



Alaska Economic Outlook 2008

Presentation to

World Trade Center Alaska

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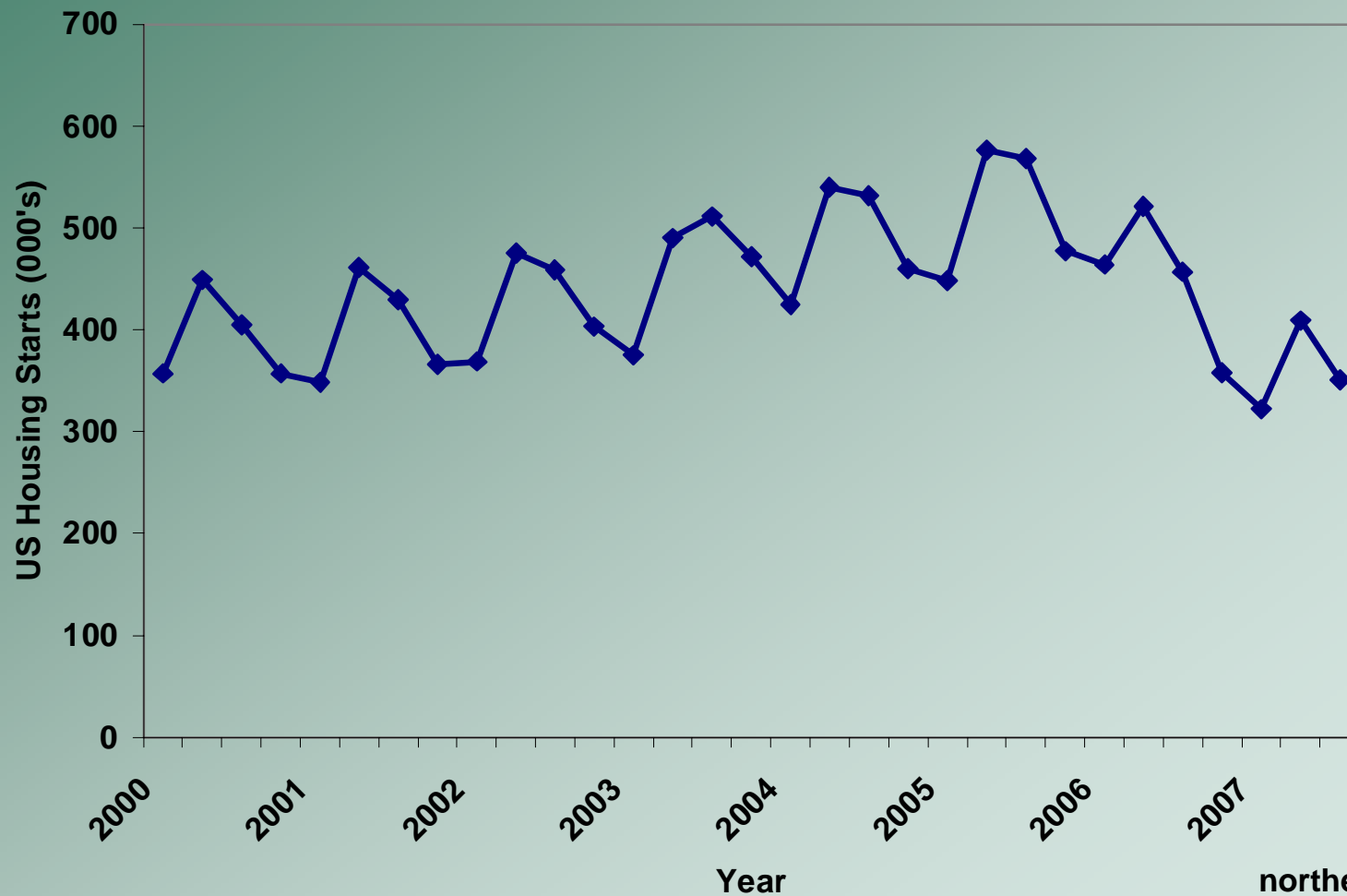
January 2008


