

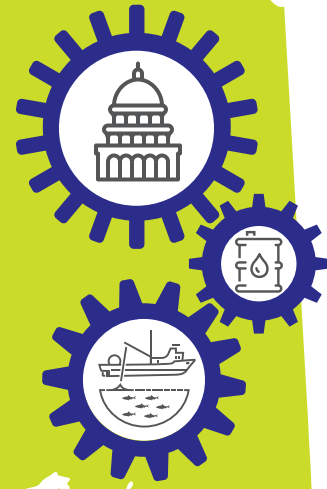
ALASKA'S ECONOMY

It's everyone's business.



BRETT WATSON, RESEARCH PROFESSIONAL AT THE INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH (ISER) AT THE UNIVERSITY OF ALASKA ANCHORAGE, SHARES HIS VIEWS ON THE ALASKA ECONOMY.

Did you know...
56 out of 65 industries in Alaska reported wage growth in 2025?



Dear reader,

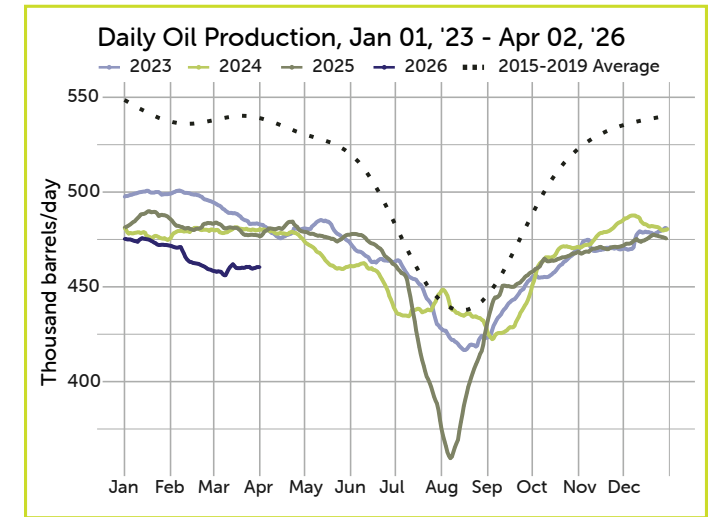
The Iran war is creating stress in energy markets, leading to high and volatile oil prices. This means Alaskans face higher energy costs, but it also boosts short-term revenue for the state's budget. However, there is uncertainty about how long these price disruptions will last.

Alaska's labor market shows modest growth, supported by widespread wage increases, even though there has been limited growth in the number of new businesses. Nationally, economic indicators suggest that the labor market is slowing down and wage growth is moderating. Inflation remains above the Federal Reserve's target.



Alaska oil production down from 2025

Daily oil production in Alaska was 467,000 barrels on April 2. In March, daily production averaged 460,340 barrels, compared to 477,000 in March 2025 and 480,000 in March 2024. Year-to-date, Alaska oil production has totaled 42.19 million barrels, which is 1.71 million barrels fewer than at this time in 2025. ▶



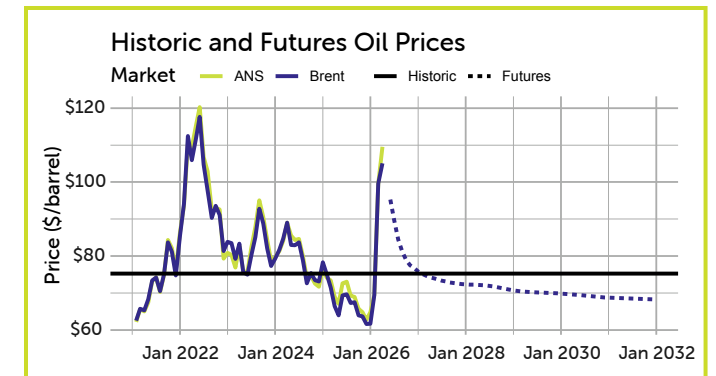
Data from the Alaska Department of Revenue



Iran war continues to drive higher oil prices

The horizontal line of \$75.26 per barrel represents the spring price forecast for Alaska's fiscal year 2026 budget. The dotted line represents the prices for Brent futures contracts, — financial agreements used to buy or sell crude oil at a set price for future delivery.

