

Income Measures

By Greg Huff and Judy Hallanger

Introduction

One income statistic shows that Alaska has one of the largest concentrations of millionaires in the United States—Alaska's count of 1,200 millionaires was the fifth highest among the 50 states in 1982. Another statistic reveals that over one in five Alaskans are below the poverty level at any one time. Census statistics show that over 42,000 persons in Alaska were below the poverty level at the beginning of this decade.

These are only two examples of the wide range of income measures available to analyze a variety of concepts and trends. Some of the most useful ways to use income statistics are to measure the purchasing power of individuals or an entire population. Other income measures can be used to gauge the average cost of an employee to a firm or as a yardstick to compare average monthly wage in various industries.

This article will examine some of the most common income measures available for Alaska. We will primarily focus on data pertaining to personal income and its components, but will also provide statistics on poverty level guidelines. Also included are comparisons of Alaska income figures to national figures. Detailed data tables for reference are available throughout the article.

One in five Alaskans are below the poverty level at any one time.

SOURCES OF PERSONAL INCOME

Personal income data from the U.S. Department of Commerce includes all possible legal sources of income. Three main components make up personal income¹: 1) earnings 2) dividends, interest, and rent 3) transfer payments. Earnings, the largest component, is the sum of wages and salaries, other labor income (like contract work or tips) and proprietors' income.

Table 1 provides Alaska personal income statistics from 1980 to 1986. The data shows that earnings (less adjustments) accounted for 84% of total personal income in 1980, but by 1986 that proportion fell to 77%. During this period dividends, interest and rent; and transfer payments grew faster than earnings. This caused the share that earnings represented of total personal income to decrease.

Table 1
Components of Total Personal Income
(in millions of 1986 dollars)
Alaska, 1980-1986

	1980	1981	1982	1983	1984	1985	1986	Percent of Total 1980	Percent of Total 1986
Total Personal Income	\$7,059	\$7,494	\$8,519	\$9,442	\$9,479	\$9,658	\$9,430	100.0%	100.0%
Net Earnings ¹	5,932	6,252	6,833	7,553	7,665	7,678	7,284	84.0	77.2
Dividends, Interest, & Rent	513	585	668	799	873	885	923	7.3	9.8
Transfer Payments	614	658	1,017	1,090	941	1,095	1,224	8.7	13.0
Total Earnings	6,769	7,229	7,935	8,740	8,826	8,840	8,340	100.0	100.0
Wages and Salaries	5,537	6,118	6,724	7,244	7,299	7,266	6,815	81.8	84.6
Other Labor Income	457	518	596	662	643	638	589	6.8	7.2
Proprietors' Income	774	593	614	834	884	919	936	11.4	8.2

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

¹ Total Earnings less adjustments for social insurance and residency.

Alaska has one of the largest concentrations of millionaires in the United States.

The income component including dividends, interest, and rent is the total of the proceeds from investments by individuals, while transfer payments are income derived from government assistance to individuals. In table 1 the large increase in transfer payments in 1982 was primarily a result of the first annual permanent fund dividend payment to Alaskans. Unemployment payments boosted the transfer payment component in 1986 as the Alaskan economy went into a recession.

Total personal income, the aggregate of income of all individuals from all legal sources, is a good indicator of the total purchasing power of Alaska's population. Data from the U.S. Department of Commerce indicates that approximately 86% of Alaska's total personal income is disposable income—or income after taxes that is available for purchasing of goods and services or investing.

Disposable income totaled approximately \$6.0 billion in 1980, increasing to \$8.3 billion in 1985 (both figures are adjusted to 1986 dollars). This boost of \$2.3 billion in spendable income was the impetus for the rapid growth of firms providing a variety of goods and services through 1985. With the onset of 1986 and the beginning of an economic downturn, disposable income fell slightly to \$8.1 billion. The decline would have been

greater if it were not for a sharp increase in unemployment insurance payments during that year, expanding the transfer payments category.

The largest component of personal income, earnings (less adjustments), declined by more than \$400 million or nearly 6% in 1986 as wages and salaries and other labor income fell dramatically.

National income statistics show that the contribution of dividends, interest, rent and transfer payments to total personal income are generally greater outside Alaska as figure 1 illustrates. But the components of earnings (wages and salaries, other labor income, and proprietors' income) have similar percentage shares in Alaska and nationally.

