

RUNAWAY GOVERNMENT IN ANCHORAGE—FACT OR FICTION?

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We can see how the size of local government in Anchorage ranks among the 318 metropolitan areas throughout the US reported by the US Department of Commerce for 1998. Anchorage is near the middle of the pack, 167th largest, based on population. The metropolitan areas range in size from a low of 57 thousand in Enid, Ok. to 9.2 million in Los Angeles. Together they encompass 80 percent of the total population of the US.

Local Government Share of Total Jobs

Anchorage ranked 307 out of 318 metropolitan areas across the US in the share of total jobs accounted for by local government in 1998 (Figure 1.). 5.24 % of the jobs in Anchorage were accounted for by local government. In only 11 areas was the concentration of local government jobs less. If Anchorage had the same concentration of local government jobs as the median community (half communities higher and half lower), there would have been 3,738 more local government jobs—a 41 percent more.

	Local Govt Share of Jobs	percent of jobs	rank
Maximum	McAllen-Edinburg-Mission, Texas	16.18%	1
Median	Santa Rosa, California	7.37%	159
	Anchorage	5.24%	307
Minimum	Honolulu, Hawaii	2.18%	318

Source for all tables: US Department of Commerce, Bureau of Economic Analysis, local area economic information by Metropolitan Statistical Areas for 1998 from the USDC website.

Note: In Hawaii school teachers are state employees.

Anchorage's rank does not change appreciably if we add in the Matsu Borough based on the notion that many Matsu residents work in Anchorage but send their children to school where they live. This Greater Anchorage area ranks 285 out of the 318 areas in the concentration of local government workers in the total work force.

Greater Anchorage

5.69%

285

Trend in Concentration of Local Government Jobs

Although local government employment continues to grow in Anchorage, total employment is growing faster. Consequently local government jobs as a share of the total has been falling. In contrast, for the US as a whole the local government share of total jobs has not changed since the early 1980's.

Local Government Share of Total Jobs

	Anchorage	Total US
1980	6.2%	8.3%
1985	5.6%	7.7%
1990	5.4%	7.8%
1995	5.3%	7.8%
1998	5.2%	7.7%

Local Government Jobs Per 10,000 Residents

If we compare local government jobs to the total resident population, Anchorage again comes in close to the bottom of the national ranking. Anchorage was 292 out of 318 metropolitan areas, and Greater Anchorage was 294. There were 360 local government workers in Anchorage for every 10,000 residents. The median community had 443 local government workers for every 10,000 residents--a 23 percent greater concentration than Anchorage.

		local jobs/10,000 residents	rank
Maximum	Jackson, Tennessee	838	1
Median	Peoria, Illinois	443	159
	Anchorage	360	292
	Greater Anchorage	357	294
Minimum	Honolulu, Hawaii	139	318

Combined State and Local Government Share of Total Jobs

If we combine state and local government jobs and compare them to total jobs on the notion that state government in Alaska provides a greater share of public services than in other states, Anchorage moves towards the median, but is still below the typical metropolitan area. This is to be expected because Anchorage also serves as the location for some statewide functions of state government.

		percent of jobs	rank
Maximum	State College, Pennsylvania	33.98%	1
Median	Gary, Indiana	10.77%	159
	Greater Anchorage	10.52%	172
	Anchorage	10.10%	186
Minimum	Elkhart, Indiana	4.87%	318

If we remove the 41 state capitals located in metropolitan areas (the rest are in smaller places, like Juneau, outside metropolitan areas), on the notion that they are not representative, Anchorage moves to 155 out of 277 in the rankings—still below the median. Greater Anchorage moves into 141 place in the ranking, also still below the median.

Earnings Per Local Government Worker

Anchorage did rank at the top, number 2, in earnings per local government worker. Earnings per worker was 52% above the median community of South Bend, Indiana and 31% above the mean for all local government worker earnings (represented by Minneapolis).

		Annual Earnings	rank
Maximum	San Francisco	\$50,429	1
	Anchorage	\$49,019	2

Mean	Minneapolis	\$37,519	
Median	South Bend, Indiana	\$32,331	159
Minimum	Bismarck, North Dakota	\$24,889	318

Local Government Earnings as a Share of Personal Income

If we compare total local government earnings to total personal income, Anchorage again falls below the middle in the ranking (Figure 2.). Of the 318 communities, Anchorage ranks 197 with local government wages and salaries accounting for 5.4% of total personal income.

	Local Govt Earnings Share of Total Income	percent of income	rank
Maximum	McAllen-Edinburg-Mission, Texas	12.69%	1
Median	Casper, Wyoming	5.77%	159
	Anchorage	5.41%	197
Minimum	Honolulu, Hawaii	2.16%	318

Comparing Greater Anchorage to the Rest of Alaska

In contrast to Anchorage, it is in the rest of the state that the concentration of state and local government is high compared to the rest of the nation.

However since the rest of Alaska is outside the metropolitan areas, we should compare it to the rest of the non-metropolitan US. The concentration of local government workers as a share of all workers is nearly twice as high in the rest of Alaska compared to the Greater Anchorage area. The concentration of local plus state government workers is not quite so high outside the Greater Anchorage.

