



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

### **February Unemployment Rate Steady at 7.3 Percent**

The February 2018 seasonally adjusted unemployment rate for Alaska was 7.3 percent, unchanged from a month earlier. The comparable national rate was steady at 4.1 percent.

Alaska continued to have the highest unemployment rate in the nation in February. The lowest rate, 2.1 percent, was reported in Hawaii. **Figure 1**

### **Preliminary Job Count in February 2,300 Below Last Year**

The preliminary estimate of employment (wage and salary jobs) in February from the Alaska Department of Labor shows a decline of 2,300 (.7 percent) from a year earlier. The state has now experienced more than two full years of declining employment.

Retail trade experienced the largest decline – 800 jobs, followed by oil and gas which lost 700 from a year earlier. Professional and business services reported a loss of 400 jobs. Substantial losses were also reported for state (400) and local (300) government. Healthcare was again the only sector that reported a substantial increase (1,000).

Only North Dakota reported worse job growth performance than Alaska in February. Idaho, with a growth rate of 3.7 percent, had the best performance. **Figure 2**

### **Petroleum and Construction Jobs Decline Stabilizing**

The three-year decline in petroleum industry employment that began at the start of 2015 appears to be nearing an end according to preliminary data from the Alaska Department of Labor reporting employment through February 2018. Petroleum industry employment is estimated at 9,600 for February – unchanged for the last three months. **Figure 3**

The drop in construction employment from a peak in 2015 also seems to be nearing an end. Preliminary employment data for February is the same as last year. **Figure 4**

### **Average North Slope Oil Price Rises to \$61 For Fiscal Year**

The West Coast price of North Slope crude oil rose above \$70 in mid-April, pulling the fiscal year average price up to \$61. Since the start of the fiscal year the average price has increased from \$48. Price volatility continues due to uncertainty about the supply response by U.S. shale oil producers to the upward movement in the price since last summer as well as heightened geopolitical uncertainty.

**Figure 5**

The average price of \$61 is now equal to the latest (Spring 2018) Alaska Department of Revenue forecast.

### **North Slope Oil Production Averaging 2 Percent Below Last Year**

Through mid-April of this fiscal year (2018) production has averaged 521,000 barrels per day, about 2 percent (10,000 barrels) lower than last year at this time. **Figure 6**

If the current trend continues, production will end the fiscal year close to the most recent (Spring 2018) Alaska Department of Revenue forecast of 522,000 barrels per day.

### Nonresident Share of Workers Declined Marginally in 2016

The nonresident share of Alaska workers declined in 2016 to 21.5 percent. **Figure 7**

The share of wages paid to nonresidents was only 15.5 percent because nonresidents tend to be concentrated in seasonal industries like seafood and tourism. **Figure 8**

However, the nonresident share of workers is also high in some of the highest wage occupations like airline pilots, construction managers, and ship engineers.

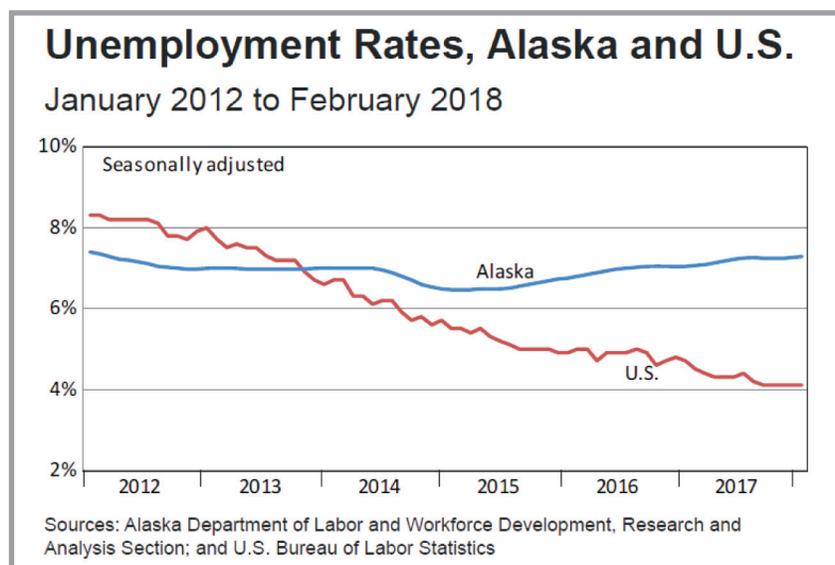
### Commercial Salmon Harvest Forecast at 149 Million Fish

