

AEDC 2008 ECONOMIC FORECAST



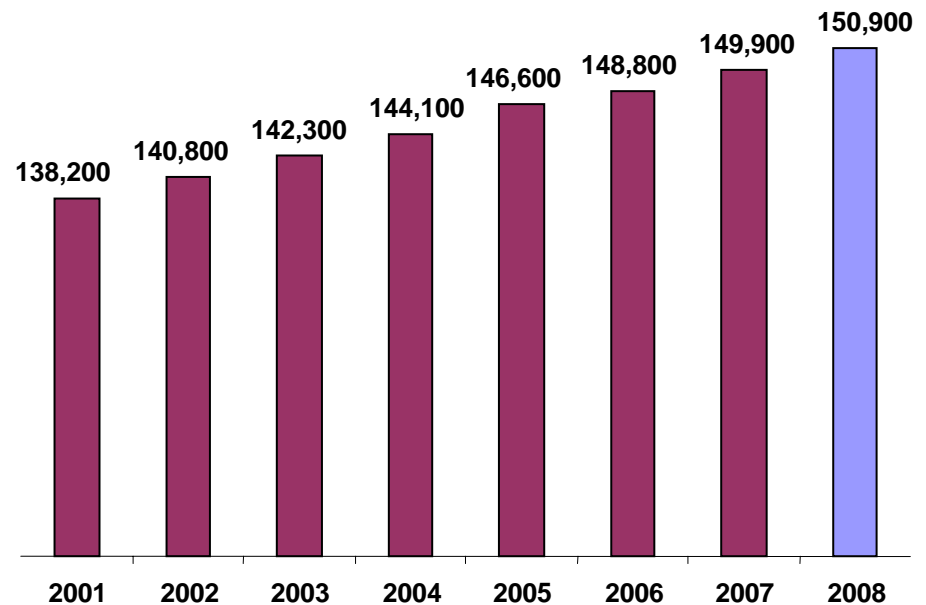
Anchorage Economic Forecast - 2008

January 30, 2008
Egan Center

Anchorage Employment – Where are we going?

- Increase of 1,000 jobs predicted for 2008 (+0.7%)
- 1,100 new jobs in 2007 (+0.7%)
- 19th consecutive year of job growth in 2007

Anchorage Employment,
2001-2007, 2008 Estimate



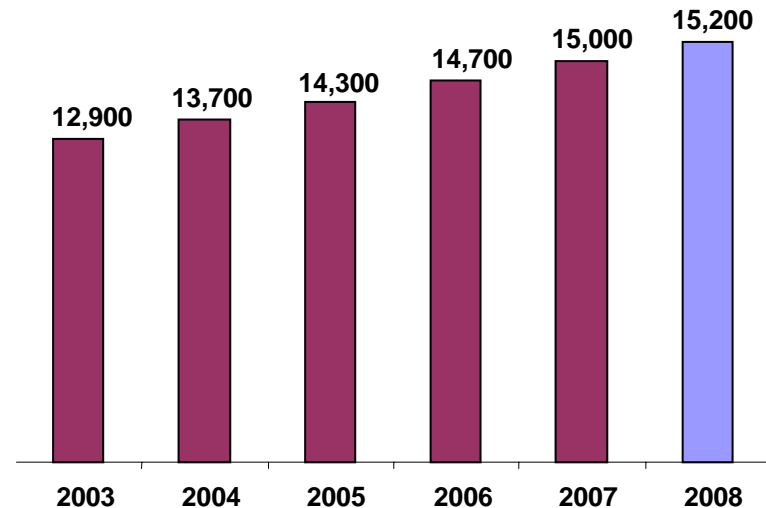
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Health Care – Up 200 Jobs

- Gained 300 jobs, totaling 15,000 in 2007 (+2%)
- Possible decrease in capital expenditures could occur in 2008
- Job growth expected to slow

