

## Nonresidents make up a big part of the work force

**N**onresident workers in 2006<sup>1</sup> made up 19.9 percent of Alaska's workers<sup>2</sup> and earned 12.9 percent of the total wages, representing 78,840 workers who made \$1.53 billion. (See Exhibits 1 and 2.) Those are slight increases from 2005, when nonresidents made up 19.1 percent of all workers and earned 12.2 percent of total wages.

The number of nonresident workers employed in Alaska provides an excellent indicator of labor shortage in the state. Although that deficit of workers may be the result of a variety of factors,

<sup>1</sup>Data for 2006 became available in January; the year 2006 is the most recent year for which data are available.

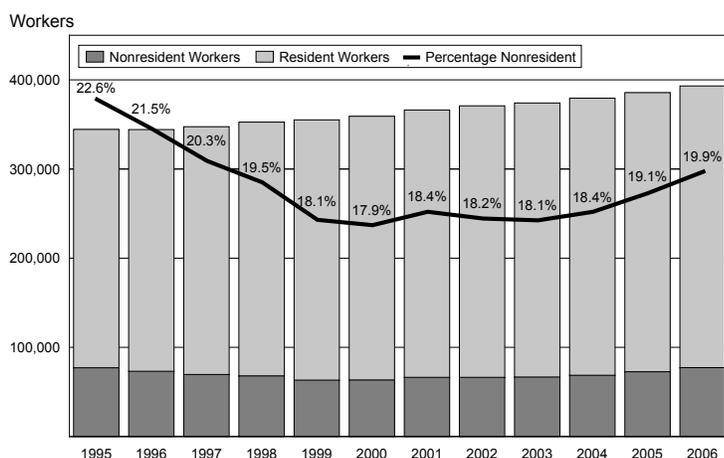
<sup>2</sup>This article is based on the wage records of workers covered by Alaska unemployment insurance. Therefore, all references to resident and nonresident workers in this article, unless stated otherwise, cover private-sector, and state and local government workers and don't include Alaska's self-employed (including most fishermen) and federal government workers.

including relatively low pay or highly seasonal work that doesn't promote long-term residency, many high-paying year-round jobs go to nonresidents.

Many factors can drive that result, including a shortage of skilled workers or lack of information for both jobseekers and employers. A continuing long-term deficit of Alaska workers in an industry or occupation, particularly a relatively high-paying occupation, suggests an unmet training need.

Although fast-paced growth associated with quickly changing economic conditions, such as an increase in oil prices or the development of an Alaska gas line, can present challenges, the data show there's a large pool of unemployed and underemployed workers in Alaska with a broad skill set.

### 1 Resident and Nonresident Workers Alaska, 1995 to 2006



Note: This exhibit is based on workers in the private sector, and state and local government.  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

### Background

Alaska has historically had a large number of nonresident workers, particularly in the seasonal seafood processing, timber and construction industries. Nonresident workers in the past have helped meet the demands of major project developments, such as the trans-Alaska oil pipeline in the 1970s.

The construction boom of the 1980s, fueled by a large increase in the price of oil, also brought a large number of nonresident workers to the state and served as the catalyst for special Alaska resident hire preference legislation.

Facing Alaska's rising unemployment rate and a growing resident labor force, the Alaska Legislature in 1986 established a resident hire preference for state and local government-funded

construction projects<sup>3</sup> and asked the Alaska Department of Labor and Workforce Development to report annually on the status of resident hire in the state. This article is based on the report, *Nonresidents Working in Alaska 2006*.<sup>4</sup>

Education and training providers, such as the University of Alaska, and the Department of Labor's Alaska Workforce Investment Board<sup>5</sup> use resident and nonresident hire data to identify unmet training needs. There are also thousands of young workers entering Alaska's labor market each year who can make more informed career choices about employment opportunities in the state.

## Workers and Wages 2

By major and selected industry categories, Alaska 2006

Industry	Total		Nonresident			
	Workers	Wages (in millions)	Workers	Percentage of Total Workers	Wages (in millions)	Percentage of Total Wages
Agriculture, Forestry, Fishing and Hunting <sup>1</sup>	1,929	\$37.2	729	37.8%	\$12.6	33.9%
Mining	17,288	\$1,295.7	5,272	30.5%	\$369.3	28.5%
Oil and Gas	3,354	\$436.1	852	25.4%	\$112.2	25.7%
Oilfield Services <sup>2</sup>	11,243	\$705.5	3,643	32.4%	\$215.4	30.5%
Utilities	2,286	\$120.4	152	6.6%	\$4.6	3.8%
Construction	28,999	\$1,033.0	5,695	19.6%	\$141.1	13.7%
Manufacturing	26,525	\$473.3	17,071	64.4%	\$209.3	44.2%
Seafood Processing	21,390	\$291.5	16,344	76.4%	\$198.2	68.0%
Wholesale Trade	8,010	\$284.6	1,079	13.5%	\$18.8	6.6%
Retail Trade	48,435	\$948.4	7,032	14.5%	\$62.6	6.6%
Transportation and Warehousing	26,062	\$947.4	6,212	23.8%	\$197.0	20.8%
Air Transportation	7,940	\$310.0	1,784	22.5%	\$81.6	26.3%
Information	8,088	\$355.5	699	8.6%	\$16.3	4.6%
Finance and Insurance	9,919	\$436.9	754	7.6%	\$15.9	3.6%
Real Estate and Rental and Leasing	6,813	\$163.5	826	12.1%	\$9.2	5.6%
Professional, Scientific and Technical Services	14,631	\$599.0	2,680	18.3%	\$84.0	14.0%
Management of Companies and Enterprises	556	\$45.8	62	11.2%	\$4.5	9.8%
Administrative, Support, Waste Management <sup>3</sup>	16,902	\$390.3	4,461	26.4%	\$79.8	20.4%
Educational Services <sup>4</sup>	2,770	\$64.0	587	21.2%	\$7.4	11.6%
Health Care and Social Assistance	40,724	\$1,321.5	4,111	10.1%	\$83.8	6.3%
Arts, Entertainment and Recreation	6,044	\$66.7	1,584	26.2%	\$10.8	16.2%
Accommodations and Food Services	41,576	\$479.3	12,821	30.8%	\$96.5	20.1%
Accommodations	12,691	\$162.8	5,258	41.4%	\$43.5	26.7%
Food Services and Drinking Places	28,832	\$316.2	7,548	26.2%	\$52.9	16.7%
Other Services	11,675	\$265.0	1,658	14.2%	\$22.2	8.4%
Public Administration	51	\$1.8	6	11.8%	\$0.1	5.8%
Unclassifiable <sup>5</sup>	882	\$11.3	298	33.8%	\$2.9	25.9%
State Government <sup>6</sup>	27,050	\$1,014.4	1,917	7.1%	\$34.3	3.4%
Local Government <sup>7</sup>	49,593	\$1,463.5	3,134	6.3%	\$46.6	3.2%
<b>Total</b>	<b>396,808</b>	<b>\$11,818.7</b>	<b>78,840</b>	<b>19.9%</b>	<b>\$1,529.6</b>	<b>12.9%</b>

Note: This exhibit is based on workers in the private sector, and state and local government.

<sup>1</sup> This category doesn't include fish harvesting employment numbers.

<sup>2</sup> This category includes support activities for oil and gas drilling and related operations.

<sup>3</sup> And Remediation

<sup>4</sup> Private education only

<sup>5</sup> No industry data are available.

