



# Sitka Trends

## Economic Newsletter

March 2017

### DOCK CONSTRUCTION AT GPIP

This Spring, the construction of the new Multi-Purpose Dock will begin at the Gary Paxton Industrial Park (GPIP). The refurbished barge will allow drive down access to the dock and plenty of space for boat maintenance. Sitka Economic Development Association is very excited about the economic benefits the dock will provide for the marine service sector in Sitka.



GPIP site of future deep water dock in Sitka

### HAPPY SPRING!

With the return of the herring, Sitka has once again become a flurry of excitement. Restaurants and bars are busier, the grocery stores have longer lines & there are a lot of new faces in town. This is the beginning of our summer season and the increase of spending in town is a welcome sight!

In this issue of *Sitka Trends* we will be discussing the State of Alaska's employment forecast as outlined by the Alaska Department of Labor and Workforce Development in its January 2017 issue of Alaska Economic Trends. <http://labor.alaska.gov/trends/jan17.pdf>

### STATEWIDE

The Department of Labor is forecasting a loss of 7,500 jobs in 2017 statewide or about 2.3%. The 2.3% drop is on top of a 2.0% drop in jobs in 2016. Employment losses began in the final months of 2015 as losses came from the industries directly related to oil production. The job losses in 2016 spread into sectors not directly related to the oil industry. Forecast job losses in 2017 reflect a broad base loss in every major sector in Alaska.

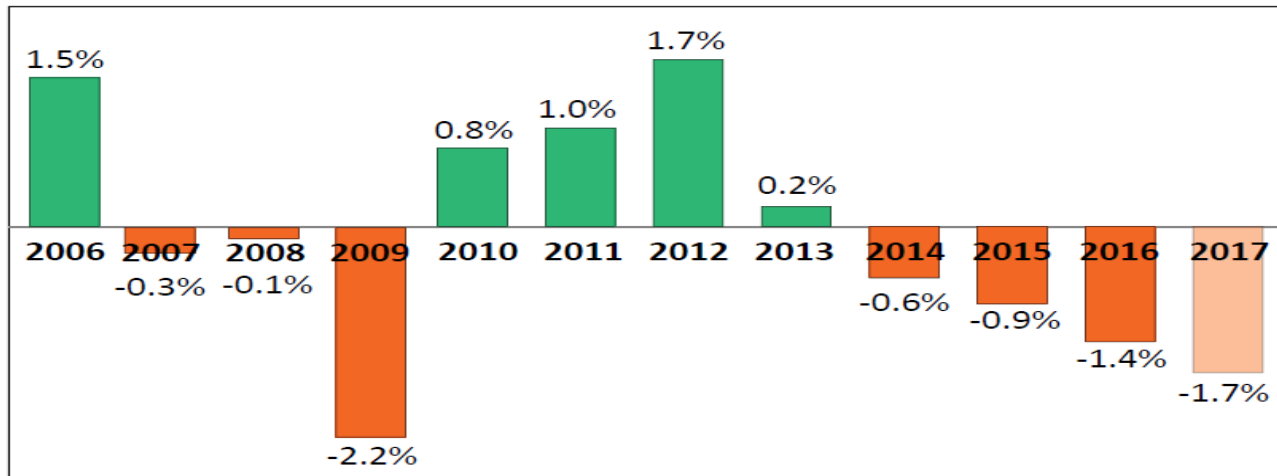
The State has seen a loss in jobs only four times in the last 50 years; after the completion of the Alaska Pipeline, in the mid 80's when oil prices bottomed out, a light dip in 2009 during the Great Recession, and now. What is different now is that during the two larger previous dips in employment oil production was increasing not decreasing as of now. Perhaps the recent oil discovered on the North Slope can help increase future oil production.

### SOUTHEAST

According to the Department, Southeast Alaska has lost more jobs recently than the rest of the State. Our region has almost none of the oil and gas employment that has been the State's biggest source of

loss. Southeast also has more of a buffer from tourism than other regions, which will help us temper the job losses.

## SOUTHEAST, PERCENT CHANGE, 2006 TO 2017



Note: The 2016 number is preliminary, and 2017 is forecasted.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

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*“Southeast has more of a buffer from tourism than other regions, which will help us temper the job losses.”*

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The loss of employment in SE Alaska has multiple factors. The State’s budget woes has effected a few different sectors.

