

# SOUTHEAST ALASKA

## By the Numbers 2021



SEAFOOD PAGE 4   TOURISM PAGE 5   TIMBER, MINING PAGE 6   CONSTRUCTION, HEALTH PAGE 7   GOVERNMENT PAGE 8   DEMOGRAPHICS PAGE 9   BUSINESS SURVEY PAGE 13   CEDS SUMMARY PAGE 15

### CHANGES 2019 TO 2020

### SOUTHEAST ALASKA'S ECONOMY



THE **LABOR FORCE**  
DECREASED BY **5,910**  
**JOBS TO 40,187 JOBS,**  
-13%.



**TOTAL WAGES**  
DECREASED BY **\$190**  
**MILLION TO \$2.16**  
**BILLION, -8%.**



**TOTAL PASSENGER**  
**ARRIVALS DECREASED**  
**BY 89% TO 191,000**  
(INCLUDES RESIDENTS)



**STATE JOBS**  
DECREASED BY **267**  
**JOBS, -6%**



BY AUGUST 2021,  
**61% OF SOUTHEAST**  
**RESIDENTS WERE FULLY**  
**VACCINATED**



**POUNDS OF SEAFOOD**  
**LANDED IN THE REGION**  
DECREASED BY **100**  
**MILLION POUNDS,**  
-48%

**2020** Jobs and wages grew in the first quarter of 2020, but for the remainder of the year the COVID-19 pandemic ravaged the Southeast Alaska economy. Over the year as a whole the region lost nearly 6,000 jobs and \$190 million in total wages. Private sector wages were down by 13% over 2019. The visitor industry was particularly devastated. An expected 1.4 million cruise ship passengers dwindled to just 48 on the region's smallest cruise ships. Total jobs in the visitor sector were cut by 45%, for a loss of 3,800 year-round-equivalent jobs while tourism wages fell by \$119 million.

On top of the pandemic Southeast Alaska experienced one of its worst fishing seasons on record. Dismal harvest levels were compounded by reduced prices, as global restaurant closures gutted seafood demand. The 2020 regional seafood catch was 63% below 10-year averages in terms of pounds landed, and 55% lower in terms of value, even when adjusted for inflation.

Federal relief proved to be a critical stabilizing force. Communities and businesses received more than a half billion in aid in the form of grants and loans. Nearly a third of businesses said they would have closed permanently without this influx of cash. Still, there were some bright spots in 2020. Federal and construction employment were both up, and the average regional wage increased by 5%.

**2021** Southeast Alaska is headed into a prolonged period of economic recovery as regional business leaders are finding ways to succeed in a volatile but improving business climate. Through mid-July there had been tremendous optimism that the Fall of 2021 would bring a return to normalcy. However, the highly contagious Delta variant coupled with declining vaccination rates has meant that infection rates are going up, instead of down, threatening gains in health and economic advancement.

Despite setbacks, there has been positive economic news. A federal act allowed cruise ships to return to Southeast Alaska in 2021, suspending the Passenger Vessel Services Act temporarily and permitting approximately 10% of a typical cruise season to occur in 2021. The salmon harvest is coming in well above the record lows of 2020 – especially pink and sockeye, seafood prices are significantly higher, and processing jobs are way up. The 2020 US Census showed overall population growth for the region during the past decade.

While these are tumultuous times, the resources of the region are extraordinary. Southeast Alaska has a productive ocean, valuable minerals, beautiful scenery, world-class recreation opportunities, and its most important resource – the tenacity of Southeast Alaskans, organizations, and communities.

# The Whole Southeast Alaska Economy 2020

In 2020, Southeast Alaska lost nearly 6,000 year-round equivalent jobs and \$190 million in workforce earnings compared to 2019.

## Annual Average Jobs

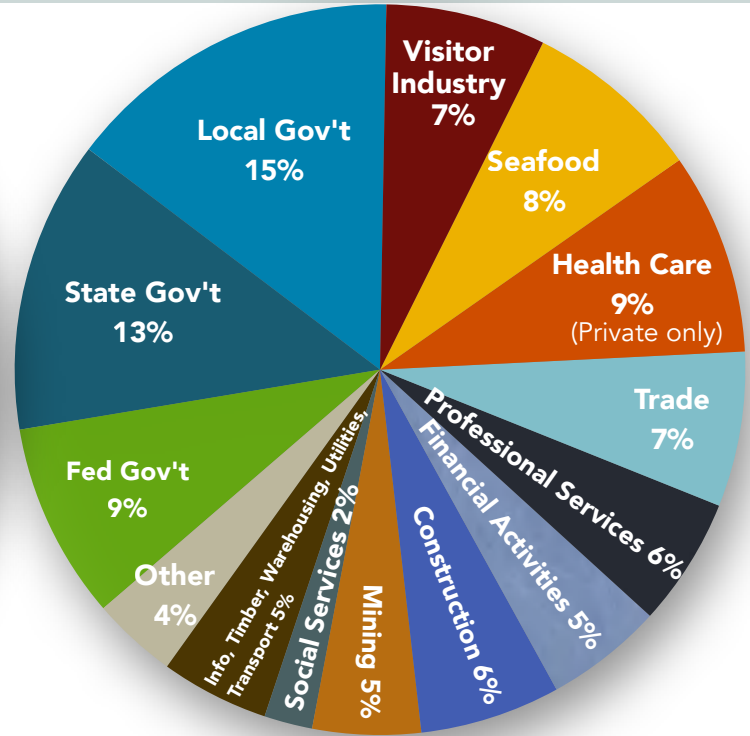
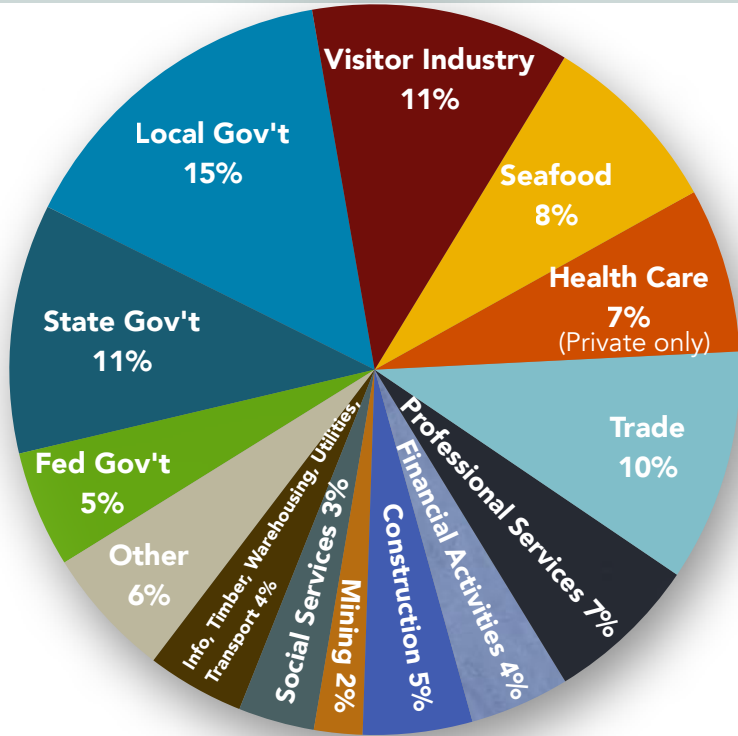
40,187 Jobs

