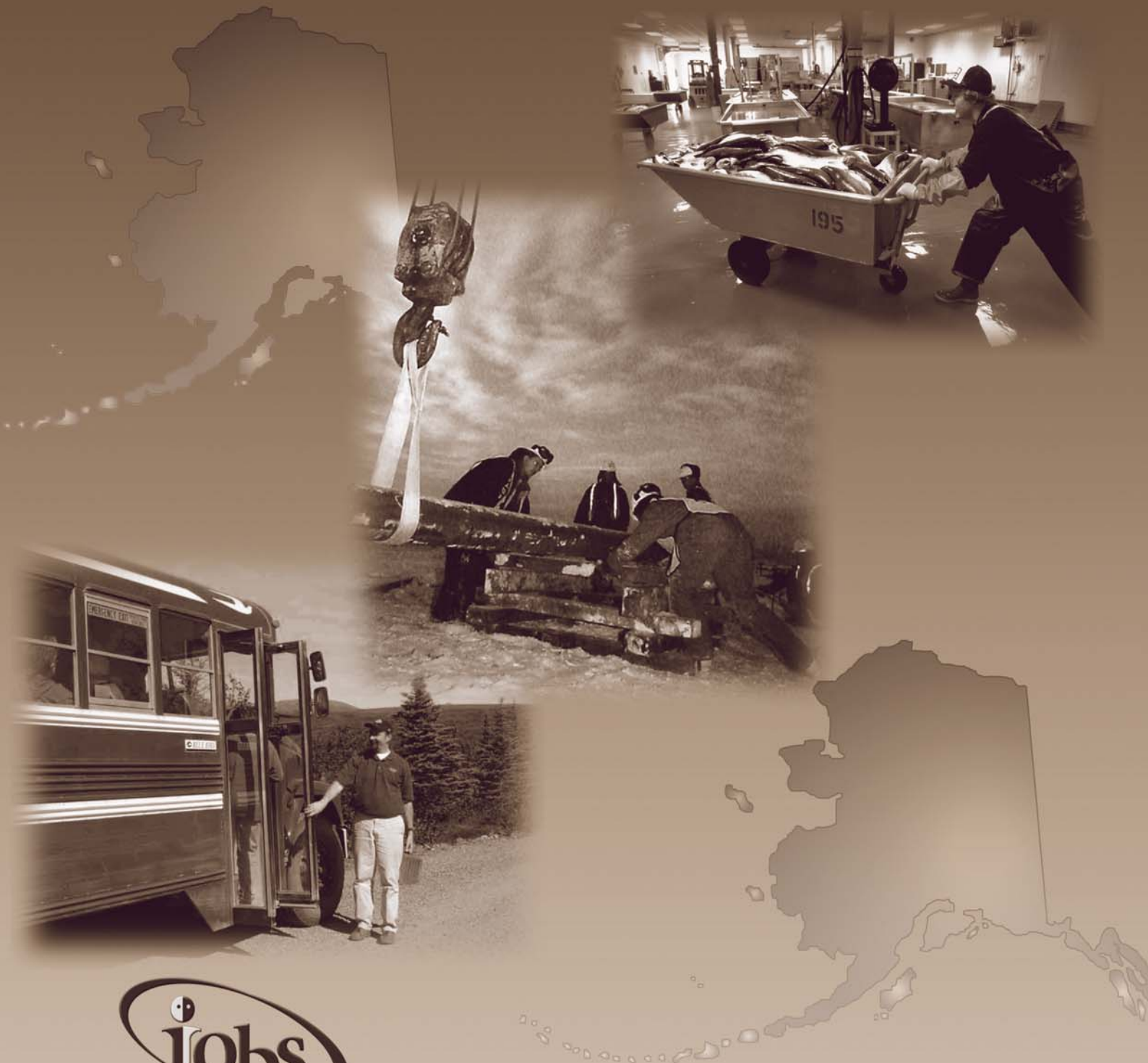


# ***Nonresidents Working in Alaska - 2003***



**ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT**

**Frank H. Murkowski  
Governor**

# **Nonresidents Working in Alaska 2003**

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**Frank H. Murkowski, Governor**  
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# Highlights

- In November 2003, Governor Murkowski announced a major resident hire initiative with a goal of 90 percent Alaska resident hire rates in construction, oil and gas, mining, seafood processing, forest products, tourism, and other industries. The resident hire effort to provide “good jobs for Alaskans” includes a variety of targeted training programs, along with recognition of employers that hire more than 90 percent resident workers.
- Resident hire in Alaska in 2003 showed a slight improvement over 2002. In 2003, 18.1% of all workers were nonresidents, a slight decrease from the 18.2% that were nonresidents in 2002.
- The number of resident wage and salary workers employed in Alaska grew by 2,947 (1.0%) from 2002 to 2003. Nonresident workers increased by 333, or half that rate (0.5%).
- Total wage and salary earnings in private sector and state and local government jobs totaled \$10.1 billion in 2003. Nonresidents earned about 11.3% of the total (or \$1.1 billion), a slight increase from the 11.2% of total wages paid to nonresidents in 2002.
- Resident earnings increased 3.4%, or \$292 million, from 2002 to 2003. Nonresident earnings increased by \$49 million, or 4.5%, over 2002.
- In the oil industry (oil and gas extraction and oilfield services), nonresidents accounted for 26.6% of the industry’s workforce in 2003, an increase of nearly one percentage point over 2002. Although total nonresident workers decreased by more than 10 percent from 3,248 to 2,914, resident workers dropped by a greater percentage during the 2002 to 2003 period.
- Earnings paid to nonresidents working in the oil industry decreased from \$239.7 million in 2002 to \$191.4 million in 2003. The nonresident share of earnings in the oil industry dropped nearly a full percentage point to 25.1%; however, this figure is still nearly twice the statewide private sector average of 13.7%.
- In the construction industry, the percentage of nonresident workers showed improvement over 2002, dropping from 20.3% to 19.9% in 2003.
- Alaska’s construction industry paid approximately \$759 million to residents in 2003, an increase of \$70.4 million from 2002. Nonresidents were paid \$125.3 million, up about \$22.5 million from the 2002 nonresident earnings of \$102.7 million, or an increase of 21.9%. Nonresidents’ share of the construction earnings increased from 13.0% in 2002 to 14.2% in 2003 despite the decline in the percentage of nonresident workers.
- Alaska’s seafood processing industry employed the highest percentage of nonresident workers of any industry sector in 2003. Nearly 72 percent of workers were nonresidents. Nonresidents earned \$156.8 of the \$247 million paid to seafood processing workers in 2003. Almost 14 percent of total wages paid to nonresident workers in Alaska in 2003 were paid to workers in the seafood processing industry.
- The percentage of nonresidents in the logging and wood products industry increased slightly in 2003 to 31.7%. The number of nonresident hires increased by 31 workers but total nonresident wages fell for the third straight year.
- Alaska industries affected by visitor expenditures have relatively high nonresident hire rates. The accommodations (Hotels/Lodging) industry showed an increase in percentage of nonresident workers, climbing to 35.9% in 2003 from 34.7% in 2002, a rate about twice that of the total private sector and government average. Nonresident earnings were very high in the air transportation sector where only 1,901 nonresident workers earned \$82.5 million in 2003.

# Nonresidents Working in Alaska—2003

## Introduction

Alaska has historically had a large number of nonresident workers. These workers have been employed in seasonal seafood, timber, and construction industries and have met the demands of major project development, such as the oil pipeline in the 1970s. The construction boom of the 1980s, fueled by the large increase in the price of oil, brought a large number of nonresident workers to the state and served as the catalyst for special Alaska resident hire preference legislation.

In response to Alaska's rising unemployment rate and growing resident labor force, the Alaska legislature in 1986 established a resident hire preference for publicly funded construction projects and asked the Alaska Department of Labor and Workforce Development to report annually on the status of resident hire in the state.<sup>1</sup> Using data sources unequaled in the rest of the nation, including the Alaska Permanent Fund Dividend (PFD) database, unemployment insurance (UI) wage records that contain worker occupation and place of work indicators, and other data series, Alaska can monitor the resident hire status of particular employers, industries, occupations, and regions in a way not available to any other state.

In general, the data show that a significant number of high paying jobs are taken by nonresidents for which Alaskans are available or can be quickly trained. Many of these jobs are year-round, rather than one-time, short-term, or seasonal. Alaska also has many workers that commute from out of state on a regular basis to their jobs in Alaska. In the fourth quarter of 2003 (October–December) approximately 49,000 workers were newly hired in Alaska wage and salary employment. New hires are workers that had not been employed by that firm at any time in the previous four calendar quarters. About 11,000 of these new hires were nonresidents of Alaska.

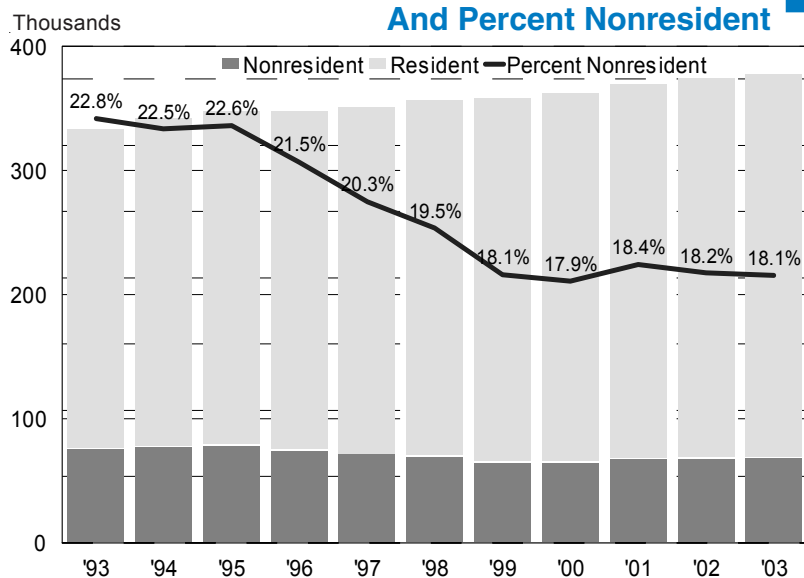
Maximizing resident hire may require a variety of tools, including improved training, industry

education, and regulatory enforcement, depending upon the industry or occupation group. Incentives and recognition of industries that succeed in improving their resident hire rates can also have a positive impact. In November 2003, Governor Frank Murkowski announced a major resident hire initiative with a goal of 90 percent Alaska resident hire rates in construction, oil and gas, mining, seafood, forest products, tourism, and other industries. The resident hire effort to provide "good jobs for Alaskans" includes a variety of targeted training programs, along with recognition of employers that hire more than 90 percent resident workers.

Oil industry support jobs and those associated with the construction industry will benefit from increased investment in training. The Alaska Workforce Investment Board and the University of Alaska include resident hire data in identifying unmet training needs.

The Department also identifies particular craft occupations that are eligible for a 90 percent resident employment preference based upon

## Resident and Nonresident Workers And Percent Nonresident



Note: Includes private sector, state and local government workers.  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

provisions and procedures outlined in Alaska statutes and regulations.

## New Industry Classification System for the 2003 Nonresidents Report

This year's report is the first based upon the North American Industry Classification System (NAICS) rather than the previous Standard Industrial Classification (SIC) system. Many industries have changed in name only, but some industries have been redefined. All historical tables and charts have been recreated using the new NAICS to

allow for ease in historical comparisons. Due to changes in categories, care should be used when comparing this year's publication with a prior issue of *Nonresidents Working in Alaska*.

## Measuring Residency

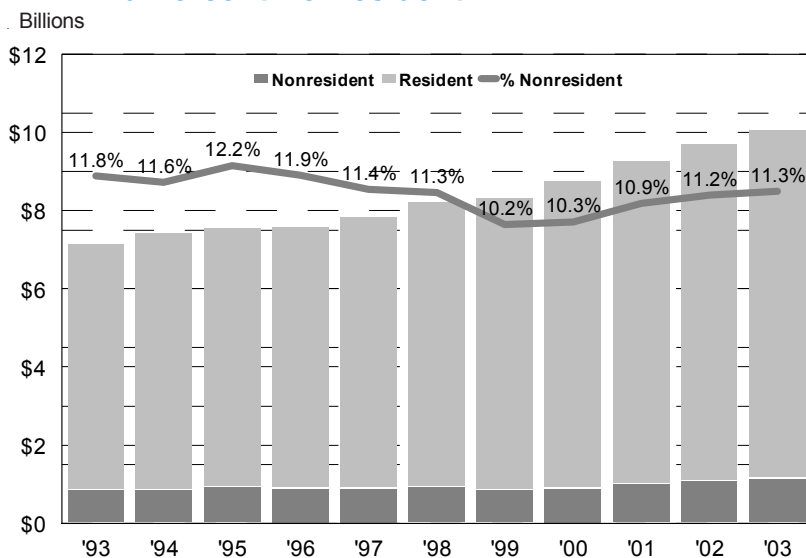
To calculate residency, quarterly Alaska unemployment insurance wage records (which contain industry, occupation, earnings, and place of work) for each worker are matched with Alaska PFD data to identify resident and nonresident workers. The two most recent years' PFD data are used to determine residency. Workers who received a PFD in one of the two most recent years are considered residents for purposes of this report. Historical analysis of the PFD file shows that this information is an excellent indicator of residency. Although some workers not eligible for a PFD at the time residency reports are generated become residents in the following year, the most recent data show that these workers represent only about 15 percent of total nonresident workers. Workers' industry and occupation are determined based upon the industry and occupation in which they earned the most money in 2003.

## Resident Hire Rate in 2003 Shows Slight Improvement Over 2002

In 2003, nonresident workers comprised 18.1% of private sector, state and local government workers employed during the year, a slight improvement from the 18.2% nonresident workers reported in 2002. Resident workers in Alaska in 2003 grew by 2,947 workers to 309,468, an increase of 1.0% over 2002. The rate of increase for nonresident workers was half that of resident workers with a total of 68,305 nonresident<sup>2</sup> wage and salary workers<sup>3</sup> employed during one or more calendar quarters in Alaska in 2003, an increase of 333 workers from 2002.

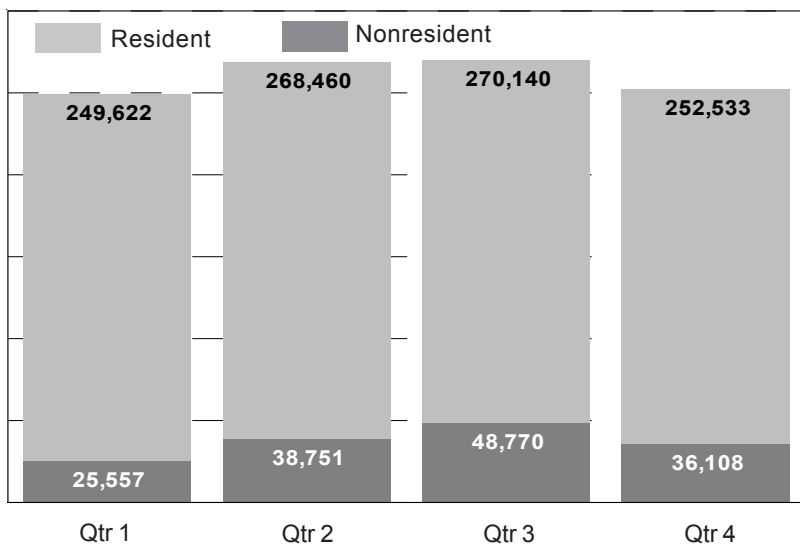
Total wage and salary earnings in private sector, state and local government jobs exceeded \$10 billion in 2003. Nonresidents earned about 11.3% of the total (or \$1.1 billion), a slight increase from the 11.2% of total wages paid to nonresidents in 2002. Total resident earnings increased by 3.4% over 2002, growing by \$292.5 million (See Exhibit 21.) Nonresident earnings increased at a slightly quicker pace, but from a much lower base, increasing by 4.5% or \$49.4 million.

