

# ALASKA'S ECONOMY

## It's everyone's business.

BRETT WATSON, RESEARCH PROFESSIONAL AT THE INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH AT THE UNIVERSITY OF ALASKA ANCHORAGE, SHARES HIS VIEWS ON THE ALASKA ECONOMY.



Dear reader,

On April 2, the Trump administration announced new tariffs that would impact more than 180 countries. These proposed measures rattled financial markets and provoked retaliatory tariffs on U.S. exports from key trading partners. While some tariffs were later rescinded, others have escalated, particularly those targeting Chinese goods.

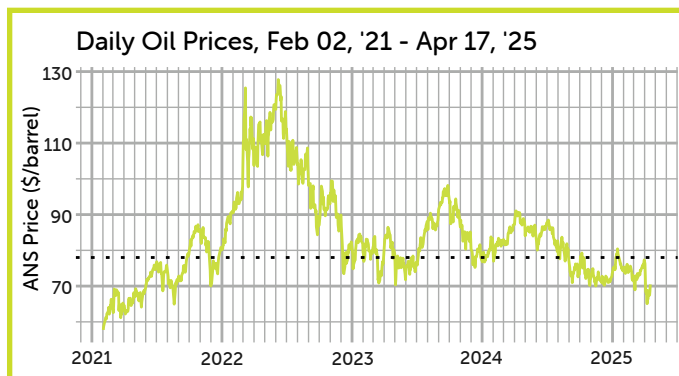
Uncertainty around U.S. trade policy is deterring domestic investment and prompting downward revisions to both U.S. and global economic growth forecasts. As a result, commodity prices, including oil, have dropped. Consumers are also becoming increasingly worried about slower growth and rising prices, as shown by one of the lowest consumer sentiment survey scores in nearly fifty years. Despite the turmoil on Wall Street and declining consumer confidence, these issues have not yet been reflected in key economic indicators like inflation, gross domestic product or employment.

In Alaska, economic data remains positive for now. Falling commodity prices, trade disruptions, a slowing national economy and potential cuts to federal spending all present headwinds to the state's growth in the short- to medium-term. In the next two to three months, more reliable data and clearer information regarding federal monetary, fiscal and trade policies will be necessary to evaluate Alaska's economic outlook for the next 12 to 24 months.



### Alaska oil prices

Alaska's benchmark oil price, ANS West Coast, was \$70.47 on April 17. In March, daily prices averaged \$73.39 per barrel, compared to \$84.11 in March 2024 and \$76.86 in March 2023. The state's fiscal year 2025 budget forecasted an oil price of \$78 per barrel. Oil prices dropped sharply following the federal tariff announcements on April 2. ANS averaged \$76.81 per barrel the day of the announcement and fell to a low of \$65.08 on April 8. This decline is primarily attributed to reduced global demand resulting from escalating trade tensions. ▼



Data from the Alaska Department of Revenue

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## Alaska oil production ticks up

Daily oil production in Alaska was 490,000 barrels on April 20. In March, daily production averaged 477,361 barrels, compared to 480,000 in March 2024 and 484,000 in March 2023. Year-to-date, Alaska oil production has totaled 52.61 million barrels, which is 0.46 million barrels more than at this time in 2024. ►



## Alaska's labor market stays resilient amid national sluggishness

Unemployment claims in Alaska remain low by historical standards. For the week ending March 29, one out of every 1,545 Alaskans filed a new unemployment claim — an improvement from one in every 1,188 the same week in 2024. Nationally, claims are slightly elevated relative to recent post-pandemic years but still below pre-pandemic averages. One in every 1,546 Americans filed a claim, compared to one in 1,707 in 2024. ►

