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A close look at the working-age population

ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT



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### GENDER and NONTRADITIONAL WORK

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**ALASKA DEPARTMENT** 

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**Heidi Drygas** Commissioner ON THE COVER: Probation officers Stephanie Rhodes-Reese (left) and Joann Wallace pose at Anchorage Correctional Complex. Wallace still works for the Department of Corrections, and Rhodes-Reese has retired.

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## Addressing pay gap in growing industries a key mission



Heidi Drygas Commissioner

Alaska's economy is changing. We're losing oil and gas jobs while the health care and tourism industries grow. State employment is dropping while federal employment has stabilized. This month's Trends takes a closer look at how these economic changes influence the workforce composition of certain occupations.

Understanding our changing economy is important to the department for several reasons. First, in the interest of efficiency and cost effectiveness, our department allocates training dollars primarily to high-demand occupations. Second, economic changes can have profound impacts on wages, aggregate demand, and the health of our statewide economy. These dynamics have policy implications: if we know employment is falling in highly trained, highly compensated industries while jobs proliferate in generally lower-wage occupations, then we should consider how to expand training opportunities and wages in those highgrowth occupations.

That is precisely what we are doing. Labor market data show growth in health care and tourism, industries that have lower average wages than the shrinking oil, construction, and state sectors. We will continue to focus on training for these high-demand occupations because it represents the best use of state and federal training resources.

These economic and policy questions aren't just abstract, however. They have a real impact on individuals and their families. Over the last three years, Alaska companies and the YWCA have teamed up to reduce the gender pay gap. Alaska women make 67 cents on the dollar compared to men's wages. This wage gap represents more than \$1 billion in lost wages, and it is a missed opportunity to infuse money into our fragile economy. Moreover, our wage gap — which is significantly higher than the national average —

makes Alaska a less attractive place for highly skilled women to live and work.

Occupations that have a large majority of female workers tend to be lower paid than primarily male occupations. Higher-paid, male-dominated occupations are shrinking and female-dominated occupations are growing. This means occupational pay differences related to gender can have a profound impact on our statewide economy. If female-dominated occupations are underpaid, and those occupations represent Alaska's fastest growing job sector, then the gender pay gap harms not just female workers but Alaska's families and our economy as a whole.

I believe our department's focus on apprenticeship and pre-apprenticeship training in health care can expand career paths and lead to wage growth for that female-dominated sector. We must also continue successful programs like the Alaska Works Partnership that help reduce the gender pay gap within construction occupations.

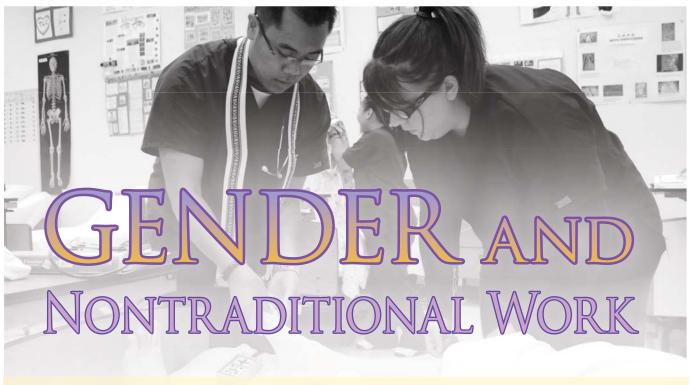
The gender pay gap is a complicated, difficult challenge to address, and private sector leadership is essential. Fortunately, the YWCA is working with local businesses on voluntary efforts for companies to identify and solve the gender pay gap within their organizations. As part of this effort, the YWCA is holding their annual gender pay summit at Alaska Pacific University on May 18. I hope you'll consider attending and getting involved with this important community effort.

As Alaska's economy changes, we can collaborate to expand career pathways and raise wages in health care and tourism. If we are successful, we can reduce the impact of low oil prices while helping to close Alaska's gender pay gap. Achieving these goals is only possible by working together.





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Are men and women branching out, and is it paying off?

#### By **CAROLINE SCHULTZ**

laska has long been considered a land of economic opportunity for rugged people willing to take on risk and harsh conditions. Historically, men took advantage of

those opportunities far more frequently than women, largely due to social, legal, and economic barriers to women participating in nontraditional work.

Despite those limitations, many women made their mark on Alaska's history as prospectors, bush pilots, politicians, and in nearly every other profession in the last frontier.

Alaskans have far more career paths now than they did 100 years ago, and both men and women can be found doing nearly every kind of work. However, some fields are still dominated by one sex.

#### What's considered nontraditional

An occupation is considered nontraditional for a

Jobs in male-dominated occupations are more common in Alaska because of the outsize role of extractive industries in the economy. worker whose gender makes up 25 percent or less of that occupation's workers. Nearly a third of all workers held a nontraditional job in 2014, and men and women were equally likely to do so.

The types of jobs that are either male- or female-dominated probably aren't

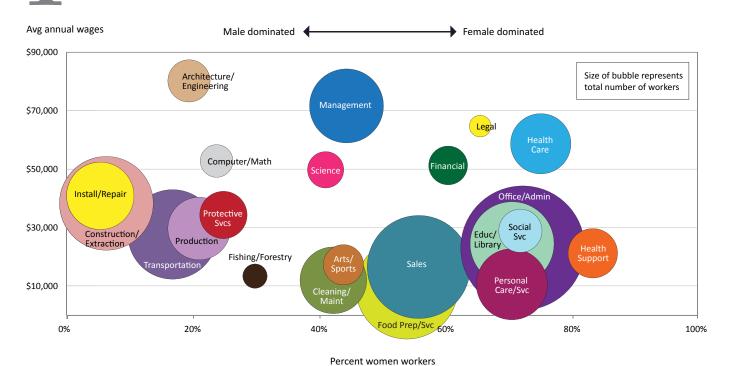
surprising. Male-dominated occupations tend to be in extraction, construction, and building trades and include most traditional "blue collar" work — an old expression that led to the newer phrase "pink collar," which colloquially refers to female-dominated service jobs.

Female-dominated occupations tend to be serviceand care-providing, which were the only types of work available to women in the not-so-distant past. (Exhibits 4 and 5 at the end of this article list femaleand male-dominated occupations.)

