B. Status of Alaska Natives, 1970 to 2008

As the *Status of Alaska Natives 2004* executive summary shows (Tab B.1), many social and economic indicators for Alaska Natives have improved substantially since the inception of the ANCs in 1971. “Natives have more jobs, higher incomes and better living conditions, health care and education than ever.” Yet they remain socially and economically disadvantaged: “they remain several times more likely than other Alaskans to be poor and out of work. Alcohol continues to fuel wide spread social problems. Native students continue to do poorly on standard tests, and they’re dropping out in growing numbers.” And the future challenges are formidable: “In the coming decade, when economic growth is likely to be slower than in the past, thousands more young Alaska Natives will be moving into the job market.”

A recent analysis by Stephanie Martin and Alexandra Hill, “Changes in the Status of Natives, 1970 to 2007” (Tab B.2), shows dramatic improvements in employment and income in the decade of the 70s, but little gain since then. Improvements in education and housing have been substantial and steady over the past 38 years, though conditions still fall well short of the non-Native benchmark.

Forty percent of Alaska Natives live in remote rural census areas off the road system in northern and western Alaska. As *Understanding Alaska’s Remote Rural Economy* (Tab B.3) explains, the economic structure of this region is quite different from areas accessible by road or ferry. The population of the region is 78 percent Native, and two thirds live in very small communities of just a few hundred people fewer than half of the adults have work. While the private sector provides 63 percent of the jobs in the region, 55 percent of these jobs go to non-local workers. Although 85 percent of Alaska Native households have one or more wage earners (compared to 93 percent for non-Native households), most of these jobs are part-time or seasonal. All together, wages account for 69 percent of incomes for Native households (compared to 83 percent for non-Natives in the region and 77 percent statewide). Per capita income is much lower in remote rural Alaska than the state average—25 percent to 50 percent lower—and income from assets—including ANC dividends—is more important, accounting for about eight percent of income. While incomes are low, the cost of living is high: in 2007, household energy costs in Bethel were nearly four times the cost in Anchorage, and food costs were 92 percent higher.

The report on *Expanding Job Opportunities for Alaska Natives: Summary* written in 1998 (Tab B.4) describes the challenges for expanding job opportunities for Alaska Natives. Slow job growth, projected at about two percent per year, coupled with fast growth in the number of Natives wanting to work, projected at about four percent per year, means a shortage of jobs for new workers. And 84 percent of that job growth is projected to be in urban areas, while two-thirds of Native workers live in rural areas. A large share of the new jobs will be in support industries like retail trade. It is difficult for small communities to create these types of jobs because of the low rate of dollars re-circulation and high level of leakage from remote rural, local economies: it takes about $15 in new community income to support $1 in wages for a local job in the support sector. The report
goes on to suggest ten promising approaches to increasing Native hire, including 8(a) contracting and five other federal policies favoring local or Native hire.

The chapter by Theodore Lane on “The Labor Force Status of Alaska’s Native Population” (1987; Tab B.5) concludes that “while educational and demographic factors are associated with low [labor force] participation rates, the economic structure of rural labor markets is the major factor causing low Native employment.” Lane then presents a case study analysis of two types of construction contracting in the village of Aniak and their outcomes. He found that construction “force accounting” by the City of Aniak enabled it to modify the structure of employment to make it more culturally responsive, resulting in greater local employment and income, with lower turnover and higher skill acquisition, compared to traditional contracting methods; the project budgets were comparable, while the time-to-completion was longer for the city’s approach which invested in local skill development. This shows that culturally responsive businesses, such as ANCs, are the key to developing jobs and job skills accessible to the majority of Alaska Native job seekers living in rural communities.