

# ALASKA'S ECONOMY

**It's everyone's business.**

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Dear reader,

In September, the U.S. gross domestic product remained strong for the second quarter, but inflation remained high while the labor market started to cool down. Although the government shutdown disrupted the release of national labor market data, private industry reports indicated a slowdown in hiring.

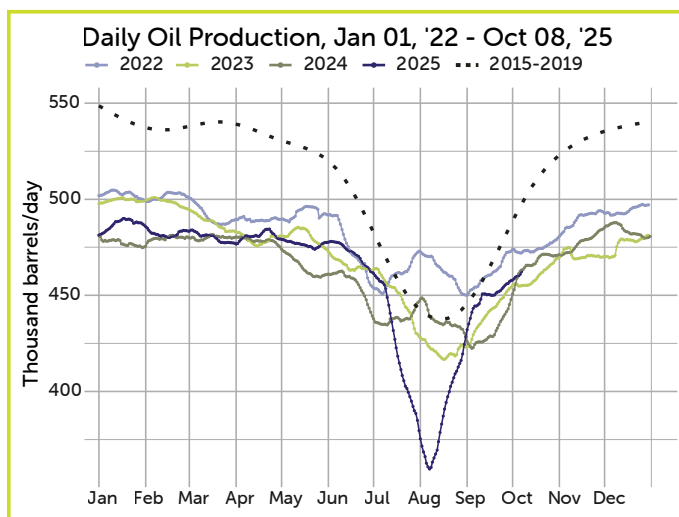
Recent data for Alaska shows continued economic strength: Unemployment claims are at historic lows, and the state is experiencing year-over-year job growth, especially in health care and construction.

Spending patterns reveal Alaska's unique two-track economy. Most tourism activity occurs during the summer months, with nonresident spending causing spikes in retail, transportation, travel services and lodging. This trend significantly benefits businesses such as bakeries, distilleries, jewelry and souvenir shops, and major hotels. These tourism-dependent industries differ markedly from those serving Alaskans, such as health care, financial institutions and construction, which provide a stable economic foundation throughout the year.



## Alaska oil returns to 2024 daily production trend

Daily oil production in Alaska was 465,000 barrels on Oct. 8. In September, daily production averaged 457,092 barrels, compared to 448,000 in September 2024 and 454,000 in September 2023. Year-to-date, Alaska oil production has totaled 128.53 million barrels, which is 0.07 million barrels fewer than at this time in 2024. ▼

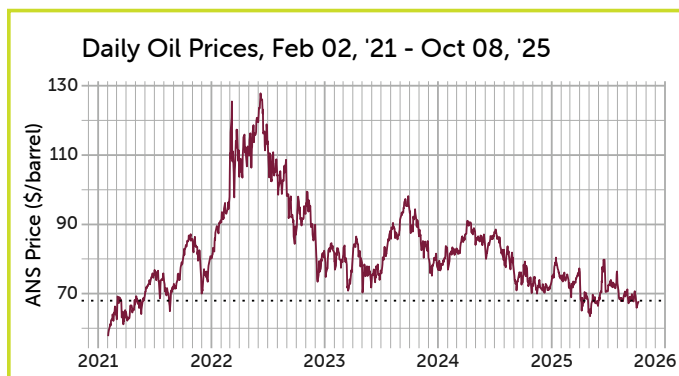


Data from the Alaska Department of Revenue



## Oil prices slip below Alaska state budget forecast

The horizontal dotted line at \$68 per barrel shows the spring price forecast for Alaska's budget in fiscal year 2026. Alaska's benchmark oil price, ANS West Coast, was \$67.86 on Oct. 8. In September, daily prices averaged \$68.89 per barrel, compared to \$74.07 in September 2024 and \$95.05 in September 2023. ►



