

Current Trends in Alaska's Economy

Five perspectives: employment, population, personal income, and GDP

Senate Labor & Commerce Committee

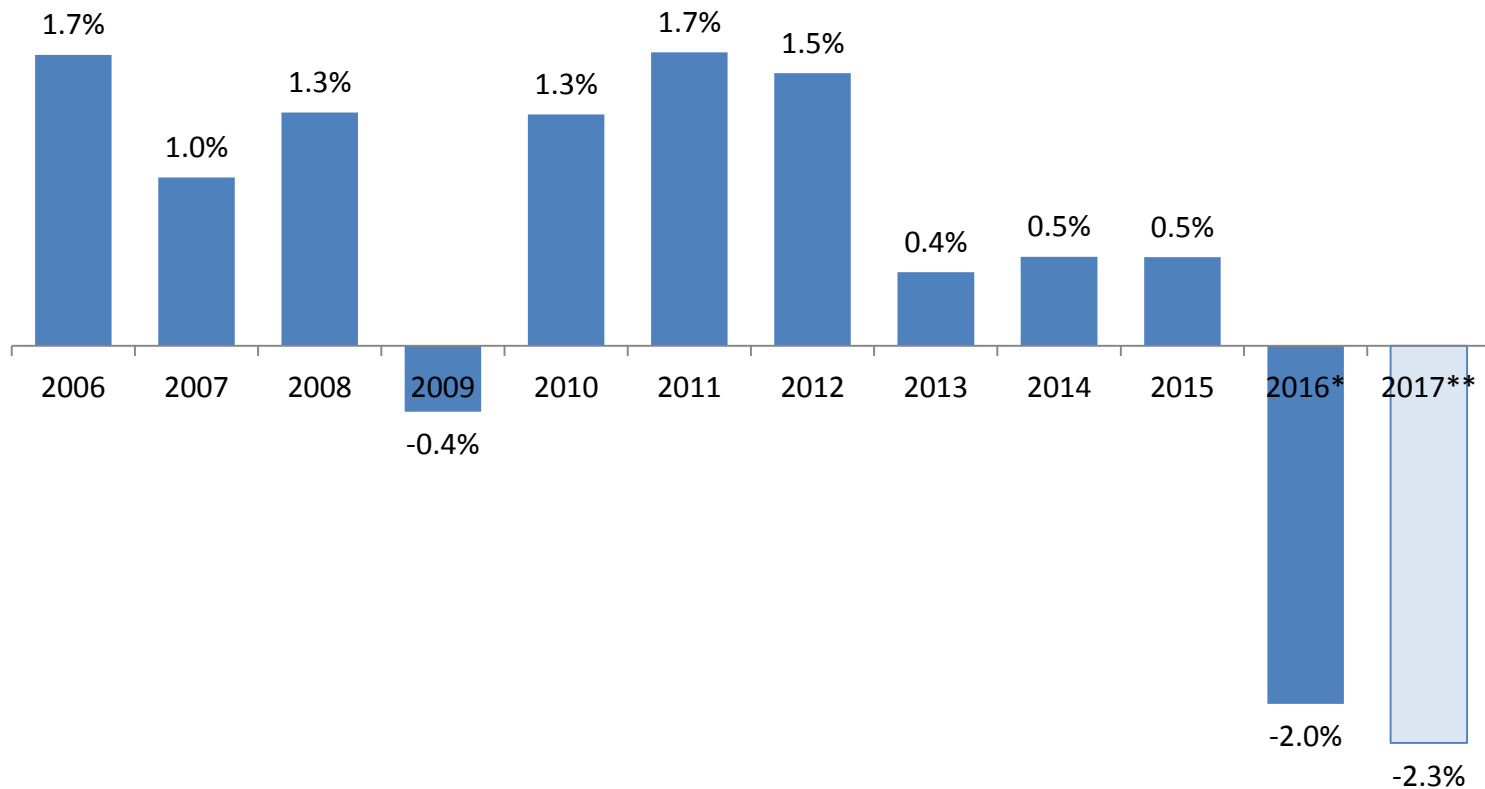
January 18, 2017



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Research and Analysis Section

What's happening with jobs?

Alaska Employment Growth, 2006 to 2017



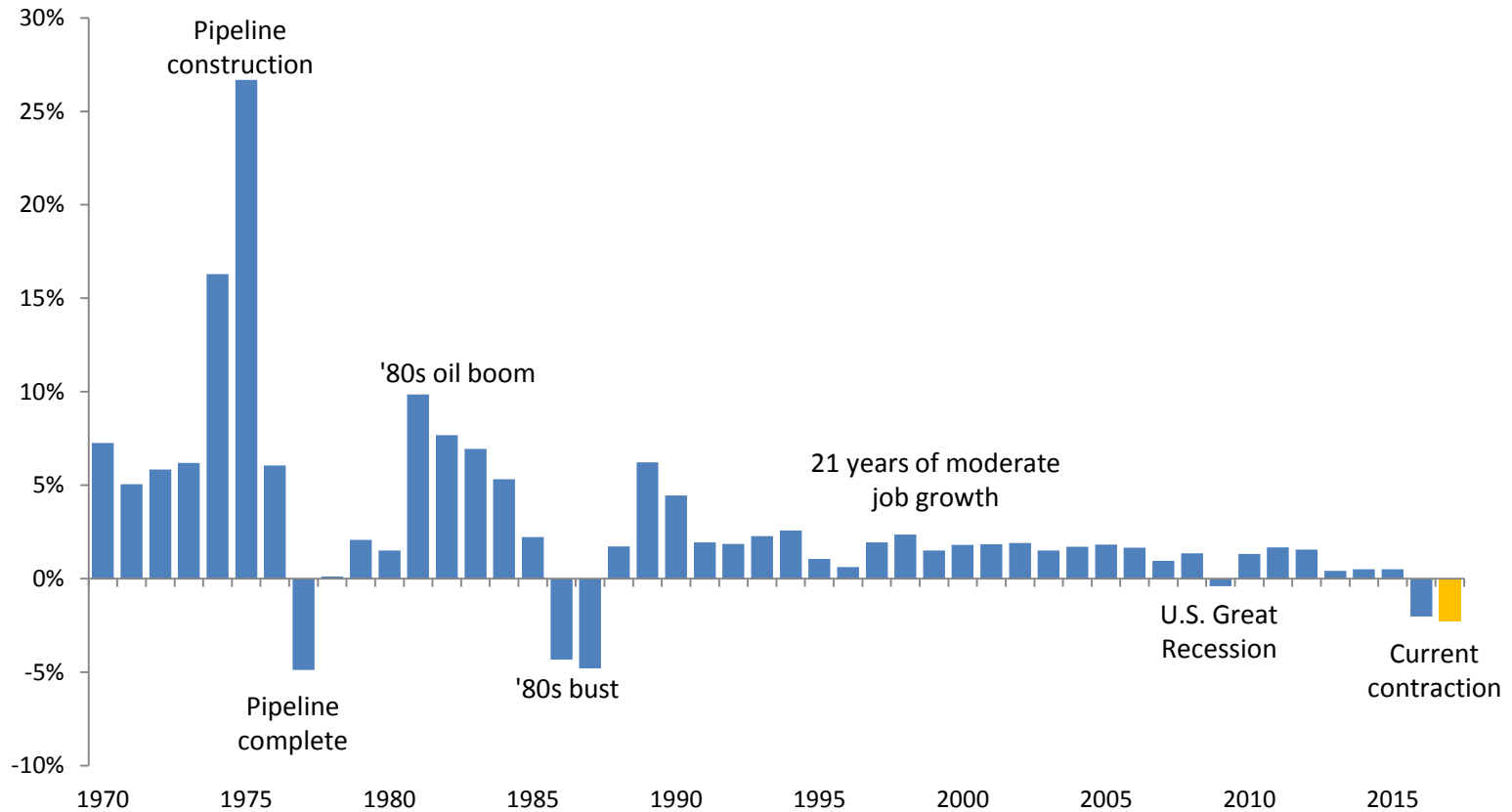
Industry details:

