

AEDC October 2011 Employment Report

ANCHORAGE

6.2% 2011 YTD
Unemployment Rate



5.6% October 2011
Unemployment Rate

1,470 Average increase of
jobs (YTD) for
2011 vs. 2010

1.51% **2,300** Increase
of Jobs for
Oct.'11 vs.
Oct.'10

1,840 Average more
workers (YTD) in
2011 than 2010

Total Jobs = Goods + Services

1,500 More Services Producing
Jobs (YTD) in 2011 than
2010

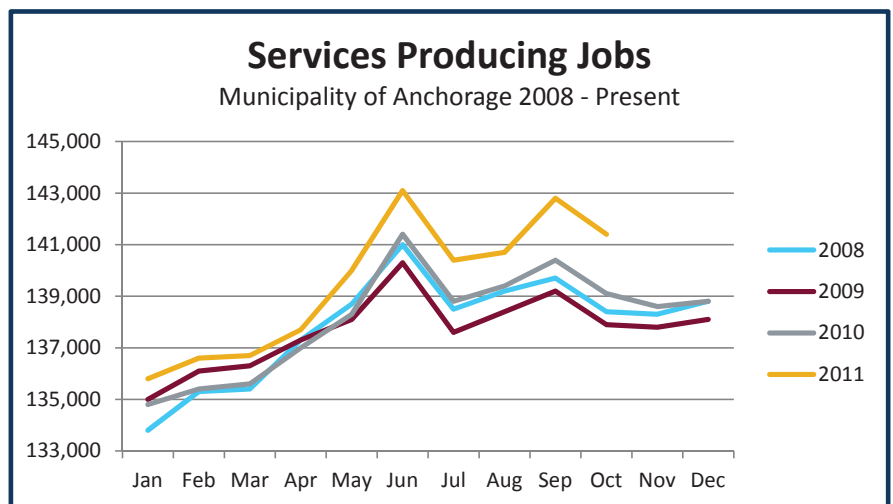
0.23% **30** Less Goods Producing
Jobs (YTD) in 2011 than
2010

Executive Summary

The unemployment rate in Anchorage continues to trail the national level by about 3 percentage points. For the 3rd month in a row, the unemployment rate is below 6% with October at 5.6%. Overall, unemployment is averaging 6.2% in Anchorage for the first 10 months of 2011, which is 0.8% below 2010 year-to-date average. Monthly labor force growth in Anchorage has continued to track above 2010 levels and is currently averaging 1,840 more workers in 2011, compared to 2010. Job growth continues to outpace labor force growth, which really means that the Anchorage economy is continuing to grow.

Services Producing Jobs

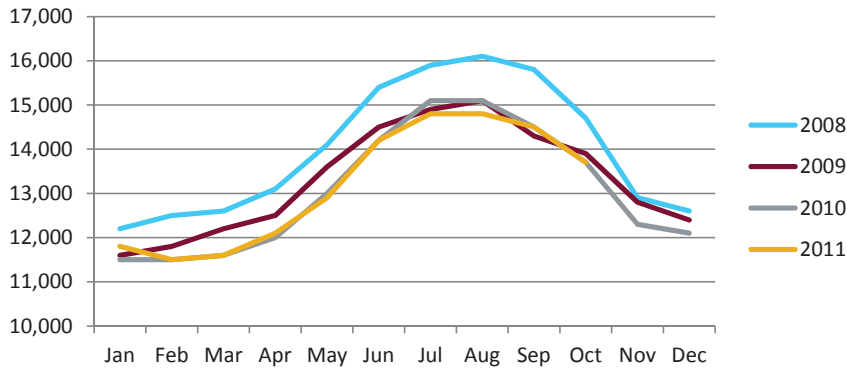
Services producing jobs in Anchorage (engineering, retail, tourism, healthcare, etc.) are up 2011 over 2010 by 1,500 jobs, or 1.09%. The sectors seeing the most growth are professional & business services (up 300, 1.63%), and educational and health services (up 1,000 jobs, 4.63%, with 760 of those in the healthcare sector). It is also important to note that the seasonal nature of the services industries (tourism & retail) results in an employment spike in the summertime.



