

**EXTENDED DURATION BENEFITS AID ALASKA'S UNEMPLOYED:** In an attempt to aid the growing number of long term unemployed, action has been taken on national and state levels to provide an extra period of unemployment compensation for those who have exhausted their regular unemployment benefits without finding work. The action, in the form of the extended benefits program, is primarily designed for periods of high unemployment when it is particularly difficult for the unemployed to locate jobs. In addition to cushioning the financial hardships associated with high unemployment, the program attempts to stimulate economic expansion by pumping money back into the economy.

The program works as follows. A national "trigger" will extend benefits whenever the seasonally adjusted national unemployment rate reaches 4.5 percent for three successive months, and will terminate when it drops below 4.5 percent for three months. A state "trigger" is designed to make the program more sensitive to local economic climates. For example extended benefits are "triggered on" when Alaska's

unemployment rate for 13 consecutive weeks:

- 1) is equal to or greater than 120 percent of the average of such rates for the corresponding 13 week period ending in each of the preceding 2 calendar years, and
- 2) is equal to or greater than 4 percent.

Once on, the benefit period under a state or national trigger must continue for a minimum of 13 weeks. The program will be "triggered off" when the state unemployment rate either falls below the 120 percent mark or falls below 4 percent, unless a national trigger is "on" in which case the program will remain "on" until the national trigger is "off."

Alaska's Extended Duration (ED) program became effective with the signing of House Bill 79 on January 29, 1971. By the end of April, 1225 Alaskans had filed claims for extended benefit payments and an average of 650 to 675 of them were collecting weekly or bi-weekly benefit checks. There were about 75 former Alaskans living in other states and 150 former federal employees or ex-servicemen receiving ED benefits.

The following table gives a breakout of ED benefits for April of this year.

**Percent Distribution of Regular and ED Benefits  
April, 1971**

<u>By Area</u>	<u>Regular</u>	<u>ED</u>
Anchorage	42%	41%
Fairbanks	17%	22%
Kenai/Kodiak	11%	13%
Ketchikan/Petersburg	11%	6%
Juneau	4%	4%
Sitka	1%	1%
Nome	1%	2%
Interstate	12%	11%
 <u>By Industry</u>		
Agriculture, Forestry, Fish.	1%	1%
Mining	5%	7%
Construction	34%	25%
Manufacturing	24%	25%
Transp., Comm., Utilities	10%	10%
Trade	13%	17%
Finance, Ins., Real Estate	2%	2%
Services	8%	11%
Government & Misc.	2%	2%

By area the distribution of ED and regular payments are quite similar, except that a larger proportion of Fairbanks residents and a smaller proportion of Ketchikan/Petersburg residents received ED payments. By industry, the proportion of payments made to claimants with former construction industry attachment is much greater for regular benefits than for ED.

The high levels of unemployment that so often accompany an economic slowdown are always a cause of hardship particularly for persons in non-professional occupations. This is especially true in Alaska where the cost of living, indeed even of subsisting is so prohibitively high. Of course, there is no one solution to such a slowdown. However, The Extended Benefit Program will help tide over Alaska's many long term unemployed until job prospects improve.

**UNEMPLOYMENT PUT IN PLACE:** Alaska's high level of joblessness during the past year, has been the focus of substantial news media coverage, both in Alaska and in the "Lower 48." This attention has had the result of deluging the general public with a welter of numbers all purporting to quantitatively describe Alaska's unemployment problems. In an attempt to assist the layman in finding his way through the statistical jungle created by this downpour, Research and Analysis has prepared a short paper entitled "Unemployment—A set of Definitions." As the title implies, this paper provides what we hope are clear and concise definitions of several of the most commonly used unemployment figures. Interested "Trends" readers may obtain copies of this paper by writing:

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Research and Analysis Section  
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#### ALASKA'S ECONOMY IN MAY

**TOTAL EMPLOYMENT:** Alaska's highly seasonal economy, throttled until recently by a long and persistent winter, finally got in gear during May as employment for the period from mid-April to mid-May rose sharply by 6,300 persons. Large gains

came among workers in manufacturing, construction and government. Employment should now continue to rise steadily to its seasonal peak in July or August.

Compared to a year ago, employment was ahead by 1000 with large gains among State and local governments offsetting declines in other areas.

**Mining:** Seasonal increases in mineral exploration which cancelled declines in the petroleum sector caused employment in mining to be unchanged over the month. On the North Slope, most exploratory activity had ceased by mid-May as the spring thaw made vehicular movement across the tundra difficult.

However, if warming weather brought North Slope oil activity to a standstill, it also allowed mineral exploration to get into high gear. Although the highest concentration of activity this summer is still expected to occur in Southeast Alaska, mid-May saw exploration crews moving to locations throughout the length and breadth of the 49th State.

**Contract Construction:** Warmer weather also caused construction employment to surge upward, rising by 1900. Much of the gain came in the Fairbanks area where a belated thaw allowed work to start on some of the major projects scheduled for the interior community this year.

**Manufacturing:** The rapid approach of the salmon season and increases in timber industry activity caused manufacturing employment as a whole to rise by 2300 from April to May. Food processing showed its usual sharp April to May gain as salmon canneries began hiring for this year's season. Although employment in this industry will continue to expand through July, it will not approach the unusually high levels noted last year when Alaska experienced a near record salmon pack.

In the timber industry, employment moved ahead by 200 over both the month and year. The over the month gain reflects the continuing seasonal expansion of logging activities in Southeast Alaska. The over the year increase is harder to pin down. However, probable contributors are the opening of a new sawmill and the resulting increases in employment, both at the mill itself and among logging contractors supplying the mill.