

Alaska's job openings rise in 2021

New state-level data confirm shortage of willing workers

By NEAL FRIED

A new state-level data set called JOLTS¹ is the first comprehensive measure of Alaska's job openings. Openings are getting more attention this year as employers nationwide struggle to find enough workers, and JOLTS shows Alaska's trends are similar.

While JOLTS can't tell us *why* people are leaving the labor market, it can spotlight these patterns and provide another way to identify and track the "churn" in the job market. (See the sidebar on page 18 for definitions and more on JOLTS.)

Openings low in 2020, but the drop was brief

For 2020, JOLTS tells a story similar to other types of economic data, confirming what we already know about the pandemic's effects on employment.

April 2020 showed the steepest drop in Alaska's

¹Job Openings and Labor Turnover Survey

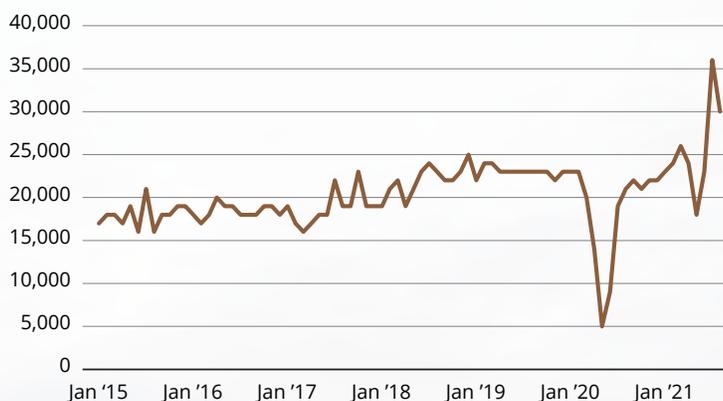
High job market 'churn' in Alaska, August 2021

	Alaska	U.S.	Alaska's state ranking
Job openings rate	9.0%	6.6%	Highest
Hires rate	6.6%	4.3%	2nd highest
Separations rate	4.3%	4.1%	2nd highest
Quits rate	3.9%	2.9%	4th highest
Layoffs rate	1.6%	0.9%	2nd highest

Notes: Seasonally adjusted. See sidebar on page 18 for definitions.

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

Alaska job openings tank in '20, spike in '21



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

job openings since the data's inception in 2011, and Alaska's decline from February through May was the largest among states.

Alaska's number of job openings dropped from 20,000 in March to 14,000 in April, then to just 5,000 in May. June wasn't much higher.

Despite these numbers' severity, they aren't a surprise during a pandemic. A lack of job openings usually signals a weak labor market where employment is falling or stagnant and unemployment is high, which was true as COVID-19 took hold last spring. Alaska lost 38,800 jobs in April, the largest monthly loss on record, and May was almost as bleak.

By August 2020, however, the number of job openings in Alaska had not only increased but had climbed back to pre-pandemic levels.

In 2021, as the peak employment season warmed up and the labor market began to recover, dramatic JOLTS numbers appeared that reinforced employers' reports that it was becoming hard to find and keep workers.

By July, Alaska's proportion of open jobs was again

Continued on page 18

Definitions and more about the JOLTS data

A new state-level labor market measure tells us how many job openings there are, how many people have quit their jobs in the most recent month, and how many people moved to new jobs.

The Job Openings and Labor Turnover Survey — or JOLTS — is getting more attention this year as employers struggle to find workers and more people remain on the sidelines. Nationally, these numbers are showing record hiring levels, quits, and turnover.

The state-level series came out in October and includes historical data back to 2011. JOLTS has been available at the national level for nearly two decades, and for the national data set, the Bureau of Labor Statistics produces industry-specific numbers. Industry information isn't available for the state-level data because of smaller sample sizes and statistical challenges.

The bureau tries to shore up the small sample size through model-based estimates and other statistical methods, which increases volatility and is further complicated by Alaska's pronounced seasonal job pattern. The estimates are also rounded to a thousand, which adds even more chunkiness to Alaska's already-small numbers. Because of these problems, JOLTS' longer-term trends for Alaska are a better choice for analysis than any month-to-month changes.

The most recent numbers, used in this article, are for August. In the future, data will be released on the third Friday of every month.

Job openings include all positions for which businesses are actively recruiting as of the last business day of the reference month. To meet this definition, an existing job needs to begin within 30 days. Job openings can be full-time or part-time and can be permanent, short-term, or seasonal.

Hires are *all* additions to an employer's payroll, full-time or part-time.

Separations include all severance from an employer's payroll during the reference month. They include quits, layoffs, retirements, transfers to other jobs, terminations, and deaths.

JOB OPENINGS

Continued from page 13

the highest in the nation. Job openings statewide spiked to 36,000, then dipped to 30,000 in August. Before this summer, Alaska's largest number of monthly openings had been in March of this year, at 26,000.

The swing between 2020 and 2021 is another example of the chaotic, mysterious, and seemingly contradictory trends in the national and Alaska job markets, which will take some time to understand.

The hire and quit numbers are less reliable, but still worth a look

As a subset of the job openings data, JOLTS includes the numbers of hires and quits. These numbers are extra "noisy" because of the even smaller sample size and seasonality, but they can add context to the numbers of job openings.

Hiring rates typically climb with rising openings and a growing job market. Hiring dropped to record lows some months in 2020 but bounced back as people returned to work.

The numbers of people quitting their jobs are more revealing. Typically, quit rates fall when the job market is weak — people are more likely to stay put when they think it would be hard to find another job — and quits climb during a healthy job market when opportunities abound.

National quits hit a record high recently, which also tracks with employers' difficulty finding workers. Alaska's numbers are similar, with far higher quit rates in 2021 than in 2020.

In the shrinking job market of 2020, the number of people quitting in Alaska dropped sharply and hit a new low in May. In 2021, workers became emboldened with new opportunities as the job market improved, and quits hit a record high in July.

In August, Alaska's quit rate was the fourth-highest in the U.S. at 3.9 percent. The U.S. average was 2.9 percent.

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