



SOUTHEAST ALASKA By the Numbers 2020



VISITORS	SEAFOOD	TIMBER, MINING	CONSTRUCTION, HEALTH	GOVERNMENT	DEMOGRAPHICS	BUSINESS SURVEY	SWOT ANALYSIS
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CHANGES 2018 TO 2019

SOUTHEAST ALASKA'S ECONOMY



REGIONAL POPULATION
DECREASED BY **284**
PEOPLE TO **72,373**



LABOR FORCE INCREASED
BY **455 JOBS** TO **46,097**
JOBS.
TOTAL WAGES GREW BY
\$63 MILLION OR **3%**



CRUISE PASSENGERS
INCREASED BY **14%** TO
1.33 MILLION



TOTAL GOVERNMENT
PAYROLL INCREASED BY
\$4 MILLION OR **0.5%**



K-12 ENROLLMENT
INCREASED FOR THE 3RD
TIME IN 23 YEARS, BY 10
STUDENTS



TIMBER JOBS
IN THE REGION INCREASED
BY **10%**, A GAIN OF 35
JOBS

2019 The Southeast Alaska summer of 2019 was filled with record-high temperatures and a historic number of visitors coming to Southeast Alaska.

In many ways 2019 should have marked the region's return to a more prosperous and growing economy. Total jobs were up, along with overall wages. Tourism, seafood, mining, and health care jobs were all up, and timber jobs were up by 10%. Nearly every community in the region posted job gains. The number of school children in the region increased for just the 3rd time in 23 years. The number of cruise ship passengers that visited the region in 2019 increased by 14% over the year before as 1.33 million passengers sailed up the inside passage to spend their summer dollars across the region's larger port communities.

State government continued to shed jobs in 2019, but the region had become more diversified. While the State remains the largest wage provider in the region, the continued loss of government jobs was being offset by increases in other sectors, allowing the overall regional economy to return to a positive trajectory.

By March of 2020, the region was still on track to harness the gains of 2019 and continue to grow. The region had added 200 jobs in the first three months of the year and was gearing up for 1.5 million cruise visitors in 2021.

2020 On March 13th, schools across Alaska were closed until further notice, a clear signal that the COVID-19 epidemic had arrived in Southeast. The virus would soon take the regional economy down with it. While many hoped that the tourism season could continue in a modified format, Canada's prohibition of cruise ships effectively ended the regional tourism season before it began.

From April through July the region lost nearly 7,000 jobs across every sector, but tourism was particularly devastated. The region has lost 17% of its jobs due to the pandemic so far, and is the most economically impacted area in Alaska. Regional unemployment rocketed to 11.3% in July, and in tourism-dependent Skagway it was 19.1%.

On top of COVID-19, Southeast Alaska is currently experiencing one of its worst fishing seasons on record. Dismal harvest levels are compounded by reduced prices, as the pandemic has limited global seafood demand. There is tremendous uncertainty moving forward. But there is an eventual light at the end of the tunnel. The resources of Southeast Alaska remain strong. It still has beautiful vistas and recreational opportunities, healthy timber stands, a productive ocean, valuable minerals, and its most important resource — the resiliency of Southeast Alaskans themselves.

A Message from Southeast Conference

Executive Director Robert Venables



Resiliency in Southeast. This is not a one-time theme or "event". This will be our undertaking during what is likely to be a "2-year winter economy". This pandemic-induced economic coma and its aftermath could last a long time.

First, a word of thanks to our public officials at every level for taking the steps deemed best to ensure the physical

health of every citizen. And to the best of their ability, they are providing resources to stabilize the business sector to get through the initial stages of this pandemic.

Southeast Conference is focused on a two-year resiliency effort that can assist communities and businesses develop and execute a successful economic recovery plan. The economic toll of the pandemic has been especially harsh on small and medium-sized businesses. They lack the capital to continue operations or restart their businesses after a prolonged shutdown. Our survey showed a high level of uncertainty under a fear of bankruptcy.

The Southeast Conference 2025 regional comprehensive economic development strategy will help guide efforts and investments in priority objectives that can help businesses revive and create jobs. Together we will identify potential resiliency, mitigation, and economic recovery action items that will lead to economic revitalization in Southeast Alaska.

Where can infrastructure investment stimulate the economy and prepare the region for a more resilient future? Can technology and automation be the tools of future economies? Join us as we work with local, state, tribal and federally led coronavirus recovery planning efforts and identify economic development projects and take full advantage of available funding opportunities.

Working together, we can speed the recovery process through strategic planning and foster private and non-profit partnership opportunities. Failure is not an option. Unfortunately, the region has vast experience in reinventing its economy after sudden shutdowns in our natural resource and extraction industries. And each time, we rose to the occasion and worked together toward the Southeast Conference mission of strong economies, healthy communities, and a quality environment in Southeast Alaska.

Incoming President Markos Scheer



Southeast Alaska is such a unique place. It is a place of unparalleled beauty, with thousands of miles of coastline, lakes, island, bay, nooks and crannies that few have explored, and all is bordered by snowcapped mountains, like parapets, protecting the 800 miles region that extends from the southern border south of Ketchikan to Yakutat. The ingenuity, toughness and resiliency of its people and communities is second to none.

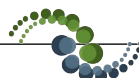
Southeast Conference reflects those people and the environment in which these special Alaskans live, work and play. It is diverse, expansive, spans hundreds of miles and folks are busy with the diverse industries that make Southeast run, including our fishing, mining, mariculture, timber, tourism, and maritime industries. For more than 60 years Southeast Conference is one of the ways that all of Southeast, its people, towns, villages and business come together to work on how to make this remarkable area more prosperous. It is a great representation of how people, communities and businesses, even those that are separated by hundreds of miles, all work together for collective economic growth – a rising tide does indeed raise all ships.

In these challenging times, the value of the role of Southeast Conference can play, as a facilitator, connector and proponent for Southeast businesses, communities and people cannot be overstated. There are many challenges, including COVID-19 and its effects on all of us, the metamorphosis of the fishing, tourism, charter, timber and mining industries in Southeast Alaska and the ongoing work to bring a viable and reliable ferry system back online. Southeast Conference is uniquely positioned to help the region respond to these many challenges and create economic opportunities for everyone.

I moved to Southeast Alaska in 1982. I lived in Thorne Bay, Hollis, Klawock and then Ketchikan. I graduated from Ketchikan High School in 1986. I attended Sitka Fine Arts Camp. I worked for Silver Lining, then a startup Southeast Alaska based seafood company for 12 years. For the next 20 years, I practiced law in Alaska and the west coast, working with seafood and maritime companies that plied the waters from the Bering Sea to California. I became involved in Southeast Conference to lend what I could to the collective efforts. Now that I run a burgeoning mariculture business in Southeast Alaska, the true value of Southeast Conference – and the communities and people that support it -- is even more clear. I look forward to the honor and opportunity to serve as the President of Southeast Conference over the next year.

The mission of Southeast Conference is to **undertake and support activities that promote strong economies, healthy communities and a quality environment in Southeast Alaska**. As the state and federally-designated regional economic development organization, Southeast Conference serves as the collective voice for advancing the region's economy. We have 200 member organizations representing 1,200 people from 32 regional communities. We started 60 years ago with a group of people supporting the establishment of a regional transportation system, leading to the formation of the Alaska Marine Highway System. Our members stayed together through more than a half-century to focus on concerns unique to the region.

Image Credits: Front cover photo of Angoon by Heather Holt. Icons by Avery Veliz.



CHANGE IN THE LAST YEAR: 2018 to 2019

Table tracks key Southeast indicators over the past year, along with associated changes.

