

The Nome Census Area- One Hundred Years Later

At the turn of the century, gold discoveries precipitated a stampede of fortune seekers to the Bering Strait region along Alaska's northwest coast. Thousands of would-be miners landed at a shoreline location that was to become the community of Nome. In 1900, according to the U.S. Census, the city of Nome was the largest settlement in Alaska, with 12,488 people. Local chronicles tell that, during the summer months of 1901, this population may have reached 20,000. As elsewhere, Nome's gold rush lasted only a few summers. By 1910, its population had shrunk to 3,200 residents. In 1920, only 852 people were recorded as living in the town. However, residents did remain, and Nome is now one of the oldest commerce and trade centers in the state. In 1997, the city had 3,595 residents and ranked as the twentieth largest among Alaska's inhabited places. The Nome Census Area includes 16 communities besides the city of Nome. Altogether 9,178 inhabitants live in the area. (See Exhibit 2.)

Today, gold is still mined in the Nome area, though on a much smaller scale. Tourism has evolved into a big local business. Government is a large employer, but private sector employment has grown. Subsistence, as in most of rural Alaska, continues to play an important role.

The Fame of Nome

News of the 1898 gold discoveries at Anvil Creek spread quickly among prospectors who had been seeking their fortunes in the Klondike of Canada's Yukon Territory. After gold was found on the beaches of Nome in 1899,

thousands of fortune seekers arrived on steamships from San Francisco and Seattle. Many of those opportunists, their imaginations filled with visions of gold-strewn beaches, expected to make

a quick fortune. Other entrepreneurs had more realistic views on how to build wealth, and concentrated on selling supplies, groceries and services to the prospectors. As a result of the stampede,

Population of Communities in the Nome Census Area **2**

	1990	1997	Annual Average Growth Rate
Nome Census Area	8,288	9,178	1.5%
Brevig Mission city	198	261	4.0%
Council	8	0	
Diomedede city	178	174	-0.3%
Elim city	264	291	1.4%
Gambell city	525	653	3.2%
Golovin city	127	152	2.6%
Koyuk city	231	272	2.4%
Nome city	3,500	3,595	0.4%
Port Clarence CDP	26	24	-1.2%
St. Michael city	295	341	2.1%
Savoonga city	519	622	2.6%
Shaktolik city	178	226	3.5%
Shishmaref city	456	542	2.5%
Solomon	6	0	
Stebbins city	400	513	3.6%
Teller city	232	265	1.9%
Unalakleet city	714	803	1.7%
Wales city	161	162	0.9%
White Mountain city	180	193	1.0%
Remainder of Nome Census Area	90	89	0.0%

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

A Snapshot of the Nome Census Area Current Statistics and Census Information

3

the town of Nome was founded in 1901 and became the fifth Alaska settlement to incorporate as a city. After the gold rush, several hundred settlers remained in the area. Some continued to mine gold on their own, while others worked for the more profitable mining companies.

Still others developed commerce or provided services to the resident population. In spite of the harsh climate and six major catastrophes that each destroyed the town (fires in 1905 and 1934 and violent storms in 1900, 1913, 1945 and 1974), residents persevered. In addition, Nome's population endured the 1918-1925 influenza epidemic and diphtheria outbreak, which helped create the notoriety of the Iditarod Trail. Every year since 1972, dog mushers have raced dog teams from Anchorage to Nome to commemorate the 1925 delivery of life-saving serum.

A vast piece of Arctic Tundra

The U.S. Census Bureau boundaries around the Nome Census Area enclose a 23,013 square mile section of tundra landscape in northwest Alaska. In geographic terms, the area includes a major portion of the Seward Peninsula and a narrow southern stretch along the Norton Sound coast. The area extends west into the Bering Sea to encompass the three islands of St. Lawrence, King and Little Diomed. Some call the entire Nome area the Bering Strait region.

Seventeen communities of varying sizes are inhabited today. (See Exhibit 2.) Savoonga and Gambell are located on St. Lawrence Island. Diomed City (Inalik) is the only community on Little Diomed Island. Nearly 16 percent of the Nome Census Area's population resides on these two remote islands. On the mainland, the other communities are located close to or along the coast and can only be reached by air or, during six months of the year, waterways. During winter, a frozen or snow-covered tundra permits travel by snowmobile or dog sled.