Most industries saw job loss in 2016 (332,600 average monthly job count, **down 6,800, or 2.0 percent**, from 2015)

- Oil and gas **down 2,800 jobs (-20 percent)**
- Professional and business services **down 1,600 jobs (-5.3 percent)**
- Construction **down 1,500 jobs (-8.5 percent)**
- State government **down 1,300 jobs (-5.0 percent)**
- Health care **up 900 jobs (2.6 percent)**
- Federal government **up 300 jobs (2.0 percent)**

Longer historical perspective ...

Statewide employment change since 1970



Our 2017 employment forecast

Another year of job loss, but some important differences between 2016 and 2017:

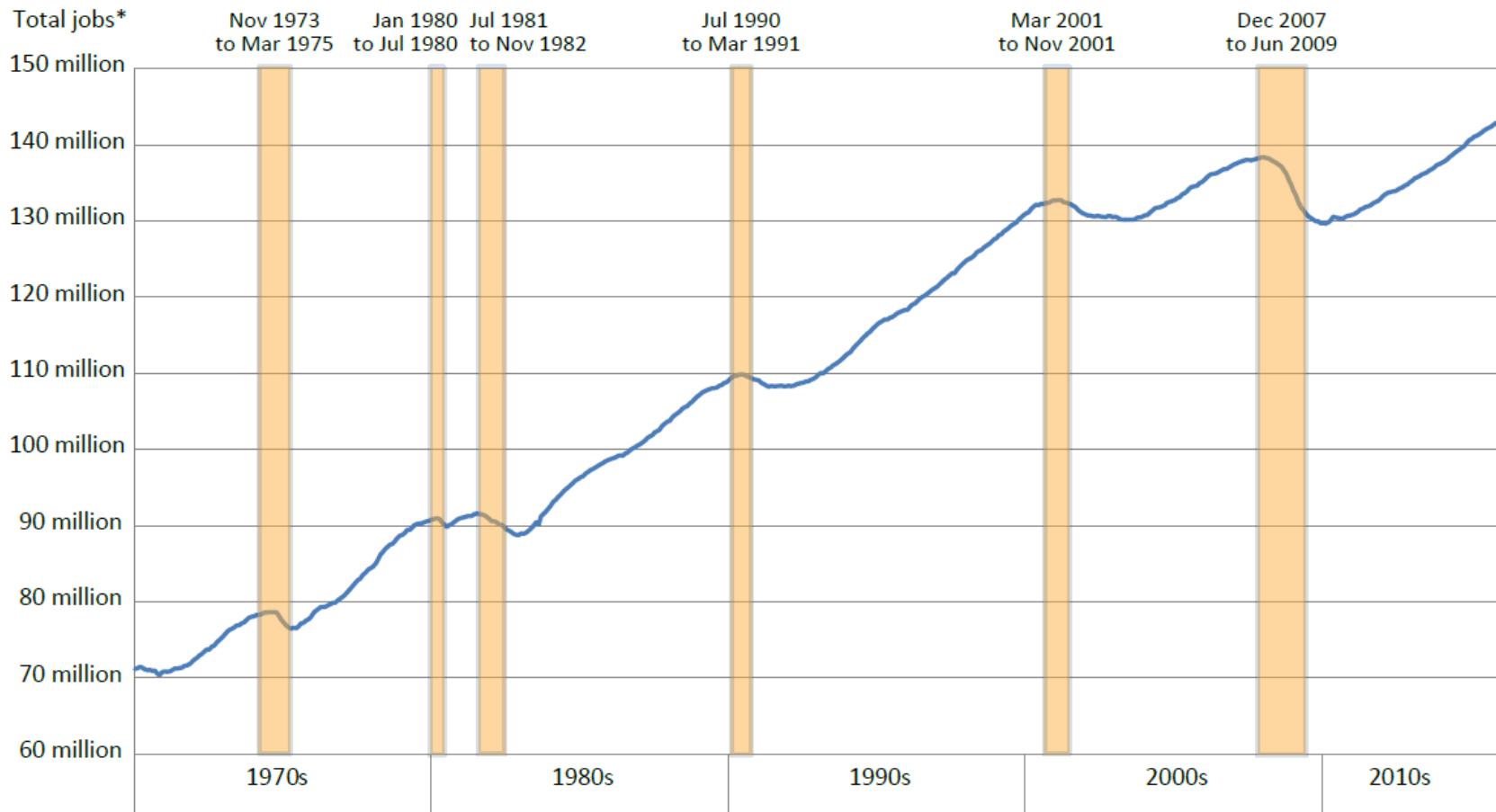
- More job loss in oil and gas, but about half as much as 2016
- Also reduced losses in construction and professional and business services
- Bigger losses in retail trade, restaurants, banks (downstream effects of oil and state government declines)
- Similar losses in state government and small losses in local government
- Health care only sector forecasted to grow, and not by much

A word about recessions ...