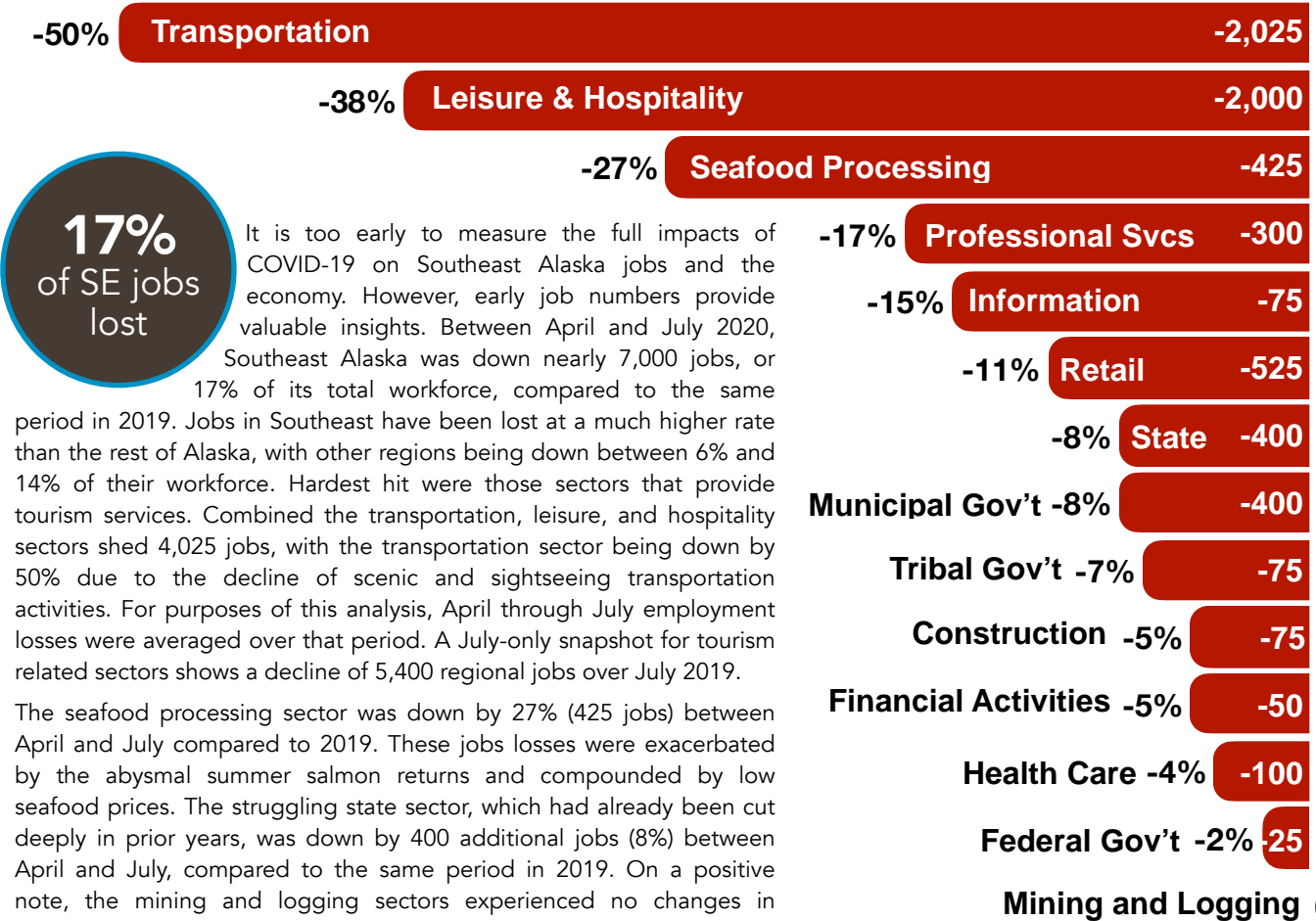
DEMOGRAPHICS	2018	2019	% CHANGE 2018-2019	CHANGE 2018-2019
Population ¹	72,657	72,373	-0.4%	-284
Ages 65 and older ²	11,055	11,544	4.4%	489
Under Age Five ²	4,137	3,956	-4.4%	-181
Twenty somethings ²	8,423	8,319	-1%	-104
K-12 School District Enrollment ³	11,334	11,344	0.1%	10
GENERAL ECONOMIC CONDITIONS				
Total Labor Force (jobs, includes self-employed & USCG) ^{1,5,6}	45,642	46,097	1%	455
Total Job Earnings ^{1, 5, 6}	\$2.28 billion	\$2.35 billion	3%	\$62.9 million
Total Private Sector Payroll ^{1, 6}	\$1.51 billion	\$1.56 billion	4%	\$59.1 million
Average Annual Wage ¹	\$50,023	\$50,873	2%	850
Annual Unemployment Rate ¹	5.9%	5.9%	0.0%	0.0%
TOP ECONOMIC SECTORS				
2018	2019	% CHANGE	CHANGE	
GOVERNMENT				
PUBLIC SECTOR: 33% OF ALL EMPLOYMENT EARNINGS				
Total Government Employment ^{1, 5}	13,148	12,994	-1%	-154
Federal Employment ^{1, 5} (8% of all employment earnings)	2,111	2,032	-4%	-79
State Employment ¹ (14% of all job earnings)	4,771	4,705	-1%	-66
City and Tribal Employment ¹ (14% of all job earnings)	6,266	6,257	-0.1%	-9
Total Government Payroll (includes USCG) ^{1, 5}	\$776.9 million	\$780.7 million	0.5%	\$3.77 million
Total State of Alaska Payroll	\$283.3 million	\$284 million	0.2%	\$702,032
VISITOR INDUSTRY				
KEY INDUSTRY: 11% OF ALL EMPLOYMENT EARNINGS				
Total Visitor Industry Employment ^{1, 6}	8,004	8,394	5%	390
Total Visitor Industry Wages/Earnings ^{1, 6}	\$249.3 million	\$271.6 million	9%	\$22.3 million
Total Southeast Alaska Passenger Arrivals	1,618,311	1,787,345	10%	169,034
Cruise Passengers ¹⁰	1,169,000	1,331,600	14%	162,600
Total Air Passenger Arrivals from Outside SE ¹¹	435,476	444,217	2%	8,741
Total AMHS Passengers from Outside SE ¹²	13,835	11,528	-17%	-2,307
COMMERCIAL FISHING & SEAFOOD INDUSTRY				
KEY INDUSTRY: 10% OF ALL EMPLOYMENT EARNINGS				
Total Seafood Employment (includes fishermen) ^{1, 6}	3,711	3,743	1%	32
Total Seafood Employment Earnings ^{1, 6}	\$237.4 million	\$238.0 million	0%	\$584,614
Value of Seafood Processed ⁷	439.7 million	422.0 million	-4%	-17.6 million
Pounds Landed (commercial seafood whole pounds by SE residents) ⁸	185.2 million	208.3 million	13%	23.2 million
Estimated Gross Earnings (ex-vessel value of pounds landed) ⁸	\$246.9 million	\$217.6 million	-12%	-\$29.3 million
HEALTH CARE INDUSTRY (PUBLIC & PRIVATE HEALTH)				
KEY INDUSTRY: 11% OF ALL EMPLOYMENT EARNINGS				
Health Care Employment ^{1, 6}	3,547	3,574	0.8%	27
Health Care Wages ^{1, 6}	\$216.8 million	\$227.4 million	5%	\$10.6 million
MARITIME ECONOMY (Includes employment from all industries)				
TOP SECTOR: 27% OF PRIVATE SECTOR EMPLOYMENT EARNINGS				
Private Maritime plus USCG Employment ^{1,5,6}	6,273	6,544	4%	271
Private Maritime plus USCG Wages ^{1,5,6}	\$396.8 million	\$408.9 million	3%	\$12.1 million
OTHER SELECTED STATISTICS				
2018	2019	% CHANGE	CHANGE	
Construction Employment ^{1, 6} (6% all employment earnings)	1,909	1,903	0%	-6
Mining Employment ¹ (4% of all employment earnings)	889	934	5%	45
Timber Employment ¹ (4% of all employment earnings)	337	372	10%	35
Price of Gold ⁷	\$1,269	\$1,392	10%	123
Total Southeast AMHS Ridership ¹²	179,312	135,388	-24%	-43,924
Cost of Living: Consumer Price Index ¹	225.5	228.7	1%	3
Housing Starts: Housing Permitted /Completed ^{4,1}	188	294	56%	106
Avg. Daily Volume ANS Oil Production (mbbls/day) ¹⁴	508,601	489,771	-4%	-18,830
Annual Avg. Domestic Crude WTI Oil Prices (in \$/Barrel) ¹⁴	\$71.71	\$65.49	-9%	-\$6.22

Sources: ¹Alaska Department of Labor (ADOL); ²ADOL Southeast Alaska Population by Age, 2018, 2019; ³Alaska Department of Education and Early Development; ⁴Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; ⁵US Coast Guard; ⁶2018 US Census Nonemployer (self-employment) Statistics; ⁷Kitco Metals Inc.; ⁸ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information, 2018, 2019; ¹⁰Cruise Line Agencies of Alaska; ¹¹US Bureau of Transportation Statistics (BTS); ¹²Alaska Marine Highway System data; ¹⁴Alaska Department of Revenue Crude Oil and Natural Gas Prices.

2020 Southeast Jobs COVID Impacts

Change in Southeast Jobs: **April to July 2020 Compared to 2019 = -6,850**

COVID-19 Impacts 2020



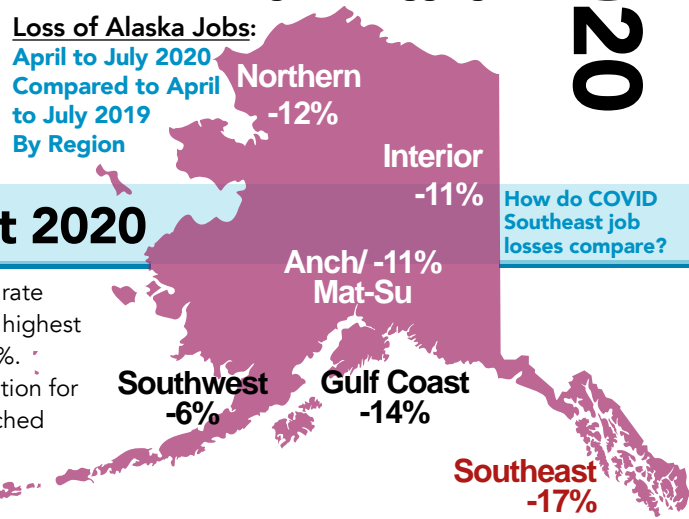
17%
of SE jobs
lost

It is too early to measure the full impacts of COVID-19 on Southeast Alaska jobs and the economy. However, early job numbers provide valuable insights. Between April and July 2020, Southeast Alaska was down nearly 7,000 jobs, or 17% of its total workforce, compared to the same period in 2019. Jobs in Southeast have been lost at a much higher rate than the rest of Alaska, with other regions being down between 6% and 14% of their workforce. Hardest hit were those sectors that provide tourism services. Combined the transportation, leisure, and hospitality sectors shed 4,025 jobs, with the transportation sector being down by 50% due to the decline of scenic and sightseeing transportation activities. For purposes of this analysis, April through July employment losses were averaged over that period. A July-only snapshot for tourism related sectors shows a decline of 5,400 regional jobs over July 2019.

The seafood processing sector was down by 27% (425 jobs) between April and July compared to 2019. These jobs losses were exacerbated by the abysmal summer salmon returns and compounded by low seafood prices. The struggling state sector, which had already been cut deeply in prior years, was down by 400 additional jobs (8%) between April and July, compared to the same period in 2019. On a positive note, the mining and logging sectors experienced no changes in workforce levels during COVID-19 so far.

Note that self-employment data for this period is not available and has not been included in this analysis. Approximately one-fifth of Southeast jobs are independent workers, including sole-proprietors and commercial fishermen.

