

The Military—Still An Economic Force

By Neal Fried

In the 1940s and 1950s one economic chronicler of Alaska referred to the state as "Military Alaska" due to the prominent presence of the military. During World War II more than 300,000 troops served in the state. Some believe this helped put Alaska on the nation's map. As the military demobilized after the war, Alaskans were concerned it would mean a major economic setback. But WWII was followed by the Cold War with its Soviet communist threat, causing the military to expand its presence in Alaska. This expansion did not end until the late 1980s.

With the evaporation of the Soviet threat and the downsizing of the armed forces, the military presence in Alaska is once again in question. It is possible that the number of military in Alaska will not change dramatically for two reasons: first, because of its central location to Asia and Europe; second, because large unpopulated expanses offer unique training opportunities. Regardless of the merits of these arguments, one thing is certain: military defense is one of Alaska's biggest "industries".

Defense dollars permeate economy

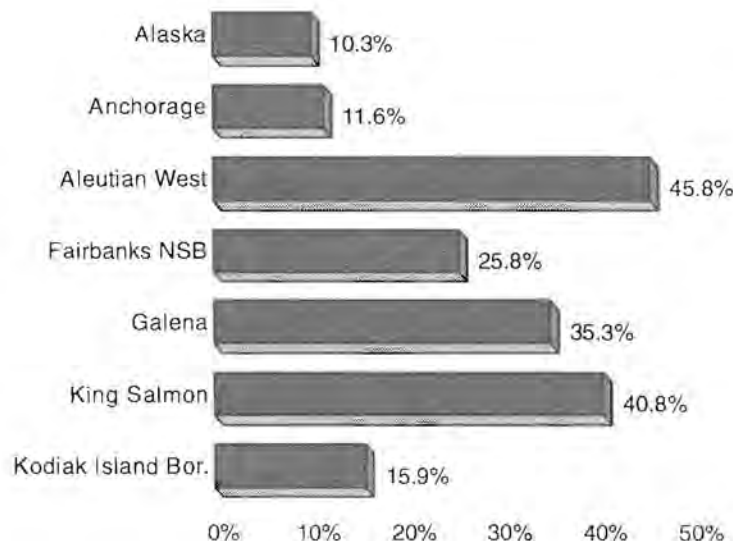
More than \$1.5 billion is spent each year in Alaska to defend the nation. Said another way, Alaska is exporting \$1.5 billion worth of defense each year. Although this sounds like a tidy sum, Alaska ranks 34th among states when it comes to defense dollars

spent. Given the size of the state's population, however, the per capita defense spending picture is quite different. In 1992, \$2,634 defense dollars were spent for every man, woman, and child in the Alaska—about three times the size of the average permanent fund dividend check. (See Table 1.) The military spends more on a per capita basis only in Washington, D.C. and neighboring Virginia. In defense procurement dollars, Alaska ranks 11th in the nation, even though Alaska manufactures little or no military hardware.

When it comes to wages and salaries paid by the Department of Defense, military spending becomes even more ubiquitous in Alaska. Alaska ranks first among states in per capita wage and salary disbursements. The per capita wage and salary figure of \$1,842 is 6.5 times higher

Neal Fried is a labor economist with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. He is based in Anchorage.

In Some Alaskan Communities The Military Population is Large*



* Includes 1991 uniformed and dependent population.

Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 1

Table • 1

Defense Expenditures and Active Duty Military by State—1992*

	Per Capita Defense Expenditures	Per Capita Defense Procurement Contract Awards	Per Capita Wages and Salaries	Number of Active Duty Military	Civilians per Active Duty Military
U.S.	\$877	\$499	\$285	1,249,280	203
Alabama	997	469	385	17,589	234
ALASKA	2,634	654	1,842	22,208	25
Arizona	914	505	243	22,024	173
Arkansas	414	121	163	6,585	363
California	1,211	760	346	178,161	172
Colorado	1,332	711	436	37,712	91
Connecticut	1,123	938	141	6,466	506
Delaware	532	152	270	4,406	155
Washington D.C.	4,592	2,432	2,074	14,131	41
Florida	829	369	274	74,841	179
Georgia	1,177	560	488	60,808	110
Hawaii	2,494	527	1,792	44,864	25
Idaho	341	62	163	4,744	224
Illinois	273	115	126	29,793	389
Indiana	450	271	141	5,322	1,063
Iowa	232	157	37	417	6,742
Kansas	807	340	376	21,326	117
Kentucky	592	113	413	34,812	107
Louisiana	596	281	231	21,642	197
Maine	1,560	1,057	392	4,684	263
Maryland	1,456	822	508	32,325	151
Massachusetts	1,111	948	120	7,179	834
Michigan	272	177	69	6,533	1,444
Minnesota	404	333	46	899	4,982
Mississippi	1,384	982	295	12,333	211
Missouri	1,015	707	234	15,273	339
Montana	348	68	188	4,447	184
Nebraska	604	185	322	10,507	152
Nevada	633	181	242	7,742	170
New Hampshire	572	378	77	363	3,060
New Jersey	619	414	167	9,590	811
New Mexico	1,100	460	459	15,387	102
New York	396	298	77	23,742	762
North Carolina	802	219	464	94,952	71
North Dakota	744	231	457	9,684	65
Ohio	468	275	153	10,888	1,011
Oklahoma	843	235	485	28,276	113
Oregon	215	68	59	1,048	2,840
Pennsylvania	467	255	168	5,206	2,306
Rhode Island	864	446	336	3,714	270
South Carolina	935	204	557	39,121	91
South Dakota	470	112	280	6,128	115
Tennessee	443	246	101	8,369	599
Texas	883	491	256	108,813	161
Utah	888	339	470	5,633	321
Vermont	245	112	68	141	4,042
Virginia	2,708	1,023	1,385	92,250	68
Washington	1,058	450	455	35,663	143
West Virginia	157	44	55	540	3,355
Wisconsin	265	177	57	864	5,794
Wyoming	518	133	276	3,549	130

Sources: U.S. Department of Commerce, Bureau of Census, *Federal Expenditures by State for Fiscal 1992*; U.S. Department of Defense, *Atlas/Data Abstract For The U.S. and Selected Areas, Fiscal Year 1992*.

*Does not include the Coast Guard.

than the national average of \$285. One reason is there are only 25 civilians for every person in uniform in Alaska compared to 203 civilians for the nation. (See Table 1.) There are also more than 8,800 civilians working directly for the military and over 1,000 private contract employees. In addition to having a large military work force, most civilians and military personnel receive cost-of-living adjustments (COLA) to their salaries. A majority of the civilians receive a tax-free 25% COLA; uniformed personnel receive COLAs according to their rank.

Because of these considerable defense expenditures, Alaska ranks first in the nation for overall per capita federal spending. More than 38% of all federal expenditures made in the state are defense-related.

Given Alaska's small economy and labor force it is not surprising that the Defense Budget Project determined that Alaska's gross state product is the most defense-dependent in the nation. (See Table 2.) According to their figures, 7.6% of Alaska's gross state product is defense spending. This compares to a nationwide average of 4.6%.

Military's demographic influence faded

In 1957, 35% of Alaska's population was military personnel and their families. By 1980 their share of the population eroded to 11.9%. In 1992, the military population accounted for 10.5% of the state's total. (See Figure 1.) The military's share of total population did not fall because of an absolute decline in its population but because the rest of the population grew faster. A similar trend is also true for the labor force. (See Figure 2.)

Although the military exerts less influence on the state's demographic picture than it has historically, it remains considerable. The military's population accentuates the frontier flavor of Alaska's demographics—its youth and its maleness. Alaska remains the second-youngest state in the nation and has a higher male-to-female ratio than any other state. The military is dominated by younger males. Of the 24,209 armed forces in the state in 1992, only 3,019 were female.

All branches of military here

All four branches of the U.S. military—the Army, Navy, Air Force, and a few Marines—are represented in Alaska. We also include the Coast Guard. (See Figure 3.) They all operate under the Department of Defense except for the Coast Guard, which is under the Department of Transportation.

During the past decade the number of uniformed personnel stationed in Alaska edged up by 10%. (See Table 3.) The number of military dependents grew 22%. The rest of the nation's military manpower levels fell modestly during the same period. The mix of Alaska's military services also changed slightly.

The Air Force, the largest military branch in Alaska, lost some of its share. This happened because the number of Air Force personnel stayed constant while other military groups grew. The Army's proportion increased from 36% in 1982 to 40% in 1992. Almost all the increase came as a result of the activation of the Sixth Light Infantry Division in 1987. This increased the Army's count by more than 2,000 soldiers.

The Coast Guard's share fell slightly. Their proportional decline was a result of increases in other military branches, not a decline in the number of Coast Guard personnel. The Navy's share grew slightly as Adak's Naval station expanded.

As the number of uniformed personnel grew so did the number of civilians working for the military. At last count there were 8,800 civilians providing support to the military. This is 45% of all federal employment in the state. Approximately 5,600 of the civilian jobs are civil service (appropriated funds positions). These positions are deemed essential to the operation of the military. Most are full-time jobs.

