

## The year 2000 unemployment insurance claimants: What happened to them in four years?

**S**ome 41,000 people filed for \$112.2 million in unemployment benefits in Alaska in 2000. Who were they, what happened to them and where are they now?

We tracked each of the 40,933 to find out more about them as a group, their reasons for collecting unemployment, how the economy affected them, and what they were doing four years later in 2004. We wanted to find out if they moved out-of-state or just somewhere else in Alaska, what kind of salaries they were making, what industries they worked in or if they changed occupations, how many never filed another claim and how many filed one every year.

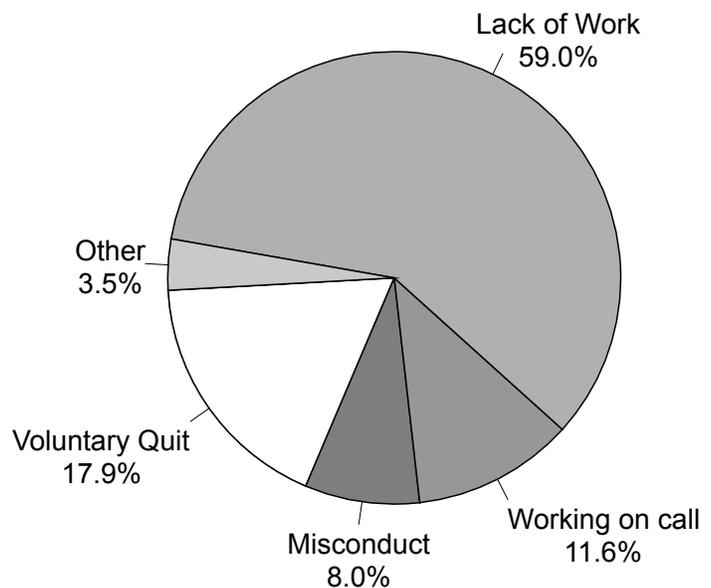
We used wage records and various Research and Analysis databases compiled from unemployment insurance tax data, the overall unemployment insurance program and the Alaska Permanent Fund. The year 2004 was chosen as a measuring stick because it's the most recent year with complete data across all fields.

The year 2000 was pretty much like the preceding years unemployment-wise. The numbers for the year before, 1999, were similar: 42,172 people filed for \$119.1 million in unemployment benefits.

Unemployment insurance is an economic stabilization program that's been a part of the national economy for 70 years. In 1935, at the low point of the Great Depression, the United States adopted a number of policies designed

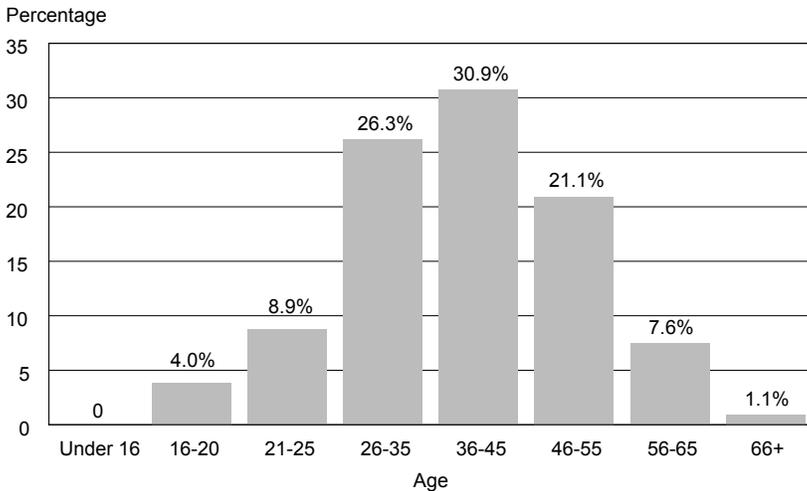
to alleviate the incredible economic stress the country was facing. One of the policies was unemployment insurance, where workers would be paid something when they were out of work and employers would have a more stable work force because experienced workers, collecting benefits, would stick around and be available to return to work. Local economies would also benefit from the money that the unemployed workers, receiving benefits, would spend.

### Why Did They File? Alaska unemployment claimants in 2000 **1**



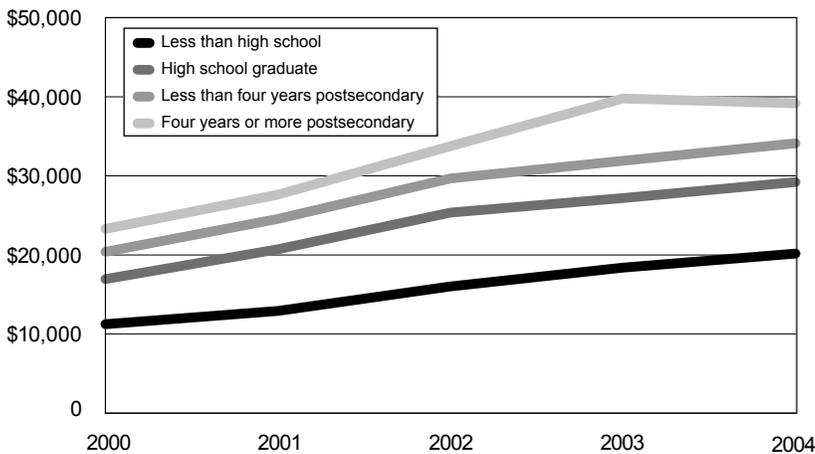
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 2 How Old Were They? Year 2000 claimants, by age