## 2 Resident and Nonresident Wages And Percent Nonresident



Note: Includes private sector, state and local government workers.  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 3 Alaska Workers by Quarter Resident and Nonresident, 2003



Note: Includes private sector, state and local government workers.  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

With some significant exceptions, nonresidents typically do not work all four quarters of the year, often working only one or two calendar quarters. Many nonresident workers are employed only during the summer months or in short term or seasonal jobs, including those in the seafood processing and visitor related industry sectors. In 2003, residents earned an annual average of \$28,834 while nonresidents earned about 58 percent as much at \$16,652. The average earnings per quarter worked for nonresidents was \$7,635 in 2003, about 89 percent as much as paid to resident workers (\$8,586).

## Nonresident Hire Rates and Earnings by Industry

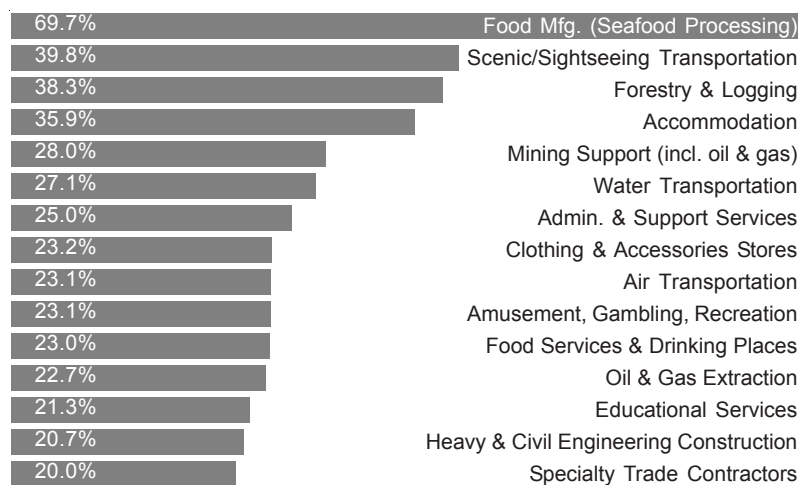
While 21.0 percent of private sector workers in Alaska in 2003 were nonresidents of the state, the nonresident employment rate varied significantly by industry. More than 44 percent of all private-sector nonresident workers are in the manufacturing (includes seafood processing), mining (includes oil and gas), and accommodation and food services sectors. Nonresidents make up over a quarter of the total workers in each of those industries. (See Exhibit 5 and Appendix A2.)

The industries and occupations with the highest percentage of nonresident workers have a variety

of characteristics that make them more likely to attract nonresident workers:

- Seasonal industries with a relatively high percentage of employment occurring in only one or two calendar quarters. These include seafood processing and visitor-related industries.
- Fast growing occupations

## Private Sector Industries with Highest Percent Nonresident Workers 4



Note: Industries with 1,000 or more workers.

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

## Workers and Wages 5

### Total and Nonresident, for Selected Industries

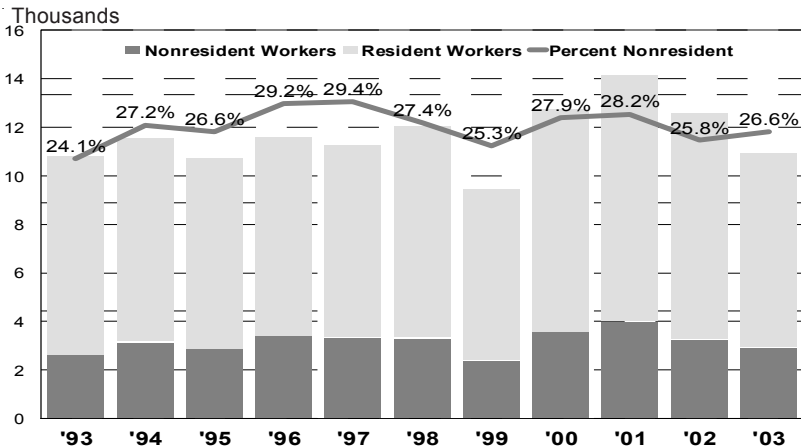
Alaska 2003 Industry	Total Workers	Total Wages (\$ Millions)	Nonresident		Nonresident	
			Workers	Percent	Wages (\$ Millions)	Percent
Agriculture, Forestry, Fishing & Hunting	2,361	\$47.3	875	37.1	\$15.2	32.0
Mining	13,349	\$885.2	3,353	25.1	\$211.7	23.9
Oil and Gas	3,186	\$341.8	722	22.7	\$81.1	23.7
Oilfield Services*	7,784	\$421.1	2,192	28.2	\$110.3	26.2
Utilities	2,156	\$109.2	115	5.3	\$2.7	2.5
Construction	28,246	\$884.6	5,627	19.9	\$125.3	14.2
Manufacturing	24,385	\$396.7	14,602	59.9	\$166.4	41.9
Seafood Processing	19,480	\$247.4	13,858	71.1	\$156.8	63.4
Retail Trade	47,124	\$875.4	6,528	13.9	\$52.8	6.0
Transportation and Warehousing	24,089	\$839.2	5,129	21.3	\$158.1	18.8
Air Transportation	8,218	\$306.6	1,901	23.1	\$82.5	26.9
Information	8,200	\$321.6	668	8.1	\$14.0	4.4
Finance and Insurance	9,792	\$375.1	812	8.3	\$13.9	3.7
Professional, Scientific, & Tech. Services	13,412	\$575.7	2,162	16.1	\$58.7	10.2
Admin, Support, and Waste Mgmt.	16,254	\$317.2	3,892	23.9	\$55.8	17.6
Health Care and Social Assistance	38,199	\$1,098.6	4,043	10.6	\$67.4	6.1
Accommodation and Food Services	38,972	\$420.0	10,485	26.9	\$70.7	16.8
Accommodations	11,725	\$138.1	4,214	35.9	\$32.1	23.3
Food Service and Drinking Places	27,247	\$281.9	6,270	23.0	\$38.6	13.7
State Government	25,952	\$912.6	1,610	6.2	\$28.0	3.1
Local Government	48,995	\$1,329.9	2,964	6.0	\$39.4	3.0
<b>Total</b>	<b>377,773</b>	<b>\$10,060.6</b>	<b>68,305</b>	<b>18.1</b>	<b>\$1,137.4</b>	<b>11.3</b>

\* This industry category includes support activities for oil and gas drilling and related operations

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

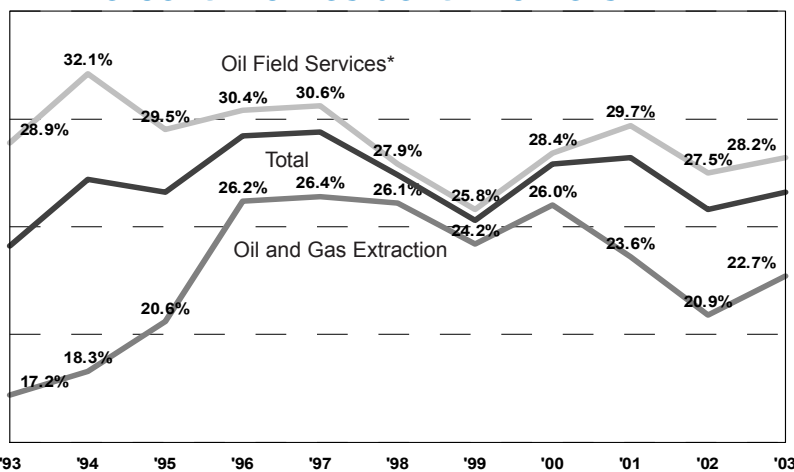


## 6 Oil Industry Number and Percent Nonresident Workers



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

## 7 Oil Industry Percent Nonresident Workers



\*This category includes support activities for oil and gas related operations.

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

## 8 Oil Industry Top Employers of Nonresident Workers

Alaska 2003	Total Workers	Nonresident Workers	Percent Nonresident
BP Exploration Alaska Inc.	1,813	559	30.8
VECO Alaska Inc.	1,789	475	26.6
ASRC Energy Services O&M	1,633	421	25.8
Peak Oilfield Service Co.	978	227	23.2
AMOCO Corp.	457	182	39.8
Nabors Alaska Drilling Inc.	642	174	27.1
Schlumberger Technology	419	131	31.3
ConocoPhillips Company	962	126	13.1
Halliburton Energy Services Inc.	446	107	24.0
Veritas DGC Land Inc.	252	93	36.9

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

- Low paying jobs and high paying jobs
- Jobs that require unique skills where relatively few Alaskans may be trained and available for work
- Jobs at remote worksites

## Oil Industry Shows Decline in Employment and Earnings

Alaska's oil industry (including oil and oilfield service companies)<sup>4</sup> employed 10,970 workers in 2003, a significant decrease from the 2002 total of 12,599 workers, while wages totaled \$763 million, down from \$921 million in 2002. (See Appendix A-2.)

Nonresident workers made up 26.6% of total oil industry workers in 2003, a 0.8% increase from 2002. Total nonresident workers decreased by 334 workers, or more than 10 percent between 2002 and 2003. This decrease in nonresident workers is less than half of what it was from 2001 to 2002 when nonresident hire contracted by 746 workers. (See Exhibit 6.)

Total earnings paid to nonresidents working in the oil industry decreased from \$239.7 million in 2002 to \$191.4 million in 2003, while the percentage of total earnings paid to nonresidents fell from 26.0% to 25.1%. In 2003 nonresidents earned, on average, \$1,645 more per quarter worked than residents in the oil industry. In 2002 nonresidents earned an average of \$3,324 more than residents.

Oil and gas extraction companies showed a fairly significant increase in percent nonresident workers over 2002, climbing from 20.9% to 22.7% in 2003. (See Exhibit 7.) Conversely, the share of wages paid to nonresidents by the extraction companies decreased from 25.1% in 2002 to 23.7% in 2003.

Oilfield service companies showed an increase in the percentage of nonresident workers employed in 2003 over 2002, moving from 27.5% to 28.2%. Oilfield service companies' share of wages paid to nonresidents fell slightly with 26.2% of wages going to nonresident workers. Although nonresident percentages went up, the total industry lost workers. Resident hire simply contracted more than nonresident hire.

## Construction Industry Nonresident Workers Hold Steady and Earnings Increase

Alaska's construction industry paid approximately \$759 million to residents in 2003, an increase of \$70.4 million from 2002. Nonresidents were paid \$125.3 million, up \$22.5 million from 2002. More than 14 percent of total earnings in the industry were paid to nonresidents, slightly higher than the private sector average. The number of resident construction workers increased by 783 in 2003 over 2002, while nonresident construction workers increased by only 71. A total of 19.9% of all construction workers were nonresident in 2003, a small decrease from 2002. Although expanding industries usually exhibit an increase in nonresident hire rates, the construction industry countered this trend. Healthy growth occurred in construction and most of the new jobs went to Alaska residents. (See Exhibit 9.)

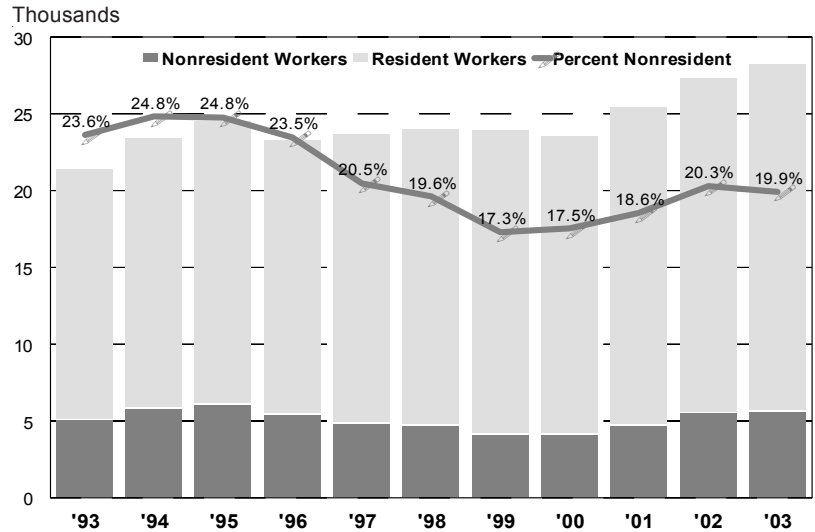
## Seafood Processing Nonresident Hire and Earnings Increase

In 2003, Alaska's seafood processing industry employed the highest percentage of nonresident workers of any industry sector, 71.7%. Nonresident seafood processing workers earned \$156.6 million of the \$246.2 million paid to seafood processing workers in 2003. Nearly 14 percent of total wages paid to nonresident workers in Alaska in 2003 were paid to workers in the seafood processing industry.

The number of nonresident workers in the seafood processing industry increased by 676 between 2002 and 2003. Resident workers increased by 124 during this time period, causing resident hire performance to decline. Resident earnings increased by 4.6% or about \$4.0 million and nonresident earnings increased by 19.9% or about \$26.0 million. The seafood processing industry is relatively low paying, with nonresident workers earning on average \$5,369 in each quarter that they worked in 2003, an increase of \$671 from 2002. The industry has declined in total employment from 27,621 workers in 1993 to 19,480 in 2003; however, 2003 marks the first year in the last decade when employment figures have shown a significant increase. (See Exhibit 11.)

