

Industry winners and losers

The top and bottom 25 industries for job growth since 1990

By **NEAL FRIED**

While industries' employment can shift dramatically in a short time, such as during a recession, their long-term performance paints a more complete picture of how our modern economy took shape.

National employment grew by 35 percent from 1990 to 2017, and Alaska's total employment grew 39 percent, from 236,179 jobs to 327,963. Over that period, 48 of the state's 188 industry groupings as defined here lost jobs, and 140 grew.

Some of the long-term gains as well as losses are tied to the rise of certain technologies, such as the internet. Other industries are subject to changes in production, such as oil and gas, or changes in demographics, such as health care. Others respond to changes in the state's total population; for example, local government levels adjust to the number of people they serve. Some changes are simply due to changing consumer tastes and habits. Others don't have an obvious cause.

For this article, we narrowed the focus to the 25 biggest job gainers and 25 biggest losers, using 1990 as the starting point because that's when this data series became consistent over time.

THE WINNERS

Nothing comes close to health care

The hands-down winner in Alaska was health care, with its ambulatory health care and hospitals categories in the top two spots.

Ambulatory health care services added nearly 15,000 new jobs on its own over those 27 years, more than tripling in size. (See Exhibit 1.) This category includes all types of outpatient health care providers, such as doctors' and dentists' offices, dialysis centers, medical

laboratories, and home health services.

Adding hospitals, ranked second on the list, and nursing care facilities (ranked 21st) shows health care represented more than 30 percent of all the state's job gains in the top 25 industries over that period.

Restaurants

Restaurants were another long-term winner, adding jobs at nearly twice the rate of the overall economy. Restaurants grew by 77 percent, a gain of 8,053 jobs.

Eating out became an increasingly popular pastime nationally as well as in Alaska, and both added jobs at comparable rates.

Local government

Employment in local governments and K-12 schools combined grew by about 9,000, roughly paralleling the state's overall population growth.

Industries linked to tourism

Alaska's cruise ship passenger count more than doubled between 1995 and 2017. A number of industries benefitted from this long-term growth in tourism in addition to the nudge they received from overall population growth. These included accommodations, amusement and recreation, air transportation, and restaurants.

Mining

Although mining is a big part of Alaska's economic history, the industry became a shadow of its past after World War II. That changed in the late 1980s and early 1990s with the commissioning of the Greens Creek Mine in Juneau and the Red Dog Mine in the Northwest Arctic Borough.

By 2006, Alaska had five large-scale operating metal

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The Top 25 Industries* for Job Growth Since 1990

ALASKA, 1990 TO 2017

	1990 Jobs	2017 Jobs	1990 to 2017	
			Growth	Percent
1 Ambulatory Health Care Services	5,672	20,645	14,973	264%
2 Hospitals	6,425	14,767	8,343	130%
3 Restaurants and Other Eating Places	10,449	18,502	8,053	77%
4 General Merchandise Stores, including Warehouse Clubs and Supercenters	3,634	10,242	6,608	182%
5 Elementary and Secondary Schools, including Government	16,476	21,183	4,707	29%
6 Local Government, excluding Education and Hospitals	13,053	17,416	4,363	33%
7 Specialty Trade Contractors	4,382	7,335	2,953	67%
8 Traveler Accommodation, including Rooming and Boarding Houses	5,101	7,810	2,709	53%
9 Business, Tech, Trade and Other Schools, incl Gov (exc Elem/Secondary)	6,353	8,853	2,500	39%
10 Services for the Elderly and Persons with Disabilities	299	2,592	2,293	766%
11 Engineering and Drafting Services	1,425	3,448	2,023	142%
12 Other Amusement and Recreation Industries	1,145	3,092	1,946	170%
13 Building Material and Garden Equipment and Supplies Dealers	1,769	3,559	1,790	101%
14 Management of Companies and Enterprises	978	2,660	1,682	172%
15 Metal Ore Mining	933	2,465	1,532	164%
16 Scheduled Air Transportation	3,989	5,464	1,475	37%
17 Wired Telecommunications Carriers	2,015	3,483	1,468	73%
18 Couriers and Express Delivery Services	957	2,265	1,308	137%
19 Services to Buildings and Dwellings	2,007	3,246	1,239	62%
20 Residential Mental Retardation, Mental Health, and Substance Abuse Facilities	864	2,040	1,175	136%
21 Nursing Care Facilities and Community Care Facilities for the Elderly	651	1,773	1,123	173%
22 Sporting Goods, Hobby, and Musical Instrument Stores	926	1,896	970	105%
23 Vocational Rehabilitation Services	538	1,474	936	174%
24 Computer Systems Design and Related Services	320	1,250	931	291%
25 Miscellaneous Store Retailers	1,692	2,612	920	54%
Total Alaska employment	236,179	327,963	91,784	39%

