

ALASKA'S ECONOMY

Understand it. Support it. Grow it.



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

September Unemployment Rate Continues Upward Trend

The September 2016 seasonally adjusted unemployment rate for Alaska was 6.9 percent, an increase of 0.2 percent from August, continuing a slow upward trend that began last year. The national rate for September was 5.0 percent, unchanged from a month earlier. **Figure 1**

The raw unemployment rate (not seasonally adjusted) was 6.4 percent compared to 5.8 percent in September of last year. The rate continues to be higher each month than last year. **Figure 2**

North Slope Oil Price Hovering Around \$50

The North Slope oil price has fluctuated in a range around \$50 in recent weeks due partially to the possibility that OPEC may reach an agreement to modestly restrict supply. **Figure 3**

The average for the fiscal year is now \$50, a slight increase from \$49 last month. This remains below the Alaska Department of Revenue forecast of \$56 made late last year.

North Slope Oil Production Continues Higher Than Last Year

North Slope oil production through mid-October of this fiscal year (2017) has averaged 478,000 barrels per day compared to 470,000 barrels through the same period last year. **Figure 4**

First Quarter 2016 State Employment Growth Negative

Alaska employment fell 1.4 percent (4,500), in the first quarter of 2016 compared to the previous year according to finalized figures from the Alaska Department of Labor. Since the start of 2015 employment growth rate has been slowing, and it began to turn negative in the second half of last year. **Figure 5**

The decline in employment was most evident in the oil and gas sector which, in the first quarter of 2016, was 1,900 below a year earlier. **Figure 6**

The two other sectors with significant year over year declines were construction and professional services, both of which have lost 1,300 jobs. Public sector employment was down 700, while employment in health care increased by 1,000.

Employment was lower in the first quarter in all regions of the state except for the Mat-Su Borough where an increase of 400 jobs was reported. Anchorage lost 1,900 jobs, with petroleum, construction and professional services accounting for the majority of the loss.

Taken together, the decline in jobs for the Anchorage-Mat-Su regional economy was about 0.8 percent, 1,500 jobs. The decline rate in the rest of the state was 1.9 percent, 3,000 jobs. **Figure 7**

Preliminary September Employment Estimate Falls to 2014 Level

Preliminary data from the Alaska Department of Labor shows seasonally adjusted September employment at 336,500 — 2,000 below a year earlier and equal to the level in 2014. Declines in petroleum, construction, professional services and state government have led the decline. **Figure 8**

Employment in Alaska is now falling 1.0 percent per year compared to 1.0 percent growth for the nation as a whole. **Figure 9**

Alaska Forecasted to Add 20,000 Jobs by 2024

The 10 Year Forecast of the Alaska Department of Labor projects an increase of 20,000 jobs between 2014 and 2024, a growth in employment of 5.8 percent. Growth will be slowed by declines in petroleum, heavy construction and state government. The fastest growth will be in sectors related to health care and tourism. **Figure 10 and Figure 11**

Value of Anchorage Building Permits Below Last Year

The cumulative value of Anchorage building permits through September is 8.0 percent lower than the same total in September 2015. **Figure 12**

