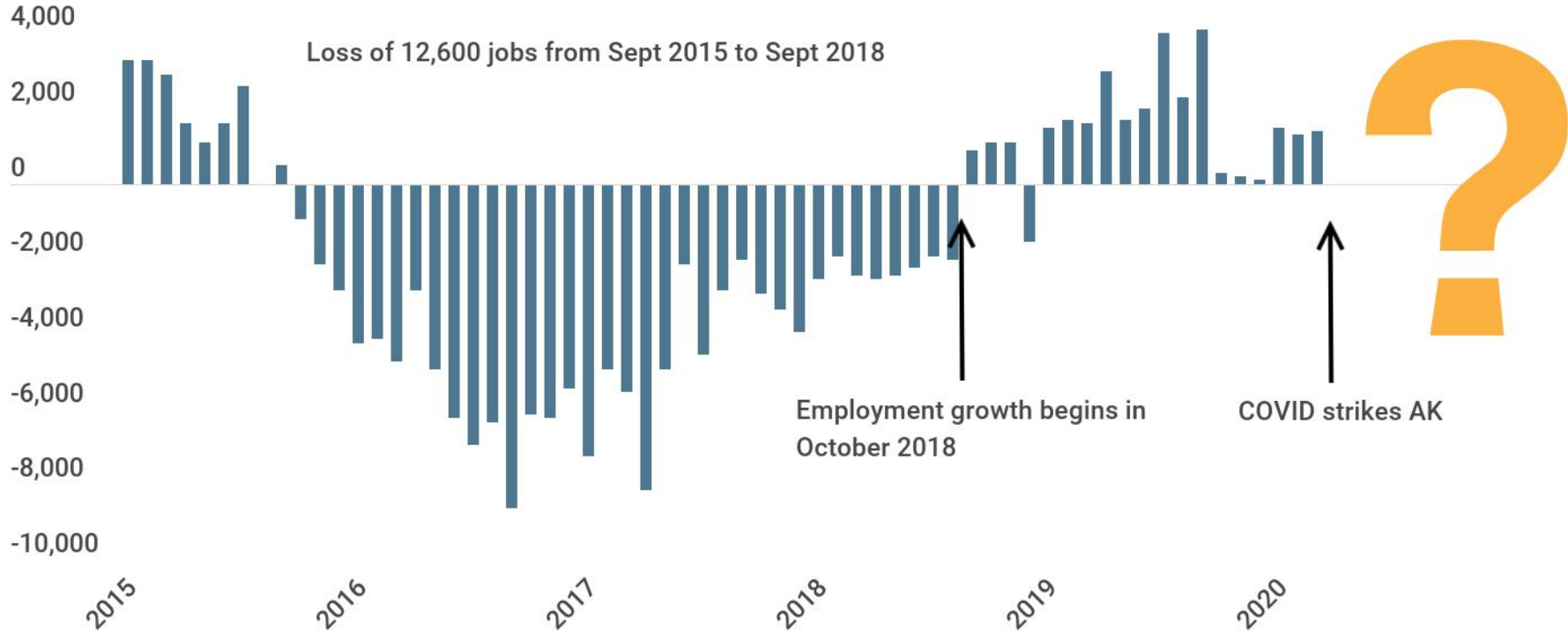


The Economy and COVID-19
Nolan Klouda
February 16, 2021

A recovery while it lasted?

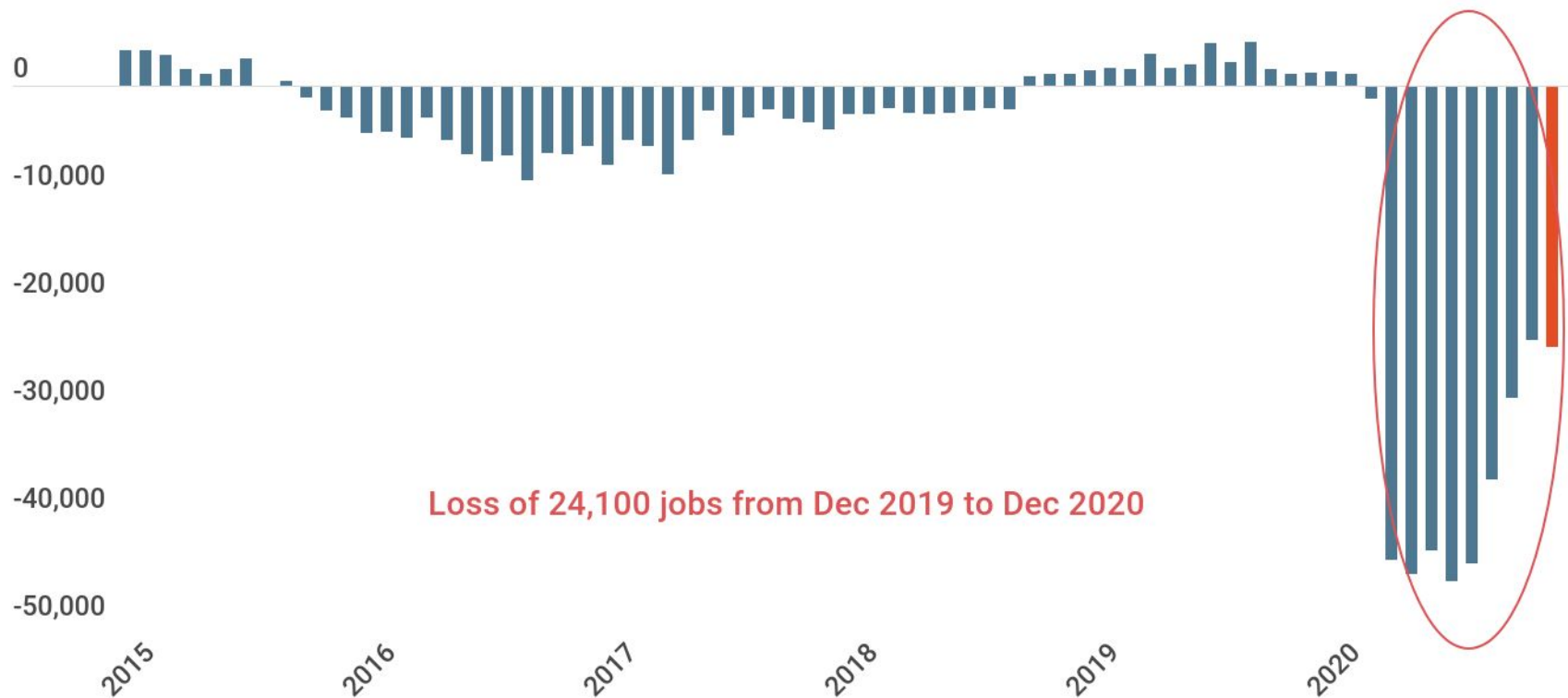
Year-over-year employment change for Alaska



