

GOVERNMENT JOBS BY STATE

How population, geography affect state and local employment levels

By **CONOR BELL**

The four smallest states by population are also the four states with the most state and local government jobs per capita. At 8.2 state and local government jobs for every 100 people, Alaska is second on the list behind Wyoming's 8.9 and just ahead of North Dakota's 8.1. (See Exhibit 1.)

Because state and local governments provide a range of basic services, states tend to have a certain minimum level of government regardless of population.

But Alaska's small population isn't the only reason its concentration of public jobs is relatively high. Alaska is an outlier in terms of its size, geographic location, and climate, all of which create extra cost in providing government services.

A younger, larger state

Alaska is a young state that is still building its infrastructure, which often has a shorter life span due to the extreme climate. Not every project sinks into the ground each spring like the North Slope's Hicel Highway did, but the weather takes its toll.

Sheer acreage also plays a role in the demand for government. Jobs in agencies such as the Alaska Department of Natural Resources and the Department of Fish and Game manage economic and recreational use of Alaska's vast area.

The state's 665,400 square miles lead not only to more natural resource jobs, but also to higher levels of social services employment. Providing services becomes more labor-intensive when increased time and resources are necessary to reach remote populations. Though

1 Small States Have More STATE AND LOCAL GOVERNMENT, 2013

State	Gov jobs per 100 people	Population
1 Wyoming	8.9	582,658
2 Alaska	8.2	735,132
3 North Dakota	8.1	723,393
4 Vermont	7.3	626,630
5 Nebraska	7.3	1,868,516
6 Kansas	7.1	2,893,957
7 South Dakota	7.0	844,877
8 New Mexico	6.9	2,085,287
9 Montana	6.8	1,015,165
10 Oklahoma	6.8	3,850,568
U.S. Average	5.5	314,112,078
41 Georgia	5.2	9,992,167
42 Tennessee	5.1	6,495,978
43 Indiana	5.0	6,570,902
44 Arizona	5.0	6,626,624
45 California	5.0	38,332,521
46 Michigan	4.9	9,895,622
47 Pennsylvania	4.6	12,773,801
48 Rhode Island	4.6	1,051,511
49 Nevada	4.4	2,790,136
50 Florida	4.3	19,552,860

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

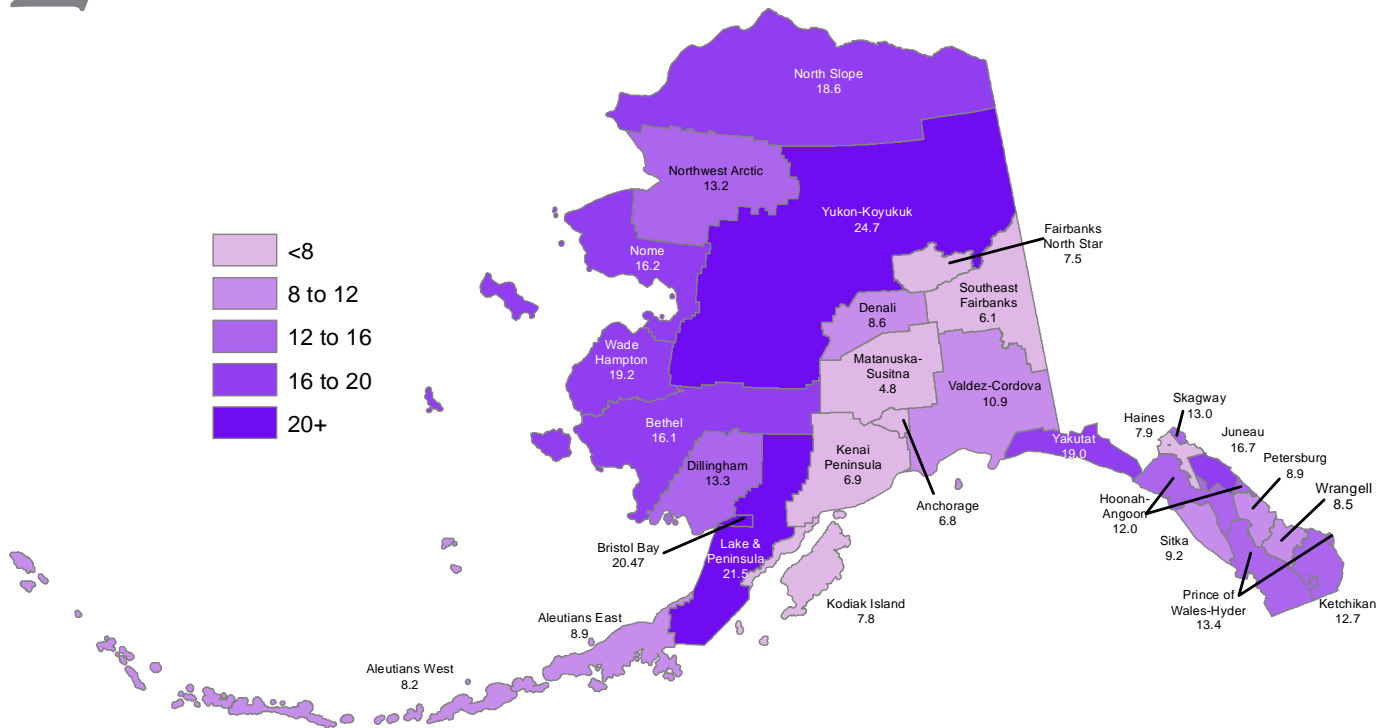
rural areas exist throughout the United States, the difficulty of access to remote Alaska is unmatched.

