ALASKA ECONOMIC TRENDS

June 2005

Wage Records

Alaska Department of Labor and Workforce Development Frank H. Murkowski Governor of Alaska



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ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

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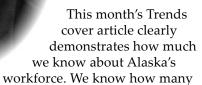
Where do Alaskans Work?
Comparing workforce distribution in Alaska with the rest of the nation

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Connecting Alaskans with jobs through Workforce Information

by Governor Frank H. Murkowski



people work year-round versus seasonally. We know where they work, how much they earn, and where they reside. We have this information by age group, gender, and industry.

What does this really tell us and how can we use it to improve the well-being of Alaskan workers? The information we compile helps Labor Commissioner Greg O'Claray, the Alaska Workforce Investment Board, and others, determine how to target our workforce training efforts.

Our researchers use these data to assist the Alaska Workforce Investment Board to develop priority occupations for training. These priorities are derived on a number of criteria including demand, career potential, and workforce demographics. Based on the gaps identified by our researchers and the Workforce Investment Board, my administration is engaged in a number of innovative workforce training actions that partner with the private sector to increase career opportunities for Alaskans. Here are two examples:

Commissioner Barton of Department of Transportation and Public Facilities and Commissioner O'Claray of the Department of Labor and Workforce Development met with representatives from construction contracting organizations and organized labor, and jointly determined that an administrative order encouraging apprentice utilization for heavy highway projects would benefit contractors and workers. Apprenticeship is the most effective strategy for training Alaska's workforce to work on highway construction projects, mining development and pipeline construction. I will sign an Administrative Order, effective July 1, 2005, encouraging 15% of heavy equipment operator, mechanic and service oiler hours to be set aside for apprentices. This administrative order will be a significant step toward assuring we have trained Alaskans for future large construction projects.

The maritime industry is a critical component of Alaska's economy and exciting careers await those with the right

training. To that end, I have just signed an agreement with Conoco/Philips, Polar Tankers and the Alaska Marine Exchange to dedicate 12 training slots for Alaskans each year on Polar Tankers' vessels. Under the agreement, the Alaska Vocational Technical Center in Seward will provide initial classroom training, followed by Polar Tankers' on-vessel training. Participants, upon completion of their training at AVTEC, earn the Coast Guard certification Ordinary Seamen. Immediately after training participants will ship out with Polar Tankers for 180 days of ship-board training that contributes to their next certification as Able Bodied Seamen.

Alaska's future is tied to the development of infrastructure to access our natural resources. A trained labor force of Alaskans working in Alaska is one of the most effective ways to grow the state's economy. I am truly excited about our future!

Highlighting our economic vibrancy, we are almost ready to publish the 2004 Annual Report on Alaska's international exports. The numbers are in, and I am proud of the consistent hard work and dedication shown by Alaskan exporters and their families. We set another record in 2004, almost \$3.2 billion in exports. This is an astounding 15% more than the impressive 9% growth in 2003.

We are also exporting to more countries than ever. In 2004, Alaska exported products directly to 92 different countries, the most in history. Diversification in trading partners increases prices for our products and provides stability.

Asia remains our principal export region, with Japan, Korea, and China consuming two thirds of our products. China is steadily moving up on our list of trading partners, increasing their purchase of Alaska products by \$100 million in the last two years alone.

Exports mean jobs. I want to extend my wholehearted thanks to the Alaskan companies whose hard work day in and day out resulted in this impressive growth in exports.

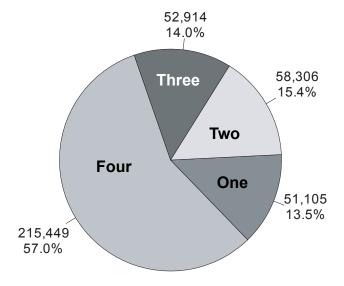
With the information we garner about Alaska's workforce, we can do a better job of connecting Alaskans with exciting careers in Alaska's burgeoning industries. Our prospects are excellent. Our future is bright.

Wage Records

Using them to fill the data gaps for Alaska worker profiles

f each of Alaska's workers was employed in one job continuously throughout his working life, then the task of understanding the labor market would be simple. However, we all know the labor market is much more fluid. Workers are hired and separate from jobs continuously throughout the year. Some workers are employed in multiple jobs consecutively or concurrently over time. Some work only seasonally, and some come from other parts of the country and from around the world to work in Alaska. And workers earn higher wages as their years of experience and training accumulate.

Quarters Worked in 2003
Employees in Alaska



Note: Includes private sector, state and local government.

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

Many of the labor market statistics currently published are simple snapshots of the labor market at a particular point in time. They don't reflect the dynamic nature of the labor force or how an individual worker's labor market status will change over time.

Over the last several years, Alaska has been a national leader in the use of unemployment insurance (UI) wage records submitted quarterly by employers for each worker to better understand the Alaska labor market. Resident hire research, training program performance outcomes, age and gender related employment characteristics, and new hiring activity have all been reported on a regular basis by the Alaska Department of Labor and Workforce Development. Most of these reports are possible only through the analysis of wage records in conjunction with other types of demographic characteristics available for Alaska workers.

Alaska's quarterly UI wage records provide detailed information about each worker including employer, industry, earnings, occupation, and place of work. Employers are required to report earnings and other information about each wage and salary worker covered by Alaska UI. UI wage record data are not available for the self employed, military and federal government workers. When coupled with secondary data sources, age, gender, and place of residence can be used to identify differences between worker populations.

This report provides the latest characteristics of workers by age and gender, along with some new economic measures using wage records that can be used to better understand the dynamics and condition of the Alaska labor market. Hiring, separations, turnover, attachment to labor force, years of experience with an employer or in an industry, the size of the low-wage labor force, and some new measures of economic conditions can be determined through longitudinal analysis of quarterly UI wage record information.

Alaska worker characteristics—a closer look

In 2003, more than 17,400 private sector, state government and local government employers had nearly 378,000 unique individuals working for them during one or more quarters of the calendar year. Average monthly employment for those industry sectors in 2003 was significantly smaller—approximately 280,000, indicating the much larger number of workers that flow through the economy over the course of a year. Although about 71 percent of all workers employed in 2003 worked for just one employer, there were more than 540,000 unique employer-employee relationships. Some workers move from job to job over the year; however, about 91 percent of workers had only one or two employers during the year.

About 57 percent of workers employed in Alaska in 2003 worked all four quarters of the year. Peak quarterly employment occurs each third quarter of the year (July through September), with nearly 319,000 individuals employed at some time during that quarter of 2003. (See Exhibits 1 and 2.)

Gender and age differences in the labor market

Gender and age information about Alaska's workers is obtained from matches with secondary data sources, primarily historical Permanent Fund Dividend (PFD) information. Approximately 85 percent of UI wage record data can be matched

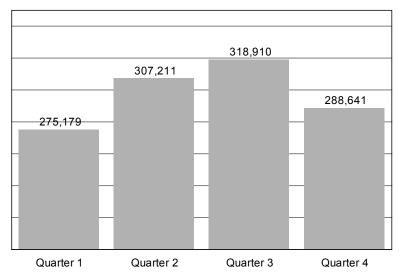
with demographic information including age, sex and place of residence. Individuals for whom no information is available are primarily nonresident workers in Alaska. A few states are testing the use of national databases to obtain demographic information about their workers. It is anticipated that this information will be available to Alaska in the future and help fill this "data gap."

Just as there is a significant difference in earnings and labor force attachment of resident and nonresident workers employed in Alaska (see Nonresidents Working in Alaska-2003), there are major differences in employment and earnings measures between age groups and between the sexes and dramatic differences in the age and sex profile between industries and occupations.

Men earned more than women in 2003

Differences in total and average earnings between the sexes are the result of many factors including differences in full-time versus part-time work, seasonal work, career choices, child rearing, and work experience. Men slightly outnumber women

Workers Employed by Quarter Alaska 2003



Note: Includes private sector, state and local government. Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section in the Alaska labor force, men also outnumber women in the working age population. Although the percentages of the Alaska male and female population that worked in Alaska in 2003 are about the same, their total and average earnings profiles are very different. Based upon those workers for whom we have demographic data, men earned more than \$5.6 billion of the \$9.2 billion in wage and salary income in private sector, state government, and local government

jobs, or \$2.1 billion more than women in 2003. Men were 52% of the workers and earned 62% of the wages. The largest discrepancy in total and average earnings between the sexes was in the peak earning years, age 40 to 54. (See Exhibit 3.)

In 2003, Alaska's female workers earned on average \$23,056, or 68.3 percent of that earned by male workers, a significant improvement over the 66.4 percent rate found in 2001. Since 2001,

Employment and Earnings in 2003 By Industry, age group, and sex

| | MALE FEMALE | | | | | | | |
|-----------------------------------|-------------|---------------|----------|------------|---------------|----------|----------------|--|
| | Total | Total | Average | Total | Total | Average | Female to male | |
| By Industry | Employment | Wages | Wage | Employment | Wages | Wage | earnings ratio | |
| Natural Resources and Mining | 11,123 | \$728,207,385 | \$65,469 | 1,743 | \$77,238,342 | \$44,313 | 67.7 | |
| Construction | 20,953 | 722,618,150 | 34,488 | 2,905 | 67,558,091 | 23,256 | 67.4 | |
| Manufacturing | 7,361 | 193,063,142 | 26,228 | 3,172 | 48,662,713 | 15,341 | 58.5 | |
| Trade, Transportation & Utilities | 42,320 | 1,351,844,612 | 31,943 | 29,213 | 530,607,562 | 18,163 | 56.9 | |
| Information | 4,229 | 197,105,153 | 46,608 | 3,506 | 115,428,510 | 32,923 | 70.6 | |
| Financial Activities | 6,097 | 220,931,506 | 36,236 | 9,294 | 281,486,108 | 30,287 | 83.6 | |
| Professional and Business Svcs | 13,813 | 465,812,009 | 33,723 | 11,318 | 261,089,695 | 23,069 | 68.4 | |
| Educational and Health Svcs | 8,958 | 338,772,920 | 37,818 | 28,029 | 757,140,829 | 27,013 | 71.4 | |
| Leisure and Hospitality | 16,053 | 218,403,008 | 13,605 | 18,312 | 190,850,144 | 10,422 | 76.6 | |
| Other Services | 4,811 | 121,193,903 | 25,191 | 5,923 | 108,662,557 | 18,346 | 72.8 | |
| Public Administration | 187 | 4,852,481 | 25,949 | 202 | 4,813,584 | 23,830 | 91.8 | |
| Nonclassifiable | 72 | 1,167,274 | 16,212 | 31 | 163,597 | 5,277 | 32.6 | |
| Private Sector | 135,977 | 4,563,971,544 | 33,564 | 113,648 | 2,443,701,733 | 21,502 | 64.1 | |
| Local Government | 19,642 | 594,739,217 | 30,279 | 27,159 | 706,531,316 | 26,015 | 85.9 | |
| State Government | 12,219 | 507,897,515 | 41,566 | 12,503 | 384,538,336 | 30,756 | 74.0 | |
| Total | 167,838 | 5,666,608,277 | 33,762 | 153,310 | 3,534,771,384 | 23,056 | 68.3 | |
| By Age Group | | | | | | | | |
| Less than 16 | 2,466 | 7,621,521 | 3,091 | 2,601 | 7,079,538 | 2,722 | 88.1 | |
| Age 16-18 | 10,562 | 47,214,710 | 4,470 | 10,629 | 46,152,119 | 4,342 | 97.1 | |
| Age 19-24 | 23,315 | 339,023,294 | 14,541 | 21,816 | 261,993,517 | 12,009 | 82.6 | |
| Age 25-29 | 16,895 | 447,121,104 | 26,465 | 15,312 | 313,674,237 | 20,486 | 77.4 | |
| Age 30-34 | 17,879 | 605,990,212 | 33,894 | 15,731 | 384,423,730 | 24,437 | 72.1 | |
| Age 35-39 | 18,276 | 703,099,380 | 38,471 | 16,654 | 437,113,796 | 26,247 | 68.2 | |
| Age 40-44 | 21,425 | 917,792,312 | 42,837 | 19,734 | 560,833,044 | 28,420 | 66.3 | |
| Age 45-49 | 21,132 | 1,002,221,249 | 47,427 | 19,597 | 614,730,927 | 31,369 | 66.1 | |
| Age 50-54 | 17,028 | 834,096,980 | 48,984 | 15,220 | 492,075,873 | 32,331 | 66.0 | |
| Age 55-59 | 10,572 | 492,893,761 | 46,623 | 9,077 | 267,552,622 | 29,476 | 63.2 | |
| Age 60-64 | 5,251 | 199,685,748 | 38,028 | 4,410 | 109,723,465 | 24,881 | 65.4 | |
| Age 65-74 | 2,636 | 63,082,182 | 23,931 | 2,219 | 36,322,410 | 16,369 | 68.4 | |
| Age 75 and over | 371 | 5,918,336 | 15,952 | 296 | 2,769,272 | 9,356 | 58.6 | |
| Unknown | 30 | 847,488 | 28,250 | 14 | 326,833 | 23,345 | 82.6 | |
| Age 14-17 | 8,372 | 25,261,314 | 3,017 | 8,630 | 25,866,985 | 2,997 | 99.3 | |
| Age 18-21 | 16,412 | 161,502,169 | 9,840 | 15,812 | 135,580,204 | 8,575 | 87.1 | |
| Age 60 and over | 8,258 | 268,686,266 | 32,536 | 6,925 | 148,815,148 | 21,490 | 66.0 | |

