

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.

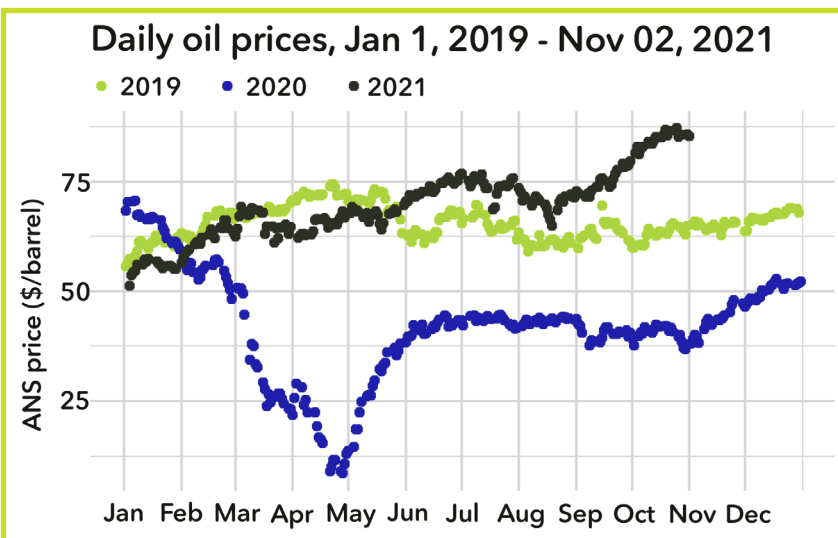
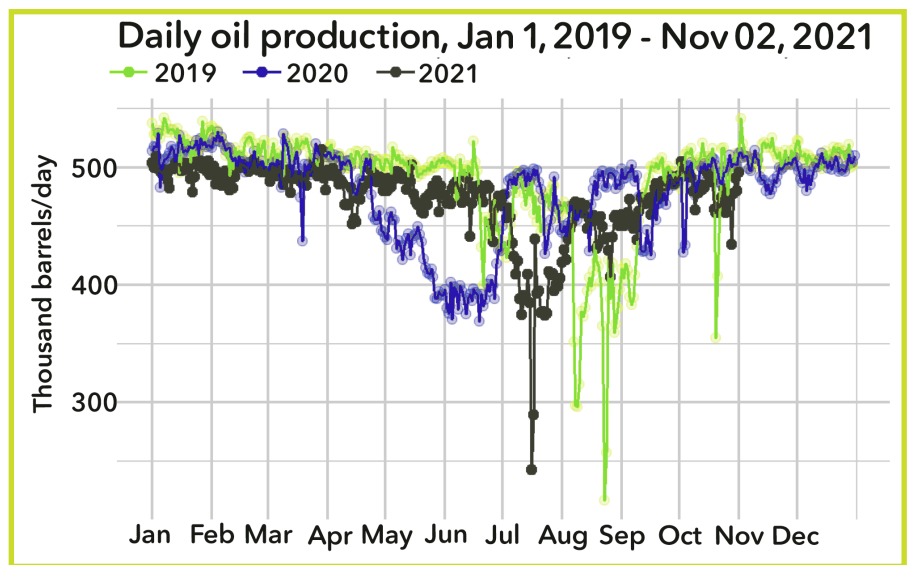
Dear reader,

Alaska's economy continues to slowly recover from the pandemic. According to the most recent data, there were 3.6% more jobs in September 2021 than in the previous year. Alaska ranks 15th nationally for year-over-year job growth, just behind Rhode Island and Minnesota and tied with New Jersey. Oil prices have achieved levels not seen in years, a positive sign for a key industry. Foot traffic to workplaces has remained below its pre-pandemic levels as work-from-home continues and job vacancies remain unfilled. Retail foot traffic has slid from its summer highs as the state enters the slower winter season.



Oil production over the last three years

Daily oil production in Alaska was 496,000 barrels on November 2. In October, daily oil production averaged 481,000 barrels. This compares to 493,000 barrels in the same month of 2020, and 495,000 barrels in October 2019. ▼



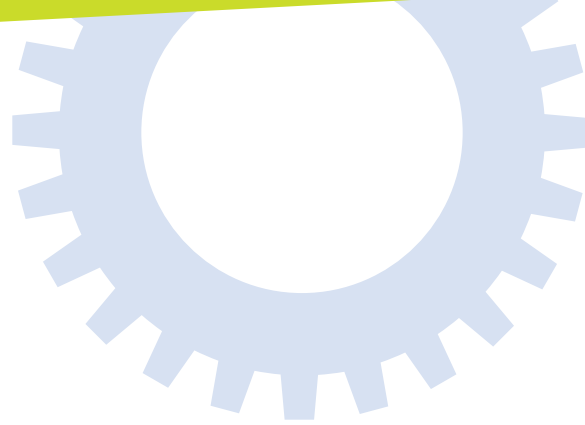
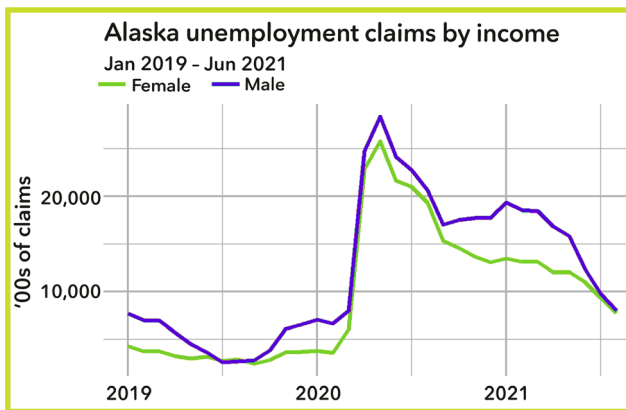
October oil prices in the mid-\$80s

