The socioeconomic determinants of health: What do we know about Alaska?

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Outline

1. General Overview

2. Basic Alaska Characteristics
   - Age and Education
   - How much has Alaska changed?
   - Historical employment
   - Inside the numbers

3. What can we say about the near future?
   - Where do we go from here?
A number of studies have examined the impact of socio-economic status on health related behaviors and outcomes.

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Dimensions of change

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Any challenges?

While the relationship is well documented, it has been difficult to determine whether the relationship exists primarily because health affects socioeconomic status, whether socioeconomic status has a direct impact on health, or whether both are affected by some third factor.

It has been posited that rate of time preference could be responsible for both low socioeconomic status and health outcomes.
Any challenges?

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Alaska’s demographics, its urban/rural divide, and mixed economy make these relationships more complicated.

Large in and out migration renders drawing conclusions less obvious.
Alaska specific challenges

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Does Alaska’s Age distribution resemble that of the U.S?

**Age composition**

Alaska and United States

- Alaska: % under 5 years old (7.6%), % under 18 (26.4%), % over the age of 65 (7.7%)
- United States: % under 5 years old (6.5%), % under 18 (24%), % over the age of 65 (13.0%)
What about education?

Educational attainment
Alaska and United States

- **Alaska**
  - **92.1%** of persons with a high school degree or higher
  - **28%** have a bachelor’s degree or higher

- **United States**
  - **86.7%** of persons with a high school degree or higher
  - **29.8%** have a bachelor’s degree or higher
Racial composition of Alaska

2010 Census

- American Indian or Alaska Native: 14.76%
- Asian Alone: 0%
- African American: 0%
- Native Hawaiian or Other Pacific Islander: 0%
- Some Other Race Alone: 0%
- Two or More Other Races: 0%

- White Alone: 66.67%
Native Population in Alaska and the US

Percent of American Indian and Alaska Native
Alaska and United States

- Alaska: 15.2%
- United States: 1.3%
Alaska as a state used to be known for rising employment and population, characterized by periods of **boom and bust** such as the construction of the **trans-Alaska oil pipeline** in the mid-1970s, the recession following completion of the pipeline in the late 1970s, the government spending and construction driven boom of the early 1980s, and the **oil price crash driven deep recession** of the late 1980s. While true once, that picture is no longer true.
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Major events

Wage and Salary Employment in Alaska

Significant Economic Events Between 1959 and 2015

- Pipeline construction begins
- First PFD distributed
- Oil begins flowing through the pipeline
- Alaska recession begins, following crash in oil prices
- Continuous period of employment growth from 1989 to 2008 averaging 1.8% per year
- First year of negative growth in two decades
What about wages?

Real average wage and salaries
1969 to 2015

The average wage growth between 2000 and 2015 was 0.73%
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General Overview
Basic Alaska Characteristics
What can we say about the near future?

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Inside the numbers

Age distribution by race

Age distribution of Alaska Native and White Populations

- White
- Alaska Native
General Overview

Basic Alaska Characteristics

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Age and Education

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Historical employment

Inside the numbers

Percent of people below the poverty line

Income in the past 12 months below poverty level

- White
- Alaska Native
Education by race for females

Educational attainment for females by race

<table>
<thead>
<tr>
<th>Race</th>
<th>High school graduate or higher</th>
<th>Bachelor's degree or higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>96.00%</td>
<td>36.90%</td>
</tr>
<tr>
<td>Alaska Native</td>
<td>82.40%</td>
<td>10.00%</td>
</tr>
</tbody>
</table>

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Basics
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Education by race for males

Educational Attainment for males by race

High school graduate or higher
Bachelor's degree or higher

- White: 95.60%
  Alaska Native: 81.50%

- White: 33.60%
  Alaska Native: 8.20%
Dropout rates

Public School Dropouts (Grades 7-12) for Alaska
Native/American Indian

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Education for Alaska Natives in the US and Alaska

Educational outcomes for Alaska Natives in Alaska and the U.S.

