



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

May Unemployment Rate up Slightly to 6.7 Percent

The May 2016 seasonally adjusted unemployment rate for Alaska was 6.7 percent, up slightly from 6.6 percent in April. The national rate for May fell from 5.0 to 4.7 percent. **Figure 1**

The raw unemployment rate (not seasonally adjusted) was 6.6 percent compared to 6.3 percent in May of last year. The rate has been higher each month this year since January. The higher unadjusted rate may be an indicator of a weakening of the job market. **Figure 2**

The raw unemployment rate was higher than last year in all regions of the state except the Southeast and the Southwest.

North Slope Oil Price Moves Upward, Approaching \$50

The North Slope oil price continued to move upward in the last month, briefly rising above \$50 per barrel last week before slipping back down. The increase is at least partially due to a reduction in supply from Nigeria, Venezuela, and Canada. **Figure 3**

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-June of this fiscal year (2016) has averaged 519,000 barrels per day. This is about 18,000 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 4**

2016 State Employment Level Continues Below 2015

Preliminary data from the Alaska Department of Labor shows seasonally adjusted May 2016 employment at 339,500-1,900 below May 2015. The drop in employment from last year is concentrated in petroleum (2,000), construction (900), professional services (2,200), and state government (1,300). **Figure 5**

The big gainers were health care (1,800), leisure & hospitality (900), retail trade (900), and federal government (900).

The change in employment in May compared to the year earlier was -.6 percent according to the Bureau of Labor Statistics. Five other states also had negative growth compared to a year earlier. **Figure 6**

Union Membership High in Alaska

Union members (public and private) accounted for 19.6 percent of wage and salary workers in Alaska in 2015. The comparable national figure was 11.1 percent. The concentration of union membership in Alaska was exceeded only by New York (24.7 percent) and Hawaii (20.4 percent). Five states—Texas, Utah, North Carolina, South Carolina, and Georgia—had union membership rates under 5 percent.

The unionized share of workers in Alaska has been falling from a high of 24.4 percent in 2002. **Figure 7**
 There were 60,000 union members in Alaska in 2015 and another 6,000 represented by a union.

Alaska Per Capita Personal Income 6th Highest in the Nation

Total personal income in Alaska increased about 3.8 percent in 2015 compared to 4.4 percent for the nation as a whole. Total personal income consists of net earnings (67%), property income (dividends, interest, and rent) (17%), and transfer receipts (including the Permanent Fund Dividend) (17%). Transfer receipts was the fastest growing component of personal income in 2015—7 percent—due to the increase in the size of the Permanent Fund dividend.

Per capita personal income grew at about the same rate in Alaska as total personal income, 3.6 percent, because population did not increase in 2015. In contrast the growth rate of per capita personal income in the US was 3.5 percent.

Alaska per capita personal income in 2015 was \$55,940, 17 percent higher than the US average. Per capita income in Alaska ranked 6th highest among the states. This is an increase in rank since 2005 when the per capita level of personal income in Alaska ranked 13th in the US.

Personal income growth in 2015 in Alaska was faster than some other natural resource-dependent states, but slower than others. For example, personal income fell in North Dakota but grew more than 6 percent in California. **Figure 8**

Consumer Price Index up .5 Percent in 2015

The consumer price index for Anchorage (CPI-U) grew only .5 percent in 2015, the lowest rate of increase since 1988. However, it was higher than the .1 percent increase in the index for the entire US. **Figure 9**

Economic Performance of Native Corporations Strong

Total revenues of the Alaska Native Regional Corporations increased by .9 percent in 2014 to \$8.575 billion. Of this total, \$2.443 billion, 28 percent, was 8(a) contract revenue. The contract revenue share of total revenue has been steadily falling for five years from 43 percent in 2010. **Figure 10**

Total net income in 2014 was \$305 million. Of this total \$156 million was paid in dividends to shareholders. **Figure 11**

Total 7(i) distributions in 2014 were \$94 million.