Note: Demographic information obtained from recent Alaska PFD files.

both male and female average earnings have increased, but female earnings grew nearly twice the rate of men's (6.5 percent vs. 3.5 percent over the two year period). (See Exhibit 4.)

sector employers of women were Providence Hospital, Safeway, Wal-Mart, Fred Meyer, and Alaska Airlines. (See Exhibit 7.) Women earned the most in the 50 to 54 age group. (See Exhibit 8.)

Industry comparison

Women made up a disproportionate share of the workers in the Educational and Health Services (75.8%), Financial Activities (60.4%), Local Government (58.0%) and Other Services (55.2%) industry sectors in 2003. They were noticeably underrepresented in the Construction (12.2%) and Natural Resources and Mining (13.5%) industry sectors. (See Exhibit 5.)

Women earned less than men in all major industry categories. Highest average earnings were paid to women working in the Natural Resources and Mining (\$44,313) and Information industries (\$32,923). Women came closest to achieving parity in earnings with men in Local Government, where women earned on average about 86% as Source: Alaska Department of Labor & Workforce Development, Research and Analysis Section much as men. (See Exhibit 6.)

Government, health care and retail trade employers were the top employers of women in 2003. The top three employers of women in Alaska were the State of Alaska, Anchorage School District and the University of Alaska. Top private

Gender Earnings Ratio 1988 to 2003

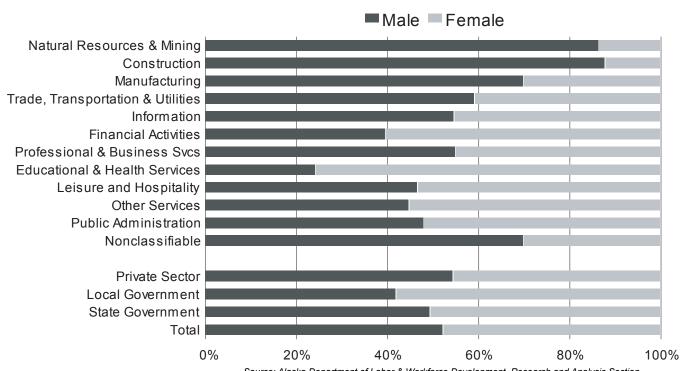
Average Annual Earnings

| | 1988 | 1990 | 1995 | 1997 | 1999 | 2001 | 2003 |
|--------|----------|----------|----------|----------|----------|----------|----------|
| Male | \$24,232 | \$27,655 | \$29,261 | \$29,327 | \$30,066 | \$32,618 | \$33,762 |
| Female | 14,962 | 16,934 | 19,182 | 19,059 | 20,079 | 21,644 | 23,056 |

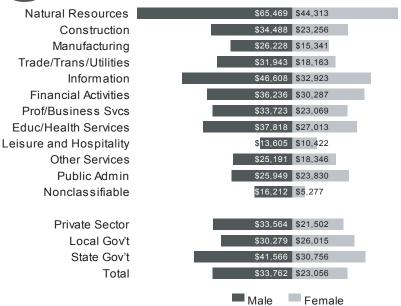
Ratio Female to Male Average Wage

61.7% 61.2% 65.6% 65.0% 66.8% 66 4% 68.3%

Male and Female Employment By industry, 2003



Average Annual Earnings by Sex And industry, Alaska 2003



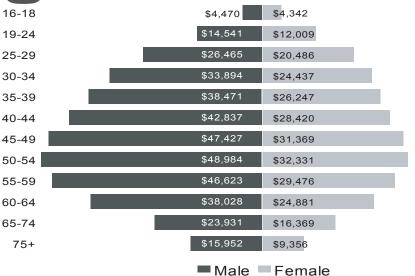
Source: Alaska Department of Labor & Workforce Development, Research and Analysis Section

Top Ten Employers of Females Private sector, state & local government

| State of Alaska Executive Branch | 8,554 |
|--------------------------------------|-------|
| Anchorage School District | 5,983 |
| University of Alaska | 3,606 |
| Providence Hospital | 2,994 |
| Fairbanks North Star School District | 2,067 |
| Safeway Inc. | 2,053 |
| Wal-Mart Associates Inc. | 1,729 |
| Mat-Su Borough Schools | 1,667 |
| Fred Meyer Stores Inc. | 1,656 |
| Kenai Peninsula Borough Schools | 1,168 |

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

Average Annual Earnings By age group and sex, 2003



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

Top occupations by gender

The top reported occupations for women in 2003 include retail salespersons, office clerks, cashiers, bookkeeping, accounting, and auditing clerks, teacher assistants, secretaries, and registered nurses. The most common occupations for men include construction laborers, retail salespersons, laborers, carpenters, janitors, and operating engineers.

In occupations with more than 50 female workers in 2003, women had the highest earnings as physicians, geoscientists, loan officers, engineers, education administrators, postsecondary teachers, and pharmacists. Men had the highest average earnings while working as physicians, petroleum engineers, financial analysts, petroleum operators, mining engineers, chief executives, and securities sales agents.

In occupations with more than 50 male and female workers and where women earn more than the annual average wage of approximately \$36,000 per year, females earned at least 95% as much as men. Examples of these occupations are doorto-door sales workers, installation/maintenance/repair workers, several teacher categories (special education, music, postsecondary), computer systems analysts, and sales representatives. (See Research and Analysis website for detailed occupational tables.)

Alaska's working age profile

The desire to have Alaska residents benefit from the development of major new projects in the state, including the gasline included in our most recent long term employment forecast, will likely place additional demands on training programs and current employers as jobseekers seek training and better paying employment opportunities. UI wage record analysis shows the employment experience of workers by age and can identify the number of unemployed and underemployed workers that are likely available for full-time work. A preliminary look at the characteristics of Alaska's current labor force suggests that there are enough potential workers to meet major project development demands, but barriers will likely include training, experience, qualifications, and location.

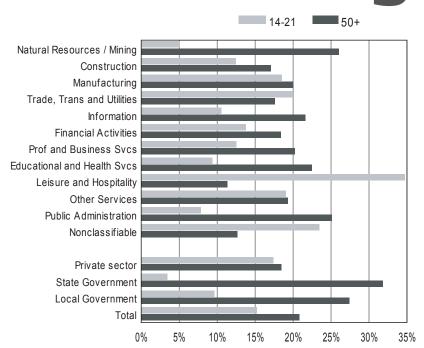
Over each of the next ten years, approximately 11,000 Alaskans will reach age 16—generally considered working age. In addition to young workers entering the labor force, a significant number of unemployed and underemployed workers at any given time represent a large, underutilized supply of labor. In 2004, the average number of unemployed was about 25,000 each month while more than 60,000 workers received Alaska UI benefits—about 51,000 of those UI claimants received their benefits in-state.

Each year a large number of young workers enter the labor force, and an approximately equal, and increasing, number of Alaskans approach retirement age. (See Population Projections, Alaska Economic Trends, February 2005). Although this presents an opportunity for young workers, it will place demands on training programs to fill the openings due to growth in employment, retirement of workers, and normal turnover resulting from job changes and normal out-migration.

The number of workers approaching retirement age in a particular occupation is one of the measures used to prioritize scarce training (Other measures used to identify resources. occupations and industries with a high training fund priority include anticipated employment nonresident percentage workers, growth, and wage rates.) The percentage of workers approaching retirement age varies considerably by industry and occupation. Many of the stable and high paying industry sectors have workers that have been employed since the post-pipeline, oilfueled economic boom in the late 1970s. These workers are now approaching retirement age. Some industries have a "flatter" age profile with a relatively even distribution of workers in all age groups, while the age profile of others indicates their dependence on young workers to fill their positions. (See Exhibit 9.)

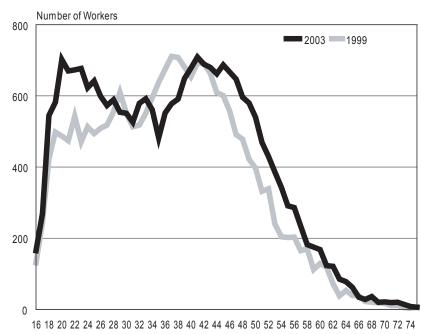
Construction and health care are two of several industries given high priority for training dollars by the Alaska Workforce Investment Board. The construction industry typically has a younger retirement age than many other industries, due to the particular physical demands of many of the jobs. With a large number of workers approaching

Workers Age 14-21 and 50+ Percent 2003

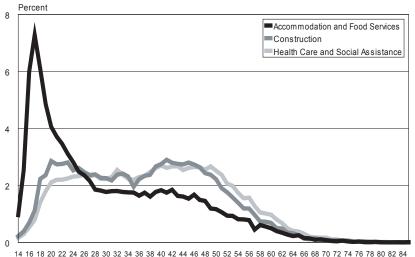


Source: Alaska Department of Labor & Workforce Development, Research and Analysis Section

Construction Workers by Age 1999 and 2003

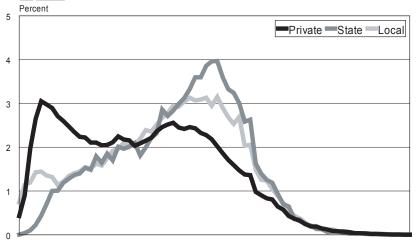


Workers by Age Selected Industries, 2003



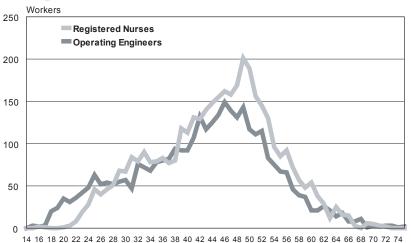
Source: Alaska Department of Labor & Workforce Development, Research and Analysis Section

Workers by Age Private sector, state & local gov't, 2003



14 16 18 20 22 24 26 28 30 32 34 36 38 40 42 44 46 48 50 52 54 56 58 60 62 64 66 68 70 72 74 76 78 80 82 84 Source: Alaska Department of Labor & Workforce Development, Research and Analysis Section

Workers by Age In two older worker occupations, 2003



14 16 18 20 22 24 26 28 30 32 34 36 38 40 42 44 46 48 50 52 54 56 58 60 62 64 66 68 70 72 74 Source: Alaska Department of Labor & Workforce Development. Research and Analysis Section

retirement age, new training programs have been established to meet the replacement and growth needs of that industry. The construction industry exhibits a "wave" of older workers that has continued to age over time, with a large number in their mid to late forties, and has also shown a marked increase in the number of young construction workers over the last several years. Exhibit 10 shows a comparison of the construction industry worker age profile in 1999 versus 2003. The Construction and Health Care and Social Assistance age profiles are very similar while state and local government is facing an even more dramatic number of prospective retirees over the next few years. (See Exhibits 11 and 12.)

