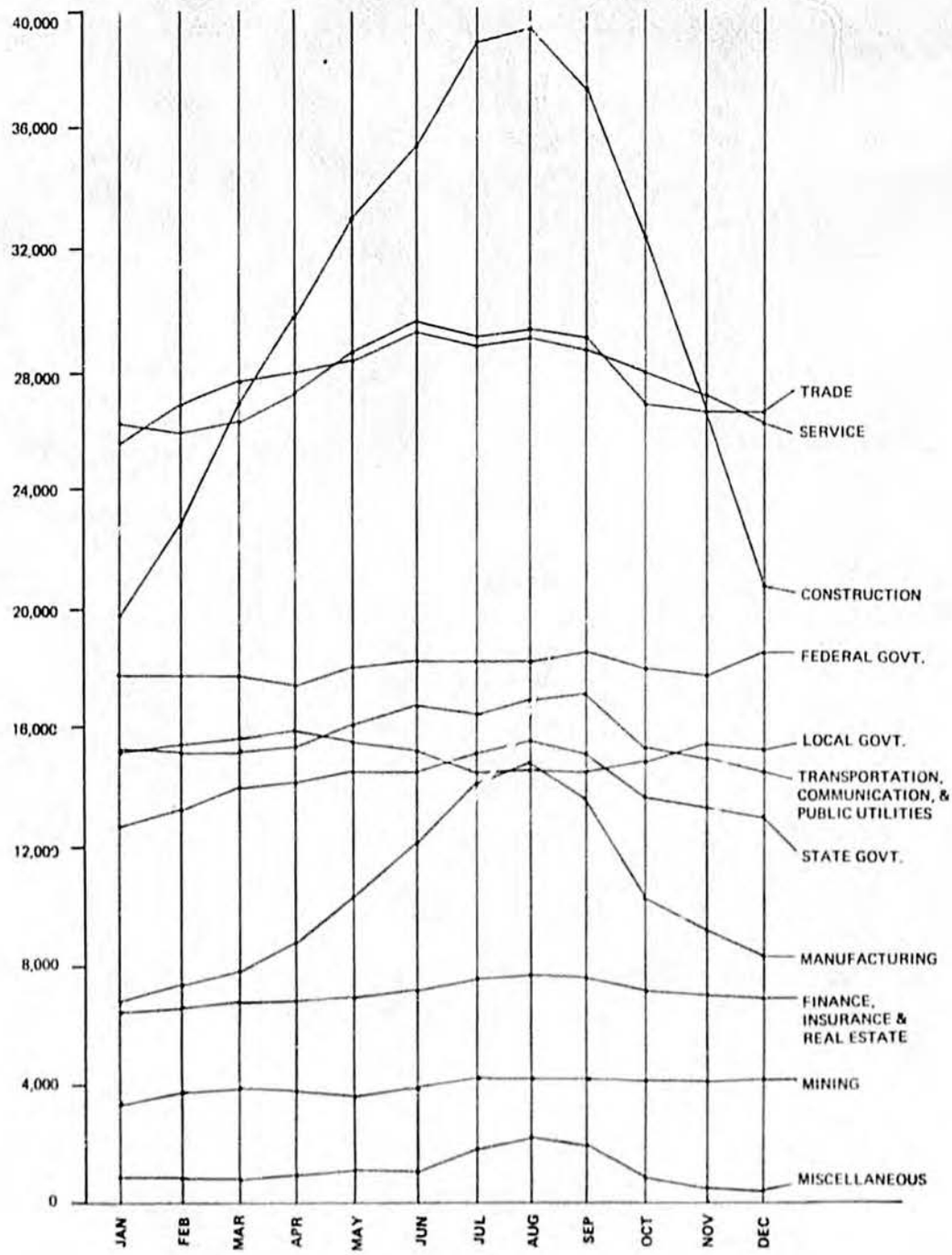
The pie chart shows the percentage of Total Nonagricultural Wage & Salary Employment by Industry for 1976.

EMPLOYMENT TRENDS

During a typical year in Alaska, employment peaks out in August after which it dwindles to its lowest point in either December or January when it starts to rise again. (See Figure A). This trend is also true of most of the other states, but it is more noticeable in Alaska because of the great degree of seasonality caused by the extreme changes in the weather.

The **Contract Construction** industry is the most seasonal industry in the state. Employment can vary by as much as 20,000 in just a few months time. A great percentage of all construction in Alaska ceases when freezing weather arrives. Freezing weather occurs in and around Fairbanks as early as September, the Anchorage area often starts freezing in October, and Juneau and Southeast Alaska construction operations are usually slowing down by November. As soon as the weather is ripe for construction, hiring begins again. This situation is

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT BY INDUSTRY, 1976



sometimes partially remedied by building the shell of the project in the summer, making it possible for construction to continue inside the shell during the winter months.

Mining, although a small industry in Alaska, is also very seasonal. Hardrock mining virtually ceases during the wintertime, however, these decreases in mining employment are offset by on–shore oil drilling activity which in many cases must be done during the winter months. As much oil exploration is done in enviromentally sensitive areas, drilling for oil can best be done when the ground surface is frozen and therefore less subject to environmental damage. Off–shore oil drilling is possible the year around. These conditions tend to stabilize employment in some sectors of the mining industry.

Food Processing, Logging, Lumber, and Pulp are the main sources of manufacturing in Alaska. Employment in the food processing sector is closely related to fishing activity. Commercial fishing for salmon, halibut, etc., lasts from about June through September. Crabbing takes place all year, except in the spring which is the molting season. Other shell fishing occurs during the winter months in the Petersburg, Kodiak, and Aleutian vicinities. Logging operations are usually down in the wintertime, depending on the weather. Since the bulk of Alaska's lumber products are exported to Japan, long term employment trends in lumber and pulp operations vary according to local and Japanese market conditions. Lumber and pulp milling operations have little seasonality due to stockpiling of raw logs, but seasonality conditions in the food processing and logging industries generally cause total manufacturing employment to fall during the winter months.

Communications and Public Utilities employment is stable throughout the year, but **Transportation** is a different matter. Both air and marine transportation increases in the summer because of tourism and shipping of building materials and consumer goods during peak months of activity. There is a noticeable decline in water transportation during the wintertime. Barge traffic in the Northern coastal areas is only open for a few weeks during each summer because of the shifting ice pack, while in southern coastal areas year round activity exists, but at greatly reduced levels during the winter months. Bush air travel slows up considerably in the winter because of bad weather and general winter downturn, and all air transportation is reduced during the winter months when the level of economic activity subsides.

Retail Trade shows little seasonality but it does move with the tide of population and tourism. Population usually swells in the summer because students return from school when the weather is more conducive to outside work and job prospects are better. Tourism also increases in the summer during peak travel and vacation times. Tourism, a very important industry in Alaska, is one major reason why retail trade is at its best from May through September. Trade usually dips in October, but rises in November and December because of Christmas activity, after Christmas there is a slight decline until May when the cycle repeats itself.

Wholesale Trade tends to follow the course of the construction, heavy industries, and retail trade; therefore, its heaviest season is also summer.

Services such as theatres, garages, doctors and lawyers remain relatively constant all year. Business services which cater to the construction industry have their heaviest season in the summer. Hotels, motels and restaurants are busiest when tourism is at its peak.

Finance, Insurance and Real Estate experiences little seasonality. Employment remains fairly constant year around.

State and Federal Government increases slightly in the summer because of the hiring for road maintenance and fire fighting. **Local Government** may experience a drop in employment May through August because of the lay–off of school teachers. All government levels usually maintain their employment all year, and because government is a very large industry in Alaska, this tends to have a stabilizing effect on the economy.

TABLE 3

STATE OF ALASKA RESIDENT LABOR FORCE, UNEMPLOYMENT AND EMPLOYMENT 1976
HANDBOOK METHODOLOGY (NON–CPS ADJUSTED)*

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual Average
Total Civilian Workforce	178,200	183,600	192,400	195,800	205,900	212,700	215,400	218,900	212,200	202,800	193,400	185,400	199,700
Work Stoppages													
Total Unemployment	22,800	22,500	24,000	20,800	21,800	21,700	18,300	18,400	17,800	18,800	22,300	23,600	21,000
Percent of Workforce	12.8	12.2	12.5	10.6	10.6	10.2	8.5	8.4	8.4	9.3	11.6	12.8	10.6
Total Employment	155,400	161,100	168,400	175,000	184,100	191,000	197,100	200,500	194,400	184,400	171,100	161,800	178,700
STATE OF ALASKA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1976 BY PLACE OF WORK													
Nonag. Wage & Sal. Emp.	149,700	155,300	162,100	168,300	176,400	183,300	188,800	192,500	187,400	171,800	162,900	154,500	171,100
Mining	3,400	3,700	3,800	3,700	3,600	3,900	4,300	4,300	4,300	4,200	4,100	4,200	4,000
Contract Construction	19,900	22,800	26,800	29,800	33,000	35,400	38,700	39,400	37,300	32,400	26,400	20,900	30,200
Manufacturing	6,800	7,500	8,000	9,000	10,500	12,000	14,100	14,800	13,100	10,300	9,400	8,500	10,300
Trans-Comm & P.U.	15,200	15,200	15,200	15,400	16,100	16,700	16,500	16,900	17,100	15,300	15,000	14,500	15,800
Trade	26,100	25,800	26,100	27,300	28,600	29,600	29,000	29,400	29,000	26,800	26,500	26,500	27,600
Wholesale Trade	6,000	6,000	6,100	6,200	6,200	6,400	6,200	6,300	6,100	6,000	5,800	5,800	6,100
Retail Trade	20,100	19,700	20,000	21,100	22,400	23,200	22,800	23,100	22,900	20,800	20,700	20,700	21,500
Finance-Ins. & R.E.	6,400	6,500	6,600	6,700	6,900	7,300	7,700	7,900	7,700	7,300	7,200	7,100	7,100
Service	25,500	26,700	27,600	28,000	28,500	29,200	28,700	29,000	28,700	28,000	27,200	26,400	27,800
Miscellaneous	900	900	900	1,000	1,200	1,200	1,900	2,300	2,000	1,000	600	500	1,200
Federal Government	17,700	17,700	17,700	17,500	18,000	18,300	18,300	18,300	18,500	18,000	17,700	17,600	17,900
State Government	12,600	13,200	13,800	14,000	14,500	14,500	15,100	15,500	15,100	13,600	13,400	13,000	14,000
Local Government	15,200	15,400	15,600	15,900	15,500	15,200	14,500	14,700	14,600	14,900	15,400	15,300	15,200

* Handbook methodology is a 70 step procedure used to determine the Civilian Labor Force. This is not CPS (Current Population Statistics) adjusted.

UNEMPLOYMENT TRENDS AND CHARACTERISTICS

Approximately 96 percent of all workers in Alaska are engaged in Nonagricultural Wage and Salary Employment, 85.7 percent of which are covered by Unemployment Insurance. Because data on total unemployment is very hard to gather and may not be extremely accurate, this section will be concerned only with the insured unemployed.*

Some industries create more unemployment than others. The relationship of each industries' Insured Unemployment Rate (IUR) to the state total IUR can provide some insight to the degree unemployment is created within that industry. If an industries' IUR deviates positively from the state IUR, than that industry creates higher unemployment than is the average for the state. Correspondingly, if the industries' IUR deviates negatively from the state IUR, then that industry creates less unemployment than the state average, and thus tends to more stabilize the state's economy.

Figure B shows that four industries in Alaska deviate positively from the state IUR: construction, food processing, mining (other than gas and oil) and log, lumber and pulp (which deviates positively only part of the year). The impact of each of these industries on the state total IUR varies. In 1976, construction employed 22.3 percent of all covered employment in the state, whereas food processing employed only 3.7 percent, log, lumber and pulp only 3.0 percent, and mining only 0.3 percent. Since construction employs the greatest number of covered employment in the state, and its annual average IUR deviates farthest from the state IUR, it can be assumed that construction is a major contributor in creating unemployment and affecting the pattern and rate of the state IUR.

Insured unemployment represents those people filing claims under various state unemployment insurance programs. Generally, to be included in the insured unemployment count, the jobless claimant must have been on a payroll of a firm covered by unemployment insurance prior to becoming unemployed; employment must have ended involuntarily; he or she must have had a requisite level of earnings; and a sufficient period of covered employment during a certain period. In addition, the claimant must be actively seeking work and must be ready to accept suitable employment during any week for which he or she is eligible for benefits.

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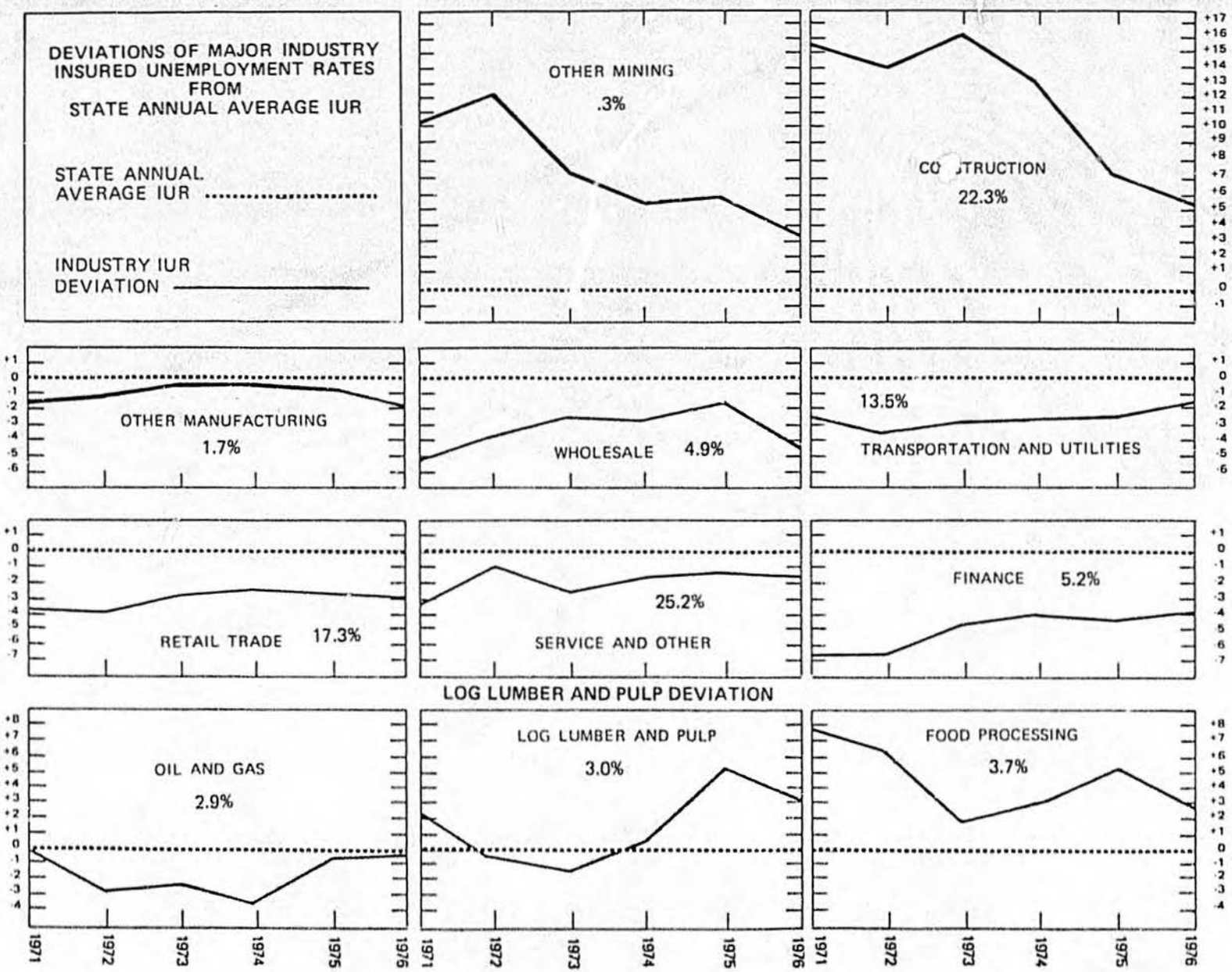
*Insured unemployment does not necessarily reflect total unemployment. In addition to those who are not currently covered by unemployment insurance, such as state and local government, agricultural and domestic workers, many of the unemployed who do not show on UI statistics are high school and college graduates who have never before held permanent positions making it impossible for them to quality for unemployment insurance. Others in this predicament are women returning to the labor market, those insured who have exhausted their benefits, and those who are insured but who do not feel that filing for benefits is personally acceptable. Therefore, the total number of the insured unemployed represents only about half of the total unemployment. A review of insured unemployment data will give the impression that most of the unemployed are older males since they currently make up the bulk of the unemployed that are insured. In reality, most of the unemployed are actually younger people in the age group of 18–24 who have not had sufficient work experience to qualify for unemployment insurance.