Fish harvest workers are generally not covered by unemployment insurance and are not included in

## Construction Industry 9 Number and Percent Nonresident Workers



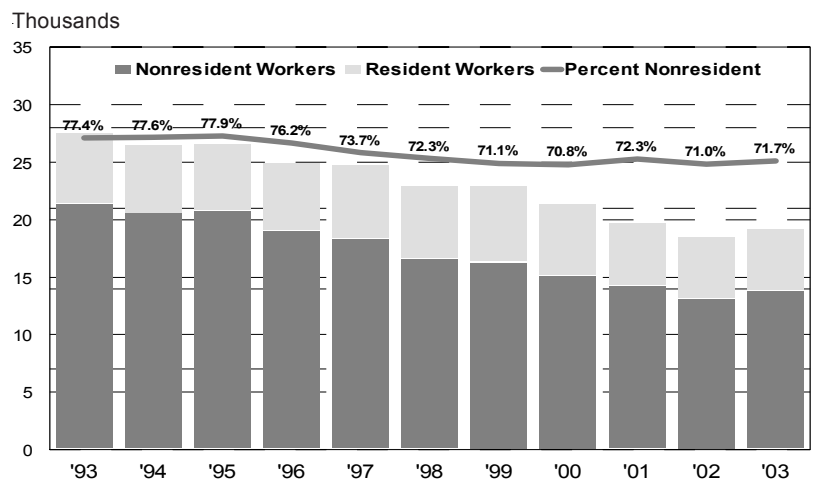
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Construction Industry 10 Top Employers of Nonresident Workers

Alaska 2003	Total Workers	Nonresident Workers	Percent Nonresident
HC Price Co.	405	190	46.9
Fluor Federal Services Inc.	118	97	82.2
CONAM Construction Co.	254	84	33.1
Colaska Inc.	696	81	11.6
E. Brown Inc.	141	76	53.9
Osborne Construction Contractors	311	65	20.9
Wilder Construction Co.	581	63	10.8
Harpoon Construction Group Inc.	454	61	13.4
Universal Welding & Fabrication	121	59	48.8
Dick Pacific Ghemm JV	195	59	30.3

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

## Seafood Processing 11 Number and Percent Nonresident Workers



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

# 12 Seafood Processing

## Top Employers of Nonresident Workers

Alaska 2003	Total Workers	Nonresident Workers	Percent Nonresident
Trident Seafoods Corp.	3,537	2,996	84.7
Ocean Beauty Seafoods Inc.	2,158	1,344	62.3
Icicle Seafoods Inc.	1,672	1,338	80.0
Peter Pan Seafoods Inc.	1,416	1,190	84.0
Unisea Inc.	1,312	955	72.8
Norquest Seafoods Inc.	1,223	915	74.8
Westward Seafood Inc.	1,006	750	74.6
Kanaway Seafoods	650	550	84.6
North Pacific Processors Inc.	1,331	484	36.4
Alyeska Seafoods Inc.	486	405	83.3

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

this annual report. However, a study in the December 2004 edition of *Alaska Economic Trends*<sup>5</sup> using permits and landing data for fiscal year 2002 gives a current estimate of fish volume and value by resident status of harvesters. Although the definition of "resident" used in that report differs from the PFD based definition in this report, the industry residency findings are similar. In the fish harvesting report, nonresidents accounted for 80.1% of the volume and 61.3% of the value of Alaska's 2002 fish harvest. Despite the majority of earnings and catch being attributed to nonresidents, Alaska resident permit holders outnumber nonresidents almost three to one.

The Aleutians West census area, Aleutians East Borough, and the Kodiak Island Borough had the most workers and the most total wages paid in the seafood processing industry. In both urban and rural areas of the state the percentage of non-resident workers was very high. (See Exhibit 13.)

# 13 Seafood Processing

## Workers and Wages by Area

Alaska 2003	Total Workers	Total Wages	Nonres. Workers	Nonres. Percent	Nonres. Wage	Nonres. Percent
Aleutians East	3,127	\$49,837,413	2,856	91.3%	\$42,965,426	86.2%
Aleutians West	3,211	\$58,527,945	2,476	77.1%	\$36,681,072	62.7%
Anchorage	172	\$2,980,343	46	26.7%	\$404,540	13.6%
Bethel	186	\$1,111,050	13	7.0%	\$178,058	16.0%
Bristol Bay	1,316	\$9,186,661	1,071	81.4%	\$7,056,870	76.8%
Dillingham	228	\$1,976,650	180	78.9%	\$1,601,836	81.0%
Fairbanks North Star	15	\$123,040	4	26.7%	\$35,405	28.8%
Haines	100	\$671,205	86	86.0%	\$508,637	75.8%
Juneau	254	\$2,517,681	147	57.9%	\$866,129	34.4%
Kenai Peninsula	1,685	\$12,122,314	732	43.4%	\$4,010,429	33.1%
Ketchikan Gateway	1,073	\$10,357,005	813	75.8%	\$6,203,001	59.9%
Kodiak	2,131	\$30,933,985	831	39.0%	\$8,102,582	26.2%
Lake and Peninsula	337	\$2,948,873	318	94.4%	\$2,707,638	91.8%
Mat-Su	ND	ND	ND	ND	ND	ND
North Slope	ND	ND	ND	ND	ND	ND
Prince of Wales-Outer Ketchikan	83	\$328,160	26	31.3%	\$77,110	23.5%
Sitka	377	\$5,162,164	164	43.5%	\$1,389,614	26.9%
Skagway-Hoonah-Angoon	89	\$1,062,421	34	38.2%	\$204,265	19.2%
Southeast Fairbanks	ND	ND	ND	ND	ND	ND
Valdez-Cordova	996	\$11,186,809	699	70.2%	\$6,650,621	59.5%
Wade Hampton	73	\$190,059	4	5.5%	\$26,106	13.7%
Wrangell-Petersburg	1,474	\$14,229,847	1,108	75.2%	\$8,369,496	58.8%
Yakutat	61	\$611,013	15	24.6%	\$117,437	19.2%
Marine/Offshore	1,956	\$27,232,781	1,878	96.0%	\$25,602,062	94.0%
Outside Alaska	249	\$2,696,876	248	99.6%	\$2,652,136	98.3%
Unknown	78	\$221,009	74	94.9%	\$206,647	93.5%
Total	19,277	\$246,215,304	13,823	71.7%	\$156,617,117	63.6%

ND: Nondisclosable

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

## Logging and Wood Products Shows an Increase in Nonresident Employment

Nonresidents accounted for 31.7% of all timber industry workers, and nonresident employment climbed for the first time since 1995. Since 1995, nonresident hire has fallen by 72.2% while resident hire has fallen 43.6%. (See Exhibit 14.) Employment for nonresidents may have increased for the first time since 1995 but nonresident wages still made new lows, dropping about \$800,000 to \$8.1 million. Nonresident earnings of 1995 were four times greater than 2003 total wages. Since then many of Alaska's timber operations have left the state.

## Visitor-Related Industries

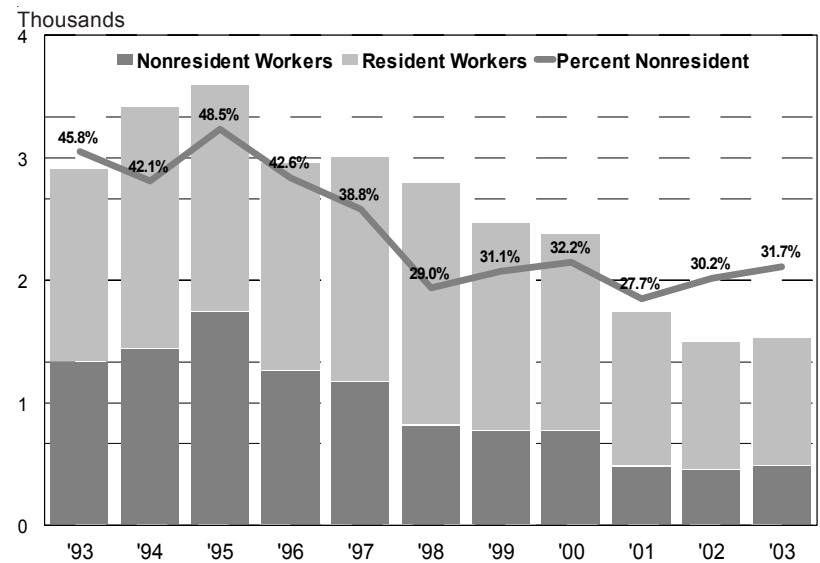
Several industry sectors in Alaska are significantly impacted by visitor expenditures, but there is no "visitor industry" in the North American Industry Classification System (NAICS). These sectors include accommodations, air/water transportation, scenic and sightseeing transportation, and food service and drinking establishments. Exhibit 19 shows the nonresident hire performance of these visitor-related industries, as well as the newly defined leisure and hospitality industry composed of accommodations, food services, and recreational activities.

Air transportation, accommodations, and food service and drinking places were the primary employers of nonresident workers in the visitor industry. More than \$153 million in wages were paid to nonresident workers in these three industries in 2003 alone.

The air transportation sector experienced a percentage increase in nonresident workers, climbing from 20.1% in 2002 to 23.1% in 2003. More than 43 percent of the workers in the airline pilots, copilots & flight engineers, and commercial pilots occupational groups were nonresidents, and they earned 47.5% of the total \$141.5 million paid to the pilots occupational group in Alaska in 2003.

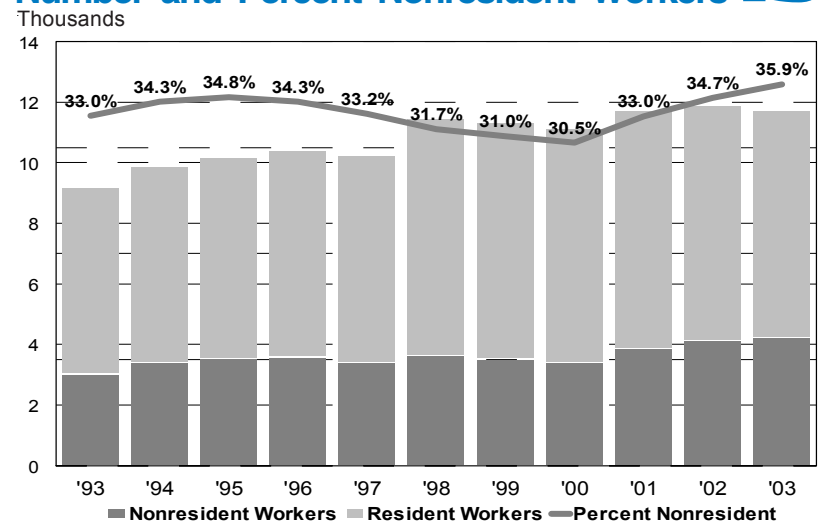
The accommodations industry has a nonresident hire rate of 35.9%, or about twice that of the total private sector, state and local government average. More than 23 percent of all earnings in the accommodations industry went to nonresidents in 2003. The percentage of nonresident workers employed in this sector has risen steadily over the

## Logging and Wood Products 14



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

## Accommodations 15



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

## Accommodations 16

### Top Employers of Nonresident Workers

Alaska 2003	Total Workers	Nonresident Workers	Percent Nonresident
Alaska Hotel Properties LLC	1,218	670	55.0
Alyeska Resort	1,048	232	22.1
Westmark Hotels Inc.	930	225	24.2
Grande Denali Lodge LLC	210	191	91.0
Glacier Bay Park Concessions	213	178	83.6
Chena Hot Springs Resort LLC	214	115	53.7
Denali Bluffs Hotel Inc.	127	107	84.3
Fountainhead Development Inc.	559	104	18.6
Waterfall Group LTD, The	96	71	74.0

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

## 17 Selected Visitor Related Employers Nonresident Workers

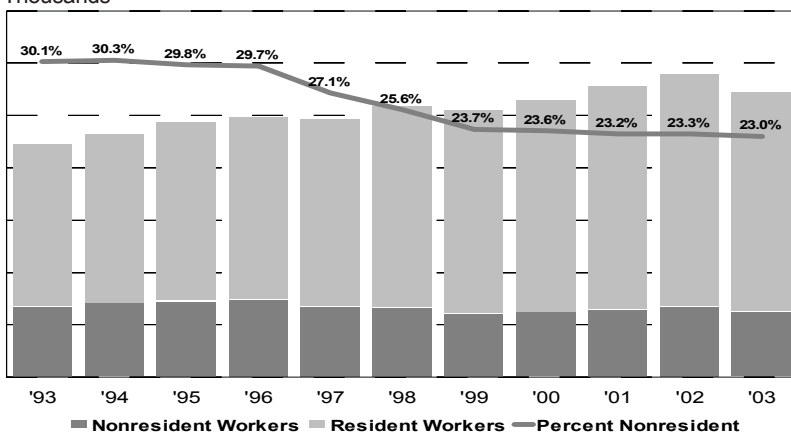
Alaska 2003	Total Workers	Nonresident Workers	Percent Nonresident
Aramark Sports Inc.	1,009	741	73.4
Alaska Hotel Properties LLC	1,218	670	55.0
Northwest Airlines Inc.	808	572	70.8
Alaska Airlines Inc.	2,606	370	14.2
Interior Alaska McDonald's	965	250	25.9
CIRI Alaska Tourism Corp.	649	246	37.9
Westours Motorcoaches Inc.	606	235	38.8
Alyeska Resort	1,048	232	22.1
Westmark Hotels Inc.	930	225	24.2

Note: Visitor Related Industries included are Transportation, Accommodations, and Eating Places

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

## 18 Food Service & Drinking Places Number and Percent Nonresident Workers

Thousands



Note: Private Sector only

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

## 19 Visitor Related Industries Workers and Wages

Alaska 2003	Total		Nonresident			
	Workers	Wages (\$millions)	Workers	Percent	Wages (\$millions)	Percent
Air Transportation	8,218	\$307	1,901	23.1%	\$82.5	26.9%
Scenic and Sightseeing Transportation	3,373	41	1,342	39.8%	13.0	31.5%
Support Activities for Transportation	3,422	94	592	17.3%	10.1	10.8%
Amusement, Gambling, and Recreation Industries	4,191	37	968	23.1%	5.4	14.4%
Food Services and Drinking Places	27,247	282	6,271	23.0%	38.6	13.7%
Accommodation	11,725	138	4,214	35.9%	32.1	23.3%
Performing Arts, Spectator Sports, and Related Industries	787	8	251	31.9%	1.8	23.1%
Leisure and Hospitality*	43,950	\$465	11,704	26.6%	\$77.9	16.7%

\* This NAICS based industry category includes hotels, eating and drinking and related industry sectors.

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

past four years. Nonresident hire and nonresident percent wages for the accommodations industry is currently at a 10-year high. (See Exhibit 15.)

The food services and drinking places sector has seen nonresident percentages fall steadily from levels of 30.3% in 1994 to 23.0% in 2003. (See Exhibit 18.) In 2003 these establishments employed 6,271 nonresidents who made over \$38.6 million in wages.

### Other Industry Sectors

Detailed resident hire data by industry can be found in Appendix A2. The finance and insurance, utilities, and information industries have a very low percentage of nonresidents. State and local government continues to have among the lowest percent nonresident workers and wages, with less than 6.1% of workers and 3.0% of wages paid to nonresidents. Both state and local government experienced a slight decrease in nonresident workers over 2003.

### Nonresidents Work in Jobs that Alaskans Can Fill

Based upon monthly unemployment estimates, between 23,259 and 31,333 Alaska residents were officially unemployed in 2003. During 2003 the number of nonresident workers during each quarter varied from 25,557 to 48,770. (See Exhibit 22.) Although nonresident workers may take jobs that many in the Alaska labor force may be unwilling, unable, or unqualified to fill, the data suggest that a significant number of unemployed Alaskans could be employed if given an opportunity, additional training, or better information.

Another factor is Alaska's underemployed workers—those who involuntarily worked less

than full time, or workers who had higher skill levels than those required for the position in which they were working. Other workers live where there are few employment opportunities and so have not looked for work, a requirement to be considered unemployed.

In 2003, many nonresident workers filled good paying jobs that require relatively modest education or training. Based upon an analysis of Alaska occupational wage records and occupational information provided by employers, more than 85% of all nonresident workers were employed in jobs requiring education less than or equal to an associate degree (approximately two years of postsecondary education). (See Exhibits 20 and 23.) In fact 44.7% of nonresident workers made more than the median resident wage (\$6,136) in at least one quarter during 2003.

