

Seafood Processing Leads Rebound in New Hires During First Quarter of 1997

by Todd Mosher

In the first quarter of 1997, there were approximately 41,000 new hires in Alaska, up by over three percent compared to the same period 1996. (See Table 1.) This marked the first time since 1994 that winter new hires had grown from the previous year. (See Figure 1.) A strong winter fishery was the biggest factor, pushing seafood processing new hires up by about 750, or 17.5%, compared to the previous winter.

Most industries' hiring was stronger than in previous winter

Seafood processing was not the entire story. New hires in retail trade and services, Alaska's largest private sectors, were up by 5.8% and 4.7%, respectively, compared to the first quarter of 1996, and wholesale trade was nearly 10 percent above 1996 levels. Especially noteworthy was continued growth in health services hiring. Hiring of registered nurses, physicians and dentists, and other health care professionals was up by about 200 from the previous winter. Transportation hiring, fueled by growth in air cargo employment, was up by close to three percent. Compared to year-ago levels, new hires in the oil, construction and government sectors were down.

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 the Alaska 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; readers, therefore, are cautioned against drawing broad conclusions about job growth trends based solely on quarterly new hires data.

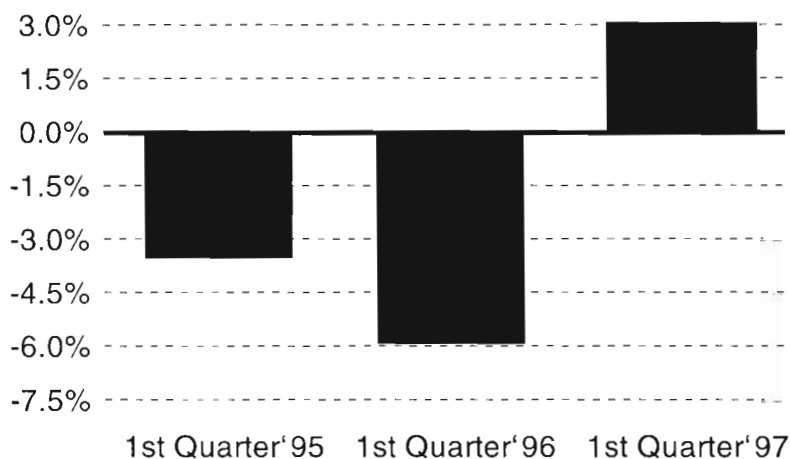
Southwest Alaska gets lion's share

Southwest Alaska was the greatest beneficiary of new hires growth in the seafood processing industry in the first quarter. New hires were up by 630, or nearly 14 percent, in this region. A strong opilio crab harvest and ground fishery led to a strong late-quarter rebound in winter hiring. Seafood processing employment in Southwest Alaska in

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Figure • 1

Year-to-Year Percent Change in Winter Quarter New Hires, Alaska, 1995-1997



New hires figures include turnover and should not be used to assess job growth trends. Source: Alaska Department of Labor, Research and Analysis

Alaska New Hires 1st Quarter 1997

1/ Includes local passenger, water, and nonscheduled air transportation, as well as 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.

2/ Includes all employees of publicly-owned institutions.

New hires include job turnover and should not be used to assess job growth trends.

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

	1st Qtr '97	Change from 4th Qtr '96	Change from 1st Qtr '96
Total New Hires:	40,998	-4,368	1,238
By Region			
Northern	2,081	-427	-571
Interior	4,570	-1,196	45
Southwest	5,232	1,659	630
Anchorage	18,705	-4,946	948
Gulf Coast	4,405	452	340
Southeast	4,818	-376	-11
Offshore	925	581	-40
Outside	215	-22	-119
Unknown	47	-93	16
By Industry			
Ag./Forestry/Fishing	475	176	216
Mining	700	-5	-504
Oil & Gas Extraction	565	108	-490
All Other	135	-113	-14
Construction	2,609	-1,919	-126
Manufacturing	5,934	4,242	780
Seafood Processing	5,023	4,100	748
All Other	911	142	32
Trans./Comm./Util.	2,863	-322	77
Tourism Related /1	590	68	-2
All Other	2,273	-390	79
Wholesale Trade	1,214	-117	109
Retail Trade	9,109	-4,076	498
Fin./Ins./Real Estate	1,520	-106	120
Services	12,561	-769	565
Hotels & Lodging	912	-48	22
All Other	11,649	-744	543
Public Administration /2	4,013	-1,449	-497

January was about on par with 1996, but in March there were 550 more seafood processing jobs than there were at the same time in 1996. Hiring in the Gulf Coast region of the state was also up, gaining 340 new hires over the previous winter. Unlike Southwest Alaska, however, year-to-year seafood processing employment comparisons turned negative in the Gulf Coast after a good showing in January.

Urban areas also picked up the pace

The Anchorage/Mat-Su region of the state had 950 more new hires in the winter of 1997 than in the winter of 1996, a gain of over five percent. Anchorage has been the biggest winner of employment gains in the service-producing sector of Alaska's economy, accounting for most of the health and business services new hires. The City and Borough of Juneau turned in a year-to-year new hires gain of about four percent, while Fairbanks was up by a modest 1.5%.

New hires versus Alaska job entrants

The categories of "new hire" and "new job entrant" are not synonymous, and neither are they mutually exclusive.¹ A new job entrant is a worker who did not work for any Alaska employer in the previous quarter. A new hire, on the other hand, may have worked in the previous quarter for a different employer.

¹For more on new job entrants see "Meeting Alaska's Seasonal Employment Needs" by Brian N. Rae on Page 1 of this issue.