Educational services make up 45 percent of state and local government employment in Alaska — significantly less than the U.S. average of 55 percent. But because

2

Rural Areas Have Higher Share to Provide Basic Services

ALASKA, STATE AND LOCAL GOVERNMENT JOBS PER 100 PEOPLE, 2013



Note: Excludes federal government

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

schools are spread across small villages, they require more staff per student than in urban areas. This pushes Alaska’s level of per capita school employment above most states, though not to the top of the stack. Alaska was seventh in the nation in 2013, with 3.7 school jobs per 100 residents. The national average was 3.0.

Though most states with small populations rank high for per capita government employment, Rhode Island is an outlier. Rhode Island has the smallest land area of all states, which makes delivery of its government services easier and more cost-efficient.

Different types of oversight here

The following services state and local government provide in Alaska differ from national norms:

- The Alaska Department of Transportation and Public Facilities operates an extensive ferry system between communities not generally connected by roads.
- The Alaska Railroad Corporation, which is owned by the state, is the only government-run, full-service railroad in the country. It provided 667 jobs in 2013.

- Tribal government, a component of local government, is more prominent in Alaska than in most states. Tribes provide various benefits to members including employment training, counseling, and other family services. Tribal governments employed 3,643 in 2013, making those jobs 14 times more common here than in the nation as a whole.
- The Alaska Department of Health and Social Services runs the Alaska Pioneer Homes, senior assisted living facilities with more than 500 beds.

Alaska also receives more money per capita from the federal government; 24 percent of Alaska’s fiscal year 2014 operating budget was from federal funds. Although the money is federal, it supports a large number of state and local government jobs.

State assumes several traditionally local roles

Alaska had 3.3 state government jobs and 5.0 local government positions for every 100 residents in 2013. While there are more local than state jobs, state government’s concentration ranks higher here than in

most of the nation.

Alaska doesn't have counties, and county governments in the contiguous U.S. tend to hold more responsibility than Alaska's boroughs. Much of Alaska isn't even organized into boroughs.

Alaska is second only to Hawaii for per capita state employment, but ranks seventh for local government because the state provides services in Alaska that are typically left to local governments elsewhere. For example:

- Alaska State Troopers and Village Public Safety Officers do work that would otherwise fall to local police departments. Rural areas in Alaska often don't have the population necessary to demand a police force, or they lack the revenue to fund one.
- Alaska's court system is less locally run than in most states, where much of the legal caseload is carried by county courts.
- The Alaska Department of Transportation and Public Facilities operates the major airports in Anchorage and Fairbanks, as well as 247 rural airports. The Ted Stevens Anchorage International Airport has the second-highest landed cargo weight of any airport in the nation.

Wages lower than private sector

State and local government wages in Alaska ranked 12th in the nation during 2013. (See Exhibit 3.) At \$50,039, these wages were 8 percent above the national average. New Jersey had the highest average state and local government wage at \$60,755.

Higher wages here are partially undercut by Alaska's high living costs. According to the Missouri Economic Research and Information Center, Alaska had the fourth-highest cost of living in 2014.