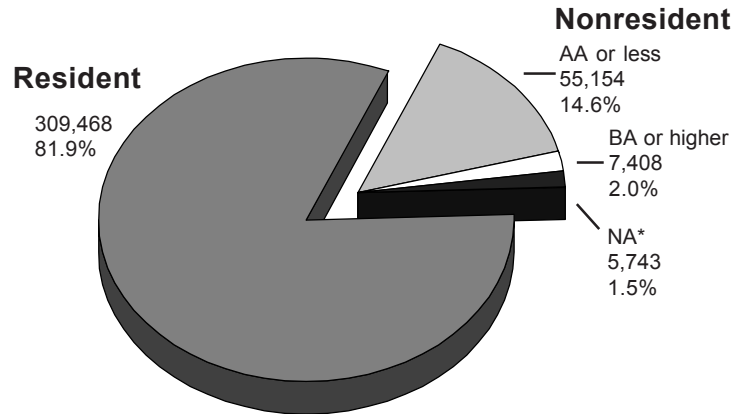
In 2003, nonresident workers were employed throughout the state, many in jobs with relatively high average earnings requiring less than a four-year degree. The North Slope Borough, which includes the Prudhoe Bay oilfields, in particular had a large number of nonresident workers earning

a significant amount of money (approximately \$112 million) in occupations that required less than a four-year degree. (See Exhibit 23.)

### Returning Nonresident Workers

Alaska attracts many new nonresident workers each year. Some work in seasonal, low-paying jobs, while others may use their specialized skills

## Nonresident Workers 20 By Education Required for Occupation



\* NA—not available

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

## Alaska Resident and Nonresident Workers and Wages 2002 and 2003 21

Industry	Resident Workers			Nonresident Workers			Resident Wages in \$1,000s			Nonresident Wages in \$1,000s		
	2002	2003	Percent Change	2002	2003	Percent Change	2002	2003	Percent Change	2002	2003	Percent Change
Ag/Forestry/Fishing	1,485	1,486	0.1	818	875	7.0	\$34,685	\$32,139	-7.3	\$15,200	\$15,146	-0.4
Mining	11,125	9,996	-10.1	3,659	3,353	-8.4	767,868	673,477	-12.3	256,362	211,688	-17.4
Utilities	2,115	2,041	-3.5	130	115	-11.5	110,842	106,512	-3.9	3,510	2,711	-22.8
Construction	21,836	22,619	3.6	5,556	5,627	1.3	688,970	759,339	10.2	102,750	125,275	21.9
Manufacturing	9,516	9,783	2.8	13,852	14,602	5.4	218,577	230,331	5.4	138,465	166,347	20.1
Wholesale Trade	6,502	6,570	1.0	1,029	997	-3.1	212,926	223,731	5.1	14,273	14,445	1.2
Retail Trade	40,599	40,596	0.0	6,823	6,528	-4.3	793,976	822,551	3.6	53,694	52,830	-1.6
Trans/Warehousing	20,012	19,680	-1.7	4,849	5,129	5.8	685,688	681,074	-0.7	147,618	158,099	7.1
Information	7,683	7,532	-2.0	776	668	-13.9	304,361	307,579	1.1	13,771	13,992	1.6
Finance and Insurance	9,253	8,980	-3.0	807	812	0.6	344,334	361,108	4.9	13,295	13,943	4.9
Real Est./Rental/Lease	5,581	6,033	8.1	807	766	-5.1	110,313	134,802	22.2	7,257	7,362	1.4
Prof/Scientific/Tech Svcs	10,828	11,250	3.9	2,086	2,162	3.6	401,435	415,947	3.6	47,896	58,714	22.6
Mgt. of Companies	114	395	246.5	7	63	800.0	5,698	22,781	299.8	214	3,383	1,480.8
Admin Sppt/Waste Mgt	11,203	12,362	10.3	3,423	3,892	13.7	228,006	261,414	14.7	39,378	55,803	41.7
Educational Services	1,926	2,065	7.2	538	560	4.1	44,413	51,255	15.4	5,089	6,460	26.9
Health Care/Social Assist.	31,300	34,156	9.1	3,953	4,043	2.3	923,504	1,031,240	11.7	67,117	67,386	0.4
Arts/Entertain/Recreation	4,232	4,166	-1.6	1,370	1,303	-4.9	43,881	46,427	5.8	7,913	8,051	1.7
Accommodation/Food Svcs	30,025	28,487	-5.1	10,870	10,485	-3.5	364,361	349,273	-4.1	72,133	70,724	-2.0
Other Services	11,269	10,424	-7.5	1,768	1,637	-7.4	233,281	226,300	-3.0	17,133	16,935	-1.2
Public Administration	115	382	232.2	12	23	91.7	1,889	9,526	404.3	114	244	114.0
Non-Classifiable	76	92	21.1	90	91	1.1	1,828	1,246	-31.8	1,003	495	-50.6
Total Private Sector	236,795	239,095	1.0	63,223	63,731	0.8	5,608,352	5,936,736	5.9	1,024,185	1,070,034	4.5
State Government	24,472	24,342	-0.5	1,667	1,610	-3.4	859,189	884,638	3.0	26,398	28,003	6.1
Local Government	45,254	46,031	1.7	3,082	2,964	-3.8	1,250,652	1,290,527	3.2	37,427	39,375	5.2
Total	306,521	309,468	1.0	67,972	68,305	0.5	\$7,718,194	\$8,111,901	5.1	\$1,088,011	\$1,137,411	4.5

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

## 22 Employed and Unemployed Residents and Nonresidents

Alaska 2003	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Total Resident Workers*	236,703	253,656	254,498	237,350
Total Nonresident Workers	25,557	38,751	48,770	36,108
Est. Avg. AK Unemployed**	30,291	25,979	23,950	26,022

\*Includes all workers employed in private sector, state and local government.

\*\*Derived from monthly Alaska labor force estimates

Note: Data is derived from series that are not directly comparable due to differing definitions.

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

## 23 Nonresidents in Occupations With Known Educational Requirement

Alaska 2003	Education Required	Nonresident Workers	Total Nonresident Wages	Avg. Nonres. Wages
<b><u>Anchorage/Mat-Su Region</u></b>				
Anchorage	AA or less	16,087	\$220,564,903	\$13,711
Anchorage	BA or higher	3,072	146,057,969	47,545
Mat-Su	AA or less	2,214	20,047,941	9,055
Mat-Su	BA or higher	333	4,526,140	13,592
<b><u>Gulf Coast Region</u></b>				
Kenai	AA or less	3,633	30,564,517	8,413
Kenai	BA or higher	291	5,955,325	20,465
Kodiak	AA or less	1,314	14,853,277	11,304
Kodiak	BA or higher	106	2,281,641	21,525
Valdez-Cordova	AA or less	1,660	18,048,979	10,873
Valdez-Cordova	BA or higher	102	3,319,599	32,545
<b><u>Interior Region</u></b>				
Denali Borough	AA or less	815	6,893,555	8,458
Denali Borough	BA or higher	45	895,802	19,907
Fairbanks	AA or less	5,323	66,400,425	12,474
Fairbanks	BA or higher	926	18,452,568	19,927
Southeast Fairbanks	AA or less	484	11,773,395	24,325
Southeast Fairbanks	BA or higher	130	9,127,445	70,211
Yukon-Koyukuk	AA or less	321	4,650,490	14,488
Yukon-Koyukuk	BA or higher	70	1,430,041	20,429
<b><u>Northern Region</u></b>				
Nome	AA or less	359	4,993,050	13,908
Nome	BA or higher	147	3,310,902	22,523
North Slope Borough	AA or less	2,258	111,627,272	49,436
North Slope Borough	BA or higher	296	18,888,603	63,813
Northwest Arctic Borough	AA or less	339	10,784,142	31,812
Northwest Arctic Borough	BA or higher	115	4,465,561	38,831

(continued next page)

to obtain better paying positions. Each year, over half of all the nonresident workers work in Alaska for the first time. About 30 percent of these workers return the following year to the same area. A greater percentage of nonresident workers returned to Alaska in 2003 than in any of the previous 10 years. Usually, only about 15 percent of those nonresident workers become Alaska residents the following year.

### Nonresident Occupations

Employers provide occupational information on workers to the Department on a quarterly basis. For this report, workers were assigned an occupation code based upon the occupation in which they earned the most money in 2003. Nonresident workers were found in large numbers in a wide variety of occupations, especially in occupations related to seafood processing, accommodations, food service and drinking places, oil, and construction. Many occupations with large numbers of nonresident workers have relatively high pay, and although they may require significant training or education, represent an opportunity for training programs in Alaska or a career path for an unemployed Alaskan. Exhibit 24 lists the top nonresident occupations that had average quarterly earnings in excess of \$5,623 in 2003, the median quarterly earnings for those reporting occupational information.

Exhibit 25 shows occupations with the largest number of nonresident workers, irrespective of earnings. Many of these occupations represent an entry-level employment opportunity for unemployed Alaska workers with less work experience or fewer skills. Top nonresident occupations include seafood processing workers, retail sales workers, food service workers, waiters/waitresses, general laborers, and cashiers.

### Nonresident Occupations by Industry

Exhibit 26 shows the top nonresident occupations for several major Alaska industry sectors with a large number of nonresident workers. This level of specificity is useful for training providers.

### Resident Hire by Geographic Area

The highest percentage of nonresident workers is found in the Southwest Region, primarily the Aleutians East, Bristol Bay, Lake-and-Peninsula boroughs, and the Aleutians West census area. These workers were engaged primarily in seafood processing. Other areas with a high percentage

of nonresident workers include the Denali and Kodiak Island boroughs, and the Valdez-Cordova and Skagway-Hoonah-Angoon census areas.

The areas with the lowest percent nonresident workers include northern and western rural areas of Alaska (excluding the North Slope Borough). These areas generally offer little in the way of seafood, oil, or visitor-related industries that would lead to the employment that has historically attracted nonresident workers. The areas that are mostly urban, economically diverse, and offer the most year-round jobs have a moderate or “average” number of nonresident workers. Anchorage/Mat-Su, Fairbanks and Juneau fall into this category. Areas that have seen growth in nonresident workers over the last 10 years are Anchorage, Fairbanks, Juneau, Denali, Aleutians East, and most of Southeast.

### Geographic Distribution of Local and Non-Local Residents and Nonresidents

For many areas, filling jobs with local residents is a high priority. Worker employment records showing place of work information are matched with PFD applicant address information to determine the number of local residents, non-local Alaska residents, and nonresidents working in each Alaska borough or census area.<sup>6</sup> Overall, 70 percent of workers were local residents of the area where they worked in 2003, while about 12 percent were residents of Alaska, but did not live in the borough or census area in which they worked. (See Exhibits 27 and 29.)

The Aleutians East Borough, with its large number of nonresident seafood processing workers, had the lowest percent local resident private sector workers in 2003. The North Slope Borough also had a very significant number of non-local private sector workers, due to the large number of oil industry workers employed on a rotating basis at work sites in the Prudhoe Bay area. Other areas with low percent local resident workers include those with large seasonal seafood processing industries.

### Economic and Social Impact of Nonresident Workers

Nonresident workers can negatively affect the Alaska economy in many ways including:

- Depriving an Alaska resident of a job and income

## Nonresidents in Occupations With Known Educational Requirement **23**

(continued)

Alaska 2003	Education Required	Nonresident Workers	Total Nonresident Wages	Avg. Nonres. Wages
<b><u>Southeast Region</u></b>				
Haines	AA or less	247	\$1,386,419	\$5,613
Haines	BA or higher	18	315,374	17,521
Juneau	AA or less	2,473	28,146,560	11,382
Juneau	BA or higher	447	9,929,334	22,213
Ketchikan	AA or less	1,940	20,045,202	10,333
Ketchikan	BA or higher	98	2,732,673	27,884
PoW-Outer Ketchikan	AA or less	650	7,434,672	11,438
PoW-Outer Ketchikan	BA or higher	67	1,238,834	18,490
Sitka	AA or less	930	8,984,057	9,660
Sitka	BA or higher	135	1,719,764	12,739
Skagway-Angoon	AA or less	1,002	8,721,213	8,704
Skagway-Angoon	BA or higher	46	1,108,684	24,102
Wrangell-Petersburg	AA or less	1,337	11,035,650	8,254
Wrangell-Petersburg	BA or higher	37	860,994	23,270
Yakutat	AA or less	86	802,001	9,326
Yakutat	BA or higher	7	137,962	19,709
<b><u>Southwest Region</u></b>				
Aleutians East	AA or less	2,417	40,870,950	16,910
Aleutians East	BA or higher	62	1,832,723	29,560
Aleutians West	AA or less	2,950	47,579,890	16,129
Aleutians West	BA or higher	93	4,037,388	43,413
Bethel	AA or less	659	11,394,104	17,290
Bethel	BA or higher	262	7,565,170	28,875
Bristol Bay Borough	AA or less	1,104	9,040,668	8,189
Bristol Bay Borough	BA or higher	15	439,143	29,276
Dillingham	AA or less	439	4,423,108	10,075
Dillingham	BA or higher	86	1,885,708	21,927
Lake and Peninsula	AA or less	557	4,625,389	8,304
Lake and Peninsula	BA or higher	22	419,240	19,056
Wade Hampton	AA or less	161	2,669,390	16,580
Wade Hampton	BA or higher	48	1,244,643	25,930
<b><u>Other</u></b>				
Other Alaska	AA or less	3,395	67,312,895	19,827
Other Alaska	BA or higher	332	17,974,142	59,138

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



- Taking their nonresident income outside the state, resulting in significant income leakage<sup>7</sup> and reduced multiplier effect<sup>8</sup>
- Increasing the likelihood that an unemployed Alaska resident will remain on unemployment insurance longer than would otherwise be the case
- The receipt and spending outside the state of unemployment insurance benefits derived from Alaska employment. In 2003,

\$33 million was paid in regular UI benefit payments to interstate claimants.

In addition, the increase in unemployment and loss of income to Alaskans can lead to a variety of social ills including drug abuse, domestic violence, and a variety of negative health effects. These social ills are documented in an annual review of resident hire conditions used as part of the determination process to identify construction craft occupations

## 24 Private Sector Occupations with the Most Nonresidents Paid More than the All-Occupations Median

Alaska 2003

Occupation	Nonresident Workers	Average Earnings per Qtr
Packaging and Filling Machine Operators and Tenders	2,281	\$5,726
Construction Laborers	1,026	6,666
Carpenters	938	7,898
Office Clerks, General	829	5,662
Registered Nurses	725	10,682
Fishers and Related Fishing Workers*	681	7,652
Operating Engineers, other Construction Equipm't Opr	680	15,404
Airline Pilots, Copilots, and Flight Engineers	644	32,805
Electricians	530	12,921
Service Unit Operators, Oil, Gas, and Mining	455	21,528
Maintenance and Repair Workers, General	444	6,783
General and Operations Managers	436	13,676
Sailors and Marine Oilers	398	8,346
Construction and Related Workers, All Other	392	8,198
Plumbers, Pipefitters, and Steamfitters	388	13,204
1st-Line Supv/Mgr Construction Trades/Extraction Wkrs	367	18,799
Commercial Pilots	359	12,285
Captains, Mates, and Pilots of Water Vessels	324	13,268
Security Guards	318	5,776
Surimi Technicians	315	5,704
Truck Drivers, Heavy and Tractor-Trailer	312	9,558
Roustabouts, Oil and Gas	297	12,933
Managers, All Other	290	22,614
Office and Administrative Support Workers, All Other	283	6,952
Automotive Service Technicians and Mechanics	267	6,528
Aircraft Mechanics and Service Technicians	263	11,259
Engineers, All Other	237	29,589
Truck Drivers, Light or Delivery Services	187	6,218
Chefs and Head Cooks	181	6,844
Painters, Construction and Maintenance	178	5,873
Structural Iron and Steel Workers	173	12,384
Welders, Cutters, Solderers, and Brazers	168	12,434
1st-line Supv/Mgr Seafood Processing Wkrs	167	8,789

Median earnings: \$5,623 per quarter worked

\* Most seafood harvesters are self-employed, and are excluded from these data and analyses.