The balance are non-appropriated fund (NAF) or Army and Air Force Exchange System (AAFES) positions. These NAF and AAFES positions provide services to meet the morale, welfare, recreational and retail needs of the military. They include operating the clubs, ski courses, bowling alleys, restaurants, stores, etc.; many of these jobs are part-time. In addi-

Table • 2

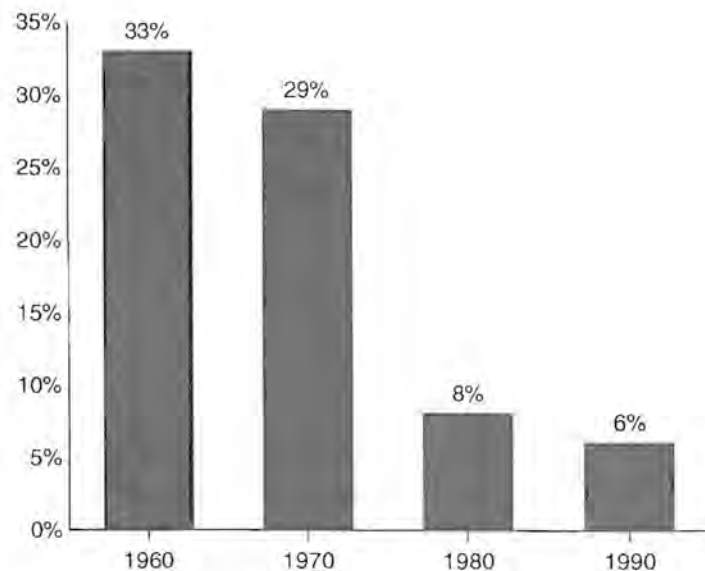
Defense Spending as Percent of Gross State Product Ten Leading States

ALASKA	7.6%
Hawaii	7.0
Virginia	6.8
California	6.1
Washington	5.1
Mississippi	4.8
Maryland	4.7
Connecticut	4.3
New Mexico	4.1
South Carolina	3.9

Source: Defense Budget Project, 1993.

Figure • 2

Military's Share of Alaska's Labor Force Wanes*

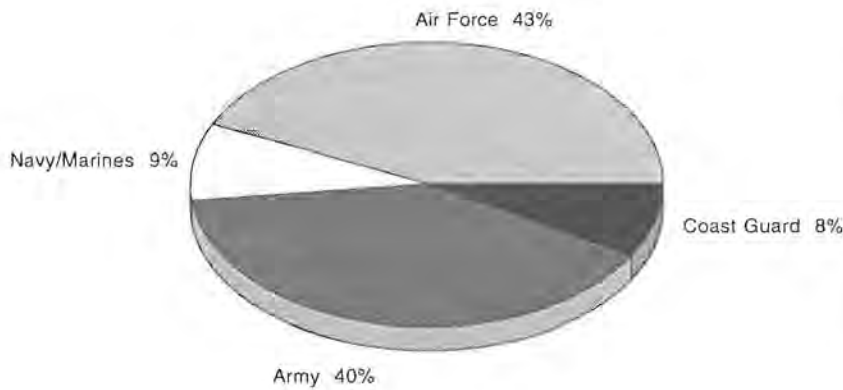


* Includes only uniformed personnel.

Source: Bureau of the Census

Figure • 3

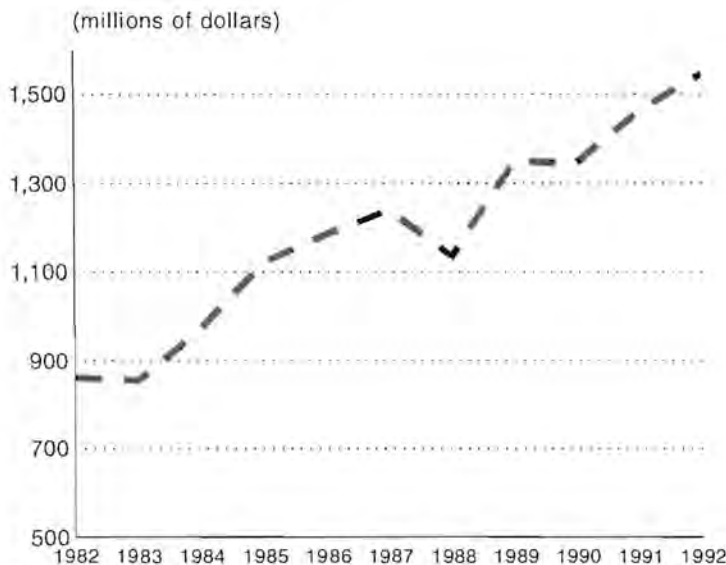
Military Labor Force by Type of Service



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 4

Military Expenditures Almost Doubled in Alaska During the Decade*



* Does not include Coast Guard expenditures.