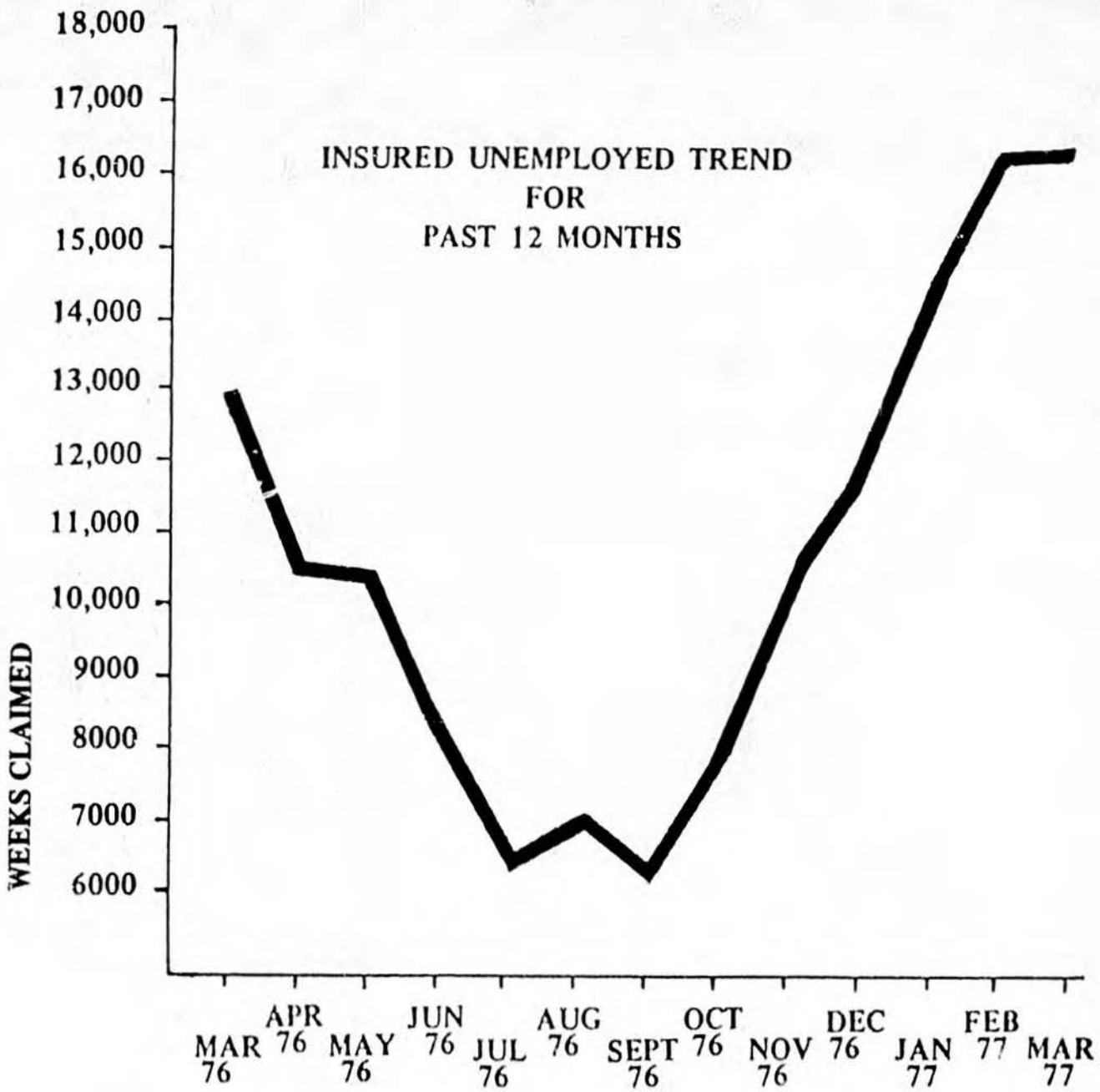
Insured unemployment will more closely approximate total unemployment in the near future due to extension of unemployment insurance coverage to state and local government workers and certain agricultural and domestic workers.

FIGURE B


DEVIATIONS OF MAJOR INDUSTRY INSURED UNEMPLOYMENT RATES FROM STATE ANNUAL AVERAGE IUR
STATE ANNUAL AVERAGE IUR
INDUSTRY IUR DEVIATION
OTHER MINING .3%
CONSTRUCTION 22.3%
OTHER MANUFACTURING 1.7%
WHOLESALE 4.9%
13.5%
TRANSPORTATION AND UTILITIES
RETAIL TRADE 17.3%
25.2%
SERVICE AND OTHER
FINANCE 5.2%
LOG LUMBER AND PULP DEVIATION
OIL AND GAS 2.9%
LOG LUMBER AND PULP 3.0%
FOOD PROCESSING 3.7%
1971
1972
1973
1974
1975
1976

Because economic activity is greatest in Alaska from July through September, insured unemployment tends to be lowest at that time. Figure C shows the insured unemployment trend from March 1976 to March 1977. Unemployment steadily decreased from March till July, and steadily increased from September through the next March. Insured Unemployment was considerably higher in March of 1977 than March of 1976 probably due to a decrease in economic activity caused by the near completion of the pipeline.

FIGURE C

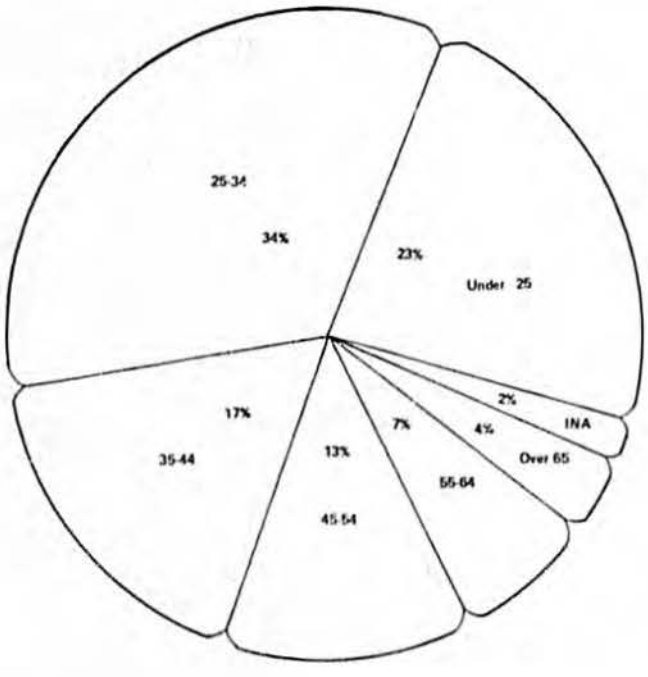


The Insured Unemployed in Alaska are represented by both sexes, all ages, all occupations, and from every industry; however, a close look at the pie charts reveals that a large portion of the insured unemployed are men, between the ages of 25 and 44, whose occupation is structural work, and who had last worked in the construction industry. Table 4 shows total weeks claimed for one year from April 1976 to March 1977. The percentage of weeks claimed by women is also calculated in that table. Most of the unemployed women are more evenly distributed throughout all age categories; their occupation is usually in clerical, sales or services; and their last job was in either the Finance, Insurance and Real Estate or Services Industries.

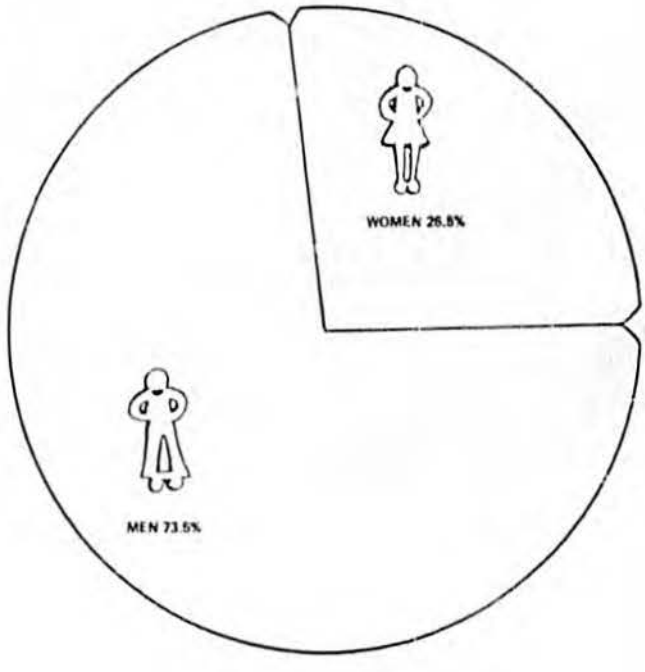
Table 5 shows characteristics of the insured unemployed taken from the 203 survey which counts the number of weeks claimed for March of 1977. Total weeks claimed in March of 1977 was 3,500 more than last year at the same time.

March data shows that 75 percent of all weeks claimed for 1977 were from claimants 45 years old and under. This is comparable to March 1976 data. The largest percentage increase in weeks claimed from March 1976 to March 1977 was in the less than 25 years category; an addition of 1336 weeks claimed resulted in a 50.9 percent increase. Weeks claimed by the 25–34 age category ranked second with a percentage increase of 32.3. There was virtually no change in the number of claims filed by those in the 65 years and over category. The ratio of all women claimants to total claimants in March 1977 average 21.9 percent which was a small increase over the 21.2 percent average of March 1976.

PERCENTAGE OF WEEKS CLAIMED BY AGE



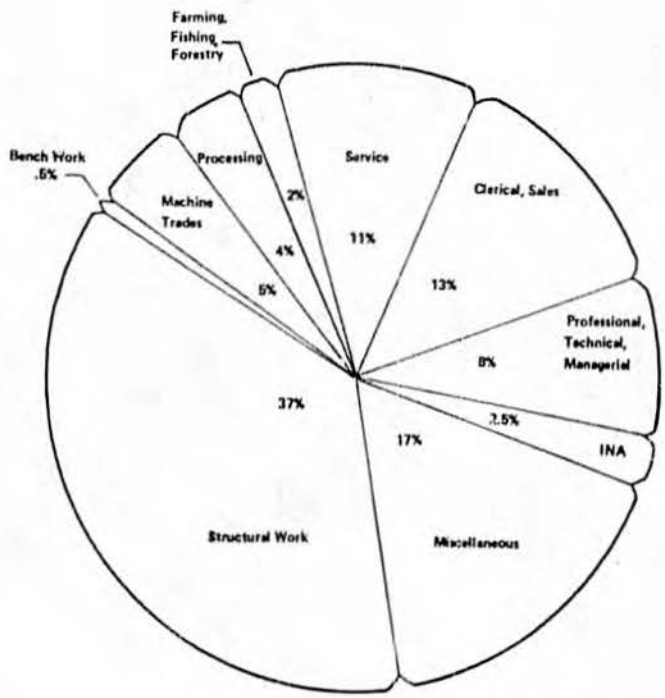
PERCENTAGE OF WEEKS CLAIMED BY SEX



The occupational category which accounted for the most unemployment in March 1977 was structural work. Over half of the unemployed males were previously employed in this occupation. Females experienced the most unemployment in the occupational categories of clerical, sales and service. These figures were comparable to those of March 1976.

A further analysis of March data shows that the construction industry continues to be the major industry from which most claims originate. In terms of the insured unemployed profile, 49.3 percent of all claims are based on earnings from construction employment and 92.7 percent of all construction claims are filed by men. Women base most of their claims on earnings from the Trade, Finance, Insurance, Real Estate, and Service industries. While there has been only a 5.8 percent increase in the percentage of weeks claimed by women in the manufacturing industry over the past year, this slight increase can be attributed to the fact that the manufacturing industry "shuts down" in the off season because of a lack of raw materials, i.e., fish.

PERCENTAGE OF WEEKS CLAIMED BY OCCUPATION



PERCENTAGE OF WEEKS CLAIMED BY INDUSTRY

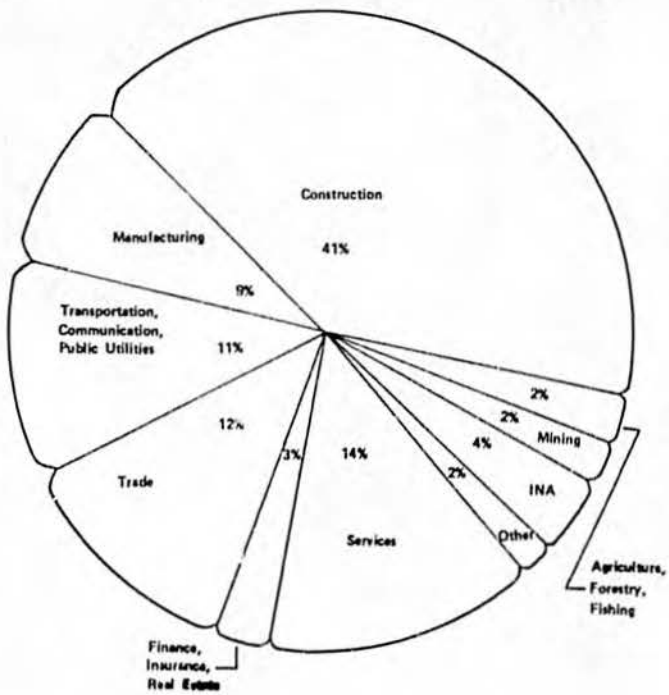


TABLE 4

Distribution of State of Alaska Unemployment Insurance weeks claimed by Age and Sex, Occupation and Sex, and Industry and Sex. Totals for months from April 1976 through March, 1977.

	TOTAL WEEKS CLAIMED				
AGE	MEN	WOMEN	TOTAL	% DIST.	% OF WEEKS CLAIMED BY WOMEN
L 25	20,840	8,992	29,832	23	30
25-34	33,154	11,869	45,023	34	26
35-44	16,792	5,959	22,751	17	26
45-54	13,076	4,305	17,381	13	25
55-64	7,685	2,019	9,704	7	21
over 65	1,588	446	2,034	2	22
INA***	3,821	1,314	5,135	4	26
Total Weeks Claimed**	96,956	34,904	131,860	100%	
OCCUPATION					
Professional, Technical and Managerial	6,236	4,043	10,279	8	39
Clerical, Sales	3,678	13,060	16,738	13	78
Service	5,103	9,433	14,541	11	65
Farming, Fishing and Forestry	3,015	180	3,195	2	6
Processing	2,521	2,221	4,742	4	47
Machine Trades	6,389	386	6,775	5	6
Bench Work	353	281	634	0.5	44
Structural Work	47,000	1,925	48,925	37	4
Miscellaneous	20,257	2,425	22,682	17	10
Other	29	27	56	0	48
INA***	2,375	918	3,293	2.5	28
Total Weeks Claimed**	96,956	34,904	131,860	100.0%	
INDUSTRY					
Agric., Forestry, Fishing	2,827	140	2,967	2	5
Mining	2,945	177	3,122	2	6
Construction	49,280	4,230	53,510	41	8
Manufacturing	7,945	3,371	11,316	9	30
Trans., Comm., P.U.	10,490	3,725	14,215	11	26
Trade (Wholesale & Retail)	7,995	7,881	15,876	12	49
Finance, Insurance, Real Estate	1,510	2,018	3,528	3	57
Services	9,076	10,006	19,082	14	52
Other	2,074	1,157	3,231	2	36
INA***	2,814	2,199	5,013	4	44
Total Weeks Claimed**	96,956	34,904	131,860	100%	

* Figures are for the weeks including the 19th of the month.

** Due to biweekly claiming system for Alaska, the 203 survey of claimant characteristics includes roughly 50% of beneficiaries claiming benefits for two weeks. This amount approximately represents 100% of the beneficiaries claiming for one week. The sample number of weeks claimed having been inflated or deflated to equate with actual weeks claimed (210 report).

*** Information not available.

TABLE 5

Distribution of State of Alaska Unemployment Insurance weeks claimed by Age and Sex, Occupation and Sex, and Industry and Sex for March 1977.*

	TOTAL WEEKS CLAIMED				
AGE	MEN	WOMEN	TOTAL	% DIST.	% OF WEEKS CLAIMED BY WOMEN
L 25	2,917	1,046	3,963	24.2	26.4
25-34	4,435	1,125	5,650	34.4	21.5
35-44	2,226	512	2,738	16.7	18.7
45-54	1,721	437	2,158	13.2	20.3
55-64	1,004	231	1,235	7.5	18.7
over 65	153	57	210	1.3	27.1
INA***	350	96	446	2.7	
Total Weeks Claimed**	12,806	3,594	16,400	100.0%	
OCCUPATION					
Professional, Technical and Managerial	660	277	937	5.7	29.6
Clerical, Sales	391	1,335	1,726	10.5	77.3
Service	538	977	1,515	9.2	64.5
Farming, Fishing and Forestry	357	26	383	2.3	6.8
Processing	279	256	535	3.3	47.9
Machine Trades	750	46	796	4.8	5.8
Bench Work	55	22	77	.5	28.6
Structural Work	6,610	270	6,880	42.0	3.9
Miscellaneous	2,844	284	3,128	19.1	9.1
INA***	322	101	423	2.6	
Total Weeks Claimed**	12,806	3,594	16,400	100.0%	
INDUSTRY					
Agric., Forestry and Fishing	339	12	351	2.1	3.4
Mining	232	22	254	1.6	8.7
Construction	7,485	592	8,077	49.3	7.3
Manufacturing	982	420	1,402	8.5	30.0
Trans., Comm., and Public Utilities	1,218	404	1,622	9.9	24.9
Trade (Wholesale & Retail)	903	758	1,661	10.1	45.6
Finance, Insurance, Real Estate	175	225	400	2.4	56.3
Services	1,120	950	2,070	12.6	45.9
Other	200	72	272	1.7	26.5
INA***	152	139	291	1.8	
Total Weeks Claimed**	12,806	3,594	16,400	100.0%	

* Figures are for the weeks including the 19th of the month.

** Due to biweekly claiming system for Alaska, the 203 survey of claimant characteristics includes roughly 50% of beneficiaries claiming benefits for two weeks. This amount approximately represents 100% of the beneficiaries claiming for one week. The sample number of weeks claimed having been inflated or deflated to equate with actual weeks claimed (210 report).

*** Information not available.

ECONOMIC OUTLOOK

Total unemployment from 1971 to 1974 averaged 10.4 percent. The next year, 1975, was an all time low for unemployment with an annual average of 8.3 percent. Total Unemployment increased again in 1976 to 10.6 percent and jumped to 16.0 percent in April 1977. This increase in unemployment has long been anticipated. Pipeline employment has been running 8 to 10 percent of total employment, and practically all hiring for the pipeline ceased by the end of March. Pipeline windup not only caused an increase in unemployment in the construction industry, but it is also reasonable to assume that unemployment to some lesser degree did and will continue to rise in support industries. Unemployment will hit hardest in Fairbanks, and all along the pipline corridor, although Anchorage may feel some repercussions of the completion of the pipeline, also. An exception to the post pipeline unemployment trend may occur at the port of Valdez where late work continues and where shifts will occur in employment from construction to operation activities. The State unemployment picture should remain stable until the fall of 1977, when another increase will occur. Unemployment will be at its worst the first quarter of 1978. Following the 1978 peak of unemployment the state should enjoy a moderate level of growth as various government projects begin construction, and the Alaska Native Corporations continue to exercise economic influence.