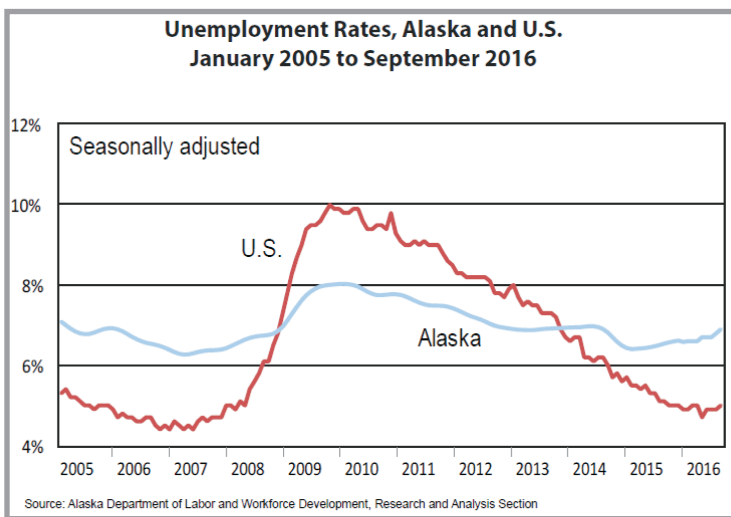


Figure 1

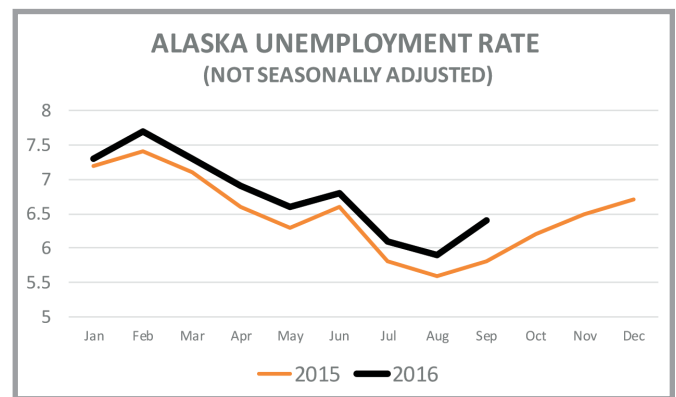


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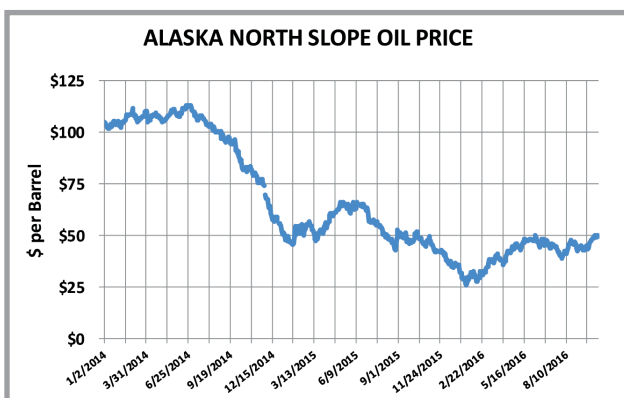


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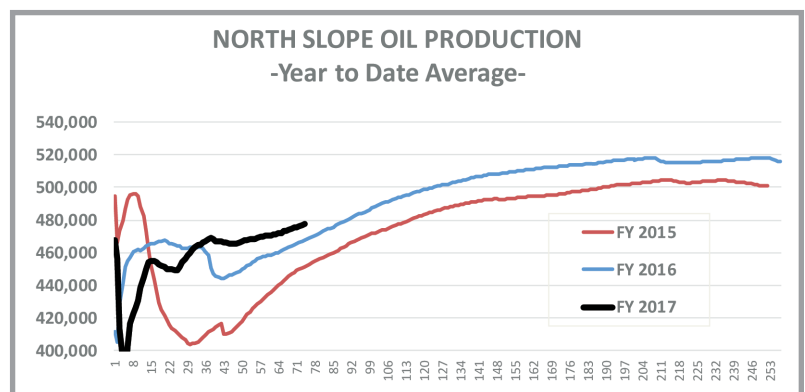


