

Warning signs of our economic vulnerability:

- Disappearing oil investments
- Falling federal assistance
- Uncertain gas prospects
- No state fiscal plan
- Poor economic competitiveness ranking

Ask questions and support a plan to get us on the path to sustained economic stability and growth.

Only positive action will make it happen.

- What steps can we take to encourage new responsible investment in Alaska resource development that produces lasting benefits?
- What steps can we take to build a fiscal plan that conserves our assets and provides for long term stability?
- What steps can we take to ensure that all Alaskans share a commitment to stable and sustained growth?

For more information on Alaska's economy, visit these Web sites:

www.iser.uaa.alaska.edu

- "What Drives Alaska's Economy – New Summary and Full Report"
- "Investing for Alaska's Future"

www.AlaskasEconomy.org

This is **part 4** of a 4-part series explaining how Alaska's economy works. Scott Goldsmith, a professor of economics at the Institute of Social and Economic Research at the University of Alaska Anchorage, did the analysis. This message is brought to you by Alaskan-owned and operated businesses concerned about the future of the Alaska economy.



Which path will **sustain** Alaska's economy for future generations?



First National Bank Alaska paid for the production and printing of this brochure.

Alaska has been incredibly lucky, but times are changing.

North Slope oil production has fueled the economy for 40 years, bringing prosperity to every corner of the state. But the easy-to-reach oil is running out.

Alaskans have worked to diversify away from oil, but with only limited success.

Fortunately there are billions of barrels of oil still in the ground. But they will be harder to produce and so will generate less profit for industry and less revenue for state government. Marketing our natural gas will also be challenging and expensive. And revenues from gas will be only a fraction of those from oil at today's prices.

The good news is that producing this hard to reach oil will create sustaining jobs and new business opportunities for Alaskans—if we make the right decisions.

As we look toward a post Prudhoe Bay future...

...we have a choice of two paths:

A slow decline

Down this path, we manage Alaska's natural resources to generate short-term benefits only for the current generation of Alaskans. We take for granted industry investment in new, productive activities but do not actively encourage it, so that investment declines. The economy slowly winds down and is punctuated by unpleasant periodic shocks as the state's competitive advantages disappear.

Along the road ...

- New job opportunities disappear
- Existing businesses struggle
- Young Alaskans leave
- Property values fall
- Infrastructure crumbles
- Public services erode

Stability and sustained growth

Along this path, Alaska's natural resources are managed to generate steady, long-term gains for current and future generations. Alaskans trade off some short-term benefits for investments that build future economic strength. Industry investments are concentrated where they can make a real difference, with petroleum continuing to play a central role. The economy grows steadily.

Along the road ...

- New jobs for young Alaskans
- Businesses thrive with new opportunities
- Kids stay in Alaska
- Property values increase
- Infrastructure secure
- Public services maintained

