

Statewide unemployment drops 1.2 percent in July

Alaska's statewide unemployment rate continues to fall, dropping 1.2 percent in July, according to the Alaska Department of Labor.

July's 5.3 percent rate meant 2,900 fewer Alaskans were without work when compared to June. Brian Rae, an economist with the Labor Department, said the July rate was only four-tenths of a percentage point above last July's when oil spill cleanup employment helped the state post new record low unemployment rates.

Rates throughout 1990 have been well below historical levels, according to the department. Last year's low unemployment rates seemed a natural consequence of the cleanup efforts, but the 1990 rates have surprised many economists.

"Many thought 1990 would be a lackluster year, where employment gains brought about by a strengthening economy would only replace oil spill jobs," Rae said. "What we are seeing is an economy growing more rapidly than we at first thought."

Although the state's wage and salary employment levels are higher than last year, not all industries have been affected equally. The transportation, communications and utilities industries

showed job losses for the year, as this was where the majority of oil spill cleanup workers were counted.

The trade and services industries added the most employees, but both mining and construction have shown larger percentage gains for the year.

Most seasonal employment gains already had occurred in Alaska by July, but one industry posted unusually heavy seasonal employment gains. The hot dry weather in Alaska's Interior region has caused one of the worst fire seasons in 30 years, which has brought out one of the largest fire fighting contingents in years.

These firefighters more than offset normal declines in state government which occur when the University of Alaska reduces staffing for the summer season, according to the department.

The highest unemployment rates in Alaska in July were the Northwest Arctic Borough at 13.9 percent, compared to 16.6 percent for June; and the MatSu Borough, with 10.1 percent, compared to 12.4 percent for June.

The July 1989 rate for the Northwest Arctic Borough was 9.5 percent, and for the MatSu Borough, 9.6 percent.