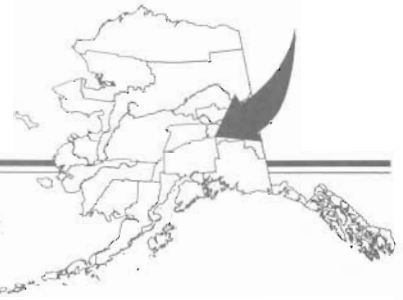


# The Delta Region

by Neal Fried and Brigitta Windisch-Cole



**D**elta is located at the junction of the Richardson and Alaska highways, approximately 100 miles southeast of Fairbanks. Exact boundaries of the area are not readily identifiable, but for the purposes of this article the Delta region includes the city of Delta Junction, Big Delta, Ft. Greely, the Clearwater area and Healy Lake. (See Table 1.) Its northern and southern boundaries are the Fairbanks North Star Borough and Healy Lake.

## History tied to highway traffic

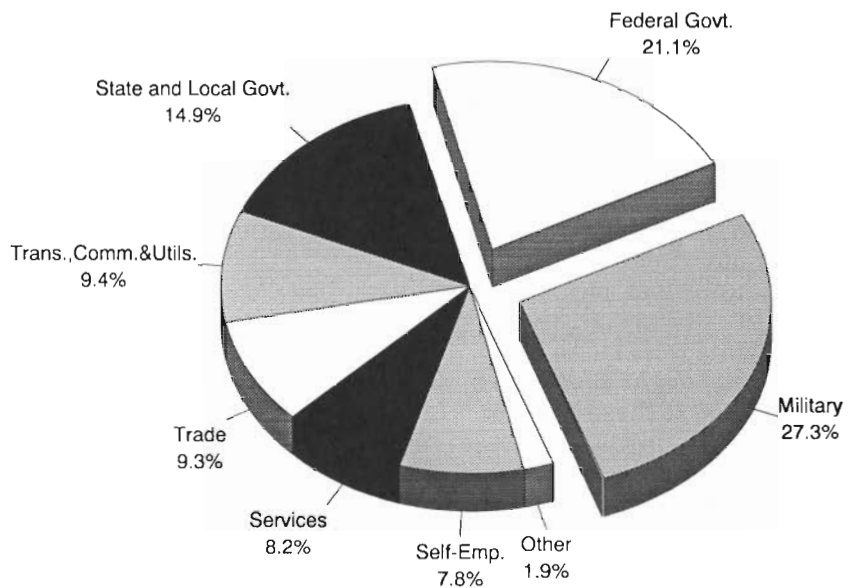
Delta's history has always been tied to highway traffic—even before automobiles traveled these roads. At the turn of the century, the Richardson Trail was established between Valdez and the Fairbanks gold fields and the area's first roadhouse was built. In 1942 its road-bound fate was secured with the construction of the Alaska Highway—Delta served as its northern terminus. Since that time, much of Delta's economy has been tied to providing highway-related services to travelers, visitors and commercial traffic, and highway maintenance for the Alaska and Richardson highways.

## Military dominates the region's economy

If nothing more had occurred, Delta's economy would no doubt still be virtually dependent upon the highway as its economic lifeline. But in concert with the construction of the Alaska Highway, airfields were built in 1942 as part of the lend/lease program with the Soviet Union. This program involved ferrying American-built fighter planes to Russia via a number of airfields in Canada and Alaska; one of these airfields later became Ft. Greely. In 1948 Ft. Greely became the Northern Warfare

