

'Pry (the dividend) out of my cold, dead hand: Debating the future of the PFD

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Days after hundreds of thousands of Alaskans enjoyed a cash windfall to the tune of \$1,884, the future of the Permanent Fund dividend is being debated.

On Saturday afternoon, a panel of experts gathered at the Wilda Marston Theater in Anchorage to discuss the future of the more than \$51 billion rainy day fund and its role in government spending.

"If you want to get my Permanent Fund dividend then you're going to have to pry it out of my cold dead hand," said John Havelock, University of Alaska Anchorage professor.

UAA Professor Scott Goldsmith says the constitutionally protected Permanent Fund is secure and growing annually, but the dividend, which is based on the earnings from the fund, could be used to one day pay for government services.

Goldsmith says the situation is caused by declining petroleum revenue and production, which means the state will look to other sources of cash to pay for education, troopers and other services.

Despite the decline in production, some experts say Alaska remains in good financial shape.

"Oil production has been declining for the past 25 years," said Goldsmith. "The Permanent Fund has grown and the size of the dividend has grown and that's because the Permanent Fund dividend depends on the size and earnings of the Permanent Fund, not only current petroleum revenues."

Havelock says Alaska still has about \$9 billion in fiscal reserve funds, but says if a solution isn't found within the next five years the state's future could be in question. Hopefully, he says, there will be no need to tap the Fund earnings which would reduce dividend checks.

"The Permanent Fund represents the fact that the resource belongs to the people," said Havelock. "If they need to get revenue then they should tax it to get that revenue back, but they should just be taking away the dividend which is like taking away a person's personal property."

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