



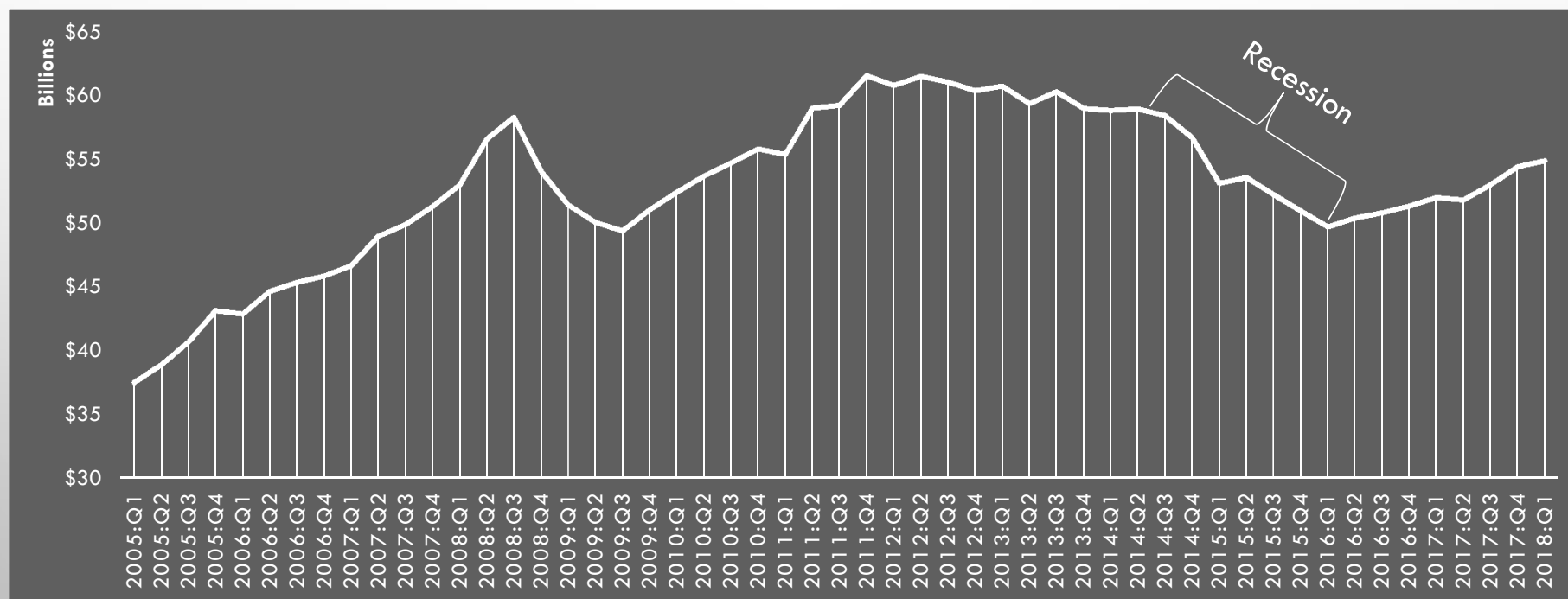
ALASKA'S RECENT RECESSION AND WHAT HAPPENS NEXT: WITH AN OIL INDUSTRY FOCUS

PRESENTED TO THE SUPPORT INDUSTRY ALLIANCE

OCTOBER 4TH, 2018

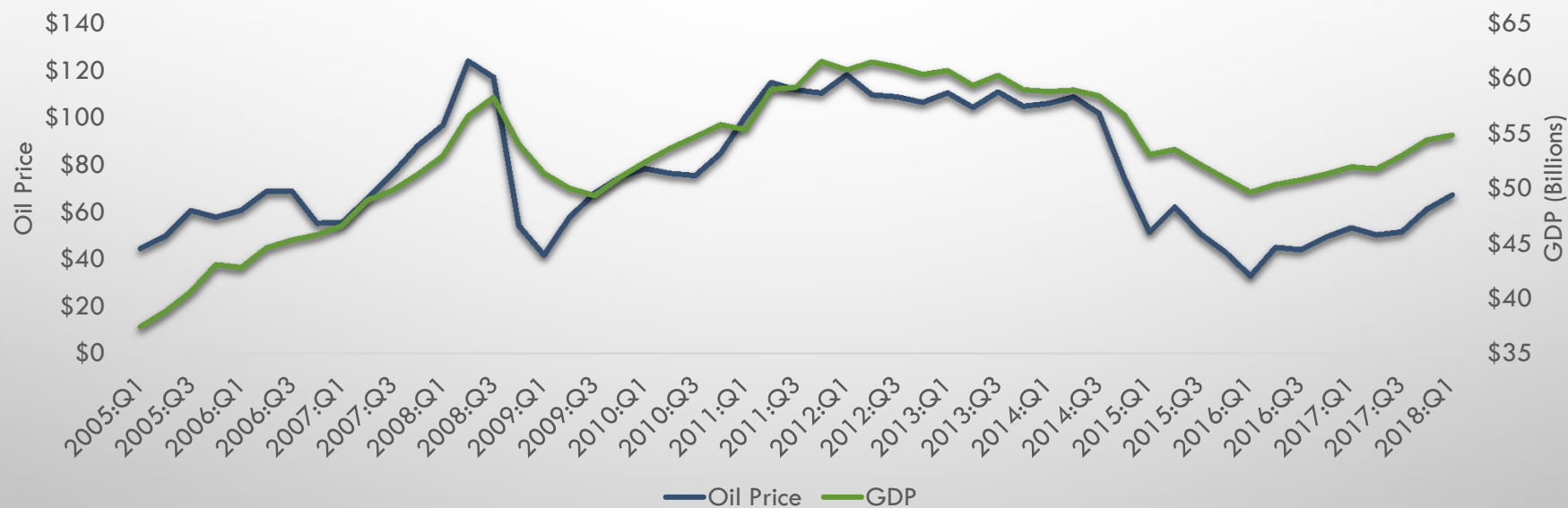
