

Alaska's Economic Climate

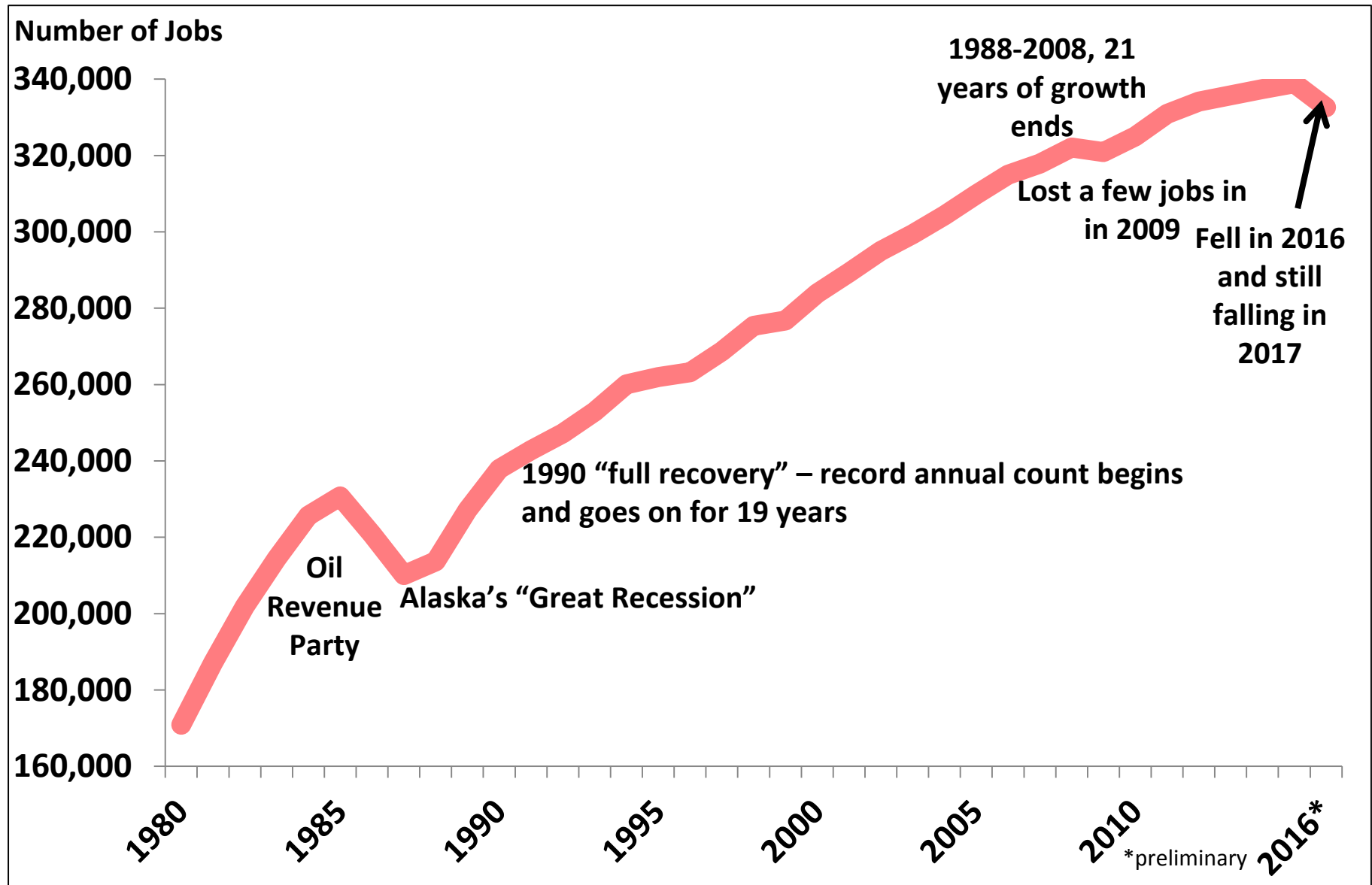


Energy Efficiency NOW Conference 2017

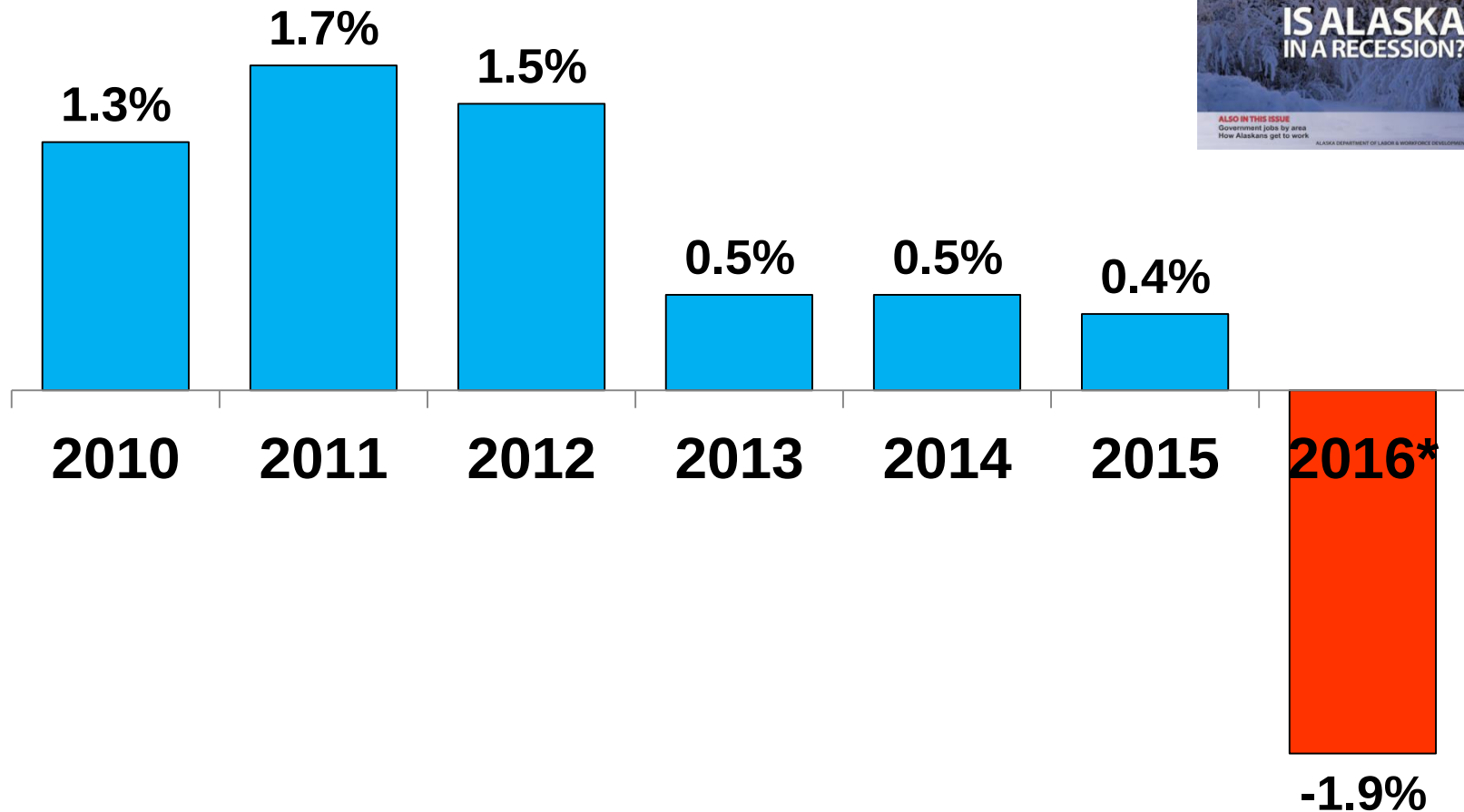
March 29-30th, 2017

**Alaska Department of Labor and Workforce Development, Research
Section, Neal Fried, Economist**

Alaska—Past Long Term Trends No Longer A Road Map To The Future (**basically 27 years of growth**)

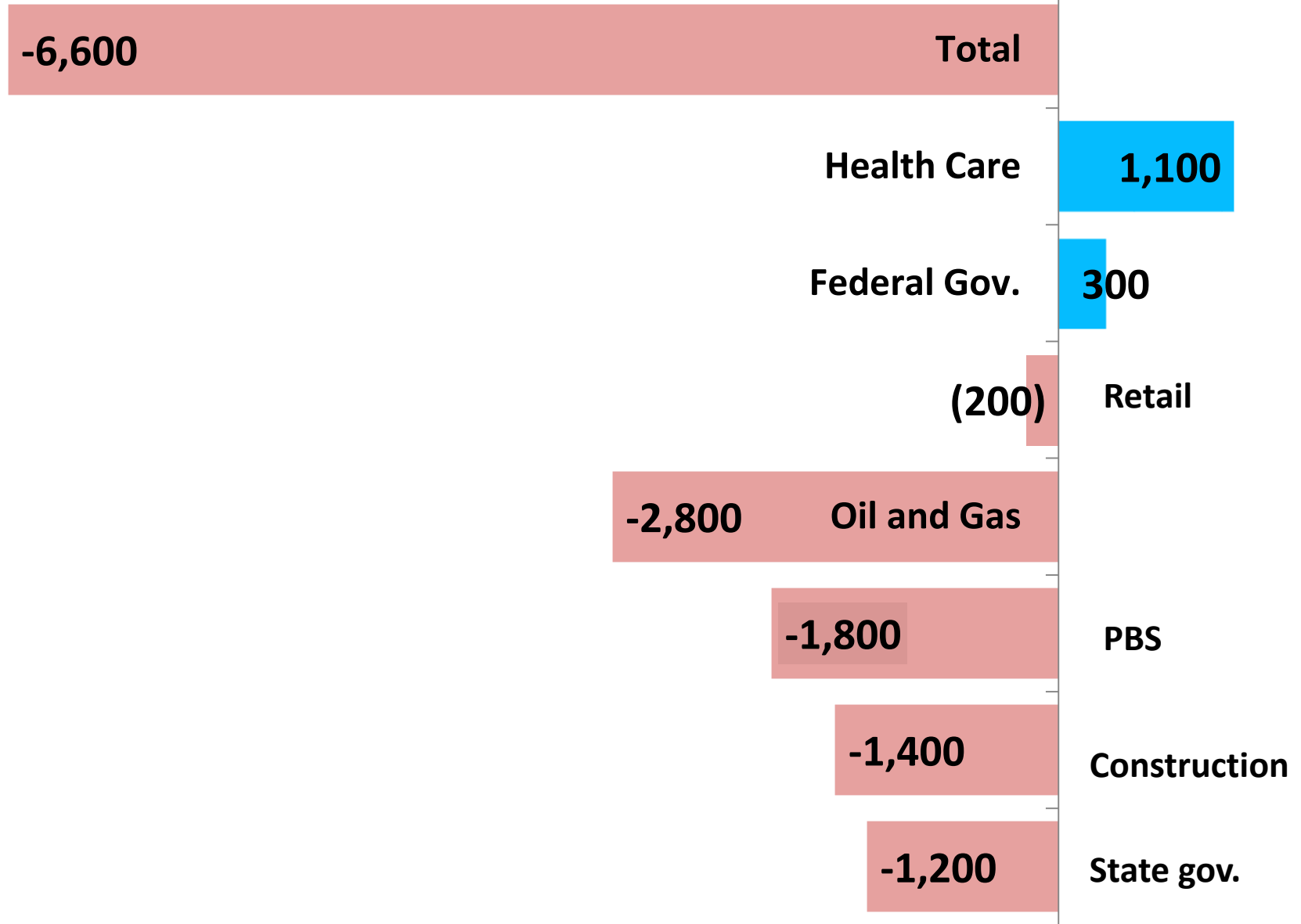


Employment Growth Gone In 2016 In AK



Employment Record For AK In 2016

Number of Jobs Gained and Lost in 2016



How Alaska Ranks

Unemployment Rate¹

1st
New Hampshire
and S. Dakota
2.7%

50th
6.6%

Job Growth¹

1st
Idaho
3.9%

43rd
0.2%

50th
N. Dakota
-4.8%

Personal Income²

1st
California
\$2,061 billion

46th
\$41 billion

50th
N. Hampshire
\$30 billion

Per Capita Personal Income Growth³

1st
California
5.3%

20th
3.6%

50th
N. Dakota
-2.6%

A word about recessions ...



