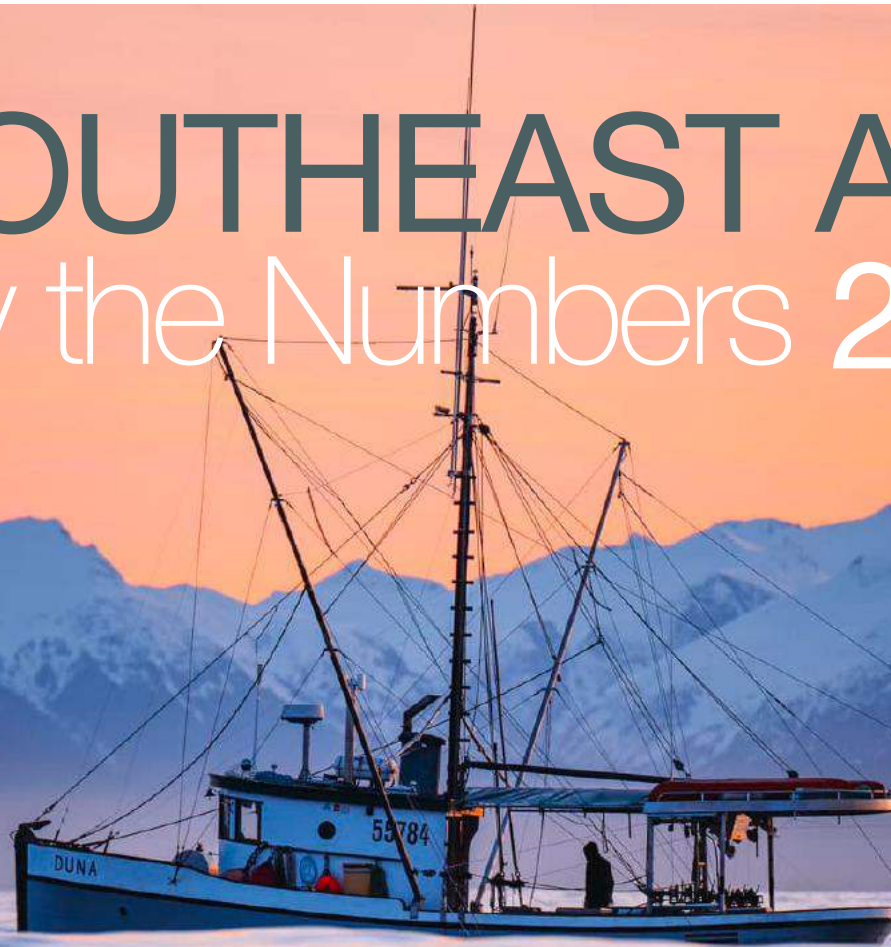




**SOUTHEAST
CONFERENCE**

SOUTHEAST ALASKA

By the Numbers 2024



**Rain Coast
Data**

2023

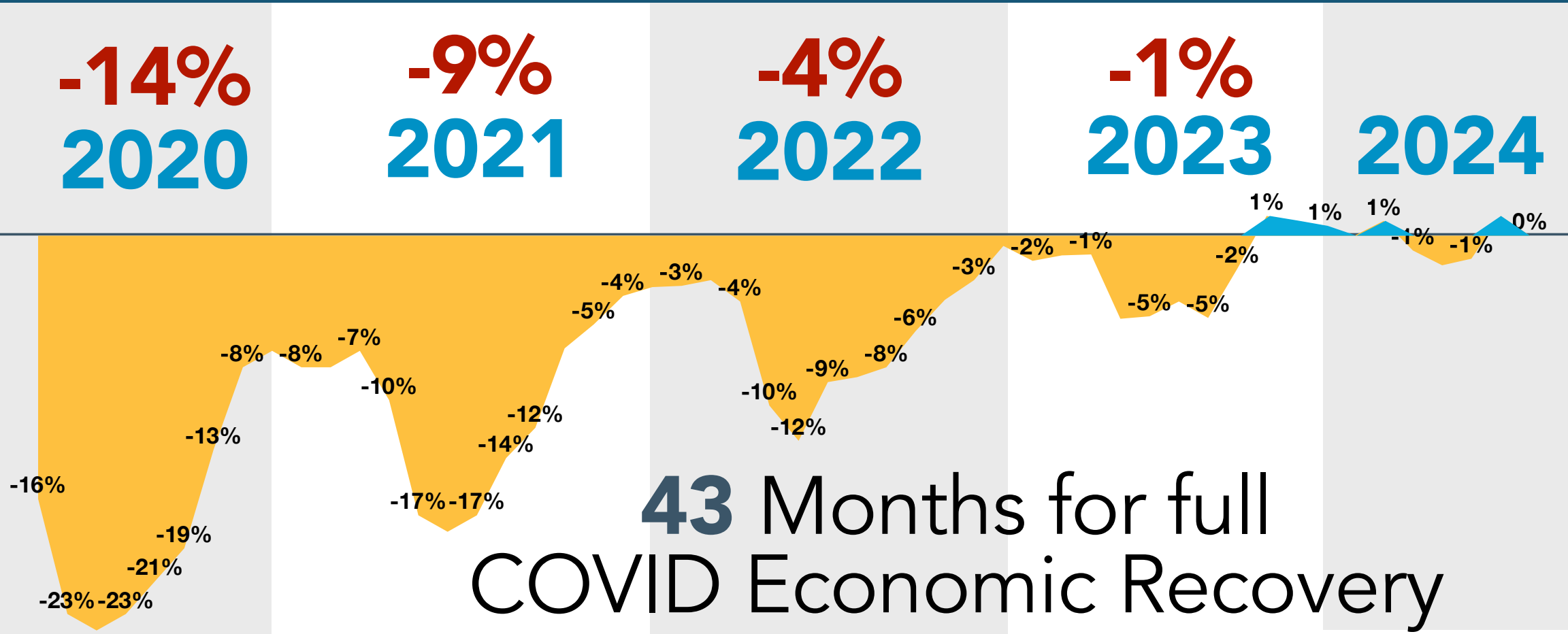
compared to 2022

Jobs +3%

+1,400

(Year-round-equivalent jobs)

Jobs finally back to 2019



Compared to the same pre-pandemic month in 2019

Federal Investment

- Infrastructure Bill = \$334 million+
 - Build Back Better (Mariculture) = \$49 million
 - RAISE = \$45 million
 - Southeast Alaska Sustainability Strategy = \$25 M
 - Covid Relief = \$600 million
 - Inflation Reduction Act = \$60 M
 - HUD \$31 million
 - Other \$200 million
- = \$1.5 Billion**

Southeast Alaska Employment Change 2019 to 2023

Hyder -19%

-13%

Angoon

-9%

Wrangell

-6%

Prince of Wales

-6%

Skagway

Metlakatla -2%

Ketchikan -2%

Petersburg -2%

Juneau -1%

Haines -1%

Kake -1%

Sitka 1%

Klukwan 6%

Yakutat 21%

Hoonah 21%

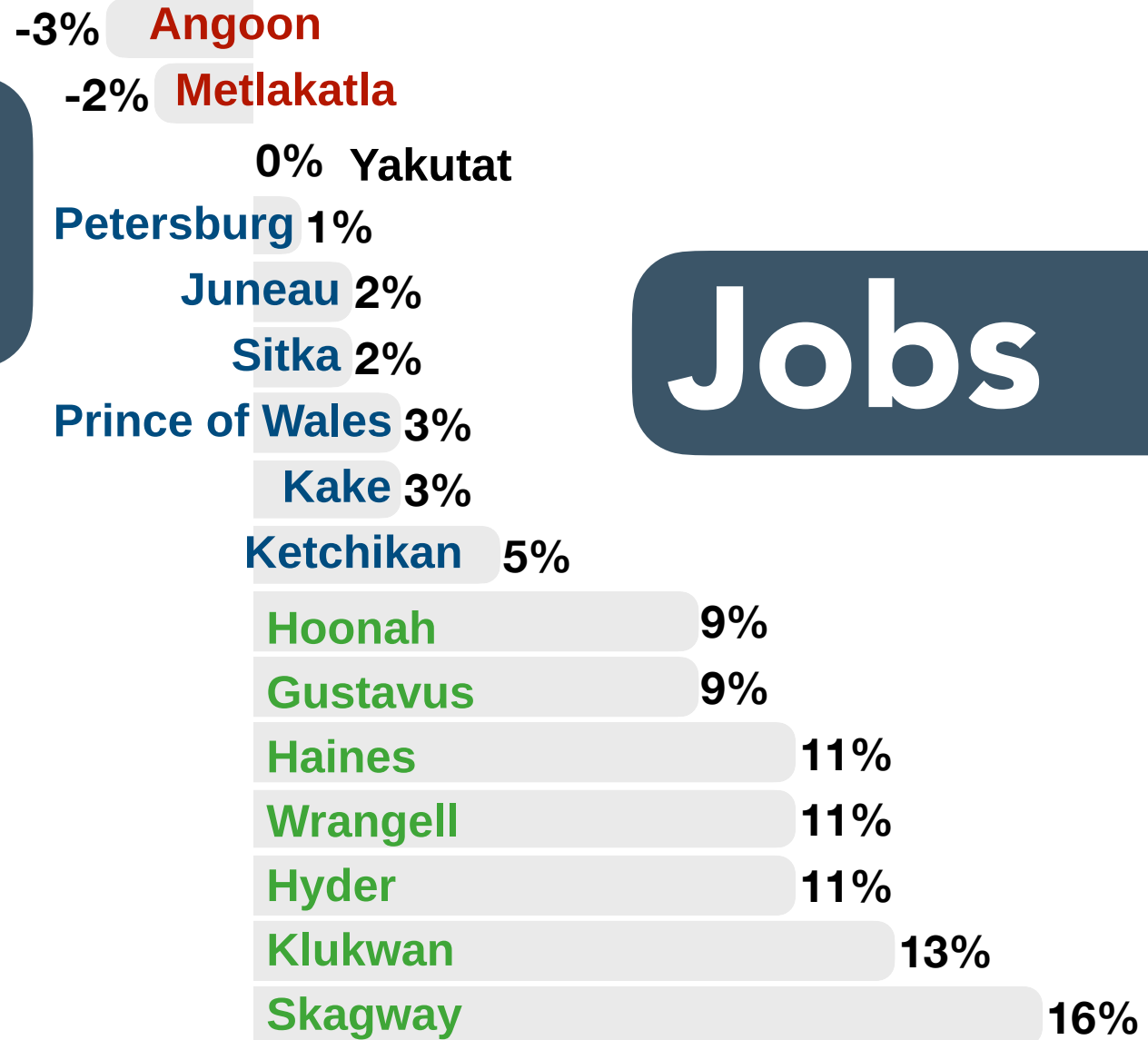
Gustavus 37%

Jobs

Thanks to Alaska Department of Labor for data

Southeast Alaska Employment Change 2022 to 2023

Juneau = +400
Ketchikan = +320
Skagway = +140
Wrangell = +75
Sitka = +75
Hoonah = +45
POW = +45
Gustavus = +25



