



Scott Goldsmith, Professor of Economics, Institute of Social and Economic Research at the University of Alaska Anchorage, shares his views on the Alaska economy.

April Unemployment Rate Steady at 6.6 Percent

The April 2016 seasonally adjusted unemployment rate for Alaska was 6.6 percent, unchanged since October of last year. The national rate for April was also unchanged from March at 5.0 percent. **Figure 1**

However, the raw unemployment rate (not seasonally adjusted) has been higher each month this year than in 2015. In April it was 6.9 percent compared to 6.6 percent last year. The raw unemployment rate was higher across the state except in portions of the Southeast and Southwest Regions and the Yukon-Koyukuk Borough.

This increase in the unadjusted rate may be an indicator of a weakening of the job market because at the same time there has been a drop of 3,500 in the size of the civilian labor force.

North Slope Oil Price Moves Upward, Approaching \$50

The North Slope oil price moved upward in the last month, reaching \$49 per barrel last week. The increase is at least partially due to a reduction in supply from Nigeria, Venezuela, and Canada. **Figure 2**

The average for the fiscal year is \$43, the same as last month. This is below the Alaska Department of Revenue forecast of \$50 made late last year.

North Slope Oil Production Continues to Outpace Last Year

North Slope oil production through mid-May of this fiscal year (2016) has averaged 516,000 barrels per day. This is about 15,000 barrels per day (3 percent) higher than last year. It is also slightly higher than the 500,000 barrels per day forecast by the Alaska Department of Revenue. **Figure 3**

Preliminary April State Employment Level Lowest in Two Years

Preliminary data from the Alaska Department of Labor shows seasonally adjusted April employment at 336,700, below even the corresponding month in 2014. The decline in employment from last year was estimated to be 3,500, primarily due to declines in petroleum (2,200), construction (1,800), professional services (1,500), and state government (1,300). **Figure 4**

The loss of nearly 7,000 high paying jobs represents a significant negative blow to the economy.

The big gainers were health care (1,600) and retail trade (1,300).

2015 State Employment Growth Turned Negative at Year End

Although Alaska added jobs during the first half of 2015 and the growth rate for the year was .4 percent, by the end of the year employment was falling in both the private and public sectors of the economy. By December employment was down 1,800 from a year earlier. **Figure 5**

The decline in employment was most evident in the oil and gas sector which, by the end of 2015, was 2,100 below December 2014. **Figure 6**

Construction employment growth also fell to zero by the end of the year.

Every region of the state was adding jobs at the start of 2015, but by the end of the year employment was lower than the prior year everywhere except the Mat-Su where employment was about 500 above the year before. **Figure 7**

Anchorage Consumer Confidence Index Continues to Fall

The consumer confidence index of the Anchorage Economic Development Corporation, prepared by Northern Economics based on a survey of 350 households, fell for the fourth quarter in a row to 50.3, the lowest level since the index was introduced in 2011. **Figure 8**

The six-month moving average, a more stable indicator, has now fallen for a year and a half. All components of the index—local economic confidence, personal financial confidence, and future expectations—are lower.

The index can take a value between 0 and 100. A value greater than 50 indicates relative confidence in the economy.

Alaska Population Growth Virtually Zero in 2015

Alaska population increased by 271 in 2015 according to the Alaska Department of Labor. This was a growth rate of only .04 percent. Natural increase (births minus deaths) added 7,045 to the population, but that increase was almost totally offset by net outmigration of 6,774.

The last year that the population did not increase was in 1988 when it fell by 1.17 percent.

Since the 2010 Census the Alaska population has increased 27,400, 3.9 percent. Seventy-three percent of the increase (nearly 20,000) has been in the senior population (aged 65+). Seniors are now 10 percent of the total population compared to 8 percent in 2010. **Figure 9**

The working-age population, aged 16 to 64, increased by only 5,000 which was only slightly more than 1 percent.

