

# Making a Buck: Income Growth Slows

By Neal Fried

**A**laska's income position made some headway in 1990 and early 1991. This was accomplished even though the big oil spill paychecks and other oil-spill related earnings were clearly absent from Alaska's most recent income figures.

In 1990, Alaska's total personal income slowed to a 6% growth rate, from 16% in 1989. In dollars, Alaska's personal income was close to \$12 billion in 1990 -- an increase of \$680 million from the previous year. (See Figure 1.) It did not keep up with the exceptional increase of more than one billion dollars enjoyed in 1989. Instead, 1990's performance could be characterized as average when compared to the rest of the nation.

From a historical perspective, 1990's personal income performance was below par. Before the 1986 recession (1970-1985) Alaska's annual personal income growth rate averaged 13%, compared to 10% for the nation. From 1986 to the present Alaska's average annual growth rate fell to 5%, slower than the national average of 7%. This slowdown in personal income growth is affecting Alaska's ranking among states.

## Alaska remains in 7th place in per capita income

Per capita income is simply total personal income divided by resident population. Alaska's per capita income increased 5.2% in 1990, which translates into \$21,688 for every man, woman and child in the state. (See Table 1.) In dollars not adjusted for inflation, it represents the highest per capita income Alaska has ever enjoyed. After adjusting for inflation, however, the 1990 per capita income figure actually falls short of last year's record high. In 1990 dollars, 1989 per capita income would have been \$21,882.

Alaska's per capita income ranking in the nation remained in seventh place in 1990. (See Table 2.) Alaska's 1990 per capita rank among states continues a trend that began in 1986, when Alaska lost its 13-year hold on the top rank. Over the past five years, Alaska has fluctuated between third and seventh place. Along a similar vein, Alaska's per capita income, as a percent of the nation's per capita income, declined steadily from 1982 to 1988 (See Table 1.) In 1990, as in 1989, Alaska's per capita income rose against the national average, but was only 16% above it. (See Figure 2.)

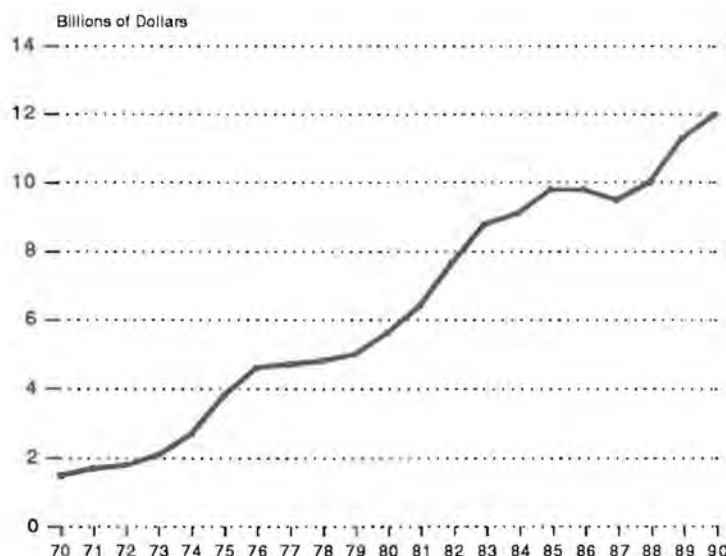
Average household income figures are also represented in Table 2. They are calculated by multiplying per capita income figures by the state's average household size. Because Alaska's household size is larger than the national average, this income ranking climbs to the number four spot.

Another measure of per capita income sheds a different light on Alaska's income picture. This measure is per capita disposable income. It measures income after deducting taxes and insurance contributions. Alaska's disposable income in 1990 was \$18,974. When looking at income from this angle, Alaska moves up in rank