**DOWN 5,910 JOBS IN 2020 -13%**

## Employment Earnings

\$2.16 Billion Workforce Earnings

**DOWN \$189.7 MILLION -8%**



## 2020 Southeast Alaska Employment Earnings

	EMPLOYMENT RELATED EARNINGS			EMPLOYMENT NUMBERS			Change 2019 to 2020
	Wages (2020)	Self-Employment Earnings (est.)	Total Earnings	Annual Average Employment (2020)	Self-Employed (est.)	Total Employment	
Government (includes Coast Guard)	\$727,921,874	\$61,055,378*	\$788,977,252	11,856	645*	12,501	-493
Visitor Industry	\$132,209,534	\$20,459,468	\$152,669,002	4,023	576	4,599	-3,795
Seafood Industry	\$62,894,498	\$107,722,240	\$170,616,738	1,284	2,021	3,305	-438
Trade: Retail and Wholesale	\$123,884,718	\$24,031,000	\$147,915,718	3,607	524	4,131	-341
Health Care Industry (private only)	\$177,697,626	\$14,808,180	\$192,505,806	2,674	252	2,926	-99
Construction Industry	\$95,005,835	\$38,999,000	\$134,004,835	1,362	584	1,946	43
Financial Activities	\$57,840,241	\$54,349,824	\$112,190,065	1,038	737	1,775	-58
Professional and Business Services	\$79,291,373	\$43,487,000	\$122,778,373	1,503	1,222	2,725	-216
Mining Industry	\$102,946,071	\$307,000	\$103,253,071	855	6	861	-73
Social Services	\$42,046,690	\$3,977,000	\$46,023,690	1,175	179	1,354	-60
Information (publishing, broadcasting, telecom.)	\$19,918,962	\$1,179,093	\$21,098,055	383	48	431	-104
Timber Industry	\$18,337,876	\$1,824,974	\$20,162,850	272	49	321	-51
Warehousing, Utilities, & Non-Visitor Transport	\$48,744,126	\$13,267,922	\$62,012,048	820	163	983	6
Other	\$57,419,864	\$23,795,533	\$81,215,397	1,507	821	2,328	-232
<b>Total</b>	<b>\$1,746,159,288</b>	<b>\$409,263,612</b>	<b>\$2,155,422,900</b>	<b>32,359</b>	<b>7,828</b>	<b>40,187</b>	<b>-5,910</b>

Sources: Alaska Department of Labor Employment & Wage data; (latest available) US Census Nonemployer (self-employment) Statistics; Active Duty Military Population, ADOL.

\*These cells in Government refer to active duty Coast Guard personnel employment and wages, and not self-employment data. Notes: Seafood Industry includes animal aquaculture, fishing & seafood product preparation, and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). Visitor Industry includes leisure & hospitality, and visitor transportation (air, water, scenic). Timber includes forestry and logging support activities for forestry, and wood product manufacturing.



# CHANGE IN THE LAST YEAR: 2019 to 2020

Table tracks key Southeast indicators over the past year, along with associated changes.