	Alaska	Nome CA
Population 1997	611,300	9,178

The population is younger, with more persons per household

Median age (1997)	32.2	27.3
Persons per household (1997)	2.7	3.3

...and there are more children and more seniors (1997)

Percent under 5 years old	8.5	10.9
Percent school age population (5 to 17)	23.2	28.9
Percent adult workforce population (18 to 64)	63.2	54.5
Percent seniors (65 years & over)	5.1	5.7

...and fewer women .

Percent female (1997)	47.9	47.0
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Demographics of the region (1997)

Percent Native American	16.7	80.6
Percent White	74.2	18.1
Percent African American	4.5	0.6
Percent Asian/Pacific Islander	4.6	0.7
Percent Hispanic	4.5	1.2

Higher unemployment levels (1997)

Percent of all 16+ in labor force ¹	72.2	57.6
Percent unemployed	7.9	11.7

Income measurements

Personal per capita income (1996)	\$24,597	\$17,754
Wage and salary employment (annual average wage 1997)	\$32,781	\$26,967

Educational attainment (1990)

Percent high school graduate or higher	86.6%	65.0%
Percent bachelor's degree or higher	23.0%	13.8%

¹based on 1997 population estimates

Sources: Alaska Department of Labor, Research and Analysis Section.
U. S. Department of Commerce, Bureau of Economic Analysis.

Indigenous people settled the area over 4,000 years before gold was discovered, and their ethnicity is reflected in the area's demographics. With the exception of Nome, the vast majority of the area's population, nearly 81 percent, are Alaska Natives. (See Exhibit 3.) Area Natives can trace their cultural roots to one of three distinct groups of Inuit (Eskimo)

people. While residents on the Seward Peninsula mostly identify with the Inupiat culture, descendants of the Central Yupiks tend to live south of Unalakleet. Most Inuit people with Siberian Yupik ancestry live on St. Lawrence Island and are closely related to the Chukotska people of the Russian Far East in culture and language.

A typical western Alaska region

In many ways, the economy of the Nome Census Area mirrors that of other western Alaska coastal areas. Economic activity is concentrated in the regional hub. The City of Nome, therefore, benefits not only from providing services and trade to its own population, but also to residents in outlying communities. Over 1,400 wage and salary jobs (nearly 40 percent) in the Nome Census Area are connected with either the services or retail industry. Among services, health care dominates. The Norton Sound Health Corporation is the second largest employer in the region, averaging over 400 employees. (See Exhibit 4.) This organization is the primary health care provider for the area's Alaska Natives as well as for the rest of the area's population. Though headquartered in Nome, many of the corporation's employees work in the smaller communities. The visitor industry has spurred retail, services and transportation employment. Unlike most other areas in Alaska, Nome has a popular and busy winter visitor season.

Tourism gives a big boost to Nome's economy

Probably the most important attraction to Nome is the legendary Iditarod Trail Sled Dog Race. Today's route is a 1,049-mile trail that starts at Wasilla in the Matanuska Valley of Southcentral Alaska and ends in Nome. Every year, in March, thousands of visitors come to Nome to watch the dog teams sprint across the finish line. The final leg of the trail winds along the Norton Sound coast through Unalakleet, Koyuk, Golovin, Shaktoolik, and White Mountain, all settlements of the Nome Census Area. The month of March is filled with special events in Nome. During the Iditarod, the town hosts the largest regional basketball tournament in the state. Most villages of western Alaska and even teams from Anchorage participate.

In summer, many visit Nome to commemorate its colorful past or to enjoy nature. Bird watchers come to observe rare migratory birds. The Nome Convention and Visitors Bureau noted

that, in 1994, about 11,800 visitors came with organized tours. In addition, local visitor industry observers report that the number of independent travelers is rising. The city's coffers have benefited from increased visitor spending. A sales tax (currently at 4%) has become an important source of public revenue. (See Exhibit 1.)