HOURS AND EARNINGS

The following hours and earnings analysis is based on data from the "Statistical Quarterly," a publication developed by the Research and Analysis Section of the Alaska Department of Labor. This data is gathered from questionaires sent out monthly to a sample of Alaskan employers in connection with the Bureau of Labor Statistics 790 report. Figures D and E show average hours worked per week and average hourly earnings, by month and industry, for 1975. Not only does the construction industry experience the highest wages, but it also works more hours per week than any other industry. Part of the reason why average hourly earnings are so high for the construction industry is that they work so many overtime hours. Average hourly earnings is a quotient of the weekly wage divided by the number of hours worked per week. This means that the more overtime hours worked at time and a half rates, the higher will be the average hourly earnings. The mining industry also works many overtime hours per week causing this industry to rank second in average hourly earnings. Most other industries work approximately 40 hours per week. One notable exception to this pattern occurs in the food processing industry which shows many overtime hours in July, (which is usually the month wher the most salmon are caught). These fish must be processed immediately to prevent spoiling. Even though many overtime hours are worked in the month of July, this industry has the lowest average hourly earnings of any industry in Alaska throughout the year. This is explained by the low-skilled occupations which comprise the bulk of this industry's employment.

AVERAGE HOURS WORKED PER WEEK, BY MONTH & INDUSTRY, 1976

FIGURE D

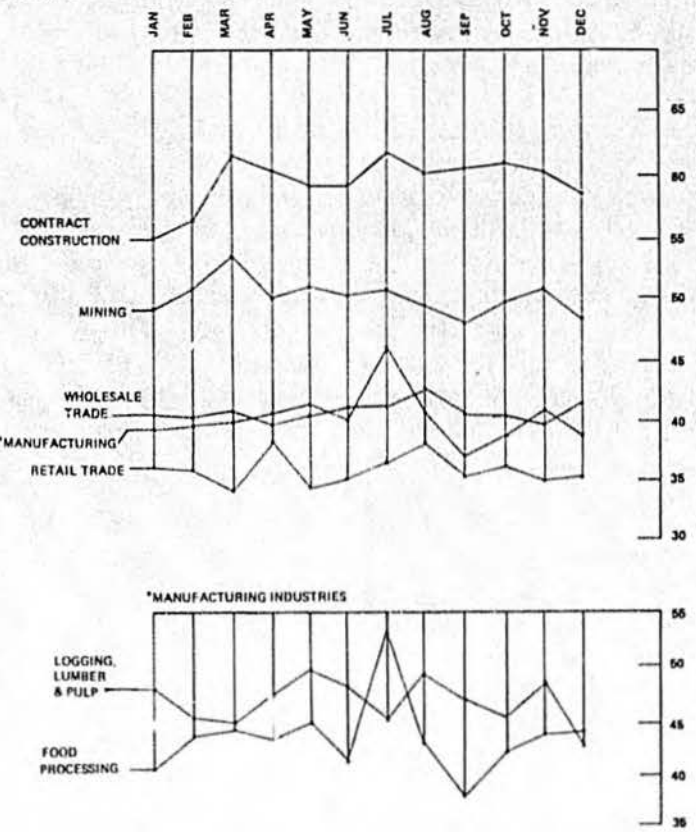
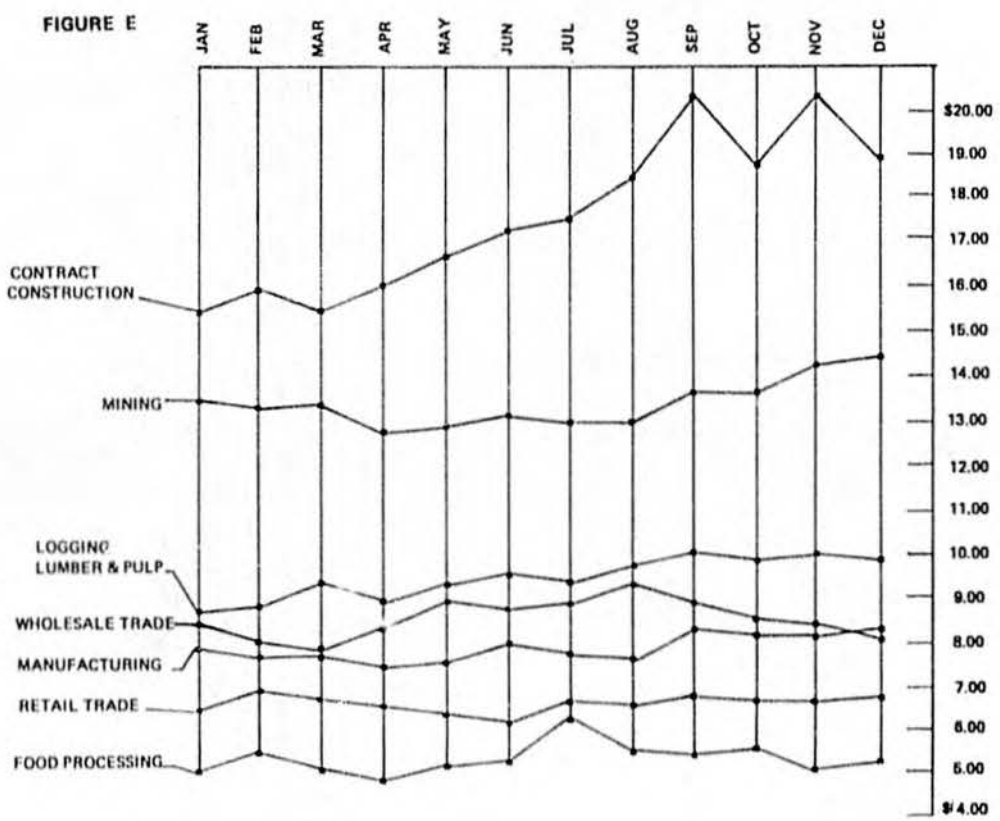


FIGURE E



AVERAGE HOURLY EARNINGS, BY MONTH AND INDUSTRY, 1976

Average weekly earnings in mining remained stable from December 1975 to December 1976. This was a result of lower average weekly hours coupled with higher average hourly earnings. From December 1975 to December 1976, weekly earnings increased for all other industries in the state, with the exception of the trade industry. Average weekly earnings jumped $129 from $966 in December 1975 to $1,095 in December 1976 in the Construction industry; $66 in the Food Processing industry from $137 to $203; $21 in the Wood products industry from $355 to $376; and $12 in Finance, Insurance and Real Estate from $191 to $203. See Table 6 below.

Hours and earnings for the construction industry are expected to fall in 1977 because of completion of the pipeline project. Overtime hours will be affected which in turn will affect the average hourly earnings. Earnings in all other industries will also most likely decrease in 1977 as a result of lower economic activity and less pressure on employers to pay higher wages to retain experienced workers. During the pipeline era, wages rose in industries other than construction because of the great pressure on employers to increase wages or else lose their employees to pipeline jobs. In 1977, the situation is reversed because of the scarcity of jobs, therefore, people will tend to take less ideal jobs without as heavy an emphasis on wages.

TABLE 6

*AVERAGE HOURLY EARNINGS' HOURS WORKED PER WEEK, AND AVERAGE WEEKLY EARNINGS

Industrial Classification	Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	Dec. 1975	Dec. 1976	Dec. 1975	Dec. 1976	Dec. 1975	Dec. 1976
Mining	698.78	697.84	51.8	48.8	13.49	14.30
Contract Construction	966.49	1,095.46	62.8	58.3	15.39	18.79
Manufacturing	275.77	312.70	34.3	38.7	8.04	8.08
Food Processing	137.00	203.58	27.4	39.0	5.00	5.22
Logging, Lumber & Pulp	355.21	376.27	39.6	38.2	8.97	9.85
Wholesale Trade	366.56	334.43	40.5	41.7	8.31	8.02
Retail Trade	266.06	237.22	36.8	35.3	7.23	6.72
Finance, Insurance & R.E.	191.60	203.88	–	–	–	–

* These figures are obtained from a selected sample of employers under the cooperative Current Employment Statistics program conducted jointly by the Employment Security Division, Alaska Department of Labor, and Bureau of Labor Statistics, U. S. Department of Labor.

Listed below is a comparison of average weekly earnings and average weekly hours for the State of Alaska and the U. S. average for December 1976.

Average Weekly Earnings and Hours for Alaska and the United States by Industry

December 1976

Industry	Average Weekly Earnings U.S.	Average Weekly Earnings Alaska	Average Weekly Hours U.S.	Average Weekly Hours Alaska
Mining	$293.23	697.84	43.7	48.8
Contract Construction	289.98	1,095.46	36.8	58.3
Manufacturing	220.05	312.70	40.6	38.7
Wholesale Trade	137.97	334.43	33.9	41.7
Retail Trade	118.63	237.22	32.5	35.3
Finance, Insurance, R.E.	162.58	208.88	36.7	NA

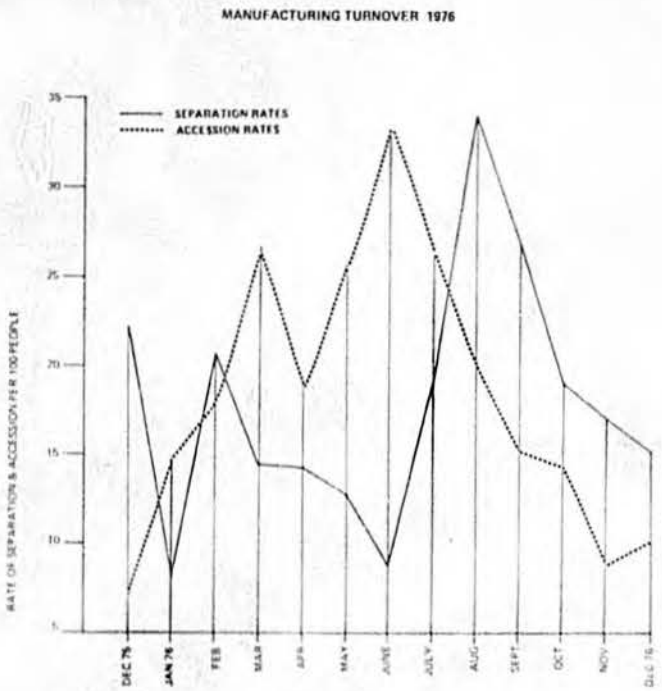
Earnings are high in Alaska compared to U. S. average earnings. A combination of the higher cost of living, more hours worked per week and seasonality contributes to the high wages in Alaska.

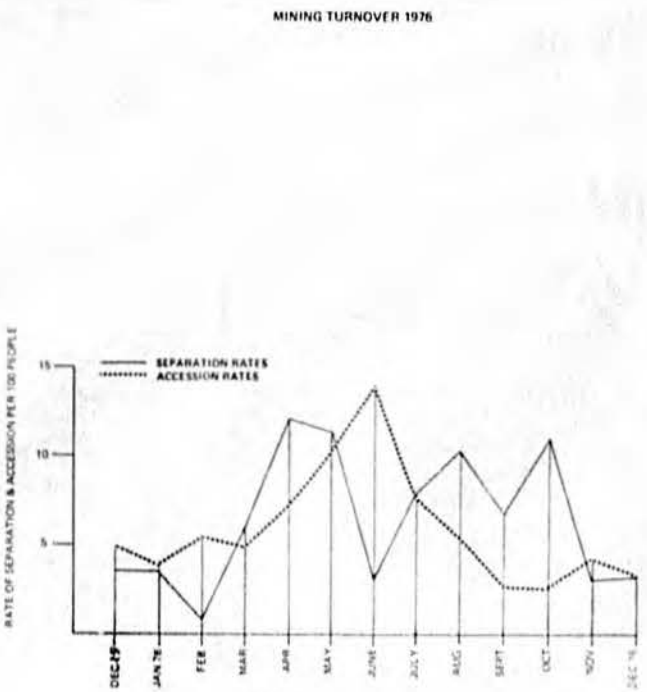
LABOR TURNOVER

The Department's Labor Turnover Statistics program measures turnover for only the mining and manufacturing industries. Labor Turnover seeks to measure the movement of workers in and out of employment status. Accession rates measure the total movement into employment which consists mostly of new hires and recalls. Separation rates measure the movement of employees out of the industry. The major part of separations are caused by quits and layoffs, but retirements and deaths are also counted.

Figure F shows Labor Turnover rates for Manufacturing and Mining for 1976. This graph gives some idea of how seasonal these industries are. Manufacturing, which consists of Food Processing, Logging, Lumber and Pulp, has extremely high rates of turnover. June, is the peak time for hiring while August and September are when most layoffs occur. Being a more stable industry, mining doesn't experience as much turnover as manufacturing although it also experiences its peak hiring period in June. In the mining industry accession rates were higher in December 1975 than in December 1976. The opposite was true for manufacturing. Total separation rates were higher in 1975 than in 1976 for both Mining and Manufacturing. Although mining separation rates decreased only .1 of a person out of 100 from 1975, manufacturing separation decreased by a substantial 6.8 people out of 100. As shown in Table 7, Food Processing is much more volatile than Wood Products.

FIGURE F





The Alaska rate of turnover was much higher than U.S. turnover rates. While Alaska has historically had high rates of turnover because of the volatile nature of Alaskan industries, this was exacerbated by the fact that Alaska was experiencing a "boom" while the rest of the nation was recovering from a recession.

Voluntary turnover (quits) is expected to decrease in 1977. High unemployment means that people will hang on to their present jobs. There will be fewer quits and fewer hires, but it is possible that layoffs will be higher in 1977. Still the overall outlook should show substantially less turnover.

UNMET MANPOWER NEEDS

Total openings received at Employment Service Centers across the state have decreased one-third from March 1976 to March 1977. Before the pipeline impact in 1974, total job openings recorded by our Manpower Centers was 12,900. 1975 and 1976 experienced a major increase in job openings, which then declined in 1977 to 1975 levels. The "wrapping up" of the pipeline project is one possible reason for the steep decline in job openings. Although construction workers are not hired through employment centers, many industries that supported pipeline activity did use Employment Service Centers. With completion of the project it is likely that these industries will not be needing or hiring as many people as before.

TABLE 7

*LABOR TURNOVER IN SELECTED ALASKA INDUSTRIES

	ACCESSION RATES				SEPARATION RATES					
	TOTAL		NEW HIRES		TOTAL		QUITS		LAYOFFS	
	Dec 75	Dec 76	Dec 75	Dec 76	Dec 75	Dec 76	Dec 75	Dec 76	Dec 75	Dec 76
Mining	4.9	3.6	3.4	3.0	3.5	3.4	1.8	1.5	.4	1.1
Manufacturing	7.4	10.3	4.6	5.3	22.2	15.4	3.1	4.8	17.6	9.4
Food Processing	9.2	18.5	6.7	8.7	43.4	12.0	3.7	8.2	37.4	2.2
Logging, Lumber and Pulp	8.1	1.8	3.0	1.0	7.3	19.2	2.2	0.4	3.5	18.2

* These figures are obtained from a selected sample of employees under the cooperative Current Employment Statistics program conducted jointly by the Employment Security Division, Alaska Department of Labor, and the Bureau of Labor Statistics, U.S. Department of Labor.

Those positions which have been open for 30 days or more are considered hard to fill. Of all openings received in FY 1977, 10 percent were classified as hard to fill. More than 80 percent of all openings left unfilled at the end of March, 1977 were hard to fill. There were generally two main reasons these positions were left vacant: the first reason being that the offered wage was perceived as being loo low, the second was that there was a lack of qualified applicants. It should be noted however, that the supply of qualified applicants oftentimes depends on the prevailing wage.

FISCAL YEAR TO DATE*	TOTAL OPENINGS RECEIVED
July 73 through March 1974	12,900
July 74 through March 1975	21,200
July 75 through March 1976	33,952
July 76 through March 1977	22,596

*April through June data is not included to maintain consistency throughout the report (i.e. March data throughout).

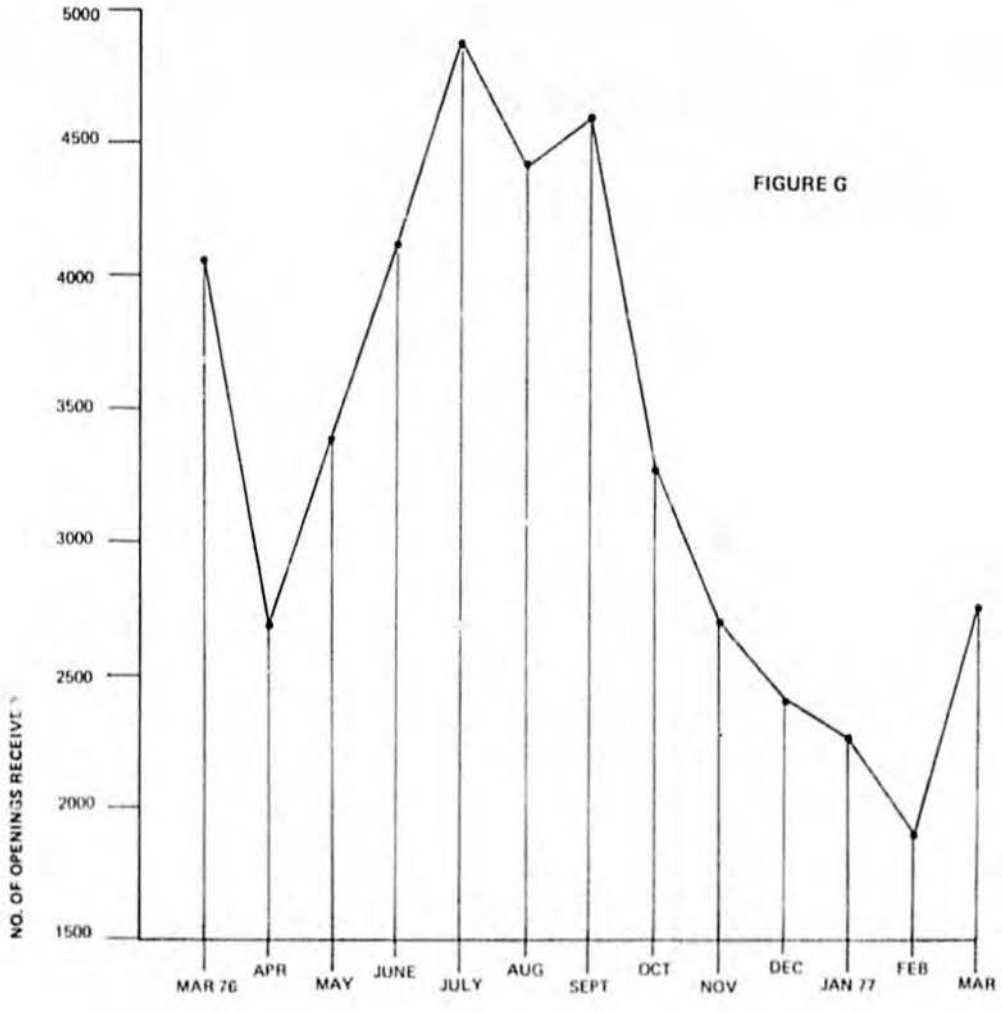


FIGURE G

TOTAL OPENINGS RECEIVED IN EMPLOYMENT SERVICE CENTERS STATEWIDE
MARCH 76 TO MARCH 77

Figure G shows that most openings are received July through September with very few received from November through March.