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 3 Education's Effect on Salaries Year 2000 claimants' average annual salaries



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Seventy years later, each state's unemployment insurance program is still intact. Most employers, on behalf of their employees – and in Alaska and two other states, employees – pay into their state's system with each paycheck, so when the employees are without a job they can get unemployment benefits. Alaska's regular benefits program pays between \$44 a week and \$248 a week<sup>1</sup> for up to 26 weeks, depending on individual eligibility. From time to time, depending on the state's economy, additional benefits are available as well.

The UI program doesn't cover full-commission salespeople, elected and appointed officials, fishermen, unpaid family and domestic workers, as well as the self-employed.

### Who were the 40,993 claimants in 2000?

The majority, 59 percent, collected unemployment benefits because they couldn't find employment, they were laid off or were fired. Another 17.9 percent had voluntarily quit their jobs, 8.0 percent were terminated for misconduct and 11.6 percent were working, but on call. (See Exhibit 1.)

About 62 percent of the claimants were male and 57 percent of the claimants were between 26 and 45 years old. (See Exhibits 2 and 15.)

### What happened in the next four years?

By 2004, a quarter of the claimants had left the state. Some who stayed continued to claim unemployment benefits. But enough claimants recovered and improved the overall salary levels for the entire group. Many claimants found employment in economic sectors such as health care and real estate.

<sup>1</sup> This doesn't include the allowance for up to three dependents, which is \$24 a week per dependent.

## Their salaries

The average annual salary for the year 2000 unemployment insurance claimants steadily increased from \$20,134 in 2001 to \$23,319 in 2004. While those with at least some college-level education ended up with the highest average salaries in 2004, those claimants with a high school diploma or less experienced the highest salary rate increases. (See Exhibit 3.) Plus, many of the claimants who filed for UI in 2000 moved from the lower to higher salary ranges. (See Exhibit 4.)

Other explanations for the increase in the average salary include the large number of low-skilled workers who left the state. (Seafood processing workers were the largest group.)

The female claimants experienced a 47.2-percent increase in average salary from 2000 to 2004 compared to the 37.5-percent increase among the male claimants. Still, in 2004, the average salary for the women was only 61.5

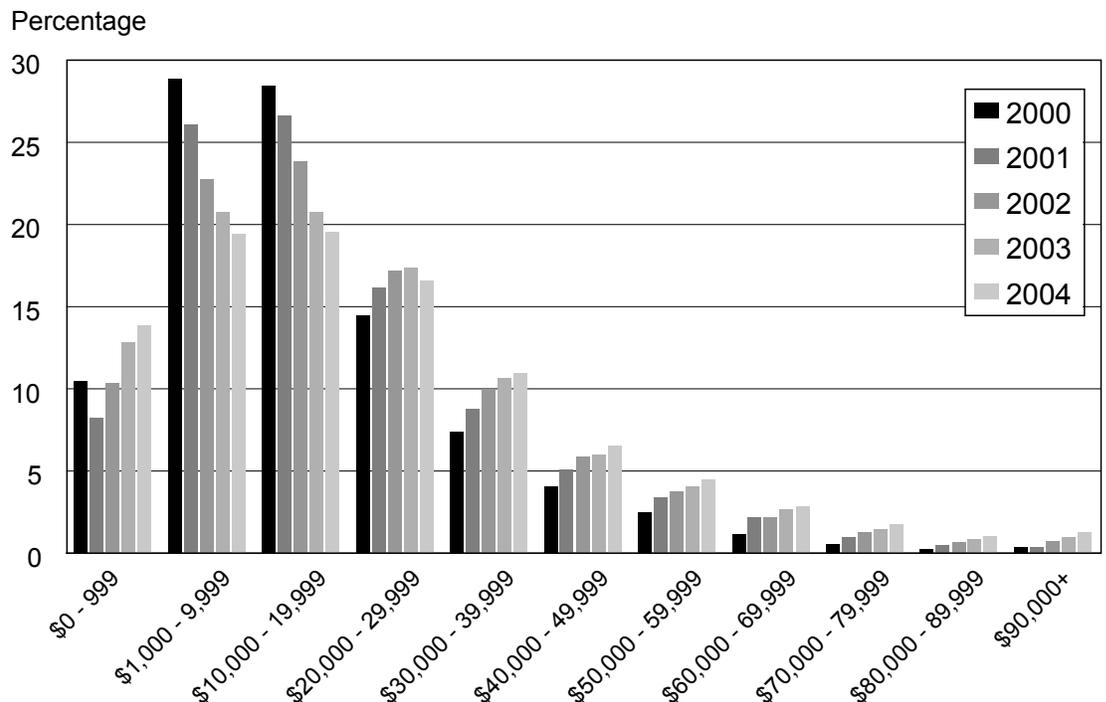
percent of that paid to the men. (See Exhibit 5.) Among all Alaska employees statewide, the annual average salary of women in 2004 was 68.3 percent of the average salary of men.

