

Occupational Outlook through 1994

b y B r y n n K e i t h

Alaska's economy, based on raw resource extraction but striving for

diversity, presents a challenge to today's professionals who rely on labor market information in planning for the future. Educators must plan the curricula that develop Alaska's future inventory of resident job skills. Career counselors and personnel officers must help qualified Alaskans find opportunities in an everchanging workplace that requires the latest in technological skills. Administrators and executives must examine the labor trends in the marketplace for accurate decision making.

Matching the skills of Alaska's workers with the labor needs of Alaska's business community has long been a concern to educators and policymakers. The Alaska Department of Labor (AKDOL) annually publishes a comprehensive report on the subject. The industry and occupation forecasts used in this analysis are based on 1989 data. This article highlights some of the information contained in the most recent report, *Alaska Industry/Occupation Outlook to 1994*, released in January.

Alaska Economic Overview

The demand for specific occupations and job skills depends on the health and direction of Alaska's economy. The basic health of Alaska's economy coupled with the oil spill activity created labor shortages in some occupational categories. This is a substantial change from the high unemployment rates and fast paced population exodus experienced during the last several years.

Alaska's economy was recovering before the oil spill. Overall, a 1.3% annual employment growth rate from 1989 to 1994 is anticipated. Total employment will grow by more than 15,000 workers during this five year period.

Growth will not be spread evenly across all industry sectors and all areas of the state. The fastest growing industry sectors will be mining,

construction and retail trade. Southeast Alaska will have a faster annual growth rate of nearly 2%, as a result of new mining activity in that region.

General Industry Trends in Brief

Alaska's mining industry sector is still dominated by oil. Although oil related employment is expected to grow during the next five years, metal mining will exhibit the fastest growth rate of any industry sector.

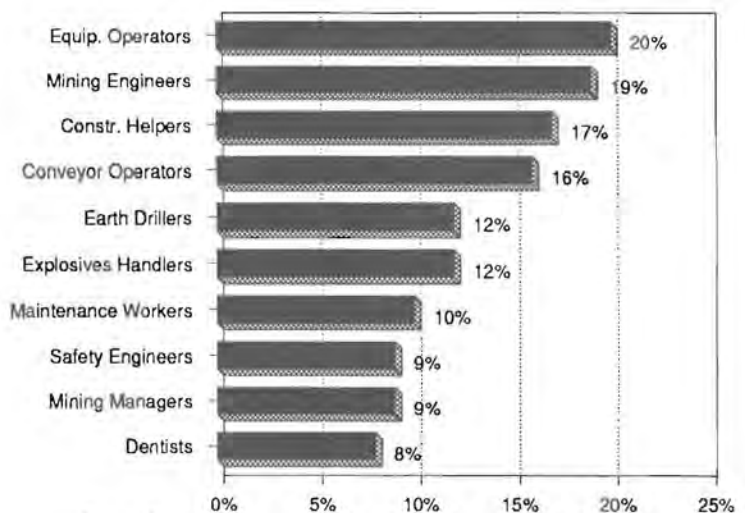
Employment growth in the construction industry is expected to increase by 3% per year during the next five years.

The manufacturing industry sector is mostly comprised of seafood processing and timber related

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Figure • 1

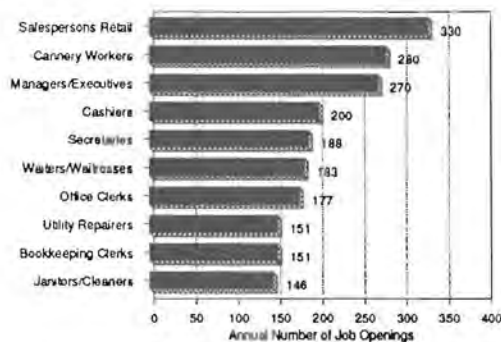
Projected Percentage of Growth 1990-1994 Occupations with Highest Percentages



