

ALASKA'S ECONOMY

It's everyone's business.

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Dear reader,

While the longest U.S. federal government shutdown is over, it remains a significant economic concern. Although limited data is available to fully assess its impact, Alaska's job market continues to outperform both national trends and recent statistics.

In October, the first official report on federal workforce reductions among employees in the deferred resignation program was released, following the implementation of the spring program. While the impacts are modest, these changes may indicate the beginning of a longer adjustment period that could affect public-sector jobs.



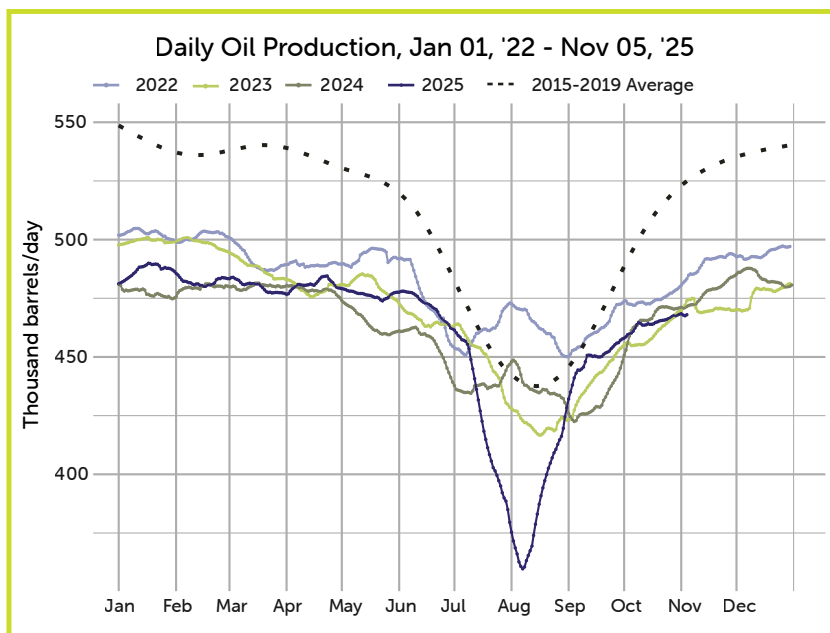
Alaska oil production trend

Alaska's daily oil production reached 479,000 barrels on Nov. 5. In October, daily production averaged 467,673 barrels, compared to 471,000 in October 2024 and 469,000 in October 2023. Year-to-date, Alaska oil production has totaled 141.62 million barrels, which is 0.20 million barrels fewer than at this time in 2024. ►



Oil prices slip below Alaska state budget forecast

The horizontal dotted line of \$68 per barrel represents the spring forecast for Alaska's fiscal year 2026 budget. Alaska's benchmark oil price, ANS West Coast, was \$65.27 per barrel on Nov. 5. In October, daily prices averaged \$65.70 per barrel, compared to \$74.62 in October 2024 and \$90.48 in October 2023. Prices since the start of the state's fiscal year have averaged \$72.90 per barrel. If prices stay at their current level for the remainder of the fiscal year, the average price over the entire period would be \$67.94 per barrel, or \$0.06 short of the budget forecast. ►



Data from the Alaska Department of Revenue



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Weekly unemployment claims continue to track 2024 levels

Unemployment claims are key indicators of the labor market's health.

The number of Alaskans who filed for unemployment is lower than in recent years. For the week ending Oct. 25, 679 Alaskans filed a new unemployment claim, compared to 775 Alaskans in same week in 2024. Both numbers are much lower than the pre-pandemic average for this week, which was approximately 1,480 Alaskans (2015–2019). As usual, claims have risen in September and October, following their seasonal pattern. ►



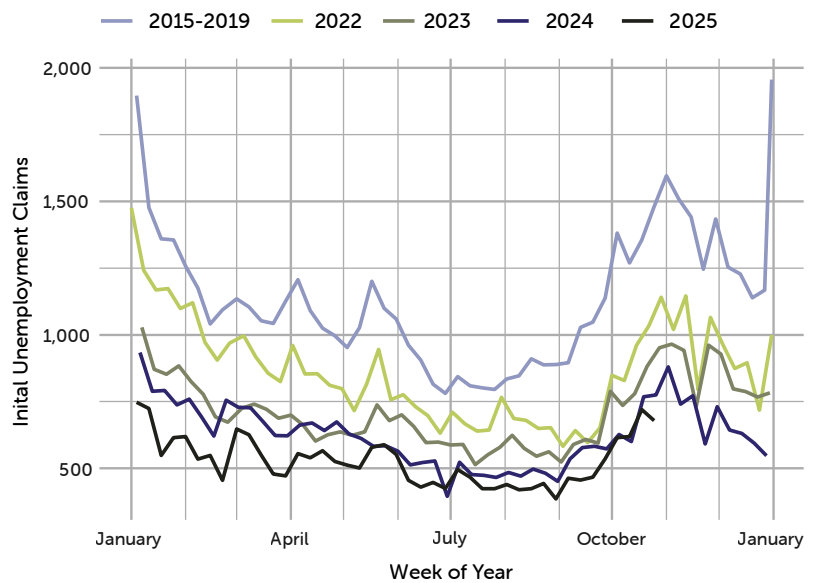
Alaska labor market outperforms most other states

To understand how the labor market is doing, we can look at the number of people claiming unemployment benefits after losing their jobs, compared to all employees covered by these benefits. By comparing this rate to previous years in each state, we can get a clearer picture of what's happening in the labor market.