Source: AK DOL&WD, CED calculations.

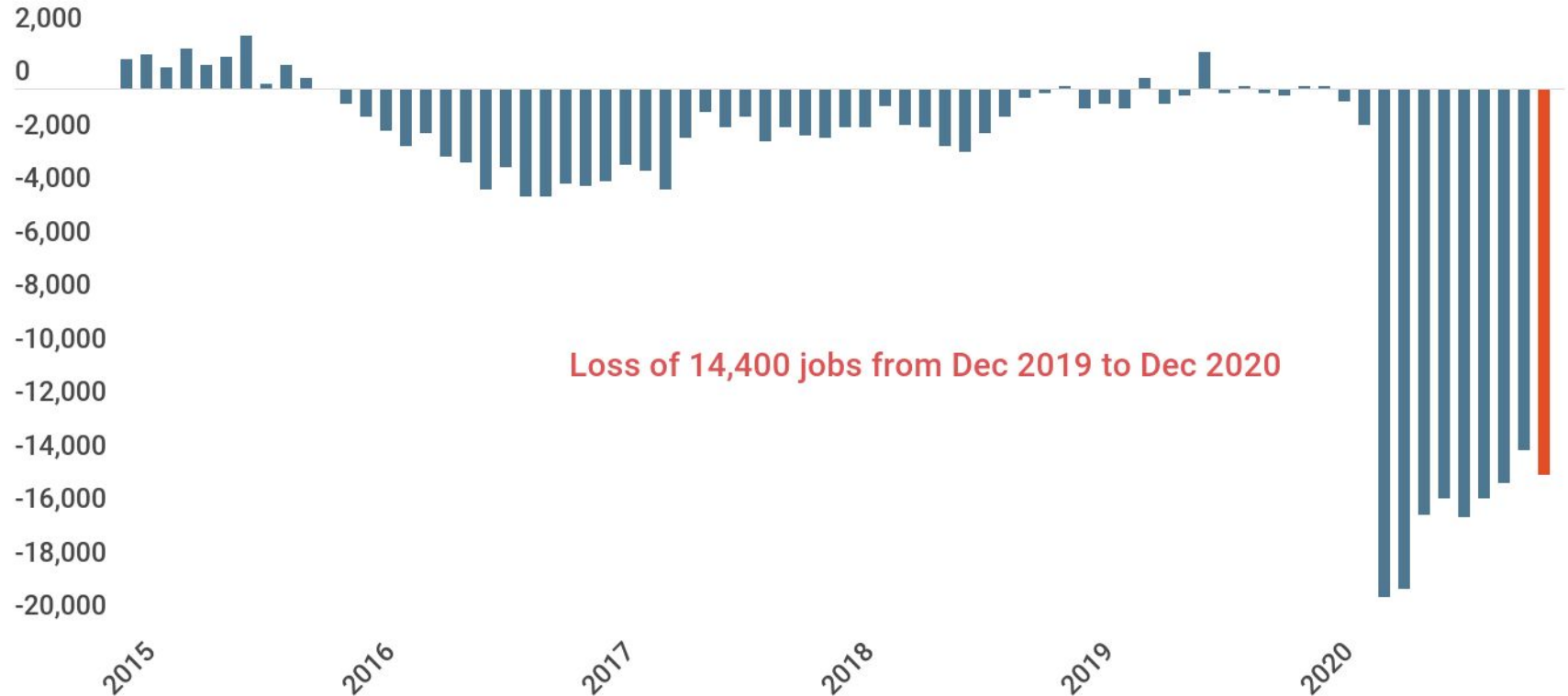
A hard crash

Year-over-year employment change for Alaska



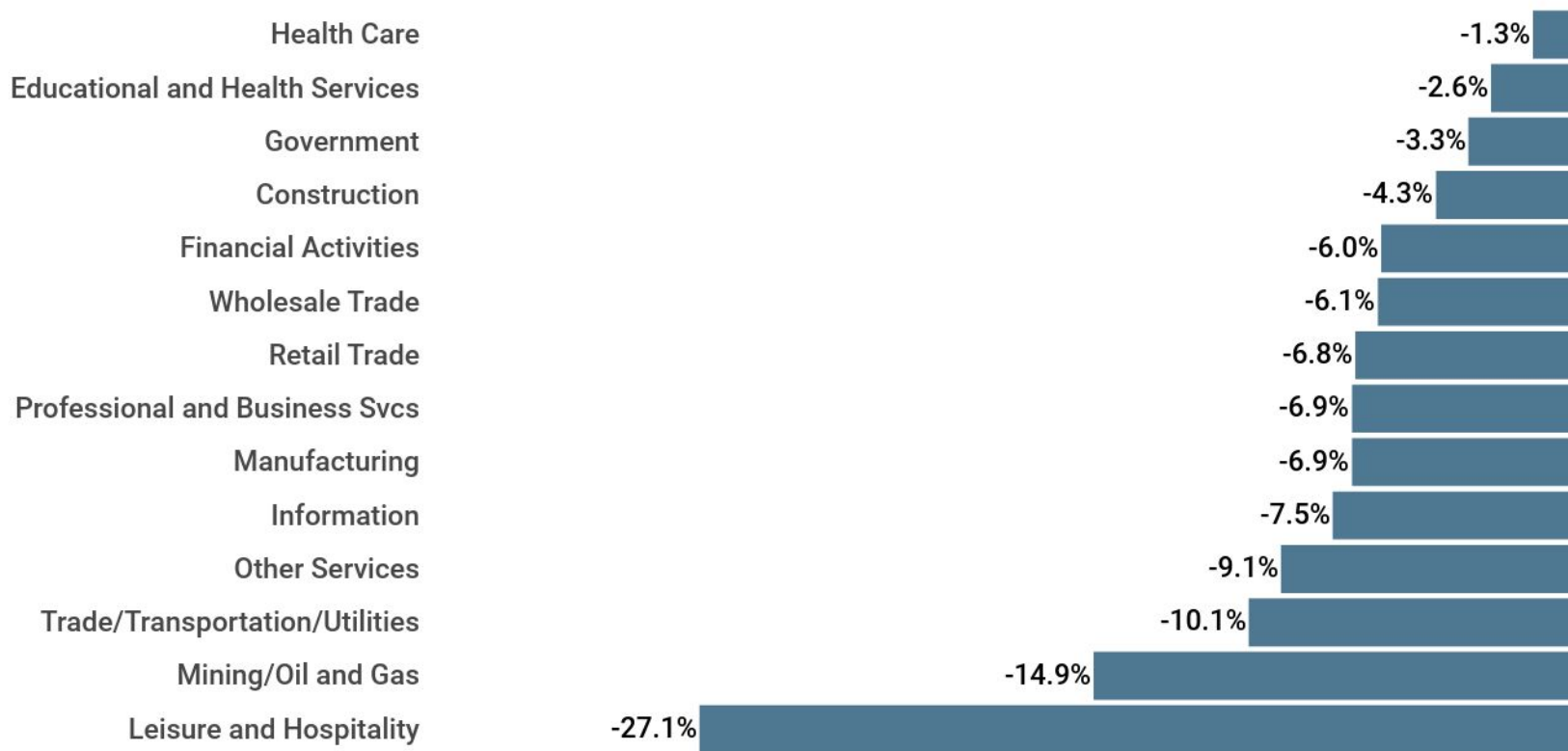
Anchorage job losses