Overall, unemployment is averaging **6.2%** in Anchorage for the first 10 months of 2011, which is **0.8%** below 2010 year-to-date average.

Goods Producing Jobs

Municipality of Anchorage 2008 - Present



Goods Producing Jobs

Goods producing jobs which are construction work, mining, and oil & gas production are down 30 jobs. Manufacturing, interestingly enough, continues to show signs of growth (up 80 jobs, 4.12%).

The slow job growth in the goods producing sector is being offset by significant employment increases in the service sector. Job growth in the professional services and health care industries has fueled the sustained decrease in Anchorage's unemployment rate in the face of a growing labor force.

2.89%

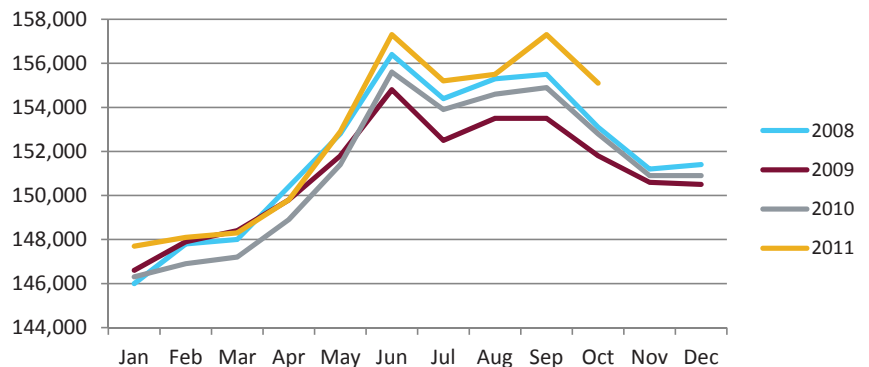
80 More
Manufacturing
Jobs (YTD) in 2011
than 2010

Anchorage Employment

Preliminary numbers for Anchorage's employment show an average increase of 1,470 jobs for 2011 vs. 2010, with a month-to-month (Oct '11 vs. Oct '10) comparison showing an increase of 2,300 jobs or 1.51%. Employment numbers are still showing overall growth over the highs of 2008.

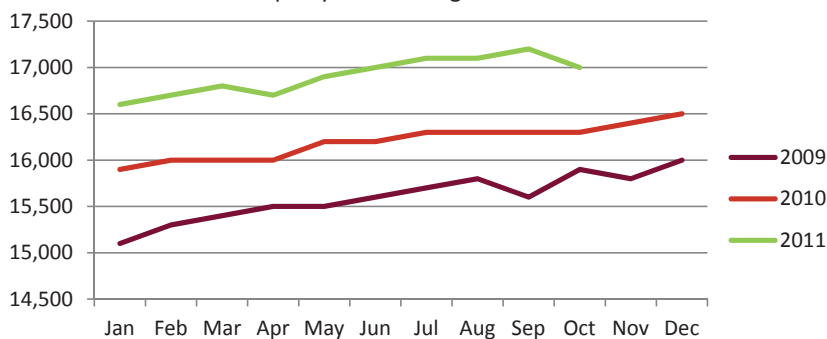
Anchorage Employment

Municipality of Anchorage 2008-Present



Health Care Employment

Municipality of Anchorage 2009-Present



Health Care Employment

In January Anchorage was averaging 16,600 Health Care jobs, in October Anchorage averaged 17,000 jobs. Compared to 2010 levels, this is a growth of about 760 jobs, or about 4.71%. This continues to be a hot sector for growth. Recent employment figures and long-term projections lead us to believe that the growth will be sustained.

