

Alaska's Economic Landscape

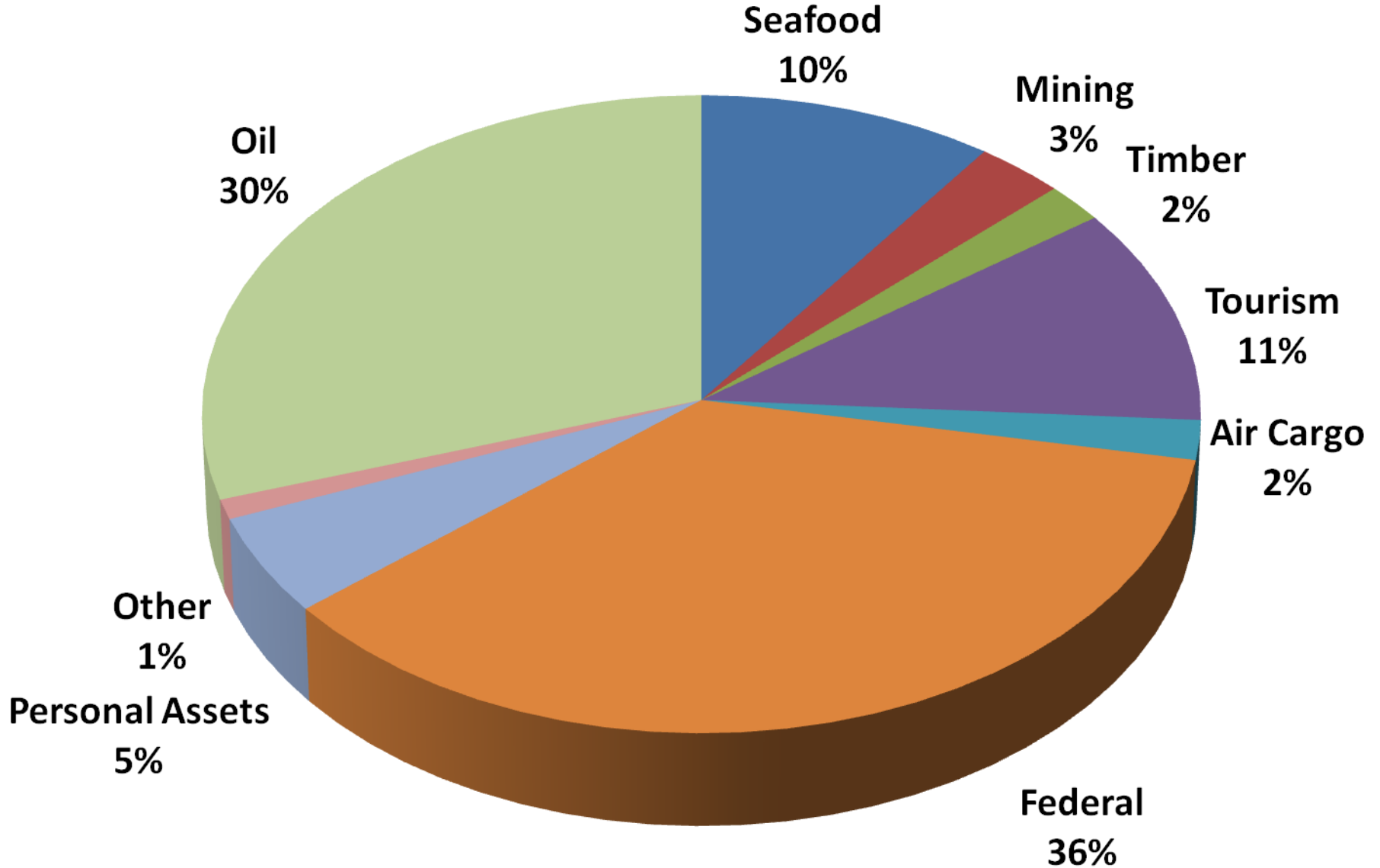


MatSu Energy Summit

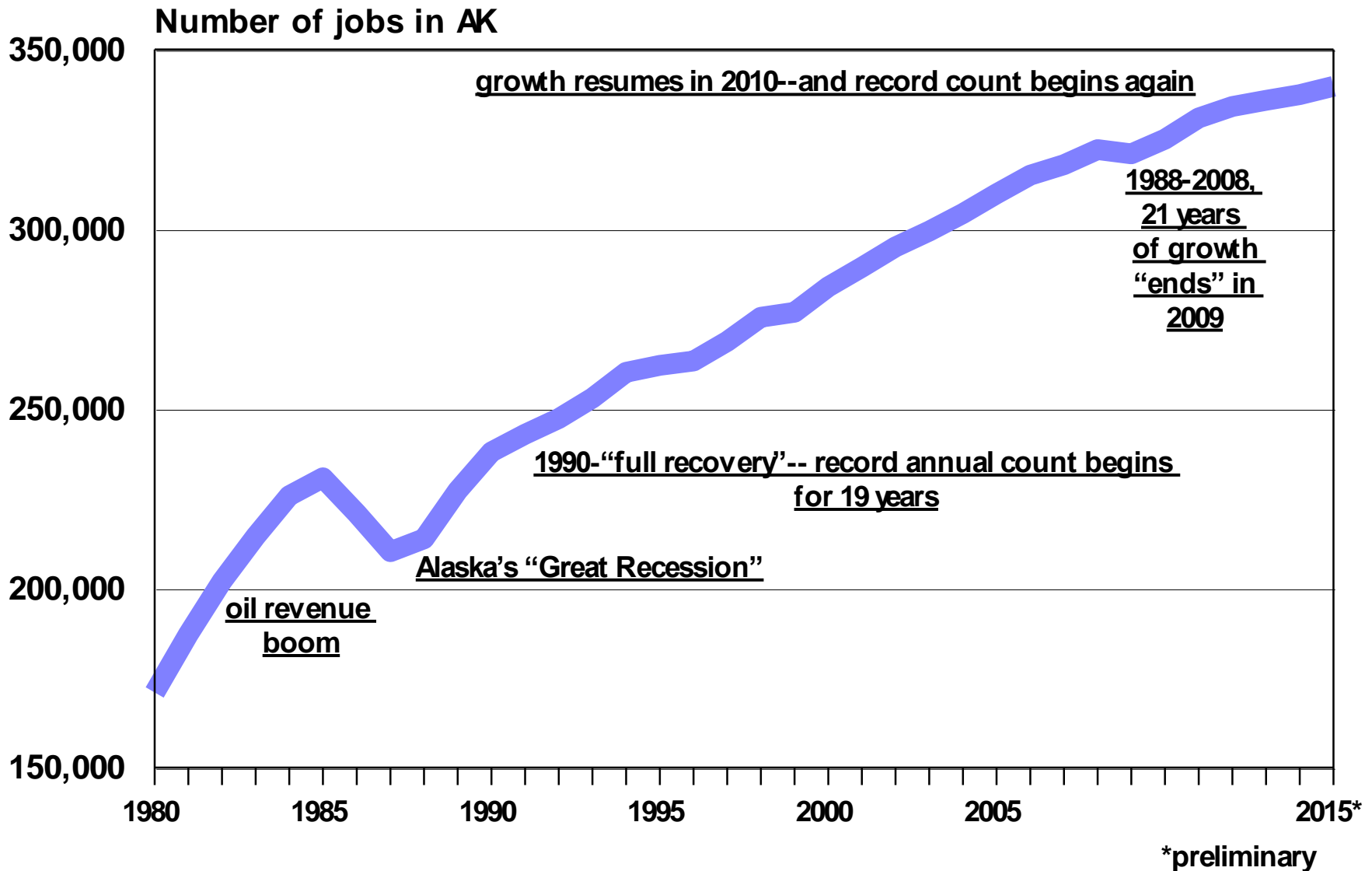
November 6th 2015

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

Alaska's Economic Drivers

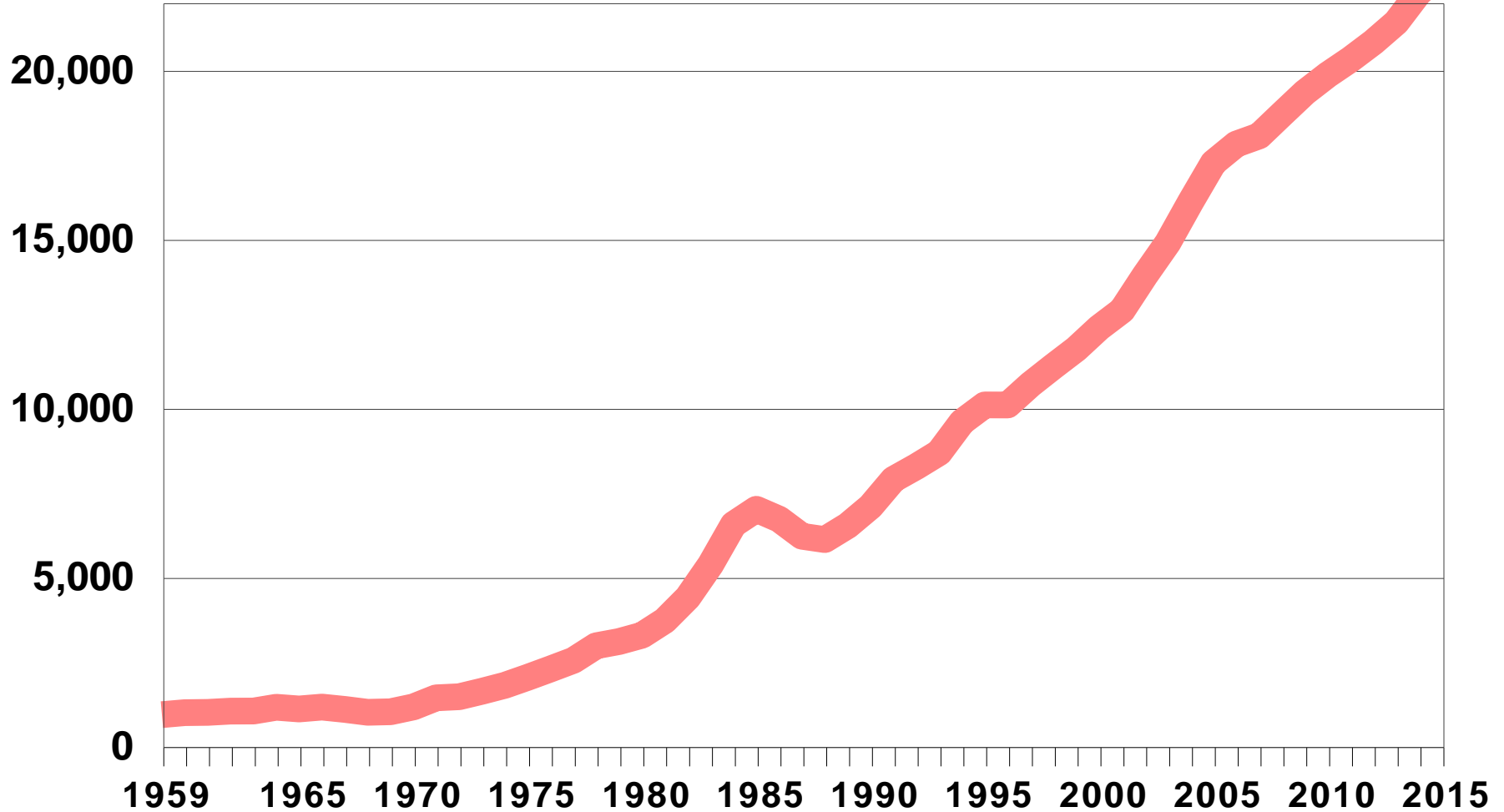


Alaska--Boom, Bust and Moderation



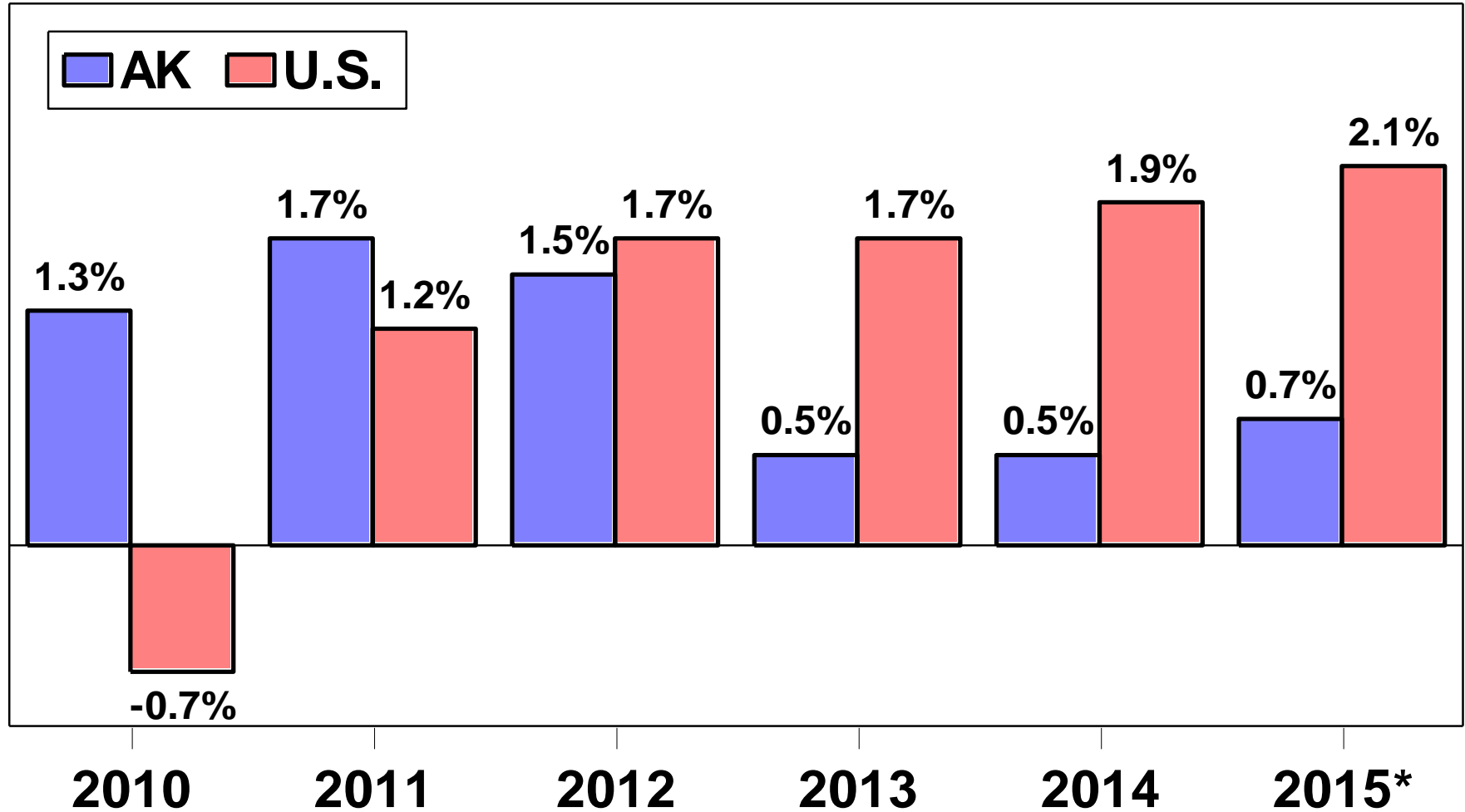
Just Keeps On Growing--Should Not Be Taken For Granted

Mat-Su wage and salary employment



Slower Growth In AK

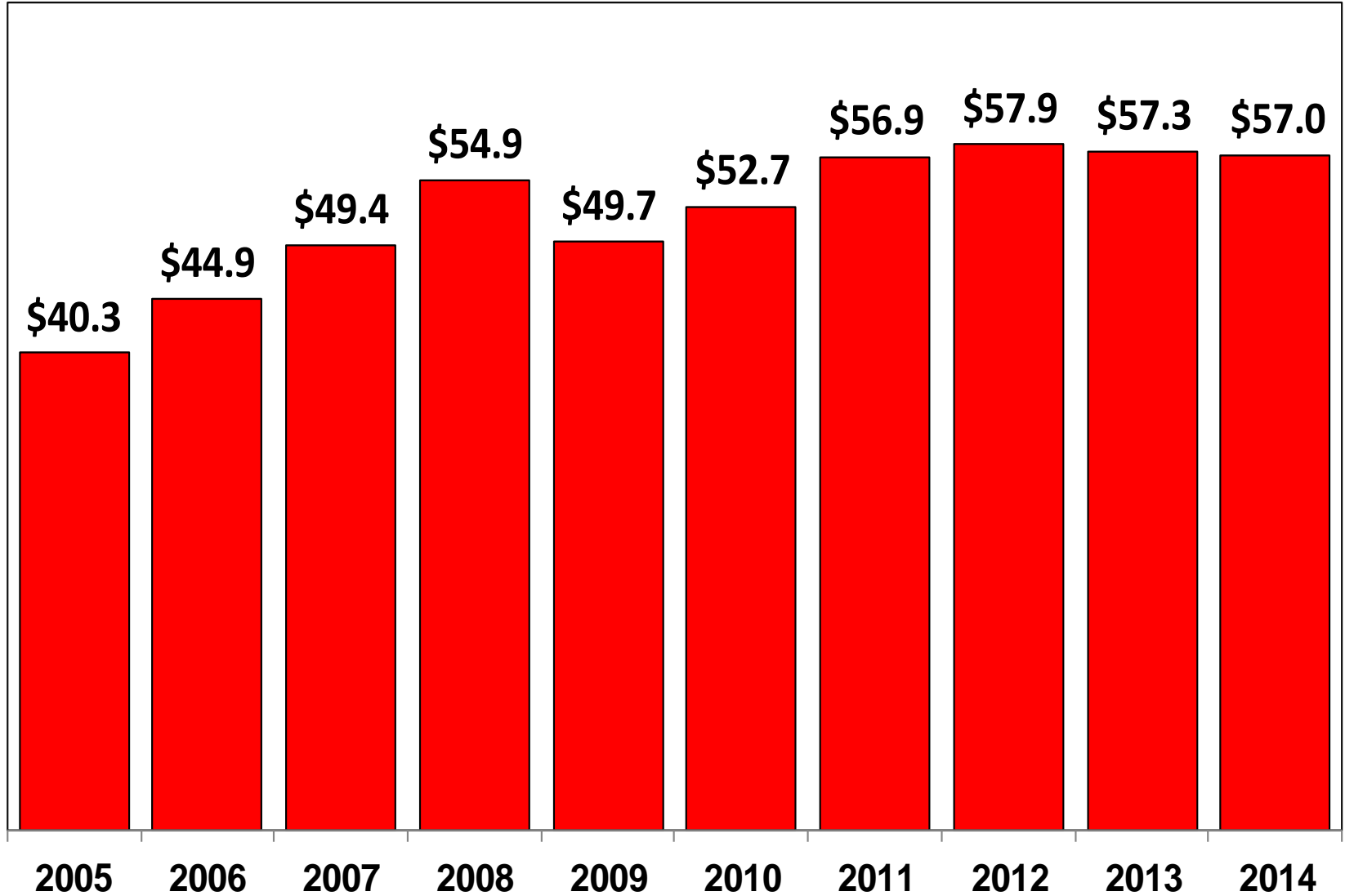
Percent employment change from previous year-AK and U.S.



