

Alaska's Economy-How Are We Doing?



South Central Region-Supervisory Unit Membership Meeting

March 18th, 2015

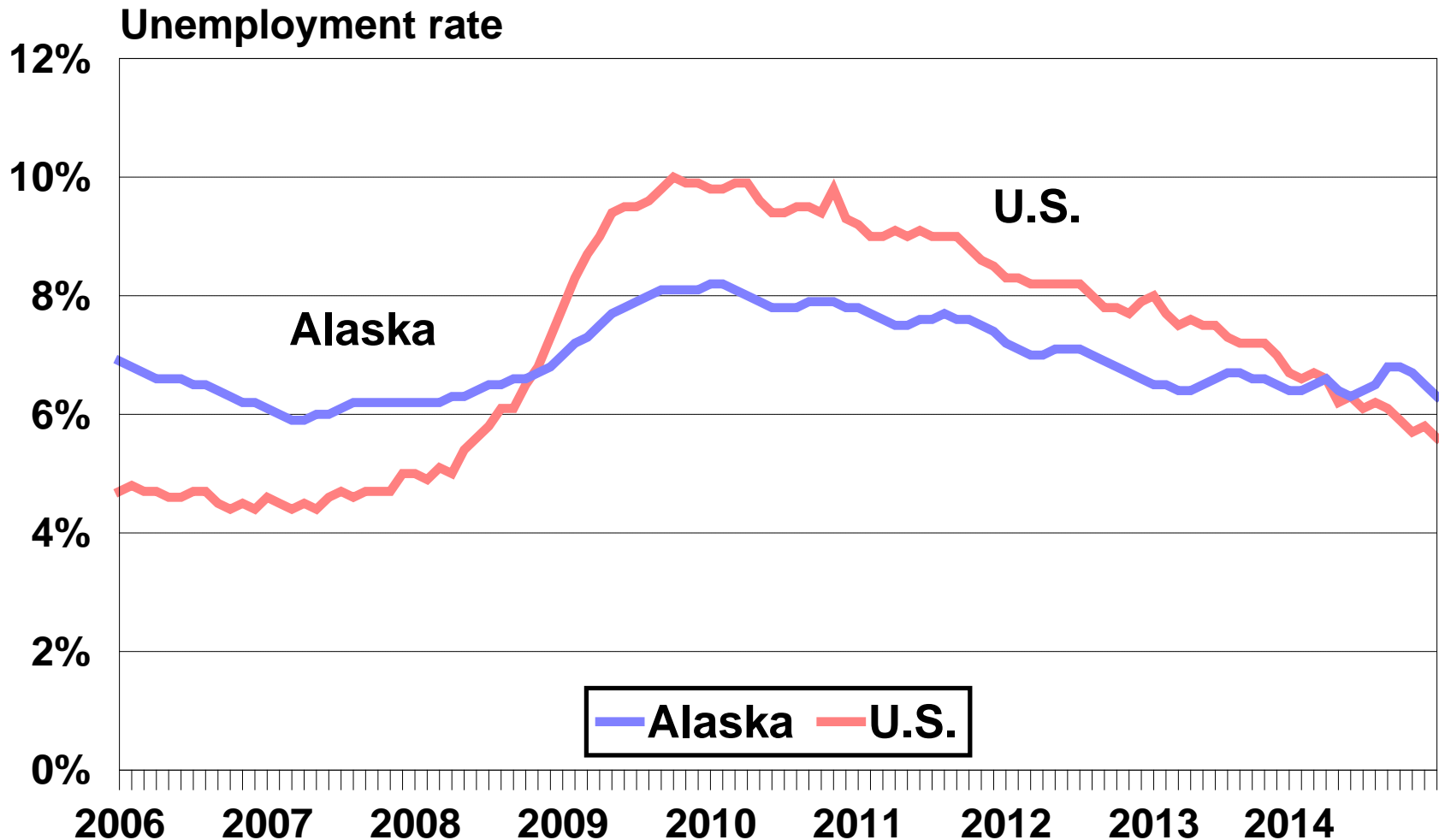
Alaska Department of Labor and Workforce Development,
Research Section, Neal Fried, Economist

Alaska--Boom, Bust and Moderation



*preliminary

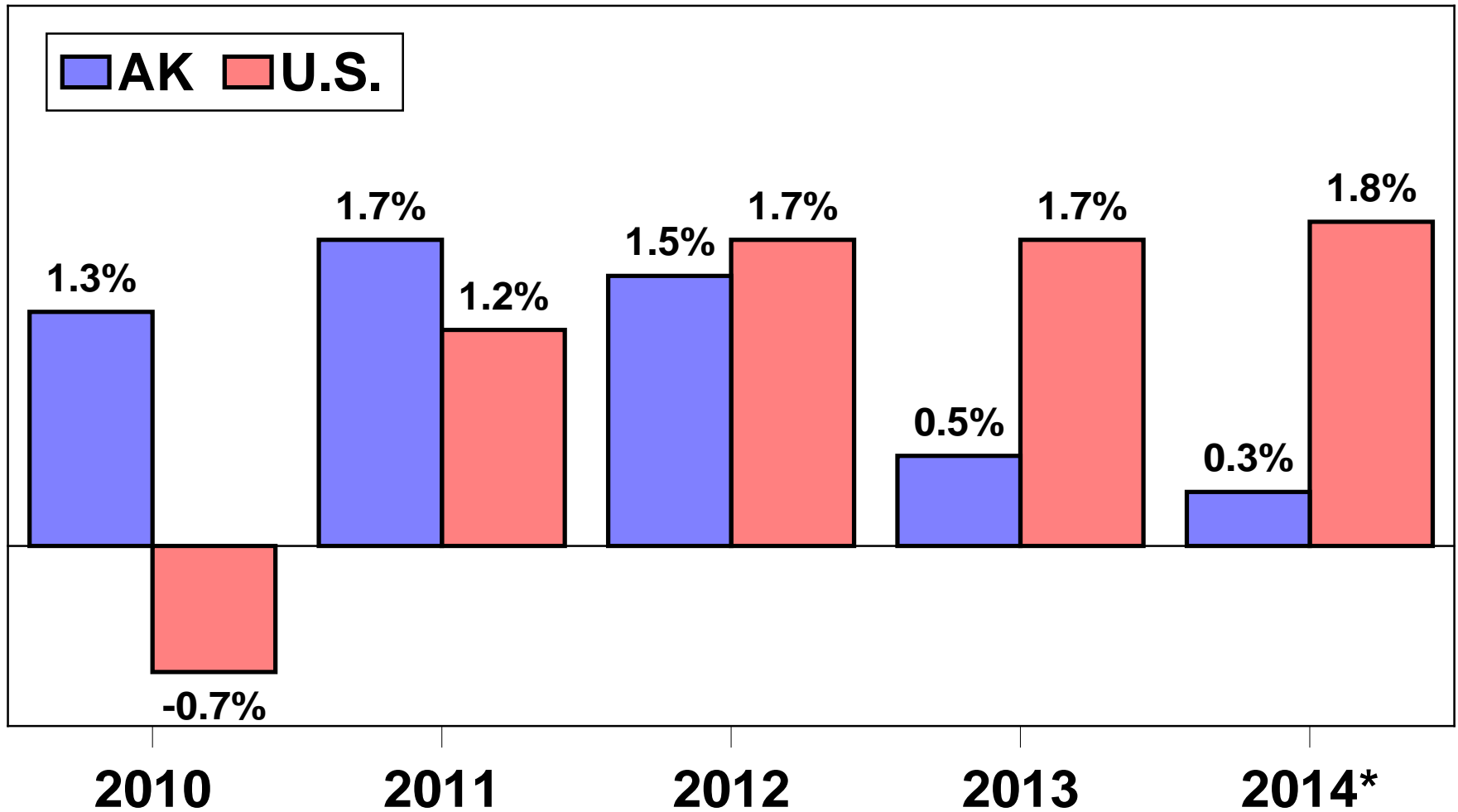
AK's and Nation's Unemployment Rate Relationship Returning to "Normal"



"Work is about a search for daily meaning as well as daily bread." Studs Terkel

Slower Growth In AK

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



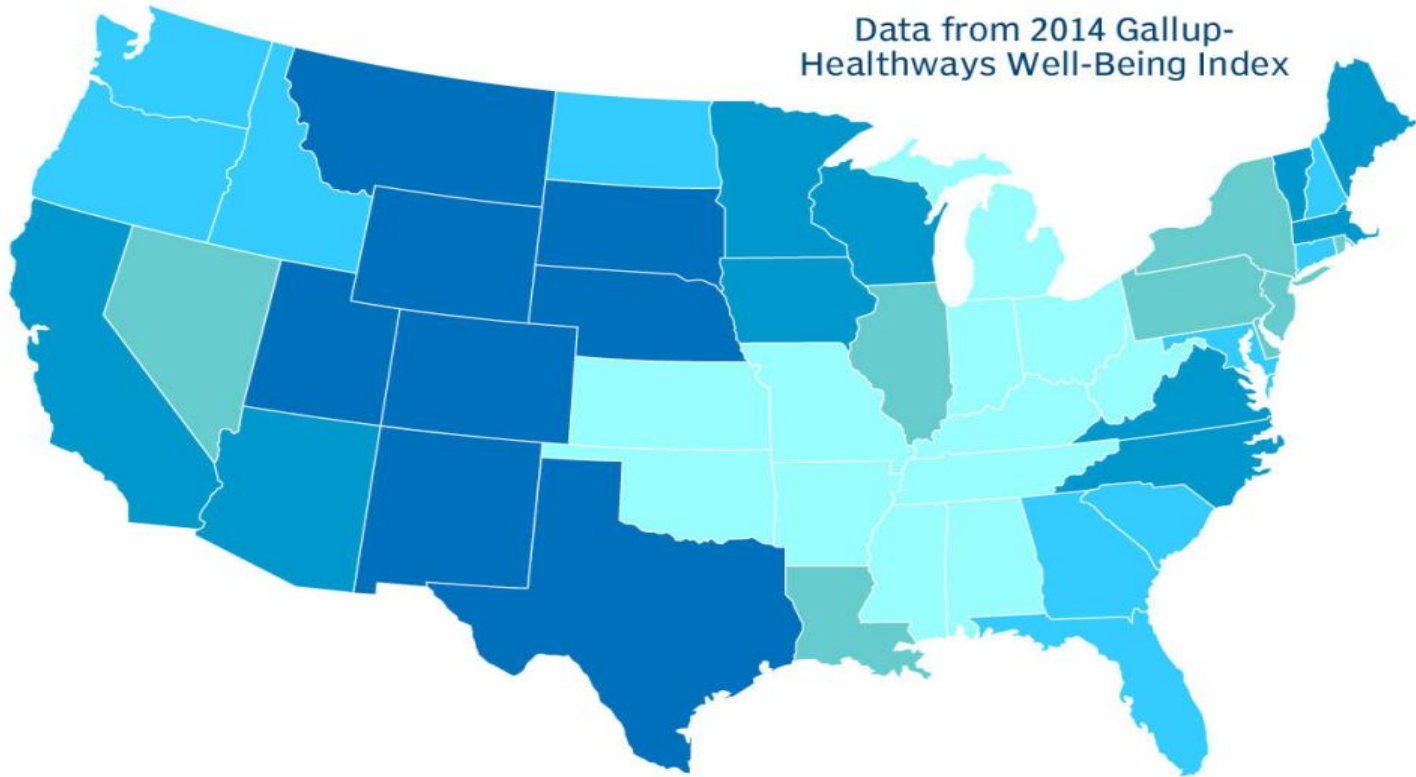
*preliminary

Part of the Exclusive Club

Ranking	State	Median Household Income-2013
1	Maryland	\$72,483
2	Alaska	\$72,237
3	New Jersey	\$70,165
4	Hawaii	\$68,020
5	Connecticut	\$67,098
	U.S.	\$52,250

2014 WELL-BEING RANKINGS, BY STATE

Data from 2014 Gallup-Healthways Well-Being Index



TOP QUINTILE

- 1 Alaska
- 2 Hawaii
- 3 South Dakota
- 4 Wyoming
- 5 Montana
- 6 Colorado
- 7 Nebraska
- 8 Utah
- 9 New Mexico
- 10 Texas

2nd QUINTILE

- 11 Minnesota
- 12 California
- 13 Vermont
- 14 Virginia
- 15 Maine
- 16 Iowa
- 17 Massachusetts
- 18 Wisconsin
- 19 North Carolina
- 20 Arizona

