

# New Hires Picture Mixed

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## Winter-spring seasonal trend reverses in seafood processing

**F**or the first time since the data series began, 1998 seafood processing new hires in the first (winter) quarter surpassed second quarter levels. Statewide, new hires for the second quarter were down year-to-year, although they increased 58 percent (25,467) from the prior quarter. Each year the transition from the winter to spring quarter marks the beginning of the peak hiring season. The hotel, tourism, and construction industries all experienced large increases in the number of new hires. Every region of the state showed a higher level of hiring in the spring than in the winter quarter. Except for seafood processing, all industries were up during this transition.

### Winter seafood processing new hires exceed spring levels

Seafood processing began strongly in 1998 with more than 5,000 new hires in the first quarter. Then in the second quarter, they fell to 3,857, or 24 percent below the winter quarter. Compared to spring of 1997, there were nearly 1,600 fewer seafood processing new hires in 1998. (See Exhibit 1.)

*The winter (first) quarter includes January, February and March. The spring (second) quarter includes April, May and June.*

While the winter fishery has had sustained employment levels, the summer fishery has experienced a general downturn. For the second

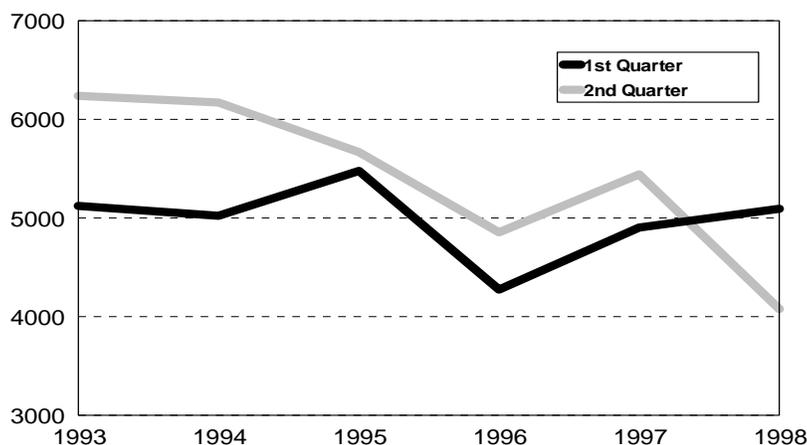
### The New Hires Quarterly Report

**The New Hires Quarterly Report** counts job opportunities created by business expansions, business start-ups, and job turnover. The report assists employment security personnel and the job-seekers they serve in developing strategies for job placement in the Alaska economy. Almost all firms with employees working in Alaska are required to report social security numbers, occupation, work site and wages earned for each employee to the Alaska Department of Labor on a quarterly basis.

**A new hire is defined** as an employee who was not working for the employer in any of the previous four quarters. A worker can be counted as a new hire for more than one employer during a quarter. Since replacements for departing workers are included, readers are cautioned about drawing conclusions about job growth solely from quarterly new hire data.

### Seafood Processing New Hires

First and Second Quarters 1993-1998



Source: Alaska Department of Labor, Research and Analysis Section

year in a row, Bristol Bay and Cook Inlet encountered ruinous salmon harvests during the summer months. Processors scaled back operations rapidly when it became apparent that 1998 would see no recovery. Southeast Alaska also suffered losses due to the temporary closure

of Wrangell Fisheries during April and May and a 30 percent reduction in herring quotas from 1997. Even before processors scaled back, some were unable to find enough workers to fill vacancies, further slowing new hires in the second quarter. Strong economies in other states and the memory of early closures in 1997 may have thinned their labor pool considerably.

## 2 Alaska New Hires

### First and Second Quarters 1998

	1st Qtr 1998	2nd Qtr 1998	Change from 1st Qtr 1997	Change from 2nd Qtr 1997
<b>Total New Hires</b>	<b>44,244</b>	<b>69,711</b>	<b>3,559</b>	<b>-1,209</b>
<b>Region:</b>				
Northern	3,013	3,302	845	110
Interior	5,115	11,675	451	575
Southwest	5,288	5,351	205	-391
Anchorage/Mat-Su	20,888	31,024	2,557	875
Gulf Coast	4,110	8,374	-323	-1,323
Southeast	4,622	9,182	-284	-961
Offshore	1,032	419	97	79
Outside	176	384	11	-173
<b>Industry:</b>				
Agriculture/Forestry/Fish	254	954	-222	-92
Mining	1,172	1,937	469	537
Oil & Gas Extraction	1,087	1,608	523	634
All Other Mining	85	329	-54	-97
Construction	3,558	7,143	925	-120
Manufacturing	5,830	5,223	18	-1,832
Seafood Processing	5,092	3,857	201	-1,581
All Other Manufacturing	738	1,366	-183	-251
Trans/Comm/Utilities (TCU)	2,989	5,813	120	-218
Tourism-related TCU <sup>1</sup>	605	2,244	12	75
All Other TCU	2,384	3,569	108	-293
Wholesale Trade	1,332	2,006	112	-119
Retail Trade	10,264	18,635	1,111	-294
Finance/Insur/Real Estate	1,658	2,401	166	27
Services	12,793	19,861	214	274
Hotels & Lodging	1,013	4,221	83	207
All Other Services	11,780	15,640	131	67
Public Administration	4,394	5,738	456	567

<sup>1</sup> Tourism-related Transportation, Communications and Utilities includes local passenger, water, and nonscheduled air transportation, travel agencies and other travel arrangers. Not all of the employment in these categories is attributable to tourism, but all are heavily influenced by tourism in most regions.

