

The State of Alaska's Economy

Current Conditions, Key Challenges, and Emerging Opportunities

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May 16, 2026, 2:00-2:45 p.m.

ACUL Annual Meeting

About me

Relevant Positions

- Assistant Professor of Economics, UAF CBSM
- Program Director, BBA Economics
- Board of Directors, Spirit of Alaska CU

Background

- Energy economics, Environment and Resource Economics, Microeconomics
- Oil and natural gas markets, electricity systems, household energy consumption



Disclaimer

In this talk, I am serving in my personal capacity. The views expressed herein are my own and do not necessarily represent the views of the University of Alaska Fairbanks, or Spirit of Alaska Credit Union.

Talk Outline

- A. Alaska's Vital Statistics
 - i. Real GDP
 - ii. Population Dynamics
 - iii. Wages, Consumer Confidence, and Employment
- B. Key Challenges and Opportunities
 - i. Oil, gas, and mining
 - ii. Federal Spending and Employment

Gross Domestic Product (GDP)

- GDP = Sum of all goods and services produced in an economy in a given year and area
- Any audience guesses on what has driven this growth?
- Resource prices
 - Gold, silver, fish

Real GDP in Alaska, 2005-2025

In millions of chained 2017 dollars



Data: United States Bureau of Economic Analysis

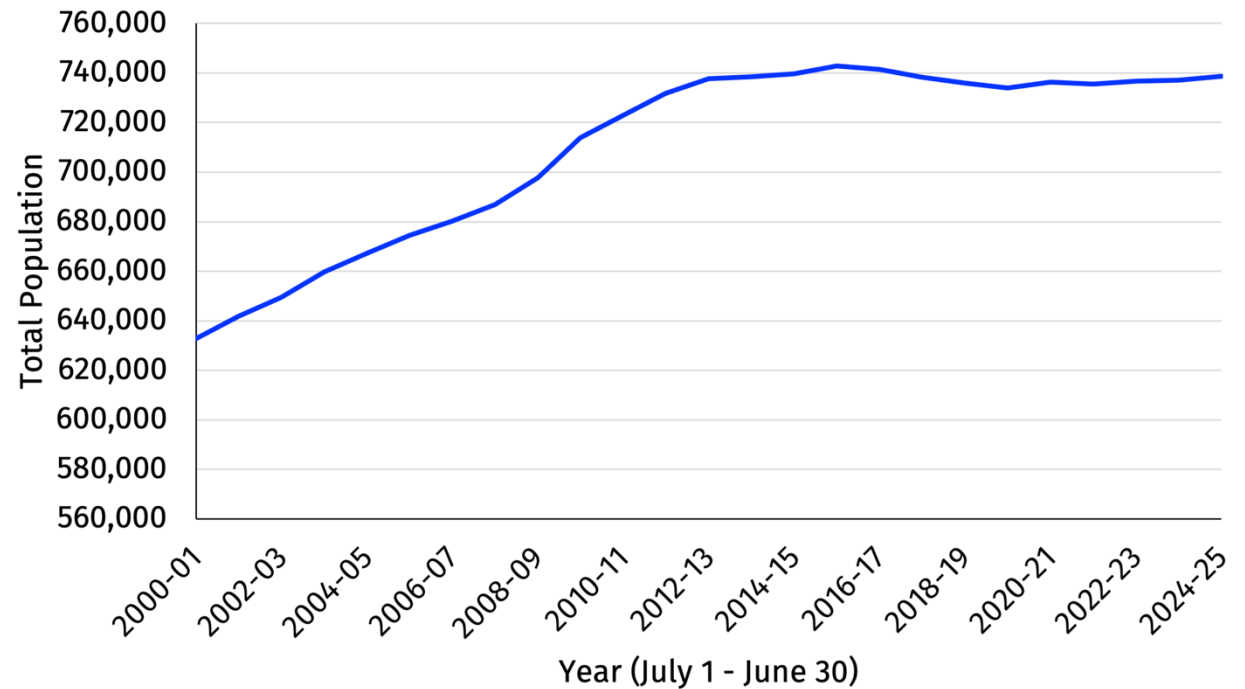
Population Dynamics

How is Alaska's population changing?

Key Takeaways:

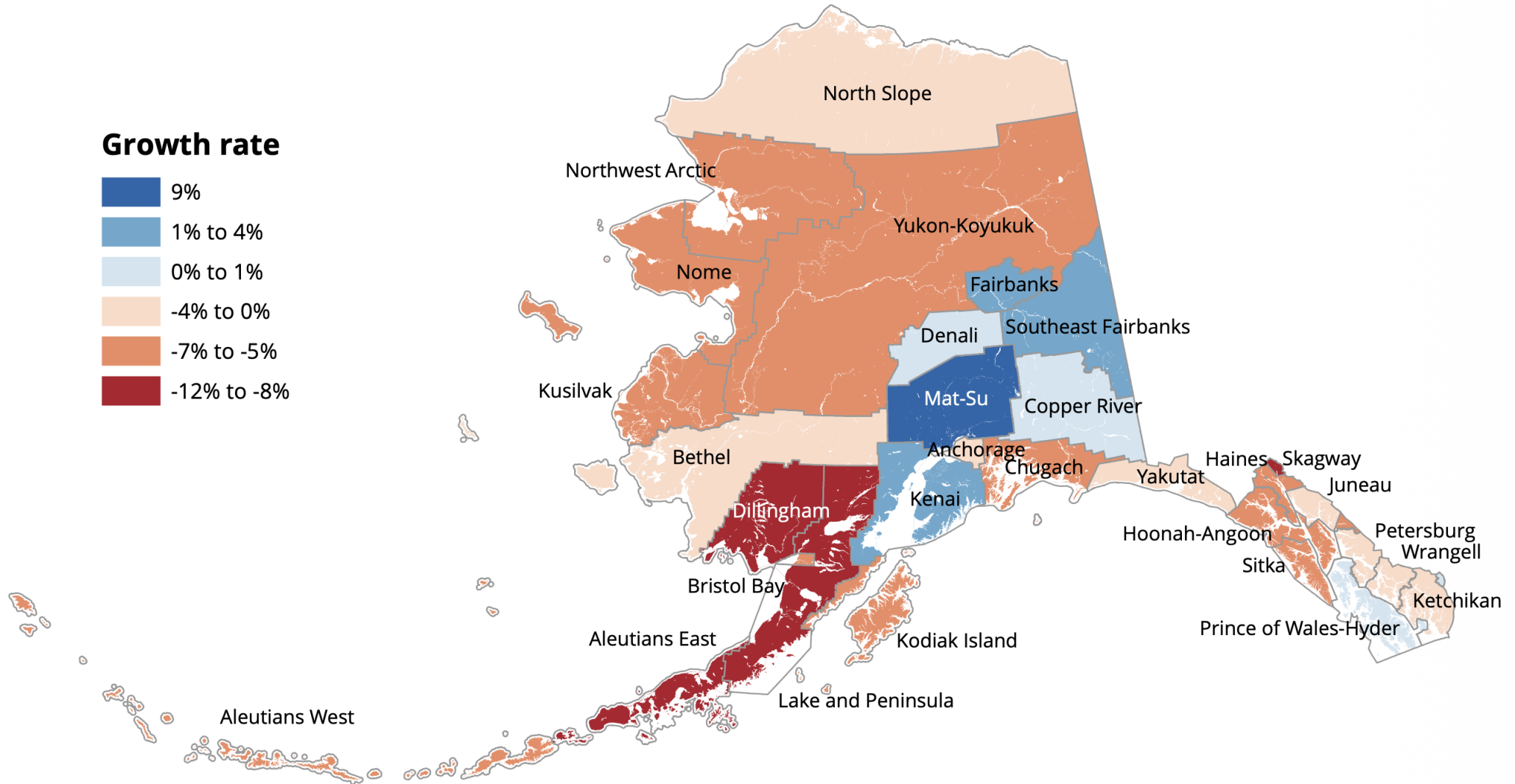
1. Total population has stagnated since 2012
2. Minor increases recently, but due to natural increases
 - a. Declining over time
3. Negative net migration for longest period in recent history
4. Population is aging rapidly

Total Population in Alaska, 2000-2025



Data: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Cumulative growth by Alaska area from 2020 to 2025



