

# Worker demand and nonresidents

## Numbers rise across industries, especially construction

By ROB KREIGER

Over the last 30 years, nonresidents have made up about 20 percent of Alaska workers each year on average. While the number does change from year to year, swings of more than a percentage point are unusual.

The few years since the pandemic hit *have* been unusual, however. In 2023, the number of nonresidents working in Alaska climbed to a record 92,664. The nonresident share of the workforce, 22.5 percent, hit its highest level since 1995.

### What led to the increase

Nonresident patterns started to move in atypical ways in 2020 when the pandemic caused many industries, especially seasonal ones, to shut down. The nonresident percentage and worker count both plummeted that year, and the decline to 18.3 percent was the largest single-year drop in at least the last 30.

As the economy began to recover, nonresidents returned to work in Alaska in large numbers — and at a faster rate than residents — moving their representation back in line with the historical average. That trend continued over the next two years, with

nonresidents playing an outsized role in the state's economic recovery, and their numbers continued to rise.

Every major industry in Alaska has leaned more on nonresidents in recent years. While some industries such as seafood processing already had high-nonresident workforces, even those that employ mostly Alaskans have hired more outside workers since 2020. State and local governments are examples.

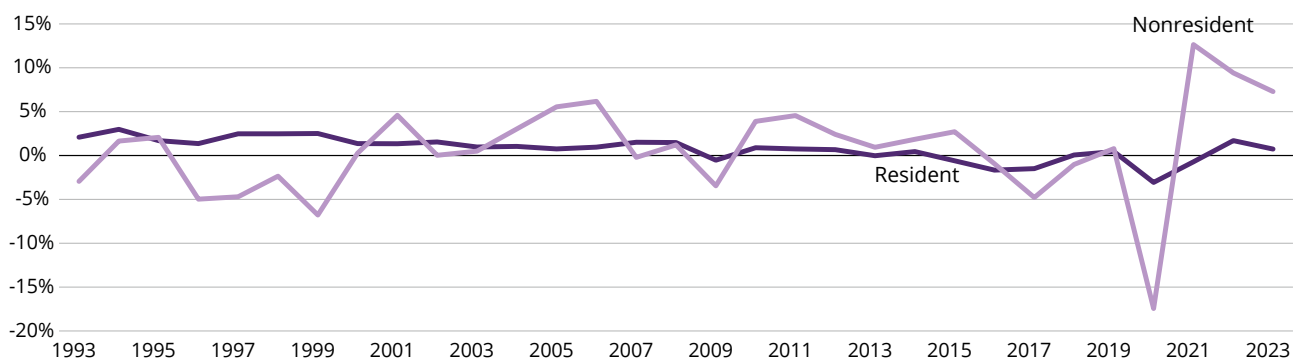
### Construction's need for workers put its rise above other industries

Among all of these industries, however, construction stood out in 2023. While construction's total number of nonresidents was far from an all-time high, its percent increase was the largest among industries that year.

The number of nonresidents working in construction jumped 24 percent from the previous year, which was also the construction industry's largest increase in at least 30 years.

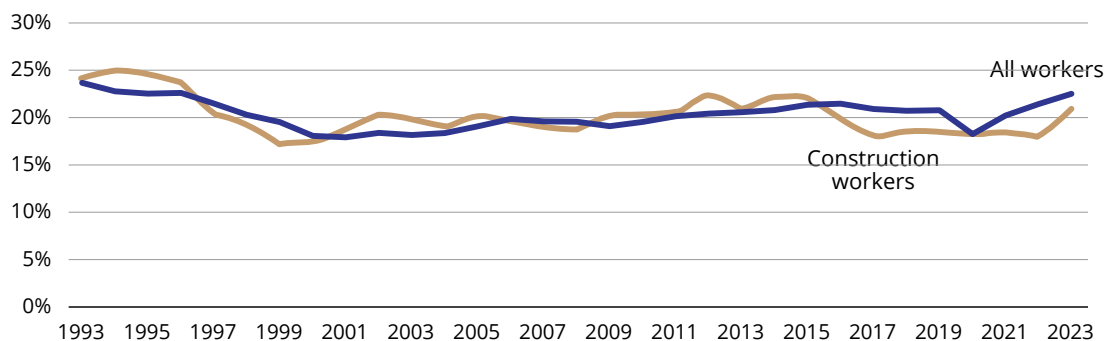
Despite the historically large over-the-year rise, though, construction's nonresident number and percentage have been higher many times in the past.

