

# 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,

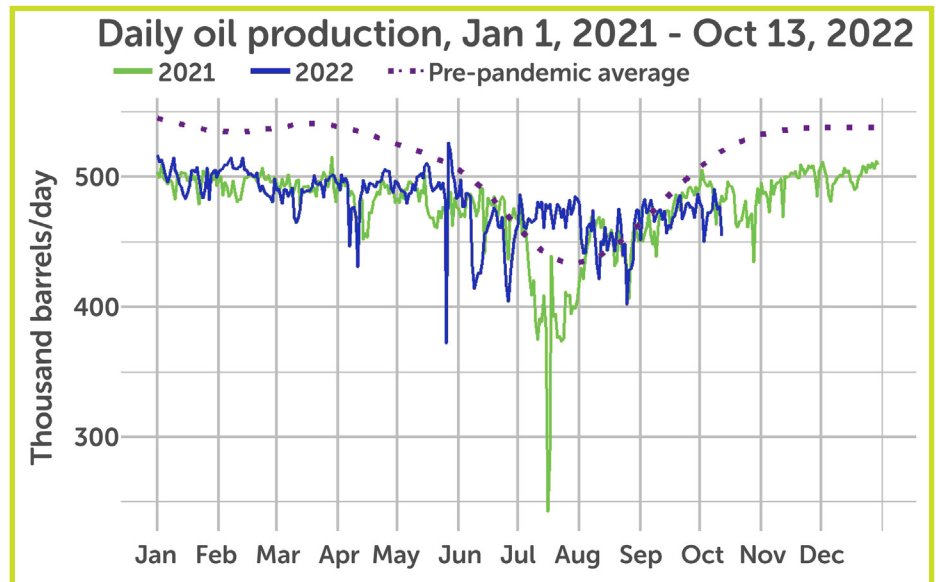
Despite stable prices for Alaska crude oil over the last month, prices at the pump have jumped in Alaska due to the closures of California refineries.

While consumers continue to be squeezed by inflation, a robust labor market continues to support workers and keep the U.S. from sliding into a recession. This market has coaxed more Alaskans into the labor force than at any other point over the last five years.



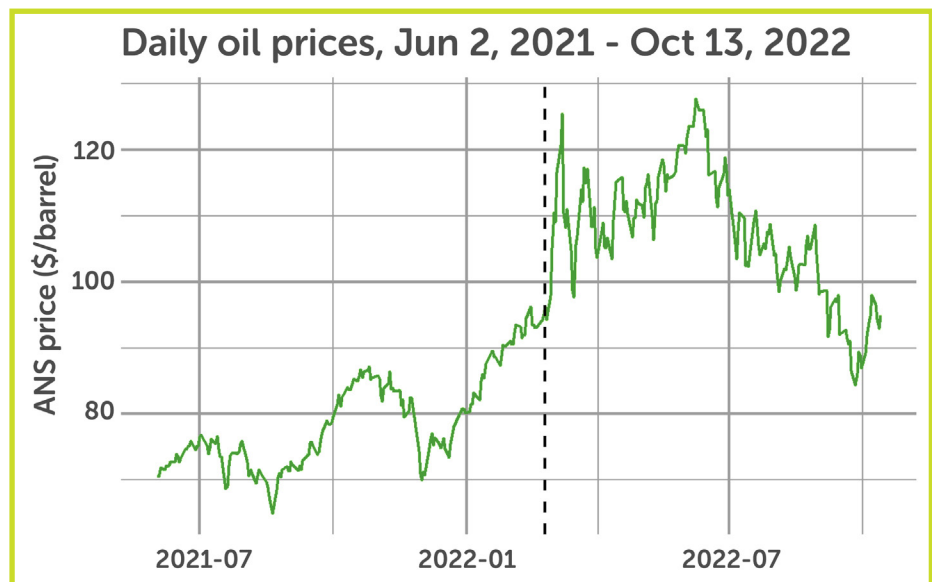
### Oil production down slightly from previous years