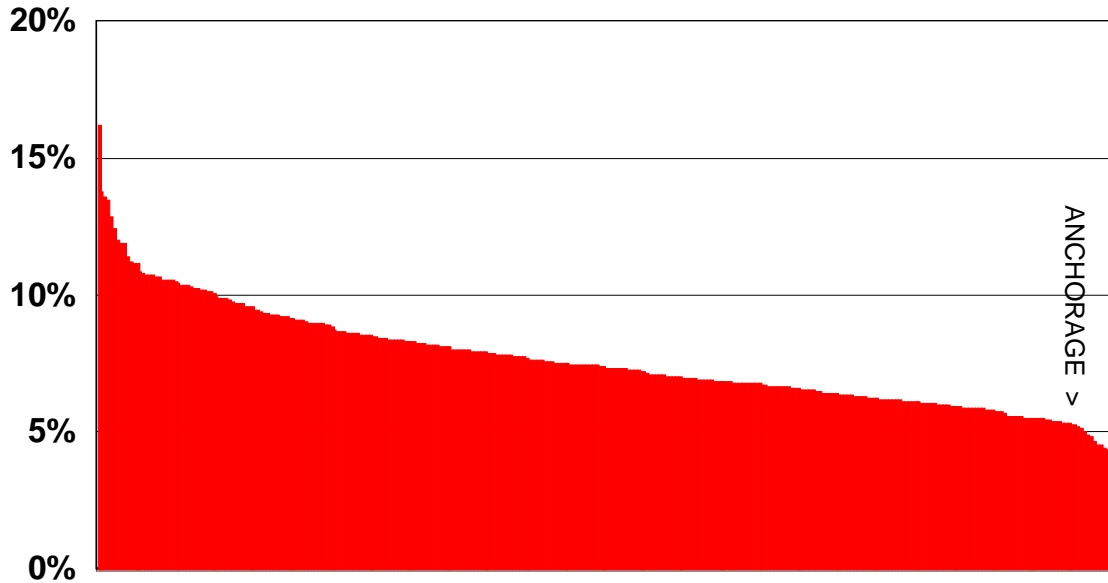
Local government job concentration outside Greater Anchorage is higher than the total non-metropolitan area of the US—about 14 percent above the average. However combined local and state government job concentration is considerably above the non-metropolitan area of the US—about 32 percent.

	Local Govt Jobs / Total jobs	State+Local Govt Jobs / Total Jobs
Greater Anchorage	5.7%	10.5%
Alaska	8.2%	13.8%
Alaska net Greater Anchorage	10.8%	17.2%
US Non metropolitan area	9.5%	13.0%

Average local government annual earnings are considerably lower outside Greater Anchorage.

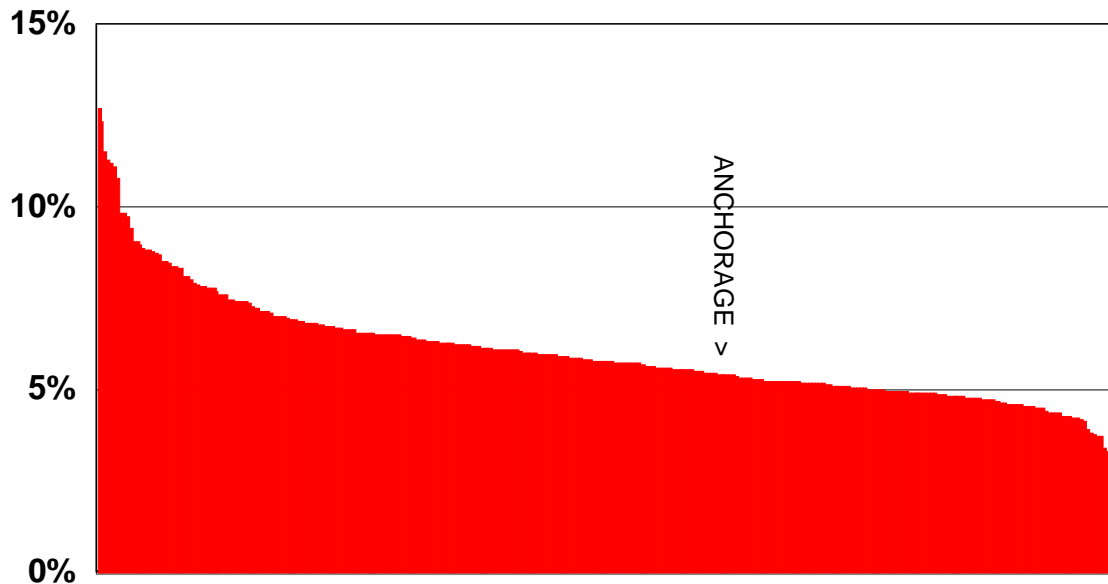
Average earnings	Local	State
Greater Anchorage	\$47,616	\$46,134
Alaska net Greater Anchorage	\$38,252	\$47,058

FIG.1. LOCAL GOVT JOBS / TOTAL JOBS
AMONG THE 318 METROPOLITAN AREAS OF THE US



Source: USDC, Bureau of Economic Analysis, local area data by MSA for 1998

FIG.2. LOCAL GOVT WAGES / PERSONAL INCOME
AMONG THE 318 METROPOLITAN AREAS OF THE US



Source: USDC, Bureau of Economic Analysis, local area data by MSA for 1998