

Alaska's Economic Climate



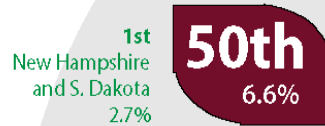
RESOURCE DEVELOPMENT COUNCIL
Growing Alaska Through Responsible Resource Development

November 16th, 2016

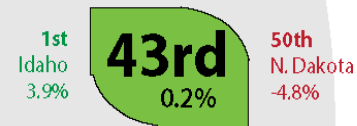
Alaska Department of Labor and Workforce Development, Research Section, Neal Fried, Economist

How Alaska Ranks

Unemployment Rate¹



Job Growth¹



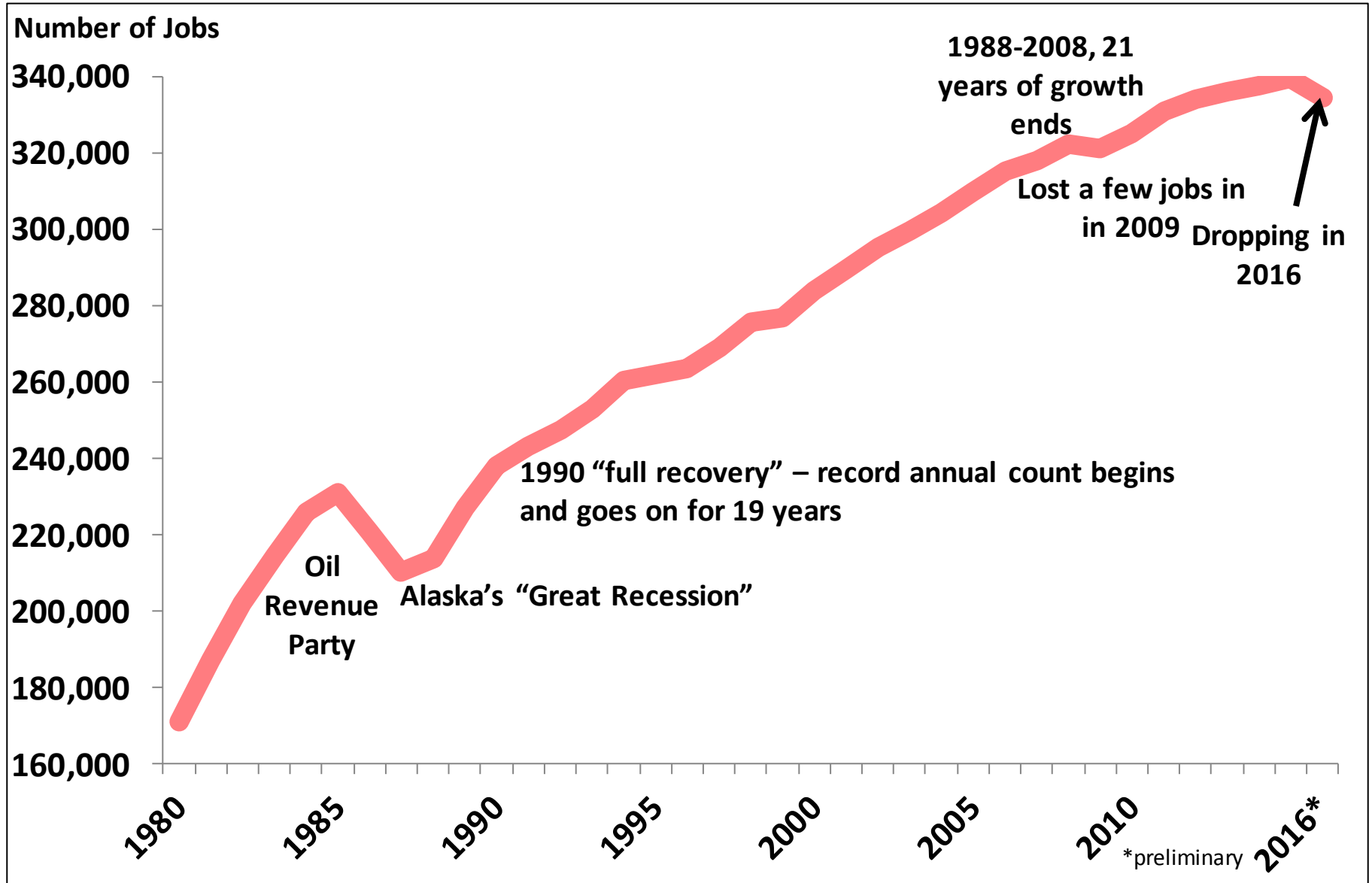
Personal Income²



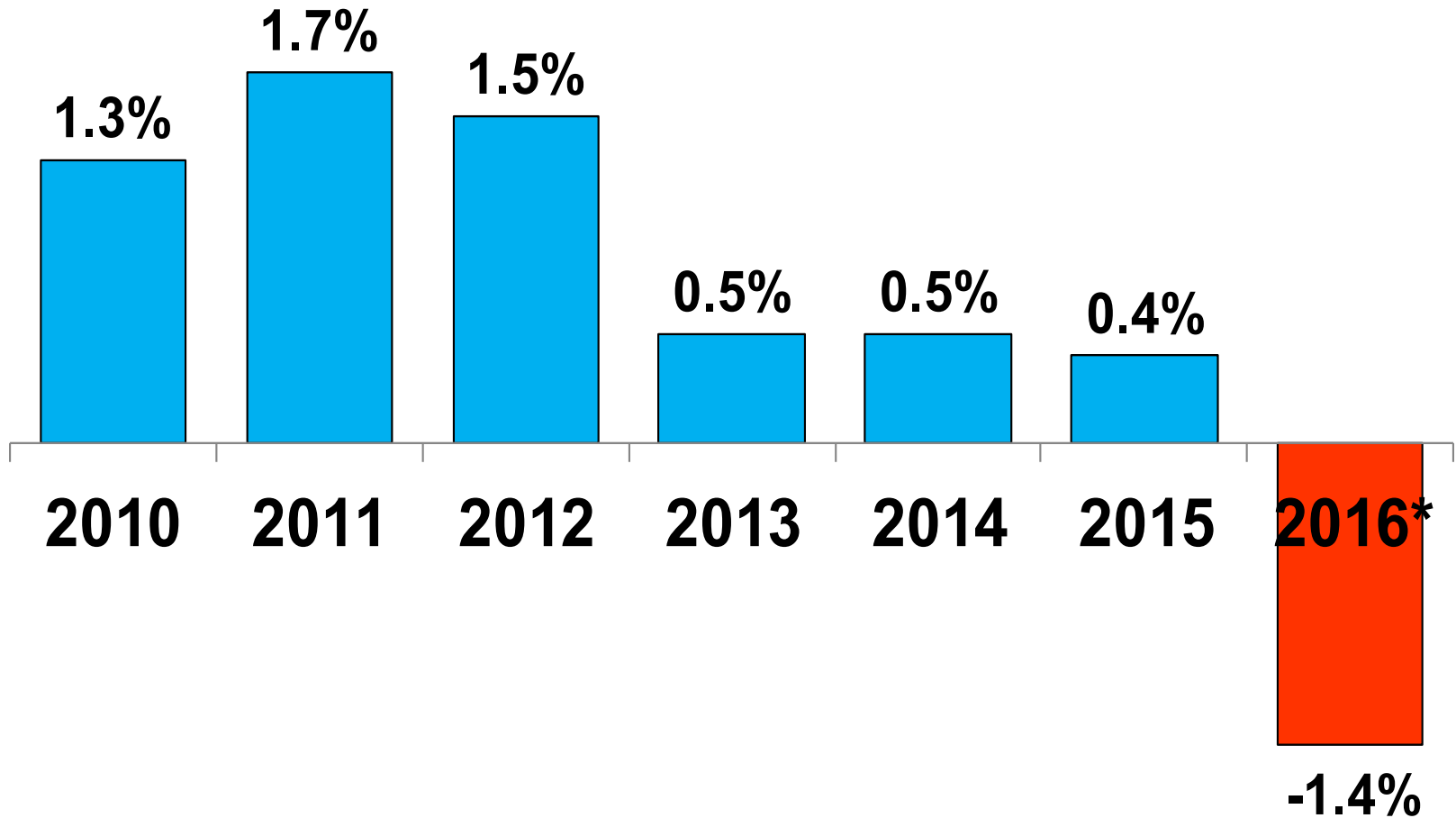
Per Capita Personal Income Growth³



Alaska—Past Long Term Trends No Longer A Road Map To The Future (**basically 27 years of growth**)



Employment Growth Gone In 2016 In AK



*based on first 6 months

This Is How Things Are Shaping Up In AK In 2016

Number of Jobs Gained and Lost in 2016, first 6 months

-4,600

Total



Health Care

800

Federal Gov.

400

Local Gov.

200

(100)

Retail

-2,400

Oil and Gas

-1,500

PBS

-1,400

Construction

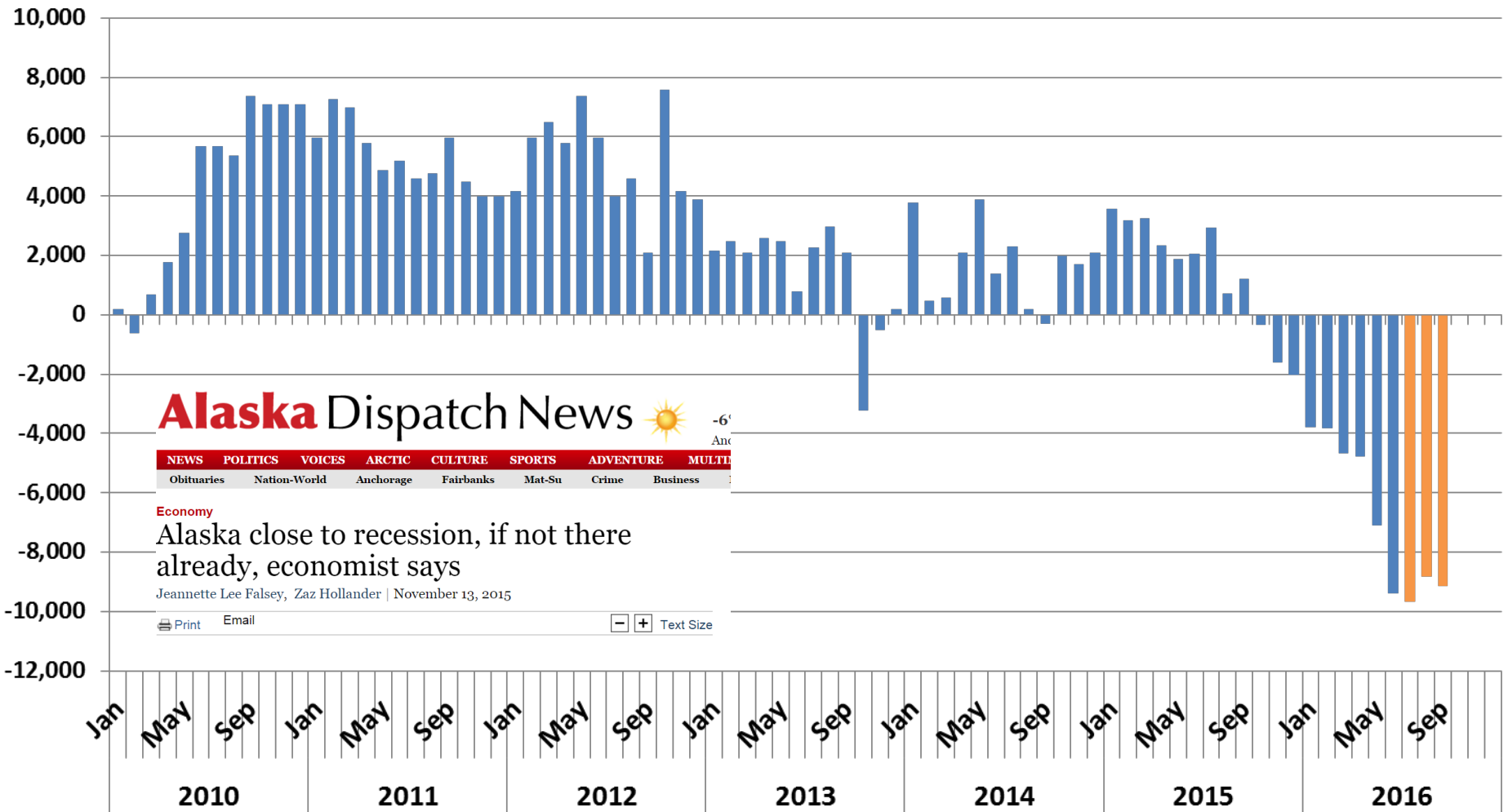
-1,200

State gov.



Does this look like a recession?

