

Hard Rock Mining and Services Hiring Brisk

by Todd Mosher

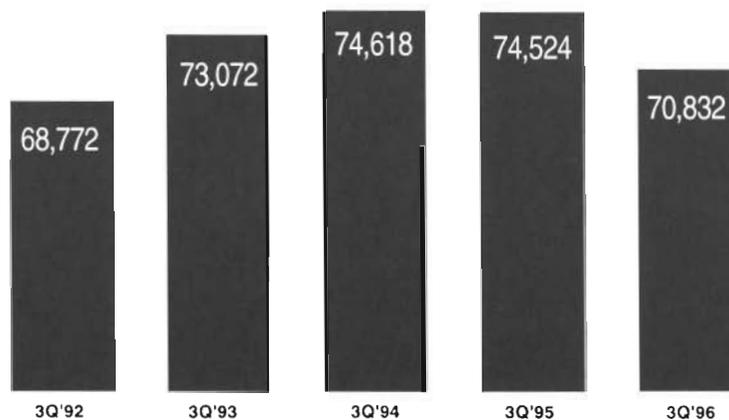
The Alaska New Hires Quarterly Report measures the number of job opportunities created by business expansions, business start-ups, and job turnover. The report assists employment security personnel and the job-seekers they serve as they develop strategies for job placement in Alaska's economy. A *new hire* is defined as an employee who was not working for the employer in any of the four previous quarters. New hires data include job turnover, and readers are, therefore, cautioned against drawing broad conclusions about job growth trends based solely on quarterly new hires data.

Strength of '94 and '95 spring and summer hiring loses steam

Summer quarter, which includes the months July through September, has been the peak quarter for Alaska new hires since data have been collected. From 1993 through 1995, summer new hires had been growing steadily, but hiring last summer was at its lowest level since 1992. (See Figure 1.) In the summer of 1996, there were 70,832 Alaska new hires, up by 930, or 1.3%, from the spring quarter, but down by 3,692, or 5.0%, from the summer of 1995. (See Table 1.)

Last summer's hiring was slowed by employment declines in Alaska's resource industries, especially seafood processing and timber. Construction and oil industry new hires also were down considerably from the previous summer, mirroring year-to-year employment losses. In addition, fewer people were newly hired by more than one employer. In the summer of 1996,

Figure • 1
Summer Quarter New Hires, Alaska, 1992-1996



A *new hire* is defined as an employee who was hired by the firm in the report quarter and had not been employed by the firm during any of the previous four quarters. New hires figures include turnover and should not be used to assess job growth.

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

7,561 workers were new to the payrolls of two or more employers, compared to 8,365 in the summer of 1995.

Hard rock mining and services new hires going strong

Non-oil mining added 520 new hires to its payrolls in the summer of 1996, up by 147, or 39.4%, from the previous summer. All told, over the spring and summer of 1996, there were 991 non-oil mining new hires, an increase of 211 new hires compared to the same period in 1995. The hiring growth was fueled by a 30 percent growth in hard rock mining employment in 1996. Services hiring has continued to show year-to-year growth since 1992, the first year of the new hires series. In 1996, summer new hires in the services industry were 1.3% higher than in 1995. Some of the strength in hiring was in amusement and recreation services and other seasonal jobs, but hiring was also stronger than usual in health care services, social services, and business services.

Todd Mosher is a labor economist with the Research and Analysis Section, Administrative Services Division, Alaska Department of Labor. Todd is located in Juneau.

Anchorage hiring healthier than in rest of state

Anchorage new hire numbers were still healthy in the summer of 1996, down by only about one percent from the summer of 1995, which was an exceptionally strong summer. However, all other regions of the state saw summer new hires numbers shrink anywhere from 3.7% to 10.7% compared to the previous summer. Over-supply of salmon inventories slowed demand for seafood processing workers during the spring and summer months in the Southwest and Gulf Coast regions, while closure of the Pelican processing plant and layoffs in the timber industry put a damper on new hires in the Southeast region of the state. In the Interior region of the state, tourism-related hiring was strong in the spring quarter, but tailed off considerably in the summer months. Following a promising jump in tourists in the spring, the Interior region reported drive-in traffic down in the mid-summer compared to