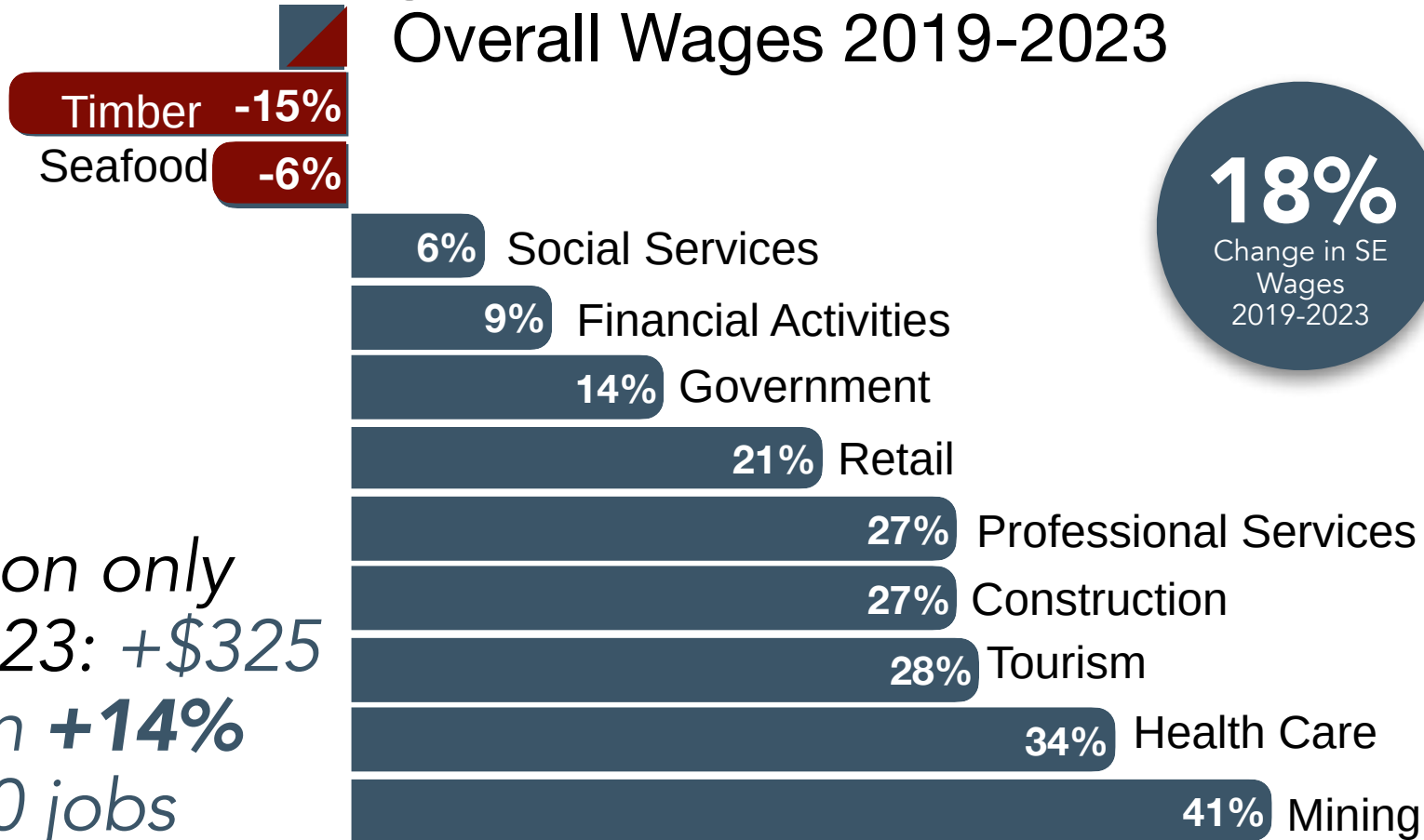
Wages +5%

+\$120
million

Overall Wages 2019-2023

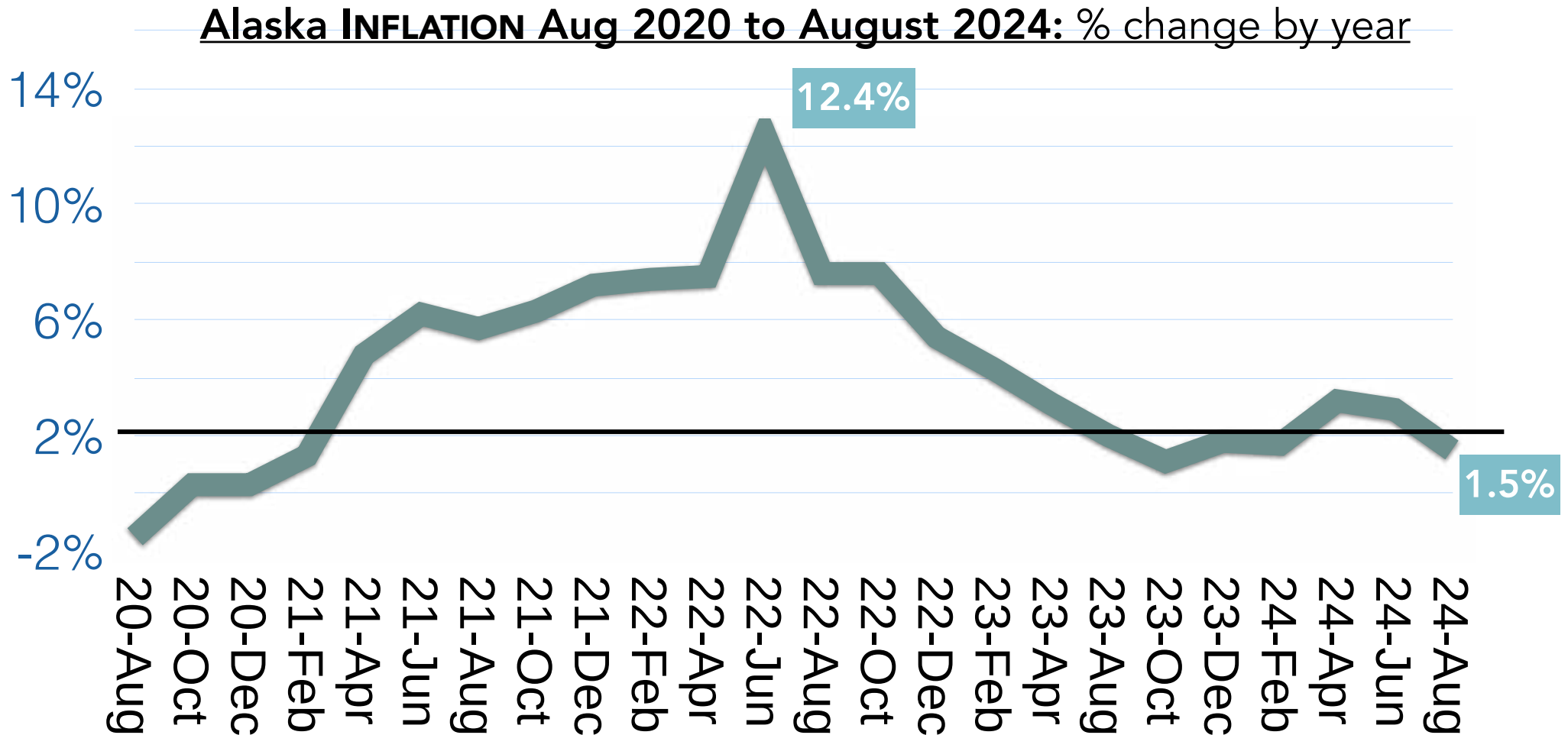
Change in Overall Wages 2019-2023: +\$420 million

Overall Wages 2019-2023

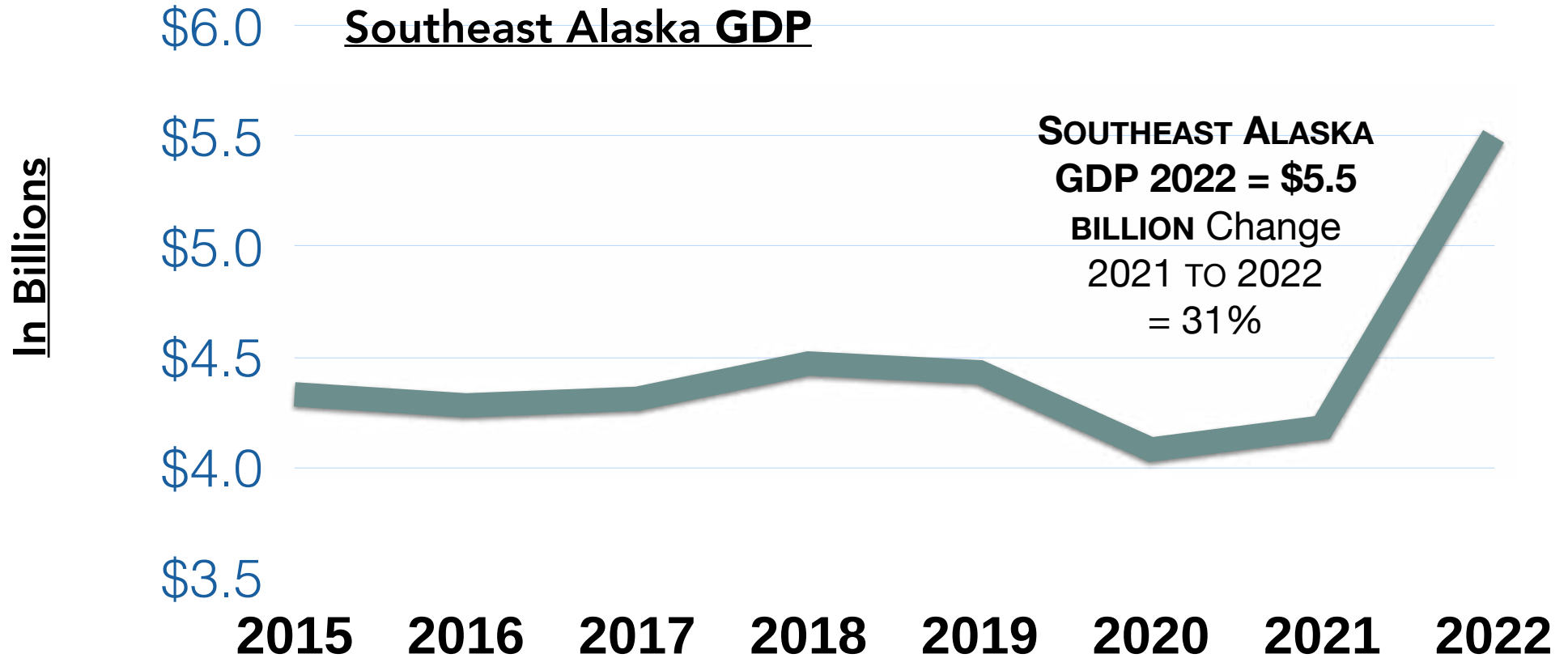


Inflation only
2019-2023: +\$325
million **+14%**
-200 jobs

Inflation has Normalized



Regional GDP is Up



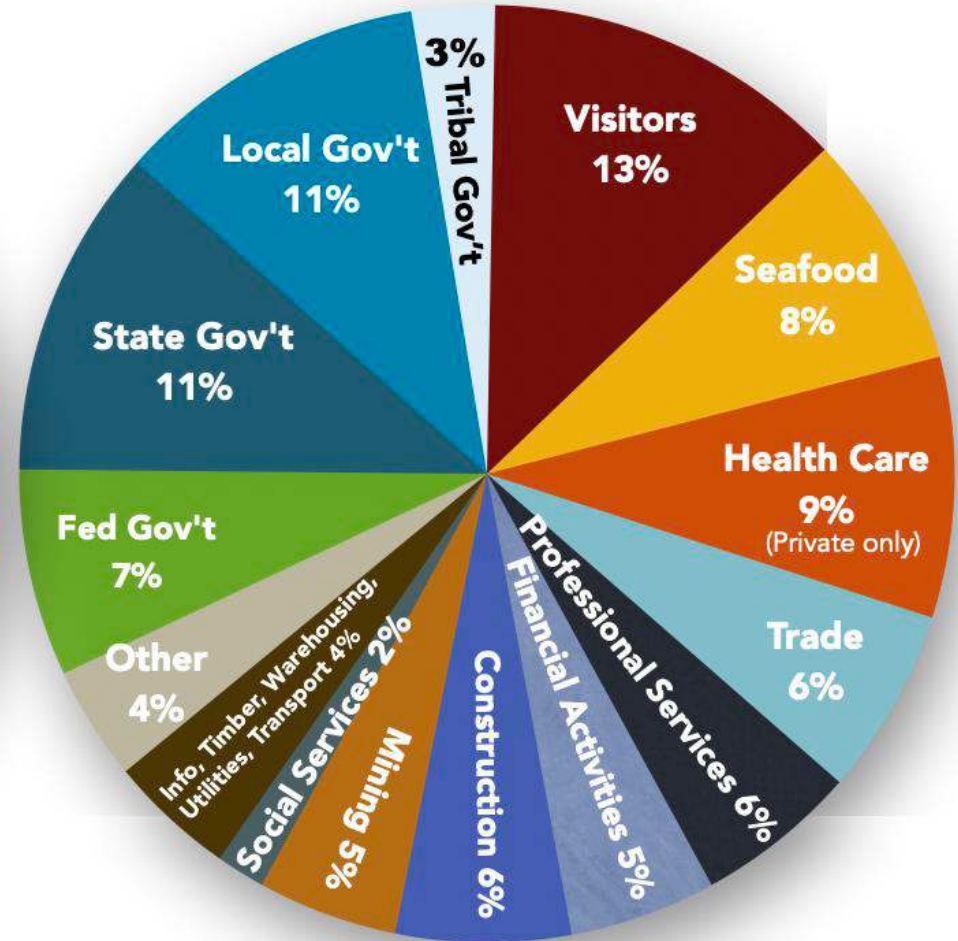
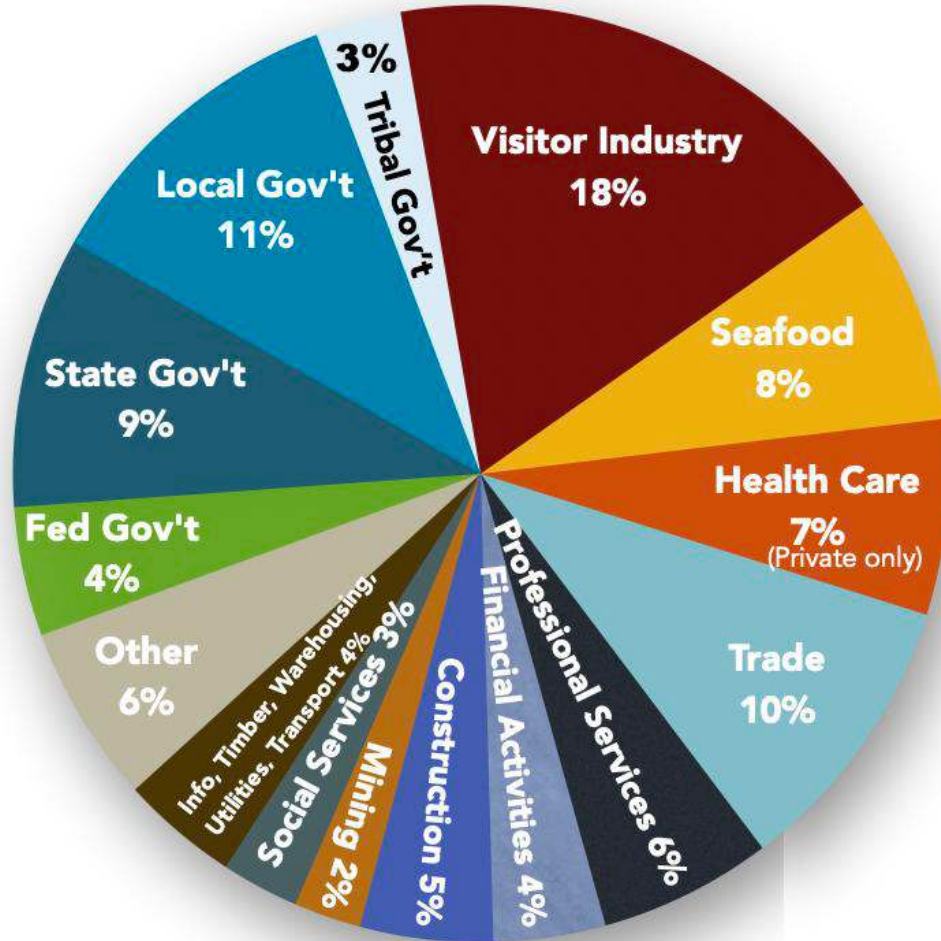
The Whole **Southeast Alaska Economy** 2023