Source: Alaska Department of Labor, Research and Analysis Section

### First quarter new hires grow for second year

Statewide hiring in the first quarter of 1998 was at its highest level since 1992, the earliest year for which data are available. There were 44,244 new hires in Alaska for that period, compared with 40,685 for 1997. (See Exhibit 2.) This represented an increase of 8.7% and marked the second consecutive year that hiring in the winter quarter experienced growth. (See Exhibit 3.) Hiring was led by oil industry exploration activities that also aided construction and services industry new hires. Retail hiring was strong, helping to raise first quarter new hires by more than 1,000.

### Spring hiring has its ups and downs

If the impact of a poor spring quarter for seafood processing were disregarded, total new hires would have been slightly above 1997 levels for the second quarter of 1998. As it was, April to June 1998 hiring was down slightly from the year before. Second quarter new hires totaled 69,711, declining 1.7% from the same quarter of 1997. Losses in seafood processing brought down overall totals and hit the Gulf Coast particularly hard, for a 13.6% decline. Oil industry employers continued to add workers in the second quarter, surpassing the previous spring by 634 new hires. This impacted primarily the Northern and Anchorage regions. The hiring upswing was short-lived, however, as exploration activities were curtailed in response to dropping oil prices. Retail sector hiring was strong although it was down slightly from second quarter 1997. Service industry hiring was about on par with the solid levels of the previous spring.

## Seafood dominates Southwest and Gulf Coast

Seafood processing dominated winter new hires in Southwest Alaska with almost 50 percent of all new hires for that region. Winter new hires were up for 1998 in all regions except for Southeast and Gulf Coast. The City and Borough of Juneau showed a modest loss for the same period (4.6%). Hiring in the Interior region of the state improved over the previous winter, gaining 451 new hires mainly in the services and public administration industries. The Fairbanks Northstar Borough increased winter new hires by seven percent. The Northern region gained 39 percent or 845 more winter new hires than 1997, mostly from the oil and construction sectors. The Municipality of Anchorage improved its performance from first quarter 1997 to first quarter 1998 by 2,479 new hires (14.7%).

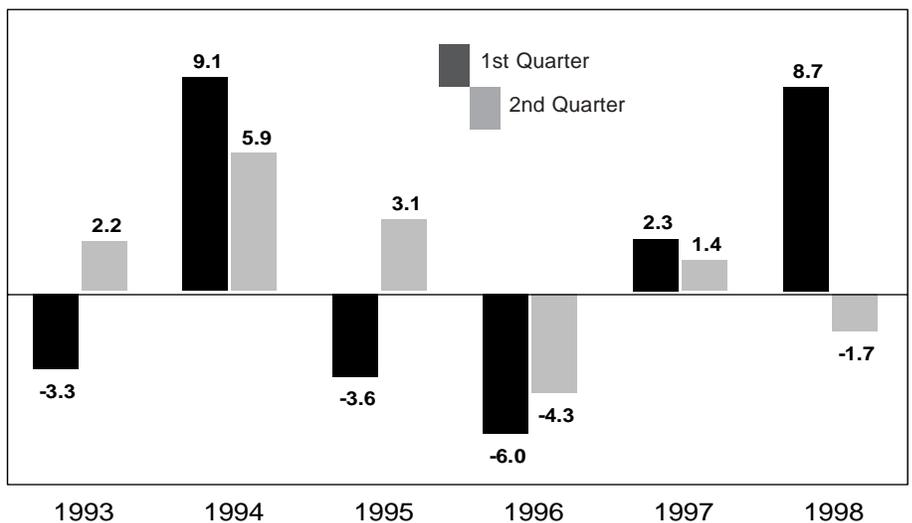
Losses in the Southwest, Gulf Coast and Southeast regions cancelled gains in the Anchorage/Mat-Su and Northern regions for the second quarter of 1998. The largest drop occurred in the Gulf Coast

where new hires were down 1,323 compared to 1997. This was primarily due to the poor salmon harvest in Cook Inlet. The Southwest was also negatively affected by the meager fishing season with a 6.8% decline year-to-year. April-to-June saw 961 fewer new hires for Southeast. Manufacturing employment in Southeast fell 11.6% during 1998 due to seafood processing declines and the slackened demand in Asia for timber. On a brighter note, Anchorage area new hires were up 4.7%, driven by the oil and retail sectors.

### Summary

Hiring was strong in the first six months of 1998 as Alaska's unemployment rates were at all time lows. Oil industry new hires were up significantly year-to-year for both quarters. This, in turn, had a positive effect on construction and services hiring. With the winter quarter out-performing the spring quarter, seafood processing hires reversed the usual trend. Hiring levels in the oil, retail and services sectors mitigated the negative effect of seafood processing in the second quarter.

## First and Second Quarter New Hires 3 Percent change from previous year 1993-1998



Source: Alaska Department of Labor, Research and Analysis Section