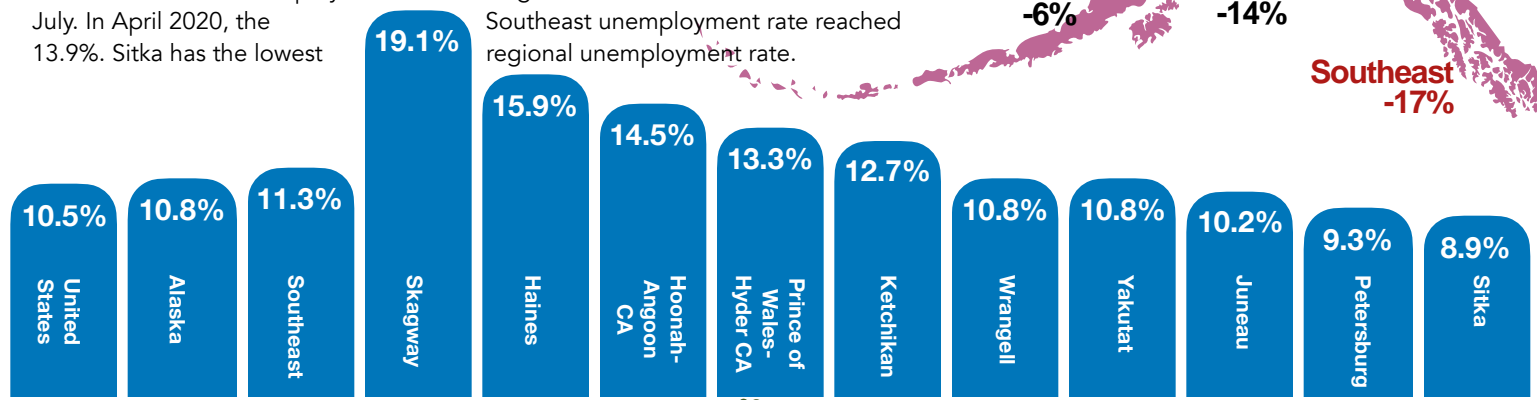
Loss of Alaska Jobs:
April to July 2020
Compared to April
to July 2019
By Region



How do COVID Southeast job losses compare?

Southeast Alaska July Unemployment 2020

Between July of 2019 and July of 2020, the Southeast Alaska unemployment rate jumped from 4.7% to 11.3%. The Skagway Borough currently has the second highest unemployment rate in Alaska as a whole, with an unemployment rate of 19.1%. Southeast Alaska's unemployment rate was higher than that of the state or nation for July. In April 2020, the Southeast unemployment rate reached regional unemployment rate.



Source: Alaska Department of Labor

The Whole Southeast Alaska Economy 2019

In 2019, Southeast Alaska gained 455 year-round equivalent jobs and \$63 million in workforce earnings over 2018. Approximately a quarter (26.1%) of regional workers are non-residents.

Annual Average Jobs

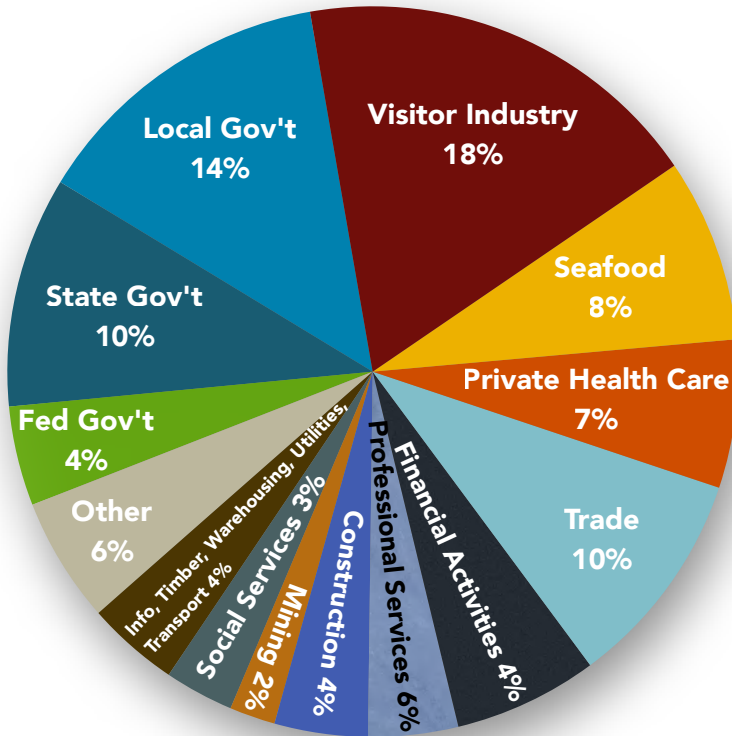
46,097 Jobs

UP 455 JOBS IN 2019 +1%

Employment Earnings

\$2.3 Billion Workforce Earnings

UP \$63 MILLION +3%

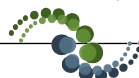


2019 Southeast Alaska Employment Earnings

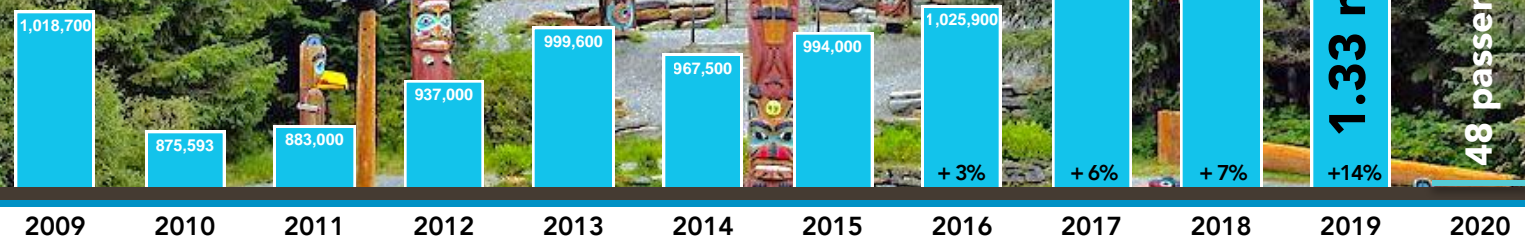
	EMPLOYMENT RELATED EARNINGS			EMPLOYMENT NUMBERS		
	Wages (2019)	Self-Employment Earnings (2018)	Total Earnings	Annual Average Employment (2019)	Self-Employed (2018)	Total Employment
Government (includes Coast Guard)	\$720,119,719	\$60,582,082*	\$780,701,802	12,354	640*	12,994
Visitor Industry	\$235,179,580	\$36,429,000	\$271,608,580	7,344	1,050	8,394
Seafood Industry	\$69,711,072	\$168,316,000	\$238,027,072	1,497	2,246	3,743
Trade: Retail and Wholesale	\$123,764,467	\$24,031,000	\$147,795,467	3,905	567	4,472
Health Care Industry (private only)	\$171,156,119	\$14,417,000	\$185,573,119	2,762	263	3,025
Construction Industry	\$92,347,611	\$38,999,000	\$131,346,611	1,332	571	1,903
Financial Activities	\$54,349,824	\$74,373,000	\$128,722,824	1,072	761	1,833
Professional and Business Services	\$78,474,062	\$43,487,000	\$121,961,062	1,622	1,319	2,941
Mining Industry	\$94,460,451	\$307,000	\$94,767,451	927	7	934
Social Services	\$40,307,321	\$3,977,000	\$44,284,321	1,227	187	1,414
Information (publishing, broadcasting, telecomm.)	\$22,941,315	\$1,358,000	\$24,299,315	475	60	535
Timber Industry	\$20,478,427	\$2,038,000	\$22,516,427	315	57	372
Warehousing, Utilities, & Non-Visitor Transport	\$53,270,575	\$14,500,000	\$67,770,575	815	162	977
Other	\$60,615,872	\$25,120,000	\$85,735,872	1,657	903	2,560
Total	\$1,837,176,415	\$507,934,083	\$2,345,110,498	37,304	8,793	46,097

Sources: Alaska Department of Labor 2019 Employment & Wage data; 2018 (latest available) US Census Nonemployer (self-employment) Statistics; Active Duty Military Population by 2019, ADOL.*These cells in Government refer to 2019 active duty Coast Guard personnel employment and wages, and not self-employment data.

Notes: **Seafood Industry** includes animal aquaculture, fishing & seafood product preparation, and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Visitor Industry** includes leisure & hospitality, and visitor transportation (air, water, scenic). **Timber** includes forestry and logging support activities for forestry, and wood product manufacturing.



THE VISITOR INDUSTRY



Visitor Industry

8,350 Annualized Jobs
\$272 Million in Wages

UP 390 JOBS IN 2019 +5%
WAGES UP 9%

2019 The 2019 visitor season in Southeast Alaska was record

breaking by nearly every measure: passenger arrivals increased by 10%, industry wages by 9%, and jobs grew by 5%. In 2019 the visitor industry was the largest jobs provider for the region, accounting for 18% of all annualized employment in Southeast Alaska. The visitor sector paid out more wages than any other private sector industry and had been set to surpass the state and municipal sectors to become the largest wage provider in the region overall in 2020.

The gains in 2019 followed a meteoric rise. Since 2011, tourism added 2,400 year-round equivalent jobs to the Southeast economy, growing to 8,350 annualized jobs, while tourism workforce earnings grew by 66%. Those working in the visitor industry earned \$272 million in 2019—or 12 percent of all regional employment income. The average annualized wage in the visitor industry was \$32,360, lower than the average regional wage of \$50,870, but that figure had also been steadily increasing over time.

In 2019, 1.8 million air, ferry, and cruise passengers came to Southeast Alaska from

outside the region. Airline passenger traffic from outside the region grew 2%, and cruise passenger traffic to the region increased by 14%. Only one indicator trended downwards. Ferry passengers from outside the region fell by 17% due to the continued dramatic decreases in AMHS funding and service.

