

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,

Oil prices have recently dropped due to increased production from the Organization of the Petroleum Exporting Countries (OPEC) and easing tensions with Russia. In Alaska, oil production fell nearly 20% from June to July due to maintenance work by North Slope producers.

Alaska employment growth is strong in health care and construction. Seafood processing has rebounded from weak numbers in May. The state added 11,300 jobs in June, while unemployment claims are below pre-COVID-19 levels.

Nationally, the job market is softening, and the tight labor conditions seen after the pandemic continue to ease.



Alaska oil production sees large summer decline

Daily oil production in Alaska was 367,000 barrels on Aug. 5. In July, daily production averaged 387,551 barrels, compared to 446,000 in July 2024 and 431,000 in July 2023. Year-to-date, Alaska oil production has totaled 99.83 million barrels, which is 0.58 million barrels less than at this time in 2024.

The expected notable declines in oil production follow a typical seasonal pattern. During the warmer summer months, gas re-injection becomes less effective, and companies often schedule major maintenance. Most of the declines come from maintenance on Prudhoe Bay, Alaska's largest oil field. The smaller Alpine field saw almost no production in August. While production at Prudhoe Bay is starting to increase, future production from the Alpine field is still unknown. ►



Alaska oil prices

The horizontal line at \$68 per barrel shows the spring price forecast for Alaska's fiscal year 2026 budget. Alaska's benchmark oil price, ANS West Coast, was \$69.75 per barrel on Aug. 5. In July, daily prices averaged \$73.02 per barrel, compared to \$84.65 in July 2024 and \$82.45 in July 2023.

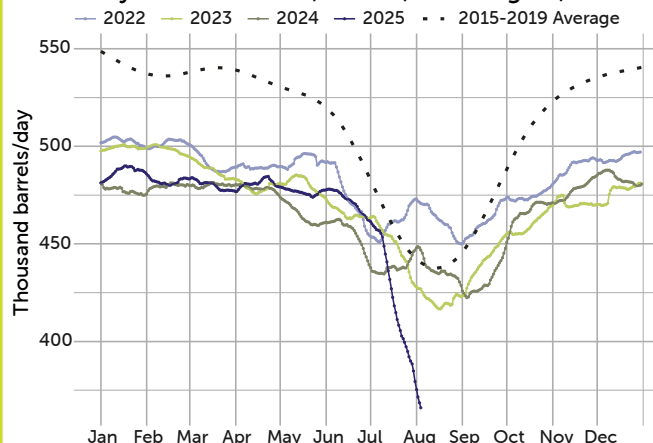
Prices have softened because of increased oil supply news from OPEC producers. The Aug. 15 meeting in Alaska between presidents Trump and Putin could lead to eased restrictions on Russian oil production. ▼

Daily Oil Prices, Feb 02, '21 - Aug 05, '25



Data from the Alaska Department of Revenue

Daily Oil Production, Jan 01, '22 - Aug 05, '25



Data from the Alaska Department of Revenue

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Alaska unemployment claims remain low

Unemployment claims are a key sign of how well the job market is doing. The number of Alaskans who filed for unemployment for the first time remains low compared to historical data. For the week ending June 28, 2025, one in every 1,745 Alaskans filed a new claim. This is an improvement from one in every 1,561 Alaskans during the same week in 2024. Both of these rates are much lower than the pre-pandemic average, which was one in every 949 Alaskans from 2015 to 2019.

On a national level, unemployment claims are somewhat higher than in recent post-pandemic years, but still lower than pre-pandemic levels. In the U.S. as a whole, one in every 1,766 Americans filed a claim, compared to one in 1,571 in 2024. The pre-pandemic average for claims was one in 1,591. ►

