

Alaska's Economic Landscape



Alaska State Legislature

December 9th, 2015

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

[NEWS](#) [POLITICS](#) [VOICES](#) [ARCTIC](#) [CULTURE](#) [SPORTS](#) [ADVENTURE](#) [MULTIMEDIA](#)

[Obituaries](#) [Nation-World](#) [Anchorage](#) [Fairbanks](#) [Mat-Su](#) [Crime](#) [Business](#)

Alaska News

Oil patch slump oozing anxiety throughout the industry

Alex DeMarban | November 4, 2015

 [Email](#)  [Print](#)

[Tweet](#)

[G+](#)

1



[Text Size](#)



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

Economy

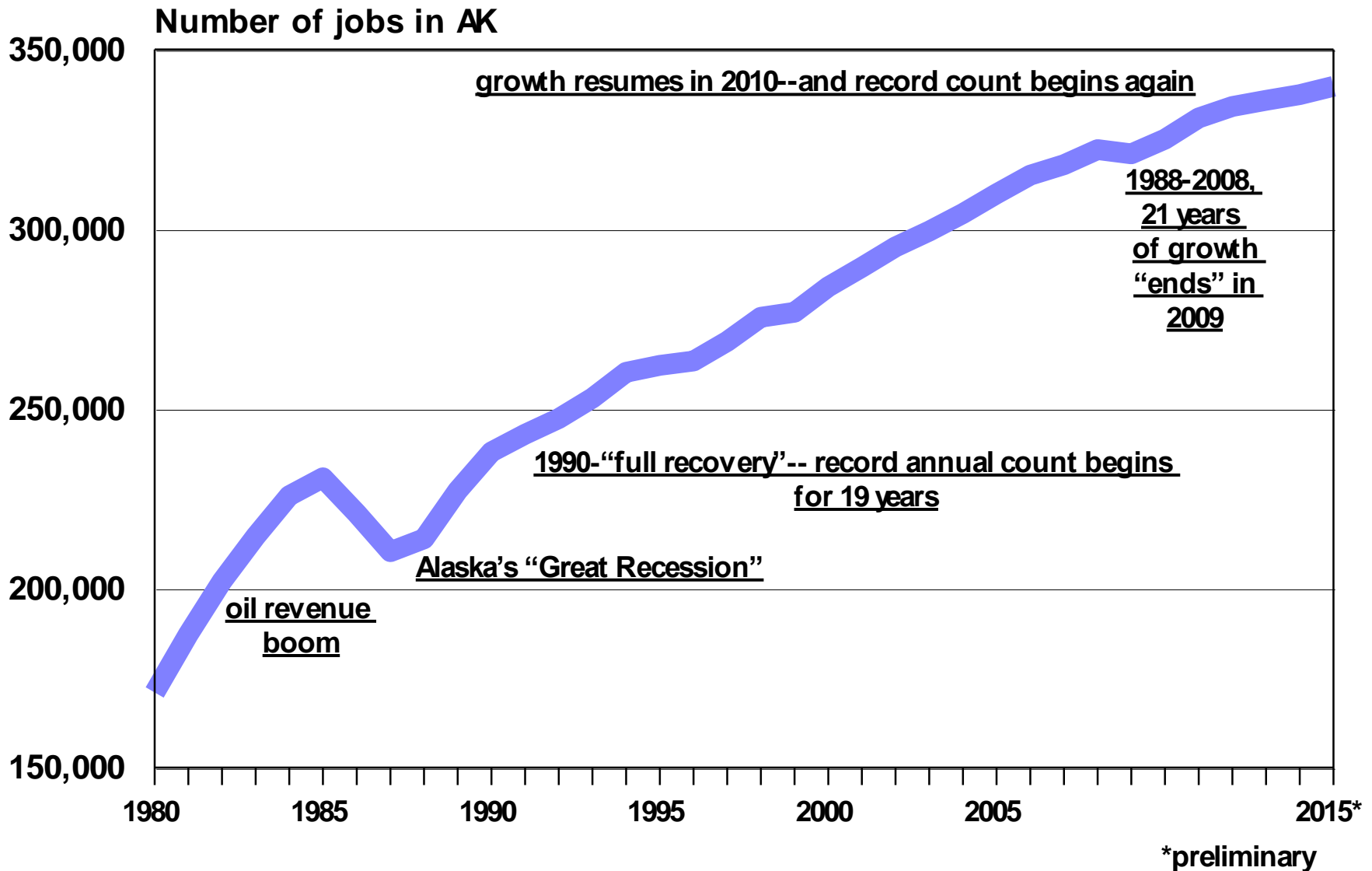
Alaska close to recession, if not there already, economist says

Jeannette Lee Falsey, Zaz Hollander | November 13, 2015

 [Print](#) [Email](#)

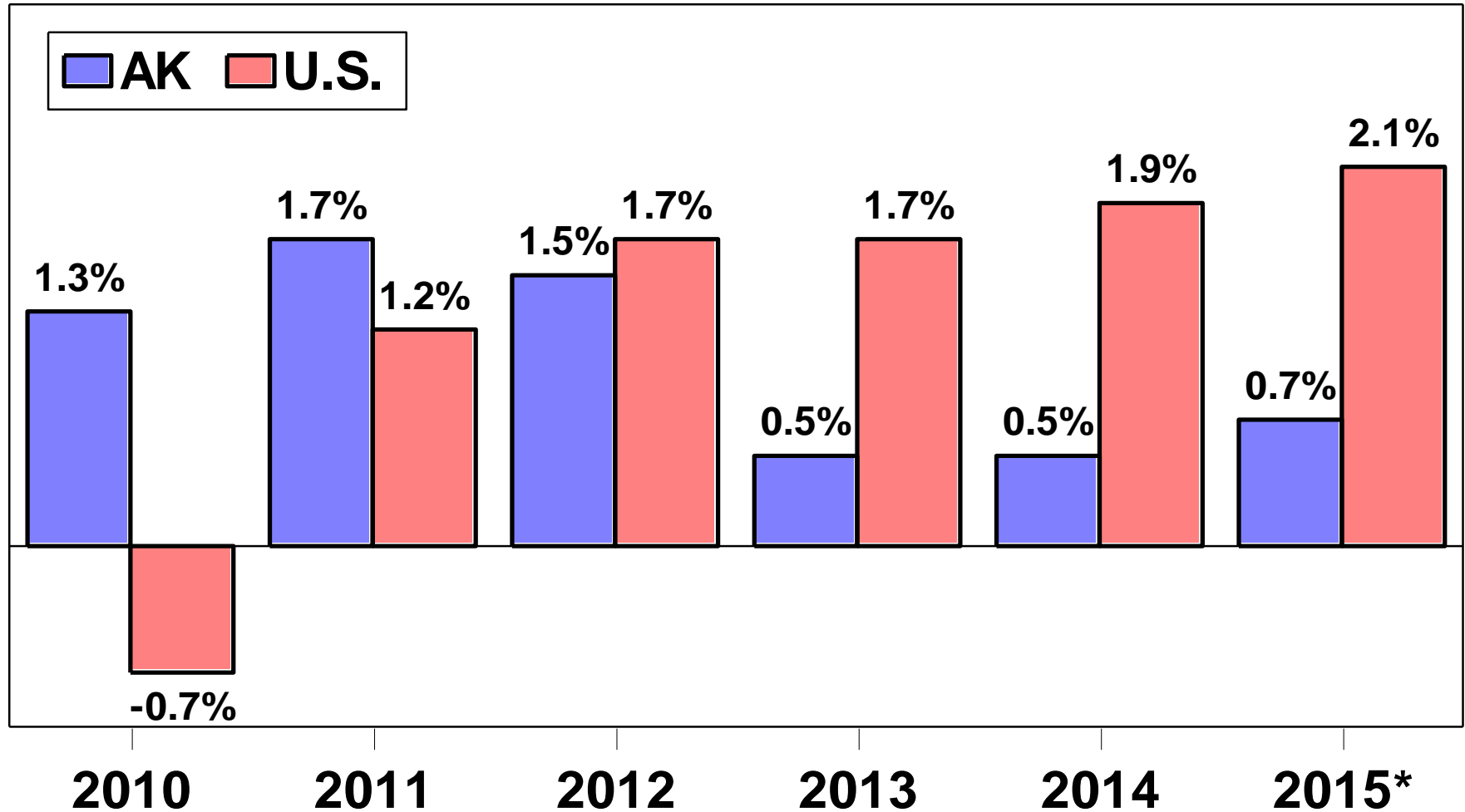
  [Text Size](#)

Alaska--Boom, Bust and Moderation



Slower Growth In AK

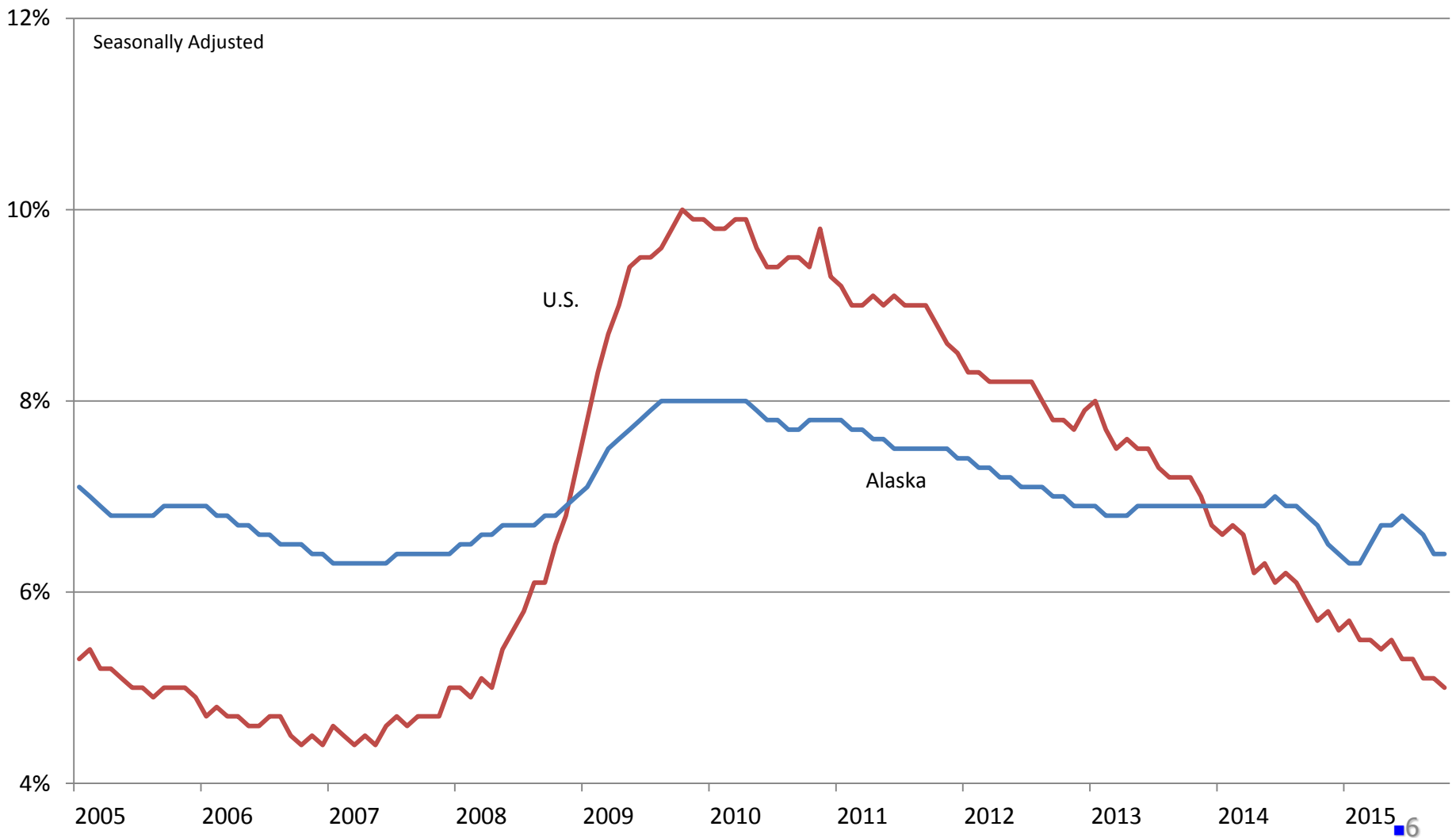
Percent employment change from previous year-AK and U.S.