*Preliminary- AK based on first 2 quarters

Alaska's GDP Numbers Interesting

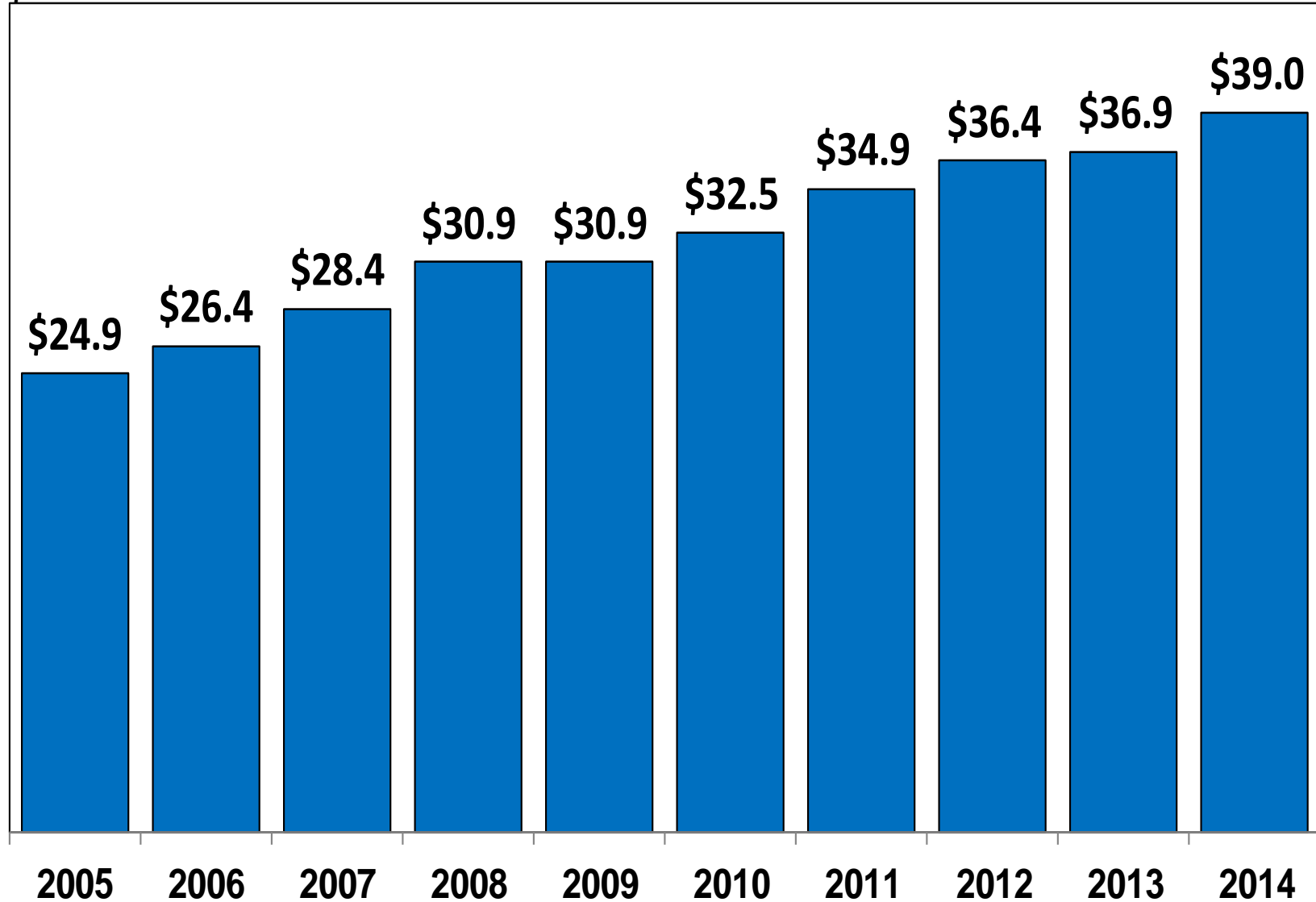
\$ billions



Source: BEA

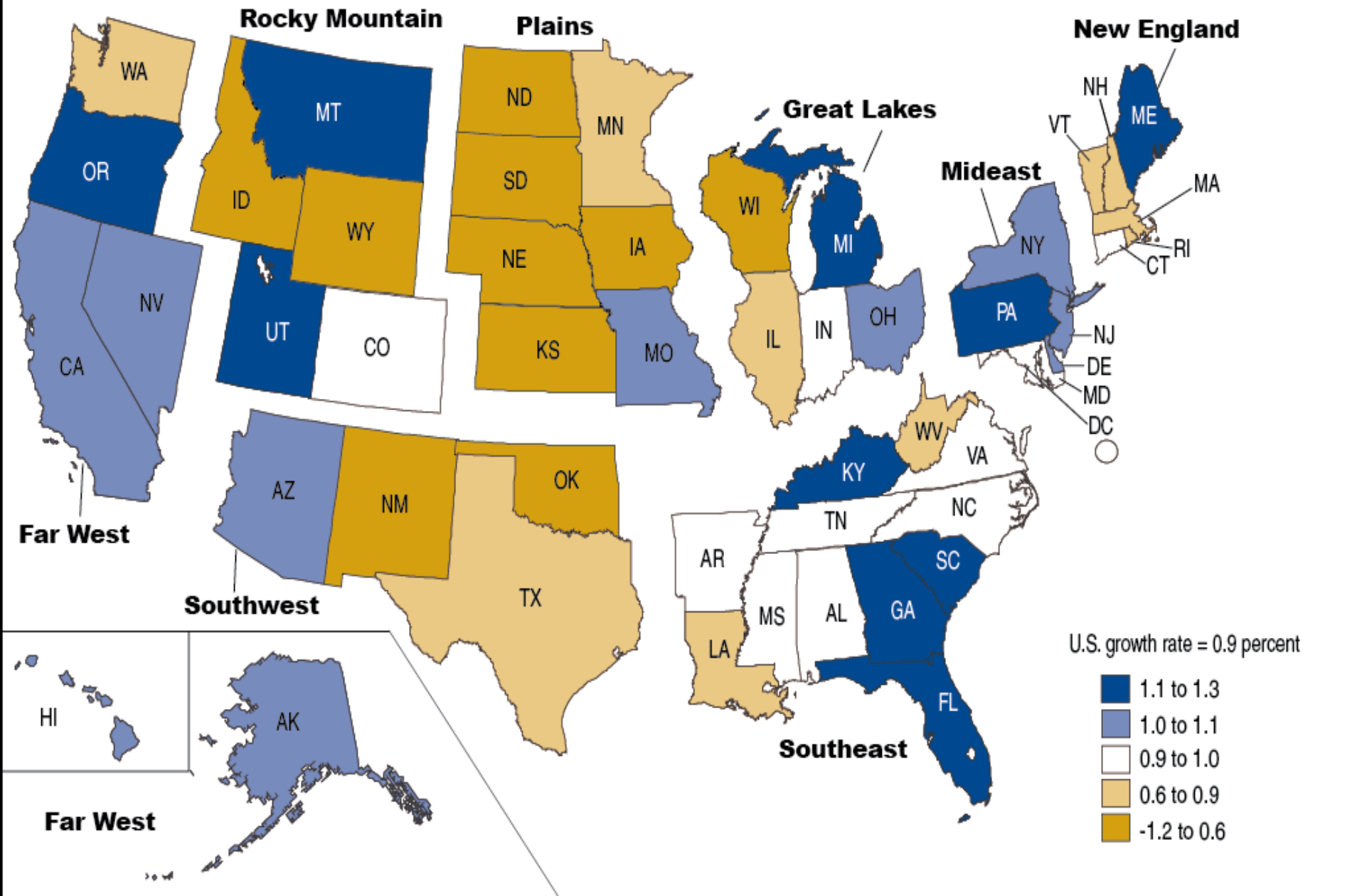
Alaska's Personal Income Kept Growing

\$ billions



Source: BEA

Personal Income: Percent Change, 2014:IV–2015:I

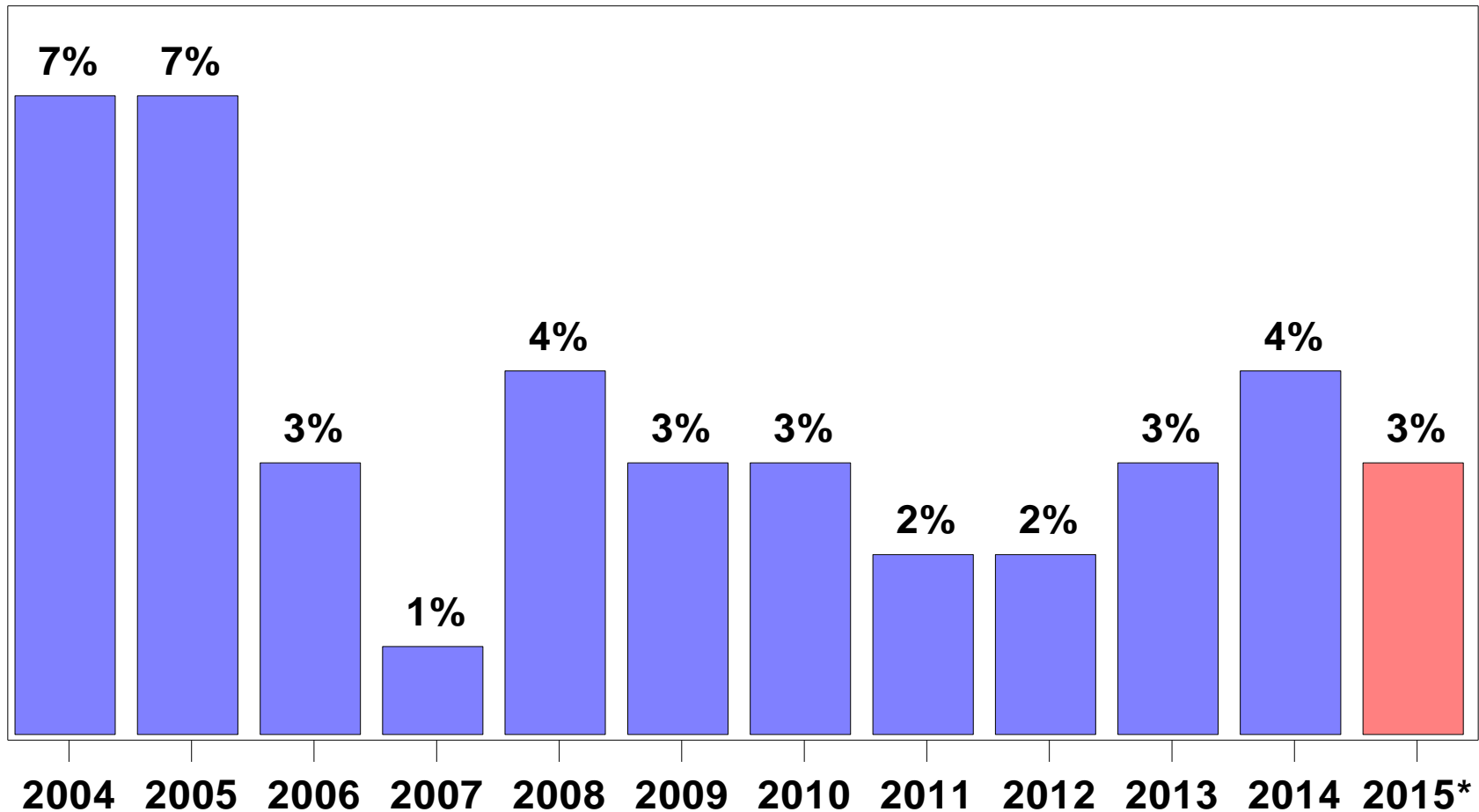


US States Renamed for Countries with Similar GDPs, 2014



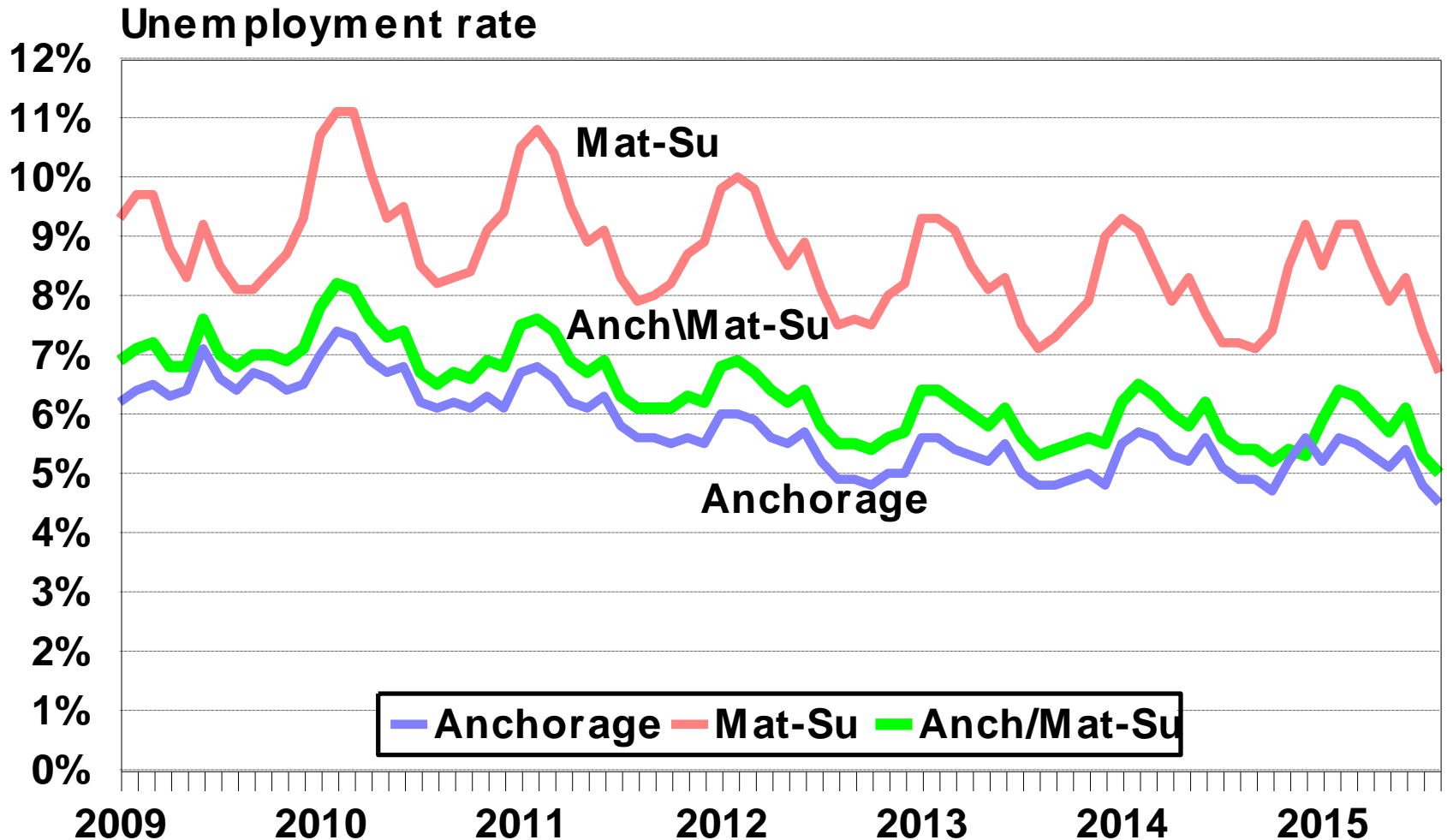
Employment Growth Just Keeps On Trucking