#### Male-dominated occupations

Jobs in male-dominated occupations are more common in Alaska because of the outsize role of extrac-

# Occupation Groups by Earnings, Size, and Gender Makeup ALASKA, 2014



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

tive industries in the economy. One-third of men and 4 percent of women worked in a male-dominated occupation in 2014.

Average earnings for both men and women were higher in male-dominated occupations. On average, men in male-dominated occupations earned \$5,800 more than average in 2014, and women earned \$4,100 more. (See Exhibit 2.)

Over half of all male-dominated jobs were in four occupation categories. The largest was construction trades workers, where men held 94 percent of all jobs, followed by material moving workers; motor vehicle operators; and other installation, maintenance, and repair occupations. Women held 10 percent of jobs in these four categories combined. (See Exhibit 5.)

Women's average earnings were lower than men's in all male-dominated occupations, but the earnings gap wasn't any larger than for the entire working population. Women earned an average of \$27,200 in maledominated occupations while men earned \$40,600, amounting to a 67 percent earnings gap — the same as for all occupations combined.

#### Female-dominated occupations

Proportionally fewer women work in female-dominated occupations than men in male-dominated occupations.

Twenty-two percent of women and 4 percent of men worked in a female-dominated occupation in 2014. These women earned \$3,200 more than the average working woman, while the men earned \$2,700 less than the average working man.

The largest female-dominated occupation was information and record clerks, where women held 78 percent of jobs. There were relatively more men in the top female-dominated occupations than women in male-dominated occupations. Men made up 20 percent of the top four female-dominated occupations. (See Exhibit 4.)

The earnings gap was narrower and occasionally reversed in female-dominated occupations. Men still earned more than women in female-dominated jobs, but women made 82 percent of what men earned in these jobs: considerably more than the 67 cents on the dollar they earn for all work. Women earned an average of \$26,200 in female-dominated occupations while men made \$32,000.

Women earned more than men in five female-dominated occupations. In the female-dominated occupations where men earned more, the gap was narrower than the statewide average for all but one: health diagnosing and treating practitioners, which was also the top-earning female-dominated occupation. In that occupation, women earned 59 percent of what men earned.

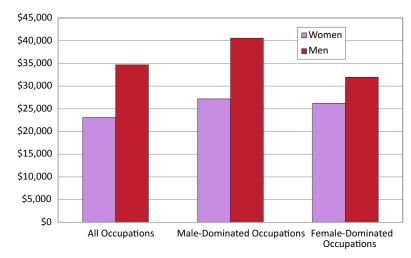
# Imbalance beyond the extremes

Nontraditional jobs represent the extremes, but almost all occupations have some gender imbalance. Exhibit 1 shows the major occupation groups, where the bubble size represents the total number of workers in each group.

Average annual earnings are shown vertically and the percentage of workers who are women are along the horizontal axis. Men are heavily concentrated in the occupation groups on the left side of the chart, and women are more concentrated on the right.

## Men Earn More in All Categories

**ALASKA, 2014** 



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

This graph illustrates one of the main reasons for the earnings gap in Alaska, which is that traditionally male-dominated occupations are common and highpaying, and female-dominated occupations tend to pay considerably less. The concentration of men in male-dominated jobs also tends to be much higher.

Difference

Growth

#### Women's Participation Didn't Change Much in 10 Years

ALASKA, 2004 vs. 2014

		2004		2014	Difference		Growth
	2004	Percent	2014	Percent	in Female	Total	in Women
Occupation Group	Total	Women	Total	Women	Participation	Growth	Workers
Life, Physical, and Social Science	6,134	37%	6,477	41%	4%	6%	18%
Personal Care and Service	21,563	67%	24,663	71%	4%	14%	21%
Fishing, Farming, and Forestry	3,748	27%	2,897	30%	3%	-23%	-13%
Architecture and Engineering	8,047	17%	8,718	20%	2%	8%	22%
Transportation and Material Moving	41,321	15%	39,177	17%	2%	-5%	6%
Community and Social Service	7,944	71%	9,149	72%	1%	15%	18%
Legal Occupations	2,212	65%	2,300	66%	1%	4%	6%
Health Care Practitioners and Technical	15,273	74%	17,784	75%	1%	16%	18%
Health Care Support	12,257	83%	11,973	83%	1%	-2%	-2%
Education, Training and Library	35,964	70%	34,528	71%	1%	-4%	-3%
Construction and Extraction	46,239	6%	43,043	7%	0%	-7%	-2%
Food Preparation and Serving Related	48,453	55%	50,799	54%	-1%	5%	3%
Office and Administrative Support	78,736	74%	75,297	72%	-2%	-4%	-6%
Management	24,136	46%	26,739	45%	-2%	11%	7%
Installation, Maintenance, and Repair	23,121	7%	22,273	6%	-2%	-4%	-26%
Business and Financial	10,212	63%	12,144	61%	-2%	19%	15%
Sales and Related	51,074	58%	51,885	56%	-2%	2%	-2%
Protective Service	9,933	27%	10,961	25%	-2%	10%	1%
Computer and Mathematical	4,447	27%	5,214	24%	-3%	17%	4%
Building and Grounds Cleaning and Maintenance	20,423	46%	21,774	42%	-4%	7%	-2%
Production	19,395	26%	19,200	21%	-5%	-1%	-19%
Arts, Design, Entertainment, Sports, and Media	5,808	50%	7,945	44%	-6%	37%	20%

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

The chart shows three fairly distinct groupings of larger, lower-earning occupations at the bottom, with some disconnected higher-earning occupations floating toward the top.

The seven occupation groups where workers earn close to \$50,000 or more on average made up 16 percent of all workers. Jobs in these groups were split evenly between men and women, although men still earned more on average.

The group of bubbles in the lower left corner of the graph represents 47 percent of jobs held by male workers. Average annual earnings in these groups were \$36,900, and they include installation, maintenance, and repair; construction and extraction; protective service; production; and transportation and material moving occupations.

On the lower right-hand side of the chart, a similar cluster of bubbles represents just under half of all jobs held by women. These occupation groups include office and administrative support; personal care and service; community and social service; education, training, and library; and health care support occupations. Average annual earnings were \$21,600.

The middle cluster has the most gender parity — and lowest earnings — and includes arts, design, entertainment, sports, and media; building and grounds cleaning and maintenance; food preparation and serving; and sales and related occupations. These kinds of occupations are frequently seasonal and part-time, and average annual earnings were just \$13,000. Fiftytwo percent of workers in these occupations were women.