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

eligible for a 90 percent employment preference on publicly funded construction projects.

Workers generally spend the bulk of their earnings where they reside. Nonresidents take a significant portion of their earnings to their home state, depriving Alaska of the full economic

benefits of the employment created in the Alaska economy. This has a direct impact on the total growth rate and income for the Alaska economy. This leakage of income out of state results in smaller indirect income and employment than would occur if workers lived in Alaska. Many nonresidents work a relatively short time in Alaska

(continued page 15)

## Private Sector Occupations with the Largest Number of Nonresidents **25**

Alaska 2003	Resident Workers	Nonres. Workers	Nonres. Percent	Resident Earnings	Nonres. Earnings	Nonres. Percent
Seafood Processing Workers, except Surimi/Fish Roe	3,007	7,370	71.0	\$34,487,554	\$62,508,604	64.4
Retail Salespersons	12,535	2,296	15.5	202,632,550	16,500,612	7.5
Packaging and Filling Machine Operators and Tenders	449	2,281	83.6	6,661,489	33,778,253	83.5
Waiters and Waitresses	4,252	1,490	25.9	48,403,080	8,689,217	15.2
Combined Food Prep/Serving Wkrs, including Fast Food	5,967	1,479	19.9	40,399,206	6,026,462	13.0
Cashiers	5,851	1,044	15.1	62,373,545	6,081,774	8.9
Construction Laborers	5,340	1,026	16.1	121,697,960	13,471,524	10.0
Tour Guides and Escorts	792	990	55.6	6,990,691	7,158,134	50.6
Laborers and Freight/Stock/Material Movers, Hand	4,713	980	17.2	81,546,124	9,607,339	10.5
Maids and Housekeeping Cleaners	3,225	965	23.0	38,252,720	6,523,093	14.6
Carpenters	4,112	938	18.6	115,343,919	15,030,398	11.5
Office Clerks, General	5,225	829	13.7	110,958,055	10,310,076	8.5
Cooks, Restaurant	1,896	791	29.4	28,901,845	6,432,349	18.2
Registered Nurses	3,002	725	19.5	139,792,490	18,436,763	11.7
Fishers and Related Fishing Workers	416	681	62.1	3,958,869	9,014,169	69.5
Operating Engineers/Other Construction Equipm't Opr	2,397	680	22.1	113,184,372	28,990,002	20.4
Janitors/Cleaners, except Maids and House Cleaners	3,528	666	15.9	48,300,617	4,458,544	8.5
Airline Pilots, Copilots, and Flight Engineers	722	644	47.1	42,143,579	57,671,266	57.8
Dishwashers	1,463	562	27.8	10,929,564	2,773,538	20.2
Electricians	1,869	530	22.1	86,189,205	15,647,816	15.4
Meat, Poultry, and Fish Cutters and Trimmers	419	491	54.0	7,880,456	4,874,445	38.2
Service Unit Operators, Oil, Gas, and Mining	882	455	34.0	69,379,297	33,066,499	32.3
Food Preparation Workers	1,801	451	20.0	22,416,749	3,718,158	14.2
Maintenance and Repair Workers, General	2,049	444	17.8	53,982,875	7,203,866	11.8
General and Operations Managers	3,332	436	11.6	181,735,071	15,372,325	7.8
Receptionists and Information Clerks	2,887	431	13.0	52,886,633	3,369,768	6.0
Customer Service Representatives	3,160	412	11.5	67,752,162	4,504,974	6.2
Stock Clerks and Order Fillers	2,291	407	15.1	34,645,622	3,484,260	9.1
Sailors and Marine Oilers	459	398	46.4	10,083,047	6,860,596	40.5
Bartenders	1,773	393	18.1	22,439,157	2,471,275	9.9
Construction and Related Workers, All Other	811	392	32.6	15,415,326	5,771,059	27.2
Plumbers, Pipefitters, and Steamfitters	1,408	388	21.6	63,857,231	11,078,358	14.8
Child Care Workers	1,733	369	17.6	17,219,873	1,759,694	9.3
1st-Line Supv/Mgr Construction Trades/Extraction Wkrs	941	367	28.1	66,873,552	22,540,585	25.2
Commercial Pilots	694	359	34.1	43,271,469	11,633,718	21.2
Hotel, Motel, and Resort Desk Clerks	1,095	351	24.3	14,212,687	2,489,005	14.9
Sales and Related Workers, All Other	2,007	328	14.0	41,164,204	3,144,483	7.1
Captains, Mates, and Pilots of Water Vessels	393	324	45.2	14,486,286	10,946,119	43.0
Security Guards	1,697	318	15.8	41,846,712	4,366,434	9.4
Surimi Technicians	15	315	95.5	364,163	5,857,659	94.1
Truck Drivers, Heavy and Tractor-Trailer	2,205	312	12.4	84,657,126	7,522,532	8.2
Bookkeeping, Accounting, and Auditing Clerks	3,406	300	8.1	89,304,715	3,653,716	3.9

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

# 26 Largest Nonresident Occupations In Selected Industries

Alaska 2003	Occupational Title	Resident Workers	Nonres. Workers	Percent Nonres.	Resident Wages	Nonres. Wages	Percent Nonres.
Animal Production	Agricultural Workers, All Other	143	122	46.0	\$2,230,275	\$943,439	29.7
Forestry and Logging	Choker Setters and Chasers	43	67	60.9	614,871	628,259	50.5
Forestry and Logging	Logging Equipment Operators	110	64	36.8	3,415,820	1,302,808	27.6
Forestry and Logging	Fallers	67	56	45.5	2,146,179	1,133,660	34.6
Forestry and Logging	Logging Workers, All Other	61	42	40.8	1,469,931	886,891	37.6
Fishing, Hunting and Trapping	Fishers and Related Fishing Workers	35	83	70.3	595,696	2,448,591	80.4
Oil and Gas Extraction	Service Unit Operators, Oil, Gas, and Mining	433	213	33.0	48,672,969	24,152,381	33.2
Oil and Gas Extraction	not elsewhere classified	187	112	37.5	12,445,370	2,950,492	19.2
Oil and Gas Extraction	Engineers, All Other	228	78	25.5	25,956,280	12,397,241	32.3
Oil and Gas Extraction	Petroleum Pump System Opr, Refinery Opr./Gaugers	125	49	28.2	13,688,600	5,446,921	28.5
Oil and Gas Extraction	Managers, All Other	58	41	41.4	12,654,803	8,792,261	41.0
Support Activities for Mining	Roustabouts, Oil and Gas	821	281	25.5	36,303,170	11,700,435	24.4
Support Activities for Mining	not elsewhere classified	149	186	55.5	847,558	2,075,529	71.0
Support Activities for Mining	Operating Engineers/Construction Equipment Opr	432	182	29.6	25,147,008	10,150,328	28.8
Support Activities for Mining	1st-Line Supv/Mgr Construction Trades/Extraction Wkrs	343	157	31.4	26,937,178	12,572,891	31.8
Support Activities for Mining	Service Unit Operators, Oil, Gas, and Mining	288	129	30.9	16,551,472	5,680,418	25.6
Construction of Buildings	Carpenters	2,354	548	18.9	73,042,447	9,177,423	11.2
Construction of Buildings	Construction Laborers	1,847	386	17.3	40,141,440	4,009,697	9.1
Construction of Buildings	Structural Iron and Steel Workers	76	73	49.0	2,533,693	1,891,939	42.7
Heavy/Civil Engineering Construct.	Operating Engineers/Construction Equipment Opr	963	262	21.4	50,710,332	12,228,023	19.4
Heavy/Civil Engineering Construct.	Construction Laborers	1,112	139	11.1	29,024,173	2,728,576	8.6
Specialty Trade Contractors	Construction Laborers	1,149	324	22.0	22,346,836	3,820,269	14.6
Specialty Trade Contractors	Electricians	1,363	278	16.9	59,420,753	6,734,886	10.2
Specialty Trade Contractors	Carpenters	807	227	22.0	19,922,553	2,885,890	12.7
Specialty Trade Contractors	Plumbers, Pipefitters, and Steamfitters	979	211	17.7	42,192,894	5,323,871	11.2
Food Manufacturing	Seafood Processing Workers, exc. Surimi/Fish Roe	2,874	7,218	71.5	33,481,097	61,534,049	64.8
Food Manufacturing	Packaging & Filling Machine Operators, Tenders	397	2,267	85.1	5,791,294	33,690,905	85.3
Food Manufacturing	not elsewhere classified	193	1,447	88.2	766,316	8,314,233	91.6
Food Manufacturing	Meat, Poultry, and Fish Cutters and Trimmers	332	466	58.4	5,500,951	4,711,889	46.1
Food Manufacturing	Surimi Technicians	15	307	95.3	364,163	5,626,801	93.9
Food Manufacturing	Fishers and Related Fishing Workers	131	306	70.0	1,044,737	4,577,663	81.4
Food Manufacturing	1st-line Supv/Mgr Seafood Processing Wkrs	97	163	62.7	2,748,510	3,988,423	59.2
Wholesalers, Nondurable Goods	Fishers and Related Fishing Workers	146	136	48.2	1,183,775	1,074,816	47.6
Clothing and Accessories Stores	Retail Salespersons	1,039	332	24.2	11,503,914	2,763,010	19.4
General Merchandise Stores	Retail Salespersons	3,836	526	12.1	57,011,810	3,490,270	5.8
General Merchandise Stores	Cashiers	2,507	359	12.5	27,995,569	2,070,104	6.9
Air Transportation	Airline Pilots, Copilots, and Flight Engineers	638	617	49.2	38,207,130	57,270,922	60.0
Air Transportation	Commercial Pilots	548	282	34.0	36,096,123	9,939,802	21.6
Air Transportation	Aircraft Mechanics and Service Technicians	707	197	21.8	32,486,760	5,832,891	15.2
Water Transportation	Sailors and Marine Oilers	165	101	38.0	5,567,650	2,956,878	34.7
Water Transportation	Captains, Mates, and Pilots of Water Vessels	101	69	40.6	5,266,357	3,979,921	43.0
Scenic/Sightseeing Transportation	Tour Guides and Escorts	193	170	46.8	1,926,912	1,571,844	44.9
Scenic/Sightseeing Transportation	not elsewhere classified	143	168	54.0	787,236	1,297,470	62.2
Scenic/Sightseeing Transportation	Travel Guides	50	92	64.8	669,666	958,873	58.9
Scenic/Sightseeing Transportation	Captains, Mates, and Pilots of Water Vessels	135	82	37.8	3,147,975	1,193,711	27.5
Prof./Scientific/Tech. Svcs.	Zoologists and Wildlife Biologists	57	125	68.7	1,521,362	1,954,702	56.2
Administrative and Support Svcs.	Janitors & Cleaners, exc. Maids/Housekeeping	1,272	332	20.7	16,166,817	2,157,624	11.8
Educational Services	Teachers and Instructors, All Other	150	125	45.5	2,650,102	510,604	16.2
Hospitals	Registered Nurses	2,043	333	14.0	99,959,391	9,625,203	8.8
Social Assistance	Child Care Workers	1,022	219	17.6	9,880,381	996,717	9.2
Amusement/Gambling/Recreation	Tour Guides and Escorts	228	279	55.0	1,812,499	1,702,639	48.4
Amusement/Gambling/Recreation	Travel Guides	24	66	73.3	176,854	265,454	60.0
Accommodation	Maids and Housekeeping Cleaners	1,741	630	26.6	17,213,526	3,452,153	16.7
Accommodation	Waiters and Waitresses	722	320	30.7	8,901,900	2,162,783	19.5
Accommodation	Tour Guides and Escorts	77	286	78.8	828,265	2,106,804	71.8
Food Services/Drinking Places	Food Prep/Serving Wkrs, Incl. Fast Food	5,213	1,312	20.1	32,575,582	4,860,834	13.0
Food Services/Drinking Places	Waiters and Waitresses	3,234	1,047	24.5	36,951,521	5,694,638	13.4
Food Services/Drinking Places	Cooks, Restaurant	1,434	554	27.9	21,377,549	4,308,752	16.8
Food Services/Drinking Places	Dishwashers	1,007	385	27.7	6,609,508	1,882,184	22.2

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

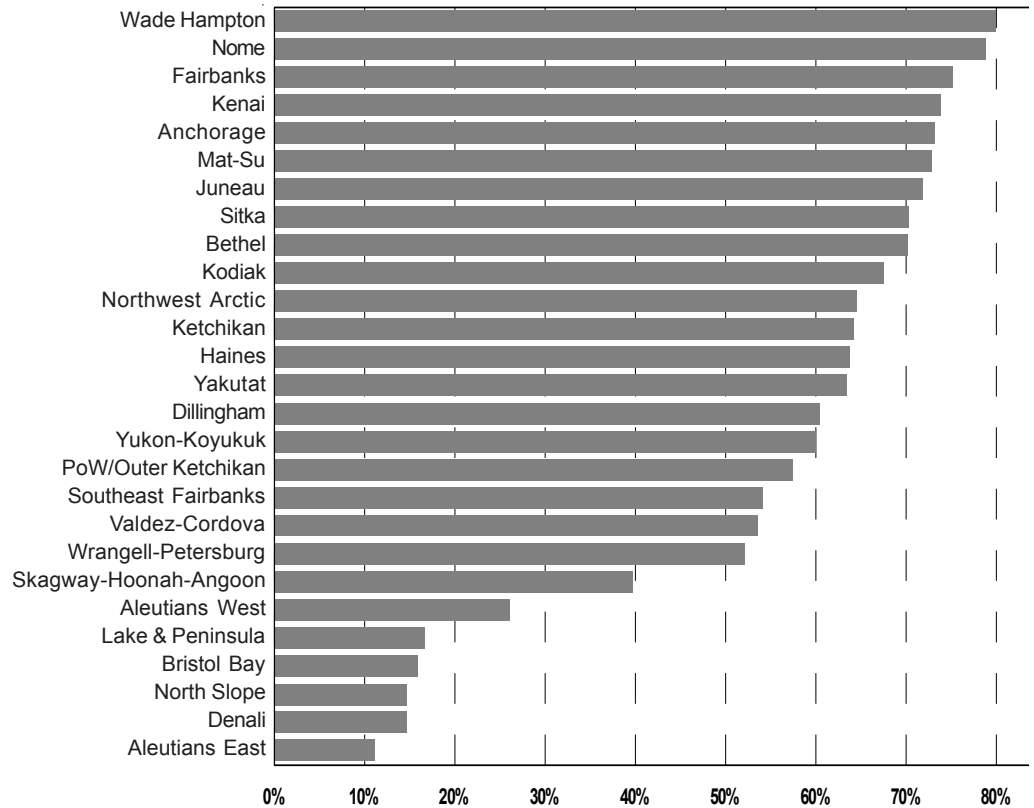
(often for just a quarter or two) and generally do not live, own homes or consume the bulk of their earnings in Alaska.

Nonresidents take direct job opportunities away from Alaskans. In addition, they keep the overall economy, including retail sales, services and housing construction, at a level lower than would otherwise be the case. When nonresidents take jobs that Alaskans could fill, unemployed Alaskans draw upon unemployment insurance and other financial aid programs.

