

Resident and Nonresident Employment in Alaska

By John Boucher

Introduction

The resident hire issue has recently commanded the attention of policy makers and citizens from all around the State of Alaska. Recent developments on the North Slope as well as in the courtrooms and legislative halls of the state have brought this controversial issue to the forefront once again. Despite this recent attention, the resident hire issue is by no means new on the Alaskan political and economic front. Resident hire and priority employment for Alaska's residents has been an important issue for many Alaskans for quite some time. This article is an attempt to highlight some of the roots of the resident hire issue and the recent developments that have rekindled public interest in the issue. Following that will be a brief explanation of some preliminary work done by Research and Analysis that pertains to resident hire and a passage about what might be expected to develop pertaining to this issue in the near future.

Background of the Resident and Nonresident Hire Issue

The first major attempt by the State of Alaska to enact a policy of preferential hire for Alaska residents dates from the early 1970's just prior to the construction of the Trans-Alaska Pipeline. A 1972 statute under Title 38 chapter 40 provided that the State of Alaska, 'in order to create, protect and preserve the right of Alaska residents to employment,' require private employers involved in any oil and gas activities resulting from leases with the state to first hire and last fire Alaska residents in preference to residents of other states. The intent of the legislation was to insure that local residents received the first chance at employment which resulted from oil and gas leases from the state.

The resident hire preference law under Title 38 was not actively enforced until 1975 when the Alaska Department of Labor began issuing residency cards to qualified individuals based upon their residence in Alaska for one year. After Executive Order 76-1 declared that all private companies cease and desist dis-

patching nonresidents to pipeline construction jobs if there were qualified Alaskans available to work, the first courtroom battle over Alaska hire preference was begun. The ensuing lawsuit over the resident hire law signaled the beginning of many legal battles over the residency issue including the well publicized Permanent Fund dividend case and the current case before the Alaska Supreme Court challenging the resident hire requirements on public construction projects. The law requiring resident hire on state owned oil and gas leases was eventually declared unconstitutional by the U.S. Supreme Court in 1979 in **Hicklin et.al. v. Orbeck**, but it has remained a policy objective of both the legislative and the executive branches of the state government to employ Alaskan residents first wherever possible. This policy objective is the root of Title 36's requirement that state funded construction projects have 95% residents on the job. (Title 36 predates Title 38).

A resident hire preference has not only been a concern of the government of the State of Alaska, but it has also received strong support from the state's unions. Prior to construction of the pipeline, union locals, led by prominent labor leader and Teamsters Local 959 chief Jesse Carr, refused to sign labor agreements with the oil companies participating in the construction of the Trans-Alaska pipeline until the companies adopted provisions guaranteeing the preferential hire of Alaskan union members. The concern of the unions was that the oil companies were planning to use a great deal of imported labor from the lower 48; among other items. The labor agreement that covered the pipeline construction period was followed by a new five-year agreement in 1980 between seventeen Alaska unions, ARCO Alaska and Sohio Construction company. The agreement, which extends to 1985, provides that most of the construction work at Prudhoe Bay and Kuparuk during this period would be performed by union labor. With the recent decline in oil prices, however, unions have lost the leverage that they had several years ago. The labor agreement in effect for the last five years will not be renewed according to Sohio and ARCO, and some construction not covered by the agreement has already been awarded to non-union contractors on a job by job basis known as 'merit' contracting. The expiration of existing contracts has been a matter of great concern to union leaders as 1986 and 1987 are scheduled to be the biggest construction seasons on the North Slope and they believe merit contracting will cause a massive influx of transient non-union workers from the lower 48.

Recent Legislative Developments

The first session of the Fourteenth Alaska Legislature focused attention on the resident hire issue in the form of an amendment to Title 36 of the Alaska Statutes, which is commonly referred to as Alaska's Resident Hire Law. This amendment was intended to clarify the legislative intent underlying the resident hire law in light of a Superior Court ruling striking down as unconstitutional the requirement that state funded construction projects employ 95% Alaska residents (90% if the payroll is 10 or less) if Alaskans are qualified and available to work. (Under a stay granted by the Alaska Supreme Court, Title 36 was enforced until July 1985.)

Efforts to insure that Alaskans are hired first have not been limited to policy makers at the state level. U.S. Senator Frank Murkowski recently sponsored an amendment to a defense appropriation bill which requires resident hire preference on military construction projects in all states not contiguous to one another that have unemployment rates above the national average, an amendment which no other state stands to benefit from unless Hawaii's unemployment rate should climb. In short, Alaska's higher than average unemployment rate, combined with a work force that is extremely seasonal in nature has made any employment that can be controlled through public policy or organized political pressure a target for resident hire. The primary focus of public policy has been in the oil and gas and construction industries, where, not coincidentally, the highest average wages in Alaska exist.

Exploring Resident and Nonresident Employment

Although the issue of resident hire in Alaska has been debated for many years, there has been little statistical information compiled on the economic effects of resident and nonresident employment. Even percentages of industry employment that is nonresident is hard to come by. During the construction of the Trans-Alaska pipeline employers were required to report resident and nonresident employment: this data, however, was limited to the pipeline construction firms only and its compilation was eventually discontinued.

During the 1985 Legislative Session, the Alaska Department of Labor Research and Analysis section did a preliminary study

of resident and nonresident employment. The result of this study was a computer cross-match of the social security numbers of individuals who worked at any time in 1984 under the coverage of Alaska's unemployment insurance, with the social security numbers of the 1984 Permanent Fund dividend recipients. By doing this cross-match it can be determined how many of Alaska's wage and salary employees (excluding federal government employment, most fish harvesters, and the self-employed) received Permanent Fund dividends. Since the receipt of the 1984 dividend required residence in Alaska during the period from October 1, 1983 until March 31, 1984, the resulting match gives a good baseline from which to calculate resident employment.

