

# Hiring Improves in 1997

by  
Todd Mosher  
Labor Economist

## Fourth quarter new hires increase from 1996

**E**mployers welcomed 47,010 new faces to their payrolls during the fourth (autumn) quarter of 1997. This was 1,566, or 3.4%, more new hires than in the fourth quarter of 1996. (See Exhibit 1.)

All four quarters of 1997 indicated improved prospects for job seekers compared to the previous year. There were about 26,000 fewer new hires in the final quarter of 1997 than during the peak summer quarter, coinciding with the winding down of tourism, construction activity, and summer fisheries. Retailers gearing up for the holidays, and schools filling openings for the coming school year helped to offset some of the seasonal fall-off in hiring activity.

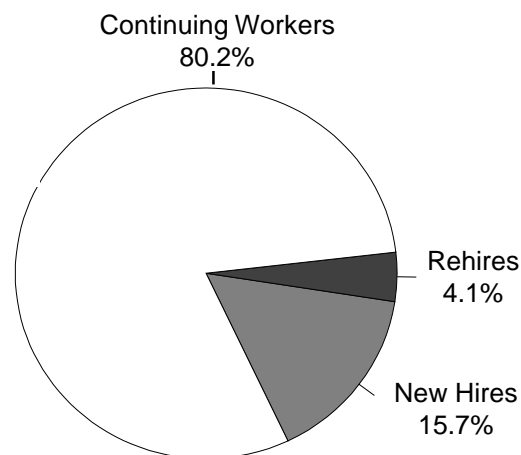
*The fourth or autumn quarter includes the months of October, November and December.*

Most areas of the state experienced increased hiring activity compared to the same quarter of 1996, except those areas most directly impacted by the seafood processing industry. Hiring was up between two and four percent for most industries

## 1 Alaska New Hires 4th Quarter 1997

	4th Qtr 1997	Change from 3rd Qtr 1997	Change from 4th Qtr 1996
Total New Hires	47,010	-25,800	1,566
<b>Region:</b>			
Northern	3,063	-1,282	550
Interior	6,179	-3,989	295
Southwest	3,396	-3,363	-177
Anchorage	24,413	-4,832	829
Gulf Coast	3,922	-7,304	-57
Southeast	5,549	-4,340	340
Offshore	262	-449	-82
Outside	226	-241	-25
Unknown	0	0	-107
<b>Industry:</b>			
Agriculture/Forestry/Fish	291	-443	-8
Mining	1,109	-969	404
Oil & Gas Extraction	924	-828	467
All Other Mining	185	-141	-63
Construction	4,392	-3,953	-136
Manufacturing	1,916	-7,762	224
Seafood Processing	896	-7,398	-27
All Other Manufacturing	1,020	-364	251
Transportation/Comm/Utilities	3,278	-1,334	89
Tourism-related TCU <sup>1</sup>	540	-736	18
All Other TCU	2,738	-598	71
Wholesale Trade	1,494	-860	163
Retail Trade	13,499	-3,927	179
Finance/Insurance/Real Estate	1,698	-763	72
Services	13,614	-5,113	327
Hotels & Lodging	1,111	-1,588	151
All Other Services	12,503	-3,525	176
Public Administration	5,719	-676	252

## Worker-Employer Relationships 4th Quarter 1997 2



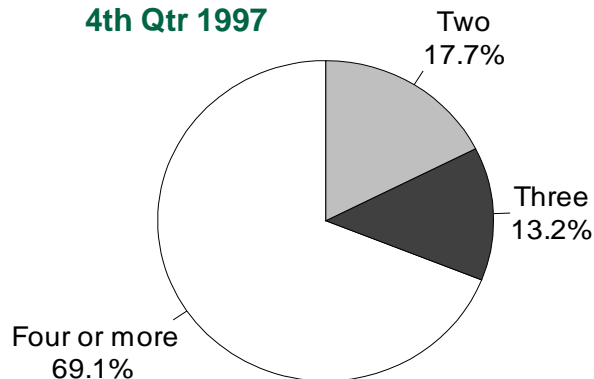
**Worker-Employer Relationship:** workers are counted for each employer they worked for during the quarter.  
**New Hire:** a worker who did not work for the current employer in any of the four previous quarters.  
**Rehire:** a worker who did not work for the employer in the previous quarter, but did work for the employer in at least one of the three quarters prior.  
**Continuing Worker:** one who worked two or more consecutive quarters with the employer, including 4th quarter 1997.