Alaska's Total Wage and Salary Employment Over-the-year change



Alaska Dispatch News

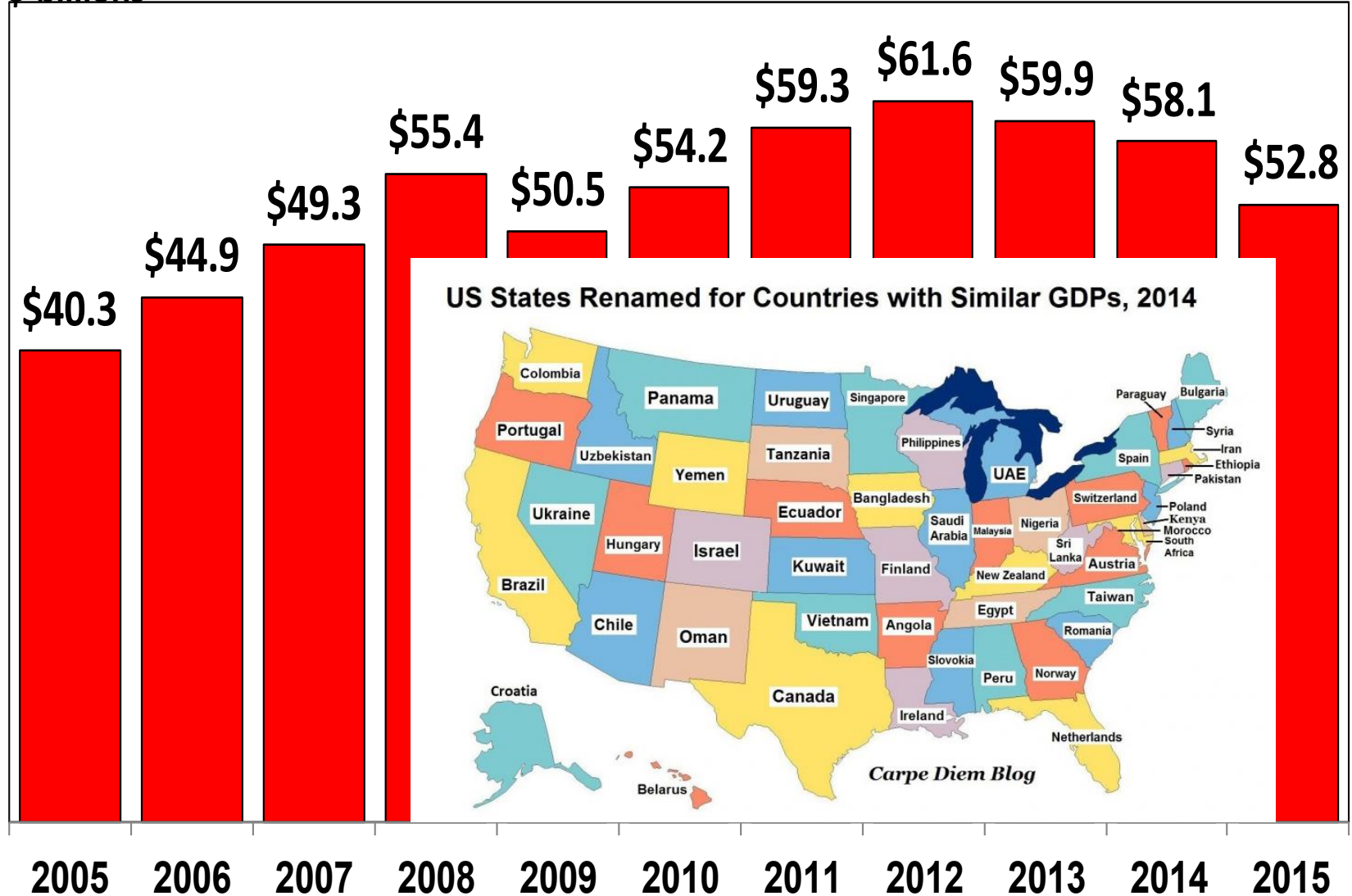
NEWS POLITICS VOICES ARCTIC CULTURE SPORTS ADVENTURE MULTIMEDIA
Obituaries Nation-World Anchorage Fairbanks Mat-Su Crime Business

Economy
Alaska close to recession, if not there already, economist says
Jeannette Lee Falsey, Zaz Hollander | November 13, 2015
Print Email Text Size

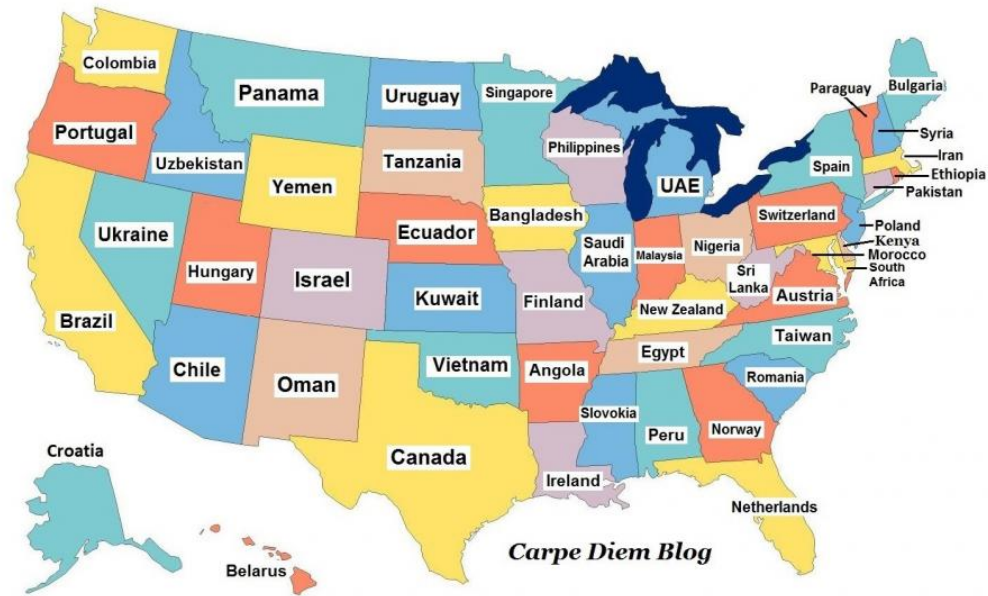
Alaska's GDP Numbers Interesting

Declined last 3 quarters--3rd, 4th of 2015 and another 1 percent during first quarter 2016

\$ billions



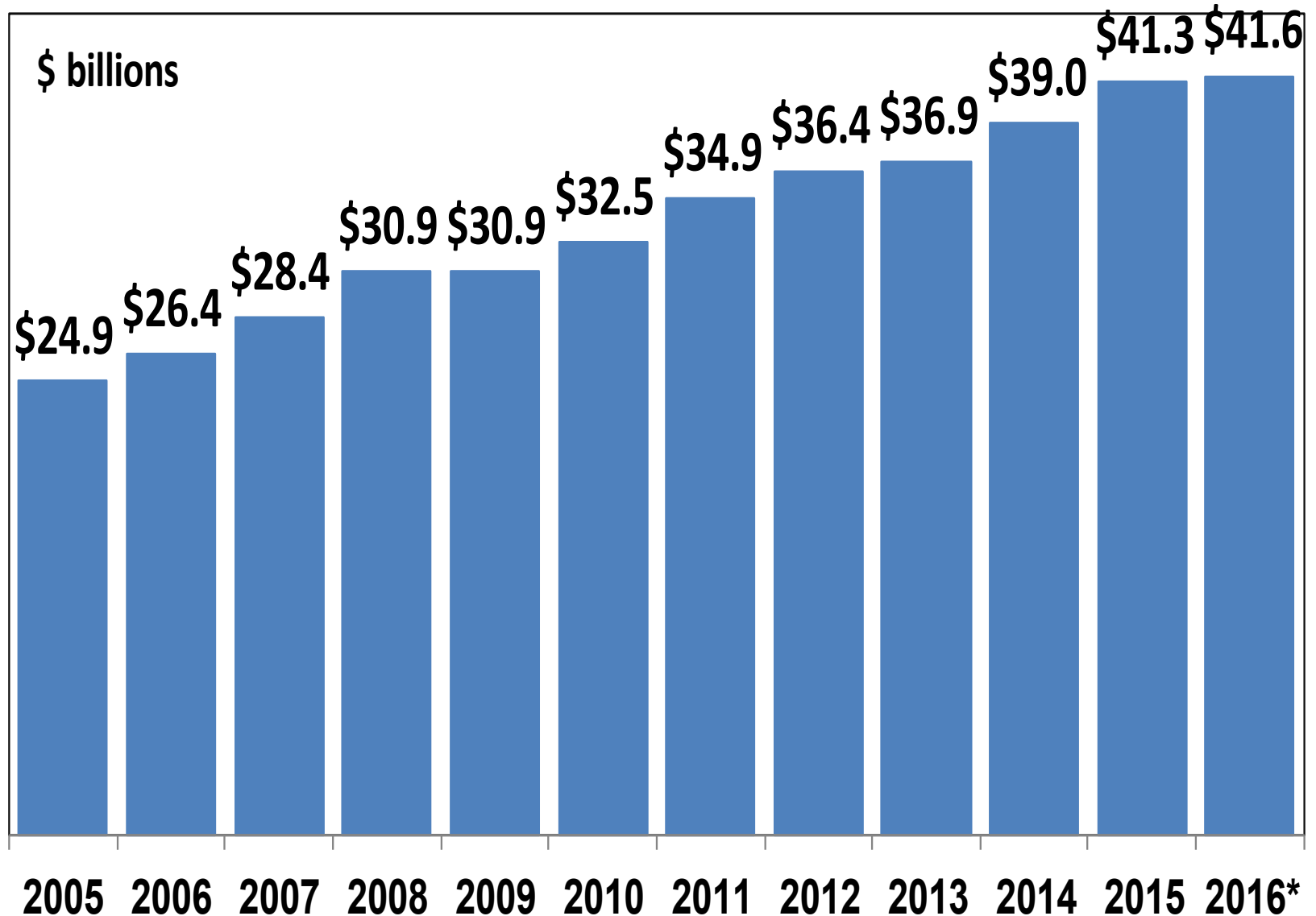
US States Renamed for Countries with Similar GDPs, 2014



Carpe Diem Blog

Source: BEA

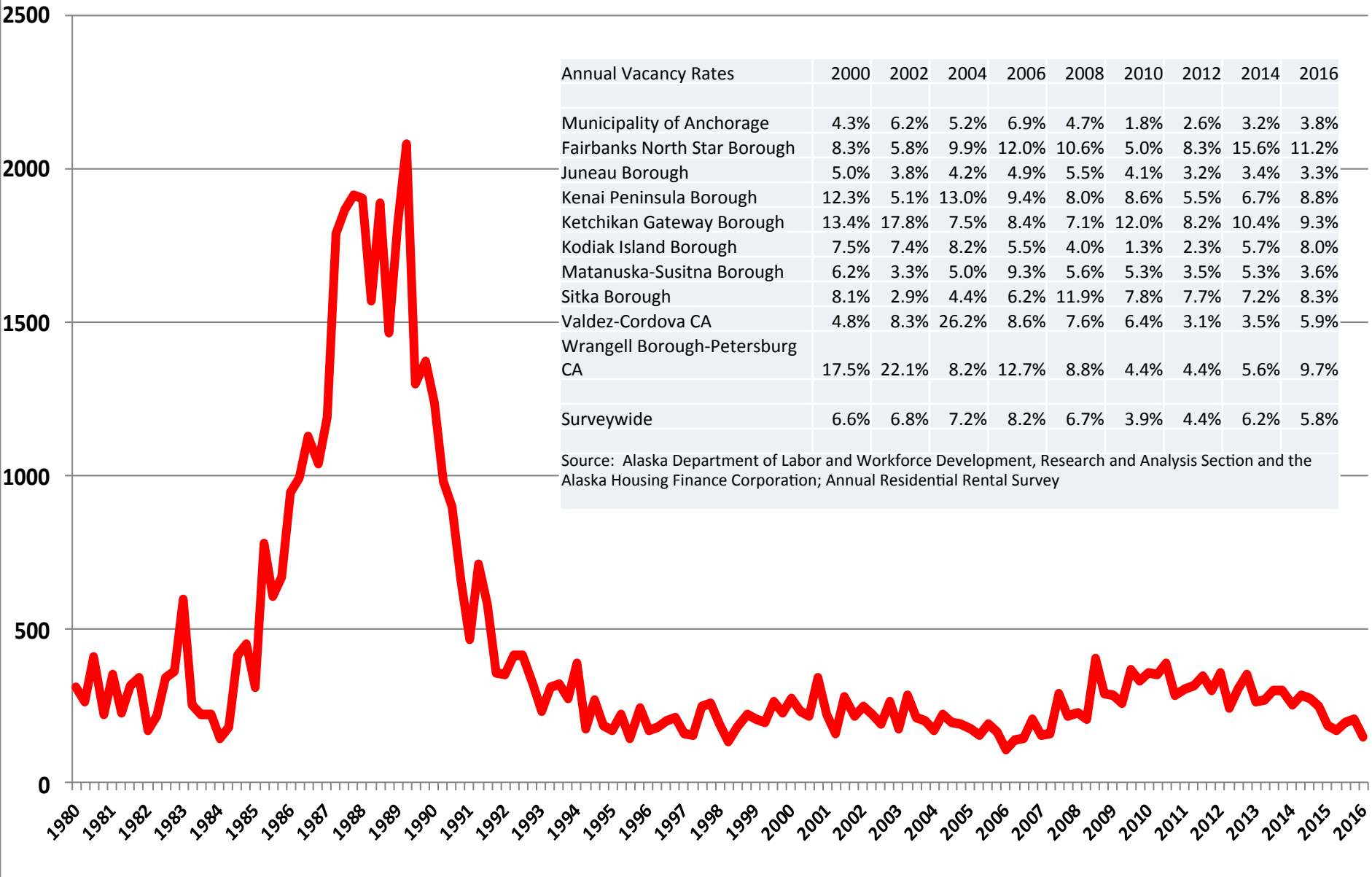
Alaska's Personal Income Numbers Still Looking Good-- First 2 Quarters of 2016 Still Slightly Positive