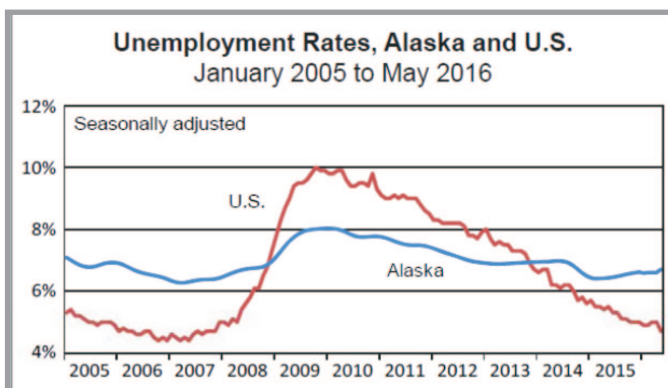


Figure 1

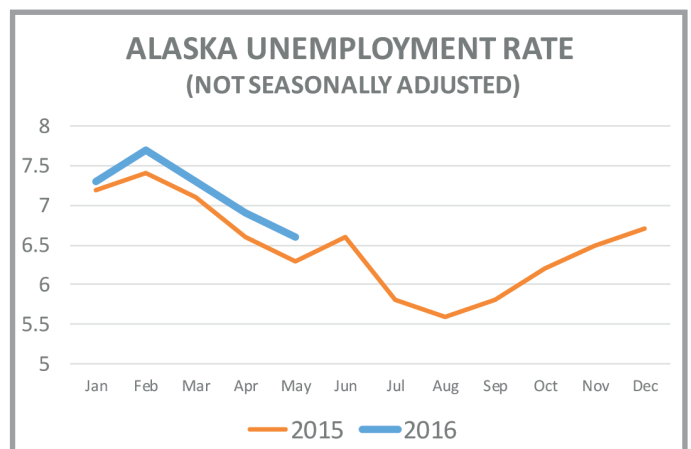


Figure 2

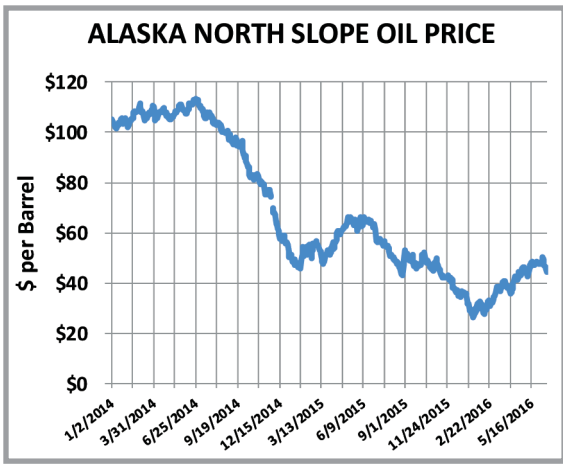


Figure 3

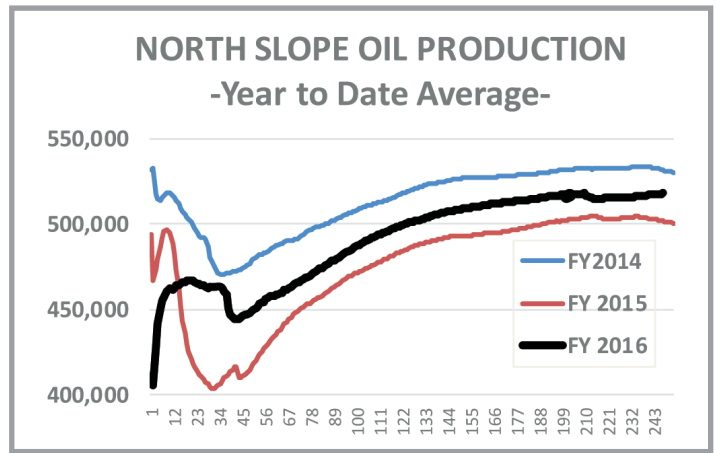