3rd QUINTILE

- 21 New Hampshire
- 22 South Carolina
- 23 North Dakota
- 24 Connecticut
- 25 Idaho
- 26 Florida
- 27 Oregon
- 28 Washington
- 29 Maryland
- 30 Georgia

4th QUINTILE

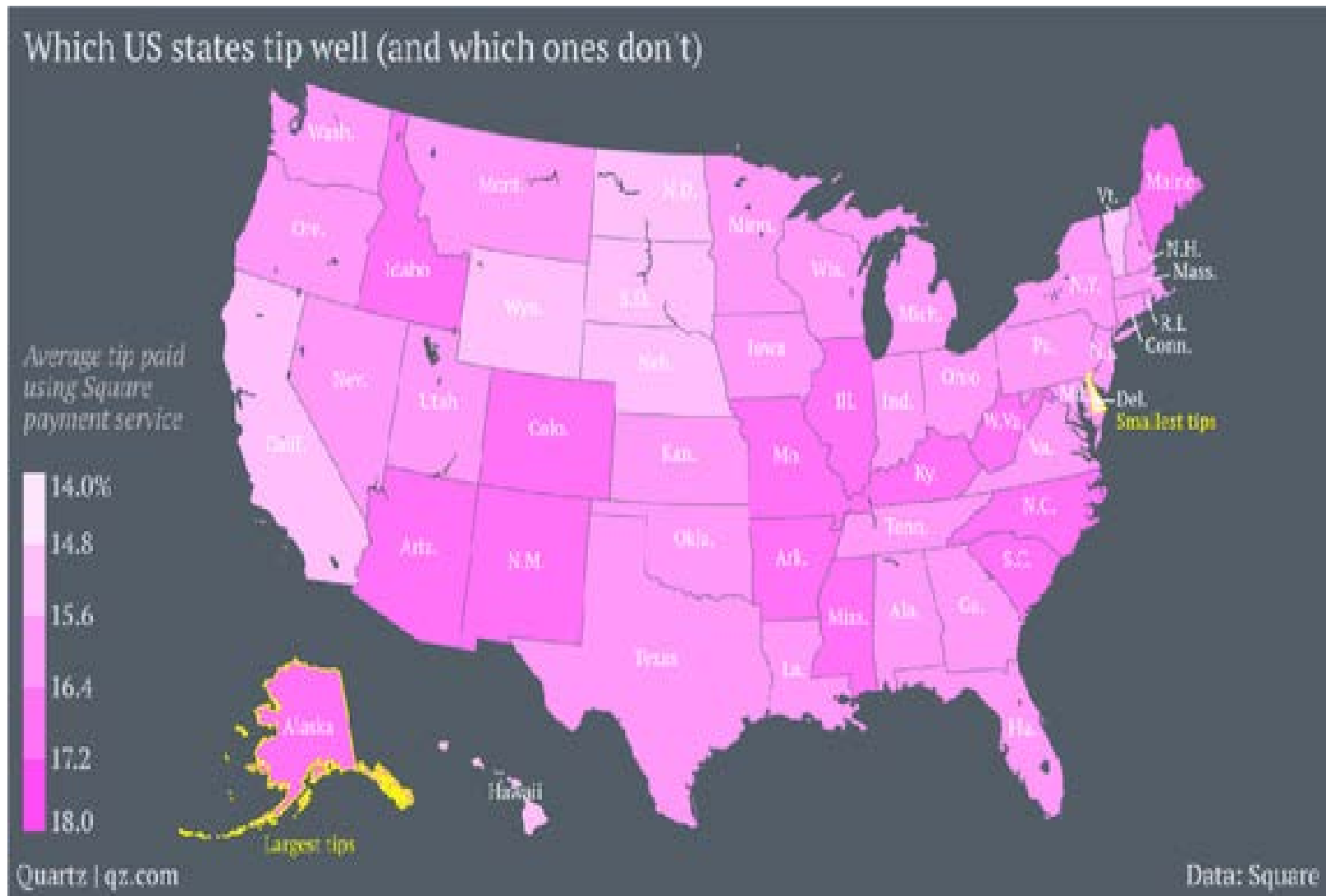
- 31 Nevada
- 32 Kansas
- 33 New York
- 34 New Jersey
- 35 Pennsylvania
- 36 Illinois
- 37 Rhode Island
- 38 Delaware
- 39 Oklahoma
- 40 Louisiana

5th QUINTILE

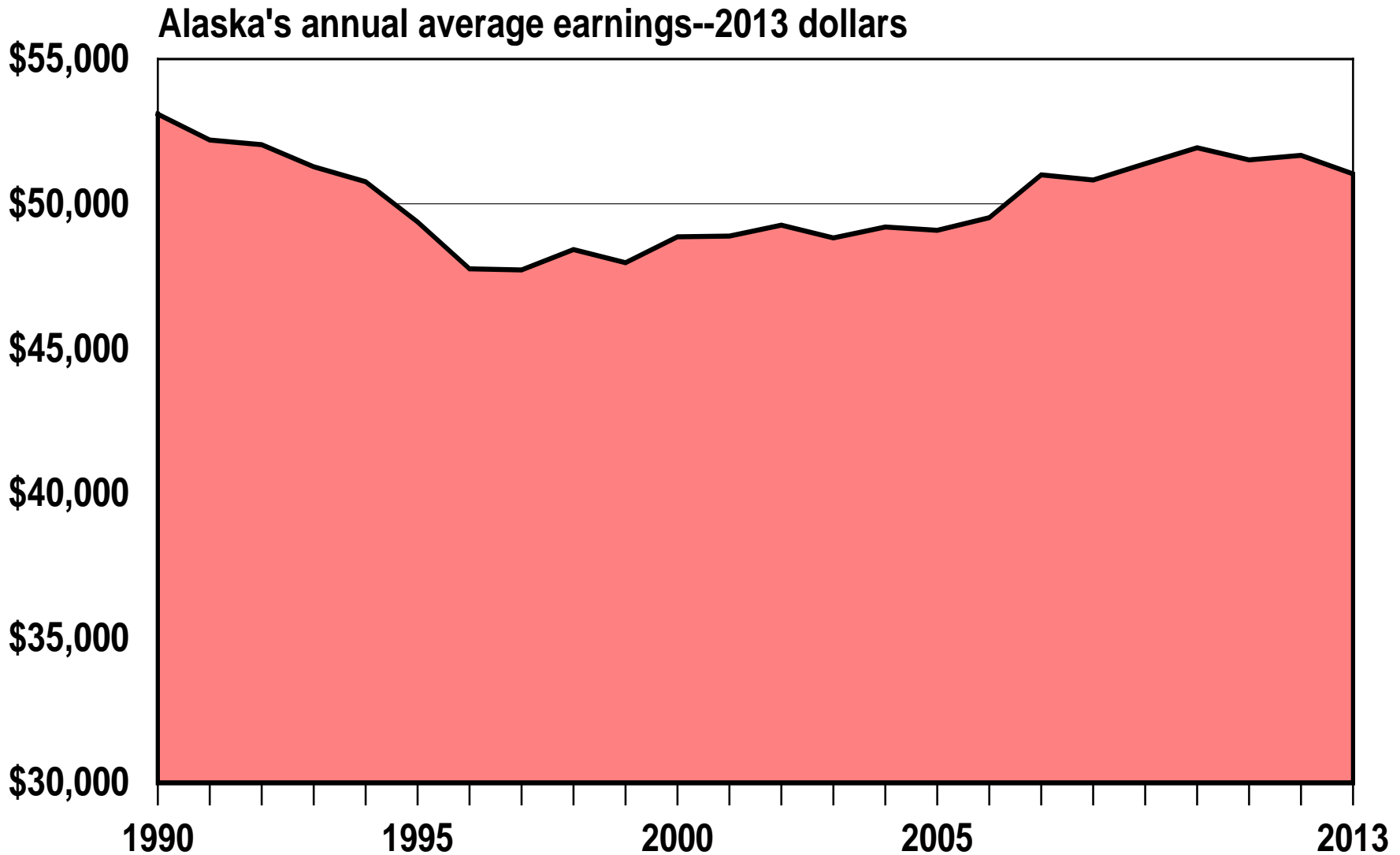
- 41 Missouri
- 42 Michigan
- 43 Arkansas
- 44 Tennessee
- 45 Alabama
- 46 Mississippi
- 47 Ohio
- 48 Indiana
- 49 Kentucky
- 50 West Virginia

Map: Where Americans Are Generous Tipppers And where they're scrooges.

