

Alaska's & Anchorage's Economic Climate



COMMONWEALTH
NORTH
Illuminating Alaska's Issues



Commonwealth North

Morning of November 17th, 2015

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

Alaska News

Oil patch slump oozing anxiety throughout the industry

Alex DeMarban | November 4, 2015

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Economy

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

Jeannette Lee Falsey, Zaz Hollander | November 13, 2015

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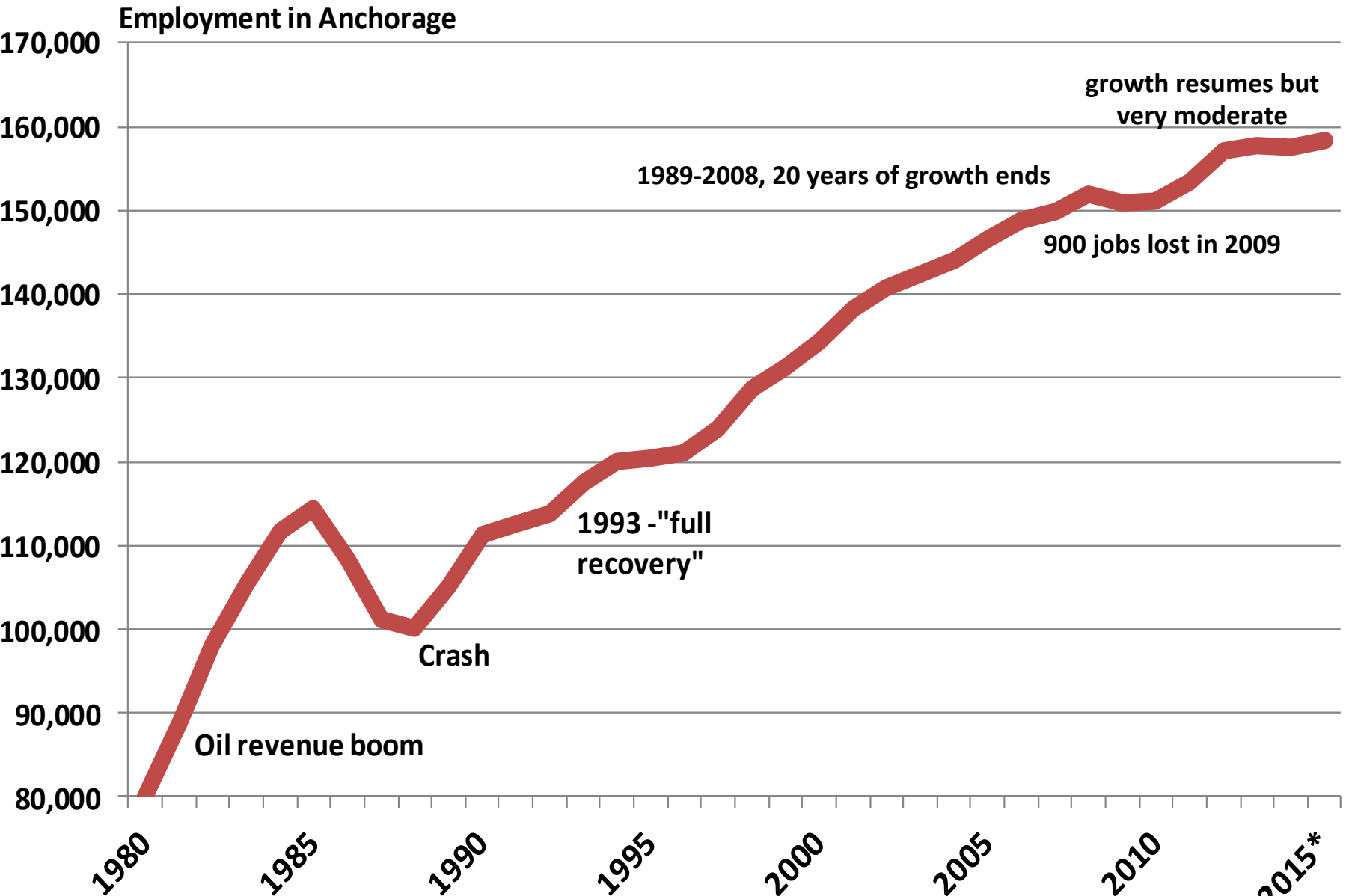
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Some Current Economic Indicators To Contemplate

“Not everything that can be counted counts, and not everything that counts can be counted.”

