

# Alaska's Income Measures

By Greg Huff

## In 1987 Alaska's—

- \* Personal income fell 2.1%, while the nation's increased 7.0%.
- \* Per capita income fell to 4th place among the states, from #1 in 1985.
- \* Total personal income totalled \$9.6 billion and ranked 46th among the states.
- \* Government transfer payments increased due to high unemployment levels.

## In 1988, the Bureau of Economic Analysis forecasts that Alaska's—

- \* Personal income begins to increase. However, the increases are anemic compared to the national increases.
- \* Total nonagricultural payroll increases \$1.7 million and the average monthly wage increases \$30.

## In 1987 Alaska's total personal income declined for the second year in a row

These are highlights from recently released income statistics from the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) and Alaska Department of Labor (DOL). These statistics are useful in many ways. Depending upon their composition they can be used to measure the purchasing power of individuals or the economy as a whole. They can be used to gauge the average cost of an employee to a firm or as a yardstick to compare average wages in certain industries. Income data from BEA are available for the nation, on a statewide basis, or even for the state's various regions.

This article examines some common income measures available for Alaska and compares them with U.S. statistics. Also included are poverty level guidelines which are used to determine eligibility for various government programs. The statistics presented in this article are the most current at the time of writing.

### Total Personal Income

According to BEA figures, in 1987 Alaska's total personal income declined for the second year in a row. This decline counters the national trend, but is understandable in light of Alaska's recession and the strong national economy. Wyoming, another state which relies heavily on oil, experienced more severe declines in personal income over the same period. Except Louisiana, every other state had increases in total income for both years. Louisiana's income fell in 1986 and rebounded modestly in 1987. Texas, the second largest oil producing state but a more diversified economy, managed to avoid declines. Still the personal income increase in Texas was far below the national average. One trend is clear—oil producing states had sluggish growth in total personal income. The degree of sluggishness depended upon how much that state's economy was based upon the oil industry.

Alaska's total personal income of \$9.6 billion in 1987 is ranked 46th—higher than in Wyoming, North and South Dakota, and Vermont. Alaska's total personal income falls just shy of Montana's total personal income level.

When inflation is taken into account Alaska's 1987 income level is \$1 billion more than 1982 levels, \$2.5 billion above 1979, and over twice the 1970 level (Figure 1). Preliminary BEA income estimates indicate a moderate gain in personal income in 1988.

First quarter BEA income estimates for 1988 showed Alaska's total income increasing a modest 0.8%. This trend does not appear to be an aberration. Fourth quarter 1987 estimates also indicated gains (1.7%). Because inflation is low (as measured by the Anchorage CPI-U) the moderate increase is enough to maintain purchasing power.

### Sources of Income

What is total personal income? The Bureau of Economic Analysis breaks income sources into three main categories: 1) earnings, 2) dividends, interest, and rent, and 3) transfer payments.

Earnings, the largest component, are derived from wages and salaries, other labor income (like contract work or tips) and proprietors' income. The earnings component in 1987 accounted for 75% of income. In 1980 earnings accounted for 84% of total personal income. During the early 1980s dividends, interest and rent, and transfer payments were gaining share of total personal income because they were growing faster than earnings. In 1986 and 1987 they gained share because earnings fell off sharply when jobs and paychecks were lost.

The dividends, interest, and rent income component is the aggregate of proceeds from investments made by an individual, while transfer payments are income from government assistance to individuals. Large increases in transfer payments in the early 1980s

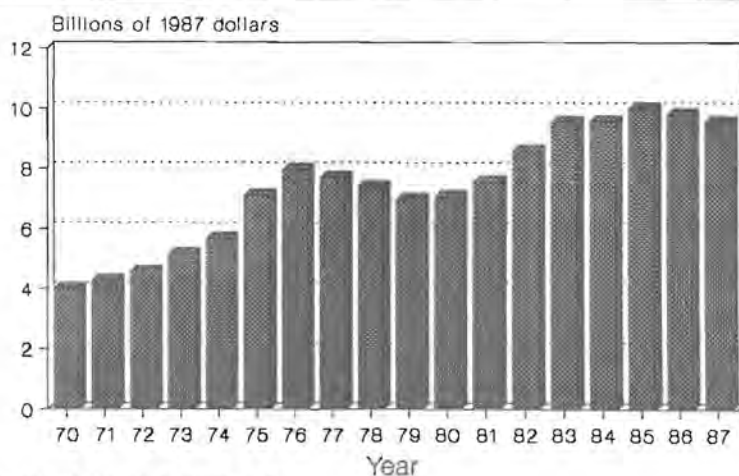
was a result of the onset of annual permanent fund dividend payments to Alaskans. Increases in the number of people applying for unemployment and other social support payments also contributed to increasing transfer payments beginning in 1985.

