

Hiring on the Rise in Alaska

A look at patterns and seasonality

The number of new hires, rehires, and continuously employed workers is an important measure of the health of Alaska's economy, and these numbers have risen over the past few years.

While the nation has not fully recovered from the recent recession, Alaska's numbers show that hiring has picked up after a brief dip in 2009, the worst part of the downturn.

Data calculated from the state's unemployment insurance records indicate that more workers are being hired in Alaska, and more people are staying with the same employer. (See Exhibit 1.) The oil industry in particular has shown a strong uptick in hiring.

Definitions

Because the terms in this article are based on worker-employer relationships, it is possible for a worker with multiple employers to be counted in multiple categories.¹

New hires are those who have not worked for an employer within the four quarters prior to the reference quarter. *Rehires* have worked for an employer at some point in the previous four quarters, but not in the most recent quarter — the exclusion of the most recent quarter means only those who just resumed employment are counted. Finally, *continuous workers* have worked for the same employer in all four quarters prior to the reference quarter.

New hires

The growing demand for labor following the recession's brief dip is evident in the increase in new hires in the third quarter of 2010 compared to the same quarter the year before. (See Exhibit 2.)

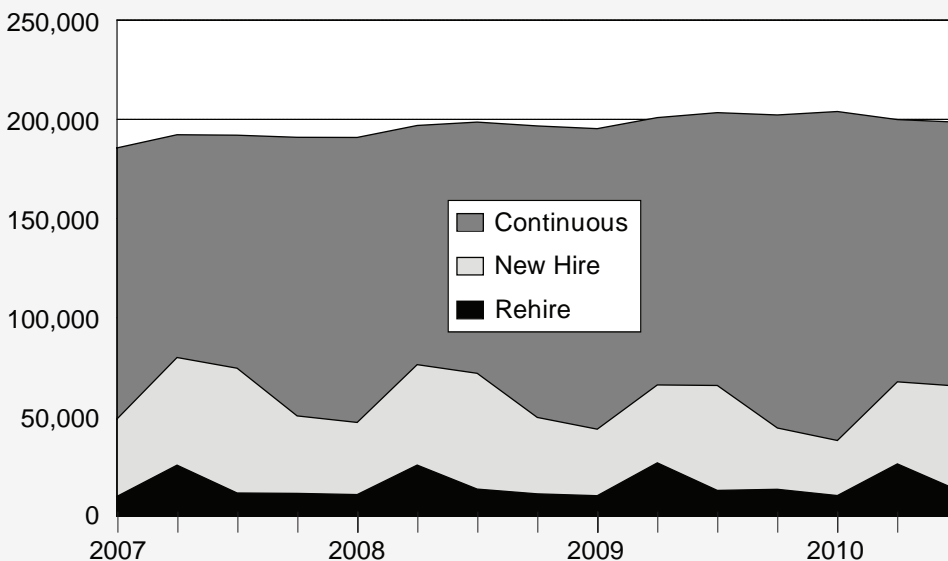
The last quarter of 2009 and first quarter of 2010 still show the effects of the recession, with a strong drop in newly hired workers year over year.

Comparing the first quarter of 2010 to the first quarter of 2009 shows a decrease of 5,690 new employees.

The industry with the strongest growth in new hires has been oil and gas, which represented 29.7

¹For more information on these worker-employer relationships and complete definitions, see our Web site at laborstats.alaska.gov/newhire/newhire.htm.

1 Hiring Levels Across All Industries Alaska, 2007 to 2010



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

percent of the total third-quarter employment growth in 2010. Retail trade was the only sector whose new hires declined in every quarter for more than a year.

The accommodations industry had the largest year-over-year decrease in quarterly new hires, with the number declining by 1,500 workers between the first quarter of 2009 and the first quarter of 2010. Although the accommodations sector's new hires grew in the second and third quarters of 2010, they still were not enough to equal net growth.

Among occupations, construction trade posted the most new hires between the fourth quarter 2009 and third quarter 2010. (See Exhibit 3.) As in prior years, the two other occupations to fill the top three spots are retail salespeople and food and beverage service workers, occupations typical in seasonal industries such as construction and tourism. Hiring in these top occupations reached a peak during 2010.

Overall, 61.8 percent of new positions in third quarter 2010 went to Alaskans. Industries with the highest resident hire rates included public administration; real estate, rental, and leasing; management of companies and enterprises; and local government. The industry with the highest nonresident hire rate was manufacturing — primarily influenced by seafood processing — with 82.2 percent of new workers coming from outside Alaska. (See Exhibit 2.)

Most new hires and rehires are seasonal; the downside is they only result in temporary employment. Of the employees hired in the third quarter of 2009, only 20.7 percent had been working continuously for that employer a year later.

