



**SOUTHEAST
CONFERENCE**

SOUTHEAST ALASKA

By the Numbers
2023

Prepared by

**Rain Coast
Data**



2022

compared to 2021

Southeast Alaska's Economic Grade

A

Jobs +5%

+2,200

Southeast Alaska Employment Change 2021 to 2022

Juneau = +875
Ketchikan = +470
Skagway = +250
Sitka = +130

Petersburg -12%

-5%

Wrangell

-5%

Angoon

-3%

Kake

-1%

Prince of Wales

Metlakatla 2%

Yakutat 2%

Sitka 3%

Klukwan 3%

Juneau 5%

Ketchikan 7%

Haines 12%

Hyder 13%

Gustavus 21%

Hoonah 23%

Skagway 41%

Jobs

Thanks to Alaska Department of Labor for data

Wages +11%

+\$252
million

Federal Investment

- Infrastructure Bill = \$220 million+
- Build Back Better (Mariculture) = \$49 million
- RAISE = \$45 million
- Southeast Alaska Sustainability Strategy = \$25 M
- Covid Relief = \$600 million
- Inflation Reduction Act
- HUD \$31 million

= \$1
Billion

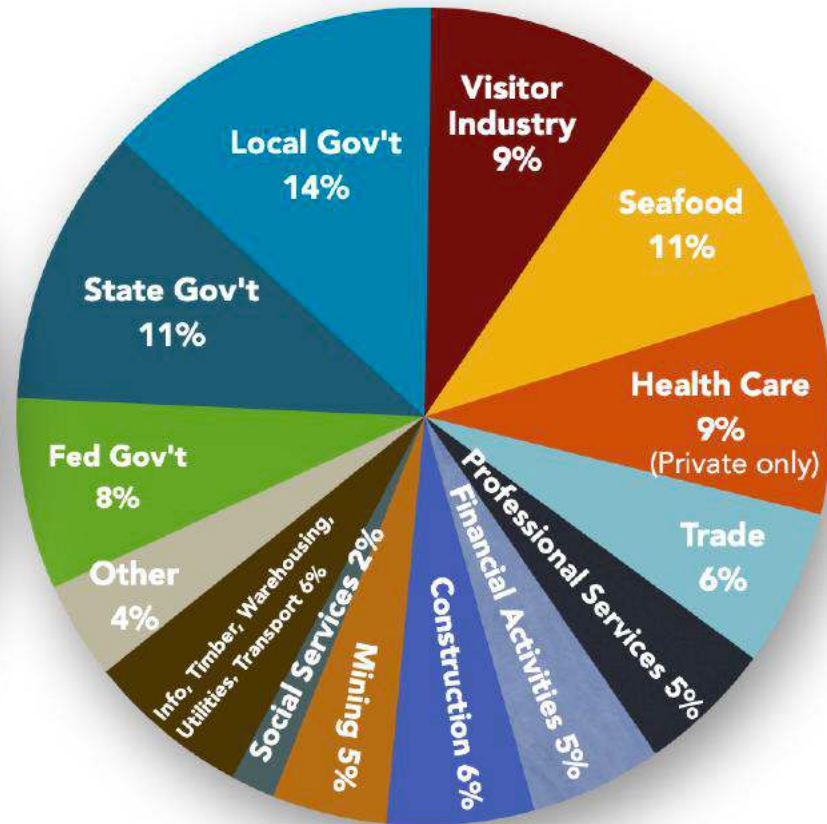
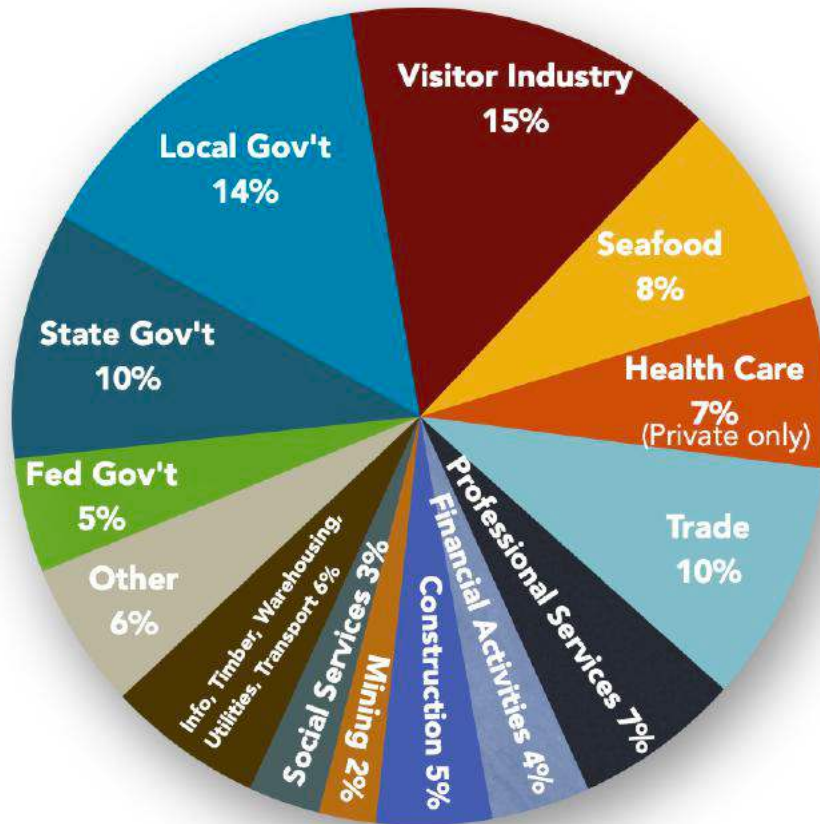
The Whole **Southeast Alaska Economy** 2022