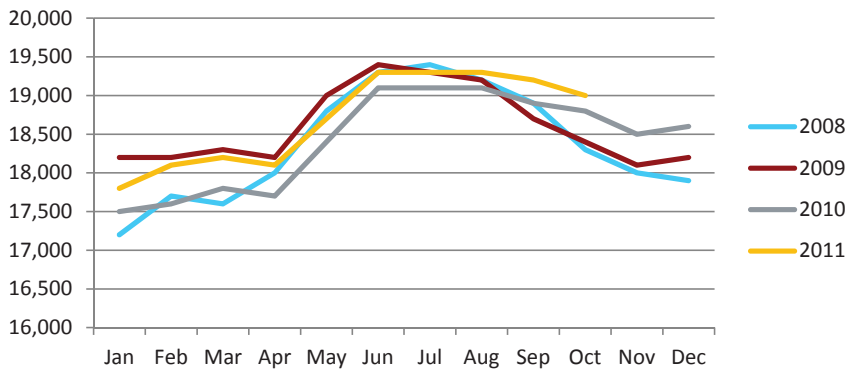
17,000
Health Care Jobs
in Oct. 2011

4.71%

increase of about
760 jobs (YTD)
in 2011 vs. 2010

Professional & Business Services

Municipality of Anchorage 2008 - Present



Professional & Business Services

Professional and Business Services are part of the services side of the jobs equation.

(Total jobs= Goods + Services)

AEDC expected this sector to grow by about 100 jobs in 2011. So far this year this indicator is up on average 300 jobs or 1.63%.

Don't start counting chickens yet; consider this a trailing rather than leading indicator of overall health. These jobs are mostly dependent on Gov't and Oil & Gas spending. While this sector is currently very healthy we could see changes due to Gov't spending cuts.



300

Professional & Business Services Jobs (YTD) in 2011 vs. 2010

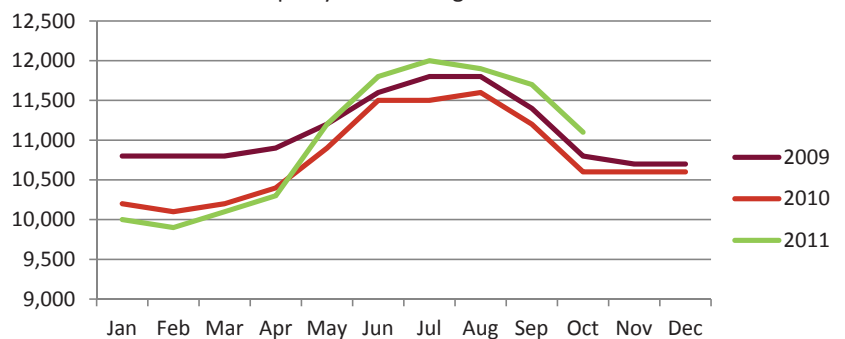
Transportation Employment

AEDC predicted a 300 job increase in transportation jobs for 2011.

The year started out a little behind 2010 (10,000 vs 10,200) jobs but then in about May it turned around and the industry started to see growth. Currently this sector is averaging 11,600 jobs, that's up 180 jobs from 2010 or 1.66%. Keeping it above the recent highs of 2009.

Transportation Employment

Municipality of Anchorage 2009-Present



11,100

Transportation jobs in October 2011



increase of about **180** Transportation Jobs (YTD) in 2011 vs. 2010



Unemployment Analysis (Year-To-Date, 2011)