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The 25 Industries* With the Most Job Loss Since 1990

ALASKA, 1990 TO 2017

	1990 Jobs	2017 Jobs	1990 to 2017	
			Decline	Percent
1 Federal Government, excluding U.S. Postal Service (see #4)	15,569	13,115	-2,454	-16%
2 Forestry and Logging	2,307	220	-2,087	-90%
3 Food and Beverage Stores	7,108	5,241	-1,867	-26%
4 Newspaper, Periodical, Book, and Directory Publishers	1,449	532	-917	-63%
5 Legal Services	1,994	1,224	-770	-39%
6 Postal Service	2,177	1,569	-607	-28%
7 Sawmills and Wood Preservation	604	85	-519	-86%
8 Broadcasting (except Internet)	1,172	757	-416	-35%
9 Wholesale Electronic Markets and Agents and Brokers	773	369	-404	-52%
10 Drilling Oil and Gas Wells	999	635	-363	-36%
11 Oil and Gas Pipeline and Related Structures Construction	1,065	718	-347	-33%
12 Consumer Goods Rental	561	252	-309	-55%
13 Nonscheduled Air Transportation	1,253	948	-305	-24%
14 Employment Services	1,062	761	-301	-28%
15 Seafood Product Preparation and Packaging	9,637	9,398	-239	-2%
16 Freight Transportation Arrangement	492	275	-218	-44%
17 Drinking Places (Alcoholic Beverages)	1,619	1,414	-205	-13%
18 Drycleaning and Laundry Services	582	385	-197	-34%
19 Other Heavy and Civil Engineering Construction	429	243	-186	-43%
20 Funds, Trusts, and Other Financial Vehicles	200	20	-181	-90%
21 Department Stores	873	700	-173	-20%
22 All Geophysical Surveying and Mapping Services	567	416	-151	-27%
23 Travel Arrangement and Reservation Services	884	739	-145	-16%
24 Business Support Services	528	385	-143	-27%
25 Direct Insurance and Reinsurance Carriers	605	470	-134	-22%

Note: Industry employment produced at the three-digit North American Industry Classification System level

*These lists exclude a few industry categories due to disclosure restrictions and other limitations. The industry categories used here are not necessarily comparable to the industry categories we typically publish, which come from the Quarterly Census of Employment and Wages.

Source for exhibits 1 and 2: Alaska Department of Labor and Workforce Development, Research and Analysis Section

mines, nearly tripling mining employment. Metal ore mining grew from 933 jobs in 1990 to 2,465 in 2017.

International cargo

Because of the dramatic rise in global trade, the Anchorage International Airport has become the second busiest airport in the country by landed cargo weight, which increased from 1.1 billion tons in 1990 to 5.8 billion tons in 2017.

As a result, cargo carriers such as UPS and FedEx grew their workforces from a combined 957 jobs in 1990 to 2,265 in 2017. These carriers are part of “couriers and express delivery services,” which ranked 18th.

