

ALASKA'S ECONOMY

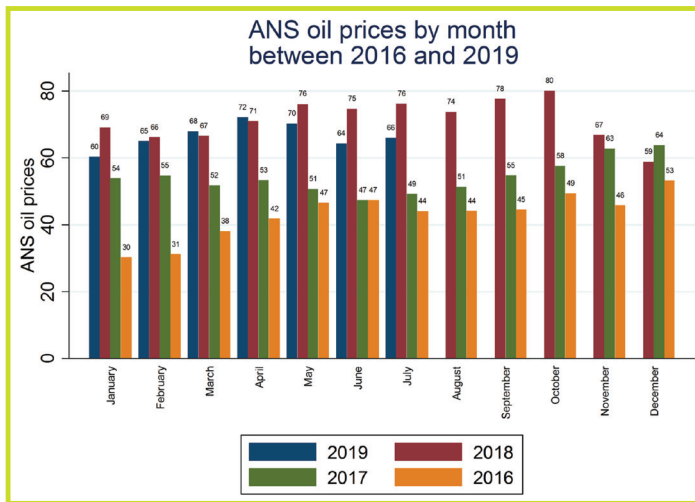
It's everyone's business.

MOUHCINE GUETTABI, ASSOCIATE PROFESSOR OF ECONOMICS, INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH AT THE UNIVERSITY OF ALASKA ANCHORAGE, SHARES HIS VIEWS ON THE ALASKA ECONOMY.



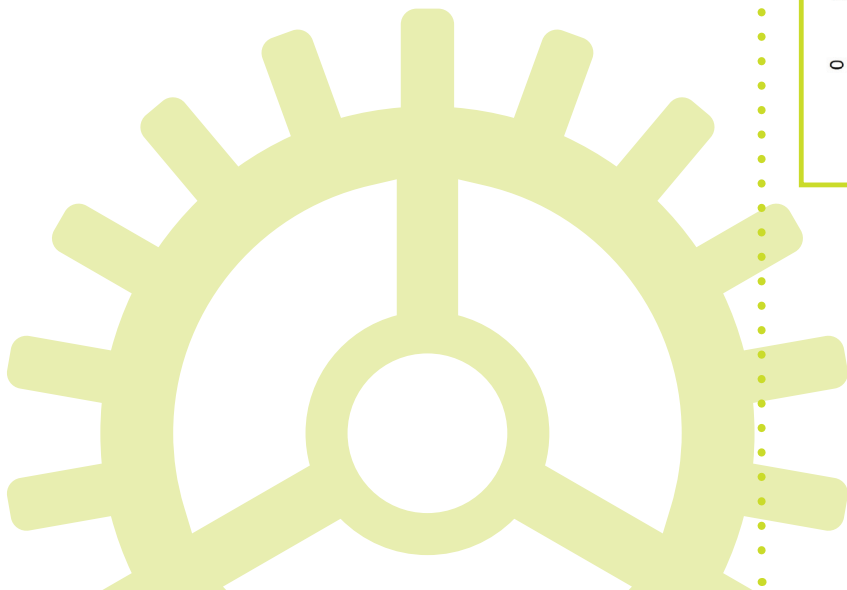
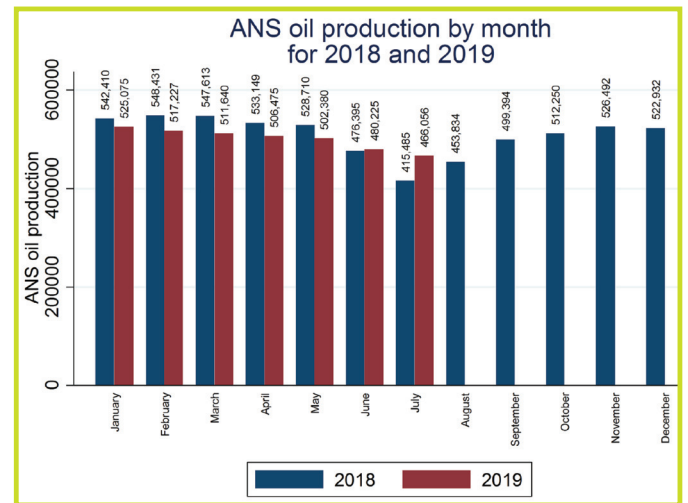
Alaska North Slope (ANS) oil prices average \$66.5 per barrel between January and July 2019

The graph below shows that ANS oil prices in 2019 are well above their averages in 2016 and 2017, but continue to lag compared to prices in 2018. During the same period last year, prices were almost \$5 higher at \$71.43 per barrel. This partial recovery is important for private sector employment as well as the state's government revenues, which still rely heavily on oil. ▼



Average monthly oil production in June and July 2019 exceeds same period in 2018

Oil production in 2019 had been behind 2018 until June, when the 2019 production exceeded the same period last year by an average of almost 4,000 barrels (480,225 vs 476,365). The July 2019 production exceeded July 2018 by more than 50,000 barrels (466,056 vs 415,485). ▼