Not only is there a direct job loss and a direct loss of the income those jobs provide, the indirect effects associated with the respending of those dollars is lost as well. The U.S. Bureau of Economic Analysis estimates that Alaska has an economic multiplier of 1.4 to 1.9, depending on the industry.<sup>8</sup> This means that the \$1.14 billion in nonresident worker earnings in 2003 would generate an additional \$450 million to \$1 billion if those dollars were spent

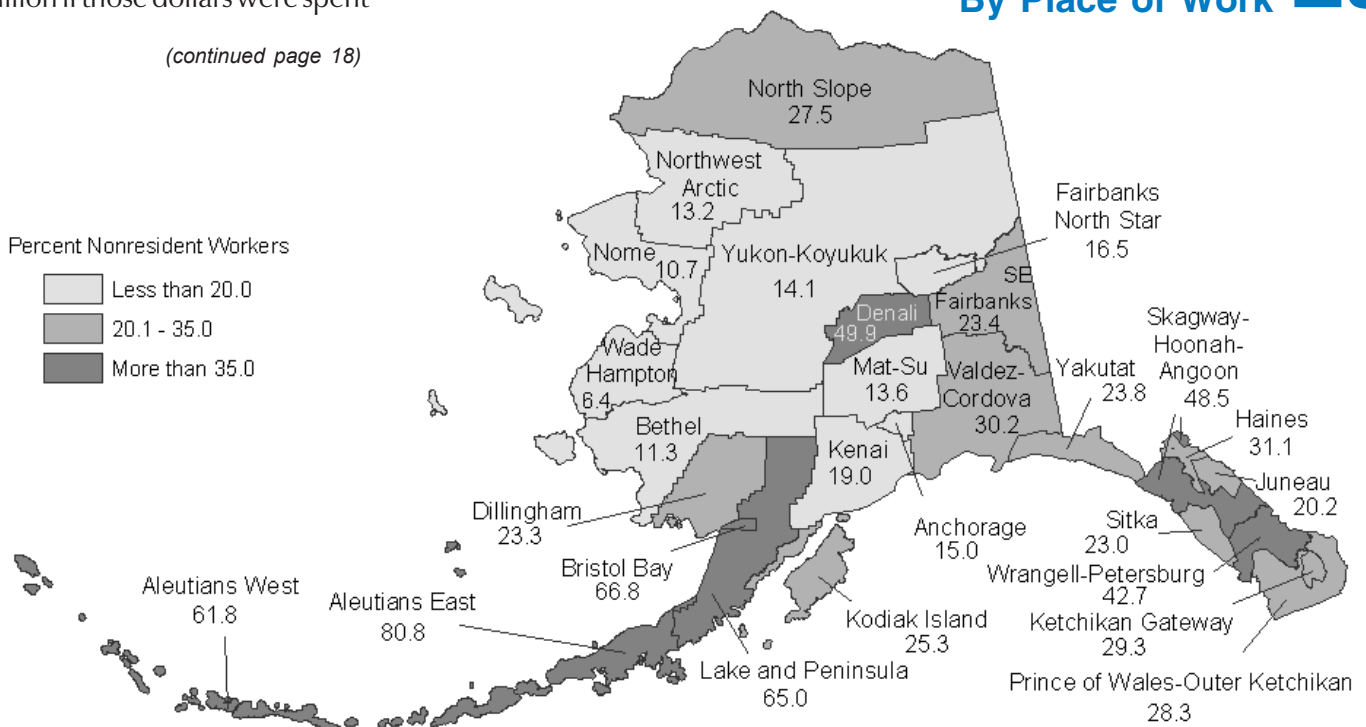
(continued page 18)

## Percent of Private Sector Workers who are Local Residents **27**



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

## Nonresident Private Sector Workers By Place of Work **28**



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

# 29 Workers and Earnings by Place of Work & Alaska Residence

## Residents and Nonresidents

Alaska 2003		Resident Workers Local	Other Alaska Resident	Non- resident Workers	Pct. Non- resident Workers	Wages Local Resident	Wages Other AK Resident	Non- resident Wages	Pct. Non- resident Wages
<b><u>Anchorage/Mat-Su Region</u></b>									
Anchorage	State Govt.	8,288	1,066	412	4.2	\$313,578,432	\$39,290,940	\$7,599,966	2.1
Anchorage	Local Govt.	11,086	775	522	4.2	402,750,576	28,136,080	6,612,204	1.5
Anchorage	Private Sector	100,209	15,980	20,538	15.0	3,101,157,979	495,356,985	393,697,049	9.9
Mat-Su	State Govt.	920	131	27	2.5	30,930,628	4,005,353	525,155	1.5
Mat-Su	Local Govt.	2,727	110	102	3.5	79,861,734	3,653,911	1,063,964	1.3
Mat-Su	Private Sector	13,353	2,467	2,481	13.6	271,567,799	55,715,391	23,778,711	6.8
<b><u>Gulf Coast Region</u></b>									
Kenai	State Govt.	1,097	131	55	4.3	37,092,820	4,592,088	904,009	2.1
Kenai	Local Govt.	3,458	80	176	4.7	112,807,647	2,272,764	2,693,416	2.3
Kenai	Private Sector	15,034	1,421	3,864	19.0	348,032,082	37,706,053	34,749,107	8.3
Kodiak	State Govt.	274	28	22	6.8	10,144,390	416,823	390,327	3.6
Kodiak	Local Govt.	891	38	92	9.0	23,134,433	1,031,058	1,177,274	4.6
Kodiak	Private Sector	4,248	445	1,589	25.3	96,727,072	7,997,197	17,973,156	14.6
Valdez-Cordova	State Govt.	281	69	25	6.7	9,715,823	2,511,194	468,938	3.7
Valdez-Cordova	Local Govt.	953	109	79	6.9	24,499,142	2,403,612	800,758	2.9
Valdez-Cordova	Private Sector	3,111	934	1,750	30.2	98,185,304	30,425,865	20,629,690	13.8
<b><u>Interior Region</u></b>									
Denali Borough	State Govt.	27	5	0	0.0	1,255,033	156,523	0	0.0
Denali Borough	Local Govt.	84	44	10	7.2	1,963,732	880,871	142,402	4.8
Denali Borough	Private Sector	430	1,031	1,457	49.9	13,818,388	24,718,483	12,464,567	24.4
Fairbanks	State Govt.	4,628	262	552	10.1	166,386,199	4,556,976	8,459,143	4.7
Fairbanks	Local Govt.	3,443	99	169	4.6	103,385,507	1,568,449	1,375,670	1.3
Fairbanks	Private Sector	26,046	2,831	5,703	16.5	690,436,982	70,263,002	75,876,489	9.1
Southeast Fairbanks	State Govt.	138	9	19	11.4	5,220,389	175,652	261,529	4.6
Southeast Fairbanks	Local Govt.	434	33	36	7.2	8,556,808	458,187	286,546	3.1
Southeast Fairbanks	Private Sector	1,333	553	575	23.4	27,063,745	23,290,753	20,730,088	29.2
Yukon-Koyukuk	State Govt.	79	64	9	5.9	2,775,069	3,111,121	180,506	3.0
Yukon-Koyukuk	Local Govt.	1,466	284	150	7.9	23,573,784	6,584,314	1,865,849	5.8
Yukon-Koyukuk	Private Sector	1,008	432	237	14.1	16,100,443	13,581,443	4,060,408	12.0
<b><u>Northern Region</u></b>									
Nome	State Govt.	223	24	5	2.0	9,673,939	944,468	95,634	0.9
Nome	Local Govt.	1,760	133	196	9.4	28,625,847	1,967,997	2,528,305	7.6
Nome	Private Sector	2,326	305	315	10.7	59,476,391	9,350,172	5,685,258	7.6
North Slope Borough	State Govt.	23	21	1	2.2	1,127,859	1,123,266	20,927	0.9
North Slope Borough	Local Govt.	2,148	222	127	5.1	66,788,613	7,344,781	2,608,318	3.4
North Slope Borough	Private Sector	1,359	5,265	2,516	27.5	39,398,016	283,744,521	130,226,044	28.7
Northwest Arctic Bor.	State Govt.	60	9	4	5.5	2,533,665	321,261	64,534	2.2
Northwest Arctic Bor.	Local Govt.	1,310	103	115	7.5	25,293,905	2,445,727	1,506,626	5.2
Northwest Arctic Bor.	Private Sector	1,709	587	349	13.2	49,540,220	29,628,065	13,856,330	14.9

(continued next page)

NOTE: Local resident workers are residents of the reported Borough/Census Area as determined by the zip code of the most recent Permanent Fund Dividend mailing address. Worker employment records showing place of work information are matched with Permanent Fund Dividend applicant address information to determine the number of local residents, Alaska residents and nonresidents working in each Alaska Borough or census area. Place of work was based upon employer reported place of work information. Workers were assigned to a geographic area based upon place of work where they earned the most money in 2002. If employers did not provide specific place of work information for the worker, the census area of the primary business location was used to determine the place of work.

# Workers and Earnings by Place of Work & Alaska Residence

## Residents and Nonresidents (continued)

# 29

Alaska 2003		Resident Workers	Other Alaska Resident	Non- resident Workers	Pct. Non- resident Workers	Wages Local Resident	Wages Other AK Resident	Non- resident Wages	Pct. Non- resident Wages
<b><u>Southeast Region</u></b>									
Haines	State Govt.	48	12	4	6.3	\$1,330,290	\$207,423	\$45,451	2.9
Haines	Local Govt.	159	10	10	5.6	3,586,946	262,460	128,512	3.2
Haines	Private Sector	658	52	320	31.1	10,439,982	885,049	1,915,205	14.5
Juneau	State Govt.	4,231	374	291	5.9	158,293,292	10,554,483	5,398,257	3.1
Juneau	Local Govt.	2,308	106	189	7.3	81,016,570	2,075,184	3,181,442	3.7
Juneau	Private Sector	9,085	987	2,546	20.2	224,674,534	22,320,207	30,627,898	11.0
Ketchikan	State Govt.	562	86	66	9.2	19,313,741	2,674,156	1,589,287	6.7
Ketchikan	Local Govt.	1,134	39	77	6.2	35,852,333	637,529	1,112,399	3.0
Ketchikan	Private Sector	4,458	444	2,032	29.3	105,190,027	8,062,419	21,048,664	15.7
POW-Outer Ketchikan	State Govt.	31	3	3	8.1	1,035,334	24,252	71,239	6.3
POW-Outer Ketchikan	Local Govt.	963	89	106	9.2	19,518,385	1,799,071	1,445,223	6.3
POW-Outer Ketchikan	Private Sector	1,259	309	620	28.3	25,357,837	7,049,104	7,210,321	18.2
Sitka	State Govt.	325	41	41	10.1	10,344,391	703,979	408,944	3.6
Sitka	Local Govt.	643	52	75	9.7	20,953,556	255,436	751,000	3.4
Sitka	Private Sector	2,982	277	976	23.0	73,553,738	4,545,291	9,660,127	11.0
Skagway-Hoonah-Angoon	State Govt.	29	2	0	0.0	752,289	34,383	0	0.0
Skagway-Hoonah-Angoon	Local Govt.	365	43	61	13.0	7,320,260	671,595	669,562	7.7
Skagway-Hoonah-Angoon	Private Sector	822	243	1,002	48.5	14,413,553	3,987,926	9,267,237	33.5
Wrangell-Petersburg	State Govt.	78	5	4	4.6	2,456,641	104,205	19,104	0.7
Wrangell-Petersburg	Local Govt.	621	27	34	5.0	17,063,160	689,252	531,218	2.9
Wrangell-Petersburg	Private Sector	1,767	171	1,446	42.7	31,243,406	2,973,632	11,840,130	25.7
Yakutat	State Govt.	12	2	4	22.2	459,822	29,686	38,908	7.4
Yakutat	Local Govt.	91	11	13	11.3	1,604,127	217,618	105,922	5.5
Yakutat	Private Sector	216	43	81	23.8	4,181,334	1,060,724	830,046	13.7
<b><u>Southwest Region</u></b>									
Aleutians East	State Govt.	13	9	4	15.4	318,911	112,604	25,819	5.6
Aleutians East	Local Govt.	245	27	42	13.4	5,196,161	863,227	593,619	8.9
Aleutians East	Private Sector	413	289	2,959	80.8	9,924,261	7,694,512	45,295,151	72.0
Aleutians West	State Govt.	35	4	2	4.9	1,505,667	92,543	29,972	1.8
Aleutians West	Local Govt.	471	37	40	7.3	16,532,877	988,092	709,049	3.9
Aleutians West	Private Sector	1,287	593	3,037	61.8	42,620,644	22,185,310	51,021,836	44.0
Bethel	State Govt.	300	55	19	5.1	13,909,554	1,818,324	445,755	2.8
Bethel	Local Govt.	3,297	246	268	7.0	55,024,570	5,213,597	4,045,336	6.3
Bethel	Private Sector	4,097	1,074	661	11.3	82,934,130	24,294,359	14,641,357	12.0
Bristol Bay Borough	State Govt.	22	22	7	13.7	1,079,521	211,624	67,568	5.0
Bristol Bay Borough	Local Govt.	112	18	12	8.5	2,897,395	461,841	151,374	4.3
Bristol Bay Borough	Private Sector	320	343	1,332	66.8	8,681,566	5,837,581	9,980,313	40.7
Dillingham	State Govt.	91	14	7	6.3	3,616,772	250,730	46,381	1.2
Dillingham	Local Govt.	822	72	75	7.7	13,866,478	1,336,616	989,981	6.1
Dillingham	Private Sector	1,178	313	454	23.3	31,110,638	8,655,858	5,298,897	11.8
Lake and Peninsula	State Govt.	9	5	3	17.6	296,208	49,500	59,068	14.6
Lake and Peninsula	Local Govt.	469	116	50	7.9	6,546,741	3,069,221	452,777	4.5
Lake and Peninsula	Private Sector	144	155	556	65.0	2,685,461	3,716,649	5,084,657	44.3
Wade Hampton	State Govt.	43	19	2	3.1	774,283	557,088	37,719	2.8
Wade Hampton	Local Govt.	1,507	103	128	7.4	23,030,901	1,956,284	1,765,685	6.6
Wade Hampton	Private Sector	1,094	186	87	6.4	13,259,060	5,842,399	2,141,459	10.1
Other/Unknown		0	1,460	4,280	74.6	0	45,504,928	91,272,471	66.7
<b>Total</b>		<b>264,780</b>	<b>44,688</b>	<b>68,305</b>	<b>18.1</b>	<b>7,508,947,740</b>	<b>1,414,269,300</b>	<b>1,137,411,234</b>	<b>11.3</b>

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

and respent in Alaska. This example assumes all nonresident funds to be spent out of the state.

Because nonresidents spend the greater portion of their earnings outside Alaska, a significant portion of the direct and indirect income amounting to hundreds of millions of dollars and thousands of jobs is lost from the Alaska economy. Typically, only about 15 percent of nonresident workers in the private sector and state and local government become eligible for a PFD in the year following this report, showing that most nonresidents do not remain in the state.

## Endnotes

**1** Alaska Statutes 36.10.130. Resident hire report. The attorney general and the commissioner of labor and workforce development shall report annually to the governor on the status of employment in the state, the effect of nonresident employment on the employment of residents in the state, and methods to increase resident hire. The report shall be submitted by January 31 of each year, and the governor shall notify the legislature that the report is available.

