

Knowing where they are helps job seekers and job counselors pinpoint their efforts

New hire data is an important indicator of overall demand for workers. This article focuses on how the new hire data series can be used to help job seekers and employment counselors identify employment opportunities, both seasonal and year-round, in Alaska.

The data series, based on the Department of Labor and Workforce Development's quarterly unemployment insurance (UI) wage files, is intended to give some idea of where job openings occur through either job creation or job turnover. Excluded from the new hires analysis are federal workers, the self-employed, workers of employers reporting to other states (such as most offshore seafood processors), and other UI-exempt workers.

Hiring status is found by matching the employee's social security number with each employer that he or she worked with during the quarter in question. Each combination is classified as a new hire, rehire, or continuing employee. Definitions of these terms appear below. Each unique combination of social security number and employer is considered to be a single employer/worker relationship.

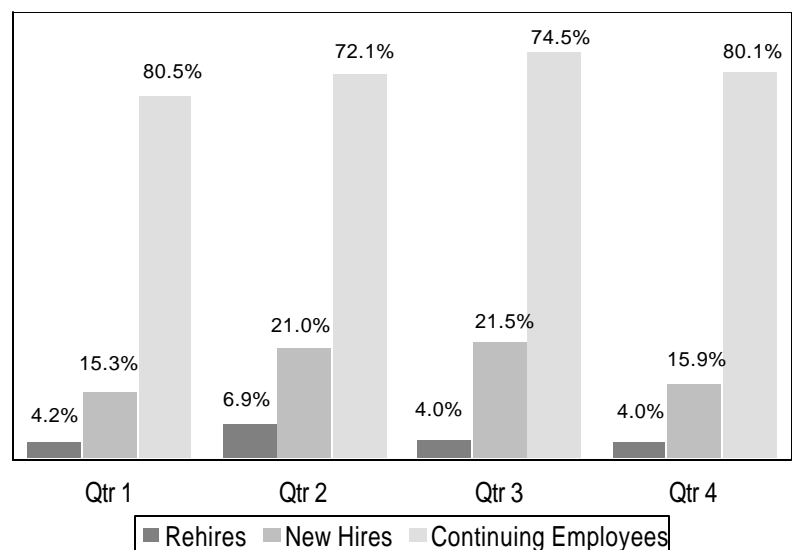
- **Continuing employees** are those who worked for the same employer in all four quarters prior to the reference quarter.
- **Rehires** are employees who worked for a particular employer in at least one, but not all, of the four quarters prior to the reference quarter. Prior to the third quarter of 1997 rehires were included in the continuing employee data series.

- **New Hires** are workers who did not work for the employer in any of the four quarters prior to the reference quarter. Workers are evaluated for each employer they worked for during a quarter, and therefore can be counted as a new hire for more than one employer during a quarter, but only once for the same employer.

Exhibit 1 shows how hiring status has fluctuated by quarter over the study period.

A person may have worked for more than one employer during the quarter and can be counted

Hiring Status of Employees 1 Average percent of employment 1992–2000



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

more than once. Therefore, this data series counts the number of job opportunities in the workforce and does not represent the number of individuals working. The study period, 1992 to 2000, was chosen because no comparable data exist prior to 1992 and post-2000 data are not yet available.

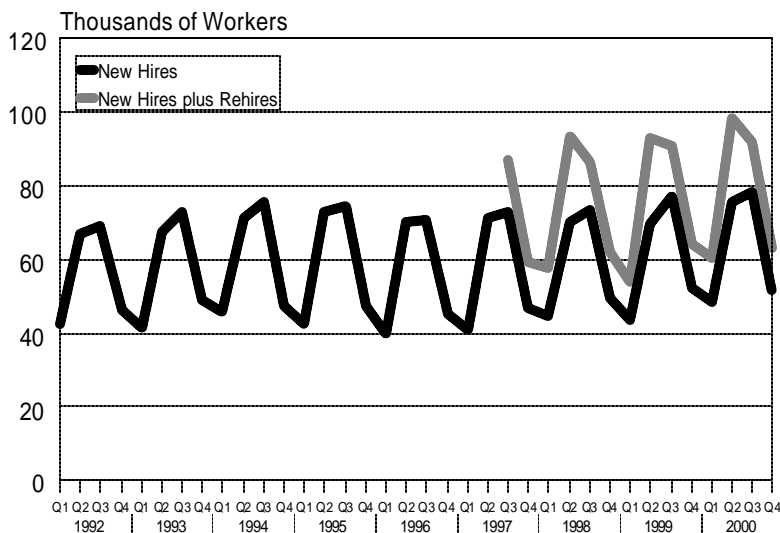
Alaska has fourteen broad industry categories, each of which is divided into several sub-industries. The tourism industry is a special case for which there is no one category. According to the McDowell Group's Alaska Visitor Arrivals figures for 1997 and 1998, arrivals were approximately 15 percent business, and 85 percent pleasure-related. Their impact is felt in a number of industries, including Hotels and Lodging, Tourism Related Transportation, Retail Trade, Wholesale Trade, and Transportation, Communications and Utilities.