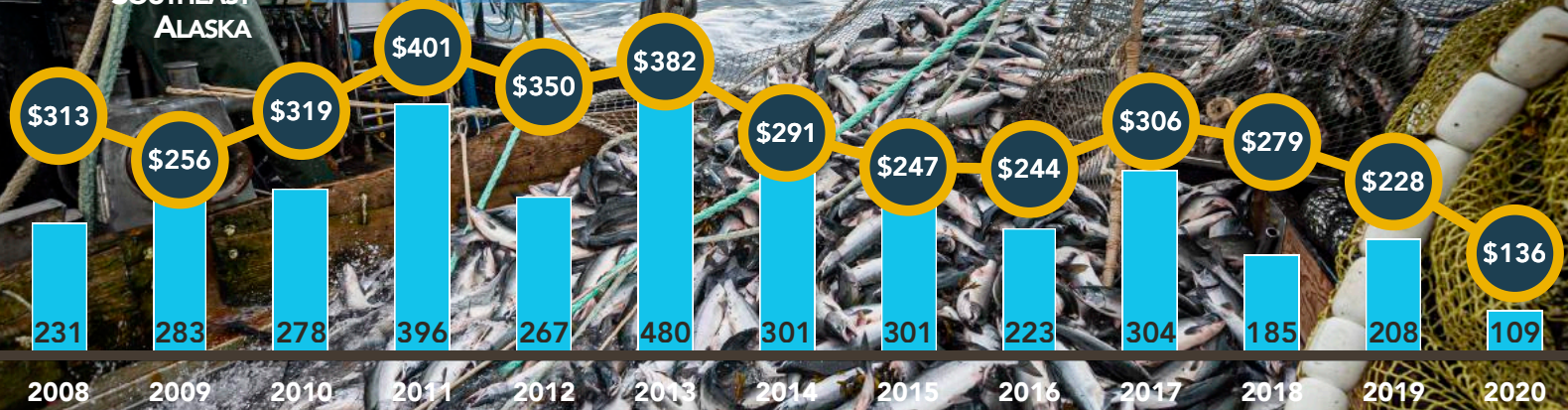
DEMOGRAPHICS	2020	2019	% CHANGE 2019-2020	CHANGE 2019-2020
Population <sup>1</sup>	71,946	72,373	-0.6%	-427
Ages 70 and older <sup>2</sup>	7,260	6,940	5%	320
Under Age 10 <sup>2</sup>	8,289	8,555	-3%	-266
Twenty-somethings <sup>2</sup>	7,931	8,340	-5%	-409
K-12 School District Enrollment <sup>3</sup>	10,683	11,344	-6%	-661
GENERAL ECONOMIC CONDITIONS				
Total Labor Force (jobs, includes self-employed & USCG) <sup>1,5,6</sup>	40,187	46,097	-13%	-5,910
Total Job Earnings <sup>1, 5, 6</sup>	\$2.15 billion	\$2.35 billion	-8%	-\$190 million
Total Private Sector Payroll <sup>1, 6</sup>	\$1.37 billion	\$1.56 billion	-13%	-\$198 million
Average Annual Wage <sup>1</sup>	\$53,635	\$50,873	5%	\$2,761
Annual Unemployment Rate <sup>1</sup>	8.3%	5.2%	3.1%	3.1%
TOP ECONOMIC SECTORS				
2020	2019	% CHANGE	CHANGE	
GOVERNMENT				
PUBLIC SECTOR: 37% OF ALL EMPLOYMENT EARNINGS				
Total Government Employment <sup>1, 5</sup>	12,501	12,994	-3.8%	-493
Federal Employment <sup>1, 5</sup> (8% of all employment earnings)	2,074	2,032	2.1%	42
State Employment <sup>1</sup> (14% of all job earnings)	4,438	4,705	-5.7%	-267
City and Tribal Employment <sup>1</sup> (14% of all job earnings)	5,989	6,257	-4.3%	-268
Total Government Payroll (includes USCG) <sup>1, 5</sup>	\$789 million	\$780.7 million	1.1%	\$8.3 million
Total State of Alaska Payroll	\$278.9 million	\$284 million	-1.8%	-\$5.1 million
VISITOR INDUSTRY				
KEY INDUSTRY: 7% OF ALL EMPLOYMENT EARNINGS				
Total Visitor Industry Employment <sup>1, 6</sup>	4,599	8,394	-45%	-3,795
Total Visitor Industry Wages/Earnings <sup>1, 6</sup>	\$152,669,002	\$271,608,580	-44%	-\$119 million
<b>Total Southeast Alaska Passenger Arrivals</b>	<b>191,138</b>	<b>1,787,345</b>	<b>-89%</b>	<b>-1,596,207</b>
Cruise Passengers <sup>10</sup>	48	1,331,600	-100%	-1,331,552
Total Air Passenger Arrivals from Outside SE <sup>11</sup>	188,443	444,217	-58%	-255,774
Total AMHS Passengers from Outside SE <sup>12</sup>	2,647	11,528	-77%	-8,881
COMMERCIAL FISHING & SEAFOOD INDUSTRY				
KEY INDUSTRY: 8% OF ALL EMPLOYMENT EARNINGS				
Total Seafood Employment (includes fishermen) <sup>1, 6</sup>	3,305	3,743	-12%	-438
Total Seafood Employment Earnings <sup>1, 6</sup>	\$170,616,738	\$238,027,072	-28%	-\$67 million
Value of Seafood Processed <sup>7</sup>	\$270,914,859	\$422,042,543	-36%	-\$151 million
Pounds Landed (commercial seafood whole pounds by SE residents) <sup>8</sup>	108,772,607	208,340,000	-48%	-100 million
Estimated Gross Earnings (ex-vessel value of pounds landed) <sup>8</sup>	\$135,971,839	\$228,312,316	-40%	-\$92 million
HEALTH CARE INDUSTRY (PUBLIC & PRIVATE HEALTH)				
KEY INDUSTRY: 12% OF ALL EMPLOYMENT EARNINGS				
Health Care Employment <sup>1, 6</sup>	3,675	3,836	-4.2%	-161
Health Care Wages <sup>1, 6</sup>	\$248,616,809	\$242,049,223	2.7%	\$6.6 million
MARITIME ECONOMY (includes employment from all industries)				
KEY INDUSTRY: 13% OF ALL EMPLOYMENT EARNINGS				
Private Maritime plus USCG Employment <sup>1,5,6</sup>	4,968	6,544	-24%	-1,576
Private Maritime plus USCG Wages <sup>1,5,6</sup>	\$289,144,738	\$403,353,410	-28%	-\$114.2 million
OTHER SELECTED STATISTICS				
2020	2019	% CHANGE	CHANGE	
Construction Employment <sup>1, 6</sup> (6% all employment earnings)	1,946	1,903	2%	43
Mining Employment <sup>1</sup> (5% of all employment earnings)	861	934	-8%	-73
Timber Employment <sup>1</sup>	321	372	-14%	-51
Price of Gold <sup>7</sup>	\$1,769	\$1,392	27%	\$377
Total Southeast AMHS Ridership <sup>12</sup>	38,596	135,388	-72%	-96,792
Cost of Living: Consumer Price Index <sup>1</sup>	226.2	228.7	-1.1%	-3
Housing Starts: Housing Permitted /Completed <sup>4,1</sup>	130	259	-50%	-129
Avg. Daily Volume ANS Oil Production (mbbls/day) <sup>14</sup>	479,531	489,771	-2%	-10,240
Annual Avg. Domestic Crude WTI Oil Prices (in \$/Barrel) <sup>14</sup>	\$41.67	\$65.49	-36%	-\$24

**Sources:** <sup>1</sup>Alaska Department of Labor (ADOL); <sup>2</sup>ADOL Southeast Alaska Population by Age; <sup>3</sup>Alaska Department of Education and Early Development; <sup>4</sup>Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; <sup>5</sup>US Coast Guard; <sup>6</sup>US Census Nonemployer (self-employment) Statistics and estimates based on business climate surveys; <sup>7</sup>Kitco Metals Inc.; <sup>8</sup>ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; <sup>10</sup>Cruise Line Agencies of Alaska; <sup>11</sup>US Bureau of Transportation Statistics (BTS); <sup>12</sup>Alaska Marine Highway System data; <sup>14</sup>Alaska Department of Revenue Crude Oil and Natural Gas Prices.

