

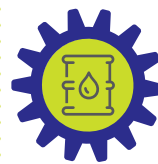
ALASKA'S ECONOMY

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.

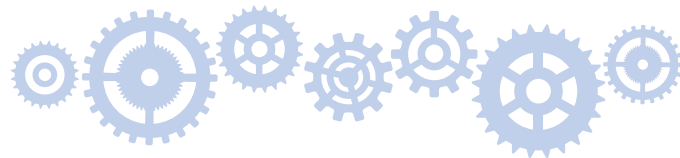
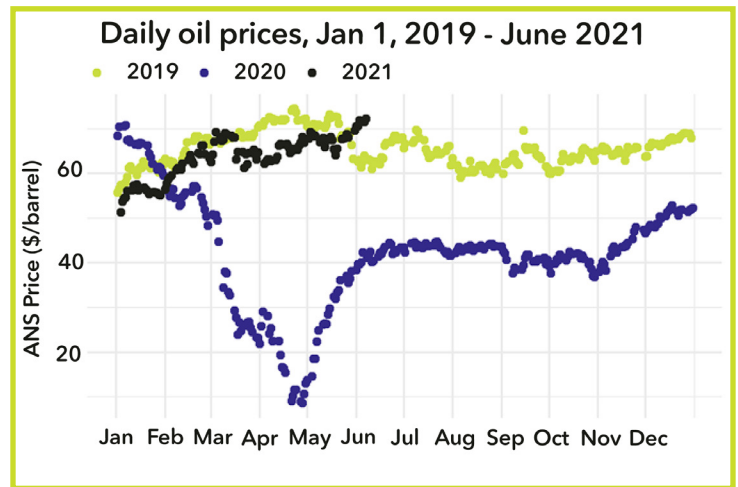
Dear reader,

The Alaska economy continues to recover as businesses resume more normal patterns and summer construction, fishing, and recreational activities continue to increase. National consumer demand continues to bolster commodity prices such as lumber, metals, and oil. However, despite the economy's summer boost, the pandemic's effects are being felt differently across the state. For example, employment in retail establishments in the Mat-Su and Kenai Boroughs was higher at the end of 2020 than in 2019.



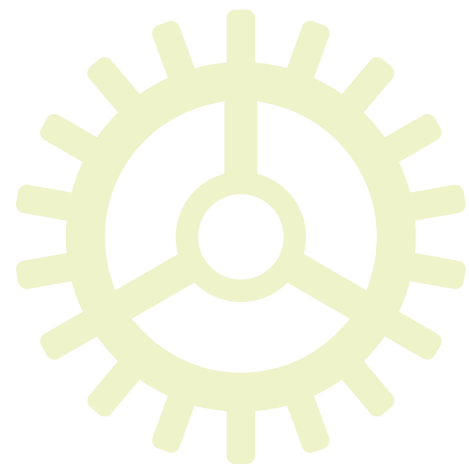
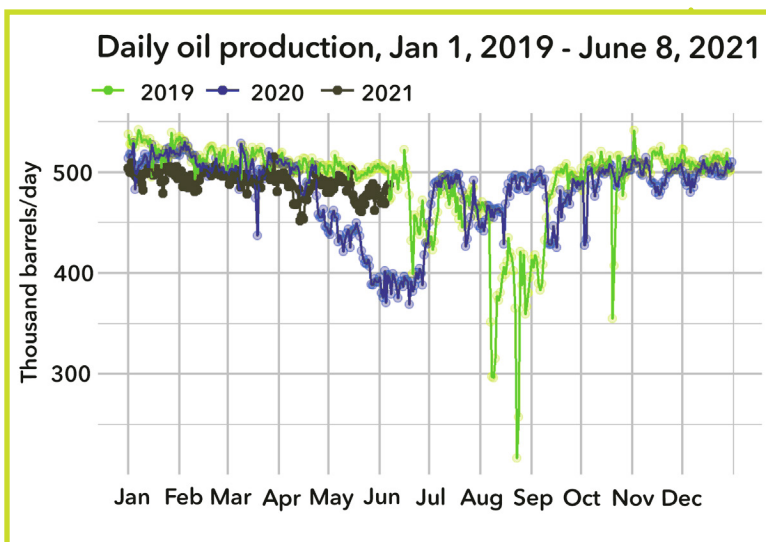
Oil prices rise above \$70 per barrel