Alaska's benchmark oil price, ANS West Coast, was \$85.41 on November 2. In October, daily prices averaged \$84.37 per barrel. This compares to \$40.42 per barrel in the same month of 2020, and \$62.83 per barrel in October 2019. Alaska has only seen 18 days of oil prices above \$80 per barrel since prices fell in 2014. ◀



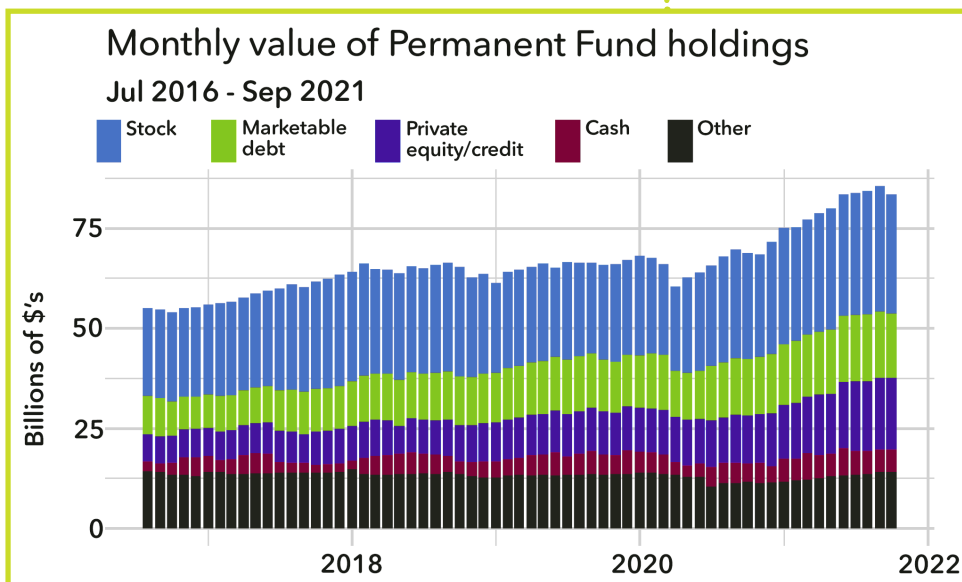
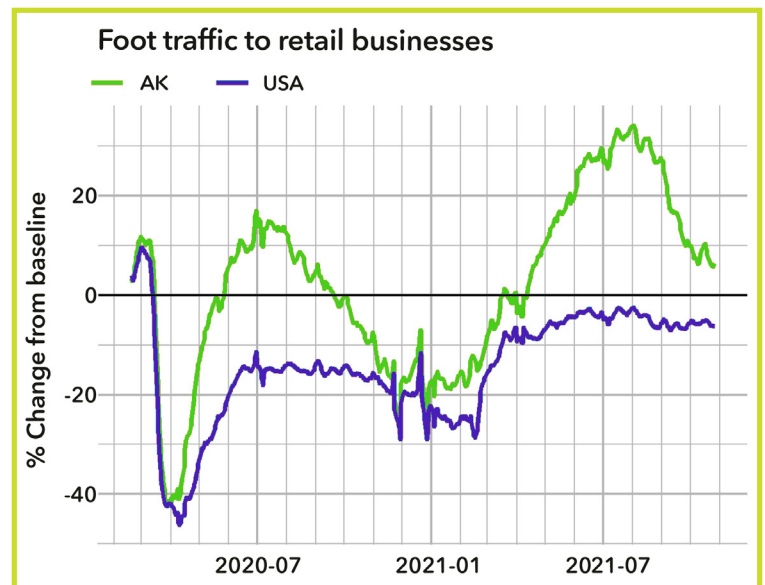
Men and women file for unemployment in equal numbers

Men and women have had different experiences of the pandemic-recession, driven by differences in the types of industries men and women tend to work in, and differential caregiving pressures as schools and day cares closed. However, men and women claimed unemployment insurance benefits in equal number in June 2021, the last month data were available. Men filed for unemployment in significantly higher numbers in the last quarter of 2020 and the first quarter of 2021. ▼



Foot traffic to retail businesses

Last month, nationwide foot traffic to retail and recreational business was still 6% below its pre-pandemic level. In Alaska, the summer 2021 season was much more robust than summer 2020. ▼