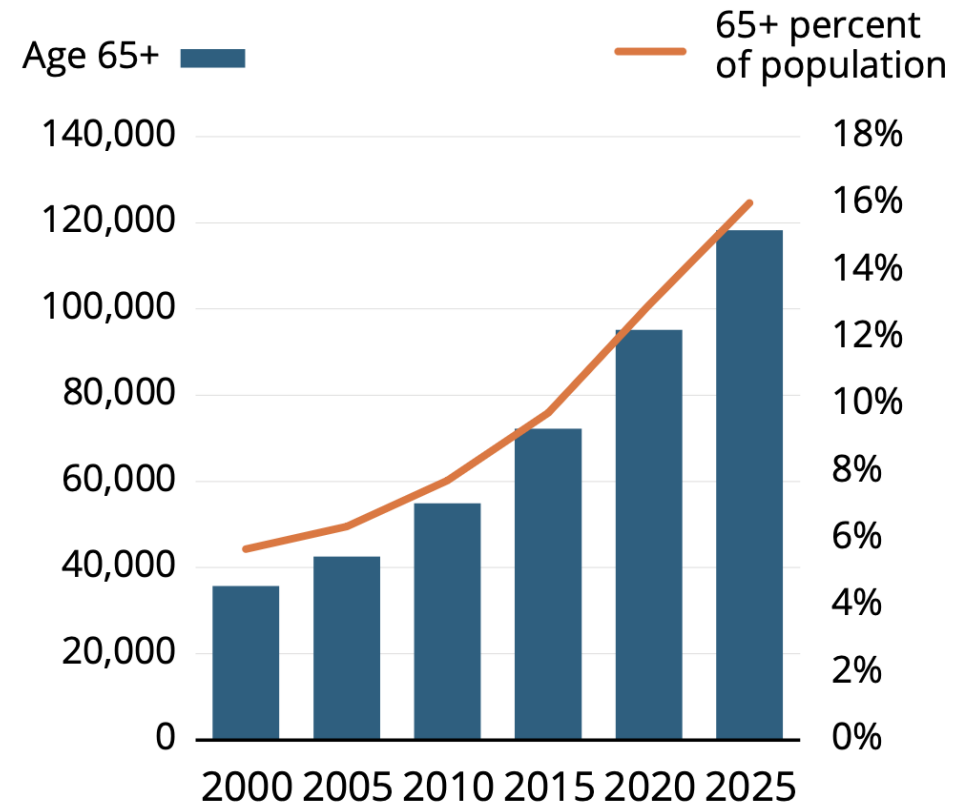
Note: Haines growth is for 2021 to 2025.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Alaska's Aging Population

- Population over 65 will continue to rise through 2029 (baby boomer generation)
- Youth population has been shrinking in tandem, particularly in our youngest age groups (birth to 4 years old)
- School-age population has been on the decline since 2022
- School-age population will continue to shrink without a change in migration patterns
- Less students can sustain public school funding (enrollment based)

Alaska's 65-plus population has risen sharply this century

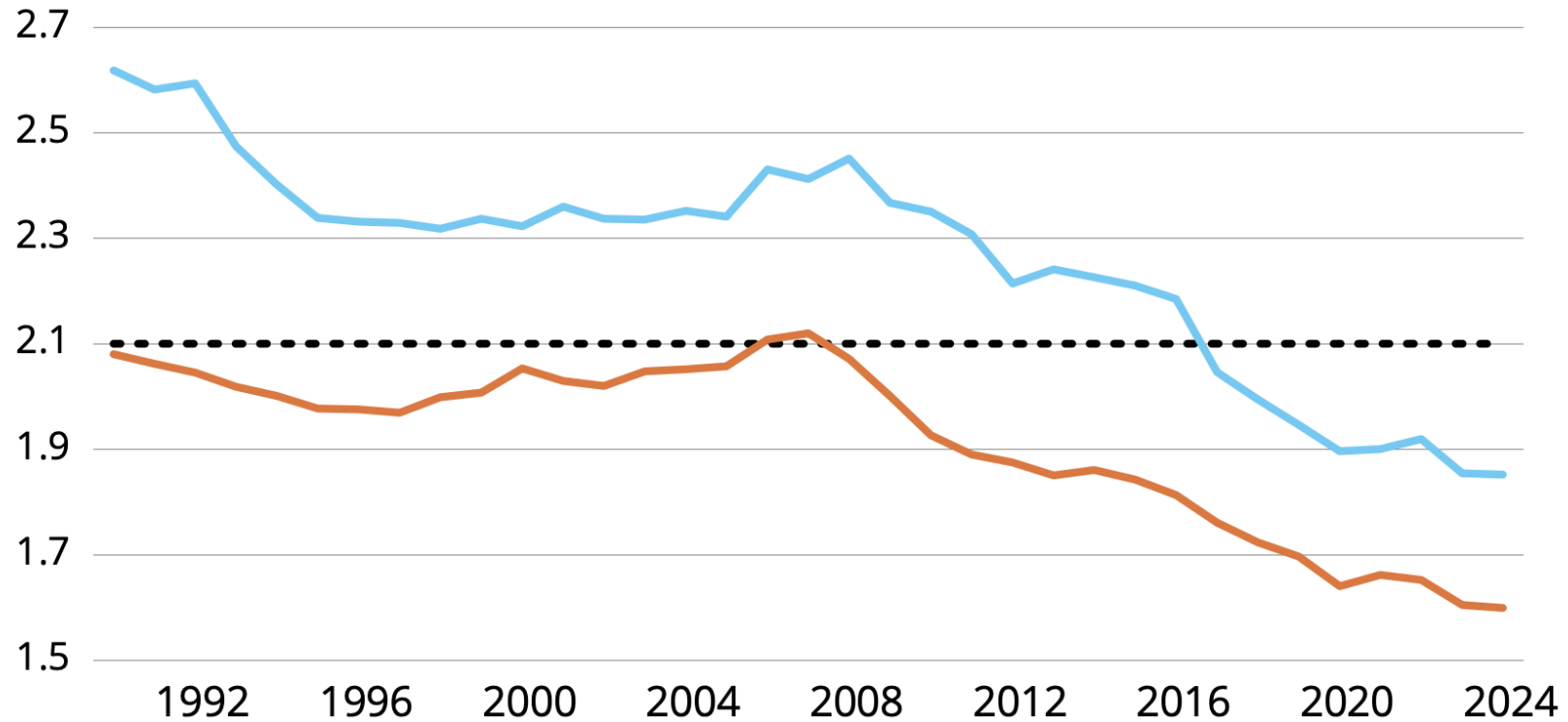


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Total fertility rates for Alaska and the U.S., 1990-2024

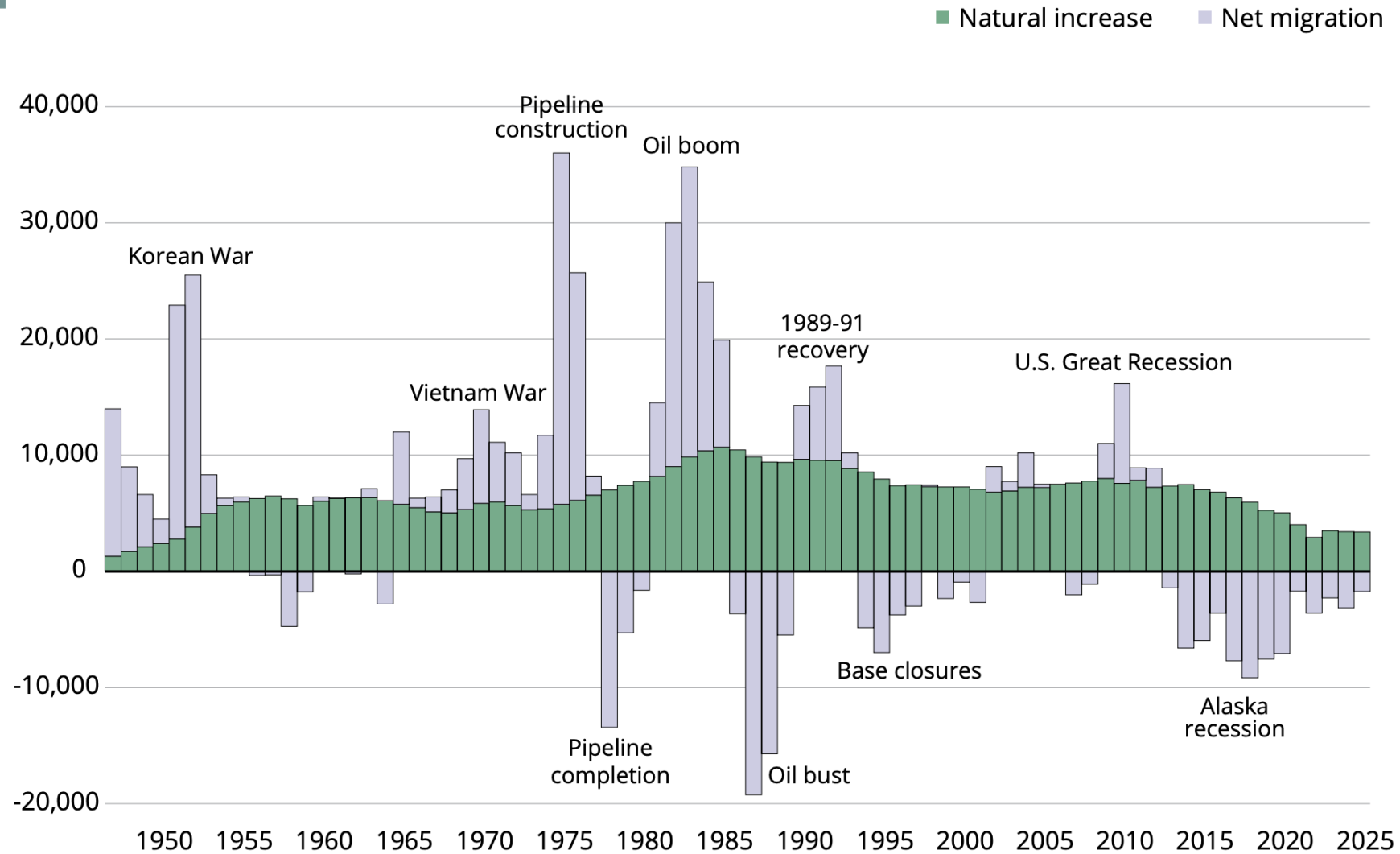
Children per woman, lifetime

--- Replacement rate — Alaska — U.S.