2020 In 2020 the economic trajectory of the visitor industry abruptly changed. The impact of COVID-19 on the tourism sector has been nothing short of devastating. In June 2020, business leaders in the visitor sector reported on how their businesses were fairing:

- Tourism businesses reported that their 2020 revenue was down by **83%** over 2019.
- **55%** of existing tourism staff was laid off, and planned summer hires were cancelled.
- **29%** of tourism businesses expect to make additional layoffs moving forward.
- **35%** of tourism businesses say they are at risk of closing permanently before July 2021, if conditions do not improve.

CRUISE SHIP SEASON CANCELLED

Tourists in Southeast Alaska are predominantly cruise ship visitors, which had been expected to make up 90% all of tourists in 2020. In 2020, 43 cruise ships were scheduled to visit the region, carrying 1.41 million passengers on 606 voyages. All cruises but two were cancelled. Two small cruise ships attempted trips with 48 combined passengers, but one of those trips was aborted.

In a typical year, Southeast Alaska would have been the most visited part of the state, with two-thirds of all tourists coming to the region. In 2020, tourists had been expected to spend nearly \$800 million across Southeast Alaska communities. The region had been gearing up for 1.54 million expected cruise passengers in 2021. For July 2020 the combined visitors industry sectors were down by 5,400 jobs over July 2019.

DECREASED JET PASSENGERS

After five years of record-breaking air passenger numbers, passenger traffic is down significantly in 2020. By July 2020 passenger arrivals were down by 57% across the region, with July-only traffic 71% below July 2019.

INCREASED SUPER YACHTS

One type of tourist increased significantly. The number of super yachts in the region, 115 ft or larger, increased by 31% to 63 Juneau port visits in the summer of 2020.

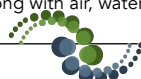
PLANNING FOR 2021 AND 2022

Europe has adopted protocols for the resumption of cruise operations, providing a potential model for the 2021 Alaska season. However, with so much uncertainty regarding when the CDC or Canada will allow operations, or what ship capacity be, planning for the 2021 tourism season proceeds cautiously. Industry member, Kirby Day, is encouraging businesses to develop plans. "We do not know what the 2021 season will bring and may not know for sure until the Spring," Mr. Day writes. "Therefore, create sanitation, health and prudent financial plans that allows you to address the challenges if necessary, until 2022."

Sources: Combination of ADOL 2019 Employment and Wage data and 2018 US Census Nonemployer (self-employment) Statistics; McDowell Group; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System; Cruise Line Agencies of Alaska; Cruise Market Watch; Cruise Critic; Juneau International Airport Passenger Statistics; Economic Impact of Alaska's Visitor Industry. Forecast 2020 U.S. Department of Commerce, US Office of Travel and Tourism Industries. OMB budgets. Cruise Lines International Association Alaska.

Note: In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies.

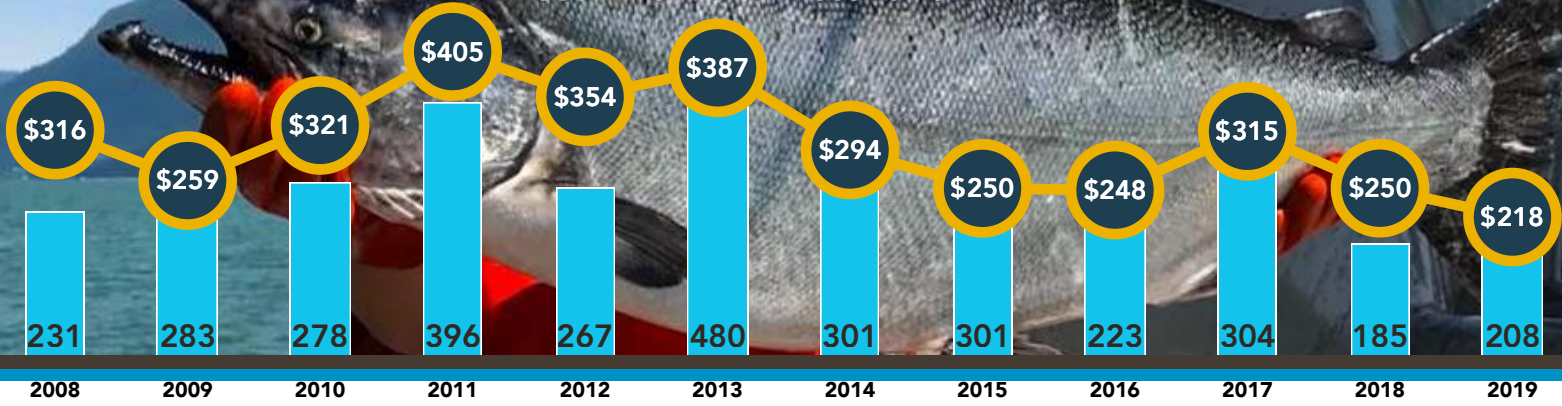
Photo: Saxman Totem Park.



THE SEAFOOD INDUSTRY

VALUE & POUNDS OF SEAFOOD LANDED
SOUTHEAST ALASKA 2008 TO 2019

Inflation Adjusted
○ Value to Fishermen (millions)
■ Landed Pounds (millions)



Southeast Seafood Industry 3,743 Jobs

UP 32 JOBS IN 2019

2019 The Southeast Alaska seafood harvest in 2019 was 208 million pounds with an ex-vessel value of \$218 million. The regional 2019 fishing season was significantly below the ten-year average, with lower pink salmon returns and harvest returns primarily to blame.

The overall catch was 31% below the 10-year seafood average in terms of pounds landed. Fishermen caught 53 million fewer pounds of pink salmon than they did, on average, between 2009 and 2018 (-41%); and 26 million fewer pounds of herring (-93%). Still, the total catch was a slight increase over 2018 by volume.

The 2019 catch was 29% below the inflation-adjusted 10-year average value of \$308 million. The impacts of the US-China trade war, resulting in lower seafood prices, led to an unusually low overall catch value in 2019.

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KEY ECONOMIC DRIVER

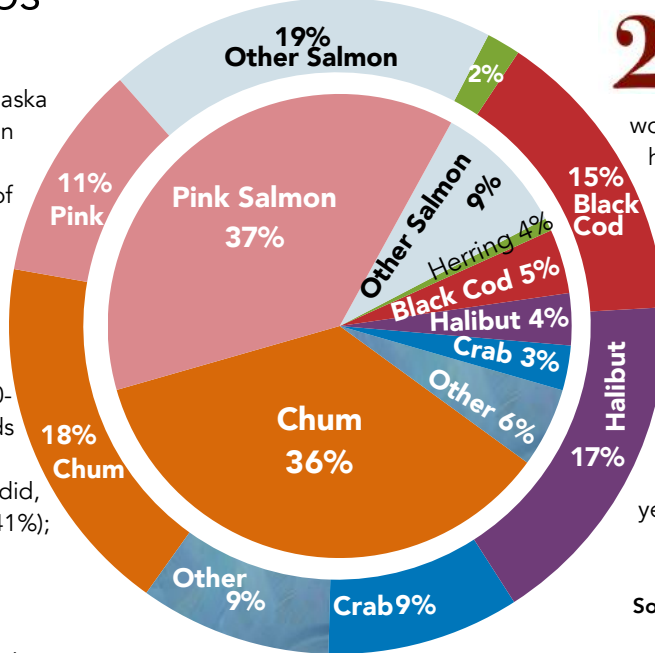
The regional seafood industry (including commercial fishing and seafood processing) generated 3,743 annual regional jobs and \$238 million in earnings in 2019, making up 8% of jobs in the region and 10% of all earnings. While this represents 32 more annualized jobs over 2018, it is a loss of 650 seafood sector jobs since 2015.

In 2019, the five salmon species represented

Sources: Combination of ADOL 2019 Employment and Wage data; 2018 US Census Nonemployer (self-employment) Statistics; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Alaska Commercial Salmon Harvests and Ex-vessel Values, ADF&G. Weekly Alaska Salmon Harvest Updates are produced for ASMI by The McDowell Group. **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Photo:** Helen Decker.

SEAFOOD LANDED IN SE ALASKA BY SPECIES, 2019

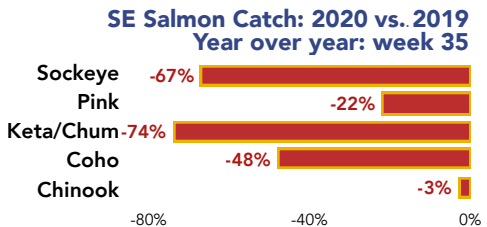
Outer ring = % of harvest by DOLLAR value: \$218 million
 Inner pie = % of harvest by POUNDS landed: 208 million



83% of the regional seafood catch by volume, and just under half of total ex-vessel value (\$104 million). Halibut and black cod, at 8% of the total catch, accounted for one-third of total catch value in 2019. The majority of the statewide catch of Chinook, coho, keta (chum), shrimp, Dungeness crab, and the dive fisheries occurs in Southeast Alaska.

In 2019, shore-based seafood facilities in Southeast Alaska processed 153 million pounds of seafood, with a wholesale value of \$422 million. This represented a 15% increase in seafood pounds processed compared to 2018, but an \$18 million decline in the value of processed product.

2020 Twenty-twenty is currently on track to go down as one of the worst seafood seasons in Southeast Alaska history. Reduced seafood prices — due to the shutdown of the global restaurant sector, as well as trade war tariffs — coincided devastatingly with one of the worst salmon catches on record. Processors spent millions on mitigation measures, further impacting ex-vessel prices and workforce levels. The fishing season remains ongoing. In ASMI's August 29th, 2020 update, the salmon catch is significantly below where it was a year ago in terms of total fish caught:



"For context" one sockeye fisherman explains, "in a good year we catch 4-5 times this year's catch, and our best year is more than 6 times higher than 2020."