#### Little overall change in 10 years

Workplaces have gradually become more egalitarian, and both genders are advancing in nontraditional careers. But even though legal access to all kinds of work is virtually identical, economic and cultural institutions coupled with biological realities such as childbearing make change happen slowly. Occupation selection is sticky, or resistant to change, which partially explains why the earnings gap between women and men is shrinking so slowly.

#### About the data

This analysis only included workers covered by Alaska unemployment insurance who recently applied for a Permanent Fund Dividend and specified their gender. This analysis excludes federal civilian and military employees, the self-employed, nonresidents, and workers whose gender isn't known.

For total worker counts for men and women, we counted workers just once and rolled their wages together regardless of how many jobs each worker held in the year. For individual occupations, however, workers who held multiple jobs in a year were reported in each occupation they worked, which means some workers could be counted more than once.

We calculated average annual earnings by dividing total earnings in a specific occupation by the number of workers. This does not account for seasonality, whether a worker was full-time or part-time, or whether a worker started or left a job mid-year.

Between 2004 and 2014, there was essentially no change in the proportions of women and men in non-traditional occupations. (See Exhibit 3.)

In occupations identified as male-dominated in 2014, 88 percent of workers in 2004 were men, versus 89 percent in 2014. In occupations identified as female-dominated in 2014, women made up 80 percent of workers in both years.

These negligible differences mask some changes within specific occupations, but these changes were generally small and tended to cancel each other out because they occurred in both directions.

Exhibit 3 shows women's participation in all major occupation groups in both 2004 and 2014. It didn't dramatically change in any group, and while some groups became more diverse, others became more homogenous.

Caroline Schultz is an economist in Juneau. Reach her at (907) 465-6027 or caroline.schultz@alaska.gov.

# Female-Dominated Occupations

Alaska, 2014

							\$ Ratio,
Occupation Crown	Occuration Title	Total	Female	Male	Percent	-	
Occupation Group	Occupation Title	Workers	Workers	Workers	Men		
Office and Administrative Support	Information and Record Clerks	18,482	14,499	3,983	22%	\$20,101	91%
Personal Care and Service Occs	Other Personal Care and Service Workers	16,598	12,495	4,103	25%	\$11,525	94%
Office and Administrative Support	Financial Clerks	12,383	9,890	2,493	20%	\$26,227	103%
Office and Administrative Support	Secretaries and Administrative Assistants	10,720	9,373	1,347	13%	\$26,371	109%
Health Care Practitioners and Tech	Health Diagnosing and Treating Practitioners	10,630	8,394	2,236	21%	\$71,754	59%
Health Care Support	Other Health Care Support Occupations	6,640	5,784	856	13%	\$22,773	98%
Health Care Support	Nursing, Psychiatric, and Home Health Aides	5,117	4,040	1,077	21%	\$19,009	104%
Office and Administrative Support	Supervisors of Office and Admin Support Workers	2,497	1,874	623	25%	\$40,380	84%
Personal Care and Service Occs	Personal Appearance Workers	1,251	1,150	101	8%	\$17,315	84%
Legal Occupations	Legal Support Workers	1,019	833	186	18%	\$41,493	92%
Education, Training, and Library	Librarians, Curators, and Archivists	734	600	134	18%	\$31,985	107%
Personal Care and Service Occs	Animal Care and Service Workers	605	467	138	23%	\$9,866	98%
Personal Care and Service Occs	Supervisors of Personal Care and Service Workers	320	242	78	24%	\$20,528	83%
Health Care Support	Occ Therapy and Phys Therapist Assistants/Aides	216	168	48	22%	\$24,848	122%

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

# Male-Dominated Occupations ALASKA, 2014

							ą καιίο,
		Total	Male		Percent	Average	Women's
Occupation Group	Occupation Title	Workers	Workers	Workers		Earnings	to Men's
Construction and Extraction Occs	Construction Trades Workers	29,021	27,204	1,817	6%	\$35,406	57%
Transportation and Material Moving	Material Moving Workers	16,099	13,946	2,153		\$18,646	50%
Installation, Maintenance, and Repair	Other Installation, Maint, and Repair Occs	11,667	10,922	745	6%	\$37,897	60%
Transportation and Material Moving	Motor Vehicle Operators	12,113	10,181	1,932	16%	\$26,549	53%
Installation, Maintenance and Repair	Vehicle/Mobile Equip Mechanics, Install, Repair	7,700	7,421	279	4%	\$38,139	48%
Construction and Extraction Occs	Extraction Workers	5,558	5,283	275	5%	\$60,695	74%
<b>Building/Grounds Cleaning and Maint</b>	Grounds Maintenance Workers	4,762	3,993	769	16%	\$10,235	64%
Architecture and Engineering	Engineers	4,868	3,975	893	18%	\$99,483	78%
Computer and Mathematical	Computer Occupations	4,971	3,835	1,136	23%	\$52,704	86%
Construction and Extraction Occs	Other Construction and Related Workers	3,641	3,284	357	10%	\$30,810	58%
Construction and Extraction Occs	Helpers, Construction Trades	3,512	3,190	322	9%	\$17,367	89%
Production	Other Production Occupations	3,432	2,948	484	14%	\$37,517	64%
Production	Plant and System Operators	2,921	2,785	136	5%	\$59,087	55%
Protective Service	Law Enforcement Workers	3,411	2,746	665	19%	\$50,082	70%
Architecture and Engineering	Drafters, Engineering Techs, and Mapping Techs	3,005	2,348	657	22%	\$55,734	78%
Transportation and Material Moving	Air Transportation Workers	2,539	1,952	587	23%	\$70,297	47%
Installation, Maintenance, and Repair	Electrical/Electronic Equip Mech, Install, Repair	2,114	1,939	175	8%	\$57,425	85%
Production	Metal Workers and Plastic Workers	1,961	1,891	70	4%	\$41,158	55%
Transportation and Material Moving	Water Transportation Workers	2,046	1,793	253	12%	\$41,298	46%
Construction and Extraction Occs	Supervisors of Construction and Extraction Wkrs	1,311	1,264	47	4%	\$84,428	51%
Protective Service	Fire Fighting and Prevention Workers	1,554	1,228	326	21%	\$37,493	25%
Transportation and Material Moving	Supervisors of Transp and Material Moving Wkrs	1,119	905	214	19%	\$37,165	41%
Installation, Maintenance, and Repair	Supervisors of Installation, Maint, Repair Wkrs	792	749	43	5%	\$66,931	57%
Architecture and Engineering	Architects, Surveyors, and Cartographers	845	686	159	19%	\$56,038	78%
Production	Assemblers and Fabricators	682	599	83	12%	\$18,967	66%
Protective Service	Supervisors of Protective Service Workers	680	581	99	15%	\$71,125	70%
Production	Supervisors of Production Workers	643	568	75	12%	\$63,782	62%
Personal Care and Service Occs	Baggage Porters, Bellhops, and Concierges	473	359	114	24%	\$15,136	67%
Fishing, Farming, and Forestry	Forest, Conservation, and Logging Workers	331	310	21	6%	\$24,960	59%
Production	Woodworkers	236	216	20	8%	\$21,399	38%
Transportation and Material Moving	Rail Transportation Workers	205	188	17	8%	\$62,518	67%
Fishing, Farming, and Forestry	Supervisors of Farming, Fishing, Forestry Wkrs	144	112	32	22%	\$41,755	36%