<sup>1</sup> Transportation, Communication and Utilities. Tourism-related 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

Source: Alaska Department of Labor, Research and Analysis Section

### 3 Continuing Workers by Tenure Consecutive quarters with employer

4th Qtr 1997



**Continuing Worker:** employee who worked two or more consecutive quarters with employer, including 4th quarter 1997.

Source: Alaska Department of Labor, Research and Analysis Section

compared to the previous autumn quarter. Oil and gas new hires were up substantially, while hiring in most other resource-based industries and construction declined by three percent or more compared to the same quarter of 1996.

#### Hire status of the autumn quarter workforce

For the new hire report, each worker is considered for every employer he or she worked for during the report quarter. Each unique worker-employer relationship can then be categorized as a new hire, a rehire, or a continuing worker, based on the employee's work history with the employer during the previous four quarters:

- New hires are those worker-employer relationships in which the worker did not work for the employer in any of the four quarters prior to fourth quarter 1997.
- Rehires are those that did not work for the employer during the third quarter of 1997, but did work for the employer in at least one of the three quarters prior to the third quarter of 1997. This category includes seasonal hire-

backs whose jobs ended in the prior fall, winter, or spring.

- Continuing workers are those who worked for the employer for two or more consecutive quarters ending with fourth quarter 1997.

The three categories are mutually exclusive; a worker cannot belong to more than one category for the same employer.

In fourth quarter 1997, about 16 percent of all worker-employer relationships were new hires. This was down from the summer quarter, when 21.5% were new hires. About four percent were rehires, and about 80 percent were continuing workers. (See Exhibit 2.) Most of these continuing workers had worked with the employer for at least four consecutive quarters, including fourth quarter 1997 (See Exhibit 3.) About 18 percent of the continuing workers were in only their second consecutive quarter with the employer, meaning that they were either newly hired or rehired by the employer in the third quarter of 1997.

#### 1997 year end review

All told, there were 231,641 new hires in 1997, up by 2.6% from 1996. (See Exhibit 4.) Of course, some of these new hires were the result of workers who were newly hired by more than one employer over the course of the year. Each time a worker

### 4 Alaska New Hires 1997 compared to 1996

	1996	1997	Change
<b>New Hire Events</b> (Workers can be counted as new hires for more than one employer.)	225,850	231,641	5,791
<b>Newly Hired Workers</b> (Each worker is counted only once regardless of how many employers hired that worker.)	162,133	165,032	2,899

Source: Alaska Department of Labor, Research and Analysis Section

is new to an employer, a new hire is tallied. At the individual worker level, there were just over 165,000 workers who were newly hired by one or more employers in 1997.

Nearly 120,000, or nearly three-quarters, were new to only one employer during the year, while about 45,000, or just over a quarter, were new to more than one employer. However, because workers were counted as a new hire for each new employer they worked for, the group with more than one new employer accounted for nearly half of all new hires that occurred in 1997. (See Exhibit 5.)

### Younger workers tell the story

About 78 percent of workers 22 and under were new to at least one employer, and about 23 percent were new to more than one employer in 1997. (See Exhibit 6.) These younger workers were almost three times as likely as workers over age 35 to have been new to more than one employer. This meant that although workers ages 22 and under made up less than 16 percent of the workforce<sup>1</sup>, they accounted for 28 percent of all new hires in 1997. In contrast, workers over the age of 35 made up over 54 percent of the workforce, but accounted for only 36 percent of new hires.