MatSu annual employment growth



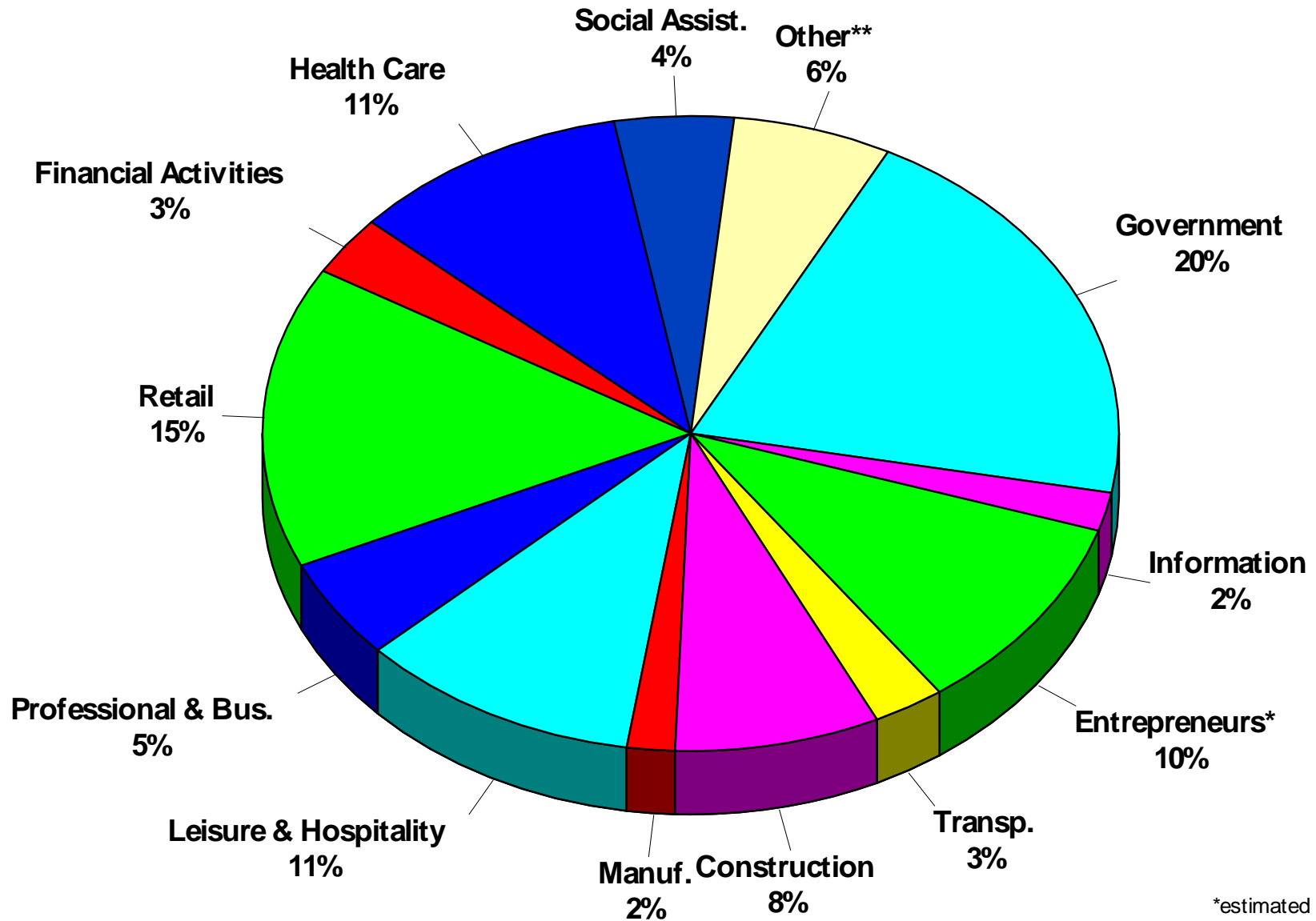
*Based on first half of 2015

Mat-Su's and Anchorage's Unemployment Rates



“Work is about a search for daily meaning as well as daily bread.” Studs Terkel

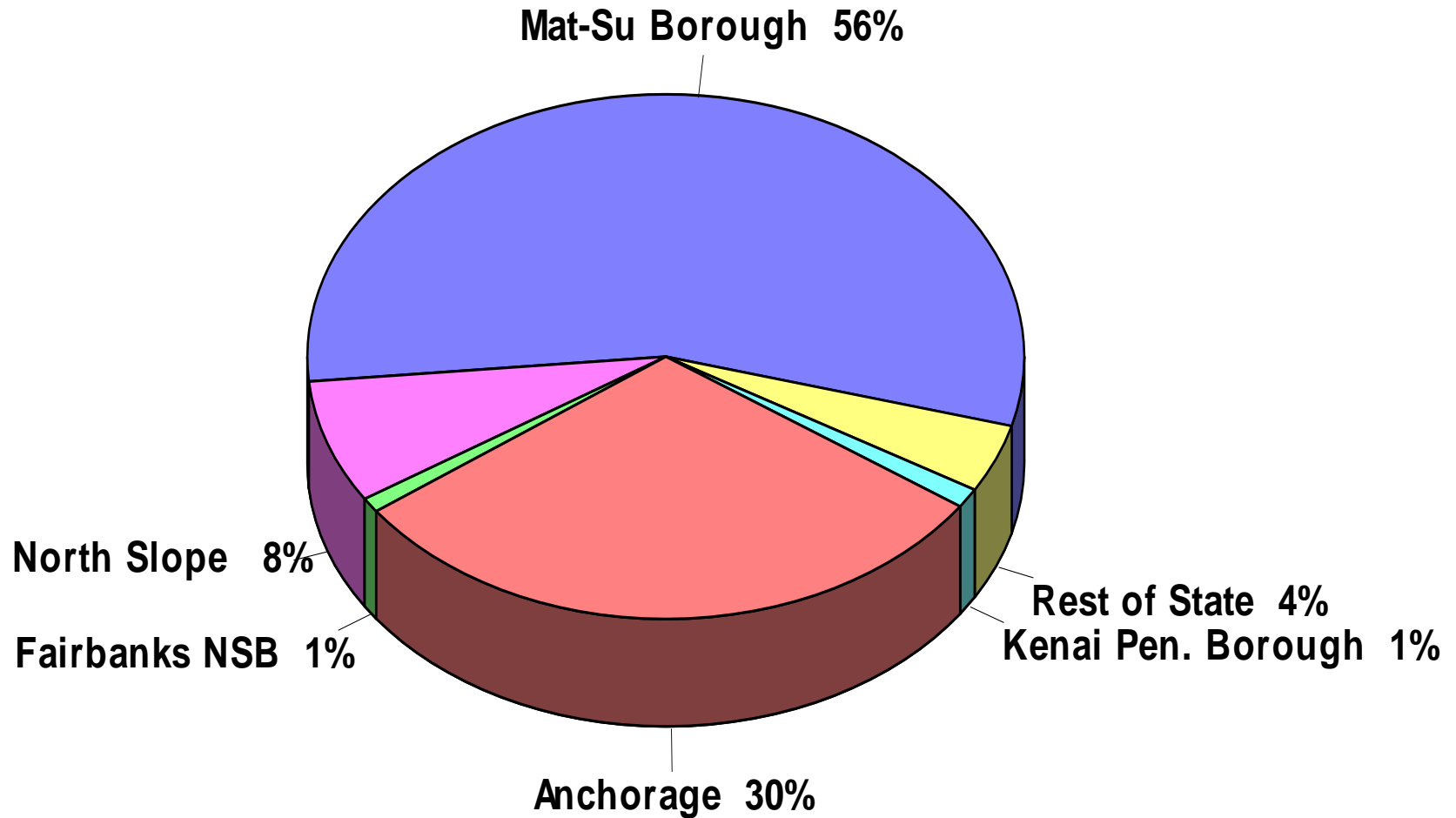
Where The Matanuska-Susitna Borough's Jobs Are-Sort Of



*estimated

**includes private education, wholesale trade, utilities and other services

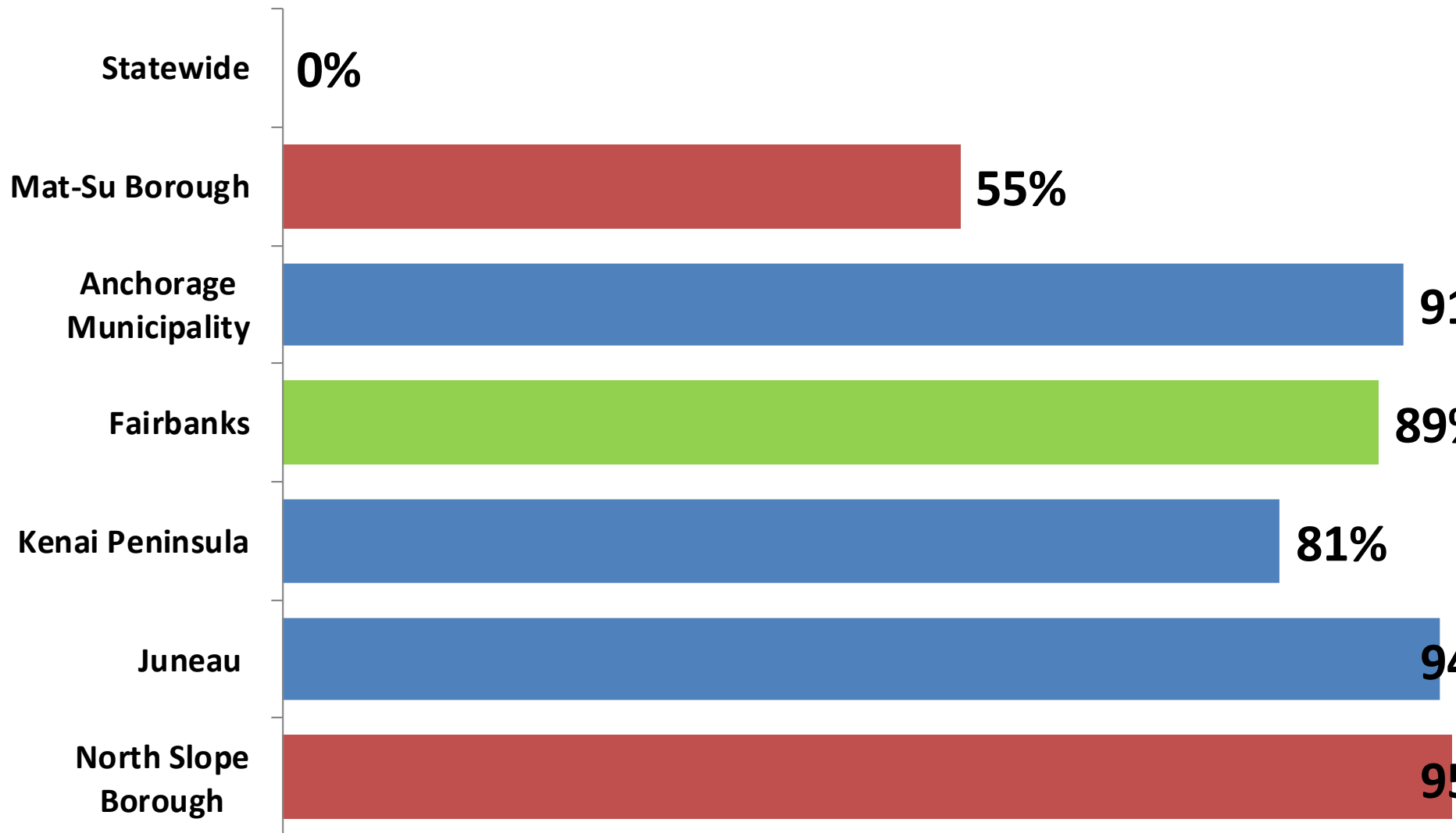
Where Mat-Su Residents Work¹



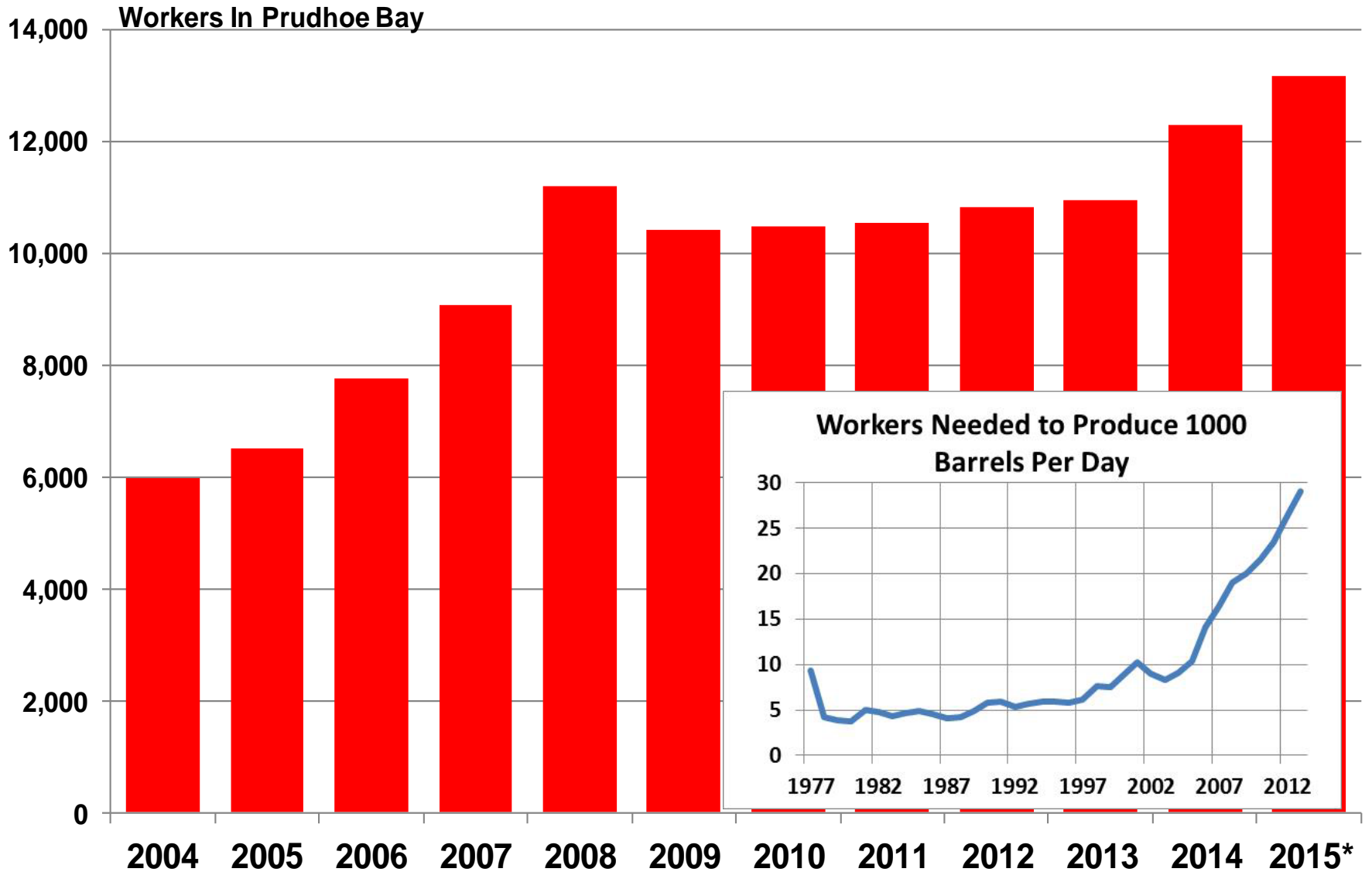
¹Excludes uniformed military, federal and self-employed workers, 2013

Most Work Where They Live

Percent of working residents who work in the same area



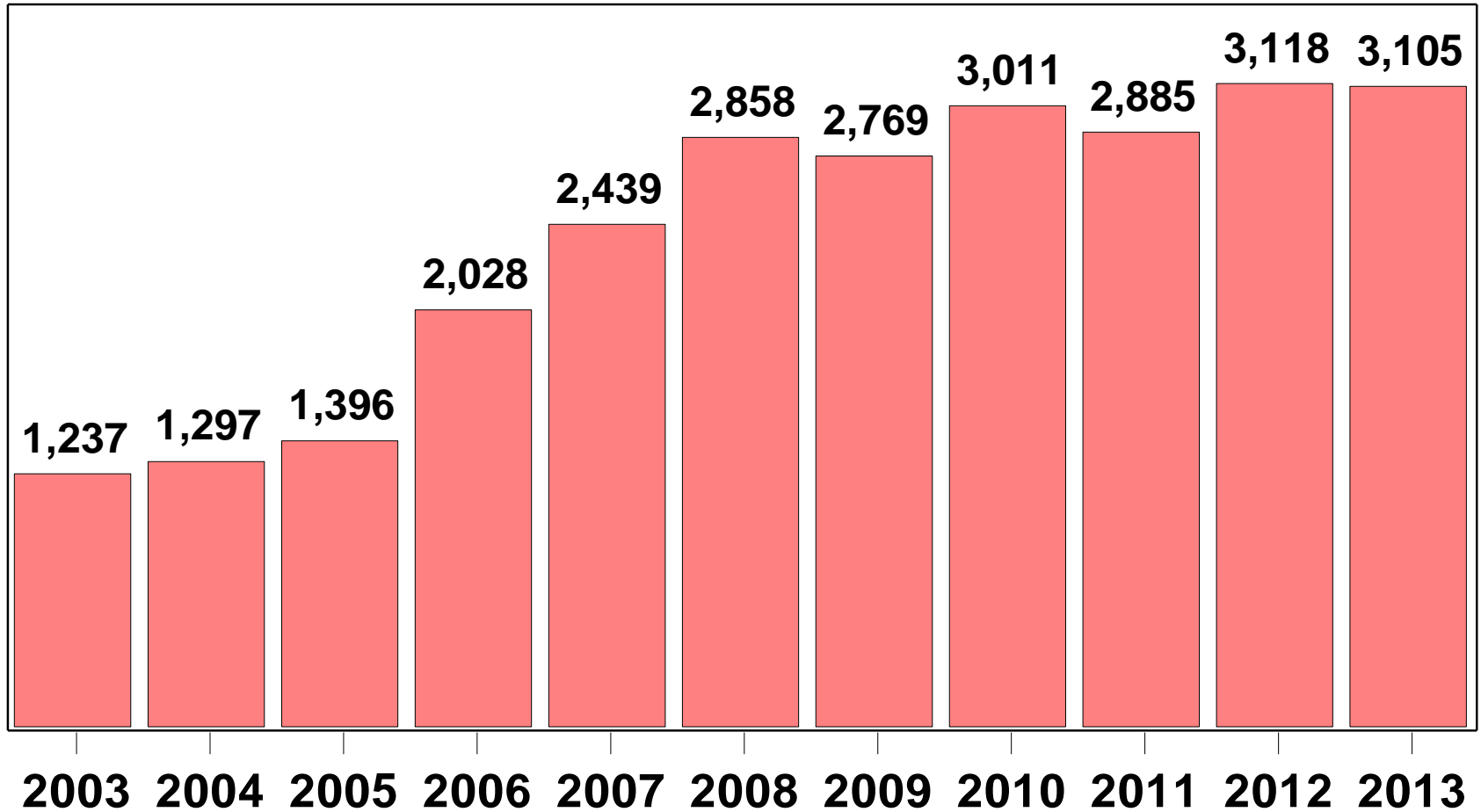
Prudhoe Bay Employment Counts Have Been At All Time Highs