Alaska's benchmark oil price, ANS West Coast, was \$115.08 on April 2. In March, daily prices averaged \$99.52 per barrel, compared to \$73.39 in March 2025 and \$84.11 in March 2024. Prices since the start of Alaska's fiscal year have averaged \$71.49 per barrel and are likely to move higher if the disruption continues in global energy markets due to the Iran war. ▶



Data from the Alaska Department of Revenue

First National Bank
MEMBER FDIC
ALASKA
P.O. Box 100720
Anchorage, AK 99510-0720

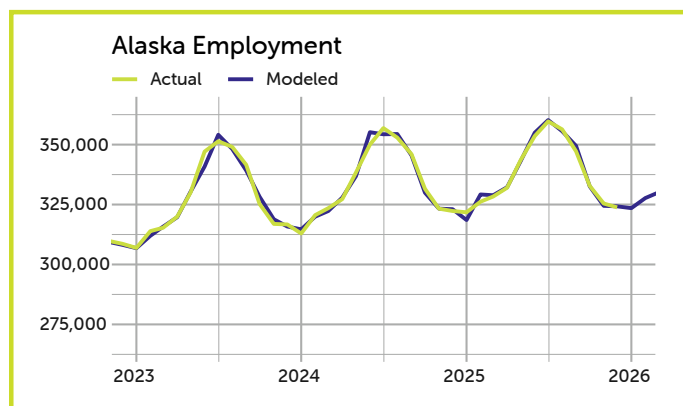
PRSR STD
U.S. POSTAGE
PAID
ANCHORAGE, AK
PERMIT NO. 175

Alaska's Economy
It's everyone's business.



Alaska employment continues modest rise

In March, Alaska's job count reached approximately 330,000, reflecting an increase of about 1,000 jobs from February and approximately 6,500 from January. This indicates employment is about 1,500 jobs higher compared to the same months in 2025. While uncertainties in the forecast model make it difficult to confirm if jobs have truly increased since 2025, early signs suggest the labor market conditions are improving. ▼



Data from the Alaska Department of Labor and Workforce Development

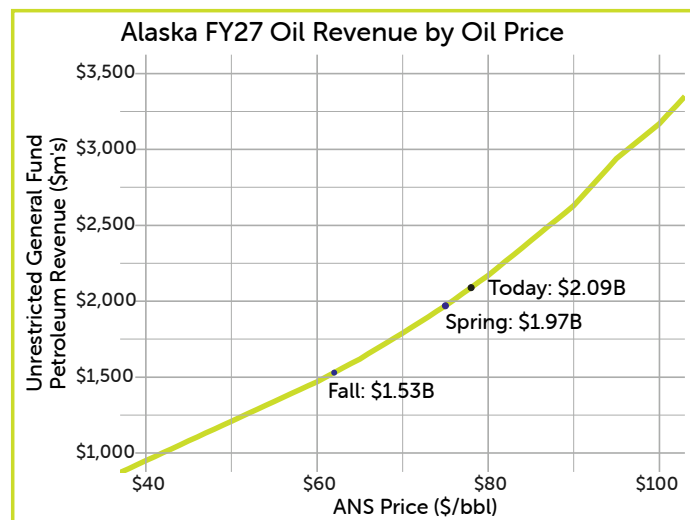


Higher oil prices provide additional revenue to Alaska

Oil prices are experiencing significant volatility, especially for oil that needs to be delivered quickly to refineries. Today's revenue estimate is based on the average Brent futures prices for each monthly contract in fiscal year 2027. While prices for contracts with deliveries further in the future have shown less volatility, they remain higher than before the Iran war began. These price fluctuations have important implications for Alaska's budget.