Employment opportunities in seasonal industries

A primary characteristic of the Alaska new hire series is the pronounced seasonal variation caused by industries that increase hiring activity during the second and third quarters. These include Agriculture, Forestry and Fishing, Hotels and Lodging, Tourism Related Transportation, Retail Trade, Wholesale Trade, Seafood Processing, Construction, Transportation, Communications and Utilities, and Finance, Insurance and Real Estate. For the last four years Seafood Processing has started hiring in the first quarter to accommodate the Bering Sea pollock season.

Total quarterly new hires fluctuate by as much as 30,000 workers during the year. (See Exhibit 2.) When rehires are added, the difference increases to about 50,000 of the approximately 360,000 total wage earners, including part-time and casual workers.

2 New Hires and Rehires Total 1992 to 2000



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Industries with large seasonal fluctuations provide summer employment for local people and attract non-resident workers to Alaska. Chief among these is seafood processing, where non-residents accounted for 12,257 workers, or 73.6% of all workers in 1999. Their earnings amounted to \$87,163,426, a large proportion of which would have been spent outside Alaska. The subject of non-residents working in Alaska is covered by the Department of Labor and Workforce Development in a separate annual publication entitled *Nonresidents Working in Alaska*. The report is available in hard copy or via the Department's web site at <http://www.labor.state.ak.us/>.

Industries most affected by seasonality

An idea of the relative importance of seasonal workers to each industry can be gained by looking at the average quarterly new hires and rehires as a percentage of total industry workers over a period of time. (See Exhibit 3.) For example, for

Average New Hires plus Rehires 3 Percentage of total industry employment

Average Percent New Hires and Rehires

the Hotels and Lodging industry, an average of 23 percent of first quarter workers were new hires and rehires. In the second quarter the percentage increased to 55.9% of all workers in that industry, an increase of 140 percent. The largest average yearly new hires fluctuation is in Tourism Related Transportation, which fluctuated between an average of 12.7% in the fourth quarter and 52.8% in the second quarter. This is followed by the Seafood Processing industry which decreased from 53.9% in the first quarter to 16.5% in the fourth quarter.

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Agriculture/Forestry/Fish	22.0	54.3	31.7	19.9
Construction	29.4	50.7	38.7	19.7
Finance, Insurance, Real Estate	14.9	21.0	21.1	21.7
Hotels and Lodging	23.3	55.9	31.6	20.6
Manufacturing, exc Seafood Process.	16.4	29.3	21.1	21.8
Mining, except Oil and Gas	8.8	24.9	16.6	15.7
Oil and Gas Extraction	14.7	15.5	17.7	8.8
Public Administration	11.1	16.0	14.2	18.7
Retail Trade	22.2	38.1	29.1	21.3
Seafood Processing	53.9	44.3	50.4	16.5
Services, except Hotels and Lodg	21.5	30.2	25.3	19.5
Tourism Related Transportation	18.9	52.8	20.4	12.7
Transportation/Comm/Utilities	13.6	19.3	15.9	13.0
Wholesale Trade	15.3	24.0	24.8	14.3
Mean of Quarterly Totals	20.4	34.0	25.6	17.4

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Which industries provide the majority of seasonal employment opportunities?

A measure of the capacity of an industry to absorb workers can be gained by looking at the number of positions filled by new hires and rehires over time. In terms of numbers of employees, the largest average seasonal increase in rehires and new hires occurs in Retail Trade. (See Exhibit 4.) The increase between the first and second quarters of 10,324 employees, or 82 percent, reflects increased tourism-related activity during the spring. As would be expected, the latter also affects Hotels and Lodging, which increases by an average of 4,430 workers or about 310 percent. Services (excluding Hotels and Lodging) follows Retail Trade in terms of average numbers of new hires with an increase of 6,049 (40 percent) between the first and second quarter. This large improvement is wide-ranging and cannot be attributed to any specific sub-industries within the Services group. The category includes sub-industries that would be expected to increase hiring activity during the summer such as Automotive Repair, Amusement and Recreation Services, Museums, Art Galleries, and Botanical and Zoological Gardens.

