

ALASKA'S ECONOMY

Understand it. Support it. Grow it.



Volume 3
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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.

May Unemployment Rate 6.8 Percent

The May 2015 seasonally adjusted unemployment rate for Alaska was 6.8 percent, up very slightly from 6.7 percent in April. The national rate in May was 5.5 percent. **Figure 1**

The drop in the Alaska unemployment rate during the second half of 2014 was partially due to the new, more stringent work-search requirements implemented last fall for people currently unemployed.

North Slope Oil Price Above \$60 Since Mid-April

The ANS (Alaska North Slope) oil price has moved in a range between \$60 and \$65 per barrel since mid-April. On May 11 it was \$66, the highest in the last two months. **Figure 2**

The average for the fiscal year will be close to \$73 per barrel, slightly above the Alaska Department of Revenue's spring forecast of \$67. The forecast for next fiscal year is \$66.

North Slope Oil Production Averages 504,000 Barrels per Day

North Slope oil production has averaged 504,000 barrels per day this fiscal year, slightly below the Alaska Department of Revenue's forecast of 508,000 barrels per day. It is down from actual production of 531,000 barrels per day in fiscal year 2014. **Figure 3**

Preliminary 2015 Alaska Employment Growth

Based on preliminary data from the Alaska Department of Labor, wage and salary employment through the first four months of this year was 0.7 percent above that of last year. **Figure 4**

Employment in construction, trade, transportation, health services, accommodation, and local government were all higher this April than last.

2014 Alaska Job Growth was 0.4 Percent

Wage and salary employment increased by 1,400 in 2014, to 336,800, for a growth rate of 0.4 percent—the same as in 2013, but below the rate of the earlier 3 years. **Figure 5**

The slow rate of growth in the last two years has been partially due to a decline in public employment (federal, state, and local). Public employment has been growing at a slower rate than private employment for the last decade, except for 2009, the first year of the major national recession. In that year, an increase in public employment largely offset a decline in private employment, so the overall employment decline in Alaska was only 0.5 percent.

2014 Alaska Job Growth Bypasses Anchorage and Fairbanks

In 2014 the employment level fell slightly in the two largest labor markets, Anchorage and Fairbanks, was flat on the Kenai Peninsula, and fell in Juneau. Growth was concentrated in the Mat-Su Borough and the rest of the state. That contrasts with the pattern in previous years, when employment growth was distributed more evenly across the various regions of the state. **Figure 6**

Oil and Gas, Construction Drive 2014 Job Growth

The oil and gas sector added 700 new jobs in 2014, a 5 percent increase. **Figure 7**

The construction sector added 500 jobs in 2014, a 3.2 percent increase. Most of that increase came during the first part of the year. **Figure 8**

No Growth in 2014 Health and Social Services Employment

The previously rapid growth in health and social services employment came to a halt in 2014, with a small drop of 350 jobs from the year before. **Figure 9**

Diversity in Anchorage

The Mountain View neighborhood in Anchorage is the most ethnically diverse community in the entire United States, according to a recent study by Chad Ferrell of the University of Alaska Anchorage. That means the likelihood is higher in Mountain View than anywhere else that two people, chosen at random, will be of different ethnicities. Such diversity exists because each racial group is well represented in the community. **Figure 10**

Long-Term Unemployment Declining

The number and rate of long-term unemployed workers—those drawing benefits for more than 26 weeks—have declined for several years. By 2013, long-term claimants made up less than 15 percent of all those claiming unemployment benefits in Alaska. **Figure 11**



