

SOUTHEAST ALASKA

by the Numbers 2018



**SOUTHEAST
CONFERENCE**



**Rain Coast
Data**

**Mid Session Summit
February 12th, 2019**

Fortunately

by REAY CHARLIP



unfortunately



2019 Southeast Economic Theme

You!



224



Pre-registrants

224 Pre-registrants

149
Organizations

224 Pre-registrants

149 Organizations

26
Communities

-\$1.6 Billion



February 13
Projected Budget Cut 2019



About Southeast Alaska

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



Southeast Alaska's Report Card 2016

Increasing Jobs

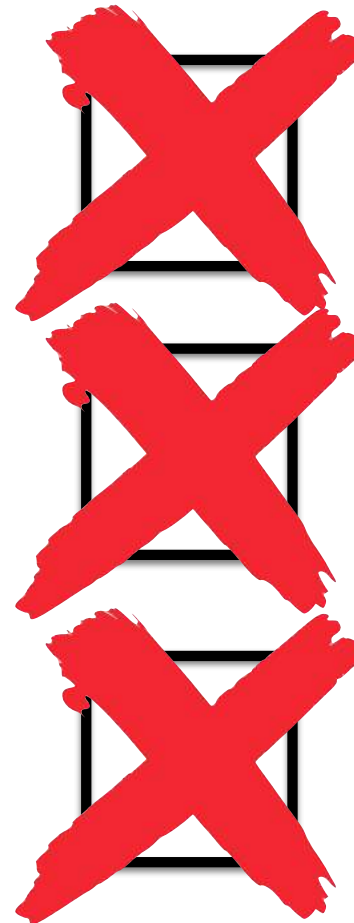
DOWN 1,000 JOBS -2%

Increasing Earnings

DOWN \$29 MILLION -1%

Increasing Population

DOWN 500 -1%



Southeast Alaska's Report Card 2017

Increasing Jobs

UP 380 JOBS 0.8%



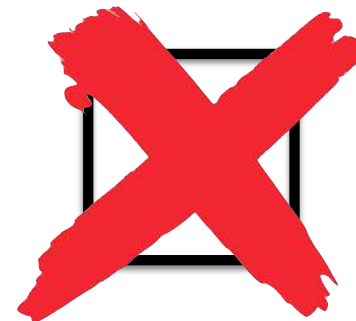
Increasing Earnings

UP \$17 MILLION 0.8%



Decreasing Population

DOWN 900 PEOPLE -1.2%



Southeast Alaska's Report Card

2017 2018?