## Where they moved or if they stayed put

A quarter of the year 2000 claimants – 26.7 percent, or 10,957 of the 40,933 – moved out-of-state. (See Exhibit 15.) By 2001, 7,338 of the claimants had left the state; another 3,619 left over the next three years. And, for the 29,996 claimants who stayed in Alaska, 16,934, or 56.5 percent of them, moved elsewhere within Alaska by 2001.

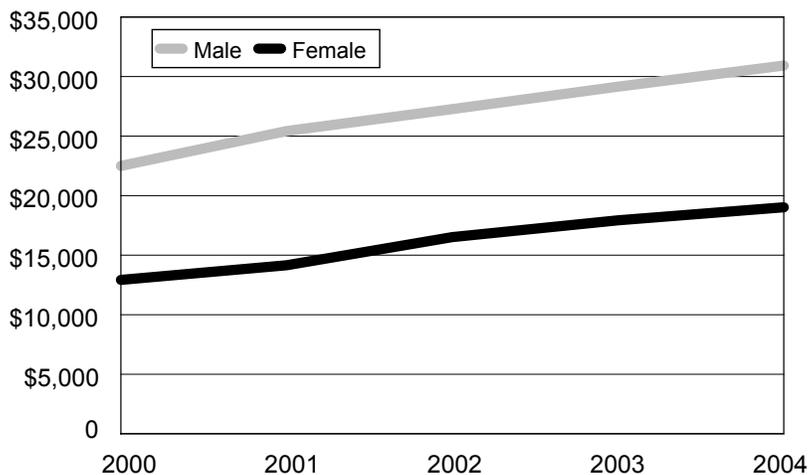
The major group of claimants who left the state by 2001 was seafood processing workers. With seafood processing employment dropping steadily from 1995 to 2002, most unemployment claimants who had worked in seafood processing decided to leave the state, hoping for better employment opportunities elsewhere. But the majority of seafood processing workers who

## What Happened to Their Salaries in Four Years? 4 Year 2000 claimants' annual average salary range by percentage



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 5 Annual Average Salaries Year 2000 claimants, by gender



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

decided to stay in Alaska were re-employed the following year without changing their occupation or moving. Most of them worked every quarter through 2004.

### How were they affected in different industries? And did they change occupations?

The most heavily affected industries were seafood processing and construction. By 2004, 2,518 of the initial 40,933 unemployment insurance claimants had left the seafood processing industry; another 2,073 of the initial claimants had left the construction industry.

Construction is one of the most seasonal industries in Alaska, which is why it tends to have a high number of unemployment claimants every year. But construction has seen strong growth for the past few years and 3,261 of the year 2000 claimants returned to the industry by 2004. Another 1,837 claimants moved to construction from other industries by 2004. (See Exhibit 7.)

The downturn in the seafood processing sector in the years leading up to 2000 greatly affected employment; 4,901 seafood processing workers claimed unemployment in 2000. While many seafood processing workers left the state soon after becoming unemployed, 69 percent, or 1,704 of the 2,471 workers who decided to remain in Alaska, returned to their seafood processing jobs the following year. The seafood industry, though, began recovering in 2003 and hired back many of the workers. By 2004, 2,383 of the claimants who originally came from the seafood processing sector in 2000 returned, including nonresidents.

Many other unemployment claimants moved to the healthcare, public administration and real estate industries, a somewhat predictable move considering that healthcare and real estate are among the rising industries in Alaska.

While the number of year 2000 claimants in the construction and food processing fields

