

Alaska were not residents, but nonresident percentages varied significantly by industry.

The seafood processing industry is the largest employer of nonresident workers. (See Exhibit 4.) Nonresident percentages were also high in the accommodation and food services industry. The nonresident workforce for these two industries combined accounted for more than one-third (38.7 percent) of all private sector nonresident workers in 2010. (See Exhibit 5.)

Other industries with high percentages of nonresidents included the oil industry, the construction industry, the metal mining industry, and other visitor-related industries. These industries generally have one or more of the following characteristics: high seasonality, a need for workers with specialized skills, or work sites in remote locations.

Oil and Gas Industry

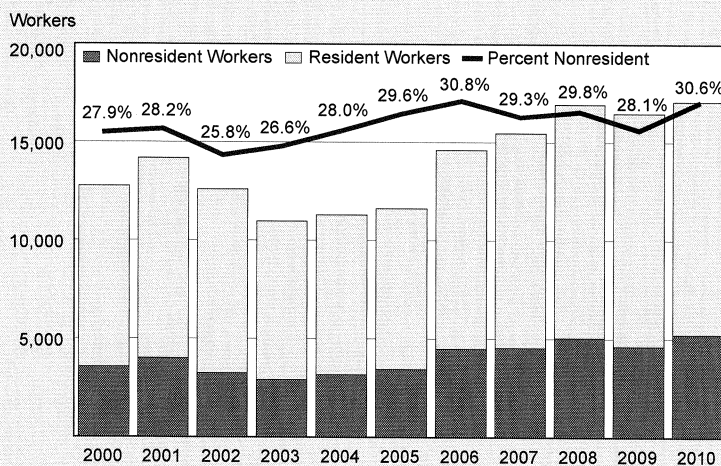
The oil and gas industry employs less than 5 percent of all Alaska workers but has a substantial impact on Alaska's economy. Oil and gas industry earnings are 2.7 times higher than average annual earnings for all industries combined. The percentage of nonresident workers in the oil and gas industry has historically been higher than the statewide average for all industries.

The number of workers in the oil industry rose during 2010, but the increase was almost completely due to an increase in the number of nonresident workers. Alaska's oil industry employed 17,079 workers in 2010: an increase of 611 workers, or 3.7 percent, from 2009. The growth in worker numbers in the oil industry in 2010 more than made up for its 2009 losses.

The percentage of nonresident workers in the oil and gas industry rose from 28.1 percent in 2009 to 30.6 percent in 2010. (See Exhibit 6.) Although the numbers of both resident and nonresident workers increased in 2010 in the oil and gas industry, the number of resident workers increased by 0.2 percent while the number of nonresident workers jumped 12.8 percent.

6 Oil Industry Workers

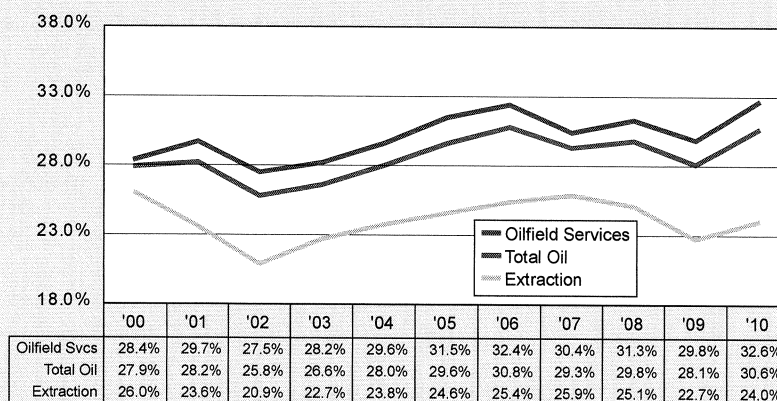
Alaska, 2000 to 2010



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

7 Oil Industry, Percent Nonresident by Category

Alaska, 2000 to 2010



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

Oil industry earnings grew 3.2 percent to \$1.6 billion in 2010. Wages were up for both residents and nonresidents; total resident wages increased 1.8 percent to 1.1 billion, while nonresident earnings increased 6.8 percent to \$592 million. Overall, nonresidents earned 29.2 percent of the total oil industry wages in 2010, up from 28.1 percent in 2009.