### Peak hiring for most occupations occurred in second (spring) quarter

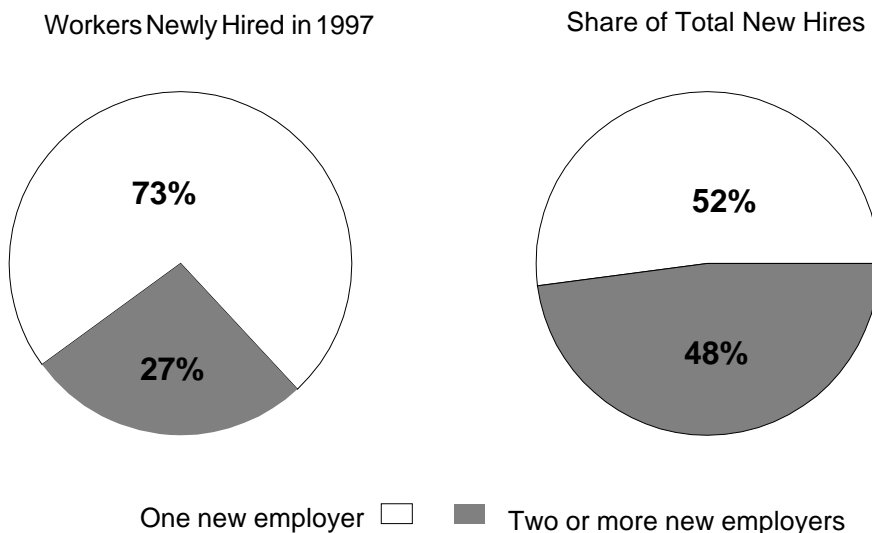
Exhibit 7 shows Alaska new hires by occupation group for the four quarters of 1997, sorted by the four-quarter total. Shading indicates the peak hiring season. Peak hiring for most occupations occurred during the second (spring) quarter of 1997, as employers prepared for the busy tourism season ahead.

However, hiring continued strongly into the summer quarter for most of the spring-peaking occupations. At the same time, hiring in the seafood processing and construction industries peaked. Consequently, total new hires hit their peak during the third (summer) quarter. This general hiring cycle has been the norm in Alaska for at least the last six years, though the magnitude of the season-to-season swings varies from year to year.

### New hires' attachment to Alaska workforce after 1995

In order to evaluate new hires' attachment to the Alaska labor force, workers who were newly hired in the fourth quarter of 1995 were matched to wage records for the fourth quarters of 1996 and 1997.