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Figure 1

Alaska Total Personal Income 1970-1990



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Figure • 2

### Alaska's Per Capita Income Higher Than U.S., But Lead Narrows

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

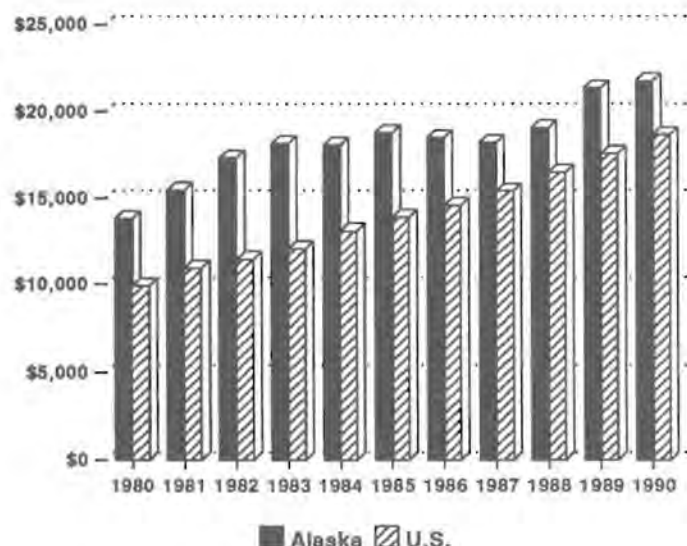


Table • 1

### Total and Per Capita Personal Income Alaska & U.S. 1970-1990

	Alaska total (in millions of dollars)	U.S. total (in millions of dollars)	Alaska per capita (in dollars)	U.S. per capita (in dollars)	Alaska per capita as % of U.S. Average
1970	1,544	825,534	5,073	4,051	125
1971	1,679	888,536	5,305	4,296	123
1972	1,827	976,181	5,596	4,665	120
1973	2,148	1,095,289	6,447	5,182	124
1974	2,650	1,204,899	7,689	5,648	136
1975	3,780	1,308,482	10,189	6,073	168
1976	4,560	1,447,002	11,599	6,651	174
1977	4,701	1,602,863	11,831	7,294	162
1978	4,791	1,806,968	11,912	8,136	146
1979	5,021	2,028,510	12,582	9,033	139
1980	5,599	2,254,076	13,835	9,919	139
1981	6,449	2,514,231	15,410	10,957	141
1982	7,739	2,663,432	17,213	11,497	150
1983	8,758	2,834,385	17,931	12,123	148
1984	9,140	3,101,163	17,790	13,149	135
1985	9,802	3,317,545	18,405	13,942	132
1986	9,820	3,519,364	18,040	14,654	123
1987	9,561	3,754,577	17,726	15,494	114
1988	10,105	4,058,796	18,642	16,598	112
1989	11,276	4,376,369	20,609	17,731	116
1990	11,956	4,662,698	21,688	18,691	116

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

among states to the number five spot. According to disposable income figures, Alaskans keep 87% of their personal income versus 85% for the nation. This is not surprising. With no state income tax and moderate or no sales or property taxes, Alaska's tax burden is lower than in other states.

#### What is Included in Income?

The U.S. Department of Commerce's Bureau of Economic Analysis (BEA) produces the income data discussed in this article. BEA produces this data for the nation, all the states (including the District of Columbia) and all counties in the nation. In Alaska's case, the county equivalent are boroughs and census areas.

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#### Included in the personal income figures are:

**Net earnings** -- which consists of wages and salaries, other labor income (for example, contract work or tips), and proprietary income, minus contributions for social insurance;

**Dividends, interests and rent on assets;** and

**Transfer payments** -- which consists of government payments to individuals and nonprofit corporations, and business payments to individuals. Examples are welfare, social security and unemployment insurance payments. In Alaska the longevity bonus and permanent fund dividends are also included in this category. In-kind transfers such as food stamps, medicaid and medicare are not included.

In Alaska there is another form of income, subsistence. Because it is nonmonetary, it is not included in BEA statistics. However, subsistence is a substantial source of income for residents in many areas of the state.

More than 70% of Alaska's personal income comes from earnings -- a larger proportion than the nation's.