The oil industry comprises the oil and gas extraction and oilfield service sectors. Oil and gas extraction includes firms that primarily operate and develop oil and gas fields. Most oil and gas extraction operations are located on remote sites on the North Slope and in Cook Inlet,

although some oil and gas extraction workers are employed in urban centers. Oil and gas extraction workers made up only 23.6 percent of total oil industry workers, but earned 38.9 percent of oil industry wages in 2010.

There were 4,031 workers in the oil and gas extraction sector in 2010, slightly fewer than the 4,045 in 2009. The number of residents working in extraction fell 1.9 percent while the number of nonresident workers increased 5.0 percent in 2010. As a result, the percentage of nonresidents in the sector increased during the year, rising from 22.7 percent in 2009 to 24.0 percent. Conversely, the percentage of total wages going to nonresidents fell slightly, dropping from 25.5 percent in 2009 to 25.4 percent in 2010. (See Exhibit 7.)

Oil and gas extraction was a high-wage industry for both residents and nonresidents; however, nonresidents earned substantially more than residents. In 2010, the average quarterly wage for nonresidents in the oil and gas extraction sector was \$48,454, which was 23.2 percent more than the average quarterly wage for residents, who earned an average of \$39,328. The gap between resident and nonresident quarterly earnings narrowed in 2010 as average quarterly resident earnings increased and average quarterly nonresident earnings fell from 2009. Nonresidents in the oil and gas extraction sector work fewer quarters than residents, on average, which is why the gap between average quarterly earnings is larger than average annual earnings for residents and nonresidents.

The oilfield services sector comprises firms who perform support activities on a contract or fee basis for oil and gas extraction firms. These services include drilling oil and gas wells, excavation, and well servicing.⁴ The oilfield services sector makes up a much larger portion of total oil industry workers; the sector employed 76.4 percent of oil industry workers in 2010.

The number of workers employed in oilfield services increased by 625 (5.0 percent) from 2009, which accounts for the overall growth in the number of workers in the oil industry. The number of nonresident workers in the oilfield services sector increased 14.7 percent, while the

8 Oil Industry, High Nonresident Occupations

Select Alaska occupations, 2010

Occupation title	Total workers	Percent nonres	Avg quarterly res earnings	Avg quarterly nonres earnings
Roustabouts, Oil and Gas	1,806	23.6%	\$15,743	\$17,655
Operating Engineers and Other Const Equip Oper	1,067	31.9%	\$17,785	\$18,845
Service Unit Operators, Oil, Gas, and Mining	909	34.4%	\$22,597	\$21,413
Electricians	906	47.0%	\$20,744	\$23,423
Production Workers, All Other	799	34.5%	\$35,228	\$37,102
Plumbers, Pipefitters, and Steamfitters	597	46.9%	\$19,260	\$19,120
Managers, All Other	428	45.3%	\$57,622	\$101,953
Welders, Cutters, Solderers, and Brazers	395	43.0%	\$19,254	\$20,943
Supervisors of Construction and Extraction Workers	365	37.0%	\$29,960	\$33,090
Construction Managers	357	41.5%	\$26,325	\$28,716
Electrical and Electronic Engineering Technicians	186	66.1%	\$30,693	\$33,735

Note: Includes occupations in oil and gas extraction and related oilfield services. Occupation totals include only workers in this industry. Additional workers in these occupations may be found in other industries.

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

number of resident workers increased 0.9 percent. Similar to oil and gas extraction, the percentage of nonresidents working in oilfield services rose during the year. In 2010, 32.6 percent of the 13,048 oilfield service workers were nonresidents, compared to 29.8 percent in 2009. (See Exhibit 7.)

Workers in oilfield services earned \$978.3 million, which made up 61.1 percent of total oil industry wages in 2010. (See Exhibit 5.) Nonresident workers in oilfield services earned \$308.6 million, which was 31.5 percent of total earnings for the sector.

The gap between resident and nonresident average earnings in oilfield services was small compared to the oil and gas extraction sector. In 2010, nonresident workers earned an average of \$23,188 per quarter — 12.9 percent more than residents, who earned \$20,532 per quarter.

Construction Industry

The construction industry is one of Alaska's largest; 6.5 percent of Alaska workers are employed by a construction firm. Average quarterly earnings in construction are among the highest in the state, and although the work can be very seasonal, construction jobs are sought after in Alaska.

There were 26,586 construction workers in 2010, down 2.0 percent from 27,129 in 2009. This is the fifth year of decline for the construction industry, which peaked in 2005 with 31,096 workers. A cooler housing market and the wrap-up of some big commercial projects reduced the demand for construction work starting in the middle of the last decade. The numbers of both