<sup>6</sup> Includes the University of Alaska

<sup>7</sup> Includes public school systems

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

## Measuring residency

To calculate residency, quarterly Alaska unemployment insurance wage records – containing the employer-provided industry, occupation, wages

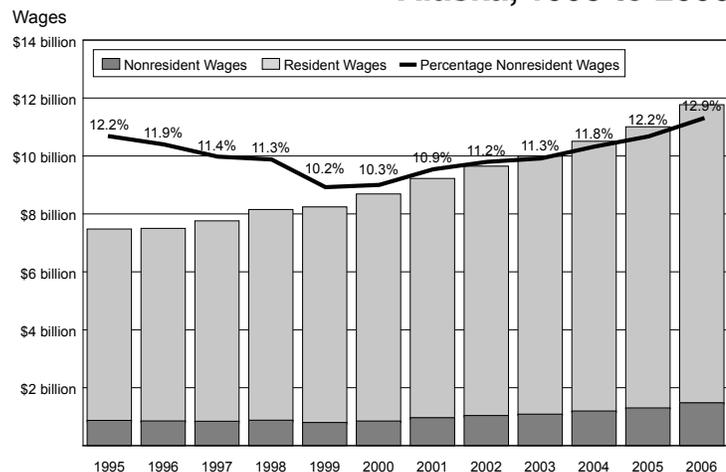
<sup>3</sup> The Department of Labor identifies particular craft occupations each year that have a 90 percent resident employment preference; nonresidents in those occupations can only be hired after reasonable efforts to hire Alaskans have been unsuccessful. The 22 occupations in that category now (effective until June 30, 2009) range from carpenters and welders to surveyors and tug boat workers.

<sup>4</sup> The 28-page *Nonresidents Working in Alaska 2006* is available on Research and Analysis' Web site at [almis.labor.state.ak.us](http://almis.labor.state.ak.us). Click on "Employment" in the blue bar on the left, then pull down to "Resident Hire." (To get to Research and Analysis' Web site from the Department of Labor Web site at [labor.alaska.gov](http://labor.alaska.gov), click on "Researchers" in the gold ribbon at the top.)

<sup>5</sup> The AWIB provides policy oversight of state and federally funded job training and vocational educational programs. The board, composed mostly of business and industry leaders, looks at employment trends and emerging occupations to ensure programs meet Alaska's needs.

## Resident and Nonresident Wages 3

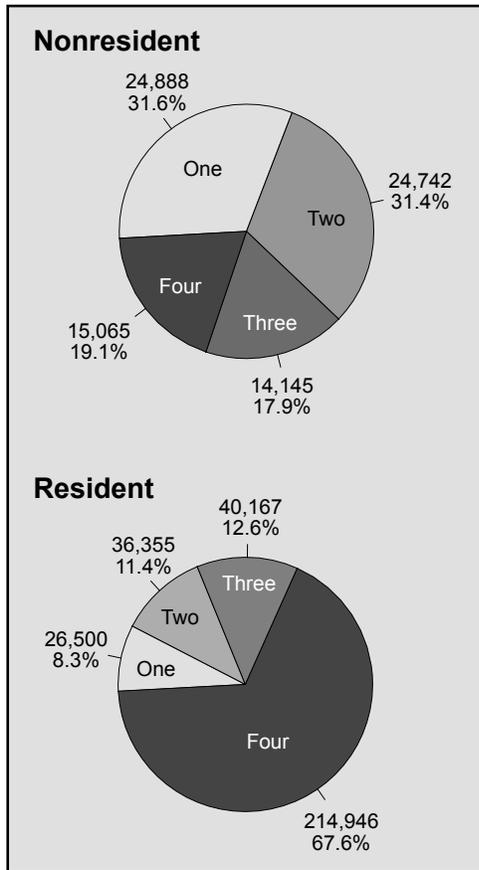
Alaska, 1995 to 2006



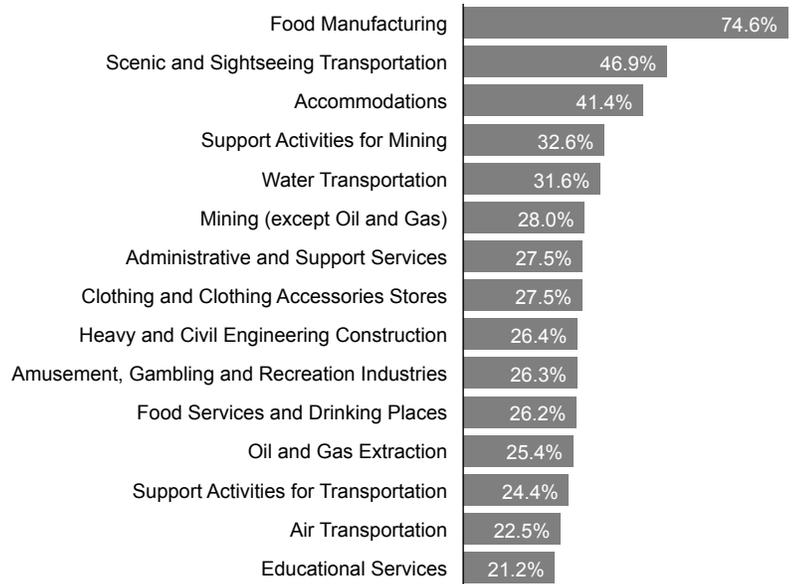
Note: This exhibit is based on workers in the private sector, and state and local government.

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

# 4 Quarters Worked Alaska, 2006



# 5 Industries with the Most Nonresidents Private-sector industries, Alaska 2006



Note for Exhibit 4:  
This exhibit is based on workers in the private sector, and state and local government.  
Notes for Exhibit 5:  
This exhibit is based on workers in the private sector only.  
For this exhibit, the authors first looked at industry categories with more than 1,000 workers, then of those, listed the categories with the highest percentage of nonresidents.  
Sources for Exhibits 4 and 5: Alaska Department of Labor and Workforce Development, Research and Analysis Section

and place of work for each worker – were matched with Alaska Permanent Fund Dividend data to identify resident and nonresident workers. The PFD data for 2006 and 2007 were used to determine residency; if a worker’s social security number appeared in the PFD data for either 2006 or 2007, the worker was considered a resident for 2006.

A historical analysis of the PFD file shows that the information is an excellent indicator of residency. Although some workers who aren’t eligible for a PFD at the time residency reports are generated become residents in the following year, the most recent data show that those workers represent only about 14 percent of total nonresident workers. The industries and occupations of the workers are based on where they earned the most money in 2006.

## Nonresident work force grows faster than the resident work force

The total number of private-sector, state and local government wage and salary workers employed

in Alaska in 2006 was 396,808, an increase of 7,539 from 2005. (See Exhibits 1 and 2.) The number of nonresident workers increased 6.2 percent, or 4,574, to 78,840, while the number of resident workers increased 0.9 percent, or 2,965, to a total of 317,968 resident workers.

Total wages grew 6.8 percent from 2005 to \$11.82 billion in 2006. As mentioned earlier, nonresidents earned 12.9 percent of that amount, up from the 12.2 percent share they received in 2005. (See Exhibit 3.) Total resident wages increased by \$580.4 million to \$10.29 billion in 2006, while total nonresident wages increased by \$174.8 million to \$1.53 billion.

With some significant exceptions, nonresidents typically don’t work all four quarters of the year, often working only one or two quarters. (See Exhibit 4.) Many nonresident workers are employed only during the summer months or in short-term or seasonal jobs, including those in the seafood processing and visitor-related industry sectors, and that’s reflected in their yearly pay.