# SEAFOOD INDUSTRY

VALUE & POUNDS OF SEAFOOD LANDED IN SOUTHEAST ALASKA

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



## Seafood Industry

3,743 Annualized Jobs in 2019

**DOWN 438 JOBS IN 2020**  
**EARNINGS DOWN BY 28%**

### 2020

The Southeast Alaska 2020 seafood harvest was one of the worst on record. Compared to data over the past 10 years, the 2020 catch was 63% below average in terms of pounds landed, and 55% lower in terms of total value. Lower pink salmon harvest returns were primarily to blame. Reduced seafood prices – due to the shutdown of the global restaurant sector, as well as impacts of the US-China trade war – coincided devastatingly with one of the lowest salmon catches in more than 40 years. Processors spent millions on mitigation measures, further impacting ex-vessel prices and reducing workforce levels.

Fishermen caught nearly 100 million fewer pounds of pink salmon than they did, on average, between 2010 and 2019 (-78%); and 52 million fewer pounds of chum (-60%).

The 2020 catch value of \$136 million was less than half of the inflation-adjusted 10-year average value of \$305 million. Generally, fishermen reported that they had never worked so hard to earn so little in 2020.

While the total volume of crab harvested in 2020, especially for Dungeness, was significantly above average, the total value of the catch was still markedly below 2019 values.

In 2020, the five salmon species represented just 40% of the regional seafood catch by ex-vessel value. Halibut, black cod, and crab accounted for nearly half of total catch value in 2020. Typically, the majority of the statewide catch of Chinook, coho, chum, shrimp, Dungeness crab, and the dive fisheries occurs in Southeast Alaska.

#### KEY ECONOMIC DRIVER

The regional seafood industry (including commercial fishing and seafood processing) generated 3,300 annual regional jobs and \$171 million in earnings in 2020, making up 8% of jobs and earnings in the region. This

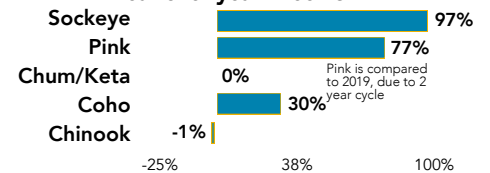
represents a loss of more than 400 jobs compared to 2019, and a loss of 1,000 seafood sector jobs since 2015.

In 2020, shore-based seafood facilities in Southeast Alaska processed 76 million pounds of seafood, with a wholesale value of \$271 million. This represents a 50% decrease in seafood pounds processed compared to 2019, and a \$151 million decline in the value of processed product. While currently a small part of the larger seafood economy, efforts to develop a mariculture sector for shellfish and seaweeds continue to expand.

### 2021

The 2021 harvest to date has been a considerable improvement over 2020. Seafood processing jobs are up by 11%. In ASMI's August 24, 2021 update, Sockeye and Coho harvests are above 2020, Chum and King harvests remain similar, and a massive pink harvest far exceeds expectations. Significantly higher seafood prices have also helped make 2021 a better year.

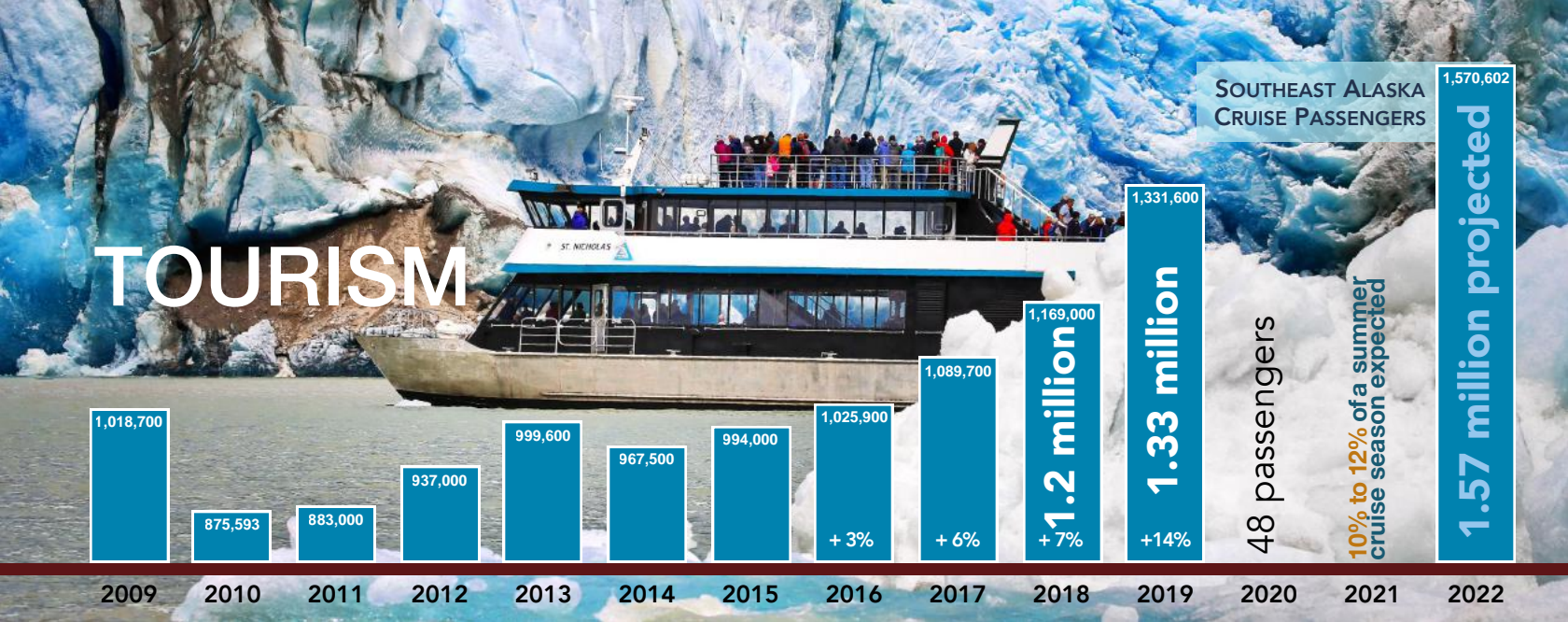
#### SE Salmon Catch: 2021 vs. 2020 Year over year: week 34



While the sector faces uncertainty due to changing ocean conditions, tariffs, state budget cuts, and global farmed seafood competition, this season's higher prices, increased jobs, and the potential for a huge pink salmon return are all good news for the regional seafood industry.

