

A wage record analysis

Alaska's population has gotten older over the past 10 years. Alaska's median¹ age in 1998 was 27.5 compared to 33.5 in 2008.² The percentage of older Alaskans has also increased over the past decade. In 1998, 5.4 percent of the state's population was 65 and over, by 2008, the percentage rose to 7.3 percent.

The aging population is evident in the composition of Alaska's work force. The number of older workers³ is small relative to other age groups, but older workers are of particular interest because they earn higher wages and possess skills and knowledge acquired over many years.

Examining the degree to which older workers are represented in the work force can shed light on where future job openings might occur, where labor shortages may emerge, and whether enough younger workers are available to fill possible vacancies left by retiring older workers.

¹ The median is the middle value in a set of ordered values.

² The most recent year for which complete data are available.

³ "Workers" throughout this article (including the exhibits) refers to workers who are Alaska residents.

Defining an older worker

This article focuses on the impact of two major groups of older workers: those who are expected to retire in the next 10 years (age 55 to 64), and those who are over normal retirement age (age 65 and over). For the purposes of this analysis, only Alaska resident workers were considered.⁴ Age information on nonresident workers is not available.

The composition of the work force in 1998 and 2008

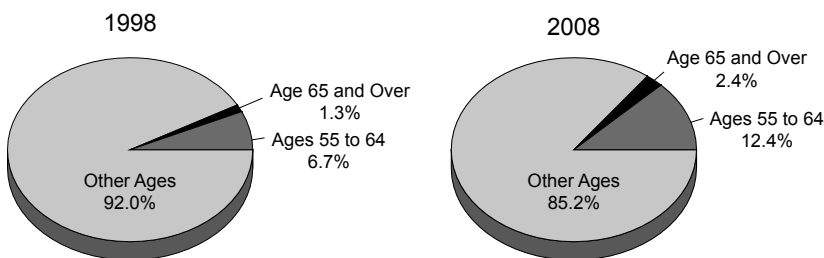
In 2008, 12.4 percent of workers were between the ages of 55 and 64, and 2.4 percent of total workers were age 65 and over. Those numbers were up significantly from 10 years before. In 1998, 6.7 percent of workers were between ages 55 and 64 and 1.3 percent were age 65 and over. (See Exhibit 1.)

One major difference when comparing wages between these two years is that median wages reached a maximum at an earlier age in 1998. In 1998, median wages maxed out at \$33,614 at age 50. In 2008, median wages maxed out at \$42,110 at age 54. (See Exhibit 2.)

A larger number of older workers are staying in the work force, and their share of total wages has increased over the last 10 years. Between 1998 and 2008, older workers' share of wages

⁴ Alaska residency is determined by matching the Alaska Department of Revenue Permanent Fund Dividend 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. Those who aren't subject to unemployment insurance laws include self-employed workers, fishermen, the uniformed military, federal employees, and elected and appointed officials. Workers included in the wage file were considered Alaska residents if they applied for a PFD in either 1998 or 1999, and either 2008 or 2009.

1 Share of Older Workers in Work Force Alaska, 1998 and 2008



Note: "Workers" throughout this article refers to workers who are Alaska residents.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

increased from 8.9 percent to 18.1 percent. (See Exhibit 3.)

Older adults may be staying in the work force longer for any number of reasons, and the reasons may result from necessity or desire. In some cases, due to changing economic circumstances, workers may need to keep working to build sufficient funds to retire. In other cases, some return to work after retirement if funds fall short. Some older workers may want to keep working, or they are persuaded by their employers to stay on a few more years due to an insufficient pool of replacements.

Industries and occupations with a high percentage of older workers

State and local government⁵ were the two industries that employed the largest percentage of older workers. (See Exhibit 4.) These industries also had the highest median age for workers at 45 and 44 respectively. In contrast, the overall median age of workers in the private sector was 36, nearly 10 years younger than government workers.

Private sector industries with the highest percentage of older workers included Educational and Health Services,⁶ and Business and Professional Services. Despite having a higher percentage of older workers than other private sector industries, median worker ages in these two industries were lower than government at 40 and 38 respectively.

When viewing the data by occupation, post-secondary teachers had the highest percentage of workers ages 55 to 64. (See Exhibit 5.) No occupations had a median age exceeding 55 years old, but post-secondary education teachers also had the highest median age at 54.5 years old. Education-related occupations also have a higher percentage of workers in the 65 and over age group.