Nonresidents earned an average of \$19,401 a year in 2006, which is 60 percent of what residents earned that year – \$32,359. Nonresident wages were up \$1,159 from 2005 and resident wages were up \$1,538.

The average wages per quarter worked for nonresidents were \$8,638 in 2006, which is 90.6 percent as much as resident workers earned – \$9,531.

## Nonresidents by industry

Looking specifically at the private sector, nonresidents accounted for 23.0 percent of the private-sector work force in 2006.

Nonresident percentages vary significantly by industry. They were highest in 2006 in food manufacturing (mostly seafood processing), scenic and sightseeing transportation, and accommodations. (See Exhibit 5.) Nonresidents for these three categories accounted for 31.8 percent of all private-sector nonresident workers in 2006.

High nonresident hire has typically been found in:

- Seasonal industries with relatively high percentages of employment occurring in only one or two calendar quarters (such as seafood processing and visitor-related industries);
- Fast growing occupations;
- Jobs that require unique skills where relatively few Alaskans are trained and available for work; and
- Jobs at remote worksites.

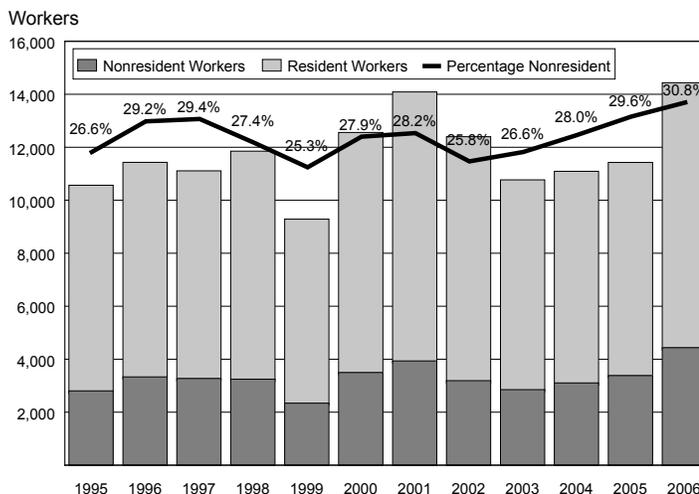
## The oil industry's proportion of nonresidents continues its upward trend

Alaska's oil industry – including its two major components, oil and gas extraction and oilfield services<sup>6</sup> – employed 14,597 workers in 2006, an increase of 2,969 workers, or 25.5 percent, from 2005. The increase is a continuation of the oil industry's employment turnaround that started in 2003 due to higher oil prices. Total oil industry

<sup>6</sup> The oilfield services subsector represents support operations for oil and gas companies. It's a combination of the 213111 and 213112 codes under the North American Industry Classification System, or NAICS. For more information on industry coding, see the NAICS 2007 manual.

# Nonresidents in the Oil Industry Alaska, 1995 to 2006

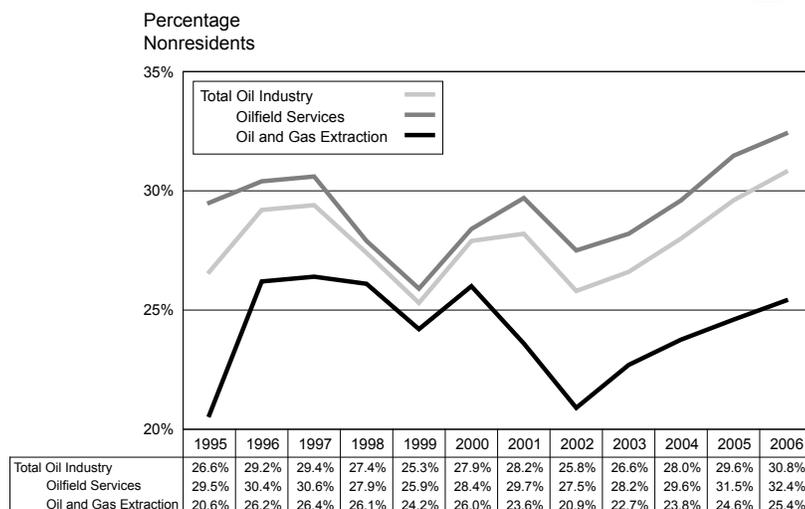
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Note: This exhibit is based on the private sector only.  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# The Oil Industry Percentage of nonresidents, 1995 to 2006

# 7



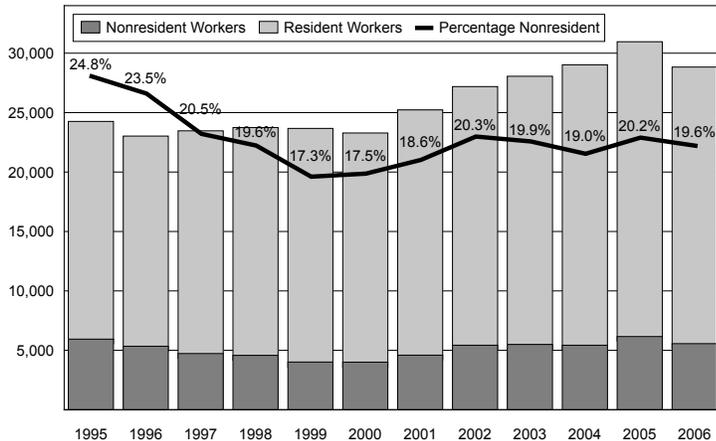
Note: This exhibit is based on the private sector only.  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

wages grew even faster, up 27.7 percent from 2005 to \$1.14 billion in 2006.

Nonresidents accounted for 30.8 percent of oil industry workers in 2006. (See Exhibit 6.) The nonresident work force in the oil industry increased by 1,053 workers from 2005, while the number of resident workers increased by 1,916. Wages were also up for both residents and nonresidents. Total resident wages increased \$162.9 million from 2005 to 2006, while nonresident workers earned

## 8 Nonresidents in Construction Alaska, 1995 to 2006

Workers



Note: This exhibit is based on the private sector only.

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

close to double what resident workers made on average in 1999. Nonresident workers made an average of \$39,529 in 2006 and \$19,009 in 1999.

The percentage of nonresident workers in oil and gas extraction increased to 25.4 percent in 2006, a 4.5 percentage point increase from 2002. (See Exhibit 7.)

The oilfield services sector showed the highest percentage increase in the number of nonresidents for all major industries with a 37.1 percent increase from 2005 to 2006.

Oilfield services' percentage of nonresidents increased for the fourth consecutive year in 2006, mirroring the growth in oil and gas extraction, as it rose nearly another percentage point to 32.4 percent. Total wages in oilfield services were \$705.5 million, or about 7.6 percent of total private-sector wages. Nonresidents earned 30.5 percent of oilfield services' wages in 2006.