Exhibit 4 also shows the Construction industry's average increase of 5,800 workers (124 percent) between the first and second quarter, reflecting the increase in outdoor activity during the spring.

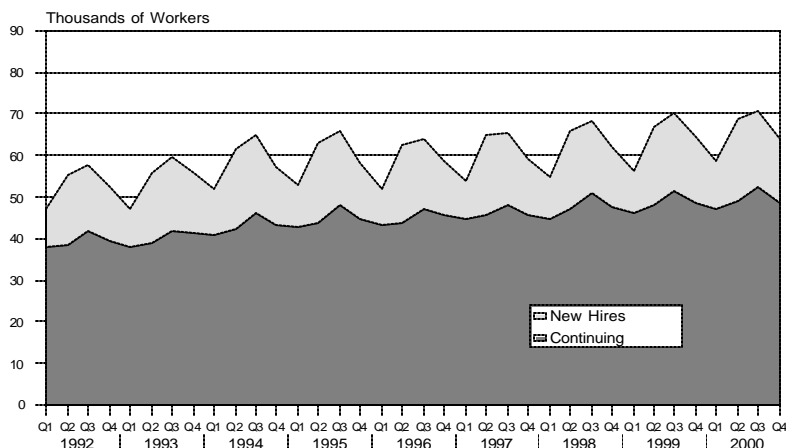
Number New Hires and Rehires 4 By industry, 3rd Qtr 1997 to 4th Qtr 2000

Average New Hires plus Rehires

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Agriculture/Forestry/Fish	343	1,383	703	377
Construction	4,651	10,451	8,484	5,625
Finance, Insurance, Real Estate	1,900	2,866	2,702	2,168
Hotels and Lodging	1,432	5,862	3,079	1,529
Manufacturing, exc. Seafood Proc.	988	2,073	1,441	1,220
Mining, except Oil and Gas	125	485	359	180
Oil and Gas Extraction	1,507	1,654	1,599	1,153
Public Administration	6,801	9,322	8,494	9,528
Retail Trade	12,585	22,909	18,526	16,693
Seafood Processing	6,537	5,852	8,390	1,151
Services, except Hotels and Lodg	14,949	20,998	18,437	16,777
Tourism Related Transportation	761	3,673	1,273	687
Transportation/Communications/Util	3,322	4,898	3,830	3,478
Wholesale Trade	1,443	2,508	2,491	1,666
Total New Hires plus Rehires	60,551	93,400	88,771	62,634

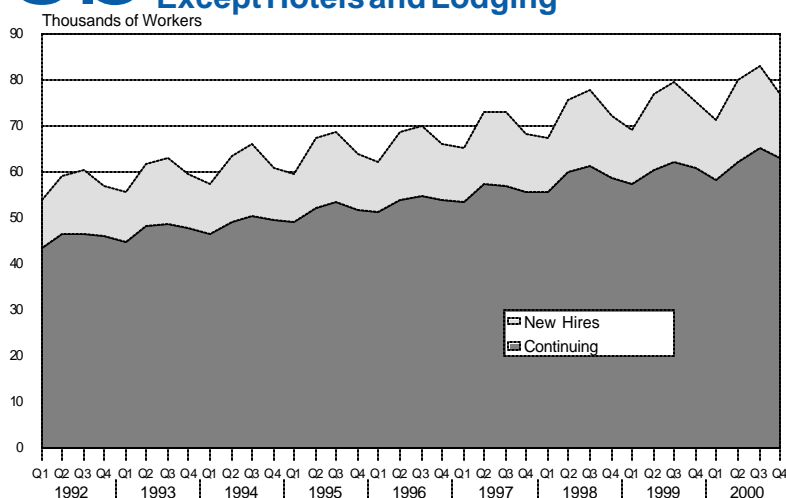
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