Source: BEA *based on 2 quarters

Alaska Foreclosures

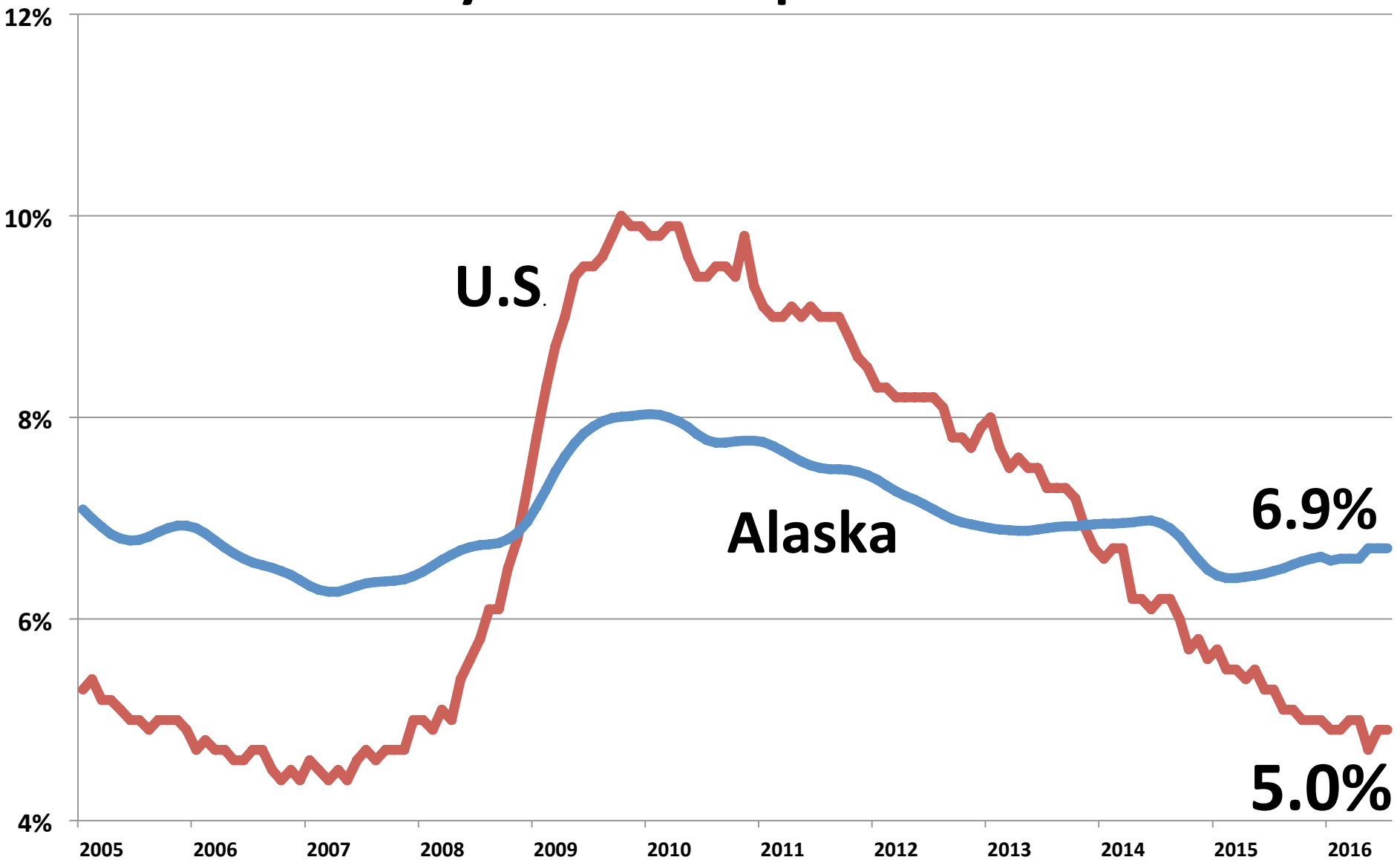
Statewide, 1st Qrt 1980 - 2nd Qrt 2016



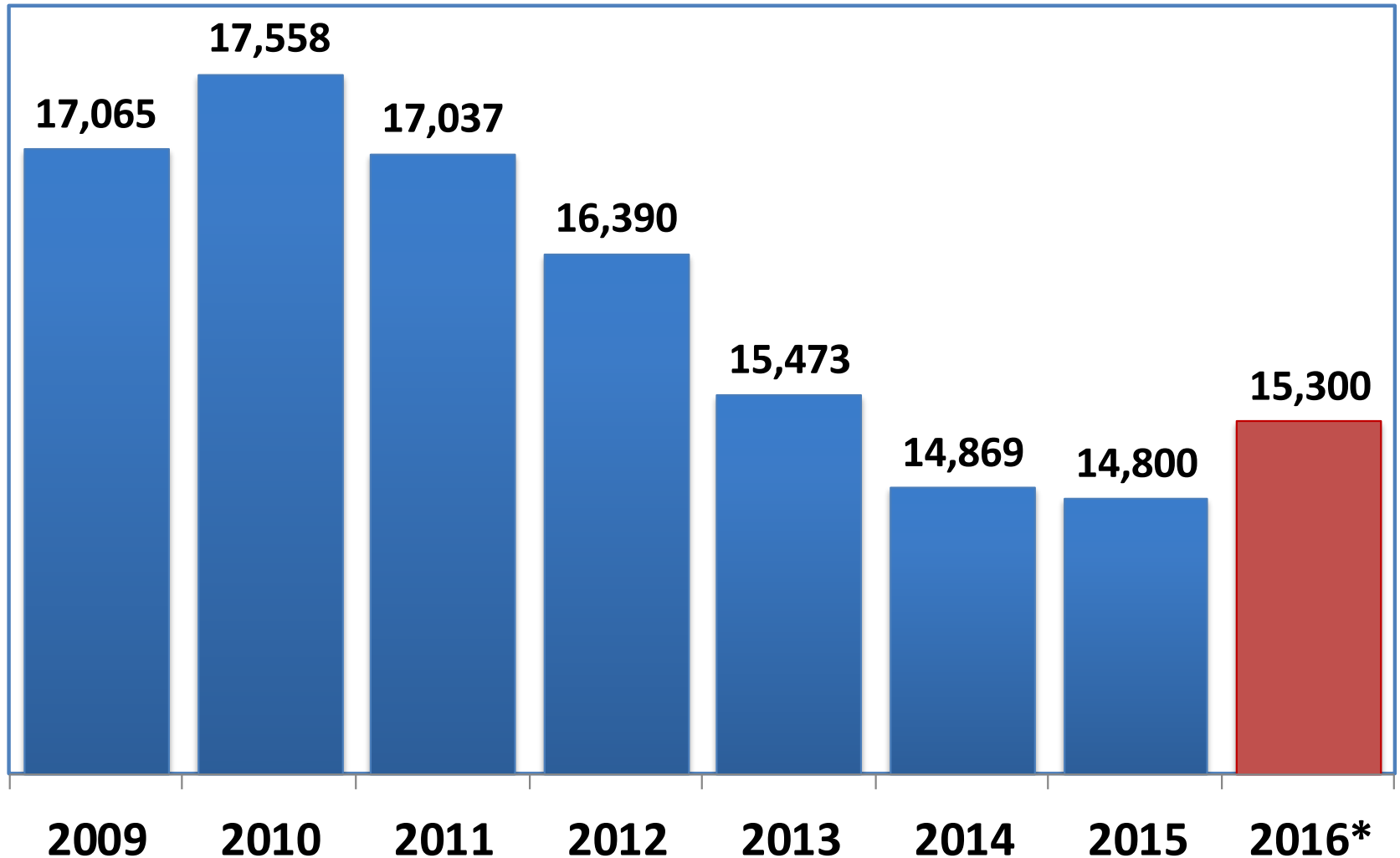
Annual Vacancy Rates	2000	2002	2004	2006	2008	2010	2012	2014	2016
Municipality of Anchorage	4.3%	6.2%	5.2%	6.9%	4.7%	1.8%	2.6%	3.2%	3.8%
Fairbanks North Star Borough	8.3%	5.8%	9.9%	12.0%	10.6%	5.0%	8.3%	15.6%	11.2%
Juneau Borough	5.0%	3.8%	4.2%	4.9%	5.5%	4.1%	3.2%	3.4%	3.3%
Kenai Peninsula Borough	12.3%	5.1%	13.0%	9.4%	8.0%	8.6%	5.5%	6.7%	8.8%
Ketchikan Gateway Borough	13.4%	17.8%	7.5%	8.4%	7.1%	12.0%	8.2%	10.4%	9.3%
Kodiak Island Borough	7.5%	7.4%	8.2%	5.5%	4.0%	1.3%	2.3%	5.7%	8.0%
Matanuska-Susitna Borough	6.2%	3.3%	5.0%	9.3%	5.6%	5.3%	3.5%	5.3%	3.6%
Sitka Borough	8.1%	2.9%	4.4%	6.2%	11.9%	7.8%	7.7%	7.2%	8.3%
Valdez-Cordova CA	4.8%	8.3%	26.2%	8.6%	7.6%	6.4%	3.1%	3.5%	5.9%
Wrangell Borough-Petersburg CA	17.5%	22.1%	8.2%	12.7%	8.8%	4.4%	4.4%	5.6%	9.7%
Surveywide	6.6%	6.8%	7.2%	8.2%	6.7%	3.9%	4.4%	6.2%	5.8%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and the Alaska Housing Finance Corporation; Annual Residential Rental Survey

Unemployment Rates, Alaska and U.S. January 2005 to September 2016



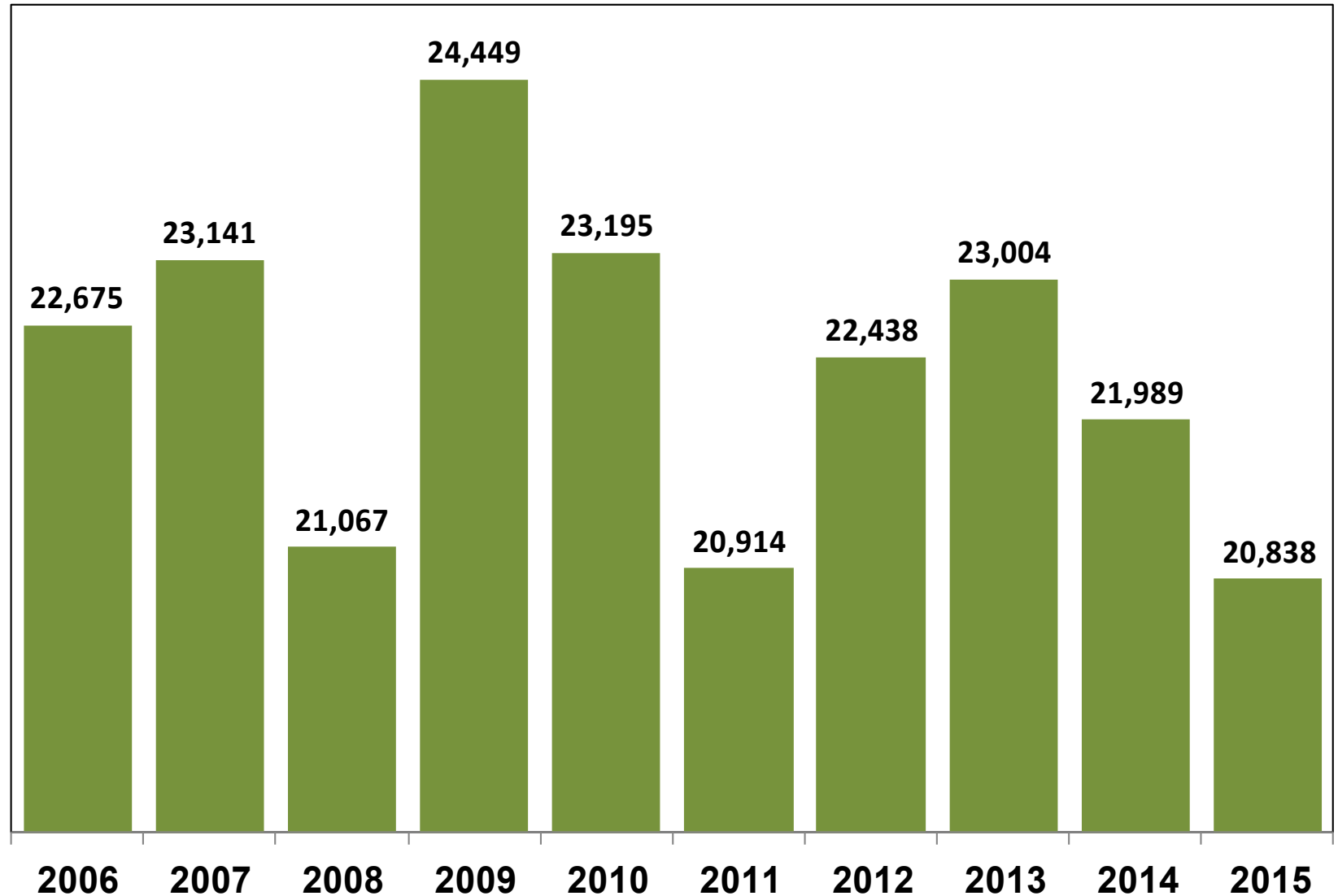
Federal Employment Is Growing Again In AK