Source: U.S. Department of Commerce, Bureau of Census, Federal Expenditures by State for FY 1982-92.

tion to these civilian jobs, there are over 1,000 private contract positions at military bases.

Military paychecks worth millions

As 7.6% of Alaska's gross state product, defense is in second place behind oil from a basic industry standpoint. Defense expenditures grew from \$861 million in 1982 to \$1.5 billion in 1992. (See Figure 4.) Taking inflation into account, defense expenditures in the state grew 23%.

The biggest direct benefit the military provides to Alaska's economy is money paid to the uniformed, civilian personnel and local contractors. Total annual payroll for uniformed and civilian personnel was approximately \$925 million in 1992. Nearly \$680 million went to uniformed personnel, whose average annual pay was approximately \$26,744 in 1992. Although much of each paycheck is spent in Alaska, less of it reaches the local economy than a civilian paycheck because of the self-sufficient nature of military bases. Most of the goods and services consumed by people in the armed forces are available on base—from medical and day care to groceries and movies. And unlike civilians, nearly 64% of the state's military and their dependents live on base. (See Figure 5 and Table 4.)

Still, 36% of these troops and their dependents live off base, buying homes or renting real estate. In addition to their pay, those living off base receive substantial housing allowances. For example, the Army's housing allowances run from \$637 to \$1,374 per month in Fairbanks and Anchorage depending on rank and number of dependents, a substantial boost to their income.

A local economic impact also exists for those who live on base. Their disposable income is higher than their annual salary would reflect because housing expenses don't eat into their paychecks. This means these soldiers have significant disposable income to spend on other things in the economy. And whether they live on or off base, the services provided by the military—such as health care—also boosts a military person's disposable income. New soldiers are constantly arriving and setting up new households. The major beneficiaries of this activity are probably local retailers.

Alaska Station Strength for Active Duty Personnel July 1, 1980-July 1, 1992

	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980
Total Alaska Active Duty	24,209	25,471	23,290	24,706	24,064	24,450	22,953	23,071	22,434	22,267	22,102	22,458	22,704
Aleutians East Borough	0	0	0	0	0	0	0	0	0	0	17	19	17
Aleutians West Census Area	2,541	2,733	2,534	3,141	2,698	2,984	2,847	2,890	2,307	2,194	2,201	2,223	2,196
Municipality of Anchorage	10,834	11,183	10,367	11,013	11,028	11,712	10,807	10,827	10,904	10,531	10,955	10,833	11,298
Bethel Census Area	0	0	0	0	0	0	0	0	0	24	43	47	42
Bristol Bay Borough	281	261	285	284	283	275	291	300	273	311	344	351	329
Denali Borough	107	113	120	123	125	121	110	119	126	139	135	137	120
Dillingham Census Area	0	0	0	0	0	0	0	0	0	0	0	0	0
Fairbanks North Star Borough	7,794	8,771	7,500	7,572	7,127	6,452	5,938	5,912	5,882	5,841	5,133	5,529	5,481
Haines Borough	0	0	0	0	0	0	0	0	0	0	0	0	0
Juneau Borough	223	168	187	184	195	223	235	316	368	341	292	357	293
Kenai Peninsula Borough	120	92	80	88	85	72	77	72	70	72	68	68	67
Ketchikan Gateway Borough	196	199	188	211	205	276	211	152	163	182	215	204	203
Kodiak Island Borough	1,018	820	913	919	992	1,000	1,076	1,086	921	1,097	1,010	1,073	1,098
Lake and Peninsula Borough	0	0	0	0	0	0	0	0	0	0	0	0	0
Matanuska-Susitna Borough	0	0	0	0	0	0	0	0	0	0	0	0	0
Nome Census Area	28	23	28	27	27	31	26	31	29	39	44	43	41
North Slope Borough	0	0	0	0	0	0	0	0	0	13	19	16	15
Northwest Arctic Borough	0	0	0	0	0	0	0	0	0	12	17	18	17
Prince of Wales-Outer Ketchikan CA	0	0	0	0	0	0	0	0	0	0	0	0	0
Sitka Borough	222	212	203	203	214	187	195	185	190	201	193	177	174
Skagway-Yakutat-Angoon Census Area	0	0	0	0	0	0	0	0	0	0	0	0	0
Southwest Fairbanks Census Area	413	484	447	497	658	689	710	718	784	815	780	810	801
Valdez-Cordova Census Area	112	98	96	107	76	96	101	101	94	90	87	112	103
Wade Hampton Census Area	0	0	0	0	0	0	0	0	0	9	15	17	12
Wrangell-Petersburg Census Area	27	26	22	27	28	23	20	21	13	22	22	21	20
Yukon-Koyukuk Census Area	293	288	320	310	323	309	309	341	310	334	512	403	377

Source: Alaska Department of Labor, Research and Analysis Section.