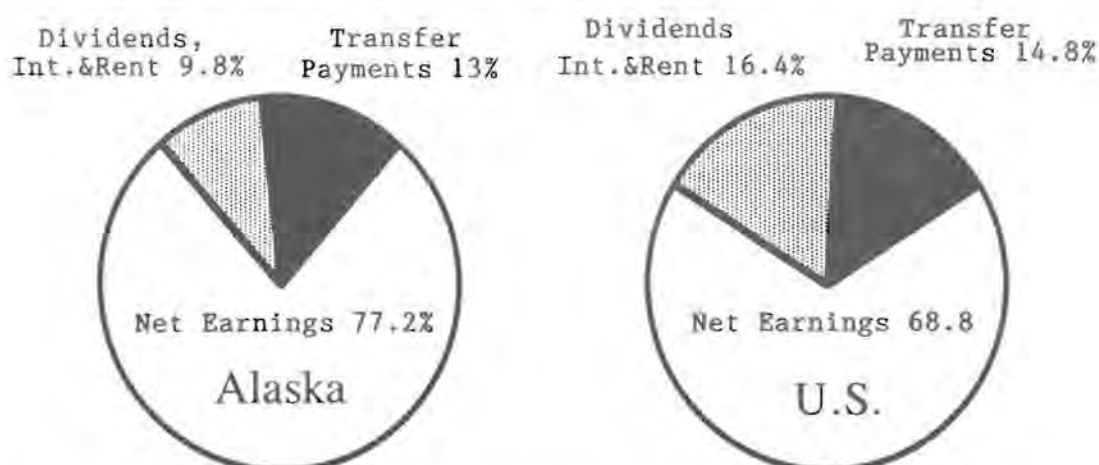
Geographic Comparisons of Personal Income

We will examine three geographic views of Alaska's personal income: census area data, a ranking of the 50 states, and a historical comparison between Alaska and the U.S. from 1970 to 1986.

A Look At Census Areas

The most current personal income data by census area is for 1984 (Table 2). During that year, Alaska's average per capita personal income was

Figure 1
Personal Income by Component, 1986



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

Table 2
1984 Personal Income
by Census Area

	Total Personal Income (millions of dollars)	Per Capita Income		
		Dollars	Percent of U.S. Average	Percent Change From 1983
Alaska	\$8,771	\$17,550	137%	1.0%
U.S.	3,016,317	12,772	100	9.3
Aleutian Islands	119	16,715	131	3.5
Anchorage Borough	4,349	19,188	150	2.4
Bethel	114	10,050	79	0.2
Bristol Bay Borough	23	20,472	160	5.4
Dillingham	55	10,852	85	-2.2
Fairbanks North Star Borough	1,293	20,764	163	1.3
Haines Borough	32	17,250	135	12.7
Juneau Borough	505	21,253	166	2.0
Kenai Peninsula Borough	499	13,237	104	2.1
Ketchikan Gateway Borough	232	18,138	142	-2.1
Kobuk ¹	60	11,822	93	1.9
Kodiak Island Borough	174	11,826	93	-8.9
MatSu Borough	420	14,197	111	-9.2
Nome	96	14,265	112	2.2
North Slope Borough	113	26,077	204	5.7
Prince of Wales-Outer Ketchikan	63	14,460	113	-1.2
Sitka Borough	120	16,090	126	0.9
Skagway-Yakutat-Angoon	56	16,124	126	8.4
Southeast Fairbanks	80	12,685	99	3.8
Valdez-Cordova	150	17,536	137	6.8
Wade Hampton	34	7,466	58	5.3
Wrangell-Petersburg	101	15,812	124	-12.9
Yukon-Koyukuk	81	9,537	75	-2.1

¹ Now the Northwest Arctic Borough

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

Note: Not directly comparable with the data in Tables 3 and 4 due to revision of state personal income data after the release of census area data for 1984. Revised personal income data for census areas will not be available from the Bureau of Economic Analysis until April, 1988.

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\$17,550, 137% of the national average. The North Slope Borough ranked at the top of the Alaskan census areas with a per capita income of \$26,077 while Wade Hampton had the lowest per capita income, \$7,466. Although the majority of the census areas had per capita incomes above the national average, seven did not.

In general, Alaska's per capita personal income grew much more slowly than the nation as a whole from 1983 to 1984. Only the Haines Borough, at 12.7%, had growth above the national average and seven census areas showed declines.

Noncash sources of goods and services, which are important in many Alaskan rural census areas, are not included in personal income data. Also, many census areas with low per capita income have exceptionally high costs for energy, food, and other goods and services. For these reasons, caution is advised when attempting to use per capita personal income data to compare the standard of living between census areas of the state.

