by Rob Kreiger Research Analyst

Unraveling Alaska's Hiring Patterns

A look at seasonal changes, occupations and nonresidents

he Alaska Department of Labor & Workforce Development's new hires data series shows the number of vacant jobs filled over a fourquarter period. Analyzing these data can reveal a great deal about the hiring patterns of various industries and employers, and what occupations are most in demand. The data also can show how those patterns change throughout the year and how nonresident new hires fit into the picture.

Job seekers and employment counselors can use this information to pinpoint specific companies that might be hiring at a particular time and the occupations most in demand. Employers can utilize the data as a gauge



Employment by Hiring Status

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

18

to see how their hiring patterns compare within their respective industries or with their competitors.

This article will focus on 2004, the most recent year with complete data available. The data are derived from the quarterly Alaska unemployment insurance tax wage record database. That wage database includes the employment history of every worker covered by Alaska's unemployment insurance program. (The workers who are not covered by the program include federal workers, self-employed workers, full-commissioned salespeople and most fishermen.) The results from this analysis are further matched with the Alaska Occupational Database in order to learn more about the occupations and industries associated with new hires.

Limitations of the data

The new hires data show the number of jobs that were actually filled – or put another way, the number of people who were hired for the first time. But the data do not show the quality of the jobs in terms of salary, benefits or long-term career possibilities. A high number of new hires would not necessarily mean a large number of jobs available; rather, it could mean there are few jobs that turn over often. Users of the new hires data are cautioned not to draw sweeping conclusions about the growth or decline of occupations, industries or employers from the new hires data series alone. The data are intended for use in conjunction with other labor market indicators to create the most accurate conclusions.

ALASKA ECONOMIC TRENDS

The hiring status of workers

In order to put the new hires data into proper perspective, it is important to understand the other groups into which workers are categorized. In the new hires analysis, workers are classified in one of three ways: new hires, continuing workers and rehired/other. To determine a worker's status, a base quarter is selected and each worker is matched to an employer that reported wages during the quarter. The wage records for each of these worker-employer relationships are compared to the four previous quarterly filings to determine if a worker is new to a particular employer. If so, then the worker is considered a new hire.

The categories can be briefly described as:

<u>New Hires</u> – Workers for which an employer did not report wages in any of the previous four quarters

<u>Continuing Workers</u> – Workers who have consecutive earnings with the same employer in all four of the analyzed quarters

<u>Rehired/Other</u> – Workers who worked in at least one, but not all, the four quarters being analyzed

During 2004, most of the workers, 50.5 percent, worked continuously throughout the year. Another 31.7 percent fell into the rehired/other category and 17.8 percent were new hires. (See Exhibit 1.)

The seasonal patterns of new hires

Regardless of area, occupation or industry, Alaska's hiring activity tends to follow seasonal patterns. Typically, hiring is slower during the first and fourth quarters of a given year, with hiring stepping up during the second and third quarters. This trend has been consistent over the past five years. (See Exhibit 2.) During this time, hiring activity increases between the first and



Note: First quarter is Jan. 1 to March 31; second quarter is April 1 to June 30; third quarter is July 1 to Sept. 30; and fourth quarter is Oct. 1 to Dec. 31.

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

second quarters averaged 55.7 percent, while hiring decreases between the third and fourth quarters averaged 32.9 percent.

New hires' seasonality by industry

When examining industries, the most notable swings in hiring activity occur in those industries where a large seasonal work force is required. (See Exhibit 3.) But some specific industries show greater percentage changes between quarters than others. The scenic and sightseeing transportation industry saw the greatest upswing in hiring between the first and second quarters of 2004, with a twentyfold increase during that time. The recreational vehicle parks and recreational camps industry followed with an eightfold increase in hiring between the first and second quarters.