Clerical and Sales, Services, and Miscellaneous occupations made up well over two–thirds of the openings received and three–fouths of the openings left vacant for more than 30 days. Those clerical areas which experienced the bulk of unfilled positions are secretarial occupations, stenography, typing, filing occupations and computing and accounting recording occupations. Low wages compounded by the need of experienced and qualified applicants caused this imbalance in the labor market. The service occupations which realized the highest rate of openings were all food service related occupations. These occupations generally offered low wages and poor working hours. Timber cutting occupations held 602 of the 799 hard to fill openings in the miscellaneous category. These occupations existed primarily in remote areas, were considered hazardous and required a high degree of skill. See Table 8.

It should be noted that a large portion of the firms who sought employees and people who sought employment may not have used the services of Job Service. Many professional positions and all journeyman level union positions were filled outside of job service, as these places generally use their own recruitment procedures (professional magazines or hiring halls) and promote from within. The bulk of Job Service work has been in filling white collar, clerical, and common laborer positions. This understanding will help put the preceding analysis in its proper perspective.

NONAGRICULTURAL JOB OPENINGS BY OCCUPATION

	OPENINGS RECEIVED FISCAL YEAR TO DATE MARCH 31, 1977	FILLED	UNFILLED TOTAL	UNFILLED 30 DAYS OR MORE
OCCUPATIONS				
ALL	22,596	19,668	2,894	2,358
Professional, Technical and Managerial	1,319	847	203	134
Clerical & Sales	6,946	4,941	830	604
Service	5,427	4,452	477	345
Farming, Fishing and Forestry	754	717	28	20
Processing	1,459	1,399	163	161
Machine Trades	722	608	91	75
Bench Work	297	240	42	34
Structural Work	3,077	2,814	230	186
Miscellaneous*	4,530	3,596	830	799

	OPENINGS RECEIVED FISCAL YEAR TO DATE ENDING MARCH 31, 1976	FILLED	UNFILLED TOTAL	UNFILLED 30 DAYS OR MORE
ALL	33,952	18,881	3,020	2,223
Professional, Technical and Managerial	1,845	753	242	176
Clerical and Sales	9,566	4,488	945	607
Service	7,440	3,768	616	411
Farming, Fishing and Forestry	372	290	18	17
Processing	1,517	809	219	188
Machine Trades	1,300	868	144	113
Bench Work	373	182	32	29
Structural Work	5,768	4,148	466	423
Miscellaneous*	5,771	3,584	338	259

Source: ESARS

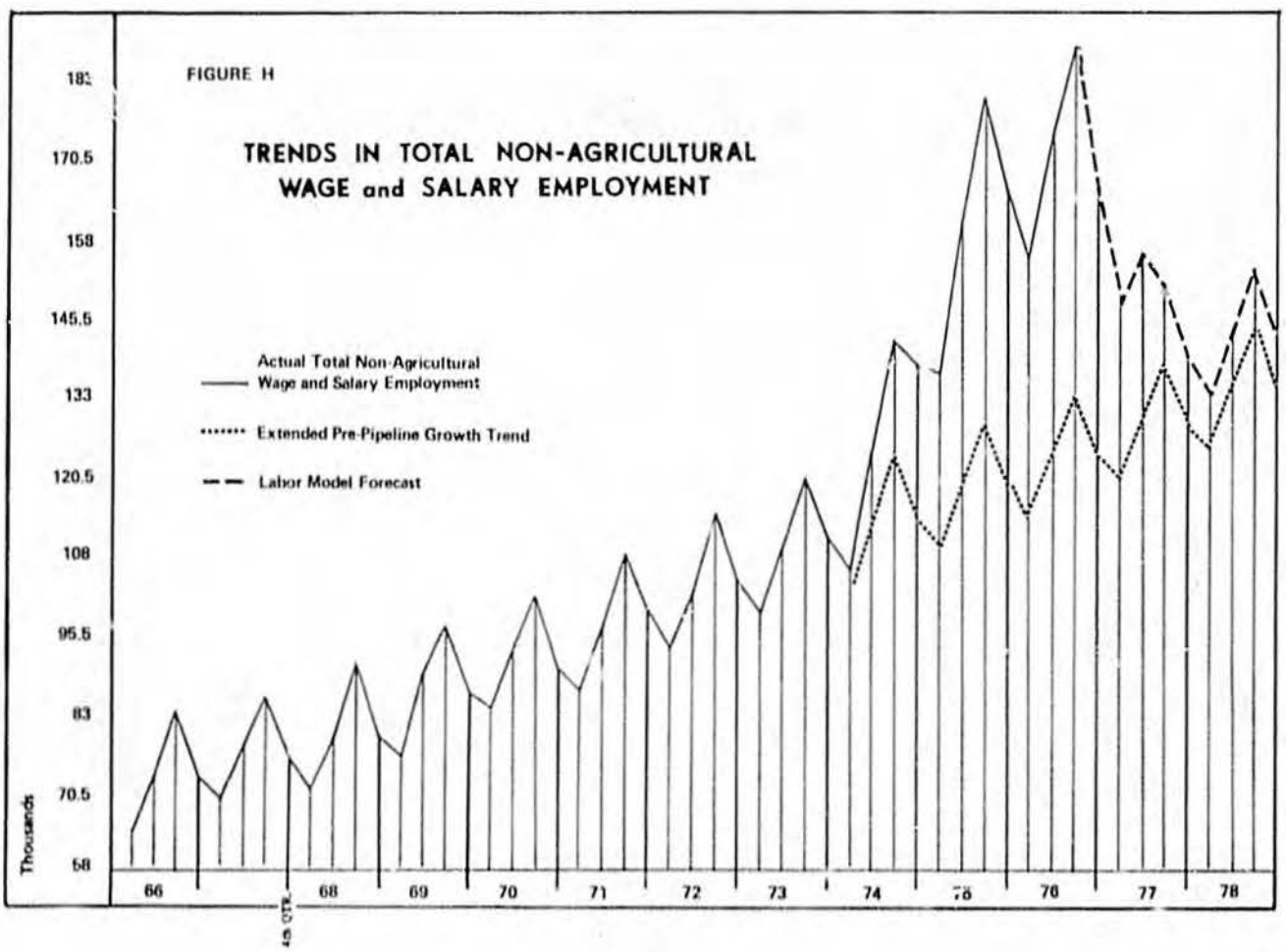
* Miscellaneous occupations include transportation, packaging and handling, logging, extraction of minerals, production and distribution of utilities, amusement, and graphic art work.

EMPLOYMENT OUTLOOK

Total employment in Alaska includes all those people who are working within the state excluding military. Nonagricultural Wage and Salary Employment, on the other hand, excludes agricultural workers, domestics, military personnel, unpaid family workers and other self–employed persons. Since 1970, Nonagricultural Wage and Salary employment has made up at least 95 percent of the estimated total employment in the state, and in 1975 it made up 98 percent of estimated total employment in the state.

From 1966 to 1973, Total Nonagricultural Wage and Salary employment experienced an annual growth rate of nearly 6 percent, as compared to a 2.7 percent increase across the United States. During the pipeline construction period, 1974–1976, Total Nonagricultural employment increased over 16 percent annually, for a total increase of 56 percent. Total employment from third quarter 1973 to third quarter 1976 went up nearly 70,000. Figure H shows actual Nonagricultural Wage and Salary employment and a Research and Analysis model forecast of what it will be in the latter part of 1977 and 1978. It also shows actual Nonagricultural Wage and Salary employment compared to forecasted Nonagricultural Wage and Salary Employment. The forecast extends pre-pipeline growth rates – the growth rate had there been no pipeline.

In the latter half of 1977 there will be little significant pipeline construction. Total Nonagricultural Wage and Salary Employment is forecasted to decline 12.7 percent in 1977 and will continue to decline 3 percent more in the winter of 1978 before it will begin adjusting to normal growth. (Normal growth being the employment growth rate before the pipeline project.) The first quarter of 1978 is expected to be the low tide for total employment. After this point employment is expected to rise slow but steadily.



INDUSTRY EMPLOYMENT OUTLOOK

The Research and Analysis staff developed an econometric model forecasting population, unemployment, and employment by industry for 1977 and 1978. Much of the following information originated from this model. The "Alaskan Economic Outlook 1966–1978" gives an indepth explanation of this model. Table 9 shows Nonagricultural Wage and Salary employment for 1970 and 1975, and predicted employment for 1978. Employment in 1978 will be less than it was during the pipeline era, but about the same as 1977. After 1978, Nonagricultural Wage and Salary Employment is expected to increase at a steady rate.

Mining activity will most likely slow down when oil development in Prudhoe Bay shifts to production after oil begins to flow in the Summer of 1977. Exploration for oil in the Gulf of Alaska will continue, but employment opportunities for Alaskans in off–shore oil development are slight. Almost all employees hired to work on off–shore rigs will be from outside the state. Despite the lack of direct employment opportunities in oil exploration in the gulf, these exploratory activities are staged from on–shore facilities on the Alaska coast, and Alaskans may be able to find jobs with firms supporting this activity.

TABLE 9

Nonagricultural Wage and Salary Employment by Industry
(Annual average)

	1970	1975	1978*
Total	93,100	161,300	144,600
Mining	3,000	3,800	4,600
Construction	6,900	25,900	16,700
Manufacturing	7,800	9,600	10,800
Transp.–Comm. Utilities	9,100	16,500	13,600
Comm. & Public Utilities	2,700	4,500	4,100
Transportation	6,400	12,000	9,500
Trade	15,400	26,200	24,500
Wholesale	3,200	5,900	4,800
Retail	12,200	20,300	19,700
Finance, Ins. & Real Estate	3,100	6,000	5,900
Services	11,400	25,100	21,500
Government	35,600	47,200	51,000
Federal	17,100	18,300	18,100
State & Local	18,400	28,900	32,900
Misc. & Unclassified	900	1,000	2,000

* Preliminary projections May, 1977.

ASSUMPTIONS

1) No gas pipeline impact through the forecast period.
2) No capitol move.
3) No significant construction projects.
4) That pipeline construction employment will continue to decline according to Alyeska estimates.

Construction employment experienced the largest increase in employment in industry during the pipeline era and will likewise experience the largest decline after the project's completion. The forecast for 1977 shows construction dropping 46 percent, and 33 percent in 1978, leveling off somewhere above the predicted growth trend without pipeline influence. There are still some major construction projects scheduled for 1977 that have state and federal funding, but in the first half of 1978 construction projects available will be completed, causing a further decline in employment in this industry. At this point construction should start on the up swing again.

Manufacturing is the largest sector in the national economy, comprising 25 percent of nonagricultural employment, as opposed to Alaska where it makes up only 6 percent of the state's total nonagricultural employment. Manufacturing is expected to grow slowly in 1977 and 1978. There are no optimistic forecasts for the fishing industry, but there is an increasing interest in the harvesting of bottom fish by Alaskan fishermen that could bring new employment to the industry. The wood products industry should experience moderate growth over the next two years.

Transportation will show a decline in employment of approximately 12.5 percent in 1977, leveling off to a 2.1 percent decline in 1978.

Assuming that **Communications** employment is directly proportional to the scaling up or down of large projects, it is projected to decline 17 percent in 1978. The airforce has recently contracted with the RCA Service Company for support functions at thirteen Aircraft Control and Warning (AC & W) Squadrons throughout Alaska. The contract will eliminate over a thousand military jobs at these locations. This will most likely result in another sudden flux of civilian workers into the communications industry. Other Public Utilities are expected to increase about 8 percent by 1978.

Wholesale and Retail Trade shows a drop in employment of 11.8 percent in 1977 and another 1.8 percent decline in 1978. Wholesale trade is much more responsive to economic activity and will therefore show a larger drop in employment than will retail trade. Retail trade will experience most of its decline in employment in 1977.

Because the **Finance, Insurance and Real Estate** industry is relatively stable, employment in this industry will not drop much through 1978. Investment management and insurance, the sectors which increased most in employment from 1973 to 1976, will show a relatively larger decline in employment in 1977 and 1978.

Services experienced the largest increase in employment (88.5 percent) during the three year pipeline project. It is anticipated that services will experience a 23.5 percent decline over 1977 and 1978. Most of this decline will be in services directly related to pipeline support.

Federal, State and Local government employment makes up more than one quarter of Alaska's labor force. Federal government employment is expected to remain stable through 1978, and state and local government employment is forecasted to increase 12.8 percent by 1978. This should add some additional underlying stability to Alaska's otherwise volatile economy.

OCCUPATIONAL EMPLOYMENT OUTLOOK

The darkest post pipeline period for Alaska is expected to be the first (winter) quarter of 1978. After this the economy should start on the upswing again at pre–pipeline growth rates.

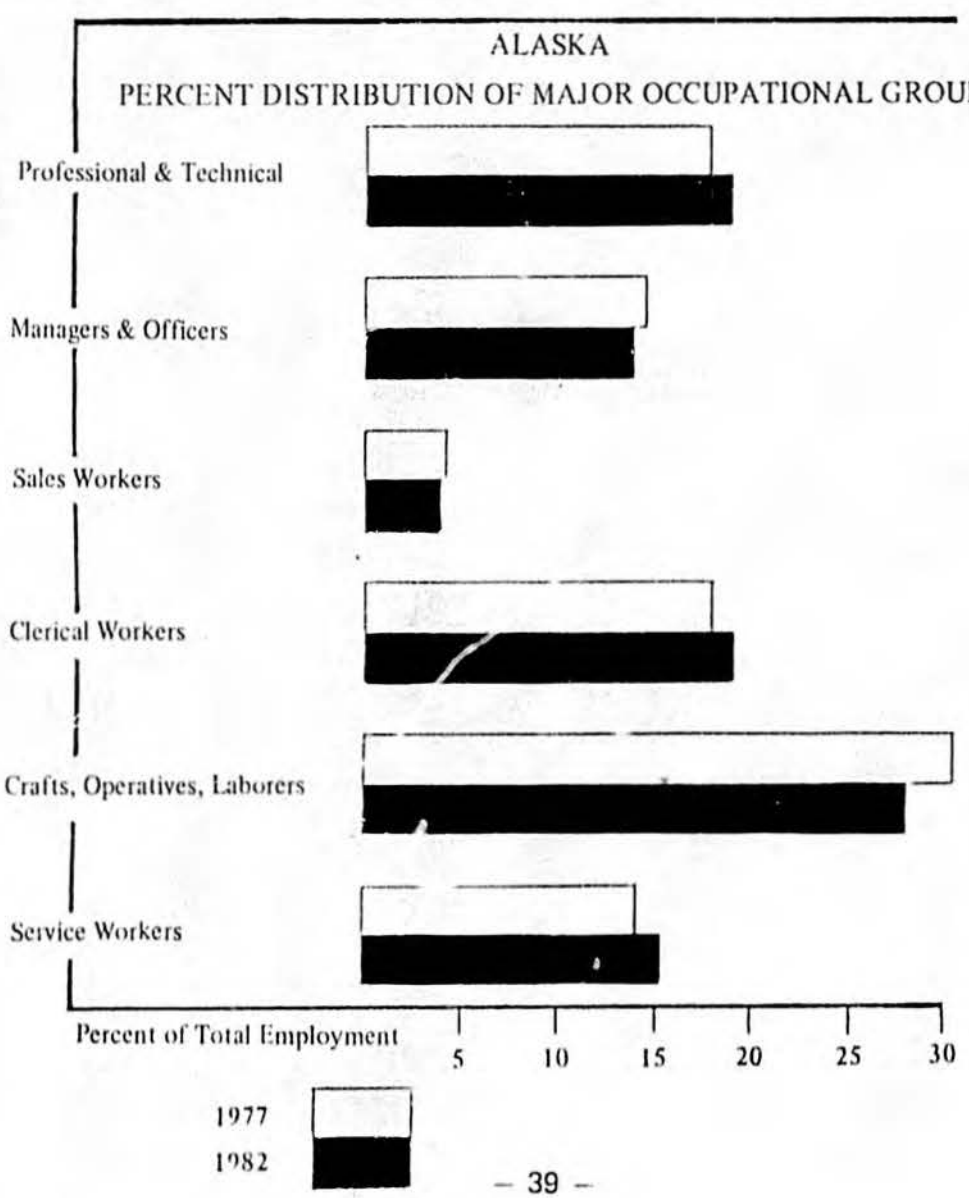
Between 1978 and 1982 regular industry expansion will account for the following annual increases in various occupations. The average annual job openings represent openings from industry expansion plus openings resulting from retirement and death.