[Roberto A. Ferdman](#) Mar 21 2014, 8:31 AM ET

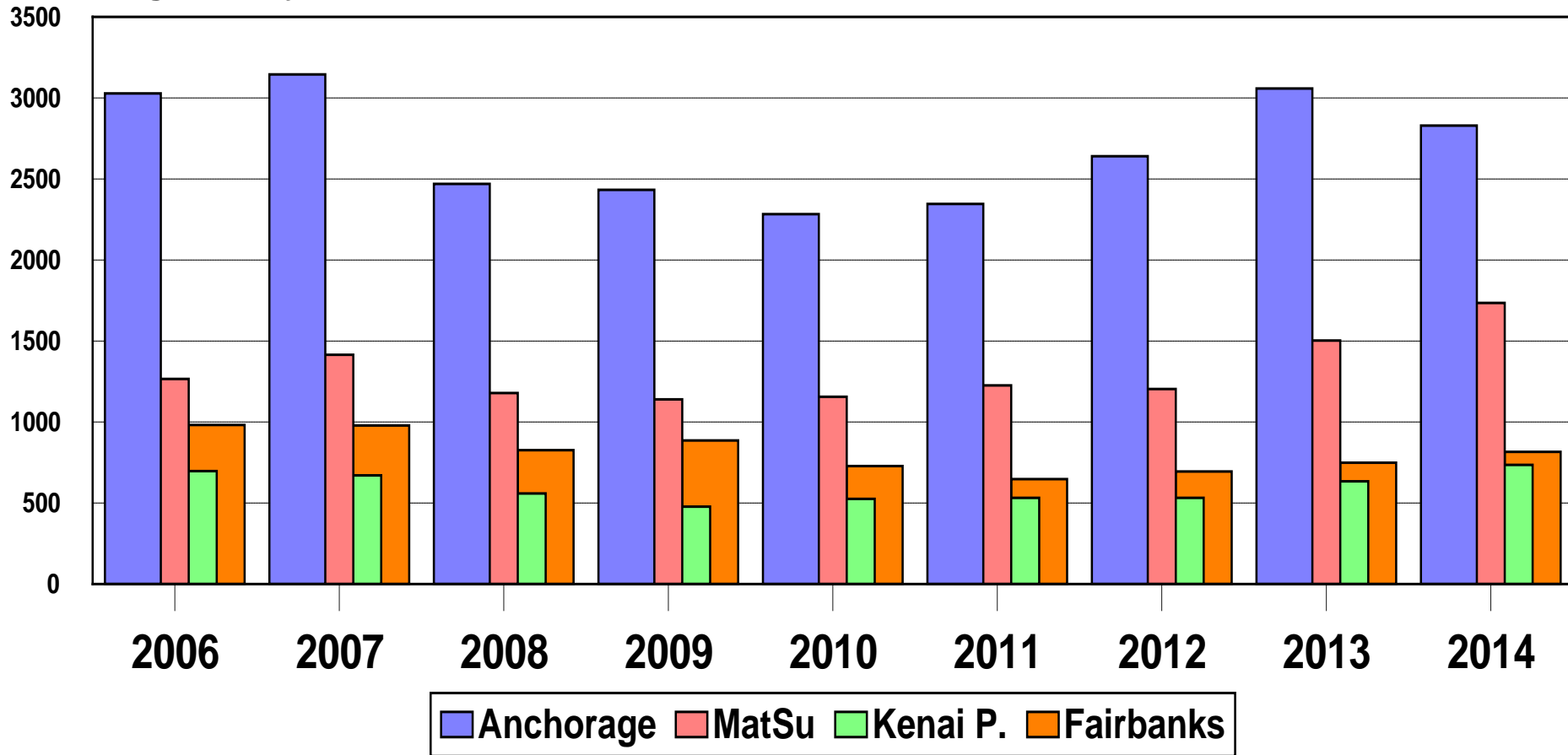


Gains were better during the Past Decade



Home Sales Were Up Everywhere But Anchorage In 2014

Single family home sales



Some Economic Forces that will Influence what Could Happen in Anchorage in 2015



Natural Gas Prices

Federal Dollars

Oil Prices/Revenues Uncertainty

Oil Industry Activity

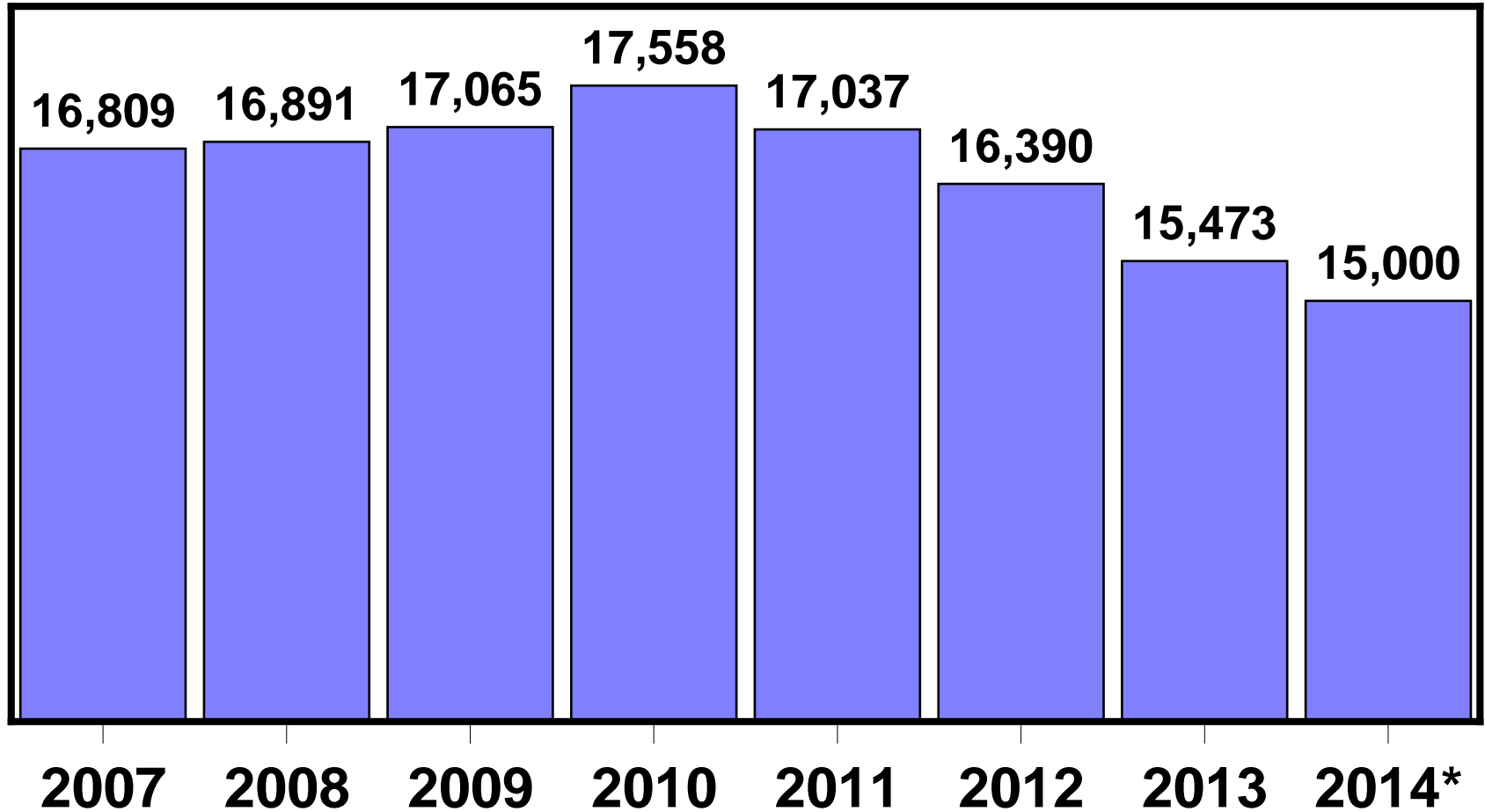
Decent Commodity Prices

Tourism

U.S. Economy

Federal Civilian Employment-Big Declines

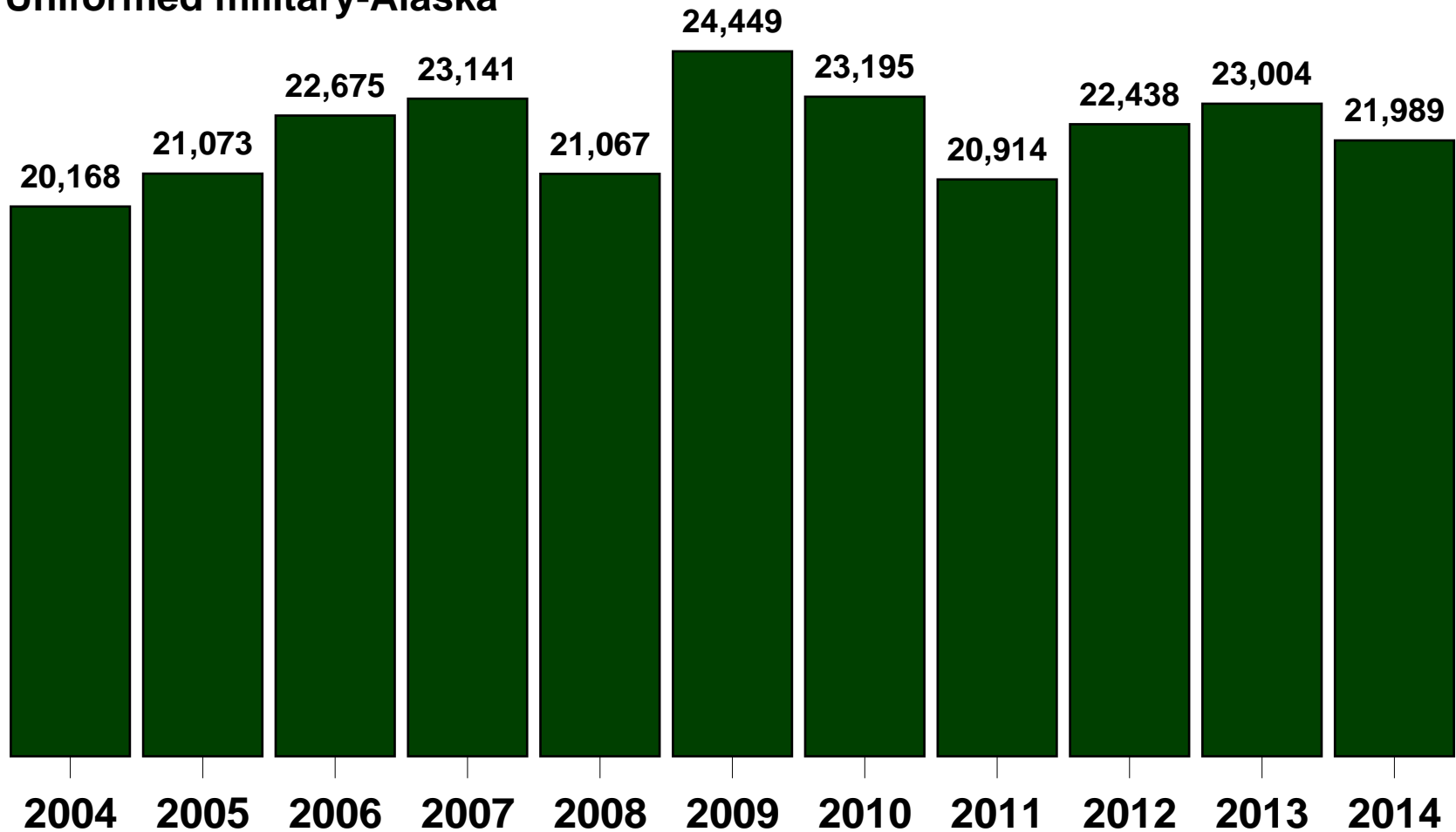
Federal Civilian Employment-AK



*preliminary

Alaska's Military-Will It Take A Hit?