44,450 Jobs

UP 2,200 JOBS IN 2022 +5%

\$2.6 Billion Earnings

UP \$252 MILLION +11%

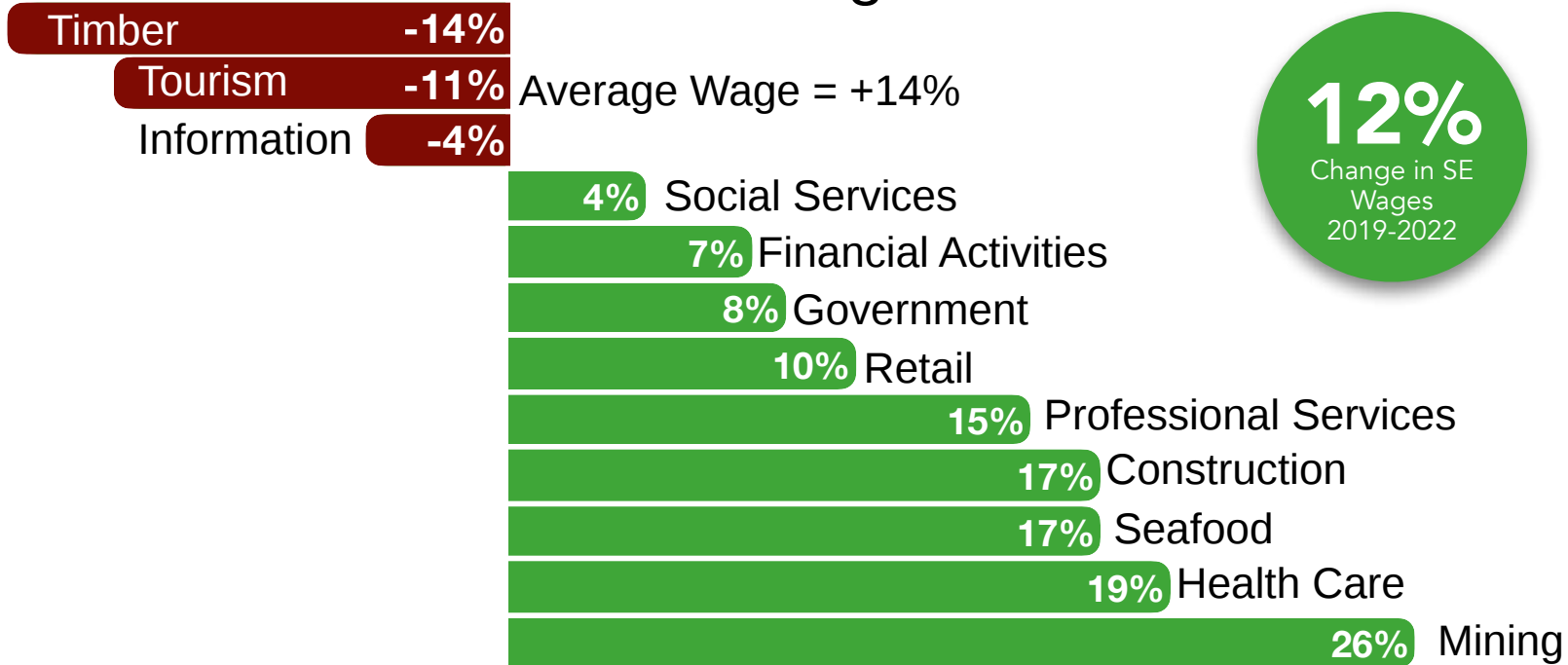


Overall Wages 2019-2022

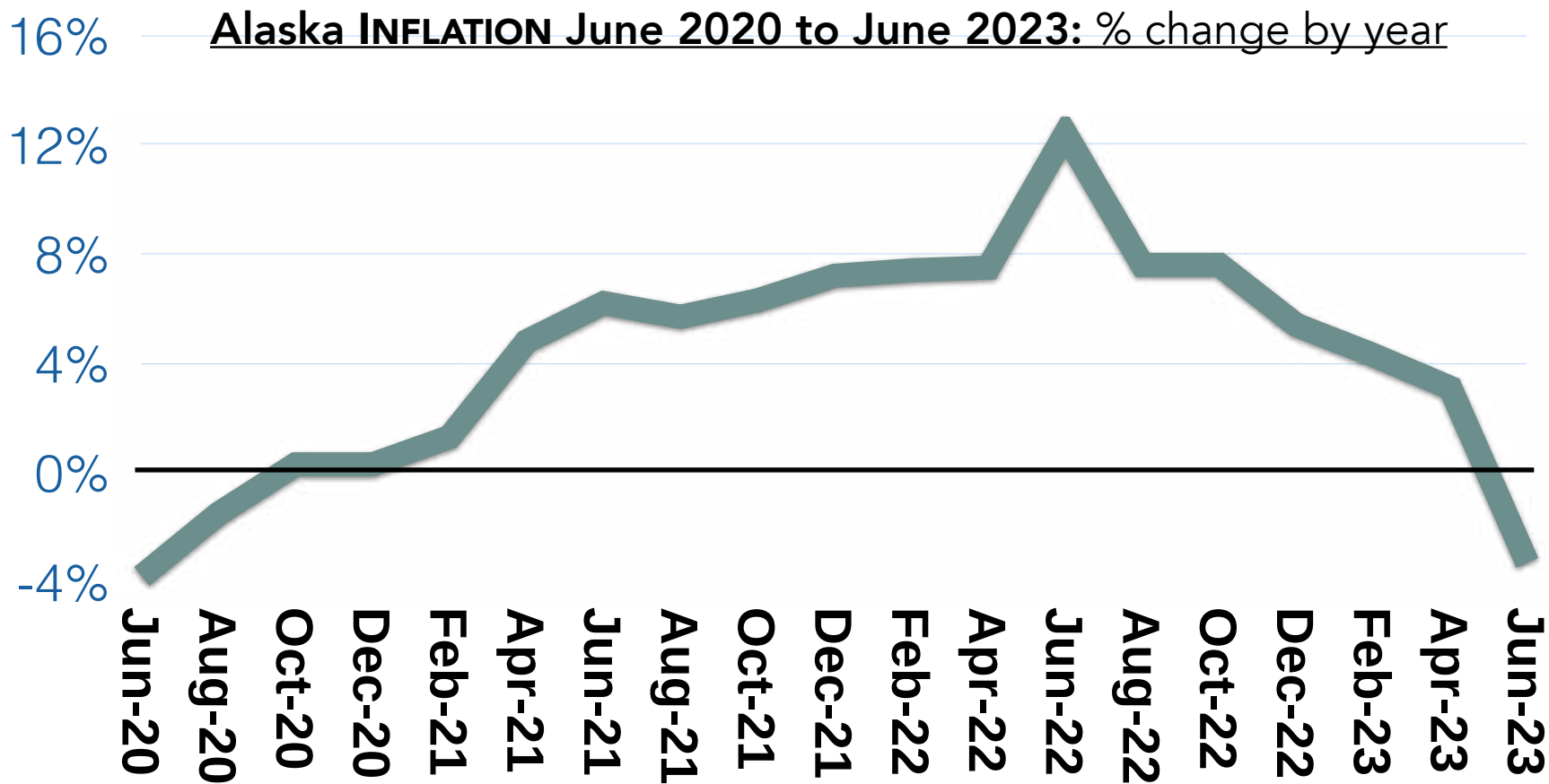
Change in Overall Wages 2019-2022: +\$277 million



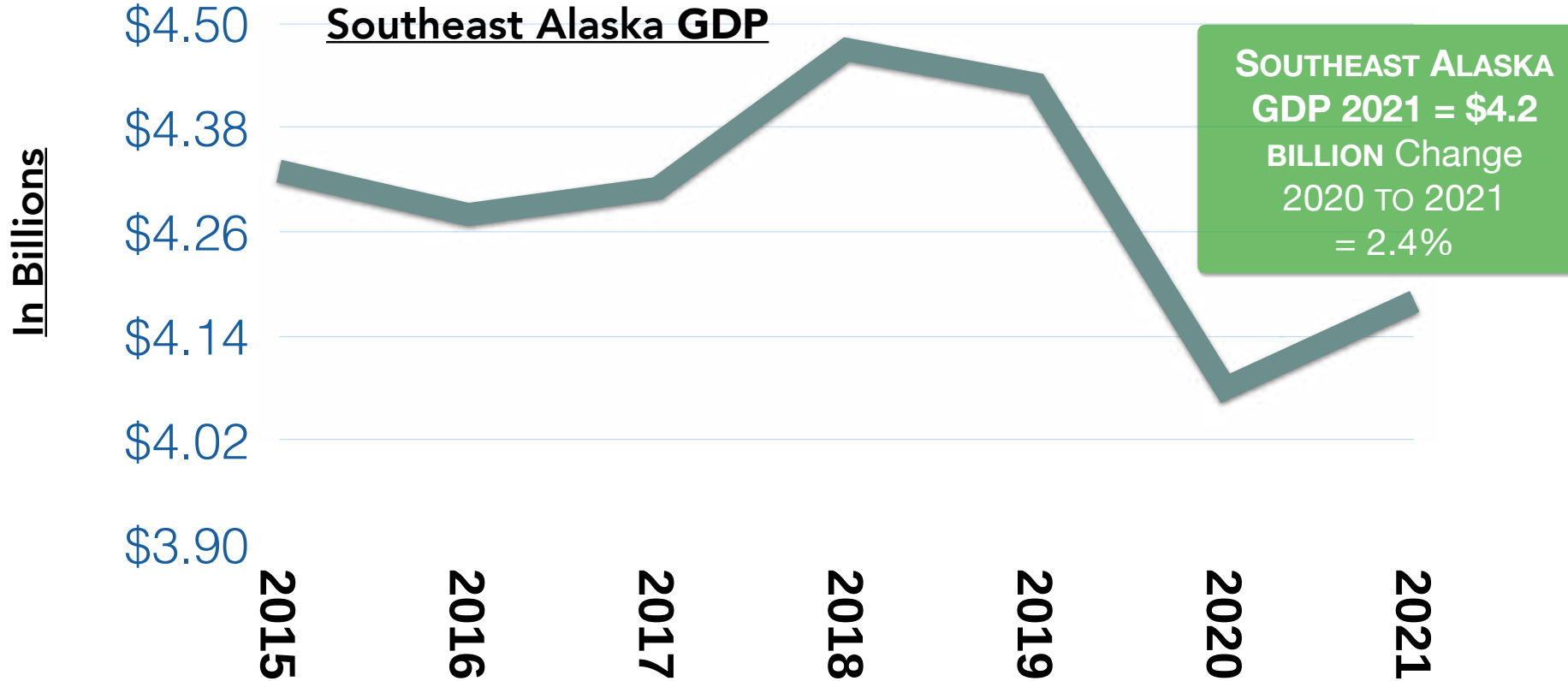
Overall Wages 2019-2022



Inflation is Decreasing



Regional GDP is Up

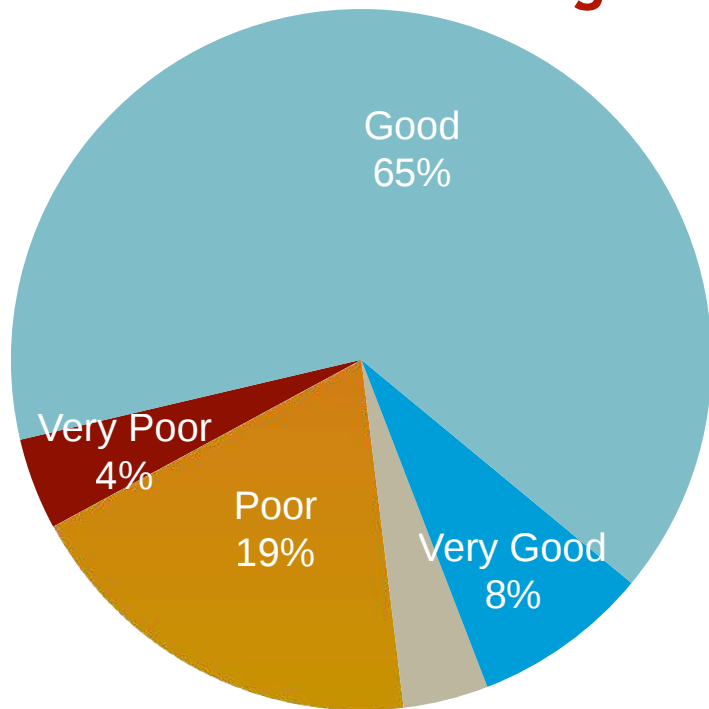


Best Business Climate Since Survey Started in 2010

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

73% Positive / **23% Negative**

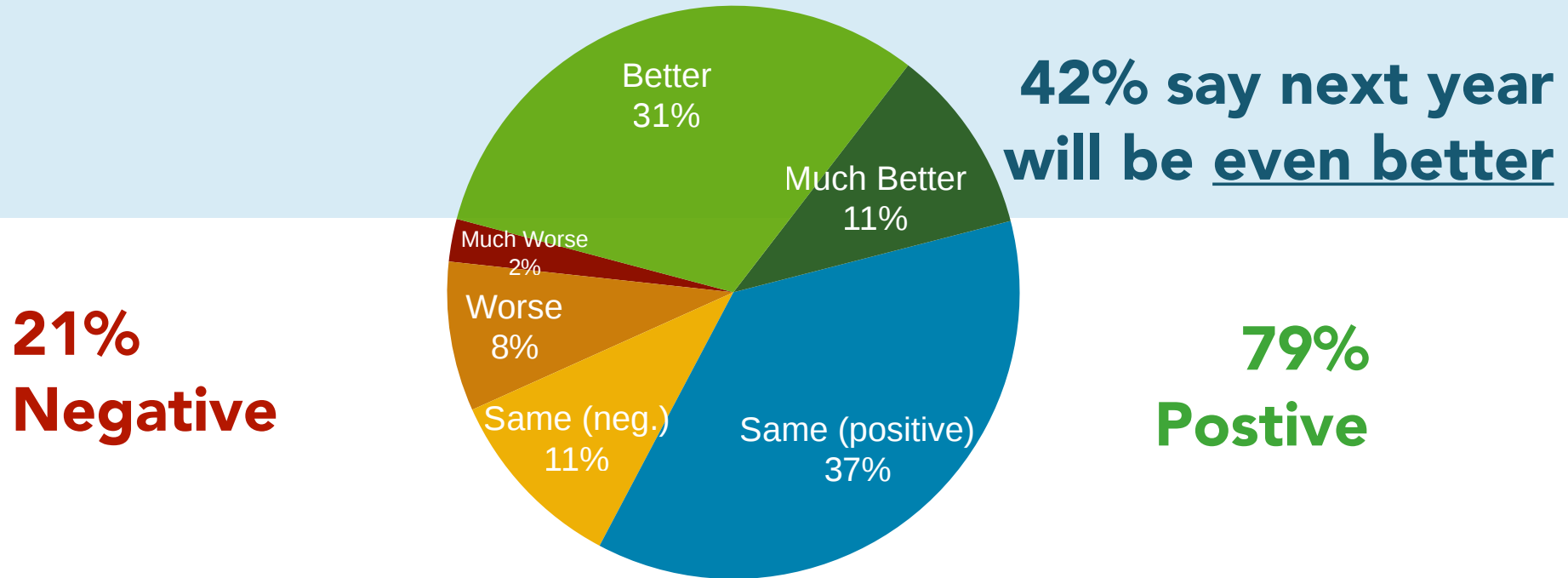
Nearly three-quarters (73%) have a positive view of the Southeast business climate, making it the highest rated business climate since surveying began in 2010.



