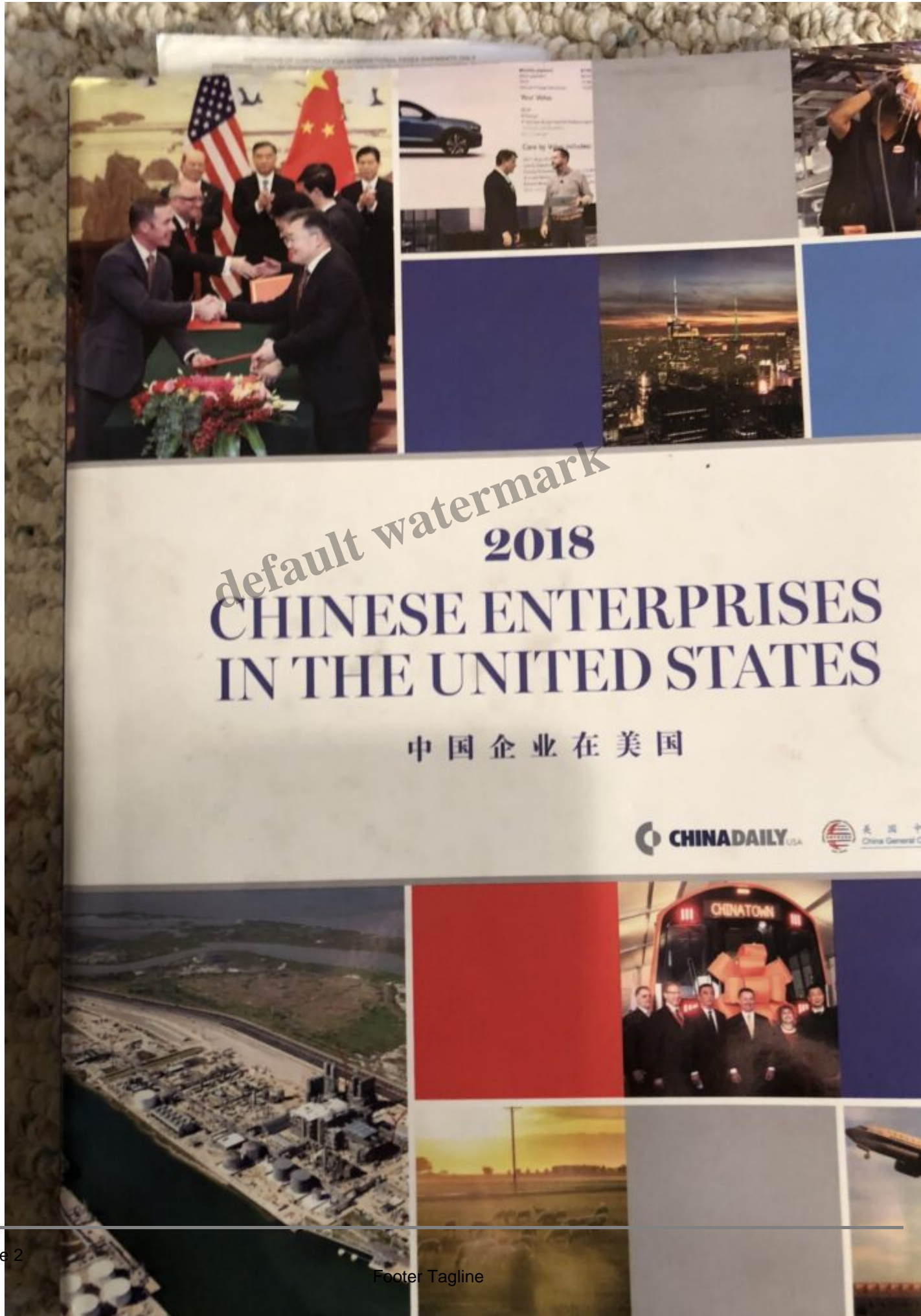


Alaska's Economy Down from China Virus

Description

Who Can Afford to Live in Alaska?

