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Pre-Pandemic Trends

Wrap-up and Questions
Sitka’s Economy in 2019

• 4,311 wage jobs (peak 5,262, low 3,642)
• 6,500 total jobs (incl. self-employed)
• $209 million in total annual wages
• $415 million in total employment-related earnings
• $407 million in gross business sales
• $632 million in total personal income
Employment Impacts of COVID-19

Comparing monthly 2020 employment to 2019:

*Total and % decline peaked in May*

- 1,154 fewer jobs
- 25% lower than May 2019
- Most recent job count (Sept. 2020)
  - 708 fewer jobs
  - 15% lower than 2019
Job Loss by Sector, Jan.-Sept. 2020 Monthly Avg.

- Scenic & Sightseeing Trans: -93 jobs (-61%)
- Accommodations: -55 jobs (-35%)
- Eating & Drinking Places: -73 jobs (-21%)
- Seafood Processing: -98 jobs (-18%)
- Construction: -24 jobs (-15%)
- State Gov’t: -35 (-11%)
- Retail: -44 jobs (-10%)

**Total change in jobs (9 mth avg): -676 jobs, -15%**

- Statewide decline: -9%
- Juneau decline: -13%
Wage Loss by Sector, Jan-Sept 2020

- Scenic & Sightseeing Trans: -$5.2 million (68%)
- Accommodations: -$1.5 million (33%)
- Construction: -$2 million (20%)
- Eating & Drinking Places: -$1.1 million (18%)
- Seafood Processing: -$3.1 million (15%)
- State Gov’t: -$900,000 (8%)
- Retail: -$600,000 (7%)

Total lost wages: -$19.4 million, -12%

- Statewide loss: -3%
- Juneau loss: -4%
2nd Quarter (April – June) 2020 Losses

Sitka Total: -1,037 jobs, -23%

*Statewide*: -13%

*Juneau*: -19%

- Transportation: -162 jobs, -49%
- Accommodations: -92 jobs, -54%
- Eating & Drinking Places: -145 jobs, -41%

COVID IMPACTS:
Employment and Wages
Sitka Business Sales

- FY2019 total gross sales: $407 million
- FY2020 total gross sales: $392 million
- In the most pandemic-affected sectors, sales dropped $28 million, all in March thru June period.
- CY2020 est: -$60 million (-15%)
Personal Income (PI)

- $1.4 billion increase in 2020 statewide (3.1%)
  - 2% decrease in workplace earnings
  - 24% increase in transfer payments
- Sitka 2020 estimates
  - 10% decrease in workplace earnings
  - 25% increase in transfer payments
- Net PI change: 3% decrease ($20 million)
Key Industry Impacts
Sitka Seafood Industry in 2019

- 398 Sitka fishermen harvested 28 million lbs with ex-vessel of $41 million
  - Salmon: 290 active permit holders
    - 20 million lbs harvested
    - $18.2 million EVV
  - Blackcod: 113 active
    - 4 million lbs harvested
    - $12 million+ est. EVV
  - Halibut: 135 active
    - 1.7 million lbs harvested
    - $7 million EVV
- 469 crew licenses

COVID IMPACTS: Seafood Industry
Decline in demand & prices for high-value AK seafood species.
• 2020 Halibut prices 25% below 2019
• SE Sablefish: 30-40% below 2019
  • In SE, 81% of the TAC harvested, v. 96% in 2019

Statewide resident crew licenses sold down 31% in 2020 (lowest since 2009).
• Sitka down 48% (resident crew, from 384 to 201)
  • 44% for all crew licenses (469 total in 2019, 263 total in 2020)

AK processors spent $50 million+ in 2020 on COVID response...and more in 2021.
Sitka processing jobs in first 9 months of 2020 were 100 jobs below 2019, down 18% (-30% in March & April of 2020)
Sitka's Visitor Industry in 2019