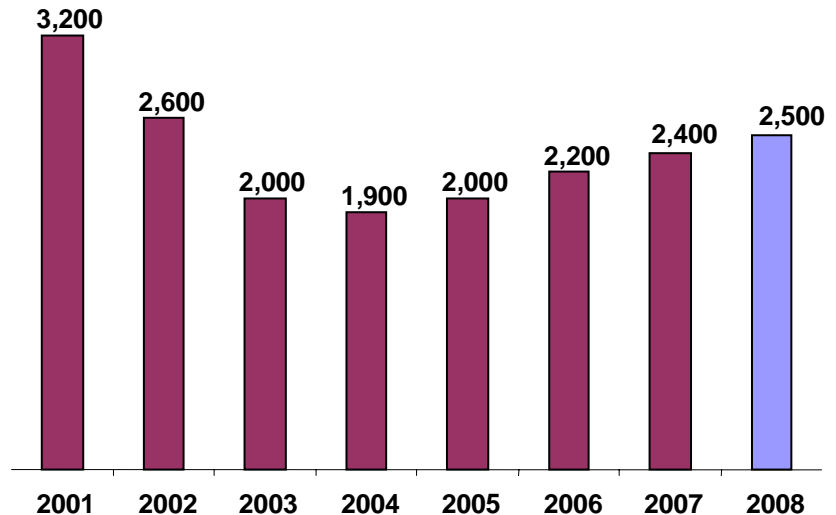
Anchorage Health Care Employment,
2003–2007, 2008 Estimate



Oil Industry – Up 100 Jobs

- Gained 200 jobs, totaling 2,400 in 2007 (+9%)
- New exploration and development on North Slope will continue in 2008
- Moderate job growth for Anchorage

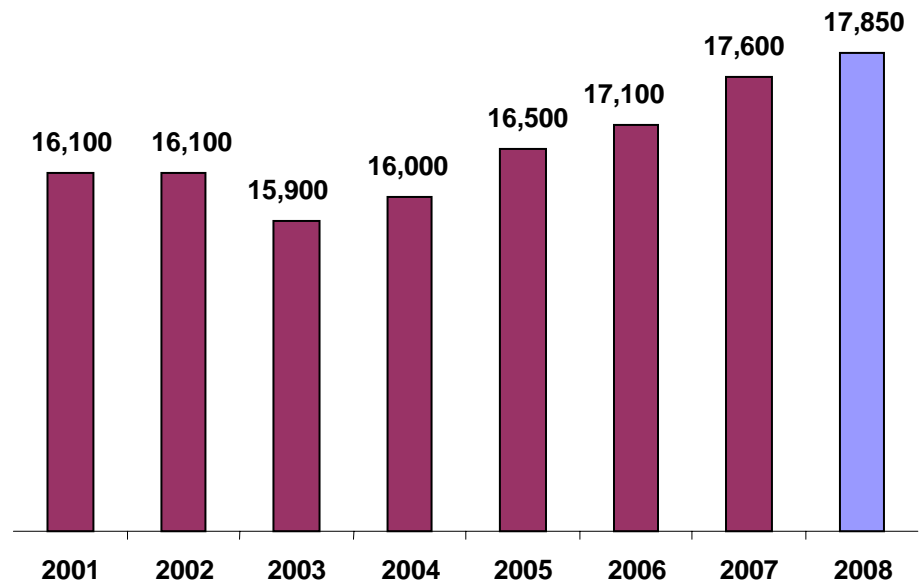
Anchorage Oil Industry Employment, 2001–2007, 2008 Estimate



Business and Professional Services – Up 250 Jobs

- Gained 500 jobs, totaling 17,600 in 2007 (+2.9%)
- Growth will slow in 2008 due to decreasing construction activity
- Continuing demand in oil industry and mining sectors will help to offset losses

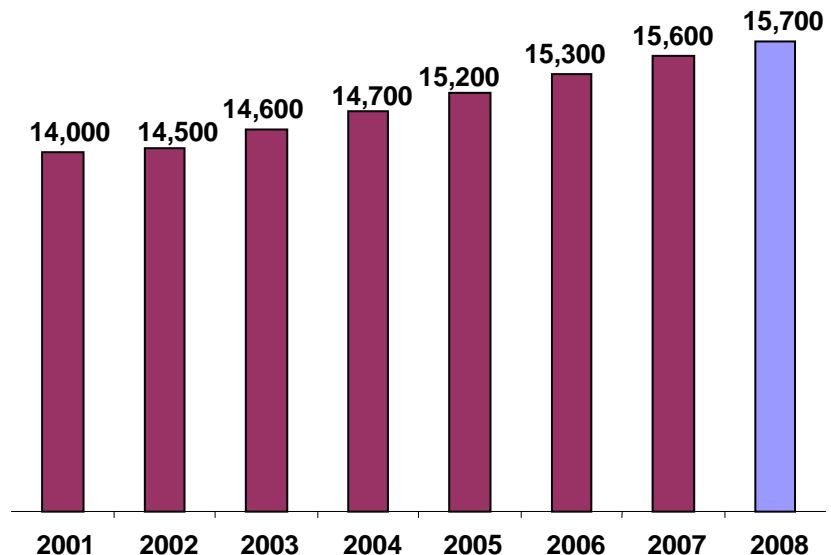
Anchorage Business & Professional Services Employment, 2001–2007, 2008 Estimate



