

Effects of PFDs on Poverty Among Rural Alaska Natives

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A recent article in the journal *World Development*, by Matthew Berman, professor of economics at ISER, examines how the Permanent Fund dividend (PFD) has reduced poverty among the 60,000 or so Alaska Natives living in small, isolated communities far off the road system. PFDs are cash payments the state government makes to virtually all Alaska residents every year.

Rural Alaska Natives are much more likely than other Alaskans to be poor, mostly because jobs are scarce in remote areas. The author found:

Without PFDs, more than 28% of rural Alaska Natives would have fallen below the poverty line from 2011-2015, compared with about 11% among all Alaskans. With PFDs, poverty during that period dropped to about 22% among rural Alaska Natives and 9% among all Alaskans.

But those recent rates are higher than in 2000, when PFDs reduced poverty to 14% among rural Alaska Natives and about 6.5% among all Alaskans. PFDs have become less effective at reducing poverty, partly because PFDs didn't grow as fast as inflation. But also, more Alaskans now have incomes that fall further below the poverty line—so it takes more to lift them out of poverty.

This article is open access. Download "[Resource rents, universal basic income, and poverty among Alaska's Indigenous peoples](#)," by Matthew Berman, in *World Development*, Volume 106. If you have questions, contact the author at matthew.berman@uaa.alaska.edu.