THE 2020 SOUTHEAST CATCH COMPARED TO THE 10-YEAR-AVERAGE			
Species	10-year avg. pounds landed	2020 pounds landed	Change from 10-year avg.
Pink Salmon	127,149,205	28,357,689	-78%
Sockeye Salmon	6,356,304	2,330,899	-63%
Chum Salmon	86,626,657	34,784,994	-60%
Coho Salmon	16,711,752	7,383,065	-56%
Chinook	3,458,793	2,467,056	-29%
Herring	24,319,336	1,754,254	-93%
Halibut	6,998,796	6,800,425	-3%
Crab	4,663,317	7,772,985	67%
Black Cod	9,519,259	9,661,862	1%
All Other	8,604,749	7,459,378	-13%
<b>Pounds</b>	<b>294.4 million</b>	<b>108.8 million</b>	<b>-63%</b>
<b>Value</b>	<b>\$304.7 million</b>	<b>\$136 million</b>	<b>-55%</b>

**Sources:** Combination of ADOL Employment and Wage data; US Census Nonemployer (self-employment) Statistics; ADF&G Seafood Production of Shorebased Plants in Southeast Alaska; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Alaska Commercial Salmon Harvests and Ex-vessel Values, ADF&G. Weekly Alaska Salmon Harvest Updates are produced for ASMI by McKinley Research. **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Photo:** By Chris Miller.



## Visitor Industry

8,350 Annualized Jobs  
\$272 Million in Wages in 2019

**DOWN 3,795 JOBS IN 2020**

**2020** The 2020 visitor season was like no other. Few tourists arrived in the region, and those who did found reduced opportunities to leave their money here. However, because the visitor industry includes all hotels, which were highly utilized for quarantining - especially by the mining sector - and restaurants, which quickly pivoted to take-out menus and services, employment levels were perhaps not as hard hit as they could have been. Total jobs in the visitor sector were cut by 45%, for a loss of 3,795 year-round-equivalent jobs. Wages fell by \$119 million, a drop of 44% compared to 2019.

In 2020, just 191,000 air, ferry, and cruise passengers (including residents) arrived in Southeast Alaska from outside the region. Airline passenger traffic from outside the region decreased by 58%, cruise ship traffic was reduced by 100%, and ferry passengers from outside the region fell by 77% due to the continued dramatic decreases in AMHS funding and service (see page 10). Tourists had been expected to spend nearly \$800 million across Southeast Alaska communities in the summer of 2020, and the visitor sector had been set to surpass the state and municipal sectors to become the largest wage provider in the region overall.

Instead, those working in the visitor industry earned \$153 million in 2020—just 7 percent of all regional employment income, compared to 12 percent the year before. The average annualized wage in the visitor sector was \$33,195, the lowest of any industry.

### 2020 CRUISE SHIP SEASON CANCELLED

In 2020, 43 cruise ships were scheduled to visit the region, carrying 1.41 million passengers on 606 voyages. Two of the region's smallest cruise ships with 48 combined passengers set sail in 2020, while the remainder were cancelled, due to a prohibition of cruise ships passing through Canada.

### BUSINESS LEADERS SURVEY

In April of 2021, leaders in the visitor sector reported on how their businesses were faring:

- Tourism businesses reported that revenue was down by **62%** since the pandemic began.
- **One-third** reported they would have needed to close permanently without the financial assistance made available through federal relief programs.
- **50%** were struggling to pay bills, rent, or mortgage.
- **31%** of tourism leaders said they remain vulnerable to closure.

## 2021 INCREASING JET PASSENGERS

While arriving air passengers decreased by 56% in 2020, by June 2021 passenger arrivals were up by 50% across the region compared to the first half of 2020, with June-only traffic up 260% above June 2020.

### CRUISE SHIPS RETURN

Large cruise ships returned to the region for the first time in 21 months in July of 2021, thanks to a federal act temporarily suspending the Passenger Vessel Services Act and allowing cruise ships to bypass Canada. The 79 expected port calls will provide Southeast Alaska with the equivalent of one-tenth of a typical tourism season.

### 2021 CRUISE SCHEDULE

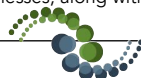
Total ships	8
Total voyages planned	79
Total projected passengers	10% to 12% of a full season
Weeks of service	16
First ship	July
Last ship	Mid-October

**2022** In 2022 if ships sail at normal capacity, they are projected to bring more than 1.5 million cruise ship passengers to Southeast Alaska, and account for 90% of all tourists in the region. Developing enough capacity to serve this number of visitors after two years of little to no tourism will be a significant challenge for regional businesses. Projected passengers for 3 of the region's largest ports of call are below:

### 2022 CRUISE PROJECTIONS

Community	Projected Voyages	Projected Passengers
Juneau	639	1,570,602
Ketchikan	598	1,401,387
Skagway	474	1,203,139

**Sources:** Cruise Lines International Association Alaska. Combination of ADOL Employment and Wage data and US Census Nonemployer (self-employment) Statistics; Alaska Visitors Statistics Program (AVSP) VII; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System; Cruise Line Agencies of Alaska; Juneau International Airport Passenger Statistics. **Note:** In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies. **Photo Credit:** Allen Marine





## Timber Industry

372 Annualized Jobs in 2019

**DOWN 51 JOBS IN 2020**

**WAGES DOWN BY 10%**

# 2020

These have not been good years for the regional timber industry. Timber jobs decreased by 14% in 2020 to 321 annualized workers and total wages dropped by 10%. Most of the region's timber jobs are now concentrated on Prince of Wales Island, home to Viking Lumber, the last remaining mid-sized sawmill in Southeast Alaska.

Southeast timber jobs peaked at 3,543 annual average jobs in 1991 and have fallen by 91% since that time.

In October of 2020, the Alaska Roadless Rule exemption was briefly reinstated. Had this change been implemented the Tongass National Forest would have been exempted from the 2001 regulation protecting roadless areas in national forests nationally, making higher levels of regional timber available for harvesting.

# 2021

In July of 2021, the US Department of Agriculture reversed this earlier decision, restoring the 2001 Roadless Rule in the Tongass, and announcing a new "Southeast Alaska Sustainability Strategy" aimed at ending large-scale old growth timber sales in the Tongass and refocusing US Forest Service management on forest restoration, recreation, climate, wildlife habit, and watershed improvements.

In 2021 the Sealaska Corporation, which had played a major role in the region's timber economy for 42 years, announced a transition away from the logging industry to focus on ocean-based food and tourism opportunities.

Timber industry employment will continue to contract. While there are some continued opportunities for timber sales in Asia, tariffs imposed by China on imports of Alaska spruce logs have made it difficult to negotiate agreements. Moreover, operators across the region continue to face constant environmental litigation, further disrupting harvest operations.