Rehires

Seasonal jobs are a sizeable share of the state's wage and salary employment, and some people bounce from job to job and return to the same employer every year as seasonal work picks up. These

New Hires by Industry 2 Alaska, third quarter 2009 and third quarter 2010

Industry	3rd qtr 2009	3rd qtr 2010	Residents	Year-over-year Change
Local Government	6,165	5,744	77.0%	-6.8%
State Government	1,778	1,746	71.6%	-1.8%
Agriculture, Forestry, Fishing, and Hunting	432	605	35.5%	40.0%
Mining	947	2,015	49.0%	112.8%
Oil and Gas	636	1,420	47.7%	123.3%
Utilities	233	171	76.0%	-26.6%
Construction	6,594	6,560	72.5%	-0.5%
Manufacturing	6,521	6,942	17.8%	6.5%
Wholesale Trade	972	978	69.4%	0.6%
Retail Trade	4,233	4,084	68.6%	-3.5%
Transportation and Warehousing	2,355	2,446	60.8%	3.9%
Information	590	612	74.3%	3.7%
Finance and Insurance	757	902	75.7%	19.2%
Real Estate, Rental, and Leasing	1,538	1,475	80.7%	-4.1%
Professional, Scientific, and Technical Services	1,999	2,524	65.5%	26.3%
Management of Companies and Enterprises	82	74	79.7%	-9.8%
Administrative Support/Waste Management and Remediation	3,778	3,820	66.9%	1.1%
Educational Services	455	579	66.8%	27.3%
Health Care and Social Assistance	5,081	5,454	72.9%	7.3%
Arts, Entertainment, and Recreation	1,515	1,678	68.2%	10.8%
Accommodations and Food Services	10,038	10,209	59.5%	1.7%
Other Services	2,109	2,203	74.4%	4.5%
Public Administration	123	61	91.8%	-50.4%
Total	58,931	62,302	61.8%	5.7%

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

people are rehires, and they represent the smallest number among the three categories.

Rehires primarily work in industries and positions whose employment spikes in one or two quarters of the year. As with new hires, a majority of rehires return to work for the same employer in the second quarter of the year.

Manufacturing rehires the most employees, followed by local government, construction, and accommodations and food services. (See Exhibit 4.) Mirroring those industries, the top two occupations for rehires are in construction trade and food processing. (See Exhibit 3.)

While the state shows a modest 2.1 percent overall increase in rehiring, the largest gains were in a mostly nonseasonal industry. Health care and social assistance rehires increased 59.2 percent when comparing the third quarter of 2009 to the third quarter 2010. In contrast, information in-

3 Top Occupations by Hiring Classification

Alaska, fourth quarter 2009 to third quarter 2010

NEW HIRES

Occupation	Four-Qtr Total	4th Qtr 2009	1st Qtr 2010	2nd Qtr 2010	3rd Qtr 2010
Construction trade workers	16,683	3,627	2,605	6,089	4,362
Retail sales workers	16,235	4,588	2,702	5,785	3,160
Food and beverage service workers	13,226	3,289	2,431	4,957	2,549
Materials moving workers	7,190	1,610	1,160	2,544	1,876
Other office and administrative support workers	7,308	1,682	1,511	2,470	1,645

REHIRES

Occupation	Four-Qtr Total	4th Qtr 2009	1st Qtr 2010	2nd Qtr 2010	3rd Qtr 2010
Construction trade workers	6,393	1,022	981	3,149	1,241
Food processing workers	6,302	155	2,232	2,207	1,708
Retail sales workers	5,165	548	2,533	1,414	670
Materials moving workers	3,007	497	511	1,310	689
Food and beverage service workers	2,855	424	710	1,217	504

CONTINUOUS

Occupation	Four-Qtr Total	4th Qtr 2009	1st Qtr 2010	2nd Qtr 2010	3rd Qtr 2010
Retail sales workers	42,837	10,641	10,517	10,574	11,105
Construction trade workers	32,790	8,546	7,887	8,099	8,258
Information and record clerks, all other	32,681	8,395	8,201	7,990	8,095
Other office and administrative support workers	32,000	8,288	8,072	7,579	8,061
Teachers: Primary, secondary, and special education	29,269	7,392	7,369	7,193	7,315

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

4 Rehires by Industry

Alaska, third quarter 2009 and third quarter 2010

Industry	3rd Qtr 2009	3rd Qtr 2010	Year-Over-Year Change
Local Government	1,824	1,803	-1.2%
State Government	544	650	19.5%
Agriculture, Forestry, Fishing, and Hunting	101	96	-5.0%
Mining	248	211	-14.9%
Oil and Gas	163	164	0.6%
Utilities	25	36	44.0%
Construction	1,310	1,284	-2.0%
Manufacturing	2,089	1,962	-6.1%
Wholesale Trade	212	248	17.0%
Retail Trade	472	426	-9.7%
Transportation and Warehousing	645	608	-5.7%
Information	334	80	-76.0%
Finance and Insurance	77	108	40.3%
Real Estate, Rental, and Leasing	217	253	16.6%
Professional, Scientific, and Technical Services	326	388	19.0%
Management of Companies and Enterprises	7	5	-28.6%
Administrative Support/Waste Management and Remediation	592	554	-6.4%
Educational Services	145	112	-22.8%
Health Care and Social Assistance	684	1,089	59.2%
Arts, Entertainment, and Recreation	465	507	9.0%
Accommodation and Food Services	1,303	1,402	7.6%
Other Services	290	344	18.6%
Total	12,073	12,330	2.1%

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

dustry rehires decreased by 76.0 percent, or 254 workers: the most dramatic drop among all sectors. The loss was largely offset by a gain of 168 continuous workers the same year.

