

Up 6.7 percent in 2007

Altogether, Alaska residents – women, men and children – earned \$27.6 billion in 2007, which is up \$1.7 billion, or 6.7 percent, from 2006 and is the most robust growth in nearly two decades.

Alaskans' per capita income was \$40,352 in 2007, putting Alaska in 15th place in a ranking of all 50 states, according to recently released figures from the U.S. Department of Commerce's Bureau of Economic Analysis.

Personal income is the income received by all people from all sources. It includes net earnings (mostly wages and salaries), investment income (corporate dividends, income from rent and interest earned from savings), transfer payments (income from government or private social insurance programs and in Alaska's case, Alaska Permanent Fund dividends) and interest income. Once those sources are added up, it becomes the total personal income and represents the most comprehensive measure of income in Alaska.

One of the most popular uses of personal income data is to compare states and other areas. (See Exhibit 1.) Per capita income is calculated by dividing the total personal income of people in an area by the resident population of that area. It's considered a good measure of economic well-being because its definition is so inclusive.

The biggest growth in personal income since 1990

The last time Alaska's per capita income had strong growth similar to 2007's 6.7 percent jump was in 1990, when it also increased 6.7

percent. The average annual growth rate for the past decade was 5.3 percent.

The strong recovery in Alaska's oil industry, along with no big negatives in the state's economy, may help explain the strength in 2007. Healthy-sized Permanent Fund checks – \$1,654 per resident in 2007 – also didn't hurt. And with last year's inflation rate for Anchorage running at 2.2 percent, real gains were significant.

Personal income for the U.S. as a whole grew by 6.2 percent in 2007, a bit slower than Alaska's. Given the current slowdown in the national economy and a record Permanent Fund payout – \$3,269¹ per resident in 2008 – the state should also outpace the nation's income growth in 2008.

And according to first quarter 2008 data, Alaska's personal income growth was running at 1.5 percent versus 1 percent for the nation.

Alaska's per capita income is 5 percent higher than the nation

Alaska moved up a spot in the rankings, from 16th place in 2006 to its 15th place in 2007. In comparison, it was sixth place in 1990.

The state's \$40,352 per capita income in 2007 was 5 percent higher than the U.S. average of \$38,611.

Prior to the last few years, Alaska had a long-term downward drift relative to the nation. It began in the mid-1980s with the onset of the state's severe economic recession. (See Exhibit 2.)

¹ The \$3,269 includes a one-time \$1,200 energy rebate.

In the 1990s the state's relative ranking continued to fall, as Alaska's economy grew more slowly than in previous decades and the state experienced strong growth in the lower-wage industries such as retail and other services, and weaker growth – in some cases absolute losses – in its high-wage industries such as oil, timber and fishing.

The low point was in 2000 when Alaska's per capita income fell to a near-identical level with the U.S. average. Since 2000, income growth in Alaska has slightly exceeded the nation's, causing the state's ranking to improve moderately.

Demographics matter

Besides economic conditions, demographics can also affect per capita income's performance. Population growth, family size, number of dependents, participation in the work force and other socio-economic factors influence income levels.

Since population is the denominator in the per capita formula, per capita income will grow faster when the population grows more slowly than personal income and vice versa.

A dramatic example of that occurred in Alaska during the mid-1970s, when state per capita income reached its pinnacle at 75 percent above the national average. Those record-high income numbers were largely driven by the construction of the trans-Alaska oil pipeline, which produced fat paychecks. The demographic composition of the state also pushed those numbers higher because many of those wage earners were single males who weren't sharing their income with any dependents.

After taxes Alaska looks better

The Bureau of Economic Analysis also publishes disposable per capita income figures for all states. Disposable income represents the amount left after subtracting personal income taxes and other personal taxes.

Alaska's disposable per capita income in 2007 was \$36,483, which was seventh-highest in the U.S. and 8 percent higher than the U.S. average.