Year-over-year employment change for Anchorage/Mat-Su



Employment losses in 2020

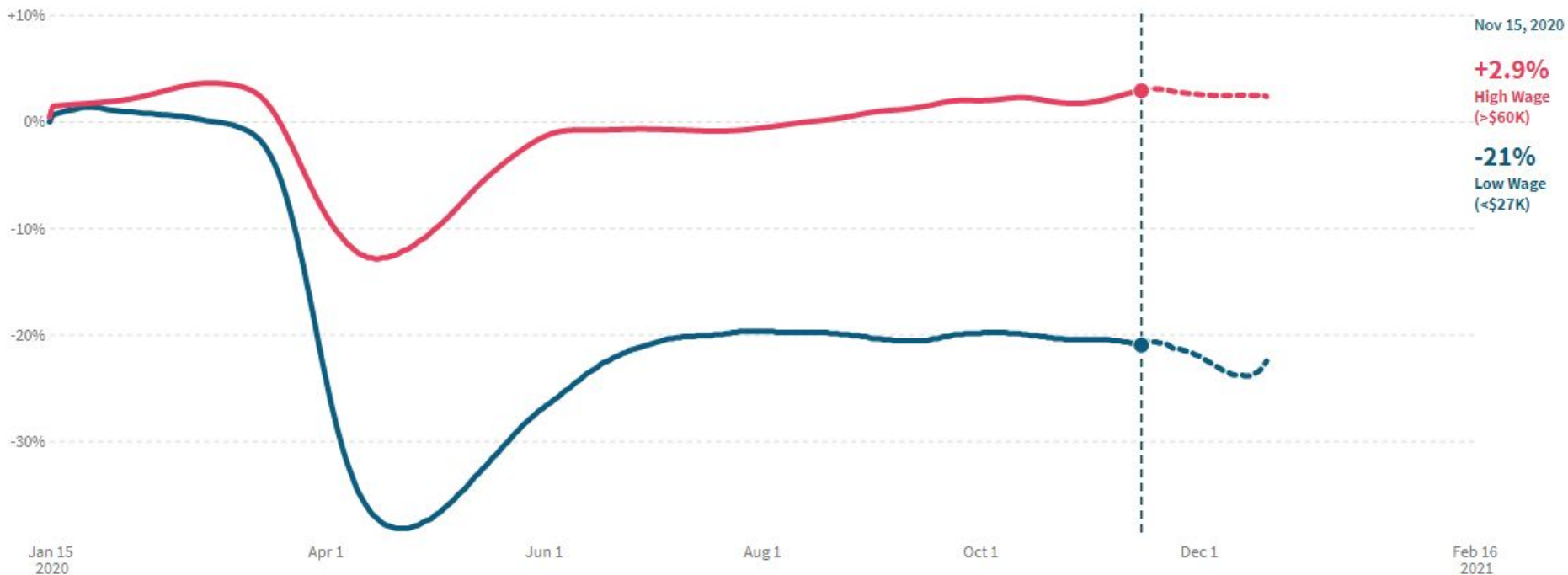
Change in annual average employment by sector, 2019-2020