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2018 CHINESE ENTERPRISES IN THE UNITED STATES

中国企业在美

CHINADAILY USA

美国中国总商会
China General Chamber of Commerce

This large book was given to every Alaska Legislator during the 30th Session in 2018 by Gov. **Bill Walker**, who personally inscribed a message of AK hope through partnering with Communist China for resource development.

Alaska has always had a tenuous economy, buffeted by winds of boom and bust. Most economic winds are generated by capacity for natural resource extraction. And, for more than 40 years, income from any other industry has been a bonus.

This fragile economic reality means government sector employees have security while private sector companies pay for government. By the end of 2019 the Alaska economy had continued to slide—after hitting a patch of black ice—when the **AFL-CIO Unions** and *Alaska Dispatch News* in 2014 convinced enough voters to elect **Bill Walker** as governor.

[1] It's official: Walker-Mallott will take on Parnell-Sullivan in bid for Alaska governor, Richard Mauer, ADN September 3, 2014

Trends toward another bust were obvious then—even given our \$66 Billion *Permanent Fund*—before the Chinese virus which paralyzed the world in early 2020.

Gov. Walker wanted to partner with the Chinese to build an Alaska Gas Line, but instead China has put all Americans into a fine kettle of fish.

[2] **AK Joins Philippines-China Love/Hate Relationship, DONN LISTON** 08/21/2023
<https://donnliston.net/2023/08/alaska-joins-philippines-china-love-hate-relationship/>

The background of the cover is a scenic photograph of a coastal town at sunset. In the foreground, there's a body of water reflecting the orange and pink hues of the sky. Several fishing boats are docked at a pier on the right side. In the background, snow-capped mountains rise against the sky. The text is overlaid on this image.

ALASKA ECONOMIC *TRENDS*

JANUARY 2020

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2020 JOBS FORECAST

ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT • RESEARCH AND ANALYSIS

State workers at the *Alaska Department of Labor and Workforce Development* (AKLWD) have traditionally performed a valuable service monitoring essential population and economic data for publication in a monthly *Trends* magazine, out of Juneau. I have been to the workplace cubicles—in a building dubbed the Plywood Palace—where state employees collect data under the guidance of professional economists, and predict the future of Alaska based on past trends using computer modeling projections.

In *January* they established we weren't doing so hot, nor was the Alaska economy projected to do much better in the coming year(s).



Alaska added about 1,600 jobs in 2019 after losing more than 11,000 during the recession of the prior three years, reported **Karinne Wiebold** in the January *Trends*. We forecast that trend will continue this year, but at a slower rate of 0.3 percent, or about 1,100 new jobs.

Wiebold continued: While most industries' growth will be tepid, record anticipated numbers of cruise ship visitors and the first wave of new military personnel at **Eielson Air Force Base** in the interior will be bright spots in 2020.



Outside Economic Forces Were the Hope for 2020

Wiebold continued: *Growth is the economic default. Without significant counter-pressure, growth is the default economic setting. Absent a major shock, Alaska will keep adding jobs in 2020, but a few conditions will keep recovery sluggish.*

[3] Alaska Department of Labor: Alaska Economic Trends, January 2020

At this Writing in May We Know there has been a “Major Shock”

Here is where we were economically in 2019 at conclusion of our 60th year as a state:

Statewide outlook for

TOTAL NONFARM EMPLOYMENT²

Total Private
Mining and Logging
Oil and Gas
Construction
Manufacturing
Transportation, Trade, and Utilities
Retail Trade
Wholesale Trade
Transportation, Warehousing, and U
Information
Financial Activities
Professional and Business Services
Educational (private) and Health Servic
Health Care
Leisure and Hospitality
Other Services
Total Government

Private employment over **Gov. Michael Dunleavy's** first year had inched up by 1,600 employees to 329,300. Numbers of local, state and federal government workers had been reduced by about 400, to 80,100 total.