The commercial salmon harvest forecast for 2018 is 149 million fish, down from the 2017 harvest of 228 million. Most of the decline is due to a reduced pink salmon harvest although the harvests of all species are expected to be marginally lower. The salmon price is expected to remain strong. **Figure 9**

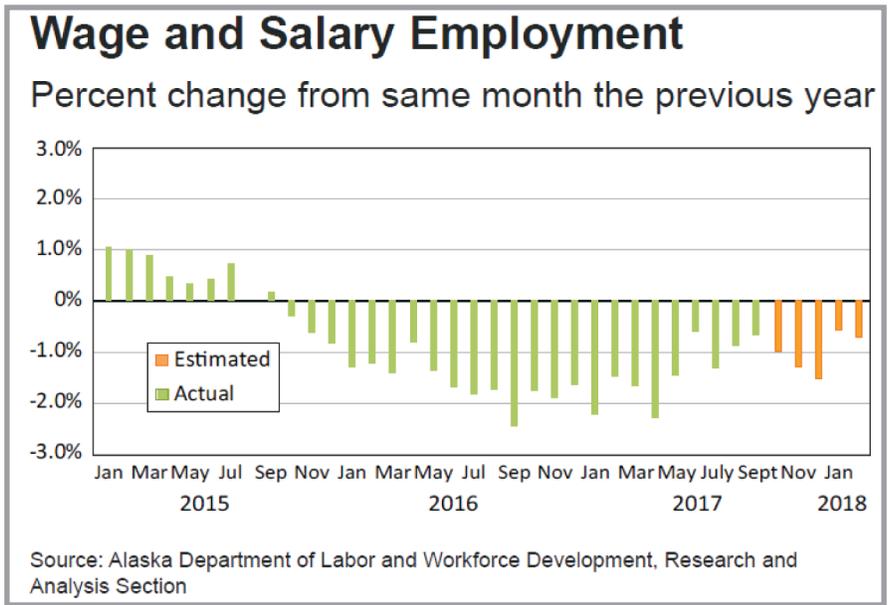
### Alaska Per Capita Income Ranked Tenth Highest in 2017

Alaska per capita income, at \$56,042, was tenth highest in the nation in 2017, 11 percent above the national average. Alaska per capita personal income was 21 percent above the U.S. average in 2011 and has been on a downward trend since then. **Figure 10**

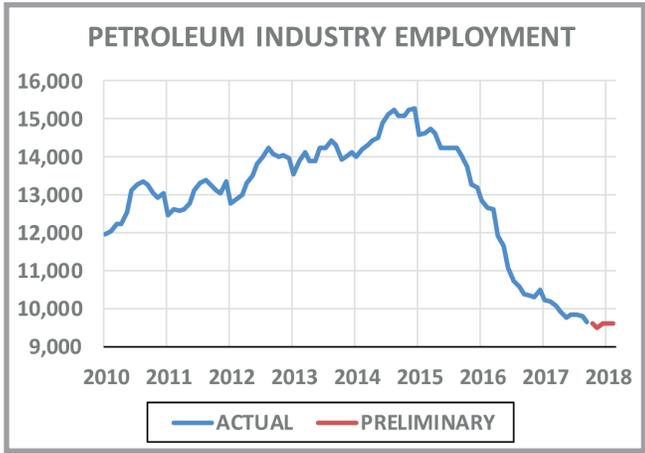
Alaska total personal income increased 0.4 percent in 2017 compared to the national average of 3.1 percent. Net earnings, the largest component of personal income, fell 1.1 percent. Dividends, interest, and rents increased 2.6 percent while transfers (mostly federal payments) increased 4.5 percent.