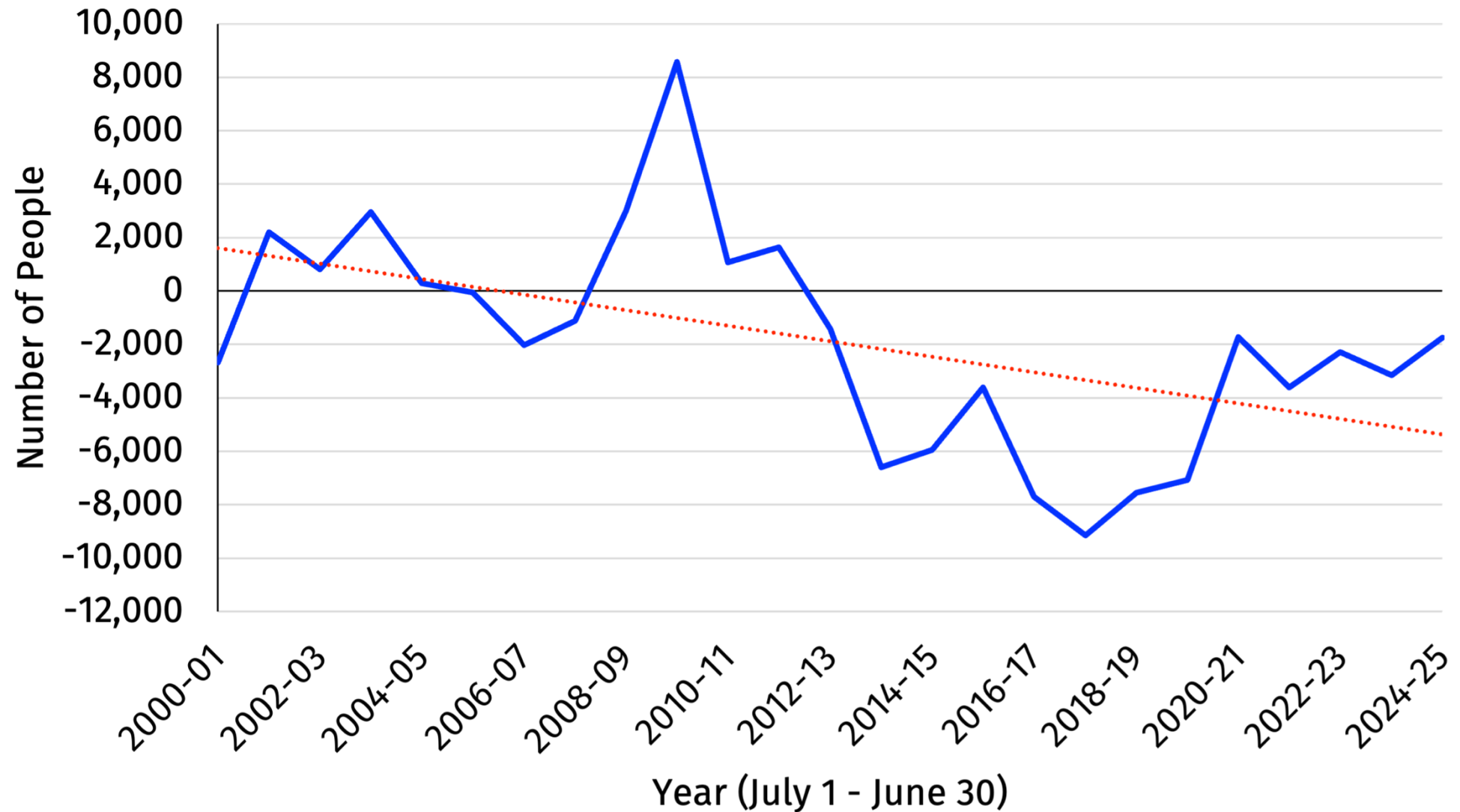
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The history of population change in Alaska, 1947 to 2025

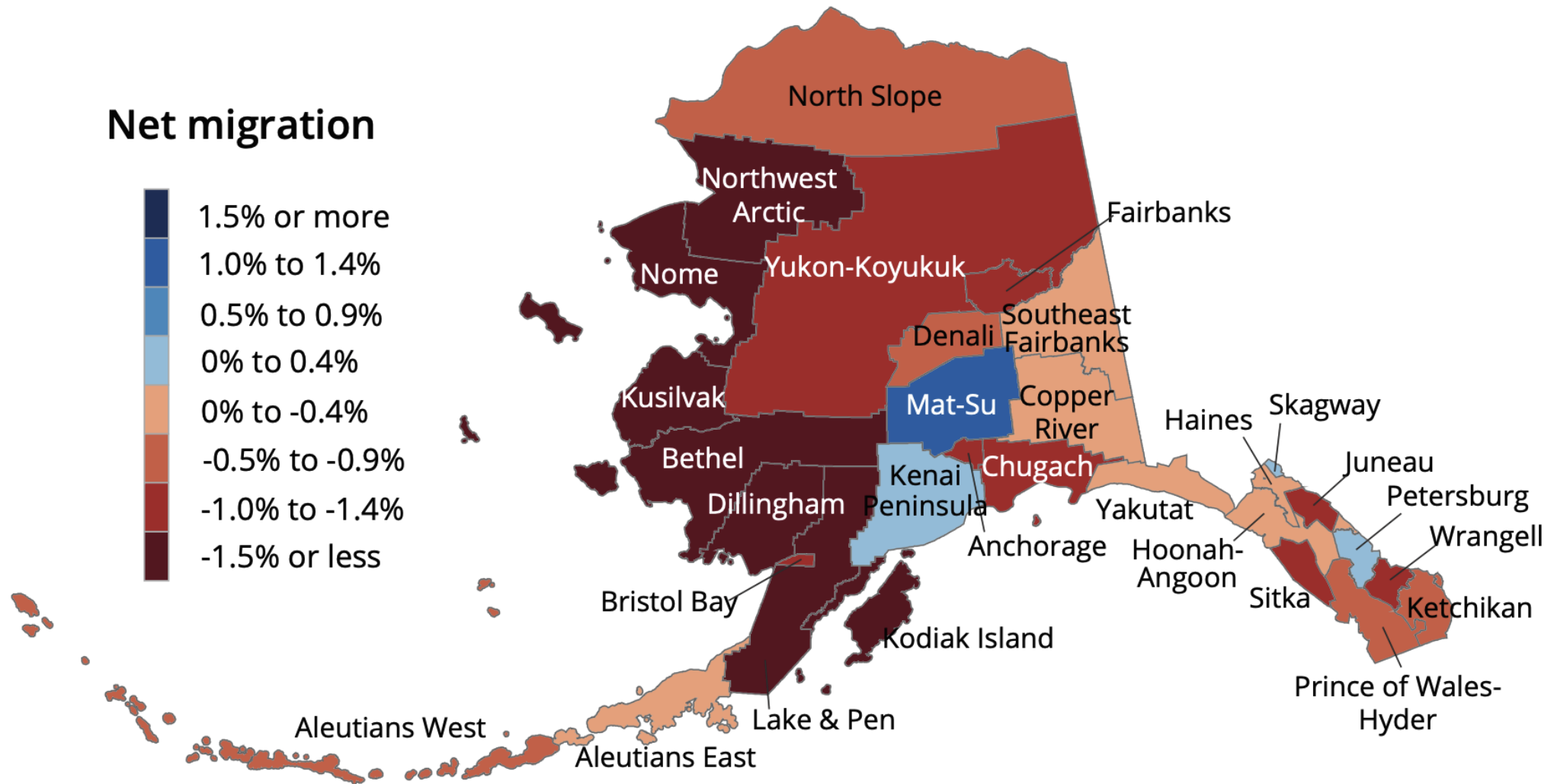


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Net Migration to Alaska, 2000-2025