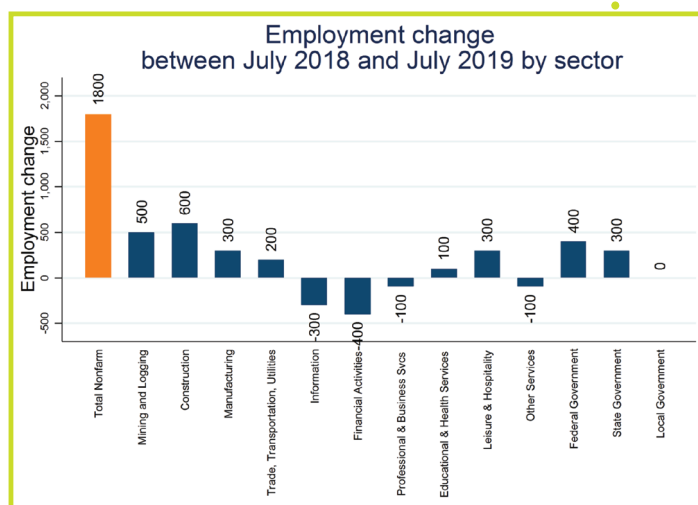
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10 straight months of employment growth

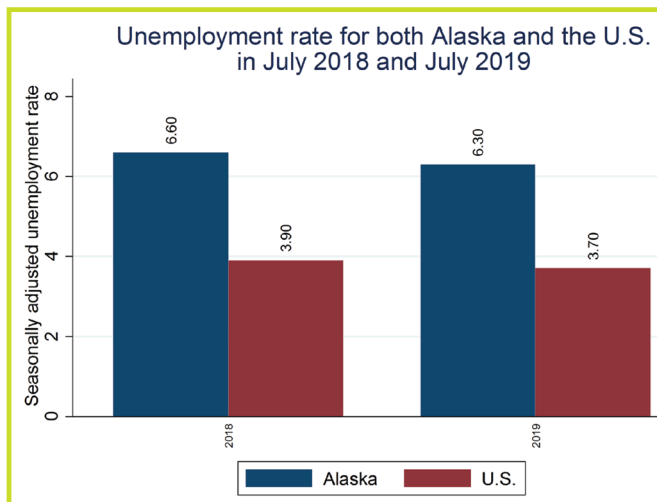
Employment has been growing for ten straight months since October 2018. This period averaged 1,200 more jobs than the previous ten-month span between October 2017 and August 2018. It is important to note that it will take a considerable amount of time for the state to recover the more than 11,000 jobs lost during the recession.

According to the Alaska Department of Labor, job growth was widespread in Alaska's private sector, with only four sectors continuing to lose jobs. Construction added the largest number of jobs over the year (600), followed by oil and gas (500). Manufacturing, which is mostly seafood processing, gained 300 jobs. Financial services and the information sector lost the largest numbers of jobs at 400 and 300, respectively. The Department of Labor notes that a growth of 300 jobs relative to July of last year in state government employment is due to the Alaska Department of Natural Resources, the federal Bureau of Land Management and other agencies responding to the busy fire season. ▼



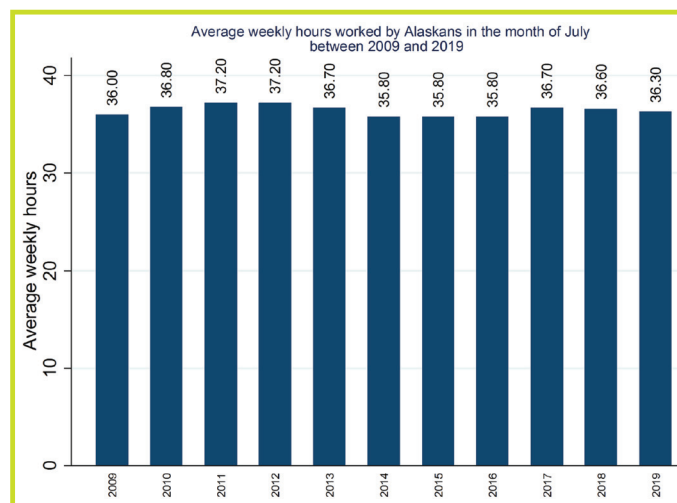
Alaska's adjusted unemployment rate drops to 6.3%

Between June and July 2019, the seasonally adjusted unemployment rate for Alaska fell to 6.3% while the comparable national rate remained at 3.7%. During the same period last year, Alaska's unemployment rate stood at 6.6%, while the rate for national unemployment was 3.9%. ▼