45,883 Jobs

UP 1,400 JOBS IN 2023 +3%

\$2.8 Billion Earnings

UP \$120 MILLION +5%



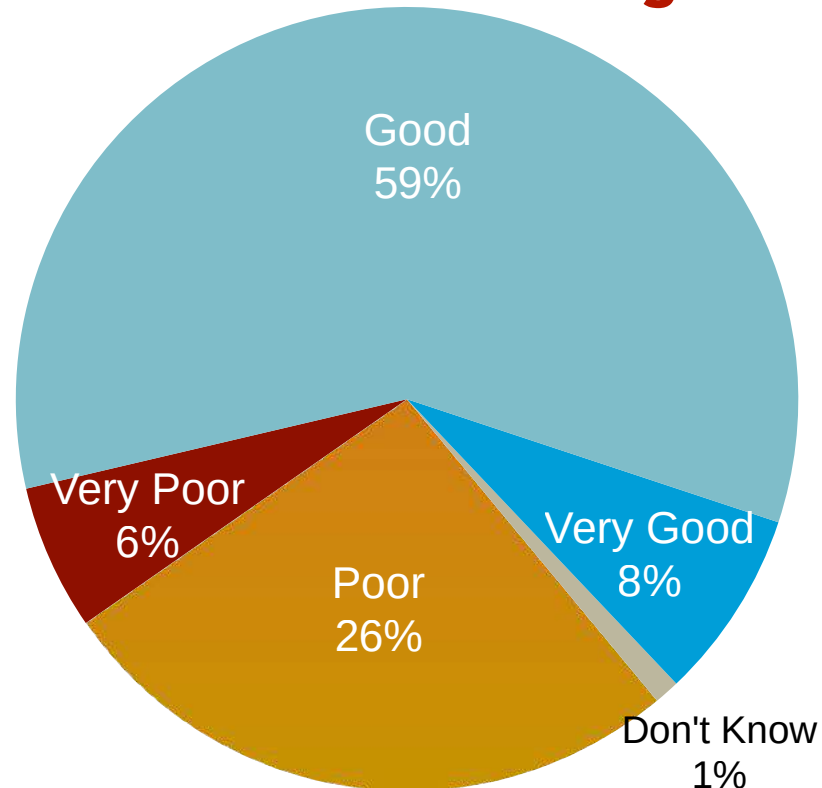
2nd Best Business Climate Since Survey Started in 2010

Southeast Alaska: How do you view the overall business climate **right now**?

67% Positive / **32% Negative**

In 2024, Southeast Alaska business leaders reported the 2nd **best business climate since the survey began** in 2010.

Two thirds of all business leaders in the region — called the business climate good or very good; while 32% called it poor or very poor.



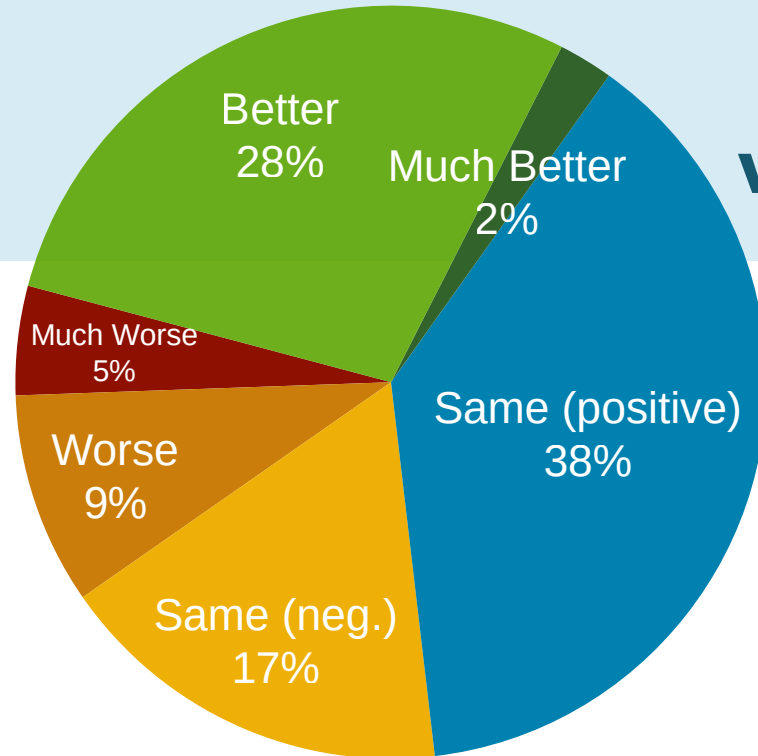
440
Business
Leaders

11,000 workers
25 communities
22 sectors

Best: Tourism, Finance
Worst: Seafood, Timber

The Outlook is also Solid

Southeast: What is the economic outlook for your business or industry?



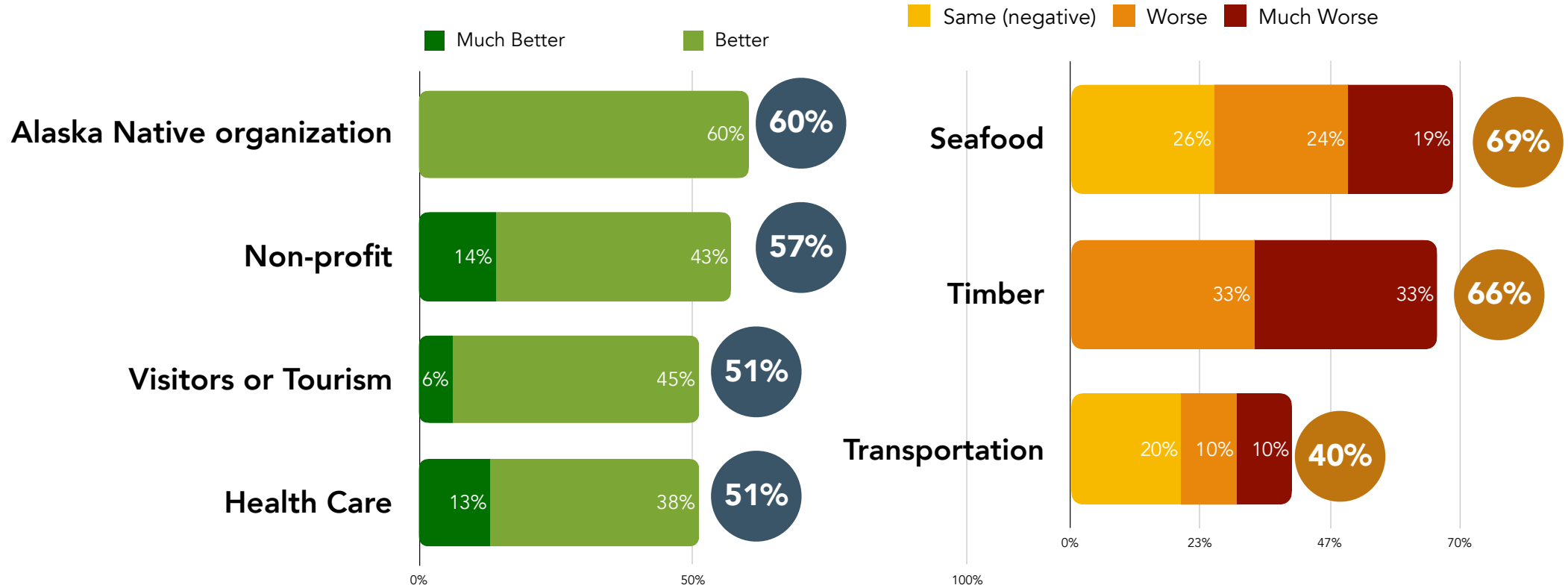
30% say next year will be even better

**31%
Negative**

**68%
Positive**

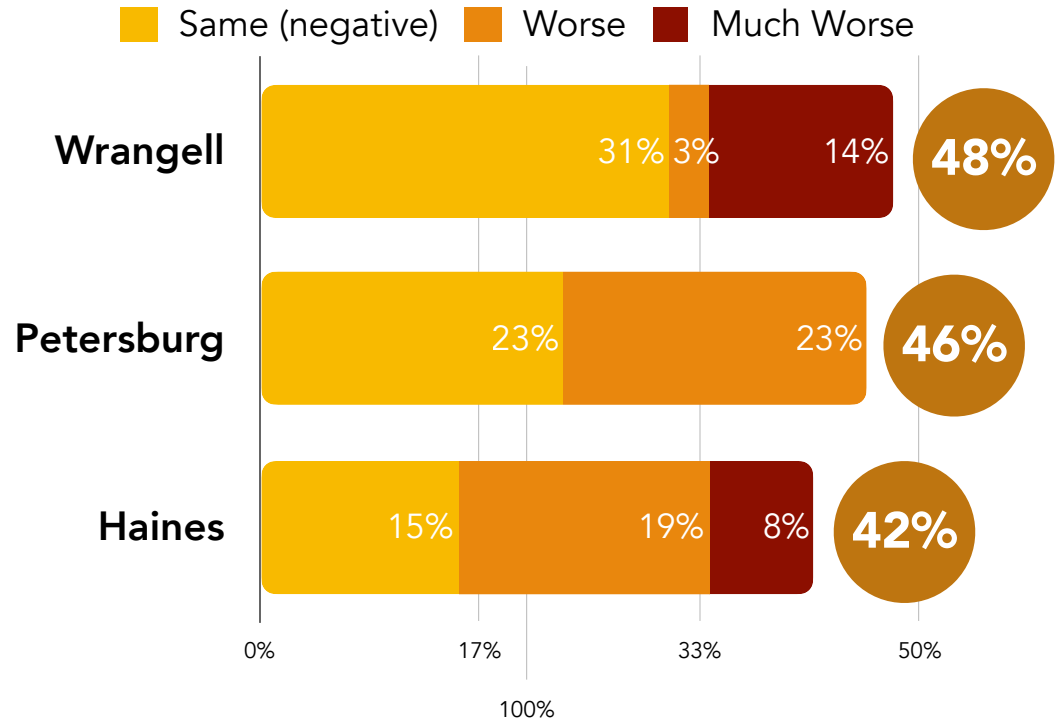
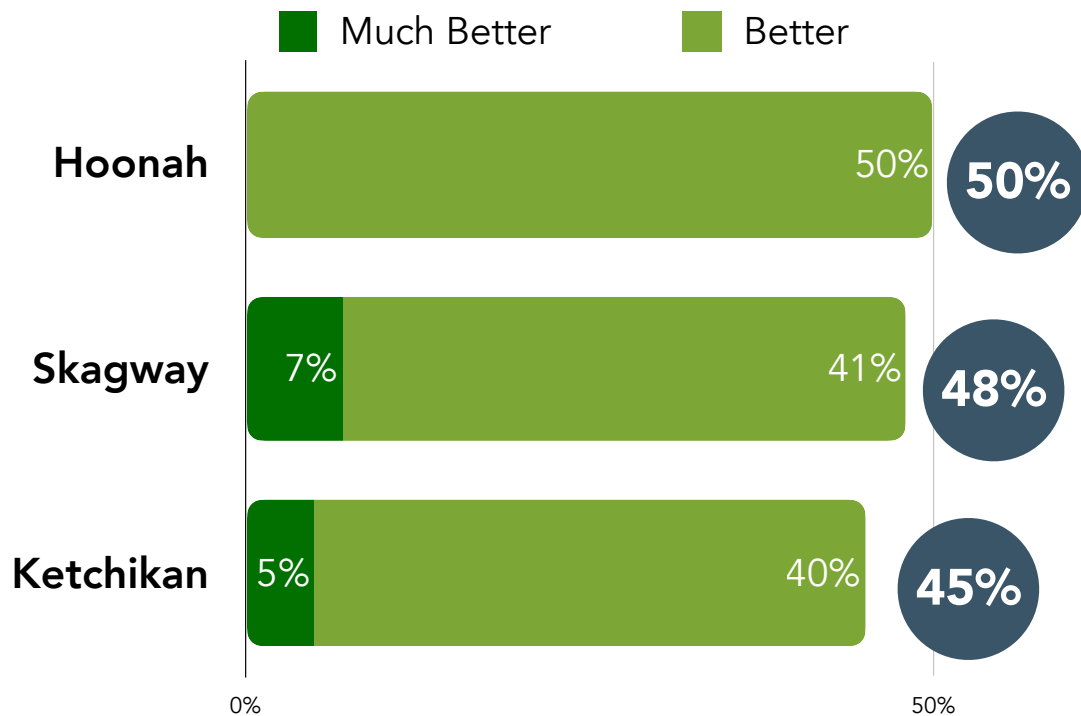
Southeast Economic Outlook: by Industry

2024: What is the economic outlook for your business or industry?