370
Business
Leaders

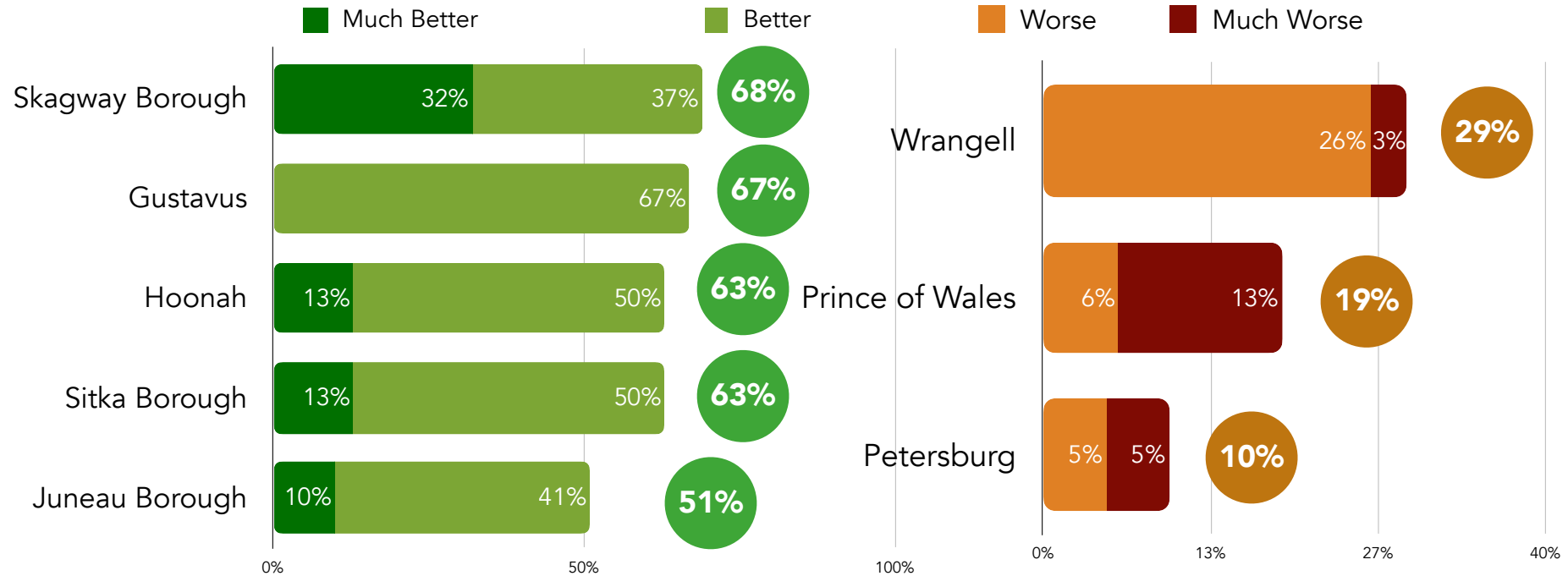
The Outlook is also Quite Good

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



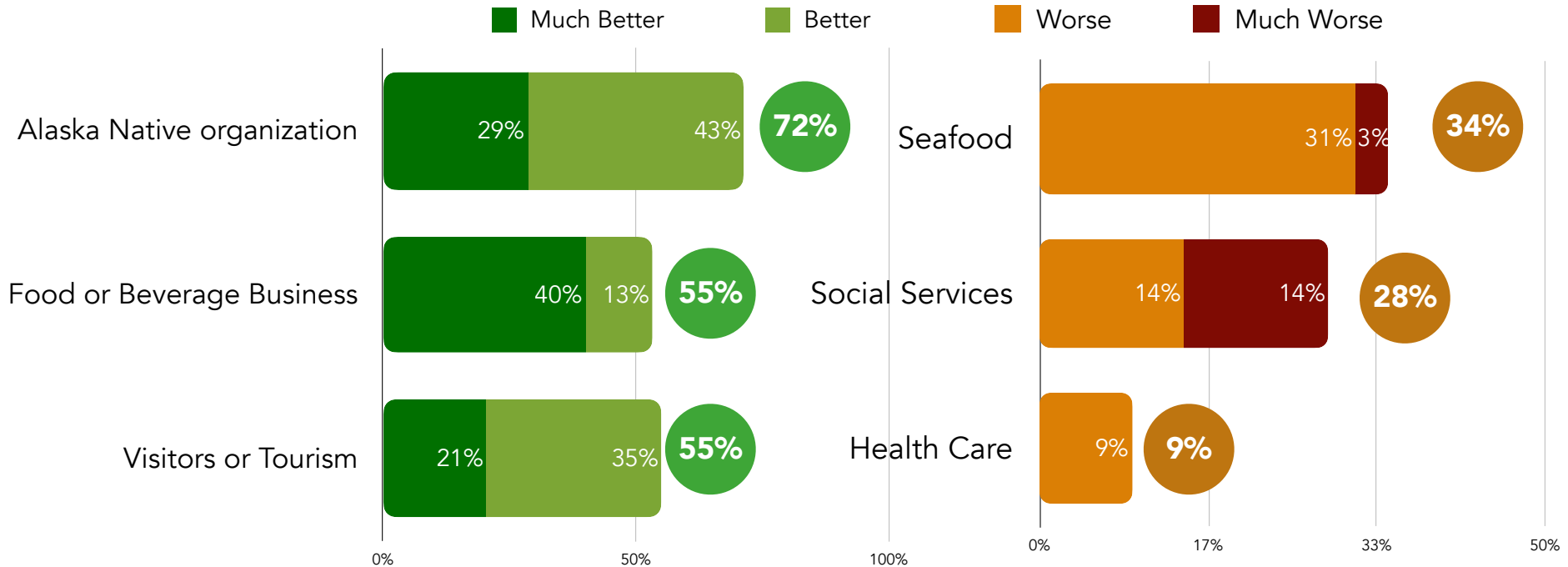
Southeast Economic Outlook: by Community

2023: What is the economic outlook for your business or industry?



Southeast Economic Outlook: by Industry

2023: What is the economic outlook for your business or industry?



Tribal Government



1,250 jobs

#1

Growth Sector
in Region

12%

Job Growth

20%

Wage
Growth

10%

of regional
Gov't jobs



Tourism

Passenger Arrivals 2022

+1.2 Million
People

(Air, cruise, ferry)

compared to 2021

TOURISM

A scenic view of a harbor with a large cruise ship docked at a pier. The ship is white with blue and red accents and has "ALASKA" written on its side. In the background, there are mountains and a cloudy sky. The water is blue and calm.

UP 5% JOBS IN 2022
WAGES UP BY 7%

2023 UP BY 5%

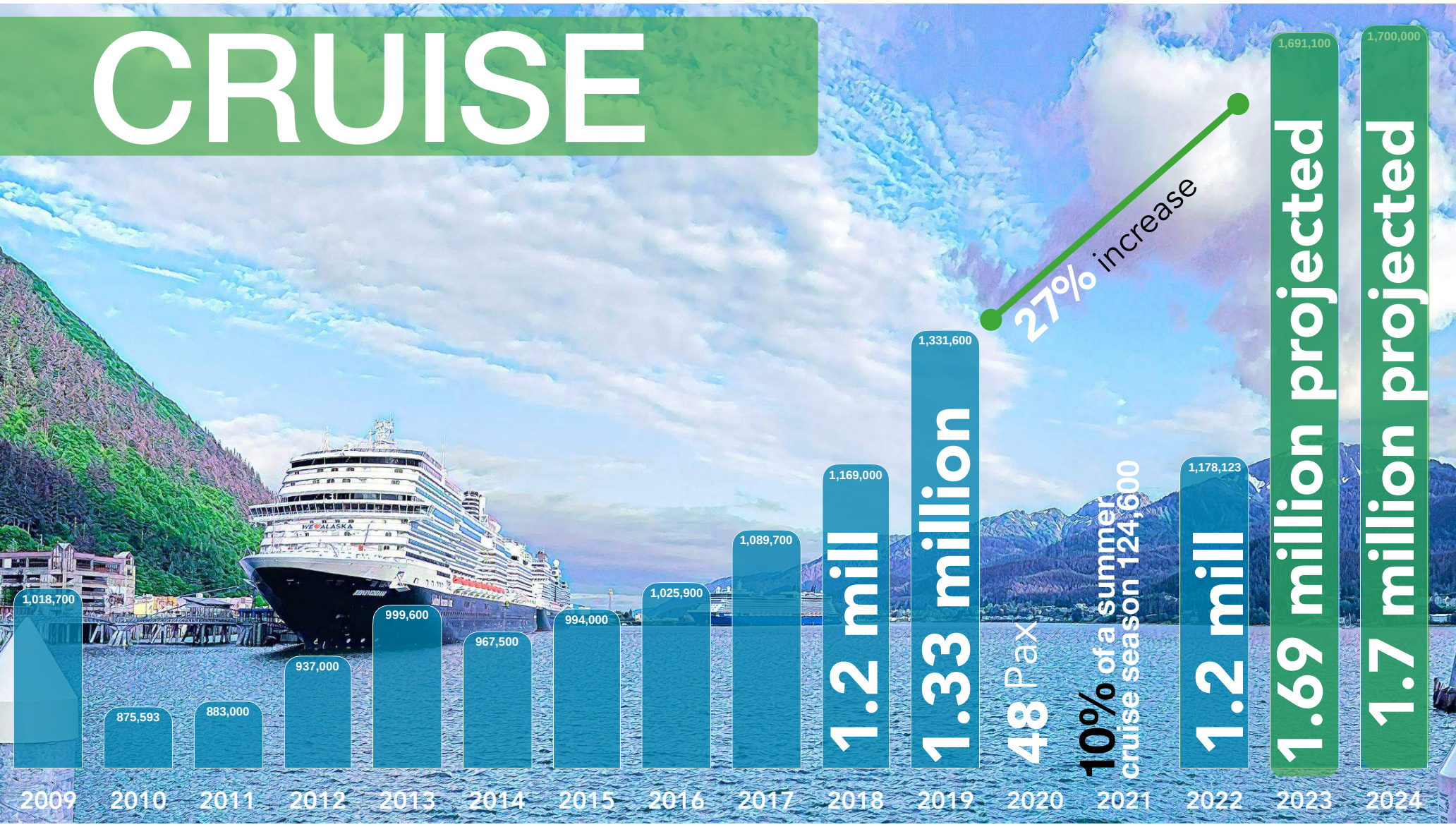


2023

Compared to 2022

"We are halfway through the season, but 2023 is clearly going to be our best year ever."