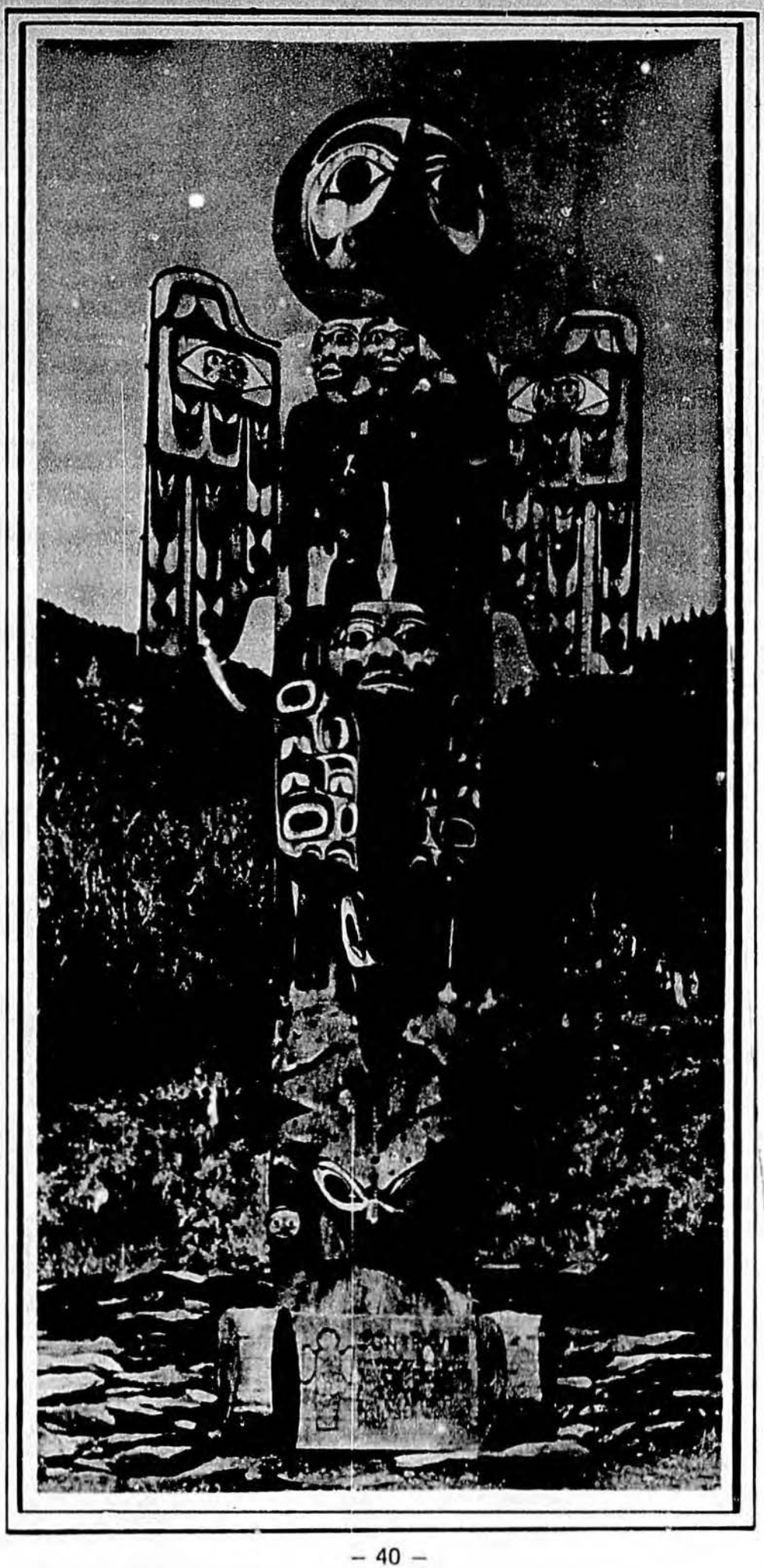
Occupations	Positions Increased Annually From 1978 to 1982	Average Annual Job Openings From 1978 to 1982
Professional & Technical	2,115	3,140
Managers & Officers	1,325	1,910
Sales	440	585
Clerical	2,155	3,955
Service	1,802	2,865
Crafts, Operators, Laborers	2,300	3,250
Farmers & Farm Workers	0	NA

During the five year projection period, job openings due to industry expansion plus death and retirement are the greatest for the clerical occupations. This is followed by vacancies in the craft, operative and laborer category. Job openings for farmers and farm workers are expected to offer the least opportunity.

Clerical positions, which now comprise 18.3 percent of Alaska's total employment, are projected to increase this share to 19.1 percent by 1982. A similar increase is expected for service positions which currently make up 14.5 percent of the state's employment. The greatest change is projected for the craft, operative, and laborer occupations which will decline from the present 30.1 percent of the occupational composite to 28 percent in 1982.

TABLE 10





MANPOWER

PROGRAM

ACTIVITIES

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT (CETA)

The State of Alaska implements four titles of the Comprehensive Employment and Training Act: Titles I, II, III, and VI. These programs are financed totally with federal government monies.

The purpose of Title I is to provide employment and training opportunities to the unemployed, underemployed or economically disadvantaged Alaskan. Programs included under this title are Vocational Skill Training or Classroom Training (CT), On-the-Job Training (OJT), and Work Experience (WE). Classroom training is any training conducted in an institutional setting designed to provide individuals with the technical skills and information required to perform a specific job or group of jobs. On-the-job training is training conducted in a work environment designed to enable individuals to learn a bona fide skill and/or qualify for a particular occupation through demonstration and practice. Work experience is a short-term and/or part-time work assignment with a public employer or a private nonprofit employing agency. The main goal of Title I is for eligible participants to acquire self-sufficiency.

Titles II and VI of this act provide for Public Service Employment (PSE) for unemployed and underemployed persons. Public Service Employment is an activity designed to provide transitional jobs for the unemployed and underemployed who are in turn providing needed public services. The Title II main target is people who live in areas of substantial unemployment (6.5 percent or more for three consecutive months) and who have been unemployed for at least 30 days. Title VI provides PSE to the long-term unemployed and AFDC (Aid to Families with Dependent Children) recipients. These programs place special emphasis on the unemployed disabled and Vietnam-era veterans.

Besides the Standard Metropolitan Statistical Area Prime Sponsor (Anchorage) and the balance of state prime sponsor, Alaska has thirteen Alaskan Native Corporations Title III Prime Sponsors. Title III provides summer employment to economically disadvantaged youth between the ages of 14 and 21.

FY 1976 – July 1, 1975, through September 30, 1976

5 Quarters

	PSE	OJT	CT	WE	Services
Total Enrollment	1,837	650	2,193	8,817	1,717
Total Dollars Spent	$5,298,845	$1,214,994	$2,093,631	$3,981,903	$280,391
Entered Employment	4%	37%	32%	4%	84%
Cost Per Participant	$ 2,885	$ 1,869	$ 955	$ 468	$ 163

Total Enrollment ------- 14,584

Total Cost ------- $12,869,664

Balance of State CETA activity for FY '77 to date is shown below:

CETA Activity From Oct. 2, 1976 to June 30, 1977

3 Quarters

	Total Served	Total Terminations	Entered Employment	Federal Outlay
Title I	1,209	586	155	$2,052,136
Special Governor's Grant	296	107	36	259,146
Title II	775	678	144	1,853,351
Title VI*	504	174	47	1,173,581

*The period covered for Title VI is only from January 31, 1977 to June 30, 1977.

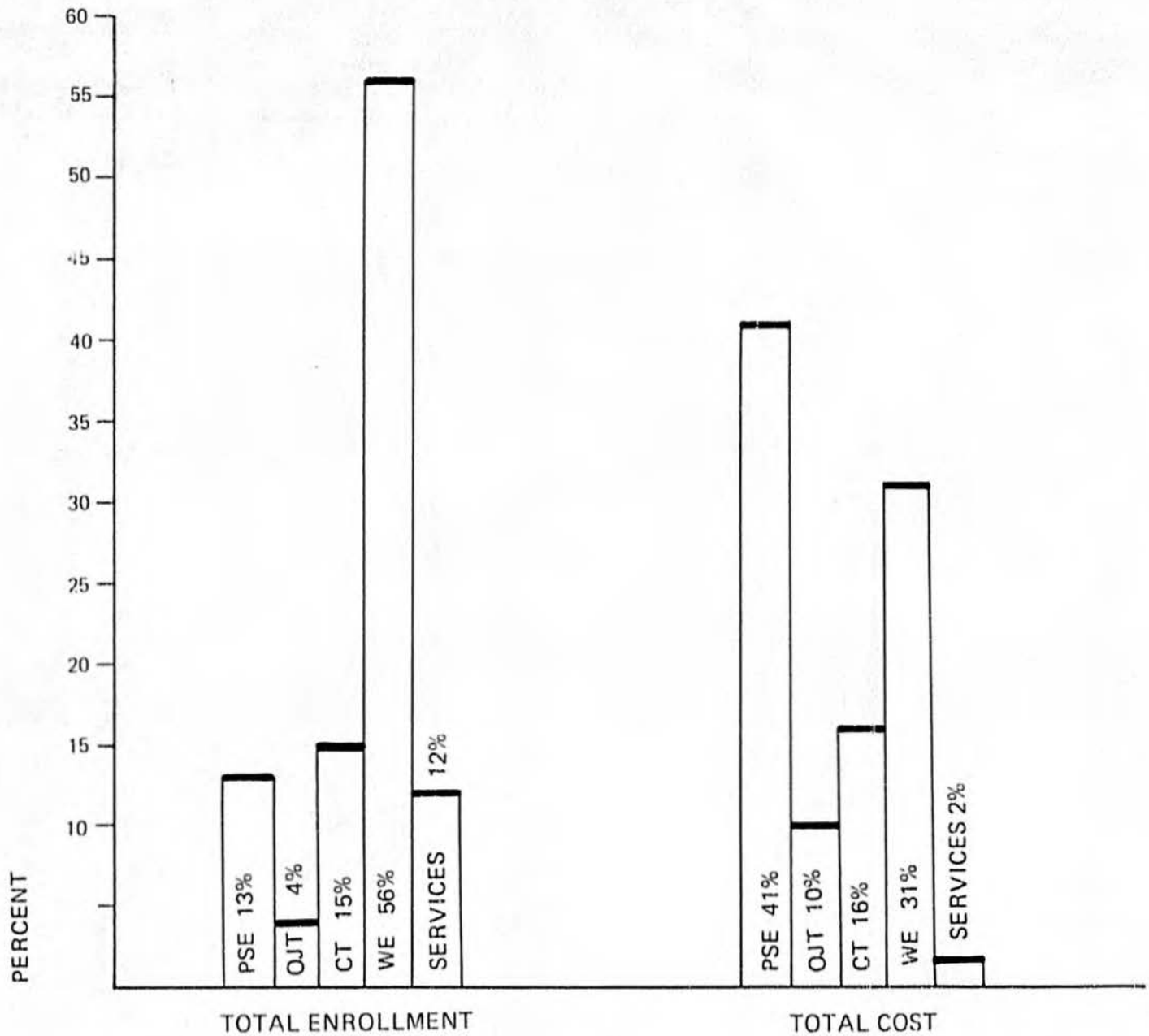
Participants in the above programs are also eligible for Support Services. Included in these services are:

1) Health Care and Medical Services;
2) Child Care;
3) Transportation;
4) Residential Support;
5) Assistance in Securing Bonds;
6) Family planning services; and
7) Legal Services.

Shown below are totals of Balance of State CETA participants by type of training. The period covered is Fiscal Year 1976 (July 1, 1975 through September 30, 1976).

CETA PROGRAM ENROLLMENT & COST DISTRIBUTION

JULY 1, 1975 – SEPT. 30, 1976



WIN (Work Incentive Program)

The WIN program is designed primarily to help employable welfare recipients find jobs and thereby achieve economic independence. All applicants for and recipients of Aid to Families with Dependent Children (AFDC) who are 16 years of age or older are required to register for WIN as a condition of eligibility for AFDC. WIN registrants are required to accept appropriate employment or preparation for employment, when offered, as a condition of continued AFDC eligibility.

To make maximum use of available dollars in FY '77, the program will seek to increase its OJT/PSE participants by 77 percent, increase the placements by 20 percent, and increase the amount of welfare savings by 27 percent.

WIN PROGRAM
ACCOMPLISHMENTS & GOALS
STATE OF ALASKA

	Program Registrants	OJT/PSE* Participants	OJT/PSE* Expenditures	Total Employed Welfare Grant Reduced	Total Off Welfare	Welfare Savings
FY '76 + 3rd Accomplishments	1,761	77	$248,483	339	283	$621,600
FY '77 Goals	1,830	136	261,525	761	338	790,960

*OJT/PSE – On-the-job training/Public Service Employment.

• • •

Veteran Services

The Alaska Employment Service Centers give preferential treatment to Veteran applicants as required by law. Our Employment Centers are responsible for providing veterans with job counseling, employment placement or job training according to their needs. Nearly 9,500 new veteran applications and renewals were serviced between January and June of 1977. Of the 13,800 total applicants placed in this period of time, 2,640 of these were veterans, 1,900 were Vietnan era veterans and 160 were handicapped veterans.

Youth Conservation Corps

The Alaska Region of the Forest Service sponsors many Human Resource Programs, one of which is the Youth Conservation Corps (YCC). The YCC gives the youth of today an opportunity to work in and develop an appreciation for our natural resources through environmental awareness training in land use ethics in Alaska, besides accomplishing needed conservation work on public lands. This program provides employment for 15-18 year old males and females from all social, economic, ethnic, and racial backgrounds. Presently, the number of enrollees in Alaska is only 153 since the number of enrollee slots per state is based upon population, thus limiting desired goals for expansion. This year over $1 million in projects will be accomplished in the YCC program.

National Young Adult Conservation Corps

A new program that is being offered by the Forest Service is the National Young Adult Conservation Corps (NYACC). The NYACC was passed into law on May 13, 1977 and will provide youth between the ages of 16-24 with gainful employment, for at least one year in duration. Plans are being made to provide in excess of 1,000 positions per year for the next five years. This program is intended to enhance current Forest Service and community development programs and increase the participants employability.

Vocational Rehabilitation

The mission of the Division of Vocational Rehabilitation is to return persons to work who have reduced employability or who are unemployable as a result of a physical or mental handicap. Vocational Rehabilitation takes a handicapped individual and

TABLE 11

PROJECTION OF THE STATE'S ENROLLMENT IN VOCATIONAL PROGRAMS
FY 1978 – 1982

Occupational Programs Program	(Actual)* FY 1976	FY 1977	FY 1978	FY 1978	FY 1980	FY 1981	FY 1982
Agriculture	74	174	188	219	250	280	313
Distribution	2,835	2.835	2,977	3,471	3,964	4,440	4,968
Health	483	483	507	591	675	756	846
Occupational Home Economics	1,049	1,049	1,101	1,284	1,466	1,642	1,837
Office	14,012	14,012	14,713	17,155	19,591	21,942	24,553
Technical	555	555	583	679	775	868	971
Trades & Industry	10,624	10,624	11,116	12,961	14,801	16,577	18,550
Consumer & Home-Making	5,181	5,181					
TOTAL	34,813						
Level of Instruction:							
Secondary	25,474	25,474	26,748	31,188	35,617	39,891	44,638
Postsecondary	2,112	2,112	2,218	2,586	2,953	3,307	3,701
Adult							
Preparatory	816	816	857	999	1,141	1,278	1,430
Apprenticeship	1,332	1,332	1,399	1,469	1,678	1,879	2,103
Supplemental	5,079	5,079					
TOTAL	34,813						
Enrollment of Special Programs (All levels)							
Disadvantaged	65	65	68	79	90	101	113
Cooperative	1,267	1,267	1,330	1,551	1,771	1,983	2,219
Work Study	66	66	69	80	91	102	114
Depressed Areas	1,803	1,803	1,893	2,207	2,520	2,822	3,158
Enrollments of Persons with Special Needs (all levels, all programs)							
Disadvantaged	6,924	6,924	7,270	8,477	9,681	10,843	12,133
Handicapped	2,765	2,765	1,903	3,385	3,866	4,330	4,845

*From Alaska DOE report for FY 1976 to D/HEW. Projections for FY 1978–FY 1982 are based on estimated annual percentage increases in Federal and State/Local funding. FY 1977 is estimated the same as FY 1976, because funding levels were about the same.

provides him with all of the services required to make him employable in an occupational area which is compatible with his disability. Such services may include any or all of the following: diagnosis; physical and/or mental restoration; training; and placement in a specific job compatible with the client's disability.

From July 1, 1976 to June 30, 1977, 462 handicapped individuals were rehabilitated. Of these 27 percent were classified as severely disabled. It is projected that during the similar period from July I, 1977 to June 30, 1978 roughly 500 will be rehabilitated by the Division of Vocational Rehabilitation.

VOCATIONAL EDUCATION

Vocational Education

Vocational Education is any training intended to prepare an individual for an occupation in a specific trade. Community colleges, unions, private schools and high schools can all be centers for teaching vocational education programs. Table 11 shows actual FY 1976 and projected enrollments for FY 1977—FY 1982 in vocational education programs across the state of Alaska.

It should be noted that many CETA participants are enrolled in vocational education programs; therefore, some duplication of numbers will occur. Special emphasis will be given to the Alaska Skill Center located in Seward, the Anchorage Career Development Center located in Anchorage, and the Hutchison Career Development Center located in Fairbanks.

The Anchorage Career Development Center and the Hutchison Career Development Centers are both non-residential training Centers. Bus transportation is provided for high school students who attend both the Development Center and an area high school. These Centers are designed to enable persons over 16 years of age who are unemployed or underemployed to acquire new skills and obtain entry level positions which would otherwise be closed to them.

