About Southeast Alaska

- 34 Communities
- 1,000+ Islands
- 500 Miles
- 18,500 shoreline
- 10% of AK Economy
- 1/4 Alaska Native
Southeast Alaska Employment Earnings

$2.2 billion
45,640 Jobs
Southeast Alaska’s Report Card 2016

**Increasing Jobs**
Down 1,000 Jobs -2%

**Increasing Earnings**
Down $29 Million -1%

**Increasing Population**
Down 500 -1%
Southeast Alaska’s Report Card 2016

- **Increasing Jobs**
  - DOWN 1,000 JOBS -2%

- **Increasing Earnings**
  - DOWN $29 MILLION -1%

- **Increasing Population**
  - DOWN 500 -1%

All indicators are marked with an 'X' and a failing grade of 'F'.
Southeast Alaska’s Report Card 2017

**Increasing Jobs**
Up 380 Jobs 0.8%

**Increasing Earnings**
Up $17 Million 0.8%

**Population**

Southeast Alaska’s Report Card 2017

Increasing Jobs
Up 380 Jobs 0.8%

Increasing Earnings
Up $17 Million 0.8%

Decreasing Population
Down 900 People -1.2%
Southeast Alaska’s Report Card 2017

**Increasing Jobs**

**Up 380 Jobs 0.8%**

**Decreasing Population**

**Down 900 People -1.2%**
Increasing Jobs

Up 380 Jobs 0.8%

Decreasing Population

Down 900 People -1.2%

Increasing Number of Jobs Held by Non Residents
Average Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2018

How we got here

Oil revenues historically accounted for 90 percent of the state’s unrestricted revenues.
Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2018

Average Daily Volume
Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2018
Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 2012-2018

Where are we going?

Average Price per Barrel

2012: $119
2013: $113
2014: $101
2015: $54
2016: $44
2017: $54
2018 so far: $72

Sept 12 = $75
Oil revenues historically accounted for 90 percent of the state’s unrestricted revenues. Now it's 30%.
State Savings Used

$14 Billion
State jobs outside of Southeast Alaska fell by 7.5%
State Government Job Losses
loss of -850

-2012: 5,570
-2014: 5,500 (-70)
-2015: 5,290 (-210)
-2016: 4,940 (-350)
-2017: 4,820 (-120)
-2018: 4,720 (-100)

Total loss: -850
State Government Job Losses
loss of -850

2012: 5,570
2014: 5,500 (-70)
2015: 5,290 (-210)
2016: 4,940 (-350)
2017: 4,820 (-120)
2018: 4,720 (-100)

-15%
State Job Losses

A loss of

850 State jobs

= a loss of

$50 million

in annual wages
Federal Job Losses

A loss of

600 Federal jobs

= a loss of

$50 million

in annual wages
A loss of 1,500 Government jobs = a loss of $100 million in annual wages
Capital Appropriations for Southeast in Millions

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Appropriations</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>$385</td>
</tr>
<tr>
<td>FY13</td>
<td>$260</td>
</tr>
<tr>
<td>FY14</td>
<td>$215</td>
</tr>
<tr>
<td>FY15</td>
<td>$183</td>
</tr>
<tr>
<td>FY16</td>
<td>$107</td>
</tr>
<tr>
<td>FY17</td>
<td>$47</td>
</tr>
<tr>
<td>FY18</td>
<td>$9</td>
</tr>
<tr>
<td>FY19</td>
<td>$15</td>
</tr>
</tbody>
</table>

-96% decrease
Construction Industry 1,900 Jobs Down 100 Jobs in 2017 -5%
Construction Industry

-400 Construction jobs
$27 Million
A loss of

1,900 Gov & Construction jobs

= a loss of

$1277 million

in annual wages (+$370 M in Appropriations)
Visitor Industry 7,740 Jobs

Up 1,900 Jobs +32% since 2010
+$58 Million
Southeast Alaska Average Wage

- Mining Industry: $102,113
- Federal Government: $84,158
- Construction Industry: $63,079
- Financial Activities: $60,356
- State Government: $59,321
- Health Care Industry: $57,426
- Seafood Industry: $56,539
- Local Government: $48,182
- Average: $48,113
- Information: $41,943
- Professional and Business Services: $41,287
- Trade: Retail and Wholesale: $32,444
- Visitor Industry: $29,895
- Social Services: $29,193
Southeast Alaska Average Wage