In early 1988 a boost in manufacturing, oil, federal and state government earnings income combined with increases in transfer payments produced moderate gains in Alaska's total personal income. Transfer payments were not boosted by increased unemployment payments, but other government assistance. The number of unemployment insurance claims declined from the peak of the previous two years. As mentioned earlier BEA's income estimates for first quarter 1988 showed Alaska's personal income rising a moderate 0.8% over the first quarter 1987 level.

U.S. income statistics show that the contribution of earnings (wages and salaries, other labor and proprietors income) to personal income represent similar proportions in Alaska and the nation. The contribution of dividends, interest, and rent, however, are greater nationally than in Alaska (Figure 2). The difference can be explained by the differing age characteristics of the Alaskan and national populations. Alaskans are younger on average than

**The earnings component in 1987 accounted for 75% of income. In 1980 earnings accounted for 84% of total personal income**

**Figure 1**  
**Alaska Total Personal Income**  
**1970-1987**



Source: US Dept of Commerce, BEA

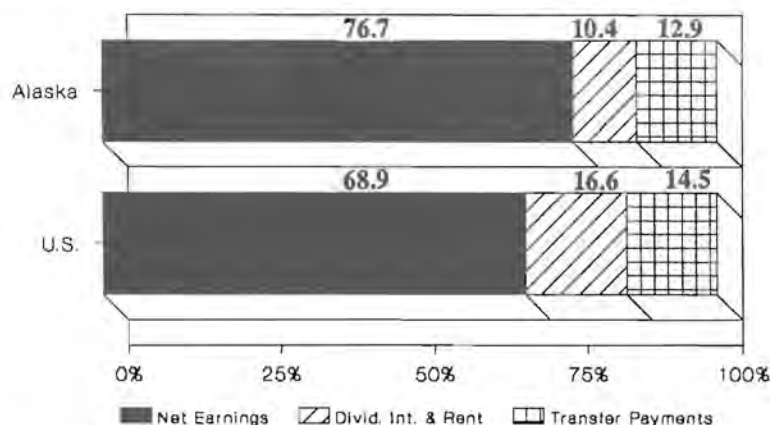
their fellow Americans. Since older people tend to own more capital than younger people they tend to earn more dividends, interest or rent than younger people.

Alaska's small elderly population also explains a smaller percentage of transfer payments than the rest of the nation. Alaska's population aged 65 and over is only 3.4% of the total population compared to the national average of 12.1%. Since the majority of social security payments go to older Americans it makes sense that transfer

payment income would be lower in Alaska.

Figures from BEA indicate that from 83% to 86% of Alaska's total personal income is disposable income, depending upon the year. These percentages fall in line with the national average. Disposable income is simply total income less taxes, hence, spendable. This would represent nearly \$8 billion in 1987 that Alaskans had available to purchase goods and services or to make investments.

**Figure 2**  
**Personal Income by Component**  
**U.S. and Alaska**



Source: US Dept. of Commerce, BEA

**Table 1**  
**Components of Total Personal Income**  
**Alaska for Selected Years**

	1980	1985	1986	1987
Total Personal Income	100.0%	100.0%	100.0%	100.0%
Net Earnings (less adjustments) <sup>1</sup>	84.4	78.7	77.1	75.3
Dividends, Interest & Rent	7.3	10.0	10.3	11.0
Transfer Payments	8.7	11.3	12.6	13.7
Earnings	100.0%	100.0%	100.0%	100.0%
Wages and Salaries	81.8	82.2	81.4	81.1
Other Labor Income	6.8	7.2	7.1	7.0
Proprietors Income	11.4	10.6	11.5	11.9

\* Adjusted using Anchorage CPI-U

<sup>1</sup> Personal contributions for social insurance are excluded from total personal income but included in (gross) earnings. Other adjustments include residence, farm proprietors and rental income adjustments.