Permanent Fund's value declines

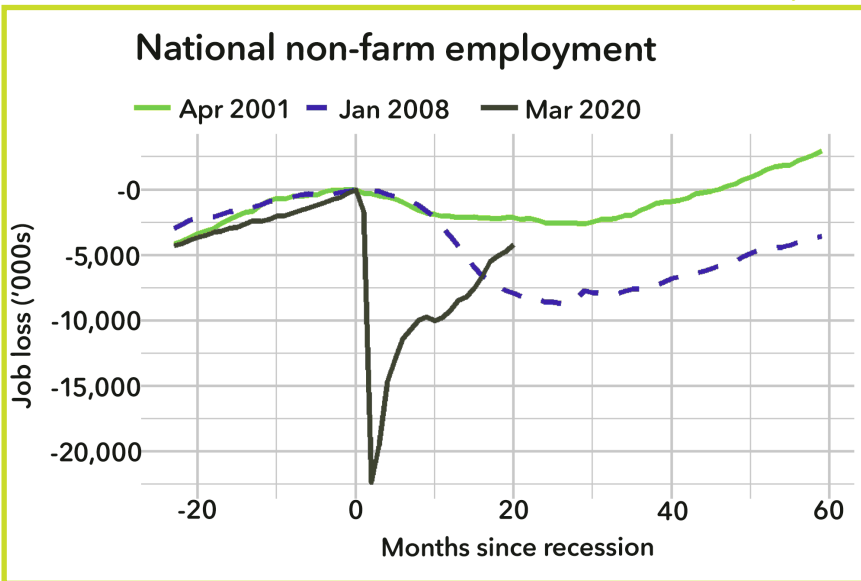
The Alaska Permanent Fund total assets were \$85 billion as of September 30, according to the monthly financial statements from the Permanent Fund Corporation. This value represented a small decline from the previous month of August and the first month-over-month decline in the fund's value since last year. ◀

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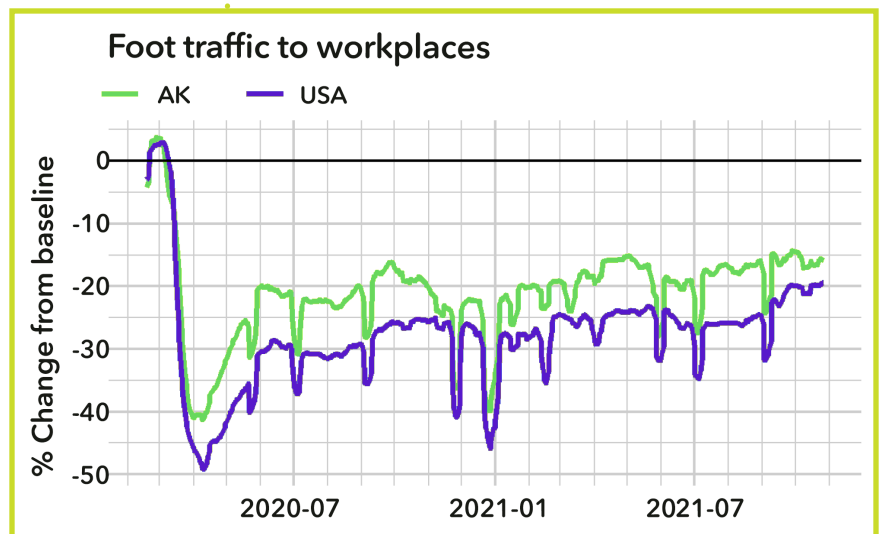
The V-shaped recovery

Many commentators have discussed the potential "shape" of the economic recovery after the COVID-driven recession. Would the recovery be a "V-shape" where jobs were lost quickly, but recovered just as fast? The previous two economic downturns (downturn in spring 2001 and the Great Recession of 2008) saw job losses that were more gradual, but persisted longer. At a national level, the job recovery from the COVID recession has been rapid. If job growth maintains its current pace, jobs should be around their pre-pandemic level in the next twelve months. This would mark a much faster job recovery in the United States than after the 2008 recession. ▼



Remote work and job vacancies cause light workplace traffic

Using anonymized cell phone data, Google measures foot traffic to different locations to understand the effects the pandemic and the associated recession. Foot traffic to workplaces were at their lowest in March and April of 2020. This April, foot traffic nationwide was down 46% compared to before the pandemic; in Alaska, workplace foot traffic was down 38%. Last month, nationwide workplace foot traffic was still down 20% compared to pre-pandemic levels; in Alaska, traffic was still down 16%. ▶

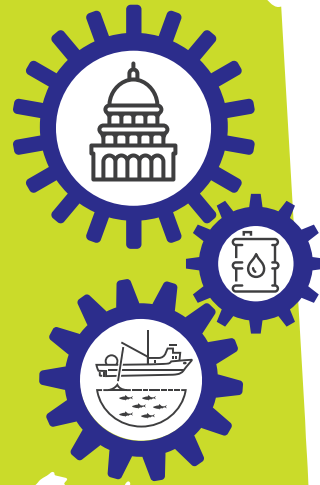


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Did you know...

in October nationwide workplace foot traffic was down 20% compared to pre-pandemic levels in Alaska?

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



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