Albert Einstein

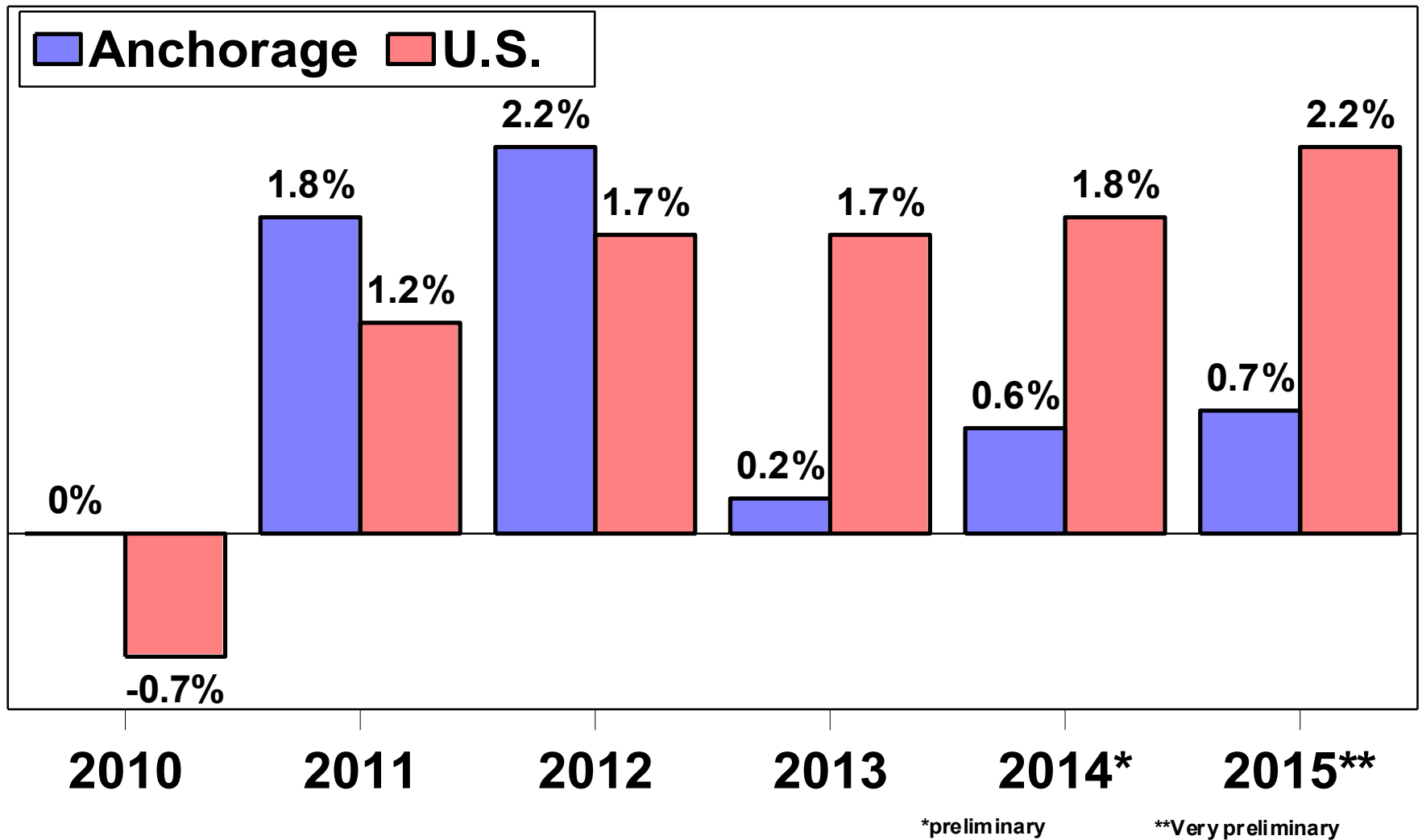
Decades Of Steady Employment Growth



Source: Alaska Department of Labor, Research and Analysis

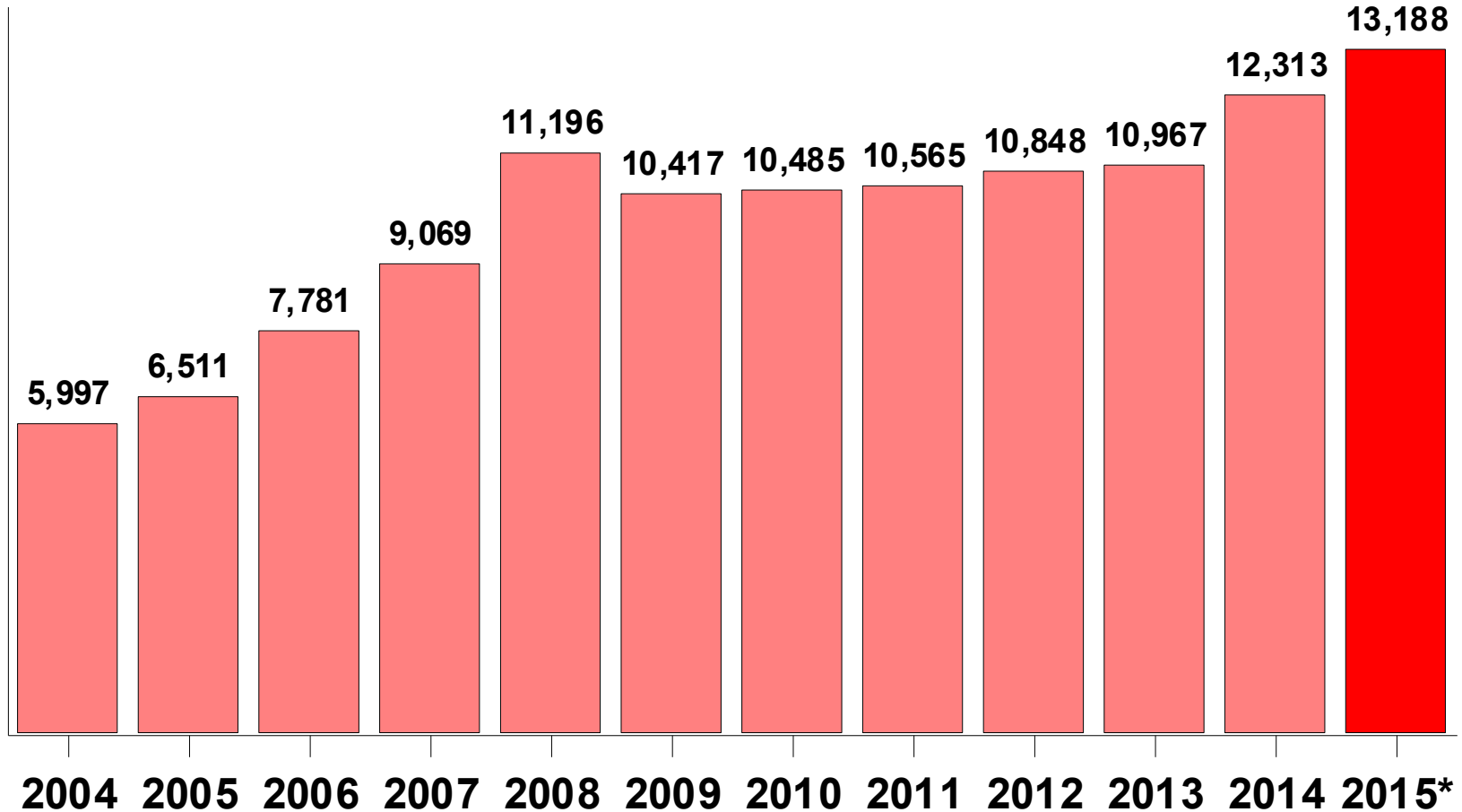
Slower Growth In Anchorage

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



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

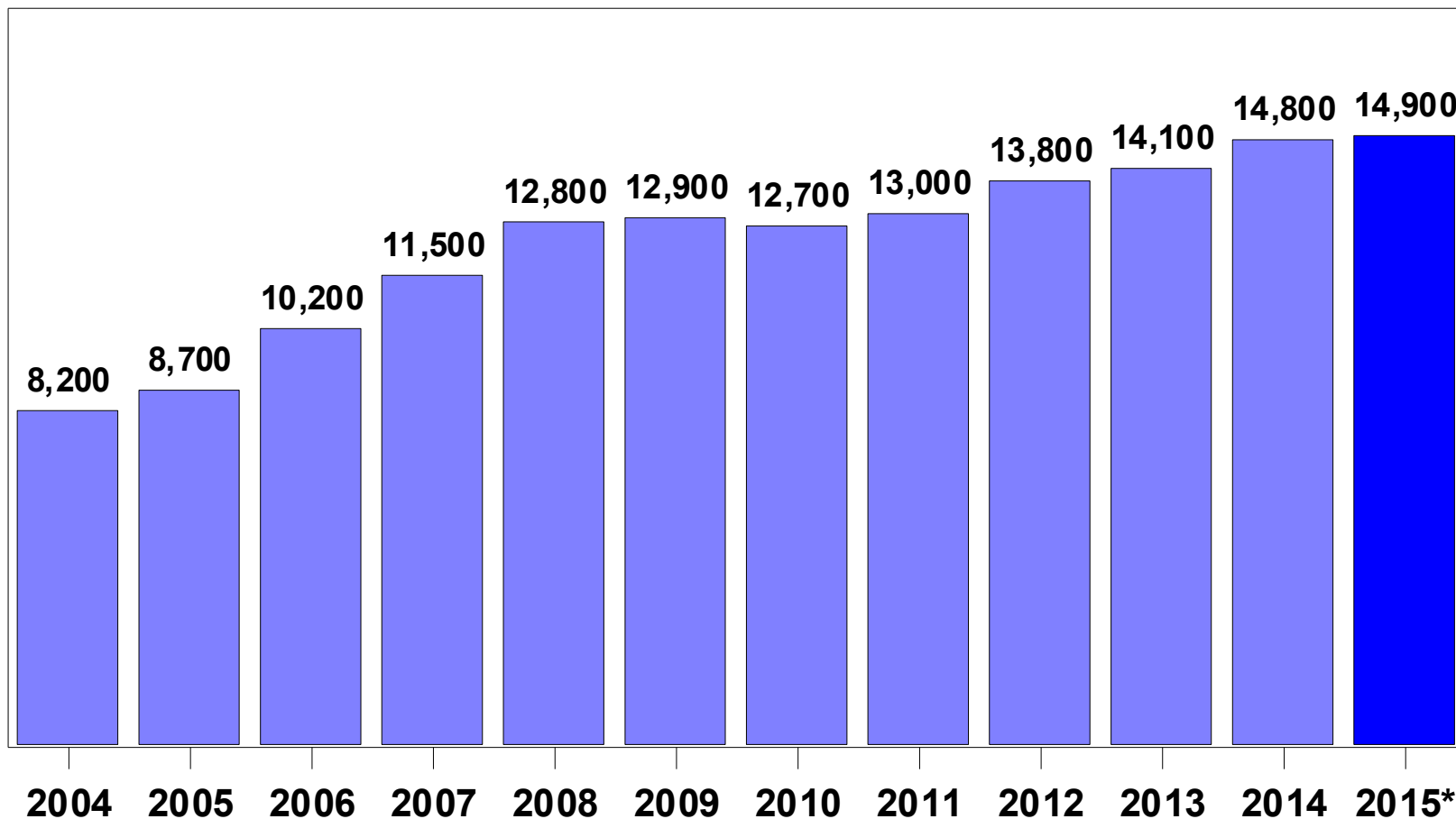
All workers in Prudhoe



***Caution: based on first Quarter, only**

Oil Industry Employment Keeps Hitting New Highs

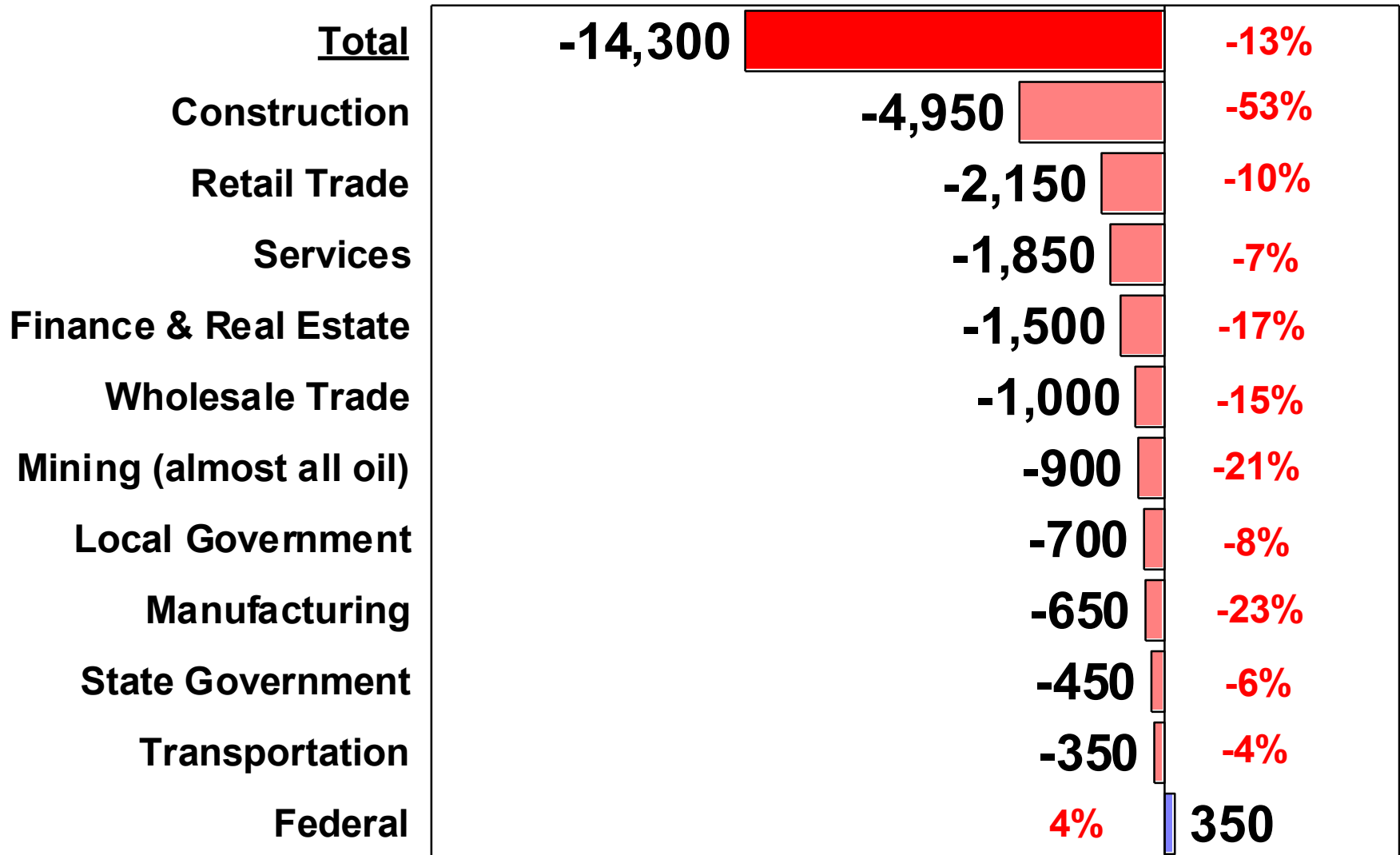
Number of oil and gas jobs