## Per Capita Personal Income by State 1989-1990

STATE	1990	1989	1989- 1990 Percent Change	1990 percent of U.S.	1990 average persons per household	1990 average household income
Connecticut	\$25,484	\$24,459	4.2	136	2.67	\$68,042
New Jersey	24,936	23,671	5.3	133	2.77	69,073
District of Columbia	23,243	21,788	6.7	124	2.43	56,480
Massachusetts	22,569	21,844	3.3	121	2.68	60,485
New York	22,086	20,836	6.0	118	2.71	59,853
Maryland	21,789	20,779	4.9	117	2.73	59,484
ALASKA	21,688	20,609	5.2	116	2.81	60,943
New Hampshire	20,827	20,413	2.0	111	2.70	56,233
California	20,677	19,730	4.8	111	2.87	59,343
Illinois	20,419	19,316	5.7	109	2.72	55,540
Hawaii	20,356	18,652	9.1	109	3.11	63,307
Delaware	20,022	19,283	3.8	107	2.69	53,859
Virginia	19,671	18,879	4.2	105	2.70	53,112
Nevada	19,035	18,392	3.5	102	2.58	49,110
Colorado	18,890	17,801	6.1	101	2.57	48,547
Rhode Island	18,802	18,080	4.0	101	2.66	50,013
Washington	18,775	17,784	5.6	100	2.60	48,815
Minnesota	18,731	17,827	5.1	100	2.66	49,824
U.S.	18,691	17,731	5.4	100	2.71	50,653
Pennsylvania	18,686	17,630	6.0	100	2.54	47,462
Florida	18,530	17,832	3.9	99	2.52	46,696
Michigan	18,360	17,644	4.1	98	2.72	49,939
Kansas	18,162	16,950	7.2	97	2.62	47,584
Ohio	17,564	16,640	5.6	94	2.65	46,545
Wisconsin	17,560	16,674	5.3	94	2.69	47,236
Nebraska	17,549	16,365	7.2	94	2.62	45,978
Vermont	17,511	16,916	3.5	94	2.67	46,754
Missouri	17,472	16,712	4.5	93	2.61	45,602
Iowa	17,218	16,190	6.3	92	2.61	44,939
Oregon	17,196	16,272	5.7	92	2.58	44,366
Maine	17,175	16,460	4.3	92	2.64	45,342
Georgia	17,049	16,239	5.0	91	2.74	46,714
Indiana	16,890	16,078	5.1	90	2.68	45,265
Texas	16,716	15,682	6.6	89	2.80	46,805
Wyoming	16,314	14,930	9.3	87	2.69	43,885
North Carolina	16,293	15,450	5.5	87	2.63	42,851
Arizona	16,012	15,364	4.2	86	2.68	42,912
Tennessee	15,866	15,020	5.6	85	2.63	41,728
South Dakota	15,797	14,385	9.8	85	2.69	42,494
Oklahoma	15,457	14,504	6.6	83	2.61	40,343
Montana	15,270	14,442	5.7	82	2.61	39,855
Idaho	15,249	14,233	7.1	82	2.79	42,545
North Dakota	15,215	13,997	8.7	81	2.65	40,320
South Carolina	15,151	13,985	8.3	81	2.77	41,968
Alabama	15,021	14,068	6.8	80	2.68	40,256
Kentucky	15,001	14,031	6.9	80	2.67	40,053
Louisiana	14,542	13,360	8.8	78	2.82	41,008
New Mexico	14,265	13,458	6.0	76	2.79	39,799
Arkansas	14,188	13,335	6.4	76	2.64	37,456
Utah	13,993	13,065	7.1	75	3.21	44,918
West Virginia	13,755	12,754	7.8	74	2.61	35,901
Mississippi	12,823	12,077	6.2	69	2.82	36,161

Source: U.S. Department of  
Commerce, Bureau of Eco-  
nomic Analysis.

### Alaska's Per Capita Income by Borough and Census Area 1987-1989

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

\*The Aleutian Islands census area was divided into the Aleutian Island East Borough and the Aleutian Island West census area in 1988.

