

Total wages up, but jobs down

While they typically move together, there are exceptions

By **KARINNE WIEBOLD**

Alaska's total wages grew by \$69 million, or 1.6 percent, in the first quarter of 2018 when compared to the first quarter of 2017. This was the second consecutive quarter of growth, with fourth quarter 2017's wages up \$17 million over the year.

While two quarters of overall wage growth is an encouraging sign, it doesn't necessarily signal economic recovery because the state continued to lose jobs

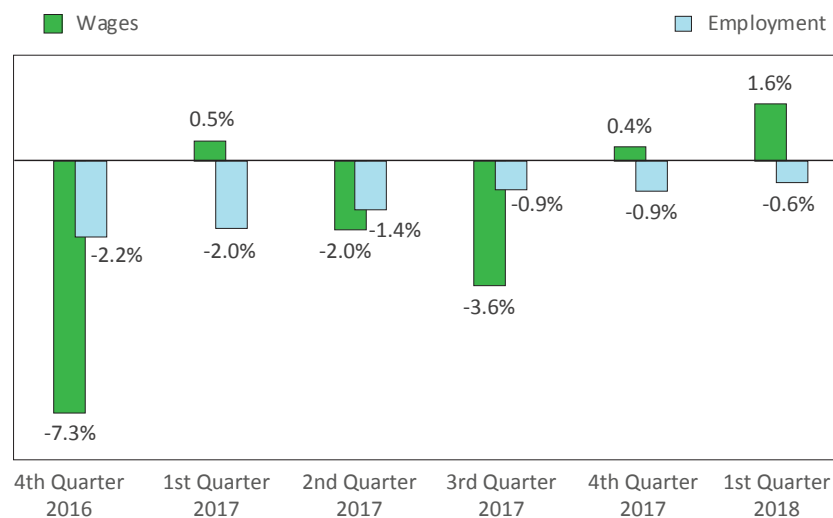
over that same period.

Wages and employment typically move in the same direction — both rising or falling — but not always. For example, natural resources and mining, a category that includes oil and gas jobs, saw wages increase by \$27 million despite job loss of 3.1 percent.

The recent increase in total wages coupled with overall job loss is due to a combination of factors, but primarily the industry mix of the losses and gains. Job growth in high wage industries, or in the higher-pay-

1 Jobs, Total Wages Typically Track Together

ALASKA, 2006 TO 2018, FOUR-QUARTER MOVING AVERAGE



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

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Quarterly Wages by Industry and Area AND CHANGE IN EMPLOYMENT, FIRST QUARTERS 2018 AND 2017

Industry	Total 2018 Q1 wages	Total 2017 Q1 wages	Change in wages	% Change	Employment
Total, All Industries	\$4,332,456,641	\$4,262,956,739	\$69,499,902	1.6%	-0.6%
Total Private	\$3,224,622,887	\$3,161,885,643	\$62,737,244	2.0%	-0.5%
Natural Resources and Mining	\$525,323,173	\$498,666,761	\$26,656,412	5.3%	-3.1%
Oil and Gas Industry	\$428,410,507	\$409,367,922	\$19,042,585	4.7%	-8.1%
Construction	\$228,655,960	\$221,181,665	\$7,474,295	3.4%	2.3%
Manufacturing	\$148,178,996	\$149,522,324	-\$1,343,328	-0.9%	-6.6%
Seafood Product Manufacturing	\$96,675,453	\$99,296,358	-\$2,620,905	-2.6%	-9.5%
Trade, Transportation, and Utilities	\$724,604,016	\$716,685,265	\$7,918,751	1.1%	-0.6%
Wholesale Trade	\$90,957,384	\$88,822,936	\$2,134,448	2.4%	0.4%
Retail Trade	\$273,404,321	\$273,860,102	-\$455,781	-0.2%	-2.1%
Transportation and Warehousing	\$311,217,427	\$308,305,948	\$2,911,479	0.9%	1.5%
Utilities	\$49,024,884	\$45,696,278	\$3,328,606	7.3%	2.8%
Information	\$90,678,506	\$96,075,516	-\$5,397,010	-5.6%	-7.1%
Financial Activities	\$190,011,363	\$188,263,487	\$1,747,876	0.9%	-1.2%
Professional and Business Services	\$415,603,074	\$423,510,324	-\$7,907,250	-1.9%	-2.2%
Education and Health Services	\$628,780,570	\$601,562,715	\$27,217,855	4.5%	2.0%
Health Care	\$540,518,823	\$514,724,816	\$25,794,007	5.0%	2.7%
Leisure and Hospitality	\$170,287,408	\$167,529,761	\$2,757,647	1.6%	0.2%
Accommodation	\$45,764,277	\$44,604,973	\$1,159,304	2.6%	2.2%
Food Services/Drinking Places	\$104,635,187	\$102,948,645	\$1,686,542	1.6%	-0.1%
Other Services	\$97,889,861	\$96,827,448	\$1,062,413	1.1%	0.1%
Total Government	\$1,107,833,755	\$1,101,071,097	\$6,762,658	0.6%	-1.0%
Federal Government	\$294,865,720	\$298,087,890	-\$3,222,170	-1.1%	-1.4%
State Government	\$331,550,521	\$335,442,578	-\$3,892,057	-1.2%	-1.6%
Local Government	\$481,417,514	\$467,540,629	\$13,876,885	3.0%	-0.5%