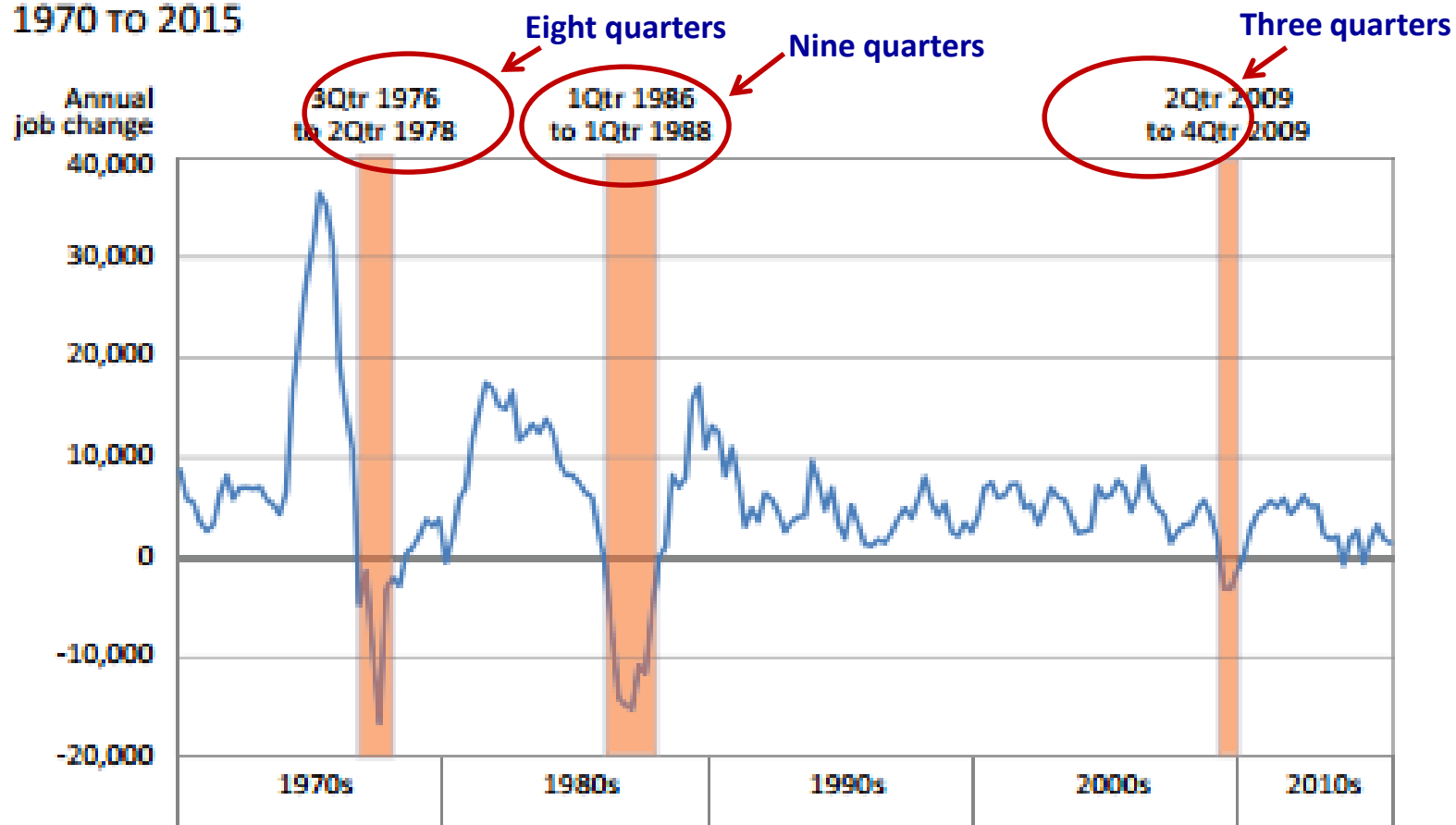
- There are different definitions of “recession,” but generally it means “a significant decline in economic activity that spreads across the economy.”
- Five other state’s have “joined” us in this recession:
 - Kansas
 - Louisiana
 - Oklahoma
 - North Dakota
 - Wyoming

AK's Recessions-How long do they last?

2

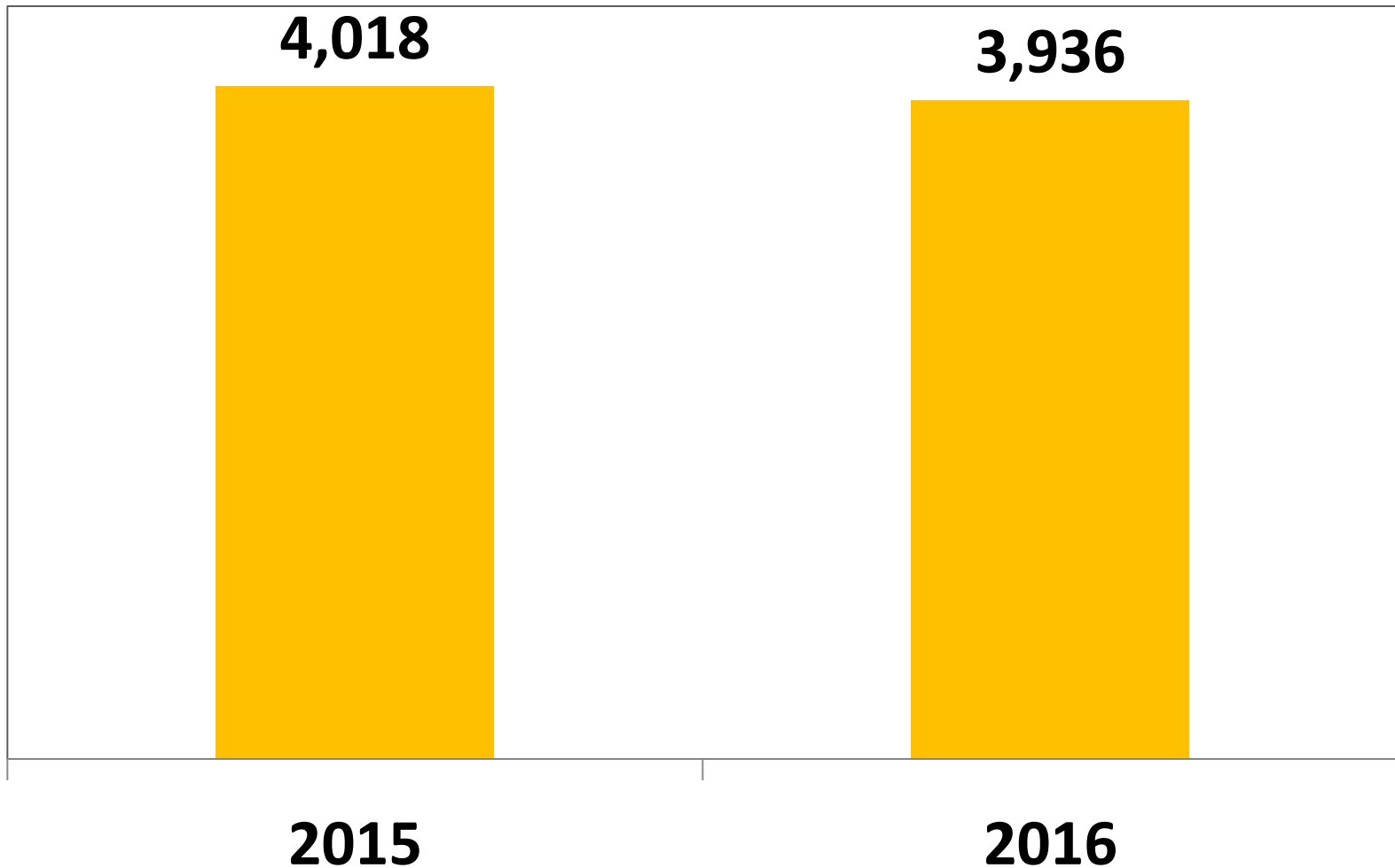
Alaska's Recessions and Job Losses and Gains