Average yearly rates of net migration in Alaska, 2015-2025



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

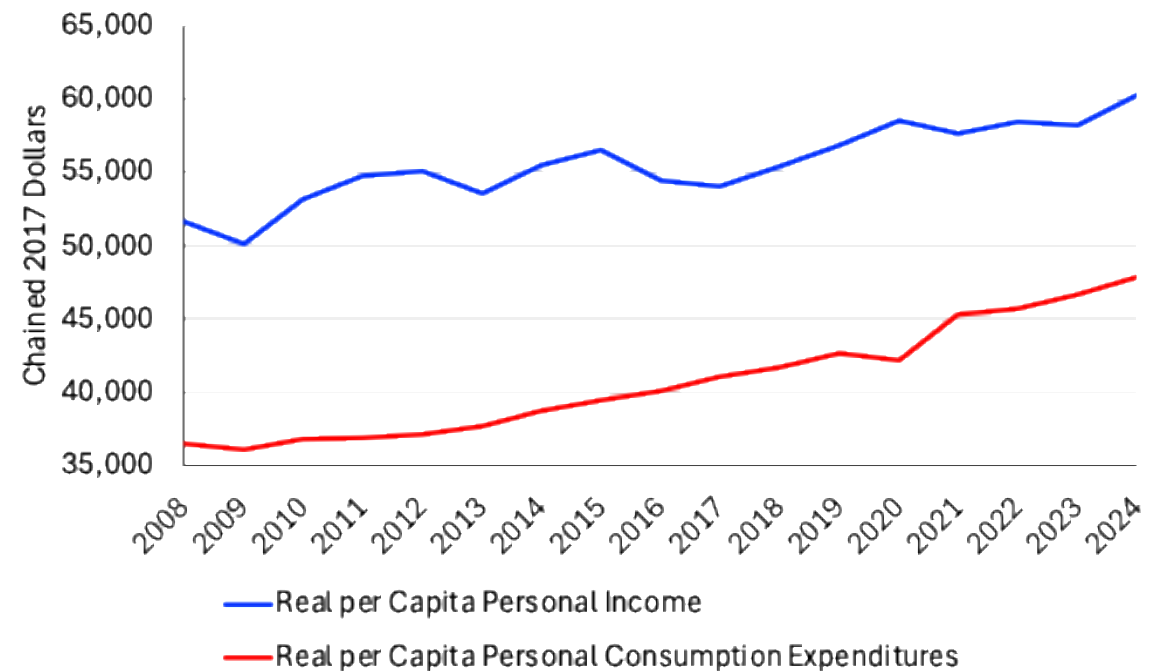
Wages, Consumer Confidence, and Employment

A Quick Summary

Key Takeaways:

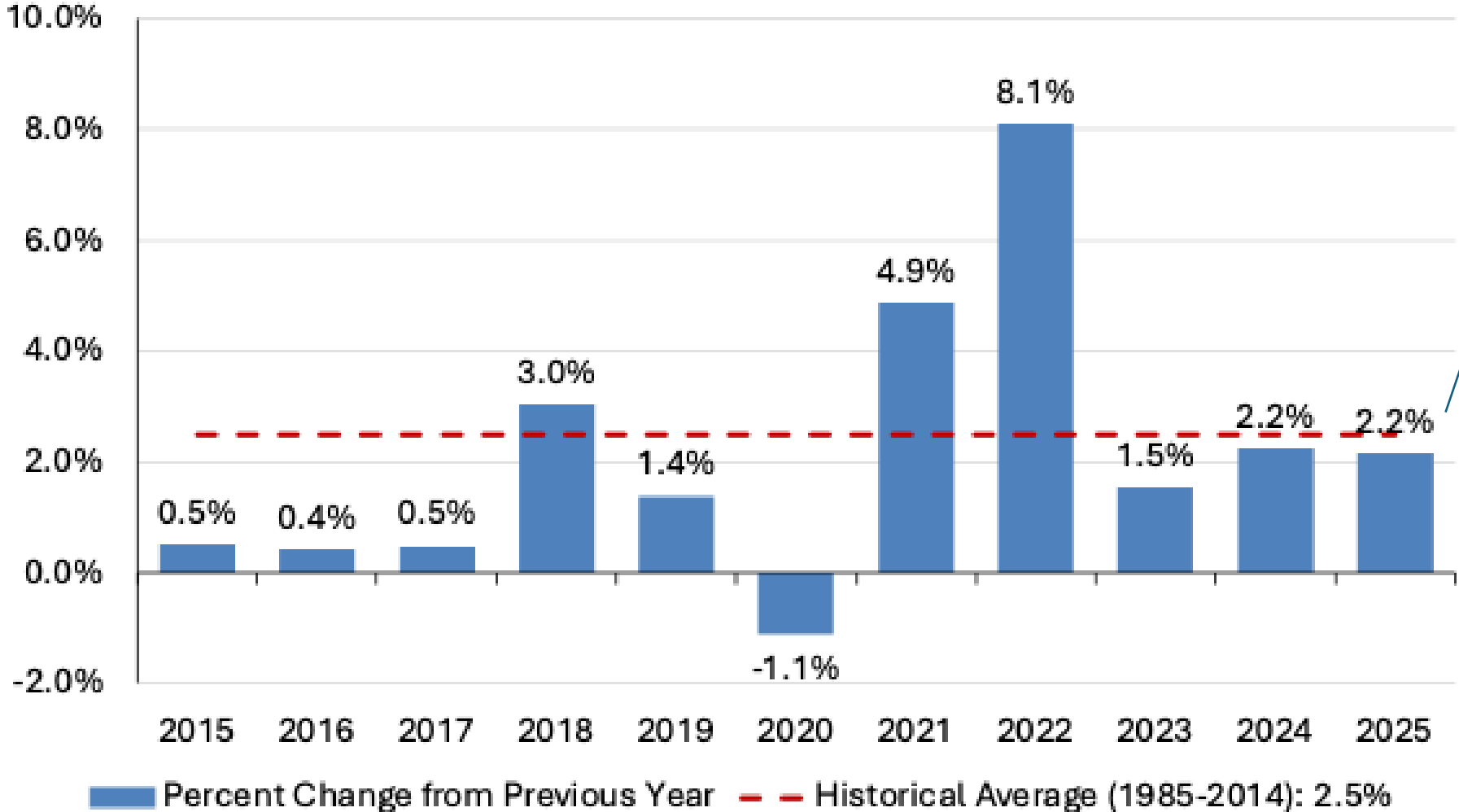
- Personal income is at an all time high
- Personal consumption expenditures are also at a an all time high
- The gap between income and expenditures is narrowing
- Consumer confidence is very low
- Resource economy and health care is driving employment growth
- Unemployment rates are historically low

Changes in Income and Expenditures in Alaska, 2008-2024



Data: U.S. Bureau of Economic Analysis via FRED®

Change in the Consumer Price Index in Alaska, 2015-2025



It is not uncommon for consumers to overstate inflation experiences

Data: U.S. Bureau of Labor Statistics via FRED®. Consumer Price Index for All Urban Consumers: All Items in Urban Alaska

Alaskan Consumer Confidence has not Rebounded Since COVID

NORTHERN ECONOMICS ALASKA CONFIDENCE INDEX



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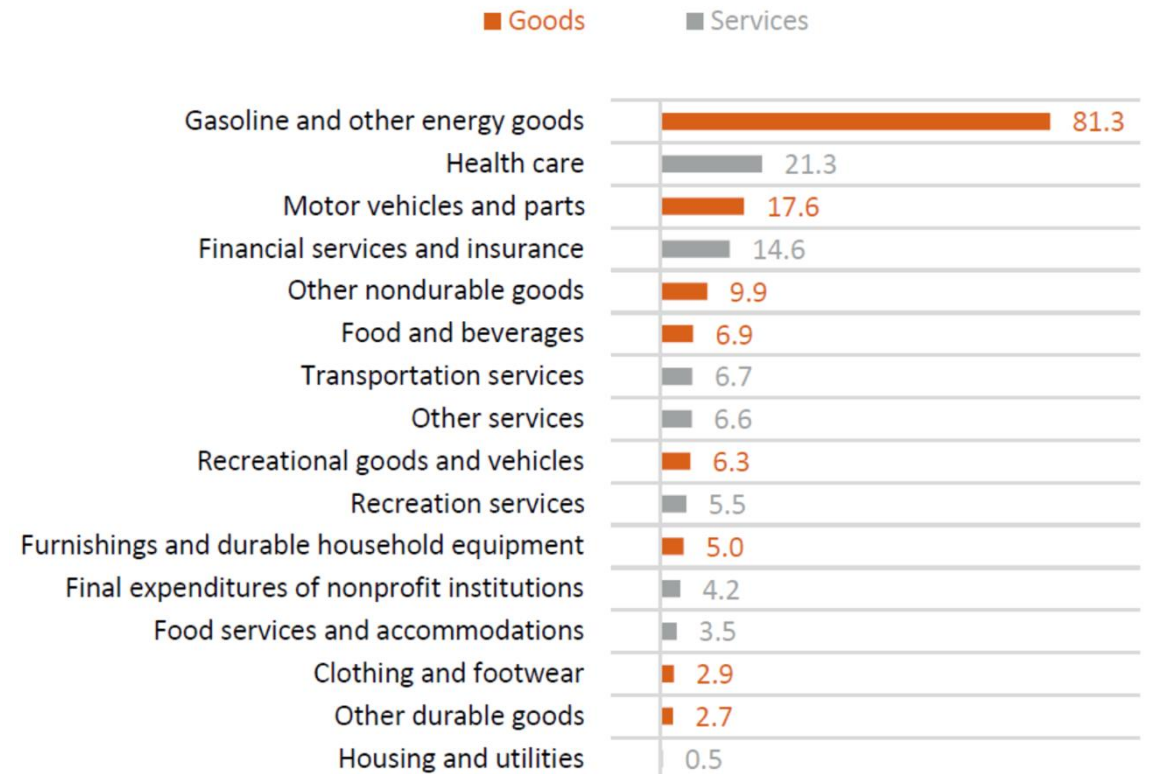
- Reflects view on health of state's economy and personal financial situation.
- Aligns with national estimates

Short-run Consumer Spending Data

- All categories of consumer sentiment are spending more than they were in 2019 (adjusted for inflation)
- Energy goods are the main driver of increased spending last month
- Increases in the cost of necessities drive increased spending