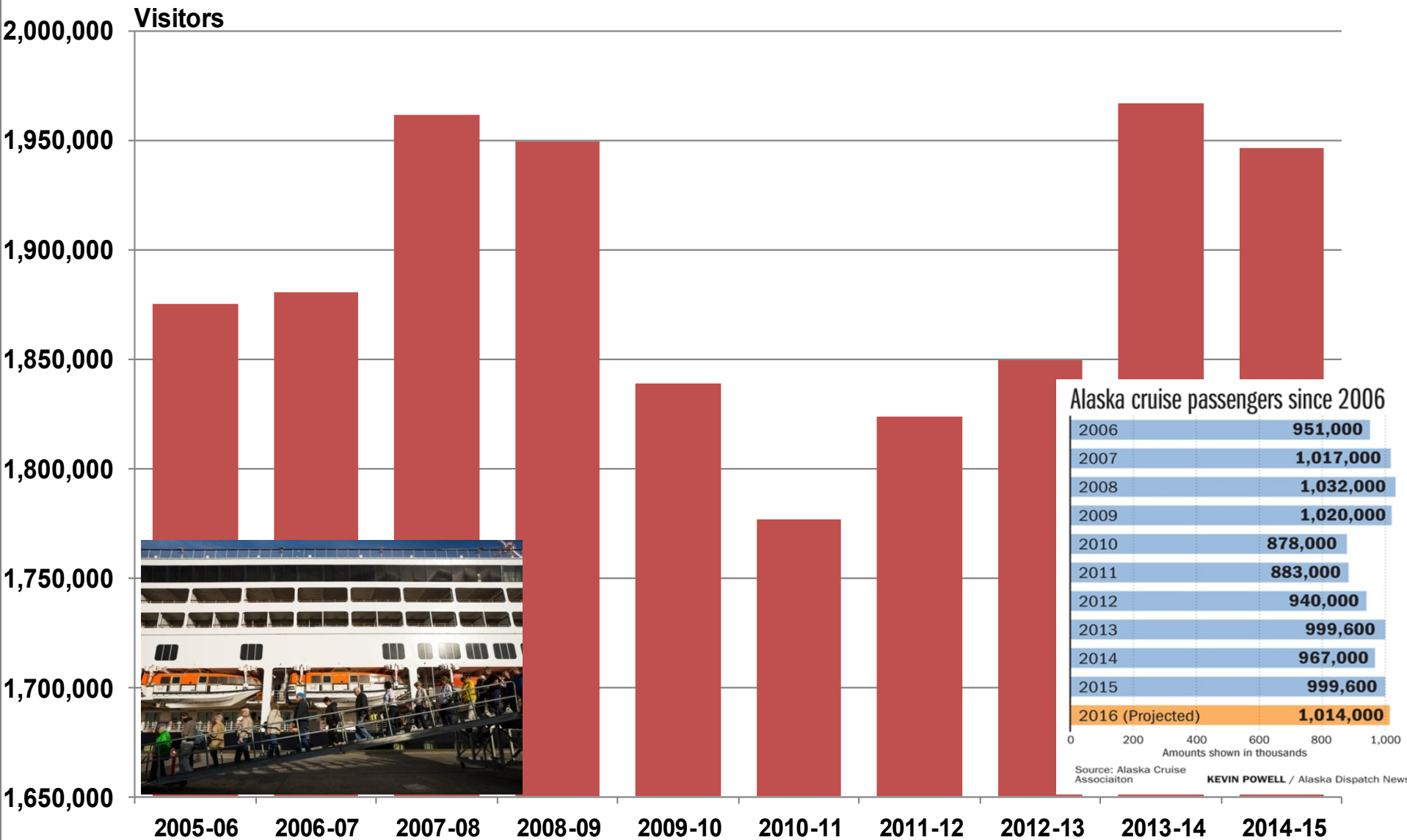
*based on first 9 months of 2016.

Military Numbers Have Trended Down

Uniformed military in Alaska



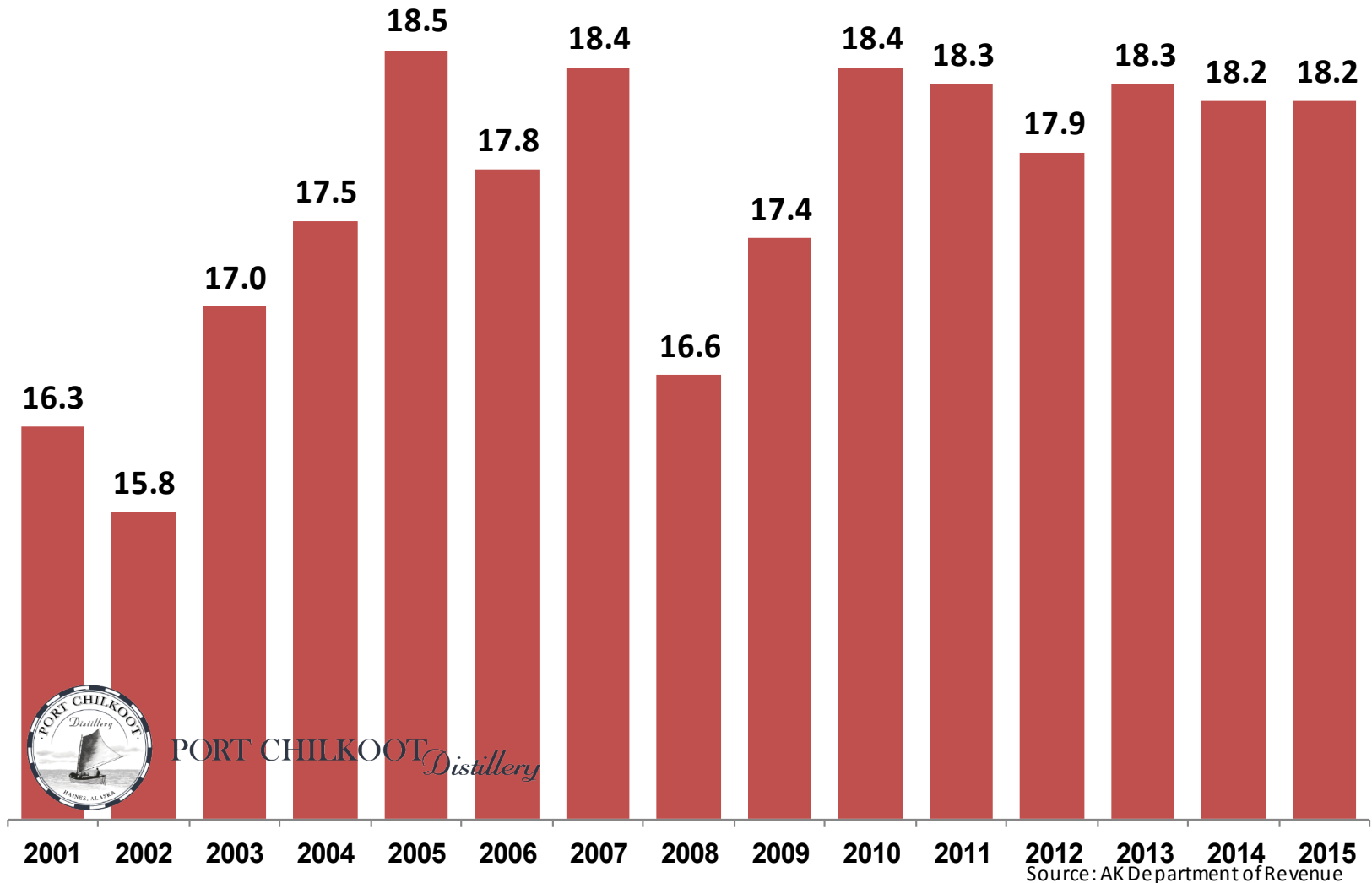
Alaska's Visitor Industry Fully Recovered



Source: Mcdowell Group

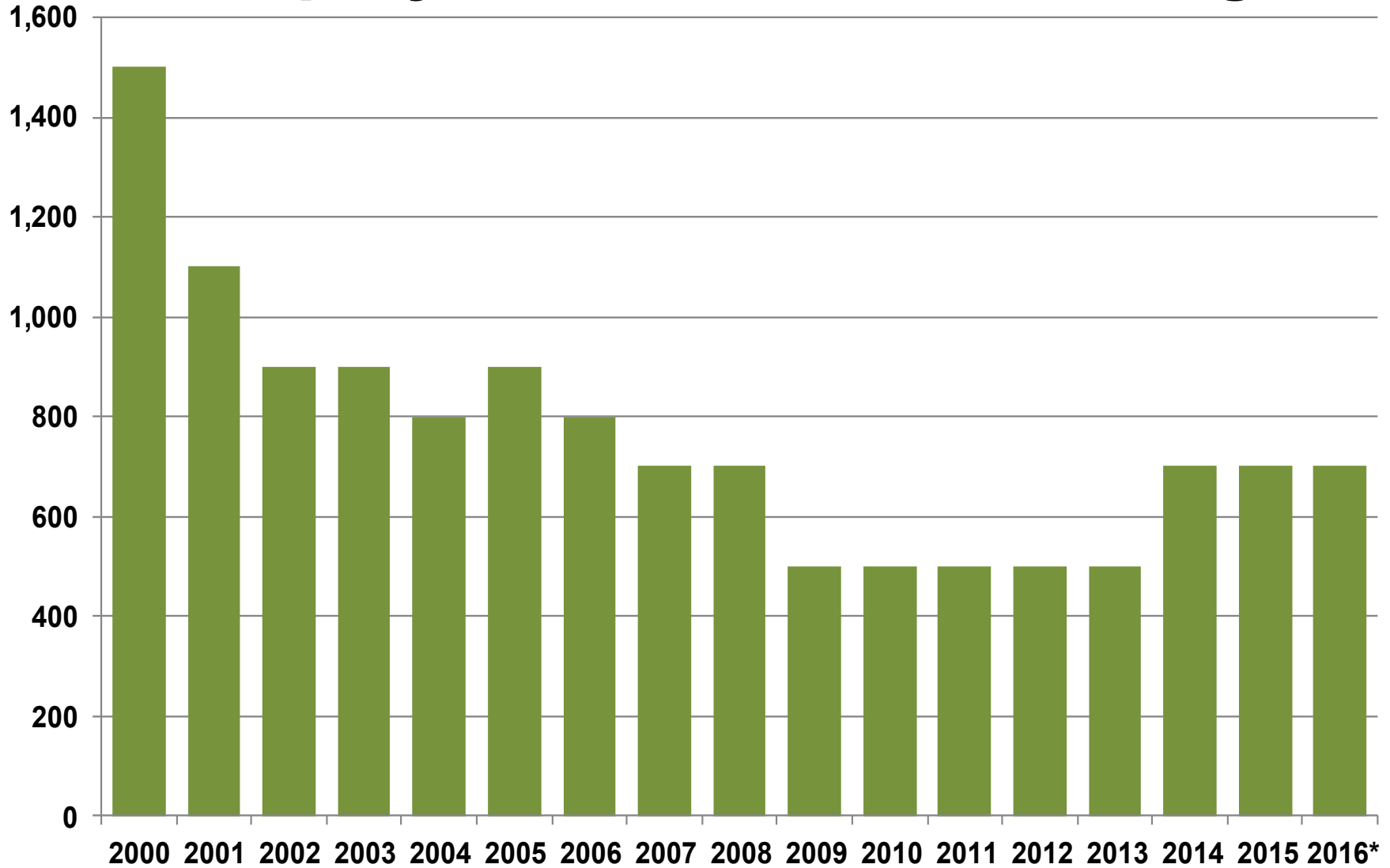
Alcohol Consumption In Alaska--Any Pattern?

Millions of gallons of beer, wine and liquor consumption in AK



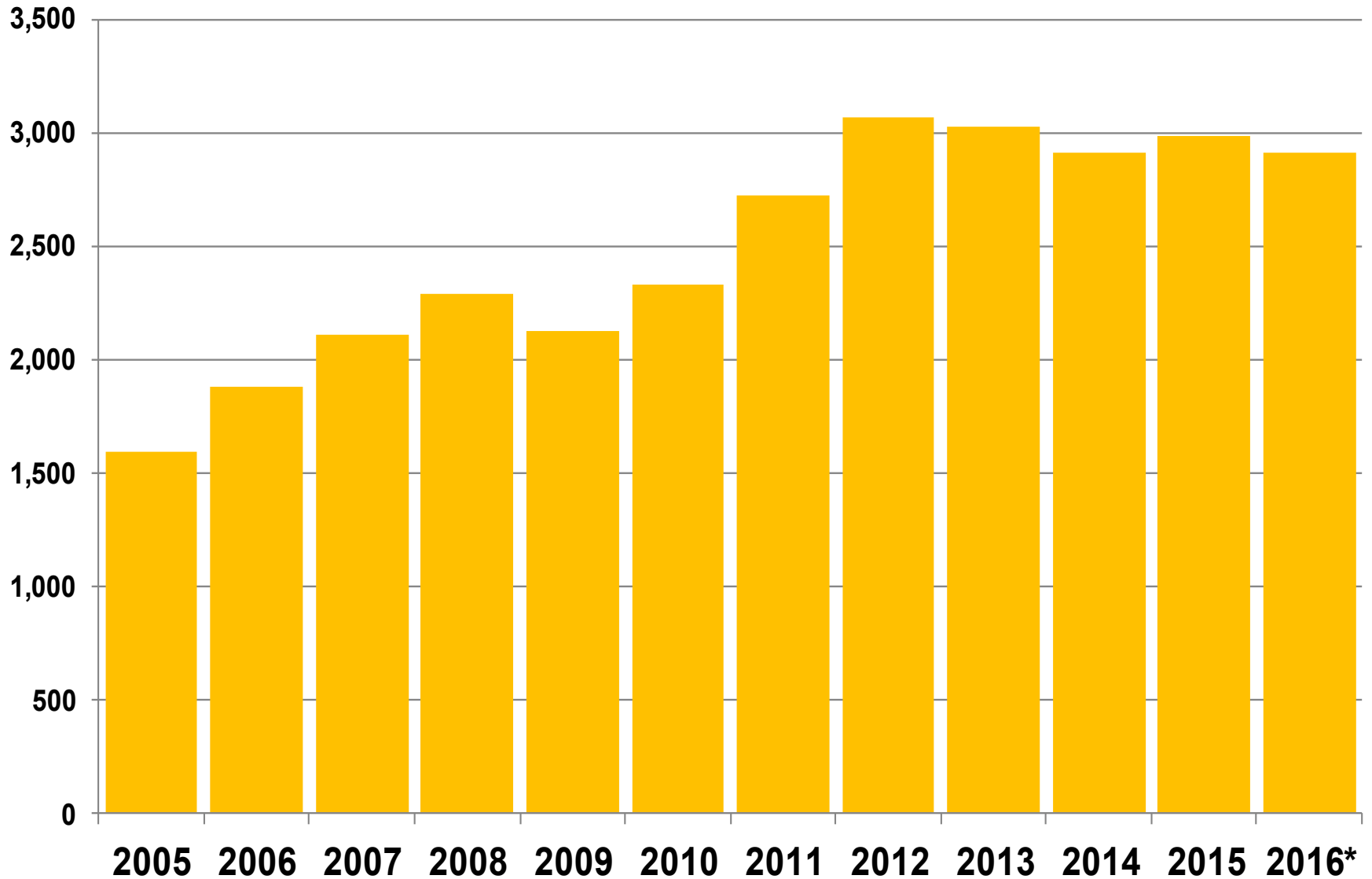
PORT CHILKOOT *Distillery*

Alaska's Timber Industry Employment--Not Much Change



*Based on first 6 months-qcew, 113,321,1153

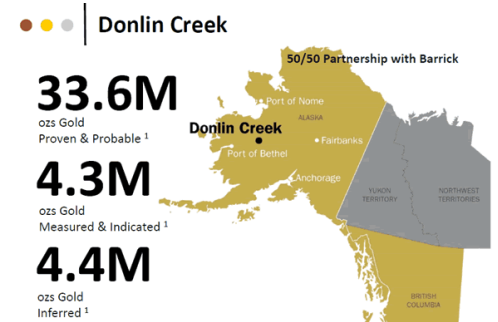
Little Change For Mining Employment In Alaska