Increasing Jobs
UP 380 JOBS 0.8%



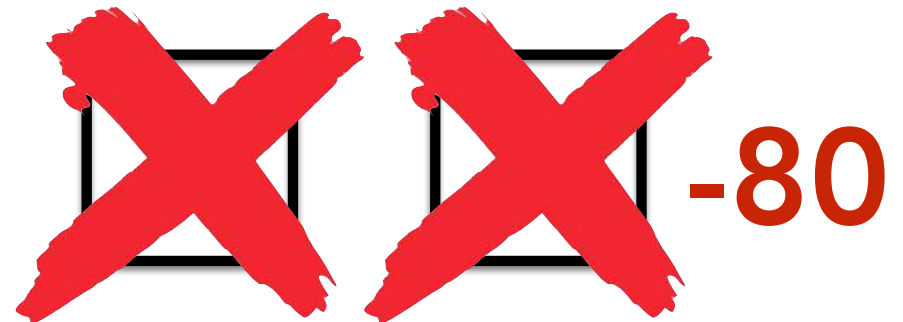
Increasing Earnings

UP \$17 MILLION 0.8%



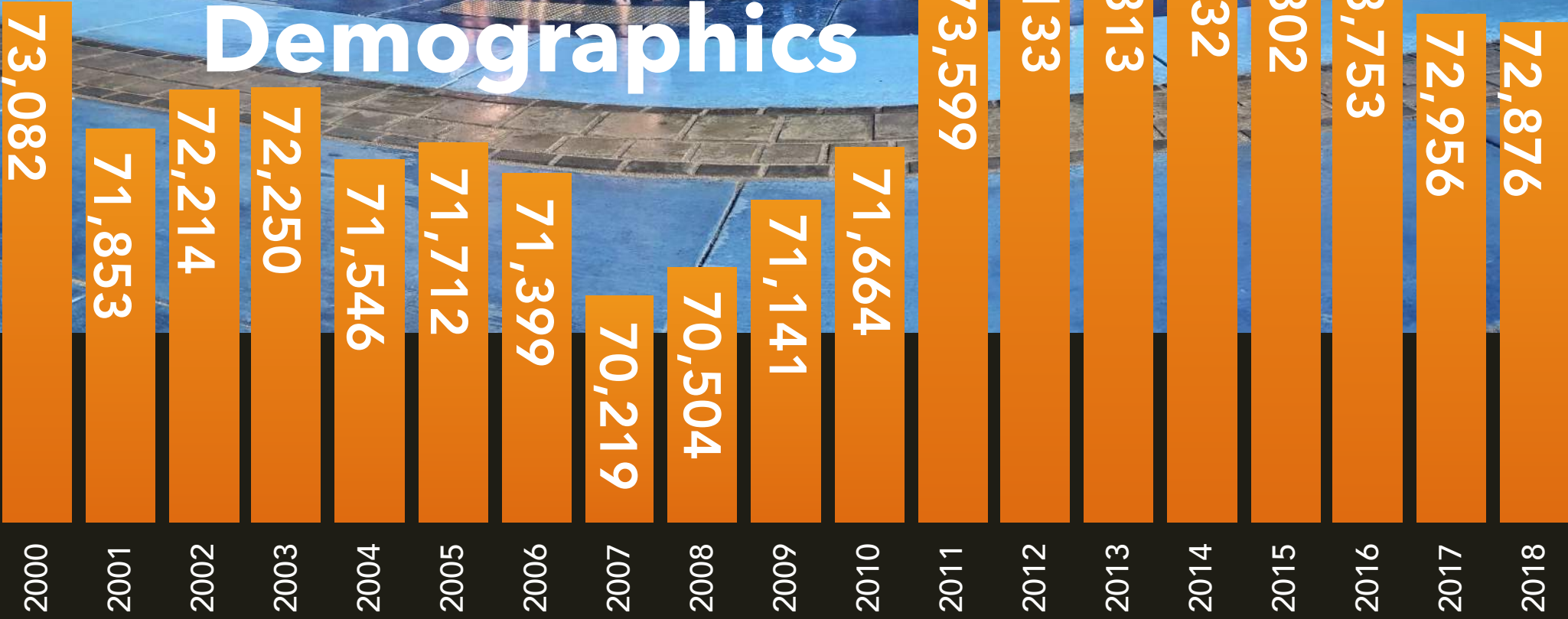
Decreasing Population

DOWN 900 PEOPLE -1.2%



72,876 People -80 people

Demographics



4th Year of Declines

-1,600 people



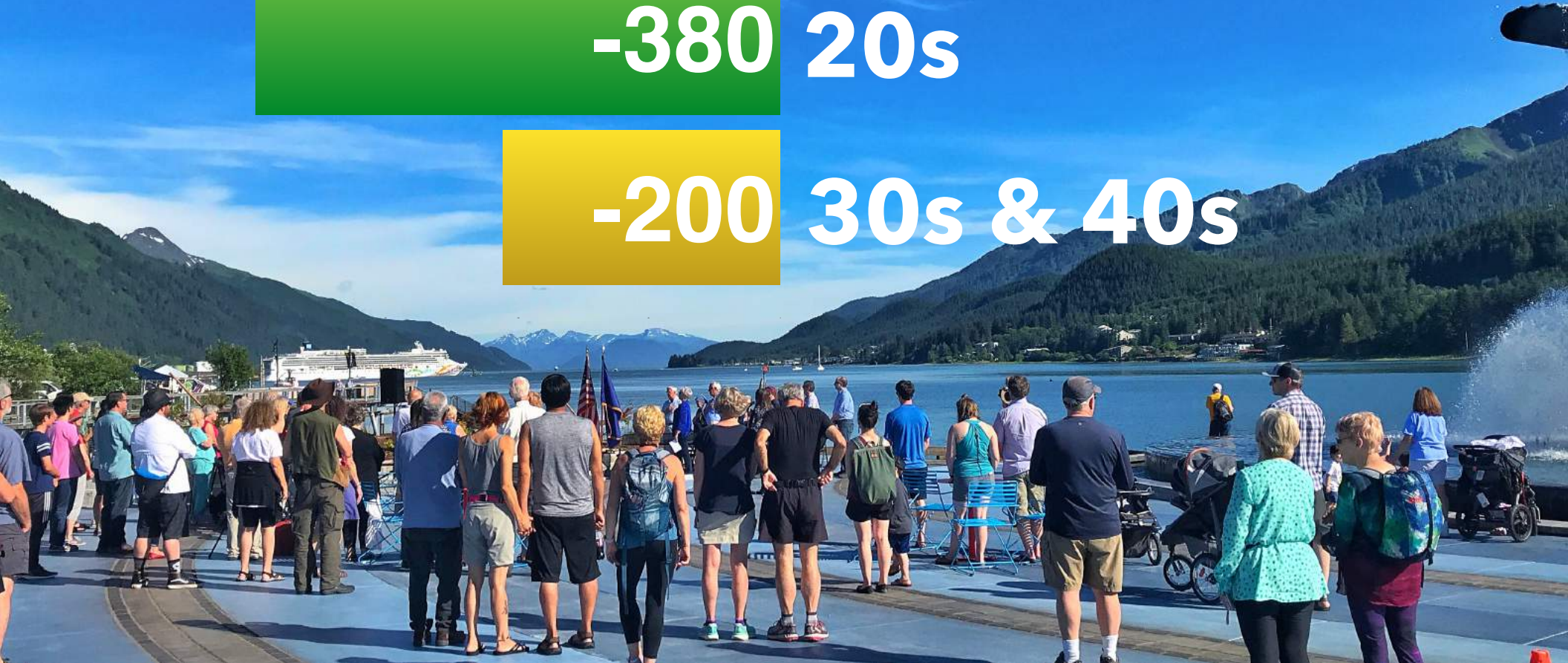
Half+ Losses From Juneau

-900 people -3%

-310 Kids

-380 20s

-200 30s & 40s





2018 Change

Petersburg +63

Ketchikan +61

Hoonah +40

Wrangell +37

Haines +22

Hydaburg +22



2018 Change

Sitka -96

Klawock -56

Juneau -55

Coffman Cove -30

Metlakatla -26

Yakutat -20

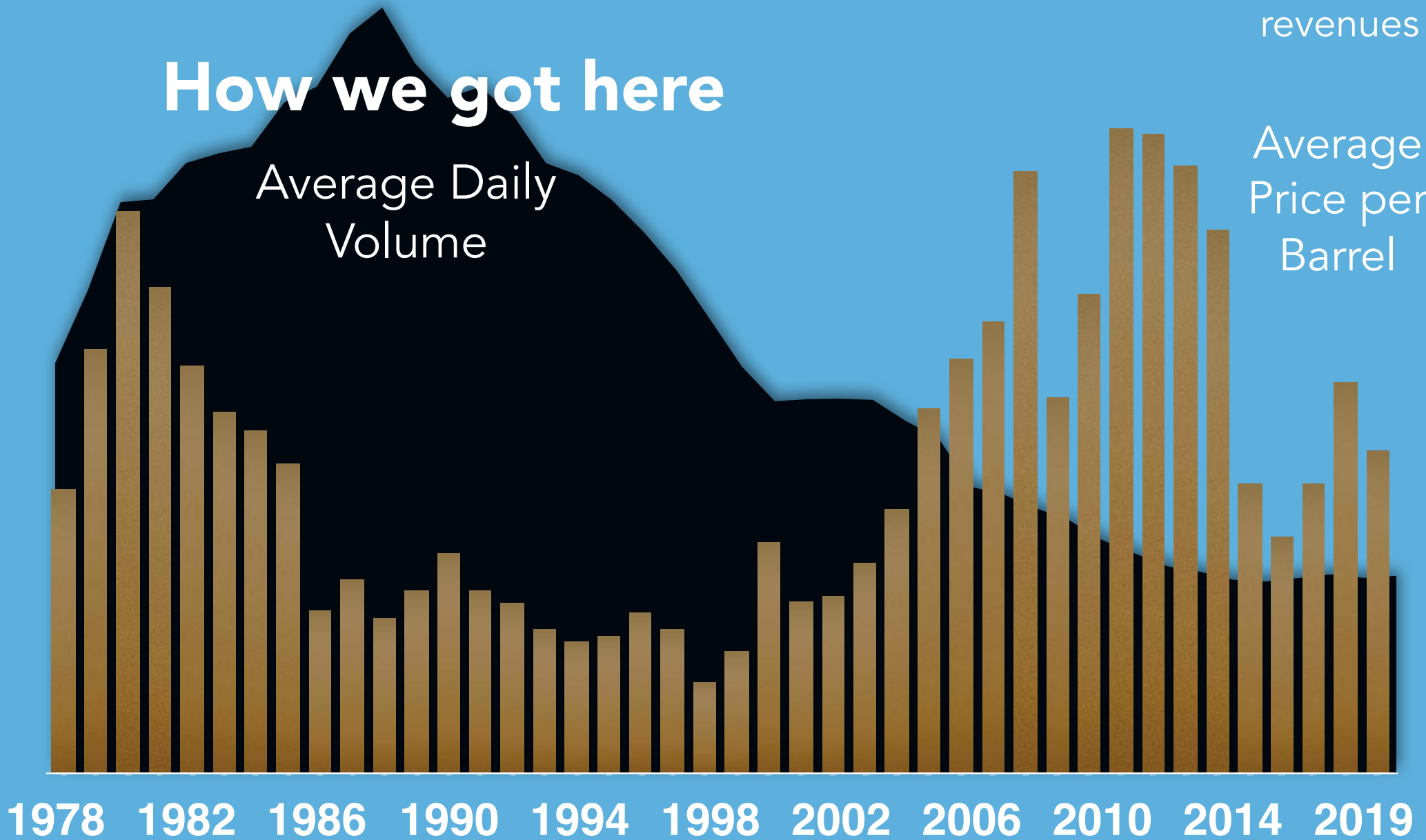
Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2019