Source: AK DOL&WD

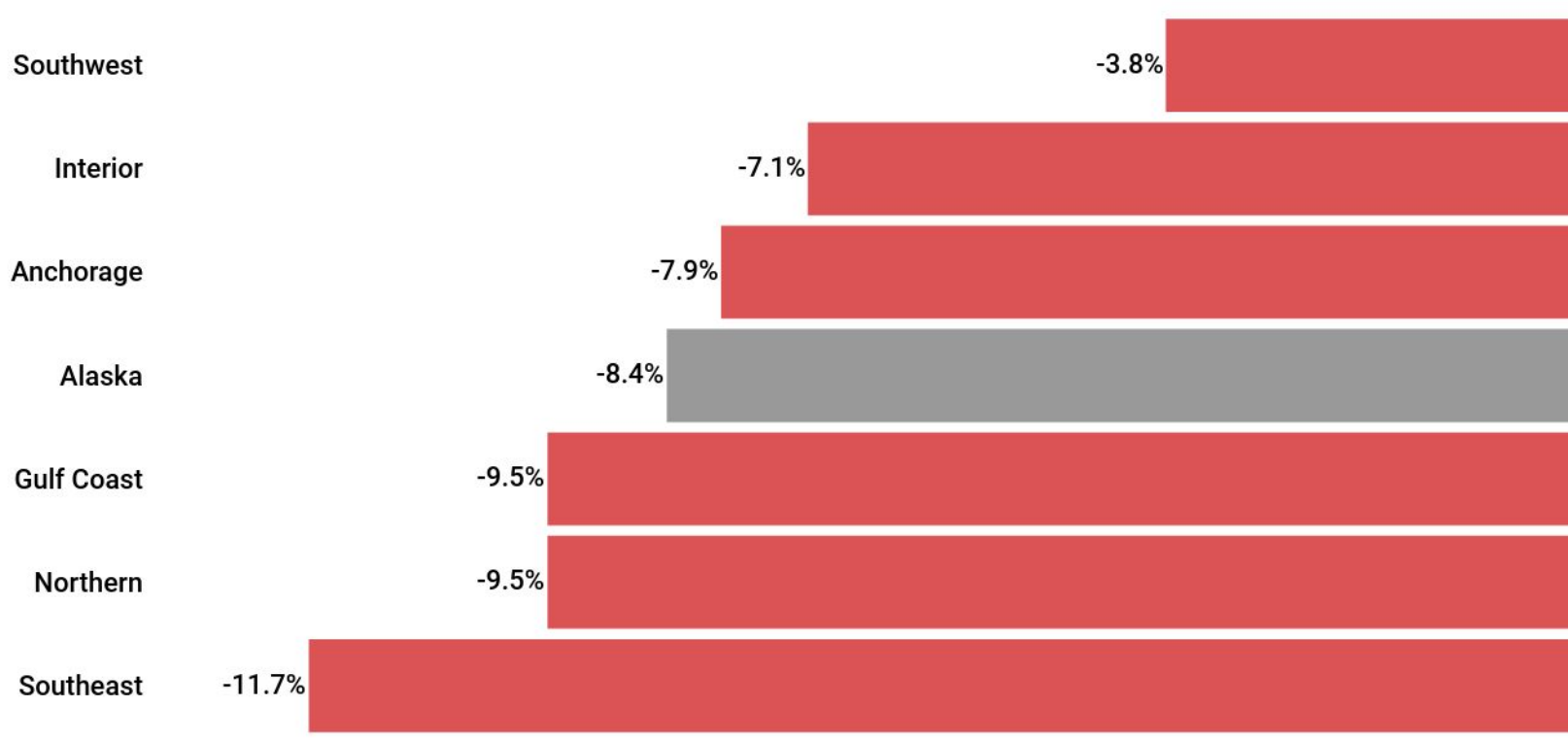
Recession is “over” for higher earners

In **the United States**, as of November 15 2020, employment rates among workers in the bottom wage quartile decreased by **21%** compared to January 2020 (not seasonally adjusted).