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

### Per Capita Income and Household Income

Per capita personal income is defined as the annual total personal income for residents of an area divided by its resident population. This theoretically, includes every man, woman and child.  
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As Table 2 indicates, Alaska's per capita income has increased every year since 1970, except in 1984, 1986 and 1987. The U.S. average per capita income did not fall during those years. As a result, Alaska's per capita income has fallen in relation to the national average. In 1987 Alaska's per capita income was 118% of the national average — down from 151% in 1982 and 173% in 1976 (peak construction year for the Trans-Alaska pipeline).

When inflation is taken into account, the per capita trends change. It is apparent that while income increased nearly every year for a decade and a half, the purchasing power of that income has fluctuated (Figure 3). Two peaks in Alaska's per capita income are evident, one in 1976 and another in 1983. The U.S. average has taken a less bumpy road. Despite ups and downs, Alaska's and the nation's per capita incomes are substantially greater than 17 years ago.

Alaska and Wyoming were the only states to experience per capita income losses in 1986 and 1987, but income in other oil-depressed states indicated little growth over the period. Because

Alaska's per capita income declined in absolute terms it also fell in rank compared to other states. In 1985 Alaska's per capita income led the nation, as it had for over a decade. By 1987 Alaska was ranked 4th.

Average household income figures can be derived from BEA data by multiplying a state's average number of persons per household by its per capita income. Using this calculation Alaska's average household income comes to \$52,685, third behind Connecticut and New Jersey. Alaska's household income inches up two notches above the per capita rank because of a large average household size (Table 3).

The BEA also produces data for subregions of states, such as counties or boroughs, but these data lag one year behind the statewide estimates. In Alaska's case regional data are published for its 23 census areas, half of which correspond to the boundaries of organized boroughs, the other to unorganized areas.

Alaska's census area data reveal that 11 of the 23 census areas had per capita

levels below the national average. Most of these areas are rural in character, have little industry base and low levels of cash income.

Nine census areas had levels greater than the statewide average. These areas include three of Alaska's urban centers— Anchorage, Juneau and Ketchikan, which represent one-half of Alaska's total population. The six other areas which have a per capita income greater than the statewide average have smaller populations and at least one high paying industry in their boundaries which makes a sizable contribution to the employment base. For some areas, the oil industry is the primary catalyst, for others it is government or the fishing or timber industries. Three of the areas are boroughs— Bristol Bay, Haines and North Slope. The other three are census areas— Skagway-Yakutat-Angoon, Valdez-Cordova and Wrangell-Petersburg.

Noncash sources of goods and services, which are important in many Alaskan rural census areas, are not included in personal income data. Many census

**Alaska's average household income comes to \$52,685, third behind Connecticut and New Jersey**

**Table 2**  
**Total and Per Capita Personal Income**  
**Alaska and the United States**  
**1970-1987**

	Alaska Total (millions of dollars)	U.S. Total (millions of dollars)	Alaska Per Capita (dollars)	U.S. Per Capita (dollars)	Alaska Percent of U.S. Per Capita
1970	1,517	825,528	4,986	4,051	123
1971	1,671	888,453	5,279	4,296	123
1972	1,832	976,071	5,610	4,664	120
1973	2,160	1,095,076	6,482	5,181	125
1974	2,632	1,204,070	7,635	5,644	135
1975	3,755	1,307,539	10,121	6,069	167
1976	4,521	1,446,099	11,499	6,647	173
1977	4,674	1,601,844	11,764	7,289	161
1978	4,805	1,806,207	11,947	8,133	147
1979	5,017	2,026,684	12,435	9,025	138
1980	5,586	2,252,021	13,797	9,910	139
1981	6,449	2,514,231	15,520	10,949	142
1982	7,739	2,663,432	17,360	11,480	151
1983	8,758	2,834,385	18,134	12,098	150
1984	9,140	3,101,163	18,090	13,114	138
1985	9,777	3,317,239	18,726	13,895	135
1986	9,780	3,521,393	18,378	14,606	126
1987	9,576	3,768,125	18,230	15,481	118

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

Note: Income figures in this table are not adjusted (no adjustment has been made for price changes).



areas with low per capita income have exceptionally high costs for energy, food and other goods and services. (See Cost of Living article this *Trends*.) For these reasons, caution is advised when using per capita personal income data to compare the standard of living

between census areas of the state.