Daily oil production in Alaska was 455,000 barrels on Oct. 13. In September, daily production averaged 473,000 barrels. This compares to 471,000 barrels in September 2021 and 473,000 in September 2020. ▼



### Oil prices now at pre-Ukraine invasion levels

Alaska's benchmark oil price, ANS West Coast (ANS), was \$94.89 on Oct. 13, which is close to pre-Russian invasion of Ukraine price levels (the dashed vertical line). In September, daily prices averaged \$92.43 per barrel. This compares to \$74.85 per barrel in September 2021 and \$40.43 per barrel in September 2020. ►

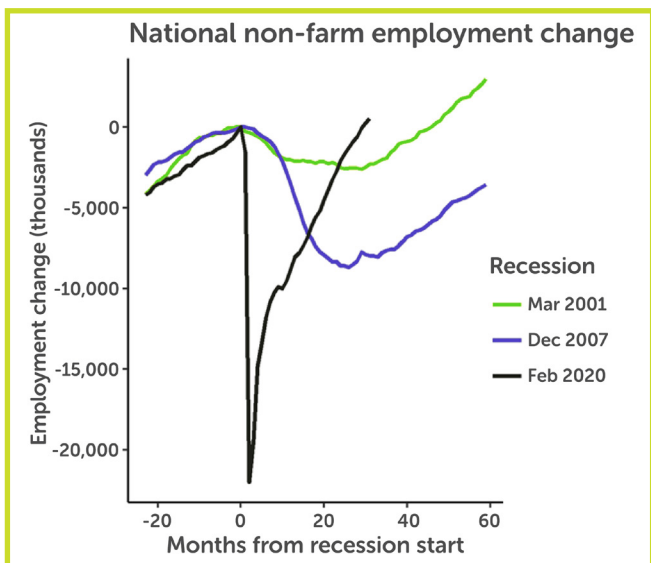


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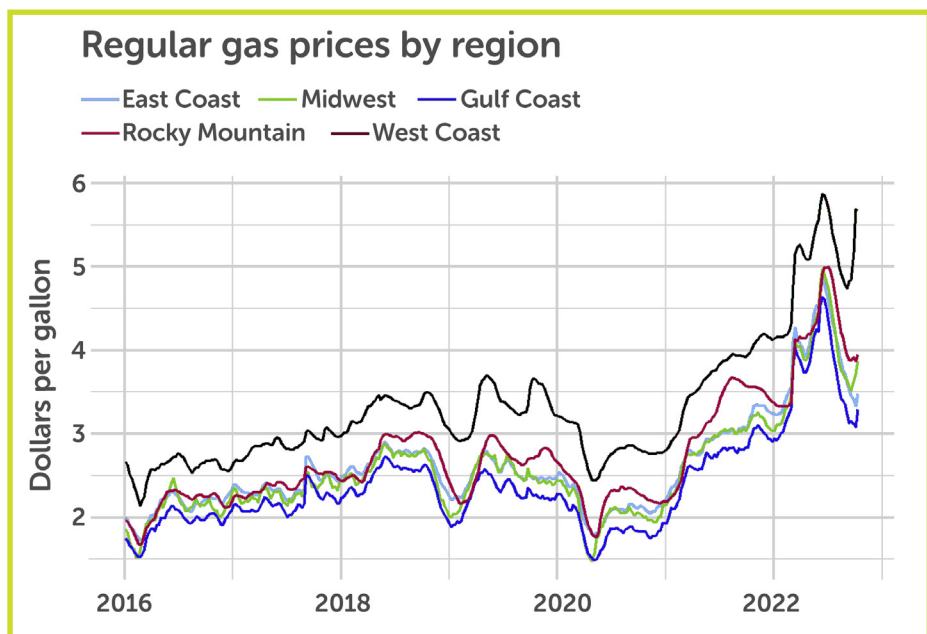
## U.S. employment levels fully recovered from pandemic

In August, the United States labor market exceeded its pre-pandemic employment levels for the first time since the onset of the pandemic, a recovery of more than 22 million jobs in about 30 months. Compared to the previous two recessions, the U.S. recovered from a much deeper employment hole much more quickly. ▼