## 6 Where Were They? Year 2000 claimants in 2000 vs. 2004

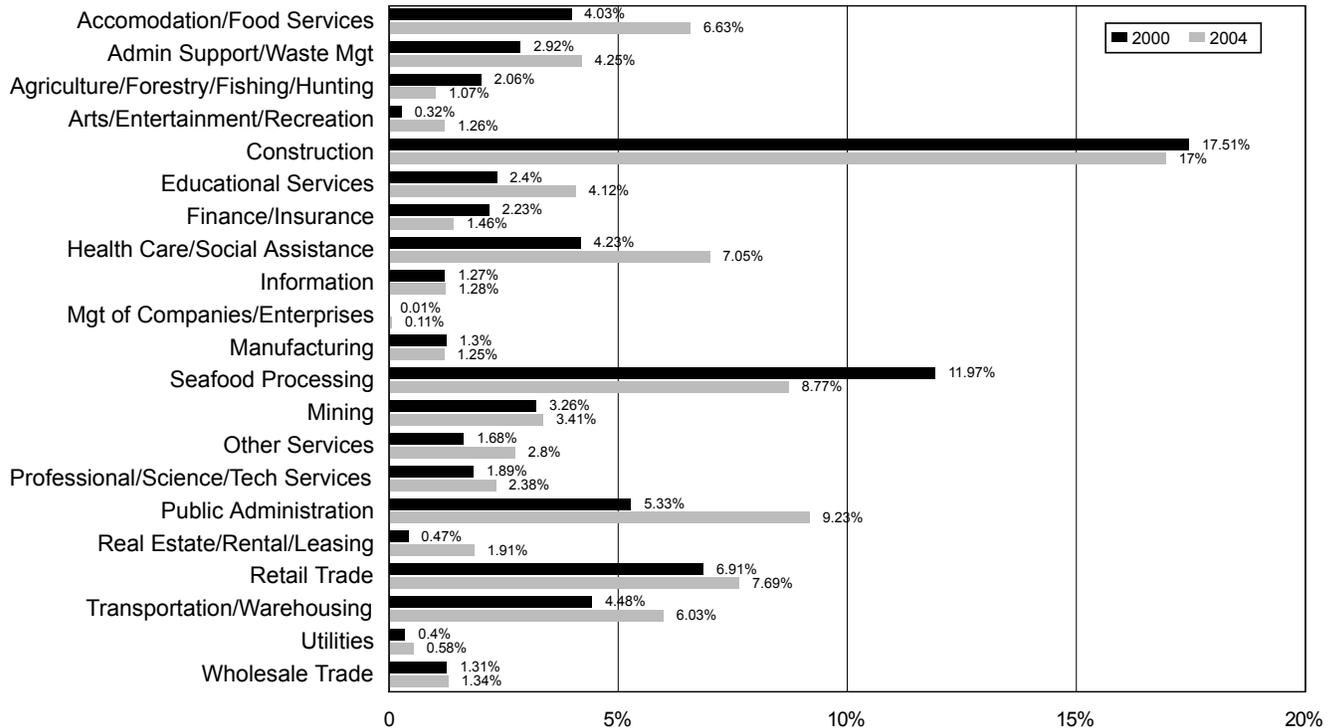
Location	2000 <sup>1</sup>	2004 <sup>2</sup>
Aleutians East Borough	2.10%	1.30%
Aleutians West	2.20%	1.70%
Anchorage, Municipality of	21.40%	19.40%
Bethel	2.30%	2.60%
Bristol Bay Borough	0.50%	0.50%
Denali Borough	0.50%	0.40%
Dillingham	0.60%	0.60%
Fairbanks North Star Borough	7.20%	7.10%
Haines Borough	0.40%	0.30%
Juneau Borough	2.90%	2.60%
Kenai Peninsula Borough	6.00%	5.00%
Ketchikan Gateway Borough	2.20%	1.70%
Kodiak Island Borough	3.00%	2.50%
Lake and Peninsula Borough	0.50%	0.30%
Matanuska-Susitna Borough	3.90%	4.20%
Nome	1.50%	1.60%
North Slope Borough	3.50%	2.50%
Northwest Arctic Borough	1.00%	1.10%
Prince of Wales-Outer Ketchikan	1.60%	1.40%
Sitka Borough	0.80%	0.70%
Skagway-Hoonah-Angoon	0.90%	0.70%
Southeast Fairbanks	0.70%	1.00%
Valdez-Cordova	2.00%	1.50%
Wade Hampton	1.10%	1.20%
Wrangell-Petersburg	1.40%	0.90%
Yakutat Borough	0.30%	0.20%
Yukon-Koyukuk	1.10%	1.10%
Off-Shore	1.00%	0.30%
Alaska Area Unknown	24.90%	8.80%
Outside Alaska	2.60%	26.80%

<sup>1</sup> Where the 40,933 year 2000 UI claimants were living in 2000.

<sup>2</sup> Where the 40,933 year 2000 UI claimants were living in 2004.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Where Were They Four Years Later? Year 2000 claimants, by industry and percentage



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

dropped since 2000, they remained the top two occupations in 2004. (See Exhibit 8.)

### Those who bounced back

By 2004, nearly a quarter – 9,864 of the 40,933 claimants – bounced back, meaning that they remained in Alaska or returned by 2004, that they worked at some point in 2004 and, by the end of 2004, they had not filed another unemployment claim. As a group, they improved their salaries steadily after 2000.

Just over 17.6 percent of the fully recovered claimants had a high school diploma or equivalent and no college experience; another 46.4 percent had at least some college education. (See Exhibit 9.)

For the year 2000 claimants, the salaries of those with at least a high school diploma climbed above Alaska's average annual salary level by

2004. In fact, the average claimant in 2000 on every education level experienced increases in annual salaries after 2000; claimants with higher education levels succeeded at a slightly higher rate and ended up with higher overall salaries. (See Exhibit 3.)

The claimants who never had an additional claim found the most stability in the public administration and healthcare industries. The employment rise in the healthcare industry shows that many claimants who filed for UI in 2000 found job opportunities there.

The women had a higher recovery rate than the men, with 22.2 percent of the female claimants employed in Alaska at some point in 2004 compared to only 16.7 percent of the men.

As far as age, the younger groups had the most success with finding and retaining employment in 2004. (See Exhibit 10.)