Figure 4

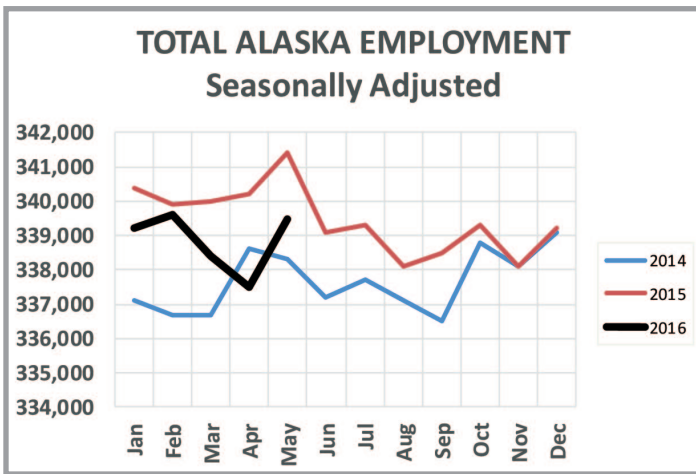


Figure 5

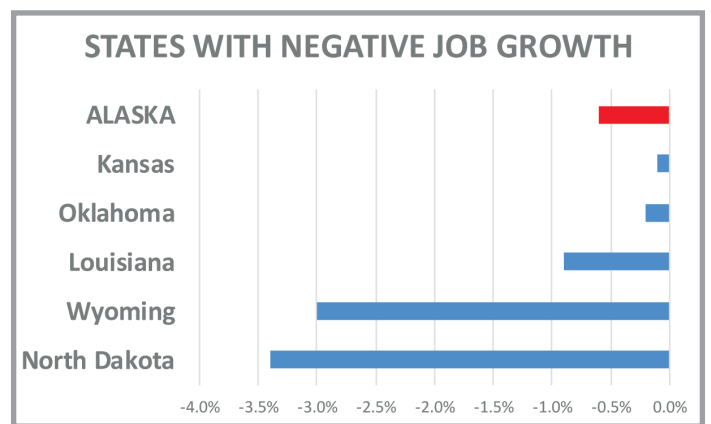


Figure 6

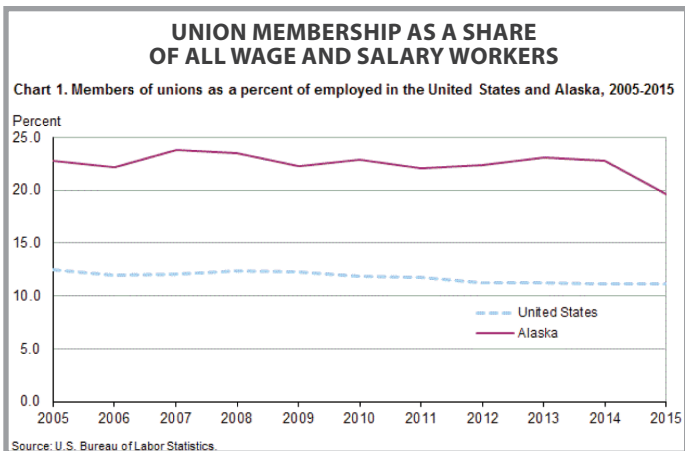


Figure 7