*Preliminary- AK based on first 2 quarters

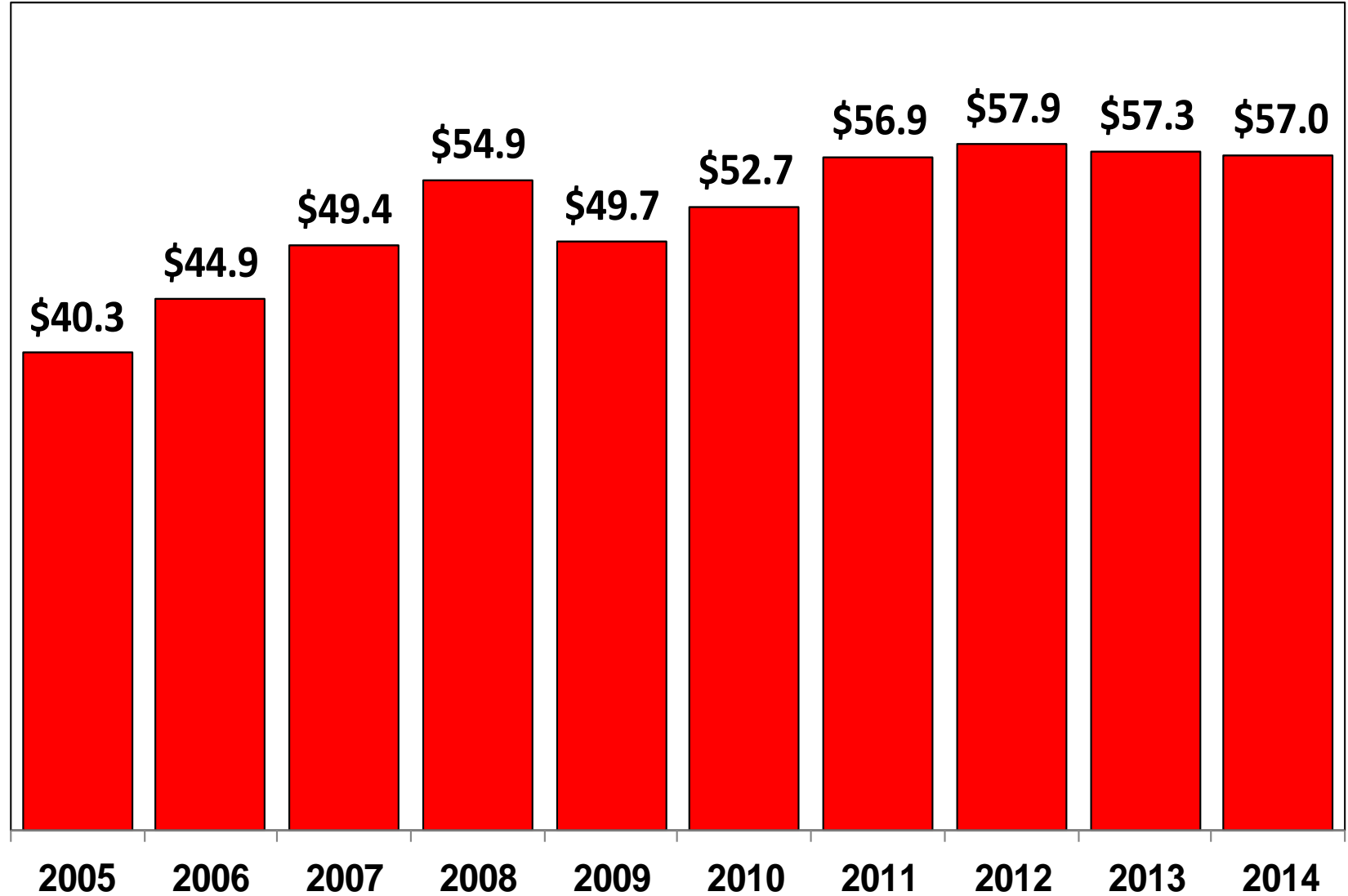
Unemployment Overview

Unemployment Rates, Alaska and U.S.
January 2005 to October 2015



Alaska's GDP Numbers Interesting

\$ billions

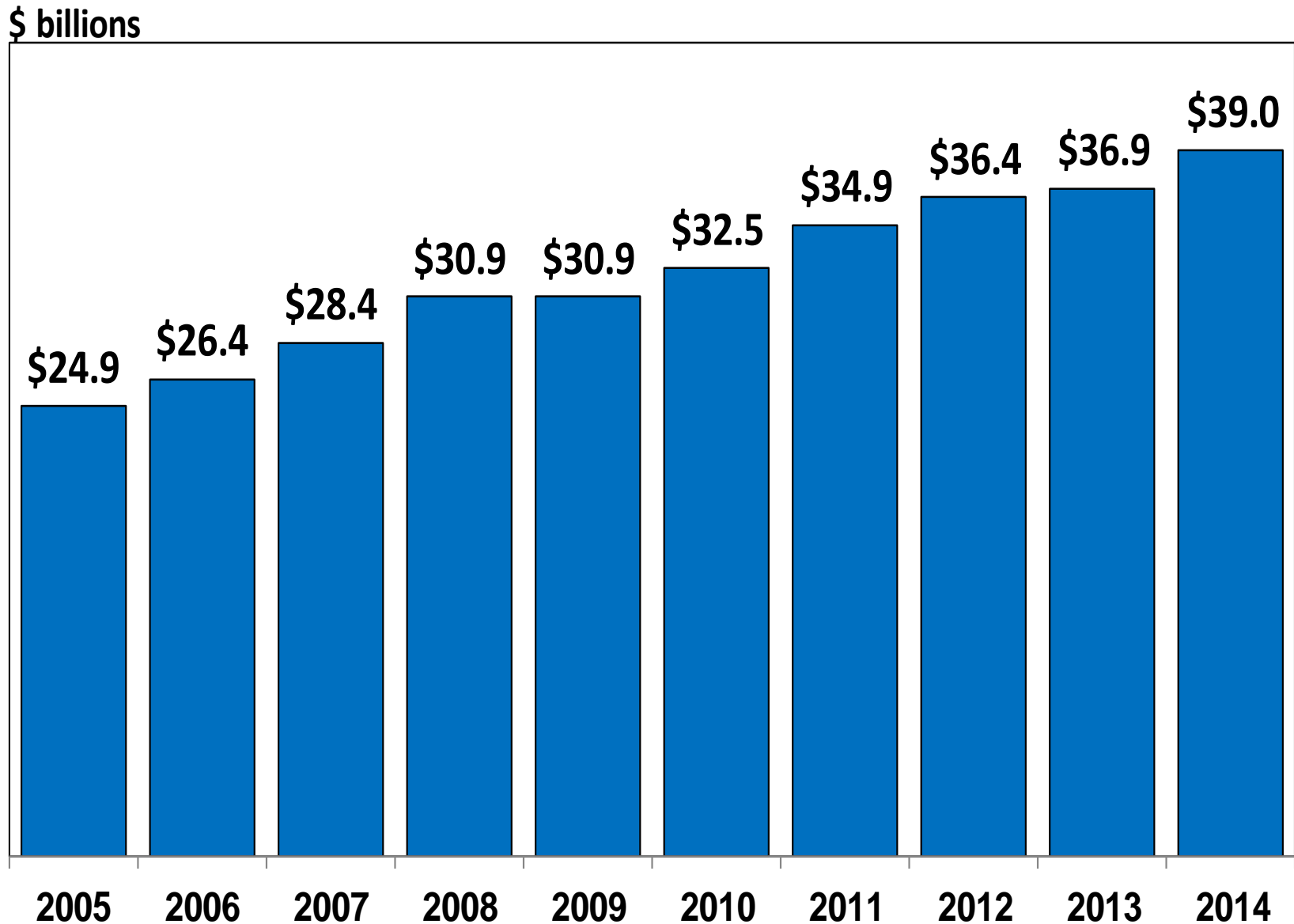


Source: BEA

US States Renamed for Countries with Similar GDPs, 2014

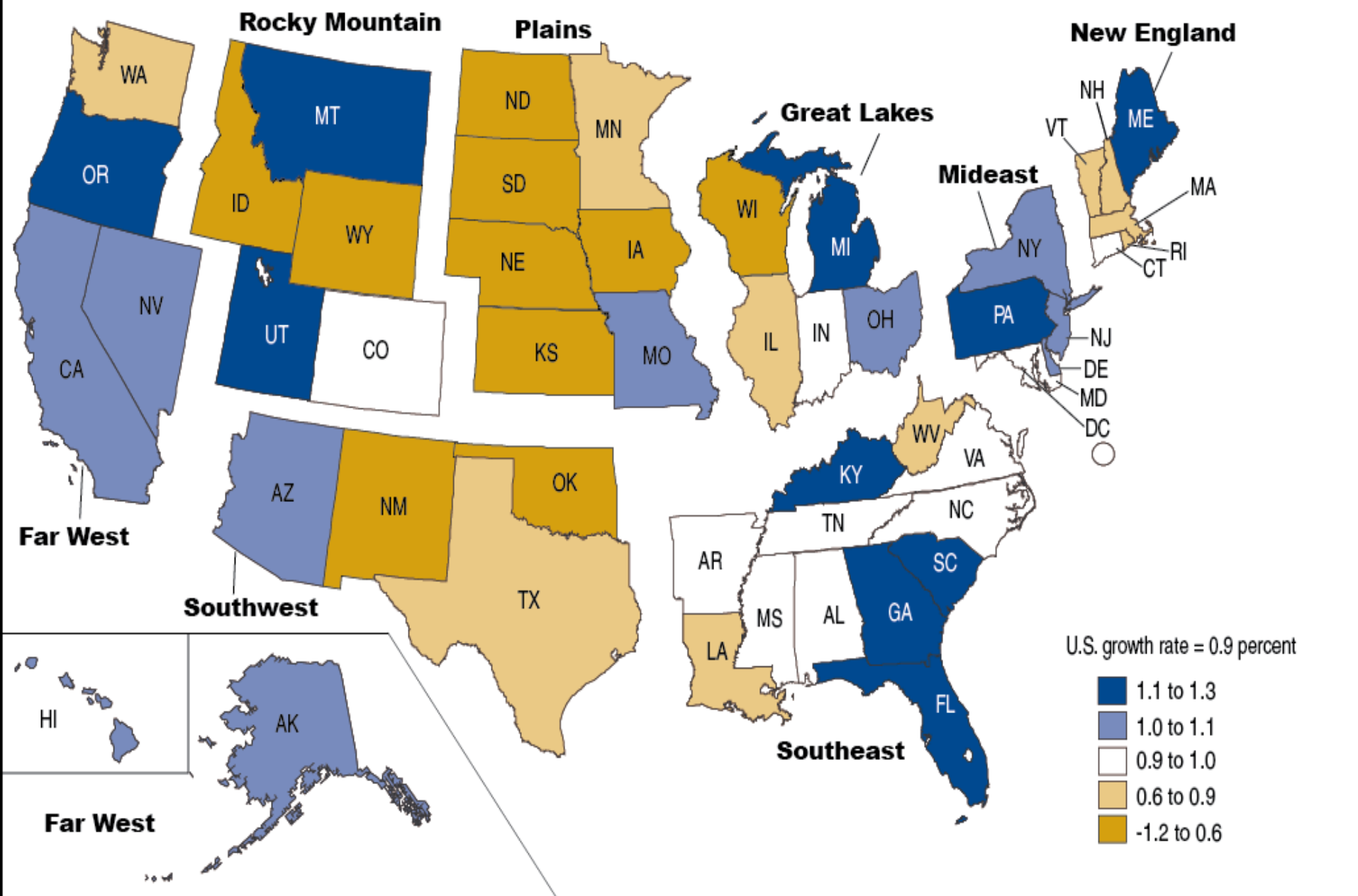


Alaska's Personal Income Kept Growing

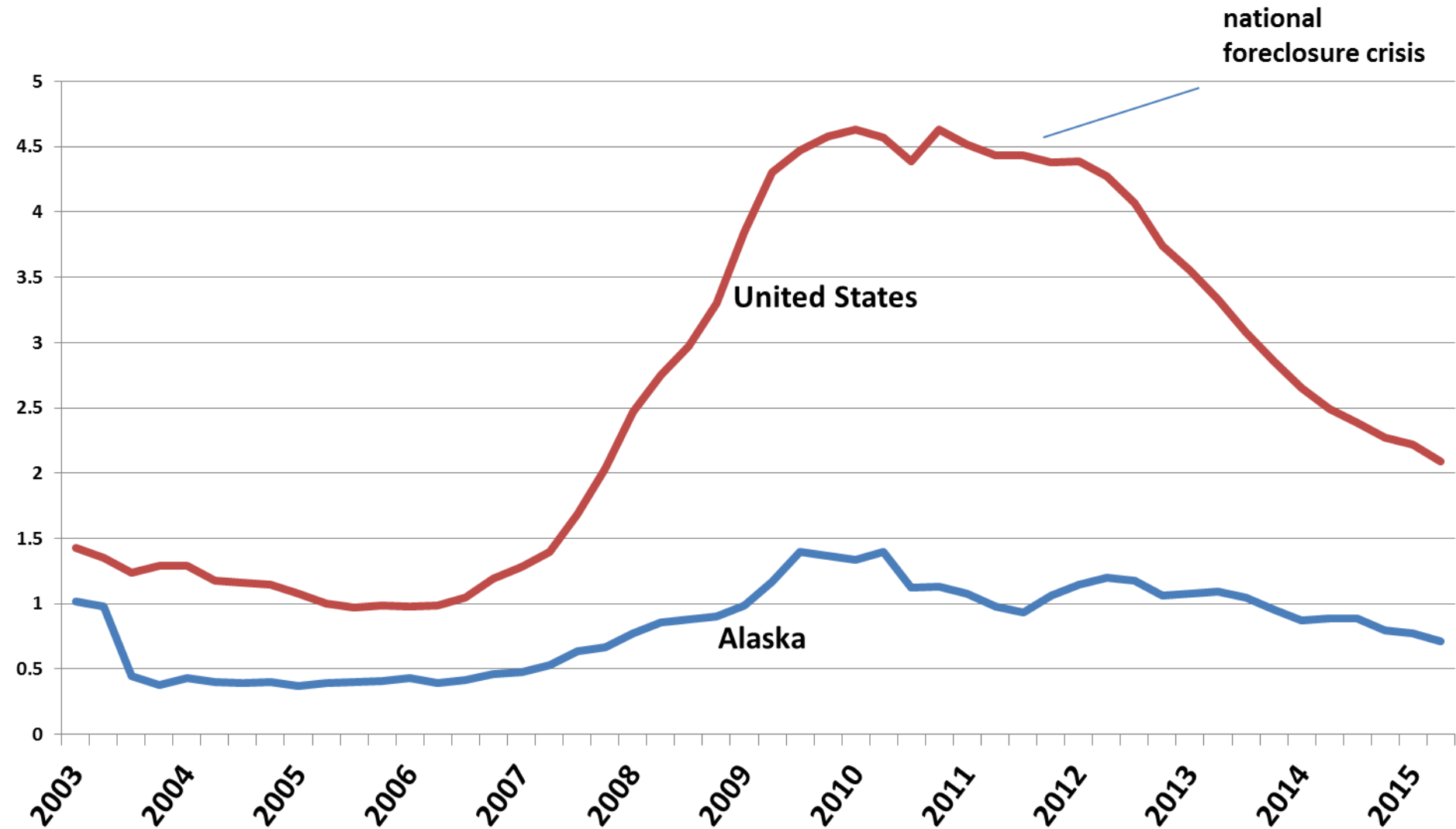


Source: BEA

Personal Income: Percent Change, 2014:IV–2015:I

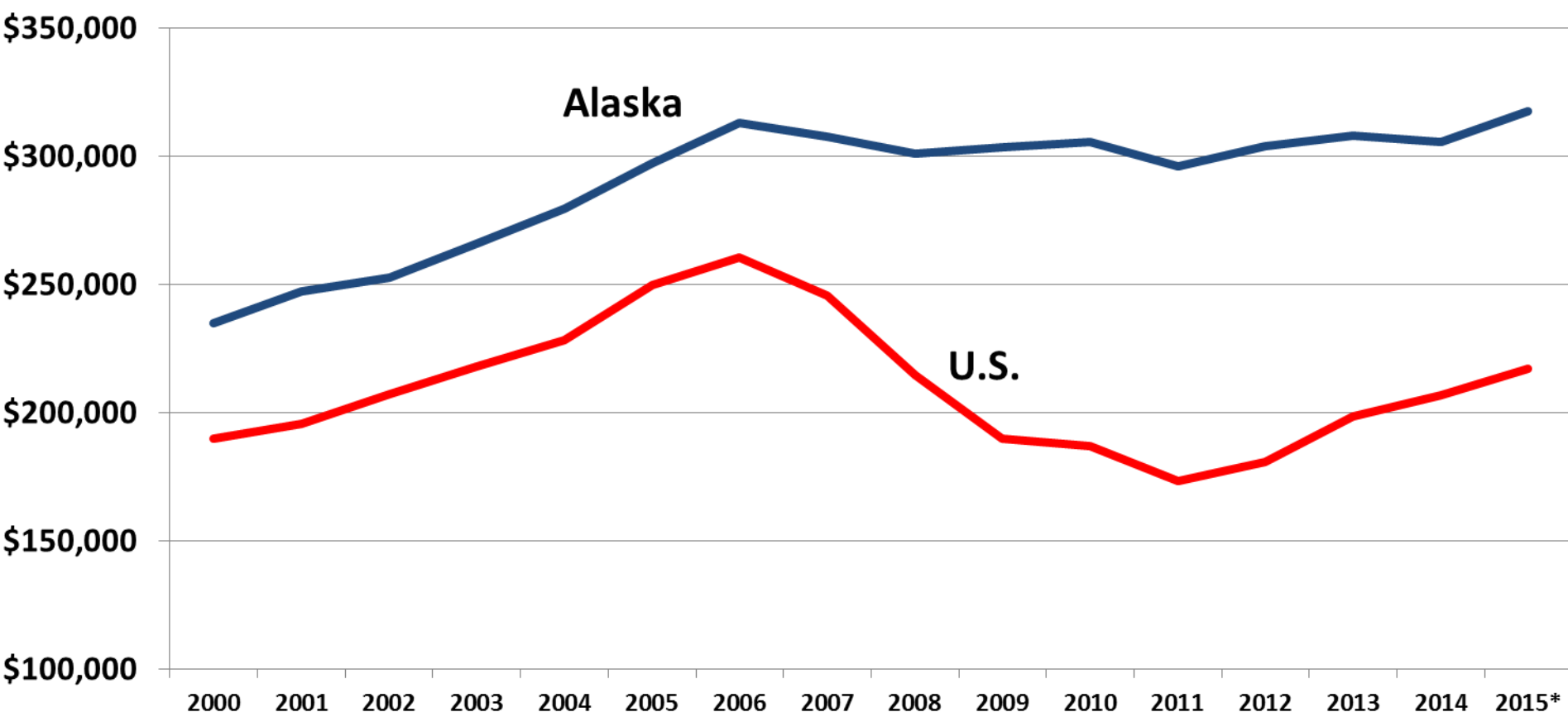


Foreclosure Rate, Alaska and the U.S.



Average Single-Family Sales Prices in 2015 Dollars

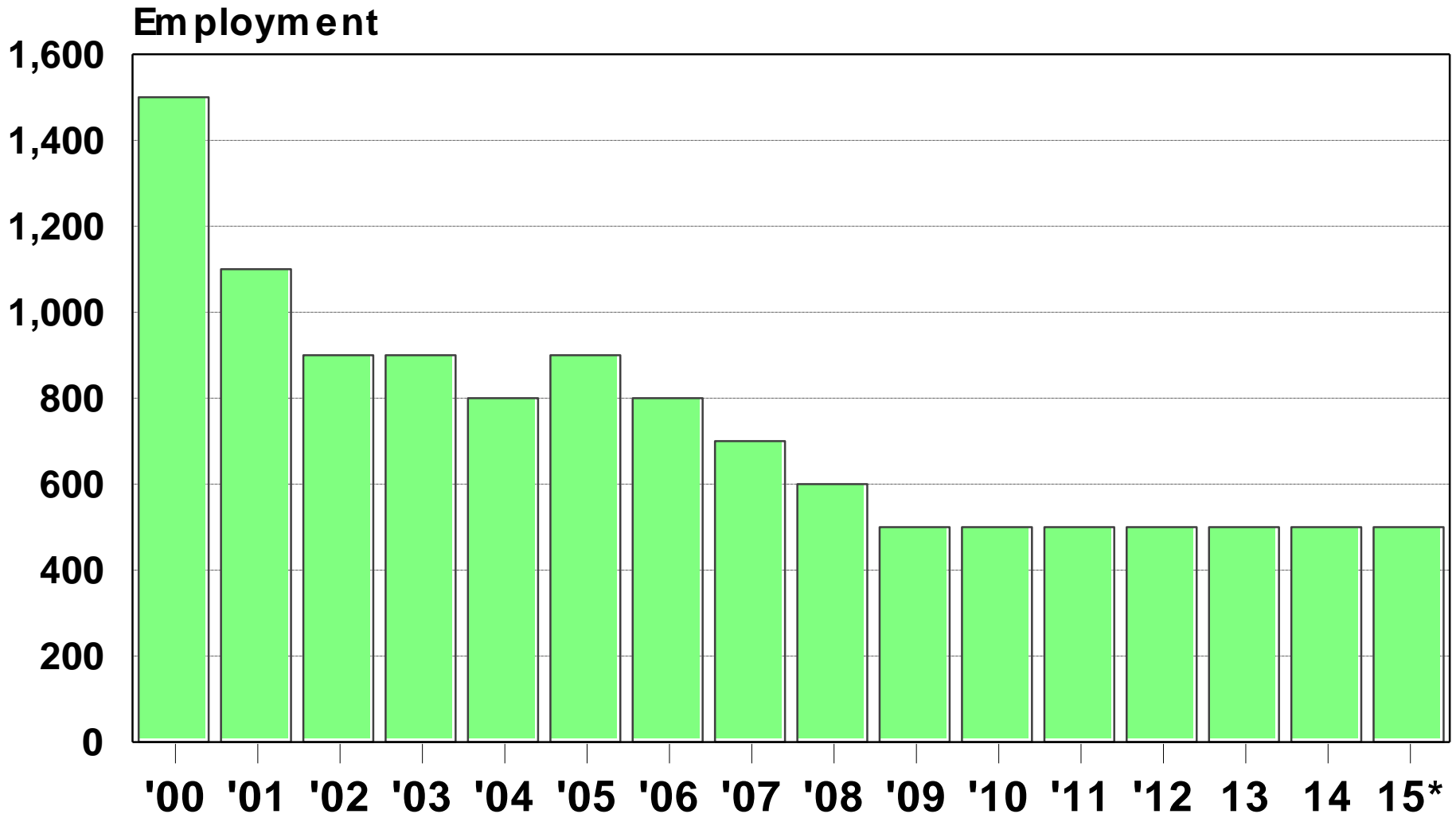
Alaska and U.S



* 1st half 2015

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Quarterly Survey of Mortgage Lending Activity; National Association of Realtors