Figure 1

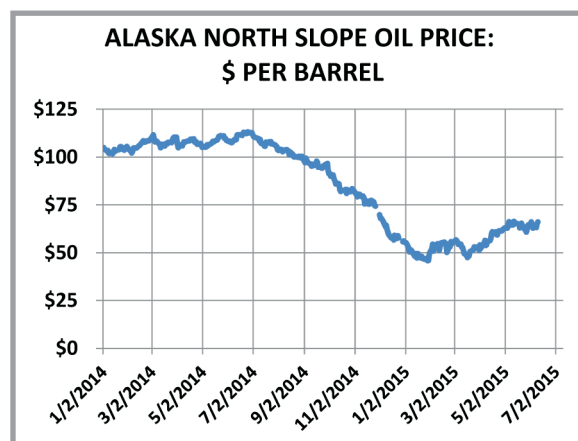


Figure 2

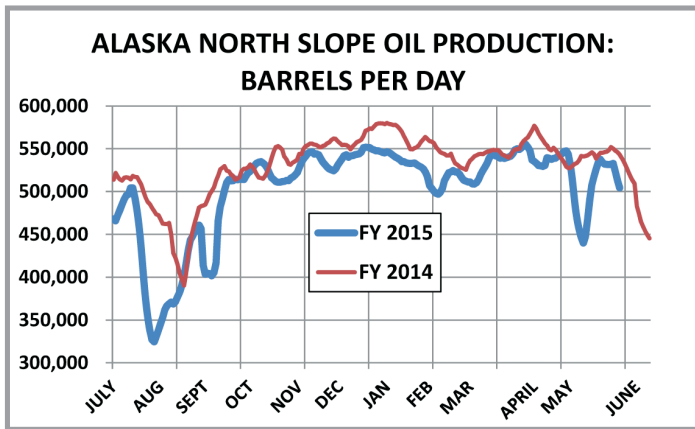


Figure 3

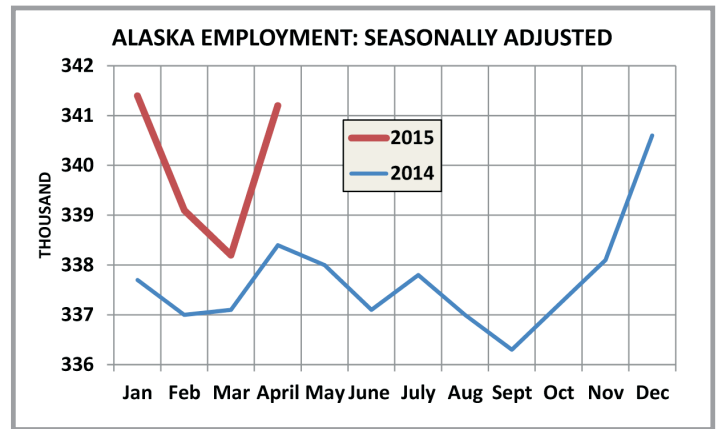


Figure 4

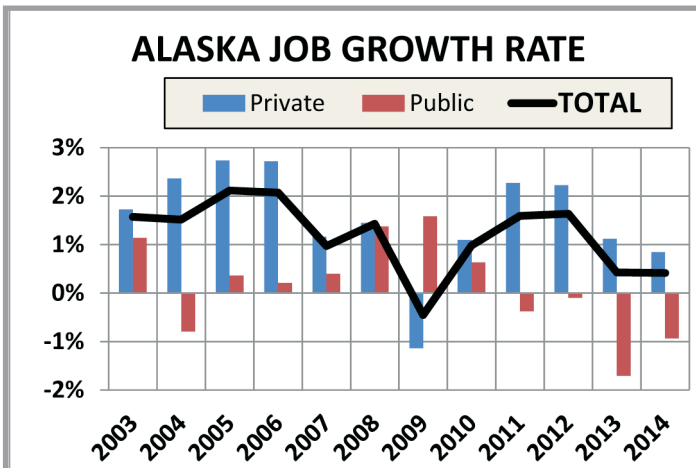


Figure 5

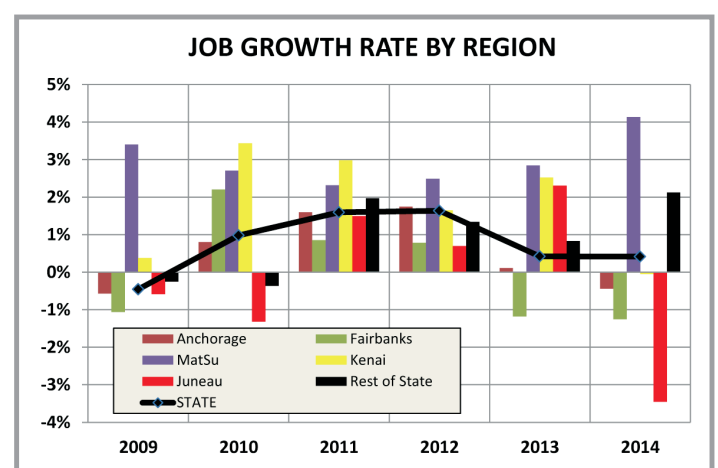