Other industry winners

A number of other industries made major gains during that 27-year period. For example, jobs providing services to the elderly grew from 299 to 2,592 as Alaska’s 65-plus population nearly quadrupled. Computer systems design also made the cut at 24th, which was not surprising given the rise of computers and the internet.

Other industries, such as specialty trade contractors, were hit recently by the recession but still grew overall in the long term.

Another 114 industries also grew, just not enough to make the top 25.

THE LOSERS

Federal government down the most

The list of overall job losers is much shorter than the list of winners, but the 25 industries that lost the most also played a major role in shaping today’s economy. (See Exhibit 2.)

Civilian federal government tops the list, losing 16 percent of its employment over 27 years (-2,500 jobs). Alaska’s federal employment peaked at 20,000 in 1993 and has declined steadily since. Over the same period, national federal employment also lost some ground (less than 5 percent), but then recovered most of that loss.

Because federal government is one of the highest-paying industries in Alaska, these declines represent a disproportionate hit to the state’s economy.

While not all of the causes are clear, the “reinvention of government” initiative in Alaska, largely aimed at reducing government’s size, started the federal employment decline in the mid-1990s. Another component was privatization of federal services, such as the transformation of the Alaska Native health care system from a largely federally run organization to nonprofit establishments run by Alaska Natives.

These numbers don’t include the U.S. Postal Service, which also lost 28 percent of its Alaska employment over that period, similar to its losses nationally. Automation, financial strains, and competition are among the likely reasons.

Logging

Forestry and logging, once an industry that provided thousands of high-paying jobs in Alaska and mainly in Southeast, all but disappeared after peaking during the late 1980s and early 1990s. This spurred one of the largest structural changes in Alaska’s modern economy.

Logging employment hit 4,000 in 1989. The following year, Alaska’s two largest pulp mills alone employed 1,580 people. The Ketchikan Pulp Mill was the state’s

10th largest private sector employer in 1990 and the Alaska Pulp Corporation in Sitka was 22nd.

By 2017, just 220 total jobs remained, largely the result of changing federal timber policies and competition.

Some areas in Southeast have never fully recovered from these losses. For example, Ketchikan had 14,764 people in 1995, higher than its 2017 population of 13,782.

Oil-related industries

A number of industries tied to oil made the list, including pipeline transportation, whose losses were exacerbated by automation and lower production.

The oil industry’s “job loser” status is a fairly recent development, however. Oil industry employment peaked in 2015 before turning into the biggest casualty of the current state recession, shedding 4,400 jobs over the two years that followed.

Legal services

Nationally, legal services grew modestly over this 27-year period, but in Alaska the industry ranks fifth for job loss.

From 1990 to 2017, 140 of Alaska’s 188 industries grew overall, and 48 lost jobs.

As with many other industries, automation and other efficiencies were likely factors. Much of the decrease was among legal staff such as paralegals and legal secretaries, and more lawyers began to do their own research and document preparation. Another likely factor is the completion of litigation tied to the 1989 Exxon oil spill, which inflated the 1990 numbers.

Traditional media

With the advent of the internet, the decline of print newspapers became a well-documented phenomenon around the country as media switched to less labor-intensive electronic delivery.

In Alaska, this industry ranked fourth for long-term loss, as by 2017 it had dwindled to about a third of its 1990 size. In addition to newspapers, this category includes other print media such as magazines and phone books.

Broadcasting suffered similar losses in Alaska, ranking eighth, as more programming moved online.

Other industry losers

While restaurants were among the biggest winners, bars lost ground, ranking 17th among Alaska's biggest job losers. These were mainly standalone bars that served little or no food, and they faced stiff competition from places that served food and drinks as well as changing demographics and shifting consumer preferences.

Dry cleaning and laundry services also lost ground in the long term with the growth of informal dress, new fabrics, automation, and more homes installing their own laundry facilities.

Travel arrangement and reservation services came in 23rd for loss. These were another classic casualty of the internet, which made it easier for people to make their own plans.

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