• Anchorage • Mat-Su Borough • Kenai Peninsula Borough •

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	11 YTD Avg	10 YTD Avg	11 vs 10
	revised	revised	revised	revised	revised	revised	revised	revised	revised	preliminary					
Municipality of Anchorage															
Labor Force	156,242	155,238	155,438	154,487	154,375	156,771	155,568	154,897	155,221	157,816			155,605	153,765	1,840
Employment	145,940	145,163	145,353	144,900	144,887	146,288	146,278	145,919	146,228	149,034			145,999	143,032	2,967
Unemployment	10,302	10,075	10,085	9,587	9,488	10,483	9,290	8,978	8,993	8,782			9,606	10,733	(1,127)
Unemployment Rate	6.6%	6.5%	6.5%	6.2%	6.1%	6.7%	6.0%	5.8%	5.8%	5.6%			6.2%	7.0%	-0.8%
Mat-Su Borough															
Labor Force	43,892	43,546	43,527	42,882	42,597	43,242	42,797	42,482	42,552	43,558			43,108	42,386	722
Employment	39,289	39,080	39,131	39,009	39,005	39,383	39,380	39,283	39,367	40,122			39,305	38,506	799
Unemployment	4,603	4,466	4,396	3,873	3,592	3,859	3,417	3,199	3,185	3,436			3,803	3,880	(77)
Unemployment Rate	10.5%	10.3%	10.1%	9.0%	8.4%	8.9%	8.0%	7.5%	7.5%	7.9%			8.8%	9.2%	-0.3%
Kenai Peninsula Borough															
Labor Force	26,172	26,206	26,481	26,584	28,026	29,611	29,365	29,045	27,603	27,161			27,625	27,486	139
Employment	23,108	23,220	23,581	23,970	25,623	27,025	27,081	26,852	25,395	24,880			25,074	24,757	316
Unemployment	3,064	2,986	2,900	2,614	2,403	2,586	2,284	2,193	2,208	2,281			2,552	2,729	(177)
Unemployment Rate	11.7%	11.4%	11.0%	9.8%	8.6%	8.7%	7.8%	7.6%	8.0%	8.4%			9.2%	9.9%	-0.7%
Southcentral Region															
Labor Force	226,306	224,990	225,446	223,953	224,998	229,624	227,730	226,424	225,376	228,535	-	-	226,338	223,637	2,701
Employment	208,337	207,463	208,065	207,879	209,515	212,696	212,739	212,054	210,990	214,036	-	-	210,377	206,295	4,082
Unemployment	17,969	17,527	17,381	16,074	15,483	16,928	14,991	14,370	14,386	14,499	-	-	15,961	17,342	(1,381)
Unemployment Rate	7.9%	7.8%	7.7%	7.2%	6.9%	7.4%	6.6%	6.3%	6.4%	6.3%			7.1%	7.8%	-0.7%
State of Alaska															
Labor Force	359,660	360,092	360,689	358,461	364,046	372,587	375,280	372,614	369,004	366,667			365,910	361,692	4,218
Employment	328,621	329,908	330,979	330,936	337,353	343,592	349,602	347,989	344,336	341,491			338,481	332,688	5,792
Unemployment	31,039	30,184	29,710	27,525	26,693	28,995	25,678	24,625	24,668	25,176			27,429	29,003	(1,574)
Unemployment Rate	8.6%	8.4%	8.2%	7.7%	7.3%	7.8%	6.8%	6.6%	6.7%	6.9%			7.5%	8.0%	-0.5%

***Note:** These numbers reflect employment, unemployment, etc. for only those people that are residence of the specified City/Region, thus are not inclusive of people who commute to another city for their jobs.
 (Ex: Someone lives in Wasilla but works in Anchorage. They would be counted in the Mat-Su Borough's labor force and employment numbers, not the Municipality of Anchorage numbers)