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

\$ Ratio.

# Alaskans with Disabilities

#### A look at disability data from the U.S. Census Bureau

#### By **EDDIE HUNSINGER**

leven percent of Alaska's population and 12 percent of the nation's have a disability, according to the U.S. Census Bureau. The most common type is difficulty walking or climbing stairs, which affects about 48 percent of Alaskans with a disability. (See Exhibit 1.)

The other types are hearing (37 percent), vision (18 percent) and cognitive (35 percent). And of the 76,302 Alaskans with a disability, 33,360 have more than one.

"Disability" covers a range of conditions and varies according to context. To measure disability with the American Community Survey, the U.S. Census Bureau uses six questions to determine the type of difficulty: hearing, vision, cognitive, ambulatory, self-care, and living independently. (See the sidebar at the end of this article for more information.)

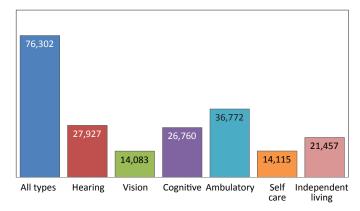
#### Age an important factor

As with many health and socioeconomic characteristics, age is an important factor in overall disability. It's more common among seniors, with more than 30 percent of Alaskans between 65 and 74 having a disability and nearly 60 percent for those over age 75. (See Exhibit 2.)

Although people who are 65 and older make up just 9

# Disabilities by Type

ALASKA, 2010 TO 2014



Source: U.S. Census Bureau, 2010 to 2014 American Community Survey

percent of Alaska's population, they represent 32 percent of all Alaskans with disabilities. The senior population is projected to nearly double over the next 25 years, and as Alaska ages, the overall rate of disability is expected to increase.

Among Alaskan children, 5,765 have a disability, according to the 2010 to 2014 American Community Survey. Of those, 577 are children between newborn and 4 years who have difficulty seeing or hearing. Seeing and hearing disabilities are the only types the ACS tracks for children younger than 5.

Disabilities are slightly more common among males, at 11 percent, than among females, at 10 percent.

#### Higher in older areas

The importance of age structure is also reflected in regional disability rates. The Gulf Coast and Southeast regions, which have higher median ages and larger shares of the population 65 and older, also have higher disability rates. (See Exhibit 3.) The regions with particularly young populations Northern and Southwest — have slightly lower rates.

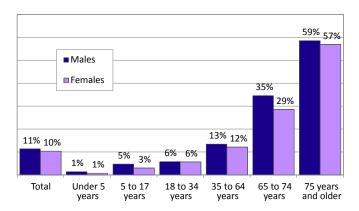
Still, in terms of numbers, most Alaskans with disabilities live in the state's population centers. Anchorage was home to 28,357 people with disabilities, followed by the Matanuska-Susitna Borough (10,539), Fairbanks North Star Borough (9,669), and Kenai Peninsula Borough (8,122).

#### **Higher rates for Natives, veterans**

Even though the Alaska Native population is younger than the total population — with median ages of 28.7 and 33.3 years, respectively — disabilities are more common among Alaska Natives, at 14 percent. Of those, 8 percent are under age 18, 59 percent are in

# Disabilities by Age and Sex

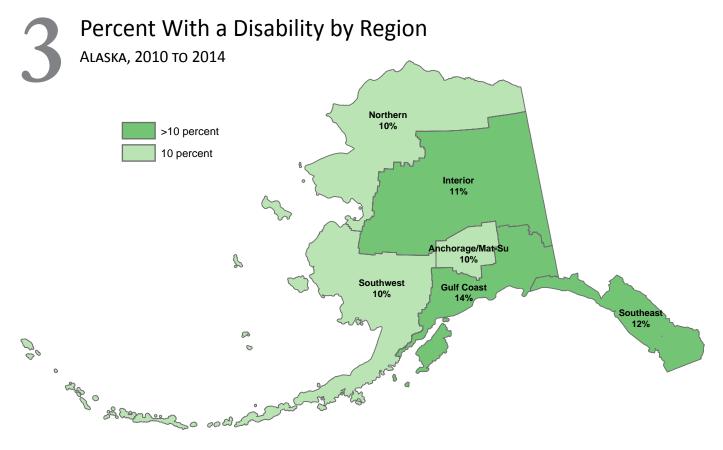
ALASKA, 2010 TO 2014



Source: U.S. Census Bureau, 2010 to 2014 American Community Survey

the working age range of 18 to 64, and 33 percent are seniors.

Veterans are another group whose rates stand out in the data. The survey shows 22 percent have a disability, versus 14 percent of the total adult population. Among senior citizens, 42 percent of veterans have a disability compared to 40 percent of all seniors.