The Alaska Skill Center is a residential Manpower Training Center serving Alaskans in need of entry level training, upgrading of skills, and employability development. The Center currently operates four cluster training areas: mechanics, food service, office occupations, and basic building trades. Courses range from 10 to 28 weeks with opportunities to extend in order to complete G.E.D.'s or receive additional skills training. The Center has provided vocational skills training and related adult education for approximately 4,000 students since January, 1970. Fifty percent of those students completed their ultimate training goals, while many others completed lower skill levels. Statistics for the calendar year 1976 and projections for 1977 and 1978 are listed below:

Calendar Year	CETA Enrollees	Total Enrollees	CETA Graduates	Total Graduated	Percent Graduated	Overall Placement
1976	499	580	255	305	52%	44%
1977	550	635	325	387	61%	68%
1978	550	650	350	430	66%	68%

Listed below are 1976 Enrollment Figures for the Anchorage Career Development Center. Data for the Hutchison Career Development center was not available.

Anchorage School District Career Center
1976 Final Enrollment Count

100	Auto/Truck Mechanic
50	Body and Fender
30	Commercial Art
40	Recreational Vehicle (Small Engine)
30	Air Frame and Engine
40	Carpentry
30	Masonry
20	Electrical
28	Surveying/Drafting
27	Graphic Arts (Printing)
8	Media Productions (Audio Visual)
55	Data Processing (Keypunch, fundamentals, programming, operating)
65	Tourism
40	Health Occupations
23	Child Care
55	Cosmotology
35	Food Sales/Service/Preparation
30	Wild Land Fire Management
50	Wild Life and Fisheries
15	Horticulture
35	Emergency Medical Technician
806	TOTAL

TWEP

The Tribal Work Experience Program (TWEP) sponsored by the Bureau of Indian Affairs (BIA) is new in Alaska. It is a self-esteem program intended to assist those eligible for general assistance. Both the community and applicant benefit from the program. As the applicant gains work experience, the community profits from labor and services provided by the workers. TWEP workers are not used to displace employed persons or fill vacancies in established positions. Projects are suggested by Community leaders and discussed with TWEP coordinators, the organization sponsoring the project furnishes supplies and materials, and TWEP furnishes labor and services. Types of employment involve working in retail outlets, public service centers, city repairs and construction. TWEP is presently serving Juneau, Angoon, Sitka, Haines, Klukwan, and Hoonah.

ALASKA
DEPARTMENT OF LABOR
EMPLOYMENT SECURITY DIVISION
OFFICIAL BUSINESS

EMPLOYMENT SECURITY MAIL
POSTAGE AND FEES PAID
LAB 449

00670 G

ALASKA STATE LEGISLATURE
PERMANENT FUND
538 W 5TH AVE
ANCHORAGE AK 99501

SCOMM

#9:69

REPORT OF OPERATIONS OF THE PAUL COFFEE FEDERAL CREDIT UNION AS OF 30 APRIL 19 77

CHARTER NUMBER 1258

STATEMENT OF FINANCIAL CONDITION

As of 30 APRIL, 1977

Acct. No.	Assets	End of this Period
700	Loans:	
701	Loans	$ 39950 92
	Total	$
719	Less Allowance for Loan Losses	
	Net	$ 39950 92
730	Cash:	
731	Cash	13478 29
740	Investments:	
750	Accrued Income:	
760	Prepaid and Deferred Expenses:	
770	Fixed Assets: (Net)	
774	Furniture and Equipment	
790	Other Assets:	
	RETURN CHECK	100 00
	NCUA INS GAURANTEE	2000 00
	Total Assets	$ 55529 21

Acct. No.	Liabilities and Equity	End of this Period
800	Accounts Payable:	
801	Accounts Payable	$ 34 67
820	Dividends Payable	
840	Taxes Payable:	
860	Other Liabilities:	
	Total Liabilities	$
900	Shares:	
901	Shares	51387 57
931	Regular Reserve	3357 49
940	Undivided Earnings	
950	Net Income (Loss)	749 48
	Total Equity	
	Total Liabilities and Equity	55529 21

We certify, to the best of our knowledge and belief, this statement and the related statements are true and correct and present fairly the financial position and the results of operations for the periods covered.

Treasurer Rutledge A. Walker Officer: _____

STATISTICAL REPORT As of 30 APRIL, 1977

	Number	Amount
1. Delinquent Loans:		
a. 2 to less than 6 months	3	1022 16
b. 6 to less than 12 months	1	928 08
c. 12 months and over		
d. Subtotal	4	1950 24
2. Current and less than 2 months delinquent		
3. Total Loans	28	39950 92

	Number	Amount
4. Loans Made:		
a. Loans made year to date	23	25,370 74
b. Loans made since organ.	343	
5. No. Members' & Nonmembers' Accounts at End of Period	193	
6. No. of Potential Members	13000	
7. Lns. Charged off Since Org.		1980 00
8. Recoveries on Lns. Charged off Since Organization		532 33

STATEMENT OF INCOME

For the Period Ending 30 APRIL 19 77

Acct. No.		This Period From To Date	Year To Date
100	Operating Income:		
111	Interest on Loans	$ 115 46	$ 900 21
113	Inc. from Lns. of Liq. Cr. Unions		
	Total	$	$
119	Less—Interest Refund		
	Net	$	$
121	Income from Investments		
131	Fees and Charges		
151	Miscellaneous Operating Income		
	Total Operating Income	$	$ 900 21
200	Operating Expenses:		
210	Compensation	$	$
220	Employee Benefits		
230	Travel & Conference Expenses		
240	Association Dues		66 13
250	Office Occupancy Expenses		
260	Office Operations Expenses		35 02
270	Educat. & Promot. Expenses		
280	Loan Servicing Expenses		
290	Professional & Outside Services		
300	Provision for Loan Losses		
310	Members' Insurance		39 38
320	Fed. Supv./Exam. Expenses		10 00
330	Cash Over and Short		
340	Interest on Borrowed Money		
350	Annual Meeting Expense		
360	Misc. Operating Expenses		
	Total Operating Expenses	$	$ 150 73
	Income (Loss) From Operations	$	$
400	Non-Operating Gains (Losses):		
420	Gain (Loss) on Investments	$	$
430	Gain (Loss) on Disp. of Assets		
	Total Non-Operating Gains (Losses)	$	$
	Income (Loss) Before Dividends	$	$
380	Dividends		
	Net Income (Loss)	$	$ 749 48

THE CHRISTIAN SCIENCE MONITOR Tuesday, November 4 1975

Housing grows scarcer in Boston's South End

Renovation boom fades for low-income tenants

By Lulx Overbea
Staff writer of
The Christian Science Monitor

Boston

New and renovated housing for low-income people, especially in the South End, is becoming scarcer, say officials of Low Cost Housing Corporation. And they are worried.

Leaders of the corporation — founded 10 years ago by a minister to revive a decaying South End area bordering downtown Boston — expressed their feelings in interviews and at a banquet as they celebrated their project's 10th anniversary.

"The old spirit of the South End and interest in the area in available housing at reasonable cost have waned," said Rutledge A. (Rudy) Waker, executive director of Low Cost. "Abandoned buildings once available to us for rehabilitation for $1 are no longer available. This area is now seeking the well-to-do and forgetting the traditional South Ender."

Although Mr. Waker sees the Low Cost program — explained in a 68-page booklet, "I Say Try," describing the nonprofit corporation's "grass roots" housing-development program — as coming to a close in the South End, he sees the effort expanding to other sections of Boston.

"We were organized to work in the South End," Mr. Waker said. "But there is a need for our services in other parts of the city. And other cities around the nation are seeking advice from us. We have developed a whole delivery package that saves people money, and other cities are inviting us to give them the know-how."

Motive: revival

Founded in 1965 by the Rev. Samuel Tyler, then minister of Trinity Church in Copley Square, Low Cost was conceived as a do-it-yourself effort, utilizing volunteers who could be suburbanites or community people, white or black. The motive was to revive the South End.

Since Mr. Waker was employed in 1965 as executive director, Low Cost has salvaged 150 buildings, acquired at $1 each, and transformed them into living quarters at low rents. Three "spinoff" private firms have been formed and utilized to make the Low Cost package a reality.

Low Cost supporters fear, however, that the South End spirit that made their work possible is fading away. Recently the city razed a building, at 28 Warwick Street, which corporation members felt had been reserved for rehabilitation. This action disturbed Low Cost participants.

"We are upset over this attitude," said Mrs. Betty Meredith, chairman of the Low Cost board. "Many people are coming to us looking for places they can afford, and we cannot serve them. No additional residences are available to the poor in the South End."

State Rep. Melvin H. King (D) of the South End, former board chairman, told the banquet, "We shall redouble our efforts and energy; we must seek more support and funds to continue the tradition established by Sam Tyler and Trinity Church.

Problems become critical

"Housing problems in Boston are critical, but the city prefers to tear down rather than rehabilitate. Low Cost Housing is all about people of all races working together to help people with needs."

Volunteers speaking at the dinner praised the grass-roots program for scattering Low Cost Housing units throughout the South End in mixed communities, racially and economically.

Under the Low Cost formula, says Mr. Waker, housing is developed with a 33 percent saving from traditional methods. The grass-roots program utilizes the nonprofit corporation as developer, volunteers and trainees as workers, and grants and gifts to reduce borrowing and cut costs.

Through these efforts Low Cost has developed a working team and crew that with expertise in "rehabbing" old structures.

The three spinoff businesses are LCH Mortgage Corporation, LCH Materials Corporation, and the Mississippi Construction Corporation, which supply financing, materials, and construction at reasonable cost.

"Our grass-roots program offers a potential for creating housing for low-income people," said Mr. Waker.

THE CHRISTIAN SCIENCE MONITOR Tuesday, January 8, 1974.

Experience of other cities studied

'Homesteading' in Boston —despite skepticism

By Jeannye Thornton
Staff writer of The Christian Science Monitor

Boston

While a city official says it can't be done in Boston, a kind of "urban homesteading" is taking place a few blocks from City Hall.

David Strohm, an administrative aide to whom Mayor Kevin H. White has given the task of designing a homestead program for Boston, says the concept really is not feasible here.

The City Council, impressed by the success of urban homesteading in Wilmington, Del., passed an ordinance to initiate a program here.

"But," says Mr. Strohm, "in Boston, 90 percent of the housing available for homesteading is three family houses with about 18 rooms. It would cost about $30,000 each to rehabilitate them," he says.

This view is challenged by Rutledge A. Waker, executive director of the Low Cost Housing Corporation. He says his group has rehabilitated such housing for much less than $30,000. The Low Cost Housing Corporation has renovated 50 buildings — mostly in the South End — since it began in 1968.

Using volunteers taught and guided by professionals, Low Income, Inc., has restored housing it purchased from the Boston Redevelopment Authority at $1 a building — some of the same kinds of buildings which would be available for homesteading. Mr. Waker says he believes that with a similar project the City of Boston could have the same rewarding results Low Cost Housing Corporation has.

Low Cost has restored housing at less than half what it was spending to rehabilitate similar housing under Federal Housing Authority (FHA) guidelines before it began its Grass Roots Project. It cost about $17,000 to rehabilitate an apartment under FHA guidelines, Mr. Waker explained, but only about $8,000 in the Grass Roots program, which salvages materials from demolition and gets leftovers from construction companies.

Buildings renovated

Single-family houses and a community center, as well as other buildings with from 2 to 10 family units, have been renovated and rehabilitated by the nonprofit corporation. Currently, Low Cost renovates substandard housing conforming to city codes, at the rate of about one apartment every 10 days or one house a month.

The first Grass Roots rehabilitated home sold by Low Cost Housing Corporation was a three-flat building which was bought by a low-income family for about $30,000. A separate mortgage corporation established by the Low Cost Housing Corporation provided the loan.

"Our system can be effective to bring urban homesteading to more people in Boston," Mr. Waker says. "It is a concept that can provide more housing for the poor, give the poor an opportunity for home ownership, and rid the city of the blight caused by dilapidated buildings — if the concept is put to work on buildings and not just on paper."

Corporations possible

The City of Boston can form corporations similar to Low Cost, he contends, or allow them to be established by citizens who want to rehabilitate housing and live in it, possibly as landlords.

Mr. Waker and his assistants say people can be trained to do particular tasks in the construction business and pay off their own mortgages by working on buildings owned by the corporation or other individuals. The Low Cost crew consists of carpenters, electricians, plumbers, painters, plasterers, and brick masons — many of whom were trained through on-the-job experience and qualified as licensed workmen.

"The urban-homesteading concept is just not the panacea for urban problems that most people seem to think it is," says Mr. Strohm. Homesteading program directors, however, in Wilmington, Del.; Philadelphia; and Baltimore — where programs are beginning — disagree.

By Barth J. Fallenberg, staff photographer

Homesteading—city style

Boston debates self-help housing program

Homesteading concept praised

They hail the 100-year-old homesteading concept as a way to "entice young white couples back to the city" (in Wilmington) and as a way to "preserve some historic buildings" (in Baltimore).

Actually, Wilmington is the only city which has had an opportunity to see the program in action, and housing coordinator Edward Gulczynski proclaims it a success.

The 10 houses the city awarded in August and 7 in November are already being rehabilitated, and one homesteader, Mrs. Annie Barksdale, moved into her home Nov. 1. She obtained a $6,000 loan from a local bank, hired a contractor, and is paying less on her loan than she paid in rent before becoming a homeowner, Mr. Gulczynski says.

In Philadelphia, homesteading will begin in the spring when more than 100 homes will be awarded. The first 10 houses of the 1,400 available in Baltimore are to be awarded this month.

ALASKA Economic Trends

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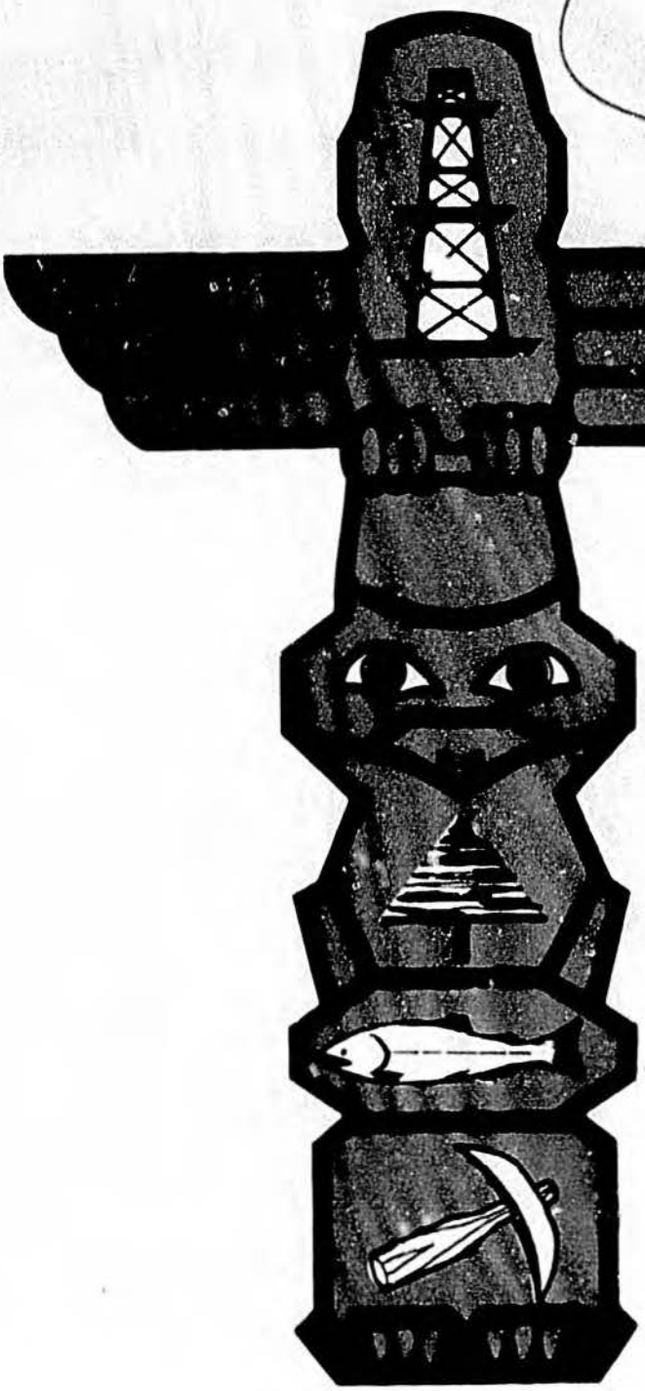

KETCHIKAN'S

ECONOMIC OUTLOOK

JUNE 1975

STATE OF ALASKA • DEPARTMENT OF LABOR

Employment Security Division • Research and Analysis Section

KETCHIKAN'S ECONOMIC OUTLOOK

The following article was written by Rod Brown, research supervisor, and is the result of a personal visit to the Ketchikan area in May of this year. With the exception of background data which is collected and maintained by the Research and Analysis Section, the information contained in this article was obtained through various publications and numerous interviews.

A special thanks is extended to those individuals who gave their time and cooperation in helping make this analysis as complete and accurate as possible.

As a contrast to the rapid growth and flurry of activity occurring in the northern part of the State, Ketchikan is presently experiencing an economic slowdown.

A spring visitor in the city of Ketchikan would have noticed a deep underlying sense of apprehension flowing throughout the entire area of that southeastern Alaska city. The reason for this apprehensive mood is certainly understandable since that community's basic industries are experiencing substantial difficulties. Historically, Ketchikan has relied heavily on timber and fishing related industries as its economic base. In years past this reliance has proved healthy as Ketchikan has continued to grow at a slow but steady pace. More recently, however, a soft housing market in both Japan and the United States and generally poor economic conditions coupled with a declining salmon fishery have given rise to concern over Ketchikan's narrow economic base. In fact, one of the higher priority items to be undertaken by the Ketchikan Gateway Borough's Overall Economic Development Program (OEDP) is the development of an economic diversification policy. Present local economic conditions and talk of a possible pulp mill closure resulting from stringent Environmental Protection Agency regulations have underscored the need for diversification. Some areas of diversification that are presently being considered through the OEDP are marine transportation services (including an Alaska state ferry supplementary maintenance base, marine repair and maintenance facilities, and the development of a regional trans-shipment center, distribution port, and container cargo facilities), tourism development, and expansion of resource base industries (i.e. fishing, timber and mining). The following sections will discuss various segments of Ketchikan's economy as viewed in the spring of this year.

