

Job openings near all-time high

Employer struggles to fill open positions continue in 2022

By DAN ROBINSON

In May, Alaska's job openings rate hit 11.2 percent, its third-highest month on record. While that was well above the U.S. rate of 6.9 percent, both remain noticeably elevated from pre-pandemic levels as employers continue to struggle with filling positions.

The job openings rates jumped in 2021, as the chart below shows. But what's harder to see, especially with the seasonal swings, is that rates were climbing before COVID hit — more in Alaska than the U.S. (See the sidebar on the next page for more on job openings.)

Alaska's rate fell to a low of 4.7 percent in late 2020 but has been on the rise since, peaking at 11.4 percent late last summer. Openings have remained high in 2022, with May's rate just below last summer's peak.

Retirees and migration losses are the main factors for Alaska

Demographics are part of the reason more jobs are vacant. Growing numbers of baby boomers, the large generation born between 1946 and 1964, have been

Openings were on the rise even before COVID hit, especially in Alaska.

retiring as fewer people are aging into the working years to replace them.

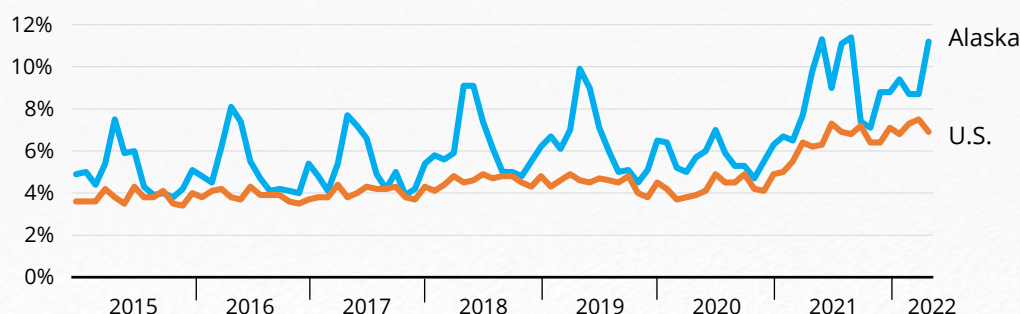
Nine consecutive years of net migration losses have been an added obstacle for Alaska, meaning more people leave the state each year than move in.

From 2012 to 2021, 53,000 more people left Alaska than arrived. Over that same period, the job openings rate of 2 to 3 percent in the winter of 2012 roughly doubled by winter 2019. Summer rates peaked at just below 5 percent in 2012 and 9.9 percent in May 2019, which was well before the pandemic.

More questions than answers as employers continue to adapt

High numbers of job openings create a challenging

Job opening rates rose in 2021 and remain elevated



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey

environment for employers and numerous opportunities for job seekers. Employers may gradually adapt to the applicant-friendly market by figuring out new recruitment methods and ways to retain workers. But some employers, especially in lower-wage industries such as tourism and retail, have adapted by making do with a smaller staff and reducing services or operating hours.

For now, the trend in job openings continues to be upward for Alaska and probably for the U.S. as well. Something will give eventually, but it's hard to say whether employers will find new ways to fill so many openings or stop trying to fill all of them and operate with fewer workers.

Concerns about a recession create another possible and unusual scenario. Employers may be slower to lay off workers during a recession because they've had such difficulty hiring them. It's relatively simple to stop trying to fill open positions, though, which is another reason to keep an eye on these numbers.

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About the job openings data

The job openings rate is the number of open positions on the last business day of the month as a percentage of total employment plus job openings.

For an opening to count, an employer must be actively recruiting workers from outside the establishment for a position that has work available and that could start within 30 days.

For more on openings and worker shortages, see the first article we published on the new state-level data from the U.S. Bureau of Labor Statistics' Job Openings and Labor Turnover Survey in December 2021 ([Alaska's job openings rise in 2021](#)) and our study earlier this year on people who left the workforce during the pandemic and hadn't returned ([COVID and the missing workers](#)).

AIR TRANSPORT'S TWO COVID YEARS

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of charter flight workers in Anchorage and the Southwest Region increased by over 25 percent in 2021 compared to 2019.

Worker shortages, high fares persist

Air travel is particularly susceptible to a health shock like COVID-19 because it relies on in-person consumers and a workforce primarily dedicated to customer service.

As the pandemic winds down, the industry will continue to compete with many others to attract workers. In addition to a diminished labor force, the air travel industry faces rising costs and pent-up demand after two pandemic years. The price of jet fuel rose sharply over the first half of 2022, peaking in June.

All of these factors pushed airfare prices higher, too. Average U.S. airfares jumped in 2022, peaking in May, as the graph on page 7 shows. Airfares remained high in June but moderated slightly.

At the same time, worker shortages amid the growing demand for air travel contributed to high flight cancellation rates. According to the Bureau of Transportation Statistics, the number of canceled flights in Anchorage, Fairbanks, and Juneau during the first five months of 2022 was at least double the number of cancellations over that period last year.

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