Changes in Monthly Consumer Spending March 2026

Consumer spending increased \$195.4 billion



U.S. Bureau of Economic Analysis

Billions of dollars, seasonally adjusted annual rates

Consumer Spending, Nationally

- Sentiment has a modest impact on spending increases, but increases none the less
- Those who have lower income now than in 2019 are still spending more
- Hints at increased pressure on household finances and less savings

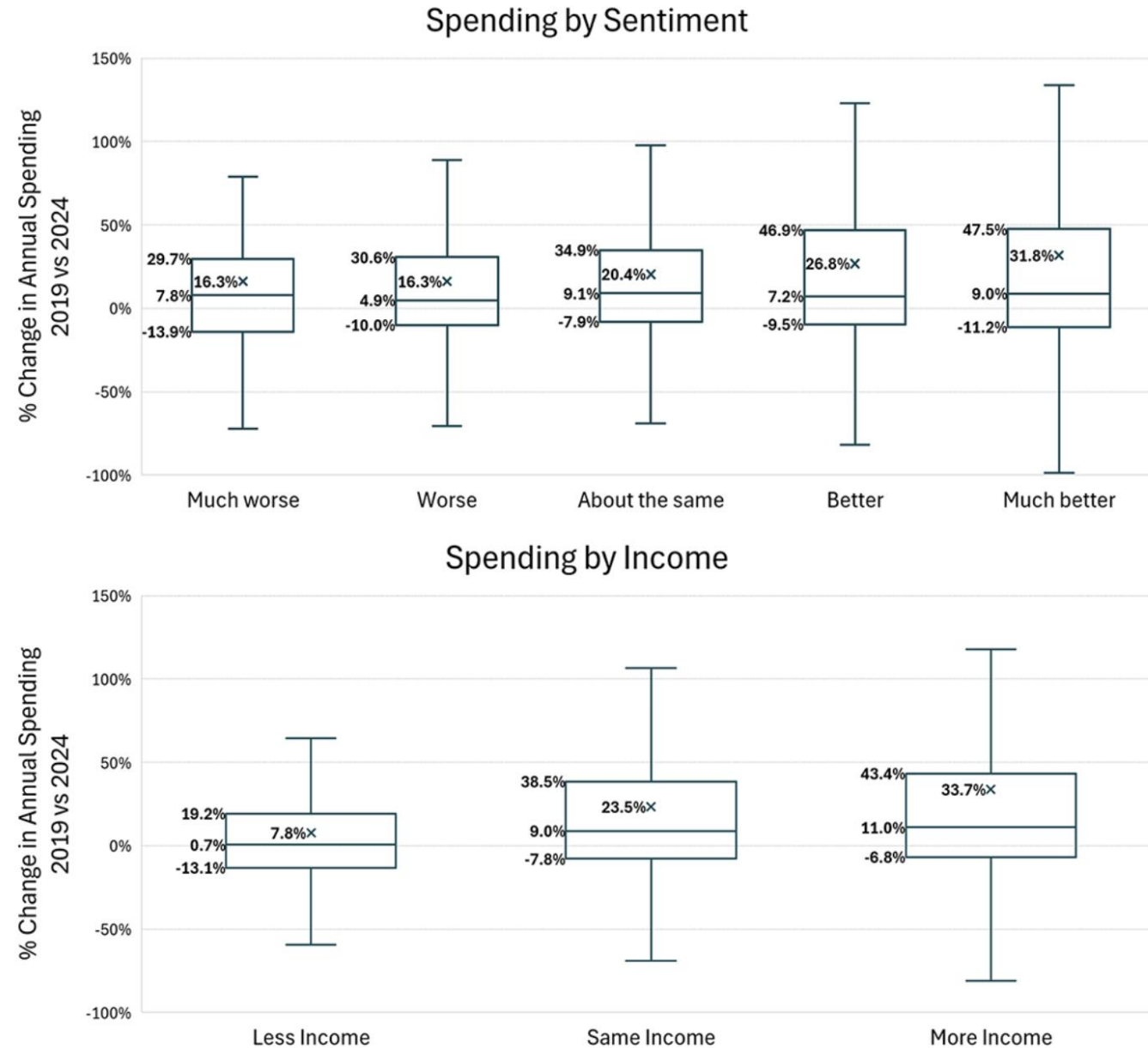
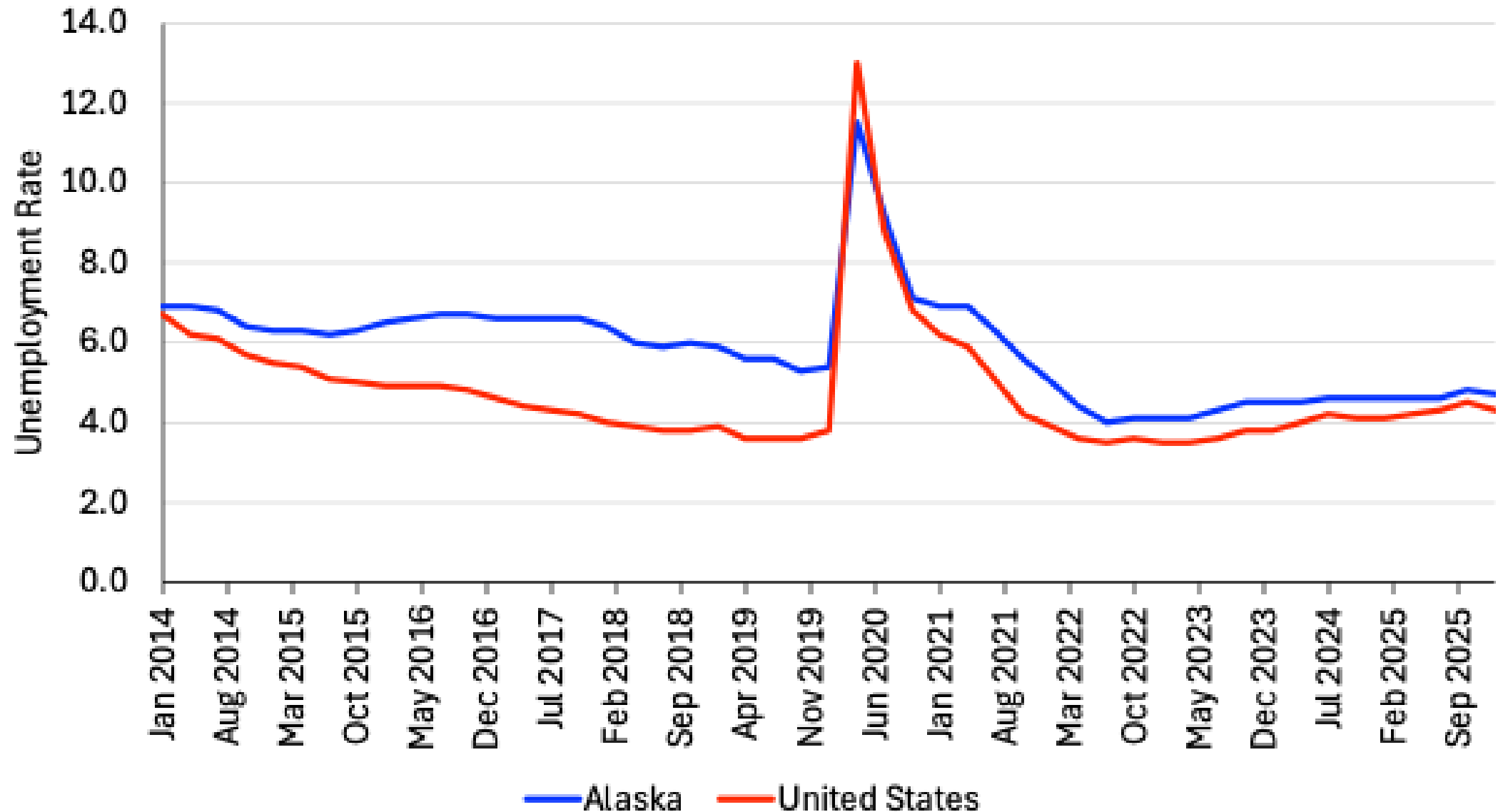


Figure source: Hoke et al. (2025)

Average Quarterly Unemployment Rate, Seasonally Adjusted, 2014—2025



2026 Jobs Forecast, AK Dept. of Labor and Workforce Development

- Forecast an additional 3,000 (~1%) jobs this year—oil and gas, health care, construction, and transportation
- Primary drivers are high resource prices: oil, gold, silver, salmon, etc.
- Infrastructure and resource project dependent economy