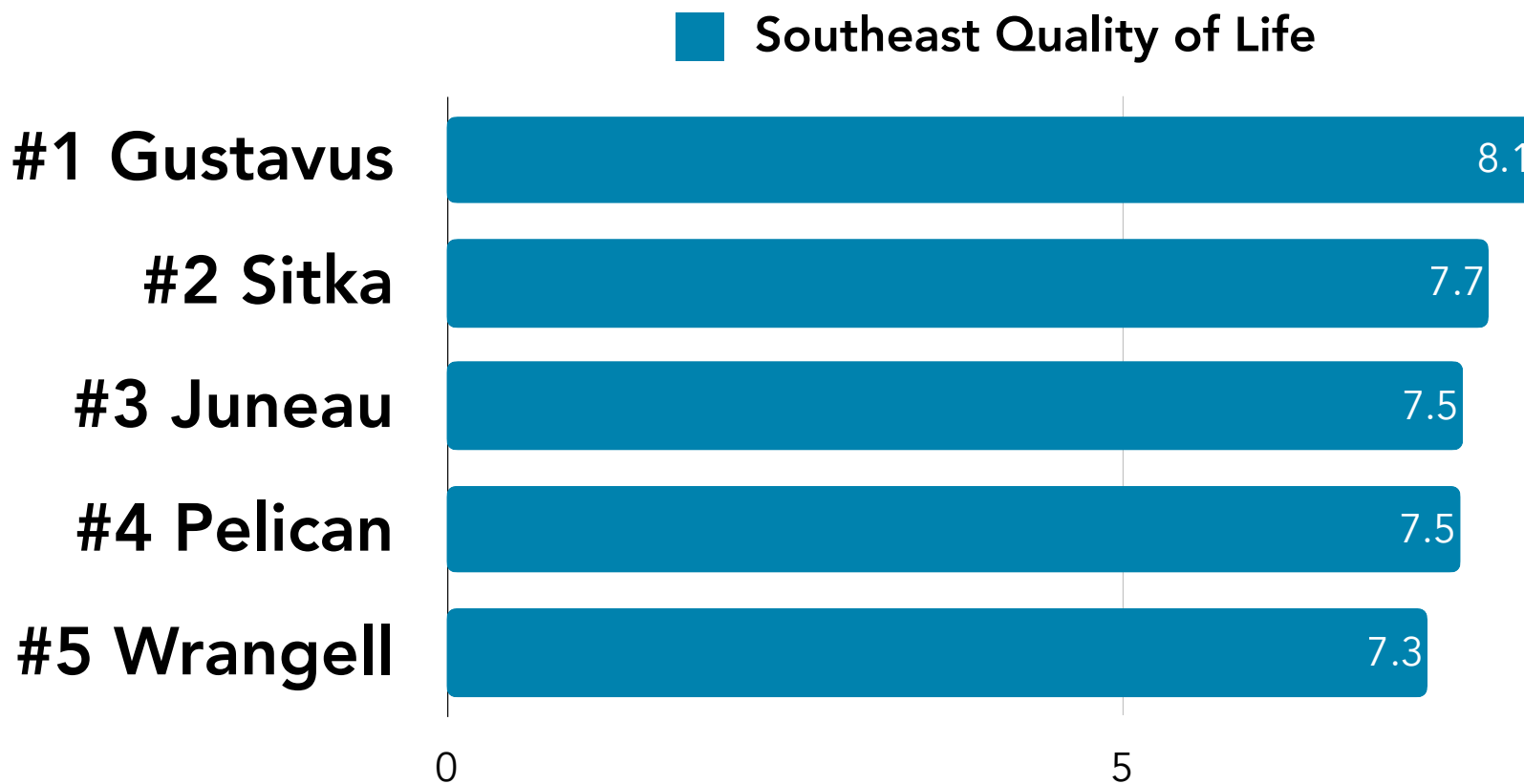


Southeast Economic Outlook: by Community

2024: What is the economic outlook for your business or industry?



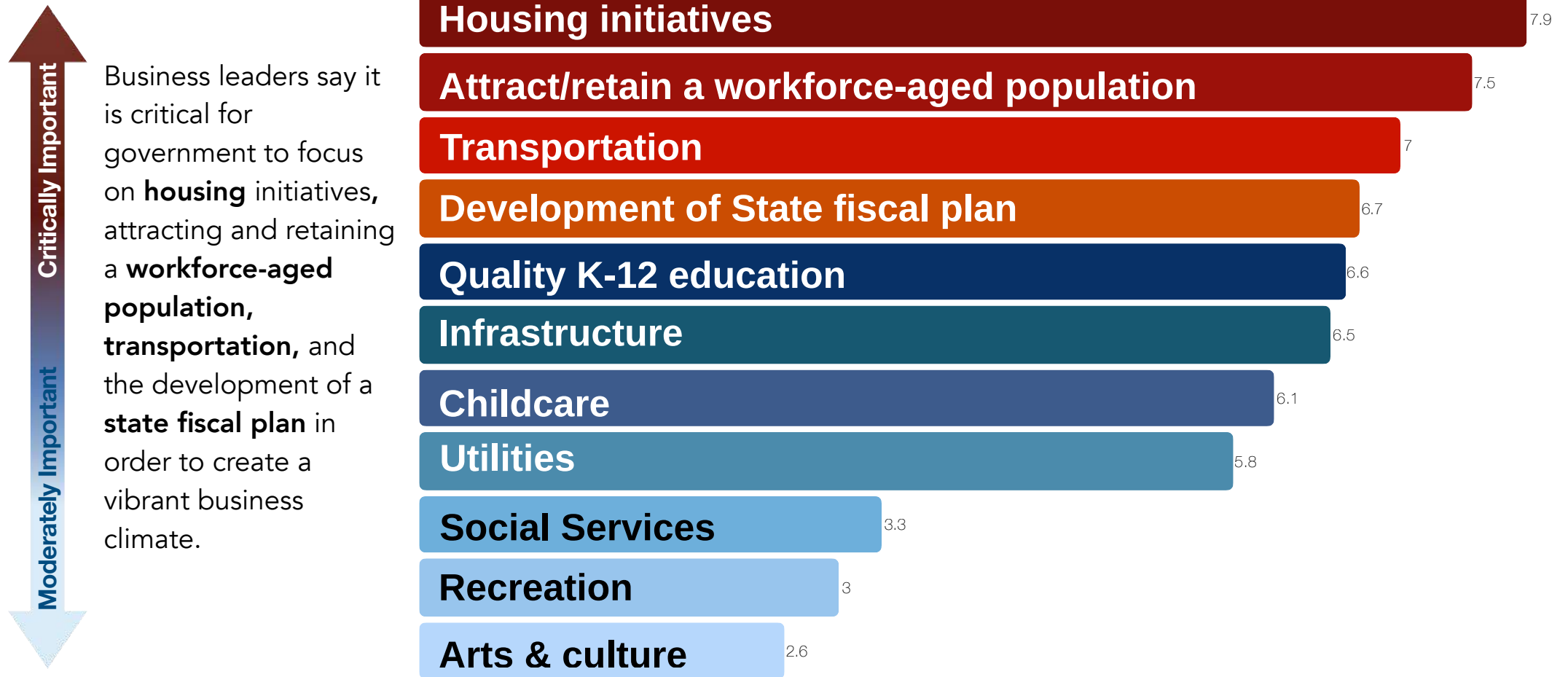
Best Quality of Life in Southeast Alaska



7.3
SE Quality of Life

Creating A Vibrant Business Climate: How important is it to focus on these factors over the next five years?

Southeast Alaska business leaders were asked to rank the importance of focusing on 11 key element necessary for creating a vibrant business climate. This is a weighted ranking of their responses.



The voices of business leaders

“There is potential for growth, but staffing is a major constraint and will hold us back.”



Tourism

8,300 jobs

Passenger Arrivals 2023

+ 1 1/2 Million
People

(Air, cruise, ~~ferry~~)

compared to 2022

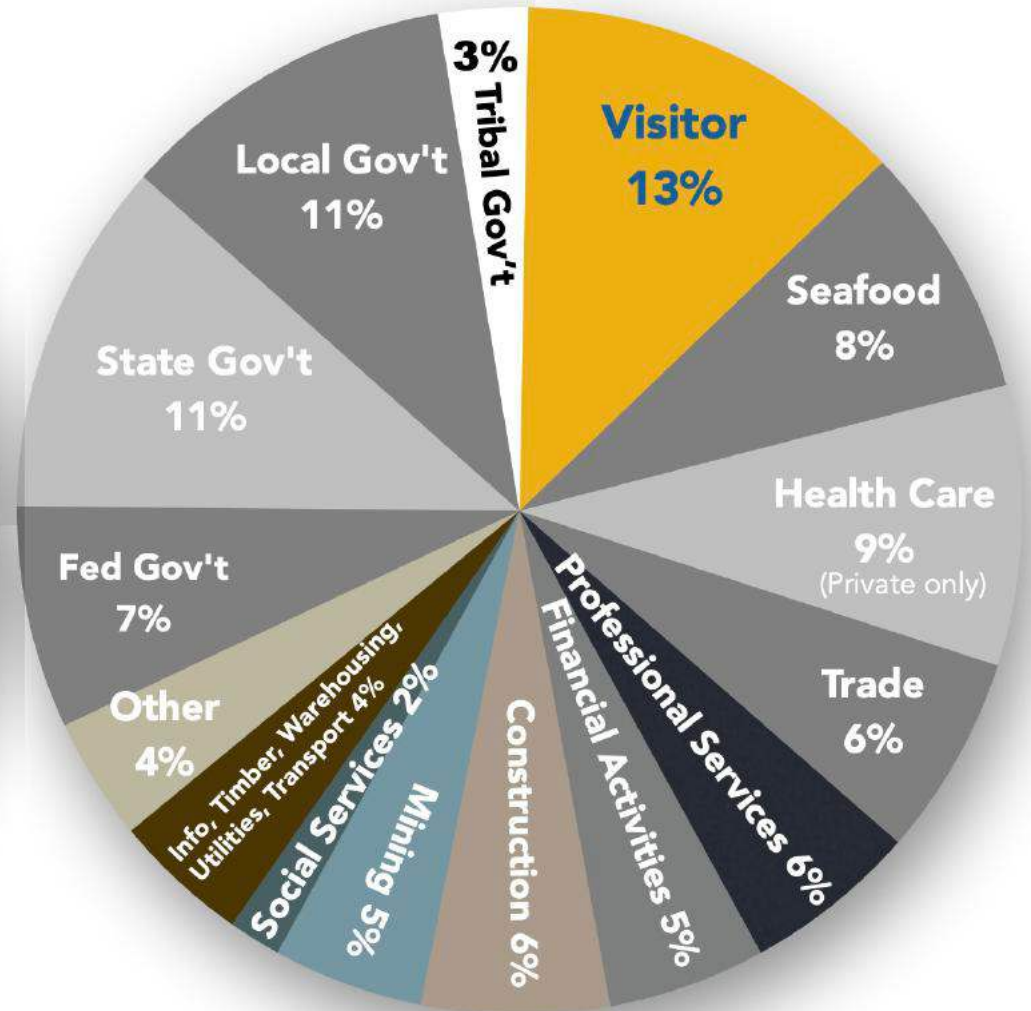
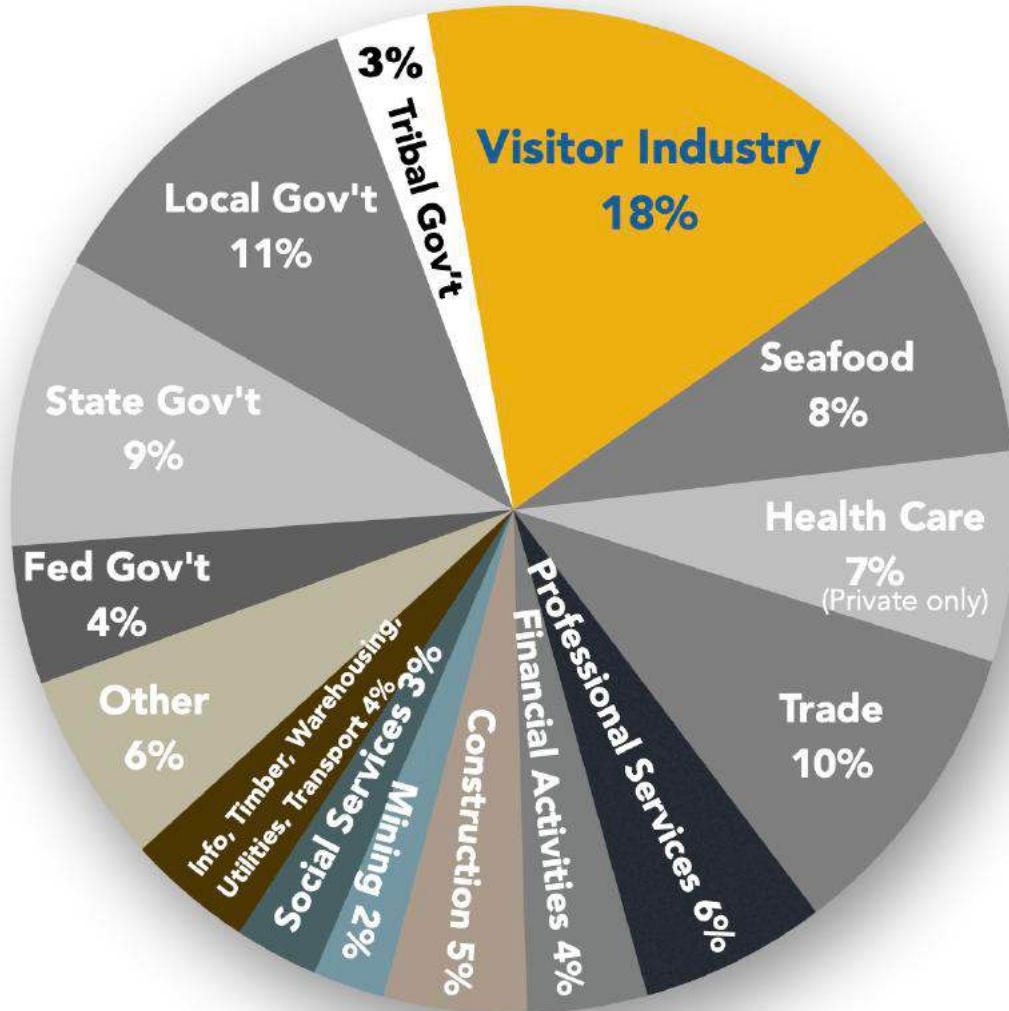
TOURISM

