Timeline: Where are we in process?

SWOT  Economic Analysis  Goals & Objectives  Action Plan Review  Priority Objectives  Resiliency  Draft Plan

March 2015  March 2016

September 2015

You Are Here
Strengths

People & Southeast Alaskan Spirit
Region Collaboration
Seafood Industry
Tourism Sector
Beauty & Recreation Opportunities
Natural Resources
Culture & Heritage
Weaknesses

Transportation Costs
Energy Costs
Regulations & Overreach of Federal Government
Cost of Living & Doing Business
Our Geography & Isolation
Aging or Stagnant Population
Lack of Access to Our Lands
Threats

Federal Regulations & Overreach
Declining oil Prices/ Dependence on State Budget
Capital Move & Capital Creep
Declining/Aging Population/Loss of Youth/Workforce
Natural Disasters/Extreme Weather
Fisheries Declines
Climate Change
Opportunities

Seafood & Ocean Product Development
Tourism
Energy
Mining
Promoting Region
Timber
Growing Foods/Harvesting Plants
Maritime
Plan Elements

Economic Analysis
Economic Analysis

Southeast Alaska by the Numbers 2015

September 2015

Southeast Alaska's Economy

This publication tells two stories about the regional economy: a positive tale of five-year trends, and a more sobering one-year analysis and future forecast.

Over the last five years we added 2,600 people and 1,500 jobs to our economy. Total workforce earnings increased by $275 million, with most of that coming from the private sector ($209 million). With the exception of government, nearly every sector flourished. New jobs and investments occurred in the areas of seafood, tourism, mining, construction, healthcare, maritime, and energy. Housing starts tripled.

After watching so many indicators fall from the early 1990s to the late 2000s, we became accustomed to an economy of decline, and this recent rise was nothing short of exhilarating. In the past five years, we have broken records, reaching all-time highs in population, workers, and total workforce earnings. But the truth is that most of this expansion occurred at the start of this five-year period, and data from the last year especially indicates a contraction.

Between 2013 and 2014 there were few areas of growth, and many indicators trended slightly downwards. Our population declined by 20 people. Jobs fell by 300, mostly in the areas of government, construction, and health care. There were 34,000 fewer cruise and ferry visitors to the region. The value of seafood harvested in the region fell by $92 million. The price of gold fell by 10%. Early 2015 job reports show more losses on the way.

The most concerning signal is the long-term strength of our government, which accounts for more than a third of all workforce earnings in the region. Oil revenues provide 90% of the State’s unrestricted revenues. In the last year, the average price of crude fell nearly 50% and oil production was down again, and has declined nearly continuously since 1988. The State projects a two-year deficit of $7.7 billion, and that our savings will be gone in four years. Clearly something will need to happen to address this, and because we are so dependent on the role that government plays in our economy, the "something" could create a significant downward drag on our economy.

Despite these concerns, a survey of business owners and top managers from across the region expressed confidence in our economic climate, with 96% saying that they expect their business or industry to improve, and 43% expecting it to stay the same (see page 12). Visitor industry respondents were the most optimistic, and with good reason. New records for total cruise and airline visitors are expected in the next couple years. Notably pessimistic about the direction of their industries were businesses involved with timber, construction, and health care. Because construction and health care together compose 15% of all regional wages, these concerns carry increased significance. It is going to be the challenge of regional leaders to continue to find ways to move our economy forward.
Plan Elements

Goals & Objectives
- Energy
- Marine Industries
- Mining
- Timber
- Food Security
- Transportation
- Fisheries
- Communications
- Visitor Industry

Action Plan
- Measurable results
- Valuable for the regional economy
- Collaboration
- Benefit from being in plan
Timeline: Where are we in the process?

- SWOT
- Economic Analysis
- Goals & Objectives
- Action Plan Review
- Priority Objectives
- Resiliency
- Final Plan

You Are Here
• Mariculture Development
• Full Utilization and Co-product Development
• Regional Seafood Processing
• Increase Energy Efficiency & Reduce Energy Costs
• Regional Vessel Repair
• Maintain Stable Regulatory Regime
• Research Jobs
• Sea Otter Utilization / Sustainable Shellfish
• Alaska Maritime Workforce Development Plan
• Loan Program Support
• Stabilize the regional timber industry
• Provide an adequate, economic, and dependable timber supply
• Update young growth inventory
• Support the Sealaska 5-year harvest plan
• Develop Community Based Workforce
• Work with USFS to direct Federal contracts towards locally owned businesses
• Support Mental Health Trust land exchange with USFS
• Support Tongass 2 million Acre State Forest Land Transfer
• Continue old growth harvests until young growth supply is adequate
• Support small scale manufacturing of wood products
• Continue to Support State Litigation to Set Aside the Roadless Rule
Visitor Industry

• Develop Cohesive Planning Tools
• Improve Access to Public Lands
• Develop More Eco Friendly Products and Activities
• Increase Yacht and Small Cruise Ship Visitations
• Improve Communications Infrastructure
• Support efforts to create sustainable power systems
• Diesel displacement
• Reduce investments barriers
• Work with federal government to increase investment
• Complete a Regional Hydrosite Evaluation for Southeast Alaska
• Identify federal regulations that hamper energy development
• Increase access to renewable resources within the Tongass National Forest
Transportation Sector

- Minimize Impacts of Expected Budget Cuts to AMHS Over the Next 5 Years
- Promote use of the existing road network and develop new and expanded roads
- Move fresh consumables to markets more efficiently
- Harbor Improvements
- Ensure the stability of existing sub regional transportation services outside of AMHS
- Examine Arctic exploration opportunities that the region as a whole can provide
• Workforce Development
• Advocate for policies that lead to more homeporting of vessels in Southeast Alaska
• Increase access to capital for the regional maritime industrial support sector
• Continue to grow the regional maritime sector
• Increase access to housing (including veterans/homeless)
• Increase support services, momentum, and relevance of local foods on a regional and state level. Increase production, accessibility, and demand for local foods (subsistence)
• Market Southeast Alaska as Region.
• Support regional entities in obtaining 8A status and nonprofit status
• Protection Of Transboundary Rivers
• Improved access to telemedicine in Southeast Alaska
• Improved communications in rural SE
Outline of steps required for project to be completed.
List steps and dates

**People/Organizations responsible for completing these steps**
Who will be working on this?

**Cost Estimates**
How much will this cost, and who will pay these costs?

**Evaluation Measures**
What are the indicators we can track that will measure project success?

**Key Project Contact**
Who will be the project champion moving this project forward?
Food Security
Project Contacts

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