Occupations with the largest number of workers age 50 and over in 2003 were Retail Salespersons, Office Clerks, Janitors and Cleaners, Registered Nurses, General and Operations Managers, Teacher Assistants, Elementary School Teachers, Bookkeeping Clerks, and Maintenance and Repair Workers.

Two benchmark occupations most associated with the health care and construction industry sectors are Registered Nurses and Operating Engineers. Surprisingly, these two occupations have very similar age profiles with a large number and percentage of older workers in their ranks. Nearly one-third of registered nurses were age 50 or older in 2003, while about 27 percent of operating engineers were that age. (See Exhibits 13 and 14.) Both occupations are facing considerable replacement needs due to retirements over the next several years.

Exhibit 15 shows the percent distribution of workers by age in major industry categories. Clearly, the training needs driven by an aging labor force vary across industries. Based upon a review of detailed industry sectors (tables available on the Research and Analysis website), industries with more than 100 workers and the largest percentages of workers age 50 and over include: Pipeline Transportation, Transit and Ground Passenger Transportation, Oil and Gas Extraction, State Government, Chemical Manufacturing, Private Households, Utilities, Forestry and Logging, Local Government, and

Demographic Profile of Alaska's Top Occupations 2003

| | Total Number of Workers | Workers with Demographic Info | Average Age | Percent Workers Age 14-17 | Percent Workers Age 18-21 | Percent Workers Age 50 or older | Percent Workers Age 60 or older | Percent Female Workers |
|---|-------------------------------|--|----------------|---------------------------------|---------------------------------|--|--|------------------------------|
| Retail Salespersons | 14,925 | 13,061 | 32.5 | 10.9 | 20.6 | 15.1 | 4.3 | 57.2 |
| Seafood Processing Workers, Except Surimi | 10,401 | 3,321 | 36.3 | 9.9 | 14.7 | 21.5 | 6.4 | 33.3 |
| Office Clerks, General | 8,661 | 7,969 | 36.9 | 5.4 | 11.1 | 20.4 | 5.2 | 79.2 |
| Combined Food Prep & Serving Workers | 7,545 | 6,326 | 23.5 | 36.3 | 28.8 | 4.4 | 1.6 | 52.9 |
| Construction Laborers | 7,164 | 6,379 | 34.0 | 3.7 | 15.6 | 12.0 | 2.4 | 10.0 |
| Cashiers | 7,110 | 6,235 | 30.9 | 12.5 | 23.7 | 12.0 | 4.1 | 73.2 |
| Laborers & Freight, Stock, and Material Movers, Hand | 6,781 | 5,993 | 33.1 | 6.4 | 18.6 | 12.4 | 2.8 | 12.9 |
| Janitors and Cleaners, except Maids & Housekeeping Cleaners | 6,457 | 5,899 | 39.4 | 5.7 | 9.0 | 26.1 | 6.7 | 36.0 |
| Waiters and Waitresses | 5,753 | 4,537 | 30.8 | 7.0 | 15.2 | 7.6 | 1.8 | 78.4 |
| Carpenters | 5,421 | 4,707 | 37.9 | 1.4 | 8.2 | 17.5 | 2.9 | 2.5 |
| Teacher Assistants | 5,304 | 4,984 | 39.6 | 5.1 | 6.8 | 24.0 | 7.2 | 81.2 |
| Bookkeeping, Accounting, and Auditing Clerks | 4,929 | 4,706 | 40.4 | 1.0 | 3.8 | 23.8 | 5.0 | 88.0 |
| Registered Nurses | 4,637 | 3,937 | 44.5 | 0.1 | 0.1 | 32.5 | 5.4 | 91.1 |
| Executive Secretaries and Administrative Assistants | 4,343 | 4,097 | 39.3 | 1.7 | 6.2 | 23.2 | 4.4 | 88.6 |
| Elementary School Teachers, Except Special Education | 4,337 | 4,076 | 42.3 | 0.7 | 1.5 | 29.1 | 2.9 | 77.1 |
| Maids and Housekeeping Cleaners | 4,310 | 3,470 | 36.8 | 8.4 | 13.0 | 21.4 | 5.9 | 79.8 |
| General and Operations Managers | 4,233 | 3,893 | 43.6 | 0.2 | 1.9 | 31.0 | 6.1 | 37.6 |
| Office and Administrative Support Workers, All Other | 4,088 | 3,832 | 36.4 | 6.3 | 10.5 | 19.4 | 4.3 | 74.2 |
| Operating Engineers & other Construction Equip Operators | 3,952 | 3,463 | 42.5 | 0.2 | 3.2 | 26.7 | 4.9 | 5.1 |
| Maintenance and Repair Workers, General | 3,847 | 3,459 | 41.1 | 4.7 | 6.3 | 28.1 | 6.8 | 9.0 |
| Receptionists and Information Clerks | 3,690 | 3,338 | 34.2 | 6.8 | 14.7 | 16.7 | 4.7 | 90.3 |
| Customer Service Representatives | 3,656 | 3,326 | 34.0 | 4.8 | 15.9 | 13.9 | 3.6 | 69.0 |
| Teachers and Instructors, All Other | 3,286 | 2,952 | 41.5 | 2.1 | 4.1 | 30.4 | 7.6 | 71.9 |
| Managers, All Other | 3,067 | 2,855 | 43.2 | 0.3 | 1.9 | 28.9 | 5.9 | 48.9 |
| Stock Clerks and Order Fillers | 2,971 | 2,655 | 31.4 | 16.3 | 16.3 | 11.5 | 3.2 | 29.1 |
| Packaging and Filling Machine Operators and Tenders | 2,730 | 512 | 41.1 | 5.1 | 6.1 | 29.7 | 10.7 | 40.6 |
| Cooks, Restaurant | 2,690 | 2,041 | 34.6 | 2.8 | 11.8 | 10.4 | 2.2 | 20.8 |
| Food Preparation Workers | 2,662 | 2,296 | 32.9 | 17.3 | 17.7 | 15.8 | 4.3 | 54.9 |
| Truck Drivers, Heavy and Tractor-Trailer | 2,570 | 2,230 | 42.3 | 0.4 | 1.9 | 27.3 | 6.7 | 4.3 |
| Electricians | 2,516 | 2,115 | 38.7 | 0.4 | 5.3 | 20.0 | 4.3 | 3.6 |
| Secretaries, Except Legal, Medical, and Executive | 2,515 | 2,389 | 39.9 | 4.0 | 6.8 | 25.2 | 5.4 | 91.3 |
| Security Guards | 2,399 | 2,156 | 39.7 | 2.0 | 7.0 | 28.2 | 7.6 | 18.1 |
| Secondary School Teachers, Except Special & Voc Ed | 2,393 | 2,253 | 42.4 | 0.3 | 1.3 | 29.0 | 4.0 | 60.0 |
| Sales and Related Workers, All Other | 2,348 | 2,097 | 33.8 | 8.5 | 16.3 | 15.1 | 5.0 | 45.9 |
| Child Care Workers | 2,249 | 1,935 | 29.3 | 10.3 | 27.6 | 9.6 | 3.3 | 87.7 |
| Bartenders | 2,187 | 1,869 | 37.1 | 2.8 | 4.1 | 16.2 | 3.7 | 68.0 |
| Automotive Service Technicians and Mechanics | 2,138 | 1,937 | 36.9 | 1.7 | 8.6 | 14.8 | 3.4 | 2.3 |
| Nursing Aides, Orderlies, and Attendants | 2,130 | 2,015 | 36.9 | 0.6 | 11.2 | 17.1 | 3.2 | 86.6 |
| Counter Attendants, Cafeteria, Food Concession, & Coffee Shop | 2,106 | 1,906 | 29.9 | 17.5 | 22.7 | 10.1 | 1.8 | 67.6 |
| Dishwashers | 2,051 | 1,604 | 29.4 | 21.5 | 21.9 | 10.9 | 4.0 | 18.1 |
| Personal and Home Care Aides | 2,022 | 1,870 | 38.0 | 2.4 | 12.4 | 22.9 | 7.6 | 82.5 |
| Counter and Rental Clerks | 2,012 | 1,806 | 31.3 | 15.0 | 19.5 | 12.7 | 3.7 | 61.0 |
| Home Health Aides | 1,985 | 1,797 | 37.9 | 0.9 | 10.7 | 20.9 | 5.9 | 78.1 |
| Healthcare Support Workers, All Other | 1,969 | 1,807 | 37.5 | 0.8 | 8.8 | 18.7 | 4.2 | 80.3 |
| First-Line Supv/Mgr of Office & Admin Support Wkrs | 1,921 | 1,818 | 42.7 | 0.3 | 2.0 | 27.5 | 5.6 | 79.4 |
| Chief Executives | 1,893 | 1,790 | 48.2 | 0.1 | 0.3 | 45.5 | 12.7 | 37.4 |
| Plumbers, Pipefitters, and Steamfitters | 1,860 | 1,553 | 38.0 | 0.9 | 6.5 | 17.2 | 2.6 | 1.6 |
| Tour Guides and Escorts | 1,858 | 976 | 31.6 | 10.1 | 22.7 | 15.2 | 5.0 | 36.9 |
| Food Preparation and Serving Related Workers, All Other | 1,729 | 1,466 | 31.4 | 19.4 | 19.2 | 15.2 | 4.7 | 53.9 |
| Truck Drivers, Light or Delivery Services | 1,695 | 1,559 | 37.0 | 1.2 | 9.8 | 16.8 | 3.8 | 10.9 |
| Administrative Services Managers | 1,557 | 1,492 | 44.3 | 0.7 | 1.0 | 33.6 | 6.0 | 64.3 |
| | 1,001 | 1,702 | 7-7.0 | 0.7 | 1.0 | 55.0 | 5.0 | 0-7.0 |

Occupation of primary earnings workers employed at any time during the year

Educational Services. Largest private employers of workers age 50 and over include: Providence Hospital, Safeway, BP Exploration, Wal-Mart, Alaska Airlines, Fred Meyer, Alyeska Pipeline, NANA Management, and Banner Health.

Youth and Older Workers

Young workers and older workers are alike in that they are more likely to be part-time, part-year, and/or low wage workers than other age groups. They play an important role for many employers—filling their seasonal or part-time hiring needs. However, these two groups differ in that young workers are often getting their first work experience, while older workers are keeping themselves busy or making ends meet.

Work experience is important in that it can provide more information about future training and career paths, but will also give a better understanding of what every employer expects—dependability, timeliness, and an ability to learn.

While older workers generally have acquired a lifetime of skills and habits that can be applied to a job, young workers generally need more training.

Young Workers

In 2003, about 49,000 Young Alaskan workers age 14 to 21 earned about \$348 million dollars. Although they represented 15.3% of total workers employed at some time during the year, they earned less than 4% of total wages for all age groups. For many young workers, employment is for the summer or part-time only.

