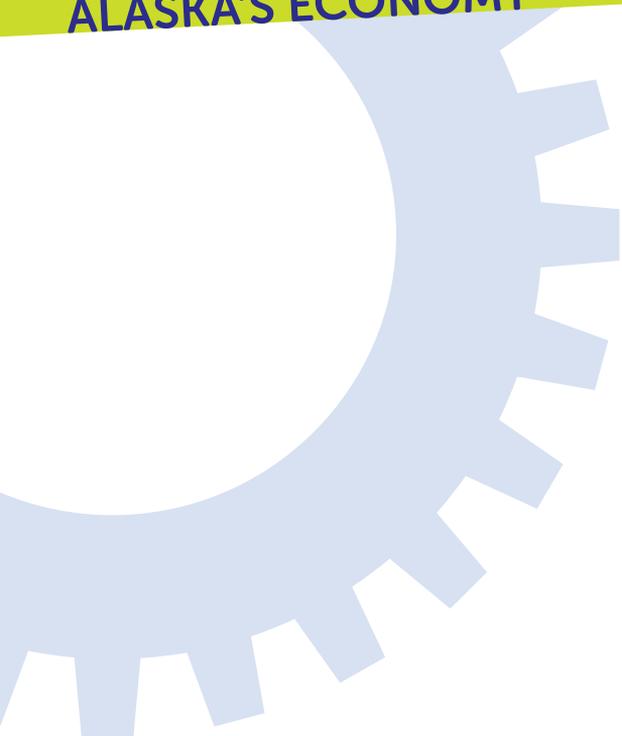


ALASKA'S ECONOMY

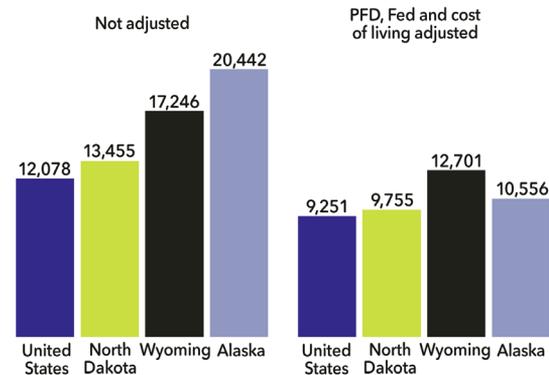


Alaska government spending, adjusted for unique Alaska circumstances

Alaska's public sector spending (state and local) in 2019 was much higher than the national average.

Three important factors contributed to this high level of spending: the PFD program (\$1,600 per person in 2019), which is included in national statistics on State of Alaska government spending; large spending from the federal government; and the state's higher cost of living. Adjusting for these three factors, Alaska's public sector spending is about \$10,556 per person, and is more in line with the national average of \$9,251. It is almost \$2,000 less per person than Wyoming's. ▼

State and local government spending
2019 dollars per person

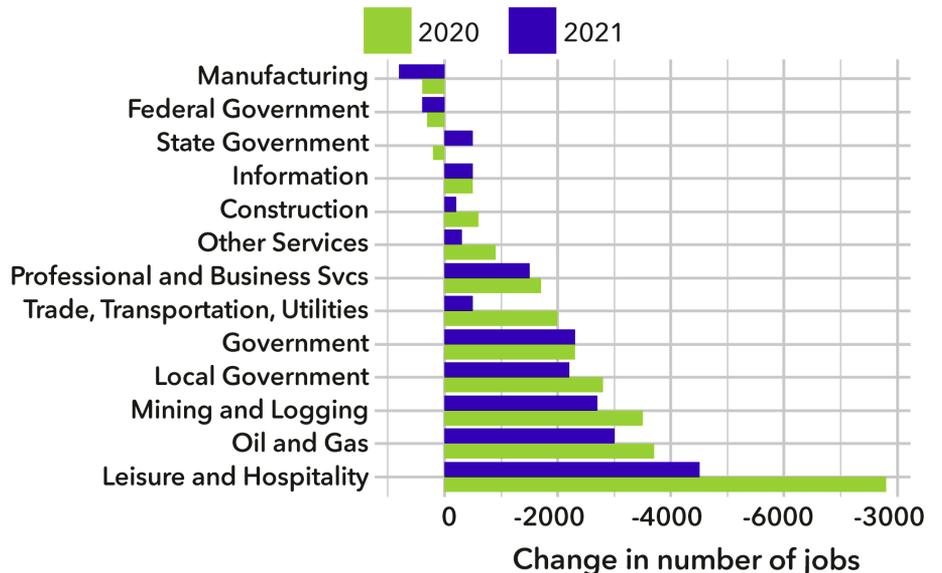


Most sectors still below 2019 job numbers

Many industries are still well behind pre-pandemic jobs numbers, but most are in a better place than in 2020. The leisure and hospitality sector was hit hard by the pandemic.