**2** Nonresident workers are defined as those workers who did not receive a Permanent Fund Dividend (PFD) in 2003 or apply for a PFD in 2004. If the worker's social security number appears in the PFD data for either 2003 or 2004 they are considered a resident for 2003. The methodology section of this report provides complete information on workers identified as nonresidents

**3** The Alaska Department of Labor and Workforce Development unemployment insurance wage file includes only those workers covered by Alaska unemployment insurance. Therefore, all references to resident and nonresident workers exclude self-employed and federal government workers in Alaska.

**4** Oilfield services represent support operations for oil and gas companies. The subsector is a combination of the 213111 and 213112 NAICS codes. The historical information presented is accurate, as the new NAICS classification system was applied to past data. For more information see the NAICS 2002 manual.

**5** Gilbertson, Neal. "Residency and the Alaska Fisheries," *Alaska Economic Trends*, December 2004. <http://www.labor.state.ak.us/trends/dec04.pdf>

**6** Workers were assigned to a geographic area based upon the place of work where they earned the most money in 2003. If employers did not provide specific place-of-work information for the worker, the census area of the primary business location was used to determine the place of work. Place of residence for Alaska residents was derived from the zip code of the most recent PFD mailing address.

**7** Income leakage is simply income that is taken out of the economy. In this case nonresidents bring part of their wages out of the state, and thus that money has 'leaked' out of the Alaska economy.

**8** The multiplier effect is the rate at which money is respent within an economy. Nonresidents generally do not respent the same proportion of their wages in Alaska as residents do.

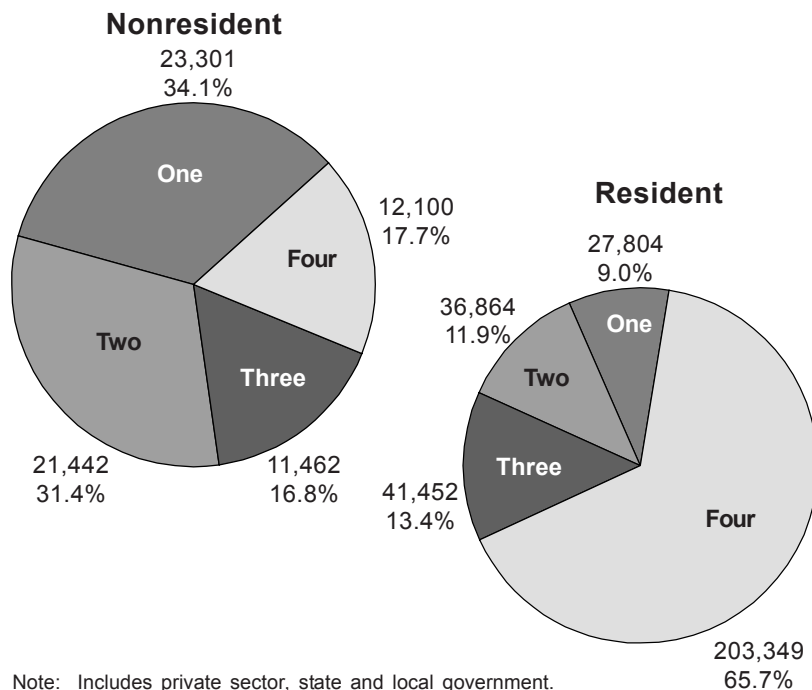
**9** A User Handbook for the Regional Input-Output Modeling System (RIMS II), Bureau of Economic Analysis, March 1997.

## 30 Impact of Earnings Flowing out to Nonresidents

Nonresident Earnings in Alaska—2003	\$1.14 billion
Alaska Total Income if earnings stay in Alaska	\$1.60 billion to \$2.17 billion
Income lost to Alaska if half of Nonresident earnings are spent outside the state	\$800 million to \$1.08 billion

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

## 31 Workers by Number of Qtrs Worked Residents and Nonresidents - 2003



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

# APPENDIX

## Methodology

Alaska residency is determined by matching the Alaska Department of Revenue Permanent Fund Dividend (PFD) file with the Alaska Department of Labor and Workforce Development wage file. The PFD file is a list of Alaskans who either applied for or received a PFD. The wage file contains quarterly earnings and industry information on workers covered by unemployment insurance within Alaska. Workers included in the wage file are considered Alaska residents if they either received a 2003 PFD or applied for a 2004 PFD.

For the purposes of this analysis, Alaska residency is determined by matching the worker's social security number on the wage file with the social security number on the PFD file. For a match to occur, the worker's social security number must appear on both the PFD file and the wage file. The small number of workers with missing social security numbers is excluded from the analysis.

Although most workers would have to be in Alaska all of 2003 in order to be considered residents for purposes of this report, information from both the 2003 and 2004 dividend years is used to improve the accuracy of the residency classification. Resident workers who left Alaska during 2004 would not be eligible for a 2004 PFD unless they had spent the entire year in the state. The 2003 PFD data match identifies these workers and they are

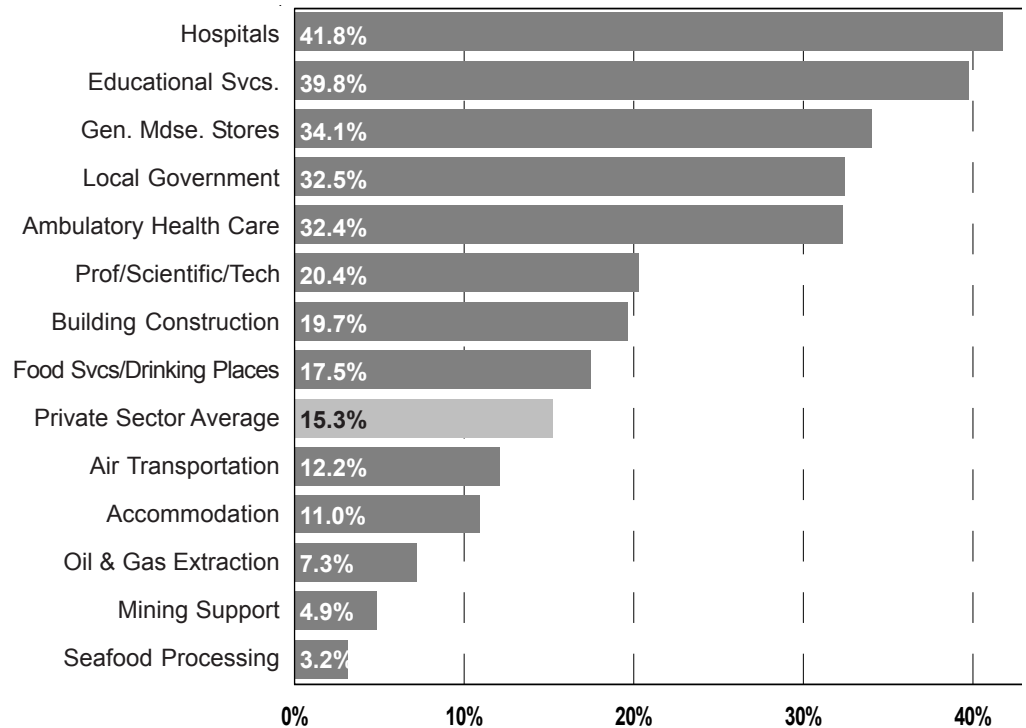
counted as residents. New workers who arrived in Alaska after January 1, 2003 would generally be considered nonresidents in this report.

## Limitations of the Data

The data have some limitations. Persons who did not provide a social security number on their 2003 or 2004 Permanent Fund Dividend application or who were eligible for a dividend but did not apply were not counted as residents. If industry or occupation codes were missing from the wage file, those records were excluded from the tally for those industry and occupation tabulations. Also excluded were persons who established residency during 2003 but did not meet eligibility requirements for the 2004 PFD. A long term analysis of 2002 worker information shows that only about 15.4% of private sector workers identified as nonresidents stayed in Alaska and ultimately applied for the 2004 Permanent Fund Dividend. The likelihood that nonresident workers will stay in Alaska and later become eligible for a PFD varies significantly by industry. Nonresident oil and seafood processing industry workers were much less likely to become residents than state and local government workers, health care workers or those working in retail stores.

(continued on page A-6)

## Nonresident Workers in 2002 who became Residents in 2003, Selected Industries **A1**



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



# A2 Resident and Nonresident Workers and Earnings

## Private Sector, State and Local Government Workers— Alaska 2003

Industry	Resident Workers	Nonres. Workers	Percent Nonres.	Resident Wages	Nonres. Wages	Percent Nonres.	Resident Earn/Qtr.	Nonres. Earn/Qtr.
<b>Agriculture, Forestry, Fishing, and Hunting</b>								
Crop Production	324	79	19.6	\$2,647,652	\$396,438	13.0	\$3,301	\$2,493
Animal Production	346	174	33.5	8,406,696	1,620,280	16.2	7,629	4,133
Forestry and Logging	676	420	38.3	17,972,580	7,863,621	30.4	8,510	8,321
Fishing, Hunting and Trapping	77	146	65.5	1,657,984	4,654,405	73.7	8,962	14,823
Support Activities for Agriculture/Forestry	63	56	47.1	1,453,857	611,118	29.6	8,706	6,866
<b>Mining</b>								
Oil and Gas Extraction	2,464	722	22.7	260,736,012	81,079,059	23.7	27,550	34,297
Mining (except Oil and Gas)	1,651	342	17.2	84,777,031	16,151,619	16.0	14,386	16,737
Support Activities for Mining	5,881	2,289	28.0	327,963,472	114,457,349	25.9	15,434	16,196
<b>Utilities</b>								
Utilities	2,041	115	5.3	106,512,457	2,710,662	2.5	14,226	9,786
<b>Construction</b>								
Construction of Buildings	7,370	1,761	19.3	230,048,356	39,566,109	14.7	10,035	10,772
Heavy and Civil Engineering Construction	4,333	1,129	20.7	180,891,018	39,117,774	17.8	12,935	14,734
Specialty Trade Contractors	10,916	2,737	20.0	348,399,629	46,591,587	11.8	9,903	8,516
<b>Manufacturing</b>								
Food Manufacturing	6,096	14,048	69.7	101,126,380	158,768,019	61.1	5,464	5,370
Beverage and Tobacco Product Mfg	106	9	7.8	3,266,713	86,941	2.6	8,597	3,952
Textile Mills	6	1	14.3	43,305	4,175	8.8	2,406	4,175
Textile Product Mills	62	16	20.5	1,164,543	121,387	9.4	5,269	3,678
Apparel Manufacturing	14	1	6.7	107,120	220	0.2	2,678	220
Leather and Allied Product Mfg	8	0	0.0	13,795	0	0.0	726	0
Wood Product Manufacturing	406	83	17.0	8,261,449	842,167	9.3	6,345	5,013
Paper Manufacturing	2	0	0.0	127,395	0	0.0	15,924	0
Printing and Related Support Activities	468	53	10.2	11,743,719	764,503	6.1	7,058	6,648
Petroleum and Coal Products Mfg	540	44	7.5	29,627,623	442,493	1.5	14,799	4,863
Chemical Manufacturing	334	6	1.8	23,407,026	217,076	0.9	18,681	11,425
Plastics and Rubber Products Mfg	132	16	10.8	3,450,955	466,668	11.9	7,915	11,966
Nonmetallic Mineral Product Mfg	386	54	12.3	12,200,979	1,010,962	7.7	9,808	7,717
Primary Metal Manufacturing	15	2	11.8	513,527	18,326	3.4	9,689	4,581
Fabricated Metal Product Mfg	430	93	17.8	14,210,230	1,587,057	10.0	9,563	7,314
Machinery Manufacturing	36	3	7.7	1,716,100	29,339	1.7	13,513	4,890
Computer and Electronic Product Mfg	59	4	6.3	3,007,313	94,723	3.1	13,670	18,945
Electrical Equipm't/Appliance/Component Mfg	20	4	16.7	661,843	137,736	17.2	10,182	11,478
Transportation Equipment Manufacturing	285	93	24.6	6,860,767	1,038,775	13.1	7,523	5,615
Furniture and Related Product Mfg	161	33	17.0	3,327,395	311,092	8.6	6,362	4,575
Miscellaneous Manufacturing	217	39	15.2	5,493,024	405,609	6.9	7,608	5,070
<b>Wholesale Trade</b>								
Merchant Wholesalers, Durable Goods	2,767	289	9.5	99,926,409	5,465,035	5.2	10,016	8,049
Merchant Wholesalers, Nondurable Goods	3,201	600	15.8	99,408,839	6,344,262	6.0	9,059	5,741
Wholesale Electronic Markets/Agents/ Brokers	602	108	15.2	24,396,104	2,635,601	9.8	11,475	12,259
<b>Retail Trade</b>								
Motor Vehicle and Parts Dealers	5,257	642	10.9	165,225,999	7,382,227	4.3	9,060	5,476
Furniture and Home Furnishings Stores	970	153	13.6	21,988,720	1,261,297	5.4	6,842	4,247
Electronics and Appliance Stores	787	156	16.5	17,382,876	1,434,424	7.6	6,658	4,583
Bldg Material/Garden Equip/Supplies Dealers	3,653	474	11.5	90,340,607	4,829,465	5.1	7,342	4,801
Food and Beverage Stores	7,059	967	12.0	139,576,889	6,596,194	4.5	5,926	3,411
Health and Personal Care Stores	855	205	19.3	19,850,720	1,461,618	6.9	7,002	4,038
Gasoline Stations	2,337	348	13.0	44,904,319	2,337,147	4.9	6,040	3,206
Clothing and Clothing Accessories Stores	2,091	632	23.2	25,450,701	5,011,797	16.5	4,108	3,959
Sporting Goods/Hobby/Book/Music Stores	2,031	424	17.3	23,489,941	2,307,934	8.9	3,816	2,842
General Merchandise Stores	11,236	1,707	13.2	192,390,653	13,980,932	6.8	5,349	3,982
Miscellaneous Store Retailers	3,150	741	19.0	48,485,863	5,116,219	9.5	4,989	3,402
Nonstore Retailers	1,170	79	6.3	33,463,834	1,111,145	3.2	8,339	5,640
<b>Transportation and Warehousing</b>								
Air Transportation	6,317	1,901	23.1	224,158,133	82,468,059	26.9	9,825	18,026
Water Transportation	758	282	27.1	31,344,181	11,367,580	26.6	12,287	14,121
Truck Transportation	3,122	447	12.5	111,841,145	6,870,522	5.8	10,280	6,512
Transit/Ground Passenger Transportation	1,575	133	7.8	24,284,066	1,233,956	4.8	4,455	4,622
Pipeline Transportation	962	99	9.3	94,888,572	6,794,568	6.7	25,983	27,178

# Resident and Nonresident Workers and Earnings

## Private Sector, State and Local Government Workers— Alaska 2003

A2

(continued)