Alaska's Timber Industry-Still Looking For Growth

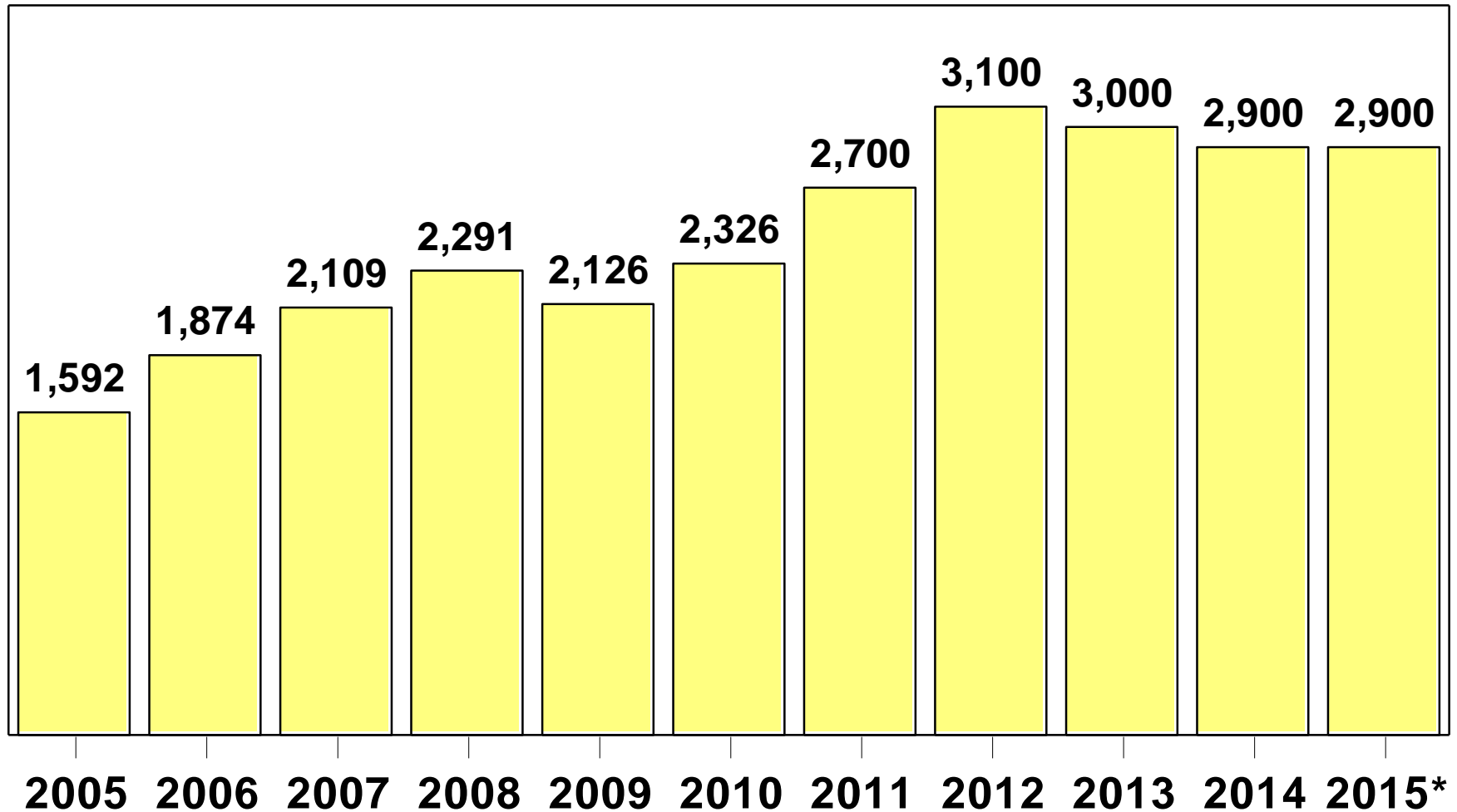


*Was at 4,000 in
1990*

**Estimate, 1st 2 quarters with adjustment of
employer*

Mining Employment Remains Unchanged

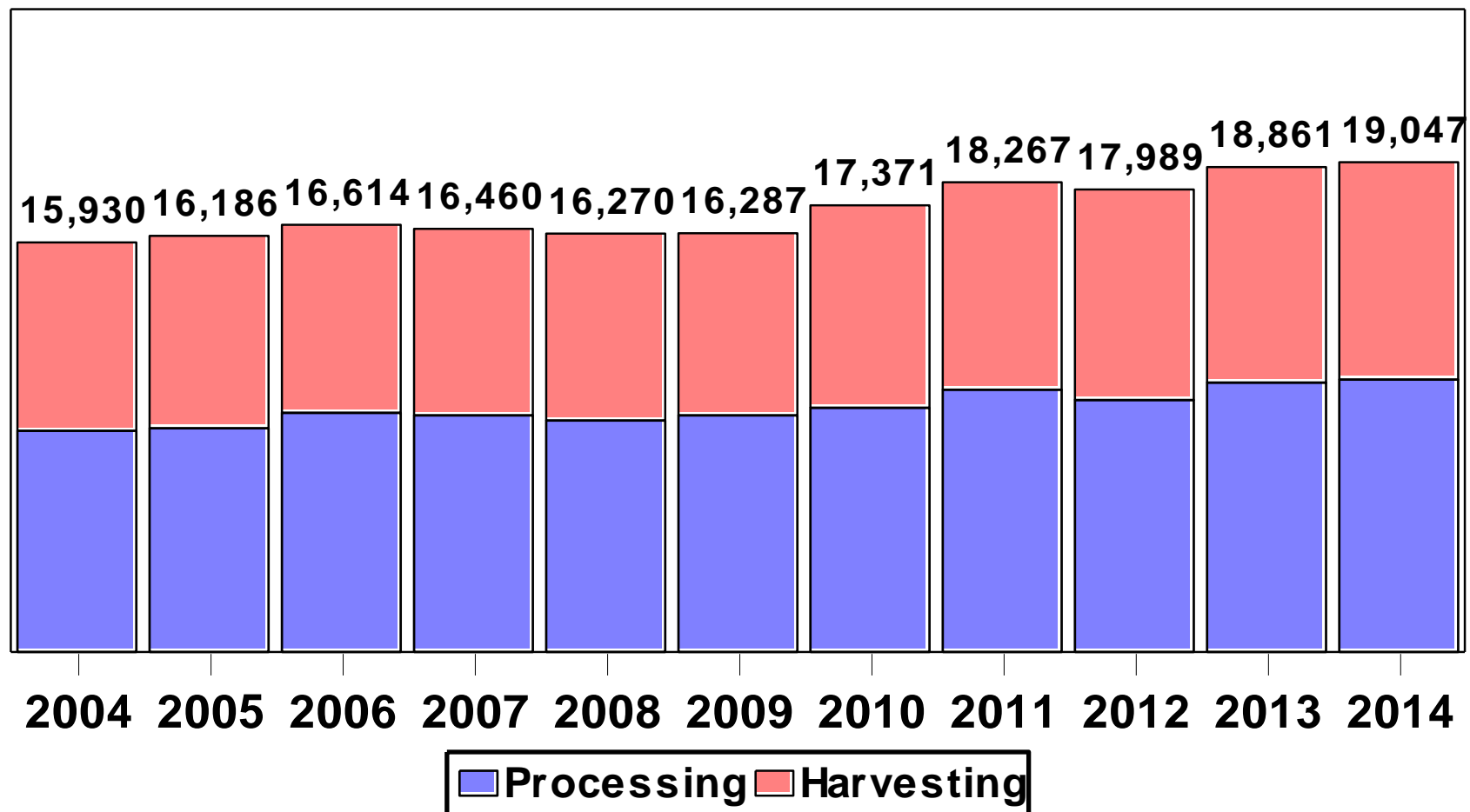
Annual mining employment



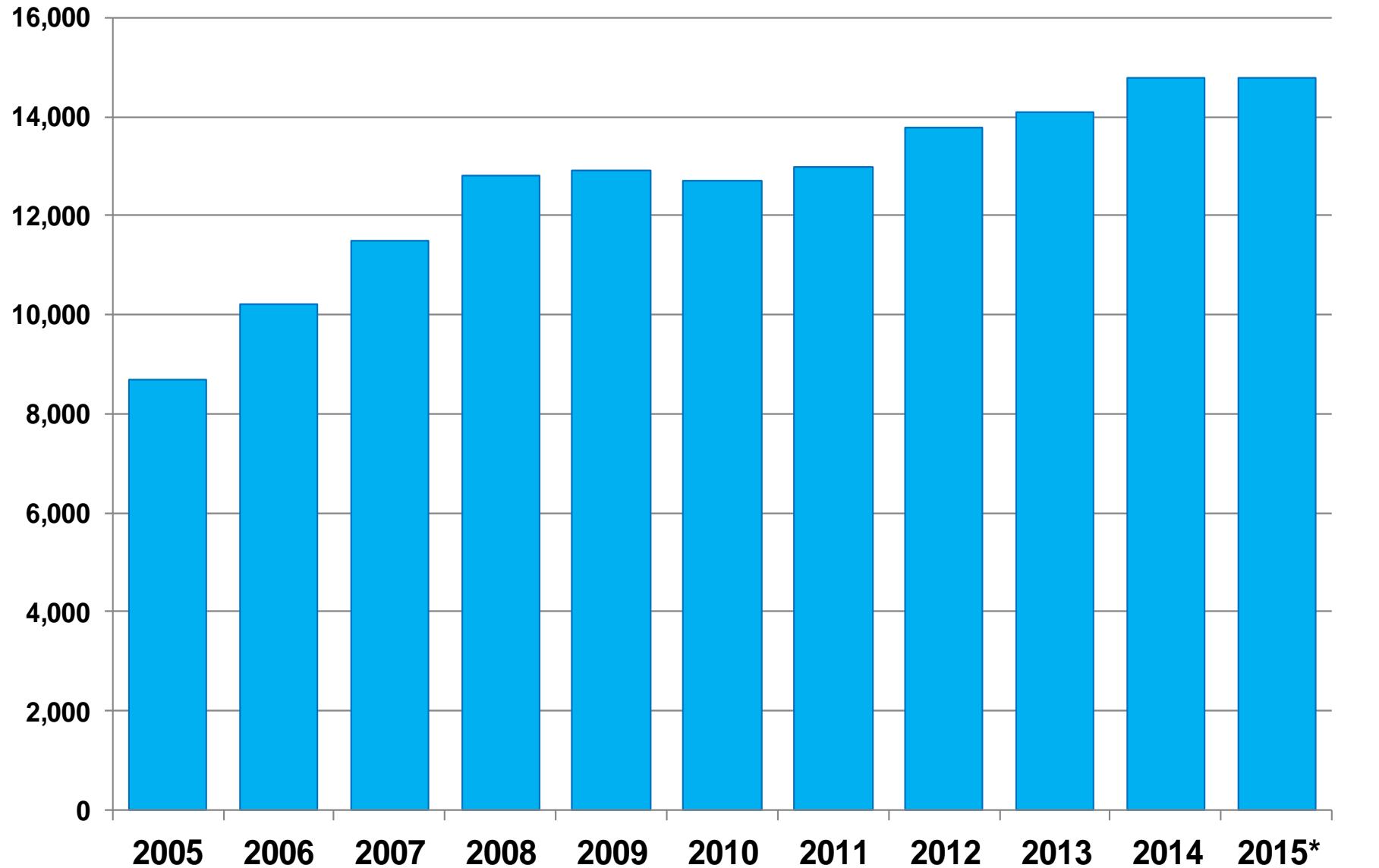
**preliminary*

Nice Growth In Fishing

Fish harvesting and processing employment in the great state of AK