### 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 wage and salaries in Alaska to the distribution nationally. This section provides a general perspective to Alaska's economic uniqueness. The second section uses Alaska Department of Labor data and will look at the

**Table 3**  
**Per Capita Personal**  
**and Average Household Income By State**  
**1986-1987**

STATE	1986	1987	1986-87 Percent Change	1986-87 Percent U.S.	1987 Avg. Persons Household	1987 Avg. Household Income
Connecticut	\$19,547	\$21,266	8.8	137	2.62	\$55,717
District of Columbia	18,876	20,457	8.4	132	2.35	48,074
New Jersey	18,793	20,352	8.3	131	2.68	54,543
Massachusetts	17,635	19,142	8.5	123	2.58	49,386
Alaska	18,378	18,230	-0.8	117	2.89	52,685
Maryland	16,934	18,124	7.0	117	2.68	48,572
New York	16,821	18,004	7.0	116	2.58	46,450
California	16,792	17,821	6.1	115	2.68	47,760
New Hampshire	16,396	17,529	6.9	113	2.61	45,751
Delaware	15,498	16,696	7.7	107	2.64	44,077
Virginia	15,423	16,517	7.1	106	2.63	43,440
Illinois	15,503	16,442	6.1	106	2.65	43,571
Nevada	15,453	16,366	5.9	105	2.49	40,751
Minnesota	14,993	15,927	6.2	102	2.6	41,410
Hawaii	14,683	15,679	6.8	101	3.02	47,351
Washington	14,866	15,599	4.9	100	2.51	39,153
Colorado	15,114	15,584	3.1	100	2.56	39,895
Florida	14,622	15,584	6.6	100	2.46	38,337
Rhode Island	14,589	15,555	6.6	100	2.57	39,976
United States	14,606	15,481	6.0	100	2.64	40,870
Michigan	14,807	15,393	4.0	99	2.68	41,253
Pennsylvania	14,281	15,212	6.5	98	2.62	39,855
Kansas	14,503	15,126	4.3	97	2.54	38,420
Wisconsin	13,923	14,742	5.9	95	2.62	38,624
Missouri	13,946	14,687	5.3	94	2.56	37,599
Ohio	13,857	14,612	5.4	94	2.61	38,137
Nebraska	13,572	14,328	5.6	92	2.54	36,393
Arizona	13,679	14,315	4.6	92	2.68	38,364
Vermont	13,320	14,302	7.4	92	2.58	36,899
Georgia	13,454	14,300	6.3	92	2.69	38,467
Iowa	13,335	14,236	6.8	92	2.55	36,302
Oregon	13,239	14,041	6.1	90	2.48	34,822
Maine	12,846	13,954	8.6	90	2.57	35,862
Indiana	13,124	13,914	6.0	89	2.63	36,594
Texas	13,494	13,866	2.8	89	2.75	38,132
North Carolina	12,423	13,314	7.2	86	2.6	34,616
North Dakota	12,440	13,004	4.5	84	2.62	34,070
Tennessee	11,984	12,880	7.5	83	2.61	33,617
Wyoming	12,723	12,709	-0.1	82	2.72	34,568
Oklahoma	12,249	12,551	2.5	81	2.55	32,005
South Dakota	11,803	12,550	6.3	81	2.59	32,505
Montana	11,726	12,347	5.3	79	2.6	32,102
Kentucky	11,268	12,059	7.0	78	2.65	31,956
South Carolina	11,286	12,004	6.4	77	2.77	33,251
Alabama	11,293	11,940	5.7	77	2.69	32,119
New Mexico	11,459	11,875	3.6	76	2.78	33,013
Idaho	11,172	11,868	6.2	76	2.74	32,518
Arkansas	11,025	11,507	4.4	74	2.61	30,033
Louisiana	11,233	11,473	2.1	74	2.78	31,895
Utah	10,968	11,366	3.6	73	3.19	36,258
West Virginia	10,587	11,020	4.1	71	2.63	28,983
Mississippi	9,663	10,292	6.5	66	2.81	28,921

