

Unemployment rises to 11%

The Alaska unemployment rate increased two tenths of 1 percent to 11 percent in November, according to the Alaska Department of Labor.

The comparable unemployment rate for the United States as a whole in November was 6.6 percent.

The lumber and wood products sector remained the only bright spot in an otherwise disappointing Alaska economy. Normally, many sectors of retail trade show improved employment as the state enters the holiday season. This year, only general merchandise and apparel stores indicated an increase in employment, but even there the increase was much less than normal.

Department officials said lower oil prices and the impact on state spending and on employment continue to receive attention as the statewide unemployment rate reached levels not seen since the end of pipeline construction.

In this case the impact is more widespread as nearly every community is suffering from cuts in state funding. Many communities around the state have record unemployment rates for the month. The Kenai Peninsula Borough has been the hardest hit with an unemployment rate of 18.8 percent.

While most communities have had unemployment rates near this level in the past five years, the high rates were caused by an increasing workforce and good economic times. The economies of the communities are now declining, the workforce is shrinking and job opportunities for the unemployed are limited.

Employment is down 6,500 jobs over the month and down 11,200 jobs from last year. As the economy continues to contract, officials predict a continued rise in unemployment rates, especially as compared to the previous year and a further erosion of employment levels.