Figure 2 examines Alaska workers in the first quarter of 1997, splitting all workers into four groups: new hires who did work in the previous quarter (7.0%); new hires who did not work in the previous quarter (7.8%); those who were not new hires and worked in the previous quarter (82.9%); and those who were not new hires and, for some reason, did not work in the previous quarter (2.3%). The cut-away section on the right of the pie chart indicates that almost 15 percent of all Alaska workers were new hires in the first quarter of 1997. The white cut-away section shows that 7.8% of the workforce were new hires and did not work in Alaska in the fourth quarter of 1996. Therefore, they were both new hires and new Alaska job entrants.



The two white slices of the pie in Figure 2 indicate that about 10 percent of all workers were "new job entrants." Slightly more than three-fourths of these job entrants, or 7.8% of the workforce, were newly hired by their first quarter 1997 employer. The remaining job entrants, or 2.3% of the workforce, were re-hired by an employer they had worked for at some time during the first three quarters, but not during the fourth quarter of 1996. Most of these individuals were seafood processing workers re-hired by an employer they had worked for in the previous winter and/or summer fishing season.

This type of analysis provides an interesting way to compare workers of different industries. Figure 3 compares the oil and seafood processing industries, using the same breakdown as Figure 2. Not only is there a much higher percentage of new hires in the

seafood industry compared to the oil industry, but their prior quarter work statuses also run opposite. In the oil industry, almost twice as many of the new hires worked in Alaska in the fourth quarter of 1996 than did not. On the other hand, less than one-fifth of seafood processing new hires worked in Alaska in the fourth quarter of 1996. Moreover, a much larger percentage of seafood processing

Important notes about the new hires data

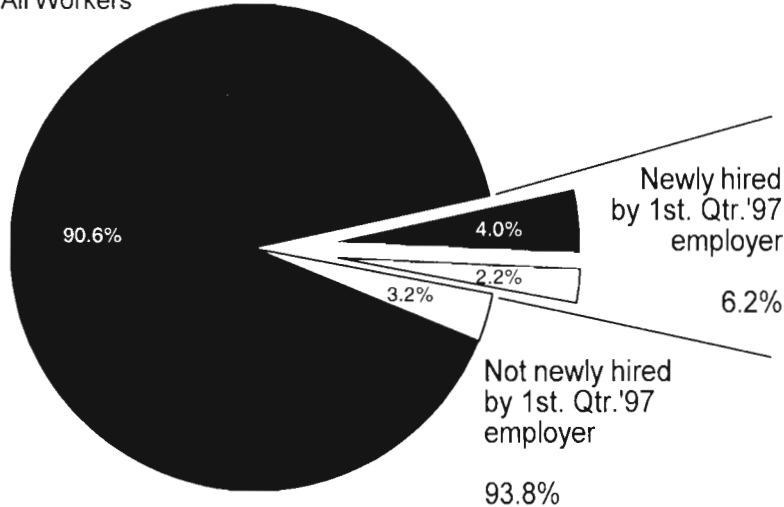
The new hires series is designed to measure job opportunities provided by both employee turnover and new job creation. Every firm with employees working in Alaska is required to report social security numbers, occupation, work site location and wages earned for each of their employees to the Alaska Department of Labor on a quarterly basis. To be considered a new hire, a person must receive wages from a firm that they have not worked for in any of the four previous quarters. There is no differentiation between new hires who replace a departing worker and new hires entering newly created jobs. A worker can be counted as a new hire for more than one employer during a quarter.

Figure • 3

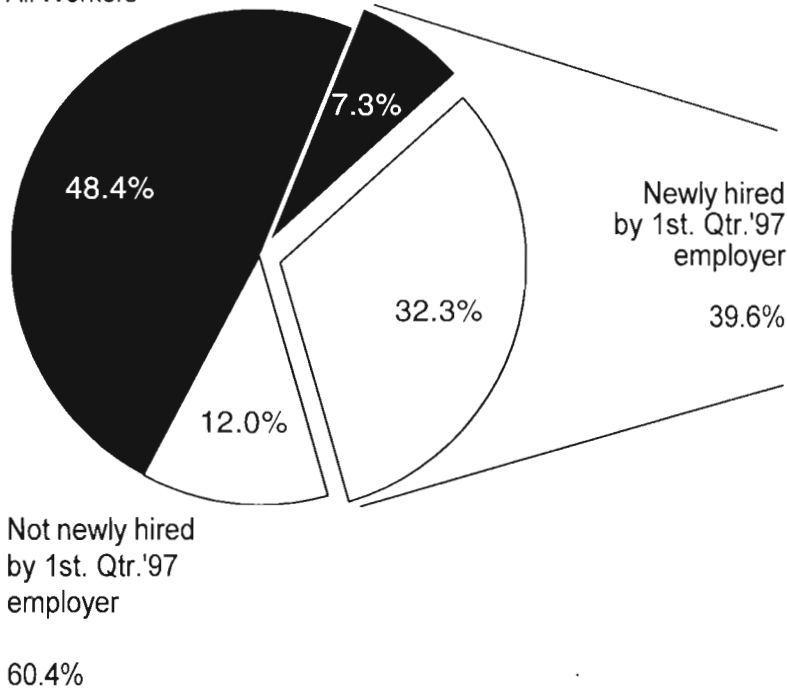
Alaska New Hires, 1st Quarter 1997 by Prior Quarter Work Status

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

Oil and Gas Extraction Industry— All Workers



Seafood Processing Industry— All Workers



Worked for at least one employer in 4th Qtr. '96
 Did not work for any Alaska employer in 4th Qtr. '96

workers, 12% of the total compared to only 3.2% of oil workers, were re-hired by an employer they had worked for sometime in the first three quarters of 1996 after having no Alaska employment in the fourth quarter of 1996. These comparisons highlight the more seasonal nature of the seafood industry and its greater reliance on obtaining new hires from outside the state.