

OCCUPATIONAL SUPPLY AND DEMAND: CURRENT JOB OUTLOOK

By Jeff Hadland

The available labor supply and the number of workers needed by employers are difficult quantitative values to determine. The availability of jobs depends upon many factors including national economic trends, seasonality of occupations, health of the Alaskan economy, competition from other workers and the qualifications of the workers. The status of major projects and programs is also important in determining the anticipated needs of industry and resulting opportunities for the Alaskan labor force.

OVERVIEW

The occupational demand in Alaska mirrors the economy in general. Fast growing industries provide the greatest opportunities for new employment. Seasonal industries have large needs during their respective seasons. The state's economy has been very sluggish during the last few years given the post oil pipeline downturn which resulted in an excess supply of labor and excess housing and business capacity in Anchorage and Fairbanks. Over the past three years annual average employment increased less than 2 percent. Some occupations in some geographic areas have shown significant increases in occupational demand, such as oil industry employment on the North Slope.

Total wage and salary employment is expected to grow at an annual rate of approximately four percent for the next few years. This employment increase will result from additional oil company investment in exploration, drilling and field development on the North Slope; state capital expenditures; increased timber harvesting on Native lands in Southeast Alaska; mineral exploration; government employment; and direct or indirect redistribution of oil revenues by the state to citizens.

Local government employment growth will be most pronounced, but state government employment is expected to grow as well. The large number of capital projects should create an increased need for engineering and design workers in state government and in private firms over the long term. The operation of many state funded programs will necessitate technical and professional staff additions.

JOB OUTLOOK

Currently the prospective job seeker is faced with Alaska's normal seasonal downturn which makes the search for employment a difficult undertaking. With normally high unemployment rates during the first calendar quarter of the year, the job seeker is in direct competition with seasonally laid off workers. Construction, timber, fishing and tourism related employment are all at their low ebb. Manufacturing and construction employment exhibit the most extreme seasonal fluctuations. Total employment is normally 6 percent below the annual average during the first calendar quarter. This year's seasonal downturn has been tempered to a certain extent by increased oil industry employment during the winter months and moderate employment changes in federal and state government agencies during the year. The seasonal construction industry has been most negatively impacted by the slow growth in the economy, resulting from high interest rates and an overbuilt condition in Anchorage and Fairbanks.

Statewide, the total value and number of housing units authorized has declined during the last three years. The total number of new single family units has stabilized but multifamily construction has declined significantly. Home construction in Anchorage and most other areas of the state is expected to remain stable due to interest subsidies but multifamily construction is expected to remain low due to excess supply and high interest rates. Total housing units authorized in Anchorage in 1980 is about one-third the number authorized in 1975.

While housing and building construction has slumped, heavy construction will be positively impacted by the 1980 legislative appropriations. The 1981 spring and summer months are expected to provide greater employment opportunities for construction workers. An increase of 1,500 to 2,000 construction jobs over employment levels of the last few years will occur as a result of the building of roads and structures, hydroelectric projects, airports, harbors and cultural facilities.

Major construction projects to be worked on this summer include ARCO's new \$30 million, 21 story Anchorage office building, portions of the \$65 million "Project 80's" program in Anchorage, state financed airports, roads and harbors throughout the state and hydroelectric projects for Ketchikan, Sitka and Valdez. Construction employment should increase over last year, with most jobs available in the south-central region. Over 40 percent of the state's capital projects budget will be spent in Southcentral Alaska.

Due to poor market conditions Southeastern Alaska timber industry activity is expected to be modest during the first part of the year, but employment could increase significantly later in the year. Alaska's forest products industry is subject to the needs of the world market and current demand is slack. Timber processing (sawmills, pulp) will experience a moderate level of activity with no major gains expected.

The oil industry plans to invest \$1.6 billion in Alaska this year and some \$10 billion over the next five years. Upcoming activity on the North Slope includes development well drilling, water injection and other projects all designed to improve well performance and find other oil sources. The transportation industry is expected to benefit greatly from the increased activity in Interior Alaska in support of the oil industry.