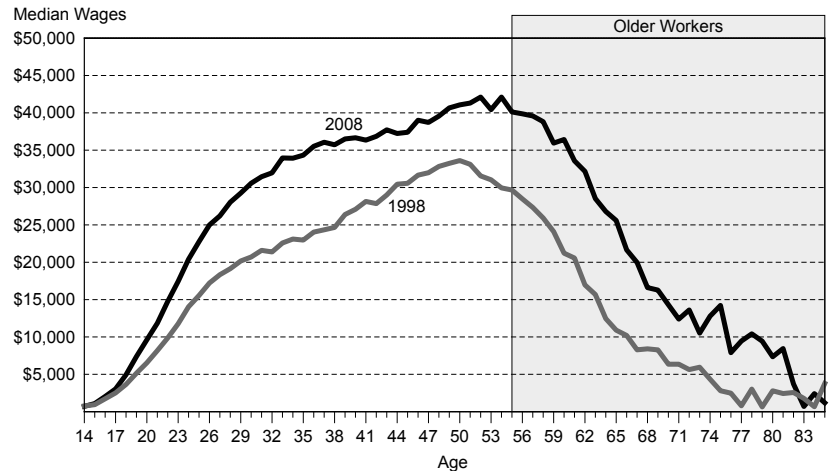
New hires by age

Hiring activity varies with age. In 2008, a major-

⁵ Data were not available for federal employees.

⁶ Private education only

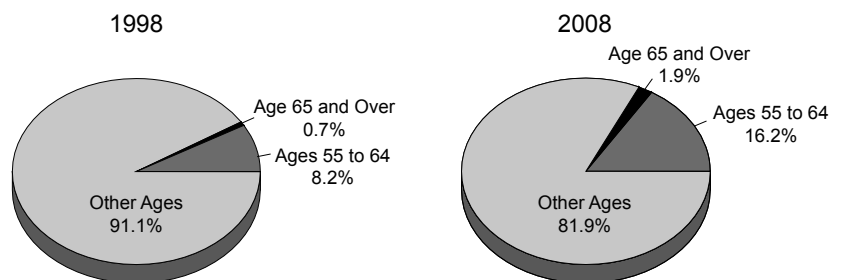
Workers' Median Wages¹ by Age Alaska, 1998 and 2008 **2**



¹ The median wage for all ages is the "middle" wage when all the workers' wages are arranged from smallest to largest.

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

How Wages Break Down by Age¹ Alaska, 1998 and 2008 **3**



¹ Chart shows the percentage of total wages earned by older workers.

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

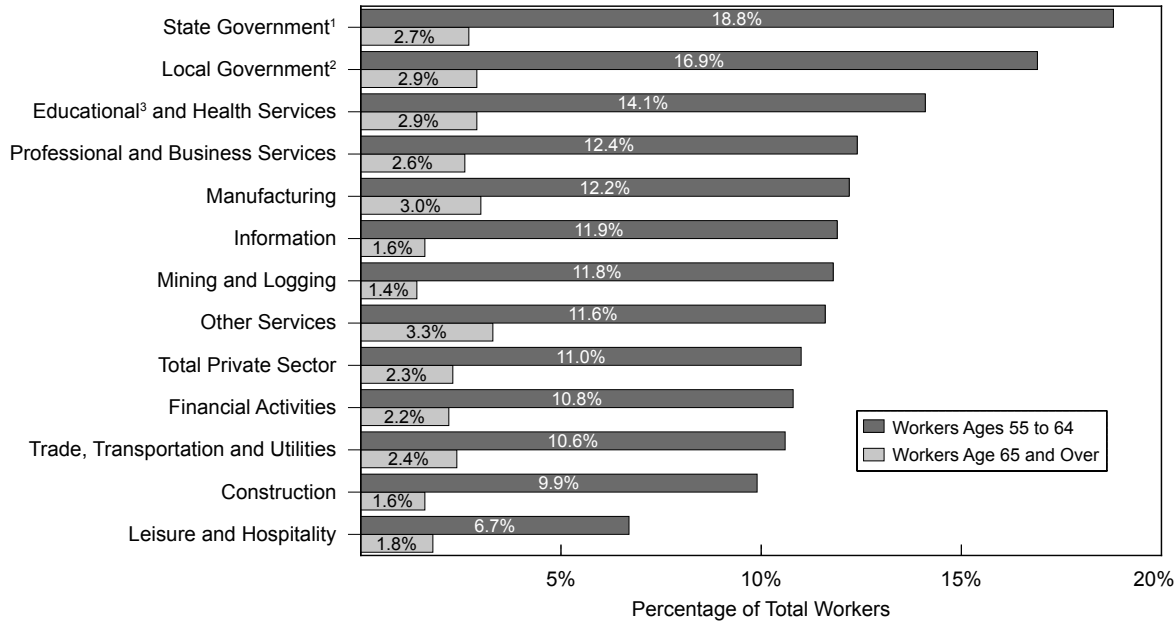
ity of newly hired workers were under age 30. (See Exhibit 6.) As workers begin to settle into longer term jobs, their tendency to change jobs appears to subside. Between the ages of 30 and 50, the number of new hires seems to stabilize and ultimately decline after age 50 as workers retire or stay put for the duration of their careers.