Job losses by economic region

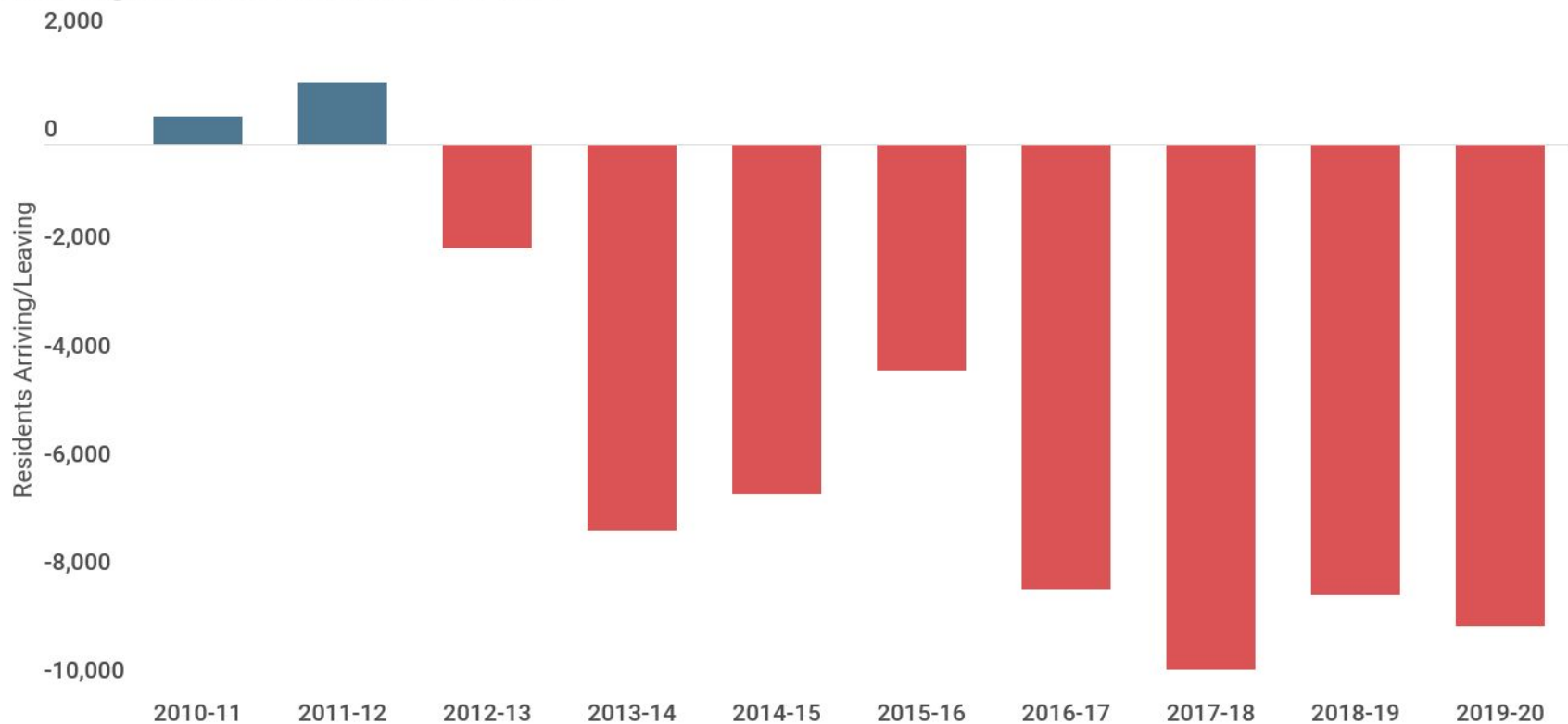
Percent of annual average employment lost by economic region from 2019-2020.



