

# Slower Growth in 1991

by John Boucher, Neal Fried, Holly Stinson

**F**ollowing two years of strong employment growth, Alaska's economy posted a moderate 2.1% rate of employment growth in 1991. Considering the optimism prevalent earlier in the year, a 2.1% employment growth rate for 1991 might appear disappointing. The 1991 employment growth rate, however, came close to the 3.0% growth forecast in last May's issue of *Alaska Economic Trends*. While 1991's growth rate seems paltry compared to the 10,000+ job gains of 1989 and 1990, sustained growth at the pace of the last two years was not expected.

## Nearly 5,000 more jobs in 1991

Led by strong performances in the transportation and seafood processing industries, statewide nonagricultural wage and salary employment grew by 4,900 jobs in 1991. Seafood processing employment grew at nearly a 15% clip, largely on continued growth in Southwest Alaska. Southwestern Alaska is experiencing a boom, caused by fish and shellfish harvesting in the region.

Transportation employment grew 5.8%, the second-fastest industry employment growth rate in 1991. Transportation surged on the strength of a broad-based expansion. Despite the loss of international airline traffic, increased freight traffic and a domestic carrier expansion boosted air transportation employment. A gradual expansion of staff at Alyeska Pipeline Service company added to transportation growth in 1991. Two sectors of the transportation industry, utilities and communications, got an employment boost fueled by population growth.

## Real estate rebound boosts financial sector

The rebound in Alaska's housing market from the lows of the recession took hold in the employment numbers of the finance-insurance and real estate (FIRE) sector during 1991. Banking employment posted slight gains reflecting the record profits that major lending institutions posted. While lenders contributed some growth, real estate operators, agents and property management firms provided the biggest employment surge in FIRE.

## Mining, construction ride oil price rollercoaster

Mining and construction employment, the fastest growing industries in 1990, experienced no significant growth in 1991. In January, high oil prices driven by the Gulf War pressed the oil & gas industry to record production levels. State budget projections indicated a huge wind-

John Boucher, Neal Fried and Holly Stinson are labor economists with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. They are based in Juneau and Anchorage.

**Employment Growth Moderates in 1991**

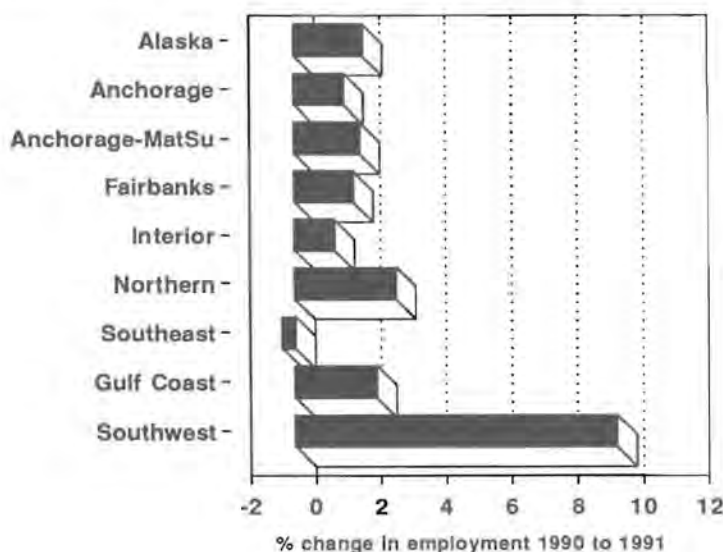


Figure • 1

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

Table 1

## Nonagricultural Wage and Salary Employment by Place of Work

ALASKA				
	1990	1991	Change	Percent Change
Total Nonag. Wage & Salary	238,100	243,000	4,900	2.1
Goods-producing	39,200	40,500	1,300	3.3
Mining	11,500	11,800	300	2.6
Construction	10,500	10,500	0	0.0
Manufacturing	17,200	18,200	1,000	5.8
Durable Goods	3,900	3,400	-500	-12.8
Lumber & Wood Products	3,100	2,600	-500	-16.1
Nondurable Goods	13,300	14,800	1,500	11.3
Seafood Processing	9,500	10,900	1,400	14.7
Pulp Mills	900	900	0	0.0
Service-producing	198,900	202,600	3,700	1.9
Transportation	20,600	21,800	1,200	5.8
Trucking & Warehousing	2,600	2,800	200	7.7
Water Transportation	1,400	1,500	100	7.1
Air Transportation	6,700	7,000	300	4.5
Communications	3,300	3,500	200	6.1
Trade	46,000	46,900	900	2.0
Wholesale Trade	8,100	7,800	-300	-3.7
Retail Trade	37,900	39,100	1,200	3.2
Gen. Merch. & Apparel	5,900	6,200	300	5.1
Food Stores	6,600	7,000	400	6.1
Eating & Drinking Places	13,200	13,400	200	1.5
Finance-Ins. & Real Estate	10,300	10,700	400	3.9
Services & Misc.	50,900	51,800	900	1.8
Hotels & Lodging Places	5,500	5,500	0	0.0
Health Services	10,500	11,100	600	5.7
Government	71,000	71,400	400	0.6
Federal	18,700	18,900	200	1.1
State	21,500	21,200	-300	-1.4
Local	30,800	31,300	500	1.6