**Sources:** ADOL Employment and Wage data; Kitco Metals Inc; Coeur Mining Inc. Annual Report; Hecla Mining Company Annual Report. U.S. International Trade Commission. **Photo credits:** Tessa Axelson and Michael Penn.

## Mining Industry

934 Annualized Jobs in 2019

**WAGES UP BY 9%**

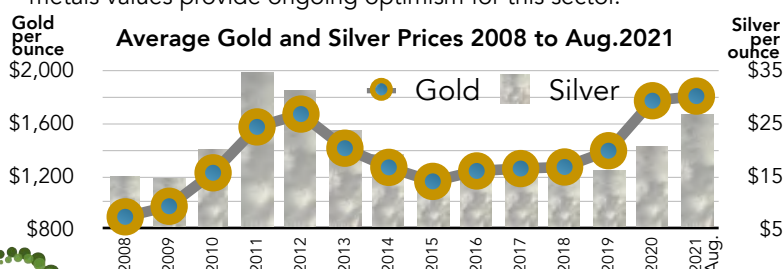
# 2020

Mining saw the largest increase in wages of any sector across the region in 2020, growing by 9%. While mining industry employment in the region was technically down, this was mostly due to how jobs are counted. Shift change protocols were reconfigured in response to COVID-19 safety precautions. Longer schedules were developed in early 2020, leading to an undercount in workers in some months. There were 861 annual average mining jobs in Southeast Alaska, with a payroll of \$103 million. The average annual mining wage was \$120,000 in 2020, more than double the overall regional wage of \$53,635.

Three mines in the region account for nearly all mining employment. Hecla Greens Creek is one of the largest silver mines in the world, Coeur Alaska's Kensington Mine is exclusively a gold mine, and the Dawson Mine is a smaller gold and silver project on Prince of Wales. In 2020, Greens Creek had a record production of 10.5 million ounces of silver and 56,814 tons of zinc. Kensington achieved a near record production of 124,867 ounces of gold. There are several mining exploration projects underway including Palmer in Haines, Herbert Gold in Juneau, Bokan Mountain and Niblack, both on Prince of Wales. Mining exploration activity in the region was notably down in 2020 due to pandemic limitations.

# 2021

In August 2021, Hecla Greens Creek had 450 full-time permanent employees (+10 from 2020), and Coeur Alaska Kensington had a staff of 383 (-3 from 2020). Dawson Mine reported 40 full time workers. Metal prices, which rise in response to economic turmoil, have been strong. Higher precious metals values provide ongoing optimism for this sector.





## Construction Industry

1,903 Annualized Jobs in 2019

**JOBS UP 43 IN 2020, WAGES UP BY 2%**

**2020** For the first time in seven years construction employment was up in 2020. Jobs in this sector increased by 43 workers, a two percent increase due to the prioritization of construction projects during the pandemic. Construction workers in the region earned \$134 million in 2020, an increase of two percent over the previous year. Construction was a larger portion of the overall regional economy in 2020, rising from four percent of all workforce earnings to six, helping to stabilize the larger economy.

Housing construction was down in 2020 by 50%, as only 130 new units were permitted or completed across the region, compared to 259 in 2019.

**2021** Early data shows that construction jobs in the first half of 2021 were up substantially - by nine percent. Tourism projects helped drive this increase. Recently completed tourism projects include a gondola and dock in Hoonah, a new dock and facility at Ward Cove, the new Sitka Sound Cruise Terminal, and the Juneau Archipelago project. As the tourism industry restarts in the region, so do plans for future tourism projects. Federally-funded projects and tourism infrastructure developments have become the focus of current and future construction efforts. Due to budget constraints, state- and municipally-funded construction projects have mostly waned. Cuts in state spending led to the reduction of large-scale construction projects across the region.

The federal Infrastructure Investment and Jobs Act, which has not yet passed, is expected to include funding for projects in Southeast Alaska. In the meantime, the federal CARES Act waived matching funds for some projects, making large infrastructure grants more accessible for local municipalities. There remains some uncertainty moving forward in the construction/engineering sector, as firms are busy but will not yet have future project certainty until the federal infrastructure bill passes.

**Sources:** Combination of Alaska Department of Labor Employment and Wage data and US Census Nonemployer (self-employment) Statistics; State of Alaska. **Photography credits:** SEARHC and Sander Schijvens.

## Health Care Industry

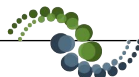
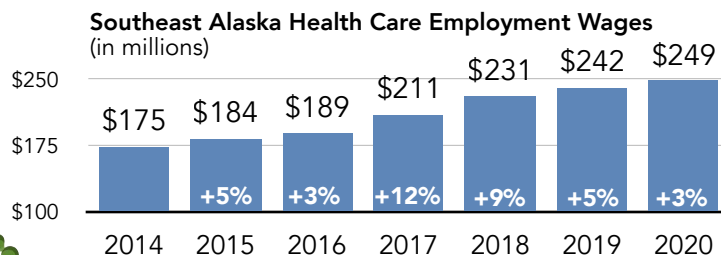
3,836 Annualized Jobs in 2019

**JOBS DOWN 150 IN 2020 WAGES UP BY 3%**

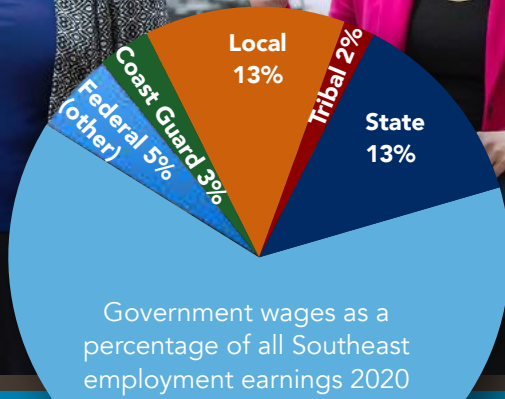
**2020** Health care became the nation's top priority in 2020, as well as the region's. Southeast Alaska's 3,675 public and private healthcare workers comprised 9% of the regional workforce in 2020, earning 12% (\$249 million) of all wages. Regional health care employment fell by 150 annualized jobs in 2020. Despite a drop in jobs, total earnings for the industry increased by 3%. Wages have been increasing to attract workers. The region was already facing a shortage of health care workers pre-pandemic due to an aging populace and growing patient volumes. With the advent of COVID-19, the demand for health care workers intensified nationally and globally, making it even more difficult for the region to attract and compete for workers.