Area	Total 2018 Q1 wages	Total 2017 Q1 wages	Change in wages	% Change	Employment
Statewide	\$4,332,456,641	\$4,262,956,739	\$69,499,902	1.6%	-0.6%
Aleutians East Borough	\$36,747,489	\$37,355,312	-\$607,823	-1.6%	-10.4%
Aleutians West Census Area	\$60,389,167	\$62,142,838	-\$1,753,671	-2.8%	-4.3%
Anchorage Municipality	\$2,138,437,445	\$2,101,853,145	\$36,584,300	1.7%	-0.7%
Bethel Census Area	\$73,924,429	\$71,292,062	\$2,632,367	3.7%	0.6%
Bristol Bay Borough	\$6,690,694	\$6,294,193	\$396,501	6.3%	4.0%
Denali Borough	\$15,929,839	\$15,068,383	\$861,456	5.7%	4.5%
Dillingham Census Area	\$25,748,595	\$25,449,824	\$298,771	1.2%	-1.5%
Fairbanks North Star Borough	\$453,226,690	\$446,597,012	\$6,629,678	1.5%	0.7%
Haines Borough	\$7,900,431	\$7,284,053	\$616,378	8.5%	-1.5%
Hoonah-Angoon Census Area	\$4,888,481	\$4,805,276	\$83,205	1.7%	3.2%
Juneau, City and Borough	\$219,408,494	\$216,761,205	\$2,647,289	1.2%	-0.2%
Kenai Peninsula Borough	\$225,465,065	\$219,712,335	\$5,752,730	2.6%	-0.1%
Ketchikan Gateway Borough	\$76,318,529	\$74,585,799	\$1,732,730	2.3%	-1.1%
Kodiak Island Borough	\$65,805,433	\$65,338,060	\$467,373	0.7%	-2.9%
Kusilvak Census Area	\$15,276,435	\$14,863,554	\$412,881	2.8%	0%
Lake and Peninsula Borough	\$6,482,336	\$5,644,885	\$837,451	14.8%	8.1%
Matanuska-Susitna Borough	\$228,038,089	\$220,029,783	\$8,008,306	3.6%	1.0%
Nome Census Area	\$44,944,607	\$43,808,114	\$1,136,493	2.6%	0.4%
North Slope Borough	\$341,588,732	\$350,296,995	-\$8,708,263	-2.5%	-7.0%
Northwest Arctic Borough	\$51,377,202	\$48,260,889	\$3,116,313	6.5%	1.1%
Petersburg Borough	\$11,246,151	\$10,962,862	\$283,289	2.6%	0.3%
Prince of Wales-Hyder Census Area	\$19,354,235	\$17,997,924	\$1,356,311	7.5%	4.1%
Sitka, City and Borough	\$41,962,512	\$39,935,308	\$2,027,204	5.1%	-0.1%
Skagway Municipality	\$5,240,266	\$5,159,196	\$81,070	1.6%	4.4%
Southeast Fairbanks Census Area	\$39,522,488	\$38,621,142	\$901,346	2.3%	-0.3%
Valdez-Cordova Census Area	\$59,582,098	\$59,307,286	\$274,812	0.5%	2.1%
Wrangell, City and Borough	\$7,438,986	\$6,881,881	\$557,105	8.1%	2.5%
Yakutat, City and Borough	\$2,189,674	\$2,227,369	-\$37,695	-1.7%	3.7%
Yukon-Koyukuk Census Area	\$19,064,119	\$17,432,424	\$1,631,695	9.4%	4.5%

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

ing occupations within an industry, can create wage growth that more than compensates for lost wages in lower-paying industries and occupations.

Retail jobs, for example, pay only about \$8,000 per quarter, so the loss of 700 jobs has a relatively small effect on total wages. The wage gains from an additional 1,000 health care jobs, which pay nearly twice as much as retail at \$14,000, more than made up for the retail wage losses.

Several other factors can contribute to total wage growth during a period of job loss, although these aren't as easily quantified. The first and fourth quarters typically include bonuses and incentive pay, and larger-than-usual bonuses can bump up total wages. Employees working longer hours can also lead to higher overall wages without job growth, and so can raises for existing employees, with or without an increase in hours.

Total wages increased in nearly every area of the state. (See Exhibit 2.) Anchorage's wages increased by \$37 million, or 1.7 percent; Fairbanks' wages grew by \$7 million (1.5 percent); and Kenai Peninsula Borough wages rose \$6 million (2.6 percent). Anchorage employment declined over the year, while Fairbanks added jobs and Kenai employment was essentially flat.

Wages fell in the Aleutians East Borough (-1.6 percent), Aleutians West Census Area (-2.8 percent), North Slope Borough (-2.5 percent), and City and Borough of Yakutat (-1.7 percent).

Detailed employment and wage data for the state and for boroughs and census areas are available at: <http://live.laborstats.alaska.gov/qcew/>.

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