Uniformed military-Alaska

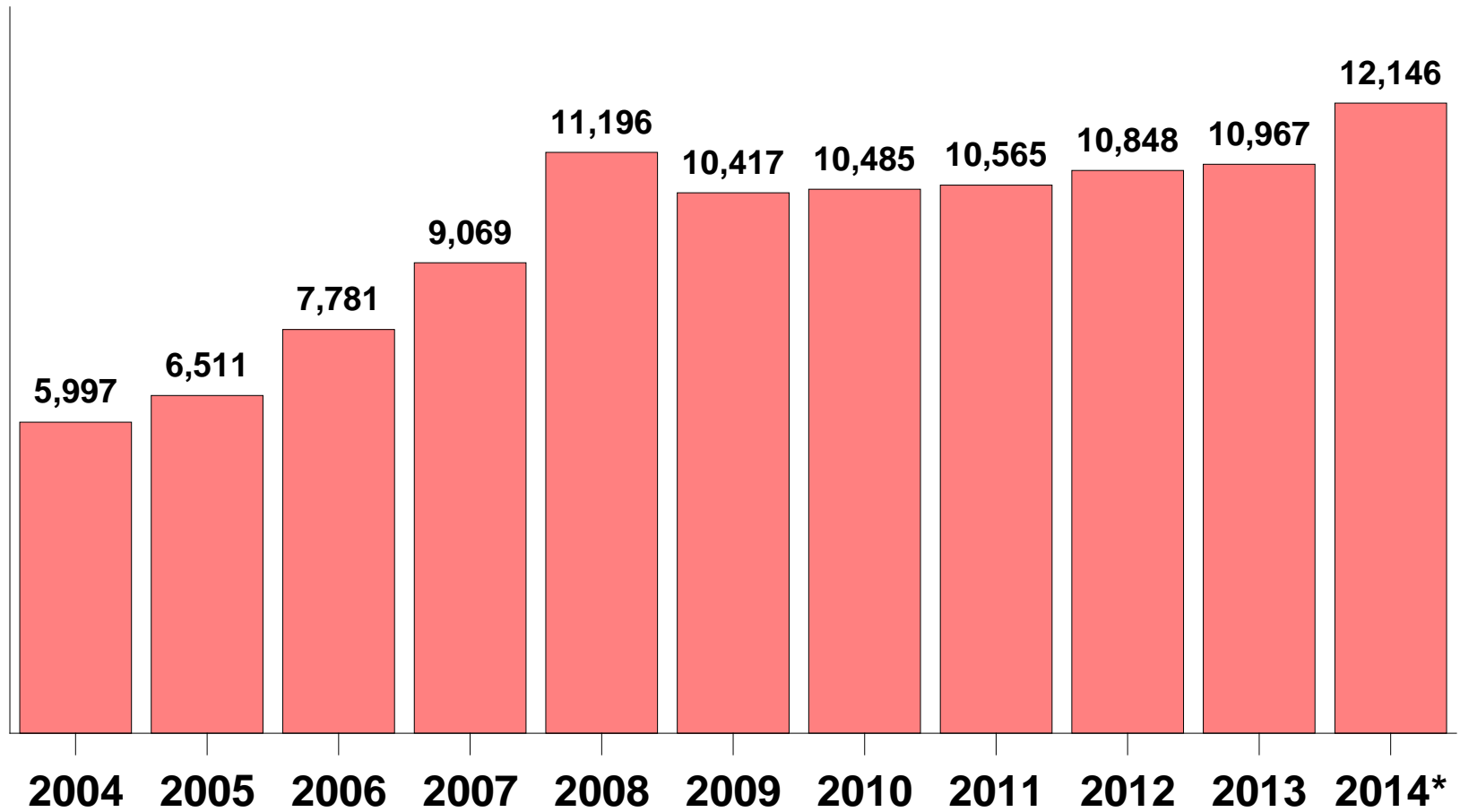


22 percent of Fairbanks Population 10 percent of Anchorage's Population

18 percent of Kodiaks Population

During The Past Decade Prudhoe Bay Employment Counts Have More Than Doubled

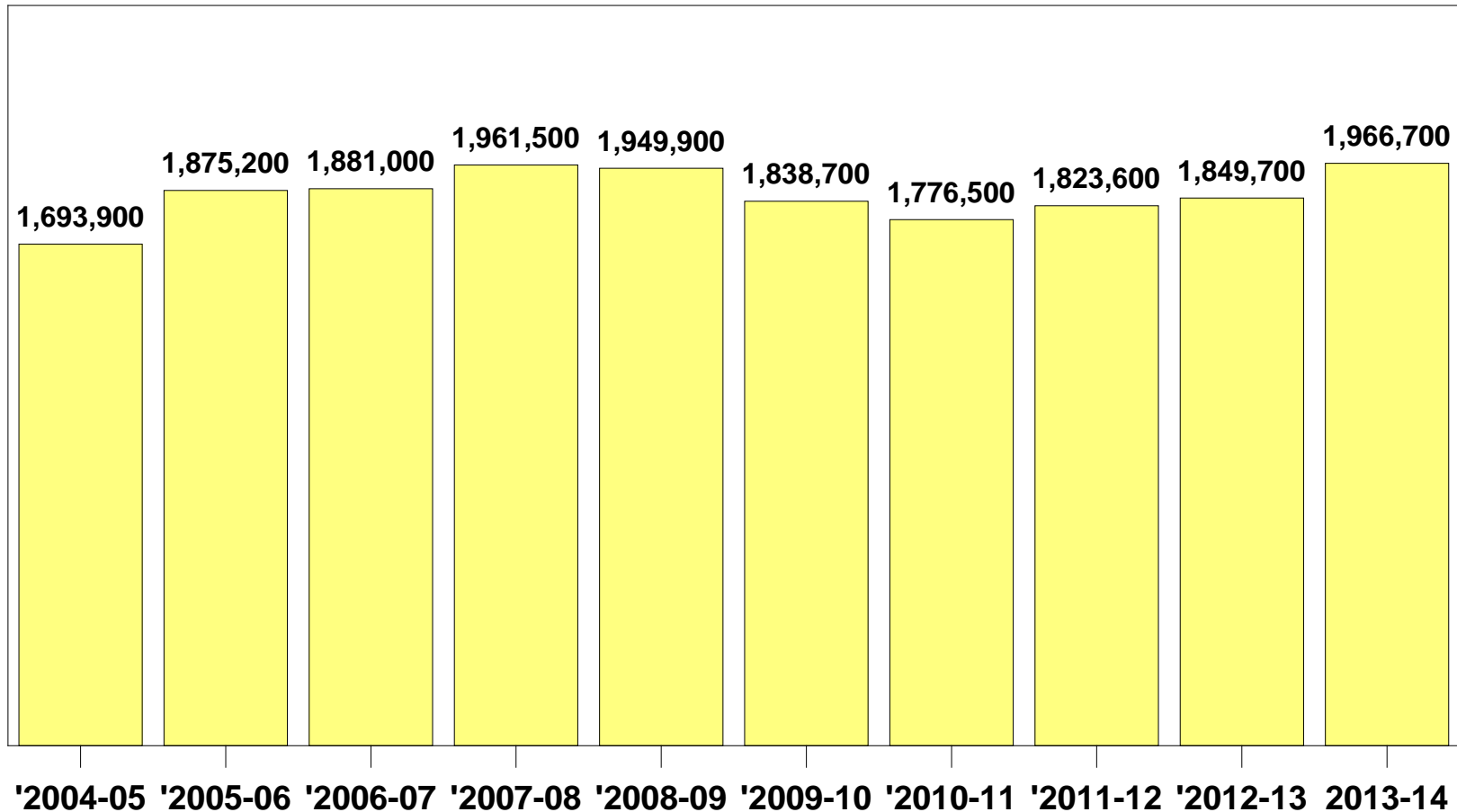
All workers in Prudhoe



*based on first 2 quarters

Visitor Numbers Up For Third Year In A Row

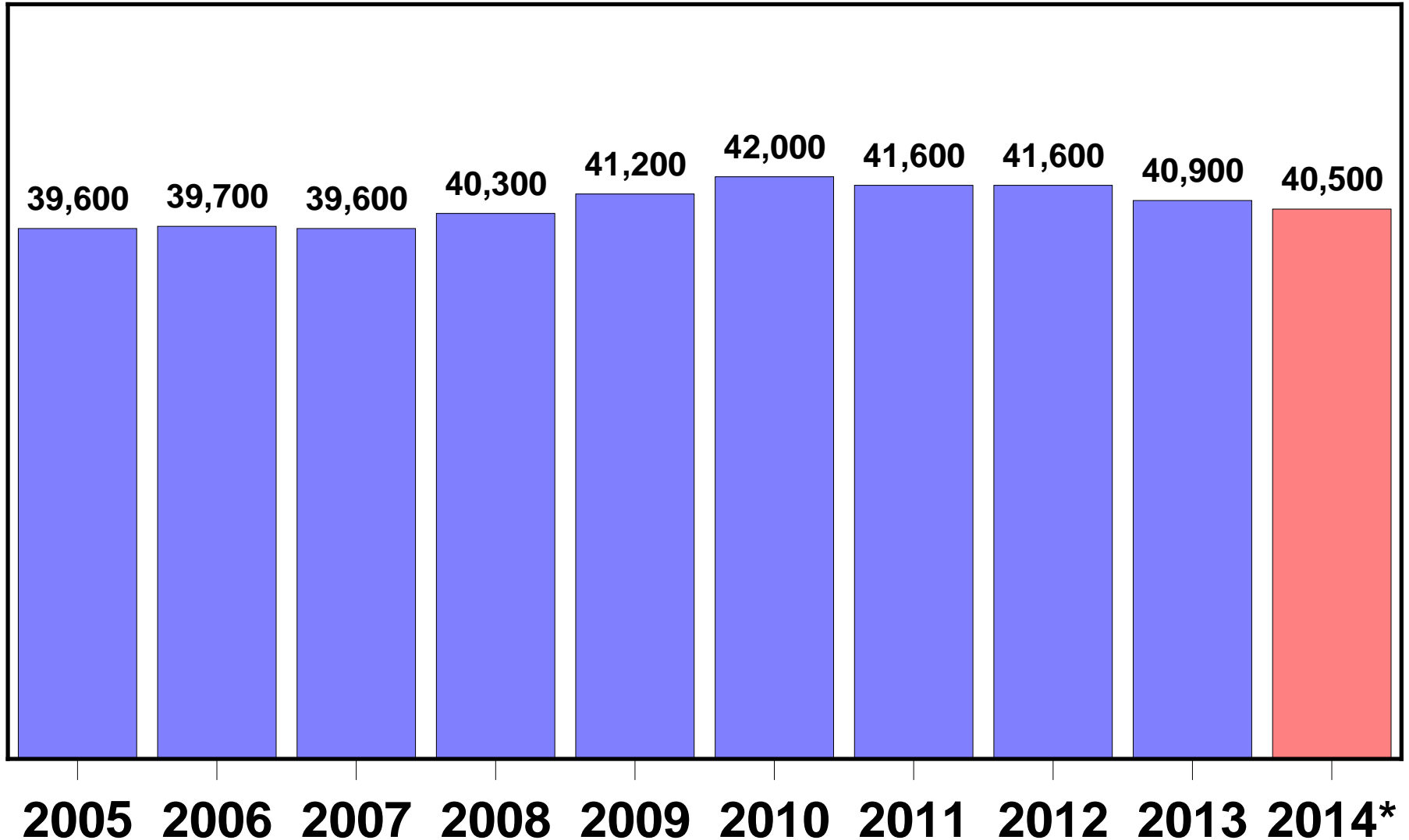
Full-year visitor volume



Source: McDowell Group

Local Government Employment Has Fallen For 2 Years

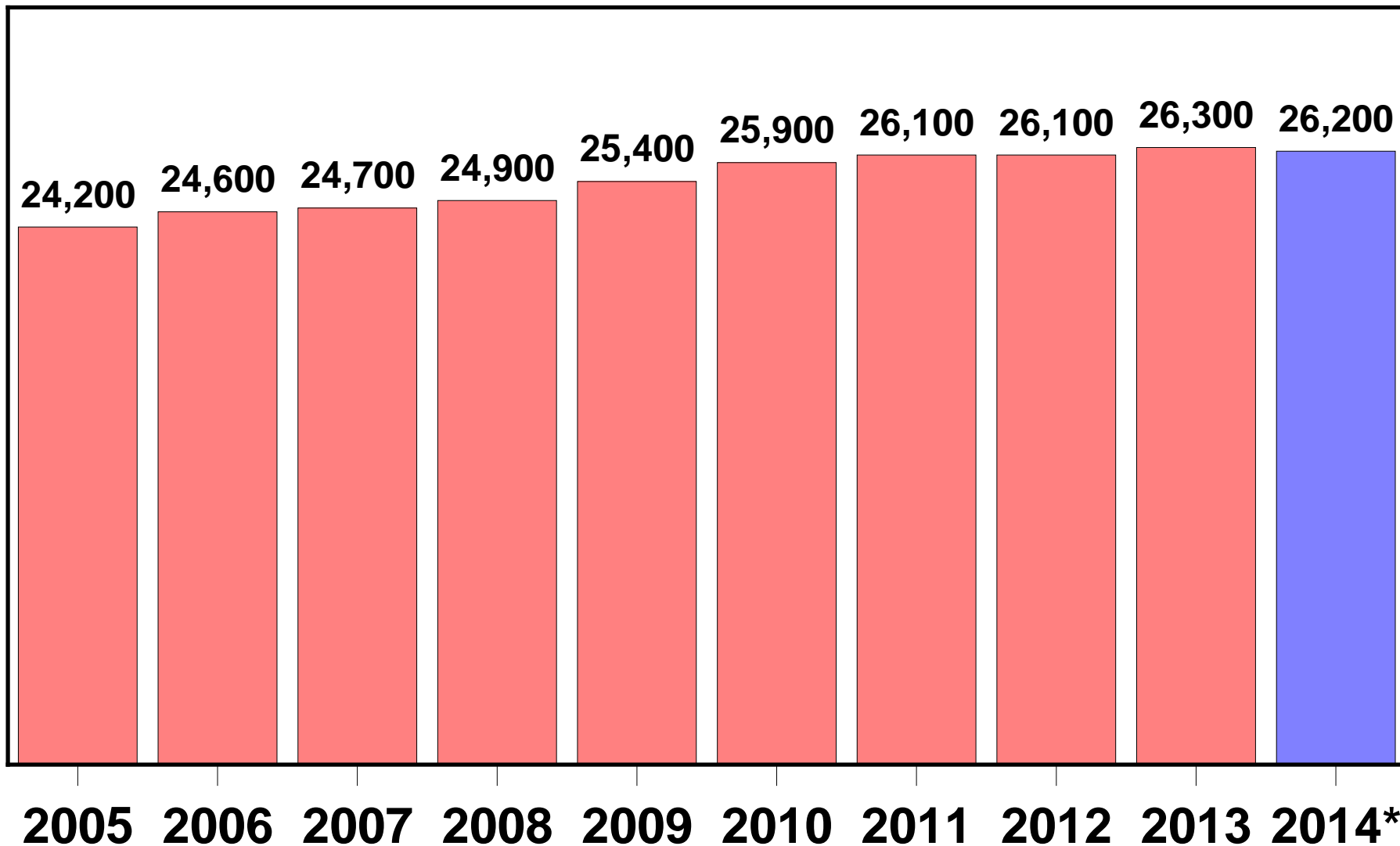
AK local government employment



*preliminary

Not Much Change For State Government

State government employment



*preliminary

The 1980's and Now

Similarities

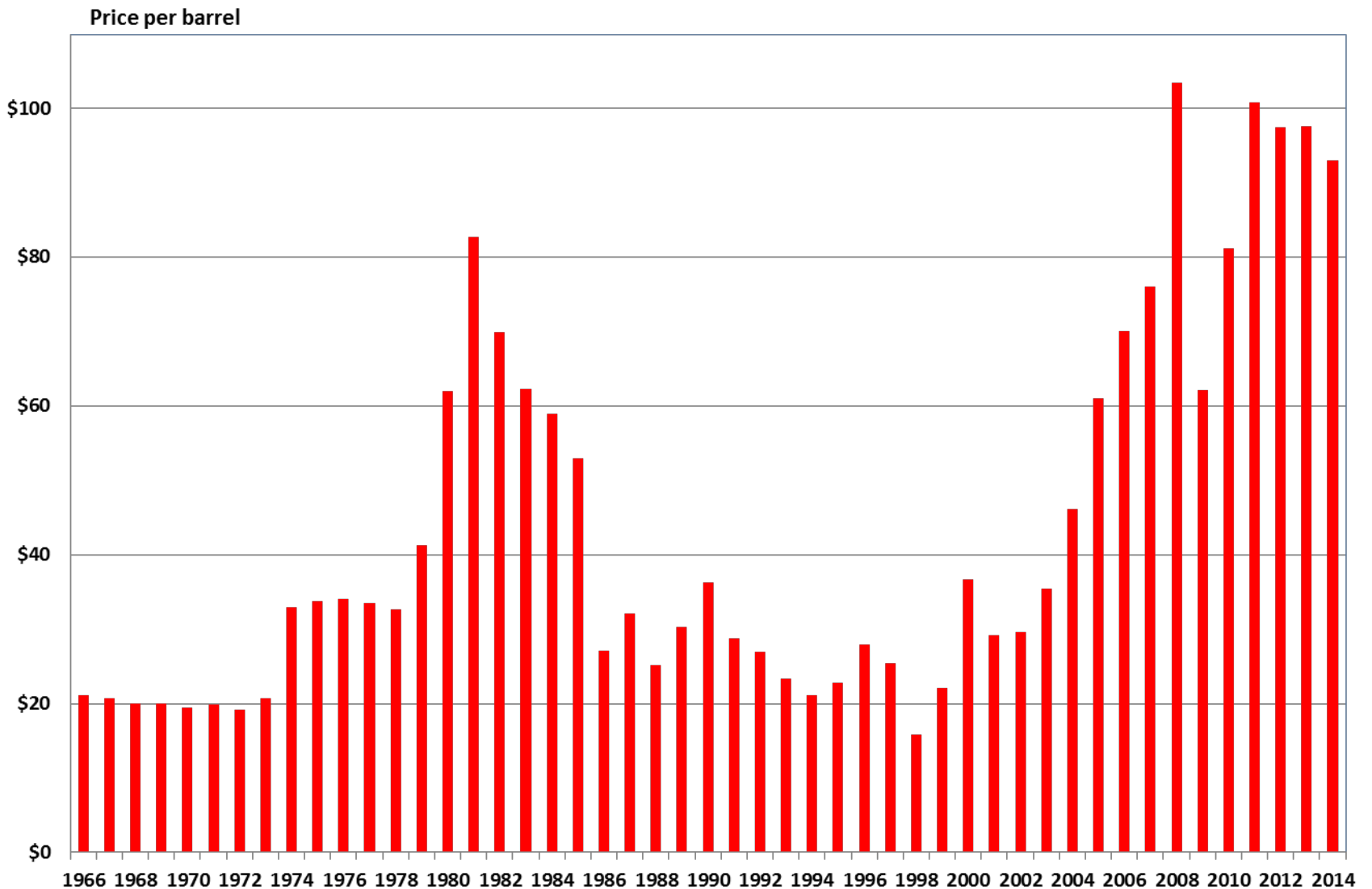
- Oil prices fall
- Oil revenues fall
- Economy remains very dependent on oil

Differences

- Not preceded by economic boom this time