### Nonresident share falls in construction

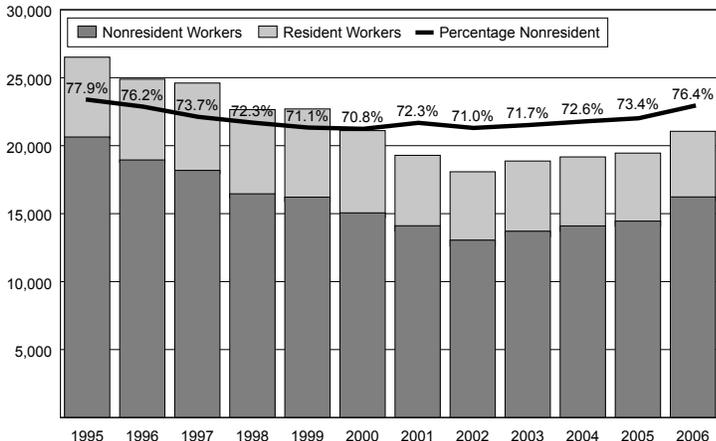
Both resident and nonresident construction workers and wages declined from 2005 to 2006 as a result of Alaska's slowing construction industry, although the construction industry still made up more than 11 percent of total private-sector wages in 2006.

Resident workers captured a larger share of construction's total employment and wages as nonresident worker activity declined faster than resident employment and wages. The number of resident workers decreased 6.1 percent (1,504 workers) from 2005 to 2006; the number of nonresident workers decreased 9.4 percent (593 workers) over the same time period. Construction's overall nonresident share dropped from 20.2 percent in 2005 to 19.6 percent in 2006. (See Exhibit 8.)

Total wages in construction declined 3.7 percent from 2005 to \$1.03 billion in 2006. The nonresident share of construction's total wages dropped slightly from 13.8 percent in 2005 to 13.7 percent in 2006. Nonresident wages declined 4.7 percent from 2005 to \$141.1 million in 2006, while resident wages declined 3.5 percent to \$891.9 million over the same period.

## 9 Nonresidents in Seafood Processing Alaska, 1995 to 2006

Workers



Note: This exhibit is based on the private sector only.

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

an additional \$84.7 million. Overall, nonresidents earned 28.7 percent of the total oil industry's wages, a figure approaching twice the statewide private-sector average of 15.5 percent in 2006.

Oil and gas extraction continues to be a high-wage industry. The industry's average quarterly wage of \$34,705 remained the highest in the state. More than a quarter of extraction wages paid in 2006 went to nonresidents.

Resident workers in the industry made an average of \$33,298 per quarter in 2006, or

Average wages for residents, though, increased despite the construction industry's decline in overall employment and wages. The average annual wage for resident construction workers increased about \$1,000 from the prior year to \$38,273 in 2006; the average annual wage for nonresidents increased from \$23,533 in 2005 to \$24,774 in 2006.

## Workers and Wages in Visitor-Related Industries Alaska, 2006 10

Industry	Total		Nonresident		Percentage of Total Wages
	Number of Workers	Wages (in millions)	Number of Workers	Wages (in millions)	
Air Transportation	7,940	\$310.0	1,784	\$81.6	26.3%
Scenic and Sightseeing Transportation	3,858	\$51.8	1,810	\$20.0	38.7%
Support Activities for Transportation	3,934	\$127.9	961	\$28.7	22.4%
Performing Arts, Spectator Sports and Related Industries	757	\$8.7	252	\$1.8	21.2%
Amusement, Gambling and Recreation Industries	4,608	\$44.0	1,213	\$7.7	17.5%
Accommodations	12,691	\$162.8	5,258	\$43.5	26.7%
Food Services and Drinking Places	28,832	\$316.2	7,548	\$52.9	16.7%

Note: This exhibit is based on the private sector only.

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

The heavy and civil engineering portion of the construction industry from 2005 to 2006 suffered the greatest percentage losses in employment (-11.1 percent) and wages (-9.2 percent), coupled with an increase in the percentage of nonresident workers (24.6 percent to 26.4 percent). The share of total wages paid to nonresidents increased slightly, from 20.7 percent in 2005 to 21.5 percent in 2006. Average wages for both residents and nonresidents increased.

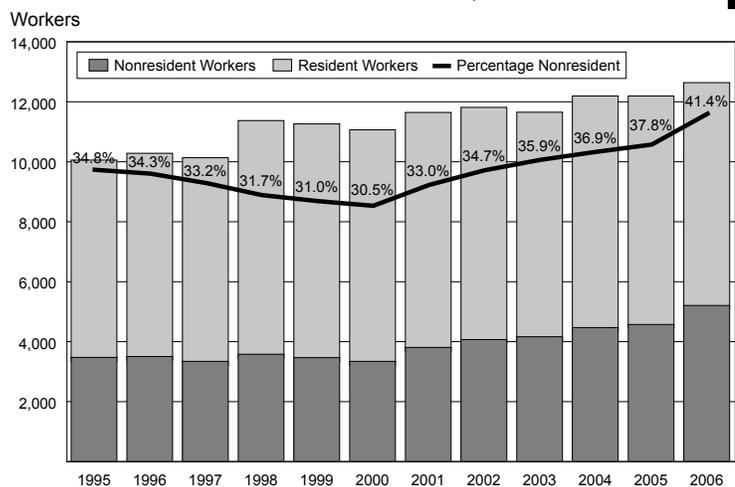
### Nonresidents' share of seafood processing increases for the fourth straight year

In 2006, Alaska's seafood processing industry once again employed the highest number and greatest percentage of nonresident workers of any industry sector. More than 16,300 nonresidents filled the state's seafood processing jobs, accounting for 76.4 percent of the processing work force, the highest percentage since 1995. (See Exhibit 9.)

Nonresidents earned 68.0 percent, or \$198.2 million, of the \$291.5 million in total wages paid to seafood processing workers in 2006. Overall, nonresident seafood processing workers accounted for 22.1 percent of nonresident workers in the private sector statewide.

Nonresidents in seafood processing increased by 1,780 between 2005 and 2006, while residents decreased by 238 to 5,046 in 2006. Nonresident wages grew \$13.9 million in 2006, while resident wages increased \$1.0 million to \$93.3 million.

## Nonresidents in Accommodations Alaska, 1995 to 2006 11



Note: This exhibit is based on the private sector only.

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

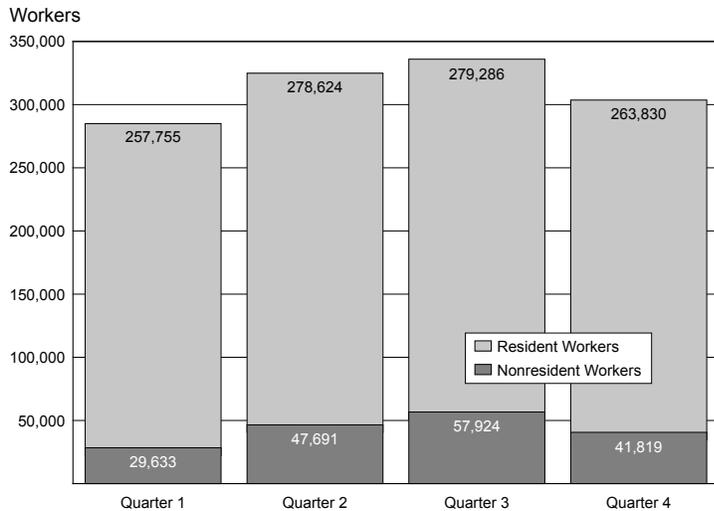
Few nonresident seafood-processing workers tend to become residents. Of the nonresidents in 2005, 2.7 percent became residents in 2006, as measured by PFD applications in 2007.

Wage records show that 10.0 percent of all seafood processing workers were employed in more than one borough or census area in 2006. It's not uncommon for workers to travel to another plant when their initial seafood processing job is over.