Alaskans averaging 36 hours worked per week in July

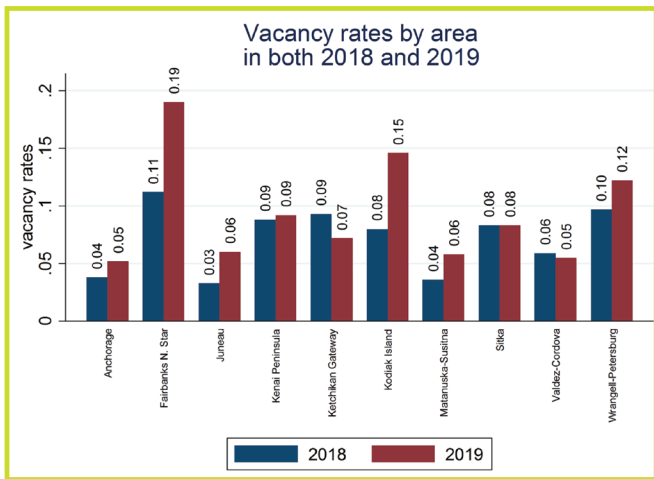
Average hours worked dipped to fewer than 36 hours in July 2014 and remained there until 2016, a decline likely a reflection of the recession. Since 2017, hours worked per week have recovered and have been more than 36 hours. ▼





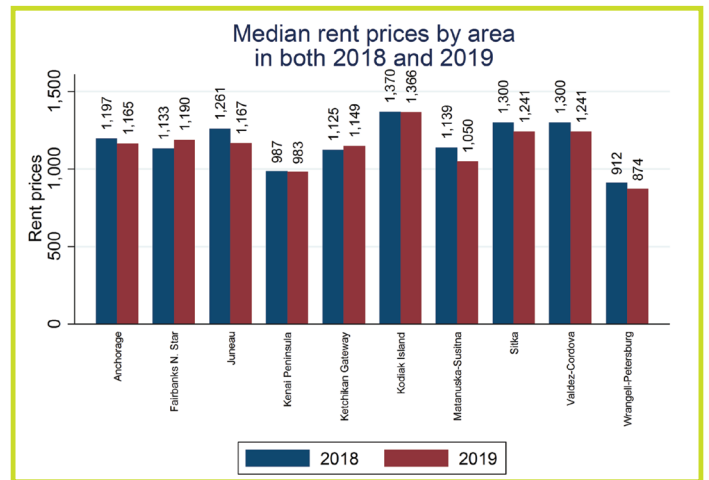
Fairbanks and Kodiak vacancy rates at 19% and 14.6%

The vacancy rates of Sitka, Ketchikan and the Valdez-Cordova Census Area dropped. Anchorage's rental vacancy rate increased to 5.2% from 3.8%. The two areas with the most significant increases were Kodiak Island and Fairbanks. In Fairbanks, the vacancy increased from 11.2% to 19%, while in Kodiak the increase was from 8% to 14.6%. According to the Alaska Department of Labor, these increases in Fairbanks and Kodiak are due to a combination of factors including out-migration, slow economic conditions and movements related to the armed forces. ▼



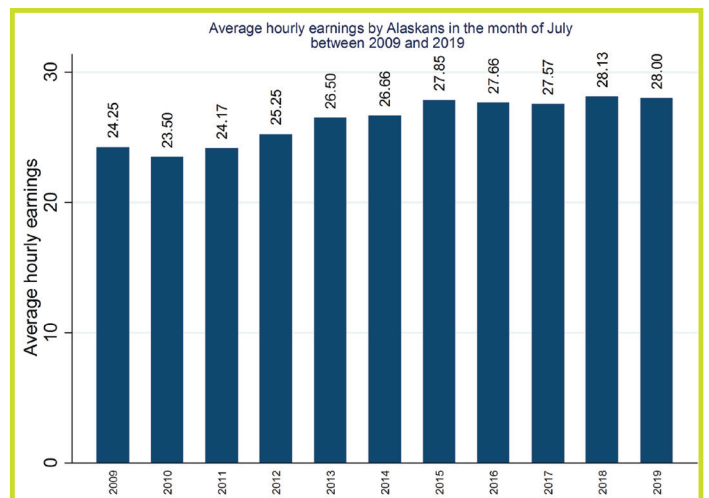
Rent in 2019 slightly below 2018

The housing market held up during Alaska's longest recession. However, the most recent rental price numbers show that median prices were lower in 2019 in many markets. The two areas with the largest declines were the Matanuska-Susitna Borough and Juneau, which experienced 7.81% and 7.45% declines, respectively. Fairbanks experienced the largest increase at 5.03%, likely due to demand from workers associated with the construction boom related to the incoming F-35 fighter squadrons. ▼



Alaskans earn an average of 28 dollars per hour in July 2019

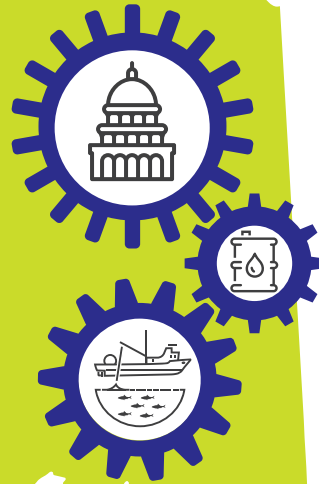
Average Alaskan hourly earnings in July 2019 were \$28, slightly below July 2018. Nominal earnings increased by 15.46% between 2009 and 2019. ▼



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Did you know...

Alaskans worked an average of 36 hours per week in July? See how hours worked have recovered since the recession in this issue of *Alaska's Economy*.



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