Alaska's benchmark oil price, ANS West Coast, was \$72.23 per barrel on June 8. May daily prices averaged \$67.45 per barrel, compared to \$28.21 per barrel in May 2020, and \$70.31 per barrel in May 2019. ▼



Oil production continues to fluctuate

Daily oil production in Alaska was 487,000 barrels on June 8. Daily June production averaged 482,000 barrels. This compares to 428,000 barrels per day in May 2020, and 502,000 barrels per day in May 2019. ▼





Alaska's consumer spending slowly returns to baseline

Preliminary data for April and May 2021 shows consumer spending nationally was 10% above the pre-pandemic baseline. However, Alaska spending is only now returning to its baseline for retail, restaurants, and hotels. Transportation spending is still below its baseline rate. ▼

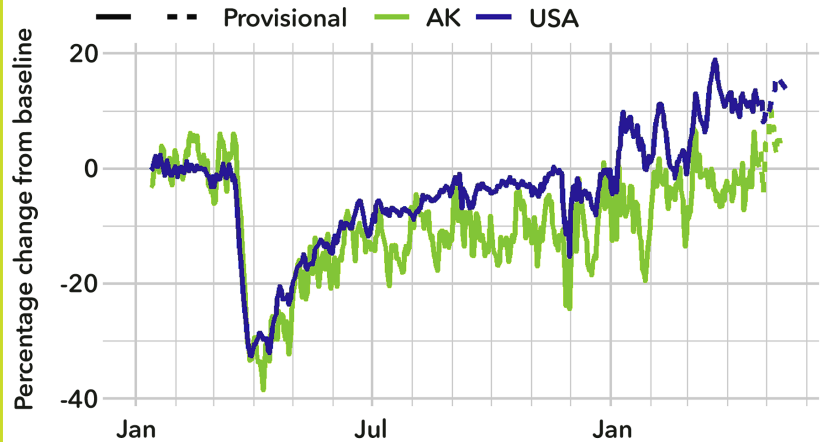


Industry growth since 2019

Which industries are growing and where? In Anchorage, public administration added the most jobs in a single industry-borough, with around 450 more jobs in December 2020 than in December 2019. Retail employment in the Mat-Su and Kenai boroughs combined added more than 600 jobs. Healthcare was also a gaining industry in the Mat-Su. ▼