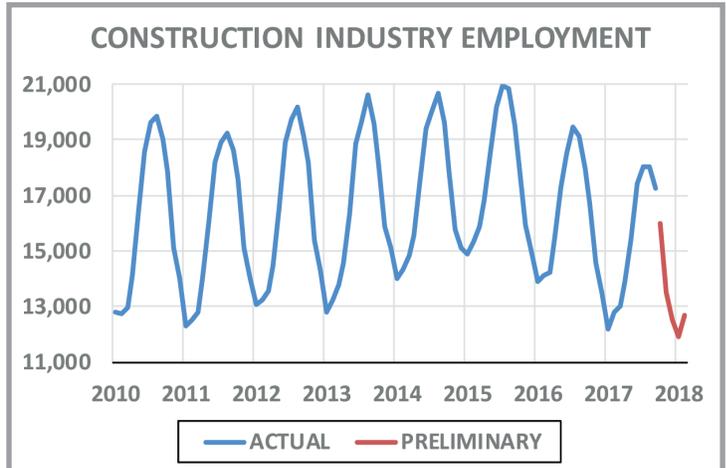
**Figure 1**



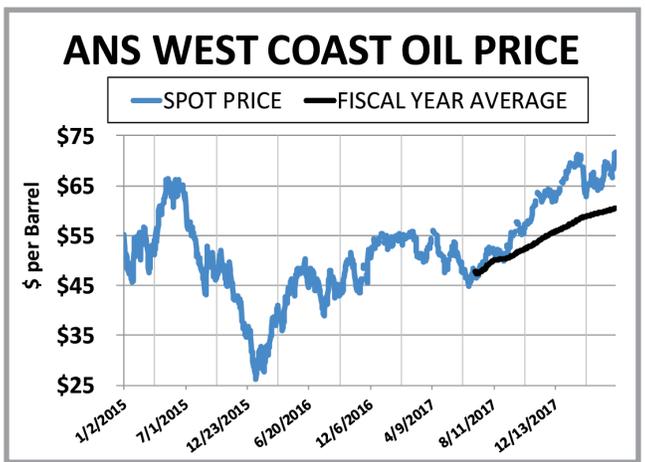
**Figure 2**



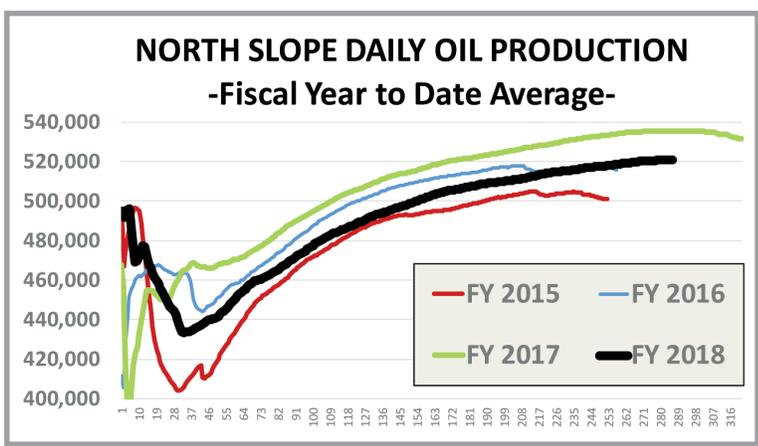
**Figure 3**



**Figure 4**



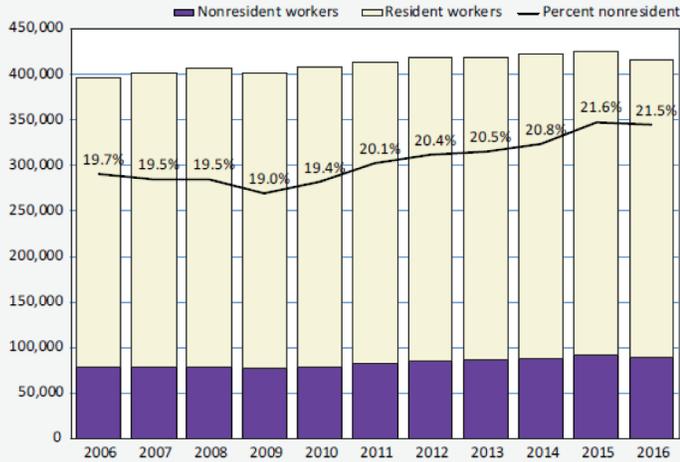
**Figure 5**



**Figure 6**

# 1 Resident and Nonresident Workers

Alaska, 2006 to 2016

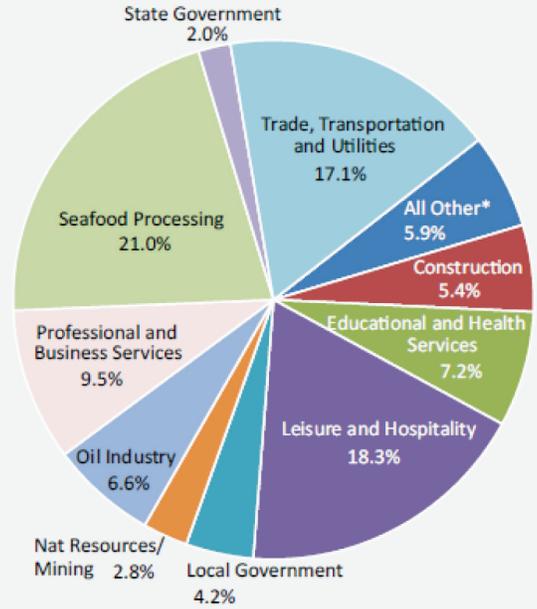


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Figure 7

# 4 Nonresident Workers by Industry

Alaska, 2016