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

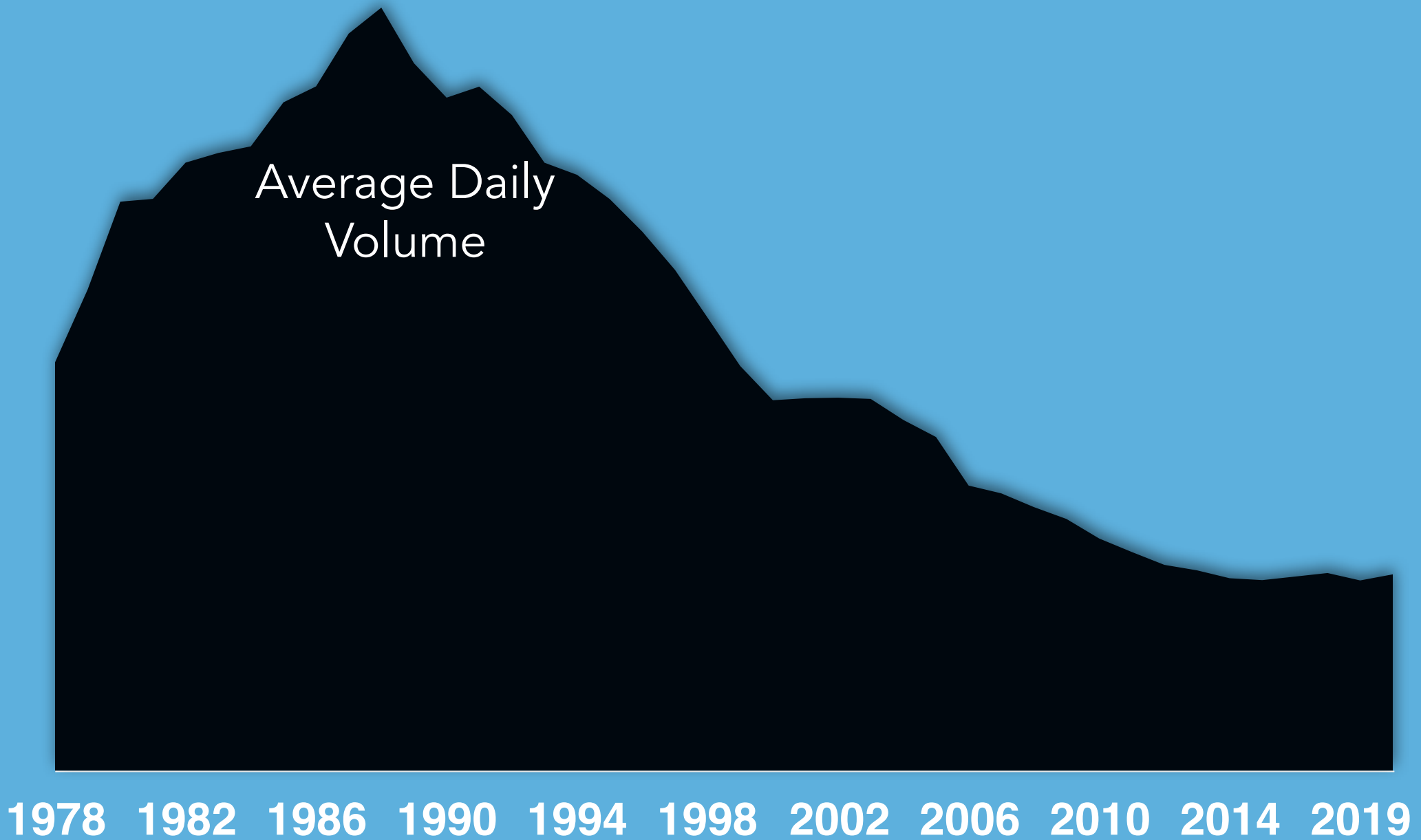
How we got here

Average Daily Volume

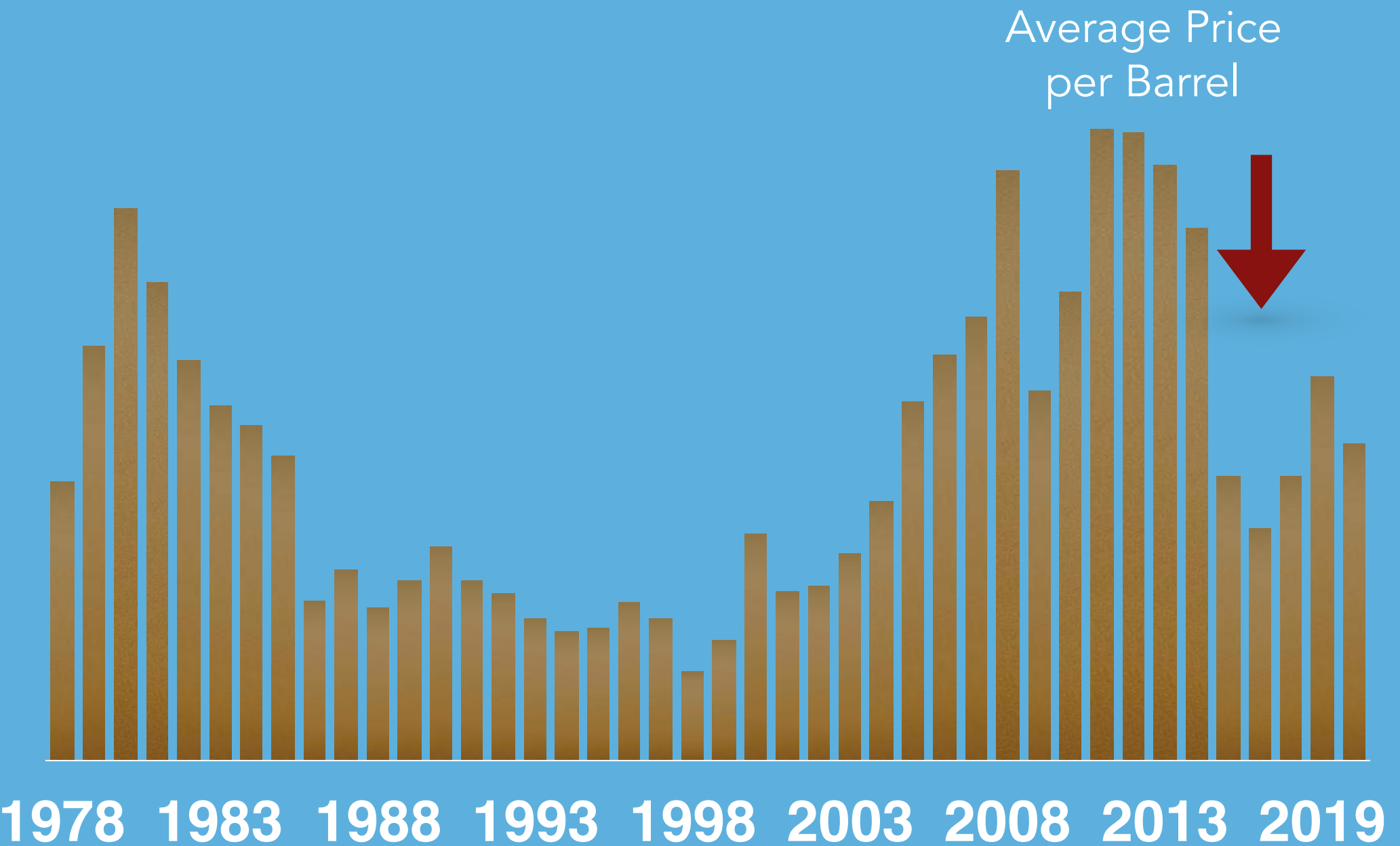
Average Price per Barrel



Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2019



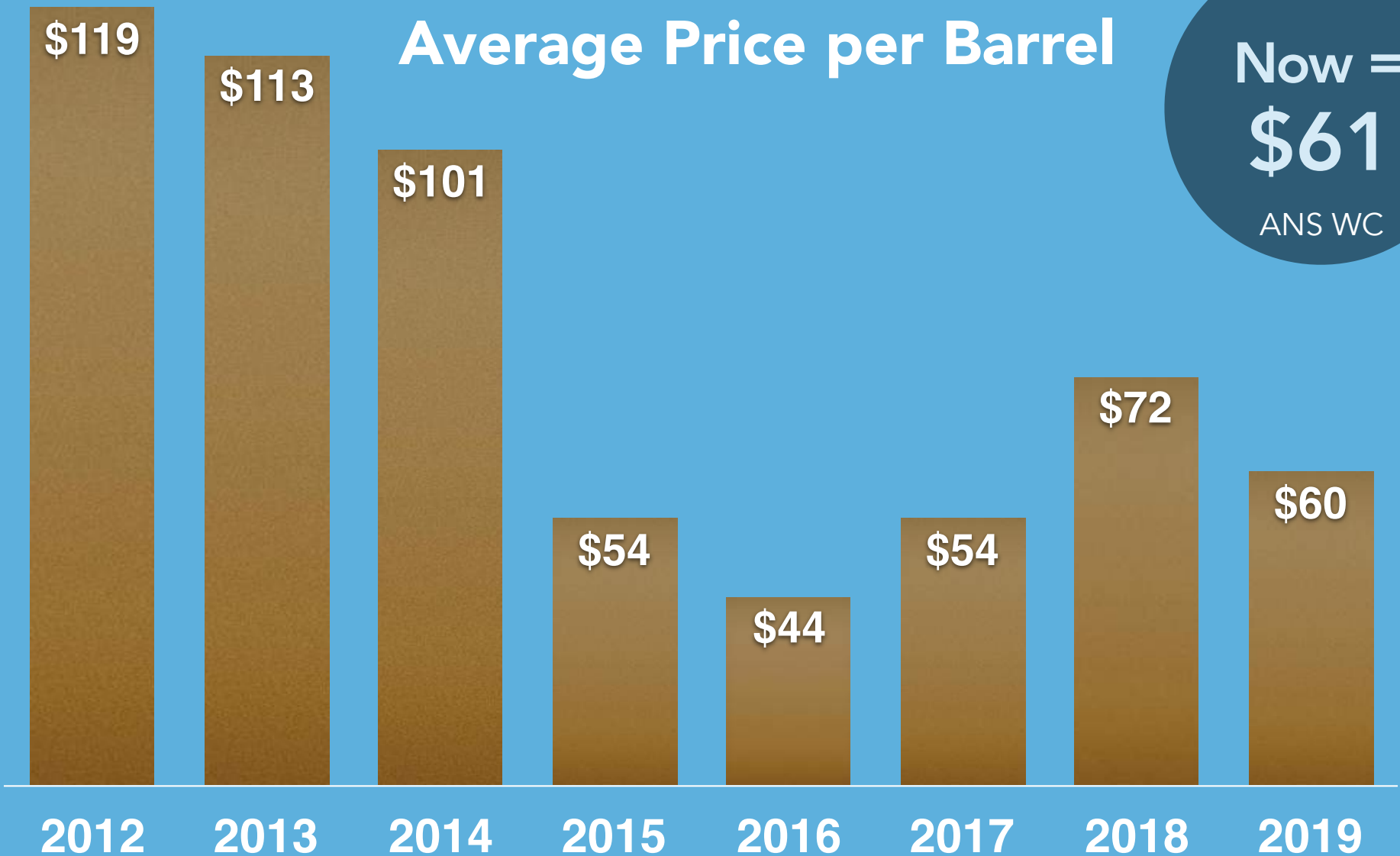
Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2018



Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 2012-2019

Where are we going?
Average Price per Barrel

Now =
\$61
ANS WC

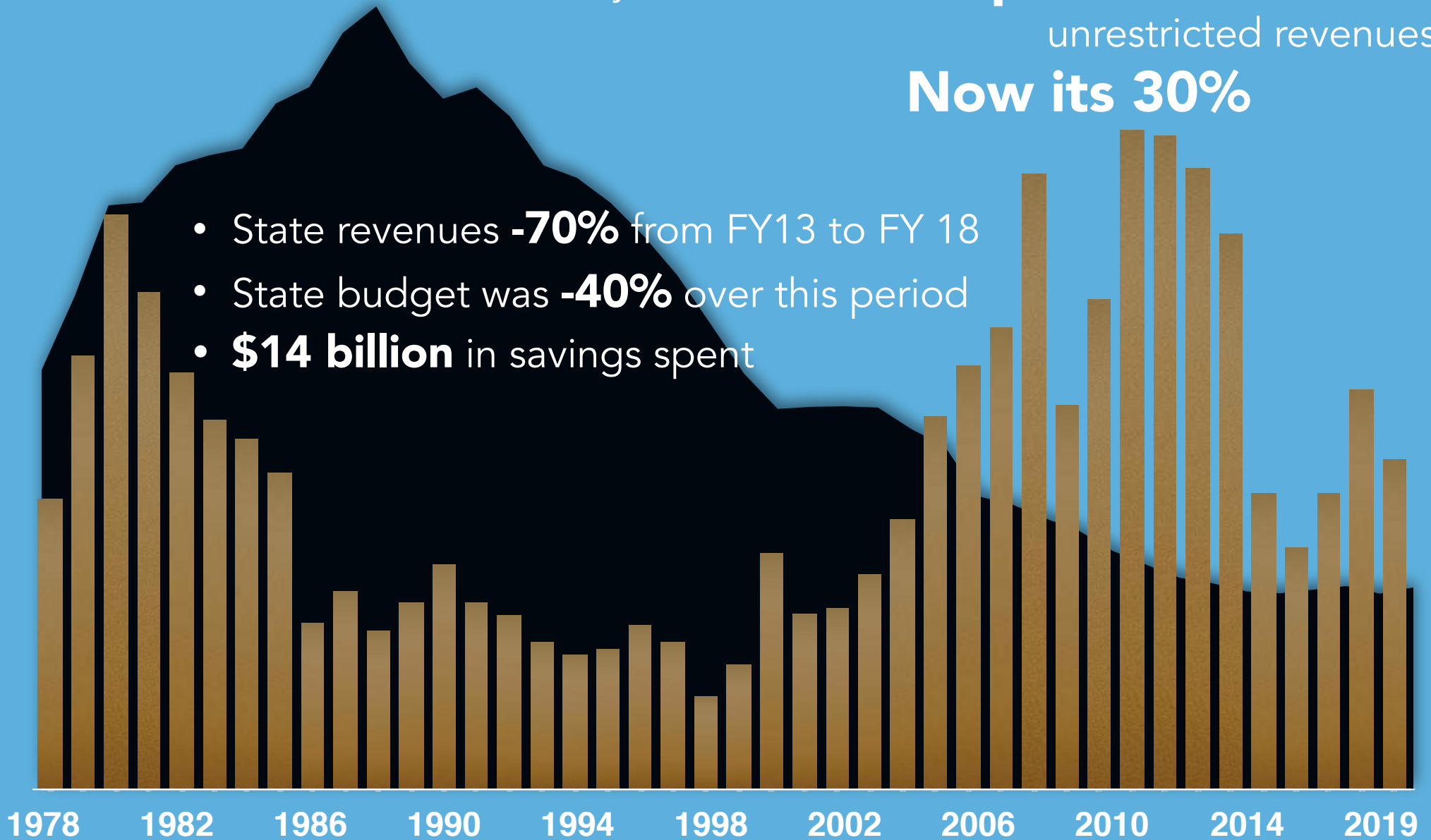


Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2019

Oil revenues historically accounted for **90 percent** of the state's unrestricted revenues

Now its 30%

- State revenues **-70%** from FY13 to FY 18
- State budget was **-40%** over this period
- **\$14 billion** in savings spent