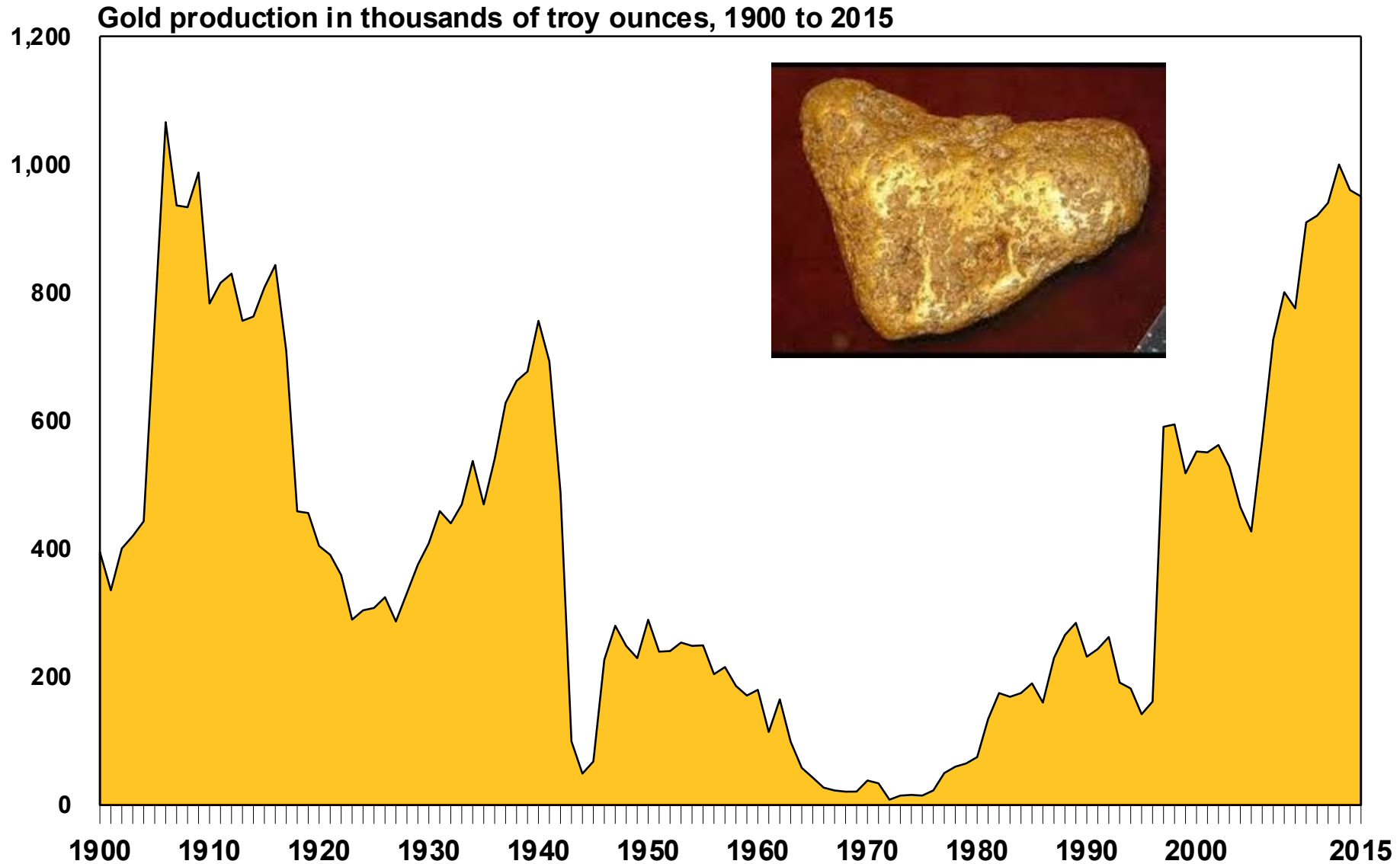
*Based on first 6 months-crew

Gold Looking Pretty Shiny Again

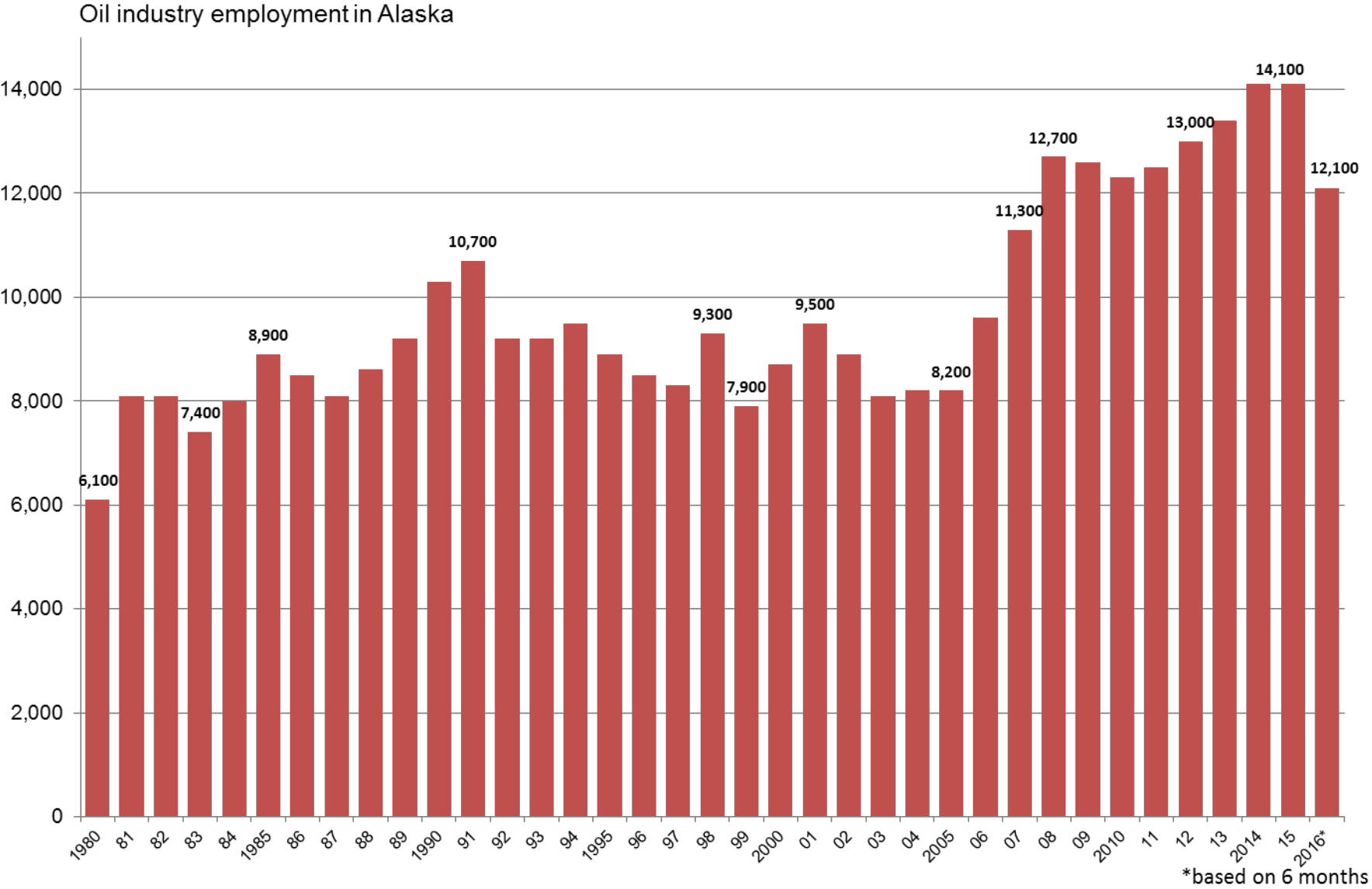
1 Year Gold Price in USD/oz



An Economic Comeback Kid --Toying with Gold Rush Peak

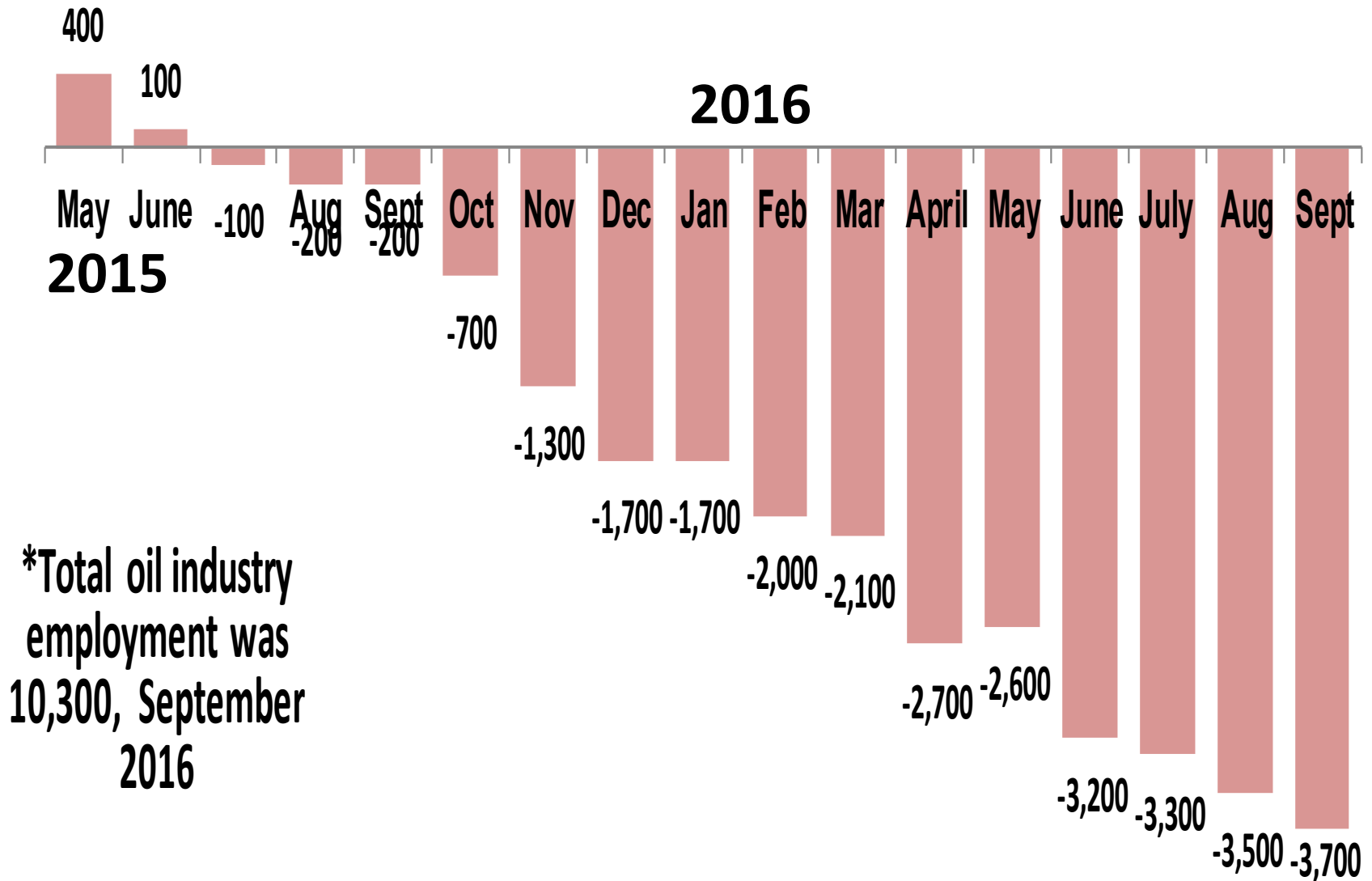


A History of Oil Industry Employment in Alaska

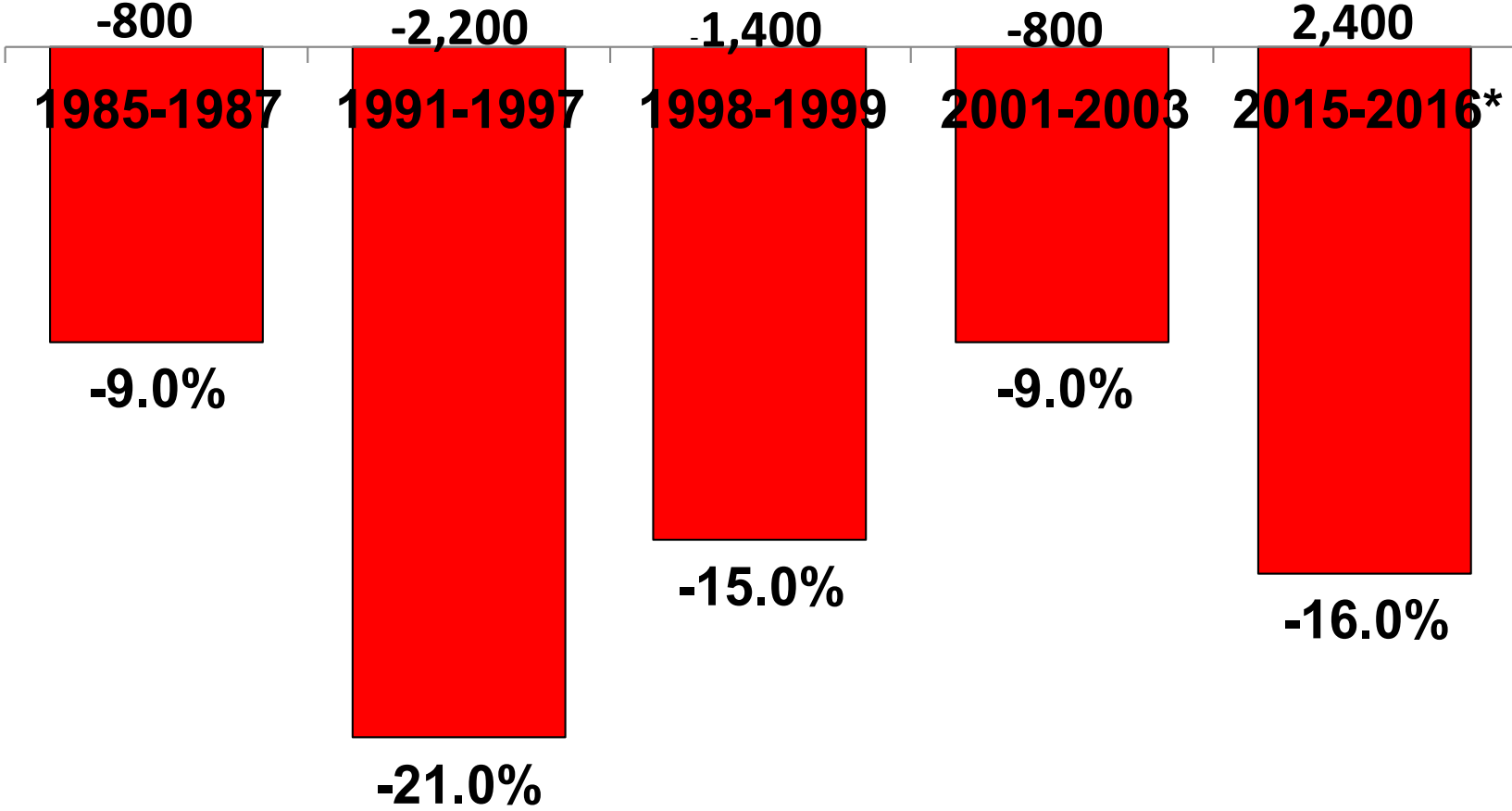


