

City and Borough of Juneau

by John Boucher



Juneau's economic history is that of a one-industry town. In its early days, the driving force in the capital city was gold mining. Since the demise of gold mining, government has taken over as Juneau's main employer. Today, despite continuing efforts to broaden the capital city's economic base, Juneau's economy is dependent on government, particularly state government, for its economic well-being.

How important is government as an economic force in Juneau? Half of all wage and salary jobs are in the public sector, with 31% of all jobs in state government. Increasing the public sector's importance is its comparatively high payroll. Juneau's public sector payrolls account for 63% of all wages paid in the capital city. (See Figure 1.)

More to government than the capital

A large government work force is hardly surprising given that Juneau is Alaska's capital. Administrative staffs of most state agencies are located in Juneau. The Office of the Governor and the Legislative Branch also have significant employment impacts.

But there is more depth to Juneau's public sector than the state capital. As the largest city in Southeast Alaska, regional headquarters of many programs are located in Juneau. Juneau is also home to a large regional campus of the University of Alaska, which adds to the state government employee base.

In addition to state government, the federal government has a significant presence. Juneau serves as Alaska headquarters for the U.S. Forest Service, the U.S. Coast Guard, the Bu-

reau of Indian Affairs and the National Marine Fisheries Service. Until recently Juneau was also a regional distribution center for the U.S. Postal Service.

As Alaska's third most populous city, 27,695 in 1991, local government services make notable contributions to employment. The City and Borough of Juneau, Juneau School District and Bartlett Memorial Hospital are all large public employers in the capital city.

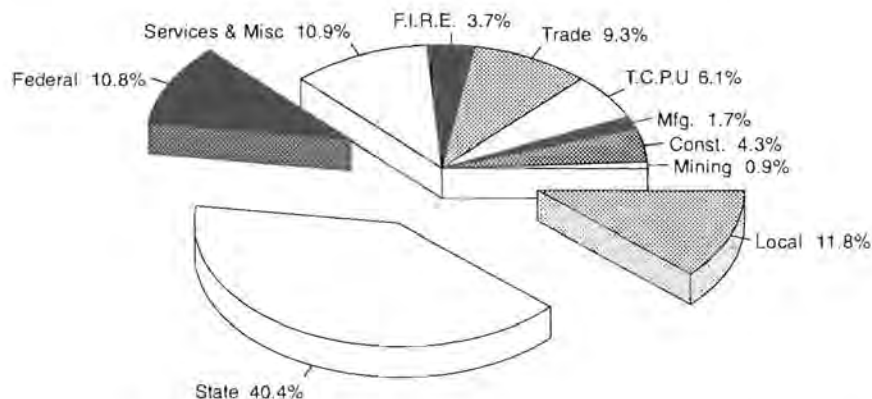
Another reason for public sector domination is Juneau's lack of a large private sector manufacturer to offset the government presence. In Southeast Alaska, this is an atypical situation. Ketchikan, Sitka, Wrangell and Petersburg all have at least one large manufacturing plant which significantly boosts private sector employ-

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Alaska Department of Labor
Research & Analysis Section
P.O. Box 107018
Anchorage, Alaska 99510-7018
(907) 269-4860
or
P.O. Box 25501
Juneau, Alaska 99802-5501
(907) 465-4500

Figure 1

Government Payrolls Are 63% of Wages

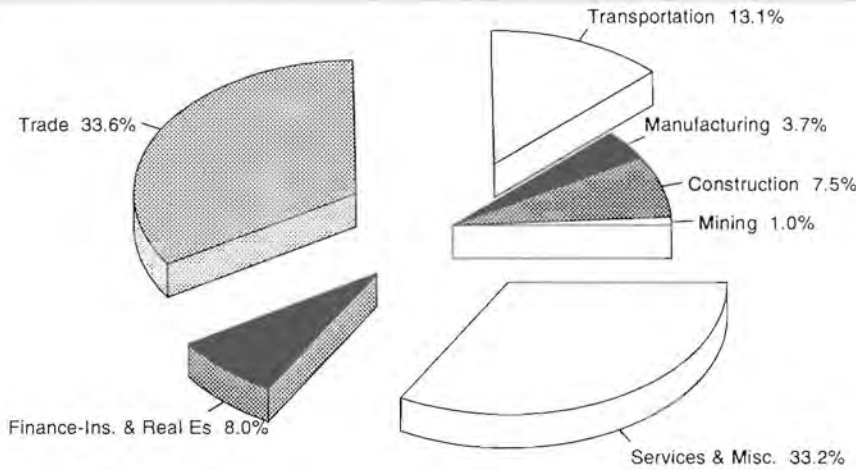


Source: Alaska Department of Labor, Research & Analysis

Mining excludes Greens Creek since it is outside the Borough. If added to total, mining's share of payroll would be approx. 4%. Government's share of payroll would drop to 61%. Others move down slightly.

