

POPULATION GROWTH SLOWS DURING FY 1973

The high rate of growth exhibited by Alaska's population during the first two years of the decade was moderated somewhat during FY 1973. From July 1, 1972 to July 1, 1973 Alaska's statewide population rose by roughly 1.7 percent. For the comparable 1971-1972 period the State's population grew by 3.6 percent, while total growth since the 1970 Census was 9.2 percent. Table 1 below gives the change in Alaska's population by race 1972-1973 periods.

Racial Breakdown of Alaska's Population 1970-72-73

| Racial Group | 1973 | 1972 | 1970 | Percent Change | |
|------------------|---------|---------|---------|----------------|---------|
| | | | | 1972-73 | 1970-73 |
| Total | 330,365 | 324,942 | 302,361 | 1.7% | 9.2% |
| White | 261,979 | 258,724 | 238,746 | 1.3% | 9.6% |
| Black | 9,910 | 9,417 | 8,911 | 5.2% | 11.2% |
| American Indian | 16,850 | 16,668 | 16,276 | 1.1% | 3.5% |
| Eskimo and Aleut | 37,001 | 35,978 | 34,378 | 2.8% | 7.6% |
| Other | 4,625 | 4,155 | 4,050 | 11.3% | 14.2% |
| Total Non-White | 68,386 | 66,218 | 63,615 | 3.0% | 7.5% |

While no one explanation for the lower population growth from 1972 to 1973 is apparent, there are a number of factors which when taken together appear to account for much of it. One of these, which is also being noted for the country as a whole, is a declining birth rate. In Alaska, the estimated number of births has been falling steadily since 1970. The reasons for this decline are much the same as those noted nationwide. These include a desire for smaller families that comes from rising education levels, and the ability parents have to effectively influence family size that has resulted from the increasing availability of various birth control devices. Also influencing the trend towards smaller families is the entry of wives into the work force as secondary wage earners. Reasons for this entry run the gamut from economic necessity created by steadily rising living costs, to a desire on the part of modern women to seek out an identity transcending that which is inherent in her traditional role of wife and mother.

But, if birth rates have been declining steadily since 1970, why was statewide population growth as strong as it was from 1970 to 1972? The answer to this appears to lie in reduced levels of migration, during FY 1973 compared with previous years. To see why migration to Alaska would have been higher during

FY 1970-72 than during FY 1973 requires a comparative look at the economies of the United States, the Pacific Northwest, and Alaska during the period. From 1970-1972 the United States experienced an economic slowdown induced by the administration as a means of dampening the inflationary fires kindled during the late sixties by the Viet Nam war. As a result of this slowdown many people were put out of work and nationwide monthly unemployment rates rose above 6 percent. In the Pacific Northwest these declines were intensified by coincident defense cutbacks which came as the U. S. disengaged itself from Viet Nam, and cut defense spending in other areas. Conversely, during the same period Alaska's economy was receiving a great deal of publicity nationwide as a result of North Slope oil discoveries and the Trans-Alaska Pipeline project. This publicity drew many unemployed persons, particularly those from the Pacific Northwest, to the State in hopes of finding oil related employment. While most of these individuals became discouraged by poor job prospects resulting from the pipeline delay, enough stayed to make a significant contribution to Alaska's 1970-72 population growth. By FY 1973, however, the situation had changed. In Alaska, delays continued to pile on top of one another, and it began to appear that the pipeline

might not be built for several years. At the same time the U. S. economy was coming out of the doldrums and had begun to expand, and increased defense hiring combined with economic diversification was bringing the Pacific Northwest back to life. These factors, when taken together, appear to have significantly reduced levels of migration into Alaska during FY 1973. These lower levels of migration combined with the 5 percent decline in the number of births over the period seem largely to account for Alaska's unusually low population growth from FY 1972 to FY 1973.

Work Force and Employment Trends

Even while Alaska's total population growth was moderating, expansion of both work force and employment continued at brisk levels as noted in the table below.