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 2

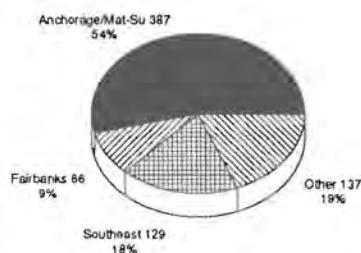
Top 10 Alaska Occupations Projected Growth Per Year (1990-1994)



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 3

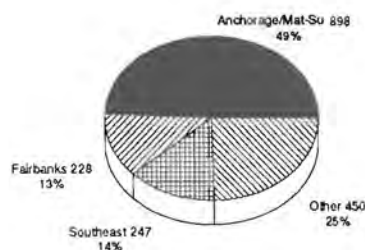
Officers and Managers Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 4

Professional and Technical Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

employment. These two sectors have grown rapidly during the last several years, but slowing growth is anticipated.

There are a number of question marks on the horizon for the timber industry in Alaska. During the five year forecast period, some declines are anticipated in the logging sector.

Transportation industry related employment is expected to grow during the five year forecast period with air transportation comprising the bulk of that growth.

Alaska's civilian government sector makes up approximately 30% of Alaska's wage and salary employment. The government sector is expected to grow at about one-fifth the rate of the total Alaska economy, dragging down the overall Alaska growth rate.

Occupational Employment and Openings to 1994

Most of the job opportunities in Alaska during the next five years are predicted to come from replacing existing workers who permanently leave the labor force, rather than from actual employment growth as a result of increased demand. Replacing workers who retire or die will account for 64% of the annual number of job openings occurring statewide and throughout all industries. Increased demand will account for the remaining 36%.

Annual job openings are estimated to number 9,289 during the five year period 1990 - 1994; 5,868 due to permanent separations and 3,341 due to actual growth or increased demand.

In keeping with the industry forecasts for mining and construction, nine of the top ten occupations with the highest percentage growth in Alaska are mining and construction related. (See Figure 1.)

In contrast, the majority of occupations with the highest projected growth per year are the large occupations that cross industry boundaries; Salespersons, Managers and Executives, Cashiers, and Secretaries, for example. (See Figure 2.)

Almost half of the job openings in Alaska will occur in the Anchorage/MatSu region, the state's largest urban area. These openings will span nearly all occupational categories, reflecting the increased breadth of Alaska's economic base.

Fairbanks is expected to maintain its role as the service center for Alaska's outlying regions due to the number of annual job openings occurring within the Service, and Craft, Operator, & Laborer occupational categories. However, the highest

number of annual job openings in the Fairbanks area will continue to go to professional and technical workers.

The occupational picture in Southeast is similar, with the largest number of annual openings occurring within the broad occupational category of Craft, Operator and Laborer. State government employment will maintain its role as a major employer in this region. Consequently, the professional and technical occupations will represent a large segment of employees.

Occupational Trends

In discussing Alaska's occupational forecast, we have broken the labor market into seven major categories, covering the nonmilitary component of the economy. These projections are based on 1989 data, and reflect the economic assumptions made at the time of this forecast.

Officers and Managers

In 1989 officers and managers represented 7.6% of total state employment. No significant changes are predicted during the next 5 years as occupational growth will closely reflect the overall growth of statewide employment.

Manager, administrator and executive occupations, both in Alaska and throughout the nation, are expected to rapidly increase in number. This occupational category in Alaska is estimated to grow by 719 jobs per year for the next 5 years. Thirty-seven percent of this total growth will be due to increased demand, and 63% will be a result of replacing employees who permanently separated from employment. (See Figure 3.)

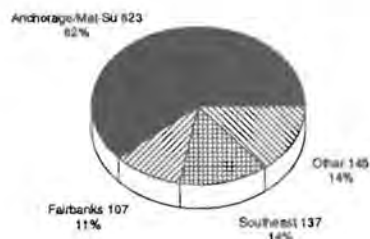
Professional and Technical

Professional and technical workers, represents 21.6% of total employment in Alaska. This occupational category is predicted to grow faster than overall employment throughout the state during the next 5 years. By 1994, professional and technical occupations will comprise 22.5% of employment statewide.

