

Alaska Overview and Outlook 2024 Pacific Northwest Regional Economic Conference

Dan Stickel, Department of Revenue

May 23, 2023



Agenda

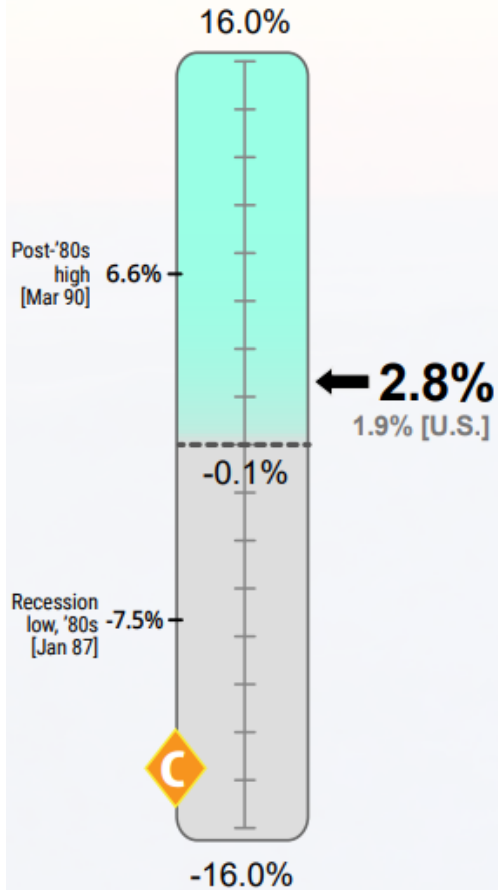
1. Alaska Economic Indicators
2. State Revenue: History & Forecast
 - Total State Revenue
 - Unrestricted Revenue
3. Key Industry: Petroleum
4. Key Industries: Everything Else
5. Workforce issues