Source: DOL&WD, CED

The outmigration trend

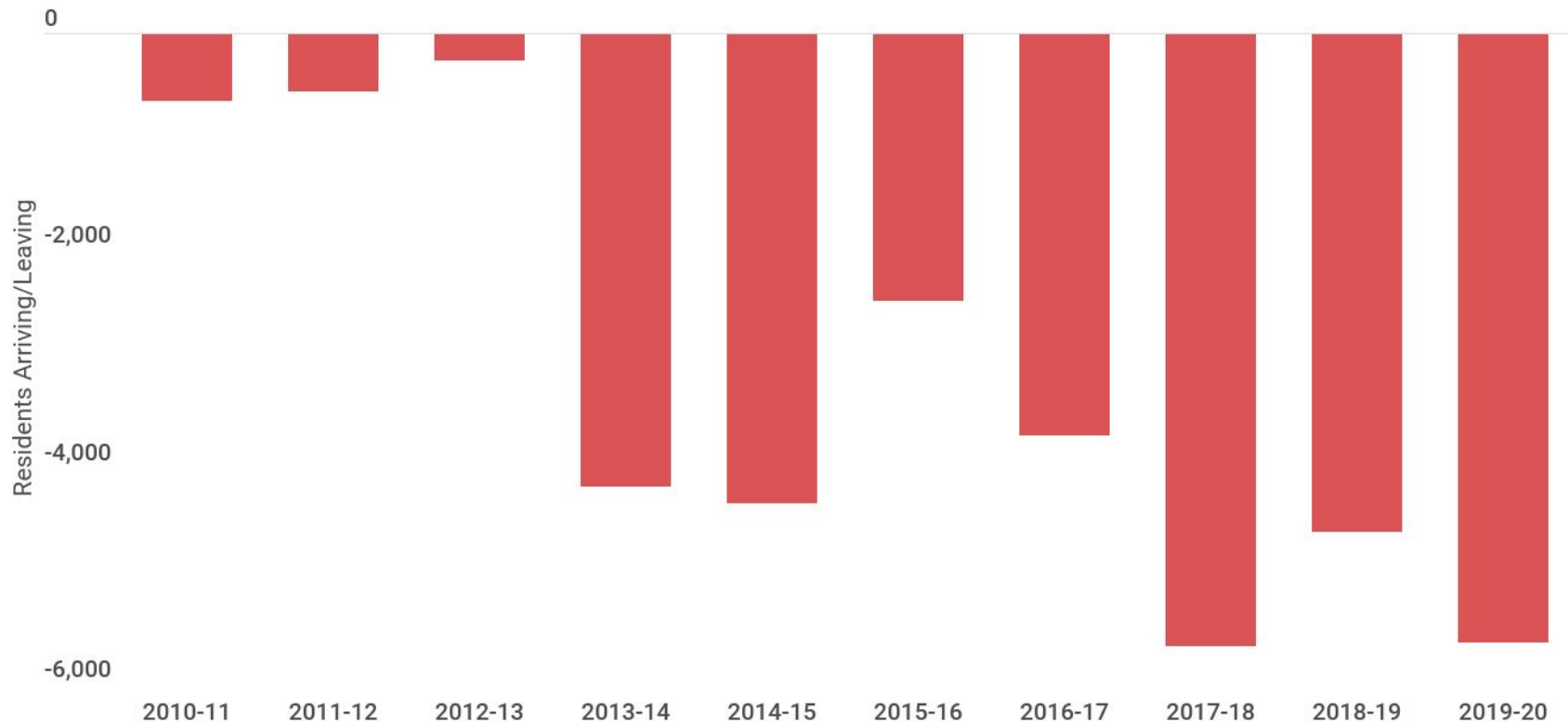
Net migration for Alaska, 2010-2020



Source: AK DOL&WD

Anchorage accounts for the bulk of out-migrants

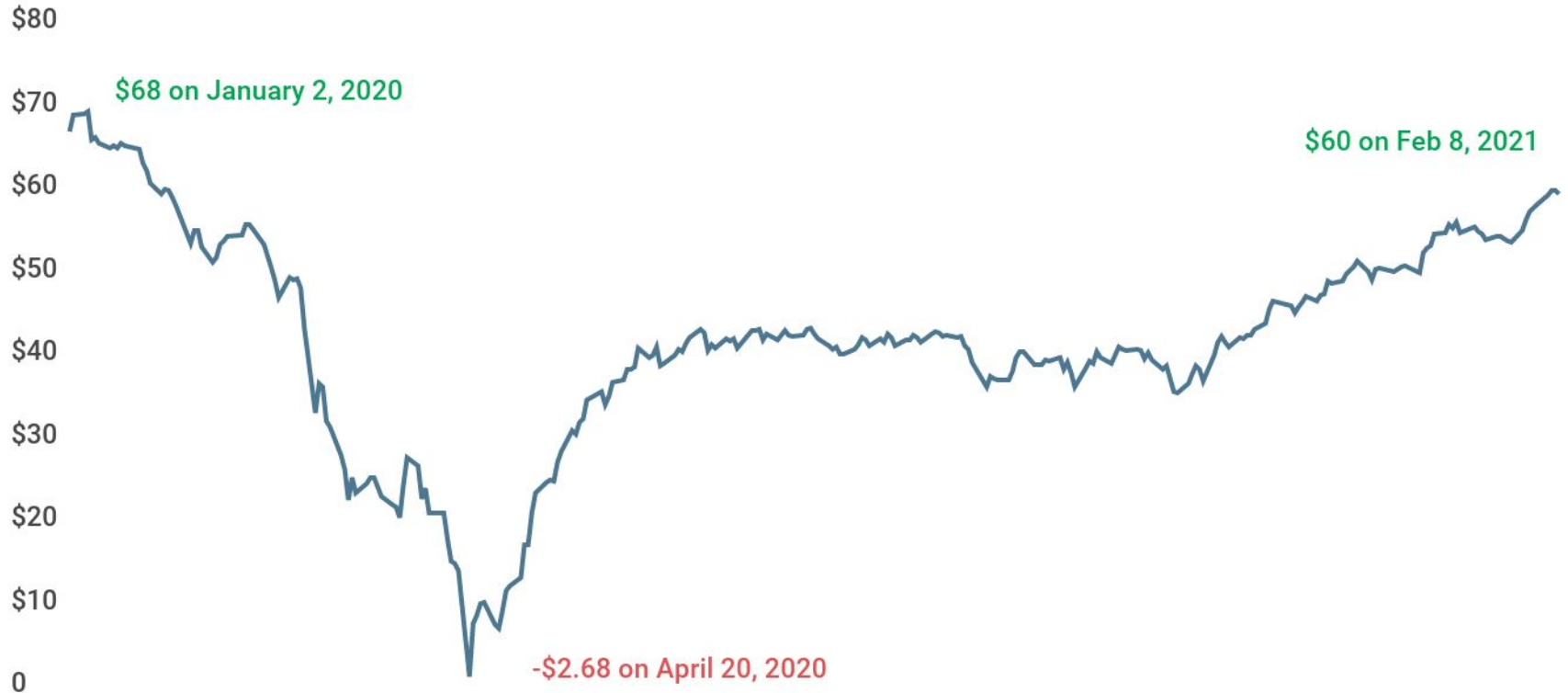
Net migration for Anchorage, 2010-2020



Source: AK DOL&WD

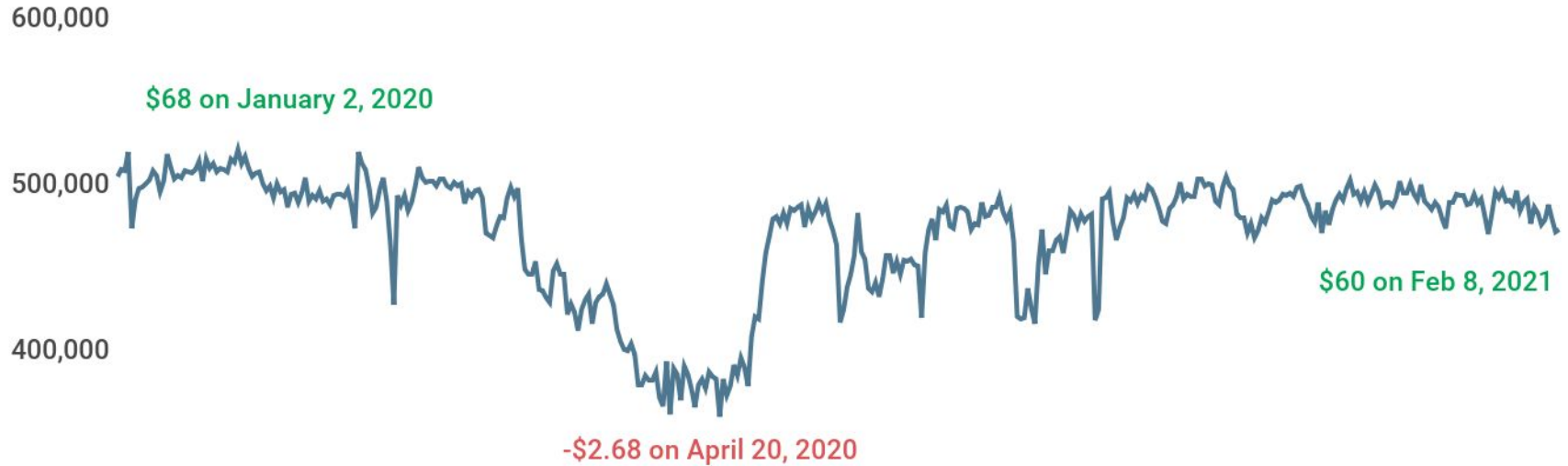
Oil prices: crash and bounce

Daily price per barrel, Alaska North Slope crude