The uniformed military labor force provide few direct job opportunities to Alaskans since most soldiers are sent from elsewhere in the country. On the flip side, when a base is downsized or closed, they have little direct effect on the unemployment rolls because they are usually moved elsewhere.

The economic impact of the 5,600 civil service positions is substantial, and no different than any other federal government employee in the state. Employment multipliers for federal jobs range from 1.8 to 2.0. This means for each federal civilian employee there are .8 to 1 other jobs created in the state's economy. The average annual wage for these employees in 1992 was \$34,801, 10% higher than the overall state-wide average annual wage. Nearly all of these civilians live off base. Unless they are retired military, they do not benefit from the services the base provides. Another important point is that many of these jobs are filled by local residents.

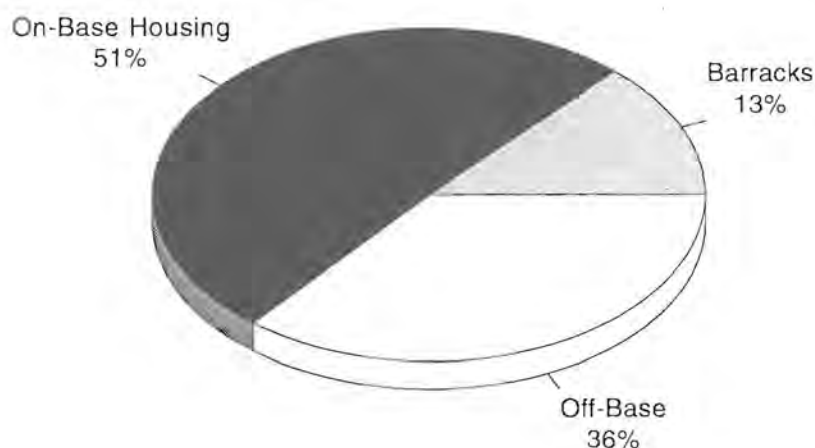
The other 3,200 civilian jobs associated with the military may actually provide less zing to the state's economy than the uniformed or appropriated-funds civilian personnel, job for job. This is because many of these NAF- and AAFES-funded jobs are part-time, and many are held by military dependents. The average annual wages for NAF and AAFES positions are below \$15,000.

Military building boosts economy

In 1992 the Department of Defense awarded \$384 million in procurement contracts in Alaska, which is over half (53%) of all federal procurement contract awards in the state. This includes purchase of utilities, leases, other contract services, supplies, construction, etc. Some of the top beneficiaries of these awards in the state are listed in Table 5. A large share of these dollars leak out of the local economy because they are spent on supplies or construction materials manufactured elsewhere. But local contractors, such as Piquini Corp., pro-

Figure • 5

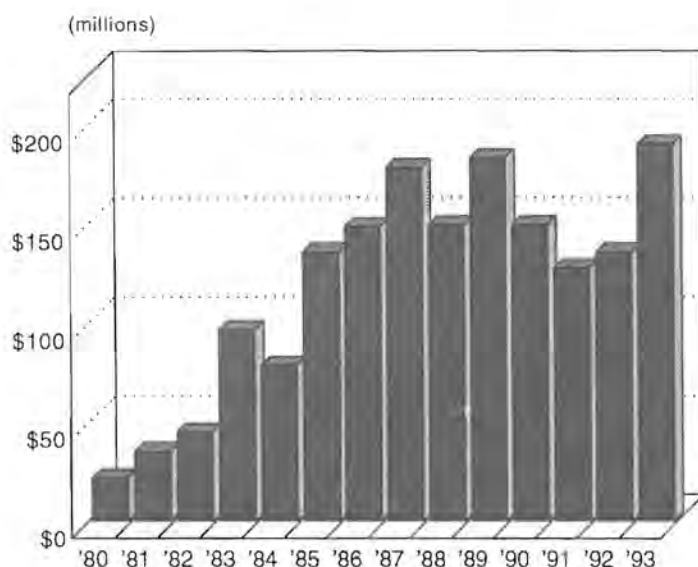
Where Alaska's Troops and Their Families Live



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 6

Military Construction in Alaska*



* Excludes the Navy and the Coast Guard.