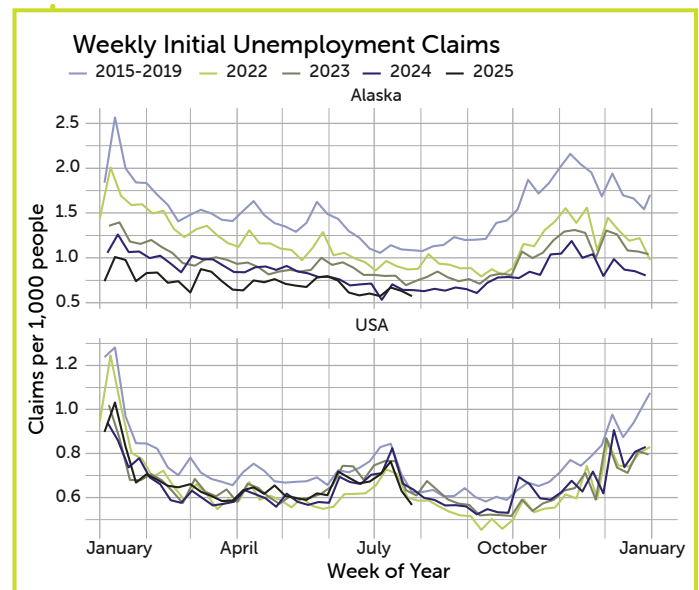


Alaska labor market sees continued growth

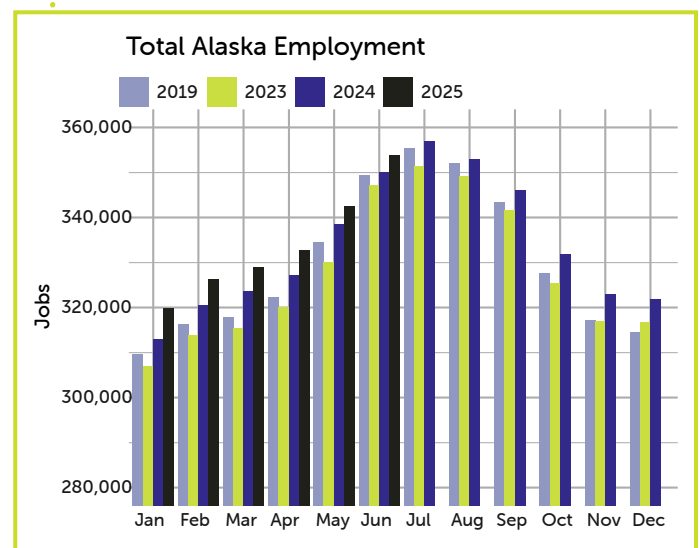
According to the latest June employment data, Alaska added 3,700 jobs over the year and 11,300 jobs since May 2025, bringing total nonfarm employment to 353,800 jobs.

Month-over-month job gains were led by manufacturing, mostly in seafood processing (6,900), leisure and hospitality (4,300) and construction (1,600). Over the year, the largest job increases were in health care (1,300), construction (900), mining and logging (700), and transportation, warehousing and utilities (700). These gains were offset slightly by a loss of 200 leisure and hospitality jobs.

The July report showed strong year-over-year job losses in seafood processing from May 2024 to May 2025. By June, seafood processing employment remained unchanged compared to June 2024. ►



Data from the U.S. Employment and Training Administration



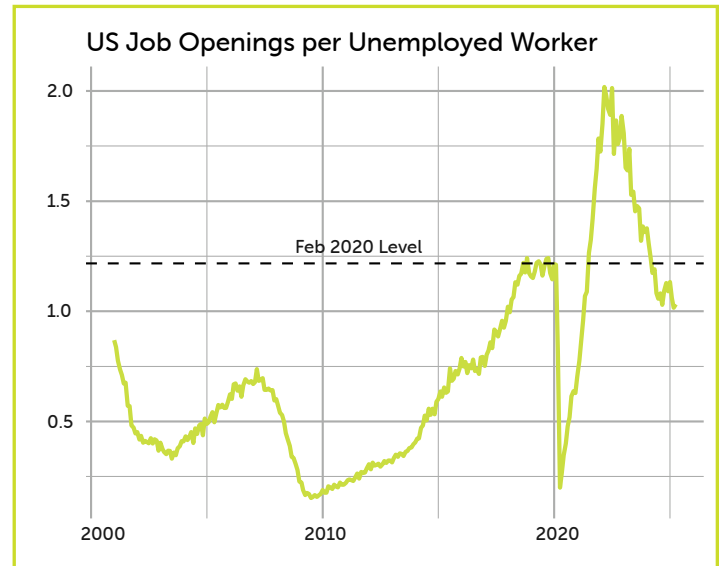
Data from the Alaska Department of Labor and Workforce Development



National job market softens

The COVID-19 economy and the subsequent recovery produced more job openings than available workers, while companies struggled to hire. Economists call this a tight labor market. Before the pandemic, there were about 1.2 job openings for every unemployed person in the U.S. This ratio peaked in March 2022, reaching two job openings for each unemployed worker.

As of April, the situation has changed yet again. The ratio has returned to about one job opening for every unemployed worker, similar to levels seen in spring 2018. This change will make it easier for companies to hire, but it will also be closely watched by the Federal Reserve as it looks for signs to decide when to start lowering interest rates. ►



Data from the U.S. Bureau of Labor Statistics



The state of the gig economy in Alaska

Organizations have varying definitions for gig workers, leading to inconsistencies in estimating their numbers. The Bureau of Labor Statistics (BLS) broadly categorizes gig workers as contingent workers. This group includes independent contractors, on-call workers, temporary agency workers and employees of contract firms, with independent contractors being the largest segment. A more specific category called electronically mediated employment refers to platform- or app-based work, such as ride-hailing and delivery driving jobs.

To quantify gig work in Alaska, we draw on two federal datasets: the BLS Contingent Worker Supplement and the Census Bureau Nonemployer Statistics.

According to the 2017 BLS Contingent Worker Supplement, 4.4% of Alaska's civilian labor force worked as independent contractors or freelancers, placing Alaska seventh nationally at the time.

The Census Bureau Nonemployer Statistics is based on IRS tax filings. It counts businesses that have no employees, earn over \$1,000 a year and have federal tax obligations, a category that often includes independent contractors. In 2023, Alaska had 54,282 such businesses. This number also includes professionals like doctors and lawyers and can count individuals with multiple businesses more than once.

While these figures are somewhat outdated, they highlight that gig work is an important source of income in Alaska.

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Did you know...

more than 54,000 Alaska
businesses reported as
independent contractors
in 2023?



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