

# ALASKA ECONOMIC TRENDS

MARCH 2006

## A Young Work Force Grows Up

### WHAT'S INSIDE

**Unraveling Alaska's Hiring Patterns  
Employment Scene**  
Job count falls to seasonal low point



ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT

Frank H. Murkowski, Governor  
Greg O'Clary, Commissioner

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& WORKFORCE DEVELOPMENT

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Governor's Letter	3
A Young Work Force Grows Up	4
Unraveling Alaska's Hiring Patterns	18
Employment Scene	27
Job count falls to seasonal low point	
Profile	29
The Wage and Hour Administration	

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## Preparing Young Alaskans for the Workplace

by Governor Frank H. Murkowski

This month's Trends feature article discusses young workers in Alaska, and how average incomes have varied over the past 10 years. It's important to track this kind of information, as it helps us stay focused on our goal to provide youth with every opportunity to earn a good living here in Alaska.

The article asks how can a young person gain meaningful work experience if he or she can never get hired for a skilled position, or even an entry-level one. How quickly does the confusion and frustration mount for these young folks? We're faced with some challenging statistics:

- Less than 60 percent of Alaska's ninth-graders graduate high school after four years. Many drop out altogether.
- Over 57,000 Alaskans age 18 and older do not have a high school diploma.
- Many high school graduates are not ready for postsecondary education, training or employment, and eventually drop out or fail to complete their programs.

We're taking aggressive actions to provide our youth with all of the resources, education and training they need to start their careers and raise a family here in Alaska. We're committed to helping them be ready for the jobs that are being created in high-growth industries such as mining, energy, construction, transportation and health care.

The Alaska Department of Labor & Workforce Development has launched its Youth First Initiative to help young Alaskans with their career choices. The initiative includes placing career counselors in the schools and providing young people with industry skills training, apprenticeship training and actual work experiences to help prepare them for the 21st century work force. Two new mobile Job Centers will take all of the one-stop, full-service resources of the existing 24 Alaska Job Centers into schools, shopping malls and rural areas to reach more kids and help them determine their best career path.

We know that somewhere around 75 percent of jobs in Alaska will require training beyond high school. Today's students will need to obtain the same high-level skills whether they enter a trade or go on to college. The bar has been raised for the academic preparation and employability skills our students must have to be ready to help build Alaska's future.

The bottom line is simple: We must prepare our young people for the jobs that are coming. The gas pipeline alone will provide an estimated 9,300 direct and indirect jobs, and our young Alaskans deserve to be prepared for those jobs.

# Growing Up with Young Workers in Alaska

by Andrew Wink  
Economist

## A look at twentysomething workers in 1994, then again 10 years later

**T**he early years of a person’s “working life” can be equal parts confusion and frustration. How does a young person gain meaningful work experience if he or she can never get hired for a skilled position, even an entry-level one?

At the same time, that person’s young friends will be making a broad spectrum of incomes. Data show that yearly wages for young people tend to vary by a wide margin. Any work-related concerns amongst young people should be tempered with the knowledge that for the vast majority of young workers – even those earning low wages – things can improve relatively quickly as they age and acquire advanced skills.

This study presents a before-and-after picture of young workers from 1994 to 2004 rather than a simple snapshot taken along the way. The focus is not on today’s youth, but rather how far the “thirtysomething” workers of today have come since 1994. Though less conventional, longitudinal studies like this one offer valuable insight about how an individual’s employment and earnings will change over time.

In this study we identify a group, or cohort, of 31,761 workers who were 19 to 29 years old in 1994 and were employed in wage and salary occupations at some time during 1994 and 2004. The group – called “young workers”

and the “young workers group” in this article – breaks down as follows:

- “Young workers” – workers who were 19 to 29 years old in 1994
  - “College-age” – workers who were 19 to 23 in 1994
  - “Twentysomething” – workers who were 24 to 29 years old in 1994

For this study, “urban” refers to people who were working in Anchorage, the Matanuska-Susitna region, Fairbanks or Juneau in 1994. The term “rural” refers to people working anywhere else in Alaska during that time. “Origin” refers to where the individual was working in 1994. Unless otherwise noted, this study will use median quarterly wages as the basic tool for wage comparisons. Wage data from 1994 are presented as nominal figures and therefore have not been adjusted for inflation.

### The income mobility of young workers

Income mobility refers to a worker’s ability to change his or her earnings over time relative to other workers. Basically, it’s a study that tries to answer the question, “Can the poor become rich, and the rich become poor?” To find out, young workers were placed into five earnings categories (called quintiles). Each quintile consisted of an equal number of workers arrayed

# Income Mobility for Young Workers

## By earnings quintile, 1994 and 2004



1994 Earnings Quintiles	Total Workers	Number of Workers in the 2004 Earnings Quintiles					1994 Median Quarterly Wage
		First	Second	Third	Fourth	Fifth	
First Quintile - Highest Earnings Quintile	6,352	3,122	1,628	788	456	358	\$8,969
Second Quintile	6,352	1,255	1,768	1,608	1,031	690	\$5,434
Third Quintile - Middle Earnings Quintile	6,352	850	1,268	1,549	1,621	1,064	\$3,573
Fourth Quintile	6,352	677	992	1,382	1,645	1,656	\$2,070
Fifth Quintile - Lowest Earnings Quintile	6,353	448	696	1,025	1,599	2,585	\$727
2004 Median Quarterly Wage	31,761	\$16,757	\$11,247	\$8,297	\$5,427	\$1,853	

**Notes:**

Gray area denotes “low-income” workers – those with incomes in the two lowest quintiles.

The young workers group refers to the group of 31,761 wage and salary workers in Alaska who were 19 to 29 years old in 1994 and worked both in 1994 and 2004.

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

according to their median quarterly earnings in both 1994 and 2004. (See Exhibit 1.) These five quintiles were examined to identify the number of workers who moved to higher and lower wage groups between 1994 and 2004.

Since this income mobility study follows the same group of people over time, the upward movement of one worker must be offset by the downward movement of another.

Of special interest are the workers who populated the lowest two earnings quintiles – called the low-wage workers – in 1994. How many of these low-wage workers moved up to a higher quintile in 2004? How many “high-achievers” from the bottom two quintiles earned their way into the top two quintiles? A wide range of factors influenced the results of income mobility for young workers.

### Factors affecting income mobility

Many of the young, low-wage workers from 1994 were neither young nor making low wages by 2004. All kidding about gray hair and wrinkles aside, over half of them moved to a higher earnings quintile. (See Exhibit 2.) About 9 percent of these low-wage workers elevated

themselves all the way to the highest earnings quintile. Mobility differed depending on the following factors:

- Age
- Gender
- Origin<sup>1</sup>
- Industry experience

Age was the biggest factor related to income mobility. (See Exhibit 3.) The youngest workers typically made the least amount of money in 1994. During this period, many worked in low-wage occupations<sup>2</sup> – possibly part time – while they acquired the education and experience needed to earn higher wages later in life.

Wages earned by 19- to 21-year-olds in 1994 were less predictive as to how much they would

<sup>1</sup> “Origin,” as mentioned previously, refers to where the individual was working in 1994. That person may or may not have been born in that borough or census area. Generally, the origin of the workers are grouped as “urban” or “rural” for the purposes of this study.

<sup>2</sup> In general, young workers are more likely to work part time, which would often result in lower quarterly or annual wages. The comparative effect is minimized in this study because as the young workers age, their peers (within the young workers group) also move into full-time positions. Therefore, a part-time young person could see a big increase in his or her earnings due to working more hours, but, in order to move into a higher earnings quintile, that person would still have to out-earn other young workers who had also transitioned into full-time jobs by 2004.

## 2 Mobility for Young Worker Group of 1994 What happened in 2004

### What Happened in 2004

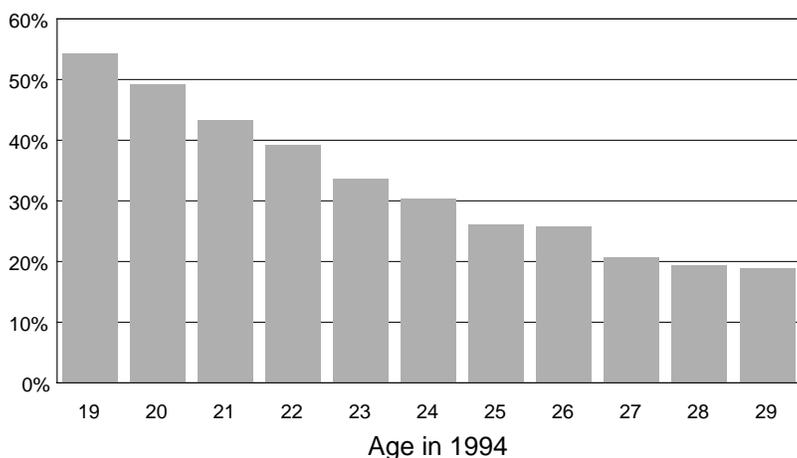
Earnings Position in 1994	Same Quintile	Moved Up	Moved Down <sup>1</sup>	Moved Up to Highest Two Quintiles	Moved Up to Highest Quintile
First Quintile - Highest Earning Quintile	49.1%	-	50.9%	-	-
Second Quintile	27.8%	19.8%	52.4%	-	19.8%
Third Quintile - Middle Earning Quintile	24.4%	33.3%	42.3%	33.3%	13.4%
Fourth Quintile	25.9%	48.0%	26.1%	26.3%	10.7%
Fifth Quintile - Lowest Earning Quintile	40.7%	59.3%	-	18.0%	7.1%

<sup>1</sup> This doesn't mean their wages actually dropped; in most cases they simply grew slower than the rest of the group.

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

## 3 Upward Income Mobility By 2004 Young workers group

Percentage who moved to a higher income quintile by 2004



Note: This graph shows that 55 percent of the workers who were age 19 in 1994 moved up to a higher income quintile by 2004.

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

be earning by 2004. Although the college-age workers posted the highest upward mobility rates, it was very possible for twentysomething workers to also become high-achievers by going from the lowest two quintiles to the highest two quintiles. (See Exhibit 4.)

Men and women exhibited varying degrees of income mobility. Men were somewhat more likely to move up to a higher earnings quintile than women, but low-wage men were much more likely to see large wage increases.

Workers employed in rural areas in 1994 were slightly less likely to climb to a higher earnings quintile in 2004 than those employed in urban

areas during that time. Low-wage, urban workers from 1994 were much more likely to see large wage gains over the subsequent 10 years. (See Exhibit 5.)

By 2004, about 70 percent of the young workers group was employed in a different industry and those workers who switched industries generally displayed higher rates of income mobility. (See Exhibit 6.) To be fair, however, the workers who remained within their original industry were marginally older and were making better wages when they began and ended the 1994-2004 study period. (See Exhibit 7.) Not surprisingly, high-wage industries, such as construction, natural resources and state government, had more remaining workers. Educational and health services, a sector with fewer unskilled positions, also had a high percentage of remaining workers.

### Wages by industry

More than half of the natural resources workers in 1994 belonged to the highest earnings quintile, while over a third of the workers in construction and state government fell into that group. (See Exhibit 8.) Leisure and hospitality, tribal government, manufacturing (mostly seafood processing) and local government all saw many of their workers fall into the lower two earnings categories. Typically, industries that paid well in 1994 continued to provide very good wages for remaining workers in 2004.

### The other side of the coin: downward mobility

Not all workers could have exhibited increasing

wages relative to their peers. Just as workers who earned very little in 1994 had a decent chance of moving up, workers who earned a relatively high wage were nearly as likely to move to a lower earnings quintile in 2004. (See Exhibit 2.) This doesn't necessarily mean their wages actually dropped; in most cases, they simply grew slower than the rest of the group.

About 66 percent of educational and health services<sup>3</sup> workers were in the top three earnings quintiles in 1994. (See Exhibit 8). Ten years later, 42 percent of those workers had slipped to a lower earnings class. Despite being passed by in terms of earnings, educational and health services saw the highest retention rates<sup>4</sup> of any private sector industry in this study. (See Exhibit 7.) Young workers who began the period as state government employees were also more likely to see their earnings increase less rapidly compared to the overall group.

### Prominent trend for young workers

Income mobility studies can be very useful for determining how a worker's earnings can change relative to his or her peers, but they say little about actual dollar values. For instance, natural resource workers had the lowest percentage of "upward-movers" but natural resources was the highest paid industry in both 1994 and 2004.

Nearly all these young workers saw big wage increases, to different extents, over the 1994-2004 period. Using available data, we can answer general questions such as, "Did urban Alaskans fare better than rural Alaskans?" Or, "Did women's wages keep pace with men's wages?" For more information regarding data sources, groupings, terminology or other cohort specifics, please see the methodology section at the end of this article.

<sup>3</sup> Educational and health services includes only those workers employed in the private sector. People employed in a public school would be listed under the local government sector; those 1994 public school workers made up about half of the young local government work force. Therefore, the majority of the educational and health services category consists of private health care providers.