## Workers Newly Hired by **5** More than one employer accounted for nearly half of all 1997 new hires

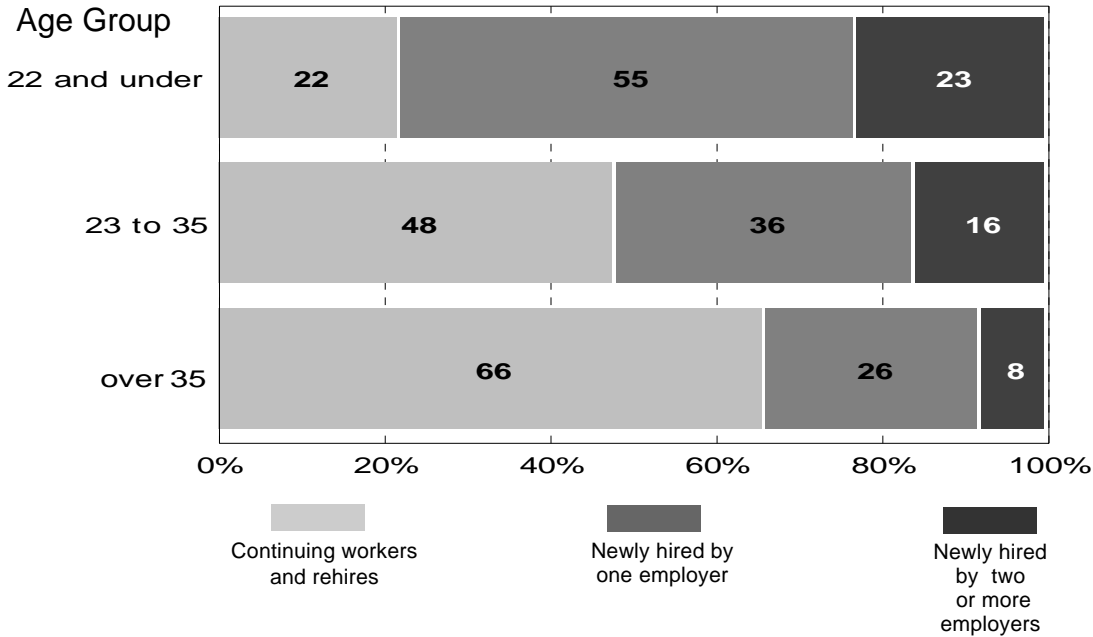


<sup>1</sup>Based on age data of those workers who received an Alaska Permanent Fund Dividend in 1996, 1997 or 1998.

Source: Alaska Department of Labor, Research and Analysis Section

# 6 Alaska Workers 1997

## By new hire status and age group



Note: Based on age data of the workers who received an Alaska Permanent Fund Dividend in 1996, 1997 or 1998.  
 Source: Alaska Department of Labor, Research and Analysis Section

### After a relatively quick shakeout, attachment to Alaska labor force was strong

Of the original 42,028 workers who were new to one or more employers in the fourth quarter of 1995, about 62 percent were working in Alaska in the fourth quarter of 1996. In other words, about 38 percent of the fourth quarter 1995 new hires left the Alaska workforce before the fourth quarter of the following year, 1996. (See Exhibit 8.)

However, of those who remained in the Alaska workforce in the fourth quarter of 1996, better than 90 percent were still in the Alaska workforce in the fourth quarter of 1997.

### Established residents had a higher rate of attachment

New hires from the fourth quarter of 1995 who received an Alaska Permanent Fund Dividend

(PFD) in 1994 or 1995 were much more likely to have continued employment in Alaska than those who did not receive a PFD. (Receiving the PFD confirms Alaska residency status.) About 64 percent of the PFD recipients were working in Alaska in the fourth quarter of 1997 compared to only 39 percent of those who did not receive PFD's.

### Attachment also varied greatly by industry

The industry of the new hire's employer also significantly impacted fourth quarter 1995 new hires' rate of attachment to the Alaska labor force. (See Exhibit 9.) Industries with a relatively high rate of attachment were oil and gas extraction; transportation, communications and utilities; non-oil mining; finance, insurance and real estate; and public administration. Resource-based industries, other than mining and oil, retail, hotels and lodging, and construction had the lowest rate of new hires attachment.

# Alaska New Hires by Occupation

1997



Shading indicates peak hiring quarter.