5a Retail Trade

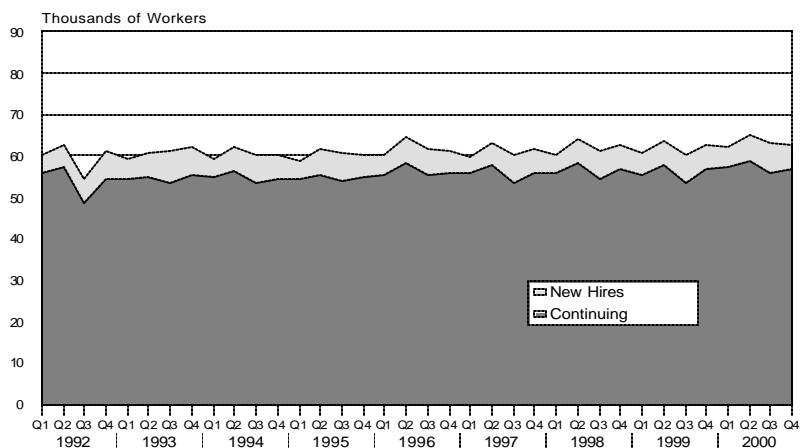


For exhibits 5a, b and c, rehires are included with continuing employees.

5b Services Except Hotels and Lodging



5c Public Administration



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Next is Public Administration, consisting of state and local government workers. About 60 percent of the increase in Public Administration between the first and second quarter was in local government, reflecting extra outdoor workers hired for the summer in horticulture, road maintenance and environmental work. Support staff also increased during this quarter. One third of the relatively high fourth quarter figure is education staff returning to work after the summer break. Other industries not already mentioned that offer seasonal work include Wholesale Trade, and Oil and Gas Extraction, which does its major hiring in the first quarter of the year because frozen ground is better for extraction activities. A limited number of opportunities are also available in the broad industry category of Agriculture, Forestry and Fisheries, for example, in horticulture. Fisheries may offer more seasonal work than this statistical series indicates because, to a large extent, labor in the industry is self-employed and not included in the new hire series.

Employment opportunities in industries that have grown over the long term

For prospective employees and career counselors, the best opportunities for permanent employment are in industries that are experiencing long-term growth in employee numbers. Over the nine-year study period, total employment has declined in most industry categories. On the other hand, Oil and Gas Extraction and Wholesale Trade increased slightly while Retail Trade, Services except Hotels and Lodging, and Public Administration increased substantially.

Growth industries—Where the year-round employment opportunities have been

Of the three industries with the highest growth in employment, Services except Hotels and Lodging ranks first. Services had around 55,000 employees in 1992 increasing to around 80,000 in 2000. Retail Trade is next, followed by Public Administration. (See Exhibits 5a, 5b and 5c.) A closer look shows

that, in the first two industries, continuing employees have also grown considerably. Consequently, despite the highly seasonal employment pattern, Services except Hotels and Lodging and Retail Trade offer the best opportunities for employees wishing to remain on the payroll after the peak season is over.

It may be of interest to job seekers and career counselors that the two highest growth industries in terms of new hires and continuing employment, particularly Retail Trade, also have large seasonal fluctuations. The seasonal factor can be an advantage to job entrants. Likewise, training courses in Retail Trade that take advantage of the cyclical upswing may be able to place more graduates. On

the other hand, government work does not have such pronounced seasonal fluctuations and so the timing of training and entry into the industry is less important. The smaller seasonal fluctuations in Public Administration mean that fewer people are released during the downswing, making the transition from new hire to continuing employee easier there than in Retail Trade, or Services except Hotels and Lodging.

However, these three categories are very broad and contain numerous sub-industries, some of which have grown faster than average and some slower. Likewise, broad industries that show no growth at all over the study period may contain sub-industries that exhibit considerable growth as