*based on 6 months

Oil Industry Losses Began Last Year

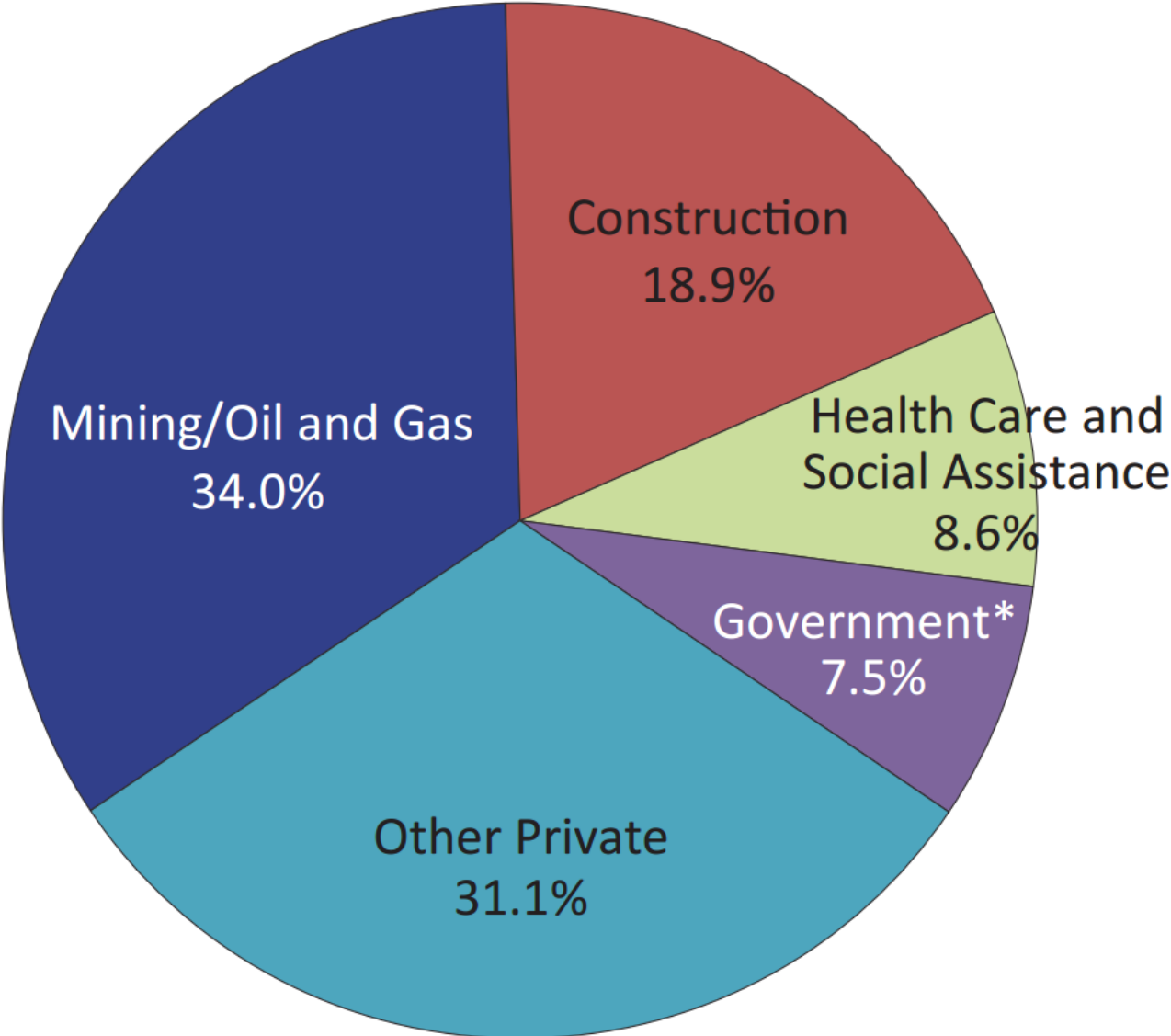


Previous Oil And Gas Employment Losses In AK

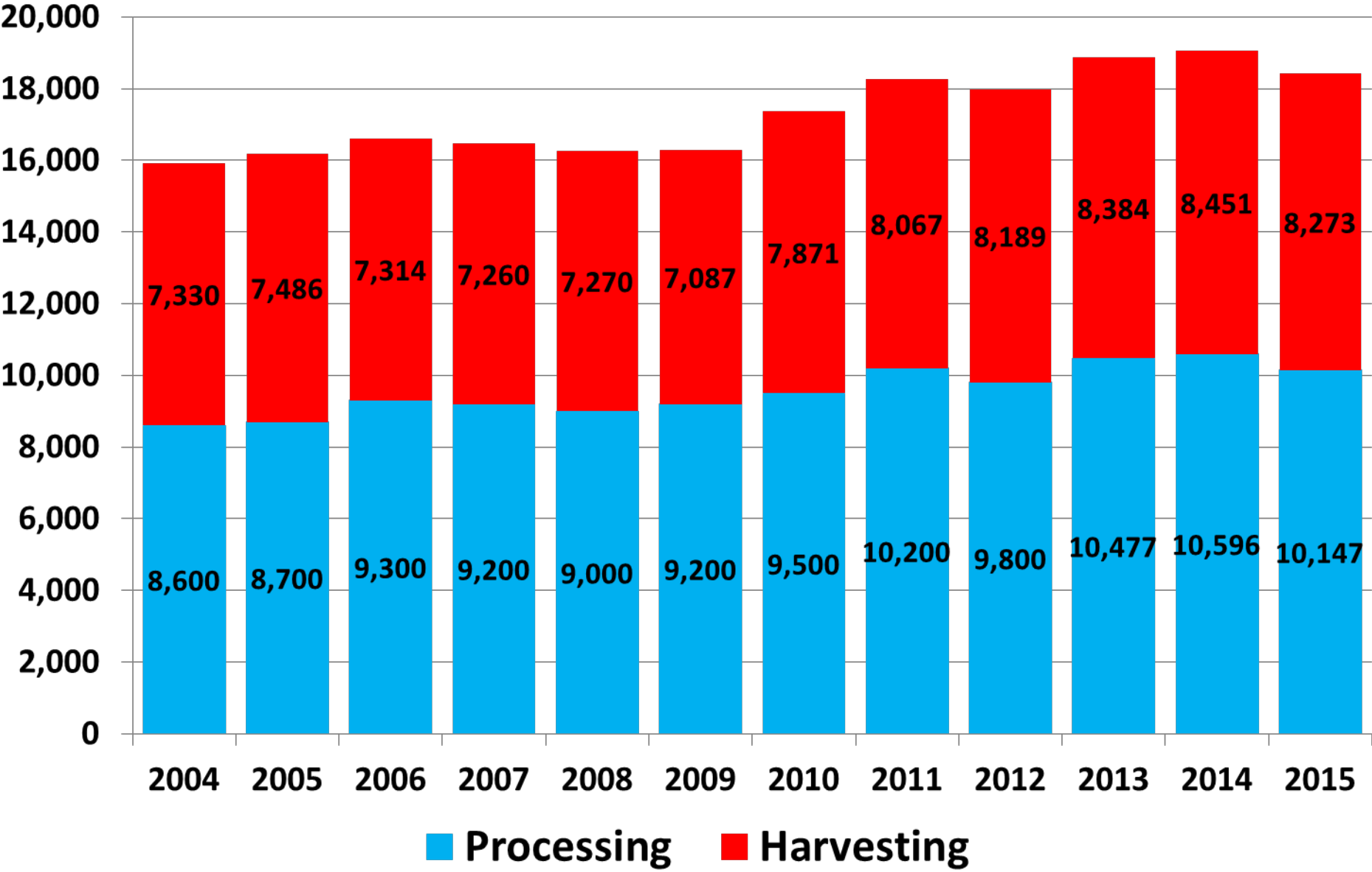


*first 6 months of 2016 compared to same period of 2015

Alaska's High Earners Under Thirty



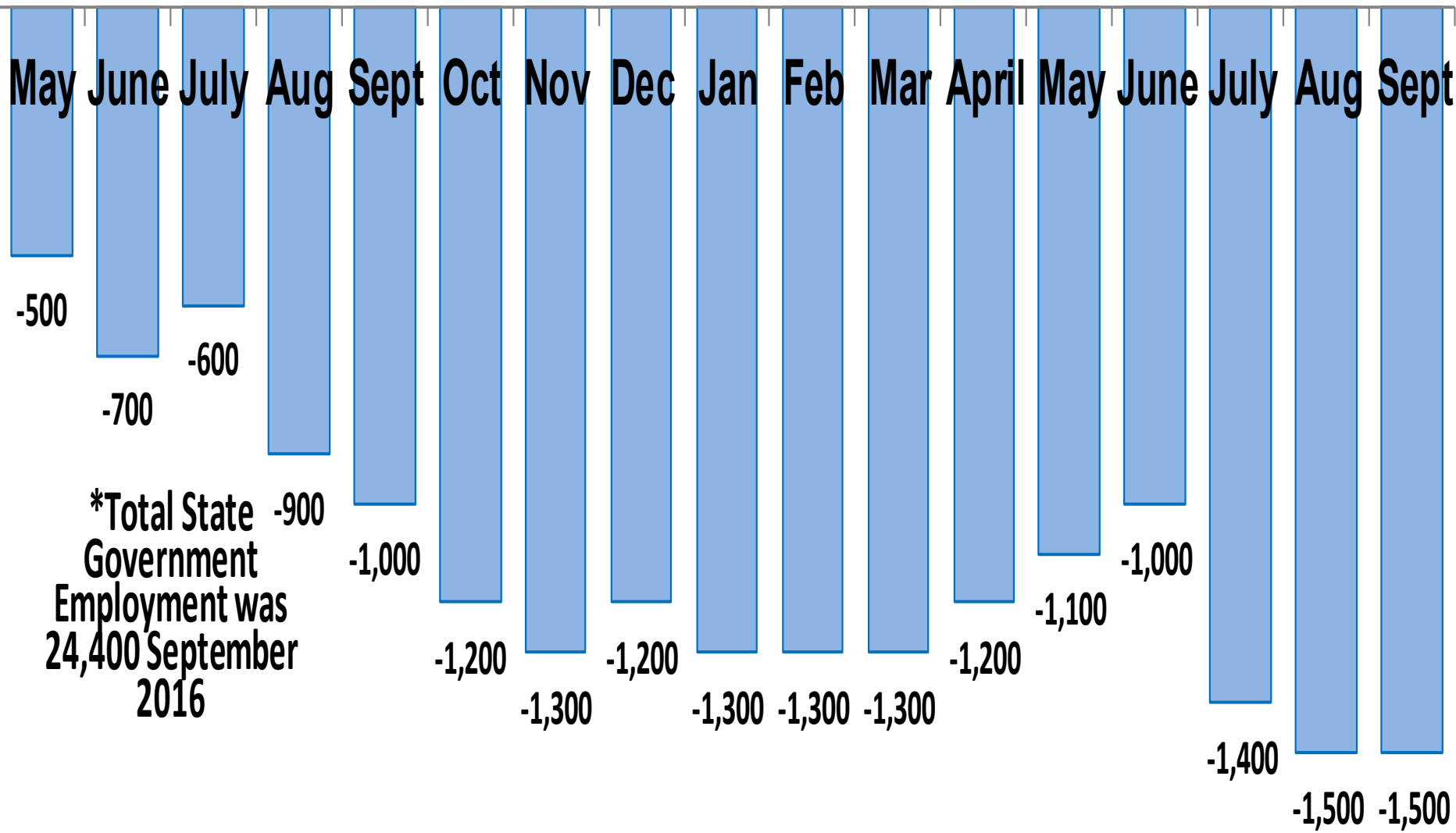
Fishing Employment In AK Has Remained Largely Positive