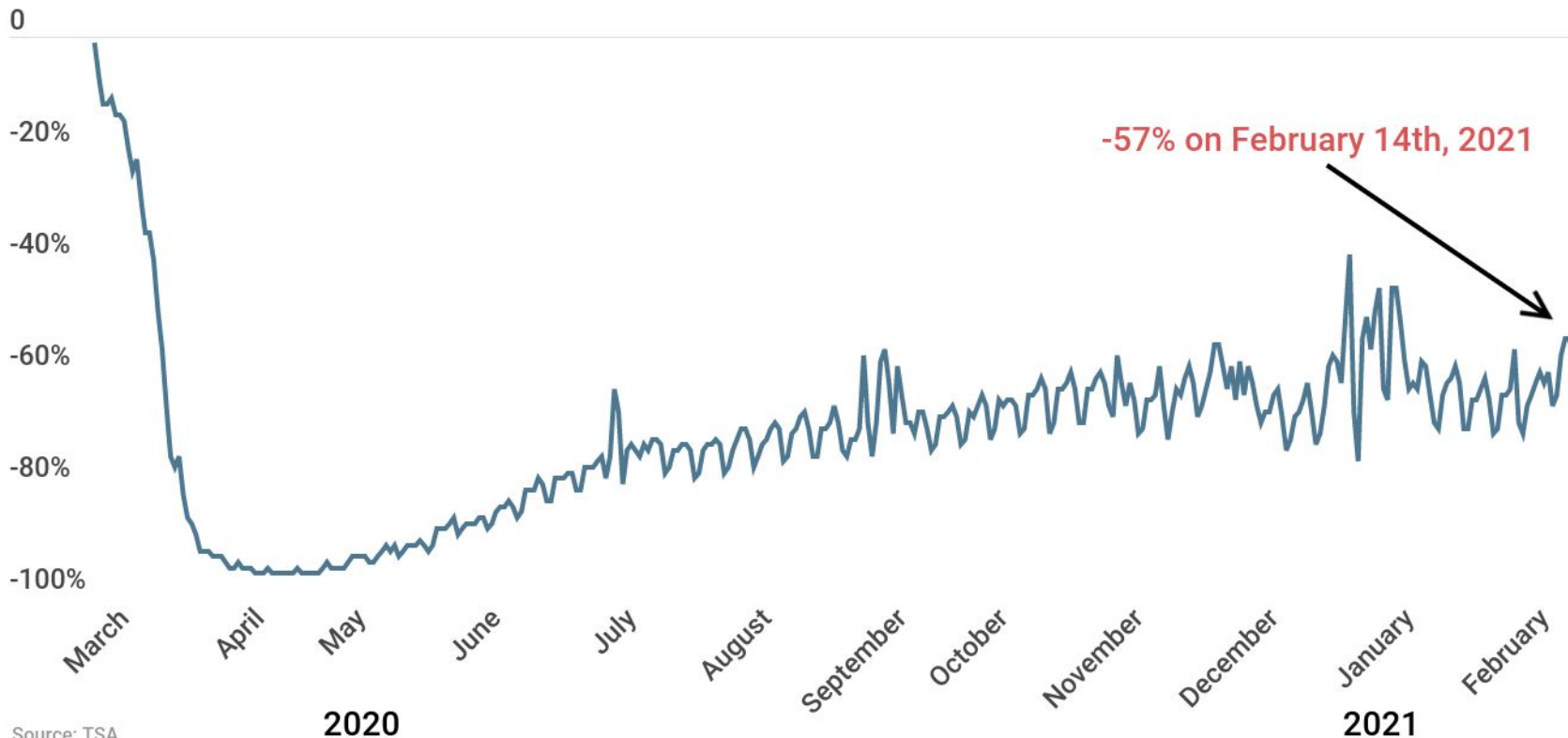
Oil production: wobble and stabilize

Daily production, Alaska North Slope crude



Air travel rebounding sloooowly

Daily US air passenger throughput year-on-year change, nationwide



Source: TSA

60%

7%

Of a 60% decline in
business activity,
only 7% is due to
mandates

Goolsbee & Syverson, 2020

Will tourism recover?



What's up with housing?