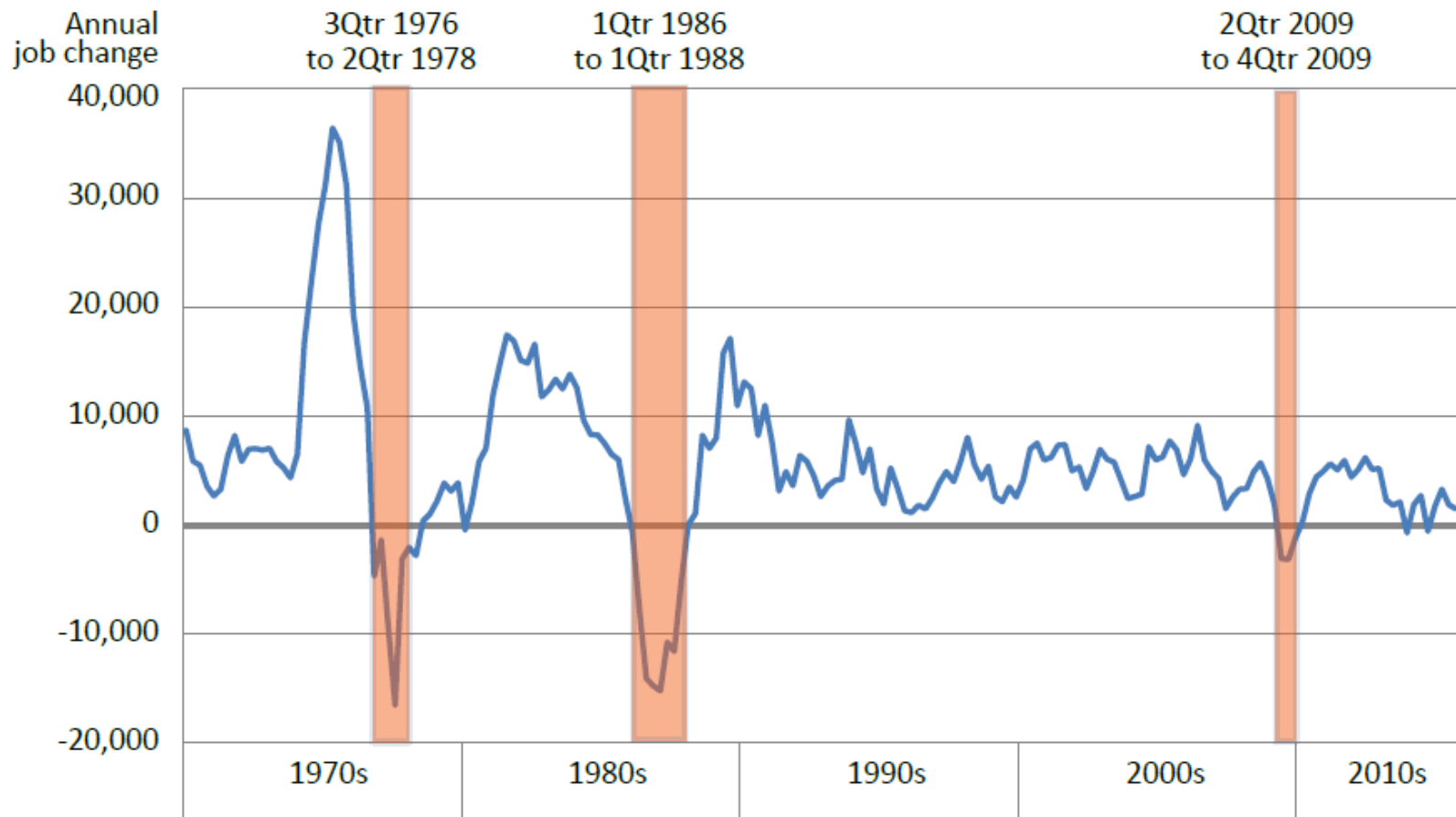


- There are different definitions of “recession,” but generally it means “a significant decline in economic activity that spreads across the economy.”