However, a match against the Permanent Fund dividend recipient file will not provide a perfect definition of resident employment since there are many people who arrived in Alaska during the 15 month period from October 1, 1983 to December 31, 1984 who became residents of the state subsequent to the cutoff for eligibility for the dividend. Analysis of Internal Revenue Service migration data has further indicated that 12.9% of Alaskans who filed federal income tax returns for 1983 were not residents of Alaska in 1982. This percentage compares to a rate of 14.1% for the previous year. Extrapolating the two migration rates to cover the 15 month period of October 1983-December 1984 would indicate that approximately 16% to 18% of the wage earners would be new residents not qualified to receive the dividend. In addition, an undetermined number of persons who qualified for the dividend would have not applied for the dividend for one reason or another. If this amounted to no more than 2% of the population, combining the two factors of in-migration and failure to file would result in an initial adjustment of nearly 20%. One other factor to be noted here is that migration data is not available by industry and it is probable that employees in any one industry would migrate at a rate significantly different from this 20% adjustment. For example, government employment would be expected to have a much lower migration rate than an industry where employment is more transient such as construction or seafood processing.

The cross-match was designed to group employees by industry and by geographical area but in a different manner than the normal industry and area sorting procedures used by the

Research and Analysis section. In the cross-match, the activity being performed by an employer is considered but not whether the activity is actually owned by the public or private sector. For example, in the normal industry breakdown used by Research and Analysis, an activity such as the Alaska Railroad or the University of Alaska is considered state government employment. In the cross-match, however, these activities fall under the industry activity in which they participate as state owned entities. The Alaska Railroad, therefore, would be counted under transportation employment, not government employment as it normally would be. In most cases this would result in very small adjustments to the industry resident/nonresident employment figures, most likely tending to hold that industry's nonresident employee numbers to a slightly lower percentage than would be otherwise found. The one industry which is highly affected by this adjustment is services, because both local education and state education employment are coded as services employment in the cross-match. This tends to bias services employment toward resident employment much more than if services were looked at without the education employment included.

The matching of employment to the labor market areas that Research and Analysis normally uses (e.g. Gulf Coast and Interior) is also subject to certain limitations that normally do not occur. For example under the normal breakdown of employment by area, if a firm reports several offices throughout the state the employment will be allocated to the different labor market areas. However, the cross-match was not able to separate a firm's employment into the different labor market areas as is normally done. Instead, the labor market area of the firm's largest office would receive all of the firm's employment. The net effect is that the larger cities where main offices tend to be located will have their employment overstated at the expense of cities where smaller branch offices are located. This would impact the individual regions differently, depending on what types of industries are being counted in other regions, but it would not affect the statewide resident/nonresident employment or wage figures.

These two limitations resulted from working with the Unemployment Insurance tax file rather than the ES-202 file from which employment numbers are normally derived. Since this was the first time such a cross-match was attempted, there could be

other difficulties or adjustment factors that have yet to be uncovered. Accordingly, these figures must be considered very preliminary at this time until further research can be conducted on this subject. Due to the limitations of the data, at this point we're going to introduce a change in terminology that better defines the information compiled below. Instead of referring to 'resident' and 'nonresident' employment we will call this 'recipient' and 'nonrecipient' employment, keeping in mind the relationship of the data to an employees resident or nonresident status.

Table 1
U.I. Total Covered Wages by 1984 Permanent Fund
Recipients and Nonrecipients, by Statewide Industry

Industry Cluster by Standard Industrial Classification (SIC)	January-March				April-June			
	Recipients Wages	%	Nonrecip Wages	%	Recipients Wages	%	Nonrecip Wages	%
Mining	98,894,485	78%	27,187,143	22%	95,593,729	72%	28,089,377	23%
Oil & Gas	94,333,384	79%	25,750,432	21%	90,548,591	78%	28,280,612	22%
Other Mining	4,561,101	76%	1,436,711	24%	5,045,138	74%	1,808,565	26%
Construction	145,334,881	82%	87,444,070	38%	148,088,799	66%	74,825,680	34%
Manufacturing	38,862,771	73%	14,125,418	27%	46,576,028	70%	20,282,734	30%
Food & Kindred Products	7,456,601	51%	7,147,178	49%	10,303,152	46%	12,049,148	54%
Lumber and Lumber	7,777,737	69%	3,438,663	31%	9,878,494	69%	4,440,411	31%
Other Manufacturing	23,828,433	87%	3,539,677	13%	25,394,380	82%	3,793,179	13%
Trans., Comm. & Utilities	137,402,938	82%	29,885,638	18%	140,832,545	83%	29,847,189	17%
Transportation	77,732,283	80%	19,218,953	20%	82,830,118	81%	19,807,617	19%
Communications & Utilities	59,670,655	85%	10,736,683	15%	58,002,429	85%	9,939,572	15%
Trade	171,802,878	83%	35,790,194	17%	170,389,166	82%	38,686,484	18%
Wholesale	52,487,932	85%	9,011,987	13%	51,425,413	84%	9,942,239	16%
Retail	119,115,046	82%	26,778,207	18%	116,963,753	80%	28,744,245	20%
Eating & Drinking Places	26,717,551	74%	9,610,775	26%	27,633,181	71%	11,003,996	29%
Other Retail	92,397,495	84%	17,167,432	16%	89,830,572	84%	17,720,259	16%
Finance, Ins. & Real Estate	61,482,041	87%	9,957,771	13%	60,081,427	86%	9,951,224	14%
Services & Unclassified	314,103,664	85%	56,036,219	15%	343,189,863	85%	61,789,631	15%
Hotels	10,867,826	78%	3,136,530	22%	11,437,248	76%	3,545,204	24%
Business Services	33,922,252	72%	13,055,399	28%	33,265,768	72%	12,801,302	28%
Health	44,299,632	87%	5,631,254	13%	46,540,820	85%	8,162,568	15%
Education	135,473,112	92%	11,271,196	8%	162,491,349	93%	12,409,930	7%
Other Svcs. & Unclassified	123,473,394	78%	34,997,239	22%	122,730,445	77%	37,671,939	23%
Public Administration	17,287,165	92%	15,111,040	8%	189,056,613	92%	16,026,878	8%
Agriculture	2,104,403	78%	600,427	22%	2,725,648	70%	1,151,657	20%
Total	1,147,074,926	81%	275,787,918	19%	1,196,852,818	81%	280,670,484	19%

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

Note: Data differs from industry groupings commonly published by this Department. Time did not permit the isolation of government from other industries. For example, education contains state, local, and private education.

