

ALASKA'S ECONOMY

It's everyone's business.

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Dear reader,

In June, oil prices spiked briefly due to geopolitical tensions in the Middle East but remained below levels observed earlier this spring. By July, prices were above Alaska's spring forecast of \$68 per barrel.

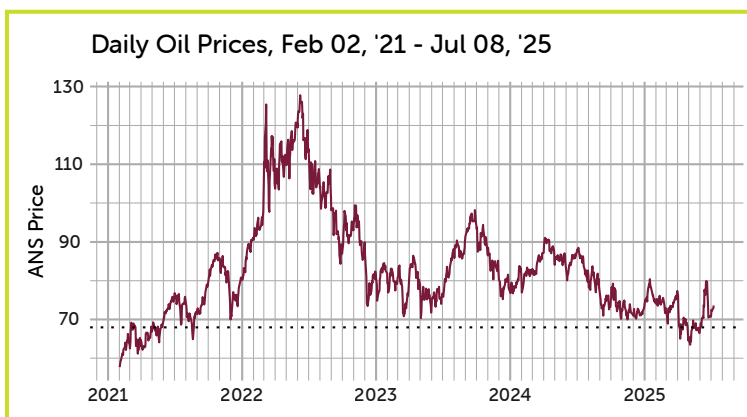
Alaska added 9,400 jobs in May, primarily driven by the leisure, transportation, warehousing, utilities and construction industries. Unemployment claims remained lower than pre-pandemic levels. Nationally, the job market remained strong, despite some challenges, with a noticeable shift from federal to state and local government employment.

Alaska's airport passenger volume indicates that the summer travel season started on a mixed note but is mainly in line with 2024 numbers.



Alaska oil prices

The horizontal line at \$68 per barrel shows the spring price forecast for Alaska's budget. Alaska's benchmark oil price, ANS West Coast, was \$73.59 per barrel on July 8. In June, the average daily price was \$72.63 per barrel, compared to \$84.36 in June 2024 and \$75.81 in June 2023. Prices experienced a spike in mid-June for approximately two weeks. ►

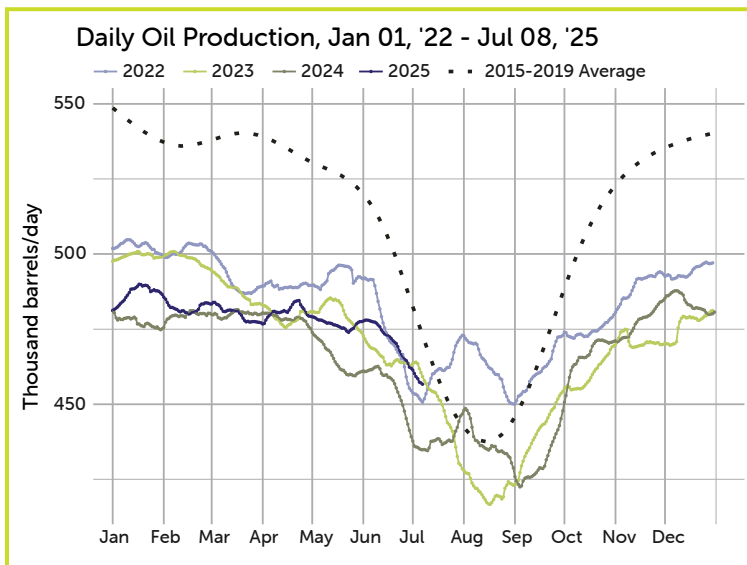


Data from the Alaska Department of Revenue



Alaska oil production still tracking well above 2024

Daily oil production in Alaska was 454,000 barrels on July 8. In June, daily production averaged 462,343 barrels, compared to 439,000 in June 2024 and 463,000 in June 2023. Year-to-date, Alaska oil production has totaled 89.69 million barrels, which is 1.79 million barrels more than at this time in 2024. ►



Data from the Alaska Department of Revenue

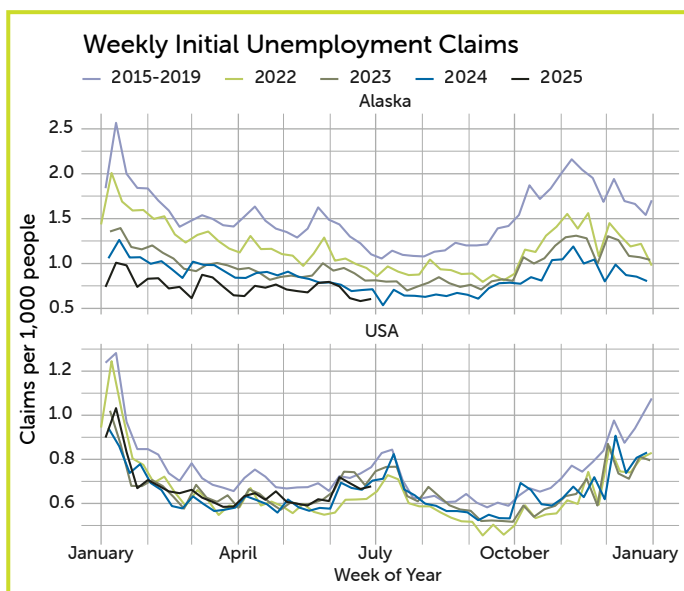
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Alaska's unemployment claims remain low while national claims follow trends