Logging, Lumber and Pulp. During the growth years of Ketchikan's timber industry, fishing was that community's economic foundation. In recent years the declining fisheries have been offset by maturing timber related industries, resulting in a stable and thriving community with timber becoming the economic mainstay. The influence of the timber industry in Ketchikan is exemplified by the fact that almost one-fourth of the labor force is directly employed in that industry. Further, the area's largest employer, Ketchikan Pulp Company, can almost be taken synonymously with Ketchikan's timber industry. According to KPC brochures, that firm directly and indirectly employs nearly 2,000 people in their logging, pulp mill, and sawmill operations, and they spend over three million dollars per month locally for wages, supplies, and logs. Basically, as that firm fares, so fares the community of Ketchikan. Fortunately, KPC is a diversified firm in itself, and is therefore, in a better position to cope with changing market and economic conditions. Recently, an added concern has been the possibility of a closure of pulp mill operations due to strict EPA regulations. Should such a closure occur, the effects would be long lasting and quite profound. In a preliminary analysis of the economic impact of changes in operating levels of the Ketchikan Pulp Mill, Dr. George Rogers, economist, estimates that the area's total employment would fall "from the 1974 level of 7,948 to somewhere between 4,320 and 5,940, and total population...from 15,740 to between 8,640 and 11,880."

Assuming that a pulp mill closure will not come about, the future is not all that bad. While tight times can be expected in the interim, the long range outlook is good. As world market conditions improve, KPC's pulp operations will eventually get back into full swing. It is important to note that Ketchikan Pulp's recent 6 week shutdown was due to inventory problems resulting from the soft world pulp market and not from EPA restrictions. Should

poor market conditions continue, more shutdowns can be expected. Present plans call for the Ketchikan Pulp Mill to be shut down during most of July and again for a shorter period this fall.

A recent picture of Ketchikan, which further attests to poor timber market conditions, will show rows of cants stockpiled everywhere, awaiting shipping. In that respect logging and sawmill operations are in much the same state as pulp production. However, logging will continue through most of October, and weather and market conditions permitting, may continue into December. In contrast to pulp operations, logging and sawmill production will see a slowdown in activity to adjust to market conditions rather than complete shutdowns.

While the present situation is the result of poor market conditions, future operations will undoubtedly be affected by rising operating costs, such as stumpage prices, wages, and insurance rates. The present formula used by the U.S. Forest Service for setting stumpage fees has increased stumpage costs drastically, unfortunately at a time when economic conditions are poor. It is noteworthy, however, that a considerable lag exists between the time of a timber sale and the active or completed harvest. Thus, the next year or two will see harvesting of timber purchased at lower prices. One encouraging fact in this picture of uncertainties is that present rates of timber harvest can be maintained indefinitely. Hopefully, existing problems or inequities can be worked out and Ketchikan's primary industry will see some improvements.

Fishing: The depressed state of Alaska's fisheries is certainly not a new story. Coming at a time when Ketchikan's primary industry is suffering from soft market conditions and rising operating costs, an anticipated extremely poor salmon return will certainly aggravate the area's unemployment picture.

According to the Alaska Department of Fish and Game forecasts, a pink salmon return to Southeastern Alaska of 6.6 million fish "represents one of the poorer outlooks for major fisheries in the State." For Southern Southeastern (which is that area from Petersburg south) a pink return of approximately 2.0 million is forecast with a range of 0 to 4.3 million. Since the escapement requirements are approximately 6 million fish, no significant harvest is expected. Since pink salmon make up the bulk of the total salmon pack many processors may not be operating this season. While the long term outlook for Ketchikan fisheries is uncertain, the early forecast for 1976 is also poor. Hopefully, however, limited entry may relieve some pressures on the salmon fisheries and in time there may be some new developments or help from the area of aquaculture.

Mining: If there is to be a salvation from Ketchikan's reliance on timber and fishing related industries, it will not likely be the result of a shift to mining. Petroleum has the front row seat in southcentral and northern Alaska, but in Southeastern its potential is bleak. Mining activities in the area of the State's southernmost city have primarily been of an exploratory nature. Companies such as El Paso Natural Gas, U.S. Borax, Consolidated Mining (along with many other firms engaged in exploration services) have conducted extensive surveys in this area, yet findings have not generated a great deal of optimism. However, some mineral potential exists in the Bokan Mountain area and uranium deposits of a limited nature have shown up on the Prince of Wales Island. Hardrock minerals of many varieties exist in Southeastern but not in sufficient quantity or quality to overcome Alaska's inherent obstacles of short work seasons, limited access, and expensive transportation. While this picture will undoubtedly change in the future, the present and short term outlook is limited. It is difficult to predict long range implications of mining exploration activities, especially in view of overall economic conditions, individual business policy, and feasibility of mineral extraction.

Construction: The construction outlook in Ketchikan is fairly good. Construction activity (as reflected by building and zoning permits) for the first four months of 1975 is following closely to 1974 experience. While down from 1973 levels, many projects are on tap in the near future; perhaps the largest of which is that of port facilities development. Under the past year's approval of a statewide bond issue, Ketchikan will receive $1.5 million, which will be matched with $300,000 of local funds if approval is obtained through a local bond election. A bid has recently been let for the construction of a $.5 million Totem Heritage Cultural Center designed to house totems and native arts and which will provide a center for related community activities.

Additional construction activity will see 100 units of low-rent housing started this summer. Presently, work is beginning on a crash and maintenance facility at the new Ketchikan airport on Gravina Island, and a $.5 million bridge project is well underway at Ward Creek near the Ketchikan Pulp Mill. Likely significant projects in the future will include the design and installation of municipal water and sewer facilities.

Finance & Real Estate: A check with banking institutions in Ketchikan shows that in relation to past comparable periods the dollar volume of time deposits is increasing while demand deposits are declining. This may be an indication that large purchases such as homes, autos and boats are being deferred in view of present economic uncertainties, while demand deposits are being drawn upon to meet the needs of short term unemployed workers. In viewing loan volumes, the trend is up on short term business loans and down for auto and boat loans. It appears that the money market is not tight, however lending may be a little more selective. For instance one institution indicates that loans will be harder to obtain for multiple-family dwellings than for single-family residences.

Resistance to loans on multiple-family units seems contrary to the general Alaska tendency towards this type of dwelling, (see "Private Housing Activity in Alaska"; Alaska Economic Trends–May 1975). This is more understandable, however, in view of Ketchikan's current economic situation and the planned construction of one-hundred units of HUD/ASHA funded low-rent family and elderly housing scheduled to be started this summer.

Following a fairly active spring the condition of Ketchikan's real estate market is slow but generally healthy. As in most of Alaska, a sellers' market exists due to the shortage of adequate housing. Real estate listings are up and sales are down, but with maintenance of high prices it appears that dollar volumes have not been drastically affected. While there is a great deal of concern about Ketchikan's present state, it seems that most people view it as a relatively short term situation.

Tourism & Travel: Alaska in general is experiencing a renewed interest in tourism which is to some degree a result of publicity and interest developed from the construction of the pipeline. While the growth rate is not expected to be as great as in past years the trend is still up and this should prove to be the biggest year ever. Likewise, travel is up statewide as a result of many Alaskans seeking pipeline employment and pipeline workers traveling home for R & R and returning to their pipeline jobs. While Ketchikan will not be leading the list on percentage increase in this type of travel neither is that area immune to nor insulated from such events. The most likely contributing factor to pipeline related travel from Ketchikan is the dim outlook for marginal workers normally employed in the slumping timber and fishing industries. Looking deeper into Ketchikan's experience with tourists reveals that even though there has been no concerted effort to develop this industry, there has been a slow but steady growth in recent years. Ketchikan's largely untapped tourism resource may be facing a change, however, under a policy of Economic Development and Diversification.

The problems Ketchikan is presently facing are not insurmountable, yet the cure for its economic woes will require time. National economic recovery along with renewed building activity and increased demand for timber products and rehabilitation of Southeastern Alaska's fisheries will not be an overnight occurrence. However, with timber being the leading economic influence in the Ketchikan area, the potential for a quick recovery is good. Obviously, market conditions for timber products will improve much faster than will a rehabilitation of Southeast Alaska's fisheries.

While the present scene is dim, Ketchikan is a sound community with an economy based on renewable resources. With proper resource management and an actively pursued plan for diversification, Ketchikan's future can be one of Alaska's brightest.

ALASKA'S ECONOMY IN APRIL

Employment – Unemployment: Preliminary estimates of Statewide employment in April, revealed an increase of 5,900 workers from the 149,600 reported in March. Statewide employment in April was up 25.8 percent from a year ago. Total unemployment in April declined to 16,100, down 900 from the month earlier. Over the month, the labor force expanded to 171,600, up 3 percent from March, and up 21.5 percent from last April.

ALASKA CIVILIAN LABOR FORCE SUMMARY 1/
BY PLACE OF RESIDENCE

	p/ 4-75	r/ 3-75	4-74	Changes From: 3-75	4-74
CIVILIAN LABOR FOR E	171,600	166,600	141,200	5,000	30,400
INVOLVED IN WORK STOPPAGES	0	0	0	-	-
TOTAL UNEMPLOYMENT	16,100	17,000	17,600	-900	-1,500
Percent of Labor Force	9.4	10.2	12.5	-	-
TOTAL EMPLOYMENT 2/	155,500	149,600	123,600	5,900	31,900

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK

	p/ 4-75	r/ 3-75	4-74	Changes From: 3-75	4-74
Nonagricultural Wage & Salary	129,300	124,700	114,500	4,600	14,800
Mining	4,000	3,500	3,000	500	1,000
Construction	12,700	11,600	7,300	1,100	5,400
Manufacturing	7,700	6,600	8,900	1,100	-1,200
Durable Goods	2,800	2,200	3,000	600	-200
Lumber, Wood Products	2,300	1,700	2,400	600	-100
Other Durable Goods	500	500	600	0	-100
Nondurable Goods	4,900	4,400	5,900	500	-1,000
Food Processing	2,500	2,000	3,700	500	-1,200
Other Nondurable Goods	2,400	2,400	2,200	0	200
Transp.-Comm. & Utilities	13,600	13,200	11,000	400	2,600
Trucking & Warehousing	2,200	2,000	1,700	200	500
Water Transportation	1,000	1,000	900	0	100
Air Transportation	4,300	4,200	3,400	100	900
Other Transp.-Comm. & Utilities	6,100	6,000	5,000	100	1,100
Trade	21,100	20,600	19,000	500	2,100
Wholesale Trade	4,100	4,100	3,700	0	400
Retail Trade	17,000	16,500	15,300	500	1,700
General Merchandise & Appar	4,300	4,200	3,800	100	500
Food Stores	2,200	2,200	1,900	0	300
Eating & Drinking Places	4,700	4,500	4,200	200	500
Other Retail Trade	5,800	5,600	5,400	200	400
Finance-Insurance & Real Estate	5,200	5,200	4,700	0	500
Services & Miscellaneous	18,900	18,800	17,300	100	1,600
Government 3/	46,100	45,200	43,300	900	2,800
Federal	17,500	17,300	17,400	200	100
State	15,900	15,400	14,600	500	1,300
Local	12,700	12,500	11,300	200	1,400

1/ Prepared in cooperation with the U. S. Bureau of Labor Statistics.

2/ Includes: domestics, nonagricultural self-employed and unpaid family workers, agricultural workers and adjustment for commuting, multiple job-holding and unpaid absences.

3/ Includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

p/ Denotes preliminary estimates.

r/ Denotes revised estimates.

Mining: The Division of Oil and Gas reported in its April bulletin that 16 exploratory wells and 6 development wells were drilling at the end of March. At that time, the majority of drilling operations were engaged in oil and gas exploration north of the Brooks Range. During the first week of April, 20 drilling operations were underway Statewide. Total mining employment in April rose to 4,000, which was a gain of 500 over March and an increase of 1,000 over April a year ago.

Construction: During April, work on the trans-Alaska oil pipeline project moved into its second year. Through mid-month, 259.3 miles of work pad had been completed, and by late April 373.3 miles of right of way had been cleared. Although a large part of Statewide activity in construction was directly related to the pipeline project, statistics compiled by Alaska Construction & Oil indicated that contract construction awards in April totaled $56.6 million, up $34.0 million from March, with the non-pipeline sectors leading the way. April employment in contract construction climbed to 12,700, up nearly 74 percent from a year ago. Over the month, construction employment increased by 1,100.

Manufacturing: Total manufacturing employment rose from 6,600 in March to 7,700 in April. While employment activity continued to pick up through the month, there was a considerable drop in the number of persons employed in the industry when compared to last April's figures. Most of the decline from a year ago was confined to the non-durable goods sector. Food processing in April was off 32.4 percent from the year ago level. These figures parallel the picture of early shellfish landings in 1975. The cumulative tanner crab catch in pounds through April was down 66.9 percent from the same period last year.

Transportation, Communications, & Utilities: Industry employment edged up to 13,600, an increase of 400 over the month before. T.C.& P.U. was up 2,600 from April 1974, to April, 1975. Trucking and warehousing experienced the largest absolute gain over the month.

Trade: Employment in Alaska's trade industry registered a gain of 500 from March to April. Though wholesale trade stood at 4,100 from month-to-month, retail trade rose by 500 to a total of 17,000.

Finance, Insurance, & Real Estate: Employment in this sector remained constant at 5,200 over the month. Noticeable gains are anticipated in the months ahead, as several financial institutions finalize their plans for expansion throughout the State.

Service & Miscellaneous: Services employment increased by 100 from month-to-month. April employment, which rose to 18,900, was up 1,600 over a year ago.

Government: In April, a monthly increase of 500 in the state sector led the way in the gain experienced in government, resulting in part from seasonal increases in Fish and Game and Marine Transportation divisions. During the month, total government employment rose to 46,100, up 900 from March and up 2,800 from last April.

Private Industry IUR: Alaska's total private insured unemployment rate tumbled from 11.7 in March to 9.8 in April. By area, sizable declines in the number of weeks claimed, from March to April, occurred in the Kenai and Sitka labor market areas. By industry, the number of weeks claimed over the month in construction and in mining (other than gas and oil) fell sharply. Food processing showed an upswing in the number of weeks claimed from April, 1974, to April, 1975.

Characteristics of the Insured Unemployed: By industry, changes in the characteristics of the insured unemployed occurred in the contract construction category, where construction's share of total weeks claimed during the survey period, the week of the 19th, dropped from 33 percent in March to 30 percent in April. The manufacturing sector showed an upturn in the percent of total weeks claimed over the month as well as over the year ago level. Similar changes also occurred in the corresponding occupational sectors.

Employment Shortages and Surplus Occupations: During April, a shortage of willing and qualified applicants existed in the following occupations in the Fairbanks Labor Market Area: sales persons, parts clerks, bookkeepers, secretaries, diesel mechanics, automobile mechanics, waitresses, and maids. A

INDICATORS OF ALASKA ECONOMIC ACTIVITY*

INDICATOR	Most Recent Month	Previous Month	Year Ago
	4-75	3-75	4-74
Selected Economic Activity Measures			
Total Unemployment Rate a/	7.9	8.2	10.3
Insured Unemployment (weekly average) a/ b/	5,854	5,977	5,342
New Employers (unadjusted) c/	141	241	166
Nonagricultural Wage Payments (millions $, unadjusted)	151	143	113
Wage Payments in Mining, Manufacturing & Construction	41	37	23
Employment (1967=100) a/			
Nonagricultural Wage & Salary	176.5	175.8	156.3
Mining	198.8	179.4	149.1
Construction	283.0	292.9	162.6
Manufacturing	138.8	135.1	160.4
Transportation-Communications & Utilities	187.6	191.6	151.7
Trade	184.7	185.9	166.3
Finance-Insurance & Real Estate	229.3	232.6	207.3
Services	214.5	219.3	196.3
Government	146.7	144.7	137.8
Alaska State Employment Service Activities			
Nonagricultural Placements (unadjusted)	1,505	1,454	807
Nonagricultural Placements (daily average) a/	88	110	48
Banking Activities (millions $, unadjusted) e/			
Loans & Investments	761	747	630
Demand Deposits	433	403	284
Time Deposits	377	380	348
	2-75	1-75	2-74
Personal Income (millions $ Annual Rate) d/	2,483.4	2,411.4	1,881.6
Public Construction Contracts Awarded ($000, annual rate, unadj.) f/	145,282	171,593	121,584
Federally Owned	61,359	57,981	35,466
State Owned Highways	83,923	113,612	86,118
	2-75	1-75	2-74
Crude Petroleum Production (000 bbls., unadj.) g/	5,524	6,159	5,465

* All data seasonally adjusted unless otherwise noted. Current month preliminary.

a/ Seasonally adjusted by the 1966 U.S. Bureau of Labor Statistics seasonal adjustment method.

b/ Unemployment in Alaska insured by State law.

c/ Employers newly subject to the Alaska Employment Security Act.

d/ Source: Business Week Magazine, seasonally adjusted by the Alaska Employment Security Division.

e/ Source: Federal Reserve Bank of San Francisco. Members banks only.

f/ Source: U.S. Department of Commerce, Bureau of Census, Construction Statistics Division; series is total of Federally-owned awards, and State-owned highway awards only.

g/ Source: Alaska Department of Natural Resources, Division of Mines and Minerals.

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN ALASKA

State Unemployment Insurance

	Insured Unemployed Based on Key Week		
	4-75	3-75	4-74
Total Weeks Claimed.....	8,035	8,892	8,779

Characteristic	Percent Distribution		
Total.....	100	100	100
Sex and Age			
Men			
Under 45.....	53	56	51
45 and over.....	23	21	26
Women			
Under 45.....	18	17	17
45 and over.....	6	6	6
Industry			
Mining.....	3	3	2
Contract Construction.....	30	33	33
Manufacturing.....	19	18	16
Transp.-Comm. & Utilities...	9	9	9
Trade.....	17	16	17
Finance-Insurance & R. E....	2	2	2
Service & Miscellaneous.....	10	10	20
All Other.....	10	9	1
Occupation			
Professional & Managerial...	6	6	6
Clerical & Sales.....	11	11	13
Service.....	13	11	10
Farming-Fishing & Forestry..	6	6	4
Processing.....	9	8	7
Machine Trades.....	3	3	3
Bench Work.....	1	1	1
Structural Work.....	34	37	40
Miscellaneous.....	12	13	13
Unknown.....	5	4	3
Length of Current Spell of Insured Unemployment			
1-4 Weeks.....	29	34	29
5-14 Weeks.....	47	48	42
15 Weeks and over.....	24	18	29

critical shortage of housing has impeded job qualified persons from re-locating to the Fairbanks area, the hub of pipeline activity. More housing, trailer parks, building lots, and temporary camp grounds are planned for this summer, but all job seekers should have from $1,000–$2,000 to cover hotels and food costs while awaiting permanent housing.