***Estimated, based on data for first half of 2015**

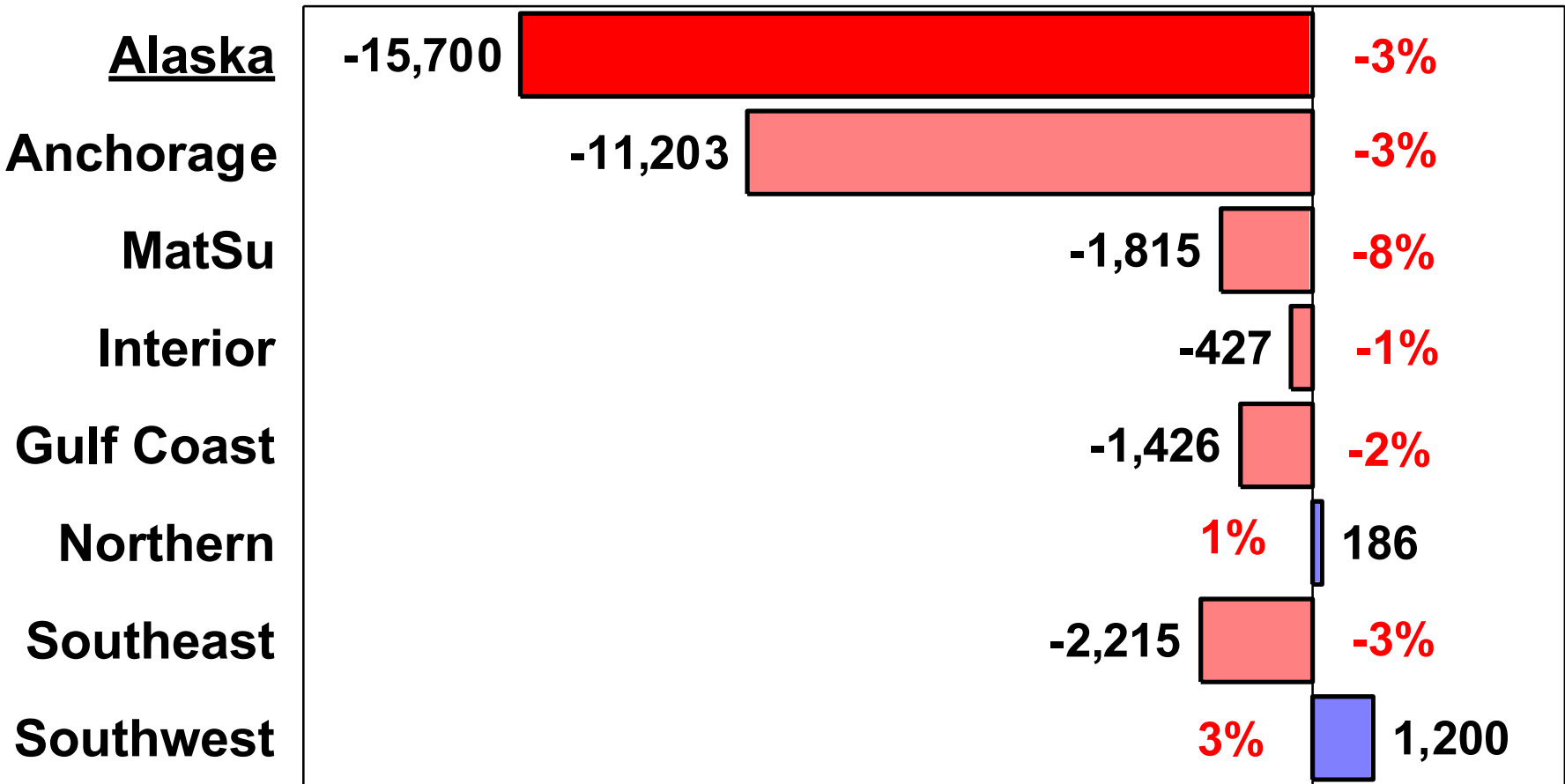
Where Jobs Were Lost And Gained During The “Great Recession” of the 1980’s

Jobs lost and gained between 1985-1988 in Anchorage



Population Losses During The 1980's

Population Changes 1986-1988



The 1980's and Now

Similarities

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

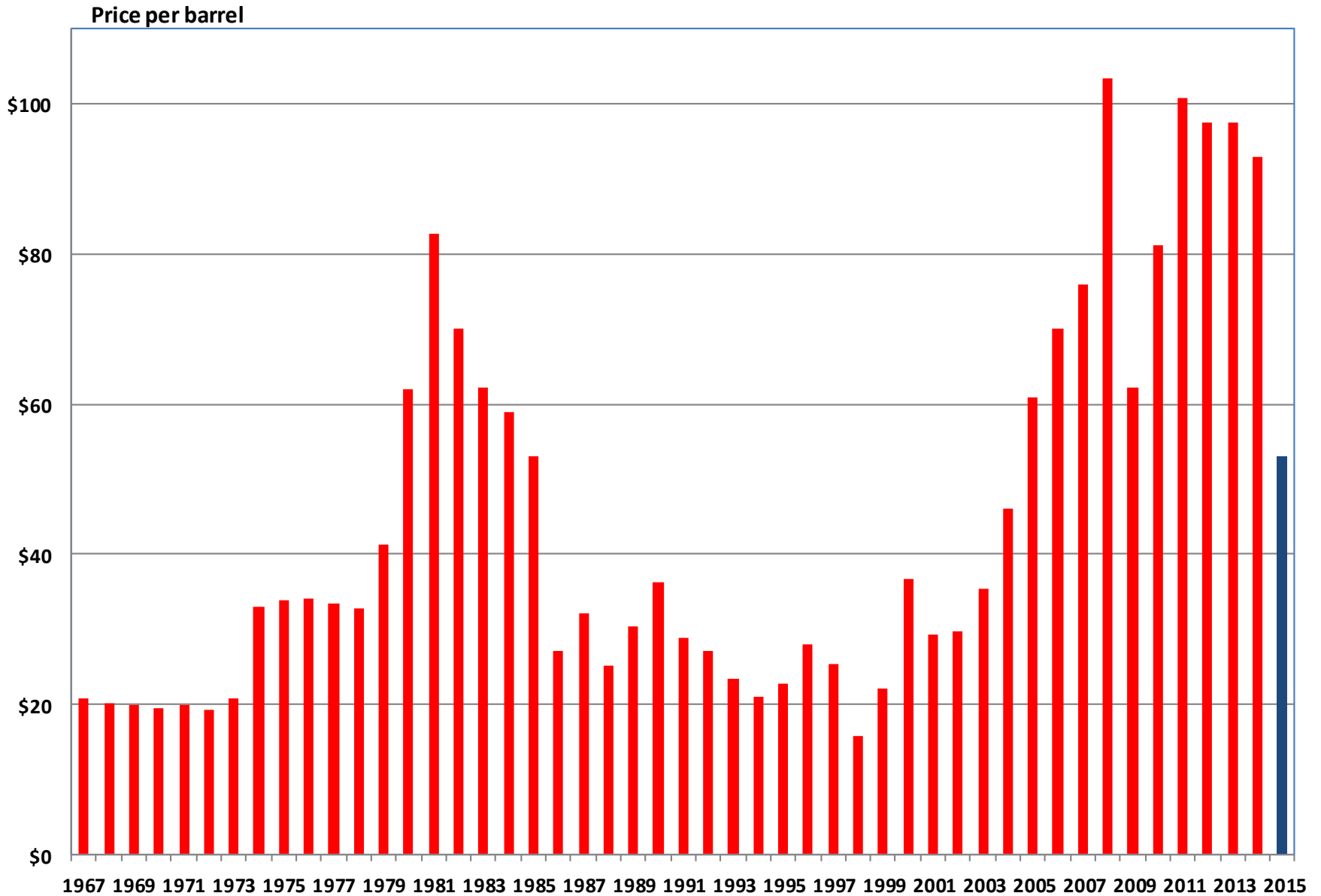
Differences-Good

- Not preceded by economic and population boom
- Very 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