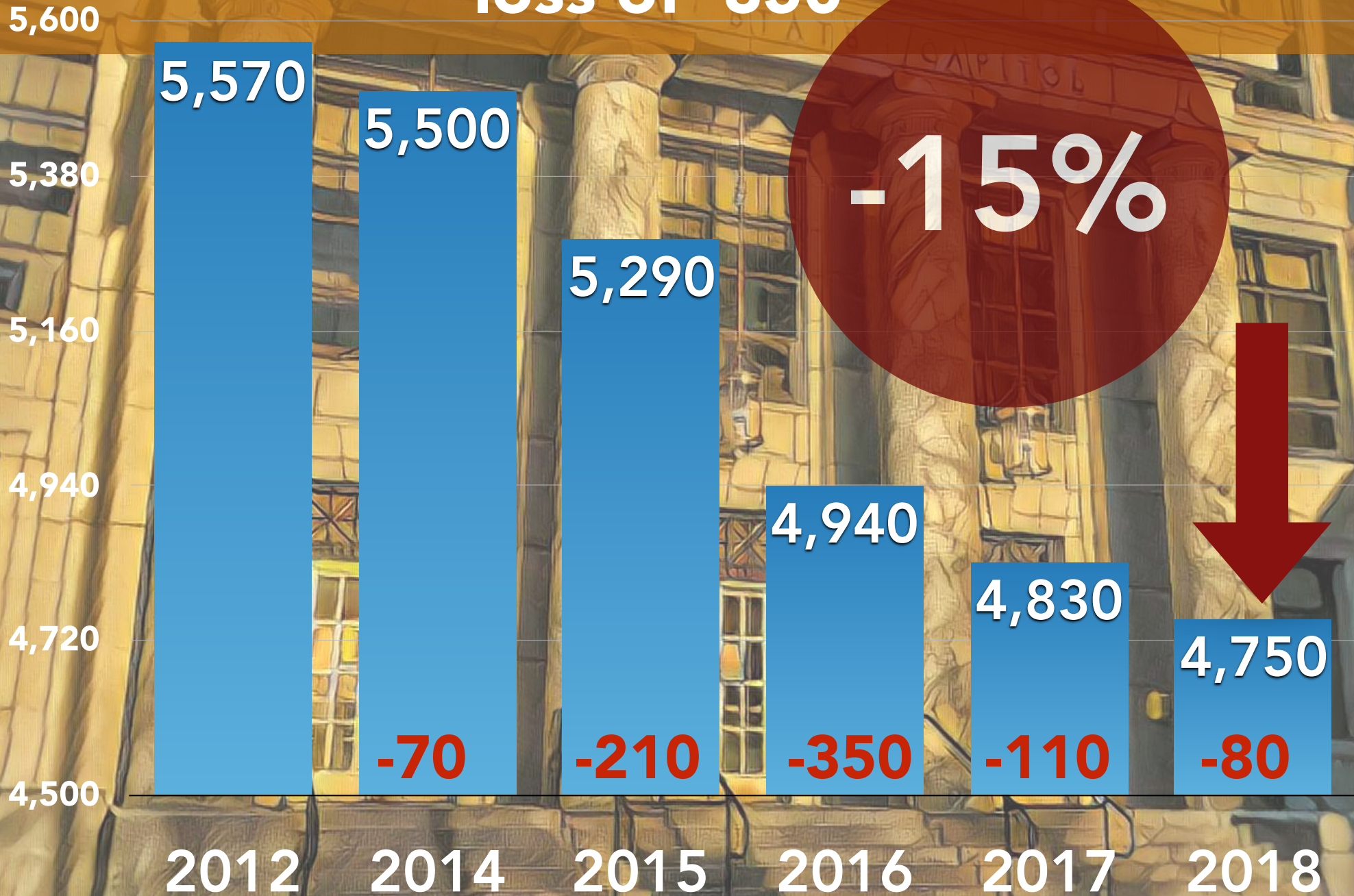
State Savings Used

\$14 Billion

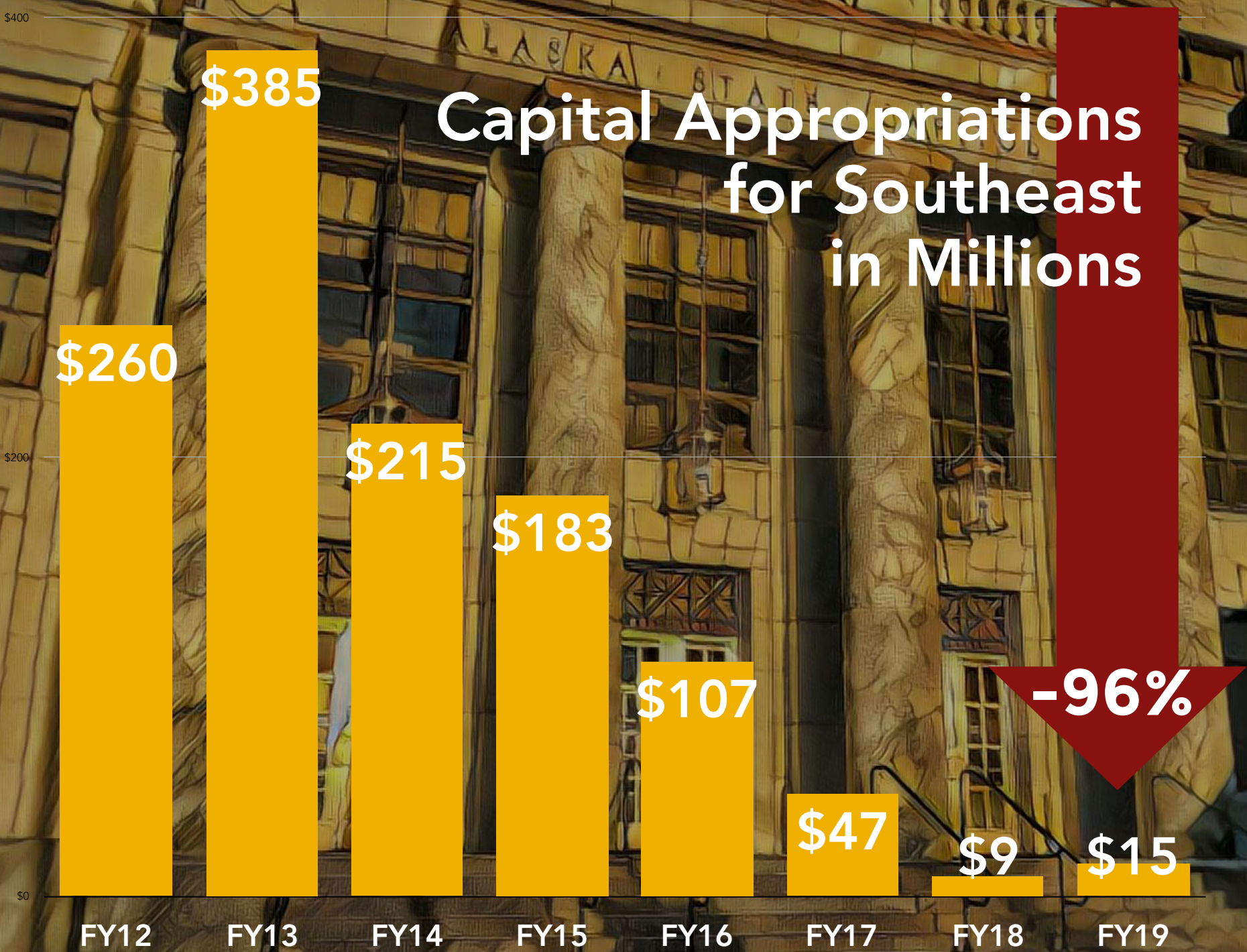
The background of the image is a photograph of the Alaska State Capitol building, featuring classical architecture with large columns and a pediment. The text is overlaid on a semi-transparent blue rectangular area in the center of the image.