## Top 10 Occupational Groups Year 2000 unemployment claimants in 2000 vs. 2004



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

### Those who filed for unemployment again in the four years

Roughly 61 percent of the year 2000 claimants – 24,957 of the initial 40,933 – filed for unemployment insurance at least once after 2000. (See Exhibit 11.) Of those, 3,183 filed at least once every year from 2001 to 2004. A large portion, about 83 percent, of the repeat claimants were white or Alaska Native, likely due to higher out-of-state migration rates for the Asian and Hispanic claimant populations. (See Exhibit 12.)

Men showed a greater tendency to make additional unemployment claims after 2000. Sixty-six percent of the year 2000 male claimants made more claims, while 52.7 percent of the women were repeat claimants.

Seafood processing and construction workers were repeat claimants more than people in any other occupation or industry. Combined, the seafood processing and construction industries contributed about 36 percent of the repeat claimants.

Age and the amount of education also appear to have something to do with it. The older claimants were more likely to make multiple claims after 2000 than those who were younger than 36. (See Exhibit 13.) Lower education levels also increased the chances of people making additional claims. (See Exhibit 14.)

### Summarizing it all

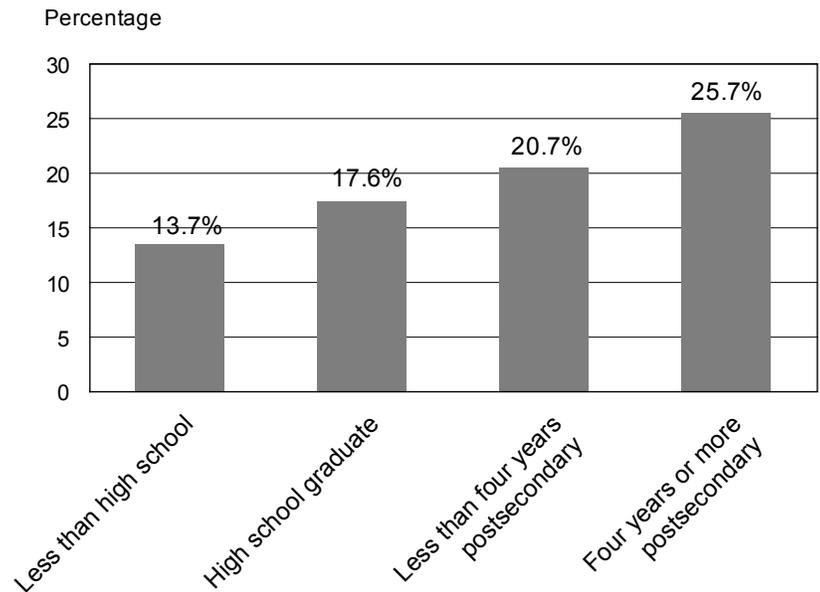
Nearly a quarter of the 40,933 people who filed for unemployment benefits in 2000 not only bounced back in four years – they were working in 2004 and hadn't filed for unemployment again – they improved the average salary for all the claimants.

Many, though, still had trouble finding permanent work, as shown by the some 60 percent who filed additional unemployment claims by 2004. The Alaska fishing industry, which was experiencing an economic downturn through 2002, didn't help much.

But, with the growth in other industries and the recovery in the fishing industry beginning in 2003, many of the year 2000 claimants have found employment. And that, essentially, is what the unemployment insurance program is designed to do: to give workers the time they need to weather temporary economic downturns or look for work in other industries.

## Recovery Rate by Education Level<sup>1</sup> **9**

Year 2000 unemployment claimants in 2004

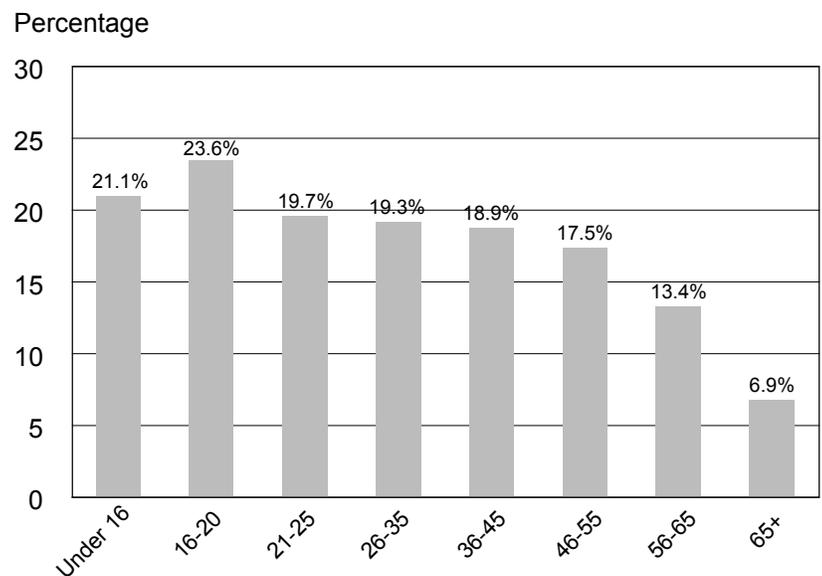


<sup>1</sup> Year 2000 UI claimants were considered "recovered" when they remained in Alaska or returned by 2004, worked at some point in 2004 and, as of the end of 2004, they had not filed an additional unemployment claim.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Recovery Rate by Age Group<sup>1</sup> **10**

