Some Characteristics of Anchorage and Fairbanks Households

with special reference to retail food buying

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SUMMARY AND CONCLUSIONS

Anchorage and Fairbanks households are an important part of the Alaska market. These two cities are Alaska's largest, including about two-thirds of the total civilian population.

Households in Anchorage and Fairbanks are somewhat larger, their members are younger, have had more schooling, own more appliances, buy more reading materials, and have higher incomes than average households in the South 48.

Both cities are similar in most characteristics. Anchorage has slightly more middle-sized families in the middle income bracket. Fairbanks has a few more in both the lowest and highest groupings. Average families are similar in size — 3.7 for Anchorage and 3.5 for Fairbanks.

Anchorage homemakers have had more schooling than those in Fairbanks, but the difference is not great. Homemakers in both cities have a higher level of schooling than for the nation as a whole.

Anchorage has more families employed by the government, although government employment is high in both cities. Fairbanks has more employed in trades and construction. Both cities have about the same percentage employed in sales and clerical work, while less than 10 per cent in both cities are employed as laborers.

Homemakers in both cities have lived in Alaska from 8 to 12 years. Less than 10 per cent are Alaska born. Three out of four came to Alaska from a state west of the Mississippi. Fairbanks families have lived in Alaska a little longer than those in Anchorage and a greater proportion plan to make Alaska their permanent home.

Both Anchorage and Fairbanks households own more appliances than is common elsewhere. A greater proportion have TVs, radios, refrigerators and deep-freezers. In Fairbanks 87 per cent of all families have telephones.

Most Fairbanks homemakers shop for food specials. Nearly a half reported buying from 50 to 100 per cent of their food at special prices. More than a fourth reported buying from 25 to 50 per cent.

Anchorage and Fairbanks households have modern buying habits and higher than average incomes. Merchants selling to them must provide quality merchandise and services with modern sales techniques.
SOME CHARACTERISTICS OF ANCHORAGE AND FAIRBANKS HOUSEHOLDS

This report describes incomes and spending habits of families in Alaska. In general, it substantiates popular observations concerning level of education, age, size, composition and mobility of families in our two largest cities. It shows urban Alaskans are young and progressive, typically westerners, with a higher than average standard of living. Those who want to increase sales and are aware of the marketing principle, “Know Your Market”, may find this circular of special interest.

Agricultural development in Alaska has been limited by small local markets. Since World War II the Alaska market, especially in the railbelt area, has experienced a great increase in population, income and stability. Agriculture has developed accordingly. Further growth in the number and size of Alaskan farms now largely depends on the number and composition of consuming families, their income, buying habits and attitudes toward Alaska-grown products.

No consumer studies have been made in the Anchorage-Fairbanks markets in recent years, other than the Ward Surveys. These studies involved a small number of families, largely wage and clerical workers. Their object was to determine cost of living expenditures. Johnson’s study (2)* in 1951-1952 is the only other consumer study published since the 1950 census.

This report is based on two separate studies of the consumers of Alaska-grown foods. In Anchorage it was a study of household purchases of dairy products during July of 1958. The Fairbanks information is taken from a study of potato buying by Fairbanks families during June, 1959. Because of interest in the consumers of these cities, both in Alaska and in other states, this information about household characteristics is made available.

Anchorage and Fairbanks, the largest and fastest growing cities in the new state, largely comprise what is called Alaska’s “Railbelt Market.” This area extends from the port cities of Whittier and Seward...
on the south to the northern terminus of the Alaska Railroad at Fairbanks. Civilian and military residents of this area make up the greater part of the total market in Alaska for consumer goods and services.

People who live within the two metropolitan areas, or are dependent upon them for goods and services, include over two-thirds of the state’s total population. Inhabitants of these two cities and nearby military installations are major markets in Alaska for locally grown foods and other products.

**HOW THE STUDY WAS MADE**

Military and civilian households with commissary privileges were excluded from this study. They account for about one out of four persons residing within the railbelt area. Transients and those living in rooms and apartments and eating most of their meals away from home were also excluded. Represented by the samples are some 20,000 households, or over 70,000 residents within the two market areas. The sample comprised of 235 households was about 1.2 per cent of the 20,000 in the incorporated cities and surrounding areas. Military reservations, the areas south of Rabbit Creek or Chugiak and north were not included in the Anchorage survey while the Fairbanks study included residents from College and North Pole and all other families within five miles of the city except those who were farming.