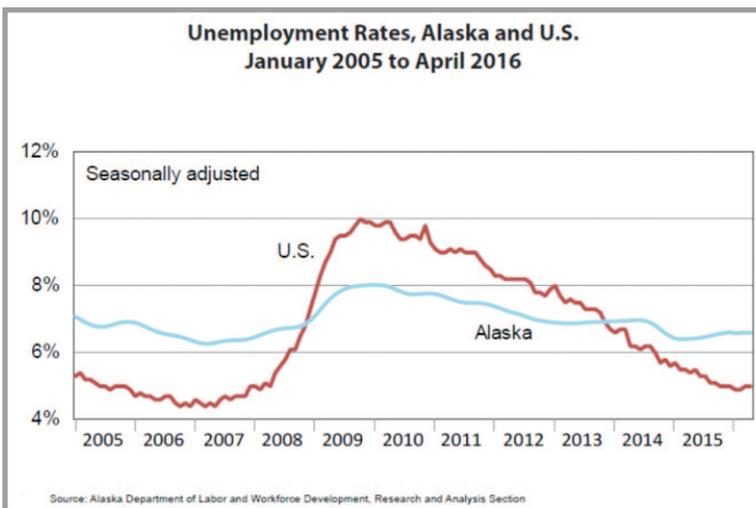


Figure 1

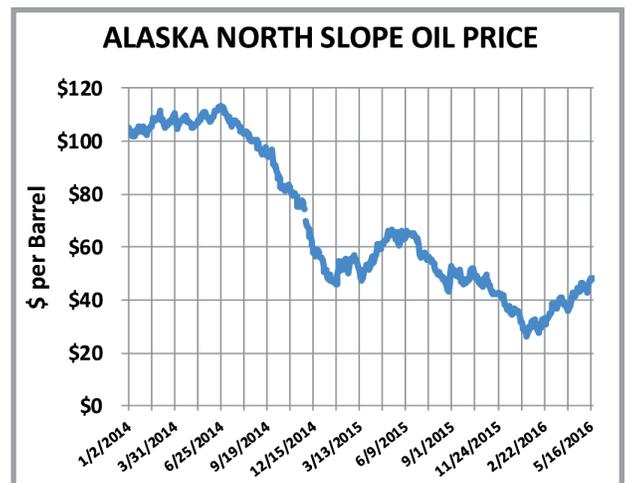


Figure 2

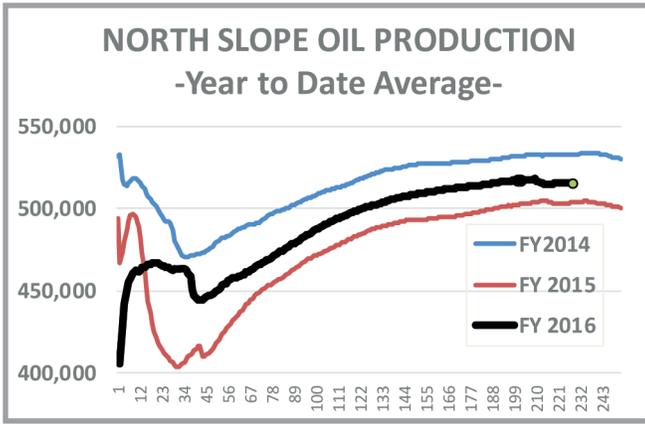


Figure 3