State jobs
outside of
Southeast Alaska
fell by
7.5%

State Government Job Losses loss of -850



Capital Appropriations for Southeast in Millions

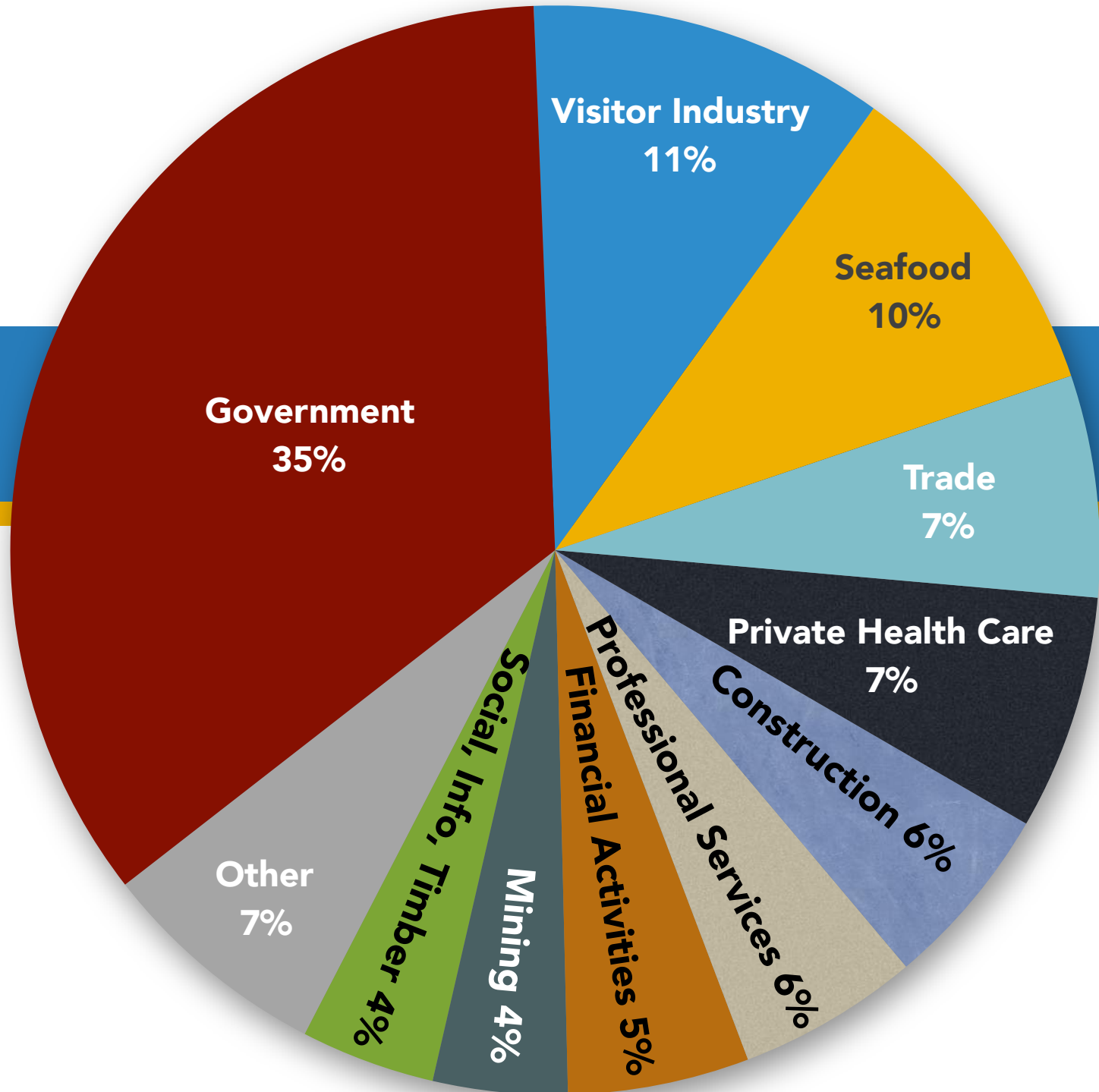


Southeast Alaska

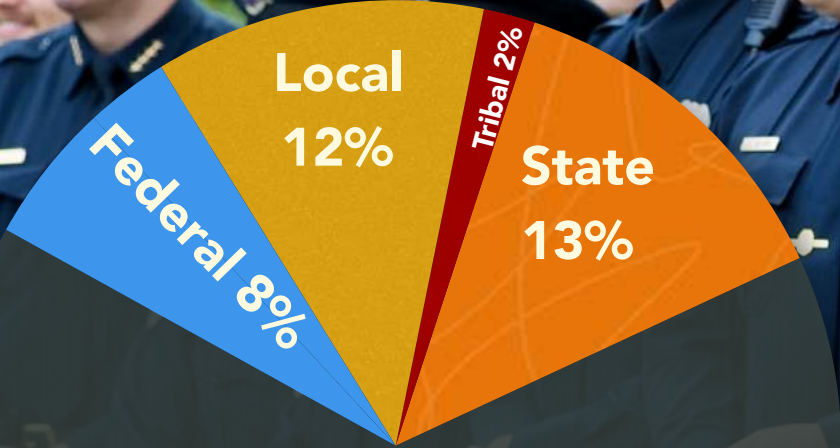
Employment Earnings

\$2.2 billion

45,640 Jobs



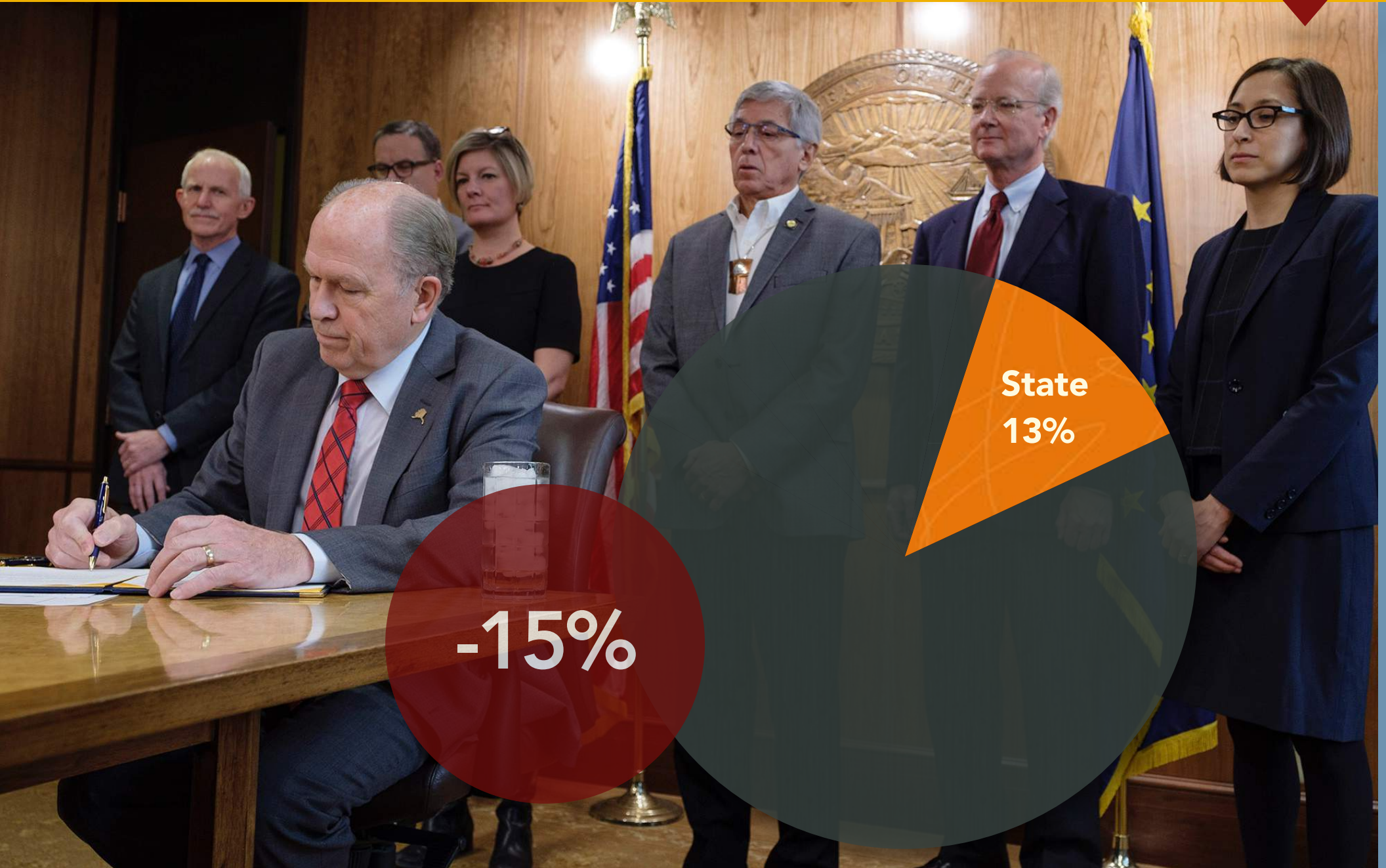
Government 13,250 Jobs ESTIMATE DOWN 100 JOBS 2018



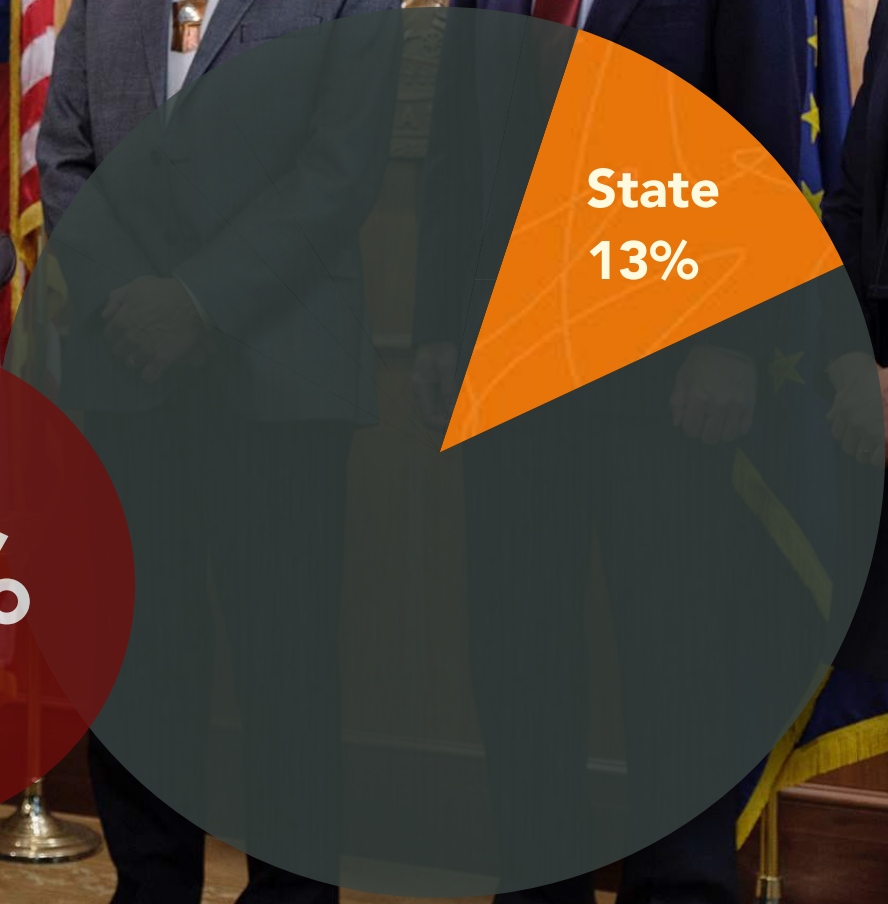
**Government wages =
35% of all
employment**