State Government Employment

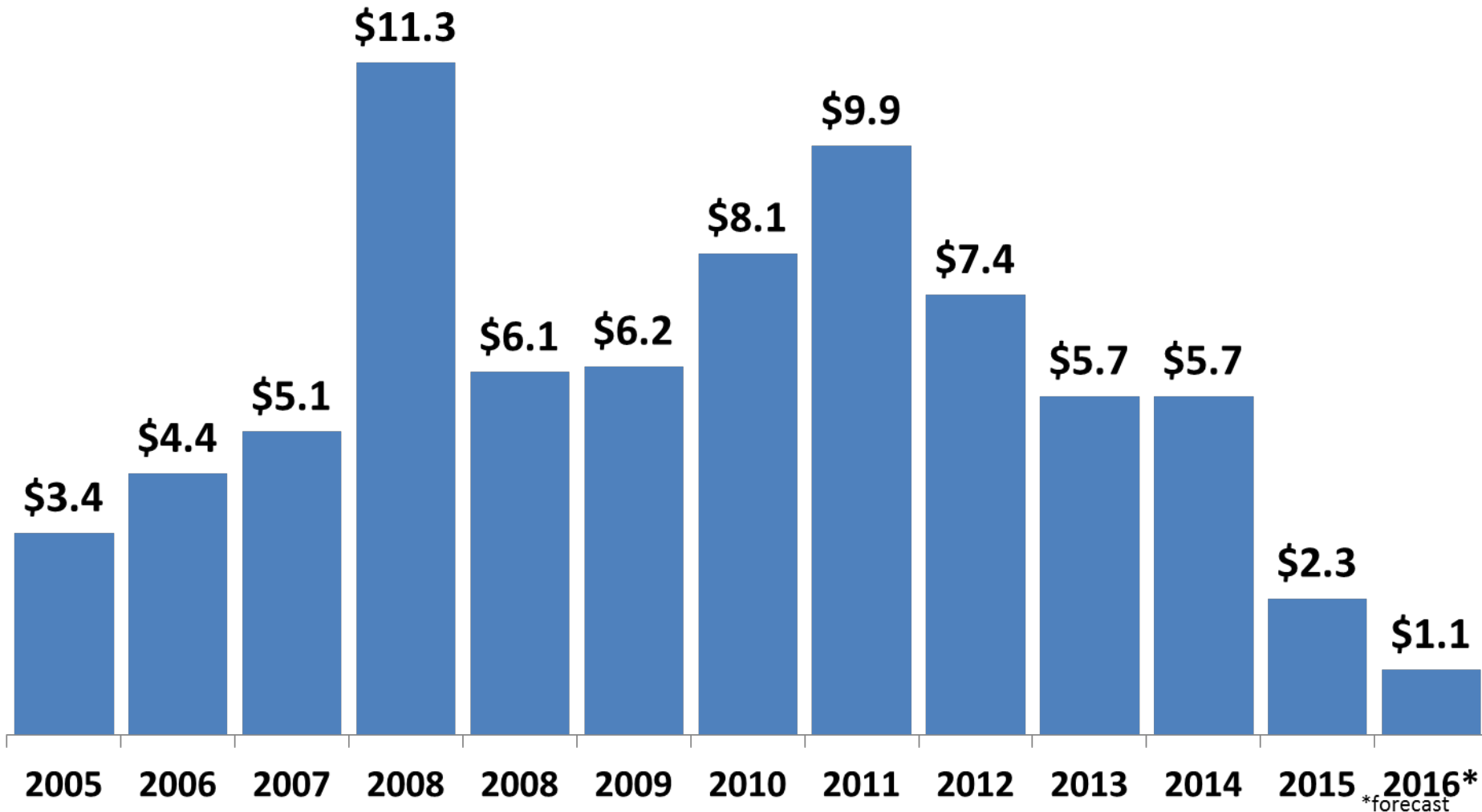
2015

2016



Alaska's Biggest Current Challenge- Oil Revenues

\$billions



*forecast

Part of the Exclusive Club

Ranking	State	Median Household Income-2015
1	Maryland	\$75,847
2	Hawaii	\$73,486
3	Alaska	\$73,355
4	New Jersey	\$72,222
5	Connecticut	\$71,346
	U.S.	\$55,775

- **Alaska Leads U.S. States in Well-Being for First Time**

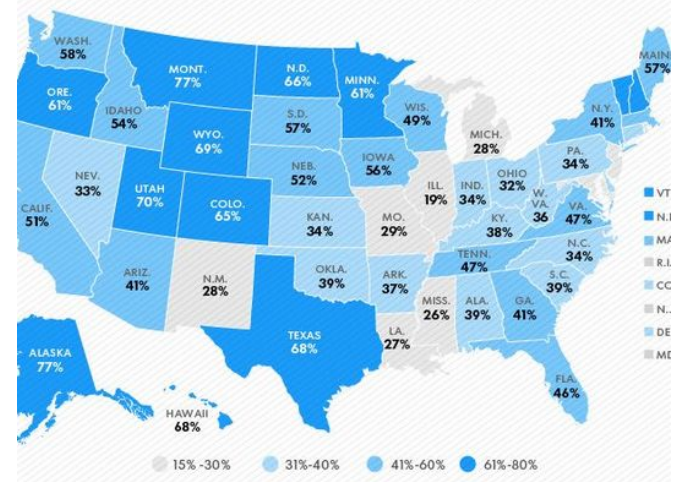
by Dan Witters

Story Highlights

Hawaii and South Dakota round out top three well-being states

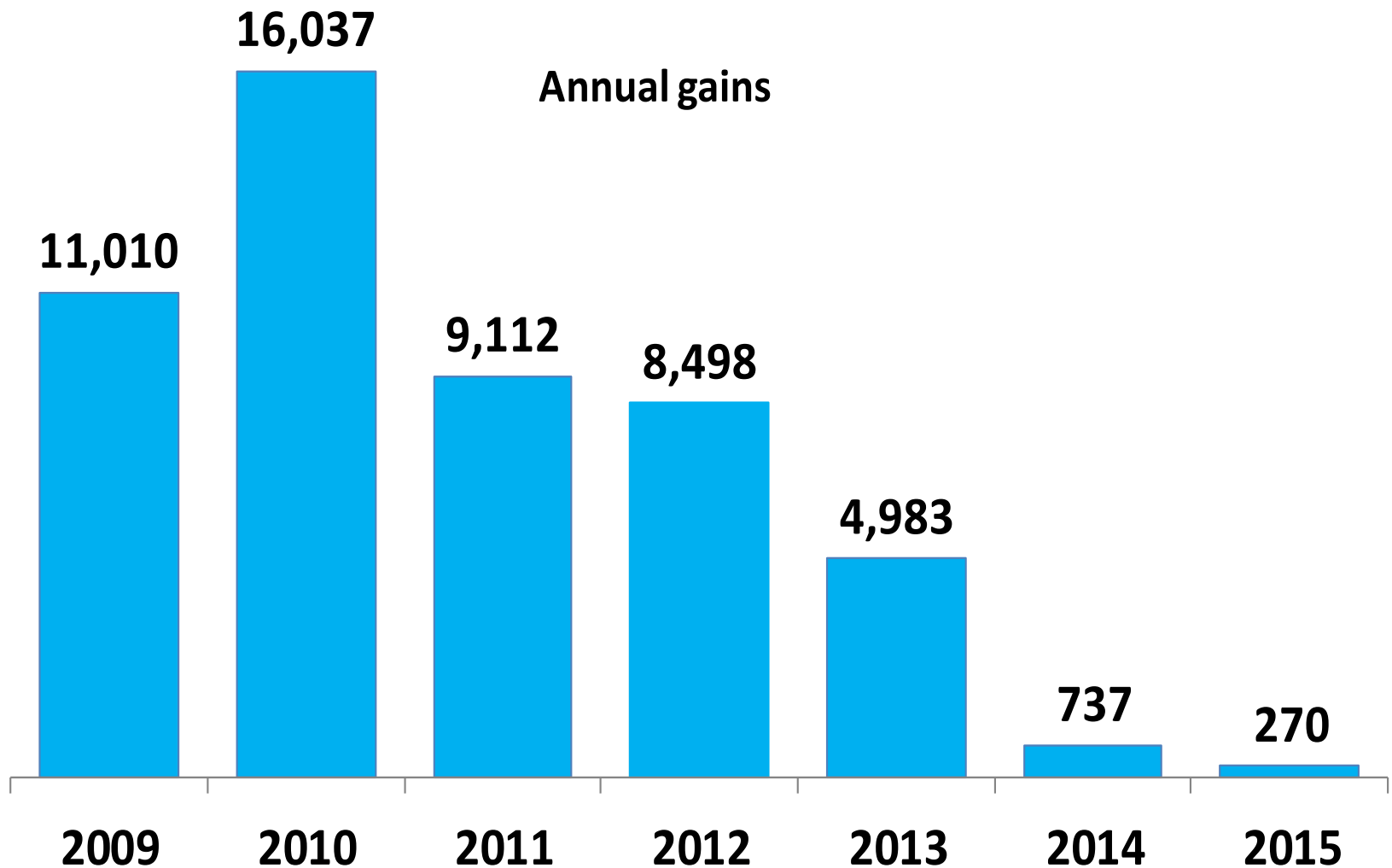
West Virginia ranks last for the sixth straight year

Hawaii and Colorado only states in top 10 every year since '08

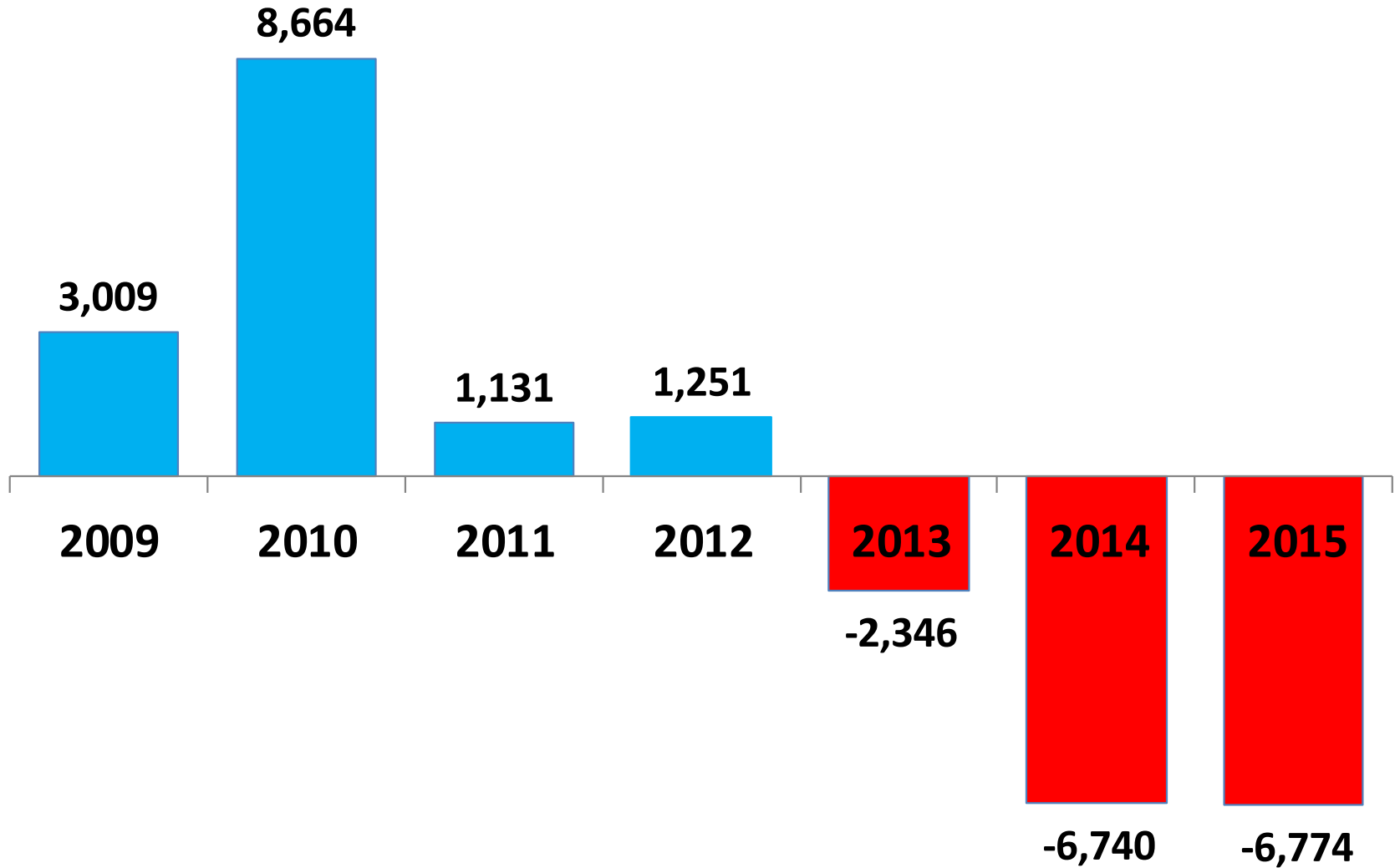


AK's Population Grew Lots During The Great Recession But Now Slowing

(2015 population was 737,625)



