

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,

In April, the state created 3,800 new jobs, primarily in the leisure, construction and government industries. Unemployment claims are below what they were before the pandemic.

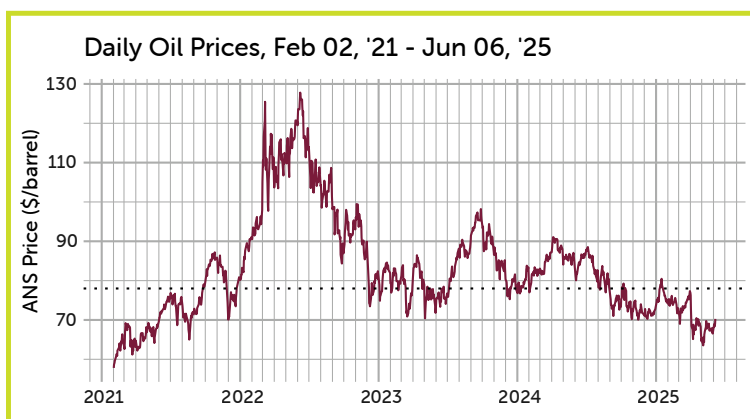
In May, oil prices saw a slight increase but are still lower than earlier this spring, and prices remain below Alaska's forecast for Fiscal Year (FY) 2025, which is \$78 per barrel. Meanwhile, Alaska's oil production has remained steady, slightly exceeding last year's pace.

On a national level, financial markets have bounced back after some tariffs announced in April were partially rolled back or delayed. However, commodity prices have not followed this positive trend. Many businesses and households have adjusted their spending ahead of trade policy changes, leading to a significant drop in imports and different spending habits based on income levels.



Oil prices up slightly, but still lower than May levels

Alaska's benchmark oil price, ANS West Coast, was \$70.21 on June 6. In May, daily prices averaged \$67.07 per barrel, compared to \$85.55 in May 2024 and \$75.64 in May 2023. The horizontal dotted line represents the State of Alaska's FY 2025 budget estimated oil price of \$78 per barrel. ►