- Very moderate population and economic growth
- Problem is not a surprise
- Have savings this time
- Have more control this time
- More economic diversity, a larger service sector
- Much less oil production
- Much lower interest rates
- Tax Reform Act of 1986?

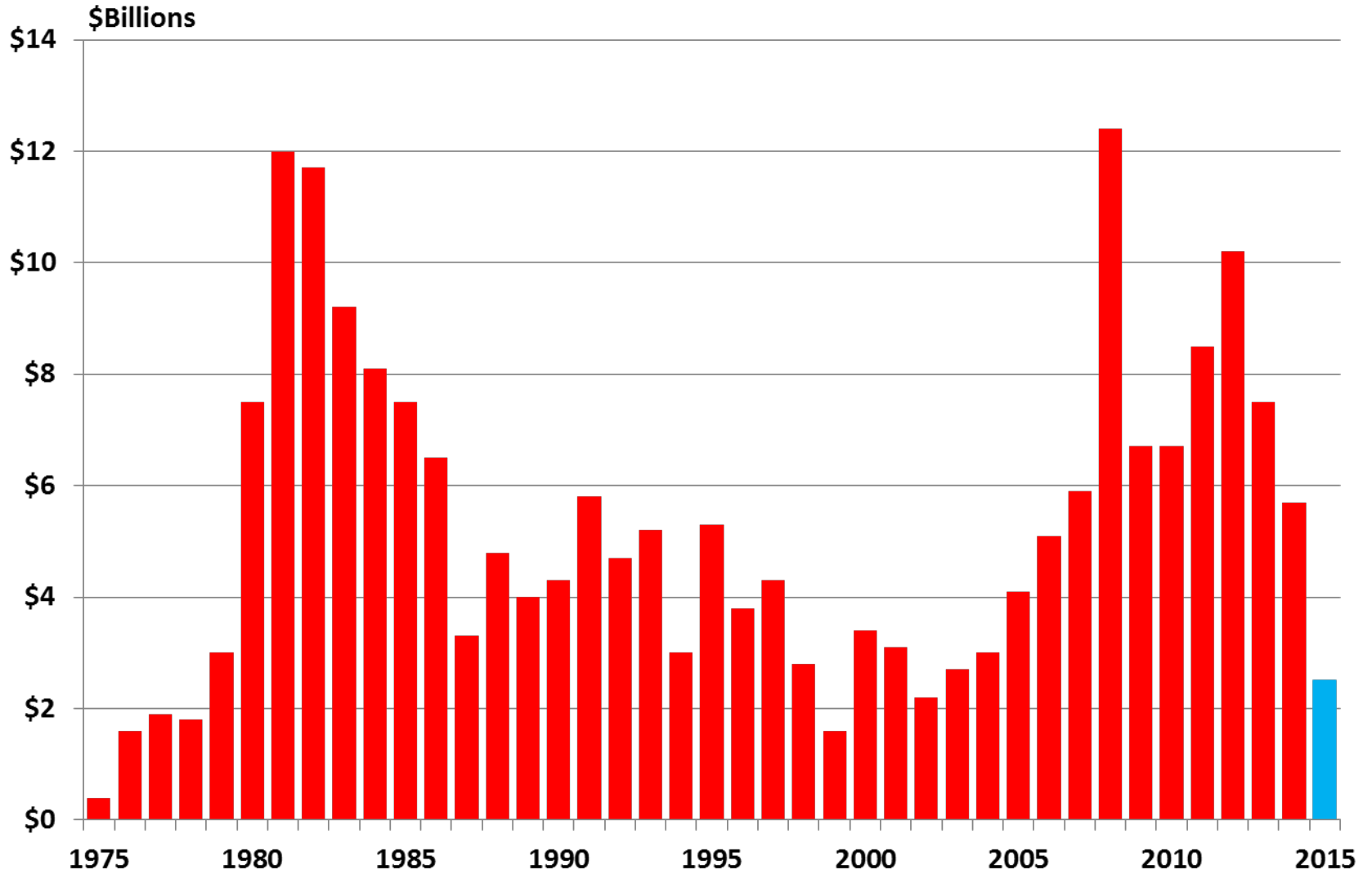
Still not sure if better, worse or just different? Too early to tell.

Historical Oil Prices In 2014 Dollars



Sources: Energy Information Administration; Bureau of Labor Statistics

Alaska's Historical Oil Revenue Picture



Source: Alaska Department of Revenue

A person is silhouetted against a dramatic sunset sky, climbing a steep, snow-covered mountain slope. The sky is filled with dark, heavy clouds, with a bright orange and yellow glow from the setting sun breaking through near the horizon. The snow on the mountain is dark with patches of rocks and sparse vegetation.