Unemployment claims in Alaska are currently low compared to historical standards. For the week ending June 28, 2025, only one in every 1,656 Alaskans filed a new unemployment claim. This is an improvement from one in every 1,402 Alaskans who filed during the same week in 2024. Both of these rates are much lower than the pre-pandemic average of one in every 874 Alaskans during the same week in the years 2015 to 2019.

Nationally, unemployment claims are slightly higher than they have been in recent post-pandemic years, but are still lower than pre-pandemic levels. One in every 1,477 Americans filed a claim, compared to one in 1,421 in 2024 and a pre-pandemic average of one in 1,331. ▼



Data from the U.S. Employment and Training Administration

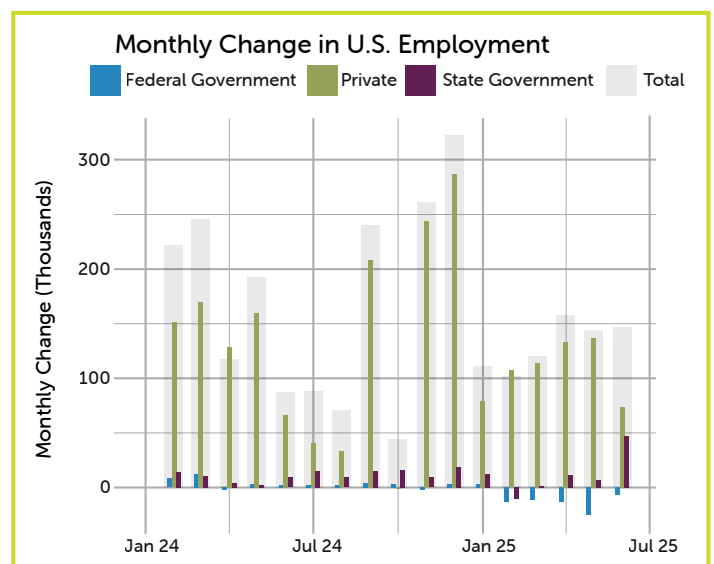


State and local jobs lift the national market amid federal job losses

June's employment report shows that the U.S. job market remains strong. Total nonfarm employment increased by 147,000, keeping the unemployment rate steady at 4.1%. Since April, the number of jobs added each month has been fairly consistent, but June's report highlights some interesting trends.

Private sector job growth in July was the lowest in eight months, while government hiring saw a boost. Overall, government employment increased by 73,000 in June, despite a decline of 7,000 federal jobs, bringing the total federal job loss since January to 69,000.

It's important to note that these figures do not account for employees who may have taken retirement buyouts or those on paid leave or severance. State government hiring accounted for the increase in government jobs, adding 47,000 positions, mostly in education (40,000). Local government education also saw a rise of 23,000 jobs. This trend may suggest that some federal workers are transitioning to state government jobs, which have faced high vacancy rates in recent years. ▼



Data from the U.S. Bureau of Labor Statistics



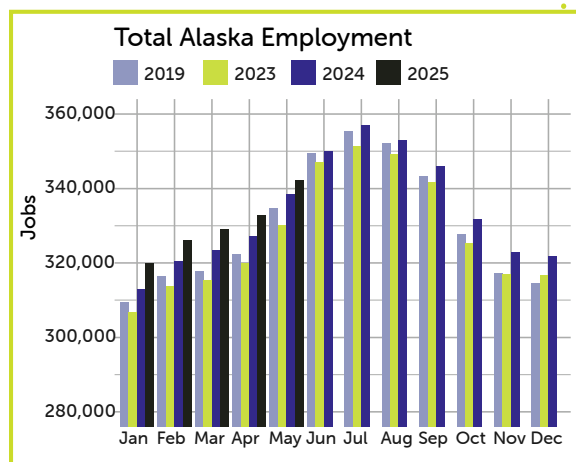
Alaska's labor market grows in some industries but declines in seafood

According to the latest employment data from May, Alaska experienced significant job growth. Over the past year, the state added 3,800 jobs, bringing the total number of nonfarm jobs to 342,200, an increase of 9,400 jobs since April 2025.

