



Draft

Southeast Economic Plan

Preparing for 2020

Timeline: Where are we in process?



SWOT



Plan Elements

Economic Analysis



Economic Analysis



Changes in Southeast Alaska: 2010 to 2014



REGIONAL POPULATION INCREASED BY 2,616 PEOPLE TO 74,280 (+4%)



LABOR FORCE INCREASED BY 1,500 JOBS TO 45,694 JOBS (+3%)



GOVERNMENT JOBS DECREASED BY 260 JOBS (-2%)



JOB EARNINGS INCREASED BY \$275 MILLION TO \$2.2 BILLION (+14%)



PASSENGER ARRIVALS VIA PLANE, FERRY & CRUISE SHIP INCREASED BY 138,400 (+8%)

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 1990's to the late 2000's, 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 30 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, that "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 38% 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.

Southeast Alaska by the Numbers 2015



A Publication by Rain Coast Data

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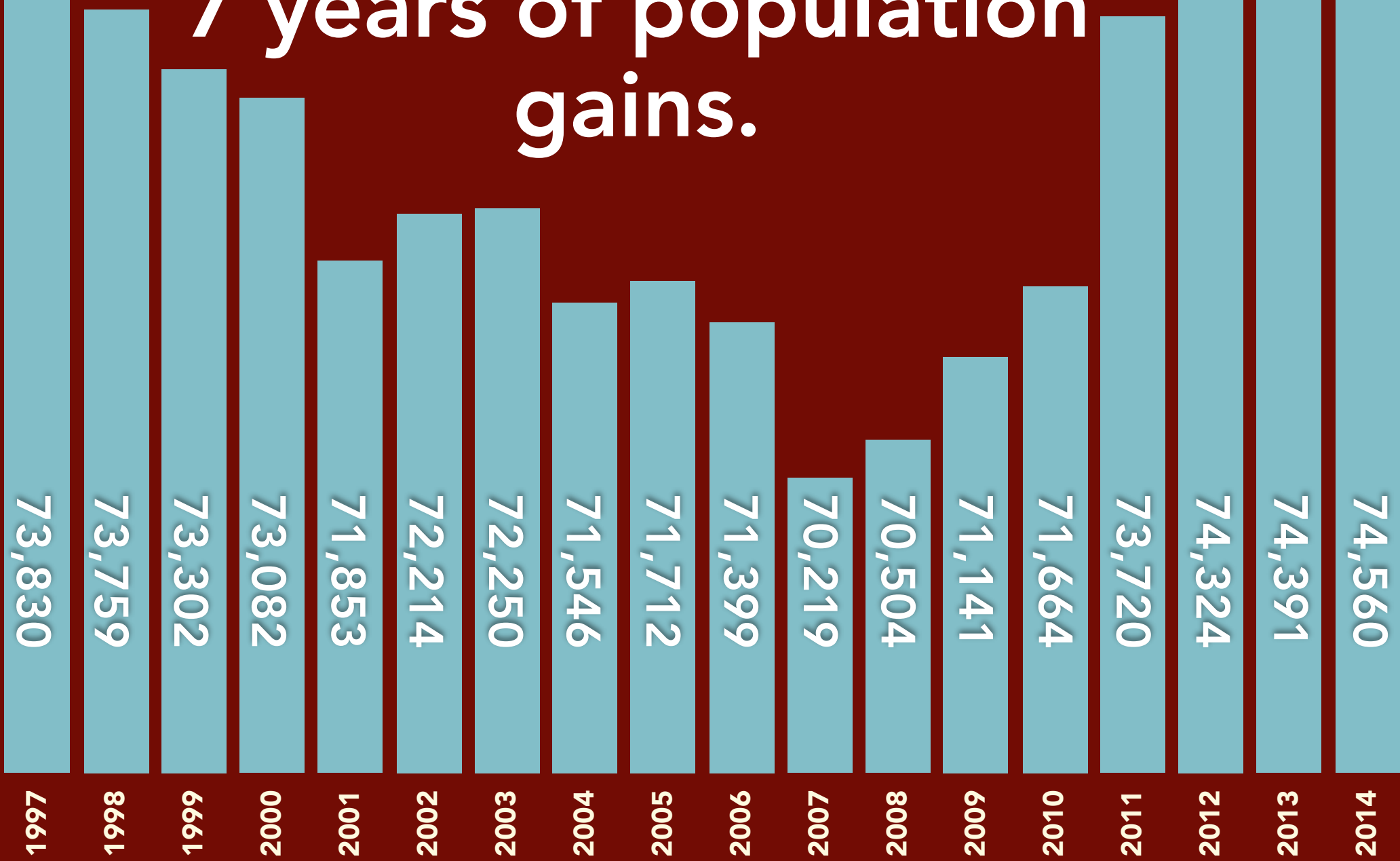