CRUISE



2024 Cruise Schedule



First Ship - April 8th, 2024

Last Ship - October 26th, 2024

Total Passengers = 1.7 million



2%
39,740

April

307,760
18%

May

336,840
20%

June

372,500
July 14
22%

July

349,390
20%

Aug

275,655
16%

Sept

2%
38,650

Oct

7 month season

2024

CRUISE
SE Passengers

Arriving Air Passengers Jan-Aug

Surpassed 2019 levels

June 2023 was the
best June on record
for passenger
arrivals



2018



2019



2020



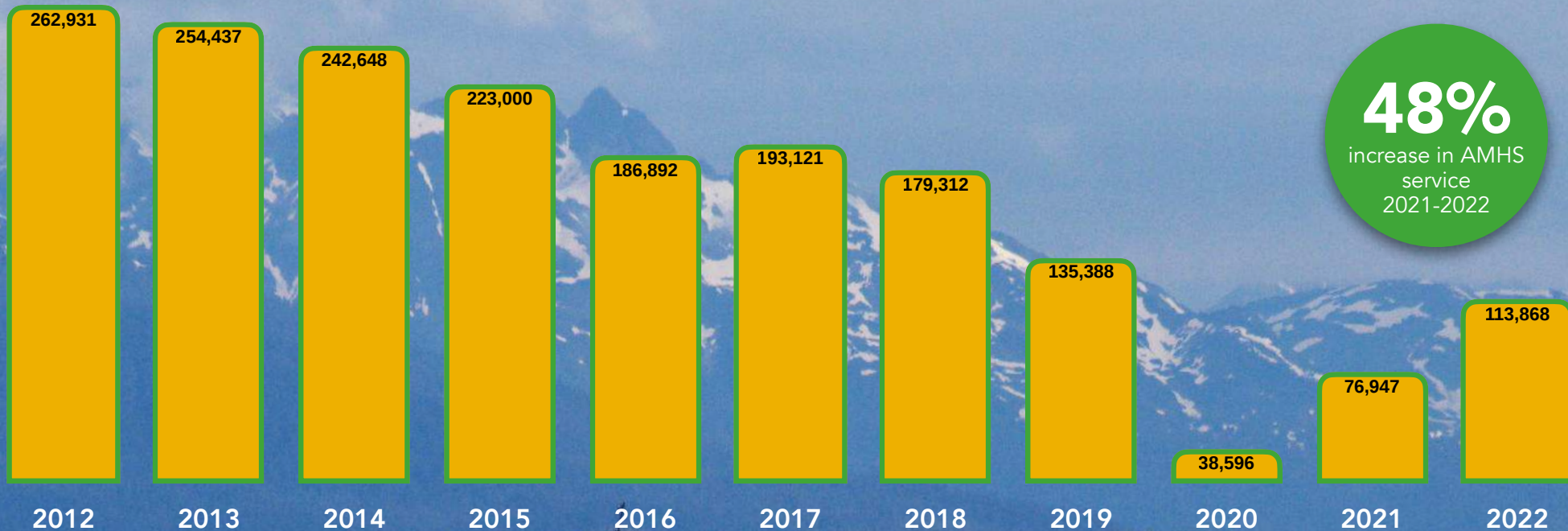
2021



2022



2023



AMHS
SE Passengers

**Top private sector industry in
2022**

A photograph of a fishing boat named 'SANDRA JO' on the ocean. The boat is white with a yellow cabin and has its fishing gear, including a large net, deployed. In the background, other fishing boats are visible on the horizon. The sky is overcast and the water is choppy.

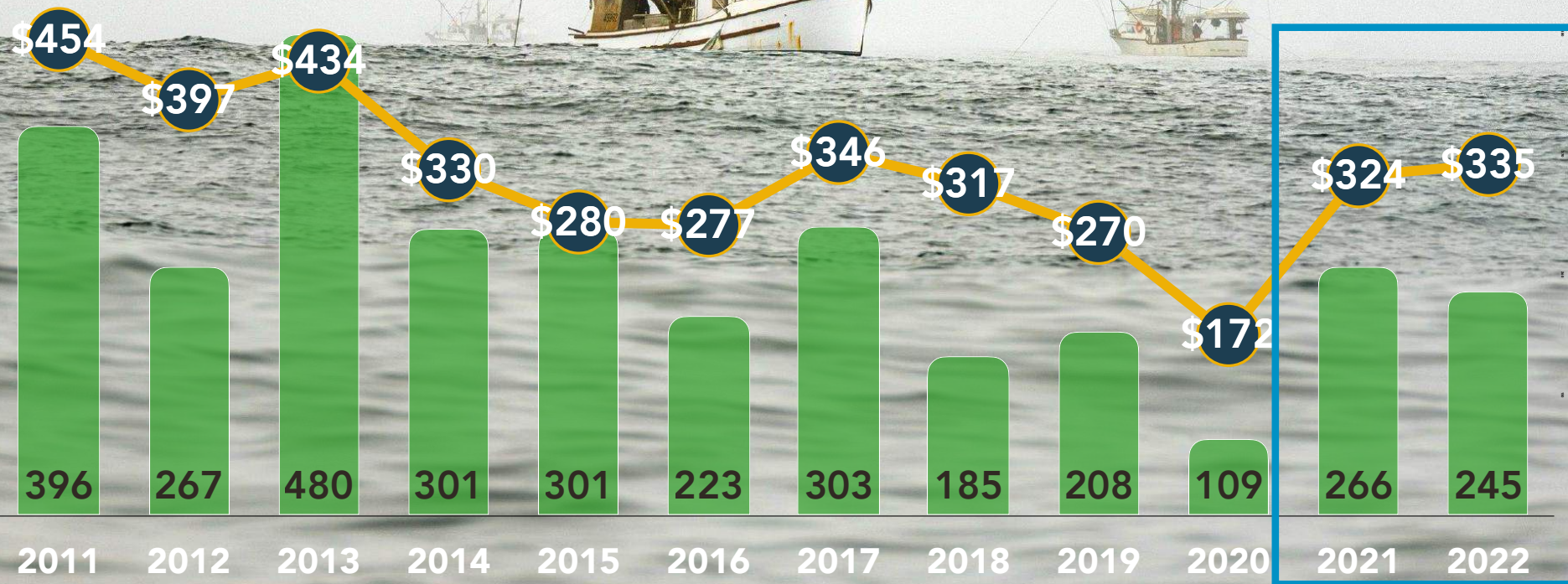
Seafood

SEAFOOD

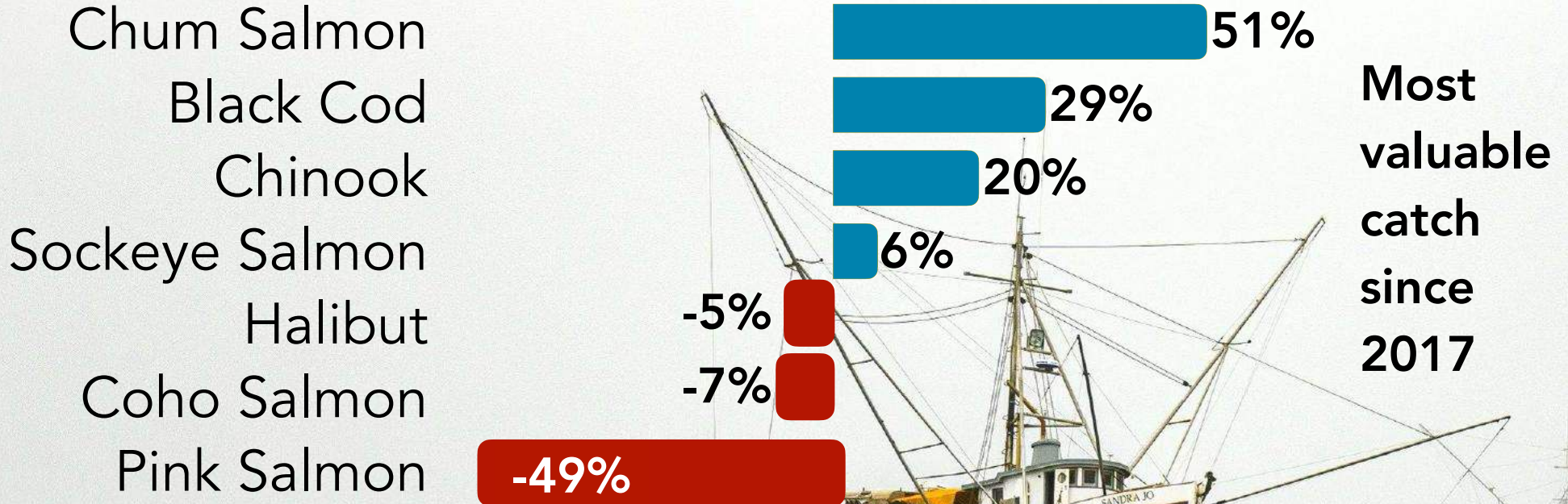
Total POUNDS 245 MILLION

Total VALUE \$335 MILLION

● value
■ Landed Pounds (millions)