- Mining Industry: $102,113
- Federal Government: $84,158
- Construction Industry: $63,079
- Financial Activities: $60,356
- State Government: $59,321
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- Information: $41,943
- Professional and Business Services: $41,287
- Trade: Retail and Wholesale: $32,444
- Visitor Industry: $29,895
- Social Services: $29,193
Tourist Spending in Southeast

$657 Million

$487 per SE visitor

AVSP VII 2016
Cruise Passengers
50% increase 2010-2019

1,030,100 1,018,700 875,593 883,000 937,000 999,600 999,600 994,000 1,025,900 1,089,700 1,165,500 1,310,000

1.31 million 2019 est.
1.17 million 2018
1.018,700
1,030,100
1 + 6.2% + 7% + 12.4%
Arrivals into Southeast by Mode
Tourists into Southeast by Mode

- Cruise: 86%
- Air: 11%
- Ferry/Road: 3%
- Dogsled: 0.0001%
Glacier Bay was the highest-rated cruise destination in the world in 2018. Cruise Critic
Airline Trends:

2018 = top year ever
Healthcare
3,426 Jobs

UP 80 JOBS IN 2017 +3%

9% of all SE earnings

$150 $175 $200

2012 2013 2014 2015 2016 2017
Mining Industry
886 Jobs
Up 90 Jobs in 2017

Gold Prices

<table>
<thead>
<tr>
<th>Year</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$1,225</td>
</tr>
<tr>
<td>2011</td>
<td>$1,572</td>
</tr>
<tr>
<td>2012</td>
<td>$1,669</td>
</tr>
<tr>
<td>2013</td>
<td>$1,411</td>
</tr>
<tr>
<td>2014</td>
<td>$1,266</td>
</tr>
<tr>
<td>2015</td>
<td>$1,160</td>
</tr>
<tr>
<td>2016</td>
<td>$1,239</td>
</tr>
<tr>
<td>2017</td>
<td>$1,271</td>
</tr>
<tr>
<td>Aug 2018</td>
<td>$1,201</td>
</tr>
</tbody>
</table>
### Population Change 2014 to 2017

<table>
<thead>
<tr>
<th>Borough</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juneau Borough</td>
<td>32,269</td>
<td>-2%</td>
</tr>
<tr>
<td>Ketchikan Borough</td>
<td>13,754</td>
<td>-1%</td>
</tr>
<tr>
<td>Sitka Borough</td>
<td>8,748</td>
<td>-4%</td>
</tr>
<tr>
<td>Petersburg Borough</td>
<td>3,147</td>
<td>-2%</td>
</tr>
<tr>
<td>Haines Borough</td>
<td>2,459</td>
<td>-4%</td>
</tr>
<tr>
<td>Wrangell Borough</td>
<td>2,387</td>
<td>-1%</td>
</tr>
<tr>
<td>Metlakatla</td>
<td>1,422</td>
<td>-2%</td>
</tr>
<tr>
<td>Craig</td>
<td>1,089</td>
<td>-10%</td>
</tr>
<tr>
<td>Skagway Borough</td>
<td>1,034</td>
<td>6%</td>
</tr>
<tr>
<td>Klawock</td>
<td>833</td>
<td>3%</td>
</tr>
<tr>
<td>Hoonah</td>
<td>773</td>
<td>-2%</td>
</tr>
<tr>
<td>Kake</td>
<td>604</td>
<td>-4%</td>
</tr>
<tr>
<td>Yakutat Borough</td>
<td>552</td>
<td>-13%</td>
</tr>
<tr>
<td>Gustavus</td>
<td>544</td>
<td>5%</td>
</tr>
<tr>
<td>Thorne Bay</td>
<td>533</td>
<td>0%</td>
</tr>
<tr>
<td>Angoon</td>
<td>404</td>
<td>-4%</td>
</tr>
<tr>
<td>Hydaburg</td>
<td>374</td>
<td>-8%</td>
</tr>
<tr>
<td>Coffman Cove</td>
<td>199</td>
<td>13%</td>
</tr>
<tr>
<td>Tenakee Springs</td>
<td>135</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Hollis</strong></td>
<td><strong>128</strong></td>
<td><strong>38%</strong></td>
</tr>
<tr>
<td>Naukati Bay</td>
<td>119</td>
<td>-1%</td>
</tr>
<tr>
<td>Klukwan</td>
<td>93</td>
<td>11%</td>
</tr>
<tr>
<td>Hyder</td>
<td>90</td>
<td>-3%</td>
</tr>
<tr>
<td>Kasaan</td>
<td>80</td>
<td>10%</td>
</tr>
<tr>
<td>Pelican</td>
<td>67</td>
<td>-13%</td>
</tr>
<tr>
<td>Port Alexander</td>
<td>55</td>
<td>22%</td>
</tr>
<tr>
<td>Edna Bay</td>
<td>43</td>
<td>-9%</td>
</tr>
<tr>
<td>Whale Pass</td>
<td>43</td>
<td>8%</td>
</tr>
<tr>
<td>Port Protection</td>
<td>34</td>
<td>-38%</td>
</tr>
<tr>
<td>Game Creek</td>
<td>18</td>
<td>0%</td>
</tr>
<tr>
<td>Elfin Cove</td>
<td>14</td>
<td>-13%</td>
</tr>
<tr>
<td>Point Baker</td>
<td>13</td>
<td>0%</td>
</tr>
<tr>
<td>Remainder</td>
<td>858</td>
<td>-8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>72,915</strong></td>
<td><strong>-2%</strong></td>
</tr>
</tbody>
</table>
Hollis: Dawson Mine Project
Government wages = 35% of all employment