JOB EARNINGS INCREASED BY \$275 MILLION TO \$2.2 BILLION (+14%)

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Population 7 years of population gains.



Timeline: Where are we in the process?



Workshops

Southeast Alaska Comprehensive Economic Development Strategy Meeting Schedule

Month	Transportation	Energy	Timber	Maritime	Seafood	Tourism	Other CEDS
March 2015							
August 2015							
September 2015							
October 2015							
November 2015							
January 2016							
February 2016							
March 2016							

Transportation

1. **Priority** Minimize Impacts of Budget Cuts to AMHS & Develop Sustainable Operational Model
2. Road Development
3. Move Freight to & From Markets More Efficiently.
4. Ensure the Stability of the Existing Sub Regional Transportation Services Outside of AMHS.
5. Harbor Improvements.
6. Examine Arctic Exploration Opportunities that the Region as a Whole Can Provide.



Energy

1. **Priority** Work With Federal & State Government to Promote Regional Energy Projects.
2. **Priority** Diesel Displacement.
3. Support Community Efforts to Create Sustainable Power Systems That Provide Affordable/Renewable Energy.
4. Complete Regional Hydrosite Evaluation For Southeast Alaska.



Maritime Industrial Support



1. **Priority** Maritime Industrial Support Sector Talent Pipeline: Implement the Alaska Maritime Workforce Development Plan.
2. Continue to Grow the Regional Maritime Sector. Increase Employment & Marine Industrial Jobs.
3. Increase Access to Capital for the Regional Maritime Industrial Support Sector.
4. Regional Vessel Repair.

Seafood Industry



1. **Priority** Mariculture Development.
2. **Priority** Full Utilization & Ocean Product Development.
3. Increase Energy Efficiency & Reduce Energy Costs.
4. Regional Seafood Processing.
5. Seafood Markets.
6. Sea Otter Utilization & Sustainable Shellfish.
7. Maintain Stable Regulatory Regime.
8. Seafood Workforce Development.

Visitor Industry



1. **Possible Priority Market Southeast Alaska**
Visitor Opportunities
2. Improve Access to Public Lands.
3. Increase Flexibility in Terms of Permit Use.
4. Increase Yacht & Small Cruise Ship Visitations.
5. Improve Communications Infrastructure.

Timber Industry

1. **Priority** Provide an Adequate, Economic and Dependable Supply of Timber From the Tongass National Forest to Regional Timber Operators.
2. Stabilize the Regional Timber Industry.
3. Work With USFS to Direct Federal Contracts Toward Locally-Owned Businesses.
4. Support Small Scale Manufacturing of Wood Products in Southeast Alaska.
5. Continue Old Growth Harvests Until Young Growth Supply is Adequate.
6. Community-Based Workforce Development.
7. Update Young Growth Inventory.



Other Objectives

- Support Housing Development
- Increase Production, Accessibility, and Demand of Local Foods.
- Improved Access to Telemedicine in Southeast Alaska.
- Market Southeast Alaska as a Region.
- Regional Solid Waste Disposal.
- Increase Recognition of Southeast Alaska's Arts Economy.
- Minerals & Mining Workforce Development.
- Attract Research Jobs.



Plan Elements

**Priority
Objectives**





Priority Objective

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?

AMHS support & new model



An aerial photograph of a dam construction site in a mountainous region. A large yellow tower crane is prominent on the left side of the image. The dam structure is visible in the lower center, with a reservoir behind it. The surrounding area is densely forested, and snow-capped mountains are visible in the background under a clear blue sky. The text "Promote regional energy projects" is overlaid in white on the image.

Promote regional
energy projects



Diesel displacement.