BY: ED KING, PRINCIPAL ECONOMIST

ALASKA'S QUARTERLY GDP



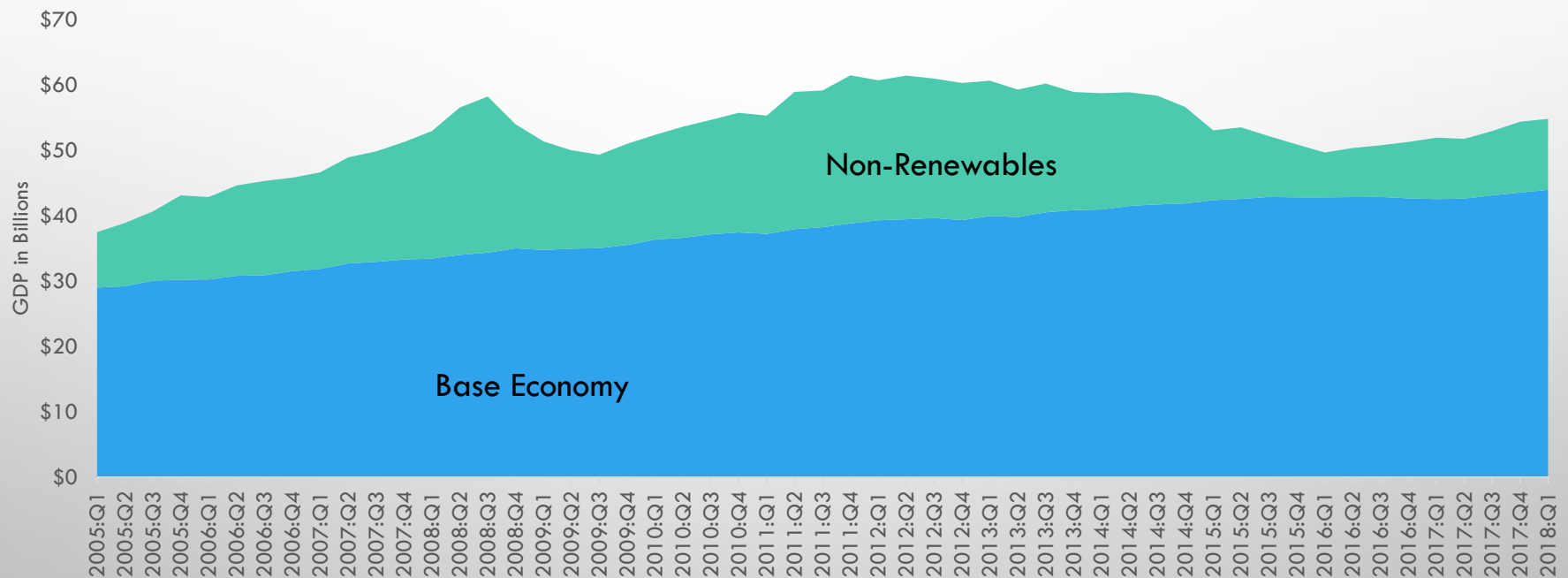
Source: Bureau of Economic Analysis

OIL PRICE VS. GDP



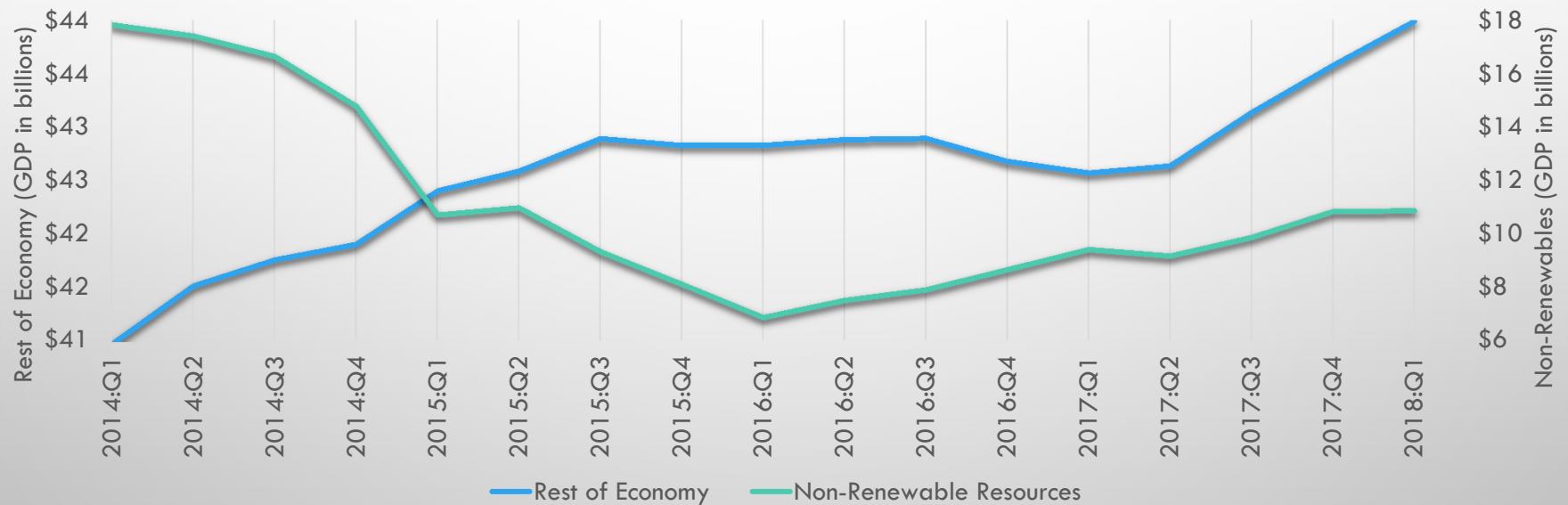