Obviously, these two industries need additional workers during the summer months to accommodate the influx of tourists who usually begin to arrive in May. Hiring levels in these industries then drop off substantially – 93.3 percent in scenic and sightseeing transportation and 90.3 percent in RV parks and recreational camps – between the third and fourth quarters when the summer tourist season ends.

Seafood processing is another example of a highly seasonal industry, but a majority of the hiring increases occur between the second and third quarters. While hiring does increase by 34.3 percent between the first and second quarters, hiring nearly doubles between the second and third quarters to coincide with the summer salmon season. The industry then sees a 90.4-percent drop in hiring between the third and fourth quarters when the season wraps up.

The industries characterized by low seasonal hiring activity include educational and health services, information and local government. Of these three industries, educational and health services sees the least amount of variability between quarters.

Seasonality by area

Seasonality varies across Alaska's different boroughs and census areas. The sheer numbers of new hires, of course, will be greater in more populated areas such as Anchorage, Fairbanks and the Matanuska-Susitna Borough. (See Exhibit 4.) However, given the prevalent industries in the more remote parts of Alaska, the percentage of new hires can increase there substantially during the summer months.

The Bristol Bay Borough experienced the largest increases in new hires between the first and second quarters of 2004. Hiring activity was 10 times greater in the second quarter of 2004 than it was in the first quarter. In addition to seafood processing facilities, the Bristol Bay Borough also has numerous outdoor recreation opportunities with dozens of sportfishing and sightseeing lodges. The community of King Salmon within

MARCH

2006

Selected industries in Alaska, 2004

Industry	Total of Four Quarters	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Trade, Transportation and Utilities	53,024	9,777	18,589	13,688	10,970
Leisure and Hospitality	46,178	7,077	16,079	14,033	8,989
Recreational Vehicle Parks and Recreational Camps	1,413	72	675	607	59
Scenic and Sightseeing Transportation, Water	1,178	39	790	327	22
Construction	26,662	4,198	8,223	8,806	5,435
Professional and Business Services	24,883	4,937	7,658	6,950	5,338
Educational and Health Services	20,599	4,717	5,441	5,323	5,118
Local Government	19,124	3,751	4,618	5,743	5,012
Manufacturing	17,547	3,308	5,004	7,899	1,336
Seafood Product Preparation and Packaging	13,955	2,747	3,688	6,864	656
Financial Activities	9,632	1,721	2,968	2,847	2,096
Other Services	8,482	1,795	2,492	2,286	1,909
Natural Resources and Mining	6,061	1,238	2,059	1,627	1,137
State Government	5,878	1,018	1,864	1,799	1,197
Information	3,123	738	884	663	838
Other or Unknown	1,456	144	398	763	151
Tribal Government ¹	336	62	83	118	73
Total Industries	242,985	44,481	76,360	72,545	49,599

¹ Today, the tribal government category is a subset of local government, but that was not always the case. Before 2001, it was considered part of the private sector. Therefore, in this study, tribal government is listed separately from state or local government.

Notes: First quarter is Jan. 1 to March 31; second quarter is April 1 to June 30; third quarter is July 1 to Sept. 30; and fourth quarter is Oct. 1 to Dec. 31.

ALASKA ECONOMIC TRENDS

The selected industries will not add up to the "total industry" figures provided.

20

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

the borough is the gateway to Katmai National Park and other parks and preserves. All of these factors contribute to the area's large seasonal work force.

Following the Bristol Bay Borough, the Denali Borough also saw a large increase in hiring between the first and second quarters. Here, the seasonal work force is related primarily to tourism, which accommodates the thousands of visitors to Denali National Park each year.

The Wade Hampton Census Area saw the least amount of change in hiring activity between quarters. Employment opportunities in this part of Alaska are limited and the area is characterized by the highest unemployment levels in the state.

Resident versus nonresident new hires

For the purposes of this article, a resident is considered someone who received a Permanent Fund Dividend in one of the two most recent years. 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. Data from the resident hire report was matched to the new hires data to determine the residency status of each newly hired worker during 2004.