	1987	1988	1989	Percent of U.S.	Rank in State	1988-89 Percent Change
<b>ALASKA</b>	17,726	18,642	20,609	116.2	—	10.6
<b>U.S.</b>	15,494	16,598	17,731	100.0	—	6.8
<b>Area Name</b>						
Aleutian Islands Census Area*	17,963	—	—	—	—	—
Aleutians East Borough*	—	19,323	22,255	125.5	9	15.2
Aleutians West Census Area*	—	20,704	21,482	121.2	11	3.8
Anchorage, Municipality of	20,180	21,699	24,773	139.7	6	14.2
Bethel Census Area	11,493	12,052	12,820	72.3	23	6.4
Bristol Bay Borough	24,632	26,709	29,755	167.8	2	11.4
Dillingham Census Area	15,183	17,304	18,171	102.5	16	5.0
Fairbanks North Star Borough	17,024	17,002	18,507	104.4	15	8.9
Haines Borough	27,713	32,720	37,548	211.8	1	14.8
Juneau Borough	22,061	23,221	25,075	141.4	5	8.0
Kenai Peninsula Borough	14,898	16,186	19,543	110.2	14	20.7
Ketchikan Gateway Borough	22,336	23,503	26,530	149.6	4	12.9
Kodiak Island Borough	16,524	17,643	20,537	115.8	13	16.4
Matanuska-Susitna Borough	12,795	13,283	14,565	82.1	20	9.7
Nome Census Area	13,953	14,229	15,103	85.2	18	6.1
North Slope Borough	19,854	19,689	22,219	125.3	10	12.8
Northwest Arctic Borough	12,636	13,645	14,711	83.0	19	7.8
Prince of Wales-Outer Ketchikan C.A.	15,096	15,809	16,986	95.8	17	7.4
Sitka Borough	20,142	21,783	23,995	135.3	7	10.2
Skagway-Yakutat-Angoon Census Area	17,718	19,232	21,207	119.6	12	10.3
Southeast Fairbanks Census Area	11,350	12,312	12,956	73.1	22	5.2
Valdez-Cordova Census Area	20,377	23,094	27,727	156.4	3	20.1
Wade Hampton Census Area	8,993	9,003	9,548	53.8	24	6.1
Wrangell-Petersburg Census Area	20,973	22,923	22,862	128.9	8	-0.3
Yukon-Koyukuk Census Area	11,726	12,446	13,022	73.4	21	4.6

(See Figure 3.) One reason may be that a larger percentage of Alaska's working age population participate in the labor force and are receiving earnings from their employment.

Alaskans receive less of their income from dividends, interest and rent. Alaska's median age is younger than the nation's (29.4 versus 32.9); a younger population has had less time to accumulate the wealth that generates this type of income. Another reason for this disparity may be because a larger share of Alaska's economy is in the public sector where it is less likely to earn this form of income. This may seem surprising, given Alaska's unique permanent fund dividend and longevity bonus programs. BEA counts these sources of income, however, as transfer payments.

Counting these two programs as transfer payments is probably why Alaskans earn the same proportion of their income from transfer payments as their national counterparts. Without them, Alaska would be expected

to have less transfer payment income than other states. This is because social security is the most important component in the national transfer payment category, and only 4.1% of Alaska's population is 65 years and older versus the nation's 12.6%.

#### Income varies widely within the state

BEA also produces per capita income data for Alaska's boroughs and census areas. The most recent income figures for these areas is 1989. They graphically illustrate the diversity of earning power in the state. (See Table 3.) Per capita income in eight of these boroughs and census areas falls below the national average. The Wade Hampton census area's per capita income is only slightly more than half the national average.

Although low and high per capita incomes tend to fall along the rural and urban lines, there are almost too many exceptions to make this generalization. For example, the Bristol Bay and North Slope Boroughs enjoy

Figure • 3

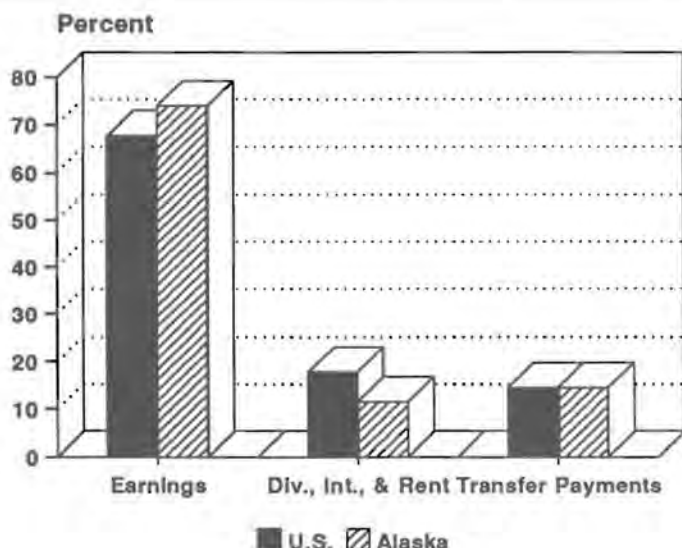
higher-than-average per capita incomes. These two rural boroughs have relatively high-paying industries within their boundaries -- fishing in Bristol Bay and oil in the North Slope. On the other hand, the more urban Kenai Peninsula and Matanuska-Susitna Boroughs have per capita income figures that are below average.