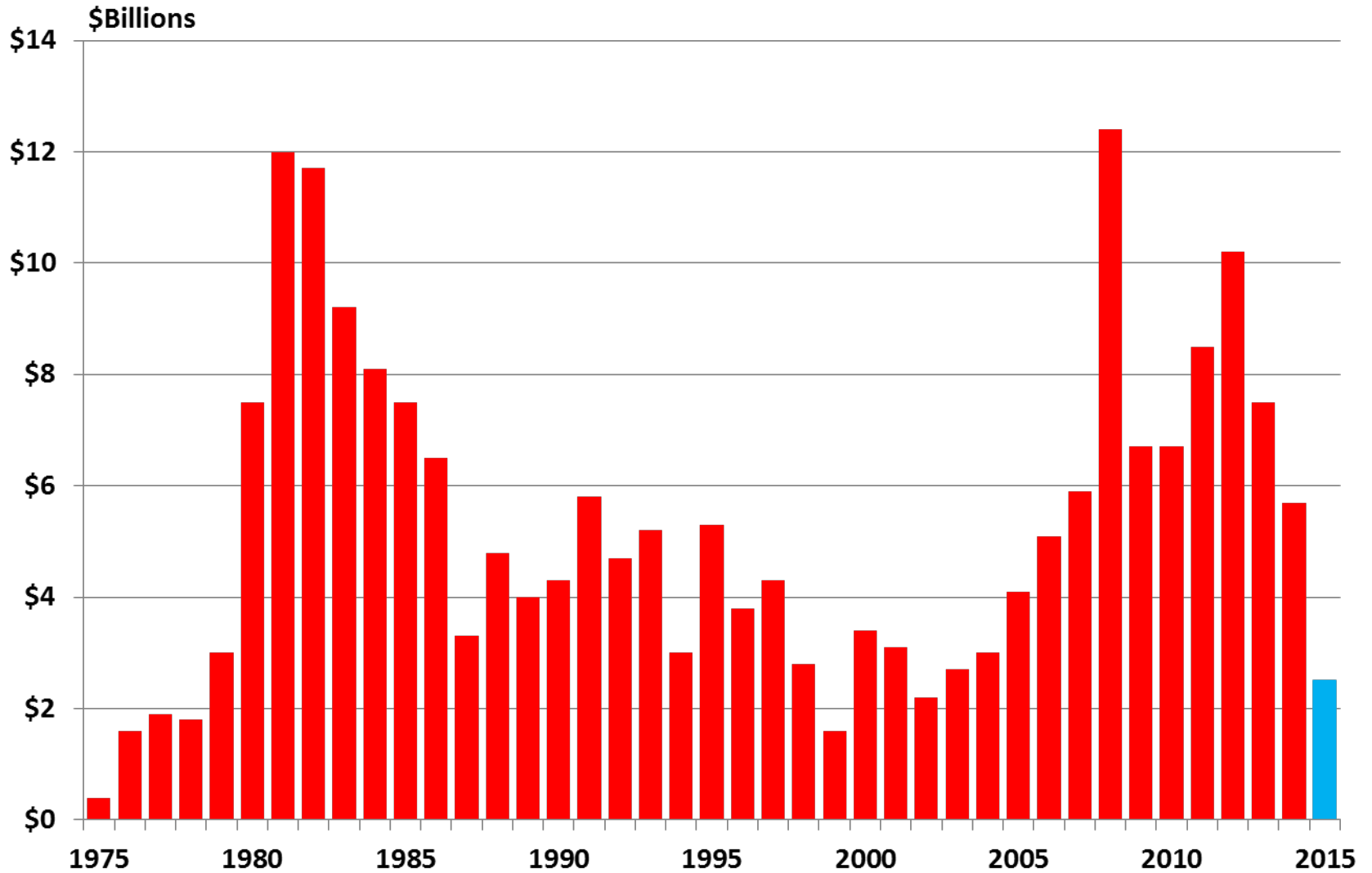
- Much less oil production

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

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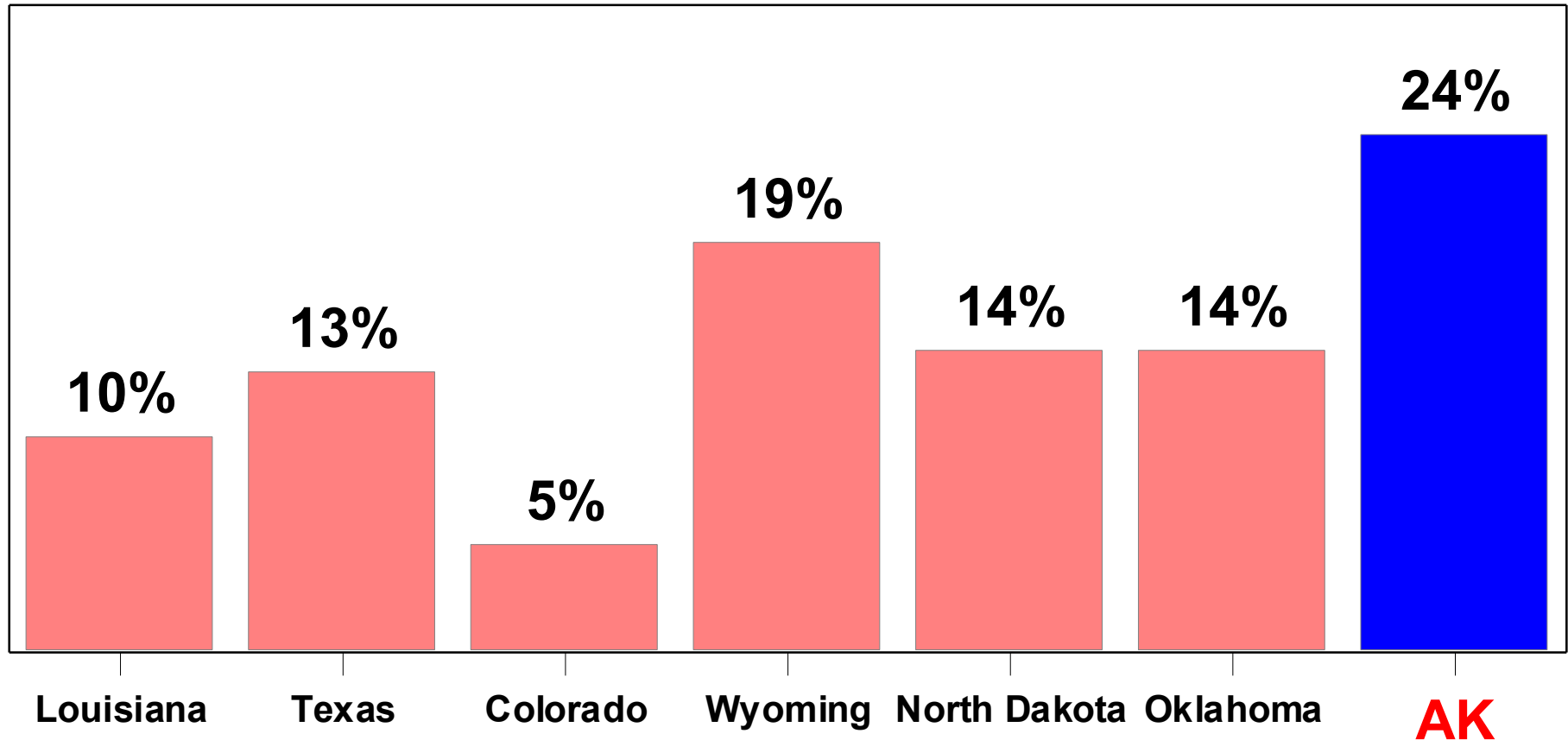
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Our Wealth Tied To Oil Greater Than Probably Anywhere Else