Table 3
1986 Per Capita Personal Income
Ranked By State

Rank	State	Per Capita Income (dollars)	Percent of U.S. Average	Percent Change From 1985
1	Connecticut	\$19,208	133%	6.1%
2	New Jersey	18,284	126	6.2
3	ALASKA	17,744	123	-2.2
4	Massachusetts	17,516	121	6.9
5	New York	17,118	118	6.4
6	California	16,778	116	4.4
7	Maryland	16,588	115	4.6
8	New Hampshire	15,922	110	6.5
9	Illinois	15,420	107	4.6
10	Virginia	15,374	106	5.6
11	Colorado	15,113	105	2.1
12	Nevada	15,074	104	4.1
13	Delaware	15,010	104	5.2
14	Minnesota	14,737	102	4.6
15	Hawaii	14,691	102	6.1
16	Rhode Island	14,670	101	5.3
17	Washington	14,498	100	4.4
—	U.S. AVERAGE	14,461	100	4.3
18	Kansas	14,379	99	4.3
19	Florida	14,281	99	3.9
20	Michigan	14,064	97	3.4
21	Pennsylvania	13,944	96	3.9
22	Wisconsin	13,796	95	4.9
23	Nebraska	13,777	95	3.7
24	Ohio	13,743	95	3.9
25	Missouri	13,657	94	3.2
26	Texas	13,523	94	0.4
27	Wyoming	13,230	91	0.1
28	Georgia	13,224	91	5.4
29	Iowa	13,222	91	4.9
30	Arizona	13,220	91	3.5
31	Oregon	13,217	91	4.6
32	Indiana	12,944	90	4.0
33	Vermont	12,845	89	6.1
34	Maine	12,709	88	7.0
35	Oklahoma	12,368	86	1.3
36	North Dakota	12,284	85	1.9
37	North Carolina	12,245	85	5.5
38	Montana	11,904	82	8.4
39	South Dakota	11,850	82	6.2
40	Tennessee	11,831	82	5.4
41	Idaho	11,432	79	2.7
42	Louisiana	11,227	78	-0.3
43	Kentucky	11,129	77	2.9
44	Alabama	11,115	77	4.2
45	South Carolina	11,096	77	4.4
46	New Mexico	11,037	76	1.2
47	Arkansas	10,773	74	2.9
48	Utah	10,743	74	2.4
49	West Virginia	10,530	73	3.3
50	Mississippi	9,552	66	4.0

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

State Rankings

After 13 straight years at the top of the state per capita personal income standings, Alaska fell to the number three spot in 1986 (Table 3). The new leader is Connecticut, with a per capita income of \$19,208, more than double the \$9,552 of 50th-ranked Mississippi. At \$17,744, Alaska was

23% higher than the national average of \$14,461.

Alaska and Louisiana were the only two states to experience per capita income losses from the previous year. These states, along with Wyoming, Texas, New Mexico, and Oklahoma, were adversely affected by the declines in the oil industry, which depressed the growth of per capita income there. The New England and Mid-Atlantic states have had large gains in total personal income from growth in construction and in business and financial services. These gains, coupled with a small population increase, resulted in per capita income growth well above the U.S. average of 4.3% from 1985 to 1986.

Long-Term Trends: Alaska and the U.S.

Table 4 compares total and per capita personal income in Alaska to the U.S. average from 1970 to 1986. This data, which is not adjusted for inflation, shows Alaska contributed only a tiny fraction (0.2-0.3%) to the nation's total personal income and that Alaska's per capita income has been consistently higher than the U.S. average during this period. Both per capita and total personal income fell in Alaska in 1986.

Figure 2 plots the long-term per capita income data after adjustments for inflation have been made using the annual rate of change in the CPI-U for Anchorage and the U.S. city average. In real terms, Alaska's per capita income peaked in 1976 at \$20,167 as a result of the oil pipeline boom. Three years of sharp declines followed. In 1983, at the height of oil revenue spending, a second peak was established at \$19,558 and again three subsequent years of declines have been encountered. In contrast, the U.S. per capita income suffered minor setbacks in 1973-1975 and again from 1979-1982, but has been growing steadily for the past four years. The overall effect of these differing trends is to bring the Alaskan per capita income closer to the U.S. average.

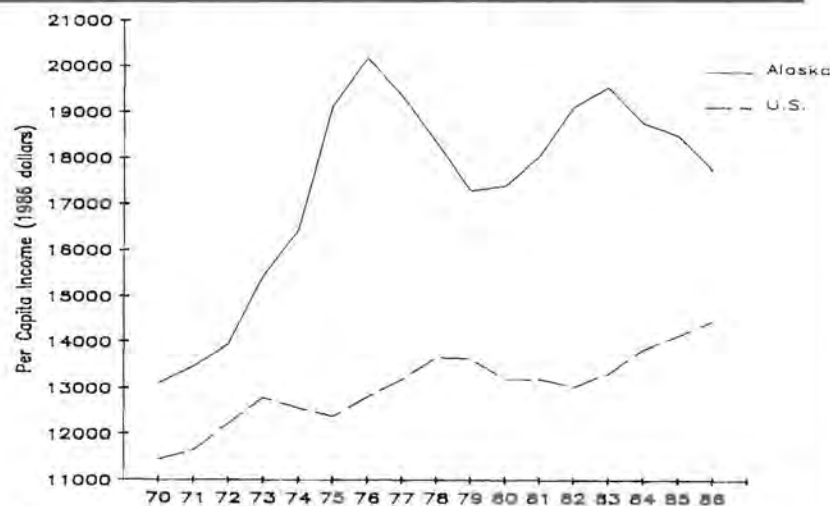
Table 4
Total and Per Capita Personal Income
Alaska and the United States 1970-1986