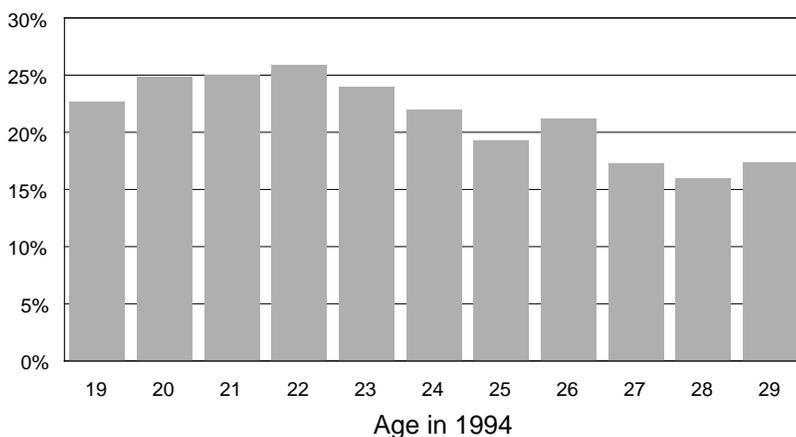
<sup>4</sup> Retention rate refers to the percentage of workers who were employed in the same basic industry during 1994 and 2004.

## Sharp earnings increase for young workers

Young workers typically see their earnings increase rapidly during their 20s and into their 30s. This group of Alaskans is no different. College-age workers saw the greatest increase in earnings; their wages grew by an average of 12.4 percent per year. (See Exhibit 9.)

## A Drastic Income Climb 4 Low-income workers who moved up

Percentage of high-achievers by age



Note: This graph represents the percentage of young low-income workers who moved from the bottom two earnings quintiles in 1994 to the highest two quintiles by 2004. These workers are identified as "high achievers" in this article.

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

## Income Mobility by Gender and Origin 5 Young workers who moved up by 2004

	Percentage of the Group who Moved Up	Percentage of High Achievers <sup>1</sup>
Men	34.6%	28.9%
Women	29.2%	15.9%
Urban <sup>2</sup>	34.0%	27.5%
Rural <sup>3</sup>	28.6%	14.7%

<sup>1</sup> High Achievers refers to those who moved from the bottom two earnings quintiles in 1994 to the top two quintiles in 2004.

<sup>2</sup> "Urban" refers to young workers who were employed in Anchorage, the Mat-Su region, Fairbanks or Juneau in 1994.

<sup>3</sup> "Rural" refers to young workers who were working elsewhere in the state in 1994.

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

## 6 Income Mobility by Industry Experience

### Staying in an industry versus leaving

Industry Where They Started in 1994	Percentage Who Stayed in the Industry	Moved Up		High-Achievers <sup>1</sup>	
		Stayed	Left	Stayed	Left
Construction	42.2%	29.6%	42.2%	34.8%	32.7%
Educational and Health Services	44.6%	24.5%	23.1%	30.1%	20.8%
Financial Activities	27.7%	23.6%	33.3%	32.3%	18.2%
Information	37.7%	21.5%	33.3%	35.1%	26.3%
Leisure and Hospitality	21.6%	18.2%	5.4%	46.0%	23.6%
Manufacturing	25.2%	15.3%	9.4%	36.6%	16.0%
Natural Resources and Mining	39.2%	11.2%	50.0%	29.3%	36.7%
Other Services	17.3%	26.5%	20.6%	39.9%	22.7%
Professional and Business Services	13.0%	22.8%	26.7%	32.2%	25.5%
Trade, Transportation and Utilities	24.6%	22.2%	20.7%	36.9%	24.8%
State Government	51.3%	19.7%	34.8%	37.1%	32.2%
Local Government	57.6%	21.8%	15.6%	35.3%	16.3%
Total	30.1%	22.3%	19.1%	36.3%	22.9%

<sup>1</sup> Represents the percentage of workers in the lowest two earnings quintiles who moved up to the top two quintiles in 2004.

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

## 7 Income Differences of Staying in an Industry Versus Switching

### Young workers group, 1994 compared to 2004

Industry	Median Quarterly Wage in 1994		Median Quarterly Wage in 2004		Percent Change in the 1994-2004 Period	
	Stayed in Industry	Left Industry	Stayed in Industry	Left Industry	Stayed in Industry	Left Industry
Construction	\$6,567	\$4,651	\$13,292	\$10,519	102.4%	126.1%
Educational and Health Services	\$4,891	\$3,324	\$8,650	\$7,021	76.9%	111.2%
Financial Activities	\$5,134	\$3,174	\$10,044	\$6,830	95.6%	115.2%
Information	\$5,925	\$3,375	\$11,638	\$7,513	96.4%	122.6%
Leisure and Hospitality	\$2,799	\$2,094	\$5,029	\$7,066	79.6%	237.4%
Manufacturing	\$4,230	\$2,606	\$8,334	\$6,849	97.0%	162.9%
Natural Resources and Mining	\$11,841	\$5,645	\$19,034	\$10,194	60.8%	80.6%
Other Services	\$4,086	\$2,749	\$8,941	\$7,498	118.8%	172.7%
Professional and Business Services	\$5,675	\$4,005	\$11,345	\$8,878	99.9%	121.7%
Trade, Transportation and Utilities	\$5,063	\$3,102	\$9,785	\$7,976	93.2%	157.2%
State Government	\$6,295	\$3,704	\$10,565	\$9,125	67.8%	146.3%
Local Government	\$4,122	\$2,024	\$8,596	\$6,489	108.5%	220.6%
Total	\$5,009	\$3,027	\$9,596	\$7,761	91.6%	156.4%

Note: Wage and salary data do not include tips or commissions. Tips are common, for instance, in the leisure and hospitality sector and realtor commissions are common in real estate, which falls in the financial services sector.

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

# Where They Started Out

## Young workers in 1994 versus 2004, by industry



Industry	Median Quarterly Wage in 1994	Median Quarterly Wage in 2004	Percentage of Workers in 1994 Earnings Quintiles				
			First Quintile (Highest Earning Quintile)	Second Quintile	Third Quintile (Middle Earning Quintile)	Fourth Quintile	Fifth Quintile (Lowest Earning Quintile)
Construction	\$5,403	\$11,747	37.4%	22.6%	14.8%	13.3%	11.9%
Educational and Health Services	\$3,973	\$7,917	18.1%	26.3%	21.6%	16.8%	17.2%
Financial Activities	\$3,844	\$7,887	12.6%	27.5%	24.7%	16.6%	18.6%
Information	\$4,581	\$9,342	24.8%	27.5%	16.2%	15.2%	16.4%
Leisure and Hospitality	\$2,213	\$6,553	4.6%	12.2%	22.2%	29.6%	31.3%
Manufacturing	\$2,869	\$7,201	15.4%	15.7%	20.3%	27.1%	21.4%
Natural Resources and Mining	\$7,881	\$13,256	56.9%	13.9%	13.5%	8.4%	7.4%
Other Services	\$3,014	\$7,792	11.9%	18.4%	23.2%	26.0%	20.6%
Professional and Business Services	\$4,240	\$9,069	26.4%	21.2%	19.8%	16.8%	15.9%
Trade, Transportation and Utilities	\$3,590	\$8,471	16.5%	22.2%	23.3%	21.9%	16.1%
State Government	\$5,329	\$10,085	33.3%	25.9%	14.1%	14.8%	12.1%
Local Government	\$3,067	\$7,332	27.2%	12.5%	13.0%	16.2%	31.1%

### Notes:

This table shows the wages and income placings by industry. For example, in 1994, the majority of natural resources and mining workers (56.9 percent) were in the highest earnings quintile.

Wage and salary data do not include tips or commissions. Tips are common, for instance, in the leisure and hospitality sector and realtor commissions are common in real estate, which falls in the financial services sector.

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

Twentysomething workers saw less growth, but still registered wage growth of 6.6 percent per year. By comparison, those who were 30 to 40 years old in 1994 saw nominal gains of only 3.8 percent per year, only slightly out-pacing inflation, which ran at 2.1 percent per year<sup>5</sup> during the study period.

### Men's earnings increase faster

In 1994, the women-to-men earnings ratio, or gender gap,<sup>6</sup> in the study was 76 percent. Over the next 10 years, earnings for the men increased faster than for the women. (See Exhibit 10.)

By 2004, the women made only 70 percent of their male counterparts' earnings. Although 25 percent of the women in the young worker group held a job in 2004 requiring a bachelor's

degree or higher, they consistently earned less than the men in the group. Only 15 percent of the men had a job requiring a bachelor's degree or higher in 2004.

Despite this long-term trend in the young workers group, wages for Alaska women of all ages have been increasing faster than Alaska men's wages in recent years. From 2000 to 2004, overall earnings for Alaska women of all ages grew by 21 percent while Alaska men of all ages saw their total earnings increase by 15 percent.

For all Alaska residents in 2004, women earned 67.6 percent of what men earned.

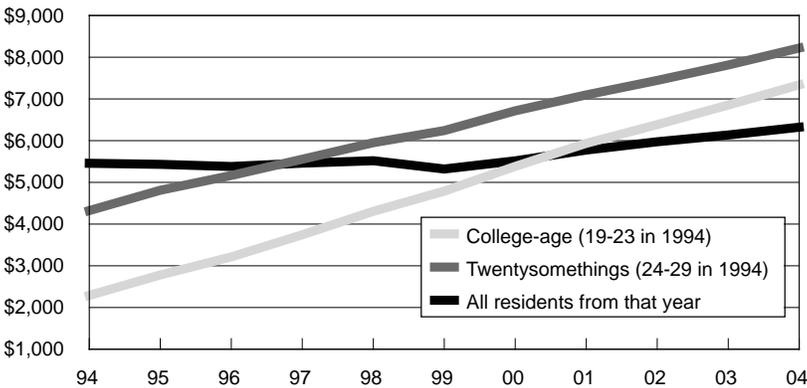
Identifying and measuring specific causes for income disparity based on gender is a large topic in itself and is beyond the scope of this study. But in general, many studying the causes for gender-based income disparity point to a whole spectrum of causes ranging from gender discrimination to a premise that many women

<sup>5</sup> Inflation was calculated using the Anchorage Consumer Price Index from the years 1994 to 2004.

<sup>6</sup> The term "gender gap" is used to describe the disproportionate earnings between men and women. Men tend to earn significantly more than women.

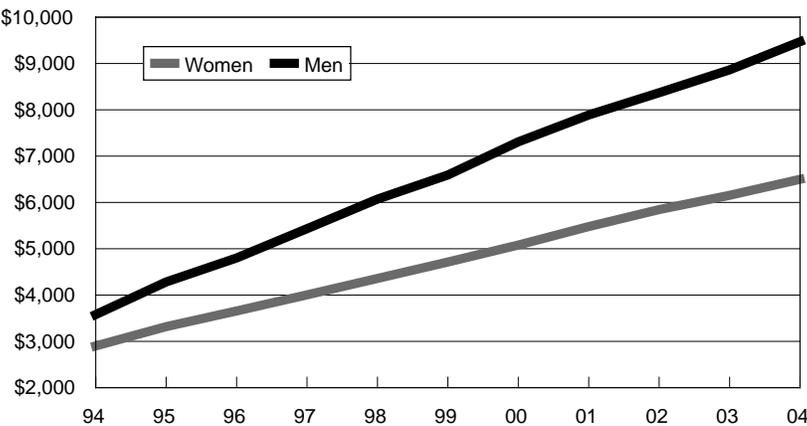
## 9 Wages for Young Workers Group Alaska, 1994 to 2004

Median Quarterly Wages



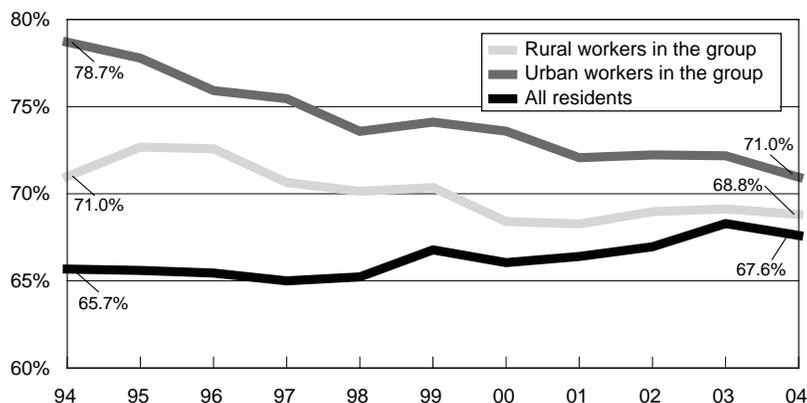
## 10 Wages for Young Workers Group By gender, 1994 to 2004

Median Quarterly Wages



## 11 Urban Versus Rural Gender differences, 1994 to 2004

Women's Percentage of Men's Earnings



Note: The gender gap was computed based on the average annual earnings of men and women for each year.

Source for Exhibits 9, 10, and 11: Alaska Department of Labor & Workforce Development, Research and Analysis Section

are the primary caregivers in their families at home and therefore might work less hours in a year. The latter is a factor that could cause women to acquire experience and tenure at slower rates than men. For one gender gap discussion, see *Trends'* June 2005 issue.

### Gender gap behaves differently in rural and urban areas

In rural areas the gender gap was significantly wider than it was in urban areas for the young workers group. The rural gender gap amongst the young workers was 7.7 percent higher than the urban gender gap in 1994. Yet, as the group aged, the difference between the two declined to 2.2 percent in 2004. (See Exhibit 11.) These data suggest that a sizeable gender gap exists earlier in the careers of rural workers.