2022 **CATCH** COMPARED TO 2021



+\$35

Increased Catch
Value in Millions

+15%

Value Added

\$900

**Value of Seafood
Processed in
Millions +32%**

#2 Best Youth Job
Market in the US



**16 to 24
YEAR
OLDS**

#3 Best Place to Get
a Summer Job

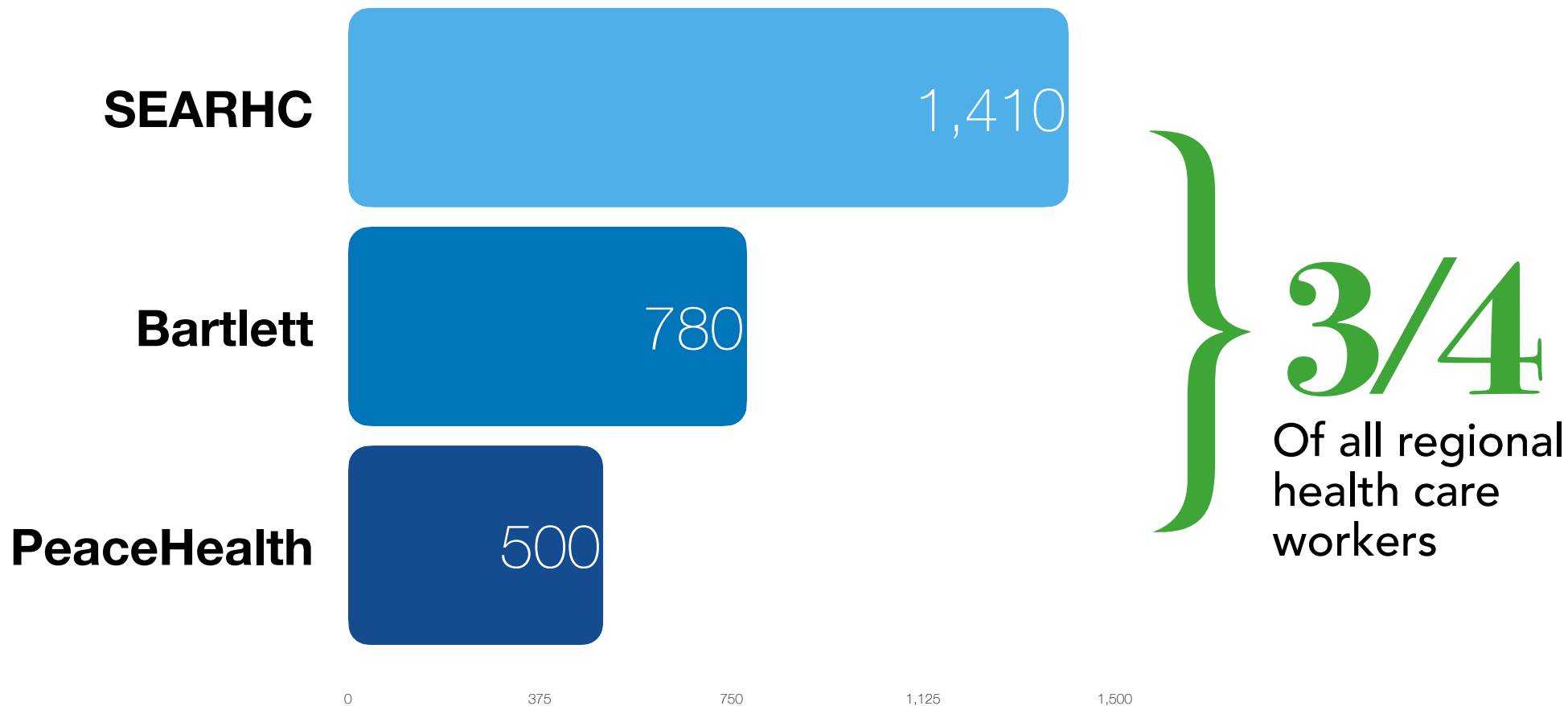
HEALTH CARE

A healthcare worker in blue scrubs is smiling and looking down at a patient in a hospital bed. The patient is wearing a blue surgical cap and a patterned hospital gown. The healthcare worker's scrubs have a name tag that says "Bartlett" and "Riv". The background shows a hospital room with medical equipment.

UP 32 JOBS IN 2022 1%
WAGES UP BY 9%

2023 UP BY 3%

Top Health Care Employers Southeast



Alaska Workforce Earnings

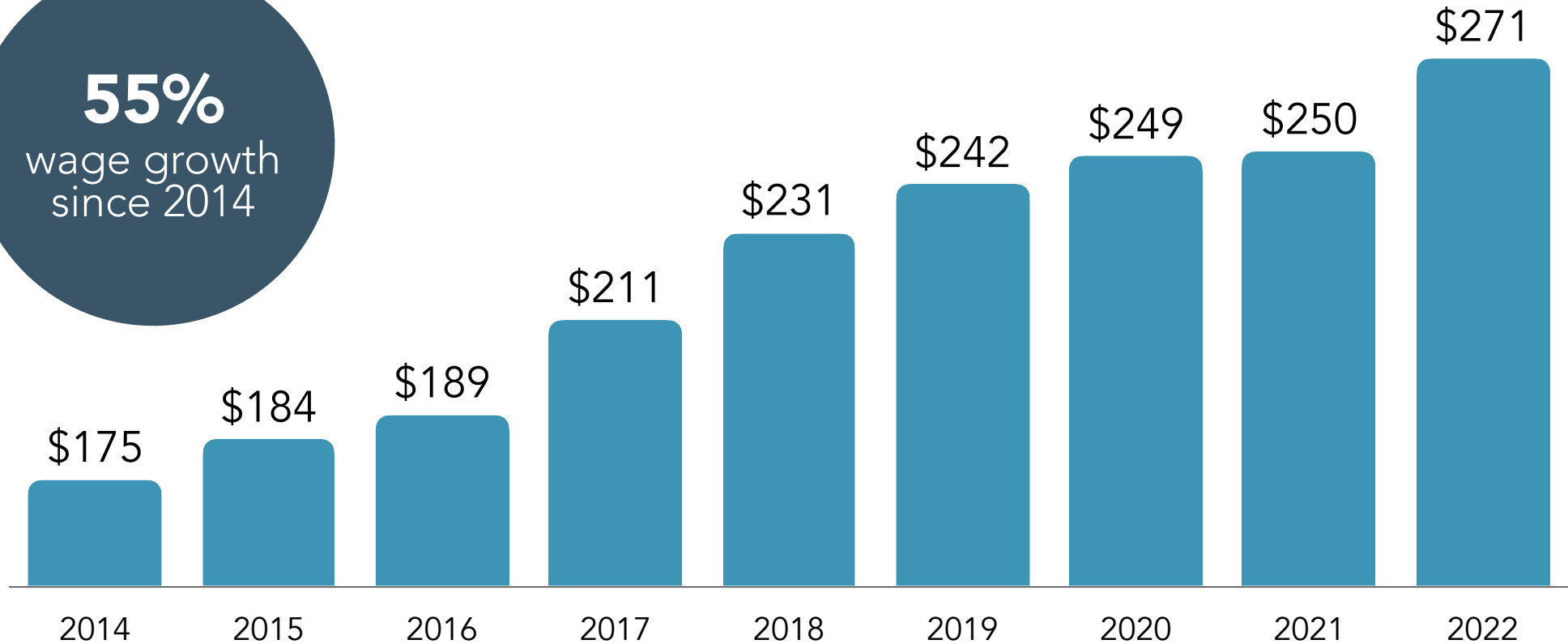
Workforce earnings in healthcare are higher than any other sector in Alaska

\$3 billion in direct wages



Total SE Alaska Healthcare Wages in Millions

55%
wage growth
since 2014





MINING

UP 104 JOBS IN 2022
WAGES UP BY 12%

2023 UP BY 3%

CONSTRUCTION



UP 12 JOBS IN 2022
WAGES UP BY 8%

2023
UP BY 2%

Business Leader 2023

"There are plenty of opportunities. The outlook would be good if we could find more workers."