Top employers of older workers

In terms of worker counts, the State of Alaska was the largest employer of older workers in both the 55 to 64, and the 65 and over categories. Anchorage School District and the Municipality of Anchorage were the largest local government employers of older workers. In the

4 Older Workers by Industry

Percentage of total workers, Alaska 2008



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

¹ Includes the University of Alaska

² Includes public school systems

³ Private education only

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

5 Top Occupations¹ with Highest Percentages of Older Workers

Alaska resident workers, 2008

Occupation	Median Age	Percent Workers 55 to 64	Percent Workers 65+	Occupation	Median Age	Percent Workers 55 to 64	Percent Workers 65+
Education Teachers, Post-secondary	54.5	42.9%	7.1%	Urban and Regional Planners	48	26.6%	0.4%
Vocational Education Teachers, Post-secondary	53	37.3%	8.9%	Occupational Health and Safety Specialists	48	25.6%	1.8%
English Language and Literature Teachers, Post-secondary	51	33.6%	9.6%	Ship Engineers	48	25.4%	1.1%
Business Teachers, Post-secondary	53	33.6%	11.8%	Licensed Practical and Licensed Vocational Nurses	48	25.2%	2.5%
Mathematical Science Teachers, Post-secondary	53	33.5%	14.9%	Natural Sciences Managers	50	25.1%	3.1%
Librarians	51	31.5%	3.7%	Tank Car, Truck, and Ship Loaders	49	25.0%	3.2%
Chief Executives	52	31.4%	5.7%	Respiratory Therapists	48	24.2%	0.8%
Education Administrators, Post-secondary	52	31.1%	6.0%	Library Technicians	47	24.2%	1.3%
Adult Literacy, Remedial Education, and GED Teachers and Instructors	49	30.7%	7.9%	Editors	47	23.8%	5.4%
Legislators	52	29.0%	17.2%	Detectives and Criminal Investigators	47	23.6%	1.1%
Special Education Teachers, Middle School	49	28.9%	2.3%	Social and Community Service Managers	46	23.4%	3.0%
Construction and Building Inspectors	51	28.6%	5.2%	Electrical and Electronic Equipment Maintenance, Installation and Repairers, All other	47	23.1%	1.5%
Education Administrators, Elementary and Secondary School	50	28.5%	2.5%	Purchasing Managers	49	22.8%	3.0%
Special Education Teachers, Secondary School	49	28.5%	1.3%	First-Line Supervisors/Managers of Production and Operating Workers	49	22.6%	1.9%
Instructional Coordinators	49	27.4%	2.8%	Education Administrators, All Other	45	22.6%	3.2%
Post-secondary Teachers, All Other	50	27.4%	10.5%	Compliance Officers, Except Agriculture, Construction, Health and Safety, and Transportation	46	22.5%	1.6%
Substitutes, Teachers and Instructors, Multi-level except post-secondary	47	27.2%	7.4%	Medical and Public Health Social Workers	44	22.5%	1.1%
Appraisers and Assessors of Real Estate	48	27.2%	2.3%	Tax Preparers	43	22.4%	7.5%
Bus Drivers, Transit and Intercity	52	27.2%	11.6%	Medical and Health Services Managers	48	22.4%	2.0%
Secondary School, Vocational Education Teachers	49	26.7%	3.4%	Business Operations Specialists, All Other	48	22.4%	3.9%