[4] Why British Petroleum left Alaska and what every Alaskan needs to know about the Oil Business, DONN LISTON January 17, 2022

Those people who were here to get rich—in the now 43-year oil boom—have mostly gone home; those of us who will continue to remain through winter after winter are again maximizing our production during long summer days in preparation for a glorious future. We know the politicians we elect in districts around the state go to backwater Juneau and work for the special interests, but that's the price we have accepted for low population and the considerable personal freedoms we enjoy.

So, if Alaskans Deserve Better,

We Must Know the Facts About Our Economic Future

In **February** the AKLWD team of **Sara Whitney** and **Liz Brooks** reported on **Alaska Population Trends** : *Alaska's population decreased 0.4 percent from July 2018 to July 2019, our new estimates show. The biggest drivers include a decline in the number of people moving to Alaska and fewer births.*

Fewer than 10,000 Alaska babies were born last year.

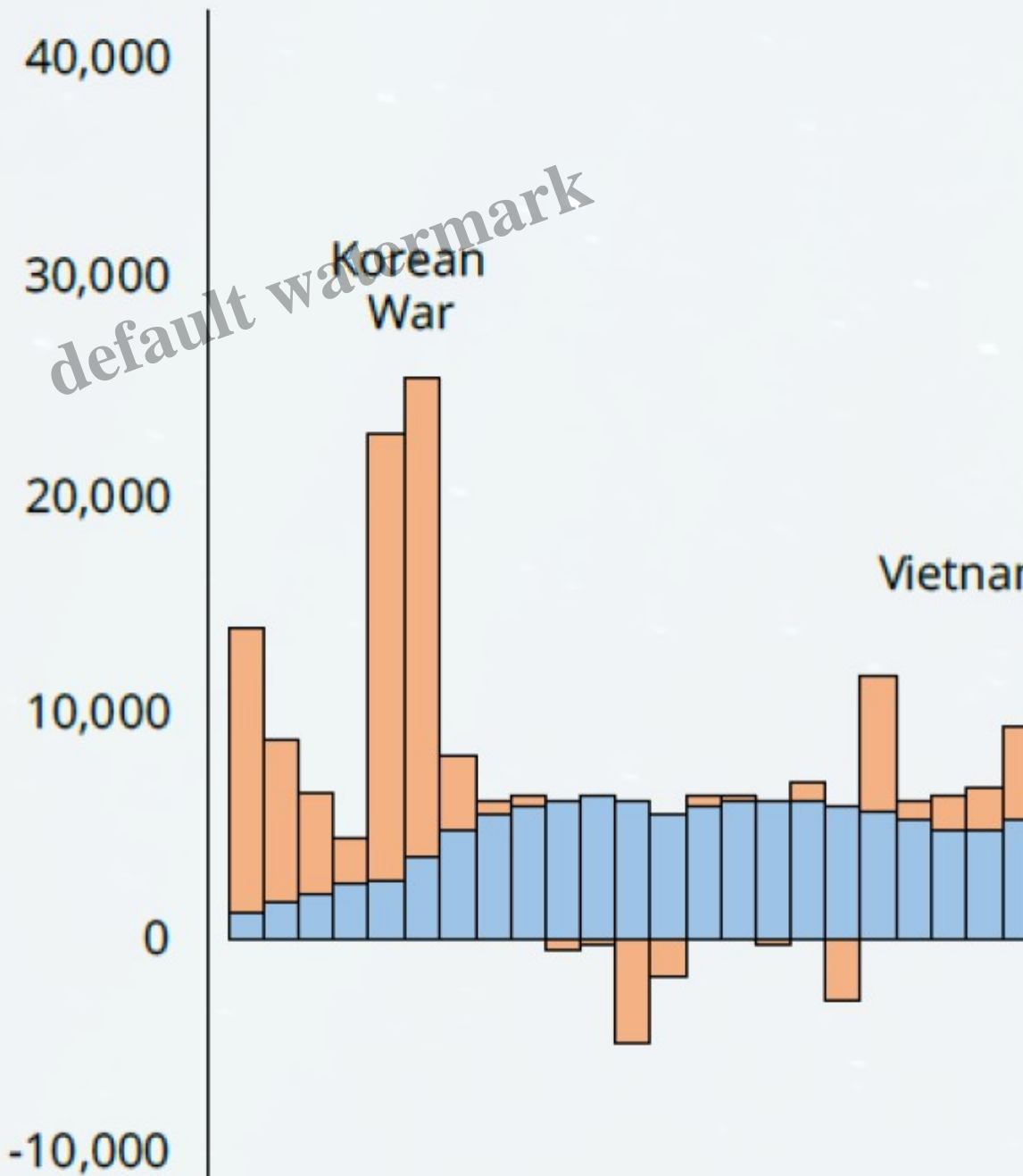
Further:

While this was the third straight year of overall population loss, the declines have been small. Over those three years, Alaska's population fell by a total of 1.2 percent. The state's 2019 population of 731,007 is about 8,600 below the peak of 739,649 people in 2016 (coincidentally the middle of Bill Walker's single term as governor)

[3]

How Does that Stack Up with our Historic Population Trends?

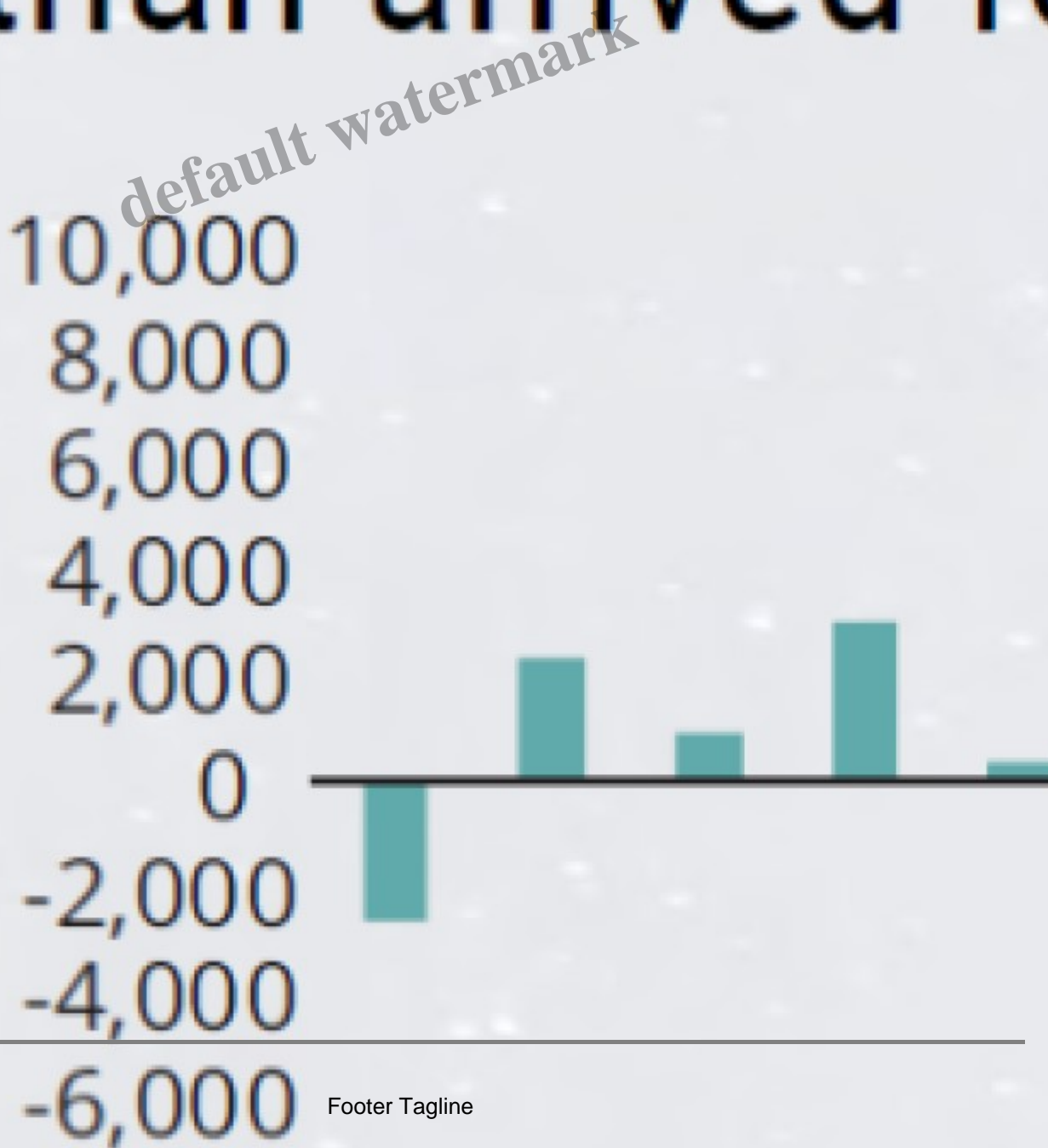