	Alaska Total (billions of dollars)	U.S. Total (billions of dollars)	Alaska Per Capita (dollars)	U.S. Per Capita (dollars)	Alaska Percent of U.S. Per Capita
1970	\$1.52	\$825.5	\$4,986	\$4,051	123%
1971	1.67	888.5	5,279	4,296	123
1972	1.83	976.1	5,610	4,664	120
1973	2.16	1,095.1	6,482	5,181	125
1974	2.63	1,204.1	7,635	5,644	135
1975	3.76	1,307.5	10,121	6,069	167
1976	4.52	1,446.1	11,499	6,647	173
1977	4.67	1,601.8	11,764	7,289	161
1978	4.81	1,806.2	11,947	8,133	147
1979	5.02	2,026.7	12,435	9,025	138
1980	5.59	2,252.0	13,797	9,910	139
1981	6.42	2,512.3	15,460	10,940	141
1982	7.70	2,660.9	17,281	11,470	151
1983	8.69	2,833.2	17,995	12,093	149
1984	9.08	3,101.4	17,970	13,115	137
1985	9.48	3,310.5	18,140	13,867	131
1986	9.47	3,486.2	17,744	14,461	123

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

The most turbulent swings in payroll levels from 1980 to 1986 occurred in the construction industry.

Figure 2
Alaska and U.S. Real Per Capita Income, 1980-1986



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

The government's portion of total payroll in Alaska is twice that it represents nationally.

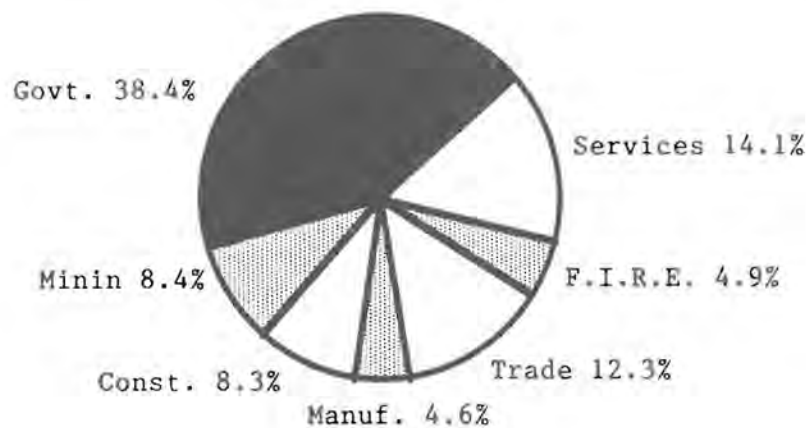
SOURCES OF WAGES AND SALARIES

This section is broken into two segments: the first uses data from the U.S. Department of Commerce to compare the industry distribution of wages and salaries in Alaska to the distribution nationally. Though the national statistics are the average of all states and some states have industry distribution patterns similar to Alaska's the comparison demon-

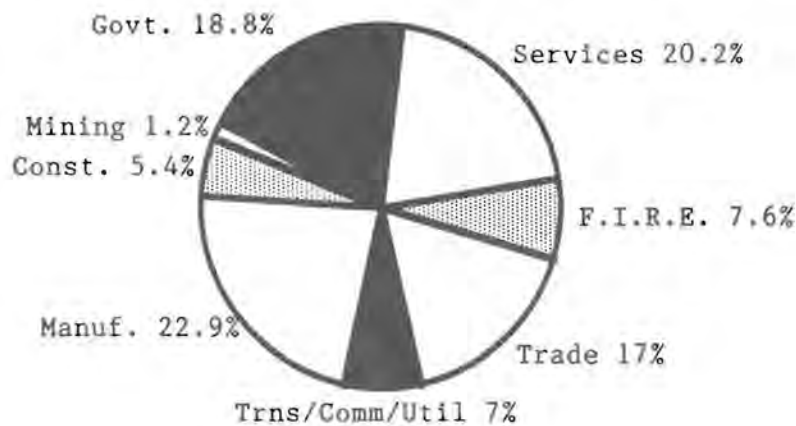
strates Alaska's economic uniqueness. The second segment uses Alaska Department of Labor data and provides Alaska's industry and regional wage and salary trends from 1980 to 1986.

Because the data in each section comes from different sources they are not directly comparable.

Figure 3
Alaska and U.S. Payroll by Industry, 1986



Alaska



U.S.

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

2/ Payroll does not include farm and agricultural services.

Most of the decline in the average monthly wage is due to the reduction of the number of hours worked per month.

Alaska/National Wage and Salary Comparisons

Figure 3 illustrates the relative share each industry or government sector represents of total payroll figures for Alaska and the nation. Most striking are the differences in the level of government and manufacturing payrolls. Alaska's manufacturing industry represents a relatively small share of total payroll compared to the share it represents nationally, but the government's portion of total payroll in Alaska is twice that it represents nationally. All segments of government represent a higher share than they do nationally as Table 5 indicates:

Table 5
Governments Share of Total Payroll
Alaska and the U.S., 1986

	Alaska Percent of Total	U.S. Percent of Total
Federal, civilian	7.5%	4.0%
Military	7.4	2.0
State and local	23.4	12.7
Total Government	38.3	18.7

Another significant difference between Alaska and the nation is the relative level of the mining industry payroll. In Alaska over 8% of total payroll is accounted for by the mining industry (primarily related to the oil and gas industry) while this figure is just over 1% nationally. (To see comparisons of Alaska and other oil states refer to *Alaska Economic Trends*, December 1986).