Government 13,250 Jobs
Up 200 Jobs in 2017 -3%

Federal 8%
State 13%
Local 12%
Tribal 2%
State jobs down 120
Federal Jobs = Flat
Local jobs = +200
Tribal Jobs = +100
Value & Pounds of Seafood Landed in Southeast Alaska Ten Years

Value to Fishermen (millions)

2008: $246
2009: $246
2010: $283
2011: $278
2012: $396
2013: $479
2014: $301
2015: $301
2016: $223
2017: $302

Landed Pounds (millions)

2008: 220
2009: 283
2010: 278
2011: 396
2012: 267
2013: 479
2014: 301
2015: 301
2016: 223
2017: 302

Inflation Adjusted

2008: $289
2009: $222
2010: $238
2011: $280
2012: $368
2013: $337
2014: $280
2015: $238
2016: $222
2017: $289
Seafood Industry

- Other Salmon: 38%
- Pink Salmon: 44%
- Herring: 12%
- Blackcod: 3%
- Halibut: 2%
- Crab: 2%
- Other: 3%

3,854 Jobs
Timber Industry
354 Jobs
DOWN -3%

1983 to 2017
Demographics  73,915 People

-900 people -1%
### Non Alaska Residents by Area and Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Non Alaskan workers</th>
<th>% Non Alaskan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seafood Processing</td>
<td>2,801</td>
<td>74%</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>779</td>
<td>51%</td>
</tr>
<tr>
<td>Mining</td>
<td>490</td>
<td>47%</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>1,929</td>
<td>41%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1,362</td>
<td>25%</td>
</tr>
<tr>
<td>Local Governments</td>
<td>627</td>
<td>8%</td>
</tr>
<tr>
<td>State of Alaska Government</td>
<td>327</td>
<td>6%</td>
</tr>
<tr>
<td>Southeast Alaska</td>
<td>12,568</td>
<td>26%</td>
</tr>
<tr>
<td>Total Alaska</td>
<td>89,411</td>
<td>22%</td>
</tr>
</tbody>
</table>
## Non Alaskan Residents by Area and Industry

<table>
<thead>
<tr>
<th>Borough or Area</th>
<th>Non Alaskan workers</th>
<th>% Non Alaskan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skagway</td>
<td>1,095</td>
<td>65%</td>
</tr>
<tr>
<td>Petersburg</td>
<td>839</td>
<td>40%</td>
</tr>
<tr>
<td>Haines</td>
<td>595</td>
<td>39%</td>
</tr>
<tr>
<td>Sitka</td>
<td>1,888</td>
<td>32%</td>
</tr>
<tr>
<td>Ketchikan</td>
<td>2,633</td>
<td>28%</td>
</tr>
<tr>
<td>Hoonah-Angoon</td>
<td>322</td>
<td>28%</td>
</tr>
<tr>
<td>Yakutat</td>
<td>109</td>
<td>26%</td>
</tr>
<tr>
<td>Wrangell</td>
<td>316</td>
<td>26%</td>
</tr>
<tr>
<td>Prince of Wales-Hyder</td>
<td>830</td>
<td>25%</td>
</tr>
<tr>
<td>Juneau</td>
<td>3,941</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Total Southeast Alaska</strong></td>
<td><strong>12,568</strong></td>
<td><strong>26%</strong></td>
</tr>
<tr>
<td>Total Alaska</td>
<td>89,411</td>
<td>22%</td>
</tr>
</tbody>
</table>
Annual Business Confidence 2018

How do you view the regional business climate right now?