### Growth in nonresident workers outpaces resident growth post-COVID



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

## Nonresident percentages of construction, all workers increase



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

It's not unusual for the construction industry to hire large numbers of nonresidents periodically. Construction is project-based, often needing a workforce that exceeds the supply of qualified available residents. Short durations can also make it harder to hire residents, if there isn't enough time to train them.

## Construction industry's change in nonresidents, by area 2022-2023

Area	2023	2022	Change
North Slope Borough	745	255	490
Kenai Peninsula Borough	571	289	282
Fairbanks N Star Borough	732	626	106
Anchorage, Municipality	1,299	1,211	88
Southeast Fairbanks CA	77	30	47
Kodiak Island Borough	118	72	46
Juneau, City and Borough	262	216	46
Northwest Arctic Borough	200	156	44
Ketchikan Gateway Borough	88	59	29
Skagway, Municipality	34	16	18
Petersburg Borough	31	24	7
Bethel Census Area	96	89	7
Yukon-Koyukuk Census Area	37	32	5
Kusilvak Census Area	14	12	2
Aleutians East Borough	5	4	1
Hoonah-Angoon Census Area	9	9	0
Lake and Peninsula Borough	18	18	0
Sitka, City and Borough	62	62	0
Yakutat, City and Borough	1	1	0
Nome Census Area	42	43	-1
Chugach Census Area	93	95	-2
Wrangell, City and Borough	5	7	-2
Copper River Census Area	30	36	-6
Haines Borough	24	30	-6
Prince of Wales-Hyder CA	18	27	-9
Dillingham Census Area	15	25	-10
Bristol Bay Borough	19	31	-12
Aleutians West Census Area	73	95	-22
Denali Borough	52	97	-45
Matanuska-Susitna Borough	492	553	-61

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

Throughout Alaska's history, nonresident construction worker counts have spiked numerous times for major projects, then dropped again over the subsequent years.

Building the Trans-Alaska Pipeline System in the 1970s is the most extreme example, but nonresident counts also jumped in the mid-2000s to support new residential and commercial construction. Major military and oil and gas projects over the last few decades have also required more nonresidents to build.

## Construction, oil and gas projects, and worker demand ramp up

Numerous projects are raising demand for workers right now, especially in construction.