Source: Bureau of Economic Analysis

ALASKA'S TWO ECONOMIES



Source: Bureau of Economic Analysis

ALASKA'S TWO ECONOMIES



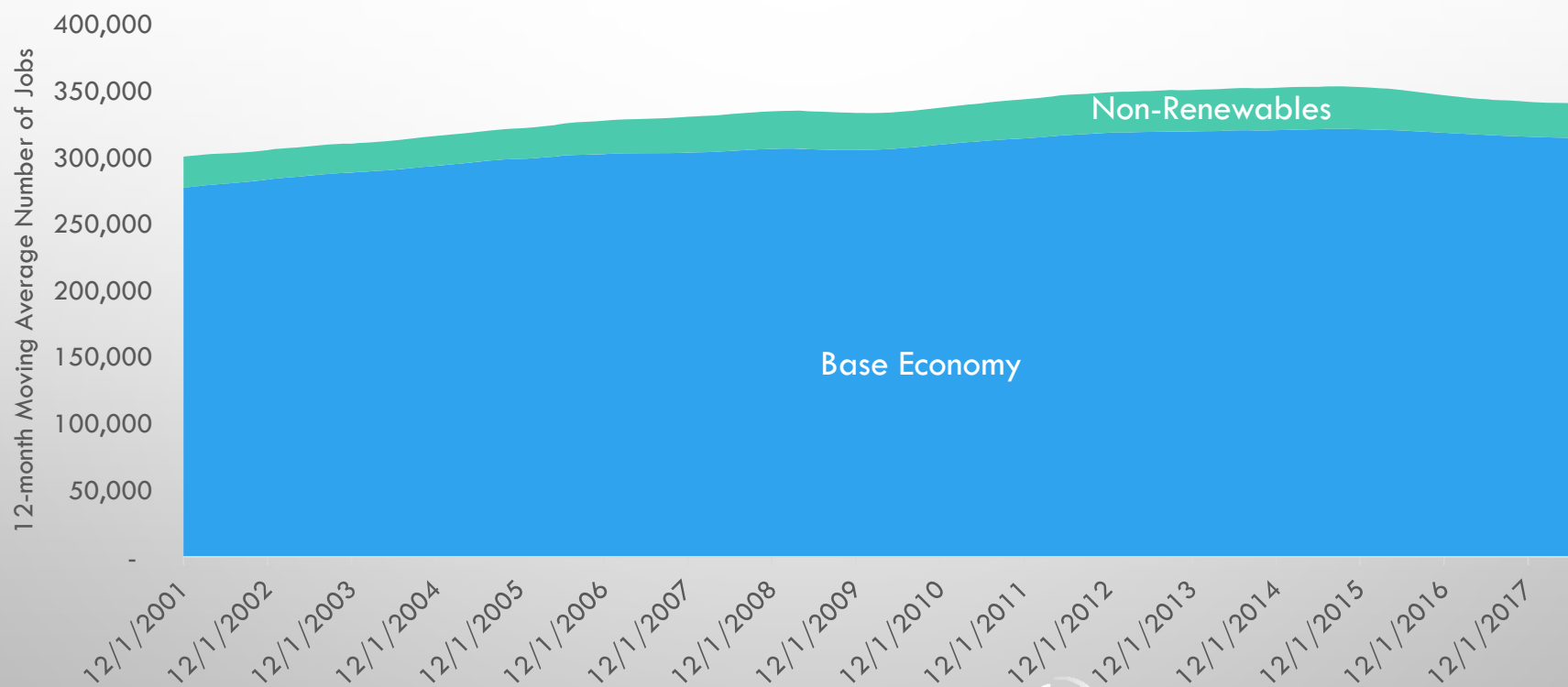
Source: Bureau of Economic Analysis



WHAT ABOUT JOBS?