- **Very Poor**: 6%
- **Poor**: 38%
- **Don't know**: 1%
- **Better**: 50%
- **Much Better**: 5%

12% Decrease 2015
Voices of 140 SE Business Leaders

How has the economy impacted your business? Excerpts of survey responses by industry:

Visitor Industry:
• “Business is up about 15% so far this year with hopes of breaking through 17% by season’s end.”
• “Local, business and government travel were all down this winter. However, summer business is strong.”

Seafood:
“I am a young fisherman. There is no feasible way that I can afford to diversify my fishing business by buying halibut quota. It is prohibitively expensive and I can’t afford to buy into it (or other fisheries).”

Information Technology: “Lack of fiscal certainty and general uncertainty in the market causes us to be more conservative, especially in hiring.

Mining: “We will be looking for skilled and non-skilled labor to grow our business. Our concern is that labor is moving out of the area due to lack of jobs, making it difficult for us to fill the positions required to grow our business.”

Retail Trade: “Overall business is down close to 15%. The good news is the rate of decline has slowed and seems to be bottoming out.”

Construction: “Our company is in year 4+ of a 20% decrease in hours per employee to maintain cash flow.”

Energy: “Energy (kWh) sales are down for at least the fifth year in a row, even though we grew by about 50 customers over the same period. We believe this is due to investments in more efficient lighting and appliances.”

Financial Activities: “We are continuing to grow in total asset size, income has increased, and we are looking at adding additional locations in the next few years.”

Food/Beverage Industry: “We are down 23% in 2017. 2016 was down 12%. Much more and we will be out of business. The State budget crisis is affecting how people are spending money now.”

Professional & Business Services: “I’ve had to travel more for business and also had to cultivate clients out of region. Money is tighter here in SE.”

Real Estate: “Our residential properties enjoy 100% occupancy. Lack of good land for development and the high price of buying and converting existing properties to moderate priced housing units are our biggest challenges.”

Arts: “We have reduced staff, which means we have to reduce services which reduces revenue.”
How has the economy impacted your business? Excerpts of survey responses by industry:

**Visitor Industry:**

• “Business is up about 15% so far this year with hopes of breaking through 17% by season’s end.”

• “Local, business and government travel were all down this winter. However, summer business is strong.”
How has the economy impacted your business? Excerpts of survey responses by industry:

Retail Trade:

“Overall business is down close to 15%. The good news is the rate of decline has slowed and seems to be bottoming out.”
How has the economy impacted your business? Excerpts of survey responses by industry:

**Construction:**

“Our company is in year 4+ of a 20% decrease in hours per employee to maintain cash flow.”
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**Information Technology:**

“Lack of fiscal certainty and general uncertainty in the market causes us to be more conservative, especially in hiring.”
How has the economy impacted your business? Excerpts of survey responses by industry:

**Financial Activities:**

“We are continuing to grow in total asset size, income has increased, and we are looking at adding additional locations in the next few years.”
Annual Business Confidence

What is the economic outlook for your business or industry over the next year? (compared to the previous year)

- Much Worse: 2%
- Much Better: 2%
- Worse: 14%
- Better: 27%
- Same (poor): 18%
- Same (positive): 37%
- Much Worse: 2%
What is the economic outlook for your business or industry compared to last year?

### By Industry

- **Seafood**: 66%
- **Energy**: 60%
- **Financial Activities**: 57%
- **Construction**: 50%
- **Food/Beverage**: 44%

### By Community

- **Petersburg**: 80%
- **Hoonah**: 60%
- **Wrangell**: 50%
- **Sitka**: 41%
- **Juneau**: 35%
What is the economic outlook for your business or industry compared to last year?

By Industry

- Health Care: 60% Better
- Tourism: 54% Better
- Real Estate: 50% Better
- Arts: 45% Better

By Community

- Skagway: 71% Much Better
- Haines: 67% Much Better
- Prince of Wales: 35% Much Better
- Sitka: 34% Much Better
Southeast Projections Down 2018

Seafood
State Government
Construction
Retail
Population
Southeast Projections: Up 2018

Visitor Industry
Healthcare
Mining Industry
Tribal Jobs
Plan is winner of the 2018 NADO Innovation Award

“The region’s current CEDS Southeast Alaska 2020 is one of the best examples in the country…”