In Alaska, the situation looks relatively good compared to the rest of the country, as unemployment claims are lower than they have been recently. Only 13 states and territories are seeing a similar trend. On the other hand, some areas, especially those with fewer federal jobs, are experiencing higher unemployment claims. Washington D.C., Virginia and Maryland are among the states where the labor market is deteriorating. ►

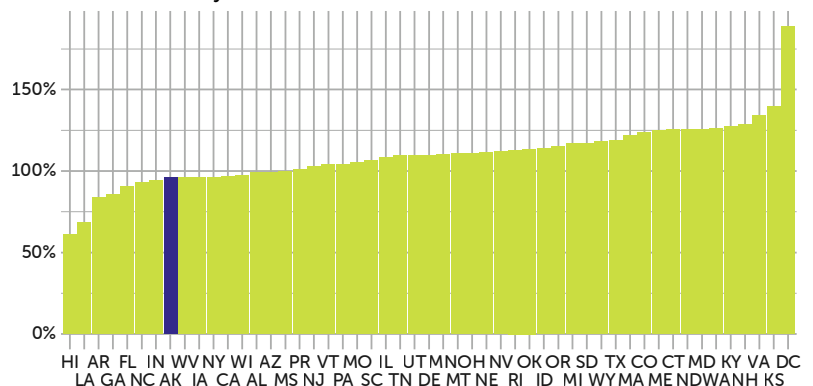


Weekly Initial Unemployment Claims in Alaska



Data from the U.S. Employment and Training Administration

Continued Unemployment Insurance Claim Rate
% of Rate Last 2 years



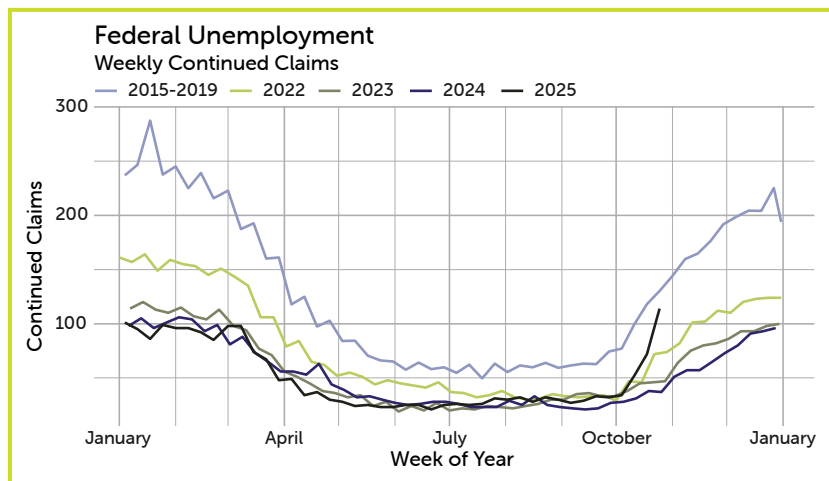
Data from the U.S. Employment and Training Administration



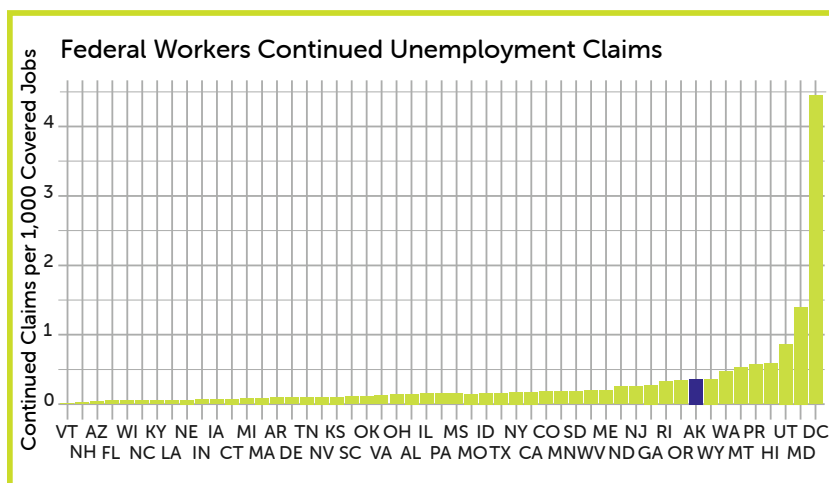
Federal unemployment claims near Alaska-recession levels

Unemployment insurance claims among federal workers closely follow the patterns of those in the private sector and state and local government, with claims declining in the summer and increasing in the winter.

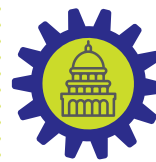
This year has seen an unusually high rise in unemployment insurance claims. In October, federal claims surged to levels comparable to those observed during Alaska's recession while claims for private-sector and state and local government workers were similar to 2024 levels. As of Oct. 25, there were 114 federal claimants, compared to just 37 during the same week in 2024. ▼



Data from the U.S. Employment and Training Administration



Data from the U.S. Employment and Training Administration



Impact of federal layoffs on unemployment rates

Federal government workers have their own unemployment insurance program, which allows us to see how federal layoffs affect unemployment rates. This information is relevant now as the federal fiscal year ended on Sept. 30. Before this date, federal workers who chose to resign but deferred their resignation were not counted as unemployed.

Recent official data on the extent of job cuts show the ratio of federal workers receiving unemployment benefits compared to private-sector and state and local government workers. Areas with a high number of federal employees, such as Washington, D.C. and Maryland, have the highest rates of former federal workers receiving unemployment benefits. Virginia, on the other hand, ranks in the middle.

Alaska, which also has a significant federal workforce, ranks ninth for the number of federal employees receiving unemployment benefits. Some of this ranking may be influenced by typical seasonal job fluctuations. ◀

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Did you know...

unemployment claims from federal workers in Alaska have surged to levels comparable to those observed during the state's last recession?



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