Components of Alaska



While 2019's population decline was mainly a continuation of longer-term trends such as ongoing migration losses and population aging, the sharp drop in births was a notable change. **The number of births in Alaska has fallen 15 percent over the last three years.**

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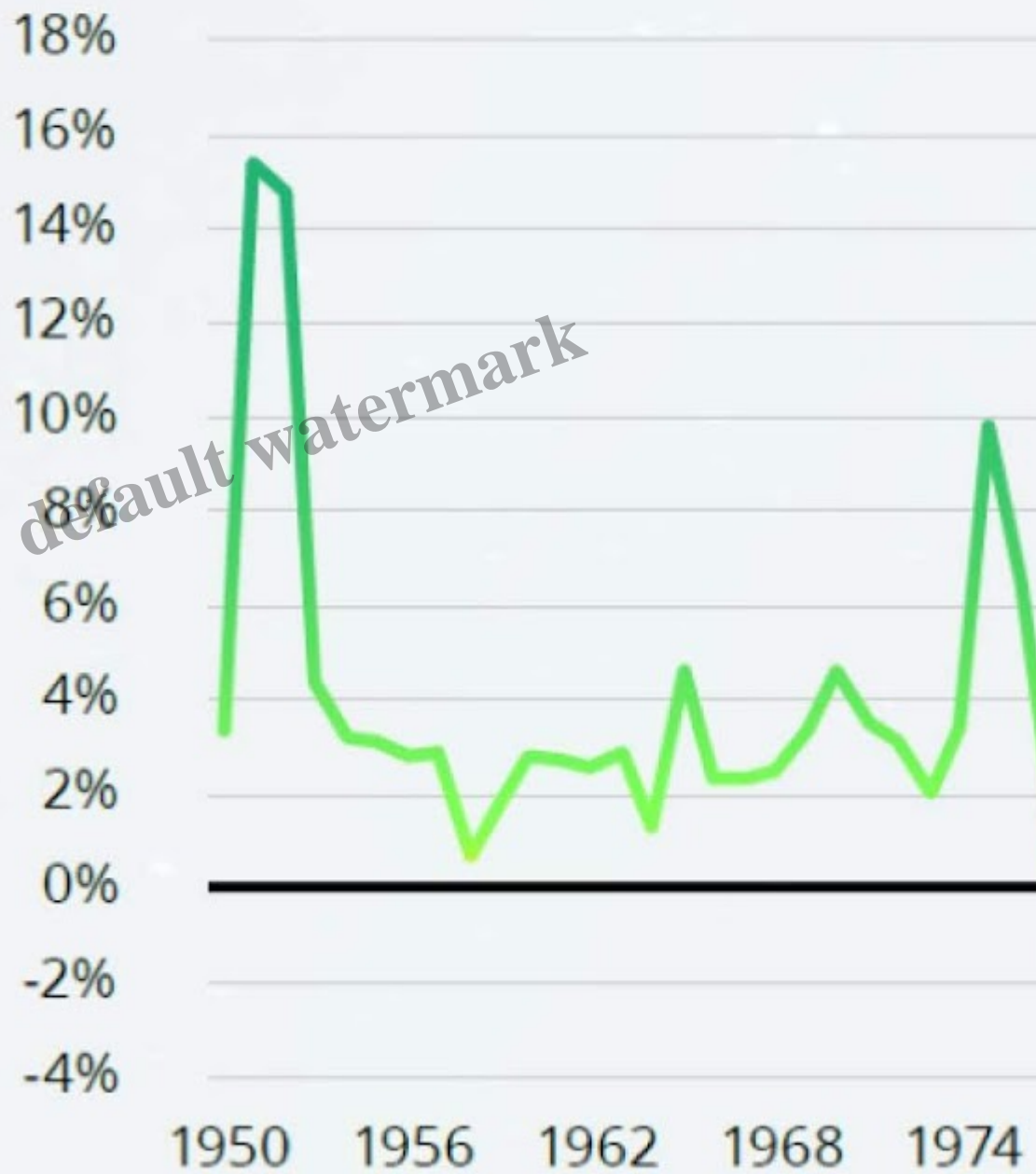
More people h than arrived fo