BEA provides other interesting detailed income information. One such detail is the adjustment for residency. Income earned by a nonresident is subtracted from the state's total and added to another state. This "lost" income was \$619 million in 1990.

Likewise, income earned by an Alaskan in one census area or borough is transferred to the area within the state where the wage earner lives. The Matanuska-Susitna Borough received 28% of its personal income from sources outside the borough. This is explained by the fact that 37% of its working population hold jobs outside its boundaries.

How much of an area's income is in the form of transfer payments also provides some insight into an economy. (See Table 4.) Residents of the Wade Hampton census area receive 39% of their income from transfer payments. This is a clear sign that this area does not have much of an economic infrastructure. It also must be remembered that subsistence income is not reflected in these figures.

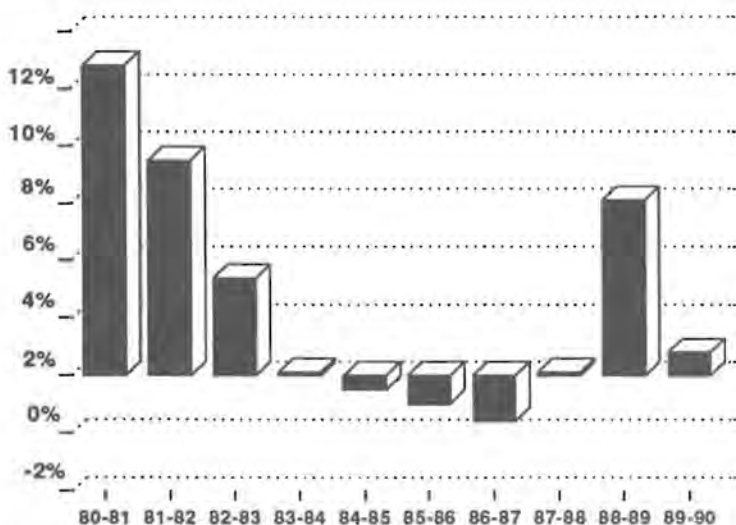
### Sources of Personal Income in 1990



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Figure • 4

### Alaska's Average Monthly Wage Growth Slows



Source: Alaska Department of Labor, Research & Analysis

Table • 4

### Alaska's 1989 Income by Census Area and Source

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

\* The Aleutian Islands census area was divided into the Aleutian Island East Borough and the Aleutian Island West census area in 1988.

	Total Personal Income (millions of dollars)	Percentage Breakdown by Source		
		Net Earnings	Transfer Payments	Dividends Interest & Rent
Alaska	11,254	73.9	14.7	11.4
U.S.	4,376,369	67.9	14.6	17.5
Aleutians East Borough*	40	85.2	9.0	5.7
Aleutians West Census Area*	147	86.6	7.4	6.0
Anchorage, Municipality of	5,313	75.1	12.4	12.5
Bethel Census Area	172	64.6	28.4	6.9
Bristol Bay Borough	44	84.2	9.2	6.7
Dillingham Census Area	114	75.7	15.0	9.3
Fairbanks North Star Borough	1,326	70.1	15.9	14.1
Haines Borough	63	77.5	10.5	12.0
Juneau Borough	674	71.1	14.3	14.7
Kenai Peninsula Borough	797	70.2	15.5	14.3
Ketchikan Gateway Borough	316	71.6	13.4	14.9
Kodiak Island Borough	284	76.4	11.3	12.3
Matanuska-Susitna Borough	581	66.5	19.0	14.5
Nome Census Area	120	66.7	25.6	7.7
North Slope Borough	126	78.4	14.0	7.7
Northwest Arctic Borough	94	64.6	26.1	9.3
Prince of Wales-Outer Ketchikan C.A.	95	74.4	16.7	8.9
Sitka Borough	190	71.6	12.5	15.9
Skagway-Yakutat-Angoon C.A.	84	69.9	18.1	12.1
Southeast Fairbanks Census Area	84	67.4	22.0	10.6
Valdez-Cordova Census Area	247	77.1	12.7	10.2
Wade Hampton Census Area	56	56.8	39.0	4.2
Wrangell-Petersburg Census Area	162	72.1	13.0	14.9
Yukon-Koyukuk Census Area	125	56.1	31.2	12.7