Key Alaska Economic Indicators

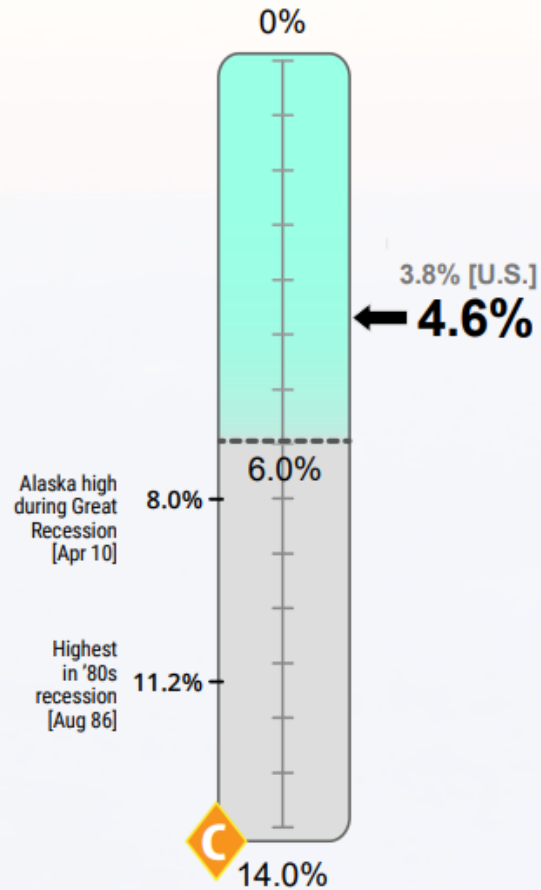
Job Growth

March 2024
Over-the-year percent change



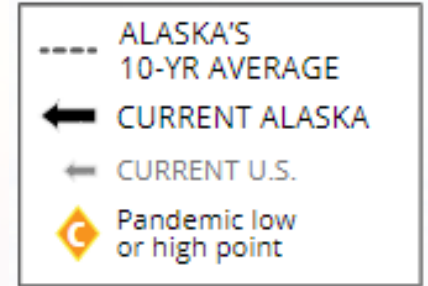
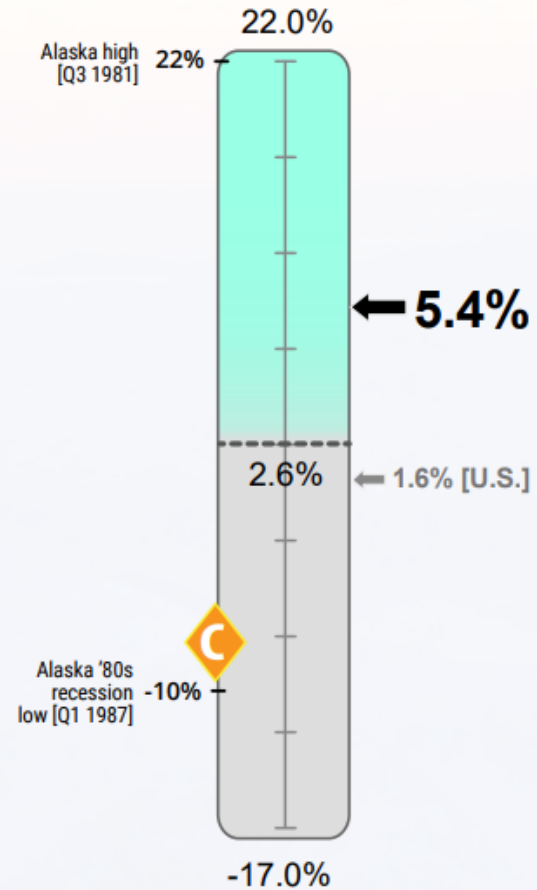
Unemployment Rate

March 2024
Seasonally adjusted



Wage Growth

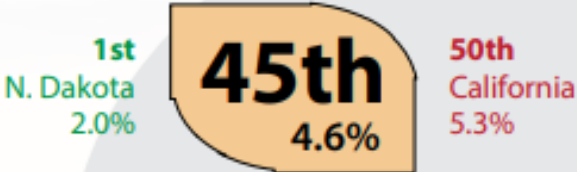
3rd Quarter 2023
Over-the-year percent change



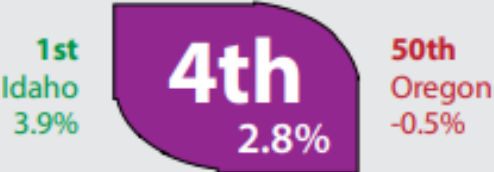
Source: Alaska Department of Labor May 2024 Trends Magazine