**HOUSEHOLD CHARACTERISTICS**

Average household size was 3.7 persons in Anchorage and 3.5 in Fairbanks. Census data shows 3.0 members per household for Anchorage and 2.8 for Fairbanks (1) in 1950. Johnson (2) found the average family in Anchorage and Fairbanks had 3.3 persons in 1951, which included military families residing in civilian communities. The Ward Index of 1958 (3) reported 3.7 for Anchorage and 3.9 for Fairbanks households, based on comparisons of 36 families in Anchorage and 80 in Fairbanks.

Size and composition of Alaska’s population has changed since the 1950 census. Young single persons and married couples without children who came to Alaska during the 1946 to 1953 influx have settled down and are raising families.
Households ranged in size from 1 to 7 in Anchorage and 1 to 9 in Fairbanks. Roomers, boarders or visitors who took more than half their meals with the family are included in these figures.

The Ward Index (3) for 1958 showed about the same family composition.

**AGE DISTRIBUTION**

There are more people in households of both cities who are under 30 years of age than over 30. One out of three persons in both cities are in the 2 to 18 age group. Fairbanks has a few more old-timers and sourdoughs but fewer middle-age people. Promotion activities directed toward youthful groups therefore seem appropriate.

There has been an increase in the number of young people under 20 years of age in both Anchorage and Fairbanks since the 1950 census. Then only 29 per cent in Anchorage and 25 in Fairbanks fell in this age group. The 1950 census figures showed 48 per cent in Anchorage and 46 per cent in Fairbanks.
under 30 years of age, compared to 52 and 54 per cent, respectively, over 30 years of age. Alaska seems to have a large proportion of school age children in its population.

**OCCUPATION**

In Fairbanks 75 per cent of households questioned derive their income from private business, and 21 per cent from government employment. Four per cent of the household heads are unemployed. Comparable figures for Anchorage are 62 and 37 per cent, respectively, with approximately 1 per cent unemployed.

<table>
<thead>
<tr>
<th>Occupation of household head</th>
<th>Anchorage</th>
<th>Fairbanks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>Trades or crafts</td>
<td>41</td>
<td>63</td>
</tr>
<tr>
<td>Sales or clerical</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Laborer</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Unemployed</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Not reported</td>
<td>11</td>
<td>0</td>
</tr>
</tbody>
</table>

Fairbanks has more people engaged in trades and crafts but fewer professional workers than Anchorage. Both cities have about the same percentage of people in sales and clerical work.

Approximately a third of the homemakers or other household members are also breadwinners in both Anchorage and Fairbanks. A typical household has 1.3 salaried workers.

**INCOME**

Less than 10 per cent of the households in either city have incomes under $5,000, while approximately 40 per cent in Anchorage and 60 per cent in Fairbanks receive $9,000 or more. A third of Anchorage families enjoy incomes between $7,000 and $9,000. Slightly less than a third of Fairbanks families receive $11,000 or more.

Fairbanks has more families in the lower income brackets and a greater number receiving high incomes, while Anchorage has more with incomes in the middle range. Families in both cities seem to enjoy higher than national average incomes, even when higher prices and taxes are considered. In general, Fairbanks incomes are probably no higher than Anchorage when seasonality of employment and differences in cost of living are considered.

The Ward Index for 1958 (3) showed 3 per cent of Anchorage households receiving under $5,000,
50 per cent from $5,000 to $9,000, and 47 per cent over $9,000. In Fairbanks the Index showed no household receiving less than $5,000, 56 per cent $5,000 to $9,000 and 44 per cent over $9,000.

Income data for Spokane in 1956 (4) reveals 31 per cent of households receiving less than $4,000, 59 per cent $4,000 to $7,999 and 10 per cent over $8,000. Households not reporting incomes were not included.

Both Alaska studies were made when business activity and employment were at a peak. Although housewives were asked to indicate their gross income for the past 11 months (before taxes and payroll deductions) it is believed some may have based their income on their current salary or wage scale. This could bias incomes upward. Also to the extent that there are low income families without electricity who were not sampled in the studies, incomes may be biased upward.