*Only based on first quarter

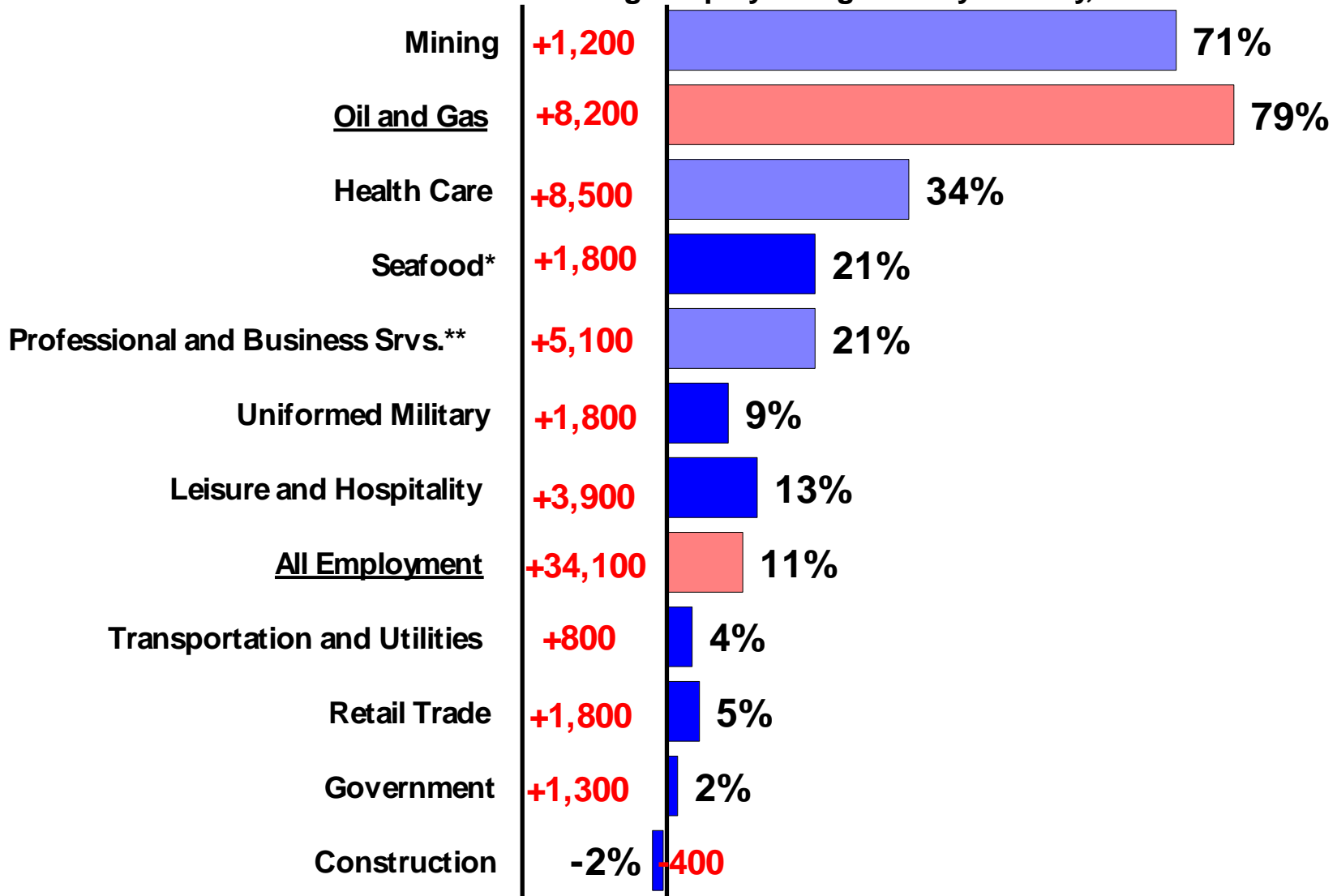
Number Of MatSu Residents Working On The Slope

Jobs



A Decade Of Growth In Alaska-Nearly A Quarter of New Jobs Came Oil

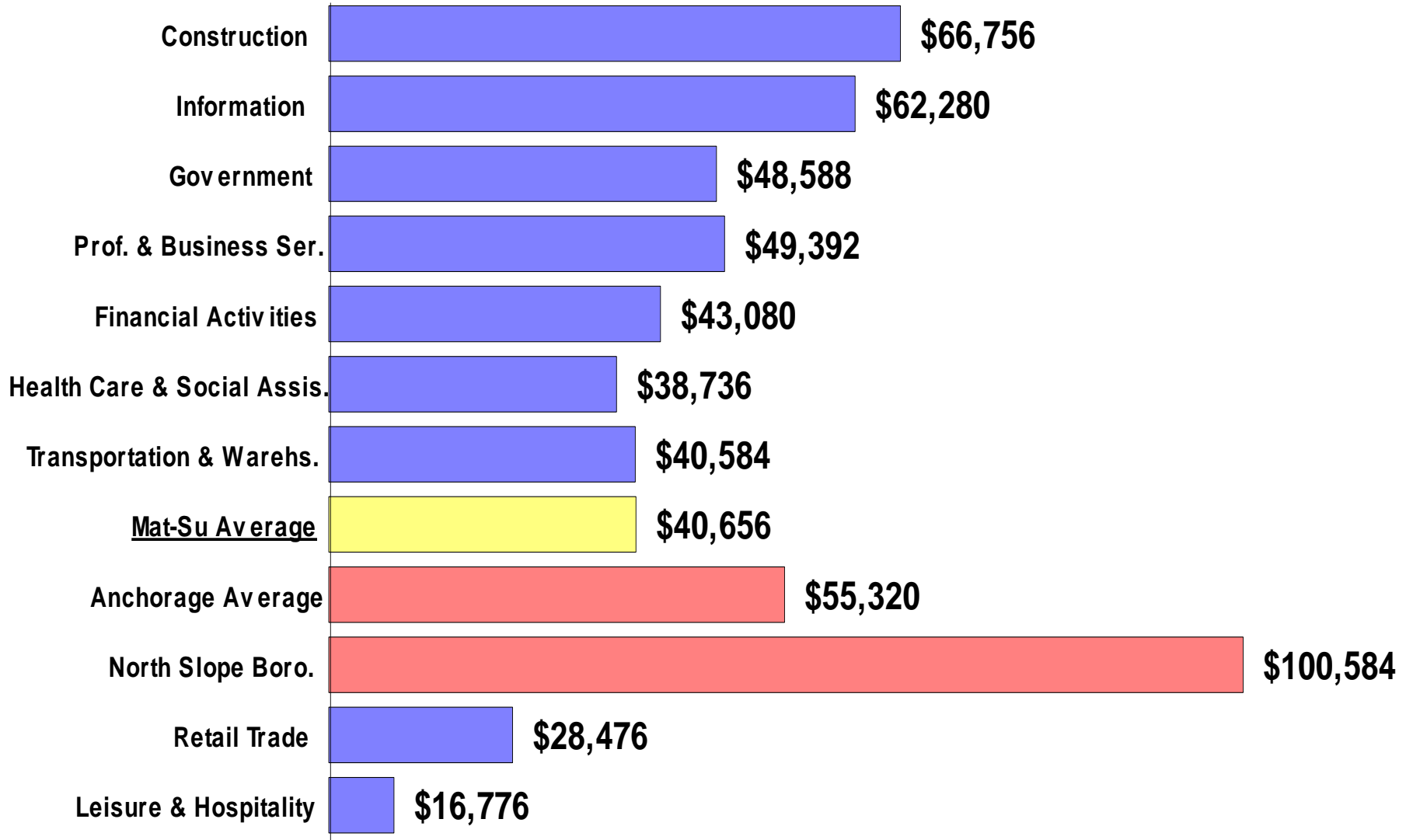
Percentage employment growth by industry, 2004 to 2014



*includes harvesting and processing

How the Mat-Su's Average Annual Earnings Stack Up

2014 annual average earnings--Mat-Su

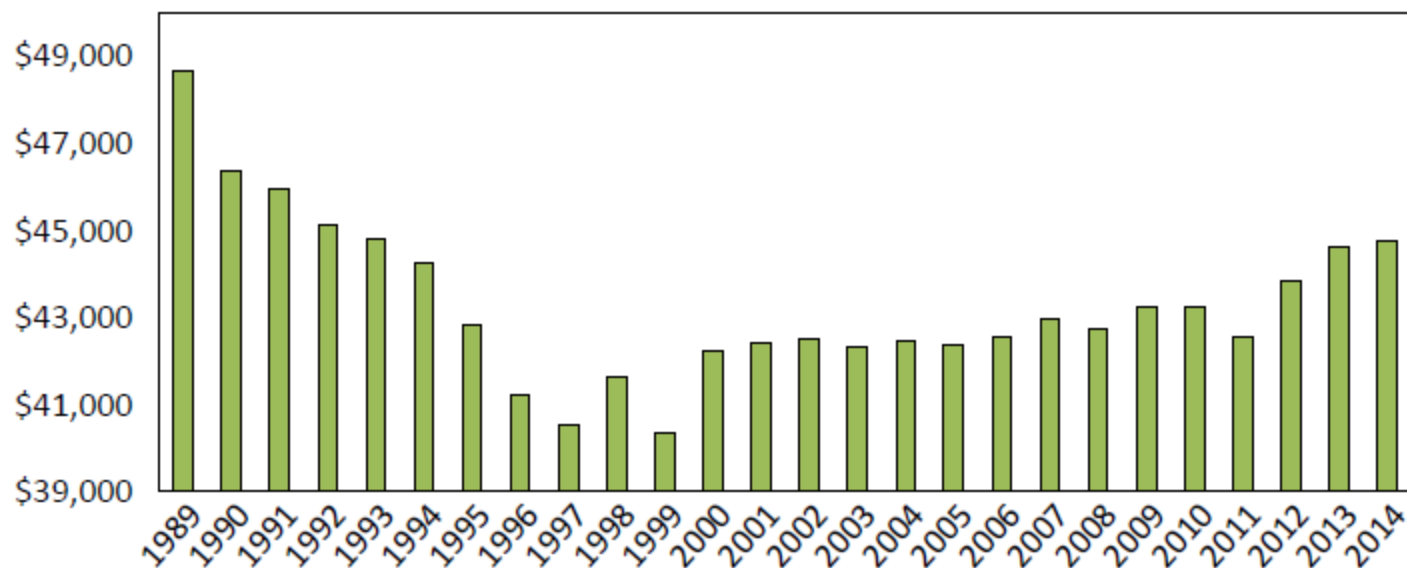


Part of the Exclusive Club

Ranking	State	Median Household Income-2014
	Anchorage	\$76,337
	MatSu Borough	\$73,831
1	Maryland	\$73,971
2	New Jersey	\$71,919
3	Alaska	\$71,583
4	Connecticut	\$70,048
5	Hawaii	69,592
	U.S.	53,657

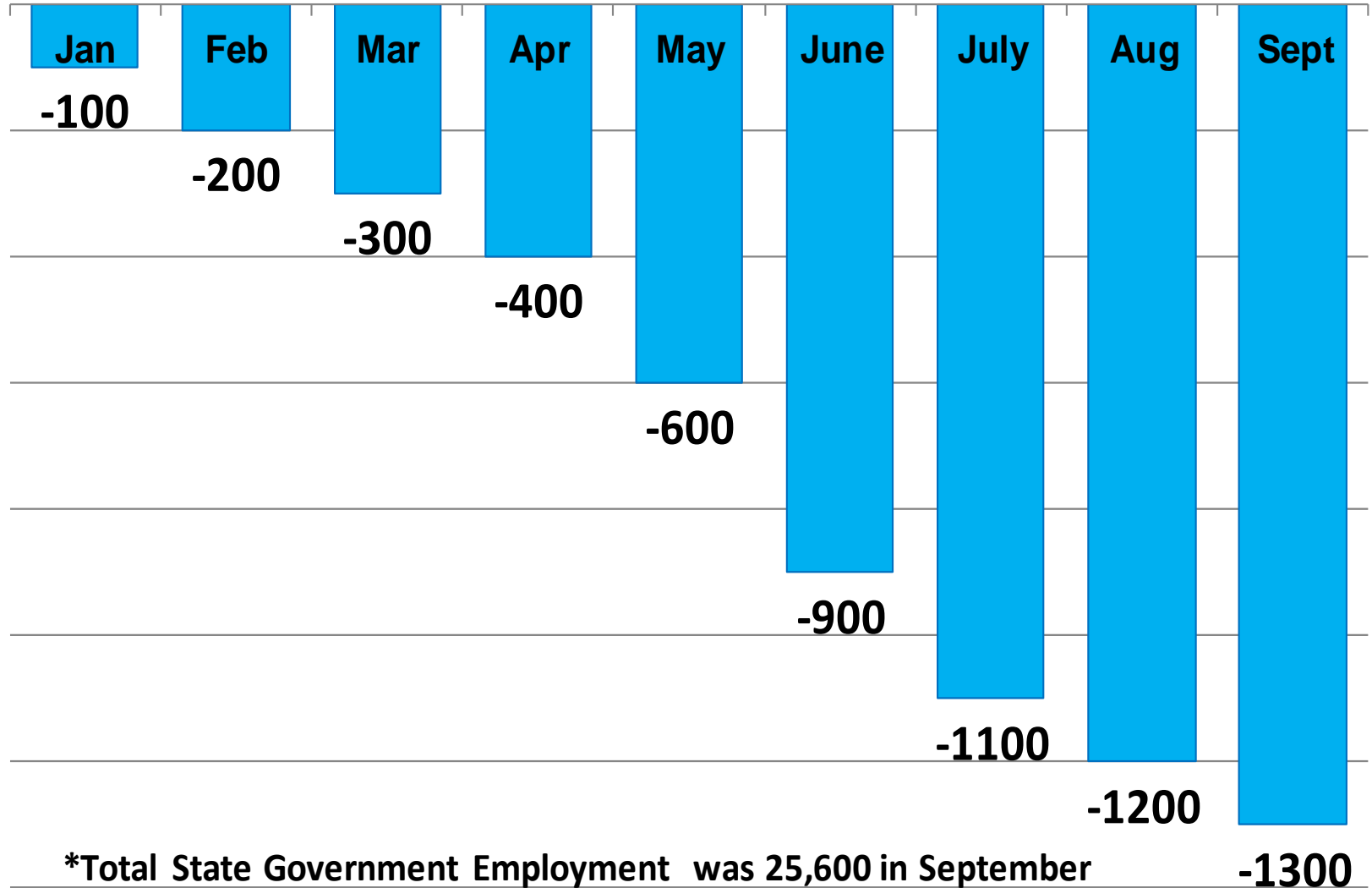
Adjusted for Inflation, Median Wage is Down