New Hires by Borough and Census Area Alaska, 2004

Borough/Census Area	Total of Four Quarters	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Aleutians East Borough	1,566	492	391	421	262
Aleutians West Census Area	3,591	1,401	648	1,100	442
Anchorage, Municipality of	95,121	18,301	28,404	25,964	22,452
Bethel Census Area	6,418	1,162	1,779	2,003	1,474
Bristol Bay Borough	2,490	83	876	1,315	216
Denali Borough	2,290	122	1,210	838	120
Dillingham Census Area	1,783	290	444	677	372
Fairbanks North Star Borough	30,406	5,478	10,094	8,441	6,393
Haines Borough	711	75	307	200	129
Juneau, City and Borough of	10,583	1,890	3,684	2,864	2,145
Kenai Peninsula Borough	16,241	2,373	5,643	5,613	2,612
Ketchikan Gateway Borough	6,024	855	2,211	2,122	836
Kodiak Island Borough	4,747	1,059	1,226	1,725	737
Lake and Peninsula Borough	1,168	129	336	532	171
Matanuska-Susitna Borough	15,535	2,932	4,641	4,547	3,415
Nome Census Area	3,826	681	894	1,300	951
North Slope Borough	5,166	1,297	1,630	1,338	901
Northwest Arctic Borough	2,514	437	633	827	617
Prince of Wales-Outer Ketchikan Census Area	2,207	367	717	722	401
Sitka, City and Borough of	3,505	596	1,233	1,127	549
Skagway-Hoonah-Angoon Census Area	1,996	177	1,104	519	196
Southeast Fairbanks Census Area	2,537	452	854	784	447
Valdez-Cordova Census Area	4,673	609	1,801	1,628	635
Wade Hampton Census Area	2,285	508	615	628	534
Wrangell-Petersburg Census Area	2,269	343	647	944	335
Yakutat, City and Borough of	498	43	202	169	84
Yukon-Koyukuk Census Area	2,478	389	823	791	475
Other or Unknown	10,357	1,940	3,313	3,406	1,698
Total Statewide	242,985	44,481	76,360	72,545	49,599

Note: First quarter is Jan. 1 to March 31; second quarter is April 1 to June 30; third quarter is July 1 to Sept. 30; and fourth quarter is Oct. 1 to Dec. 31.

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



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

Resident and Nonresident New Hires By selected industry in Alaska, 2004

	Total	of Four Qua	rters	First Quarter			
	Percentage			Percentage			
	Total New	Non-	Percentage	Total	Non-	Percentage	
Industry	Hires	resident	Residents	New Hires	resident	Residents	
Trade, Transportation and Utilities	53,024	22.3	77.7	9,777	15.9	84.1	
Leisure and Hospitality	46,178	28.9	71.1	7,077	18.9	81.1	
Traveler Accommodation	9,902	35.5	64.5	1,208	19.1	80.9	
Recreational Vehicle Parks and Recreational Camps	1,413	62.9	37.1	72	31.9	68.1	
Construction	26,662	21.6	78.4	4,198	14.7	85.3	
Professional and Business Services	24,883	23.0	77.0	4,937	16.2	83.8	
Educational and Health Services	20,599	17.7	82.3	4,717	11.6	88.4	
Local Government	19,124	12.6	87.4	3,751	8.4	91.6	
Manufacturing	17,547	60.5	39.5	3,308	60.4	39.6	
Seafood Product Preparation and Packaging	13,955	69.8	30.2	2,747	69.5	30.5	
Financial Activities	9,632	15.7	84.3	1,721	11.2	88.8	
Other Services	8,482	20.9	79.1	1,795	13.9	86.1	
Natural Resources and Mining	6,061	33.8	66.2	1,238	30.8	69.2	
State Government	5,878	17.6	82.4	1,018	8.9	91.1	
Information	3,123	17.9	82.1	738	12.3	87.7	
Other or Unknown	1,456	37.5	62.5	144	14.6	85.4	
Tribal Government	336	9.5	90.5	62	17.7	82.3	
Total Industries	242,985	25.0	75.0	44,481	18.5	81.5	

Notes:

First quarter is Jan. 1 to March 31; second quarter is April 1 to June 30; third quarter is July 1 to Sept. 30; and fourth quarter is Oct. 1 to Dec. 31.