State Jobs

ESTIMATE DOWN 80 JOBS 2018

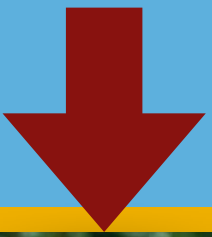


-15%



Municipal Jobs

ESTIMATE DOWN 20 JOBS 2018



Local
12%

Federal Jobs ESTIMATE FLAT IN 2018



Federal 8%

-28%
Since 2006

Government Job Losses

Last 15 years loss of

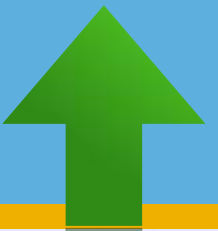
1,500 State and

Federal Jobs = a loss of

\$100 million

in annual wages

Visitor Industry 7,740 Jobs



**UP 1,900 JOBS +32% SINCE 2010
+\$58 MILLION**

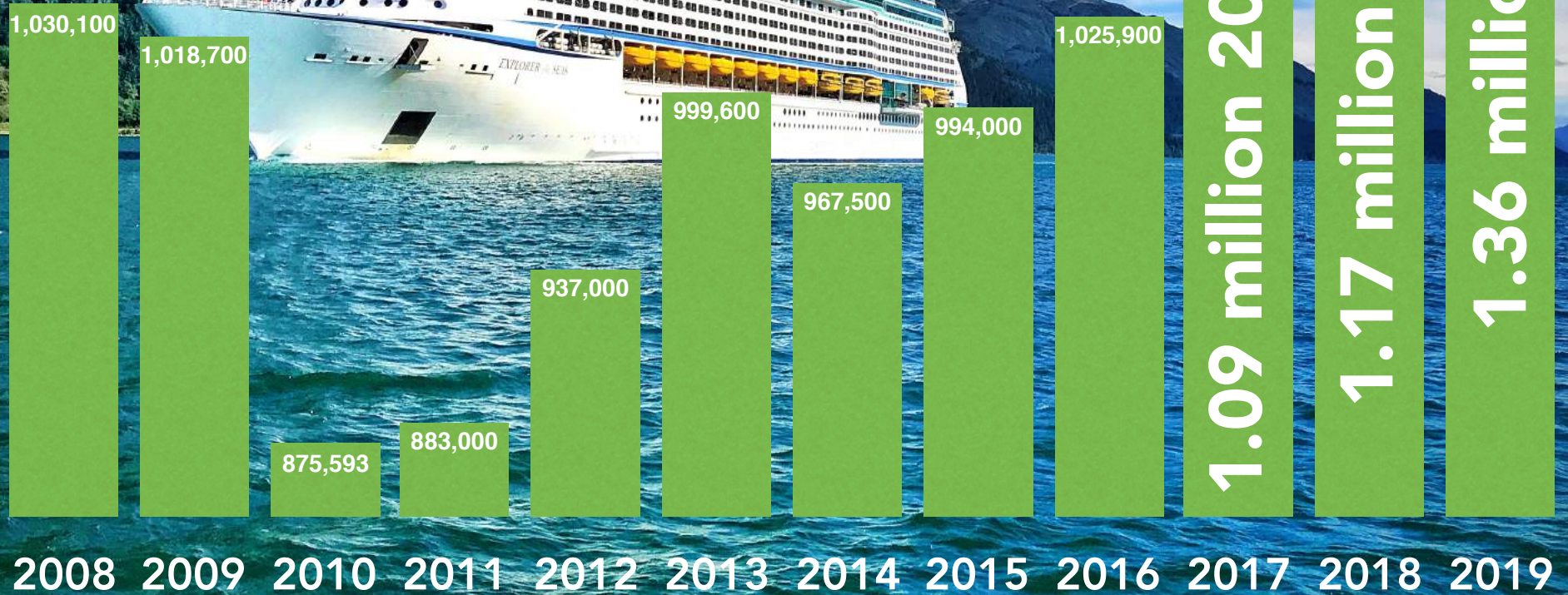


2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019

Cruise Passengers

25% increase 2017-2019

55% increase 2010-2019



Tourist Spending in Southeast

\$657 Million

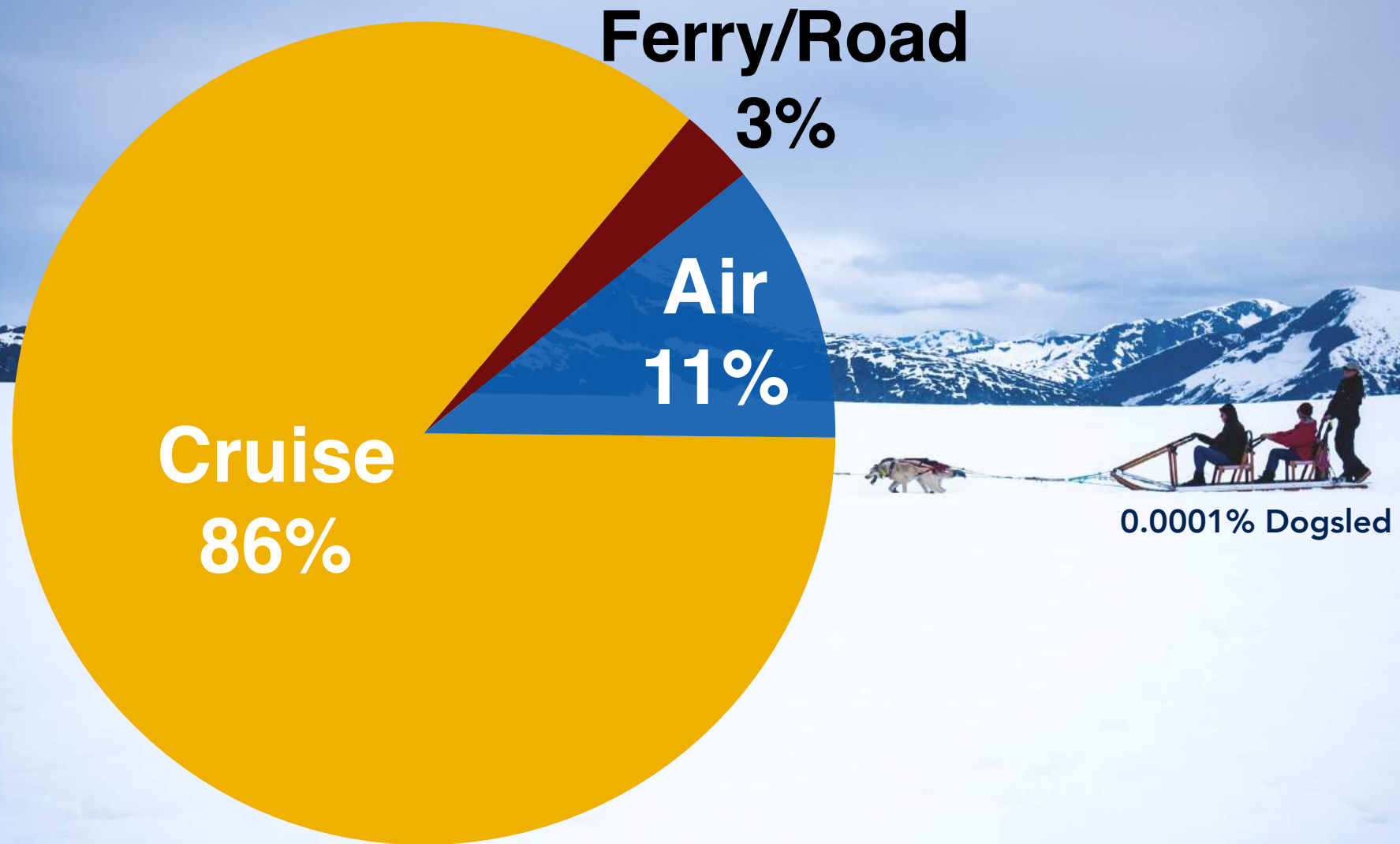
\$487 per SE visitor





Glacier Bay was the **highest-rated** cruise destination in the world in 2018.
Cruise Critic

Tourists into Southeast by Mode



Airline Trends:

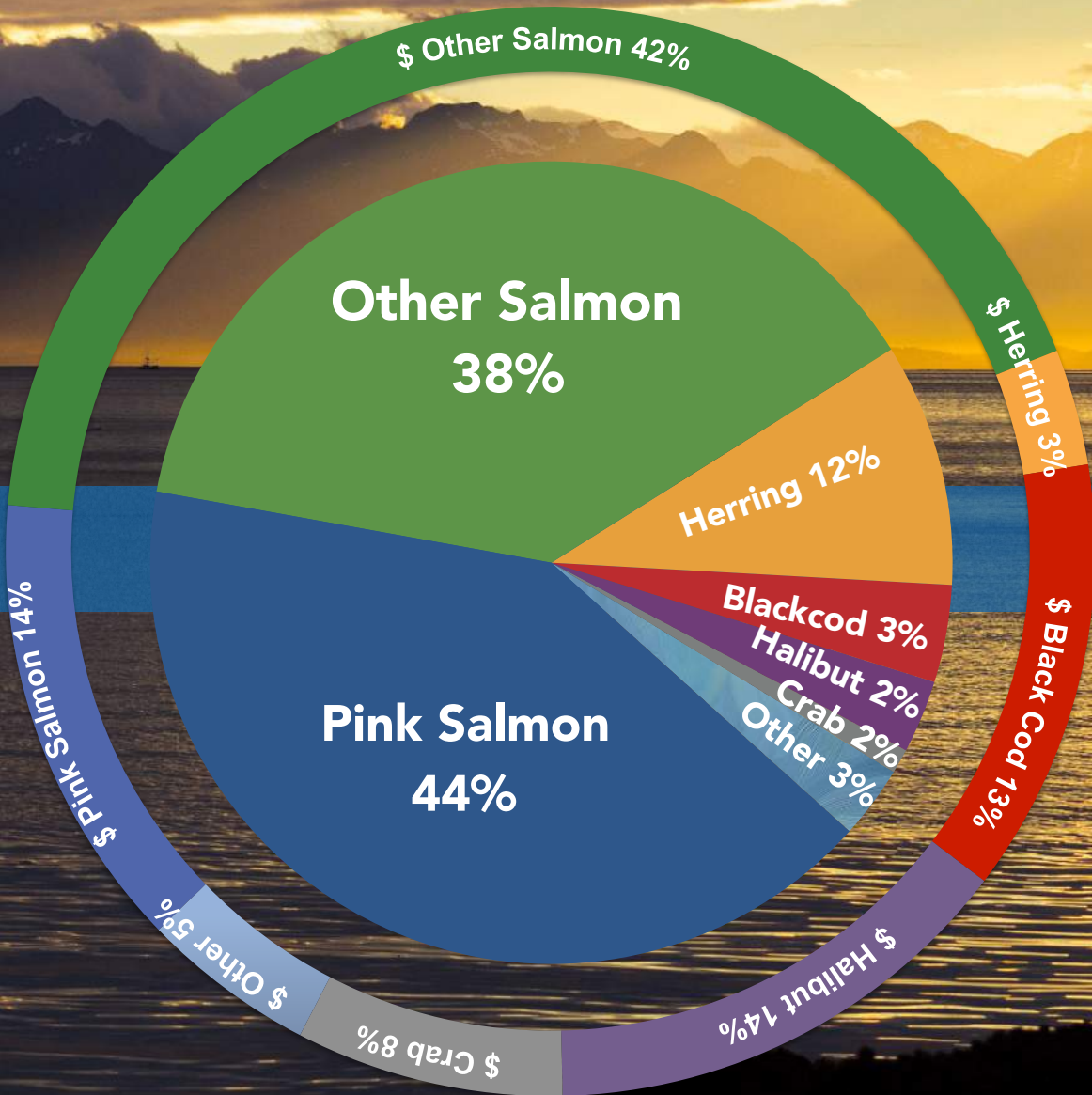


2018 = top year ever
24% since 2012

VALUE & POUNDS OF SEAFOOD LANDED IN SOUTHEAST ALASKA TEN YEARS



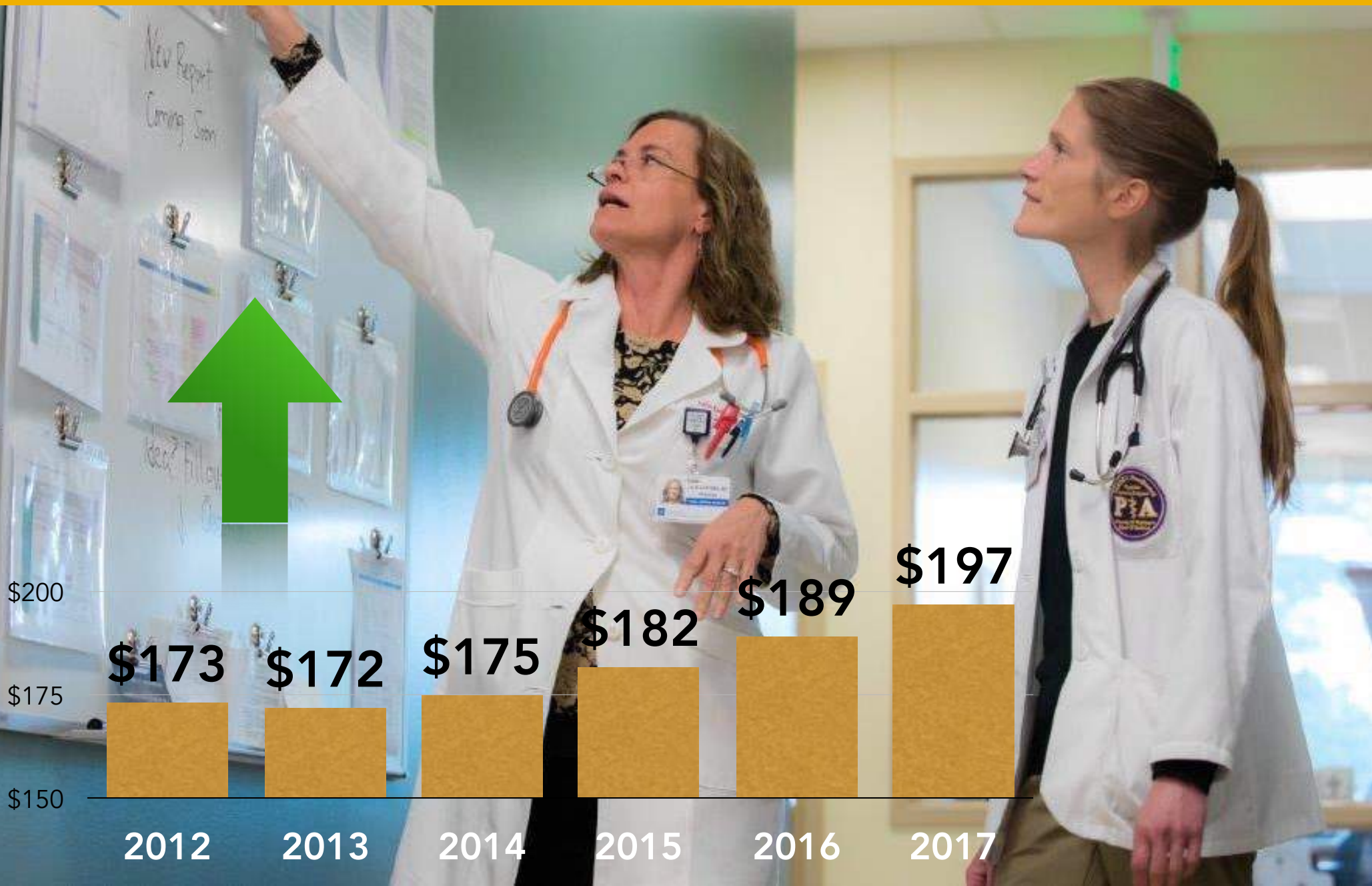
Seafood Industry



3,854 Jobs



Healthcare 3,426 Jobs

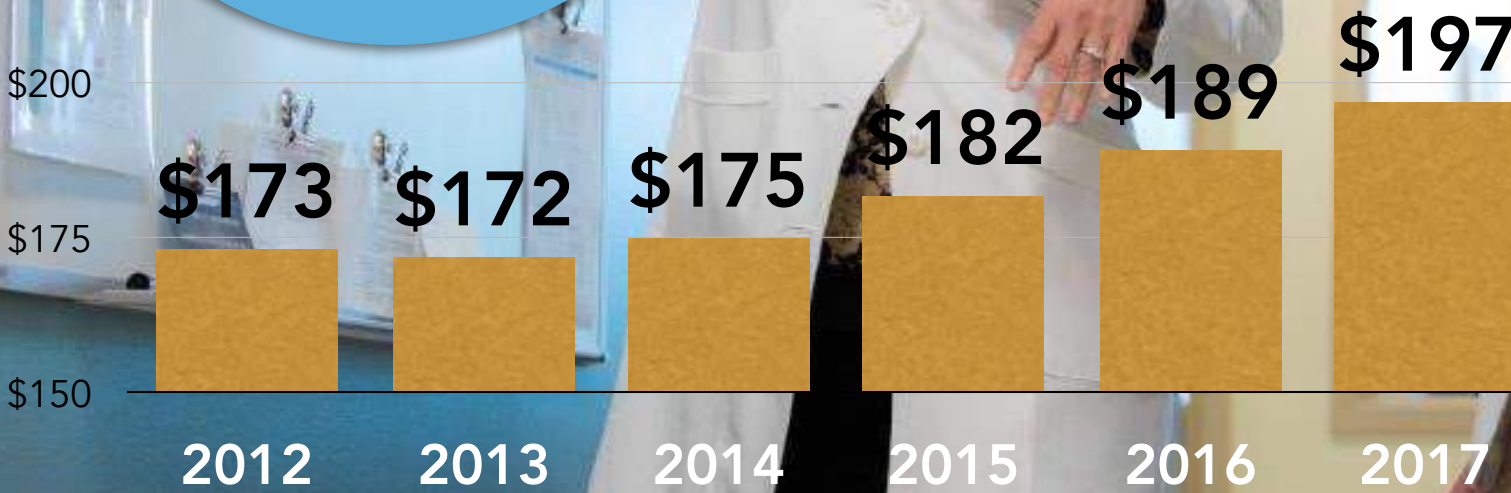


Healthcare

JOBS SINCE 2017 +4.5%

3,426 Jobs

Estimated



Construction Industry 1,900 Jobs
Estimate DOWN 70 JOBS IN 2018



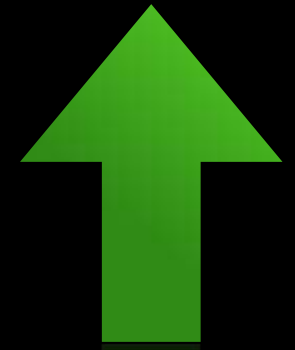
Lowest since 1992

Mining Industry

886 Jobs

UP 90 JOBS IN 2017

JOBS +11%



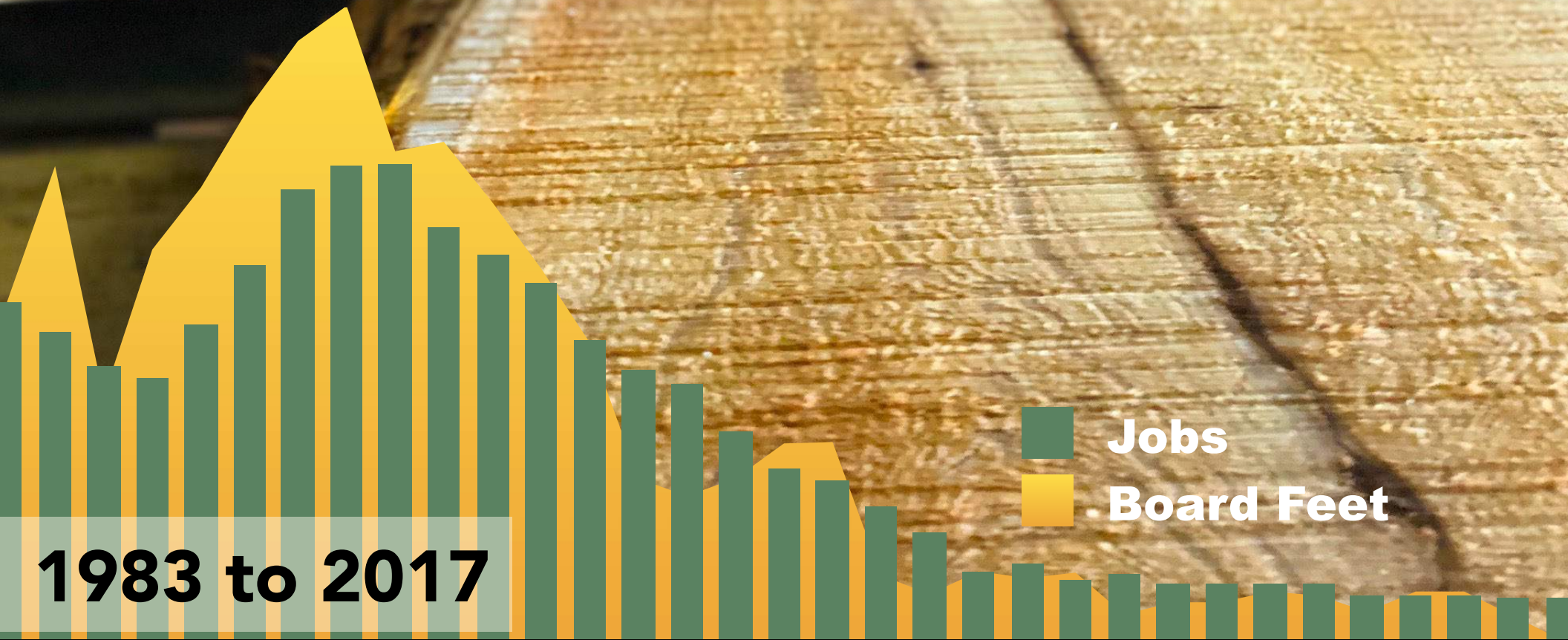
GOLD PRICES



Timber Industry

354 Jobs

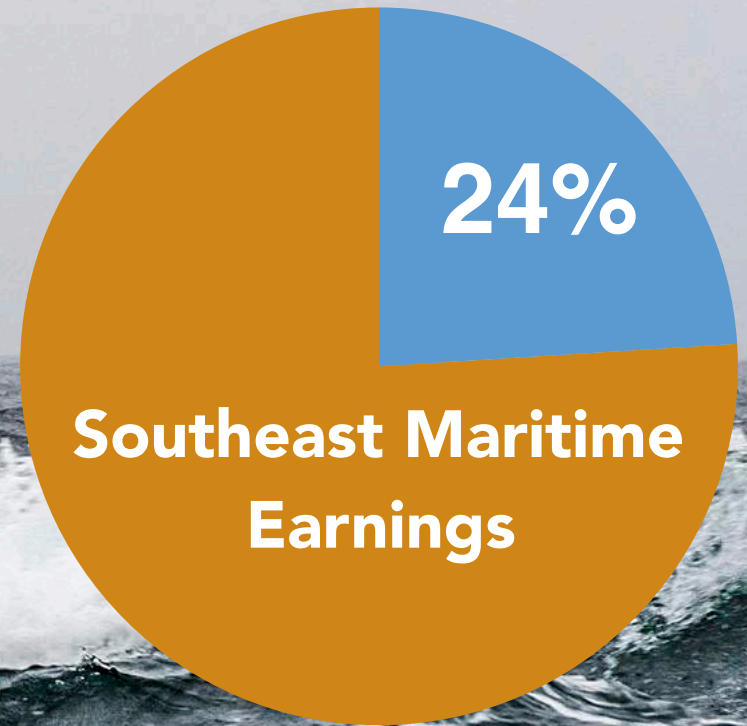
DOWN -3%



1983 to 2017

■ **Jobs**
■ **Board Feet**

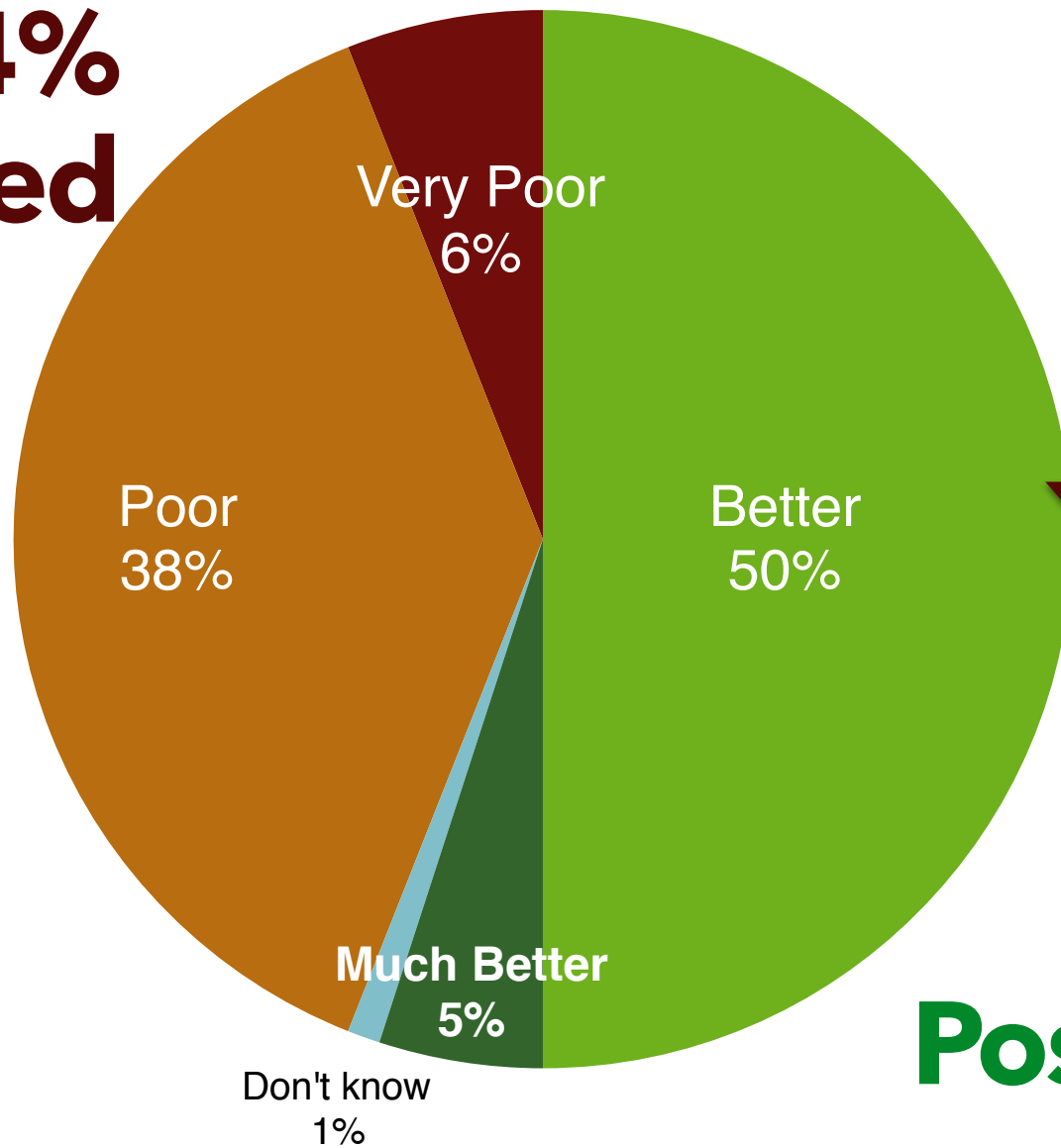
SOUTHEAST ALASKA'S BLUE ECONOMY



Annual Business Confidence 2018

How do you view the regional business climate right now?