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

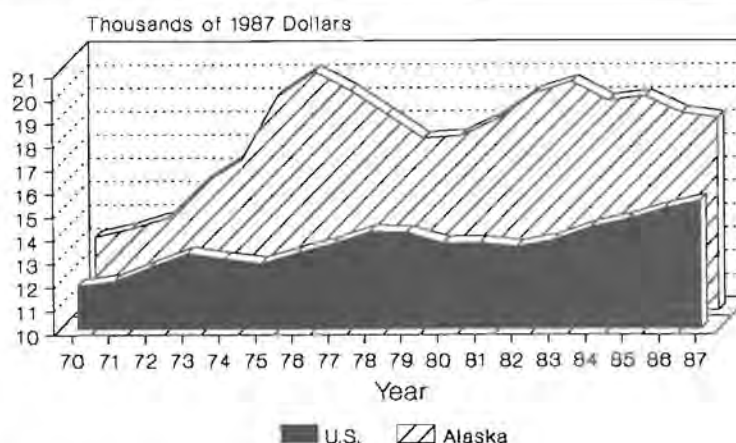
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industry and regional wage and salary trends within Alaska.

### Alaska/National Wage and Salary Comparisons

Figure 4 illustrates the relative share of each industry in Alaska's and the nation's total payroll. Most striking are the differences in the level of government and manufacturing payroll. Alaska's manufacturing industry's share of total payroll is a fraction of the share it represents nationally, but government's portion of total payroll in Alaska is twice that of its national share. All segments of government, federal, state and local, represented a higher share in Alaska than they do nationally.

**Figure 3**  
**Alaska and U.S.**  
**Real Per Capita Income 1970-1987**



Source: US Dept of Commerce, BEA

**Table 4**  
**Alaska Per Capita Income**  
**1984-1986**

	1984	1985	1986	Percent of U.S.	Rank in State	1985-86 Percent Change
Alaska <sup>1</sup>	\$18,090	\$18,726	\$18,378	125.8	—	-2.8
United States	13,114	13,895	14,606	100.0	—	5.2
Census Areas						
Aleutian Islands	13,520	17,182	16,396	112.3	12	-4.6
Anchorage Borough	20,319	20,829	20,550	140.7	5	-1.3
Bethel	10,525	11,045	11,189	76.6	22	1.3
Bristol Bay Borough	21,346	23,911	26,133	178.9	1	9.3
Dillingham	12,546	14,584	14,419	98.7	13	-1.1
Fairbanks North Star Borough	18,101	18,239	17,240	118.0	10	-5.5
Haines Borough	18,649	21,378	23,592	161.5	2	10.4
Juneau Borough	21,739	22,837	22,453	153.7	3	-1.7
Kenai Peninsula Borough	15,333	15,228	13,742	94.1	17	-9.8
Ketchikan Gateway Borough	17,231	18,974	19,626	134.4	7	3.4
Kodiak Island Borough	12,432	13,924	14,257	97.6	14	2.4
Matanuska-Susitna Borough	17,798	14,904	13,509	92.5	18	-9.4
Nome	12,816	13,667	13,747	94.1	16	0.6
North Slope Borough	27,635	24,938	21,590	147.8	4	-13.4
Northwest Arctic Borough	12,115	12,568	12,613	86.4	19	0.4
Prince of Wales-Outer Ketchikan	14,038	14,152	14,224	97.4	15	0.5
Sitka Borough	15,365	16,345	16,903	115.7	11	3.4
Skagway-Yakutat-Angoon	14,218	16,701	18,153	124.3	9	8.7
Southeast Fairbanks	12,246	12,618	12,354	84.6	20	-2.1
Valdez-Cordova	16,541	20,345	19,805	135.6	6	-2.7
Wade Hampton	7,269	8,094	8,564	58.6	23	5.8
Wrangell-Petersburg	14,802	18,492	18,738	128.3	8	1.3
Yukon-Koyukuk	12,755	12,102	11,861	81.2	21	-2.0

<sup>1</sup> Per capita personal income was computed using the sum of the Bureau of the Census's census area estimates as of March 1 of each year. Hence, Alaska's per capita income in this table is slightly different from other tables presented in this table where per capita income is computed using the Statewide population estimate on July 1.