The Aleutians West Census Area had the most seafood processing workers in the state and the highest total wages in 2006. The census area's 3,814 processing workers earned \$66.2 million that year. The Aleutians East and Kodiak Island boroughs followed in both the number of workers and their wages. The Aleutians East Borough had the highest percentages

# 12 Alaska Workers by Quarter

## Resident and nonresident, 2006



Note: This exhibit is based on workers in the private sector, and state and local government.  
 Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

percent of total gross earnings that year, according to Department of Labor employment estimates for Alaska's commercial fishing industry.<sup>8</sup>

### Visitor-related industries

Alaska industries that are affected by visitor expenditures have a seasonal employment pattern, which coincides with a relatively high nonresident rate. (See Exhibit 10.)

Various industry sectors fall into a "visitor-related" category:<sup>9</sup> accommodations, air transportation, scenic and sightseeing transportation,<sup>10</sup> and food services and drinking establishments. That category accounted for 23.9 percent of Alaska's nonresidents in 2006 and 15.4 percent of the state's nonresident wages.

The accommodations industry – hotels and lodging establishments – showed a sharp increase in its percentage of nonresident workers, climbing to 41.4 percent in 2006 from 37.8 percent in 2005. (See Exhibit 11). That was the sixth straight year the percentage of nonresidents increased.

Accommodations typically has a high number of nonresident workers and they earn less, on average, than their resident counterparts. The number of nonresident workers increased 13.6 percent in 2006 compared to a 2.6 percent decrease in the number of resident workers. Nonresidents earned an average of \$8,278 in 2006 and residents earned an average of \$16,043.

Total nonresident wages in accommodations jumped by a large percentage – 17.9 percent – to reach \$43.5 million in 2006. Although the number of resident workers declined, their wages increased 2.5 percent.

The scenic and sightseeing transportation sector, another industry heavily impacted by visitor

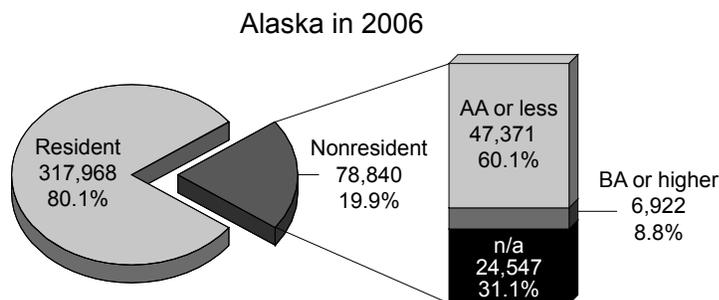
<sup>8</sup> As mentioned earlier, fishermen are generally not covered by unemployment insurance because the majority are classified as self-employed. Therefore, they aren't included in the *Nonresidents Working in Alaska 2006* report. Employment estimates for fishermen, which are compiled using a different process, are included here for background information. See *Trends*' December 2006 issue for information on how the Department of Labor produces fish harvesting employment estimates.

<sup>9</sup> There's no formal "visitor industry" category in NAICS.

<sup>10</sup> Scenic and sightseeing transportation refers to NAICS' 487 subsector.

# 13 Nonresident Occupations

## By education required



Notes:  
 This exhibit is based on workers in the private sector, and state and local government.  
 For nonresidents, the typical education requirements for those occupations are totaled on the vertical bar. Those occupations with no known education requirement are in the "not applicable" category.  
 Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

of both nonresident workers and wages in 2006 at 94.8 percent and 91.5 percent, respectively.

### The fishing industry

As far as fishermen, nonresidents in 2005<sup>7</sup> made up 38.6 percent of the fish harvesting work force – permit holders and their crew – and nonresident permit holders earned 60.4

<sup>7</sup> The year 2005 is the most recent year for which data are available. The 2005 data were revised in July 2007.