1970 TO 2015



Home Sales In Anchorage Did Not Change Much

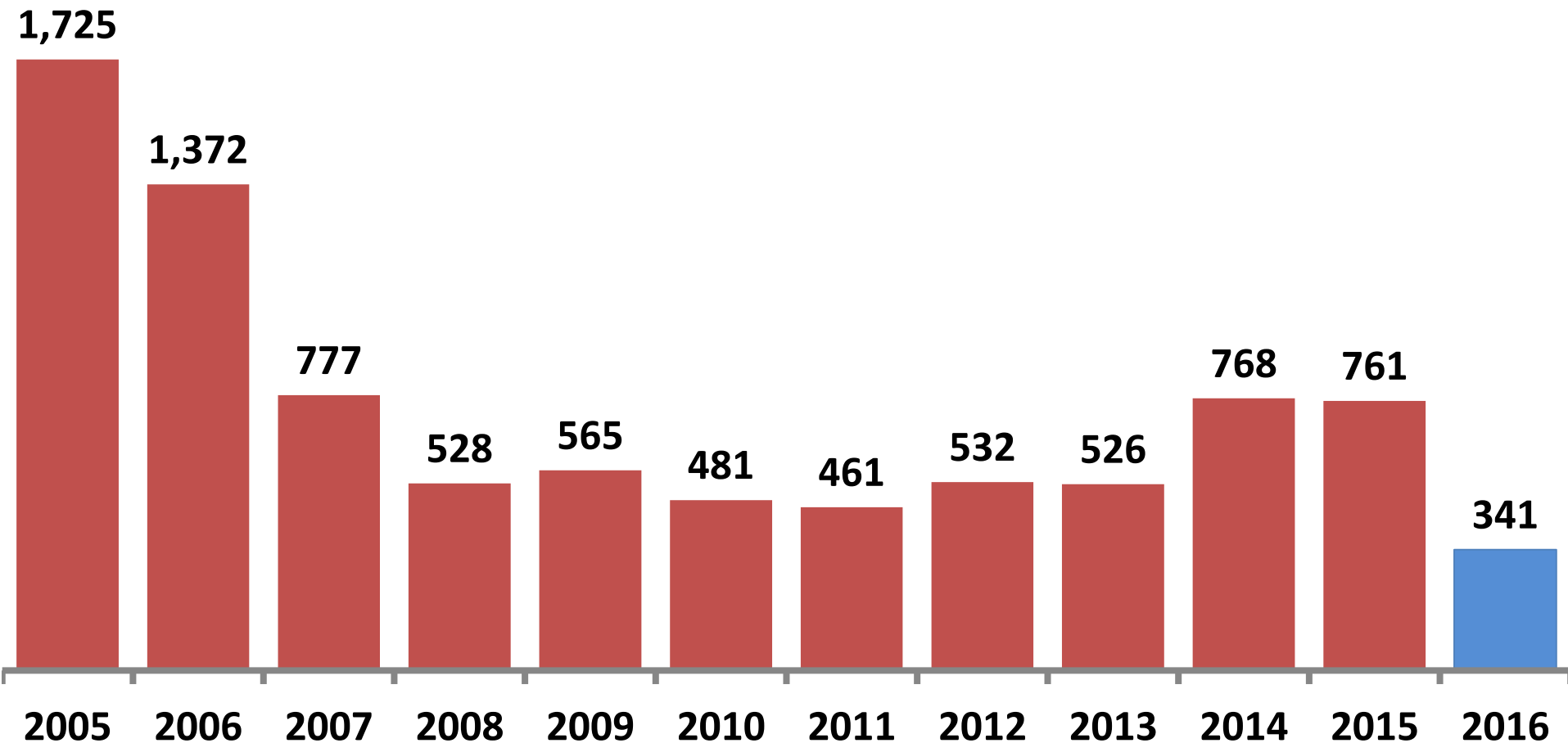
Home sales, Anchorage



No Housing Bubble Developing Here—

Took Past 20 Years To Build The Same Number Of Homes It Took Between 1980-1985

Number of residential building permits issued in Anchorage



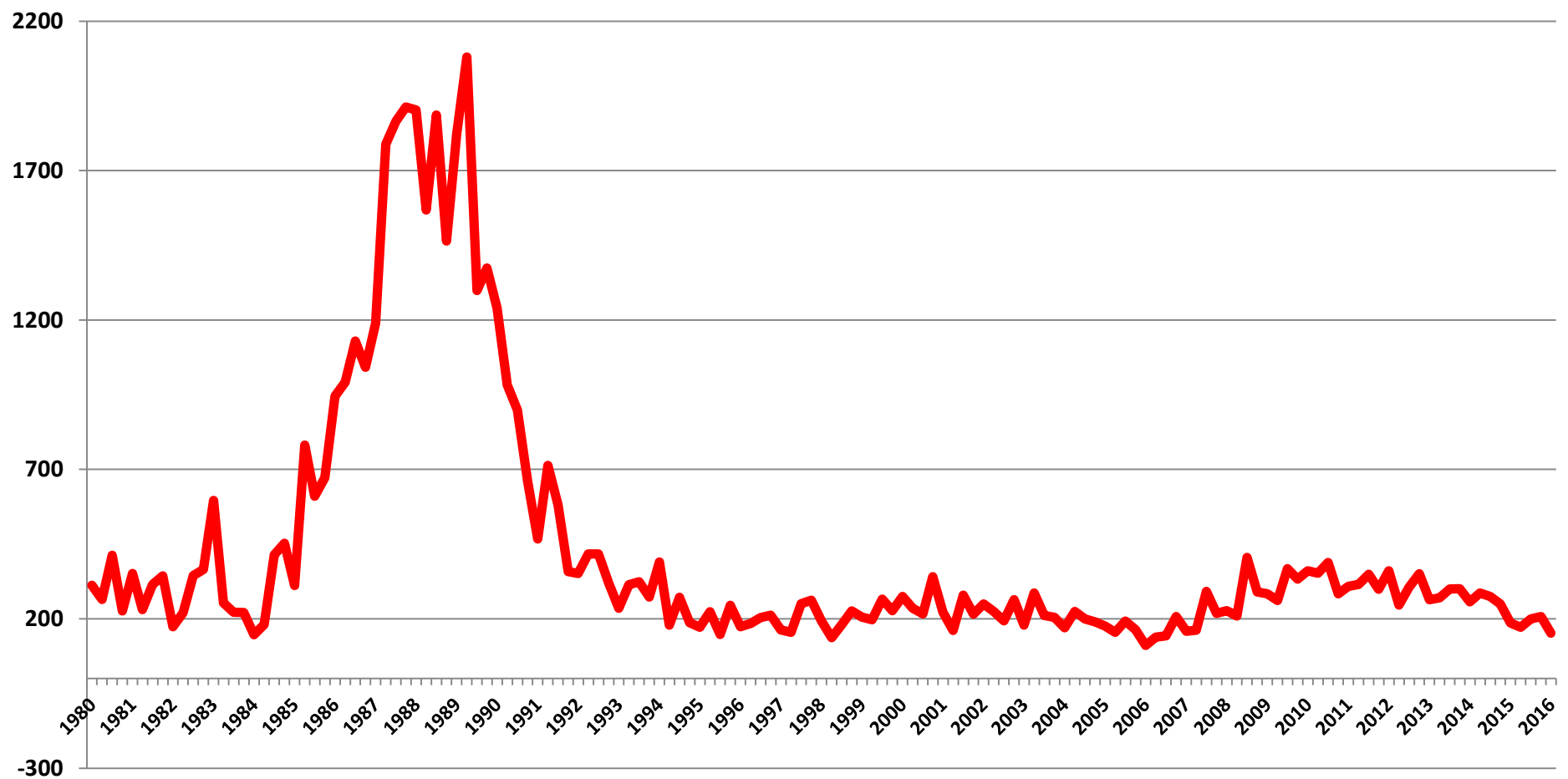
Source: Municipality of Anchorage

No Big Changes In Vacancies Yet Recorded—But..

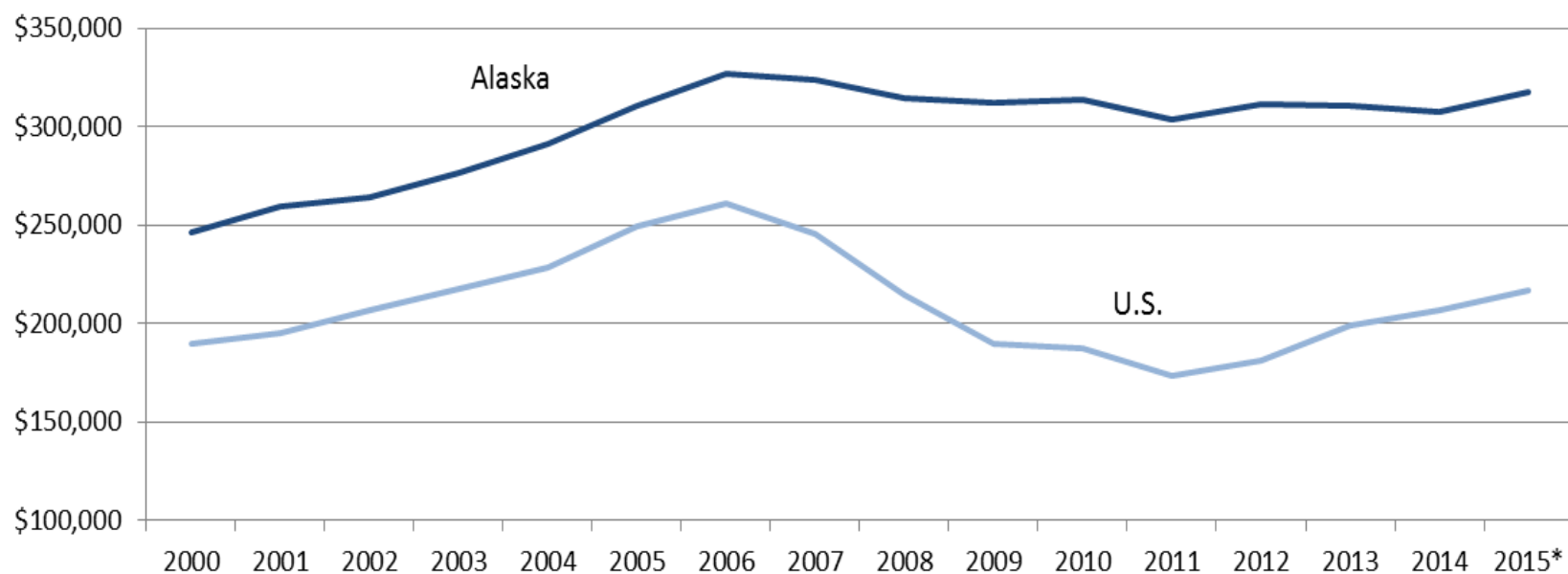
Annual Vacancy Rates	2000	2002	2004	2006	2008	2010	2012	2014	2016
Municipality of Anchorage	4.3%	6.2%	5.2%	6.9%	4.7%	1.8%	2.6%	3.2%	3.8%
Fairbanks North Star Borough	8.3%	5.8%	9.9%	12.0%	10.6%	5.0%	8.3%	15.6%	11.2%
Juneau Borough	5.0%	3.8%	4.2%	4.9%	5.5%	4.1%	3.2%	3.4%	3.3%
Kenai Peninsula Borough	12.3%	5.1%	13.0%	9.4%	8.0%	8.6%	5.5%	6.7%	8.8%
Ketchikan Gateway Borough	13.4%	17.8%	7.5%	8.4%	7.1%	12.0%	8.2%	10.4%	9.3%
Kodiak Island Borough	7.5%	7.4%	8.2%	5.5%	4.0%	1.3%	2.3%	5.7%	8.0%
Matanuska-Susitna Borough	6.2%	3.3%	5.0%	9.3%	5.6%	5.3%	3.5%	5.3%	3.6%
Sitka Borough	8.1%	2.9%	4.4%	6.2%	11.9%	7.8%	7.7%	7.2%	8.3%
Valdez-Cordova CA	4.8%	8.3%	26.2%	8.6%	7.6%	6.4%	3.1%	3.5%	5.9%
Wrangell Borough-Petersburg CA	17.5%	22.1%	8.2%	12.7%	8.8%	4.4%	4.4%	5.6%	9.7%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and the Alaska Housing Finance Corporation; Annual Residential Rental Survey