## West Coast refinery closures causes gas prices to jump

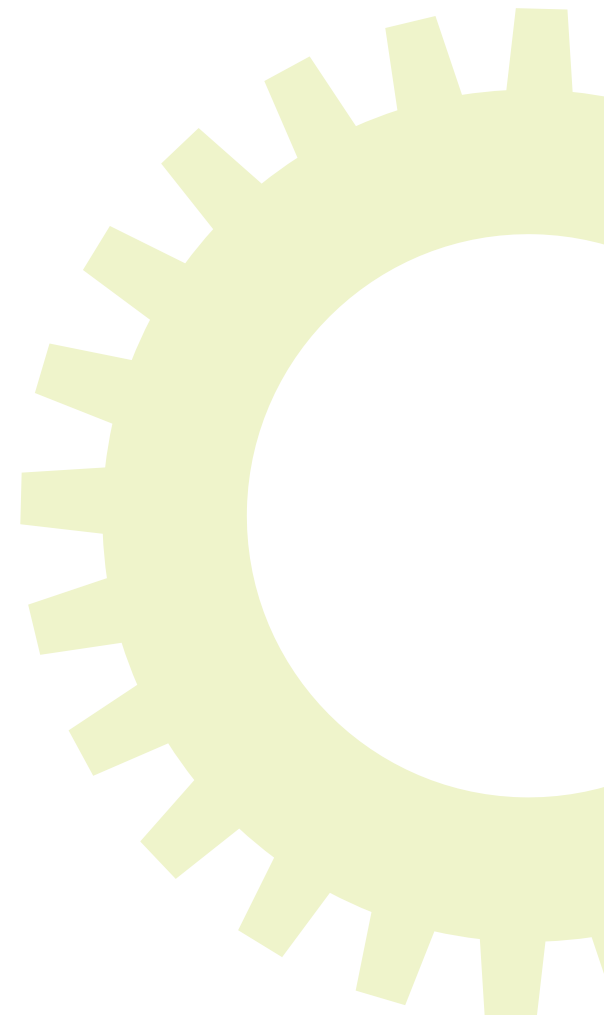
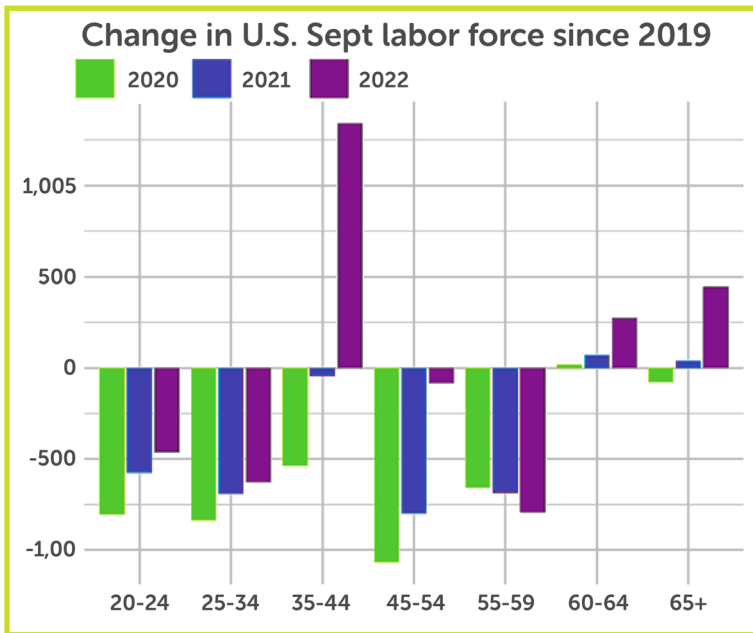
While crude oil markets have been relatively stable over the past month, Alaska has seen a spike in gas prices at the pump due to interruptions in operations at several refineries in California and Washington. While Alaska produces a significant amount of gasoline from North Slope crude, our markets are still integrated with those of the West Coast region through imports and exports of crude and refined products. Over the last three weeks, the average price for regular gasoline in the West Coast region rose 83 cents, while prices in the U.S. as a whole only increased 7 cents. ►