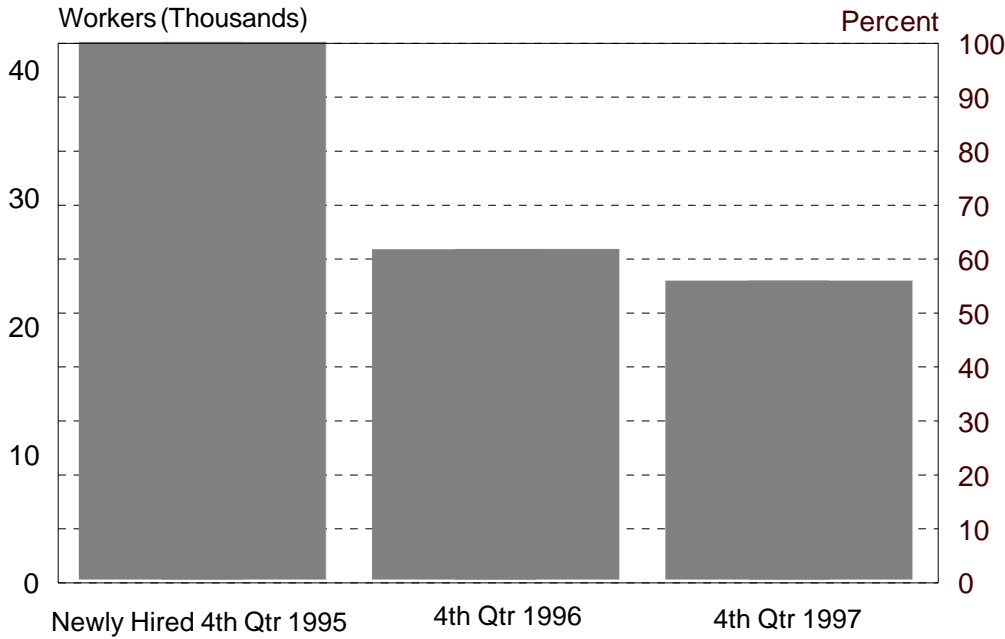
	Four Qtr Total	1st Qtr 1997	2nd Qtr 1997	3rd Qtr 1997	4th Qtr 1997
<i>(Sorted by Four-Quarter Total; 20 or more new hires)</i>					
Food, Cleaning, and Personal Service Occupations	47,014	8,078	15,613	13,833	9,490
Administrative Support Occupations	29,672	6,237	8,577	7,786	7,072
Handlers and Laborers	23,700	3,754	7,645	7,571	4,730
Salespersons, Retail	19,247	2,853	6,457	5,418	4,519
Fabricators, Assemblers, & Hand Working Occupations	18,840	5,009	4,983	7,753	1,095
Construction Trades	12,666	1,576	3,660	4,740	2,690
Transportation Occupations	7,999	1,382	2,729	2,262	1,626
Mechanics and Repairers	6,379	1,264	2,084	1,727	1,304
Teachers, Except Postsecondary	4,209	838	763	1,394	1,214
Officials and Administrators, Other	3,008	679	800	890	639
Protective Service Occupations	3,006	592	764	925	725
Helpers	2,857	406	982	984	485
Management Related Occupations	2,713	619	725	695	674
Material Moving Occupations	2,713	277	979	898	559
Social, Recreation and Religious Workers	1,975	421	570	546	438
Other Agricultural Occupations	1,961	167	1,018	562	214
Registered Nurses	1,256	295	366	317	278
Health Technologists and Technicians	1,134	257	311	282	284
Engineers, Surveyors and Architects	1,132	179	339	314	300
Teachers, Postsecondary	1,090	306	183	387	214
Extractive Occupations	1,071	105	210	537	219
Writers, Artists, Performers	1,066	217	288	261	300
Forestry and Logging Occupations	1,064	133	381	333	217
Machine Operators and Tenders	861	170	322	205	164
Precision Production Occupations	805	146	246	236	177
Other Technicians	697	128	220	211	138
Engineering Technologists and Technicians	651	95	221	192	143
Sales Related Occupations	644	109	151	210	174
Salespersons, Non-Retail Commodities	604	147	182	152	123
Pharmacists, Therapists, Physician Assistants	582	111	193	133	145
Supervisors, Marketing and Sales	541	112	146	145	138
Plant and System Operators	537	79	182	165	111
Private Household Occupations	511	97	166	126	122
Miscellaneous Occupations	491	103	158	99	131
Insurance, Securities, Realty, Sales Reps	456	107	127	106	116
Fishers, Hunters and Trappers	436	46	82	253	55
Editors, Reporters, Public Relations Occupations	409	114	95	107	93
Natural Scientists	397	60	147	112	78
Supervisors, Administrative Support	387	107	117	96	67
Science Technologists and Technicians	384	72	128	117	67
Athletes and Related Occupations	334	72	114	74	74
Physicians and Dentists	304	91	46	87	80
Supervisors, Construction & Extractive Occupations	293	35	116	98	44
Officials and Administrators, Public Administration	283	49	54	49	131
Computer, Math, and Operations Research Occupations	222	50	65	59	48
Vocational and Educational Counselors	176	31	35	66	44
Farm Operators and Managers	162	25	75	48	14
Lawyers and Judges	154	38	34	45	37
Production Inspectors, Testers, etc.	133	21	20	47	45
Machine Setup Operators	117	18	49	38	12
Supervisors, Mechanics and Repairers	106	21	40	33	12
Supervisors, Production Occupations	100	16	52	22	10
Supervisors, Handlers, Helpers and Laborers	96	15	35	36	10
Social Scientists and Urban Planners	84	16	21	25	22
Librarians, Archivists, and Curators	81	16	20	22	23
Other Health Practitioners	55	10	7	17	21
Veterinarians	33	4	8	13	8
Supervisors, Transportation & Material Moving	24	6	7	7	4