Industry Employment Estimates 2011 Municipality of Anchorage

Industry	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2011 YTD Avg.	2010 YTD Avg.	2011 vs 2010 Monthly Avg	% Change
	revised	revised	revised	revised	revised	revised	revised	revised	revised	preliminary						
Total Nonfarm	147,700	148,100	148,300	149,800	152,900	157,300	155,200	155,500	157,300	155,100			152,720	151,250	1,470	0.97%
Goods Producing	11,800	11,500	11,600	12,100	12,900	14,200	14,800	14,800	14,500	13,700			13,190	13,220	-30	-0.23%
Services Providing	135,800	136,600	136,700	137,700	140,000	143,100	140,400	140,700	142,800	141,400			139,520	138,020	1,500	1.09%
Mining and Logging ²	2,800	2,700	2,800	2,800	2,800	3,000	2,900	2,900	2,900	2,900			2,850	2,770	80	2.89%
Mining	2,700	2,700	2,700	2,700	2,800	3,000	2,900	2,900	2,800	2,800			2,800	2,770	30	1.08%
Oil & Gas	2,500	2,500	2,500	2,600	2,600	2,800	2,600	2,600	2,600	2,700			2,600	2,610	-10	-0.38%
Construction	7,200	6,900	7,100	7,500	8,200	9,200	9,500	9,600	9,400	8,800			8,340	8,530	-190	-2.23%
Manufacturing	1,900	1,900	1,800	1,800	1,900	2,000	2,400	2,300	2,200	2,000			2,020	1,940	80	4.12%
Trade/Transportation/Utilities	31,000	30,600	31,000	31,500	32,800	33,700	34,200	33,900	33,300	32,900			32,490	32,420	70	0.22%
Wholesale Trade	4,300	4,300	4,400	4,400	4,600	4,800	4,900	4,800	4,600	4,500			4,560	4,600	-40	-0.87%
Retail Trade	16,700	16,400	16,600	16,800	16,900	17,200	17,300	17,200	17,100	17,200			16,940	17,000	-60	-0.35%
Trans/Warehouse/Utilities	10,000	9,900	10,100	10,300	11,200	11,800	12,000	11,900	11,700	11,100			11,000	10,820	180	1.66%
Air Transportation	2,800	2,700	2,800	2,800	3,000	3,100	3,100	3,100	3,000	2,900			2,930	2,850	80	2.81%
Information	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000			4,000	4,060	-60	-1.48%
Financial Activities	8,800	8,800	8,700	8,900	9,000	9,200	9,300	9,200	9,100	9,000			9,000	8,910	90	1.01%
Professional & Business Svcs	17,800	18,100	18,200	18,100	18,700	19,300	19,300	19,300	19,200	19,000			18,700	18,400	300	1.63%
Educational & Health Services	22,200	22,300	22,300	22,300	22,700	22,800	22,900	22,800	22,800	22,900			22,600	21,600	1000	4.63%
Health Care	16,600	16,700	16,800	16,700	16,900	17,000	17,100	17,100	17,200	17,000			16,910	16,150	760	4.71%
Leisure & Hospitality	15,100	15,400	15,500	15,600	16,200	16,700	17,100	17,200	16,800	16,200			16,180	15,750	430	2.73%
Accommodation	3,100	3,100	3,100	3,100	3,200	3,600	3,600	3,600	3,300	3,100			3,280	3,210	70	2.18%
Food Svcs & Drinking Places	10,000	10,200	10,400	10,600	11,000	11,200	11,400	11,400	11,200	11,000			10,840	10,540	300	2.85%
Other Services	5,500	5,500	5,400	5,600	5,800	5,900	5,800	5,900	5,800	5,700			5,690	5,680	10	0.18%
Government	31,500	31,900	31,400	31,800	30,900	31,400	27,800	28,400	31,800	31,900			30,880	31,210	-330	-1.06%
Federal Government	9,500	9,500	9,500	9,400	9,500	9,700	9,700	9,700	9,600	9,400			9,550	9,800	-250	-2.55%
State Government	10,500	10,800	10,800	10,800	10,200	10,500	10,100	9,800	11,100	11,100			10,570	10,520	50	0.48%
State Education	2,600	2,900	2,900	2,900	2,000	2,000	1,900	1,700	2,900	2,900			2,470	2,450	20	0.82%
Local Government	11,400	11,600	11,200	11,600	11,200	11,200	7,900	9,000	11,200	11,400			10,770	10,880	-110	-1.01%
Local Education	8,400	8,600	8,300	8,700	8,300	8,300	4,900	6,100	8,100	8,400			7,810	7,910	-100	-1.26%
Tribal Government ¹	-	-	-	-	-	-	-	-	-	-			-	-		

- Nonfarm Wage & Salary excludes self-employed workers, fishers, domestics, and unpaid family workers.