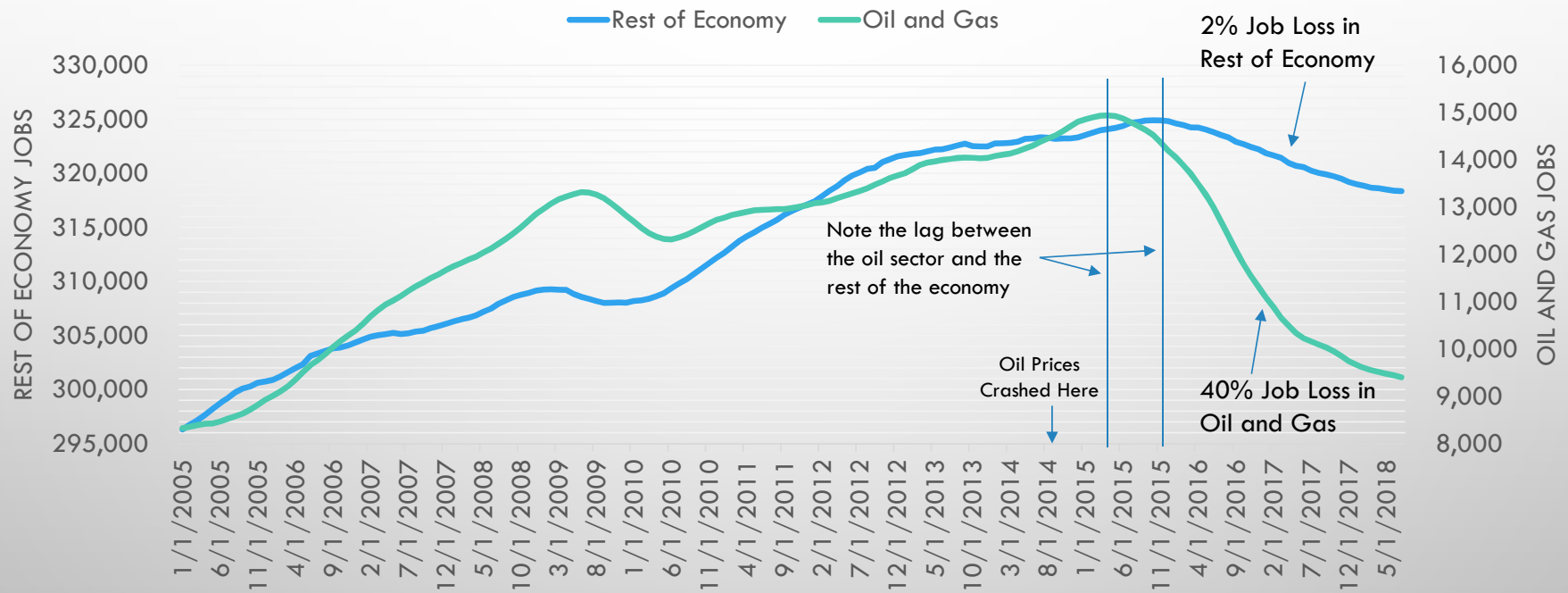


ALASKA JOB COUNT



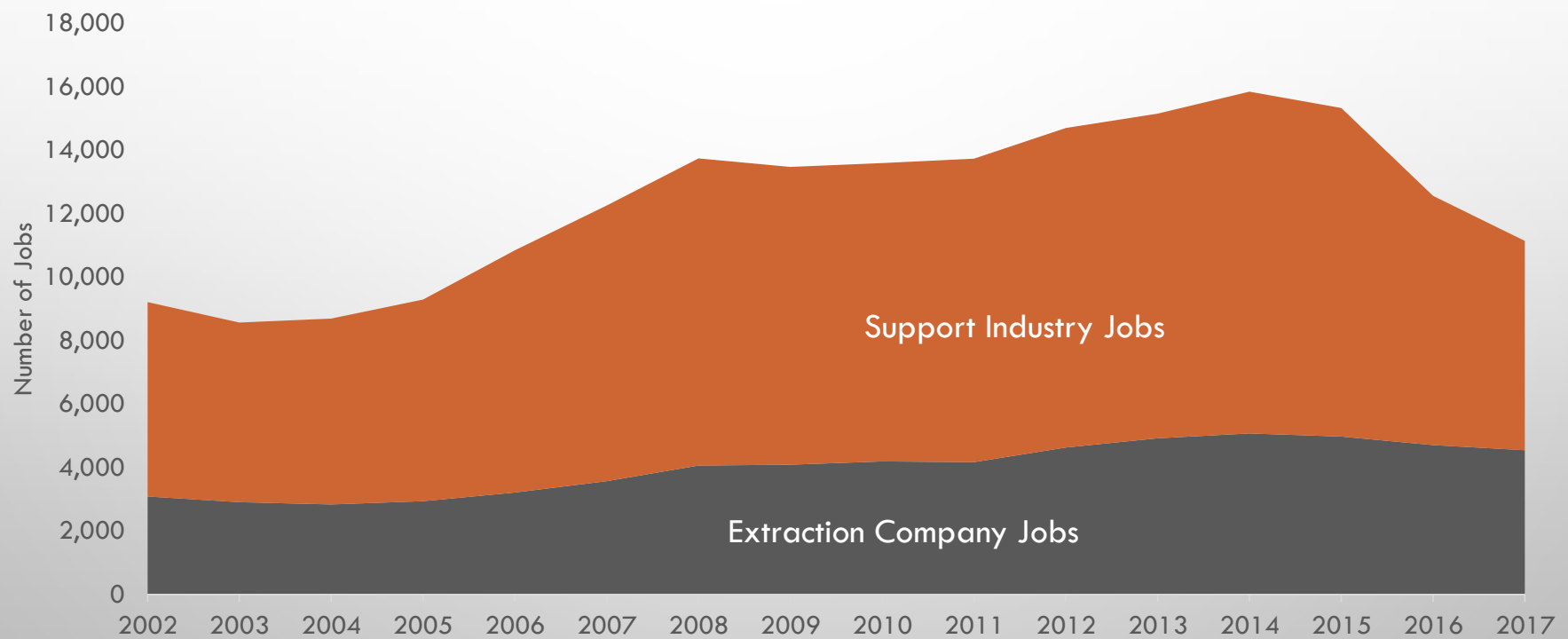
Source: Alaska Department of Labor

ALASKA JOBS



Source: Alaska Department of Labor