Figure 4

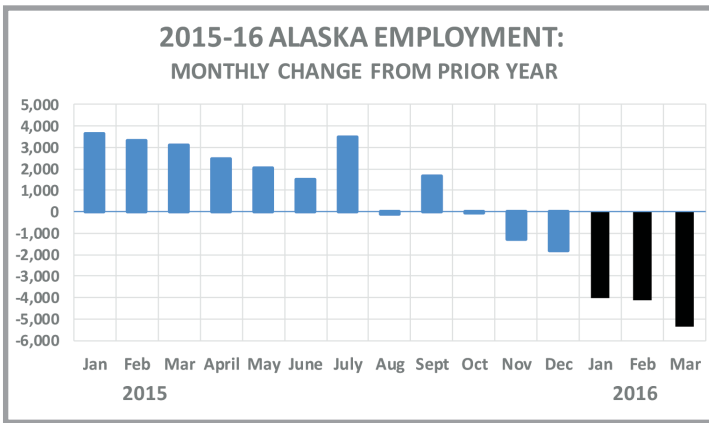


Figure 5

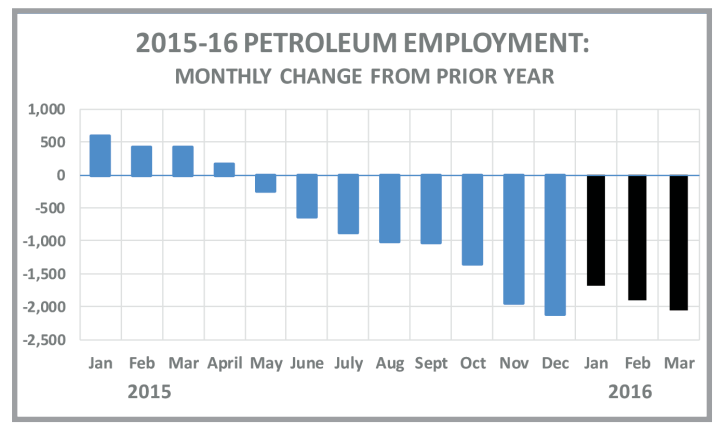


Figure 6

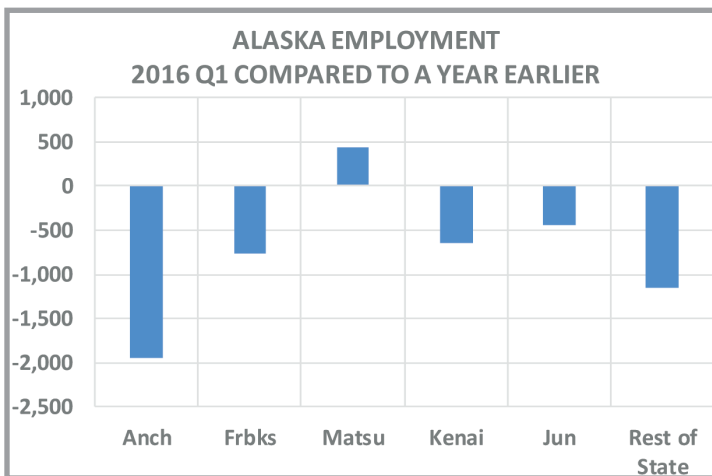


Figure 7

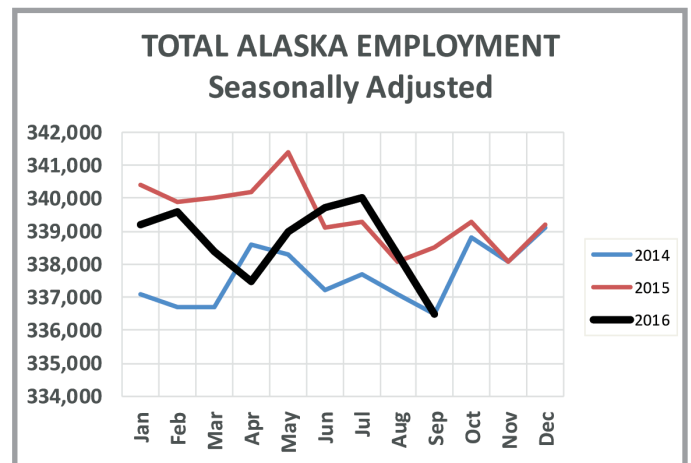