¹ Occupations with 100 or more total workers

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

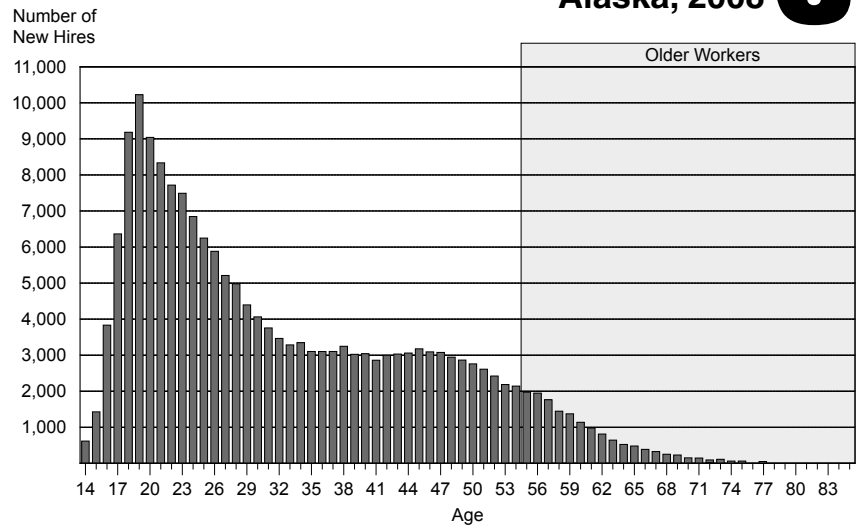
private sector, Providence Hospital employed the largest number of workers ages 55 to 64, and Wal-Mart employed the largest number of workers age 65 and over. Safeway and Fred Meyer also appeared high on the list of worker counts between age 55 and 64. Oil industry employers such as BP Exploration and the Alyeska Pipeline Service Co. also had higher numbers of workers ages 55 to 64. (See Exhibit 7.)

Looking ahead

As older workers retire, state and local government are the two industries most likely to feel the impact. Private-sector industries tend to have a smaller percentage of older workers, but the Educational and Health Services industry stands out as having a higher occurrence of older workers.

Occupations related to education including teachers of various kinds have a high percentage of older workers and higher median ages. In health care-related occupations, registered nurses have a large number of workers approaching retirement and could potentially leave a labor shortage in an already hard to fill occupation.

Number of New Hires¹ by Age Alaska, 2008 **6**



¹ A new hire is defined as a worker that did not work for the reporting employer in any of the previous four quarters.

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

Top 30 Employers¹ of Older Workers Alaska resident workers, 2008 **7**

Rank	Employer Name	Number of Workers Age 55 to 64	Number of Workers Age 65+
1	State of Alaska	3,250 to 3,499	250 to 499
2	Anchorage School District	1,500 to 1,749	100 to 249
3	University of Alaska	1,250 to 1,499	100 to 249
4	Providence Hospital	500 to 749	0 to 49
5	Municipality of Anchorage	500 to 749	0 to 49
6	Fairbanks North Star School District	500 to 749	50 to 99
7	Mat-Su Borough Schools	250 to 499	0 to 49
8	Wal-Mart Associates	250 to 499	100 to 249
9	Kenai Peninsula Borough Schools	250 to 499	0 to 49
10	Safeway	250 to 499	0 to 49
11	NANA Management Services	250 to 499	0 to 49
12	Fred Meyer Stores	250 to 499	0 to 49
13	BP Exploration Alaska	250 to 499	0 to 49
14	Alyeska Pipeline Service Company	100 to 249	0 to 49
15	Alaska Native Tribal Health Consortium	100 to 249	0 to 49
16	Alaska Airlines	100 to 249	0 to 49
17	Banner Health System	100 to 249	0 to 49
18	Juneau School District	100 to 249	0 to 49
19	Lower Kuskokwim School District	100 to 249	0 to 49
20	VECO Alaska Inc	100 to 249	0 to 49
21	ConocoPhillips Company	100 to 249	0 to 49
22	ASRC Energy Services O&M	100 to 249	0 to 49
23	Doyon/Universal Services J/V	100 to 249	0 to 49
24	Laidlaw Transit	100 to 249	0 to 49
25	Yukon Kuskokwim Health Corporation	100 to 249	0 to 49
26	Southeast Alaska Regional Health Consortium	100 to 249	0 to 49
27	Spensard Builders Supply	100 to 249	0 to 49
28	Southcentral Foundation	100 to 249	0 to 49
29	Alaska Railroad Corporation	100 to 249	0 to 49
30	North Slope Borough	100 to 249	0 to 49

¹ Employers with 100 or more total workers

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