northern economics

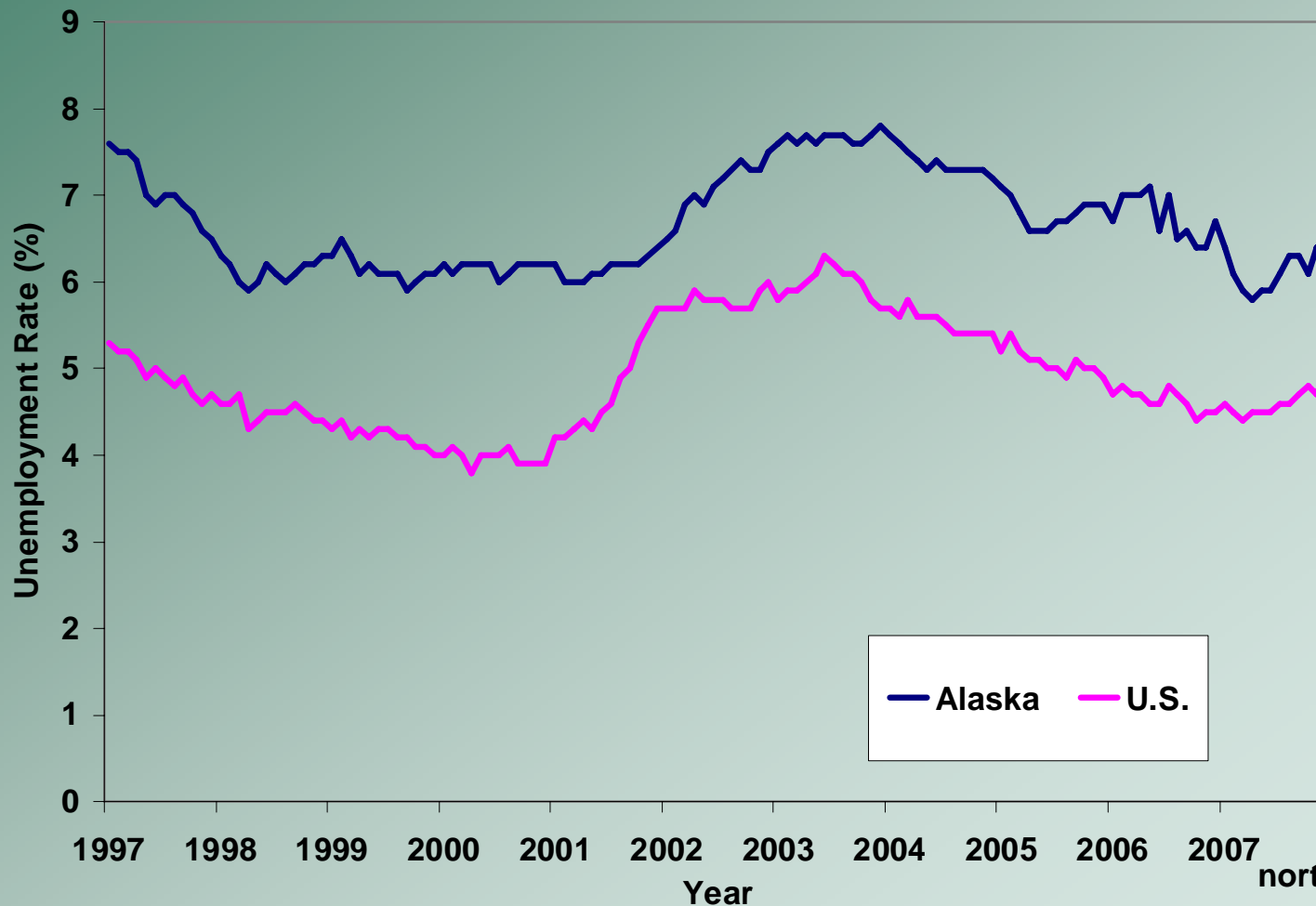
Economic Drivers for 2008

- Residential construction stalled in U.S. and Alaska
- Recession in national economy?
- Declining U.S. dollar
- Higher oil and commodity prices
- State revenue surplus