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

- Beginning January 2001, wage and salary employment estimates were published under a new classification system. The Standard Industrial Classification system (SIC) has been replaced by the North American Industry Classification System (NAICS). Data prior to 2001 are comparable only at the Total Nonfarm and Government levels.

^{1/} As of January 2001, certain federally-recognized tribal entities were moved to Local Government, which created a series break for Total Government and Local Government. Please see the April 2002 Alaska Economic Trends publication for a detailed explanation.

^{2/} This category was called "Natural Resources and Mining" in previous years. The change is in name only; the industries it includes remain the same.

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

Quick Comparisons		
11 vs 10		
October	2,300	1.51%
11 vs 10		
1st Qtr	1,233	0.84%
11 vs 10		
2nd Qtr	1,367	0.90%
11 vs 10 3rd		
Qtr.	1,533	0.99%
11 vs 10 4th		
Qtr.	2,300	1.51%

* **Note:** The above numbers are representative of all people employed in the Municipality of Anchorage, this is inclusive of workers who claim residence outside of the Municipality of Anchorage. (Ex: someone who lives in the Mat-Su, but works in Anchorage would be included in these number)

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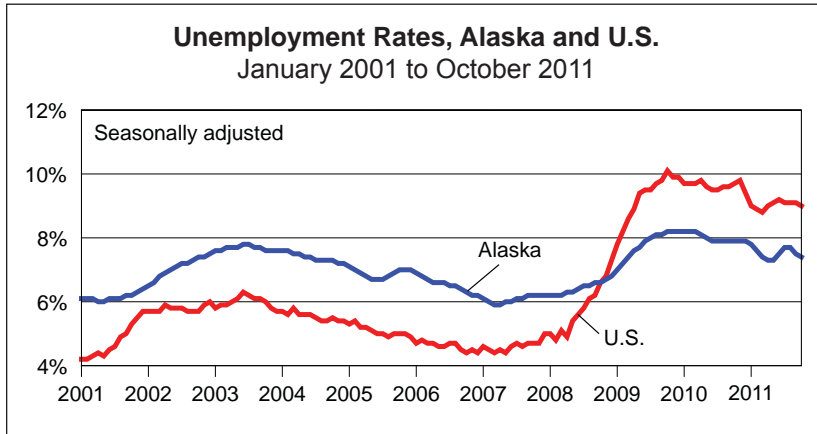
Press Release

November 18, 2011

COMMISSIONER'S OFFICE

No. 11-56

Unemployment rate at 7.4 percent in October



Alaska's seasonally adjusted unemployment rate for October was essentially unchanged, declining one-tenth of a percentage point to 7.4 percent. September's rate was revised down slightly, to 7.5 percent.

The comparable national rate for October was 9.0 percent, also showing little change from September. The U.S. and Alaska rates have both fallen moderately in the last year. The national rate is seven-tenths of a percentage point lower than in October 2010, and Alaska's rate is down half a percentage point.

Alaska's rate has been below the nation's for exactly three years now, an unusual relationship after decades of the state's rate being one to two percentage points higher than the nation's.