**UP 26% JOBS IN 2023 +1,700
WAGES UP BY 44%, +\$106 M**

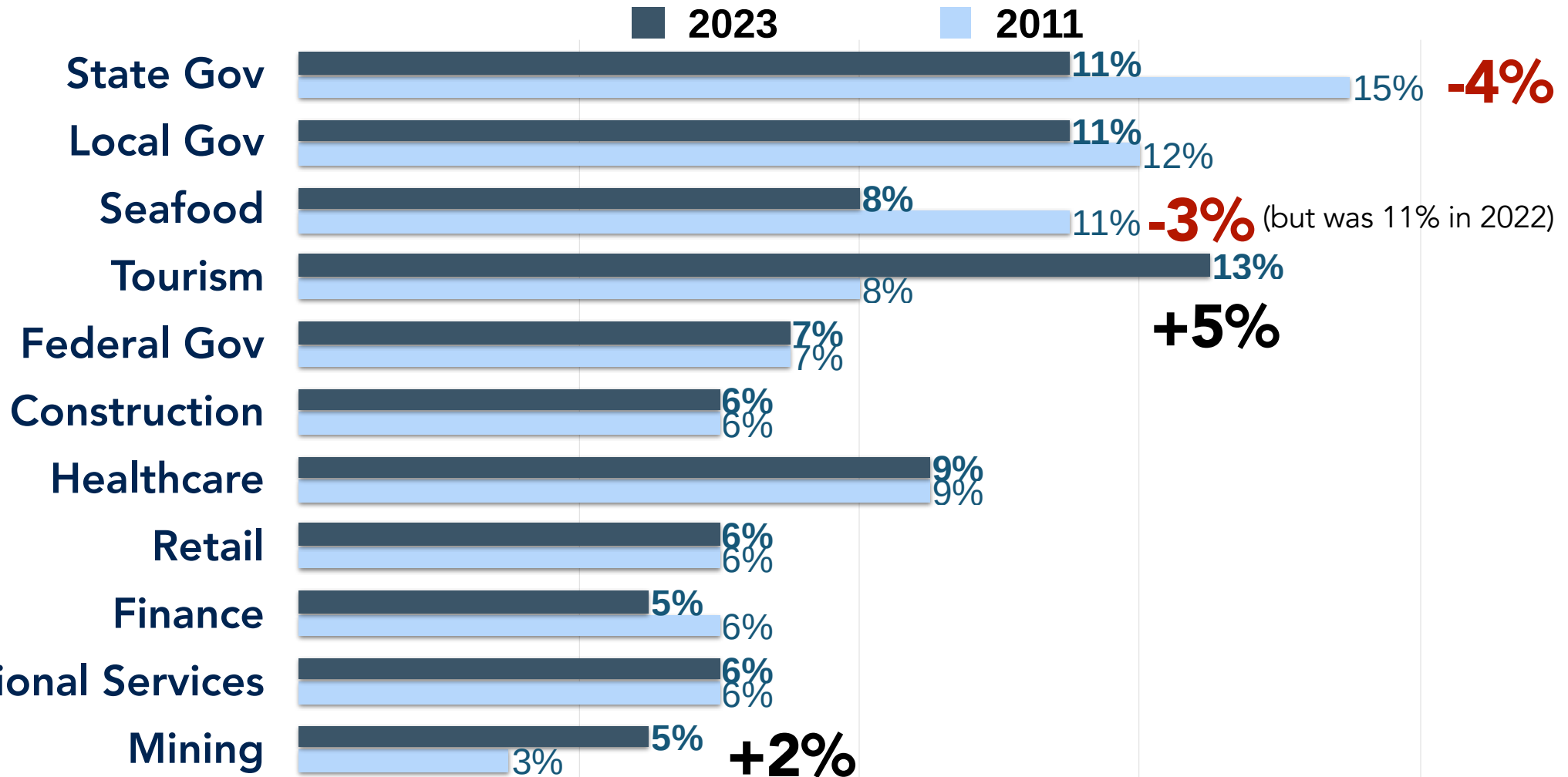


Tourism now #1 job provider, #1 wage provider

8,300 Annualized Jobs \$347 Million Earnings



Overall Wages as a % of Economy 2011-2023

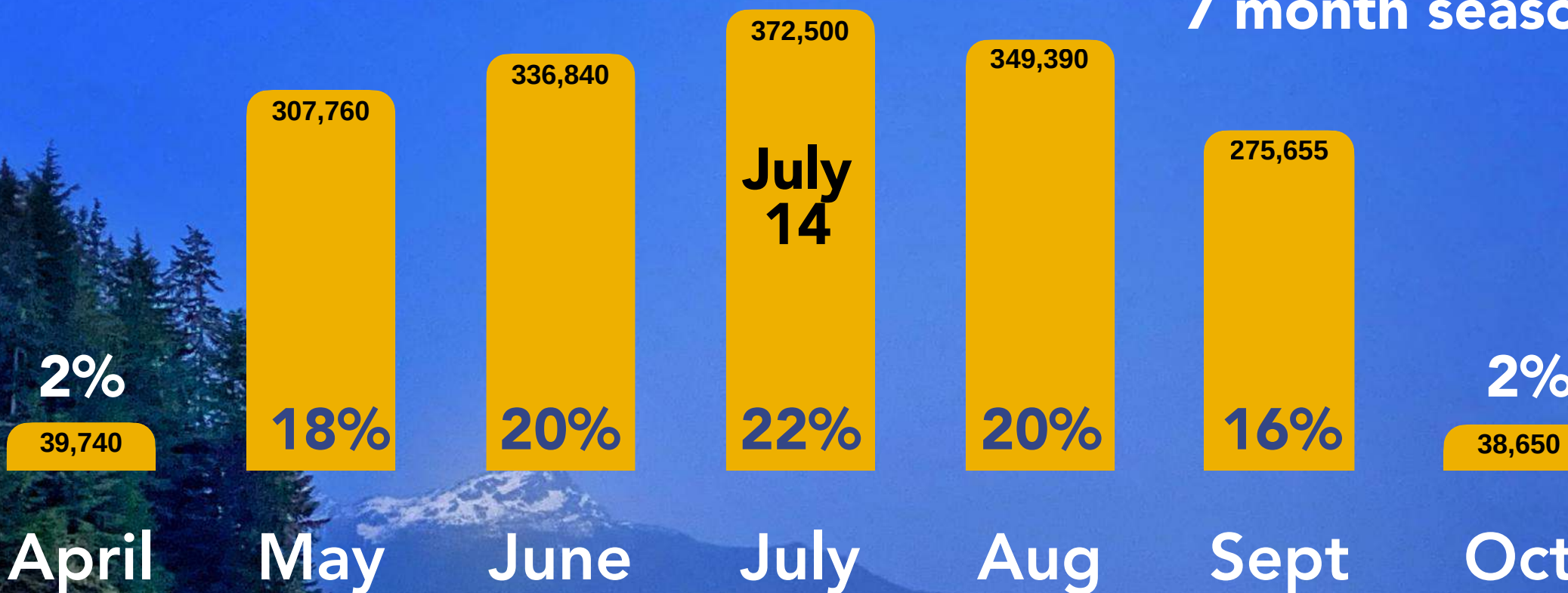


CRUISE

SE Passengers



7 month season



First Ship 2024 - April 8th
Last Ship 2024 - October 21th
First Ship 2026 - April 26th
Last Ship 2026 - October 6th
30+ days shorter

2024

CRUISE
SE Passengers

Regional **Passenger Abatement Strategies**

Moving into 2025 and 2026, regional cruise ship passenger numbers are expected to be slightly smaller. This is due to three significant agreements between local communities and the larger cruise industry:

1) 5-Ship Limit: In 2024, the CBJ started enforcing a 5-ship-per-day limit, a recommendation of the community's Visitor Industry Task Force, and agreed to by the industry.

2) Daily Caps: CBJ worked with the cruise lines to set a daily agreed upon limit of 16,000 on weekdays and 12,000 on weekends, which will be enacted in 2026.

3) Shorter Season: Also in 2026, the cruise season will be significantly shorter. Instead of starting in early April, the 2026 cruise season is currently slated to begin on April 28th, and instead of running through the end of October, the season will end on October 6th.

These three changes are intended to cap significant overall cruise passenger growth and includes an agreement to meet annually to balance the schedule.

Tourism

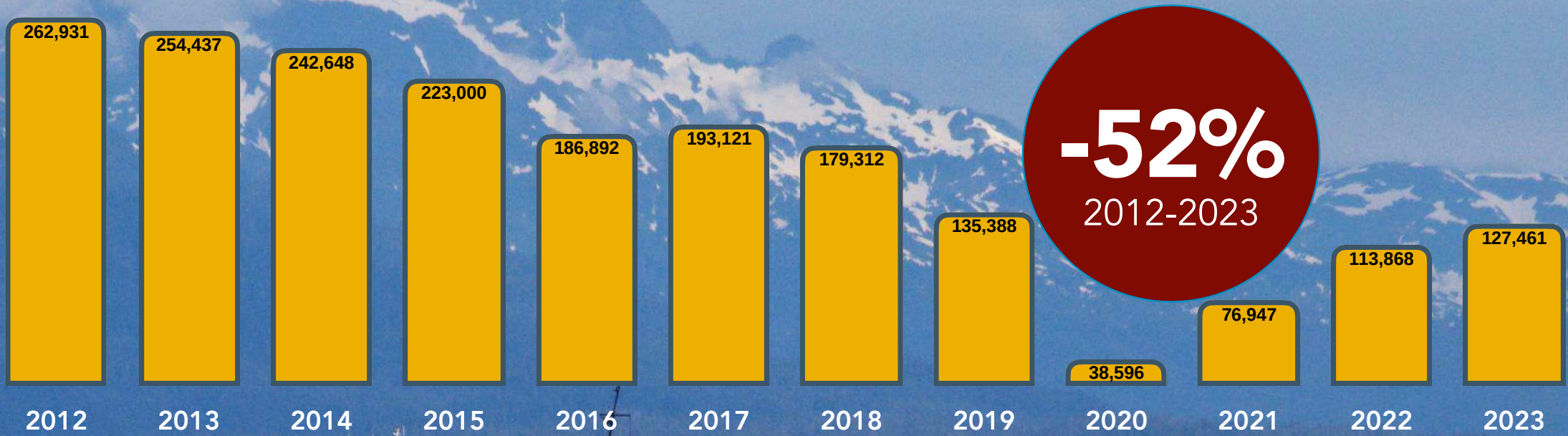
"Sales are definitely up, but so are expenses."