Source: U.S. Census Bureau, American Community Survey 2010 to 2014



#### Occupations and Industries Among Those With Disabilities

<b>T</b>	То	Total		Disability
	Estimate	Margin of Error	Estimate	Margin of Error
Employed Population Age 16 and Older	347,715	+/-2,362	22,687	+/-983
OCCUPATION				
Management, business, science, and arts occupations	36%	+/-0.6	31%	+/-2.4
Service occupations	18%	+/-0.5	18%	+/-1.9
Sales and office occupations	23%	+/-0.5	24%	+/-2.1
Natural resources, construction, and maintenance occupations	12%	+/-0.4	12%	+/-1.2
Production, transportation, and material moving occupations	11%	+/-0.4	14%	+/-1.5
NDUSTRY				
Agriculture, forestry, fishing and hunting, and mining	6%	+/-0.3	5%	+/-0.9
Construction	8%	+/-0.4	7%	+/-1.0
Manufacturing	4%	+/-0.2	3%	+/-0.7
Wholesale trade	2%	+/-0.2	1%	+/-0.4
Retail trade	11%	+/-0.4	14%	+/-2.0
Transportation and warehousing, and utilities	8%	+/-0.3	11%	+/-1.3
Information	2%	+/-0.2	2%	+/-0.6
Finance and insurance, and real estate and rental and leasing	4%	+/-0.3	3%	+/-0.7
Professional, scientific, and management, and administrative and waste mgmt services	8%	+/-0.4	9%	+/-1.5
Educational services, and health care and social assistance	23%	+/-0.5	20%	+/-2.0
Arts, entertainment, and recreation, and accommodation and food services	9%	+/-0.4	8%	+/-1.3
Other services (except public administration)	4%	+/-0.3	4%	+/-0.9
Public administration	12%	+/-0.4	13%	+/-1.5

Note: Civilian noninstitutionalized population only

Source: U.S. Census Bureau, 2010 to 2014 American Community Survey

#### Employment lower, but jobs similar

Narrowing the state's population down to the typical working ages of 20 to 64 shows 42 percent of Alaskans with a disability are employed. In the total population between those ages, it's 71 percent.

Roughly half were outside the labor force, meaning they were neither working nor looking for work, compared to just 20 percent overall.

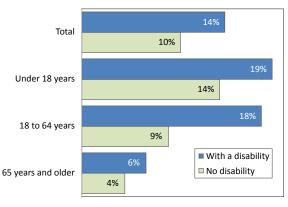
For those who were working, though, their typical occupations mirrored those of workers overall. (See Exhibit 4.) Among the 22,687 employed workers with a disability, the leading occupational group was management, business, science, and arts (31 percent, compared to 36 percent for all workers), followed by sales and office occupations (24 percent versus 23 percent), and service occupations (18 percent for both).

The industry makeup is also about the same. The leading industry group was educational services, and health care and social assistance (20 percent, compared to 23 percent for all workers), followed by public administration (13 percent versus 12 percent), and retail trade (14 percent versus 11 percent).



# Percent Below Poverty

By age and disability, 2010 to 2014



Source: U.S. Census Bureau, 2010 to 2014 American Community Survey

#### Income lower, poverty higher

Though the typical industries and occupations were similar, earnings differed. Alaskans with a disability earned a median of \$30,000 per year from 2010 to 2014, and it was more than \$36,000 for all workers.

Poverty was also higher for those with disabilities, at a rate of 14 percent versus 10 percent for all Alaskans. (See Exhibit 5.) Specifically, 19 percent of children with a disability were in poverty, versus 14 percent of all children. For those 65 and older, it was 6 percent and 4 percent, respectively.

Eighty-five percent of Alaskans without a disability had incomes at least 150 percent of the poverty threshold, and it was 72 percent for those with disabilities.

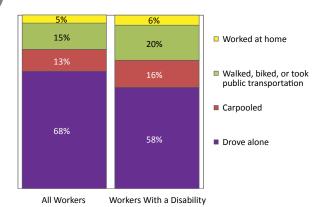
# More walk to work, and more single-person households

While nearly 70 percent of Alaska workers drive alone to work, it's just 58 percent among those with a disability. (See Exhibit 6.) Rates of commuting by carpooling, walking, biking, and public transportation as well as working from home were all a bit higher for workers with a disability.

In terms of living arrangements, 16 percent aged 15 to 64 with disabilities lived alone: significantly higher than the 9 percent for all Alaskans of those ages. Among

### **Commuting and Disabilities**

ALASKA, 2010 TO 2014



Source: U.S. Census Bureau, 2010 to 2014 American Community

senior citizens, 27 percent with a disability lived alone versus 25 percent overall.

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#### About the data

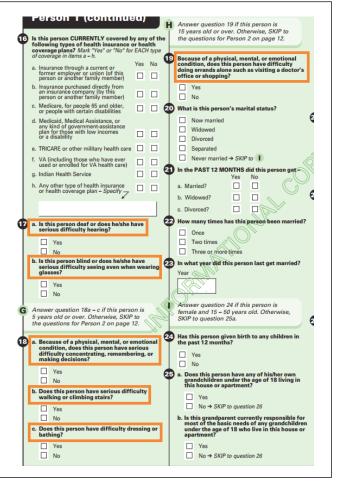
There are several sources for state and local data on disability, including the American Community Survey, the Survey of Income and Program Participation, the Current Population Survey, and the Behavioral Risk Factor Surveillance System. Data will differ between sources. The data this article uses are all from the U.S. Census Bureau's American Community Survey.

#### From the U.S. Census Bureau:

"The Census Bureau collects data on disability primarily through the American Community Survey (ACS) and the Survey of Income and Program Participation (SIPP). The definitions of disability are not always alike so caution should be taken when making comparisons across surveys. Generally, the SIPP estimates of disability prevalence are broader and encompass a greater number of activities on which disability status is assessed. The ACS has a more narrow definition but is capable of producing estimates for states, counties, and metropolitan areas. Because the ACS has replaced the decennial long-form as the source for small area statistics, there is no disability data in the 2010 Census.

"In addition to these recent data sources, the Census Bureau has also produced disability estimates from the 2000 Census, and the Current Population Survey Annual Social and Economic Supplement (CPS ASEC). Other federal agencies also collect and report disability statistics. Depending on your needs, one survey may be more suitable than another."

More information is available from U.S. Census Bureau at www.census.gov/people/disability/.



12 MAY 2016

ALASKA ECONOMIC TRENDS

# The Working-Age Population and Unemployment

Current Population Survey shows who's working, who isn't, and why

#### By **CAROLINE SCHULTZ**

he monthly unemployment rate is a timely and important indicator of the health of Alaska's economy, but it doesn't tell the full story of who's working in Alaska, who's not, and why.

