"JUNEAU'S ECONOMY, HEALTHY & GROWING"

Probably the first impression felt by a visitor debarking from one of the many tour ships visiting Alaska's capital this summer is that Juneau is a city on the move. Evident on the skyline are massive tower cranes engaged in the construction of new office and apartment buildings. Other signs of activity include the recently completed Prospector Hotel and restaurant fronting Gastineau Channel, and work on the Glacier Expressway which when completed will link downtown Juneau with the suburban Mendenhall Valley via nine miles of four lane highway. Indeed, during the first six months of 1973, the valuation of building permits issued in Juneau totaled $15.5 million, well ahead of even 1972's record pace.

The economic growth implied by this activity is also reflected in population and workforce statistics. As of July 1, 1972, the Juneau labor area's population was 15,079, a growth of some 11.2 percent from the 1970 Census. During the same period, total population Statewide grew by 7.2 percent. Similarly, Juneau's total employment grew by 1,345 from 1970 to 1972, a gain of 18.3 percent. Employment for the State as a whole was ahead by 12 percent. Making the largest contribution to the 1970–72 growth in Juneau's economy has been the government sector, where State payrolls have expanded in response to the infusion into the State Treasury of funds from the 1969 North Slope Oil and Gas lease sale. Total growth in Juneau's State government employment over the two year period was 400, a gain of 18 percent. The high level of construction activity experienced by the area caused employment in that industry to better than double over the period. This employment expansion was due not only to the major construction projects mentioned above, but also to a high level of residential building, including both multi and single family dwellings, to satisfy the housing shortage created by Juneau's rapid population growth.

In addition to the big increases noted above, lesser employment gains came among trade and services employers. These resulted from the above mentioned population expansion together with increased tourism.

While the area's employment has been advancing rapidly on all fronts, Juneau's unemployment has maintained relatively low levels. In 1970, unemployment was a scant 4.5 percent, while the 1971 and 1972 figures were 4.7 percent and 5.4 percent respectively. These low levels of unemployment have made Juneau an economic oddity with respect to the rest of Alaska, whose jobless rate has consistently been nearly double that experienced by the capital city on a year to year basis. During the 1970–71–72 period, Statewide unemployment rates were 8.6, 9.9, and 10.4 percent respectively. Most of the credit for Juneau's low levels of unemployment does not go to economic expansion, but rather to the relative absence in Juneau's economy of the seasonal waxing and waning of activity that characterizes the Statewide economy. This process causes high levels of unemployment at certain times of the year, which in turn drive up annual average jobless figures for the State as a whole. The lack of these fluctuations in Juneau's economy is due to the public sector which provides stable year around employment for roughly half of the community's wage earners.

The outlook over the next one to two years is for Juneau's growth to continue. In construction, the housing boom that the community has experienced during the last year and a half, should reach its peak. However, work is moving ahead on the new Hilton Hotel to be located across from Gastineau Channel near the terminus of the Glacier Expressway. Also in the area of hotel construction, work recently began on a three floor addition to the Baranof Hotel. Less firm are plans for two more hotels as well as one and possibly two new shopping centers. In public construction, ground has been broken for the Switzer Creek Elementary School, and work is continuing on the new State Court Building.

In government, a continuation of past levels of growth is contingent upon a speedy approval of Trans-Alaska Pipeline construction by Congress and the courts. Probably increases in this sector will proceed at a somewhat slower rate than has been noted during the past three years. This slower growth will result from concern on the part of the administration and legislature over the possible depletion of the general fund prior to the time that North Slope oil revenues begin filling State coffers. Even if pipeline construction begins during mid-1974 as is now hoped, one to two years may be required before State government employment growth regains its former momentum.

Aside from pipeline uncertainty, the only other clouds on Juneau's economic horizon are continued litigation surrounding the construction of a pulp mill north of town at Berner's Bay, and a petition effort now under way to place a capitol-relocation proposal on the 1974 general election ballot.

In summary, the Juneau area is presently enjoying an enviable combination of prosperous growth and relatively low levels of unemployment, particularly when compared with the State as a whole. Source of this good fortune is the economic importance of government which accounts for the lion's share of Juneau's total employment. Given the above conditions, the community should experience continued economic growth into the foreseeable future.