BREAKING APART THE OIL AND GAS JOBS



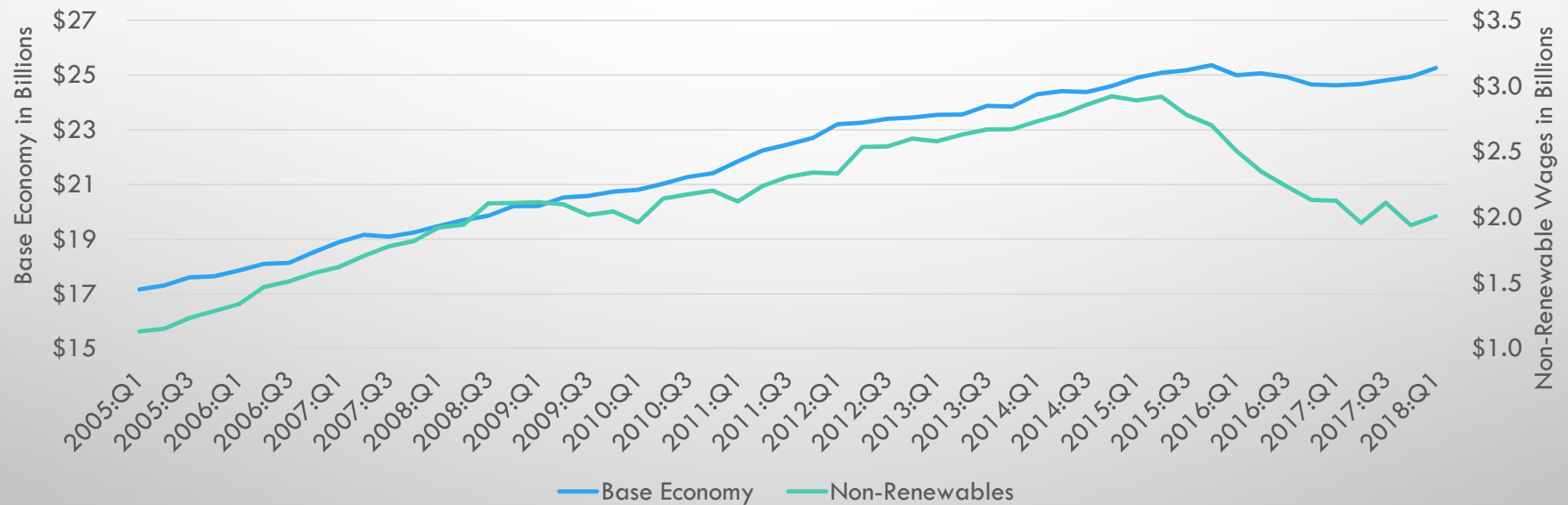
Source: Bureau of Economic Analysis



WHAT ABOUT WAGES?



TOTAL ALASKA WAGES