In previous reports on youth, workers age 14 to 17 and workers age 18 to 21 have been considered separately because of their different characteristics. The younger age group includes those still in high school, while the older youth group includes those with a little more work experience, but still employed in one of their first jobs or working while pursuing postsecondary education.

Worker Demographics By industry, 2003

| | | | | | | Percent | Percent | |
|----------------------------|-----------|------------------|---------|-----------|-----------|----------|------------|---------|
| | Total | Total Number of | | Percent | Percent | Workers | Workers | Percent |
| | Number of | Workers with | Average | Workers | Workers | Age 50 | Age 60 | Female |
| | Workers | Demographic Info | Age | Age 14-17 | Age 18-21 | or older | or older | Workers |
| Natural Description | 45.740 | 40.070 | 44.0 | 4.0 | 4.0 | 00.4 | 5 0 | 40.5 |
| Natural Resources | 15,710 | 12,978 | 41.6 | 1.2 | 4.0 | 26.1 | 5.3 | 13.5 |
| Construction | 28,246 | 23,943 | 36.9 | 2.4 | 10.2 | 17.2 | 3.5 | 12.2 |
| Manufacturing | 24,385 | 10,602 | 37.1 | 6.9 | 11.8 | 20.2 | 5.1 | 30.1 |
| Trade, Trans and Utilities | 81,656 | 71,683 | 35.7 | 6.3 | 13.8 | 17.7 | 4.5 | 40.8 |
| Information | 8,200 | 7,740 | 38.7 | 4.3 | 6.3 | 21.7 | 4.1 | 45.3 |
| Financial Activities | 16,591 | 15,416 | 36.9 | 3.4 | 10.5 | 18.5 | 4.4 | 60.4 |
| Prof & Business Svcs | 30,124 | 25,205 | 37.7 | 3.1 | 9.5 | 20.3 | 5.3 | 45.0 |
| Educ and Health Svcs | 40,824 | 37,039 | 38.9 | 1.9 | 7.5 | 22.6 | 5.4 | 75.8 |
| Leisure and Hospitality | 44,441 | 34,458 | 30.8 | 16.6 | 18.2 | 11.4 | 3.1 | 53.3 |
| Other Services | 12,061 | 10,754 | 36.3 | 7.0 | 12.2 | 19.4 | 5.5 | 55.2 |
| Public Administration | 406 | 389 | 40.1 | 2.1 | 5.9 | 25.2 | 5.9 | 51.9 |
| Nonclassifiable | 183 | 102 | 34.7 | 9.8 | 13.7 | 12.7 | 2.9 | 30.1 |
| Private Sector | 302,827 | 250,309 | 36.4 | 5.9 | 11.6 | 18.6 | 4.5 | 45.4 |
| | • | | | | | | | |
| Local Government | 48,995 | 46,838 | 40.7 | 4.5 | 5.2 | 27.5 | 5.6 | 58.0 |
| State Government | 25,952 | 24,754 | 43.0 | 0.4 | 3.2 | 32.0 | 5.4 | 50.6 |
| Total | 377.774 | 321.901 | 37.5 | 5.3 | 10.0 | 20.9 | 4.7 | 47.7 |

Note: Demographic information obtained from recent Alaska PFD files.

High school age youth earned only about \$51 million in 2003, or an average of about \$3,000 per worker. Top occupations for the high school age youth include food service workers, retail salespersons, cashiers, seafood processing workers, and stock clerks. Top industries for these workers include restaurants, schools, grocery stores, tribal governments, and hotels. Top employers include Safeway, McDonald's, Denali Foods, Alaska Commercial, Fred Meyer, and Subway.

College age youth, age 18 to 21, had significantly higher total and average earnings than high school age youth. Total earnings for this group was \$297 million in 2003, with average earnings totaling \$9,200. Similar to high school age youth, these slightly older workers were employed as retail salespersons, food service workers, and cashiers, but also worked as laborers and construction laborers. Top industries include restaurants, government offices, hotels, and warehouse clubs/ supercenters. Top employers were Wal-Mart, Fred Meyer, Safeway, and McDonald's. (See Exhibits 16 and 17.)

Older workers age 60 and over

Workers age 60 and over fall into two categories, semi-retired and individuals at their earnings and professional peak. In 2003, this group earned more than \$417 million and an average of \$27,500, although the "younger" members of this age group had much higher average earnings than the oldest workers.

Older workers were most often employed as retail salespersons, office clerks, janitors, teacher assistants, and cashiers. Top industry sectors for these workers include elementary and secondary schools, government offices, colleges, hospitals, seafood processing, and oil industry support. Major employers of older workers include Wal-Mart, Providence Hospital, Safeway, Alaska Airlines, and Laidlaw Transit.

Job tenure and work experience

Using each unique worker-employer relationship identified in the third calendar quarter of 2004

Top Ten Employers of 14 to 17-year olds, 2003

| Safeway Inc | 594 |
|---------------------------------|-----|
| McDonalds Restaurants of Alaska | 300 |
| Denali Foods Inc | 224 |
| Interior Alaska McDonalds | 219 |
| AK Commercial Co | 205 |
| Fred Meyer Stores Inc | 168 |
| Subway of Alaska Inc | 160 |
| Restaurants Northwest Inc | 158 |
| Pizza Hut | 116 |
| McDonalds | 112 |

Note: Demographic information obtained from recent Alaska PFD files.

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

Top Ten Employers of 18 to 21-year olds, 2003

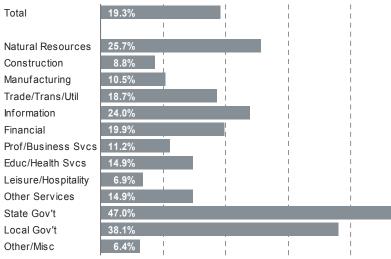
17

| Wal-Mart Associates Inc | 607 |
|---------------------------------|-----|
| Fred Meyer Stores Inc | 558 |
| Safeway Inc | 481 |
| McDonalds Restaurants of Alaska | 216 |
| Denali Foods Inc | 204 |
| Sears Roebuck and Co. | 182 |
| Alaska Commercial Co. | 171 |
| Costco Wholesale Corp. | 159 |
| Nana Management Services LLC | 155 |
| Pizza Hut | 155 |
| | |

Note: Demographic information obtained through 2003 and 2004 PFD applications.

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

Workers with Five plus Years with same employer, Third Quarter 2004



as the base or reference point, historical workeremployer relationships over the prior seven years were matched. The prior 28 quarters of work history provide measures of prior work experience by current industry, age, and sex. Prior work experience was measured in terms of:

- duration of employment with the reference quarter employer
- duration of employment in any industry
- previous experience in other industries

Although Alaska's UI wage records contain occupational information, changes in occupational coding systems over the seven year period and slight variations in employer reporting can make inter-quarter comparisons by detailed occupation less reliable. Long term analysis of experience by occupation is ongoing. Surprisingly, there was virtually no difference in average employer tenure by sex.

Years Experience with Same Employer 1997 through third quarter 2004

| | | One | 2 to 4 | 1 to 2 | 2 to 5 | 5 Years | % 2 Years | % 5 Years |
|----------------------------------|---------|---------|----------|--------|--------|---------|-----------|-----------|
| | Total | Quarter | Quarters | Years | Years | or More | or More | or More |
| Industry in Third Quarter 2004 | 372,119 | 66,550 | 95,409 | 57,466 | 80,938 | 71,756 | 41.0 | 19.3 |
| Natural Resources and Mining | 14,625 | 1,391 | 2,569 | 1,908 | 4,994 | 3,763 | 59.9 | 25.7 |
| Construction | 29,823 | 7,961 | 9,213 | 4,934 | 5,099 | 2,616 | 25.9 | 8.8 |
| Manufacturing | 24,245 | 7,329 | 7,004 | 3,038 | 4,319 | 2,555 | 28.4 | 10.5 |
| Trade, Transportation, Utilities | 81,614 | 13,490 | 22,366 | 13,381 | 17,077 | 15,300 | 39.7 | 18.7 |
| Information | 7,770 | 714 | 1,538 | 1,154 | 2,499 | 1,865 | 56.2 | 24.0 |
| Financial Activities | 16,720 | 2,510 | 4,595 | 2,665 | 3,618 | 3,332 | 41.6 | 19.9 |
| Professional and Business Svcs | 30,733 | 6,412 | 9,230 | 5,395 | 6,242 | 3,454 | 31.6 | 11.2 |
| Educational and Health Svcs | 38,677 | 5,040 | 9,540 | 7,583 | 10,740 | 5,774 | 42.7 | 14.9 |
| Leisure and Hospitality | 47,502 | 13,129 | 16,925 | 7,010 | 7,184 | 3,254 | 22.0 | 6.9 |
| Other Services | 11,034 | 1,993 | 3,080 | 1,901 | 2,417 | 1,643 | 36.8 | 14.9 |
| State Government | 25,738 | 1,507 | 3,147 | 2,836 | 6,164 | 12,084 | 70.9 | 47.0 |
| Local Government | 41,980 | 4,232 | 5,724 | 5,543 | 10,471 | 16,010 | 63.1 | 38.1 |
| Other/Misc | 1,658 | 842 | 478 | 118 | 114 | 106 | 13.3 | 6.4 |
| Age | | | | | | | | |
| Less than 16 | 8,299 | 3,577 | 3,737 | 703 | 232 | 50 | 3.4 | 0.6 |
| Age 16-18 | 23,776 | 8,052 | 10,515 | 3,663 | 1,517 | 29 | 6.5 | 0.1 |
| Age 19-24 | 45,191 | 10,267 | 15,833 | 9,365 | 8,774 | 952 | 21.5 | 2.1 |
| Age 25-29 | 31,399 | 4,689 | 8,063 | 6,078 | 9,300 | 3,269 | 40.0 | 10.4 |
| Age 30-39 | 32,591 | 4,209 | 6,847 | 5,511 | 9,715 | 6,309 | 49.2 | 19.4 |
| Age 35-39 | 34,050 | 3,857 | 6,570 | 5,311 | 9,702 | 8,610 | 53.8 | 25.3 |
| Age 40-44 | 40,147 | 3,923 | 6,903 | 5,740 | 11,218 | 12,363 | 58.7 | 30.8 |
| Age 45-49 | 39,722 | 3,373 | 6,105 | 5,070 | 10,614 | 14,560 | 63.4 | 36.7 |
| Age 50-54 | 30,587 | 2,218 | 4,236 | 3,807 | 7,722 | 12,604 | 66.5 | 41.2 |
| Age 55-59 | 17,763 | 1,326 | 2,408 | 2,334 | 4,608 | 7,087 | 65.8 | 39.9 |
| Age 60-64 | 7,770 | 511 | 1,100 | 1,075 | 2,095 | 2,989 | 65.4 | 38.5 |
| Age 65-74 | 3,541 | 271 | 558 | 486 | 942 | 1,284 | 62.9 | 36.3 |
| Age 75 and over | 434 | 39 | 76 | 41 | 107 | 171 | 64.1 | 39.4 |
| Unknown | 56,849 | 20,238 | 22,458 | 8,282 | 4,392 | 1,479 | 10.3 | 2.6 |

Notes:

Age data available for those that have applied for a PFD.

Workers May Be Employed By More Than One Employer in Each Quarter.

Includes Private sector, state and local government wage and salary workers.

Note: Demographic information obtained from recent Alaska PFD files.

State government (47.0%), local government (38.1%), natural resources and mining (25.7%), and information (24.0%) industries had the largest percentage of workers with five or more years of total experience with that employer. Leisure and Hospitality (6.9%), Construction (8.8%) and Manufacturing (10.5%) had the lowest percentage of workers with five or more years of experience with the same employer. (See Exhibit 18.)