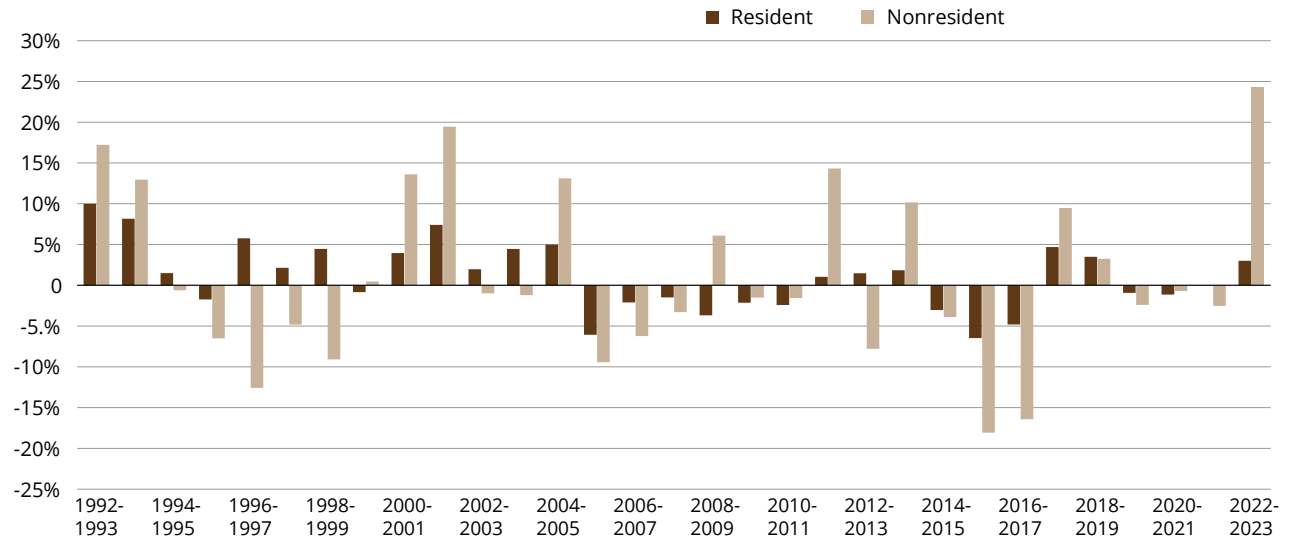
The federal infrastructure act passed in 2021 is injecting billions into Alaska for construction projects, an increasing number of which are entering their on-the-ground phases. (For more on infrastructure projects in Alaska, [see the January issue of Trends.](#))

Oil and gas activity has also increased recently, and many construction companies work on oil and gas projects.

The number of nonresident construction workers rose the most on the North Slope in 2023, by nearly 200 percent, bringing the total to 745. The remoteness and atypical shifts on the North Slope allow workers from outside Alaska to spend weeks or months on the Slope while maintaining a residence elsewhere.

The Kenai Peninsula's nonresident construction workforce also nearly doubled, from 289 workers in 2022 to 571 in 2023, likely linked to oil and gas.

## Nonresident construction worker counts tend to be volatile



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

Kenai and the North Slope Borough accounted for almost two-thirds of all new nonresident construction workers in 2023.

The industry's need for nonresidents is also clear in its mix of occupations. Nonresidents are often

hired into specialized positions employers can't find qualified residents to fill.

While the list of top construction jobs for nonresidents in 2023 did include high-skill occupations such as carpenters and operating engineers, construction laborers topped the list, suggesting less-skilled workers are also in short supply locally.

## Top construction jobs for nonresidents

Occupation in 2023	Nonresidents
Construction Laborers	830
Carpenters	574
Operating Engineers, Other Const Equip Operators	533
Maintenance and Repair Workers	243
Construction and Related, Other	189
Electricians	177
Plumbers, Pipefitters, Steamfitters	157
Boilermakers	154
1st-Line Supervisors, Construction and Extraction	128
Painters, Construction/Maintenance	113
Cement Masons, Concrete Finishers	111
Construction Managers	103
Helpers: Construction Trades, Other	102
Chief Executives	85
Heavy/Tractor-Trailer Truck Drivers	83
Roofers	75
Welders, Cutters, Solderers, Brazers	72
Helpers: Pipelayers, Plumbers, Pipefitters, Steamfitters	70
Helpers: Carpenters	65
Office and Admin Support	55
Structural Iron and Steel Workers	54
Heating, Air Conditioning, Refrig Mechanics/Installers	41
Millwrights	39
Office Clerks, General	38

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

## The worker shortage is broad and set to persist

The recent struggle to find workers and the rise in nonresident hires go beyond the construction industry, which despite its notable increase only employed about 6 percent of the nonresidents who worked in Alaska in 2023.

Around 21 percent worked in manufacturing, mainly seafood processing, which has long relied on nonresidents to fill the majority of its positions. Nineteen percent worked in leisure and hospitality, which is tied to tourism, and 10 percent worked in transportation.