Source: U.S. Army Corp of Engineers.

vide significant employment opportunities to local residents.

Alaska's construction industry has historically been a major beneficiary of military-related spending. Many of the state's big contractors got their start with the military, beginning with construction of air fields and the Alaska Highway in the early 1940s and continuing through the present. During the past decade the military has spent over \$100 million a year on construction contracts. (See Figure 6.) During the lean years of 1986-1989, military-related construction dominated the industry and kept the industry from contracting even more sharply.

Military impact varies geographically

Military installations exist throughout the state—from station strengths of 8 at the Coast Guard's Loran station in Tok to 6,300 personnel at Elmendorf Air Force Base in Anchorage. There are 13 installations with over 100 personnel and five with over 1,000. There are also numerous remote unstaffed sites throughout the state. More than 75% of the state's military are based in the cities of Anchorage and Fairbanks.

Approximately 45% of the state's uniformed personnel are stationed at two bases in Anchorage. Elmendorf Air Force Base is the state's largest with 6,300 men and women. Fort Richardson is the other military base in Anchorage with 4,410 uniformed personnel. A little over half of the military expenditures in the state are spent in Anchorage. (See Table 6.) Another 4,736 civilians earn an annual payroll of \$148 million (including the Army Corps of Engineers).

Over the past decade, force levels in Anchorage were nearly unchanged while the number of civilian positions grew. Because Anchorage's civilian population grew so rapidly, the relative influence of the military population declined during the past decade. In spite of this, the military is one mainstay of Anchorage's economy. With the exception of the oil industry, no other single industry in Anchorage influences the economy as much as the military. Even so, Anchorage is less dependent on defense than some other Alaska communities.

Where Alaska's Military and Their Dependents Live 1991

	Total	On Base Housing	Off Base Housing	Percent Living Off-Base
Total Military and Dependents	57,375	36,697	20,678	36.0
Aleutians East Borough	0	0	0	
Aleutians Islands Census Area	4,721	4,721	0	0.0
Municipality of Anchorage	27,564	14,512	13,052	47.4
Bethel Census Area	0	0	0	
Bristol Bay Borough	281	281	0	0.0
Denali Borough	124	98	26	21.0
Dillingham Census Area	0	0	0	
Fairbanks North Star Borough	18,535	12,492	6,043	32.6
Haines Borough	0	0	0	
Juneau Borough	656	0	656	100.0
Kenai Peninsula Borough	251	178	73	29.1
Ketchikan Gateway Borough	461	343	118	25.6
Kodiak Island Borough	2,543	2,016	527	20.7
Lake and Peninsula Borough	0	0	0	
Matanuska-Susitna Borough	0	0	0	
Nome Census Area	28	28	0	0.0
North Slope Borough	0	0	0	
Northwest Arctic Borough (Kobuk)	0	0	0	
Prince of Wales-Outer Ketchikan CA	0	0	0	
Sitka Borough	506	373	133	26.3
Skagway-Yakutat-Angoon CA	0	0	0	
Southwest Fairbanks Census Area	1,091	1,076	15	1.4
Valdez-Cordova Census Area	263	228	35	13.3
Wade Hampton Census Area	0	0	0	
Wrangell-Petersburg Census Area	58	58	0	0.0
Yukon-Koyukuk Census Area	293	293	0	0.0

Source: Alaska Department of Labor, Research and Analysis Section.

The Fairbanks North Star Borough is home to the second-largest contingent of military personnel in the state. Nearly a third of the state's uniformed personnel (7,800) are stationed there. Unlike Anchorage, Fairbanks' uniformed population grew 46% during the past decade and military expenditures tripled. (See Table 6.) This growth began when Fort Wainwright was chosen as headquarters for the Army's 6th Light Infantry Division. Fort Wainwright's uniformed population grew from 2,600 in 1986 to 4,820 in 1992. Fairbanks' other military installation, Eielson Air Force Base, grew moderately. A considerable amount of construction accompanied this military build-up in Fairbanks. During five of the last eight years expenditures for military-related construction in Fairbanks exceeded \$100 million. Construction at Fort Wainwright reached \$140 million in 1988.

The military in Fairbanks also supports approximately 2,300 civilian jobs with a payroll of \$52.9 million. These jobs are the lion's share—71%—of all federal employment in Fairbanks. The Fairbanks Community Research Center estimated that about half of these jobs were held by local civilians and the rest were held by military dependents. However, more of the full-time, higher-paying civil service jobs were held by local civilians. The Center also estimated that more than 11% of all of the money flowing into Fairbanks' economy comes from the military. Compared to Anchorage, a significantly larger share of Fairbanks' population is military related. (See Figure 1.)