Population Decline has Occurred on Two Previous Occasions Since Statehood

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Alaska's yearly percent



According to the same February *Trends* publication: Alaska's population decreased, as more people left Alaska than moved in for a seventh straight year. Net migration —in-movers minus out-movers — was -8,300 in 2019, similar to the prior years' losses.

As of 2019, the state has lost more people to net migration over this seven-year stretch than during the deep recession and housing collapse of the 1980s, although that loss was shorter and steeper. Alaska lost 44,081 people to net migration over four years during the '80s, and the current streak's net loss is 45,828.

Speculation that more people were leaving the state was common in recent years, but while it might seem counter-intuitive, the opposite is true. Fewer people left Alaska last year than we've seen since 2011 — but drastically fewer moved to the state than is typical.



Protesters position themselves across the street from Gov. Bill Walker's Anchorage office while they ask registered voters to sign a recall application to vote Walker out of office during the #SavethePFD protest on Monday, July 11, 2016. (Sarah Bell / Alaska Dispatch News)

[5] Group gathers in downtown Anchorage to begin efforts at recalling Alaska Gov. Walker

Smart People are Leaving Alaska

Perhaps staying home and watching Alaska reality television is better than coming to a place in steep social and economic decline.

In March the DOLWD *Trends* publication ran a story declaring **Total Wages up 4.7% in third quarter.**

Growth is from same quarter in 2018; average wages are also up

By DAN ROBINSON

Alaska employers paid \$4.9 billion in wages during the third quarter of 2019, an increase of 4.7 percent from the same quarter the year before. Private sector wages grew 5.4 percent over the year and government wages increased 2.5 percent.

In Alaska's seasonal economy, wages and job levels are at their highest levels in the third quarter of each year, making third quarter data especially relevant to assessing the state's economic direction.

Oil, seafood processing lead wage growth

Oil and gas wages rose from \$309.3 million to \$335.5 million, an increase of 8.5 percent. Seafood processing wages grew from \$199.3 million to nearly \$228 million, a jump of 14.4 percent.

Alaska's large leisure and hospitality sector, which includes many tourism-related companies, paid out 4.7 percent more in third quarter wages in 2019, totaling \$302.6 million. Health care wages continued a long stretch of growth as well, increasing 4.8 percent to \$594.7 million.