Leisure and Hospitality – Up 100 Jobs

- Gained 300 jobs, totaling 15,600 in 2007 (+2%)
- Another strong tourism year expected in 2008
- Number of independent travelers increasing
- One-third of all cruise passengers move through Anchorage

Anchorage Leisure and Hospitality
Employment, 2001–2007, 2008 Estimate



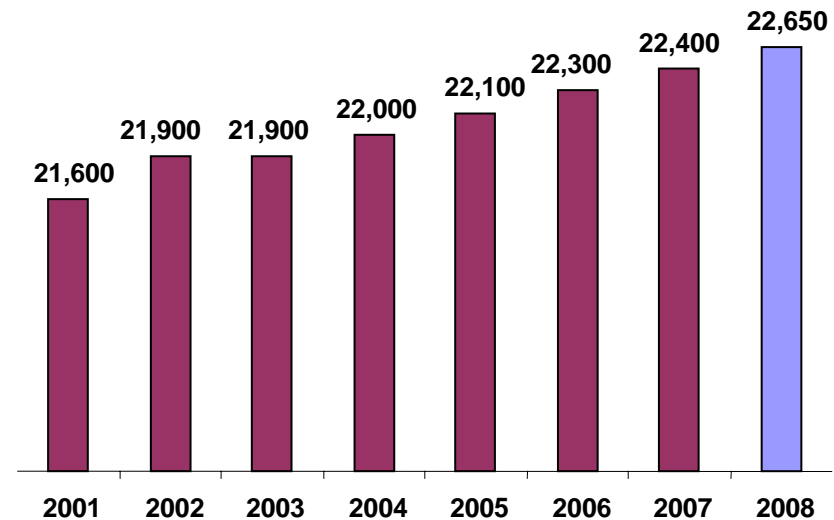
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Trade – Up 250 Jobs

- Gained 100 jobs, totaling 22,400, in 2007 (+0.4%)
- New national retailers entering the market
- Completion of a number of retail developments expected in 2008

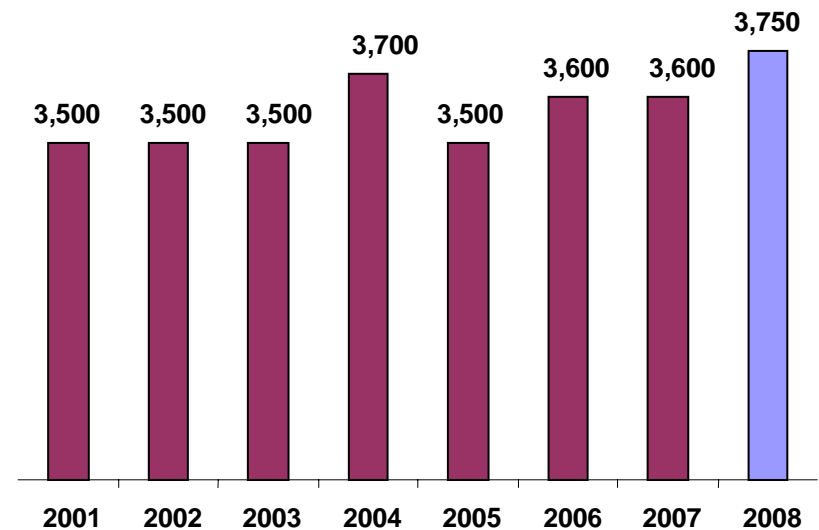
Anchorage Trade Employment,
2001–2007, 2008 Estimate



Air Transportation – Up 150 Jobs

- No growth in 2007; totaling 3,600 jobs
- TSAIA is the 3rd busiest cargo airport in the world
- FedEx and UPS expanding their fleets
- More cargo flights with China