Year 2000 claimants in 2004



<sup>1</sup> Year 2000 UI claimants were considered "recovered" when they remained in Alaska or returned by 2004, worked at some point in 2004 and, as of the end of 2004, they had not filed an additional unemployment claim.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 11 Repeat Claimants

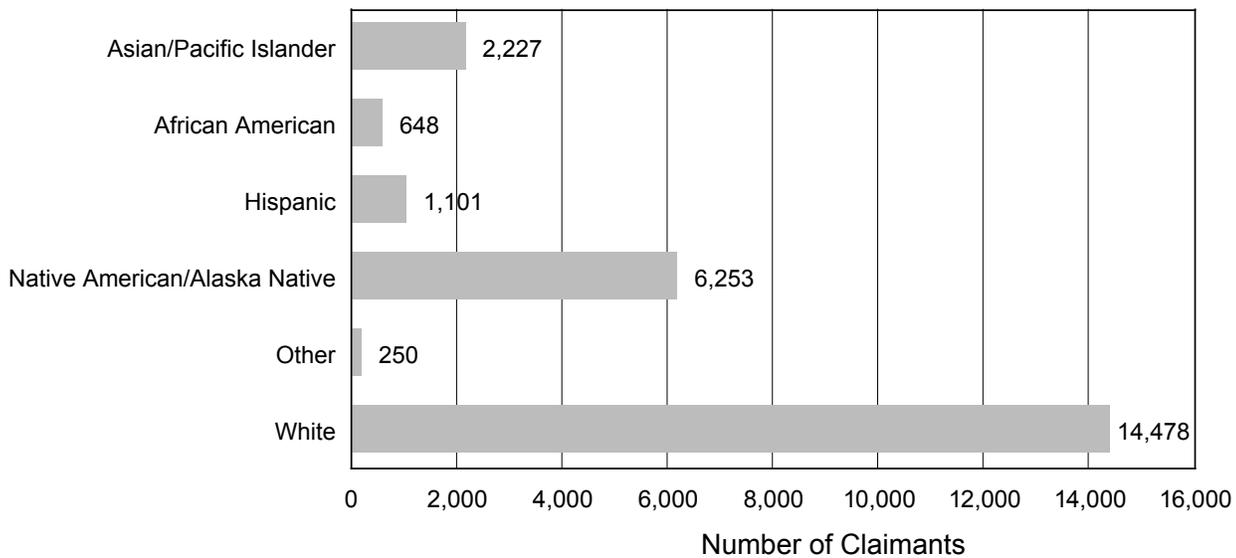
## By number of claims

Additional Claims	Number
1	9,674
2	6,795
3	4,948
4 or more	3,540
<b>Total Repeat Claimants</b>	<b>24,957</b>