Monthly data from the Current Population Survey, which comes from the U.S. Bureau of Labor Statistics, are one of the inputs for the unemployment rate calculation, but because of the survey's small sample size, monthly CPS data can't stand on their own. We can, however, take a closer look at the status of Alaska's working-age population if we average survey responses across an entire year.

The primary purpose of the CPS is to count the number of employed and unemployed people 16 and older who aren't in the military or institutionalized. It sounds fairly straightforward – just ask people if they're working or not working, right? But the concepts are more complicated, so it can be helpful to establish some definitions.

#### Which populations are included

The population to examine is the *civilian, noninstitutional population aged 16 or older*, which narrows down Alaska's total population of 737,600. Alaska had about 168,300 children age 15 or younger in 2015, and they're automatically excluded because of regulations that limit their hours and type of work. About 29,000 adults were also excluded. Most were active duty mili-

tary, and the rest were in institutions that prevented them from being able to work, such as prison, longterm care hospitals, or nursing homes.

The remaining 540,300 Alaskans made up the civilian, noninstitutional population, which is the baseline for calculating the employment-to-population ratio and the labor force participation rate.

People in this target population are either *in the labor force* or *not in the labor force*. The labor force is the sum of people who are either *employed* or *unemployed*, which is where things begin to get tricky.

#### Unemployed vs. employed

The CPS has strict criteria for being defined as unemployed. The first requirement is that a person does not have a job but is available to work and has actively looked for a job in the prior four weeks. Actively looking for work can include, for example, interviewing for a job, contacting an employment agency, submitting resumes or filling out applications, and checking union registers. Passive job searches, such as attending job training or reading the job listings in the newspaper, don't qualify because they don't connect a job seeker with an employer.

Being employed is easier to determine. Anyone qualifies who worked for pay or profit during the survey reference week, whether full time, part time, or temporarily. Some people who did not work during the reference week are also considered employed, such as people who are on vacation, ill, temporarily lacking child care, on parental leave, taking care of other fam-

#### The six unemployment rates

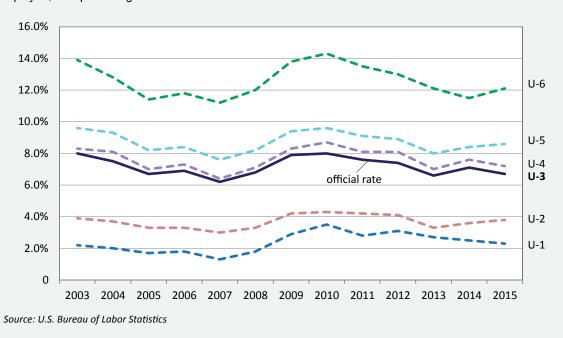
U-1 (narrowest measure): Those unemployed 15 weeks or longer, as a percentage of the civilian labor force

**U-2:** Only job losers and people who completed temporary jobs or were temporarily laid off, as a percentage of the civilian labor force

U-3 (definition used for reported unemployment rate): Total unemployed, as a percentage of the civilian labor force U-4: Total unemployed plus discouraged workers, as a percentage of the civilian labor force plus discouraged workers

**U-5:** Total unemployed plus discouraged workers and all other marginally attached workers, as a percentage of the civilian labor force plus all marginally attached workers

U-6 (broadest measure): Total unemployed plus all marginally attached workers, plus total employed part time for economic reasons, as a percentage of the civilian labor force plus all marginally attached workers



ily or personal obligations, involved in a labor dispute, or prevented from working by the weather. Those who worked more than 15 hours a week for no pay but for a family business were also counted as employed.

#### In vs. out of the labor force

In 2015, 361,900 people were in the labor force, which was composed of 24,400 unemployed and 337,500 employed. That's enough information to calculate the publicized unemployment rate: the number of unemployed people divided by the number in the labor force, which came out to 6.7 percent for 2015.

We can also calculate the employment-to-population ratio and the labor force participation rate, which is the number employed and the total labor force divided by the civilian noninstitutional population, respectively. The employment-to-population ratio was 62.5 percent in 2015, and the labor force participation rate was 70 percent. These rates don't necessarily mean much on their own, but when tracked over time, they can reveal important labor market trends.

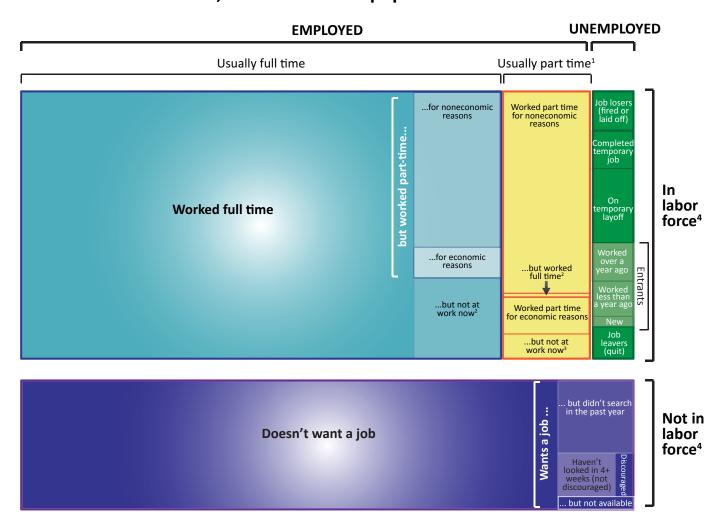
The remainder who aren't working or officially unemployed are not in the labor force, so they don't factor into the publicized unemployment rate. Many are retired or are students. Others stay out of the labor force because of family responsibilities. Whatever the reason, 88 percent of the 178,300 adult, civilian, noninstitutionalized Alaskans who are outside the labor force did not want to work.

The remaining 12 percent of adults not in the labor force wanted a job, but weren't available to work or hadn't searched for work recently enough to qualify as unemployed. Fifty-seven percent of those who wanted to work hadn't actively searched for work in the past year. Forty-three percent had looked for a job in the past year, but not in the most recent four weeks, which would have put them in the unemployed category.