Native corporations are big employers

Regional and local Native corporations have created many jobs. Three of these corporations, or their affiliates, are among the area's largest employers. They include Norton Sound Health Corporation, Kawerak Inc., and Bering

Employers with 25 or More Employees in the Nome Census Area

4

Rank	Employer	Location/ Headquarters	Ann. Avg. Employment 1997
1	Bering Strait School District	Unalakleet	473
2	Norton Sound Health Corporation	Nome	412
3	Kawerak Inc.	Nome	156
4	Nome Public Schools	Nome	125
5	Alaska Gold Company	Nome	68
6	Ryan Air Service	Nome	63
7	Stebbins City Council	Stebbins	55
8	City of Nome	Nome	51
9	Bering Straits Regional Housing Authority	Nome	45
10	Nome Joint Utilities	Nome	45
11	Alaska Commercial Company	Nome	44
12	Alaska Department of Corrections	Nome	42
13	Alaska Department of Transportation and Public Facilities	Nome	41
14	MJW Inc. (Board of Trade Saloon)	Nome	41
15	Olson Air Service Inc.	Nome	39
16	Shishmaref IRA	Shishmaref	39
17	Bering Air Incorporated	Nome	37
18	Cape Smythe Air Service Inc.	Nome	34
19	City of Teller	Teller	30
20	Gambell Common Council	Gambell	27
21	Nome Nugget Inn	Nome	27
22	University of Alaska Fairbanks	Nome	27
23	Golovin Fire Department Bingo Account	Golovin	26
24	City of Brevig Mission	Brevig Mission	25
25	City of St. Michael	St. Michael	25
26	Alaska Airlines Inc.	Nome	25

*Note: Firms with identical employment ranked by unrounded employment.
Source: Alaska Department of Labor, Research and Analysis Section.*

Service Providers Dominate Private Sector Employers 1997

5

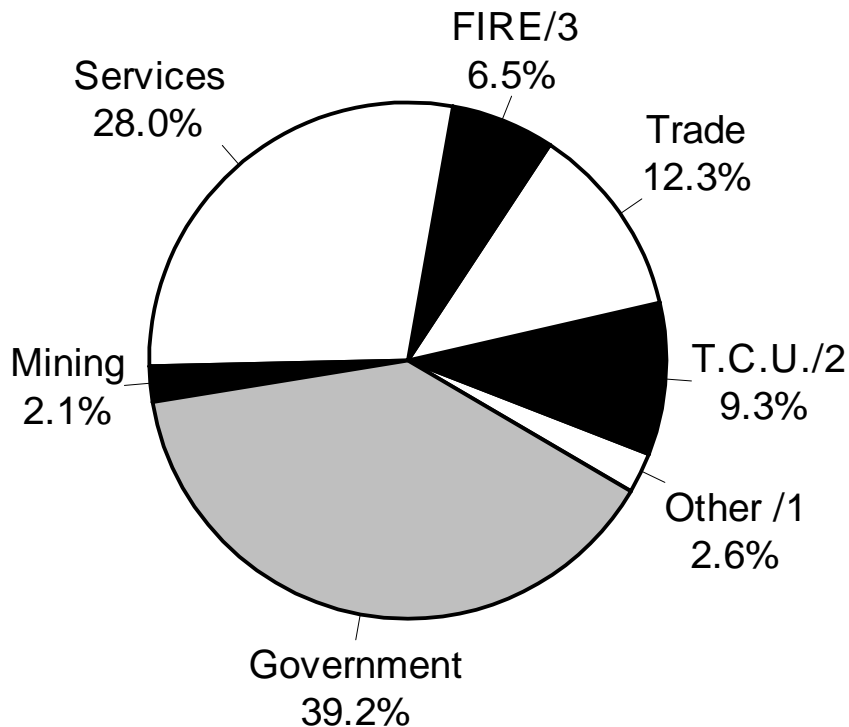
Straits Regional Housing Authority. (See Exhibit 4.) These corporations were established when the Alaska Native Claims Settlement Act of 1971 returned land ownership and its use to the indigenous people. The area's regional corporation is the Bering Straits Native Corporation (BSNC). It owns developed real estate in Nome and Valdez, a car rental agency, a construction firm, and other businesses. The nonprofit extension of BSNC is Kawerak Inc., which provides educational, cultural, and social services. In addition, this multi-faceted organization deals with land management, natural resource and subsistence issues. The village corporations and Nome's own Sitnasuak Native Corporation also administer land holdings. These corporations and their nonprofit extensions are involved in local business development, social and tribal issues.