National recessions since the '70s



Alaska recessions since the '70s

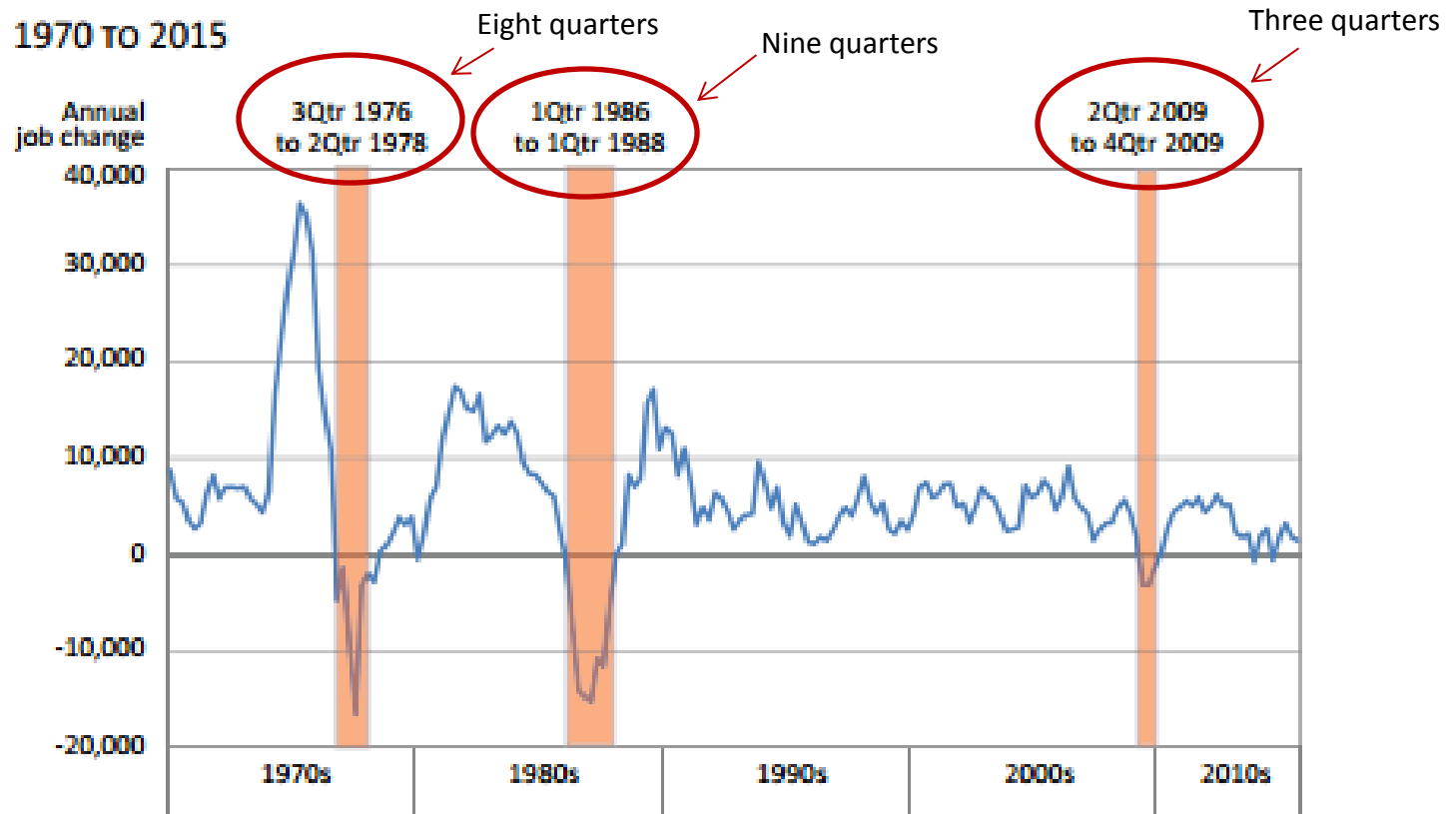


How long do they last?

2

Alaska's Recessions and Job Losses and Gains

1970 to 2015

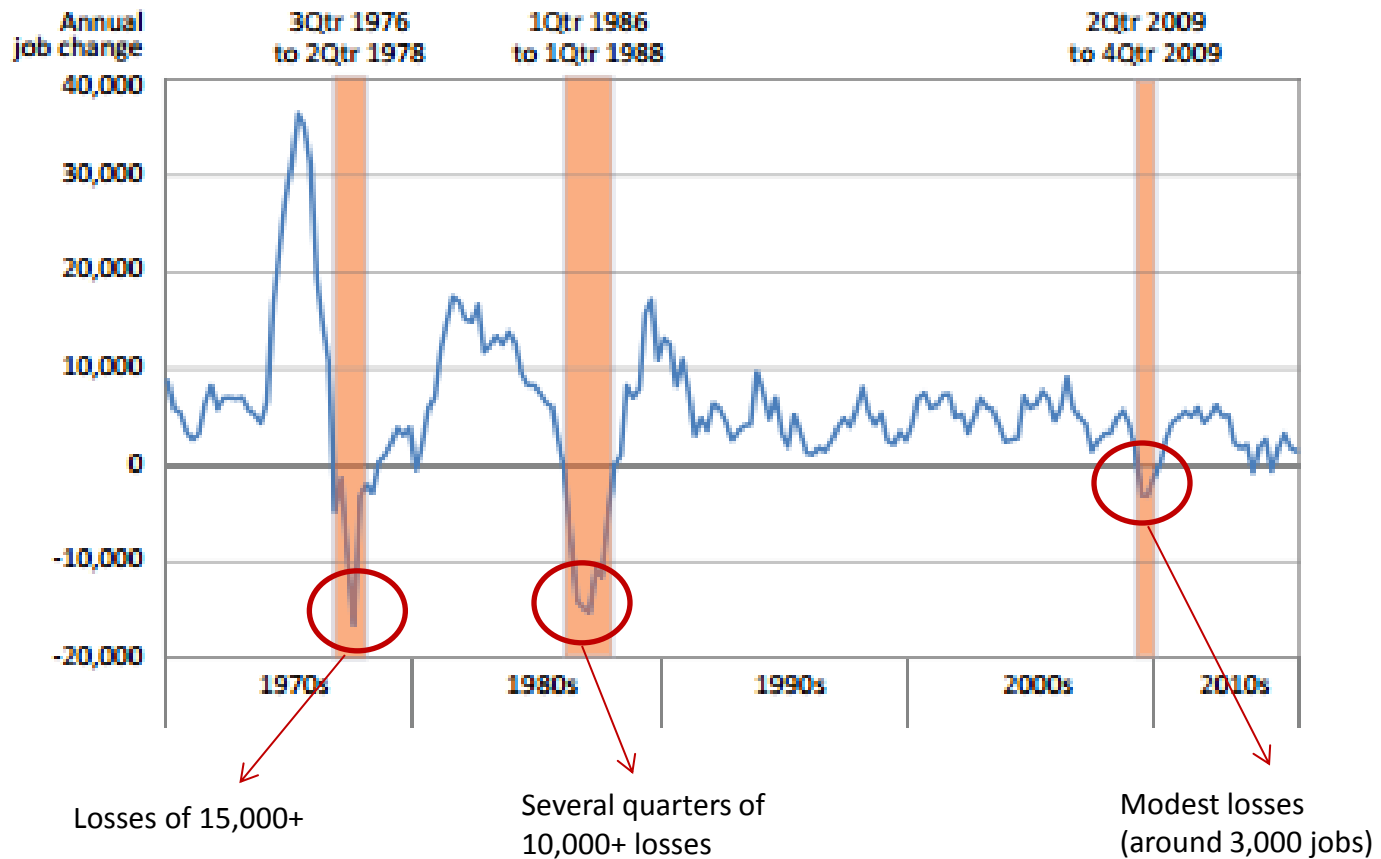


How deep are they?