Of the 9,500 who had looked in the past year, 7,300 were available to work and 2,200 were not available to work. Those who were not available to work may have had a family care commitment or a health problem that would have prevented them from starting a job

Continued on page 16

#### Civilian, noninstitutional population

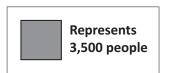


#### Not in civilian noninstitutional population



Sources: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

<sup>&</sup>lt;sup>5</sup>The institutionalized population is mainly prisoners but includes nursing homes and other inpatient care facilities.



<sup>&</sup>lt;sup>1</sup>1 to 34 hours per week

<sup>&</sup>lt;sup>2</sup>These typically work full-time but were temporarily required to work more hours than they wanted. <sup>3</sup>At the time of the survey, the person was employed but was on leave or otherwise absent from work.

<sup>4&</sup>quot;In the labor force" means the person is either working or actively seeking and available for work. For example, in addition to those not looking for work, those out of the labor force include retirees, full-time students, stay-at-home parents, volunteers, and those on disability.

#### WORKING-AGE POPULATION

Continued from page 14

immediately, even if they did want to be working.

#### 'Marginally attached' to labor force

The 7,300 people who were available to work immediately but hadn't searched for a job recently enough to qualify as unemployed are considered *marginally attached to the labor force*. A subset of the marginally attached are *discouraged workers* (although these people aren't actually working). Discouraged workers are interested in finding a job, but they aren't looking because they either believe no job is available in their area or line of work, they lack the necessary training or education, or they face discrimination, including age discrimination. In 2015, 1,800 Alaskans were considered discouraged.

A larger subset of the marginally attached had not recently searched for work because of reasons other than discouragement, such as family responsibilities, school, or health issues.

Marginally attached and discouraged workers are included in broader measures of labor underutilization, but not in the standard "official" unemployment rate that's reported each month, which is the number unemployed as a percentage of the labor force and is known as the U-3. However, the U-3 is just one of six different measures of unemployment and labor underutilization.

#### The five lesser-known rates

The U-4 is a broader definition of labor underutilization that incorporates discouraged workers, and the U-5 includes all marginally attached workers. In 2015, the U-4 was 7.2 percent and the U-5 was 8.6 percent.

To calculate the broadest measure, the U-6, as well as the narrower U-1 and U-2, we have to dig deeper into the employed and unemployed categories.

#### Reasons for working part time

To calculate the broadest measure of labor underutilization, the U-6, the CPS tries to determine how many people are **working part time for economic reasons**. The U-6 incorporates not just the unemployed and all marginally attached workers, but also those who are working but putting in fewer hours than they'd like to work, for economic reasons. In that sense, the broad-

# How the official unemployment rate was developed

Despite its prevalence, the modern definition of unemployment is a relatively new economic concept. During the Great Depression, there was no official standard for unemployment, but the federal government hired an abundance of out-of-work statisticians to work for New Deal programs. The Works Progress Administration and the U.S. Census Bureau developed the modern concept of unemployed to mean both "willing and able to work" and "actively seeking work."

The inclusion of the requirement that an unemployed person be seeking work was controversial because it was without basis in traditional economic theory, but it allowed statisticians to easily distinguish between different kinds of nonworkers. It also allowed for the definition of the "civilian labor force" to be determined by a person's actions – either working or seeking work.

During the late 1930s and early 1940s, the Census Bureau and the WPA developed and refined the survey methods for estimating the size of the labor force, aided by concurrent developments in the field of statistics. With the dissolution of the WPA, the Census Bureau took over the survey, now known as the Current Population Survey, or CPS.

In 1959, the Bureau of Labor Statistics assumed responsibility for content, analysis, and reporting of the CPS, although the Census Bureau still conducts the survey. Since the development of the CPS, there have been numerous reviews of the concept and definition of unemployment, but those studies only resulted in minor refinements to the official measure.

est rate seeks to quantify not just those who are out of work, but those under financial hardship due to underemployment.

For the U-6, workers are first grouped by whether they usually work full or part time. In 2015, 84 percent usually worked full time, and 16 percent usually worked part time. Small portions of both groups were counted as employed but were temporarily absent from their regular jobs because of illness, vacation, bad weather, a labor dispute, or other reasons. There were 20,700 employed Alaskans not at work during any given period, which was 6 percent of usually-full-time workers and 9 percent of usually-part-time workers.

Of the workers who usually worked full time, 35,600 were working part time instead. Most worked fewer hours for noneconomic reasons, which can include school or training, child care problems, or other personal obligations. Another 5,900 of this group worked

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part time for economic reasons, which can include slack business conditions or the inability to find full-time work.

The group who usually worked part time included 53,500 people, and 76 percent of them were working part time for noneconomic reasons. Those who were working part time for economic reasons, 7,100 workers, were added to the typically-full-time workers who were working part time for economic reasons to calculate the U-6 rate, which was 12.1 percent in 2015.

#### Narrower unemployment measures

The U-1 and U-2 include even fewer people than the standard U-3 rate. The U-1 covers only those who have been unemployed for 15 weeks or longer as a percentage of the labor force, which was 2.3 percent in 2015.

The U-2 measures just the percentage of the labor force who are *job losers*, which includes those who were fired or laid off permanently, people who completed temporary jobs, or those on temporary layoff. (Of course, all of these people must be available and actively seeking work, or they'd be outside the labor force.) Job losers made up 56 percent of the unemployed. In 2015, the U-2 rate was 3.8 percent.

The U-2 doesn't include *job leavers*, or people who quit voluntarily — they are included in the U-3. Job leavers made up 13 percent of the unemployed in 2015.

Job leavers and job losers both entered the unemployed designation by first being employed; they can be thought of as moving from the employed box to the unemployed box.

The U-2 also excludes *entrants*, or those who entered the unemployed category from outside the labor force. Just under a third of the unemployed are entrants.

There were 800 *new* entrants, or people who had never worked before, in 2014 and 6,800 re-entrants: people who had worked before but left the labor force because they hadn't been available or looking for a job. About half of re-entrants had worked in the previous year, and the other half last worked more than one year before.