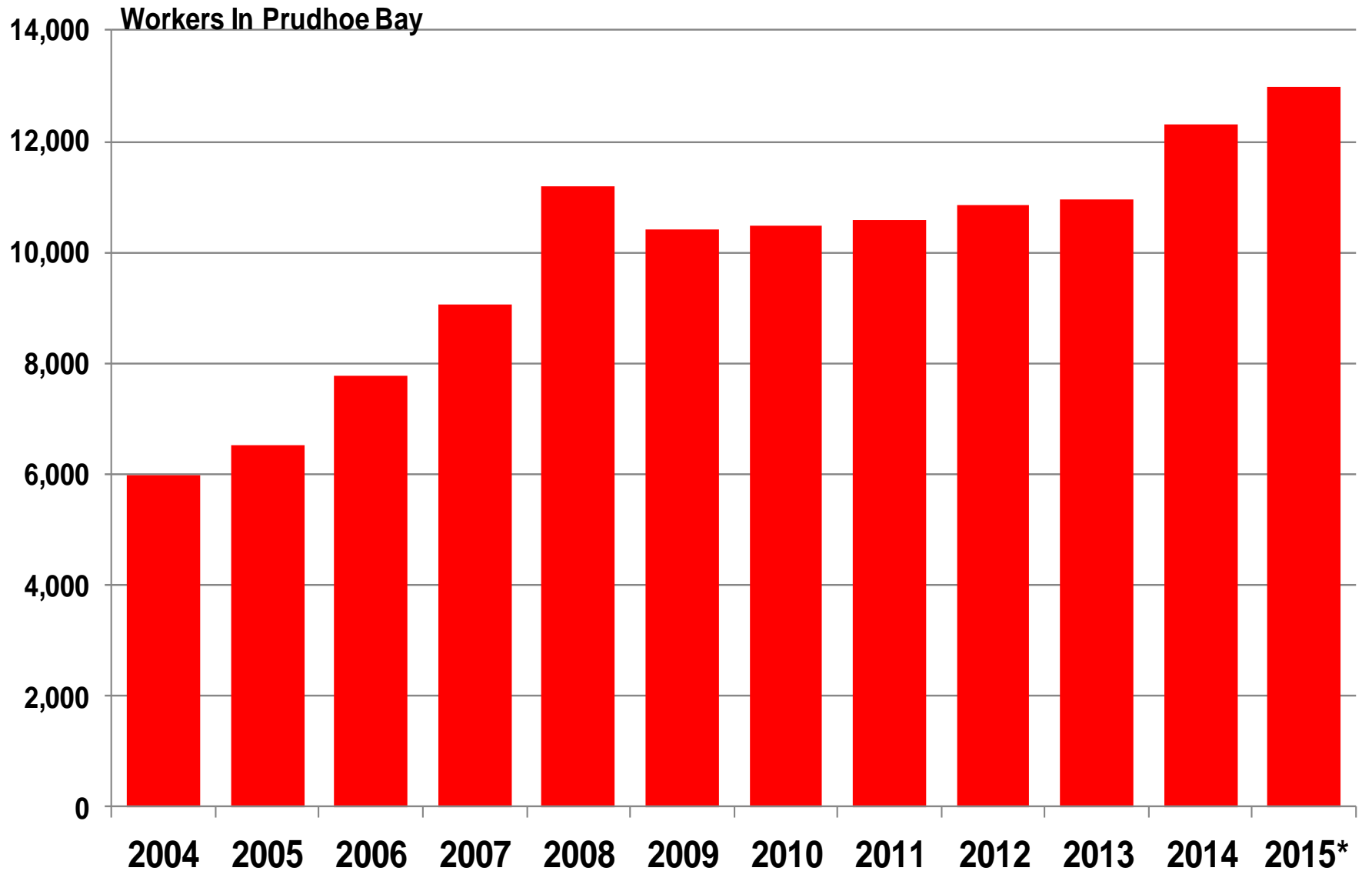


Oil Industry Employment In Alaska Are At Lofty Levels



*Only based on first 2 quarters

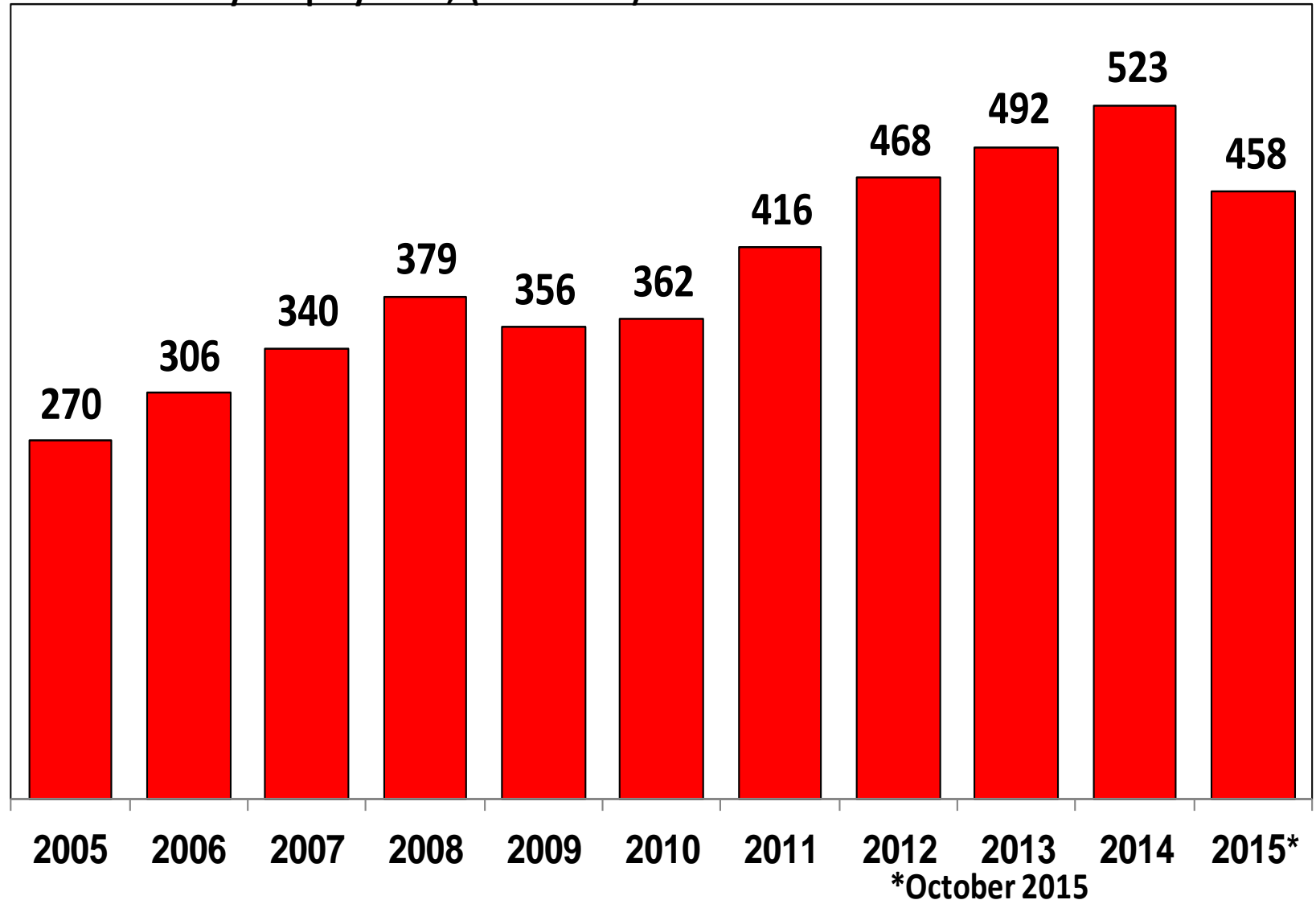
Prudhoe Bay Employment Counts Have Been At All Time Highs



*Only based on first 2 quarters

But, Oil Industry Employment Has Begun Falling Nationally

U.S. oil industry employment, (thousands)



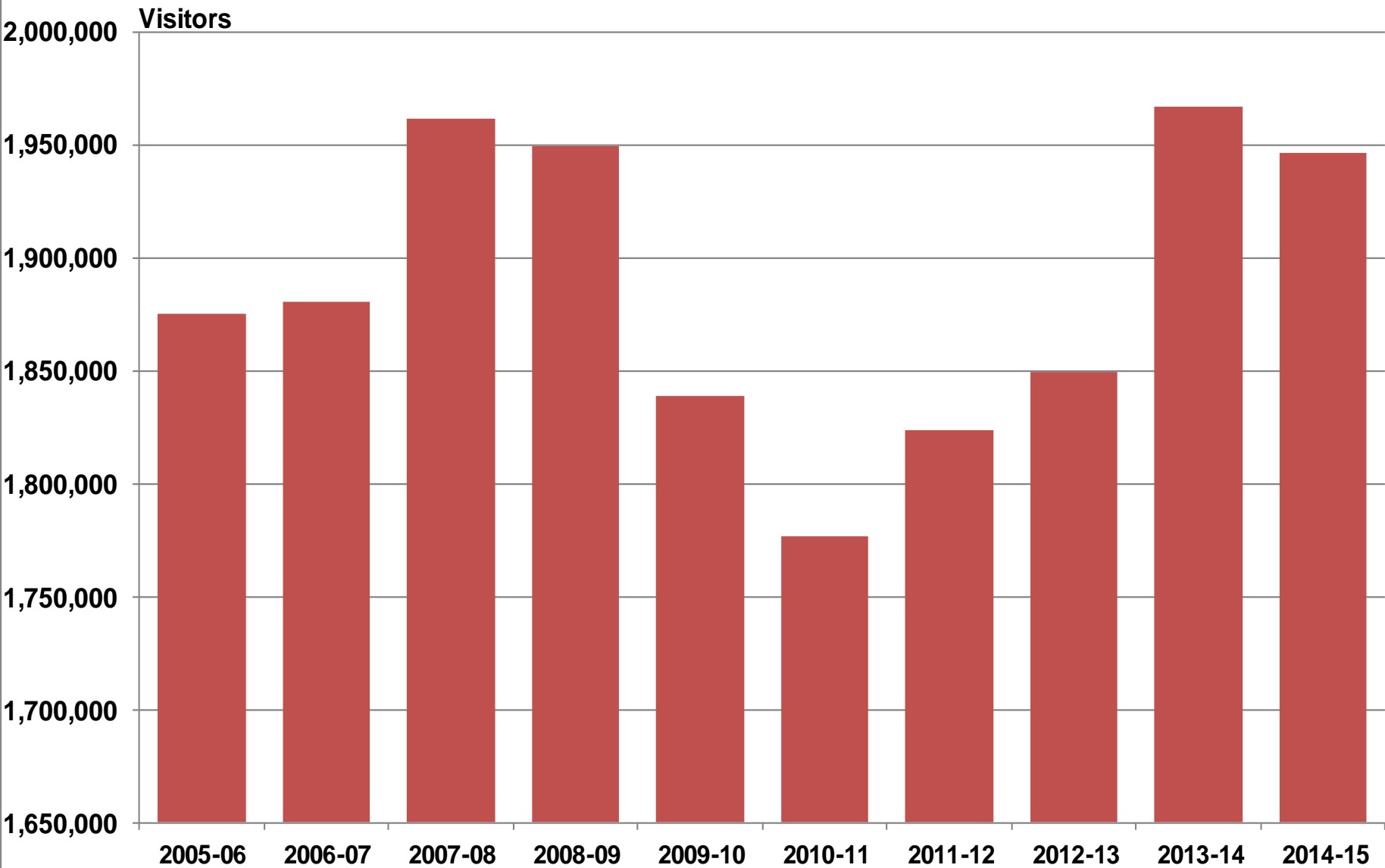
Oil and Gas Employment Has Been Falling In Most States