1995. This led to a greater than usual spring-to-summer slow down in tourism-related hiring.

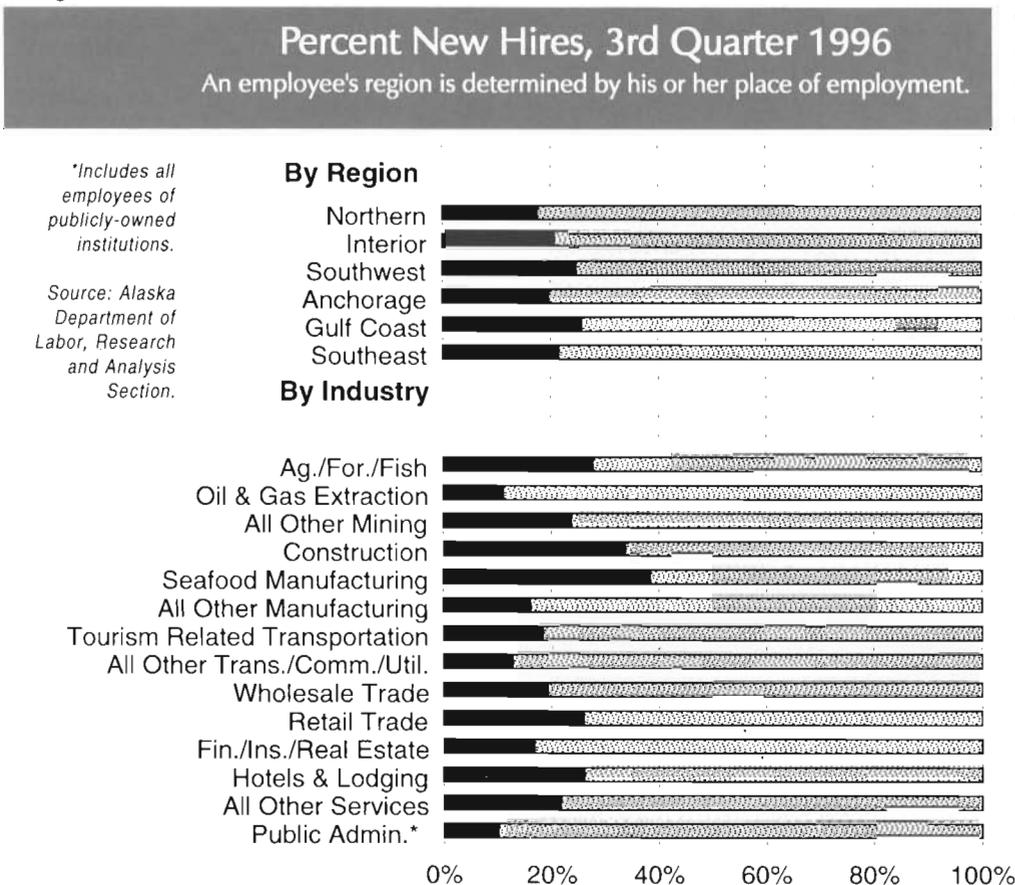
Resident hires account for over three-fifths of summer's new hires

Nearly 62 percent of last summer's new hires received an Alaska Permanent Fund Dividend (PFD) in 1995 and/or 1996. (See Figure 3.) Alaskans must show that they have resided in Alaska for a full calendar year to qualify for the dividend, so this implies that over three-fifths of new hires in the summer of 1996 were Alaska residents. This is up from the previous summer, when 60.5% of new hires had received a PFD in 1994 and/or 1995.

Compared to the summer of 1995, the share of resident new hires, as defined above, was up for most industries. Non-oil mining was the only industry that showed a year-to-year decline in the percentage of new hires that received a PFD, moving from about 68 percent in summer 1995 to about 61 percent in summer 1996. However, this industry was booming last summer, and had substantial gains in both resident and nonresident new hires compared to the previous summer.