Previous work experience with the same employer varies considerably by age. The very youngest workers in 2004 are least likely to have significant job tenure with the same employer, in part due to their age and the fact that they are likely to move from employer to employer as they gain work experience and apply their education. By age 50 to 54, job tenure peaks, with more than 66% of that age cohort having 2 or more years of experience with the same employer. (See Exhibit 19.)

Many workers are employed seasonally or intermittently, by many different employers over time and in many different industries. The construction industry is a particularly interesting example, in that nearly 58% of the 30,000 UI wage records for construction workers employed in third quarter 2004 had one year or less of total work experience with the same construction employer. (See Exhibit 19.) About 18% of construction UI wage records were for workers that had no work experience with that employer at any time in the prior seven year period. For those employed in construction during the third quarter 2004, a large number had work experience in other industries. For example, 26% of construction workers had some prior work experience in the trade, transportation and utilities industry. (See Exhibit 21.) More than 3,600 of the construction workers had some work experience in the Natural Resources and Mining industry during the last seven years.

Quarters of Previous Work Experience in Any Industry Since 1997, Alaska workers employed in third quarter 2004

| | | One | 2 to 4 | 1 to 2 | 2 to 5 | 5 or More | | |
|-------------------------------------|---------|---------|----------|--------|--------|-----------|------------|-------------|
| Industry in Third Quarter 2004 | Total | Quarter | Quarters | Years | Years | Years | % 2 years+ | % 5 years + |
| Natural Resources and Mining | 14,625 | 961 | 1,806 | 1,393 | 3,961 | 6,504 | 71.6 | 44.5 |
| Construction | 29,823 | 3,475 | 6,073 | 5,023 | 8,472 | 6,780 | 51.1 | 22.7 |
| Manufacturing | 24,245 | 5,452 | 6,098 | 3,502 | 5,163 | 4,030 | 37.9 | 16.6 |
| Trade, Transportation and Utilities | 81,614 | 6,754 | 14,906 | 12,245 | 21,551 | 26,158 | 58.5 | 32.1 |
| Information | 7,770 | 584 | 1,146 | 948 | 1,932 | 3,160 | 65.5 | 40.7 |
| Financial Activities | 16,720 | 1,843 | 3,334 | 2,584 | 4,079 | 4,880 | 53.6 | 29.2 |
| Professional and Business Services | 30,733 | 4,239 | 7,593 | 6,046 | 7,277 | 5,578 | 41.8 | 18.2 |
| Educational and Health Services | 38,677 | 3,031 | 6,318 | 6,721 | 11,442 | 11,165 | 58.5 | 28.9 |
| Leisure and Hospitality | 47,502 | 6,465 | 13,132 | 8,828 | 12,346 | 6,731 | 40.2 | 14.2 |
| Other Services | 11,034 | 1,501 | 2,748 | 1,906 | 2,695 | 2,184 | 44.2 | 19.8 |
| State Government | 25,738 | 1,387 | 3,001 | 2,710 | 6,066 | 12,574 | 72.4 | 48.9 |
| Exec. Branch | 16,745 | 682 | 1,376 | 1,560 | 3,876 | 9,251 | 78.4 | 55.2 |
| Local Government | 41,980 | 2,577 | 4,746 | 5,212 | 11,753 | 17,692 | 70.1 | 42.1 |
| Unduplicated | | | | | | | | |
| Previous AK Work Experience | 318,448 | 38,860 | 79,561 | 51,701 | 76,943 | 71,383 | 46.6 | 22.4 |

Note: Workers may be employed in more than one industry in a quarter.

Includes Private sector, state and local government wage and salary workers.

Other findings:

- The shortest job tenures with the same employer were in the sightseeing, food service, construction, and accommodation industries. Geographic areas with high tenure were North Slope Borough, Juneau, Aleutians East and Northwest Arctic Borough.
- Not surprisingly, those workers that earned the most had the longest tenure with the same employer.

Alternative measures of economic distress

Several special labor market surveys conducted by Research and Analysis in communities throughout Alaska disclose that there are a large number of people of working age that are not working, yet are not considered unemployed by official definitions because they have not recently looked for work. These workers are often called "discouraged workers" in that they are familiar with the job market in their area, know that there is no work available to them, and therefore have not sought employment. Based upon survey findings many of these discouraged workers say they would be willing to work if there were a job available.

Many other workers earn very little, either because they can only find part-time work or because their pay rate is low. Wage record analysis can identify the number of residents of an area that worked and the number of working residents that earn less than a particular threshold income. The percentage of residents of an area or workers in an industry that are "low wage" workers can provide valuable information about the health of an economy.

Each year, Research and Analysis helps identify distressed communities for the Alaska Denali Commission using a variety of income and employment criteria. Exhibit 22 A, B, C shows

Workers with Prior Experience in Other Industries By industry of current employment

Alaska workers employed in third quarter 2004

Current and Prior Industry of Work Experience

| | Natural Resources and Mining | Construction | Manufacturing | Trade, Transportation and Utilities | Information | Financial Activities | Professional/ Business Services | Educ/Health Services | Leisure and Hospitality | Other Services | Public Admin. | Local Govt. | State Govt. |
|-----------------------|------------------------------------|--------------|---------------|---|-------------|-------------------------|---------------------------------------|-------------------------|----------------------------|----------------|---------------|-------------|-------------|
| Natural Resources | 14,625 | 2,557 | 663 | 2,081 | 141 | 422 | 1,584 | 310 | 1,033 | 437 | 62 | 784 | 235 |
| Construction | 3,639 | 29,823 | 2,140 | 7,741 | 541 | 2,089 | 5,041 | 1,486 | 4,328 | 2,118 | 340 | 2,799 | 728 |
| Manufacturing | 747 | 1,263 | 24,245 | 4,106 | 223 | 728 | 1,640 | 698 | 2,786 | 828 | 169 | 1,253 | 277 |
| Trade/Trans/Utilities | 2,182 | 5,991 | 4,759 | 81,614 | 2,063 | 5,206 | 10,759 | 6,046 | 17,431 | 4,977 | 590 | 7,468 | 2,496 |
| Information | 149 | 439 | 200 | 1,736 | 7,770 | 489 | 1,164 | 485 | 1,004 | 339 | 46 | 569 | 303 |
| Financial Activities | 368 | 1,495 | 627 | 4,681 | 534 | 16,720 | 2,680 | 1,595 | 3,034 | 1,191 | 343 | 2,198 | 831 |
| Prof/Business Svcs | 1,570 | 3,147 | 1,627 | 8,420 | 1,264 | 2,259 | 30,733 | 3,200 | 7,118 | 1,944 | 224 | 2,614 | 1,640 |
| Educ/Health Svcs | 441 | 1,245 | 1,078 | 8,000 | 700 | 2,036 | 5,325 | 38,677 | 6,429 | 3,130 | 449 | 4,995 | 2,449 |
| Leisure &Hospitality | 844 | 2,942 | 3,096 | 14,613 | 1,313 | 2,924 | 7,427 | 4,438 | 47,502 | 3,192 | 295 | 4,179 | 1,601 |
| Other Services | 297 | 911 | 522 | 3,124 | 256 | 811 | 1,552 | 1,367 | 2,315 | 11,034 | 185 | 1,462 | 577 |
| Public Admin | 13 | 64 | 28 | 138 | 9 | 63 | 52 | 82 | 57 | 50 | 540 | 448 | 52 |
| Local Gov't | 844 | 3,748 | 1,523 | 8,392 | 664 | 4,190 | 3,170 | 5,357 | 4,372 | 3,260 | 3,297 | 41,980 | 2,907 |
| State Gov't | 402 | 968 | 480 | 3,795 | 447 | 884 | 2,476 | 2,550 | 2,540 | 1,087 | 213 | 2,876 | 25,738 |

Notes:

Workers may be employed in more than one industry.

Includes Private sector, state and local government wage and salary workers.

similar baseline measures of employment and earnings at the Borough/Census Area level that provide a good indication of the economic health of an area. Relatively low regional employment rates, low rates of year-round employment, and/or a high percentage of working residents that earn a low wage are powerful measures of the economic condition in an area that can be tracked on a quarterly basis.

The most recent Alaska PFD file is used to identify residents age 16 and over. Only records with complete place of residence and identifier information are included in the matching process, and hence differ from other published estimates of the population which include additional data sources. The PFD resident population file is matched with historical UI wage records to determine employment and earnings information. Self-employed, federal government, and military employment are not included in these files.

Employment and Earnings Measures of Economic Distress

By borough, Alaska residents 2003¹

22q

| | Reported Residents | Fm | ployed 2003 | Worked Four Quarters of 2003 | | Earned Less than Avg. Annual Wage of \$36,700 | | Earned Less Than FT Min Wage of \$14,872 | |
|--------------------------|-----------------------|---------|-------------|---------------------------------|------------|--|------------|---|------------|
| | rtooldonto | <u></u> | Percent of | <u>Quai</u> | Percent of | , amaar vrag | Percent of | imir rrag | Percent of |
| | Age 16+ | Number | Residents | Number | Employed | Number | Employed | Number | Employed |
| Statewide | 454,077 | 289,323 | 63.7 | 198,884 | 68.7 | 194,573 | 67.3 | 105,795 | 36.6 |
| Aleutians East | 979 | 660 | 67.4 | 437 | 66.2 | 522 | 79.1 | 276 | 41.8 |
| Aleutians West | 2,238 | 1,823 | 81.5 | 1,466 | 80.4 | 1,056 | 57.9 | 429 | 23.5 |
| Anchorage | 186,994 | 122,194 | 65.3 | 90,230 | 73.8 | 77,945 | 63.8 | 38,067 | 31.2 |
| Bethel | 10,088 | 7,577 | 75.1 | 4,576 | 60.4 | 6,003 | 79.2 | 4,090 | 54.0 |
| Bristol Bay Borough | 871 | 596 | 68.4 | 381 | 63.9 | 381 | 63.9 | 218 | 36.6 |
| Denali | 1,385 | 809 | 58.4 | 458 | 56.6 | 543 | 67.1 | 322 | 39.8 |
| Dillingham | 3,080 | 2,167 | 70.4 | 1,322 | 61.0 | 1,619 | 74.7 | 1,032 | 47.6 |
| Fairbanks | 56,733 | 35,931 | 63.3 | 24,558 | 68.3 | 23,886 | 66.5 | 12,975 | 36.1 |
| Haines | 1,866 | 1,058 | 56.7 | 570 | 53.9 | 869 | 82.1 | 549 | 51.9 |
| Juneau | 22,721 | 15,631 | 68.8 | 11,411 | 73.0 | 10,027 | 64.1 | 4,868 | 31.1 |
| Kenai | 37,565 | 22,600 | 60.2 | 14,362 | 63.5 | 15,600 | 69.0 | 9,445 | 41.8 |
| Ketchikan | 9,680 | 6,253 | 64.6 | 4,181 | 66.9 | 4,453 | 71.2 | 2,299 | 36.8 |
| Kodiak | 8,805 | 5,642 | 64.1 | 3,958 | 70.2 | 4,276 | 75.8 | 2,323 | 41.2 |
| Lake and Peninsula | 1,101 | 757 | 68.8 | 386 | 51.0 | 623 | 82.3 | 447 | 59.0 |
| MatSu | 48,721 | 29,157 | 59.8 | 19,292 | 66.2 | 19,237 | 66.0 | 10,755 | 36.9 |
| Nome | 5,765 | 4,314 | 74.8 | 2,747 | 63.7 | 3,255 | 75.5 | 2,058 | 47.7 |
| North Slope Borough | 4,451 | 3,373 | 75.8 | 2,078 | 61.6 | 2,011 | 59.6 | 1,279 | 37.9 |
| Northwest Arctic Borough | 4,302 | 3,012 | 70.0 | 1,801 | 59.8 | 2,117 | 70.3 | 1,356 | 45.0 |
| POW-Outer Ketchikan | 3,711 | 2,359 | 63.6 | 1,384 | 58.7 | 1,858 | 78.8 | 1,176 | 49.9 |
| Sitka | 6,112 | 3,882 | 63.5 | 2,768 | 71.3 | 2,741 | 70.6 | 1,420 | 36.6 |
| Skagway-Hoonah-Angoon | 2,371 | 1,421 | 59.9 | 765 | 53.8 | 1,199 | 84.4 | 734 | 51.7 |
| Southeast Fairbanks | 4,457 | 2,522 | 56.6 | 1,351 | 53.6 | 1,899 | 75.3 | 1,271 | 50.4 |
| Valdez-Cordova | 7,284 | 4,711 | 64.7 | 2,951 | 62.6 | 3,162 | 67.1 | 1,940 | 41.2 |
| Wade Hampton | 4,190 | 3,085 | 73.6 | 1,721 | 55.8 | 2,782 | 90.2 | 2,020 | 65.5 |
| Wrangell-Petersburg | 4,642 | 2,594 | 55.9 | 1,608 | 62.0 | 2,041 | 78.7 | 1,225 | 47.2 |
| Yakutat | 473 | 344 | 72.7 | 189 | 54.9 | 273 | 79.4 | 173 | 50.3 |
| Yukon-Koyukuk | 4,517 | 3,066 | 67.9 | 1,562 | 50.9 | 2,537 | 82.7 | 1,790 | 58.4 |
| Other/Unknown | 8,975 | 1,785 | 19.9 | 371 | 20.8 | 1,658 | 92.9 | 1,258 | 70.5 |