Forecast — May Unemployment: Statewide unemployment is expected to ease through the summer months in spite of the likelihood of jobless in-migrants bound for the pipeline. An unemployment rate of 8.2 is forecast for May.

ANCHORAGE LABOR MARKET AREA

Highlights: The Consumer Price Index (CPI) for Anchorage rose 5.0 percent in April from the previous January. This was the largest quarterly increase ever recorded in the Anchorage CPI and heralds a year of maximum inflation. This compares to an increase of 1.6 percent in the United States CPI and 1.1 percent increase in the Portland CPI over the same quarter. It is becoming apparent that inflation is relaxing elsewhere while still on the rise in Anchorage. Although the annual rates for the U.S., Portland, and Anchorage were closely aligned at the first of the year, the annual rate of change in the Anchorage CPI increased dramatically in April. Since April, 1974, the United States CPI has increased 10.2 percent; Portland, 10.8 percent; and Anchorage, 15.6 percent. In January, the annual rates were much closer: United States, 11.7 percent; Portland, 13.9 percent; and Anchorage, 13.8 percent. The demand pull on prices is getting stronger in Anchorage, particularly in housing, so it is hard to believe that the rate of increase will not continue even though prices are no longer rising rapidly in the lower 48 states.

One of the few comparisons of budgetary costs in different urban areas has also been released recently — " The Autumn of 1974 Family Budgets". The budgets reflect dollar amounts of three different levels of the living costs for an urban family of four consisting of an employed 38-year-old husband, a non-working wife, a 13-year-old boy, and an 8-year-old girl. All three budgets reflected that Anchorage had the highest living cost of any of the cities studied. The annual cost of the lower budget for Anchorage was $13,687; 42.1 percent higher than Seattle, and 48.8 percent above the urban U.S. average. The intermediate budget was $19,092, or 31.8 percent above the Seattle budget of $14,487, and 33.2 percent above the U.S. urban average. The high budget in Anchorage was $26,595, or 29.9 percent above the $20,477 Seattle budget, and 28 percent above the U.S. urban average. The data suggests that for this precisely defined family of four, it would take between four and six thousand dollars more to live in Anchorage than in Seattle, and the CPI indicates that this disparity will get larger.

ANCHORAGE CIVILIAN LABOR FORCE SUMMARY 1/
BY PLACE OF RESIDENCE

	p/ 4-75	r/ 3-75	4-74	Changes From: 3-75	4-74
CIVILIAN LABOR FORCE	75,600	73,700	65,200	1,900	10,400
INVOLVED IN WORK STOPPAGES	0	0	0	-	-
TOTAL UNEMPLOYMENT	5,600	5,700	5,900	-100	-300
Percent of Labor Force	7.4	7.8	9.0	--	-
TOTAL EMPLOYMENT 2/	70,000	68,000	59,300	2,000	10,700

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK

	p/ 4-75	r/ 3-75	4-74	Changes From: 3-75	4-74
Nonagricultural Wage & Salary	61,100	59,300	55,000	1,800	6,100
Mining	1,500	1,400	1,100	100	400
Construction	5,200	4,700	3,900	500	1,300
Manufacturing	1,500	1,400	1,200	100	300
Food Processing	200	200	200	0	0
Other Manufacturing	1,300	1,200	1,000	100	300
Transp.-Comm. & Utilities	6,000	5,800	5,100	200	900
Trucking & Warehousing	900	800	900	100	0
Water Transportation	200	200	100	0	100
Air Transportation	2,400	2,300	2,000	100	400
Other Transp.-Comm. & Utilities	2,500	2,500	2,100	0	400
Trade	13,100	12,600	11,500	500	1,600
Wholesale Trade	3,100	3,000	2,600	100	500
Retail Trade	10,000	9,600	8,900	400	1,100
General Merchandise & Appar.	2,200	2,200	2,100	0	100
Food Stores	900	900	800	0	100
Eating & Drinking Places	3,300	2,900	2,600	400	700
Other Retail Trade	3,600	3,600	3,400	0	200
Finance-Insurance & Real Estate	3,300	3,200	3,000	100	300
Services & Miscellaneous	10,000	10,000	9,900	0	100
Government 3/	20,500	20,200	19,300	300	1,200
Federal	10,000	10,000	10,000	0	0
State	4,500	4,300	4,200	200	300
Local	6,000	5,900	5,100	100	900

1/ Data contained in this report cover the Anchorage Election District area, which includes the City of Anchorage, the residential communities of Campbell, Spenard, Merrill Field, Mountain View, Elmendorf Air Force Base, Fort Richardson, and the interconnecting highways.
2/ Includes: domestics, nonagricultural self-employed and unpaid family workers, agricultural workers and adjustment for commuting, multiple job-holding and unpaid absences.
3/ Includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.
p/ Denotes preliminary estimates.
r/ Denotes revised estimates.

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN ANCHORAGE

State Unemployment Insurance

Characteristic	Insured Unemployed Based on Key Week 4-75	3-75	4-74
Total Weeks Claimed.....	2,322	2,492	2,372
	Percent Distribution		
Total.....	100	100	100
Sex and Age			
Men			
Under 45.....	53	55	53
45 and over.....	22	19	25
Women			
Under 45.....	20	20	17
45 and over.....	5	6	5
Industry			
Mining.....	3	3	1
Contract Construction.....	42	41	45
Manufacturing.....	7	8	7
Transp.-Comm. & Utilities...	9	9	8
Trade.....	18	19	19
Finance-Insurance & R. E....	4	3	4
Service & Miscellaneous.....	13	13	13
All Other.....	4	4	3
Occupation			
Professional & Managerial...	7	7	6
Clerical & Sales.....	16	16	17
Service.....	12	9	10
Farming-Fishing & Forestry..	2	2	1
Processing.....	2	1	1
Machine Trades.....	2	2	2
Bench Work.....	1	1	1
Structural Work.....	47	47	51
Miscellaneous.....	9	9	9
Unknown.....	2	6	2
Length of Current Spell of Insured Unemployment			
1-4 Weeks.....	40	36	29
5-14 Weeks.....	47	45	40
15 Weeks and over.....	23	19	31

Employment: In April, there were an estimated 70,000 employed individuals living in the Anchorage area, which is an increase of 2,000 from the month of March, but a slight decline in the rate of increase as compared to the February- March period when employment increased by 3.1 percent. In 1974, the April level of employment was 59,300, or 10,700 less than this year. In April, 1974, the monthly increase in employment was 3,400 compared to this year's increase of 2,000 indicating a possible slowing down in the rate of growth. These preliminary results for one month do not establish a trend, but they do provide an area to watch, and an indication that the rate of growth in employment won't be as large this year as it was in 1974 even though we began with greater over-the-year growth.

Mining: The summer buildup is continuing with an increase of 100 over last month and a 400 increase over April, 1974. Employment in mining has now reached 1,500. In 1974, employment reached 1,100 in April and then remained relatively constant for the balance of the year.

Construction: Employment increased 500 this month to 5,200 marking the beginning of the summer push. Last year in April, employment was 3,900, so there has been an over-the-year increase in employment of 1,300. Employment in construction peaked at 8,000 in September 1974 and may peak at over 9,000 this year.

Manufacturing: One of the smaller industries and also one of the less dynamic, manufacturing is continuing its seasonal rise in employment. There are now 1,500 people employed in the industry which represents a monthly increase of 100, and an over-the-year increase of 300.

Transportation: This industry is showing the effect of the pipeline with an over-the-year growth of almost 20 percent. Employment in April was 6,000, up 200 from March and 900 from April, 1974.

Trade: Employment in trade is off to a good start this year, and it appears that the industry will duplicate last year's growth. Employment in trade has already reached 13,100 this April; 10,000 in the retail sector, and 3,100 in the wholesale sector. Both sectors show substantial growth with the entire industry showing a monthly increase of 500 and an over-the-year increase of 1,600.

FAIRBANKS CIVILIAN LABOR FORCE SUMMARY 1/
BY PLACE OF RESIDENCE

	p/ 4-75	r/ 3-75	4-74	Changes From: 3-75	4-74
CIVILIAN LABOR FORCE	25,400	25,350	18,900	50	6,500
INVOLVED IN WORK STOPPAGES	0	0	0	0	0
TOTAL UNEMPLOYMENT	1,600	2,050	2,850	-450	-1,250
Percent of Labor Force	6.3	8.0	15.0	-	-
TOTAL EMPLOYMENT 2/	23,800	23,350	16,050	450	7,750

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK

	p/ 4-75	r/ 3-75	4-74	Changes From: 3-75	4-74
Nonagricultural Wage & Salary	21,650	21,250	17,350	400	4,300
Mining	300	300	300	0	0
Construction	3,700	3,600	1,650	100	2,050
Manufacturing	350	350	250	0	100
Food Processing	50	50	50	0	0
Other Manufacturing	300	300	200	0	100
Transp.-Comm. & Utilities	2,400	2,300	1,650	100	750
Trucking & Warehousing	700	600	350	100	250
Water Transportation	-	-	-	-	-
Air Transportation	1,000	1,000	700	0	300
Other Transp.-Comm. & Utilities	700	700	600	0	100
Trade	3,400	3,400	2,900	0	500
Wholesale Trade	600	600	500	0	100
Retail Trade	2,800	2,800	2,400	0	400
General Merchandise & Appar	500	500	500	0	0
Food Stores	400	400	300	0	100
Eating & Drinking Places	900	900	700	0	200
Other Retail Trade	1,000	1,000	900	0	100
Finance-Insurance & Real Estate	700	700	600	0	100
Services & Miscellaneous	3,400	3,300	2,900	100	500
Government 3/	7,400	7,300	7,100	100	300
Federal	2,800	2,800	2,700	0	100
State	3,500	3,400	3,300	100	200
Local	1,100	1,100	1,100	0	0

1/ Data contained in this report covers the Fairbanks Election District area which includes the city of Fairbanks, the residential communities of College, International Airport, Fort Wainwright, Eielson Air Force Base, Farmer's Loop Road, Slaterville, Gilmore, Tok Junction, Big Delta and the inter-connecting highways.

2/ Includes: domestics, nonagricultural self-employed and unpaid family workers, agricultural workers and adjustment for commuting, multiple job-holding and unpaid absences.

3/ Includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

p/ Denotes preliminary estimates.

r/ Denotes revised estimates.

Finance, Insurance, and Real Estate: Present employment is 3,300. This is an increase of 100 from last month and 300 over last year. Growth of this industry has been steady and will continue throuch the year as more facilities presently under co tion are co npleted.

Service: The service industry has an employment level of 10,000, the same as last month. Services employment is up 100 from April a year ago.

Government: Employment in the state and local sectors of government continues to steadily grow with state government increasing 200 over March and 300 over-the-year. Local government increased 10 this month and 900 over-the-year, while activity in federal government remained constant.

Unemployment: Unemployment declined to 5,600 down 100 from last month and 300 from last year. Normally the largest number of unemployed occurs in the first quarter of the year. Peak unemployment was in February when 6,000 workers (8.6 percent of the labor force) were idle. The unemployment rate in April was 7.4 percent, but it will probably increase again in June with graduation and increased in-migration.

FAIRBANKS LABOR MARKET AREA

Highlights: Trucking activity was feverish during the early part of April as men and equipment rushed to move materials to trans-Alaska pipeline sites before spring breakup. As many as 300 trucks a day were leaving Fairbanks for points north and south along the pipeline route. All of the sections for the Yukon River Bridge had been moved to location by early April. By mid-April deteriorating road surfaces caused a sharp decline in trucking activities to northern points from Fairbanks. During the latter part of the month, a 75 percent load restriction was posted on the Elliot Highway from Fairbanks to Livengood.

The booming Interior Alaska economy has caused a jump in demand for railroad transportation. The Alaska Railroad recently purchased 3 new locomotives and borrowed 12 more from the U.S. Army. Fifty-million dollars has been recently requested from the Federal Government to purchase 15 locomotives and 1,800 freight cars. And farsighted management is now exploring the possibility of a link-up with the Canadian Railway system. The railroad connection would probably go south to Delta Junction and then down the Alaska Highway into Canada.

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN FAIRBANKS

State Unemployment Insurance

	Insured Unemployed Based on Key Week		
	4-75	3-75	4-74
Total Weeks Claimed.....	601	1,020	1,392
Characteristic	Percent Distribution		
Total.....	100	100	100
Sex and Age			
Men			
Under 45.....	53	60	50
45 and over.....	30	27	26
Women			
Under 45.....	12	8	18
45 and over.....	5	5	6
Industry			
Mining.....	6	2	1
Contract Construction.....	48	60	42
Manufacturing.....	8	4	4
Transp.-Comm. & Utilities...	10	9	8
Trade.....	13	10	20
Finance-Insurance & R. E....	1	1	3
Service & Miscellaneous.....	11	10	17
All Other.....	3	4	5
Occupation			
Professional & Managerial...	8	7	8
Clerical & Sales.....	10	9	18
Service.....	9	7	11
Farming-Fishing & Forestry..	1	1	1
Processing.....	1	1	1
Machine Trades.....	5	3	2
Bench Work.....	1	1	1
Structural Work.....	50	54	44
Miscellaneous.....	9	15	11
Unknown.....	6	2	3
Length of Current Spell of Insured Unemployment			
1-4 Weeks.....	38	55	29
5-14 Weeks.....	47	36	39
15 Weeks and over.....	15	9	32

Wage rates have been rising in the Fairbanks area as employers have attempted to reduce an all time high in turnover. The Fairbanks North Star Borough School District expects about a 100 percent turnover in classified employees in 1975. Last year, classified employees received a 20 percent raise in salaries, and this year a 15 percent raise. The University of Alaska is also having problems, with 185 classified openings in April, 1975, compared to 138 openings in April, 1974 and only 11 openings in April, 1973.

A new Federal Building for Fairbanks to be located near the front gate of Ft. Wainwright Army Base is getting underway. The demolition and excavation phase of the project is estimated to cost between $100,000 to $500,000. Bid deadline was set for June 19, 1975, by the General Services Administration.

The Capitol site selection committee, searching for a location for Alaska's new capitol chose for further study three areas near Fairbanks. The areas are the Nenana area, the Dunbar area, and the Big Delta area. The first two areas are within 40 air miles of Fairbanks and have very favorable transportation locations. Both areas, near the new Anchorage–Fairbanks Highway are on the Alaska Railroad Route, and have potential river barging tie-ins. Big Delta which is approximately 100 miles south of Fairbanks lies along the Alaska Highway and the trans-Alaska oil pipeline route.

PRIVATE INDUSTRY INSURED UNEMPLOYMENT RATE (IUR)

AREA	IUR 4-75	IUR 3-75	IUR 4-74
Statewide	9.8	11.7	10.4
Anchorage	11.4	12.3	12.2
Fairbanks	6.4	7.4	7.0
Juneau	7.3	9.1	8.4
Ketchikan	9.1	10.6	10.2
Nome	8.1	6.3	7.8
Kenai-Kodiak	11.0	16.3	9.1
Sitka	10.2	16.0	9.5

INDUSTRY	IUR 4-75	IUR 3-75	IUR 4-74
Total	9.8	11.7	10.4
Oil & Gas	6.7	7.8	4.1
Other Mining	18.0	30.0	20.7
Construction	19.8	27.4	32.5
Food Processing	21.3	21.1	12.8
Log, Lumber & Pulp	15.2	22.1	11.4
Other Mfg.	7.7	10.0	10.1
Trans. & Utilities	6.3	7.0	6.4
Wholesale Trade	8.6	9.8	6.6
Retail Trade	6.2	6.6	7.0
Finance	4.0	4.3	5.0
Service & Other	7.8	8.6	7.6

Insured Unemployment Rate: The IUR is derived by dividing the number of man weeks of unemployment claimed by the number of weeks for the month and then dividing this answer by the State U. I. covered employment from final employment figures relating to a quarter ending six months earlier. This IUR is not seasonally adjusted.

HOURS AND EARNINGS - SELECTED INDUSTRIES 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	3-75	2-75	3-74	3-75	2-75	3-74	3-75	2-75	3-74
MINING	$483.99	$474.45	$378.38	44.2	45.1	46.2	$10.95	$10.52	$ 8.19
CONTRACT CONSTRUCTION	685.58	584.35	466.69	49.5	42.1	41.3	13.85	13.88	11.30
MANUFACTURING	288.7.	270.81	239.94	37.5	35.4	36.8	7.70	7.55	6.52
Food Processing	155.39	147.69	128.48	26.7	27.0	29.4	5.82	5.47	4.37
Logging-Lumber & Pulp	332.05	312.96	301.44	41.3	38.4	42.1	8.04	8.15	7.16
WHOLESALE TRADE	300.80	287.89	235.13	40.0	39.6	38.8	7.52	7.27	6.06
RETAIL TRADE 2/	213.35	210.89	181.63	34.3	34.8	35.2	6.22	6.06	5.16
FINANCE-INSURANCE & REAL ESTATE	172.76	160.80	148.89	-	-	-	-	-	-

EXPLANATION NOTES:

AVERAGE HOURS & EARNINGS SERIES: Averages are based on data for full- and part-time production and non-supervisory workers and are for gross earnings and hours worked, or paid for, including overtime pay and hours. Administrative, supervisory, technical, and office personnel are excluded.

1/ Prepared in cooperation with Bureau of Labor Statistics, U. S. Department of Labor.

2/ Excluded eating and drinking places.

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