Table 6
Alaska Total Payroll
By Industry 1980-1986
(in millions of 1986 dollars)

Industry	1980	1981	1982	1983	1984	1985	1986	Percent Change 80-86	Percent Change 1980	Percent Change 1986
Mining	\$384	\$520	\$499	\$485	\$512	\$573	\$579	50.7%	8%	9%
Construction	537	678	892	1,042	932	779	543	1.1	11	9
Manufacturing	390	355	336	325	300	299	303	-22.5	8	5
Transportation	632	692	714	707	689	661	602	-4.7	13	10
Wholesale Trade	180	206	236	265	279	278	248	37.7	4	4
Retail Trade	416	468	527	598	626	624	562	35.0	8	9
Fin.-Insurance & R.E.	181	195	231	267	293	308	307	69.3	4	5
Services and Misc.	641	744	888	950	991	982	902	40.8	13	15
Federal Government	468	480	473	502	514	494	502	7.4	9	8
State Government	521	553	600	647	640	697	689	32.2	11	11
Local Government	585	637	717	788	836	891	898	53.6	12	15
Total	4,935	5,526	6,112	6,579	6,612	6,587	6,134	24.3	100	100

Source: Alaska Department of Labor, ES-202 files.

Note: Adjusted to 1986 dollars with the annual Anchorage CPI-U

Alaska's Wage and Salary Trends

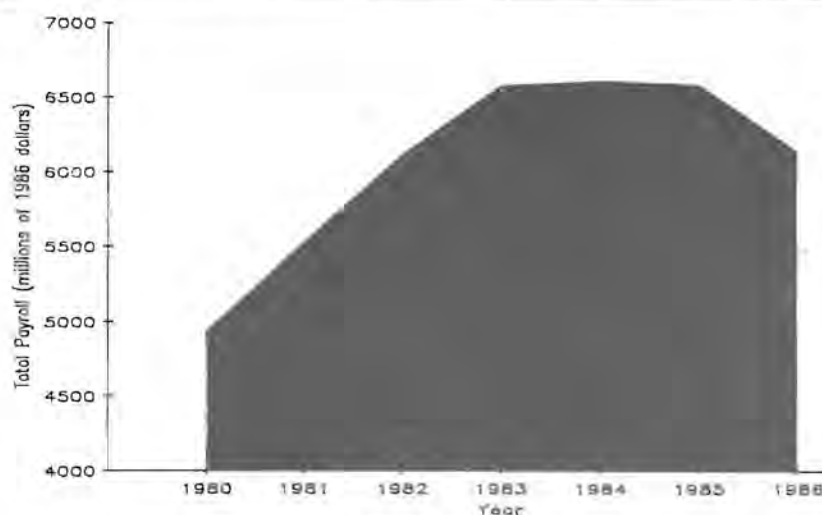
The wage and salary data from the Alaska Department of Labor has been estimated to represent 70% of total personal income and is a good indicator of the total purchasing power of Alaskans. This data does not, however, include military payroll figures. The self employed are not counted among wage and salary employment.

From the period of 1980 to 1986 wages and salaries (total payroll) in the state increased over 24% (adjusted to 1986 dollars). Total payroll did not, however, peak in 1986. It peaked in 1984 as figure 4 illustrates. From 1980 to 1984 total payroll increased by over one-third and provided the largest share of the increases in personal income. The additional purchasing power of workers in the basic industries during this period provided an enormous impetus for the expansion of firms providing a variety of goods and services.

By the end of 1985 total payroll had declined less than 1.0%, but over half the industries experienced payroll declines. The decline picked up pace in 1986 resulting in wage and salary declines of over \$450 million, a 7% drop. If it were not for payroll increases in government the decreases would have been more severe.

The most turbulent swings in payroll

Figure 4
Alaska's Nonagricultural Payroll, 1980-1986



Source: Alaska Department of Labor, Research & Analysis.

levels from 1980 to 1986 occurred in the construction industry. In 1980 total construction payroll was \$537 million increasing to over one billion dollars in 1983 and plunging to \$542 million in 1986 (all figures are in 1986 dollars). These payroll declines were a result of falling employment levels and the decline in the average monthly wage (average monthly wage data will be presented later in this article).

Declines in the total payroll of the manufacturing industry from 1980 to

1985 was the result of a moderate decline in the average monthly wage and notable declines in employment levels of the seafood processing and pulp and lumber sectors. These sectors began a growth period in 1986 as reflected in the payroll figures. Refer to Table 6 for industry details.