The selected industries will not add up to the "total industry" figures provided.

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

22

MARCH 2006

Three out of four new hires are residents

In terms of statewide new hires activity, threequarters of the total new hires during 2004 were residents. (See Exhibit 5.) As with seasonality, absolute numbers of new hires do not provide the same insight into hiring activity as the numbers expressed as a percentage of the total activity.

Nonresident new hires dominate the seafood processing industry

The greatest percentage of nonresident new hires during 2004 occurred in the seafood processing industry, with 69.8 percent of the new hires being nonresidents. (See Exhibit 6.) On a quarterly basis, nonresidents represented a majority of the newly hired workers by a wide margin, ranging from a low of 65 percent in the second quarter to a high of 72.7 percent in the fourth quarter. Seafood processing was the only industry where the percentage of nonresident new hires was greater than resident new hires in every quarter.

Following seafood processing, the RV parks and recreational camps and traveler accommodation industries had high levels of nonresident new hires at 62.9 percent and 35.5 percent, respectively, in 2004.

Industries with the highest percentage of resident new hires

The tribal government industry had the highest percentage of resident new hires at 90.5 percent. Local government, which includes public school employees, followed closely behind at 87.4 percent. The financial activities industry also had a high percentage of resident new hires at 84.3 percent. All these industries tend to have more career-oriented types of occupations. Because of this, the people who



Se	econd Quarte	er	T	hird Quarter		Fourth Quarter			
	Percentage			Percentage			Percentage		
Total New Hires	Non- resident	Percentage Residents	Total New Hires	Non- resident	Percentage Residents	Total New Hires	Non- resident	Percentage Residents	
18,589	23.4	76.6	13,688	25.6	74.4	10,970	21.9	78.1	
16,079	32.1	67.9	14,033	32.5	67.5	8,989	25.1	74.9	
4,339	40.2	59.8	2,877	38.3	61.7	1,478	29.5	70.5	
675	63.1	36.9	607	66.6	33.4	59	61.0	39.0	
8,223	21.9	78.1	8,806	25.1	74.9	5,435	20.6	79.4	
7,658	24.2	75.8	6,950	26.1	73.9	5,338	23.3	76.7	
5,441	16.7	83.3	5,323	21.1	78.9	5,118	20.7	79.3	
4,618	9.7	90.3	5,743	17.3	82.7	5,012	13.0	87.0	
5,004	52.7	47.3	7,899	67.4	32.6	1,336	49.5	50.5	
3,688	65.0	35.0	6,864	72.1	27.9	656	72.7	27.3	
2,968	15.0	85.0	2,847	17.2	82.8	2,096	18.4	81.6	
2,492	20.8	79.2	2,286	28.0	72.0	1,909	19.3	80.7	
2,059	32.5	67.5	1,627	38.5	61.5	1,137	32.8	67.2	
1,864	17.7	82.3	1,799	23.4	76.6	1,197	16.3	83.7	
884	17.3	82.7	663	20.4	79.6	838	21.4	78.6	
398	33.2	66.8	763	47.3	52.7	151	21.2	78.8	
83	8.4	91.6	118	6.8	93.2	73	8.2	91.8	
76,360	25.4	74.6	72,545	30.6	69.4	49,599	22.1	77.9	

New Hires by Occupation Percentage of resident and nonresident new hires in Alaska, 2004