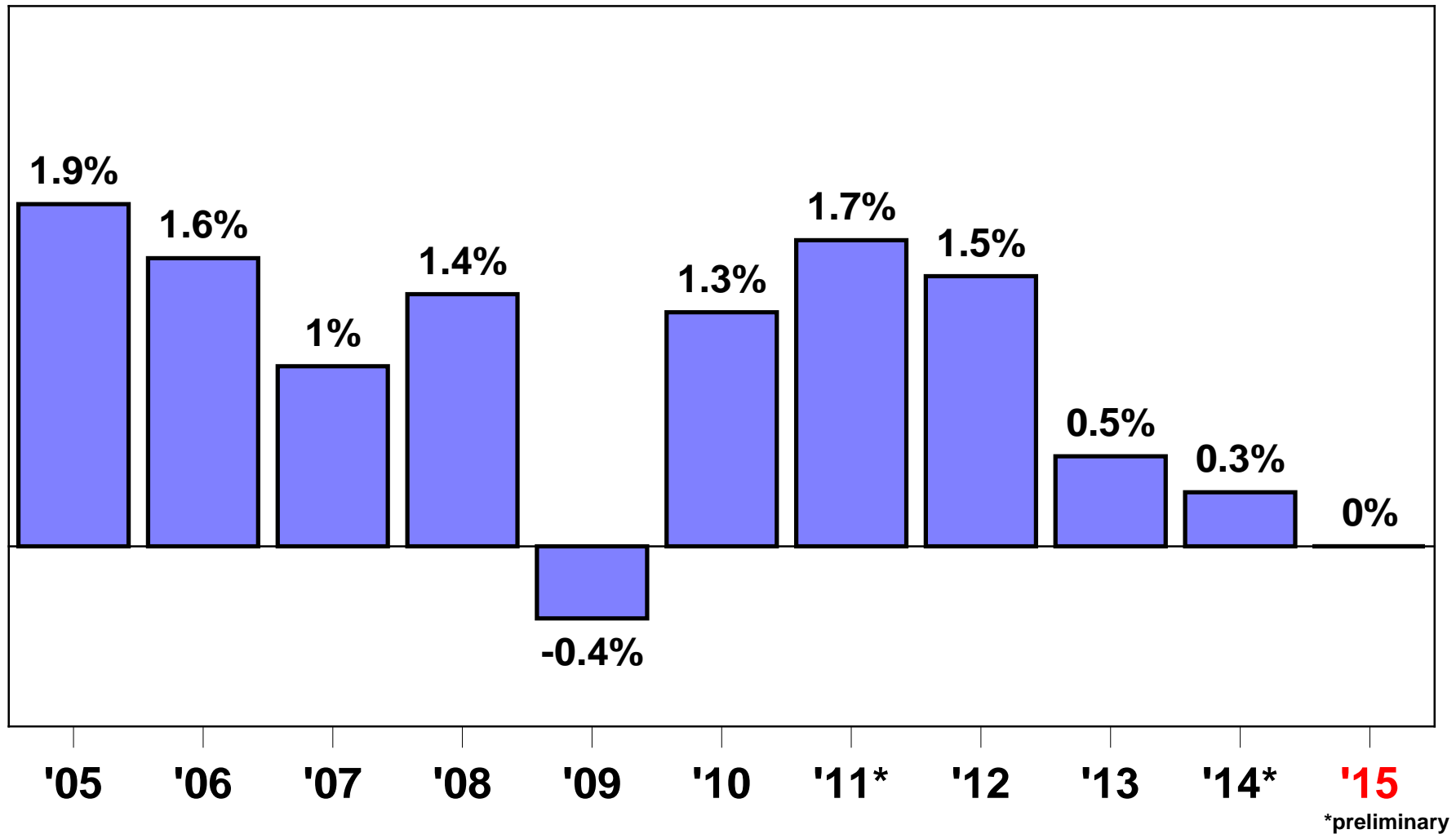
ALASKA ECONOMIC **TRENDS**

JANUARY 2015

**EMPLOYMENT
FORECAST** for
2015

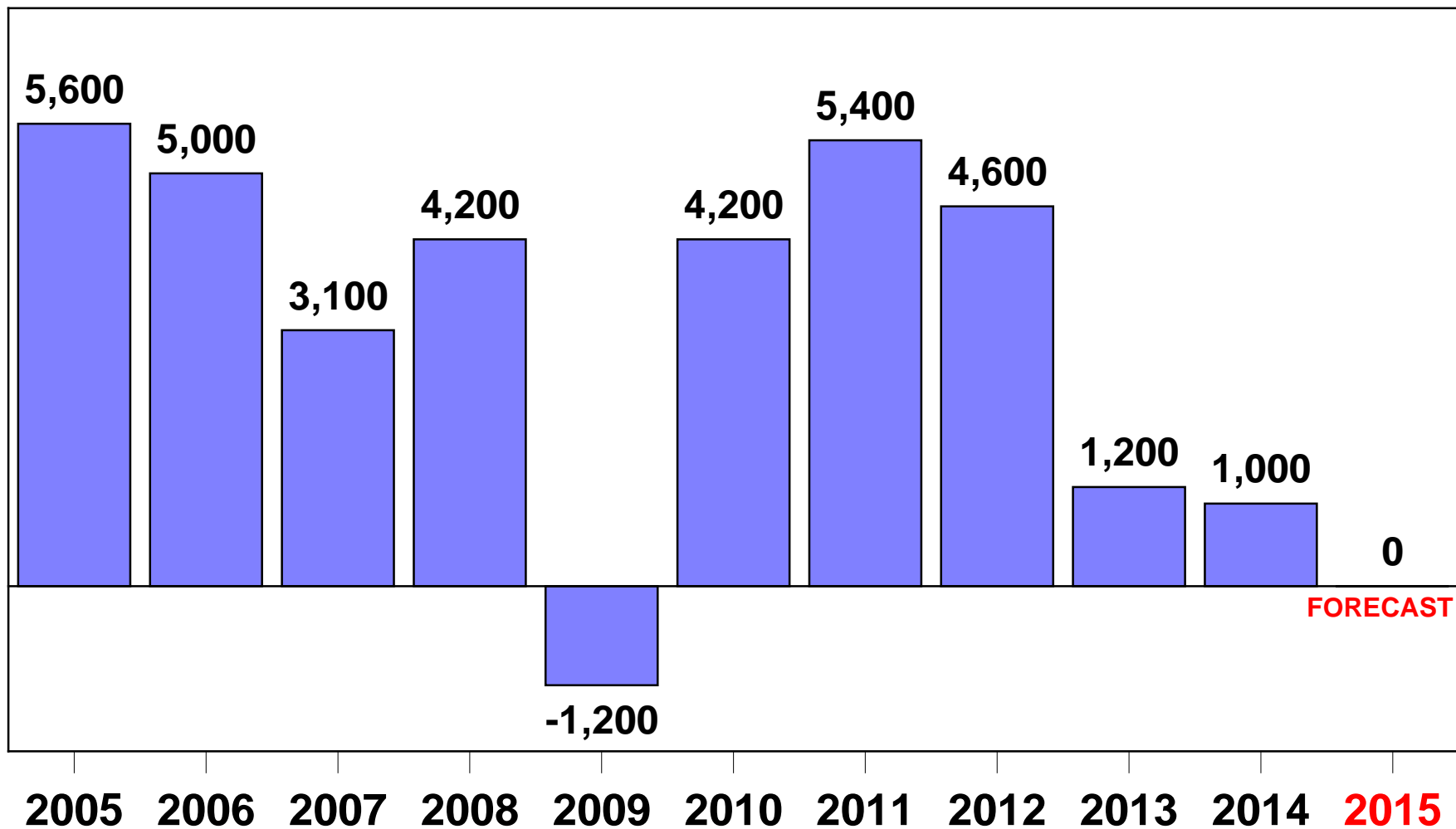
2015-A Softer Year In Alaska

percent employment change from previous year-AK



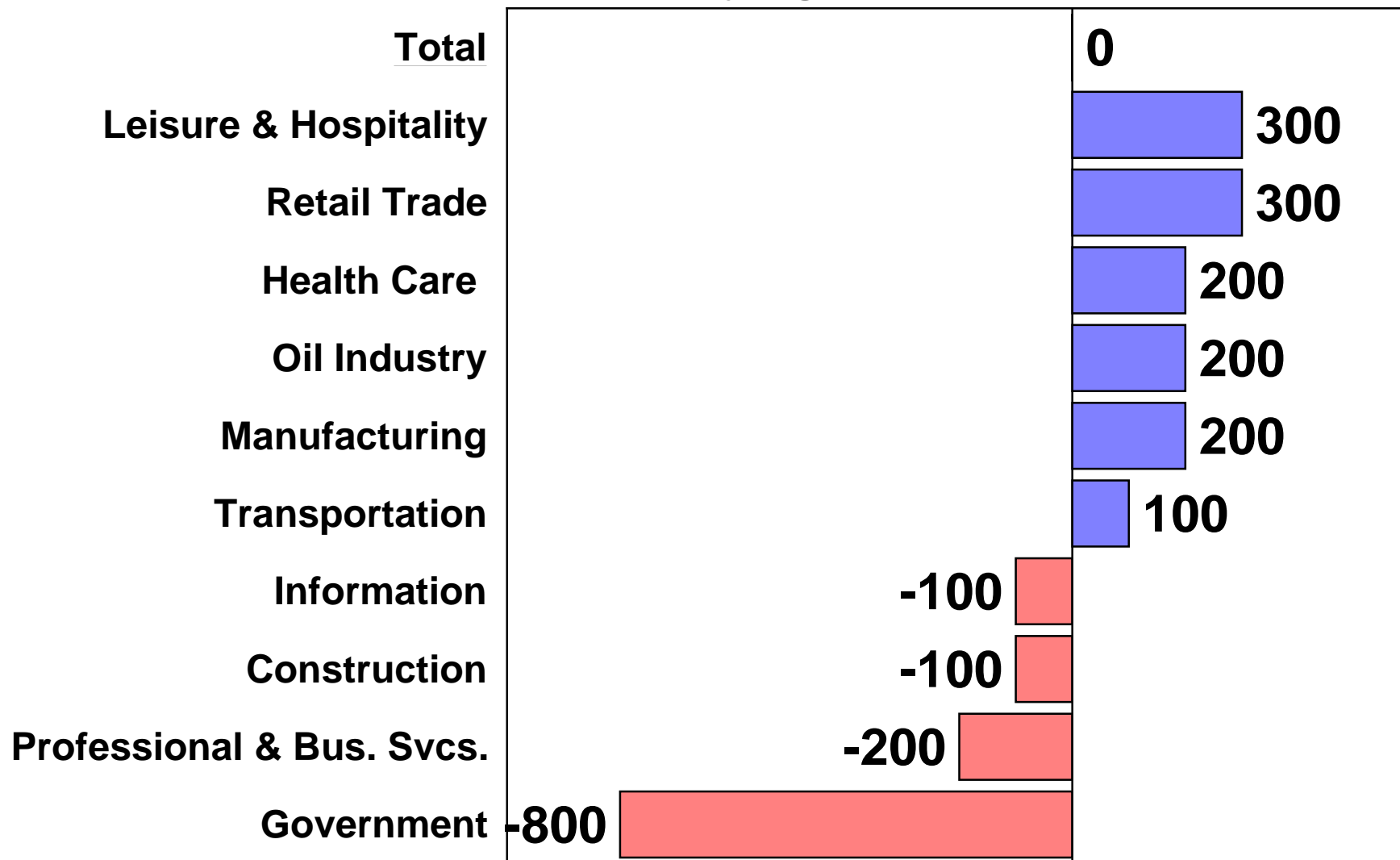
Ak's Employment Growth Flattens Out

Annual employment growth in AK

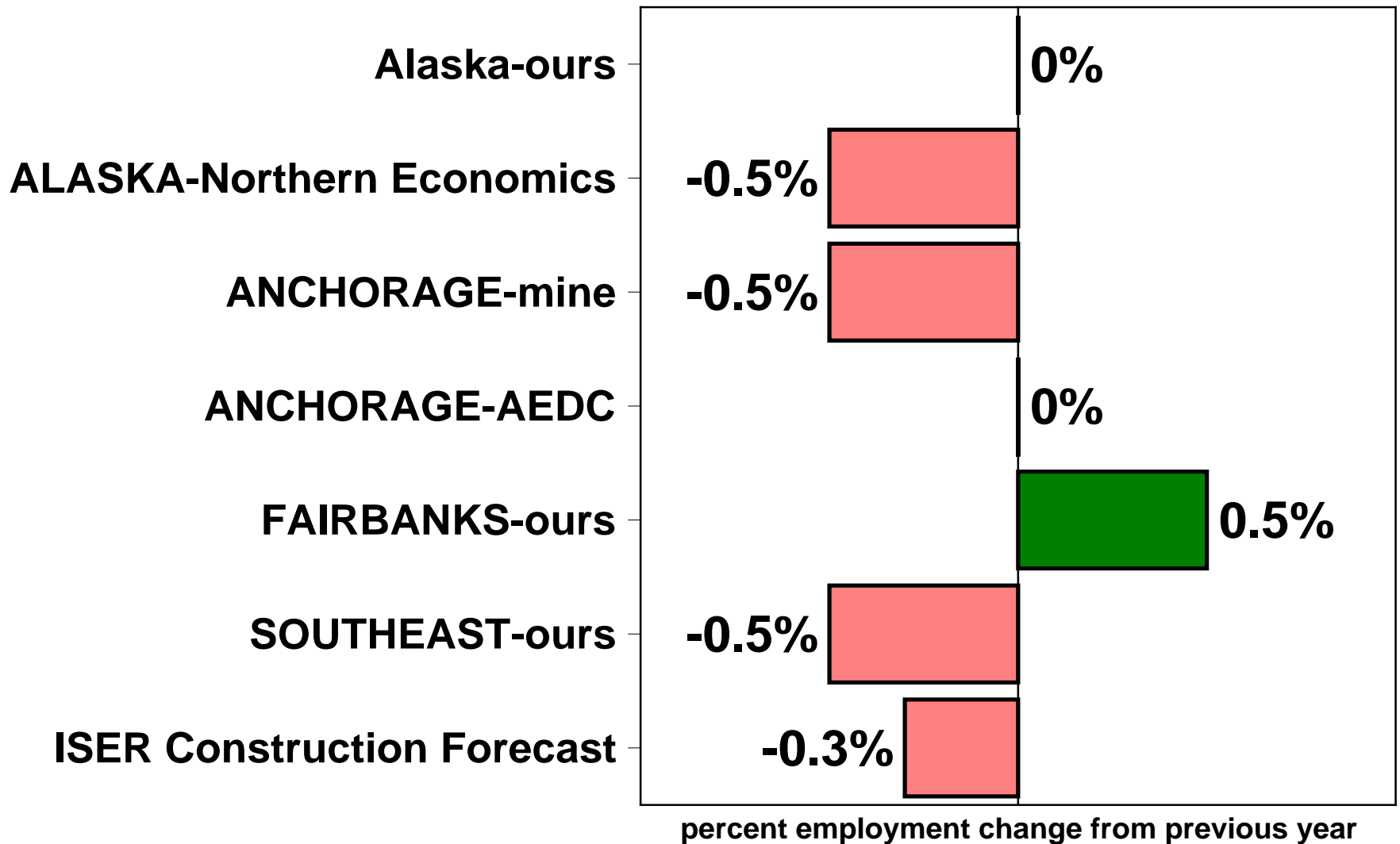


Where Jobs Are Forecast To Come From And Disappear In 2015