Data from the Alaska Department of Revenue

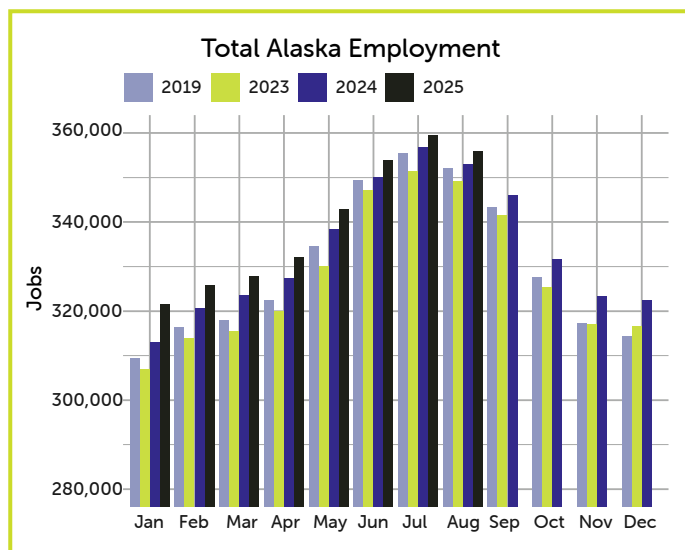
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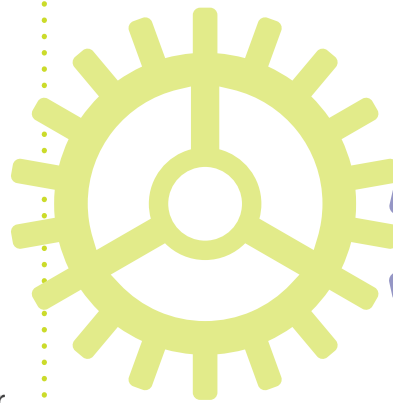
## Alaska labor market sees continued growth

In August, Alaska's job market had mixed results. The state added 2,900 jobs throughout the year but lost 3,700 jobs since July, bringing the total to 355,900 nonfarm jobs in 2025. The biggest losses were in manufacturing, primarily in seafood processing, which lost 4,800 jobs as the summer season ended. Additional monthly job declines included professional and business services (-300), leisure and hospitality (-200), other services (-200), and mining and logging (-100). Year-over-year job losses were in information (-300), financial activities (-100), wholesale trade (-100), retail trade (-100), and government (-100).

Many industries experienced positive trends. Government job gains totaled 1,800, driven by local and state hiring. Additional monthly job growth was seen in construction (+100) as well as in educational and health services (+100). Throughout the year, Alaska recorded notable increases in construction (+1,000), health care (+900) and manufacturing (+900). Other industries also reported year-over-year growth, including oil and gas (+400), transportation, warehousing, and utilities (+300), professional and business services (+200), other services (+100), and trade, transportation, and utilities (+100). ▼



Data from the Alaska Department of Labor and Workforce Development

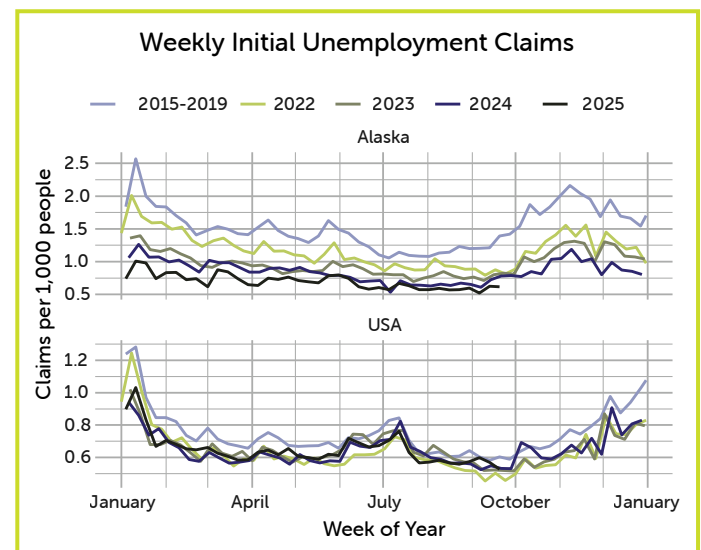


## National job market softens

Unemployment claims serve as a key indicator of the job market's overall health in Alaska. The number of initial claims — when someone files for unemployment for the first time — remains low compared to historical trends.

For the week ending Sept. 20, 2025, one in every 1,623 Alaskans filed a new claim. This is an improvement compared to one in every 1,280 Alaskans who filed during the same week in 2024. Both figures are significantly lower than the pre-pandemic average, which was one in every 733 Alaskans for the same week between 2015 and 2019.

Nationally, unemployment claims are higher than in the recent post-pandemic years, but they remain lower than the levels observed before the pandemic. In the U.S., one in every 1,896 Americans filed a claim, which is a slight increase from one in 1,875 in 2024, compared to the pre-pandemic average of one in 1,675. ▼



Data from the U.S. Employment and Training Administration



## Local businesses Alaskans visit the most and least

The distribution of average annual customer shares in Alaska shows a clear divide between businesses serving Alaskans and those primarily attracting visitors.

At the top of the list are businesses that cater mainly to Alaskans, such as suppliers of heating and air-conditioning equipment. Companies like Extreme Heating and Air Inc., Johnstone Supply, and Trane Supply Anchorage have more than 85% of their customers residing within Alaska, indicating a strong focus on the local market. Other examples include Tikahtnu Commons, the Northern Lights Center, Guitar Center, Moore Music, and First National Bank Alaska, which are mostly frequented by Alaskans.