Notes

¹ Applicants for an Alaska PFD in 2004 that provided an SSN were considered residents for this estimate
Resident estimates differ from other population estimates prepared by DOLWD, Research and Analysis due to different methodology
Includes residents out of the labor force including older residents, or those unable to work.

Demographic information obtained from recent Alaska PFD files.

Summary information for 2003 shows a wide variation between regions, the sexes, and age groups for these employment and earnings measures of economic distress. In terms of participation in employment at some time during the calendar year of 2003, some of the rural Boroughs/Census Areas have some of the highest employment rates. Aleutians West, Bethel, and North Slope Borough had employment rates of greater than 75% for residents age 16 and over. Lowest employment rates were found in Wrangell-Petersburg, Southeast Fairbanks, Denali, Mat-Su and Skagway-Hoonah-Angoon.

In terms of employment stability and attachment to the labor force as measured by employment in each of the four calendar quarters of the year, Aleutians West came out on top, followed by Anchorage, Juneau, Sitka and Kodiak. Only about half of the residents age 16 and over that worked in Yukon-Koyukuk worked year-round.

Areas with the highest percentage of workers earning more than the statewide annual average wage of \$36,700 (total wages divided by average monthly employment) included Aleutians West, North Slope Borough, Anchorage, and Bristol Bay. Skagway-Hoonah-Angoon fared poorly across all measures of distress.

Employment and Earnings Measures of Economic DistressBy age, Alaska residents 2003¹

| | Reported Residents | <u>Em</u> p | oloyed 2003 | | orked Four | Earned Les Annual Wage | ss than Avg. of \$36,040 | Earned Less Than FT Min Wage of \$14,872 | | |
|-----------------|-----------------------|-------------|-------------|---------|------------|---------------------------|-----------------------------|---|------------|--|
| | | | Percent of | | Percent of | | Percent of | | Percent of | |
| | Age 16+ | Number | Residents | Number | Employed | Number | Employed | Number | Employed | |
| | | | | | | | | | | |
| Male | 232,234 | 148,494 | 63.9 | 100,575 | 67.7 | 87,610 | 59.0 | 48,546 | 32.7 | |
| Female | 221,775 | 140,796 | 63.5 | 98,297 | 69.8 | 106,936 | 76.0 | 57,232 | 40.6 | |
| | | | | | | | | | | |
| Age 16 to 18 | 30,779 | 19,851 | 64.5 | 5,127 | 25.8 | 19,821 | 99.8 | 19,136 | 96.4 | |
| Age 19 to 24 | 51,839 | 39,940 | 77.0 | 20,327 | 50.9 | 37,585 | 94.1 | 24,704 | 61.9 | |
| Age 25 to 29 | 38,122 | 28,756 | 75.4 | 19,906 | 69.2 | 21,918 | 76.2 | 10,052 | 35.0 | |
| Age 30 to 34 | 42,628 | 30,556 | 71.7 | 22,608 | 74.0 | 19,735 | 64.6 | 8,807 | 28.8 | |
| Age 35 to 39 | 46,129 | 32,219 | 69.8 | 24,293 | 75.4 | 19,604 | 60.8 | 8,883 | 27.6 | |
| Age 40 to 44 | 54,479 | 38,177 | 70.1 | 29,760 | 78.0 | 21,611 | 56.6 | 9,352 | 24.5 | |
| Age 45 to 49 | 54,478 | 37,937 | 69.6 | 30,126 | 79.4 | 19,598 | 51.7 | 8,315 | 21.9 | |
| Age 50 to 54 | 46,199 | 29,987 | 64.9 | 23,955 | 79.9 | 14,867 | 49.6 | 6,133 | 20.5 | |
| Age 55 to 59 | 32,271 | 18,049 | 55.9 | 13,721 | 76.0 | 9,916 | 54.9 | 4,483 | 24.8 | |
| Age 60 to 64 | 20,899 | 8,806 | 42.1 | 6,127 | 69.6 | 5,695 | 64.7 | 3,046 | 34.6 | |
| Age 65 to 74 | 22,976 | 4,446 | 19.4 | 2,634 | 59.2 | 3,673 | 82.6 | 2,447 | 55.0 | |
| Age 75 and Over | 13,278 | 599 | 4.5 | 300 | 50.1 | 550 | 91.8 | 437 | 73.0 | |

Notes:

¹ Applicants for an Alaska PFD in 2004 that provided an SSN were considered residents for this estimate.

Resident estimates differ from other population estimates prepared by DOLWD, Research and Analysis due to different methodology Includes residents out of the labor force including older residents, or those unable to work.

Demographic information obtained from recent Alaska PFD files.

When comparing the sexes, overall employment participation rates were comparable, but earnings were not. Only 24% of working women earned more than \$36,700 compared with 41% of male workers. In terms of age, workers age 50 to 54 were the top performers with more than half of those workers earning more than the average annual wage.

New hire, separation, and turnover dynamics

Each time an employer fills a job, it represents a hiring opportunity for a jobseeker. New hires may be individuals filling a newly created or ongoing job.

Hires, New Hires and Separations Third quarter 2004, preliminary

| | Total Wage | | New | Percent | Percent | Separation |
|-------------------------|------------|--------|--------|-----------|---------|------------|
| | Records | Hires | Hire | New Hires | Rehires | Rate |
| Total | 372,119 | 85,758 | 73,532 | 19.8 | 14.3 | 29.0 |
| Industry | | | | | | |
| Natural Resources | 14,625 | 1,921 | 1,639 | 11.2 | 14.7 | 18.4 |
| Construction | 29,823 | 10,197 | 8,882 | 29.8 | 12.9 | 36.1 |
| Manufacturing | 24,245 | 9,906 | 7,835 | 32.3 | 20.9 | 55.2 |
| Trade/Trans/Utilities | 81,614 | 16,416 | 14,474 | 17.7 | 11.8 | 25.7 |
| Information | 7,770 | 859 | 761 | 9.8 | 11.4 | 25.5 |
| Financial Activities | 16,720 | 3,258 | 2,877 | 17.2 | 11.7 | 20.7 |
| Prof/Business Services | 30,733 | 7,966 | 6,969 | 22.7 | 12.5 | 30.0 |
| Educ/Health Services | 38,677 | 6,115 | 5,405 | 14.0 | 11.6 | 19.9 |
| Leisure and Hospitality | 47,502 | 15,783 | 14,031 | 29.5 | 11.1 | 44.9 |
| Other Services | 11,034 | 2,418 | 2,140 | 19.4 | 11.5 | 27.3 |
| Public Administration | 540 | 179 | 118 | 21.9 | 34.1 | 31.9 |
| Local Government | 41,980 | 7,625 | 5,835 | 13.9 | 23.5 | 21.0 |
| State Government | 25,738 | 2,351 | 1,811 | 7.0 | 23.0 | 14.0 |
| Executive Branch | 16,745 | 1,077 | 878 | 5.2 | 18.5 | 8.5 |
| Other/Misc. | 1,118 | 764 | 755 | 67.5 | 1.2 | 64.8 |
| | | | | | | |
| Sex | | | | | | |
| Male | 165,412 | 34,862 | 29,214 | 17.7 | 16.2 | 26.6 |
| Female | 149,179 | 27,257 | 23,238 | 15.6 | 14.7 | 24.5 |
| NA | 57,528 | 23,639 | 21,080 | 36.6 | 10.8 | 47.4 |

Notes for exhibits 23 A, B, C:

Workers may be employed by more than one employer in a quarter.

Includes Private sector, state and local government wage and salary workers.

Demographic information obtained from recent Alaska PFD files.

236 Hires, New Hires and Separations Third quarter 2004, preliminary

| | _ | ., p. o | idi y | | | |
|--------------------------|------------|---------|---------|-----------|---------|------------|
| | Total Wage | | New | Percent | Percent | Separation |
| | Records | Hires | Hire | New Hires | Rehires | Rate |
| Total | 372,119 | 85,758 | 73,532 | 19.8 | 14.3 | 29.0 |
| | 0.2, | 00,700 | . 0,002 | 10.0 | | 20.0 |
| Borough/Census Area | | | | | | |
| Aleutians East | 2,987 | 633 | 418 | 14.0 | 34.0 | 36.9 |
| Aleutians West | 5,147 | 1,353 | 1,099 | 21.4 | 18.8 | 23.8 |
| Anchorage | 155,769 | 30,342 | 27,191 | 17.5 | 10.4 | 22.7 |
| Bethel | 8,224 | 2,654 | 2,030 | 24.7 | 23.5 | 32.4 |
| Bristol Bay Borough | 2,988 | 1,638 | 1,283 | 42.9 | 21.7 | 80.6 |
| Denali Borough | 3,049 | 955 | 864 | 28.3 | 9.5 | 45.9 |
| Dillingham | 2,665 | 886 | 686 | 25.7 | 22.6 | 42.9 |
| Fairbanks | 42,352 | 9,519 | 8,506 | 20.1 | 10.6 | 29.6 |
| Haines | 1,441 | 398 | 203 | 14.1 | 49.0 | 43.9 |
| Juneau | 19,219 | 3,484 | 2,901 | 15.1 | 16.7 | 24.1 |
| Kenai | 26,041 | 6,574 | 5,647 | 21.7 | 14.1 | 36.0 |
| Ketchikan | 9,552 | 2,711 | 2,100 | 22.0 | 22.5 | 33.9 |
| Kodiak | 7,184 | 1,808 | 1,517 | 21.1 | 16.1 | 32.3 |
| Lake and Peninsula | 1,661 | 734 | 544 | 32.8 | 25.9 | 58.4 |
| MatSu | 22,568 | 5,227 | 4,511 | 20.0 | 13.7 | 29.5 |
| Nome | 5,327 | 1,673 | 1,279 | 24.0 | 23.6 | 29.8 |
| North Slope Borough | 10,849 | 1,710 | 1,384 | 12.8 | 19.1 | 22.8 |
| Northwest Arctic Borough | 3,916 | 1,055 | 848 | 21.7 | 19.6 | 40.3 |
| POW-Outer Ketchikan | 3,316 | 880 | 727 | 21.9 | 17.4 | 33.6 |
| Sitka | 5,615 | 1,303 | 1,122 | 20.0 | 13.9 | 30.6 |
| Skagway-Angoon | 2,672 | 623 | 523 | 19.6 | 16.1 | 51.0 |
| Southeast Fairbanks | 3,397 | 867 | 775 | 22.8 | 10.6 | 38.4 |
| Valdez-Cordova | 7,398 | 1,925 | 1,650 | 22.3 | 14.3 | 38.4 |
| Wade Hampton | 2,848 | 900 | 637 | 22.4 | 29.2 | 35.5 |
| Wrangell-Petersburg | 3,747 | 1,298 | 964 | 25.7 | 25.7 | 42.9 |
| Yakutat | 559 | 219 | 169 | 30.2 | 22.8 | 35.8 |
| Yukon-Koyukuk | 3,475 | 1,158 | 922 | 26.5 | 20.4 | 46.6 |
| Offshore | 1,554 | 553 | 441 | 28.4 | 20.3 | 45.4 |
| Outside AK | 2,486 | 546 | 480 | 19.3 | 12.1 | 21.9 |
| | | | | | | |
| Age Group | | | | | | |
| Less than 16 | 8,299 | 3,969 | 3,650 | 44.0 | 8.0 | 57.6 |
| Age 16-18 | 23,776 | 9,461 | 8,419 | 35.4 | 11.0 | 53.4 |
| Age 19-24 | 45,191 | 13,503 | 11,577 | 25.6 | 14.3 | 38.2 |
| Age 25-29 | 31,399 | 6,459 | 5,439 | 17.3 | 15.8 | 25.9 |
| Age 30-39 | 32,591 | 5,710 | 4,885 | 15.0 | 14.4 | 21.5 |
| Age 35-39 | 34,050 | 5,542 | 4,591 | 13.5 | 17.2 | 20.4 |
| Age 40-44 | 40,147 | 5,661 | 4,667 | 11.6 | 17.6 | 18.1 |
| Age 45-49 | 39,722 | 5,048 | 4,054 | 10.2 | 19.7 | 16.6 |
| Age 50-54 | 30,587 | 3,450 | 2,682 | 8.8 | 22.3 | 15.9 |
| Age 55-59 | 17,763 | 2,070 | 1,615 | 9.1 | 22.0 | 16.5 |
| Age 60-64 | 7,770 | 885 | 648 | 8.3 | 26.8 | 18.4 |
| Age 65-74 | 3,541 | 476 | 345 | 9.7 | 27.5 | 21.5 |
| Age 75 and over | 434 | 83 | 59 | 13.6 | 28.9 | 28.1 |
| Unknown | 56,849 | 23,441 | 20,901 | 36.8 | 10.8 | 47.5 |