Arriving Air Passengers Jan-Aug

Highest ever

54%
2012-2024





AMHS
SE Passengers

**Alaska DOT Receives \$177 Million
Grant to Modernize Ferry Services**

Transportation (non tourism)

*"Hiring is very difficult.
Not enough skilled
workers. Alaska is failing
to develop workers."*

Seafood 3,600 jobs



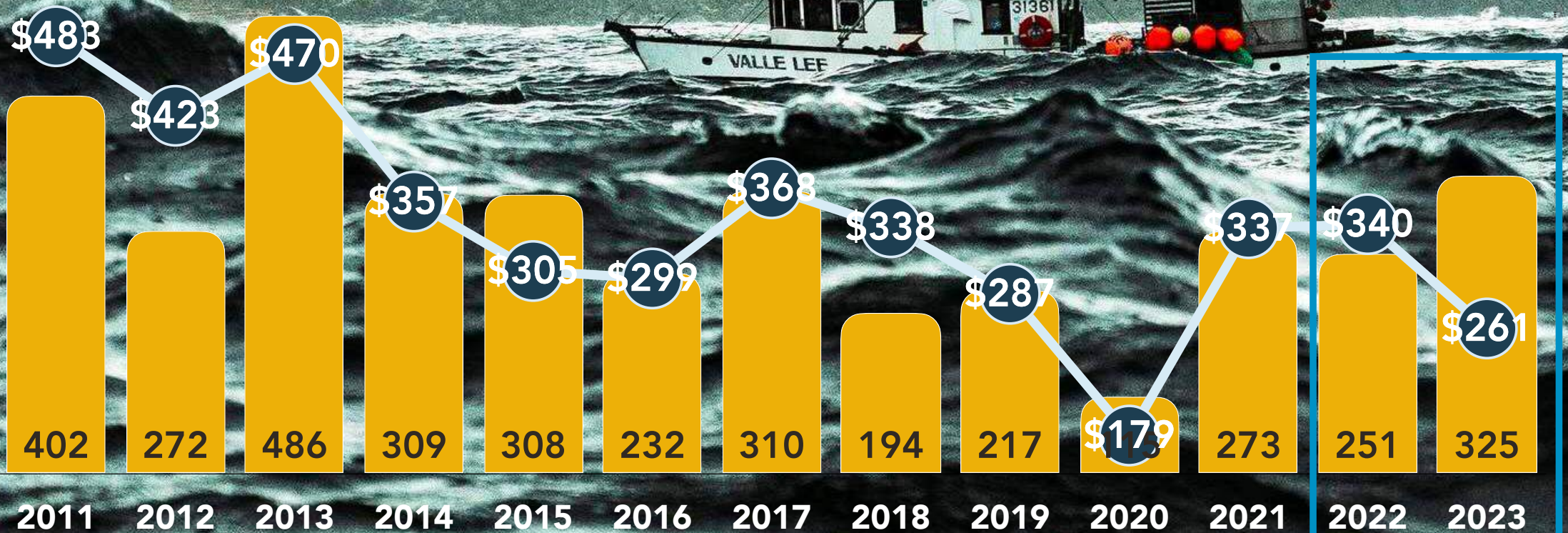
SEAFOOD

LARGEST CATCH IN A DECADE

Total **POUNDS** +29%

Total **VALUE** -20%

- Inflation Adjusted Value to Fishermen (millions)
- Landed Pounds (millions)



2023 CATCH VALUE COMPARED TO 2022

-\$66

**Decreased Catch
Value in Millions**

-20%

Biggest catch by pounds since 2013



Value Added Seafood Processing Down

\$508

Value of Seafood
Processed in
Millions **-34%**

SEAFOOD CHALLENGES

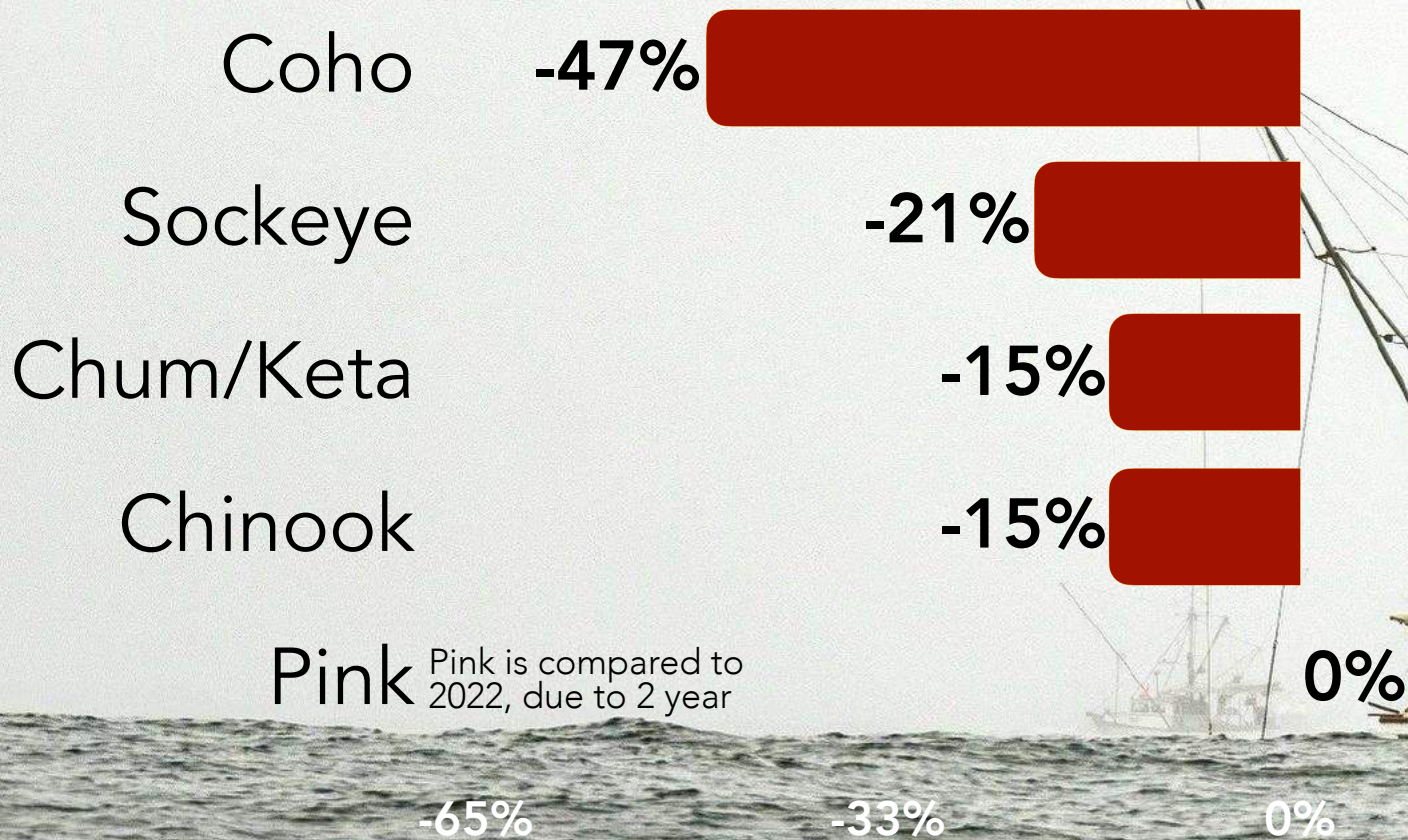
- Global **downturn in seafood demand**
- Salmon overfishing in **Russia**
- Massive **inventory backlog**
- Crash of **salmon prices**
- **Processor turnover** - Trident sold Petersburg plant to EC Phillips, and Ketchikan to Silver Bay.
- Troller fleet targeted



Seafood Outlook 2024

“The steep decline of the salmon market has made my commercial fishing business unviable. I will not be able to afford to pay deckhands to work with me on my vessel, and I will work all summer to break even without making a profit.”

2024 **CATCH** COMPARED TO 2023



Prices are up slightly, but catch is down

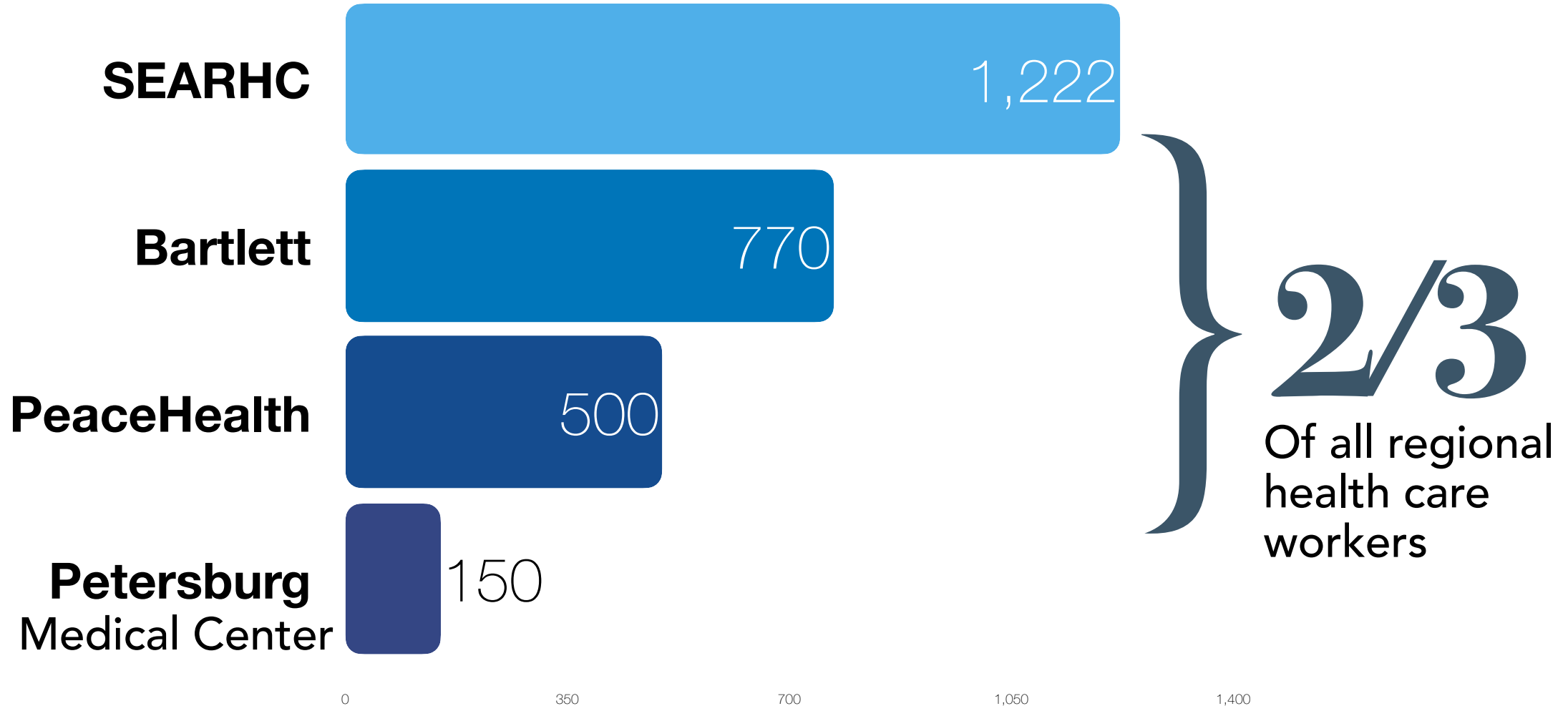


HEALTHCARE

**UP 88 JOBS IN 2023 1%
WAGES UP BY 9%, \$24 M**

3,900 jobs

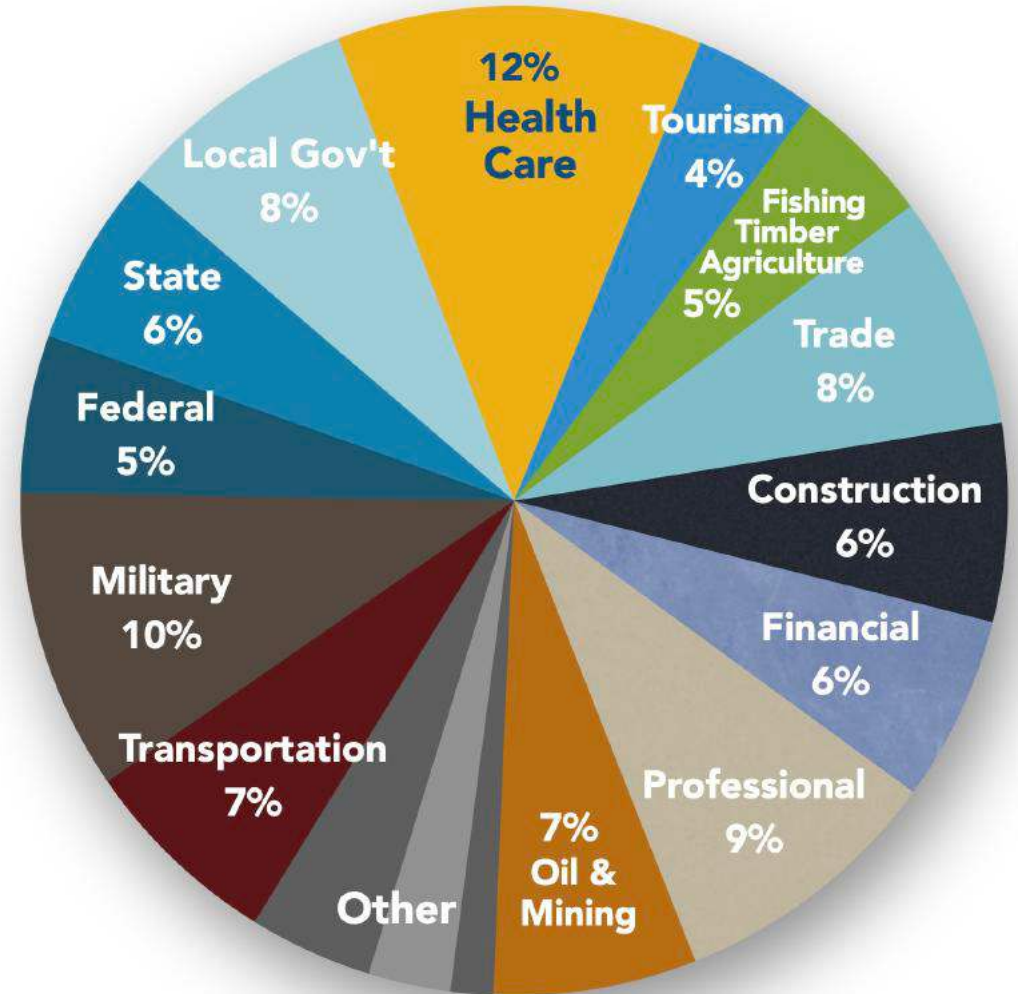
Top Health Care Employers Southeast



Alaska Workforce Earnings

Workforce earnings in healthcare are higher than any other sector in Alaska

\$3 billion in direct wages



Total SE Alaska Healthcare Wages in Millions

79%
wage growth
over 10 years



Healthcare

"The labor pool is our bottle neck. "Pool" is an oxymoron it is a dried up mud hole. We can not afford to continue to raise wages."