Airways are the most traveled routes

Transportation, mostly airline and communications related, is the area's third largest private sector employer, providing 9.3% of all payroll jobs. (See Exhibit 5.) About a dozen airlines of various sizes are headquartered, or have stations, in Nome. The smaller ones support the outlying communities, while larger airline companies connect the area with other neighboring regional centers, Fairbanks or Anchorage. A distinct Nome airway, available as a charter service, opened an entry to the Russian Far East (the Chukotsk Peninsula) after the Iron Curtain was lifted. Not only the close proximity to Russia but also the renewed family relationships among the Yupik people, once kept apart by international politics, have helped to build this special gateway.

School-related jobs exist in nearly every community

The public sector plays a dominant role in the Nome area's employment scene. About 40 percent of all wage and salary earners hold public sector jobs. (See Exhibit 5.) Federal and state employment has decreased some during the past seven years. (See Exhibit 7.)



1/ Other: construction and manufacturing industry employment
 2/ Transportation, Communications, Utilities
 3/ Finance, Insurance, Real Estate

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

But local government, mostly school-related, has grown. School enrollments have risen nearly every year, although enrollment levels in the city of Nome have varied. (See Exhibit 6.) This parallels the area's general population trend. While population in rural communities has grown, mainly through natural increase, the fluctuating city school enrollment suggests that Nome's population is more transient. The Bering Strait School District, headquartered in Unalakleet, is the area's largest employer. (See Exhibit 4.) The district's workforce is spread throughout 16 bush communities. In smaller settlements, these full or part-time jobs are considered

premium because of their higher wages and stability. In general, wage and salary jobs are scarce in rural northwest Alaska, and the school payrolls provide needed cash.

Nome's oldest industry faces a downturn

Nome's gold mining industry, in its 100-year existence, has experienced many ups and downs. Both World Wars I and II during this era virtually brought gold production to a standstill. Industry downturns have led to other shut downs—a fate that will soon recur. Alaska Gold Company, the state's largest placer

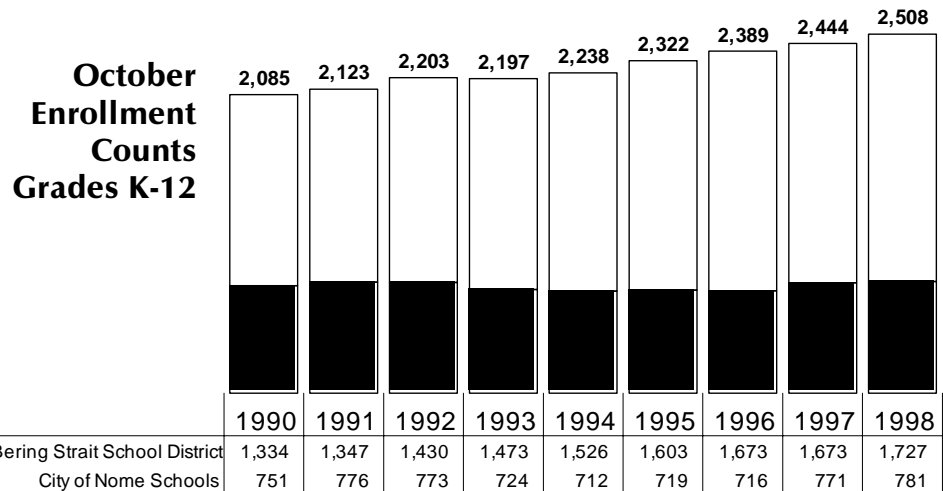
mine, has announced a closure that will affect nearly 70 miners. At this time, gold prices, currently hovering around \$300 per ounce, are too low to sustain the operation. The mine's closure will have a negative effect on the area's economy because about two percent of all wage and salary jobs will be lost. In monetary terms, this effect will more than double, as these jobs provided over four percent of the area's total wage earnings in 1997. Indirect effects will also be felt as support industries lose a big customer. In the near future, it will be up to the few independent placer miners, mostly family businesses, to uphold gold mining as a Nome tradition. A change in the price of gold, however, could make the shut down of Alaska Gold Company temporary.