Occupations based on two-digit Standard Occupational Code groupings.

Source: Alaska Department of Labor, Research and Analysis Section

# 8

## 4th Qtr 1995 New Hires Follow-up Percent still working 4th Qtrs 1996 & 1997



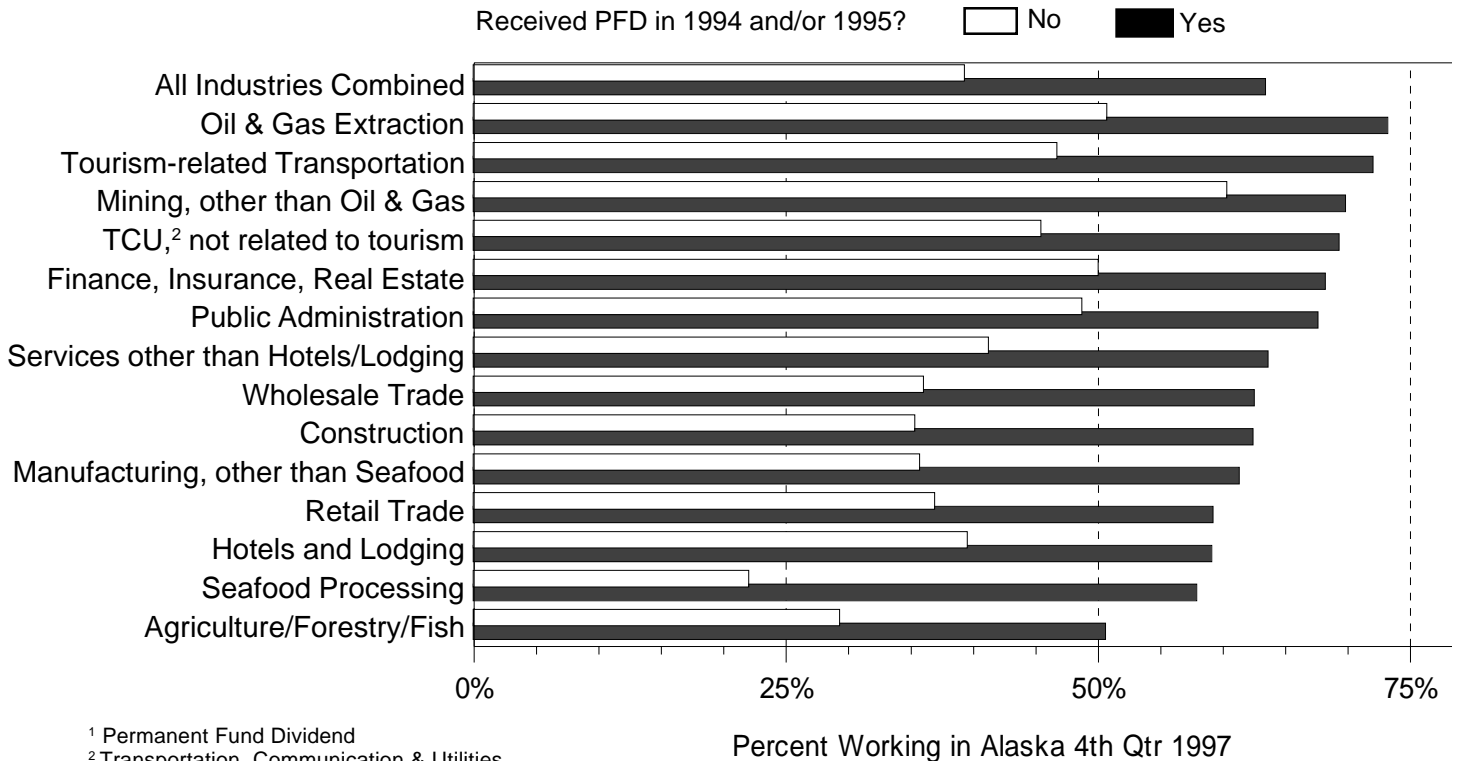
Source: Alaska Department of Labor, Research and Analysis Section