# Private-Sector Occupations with the Most Nonresidents

## By number of nonresidents, Alaska 2006

# 14

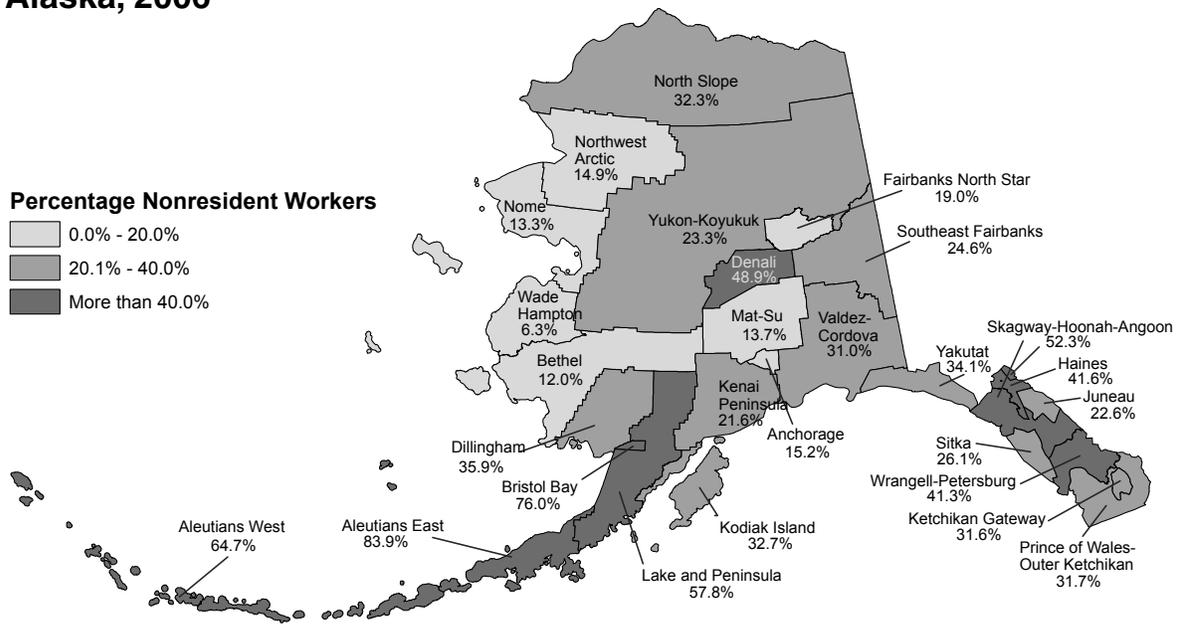
Occupation	Resident Workers	Nonresident Workers	Percentage of Total Workers that were Nonresident	Wages (in millions)		Percentage of Total Wages that were Nonresident	Nonresident Wages per Quarter
				Resident	Nonresident		
Seafood processing workers, except surimi and fish roe	2,977	12,198	80.4%	\$42.8	\$121.6	74.0%	\$4,803
Retail salespersons	12,530	2,535	16.8%	\$209.9	\$19.0	8.3%	\$3,546
Combined food preparation and serving workers, including fast food	6,112	1,609	20.8%	\$47.1	\$7.7	14.0%	\$2,398
Construction laborers	5,928	1,573	21.0%	\$153.9	\$23.9	13.4%	\$7,387
Waiters and waitresses	3,989	1,518	27.6%	\$50.1	\$10.4	17.2%	\$3,247
Tour guides and escorts	951	1,345	58.6%	\$9.6	\$11.2	53.7%	\$3,943
Cashiers	6,712	1,296	16.2%	\$89.4	\$8.5	8.7%	\$3,120
Maids and housekeeping cleaners	3,317	1,245	27.3%	\$45.8	\$10.2	18.2%	\$3,955
Laborers and freight, stock and material movers, hand	4,295	1,135	20.9%	\$84.2	\$11.4	11.9%	\$4,914
Cooks, restaurant	1,794	1,006	35.9%	\$29.8	\$8.9	23.1%	\$3,962
Office clerks, general	4,998	873	14.9%	\$125.8	\$18.6	12.9%	\$9,075
Carpenters	3,964	859	17.8%	\$132.1	\$18.6	12.3%	\$9,619
Operating engineers and other construction equipment operators	2,541	754	22.9%	\$138.3	\$35.1	20.2%	\$16,356
Fishers and related fishing workers <sup>1</sup>	495	743	60.0%	\$8.1	\$12.0	59.6%	\$9,228
Dishwashers	1,414	724	33.9%	\$11.9	\$4.2	25.9%	\$2,775
Registered nurses	3,219	717	18.2%	\$171.1	\$19.9	10.4%	\$11,881
Airline pilots, co-pilots and flight engineers	874	699	44.4%	\$53.5	\$59.3	52.6%	\$26,164
Electricians	2,002	666	25.0%	\$109.2	\$30.3	21.7%	\$17,043
Janitors and cleaners, except maids and housekeeping cleaners	3,227	648	16.7%	\$50.2	\$5.7	10.2%	\$3,841
Food preparation workers	2,474	603	19.6%	\$30.1	\$4.8	13.7%	\$3,568
Hotel, motel and resort desk clerks	1,047	566	35.1%	\$14.9	\$4.9	24.6%	\$3,629
Maintenance and repair workers, general	2,011	538	21.1%	\$69.2	\$9.0	11.5%	\$6,991
First-line supervisors, managers of construction trades and extraction workers	1,028	532	34.1%	\$84.7	\$42.4	33.4%	\$24,376
Commercial pilots	683	532	43.8%	\$60.1	\$34.5	36.5%	\$25,872
Roustabouts, oil and gas	1,263	492	28.0%	\$60.3	\$21.3	26.1%	\$15,050
Plumbers, pipefitters and steamfitters	1,500	479	24.2%	\$78.3	\$15.2	16.3%	\$14,516
Customer service representatives	3,004	440	12.8%	\$76.1	\$5.9	7.2%	\$5,475
Meat, poultry and fish cutters and trimmers	498	420	45.8%	\$6.5	\$2.8	30.3%	\$3,426
Truck drivers, heavy and tractor-trailer	2,576	419	14.0%	\$118.3	\$11.6	8.9%	\$11,325
Security guards	1,914	412	17.7%	\$55.2	\$8.5	13.3%	\$8,126
Child care workers	1,880	394	17.3%	\$21.2	\$1.9	8.1%	\$2,471
General and operations managers	3,085	390	11.2%	\$210.4	\$23.9	10.2%	\$20,835
Bartenders	1,605	386	19.4%	\$22.0	\$2.9	11.7%	\$3,397
Receptionists and information clerks	2,915	383	11.6%	\$55.7	\$3.5	6.0%	\$4,344
Office and administrative support workers, all other	3,741	383	9.3%	\$106.5	\$7.3	6.5%	\$8,058
Stock clerks and order fillers	2,306	372	13.9%	\$40.5	\$3.7	8.4%	\$4,372
Sailors and marine oilers	352	372	51.4%	\$6.8	\$6.6	49.3%	\$8,517
Packaging and filling machine operators and tenders	143	359	71.5%	\$2.8	\$2.6	48.0%	\$4,234
Executive secretaries and administrative assistants	2,805	356	11.3%	\$84.3	\$6.2	6.8%	\$8,384
Geological and petroleum technicians	840	355	29.7%	\$68.3	\$29.4	30.1%	\$25,318
Welders, cutters, solderers and brazers	644	348	35.1%	\$31.6	\$11.3	26.4%	\$13,615
Captains, mates and pilots of water vessels	374	343	47.8%	\$14.8	\$13.1	46.9%	\$15,213
Food preparation and serving-related workers, all other	1,082	337	23.7%	\$12.7	\$2.6	17.1%	\$3,572
Sales and related workers, all other	1,923	327	14.5%	\$47.2	\$3.3	6.6%	\$4,641
Surimi technicians	9	324	97.3%	\$0.2	\$6.8	96.5%	\$6,236
Bookkeeping, accounting and auditing clerks	3,485	308	8.1%	\$101.2	\$4.3	4.1%	\$5,981
Truck drivers, light or delivery services	1,404	277	16.5%	\$42.1	\$5.0	10.6%	\$7,629
Bus drivers, transit and intercity	616	270	30.5%	\$9.7	\$3.1	23.9%	\$4,275
Dining room and cafeteria attendants and bartender helpers	814	268	24.8%	\$7.8	\$2.2	21.8%	\$3,599
Aircraft mechanics and service technicians	1,087	268	19.8%	\$50.1	\$7.6	13.2%	\$11,143

Note: This exhibit is based on the private sector only.

<sup>1</sup> Only those workers covered by Alaska unemployment insurance, a relatively small percentage of all those engaged in fish harvesting in Alaska, are included in this total.

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

# 15 Nonresident Private-Sector Workers by Place of Work Alaska, 2006



Note: This exhibit is based on the private sector only.  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

expenditures, had a nonresident rate of 46.9 percent in 2006, which was an increase from 2005's 45.1 percent. That sector's 1,810 nonresident workers in 2006 made 38.7 percent of the sector's \$51.8 million in total wages.

Nonresident wages in the air transportation industry fell \$8.8 million, or 9.7 percent, from 2005 to 2006 as the sector added 101 nonresident workers, a gain of 6.0 percent.

Meanwhile, the resident portion of both air transportation's workers and wages experienced similar percentage changes. The number of resident workers increased 1.4 percent to 6,156 and the total resident wages increased 1.6 percent to \$228.4 million. Those individual components led to an overall increase in air transportation's proportion of nonresidents from 21.7 percent to 22.5 percent, but a decrease in their share of wages from 28.7 percent to 26.3 percent.

Pilots<sup>11</sup> earn the bulk of the nonresident wages in the air transportation industry and pilots who fly

<sup>11</sup> The pilots category includes the two groups, "airline pilots, co-pilots, and flight engineers" and "commercial airline pilots" outlined in the federal *Standard Occupational Classification Manual 2000*. Not all pilots are counted as being employed in the air transportation industry. Industry classification is based on the employer's business activities, not the specific tasks of an individual employee.

for the few large commercial carriers account for the majority of nonresident wages. Nonresident pilots made \$64.4 million of the \$81.6 million earned by all nonresident workers in air transportation in 2006. That being said, the number of nonresident pilots, their wages and their respective percentages of statewide totals have all dropped below 2003's figures. On the other hand, the comparable resident figures have all increased.

## Could Alaskans fill nonresidents' jobs?

Between 20,934 and 26,797 Alaska residents were officially unemployed each quarter in 2006, based on monthly unemployment estimates. That same year, the number of nonresident workers during each quarter varied from 29,633 to 57,924. (See Exhibit 12.) Although nonresident workers may take jobs that many in the Alaska labor force may be unwilling, unable or unqualified to fill, the data suggest that a significant number of unemployed Alaskans could be employed if given an opportunity, additional training or better information.

Many nonresident workers filled good-paying jobs in 2006 that required relatively modest education or training. Based on an analysis of

Alaska occupational wage records and occupational information provided by employers, 87.3 percent of all nonresident workers employed in an occupation with a known education or work experience requirement had jobs that required education equal to an associate degree (roughly two years of college) or less. (See Exhibit 13.)