#### Alaska's wages increase slightly

Alaska's average monthly wage picture is nearly identical to the personal income picture. This is no surprise since wages comprise the majority share of personal income. In 1990 the state's average monthly wage increased slightly (see Figure 4), but not enough to cover the increase in the cost of living. Drawing any additional conclusions from these figures must be done cautiously because a variety of factors influences their direction. The average monthly wage is the state's total payroll divided by the total number of jobs. Changes in the number of hours worked, wage rates, or the industry and occupational mix can affect the average monthly wage. Also, a part-time job and a full-time job carry equal weight in the job count.

Mining's average monthly wage is still the highest at \$5,438 per month. (See Table 5.) The oil and gas industry, which pays well and has many full-time jobs,

accounts for 89% of the mining employment. Retail trade's average monthly wage remains the lowest at \$1,394. This is an industry dominated both by low wages and part-time employment. Nearly all the industries made some headway in 1990. Local government failed to make gains, and transportation's decline was directly related to the end of oil spill activity.

The average monthly wage also varies geographically in comparable ways to the personal income figures. There is, however, one important difference. The wage data is not adjusted for residency. The monthly wages are reported where the jobs are and not where the job holders live. A good illustration of this difference is the North Slope Borough. Their average monthly wage is the highest in the state at \$4,414; but they ranked tenth in per capita income. The residency adjustment of income but not wage data for Prudhoe Bay is the primary cause for this difference.

The average monthly wage increased in 1990 in most areas, but there were a significant number of areas where wages fell. (See Table 6.) The largest declines came in the areas where the oil spill cleanup work was concentrated -- Kodiak, the Kenai Peninsula, and the Valdez-Cordova census area. The average monthly wage in the Valdez-Cordova census area fell by \$1,395 in 1990.

#### Summary: Income and wage growth slows

The big oil spill earnings of 1989 were clearly absent from 1990's income figures. Income growth in 1990 slowed to less than half the rate of 1989. All but one of Alaska's industries shared in 1990's increases. The only industry that failed to contribute was transportation, and this is only because it is where most of the oil spill earnings were accounted for.

## Alaska's Average Monthly Wage by Industry 1980-1990

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	
Mining	\$3,802	\$4,030	\$4,254	\$4,550	\$4,703	\$5,311	\$4,921	\$5,171	\$5,126	\$5,249	\$5,438	Source: Alaska Department of Labor, Research & Analysis Section.
Construction	3,342	3,756	3,941	3,860	3,651	3,383	3,425	3,315	3,399	3,501	3,671	
Manufacturing	1,846	1,828	1,955	2,065	2,115	2,000	2,019	2,116	2,143	2,334	2,336	
Trans., Comm. & Utilities	2,458	2,731	2,915	2,931	2,946	2,797	2,896	2,718	2,699	3,395	2,897	
Trade	1,342	1,446	1,522	1,598	1,624	1,546	1,610	1,409	1,487	1,566	1,620	
Wholesale	2,156	2,286	2,446	2,533	2,558	2,558	2,601	2,484	2,468	2,547	2,684	
Retail	1,154	1,244	1,302	1,373	1,397	1,316	1,376	1,272	1,274	1,339	1,394	
Finance, Ins. & Real Estate	1,565	1,687	1,915	2,017	2,122	2,252	2,173	2,258	2,216	2,187	2,255	
Services	1,404	1,614	1,792	1,831	1,837	1,719	1,802	1,655	1,692	1,802	1,864	
Government	1,945	2,142	2,296	2,420	2,480	2,627	2,565	2,641	2,641	2,685	2,739	
Federal	1,741	1,952	2,019	2,172	2,268	2,348	2,298	2,414	2,520	2,555	2,686	
State	2,312	2,433	2,567	2,683	2,698	2,887	2,829	2,895	2,859	2,882	2,962	
Local	1,847	2,071	2,295	2,397	2,464	2,617	2,539	2,615	2,567	2,623	2,610	
Statewide	1,931	2,140	2,301	2,379	2,382	2,369	2,345	2,308	2,310	2,452	2,471	