Seafood remains critical to the regional economy and way of life. However, the sector faces growing uncertainty regarding changing ocean conditions, tariffs, state budget cuts, regulatory decision-making, and global farmed seafood competition. Meanwhile, the fledgling mariculture industry continues to grow.





Southeast Timber Industry 372 Jobs

UP 35 JOBS IN 2019 +10%

2019

In a rare reversal of fortune, regional timber jobs increased



by 10% in 2019, while timber wages grew by 20%. The workforce increase was small however; growing by just 35 annualized jobs to 372 in 2019, with total workforce earnings of \$22.5 million. Most of the region's timber jobs are concentrated on Prince of Wales Island, which is home to Viking Lumber, the last remaining mid-sized sawmill in Southeast Alaska. Southeast timber jobs peaked at 3,543 annual average jobs in the 1990s. Regional timber job increases were mostly due to increased timber processing activity, rather than harvesting. Tessa Axelson, Executive Director of the Alaska Forest Association, notes that total timber harvest actually decreased in 2019. A land exchange between the Mental Health Trust and the US Forest Service opened up limited areas for timber, keeping the industry viable.

2020

Despite a successful 2019, regional timber supplies are worrisomely low in 2020. The Forest Service has not provided the industry with acreage commitments put forth in the 2016 Tongass Land and Resource Management Plan, meaning operators still do not have a predictable timber supply upon which to build longer-term business plans. Moreover, the industry — currently comprised of a handful of small operators across the region — continues to face constant litigation, along with a coordinated national campaign intended to sow public disapproval of the regional industry.

While there are continued opportunities for timber sales in Asia, the trade war includes regional timber, making it difficult to negotiate agreements. Spruce remains the subject of higher Chinese import tariffs, especially impacting northern Southeast, where the forests are primarily spruce. U.S. lumber exports to China fell by 57% in 2019.

The potential removal of Roadless Rule restrictions in 2020 could make more suitable timber land available for harvesting. The Forest Service also needs to amend its 2016 management plan to make more timber available.

Sources: ADOL 2019 Employment and Wage data; Kitco Metals Inc; Coeur Mining Inc. 2019 Annual Report; Hecla Mining Company 2019 Annual Report. U.S. International Trade Commission. **Photo credits:** Tessa Axelson and Kensington Mine.

Southeast Mining Industry 934 Jobs

UP 45 JOBS IN 2019 +5%

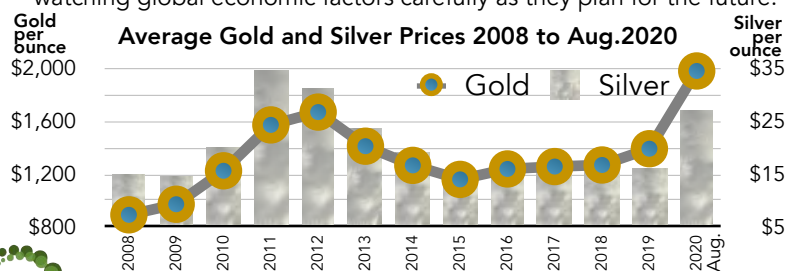
2019

Mining industry employment in the region was up in 2019, growing by 5%. There were 934 annual average mining jobs in Southeast Alaska, with a payroll of \$95 million. The average annual mining wage was \$101,500 in 2019, double the overall regional wage of \$51,900. Two large mines operating in the region account for most mining employment. Hecla Greens Creek is one of the largest silver mines in the world, while Coeur Alaska's Kensington Mine is exclusively a gold mine. In 2019 Greens Creek milled its highest tonnage in 30 years of operation as well as its highest silver production and Silver production was up 24% to 9.9 million ounces. Kensington achieved record gold production of 127,914 ounces, an increase of 12% over the prior year. Active mining exploration is occurring around the region, most notably in Juneau, Haines, and Prince of Wales.

2020

In August 2020, Hecla Greens Creek had 440 full-time permanent employees (+4 from 2019), and Coeur Alaska Kensington had a staff of 386 (the same as 2019). While shift change protocols had to be reimagined in response to COVID-19 mandates and safety precautions, mining is the only sector in which jobs and revenue did not decrease during the pandemic, providing much needed economic stability for the region.

Metal prices, which tend to rise in response to economic turmoil, have been surging. The price of gold reached an all-time high of \$2,067 in August, while silver has reached its highest levels since 2013. As global productivity outside the US has returned, Zinc prices increased by 25% between March and August. The resurgence in precious metals prices provides optimism but mining leaders in the region are watching global economic factors carefully as they plan for the future.





Construction Industry

1,903 Jobs

DOWN 6 JOBS IN 2019 -0.3%

2019 For the sixth year in a row construction employment is down, bringing employment to its lowest level since the early 1990's, although the decline had stabilized. Jobs fell by just 6 last year to 1,903, a combined loss of 356 jobs, or 16% decline, since 2013. Construction workers in the region earned \$131 million in 2019 — or 4% of all Southeast Alaska employment earnings.

One positive indicator for the sector was that housing construction was up in 2019, as 106 more housing units were permitted or completed than in the year prior. A total of 294 new homes were permitted in 2019, an increase of 56%. The regional residential housing market has not experienced decline.

2020 Construction work during the first half of 2020 remained steady as planned projects to support the tourism sector moved forward. These projects had the unexpected benefit of being able to occur without having to simultaneously manage large visitor traffic volumes. However, there is a great deal of uncertainty moving forward in the construction/engineering sector. Generally, firms are busy at the moment, but there are few future projects in the pipeline to provide longer-term security. Cuts in state spending led to the reduction of large-scale construction projects across the region. While new projects related to the visitor industry were filling that gap, projects that were not completed this summer have been delayed until the tourism industry gets back on track. Communities like Juneau are developing proposals to create some level of construction activity by focusing on deferred maintenance projects in order to stimulate the economy during COVID-19, but the volume of such potential investments remains relatively small. Federal construction projects appear to be the most promising moving into 2021.

Sources: Combination of Alaska Department of Labor 2019 Employment and Wage data and 2018 US Census Nonemployer (self-employment) Statistics; State of Alaska. Note: Last year's SEBTN included State Pioneer Home health care provider numbers. This year those numbers were not available and were excluded. **Photography credits:** SEARHC and Robert Sharclane.

Southeast Health Care Industry 3,574 Jobs

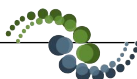
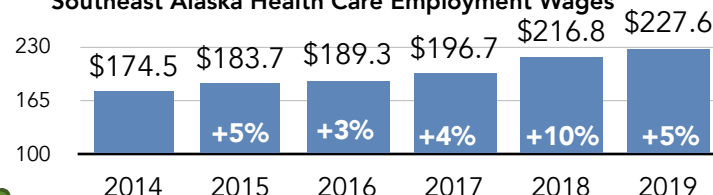
UP 27 JOBS IN 2019 +0.7%

2019 Southeast Alaska's 3,574 healthcare workers comprised 8% of the regional workforce in 2019, earning 11% (\$227 million) of all wages. Regional health care employment continued to increase, albeit incrementally, as the sector added 27 more annualized jobs in 2019. Wages for the industry have been rising more quickly in an effort to attract workers, growing by \$53 million since 2014. The region was already facing a shortage of health care workers due to an aging populace and growing patient volumes. With the advent of COVID-19, the demand for health care workers has intensified nationally and globally, making it even more difficult for the region to attract and compete for workers.

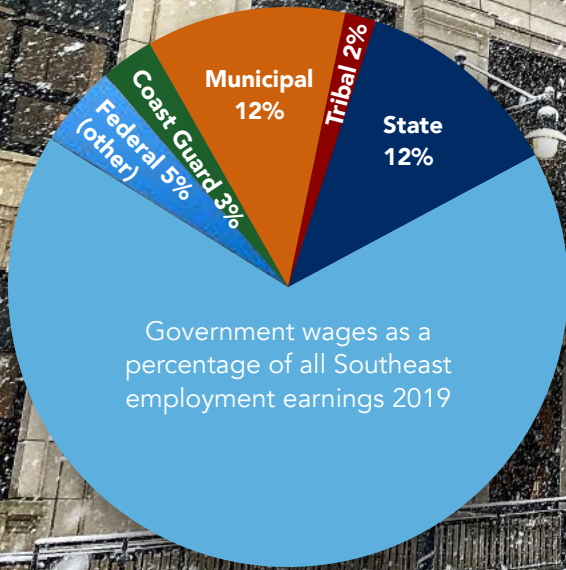
Health care jobs have been moving from the public sector to the private sector. Southeast Alaska Regional Health Consortium (SEARHC) has been collaborating with struggling municipal hospitals to provide services. In the past two years, SEARHC took over operations of the Sitka and Wrangell hospitals.

2020 Health care became the nation's top priority in 2020, as well as the region's. According to the business climate survey, health care is the regional sector most likely to add workers over the coming year. Southeast health care institutions have shown a high level of readiness in the face of the COVID-19 crisis. Despite significant job cuts across most other sectors, health care employment levels have remained relatively constant, as workers are being redeployed to high demand roles, such as virus testers and screeners. Still, providers understand that there are vulnerabilities within the health care system that are likely to be exacerbated following the COVID-19 crisis, such as Medicaid cuts and reduced access to health care insurance.

Southeast Alaska Health Care Employment Wages



GOVERNMENT



Government Jobs 2019

Local 5,252 Jobs -9
State 4,705 Jobs -66
Federal 2,032 Jobs -79
Tribal 1,000 Jobs +1

Government 12,994 Jobs

DOWN 153 JOBS IN 2019 -1%

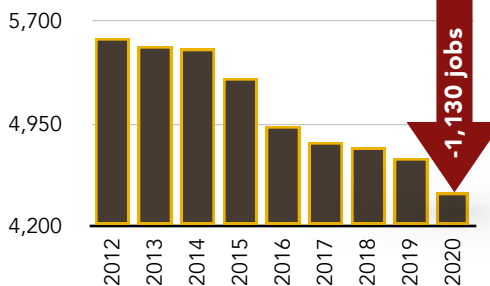
2019 Government wages made up one-third of all regional employment earnings (\$781 million) and 28% of the region's jobs (12,994) in 2019.