The region's largest health care provider, SouthEast Alaska Regional Health Consortium (SEARHC) has been expanding services across the region. The newly-constructed Wrangell Medical Center opened in 2021; in Petersburg the Oceanside Dental Clinic and Mountainside Behavioral Health recently opened; in Juneau the Ethel Lund Medical Center received an extensive remodel and the new Mountainside Urgent Care opened; and in Sitka an agreement was reached with the Indian Health Service to begin construction on a new state-of-the-art regional facility.

**2021** Early data indicates that health care jobs are down incrementally in 2021, by 0.5%. This tracks with larger trends. Nationally and regionally health care worker vacancies have been increasingly harder to fill as the pandemic continues. Southeast health care institutions have shown a high level of readiness in the face of the COVID-19 crisis.



# GOVERNMENT



## Government Jobs 2020

**Local** 4,997 Jobs -260  
**State** 4,438 Jobs -267  
**Federal** 2,074 Jobs +42  
**Tribal** 992 Jobs -8

## Government

12,994 Annualized Jobs in 2019

**DOWN 493 JOBS IN 2020**

**WAGES UP BY 1%**

**2020** Government wages made up 31% (12,501) of the region's jobs in

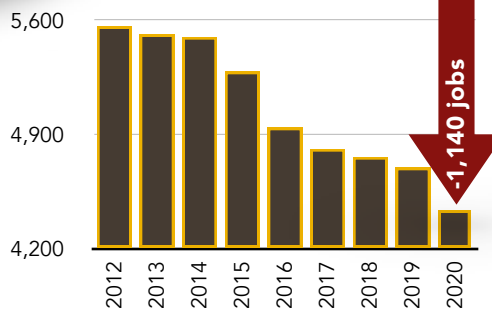
2020, and 37% of all regional employment earnings (\$789 million) and acted as a significant economic stabilizer to the region, as private wages fell by 13%. Overall public sector wages actually grew by \$8 million in 2020, an increase of one percent, although government jobs were down by 4%,

### STATE GOVERNMENT LOSSES

For the past eight years, the region has struggled with the impacts of decreased State government employment and spending. The state remains the region's most important economic sector, providing 13% of all regional wages. From 2012 to 2020, state jobs have fallen by 20%, a decline

### Southeast State Jobs

State jobs in the region are down for the 8th year in a row, for a total of 1,140 jobs lost since 2012, a decline of 20%



of 1,140 annualized workers. **Comparatively, outside Southeast, just 12.5% of State jobs have been cut.**

### STATE BUDGET CRISIS

Even before COVID-19, Alaska's budget was in a state of crisis due to declining oil production and prices. Historically, oil accounted for up to 90% of the state unrestricted general fund; currently, oil provides less than 25 percent.

The State of Alaska has operated in deficit mode for the past eight years, using \$18.8 billion in savings to cover budget gaps since FY14, leaving these accounts almost entirely depleted. Alaska is the only state in the US without broad-based taxes like a sales or personal income tax.

However, there is some good news for State coffers. The Alaska Permanent Fund ended the fiscal year with a total value of nearly \$81.1 billion, 24% higher than it did at the start of the year.

**Sources:** ADOL Employment and Wage data; Alaska Department of Revenue Crude Oil Prices. Alaska Office of Management Budget. Photo of the Juneau Assembly by Juneau Empire.

### LOCAL GOVERNMENT

Local government employment was down by 268 jobs, a 5% loss in 2020. Tribal government jobs remained flat. Total local wages increased by one percent.

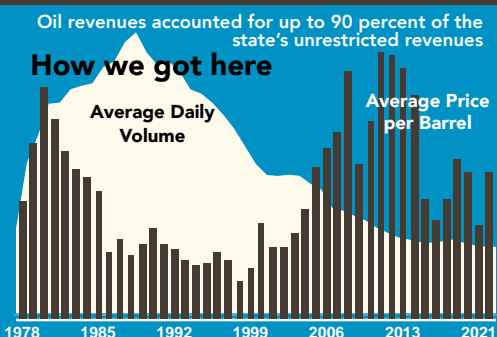
### FEDERAL GOVERNMENT

In a reversal of long-term trends, the federal government added 42 jobs in 2020, an increase of two percent while wages increased by one percent, mostly due to the addition of federal census workers. Federal jobs in 2020 remain 650 below 2004 levels.

With such significant pandemic revenue losses, the saving grace for Southeast Alaska was the \$576.2 million in federal COVID-19 relief funds that were directed toward the region in the form of grants and loans. Relief funding has been a critical support for regional households, businesses, service providers, and communities during the COVID-19 crisis.

SE COVID-19 RELIEF	
Community	CARES \$
Juneau Borough	\$206,770,278
Ketchikan Borough	\$126,280,581
Sitka Borough	\$78,347,023
Petersburg Borough	\$36,201,167
Skagway Municipality	\$34,584,659
Prince of Wales-Hyder	\$29,253,805
Haines Borough	\$21,617,152
Wrangell Borough	\$14,899,910
Hoonah-Angoon Census Area	\$14,566,737
Yakutat Borough	\$6,489,640
Non-specific	\$7,219,051
<b>Southeast Total</b>	<b>\$576.2 mill</b>

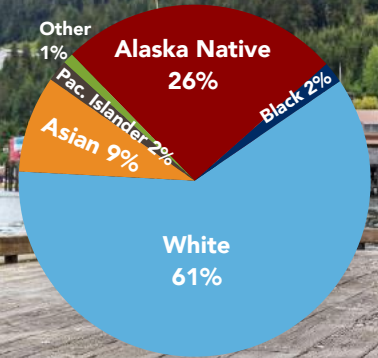
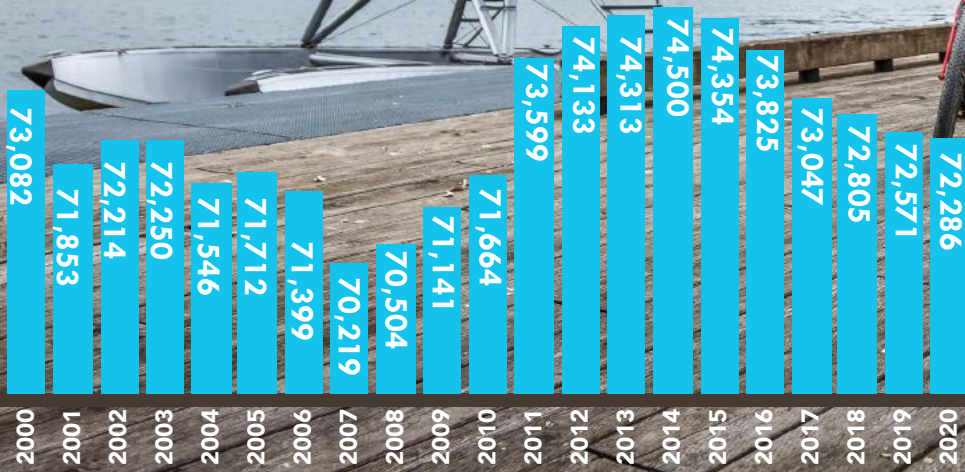
Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2021