Maritime Workforce Development Implementation



MADE IN ALASKA

MARICULTURE

Adequate, economic timber supply





Full Resource Utilization & Ocean Product Development



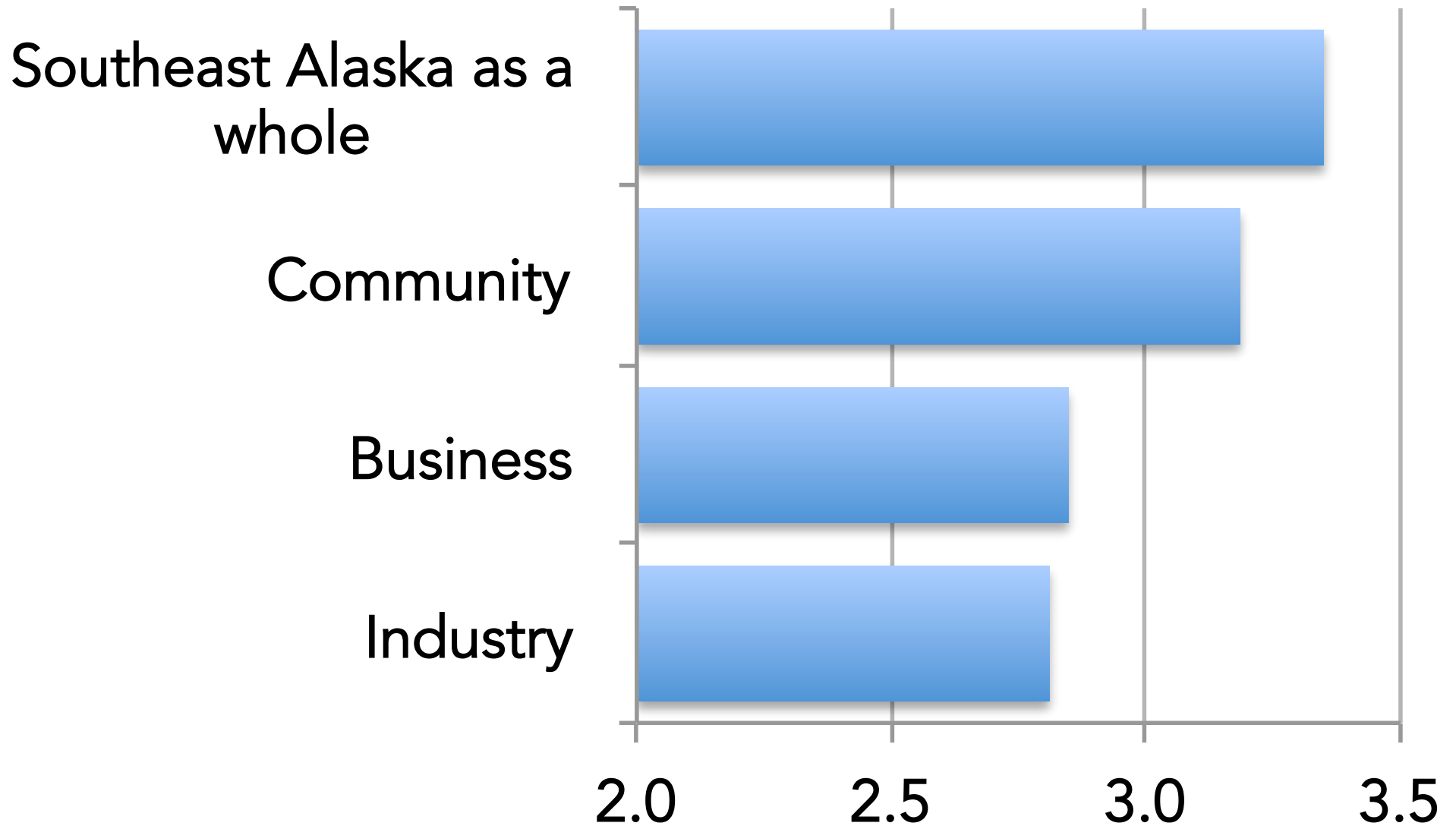
Market Southeast Alaska Visitor Opportunities

Economic Resiliency



[www.surveymonkey.com](http://www.surveymonkey.com/r/SEecon)
/r/SEecon

Levels of Concern



Project Contacts



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