Employee count, as shown, will always be higher than an employment count. For example, if 6 different people each worked 2 months the employee count would = 6, but the annual average employment would = 1.

Total 1984 employees is an unduplicated count of people, using their social security number, and counts them once by their last industry worked. Wages are allocated to the last industry worked in each quarter. Some distortion, though usually small, can occur in the average wages due to employees moving from one industry to another.

Federal employees are not included in this data source.

did. Wages paid to nonrecipients amounted to no more than 24% of the total during any quarter in 1984, and the average for the entire year was 21%. This was evident in the average wage of nonrecipients which was 48% of that of the average for recipients of the dividend.

In terms of industry grouping, the range of nonrecipient employment varied widely from the 36% average. Industries at the lower end of the scale were public administration and education with 14% and 17% nonrecipients, respectively. This is to be expected as residents often have the first opportunity at jobs with state and local governments and school districts. Also, this type of employment is not subject to the instability that other industries experience, which would tend to make the non-recipient ratio much lower than the average. Of the major industry groups besides government, finance, insurance and real estate (F.I.R.E.) had the next lowest number of nonrecipients at

Table 2
1984 U.I. Covered Employees by 1984 Permanent Fund
Recipients and Nonrecipients, by Statewide Industry

Industry Cluster by Standard Industrial Classification (SIC)	January-March				April-June			
	Recipients	%	Nonrecip	%	Recipients	%	Nonrecip	%
Mining	7,529	73%	2,720	27%	7,906	72%	3,103	28%
Oil & Gas	7,024	70%	2,480	25%	7,310	73%	2,760	27%
Other Mining	505	69%	240	32%	596	63%	343	37%
Construction	22,156	64%	12,225	36%	21,623	65%	11,801	35%
Manufacturing	7,947	58%	5,804	42%	9,138	54%	7,889	48%
Food & Kindred Products	2,750	40%	4,108	60%	3,772	39%	5,988	61%
Logging & Lumber	1,488	64%	819	36%	1,475	62%	906	38%
Other Manufacturing	3,739	81%	879	19%	3,891	79%	1,016	21%
Trans. Comm & Utilities	17,937	79%	4,808	21%	18,535	79%	5,217	22%
Transportation	11,706	77%	3,514	23%	12,359	76%	3,985	24%
Communications & Utilities	6,231	63%	1,294	17%	6,326	64%	1,232	16%
Trade	42,573	73%	15,880	27%	43,720	71%	18,023	29%
Wholesale	7,728	81%	1,866	19%	8,057	78%	2,228	22%
Retail	34,847	72%	13,914	28%	35,663	69%	15,803	31%
Eating & Drinking Places	11,814	63%	6,921	37%	12,189	60%	8,120	40%
Other Retail	23,033	77%	6,993	23%	23,484	75%	7,677	25%
Finance, Ins. & Real Estate	10,933	62%	2,348	13%	11,120	61%	2,972	16%
Services & Unclassified	59,472	60%	15,185	30%	60,344	58%	17,659	22%
Hotels	4,202	70%	1,769	30%	4,675	67%	2,353	34%
Business Services	7,381	68%	3,557	32%	7,452	67%	3,754	33%
Health	7,893	64%	1,496	16%	7,965	62%	1,714	19%
Education	20,997	63%	2,501	11%	20,531	60%	2,448	10%
Other Svcs. & Unclassified	26,280	74%	9,404	26%	27,059	72%	10,600	29%
Public Administration	24,192	90%	2,586	10%	23,277	90%	2,743	10%
Agriculture	842	72%	307	28%	788	62%	475	38%
Total	193,282	76%	61,624	24%	198,513	74%	69,784	26%

Source: Alaska Department of Labor, Research and Analysis Section

See footnote page 8

26% and then came transportation, communications and utilities at 29%. The relatively low number of nonrecipients in F.I.R.E. is somewhat difficult to assess; the presence of Native corporations within this sector, however, would account for a portion of the high percentage of recipient employment. Other occupations such as the middle and upper management in the banking and finance industry would lend themselves to high ratios of recipient employment, however, at the entry levels of this industry such as tellers, turnover would be expected to be fairly high and nonrecipient employment would also be high. Transportation, communications and utilities has a lower nonrecipient ratio because of the high ratio of recipients employed by utilities such as Alascom and municipally owned utilities. Air carriers that are based in Alaska also contributed a high number of recipients to the total.