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

fall was on the way, the surplus earmarked for capital projects. Buoyed by high expectations, the mood in these two industries was optimistic. By mid-year high oil prices and the projected windfall vanished. At year's end ARCO & British Petroleum announced consolidations and layoffs in their oil field operations, and state budget projections showed a deficit. The result was little or no employment growth in these industries.

Mining and construction weren't the only industries to experience slower growth. The services and trade sec-

tors dropped off significantly from their 1990 growth pace. Mixed news characterized these two industries. Retail openings in Fairbanks boosted trade employment, while the loss of international passengers in Anchorage hurt the industry. Food stores flourished, but car dealers posted employment losses. In services, most industries went sideways with the exception of health care services employment.

Government employment growth also slowed in 1991. Surprisingly, federal government employment posted a slight gain. Temporary federal employment on the census boosted employment in 1990, setting up expectations for an employment drop in 1991. Instead, increased personnel at post exchanges and more Federal Aviation Administration personnel offset lost census employment. Meanwhile, local governments added education-related personnel to handle growing school enrollments. State government employment dropped off slightly.

### Wood products Industry largest job loser

The wood products industry lost the most employment during 1991. Sawmill closures in Seward, Haines and Klawock dropped wood products employment. Logging employment in Southeast Alaska also fell. Wholesale trade posted a job loss, primarily due to a major employer changing from the wholesale to retail trade category in January of 1991. Wholesale trade employment outside of this firm showed little employment change.

### Anchorage: a mixed year in 1991

Similar to the state, Anchorage's economy burst off the starting blocks in 1991. As the year progressed, however, the economy showed signs of fatigue. Some Anchorage industries faltered, but a few kept up or exceeded 1990's pace. When the dust cleared, Anchorage managed to add 1,700 jobs to its employment base. This is a weak performance when compared to 1990, when 6,000 jobs were added. Compared to the economy's performance in much of the rest of the state or nation, however, it was not a bad accomplishment.

Some attribute the slowdown in the economy to the end of oil spill income circulating through the economy. This may offer a partial explanation. It does not explain, though, why oil industry employment began to fall at the end of the year, or why growth in business services began to fall off. Nor does it explain the performance of Anchorage's construction industry in 1991.

## Retail trade and services weak

Anchorage's retail trade and service sectors put in a weak showing in 1991. These two industries, responsible for 64% of Anchorage's private sector employment, showed essentially no growth in 1991. That may not sound astonishing but these two industries created 3,300 of the 6,000 new jobs in 1990. Historically they have been the city's largest employment generator. Without the contribution of these industries, it was tough for the economy to grow.

There are a number of reasons for the weak performance of services and retail trade. Income growth was weaker in 1991. Basic sector growth was sluggish. It is also conceivable that the surge during the previous two years overextended the industries and some regrouping was taking place. Fewer oil spill dollars circulating in the economy may have been another factor. Their lackluster performance, though, was curious in light of the fact that Anchorage's population grew by 11,569 residents in 1991—usually an important stimulus to these industries. And tourism, another major benefactor to retail trade and services, enjoyed a good year in 1991.

Some of retail trade's weakest segments were general merchandise and miscellaneous trade—which includes both the larger department and variety stores and hundreds of smaller merchants. One hit came from the loss of the international passenger air traffic. Duty Free Shoppers alone lost more than 100 employees. Another weak link in retail trade remains the eating and drinking sector. They also took a big hit from the loss of the international carriers, when a number of caterers lost their contracts. Even if this slice of business is excluded, the eating and drinking sector remains a particularly weak part of retail trade. Food stores was one of the few areas of retail trade that continued to rack up healthy gains.

