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Larry Persily

PERMANENT FUND
HAS BEEN PERMANENT
FOR 50 YEARS

WHY THE PERMANENT FUND

The Alaska Permanent Fund was created by the people of Alaska in 1976 as a way to save a portion of the state's oil revenues for the needs of future generations.

-- International Forum of Sovereign Wealth Funds

“People all over the state, including those of us in the Legislature and administration, are asking the same question,” Rep. Terry Gardiner wrote in a letter to Alaska newspapers in April 1975. “What happened to the \$900 million from Prudhoe Bay?” That question became a key factor in building public support to save money from future windfalls, which is how the Permanent Fund came into existence, overwhelmingly approved by voters in 1976.

-- Terry Gardiner, House member who supported creation of the Permanent Fund

BALLOT SUMMARY IN 1976

This proposal, if approved, would amend the Constitution of the State of Alaska by amending Article IX, Section 7 (Dedicated Funds) and adding a new Section to Article IX (Section 15, Alaska Permanent Fund). It would establish a constitutional permanent fund into which at least 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State would be paid. The principal of the fund would be used only for income-producing investments permitted by law **and the income from the fund would be deposited in the general fund of the State and be available to be appropriated for expenditure by the State unless otherwise provided by law.**"

IT WASN'T EVEN CLOSE

Ballot Proposition No. 2	75,588	38,518
Permanent Fund From Non-		
Renewable Resource Revenue		
Constitutional Amendment		

HISTORICAL TIMELINE

1976

Voters pass a constitutional amendment to establish the Permanent Fund (Alaska Constitution, Article IX, Section 15).

1980

First Permanent Fund Dividend legislation enacted. The legislation established a program giving every adult Alaska resident \$50 for every year of residency since statehood in 1959 and also established a dividend Fund. Payment of dividends were stayed under litigation (*Zobel v Williams*) challenging the constitutionality of the program.

1982

U.S Supreme Court ruled the 1980 legislation unconstitutional. In response to the litigation, the legislature passed legislation authorizing equal dividend payments to all six-month residents. The first dividend amount was \$1,000. The first dividend checks were distributed June 14, 1982.

EVEN CHINA HEARD OF THE DIVIDEND

There was, and is, nothing anywhere like the Permanent Fund dividend, or PFD. Just after it was created in the early 1980s the late Zhou Enlai, premier of the Peoples' Republic of China, dined with then-Gov. Jay Hammond during a visit by Hammond to the People's Republic of China. Zhou had learned of the dividend and exclaimed, "You Alaskans are more socialistic than we are!"

THE NUMBERS SINCE 1982

- Distributed close to \$32 billion total, from the first checks in 1982 through this fall's anticipated \$1,000+ dividends.
- Per person, that comes to \$54,000 if you received every dividend.
- First check \$1,000 an arbitrary, round number appropriated by legislators.
- 1983 to 2015 PFDs followed a formula in statute.
- Gov. Walker vetoed half the appropriation in 2016, down to a \$1,022 PFD, rather than draw deeper into savings.
- The annual dividend has been subject to political appropriation ever since.