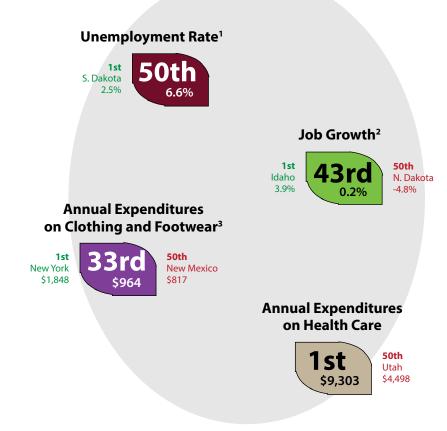
Entrants are of interest because growth in their numbers can cause the unemployment rate to climb, which also might mean that people are entering the labor force because they believe economic conditions have improved.

Caroline Schultz is an economist in Juneau. Reach her at (907) 465-6027 or caroline.schultz@alaska.gov.

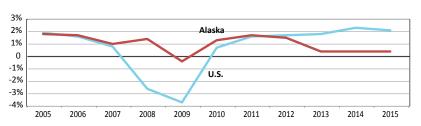
# The Month in Numbers

	Prelim.	Revised					
SEASONALLY ADJUSTED	3/16	2/16	3/15				
United States	5.0	4.9	5.5				
Alaska Statewide	6.6	6.6	6.4				
NOT SEASONALLY ADJUSTED							
United States	5.1	5.2	5.6				
Alaska Statewide	7.3	7.7	7.1				
Anchorage/Mat-Su Region	6.4	6.6	6.0				
Municipality of Anchorage	5.5	5.8	5.3				
Matanuska-Susitna Borough	9.2	9.6	8.7				
Gulf Coast Region	9.0	9.5	8.6				
Kenai Peninsula Borough	9.7	10.2	9.1				
Kodiak Island Borough	4.5	5.1	4.7				
Valdez-Cordova Census Area	11.5	12.0	12.0				
Interior Region	7.4	7.8	7.0				
Denali Borough	20.0	21.8	19.4				
Fairbanks North Star Borough	6.3	6.6	5.8				
Southeast Fairbanks CA	12.3	13.3	12.6				
Yukon-Koyukuk Census Area	19.6	20.7	20.1				
Northern Region	11.2	11.2	10.6				
Nome Census Area	13.1	12.9	12.4				
North Slope Borough	5.7	5.8	5.2				
Northwest Arctic Borough	17.0	17.1	16.7				
Southeast Region	7.7	8.6	7.8				
Haines Borough	14.9	17.1	14.3				
Hoonah-Angoon Census Area	19.1	21.2	20.9				
Juneau, City and Borough	4.8	5.3	5.1				
Ketchikan Gateway Borough	8.5	9.3	8.5				
Petersburg Borough	10.6	11.8	11.0				
Prince of Wales-Hyder CA	14.9	16.8	14.9				
Sitka, City and Borough	5.2	5.9	5.0				
Skagway, Municipality	22.7	25.6	20.0				
Wrangell, City and Borough	9.5 11.0	11.0 11.7	8.9 10.1				
Yakutat, City and Borough							
Southwest Region	10.9	11.2	11.5				
Aleutians East Borough	2.3	2.5	2.4				
Aleutians West Census Area	2.3	2.6	2.9				
Bethel Census Area	14.8	15.0	15.3				
Bristol Bay Borough	15.3	15.2	19.6				
Dillingham Census Area Kusilvak Census Area	10.6	10.5	10.1 25.2				
	23.6	24.9					
Lake and Peninsula Borough	16.2	16.8	16.4				

#### **How Alaska Ranks**



#### Job Growth in Alaska and the Nation<sup>4</sup>



All data sources are U.S. Bureau of Labor Statistics and Alaska Department of Labor and Workforce Development, Research and Analysis Section, unless otherwise noted.

<sup>&</sup>lt;sup>1</sup>March 2016

<sup>&</sup>lt;sup>2</sup>March 2016, over the year change, not seasonally adjusted

<sup>&</sup>lt;sup>3</sup>2014

<sup>&</sup>lt;sup>4</sup>Annual average percent change

# Safety Minute



MAY 2-6, 2016



The U.S. Department of Labor's Occupational Safety and Health Administration and other federal safety agencies designated May 2 through 6 for the third annual National Safety Stand-Down. Alaska has participated in this event since its inception. This year we will kick off the event with fall prevention training sessions in Juneau and Anchorage. See details below.

#### **Anchorage Location**

Date: Tuesday, May 3

Time: Session One 9 a.m. to 11 a.m. or Session Two

1 p.m. to 3 p.m.

Location: 1251 Muldoon Road, Suite 109,

Anchorage, AK 99504

Contact: AKOSH at (907) 269-4955 to register

#### **Juneau Location**

Date: Thursday, May 5

**Time:** Session One 10:30 a.m. to 12:30 p.m. or Session Two 2 p.m. to 4 p.m.

Location: Mendenhall Valley Public Library, 3025

Diamond Park Loop, Juneau, AK 99801 **Contact:** AKOSH at (907) 465-6006 to register

Registration is required and the deadline is April 29. Training is free. Space is limited. Participants will receive an AKOSH training certificate upon course completion. E-mail additional questions to elaine.banda@alaska.gov.

Safety Minute is written by the Labor Standards and Safety Division of the Alaska Department of Labor and Workforce Development.

# **Employer Resources**

#### Hiring workers with disabilities benefits business, community

The U.S. Department of Labor's Office of Disability Employment Policy contains comprehensive resources for employers who recognize the significant return on investing in an inclusive workforce.

ODEP resource topics include building an inclusive workforce, disability etiquette, tax incentives, accommodations and accessibility, and how an inclusive workplace is good for business by demonstrating leadership to community, stakeholders, and competitors. These resources are available at <a href="https://www.dol.gov/odep/topics/Employers">www.dol.gov/odep/topics/Employers</a>.

Alaska employers benefit from the collaborative efforts of several state and federal agencies that specialize in disability awareness, recruitment, and employment. The Department of Labor and Workforce Development's divisions of Vocational Rehabilitation and Employment

and Training Services are foremost among the agencies employers partner with to learn about recruiting and employing qualified Alaskans with disabilities. Local Alaska Job Center staff will guide you as you develop your disability employment strategy and find applicants to meet your business needs. Federal contractors may particularly benefit from this partnership by hiring those with disabilities (including veterans) as they strive to reach affirmative action goals.

Be a hero to your staff, an innovator in your community, and a leader among competitors. Get started today by contacting your nearest Alaska Job Center at (877) 724-2539 or jobs.alaska.gov/offices.

Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.