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

Note: Income figures in this table are not adjusted (no adjustment has been made for price changes).

Another significant difference in wages and salaries between Alaska and the nation is Alaska's relatively large 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); just over 1% of the nation's payroll comes from the mining industry.

#### Alaska's Wage and Salary Trends

As mentioned earlier, the largest component of personal income comes from wages and salaries. the decline in

Alaska total personal income in 1986 and 1987 resulted because of declining payrolls (Figure 5).

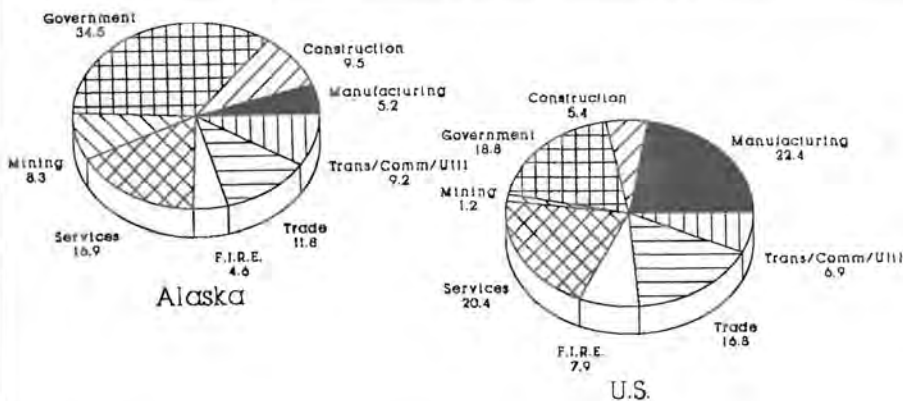
Average monthly wage per job data provide insight into Alaska's income trends. The data help determine the average wage cost to a firm per job, but may overstate or understate the actual monthly earnings per worker. For example, industries characterized by high proportions of part-time workers have lower average monthly wage levels. The average monthly wage is below full-time wage for employees in that industry. The retail and services industries are prime examples of this type of industry.

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

For specific occupational wages in Alaska see Alaska Department of Labor's annual *Alaska Wage Rates* publication.

As Table 5 indicates Alaska's average monthly wage peaked in 1984 and had fallen about \$75 by 1987. Most of the

**Figure 4**  
**Nonagricultural Payroll by Industry**  
**Alaska and U.S. 1987**



Source: Bureau of Economic Analysis

**Table 5**  
**Alaska Average Monthly Wage**  
**By Industry**  
**1980-1987**

Industry	1980	1981	1982	1983	1984	1985	1986	1987
Mining	\$3,802	\$4,030	\$4,254	\$4,550	\$4,703	\$5,311	\$4,921	\$5,171
Construction	3,342	3,756	3,941	3,860	3,651	3,383	3,425	3,315
Manufacturing	1,846	1,828	1,955	2,065	2,115	2,000	2,019	2,116
Trans. Comm. & Util.	2,458	2,731	2,915	2,931	2,946	2,797	2,896	2,718
Trade	1,342	1,446	1,522	1,598	1,624	1,546	1,610	1,409
Wholesale Trade	2,156	2,286	2,446	2,533	2,558	2,558	2,601	2,484
Retail Trade	1,154	1,244	1,302	1,373	1,397	1,316	1,376	1,272
Finance-Ins. & R.E.	1,565	1,687	1,915	2,017	2,122	2,252	2,173	2,258
Service	1,404	1,614	1,792	1,831	1,837	1,719	1,802	1,655
Government	1,945	2,142	2,296	2,420	2,480	2,627	2,565	2,641
Federal	1,741	1,952	2,019	2,172	2,268	2,348	2,298	2,414
State	2,312	2,433	2,567	2,683	2,698	2,887	2,829	2,895
Local	1,847	2,071	2,295	2,397	2,464	2,617	2,539	2,615
State Average	1,931	2,140	2,301	2,379	2,382	2,369	2,345	2,308

Source: Alaska Department of Labor; Research and Analysis, *Statistical Quarterly*

Note: Income figures in this table are not adjusted (no adjustment has been made for price changes).