	Total of Four Quarters			First Quarter			
		Percentage		Percentage			
Occurational Group	Total New	Non-	Percentage	Total New	Non-	Percentage	
	nires	resident	Residents	nires	resident	Residents	
Construction Trades Workers	23,404	20.3	79.7	3,420	13.7	86.3	
Food and Beverage Serving Workers	18,178	24.8	/5.2	3,132	17.0	83.0	
Retail Sales Workers	16,417	19.3	80.7	3,043	13.3	86.7	
Food Processing Workers	11,826	70.6	29.4	2,539	68.8	31.2	
Material Moving Workers	9,317	18.8	81.2	1,516	17.2	82.8	
Building Cleaning and Pest Control Workers	9,044	22.9	77.1	1,488	12.7	87.3	
Information and Record Clerks	8,746	17.3	82.7	1,612	10.9	89.1	
Other Office and Administrative Support Workers	7,779	16.1	83.9	1,633	10.3	89.7	
Other Food Preparation and Serving Related Workers	6,404	26.6	73.4	983	21.5	78.5	
Cooks and Food Preparation Workers	6,093	28.0	72.0	1,095	19.1	80.9	
Other Personal Care and Service Workers	5,573	16.1	83.9	1,232	11.0	89.0	
Motor Vehicle Operators	4,823	19.9	80.1	944	14.2	85.8	
Other Installation, Maintenance and Repair Occupations	4,660	24.5	75.5	1,074	16.9	83.1	
Secretaries and Administrative Assistants	3,438	14.6	85.4	794	8.7	91.3	
Financial Clerks	3,343	16.3	83.7	804	11.3	88.7	
Material Recording, Scheduling, Dispatching							
and Distributing Workers	3,328	15.4	84.6	722	10.7	89.3	
Vehicle and Mobile Equipment Mechanics,							
Installers and Repairers	2,850	24.2	75.8	569	15.8	84.2	
Health Diagnosing and Treating Practitioners	2,614	35.1	64.9	505	24.8	75.2	
Other Education, Training, and Library Occupations	2,613	13.5	86.5	695	9.2	90.8	
Other Healthcare Support Occupations	2,525	15.3	84.7	599	9.2	90.8	
Transportation, Tourism and Lodging Attendants	2,494	47.1	52.9	89	22.5	77.5	
Other Construction and Related Workers	2,420	24.8	75.2	386	15.5	84.5	
Nursing, Psychiatric and Home Health Aides	2,379	13.7	86.3	561	9.4	90.6	
Other Protective Service Workers	2,301	18.5	81.5	473	12.5	87.5	
Other Sales and Related Workers	2,234	18.5	81.5	469	11.5	88.5	
Entertainment Attendants and Related Workers	2,143	15.3	84.7	388	13.9	86.1	
Helpers, Construction Trades	2,143	26.0	74.0	324	18.2	81.8	
Grounds Maintenance Workers	2,104	22.0	78.0	152	15.8	84.2	
Postsecondary Teachers	1,827	20.8	79.2	362	9.7	90.3	
Other Teachers and Instructors	1,798	20.9	79.1	432	13.2	86.8	
Counselors, Social Workers and Other Community							
and Social Service Specialists	1,791	18.9	81.1	432	12.0	88.0	
Teachers, Primary, Secondary and Special Education	1,770	28.4	71.6	294	7.1	92.9	
Other Management Occupations	1,712	26.1	73.9	376	17.3	82.7	
Health Technologists and Technicians	1,429	23.9	76.1	358	16.8	83.2	
Other Production Occupations	1,401	44.8	55.2	167	24.0	76.0	
Top Executives	1,234	20.9	79.1	324	17.6	82.4	
Extraction Workers	1,163	24.5	75.5	253	19.0	81.0	
Other Transportation Workers	1,158	19.6	80.4	217	21.7	78.3	
Financial Specialists	1,125	17.7	82.3	272	14.3	85.7	
Water Transportation Workers	1,123	48.4	51.6	89	43.8	56.2	
Sales Representatives, Services	1,074	18.0	82.0	266	11.3	88.7	
Agricultural Workers	1,069	28.7	71.3	175	36.0	64.0	
Fishing and Hunting Workers	967	51.5	48.5	64	35.9	64.1	
Entertainers and Performers, Sports and Related Workers	835	25.1	74.9	139	14.4	85.6	
Computer Specialists	814	18.4	81.6	212	11.3	88.7	
Metal Workers and Plastic Workers	804	37.2	62.8	149	26.2	73.8	
Business Operations Specialists	802	19.2	80.8	187	16.6	83.4	
Engineers	787	40.2	59.8	179	33.0	67.0	
Life, Physical and Social Science Technicians	735	21.1	78.9	66	13.6	86.4	
Forest, Conservation and Logging Workers	729	37.6	62.4	134	33.6	66.4	