Figure • 2

Private Sector Is Service Oriented
Juneau Private Employment, 1992



Source: Alaska Department of Labor, Research & Analysis

Mining excludes Greens Creek since it is outside the Borough. If added to total, mining's share of payroll would be approx. 4.5%. Others move down slightly.

ment and wage totals. For the last several years, Greens Creek mine helped boost Juneau's private sector, but the mine's recent closure was a blow to diversification of Juneau's private employment base.

Greens Creek's closure set back Juneau's private sector, but that may have been temporary. Currently two major mining projects, the Kensington and the Alaska-Juneau, are moving through the permitting and development stages. If they proceed, hard rock mining would return as a prominent source of private sector employment in Juneau.

Private sector service oriented

The majority of Juneau's private sector businesses provide goods or services to the local and regional population. (See Figure 2.) This prominence of these

Table • 1

Juneau Wage and Salary Employment 1982-1992

	1982	1983	1984	1985	1986	1987	1988	1989	1990 ^{2/}	1991	1992
Total	12,195	12,764	13,439	13,607	12,824	12,485	12,747	13,502	13,772	14,081	14,518
Mining^{1/}	12	26	27	*	*	80	169	112	75	84	75
Construction	540	763	797	733	396	391	341	343	414	518	548
Manufacturing	151	152	180	253	196	261	341	319	148	199	268
Transportation	916	794	775	777	707	782	747	857	911	880	957
Trade	1,873	1,966	2,204	2,120	1,925	1,937	2,023	2,203	2,239	2,416	2,465
Wholesale Trade	170	199	184	178	144	173	197	211	197	217	197
Retail Trade	1,704	1,767	2,020	1,942	1,781	1,764	1,826	1,993	2,042	2,199	2,268
Finance-Ins. & Real Estate	512	533	572	615	637	565	561	535	496	558	585
Services	1,694	1,857	1,991	2,034	2,075	2,146	2,014	2,152	2,333	2,279	2,357
Agric., Forestry & Fishing	32	24	30	36	44	*	49	*	*	*	*
Nonclassifiable	34	83	99	*	*	*	13	*	*	*	*
Government	6,432	6,567	6,766	6,976	6,782	6,291	6,490	6,900	7,099	7,078	7,191
Federal	973	994	1,021	1,040	1,057	1,035	1,044	1,086	1,056	1,039	1,094
State	4,358	4,398	4,423	4,509	4,342	4,016	4,138	4,417	4,535	4,518	4,530
Local	1,102	1,175	1,323	1,428	1,384	1,241	1,308	1,397	1,508	1,521	1,567

* Nondisclosable

^{1/} Mining industry excludes Greens Creek mine since it is located outside of the Juneau Borough.

^{2/} 1990 Federal government employment total adjusted downward by 350 to account for misreported overcount of U.S. Census workers.

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

businesses is evident in the list of Juneau's largest private sector employers. (See Table 2.) Regional service providers are especially important employers in the transportation, communications, health care, wholesale and retail trade sectors.

While Juneau lacks a major manufacturing plant, its role as a support center for the manufacturing industry can't be overlooked. Juneau businesses provide goods, services and logistical support for logging camps and fish processing plants. Juneau is also home to the second largest number of commercial fish permit holders in Southeast Alaska.

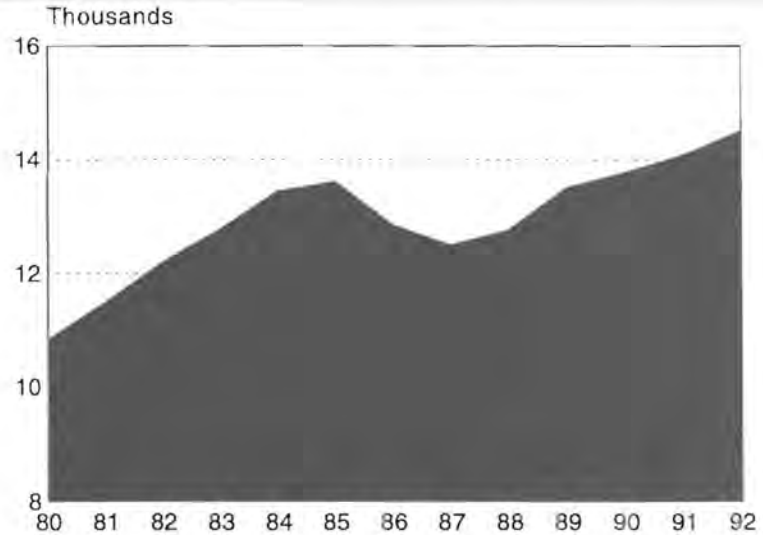
Another important source of private sector employment is tourism. Juneau's tourism trade has been a significant contributor to private employment growth during the past ten years. An ever-increasing number of cruise ship passengers has been the primary source for growth in this industry.