The New Hires Quarterly Report counts job opportunities created by business expansions, business start-ups, and job turnover. 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. The report assists employment security personnel and the job-seekers they serve in developing 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. Since replacements for departing workers are included, readers are cautioned about drawing conclusions about job growth solely on quarterly new hire data. A worker can be counted as a new hire for more than one employer during a quarter.

# 9

## 4th Qtr 1995 New Hires Follow-up By industry and Alaska PFD<sup>1</sup> history



<sup>1</sup> Permanent Fund Dividend

<sup>2</sup> Transportation, Communication & Utilities

Workers newly hired by more than one employer in 4th quarter 1995 are placed in the industry of the employer from whom they earned the most wages.

Source: Alaska Department of Labor, Research and Analysis Section

# ≡ Trends 1998 Index of Articles ≡

## January

- Sitka: Coping with Structural Change
- Case Study of a Layoff–  
Work Life after Sitka's Pulp Mill Closure
- *Alaska Employment Scene*  
Recovering Oil

## February

- Public School Education–A Big Industry
- *Alaska Employment Scene*  
A Decade of Employment Growth

## March

- Alaska's Resident Workforce Increases
- Spring Quarter New Hires Up by 1.3% in 1997
- *Alaska Employment Scene*  
Unemployment Below 8% for Fifth  
Year in a Row

## April

- Annual Benchmark Revision for 1997 Completed
- Job Growth Rebounds in 1997
- *Alaska Employment Scene*  
A Good New Year–Despite Export Woes

## May

- Nearly 10,000 New Jobs by 2000
- Momentum Keeps Anchorage's Economy Rolling
- Private Sector Growth Brightens Forecast  
for Fairbanks
- Southeast Rides the Waves
- *Alaska Employment Scene*  
Fish Fry

## June

- Measuring Alaska's Cost of Living
- *Alaska Employment Scene*  
1998 Off to a Surprisingly Strong Start

## July

- The Nome Census Area–One Hundred Years Later
- *Alaska Employment Scene*  
Construction Generates Employment Surge

## August

- The Trends 100: Alaska's Largest Private  
Employers–1997
- *Alaska Employment Scene*  
Alaska's Economy Heats Up

## September-October

- Population Projections–A Probe into the Future
- Summer New Hires Rebound–1997  
Up from previous summer quarter
- *Alaska Employment Scene*  
Job Market is Hot–July shows usual  
economic peaks

## November

- The Alaska Employment Service Makes  
Connections
- Occupational Fatalities Decline–Water vehicle  
deaths drop; air taxi deaths climb
- *Alaska Employment Scene*  
Record Low for Unemployment–  
Record high for Permanent Fund Dividend

## December

- Construction in the 1990s–A Stable  
Decade for Construction
- New Hires: Hiring Improves in 1997
- *Alaska Employment Scene*  
September Employment Statistics Solid