Construction Sector



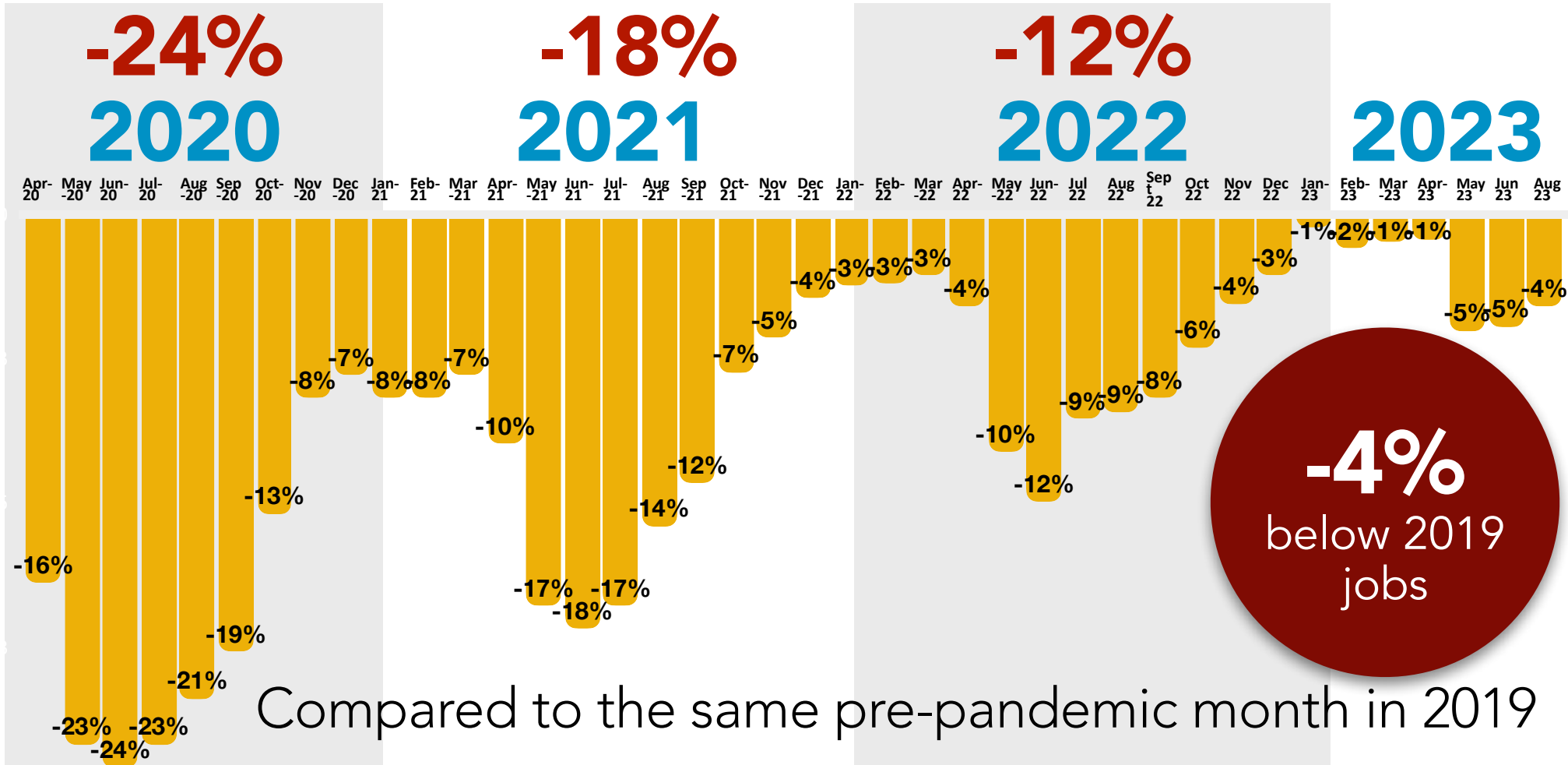
GOVERNMENT

UP 58 JOBS IN 2022

WAGES UP BY 3%

**But not all
the news can
be good...**

Jobs not quite back to 2019...



Southeast Alaska Pandemic **Economics**

Change in **Aug 2023 Jobs** compared to **Aug 2019 Levels: -1,900 jobs**

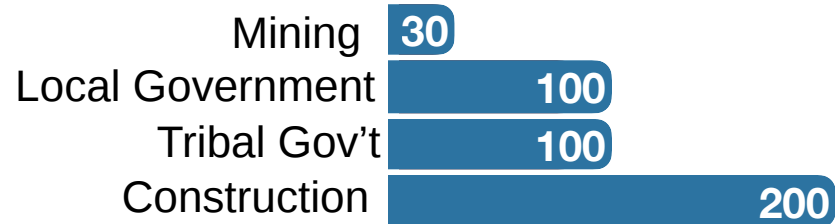
 July 2023 versus July 2019 job counts



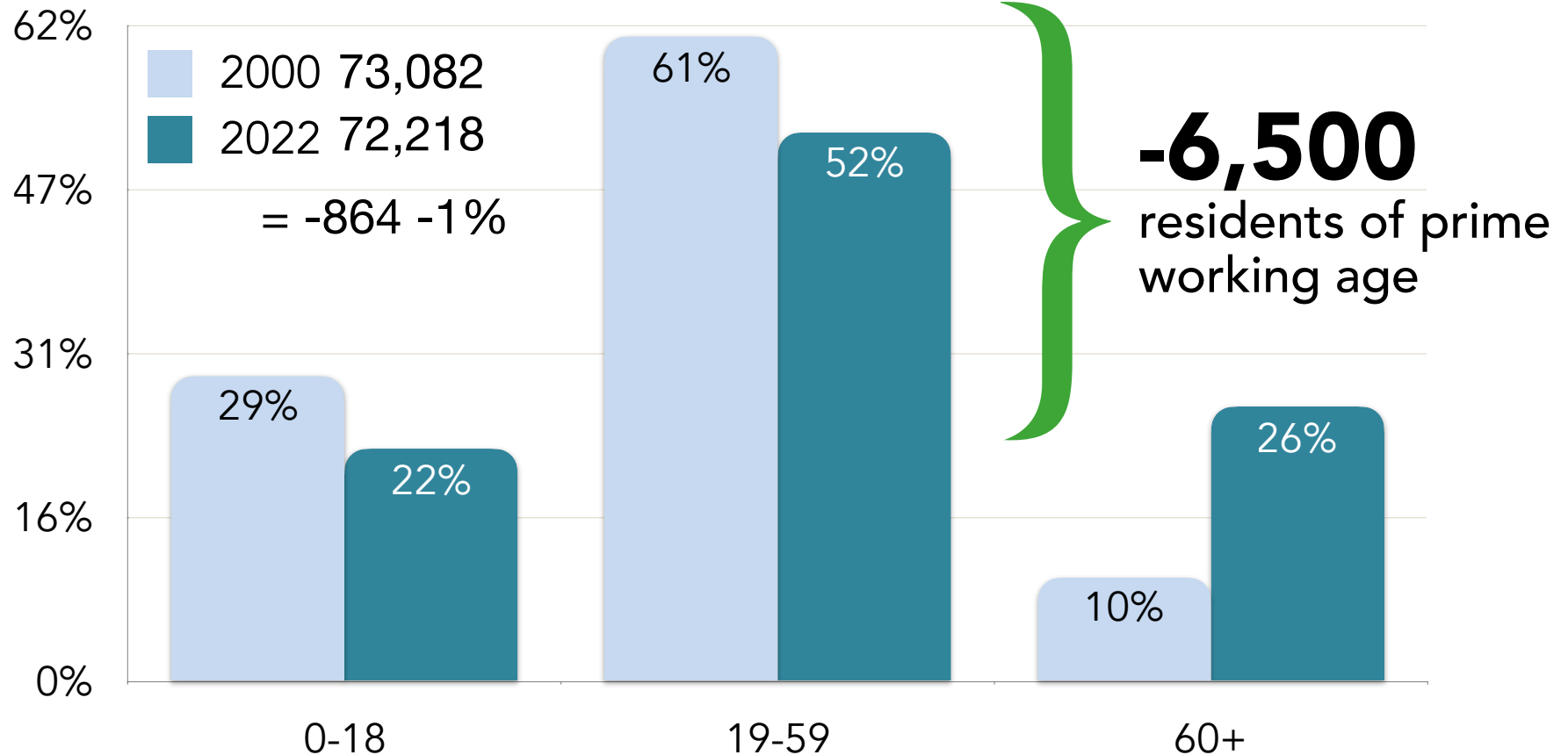
Back to
2019 job
levels

 Health Care
Federal Government
Transportation
Professional Services
Financial Activities

-4%
below 2019
jobs



Southeast Population by Age, 2000-2022



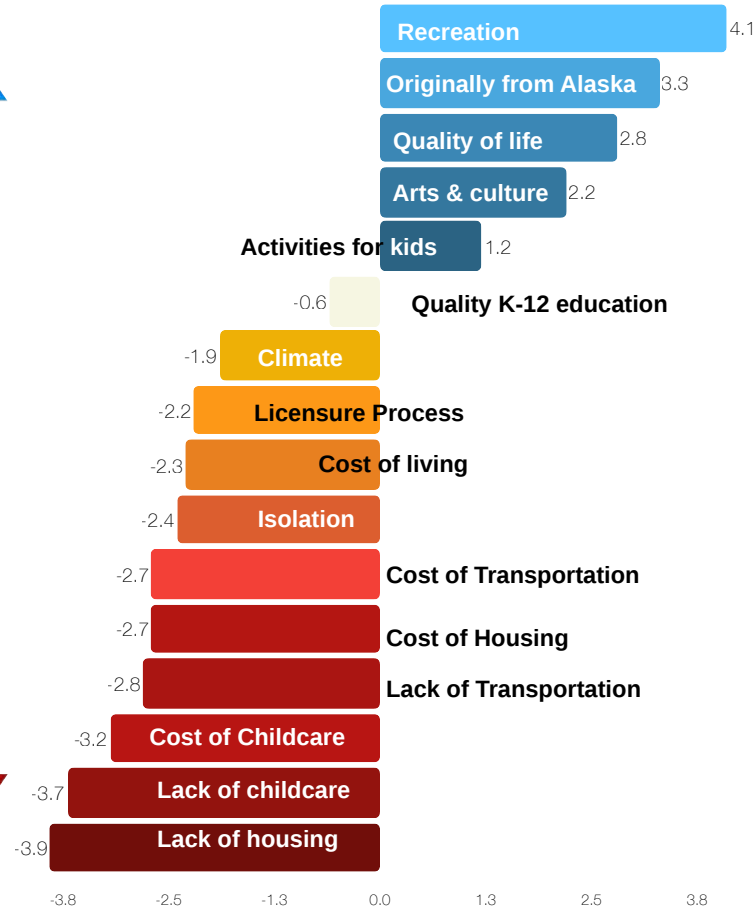
Southeast Worker Retention & Turnover Survey

Southeast Alaska business leaders were asked to rank the significance of factors that result in hiring and long term retention, or in staff turnover or not taking the job. This is an overall ranking of their responses.

Why they come/stay at SE Jobs:

- 1) **Recreation** opportunities, because
- 2) they are originally **from here**, and
- 3) the for high **quality of life**.