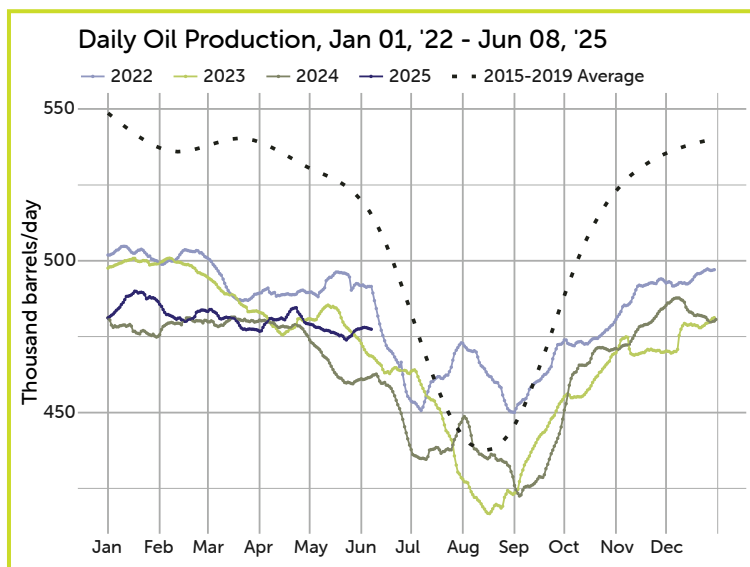


Data from the Alaska Department of Revenue



Alaska oil production

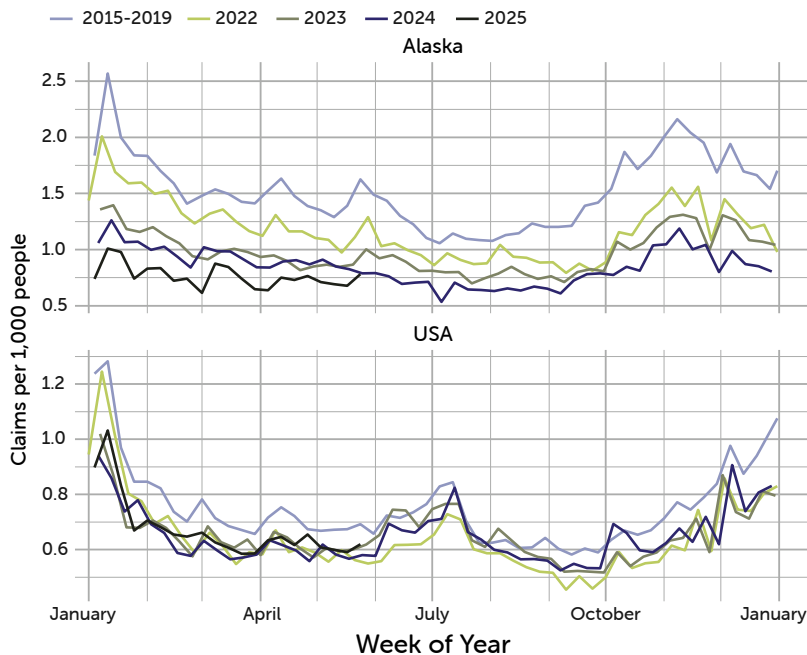
Daily oil production in Alaska was 469,000 barrels on June 8. In May, daily production averaged 477,462 barrels, compared to 461,000 in May 2024 and 475,000 in May 2023. Year-to-date, Alaska oil production has totaled 75.98 million barrels, which is 1.13 million barrels more than at this time in 2024. ►



Data from the Alaska Department of Revenue

ALASKA'S ECONOMY

Weekly Initial Unemployment Claims



Data from the U.S. Employment and Training Administration

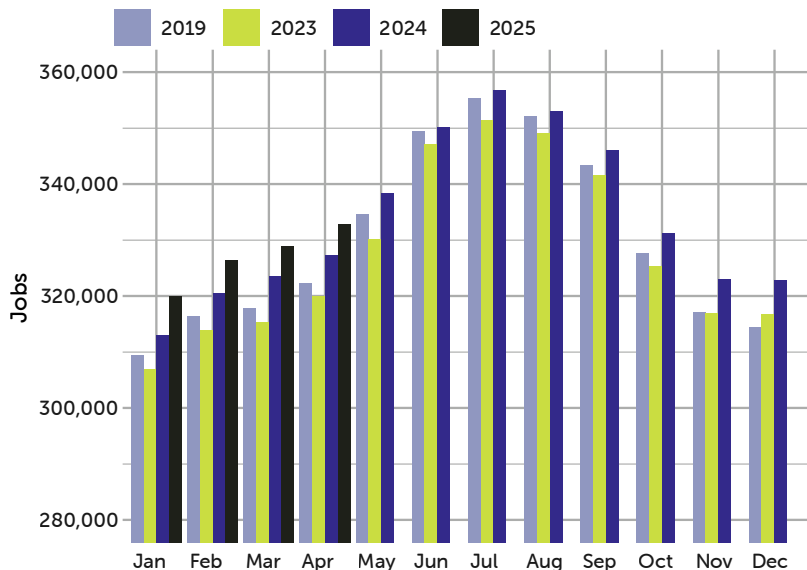


Alaska's unemployment claims remain low, beating pre-pandemic norm

Unemployment claims in Alaska are currently low compared to historical standards. For the week ending May 17, one in 1,278 Alaskans filed a new unemployment claim. One in 1,270 Alaskans who filed the same week in 2024 is significantly better than the pre-pandemic average of one in every 647 Alaskans during that week from 2015 to 2019.

On a national level, unemployment claims are slightly higher compared to recent post-pandemic years but still below pre-pandemic levels. Overall in the U.S., about one in 1,614 individuals filed a claim, compared to one in 1,724 in 2024. ◀

Total Alaska Employment



Data from the Alaska Department of Labor and Workforce Development



Alaska added 3,800 jobs in April

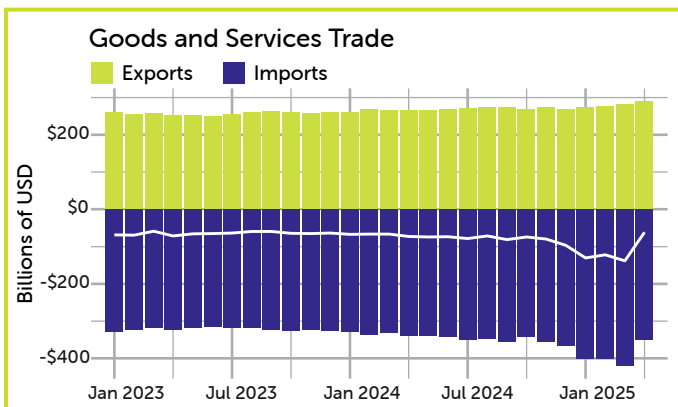
Alaska experienced a boost in employment, adding 5,500 jobs since April 2024 and 3,800 jobs since March 2025. This brought total nonfarm employment to 332,800 jobs. The leisure and hospitality industry led the monthly gains with 1,300 new jobs, followed by construction with 600 jobs and government employment rising by 500 jobs (300 in federal and 200 in local). In 2024, the largest job increases occurred in health care (1,100 jobs) and construction (900 jobs). The oil and gas industry also saw recovery, adding 700 jobs compared to 2024. ◀