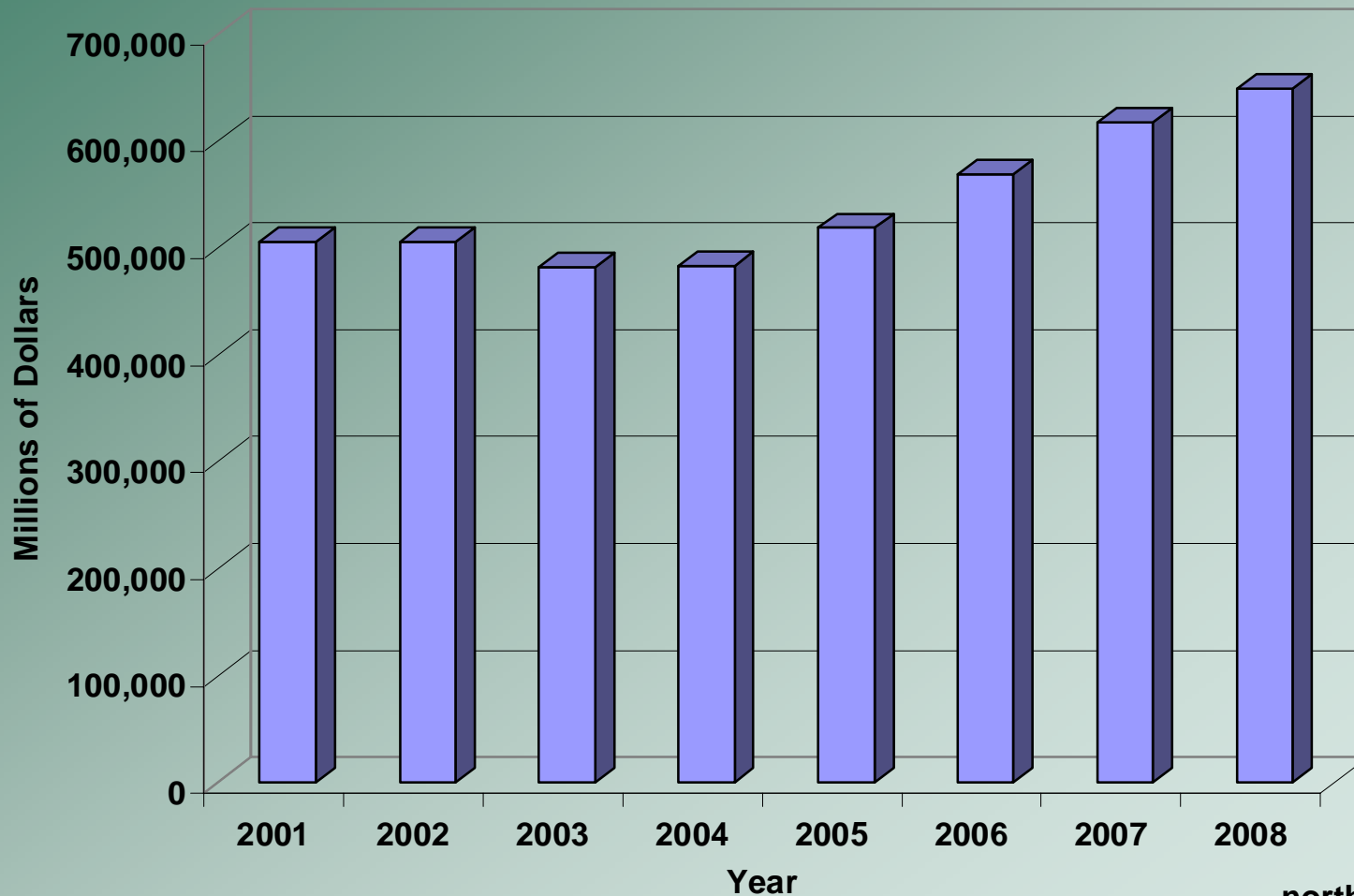
U.S. Housing Starts



Unemployment Rate, Seasonally Adjusted



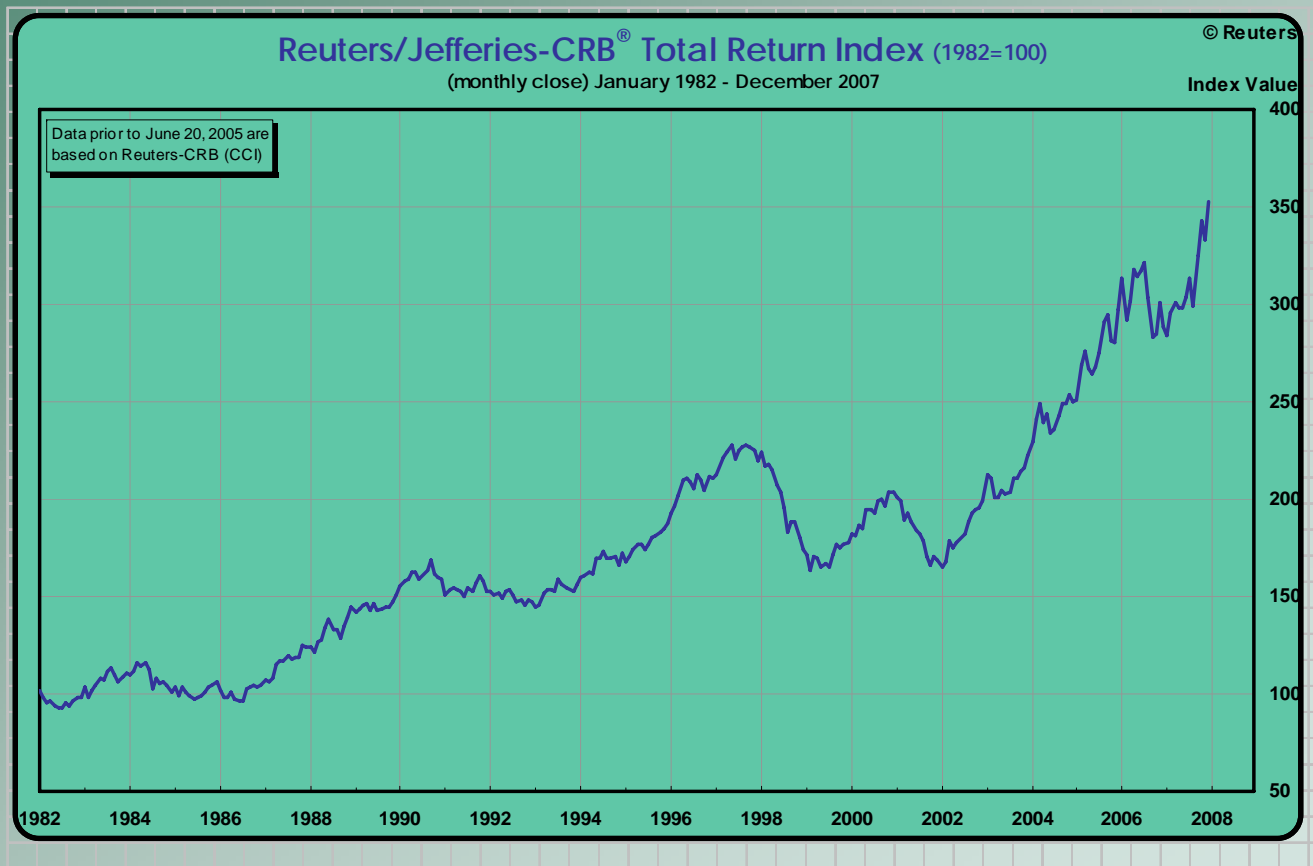
Federal Tax Deposits Fiscal Year to January 11