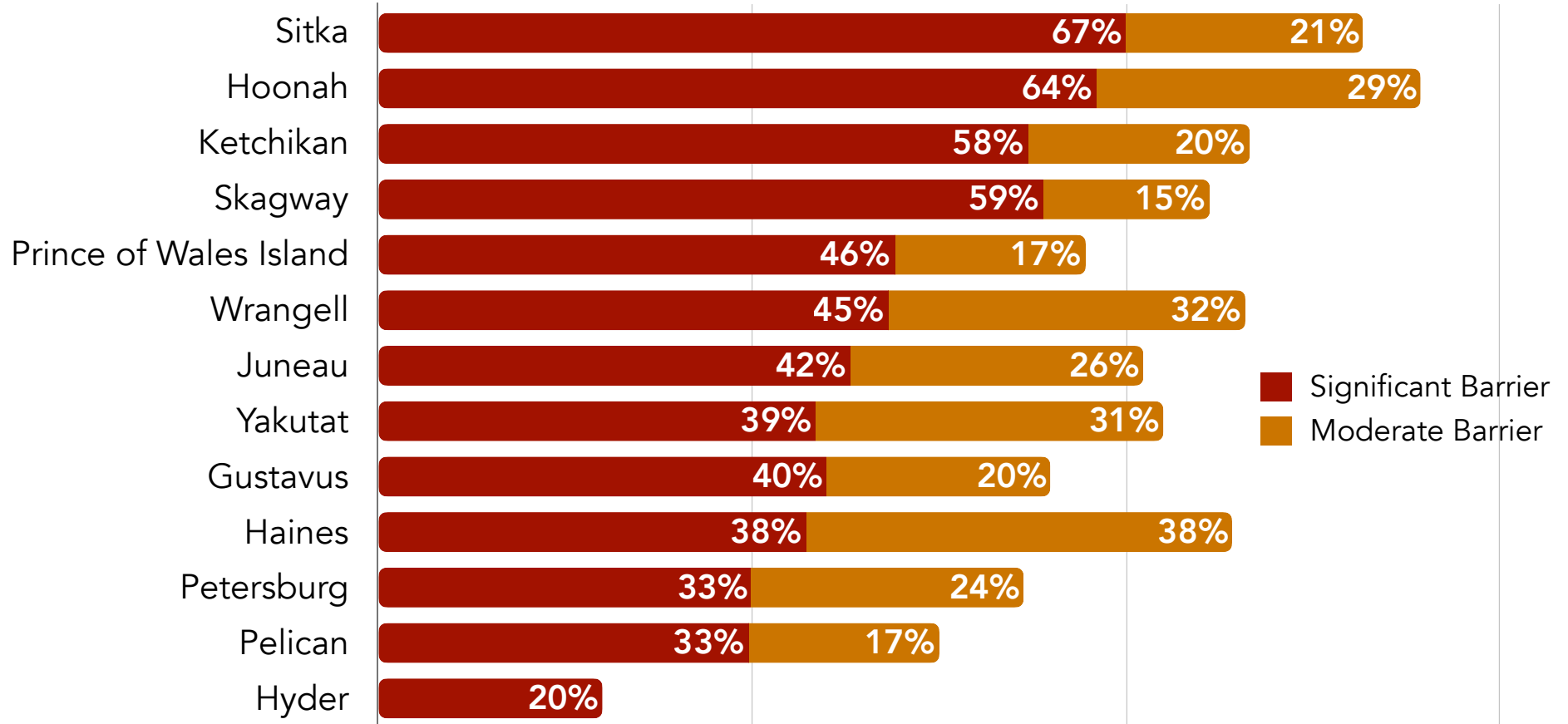
Key to Retention
Key to Turnover



Why they leave/don't take jobs in SE:

- 1) **Housing** (lack of and costs)
- 2) **Childcare** (lack of and costs)
- 3) **Transportation** (lack of and costs)

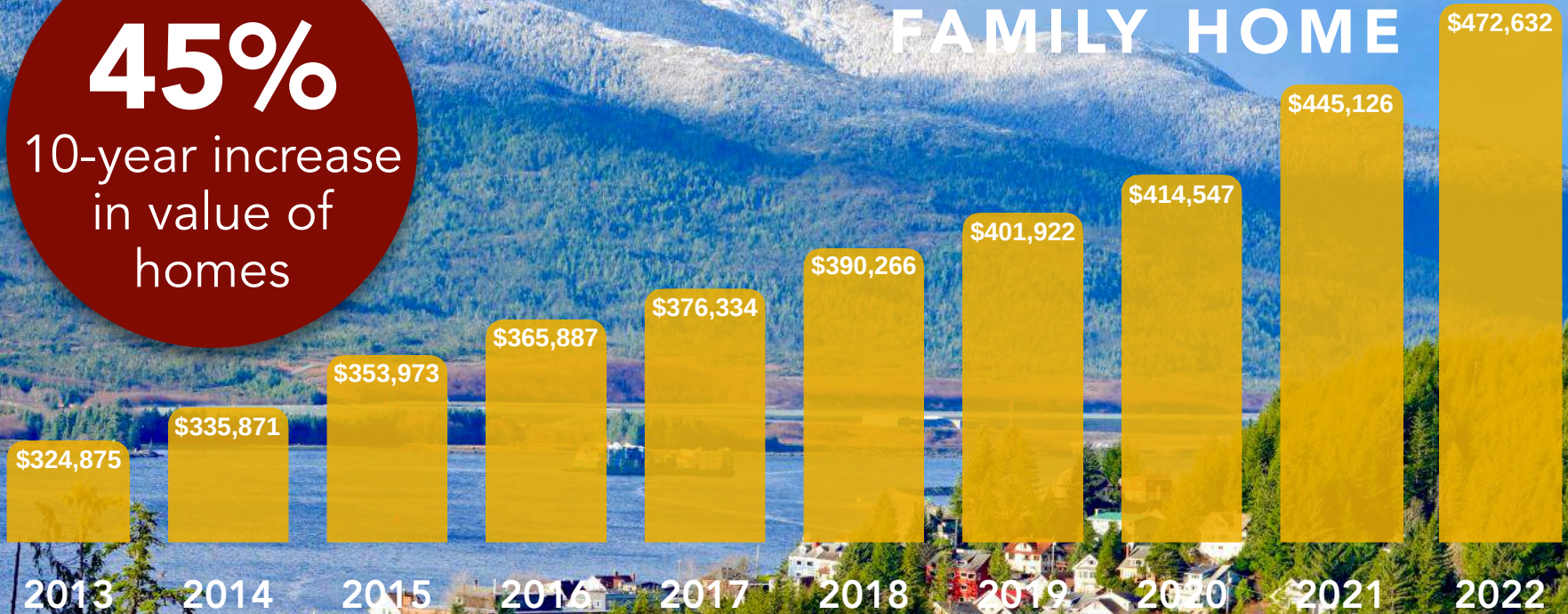
“How does housing availability impact your business in Southeast Alaska?”



AVERAGE VALUE SINGLE-FAMILY HOME

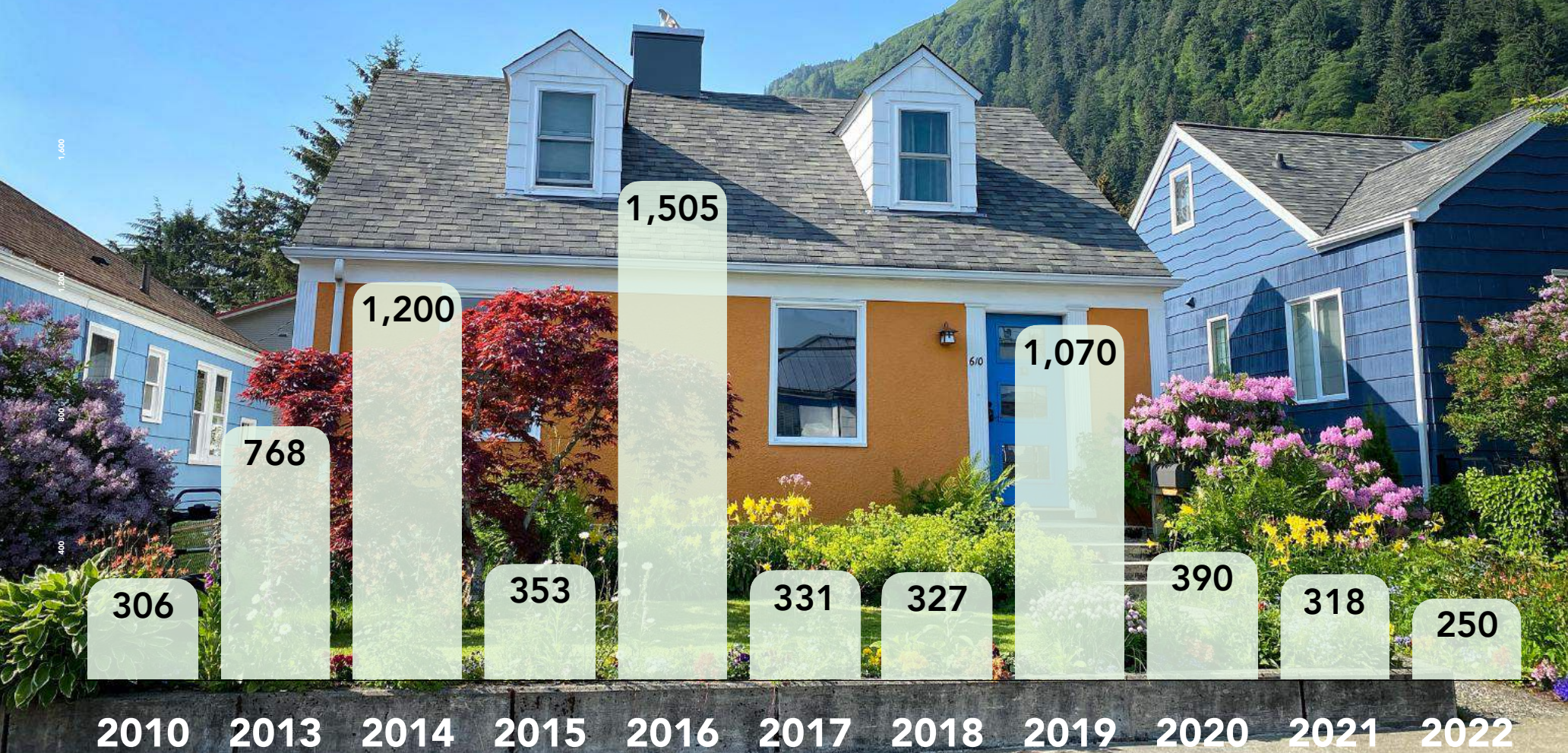
45%

10-year increase
in value of
homes



Juneau and Ketchikan average

SOUTHEAST NEW HOUSING PERMITS



POPULATION

72,218

POPULATION DOWN 150 2019 TO 2022

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

ALASKA · STATE · CAPITOL

Oh State jobs...