Source: Bureau of Economic Analysis

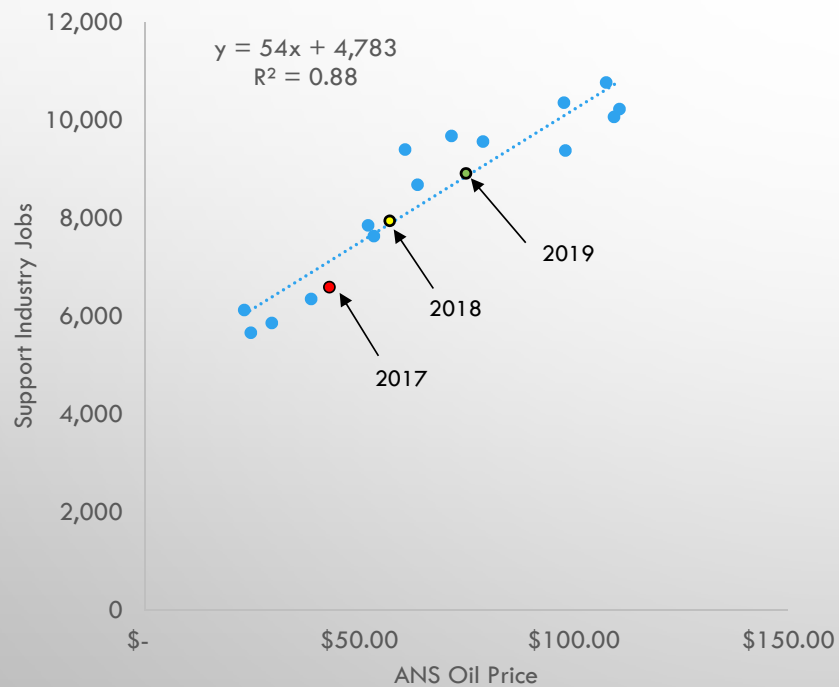


LOOKING FORWARD

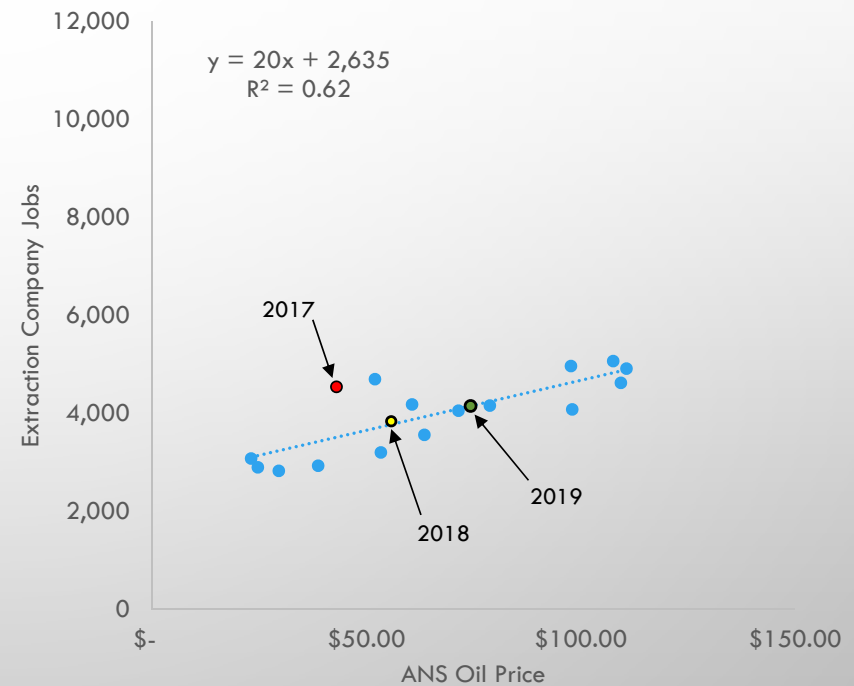


JOB SENSITIVITY TO OIL PRICE (1 YEAR LAG)