Note: Percentages may not add to 100 due to rounding.

\*"All other" includes nonseafood manufacturing, information, financial activities, public administration, other services, and unclassified industries.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Figure 8

# COMMERCIAL SALMON HARVEST

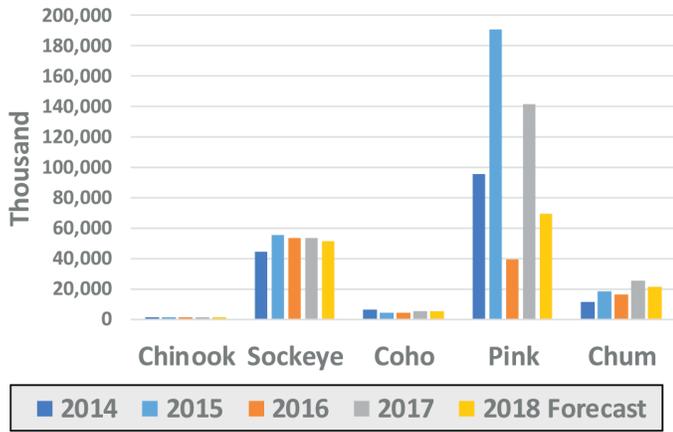


Figure 9

# Per Capita Income as a Percent of the United States

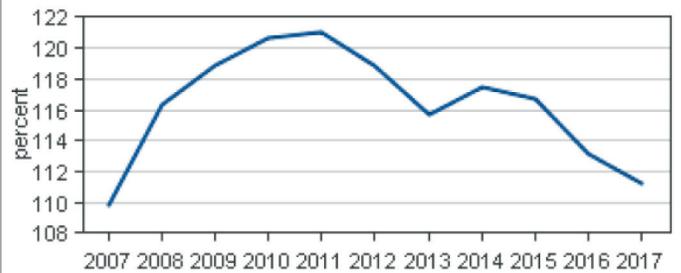


Figure 10