The North Slope Borough, where the Prudhoe Bay oil fields are located, for instance, had the highest average wage in 2006 for jobs requiring less than a four-year degree – \$60,345. It also had 3,528 nonresidents in that category, a relatively large number.

The second-highest average wage in 2006 for jobs requiring less than a four-year degree belonged to the Northwest Arctic Borough, home of the Red Dog mine operated by Teck Cominco Alaska. There, 295 nonresidents had jobs requiring an associate degree or less, and their average yearly wage in 2006 was \$43,738.

### **Nonresident occupations**

Nonresidents in large numbers worked in a wide variety of occupations in 2006, especially in seafood processing, accommodations, food services and drinking places, and oil and gas.<sup>12</sup>

The many occupations with large numbers of nonresidents that pay relatively high wages – even though they may require significant training or education – represent an opportunity for training programs in Alaska or a new career path for an unemployed Alaskan.

But at the same time, many of the occupations with the largest numbers of nonresident workers in 2006 were entry-level jobs that require minimal work experience and few skills – jobs in seafood processing, retail sales and food services, and as laborers, waiters or waitresses and tour guides. (See Exhibit 14.)

Construction laborers, office clerks, carpenters and operating engineers head a list of top nonresident occupations that have average quarterly wages

above \$5,772, the median quarterly wage for those reporting occupational information.

### **Nonresidents by geographic area**

The Southwest region had the highest percentage of nonresident private-sector workers in 2006 – 49.9 percent. That region was home to the two census areas with the lowest percentage of nonresidents – Wade Hampton (6.3 percent) and Bethel (12.0 percent) – as well as the four boroughs and census areas with the highest – Aleutians East (83.9 percent), Bristol Bay (76.0 percent), Aleutians West (64.7 percent), and Lake and Peninsula (57.8 percent). (See Exhibit 15.)

In contrast, the Anchorage/Mat-Su region in 2006 had the lowest share of nonresidents and was the only region that had a smaller percentage than the statewide's 19.9 percent. Fifteen percent of the region's workers were nonresidents, with the Municipality of Anchorage coming in at 15.2 percent and the Matanuska-Susitna Borough at 13.7 percent.

The Dillingham Census Area saw the highest increase in its percentage of nonresidents, rising eight percentage points from 27.9 percent in 2005 to 35.9 percent in 2006. The other areas that saw increases over the same period were the Yukon-Koyukuk Census Area (7.9 percentage points) and the Kodiak Island Borough (7.2 percentage points).

Overall, nonresident percentages grew in 19 of the state's 27 boroughs and census areas in 2006. The Southeast Fairbanks Census Area, meanwhile, had the largest percentage decrease, falling from 29.1 percent in 2005 to 24.6 percent in 2006. The Haines Borough and Wade Hampton Census Area had the next largest decreases, falling 2.3 percentage points and 0.7 percentage points, respectively.

### **Geographic distribution of local and non-local residents and nonresidents**

For many areas, filling jobs with local residents, not just Alaska residents, is a high priority. The Department of Labor matched worker employment records showing place of work with PFD applicant addresses to deter-

<sup>12</sup> Workers were assigned an occupation code based on the occupation where they earned the most money in 2006.

# 16 Resident and Nonresident Workers and Wages

## By where they work and live, Alaska 2006

Where They Work		Where They Live				Wages (in millions)			Percentage of Total Wages that were Nonresident
		Resident Workers		Nonresident Workers		Live Where They Work	Live Elsewhere in Alaska	Nonresident	
Borough or Census Area	Live Where They Work	Live Elsewhere in Alaska	Number	Percentage Nonresident	Live Where They Work				Live Elsewhere in Alaska
<b>Anchorage/Mat-Su Region</b>									
Anchorage, Municipality of	State	8,492	1,277	504	4.9%	\$343.4	\$51.3	\$8.1	2.0%
	Local	11,419	805	521	4.1%	\$455.5	\$34.4	\$7.4	1.5%
	Private	101,966	16,068	21,133	15.2%	\$3,521.4	\$558.4	\$453.7	10.0%
Mat-Su Borough	State	981	152	42	3.6%	\$35.4	\$5.3	\$0.8	1.9%
	Local	3,035	138	94	2.9%	\$93.8	\$4.0	\$0.9	0.9%
	Private	15,761	2,251	2,866	13.7%	\$353.6	\$56.7	\$29.4	6.7%
<b>Gulf Coast Region</b>									
Kenai Peninsula Borough	State	1,147	117	59	4.5%	\$42.8	\$5.2	\$1.2	2.4%
	Local	3,519	76	210	5.5%	\$127.1	\$2.1	\$3.6	2.7%
	Private	14,965	1,474	4,518	21.6%	\$389.4	\$40.7	\$46.1	9.7%
Kodiak Island Borough	State	264	26	31	9.7%	\$10.4	\$0.6	\$0.5	4.6%
	Local	903	45	102	9.7%	\$26.5	\$1.3	\$1.3	4.5%
	Private	4,153	369	2,200	32.7%	\$101.1	\$6.5	\$22.1	17.1%
Valdez-Cordova Census Area	State	283	72	35	9.0%	\$9.8	\$3.4	\$0.8	5.5%
	Local	916	73	80	7.5%	\$26.3	\$1.8	\$1.0	3.4%
	Private	3,032	714	1,683	31.0%	\$101.6	\$27.4	\$19.7	13.2%
<b>Interior Region</b>									
Denali Borough	State	23	7	2	6.3%	\$1.1	\$0.2	n/d	n/d
	Local	142	17	12	7.0%	\$3.4	\$0.3	\$0.1	2.5%
	Private	451	789	1,186	48.9%	\$16.7	\$25.1	\$12.0	22.3%
Fairbanks North Star Borough	State	4,758	318	628	11.0%	\$179.6	\$6.0	\$10.2	5.2%
	Local	3,525	129	185	4.8%	\$115.1	\$2.8	\$2.0	1.6%
	Private	27,118	3,069	7,087	19.0%	\$821.5	\$82.9	\$120.4	11.7%
Southeast Fairbanks Census Area	State	132	16	14	8.6%	\$5.2	\$0.4	\$0.2	3.0%
	Local	393	36	45	9.5%	\$9.2	\$0.7	\$0.3	3.0%
	Private	1,470	775	733	24.6%	\$38.6	\$35.0	\$29.9	28.9%
Yukon-Koyukuk Census Area	State	80	86	11	6.2%	\$2.4	\$4.1	\$0.2	3.5%
	Local	1,575	296	170	8.3%	\$25.3	\$7.8	\$2.3	6.6%
	Private	604	597	364	23.3%	\$12.1	\$24.7	\$6.8	15.6%
<b>Northern Region</b>									
Nome Census Area	State	216	31	12	4.6%	\$10.5	\$1.4	\$0.4	3.2%
	Local	1,815	104	137	6.7%	\$31.7	\$1.7	\$1.9	5.3%
	Private	2,129	274	368	13.3%	\$63.6	\$10.1	\$9.2	11.1%
North Slope Borough	State	22	26	3	5.9%	\$1.0	\$1.5	n/d	n/d
	Local	1,856	222	189	8.3%	\$58.6	\$9.1	\$4.7	6.4%
	Private	1,360	8,009	4,462	32.3%	\$44.5	\$524.8	\$280.8	33.0%
Northwest Arctic Borough	State	71	11	2	2.4%	\$3.1	\$0.4	n/d	n/d
	Local	1,181	82	119	8.6%	\$25.4	\$2.4	\$1.9	6.5%
	Private	1,677	587	395	14.9%	\$53.7	\$32.8	\$18.2	17.4%
<b>Southeast Region</b>									
Haines Borough	State	53	2	6	9.8%	\$1.7	n/d	\$0.1	n/d
	Local	187	5	20	9.4%	\$4.1	n/d	\$0.2	n/d
	Private	647	59	503	41.6%	\$12.5	\$1.1	\$4.5	25.0%
Juneau Borough	State	4,109	318	309	6.5%	\$165.8	\$12.2	\$6.3	3.4%
	Local	2,291	107	218	8.3%	\$83.8	\$2.6	\$3.1	3.5%
	Private	9,560	1,149	3,121	22.6%	\$265.4	\$34.8	\$52.8	15.0%
Ketchikan Gateway Borough	State	597	120	118	14.1%	\$24.1	\$4.5	\$3.0	9.5%
	Local	1,139	36	77	6.2%	\$41.4	\$0.7	\$1.5	3.5%
	Private	4,555	434	2,306	31.6%	\$117.5	\$9.7	\$22.4	15.0%
Prince of Wales-Outer Ketchikan CA	State	42	4	2	4.2%	\$1.3	n/d	n/d	n/d
	Local	899	83	86	8.1%	\$22.1	\$1.9	\$1.2	4.9%
	Private	1,106	251	630	31.7%	\$23.1	\$5.4	\$8.7	23.4%
Sitka Borough	State	319	20	38	10.1%	\$11.0	\$0.6	\$0.4	3.1%
	Local	672	60	58	7.3%	\$22.5	\$0.5	\$0.6	2.6%
	Private	2,958	274	1,139	26.1%	\$78.3	\$6.0	\$13.9	14.2%
Skagway-Hoonah-Angoon CA	State	30	1	2	6.1%	\$0.8	n/d	n/d	n/d
	Local	360	37	50	11.2%	\$8.1	\$0.8	\$0.5	5.5%
	Private	770	171	1,032	52.3%	\$14.8	\$2.8	\$11.0	38.5%
Wrangell-Petersburg Census Area	State	87	3	2	2.2%	\$2.8	n/d	n/d	n/d
	Local	580	26	41	6.3%	\$16.3	\$0.7	\$0.6	3.3%
	Private	1,636	213	1,303	41.3%	\$32.5	\$3.8	\$10.3	22.1%
Yakutat Borough	State	17	2	1	5.0%	\$0.5	n/d	n/d	n/d
	Local	129	8	10	6.8%	\$2.5	\$0.1	\$0.1	4.2%
	Private	159	34	100	34.1%	\$3.0	\$0.4	\$1.1	24.8%