SUPPORT INDUSTRY



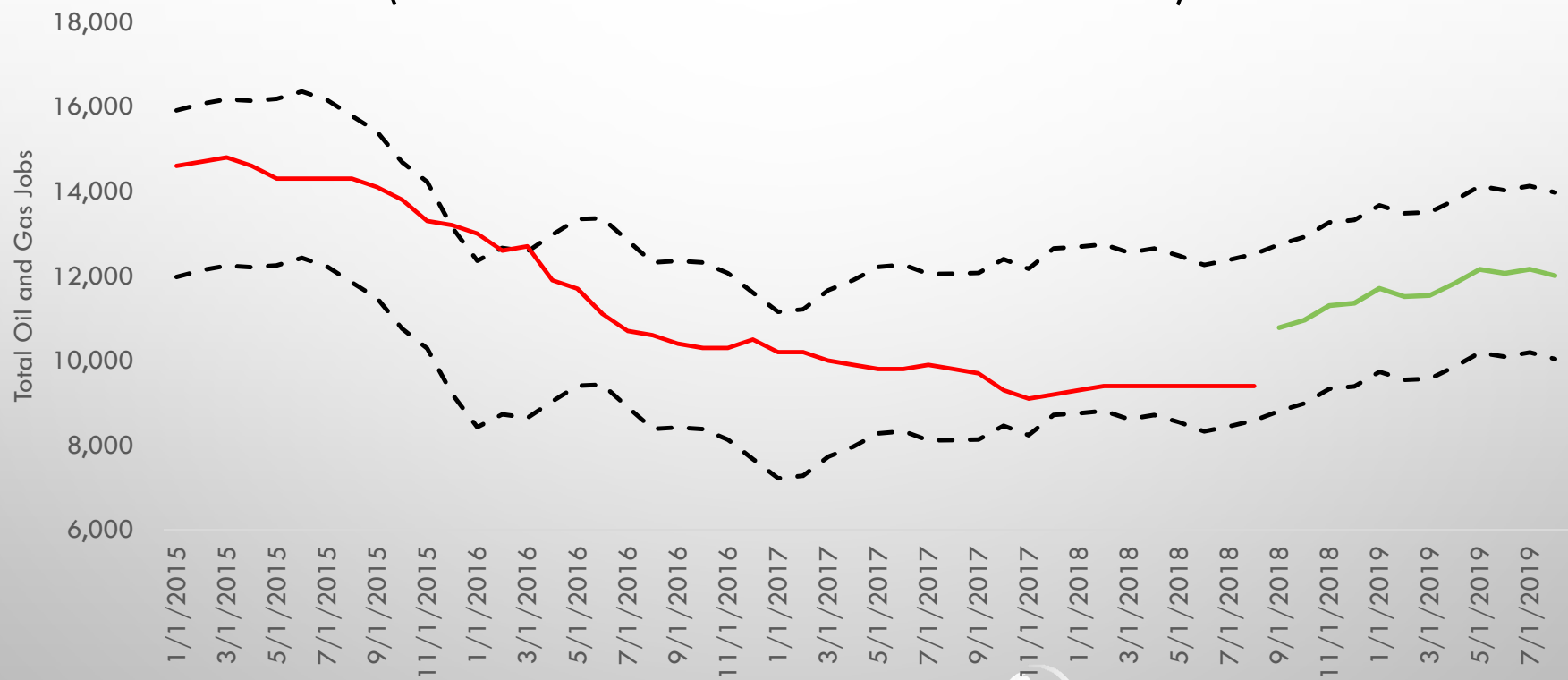
EXTRACTION COMPANIES



Source: Departments of Revenue for prices; BEA for jobs; King Economics for future data points

PROJECTION

(BASED ON OBSERVED MONTHLY PRICES)



