

# Nonresident Workers Up Slightly from 1994

By Jeff Hadland, Labor Economist

Private industry, and state and local governments employed a total of 78,675 nonresident<sup>1</sup> wage and salary workers<sup>2</sup> at some time during 1995. This represents a very slight increase in total number of workers, dollars earned and percent nonresident workers over 1994. Overall, nonresidents comprised 22.6% of all wage and salary workers in the private sector, and in state and local government in 1995. (See Figure 1.)

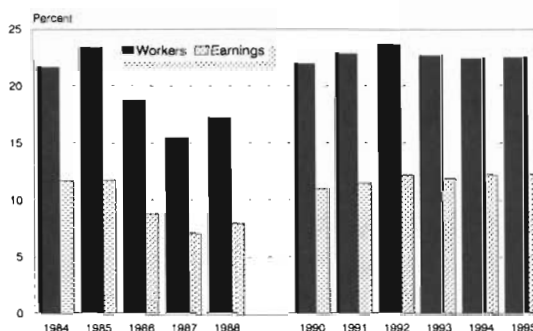
That year, nonresidents earned more than \$923 million, a nearly \$9 million increase over 1994. Average earnings per worker in 1995 were \$21,736, with nonresidents earning on average \$11,734 and residents earning \$24,657. Nonresidents worked an average of 2.1 quarters in Alaska in 1995 versus an average 3.3 quarters for residents, accounting for part of the earnings differential between residents and nonresidents. Approximately 31,300 nonresident workers were employed in the first quarter of 1995, while 62,800 nonresidents were employed in Alaska in the third quarter of 1995. About 34 percent of total nonresident earnings in 1995 were earned during the third quarter.

## A large percentage of new hires are nonresidents

While new hires represent a large base of employment opportunities for Alaskans, more than 30 percent of new hires in 1995 were nonresidents. (See Figure 2.) A new hire is a new worker who was not employed by the same firm at any time during the previous four quarters. More than 27,000 nonresidents were hired in the third quarter of 1995 alone, and a total of 73,800 nonresidents were new hires in 1995. Many new hire positions are seasonal or entry level, just the type of jobs needed by many unemployed Alaskans, students looking for summer jobs, and those on public assistance.

Figure • 1

### Percent Nonresident Workers and Earnings, Alaska 1984-1995

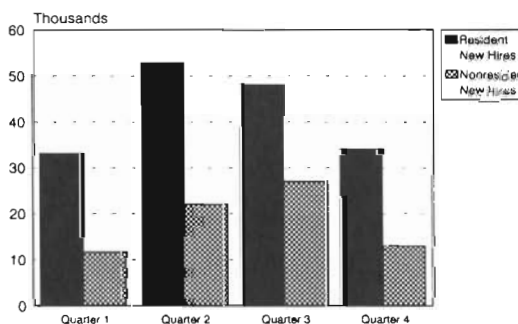


Note: Includes private sector, state and local government workers.

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

Figure • 2

### New Hires by Quarter Alaska 1995



Note: Includes private sector, state and local government workers.

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

## Percentage of nonresident workers differ by industry

Nonresident workers in Alaska are typically found in industries with faster than average growth, industries with large numbers of seasonal jobs, industries with low paying jobs, and industries with jobs having special

<sup>1</sup>Nonresident workers are defined as those workers who did not receive a Permanent Fund Dividend (PFD) in 1995 or apply for a PFD in 1996.

<sup>2</sup>The Department of Labor wage file includes only those workers covered by Alaska unemployment insurance. Therefore, all references to resident and nonresident workers excludes self-employed and federal government workers in Alaska.

skills. (See Figure 3.) Some jobs may be highly skilled jobs for which Alaskans are not trained or available or for which they have not been recruited. Alaska's seasonal industries continued to dominate the list of those with the highest nonresident earnings and workers.

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Seafood processing, lumber and wood products, and hotels and restaurants were the industry sectors with the highest percentage of nonresident workers in 1995, just as they have been for the last several years. Other industries with a large percentage of

nonresident workers include repair services, water transportation, eating and drinking establishments and oil and gas.

The largest number and highest percent of nonresident workers in Alaska were found in the seafood processing industry. More than 28 percent of all private sector nonresident workers in Alaska in 1995 were employed in that industry. A total of \$166.8 million was paid to nonresident seafood processing workers in 1995. This represents 66.1% of all seafood processing worker earnings. Approximately 77 percent of all workers in seafood processing were nonresidents in 1995.

Figure • 3

### Private Sector Industries with Highest Percentage Nonresident Workers—Alaska 1995

Note: Industries with 1,000 or more workers.

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

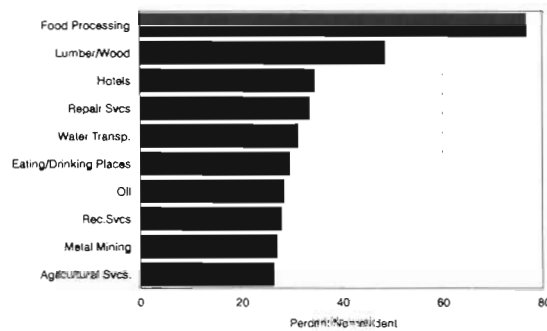
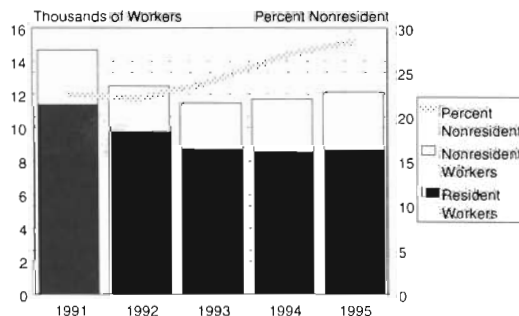


Figure • 4

### Oil Industry Numbers and Percent Nonresident Workers—Alaska 1991-1995

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



Alaska's oil industry, including major oil companies and oil field service firms, increased the total number of workers employed at any time during the year by 5.8% from 1993 to 1995, but the total number of nonresident workers increased by 25% during the same period. (See Figure 4.) The percentage of nonresident workers has increased steadily since 1992, rising from 22.0% to 28.4% of total workers in 1995. This increase in nonresident workers has occurred in tandem with the downsizing of major oil firms and a shifting of work to oil field service companies. Alaska's oil industry paid \$167 million to nonresidents in 1995, nearly 25 percent of total oil industry wages and about 20 percent of all private sector nonresident earnings in Alaska. On average, oil industry workers (part year and year round) earned more than \$58,400, while workers employed by major oil companies (excluding oil field service firms) in Alaska in all four quarters had average earnings of \$102,682 in 1995. These are among the highest paying, year-round jobs in Alaska and are considered a high priority for placement of Alaskan workers.

Complete industry, occupation, geographic area and firm level nonresident hire information, along with the methodology used to estimate nonresident workers, is presented in the annual report *Nonresidents Working in Alaska-1995*, available at the Alaska Department of Labor, Research and Analysis Section.