On the other end of the scale are industries that are highly

July-September				October-December				Total 1984			
Recipients	%	Nonrecip	%	Recipients	%	Nonrecip	%	Recipients	%	Nonrecip	%
7,916	69%	3,531	31%	7,910	69%	3,436	31%	8,136	64%	4,000	36%
7,232	71%	3,014	29%	7,150	71%	2,942	29%	7,464	69%	3,091	35%
683	81%	513	41%	664	67%	494	43%	672	52%	610	48%
23,292	80%	14,247	38%	22,336	63%	13,447	38%	22,688	58%	21,905	48%
11,488	42%	15,831	58%	10,066	40%	14,774	60%	11,126	37%	18,808	63%
5,342	31%	13,296	69%	4,721	29%	12,230	78%	5,139	25%	15,301	75%
1,015	37%	1,202	43%	1,802	58%	1,063	42%	1,886	53%	1,582	48%
3,950	35%	1,330	29%	3,833	72%	1,461	28%	4,239	69%	1,325	31%
14,193	78%	6,521	24%	16,890	76%	8,897	24%	20,029	71%	9,319	29%
12,194	74%	4,518	28%	12,544	74%	4,499	28%	13,324	68%	6,373	32%
6,409	82%	1,403	18%	6,346	82%	1,403	18%	6,708	78%	1,948	22%
44,085	92%	22,248	34%	42,873	85%	22,731	35%	52,418	80%	34,429	40%
8,168	74%	2,820	25%	7,845	74%	2,759	26%	8,764	69%	3,865	31%
87,930	65%	19,428	15%	35,030	64%	16,972	36%	43,554	56%	30,354	41%
12,258	69%	10,136	45%	11,616	64%	10,021	46%	15,511	49%	16,002	51%
23,672	72%	9,293	28%	23,414	70%	8,951	30%	28,143	66%	14,562	34%
11,482	78%	3,191	22%	10,965	77%	3,271	23%	12,520	74%	4,569	26%
50,850	74%	21,244	32%	50,291	74%	21,714	32%	70,448	69%	31,660	31%
4,689	51%	3,072	33%	4,431	61%	2,971	39%	6,434	58%	4,208	44%
7,049	82%	1,412	16%	7,091	61%	4,597	39%	9,144	55%	7,555	44%
8,129	79%	2,107	21%	7,942	75%	2,180	22%	8,700	74%	2,985	26%
20,093	67%	3,196	13%	20,654	66%	3,454	14%	33,395	58%	4,707	17%
27,885	88%	13,027	35%	27,223	87%	13,206	33%	32,912	88%	19,768	38%
27,270	88%	3,466	11%	27,218	89%	3,439	11%	27,770	89%	4,373	14%
830	87%	112	13%	780	87%	684	43%	829	50%	788	46%
206,384	79%	88,701	30%	201,222	68%	89,208	31%	230,007	64%	129,408	36%

seasonal and subject to transient employment. Food and kindred products employment, which consists of over 90% seafood processing employment, had the highest percentage of nonrecipients employed during 1984 at 75% of the total number of employees. Food and kindred products was nearly 50% higher than the next industry, eating and drinking establishments, which employed 51% nonrecipients during 1984. It is interesting to note, however, that in terms of total wages paid to nonrecipients during 1984, the construction industry easily outdistanced all others paying out over \$331.2 million to nonrecipients in 1984. Food and kindred products paid \$100.7 million to nonrecipient employees but that amount was 67% of the total wages paid in that industry. Second and third behind construction in terms of total wages paid to nonrecipients were services and trade with \$269.8 million and \$177.4 million, respectively. Both of these industries were below the average for the state in terms of percentage of total wages paid to nonrecipients, serv-

Table 3
1984 U.I. Average Covered Wages by 1984 Permanent Fund
Recipients and Nonrecipients, by Statewide Industry

Industry Cluster by Standard Industrial Classification (SIC)	January-March			April-June		
	Recipients Av Wages	Nonrecip Av Wages	% Recip	Recipients Av Wages	Nonrecip Av Wages	% Recip
Mining	3,139	3,988	77%	3,091	3,032	71%
Oil & Gas	3,430	10,383	77%	2,387	9,823	77%
Other Mining	3,032	3,903	65%	3,485	5,273	62%
Construction	6,560	7,112	102%	6,848	5,450	94%
Manufacturing	4,090	2,434	39%	6,097	2,671	39%
Food & Kindred Products	2,711	1,791	64%	2,731	2,019	74%
Logging and Lumber	5,335	4,199	79%	6,691	4,961	74%
Other Manufacturing	3,319	4,027	84%	6,780	3,237	52%
Transportation, Comm. & Utilities	7,690	6,230	81%	7,353	5,721	78%
Transportation	5,640	5,489	82%	6,723	4,986	74%
Communications & Utilities	9,575	9,297	97%	9,159	3,068	34%
Trade	4,031	2,283	37%	3,897	2,145	35%
Wholesale	6,732	4,830	71%	6,031	4,474	57%
Retail	3,418	1,938	37%	3,280	1,818	35%
Eating & Drinking Places	2,282	1,389	61%	2,216	1,354	61%
Other Retail	4,012	2,491	62%	3,833	2,308	60%
Finance, Insurance & Real Estate	5,624	4,071	72%	6,404	3,734	58%
Services & Unclassified	5,282	3,936	70%	6,867	3,622	53%
Hotels	2,686	1,772	69%	2,444	1,520	62%
Business Services	4,510	3,873	86%	4,464	3,401	76%
Health	5,611	4,445	79%	5,843	4,751	81%
Education	6,452	4,507	70%	2,676	6,164	95%
Other Services & Unclassified	4,891	3,722	80%	4,334	3,824	88%
Public Administration	7,322	6,621	90%	7,491	5,843	78%
Agriculture	3,883	2,901	75%	3,435	2,580	75%
Total	5,935	4,425	75%	11,023	4,480	65%

Source: Alaska Department of Labor, Research and Analysis Section

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ices at 17% and trade at 20%. Even if services is adjusted by taking all education employment out, the percentage rises to only 1% above the statewide average to 22%.

In terms of the labor market areas of the state, it is not surprising to find that the regions more dependent upon the seafood processing industry have the higher ratios of nonrecipient employment. The Southwest region employed 47% nonrecipients during 1984 and the Gulf Coast employed 42% nonrecipients. The five census areas that employed over 50% nonrecipients are all communities or areas known for their strong fishing industries. They were: Aleutian Islands (73% nonrecipients), Bristol Bay Borough (63%), Dillingham (53%), Wrangell-Petersburg (52%), and Kodiak Island (50%).