The employment picture in services was mixed. Health services grew by 3.5%. Engineering services also remained relatively robust. This may be a sign that construction activity will remain at healthy levels in the near term. Services' most dynamic sectors, business and legal services, actually lost some ground. Most other segments of the service industry were lackluster at best.

## Oil patch ends year on a sour note

The year began exuberantly for the oil industry. Oil prices were high. The industry had two solid years of growth behind it. Oil service companies were busy with enhanced oil recovery activities, exploration, drilling

## Nonagricultural Wage and Salary Employment by Place of Work

### MUNICIPALITY OF ANCHORAGE

	1990	1991	Change	Percent Change
Total Nonag. Wage & Salary	111,400	113,100	1,700	1.5
Goods-producing	12,000	12,300	300	2.5
Mining	3,800	3,900	100	2.6
Construction	5,800	5,800	0	0.0
Manufacturing	2,400	2,600	200	8.3
Service-producing	99,400	100,800	1,400	1.4
Transportation	11,100	11,900	800	7.2
Communications	1,900	2,200	300	15.8
Trade	26,200	26,000	-200	-0.8
Wholesale Trade	5,900	5,700	-200	-3.4
Retail Trade	20,300	20,400	100	0.5
Food Stores	3,100	3,300	200	6.5
Finance-Ins. & Real Estate	6,500	6,600	100	1.5
Services & Misc.	28,800	28,900	100	0.3
Hotels & Lodging Places	2,500	2,400	-100	-4.0
Health Services	5,700	5,900	200	3.5
Government	26,900	27,400	500	1.9
Federal	10,500	10,600	100	1.0
State	7,700	7,900	200	2.6
Local	8,700	8,800	100	1.1

and a surge of maintenance activity. However, by the end of the year the news in the oil patch began turning negative. ARCO announced that consolidation efforts would trim their work force. By the last quarter of the year oil industry employment was down. Other oil industry employers such as Alyeska and BP announced work force trimming that would affect future employment levels. Oil prices fell to \$15/barrel at the end of the year. By year-end the mood had turned gloomy in the oil patch.

## Construction had respectable season

According to employment statistics, the construction industry in Anchorage travelled sideways in 1991. This would be a disappointment if taken at face value because expectations were higher. Local activity did increase as anticipated in 1991. Construction valuation figures for Anchorage increased from \$147 million in 1990 to \$198 million in 1991. On the residential side, activity picked up significantly. In 1991, 635 permits for housing units were issued compared to 396 in 1990.

Notes: Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear above have a different definition from those that appear in the Labor Force table.

Benchmark: March 1991.

Subtotals may not add due to rounding.

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

Anchorage construction employment figures are clouded because many Anchorage-based contractors who performed work elsewhere in the state often count their employees in Anchorage. These construction jobs probably fell some in 1991, masking the increase in the construction taking place in Anchorage.

Some of the larger projects in the Anchorage area in 1991 were the four-lane widening of the Glenn Highway, the start of a Veterans Medical Center, a new Alaska Railroad headquarters and a new hotel. The latter two projects represent the largest resurgence in commercial activity in more than five years.

### **Air transportation strong**

Transportation, communication and utilities enjoyed strong growth in 1991. The trucking and air transportation portions of this industry were particularly strong. Both of these sectors benefitted from expansion by Federal Express and United Parcel Service. Growth in other international cargo activity also helped. Some growth in local and other domestic carriers contributed to air transportation's growth in 1991. Not all was positive, however. Anchorage continued to lose international air carriers—a significant blow to Anchorage's economy. Most of these losses, however, were felt in retail trade and services, not air transportation.

### **Anchorage finance sector grew for first time in six years**

Anchorage's financial sector was one of the chief victims of the 1986 recession. That industry went through a period of unprecedented consolidation, finally landing on firm ground in 1991—the last industry to do so. After five years of employment losses, this sector actually grew in 1991. Nearly all of the state's financial institutions registered strong profits and in some cases record profits. Even Anchorage's newest entrant, Northrim Bank, posted its first in-the-black quarter after only a year in business.

### **The job market tough in 1991**

Not much good can be said for the Anchorage job market in 1991. After back to back years of near record low unemployment rates, 1991's unemployment rate climbed to 8.5%, an increase of one and a half points. The number of unemployed grew from 18,000 in 1990 to 22,000 in 1991. All talk of labor shortages disappeared and instead employers were often inundated by job seekers. The combined inches of Help Wanted columns in Anchorage's two newspapers fell by 26% in

1991. The reason for this rapid change was simple. The number of job seekers grew rapidly at the same time that the job growth declined. The number of job seekers grew because many of the victims of the national recession headed to Anchorage to seek employment. The rate of employment growth slowed because the local economy turned sluggish.