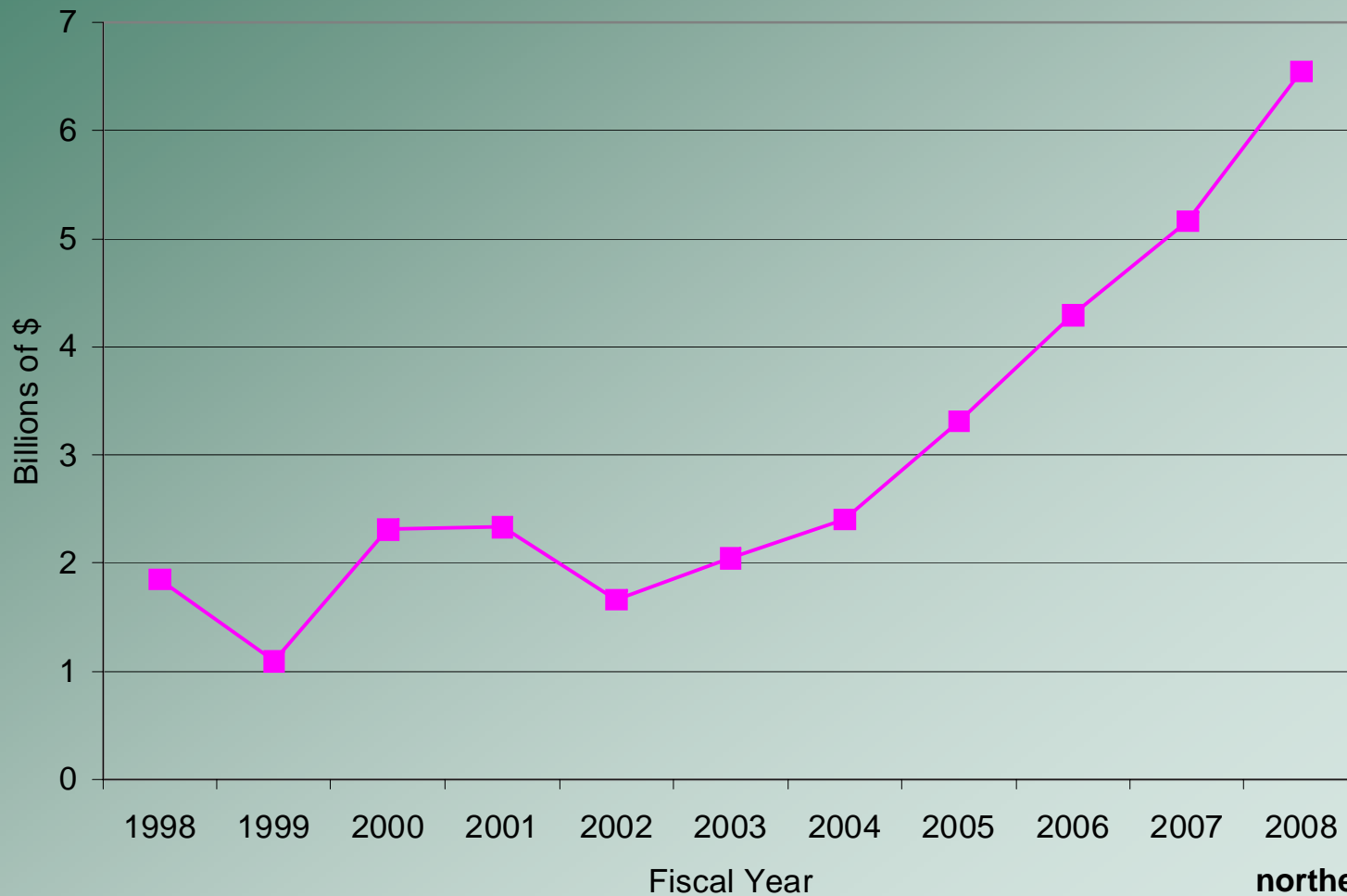
Euro to \$ Exchange Rate



Commodity Index



State Petroleum Revenues



Our Outlook Measures

- **Gross State Product (GSP)**

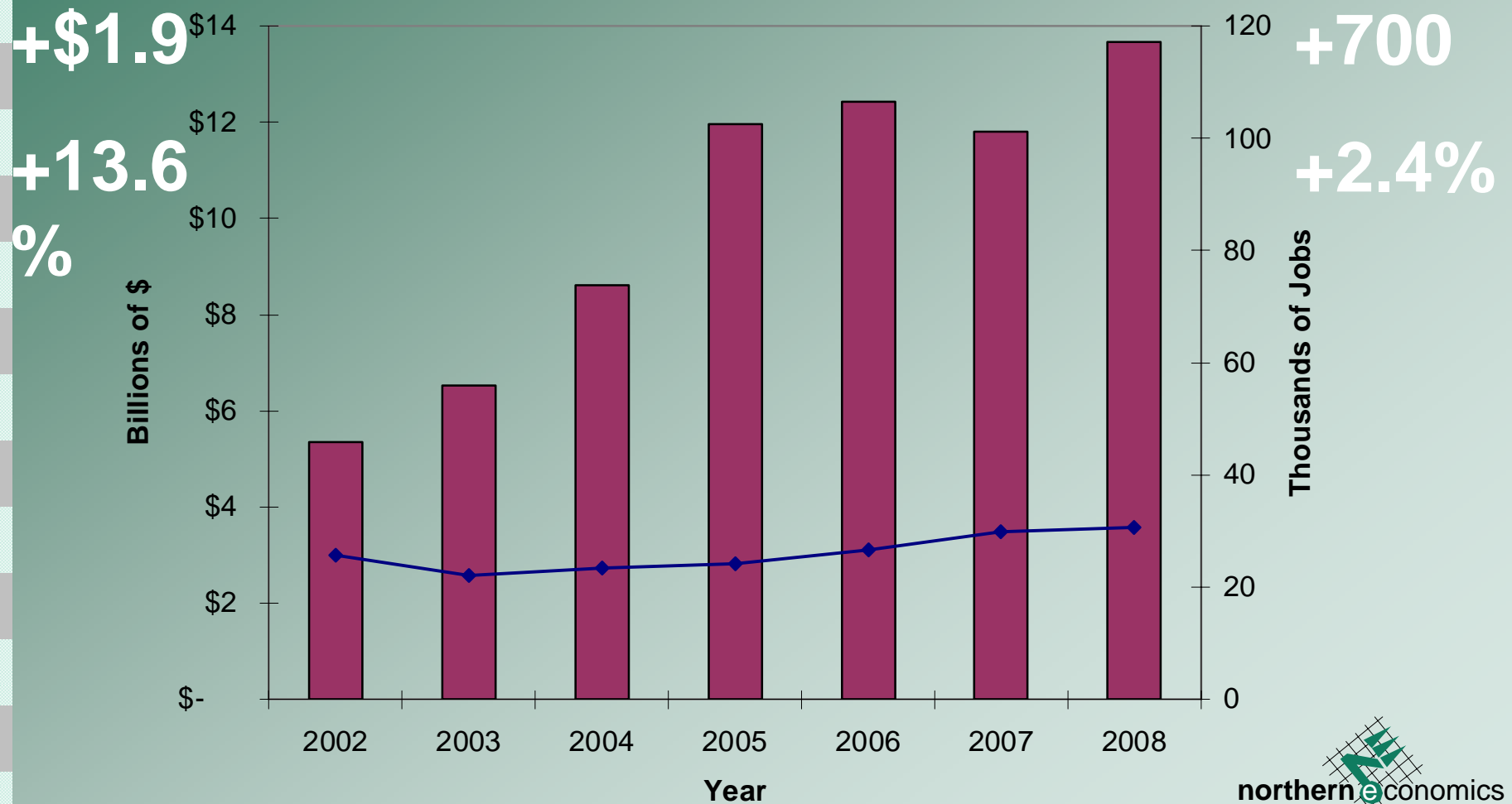
- Includes the value of all goods and services less the cost of goods used in the production; a measure of the wealth created by labor and capital located in Alaska

- **Number of jobs**

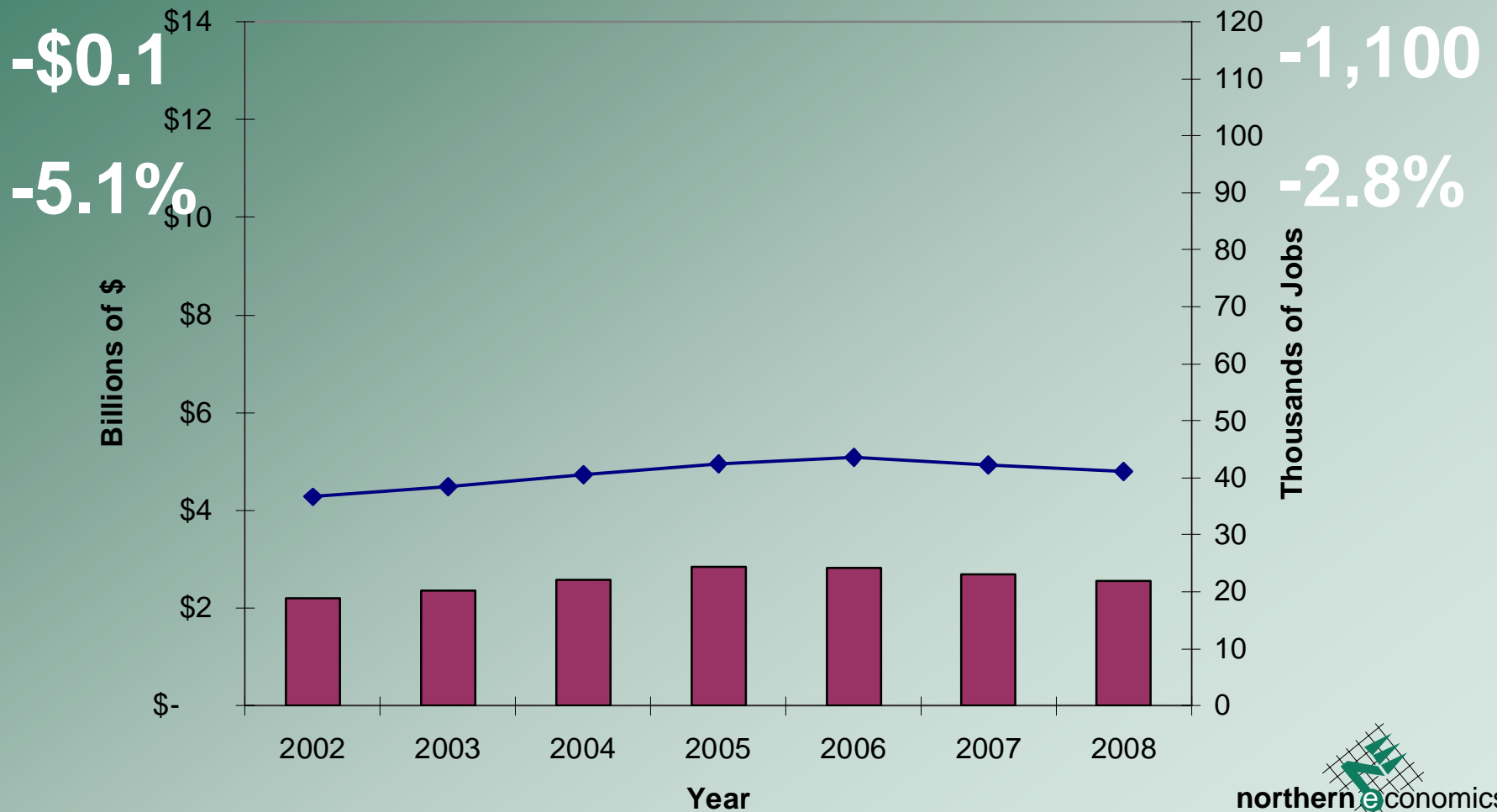
- Includes military and self-employed residing in Alaska