The Southeast region, mainly because of the government em-

July-September			October-December			Total 1984		
Recipients Av Wages	Nonrecip Av Wages	% Recip	Recipients Av Wages	Nonrecip Av Wages	% Recip	Recipients Av Wages	Nonrecip Av Wages	Recip
12,957	9,813	76%	13,472	11,311	84%	49,413	27,893	57%
11,350	10,166	79%	13,932	12,170	87%	31,513	25,171	58%
8,978	7,733	86%	9,443	6,190	73%	31,534	16,539	55%
7,437	6,465	87%	6,434	5,717	89%	22,570	15,123	66%
4,735	3,343	71%	4,979	3,186	73%	19,465	7,314	44%
3,180	3,774	100%	2,591	2,008	78%	8,404	6,584	79%
6,058	5,164	78%	6,039	4,790	79%	23,157	12,187	53%
5,233	3,752	60%	5,330	3,583	60%	22,551	5,112	40%
2,524	6,097	78%	7,395	5,706	75%	28,549	15,373	55%
6,714	6,397	80%	6,625	4,952	75%	24,730	13,465	74%
10,039	6,371	83%	6,499	6,072	85%	36,135	22,475	62%
4,046	2,229	55%	4,092	2,347	57%	13,274	5,153	39%
9,794	4,562	67%	6,989	4,906	70%	24,658	11,735	48%
2,424	1,891	78%	3,443	1,832	59%	19,959	4,320	29%
2,316	1,425	62%	2,361	1,451	62%	7,064	3,105	44%
2,038	2,397	60%	3,980	2,030	54%	13,152	5,695	43%
8,331	3,747	70%	8,693	4,186	53%	19,463	10,000	51%
4,738	3,414	72%	6,432	3,644	57%	18,064	8,521	47%
2,602	1,875	72%	2,623	1,793	68%	8,575	4,182	49%
4,540	2,974	66%	4,076	2,991	65%	14,418	7,475	52%
5,578	4,753	85%	6,070	5,027	83%	20,025	11,982	59%
5,042	3,861	77%	6,880	4,851	73%	23,122	11,235	49%
4,618	3,434	75%	4,723	3,408	73%	15,300	8,270	54%
7,314	6,956	95%	7,333	5,715	78%	21,357	15,158	70%
3,036	3,060	82%	3,740	3,058	82%	18,310	6,333	55%
3,850	4,155	71%	5,979	4,077	69%	20,375	10,014	49%

ployment in Juneau and the health services employment in Sitka, had the State's lowest level of nonrecipient employment at 30%. The Wade-Hampton and the Kobuk census divisions had the lowest nonrecipient totals with 17% and 21% nonrecipients, respectively. This is probably due to the scarcity of wage and salary employment that is covered by UI in these two areas. Since opportunity is scarce in these areas, residents would have a much better chance at the employment. Juneau had the lowest ratio of nonrecipients among the major population centers with 22% nonrecipients. Anchorage and Fairbanks both came in at 35% nonrecipient and Kenai had 36% nonrecipients.

Table 4
U.I. Total Covered Wages by 1984 Permanent Fund
Recipients and Nonrecipients, by Economic Region and Census Area

	January-March				April-June			
	Recipients Wages	%	Nonrecip Wages	%	Recipients Wages	%	Nonrecip Wages	%
Alaska Statewide	1,140,900,803	84%	273,680,399	19%	1,190,477,900	81%	280,637,271	19%
Anchorage-MatSu Region	975,773,453	83%	110,026,198	12%	601,663,713	93%	122,596,939	17%
Anchorage Borough	851,780,065	83%	111,296,025	17%	573,390,168	83%	147,697,482	17%
MatSu Borough	29,892,468	87%	3,730,173	13%	28,273,527	86%	4,689,457	14%
Gulf Coast Region	74,019,058	80%	18,172,521	23%	80,950,488	79%	21,033,381	21%
Kenai Peninsula Borough	49,034,458	82%	10,432,009	15%	54,753,898	81%	12,441,811	19%
Kodiak Island Borough	14,950,059	72%	5,825,608	28%	14,828,110	71%	6,078,906	29%
Valdez-Cordova	10,033,941	84%	1,913,408	16%	11,367,480	82%	2,512,662	18%
Interior Region	153,978,204	81%	30,381,049	19%	163,387,788	82%	36,558,531	18%
Fairbanks North Star Bor	137,460,493	81%	28,547,594	19%	146,027,993	82%	32,364,201	18%
Southeast Fairbanks	2,743,402	86%	445,810	14%	2,841,879	89%	500,475	18%
Yukon-Koyukuk	13,774,303	80%	3,387,646	20%	14,617,866	81%	3,397,866	19%
Northern Region	98,844,637	62%	61,325,879	36%	94,127,493	60%	61,378,896	35%
Kobuk	6,878,949	81%	1,571,061	19%	7,262,077	82%	1,627,234	18%
Nome	8,934,698	84%	1,753,240	16%	9,019,155	83%	1,902,673	17%
North Slope Borough	83,730,990	59%	58,001,678	41%	77,868,221	62%	47,649,098	38%
Southeast Region	202,851,159	88%	27,691,029	12%	212,605,506	87%	31,470,777	13%
Haines Borough	2,509,150	79%	683,339	21%	3,161,786	75%	961,507	24%
Juneau Borough	142,972,719	91%	14,210,067	9%	147,736,176	91%	14,907,707	9%
Ketchikan Gateway Bor	25,229,533	84%	4,843,680	16%	26,758,007	83%	5,636,362	17%
Prince of Wales-								
Outer Ketchikan	5,581,943	76%	1,727,299	24%	6,823,567	73%	2,462,498	27%
Sitka Borough	13,902,195	87%	2,042,213	13%	13,738,516	87%	2,119,322	13%
Skagway-Yukutat-Angoon	3,502,498	72%	1,547,638	29%	4,840,219	67%	2,376,142	33%
Wrangell-Petersburg	6,753,121	77%	2,036,193	23%	9,328,215	76%	2,974,499	24%
Southwest Region	33,689,049	74%	11,834,270	26%	34,722,363	73%	12,860,366	27%
Aleutian Islands	6,239,078	54%	5,312,249	46%	8,986,318	53%	6,016,167	47%
Bethel	14,804,763	62%	3,158,160	15%	16,146,623	63%	3,232,074	17%
Bristol Bay Borough	2,289,232	77%	694,281	23%	2,577,226	73%	854,409	27%
Dillingham	5,927,109	74%	2,123,450	26%	6,501,274	71%	2,224,031	29%
Wade Hampton	4,424,887	89%	536,130	11%	3,630,520	89%	463,085	11%
Geographic Area Unknown	8,049,248	61%	5,249,362	39%	9,020,593	64%	5,008,292	36%

Source: Department of Labor Research and Analysis Section.