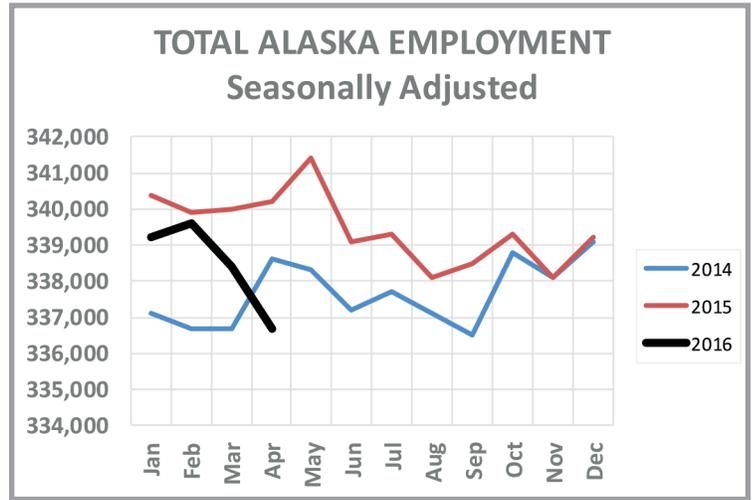


Figure 4

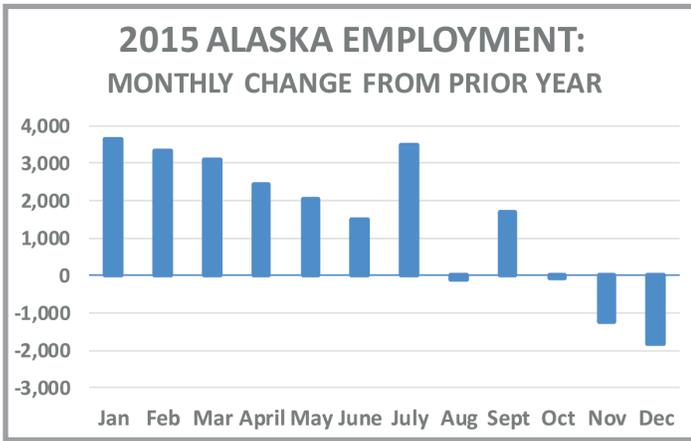


Figure 5

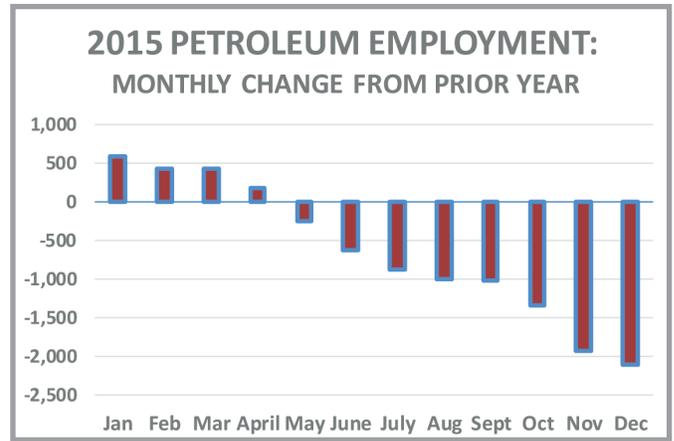


Figure 6