Definition of hiring and other job transaction measures:

- Hire: A worker employed by a firm in the reference calendar quarter that was not employed by that firm in the prior quarter.
- New Hire: A worker employed by a firm in the reference quarter that was not employed by that firm in any of the four previous quarters.
- Separation: A worker employed by a firm in the reference quarter that was not employed by that same firm in the subsequent quarter.

Tracking and tabulating the number of workers that start and leave a job and their duration of employment provides important insight into the health of the economy, the quality of the labor force, and the ability of the economy to respond to change, such as major project development. Labor market analysts describe the study of the longitudinal analysis of employment status as "employment dynamics."

For several years labor market analysts, the Bureau of Labor Statistics, and the U.S. Census Bureau through its Local Employment Dynamics (LED) have been looking at UI wage records as a new tool to measure hiring activity, job losses, turnover, multiple jobholding and other labor Alaska utilizes detailed market transactions. wage record information, rather than adjusted and summarized data, to measure what is called "Labor Market Dynamics". Alaska tabulates and summarizes hiring data at the industry, area, and firm level by a variety of characteristics including residency, age, and sex. Information is further matched with training program participant records to determine placement rates and program success. This information is critical in identifying unmet training needs, and will become even more important in conjunction with major project development.

Hires, New Hires and Separations Third quarter 2004, preliminary

| | Total Wage Records | Hires | New Hire | Percent New Hires | Percent Rehires | Separation Rate |
|---------------------|-----------------------|--------|-------------|----------------------|--------------------|--------------------|
| Total | 372,119 | 85,758 | 73,532 | 19.8 | 14.3 | 29.0 |
| Quarterly Wage | | | | | | |
| Less Than \$2,500 | 112,323 | 52,956 | 46,226 | 41.2 | 12.7 | 52.9 |
| \$2,500-\$5,000 | 63,132 | 16,233 | 14,087 | 22.3 | 13.2 | 34.0 |
| \$5,000-\$7,500 | 56,332 | 7,622 | 6,247 | 11.1 | 18.0 | 20.1 |
| \$7,500-\$10,000 | 43,430 | 3,806 | 2,993 | 6.9 | 21.4 | 13.9 |
| \$10,000-\$12,500 | 30,275 | 1,924 | 1,457 | 4.8 | 24.3 | 11.1 |
| \$12,500-\$15,000 | 20,347 | 1,103 | 874 | 4.3 | 20.8 | 9.3 |
| \$15,000-\$20,000 | 23,634 | 1,102 | 862 | 3.6 | 21.8 | 9.1 |
| \$20.000 and Higher | 22.646 | 1.012 | 786 | 3.5 | 22.3 | 9.3 |

The third quarter of the year always brings on a flood of new hires, particularly in the seafood processing and construction industries. The third quarter of 2004 was no exception. Highest new hire rates occurred in those industries. Hiring was slightly higher for men than women in the quarter. Highest hiring rates occurred in the Bristol Bay Borough, again in response to a spike in seafood processing employment. New hire rates were highest for young workers, age 24 and younger. (See Exhibit 23 A, B, C.)

Alaskans for Jobs?

UI wage record analysis can provide a more complete picture of economic conditions in Alaska, especially for special worker groups, and small geographic areas than survey data. Alaska's detailed data can also provide a clearer picture of labor supply and demand, determine occupations eligible for resident hire preference, help estimate the number of experienced workers available for major construction projects, identify unmet training needs and identify the current place and potential opportunities for special demographic groups.

With the most recent long term industry forecast anticipating construction on a gas pipeline and other major energy related developments to begin in about five years, Alaska will be called upon to provide experienced workers to the developers of these major projects, or face the prospect of a large number of nonresidents of the state taking jobs that unemployed or underemployed Alaskans could fill. Alaska's unique data sources provide the opportunity to understand where we are now, identify unmet training needs and plan for the labor demands of the next 10 years.

Where do Alaskans Work?

Comparing workforce distribution in Alaska with the rest of the nation

Alaska Employment Scene

by Neal Fried Economist

s Alaska's economy as unique as we think it is? Possibly. One way to find out is to compare the industrial lineup of our workforce with that of the rest of the country. Over time, Alaska's workforce has grown to increasingly resemble that of the nation, yet it remains distinct and will probably never fully conform. Given the youth and small size of Alaska's economy, the expanse of its geography, and its natural resource endowment, the mix of industries where Alaskans work continues to differ significantly in composition from that of our national counterparts. This article refers to industries with an atypical profile relative to the rest of the country as the outliers. Other industry sectors can be viewed as conventional in their conformance to national employment rates, although in the cases of some one could argue that the industry composition fits neither category.

THE OUTLIERS

Oil hardly shows on the national radar screen

Last year the firms that identified themselves as oil industry employers employed 2.7 percent of Alaska's wage and salary workforce. (See Exhibit 1.) Although this sounds relatively small, it is not. On a national basis one tenth of one percent of

the nation's workforce was employed by the oil industry, meaning the likelihood of working in the oil industry in Alaska was 27 times greater than it was in the nation as a whole. Those are dramatically different odds. Alaska is the second largest oil producer in the nation and is responsible for 17 percent of all domestically produced oil, so the oil industry naturally falls on the list of Alaska's outliers.

Manufacturing

Although the nation's manufacturing industry is a mere shadow of its former self, it still draws more than twice as large a share of the workforce in the nation as it does in Alaska. Nearly 11 percent of the U.S. workforce is employed in manufacturing versus four percent in Alaska. And if you dig a bit deeper, the differences are more striking. For example, seventy percent of Alaska's manufacturing workers are employed in seafood processing versus less than one percent nationally. In both Alaska and the rest of the country, manufacturing has lost employment share in the overall economy. Just ten years ago, fifteen percent of the nation's workforce went to work for manufacturers and in Alaska nearly eight percent. Steep losses in timber have been the biggest blow to Alaska's manufacturing sector, while the nation's losses have been far broader.

Transportation—nearly twice as much in Alaska

Nearly seven percent of Alaska's private sector workforce is tied to transportation versus four percent for the rest of the nation. Geography is almost surely the principal source of this disparity. Sparse populations are separated by great distances, permafrost and other arctic conditions and the road system is limited. What might involve a single delivery vehicle in most of the nation often requires a truck, ship, airplane and possibly a four-wheeler in Alaska. It is almost as if the term inter-modal transportation were coined for Alaska.

Elsewhere Financial Activities play a bigger role

Although Alaska is home to plenty of real estate, title and mortgage offices, banks, insurance companies, credit unions, security firms and others, their presence in Alaska falls below the national average. One primary difference is that Alaska is not home to any national or regional headquarters of financial and insurance firms. In cities such as Seattle, Minneapolis, Houston or Portland, the presence of such headquarters is commonplace.

Professional and Business Services much larger in the rest of the nation

In the portion of this industry group that includes engineering, legal, accounting, waste services, travel agencies, landscaping services and others, the difference between Alaska and the nation is not that great. Disparities arise with business services that cater to larger corporate operations that are largely underrepresented or nonexistent in Alaska's economy, such as call and telemarketing centers, consulting services, holding companies and computer design firms. Alaska's much smaller economy simply is neither as specialized nor is it home to national or regional corporations.

Government is a major factor in Alaska

In 2004, more than a quarter of working Alaskans worked for some level of government, versus sixteen percent nationally. Just a decade ago it was 31 percent in Alaska. At the federal and state levels, Alaskans are more than twice as likely as their national counterparts to be working for government. Federal government employment rests on a large military presence and its role as the largest landlord in the state, along with its special relationship with Alaska Natives. Not unlike the federal government, state government has a large land and natural resource base to manage. It is also involved in some unusual responsibilities such as the Permanent Fund, the Alaska Railroad, Alaska Housing Finance Corporation and many airports. The state also carries many responsibilities that local governments take care of elsewhere, such as courts and jails. Local government presence in Alaska is just slightly higher than in the nation.

CONVENTIONAL—MORE LIKE THE REST OF AMERICA

Retail—it's as good in Alaska as elsewhere

Not long ago the typical Alaskan returning from a trip to the outside was loaded down at the airport with every imaginable retail good. Today this is a much rarer sight because Alaskans can buy nearly anything they need either locally or from one of the state's larger urban centers. Employment numbers confirm this. Both nationally and in Alaska, a little over eleven percent of the workforce is employed in retail trade. It is Alaska's largest private sector employer. During the meteoric growth of new retailers in the early 1990s and throughout much of the past 15 years, Alaska has caught up with the rest of the nation. As recently as 1989, who would have thought this possible?

At the wholesale trade level, the story is quite different—Alaska has half as much representation as the rest of the country. It appears Seattle and other places in the country continue to perform this function for Alaska.

Leisure and Hospitality—more beds in Alaska but fewer eateries

Given the size of the state's visitor sector, it is not surprising that proportionately more jobs in Alaska are dedicated to the accommodations industry—despite the extremely seasonal nature of Alaska's business. But when it comes to eating and drinking places it appears Alaska has a bit of catching up to do. Given the relatively strong growth in this sector it would not be surprising for this to happen in the not-so-distant future.