Table 7
Alaska
Total Payroll by Census Area
(in millions of 1986 dollars)

Census Area	1980	1981	1982	1983	1984	1985	1986	Percent Change 80-86	Percent of State 1980	Percent of State 1986
Aleutian Islands	\$76	\$77	\$71	\$75	\$69	\$72	\$76	0.4%	1.5%	1.2%
Anchorage	2,250	2,493	2,799	3,060	3,156	3,175	3,015	34.0	45.6	49.2
Bethel Census Area	64	70	77	89	87	85	84	32.4	1.3	1.4
Bristol Bay Borough	20	22	25	24	25	25	27	39.4	0.4	0.4
Dillingham Census Area	39	42	41	48	44	44	43	12.6	0.8	0.7
Fairbanks North Star Borough	647	705	788	828	823	858	768	18.8	13.1	12.5
Haines Borough	11	12	14	15	18	19	23	111.9	0.2	0.4
Juneau Borough	303	333	351	375	376	377	353	16.5	6.1	5.7
Kenai Peninsula Borough	257	280	302	312	333	349	309	20.0	5.2	5.0
Ketchikan Gateway Borough	165	149	156	167	151	153	155	-5.9	3.3	2.5
Kodiak Island Borough	107	99	111	128	113	99	96	-10.5	2.2	1.6
Matanuska-Susitna Borough	76	90	112	133	166	168	158	107.8	1.5	2.6
Nome	47	51	55	61	65	65	63	35.1	1.0	1.0
North Slope Borough	352	547	611	653	591	538	413	17.6	7.1	6.7
Northwest Arctic Borough	34	42	43	44	45	44	42	22.5	0.7	0.7
Prince of Wales/Outer Ketch.	36	39	39	43	44	43	45	25.2	0.7	0.7
Sitka Borough	104	106	103	95	86	81	82	-20.7	2.1	1.3
Skagway-Yakutat-Angoon	24	27	35	41	32	31	34	44.6	0.5	0.6
Southeast Fairbanks	24	26	26	29	30	31	37	54.1	0.5	0.6
Valdez-Cordova Census Area	116	127	127	117	115	113	103	-11.7	2.4	1.7
Wade Hampton	17	21	22	20	22	22	23	35.4	0.3	0.4
Wrangell-Petersburg	68	68	65	70	60	63	60	-11.6	1.4	1.0
Yukon-Koyukuk	82	84	90	92	89	65	63	-23.2	1.7	1.0
Miscellaneous	18	18	49	57	72	68	60	233.8	0.4	1.0
TOTAL	4,935	5,526	6,112	6,579	6,612	6,587	6,134	24.3	100.0	100.0

Source: Alaska Department of Labor, ES-202 files.

Note: Adjusted to 1986 dollars with the annual Anchorage CPI-U

Geographic Distribution of Payroll

The Alaska Department of Labor wage and salary data contained in Table 7 gives an indication of the total purchasing power of Alaska's 23 census areas.

Average Monthly Wages

Average monthly wages are computed by dividing total yearly payroll by average yearly employment and then further dividing by 12. (Average monthly wages by industry adjusted to 1986 dollars are shown in Table 8.) The data is good for determining the average wage cost to a firm per job, but many overstate or understate the actual monthly earnings per worker. For example, industries characterized by high proportions of part-time workers will show average monthly wage levels appreciably below the actual monthly levels of regular full-time employees in these industries and of those industries that have few part-time workers. The retail trade and services industries are prime examples of this situation.

The opposite effect characterizes industries with low proportions of part-time workers, or industries which typically schedule heavy weekend and overtime work. Prime examples of this situation are the construction and oil and gas industries (Oil and gas is the major component of the mining industry).

For specific occupational wages for Alaska see Alaska Department of Labor's annual *Alaska Wage Rates* publication. For additional data concerning wages and salaries contact Department of Labor, Research and Analysis section.

The data in Table 8 shows that average monthly wages and salaries in 1986 were below 1980 wages (adjusted for inflation). This occurred after wages fell \$277 per month from the 1985 pay levels. All sectors of the economy felt the impacts of declining oil prices in 1986 and the average monthly wage declines reflect this.

Table 8
Alaska Average Monthly Wage
By Industry
(in 1986 dollars)

Industry	1980	1981	1982	1983	1984	1985	1986	Percent Change 80-86	Ratio to State Average 1986
Mining	\$4,797	\$4,754	\$4,705	\$4,945	\$4,908	\$5,255	\$5,069	5.67%	2.2
Construction	4,211	4,377	4,387	4,193	3,813	4,857	2,431	-42.27	1.1
Manufacturing	2,326	2,128	2,176	2,251	2,212	1,977	2,082	-10.49	0.9
Transportation	3,099	3,193	3,224	3,176	3,071	3,074	2,687	-13.29	1.2
Wholesale Trade	2,718	2,669	2,714	2,757	2,676	2,862	2,369	-12.85	1.0
Retail Trade	1,459	1,457	1,440	1,492	1,458	1,461	1,263	-13.41	0.6
Finance-Ins. & R.E.	1,973	1,969	2,113	2,188	2,203	2,262	2,202	11.60	1.0
Services & Misc.	1,809	1,905	2,028	2,032	1,955	1,920	1,711	-5.43	0.8
Federal Government	2,195	2,278	2,233	2,361	2,368	2,306	2,384	8.61	1.1
State Government	2,880	2,826	2,833	2,912	2,813	2,923	2,845	-1.20	1.3
Local Government	2,400	2,485	2,607	2,669	2,677	2,728	2,738	14.06	1.2
State Average	2,451	2,516	2,560	2,600	2,506	2,546	2,269	-7.42	1.0

Sources: Alaska Department of Labor, ES-202 files.

