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 Department of Commerce,
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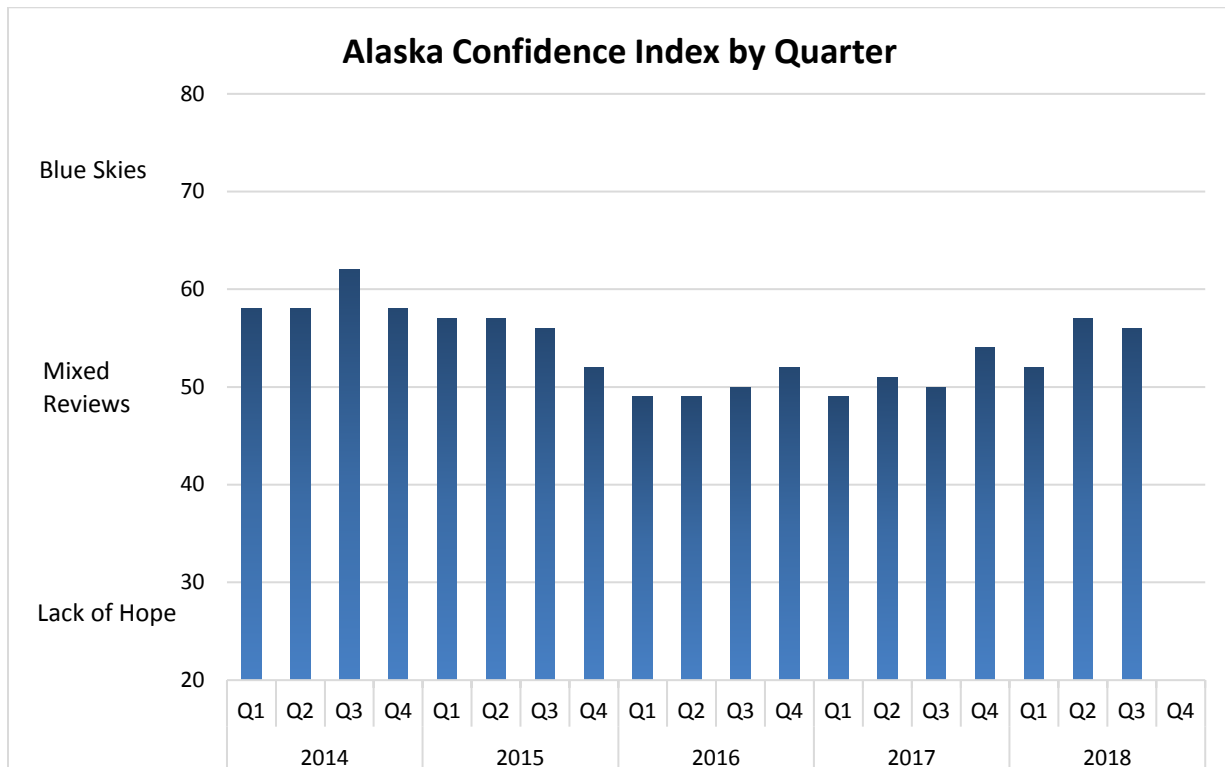
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Alaskans Optimistic About Economic Future

November 13, 2018 JUNEAU – While Alaskans have tepid feelings about the current state of the economy, optimism about the future is growing. The Alaska Confidence Index (ACI) readings have been up and down on a quarter-to-quarter basis this year, but the overall trend has been positive since the first quarter of 2017. While it is still unclear when and how the economy might return to where it was in 2015, rising economic confidence is one signal that the recession might be ending.



However, continued job losses and election uncertainty contributed to a decrease in Alaskans’ confidence about current economic conditions. (The third quarter survey was conducted before Governor Walker suspended his reelection campaign.) Confidence in the current state and local economies, as well as respondents’ personal

financial situations, was down from the second quarter, leading to an overall ACI reading one point lower than the previous quarter.

Alaska Confidence Index and Components, 2018 Q3

State		Local		Personal		Composite
<i>Current</i>	<i>Future</i>	<i>Current</i>	<i>Future</i>	<i>Current</i>	<i>Future</i>	
48	50	53	54	65	58	56

The latest ACI shows increased confidence over the previous quarter in the future of local economies and personal financial situations. Strong oil prices and hints at the end of the recession are possible drivers of confidence in the future. The reading for the current state economy was unchanged. All three components were considerably higher in the third quarter of 2018 than the same quarter last year.

The ACI is a measure of Alaskans’ confidence in the health of the local economy, their personal financial situations, and their expectations for the future. Northern Economics, Inc. generates the ACI using data collected by the Alaska Survey, a random quarterly sample of 750 Alaska households. The ACI comprises six components: 1) State Economy Confidence; 2) Local Economy Confidence; 3) Personal Financial Confidence; 4) Expectations for the Future – State; 5) Expectations for the Future – Local; and 6) Expectations for the Future – Personal. Each component is expressed using a value of 0 to 100. Values above 50 represent relative confidence in the economy, while values below 50 indicate lack of confidence. The ACI is released by the Division of Economic Development and supported by a sponsorship by the Alaska Department of Commerce, Community, and Economic Development.

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