Summary

While this data is preliminary, it does give some very good indications of the extent to which nonresidents impact the Alaskan economy and which industries and areas are most affected. It is up to the state's policy makers to decide whether or not nonresidents are adversely impacting the Alaskan economy by taking too large a share of total employment and wages from the state's residents. Determining how much nonresident employment is acceptable will be difficult because each industry has its own employment peculiarities. Each industry must be ana-

July-September				October-December				Total 1984			
Recipients	Wages	%	Nonrecip	Wages	%	Recipients	Wages	%	Nonrecip	Wages	%
1,203,221,399	76%	374,994,806	24%	1,203,026,821	77%	363,867,258	23%	4,755,636,734	70%	1,295,179,733	21%
589,081,872	80%	153,208,480	20%	604,601,661	79%	158,077,623	21%	2,360,090,801	81%	549,898,446	19%
872,021,131	80%	146,545,318	20%	676,629,094	79%	152,129,368	21%	2,373,821,398	81%	627,868,213	19%
25,030,541	80%	6,663,368	20%	27,372,557	80%	6,945,235	20%	106,269,103	83%	22,031,233	17%
62,632,994	71%	33,718,222	29%	83,747,499	73%	30,948,431	27%	321,360,039	70%	103,872,585	24%
85,098,195	75%	18,637,308	25%	98,282,612	76%	18,440,481	24%	217,166,124	78%	59,902,105	22%
15,961,992	63%	9,525,739	37%	14,030,488	63%	8,348,436	37%	59,772,249	67%	29,779,691	33%
11,575,846	67%	5,605,179	33%	11,434,399	73%	4,159,514	27%	44,411,868	70%	14,190,759	24%
176,476,127	78%	43,342,507	22%	163,149,885	78%	46,144,083	22%	656,991,884	80%	168,135,170	20%
168,765,267	79%	44,278,975	22%	145,625,639	78%	41,356,351	22%	687,879,358	80%	150,547,031	20%
2,986,194	79%	751,584	21%	3,233,658	78%	894,099	22%	11,705,133	82%	2,597,938	18%
14,824,886	77%	4,311,876	23%	14,290,368	79%	3,893,723	21%	57,407,493	79%	14,991,201	21%
89,715,218	84%	50,501,781	36%	93,793,227	80%	48,746,283	34%	379,110,576	84%	212,043,018	39%
8,827,100	76%	2,119,673	24%	7,892,047	80%	2,024,461	20%	20,850,173	80%	7,342,419	20%
8,126,900	72%	3,267,284	28%	10,010,690	75%	3,367,259	25%	37,050,683	75%	10,590,436	22%
72,762,218	82%	44,904,824	38%	75,890,290	64%	43,354,563	36%	309,239,720	61%	194,110,163	39%
218,198,447	83%	44,188,423	17%	210,685,294	89%	38,053,617	15%	844,350,406	86%	141,404,045	14%
3,065,870	72%	1,202,185	28%	2,645,580	76%	842,817	24%	11,388,388	78%	3,719,849	25%
154,286,595	90%	17,793,766	10%	149,816,814	90%	17,463,636	10%	584,931,864	90%	64,375,836	10%
23,952,448	76%	7,427,348	24%	24,141,200	79%	6,368,164	21%	100,081,394	80%	24,277,878	20%
7,520,512	66%	3,914,457	34%	6,612,430	66%	3,375,903	34%	26,538,532	70%	11,479,787	30%
14,317,303	80%	3,238,303	18%	13,870,909	80%	2,897,401	17%	49,829,623	84%	10,287,389	16%
4,534,813	84%	3,807,728	84%	4,314,857	89%	3,046,517	41%	17,892,187	62%	10,778,673	39%
10,522,606	61%	6,804,495	39%	9,193,438	69%	4,069,779	31%	37,996,380	70%	16,484,565	30%
33,712,650	61%	32,680,439	49%	37,105,178	64%	31,253,172	46%	139,225,237	61%	88,564,247	39%
7,531,819	35%	13,919,729	65%	6,999,884	35%	13,288,758	65%	27,637,099	42%	38,537,503	55%
13,363,893	75%	4,224,705	24%	15,500,419	79%	4,094,563	21%	59,815,700	80%	14,719,502	20%
2,940,150	34%	3,669,178	60%	3,865,893	35%	5,369,071	65%	10,672,801	46%	12,685,939	54%
3,676,749	41%	4,094,227	59%	6,395,168	45%	7,710,681	56%	23,500,300	54%	20,156,869	40%
4,200,039	66%	674,100	14%	6,343,611	87%	791,099	13%	17,599,837	88%	2,464,414	12%
11,444,290	30%	11,358,768	50%	8,933,900	51%	9,843,849	49%	38,447,991	55%	31,260,201	45%

lyzed to determine if Alaska's labor force can meet that industry's needs. Some industries provide stable employment throughout the year while others can not. Some industries have hazardous working conditions while others do not. Some industries can pay higher wages to their employees due to market conditions while others must pay a lower wage. Some Alaska industries operate in remote locations while others are in the populated areas. All of these factors combine to effect the size of both the resident and nonresident labor force that is available to any industry that operates in Alaska.

Table 5
1984 U.I. Covered Employees by 1984 Permanent Fund
Recipients and Nonrecipients, by Economic Region and Census Area