Forecasted job gains and losses 2015



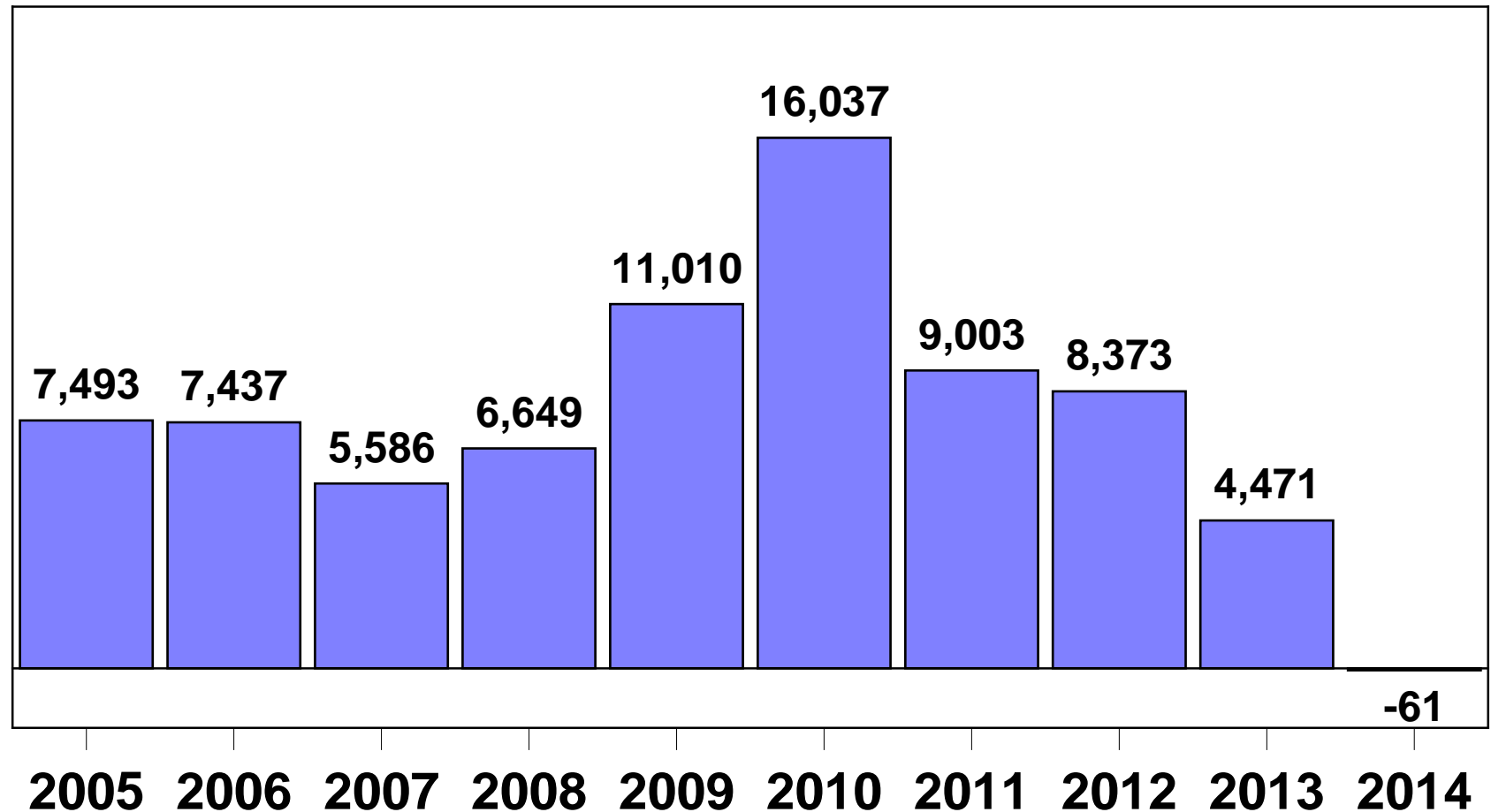
Some Other Forecasts for 2015



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

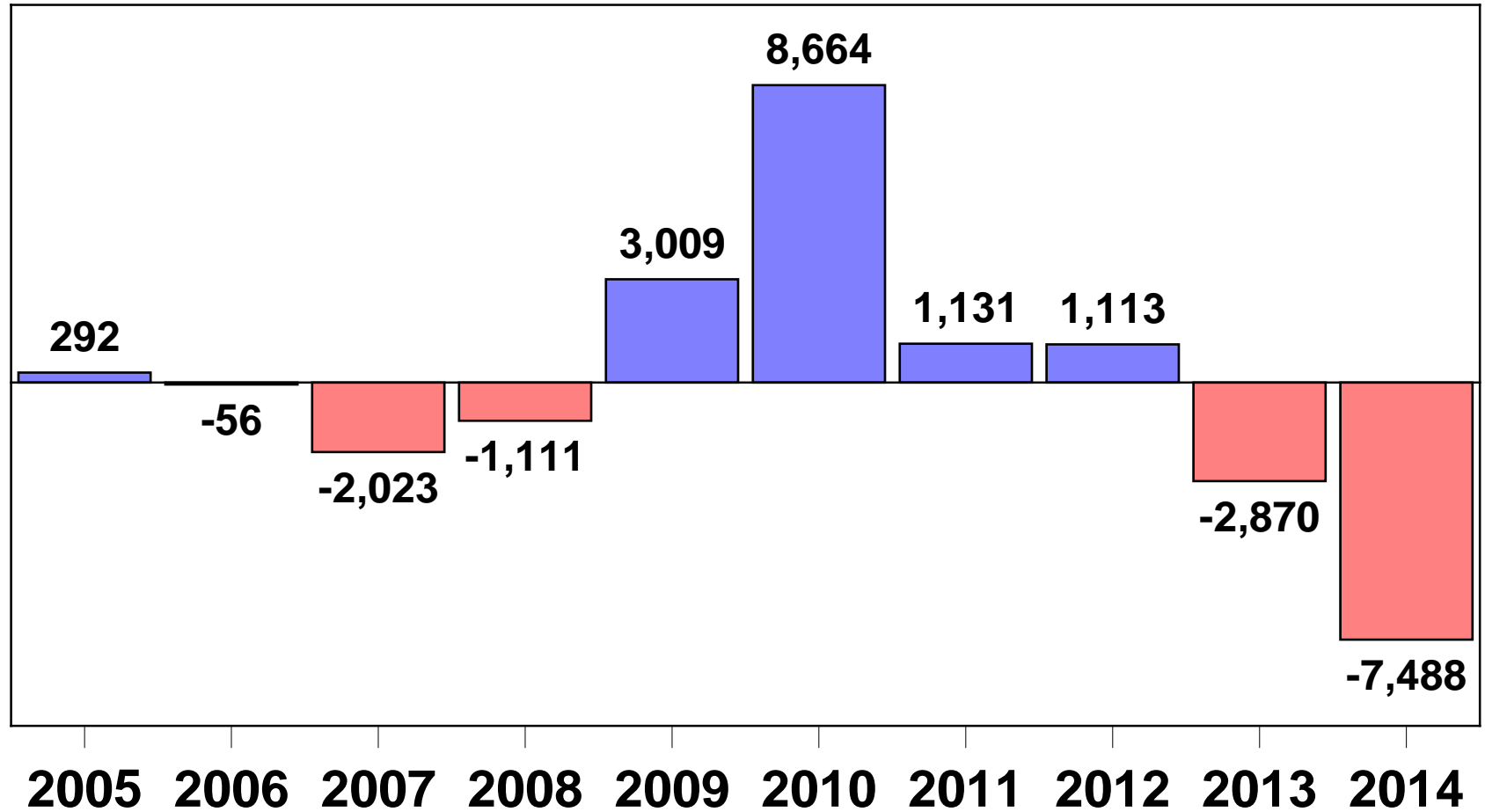
Alaska's total 2014 population count was 735,601

Total annual population gains and losses for Alaska



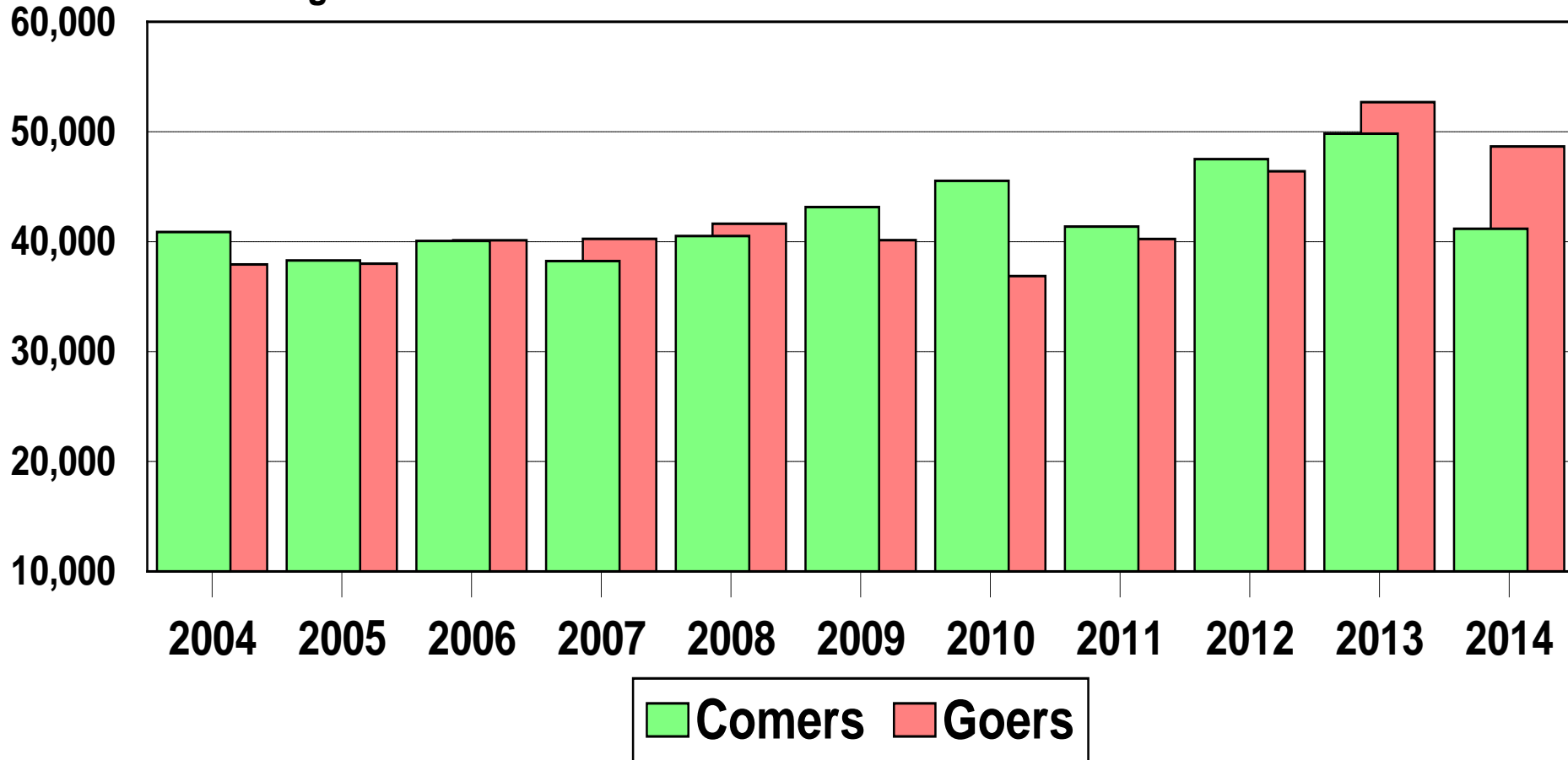
Alaska's Migration Tells A Different Story