Oil and Gas Employment: Percent Change, Peak Employment to Octobert 2015



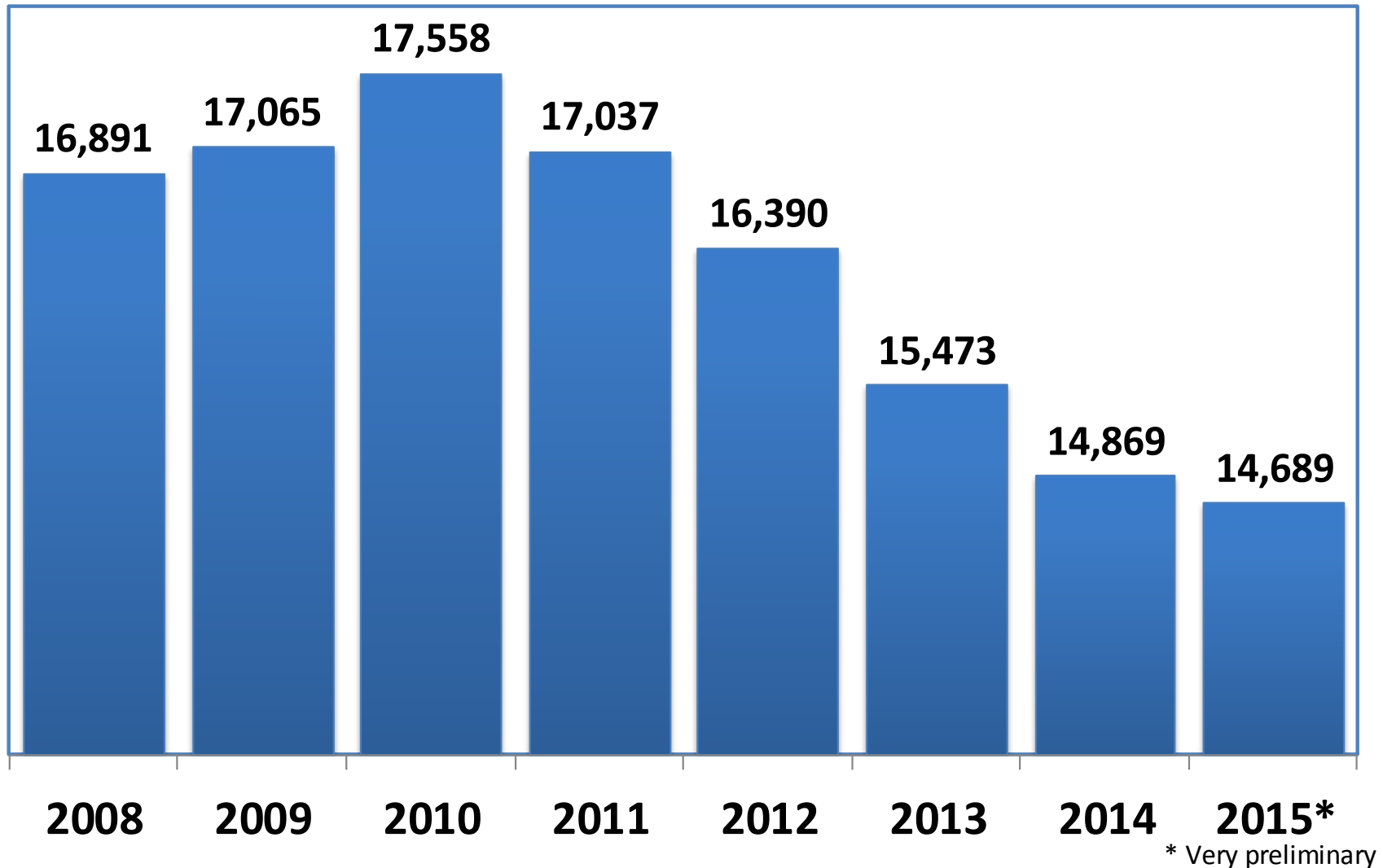
Source: U.S. Department of Labor, Bureau of Labor Statistics, some data adjusted because of lack of detail.