ALASKA'S ECONOMY IN JUNE

ESTIMATED CIVILIAN WORKFORCE IN ALASKA June 1973 1/

INDUSTRY	(Thousands) 6-73	5-73	6-72	Changes From: 5-73	6-72
CIVILIAN WORKFORCE	142,800	137,800	140,700	5,000	2,100
INVOLVED IN WORK STOPPAGES	0	100	0	- 100	0
TOTAL UNEMPLOYMENT	16,100	15,100	16,300	1,000	- 200
Percent of Workforce	11.3	11.0	11.6	-	-
TOTAL EMPLOYMENT 2/	126,700	122,600	124,400	4,100	2,300
Nonagricultural Wage & Salary 3/	112,200	108,800	109,200	3,400	3,000
Mining	2,100	2,100	2,700	0	- 600
Construction	9,000	7,900	8,800	1,100	200
Manufacturing	11,000	9,500	10,700	1,500	300
Durable Goods	3,600	3,500	3,300	100	300
Lumber, Wood Products	2,800	2,700	2,600	100	200
Other Durable Goods	800	800	700	0	100
Non Durable Goods	7,400	6,000	7,400	1,400	0
Food Processing	5,300	3,900	5,400	1,400	- 100
Other Non Durable Goods	2,100	2,100	2,000	0	100
Transp.-Comm. & Utilities	10,600	10,200	10,700	400	- 100
Trucking & Warehousing	1,900	1,700	1,800	200	100
Water Transportation	900	800	900	100	0
Air Transportation	3,000	3,000	3,100	0	- 100
Other Transp.-Comm. & Utilities	4,800	4,700	4,900	100	- 100
Trade	18,400	17,900	16,900	500	1,500
Wholesale Trade	3,400	3,400	3,300	0	100
Retail Trade	15,000	14,500	13,600	500	1,400
General Merchandise & Appar.	3,800	3,700	3,400	100	400
Food Stores	2,400	2,300	2,100	100	300
Eating & Drinking Places	3,300	3,200	3,300	100	0
Other Retail Trade	5,500	5,300	4,800	200	700
Finance-Insurance & Real Estate	4,000	3,900	3,600	100	400
Service & Miscellaneous	15,900	15,500	14,300	400	1,600
Government 4/	41,200	41,800	41,500	- 600	- 300
Federal	17,700	17,400	17,900	300	- 200
State	13,600	13,700	14,000	- 100	- 400
Local	9,900	10,700	9,600	- 800	300

1/ Estimated in accordance with techniques recommended by U. S. Bureau of Labor Statistics.

2/ Includes domestics, nonagricultural self employed and unpaid family workers, and agricultural workers.

3/ Prepared in cooperation with the U. S. Bureau of Labor Statistics.

4/ Includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Employment — Unemployment: Total employment moved upward from May to June as Alaska's economy continued to climb towards its seasonal peak. While the largest share of the total gain of 4,100 came in the two most seasonal industries, construction and manufacturing, most other major industrial sectors also registered increases. Compared with June a year ago, total employment was ahead by 2,300 with gains spread throughout the industrial spectrum. While employment was on the rise, total unemployment also advanced as increases in the number of seasonal jobs were balanced by the infusion into the workforce of new and re-entrants, largely students, housewives, and other individuals seeking temporary summer work. Over the year, total unemployment fell by 200.

Mining: Employment in mining remained unchanged over the month. Over the year employment in the industry was off by 600 due to two factors. The first of these is the continuing lull in North Slope Oil activity as the industry awaits a go ahead for Trans-Alaska Pipeline construction. The second contributor to the lower level of mining employment is the gradual drop in oil production from Cook Inlet as major oil fields there begin to decline from the peak levels reached during the past eighteen months.

Construction: Seasonal increases in employment continued to dominate the economic scene in construction as this industry showed a gain of 1,100 from May to June. Over the year construction, particularly hotels and motels continues to maintain momentum built up over the four year period since oil was discovered on the North Slope. In the public sector, work continues to move forward despite fears of cutbacks at both the Federal and State levels.

Manufacturing: Like construction, manufacturing experienced a strong over the month seasonal gain in employment from May to June. The growth came as canneries began processing the first of this season's salmon catch, and logging activity picked up in Southeast Alaska.

Over the year however, manufacturing employment presented two radically different pictures. On the one hand, employment in durable goods manufacturing was ahead of last year's figure by 300. This gain reflects in large measure the cumulative effect of two devaluations of the U. S. dollar. These devaluations, which were accompanied by revaluation of the Japanese Yen, have increased the competitiveness of Alaskan wood products on the Japanese market. This improved market position has proven especially fortuitous in that it has come when the demand for wood products in Japan appears to be approaching a peak.

On the other hand, the over-the-year employment picture in non-durable manufacturing was quite gloomy. Source of this gloom were expectations of a second consecutive poor salmon season by seafood processors in central and western Alaska. These expectations, which, as this edition of the "Trends"