All industries will continue to grapple with a shortage of workers and likely look to nonresidents to fill gaps.

An ongoing decline in the working-age

population, ages 18 to 64, linked to both demographic changes and the streak of net migration losses that has lasted more than a decade, will further reduce the supply of resident workers.

Historically low unemployment rates and record-low claims for unemployment benefits further suggest the worker shortage will persist, forcing more employers to look outside Alaska for labor.

In the [February 2024 issue of Trends](#), we examined the labor shortage in the context of worker movements and how to interpret them and assessed the role nonresidents were playing in Alaska's post-pandemic economic recovery.

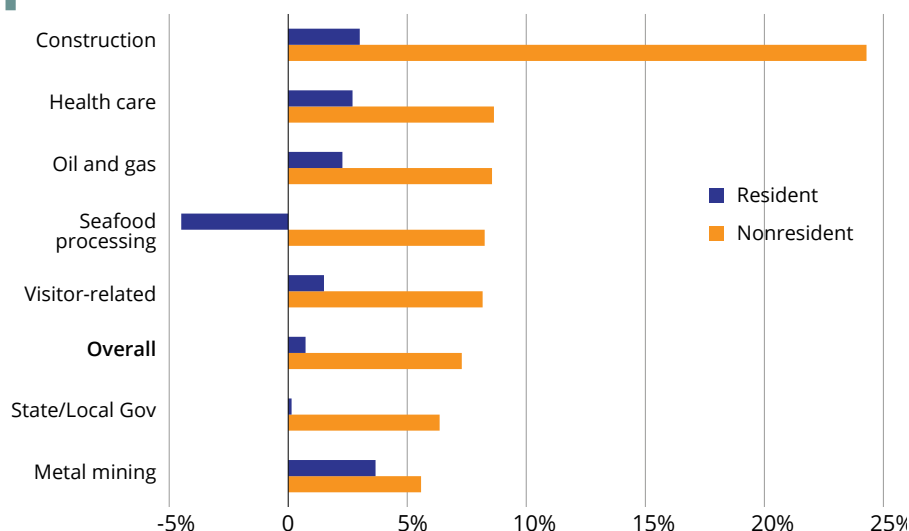
In 2023, like the year before, the numbers of resident and nonresident workers both rose. That's usually a sign of economic growth, but the fact that nonresident worker counts climbed much faster than residents suggests the supply of Alaskans wasn't sufficient to meet the demand for labor.

Migration patterns, especially among working-age Alaskans, will be important to monitor and understand over the next several years, as any increase in people leaving the state or fewer moving in would further restrict the supply of residents.

For more on the working-age population decline and the reasons behind it, including net migration losses, [see the March 2023 issue](#).

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## Resident, nonresident growth by industry in 2023



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

## Determining residency and its limitations

This article uses residency data and definitions from our *Nonresidents Working in Alaska* report, which considers workers residents if they applied for an Alaska Permanent Fund Dividend in either of the two most recent years.

To be eligible for a PFD, someone must live in the state for the full calendar year — a more rigorous residency criterion than what's required to register to vote or obtain a license to drive, hunt, or fish.

To calculate nonresident employment and wages, we match PFD applicants with quarterly reports Alaska employers file as required by state unemployment insurance laws. Federal workers, the military, and the self-employed are not part of those wage records because they are not covered by state unemployment insurance laws.

Residents by other definitions — those who have recently moved to Alaska, bought or rented a home, registered to vote, and obtained an Alaska driver's license — will initially be identified as nonresidents here. Nonresidents in this article are, in other words, a combination of new residents and nonresidents who work in the state but primarily live in another state. Some won't stay long enough to meet the PFD criteria for residency.

Because the PFD is unique among states and nearly every eligible person applies, only Alaska can publish such a comprehensive report on working nonresidents. Other states could use driver's licenses or voter registration to get a partial accounting of nonresidents working in their state, but neither of those sources would be as complete as PFD applications.