ALASKA YEAR-ROUND WORKERS, 1989 TO 2014

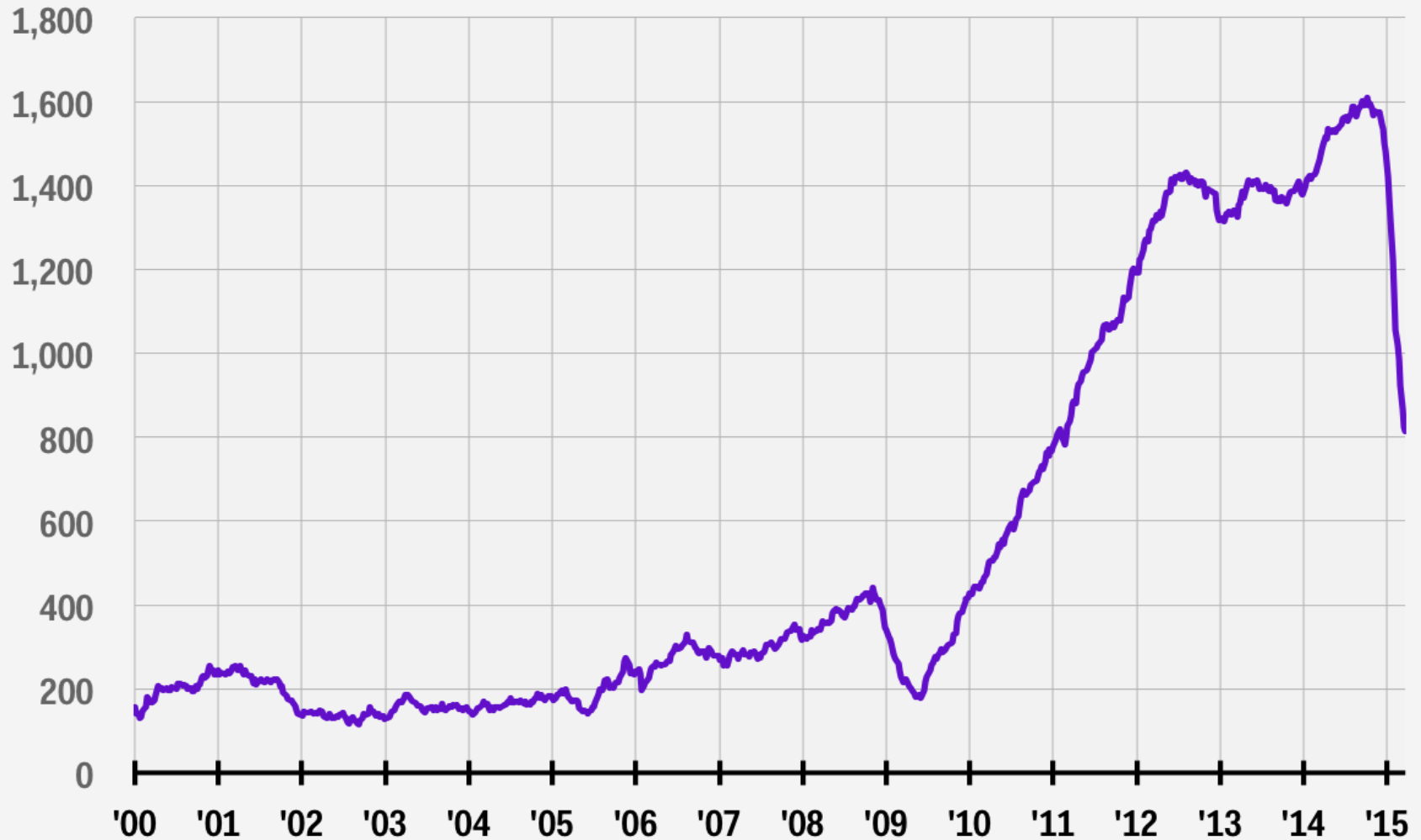


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

State Government Job Losses Growing-2015

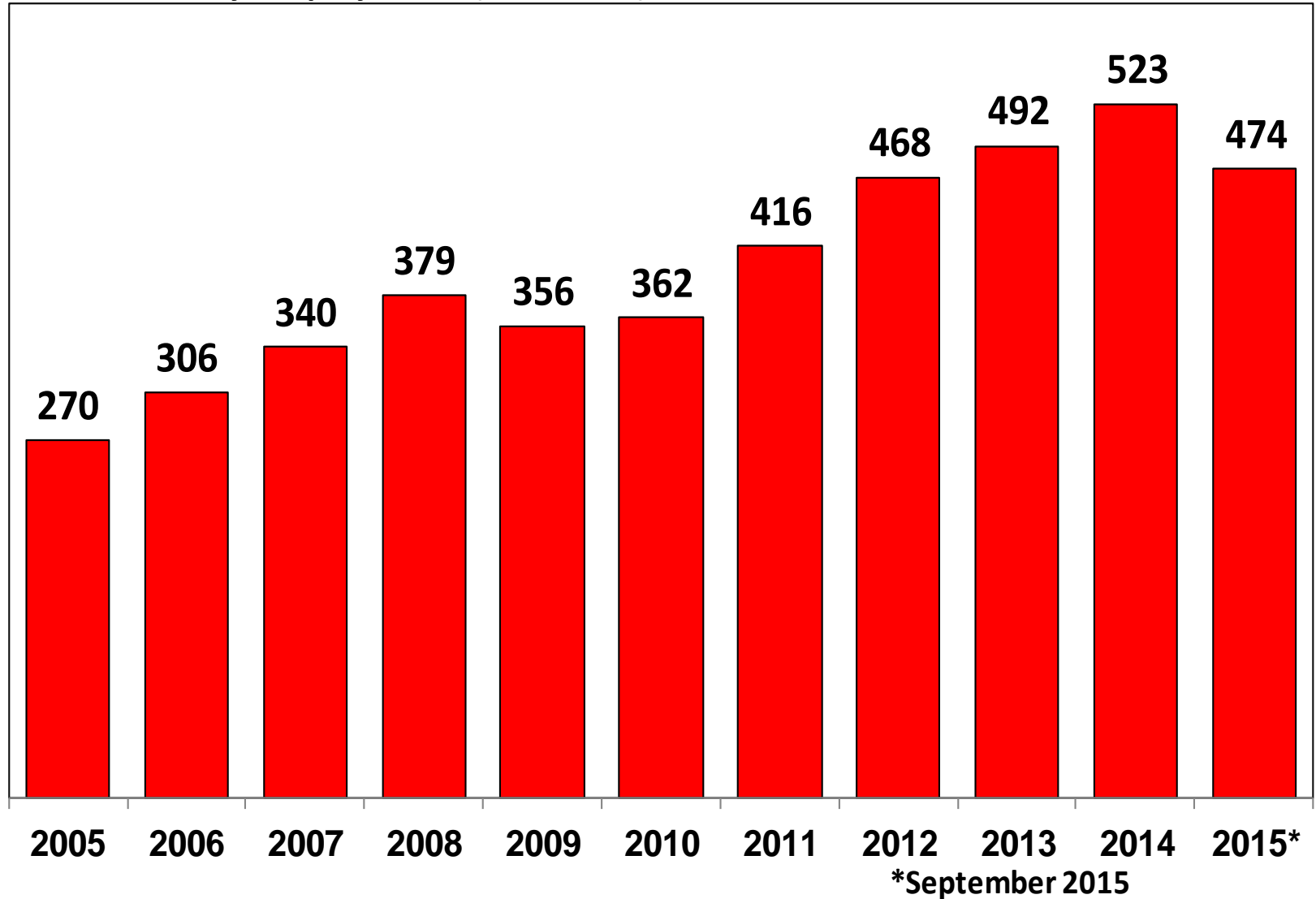


US Oil Rig Count



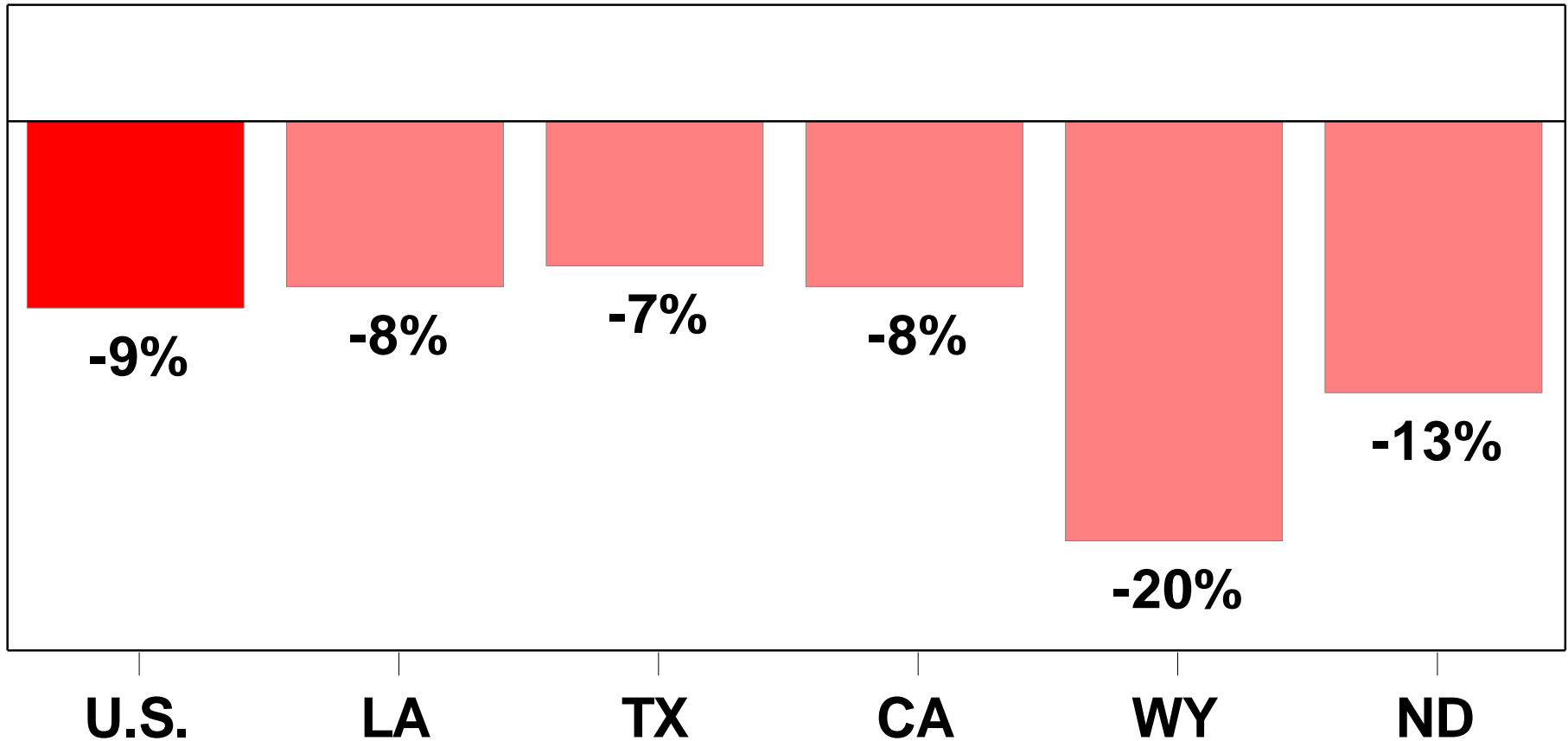
But, Oil Industry Employment Has Begun Falling Nationally

U.S. oil industry employment, (thousands)



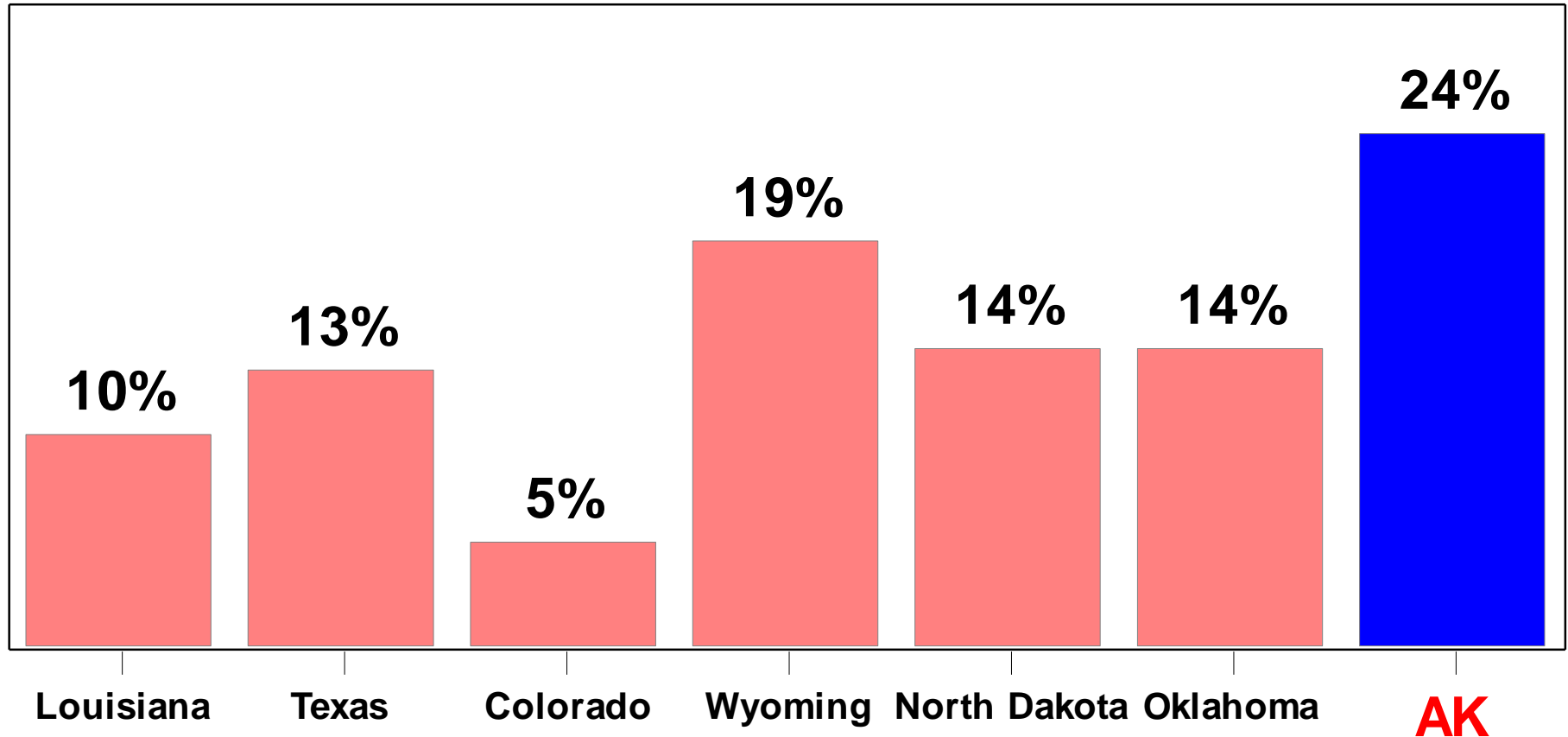
Oil and Gas Employment Has Been Falling In Most States