- 219,000 cruise passengers, 35,000 independents (est.)
- Sitka captured 16% of Alaska’s total cruise market of 1.36 million passengers in 2019.
- Approx. $60 million total visitor spending
- Jobs in transportation, accommodations, food/beverage establishments, plus multiplier effects

What was expected in 2020 and 2021:

- 199,000 cruisers in 2020 & 300,000 in 2021
Sitka Air Passenger Traffic, 2019-2020, by Month

- **January 2019**: 4,000
- **February 2019**: 4,000
- **March 2019**: 4,000
- **April 2019**: 4,000
- **May 2019**: 12,000
- **June 2019**: 12,000
- **July 2019**: 14,000
- **August 2019**: 14,000
- **September 2019**: 6,000
- **October 2019**: 6,000
- **November 2019**: 4,000
- **December 2019**: 4,000

- **January 2020**: 4,000
- **February 2020**: 4,000
- **March 2020**: 4,000
- **April 2020**: 4,000
- **May 2020**: 10,000
- **June 2020**: 10,000
- **July 2020**: 7,000
- **August 2020**: 7,000
- **September 2020**: 4,000
- **October 2020**: 4,000
- **November 2020**: 2,000
- **December 2020**: 2,000

The chart shows the passenger traffic for each month from January 2019 to December 2020, comparing the years 2019 and 2020.
Relief Payments
UI Payments to Sitka Residents

- Total paid in 2019: $215,776
- Total paid in 2020: $7.6 million
- Peak in May, $2 million in total payments
  - Paid to 579 Sitka claimants
  - $831/wk avg.
  - Replacement of 82% of wages
- Most recent data, Feb. 2021:
  - $511,208 paid to 266 claimants
    - $65,074 paid to 63 claimants in Feb. 2020
UI Payments to Sitka Residents
Recipients by Annual Income Category

<table>
<thead>
<tr>
<th>Annual Earnings</th>
<th>No. of UI Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000-9,999</td>
<td>May 2020: 88, Feb. 2021: 40</td>
</tr>
<tr>
<td>$10,000-19,999</td>
<td>May 2020: 152, Feb. 2021: 56</td>
</tr>
<tr>
<td>$20,000-29,999</td>
<td>May 2020: 128, Feb. 2021: 60</td>
</tr>
<tr>
<td>$60,000+</td>
<td>May 2020: 52, Feb. 2021: 30</td>
</tr>
</tbody>
</table>
Federal Relief Funds to Sitka

- **Individual Economic Impact Payment (income based)**
  - Payments of $1,200 and $600 in 2020 ($1,400 in 2021)
  - Estimated Sitka 2020 total: $8 million ($6 million more in 2021)

- **Paycheck Protection Program (PPP)**
  - Sitka total: $31.5 million (first and second draw to date)
    - In 2020:
      - $8.8 million total for loans under $150k (290 recipients),
      - Est. $15 million total for loans over $150k (20 recipients)
Federal Relief Funds to Sitka

- Economic Injury Disaster Loans: $14.2 million
  - Loans ($13.4 million) and Advances ($883,000)
- Sitka’s share of State of Alaska Cares Act funds: $14.1 million
- Tribal Funding: $7.5 million

$80 million+ to Sitka residents, businesses, and organizations

Not yet distributed:
- NOAA Fisheries Relief ($50 million statewide)
Long-term Trends in Sitka
- Population trending down since 2014
- Population projected to decline to 8,130 by 2030
- 65+ population up from 11% to 17% over past decade, projected to reach 22% by 2030
Sitka Personal Income, 2010 to 2019
(Real Total and Per Capita)
In Summary...

• $21+ million in lost wages in 2020, continuing losses in 2021
• Sitka hit harder than other areas of Alaska
• $60 million in lost business sales, continuing in 2021
• $80+ million in federal relief, with more to come
• $7.6 million in UI and counting
• COVID economic impacts most severe among low wage earners and small business owners
• Long-term economic impacts of COVID-19 are unclear