	1st Quarter				2nd Quarter			
	Recipients	%	Nonrecip	%	Recipients	%	Nonrecip	%
Alaska Statewide	193,213	76%	61,582	24%	199,449	74%	68,760	26%
Anchorage-MatSu Region	59,441	76%	30,513	24%	100,816	75%	33,278	25%
Anchorage Borough	93,335	76%	29,233	24%	95,201	75%	32,200	25%
MatSu Borough	5,205	80%	1,282	20%	5,553	79%	1,558	23%
Gulf Coast Region	14,452	75%	4,813	25%	10,379	70%	6,461	30%
Kenai Peninsula Borough	8,233	80%	2,190	20%	9,541	74%	3,324	29%
Kodiak Island Borough	3,399	67%	1,684	33%	3,468	63%	2,101	38%
Valdez-Cordova	2,250	70%	959	30%	2,370	69%	1,086	31%
Interior Region	25,612	77%	7,736	23%	25,291	75%	8,595	25%
Fairbanks North Star Bor	22,448	75%	5,957	24%	22,824	75%	7,680	25%
Southeast Fairbanks	716	78%	203	22%	789	75%	267	25%
Yukon-Koyukuk	2,448	81%	576	19%	2,678	81%	646	19%
Northern Region	11,697	67%	5,781	33%	11,580	68%	5,500	32%
Kobuk	1,633	83%	331	17%	1,731	84%	328	16%
Nome	2,313	82%	508	18%	2,318	81%	625	19%
North Slope Borough	7,751	61%	4,942	39%	7,631	62%	4,647	38%
Southeast Region	33,408	81%	8,041	19%	34,323	80%	8,808	20%
Haines Borough	605	78%	194	24%	678	75%	226	23%
Junes Borough	20,190	88%	3,306	14%	20,730	89%	3,723	15%
Ketchikan Gateway Int.	3,010	78%	1,373	22%	3,028	76%	1,561	24%
Prince of Wales-								
Outer Ketchikan	1,505	72%	591	28%	1,510	67%	731	33%
Sitka Borough	2,731	82%	616	18%	2,839	81%	680	19%
Skagway-Yakutat-Angoon	1,136	67%	548	33%	1,243	61%	790	39%
Wrangell-Petersburg	2,231	61%	1,413	39%	2,295	68%	1,097	32%
Southwest Region	8,486	69%	3,742	31%	8,882	66%	4,616	34%
Aleutian Islands	1,349	41%	1,954	59%	1,343	40%	2,054	59%
Bethel	3,933	81%	901	19%	4,171	81%	981	19%
Bristol Bay Borough	820	73%	193	27%	839	64%	326	39%
Dillingham	1,400	73%	512	27%	1,486	61%	946	39%
Wade Hampton	1,284	88%	182	12%	1,323	86%	308	14%
Geographic Area Unknown	1,107	54%	954	46%	1,178	52%	1,092	48%

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

Another factor to consider is what impact any resident hire policy might have on the future development of an industry. An effective resident hire policy, must be coupled with sound labor force planning and training policies. Otherwise it might have the effect of limiting the supply of available labor to the employer, which could drive up the cost of labor. Labor costs are an important factor in the development of any industry or project and increased wages may mean the difference between some projects being feasible or unfeasible. To some extent, this is already taking place in Alaska on the North Slope. Labor is hav-

3rd Quarter				4th Quarter				Total 1984			
#		#		#		#		#		#	
Recipients	%	Nonrecip	%	Recipients	%	Nonrecip	%	Recipients	%	Nonrecip	%
206,276	70%	80,245	30%	201,045	69%	89,134	31%	229,454	65%	120,253	36%
102,561	71%	41,286	29%	99,896	70%	41,881	30%	114,735	65%	62,119	35%
50,749	71%	19,052	29%	34,087	70%	15,667	30%	108,019	66%	56,853	35%
5,916	75%	2,236	27%	5,809	72%	2,214	28%	6,716	67%	3,260	33%
16,643	62%	10,056	38%	16,990	63%	9,466	37%	16,545	58%	13,158	42%
10,393	67%	5,022	33%	10,089	66%	4,826	32%	11,447	64%	6,449	38%
3,519	53%	3,093	47%	3,379	54%	2,655	46%	4,191	50%	4,162	50%
2,731	58%	1,941	42%	2,523	59%	1,786	41%	2,947	64%	2,357	46%
27,847	71%	11,117	29%	27,479	71%	11,159	29%	31,042	66%	15,923	34%
24,076	71%	9,852	29%	23,922	70%	10,037	30%	26,759	65%	14,296	35%
869	72%	346	28%	839	71%	340	29%	1,014	67%	502	33%
2,902	78%	819	22%	2,718	78%	792	22%	3,269	74%	1,125	26%
11,851	67%	6,826	33%	11,767	68%	5,876	32%	13,838	62%	8,497	38%
1,847	62%	427	18%	1,872	62%	443	18%	2,241	75%	897	21%
2,511	76%	776	24%	2,606	77%	790	23%	3,068	74%	1,076	26%
7,493	61%	4,723	39%	7,188	60%	4,253	38%	8,500	60%	5,824	44%
35,818	70%	11,712	25%	34,696	70%	11,220	24%	38,895	70%	16,542	30%
708	71%	289	29%	677	72%	265	28%	781	67%	392	33%
21,364	61%	4,529	17%	21,068	63%	4,245	17%	22,546	70%	5,376	22%
5,180	73%	1,910	27%	5,010	74%	1,788	26%	5,813	67%	2,806	33%
1,741	63%	1,032	37%	1,611	63%	946	37%	1,865	55%	1,350	42%
2,036	77%	893	23%	2,025	77%	863	23%	3,336	72%	1,270	28%
1,282	53%	1,138	47%	1,171	51%	1,041	47%	1,485	61%	1,427	49%
2,404	54%	2,065	46%	2,333	53%	2,072	47%	2,749	48%	2,921	52%
10,656	68%	8,260	48%	9,673	65%	7,020	45%	11,675	64%	10,465	47%
1,617	61%	3,407	69%	1,401	30%	3,307	70%	5,379	27%	4,473	73%
4,428	78%	1,273	22%	4,378	77%	1,273	23%	5,310	74%	1,881	26%
782	37%	1,341	63%	660	35%	1,816	66%	798	37%	1,382	63%
1,755	46%	5,034	64%	1,653	47%	1,859	53%	3,053	47%	2,366	53%
1,625	65%	279	14%	1,581	66%	285	14%	1,827	63%	384	17%
1,467	43%	1,916	57%	1,544	45%	1,910	55%	1,823	37%	2,539	58%

ing to accept wage concessions to make some projects feasible in the face of declining oil revenues.