Thus Far, AK's Foreclosure Numbers Have Not Changed



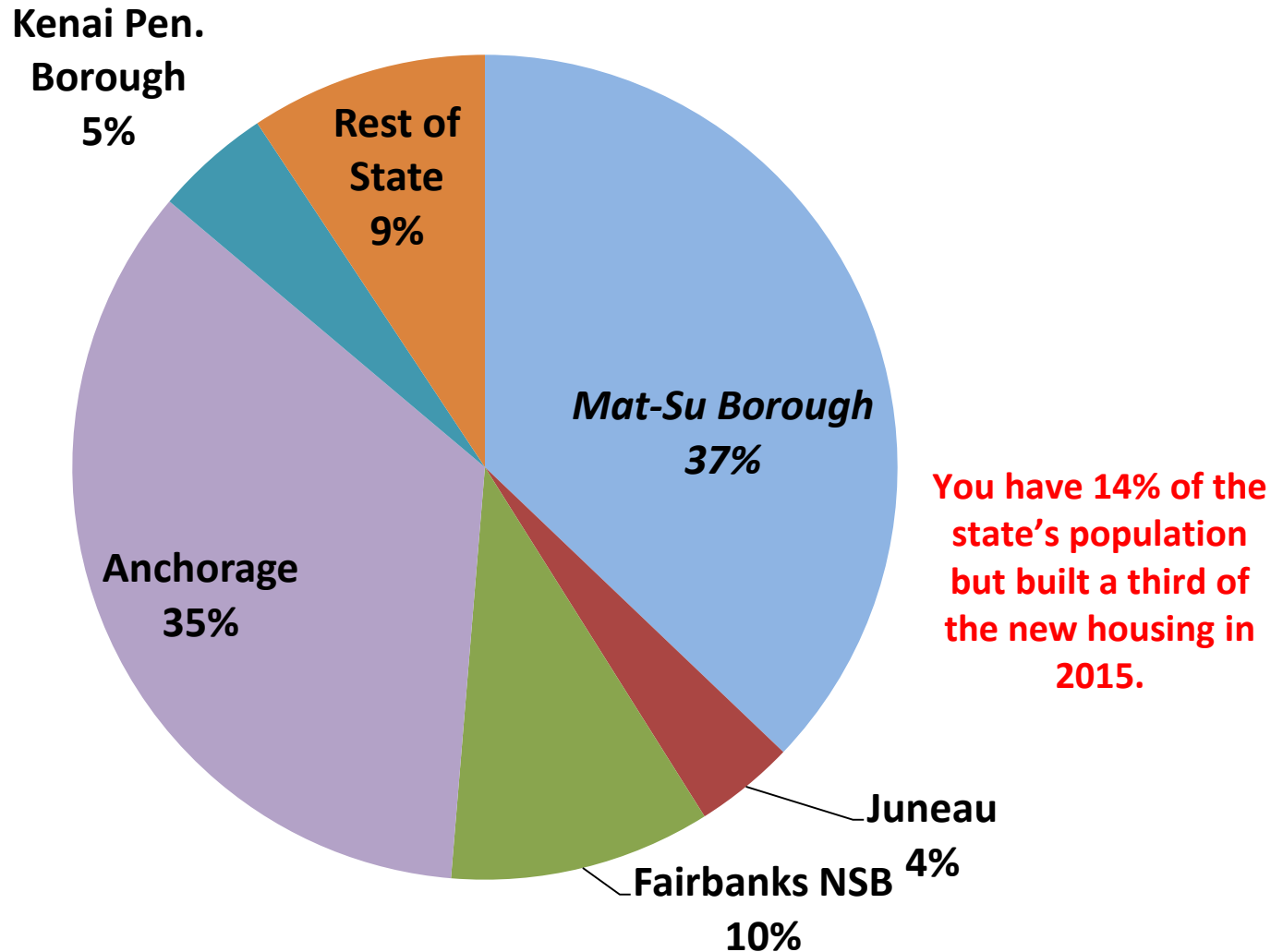
Average Single-Family Sales Prices in 2015 Dollars Alaska and U.S., 2000-2015



* 1st half 2015

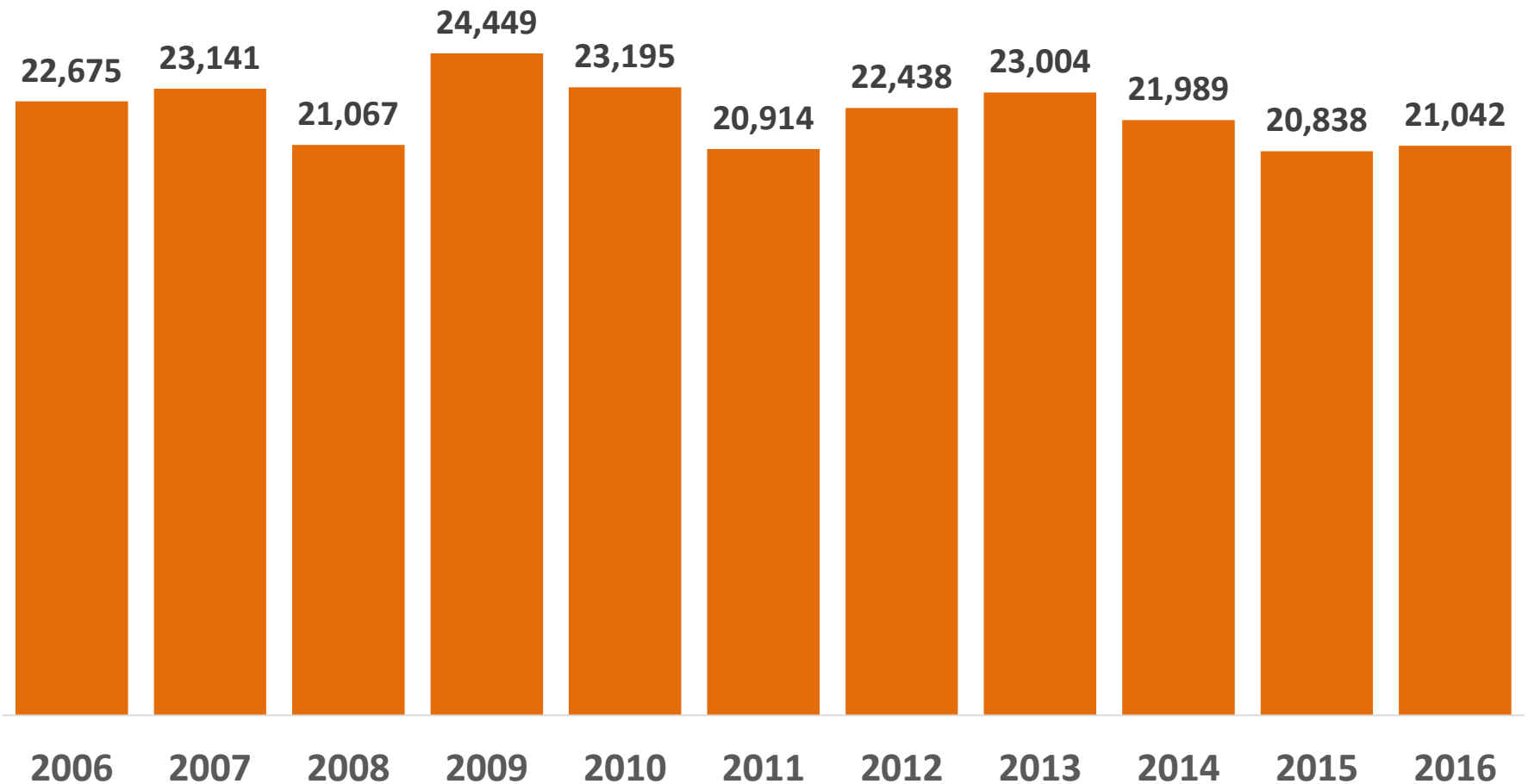
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Quarterly Survey of Mortgage Lending Activity; National Association of Realtors