### The earnings penalty

"Earnings penalty" refers to the adverse affects on future wages when workers forego post-secondary education or other occupational training opportunities. Whether urban or rural, man or woman, the average incomes for the young workers with less education, experience or training<sup>7</sup> was considerably lower. (See Exhibit 12.)

For both men and women in 2004, the average worker of one gender employed in an occupation requiring little training earned an annual income that was roughly half of what an average worker of the same gender earned in an occupation requiring a bachelor's degree or higher.

Although the gender gap extended to both blue-collar and white-collar occupations, education still played a key role in determining the upward income mobility of men and women. Well-educated men were the most able to pull themselves up by the bootstraps and move from low-income occupations to become high-achievers by 2004, but men who had related experience in an industry or other significant training often did the same. (See Exhibit 12.)

<sup>7</sup> All educational or training groupings were based on the degree or training requirements of the workers' occupations in 2004, not on the education the workers actually obtained. Educational data for these individuals were unavailable.

# Wages for Young Workers by Gender and Origin By 2004 occupational requirements<sup>1</sup>

# 12

	Workers	Percentage of Workers in this Category in 2004	Median Quarterly Wage in 1994	Median Quarterly Wage in 2004	Average Annual Wage in 2004	Percentage of the Group Who Moved Up	Percentage of High Achievers <sup>2</sup>
<b>Males</b>							
Bachelor's degree or above	2,618	15.3%	\$4,825	\$12,870	\$55,814	44.6%	59.6%
Long-term training (12+ months)	2,965	17.4%	\$4,370	\$10,961	\$43,354	36.4%	34.1%
Mid-term training (one to 12 months)	3,702	21.7%	\$4,088	\$9,959	\$38,854	35.0%	30.0%
Related experience, vocational training or associate degree	2,571	15.1%	\$4,993	\$11,923	\$49,323	38.2%	43.7%
Short-term training (less than a month)	5,043	29.5%	\$3,082	\$6,459	\$26,926	26.4%	11.7%
Unknown educational requirements	176	1.0%	\$3,581	\$5,992	\$27,195	25.6%	12.3%
<b>Females</b>							
Bachelor's degree or above	3,640	24.8%	\$3,836	\$9,827	\$38,284	37.8%	37.5%
Long-term training (12+ months)	379	2.6%	\$3,375	\$6,863	\$30,239	30.9%	12.7%
Mid-term training (one to 12 months)	2,708	18.4%	\$3,484	\$7,520	\$29,262	28.7%	13.9%
Related experience, vocational training or associate degree	1,865	12.7%	\$3,737	\$8,561	\$33,039	33.1%	25.6%
Short-term training (less than a month)	5,900	40.2%	\$2,544	\$5,021	\$20,312	23.1%	5.6%
Unknown educational requirements	194	1.3%	\$2,385	\$3,327	\$17,103	20.6%	9.1%
<b>Urban</b>							
Bachelor's degree or above	4,552	22.0%	\$4,402	\$11,203	\$48,249	42.1%	52.6%
Long-term training (12+ months)	2,073	10.0%	\$4,445	\$11,339	\$44,528	38.8%	39.5%
Mid-term training (one to 12 months)	4,048	19.5%	\$4,168	\$8,936	\$36,877	33.0%	26.9%
Related experience, vocational training or associate degree	3,098	14.9%	\$4,525	\$10,611	\$44,361	38.0%	41.8%
Short-term training (less than a month)	6,709	32.4%	\$3,066	\$6,322	\$25,664	26.0%	10.0%
Unknown educational requirements	252	1.2%	\$2,940	\$4,218	\$22,007	24.6%	7.4%
<b>Rural</b>							
Bachelor's degree or above	1,706	15.5%	\$3,771	\$9,762	\$38,597	36.6%	30.9%
Long-term training (12+ months)	1,271	11.5%	\$3,768	\$8,721	\$37,528	30.9%	20.9%
Mid-term training (one to 12 months)	2,362	21.4%	\$3,143	\$7,577	\$31,244	31.2%	17.6%
Related experience, vocational training or associate degree	1,338	12.1%	\$3,849	\$8,971	\$38,114	31.5%	22.5%
Short-term training (less than a month)	4,234	38.4%	\$2,295	\$4,497	\$19,709	22.4%	5.9%
Unknown educational requirements	118	1.1%	\$2,587	\$5,280	\$21,683	19.5%	16.1%

<sup>1</sup> All educational or training groupings were based on the degree or training requirements of the workers' occupations in 2004, not on the education the workers actually obtained. Educational data for these individuals were unavailable.

<sup>2</sup> High Achievers refers to those who moved from the bottom two quintiles in 1994 to the top two quintiles in 2004.

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

Women working in low-income occupations in 1994 had very little chance of becoming high-achievers by 2004 unless they acquired a college degree and an occupation that would put it to use.

## Go to work or go to school

In 1994, the majority of college-age workers did not work in all four quarters of the year. (See Exhibit 13.) Between the ages of 22 and 26, many seasonal<sup>8</sup> workers usually begin to

transition into stable, year-round positions. Younger workers generally have shorter tenures and end up switching jobs more often. This "job-hopping" trend did not completely evaporate as the young workers aged, however, providing further evidence that workers today will change employers, and even careers, more often.

A follow up study of college-age workers who were employed in all four quarters in 1994 revealed some distinct differences. Typical 2004 wages for the year-round workers were significantly higher than for seasonal workers

<sup>8</sup> Workers who did not work all four quarters are referred to as "seasonal" in this study.

employed in 1994. The earnings gap was even larger for older, college-age workers. (See Exhibit 14.) These data suggest that workers with longer terms of employment experience, even as soon as age 19, benefit in later years.

The lone group who did not benefit from working year-round was college-age workers who went on to jobs requiring at least a

bachelor's degree in 2004. It's likely they were unable to work four quarters during 1994 because they were enrolled as full-time college students. Data from this study clearly support the common advice given to high school seniors: begin working year-round to gain viable experience in an industry or earn a college degree.

### Wage differences for urban and rural Alaskans

Earnings growth for the urban section of the young workers group steadily outpaced their rural counterparts. (See Exhibit 15.) As of 2004, wages for young "urbanites" were 39 percent higher than rural wages. Urban workers were more likely to be employed in an occupation requiring a bachelor's degree or higher. They also exhibited higher wages up and down the education and experience ladder. (See Exhibit 12.)

If wages are higher in Alaska's bigger cities, why doesn't everyone move there? City life isn't for everyone, but by 2004 about 21 percent of the young, rural workers had moved to an urban area. They fared slightly better than the rural peers they left behind, but not as well as their new urban counterparts. (See Exhibit 16.)

By 2004, the median quarterly wage for young, rural women was 27 percent below urban women. (See Exhibit 17). Despite this imbalance, wages for rural women actually grew faster, as a percentage, than those of urban women.

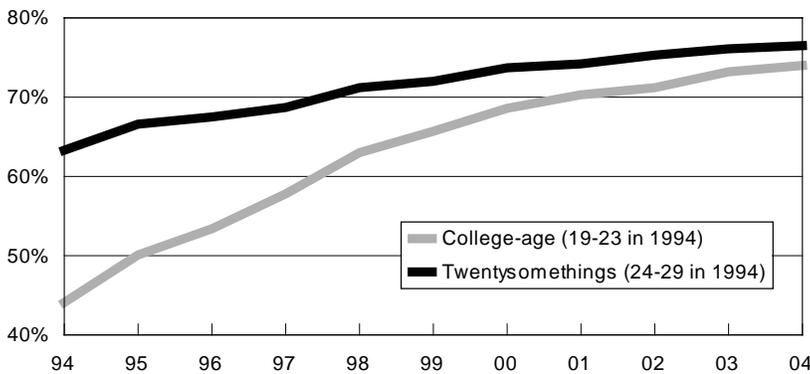
### Starting out in different places

Not every rural area was devoid of high-paying job opportunities for young workers. Young workers from the Denali Borough and the Aleutians West Census Area fared very well. Many workers who made above-average wages in the North Slope Borough in 1994 didn't see their wages grow much faster than inflation over the next 10 years. (See Exhibit 18.)

## 13 Those Who Worked Year-Round

### Young workers group, 1994 to 2004

Percentage who worked year-round



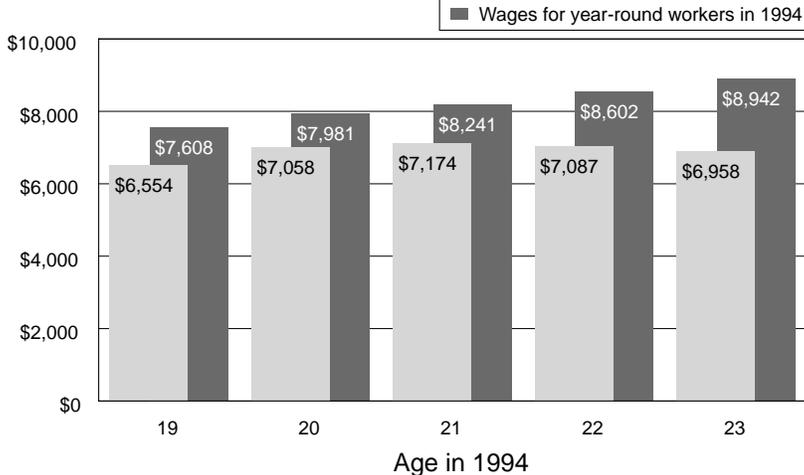
Note: Year-round workers were identified as those employed in a wage and salary position during all four quarters of the year.

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

## 14 Higher Future Wages

### Year-round versus seasonal, 2004

Median Quarterly Wages in 2004



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

## Industry migration for the young workers group

The young workers didn't just move to new places from 1994 to 2004; many moved into different industries as well. Workers beat a well-trodden career path between the professional and business services sector and the trade, transportation and utilities sector. It may have been expected that state and local government workers would trade places on a somewhat regular basis, but that didn't really happen in this study. (See Exhibit 20.)

## Young workers group and others on the move

Studying migration allows us to broaden the scope of this article to include all individuals who were 19 to 29 years old in 1994, not just those in the young workers group who were employed in 1994 and 2004. This section and the next section will look at the bigger group of individuals,<sup>9</sup> which includes everyone in that age group who lived in Alaska, moved into the state, left the state or moved within the state during the 1994-2004 period, regardless of whether they worked.

More than half of the young individuals from 1994 moved out of state or to another area within the state by 2004. (See Exhibit 19.) The college-age group saw the most migration into and out of Alaska. The majority of migrants of all ages moved out of state. Despite losing those individuals, even more people of the same age group migrated to Alaska over the 1994-2004 period. New residents did not migrate to Alaska's main population centers of Anchorage,

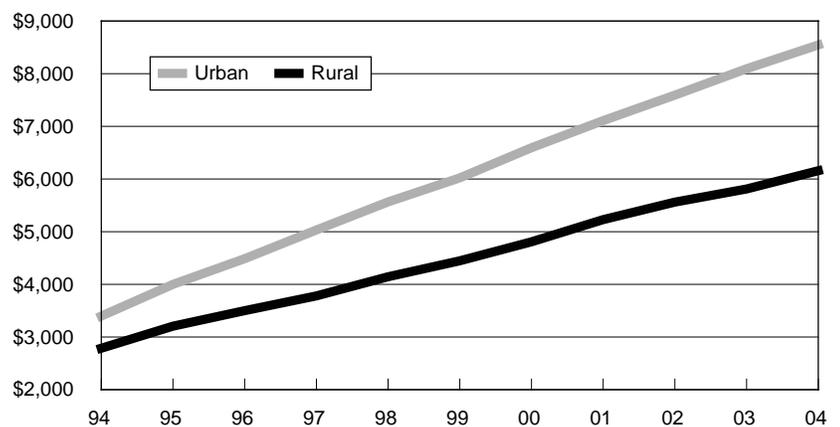
Mat-Su, Fairbanks and Juneau any more than previous population levels would suggest. These new residents likely filled labor needs throughout the state. For more information on Alaska migration, see *Trends'* July 2004 issue.

Young, rural Alaskans migrated away from their original rural area at a slightly higher rate<sup>10</sup> (52 percent) compared to those living in urban areas (51 percent). The young, rural Alaskans who did move within the state since 1994 were more likely to migrate to one of the urban areas listed above than new residents. Factors such as secondary schools and other post-high school training

<sup>10</sup> Permanent Dividend Fund data regarding the migration of rural youth, particularly college students, may be understated for two reasons. Alaska college students often use their parents' rural home address for PFD applications and would therefore not be counted as being urban. Rural students moving on to college often do so when they are 18, a year before our study would have captured them as rural youth migrating to an urban area or out-of-state.

## Wages for Young Workers Group **15** By origin, 1994 to 2004

Median Quarterly Wages



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

<sup>9</sup> The bigger group described here is identified in all references in this article as "individuals," which is not to be confused with the young workers group. Both the young workers group and "new residents" are subsets of the bigger group of individuals.