Key Alaska Economic Indicators: Alaska Ranking

Unemployment Rate¹



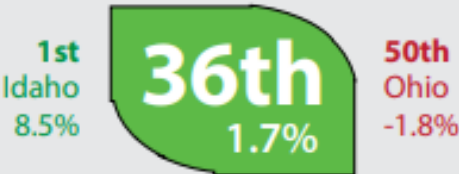
Job Growth²



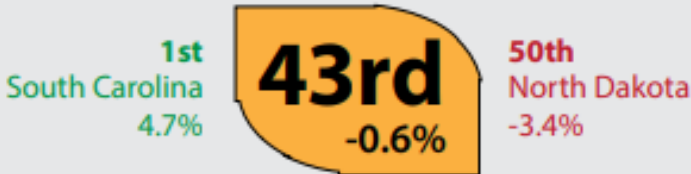
Job Growth, Private²



Job Growth, State Government²



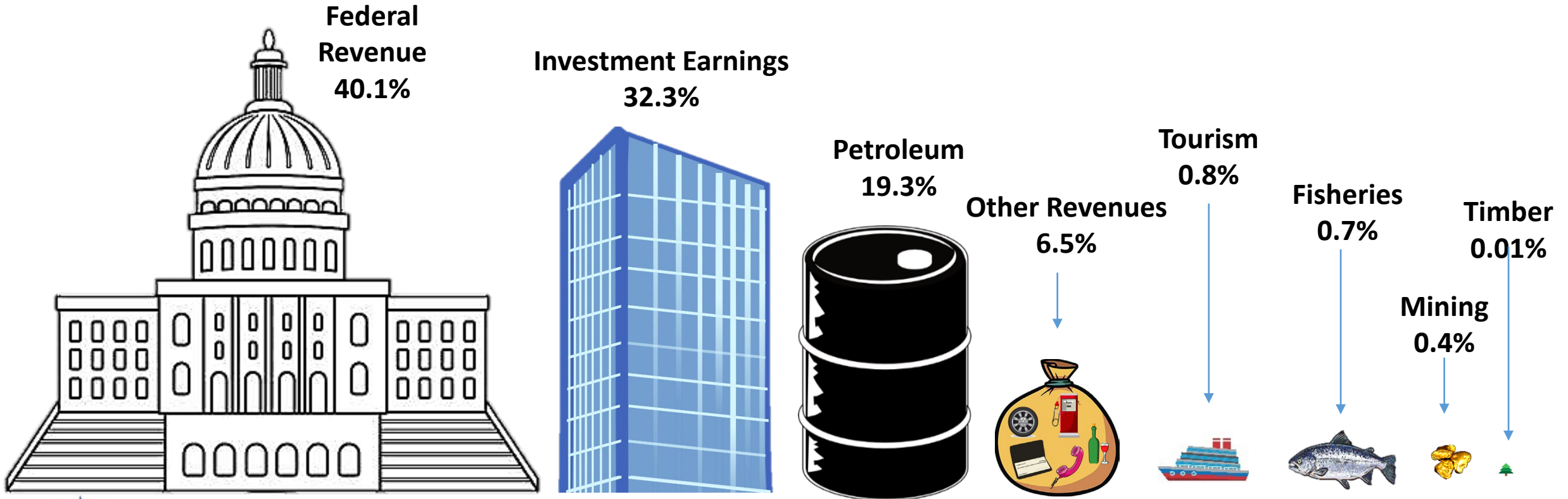
Job Growth, Leisure and Hospitality²



Source: Alaska Department of Labor May 2024 Trends Magazine

Relative Contributions to Total State Revenue: FY 2024

Total State Revenue: \$15.5 Billion



Disclaimer: Numbers may not add to 100% due to rounding. Examples may not be to scale.