- Less than high school diploma
- High school graduate (includes equivalency)
- Some college or associate's degree
- Bachelor's degree
- Graduate or professional degree

Comparison between the U.S. and Alaska.
Occupational structure for Alaska Natives in the US and Alaska

Occupational structure in Alaska and the U.S. for Alaska Natives

- Management, business, science, and arts occupations
- Service occupations
- Sales and office occupations
- Natural resources, construction, and maintenance occupations
- Production, transportation, and material moving occupations

U.S. vs. Alaska
General characteristics for Alaska Natives in the US and Alaska

<table>
<thead>
<tr>
<th>American Indian and Alaska Native characteristics and outcomes for the U.S. and Alaska</th>
<th>U.S.</th>
<th>Alaska</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median household income</td>
<td>38,530</td>
<td>45,090</td>
</tr>
<tr>
<td>Poverty rate (All families)</td>
<td>21.60%</td>
<td>20.00%</td>
</tr>
<tr>
<td>In Labor force</td>
<td>58.10%</td>
<td>59.50%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>8.50%</td>
<td>18.40%</td>
</tr>
<tr>
<td>Owner occupied units</td>
<td>53.10%</td>
<td>59.20%</td>
</tr>
<tr>
<td>Same house as a year ago</td>
<td>83.80%</td>
<td>84.20%</td>
</tr>
<tr>
<td>% over 65</td>
<td>9.50%</td>
<td>7.80%</td>
</tr>
</tbody>
</table>
### Alaska’s Fiscal and Economic Situation by the numbers

<table>
<thead>
<tr>
<th></th>
<th>Budget and economy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
</tr>
<tr>
<td>Unrestricted GF revenues</td>
<td>6.9</td>
</tr>
<tr>
<td>Wage and Salary Employment</td>
<td>335,366</td>
</tr>
</tbody>
</table>
What do we know about the current economic situation?

- We are in the middle of the second year of the recession.
- The contraction has spread from Oil and Gas, Construction, and Government to the rest of the economy in this last year.
- Most boroughs and census areas are feeling the squeeze.
- Communities with heavy dependence on Oil, government, and construction will have more prolonged declines.
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What can we say about the near future?

Basic picture: Economic contraction

Employment growth rate using QCEW at the state level
2002-2016

We lost 6,221 jobs between 2015 and 2016

Employment growth rate at the borough level
2015-2016
Distribution of Alaska Native population across the state
Unemployment rates across the state

Unemployment rates
U.S., Alaska, and Borough and Census Areas

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Unemployment rates across the state

Intra-state migration by borough and census area

- Aleutians East Borough
- Anchorage Municipality
- Bristol Bay Borough
- Dillingham Census Area
- Haines Borough
- Juneau City and Borough
- Ketchikan Gateway Borough
- Kusilvak Census Area
- Matanuska-Susitna Borough
- North Slope Borough
- Petersburg Borough
- Sitka City and Borough
- Southeast Fairbanks Census Area
- Wrangell City and Borough
- Yukon-Koyukuk Census Area

Unemployment rates:
- 0%
- 1%
- 2%
- 3%
- 4%
- 5%
- 6%
- 7%
- 8%
- 9%
- 10%
Studies reported detrimental impacts of the recession on health, particularly mental health.

Employment and housing consequences of the recession were associated with declining birth rates, self-rated health, increasing morbidity, and psychological distress.

Health impacts were stronger among men and racial/ethnic minorities in some of the more recent work.

As we work through the fiscal solution, we need to be cognizant of these relationships as we determine sustainable solutions. We also need to take the regional dimension into account.
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Wage and Salary employment growth projections

These projections do not include major cuts or added taxes.
Major decisions ahead

- Alaska is slowly becoming a state dependent on a financial asset.
- Need for new revenues is inevitable.
- While the economy has weakened, the fundamentals are still sound.
- Delaying a decision means more uncertainty.
- The good news is that the state has options that are sustainable.
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