The Valley Builds More Homes Than Anywhere Else In The State



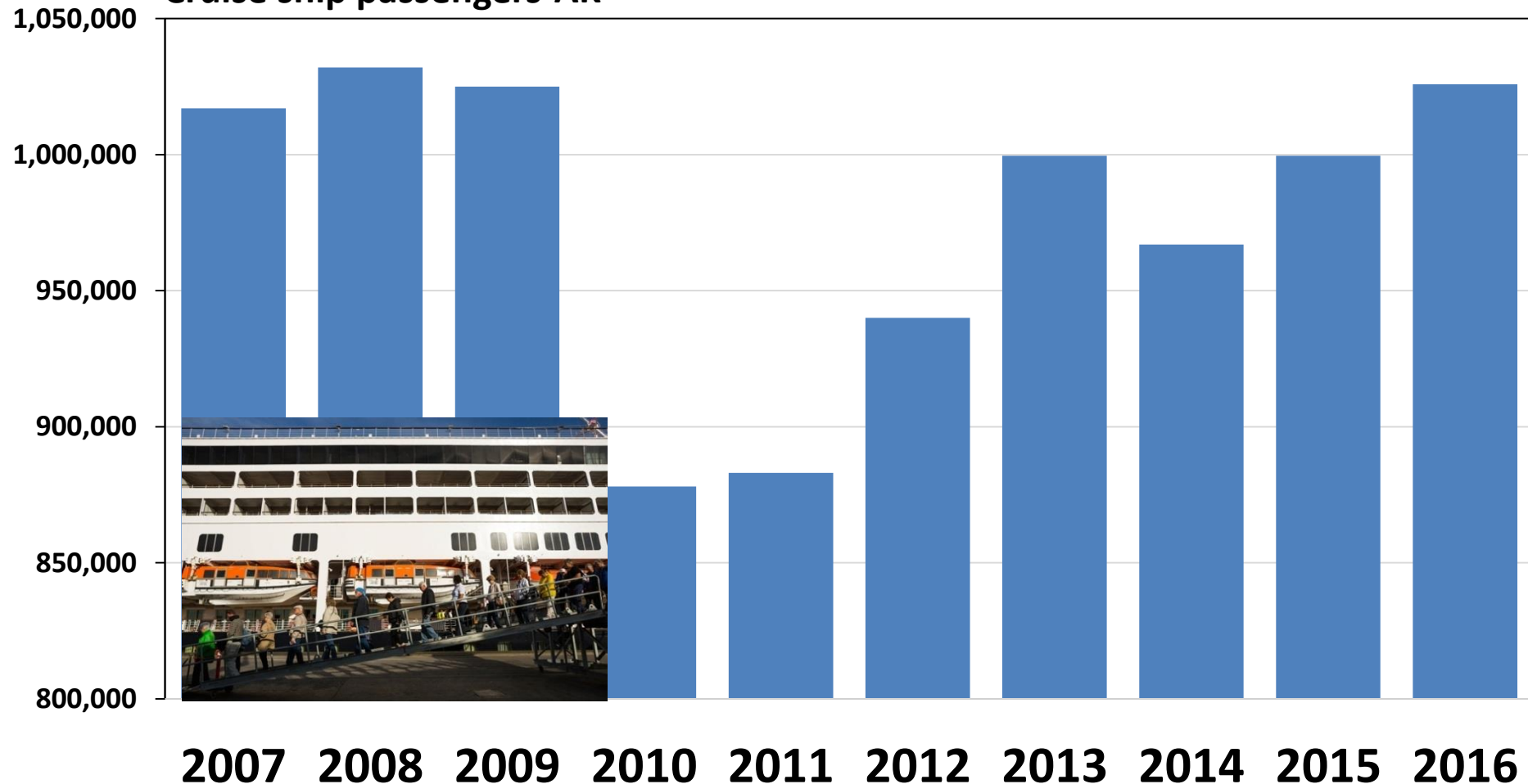
Military Numbers Are Stable

Uniformed military in AK



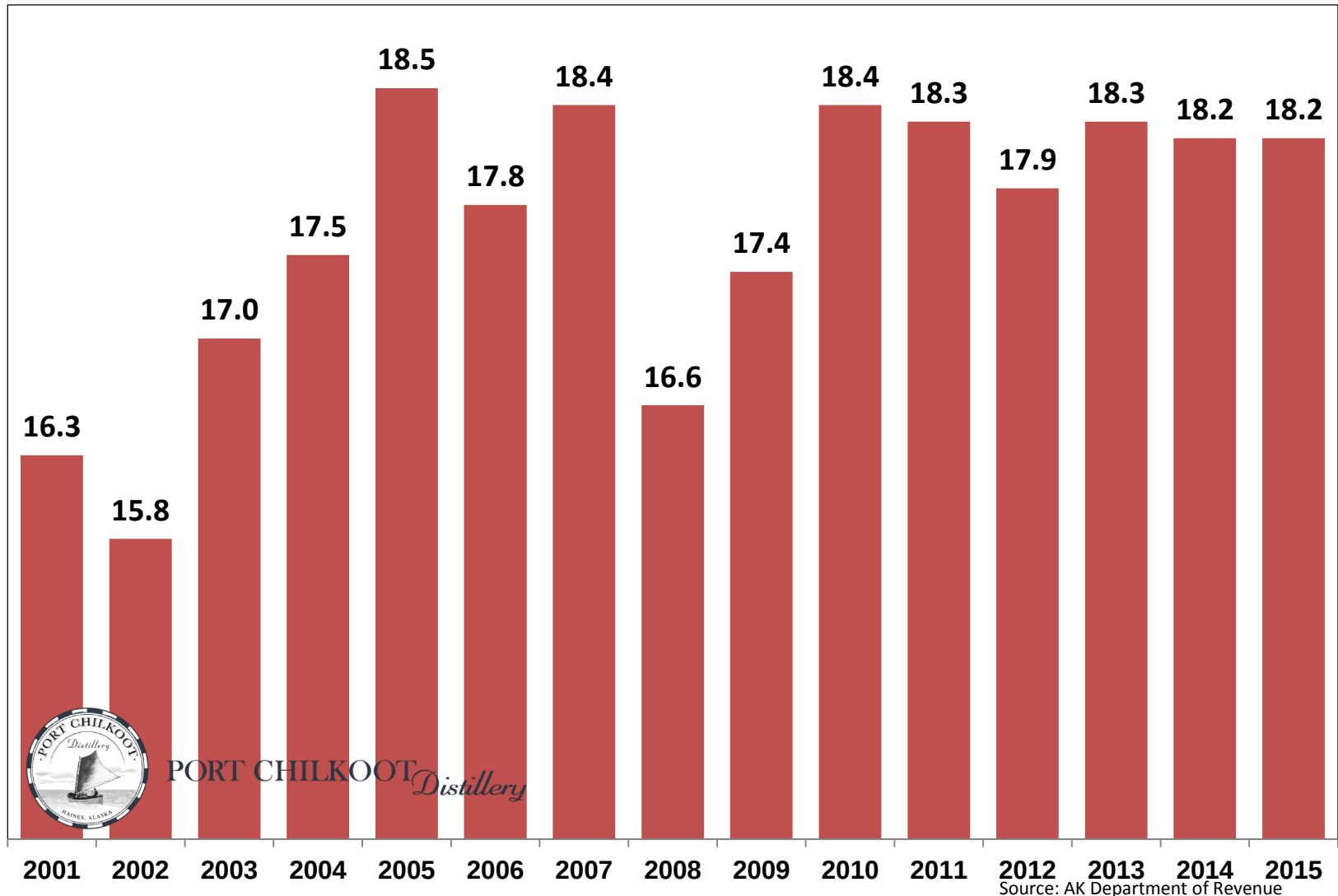
Visitor Industry--Full Recovery And On Way To Set New Records

Cruise ship passengers-AK



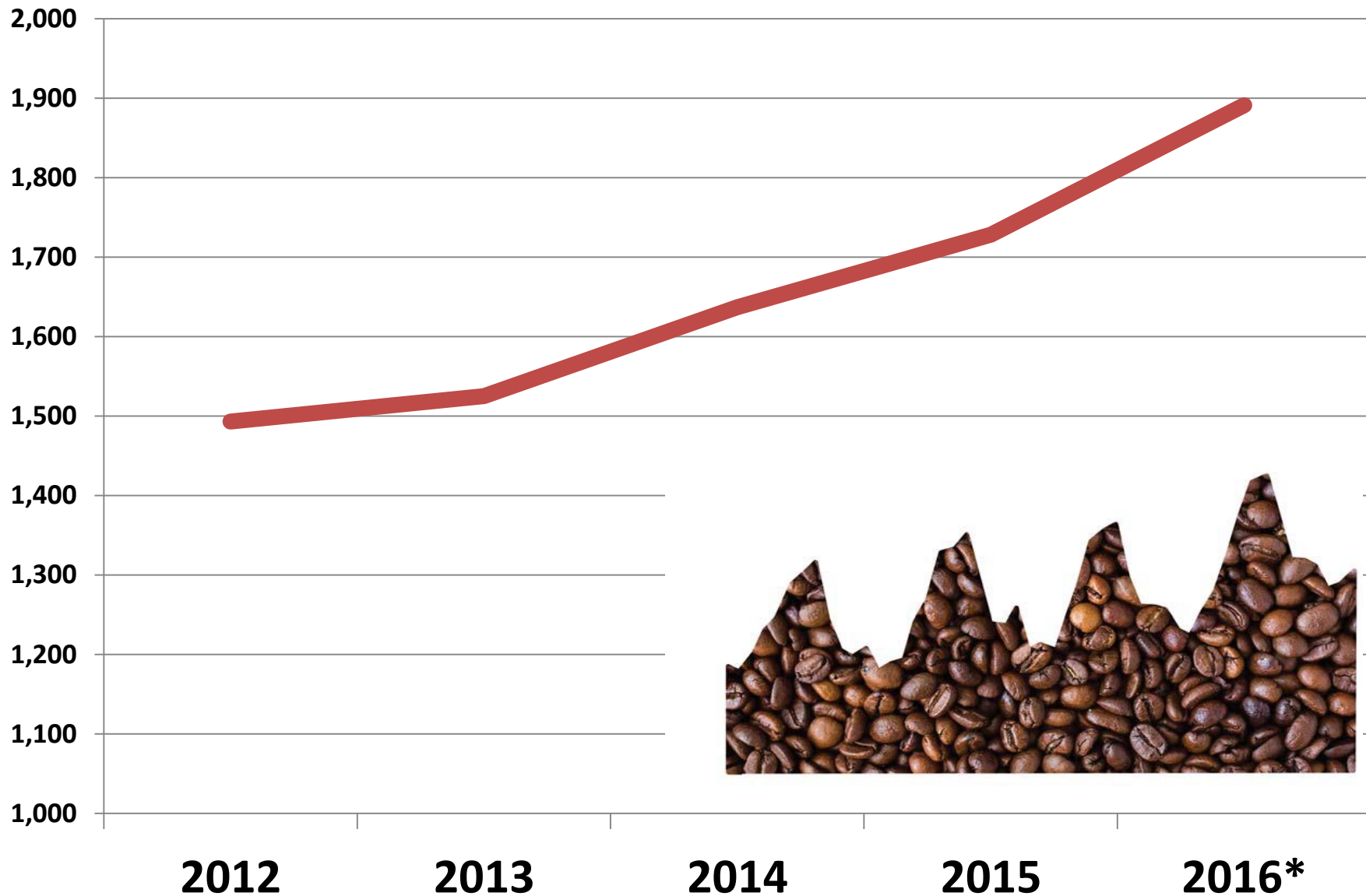
Alcohol Consumption In Alaska--Any Pattern?