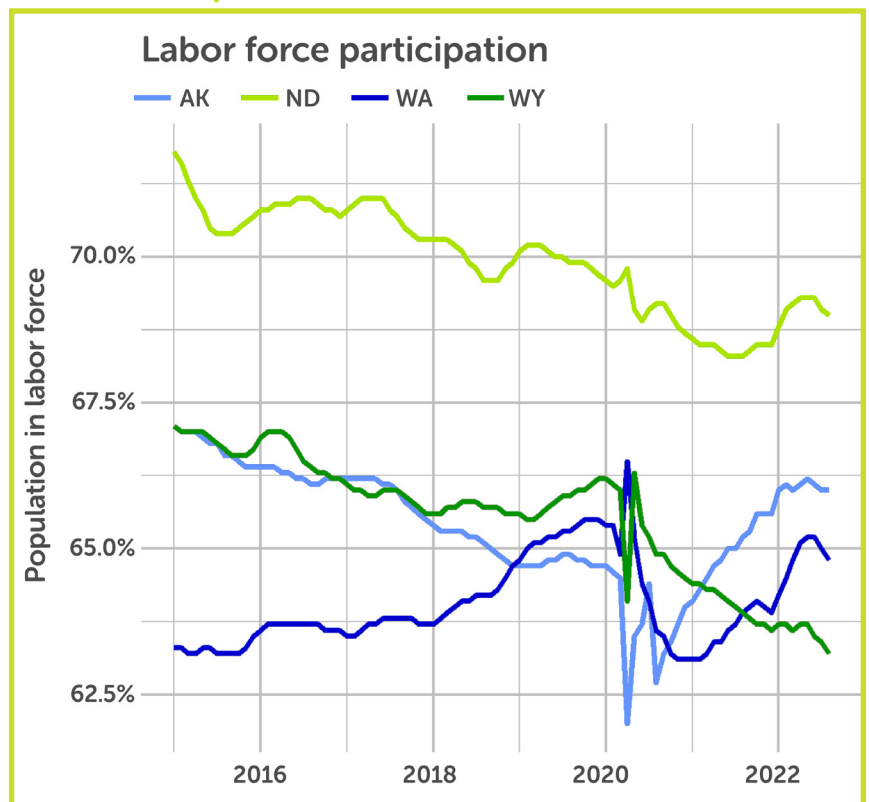
### Composition of the labor force by age

Compared to September 2019, in September 2022 there were about 500,000 fewer 20-34 year-olds and 750,000 fewer 55-59 year-olds in the U.S. labor force. However, there are around 1.25 million more 35-44 year-olds in the labor force compared to September 2019 and about 750,000 persons aged 60 and older. ▼



### Alaskans return to work

This figure compares participation in the Alaska labor market to two other rural energy states (Wyoming and North Dakota) and a state with close geographic ties to Alaska (Washington). Wyoming and North Dakota have labor force participation below the pre-pandemic levels, although participation was trending down before the pandemic in both states. In Washington, participation is currently around its average 2019 levels and higher than the period from 2015 to 2018. In Alaska, labor force participation is at its highest level since 2017, a sign of a favorable market for workers. ►

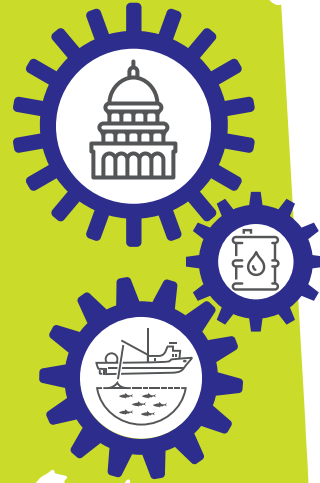


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## Did you know...

Alaskans' participation in the labor force is at its highest level since 2017?

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



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