Industry	Resident Workers	Nonres. Workers	Percent Nonres.	Resident Wages	Nonres. Wages	Percent Nonres.	Resident Earn/Qtr.	Nonres. Earn/Qtr.
Scenic and Sightseeing Transportation	2,031	1,342	39.8	\$28,345,436	\$13,032,382	31.5	\$4,752	\$4,199
Support Activities for Transportation	2,830	592	17.3	83,630,744	10,077,585	10.8	8,854	8,419
Postal Service	38	6	13.6	607,826	53,493	8.1	5,332	4,863
Couriers and Messengers	2,011	321	13.8	81,103,752	26,176,731	24.4	10,985	29,215
Warehousing and Storage	36	6	14.3	869,829	23,777	2.7	6,743	2,642
<b>Information</b>								
Publishing Industries (except Internet)	1,431	153	9.7	40,210,531	2,154,475	5.1	7,974	5,823
Motion Picture and Sound Recording Industries	561	133	19.2	4,463,387	448,969	9.1	2,791	1,688
Broadcasting (except Internet)	855	98	10.3	25,927,399	1,295,596	4.8	8,481	5,758
Internet Publishing and Broadcasting	6	2	25.0	243,188	42,053	14.7	13,510	8,411
Telecommunications	4,365	263	5.7	226,719,646	9,679,212	4.1	13,690	14,983
Internet Svc Providers/Search Portals/DP Svcs	257	17	6.2	8,397,158	288,931	3.3	9,167	8,026
Other Information Services	57	2	3.4	1,617,546	82,627	4.9	8,696	13,771
<b>Finance and Insurance</b>								
Credit Intermediation and Related Activities	4,836	419	8.0	186,889,698	5,477,757	2.8	10,421	5,834
Securities/Commodity Contracts/Other Financial	433	31	6.7	29,495,035	1,129,075	3.7	18,515	16,363
Insurance Carriers and Related Activities	2,076	196	8.6	86,779,975	4,701,117	5.1	11,409	10,424
Funds, Trusts, and Other Financial Vehicles	1,635	166	9.2	57,943,051	2,634,865	4.3	10,924	7,889
<b>Real Estate, Rental, and Leasing</b>								
Real Estate	4,050	401	9.0	96,466,080	4,015,478	4.0	7,224	4,584
Rental and Leasing Services	1,942	364	15.8	36,084,431	3,332,192	8.5	5,822	4,267
Lessors of Nonfinancial Intangible Assets	41	1	2.4	2,251,147	13,886	0.6	14,713	13,886
<b>Professional/Scientific/Technical Svcs</b>								
Professional, Scientific, and Technical Svcs	11,250	2,162	16.1	415,946,656	58,714,352	12.4	10,826	11,141
<b>Management of Companies/Enterprises</b>								
Management of Companies and Enterprises	395	63	13.8	22,781,243	3,382,776	12.9	16,100	22,110
<b>Admin/Waste Mgmt/Support/Remediation</b>								
Administrative and Support Services	11,009	3,674	25.0	212,823,526	50,949,134	19.3	6,320	6,268
Waste Management and Remediation Svcs	1,353	218	13.9	48,590,267	4,854,015	9.1	10,600	9,555
<b>Educational Services</b>								
Educational Services	2,065	560	21.3	51,254,703	6,460,234	11.2	7,415	5,618
<b>Health Care and Social Assistance</b>								
Ambulatory Health Care Services	13,381	1,595	10.7	432,406,293	30,514,506	6.6	9,248	8,814
Hospitals	9,247	983	9.6	376,468,510	24,394,804	6.1	10,877	10,363
Nursing and Residential Care Facilities	2,625	433	14.2	57,455,795	4,291,594	7.0	6,449	4,838
Social Assistance	8,903	1,032	10.4	164,909,346	8,185,567	4.7	5,605	3,811
<b>Arts, Entertainment, and Recreation</b>								
Performing Arts/Spectator Sports/Related	536	251	31.9	5,833,277	1,753,725	23.1	4,402	3,995
Museums, Historical Sites, and Similar	407	84	17.1	8,583,879	926,970	9.7	6,387	5,121
Amusement, Gambling, and Recreation	3,223	968	23.1	32,010,312	5,370,719	14.4	3,448	2,943
<b>Accommodation and Food Services</b>								
Accommodation	7,511	4,214	35.9	105,970,546	32,108,243	23.3	4,584	3,683
Food Services and Drinking Places	20,976	6,271	23.0	243,302,883	38,615,349	13.7	3,847	3,044
<b>Other Services</b>								
Repair and Maintenance	2,739	531	16.2	68,208,675	6,521,187	8.7	7,486	5,918
Personal and Laundry Services	2,118	386	15.4	31,196,527	2,477,120	7.4	4,580	3,188
Religious/Grantmaking/Civic/Prof. Orgs	5,368	683	11.3	123,860,022	7,592,671	5.8	7,105	5,313
Private Households	199	37	15.7	3,034,347	344,107	10.2	4,855	4,356
<b>Public Administration</b>								
Executive, Legislative/Gov't Support	341	21	5.8	7,782,363	224,457	2.8	6,491	4,676
Justice, Public Order, and Safety Activities	9	1	10.0	192,837	12,810	6.2	6,221	4,270
Admin. of Human Resource Programs	23	1	4.2	1,031,726	7,061	0.7	12,282	3,530
Administration of Economic Programs	7	0	0.0	452,907	0	0.0	17,420	0
National Security and International Affairs	2	0	0.0	66,290	0	0.0	8,286	0
Nonclassifiable Establishments	92	91	49.7	1,246,248	495,002	28.4	5,743	4,420
<b>Total Private Sector</b>	<b>239,095</b>	<b>63,731</b>	<b>21.0</b>	<b>6,748,051,553</b>	<b>1,070,033,876</b>	<b>13.7</b>	<b>8,504</b>	<b>7,696</b>
State Government	24,342	1,610	6.2	884,638,183	28,002,633	3.1	9,937	7,493
Local Government	46,031	2,964	6.0	1,290,527,305	39,374,725	3.0	8,235	6,360
<b>Total Private and Government</b>	<b>309,468</b>	<b>68,305</b>	<b>18.1</b>	<b>8,923,217,041</b>	<b>1,137,411,234</b>	<b>11.3</b>	<b>8,586</b>	<b>7,635</b>

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

# A3 Oil Industry Workers, North Slope and Statewide

## Residency Status and Place of Alaska Residence, Selected Employers

	Work Location	Total Workers	Resident Workers	Nonres. Workers	Resident Workers by Region of Residence					
					Anch/ Mat-Su	Gulf Coast	Interior	Northern	South-east	South-west
Alaska Clean Seas	All Alaska	71	56	15	43	6	5	2	0	0
Alaska Clean Seas	North Slope	70	55	15	42	6	5	2	0	0
Alaska Interstate Construction LLC	All Alaska	268	217	51	81	25	98	4	9	0
Alaska Interstate Construction LLC	North Slope	198	167	31	52	18	88	4	5	0
Alyeska Pipeline Svc Co Inc	All Alaska	1,098	997	101	418	330	236	1	3	1
Alyeska Pipeline Svc Co Inc	North Slope	82	60	22	42	9	9	0	0	0
Amoco Corp	All Alaska	457	275	182	208	56	8	0	3	0
Arctic Catering Inc	All Alaska	266	227	39	142	50	8	25	1	1
Arctic Catering Inc	North Slope	258	221	37	139	50	8	22	1	1
Arctic Structures LLC	All Alaska	129	107	22	56	41	6	0	3	0
ASRC Energy Services O&M	All Alaska	1,633	1,212	421	665	441	53	43	6	2
ASRC Energy Services O&M	North Slope	1,296	905	391	523	281	50	42	6	2
Baker Hughes Oilfield Operations	All Alaska	150	86	64	69	16	1	0	0	0
Baker Hughes Oilfield Operations	North Slope	54	19	35	14	5	0	0	0	0
BP Exploration Alaska Inc	All Alaska	1,813	1,254	559	959	238	44	1	3	2
CCI Inc	All Alaska	145	136	9	88	24	10	1	4	9
CCI Inc	North Slope	101	96	5	60	20	4	1	3	8
Colville Environmental Svcs	All Alaska	74	61	13	40	10	9	1	1	0
Colville Environmental Svcs	North Slope	66	54	12	33	10	9	1	1	0
ConocoPhillips Company	All Alaska	962	836	126	664	159	8	0	1	1
ConocoPhillips Company	North Slope	425	329	96	222	101	6	0	0	0
Doyon Drilling Inc	All Alaska	285	229	56	129	33	61	4	1	1
Doyon Drilling Inc	North Slope	267	211	56	112	33	60	4	1	1
Doyon/Universal Services J/V	All Alaska	950	876	74	515	87	261	1	1	7
Doyon/Universal Services J/V	North Slope	456	418	38	253	43	114	1	0	4
Fairweather E&P Services Inc	All Alaska	143	96	47	64	30	1	1	0	0
Fairweather E&P Services Inc	North Slope	136	89	47	57	30	1	1	0	0
Flowline Alaska Inc	All Alaska	105	91	14	1	0	89	0	0	1
Forest Oil Corp	All Alaska	46	44	2	28	15	1	0	0	0
GBR Equipment Inc	All Alaska	55	42	13	31	9	1	1	0	0
GBR Equipment Inc	North Slope	48	35	13	25	8	1	1	0	0
GBR Pumping Company Inc	All Alaska	34	23	11	20	3	0	0	0	0
GBR Pumping Company Inc	North Slope	34	23	11	20	3	0	0	0	0
HC Price Co	All Alaska	405	215	190	83	37	87	2	5	0
Halliburton Energy Svc Inc	All Alaska	446	339	107	261	63	13	0	1	0
Halliburton Energy Svc Inc	North Slope	358	264	94	196	54	12	0	1	0

# Oil Industry Workers, North Slope and Statewide

## Residency Status and Place of Alaska Residence, Selected Employers

A3

(continued)

### Resident Workers by Region of Residence

	Work Location	Total Workers	Resident Workers	Nonres. Workers	Anch/ Mat-Su	Gulf Coast	Interior	Northern	South-east	South-west
Houston Contracting Co-AK LT	All Alaska	219	180	39	52	61	61	4	2	0
Houston Contracting Co-AK LT	North Slope	34	26	8	5	3	14	3	1	0
Houston/NANA JV	All Alaska	570	489	81	96	76	305	3	7	1
Inlet Drilling Alaska Inc	All Alaska	78	71	7	11	60	0	0	0	0
Kakivik Asset Management LLC	All Alaska	141	105	36	64	17	18	1	0	4
Kakivik Asset Management LLC	North Slope	74	53	21	40	9	2	0	0	2
Little Red Services Inc	All Alaska	65	46	19	30	13	2	0	1	0
Little Red Services Inc	North Slope	60	42	18	26	13	2	0	1	0
Marathon Oil Inc	All Alaska	76	67	9	35	32	0	0	0	0
M-ILLC	All Alaska	142	113	29	91	20	1	1	0	0
Nabors Alaska Drilling Inc	All Alaska	642	468	174	331	125	8	0	1	2
Nabors Alaska Drilling Inc	North Slope	466	311	155	242	62	6	0	1	0
NORCON Inc	All Alaska	285	237	48	120	16	97	1	2	0
NORCON Inc	North Slope	162	125	37	36	10	76	1	1	0
Nordic-Calista Services No 1	All Alaska	59	47	12	25	19	0	0	1	2
Nordic-Calista Services No 1	North Slope	56	44	12	22	19	0	0	1	2
Peak Oilfield Services Co	All Alaska	978	751	227	290	412	34	4	6	3
Peak Oilfield Services Co	North Slope	566	364	202	224	96	30	4	6	3
R&K Industrial Inc	All Alaska	135	106	29	1	105	0	0	0	0
Raven Contractors Inc	All Alaska	57	53	4	2	51	0	0	0	0
Schlumberger Technology Corp	All Alaska	419	288	131	214	66	7	0	1	0
Udelhoven Oilfield System Svc	All Alaska	416	332	84	176	145	6	0	1	3
Udelhoven Oilfield System Svc	North Slope	192	127	65	71	51	4	0	1	0
Union Oil Co of California	All Alaska	393	366	27	120	244	0	1	0	0
VECO Alaska Inc	All Alaska	1,789	1,314	475	930	313	44	10	7	0
VECO Alaska Inc	North Slope	1,021	637	384	441	147	34	3	4	0
Veritas DGC Land Inc	All Alaska	252	159	93	138	7	10	4	0	0
Western GECO Resources Inc	All Alaska	372	245	127	162	69	10	1	1	0
XTO Energy Inc	All Alaska	34	34	0	5	29	0	0	0	0

Worker location is based upon information provided by employers. Workers employed in more than one area during the year were counted in the North Slope if they worked there one or more quarters during the year. Alaska region of residence is based upon the most recent zip code provided on the 2002 or 2003 PFD application. Not all residents provided a zip code so regional totals will not equal the total resident worker count.

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

The Alaska Department of Labor and Workforce Development wage file includes only those workers covered by Alaska unemployment insurance. Therefore, information is not available for self-employed individuals or federal government employees. Nevertheless, the workers covered by this analysis are representative of the Alaska workforce. The analysis offers a good approximation of the effect of nonresident workers on the Alaska economy.

Many workers have two or more jobs throughout the year. The data set used in this report consists of an unduplicated collection of wage records. In cases where workers had more than one job or worked in more than one area, their employment and earnings are assigned to the industry, employer, and area where they earned the majority of their wages for 2003. Therefore each worker has only one employer, one industry, and one wage associated with their employment in 2003 even if they worked at two or more jobs. Resulting data, at the industry and area level, should not be relied upon as absolute figures for employment and wages. Since this methodology is consistent with past reports the data may be confidently used for comparison to years past.

### Other Measures of Residency

The Department, along with industry representatives and other policymakers, has examined alternative measures of residency. Overall, the Alaska Department of Labor and Workforce Development believes that the PFD file provides the most reliable, consistent, and comprehensive source of residency indicator data currently available. Voter registration, motor vehicle registration, driver's licenses, and fishing/hunting licenses all have significant definitional weaknesses in residency eligibility requirements, quality of data or percent of the working population contained on the file. The PFD provides the applicant with a monetary incentive to complete the form and a penalty for providing false information and is, overall, an excellent measure of residency.

### Resident Employment Preference

By authority of AS 36.10.150 and 8 AAC 30.064, the Commissioner of Labor and Workforce Development has determined the entire State of Alaska to be a Zone of Underemployment. A Zone of Underemployment requires that qualified

Alaska residents who are eligible under AS 36.10.140 be given employment preference. This hiring preference applies on a project-by-project, craft-by-craft or occupational basis, and must be met each workweek. 8 AAC 30.081 (e) and (f) contains a waiver provision for employers having difficulty fulfilling the preference requirement. Waiver forms are available at Regional Wage and Hour Administration offices.

The following classifications qualify for a minimum of 90 percent Alaska resident hire preference:

Boilermakers	Equipment Operators
Plumbers & Pipefitters	Bricklayers
Insulation Workers	Roofers
Carpenters	Ironworkers
Surveyors	Cement Masons
Laborers	Truck Drivers
Culinary Workers	Mechanics
Welders	Electricians
Painters	

This determination became effective July 1, 2003, and remains in effect until June 30, 2005.

Please be advised that most public contracts are covered. Funding sources are unique for every project. The inclusion of federal funds does not necessarily remove a project from jurisdiction. If there is any uncertainty about whether or not the law applies to a particular project, the Department requests that the nearest regional office be contacted for a determination.

### Northstar Resident Hire Reporting

Alaska hire in the oil industry remains a priority with the administration, the legislature, and the industry. Detailed reporting of residency data for all contractors on the Northstar project is provided to the department quarterly, in accordance with the Northstar legislation. An annual report on the Northstar project is also provided to the Department and the governor.

The Department's broader baseline report on all major oil and gas industry employers in 2003 is included as Appendix A3. Detailed wage records for North Slope oil, oilfield service and construction employers were extracted from the Department of Labor and Workforce Development wage file. The place of work of employees was identified based upon the geographic area in which they had the most earnings for the employer in 2003.