Millions of gallons of beer, wine and liquor consumption in AK

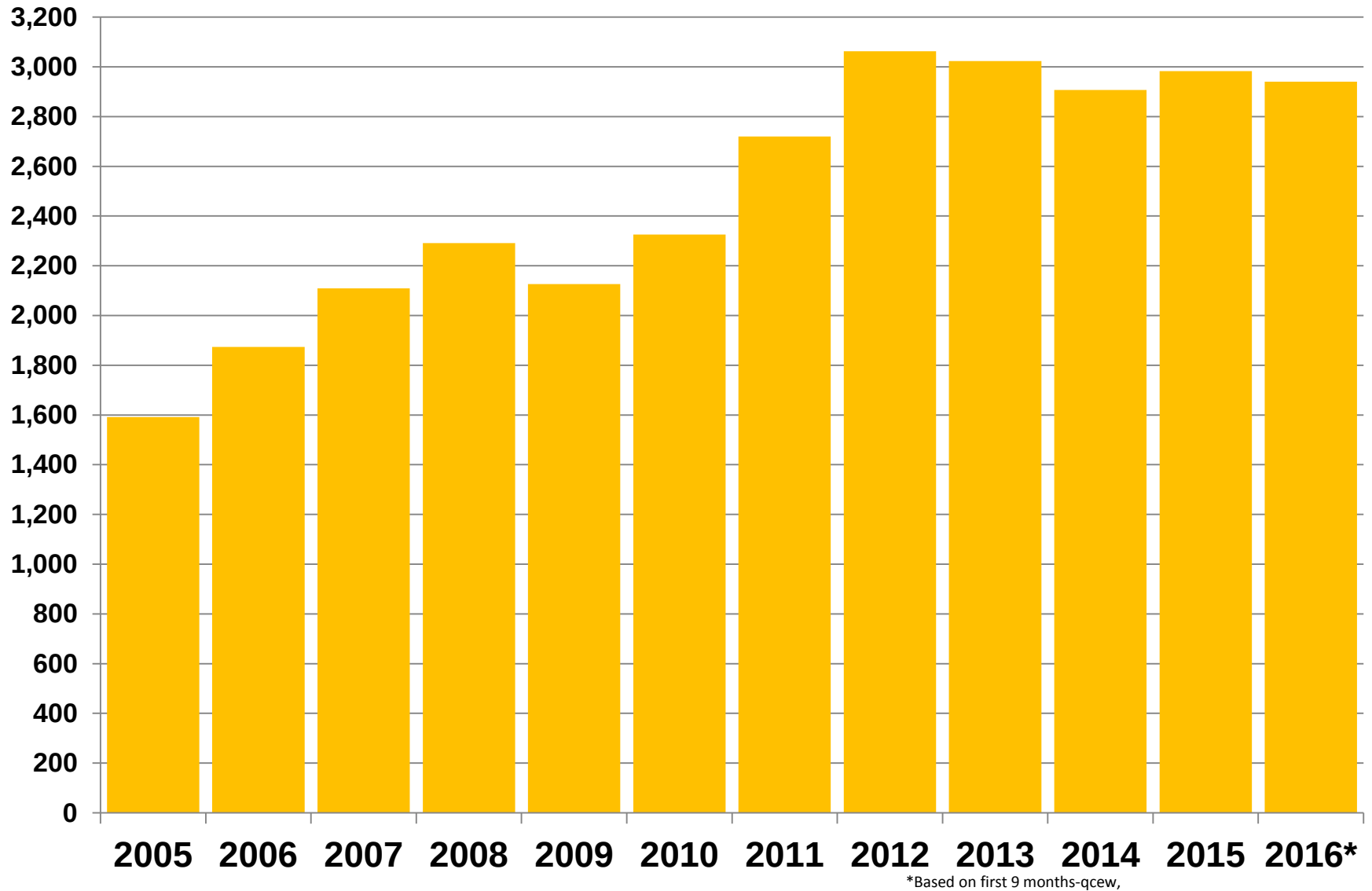


AK's Coffee Industry Continues To Perk Up

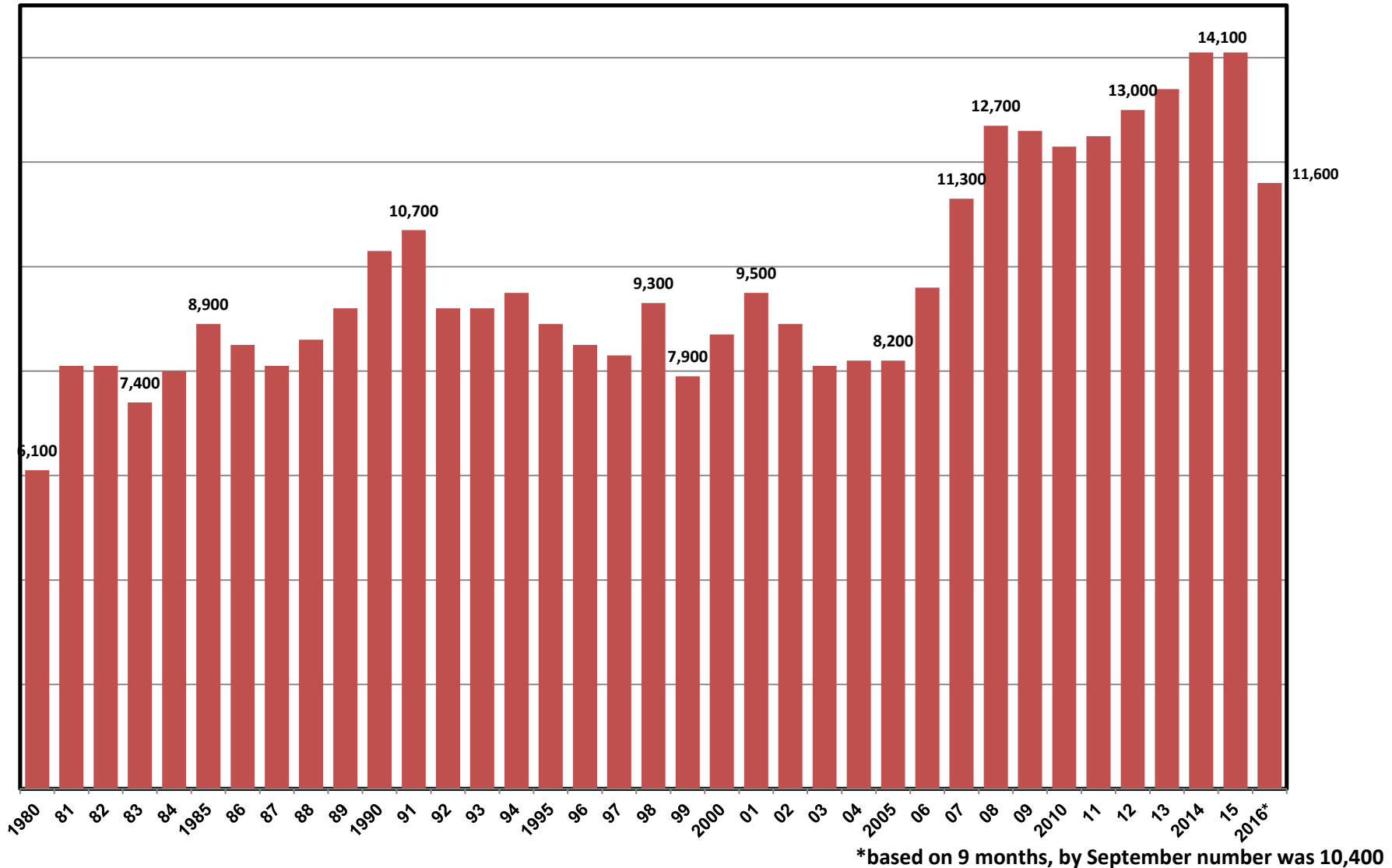
Employment at snack and nonalcoholic beverage bars--average monthly employment



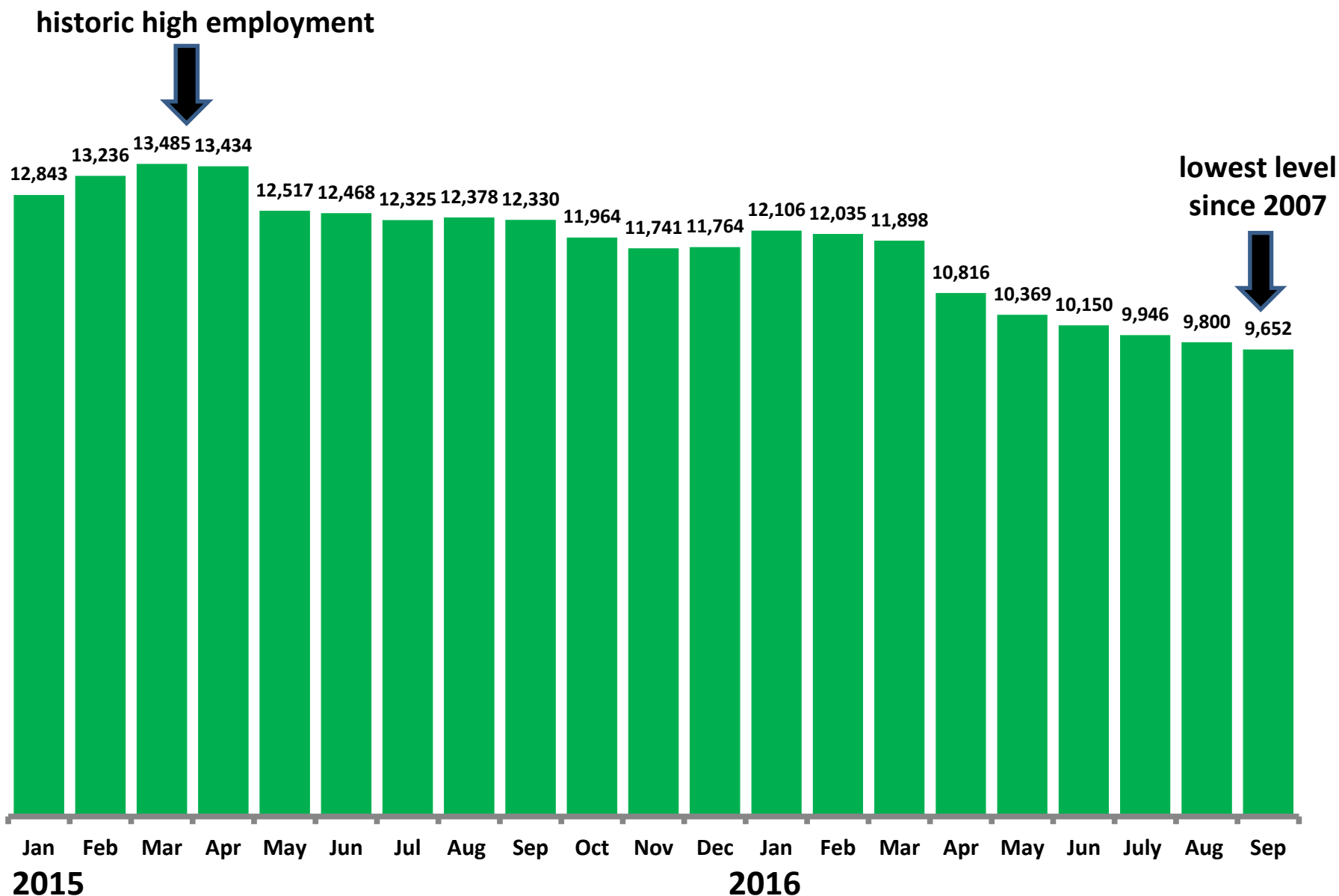
Little Change For Mining Employment In Alaska



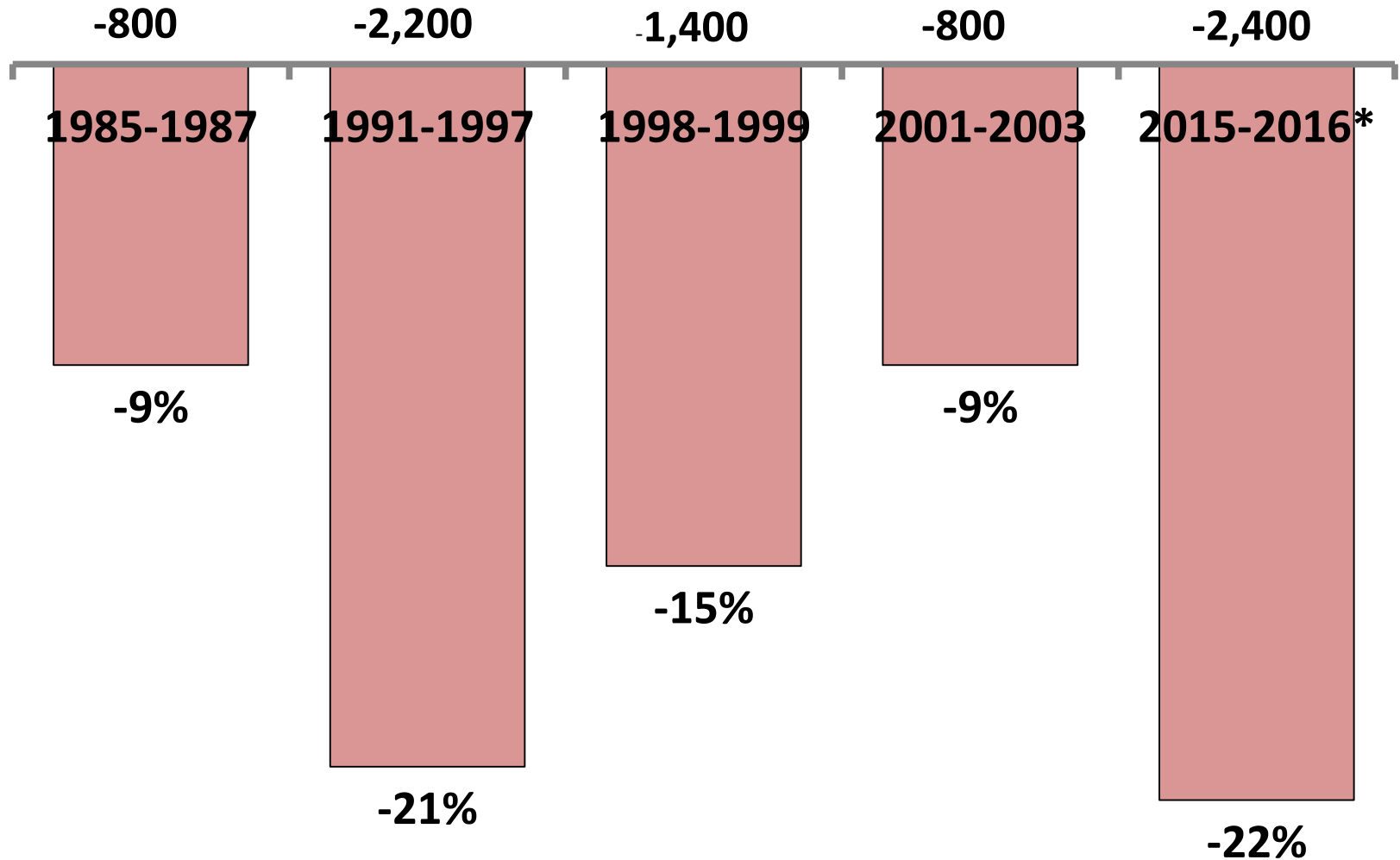
A History of Oil Industry Employment in Alaska



Prudhoe Bay Employment Fell Fast And Hard-- More Than A Third Are Anchorage Residents