STATE GOVERNMENT LOSSES

For the past eight years, the region has struggled with the impacts of decreased State government employment and spending. The state remains the region's most important economic sector, providing 12% of all regional wages. From 2012 to mid-2020, state jobs have fallen by 20%, a decline of 1,130 annualized workers. Outside Southeast, 13% of state jobs have been cut. Historically, oil accounted for up to 90% of the state Unrestricted General Fund (UGF); today, oil covers about 30 percent.

Southeast State Jobs

State jobs in the region are down for the 8th year in a row, for a total of 1,130 jobs lost since 2012, a decline of 20%



FEDERAL GOVERNMENT

Federal government employment losses have compounded state job cuts. Since 2005, federal employment in the region has fallen by 680 jobs in Southeast Alaska.

LOCAL GOVERNMENT

Local entities across the region are scrambling to provide new programs and services to replace those cut by the state, resulting in financial stress as municipalities try to do more programming with reduced funding.

STATE BUDGET CRISIS

Even before COVID-19, Alaska's budget was in a state of crisis due to declining oil production and prices. The state has operated in deficit mode for the past seven years, using \$17 billion in savings to cover budget gaps. What was once an almost inexhaustible savings reserve is set to be depleted by 2021, reducing the resiliency of

the state's financial position. Like most states, education and health spending are Alaska's largest operating expenses, accounting for 48% of UGF expenditures, while Permanent Fund Dividend (PFD) payments comprised 18%. Alaska has no state sales tax, no state property tax, and no income tax.

2020 The pandemic is exacerbating an already difficult

situation. Even without PFD payments, the state will not have enough cash in its primary savings account to cover the budget deficit.

The saving grace is that a portion of the \$5 billion in federal COVID-19 relief funds designated for Alaska has made its way to the region, including \$120 million that is in the process of being distributed to communities. Relief funding is critical in supporting regional households, businesses, service providers, and communities during COVID-19.

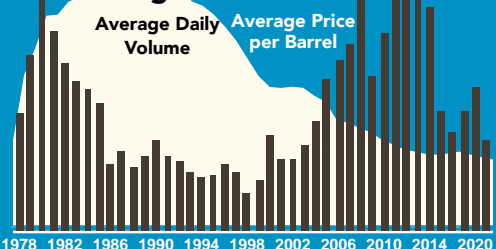
SE COVID-19 RELIEF	
Community	CARES \$
Juneau Borough	\$53,288,390
Ketchikan Borough	\$22,975,750
Sitka Borough	\$14,057,653
Skagway Municipality	\$7,475,032
Prince of Wales	\$4,400,332
Petersburg Borough	\$4,062,709
Haines Borough	\$4,007,216
Wrangell Borough	\$3,851,103
Hoonah-Angoon Census Area	\$2,997,312
Yakutat Borough	\$1,579,859
Metlakatla, Kake, Hyder	\$1,025,359
SE Total	\$119.7 mill

Sources: ADOL 2019 Employment and Wage data; Alaska Department of Revenue Crude Oil Prices. Fitch Ratings. Alaska Office of Management Budget.

Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2020

Oil revenues accounted for up to 90 percent of the state's unrestricted revenues

How we got here



SOUTHEAST ALASKA REGIONAL OVERVIEW

THE FEDERALLY-MANAGED TONGASS NATIONAL FOREST MAKES UP NEARLY 4/5TH OF ALL SOUTHEAST ALASKA

78%

16%

OTHER FEDERAL HOLDINGS MAKE UP NEARLY ALL THE REST (MOSTLY GLACIER BAY)

3.4%

ALASKA NATIVE ORGANIZATIONS ARE THE REGION'S NEXT LARGEST LANDOWNER

2.5%

STATE OF ALASKA LANDS INCLUDE THOSE MANAGED AS PART OF THE MENTAL HEALTH TRUST

0.25%

MUNICIPAL LAND HOLDINGS

0.05%

PRIVATE LANDOWNERS

Southeast Alaska Land Ownership

Circle size = Number of Acres

THE REGION

The Southeast Alaska panhandle extends 500 miles along the coast from Metlakatla to Yakutat, encompassing approximately 33,500 square miles of land and water. The saltwater shoreline of Southeast Alaska totals approximately 18,500 miles. More than 1,000 islands make up 40 percent of the total land area. The region is home to 34 communities. The three largest communities—Juneau, Ketchikan, and Sitka—together are home to 75 percent of the regional population.

CULTURE

The dominant culture in the region is indigenous. Alaska Natives—the Tlingit, Haida, and Tsimshian—make up nearly a quarter (23%) of the region's population. The Tlingit have resided in the region for 11,000 years. The region's mild climate, abundant food and raw materials supported the development of highly organized and culturally advanced societies with extensive trade routes and rich artwork.

ECONOMIC TRENDS

Starting in the 1880s, the economy of Southeast Alaska experienced a century of growth that intensified after statehood in 1959. From statehood into the 1990s, population and employment levels in Southeast more than doubled as the workforce expanded in the areas of mining, government, fishing, tourism, and timber. In the beginning of the 1990's seafood and timber directly accounted for a fifth of the regional economy. However, over that next decade pulp mills and sawmills in the region closed, laying off 3,200 workers. During the same period, the value of salmon declined and catch levels fell. The population continued to decline through 2007. Between 2008 and 2015, the region experienced a significant economic recovery, rebounding to record numbers of jobs, wages, and residents. However, the state budget crisis cut resulted in 1,130 State of Alaska jobs cut across the region, reversing the economic trajectory. The strength of the visitor sector was poised to lead the regional to a stronger economic position in 2020, but the COVID-19 pandemic wiped out the tourism season, wreaking havoc across the regional economy. An extremely poor 2020 salmon season is exacerbating the economic impacts of the pandemic.

LAND OWNERSHIP

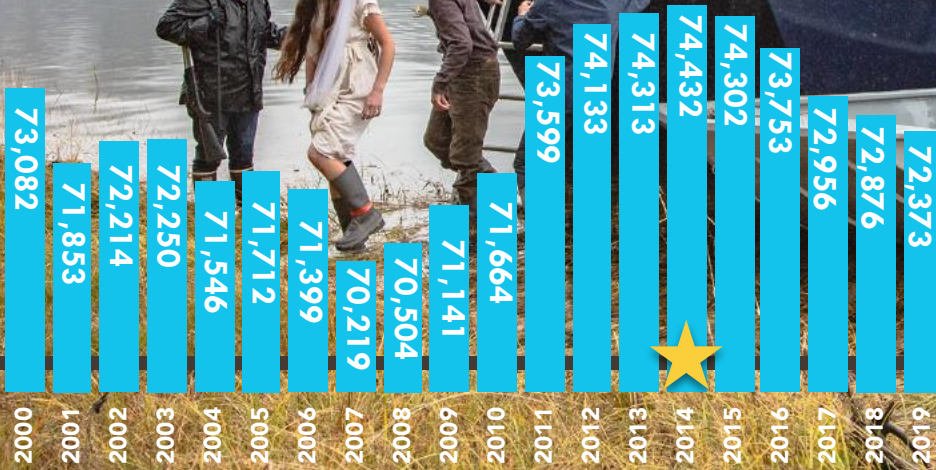
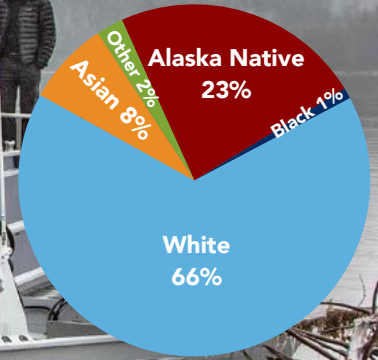
A lack of privately-owned land and land available for development is unique to Southeast Alaska and impacts the ability of the region to nurture the private sector. (See infographic on the left.) Southeast Alaska's land ownership is dominated by the federal government, which manages 94 percent of the land base. Most of this (78%, or 16.75 million acres) is the Tongass National Forest. The remaining federal lands are mostly in Glacier Bay National Park. The State manages 2.5 percent of the total land base (511,500 acres), including the Alaska Mental Health Trust Authority and University of Alaska lands. Boroughs and communities own 53,000 acres—a quarter of one percent of the regional land base. Alaska Native organizations, including village, urban, and regional corporations and the Annette Island Reservation, own 3.4 percent (728,100 acres). Other private land holdings account for 0.05 percent of the regional land base.



Sources: State of Alaska; US Forest Service; Sealaska. *Economies in transition: An assessment of trends relevant to management of the Tongass National Forest, USDA 1998.* Background image carving by Mike Dangel.



DEMOGRAPHICS Population 72,737



POPULATION CHANGE 2018 TO 2019

Community	2018	2019	Change
Juneau Borough	32,177	31,986	-191
Ketchikan Borough	13,798	13,739	-59
Sitka Borough	8,607	8,532	-75
Petersburg Borough	3,190	3,226	36
Haines Borough	2,472	2,516	44
Wrangell Borough	2,418	2,400	-18
Metlakatla	1,393	1,359	-34
Skagway Borough	1,085	1,095	10
Craig	1,091	1,074	-17
Hoonah	786	782	-4
Klawock	774	761	-13
Kake	599	570	-29
Thorne Bay	522	562	40
Yakutat Borough	521	540	19
Gustavus	552	537	-15
Angoon	409	404	-5
Hydaburg	397	397	0
Coffman Cove	167	174	7
Tenakee Springs	144	140	-4
Naukati Bay	123	137	14
Hollis	123	132	9
Klukwan	94	95	1
Kasaan	81	85	4
Hyder	80	78	-2
Pelican	67	69	2
Port Alexander	55	57	2
Whale Pass	57	57	0
Edna Bay	43	47	4
Port Protection	31	29	-2
Game Creek	18	17	-1
Point Baker	13	12	-1
Elfin Cove	12	11	-1
Remainder	758	753	-5
Total	72,657	72,373	-284

2019 2019 marked the 5th consecutive year of population decline in Southeast Alaska. The region lost an additional 284 people, for a five-year decline of 2,060 residents, a population loss of three percent.