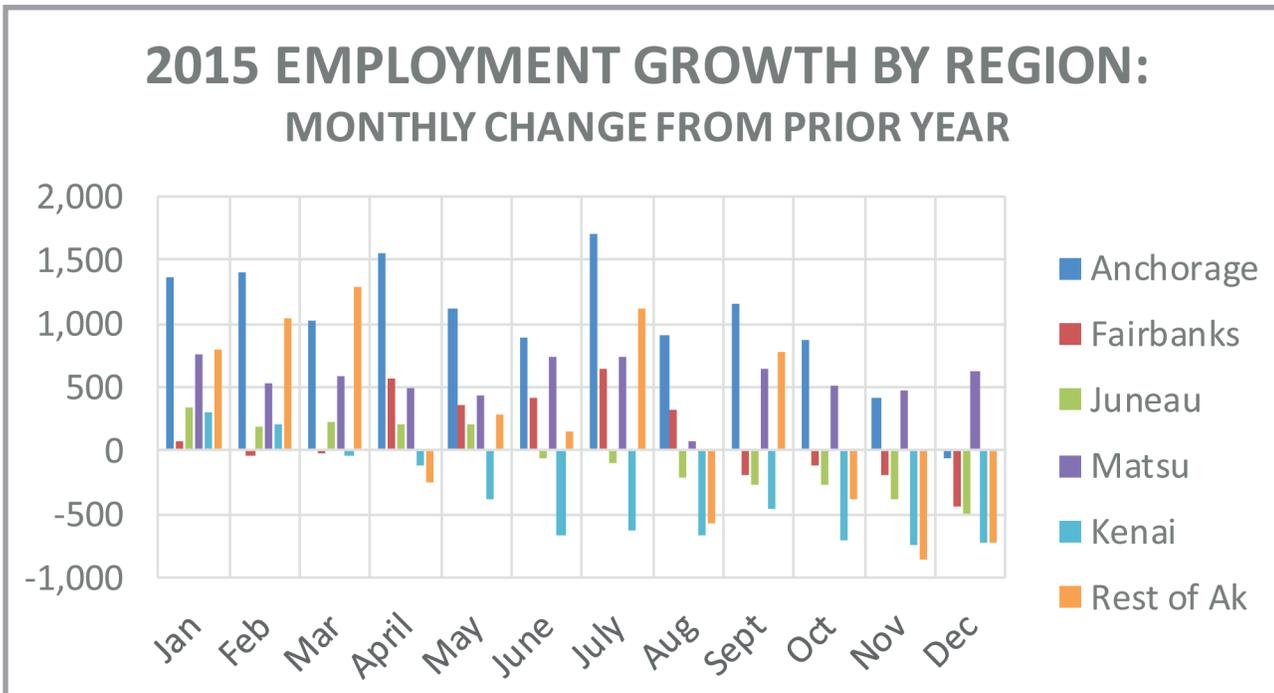


Figure 7

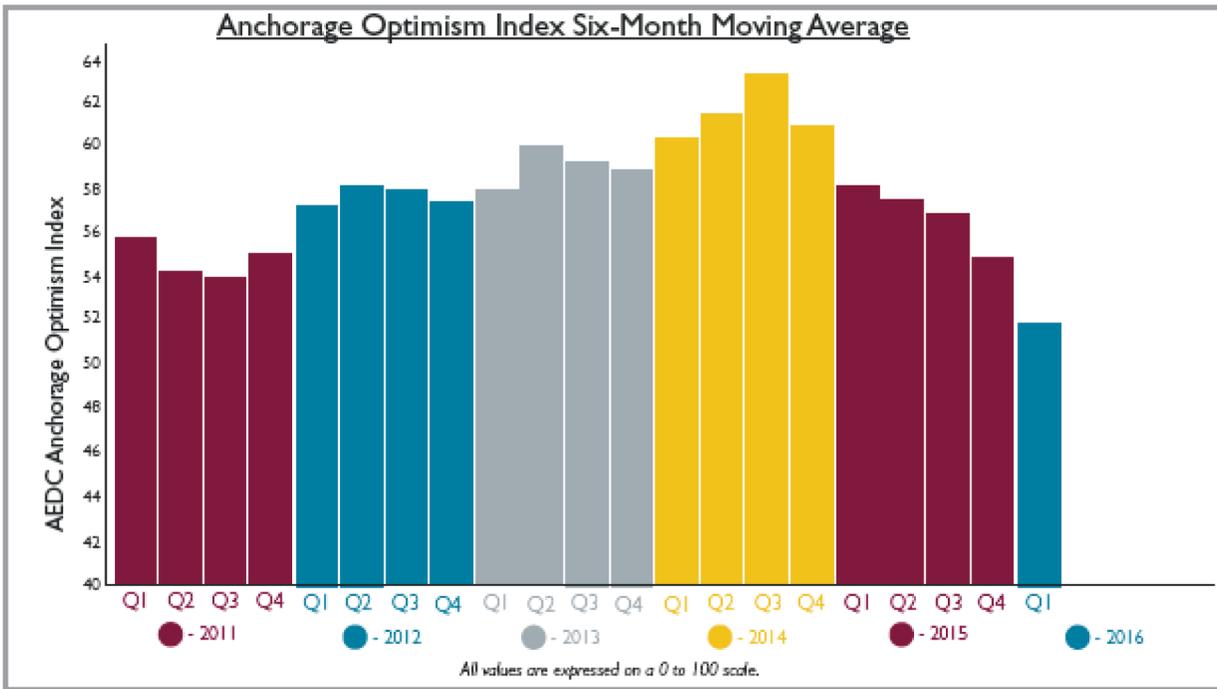


Figure 8

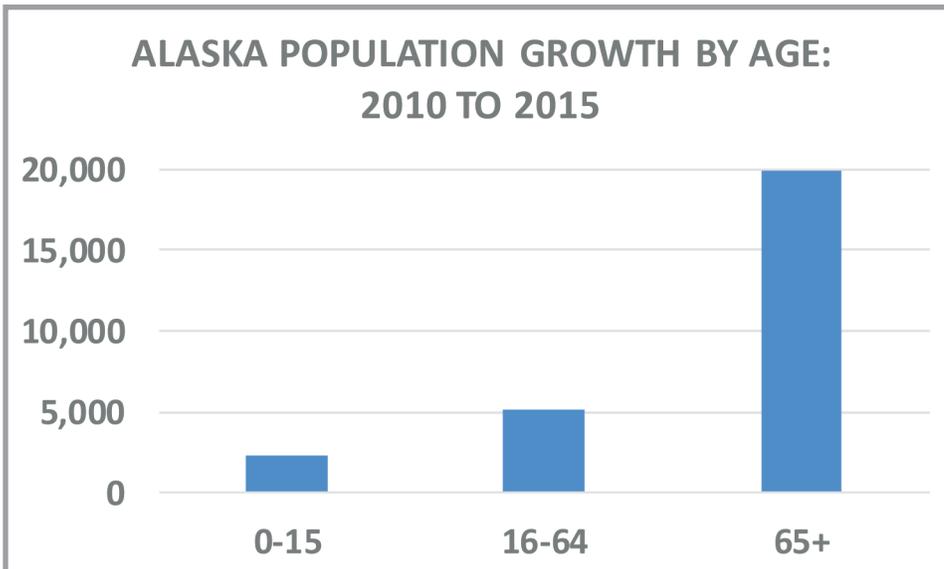


Figure 9