2

Alaska's Recessions and Job Losses and Gains

1970 to 2015



How are things different than the '80s?

- Our population is older and has been here longer
- Our pre-recession economy was nowhere near as hot, especially construction and banking sectors
- We have significantly larger savings
- Oil production on declining trend



How are things similar to the '80s?

- Economically, we're still very dependent on oil and gas and the federal government (including military)



Moving to population trends ...



Last week's press release

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Commissioner

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Press Release

COMMISSIONER'S OFFICE

FOR IMMEDIATE RELEASE

January 12, 2017

No. 17-01

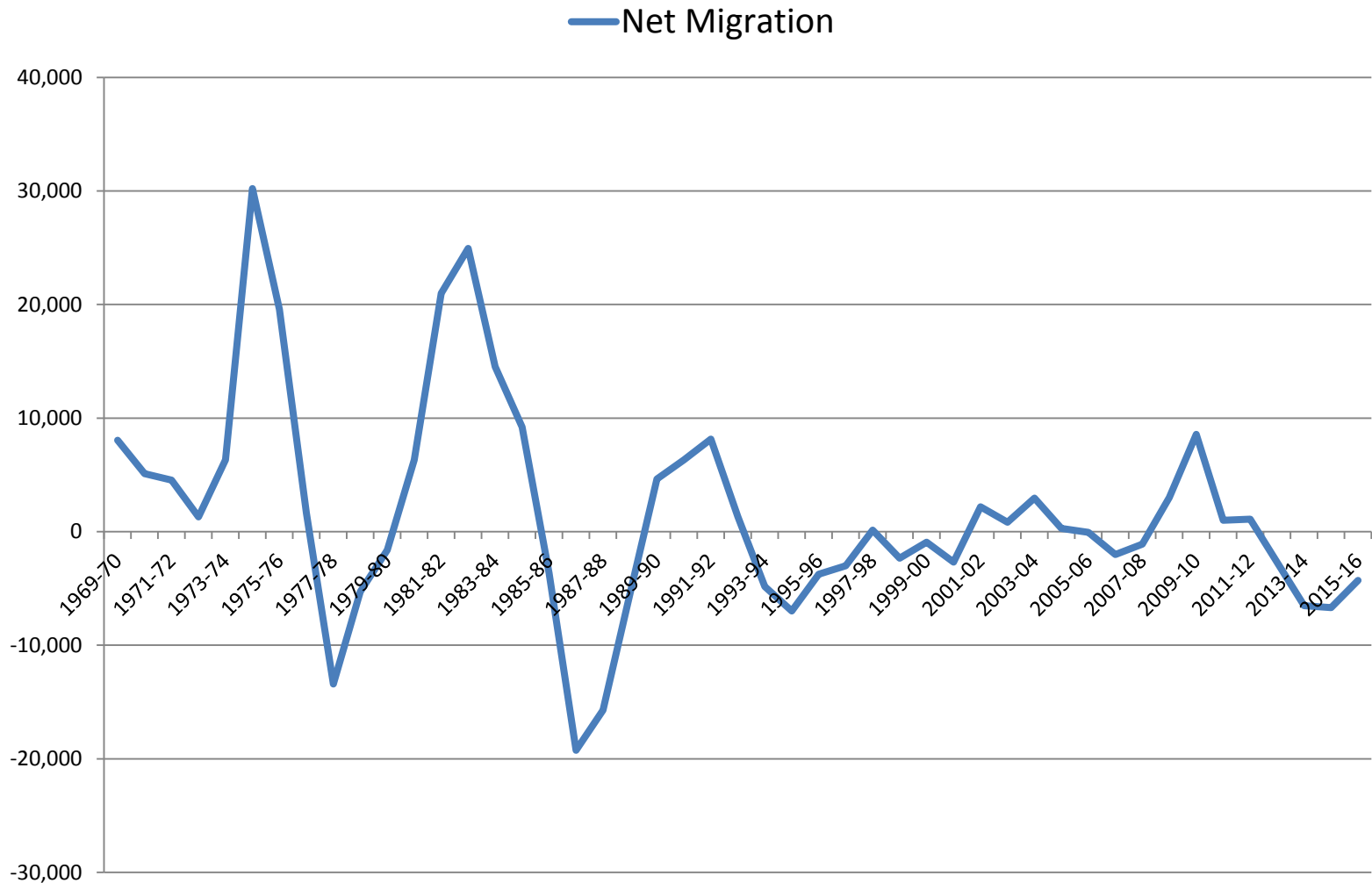
For more information: Eddie Hunsinger, State Demographer
(907) 269-4960 or Eddie.Hunsinger@Alaska.Gov