Figure • 1

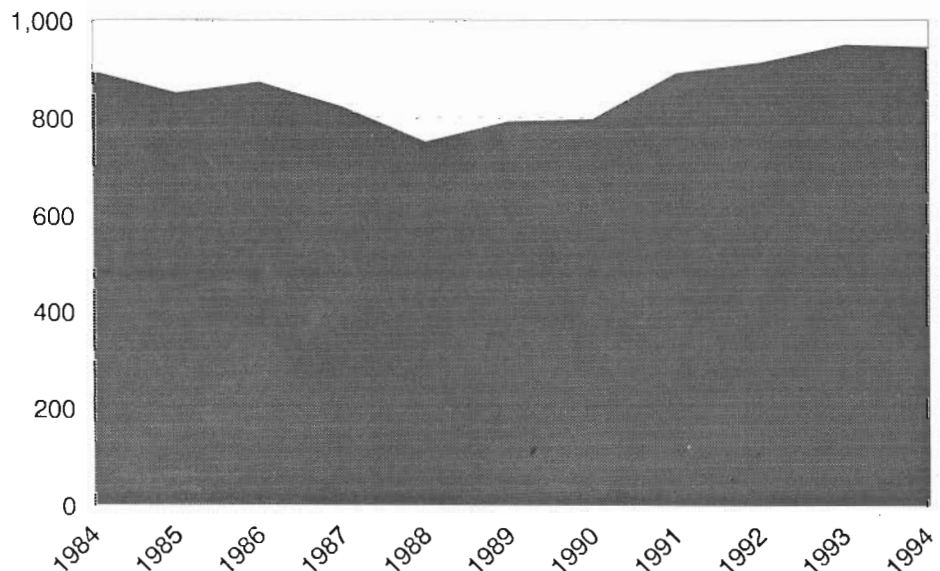
### Fort Greely Is the Big Player in the Delta Employment Scene—1994



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

Figure • 2

### Delta's Employment Has Remained Pretty Stable Wage & Salary Employment 1984-1994



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

Training Center and the Cold Regions Test Center for the Army. Delta's economic fate and prosperity quickly became linked to Ft. Greely. Today no other employer comes close to dominating Delta's economy like the military does. This is why in early 1995 Delta was shocked to hear the announcement by the Base Realignment and Closure Committee (BRAC) that Fort Greely was on the military list to be "realigned" by 1998 which would mean that 55 civilians and 20 soldiers would be left behind to maintain the post. In June BRAC made its final decision which pushed the beginning of the realignment to July of 1997 and would phase it in through the year 2001. This was not what the residents from Delta wanted to hear but it bought them some more time to adjust to these changes.

2.) If we include the soldiers, federal civilians, and private contractors (includes only contract employees on base), the base generates approximately 750 direct jobs, or over 50

sent the single largest group of "good-paying" jobs in the region.

The near closure of the post would also mean other jobs would be lost in the region. An example of one "indirect" but immediate impact would be felt by the region's second largest employer, the Delta/Greely School District. (See Table 3.) Forty-eight percent of its enrollment is comprised of dependents of soldiers and federal workers on the base. One could easily assume then that, with the Ft. Greely realignment, close to half of the school district staff would be lost. This is a conservative number since other students would also no doubt leave the area as the economic impact of the realignment became more widespread.

T a b l e • 1

**Delta Region's Population**

	1993
Big Delta	445
Delta Junction	693
Fort Greely	1,134
Balance of region	1,718
<b>Total</b>	<b>3,978</b>

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

One way to measure indirect employment impacts is to look at employment multipliers. Although they only provide very rough estimates, they can be a good illustrative tool. For example, statewide multipliers for federal civilian jobs generally run between 1.8 and 2.0. This means that for every civilian job loss, 0.8 to 1.0 job is lost elsewhere in the econ-

**How big a mainstay is the military?**

Big. Is the Delta area a company town? Not quite, but pretty close. The distribution of employment illustrates the region's dependence on the military. (See Figure 1 and Table

percent of all employment in the Delta area. The vast majority of the federal civilian jobs are civil service jobs on Ft. Greely. Few of these jobs are held by military dependents, which means most of these individuals live off-base. These jobs repre-