Continuous workers

People employed all four quarters of the year are by far the largest group of workers, and they seem largely unaffected by the recession, with only small changes in some industries and a minor gain overall.

The largest group of continuous employees works in local government. (See Exhibit 5.) The only two industries to come close to local government's employment levels are health care and social assistance, and state government. It isn't surprising that those industries have the largest number of continuous workers, as they are all large employers with little

seasonal fluctuation.

However, the individual occupations with the highest numbers of continuous employees were not in health care and government, probably because those sectors contain so many distinct occupations.

Among employees who have held their jobs for at least four quarters, retail sales and construction trade workers led the pack. (See Exhibit 3.) Information and record clerks were right behind them, probably because they are part of the largest industries.

Of the three types of hires, continuous jobs are the most stable in both quarter-to-quarter and year-to-year employment numbers, and only one industry moved more than 10 percent in either direction. Because continuous workers exclude the seasonal workforce by definition, there is less chance of large employment swings.

In all the state's industries combined, there was an increase of only 1,297 employees working continuously: not enough to equal a 1 percent gain. However, if the job market continues to improve and recent new hires keep their positions, continuous employment is likely to improve significantly in third quarter 2011.

Oil and gas

The biggest jumps in new hires and continuous workers were in the oil and gas-related industries, both of which reached a four-year peak in 2010. While continuous jobs peaked in the first quarter of 2010 with 11,522 jobs, the top total employment came in the second quarter of 2010 with 13,390 jobs in the industry: the result of 1,837 new hires that quarter. (See Exhibit 6.)

By region, new hires increased the most in the North Slope Borough, primarily due to the spike in the oil and gas industry. However, because it is not possible to differentiate between workers hired to maintain the current fields and those in new exploration, it is unclear if the jump in employment will continue.

Continuous Employment by Industry 5

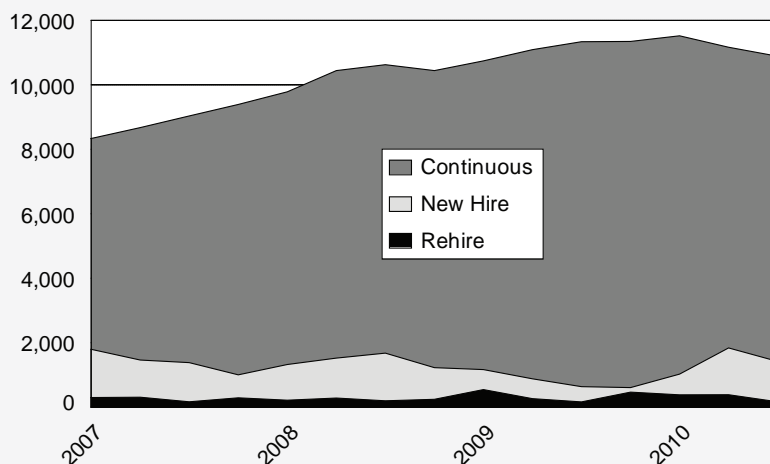
Alaska, third quarter 2009 and third quarter 2010

Industry	3rd Qtr 2009	3rd Qtr 2010	Year-over-Year Change
Local Government	31,352	31,318	-0.1%
State Government	20,590	20,841	1.2%
Agriculture, Forestry, Fishing, and Hunting	410	462	12.7%
Mining	13,039	12,930	-0.8%
Oil and Gas	11,339	11,128	-1.9%
Utilities	1,652	1,599	-3.2%
Construction	9,267	8,796	-5.1%
Manufacturing	4,915	4,763	-3.1%
Wholesale Trade	4,560	4,531	-0.6%
Retail Trade	12,727	13,015	2.3%
Transportation and Warehousing	11,288	11,325	0.3%
Information	5,109	5,277	3.3%
Finance and Insurance	6,694	6,593	-1.5%
Real Estate, Rental, and Leasing	3,116	3,255	4.5%
Professional, Scientific, and Technical Services	8,786	8,961	2.0%
Management of Companies and Enterprises	345	311	-9.9%
Administrative Support/Waste Management and Remediation	7,018	6,656	-5.2%
Educational Services	1,247	1,152	-7.6%
Health Care and Social Assistance	27,250	28,900	6.1%
Arts, Entertainment, and Recreation	2,035	1,940	-4.7%
Accommodations and Food Services	11,716	12,159	-3.8%
Other Services	6,331	6,162	-2.7%
Public Administration	243	252	3.7%
Total	201,029	202,326	0.6%

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

Oil and Gas Industry Hires 6

Alaska, 2007 to 2010



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