Unrestricted Revenue Forecast: FY 2023 and Changes to Two-Year Outlook

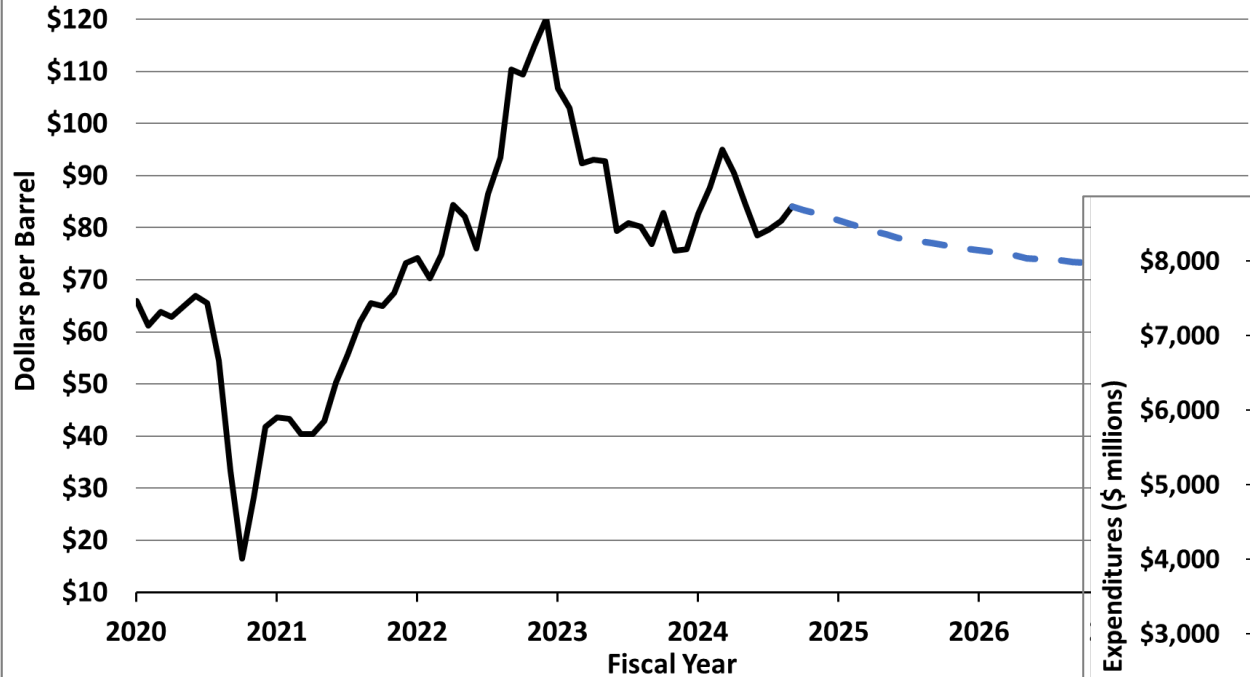
		History	Forecast	
		FY 2023	FY 2024	FY 2025
ANS Oil Price (Nominal \$/bbl)	Fall 2023 Forecast	\$86.63	\$82.39	\$76.00
	Spring 2024 Forecast	\$86.63	\$84.08	\$78.00
	Change	\$0.00	\$1.69	\$2.00
Permanent Fund Transfer (\$ millions)	Fall 2023 Forecast	3,360.6	3,526.0	3,657.2
	Spring 2024 Forecast	3,360.6	3,526.0	3,657.2
	Change	-	-	-
Unrestricted Revenue, excluding Permanent Fund Transfer (\$ millions)	Fall 2023 Forecast	3,683.4	2,959.5	2,651.2
	Spring 2024 Forecast	3,689.4	3,017.9	2,791.3
	Change	6.0	58.4	140.1
Unrestricted Revenue, including Permanent Fund Transfer (\$ millions)	Fall 2023 Forecast	7,044.0	6,485.5	6,308.4
	Spring 2024 Forecast	7,050.0	6,543.9	6,448.5
	Change	6.0	58.4	140.1