Oil And Gas As A Percent of GDP



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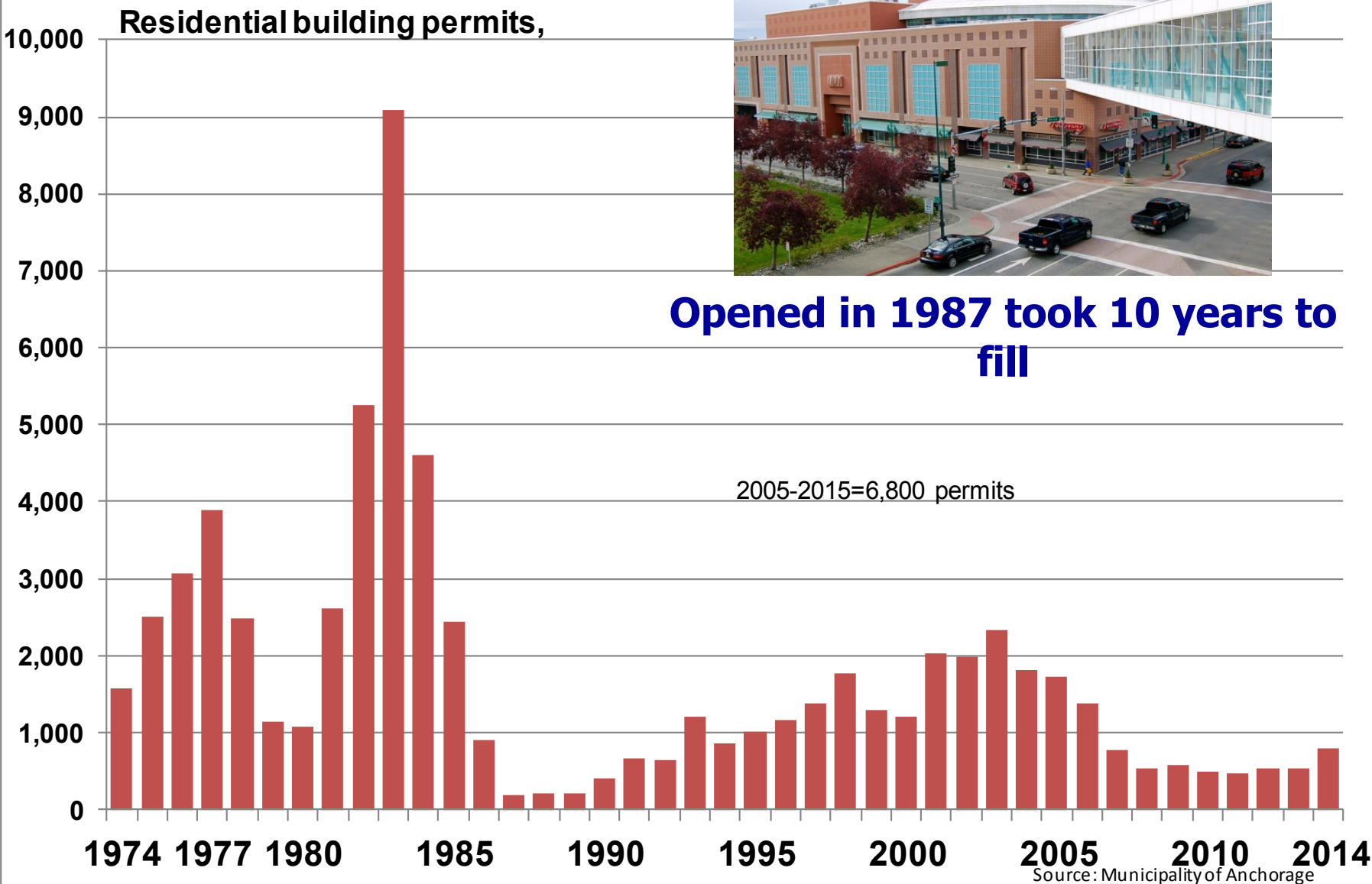
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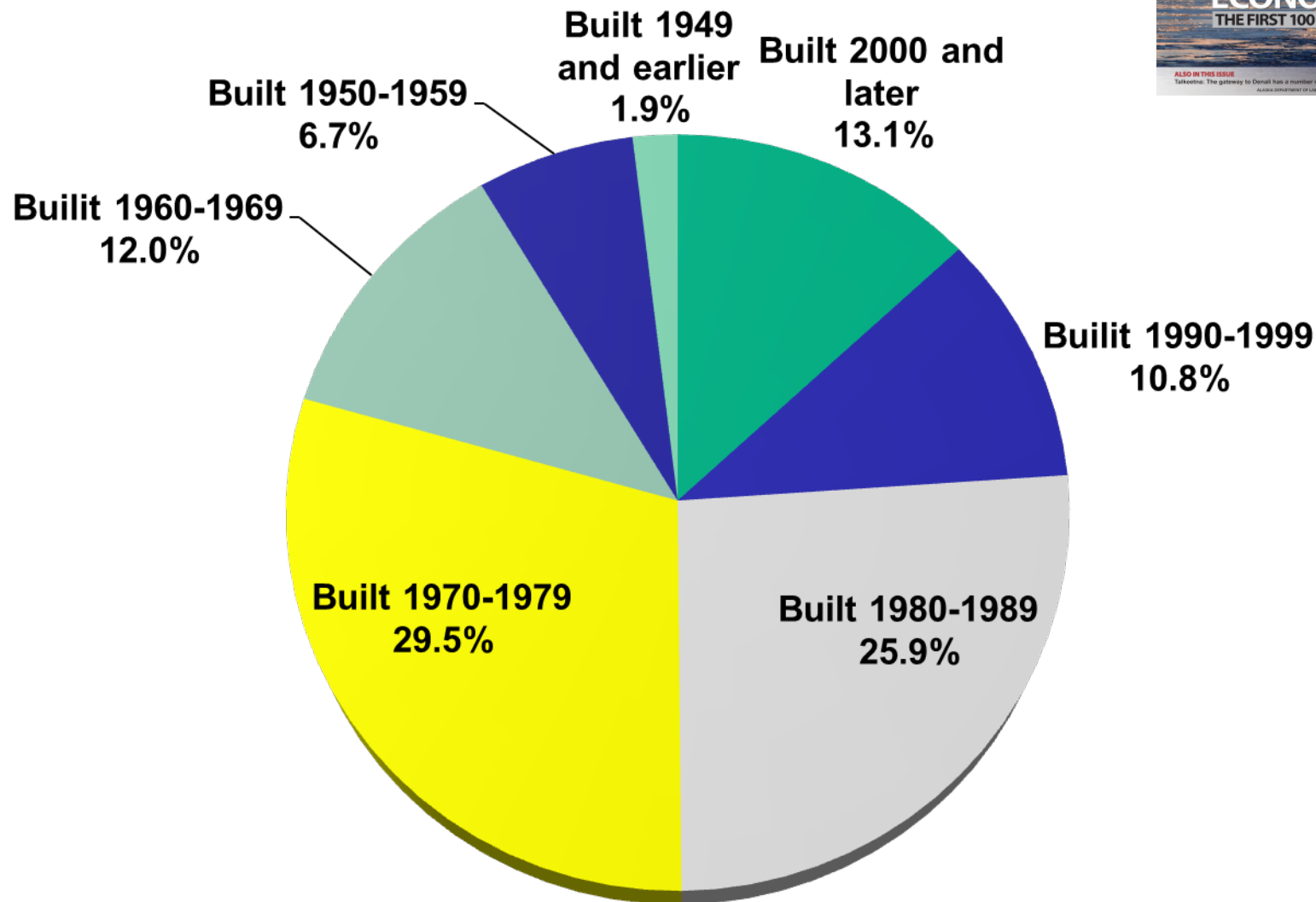
Housing Bubble?