A full-page background image of a mining tunnel. A miner wearing a brown hard hat with a headlamp, safety glasses, and a high-visibility yellow jacket is standing next to a surveying instrument mounted on a tripod. The instrument is emitting a red laser beam. The tunnel walls are dark and rocky, with some white and red markings. A yellow cone of light is visible in the upper center of the frame.

MINING

UP 59 JOBS IN 2023
WAGES UP BY 12%

1,060 jobs

Top Mining Employers Southeast

Hecla
Greens Creek

520

Coeur
Kensington

369

Dawson 48



Silver per ounce

Gold per ounce

Average Gold Prices 2008 to 2024

Gold's continued upward trajectory, reaching at an all-time record high of **\$2,653** per ounce this week.

● Silver ■ Gold

Why does gold rise: To protect against economic uncertainties



\$2,700

+27%

\$2,067

\$1,433

\$800



Mining

"The forecast for mining in the near term is positive with high metals prices and solid production. However, the industry continues to be challenged by the shortage of skilled labor."

CONSTRUCTION

2,100 jobs



UP 72 JOBS IN 2023
WAGES UP BY 9%

We rely on federal funding to drive construction sector

Infrastructure Act Awards in SE

Area	Millions
Juneau Borough	\$37.1
Ketchikan Borough	\$18.2
Sitka Borough	\$9.5
Petersburg Borough	\$10.9
Haines Borough/Klukwan	\$6.7
Wrangell Borough	\$29.5
Skagway Borough	\$20.5
Yakutat Borough	\$13.3
Prince of Wales Island	\$22.0
Hoonah	\$43.1
Metlakatla	\$19.7
Angoon	\$11.7
Kake	\$5.2
Gustavus	\$3.6
Hyder, Tenakee, Elfin Cove, Pelican, Port Alexander	\$2.1
Other Regional	\$80.6

Total SE Investment **\$334 Million**

Alaska got the lowest August federal transportation allocation among states at \$19 million after error-filled submission

By Sean Maguire

Updated: 23 hours ago

Published: September 15, 2024



Construction/Engineering

“Lack of employees is crippling residential construction.

Our business continues to be negatively impacted by the lack of a meaningful State of Alaska Capital budget.”

GOVERNMENT

An illustration of a government office. Two people, a man and a woman, are sitting at a large desk, looking out a large window. The man is on the left, wearing a green jacket, and the woman is on the right, wearing a blue shirt. They are both looking out the window at a coastal town with colorful houses and boats in the harbor. The office is filled with papers, books, and a desk lamp. An American flag is visible on the right side of the room.

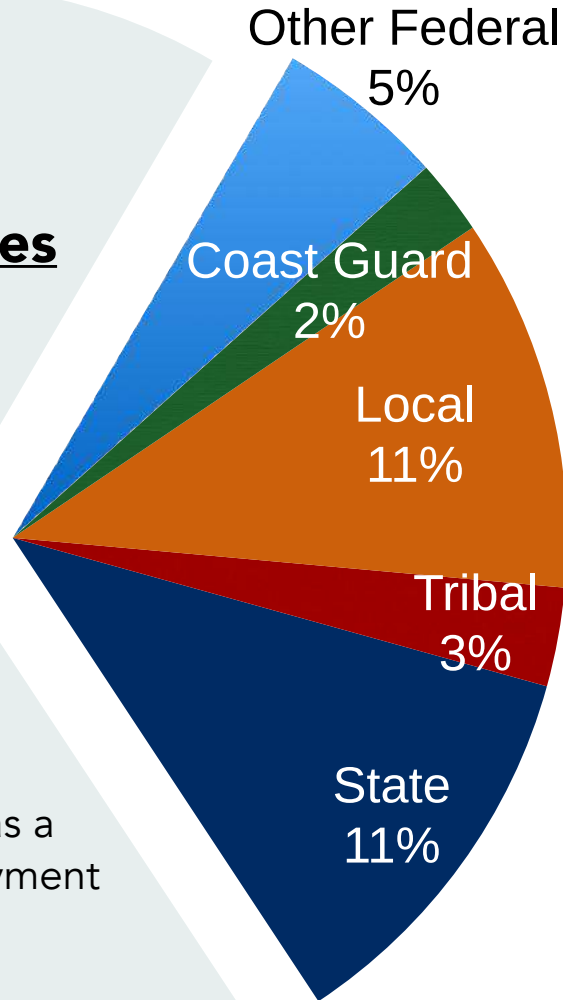
UP 134 JOBS IN 2023

WAGES UP BY 6%

Government Wages

=32%

Government wages as a
percentage of all employment
earnings
in 2023



Government Jobs 2023

Municipal 5,090 Jobs **+46**

State 4,287 Jobs **-47**

Federal 2,031 Jobs **+25**

Tribal 1,356 Jobs **+109**

=27%

Government jobs as a
percentage of all jobs
in 2023

Since 2022, State Gov added more than 1,000 new jobs outside of SE

SE Down 200 Jobs in 2022-2024

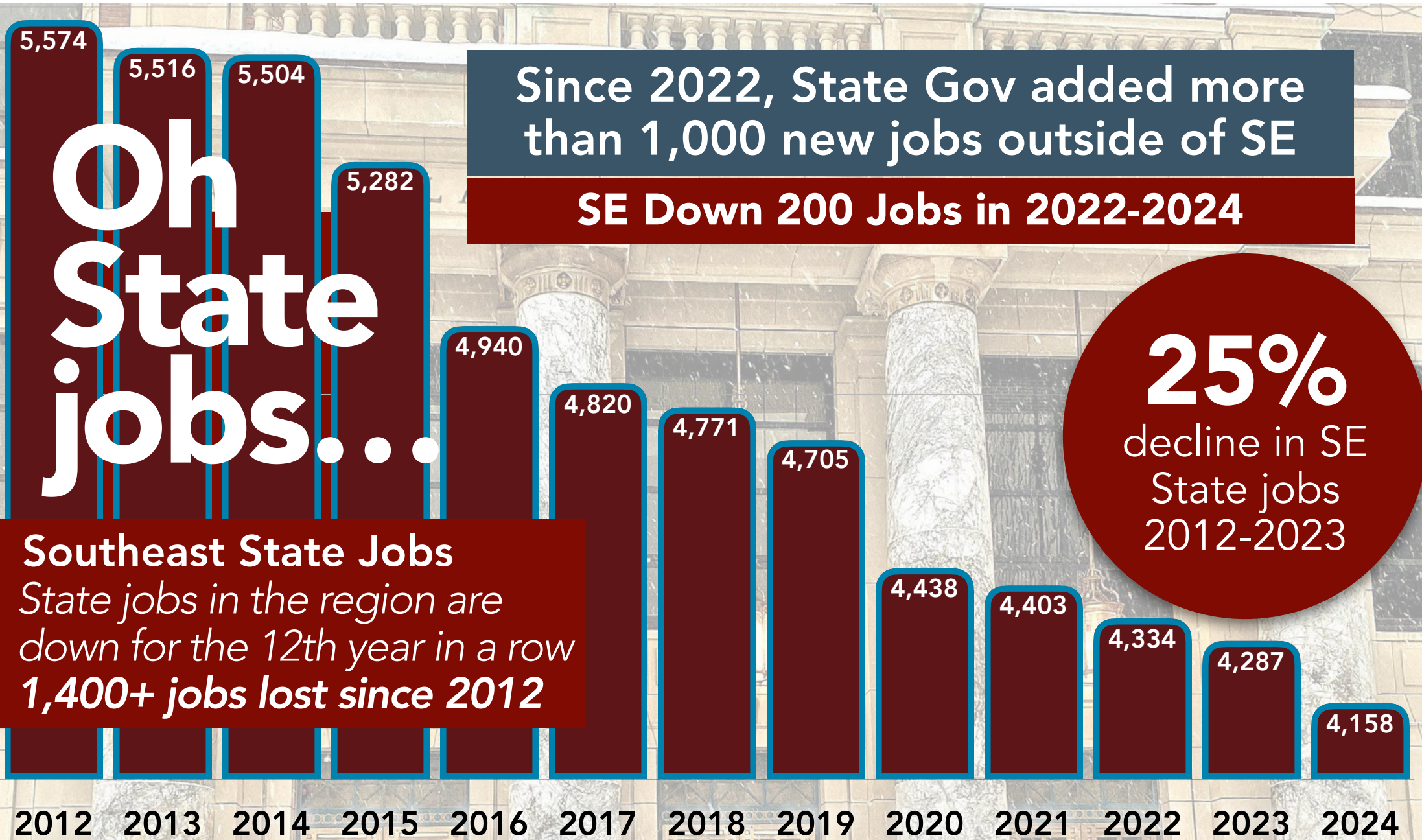
25%

decline in SE
State jobs
2012-2023

Oh
State
jobs...

Southeast State Jobs

State jobs in the region are
down for the 12th year in a row
1,400+ jobs lost since 2012



Social Services

"We are a nonprofit that used to be supported by the State but are no longer. The COVID money is running out and we are forced to lay off people and reduce services."

DOWN 27 JOBS IN 2023 -2%, 1,240 TOTAL JOBS

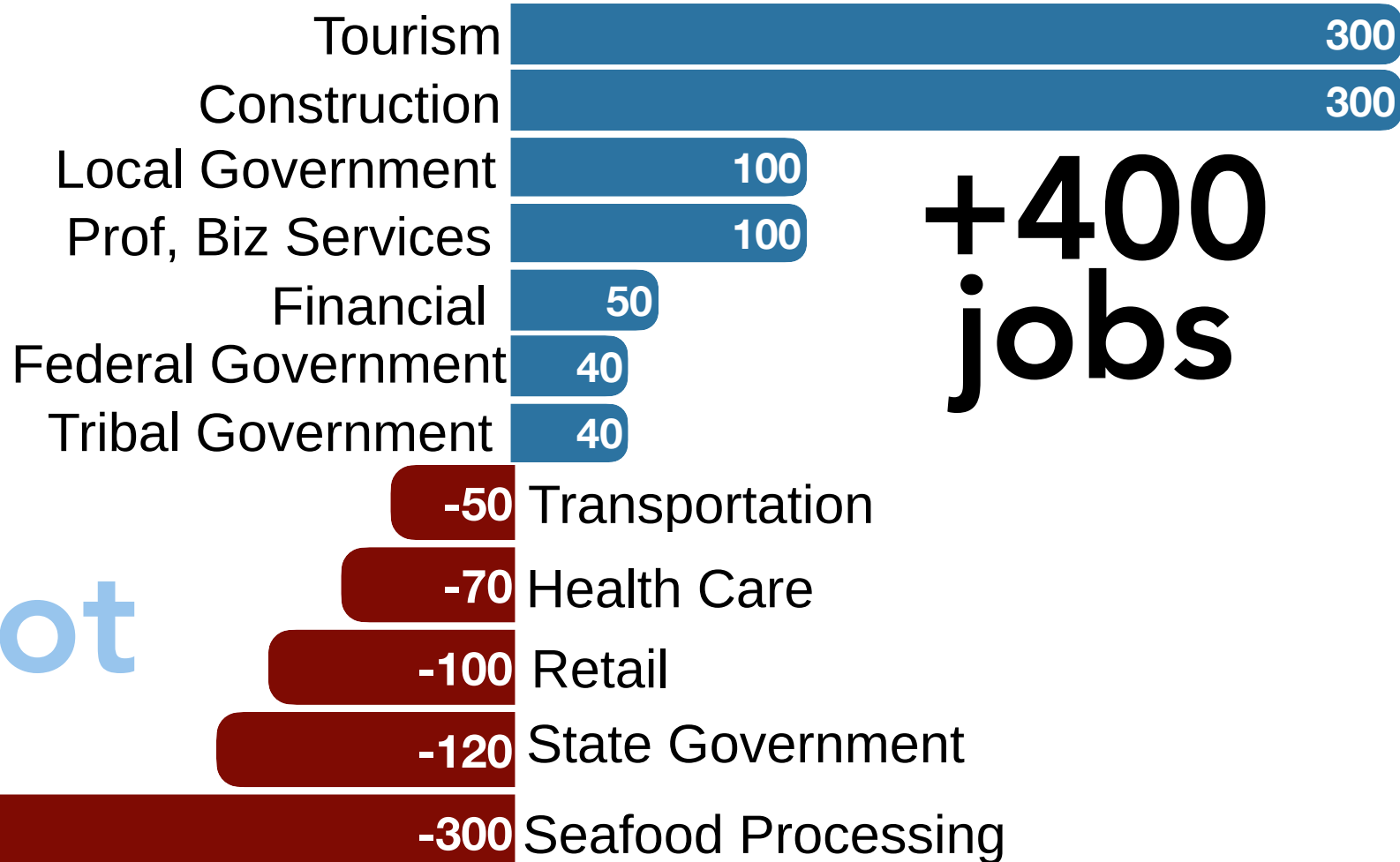
Average Annual Wages by Sector

Sector	Average Wages
Mining Industry	\$126,116
Health Care Industry	\$80,300
Construction Industry	\$79,328
Financial Activities	\$78,980
Transportation, Warehousing, Utilities	\$70,211
Government	\$69,839
Timber Industry	\$66,122
Seafood Industry	\$62,385
Average	\$60,256
Professional and Business Services	\$56,398
Information	\$46,466
Visitor Industry	\$42,038
Trade: Retail and Wholesale	\$39,538
Other	\$38,511
Social Services	\$37,827