One thing is assured about the issue of resident hire in Alaska: it will be an issue policy makers will be forced to wrestle with for the next 15 years just as they have during the last 15 years. There are no immediate answers to the questions raised by this issue about the health of the Alaskan economy. Continued research is being conducted by Research and Analysis which will deal with the limitations that the first cross-match was not

Table 6
1984 U.I. Average Covered Wages by 1984 Permanent Fund
Recipients and Nonrecipients, by Economic Region and Census Area

	1st Quarter			2nd Quarter		
	Recipients Av Wages	Nonrecip Av Wages	% of Recip	Recipients Av Wages	Nonrecip Av Wages	% of Recip
Alaska Statewide	5,336	4,477	75%	6,029	4,081	68%
Anchorage-MatSu Region	5,849	3,759	54%	5,968	3,631	51%
Anchorage Borough	5,918	3,907	54%	6,019	3,681	51%
MatSu Borough	4,699	2,910	62%	5,090	3,010	59%
Gulf Coast Region	6,118	3,378	74%	5,254	3,240	62%
Kodiak Peninsula Borough	6,891	4,764	69%	6,758	3,743	55%
Kodiak Island Borough	4,399	3,523	80%	4,276	2,893	68%
Valdez-Cordova	4,900	1,375	44%	4,799	2,387	49%
Interior Region	6,012	4,763	79%	6,218	4,225	68%
Fairbanks North Star Borough	6,124	4,678	76%	6,388	4,218	66%
Southeast Fairbanks	3,832	2,198	57%	3,402	1,897	55%
Yukon-Koyukuk	5,627	5,881	103%	5,421	5,244	97%
Northern Region	8,425	10,808	128%	8,128	9,942	115%
Kobuk	4,212	4,746	113%	4,190	4,981	118%
Nome	3,863	3,461	89%	4,066	3,634	89%
North Slope Borough	10,674	11,736	110%	10,203	10,297	101%
Southeast Region	6,073	3,444	57%	6,184	3,073	50%
Haines Borough	4,147	3,222	78%	4,463	4,387	94%
Juneau Borough	7,081	4,298	61%	7,123	4,004	56%
Ketchikan Gateway Borough	5,056	3,528	70%	5,322	3,118	58%
Prince of Wales						
Outer Ketchikan	3,708	2,923	79%	4,519	3,369	75%
Sitka Borough	3,091	3,315	107%	4,439	3,117	64%
Skagway-Yakutat-Angoon	3,435	2,824	82%	3,894	3,009	77%
Wrangell Petersburg	3,923	1,866	48%	4,152	2,711	65%
Southwest Region	3,999	3,163	79%	3,908	2,854	73%
Aleutian Islands	4,625	2,719	59%	5,113	2,929	57%
Bethel	3,764	3,516	93%	3,671	3,295	89%
Bristol Bay Borough	4,402	3,557	81%	4,376	2,993	67%
Dillingham	4,234	4,147	98%	3,778	2,151	57%
Wade Hampton	3,446	2,946	86%	3,744	2,215	54%
Geographic Area Unknown	7,271	6,502	70%	7,658	4,586	60%

Source: Alaska Department of Labor, Research and Analysis Section

able to resolve. The findings of that study should be available prior to the opening of the second session of the Fourteenth Legislature in January. The current research being done will not provide all of the answers to the complicated issue of resident hire but it will be a step toward creating a database upon which upon which long term policy can be formulated.

3rd Quarter			4th Quarter			Total 1984		
Recipients Av Wages	Nonrecip Av Wages	% of Recip	Recipients Av Wages	Nonrecip Av Wages	% of Recip	Recipients Av Wages	Nonrecip Av Wages	% of Recip
5,652	4,153	71%	5,981	4,082	68%	20,681	10,021	48%
5,825	3,711	64%	6,052	3,798	63%	20,744	8,652	43%
5,913	3,793	63%	6,129	3,835	63%	21,050	9,468	43%
4,400	2,660	61%	4,815	3,138	65%	15,823	6,798	43%
4,965	3,353	68%	5,237	3,269	62%	17,328	7,888	46%
5,301	3,701	70%	5,777	3,821	66%	18,971	8,289	44%
4,536	3,080	68%	4,153	2,923	70%	14,399	7,155	50%
4,239	2,895	68%	4,532	2,329	51%	15,070	5,550	37%
6,337	4,438	70%	5,937	4,125	70%	21,165	10,859	50%
5,584	4,449	80%	6,068	4,120	68%	21,869	10,631	48%
3,321	2,172	65%	3,654	2,630	72%	11,844	5,175	43%
5,108	5,265	103%	5,259	4,579	87%	17,561	13,326	76%
7,423	8,537	115%	7,971	8,742	110%	27,110	24,955	92%
3,505	4,954	142%	4,002	4,570	114%	12,874	12,299	96%
3,834	4,597	120%	3,841	4,317	112%	13,090	9,842	81%
9,711	9,508	98%	10,588	9,960	94%	36,253	28,445	78%
6,127	3,773	62%	6,073	3,392	56%	21,877	8,548	39%
4,330	4,100	95%	3,968	3,190	81%	14,574	9,469	65%
7,222	4,083	56%	7,110	4,114	58%	26,387	10,097	38%
4,524	3,876	86%	4,819	3,653	76%	17,217	9,652	56%
4,320	3,797	88%	4,108	3,558	87%	14,079	8,504	60%
4,876	3,625	74%	4,810	3,346	69%	16,735	8,100	48%
3,537	3,346	95%	3,685	2,527	68%	11,847	7,553	64%
4,378	3,298	75%	3,941	1,984	50%	13,822	5,044	41%
1,741	3,936	226%	3,836	3,945	103%	11,925	8,463	71%
4,965	4,085	82%	4,995	4,018	80%	16,460	8,618	52%
3,015	3,319	110%	3,541	3,215	91%	11,285	7,909	70%
3,858	4,381	114%	4,409	4,415	100%	13,408	9,179	68%
3,235	3,982	123%	3,846	4,188	107%	11,391	8,519	75%
2,583	2,451	95%	3,380	3,090	91%	9,633	6,416	67%
7,801	5,928	76%	6,434	5,049	78%	25,245	12,312	49%