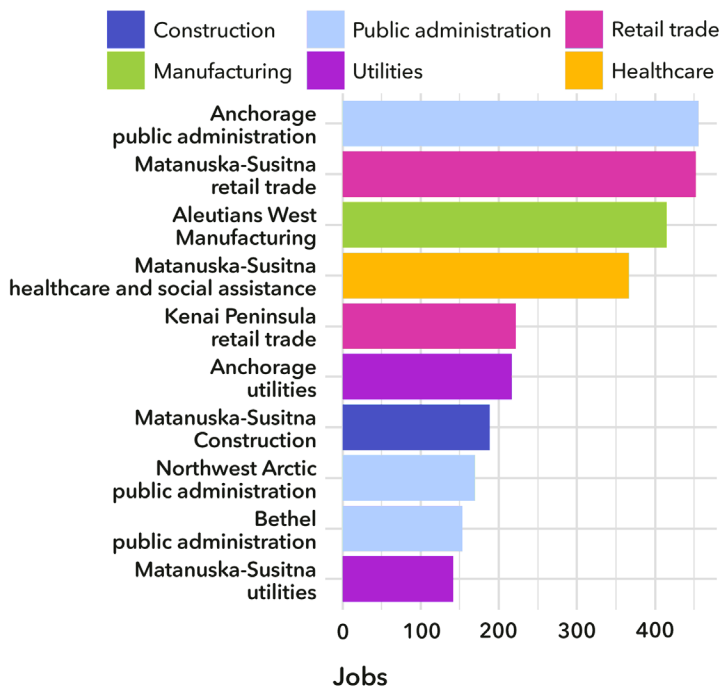
Consumer spending relative to baseline

Credit and debit cards, seasonally adjusted



December employment by sector

Change from 2019 to 2020



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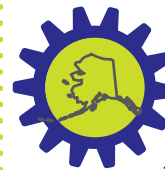
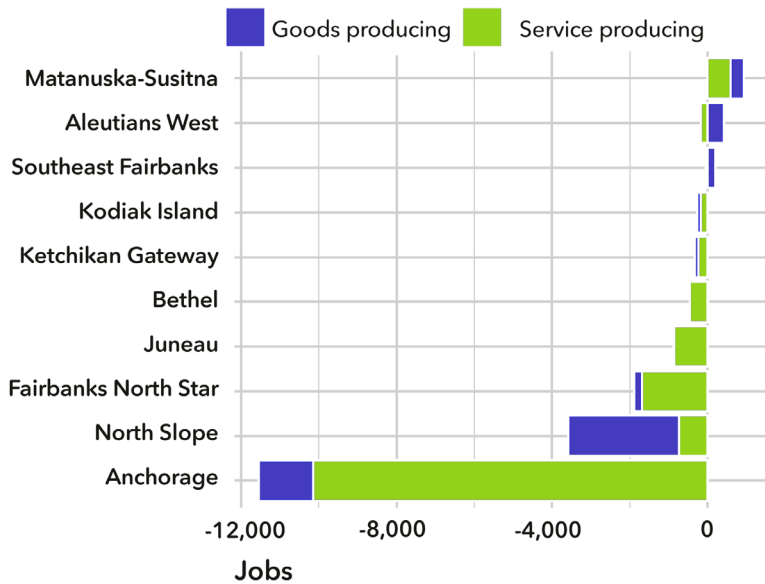


Employment changes by sector

Among Alaska boroughs, Anchorage had the largest change in employment from December 2019 to December 2020. These changes were driven primarily by service-producing sectors. The North Slope Borough had the second largest change in December employment, driven mostly by losses in oil and gas employment. Seafood processing led the Aleutians West Borough to have a modest net gain in overall jobs. The Mat-Su Borough had gains in both the goods and service sectors. ▼

December employment, 2019 - 2020

Boroughs with more than 250 jobs lost/gained

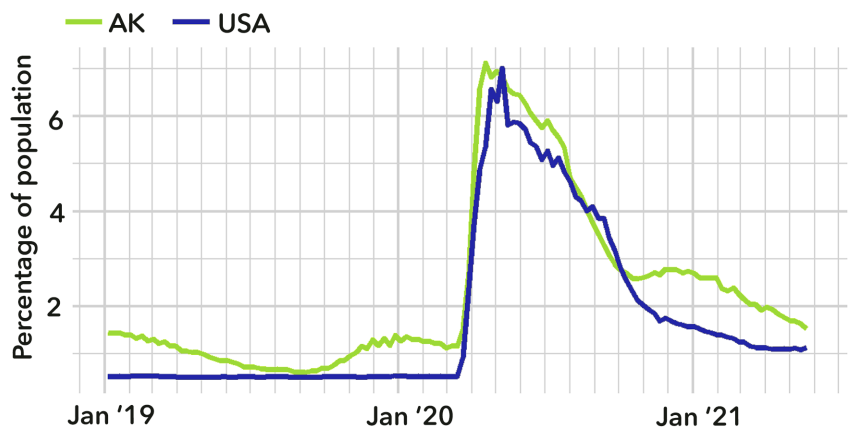


Alaskans more likely than other Americans to be on unemployment insurance

11,151 Alaskans continued claiming unemployment insurance as of May 29, about 1.53% of the state's population. This compares to a national rate of 1.13%. Alaska is beginning to converge with the national continued claims rate, bolstered by typical summer seasonal hiring. ▼

Weekly continued unemployment claims

Week of Jan 5, 2019 - May 29, 2021

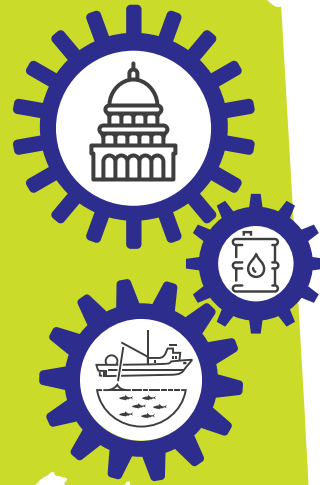


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Did you know...

Alaska spending is returning to its baseline for retail, restaurants, and hotels?

Learn more in this issue of *Alaska's Economy*.



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