The fishing industry outlook is good, but not outstanding. Total catches for salmon and crab are expected to be lower than

last year with higher prices anticipated. Last year's international surplus of salmon drove prices down, but markets are expected to improve with increased demand in the international markets. Fishing industry jobs are competitive and difficult but can be financially rewarding considering the relatively short but intense employment period.

Current opportunities in typically union jobs remain limited. Union membership and out of work statistics for November show significant numbers of union members without jobs. The construction and laborers unions have the highest proportion of unemployed. Clearly there is a large source of unemployed workers available should there be a major increase in construction activity. (Out of work statistics for unions may tend to overstate unemployment of Alaskans. Many union members are out of state or working at other jobs). Heavy equipment operators are in excess supply in Anchorage, Fairbanks and most other areas of the state according to local employment service reports. Electrician jobs in the Anchorage building trade industry are one of the few areas with significant occupational demand.

Shortages of certain skilled secretaries and mechanics exist in Anchorage and Fairbanks areas. Skilled clerical workers are the most frequent job service applicants and the most frequently placed. Turnover is high due to relatively low wages. Cooks, electricians, technicians, engineers and bank tellers are all areas of employment opportunity.

Highly technical and professional occupations are not generally listed through job service locations and are sometimes recruited from outside the state. Private employment firms report a shortage of management, administrative, sales and finance workers who are able to contribute to a company with little training required. As is generally the case, experience and readily identifiable skills make finding a job a much easier undertaking.

LONGER TERM OUTLOOK

There are several major projects which are still awaiting decisions and financing or which are of questionable economic viability. The major delay in full scale initiation of work on the Northwest Alaska Natural Gas Pipeline centers on financing problems. The project is expected to have significant employment impacts, although substantially less than those experienced during the construction of the oil pipeline. IF CONSTRUCTION PROCEEDS ON SCHEDULE MAJOR HIRING WOULD NOT OCCUR UNTIL 1983. A natural gas liquids pipeline and petrochemical project is also being considered with the outcome of those projects still uncertain. The gas liquids and natural gas projects will need skilled construction workers, welders, and other crafts. OCS exploration, hardrock mineral exploration, and major mining projects which

will employ heavy equipment operators and skilled technical people for discovering, extracting and/or processing the minerals, are areas of employment opportunity that may provide new or additional jobs during the first half of the decade.

SUMMARY

In general, employment opportunities are available for those with the right skills in the right place. Summer projects will provide a large number of seasonal jobs. The total number of jobs should be greater than last year's peak. Anchorage will provide the largest number of job openings during the coming year. Training and education for job seekers should be considered now. Consult your local Job Service Office and Planning Information for Vocation Education, Alaska Department of Labor, Research and Analysis.

ALASKA'S LABOR FORCE IN JANUARY

by Brit Harvey

Statewide employment followed the usual seasonal trend in January, decreasing from December by 3,700 jobs, or 2.3 percent. The January figure was 4.4 percent above year-ago employment, indicating moderate statewide growth.

Oil and gas extraction paced the growth from last January with approximately 1,150 more jobs; and also registered a 5.7 percent increase over December. Unlike most Alaska industries, oil and gas activities maintain high employment throughout the winter. This counter-cyclical situation is due to a variety of industry activities which can occur only when the Prudhoe Bay area is frozen. Environmental restrictions limit exploratory off-shore drilling to the winter months and allow transportation over land only when snow and ice protect the tundra. Lower than usual temperatures this year allowed ice roads to be completed earlier than expected.

The opening of the Kuparuk field west of Prudhoe Bay has contributed to greater employment this year.

Several other industries expanded employment. State-funded education increased 14.9 percent over year-ago levels, influenced by growth in the University of Alaska system. Engineering, architecture and surveying, though experiencing a seasonal decline of 4.5 percent from December, remained 15.5 percent above year-ago levels, reflecting advance work for major hydroelectric, highway, public building and petroleum-related construction. Retail food employment increased by nearly 100 jobs for the month and by 600 compared to last year, a 17.1 percent increase. Federal government remained steady for the month, and increased by over 1,000 jobs from January 1980.

Employment in the forest product manu-