- **Earnings**

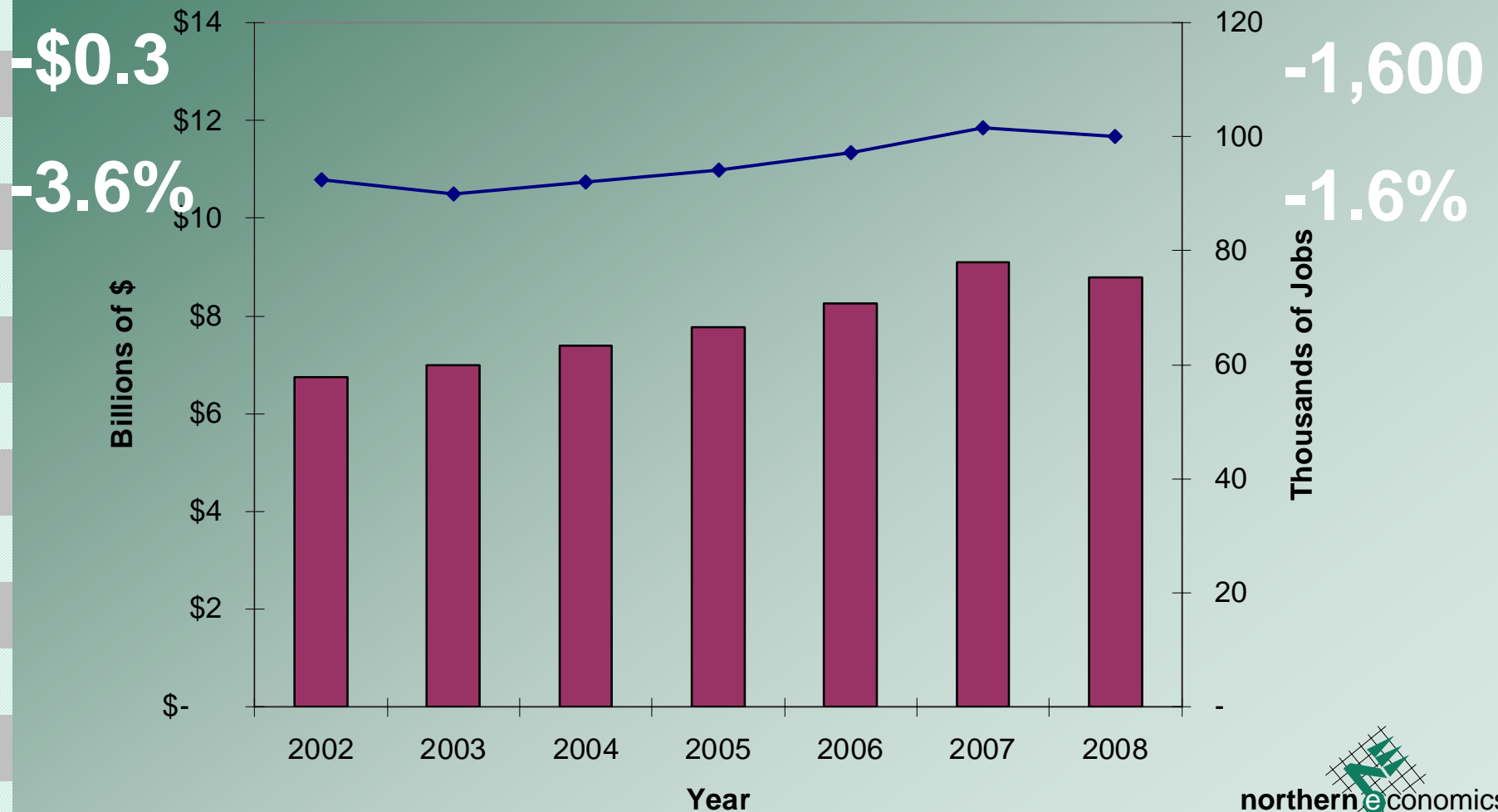
Natural Resources



Construction & Manufacturing



Finance & Services



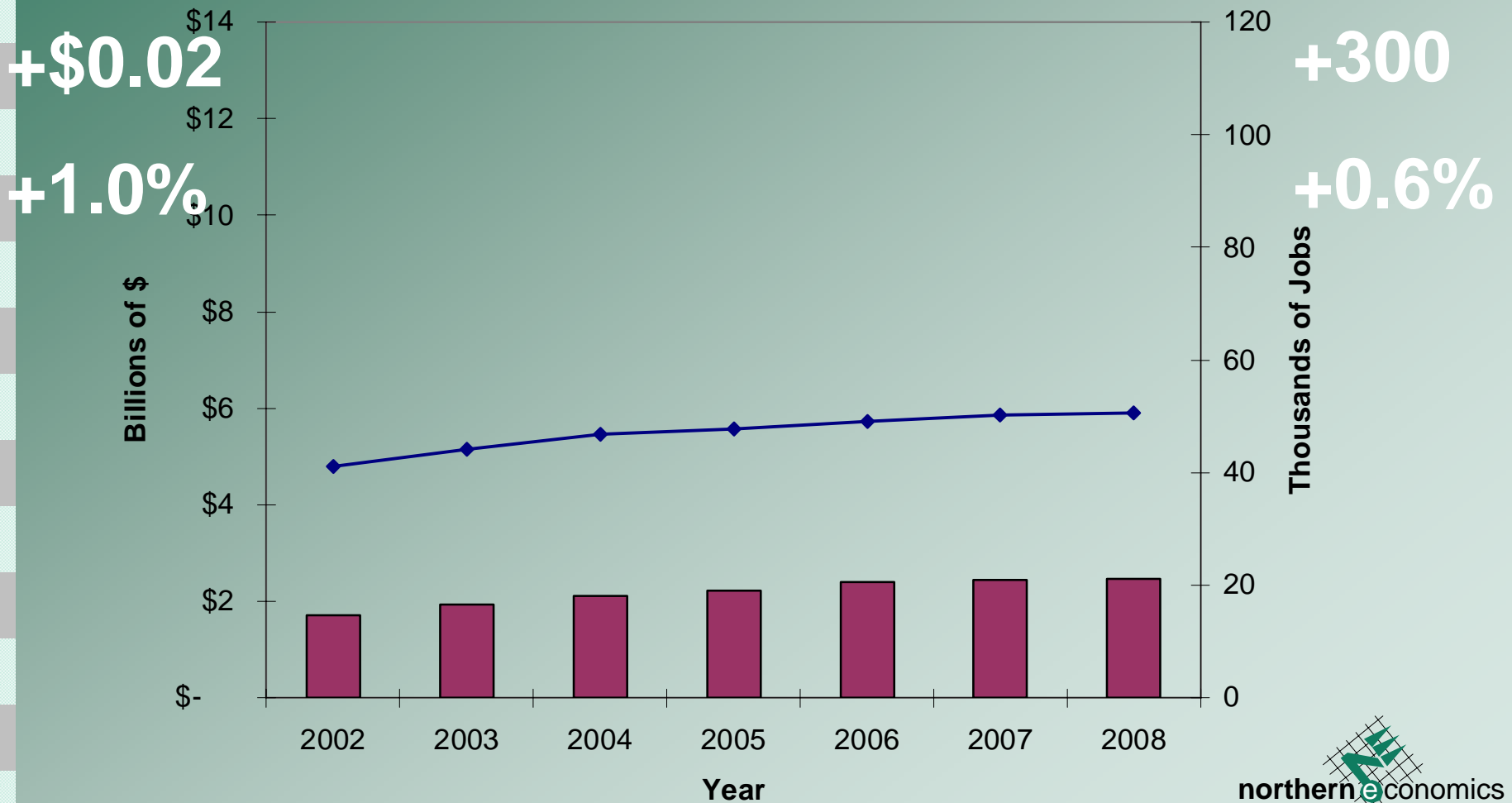
Transportation & Utilities