### **Another year of modest growth in Fairbanks**

Employment in the Fairbanks North Star Borough grew at a rate similar to Anchorage, 1.8%. Not all industries, however, contributed to Fairbanks' net gain of 500 jobs in 1991. Mining and manufacturing jobs stagnated at their 1990 levels, while construction, not unexpectedly, lost some ground.

Exploration at the Fort Knox mining project was well below 1990 efforts, but other, smaller mining ventures managed to make up for the missing Fort Knox jobs. Amax Gold purchased Fort Knox in September and plans to develop it. This bodes well for future mining jobs in the Fairbanks area.

Fairbanks had fewer construction jobs in 1991. Construction at the University of Alaska and on several highway projects was not enough to offset the slowdown in military construction projects and the absence of pipeline repair jobs.

State government employment was also in decline in Fairbanks, losing 100 jobs on an annual average basis in education and 200 from other state agencies. A planned downsizing of state government through attrition and a constant (rather than inflation-adjusted) budget are the reasons for this decline.

Government jobs with federal and local agencies increased in 1991. On the federal side, an increase of 50 jobs over the year does not seem like much. However, there was an additional increase of 40 to replace the temporary census jobs of 1990 missing in 1991. Local government job growth was all in education, as record-setting school enrollments necessitated new staff at the Fairbanks North Star Borough school district.

Transportation jobs stayed even with 1990, except for the air sector which added 50 new jobs. MarkAir's maintenance facility, more international flights and additional service to the Northern and Interior regions all contributed to this job growth.



### Wage and Salary Employment Change by Area 1990-1991

Municipality of Anchorage-Other				Southwest Region					
	1990	1991	Change	Percent Change		1990	1991	Change	Percent Change
Durable Goods	500	500	0	0.0	Total Nonag. Wage & Salary	15,300	16,800	1,500	9.8
Nondurable Goods	1,900	2,100	200	10.5	Goods-producing	4,500	5,350	850	18.9
Trucking & Warehousing	1,600	1,700	100	6.3	Seafood Processing	4,150	5,000	850	20.5
Water Transportation	300	300	0	0.0	Service-producing	10,800	11,450	650	6.0
Air Transportation	4,200	4,400	200	4.8	Government	6,150	6,300	150	2.4
Gen. Merch. & Apparel	3,200	3,200	0	0.0	Federal	1,250	1,350	100	8.0
Eating & Drinking Places	7,700	7,500	-200	-2.6	State	550	550	0	0.0
					Local	4,350	4,450	100	2.3
<b>Fairbanks North Star Borough</b>					<b>Gulf Coast Region</b>				
Total Nonag. Wage & Salary	27,300	27,800	500	1.8	Total Nonag. Wage & Salary	24,300	24,900	600	2.5
Goods-producing	2,250	2,150	-100	-4.4	Goods-producing	6,900	7,200	300	4.3
Mining	200	200	0	0.0	Mining	1,150	1,250	100	8.7
Construction	1,450	1,350	-100	-6.9	Construction	1,050	1,050	0	0.0
Manufacturing	600	600	0	0.0	Manufacturing	4,650	4,900	250	5.4
Service-producing	25,050	25,600	550	2.2	Seafood Processing	3,650	3,900	250	6.8
Transportation	2,000	2,050	50	2.5	Service-producing	17,400	17,750	350	2.0
Trucking & Warehousing	450	450	0	0.0	Transportation	2,050	2,100	50	2.4
Air Transportation	450	500	50	11.1	Trade	4,050	4,150	100	2.5
Communications	300	300	0	0.0	Wholesale Trade	500	500	0	0.0
Trade	5,950	6,400	450	7.6	Retail Trade	3,550	3,650	100	2.8
Wholesale Trade	800	800	0	0.0	Finance-Ins. & Real Estate	600	600	0	0.0
Retail Trade	5,200	5,650	450	8.7	Services & Misc.	4,550	4,750	200	4.4
Gen. Merch. & Apparel	600	700	100	16.7	Government	6,200	6,150	-50	-0.8
Food Stores	800	800	0	0.0	Federal	600	600	0	0.0
Eating & Drinking Places	2,050	2,250	200	9.8	State	1,950	1,850	-100	-5.1
Finance-Ins. & Real Estate	900	1,000	100	11.1	Local	3,700	3,700	0	0.0
Services & Misc.	6,200	6,250	50	0.8					
Government	10,050	9,950	-100	-1.0	<b>Southeast Region</b>				
Federal	3,150	3,200	50	1.6	Total Nonag. Wage & Salary	33,850	33,700	-150	-0.4
State	4,250	3,950	-300	-7.1	Goods-producing	6,650	6,350	-300	-4.5
Local	2,700	2,800	100	3.7	Mining	350	350	0	0.0
<b>Northern Region</b>					Construction	1,150	1,200	50	4.3
Total Nonag. Wage & Salary	14,600	15,050	450	3.1	Manufacturing	5,150	4,800	-350	-6.8
Goods-producing	6,200	6,350	150	2.4	Durable Goods	2,650	2,200	-450	-17.0
Mining	5,700	5,750	50	0.9	Lumber & Wood Products	2,550	2,100	-450	-17.6
Service-producing	8,400	8,700	300	3.6	Nondurable Goods	2,500	2,600	100	4.0
Government	4,400	4,400	0	0.0	Seafood Processing	1,400	1,500	100	7.1
Federal	300	300	0	0.0	Pulp Mills	900	900	0	0.0
State	350	350	0	0.0	Service-producing	27,200	27,350	150	0.6
Local	3,750	3,750	0	0.0	Transportation	2,650	2,650	0	0.0
					Trade	5,450	5,550	100	1.8
					Wholesale Trade	600	550	-50	-8.3
					Retail Trade	4,850	5,000	150	3.1
					Finance-Ins. & Real Estate	1,150	1,150	0	0.0
					Services & Misc.	5,550	5,650	100	1.8
					Government	12,400	12,350	-50	-0.4
					Federal	2,100	2,050	-50	-2.4
					State	5,600	5,500	-100	-1.8
					Local	4,700	4,800	100	2.1