**RESIDENCE**

Fairbanks residents appear to have lived in Alaska longer than those in Anchorage. There are more native-born people and sourdoughs in Fairbanks. In 1951 (2) 50 per cent of the families (in-
cluding military) in both cities had lived in Alaska over 5 years while 33 per cent had been in Alaska 10 years or more. Anchorage homemakers (1958) have lived in Alaska an average of 8.4 years and in Anchorage 7.9 years, while Fairbanks homemakers (1959) have lived in Alaska 12.1 years and in Fairbanks an average of 10 years. The population of these cities is therefore growing more permanent.

Of Anchorage homemakers 73 per cent intend to make Alaska their permanent home, 16 per cent do not, and 11 per cent are uncertain. In Fairbanks, 88 per cent of the homemakers intend to make Alaska their permanent home, 4 per cent do not, 4 per cent are uncertain, and another 4 per cent do not know. Fairbanks households may be less transient and more permanent than those in Anchorage.

A much higher percentage of families in both cities did not plan to make Alaska their permanent home back in 1952 (2).

Only 8 per cent of homemakers surveyed in both cities were born in Alaska. Washington, California, and Minnesota were leading home states. In Anchorage 17 per cent of the homemakers are from Washington, 16 per cent from California and 9 per cent from Minnesota, while in Fairbanks 23 per cent are from Washington, 5 per cent from California and 7 per cent from Minnesota. In Anchorage, 35 states and 7 foreign countries are listed as home states or countries. Fairbanks homemakers are from 25 states and 6 foreign countries. Three out of four homemakes in either city came to Alaska from a state west of the Mississippi. Residents of both cities are largely westerners in background.

**HOMEMAKER CHARACTERISTICS**

Nearly a third of all Anchorage homemakers are in the 20 to 30 year age group, compared to 17 per cent for Fairbanks and 23 per cent for Spokane (4). The greatest number of homemakers in both Anchorage and Fairbanks are in the 30 to 40 age group, while in Spokane a larger percentage were in the 40 to 50 age group. There are evidently more younger and newer households in Anchorage. The data also suggest there may be more turn-over among Anchorage families. There were no homemakers under
20 years of age in either city. These cities may have fewer teen-age marriages. Spokane had a larger percentage of older people—50 per cent over 40 years of age—than either Anchorage or Fairbanks.

Anchorage has more people in professions and government service. Housewives in these groups may move to Alaska when in the 20 to 30 age group. They stay a few years, leaving when the husband's tour of duty is completed.

RACIAL DISTRIBUTION

Nine out of 10 homemakers in both Anchorage and Fairbanks are white. Natives are more numerous in Fairbanks while more negroes reside in Anchorage. The proportion of the non-white population is thought to be greater than indicated by this study, accounting for at least 10 per cent of the total.

<table>
<thead>
<tr>
<th>Racial derivation of homemaker</th>
<th>Anchorage per cent</th>
<th>Fairbanks per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>Negro</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Native Alaskans</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Other races</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
EDUCATION

Education levels among homemakers in Anchorage and Fairbanks have raised since the 1950 census. This is probably due to the fact that many new-comers to Alaska have acquired a high level of education.

Anchorage and Fairbanks homemakers are similar in educational background. The greatest difference is the groups with 8 years of schooling or less. Ten per cent of Anchorage homemakers are in this group, and 18 per cent of Fairbanks. The larger percentage in Fairbanks is attributed to a larger native population and a greater proportion of older people.

In contrast, 17 per cent of Spokane (4) homemakers had received eight years of schooling or less, 58 per cent 9 through 12 years, and 25 per cent had one or more years of college. Both Anchorage and Fairbanks have a higher percentage of homemakers who have had one or more years of college.
USE OF APPLIANCES AND COMMUNICATIONS MEDIA

Anchorage and Fairbanks families are big users of modern home appliances. Nearly every home has a refrigerator, and three to four out of 10 households own deep freezers. Families in both cities consume large amounts of frozen foods including ice cream. Freezers and lockers are important for storing of wild game, fish, and wild berries.