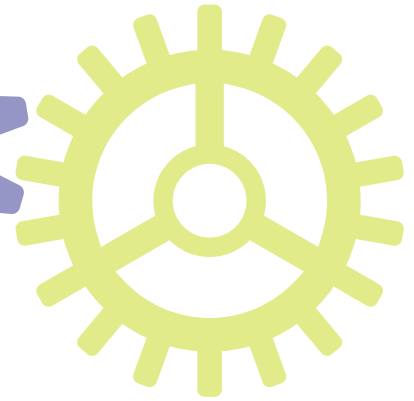
Businesses and households tried to get ahead of tariffs

In April, the U.S. trade balance (the difference between exports and imports represented by the horizontal line) experienced one of the largest changes on record. In March, imports were valued at \$419.4 billion and exports were \$281.1 billion. By April, exports slightly increased to \$289.4 billion, while imports fell significantly to \$351 billion — a 16% drop. This decline is among the largest recorded. Imports had been steadily rising since February as businesses and consumers anticipated changes in U.S. federal tariff and trade policy. However, when broad tariffs were announced in April, imports returned to previous levels. The biggest decreases in imports were seen in industrial supplies and automotive vehicles and parts.

Households also reacted to the announcements of upcoming tariffs. Attempting to get ahead of the situation, many increased their purchases of goods that could be affected by the new import taxes. Lower-income households (earning under \$50,000) were more likely to take reactive approaches, such as taking out loans, postponing major purchases or travel and using savings. Conversely, higher-income households (earning \$125,000 or more) tended to engage in proactive financial behaviors, like making purchases ahead of the anticipated tariffs and increasing their savings. For instance, 44.1% of higher-income respondents said they were saving more money for future expenses, compared to just 28.3% of lower-income respondents. Additionally, 26% of higher earners made early purchases to avoid tariffs, compared to 12.7% of lower earners. ▼

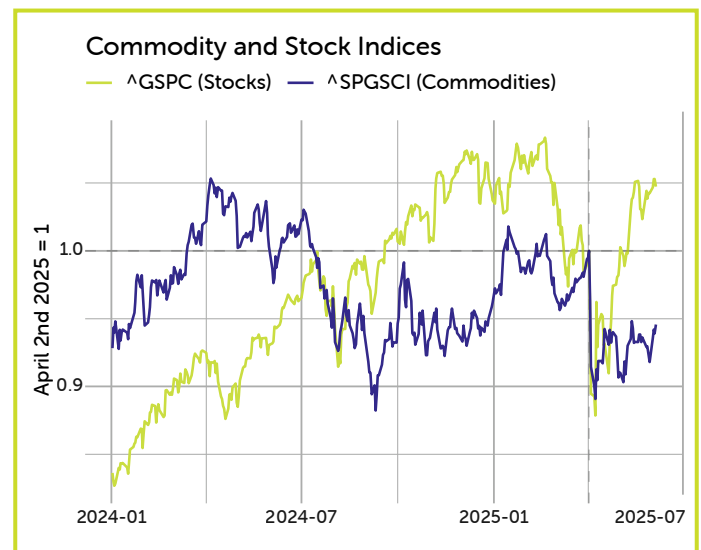


Data from the U.S. Census Bureau and U.S. Bureau of Economic Analysis



Commodity prices remain low despite equity market recovery

U.S. stock markets, particularly the S&P 500, have recently shown strong performance. Several tariffs announced on April 2 were paused, revised downwards or are being challenged in court, which eased investors' fears. The S&P 500 hit a record high of 6,144 on Feb. 19, and by June 5, it reached 5,939, recovering most losses related to economic uncertainty from the April tariffs. However, the recovery in global commodity prices has been less robust. While both equities and commodities dropped significantly after the April 2 announcement, commodity prices have since plateaued. By June 5, the S&P 500 was 4.7% higher than on April 2, but the S&P GSCI (formerly the Goldman Sachs Commodity Index) was still 5.4% lower. ▼



Data from Yahoo Finance

ALASKA'S ECONOMY

Did you know...

Alaska created 3,800 new
jobs in April?



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

Anchorage, AK 99510-0720

P.O. Box 100720

MEMBER FDIC

First National Bank
ALASKA