Alaska's Per Capita Income

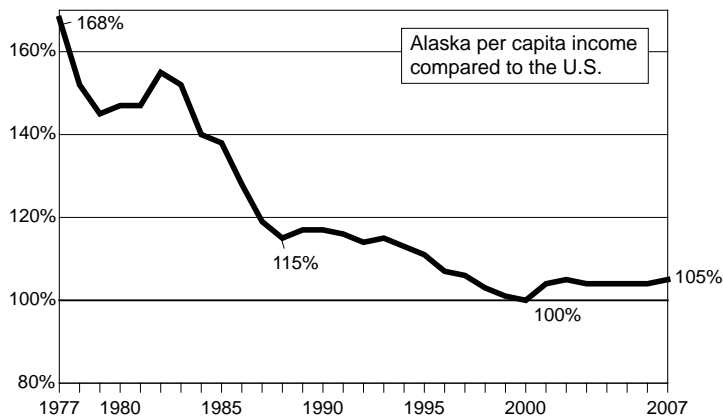
A bit higher than average, 2007



Rank		Per Capita Income in 2007	Percent of U.S.
1	Connecticut	\$54,117	140%
2	New Jersey	\$49,194	127%
3	Massachusetts	\$49,082	127%
4	New York	\$47,385	123%
5	Maryland	\$46,021	119%
6	Wyoming	\$43,226	112%
7	California	\$41,571	108%
8	New Hampshire	\$41,512	108%
9	Virginia	\$41,347	107%
10	Colorado	\$41,042	106%
11	Minnesota	\$41,034	106%
12	Delaware	\$40,608	105%
13	Nevada	\$40,481	105%
14	Washington	\$40,414	105%
15	Alaska	\$40,352	105%
16	Illinois	\$40,322	104%
17	Rhode Island	\$39,463	102%
18	Hawaii	\$39,239	102%
19	Pennsylvania	\$38,788	100%
	U.S.	\$38,611	100%
20	Florida	\$38,444	100%
21	Texas	\$37,187	96%
22	Kansas	\$36,768	95%
23	Vermont	\$36,670	95%
24	Nebraska	\$36,471	94%
25	Wisconsin	\$36,047	93%
26	Michigan	\$35,086	91%
27	Iowa	\$35,023	91%
28	Ohio	\$34,874	90%
29	North Dakota	\$34,846	90%
30	North Carolina	\$34,846	90%
31	Oregon	\$34,784	90%
32	Louisiana	\$34,756	90%
33	Missouri	\$34,389	89%
34	Oklahoma	\$34,153	88%
35	South Dakota	\$33,905	88%
36	Maine	\$33,722	87%
37	Indiana	\$33,616	87%
38	Georgia	\$33,457	87%
39	Tennessee	\$33,280	86%
40	Arizona	\$33,029	86%
41	Montana	\$32,458	84%
42	Alabama	\$32,404	84%
43	New Mexico	\$31,474	82%
44	Idaho	\$31,197	81%
45	Utah	\$31,189	81%
46	Kentucky	\$31,111	81%
47	South Carolina	\$31,013	80%
48	Arkansas	\$30,060	78%
49	West Virginia	\$29,537	76%
50	Mississippi	\$28,845	75%

Source: U.S. Department of Commerce, Bureau of Economic Analysis

2 Advantage Has Narrowed Over Time Alaska's per capita income, 1977 to 2007



Source: U.S. Department of Commerce, Bureau of Economic Analysis

It's not surprising that Alaska's disposable income figure ranks higher than the 15th place for per capita income before income taxes, since Alaska residents have one of the lowest state and local tax burdens in the nation.

Fall Protection in Construction

As many of you know, this year's wind storms in Southcentral Alaska have caused widespread roof damage that will need to be repaired. Falls are a leading cause of fatalities and serious injuries in the construction industry – and the trend is continuing. To help minimize the chances of an accident, make sure to follow these guidelines:

- When workers are exposed to fall hazards of 6 feet or more, make sure they use a fall protection system such as a personal fall arrest system, guardrail system, safety net system or a combination of the three.
- Ensure that someone who's qualified constructs scaffolding according to the manufacturer's instructions and that adequate guardrail systems (top rail, mid rail and toe board) or personal fall arrest systems are in use for scaffolds more than 10 feet above a lower level.
 - Don't climb or allow anyone else to climb on cross bracing to access the scaffold.
- Cover or guard any openings or holes immediately to avoid a worker falling through the opening.
- Ensure that portable ladders are used properly.
 - Ladder side rails must extend at least 3 feet above the landing.
 - When a 3-foot extension isn't possible, ensure the top of the ladder side rails is secured to a rigid support and a grab device is used for mounting and dismounting the ladder.
 - Before each use, inspect the ladder for cracked or broken parts. Don't use it if it is damaged.
 - Make sure the ladder is properly supported and it won't slip when someone is on it.
 - Don't put more weight on the ladder than it's designed to support.
- Always be on the lookout for impalement hazards, such as protruding rebar, and get rid of the hazard. For protruding rebar, install rebar caps or bend the rebar ends so they're not sticking up.

This is a short list of fall protection requirements; there are more. Roofing work is extremely dangerous and you need to take special precautions to ensure the work is done safely. For more help, contact the Alaska Department of Labor and Workforce Development's Alaska Occupational Safety and Health Consultation and Training Section at (800) 656-4972. AKOSH is within the Labor Standards and Safety Division.