Cars and appliances available to homemakers, and homes owned

<table>
<thead>
<tr>
<th></th>
<th>Anchorage</th>
<th>Fairbanks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refrigerators</td>
<td>91%</td>
<td>95%</td>
</tr>
<tr>
<td>Deep freezers</td>
<td>34%</td>
<td>45%</td>
</tr>
<tr>
<td>Freezer lockers</td>
<td>13%</td>
<td>4%</td>
</tr>
<tr>
<td>Television</td>
<td>86%</td>
<td>88%</td>
</tr>
<tr>
<td>Radios</td>
<td>93%</td>
<td>96%</td>
</tr>
<tr>
<td>Automobiles</td>
<td>90%</td>
<td>93%</td>
</tr>
<tr>
<td>Homes</td>
<td>62%</td>
<td>72%</td>
</tr>
</tbody>
</table>

From radios to autos, Anchorage and Fairbanks households rank high as users. There is an average of over one automobile per household in each city. The large number of electrical appliances in homes is another indication of the modern level of living in Alaska cities.

A higher than normal percentage of homes in both areas are owned. This may be due to scarce and expensive rental units, and low down payments and long term financing available to those buying homes. Alaskans have a mania for owning their own place. They are a “do it at home” group.

LISTENING AND VIEWING HABITS

Anchorage and Fairbanks families are avid readers if the number of newspapers and magazines they buy is a criterion. This is to be expected of a young, literate public with reasonably good incomes. Nearly

News media in households

<table>
<thead>
<tr>
<th></th>
<th>Anchorage</th>
<th>Fairbanks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily newspaper</td>
<td>88%</td>
<td>88%</td>
</tr>
<tr>
<td>Two newspapers*</td>
<td>21%</td>
<td>33%</td>
</tr>
<tr>
<td>3 or more magazines</td>
<td>30%</td>
<td>65%</td>
</tr>
<tr>
<td>Telephones</td>
<td>**</td>
<td>87%</td>
</tr>
</tbody>
</table>

*In Fairbanks one paper is a weekly
**Not determined for Anchorage
9 out of 10 households take a daily paper. In Anchorage one family out of five take both daily papers, while in Fairbanks a third subscribe to both the daily and a weekly paper.

Most families regularly read 2 to 4 magazines. The most popular woman's magazines are Ladies Home Journal, Good Housekeeping, McCall's, and Better Homes and Gardens.

In Anchorage, 78 per cent of homemakers study the foods section of a paper or magazine. Forty-two per cent of this group read the food sections of the daily newspapers, 33 per cent read the food section of both newspapers and magazines, while 10 per cent read only magazines. The other 6 per cent did not say what they read.

More than 80 per cent of the Fairbanks housewives regularly read the food sections of papers and magazines, and are about equally divided in their reading between the two.

Nearly a third of all Fairbanks housewives say they listen or watch homemaker programs regularly on TV and radio. Only 4 per cent belong to a homemakers club.

Nearly half of all families have a hothouse, or a garden ranging from 9 by 12 feet to 150 by 300 feet. The value of produce grown at home ranges from $15 to $500 per household. This suggests that the typical urban homemaker in Alaska is no more likely to grow much of her family's food needs than in similar places in other states.

**HOMEMAKERS FOOD SHOPPING HABITS**

Fairbanks homemakers were asked about their shopping habits. Only 12 out of 65 trade exclusively with one store. One out of 3 purchases from two stores, while about half of the group trades with three or more. Nine shopped in as many as 5 or more stores.

<table>
<thead>
<tr>
<th>&quot;AT HOW MANY STORES DO YOU REGULARLY TRADE?&quot;</th>
<th>12 said</th>
<th>21 said</th>
<th>32 said 3 or more</th>
<th>6 did not answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 or more</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

The homemaker may not shop around as much as she likes to think. When asked "How many stores did you trade with last week?", 19 said one store,
20 said two, and only 14 reported shopping at as many as three or more outlets. Only one homemaker did no shopping for groceries during the preceding week. This suggests that about two-thirds of the homemakers shop in only one or two stores each week.

This conclusion was substantiated by the answers to the next question. "How many trips to the store did you make last week?" About half said they made one trip. Of the remainder, 17 made two to five trips, while four made five or more. Two homemakers reported making seven trips to the store.