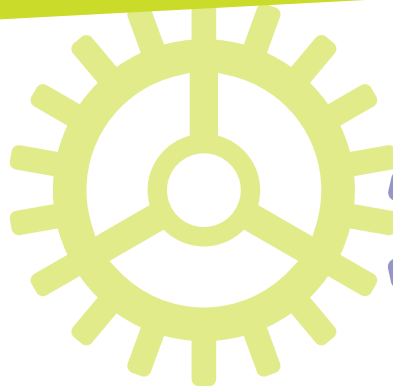
The biggest gains came from the leisure and hospitality industry, which added 5,100 jobs. Other industries contributing to job growth included transportation, warehousing and utilities (2,600 jobs) and construction (1,500 jobs). Professional and business services added 1,300 jobs.

There were some losses as well. The manufacturing industry, primarily seafood processing, lost 1,800 jobs, making May 2025 the lowest employment month for manufacturing in the past 24 years, with a total of 9,200 jobs.

Looking at year-over-year changes, the health care industry saw the largest increase with 1,200 jobs, followed by construction and oil and gas, both adding 700 jobs. On the downside, federal government employment in Alaska decreased by 200 jobs. ▼



Data from the Alaska Department of Labor and Workforce Development

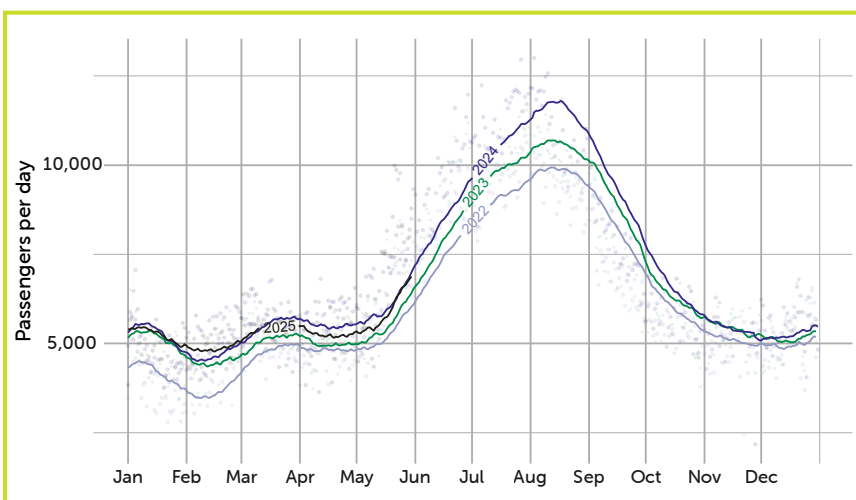


Alaska's 2025 tourism season off to a mixed start

Pre-season indicators, such as cruise bookings, suggested that overall demand may be similar to that of 2024. Airport traffic further provides seasonal insights into industry performance. Travel demand is also an indicator of the economic health of Alaska businesses and households.

On May 31, Ted Stevens International Airport recorded 8,786 passengers clearing security. So far in 2025, a total of 827,600 passengers have cleared security, which is slightly lower than the count for the same time in 2024 of 836,343, but about 50,741 passengers more than in 2023. Traffic was higher than in 2024 during the first quarter, but it began to decline in late March and early April. Traffic returned to 2024 levels in the last few weeks of May. This trend aligns with recent consumer sentiment and financial market performance.

Fairbanks International Airport saw 1,312 passengers pass through security on May 31. Year-to-date passenger volume at Fairbanks International Airport has totaled 205,542, which is nearly identical to the volume at this time in 2024 (205,733), but about 15,349 more than in 2023. Similar to Anchorage, traffic at Fairbanks International Airport had been higher than in 2024 during the first quarter. It fell behind at the end of March and the beginning of April, but has nearly caught up in recent weeks. ▼

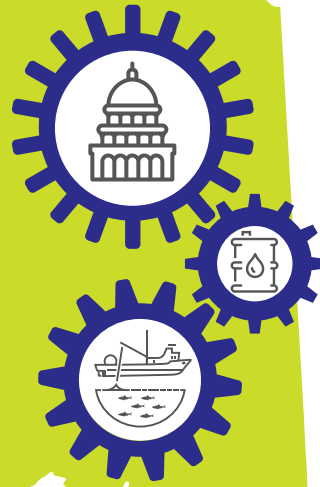


Data from the Transportation Security Administration

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Did you know...

the U.S. added 40,000 state
education jobs in June?



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