Annual net migration, Alaska

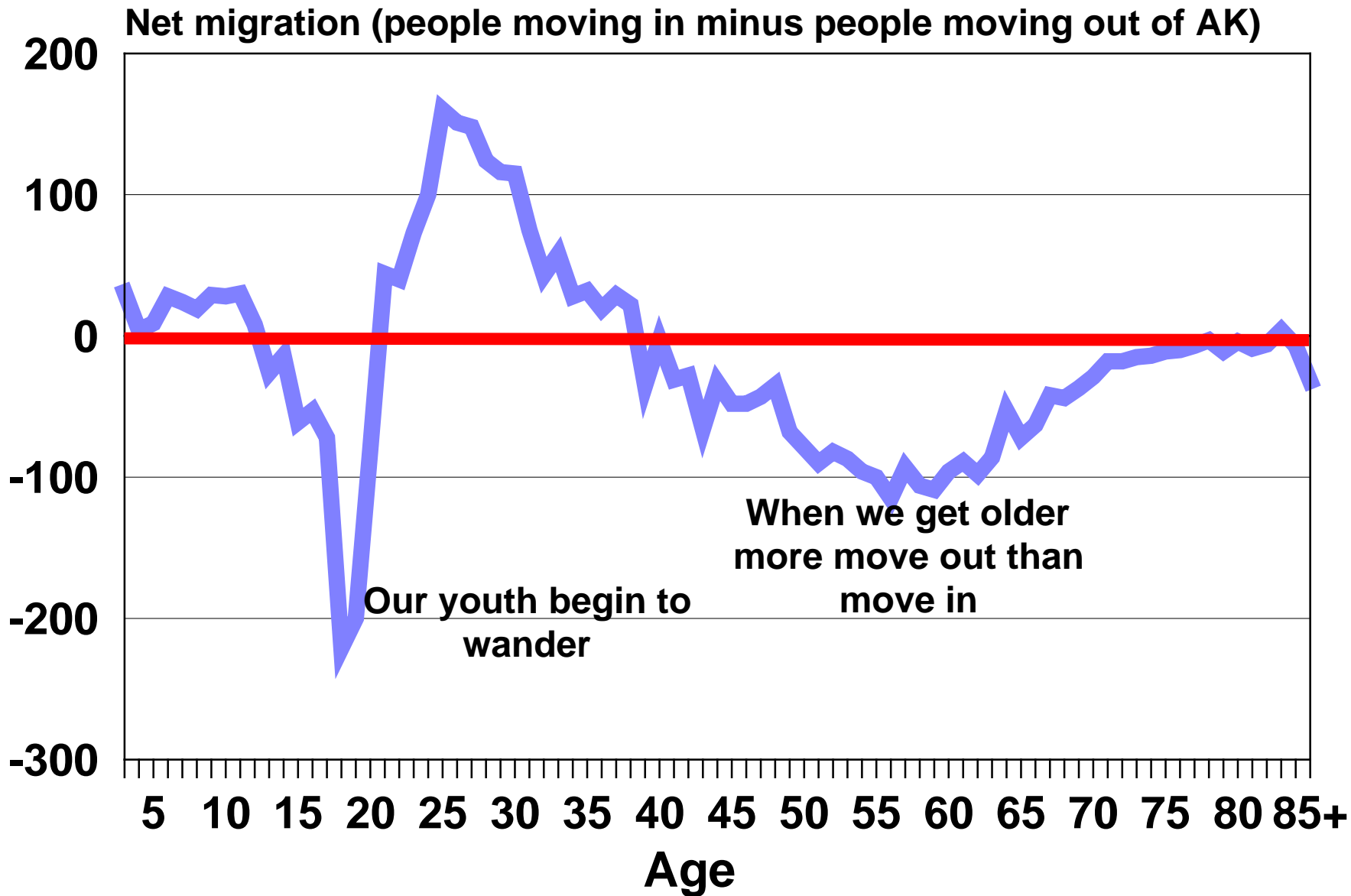


Alaska Churn--The Number Of Folks Moving In And Moving Out Of AK Each Year

Alaska migration

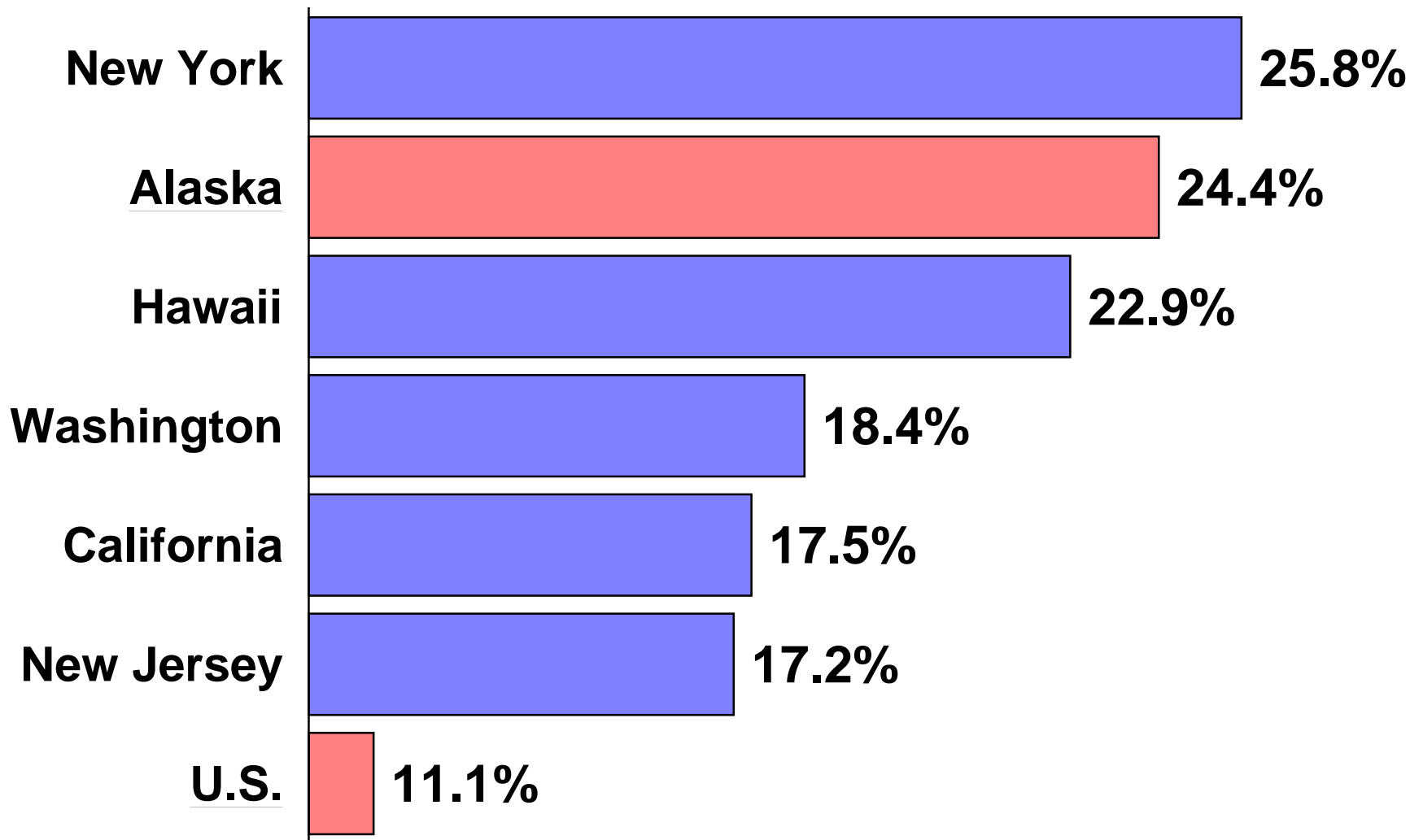


When People Move In And Out Of Alaska



Alaska's Union Membership Is Double The National Average

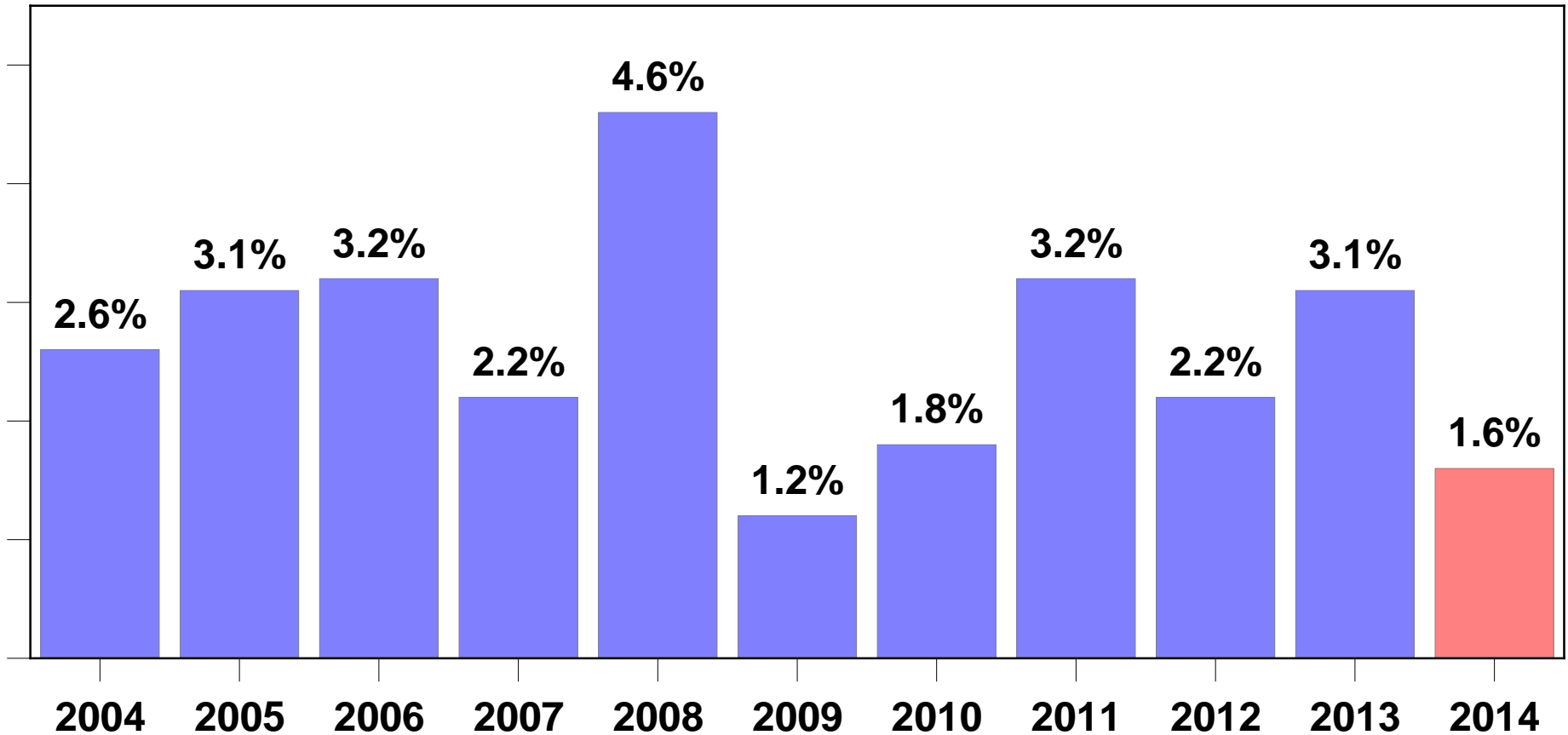
union membership 2014



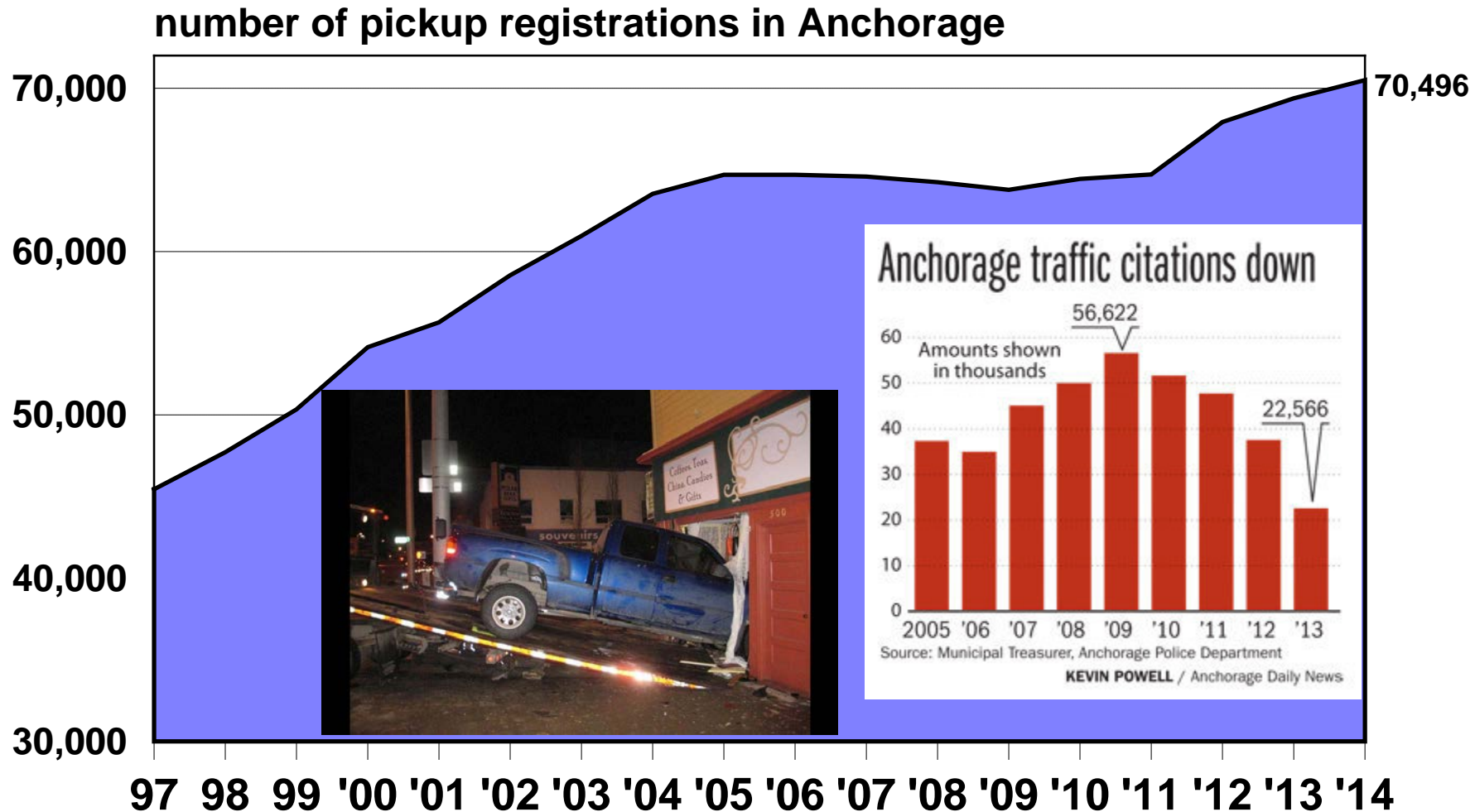
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Cost-of-Living Increases in 2014- Annual Changes in Anchorage's CPI-U

Inflation Rate



Anchorage's Pickup Truck Index-- More Moderate Growth In 2014



14,914 snow machines in 2014--peaked in 2007 at 16,878