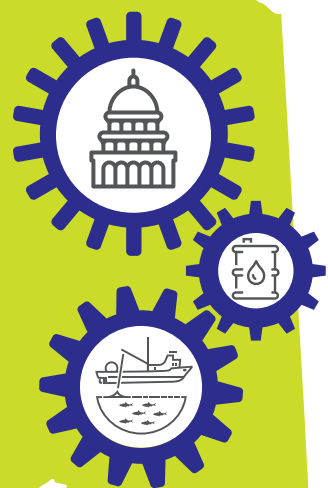


Did you know...
 Wages have exceeded the rate of inflation since the first quarter of 2023?
 Learn more in this issue of *Alaska's Economy*.



ALASKA'S ECONOMY

It's everyone's business.

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



Dear reader,

Alaska's benchmark oil price, ANS West Coast, reached \$83.56 per barrel on July 13, a level not seen since April.

Nationally, consumer sentiment experienced a notable boost, surging 13% compared to June and reaching its highest level since September 2021. In 2022, a significant factor contributing to depressed consumer sentiment was high inflation compared to wage growth. However, the recent cooling of inflation and sustained wage growth have created a better situation for consumers.

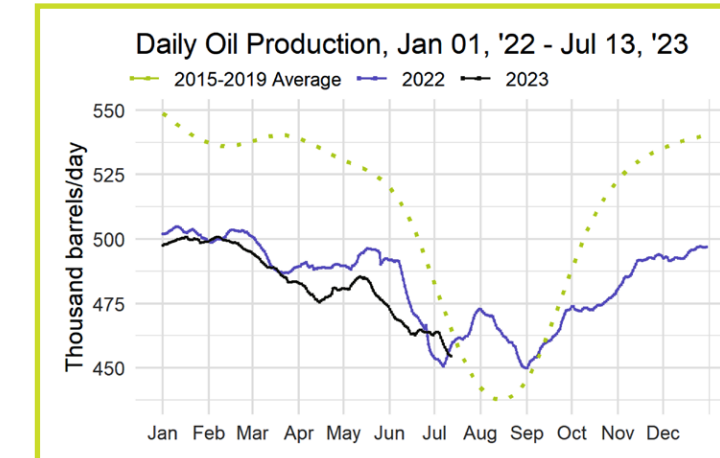
According to CNBC, Alaska dropped to 50th in its 2023 Top States for Business poll, while North Carolina claimed the top spot.



2023 Alaska oil production

Total production year-to-date on July 13 was 92.67 million barrels, a decrease of 1.28 million from the same date in 2022. Daily oil production in Alaska was 445,000 barrels on July 13. In June, daily production averaged 463,028 barrels, compared to 455,000 in June 2022 and 475,000 in June 2021. ▼

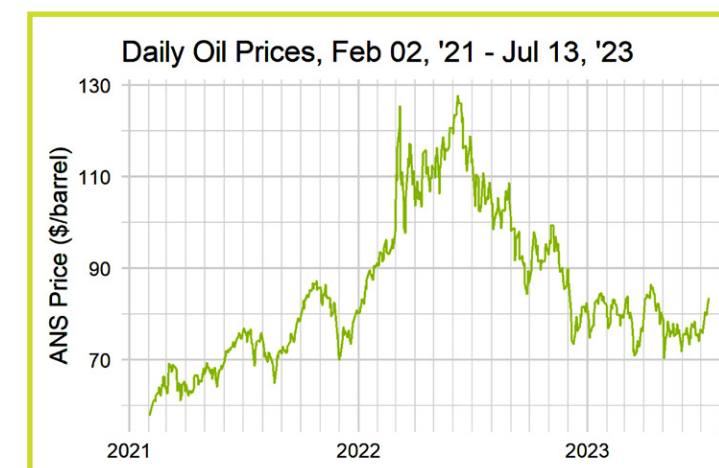
Data from the Alaska Department of Revenue



Oil above \$80 per barrel

Alaska's benchmark oil price, ANS West Coast, was \$83.56 per barrel on July 13. In June, daily prices were \$75.81 per barrel, compared to \$120.27 in June 2022 and \$73.18 in June 2021. ▶

Data from the Alaska Department of Revenue



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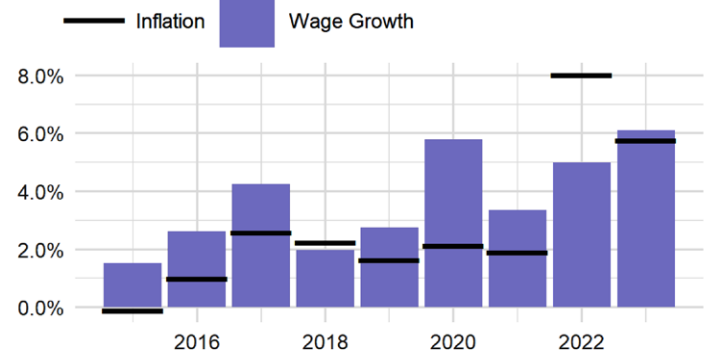


Median wages in the United States

In the three years before the pandemic, median wages in the U.S. grew by 3% to 3.5% per year. During this time, wages grew faster than inflation, which averaged about 2% growth per year. At the onset of the pandemic in 2020, the median salary spiked while inflation fell. Wages rose in 2020 not because of significant pay increases but because so many low-wage workers became unemployed. When these workers returned to work in late 2020 and 2021, they decreased the median wage. Between the first quarters of 2021 and 2022, wages grew by 5%, while inflation increased by 8%. Median wage growth must meet or exceed the increased cost of living to avoid economic hardship.