- SE Alaska lost over 500 State government jobs between 2014 and 2016. Another 300 jobs are forecasted to be cut this year.
- The construction industry sector will see a drop as the State’s capital budget has been minimal the past few years. A few projects remain from when the State’s capital budget was more robust and Federal funding will help some, but with less State funding, the construction sector will continue to see losses.
- Poor fish runs in 2016 reduced jobs in the manufacturing sector. Fish harvesters are considered self-employed and their jobs are not covered by the Department, so job numbers are not included in the Alaska Economic Trends. A quick review of fishing permits and crew licenses does not show much change in harvester activity in Sitka over the past few years.
- Even with the increases in tourists visiting SE Alaska, the trade, transportation, and utilities sector tied to tourism saw a drop in 50 jobs in 2016. The 2017 forecast is similar.
- The leisure and hospitality sector is forecasted to hold steady.
- The health care sector saw a little growth, more than likely related to the aging population in SE.

A more detailed report the employment for both the State and SE Alaska can be found at the Alaska Economic Trends link above.

### SEDA

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*The data below are the most recent available from the various sources.*

<b>EMPLOYMENT</b> (not seasonally adjusted) – Annual Average	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total Labor Force – Sitka (Source: Alaska Dept. of Labor)	4,425	4,599	4,567
Number Filing for Unemployment – Sitka (Source: Alaska DOL)	192	216	232
Unemployment Rate – Sitka (Source: Alaska Dept. of Labor)	4.3%	4.8%	5.1%
Unemployment Rate – Alaska (Source: Alaska Dept. of Labor)	6.6%	6.6%	6.5%
Unemployment Rate – National (Source: US Bureau of Labor Statistics)	4.8%	5.2%	6.2%
<b>Job Openings</b>	<b>March 21, 2017</b>	<b>March 18, 2016</b>	<b>March 18, 2015</b>
Job orders at Sitka Job Center (includes SEARHC)	86	87	88
SEARHC job openings in Sitka	30	31	28
<b>Quarterly Census Employment &amp; Wages</b> (Source: AK Dept. of Labor QCEW)	<b>2016 Annual</b>	<b>2015 Annual</b>	<b>2014 Annual</b>
Average Monthly Employment – Annual	4,894	4,566	4,535
Average Government Employment – Annual	1,101	1,176	1,178
Average Private Ownership Employment – Annual	3,793	3,390	3,356
<b>Average Monthly Wage</b> (Source: AK Dept. of Labor- QCEW)	<b>2016</b>	<b>2015</b>	<b>2014</b>
All Sectors	\$3,719.00	\$3,572.00	\$3,656.00
Government Total	\$4,449.00	\$4,433.00	\$4,382.00
Federal Government	\$6,362.00	\$6,262.00	\$6,158.00
State Government	\$4,205.00	\$3,948.00	\$3,920.00
Local Government	\$4,154.00	\$4,342.00	\$4,298.00
Private Sector	\$3,507.00	\$3,273.00	\$3,402.00
<b>City Revenues – most recent calendar quarter</b> (Source: CBS Finance Dept.)	<b>2016</b>	<b>2015</b>	<b>2014</b>
Sales Tax Collected – Total Remitters	\$9,543,189	\$9,770,395	\$9,908,562
Bed Tax Collected – Total Remitters	\$472,267	\$484,871	\$402,153
<b>City Revenues – Fiscal Year</b> (July 1 <sup>st</sup> - June 30 <sup>th</sup> )	<b>FY2017*</b>	<b>FY2016</b>	<b>FY2015</b>
Sales Tax Collected – Total Remitters	\$10,854,994	\$10,187,353	\$9,449,766
Bed Tax Collected – Total Remitters	\$433,905	\$454,368	\$422,570
Property Tax Collected – Total Remitters	\$6,578,899	\$6,484,038	\$6,468,122
Raw Fish Tax – Received into Harbor Fund	1,000,000	\$1,009,000	\$1,009,032
<i>*Budgetary numbers</i>			
<b>Per Capita Personal Income</b> (Source: US Bureau Econ. Analysis) Includes all forms of income: rent, retirement, employment, etc.	<b>2015</b>	<b>2014</b>	<b>2013</b>