Note: Adjusted to 1986 dollars with the annual Anchorage CPI-U

Table 9
Alaska Average Monthly Wage
By Census Area
(in 1986 dollars)

Census Area	1980	1981	1982	1983	1984	1985	1986	Percent Change 80-86	Ratio to State Average 1986
Aleutian Islands	\$1,974	\$1,873	\$1,906	\$1,861	\$1,881	\$1,842	\$2,055	4.09%	0.9
Anchorage Borough	2,421	2,435	2,457	2,496	2,438	2,522	2,278	-5.89	1.0
Bethel Census Area	1,528	1,738	1,839	1,917	1,918	1,897	1,842	20.55	0.8
Bristol Bay Borough	2,205	2,439	2,265	2,136	2,279	1,909	2,127	-3.54	0.9
Dillingham Census Area	2,089	2,080	2,065	2,364	1,978	1,925	1,916	-8.28	0.8
Fairbanks North Star Borough	2,593	2,586	2,651	2,683	2,521	2,636	2,229	-14.05	1.0
Haines Borough	1,625	1,849	1,964	2,120	2,174	2,013	2,680	64.91	1.2
Juneau Borough	2,353	2,442	2,433	2,488	2,374	2,491	2,199	-6.53	1.0
Kenai Peninsula Borough	2,579	2,577	2,578	2,527	2,463	2,579	2,132	-17.35	0.9
Ketchikan Gateway Borough	2,373	2,244	2,312	2,346	2,235	2,110	2,209	-6.90	1.0
Kodiak Island Borough	1,943	1,905	2,088	2,185	1,954	1,671	1,729	-11.00	0.8
Matanuska-Susitna Borough	2,023	2,085	2,175	2,118	2,167	2,147	1,934	-4.42	0.9
Nome	1,900	1,960	2,147	2,144	2,121	2,109	1,997	5.11	0.9
North Slope Borough	4,825	5,207	5,309	5,294	5,162	5,710	3,695	-23.42	1.6
Northwest Arctic Borough	2,034	2,044	1,948	2,207	2,179	2,090	1,991	-2.09	0.9
Prince of Wales/Outer Ketch.	2,402	2,199	2,203	2,351	2,239	2,004	2,129	-11.35	0.9
Sitka Borough	2,337	2,433	2,438	2,319	2,221	2,011	2,105	-9.94	0.9
Skagway-Yakutat-Angoon	1,770	1,841	2,032	2,285	1,841	1,670	2,097	18.47	0.9
Southeast Fairbanks	1,897	1,975	1,846	1,955	1,928	1,754	2,359	24.33	1.0
Valdez-Cordova	2,824	2,824	2,777	2,642	2,641	2,776	2,351	-16.75	1.0
Wade Hampton	1,522	1,628	1,687	1,670	1,649	1,515	1,655	8.76	0.7
Wrangell-Petersburg	1,945	2,092	2,128	2,292	2,110	2,206	2,118	8.88	0.9
Yukon-Koyukuk	2,758	2,781	2,733	2,752	2,602	2,311	2,144	-22.28	0.9
Unknown Area	1,375	1,181	2,692	3,134	3,490	3,047	2,602	89.17	1.1
State Average	2,451	2,516	2,560	2,600	2,506	2,546	2,269	-7.42	1.0

Sources: Alaska Department of Labor, ES-202 files.

Note: Adjusted to 1986 dollars with the annual Anchorage CPI-U

Table 10
1987 Lower Living Standard Income Level (LLSIL)

Family Size	Metropolitan Alaska		Nonmetropolitan Alaska	
	Income Criteria for 100% of the LLSIL	Income Criteria for 70% of the LLSIL	Income Criteria for 100% of the LLSIL	Income Criteria for 70% of the LLSIL
1	\$ 9,400	\$ 6,580	\$ 8,871	\$ 6,210
2	15,414	10,790	14,529	10,170
3	21,157	14,810	19,943	13,960
4	26,129	18,290	24,629	17,240
5	30,829	21,580	29,057	20,340
6	36,057	25,240	33,986	23,790
Add for each additional family member:	5,229	3,660	4,929	3,450

Source: Employment and Training Reporter, Vol. 18, No. 48, Aug. 12, 1987, p. 1289.