Where They Work	Where They Live				Wages (in millions)			Percentage of Total Wages that were Nonresident	
	Resident Workers		Nonresident Workers		Live Where They Work	Live Else-where in Alaska	Nonresident		
Borough or Census Area	Live Where They Work	Live Else-where in Alaska	Number	Percentage Nonresident	Live Where They Work	Live Else-where in Alaska	Nonresident		
<b>Southwest Region</b>									
Aleutians East Borough	State	11	16	10	27.0%	\$0.4	\$0.2	\$0.1	16.1%
	Local	207	44	42	14.3%	\$5.0	\$1.4	\$0.6	8.3%
	Private	353	259	3,190	83.9%	\$9.3	\$9.0	\$58.5	76.1%
Aleutians West Census Area	State	39	6	2	4.3%	\$1.9	\$0.2	n/d	n/d
	Local	427	45	69	12.8%	\$15.9	\$1.2	\$1.2	6.7%
	Private	1,356	628	3,636	64.7%	\$51.0	\$19.7	\$62.1	46.8%
Bethel Census Area	State	401	62	36	7.2%	\$16.0	\$2.6	\$0.6	3.3%
	Local	3,296	367	273	6.9%	\$56.8	\$6.4	\$4.8	7.1%
	Private	3,540	1,107	634	12.0%	\$92.2	\$30.2	\$18.4	13.1%
Bristol Bay Borough	State	24	14	9	19.1%	\$1.3	\$0.1	\$0.1	8.2%
	Local	126	12	18	11.5%	\$3.5	\$0.3	\$0.3	8.2%
	Private	273	332	1,916	76.0%	\$8.9	\$6.3	\$19.3	56.0%
Dillingham Census Area	State	90	24	8	6.6%	\$3.8	\$0.5	\$0.2	4.0%
	Local	877	66	94	9.1%	\$17.7	\$1.6	\$1.4	7.0%
	Private	1,030	270	728	35.9%	\$29.0	\$7.2	\$9.3	20.4%
Lake and Peninsula Borough	State	7	7	3	17.6%	\$0.3	\$0.1	n/d	n/d
	Local	417	105	66	11.2%	\$6.9	\$3.3	\$0.7	6.2%
	Private	179	322	685	57.8%	\$3.5	\$5.3	\$8.0	47.7%
Wade Hampton Census Area	State	79	18	7	6.7%	\$1.8	\$0.7	\$0.1	2.3%
	Local	1,422	103	136	8.2%	\$19.9	\$2.1	\$2.2	9.0%
	Private	1,038	218	84	6.3%	\$12.6	\$6.0	\$2.4	11.4%
Other/Unknown		0	1,860	5,820	75.8%	\$0.0	\$48.2	\$98.5	67.2%
<b>Total</b>		<b>269,528</b>	<b>48,440</b>	<b>78,840</b>	<b>19.9%</b>	<b>\$8,474.0</b>	<b>\$1,815.1</b>	<b>\$1,529.6</b>	<b>12.9%</b>

**Notes:**

Local resident workers were residents of the reported borough or census area as determined by the zip code of their most recent Alaska Permanent Fund Dividend mailing address. Worker employment records showing place of work information were matched with PFD applicant address information to determine the number of local residents, Alaska residents and nonresidents working in each borough or census area. Place of work was based on employer-reported place of work information. Workers were assigned to a geographic area based on the place of work where they earned the most money in 2006. If employers didn't provide specific place of work information for the worker, the borough or census area of the primary business location was used to determine the place of work.

The abbreviation n/d means not disclosable.

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

mine the number of local residents, non-local Alaska residents and nonresidents working in the private sector of each Alaska borough and census area.<sup>13</sup>

Overall, 67.9 percent of all workers in Alaska in 2006 were local residents of the area where they worked and 12.2 percent were Alaska residents who didn't live in the borough or census area where they worked. (See Exhibit 16.)

Looking specifically at the private sector, the Aleutians East Borough, with its large number of nonresident seafood processing workers, in 2006 had the lowest percentage in the state of workers

who considered the borough or census area their home – 9.3 percent. The North Slope Borough was next with 9.8 percent, and the Bristol Bay, Lake and Peninsula, and Denali boroughs also had rates of below 20 percent.

At the other end of the scale, the Wade Hampton Census Area (77.5 percent), Nome Census Area (76.8 percent) and Mat-Su Borough (75.5 percent) had the highest percentage of workers who considered the respective borough or census area their home.

<sup>13</sup> Workers were assigned to a geographic area based on the place of work where they earned the most money in 2006. If employers didn't provide a worker's specific place of work, the borough or census area of the primary business location was used to determine the place of work. The place of residence for Alaska residents was derived from the zip code of their most recent PFD mailing address.