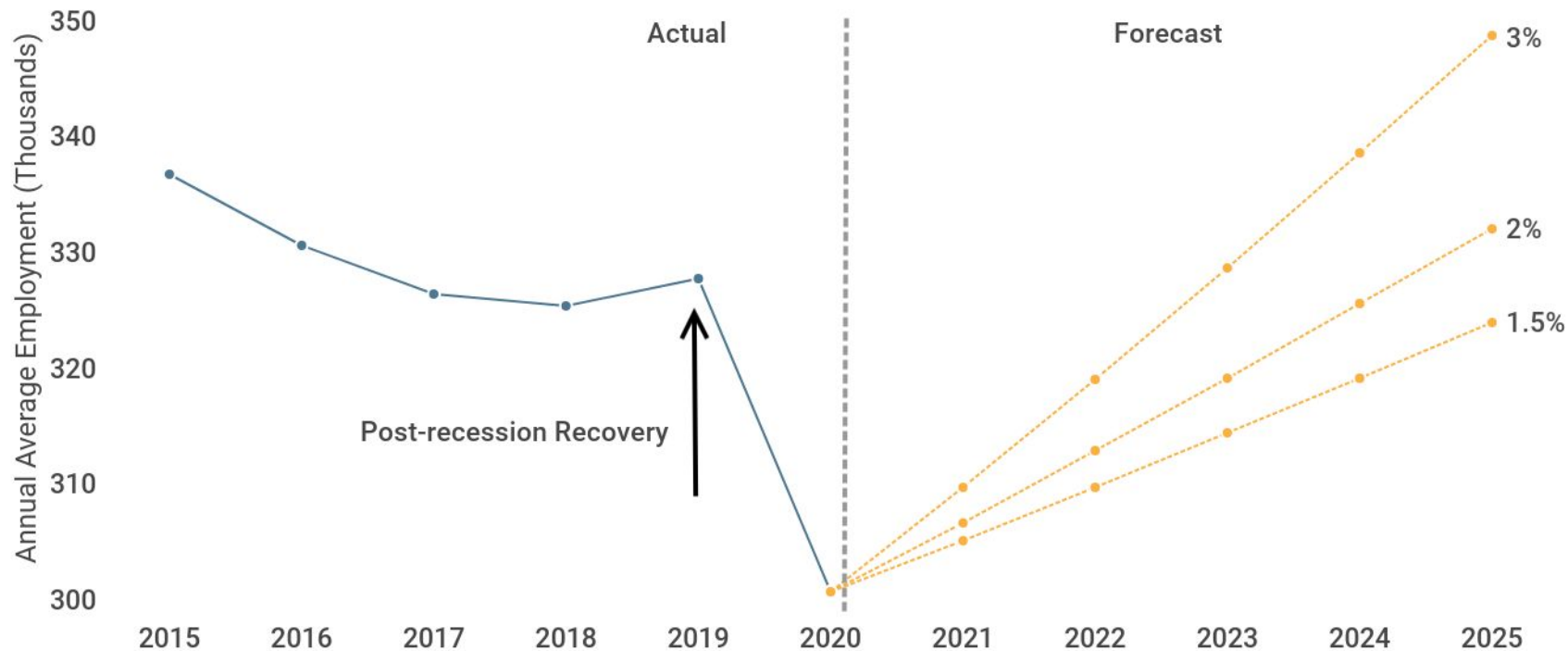


More federal relief?



A full recovery is not yet in sight

Annual average employment in Alaska 2015-2025, actual and forecast



What will drive recovery?

- Vaccines and herd immunity
- Additional federal relief
- Pent-up demand?
- Travel recovery
- Oil prices and production
- State budget considerations



Thank You!



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