## Moving to an Urban Area **16** Wages of the young workers group

	Total	Median Quarterly Wage in 1994	Median Quarterly Wage in 2004	Average Annual Wage in 1994	Average Annual Wage in 2004
Urban workers	20,732	\$3,874	\$8,995	\$16,603	\$37,448
Rural workers who stayed in rural areas	8,755	\$2,906	\$6,271	\$14,176	\$28,357
Rural workers who moved to urban areas	2,274	\$2,935	\$7,768	\$14,206	\$33,456

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

# 17 Gender and Origin Differences

## Wages for young workers group

centers make those cities more attractive to young individuals looking to gain education or training.

### Who earns more: new residents or long-term residents?

From 1994 to 2004, Alaska became home to 42,950 new individuals, or residents, who were 19 to 29 years old in 1994. Did these new individuals bring advanced skills that allowed them to out-earn residents who were here at the beginning of our study in 1994?

One assumption is that the work experience and networking available to the long-term

Gender	Median Quarterly Wage in 1994	Median Quarterly Wage in 2004	Average Annual Earnings in 2004
<u>Men</u>			
Urban Men	\$4,252	\$10,415	\$43,260
Rural Men	\$3,444	\$8,047	\$34,362
All Men	\$4,011	\$9,753	\$40,169
<u>Women</u>			
Urban Women	\$3,480	\$7,684	\$30,693
Rural Women	\$2,482	\$5,572	\$23,644
All Women	\$3,139	\$7,007	\$28,247

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

# 18 Where They Worked in 1994 and What They Made

## Young workers group, 1994 versus 2004

Place of Work in 1994	Number of Workers	Median Quarterly Wages in 1994	Median Quarterly Wages in 2004	Percentage in Lower Two Quintiles in 1994
Aleutians East Borough	78	\$2,847	\$8,058	48.7%
Aleutians West Census Area	201	\$4,790	\$9,351	32.3%
Anchorage, Municipality of	13,255	\$3,997	\$9,058	33.9%
Bethel Census Area	1,393	\$1,495	\$4,237	69.1%
Bristol Bay Borough	76	\$3,915	\$8,799	30.3%
Denali Borough	67	\$4,657	\$12,396	41.8%
Dillingham Census Area	329	\$2,222	\$5,625	55.3%
Fairbanks North Star Borough	3,742	\$3,439	\$9,139	39.6%
Haines Borough	85	\$2,586	\$7,200	52.9%
Juneau, City and Borough of	1,579	\$4,470	\$8,486	30.1%
Kenai Peninsula Borough	2,204	\$3,242	\$8,409	44.0%
Ketchikan Gateway Borough	774	\$4,414	\$8,149	31.7%
Kodiak Island Borough	716	\$2,657	\$6,804	51.8%
Lake and Peninsula Borough	94	\$1,520	\$5,303	69.1%
Matanuska-Susitna Borough	2,151	\$3,362	\$8,853	43.0%
Nome Census Area	758	\$2,731	\$5,432	50.4%
North Slope Borough	542	\$5,441	\$7,760	24.0%
Northwest Arctic Borough	573	\$3,615	\$6,093	40.7%
Prince of Wales-Outer Ketchikan Census Area	313	\$3,251	\$6,043	44.1%
Sitka, City and Borough of	455	\$3,567	\$8,241	40.2%
Skagway-Hoonah-Angoon Census Area	147	\$2,576	\$5,776	54.4%
Southeast Fairbanks Census Area	238	\$2,787	\$8,189	49.6%
Valdez-Cordova Census Area	516	\$4,128	\$8,296	33.7%
Wade Hampton Census Area	662	\$1,117	\$3,809	76.3%
Wrangell-Petersburg Census Area	319	\$3,519	\$6,693	41.4%
Yakutat, City and Borough of	47	\$4,319	\$6,999	21.3%
Yukon-Koyukuk Census Area	442	\$2,323	\$6,192	57.2%

Note: This exhibit does not include a small number of workers with unknown area classifications in 1994.

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

residents<sup>11</sup> would allow them to earn far more than imported labor of a similar age. That turned out to be correct. A comparison of 2004 wages reveals that long-term, twentysomething residents earned about 9 percent more than transplanted residents of the same age. The difference between college-age workers in the two groups was only 2 percent. Wages were more unevenly distributed amongst new residents. Long-term, male residents out-earned new male residents by a significantly higher margin. (See Exhibit 21.)

## Summary

Earnings for the young workers group have increased dramatically over the past 10 years.

<sup>11</sup> In this article, the term "long-term residents" identifies those who worked and resided in Alaska in 1994 and 2004.

Education, vocational training and work experience all have had significant impacts on future earnings. Earnings for men and women in the young workers group were relatively close in 1994. Over the next 10 years, women saw less wage growth than men, bringing the gender gap closer to the state average.

Urban workers tended to earn more than rural workers between 1994 and 2004. They were also more likely to be employed in jobs requiring a bachelor's degree. But young workers from the Denali Borough, Aleutians West Census Area and Bristol Bay Borough earned very high wages in 2004.

Migration amongst young Alaskans is extremely common; more than half moved away from their home borough or area. Those who did move tended to relocate out of state. Luckily,

## Migration of the Young Workers Group and Others 1994 versus 2004 **19**

1994	Total Residents	Employed				
College-age (19-23)	33,071	25,408				
Twentysomethings (24-29)	46,685	34,234				
Young Individuals (Total)	79,756	59,642				
2004	New Total	Still in Alaska	New Residents	Moved Out of State	Still Employed	Moved within State
1994 College-age (19-23)	39,937	20,262	19,675	12,809	13,141	4,983
1994 Twentysomethings (24-29)	53,026	29,751	23,275	16,934	18,620	6,480
1994 Young Individuals (Total)	92,963	50,013	42,950	29,743	31,761	11,463

Young Individuals: 122,706  
Young Workers: 31,761

### Notes:

This exhibit and Exhibit 21 are the only exhibits in this article that, along with the young workers group (the group of 31,761 workers who were 19 to 29 years old in 1994 and worked both in 1994 and 2004), also includes all individuals who were ages 19 to 29 in 1994. These individuals lived in Alaska or migrated to, out of or within Alaska during the 1994-2004 period, regardless of whether they worked. This latter group is listed in the "New Residents" column.

It is important to note that the 29,743 individuals who moved out of Alaska during the 1994-2004 period were likely more than replaced by the 42,950 individuals of the same age who moved into Alaska during the same period.

The "Still Employed" total represents the young worker group that has been the basis for most of this article's analysis.

Due to differing methodologies, the data may not be consistent with official U.S. Census Bureau figures.

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

# 20 Movement Across Industries

## Young workers group, 1994 versus 2004

Number of Workers in Each Industry in 2004

Industry	1994 Worker Total	Number of Workers in Each Industry in 2004						
		Construction	Educational and Health Services	Financial Activities	Information	Leisure and Hospitality	Manu- facturing	Natural Resources and Mining
Construction	2,194	925	72	84	46	53	64	206
Educational and Health Services	2,293	72	1,051	92	29	96	12	26
Financial Activities	2,072	108	184	638	62	67	29	41
Information	581	24	42	19	219	22	5	9
Leisure and Hospitality	3,779	240	433	175	84	919	47	93
Manufacturing	1,088	86	72	39	24	79	284	50
Natural Resources and Mining	635	77	31	19	17	14	13	262
Other Services	1,442	95	150	62	29	75	25	40
Professional and Business Svcs.	3,843	316	302	193	124	188	101	257
Trade, Transportation and Utilities	8,211	608	741	398	199	400	143	282
Unknown Industry	411	34	51	25	8	48	6	27
State Government	1,295	36	97	44	20	35	9	22
Local Government*	3,917	171	375	147	69	117	32	55
2004 Worker Total	31,761	2,792	3,601	1,935	930	2,113	770	1,370
Percent change: 1994-2004	-	27.3%	57.0%	-6.6%	60.1%	-44.1%	-29.2%	115.7%

\* Includes some tribal government employment

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

# 21 New Versus Long-Term Residents

## Earnings, 2004

	Number of Workers in 2004	Median Quarterly Wage in 2004	Average Total Wages in 2004
Long-Term Residents*	38,060	\$7,817	\$32,925
New Resident Workers**	28,003	\$7,391	\$31,986
By Gender			
Long-Term Males	19,546	\$9,470	\$39,107
New Males**	14,393	\$8,712	\$37,247
Long-Term Females	18,514	\$6,499	\$26,400
New Females**	13,610	\$6,206	\$26,430

\* "Long-term" refers to those workers who lived in Alaska in 1994 and worked in 2004. This group is not solely made up of the young workers group featured in this article, because some residents may have lived in Alaska in 1994 but did not work that year.

\*\* "New resident workers," "new males" and "new females" refers to those workers who permanently moved to Alaska after 1994. They are not part of the younger workers group.

Note: This exhibit and Exhibit 19 are the only exhibits in this article that, along with the young workers group (the group of 31,761 workers who were 19 to 29 years old in 1994 and worked both in 1994 and 2004), also includes all individuals who were ages 19 to 29 in 1994. These individuals lived in Alaska or migrated to, out of or within Alaska during the 1994-2004 period, regardless of whether they worked. This latter group is listed in the "New Residents" column.

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

Alaska is also a destination for many young people and during the 10-year period the number of people in this age group actually increased.

Income mobility for young workers was impacted by several factors. The youngest workers, particularly males, were the most likely to see large relative increases to their income. Workers who switched industries did manage to improve their relative earnings; however, workers who remained in their original industry generally earned higher wages in 2004.

New Alaska residents saw slightly lower wages than their long-term counterparts, especially amongst the twentysomething group. The disparity increased with age, indicating that many long-term workers benefited from in-state work experience gained during their early 20s.

Other Services	Professional and Business Services	Trade, Transportation and Utilities	Unknown Industry	State Government	Local Government*
41	151	276	1	104	171
74	120	205	2	157	357
60	121	268	1	134	359
15	37	98	0	30	61
127	319	761	3	206	372
24	70	208	1	38	113
5	42	73	1	24	57
249	90	295	1	112	219
81	685	925	1	259	411
254	526	3,251	1	507	901
18	40	89	1	27	37
30	76	87	0	664	175
118	110	338	2	144	2,239
1,096	2,387	6,874	15	2,406	5,472
-24.0%	-37.9%	-16.3%	-96.4%	85.8%	39.7%

### Methodology and Data Sources

Employment and earnings data for wage and salary workers in this study are derived from the Alaska Department of Labor & Workforce Development's Occupational Database. The ODB consists of quarterly unemployment insurance, or UI, wage records. In addition to earnings data, the ODB also contains information regarding occupation, place of work, employer and industry.

The self-employed, fishermen, military or other federal government workers are not included in the UI wage records and are not included in this study. The age and gender of workers were identified by matching the UI wage records with historical Alaska Permanent Fund Dividend applicant files. No age or gender data are available for workers unless they have previously filed a PFD application. Non-salary income, including tips and commissions, is not reported by employers on UI reports and therefore is not included in the data.

The "young workers" group consists of individuals between the ages of 19 and 29 (in 1994) who were employed at some time in both 1994 and 2004. Any inclusion of "new residents" was only allowed if those people were between the ages of 19 and 29 in 1994.

## A look at seasonal changes, occupations and nonresidents

**T**he Alaska Department of Labor & Workforce Development's new hires data series shows the number of vacant jobs filled over a four-quarter period. Analyzing these data can reveal a great deal about the hiring patterns of various industries and employers, and what occupations are most in demand. The data also can show how those patterns change throughout the year and how nonresident new hires fit into the picture.

Job seekers and employment counselors can use this information to pinpoint specific companies that might be hiring at a particular time and the occupations most in demand. Employers can utilize the data as a gauge

to see how their hiring patterns compare within their respective industries or with their competitors.

This article will focus on 2004, the most recent year with complete data available. The data are derived from the quarterly Alaska unemployment insurance tax wage record database. That wage database includes the employment history of every worker covered by Alaska's unemployment insurance program. (The workers who are not covered by the program include federal workers, self-employed workers, full-commissioned salespeople and most fishermen.) The results from this analysis are further matched with the Alaska Occupational Database in order to learn more about the occupations and industries associated with new hires.

### 1 Employment by Hiring Status Alaska, 2004



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

### Limitations of the data

The new hires data show the number of jobs that were actually filled – or put another way, the number of people who were hired for the first time. But the data do not show the quality of the jobs in terms of salary, benefits or long-term career possibilities. A high number of new hires would not necessarily mean a large number of jobs available; rather, it could mean there are few jobs that turn over often. Users of the new hires data are cautioned not to draw sweeping conclusions about the growth or decline of occupations, industries or employers from the new hires data series alone. The data are intended for use in conjunction with other labor market indicators to create the most accurate conclusions.

## The hiring status of workers

In order to put the new hires data into proper perspective, it is important to understand the other groups into which workers are categorized. In the new hires analysis, workers are classified in one of three ways: new hires, continuing workers and rehired/other. To determine a worker's status, a base quarter is selected and each worker is matched to an employer that reported wages during the quarter. The wage records for each of these worker-employer relationships are compared to the four previous quarterly filings to determine if a worker is new to a particular employer. If so, then the worker is considered a new hire.