The statewide outlook for jobs in 2026, by industry

					JOBS FORECAST		
	Monthly avg, 2024 ¹	Monthly avg, 2025 ¹	Change, 2024-25	Percent change	Monthly avg, 2026	Change, 2025-26	Percent change
Total Nonfarm Employment²	333,900	337,800	3,900	1.2%	340,800	3,000	0.9%
Total Private	254,300	258,300	4,000	1.6%	261,700	3,400	1.3%
Mining and Logging	12,500	13,400	900	7.2%	14,400	1,000	7.5%
Oil and Gas	8,300	9,000	700	8.4%	10,000	1,000	11.1%
Construction	18,500	19,500	1,000	5.4%	20,200	700	3.6%
Manufacturing	11,900	11,900	0	0%	11,800	-100	-0.8%
Trade, Transportation, and Utilities	66,400	67,000	600	0.9%	67,500	500	0.7%
Wholesale Trade	6,500	6,500	0	0%	6,500	0	0%
Retail Trade	34,900	34,700	-200	-0.6%	34,600	-100	-0.3%
Transportation, Warehousing, and Utilities	25,000	25,800	800	3.2%	26,400	600	2.3%
Information	4,400	4,300	-100	-2.3%	4,300	0	0%
Financial Activities	10,800	10,800	0	0%	10,800	0	0%
Professional and Business Services	28,800	29,000	200	0.7%	29,200	200	0.7%
Educational (private) and Health Services	53,000	54,600	1,600	3.0%	55,700	1,100	2.0%
Health Care	41,700	43,200	1,500	3.6%	44,300	1,100	2.5%
Leisure and Hospitality	35,900	35,800	-100	-0.3%	35,700	-100	-0.3%
Other Services	12,100	12,000	-100	-0.8%	12,100	100	0.8%
Total Government	79,700	79,500	-200	-0.3%	79,100	-400	-0.5%
Federal, except military	15,500	15,200	-300	-1.9%	14,800	-400	-2.6%
State, incl. University of Alaska	23,900	24,200	300	1.3%	24,300	100	0.4%
Local and tribal, incl. public schools	40,300	40,100	-200	-0.5%	40,000	-100	-0.2%

¹Preliminary and adjusted estimates. ²Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

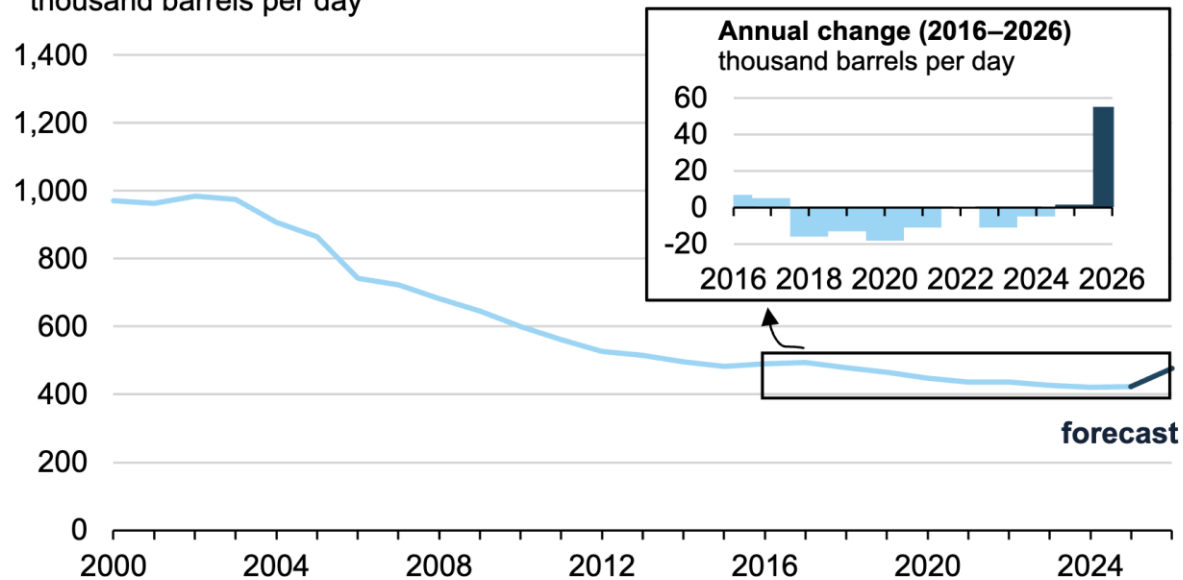
Key Challenges and Opportunities

Oil, Gas, and Mining

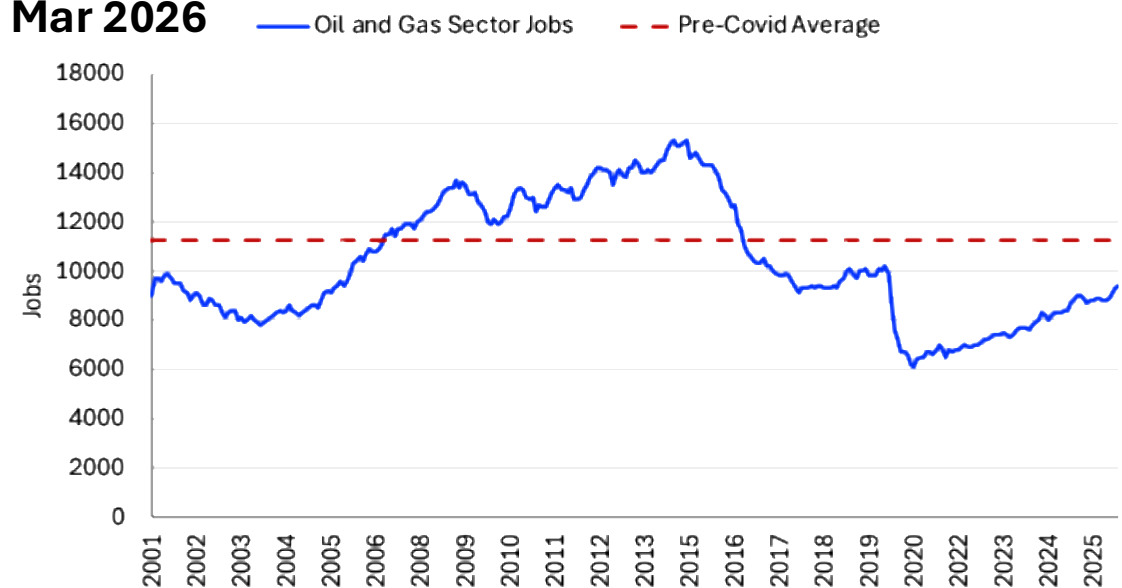
Employment and Production

- Oil and gas sector employment is rising, but remains below the pre-COVID era average
- Alaska crude production has experienced a negative trend, but is expected to rise significantly in 2026

Alaska average annual crude oil production (2000–2026)
thousand barrels per day



Oil and Gas Sector Employment in Alaska, 2001-Mar 2026



Source: Alaska Monthly Employment Estimates and Current Employment Statistics, Alaska Department of Labor and Workforce Development, Research and Analysis

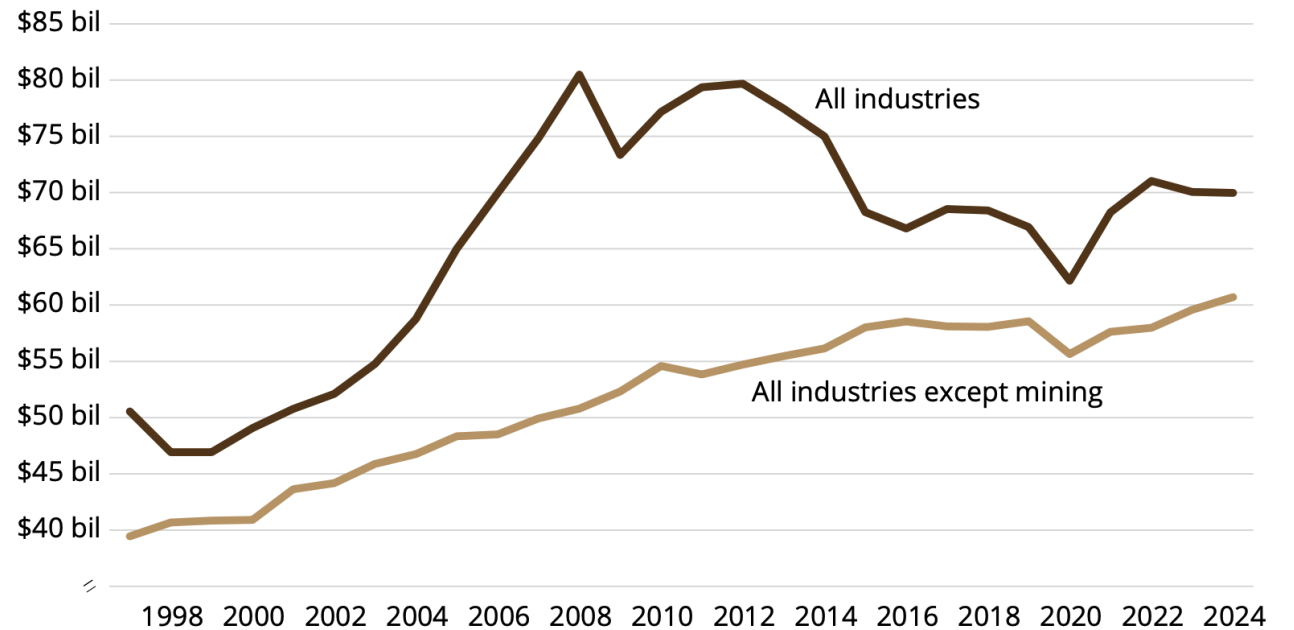
Attributable to Nuna and Pikka Phase 1



Oil and the Economy

- The oil and gas industry still contribute more to state GDP than any other
- Oil and gas revenues have dominated state revenues, but this has declined in recent years due to production and price slump
 - 2026 will look a lot different (surging prices, successful oil fields)