Source: King Economics



REASONS FOR OPTIMISM

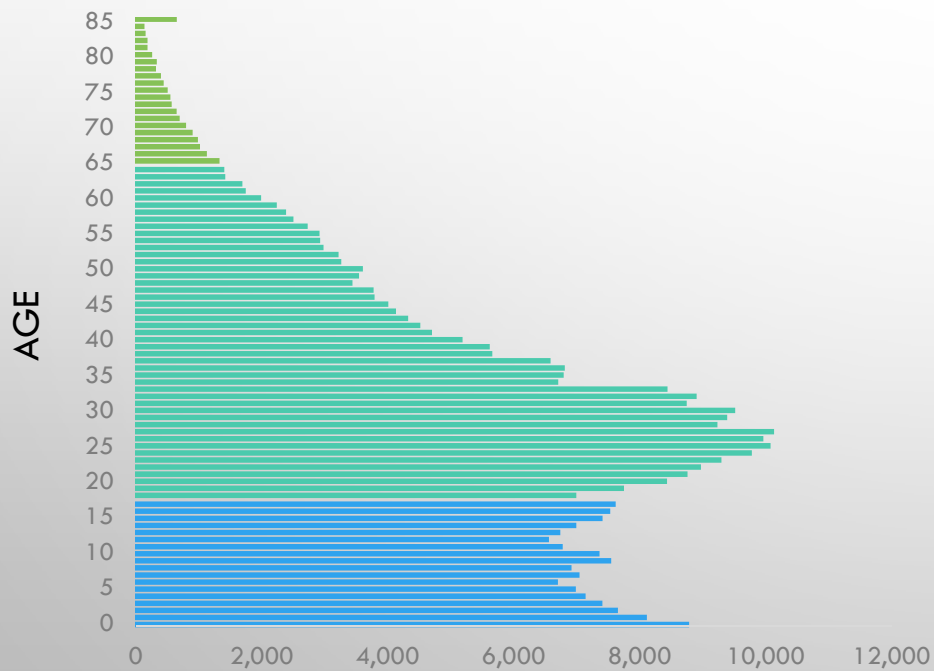
- NANUSHUK
- WILLOW
- LOOKOUT (GMT1)
- RENDEZVOUS (GMT2)
- LIBERTY
- NORTH NIKAITCHUQ
- ENEWS
- MOOSE PAD

- MUSTANG
- CAIRN
- NARWHAL
- PUTU
- ANWR
- NUNA
- SMITH BAY
- ICE WINE
- FIORD WEST

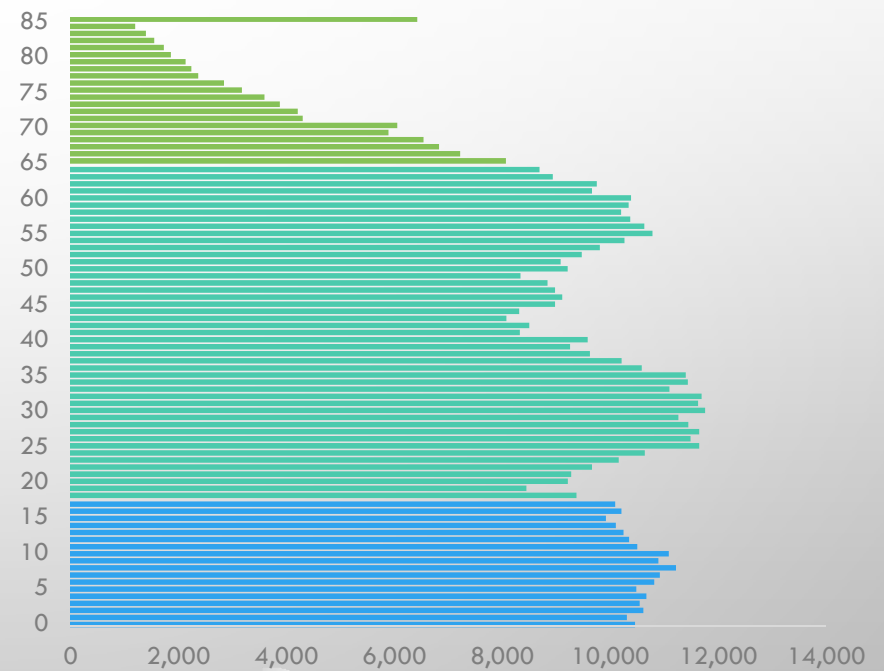
- MORaine
 - BADAMI
EXPANSION
 - UMIAT
 - PLACER
 - STONEY HILL
 - HEMI SPRINGS
 - UGNU
 - AND MORE!
- 

ALASKA'S POPULATION

1980



2017




Source: Alaska Department of Labor

Number of People



TAKEAWAYS

- THE RECESSION WAS CAUSED BY FALLING OIL PRICES AND WAS MOSTLY ISOLATED TO THE OIL INDUSTRY
 - THERE WAS A LAG BEFORE REACHING THE BASE ECONOMY, WHEN THE OIL INDUSTRY TOOK A HIT
 - AND THERE WILL BE A LAG IN RECOVERY, AS THE OIL INDUSTRY STARTS GROWING AGAIN
 - THE BASE ECONOMY IS ALREADY IN RECOVERY
 - THANKS MOSTLY TO THE HEALTHCARE INDUSTRY
 - PARTLY DUE TO DEMOGRAPHICS
 - 2019 SHOULD BE A GOOD YEAR
- 

“
WE ARE ALL IN THE GUTTER, BUT SOME OF US ARE LOOKING
AT THE STARS

”

- OSCAR WILDE

QUESTIONS?

Several decorative bubbles of varying sizes are located in the bottom right corner of the slide, adding a visual element to the design.