Anchorage Air Transportation Employment, 2001–2007, 2008 Estimate



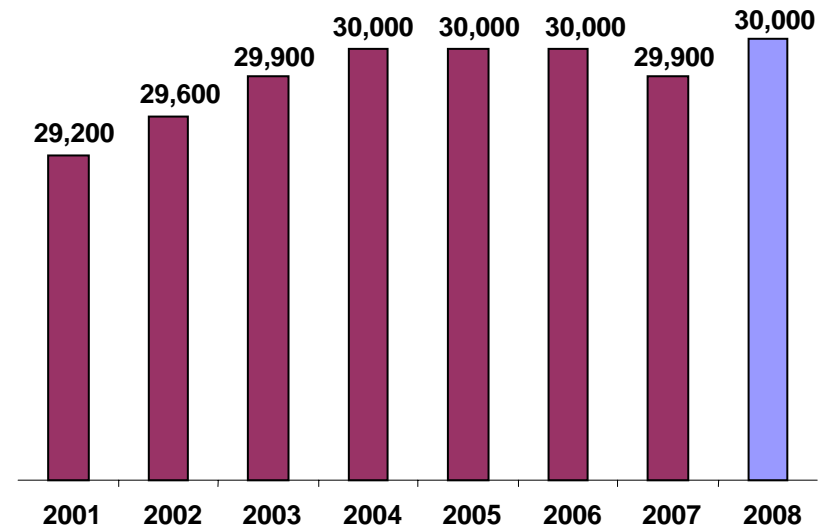
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Government – Up 100 Jobs

- Employment fell slightly in 2007; totaling 29,900 jobs (-0.3%)
- State government jobs will increase moderately
- Local government will remain the same
- Federal government decline expected to continue

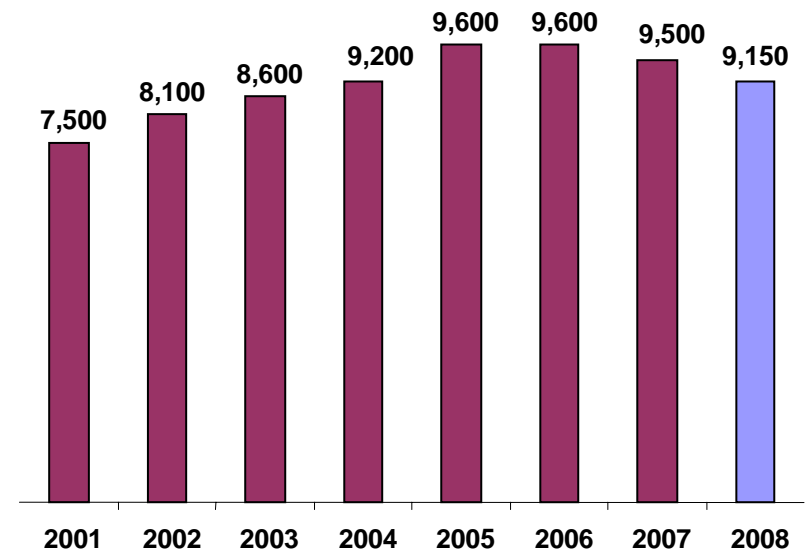
Anchorage Government Employment, Excluding Uniform Military Personnel, 2001–2007, 2008 Estimate



Construction – Down 350 Jobs

- Decrease of 100 jobs in 2007, totaling 9,500 jobs (-1%)
- Commercial construction still strong
- Residential construction continues to decline

Anchorage Construction Employment,
2001–2007, 2008 Estimate



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Other Industries

- The remaining growth projections, which include job increases of approximately 200, will occur across other sectors in 2008.
- Moderate job growth in the mining industry, utilities, information services, financial activities, manufacturing, and other service sectors.

Forces to Watch in 2008

- Completion of several major construction projects will lead to expansion in Anchorage's trade, and leisure and hospitality sectors.
- The air transportation sector will likely see growth due to an increase in visitors as well as air cargo activity.
- Relatively high oil prices, a growing visitor industry, an expected retail expansion, expansion in the international air cargo business, and Alaska's emerging mining industry will continue to benefit Anchorage's economy.

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1,000 New Jobs in 2008

- Overall growth is expected to slow down in 2008.
- The bulk of new jobs located in the service sectors – retail trade, health care, and business and professional services.
- Decreases expected in the construction sector.

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