Note: First quarter is Jan. 1 to March 31; second quarter is April 1 to June 30; third quarter is July 1 to Sept. 30; and fourth quarter is Oct. 1 to Dec. 31.

Occupational groups are based on the Standard Occupational Code, Standard Occupational Classification Manual.

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

24



fill them tend to stay in Alaska for a longer time, as opposed to seafood processing and tourismrelated industries where workers often stay for the season and then leave the state.

A look at occupations and residency

In addition to industry and area, the residency of new hires also differs greatly amongst occupations. (See Exhibit 7.) In the top 50 occupations based on new hires in 2004, the occupational group with the highest percentage of nonresident workers was food processing workers. Nonresidents represented 70.6 of its new hires in 2004 and it is the only occupational group where a majority of the new hires were nonresidents in every quarter.

Following food processing workers, fishing and hunting workers had the second highest occurrence of nonresident new hires at 51.5 percent during 2004. Nonresident new hires in the fishing and hunting workers occupational group outnumbered residents in the third and fourth quarters, but not in the first and second.

With the exception of occupations in food processing and fishing and hunting, a majority of new hires in the other top occupations during 2004 were residents. Occupations within the "other education, training and library" group had the highest percentage of resident new hires in 2004 at 86.5 percent. Other occupational groups that showed high percentages of resident new hires during 2004 included nursing, psychiatric and home health aides (86.3 percent), as well as secretaries and administrative assistants (85.4 percent).

Conclusion

Hiring patterns in Alaska tend to change with the seasons. Hiring tends to increase in anticipation of the summer tourist and fishing seasons and decrease during the winter months. Industries and occupations with greater exposure to these seasonal factors see dramatic increases and decreases in hiring activity. In addition, Alaska residents account for a majority of hiring activity in most industries; however, those with the most extreme seasonality tend to hire more nonresidents.

Additional information on the new hires data series can be found by going to the Research and Analysis Web site at http://almis.labor.state. ak.us. Click on "Employment" in the far left column, then "New Hires."

Article Notes

The new hires data series is obtained by evaluating every worker-employer combination on the quarterly Alaska unemployment insurance tax wage record database and matching them to Alaska's Occupational Database. The latter database consists of information provided by employers on the occupation and place of work for each worker.

A worker who had no employment with his or her current quarter employer in any of the four previous quarters is considered a new hire. As mentioned in the article, the people excluded from the new hires analysis include federal workers, the self-employed, full-commissioned salespeople, most fishermen, as well as workers of employers reporting to other states (such as most offshore seafood processors) and other workers exempt from unemployment insurance. A worker can be counted as a new hire for more than one employer during a quarter, but only once for the same employer over any five consecutive quarters.

The new hires data series is designed to measure job openings that occurred during the quarter as a result of either job creation (new positions added by employers) or turnover replacement (hiring resulting from the employers' need to fill vacant positions). The added element of turnover replacement makes the new hires series unique, as it gives a fuller picture of seasonal and year-to-year hiring trends.

The total number of new hires is large relative to average monthly employment since it includes all of the hiring activity resulting from the turnover in each job. A single job may be filled by several workers over the course of a year.

26

MARCH 2006