Sitka	\$64,122	\$61,202	\$62,487
Juneau	\$62,694	\$61,600	\$58,869
Ketchikan	\$63,235	\$60,957	\$58,086
Alaska	\$56,147	\$54,582	\$51,416
<b>Average Per Capita Net Earnings</b> (Source: US BEA)	<b>2015</b>	<b>2014</b>	<b>2013</b>
Sitka	\$42,079	\$42,759	\$42,545
Ketchikan	\$42,264	\$40,642	\$39,570
Juneau	\$43,455	\$42,815	\$41,831
Alaska	\$37,841	\$36,767	\$35,558
<b><u>COST OF LIVING INDICATORS</u></b>			
<b>Transportation – Regular Gasoline per gallon</b>	<b>March 21, 2017</b>	<b>March 23<sup>rd</sup>, 2016</b>	<b>% Change</b>
Sitka (Source: average pump price 3 vendors)	\$3.29	\$2.62	25.57%
Juneau (Source: AAA)	\$3.13	\$2.73	14.65%
Anchorage (Source: AAA)	\$2.64	\$2.21	24.52%
Alaska Average (Source: AAA)	\$2.80	\$2.25	24.44%
National Average (Source: AAA)	\$2.29	\$1.99	15.07%
<b>Housing - HUD Fair Market Rent – Sitka</b> (Source: U.S. HUD)	<b>2017</b>	<b>2016</b>	<b>% Change</b>
Efficiency	\$895	\$823	8.74%
One-Bedroom	\$989	\$899	10.01%
Two-Bedroom	\$1278	\$1,203	6.23%
Three-Bedroom	\$1774	\$1,656	7.12%
<b>Housing - HUD Fair Market Rent – Ketchikan</b> (Source: HUD)	<b>2017</b>	<b>2016</b>	<b>% Change</b>
Efficiency	\$836	\$823	14.39%
One-Bedroom	\$1006	\$949	6.00%
Two-Bedroom	\$1317	\$1,193	10.39%
Three-Bedroom	\$1722	\$1,657	3.92%
<b>Housing – Construction and Sales</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Value of Construction Permits Issued (Source: CBS Building Department)	\$33,709,580	\$22,685,676	\$22,545,819
Dwelling Units Added (Source: CBS Building Department)	25	27	12
Total Homes Sold – all types combined (Source: CBS Assessing Dept.)	211	114	110
Vacant Lots Sold – residential (Source: CBS Assessing Dept.)	46	30	44
Homes Sold – single family (Source: Baranof Realty LLC)	48	15	8
Average Sale Price - single family home ( <i>based on total sold</i> )	\$404,344	\$379,833	\$399,738
Sales Volume – single family homes	\$19,408,530	\$5,697,500	\$3,197,900

<b>Home Sales - Most Recent Month</b>	<b>Feb. 2017</b>	<b>Feb. 2016*</b>	<b>Feb. 2015*</b>
Homes Sold - single family (Source: Baranof Realty LLC)	2	7	2
Average Sale Price - single family homes (Source: Baranof Realty LLC)	\$392,000	\$303,070	\$330,750
Sales Volume - single family homes (Source: Baranof Realty LLC)	\$784,000	\$2,121,493	\$661,500
Homes Listed - single family homes (Source: Baranof Realty LLC)	34	40	44
Average List Price - single family homes (Source: Baranof Realty LLC)	\$648,209	\$520,759	\$447,361
Median List Price - single family homes (Source: Baranof Realty LLC)	\$437,000	\$444,250	\$434,361
Volume Listed (Source: Baranof Realty LLC)	\$12,390,000	\$20,830,350	\$19,683,895
*Past years housing data provided by Davis Realty			
<b>POPULATION</b>	<b>2016</b>	<b>2015</b>	<b>*2010 Census</b>
City & Borough of Sitka (Source: *US Census Bureau, AK Dept. of Labor)	8,920	8,929	8,881
Southeast Alaska (Source: *US Census Bureau, AK Dept. of Labor)	73,812	74,395	71,664
State of Alaska (Source: *US Census Bureau, AK Dept. of Labor)	739,828	737,625	710,231
<b>PUBLIC SCHOOL ENROLLMENT – Sitka School District</b>	<b>2016/17 year</b>	<b>2015/16 year</b>	<b>2014/15 year</b>
Total student enrollment KG-12 (Source: Sitka School District)	1,276	1,315	1,314

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*SEDA's Mission is to:*

*Foster a business climate that is receptive and conducive to existing and new business;  
Promote the creation of family wage jobs; and Enhance the quality of life for Sitkans.*

**Sitka Economic Development Association**

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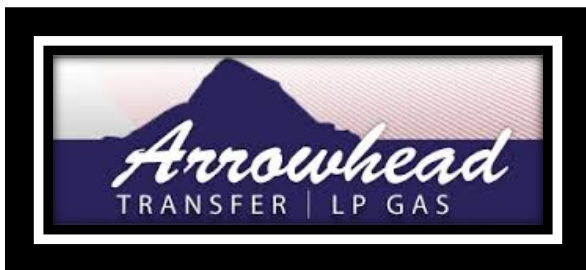
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