Prepared in part with funding from the Alaska State Employment Security Division.

Benchmark: March 1991

Subtotals may not add due to rounding. The employment numbers that appear above are definitionally different from those that appear in the Labor Force table.

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

The big growth industry in Fairbanks in 1991 was retail trade. Almost every retail category—except food stores—showed employment increases over 1990. With the civilian population of the Fairbanks North Star Borough at an all-time high, and an ever-increasing military population, it is not surprising to see Fairbanks' retail sector grow. Two new stores—Fred Meyer and Sears Roebuck—opened late in the year, so the full impact of these additional jobs won't register until 1992.

The industry with the most private employment, services, barely managed to eke out some growth in 1991. It is such a diverse group, however, that one must look at its' various components to get the whole story. Sectors enjoying job growth were business and health care services. All other services jobs declined from 1990 levels. Hotel employment remained virtually unchanged from 1990. However, ground was broken in 1991 for a new Princess hotel. Its 1993 opening will mean additional hotel jobs for Fairbanks.

### **Fish harvesting boom continued in Southwest**

The Southwest region had by far the highest growth rate of any region in Alaska in 1991—almost 10%. The driving force behind this growth is the bottomfish industry. More than half of all new jobs in the region were in seafood processing, which grew an incredible 20%. Many of the additional seafood processing jobs are at new plants which opened in 1991 at Dutch Harbor.

Crab harvesting and processing is making a comeback. The opilio tanner crab harvest in the Bering Sea was twice the previous record; on the downside, that increased supply dropped prices from an average of 68 to 42 cents a pound.

The 1991 salmon season got off to a late start after a strike for higher prices by Bristol Bay fishermen. Any decline in salmon cannery employment, however, was masked by the increase in bottomfish processing jobs.

Most other new jobs in the Southwest region are in support of the fishing industry—an increased need for transportation, supplies at wholesale and retail outlets and services. Expansion in Unalaska in 1991, which was driven by the fishing boom, included a \$15 million extension and improvement of the public dock and the start of a \$50 million development project called Margaret's Bay. It will offer hotel rooms, retail and office space when completed.

### **A decent performance in the Gulf Coast region**

The fishermen's strike that started in Bristol Bay spread to the Gulf Coast region in the summer of 1991. Unlike the Southwest region, the salmon strike impacted every part of the Gulf Coast region. This meant several hundred fewer seafood processing jobs in June compared to June 1990. The strike was over by early July, though, and the rest of the season registered job growth over 1990. A glut of pink salmon helped push the state's total catch to a record high. Gulf Coast areas dealt with the surplus of pink salmon by dumping some at sea, giving some away in local communities, and shipping some to the former Soviet Union. Unfortunately, low prices for pinks and reds meant that the record catch was not matched with record revenue. The number of salmon harvested statewide was about 16% above 1990 numbers, while revenue was estimated at 45% below 1990's. This impacted not only Gulf Coast communities but Southeast and Southwest fishing communities as well.