T a b l e • 2

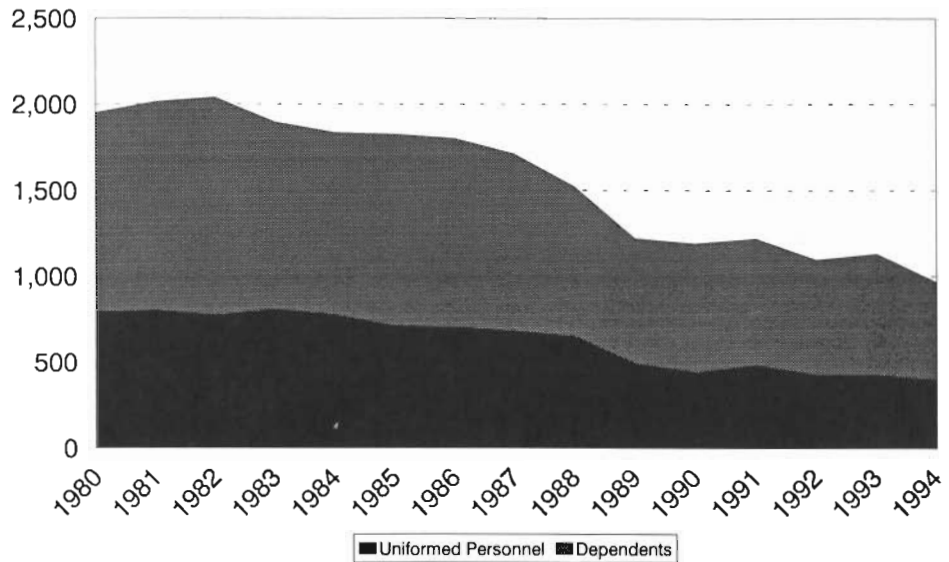
**Delta's Employment by Industry 1984-1994**

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
<b>Total Industries</b>	893	849	871	820	748	790	795	890	912	948	943
Mining	*	*	*	*	*	*	*	*	*	*	*
Construction	*	*	*	*	*	*	*	*	*	*	*
Manufacturing	*	*	*	*	*	*	*	*	*	*	*
Trans., Comm. & Utilities	97	97	97	97	98	107	110	111	125	128	136
Trade	93	91	75	79	84	97	94	102	111	137	135
Fin. Ins. & Real Estate*	*	*	*	*	*	*	*	*	*	*	*
Services	78	82	139	126	84	86	109	116	116	102	119
<b>Government</b>	564	517	516	477	450	461	450	538	539	554	521
<b>Federal</b>	392	352	357	335	310	311	302	349	340	330	306
<b>State</b>	14	15	13	10	13	12	11	53	52	59	65
<b>Local</b>	159	150	146	132	128	138	137	137	148	165	150

\*Nondisclosable.  
Source: Alaska Department of Labor, Research & Analysis Section.

Figure • 3

**Fort Greely's Military and Dependent Population Has Been Falling**



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

omy. The multipliers for Delta would be lower because of the size of its economy. A smaller economy usually translates into larger economic leakages. The impact of the other indirect job losses would be smaller than the civil service jobs. For example, many of the contractor jobs are part time and pay lower salaries, and a higher percentage of these workers are military dependents (which means they live on base). And the impact of the loss of nearly all of the enlisted personnel would be smaller because nearly all of them live on the post and most of the services they consume are provided there. If the different impacts are combined, the Delta area could lose 65-70 percent of the area's work force.

**Agriculture, pipeline fill economic niche**

Few other activities, besides highway traffic and the military, round out Delta's economy. As soon as the first roadhouses were established, agriculture began to gain a foothold in the region. In the late 1970s and early 1980s, the state sponsored an ambitious agricultural project in Delta. Over 100,000 acres were developed for cultivation. The results were mixed with a number of the operations later failing, which caused production to fall steeply. According to the Cooperative Extension Service, this trend began to reverse itself about five years ago with production growing again by five-10 percent per year. One recent count pegged the number of active farms at 75, ranging in size from 25 acres to 5,000. The major crops include grain, forage, five dairies, and some beef and hog production.