Alaska Nonfarm Payroll Employment¹

	Preliminary 10/11	Revised 9/11	Revised 10/10	Year-over-year change		
				10/10	90% confidence interval ²	
Total Nonfarm Employment ³	327,100	343,300	324,800	2,300	-3,777	8,377
Mining and Logging	16,800	17,100	16,300	500	-735	1,735
Oil and Gas	13,600	13,700	13,300	300	-	-
Construction	17,500	18,600	17,600	-100	-1,613	1,413
Manufacturing	9,500	14,100	9,700	-200	-2,559	2,159
Retail Trade	35,800	36,900	34,900	900	116	1,684
Information	6,500	6,500	6,400	100	-175	375
Financial Activities	15,100	14,800	15,500	-400	-1,267	467
Professional and Business Services	26,900	28,300	26,300	600	-756	1,956
Educational ⁴ and Health Services	43,900	43,300	42,200	1,700	565	2,835
Health Care	31,900	31,900	30,200	1,700	-	-
Leisure and Hospitality	30,700	37,200	29,900	800	-1,869	3,469
Other Services	11,300	11,100	11,900	-600	-1,421	221
Government ⁵	85,600	85,300	86,800	-1,200	-	-

Notes: A dash indicates that confidence intervals are not available at this level of detail.

¹Not seasonally adjusted.

²Based on the margin of error of the estimate, a 90 percent confidence interval statistically determines a range of values within which the "true" value falls with a 90 percent level of confidence.

For more information, go to <http://labor.alaska.gov/research/c-i.pdf>.

³Excludes the self-employed, fishermen and other agricultural workers, and private household workers.

Only select categories are included, so sector values will not sum to the total employment.

⁴Private education only.

⁵Includes public schools, the University of Alaska, and federally recognized tribal entities

Not-seasonally adjusted unemployment rates increased in all but one of the state's regions in October. This is typical as the job market continues its annual transition from summer to winter. October's figures show the high seasonality of the visitor industry in particular, with Denali Borough's and Skagway's rates increasing from 5.0 percent in both areas in September to 16.2 percent and 21.7 percent respectively in October.

Employment in construction and leisure and hospitality took a sharp seasonal downturn in October. Construction employment fell by more than 1,000, and leisure and hospitality lost more than 6,000 jobs. Over the year, total payroll employment was up by an estimated 2,300, with the largest share of new jobs coming from health care.

Unemployment Rates, Seasonally Adjusted

	10/11	9/11	10/10
Alaska	7.4%	7.5%	7.9%
U.S.	9.0%	9.1%	9.7%

Beginning with the production of preliminary estimates for March 2011, production of employment estimates has transitioned from the Department of Labor and Workforce Development's Research and Analysis Section to the U.S. Bureau of Labor Statistics. Concurrent with this transition, BLS implemented several changes to the methods to help standardize estimation across states. While these changes reduce the potential for statistical bias in state and metropolitan area estimates, they may increase month-to-month variability. More detailed information on the changes is available on the BLS Web site at <http://www.bls.gov/sae/cesprocs.htm>.

Sources for graph and tables: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Bureau of Labor Statistics

Contact: Neal Fried, Economist (907) 269-4861
Research and Analysis Web site: <http://laborstats.alaska.gov>