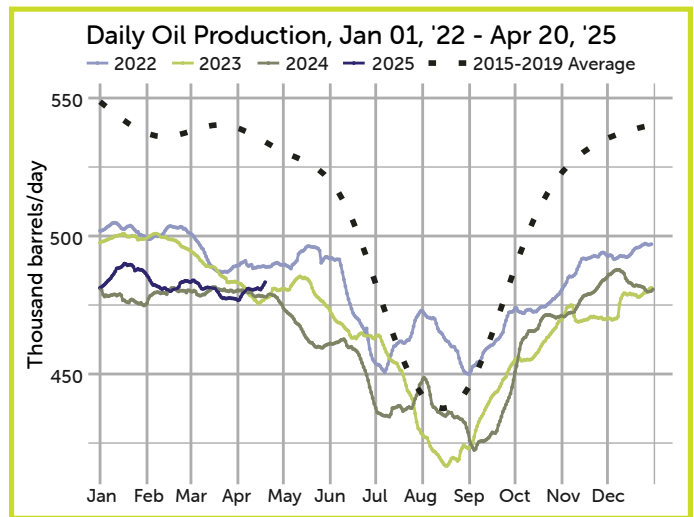


## March surge: Seasonal jobs in leisure and hospitality

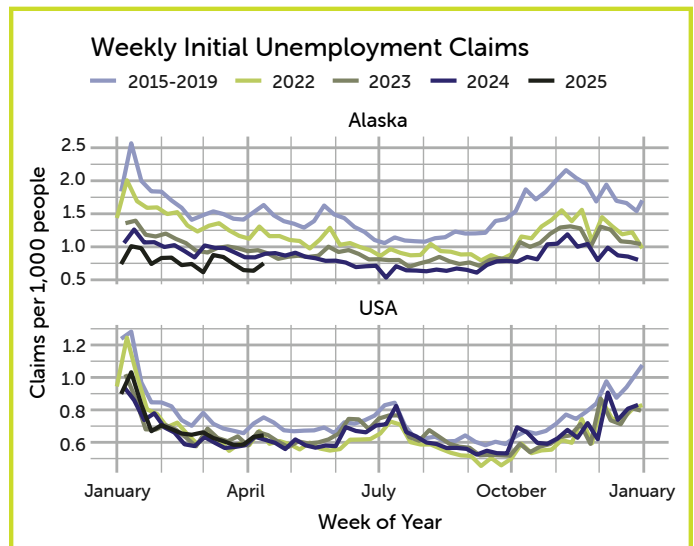
According to the latest March employment data, Alaska's employment landscape showed positive growth, with the state adding a total of 5,500 jobs in 2024 and 2,600 jobs since February 2025. Currently, there are 329,000 nonfarm jobs in the state.

The leisure and hospitality industry led the way in monthly job gains, contributing 800 new positions, followed by local government employment, which rose by 500 jobs. The construction and manufacturing industries each added 300 jobs.

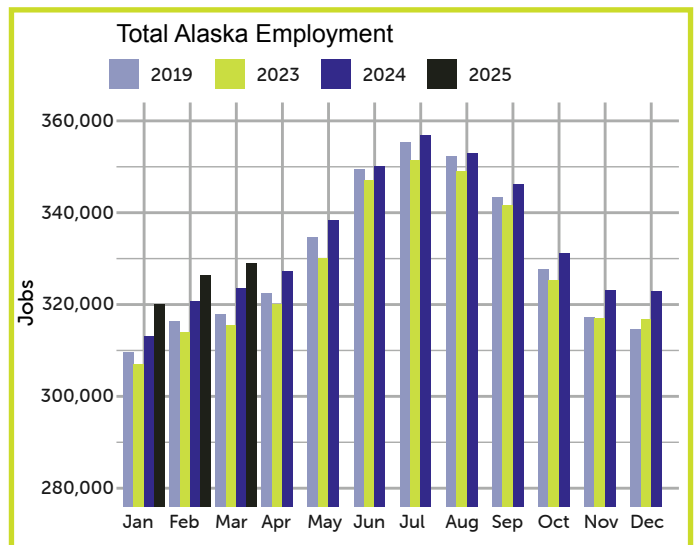
Looking at the yearly trends, the health care and construction industries each added 1,100 jobs. Other industries that experienced growth included trade, transportation and utilities, which gained 800 jobs. The oil and gas industry also increased by 600 jobs in 2024. ►



Data from the Alaska Department of Revenue



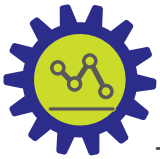
Data from the U.S. Employment and Training Administration