Half of the communities in the region lost population in 2019. Juneau bore the brunt of the overall losses — a result of recent dramatic state employment reductions, with cuts especially focused in the capital city. Juneau has lost 1,150 residents since 2015, including nearly 200 in 2019.

Among boroughs, Yakutat experienced the largest percentage decline during the past five years, losing 13% of its residents.

The most significant story of growth over the past five years was in Hollis, which grew by 42% due to the operations of the Dawson Mine located in that community.

THE MEDIAN AGE IS NOW 40

Southeast has the state's oldest residents. Since 2010, the most pronounced demographic shift has been aging of the population. During that period, the 60-plus population grew by 5,300 people, a 45% increase over 2010 due to aging in place. A quarter of people in the region are now age 60 or older. In Haines, the Hoonah-

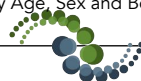
Angoon census area, and Wrangell, where median ages are 48.6, 47.7, and 47.5 respectively, it is one-third. The median age of Southeast as a whole is now 40, four and a half years older than the state as a whole.

SCHOOL ENROLLMENT UP IN 2019

Despite population losses, K-12 enrollment increased regionally for the 3rd time in 23 years in 2019 — albeit by only 10 students. However, the mostly online-only start of the school year is having a negative effect on school populations, as many parents are choosing homeschooling programs. While some of these continue to direct funds to local school districts, many do not. Early data indicates that enrollment could be down by as much as 10% across the region. A loss of funding allocation could significantly impact the financial position of regional schools, unless the legislature institutes a solution.

2020 The elements that created population losses in recent years, most notably the reduction of state jobs and services, have been exacerbated by the 2020 COVID economy. Pandemic conditions have radically reduced the total number of regional jobs, especially in the visitor sector, which will inevitably lead to further population decline.

Sources: Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area, 2018, 2019; Alaska Population Projections. Photography credit: Heather Holt



Increasing Regional Jobs

Jobs were generally up across the region in 2019, growing by 445 jobs overall, for a gain of 1%. The Alaska Department of Labor and Workforce Development, Research and Analysis Section tracks wage and labor employment by community. According to these figures, just four communities in the region (Ketchikan, Wrangell, Metlakatla, and Gustavus) lost jobs in 2019, while all the rest experienced gains. Metlakatla lost 11% of its workforce in 2019 over the previous year. Jobs in Klukwan increased by 24%.

This analysis excludes self-employment data, which is not made available below the borough/census area level. Still, tracking change in labor figures is a great way to track overall workforce changes in a community.

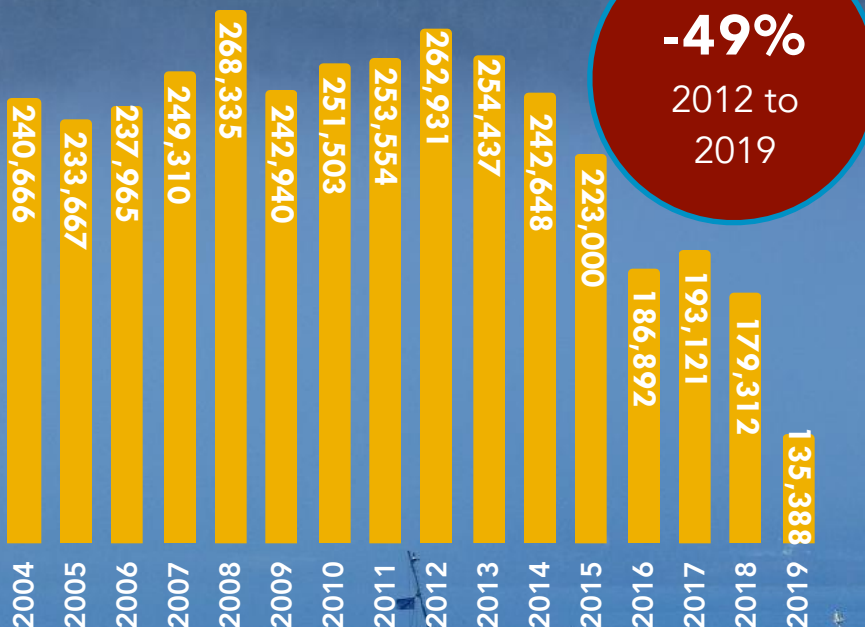
As demonstrated on page 4, while 2020 is only partway through, job data between April and July, since the impacts of COVID began to significantly impact the economy, total jobs numbers fell by 17%.

ANNUAL EMPLOYMENT CHANGE BY SE COMMUNITY 2018 TO 2019 (Self-employment excluded)

Community	2018 Annual Average Employment	2019 Annual Average Employment	2019 Wages in millions	Employment Change 2018-2019
Juneau Borough	17,732	17,952	\$947.7	1.2%
Ketchikan Borough	7,427	7,404	\$359.8	-0.3%
Sitka Borough	4,242	4,312	\$208.6	1.7%
Prince of Wales	1,427	1,497	\$63.9	4.9%
Petersburg Borough	1,246	1,282	\$55.0	2.9%
Skagway Borough	1,078	1,083	\$46.5	0.5%
Haines Borough	1,006	1,029	\$41.7	2.3%
Wrangell Borough	850	824	\$35.2	-3.1%
Metlakatla	568	505	\$23.5	-11.1%
Hoonah SSA	385	431	\$16.0	11.9%
Yakutat Borough	272	280	\$13.2	2.9%
Gustavus SSA	223	204	\$9.1	-8.5%
Take	161	170	\$5.4	5.6%
Angoon SSA	148	154	\$4.1	4.1%
Hyder	52	52	\$2.9	0.0%
Klukwan	41	51	\$0.9	24.4%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section. **Notes:** The Hoonah sub-subarea (SSA) includes Pelican and Elfin Cove. The Angoon SSA includes Tenakee Springs. Prince of Wales includes the Hollis SSA, Thorne Bay SSA and Hyدابurg. An SSA is the smallest unit for which the Quarterly Census of Employment and Wages is analyzed. Photo: John Hyde.

AMHS Ridership in Southeast



Declining Ferry Service

One of the great tragedies of the COVID-19 pandemic for the regional economy, is that it came on top of the State fiscal crisis, throughout which Southeast Alaska received a disproportionate level of jobs and service cuts. Transportation connectivity, which has long been identified as the most vulnerable element of the regional economy, had already been significantly reduced pre-pandemic. The Alaska Marine Highway System (AMHS) ferried 262,931 individuals in the region in 2012. By 2019, that figure had dropped by 49%. Deferred and reduced maintenance led to ships being removed from service. In February 2020, the system shut down all but one ferry, leaving some communities without access to groceries. COVID-19 travel challenges came on top of these already existing limitations, further reducing the number of sailings and travelers. As of September 2020 the AMHS operating budget is facing a shortfall of almost \$45 million, and the winter schedule includes further service reductions.

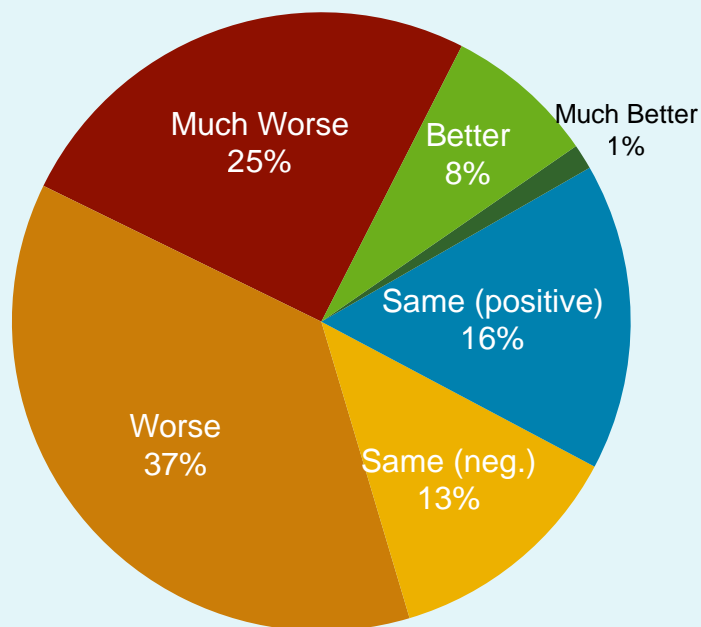
A strong ferry system is essential to regional economic development, quality of life, and community well-being in Southeast Alaska. The AMHS provides access to health care, shuttles workers to their jobs, carries visitors, connects markets and customers, and allows fishermen to move seafood to markets. It moves freight, building materials, and machinery to support local development. It supports social and cultural connections, and is relied upon for food security.

Source: AMHS

SOUTHEAST ECONOMIC OUTLOOK SURVEY

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

25% Positive / 75% Negative



CURRENT REGIONAL BUSINESS CLIMATE SURVEY

In June of 2020, 460 Southeast Alaska business owners and top managers responded to Southeast Conference’s Business Climate and COVID-19 Impacts Survey.

SOUTHEAST ALASKA ECONOMIC OUTLOOK

2020 Southeast Alaska business leaders overall economic outlook tends not to change much on an annual basis; however, 2020 is clearly an exception. Three-quarters of businesses say the economic outlook for their business or industry over the next year is negative. The mining sector’s economic outlook appears to be the least impacted of all sectors by the pandemic. The arts, tourism, food/beverage, and retail sectors have the most negative outlooks looking forward. The community with the most negative outlook is Wrangell, with 79% forecasting a worse or much worse economic outlook over the next year — the City and Borough of Wrangell subsequently declared an economic disaster. Respondents were also asked how they feel about the current business climate. Unsurprisingly, confidence in the Southeast business climate has crumbled in the wake of COVID-19. Nine out of ten respondents call the current regional business climate “poor” (38%) or “very poor” (51%).