<table>
<thead>
<tr>
<th>&quot;HOW MANY TRIPS TO THE STORE DID YOU MAKE LAST WEEK?&quot;</th>
<th>1 said</th>
<th>none</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35 said</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>17 said</td>
<td>2 to 5</td>
</tr>
<tr>
<td></td>
<td>4 said</td>
<td>over 5</td>
</tr>
<tr>
<td></td>
<td>14 did not answer</td>
<td></td>
</tr>
</tbody>
</table>

**BUYING AT SPECIAL PRICES**

The retail food trade in both cities is quite competitive. Merchants do more than a normal amount of advertising. Price is the major attraction in these ads. "Special" featured items are sold at reduced prices. Special prices, and possibly loss leaders, are believed to have relatively greater effect on retail prices of food in both Anchorage and Fairbanks than in similar cities in other states.

<table>
<thead>
<tr>
<th>&quot;DO YOU SHOP FOR SPECIALS REGULARLY?&quot;</th>
<th>85% said</th>
<th>&quot;Yes&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6% said</td>
<td>&quot;No&quot;</td>
</tr>
<tr>
<td></td>
<td>4% qualified</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6% did not answer</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>&quot;DID YOU SHOP FOR SPECIALS LAST WEEK?&quot;</th>
<th>75% said</th>
<th>&quot;Yes&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15% said</td>
<td>&quot;No&quot;</td>
</tr>
<tr>
<td></td>
<td>13% did not answer</td>
<td></td>
</tr>
</tbody>
</table>

Approximately eight out of ten homemakers said they shopped for food specials regularly. When asked how many items they purchased on special, 16 homemakers reported buying from 1 to 10 items, while 14 said they purchased more than 10 items ranging up to as many as 50. One homemaker said she purchased all her food on specials last week, one said $50 worth, another said 15 cases of food, and another 5 cases. The remaining 17 who purchased on specials could not remember the number of items. Seventeen homemakers who bought on specials
said they bought in larger than normal quantities last week. The remainder reported buying in normal quantities.

Homemakers were asked what proportion of their total food they buy on specials. Twenty-eight per cent indicated they bought up to 50 per cent, while 45 per cent reported buying 50 per cent or more.

**LITERATURE CITED**


QUESTIONS ASKED TO OBTAIN CHARACTERISTICS OF ANCHORAGE AND FAIRBANKS HOUSEHOLDS

A random sample of Anchorage and Fairbanks households was selected from those using electricity. While this sample fairly well represents the total population, a minor bias is attributed to the exclusion of some families in multi-unit dwellings and those households not served by electricity.

The Anchorage study was undertaken as a contribution to the Western Regional Marketing Project WM-36 "Effectiveness of Means of Increasing the Consumption of Dairy Products".

How long have you resided in Alaska? years? Anchorage?
Intend to make Alaska your permanent home? yes, no, uncertain.
If summer resident, how many months do you normally live in Alaska? mos.
Where is your permanent home? (home state)
Number in household? under 2 yrs., 2 to 18, 30-45, over 45.
Occupation of head of family. private business, govt. profession, trade, sales or clerical, laborer, other.
Does the homemaker work outside the home? yes, no, other.
Level of homemakers education? 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 years.
Race? Negro, white, native, oriental, uncertain.
Do you have (if yes, give number): radio, television, refrigerator, freezer, locker, car, daily newspaper, magazines, own home.
During the past month, how many times did the homemaker attend: movies, homemaker meetings, other social clubs.
Do you read regularly the foods section of a paper or magazine? yes, no, other. Name
What is the approximate yearly income of your family (before taxes)? under $2,999, $3,000-$4,999, $5,000-$6,999, $7,000-$8,999, $9,000-$10,999, $11,000 or more, not given.
*Do you listen regularly to Homemaker Programs on the radio or TV? yes, no, qualified.
*Do you have a home garden? yes, no.
What approximately is its size? Value
*How many stores do you trade with regularly? Last week? How many trips to the store did you make last week?
*Do you shop for specials regularly? Yes, No, Qualified. Last week? Yes, No, Qualified. How many items did you buy in larger than normal quantities? Yes, No, Qualified.
*What proportion of your total foods are bought on specials?

*Not asked in Anchorage study.