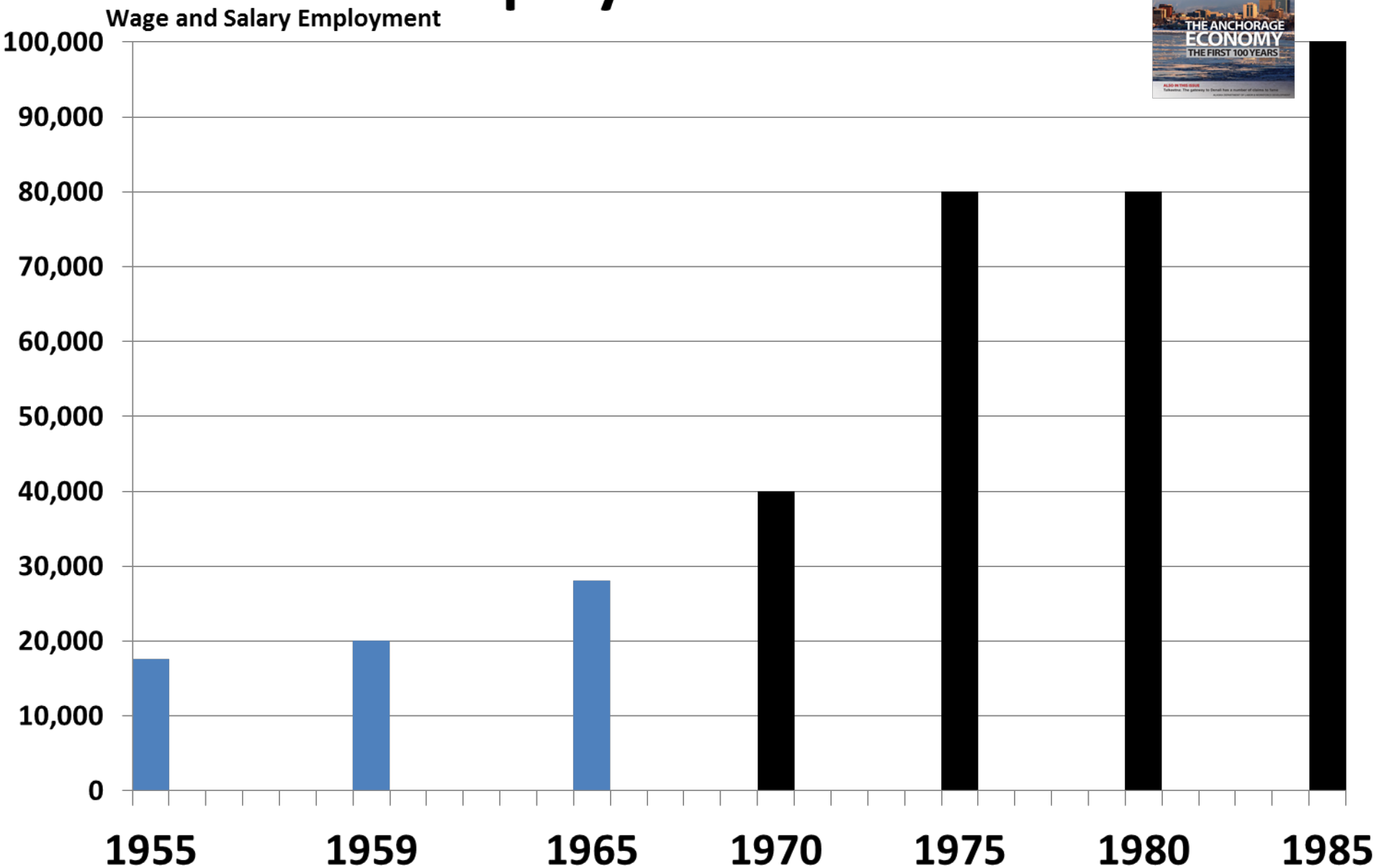
Opened in 1987 took 10 years to fill



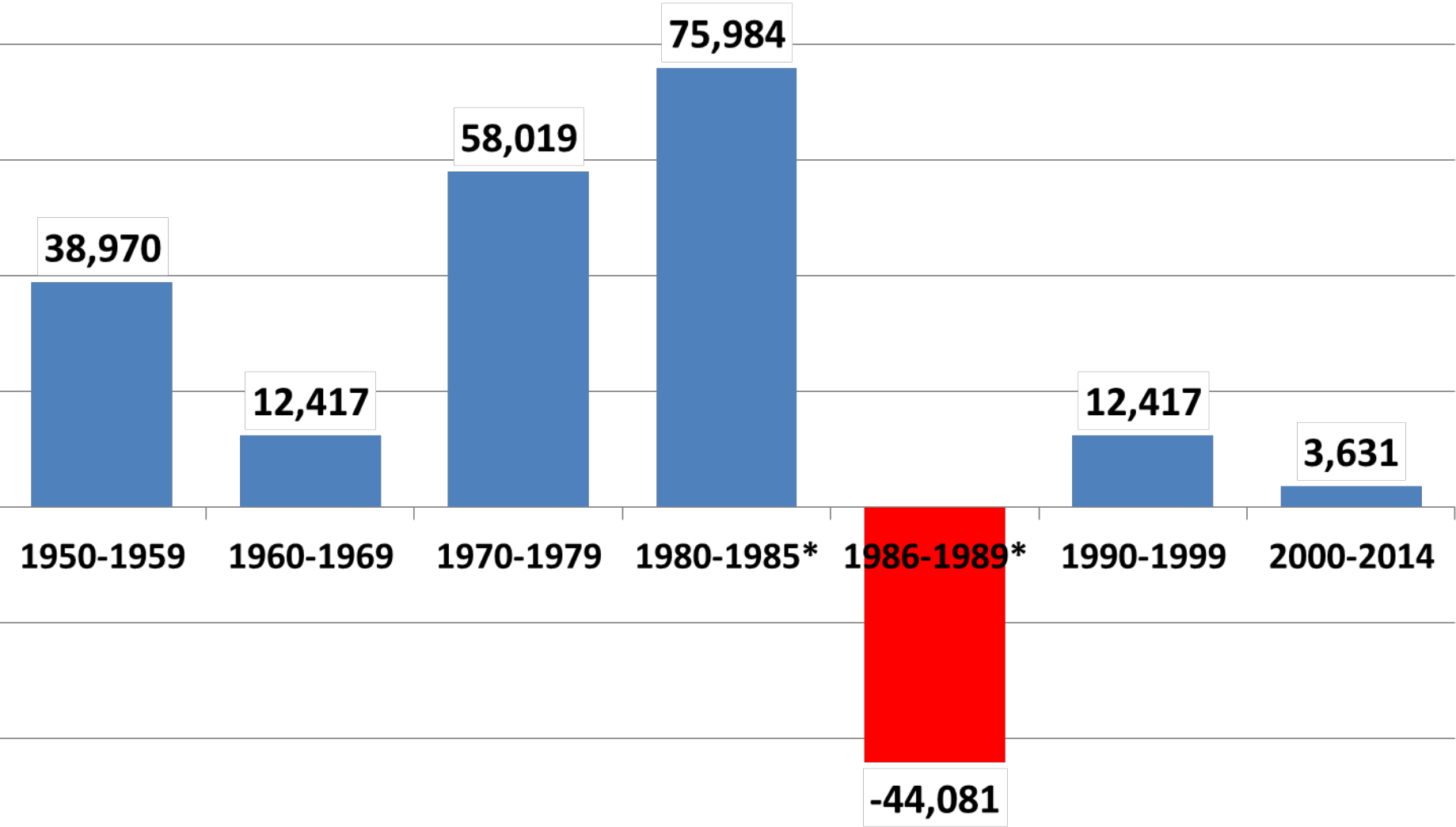
When Anchorage's Housing Units Were Built



Anchorage's Impressive Oil Soaked Employment Growth



Periods Of Net Migration In Alaska



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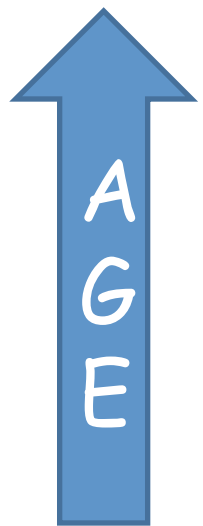
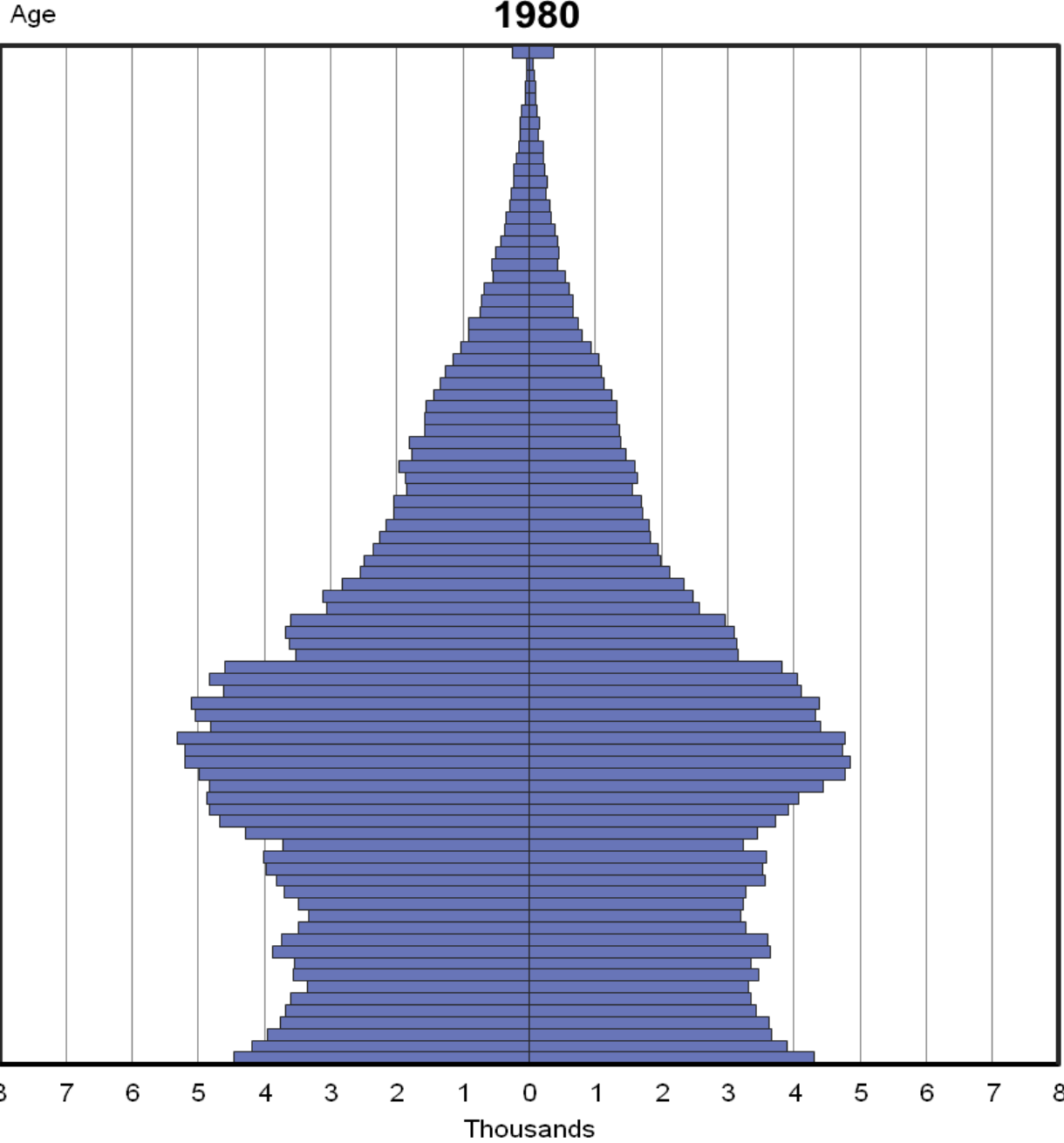
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Still not sure if better, worse or just different? Too early to tell.