This Chart Shows Where Alaska's Economy is Headed

Average wages and jobs by industry and

Industry	Q3 2018 avg jobs	Q3 2019 avg jobs	Ch. in
Total, All Industries	342,128	345,733	3
Total Private Sector	270,498	274,715	4
Natural Resources and Mining	14,430	15,338	
Agriculture, Forestry, Fishing, and Hunting	1,729	1,893	
Mining	12,701	13,445	
Oil and Gas Industry	9,333	9,929	
Construction	18,392	18,846	
Manufacturing	18,750	20,109	
Seafood Processing	14,726	15,941	
Trade, Transportation, and Utilities	68,605	68,922	
Wholesale Trade	6,584	6,655	
Retail Trade	37,019	36,752	
Transportation and Warehousing	22,726	23,236	
Utilities	2,275	2,278	
Information	5,620	5,323	
Financial Activities	12,969	12,954	
Professional and Business Services	28,508	28,933	
Educational and Health Services	49,338	49,711	
Educational Services	2,347	2,249	
Health Care and Social Assistance	46,991	47,462	
Health Care	37,973	38,452	
Social Assistance	9,018	9,011	
Leisure and Hospitality	42,483	43,121	
Accommodation and Food Services	36,146	36,741	
Accommodation	12,181	12,551	
Food Services and Drinking Places	23,966	24,189	
Other Services/Unclassified	11,404	11,458	
Total Government	71,630	71,018	
Federal	15,305	15,312	
State, including University of Alaska	23,221	23,051	
Local, including tribal	33,104	32,655	

Area	Q3 2018 avg jobs	Q3 2019 avg jobs	Ch. in
Statewide	342,130	345,735	
Aleutians East Borough	2,906	3,466	
Aleutians West Census Area	3,631	3,785	
Anchorage Municipality	150,951	151,284	

Depending on what you are trained to do, and where you live in Alaska, this chart tells whether you can afford to live here.

In **April** everything changed. The DOLWD Research and Analysis Staff generated a ***Trends*** publication speculating on economic possibilities with short-, medium- and long-term impact horizons. This is new black ice: *Normally, Alaska employers would pay out more than \$1 billion in private sector wages in April and even more in May. There's little doubt that wages will fall by hundreds of millions of dollars over the short-term period due to virus-related shutdowns and efforts to slow the spread of COVID-19.*

Service industries have been hit hard and Alaska residents who lived paycheck-to-paycheck are trapped. State and local government workers are not losing their jobs but they can see the tsunami wave has headed out leaving ocean bottom exposed and know it will be coming back with a vengeance.

From the ***Trends*** report: *State and federal legislation has already been passed to help fill gaps in the economy and household budgets caused by lost wages. The objective is to quickly get money to those who have had to absorb the biggest initial losses and to help shore up the economy during the next few months.*