The categories can be briefly described as:

New Hires – Workers for which an employer did not report wages in any of the previous four quarters

Continuing Workers – Workers who have consecutive earnings with the same employer in all four of the analyzed quarters

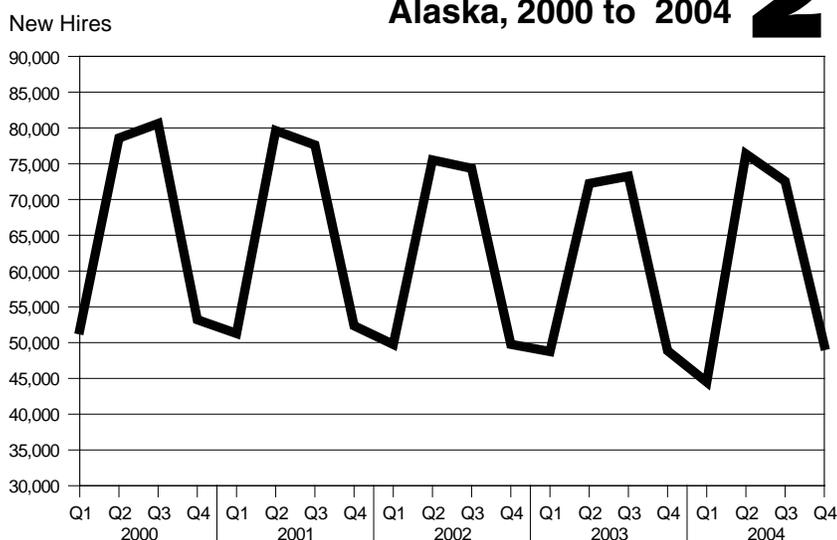
Rehired/Other – Workers who worked in at least one, but not all, the four quarters being analyzed

During 2004, most of the workers, 50.5 percent, worked continuously throughout the year. Another 31.7 percent fell into the rehired/other category and 17.8 percent were new hires. (See Exhibit 1.)

## The seasonal patterns of new hires

Regardless of area, occupation or industry, Alaska's hiring activity tends to follow seasonal patterns. Typically, hiring is slower during the first and fourth quarters of a given year, with hiring stepping up during the second and third quarters. This trend has been consistent over the past five years. (See Exhibit 2.) During this time, hiring activity increases between the first and

## Total New Hires by Quarter Alaska, 2000 to 2004 **2**



Note: First quarter is Jan. 1 to March 31; second quarter is April 1 to June 30; third quarter is July 1 to Sept. 30; and fourth quarter is Oct. 1 to Dec. 31.

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

second quarters averaged 55.7 percent, while hiring decreases between the third and fourth quarters averaged 32.9 percent.

## New hires' seasonality by industry

When examining industries, the most notable swings in hiring activity occur in those industries where a large seasonal work force is required. (See Exhibit 3.) But some specific industries show greater percentage changes between quarters than others. The scenic and sightseeing transportation industry saw the greatest upswing in hiring between the first and second quarters of 2004, with a twentyfold increase during that time. The recreational vehicle parks and recreational camps industry followed with an eightfold increase in hiring between the first and second quarters.

Obviously, these two industries need additional workers during the summer months to accommodate the influx of tourists who usually begin to arrive in May. Hiring levels in these industries then drop off substantially – 93.3

percent in scenic and sightseeing transportation and 90.3 percent in RV parks and recreational camps – between the third and fourth quarters when the summer tourist season ends.

Seafood processing is another example of a highly seasonal industry, but a majority of the hiring increases occur between the second and third quarters. While hiring does increase by 34.3 percent between the first and second quarters, hiring nearly doubles between the second and third quarters to coincide with the summer salmon season. The industry then sees a 90.4-percent drop in hiring between the third and fourth quarters when the season wraps up.

The industries characterized by low seasonal hiring activity include educational and health services, information and local government. Of these three industries, educational and health services sees the least amount of variability between quarters.

## Seasonality by area

Seasonality varies across Alaska’s different boroughs and census areas. The sheer numbers of new hires, of course, will be greater in more populated areas such as Anchorage, Fairbanks and the Matanuska-Susitna Borough. (See Exhibit 4.) However, given the prevalent industries in the more remote parts of Alaska, the percentage of new hires can increase there substantially during the summer months.

The Bristol Bay Borough experienced the largest increases in new hires between the first and second quarters of 2004. Hiring activity was 10 times greater in the second quarter of 2004 than it was in the first quarter. In addition to seafood processing facilities, the Bristol Bay Borough also has numerous outdoor recreation opportunities with dozens of sportfishing and sightseeing lodges. The community of King Salmon within

## 3 New Hires by Industry Selected industries in Alaska, 2004

Industry	Total of Four Quarters	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Trade, Transportation and Utilities	53,024	9,777	18,589	13,688	10,970
Leisure and Hospitality	46,178	7,077	16,079	14,033	8,989
Recreational Vehicle Parks and Recreational Camps	1,413	72	675	607	59
Scenic and Sightseeing Transportation, Water	1,178	39	790	327	22
Construction	26,662	4,198	8,223	8,806	5,435
Professional and Business Services	24,883	4,937	7,658	6,950	5,338
Educational and Health Services	20,599	4,717	5,441	5,323	5,118
Local Government	19,124	3,751	4,618	5,743	5,012
Manufacturing	17,547	3,308	5,004	7,899	1,336
Seafood Product Preparation and Packaging	13,955	2,747	3,688	6,864	656
Financial Activities	9,632	1,721	2,968	2,847	2,096
Other Services	8,482	1,795	2,492	2,286	1,909
Natural Resources and Mining	6,061	1,238	2,059	1,627	1,137
State Government	5,878	1,018	1,864	1,799	1,197
Information	3,123	738	884	663	838
Other or Unknown	1,456	144	398	763	151
Tribal Government <sup>1</sup>	336	62	83	118	73
<b>Total Industries</b>	<b>242,985</b>	<b>44,481</b>	<b>76,360</b>	<b>72,545</b>	<b>49,599</b>

<sup>1</sup> Today, the tribal government category is a subset of local government, but that was not always the case. Before 2001, it was considered part of the private sector. Therefore, in this study, tribal government is listed separately from state or local government.

Notes: First quarter is Jan. 1 to March 31; second quarter is April 1 to June 30; third quarter is July 1 to Sept. 30; and fourth quarter is Oct. 1 to Dec. 31.

The selected industries will not add up to the “total industry” figures provided.

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

the borough is the gateway to Katmai National Park and other parks and preserves. All of these factors contribute to the area's large seasonal work force.

Following the Bristol Bay Borough, the Denali Borough also saw a large increase in hiring between the first and second quarters. Here, the seasonal work force is related primarily to tourism, which accommodates the thousands of visitors to Denali National Park each year.

The Wade Hampton Census Area saw the least amount of change in hiring activity between quarters. Employment opportunities in this part of Alaska are limited and the area is

characterized by the highest unemployment levels in the state.

## Resident versus nonresident new hires

For the purposes of this article, a resident is considered someone who received a Permanent Fund Dividend in one of the two most recent years. Although some workers not eligible for a PFD at the time residency reports are generated become residents in the following year, the most recent data show that these workers represent only about 15 percent of total nonresident workers. Data from the resident hire report was matched to the new hires data to determine the residency status of each newly hired worker during 2004.

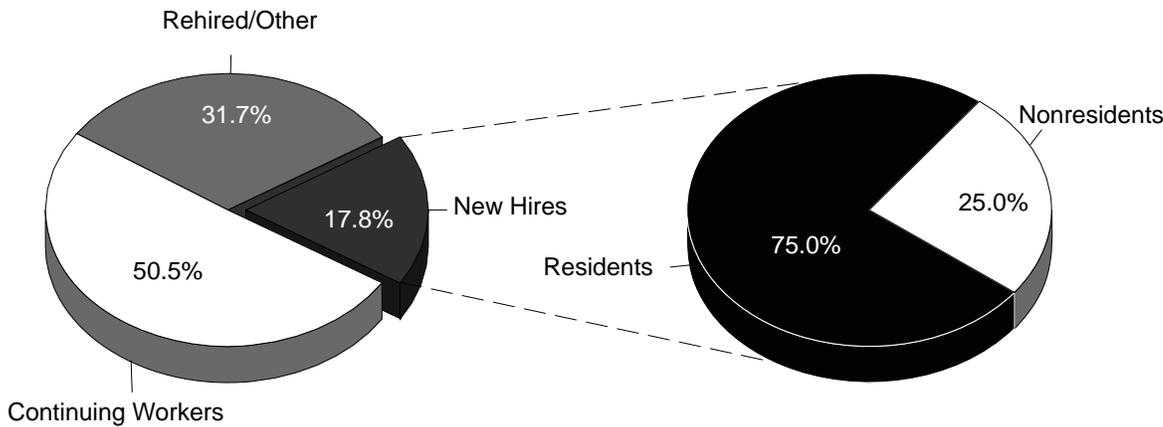
## New Hires by Borough and Census Area **4** Alaska, 2004

Borough/Census Area	Total of Four Quarters	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Aleutians East Borough	1,566	492	391	421	262
Aleutians West Census Area	3,591	1,401	648	1,100	442
Anchorage, Municipality of	95,121	18,301	28,404	25,964	22,452
Bethel Census Area	6,418	1,162	1,779	2,003	1,474
Bristol Bay Borough	2,490	83	876	1,315	216
Denali Borough	2,290	122	1,210	838	120
Dillingham Census Area	1,783	290	444	677	372
Fairbanks North Star Borough	30,406	5,478	10,094	8,441	6,393
Haines Borough	711	75	307	200	129
Juneau, City and Borough of	10,583	1,890	3,684	2,864	2,145
Kenai Peninsula Borough	16,241	2,373	5,643	5,613	2,612
Ketchikan Gateway Borough	6,024	855	2,211	2,122	836
Kodiak Island Borough	4,747	1,059	1,226	1,725	737
Lake and Peninsula Borough	1,168	129	336	532	171
Matanuska-Susitna Borough	15,535	2,932	4,641	4,547	3,415
Nome Census Area	3,826	681	894	1,300	951
North Slope Borough	5,166	1,297	1,630	1,338	901
Northwest Arctic Borough	2,514	437	633	827	617
Prince of Wales-Outer Ketchikan Census Area	2,207	367	717	722	401
Sitka, City and Borough of	3,505	596	1,233	1,127	549
Skagway-Hoonah-Angoon Census Area	1,996	177	1,104	519	196
Southeast Fairbanks Census Area	2,537	452	854	784	447
Valdez-Cordova Census Area	4,673	609	1,801	1,628	635
Wade Hampton Census Area	2,285	508	615	628	534
Wrangell-Petersburg Census Area	2,269	343	647	944	335
Yakutat, City and Borough of	498	43	202	169	84
Yukon-Koyukuk Census Area	2,478	389	823	791	475
Other or Unknown	10,357	1,940	3,313	3,406	1,698
<b>Total Statewide</b>	<b>242,985</b>	<b>44,481</b>	<b>76,360</b>	<b>72,545</b>	<b>49,599</b>

Note: First quarter is Jan. 1 to March 31; second quarter is April 1 to June 30; third quarter is July 1 to Sept. 30; and fourth quarter is Oct. 1 to Dec. 31.

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

## 5 New Hires by Residency Status Alaska, 2004



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

## 6 Resident and Nonresident New Hires By selected industry in Alaska, 2004

Industry	Total of Four Quarters			First Quarter		
	Total New Hires	Percentage Non-resident	Percentage Residents	Total New Hires	Percentage Non-resident	Percentage Residents
Trade, Transportation and Utilities	53,024	22.3	77.7	9,777	15.9	84.1
Leisure and Hospitality	46,178	28.9	71.1	7,077	18.9	81.1
Traveler Accommodation	9,902	35.5	64.5	1,208	19.1	80.9
Recreational Vehicle Parks and Recreational Camps	1,413	62.9	37.1	72	31.9	68.1
Construction	26,662	21.6	78.4	4,198	14.7	85.3
Professional and Business Services	24,883	23.0	77.0	4,937	16.2	83.8
Educational and Health Services	20,599	17.7	82.3	4,717	11.6	88.4
Local Government	19,124	12.6	87.4	3,751	8.4	91.6
Manufacturing	17,547	60.5	39.5	3,308	60.4	39.6
Seafood Product Preparation and Packaging	13,955	69.8	30.2	2,747	69.5	30.5
Financial Activities	9,632	15.7	84.3	1,721	11.2	88.8
Other Services	8,482	20.9	79.1	1,795	13.9	86.1
Natural Resources and Mining	6,061	33.8	66.2	1,238	30.8	69.2
State Government	5,878	17.6	82.4	1,018	8.9	91.1
Information	3,123	17.9	82.1	738	12.3	87.7
Other or Unknown	1,456	37.5	62.5	144	14.6	85.4
Tribal Government	336	9.5	90.5	62	17.7	82.3
<b>Total Industries</b>	<b>242,985</b>	<b>25.0</b>	<b>75.0</b>	<b>44,481</b>	<b>18.5</b>	<b>81.5</b>

**Notes:**

First quarter is Jan. 1 to March 31; second quarter is April 1 to June 30; third quarter is July 1 to Sept. 30; and fourth quarter is Oct. 1 to Dec. 31.

The selected industries will not add up to the "total industry" figures provided.