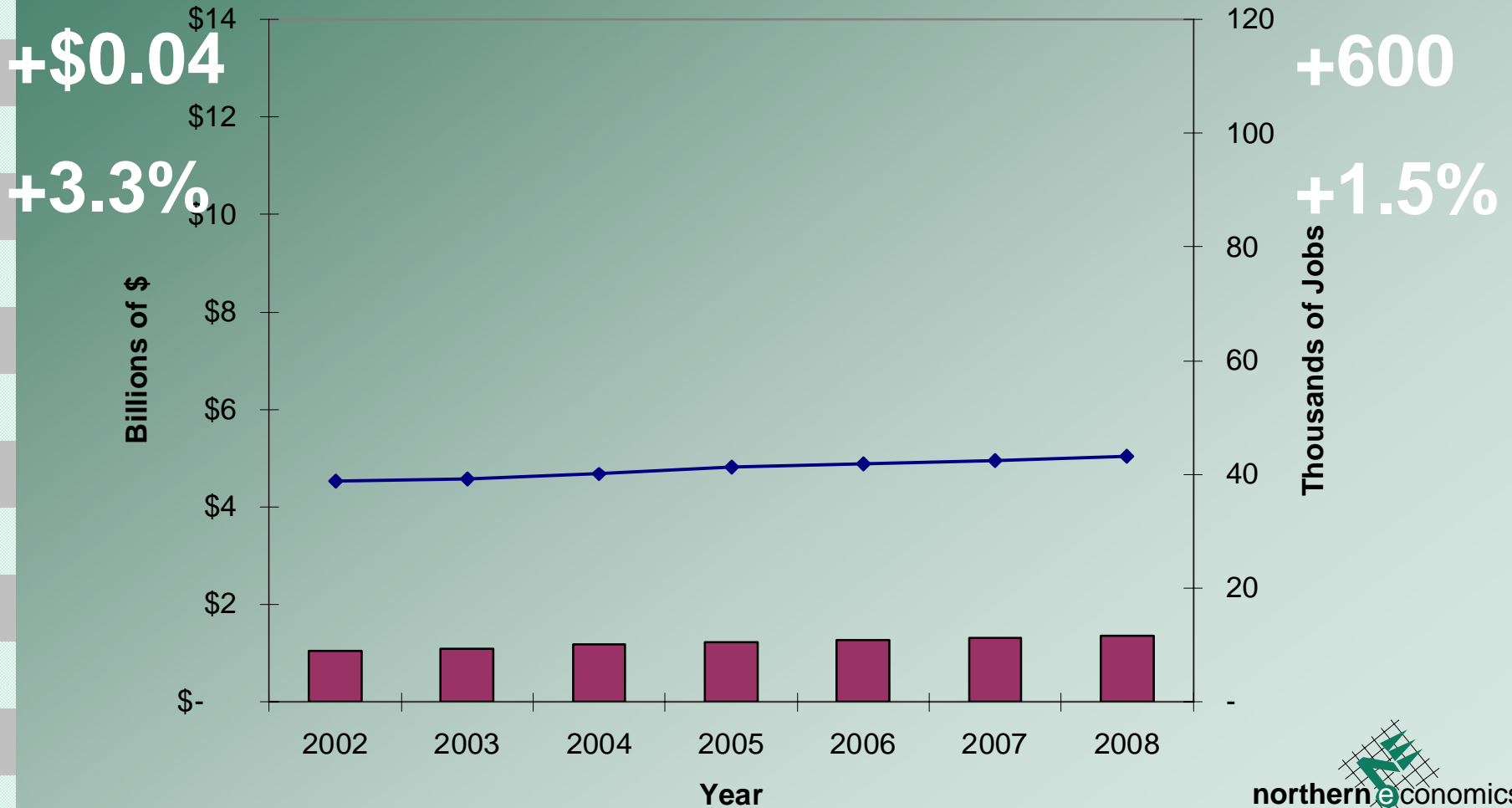
Trade



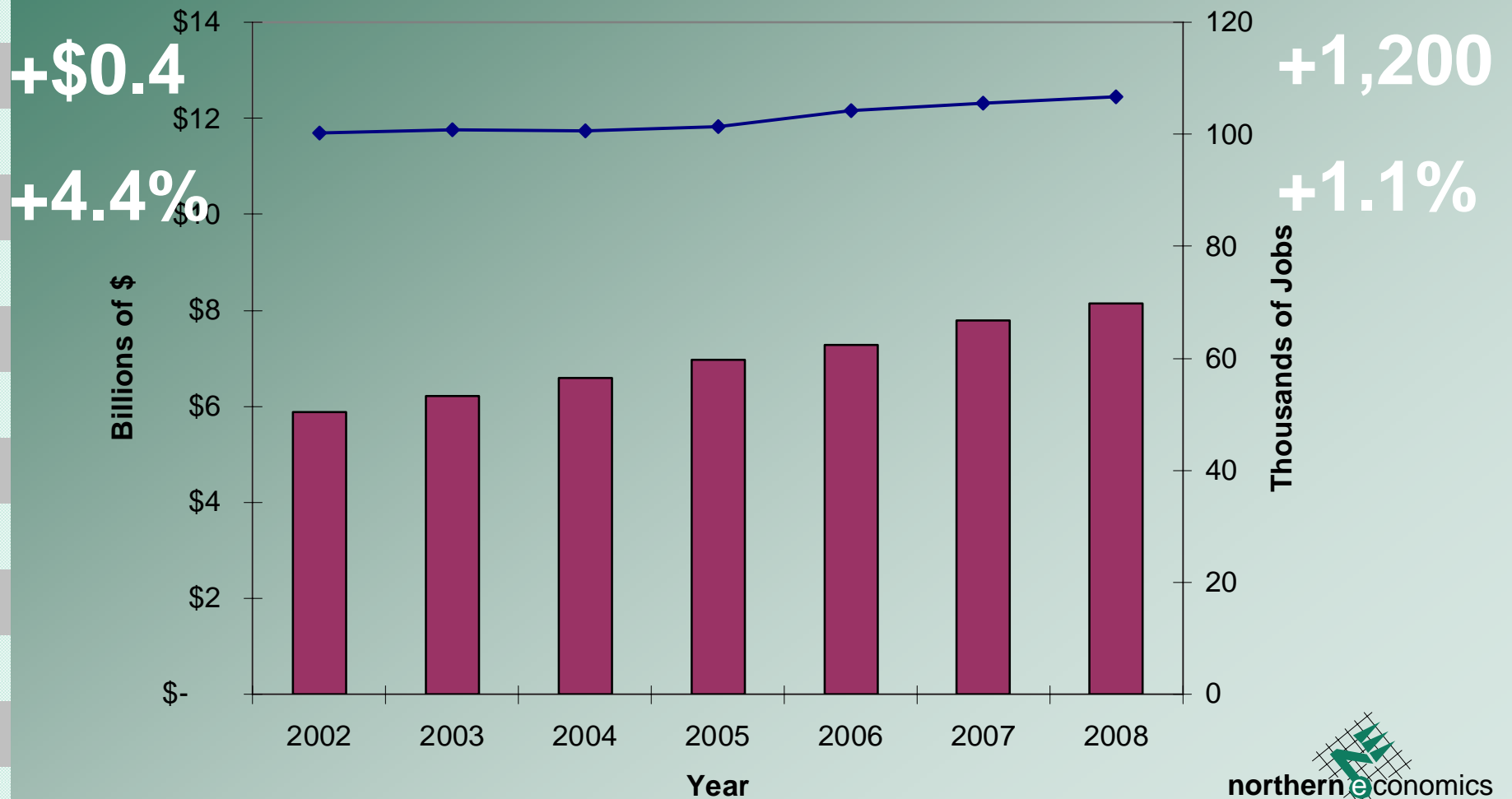
Health & Education



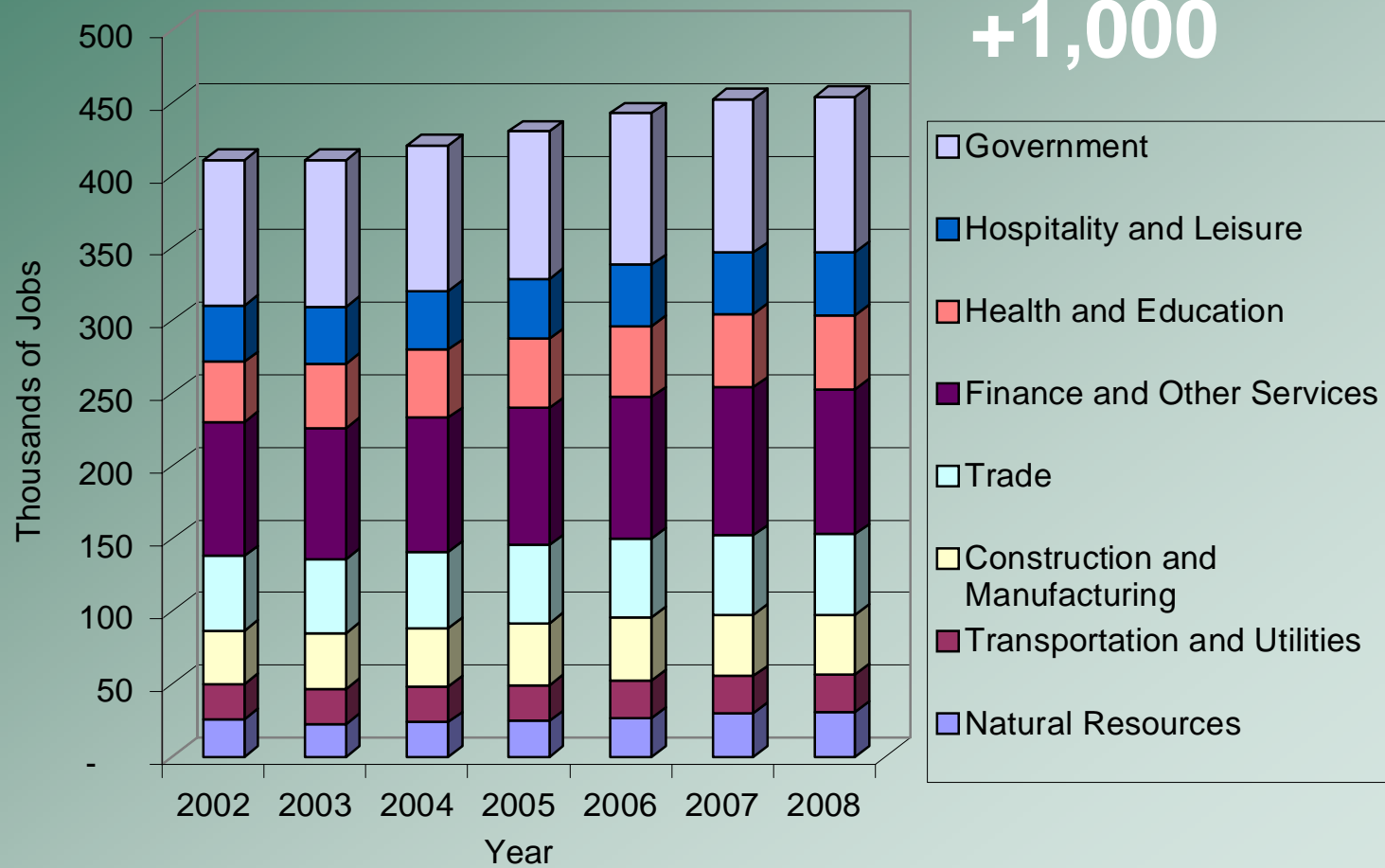
Hospitality & Leisure



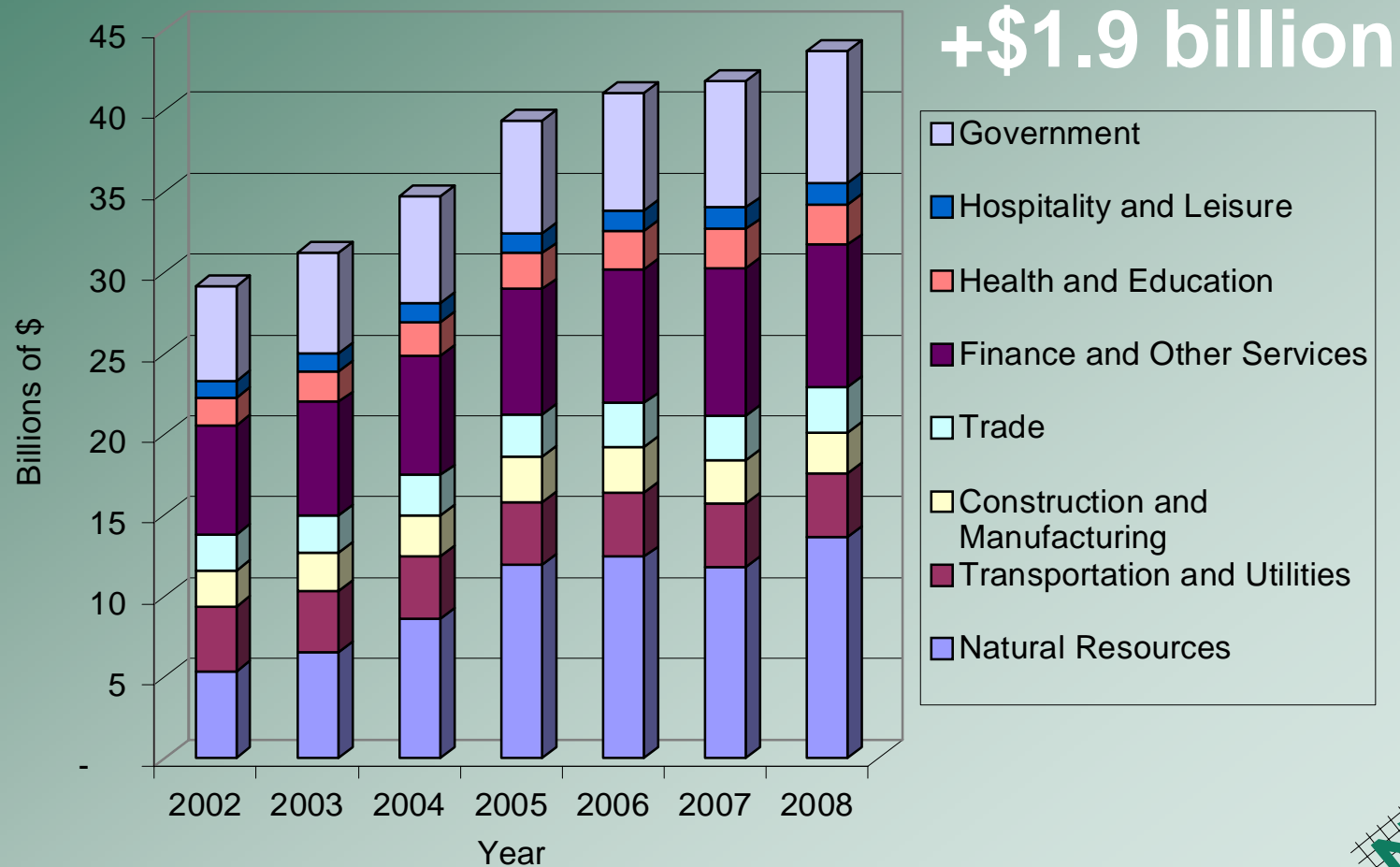
Government