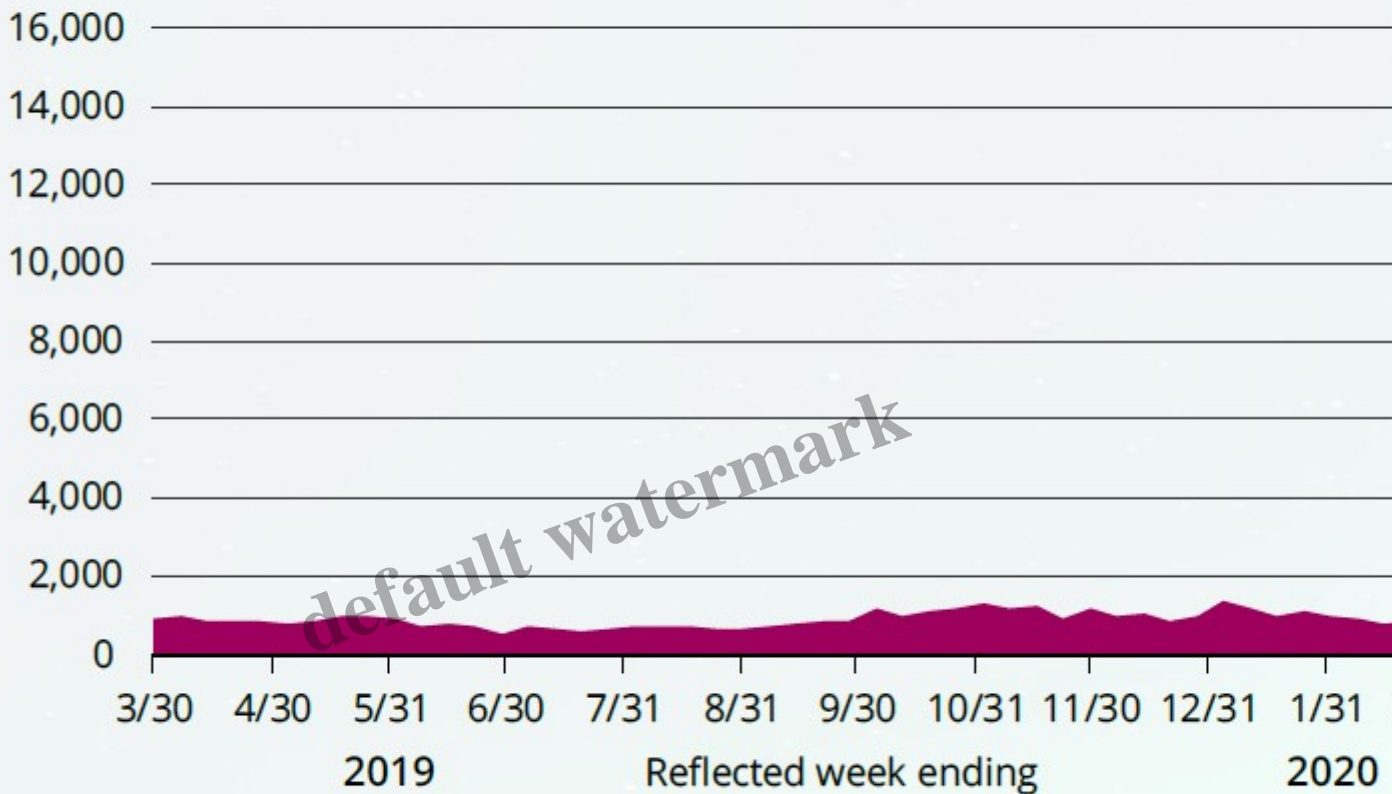
State legislation has extended eligibility for unemployment benefits to people who had to stop working due to COVID-19. It also removed the requirement that people actively seek work to receive benefits, raised the additional dependent allowance from \$24 a week per dependent to \$75 a week, and removed the limit on the number of dependents for which a claimant can receive the allowance. Normally, the maximum is three.

The state legislation, which will be in effect until April of 2021, also waives the normal waiting period for benefits and applies to all claims filed after March 1.

The result has been increased claims for unemployment

Unemployment benefit claims jumped in M

Initial claims



Source: Alaska Department of Labor and Workforce Development, Research and Analy

The Alaska economy has returned to where it was before statehood; Alaska is rich but Alaskans are reduced to doing each other's laundry with an expectation our elected legislators will not only refuse to abide by the law to provide statutory ***Permanent Fund Dividend*** payments, but also will find a way to tax producers if politically possible. The ***Permanent Fund*** is now in decline and Alaskans are invited to apply for unemployment benefits while they are forced to shelter in place.

For those who are able, it's time to make babies.

References:

[1] It's official: Walker-Mallott will take on Parnell-Sullivan in bid for Alaska governor, *Alaska Dispatch News*, September 2, 2014

[2] **AK Joins Philippines-China Love/Hate Relationship, DONN LISTON** 08/21/2023
<https://donnliston.net/2023/08/alaska-joins-philippines-china-love-hate-relationship/>

[3] Alaska Department of Labor: Alaska Economic Trends, January 2020
<https://labor.alaska.gov/trends/jan20.pdf>

[4] Why British Petroleum left Alaska and what every Alaskan needs to know about the Oil Business, DONN LISTON January 17, 2022
<https://donnliston.net/2023/01/why-is-bp-leaving-alaska-2019-donnliston/>

[5] Group gathers in downtown Anchorage to begin efforts at recalling Alaska Gov. Walker over slashed PFD, *Alaska Dispatch News*, July 12, 2016

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Category

1. Alaska Economy
2. Alaska Elected Officials
3. ALASKA! PERMANENT FUND/PFD
4. Pandemic

Tags

1. Alaska Department of Labor and Workforce Development (AKLWD)
2. Alaska Population
3. Alaska Public Policy
4. Bill Walker
5. Eielson Air Force Base
6. Liz Brooks
7. Sara Whitney

Date Created

May 5, 2020

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