Subsistence and commercial fisheries mix

Hunting and personal use fishing have been important self-sustaining economies for many years. In the Nome Census Area, wildlife is abundant and hunting moose, sea mammals and other wildlife is a long-standing tradition. This subsistence hunting and fishing lifestyle

School Enrollment Keeps Climbing 6

■ City of Nome Schools
□ Bering Strait School District



Source: Alaska Department of Education.

Nome Census Area Employment by Industry, 1990-1997 7

	1990	1991	1992	1993	1994	1995	1996	1997	Annual Avg. Wage 1997
Total Industries	2,905	2,866	2,969	3,122	3,204	3,281	3,414	3,563	\$26,967
Mining	163	89	66	68	59	65	77	76	58,369
Construction	54	38	37	31	68	88	54	60	42,956
Manufacturing	9	20	16	18	26	34	58	30	22,486
Trans., Comm., & Util.	186	211	217	210	216	217	266	331	23,674
Trade	376	271	294	355	368	401	431	439	16,598
Wholesale Trade	1	2	3	5	7	8	5	8	*
Retail Trade	376	271	294	355	362	393	426	431	16,374
Finance, Ins., & R.E.	83	110	138	136	152	165	187	232	20,828
Services	704	775	853	914	952	957	966	999	26,904
Government	1,327	1,345	1,337	1,373	1,362	1,355	1,374	1,396	29,807
Federal	98	95	98	92	84	85	90	86	39,677
State	234	229	223	210	214	200	203	198	49,469
Local	995	1,021	1,017	1,071	1,064	1,069	1,082	1,114	25,564
Misc. & Unclassified	3	4	8	12	1	1	1	1	*

* Indicates nondisclosable

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

also helps to stretch cash dollars in an area where grocery bills run high. Fishing has evolved over the years to be both of subsistence and commercial use. Commercial herring, salmon, halibut and crab harvests now help inject cash into the area's communities. During the 1996 season, for example, over 210 people fished commercially and their harvest yielded \$2.3 million. As elsewhere, Bering Strait and Norton Sound fishers have felt the downturn of market prices for salmon and other species, and, lately, harvest volume in several fisheries has been disappointing.

The Bering Sea fishery benefits all Nome area communities

A new fishery development introduced the Community Development Quota (CDQ) program in 1992 to assure that residents reap more of the benefits from the adjacent Bering Sea. Seven CDQ groups were formed in western Alaska to manage a special fishing harvest allocation and distribute the proceeds among their member villages. Currently,

these groups share a 7.5% annual exclusive harvest right for several high seas fisheries. This year, crab became a CDQ species with an introductory harvest share of 3.5%, which will increase to a 7.5% allotment by the year 2000. In the Bering Strait region, the Norton Sound Economic Development Corporation (NSEDC) manages the CDQ program. All settlements in the Nome Census Area are members of this Norton Sound CDQ group, with the exception of Shishmaref, which is not located on the Bering Sea. Shishmaref residents, however, do receive scholarships and work training from NSEDC. Between 1992 and 1997, the CDQ program generated nearly \$26.6 million for the region.

Norton Sound Economic Development Corporation has initiated development programs for its member villages to modernize and market the local fisheries, build a sound infrastructure, promote education and design work training programs. Savoonga, for example, received funds to build a cold storage plant to develop its halibut fishery. Recently, the organization purchased 50 percent of Glacier Fisheries LTD, which

operates two catcher/processing vessels in the Bering Sea.

The outlook for the Nome area

Need is going to drive the development of the area's infrastructure. Water and sewer system upgrades in Nome will continue this year. A senior housing project in Nome and the clean-up work of a former military site are also on the construction schedule. The Bering Straits Native Corporation will start to build a \$3.3 million hotel this year. Plans have been submitted by the Army Corps of Engineers to construct navigation improvements at the port in Nome that could cost nearly \$25 million. If commerce improves in Russia's Far East, the visitor industry could expand and even cross international borders. The Community Development Quota program will expand, thereby stimulating economic development in member communities. Moreover, there are always hopes that gold prices will recover sufficiently for Alaska's largest placer mine operator to resume production.