New Hire Growth in Top 20 Sub-Industries 6

Second quarter comparison 1992 and 2000

BROAD INDUSTRY CATEGORY	SUB-INDUSTRY CATEGORY	New Hires 2000 2nd Qtr	New Hires 1992 2nd Qtr	Change in New Hires	% Growth in New Hires
Retail Trade	Eating Establishments	8,499	7,018	1,481	21.1
Hotels and Lodging	Hotels, Motels, and Tourist Courts	4,196	3,321	875	26.4
Seafood Processing	Fresh or Frozen Prepared Fish	2,949	6,053	-3,104	-51.3
Public Administration	Exec and Legislative Offices Combined	2,184	2,246	-62	-2.8
Services, except Hotels and Lodging	Civic and Social Associations *	2,002	1,000	1,002	100.2
Retail Trade	Department Stores	1,804	722	1,082	149.9
Services, except Hotels and Lodging	Colleges and Universities	1,581	631	950	150.6
Retail Trade	Grocery Stores	1,577	1,843	-266	-14.4
Services, except Hotels and Lodging	Elementary and Secondary Schools	1,521	1,422	99	7.0
Services, except Hotels and Lodging	Help Supply Services **	1,456	475	981	206.5
Oil and Gas Extraction	Oil and Gas Field Services, NEC ***	1,441	668	773	115.7
Services, except Hotels and Lodging	Amusement and Recreation, NEC ***	1,349	893	456	51.1
Construction	Single-Family Housing Construction	1,203	759	444	58.5
Construction	Nonresidential Construction, NEC ***	994	1,136	-142	-12.5
Seafood Processing	Canned and Cured Fish and Seafoods	936	1,119	-183	-16.4
Construction	Highway and Street Construction	880	850	30	3.5
Services, except Hotels and Lodging	Business Services, NEC ***	873	464	409	88.2
Retail Trade	Drinking Places	870	928	-58	-6.3
Tourism Related Transportation	Air Transportation, Nonscheduled	842	700	142	20.3
Retail Trade	Gift, Novelty, and Souvenir Shops	841	508	333	65.6
Totals		37,998	32,756	5,242	16.0

* Includes Insurance; homeowner, tenant and condominium associations, alumni associations, bars, clubs, service clubs, parent-teacher associations.

** Establishments which are primarily engaged in supplying temporary or continuing help on a contract or fee basis where the help supplied is on the payroll of the supplying establishment, but under the direct supervision of the business to which the help is provided. The main type businesses referred to are staffing agencies, including those supplying part-time and temporary staff.

*** NEC Not elsewhere classified

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

shown in new hires. Therefore, although the broad industry categories discussed above are helpful, employment counselors and people looking for steady career opportunities should look deeper. Before a person can become a permanent employee he or she must first find a job, so it is worth considering where the best new hire opportunities may be found.

Eating Establishments lead fast-growth sub-industries

The top twenty sub-industries for new hires are shown in Exhibit 6, and the top 20 employers in Exhibit 7. The second quarter has been used because it offers the most new hire activity.

Individual quarters are compared to the same quarter in other years because of the different hiring patterns attributable to each quarter, due mainly to the seasonal influence.

Eating Establishments topped the list with the most new hires during the second quarter, nearly double the number of the next category, Hotels, Motels, and Tourist Courts. Seafood Processing ranks third; its number of new hires has dropped 51 percent since 1992. Help Supply Services, such as temporary employment agencies, grew three-fold over the same period.

A change in the number of new hires does not necessarily indicate a change in total employment. The new hire rate is strongly influenced by turnover.

Some of the top twenty industries, such as Eating Establishments, Department Stores, and Fish and Seafoods, require mostly semi-skilled or unskilled labor. Others requiring high levels of skills include Electrical and Carpentry Work, Colleges and Universities, and Offices and Clinics of Medical Doctors, and some occupations in Oil and Gas Field Services NEC.

Summary

Job seekers and career counselors have many factors to consider in job hunting. The new hire data can be an important tool in locating job opportunities, directing training toward occupations where hiring is taking place, and in optimizing the timing of training to take advantage of seasonal hiring cycles.

7 New Hires and Rehires Total Second quarter 1992 and 2000

Employer	New Hires 2000 2nd Qtr	New Hires 1992 2nd Qtr	Change in New Hires	% Growth in New Hires
University of Alaska	1,470	483	987	204.4
State of Alaska Dept. of Admin.	839	725	114	15.7
Safeway Inc	696	173	523	302.3
Aramark Svcs. Mgmt. of AK Inc	575	-	-	-
Fred Meyer Shopping Centers	502	266	236	88.7
Wal-Mart Associates Inc	467	55	412	749.1
Trident Seafoods Corporation	432	269	163	60.6
AK Petroleum Contractors Inc	405	103	302	293.2
AK Hotel Properties Inc	394	148	246	166.2
Westmark Hotels Inc	377	417	-40	-9.6
Veco Alaska Inc	360	-	-	-
Labor Ready Northwest Inc	354	-	-	-
Kmart Corp	319	-	-	-
Norquest Seafoods Inc	296	364	-68	-18.7
CIRI Alaska Tourism Corp	295	2	293	14,650.0
Restaurants Northwest Inc	290	209	81	38.8
Nana/Marriott Joint Venture	289	74	215	290.5
Fountainhead Development Inc	286	191	95	49.7
Westours Motorcoaches Inc	284	184	100	54.4
Denali Foods Inc	264	175	89	50.9
Totals	9,194	3,838	3,748	97.7

- No comparable data available

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section