Figure 8

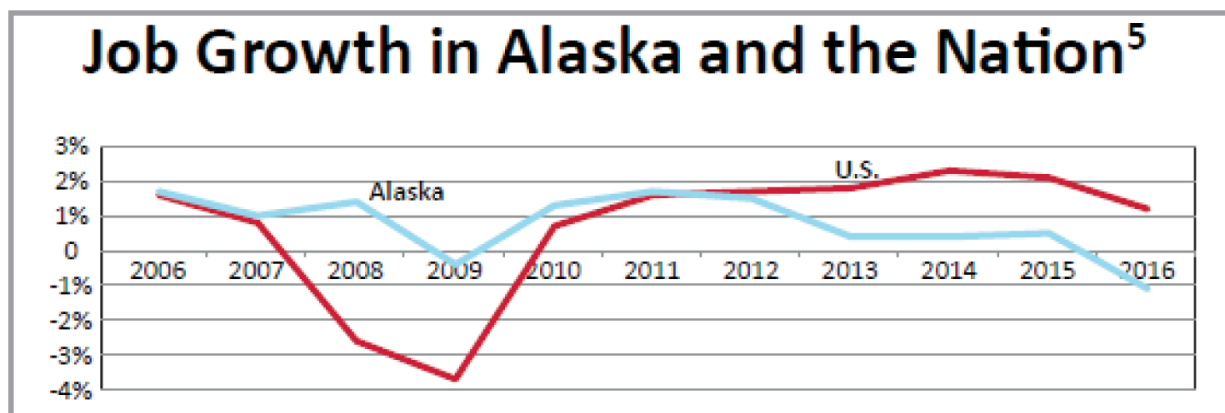


Figure 9

Figure 10

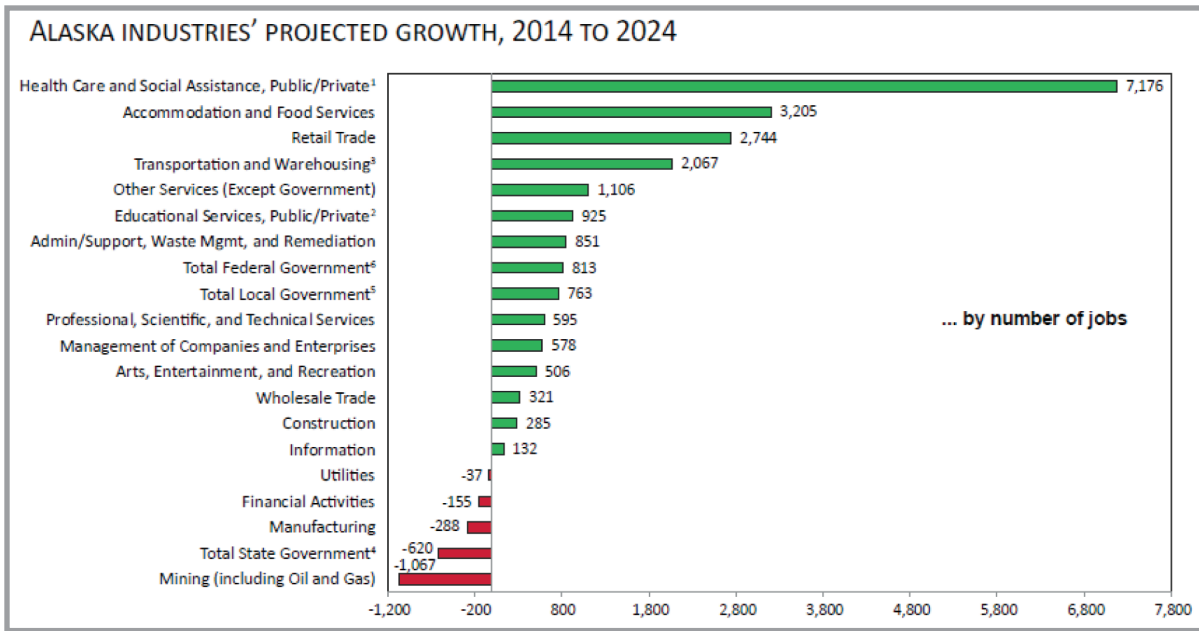


Figure 11

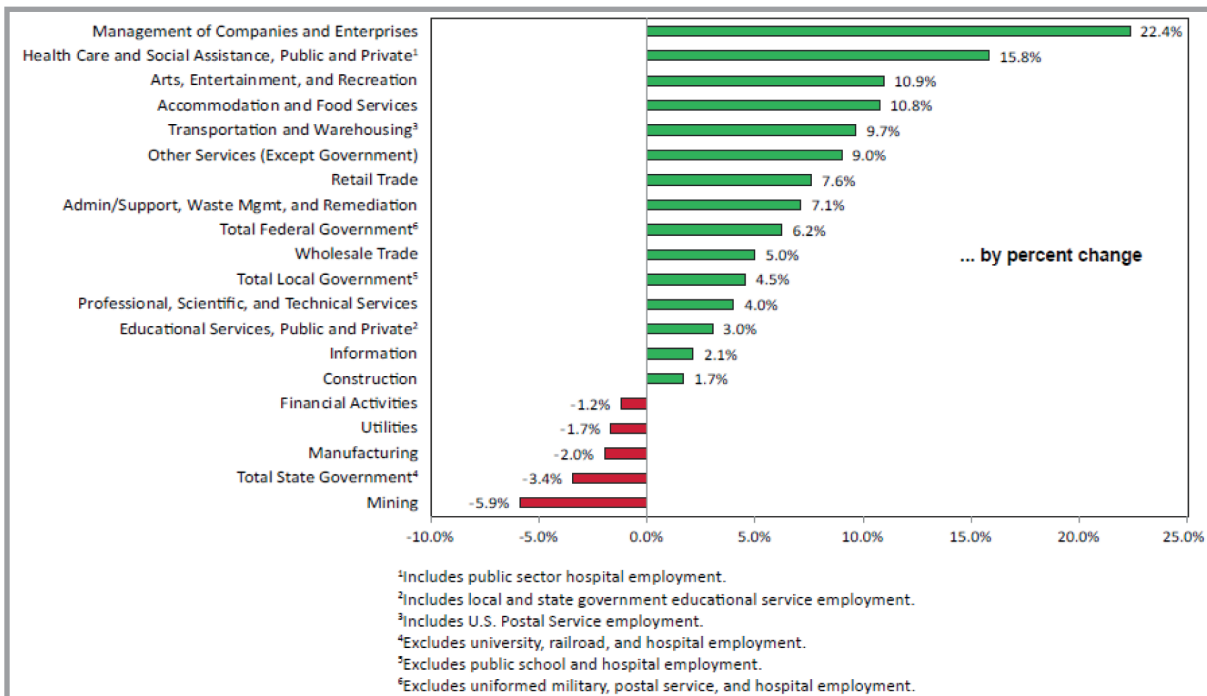


Figure 12