State and local government jobs in Alaska pay less on average than federal and private sector jobs. The average annual wage for state and local government was \$1,528 lower than the average of all jobs, though a significant portion of government compensation takes the form of benefit packages that wage data don't capture.

The effect of the recession

Alaska had the sixth-fastest growing population from 2007 to 2013. The top five fastest-growing states during that period were also all oil-producing.

Alaska weathered the last decade's recession remarkably well, sustaining one year of minor job losses in

3 How Wages Rank

STATE, LOCAL GOVERNMENT, 2013

	State	Avg Wage
1	New Jersey	\$60,755
2	California	\$58,009
3	Rhode Island	\$57,768
4	Massachusetts	\$56,393
5	Connecticut	\$55,676
6	New York	\$55,207
7	Delaware	\$51,512
8	Maryland	\$51,457
9	Washington	\$50,470
10	Nevada	\$50,143
12	Alaska	\$50,039
	U.S. Average	\$46,498
41	West Virginia	\$37,956
42	Arkansas	\$37,910
43	Indiana	\$37,746
44	Maine	\$37,560
45	Missouri	\$37,430
46	Oklahoma	\$37,307
47	Kansas	\$35,222
48	South Dakota	\$34,126
49	Mississippi	\$33,915
50	Idaho	\$33,722

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

About these numbers

This article only includes workers covered by unemployment insurance, which represents the vast majority of state and local government employment. Government jobs not covered are typically appointed or elected positions or temporary university jobs. In Alaska, this was an additional 3,574 jobs in 2013.

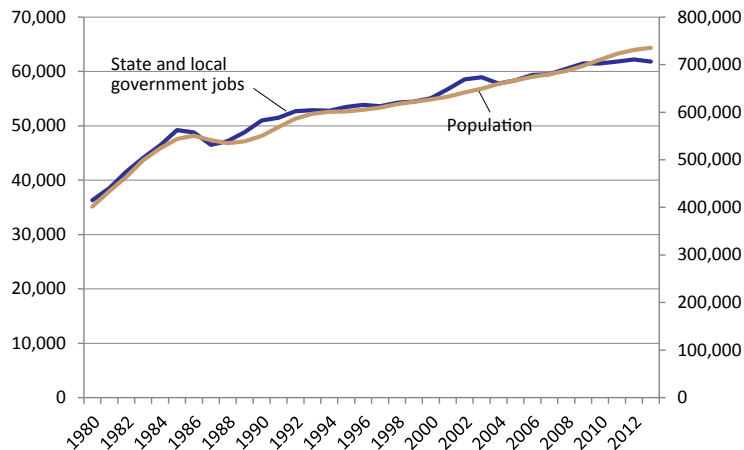
We also excluded 1,261 government hospital jobs, which tend to provide services similar to the private sector and whose employment levels vary widely from state to state. Alaska has relatively few of those jobs, and if they were included, Alaska would still rank second after Wyoming for per capita government employment.

2009 and reaching a new record job count in 2010.

Because state and local government jobs grew slower than the population in Alaska during that period, per capita government employment declined. State government added about 2,200 jobs during those six years (see Exhibit 4), but per capita government employment

4 Population Outpaces Public Job Growth

ALASKA, 1980 TO 2013



Note: Excludes tribal government

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

decreased by about half a job per 100 residents. Only Wyoming, West Virginia, and Massachusetts increased their per capita government employment over that period.

Government employment tends to react slower to recessions and recoveries than the private sector. The U.S. didn't begin losing per capita government jobs until 2009, but the decline continued through 2013. Private employers reacted faster, shedding 3.5 jobs per 100 residents by 2010. The nation's private sector has been recovering since 2011, both in absolute and per capita terms, though it hasn't yet returned to pre-recession levels.

Levels highest in rural areas

State and local government aren't evenly distributed

across the state. The Anchorage/Matanuska-Susitna area had 54 percent of the state's population in 2013 but only 41 percent of state and local government jobs. (See Exhibit 2.)

The highest per capita government employment was in rural boroughs and census areas, where Alaska's geographic and population challenges are exacerbated. Yukon-Koyukuk Census Area took the top spot, with 24.6 jobs per 100 residents. It has the largest land area of any county-equivalent in the U.S. as well as the lowest population density.

In Southeast Alaska, only Haines was below the state-wide average. Juneau, home to most state agency headquarters, had per capita government employment of 16.7.

Conor Bell is an economist in Juneau. Reach him at (907) 465-6037 or conor.bell@alaska.gov.