Data from the Alaska Department of Labor and Workforce Development

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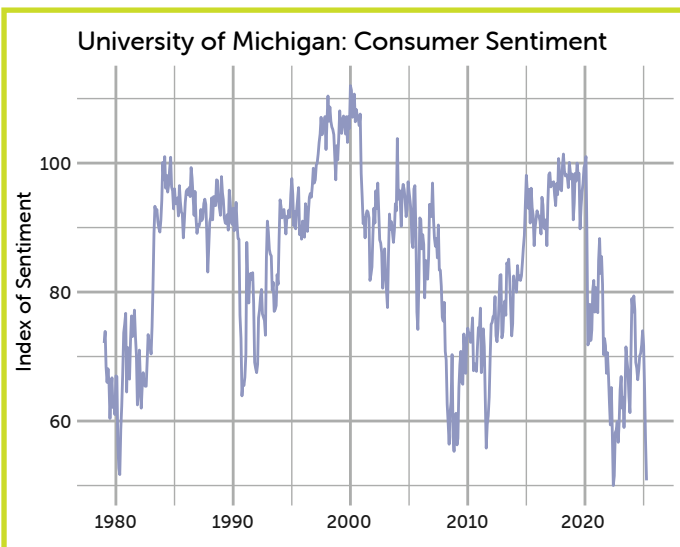


### Consumer sentiment falls to near-record lows

The Consumer Sentiment Index is a survey conducted by the University of Michigan that gauges how U.S. households feel about the economy. It's an important tool for understanding consumer spending habits and economic trends.

In April, consumer confidence dropped sharply for the fourth month in a row, falling 31% compared to December. This decline is troubling, as it has reached the lowest level since June 2022. Current consumer sentiment is lower than during the Great Recession (Dec. 2007–June 2009) and the inflationary periods of 2022 and the early 1980s.

Survey participants reported a significant increase in their expectations for future inflation over the past three months. Additionally, many consumers express concerns about economic uncertainty related to federal policies, which is contributing to the overall negative sentiment reflected in the index. ▼



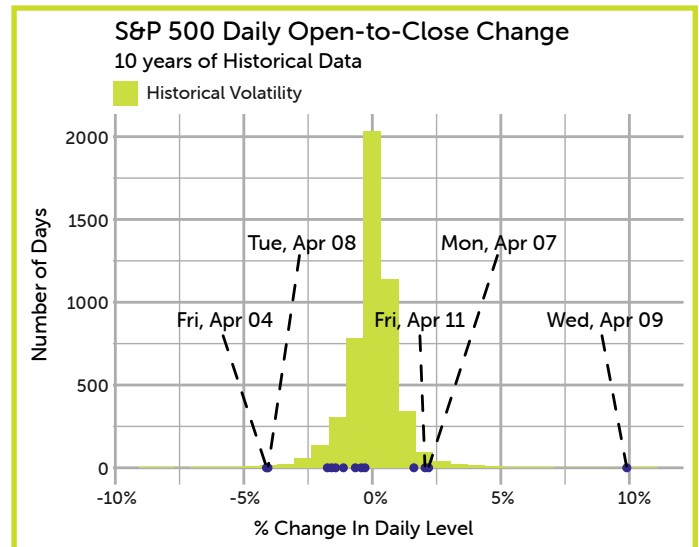
Data from the University of Michigan



### Tariff news roils markets

U.S. stock markets have faced considerable ups and downs since the Trump administration announced new tariffs on more than 180 countries on April 2. In just two trading days after the announcement, the markets lost more than \$6 trillion in value.

The degree of volatility we've seen now is comparable to what we experienced during the early days of the COVID-19 pandemic in 2020 and the Great Financial Crisis in 2008. However, on April 9, the markets rallied after news broke that some of the reciprocal tariffs introduced the week before would be canceled, though tariffs on goods from China, Canada and Mexico would increase. ▼

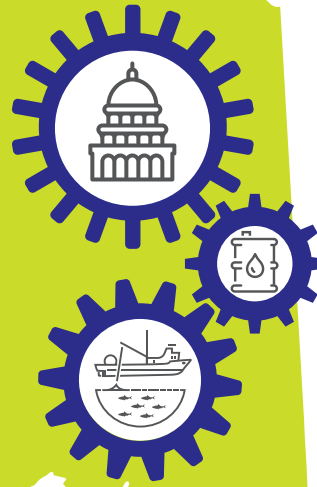


Data from Yahoo Finance and the Wall Street Journal

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## Did you know...

current consumer  
confidence is lower  
than during the  
Great Recession?



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