Alaska's Visitor Industry Fully Recovered

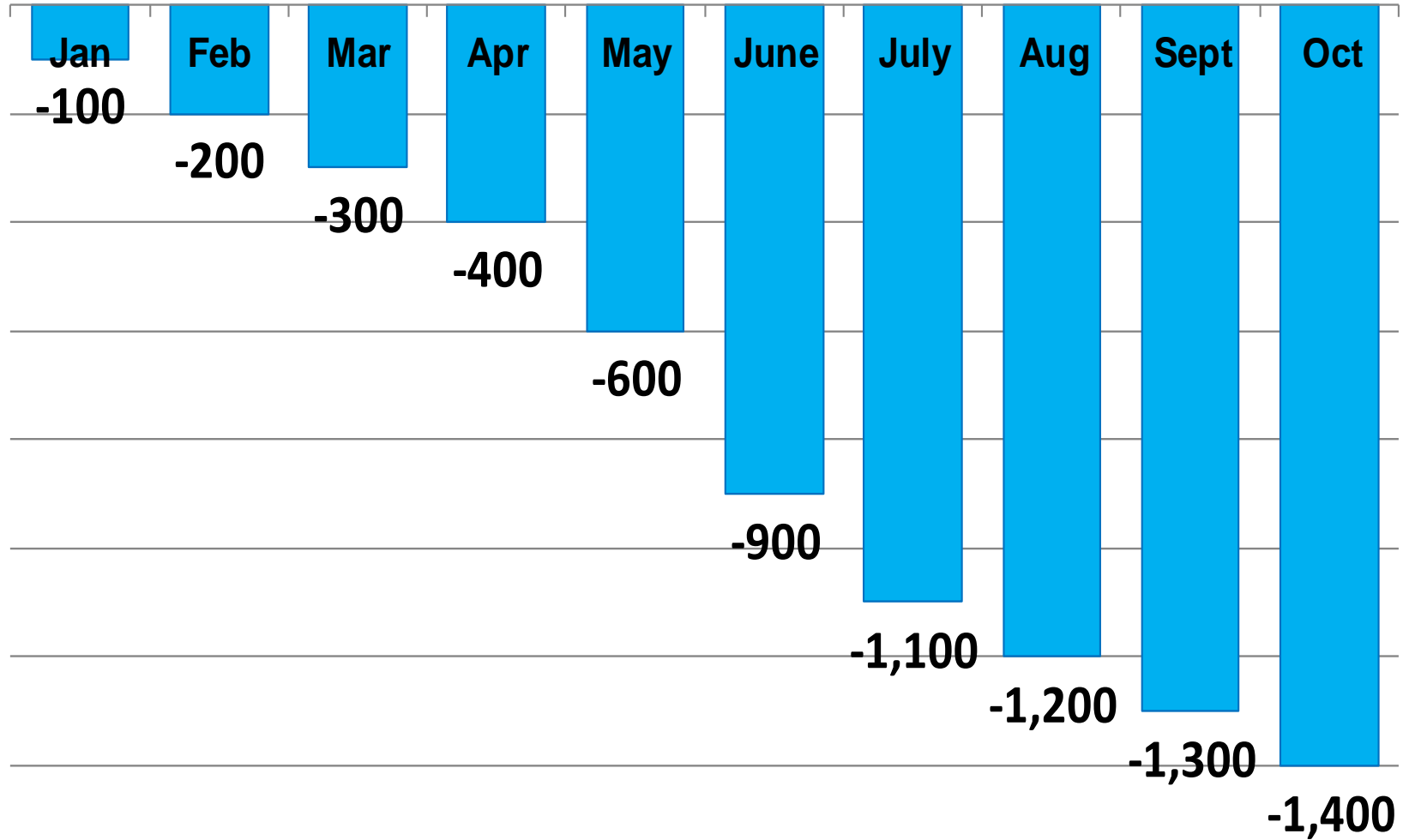


Source: Mcdowell Group

Federal Employment Losses In AK Appears To Be Easing

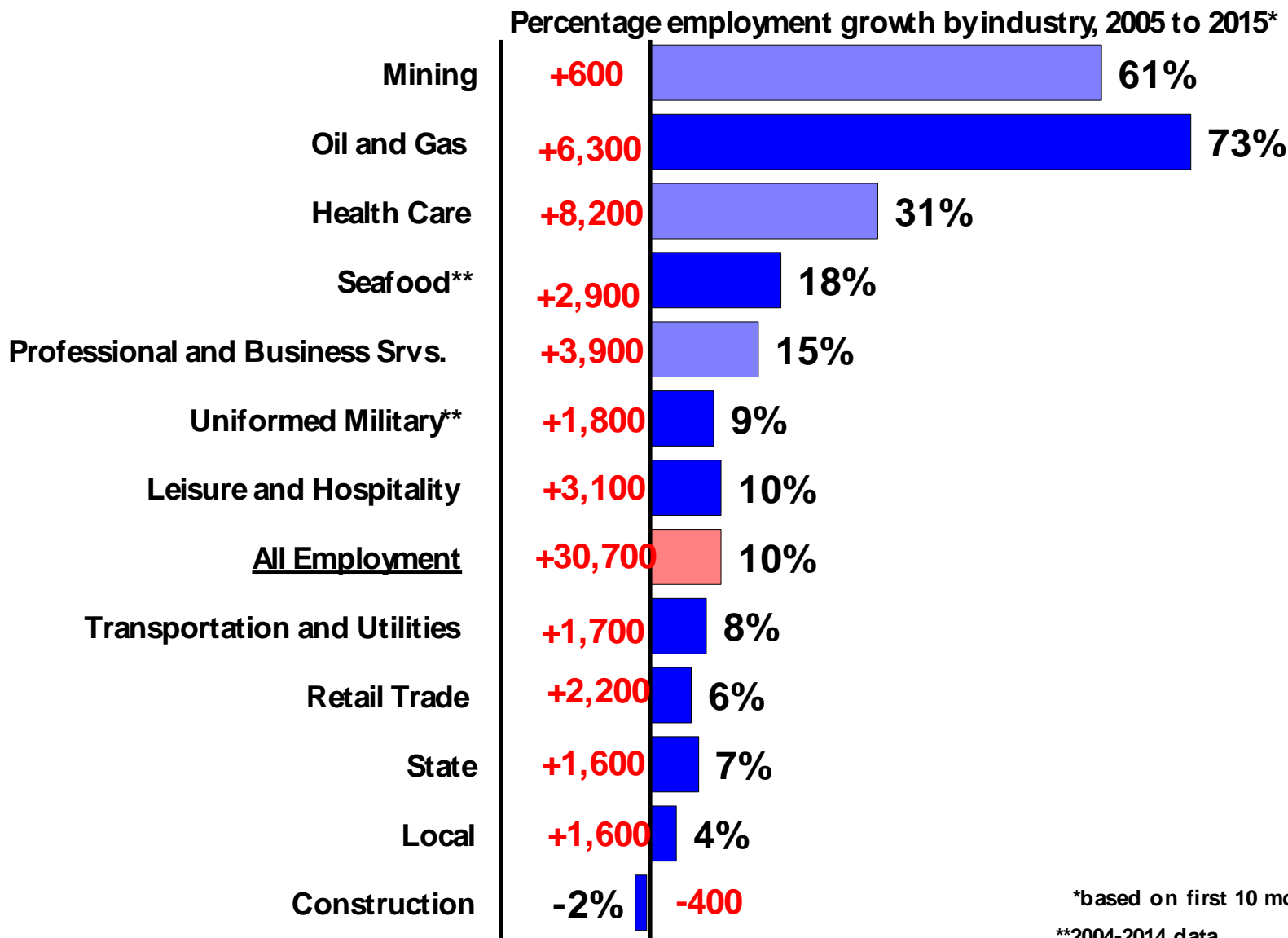


State Government Job Losses Growing-2015



*Total State Government Employment was 25,500 in October

A Decade Of Growth In Alaska

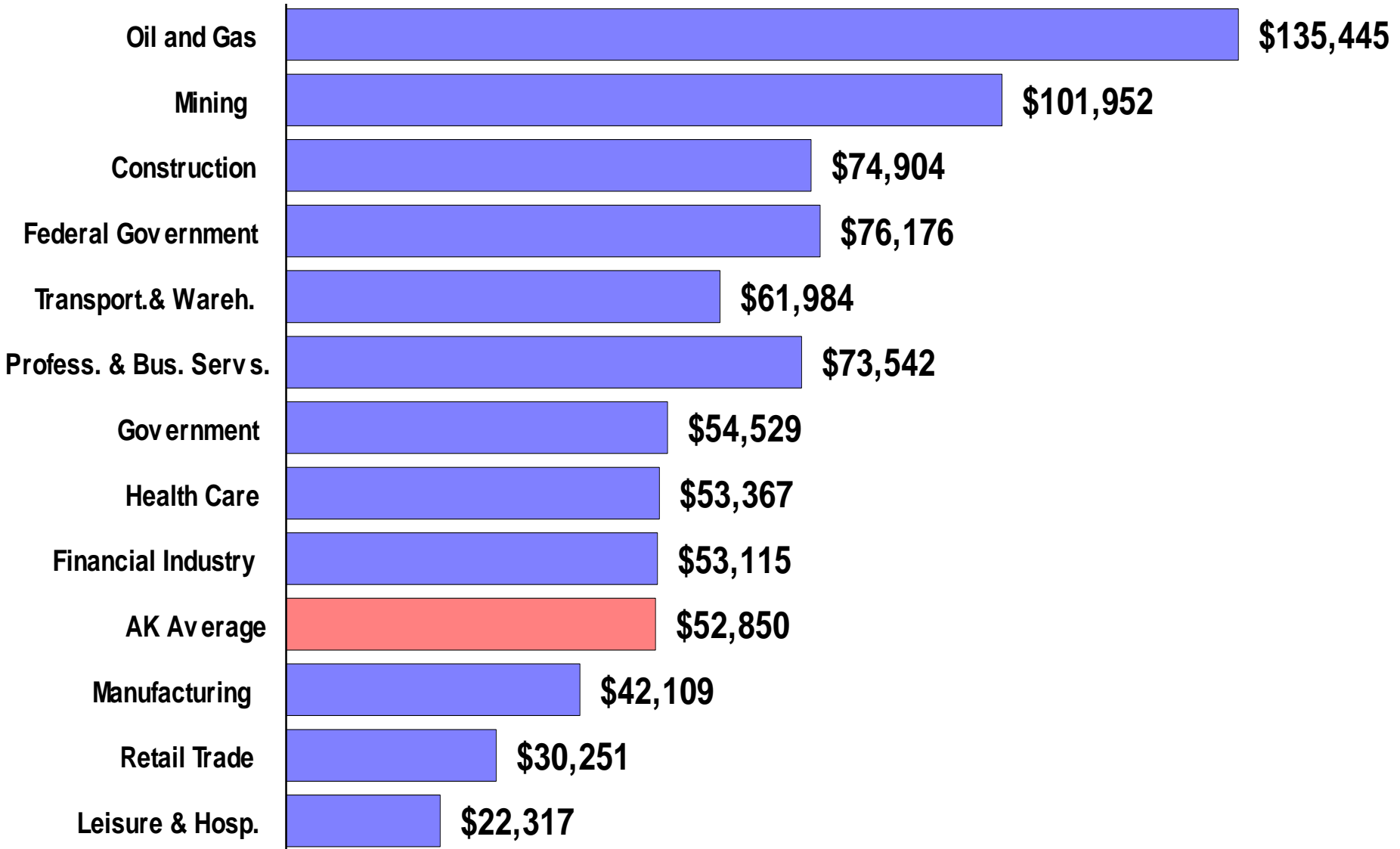


*based on first 10 months

**2004-2014 data

Show Me The Money-It Does Matter Where You Work In AK

Alaska's 2014 average annual earnings

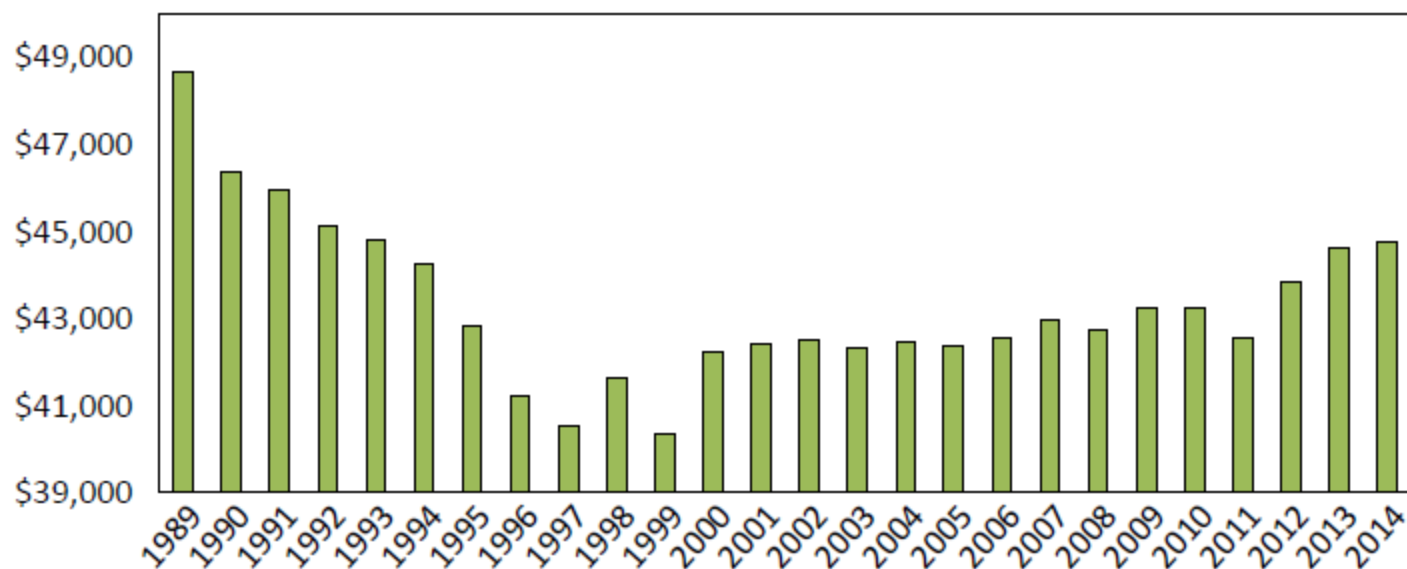


Part of the Exclusive Club

Ranking	State	Median Household Income-2014
1	Maryland	\$73,971
2	New Jersey	\$71,919
3	Alaska	\$71,583
4	Connecticut	\$70,048
5	Hawaii	\$69,592
	U.S.	53,657

Adjusted for Inflation, Median Wage is Down

ALASKA YEAR-ROUND WORKERS, 1989 TO 2014



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

The 1980's and Now

Similarities

- *Oil prices fall*
- *Oil revenues fall*
- *Economy remains very dependent on oil*

Differences-Good

- Not preceded by economic and population boom
- Different Demographics
- Problem is not a surprise
- Have savings this time
- Have more control this time
- More economic diversity, a larger service sector, Native Corps.
- Much lower interest rates
- Tax Reform Act of 1986?

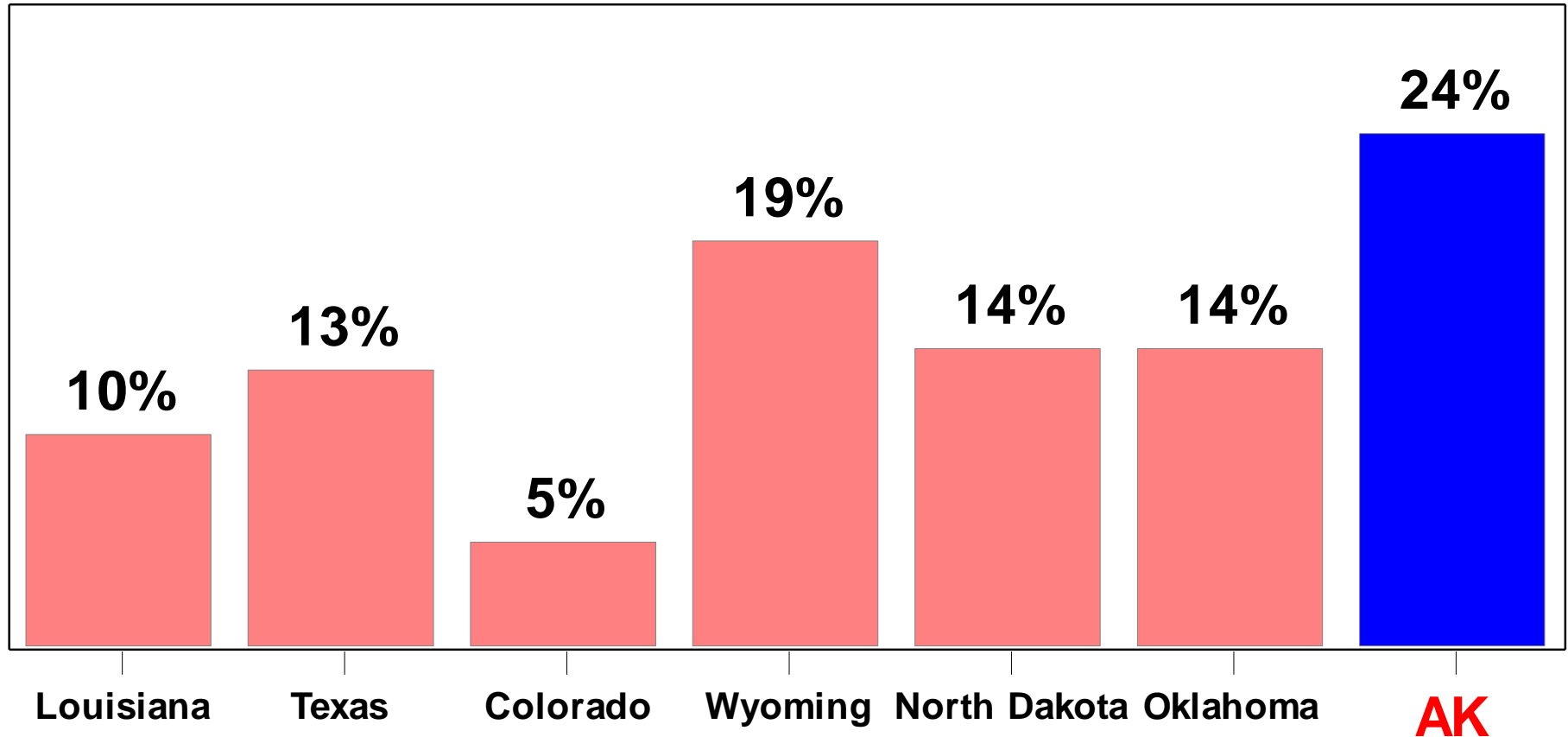
Differences-Bad

- Much less oil production

Still not sure if better, worse or just different? Too early to tell.

Our Wealth Tied To Oil Greater Than Probably Anywhere Else

Oil And Gas As A Percent of GDP



Source: U.S.Department of Commerce, BEA. 2013

The 1980's and Now

Similarities

- *Oil prices fall*
- *Oil revenues fall*
- *Economy remains very dependent on oil*

Differences-Good

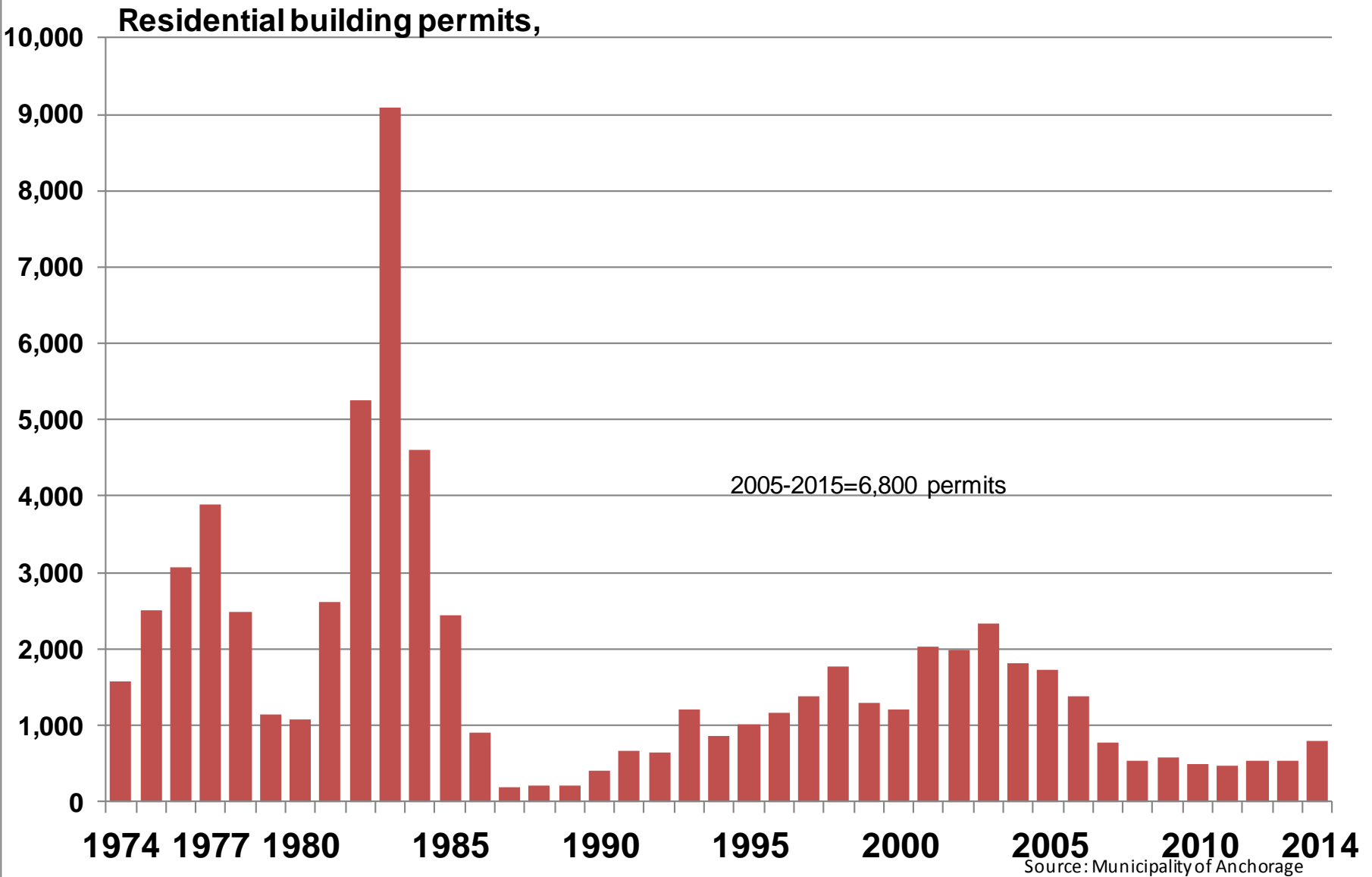
- *Not preceded by economic and population boom*
- Different Demographics
- Problem is not a surprise
- Have savings this time
- Have more control this time
- More economic diversity, a larger service sector, Native Corps.
- Much lower interest rates
- Tax Reform Act of 1986?