Figure 6

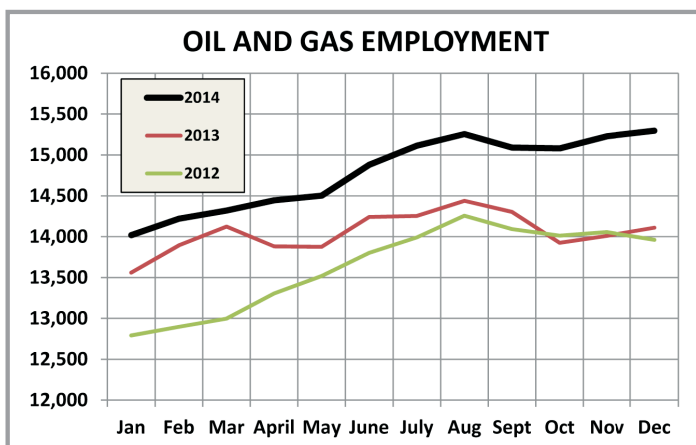


Figure 7

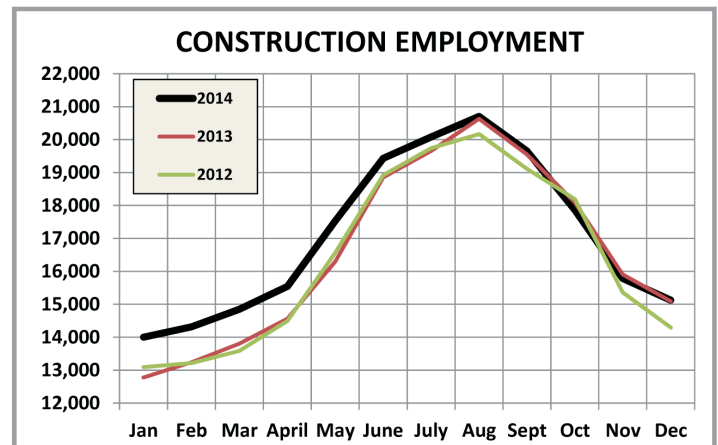


Figure 8

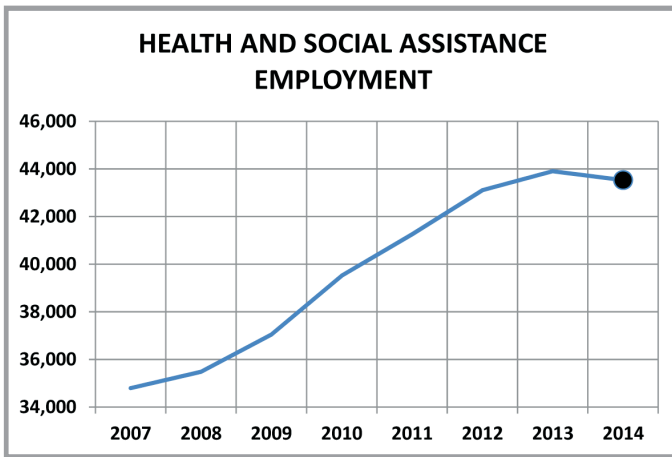


Figure 9

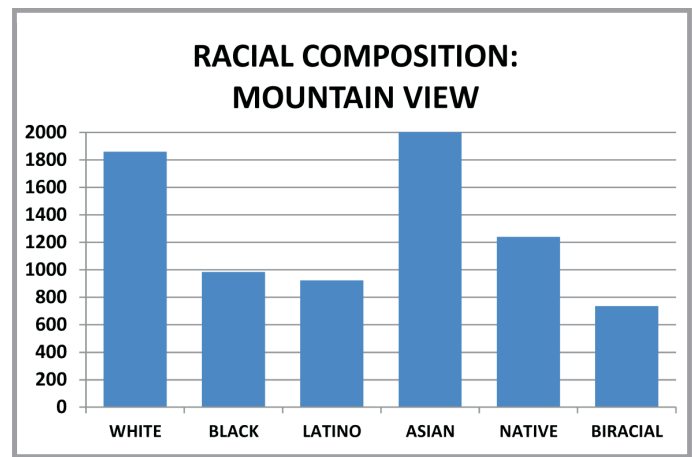


Figure 10

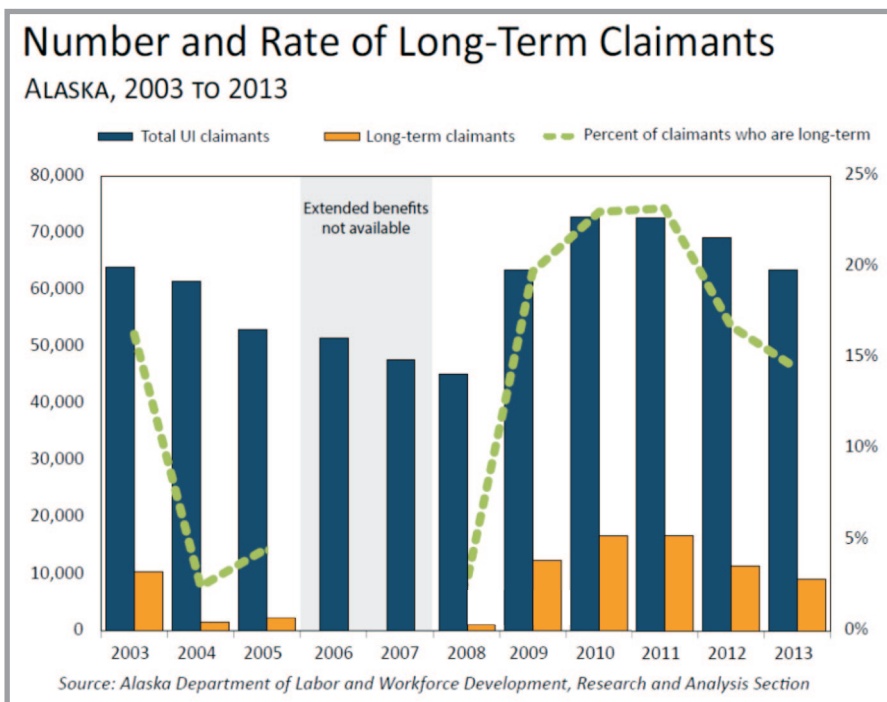


Figure 11