The professional and technical occupational category will increase 6% statewide during the next 5 years. An average of 1,823 job openings will occur annually during this forecast period. Actual growth will account for 33% of these openings, and 67% of the job openings will replace permanent separations. More than 52,000 people are employed in this occupations statewide. (See Figure 4.)

Figure • 5

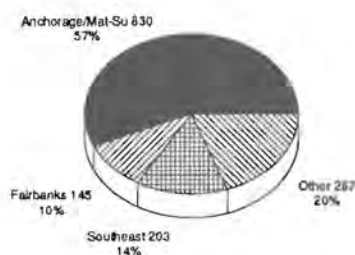
Sales Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 6

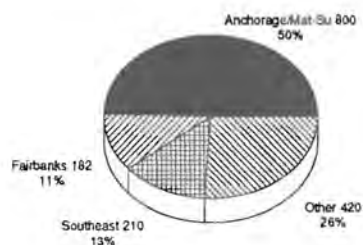
Clerical Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 7

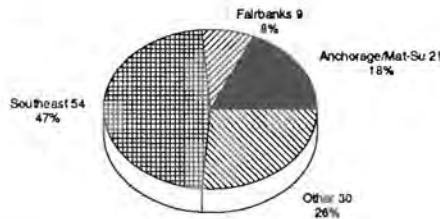
Services Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 8

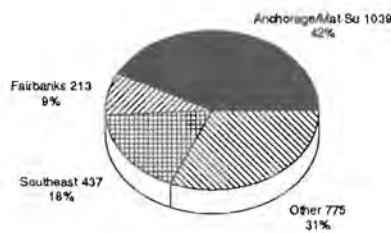
Agriculture and Forestry Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 9

Crafts, Operators, Laborers Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

of statewide employment during the next five years.

An average of 1,465 job openings will occur per year during this forecast, 27% will occur as a result of increased demand. The remainder of job openings or 73% are the result of replacing permanent separations. Clerical employment accounts for 44,000 jobs in Alaska. (See Figure 6.)

Service

Service occupations consist of approximately 16% of statewide employment. The five-year forecast predicts that this percentage will increase slightly.

Projected total growth in service employment will be 1,612 jobs annually. Real growth due to an increase in demand for services will produce 41% of these jobs, and replacing employees due to attrition will account for 59%. (See Figure 7.)

Agriculture and Forestry

The agriculture and forestry occupational category includes only 1.4% of the total employment in Alaska. The five-year forecast predicts that this percentage will remain constant.

It is estimated during the next five years that 114 job openings will occur annually within this occupational category. On an average, 32 of these jobs will be a result of increases in demand, and 82 will occur as a result of replacing employees permanently separating from employment. (See Figure 8.)

Sales

Sales includes nearly 10% of the statewide labor force in 1989, and will generally remain at this level to 1994. This results from actual employment growth corresponding to the level of overall employment growth statewide.

This forecast predicts that 1,012 sales related job openings will occur annually during the next 5 years. Actual growth, or an increase in demand, will account for 42% of these positions, and the remaining 58% of job openings will be the result of replacing permanent separations. (See Figure 5.)

Clerical

The clerical occupational category comprises 18% of employment statewide. It is predicted that this category will decrease slightly its share

Crafts, Operators, Laborers

Jobs in the crafts, operators, laborers occupational category account for nearly 26% of the employment in the state. This level of employment is projected to remain nearly constant during the next five years.

The forecast indicates that 2,464 positions in various occupations within this category will be added each year during the next five years. Increased demand will account for 38% of the new positions, and 62% will account for replacing permanent separations. Nearly 63,000 people are currently employed and included in this largest occupational category in Alaska. (See Figure 9.)

For a detailed discussion of the assumptions used in this analysis, refer to *Alaska Industry/Occupation outlook to 1994*. This publication is available free through AKDOL's Research and Analysis Section.

Note: This forecast was produced prior to the recent dramatic increase in oil prices. Please refer to current Alaska Department of Revenue oil price forecasts for revenue estimates. Higher oil revenues may create faster employment growth in Alaska.