Alaska's real GDP value with and without mining/oil



Source: U.S. Bureau of Economic Analysis, SAGDP2 GDP by state

The LNG Pipeline Project

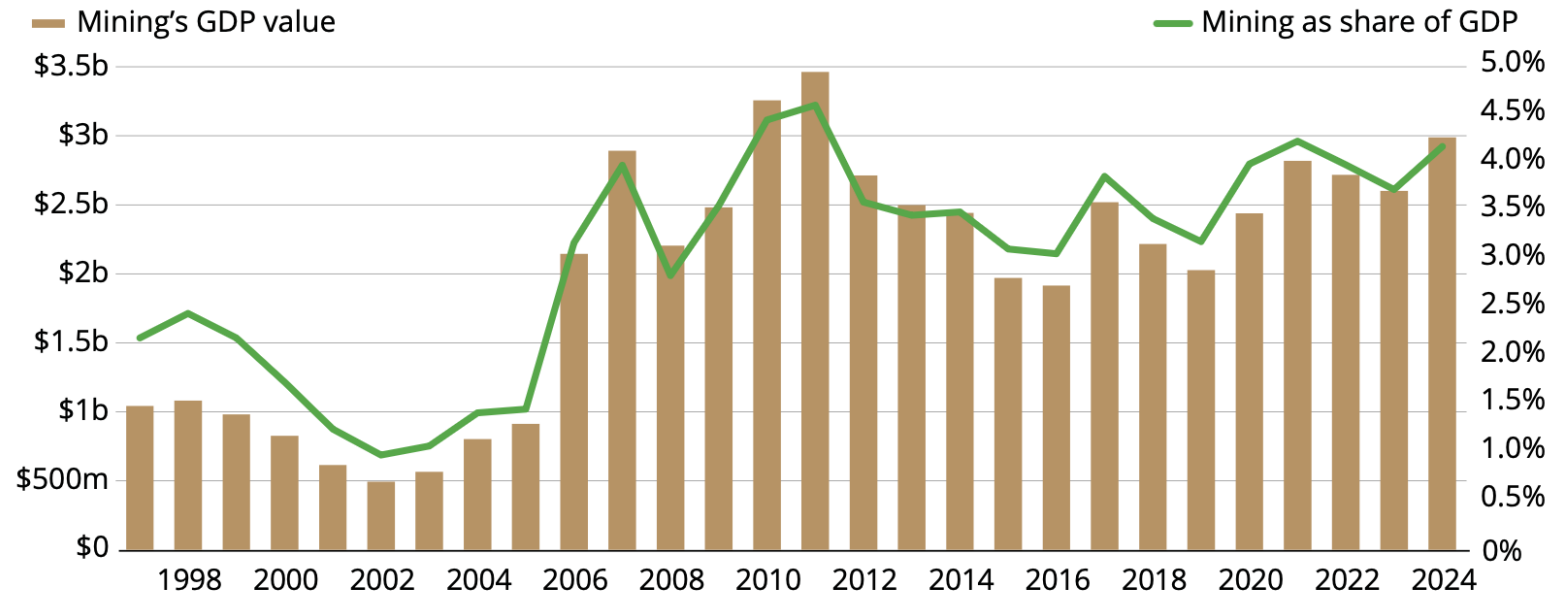
- Anticipated to produce up to 20 million metric tons annually
- Objective is domestic supply and international market supply
- Ownership: 75% Glenfarne, 25% State of Alaska
- Jan 22, 2026: Glenfarne advances from development to early execution
- Non-binding letter of intent for 30-year supply of NG to ENSTAR
- Legislature is debating the removal of annual property tax to replace it with a unit-based tax (6-cents per 1000 ft³)
 - Estimated tax reduction of 90%
 - Debate has been fierce
 - Rumors that the project will not move forward without tax restructuring



Mining Highlights

- With oil production dwindling (historically), mining has become a larger share of our state GDP
- Fishing and mining were the top exports (in value) in 2025

Mining's value, share of Alaska GDP have grown considerably



Top Alaska global exports, 2025

Export	Value in 2025
Fish, Frozen (no Fish Fillets or Other Fish Meat)	\$1,631,821,778
Zinc Ores And Concentrates	\$1,335,586,554
Gold (incl Plat Plated)	\$1,128,851,015
Fish Fillets, Oth Fish Meat, Fresh, Chill Or Froz	\$816,744,079
Precious Metal Ores And Concentrates	\$619,301,552
Lead Ores And Concentrates	\$375,793,340
Civilian Aircraft, Engines, And Parts	\$167,480,604
Crude Oil From Petroleum/Bituminous Minerals	\$150,398,472
Flour, Meal Etc. of Meat, Not For Humans	\$98,025,027
Oil (Not Crude) From Petrol and Bitum Mineral Etc.	\$95,907,824

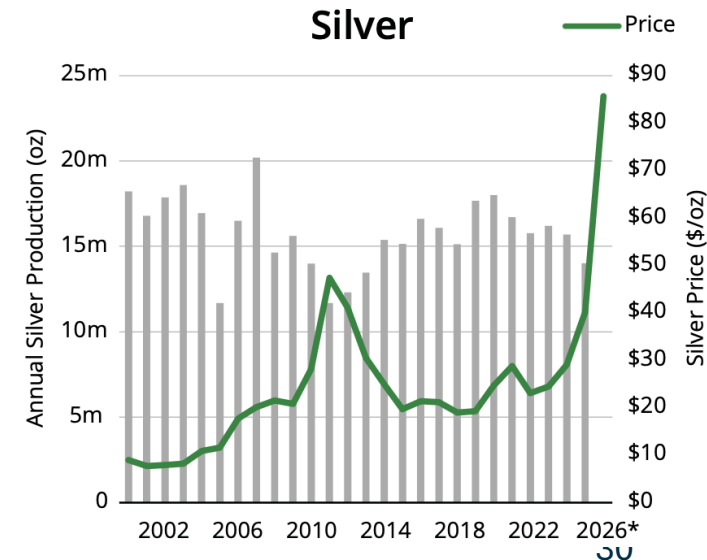
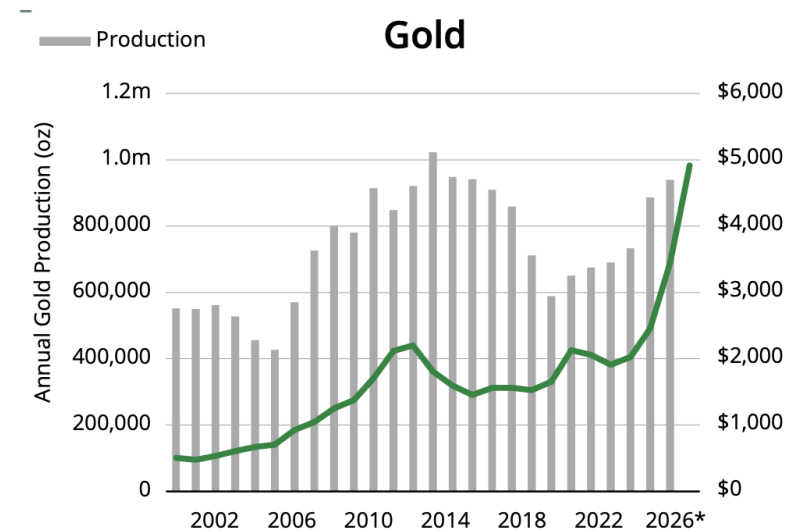
Source: U.S. Census Bureau, U.S.A. trade statistics

Note: Inflation-adjusted to 2024 dollars. Excludes oil and gas. Includes coal, sand, and gravel.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Bureau of Economic Analysis

Mining Summary

- Gold and silver prices have surged, resulting in large GDP gains for the state
- Red Dog remains the only germanium producer in the US in 2024, important as China banned exports of rare earth minerals in 2024
- Metal mining employment rose 34% in the last decade
 - Second highest average annual salary: \$135k
 - 56% of employees are Alaska residents (M20-40)
- 60 active exploration projects in '25
- Federal investment in Graphite mine feasibility (37.5m in 2023)
- FAST-41 streamline program has many active projects: Donlin (gold), Graphite Creek (graphite), Johnson Tract (gold, silver, zinc, copper, lead)
- USDOW purchases 10% of Trilogy Metals -> Ambler Project
- Regulatory environment is favorable, but litigation, environmental, and land use claims remain challenges