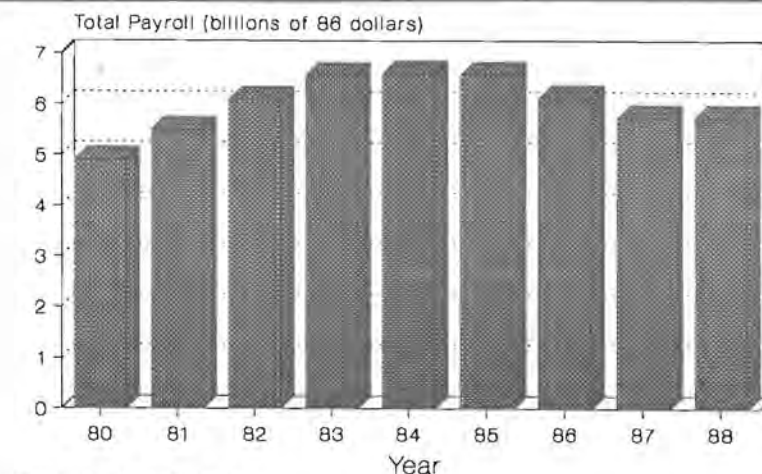
decline was due to the reduction of the number of hours worked per month and to a lesser extent the decline in hourly pay.

When price increases are taken into account this decline is somewhat more acute, but with the Anchorage CPI-U (Consumer Price Index) rising less than 6% over that period it does not alter the amount by much. In the early 1980s average monthly wages outpaced inflation. By 1984 the boom was already cooling and wage increases on average did not keep up with inflation. As the economy began to slide so did wages, but not as much as might be expected during Alaska's worst recession in recent memory. Early 1988 data indicate gains in the average monthly wage.

Table 6 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.

**Figure 5**  
**Alaska's Nonagricultural Payroll**  
**1980-1988 (88 is estimated)**



Source: Ak, Dept Of Labor

**Table 6**  
**Alaska Average Monthly Wage**  
**By Census Area**

AREA NAME	1980	1981	1982	1983	1984	1985	1986	1987
Aleutian Islands Census Area	\$1,549	\$1,590	\$1,702	\$1,693	\$1,769	\$1,875	\$1,892	\$2,009
Anchorage Borough	1,921	2,075	2,208	2,289	2,327	2,346	2,385	2,363
Bethel Census Area	1,197	1,466	1,634	1,735	1,792	1,756	1,830	1,743
Bristol Bay Borough	1,695	2,045	1,989	1,904	2,099	1,860	1,960	2,013
Dillingham Census Area	1,637	1,764	1,849	2,150	1,862	1,858	1,863	1,828
Fairbanks North Star Borough	2,049	2,210	2,384	2,474	2,414	2,432	2,347	2,320
Haines Borough	1,256	1,539	1,728	1,897	2,008	2,089	2,237	2,360
Juneau Borough	1,873	2,093	2,195	2,283	2,267	2,295	2,320	2,341
Kenai Peninsula Borough	2,031	2,197	2,313	2,309	2,344	2,343	2,255	2,169
Ketchikan Gateway Borough	1,868	1,904	2,069	2,137	2,110	2,099	2,107	2,138
Kodiak Island Borough	1,534	1,636	1,878	2,003	1,857	1,968	1,620	1,757
Matanuska-Susitna Borough	1,585	1,745	1,926	1,918	2,036	1,725	1,976	1,974
Nome Census Area	1,481	1,648	1,898	1,933	1,980	1,970	1,988	2,022
North Slope Borough	3,800	4,415	4,778	4,849	4,911	1,951	4,341	4,079
Northwest Arctic Borough	1,576	1,717	1,729	1,986	2,020	4,681	1,914	1,958
Prince of Wales-Outer Ketch. C.A.	1,866	1,851	1,955	2,124	2,091	1,937	2,039	1,954
Sitka Borough	1,838	2,062	2,140	2,082	2,088	2,000	2,009	2,040
Skagway-Yakutat-Angoon C.A.	1,435	1,623	1,832	2,055	1,703	1,759	1,786	1,746
Southeast Fairbanks Census Area	1,479	1,661	1,637	1,765	1,807	1,900	2,036	1,914
Valdez-Cordova Census Area	2,222	2,407	2,488	2,411	2,501	2,507	2,483	2,475
Wade Hampton Census Area	1,150	1,328	1,444	1,447	1,463	1,414	1,450	1,570
Wrangell-Petersburg Census Area	1,524	1,766	1,909	2,084	1,950	2,098	2,058	2,006
Yukon-Koyukuk Census Area	2,126	2,318	2,405	2,465	2,393	2,063	2,090	2,046
State Average	1,931	2,140	2,301	2,379	2,382	2,369	2,345	2,308