Oil and Gas Employment: Percent Change, August 2014-August 2015

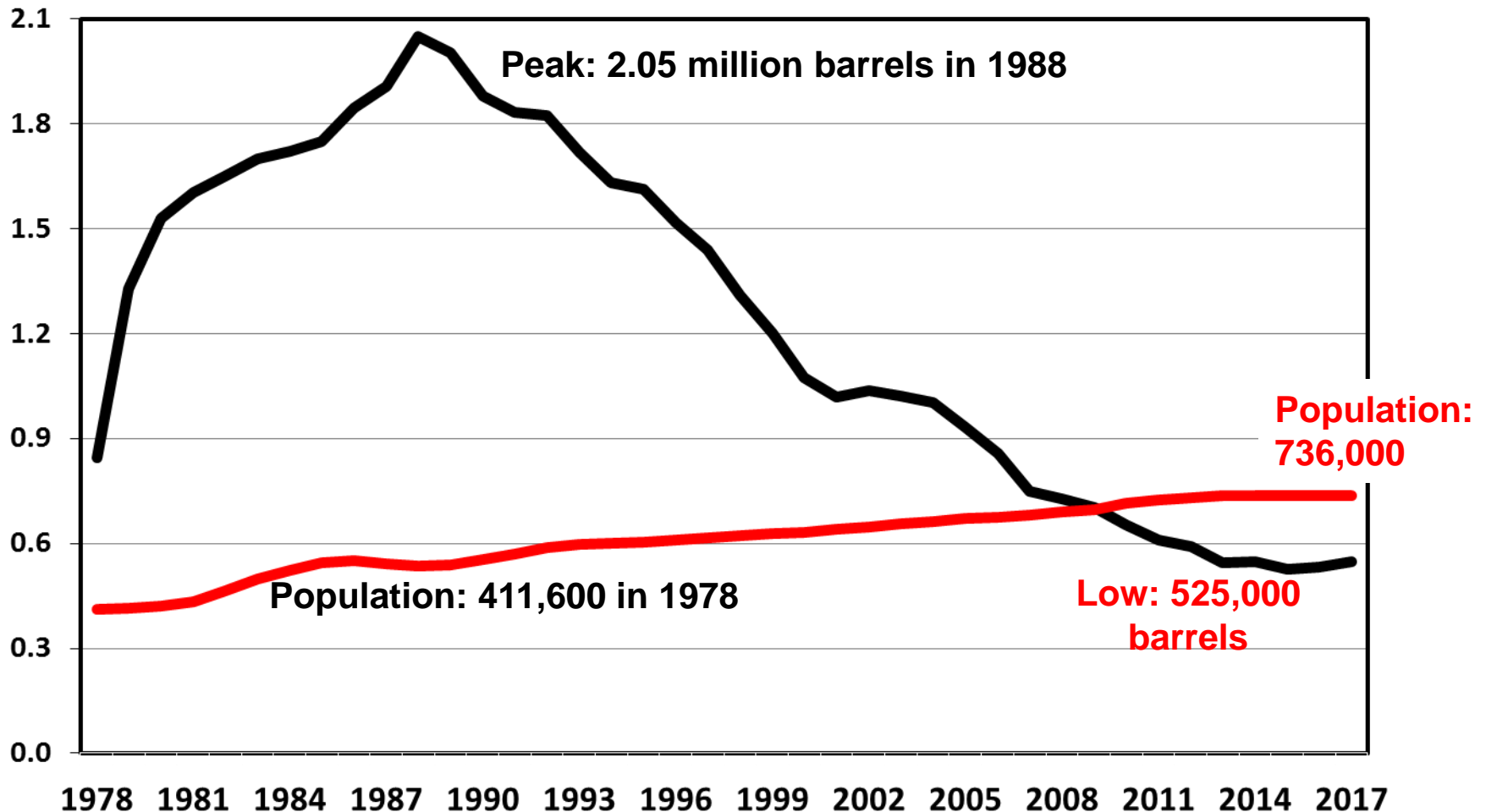


Our Wealth Tied To Oil Greater Than Probably Anywhere Else

Oil And Gas As A Percent of GDP



Alaska's Oil Production And Population 1978 - 2017

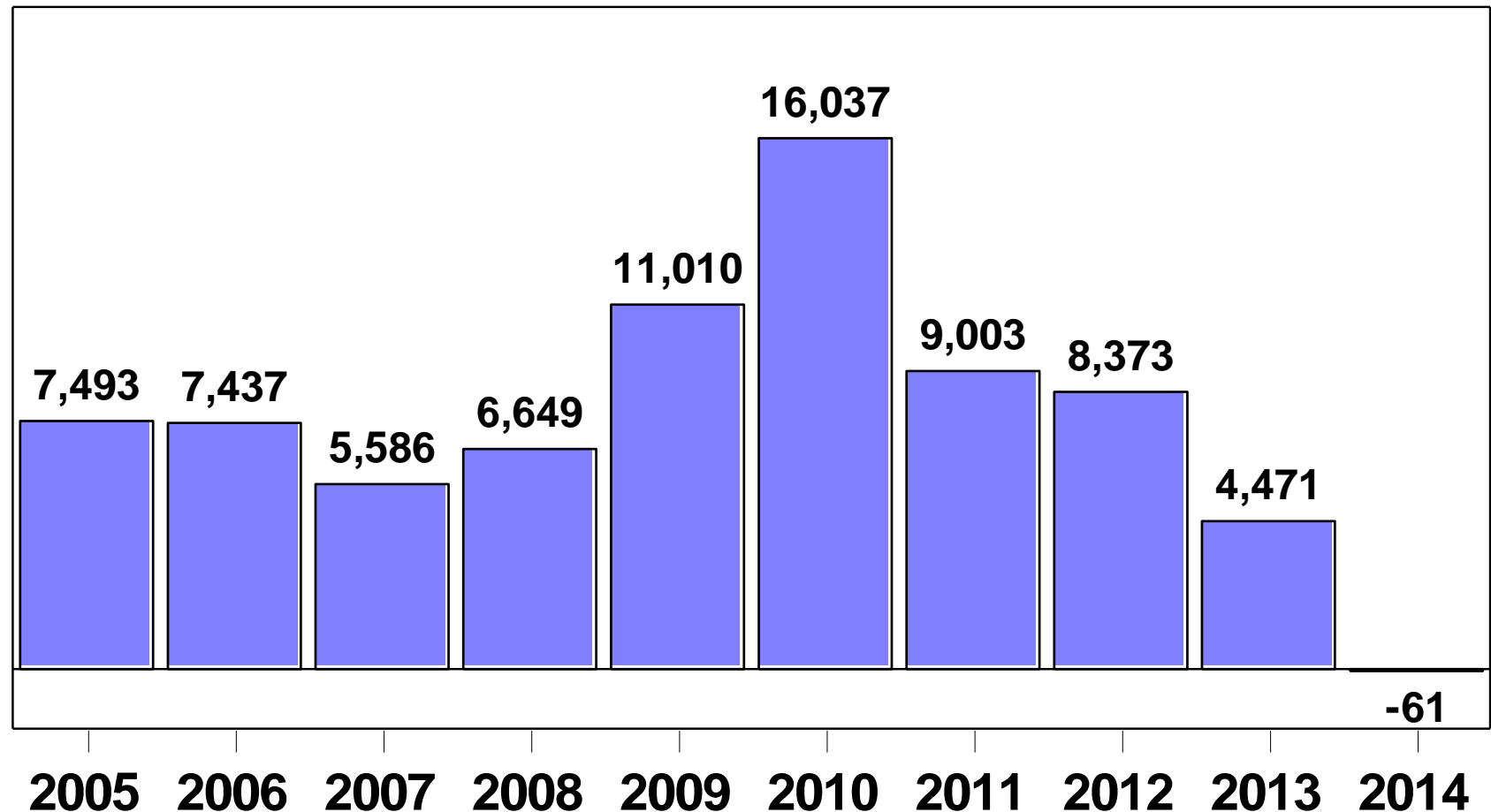


Brought to you by Mark Edwards from Nothrim Bank

Alaska's Population Gains Grew With National Recession--But Now Slowing

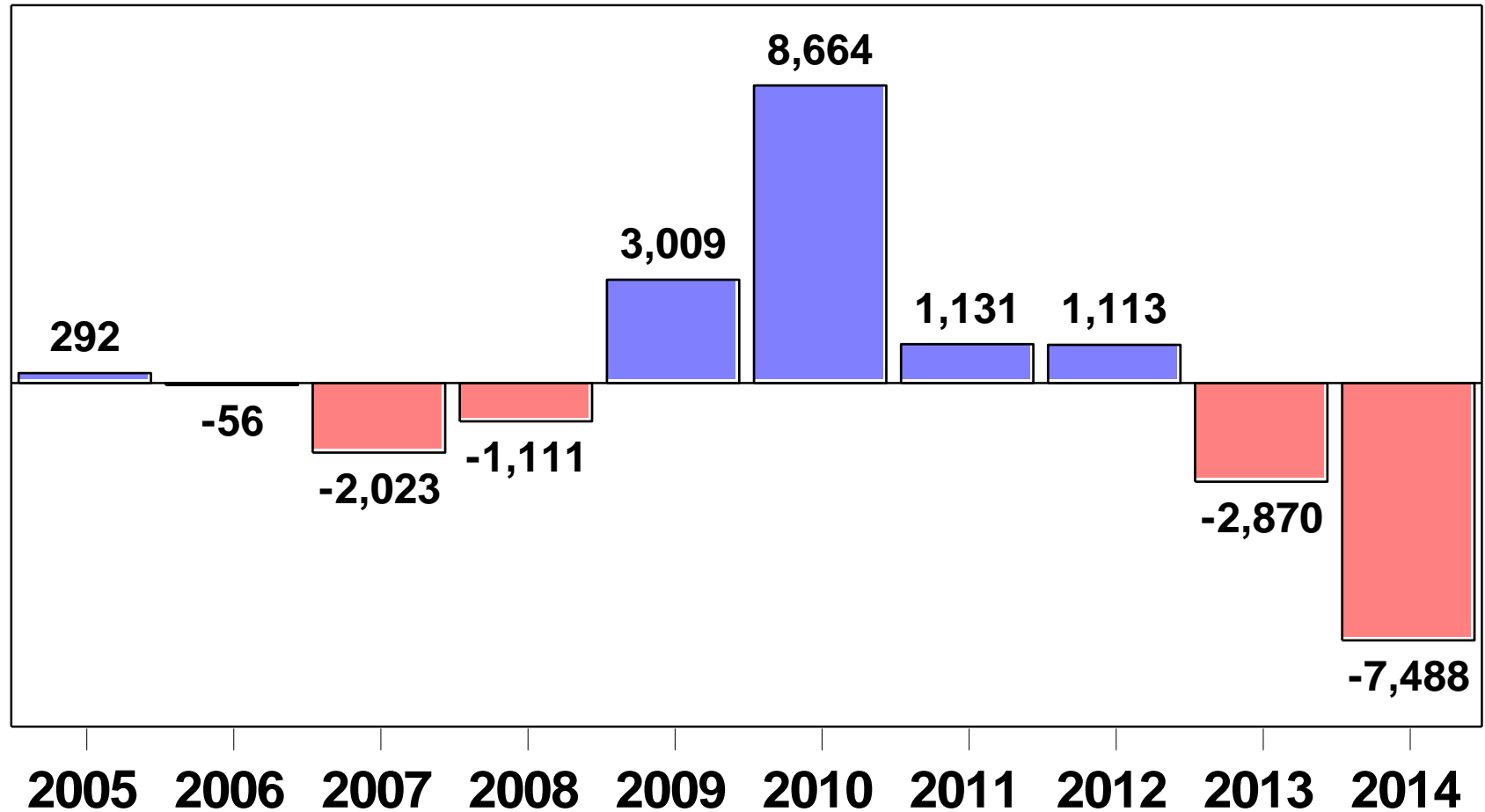
Alaska's total 2014 population count was 735,601

Total annual population gains and losses for Alaska



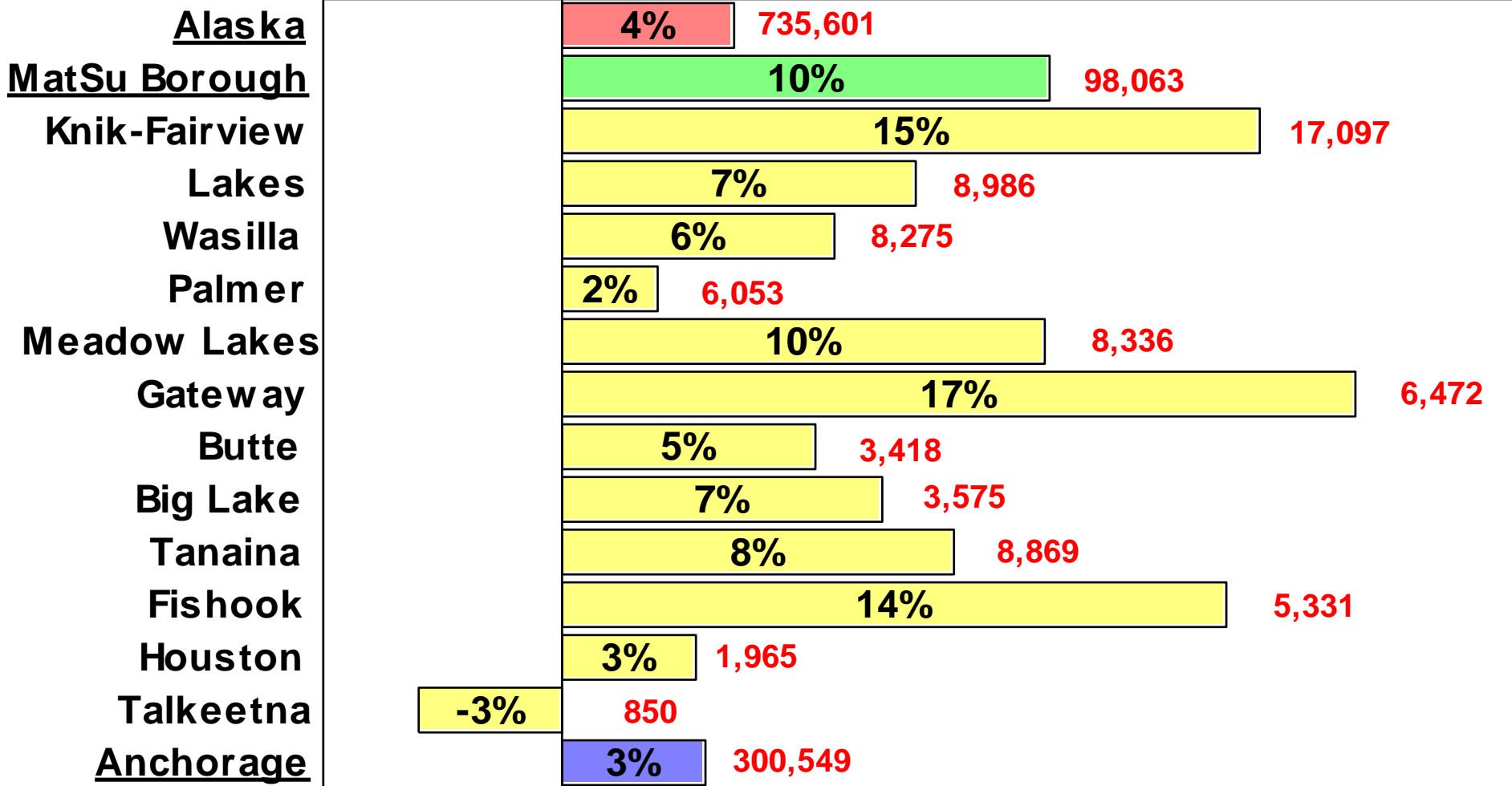
Alaska's Migration Tells A Different Story

Annual net migration, Alaska



And This Is Was Has Happened Since 2010

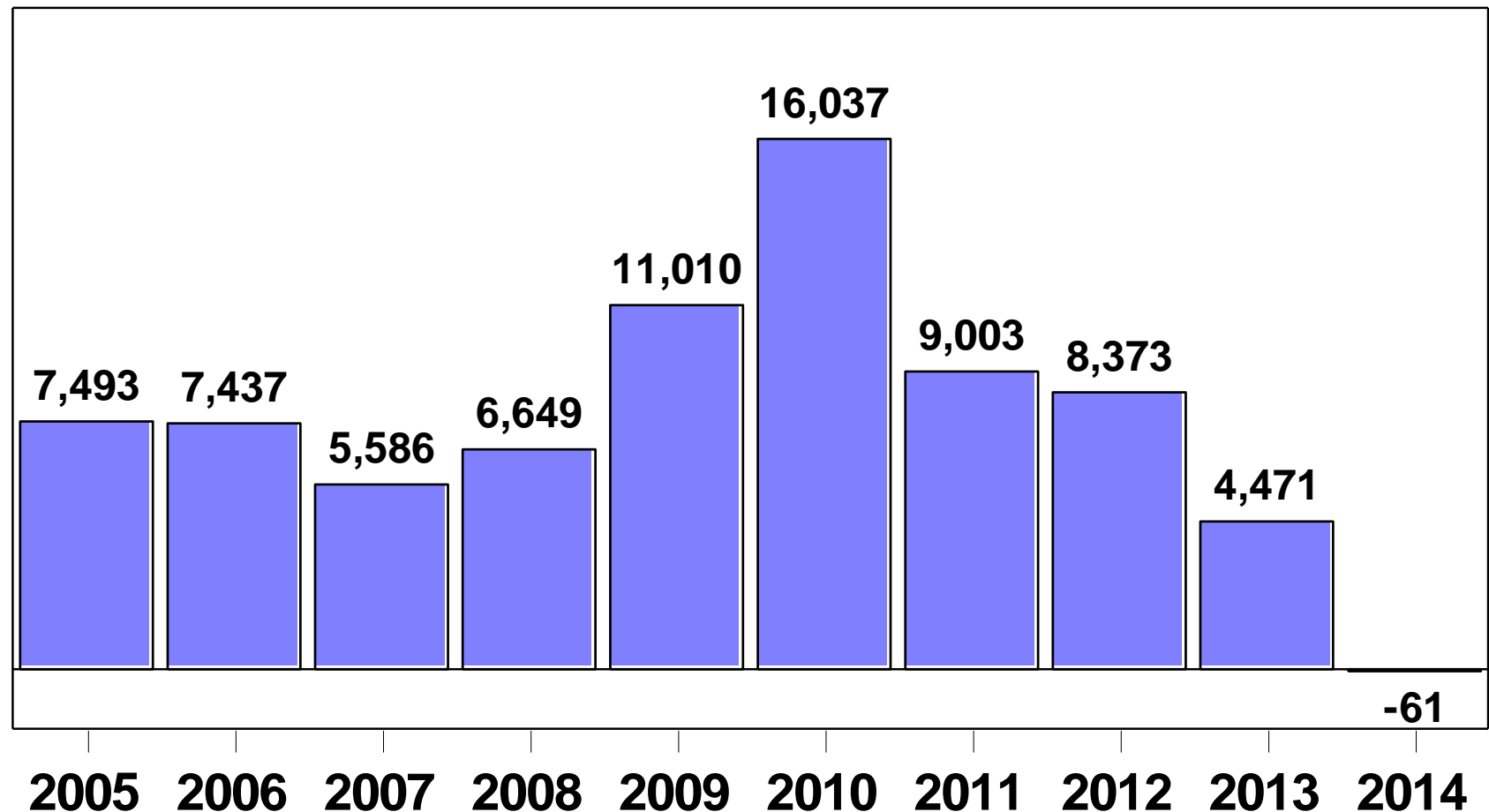
Population growth 2010-2014



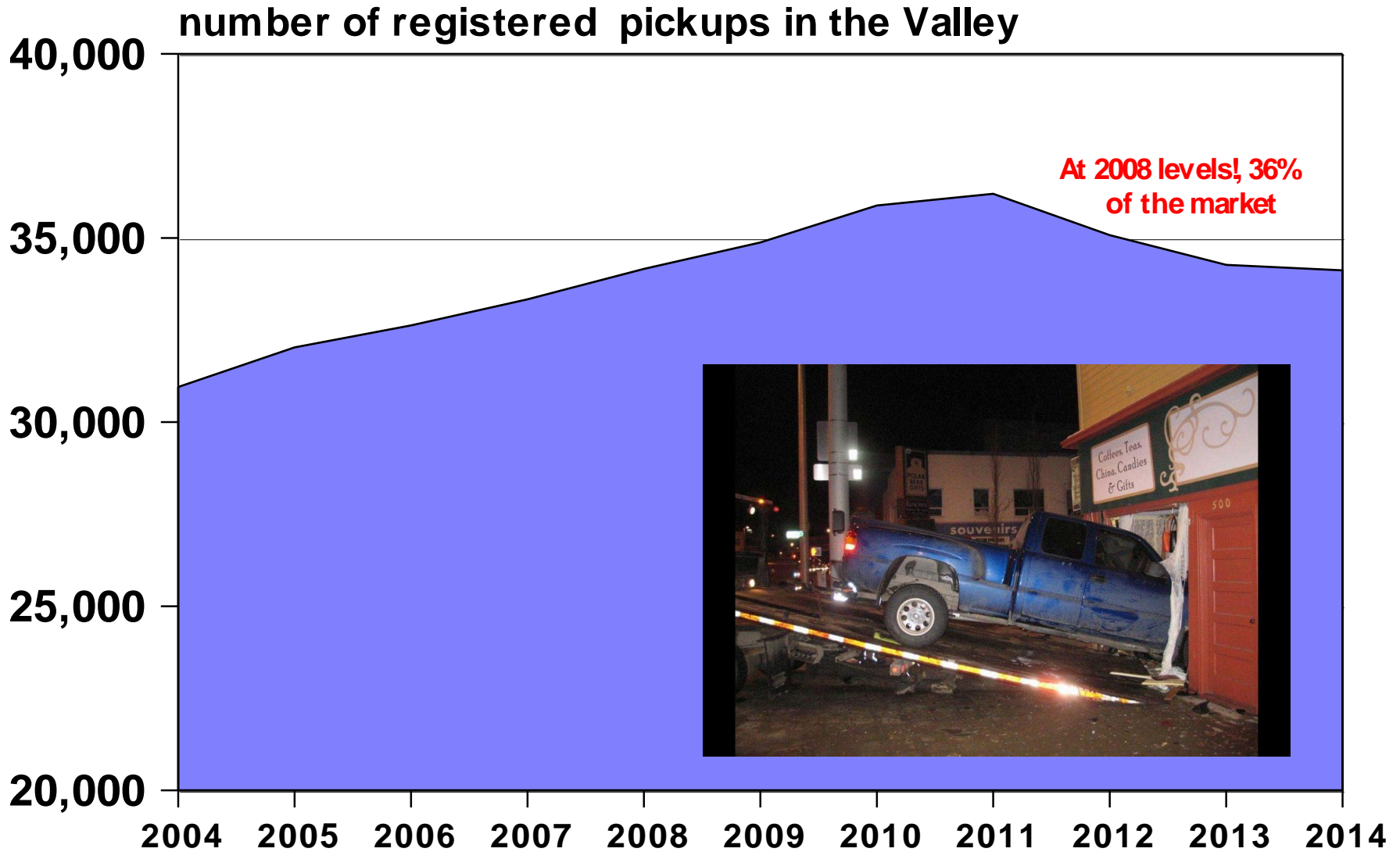
Alaska's Population Gains Grew With National Recession--But Now Slowing

Alaska's total 2014 population count was 735,601

Total annual population gains and losses for Alaska



Now Three Years of Declines--What's Going On? No, Keep On Trucking?