Statewide Work Force Employment and Unemployment

| | FY 1973 | FY 1972 | Percent Change 1972-73 |
|---------------------|---------|---------|------------------------------|
| Civilian Work Force | 134,500 | 126,000 | 6.8% |
| Employment | 120,900 | 114,100 | 5.6% |
| Unemployment | 13,600 | 11,900 | 14.3% |
| Rate | 10.1% | 9.4% | - |

The higher level of growth relative to that noted earlier for total population reflects in part the entry into the job market of many Alaskans who, though employable, were not actively seeking work during FY 1972. This group probably includes females who, as we have already noted, entered the work force as secondary wage earners, together with members of Alaska's Native population who had engaged in subsistence related activities during the previous fiscal year. The decision of these individuals to enter the work force could have been encouraged by a number of factors. For many minority persons, the continued evolution of Alaska's bush areas from a subsistence to a cash economy probably influenced their entry into the work force. In addition, much of the employment growth that took place from FY 1972 to FY 1973, came in services, trade, finance and government, all of which employ relatively larger numbers of both females and minority persons than do the other economic sectors. The demand created by these new openings probably effected a significant improvement

in the employment outlook for both of these groups, and this would have provided a further incentive for both females and non-whites to enter the work force.

Also important in determining the difference in growth levels between total population and work force is the fact that while population growth was not very large, that growth which did occur came mostly as a result of migration. Since a large proportion of migrants tend to be employable persons (i.e. single males or females) their impact on work force and employment figures is considerably greater than would be similar levels of population growth resulting from natural increase (i.e. births minus deaths).

The outlook for both population and work force during FY 1974 and beyond indicates that the FY 1973 growth levels are virtually certain to be greatly exceeded during the coming two years. With the Trans-Alaska pipeline project slated to begin next spring, Alaska is back in the national limelight and migration into the State has picked up. These high levels of migration will certainly translate into

| INDUSTRY | | | | Changes From: | |
|--|---------|---------|---------|---------------|--------|
| | 11-73 | 10-73 | 11-72 | 10-73 | 11-72 |
| CIVILIAN WORKFORCE..... | 135,800 | 137,900 | 131,500 | -2,100 | 4,300 |
| INVOLVED IN WORK STOPPAGES..... | 0 | 0 | 0 | 0 | 0 |
| TOTAL UNEMPLOYMENT..... | 15,300 | 11,900 | 13,300 | 3,400 | 2,000 |
| Percent of Workforce..... | 11.3 | 8.6 | 10.1 | - | - |
| TOTAL EMPLOYMENT ^{2/} | 120,500 | 126,000 | 118,200 | -5,500 | 2,300 |
| Monocultural Wage & Salary ^{3/} | 107,800 | 112,000 | 105,500 | -4,200 | 2,300 |
| Mining..... | 1,900 | 2,000 | 1,800 | -100 | 100 |
| Construction..... | 8,100 | 10,200 | 7,900 | -2,100 | 200 |
| Manufacturing..... | 8,600 | 8,700 | 7,500 | -100 | 1,100 |
| Durable Goods..... | 3,200 | 3,500 | 2,500 | -300 | 700 |
| Lumber, Wood Products..... | 2,500 | 2,700 | 2,000 | -100 | 600 |
| Other Durable Goods..... | 600 | 800 | 500 | -200 | 100 |
| Non Durable Goods..... | 5,400 | 5,200 | 5,000 | 200 | 400 |
| Food Processing..... | 3,300 | 3,200 | 3,000 | 100 | 300 |
| Other Non Durable Goods..... | 2,100 | 2,000 | 2,000 | 100 | 100 |
| Transp.-Comm. & Utilities..... | 10,300 | 10,600 | 10,000 | -300 | 300 |
| Trucking & Warehousing..... | 1,700 | 1,700 | 1,500 | 0 | 200 |
| Water Transportation..... | 800 | 1,000 | 800 | -200 | 0 |
| Air Transportation..... | 3,100 | 3,100 | 3,000 | 0 | 100 |
| Other Transp.-Comm. & Utilities..... | 4,700 | 4,800 | 4,700 | -100 | 0 |
| Trade..... | 18,700 | 18,700 | 17,600 | 0 | 1,100 |
| Wholesale Trade..... | 3,400 | 3,400 | 3,300 | 0 | 100 |
| Retail Trade..... | 15,300 | 15,300 | 14,300 | 0 | 1,000 |
| General Merchandise & Appar..... | 4,000 | 4,000 | 3,800 | 0 | 200 |
| Food Stores..... | 2,100 | 2,100 | 1,700 | 0 | 400 |
| Eating & Drinking Places..... | 3,600 | 3,700 | 3,400 | -100 | 200 |
| Other Retail Trade..... | 5,600 | 5,500 | 5,400 | 100 | 200 |
| Finance-Insurance & Real Estate..... | 4,200 | 4,200 | 4,100 | 0 | 100 |
| Service & Miscellaneous..... | 15,400 | 15,700 | 14,700 | -300 | 700 |
| Government ^{4/} | 40,600 | 41,900 | 41,900 | -1,300 | -1,300 |
| Federal..... | 17,200 | 17,200 | 17,400 | 0 | -200 |
| State..... | 12,900 | 14,000 | 14,200 | -1,100 | -1,300 |
| Local..... | 10,500 | 10,700 | 10,300 | -200 | 200 |

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

^{2/} Includes domestic, 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.

increased population growth during the duration of the project.