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

### Three out of four new hires are residents

In terms of statewide new hires activity, three-quarters of the total new hires during 2004 were residents. (See Exhibit 5.) As with seasonality, absolute numbers of new hires do not provide the same insight into hiring activity as the numbers expressed as a percentage of the total activity.

### Nonresident new hires dominate the seafood processing industry

The greatest percentage of nonresident new hires during 2004 occurred in the seafood processing industry, with 69.8 percent of the new hires being nonresidents. (See Exhibit 6.) On a quarterly basis, nonresidents represented a majority of the newly hired workers by a wide margin, ranging from a low of 65 percent in the second quarter to a high of 72.7 percent in the fourth quarter. Seafood processing was the only

industry where the percentage of nonresident new hires was greater than resident new hires in every quarter.

Following seafood processing, the RV parks and recreational camps and traveler accommodation industries had high levels of nonresident new hires at 62.9 percent and 35.5 percent, respectively, in 2004.

### Industries with the highest percentage of resident new hires

The tribal government industry had the highest percentage of resident new hires at 90.5 percent. Local government, which includes public school employees, followed closely behind at 87.4 percent. The financial activities industry also had a high percentage of resident new hires at 84.3 percent. All these industries tend to have more career-oriented types of occupations. Because of this, the people who

continued **6**

Second Quarter			Third Quarter			Fourth Quarter		
Total New Hires	Percentage Non-resident	Percentage Residents	Total New Hires	Percentage Non-resident	Percentage Residents	Total New Hires	Percentage Non-resident	Percentage Residents
18,589	23.4	76.6	13,688	25.6	74.4	10,970	21.9	78.1
16,079	32.1	67.9	14,033	32.5	67.5	8,989	25.1	74.9
4,339	40.2	59.8	2,877	38.3	61.7	1,478	29.5	70.5
675	63.1	36.9	607	66.6	33.4	59	61.0	39.0
8,223	21.9	78.1	8,806	25.1	74.9	5,435	20.6	79.4
7,658	24.2	75.8	6,950	26.1	73.9	5,338	23.3	76.7
5,441	16.7	83.3	5,323	21.1	78.9	5,118	20.7	79.3
4,618	9.7	90.3	5,743	17.3	82.7	5,012	13.0	87.0
5,004	52.7	47.3	7,899	67.4	32.6	1,336	49.5	50.5
3,688	65.0	35.0	6,864	72.1	27.9	656	72.7	27.3
2,968	15.0	85.0	2,847	17.2	82.8	2,096	18.4	81.6
2,492	20.8	79.2	2,286	28.0	72.0	1,909	19.3	80.7
2,059	32.5	67.5	1,627	38.5	61.5	1,137	32.8	67.2
1,864	17.7	82.3	1,799	23.4	76.6	1,197	16.3	83.7
884	17.3	82.7	663	20.4	79.6	838	21.4	78.6
398	33.2	66.8	763	47.3	52.7	151	21.2	78.8
83	8.4	91.6	118	6.8	93.2	73	8.2	91.8
<b>76,360</b>	<b>25.4</b>	<b>74.6</b>	<b>72,545</b>	<b>30.6</b>	<b>69.4</b>	<b>49,599</b>	<b>22.1</b>	<b>77.9</b>



# New Hires by Occupation

## Percentage of resident and nonresident new hires in Alaska, 2004

Occupational Group	Total of Four Quarters			First Quarter		
	Total New Hires	Percentage Non-resident	Percentage Residents	Total New Hires	Percentage Non-resident	Percentage Residents
Construction Trades Workers	23,404	20.3	79.7	3,420	13.7	86.3
Food and Beverage Serving Workers	18,178	24.8	75.2	3,132	17.0	83.0
Retail Sales Workers	16,417	19.3	80.7	3,043	13.3	86.7
Food Processing Workers	11,826	70.6	29.4	2,539	68.8	31.2
Material Moving Workers	9,317	18.8	81.2	1,516	17.2	82.8
Building Cleaning and Pest Control Workers	9,044	22.9	77.1	1,488	12.7	87.3
Information and Record Clerks	8,746	17.3	82.7	1,612	10.9	89.1
Other Office and Administrative Support Workers	7,779	16.1	83.9	1,633	10.3	89.7
Other Food Preparation and Serving Related Workers	6,404	26.6	73.4	983	21.5	78.5
Cooks and Food Preparation Workers	6,093	28.0	72.0	1,095	19.1	80.9
Other Personal Care and Service Workers	5,573	16.1	83.9	1,232	11.0	89.0
Motor Vehicle Operators	4,823	19.9	80.1	944	14.2	85.8
Other Installation, Maintenance and Repair Occupations	4,660	24.5	75.5	1,074	16.9	83.1
Secretaries and Administrative Assistants	3,438	14.6	85.4	794	8.7	91.3
Financial Clerks	3,343	16.3	83.7	804	11.3	88.7
Material Recording, Scheduling, Dispatching and Distributing Workers	3,328	15.4	84.6	722	10.7	89.3
Vehicle and Mobile Equipment Mechanics, Installers and Repairers	2,850	24.2	75.8	569	15.8	84.2
Health Diagnosing and Treating Practitioners	2,614	35.1	64.9	505	24.8	75.2
Other Education, Training, and Library Occupations	2,613	13.5	86.5	695	9.2	90.8
Other Healthcare Support Occupations	2,525	15.3	84.7	599	9.2	90.8
Transportation, Tourism and Lodging Attendants	2,494	47.1	52.9	89	22.5	77.5
Other Construction and Related Workers	2,420	24.8	75.2	386	15.5	84.5
Nursing, Psychiatric and Home Health Aides	2,379	13.7	86.3	561	9.4	90.6
Other Protective Service Workers	2,301	18.5	81.5	473	12.5	87.5
Other Sales and Related Workers	2,234	18.5	81.5	469	11.5	88.5
Entertainment Attendants and Related Workers	2,143	15.3	84.7	388	13.9	86.1
Helpers, Construction Trades	2,143	26.0	74.0	324	18.2	81.8
Grounds Maintenance Workers	2,104	22.0	78.0	152	15.8	84.2
Postsecondary Teachers	1,827	20.8	79.2	362	9.7	90.3
Other Teachers and Instructors	1,798	20.9	79.1	432	13.2	86.8
Counselors, Social Workers and Other Community and Social Service Specialists	1,791	18.9	81.1	432	12.0	88.0
Teachers, Primary, Secondary and Special Education	1,770	28.4	71.6	294	7.1	92.9
Other Management Occupations	1,712	26.1	73.9	376	17.3	82.7
Health Technologists and Technicians	1,429	23.9	76.1	358	16.8	83.2
Other Production Occupations	1,401	44.8	55.2	167	24.0	76.0
Top Executives	1,234	20.9	79.1	324	17.6	82.4
Extraction Workers	1,163	24.5	75.5	253	19.0	81.0
Other Transportation Workers	1,158	19.6	80.4	217	21.7	78.3
Financial Specialists	1,125	17.7	82.3	272	14.3	85.7
Water Transportation Workers	1,123	48.4	51.6	89	43.8	56.2
Sales Representatives, Services	1,074	18.0	82.0	266	11.3	88.7
Agricultural Workers	1,069	28.7	71.3	175	36.0	64.0
Fishing and Hunting Workers	967	51.5	48.5	64	35.9	64.1
Entertainers and Performers, Sports and Related Workers	835	25.1	74.9	139	14.4	85.6
Computer Specialists	814	18.4	81.6	212	11.3	88.7
Metal Workers and Plastic Workers	804	37.2	62.8	149	26.2	73.8
Business Operations Specialists	802	19.2	80.8	187	16.6	83.4
Engineers	787	40.2	59.8	179	33.0	67.0
Life, Physical and Social Science Technicians	735	21.1	78.9	66	13.6	86.4
Forest, Conservation and Logging Workers	729	37.6	62.4	134	33.6	66.4

Note: First quarter is Jan. 1 to March 31; second quarter is April 1 to June 30; third quarter is July 1 to Sept. 30; and fourth quarter is Oct. 1 to Dec. 31.

Occupational groups are based on the Standard Occupational Code, Standard Occupational Classification Manual.

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

continued 

Second Quarter			Third Quarter			Fourth Quarter		
Total New Hires	Percentage Non-resident	Percentage Residents	Total New Hires	Percentage Non-resident	Percentage Residents	Total New Hires	Percentage Non-resident	Percentage Residents
7,271	21.2	78.8	7,886	22.9	77.1	4,827	19.5	80.5
5,876	26.5	73.5	5,326	28.1	71.9	3,844	23.9	76.1
5,876	20.6	79.4	3,952	22.2	77.8	3,546	19.1	80.9
3,040	66.1	33.9	5,647	74.2	25.8	600	67.5	32.5
3,227	19.1	80.9	2,517	19.6	80.4	2,057	18.6	81.4
3,099	23.4	76.6	2,821	29.3	70.7	1,636	19.9	80.1
2,971	18.3	81.7	2,268	19.9	80.1	1,895	18.2	81.8
2,359	15.1	84.9	2,083	20.4	79.6	1,704	17.7	82.3
2,091	27.1	72.9	2,030	29.6	70.4	1,300	24.9	75.1
1,998	30.4	69.6	1,766	32.7	67.3	1,234	25.4	74.6
1,523	17.4	82.6	1,525	18.6	81.4	1,293	16.3	83.7
1,565	27.0	73.0	1,280	18.0	82.0	1,034	16.6	83.4
1,448	27.1	72.9	1,203	30.9	69.1	935	20.7	79.3
897	14.6	85.4	912	18.4	81.6	835	16.0	84.0
945	16.9	83.1	857	19.6	80.4	737	17.0	83.0
1,046	14.6	85.4	859	19.1	80.9	701	16.7	83.3
949	25.6	74.4	722	25.6	74.4	610	28.2	71.8
505	39.6	60.4	576	45.5	54.5	1,028	32.2	67.8
526	12.5	87.5	581	19.1	80.9	811	13.8	86.2
657	14.2	85.8	656	20.0	80.0	613	17.5	82.5
1,475	47.9	52.1	847	48.4	51.6	83	45.8	54.2
719	24.3	75.7	809	29.7	70.3	506	24.5	75.5
601	12.6	87.4	612	14.9	85.1	605	17.7	82.3
497	17.3	82.7	571	22.8	77.2	760	19.9	80.1
643	18.0	82.0	564	24.5	75.5	558	18.8	81.2
557	13.6	86.4	690	16.4	83.6	508	16.7	83.3
651	27.3	72.7	767	28.8	71.2	401	24.7	75.3
1,151	22.5	77.5	586	23.0	77.0	215	20.5	79.5
719	21.3	78.7	532	28.6	71.4	214	18.7	81.3
389	14.7	85.3	357	34.2	65.8	620	22.4	77.6
458	15.3	84.7	485	27.2	72.8	416	20.2	79.8
272	18.4	81.6	730	45.5	54.5	474	20.9	79.1
537	30.9	69.1	460	27.6	72.4	339	26.3	73.7
377	24.7	75.3	356	26.4	73.6	338	28.1	71.9
394	27.7	72.3	700	62.6	37.4	140	29.3	70.7
383	20.9	79.1	260	25.0	75.0	267	21.0	79.0
360	24.4	75.6	284	28.9	71.1	266	25.2	74.8
384	17.4	82.6	324	20.1	79.9	233	20.6	79.4
305	14.4	85.6	248	19.4	80.6	300	22.7	77.3
561	50.1	49.9	329	48.6	51.4	144	44.4	55.6
330	20.0	80.0	245	21.6	78.4	233	18.9	81.1
556	23.2	76.8	273	31.9	68.1	65	43.1	56.9
259	35.9	64.1	538	59.9	40.1	106	56.6	43.4
258	19.4	80.6	162	36.4	63.6	276	29.3	70.7
200	14.5	85.5	191	28.3	71.7	211	20.4	79.6
253	37.5	62.5	231	47.6	52.4	171	32.2	67.8
229	18.8	81.2	208	26.4	73.6	178	14.0	86.0
285	41.8	58.2	179	41.9	58.1	144	43.8	56.3
284	19.4	80.6	265	24.9	75.1	120	20.8	79.2
231	37.2	62.8	236	40.3	59.7	128	37.5	62.5

fill them tend to stay in Alaska for a longer time, as opposed to seafood processing and tourism-related industries where workers often stay for the season and then leave the state.

### **A look at occupations and residency**

In addition to industry and area, the residency of new hires also differs greatly amongst occupations. (See Exhibit 7.) In the top 50 occupations based on new hires in 2004, the occupational group with the highest percentage of nonresident workers was food processing workers. Nonresidents represented 70.6 of its new hires in 2004 and it is the only occupational group where a majority of the new hires were nonresidents in every quarter.

Following food processing workers, fishing and hunting workers had the second highest occurrence of nonresident new hires at 51.5 percent during 2004. Nonresident new hires in the fishing and hunting workers occupational group outnumbered residents in the third and fourth quarters, but not in the first and second.

With the exception of occupations in food processing and fishing and hunting, a majority of new hires in the other top occupations

during 2004 were residents. Occupations within the “other education, training and library” group had the highest percentage of resident new hires in 2004 at 86.5 percent. Other occupational groups that showed high percentages of resident new hires during 2004 included nursing, psychiatric and home health aides (86.3 percent), as well as secretaries and administrative assistants (85.4 percent).