Delta was one of the focal points of the construction of the Trans-Alaska Pipeline during the mid-1970s. The boom subsided as quickly as it began; however, it left important permanent economic activity behind. The pipeline's Pump Station Nine is a few miles away from Delta Junc-

Table • 3

**Delta's Top Ten Employers<sup>1</sup>**

Rank	Firm	1994 Annual Avg. Employment
1	Federal Government	306
2	Delta/Greely School District	134
3	Alyeska Pipeline Service Company	74
4	State of Alaska	65
5	Alaska Motor Coaches Inc.	31
6	Delta Shop-Rite	31
7	Family Medical Center	28
8	Tag Company (military contractor)	27
9	Miners House (restaurant)	21
10	City of Delta Junction	16

<sup>1</sup> Published with permission of employers.

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

T a b l e • 4.

### A Snapshot of the Delta Region and Vicinity Statistics from the 1990 Census

Compared to Alaska as a whole...	Alaska	Delta Junction and vicinity	Fort Greely and vicinity
Population 1990	550,043	2,621	1,299
Median age	29.4	32.4	23.2
Percent under 5 years old	10.0%	8.3%	15.9%
Percent 21 years & over	64.5%	61.0%	56.2%
Percent 65 years & over	4.1%	4.1%	-
Percent White	75.5%	91.8%	72.0%
Percent Black	4.1%	1.5%	19.0%
Percent American Indian, Eskimo, or Aleut	15.6%	5.0%	0.9%
Percent Asian/Pacific Islander	3.6%	1.4%	3.1%
Percent Other Races	1.2%	0.2%	5.0%
Percent Hispanic origin	3.2%	1.0%	7.7%
Percent of all 16 years + in labor force	74.7%	63.9%	87.1%
Percent males 16+ in labor force	82.1%	74.6%	97.9%
Percent males unemployed	10.0%	8.8%	15.9%
Percent females 16+ in labor force	66.4%	52.6%	71.5%
Percent females unemployed	7.3%	7.4%	14.1%
Median household income in 1989	\$41,408	\$38,292	\$25,865
Percent of households below poverty level	8.0%	11.5%	3.9%
Percent with less than \$5,000 income	3.5%	5.9%	-
Percent with \$5,000-\$9,999 income	4.8%	6.6%	-
Percent with \$10,000-\$14,999 income	6.4%	6.3%	7.4%
Percent with \$15,000-\$24,999 income	13.3%	12.5%	38.6%
Percent with \$25,000-\$34,999 income	13.6%	14.3%	29.4%
Percent with \$35,000-\$49,999 income	18.5%	20.1%	17.2%
Percent with \$50,000-\$74,999 income	21.3%	20.4%	7.4%
Percent with \$75,000-\$99,999 income	10.9%	10.4%	-
Percent with \$100,000 or more income	7.7%	3.6%	-
Median Gross Rent	\$559	\$492	\$438
Percent rented for less than \$200	1.7%	-	-
Percent rented for \$200-\$299	5.4%	4.2%	-
Percent rented for \$300-\$499	27.8%	37.0%	3%
Percent rented for \$500-\$749	29.8%	31.2%	2%
Percent rented for \$750-\$999	12.8%	5.3%	-
Percent rented for \$1,000 or more	9.1%	1.6%	-
Percent with no cash rent	13.5%	20.6%	95%

Source: U.S. Bureau of the Census.

tion and Pump Station Ten is 47 miles down the Richardson Highway. As a result, the Alyeska Pipeline Service company is the area's single largest private sector employer. (See Table 3.)

#### Future tough to picture without Ft. Greely

Developing alternative economic opportunities in the Delta area could be far more difficult than most other communities which have faced similar fates. Few other industries or employers could provide the community with so many good-paying, non-seasonal, and stable jobs. No other community is really close enough for the Delta residents to make a daily commute to find alternative economic opportunities. In the short- to mid-term, none of the existing industries can come anywhere close to picking up the economic slack the realignment would cause. In addition, many services and amenities currently provided to the community by Ft. Greely will be lost.

Delta would also hope to be given access to the infrastructure of Ft. Greely so it could be used for alternative economic activity. The community is already brainstorming possible use of some of the base facilities. Some of these ideas include using the post as a boarding school, prison, free-trade zone, commercial cold testing site, timber processing center, etc.

*Trends profiles are a new feature which will appear periodically in **Alaska Economic Trends**. For more information, contact  
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