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 12 Repeat Claimants

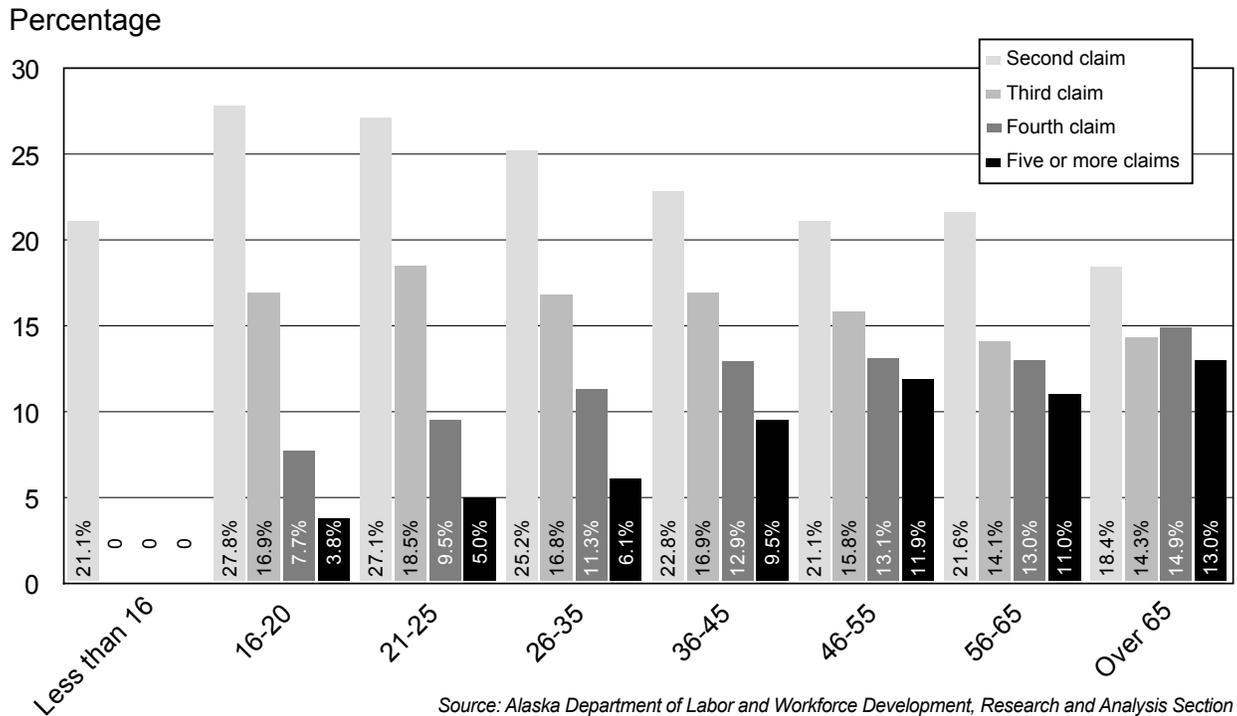
## By ethnic group



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

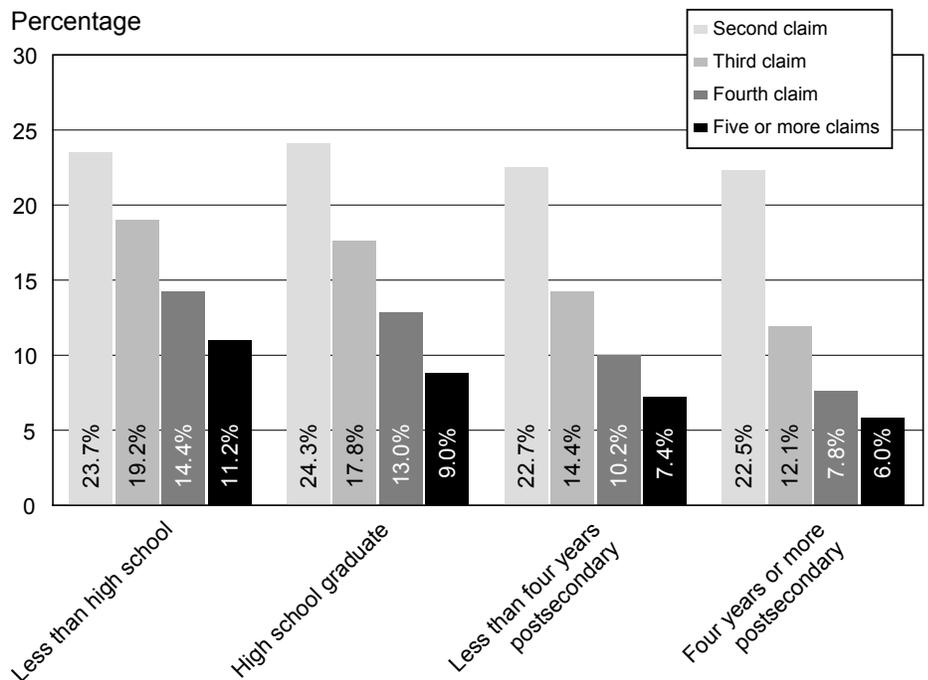
## Repeat Claimant Rate **13**

By age group and number of additional claims



## Repeat Claimant Rate **14**

By educational level and number of additional claims



# 15 Who Were They?

## The characteristics of the year 2000 claimants in 2000 and 2004

### Year 2000 Claimants in 2004

	2000 Count	2004 Residents	2004 Employed <sup>1</sup>	2004 Claims <sup>2</sup>
Gender				
Male	25,465	18,408	8,863	6,511
Female	15,453	11,565	6,160	3,009
Unknown	15	3	1	2
Total	40,933	29,976	15,024	9,522

### Average Annual Earnings

0 - \$1,000	4,326	7,004	796	778
\$1,000 - \$9,999	11,863	5,078	2,907	2,171
\$10,000 - \$19,999	11,706	5,178	2,643	2,535
\$20,000 - \$29,999	5,996	4,422	2,906	1,516
\$30,000 - \$39,999	3,061	3,048	2,175	873
\$40,000 - \$49,999	1,713	1,896	1,292	604
\$50,000 - \$59,999	1,075	1,271	829	442
\$60,000 - \$69,999	547	840	580	260
\$70,000 - \$79,999	276	515	354	161
\$80,000 - \$89,999	156	339	252	87
\$90,000+	214	385	290	95
Total	40,933	29,976	15,024	9,522

### Age

Under 16	19	5	3	0
16-20	1,642	1,241	713	346
21-25	3,654	2,659	1,484	804
26-35	10,755	7,800	4,231	2,336
36-45	12,655	9,459	4,803	3,123
46-55	8,622	6,305	2,888	2,153
56-65	3,124	2,184	829	653
66+	462	323	73	107
Total	40,933	29,976	15,024	9,522

### Education Group

Unknown	950	453	262	108
Less than high school	4,923	3,569	1,591	1,302
High school graduate	21,999	16,652	8,227	5,616
Less than four years postsecondary	11,375	8,116	4,243	2,225
Four years or more postsecondary	1,686	1,186	701	271
Total	40,933	29,976	15,024	9,522

### Number of Dependents<sup>3</sup>

0	23,029	16,075	7,869	5,077
1	7,059	5,330	2,803	1,594
2	5,984	4,618	2,412	1,437
3	4,861	3,953	1,940	1,414
Total	40,933	29,976	15,024	9,522