Estimated Alaska Population by Age and Sex

1980



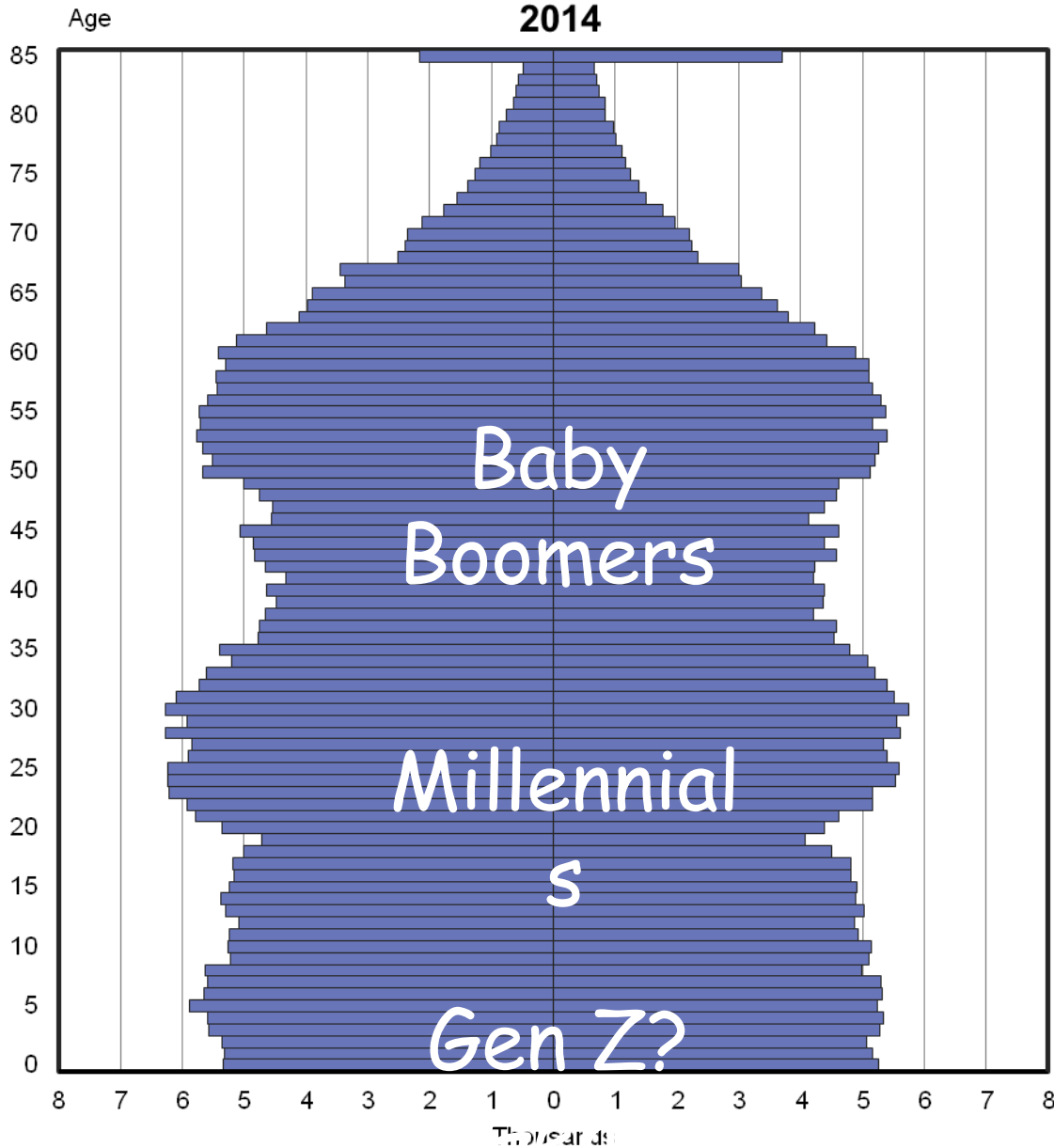
**Median
age=26,
3%>65**



2014



Estimated Alaska Population by Age and Sex 2014



**Median age=34,
10%>65**

Men

Women

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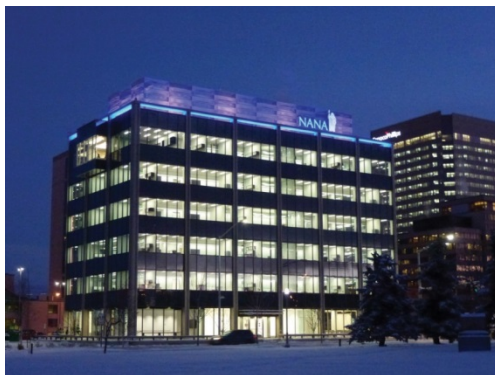
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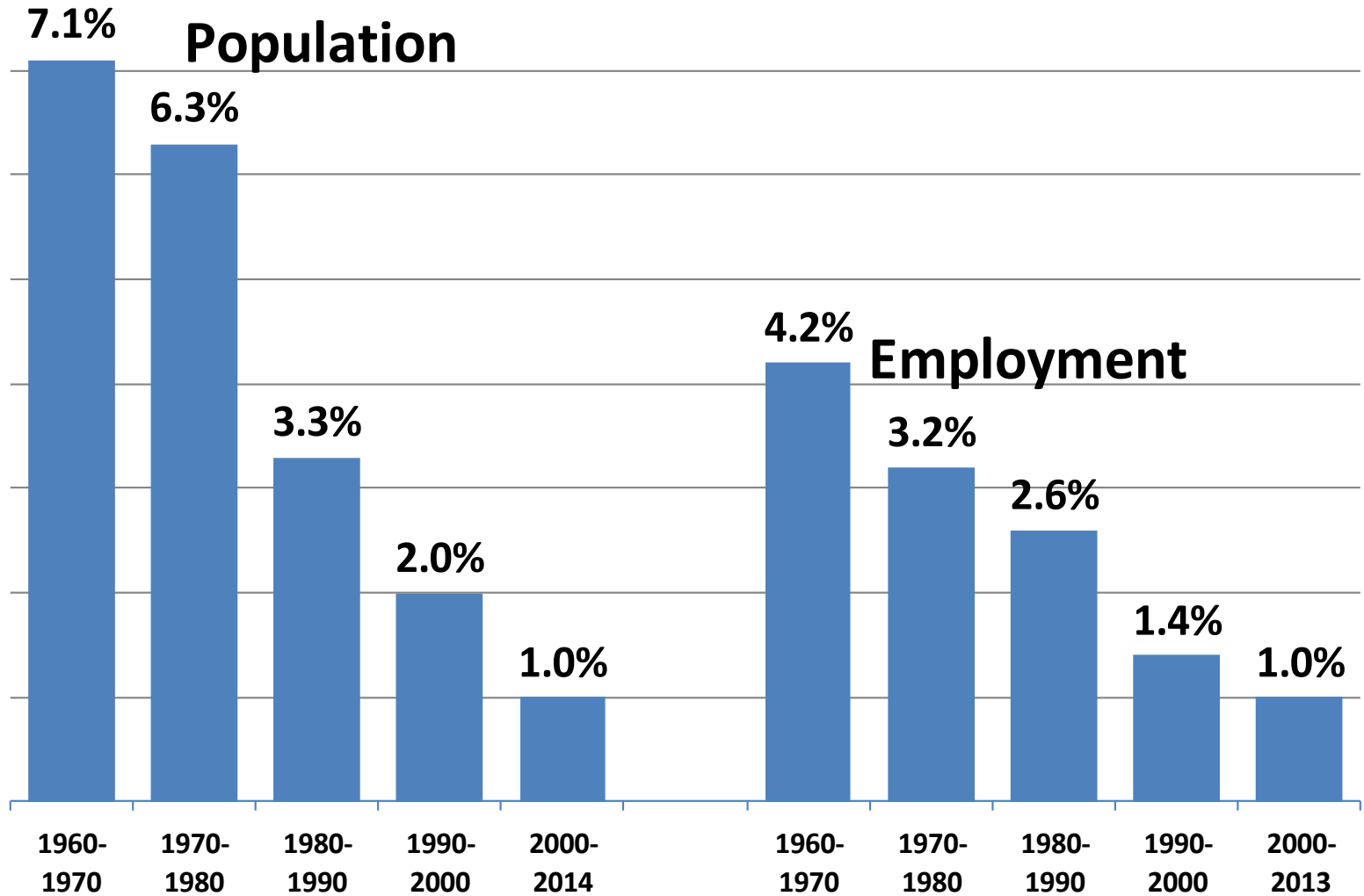
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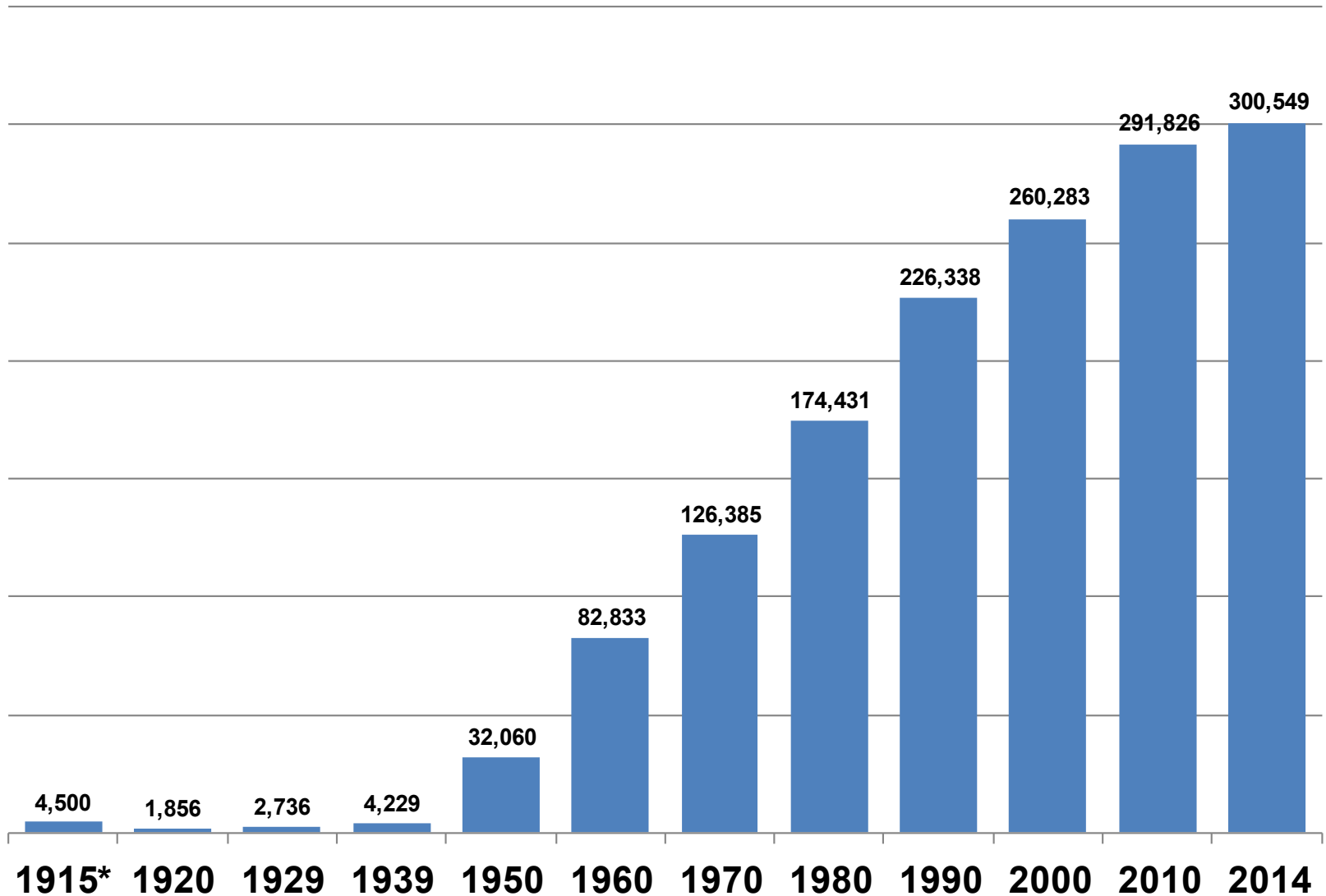