Source: Alaska Department of Labor; Research and Analysis Section, *Statistical Quarterly*.

Note: Income figures in this table are in current dollars (no adjustment has been made for price changes.)



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 an overall measure of the standard of living between areas.

### Poverty Thresholds

Poverty thresholds are used in many government programs. Some programs use the guidelines as a criteria for individual eligibility and others use them for giving priority to persons or families in the provision of assistance or services. Two of the most commonly used poverty guidelines are the Lower Living Standard Income Level (LLSIL) and the Poverty Income Guidelines.

Each year these poverty thresholds are published in the *Federal Register* and *Employment and Training Reporter*.

The LLSIL is used by the Job Training Partnership Act (JTPA) to determine eligibility. For this program the term "economically disadvantaged" is defined as 70% of the LLSIL (Table 7). The Poverty Income Guidelines are used for a number of other federal programs and are released by the Department of Health and Human Services (Table 8). These guidelines are a simplified version of the federal government's statistical poverty thresholds used by the Bureau of the Census to estimate the number of persons and families in poverty. Each year the guidelines are updated to account for last year's increase (or decrease) in the Consumer Price Index.

### Summary

This article has provided the most common income measures available for Alaska. Overall these statistics show that Alaska's total income grew enormously during the early 1980s, but by the mid 1980s began to slow down. In 1986 and 1987 Alaskans' income declined, but by early 1988 income declines had ceased and there are indications that a slow to moderate growth trend will take hold.

Table 9 contains some information concerning the income measures discussed in this article and others the Department of Labor produces.

**Table 7**  
**1988 Lower Living Standard Income Level (LLSIL)**

Family Size	Metropolitan Income Criteria for 100% of the LLSIL	Alaska Income Criteria for 70% of the LLSIL	Nonmetropolitan Income Criteria for 100% of the LLSIL	Alaska Income Criteria for 70% of the LLSIL
1	\$9,471	\$6,630	\$8,914	\$6,240
2	15,528	10,870	14,600	10,220
3	21,314	14,920	20,043	14,030
4	26,310	18,420	24,750	17,320
5	31,058	21,740	29,200	20,440
6	36,314	25,420	34,143	23,900
Add for each additional family member:	5,256	3,680	4,943	3,460

**Table 8**  
**1988 Poverty Income Guidelines**

Family Size	Alaska	All States Except Alaska and Hawaii
1	\$7,210	\$ 5,770
2	9,660	7,730
3	12,110	9,690
4	14,560	11,650
5	17,010	13,610
6	19,460	15,570
Add for each additional family member:	2,450	1,960

1/ BEA uses the Bureau of the Census population estimates as of July 1 of each year. For 1987 they used a population of 523,000. The Alaska Department of Labor estimates Alaska's population at 537,000. The difference in these two estimates could represent a variance of almost \$500 in the per capita figure. However, the other states have similar problems, so relative ranking changes are hard to distinguish.

Source: *Federal Register*, Vol. 53, No. 29, August 12, 1988, p. 4213-4214.

**Table 9**  
**A Summary of Income Measures**

	<b>Personal/Per Capita Income</b>	<b>Nonagricultural Wage and Salary Earnings</b>	<b>Poverty Income Guidelines</b>	<b>Lower Level Standard Income Level (LLSIL)</b>
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	Anchorage (Urban) Balance of State (Rural)
Published In:	Survey of Current Business	Statistical Quarterly	Federal Register	Federal Register

	<b>Workers With Wages</b>	<b>Current Employment Statistics Hours and Earnings</b>	<b>Wage Rates for Selected Occupations</b>
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