## Alaska's Average Monthly Wage by Census Area 1980-1990

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	
Aleutian Islands Census Area*	\$1,549	\$1,590	\$1,702	\$1,693	\$1,769	\$1,875	\$1,892	\$2,009	—	—	—	* Aleutian Island census area was divided into Aleutians East Borough and Aleutians Islands West census area in 1988.
Aleutians East Borough*	—	—	—	—	—	—	—	—	\$2,008	\$1,959	\$1,930	
Aleutians West Census Area*	—	—	—	—	—	—	—	—	2,140	2,085	2,302	
Anchorage, Municipality of	1,921	2,075	2,208	2,289	2,327	2,346	2,385	2,363	2,378	2,483	2,568	
Bethel Census Area	1,197	1,466	1,634	1,735	1,792	1,756	1,830	1,743	1,727	1,819	1,877	
Bristol Bay Borough	1,695	2,045	1,989	1,904	2,099	1,860	1,960	2,013	1,970	2,206	2,206	
Dillingham Census Area	1,637	1,764	1,849	2,150	1,862	1,858	1,863	1,828	1,850	1,890	2,046	
Fairbanks North Star Borough	2,049	2,210	2,384	2,474	2,414	2,432	2,347	2,320	2,236	2,269	2,320	
Haines Borough	1,256	1,539	1,728	1,897	2,008	2,089	2,237	2,360	2,373	2,605	1,989	
Juneau Borough	1,873	2,093	2,195	2,283	2,267	2,295	2,320	2,341	2,339	2,341	2,382	
Kenai Peninsula Borough	2,031	2,197	2,313	2,309	2,344	2,343	2,255	2,169	2,245	2,531	2,438	
Ketchikan Gateway Borough	1,868	1,904	2,069	2,137	2,110	2,099	2,107	2,138	2,178	2,276	2,390	
Kodiak Island Borough	1,534	1,636	1,878	2,003	1,857	1,968	1,620	1,757	1,807	2,331	1,873	
Lake and Peninsula Borough	—	—	—	—	—	—	—	—	—	—	3,900	
Matanuska-Susitna Borough	1,585	1,745	1,926	1,918	2,036	1,725	1,976	1,974	1,968	2,013	2,081	
Nome Census Area	1,481	1,648	1,898	1,933	1,980	1,970	1,988	2,022	2,024	2,131	2,114	
North Slope Borough	3,800	4,415	4,778	4,849	4,911	4,681	4,341	4,079	4,053	4,181	4,414	
Northwest Arctic Borough	1,576	1,717	1,729	1,986	2,020	1,951	1,914	1,958	2,122	2,176	2,427	
Prince of Wales-Outer Ketchikan C.A.	1,866	1,851	1,955	2,124	2,091	1,937	2,039	1,954	2,089	2,237	2,297	
Sitka Census Area	1,838	2,062	2,140	2,082	2,088	2,000	2,009	2,040	2,045	2,066	2,098	
Skagway-Yakutat-Angoon C.A.	1,435	1,623	1,832	2,055	1,703	1,759	1,786	1,746	1,807	2,037	2,224	
Southeast Fairbanks Census Area	1,479	1,661	1,637	1,765	1,807	1,900	2,036	1,914	1,890	1,899	1,990	
Valdez-Cordova Census Area	2,222	2,407	2,488	2,411	2,501	2,507	2,483	2,475	2,417	4,068	2,673	
Wade Hampton Census Area	1,150	1,328	1,444	1,447	1,463	1,414	1,450	1,570	1,452	1,490	1,431	
Wrangell-Petersburg Census Area	1,524	1,766	1,909	2,084	1,950	2,098	2,058	2,006	2,065	2,117	2,138	
Yukon-Koyukuk Census Area	2,126	2,318	2,405	2,465	2,393	2,063	2,090	2,046	2,082	2,017	2,069	
Statewide Average	1,931	2,140	2,301	2,379	2,382	2,369	2,345	2,308	2,310	2,452	2,471	