Health care providers are also a major part of the local economy. Businesses like Stanton Optical, LensCrafters, North Pole Chiropractic, and primary care offices such as Valley Medical Care and LaTouche Pediatrics report local customer shares in the 80% range, reflecting stable demand from residents throughout the year. Local skiing facilities like Eaglecrest and Hilltop primarily serve residents, reinforcing their role in community recreation rather than catering to tourists.

On the other end of the spectrum, businesses that primarily serve seasonal visitors have the lowest share of local customers. This includes jewelry stores like Ben Bridge Jeweler and Mt. Juneau Trading Post, souvenir shops like Polar Bear Gifts, and art galleries like The Soho Coho, as well as major attractions such as the Alaska Zoo and Alaska SeaLife Center. Tour and travel providers, including Major Marine Tours and Big Swig Tours, along with hotels like Hilton, Marriott, and Sheraton also focus mainly on tourists.



## Tourists outnumber Alaskans in summer retail

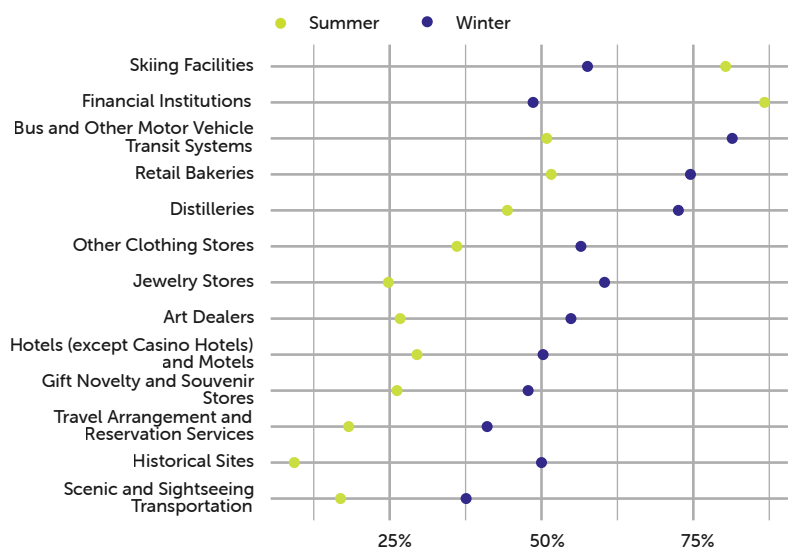
Seasonal visitation patterns among Alaskans show prominent changes, especially in industries related to tourism and leisure. During the summer, the number of Alaska customers decreases significantly, even though overall visitor numbers increase.

For example, in retail bakeries, the proportion of Alaska customers drops from around 75% in winter to just more than 51% in summer. This change is driven by the influx of tourists at popular businesses like Great Harvest Bread Co., Alaska Cake Studio and A Pie Stop. Similar trends can be seen in distilleries, such as Amalga Distillery and Anchorage Distillery; jewelry stores like Ben Bridge Jeweler and Zales Fairbanks; art galleries, including The Soho Coho and Aurora Dora; and gift shops like Polar Bear Gifts and Alaska Mint where tourists become the majority of summer customers.

Transportation and travel services also experience strong seasonal fluctuations. Companies like Kingfisher Charters see a significant rise in summer business, while the share of Alaska customers declines. The hotel industry, featuring major chains, reflects this trend as well, with an increase in nonresident guests during the peak summer months.

Some categories show a contrasting trend. Financial institutions see a higher percentage of local customers in the summer, while ski areas maintain a largely Alaskan clientele. Historical sites, like Skagway and Creek Street, experience dramatic shifts from mostly local visitors in winter to nearly all tourists in summer. ▼

Share Alaska Customers Businesses with Most Seasonality

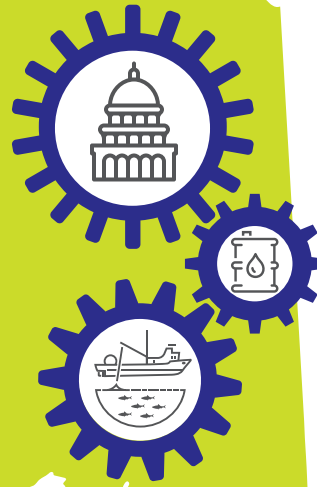


Data from Dewey, Inc.

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## Did you know...

Alaska lost 3,700 jobs  
since July but gained  
2,900 year-over-year?



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