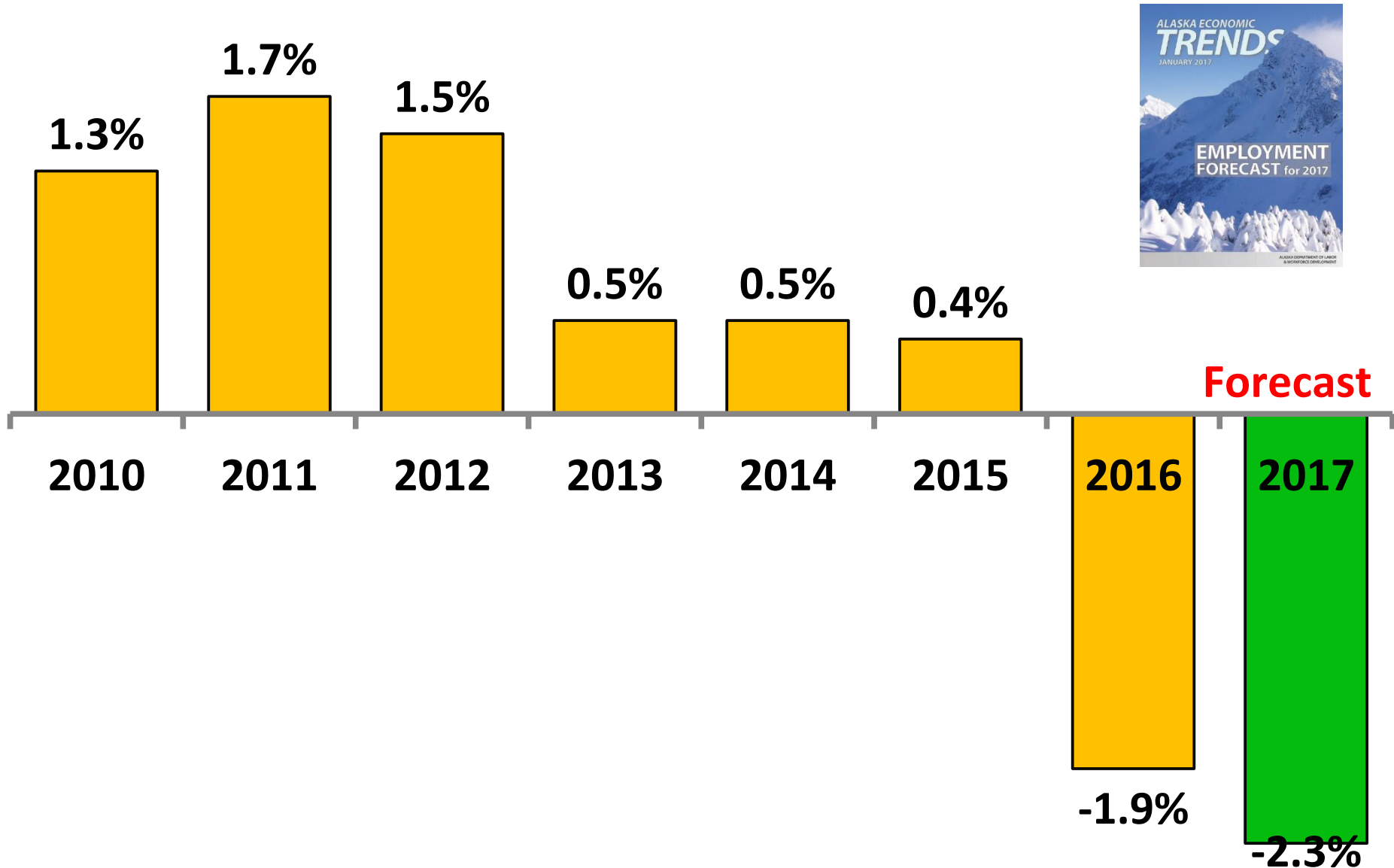


Previous Oil And Gas Employment Losses In AK

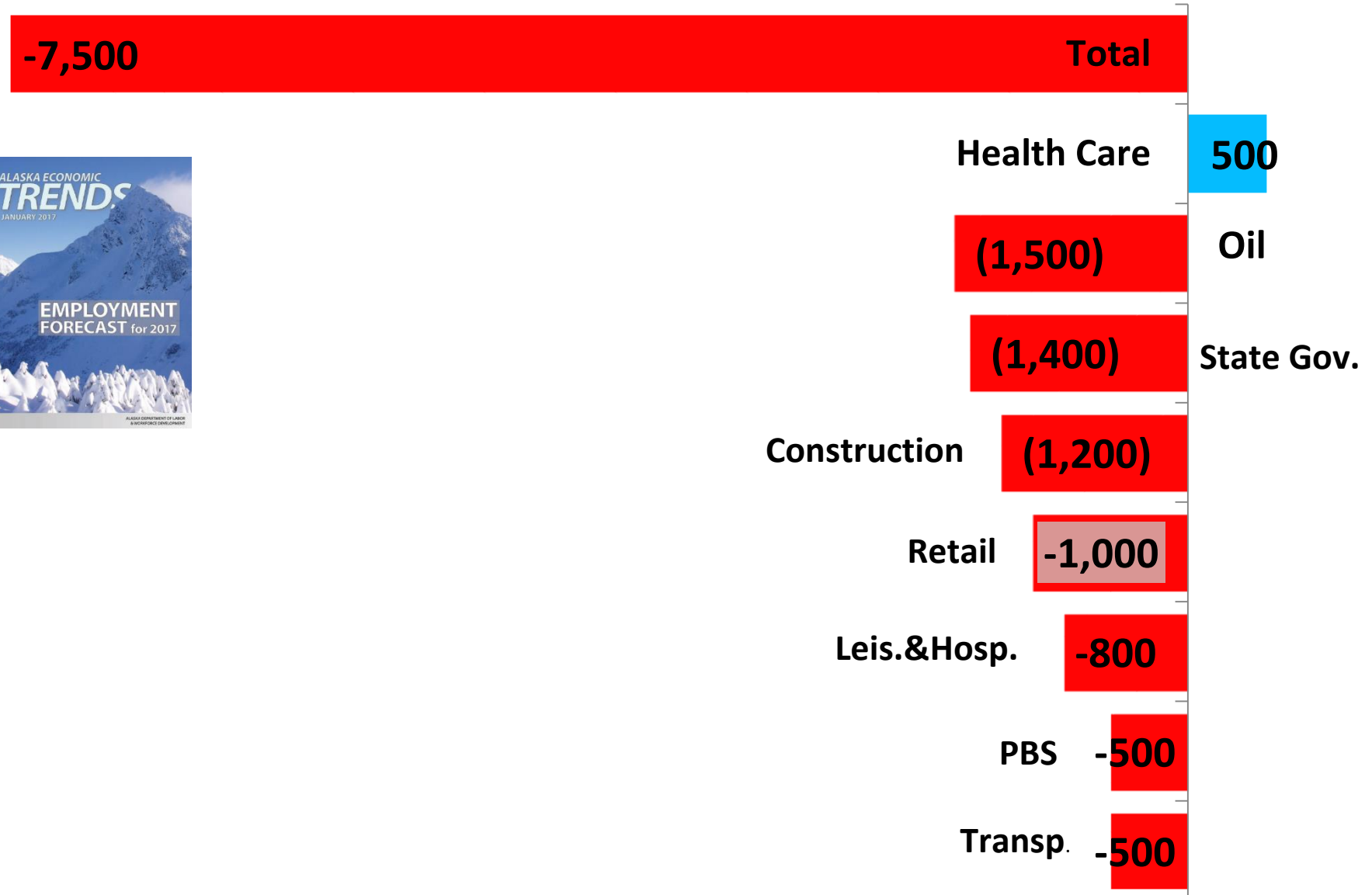


*still in play

Employment In Alaska In 2017 Is Forecast For Second Year Of Losses-Percent



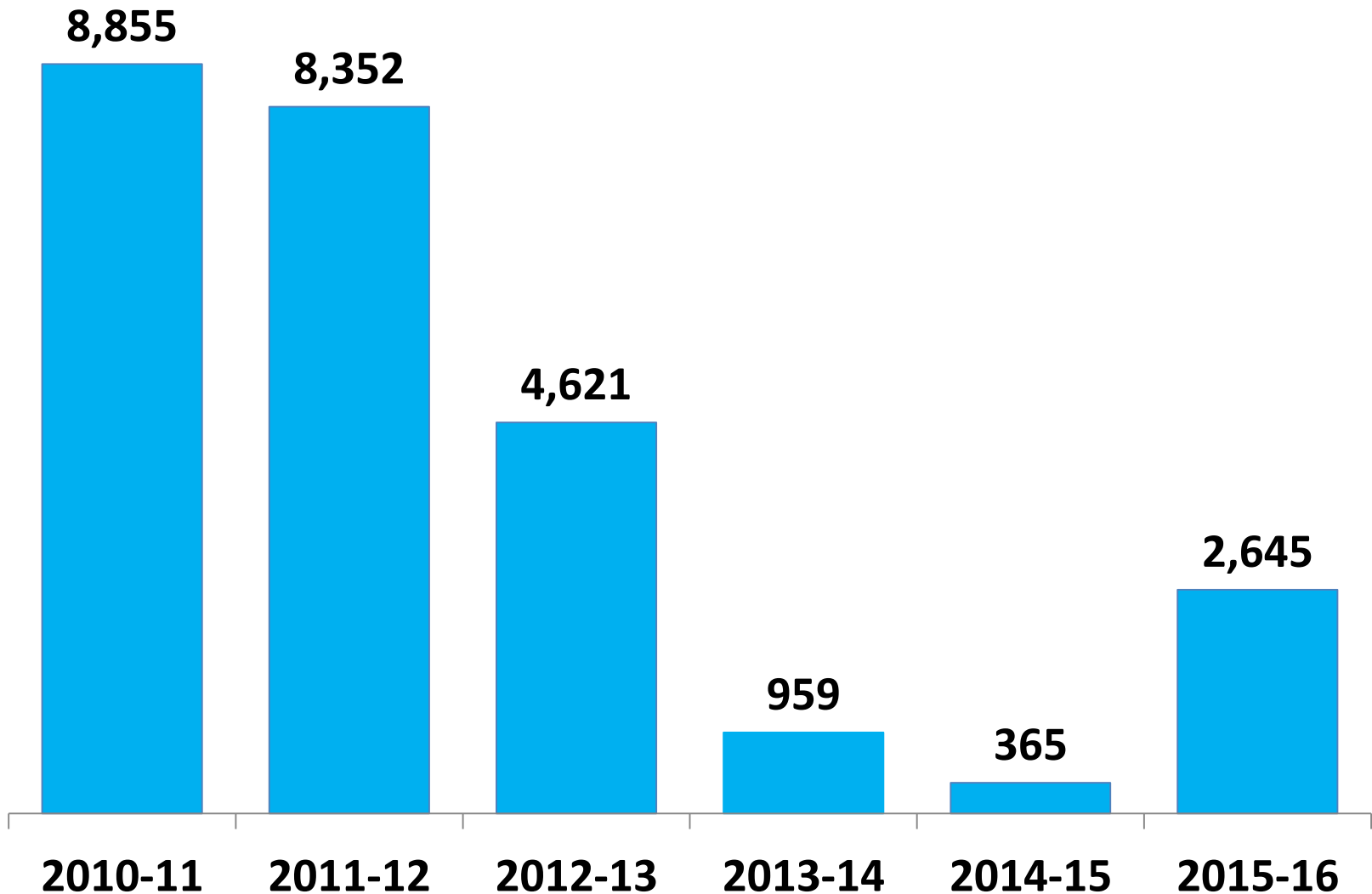
The Details For The 2017 AK Employment Forecast