Labor Force by Borough and Census Area, Not Seasonally Adjusted¹

	Civilian Labor Force			Unemployed					
	10/11 ^P	9/11	10/10	Number			Rate		
				10/11 ^P	9/11	10/10	10/11 ^P	9/11	10/10
Alaska Statewide	366,667	369,004	359,757	25,176	24,668	26,257	6.9	6.7	7.3
Anchorage/Mat-Su Region	201,374	197,773	199,331	12,218	12,178	13,244	6.1	6.2	6.6
Municipality of Anchorage	157,816	155,221	156,438	8,782	8,993	9,822	5.6	5.8	6.3
Matanuska-Susitna Borough	43,558	42,552	42,893	3,436	3,185	3,422	7.9	7.5	8.0
Gulf Coast Region	38,881	40,607	37,792	3,145	2,987	3,322	8.1	7.4	8.8
Kenai Peninsula Borough	27,161	27,603	26,231	2,281	2,208	2,446	8.4	8.0	9.3
Kodiak Island Borough	6,796	7,193	6,633	390	394	423	5.7	5.5	6.4
Valdez-Cordova Census Area	4,924	5,811	4,928	474	385	453	9.6	6.6	9.2
Interior Region	55,389	56,248	54,159	3,806	3,646	3,755	6.9	6.5	6.9
Denali Borough	911	1,851	911	148	92	133	16.2	5.0	14.6
Fairbanks North Star Borough	47,792	47,785	46,711	2,863	2,764	2,966	6.0	5.8	6.3
Southeast Fairbanks Census Area	3,550	3,524	3,577	346	338	335	9.7	9.6	9.4
Yukon-Koyukuk Census Area	3,136	3,088	2,960	449	452	388	14.3	14.6	13.1
Northern Region	13,055	12,724	12,859	1,185	1,203	1,116	9.1	9.5	8.7
Nome Census Area	4,282	4,150	4,204	469	479	480	11.0	11.5	11.4
North Slope Borough	5,567	5,513	5,529	279	272	263	5.0	4.9	4.8
Northwest Arctic Borough	3,206	3,061	3,126	437	452	373	13.6	14.8	11.9
Southeast Region	39,540	42,355	38,731	2,691	2,447	2,745	6.8	5.8	7.1
Haines Borough	1,307	1,610	1,396	103	90	109	7.9	5.6	7.8
Hoonah-Angoon Census Area ²	952	1,348	922	131	145	124	13.8	10.8	13.4
Juneau, City and Borough of	18,623	19,064	18,070	929	861	994	5.0	4.5	5.5
Ketchikan Gateway Borough ²	8,100	9,009	7,928	532	484	569	6.6	5.4	7.2
Petersburg Census Area ²	1,709	1,766	-	142	136	-	8.3	7.7	-
Prince of Wales-Hyder Census Area ²	2,529	2,626	-	331	339	-	13.1	12.9	-
Prince of Wales-Outer Ketchikan Census Area ²	-	-	2,338	-	-	299	-	-	12.8
Sitka, City and Borough of	4,356	4,739	4,433	258	252	264	5.9	5.3	6.0
Skagway, Municipality of ²	645	780	611	140	39	120	21.7	5.0	19.6
Wrangell, City and Borough of ²	1,030	1,041	-	102	75	-	9.9	7.2	-
Wrangell-Petersburg Census Area ²	-	-	2,726	-	-	241	-	-	8.8
Yakutat, City and Borough of	289	372	307	23	26	25	8.0	7.0	8.1
Southwest Region	18,427	19,297	16,887	2,129	2,207	2,009	11.6	11.4	11.9
Aleutians East Borough	1,090	1,114	1,011	113	117	78	10.4	10.5	7.7
Aleutians West Census Area	2,921	2,725	2,554	192	185	200	6.6	6.8	7.8
Bethel Census Area	7,639	7,646	7,194	993	1,051	955	13.0	13.7	13.3
Bristol Bay Borough	689	1,253	527	40	33	34	5.8	2.6	6.5
Dillingham Census Area	1,959	2,301	1,826	194	205	186	9.9	8.9	10.2
Lake and Peninsula Borough	1,163	1,394	1,076	68	76	73	5.8	5.5	6.8
Wade Hampton Census Area	2,966	2,864	2,699	529	540	483	17.8	18.9	17.9

P = Preliminary. As more information becomes available, data are revised every month for the previous month and again at the end of every calendar year.

Note: The official definition of unemployment excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Many in rural Alaska do not meet the definition because they have not conducted an active job search due to the scarcity of employment opportunities.

¹Unemployment rates that are not seasonally adjusted should not be compared with those that are.

²Because of the creation of new boroughs, this borough or census area has been changed or no longer exists. Data for the Skagway Municipality and Hoonah-Angoon Census Area (previously the Skagway-Hoonah-Angoon Census Area) became available in 2010. Data for the City and Borough of Wrangell, Petersburg Census Area, and Prince of Wales-Hyder went into effect in January 2011. Prior to January 2011, data were published for Wrangell-Petersburg Census Area and Prince of Wales-Outer Ketchikan Census Area.

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