July 2024 in Southeast Alaska

July
2024
+1.2%
jobs above
July
2023

Snapshot



DEMOGRAPHICS



POPULATION

71,077

POPULATION Down 800 2022 to 2023, -1%

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023

Southeast Alaska Population Change 2022 to 2023

-800

<u>Community</u>	<u>Change</u>	<u>%</u>
Ketchikan	-301	-2%
Juneau	-285	-1%
Sitka	-123	-1%
Haines	-46	-2%
Wrangell	-46	-2%
Hoonah	-32	-3%
Skagway	-20	-2%
Gustavus	-3	0%
Tenakee Springs	-3	-2%
Kake	0	0%
Metlakatla	2	0%
Angoon	3	1%
Yakutat	4	1%
Pelican	7	8%
Petersburg	9	0%
Prince of Wales	61	2%

Alaska Population Change 2021 to 2023

Gulf Coast Region

1.8%

Anchorage / Mat-Su Region

1.0%

Alaska

0.1%

Interior Region

-1.58%

Southwest Region

-2.01%

Northern Region

-2.20%

Southeast Region

-2.22%

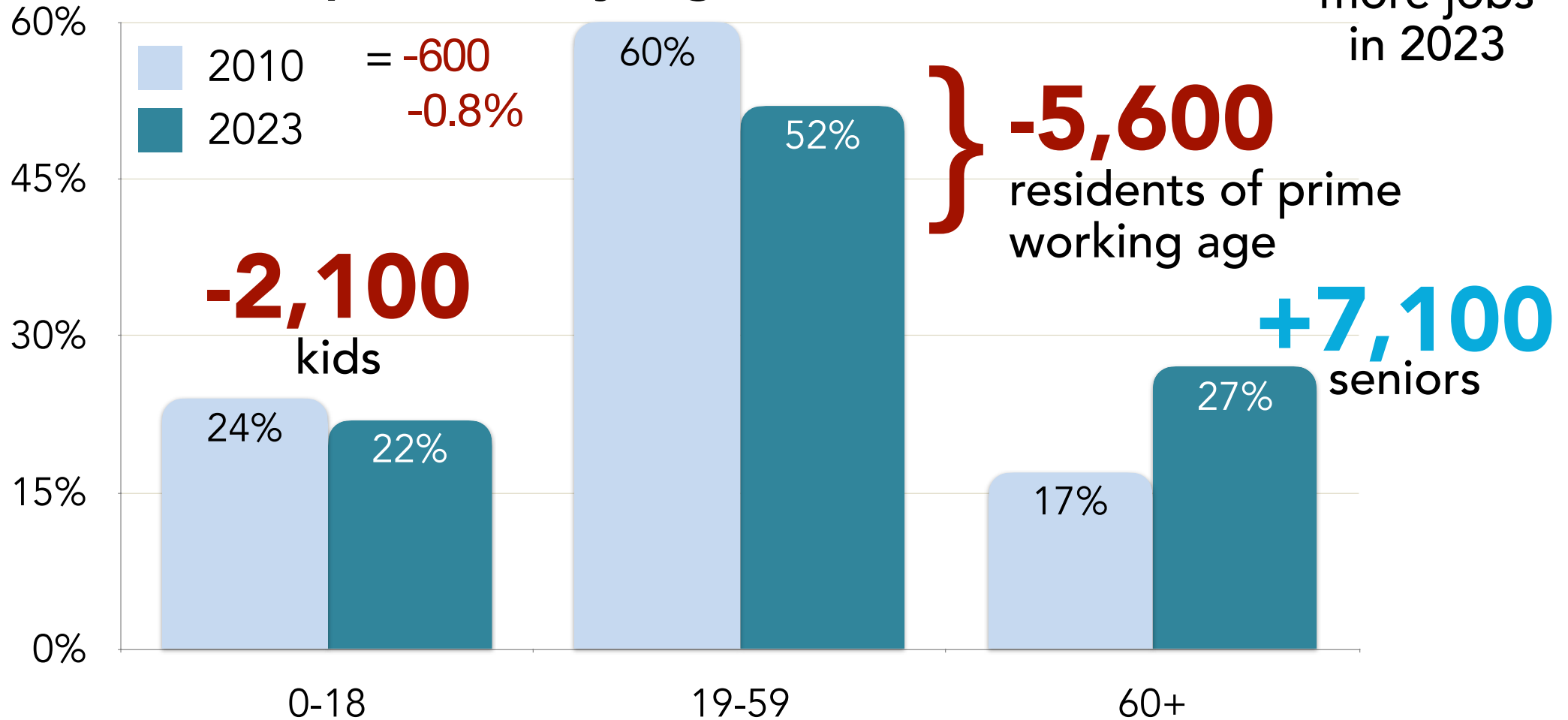


What is going on?

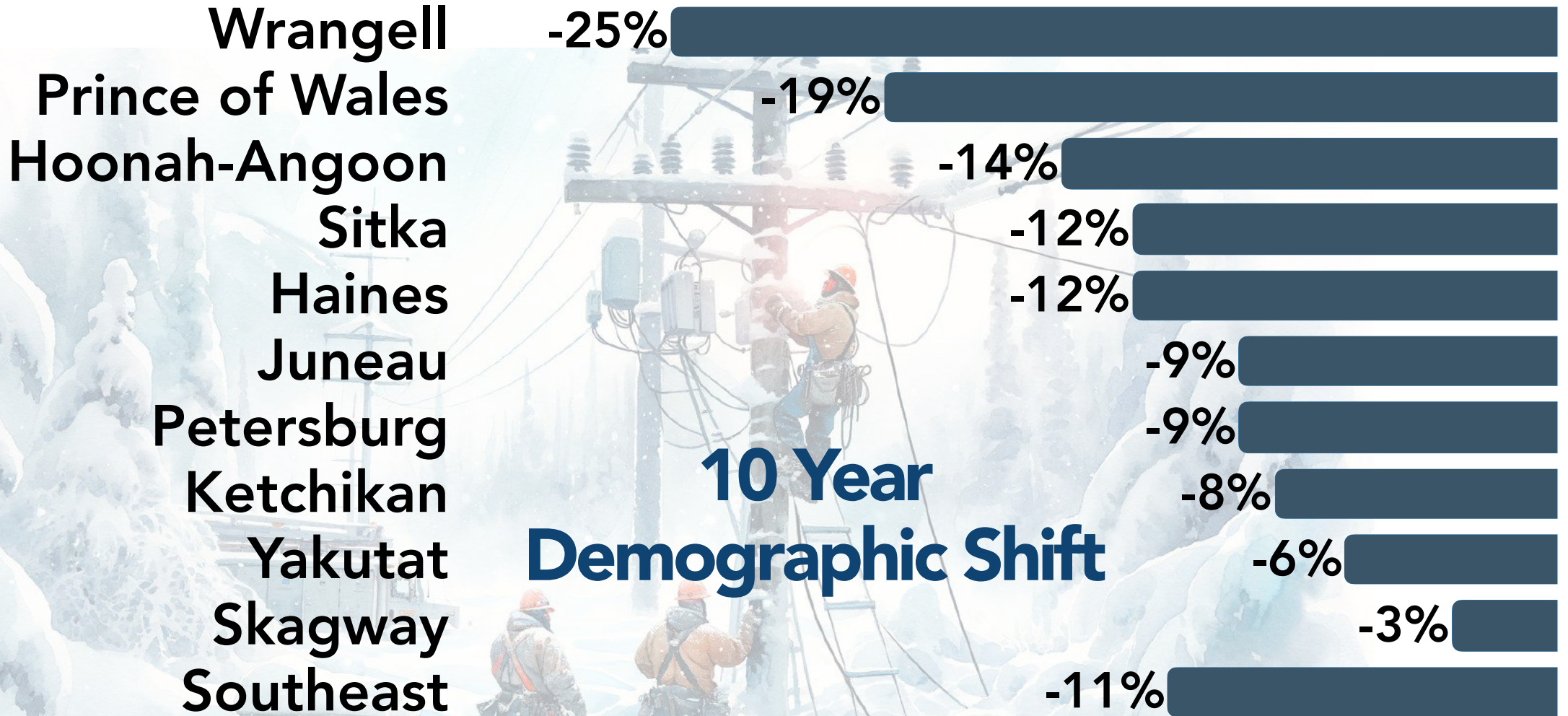
1. Age structure that is **older** than the rest of the state
2. **Kids** declining
3. **Deaths outweighed births** for the first time ever in 2023
4. Negative **outmigration** ramped up in 2021
5. Retirees are leaving in same percentages - but **baby boomers are retiring** in huge numbers

Southeast Workforce Challenge

SE Population by Age, 2010-2023



2022 WORKING AGE VERSUS 2013



AVERAGE VALUE SINGLE-FAMILY HOME

Juneau, Ketchikan, Sitka, Petersburg average



AVERAGE VALUE SINGLE-FAMILY HOME

August 2024 Average Values

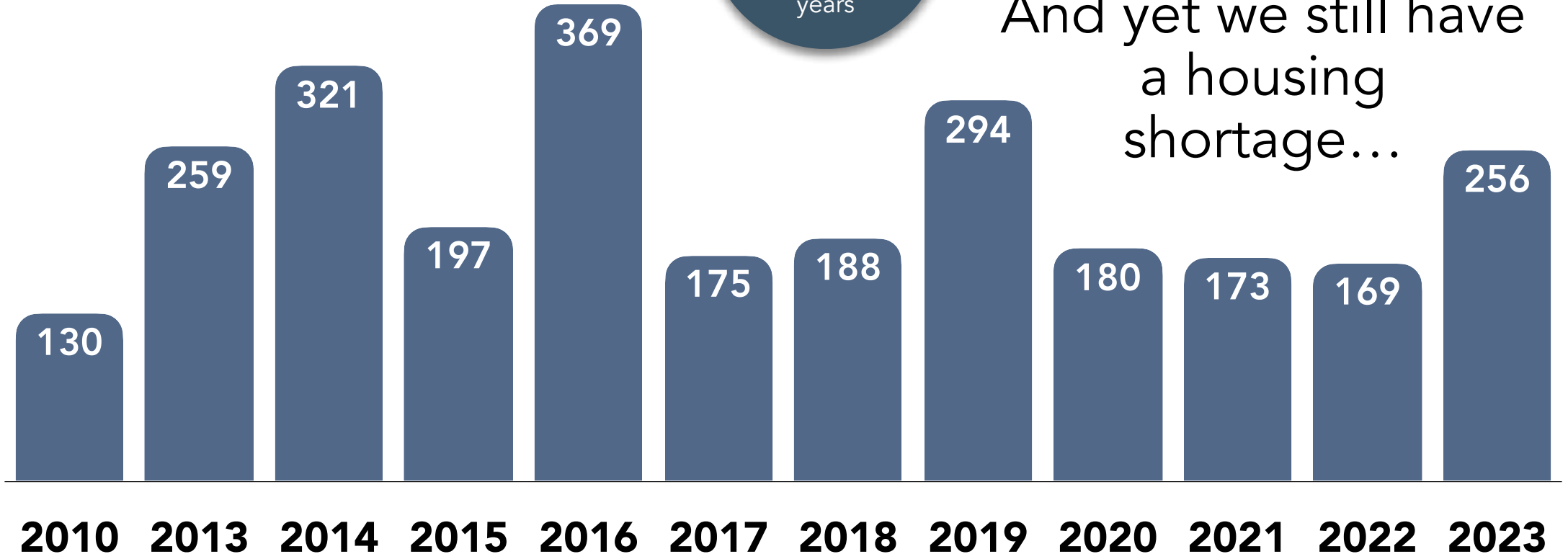
Juneau	\$521,278
Sitka	\$492,422
Ketchikan	\$428,411
Petersburg	\$311,190
Haines	\$297,213
Wrangell	\$287,653

SOUTHEAST NEW HOUSING

2,300
new housing units
built in SE 10
years

Population down
600

And yet we still have
a housing
shortage...



What is going on?

1. **The rise of single occupancy households** — from a **quarter** of all regional households to a **third**.
2. Due to demographic shift. **42%** of those aged **65 and older** live alone nationally, and we have more seniors.
3. Seniors living alone in Southeast generated more than **1,400 new single-occupancy households** in the past eight years, erasing inventory gains.
4. **AirBNBs: 980** short-term rentals in region, but only **140** year-round.



TOP 10 STORIES ABOUT THE SOUTHEAST ALASKA ECONOMY

SUMMARY

Top 10 Stories of the Southeast Economy: first the bad

- 1) **Population declines** and demographic shifts are leading to **labor shortages**
- 2) **Seafood** had its largest harvest in a decade, but values were down due to global drivers. While prices came up slightly in 2024, the harvest is down.
- 3) **State jobs** and **ferry service** in Southeast continue to be at low levels

Top Stories of the Southeast Economy: the good!

- 1) **Jobs are up**, we finally back to pre-pandemic job numbers - led by Gustavus and Hoonah
- 2) **Federal investment** has been critical in our recovery
- 3) **Wages are up**, growing at a faster rate than inflation
- 4) **Inflation is low, GDP is way up.**
- 5) **2nd best business climate** ever, according to business leaders
- 6) **Tourism is our #1 jobs provider** and **#1 wages provider** (for the first time ever)
- 7) **Jobs and wages** for **Local Gov, Federal Gov, Tribal Gov, Tourism, Retail, Construction, Finance, Mining, Healthcare,** and **Retail** are all up.

FOR AN OVERALL **STRONG** SOUTHEAST ALASKA ECONOMY



**SOUTHEAST
CONFERENCE**



**Rain Coast
Data**