Construction rates nearly the same

With all the federal dollars flowing into Alaska for construction projects and steady employment growth during the past decade, observers of this industry might expect Alaska's construction workforce to be proportionately larger than the nation's, but the difference is relatively small. In 2004 it was slightly higher than the national average. Low interest rates and a relatively strong national economy over the past decade have kept the level of construction activity at healthy levels around the country.

Information and Other Services similar

The information industry is largely made up of the media, including television and radio stations, newspapers, cable companies, publishers, movie theaters and the telecommunications sector. The makeup of the other services industry is even more eclectic. It includes businesses that are involved in maintenance and repair of all kinds, funeral homes, laundries, civic, social, and political organizations, and others. For both of these industry categories, Alaska and the rest of the nation appear to consume services in similar proportions.

Employment Grows Again

Total nonfarm payroll employment increased by 3,600 in April to 299,300. Payroll employment is up 4,100 over the year. (See exhibit 2.) The state's unemployment rate continued to decline, falling three tenths of a percentage point to 7.1 percent, seven tenths of a point below 2004 levels. The seasonally adjusted rate was 6.7 percent, just a tenth of a percentage point above last month and the second lowest level since February 2002. (See exhibit 3.)

Wage and Salary Employment Comparing Alaska to National, 2004

1

| Industry Employment | Alaska | National |
|-----------------------------------|--------|----------|
| Natural Resources & Mining | 3.3% | 0.5% |
| Logging | 0.2% | 0.1% |
| Mining | 3.2% | 0.4% |
| Oil & Gas Extraction | 2.7% | 0.1% |
| Construction | 5.8% | 5.3% |
| Manufacturing | 4.0% | 10.9% |
| Wood Products Manufacturing | 0.1% | 0.4% |
| Seafood Processing | 2.8% | 0.0% |
| Trade | 13.6% | 15.7% |
| Wholesale Trade | 2.0% | 4.3% |
| Retail Trade | 11.5% | 11.4% |
| Transporation/Warehouse/Utilities | 6.8% | 3.7% |
| Air Transportation | 2.1% | 0.4% |
| Information | 2.2% | 2.4% |
| Financial Activities | 4.8% | 6.1% |
| Professional & Business Services | 7.7% | 12.5% |
| Educational & Health Services | 11.4% | 12.9% |
| Health Care/Social Assistance | 8.2% | 10.8% |
| Leisure & Hospitality | 9.9% | 9.5% |
| Accommodation | 2.6% | 1.4% |
| Food Servicess & Drinking Places | 6.0% | 6.7% |
| Other Services | 3.8% | 4.1% |
| Government | 26.7% | 16.4% |
| Federal Government | 5.6% | 2.1% |
| State Government | 7.9% | 3.8% |
| Local Government | 13.2% | 10.6% |

Sources: Alaska Department of Labor & Workforce Development, Research and Analysis Section, U.S. Bureau of Labor Statistics

Nonfarm Wage and Salary Employment

| | preliminary | revised | revised | <u>Chang</u> | es from: |
|--|-------------|---------|---------|--------------|----------|
| Alaska | 04/05 | 03/05 | 04/04 | 03/05 | 04/04 |
| | | | | | |
| Total Nonfarm Wage & Salary ¹ | 299,300 | 295,700 | 295,200 | 3,600 | 4,100 |
| Goods Producing | 36,400 | 36,300 | 35,600 | 100 | 800 |
| Service-Providing | 262,900 | 259,400 | 259,600 | 3,500 | 3,300 |
| Natural Resources & Mining | 10,300 | 10,100 | 10,200 | 200 | 100 |
| Logging | 500 | 400 | 500 | 100 | 0 |
| Mining | 10,000 | 9,700 | 9,700 | 300 | 300 |
| Oil & Gas Extraction | 8,400 | 8,200 | 8,300 | 200 | 100 |
| Construction | 16,100 | 14,800 | 15,300 | 1,300 | 800 |
| Manufacturing | 10,000 | 11,400 | 10,100 | -1,400 | -100 |
| Wood Product Mfg. | 300 | 300 | 300 | 0 | 0 |
| Seafood Processing | 6,500 | 8,000 | 6,500 | -1,500 | 0 |
| Trade, Transportation, Utilities | 60,100 | 58,900 | 59,500 | 1,200 | 600 |
| Wholesale Trade | 6,200 | 6,000 | 6,100 | 200 | 100 |
| Retail Trade | 34,100 | 33,600 | 33,700 | 500 | 400 |
| Food & Beverage Stores | 5,900 | 5,800 | 5,800 | 100 | 100 |
| General Merchandise Stores | 9,100 | 8,900 | 8,900 | 200 | 200 |
| Trans/Warehousing/Utilities | 19,800 | 19,300 | 19,700 | 500 | 100 |
| Air Transportation | 5,900 | 5,900 | 6,200 | 0 | -300 |
| Truck Transportation | 2,900 | 2,800 | 2,800 | 100 | 100 |
| Information | 6,900 | 6,800 | 6,800 | 100 | 100 |
| Telecommunications | 4,100 | 4,100 | 4,100 | 0 | 0 |
| Financial Activities | 14,600 | 14,400 | 14,500 | 200 | 100 |
| Professional & Business Svcs | 23,100 | 22,700 | 22,600 | 400 | 500 |
| Educational & Health Svcs | 36,200 | 35,900 | 34,800 | 300 | 1,400 |
| Health Care | 25,900 | 25,700 | 24,700 | 200 | 1,200 |
| Leisure & Hospitality | 27,900 | 26,600 | 27,100 | 1,300 | 800 |
| Accommodation | 6,800 | 6,300 | 6,500 | 500 | 300 |
| Food Svcs & Drinking Places | 17,400 | 16,900 | 16,900 | 500 | 500 |
| Other Services | 10,800 | 10,800 | 11,200 | 0 | -400 |
| Government ² | 83,300 | 83,300 | 83,100 | 0 | 200 |
| Federal Government ³ | 17,000 | 16,700 | 17,000 | 300 | 0 |
| State Government | 24,900 | 24,700 | 24,700 | 200 | 200 |
| State Govt. Education | 8,100 | 8,100 | 8,000 | 0 | 100 |
| Local Government | 41,400 | 41,900 | 41,400 | -500 | 0 |
| Local Govt Education | 24,000 | 24,300 | 23,900 | -300 | 100 |
| Tribal Government | 3,900 | 3,900 | 3,800 | 0 | 100 |
| | | | | | |

Notes

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

3 Unemployment Rates By borough and census area

| | prelim. | revised | revised |
|--|---------|---------|---------|
| NOT SEASONALLY ADJUSTED | 04/05 | 03/05 | 04/04 |
| United States | 4.9 | 5.4 | 5.4 |
| Alaska Statewide | 7.1 | 7.4 | 7.8 |
| Anchorage/Mat-Su (MSA) ⁴ | 5.7 | 5.9 | 6.3 |
| Municipality of Anchorage | 5.3 | 5.3 | 5.9 |
| Mat-Su Borough | 7.4 | 8.1 | 8.3 |
| Gulf Coast Region | | | |
| Kenai Peninsula Borough | 10.1 | 11.2 | 11.5 |
| Kodiak Island Borough | 7.5 | 7.0 | 8.2 |
| Valdez-Cordova CA | 11.0 | 12.5 | 11.9 |
| Interior Region | | | |
| Denali Borough | 9.7 | 15.5 | 15.1 |
| Fairbanks North Star Bor. (MSA) ⁴ | 6.5 | 6.6 | 7.2 |
| Southeast Fairbanks | 13.1 | 16.5 | 15.0 |
| Yukon-Koyukuk | 10.6 | 12.1 | 12.1 |
| Northern Region | | | |
| Nome Census Area | 12.3 | 12.0 | 12.3 |
| North Slope Borough | 10.1 | 9.8 | 10.6 |
| Northwest Arctic Borough | 13.8 | 14.6 | 14.3 |
| Southeast Region | | | |
| Haines Borough | 13.2 | 15.0 | 14.1 |
| Juneau Borough | 5.7 | 6.4 | 5.9 |
| Ketchikan Gateway Borough | 8.0 | 8.7 | 8.7 |
| Prince of Wales-Outer Ketchikan | 12.6 | 15.3 | 14.5 |
| Sitka Borough | 6.0 | 6.8 | 6.5 |
| Skagway-Hoonah-Angoon | 16.2 | 24.3 | 16.1 |
| Wrangell-Petersburg | 11.5 | 14.1 | 12.9 |
| Yakutat Borough | 10.2 | 16.7 | 9.5 |
| Southwest Region | | | |
| Aleutians East Borough | 8.2 | 7.9 | 6.9 |
| Aleutians West | 8.3 | 4.1 | 10.0 |
| Bethel | 13.4 | 13.3 | 13.1 |
| Bristol Bay Borough | 9.1 | 10.8 | 12.7 |
| Dillingham | 12.3 | 11.5 | 12.6 |
| Lake & Peninsula Borough | 14.8 | 14.6 | 15.3 |
| Wade Hampton | 24.5 | 23.9 | 21.0 |
| SEASONALLY ADJUSTED | | | |
| United States | 5.2 | 5.2 | 5.5 |
| Alaska Statewide | 6.7 | 6.6 | 7.4 |

2004 Benchmark

The official definition of unemployment excludes anyone who has not actively sought work in the four-week period up to and including the week that includes the 12th of the reference month. Many individuals do not meet this definition because they have not conducted an active job search, due to the scarcity of employment opportunities in rural Alaska.

Nonfarm Wage and Salary Employment By Region

| _ | preliminary | revised | revised | Changes from: | | Percent Change | |
|-------------------|-------------|---------|---------|---------------|-------|----------------|-------|
| | 04/05 | 03/05 | 04/04 | 03/05 | 04/04 | 03/05 | 04/04 |
| Anch/MatSu (MSA)4 | 160,200 | 159,200 | 157,400 | 1,000 | 2,800 | 0.6% | 1.8% |
| Gulf Coast | 27,300 | 26,350 | 27,050 | 950 | 250 | 3.6% | 0.9% |
| Interior | 43,100 | 41,900 | 42,300 | 1,200 | 800 | 2.9% | 1.9% |
| Northern | 15,600 | 15,750 | 15,750 | -150 | -150 | -1.0% | -1.0% |
| Southeast | 34,350 | 32,800 | 34,400 | 1,550 | -50 | 4.7% | -0.1% |
| Southwest | 17,850 | 19,600 | 18,150 | -1,750 | -300 | -8.9% | -1.7% |

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

Employment: http://almis.labor.state.ak.us/ ?pageid+67&subid+228

Unemployment: http://almis.labor.state.ak.us/ ?pageid+67&subid+188

¹Excludes self-employed workers, fishermen, domestics, and unpaid family workers as well as agricultural workers.

 $^{^2}$ Includes employees of public school systems and the University of Alaska.

³ Excludes uniformed military

⁴ Metropolitan Statistical Area

Employer Resources

Professional staff at Alaska Job Centers provides employer customers many useful services at no cost through the Business/Employer Connection. Services include but are not limited to: recruiting, matching, prescreening and referring of qualified applicants to jobs; free on-line job advertising through Alaska's Job Bank at www.jobs.state.ak.us; customized interviewing (Many Job Centers have interview rooms for employers to conduct on site recruitments.), Rapid Response (If you are reducing workforce, changing its skill mix or anticipating a closure, Rapid Response services recognizes the needs of your business.), copies of required notices for your company.

The Business Connection web site at www.alaskaemployer.com allows an employer to post job advertisements and has links to the Alaska Employer Handbook, Employee Bonding, Tax Credits, Labor Standards and Safety, On-the-Job Training, Small Business Development, Labor Market Information, Alaska Job Centers, Job Training, Employment Security Tax, Trade Adjustment Assistance and more. Contact your local Alaska Job Center Business Services staff for more in-depth services to match your company's needs.