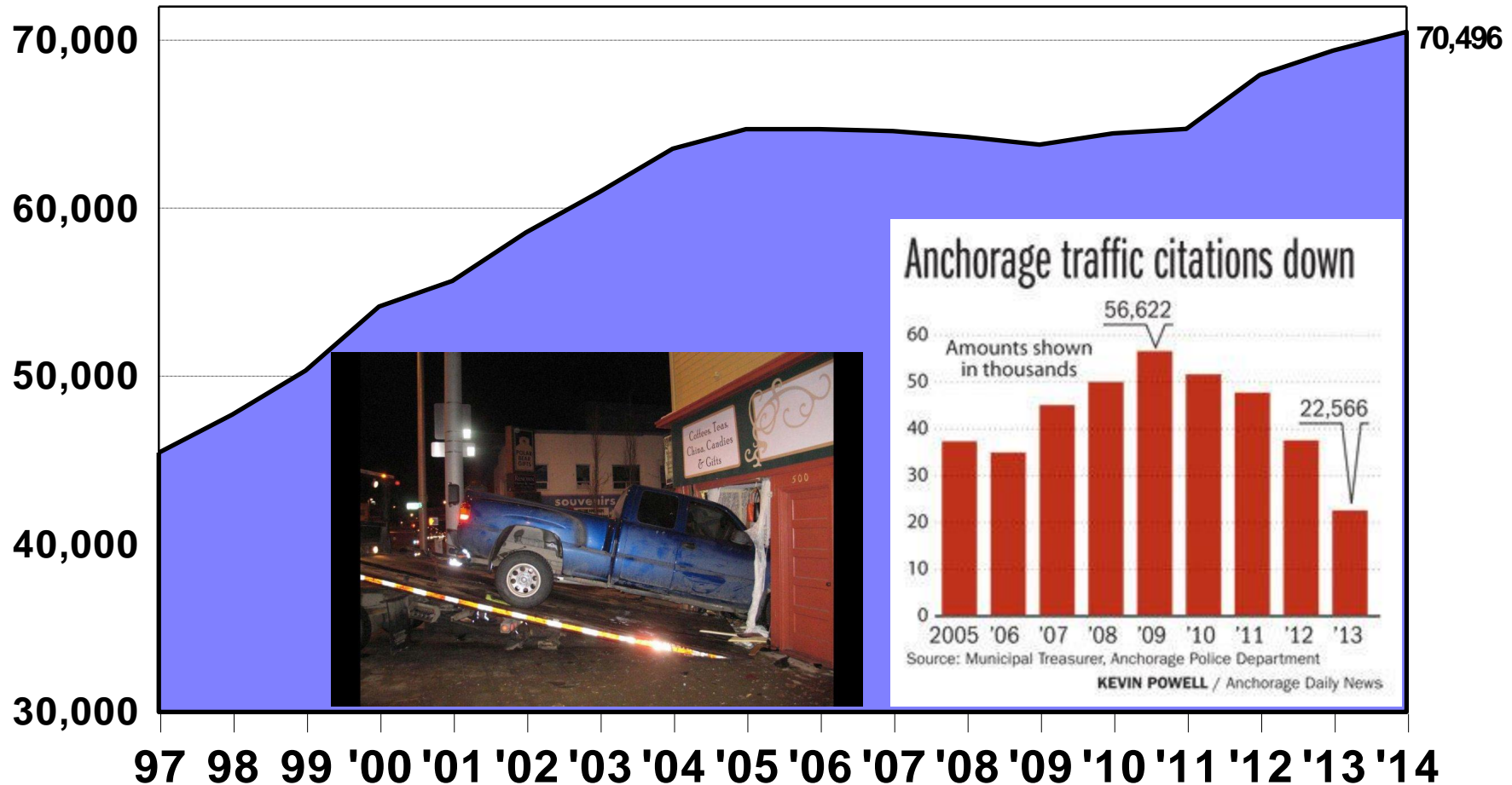


And 9,913 registered snowmachines in 2014--peaked at 11,048 in 2008

Source: Division of Motor Vehicles.

Anchorage's Pickup Truck Index-- More Moderate Growth In 2014

number of pickup registrations in Anchorage



14,914 snow machines in 2014--peaked in 2007 at 16,878

Source: AK Division of Motor Vehicles

The 1980's and Now

Similarities

- Oil prices fall
- Oil revenues fall
- Economy remains very dependent on oil

Differences-Good

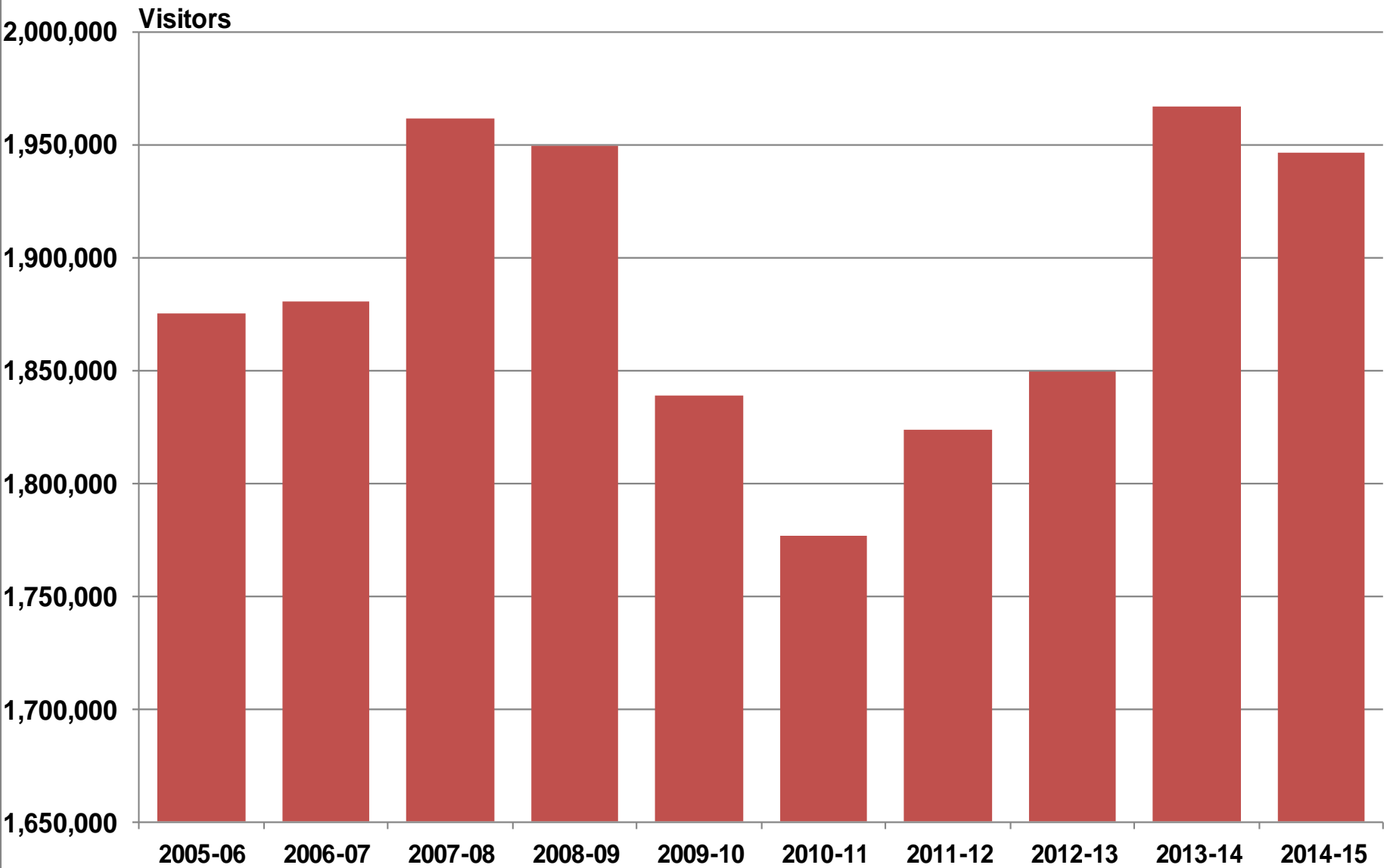
- Not preceded by economic and population boom
- Problem is not a surprise
- Have savings this time
- Have more control this time
- More economic diversity, a larger service sector, Native Corps.
- Much lower interest rates
- Tax Reform Act of 1986?

Differences-Bad

- Much less oil production
- Falling federal funds and military?

Still not sure if better, worse or just different? Too early to tell.

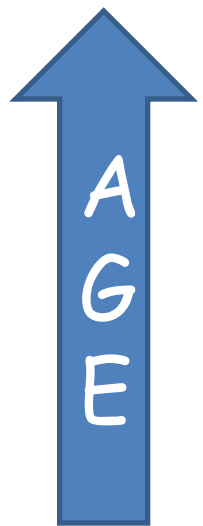
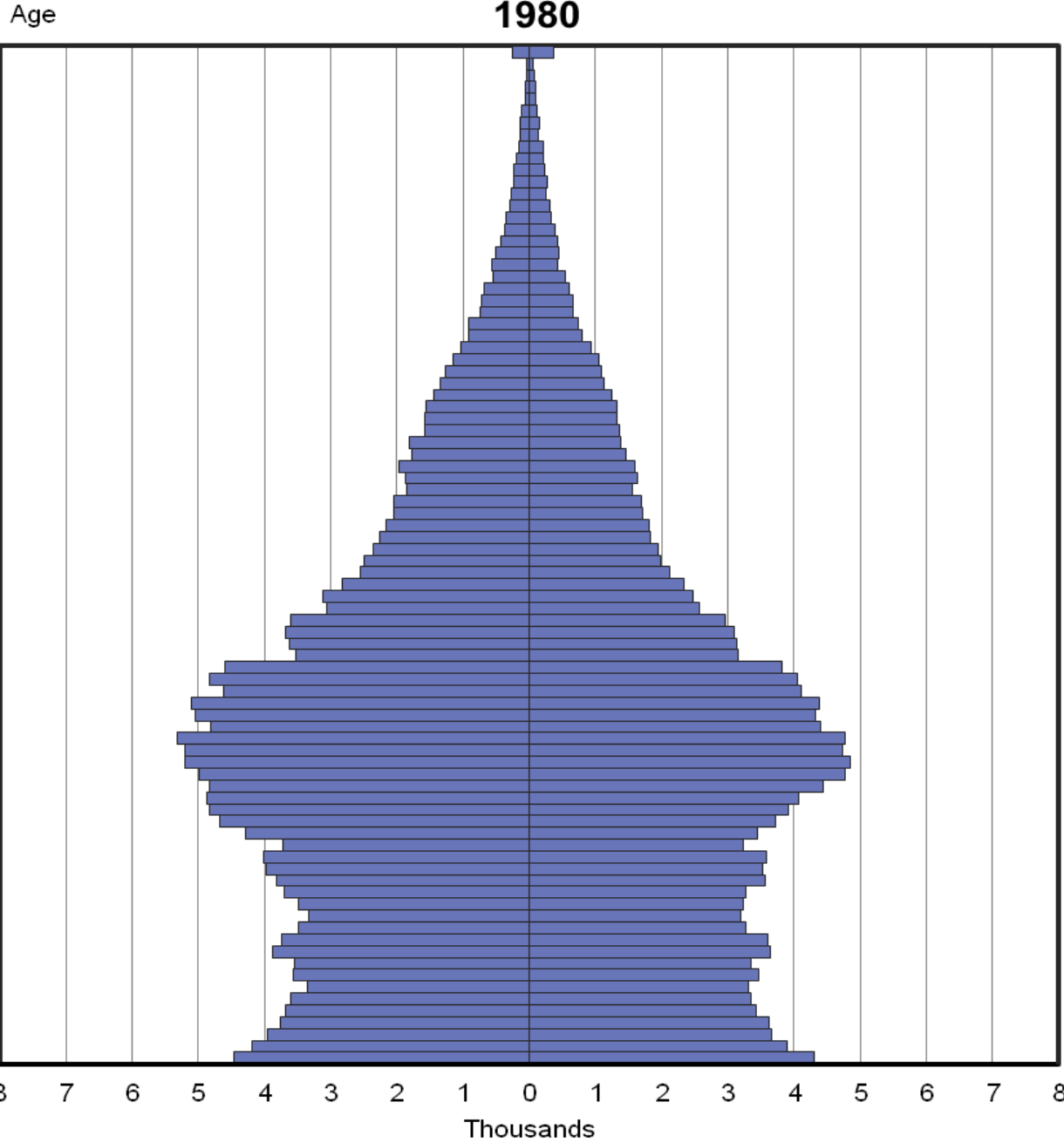
Alaska's Visitor Industry Fully Recovered