Natural Increase Fueled Small Population Gain for Alaska in 2016

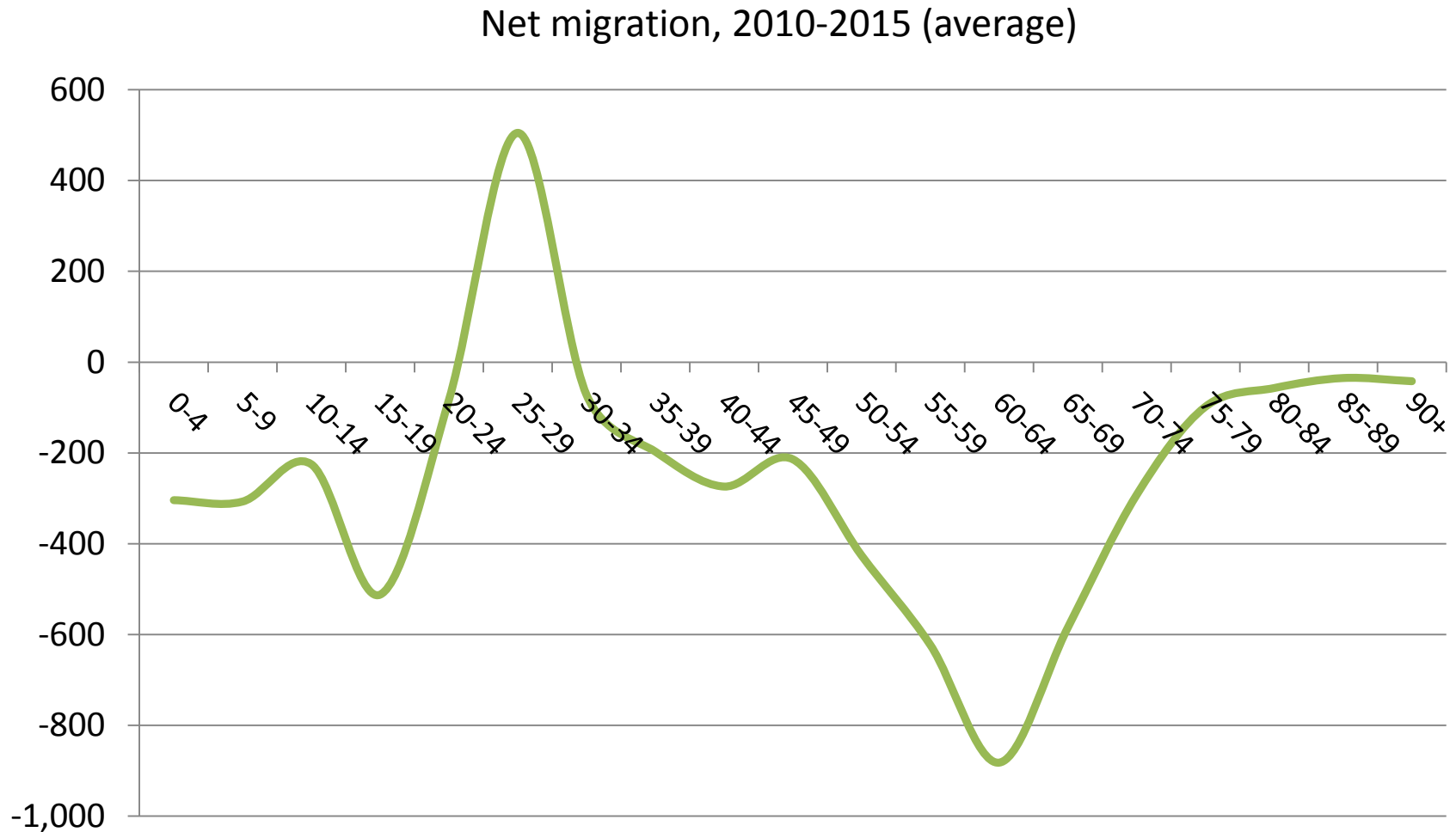
JUNEAU, Alaska—Alaska's population increased by 2,645 people—about one-third of 1 percent—from July 2015 to July 2016, based on population estimates released today by the Alaska Department of Labor and Workforce Development.

The Matanuska-Susitna Borough grew the most, adding 2,646 people. The biggest loss was in the City and Borough of Juneau (-398), followed by Kodiak Island Borough (-227). Most other boroughs and census areas were essentially unchanged.