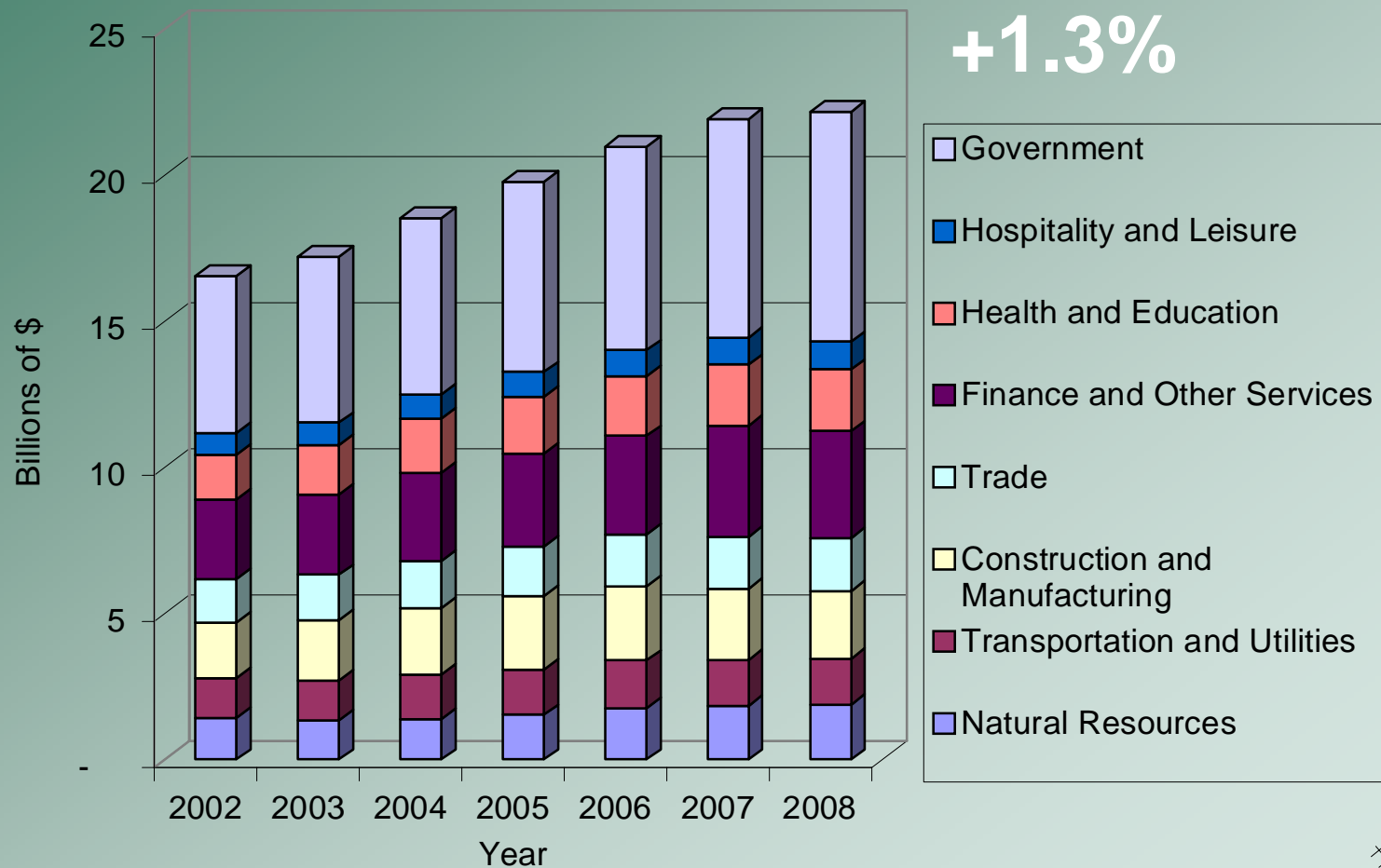
Jobs by Sector



GSP by Sector



Earnings by Sector



Summary

- **Civilian job growth will be flat; with military expansion jobs increase by 1,000 to 454,000 jobs at end of 2008**
- **GSP will increase by \$1.9 billion to \$43.8 billion; 95% of that increase is oil price related**
- **Earnings will increase \$300 million but only grow at 1.3% due to layoffs and reduced hours in certain industries**