Differences-Bad

- Much less oil production

Still not sure if better, worse or just different? Too early to tell.

Housing Bubble?



The 1980's and Now

Similarities

- *Oil prices fall*
- *Oil revenues fall*
- *Economy remains very dependent on oil*

Differences-Good

- *Not preceded by economic and population boom*
- *Different Demographics*
- Problem is not a surprise
- Have savings this time
- Have more control this time
- More economic diversity, a larger service sector, Native Corps.
- Much lower interest rates
- Tax Reform Act of 1986?

Differences-Bad

- Much less oil production

Still not sure if better, worse or just different? Too early to tell.

Estimated Alaska Population by Age and Sex

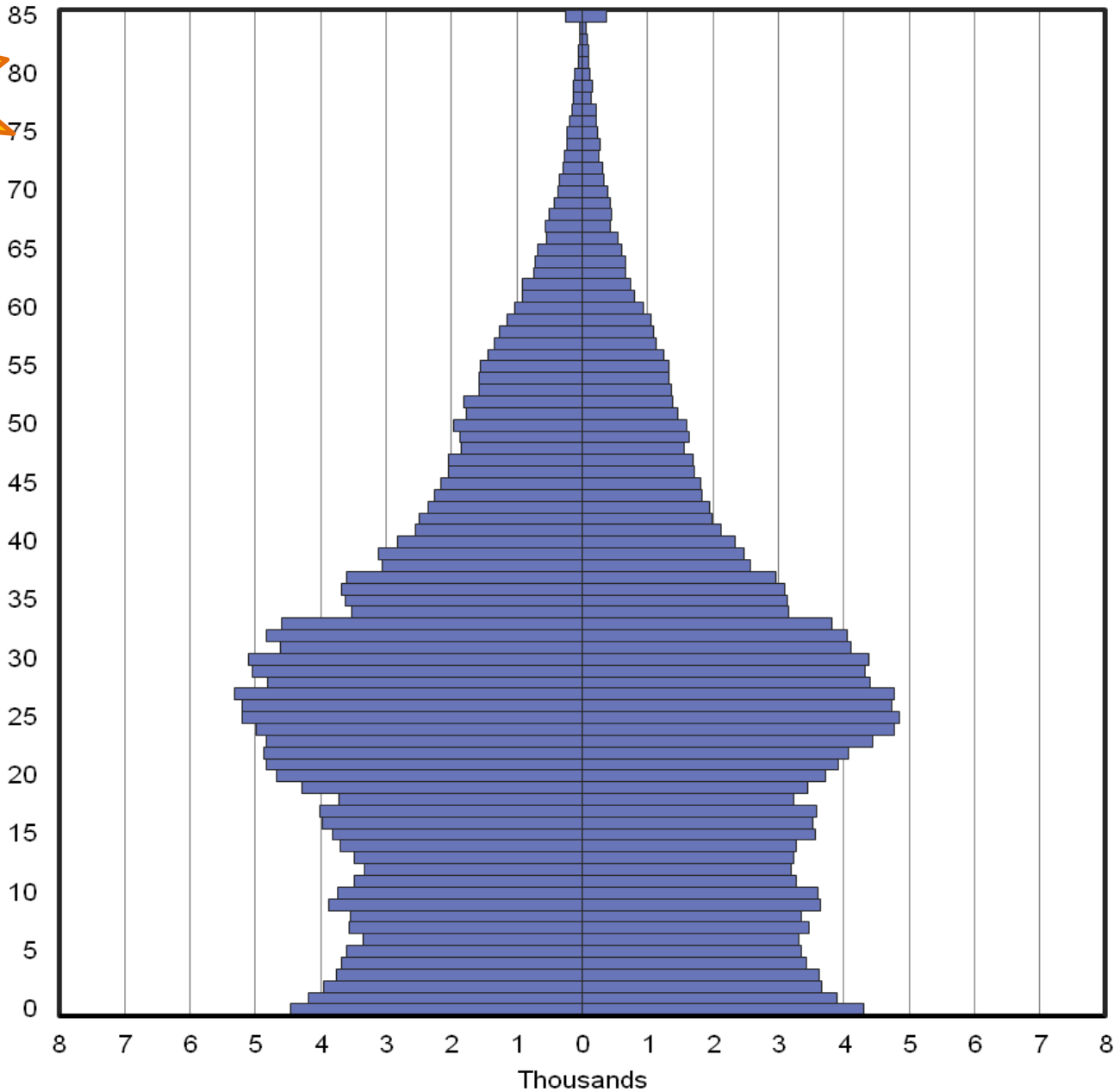
1980

Age

1980

AGE

**Median
age=26,
3%>65**

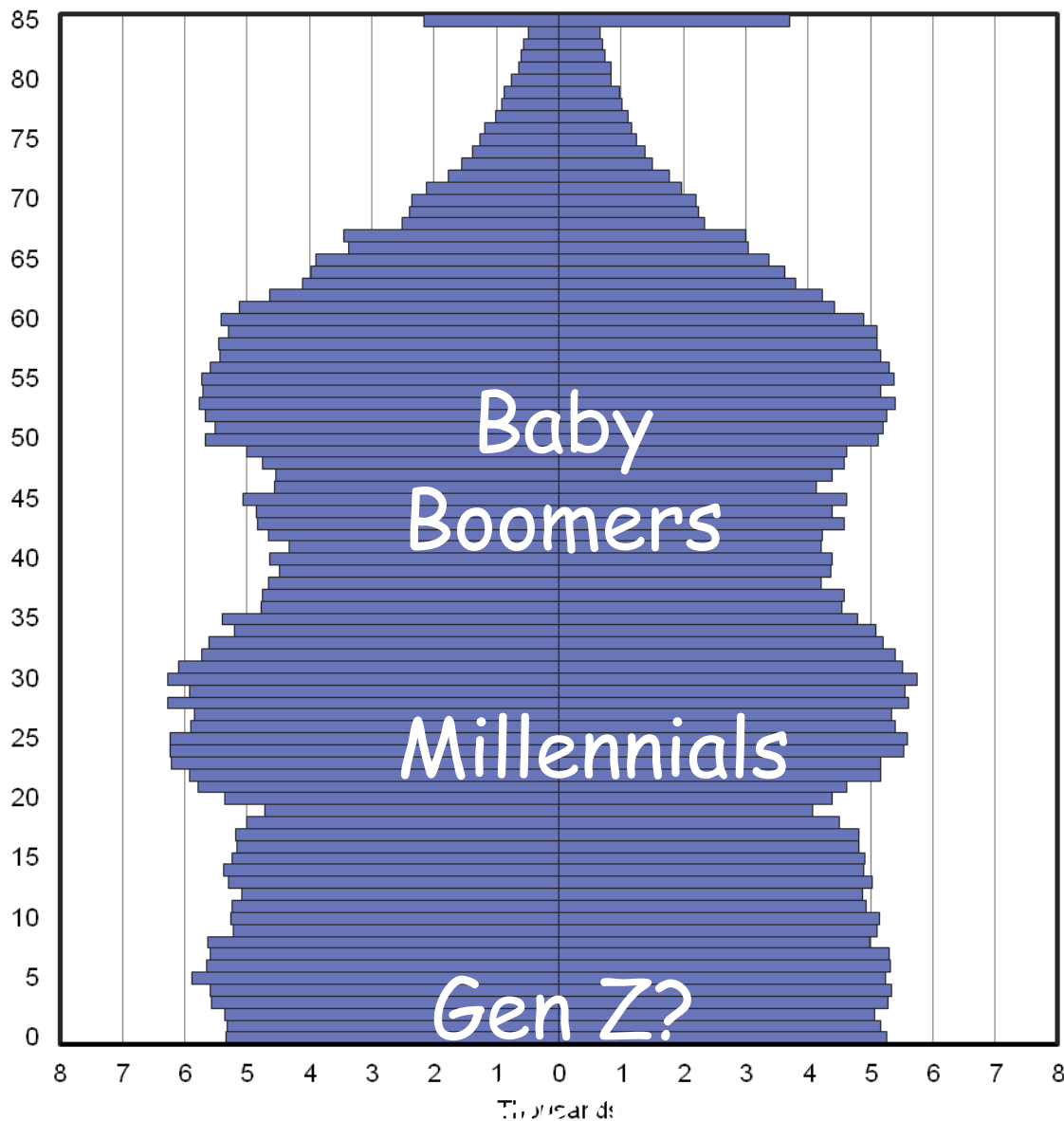


2014

AGE