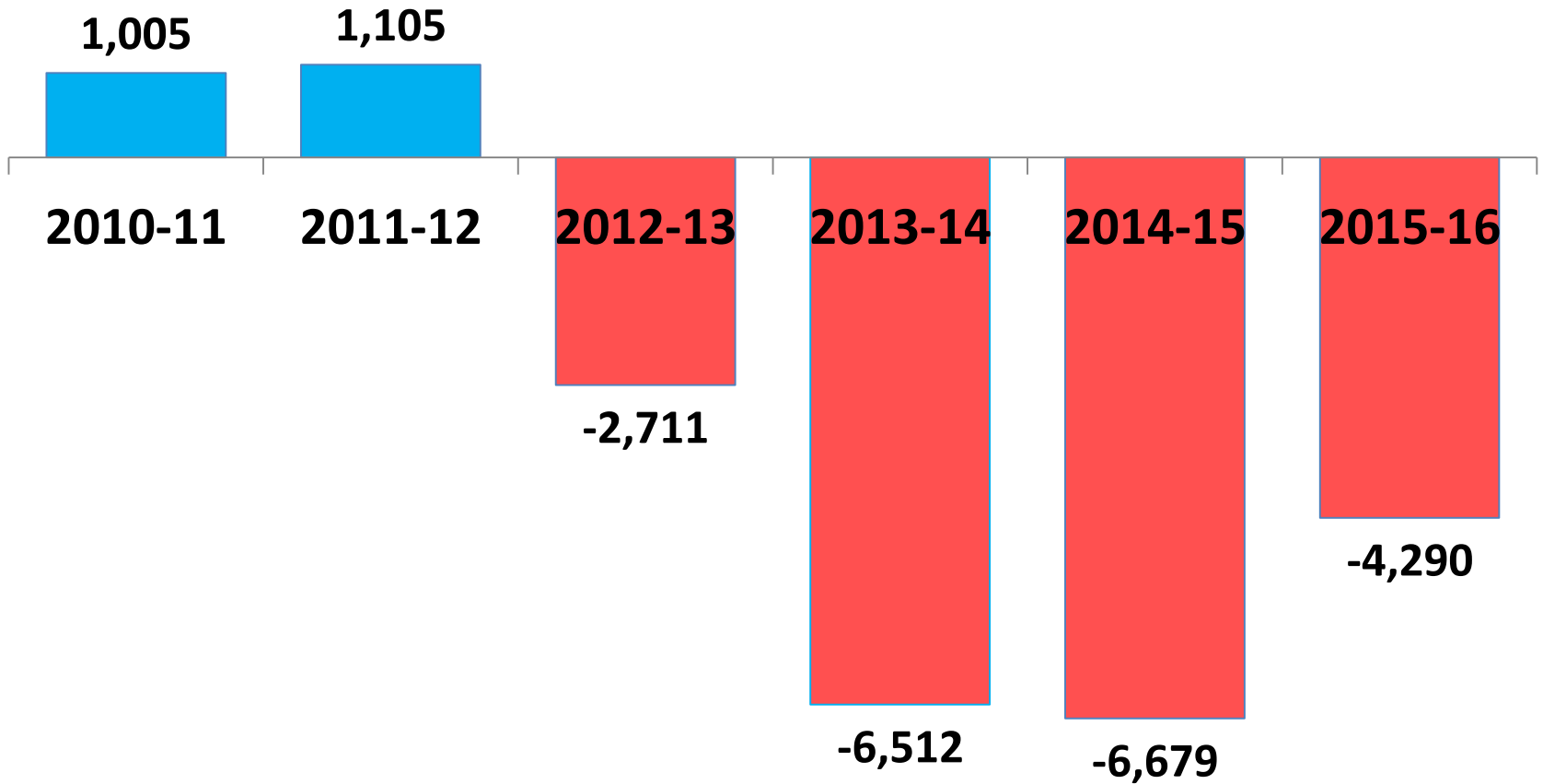
AK's Population Grew Lots During The Great Recession But Now Slowing

(2016 population was 739,828)

Annual gains



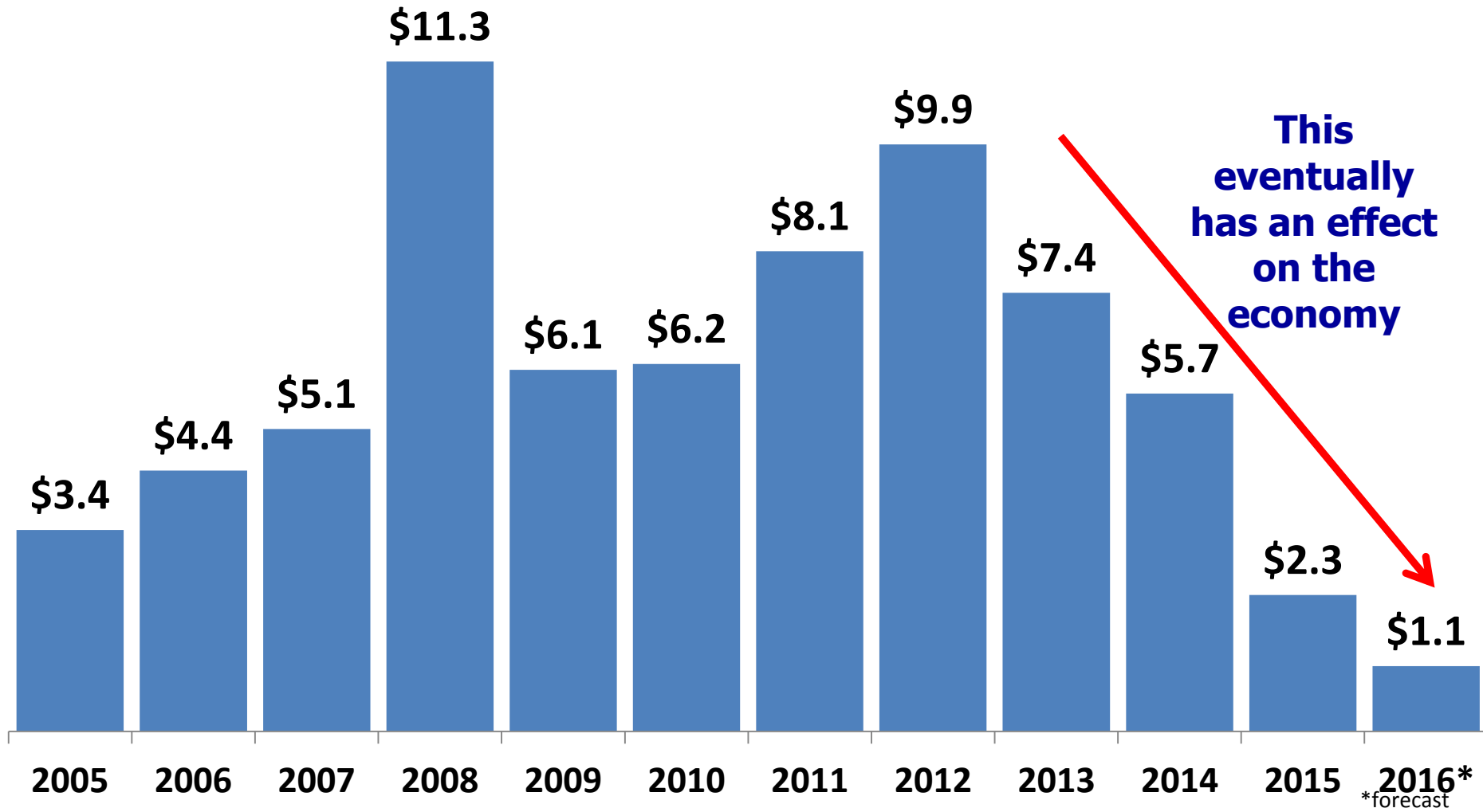
AK's Migration Story



2016 =41,435 moved in and 45,725 moved out for net loss of -4,290

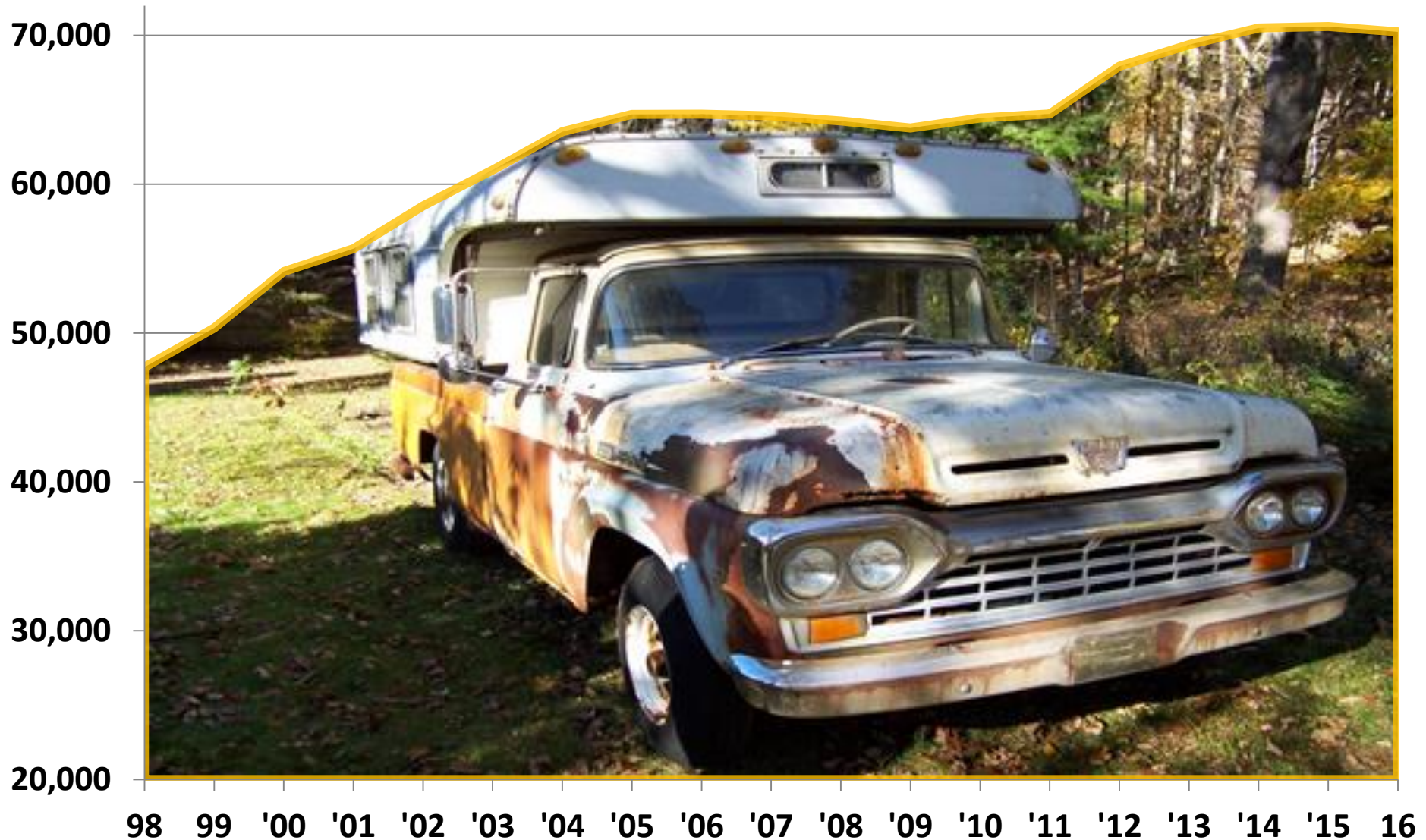
Alaska's Biggest Current Challenge- Oil Revenues

\$billions!



Anchorage Pickup Index—Following Employment?

Number of pick-up registrations in Anchorage



13,232 snow machines in 2016--peaked in 2007 at 16,878

2015=\$273 million, yes million in pull tabs and \$71 million in bingo

A photograph of a coastal scene. In the foreground, a wooden post stands in tall green grass, adorned with various colorful buoys and floats. A blue flag with yellow stars flies from the top of the post. In the background, the ocean stretches to the horizon under a cloudy sky, with an offshore oil rig visible in the distance.

Questions?