In December 2020, there were 7,800 fewer jobs in that industry than the same time in 2019. However, the industry has recovered about two-in-five of these lost jobs from 2020 to 2021. The oil and gas sector also continues to face a large jobs-deficit relative to pre-pandemic numbers. Some have speculated more efficient drilling processes might eliminate some jobs, even as activity begins to respond to higher fuel prices. The public sector has been flat over the last year, with some losses in state jobs being made up by job gains in the federal government. Finally, manufacturing saw an increase of 400 jobs from December 2020 to December 2021. ►

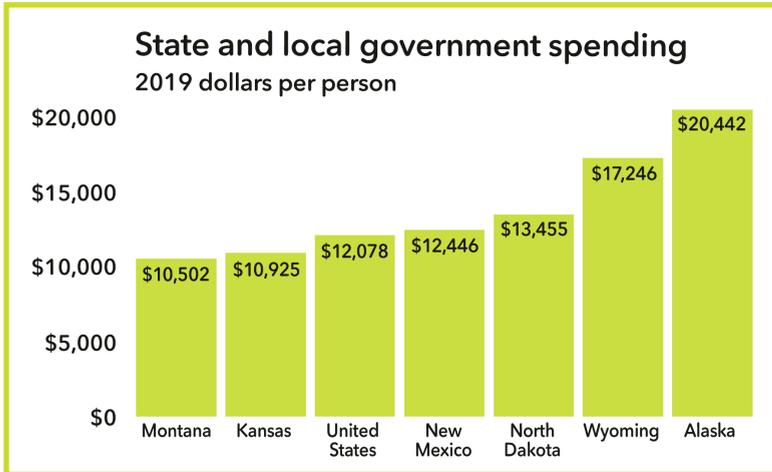
Change in December employment





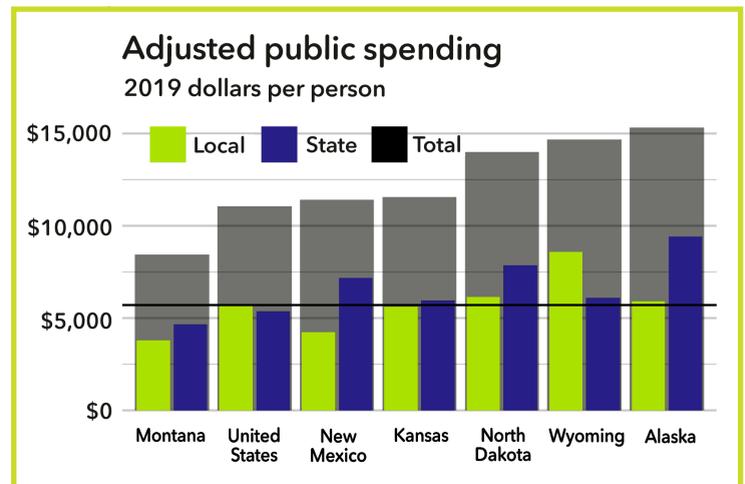
State and local government spending

Alaska's state and local governments spent a combined average of \$20,442 per person in 2019. This is far higher than the national average of \$12,078. Other oil-rich, rural states have varying levels of public spending per person, ranging from \$10,502 per person in Montana to \$17,246 per person in Wyoming. There are many features unique to Alaska that lead to this higher level of measured spending, including its remote location, higher cost of living, competition with a high-paying private sector, high levels of federal spending and investment, and the PFD program. ▼



Alaska and Wyoming's public spending: two models for an energy state

The average (adjusted) local spending across the U.S. was \$5,711 per person, and the average (adjusted) state spending was \$5,358 per person. In Alaska, adjusted state spending per person was \$9,405 and local spending was \$5,921. While state spending in Alaska is higher than the national average, local spending is only modestly higher. Comparing Alaska to the rural energy-peer state of Wyoming, the two state's adjusted total spending is comparable. However, Wyoming effectively trades state spending for local spending. Wyoming's local expenditures are \$8,578 per person, while state spending is \$6,106 per person. ▼



ALASKA'S ECONOMY

Did you know...

Alaska's public sector spending is about \$10,556 per person?

Learn more in this issue of *Alaska's Economy*.



PRSR T STD
U.S. POSTAGE
PAID
ANCHORAGE, AK
PERMIT NO. 175

P.O. Box 100720
Anchorage, AK 99510-0720

ALASKA
First National Bank