Data from the U.S. Bureau of Labor Statistics

Year-Over-Year Change
First Quarter of Each Year



The chart shows that this situation has seen some relief in the first quarter of 2023. Between the first quarters of 2022 and 2023, the median wage grew by 6%, while inflation was 5.8%. ▲

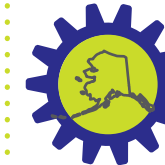
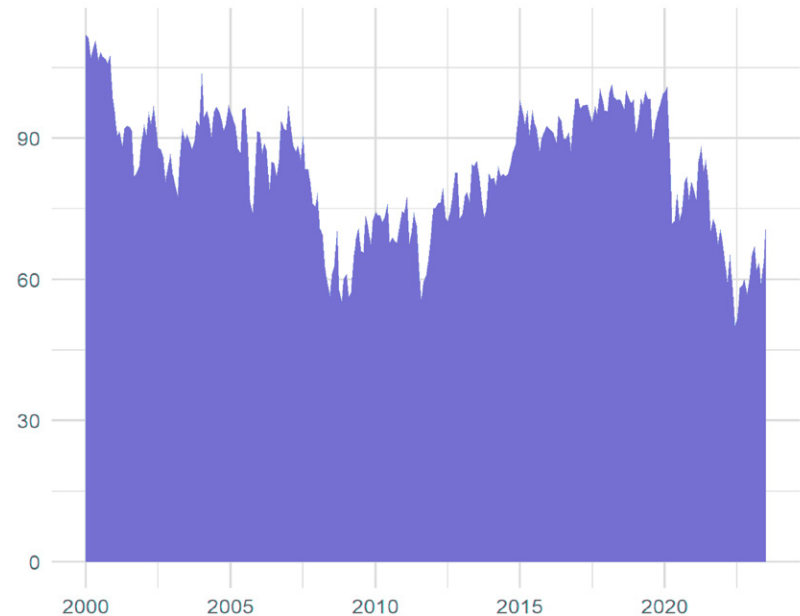


National consumer sentiment

The Consumer Sentiment Index, conducted by the University of Michigan, surveys U.S. households to measure how confident (or wary) consumers feel about their spending and the state of the economy. It is a valuable indicator for assessing consumer spending patterns and economic trends. In July, consumer confidence experienced a notable boost for the second consecutive month, surging 13% compared to June and reaching its highest level since September 2021. Consumer sentiment now stands roughly midway between the all-time low of 50% recorded in June 2022 and the pre-pandemic reading of 101% in February 2020. Sentiment improved across all demographic groups except for lower-income consumers. The sharp upturn in consumer sentiment can be mainly attributed to the ongoing slowdown in inflation and stable labor markets. ▼

Data from the Surveys of Consumers, University of Michigan

US Consumer Sentiment



"Top States for Business" rankings

CNBC ranked all 50 states based on 88 metrics in ten broad categories of competitiveness. Each category is ranked on the frequent use of selling points in economic development marketing materials. The categories include workforce, infrastructure, economy, life, health and inclusion, cost of doing business, tech and innovation, business friendliness, education, access to capital, and cost of living.

In 2023, Alaska ranked 50th, falling from its previous rank of 47 in 2019. North Carolina moved from third to first place, taking the top spot from Virginia. The biggest movers were Nebraska, which fell 20 positions, and Delaware, which moved up 20 spots. ▼

Data from CNBC's "Top States for Business" 2019 and 2023 rankings

	Top 25				Bottom 25				
	2019	2023	Change		2019	2023	Change		
North Carolina	3	1	2	↑	Idaho	18	26	-8	↓
Virginia	1	2	-1	↓	South Carolina	34	27	7	↑
Tennessee	13	3	10	↑	Nebraska	8	28	-20	↓
Georgia	6	4	2	↑	Vermont	40	29	11	↑
Minnesota	7	5	2	↑	Nevada	29	30	-1	↓
Texas	2	6	-4	↓	Connecticut	35	31	4	↑
Washington	5	7	-2	↓	Missouri	23	32	-9	↓
Florida	12	8	4	↑	Wisconsin	15	33	-18	↓
Utah	4	9	-5	↓	South Dakota	21	34	-13	↓
Michigan	24	10	14	↑	Montana	33	35	-2	↓
Colorado	9	11	-2	↓	North Dakota	17	36	-19	↓
Ohio	10	12	-2	↓	Wyoming	26	37	-11	↓
Indiana	11	13	-2	↓	Kentucky	39	38	1	↑
Arizona	20	14	6	↑	Maine	44	39	5	↑
Pennsylvania	28	15	13	↑	New Hampshire	25	40	-15	↓
Massachusetts	14	15	-1	↓	Oklahoma	43	41	2	↑
Illinois	30	17	13	↑	Alabama	37	42	-5	↓
Delaware	38	18	20	↑	New Mexico	41	43	-2	↓
New Jersey	36	19	17	↑	Arkansas	42	44	-2	↓
New York	27	20	7	↑	Rhode Island	50	45	5	↑
Oregon	22	21	1	↑	West Virginia	45	46	-1	↓
Maryland	31	22	9	↑	Hawaii	49	47	2	↑
Kansas	19	23	-4	↓	Mississippi	48	48	0	
Iowa	16	23	-7	↓	Louisiana	46	49	-3	↓
California	32	25	7	↑	Alaska	47	50	-3	↓