Source: Mcdowell Group

Estimated Alaska Population by Age and Sex

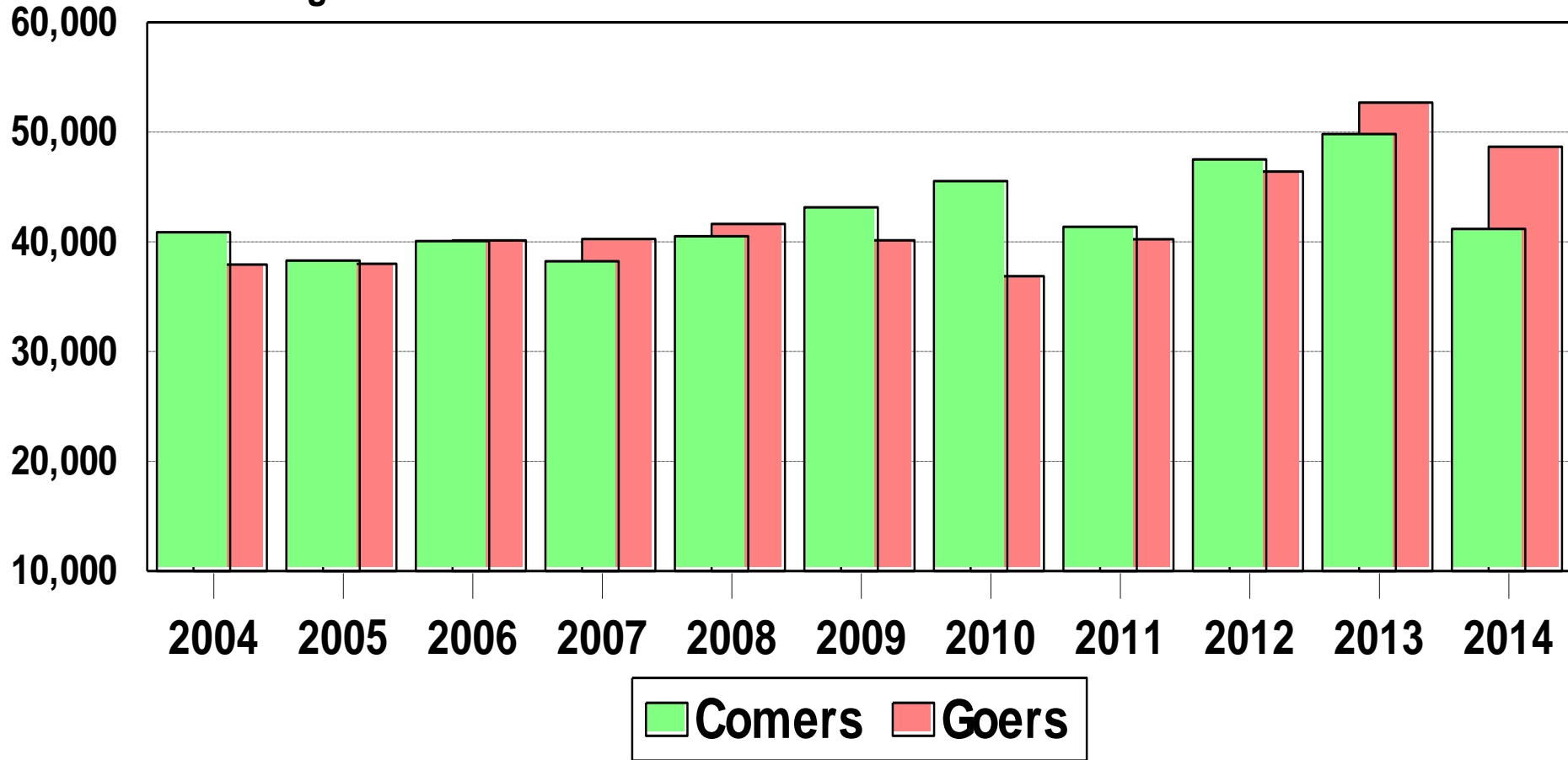
1980



**Median
age=26,
3%>65**

Alaska Churn--The Number Of Folks Moving In And Moving Out Of AK Each Year

Alaska migration



Estimated Alaska Population by Age and Sex 2014

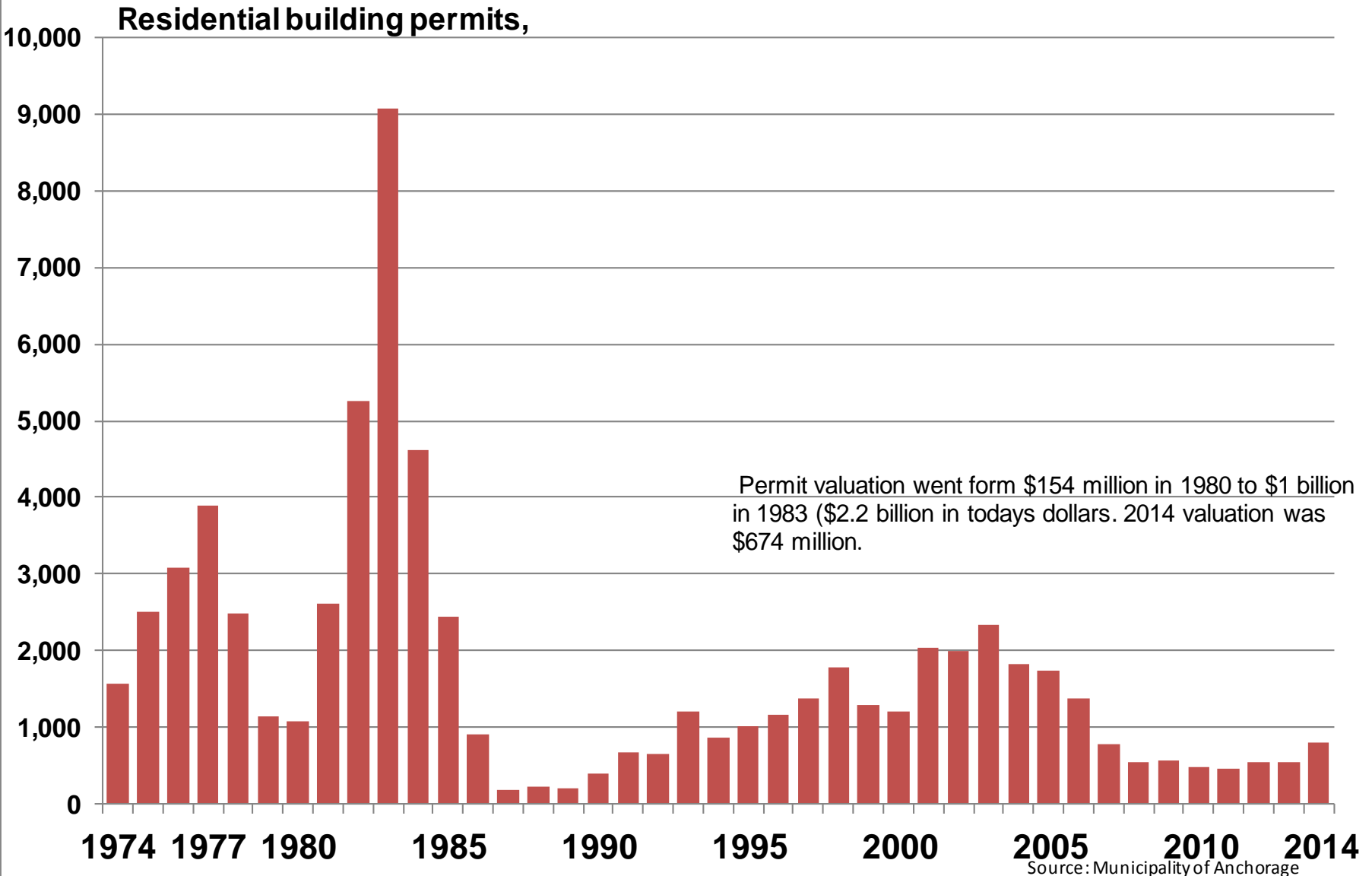
**Median
age=34,
10%>65**



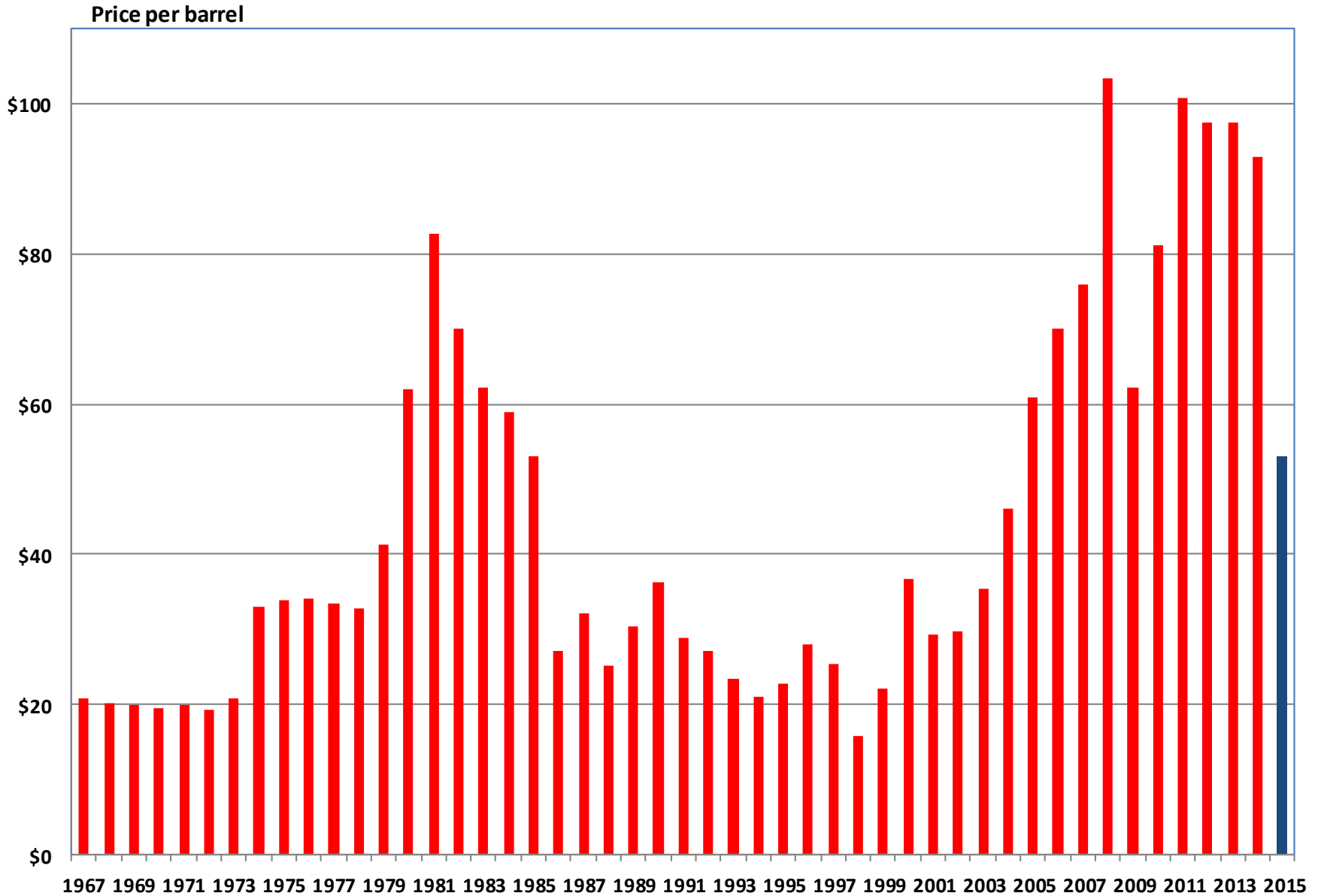
Men

Women

Housing Bubble?



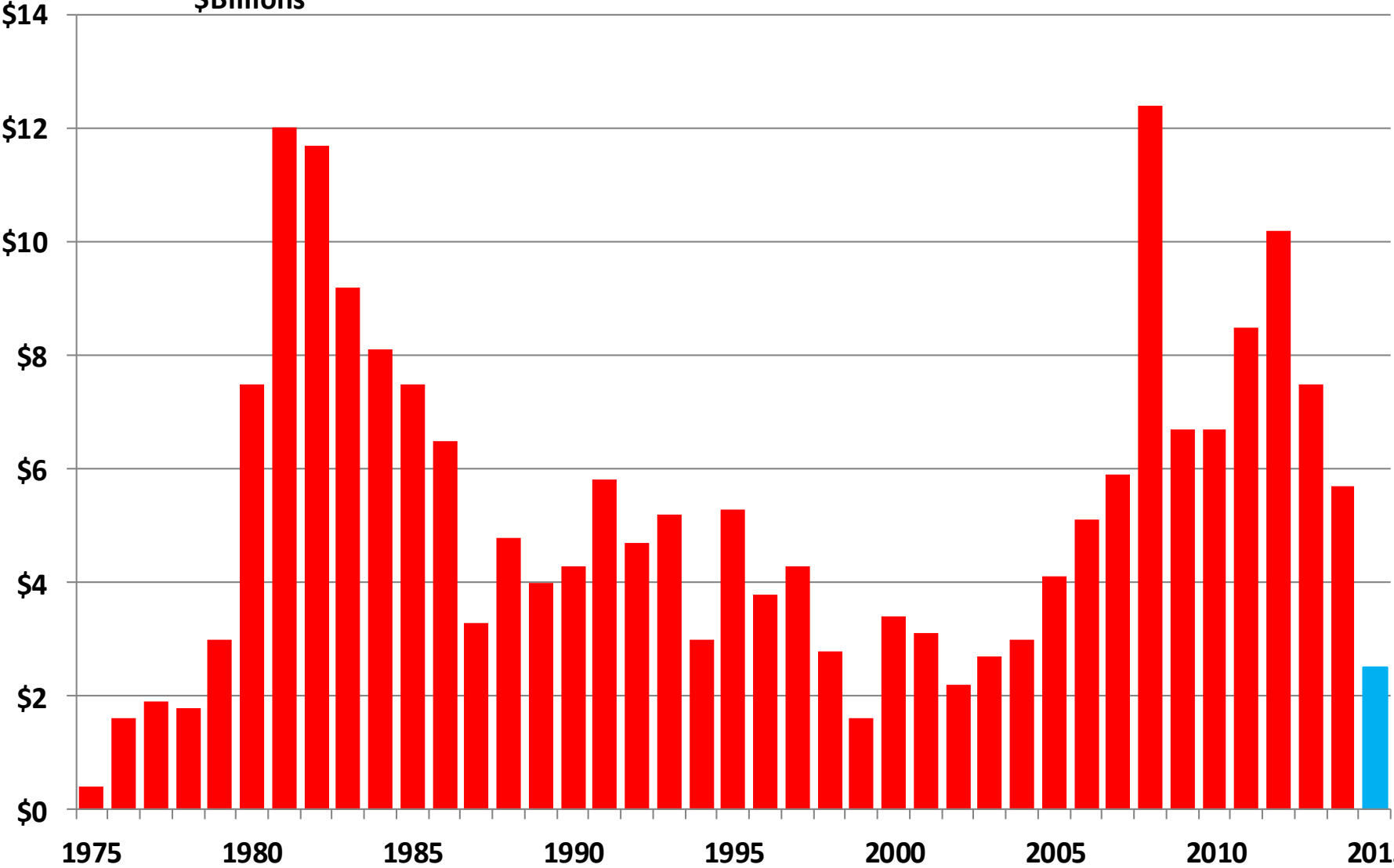
Historical Oil Prices In 2014 Dollars



Sources: Energy Information Administration; Bureau of Labor Statistics

Alaska's Historical Oil Revenue Picture

\$Billions



Source: Alaska Department of Revenue

Some Economic Forces That Will Influence what Could Happen In Alaska In 2015 and Beyond



Natural Gas Prices

Federal Dollars

Oil Prices/Revenues Uncertainty

Oil Industry Activity

Water Pipeline

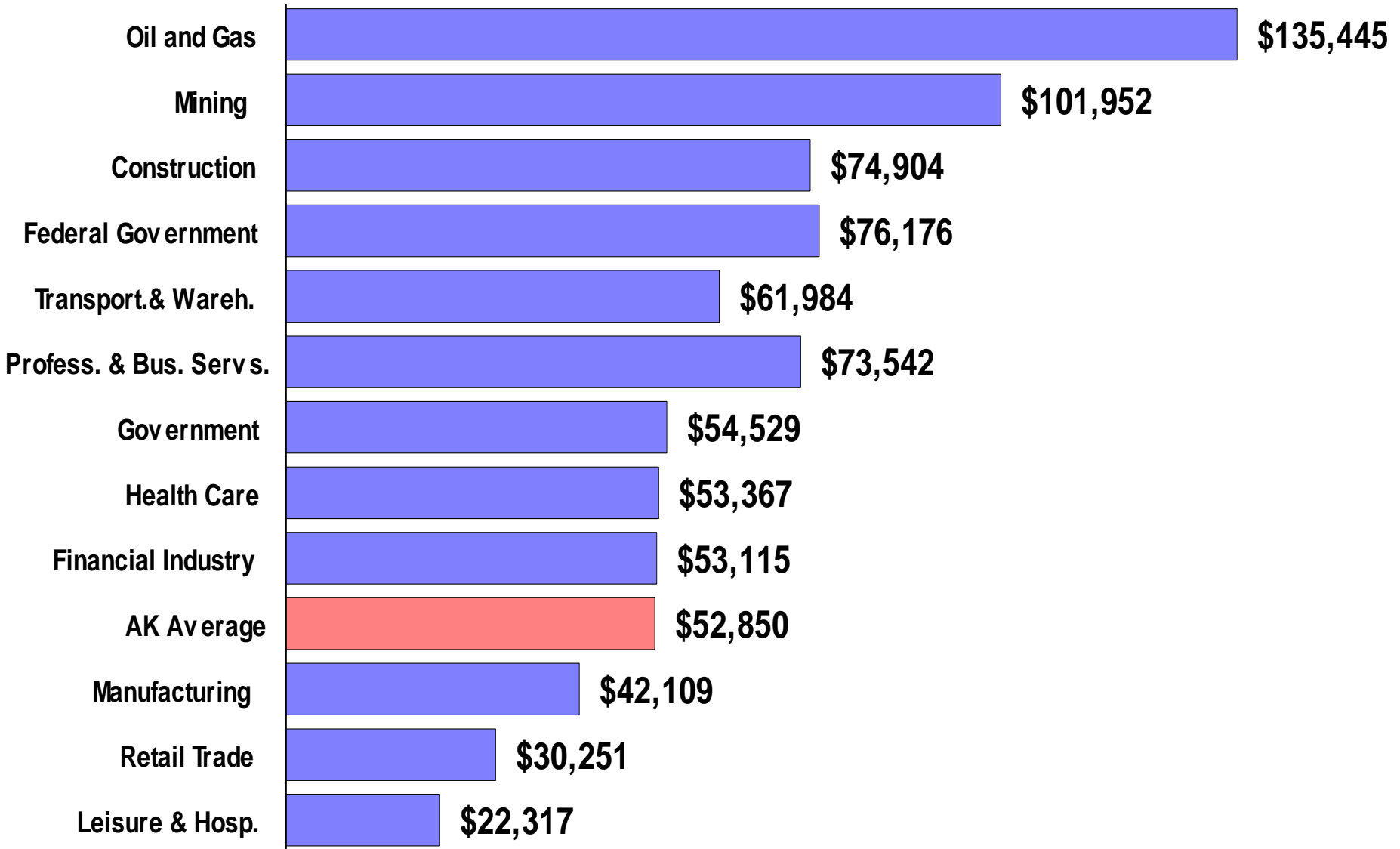
Decent Commodity Prices

Tourism

U.S. Economy

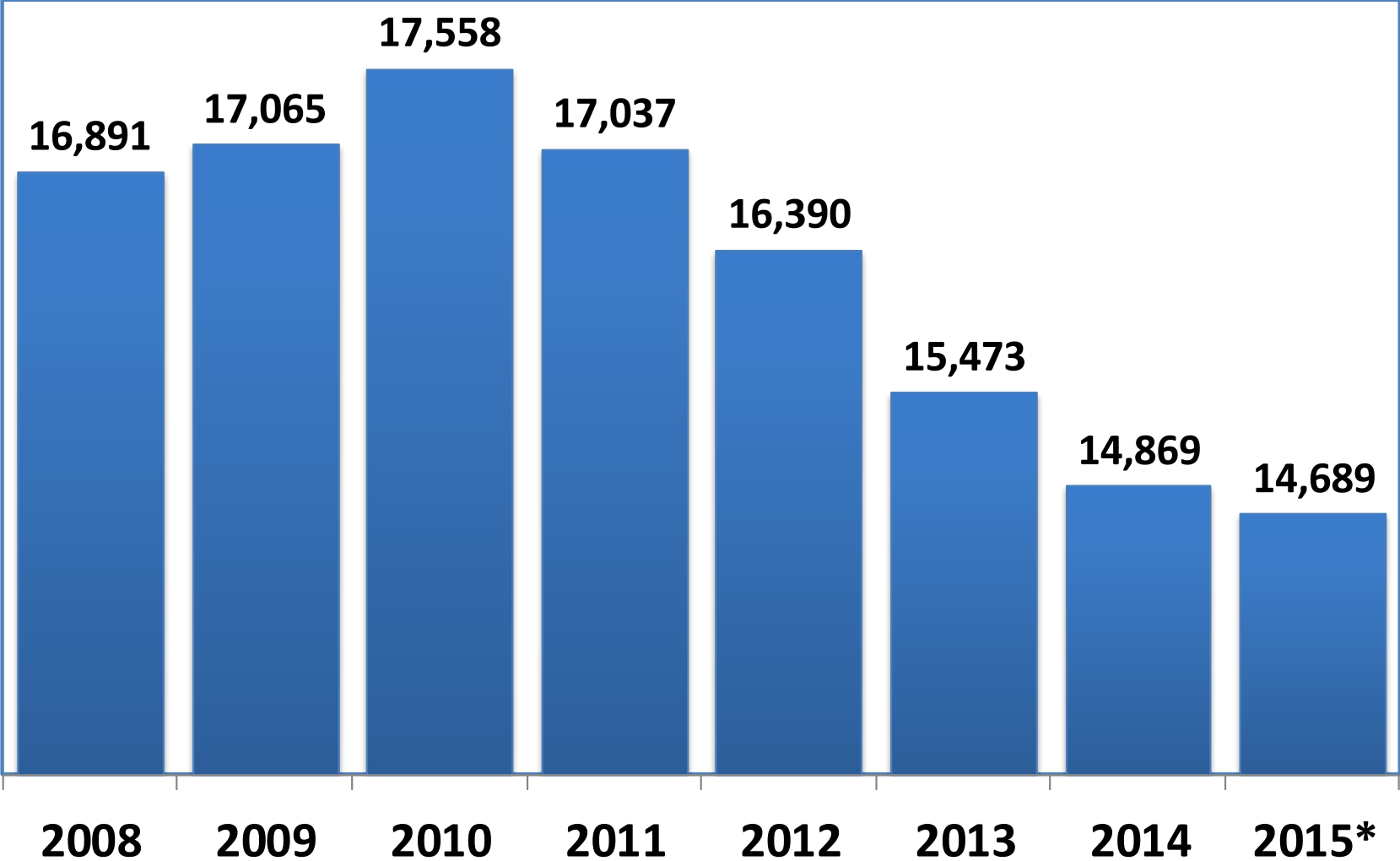
Show Me The Money-It Does Matter Where You Work In AK

Alaska's 2014 average annual earnings



Federal Employment Losses In AK Appears To Be Easing

Federal employment in Anchorage



* Very preliminary

Anchorage's Military Numbers-- Good News! Maybe

