

# Southeast Alaska Resiliency Mapping

## *Weatherizing for the Economic Storm*

During the economic planning process, one of the top threats to the Southeast Alaska economy materialized. Oil, which once accounted for 90% of the state's unrestricted revenues, dropped from \$127 a barrel in February of 2012 to just \$27 per barrel January of 2016, leaving the state with a \$4 billion budget gap. The current economic outlook from this situation ranges from worrisome to devastating. Nearly all members surveyed (99%) said they are concerned how this will impact the regional economy, with 84% saying they are "significantly concerned" or have "maximum concern." In order to understand how our community and business leaders plan to ensure the economic resilience of their businesses, industries, and communities, Southeast Conference asked the membership to define a collective vision for resilience. **Economic resilience is the ability to withstand and recover quickly from a disruption to the economic base.** More than 200 Southeast Conference members from 23 communities and 24 sectors across the region participated, explaining what they **plan to do or need in order to keep their businesses and communities economically stable.**

### 1. Reduce private business

**expenses.** The most frequent response was from business leaders preparing to reduce their expenses in order to remain viable through an economic downturn. Businesses are planning on cutting costs, reducing employees, delaying investments, reassessing operations, refocusing resources on core businesses functions, and increasing savings.

### 2. Increase long term economic development planning.

The second key strategy regional leaders intend to employ is to increase economic development through long-term strategies, collaboration, and support of local

businesses. The development of the CEDs was specifically mentioned as an important resource.

### 3. Reduce government spending & services.

The next most frequent response was to reduce the size of both state and municipal government through budget cuts, service reduction, reduced spending, and employee cuts.

### 4. Implement taxes.

The fourth area of change Southeast Conference members think is needed to address the fiscal situation is an increase in taxes, specifically implementation of an income tax.

### 5. Maintain ferry services.

In the face of impending cuts, members noted that a strong ferry-focused transportation system is critical. A ferry-focused transportation priority objective is responsive to this.

### 6. Increase communication with government officials.

Provide cost-saving ideas and support public officials as they make tough decisions on how to balance the budget. Southeast Conference provides members with a vehicle to increase their outreach to public officials.

### 7. Restructure PFD to address fiscal needs.

A good fiscal strategy includes tapping the dividend fund for public purposes.

Through this economic plan, Southeast Conference is responding to the state fiscal situation by undertaking efforts to broaden the economic base of the region, improve the overall business climate, support the development of industries that build on the region's unique assets and competitive strengths, and grow a more resilient workforce.

To see the full results of the Southeast Alaska Resiliency Mapping analysis see Appendix IV.