The Adak Naval Air Station in the Aleutian Islands is the fifth largest military installation in the state. Many Alaskans are not even aware of its existence because of its remote location on Adak Island in the Aleutian Chain. But more than 2,000 sailors and 2,200 of their dependents are stationed there. In addition, there is a large contingent of civilian and contract personnel. Because of its remoteness and because it is not part of a larger community, the economic impact of Adak Naval Station is considerably smaller than it would be if it were located in one of the state's other communities. Over the past decade, however, many Alaskan contractors benefitted from construction work at the Naval Station.

The Air Force also has a sizable air base in the Aleutians at Shemya, where 466 personnel are

stationed (but no dependents). Like Adak, the only community that exists there is the base, therefore its economic impact on the area and the state is more limited. When the military population of Adak and Shemya are combined, they account for 46% of the entire population of the Aleutians West census area.

Kodiak Island is home to the largest Coast Guard station in the country. Over the past decade the number of Coast Guard personnel in Kodiak fell slightly. In 1992, over 1,000 Coast Guard personnel and 1,500 dependents were stationed in Kodiak—nearly 16% of the island's population. (See Figure 1.) Over 500 of the personnel and dependents live off base. Approximately 150 private contract employees and civilians also work on base. This base is Kodiak's single largest employer.

Other military installations include Fort Greely in Delta, Clear Air Force Base in Anderson, King Salmon Air Station and Galena Air Force Base. Fort Greely is the Delta area's biggest employer. Only a few of its 1,091 military and

dependents live off base. However, it has a civilian work force of 378 who live off base. In an area where nonseasonal, full-time work is scarce, a base this size wields considerable influence.

This is also true for many other medium or even small installations which are located in more remote communities in the state. For example, Clear Air Force Base in Anderson is the Denali Borough's second-largest employer. Most of the work on the base is performed by 250 highly-paid civilians in an area where employment is scarce. Even in Galena, with only 393 soldiers—all of whom live in barracks without dependents—their impact on a remote community is sizable. Not only are these bases important from an employment standpoint but they also benefit the community by providing infrastructure needs such as roads and airports.

What lies in the future?

Like residents of many other states, Alaskans are wondering what is to become of the state's military establishment given the new circumstances in the world. The signals so far are

mixed. And future scenarios for Alaska's defense industry are endless.

One plus in Alaska's favor is that its defense establishment does not include defense contractors. It is the nation's defense contractors who are currently taking the brunt of the defense cuts and will continue to do so in the future.

Still, the country's troop levels have been falling since 1988 and this trend is expected to pick up steam. Nearly 125 bases and facilities nationwide have been targeted to be shut down by the Base Closure Commission. It is estimated that by 1998 the number of active duty personnel and civilians working for the Department of Defense will decline by 227,000 and 121,000 respectively.

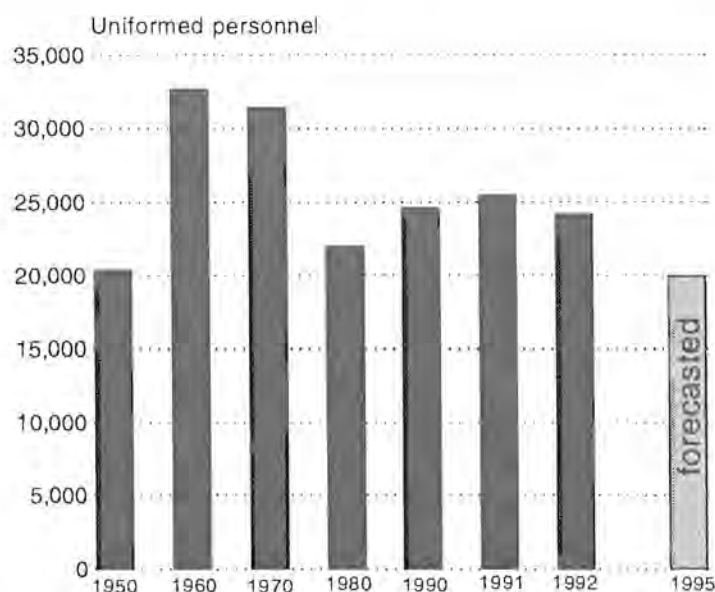
Earlier this year Anchorage was keeping its fingers crossed when the Commission released the newest list of bases to be closed, wondering if Fort Richardson would be among them. A study produced by the University of Alaska's Institute of Economic Research estimated that if Fort Richardson closed down and none of its functions were transferred elsewhere in the state, Anchorage would have lost a total of 10,000 jobs. Although no Alaska bases were included in this round of closures, there will be another list issued by the Base Closure Commission in 1995.