Table • 8

**% of Persons  
in Poverty  
by State —1990**

STATE	
Connecticut	6.0%
New Hampshire	6.3
Rhode Island	7.5
Utah	8.2
Delaware	8.9
Washington	8.9
Oregon	9.2
New Jersey	9.2
Wisconsin	9.3
Nevada	9.8
Maryland	9.9
Nebraska	10.3
Kansas	10.3
Iowa	10.4
Massachusetts	10.7
Vermont	10.9
Hawaii	11.0
Pennsylvania	11.0
Wyoming	11.0
Virginia	11.1
ALASKA	11.4
Ohio	11.5
Minnesota	12.0
Indiana	13.0
North Carolina	13.0
Maine	13.1
South Dakota	13.3
Missouri	13.4
North Dakota	13.7
Colorado	13.7
Arizona	13.7
Illinois	13.7
California	13.9
Michigan	14.3
Florida	14.4
New York	14.3
Idaho	14.9
Oklahoma	15.6
Georgia	15.8
Texas	15.9
South Carolina	16.2
Montana	16.3
Tennessee	16.9
Kentucky	17.3
West Virginia	18.1
Alabama	19.2
Arkansas	19.6
New Mexico	20.9
District of Columbia	21.1
Louisiana	23.6
Mississippi	25.7
U.S.	13.5

Source: U.S. Department of  
Commerce, Bureau of Census.

Table • 7

**1991 Federal Poverty Guidelines**

Family Size	Alaska	Nationwide (except Alaska and Hawaii)
1	\$8,290	\$6,620
2	11,110	8,880
3	13,930	11,140
4	16,750	13,400
5	19,570	15,660
6	22,390	17,920
7	25,210	20,180
8	28,030	22,440
For each additional family member add:	2,820	2,260

Source: Federal Register, Vol. 56, No. 122, May 28, 1991.

From a historical perspective, income gains in the past five years have been below average. This has narrowed the gap between Alaska's and the nation's per capita income.

Alaska's per capita income did increase in 1990, but more slowly than the cost of living. Alaska's per capita ranking remained at seventh place in the nation. On the brighter side, Alaskans have a bigger portion of their

Table • 9

**1991 Lower Living Standard  
Income Level (LLSIL)**

Family Size	Income Criteria for 70% of the LLSIL
1	\$8,290
2	12,110
3	16,530
4	20,520
5	24,220
6	28,320
7	32,420
8	36,520
For each additional family member add:	\$4,100

Source: Federal Register, Vol. 56, No. 102, May 28, 1991.

income after taxes than most states. Alaska's disposable per capita income ranked fifth highest in the nation.

Alaska's average monthly wages followed a path similar to income. This is not surprising since wages make up the largest share of income. The mining industry continued to enjoy the highest average monthly wages and retail trade the lowest.

### Measuring Poverty Levels of Income in Alaska

While there is no comprehensive, ongoing measurement to determine what a poverty level of income is in Alaska, two measurements available from federal agencies are provided to help determine what a poverty level income is in Alaska.

The poverty income guidelines shown in Table 7 are used to determine eligibility of individuals and families for a number of federal and state programs. They are derived by adding 25% to the national criteria to take into account the higher cost of living in Alaska. Each year they are updated to reflect the change in the U.S. consumer price index.

Usually the only reliable figures for the number of Alaskans who live in poverty come when the results of the decennial census are released. In a special report, however, not related to the decennial census, the Census Bureau released poverty statistics for all of the states. According to the Census Bureau's survey-based report, 11.4% of Alaska's population lived in poverty in 1990 (see Table 8). In the U.S. as a whole the figure was 13.5%. Alaska ranked 21st in percent of persons living in poverty in the nation. If the higher cost of living in Alaska were taken into account, the state's ranking would probably fall further. No poverty statistics were calculated for areas within the state. Historically, the rate of poverty in Alaska has been considerably higher in rural parts of the state. The poverty statistics from the decennial census should become available sometime next year.

The lower living standard income levels in Table 9 are used to determine eligibility on the basis of economic disadvantage for Job Training Partnership Act (JTPA) and other job and training programs. They are also updated annually.