Employment and population growth in Anchorage slowed with the decades

Annual percent growth



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section, U.S. Census

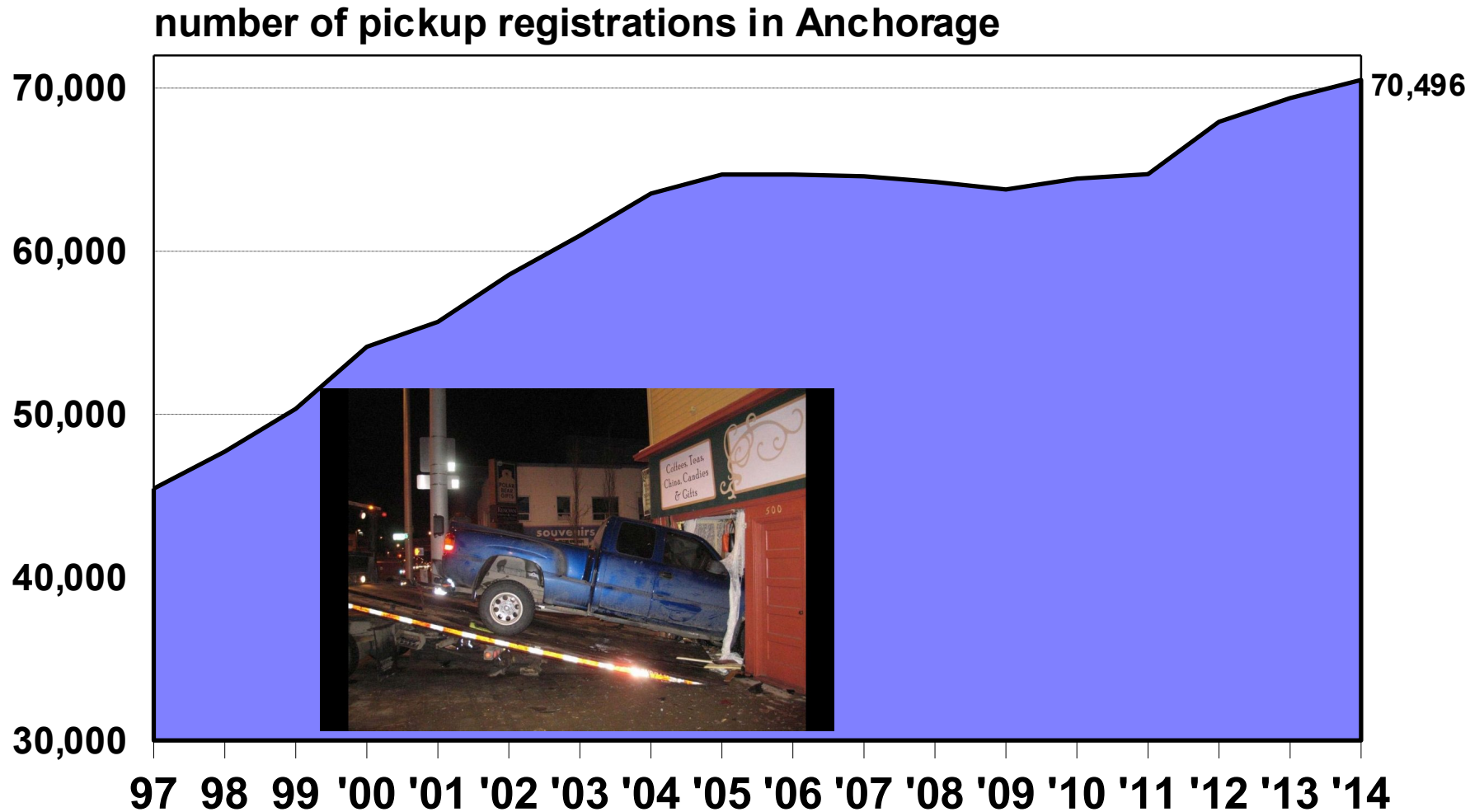
Anchorage's Population (A Hundred Years)--1915-2014



* reported estimate by the Alaska Engineering Commission

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis, U.S. Census Bureau

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



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