ANS = Alaska North Slope

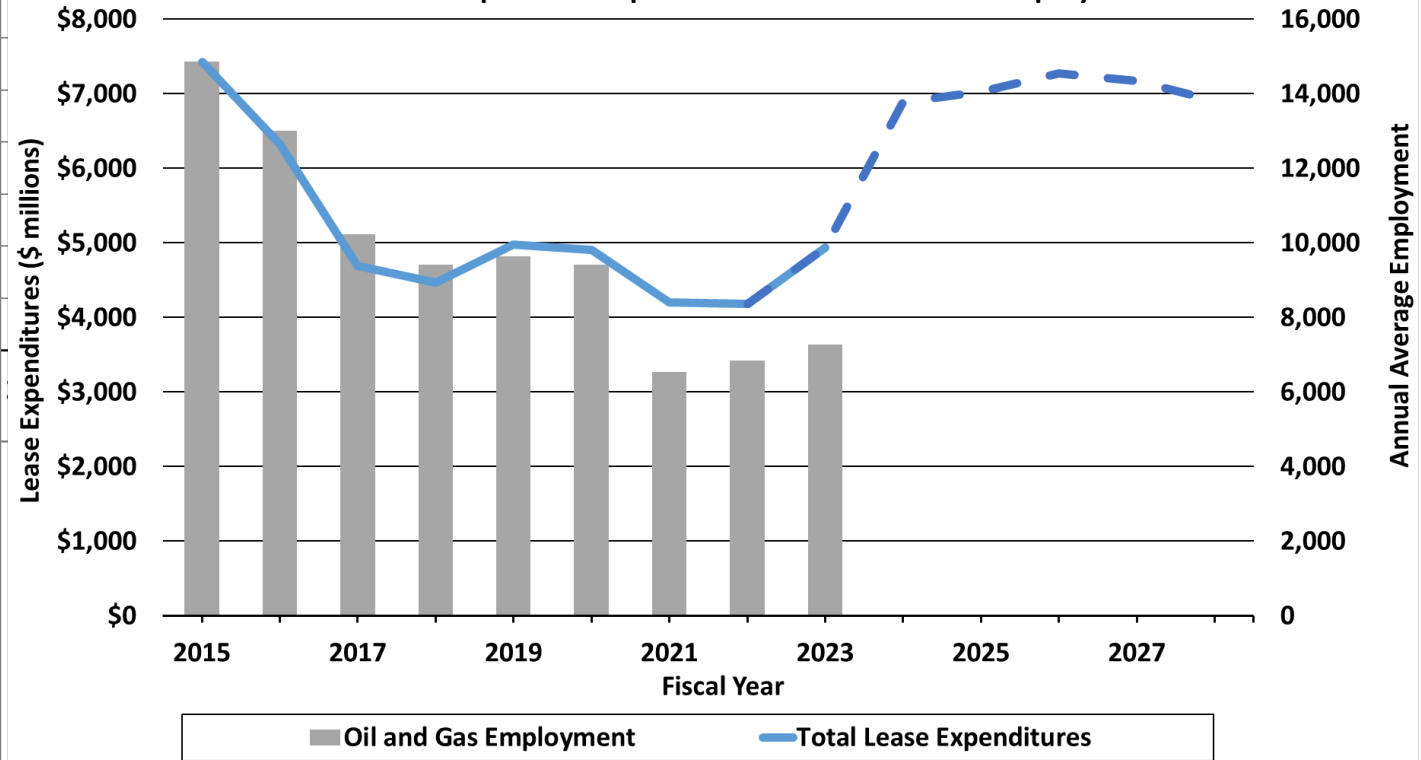
Key Resource Industry: Petroleum

Alaska North Slope Oil Prices, History and Forecast



Oil prices have found stability in the \$70-90/ barrel range...

Alaska North Slope Lease Expenditures and Oil and Gas Employment



... while new projects are leading to major increases in investment.



Key Industries: Everything Else

- Mining – mixed bag, based on commodity prices
 - Prices for gold near all-time highs, zinc & base metal prices muted
- Fisheries – facing headwinds
 - 2023 saw a combination of low prices and fisheries closures
- Tourism – record passenger counts, an area of strength
 - 1.7 million passengers in 2023, similar levels expected going forward
- Carbon – opportunity to lead on environment and monetize
 - Alaska’s historic oil and gas fields have huge potential to sequester carbon
 - Recent legislative action provides an opportunity for Alaska to be a leader in CCUS



Workforce issues

- Historically Low Unemployment
 - 4.6%, vs 6.0% average last 10 years and 14.0% during COVID
- Resource Development – we need workers!
 - Major new oil and gas projects – Pikka, Willow, others
 - Rebound in tourism after COVID
- Government Funding – a mixed bag
 - Continued fiscal restraint at state level – filtering to local
 - Large federal inflows – may increase demand for labor
- Outmigration – the “brain drain”
 - 11 years of net negative migration, flat population
 - Decline in number of working age Alaskans
 - Reliance on nonresident workers to fill key roles



THANK YOU

Dan Stickel
Chief Economist
Department of Revenue
daniel.stickel@alaska.gov
(907) 465-3279



dor.alaska.gov