This does not imply Alaska is out of the woods yet, and it did not escape the last round unscathed. By October 1994, the Army will reduce the 6th Light Infantry Division by 2,800. Fort Richardson is slated to lose 2,000 troops and Fort Wainwright will lose the rest. The biggest impact will likely be on the Anchorage housing market since there will be more room for troops to live on base. According to the Army, the civilian work force will not be affected by these troop reductions.

The Navy has also announced that 75% of its 4,200 sailors and dependents at the Adak Naval Air Station will be removed. By 1995 only 1,000 sailors will be left, and no dependents. The number of civilians and contractors will also be pared back. Galena Air Force station is scheduled to close by the end of 1993. Although no dependents live in Galena and there are

Figure • 7

Alaska's Military Might Decline?



Source: Bureau of the Census; Alaska Department of Labor, Research and Analysis Section.

Alaska's Top Five Military Contractors in 1992

only a small number of civilians, it will be a substantial blow to this remote community where 60% of the labor force is employed by the base. There are rumors other smaller bases, such as King Salmon, remain vulnerable to closure.

Given these closures and reductions, Alaska's military force levels could be down to approximately 20,000 by 1995. If additional troops are not relocated to the state, the active duty troop level in the state could fall to the lowest levels in more than four decades. (See Figure 7.)

Not all the news relating to Alaska's defense industry, however, is about contraction. There are some indications the Air Force might expand its role in the state. In May the Air Force broke ground at Elmendorf for a \$168 million hospital to replace the old hospital and to serve as the primary hospital of the Pacific Region. Cope Thunder, a large Air Force training program, was recently moved to Alaska from the Philippines. And the Air Force is requesting the use of more air space in Alaska.

Strong arguments made for the future of the military in Alaska include the fact that Alaska has large unpopulated areas and a strategic location. Some believe that as more bases are shut down overseas and elsewhere in the country, some of these troops may be sent to Alaska. This was true when Clark Air Force Base in the Philippines was shut down. Others believe the nation's military reductions will be so large that it is difficult to conceive of much growth taking place anywhere in the country.

Trying to forecast domestic political and geopolitical actions is a nearly impossible task. This is particularly true in light of the nation's budgetary problems and the changing world events. Not since World War II has Alaska's defense role been as uncertain as it is today.

	Thousands
Pacificorp	\$82,382
ITT Corporation	43,297
General Electric Company	25,193
Piquini Management Corporation	21,148
MAPCO Inc.	14,018

Source: U.S. Department of Defense, Atlas/Data Abstract for the United States and Selected Areas, FY 1992.

Military Expenditures by Borough and Census Area 1980, 1992*

	Millions	
	1980	1992
Alaska Total	\$762.4	\$1,543.3
Aleutians East Borough	0.1	
Aleutians Islands Census Area	89.6	105.2
Municipality of Anchorage	454.6	825.8
Bethel Census Area	3.1	24.9
Bristol Bay Borough	6.9	12.1
Denali Borough	—	43.5
Dillingham Census Area	0.2	0.2
Fairbanks North Star Borough	143.0	450.5
Haines Borough	0.9	1.0
Juneau Borough	5.1	4.6
Kenai Peninsula Borough	3.7	7.7
Ketchikan Gateway Borough	1.0	1.0
Kodiak Island Borough	0.5	1.3
Lake and Peninsula Borough	—	—
Matanuska-Susitna Borough	1.4	8.8
Nome Census Area	3.4	7.0
North Slope Borough	5.0	0.5
Northwest Arctic Borough (Kobuk)	2.9	0.9
Prince of Wales-Outer Ketchikan	0.1	0.1
Sitka Borough	0.3	0.3
Skagway-Yakutat-Angoon Census Area	0.1	1.4
Southwest Fairbanks Census Area	22.4	13.9
Valdez-Cordova Census Area	1.5	12.1
Wade Hampton Census Area	0.7	0.5
Wrangell-Petersburg Census Area	0.0	0.1
Yukon-Koyukuk Census Area	16.9	20.9

* Does not include Coast Guard.

Source: U.S. Department of Commerce, Bureau of Census, Federal Expenditures by State for FFY 1992 and Geographical Distribution of Federal Spending in Alaska FFY 1980, 1992.