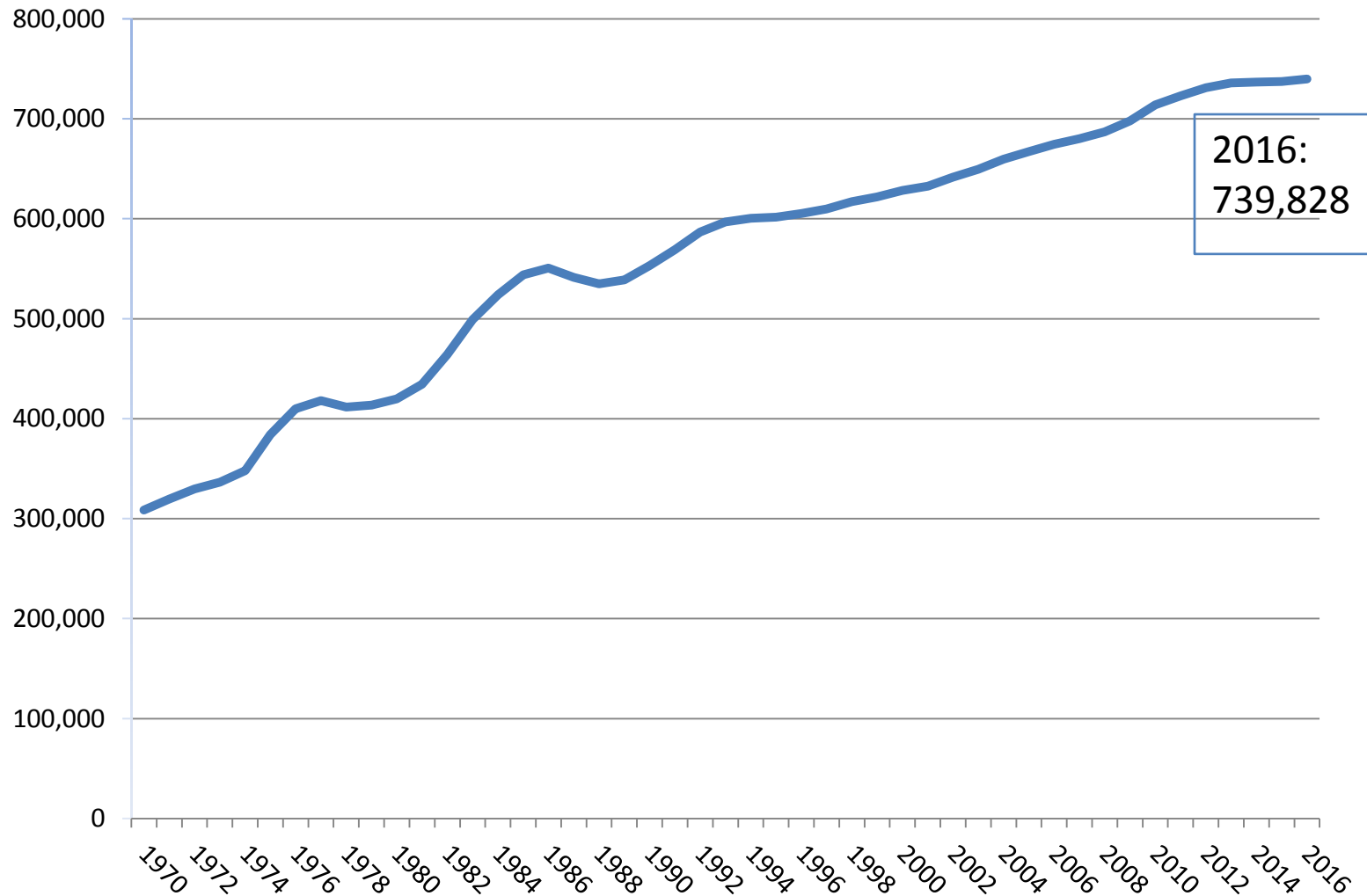
Something we're watching closely



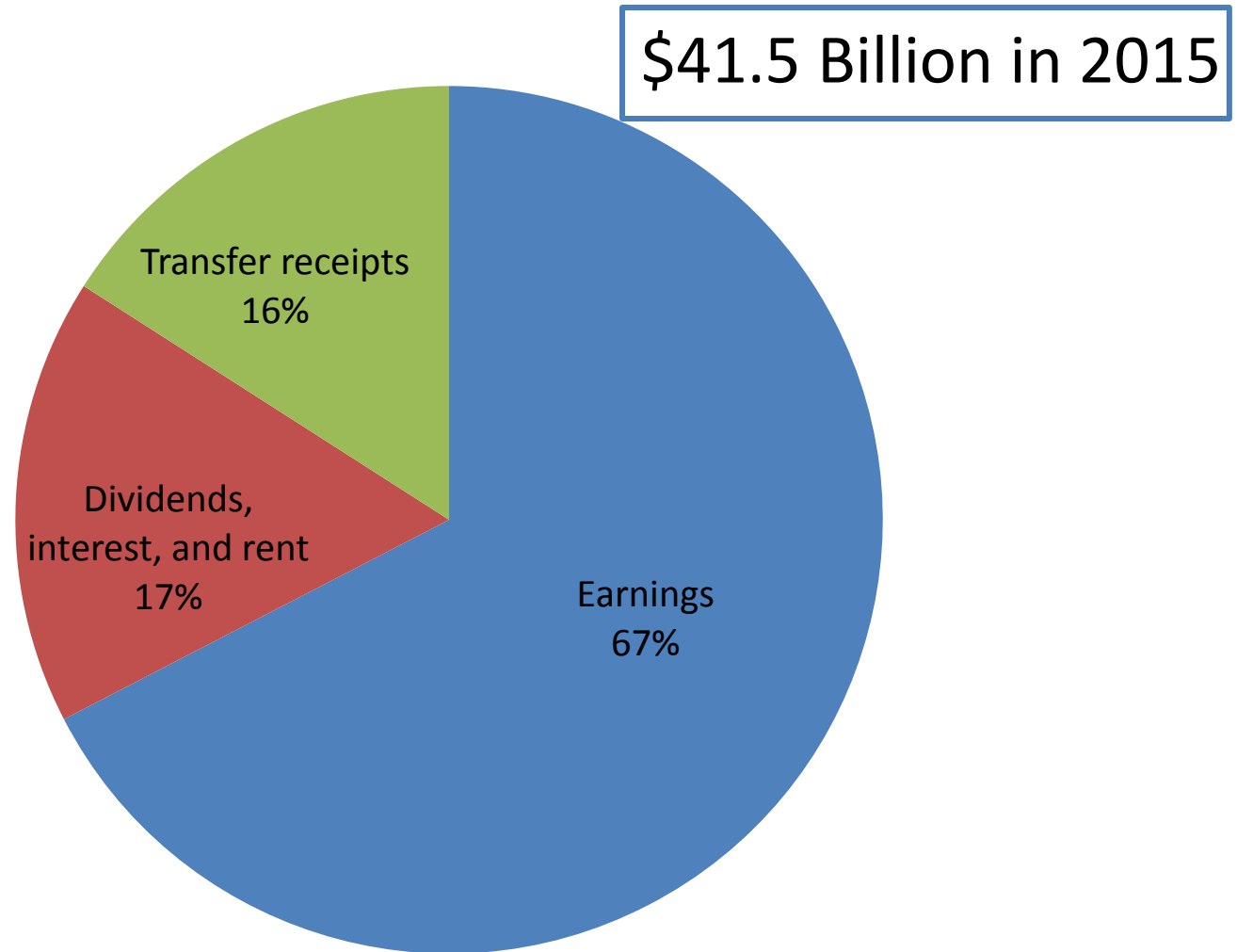
Age of people coming/going:



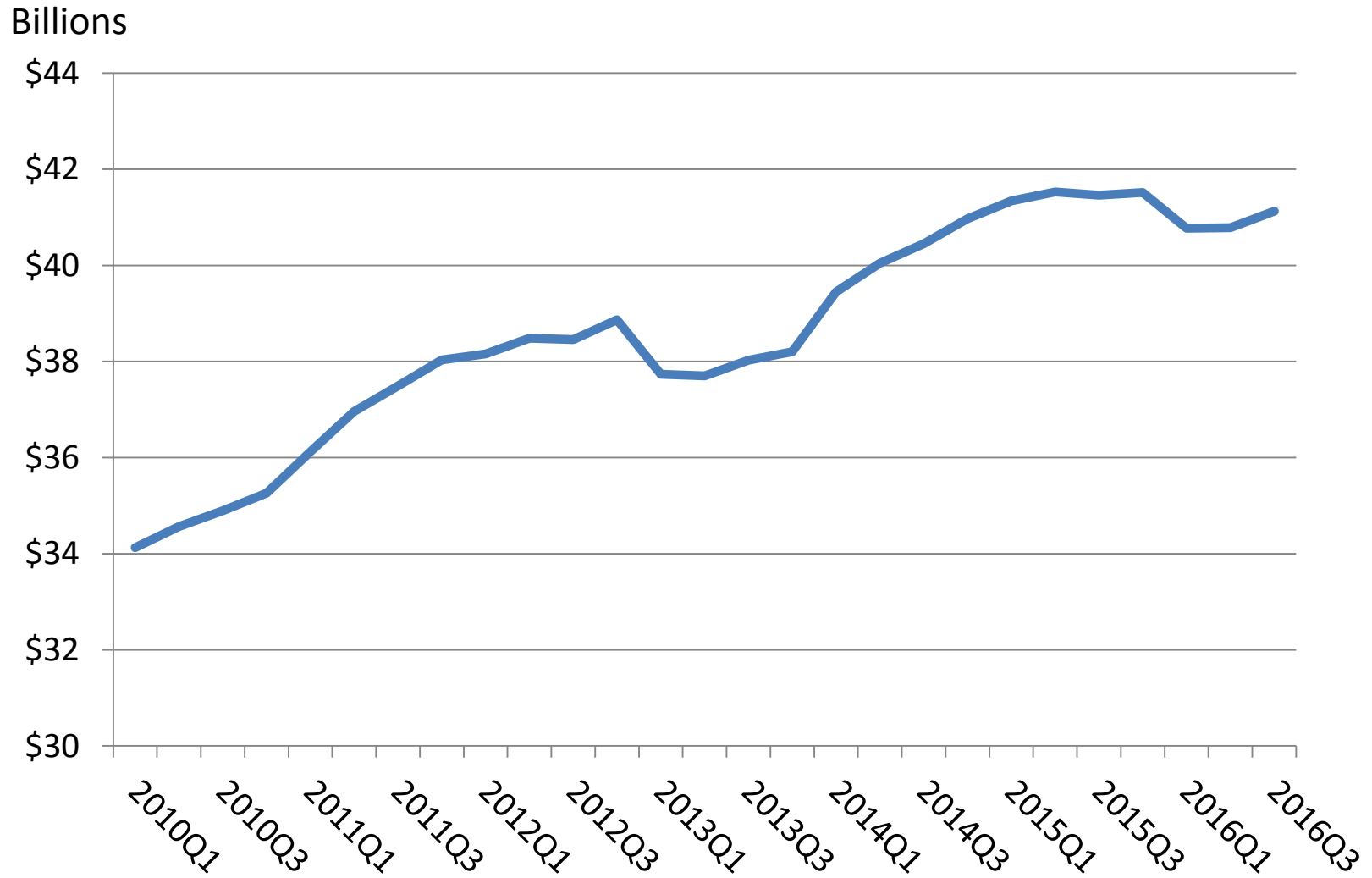
The big population picture



Sources of AK personal income

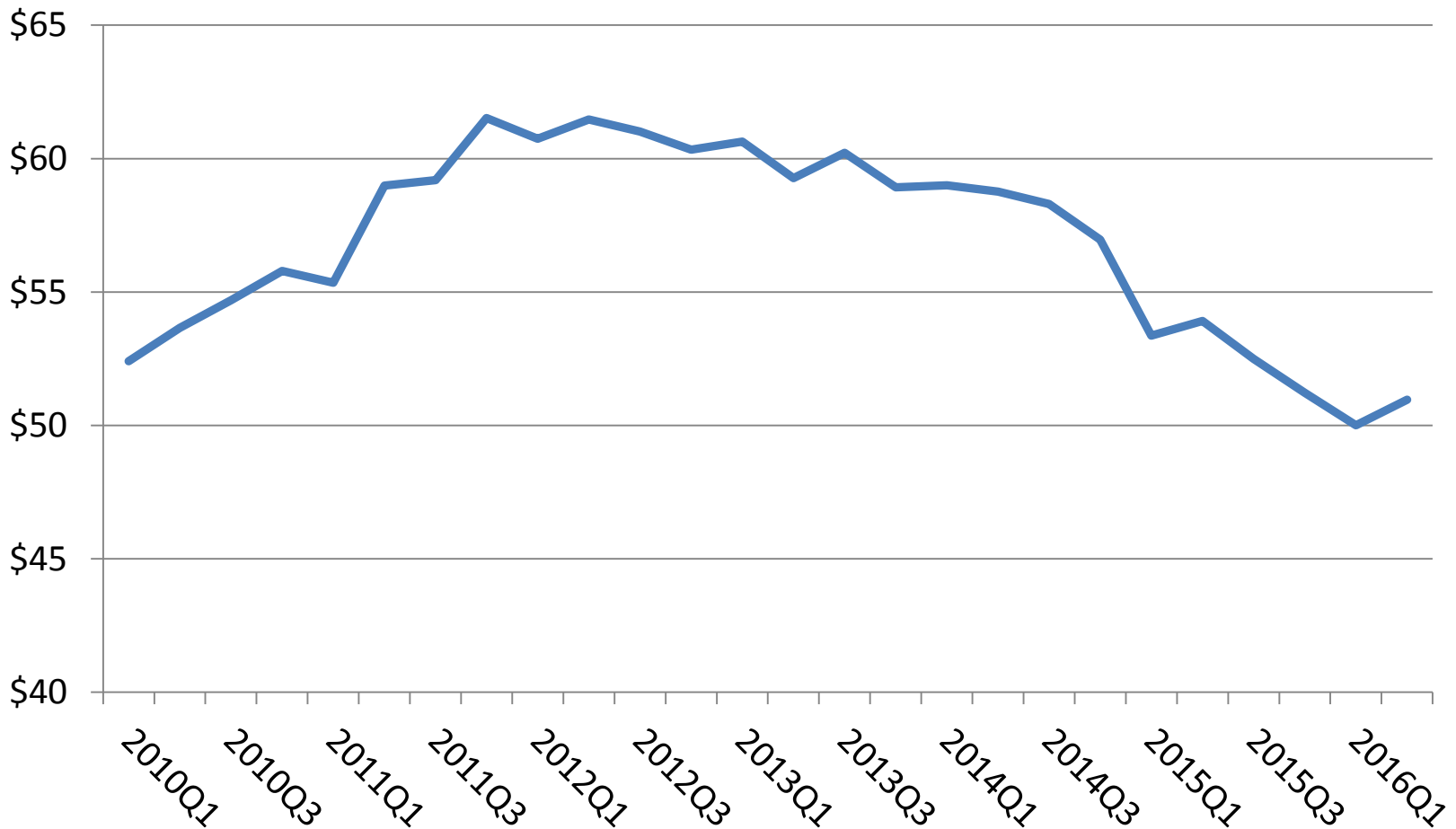


Trends in personal income



Trends in GDP (the value of our goods and services)

Billions



Takeaways:

- Alaska is in the midst of moderate job loss
- State's population remains relatively stable (though there's been four straight years of net losses to migration)
- Personal income has dipped, but not dramatically
- The value of what's produced in the state (GDP) has dropped significantly

Thank you

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