### **Conclusion**

Hiring patterns in Alaska tend to change with the seasons. Hiring tends to increase in anticipation of the summer tourist and fishing seasons and decrease during the winter months. Industries and occupations with greater exposure to these seasonal factors see dramatic increases and decreases in hiring activity. In addition, Alaska residents account for a majority of hiring activity in most industries; however, those with the most extreme seasonality tend to hire more nonresidents.

*Additional information on the new hires data series can be found by going to the Research and Analysis Web site at <http://almis.labor.state.ak.us>. Click on “Employment” in the far left column, then “New Hires.”*

### **Article Notes**

The new hires data series is obtained by evaluating every worker-employer combination on the quarterly Alaska unemployment insurance tax wage record database and matching them to Alaska’s Occupational Database. The latter database consists of information provided by employers on the occupation and place of work for each worker.

A worker who had no employment with his or her current quarter employer in any of the four previous quarters is considered a new hire. As mentioned in the article, the people excluded from the new hires analysis include federal workers, the self-employed, full-commissioned salespeople, most fishermen, as well as workers of employers reporting to other states (such as most offshore seafood processors) and other workers exempt from unemployment insurance. A worker can be counted as a new hire for more than one employer during a quarter, but only once for the same employer over any five consecutive quarters.

The new hires data series is designed to measure job openings that occurred during the quarter as a result of either job creation (new positions added by employers) or turnover replacement (hiring resulting from the employers’ need to fill vacant positions). The added element of turnover replacement makes the new hires series unique, as it gives a fuller picture of seasonal and year-to-year hiring trends.

The total number of new hires is large relative to average monthly employment since it includes all of the hiring activity resulting from the turnover in each job. A single job may be filled by several workers over the course of a year.

## Job count falls to seasonal low point

**T**otal nonfarm employment fell by about 5,900 in January to 292,600. (See Exhibit 1.) A decline of 5,000 to 6,000 jobs is typical for January, the low point of the year for wage and salary employment. The seasonal lull extends to most of the state's major industries, with the biggest exception being seafood processing where winter crab fishing generates a significant number of January jobs.

The January job count was 4,000 higher than in January 2005, which equates to a growth rate of 1.4 percent. Mining jobs were up by 800 over the year, 500 of that number coming from the oil and gas industry and the rest coming primarily from precious metals. The leisure and hospitality sector also added 800 jobs. Food services and drinking places accounted for about 400, with the remaining growth evenly split between accommodations and a miscellaneous category called arts, entertainment and recreation, which includes the performing arts, museums, health clubs and spectator sports.

Seafood processing employment was down 300 from January 2005 and federal government jobs were also down by 300. The large over-the-year declines in state government education jobs – and consequently to total state government employment – were due more to the timing of the University of Alaska's winter break than to any permanent reduction. University and total state government employment have shown modest over-the-year growth in recent months and are expected to return to that pattern in February.

The Anchorage/Mat-Su region continued to provide the largest share of the new jobs, adding 3,000 from January 2005 to January 2006. The Northern region contributed about 750 jobs over the same period, representing a 4.9 percent increase – the largest of the six economic regions. (See Exhibit 3.) The Interior and Southeast regions also recorded job growth, while the Southwest and Gulf Coast regions had over-the-year losses.

### **Alaska's job growth slightly higher than the nation's**

From December 2004 to December 2005,<sup>1</sup> Alaska added jobs at a slightly faster rate than the nation as a whole. (See Exhibit 2.) Nevada's 5.8 percent growth led the nation, and several other Western states also experienced strong growth. The devastation from Hurricane Katrina continued to affect Louisiana where the job count was 10.2 percent lower in December 2005 than it was a year earlier. Jobs were also down 2.1 percent in Mississippi.

Nevada, like Alaska, has experienced particularly strong growth in its goods producing sector. Nevada's construction industry added more than 15,000 jobs over the period and grew at an astonishing 12.2 percent. Jobs in natural resources and mining also grew at a robust rate of 6.9 percent due to the high mineral prices that are also stimulating growth in Alaska.

<sup>1</sup> The most recent months for which data are available for all 50 states.

# 1 Nonfarm Wage and Salary Employment

	preliminary 01/06	revised 12/05	revised 01/05	Changes from:	
Alaska				12/05	01/05
<b>Total Nonfarm Wage &amp; Salary<sup>1</sup></b>	292,600	298,500	288,600	-5,900	4,000
Goods Producing	36,200	33,300	35,300	2,900	900
Service-Providing	256,400	265,200	253,300	-8,800	3,100
<b>Natural Resources &amp; Mining</b>	10,700	11,000	9,900	-300	800
Logging	200	400	200	-200	0
Mining	10,500	10,500	9,700	0	800
Oil & Gas Extraction	8,900	9,000	8,400	-100	500
<b>Construction</b>	14,900	16,400	14,600	-1,500	300
<b>Manufacturing</b>	10,700	5,900	10,800	4,800	-100
Wood Product Mfg	300	300	300	0	0
Seafood Processing	7,100	2,300	7,400	4,800	-300
<b>Trade, Transportation, Utilities</b>	59,300	61,600	58,300	-2,300	1,000
Wholesale Trade	6,000	6,100	5,900	-100	100
Retail Trade	34,500	36,200	33,800	-1,700	700
Food & Beverage Stores	6,100	6,300	6,000	-200	100
General Merchandise Stores	9,000	9,400	8,900	-400	100
Trans/Warehousing/Utilities	18,800	19,300	18,600	-500	200
Air Transportation	5,900	6,000	6,000	-100	-100
Truck Transportation	2,900	2,900	2,800	0	100
<b>Information</b>	6,800	6,900	6,800	-100	0
Telecommunications	4,100	4,200	4,100	-100	0
<b>Financial Activities</b>	14,400	14,600	14,200	-200	200
<b>Professional &amp; Business Svcs</b>	22,500	23,300	21,800	-800	700
<b>Educational &amp; Health Svcs</b>	35,900	36,100	35,100	-200	800
Health Care	26,100	26,200	25,400	-100	700
<b>Leisure &amp; Hospitality</b>	26,600	28,100	25,800	-1,500	800
Accommodation	5,900	6,500	5,700	-600	200
Food Svcs & Drinking Places	17,000	18,000	16,600	-1,000	400
<b>Other Services</b>	11,000	11,300	10,800	-300	200
<b>Government<sup>2</sup></b>	79,900	83,300	80,300	-3,400	-400
Federal Government <sup>3</sup>	16,300	16,700	16,600	-400	-300
State Government	22,500	24,800	23,000	-2,300	-500
State Gov't Education	5,800	8,000	6,800	-2,200	-1,000
Local Government	41,100	41,800	40,700	-700	400
Local Gov't Education	23,600	24,000	23,400	-400	200
Tribal Government	3,900	4,100	3,900	-200	0

Notes for Exhibits 1 and 3:

<sup>1</sup> Excludes self-employed workers, fishermen, domestics and unpaid family workers as well as agricultural workers

<sup>2</sup> Includes employees of public school systems and the University of Alaska

<sup>3</sup> Excludes uniformed military

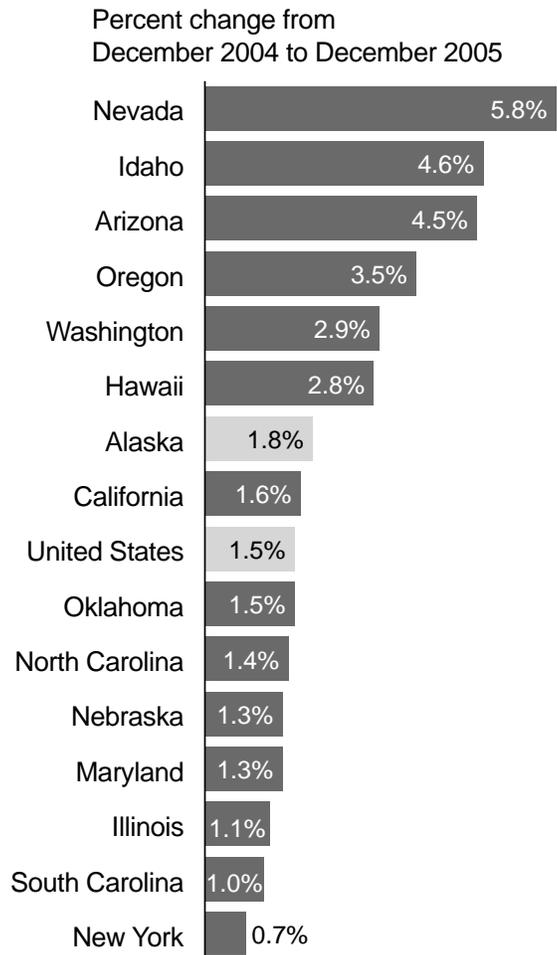
<sup>4</sup> Metropolitan Statistical Area

Prepared in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics.

Regional data prepared in part with funding from the Employment Security Division.

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

# 2 Nonfarm Wage and Salary Employment - Selected States



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

For more current state and regional employment and unemployment data, visit our Web site.

[almis.labor.state.ak.us](http://almis.labor.state.ak.us)

# 3 Nonfarm Wage and Salary Employment By Region

	preliminary 01/06	revised 12/05	revised 01/05	Changes from:		Percent Change:	
				12/05	01/05	12/05	01/05
<b>Anch/Mat-Su (MSA)<sup>4</sup></b>	159,500	165,200	156,500	-5,700	3,000	-3.5%	1.9%
Anchorage	142,300	147,500	140,400	-5,200	1,900	-3.5%	1.4%
Gulf Coast	25,150	26,450	25,400	-1,300	-250	-4.9%	-1.0%
Interior	40,800	43,000	40,400	-2,200	400	-5.1%	1.0%
Fairbanks	35,200	37,200	35,000	-2,000	200	-5.4%	0.6%
Northern	16,150	16,050	15,400	100	750	0.6%	4.9%
Southeast	31,800	33,500	31,600	-1,700	200	-5.1%	0.6%
Southwest	18,900	16,650	19,350	2,250	-450	13.5%	-2.3%

## Teaching people about labor laws

**T**he Wage and Hour Administration, which is housed in the Alaska Department of Labor & Workforce Development's Labor Standards and Safety Division, provides a variety of services to employers and employees throughout Alaska. The section's key functions are associated with wage issues, youth employment conditions and Alaska resident hire.

Wage and Hour has a staff of 12 investigators, three technicians and five administrative positions in Fairbanks, Juneau and Anchorage.

A big part of what they do is educate employers and employees about labor laws and regulations. The staff provided briefings and educational seminars to more than 39,000 employers and

employees in fiscal year 2005 alone.

"Most people want to do the right thing. Our goal is to help them figure things out, so that violations can be avoided," said Sandy Cannon, the statewide Wage and Hour supervisor.

### Wage claim investigations

In fiscal year 2005, Wage and Hour investigated 532 employee wage claims and collected \$457,000 in wages, return transportation costs and penalties for those workers. The wage claims involve situations where workers aren't paid the wages they were promised or the wages they were legally entitled to, such as minimum wage or overtime pay. The minimum wage in Alaska is \$7.15 an hour and overtime must be paid at time and a half when an overtime-eligible employee works more than eight hours in a day and when the employee works more than 40 straight-time hours in a week.

Wage and Hour investigators first try to collect information to verify the validity of the claim. The majority of cases, once they're determined to be valid, are resolved through informal negotiations and settlements. But, if attempts to resolve a claim are unsuccessful, investigators may pursue court action upon supervisory approval of the facts of the claim.

**Fairbanks Wage and Hour investigator Andrea Quintyne interviews worker Daniel Gerhauser about his Alaska residency in February. They're at the Fairbanks North Star Borough Transit Park, a new bus center. Gerhauser is a first-year sprinkler-fitter apprentice at King Fire Protection, a Fairbanks company that is one of the contractors on the public construction project. Quintyne joined Wage and Hour in January.**



Photo by Bette Watts



**Bette Watts (above), a Fairbanks Wage and Hour investigator, questions Ray Osterby in February. He's a boom-truck operator working for Outlet Electric Inc. of Fairbanks, one of the companies building the Fairbanks North Star Borough Transit Park. On a routine on-site visit to the site, Watts, an investigator for seven years, asks Osterby about his wages, work hours and duties to ensure that his company, like other ones on the project, is following Alaska's public construction prevailing wage laws.**

**Watts (right) clears the snow off the license plate of a car parked at the bus system transit center. She's checking license plates to make sure workers at the public construction site have Alaska plates on their vehicles. If she finds an out-of-state plate belonging to someone who has worked in Alaska more than 10 days, she'll issue a \$100 citation.**

Weighing the facts and issues associated with a particular claim can be complicated. It's common for wage claims to involve heated arguments from both the employer and the employee about the amount due. What do you do when an employee claims he or she is due \$1,500 in wages and the employer claims that the employee falsified his or her time cards and intentionally damaged the employer's snow machine?

"We know a settlement is pretty good when the parties to a controversial claim are satisfied, but neither side is extremely happy," Cannon said.