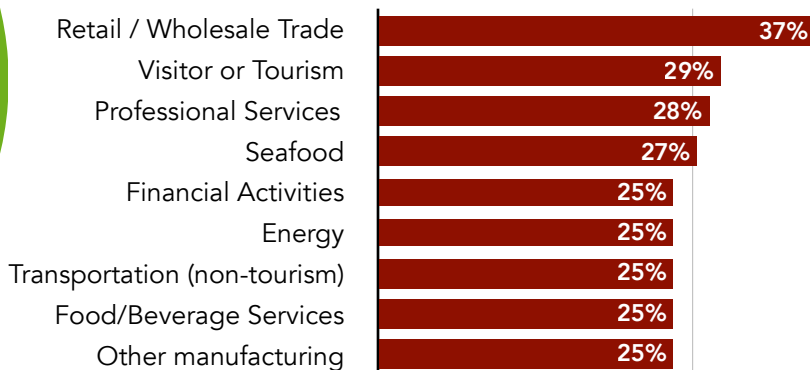
By June, respondents had already laid off **18.6%** of existing staff due to COVID-19
23% of businesses say that they are at risk closing permanently in the next year

Jobs Outlook July 2020 to July 2021

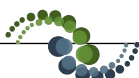
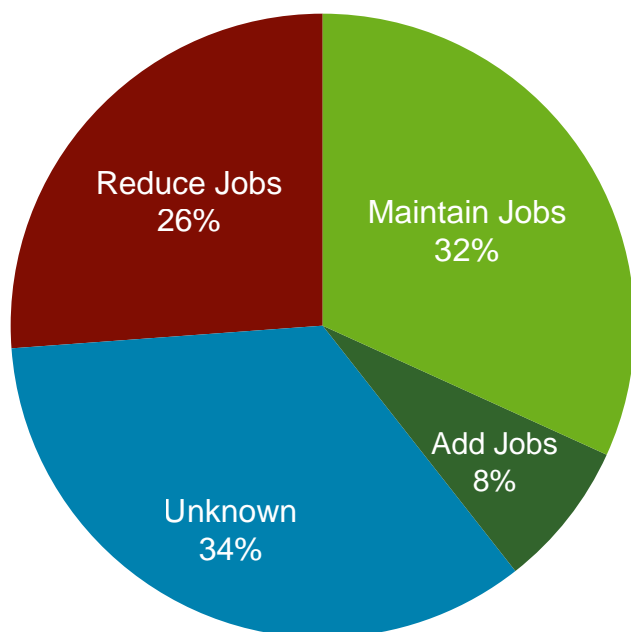
CONTINUED JOB CUTS OVER THE NEXT YEAR

Each year, private business owners and managers are asked about hiring expectations over the next year. More than a quarter of the 460 business leaders surveyed expect to make additional jobs to their businesses over the next 12 months, in addition to the cuts already made, while 34% do not yet know, and 32% expect to maintain total jobs. The largest losses are expected in retail/wholesale trade, where 37% of respondents expect to decrease their total staff in the upcoming year. The health care and mining sectors are the most likely to **add** jobs over the coming year. Analyzed by community, Wrangell employers expect the most significant job cuts, followed by Ketchikan and Skagway.

■ % of employers that expect to make job cuts in coming year

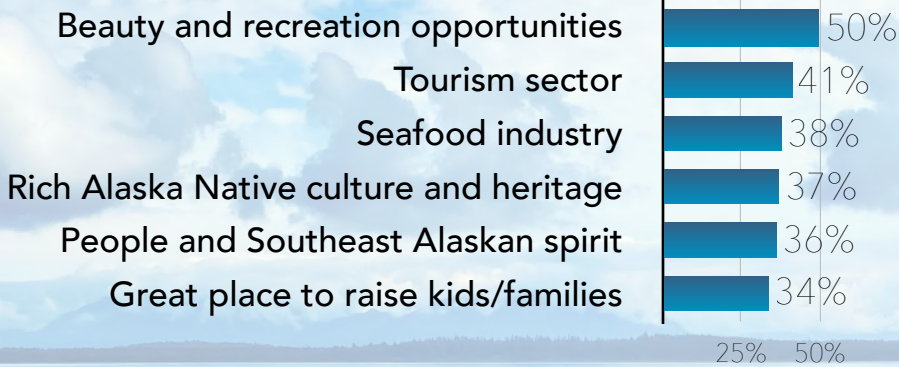


Over the next 12 months, do you expect to add jobs, maintain jobs, reduce jobs?

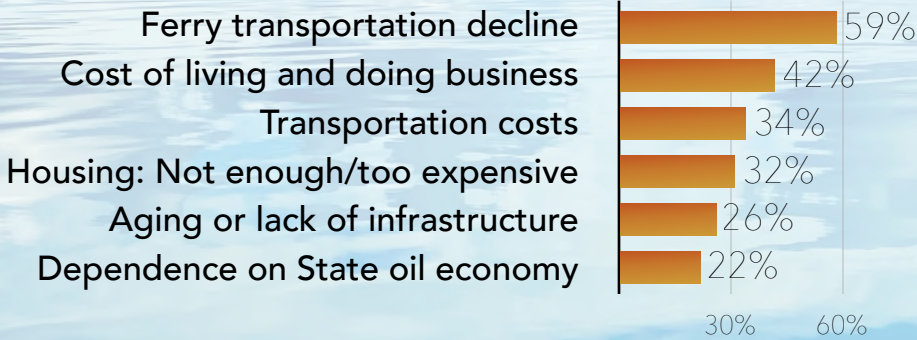


Southeast Alaska's Strengths Weaknesses Opportunities Threats

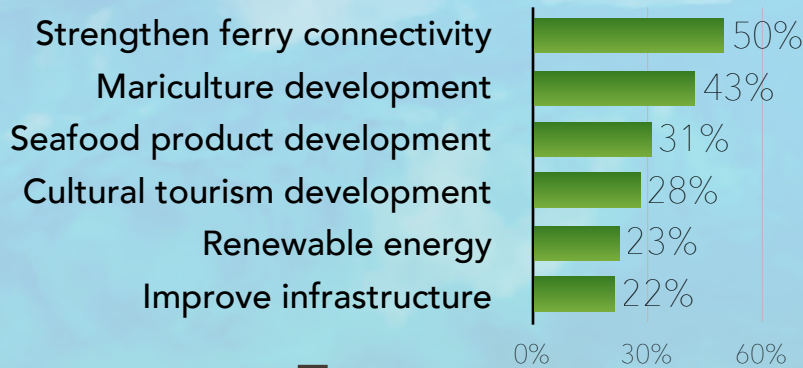
STRENGTHS



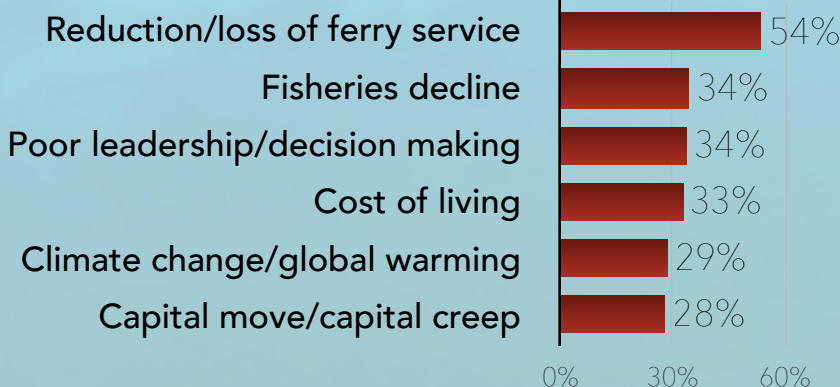
WEAKNESSES



OPPORTUNITIES



THREATS



2025 ECONOMIC PLAN DEVELOPMENT

Southeast Conference is in the process of developing the 2025 Southeast Alaska Economic Plan. As part of this process a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis for the region was developed by more than 200 Southeast Conference members in early 2020, including business, municipal, and tribal leaders from across the region in February 2020. During a series of meetings, each Southeast sector committee developed their own SWOT analysis.

Seafood

- Top Strength: **High quality product**
- Top Weakness: **Changing ocean conditions**
- Top Opportunity: **Increase value added processing**

Health Care

- Top Strength: **Personalized care delivery**
- Top Weakness: **State budget cuts reduce workforce development options**
- Top Opportunity: **Development of health care courses at the university**

Visitor Industry

- Top Strength: **Natural beauty of region**
- Top Weakness: **Community communications**
- Top Opportunity: **Collaborate with Alaska Native entities on cultural tourism**

Mining

- Top Strength: **Provides high paying jobs**
- Top Weakness: **Extreme opposition by environmental groups**
- Top Opportunity: **Explore and develop new mineral deposits and expand existing mines**

Timber

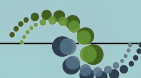
- Top Strength: **High quality wood**
- Top Weakness: **Frequency of litigation**
- Top Opportunity: **Increased state and private lands**

Transportation

- Top Strength: **Strong reliable airline services**
- Top Weakness: **AMHS service reductions**
- Top Opportunity: **Improve ferry service**

Energy

- Top Strength: **Abundant hydropower**
- Top Weakness: **High costs of infrastructure**
- Top Opportunity: **Expand regional intertie**





SOUTHEAST CONFERENCE

Southeast Conference Board

Alec Mesdag – President
Director of Energy Services for AEL&P

Markos Scheer – Vice President
CEO Premium Aquatics

Lisa Von Bargaen – 2nd VP
Wrangell City & Borough Manager

Dennis Watson – Past President
Former General Manager, IFA

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