Like total population and work force, employment will also expand rapidly once pipeline construction gets going. During fiscal 1975 over 10,000 workers will be employed on the pipeline project, with many additional jobs to be created in supporting industries. However, the flood of migrants noted above who will be drawn to Alaska will exceed the available jobs causing unemployment to rise well above the levels noted during FY 1973.

Precisely how high Alaska's unemployment goes during Fiscal Year 1975 will be determined by a number of factors. These include the success of the State and Alyeska in discouraging jobseekers from coming to Alaska, the number of jobs that are actually created in other economic sectors as a result of pipeline construction, and the condition of the U. S. economy during the period of pipeline construction. This last item seems especially crucial. There exists a disturbing possibility that the energy crisis may drive the U. S. economy into a recession. Should this occur, the result according to some authorities would be an unemployment rate nationally that might go as high as 8 per cent. In terms of numbers this translates into roughly 7 million Americans out of work compared with the present figure of around four million. Furthermore, many more of these jobless persons than is now the case would be what economists refer to as experienced unemployed, i.e. persons having skills for which in a healthy economy there would be a demand in the labor market. With the pipeline under construction and the rest of the country in the throes of a recession, Alaska would represent one of the few bright spots in an otherwise gloomy national economic picture. Given a large pool of unemployed workers having potentially marketable skills, it is not unreasonable to assume that migration of jobseekers to the state could rise far above even the high levels now expected. If even 40,000 persons (roughly six tenths of one per cent of the national unemployment figure) were to come to Alaska during a given quarter of the pipeline construction period, it would add a considerable burden to State and local government agencies charged with providing various social services. As a result, it appears certain that these agencies, and indeed all sectors of government are going to be severely challenged once pipeline construction starts.

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN ALASKA

| State Unemployment Insurance | | | |
|------------------------------|---|-------|-------|
| | Insured Unemployed Based on Key Week | | |
| | 11-73 | 10-73 | 11-72 |
| Total Weeks Claimed..... | 6,302 | 4,026 | 5,093 |

| Characteristic | Percent Distribution | | |
|----------------|-------------------------|-----|-----|
| | | | |
| Total..... | 100 | 100 | 100 |

| Sex and Age | | | |
|------------------|----|----|----|
| Men | | | |
| Under 45..... | 50 | 45 | 49 |
| 45 and over..... | 24 | 20 | 28 |
| Women | | | |
| Under 45..... | 20 | 27 | 17 |
| 45 and over..... | 6 | 8 | 6 |

| Industry | | | |
|------------------------------|----|----|----|
| Mining..... | 3 | 2 | 4 |
| Contract Construction..... | 33 | 22 | 36 |
| Manufacturing..... | 11 | 13 | 15 |
| Transp.-Comm. & Utilities... | 10 | 11 | 11 |
| Trade..... | 18 | 21 | 15 |
| Finance-Insurance & R. E.... | 3 | 4 | 2 |
| Service & Miscellaneous..... | 21 | 26 | 16 |
| All Other..... | 1 | 1 | 1 |

| Occupation | | | |
|------------------------------|----|----|----|
| Professional & Managerial... | 7 | 8 | 7 |
| Clerical & Sales..... | 16 | 19 | 12 |
| Service..... | 14 | 15 | 11 |
| Farming-Fishing & Forestry.. | 3 | 3 | 3 |
| Processing..... | 5 | 7 | 8 |
| Machine Trades..... | 4 | 4 | 4 |
| Bench Work..... | 0 | 1 | 1 |
| Structural Work..... | 36 | 29 | 37 |
| Miscellaneous..... | 13 | 12 | 14 |
| Unknown..... | 2 | 2 | 3 |

| Length of Current Spell of Insured Unemployment | | | |
|--|----|----|----|
| 1-4 Weeks..... | 51 | 51 | 50 |
| 5-14 Weeks..... | 39 | 36 | 41 |
| 15 Weeks and over..... | 10 | 13 | 9 |

ALASKA'S ECONOMY IN NOVEMBER

Employment-Unemployment: Total estimated employment drifted downward by 5500 from October to November. All major industrial sectors except finance, insurance and real estate registered declines, with the largest drops coming in construction and government. Compared with a year ago, employment was up by 2300, with large gains in