In March, the Alaska Department of Revenue released its spring forecast, revealing a substantial increase in expected oil tax revenue for fiscal year 2027. The fall forecast projected an average oil price of \$62 per barrel, generating \$1.53 billion in unrestricted general fund (UGF) petroleum revenues. The spring forecast revised this estimate to \$75 per barrel, resulting in a projected \$1.97 billion in UGF petroleum revenues — a \$440 million increase.

Since the spring forecast was published on March 13, oil prices have continued to rise and remain elevated. Brent futures contracts are averaging \$78 per barrel for fiscal year 2027. If this price average holds, Alaska expects to raise \$2.09 billion in UGF petroleum revenues. ▼



Data from Alaska Department of Revenue



Broad-based wage growth across Alaska industries

In 2025, Alaska's labor market experienced broad wage growth across various industries, even though the number of businesses was either stagnant or had declined. Of 65 industries with enough data for analysis, 20 saw an increase in the number of companies operating in the state, while 45 experienced a decrease.

On the positive side, 56 of these 65 industries reported wage growth for their employees, whereas nine noted a decline in wages. For instance, resource industries like oil, gas and mining illustrated this trend: despite having fewer establishments, wages increased, which suggested consolidation.

Both construction and healthcare performed well, as they showed growth in the number of businesses and wages, reflecting consistent demand and workforce shortages. Meanwhile, most of the service industry witnessed steady wage increases, even though the number of businesses was mixed or declining. A few industries, such as couriers, warehousing, and certain areas of media, showed signs of contraction.

Data from the Bureau of Labor Statistics

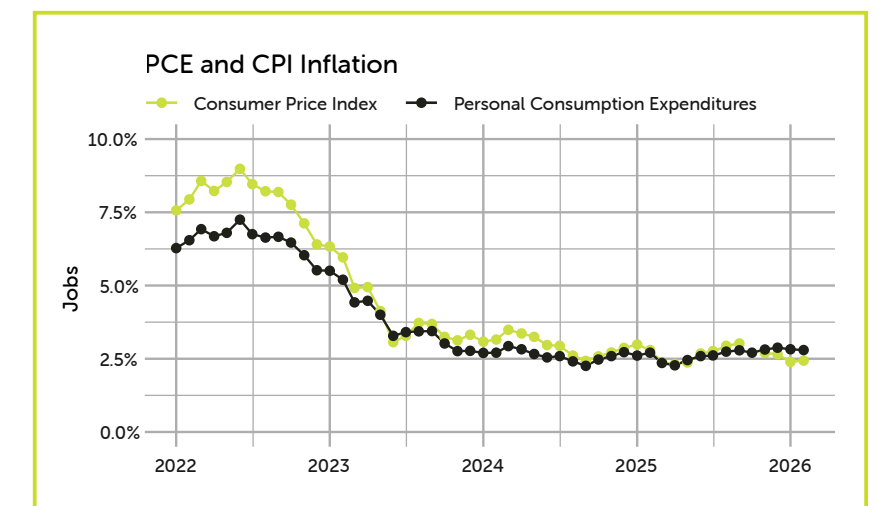


Two measures of inflation show slight divergence

In February, the personal consumption expenditures (PCE) price index rose by 0.40% compared to January. The PCE is the index preferred by the U.S. Federal Reserve for tracking inflation and informing monetary policy decisions. When excluding food and energy, the PCE price index also saw a 0.4% increase.

In February 2025, the PCE price index increased by 2.8%. Excluding food and energy, the increase was slightly higher at 3%. This rise was mostly due to core goods, where tariffs have been impacting prices. On the other hand, housing inflation has been decreasing for several years.

When compared to the consumer price index (CPI), the PCE has shown slightly higher rates in recent months. This trend has been occurring as national wage growth slows and labor markets show more slack. ▼



Data from the U.S. Federal Reserve