Additional bottomfish processing in the Gulf Coast region contributed to gains in seafood processing employment. One plant in Kodiak is basing an expansion on processing more pollock, while one in Cordova remained open past their usual fall shutdown to process cod.

On the negative side, another manufacturing industry in Gulf Coast lost 150 jobs when the Seward sawmill shut down in October. The owner, Chugach Alaska, is currently seeking a partner or buyer for the mill.

Although construction didn't add any new jobs, the fact that they didn't lose any was encouraging. This is because the completion of the Bradley Lake Hydroelectric project meant many construction jobs disappeared from the region in 1991. This project alone accounted for 250 jobs on an annual average basis, with peak summer employment close to 400. No single new project look over for the completed hydroelectric facility, but many smaller ones helped keep construction employment steady. These included new facilities at Kodiak's Coast Guard base and several construction projects—both public and private—in the Kenai-Soldotna area.

Transportation, trade and services all managed to post some job gains in 1991. The only sector to show declines was in state government. While state education employment grew, the increase was not enough to offset losses in other state offices.

Oil and gas jobs in Cook Inlet boosted the mining industry in Gulf Coast. Unocal shut down one platform and Chevron closed their Nikiski refinery, but these closures translated into few job losses. On the plus side, ARCO and Stewart Petroleum both announced oil discoveries in Cook Inlet and plans for future exploration. Chevron is also drilling an exploratory well in the area.

### **Northern region starts out strong, ends on a weak note**

Although this region's oil and gas employment is more than four times larger than the Kenai Peninsula's, job growth was anemic in 1991—only half that seen on the Kenai. This comes, however, after a year of strong growth (the industry added 600 jobs in 1990).

Growth in other industries allowed this region to post the second-highest growth rate in 1991, behind Southwest. Employment gains in construction and services led the growth in the private sector, while the public sector was static.

Layoffs by the major oil producers, made late in 1991, won't register their full impact on employment statistics until 1992. Oil field services, though, suffered losses in the last half of 1991. In fact, any job gains were made in the first half of the year. For illustration, a 6-month average for the first half of 1991 shows an 11% job increase from 1990, while the last six months shows an 8% job decline.

Activity in the oilfields isn't all captured in mining employment statistics since many oilfield jobs are counted in the construction, transportation and services industries. All of these industries registered gains in 1991.

Other jobs in the Northern region's mining industry include gold activity in the Nome area and the Red Dog lead and zinc mine in the Northwest Arctic Borough. One huge gold dredge which operated in Nome was absent in 1991. Facing falling zinc prices, the Red Dog mine cut some jobs to increase efficiency. In spite of these losses, mining employment stayed at 1990 levels.

### **Southeast buffeted by timber industry's poor performance**

The only region to suffer job losses from the previous year was Southeast. The region shares many similarities with other areas of the state. Oil revenues provide many state and local government jobs, tourism is big business, and the fishing industry accounts for many jobs, although it is far less important as a percentage of total employment than in the Gulf Coast or Southwest regions.

The big difference in Southeast's economy is the presence of a large wood products industry. Three years ago this industry employed one of every five workers in Southeast's private sector. This industry's importance in Southeast's economy, however, has been shrinking. Weaker demand kept prices low and the supply of available timber in Southeast continued to dwindle. Employment losses in wood products is what put Southeast on the negative side of the job ledger in 1991.

Losses in one industry spread and affected other industries, also. In fact, construction, retail trade, services and seafood processing were the only industries showing any job growth in Southeast. A good tourism year accounts for some of their success. Their relatively small gains were not enough, though, to compensate for the losses in wood products.

Losses were not confined to the private sector, either. As in most regions of Alaska, Southeast saw a drop in state government jobs in 1991, while local government jobs—in education—increased.

### **Slower growth summarizes '91**

In 1991 Alaska's economy posted a moderate 2.1% employment growth rate. This performance is weaker compared to 1989 and 1990—but those were exceptionally good years. Seafood processors, primarily in Southwest Alaska, added the most new jobs to Alaska's economy, followed by transportation firms. Most other sectors of the economy posted slight employment gains, the lone exception was the wood products industry which lost employment. Overall, the brakes were put on Alaska's economy in 1991, but the result was a slow-down rather than a full stop.