Using the PFD criteria stated above, the industry with the lowest share of resident new hires in the summer of 1996 was seafood processing; only 25.3% of

Figure • 2



Methodology

The new hires series is produced by matching Occupational Data Base files, Alaska Department of Labor wage files, and Permanent Fund Dividend files keyed on employer numbers and employee social security numbers. This match is made for the report quarter and the four previous quarters. Each employer's full listing of employees is considered for the report quarter. If an employee worked for the employer in any of the previous four quarters, he or she is considered continuously employed or a seasonal rehire and is excluded from the new hires subset; otherwise, the employee is defined as a new hire for that employer. Data are unavailable for federal workers and the self-employed.

A worker can be counted as a new hire for more than one employer during the report quarter, but not more than once for the same employer. This method purposely treats the turnover of an existing job as a new hire. The new hires series is designed to measure job opportunities provided by the combined effect of turnover and job growth.

An employee's region is set by his or her actual place of employment, unless that information is not provided by the employer. Historically, employers do not report place of employment information for about 10 percent of all employees. In that case, the employee's region is determined by the location of the employer.

seafood processing new hires were Alaska PFD recipients. This was, however, over six percentage points improvement from the previous summer, although total new hires in the seafood processing industry were down for both PFD recipients and non-recipients. The industries with the highest share of resident new hires in the summer of 1996 were finance, insurance, and real estate; and public administration. About three out of every four new hires in these industries were PFD recipients in 1995 and/or 1996.

Alaska New Hires 3rd Quarter 1996

	3rd Qtr 96	Change from 2nd Qtr 96	Change from 3rd Qtr 95
Total New Hires:	70,832	930	-3,692
By Region			
Northern	3,835	931	-461
Interior	9,624	-1,589	-899
Southwest	6,479	889	-733
Anchorage	29,189	-775	-291
Gulf Coast	10,196	1,155	-390
Southeast	10,091	-156	-888
Offshore	953	357	128
Outside	406	60	-114
Unknown	59	58	-44
By Industry			
Ag./Forestry/Fishing	728	-315	-49
Mining	1,662	271	-411
Oil & Gas Extraction	1,142	222	-558
All Other	520	49	147
Construction	8,142	648	-910
Manufacturing	10,393	3,924	-779
Seafood Processing	9,089	4,266	-160
All Other	1,304	-342	-619
Trans./Comm./Util.	4,183	-1,678	-619
Tourism Related ¹	1,228	-833	114
All Other	2,955	-845	-733
Wholesale Trade	2,065	107	-369
Retail Trade	16,999	-1,788	-518
Fin./Ins./Real Estate	2,224	136	-6
Services	18,190	-768	241
Hotels & Lodging	2,731	-1,353	-51
All Other	15,459	625	292
Public Administration*	6,246	353	-270

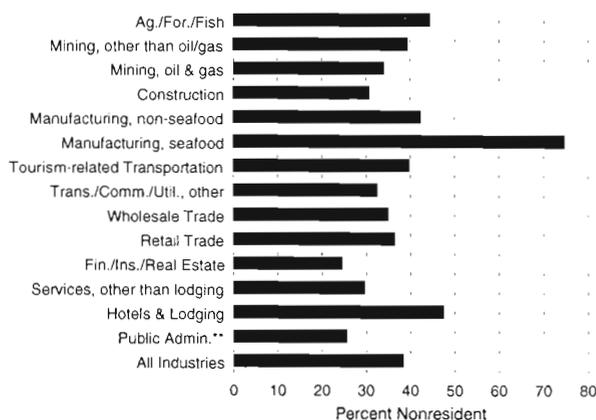
¹ These categories include local passenger transportation, water transportation, nonscheduled air transportation, travel agencies and other travel arrangers. Not all of the employment in these industries is attributable to tourism, but all of these categories are heavily influenced by tourism in most regions.

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

Figure • 3

Alaska New Hires 3rd Quarter 1996

Percent Nonresidents*



*Did not receive an Alaska Permanent Fund Dividend in 1996 and did not receive a PFD in 1995. May include some individuals that have recently established or re-established residency.
**Includes all employees of publicly-owned institutions.

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