Estimated Alaska Population by Age and Sex 2014

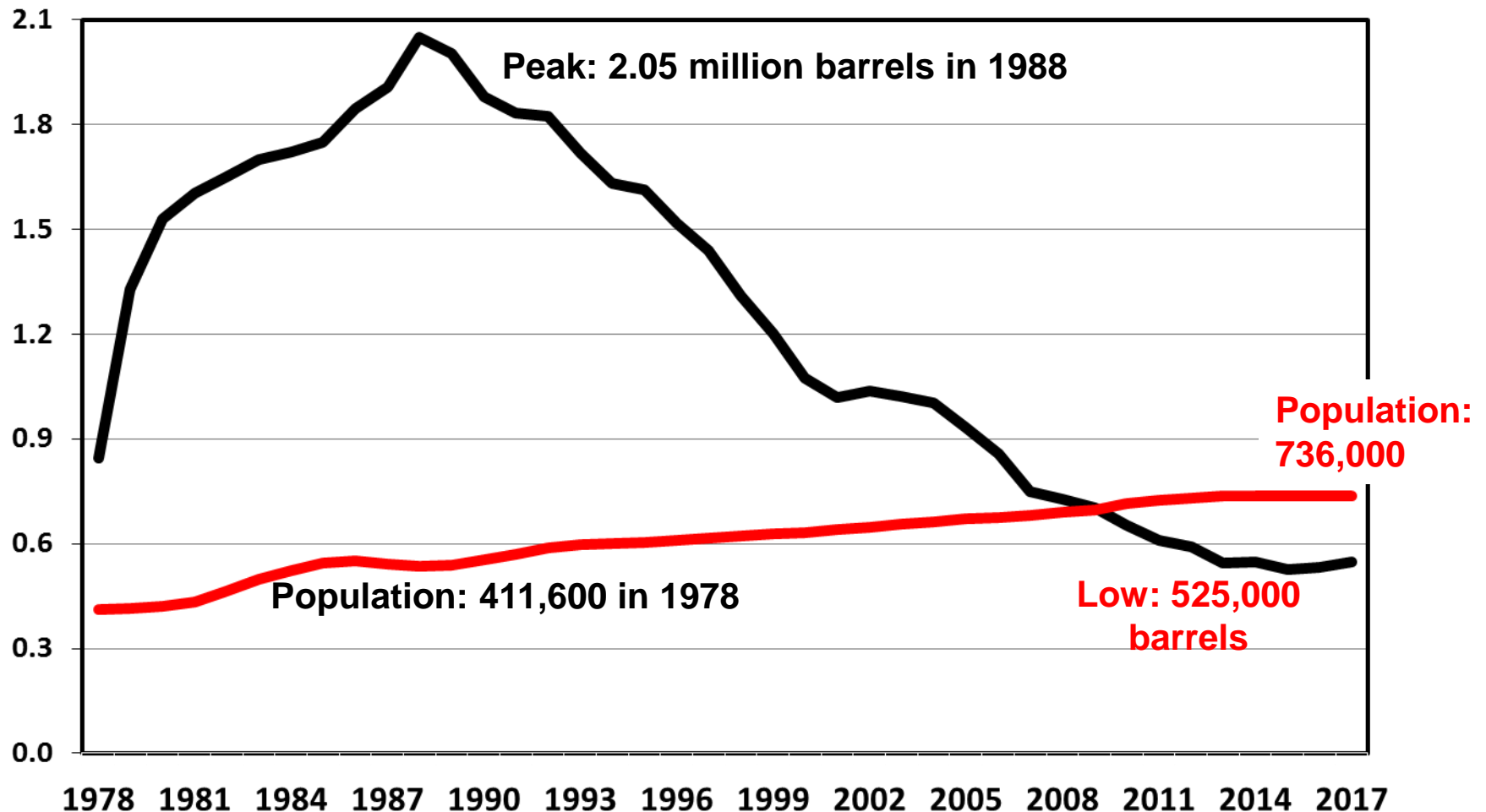
Median
age=34,
10%>65



Men

Women

Alaska's Oil Production And Population 1978 - 2017

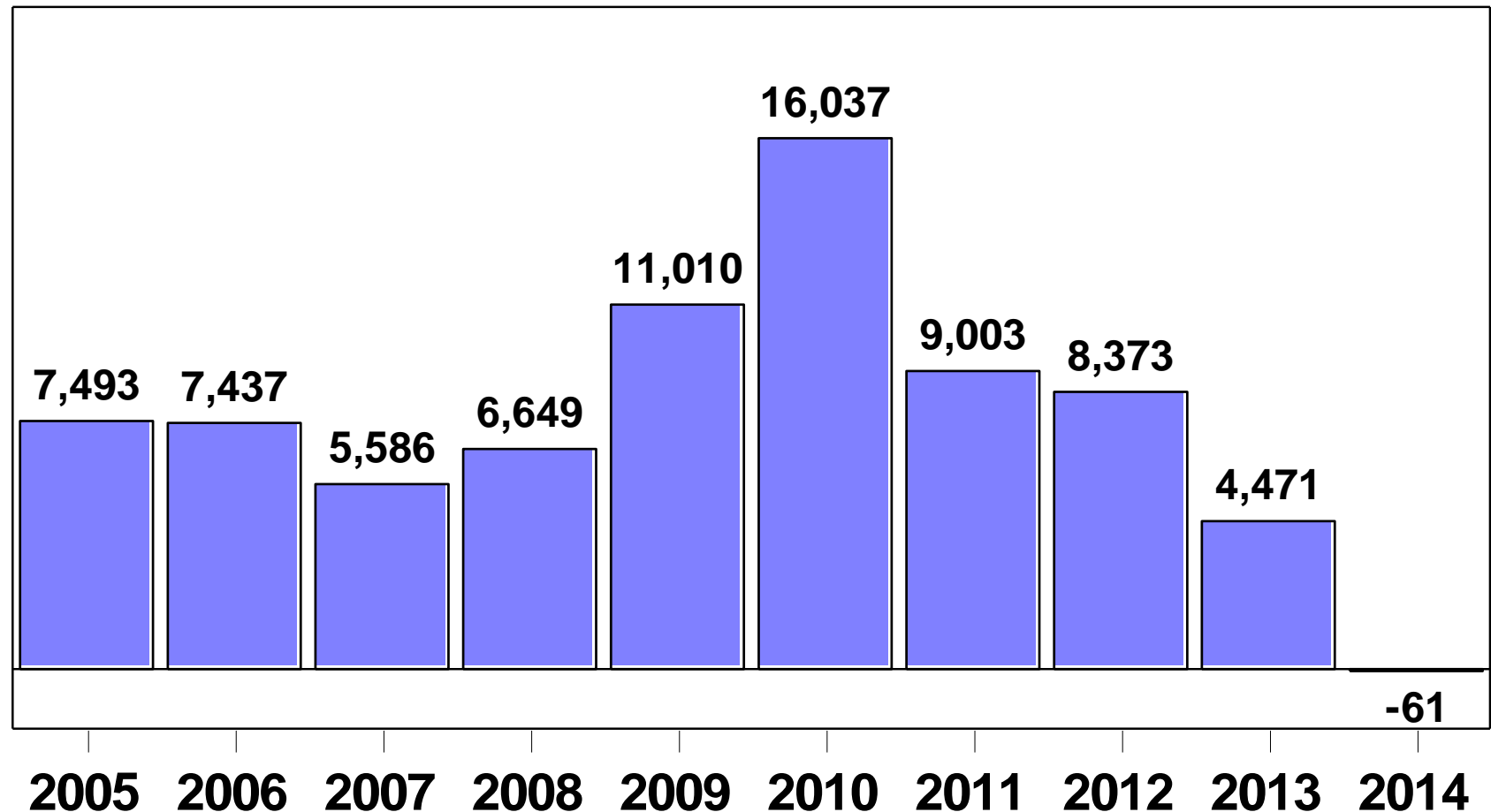


Brought to you by Mark Edwards from Northrim Bank

Alaska's Population Gains Grew With National Recession--But Now Slowing

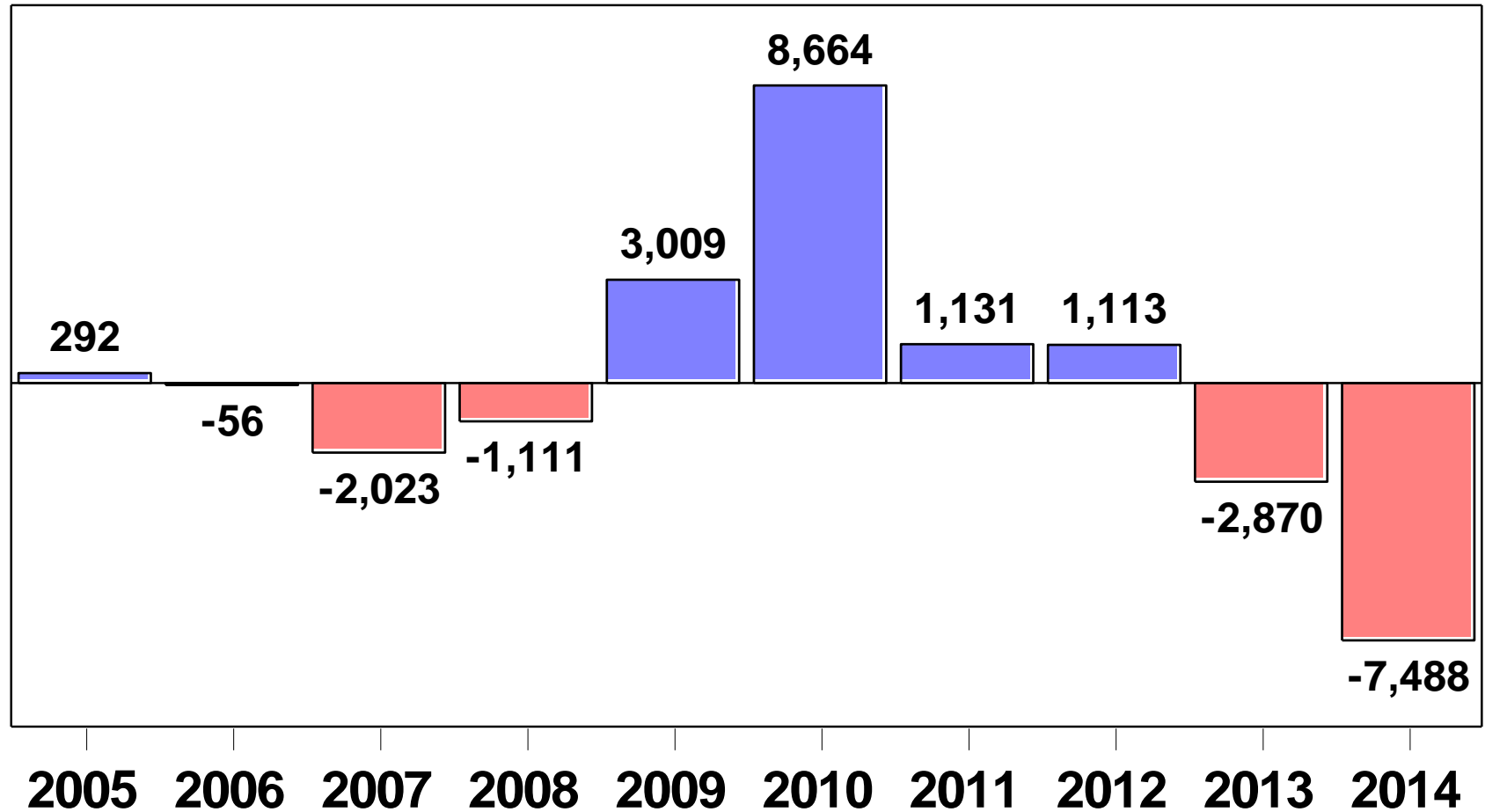
Alaska's total 2014 population count was 735,601

Total annual population gains and losses for Alaska



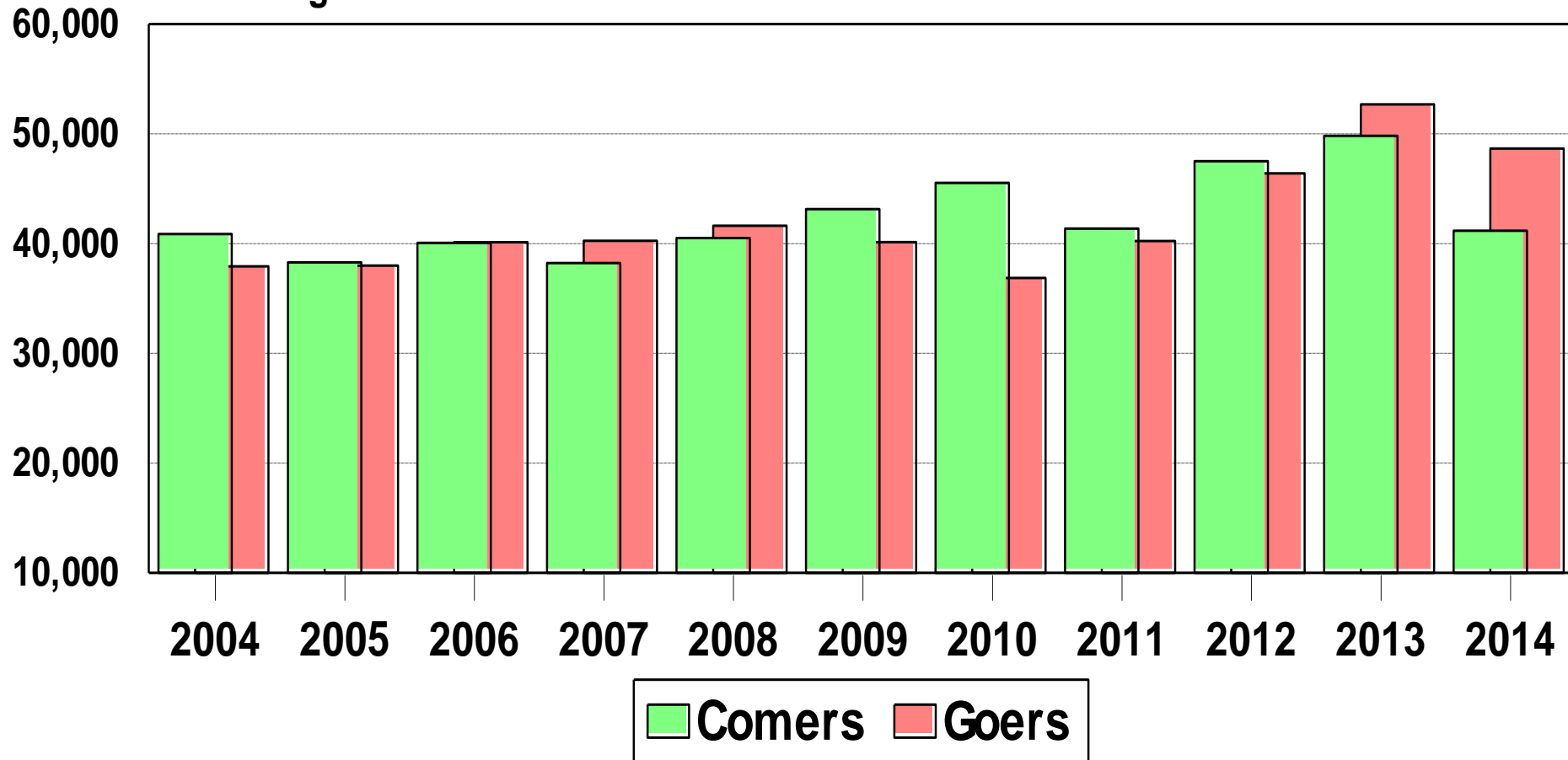
Alaska's Migration Tells A Different Story

Annual net migration, Alaska



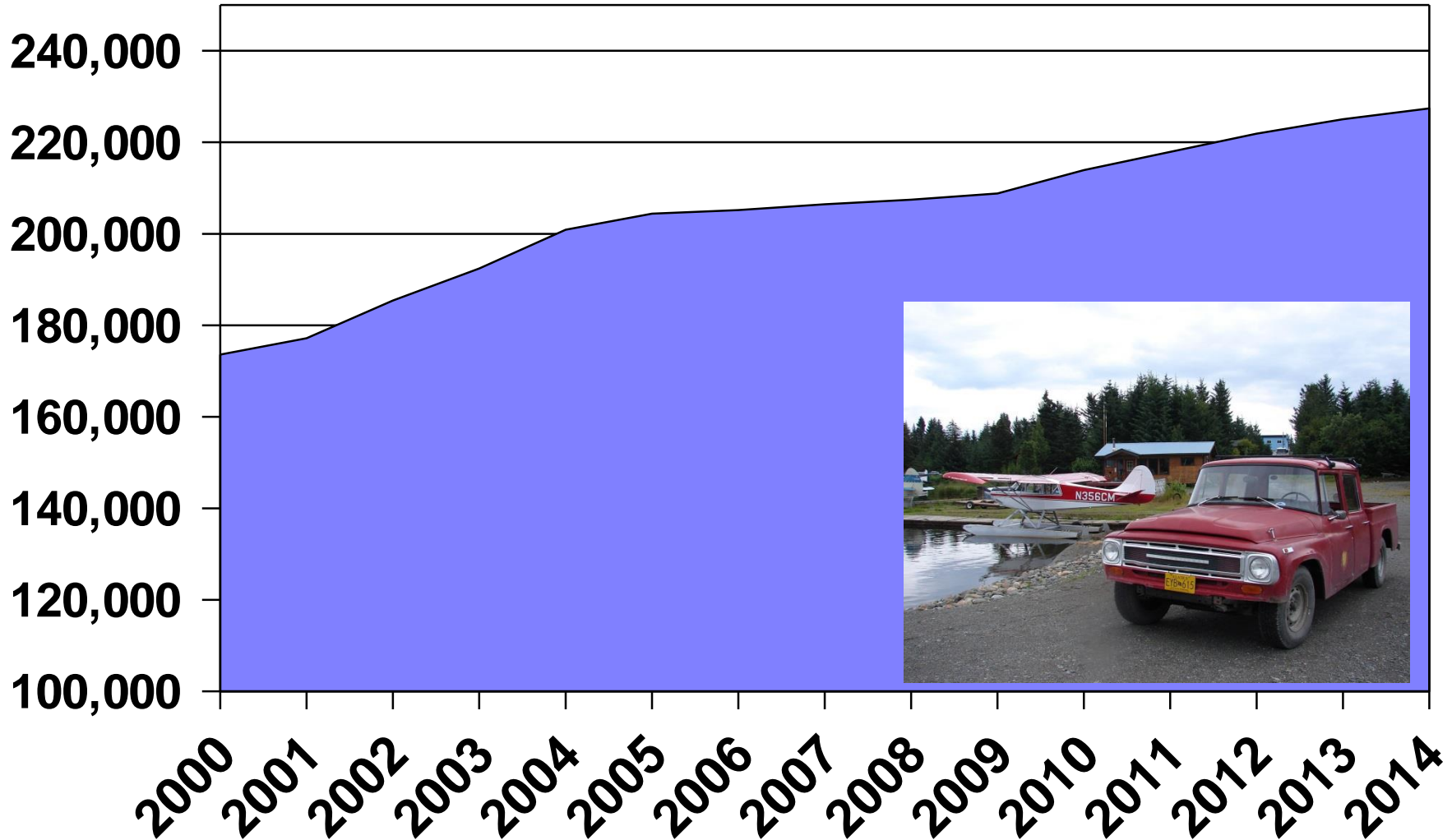
Alaska Churn--The Number Of Folks Moving In And Moving Out Of AK Each Year

Alaska migration



We Remain Solidly AKers When It Comes To Our Pickups

Number of registered pickups in Alaska



49,530 snow machines, peaked at 55,249 in 2008