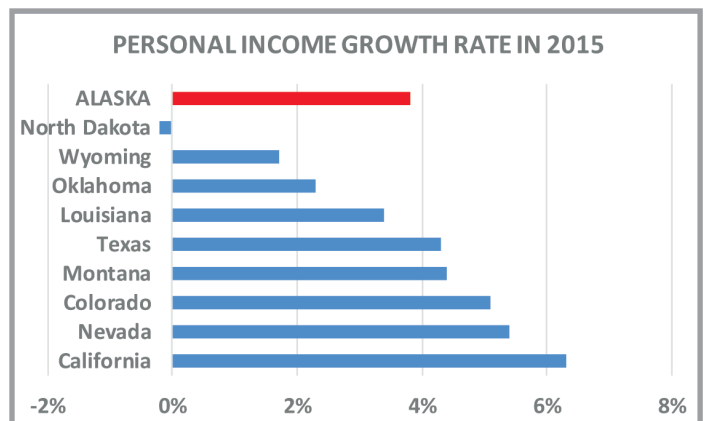


Figure 8

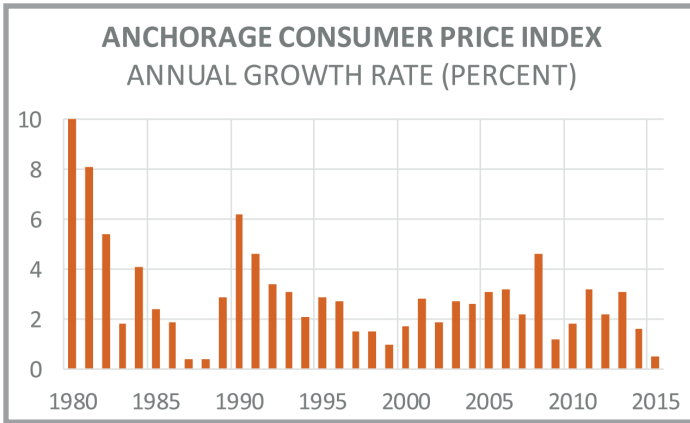


Figure 9

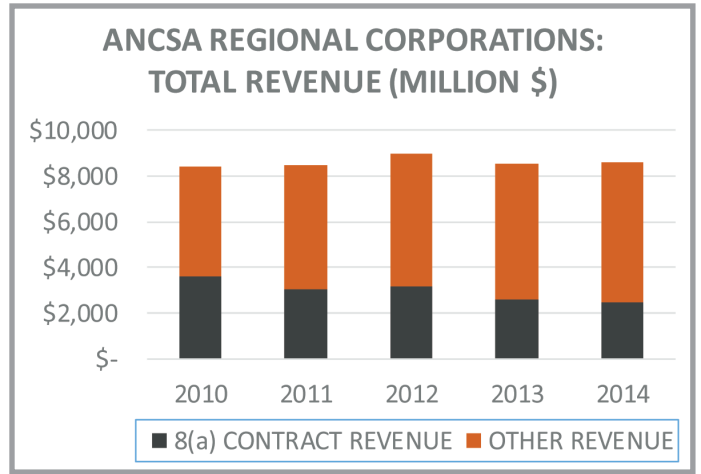


Figure 10

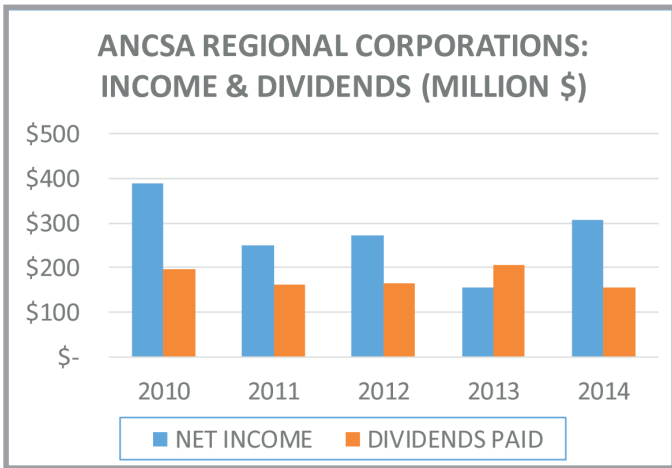


Figure 11