

Household and Personal Income

Recent release covers range of rural areas

The U.S. Census Bureau measures income in a variety of ways, but when it comes to sparsely populated areas, it's difficult to produce reliable results because of small sample sizes. In Alaska's case, 24 of its 29 boroughs and census areas have populations of less than 20,000.

Averaging over a larger period of time adds reliability for small populations, though, and the bureau's recently released American Community Survey for 2006 to 2010, or ACS, covers median household income and per capita income for detailed geographic areas across the state. However, margins of error for some of the smaller areas still remain large.

Household income is broad

Median household income is considered one of the better measures of an area's economic well-being, because of its breadth and inclusiveness. The ACS includes the median, or midpoint, as well as the mean. The median is considered a better representation because potential extremes on either side of the spectrum have less influence.

According to the Census Bureau, a household includes everyone who occupies a housing unit. It may be a single family, one person living alone, two or more families living together, or any group of people sharing living arrangements, whether or not they're related.

The ACS leaves very little out in its calculations of household income. It includes all earnings from:

- Employment
- Investment income such as dividends, interest, and rents
- All types of public and private retirement including Social Security
- Public assistance, including welfare
- Nearly all types of transfer payments, including unemployment

It also includes Permanent Fund Dividends for Alaskans, with one major omission — it excludes recipients under age 15. This is a measurable factor in Alaska, where 61 percent of households have children under 15.

Another potential shortcoming is that the ACS can't measure the value of subsistence hunting and fishing, which can be significant in rural areas.

Wide variation across Alaska

In Alaska, the disparity in income around the state can be extreme, varying by as much as \$50,000. (See Exhibit 1.) In general, income disparity is loosely split along rural and urban lines, and in many Alaska rural areas, income falls below both statewide and national averages.

High unemployment and a lack of job opportunities in rural areas help explain these differences from their urban counterparts. Households in rural Alaska also tend to be larger and the populations younger, which further depresses income.

However, there are plenty of exceptions to the rural-urban division, as both the highest and lowest median household incomes in the state are in rural areas.

Rural has highest and lowest

The highest median household income reported by the ACS was in the Bristol Bay Borough at \$84,000 a year, more than double the \$33,712 earned in the Yukon-Koyukuk Census Area, the state's lowest. (However, it's important to keep an outsized margin of error in mind when looking at Bristol Bay.) Though these areas are both rural, most of their similarity ends there.

Bristol Bay has a population of 1,035, all of whom live in the communities of South Naknek, Na-

knek, and King Salmon. All three are close to each other, and the borough sits at the center of one of the most lucrative and largest commercial salmon fisheries in the world.

In contrast, Yukon-Koyukuk comprises 28 dispersed, mostly isolated communities with a total population of 5,665. Fort Yukon is its largest town, with a population of 598, and the area is known for a lack of economic opportunities.

Per capita income

Per capita income divides the state's income by the total population rather than the number of households. It allows some related but different comparisons, as there is generally a strong relationship between household and per capita income.

Unlike median household income, per capita income is a simple average and therefore more susceptible to extreme values. It's still considered a good socioeconomic measurement of a population though, because of its inclusiveness.

The influence of household size is removed in per capita data, but the age structure is important. For example, areas with more children tend to have a lower average income because children aren't earners.

A good example is the Wade Hampton Census Area, where the median age was 21.5, the second-

1 Income, Median Age, and Household Size

Alaska boroughs and census areas, 2006–2010

	Median household income	Margin of error	Per capita income	Margin of error	Median age	Average household size
Statewide	\$66,521	+/-1.0%	\$30,726	+/-1.1%	33.8	2.68
Aleutians East Borough	\$54,375	+/-17.9%	\$22,279	+/-6.1%	38.5	2.75
Aleutians West Census Area	\$72,917	+/-14.8%	\$29,920	+/-17.8%	42.0	2.74
Anchorage, Municipality	\$73,004	+/-1.6%	\$34,678	+/-2.0%	33.0	2.66
Bethel Census Area	\$52,214	+/-6.6%	\$18,584	+/-5.7%	33.0	2.66
Bristol Bay Borough	\$84,000	+/-23.7%	\$31,260	+/-15.1%	38.9	2.56
Denali Borough	\$72,500	+/-15.6%	\$42,245	+/-16.1%	42.4	2.21
Dillingham Census Area	\$60,800	+/-8.2%	\$22,597	+/-6.0%	28.9	3.42
Fairbanks North Star Borough	\$66,598	+/-3.6%	\$30,395	+/-3.4%	30.8	2.63
Haines Borough	\$47,981	+/-12.2%	\$27,979	+/-16.5%	49.6	2.22
Hoonah-Angoon Census Area	\$43,750	+/-15.6%	\$24,932	+/-13.8%	45.7	2.02
Juneau, City and Borough	\$75,517	+/-7.0%	\$34,923	+/-4.5%	38.6	2.52
Kenai Peninsula Borough	\$57,454	+/-4.6%	\$29,127	+/-2.9%	40.6	2.35
Ketchikan-Gateway Borough	\$61,695	+/-8.5%	\$29,520	+/-5.9%	38.3	2.36
Kodiak Island Borough	\$60,776	+/-13.1%	\$26,413	+/-7.4%	33.5	2.76
Lake and Peninsula Borough	\$40,909	+/-24.2%	\$15,161	+/-23.1%	18.0	3.30
Matanuska-Susitna Borough	\$67,703	+/-2.9%	\$27,910	+/-2.0%	34.7	2.81
Nome Census Area	\$53,899	+/-10.1%	\$20,549	+/-6.1%	27.7	3.31
North Slope Borough	\$68,517	+/-8.8%	\$22,109	+/-7.7%	26.1	4.47
Northwest Arctic Borough	\$55,217	+/-7.2%	\$21,278	+/-9.6%	25.7	3.88
Petersburg Census Area	\$62,317	+/-14.3%	\$30,971	+/-10.3%	42.8	2.41
Prince of Wales Census Area	\$45,728	+/-6.2%	\$24,193	+/-6.6%	39.5	2.29
Sitka, City and Borough	\$62,024	+/-6.2%	\$29,982	+/-6.9%	40.0	2.36
Skagway, Municipality	\$73,500	+/-13.9%	\$35,536	+/-27.5%	37.2	2.27
Southeast Fairbanks Census Area	\$59,596	+/-11.9%	\$27,657	+/-7.4%	35.9	2.64
Valdez-Cordova Census Area	\$60,383	+/-12.9%	\$30,703	+/-6.3%	39.0	2.42
Wade Hampton Census Area	\$37,955	+/-5.4%	\$11,269	+/-5.8%	21.5	4.28
Wrangell, City and Borough	\$50,389	+/-10.4%	\$28,731	+/-18.2%	42.1	2.35
Yakutat, City and Borough	\$65,750	+/-40.1%	\$28,576	+/-19.5%	38.6	2.48
Yukon-Koyukuk Census Area	\$33,712	+/-8.7%	\$18,614	+/-4.9%	35.1	2.61
U.S.	\$51,914	+/-0.2%	\$27,334	+/-0.3%	33.4	2.59

Source: U.S. Census Bureau, American Community Survey, 2006-2010

youngest in the state, and the average household size was 4.28. Its per capita income of \$11,269 was the state's lowest — less than half the nation's per capita income and just 37 percent of the state's.

On the other side of the spectrum, households in the Denali Borough were both smaller and older. Household income in Denali was 9 percent above the state median while per capita income was 38 percent higher than the state average.