Table 11
1987 Poverty Income Guidelines

Family Size	Alaska	All States Except Alaska and Hawaii
1	\$6,860	\$5,500
2	9,240	7,400
3	11,620	9,300
4	14,000	11,200
5	16,380	13,100
6	18,760	15,000
Add for each additional family member:	2,380	1,900

Source: Employment and Training Reporter, Vol. 18, No. 48, Aug. 12, 1987, p. 1291.

Workers in the construction sector, in particular, have had the most dramatic reduction in both the number of hours worked and hourly pay from the levels during the peak construction year of 1983. Refer to Table 8 for industry details.

Most of the decline in the average monthly wage is due to the reduction of the number of hours worked per month and to some extent the decline in hourly pay. For specific hours and earnings data see *Alaska Economic Trends*.

Alaska's Geographic Average Monthly Wage Distribution

Table 9 contains detailed average monthly wage data for Alaska's 23 census areas. Generally, those areas that contain high concentrations of oil and gas, construction or government employment tend to have a greater average monthly wage than those areas with small concentrations of those industries.

In addition, the urban areas of the state tend to have higher monthly wages than the rural areas. In some rural areas, wage and salary employment is scarce. In this case subsistence and other noncash sources of goods and services become the primary means of livelihood. Hence, the average monthly wage data is not a good overall measure of the standard of living between areas.

Urban areas of the state tend to have higher monthly wages than the rural areas.

Poverty Thresholds

Two measures of poverty are the Lower Living Standard Income Level (LLSIL) and the Poverty Income Guidelines published every year in the Federal Register and the Employment and Training Reporter. They are used to determine whether individuals and families meet eligibility criteria under the Job Training Partnership Act (JTPA). The LLSIL is based on the urban family budget, which was last revised in 1981. The 1987 LLSIL figures, adjusted for inflation by the consumer price index, can be found in Table 10. Poverty income guidelines are calculated by the Census Bureau and are based on an index adopted from the Department of Agriculture's Economy Food Plan. Table 11 lists the 1987 poverty guidelines for Alaska.

Summary

This article has provided many of the most common income measures available for Alaska. Overall these statistics show that Alaska's total personal income grew enormously during the early 1980s, but by the mid 1980s income level began to fall. In 1986 they fell sharply and continued into 1987. Most recent preliminary data from the Alaska Department of Labor shows total wages and salaries in the first quarter of 1987 fell 9.8% compared to first quarter 1986 figures.

Table 12 contains some fundamental information concerning the income measures discussed in this article and others the Department of Labor produces.

Table 12
A Summary of Income Measures

	Personal/Per Capita Income	Nonagricultural Wage and Salary Earnings	Income Poverty Guidelines	Lower Level Standard Income Level (LLSIL)
Description:	Estimates of total personal and per capita income	Total payroll and average monthly wage for nonagricultural workers	Estimated income used to determine program eligibility	Estimated income used to determine program eligibility
Responsible Agency:	U.S. Department of Commerce, Bureau of Economic Analysis	Alaska Department of Labor, Research & Analysis	U.S. Department of Commerce, Bureau of Census	U.S. Department of Labor, Employment and Training Administration
Source Of Data:	Estimates of wages, salaries, dividends, proprietors' income, rental income, etc.	Reports from employers on employment and wages covered by unemployment insurance	Survey and economy food plan	Urban Family Budget
Time Period:	Quarterly Annually	Quarterly Annually	Annually	Annually
Industry Detail:	Major Industry	None	None	Major Industry
Geographic Detail:	Alaska 23 Census Areas	Alaska 23 Census Areas	Alaska Balance of State (Rural)	Anchorage (Urban)
Published In:	Survey of Current Business	Statistical Quarterly	Federal Register	Federal Register
	Workers With Wages	Current Employment Statistics Hours and Earnings	Wage Rates for Selected Occupations	
Description:	20% sample of annual workers with covered wages, mean and median incomes	Sample-based estimates of average hours worked, average weekly wages, and average hourly wages for production workers	High, low, and average hourly wage rates for over 200 occupations	
Responsible Agency:	Alaska Department of Labor, Research & Analysis	Alaska Department of Labor, Research & Analysis	Alaska Department of Labor, Research & Analysis	
Source Of Data:	Reports from employers on employment and wages covered by unemployment insurance	Current Employment Statistics program, a voluntary sample of employers	Voluntary mail and telephone survey	
Time Period:	Quarterly Annually	Monthly Annually	Annually	
Industry Detail:	Major Industry	Major Industry	None	
Geographic Detail:	Alaska	Alaska	Alaska - 6 Regions	
Published In:	UI Actuarial Report	Alaska Economic Trends	Alaska Wage Rates	

Note:

¹ Personal income is measured after deduction for social security, government retirement, and other social insurance programs, but before deductions for income and personal taxes. Income from dividends, self-employed earnings, and businesses are all included in the measure of personal income. Estimates of proprie-

tors' income are derived from federal tax return data. Earnings from wages and salaries, other labor income and proprietors' income are also residency adjusted by the Bureau of Economic Analysis.