Good labor market for women helps raise household incomes

Juneau's dependence upon government as its major economic engine has several economic side effects. Except for the oil price crash and recession of 1986-88, Juneau's economy has been marked by relative stability. (See Figure 3.) The presence of a large government work force also means more job opportunities in occupations which have traditionally employed a large percentage of women. The 1990 census showed that 74% of the women aged 16 or over participated in Juneau's labor market. This compares to 66% percent statewide and around 69% in Anchorage and Fairbanks. Even more remarkable was the 3.3% unemployment rate for Juneau women. (See Table 3.) The high percentage of women in the labor force also contributes to a higher household income in Juneau. This is because of a larger than average percentage of dual income households.

Figure • 3

Job Growth Has Been Steady Except 86-88



Source: Alaska Department of Labor Research & Analysis Section

Table • 2

Juneau's Ten Largest Private Employers

Rank	Firm ^{1/}	1992 Annual Avg. Employment
1	Fred Meyer	204
2	Alaska Airlines	146
3	Foodland Supermarket	135
4	Westmark Hotels	110 ^{2/}
5	REACH Inc.	105
6	Southeast Alaska Regional Health Corp	104
7	Hathaway Enterprises of Ak. Inc.	90
8	McDonald's of Juneau	79
9	St. Ann's Care Center Inc.	67
10	JC Penney's	67

^{1/} One of the 10 largest employers in Juneau asked to be excluded from this listing. Published with permission of employers.

^{2/} Managers estimate

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

Tight housing market means higher rent cost

Despite Juneau's relatively stable economic climate, the dependence on one industry has discouraged investment in some areas—particularly housing. With the exception of the recession, Juneau's housing market has been notoriously tight. This contributes to a higher than average median gross rent and is a prominent factor in Juneau's high cost of living.

Future dependent upon government

As predominantly a one-industry town, economic diversification is an important ingredient in Juneau's future economic success. Diversification will become even more important if fiscal pressures caused by falling state oil revenues force reductions in Juneau's main employer. Currently, the mining and tourism sectors offer the most promise to expanding Juneau's private employment base. However it can't be ignored that Juneau's economic well-being for the immediate future is tied to the public sector, particularly state government.

A snapshot of Juneau Statistics from the 1990 Census

	Juneau	Alaska
A highly educated population..		
High school graduate or higher	89.9%	86.6%
Bachelor's degree or higher	30.7%	23.0%
Labor force participation is high...		
All persons 16 years +	78.7%	74.7%
Percent males 16+ in labor force	83.5%	82.1%
Percent males unemployed (Mar./Apr. 90)	6.2%	10.0%
Percent females 16+ in labor force	74.1%	66.4%
Percent females unemployed (Mar./Apr. 90)	3.3%	7.3%
Family incomes are higher...		
Less than \$5,000	1.5%	2.6%
\$5,000-\$9,999	1.9%	3.3%
\$10,000-\$19,999	7.0%	11.1%
\$20,000-\$27,499	7.4%	9.5%
\$27,500-\$34,999	6.9%	9.3%
\$35,000-\$49,999	19.6%	18.4%
\$50,000-\$74,999	27.9%	23.8%
\$75,000-\$99,999	17.0%	12.9%
\$100,000 or more	10.8%	9.1%
Median family income in 1989	\$54,088	\$46,581
Percent of families below poverty level	3.7%	6.8%
Rents are higher too...		
Percent rented for less than \$200	2.1	1.7
Percent rented for \$200-\$299	5.2	5.4
Percent rented for \$300-\$499	16.2	27.8
Percent rented for \$500-\$749	37.8	29.8
Percent rented for \$750-\$999	23.6	12.8
Percent rented for \$1,000 or more	13.4	9.1
No cash rent	1.6	13.5
Median Gross Rent	\$653	\$559

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