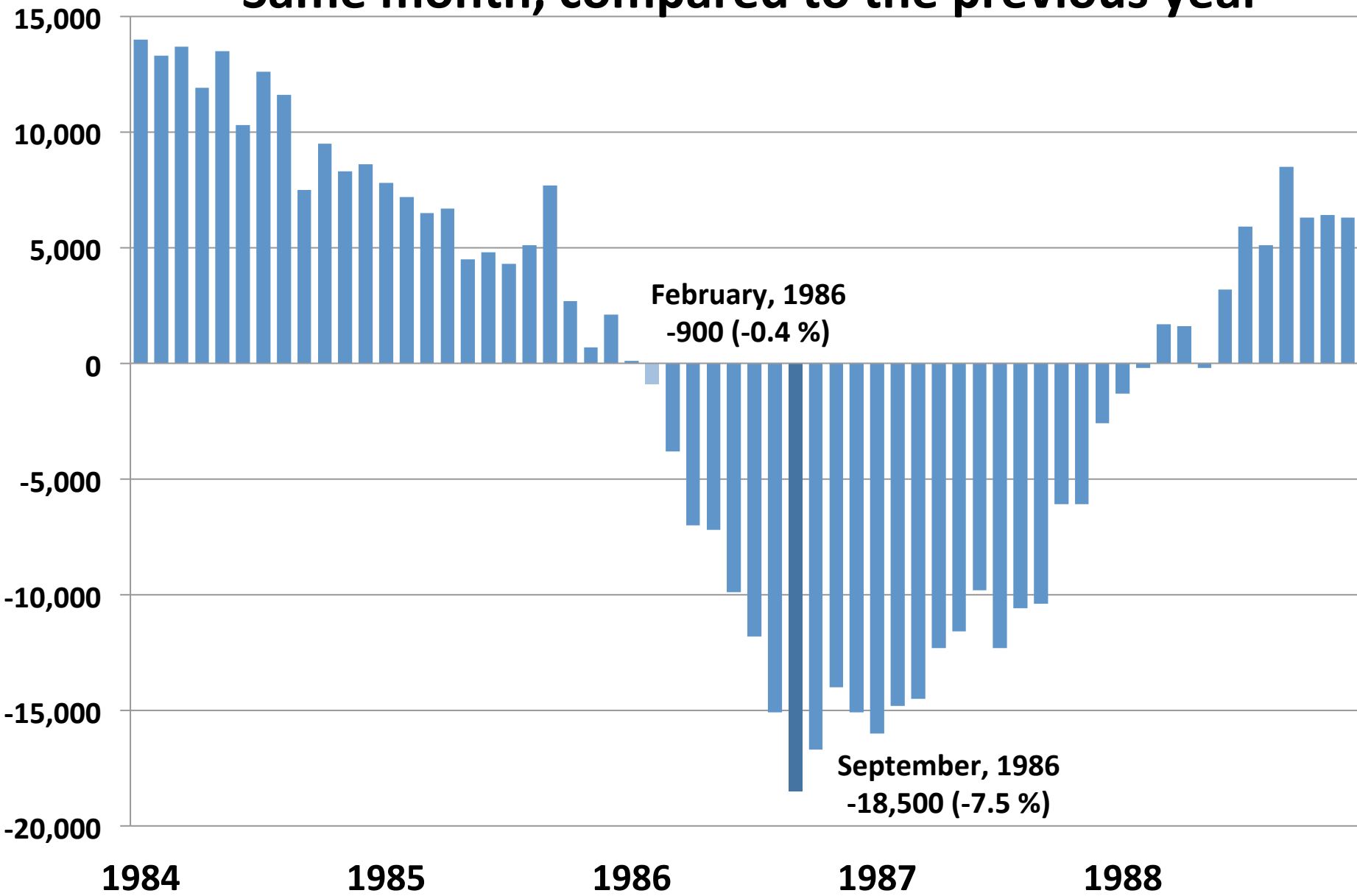
AK's Migration Story



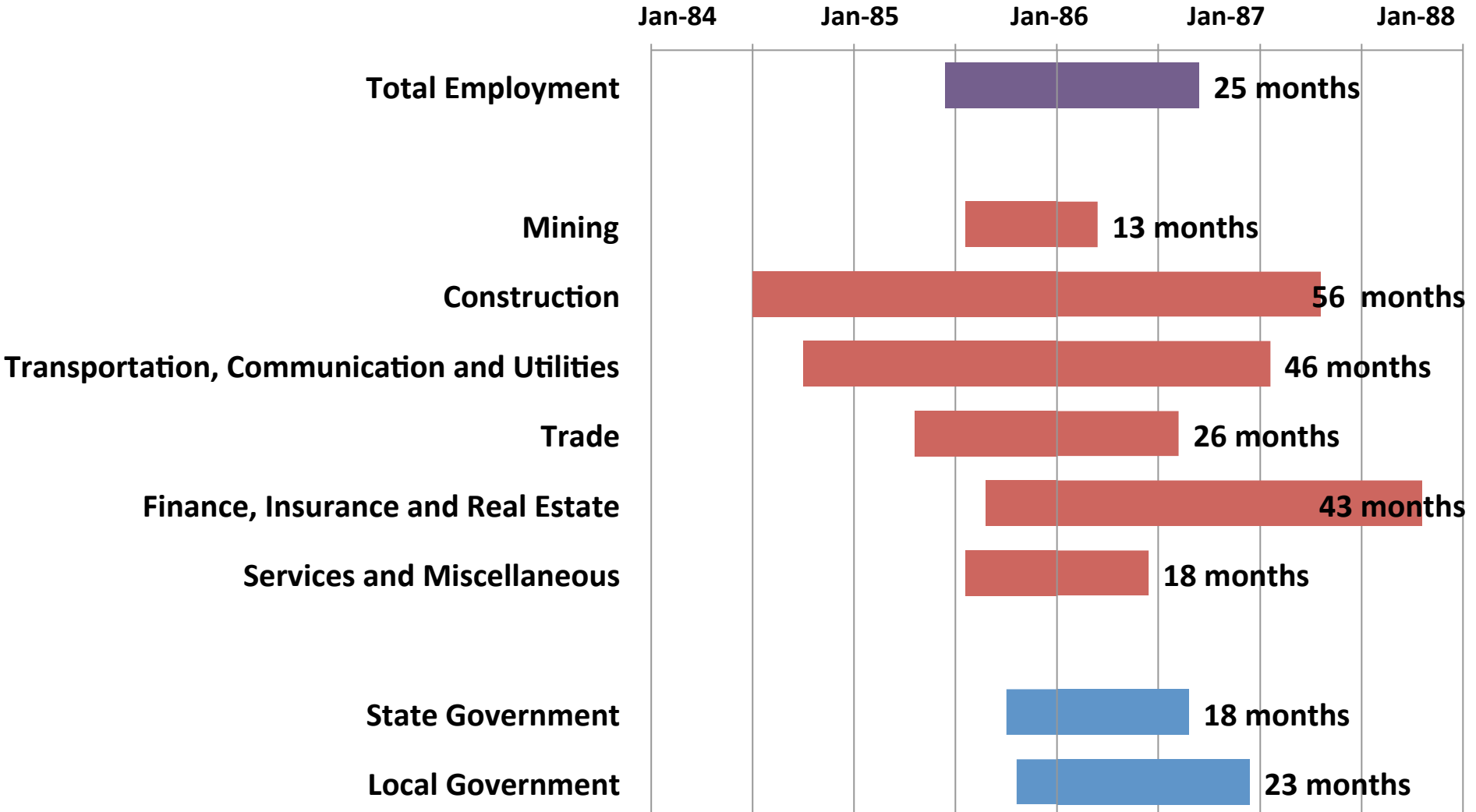
2015 = 46,323 moved out, 39,549 moved, in for net loss of -6,774

Total Employment Change

Same month, compared to the previous year



Months Of Over-the-year Job Losses For Selected Industries During Alaska's 1980's "Great Recession"



The Boston Globe

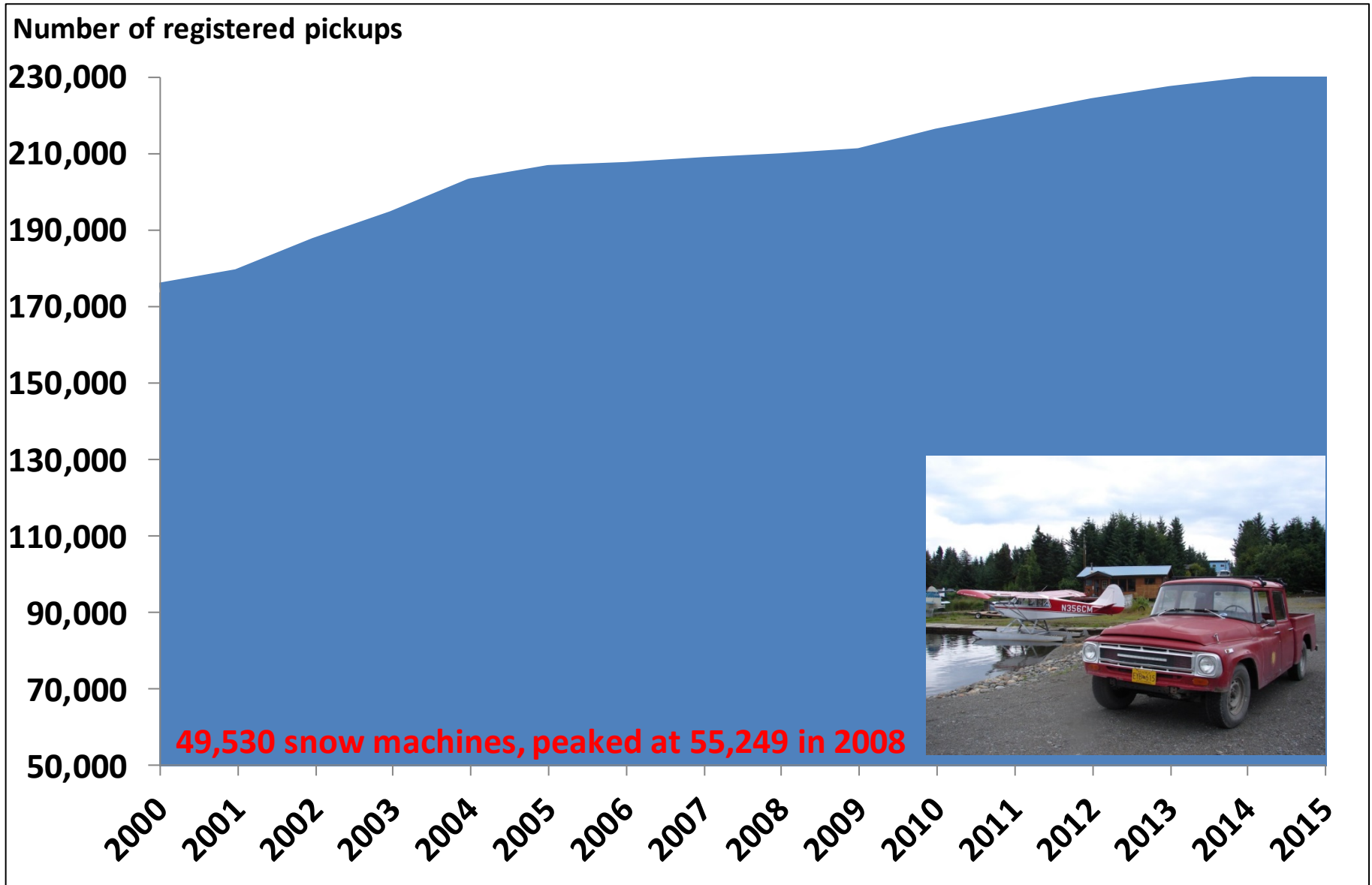
Tuesday, January 27, 2015

Forecasting the future



But Laurence C. Smith warms right to it in **“The World in 2050: Four Forces Shaping Civilization’s Northern Future”** (Plume, 2010). He’s a professor of earth, planetary, and space sciences at UCLA, and used model projections and data to form his main thesis: Countries north of the equator will grow ever more powerful, while countries to the south will vie for survival. **Indeed, boomtowns will pop up in Alaska, Canada, Greenland, Russia and Scandinavia.** As the permafrost melts, we’ll build roads, bringing construction jobs and a real estate rush.

We Remain Solidly Akers When It Comes To Our Pickups





Questions?