44%
Concerned



55%
Positive

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."

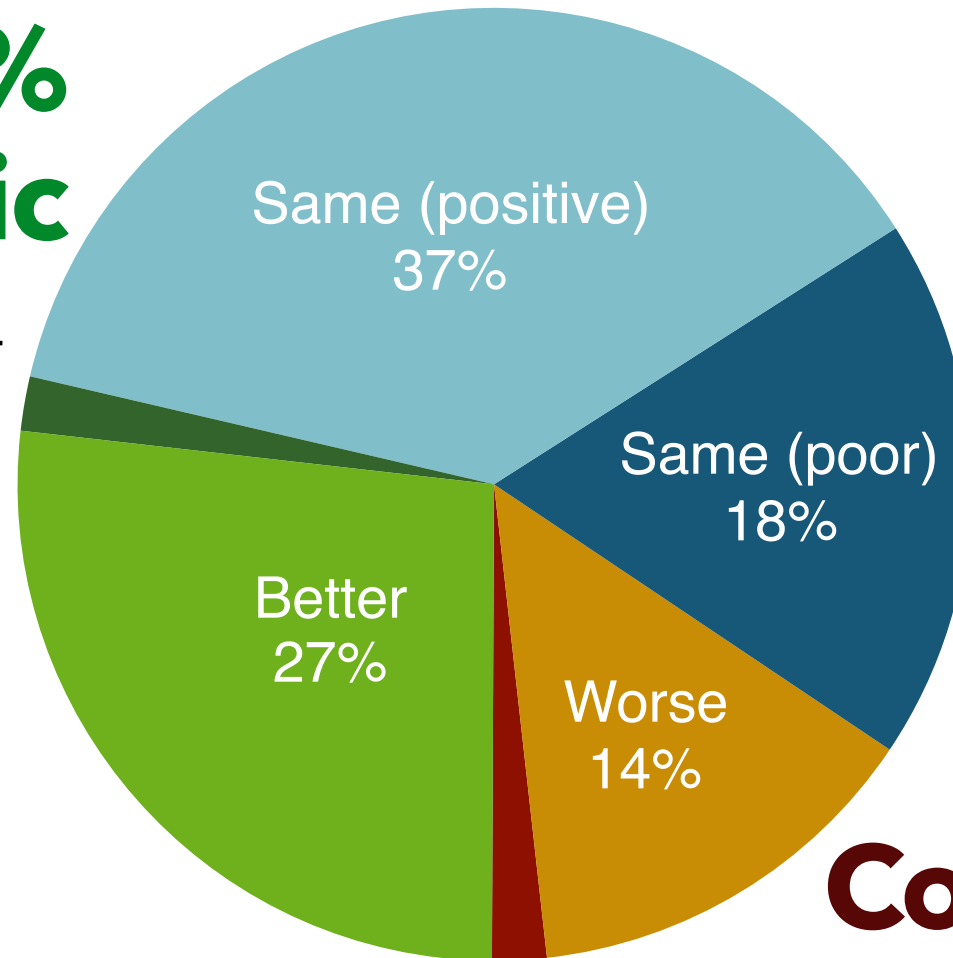
Arts: "We have reduced staff, which means we have to reduce services which reduces revenue."

Annual Business Confidence

What is the economic outlook for your business or industry over the next year?

66%
Optimistic

Much Better
2%



34%
Concerned

Much Worse
2%

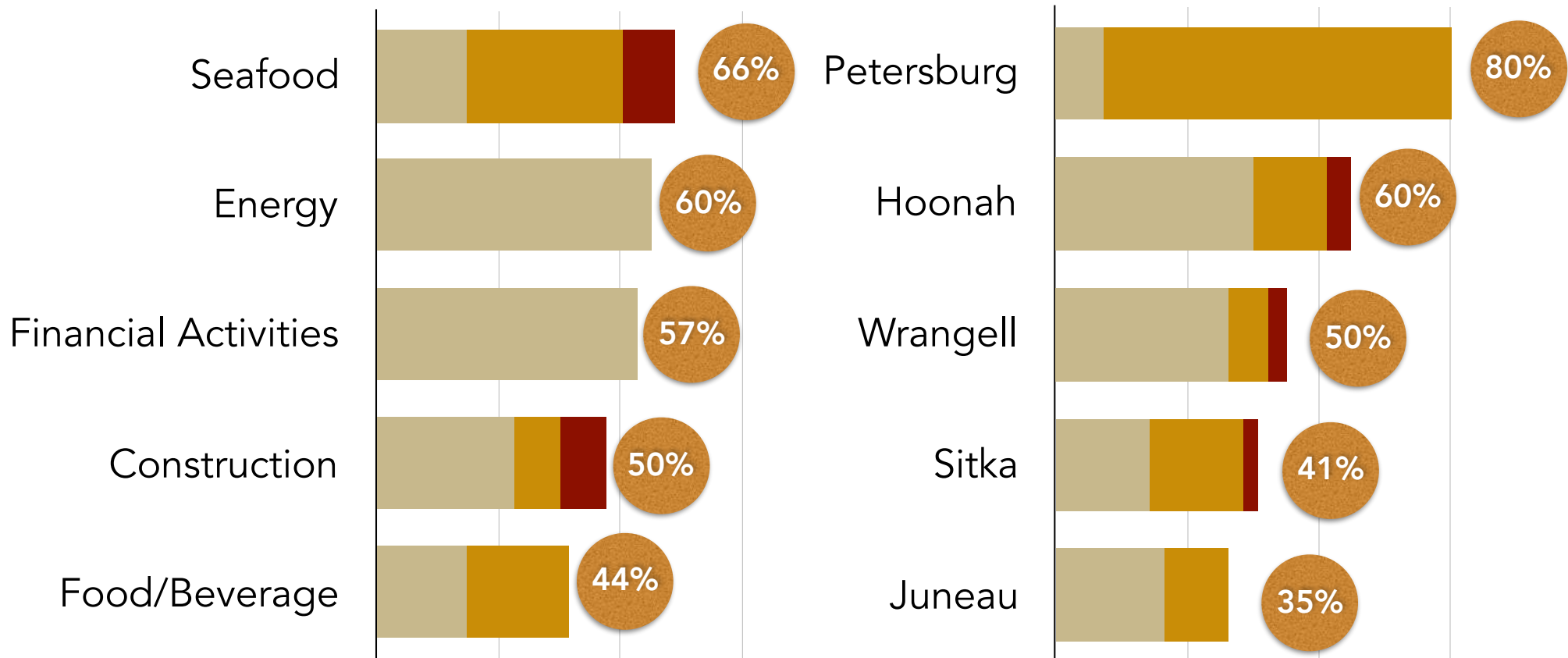
Annual Business Confidence

What is the economic outlook for your business or industry compared to last year?

By Industry

By Community

Same (poor) Worse Much Worse



Annual Business Confidence

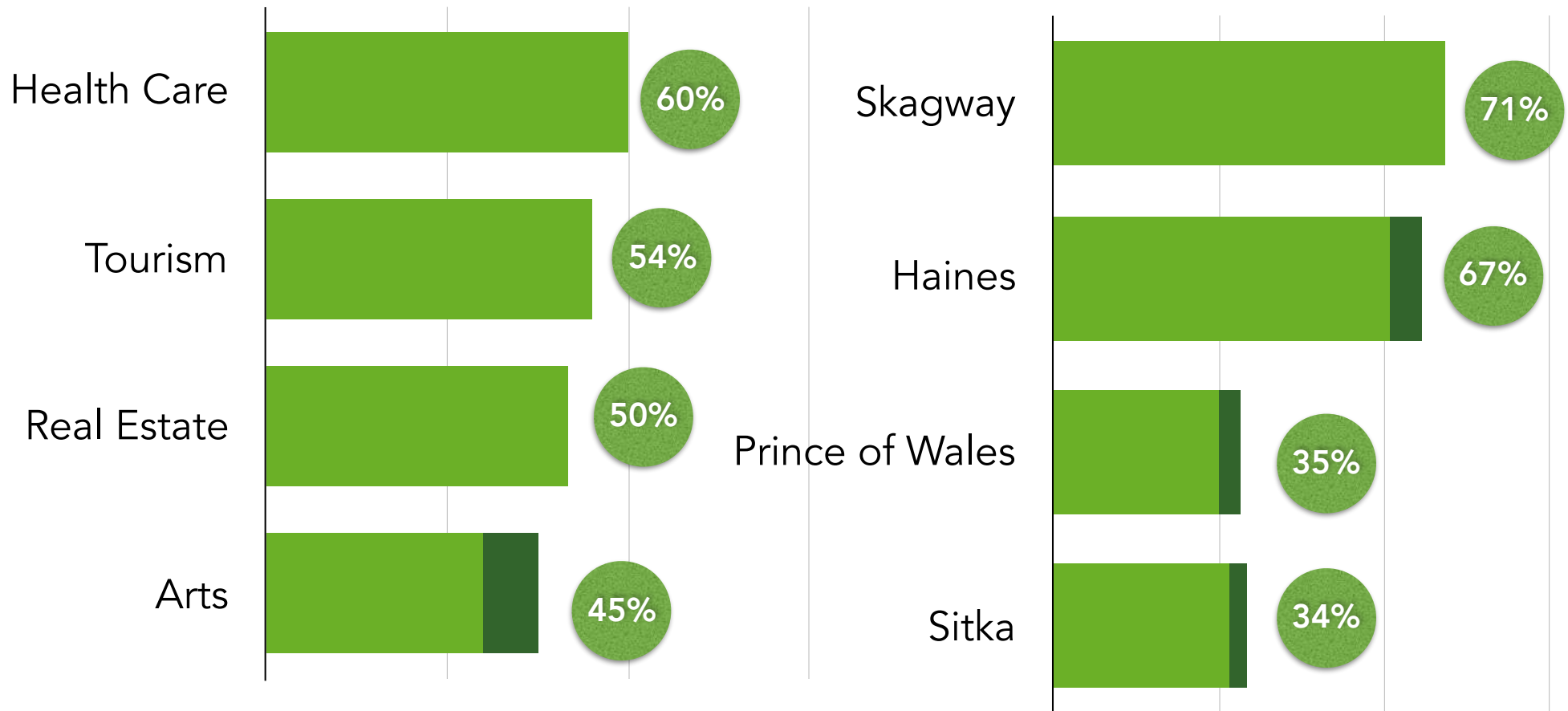
What is the economic outlook for your business or industry compared to last year?

By Industry

By Community

■ Better

■ Much Better



NATIONAL ASSOCIATION OF
DEVELOPMENT ORGANIZATIONS

- 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...**”

Southeast Alaska 2020 Economic Plan

Southeast Conference’s Comprehensive
Economic Development Strategy
2016-2020



May 2016



Prepared by
Rain Coast Data



Fortunately

by REAY CHARLIP

**Tourism
Health Care
Mining**



unfortunately

**State Fiscal Crisis
Seafood Volatility**



2019 Southeast Economic Theme

SOUTHEAST ALASKA

by the Numbers 2018



**SOUTHEAST
CONFERENCE**

Thank You



**Rain Coast
Data**