### Ethnicity

Asian/Pacific Islander	3,126	1,850	807	857
Black	1,362	838	437	182
Hispanic	1,799	851	417	297
American Indian/Alaskan Native	8,616	7,763	3,845	2,779
Other	490	260	111	82
White	25,540	18,414	9,407	5,325
Total	40,933	29,976	15,024	9,522

### Geographic Location

Aleutians East Borough	859	521	79	80
Aleutians West	905	698	168	188
Anchorage, Municipality of	8,773	7,955	5,224	2,179
Bethel	951	1,071	560	463
Bristol Bay Borough	189	193	55	49
Denali Borough	188	159	67	62
Dillingham	245	234	115	74

<sup>1</sup> Year 2000 UI claimants employed at any time in 2004 and who had not filed for any additional unemployment benefits by the end of 2004.

<sup>2</sup> Year 2000 claimants who filed for unemployment benefits in 2004.

<sup>3</sup> Alaska's unemployment insurance program allows a claimant to claim a maximum of three dependents.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# Who Were They? **15**

(continued)

<b>Geographic Location (continued)</b>	<b>2000 Count</b>	<b>2004 Residents</b>	<b>2004 Employed<sup>1</sup></b>	<b>2004 Claims<sup>2</sup></b>
Fairbanks North Star Borough	2,952	2,896	1,755	953
Fairbanks, Southeast	290	407	199	187
Haines Borough	173	134	65	48
Juneau Borough	1,186	1,075	673	309
Kenai Peninsula Borough	2,440	2,036	1,195	705
Ketchikan Gateway Borough	884	715	406	202
Kodiak Island Borough	1,217	1,037	359	580
Lake and Peninsula Borough	186	138	60	41
Matanuska-Susitna Borough	1,587	1,738	1,061	591
Nome	599	649	355	263
North Slope Borough	1,447	1,014	623	285
Northwest Arctic Borough	427	436	256	157
Prince of Wales-Outer Ketchikan	666	558	256	238
Sitka Borough	341	269	159	94
Skagway-Hoonah-Angoon	361	270	112	118
Valdez-Cordova	805	613	275	248
Wade Hampton	458	487	243	233
Wrangell-Petersburg	593	373	167	155
Yakutat Borough	124	84	30	48
Yukon-Koyukuk	455	466	242	204
Off-Shore	396	141	22	29
Alaska Area Unknown	10,181	3,609	243	739
Out-of-State	1,055	10,957	0	0
<b>Total</b>	<b>40,933</b>	<b>40,933</b>	<b>15,024</b>	<b>9,522</b>
<b>Industry</b>				
Accommodation and Food Services	1,650	1,990	1,185	554
Administrative Support/Waste Management and Remediation	1,195	1,275	761	400
Agriculture, Forestry, Fishing and Hunting	843	322	100	159
Arts, Entertainment and Recreation	131	378	213	130
Construction	7,166	5,098	2,274	2,444
Educational Services	982	1,236	941	256
Finance and Insurance	913	438	323	97
Health Care and Social Assistance	1,732	2,116	1,600	444
Information	521	385	283	79
Management of Companies and Enterprises	4	34	16	13
Manufacturing	5,435	3,007	645	1,186
Mining	1,335	1,023	609	271
None	1,064	548	0	548
Other Services	688	841	519	278
Professional, Scientific and Technical Services	773	715	433	205
Public Administration	2,181	2,770	1,756	920
Real Estate, Rental and Leasing Services	192	572	348	194
Retail Trade	2,827	2,307	1,621	515
Transportation and Warehousing	1,832	1,810	980	649
Unknown	8,770	13,493	28	32
Utilities	163	173	108	56
Wholesale Trade	535	402	281	92
<b>Total</b>	<b>40,933</b>	<b>40,933</b>	<b>15,024</b>	<b>9,522</b>

<b>Top 10 Occupations in 2000</b>	<b>2000 UI Claimants</b>	<b>Top 10 Occupations in 2004</b>	<b>2000 UI Claimants</b>
Construction Trades Workers	4,934	Construction Trades Workers	4,831
Food Processing Workers	2,980	Food Processing Workers	1,970
Retail Sales Workers	1,840	Material Moving Workers	1,206
Other Office and Administrative Support Workers	1,513	Retail Sales Workers	1,180
Other Production Occupations	1,338	Motor Vehicle Operators	959
Material Moving Workers	1,305	Food and Beverage Serving Workers	869
Motor Vehicle Operators	1,298	Other Installation, Maintenance and Repair Occupations	832
Food and Beverage Serving Workers	1,075	Building Cleaning and Pest Control Workers	820
Building Cleaning and Pest Control Workers	1,074	Other Office and Administrative Support Workers	814
Other Installation, Maintenance and Repair Occupations	890	Information and Record Clerks	749
<b>Total</b>	<b>18,247</b>	<b>Total</b>	<b>14,230</b>

<sup>1</sup> Year 2000 UI claimants employed at any time in 2004 and who had not filed for any additional unemployment benefits by the end of 2004.

<sup>2</sup> Year 2000 claimants who filed for unemployment benefits in 2004.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section