

# Per Capita Income Tops \$50,000

Though Alaska's income is high overall, it varies widely around the state

By **NEAL FRIED**

**A**ccording to recently released income data, Alaska residents received \$36.9 billion in income from all sources in 2013, which was \$420 million more than the year before. That figure divided by the total population puts per capita income at \$50,150.

Total personal income, released each year nationwide, statewide, and for all boroughs and census areas, is the most comprehensive way to measure how much money people bring in. It includes net earnings from employment, transfer payments that include government payments and noncash benefits, and Alaska Permanent Fund Dividend and interest income. It also looks at all Alaskans, from the youngest to the oldest, which bears special meaning in Alaska because PFDs are issued to eligible residents of all ages.

Because this calculation includes every person of every age, the age composition of a geographic area plays an important role in the numbers. Per capita incomes in areas with a high proportion of children, for example, tend to be lower because they have a smaller percentage of wage earners.

## The rural-urban divide

Per capita income varies widely around the state, and income disparity is often split along rural and urban lines. Although there are some exceptions to this divide, in many of Alaska's rural areas, per capita income falls below both state and national averages — and if the cost-of-living were considered, disparities would be even larger. High unemployment and fewer economic opportunities in remote rural locations explain most of these differences, though demographics also play a

role. In many rural areas, a younger population with fewer working-age adults further depresses per-capita income.

## Lowest in remote Alaska

The most dramatic example is the Wade Hampton Census Area, where per capita income is lowest in the state at less than half the statewide average and less than a third of Haines, which has the highest per capita income in Alaska.

Wade Hampton, in the Yukon-Kuskokwim area of Southwest Alaska, is a good proxy for village Alaska. (See Exhibit 1.) This is because the area has no large regional hub, unlike the Bethel or Nome census areas, to distort the data for communities that surround these larger towns. The largest of the 13 villages in Wade Hampton is Hooper Bay, with a population of 1,134.

Both economic and demographic forces explain Wade Hampton's low per-capita income. It's home to the state's youngest population, with a median age of 22.9 and 44 percent of its population age 19 or younger. Statewide, the median is 34 years, with 28 percent of the population 19 or younger. Limited job opportunities also play a role.

## ... but highest areas are also rural

Though the rural-urban disparity is common, the top four areas for per capita income are also rural. They include the Haines, Bristol Bay, and Denali boroughs and the municipality of Skagway.

The Bristol Bay Borough isn't on the road system and none of these areas have a population greater than 2,600. However, they all have older populations and

# 1

## Area Per Capita Income From Highest to Lowest

ALASKA, BOROUGHS AND CENSUS AREAS, AND THE U.S., 2010 TO 2013

	2010	2011	2012	2013	2013 Percent of State	Median Age 2013	Percent 19 or under
<b>Alaska</b>	<b>\$45,565</b>	<b>\$48,181</b>	<b>\$49,906</b>	<b>\$50,150</b>	<b>100%</b>	<b>34.3</b>	<b>29%</b>
<b>United States</b>	<b>\$40,144</b>	<b>\$42,332</b>	<b>\$44,200</b>	<b>\$44,765</b>	<b>89%</b>	<b>37.6</b>	<b>26%</b>
Haines Borough	\$68,553	\$78,768	\$81,477	\$85,326	170%	48.0	20%
Skagway Municipality	\$57,841	\$65,121	\$65,404	\$70,065	140%	43.1	16%
Denali Borough	\$60,239	\$66,361	\$68,391	\$66,674	133%	43.1	24%
Bristol Bay Borough	\$50,772	\$52,145	\$56,143	\$60,210	120%	42.9	22%
Juneau, City and Borough	\$50,897	\$53,830	\$56,978	\$57,033	114%	37.9	25%
Ketchikan Gateway Borough	\$52,272	\$54,824	\$56,045	\$56,591	113%	39.4	25%
Anchorage, Municipality	\$50,207	\$52,579	\$54,486	\$54,766	109%	33.5	28%
Sitka, City and Borough	\$44,932	\$49,466	\$50,737	\$52,608	105%	39.2	26%
Valdez-Cordova Census Area	\$45,731	\$48,300	\$51,233	\$51,646	103%	39.2	27%
Petersburg Census Area	\$47,702	\$48,007	\$52,272	\$51,541	103%	42.2	26%
North Slope Borough	\$52,084	\$49,906	\$50,393	\$50,719	101%	33.8	28%
Yakutat, City and Borough	\$40,770	\$46,834	\$46,863	\$49,269	98%	43.5	23%
Kodiak Island Borough	\$43,795	\$46,041	\$48,579	\$48,804	97%	33.3	30%
Kenai Peninsula Borough	\$41,569	\$44,313	\$47,121	\$48,485	97%	41.4	26%
Lake and Peninsula Borough	\$38,525	\$42,736	\$48,366	\$47,492	95%	31.7	30%
Southeast Fairbanks Census Area	\$44,736	\$47,522	\$46,367	\$47,270	94%	37.5	29%
Dillingham Census Area	\$40,846	\$43,495	\$45,739	\$46,563	93%	29.4	35%
Matanuska-Susitna Borough	\$41,556	\$44,731	\$45,950	\$46,149	92%	35.2	31%
Yukon-Koyukuk Census Area	\$37,876	\$42,834	\$45,885	\$45,494	91%	35.5	31%
Fairbanks North Star Borough	\$41,999	\$45,087	\$46,033	\$45,313	90%	32.4	28%
Hoonah-Angoon Census Area	\$36,394	\$41,632	\$44,309	\$44,619	89%	46.8	23%
Nome Census Area	\$38,161	\$39,804	\$41,446	\$41,310	82%	27.7	39%
Wrangell, City and Borough	\$35,917	\$39,160	\$40,512	\$40,890	82%	47.0	25%
Northwest Arctic Borough	\$38,357	\$38,958	\$39,913	\$40,241	80%	26.3	40%
Aleutians West Census Area	\$29,855	\$33,400	\$35,409	\$36,673	73%	41.3	15%
Prince of Wales-Hyder Census Area	\$32,132	\$32,952	\$34,247	\$36,354	72%	40.1	28%
Bethel Census Area	\$34,113	\$36,424	\$36,941	\$36,195	72%	26.5	40%
Aleutians East Borough	\$26,801	\$29,722	\$30,471	\$33,430	67%	43.2	12%
Wade Hampton Census Area	\$24,177	\$25,891	\$26,117	\$25,066	50%	22.9	45%

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

far fewer children. For example, the four areas have a median age of 42.9 or older. Haines has the highest median age in the state at 48.

Other exceptions to the divide are the relatively urban Fairbanks North Star and Matanuska-Susitna boroughs, where per capita income falls below the state-wide figures.

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### Unemployment rate delayed each February

Because of the annual benchmarking and revision process, the unemployment rate data the Department of Labor typically publishes in *Trends* were not available for this issue. We will release the data for January and February in March.