Some of the more significant recent cases that required court action dealt with fish processing companies that failed to pay employees thousands of dollars and left some employees stranded in remote parts of Alaska. Two of the cases involved companies in Ekuk and Egegik in Bristol Bay in the summer of 2004. Anchorage Wage and Hour investigators Julie Tredway and Charlotte Hughes conducted extensive investigations that were particularly difficult because both companies went out of business and left the state without paying the workers' wages or for their return trips home. Even so, Wage and Hour, through court actions that ended in 2005, ultimately collected \$44,584 in back wages, return transportation and penalties for 48 seafood processing workers.

Sometimes the cases are for relatively small amounts of money, but are still very important



Photo by Andrea Quintyne

to the individual wage claimant. Nathan Menah, an Anchorage Wage and Hour investigator, was assigned to investigate a \$300 wage claim in the fall of 2005. The man who made the claim called every day to check on the status of his case. Each time he said, “You really don’t know how much this means to me.”

As soon as Menah collected the wages, he called the claimant. The claimant showed up within minutes, barefoot, even though there was snow on the ground. He was overjoyed.

### **Alaska resident hire**

Alaska law requires that 90 percent of employees in certain job categories on publicly funded construction projects be Alaska residents. The Department of Labor’s commissioner determines which categories are subject to the resident hire requirement using unemployment insurance data. For the past several years, the commissioner has determined that the entire state is a zone of underemployment covered by the

resident hire provisions due to Alaska’s high unemployment rates. Job categories with at least 10 percent Alaska resident unemployment and 10 percent nonresident work forces are covered by the resident hire requirement. Sixteen job categories currently must meet the requirement.

Wage and Hour investigators and technicians visit public construction sites throughout Alaska to interview employees and employers, as well as monitor the payroll records that contractors submit to Wage and Hour – all to ensure that the contractors are meeting the resident hire requirement.

Companies may apply for a waiver from the resident hire requirement when they can demonstrate that there are no qualified Alaskans available to fill the jobs. The waiver process requires that job recruitment announcements are listed with the Alaska Job Center Network and in a statewide newspaper. Mary Keele, who works in the Department of Labor’s Employment Security Division, coordinates and monitors

the recruitment process. If qualified Alaskans respond to the recruitment, the employer must hire them before importing nonresidents.

When the Alaska resident hire law is violated, Wage and Hour directs the state or local government contracting agency that awarded the project to withhold from the contractor, as a penalty, the amount of money that was paid to the nonresident worker. The penalty amounts can then be used for future projects or for other public purposes to benefit Alaskans.

In an effort to settle resident hire cases informally and help solve problems associated with Alaska resident hire, some recent enforcement actions have produced unique results. Wage and Hour has given companies without a history of violations that have demonstrated mitigating

**Fleet Truman, an Anchorage Wage and Hour investigator, reviews new changes to Alaska's overtime laws at a statewide staff meeting in November (below). He specializes in public construction.**

**Charlotte Hughes "works the counter" in the Anchorage Wage and Hour office in February (right). She's reviewing a wage claim that an employee had just submitted as she helps walk-ins – people who visit the office with questions about labor laws. Hughes has been an investigator for six years; Truman is due to retire this year after 15 ½ years.**

circumstances surrounding their violation a chance to resolve their violation by supporting programs aimed at correcting the problem.

For example, Paul Grossi, an investigator in the Juneau office, negotiated a settlement where a contractor who had violated the resident hire law paid \$8,000 to the Associated General Contractor's Construction Career Academy program in Wasilla. The money will be used to train Alaska high school students to prepare them for apprentice training programs and jobs in the construction industry. Another settlement resulted in advertising to promote Alaska resident hire on public construction projects.

Another tool that Wage and Hour uses to address Alaska resident hire violations is motor vehicle registration requirements. Drivers who move to Alaska and are working are required to register their vehicles and get Alaska license plates within 10 days of arriving in the state; if drivers aren't employed, they have 60 days. They also must get Alaska driver's licenses. (There are limited exceptions, such as those for active military personnel.)

The Alaska State Troopers in the fall of 2005 provided special training for Wage and Hour investigators to be able to issue citations for vehicle registration violations. (In the past, investigators primarily issued warnings.) Bette Watts, a Fairbanks Wage and Hour investigator, issued the first citation for out-of-state license plates during a December inspection of a Glennallen public construction site. The individual contested the violation in court, but the judge upheld the citation, which carries a \$100 fine.

The outcome of the Glennallen case was encouraging, Cannon said. "We'll be aggressive in writing citations," she said.

### **Youth employment conditions (child labor)**

Workers under the age of 18 are covered by specific rules regarding their conditions of

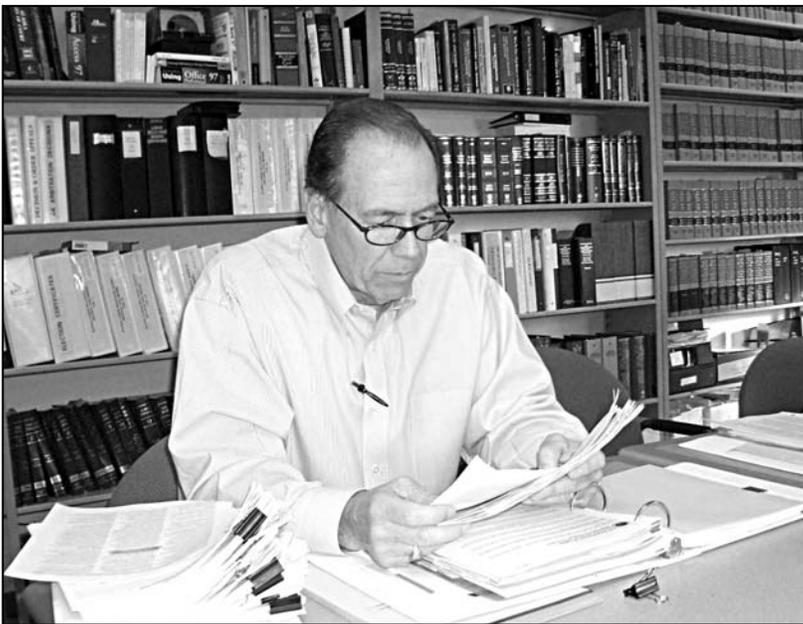


Photo by Sandy Cannon

employment. Alaska law requires workers ages 14 through 16 to have a work permit signed by their parents and approved by the Department of Labor before working. The work permit process, along with on-site inspections of employer work sites, helps ensure that young workers are not employed in unsafe jobs or under unlawful conditions.

Wage and Hour staff processed 11,731 work permits and made 780 on-site inspections throughout Alaska in fiscal year 2005.

On one unannounced inspection in April 2005, Menah, the Anchorage investigator, discovered that a 15-year-old Anchorage employee had suffered a serious burn that required hospital treatment. The worker's mother had to pay the emergency room bill because the employer didn't have workers' compensation insurance. Menah also found that the employer had failed to give the 15-year-old and other minors their legally required breaks (required for minors ages 14 through 17). Wage and Hour required the employer to pay \$6,654 in wages and penalties to 51 workers for the missed breaks. Menah referred the case to the Department of Labor's Workers' Compensation Division for further investigation.

In another case, Kim Aure, a Fairbanks investigator, received a complaint that a fast food restaurant was requiring 14- and 15-year-old employees to work beyond the 9 p.m. Alaska limit. Aure determined after an audit that the employer had committed 1,114 violations involving 49 minor employees, 1,052 of which were break violations. Wage and Hour required the employer to pay \$5,097 in wages and another \$5,097 in penalties to the employees.

Sometimes child labor cases involve more than one state agency. In August 2005, during a routine child labor inspection at an Anchorage restaurant, Menah discovered that the restaurant had violated Alaska's minimum wage law and tip-sharing regulation by requiring three 17-year-

old servers to contribute their tip money to pay a 15-year-old dishwasher who didn't get any other pay. Menah also found multiple break violations. The employer was required to pay \$10,346 in wages and penalties to 43 employees. And, since the restaurant served alcohol, Menah notified the state's Alcohol Beverage Control Board. He learned that the business had just been cited for serving alcohol to a minor and other violations.

## The prevailing wage

Wage and Hour monitored more than 7,000 public construction projects in fiscal year 2005 for compliance with Alaska's Little Davis-Bacon Act.

Most construction projects funded by the State of Alaska or local government agencies are covered by specific requirements concerning the rate of pay for certain work classifications. For example, a plumber working on an Anchorage public construction project must be paid \$32.13 an hour plus another \$14.77 an hour in fringe benefits.



Photo by Sandy Cammon

Investigators collected \$449,519 in fiscal year 2005 in prevailing wage deficiencies for workers in Alaska, in response to complaints and violations identified during on-site inspections and payroll audits.

Wage and Hour also monitors payroll records to ensure compliance with a relatively new apprentice training requirement set by a governor's administrative order. That order establishes a 15 percent goal for hiring apprentices in certain job categories on Alaska Department of Transportation and Public Facilities projects that exceed \$2.5 million and have to do with highway, airport, dam, tunnel, utility or dredging projects. The intent is to increase the number of Alaskans trained and ready for future construction and resource development jobs.

Cannon said that whether it's child labor, wage claims, or resident hire and prevailing wages on

public construction sites – the key to everything is education.

"People need to know about Alaska's labor laws so they don't break the law," she said. "That's what we're here for."

*Employers are encouraged to attend one of Wage and Hour's free seminars on wage and hour laws held monthly in Anchorage and Fairbanks, and in Juneau by appointment. Employers, employees or anyone else with questions can also go to Wage and Hour's Web site at <http://labor.state.ak.us/lss/home.htm>, as well as call or visit the nearest Wage and Hour office. In Anchorage, call (907) 269-4900; in Fairbanks, call (907) 451-2886; and in Juneau, call (907) 465-4842. See the Web site or call for physical office locations.*

## Trends Authors



Photo by Sam Dapevich

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Photo by Sam Dapevich

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Photo by Sam Dapevich

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Photo by David Gelotte

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# Employer Resources

## Labor relations for public employees

The Alaska Labor Relations Agency is an impartial and independent agency within the Alaska Department of Labor & Workforce Development. The agency serves as the labor relations agency for most public employers and employees within Alaska, including the State of Alaska, municipalities, boroughs, school districts and the University of Alaska.

The agency also administers the Public Employment Relations Act and railroad labor laws under the Alaska Railroad Corporation Act. The Alaska Legislature, under those acts, authorized the Alaska Labor Relations Agency to conduct secret ballot elections so public employees can choose whether a union or employee organization should begin or continue representing them for bargaining purposes. The agency, based in Anchorage, consists of six board members and four staff members – two hearing officers, a personnel specialist and an administrative clerk.

The agency also reviews unfair labor practice complaints from individuals, employers or unions covered by the Public Employment Relations Act; hears disputes about strike classifications and bargaining impasse matters; determines appropriate bargaining units; and enforces collective bargaining agreements. For more information, go to the Alaska Labor Relations Agency Web site at <http://www.labor.state.ak.us/laborr/home.htm>.

The screenshot shows a Microsoft Internet Explorer browser window displaying the Alaska Labor Relations Agency website. The browser title is "DLWD - Alaska Labor Relations Agency - Microsoft Internet Explorer". The address bar shows the URL "http://www.labor.state.ak.us/laborr/home.htm". The website header includes navigation links for "Job Seekers", "Workers", "Employers", "Researchers", and "Labor Shortcuts", along with a search bar for the "Alaska Department of Labor and Workforce Development". The main content area features the agency's name, "Alaska Labor Relations Agency", and a sub-header "State of Alaska > DOLWD > Alaska Labor Relations Agency". A section titled "Mark Torgerson, Hearing Examiner/Administrator - Email" provides contact information and a description of the agency's role. A "Quick Links..." section lists various resources. The footer includes a note about a new physical address as of February 1, 2006, and a page update date of February 3, 2006.

DLWD - Alaska Labor Relations Agency - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Refresh Print Mail Stop

Address <http://www.labor.state.ak.us/laborr/home.htm> Go Links »

Google Search PageRank 10 blocked ABC Check Look for Map »

Job Seekers Workers Employers Researchers Labor Shortcuts Search Alaska Department of Labor and Workforce Development find »

## Alaska Labor Relations Agency

State of Alaska > DOLWD > Alaska Labor Relations Agency

### Mark Torgerson, Hearing Examiner/Administrator - Email

Administers the Public Employment Relations Act (AS 23.40.070 – 23.40.260) and the labor provisions of the Alaska Railroad Corporation Act (AS 42.40.705 – 42.40.890) pertaining to collective bargaining for public employers, including the state, municipalities, boroughs, university, school districts and their employees in Alaska.

The agency conducts elections to certify or decertify employee representatives; hears unfair labor practice charges brought by employers, unions, or individuals; determines appropriate bargaining units; and enforces collective bargaining agreements (8 AAC 97.010 – 8 AAC 97.990).

\*\*\*\*\*PLEASE NOTE NEW PHYSICAL ADDRESS AS OF FEBRUARY 1, 2006 \*\*\*\*\*

Phone:	(907) 269-4895	Mailing address:	
Fax:	(907) 269-4898		1016 West 6th Avenue, Suite 403
			P.O. Box 107026
			Anchorage, AK 99510-7026

Job Seekers Workers Employers Researchers Department Shortcuts Webmaster

Page Updated February 3, 2006

Internet