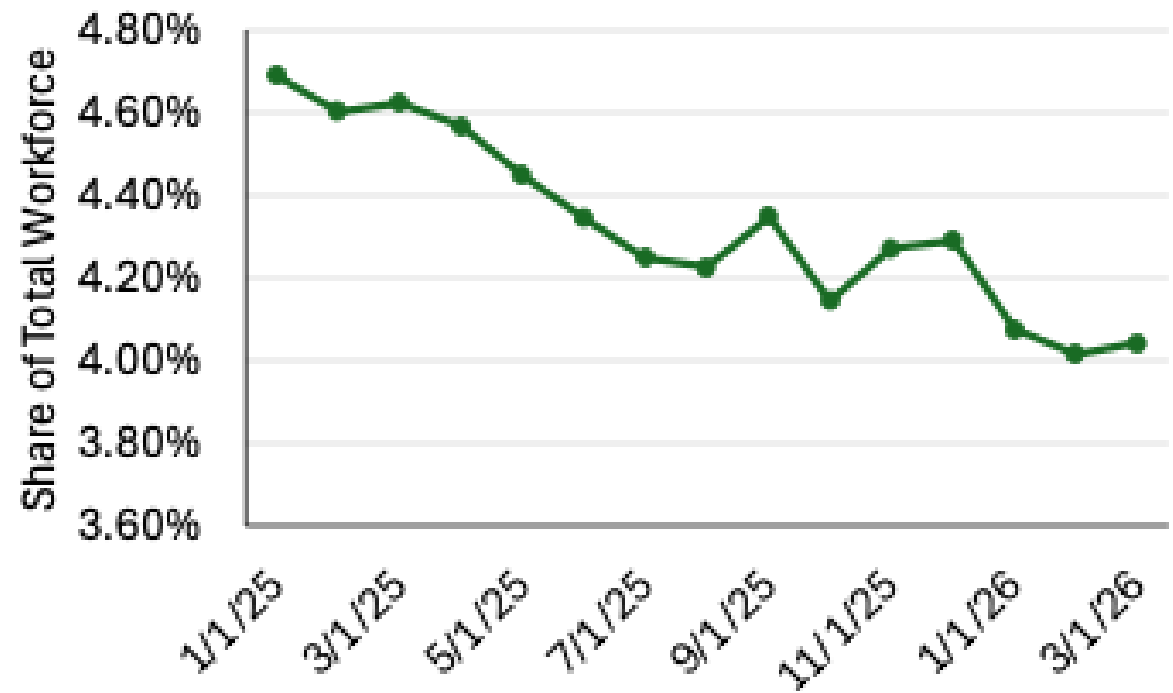
Key Challenges and Opportunities

Federal Workforce and Spending

The Federal Workforce in Alaska

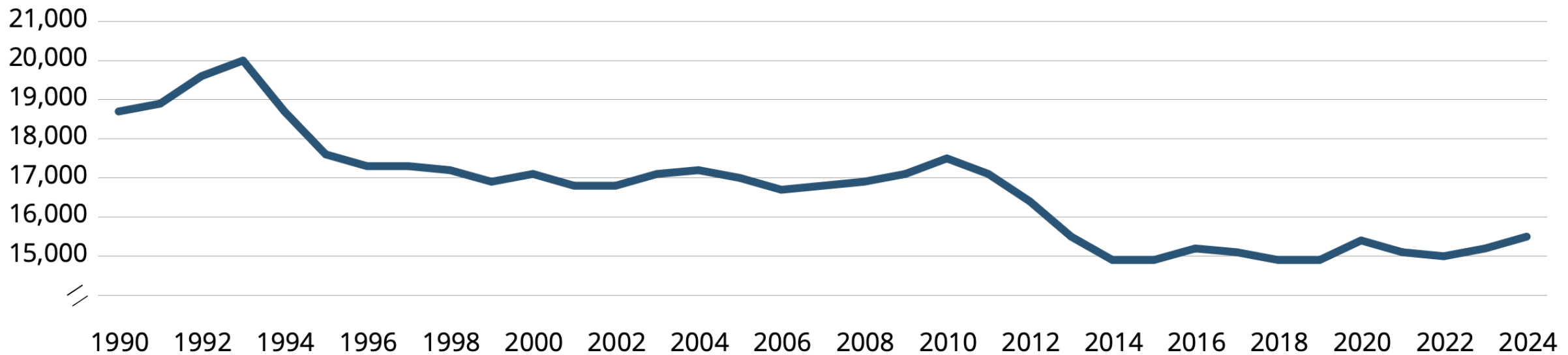
- The federal workforce in Alaska is large, but trending downward (-13%, jobs in past year)
- Alaska has the third highest share of the workforce that are federal civilian employees (as of 2023)
- Largest agencies:
 1. Dept. of Interior
 2. Dept. of Transportation
 3. Dept. of Veterans Affairs
 4. Dept. of Agriculture
 5. Dept. of Commerce
- Federal workforce is an integral part of Alaska's economy
- Workforce cuts by department are large for the above agencies

Federal Workforce in Alaska, 2025-Mar 2026



Data: Alaska Department of Labor and Workforce Development, Research and Analysis

Federal employment in Alaska has declined over the last three decades



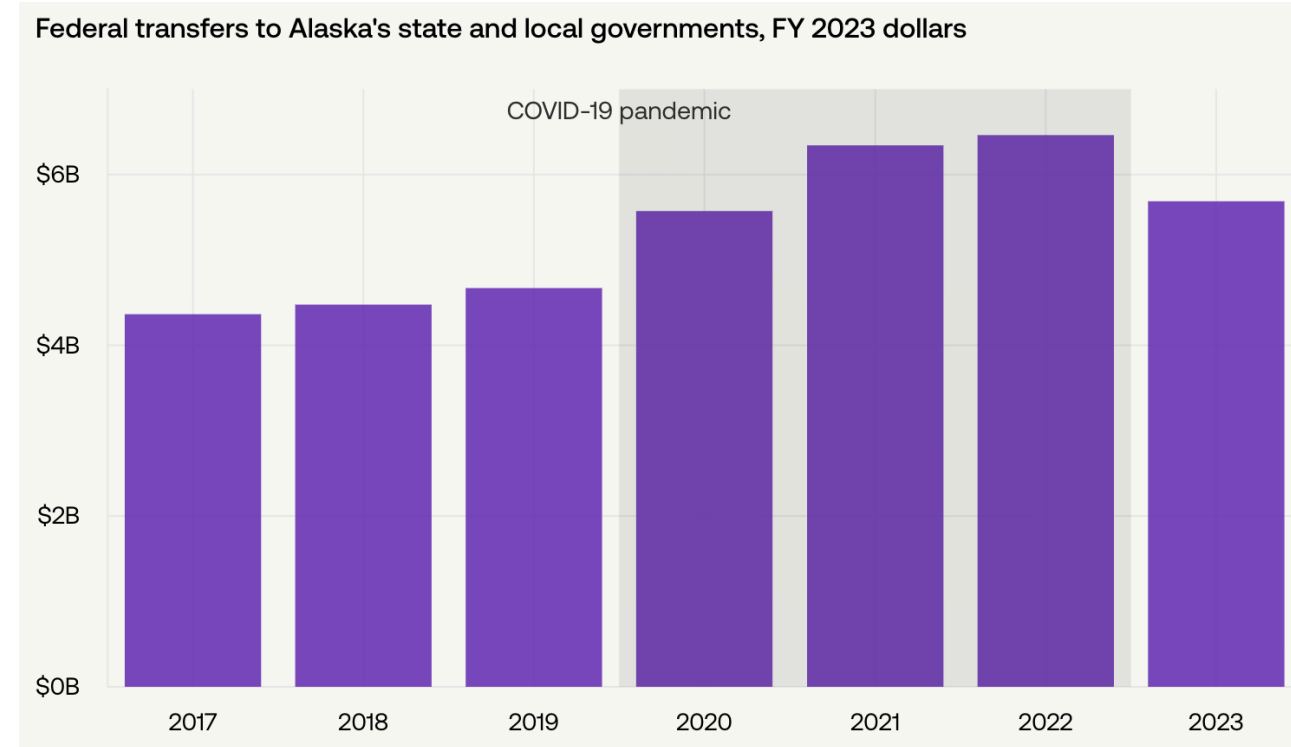
Note: Calendar years

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Current Employment Statistics

Federal Spending in Alaska (FY23)

- Alaska was the third largest per capita federal expenditures recipient (\$26,471)
- 34.8% of Alaska's gov't revenues came from federal transfers (US average is 25.5%)

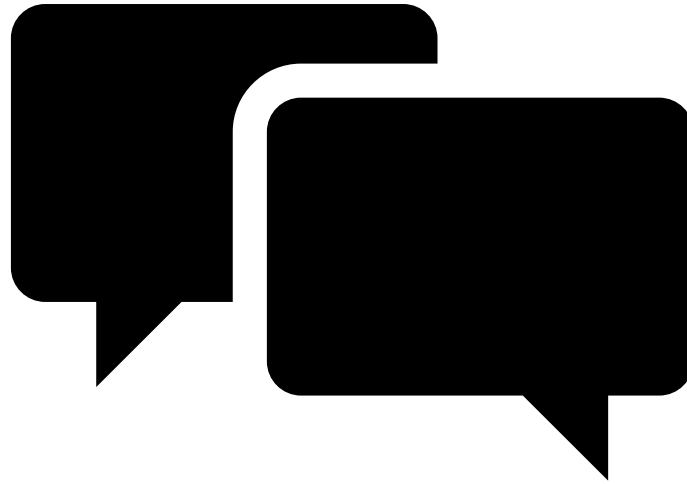
Category	All States	Alaska
Education	11%	10%
Health and hospitals	9%	11%
Infrastructure and utilities	4%	17%
Other	19%	19%
Public welfare	57%	42%



Source: USAFacts. Data: US Census Bureau

Talk Summary

- Alaska's economic outlook has both bright (resource) and dim (non-resource) spots
- GDP growth from resource extraction is driven primarily by volatile resource prices
- Employment is trending upward, but increases in the cost of living appears to outpace income gains
- Population dynamics are not favorable for the state, but are for certain areas (Mat-Su)
- Outside of the resource (and health care) economy, there is stagnate or declining growth



I look forward to hearing from you all about your local economic stories