Southeast State Jobs

State jobs in the region are
down for the 11th year in a row
1,400 jobs lost since 2012

25%

decline in SE
State jobs
2012-2023

Down 160 Jobs in 2023

2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

5,574

5,516

5,504

5,282

4,940

4,820

4,771

4,705

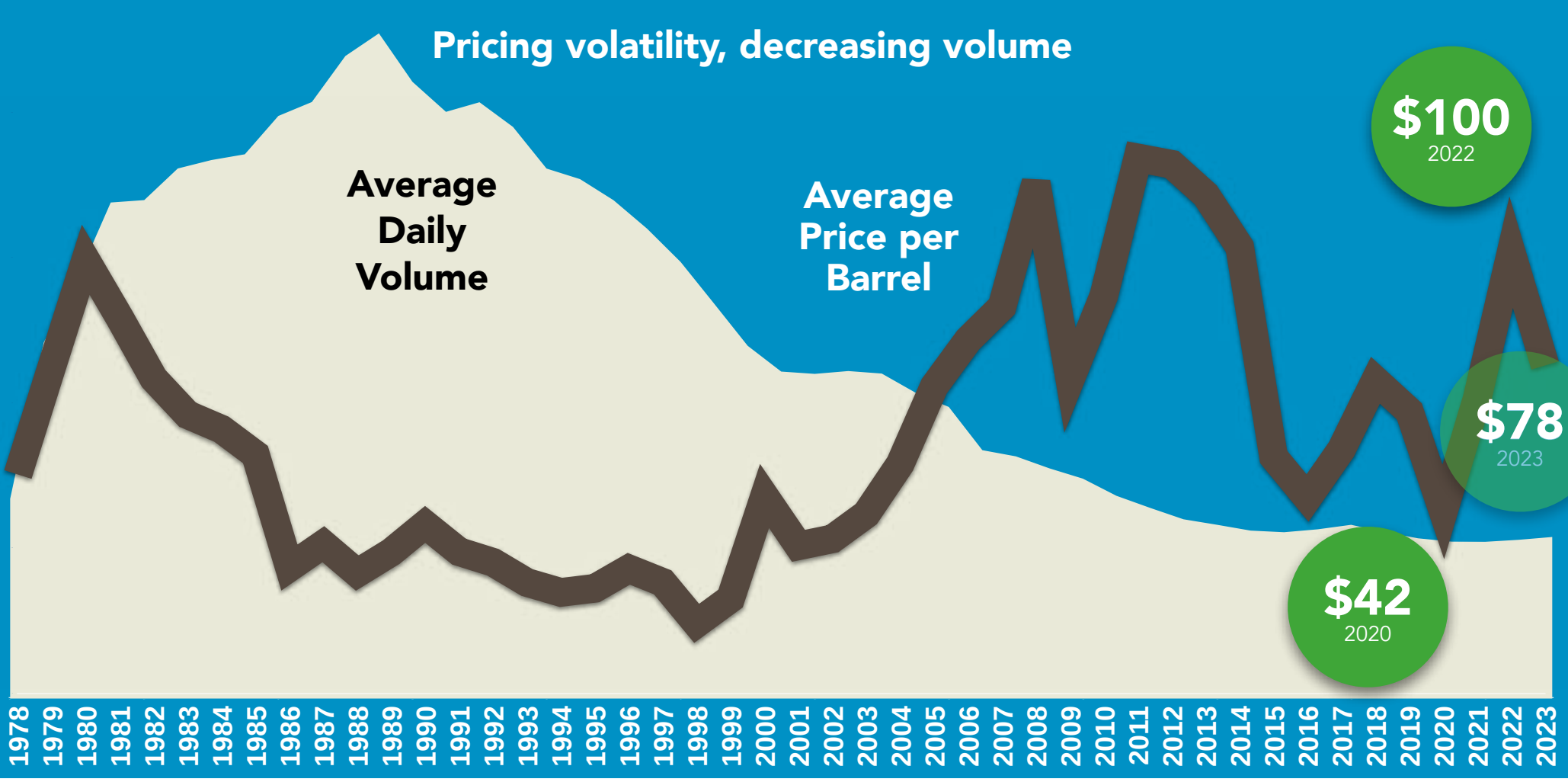
4,438

4,403

4,334

4,175

Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2023



Lower earnings mean Permanent Fund could run out of spendable money by 2026

By JAMES BROOKS
Alaska Beacon

The spendable portion of the Alaska Permanent Fund is dwindling and could be exhausted entirely within three years, fund leaders were told during a regular quarterly meeting on Wednesday, July 12, in Anchorage.

Deven Mitchell, CEO of the Alaska Permanent Fund Corp., presented the results of limited modeling that estimates the fund's performance over the next three years.

Under the "low" scenario, the fund would be unable to pay for state services or dividends by summer 2026. The "mid" scenario calls for the spendable portion of the fund to be exhausted by summer 2027.

Mitchell noted that the "low" forecast is "potentially optimistic" because it anticipates an inflation rate of 2.5%, and actual rates have been higher than that.

"The outcomes of this are quite troubling, and they're quite troubling regardless of how you model it," said Craig Richards, a member of the corporation's board of trustees, reacting to Mitchell's presentation.

"It's a big deal," Richards said. The board of trustees is scheduled to examine the issue

in further detail at a meeting in September and could recommend legislative action to fix the problem.

An annual transfer from the fund to the state treasury makes up more than half of the state's general-purpose revenue, paying for services and the annual Permanent Fund dividend, but spending from the fund exceeded earnings in the fiscal year that ended in June 2022 and likely did so again in the fiscal year that just ended.

Exact year-end figures were not yet available on July 12, but as of May 31, the Permanent Fund's total fund balances stood at just under \$76.1 billion. On the same date in 2022, they were \$79.5 billion.

The fund consists of two main accounts. One account, the fund's principal, cannot be spent without amending the state constitution. That principal is invested, and money earned from those investments goes into a second account, the earnings reserve.

That earnings account can be spent with a simple majority vote of the Alaska Legislature and the assent of the governor. As of May 31, only \$4.8 billion of the earnings reserve is uncommitted and available for spending.

In 2018, the Legislature ap-

proved an automatic system that transfers a 5% average of the fund's total value from the earnings reserve to the state treasury for spending.

That transfer, coupled with cuts to public services, a smaller dividend and other state savings, has allowed the state to avoid imposing a statewide sales tax or income tax or raising oil taxes despite drops in oil revenue.

Some observers have said that dividend and service cuts are themselves a tax, and legislators have been repeatedly warned that the Permanent Fund alone cannot provide a sustainable financial basis for the state.

Nevertheless, lawmakers have been unable to agree on an alternative, and the latest modeling follows three other prior rounds of economic modeling by a variety of outside firms and internal groups that show growing risk.

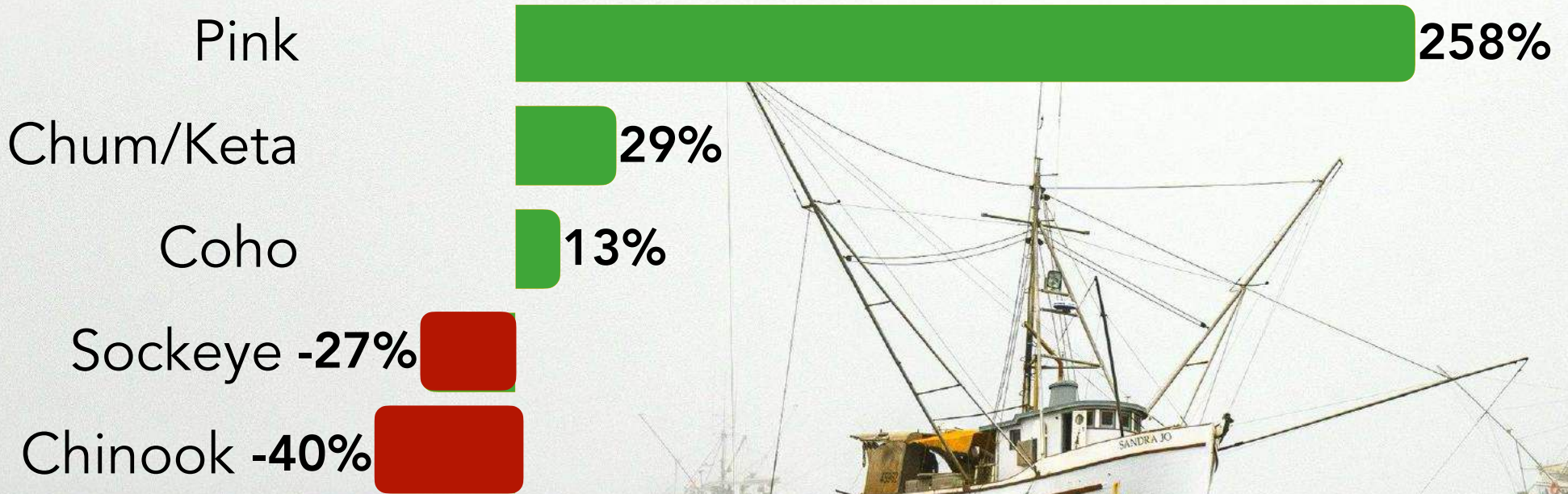
One potential solution, endorsed by the trustees in 2020, calls for a constitutional amendment that merges the principal and the earnings reserve into a single account. Doing so would solve the looming available-cash threat.

The Alaska Beacon is an independent, donor-funded news organization. alaskabeacon.com.

Permanent Fund Declines

- 
- Fund posting negative returns for the first time in a decade
 - Without sufficient earnings the fund will be unable to pay for state services or dividends by 2026

2023 **CATCH** COMPARED TO 2022



Despite a solid catch

- **Oversupply on global markets collapsed salmon prices**
- **Russia war in Ukraine**
- **China processing Russia fish**

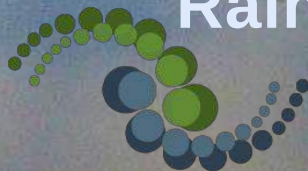
Top Stories of the Southeast Economy

- 1) We have an 'A' economy 2022
- 2) Jobs were up 5%, wages were up 11%, GDP was up, and Inflation is coming down
- 3) \$1+ billion in federal funding was key
- 4) Best business climate ever, according to business leaders
- 5) Seafood was #1, most valuable catch since 2017, record value-added processing
- 6) Tourism is back and thriving - stable numbers for 2024 projected
- 7) We have the 2nd best youth job market in the US
- 8) Tourism, government, healthcare, retail, construction, professional & business services, transportation, and mining are all growing
- 9) Labor, housing, and child care shortages
- 10) State government fiscal woes are worrisome
- 11) Low salmon prices now and moving forward



**SOUTHEAST
CONFERENCE**

Thank You



**Rain Coast
Data**