# DEMOGRAPHICS

## Population 72,286



### US CENSUS POPULATION CHANGE 2010 TO 2020

Community	2010	2020	Change
Juneau Borough	31,275	32,255	3%
Ketchikan Borough	13,477	13,948	3%
Sitka Borough	8,881	8,458	-5%
Petersburg Borough	3,203	3,398	6%
Wrangell Borough	2,369	2,127	-10%
Haines Borough	2,508	2,080	-17%
Metlakatla	1,405	1,454	3%
Skagway Borough	968	1,240	28%
Craig	1,201	1,036	-14%
Hoonah	760	931	23%
Klawock	755	720	-5%
Yakutat Borough	662	662	0%
Gustavus	442	655	48%
Kake	557	543	-3%
Thorne Bay	471	476	1%
Hydaburg	376	380	1%
Angoon	459	357	-22%
Naukati Bay	113	142	26%
Coffman Cove	176	127	-28%
Tenakee Springs	131	116	-11%
Pelican	88	98	11%
Klukwan	95	87	-8%
Whale Pass	31	86	177%
Port Alexander	52	78	50%
Hollis	112	65	-42%
Hyder	87	48	-45%
Port Protection	48	36	-25%
Kasaan	49	30	-39%
Edna Bay	42	25	-40%
Elfin Cove	27	24	-11%
Game Creek	18	23	28%
Point Baker	15	12	-20%
Remainder	811	569	-30%
<b>Total</b>	<b>71,664</b>	<b>72,286</b>	<b>1%</b>

**2020** 2020 marked the 6th consecutive year of population decline in Southeast Alaska. In 2020, regional births exceeded deaths by 170, and 795 more people moved away than moved into the region.

#### US CENSUS 2020 RESULTS

The 10-year US Census numbers, released in August 2021, show a one percent overall increase of 622 new residents over the last decade. The region's share of the state population shrank incrementally by 0.2%. Juneau gained 980 people and Ketchikan added 471. Gains over the last decade were most significant percentage-wise in Gustavus +48% and Skagway +28%. The most significant 10-years losses, according to the US Census, took place in Haines -428, Sitka - 423, and Wrangell -242. The census shows the region has become more diverse. The Alaska Native population grew from 23% to 26% of all residents, for a total of 18,500 Alaska Native residents (+1,100).

#### THE MEDIAN AGE IS NOW 40+

Southeast has the state's oldest residents. Since 2010, the most pronounced demographic shift has been the aging of the population. During that period, the 60-plus population grew by 5,600 people, a 48% increase over 2010 due to aging in

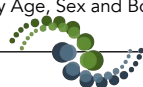
place. A quarter of people in the region are now age 60 or older. The median age of every borough is 40 or older, with the notable exception of Juneau. In the Haines and the Hoonah-Angoon census areas the median age is 48.6. The median age of Southeast is 4.5 years older than the state as a whole.

#### SCHOOL ENROLLMENT DOWN

In 2020, enrollment was down by 6% across the region. While K-12 enrollment increased regionally in 2019, the mostly online 2020 pandemic school year reduced public school population by 661 students as parents chose homeschooling programs, many of which did not direct funds to local school districts. Wrangell saw the highest percentage loss at 41%. Juneau lost 569 students, a decline of 12% — but gained more than half of those back during the first week of school in 2021, according to early data. A loss of funding allocation due to the loss of students enrolled in regional school districts could impact the financial position of regional schools.

The elements that created population losses in recent years, most notably the reduction of state jobs and services, have been exacerbated by the 2020 COVID economy. Pandemic conditions will likely lead to further population decline.

Sources: Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area; Alaska Population Projections. Photography credit: Heather Holt



# Loss of Regional Jobs

# ANNUAL EMPLOYMENT CHANGE BY SE COMMUNITY 2019 TO 2020 (Self-employment excluded)

Jobs plummeted across the region in 2020, as expected. By far the hardest hit community was Skagway, which lost nearly half of all annualized jobs (-48%). Haines, Hoonah, and Klukwan each lost approximately a quarter of all jobs; while Ketchikan, Sitka, Angoon, and Gustavus lost between 13 to 15%.

While some communities, such as Skagway and Haines, lost a similar percentage of wages and jobs, people in communities like Juneau and Petersburg earned a similar level of overall wages to 2019, despite significant job decreases in 2020.

Yakutat defied pandemic trends, adding both jobs and wages in 2020.

This analysis excludes self-employment data, which is not made available below the borough/census area level. Still, tracking change in labor figures is an important way to track overall workforce changes in a community.

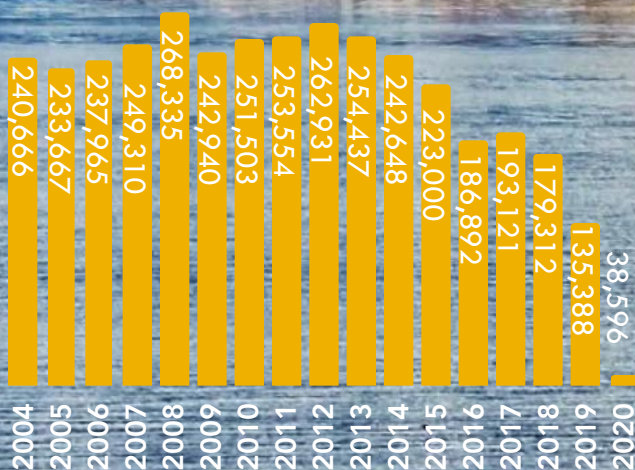
Community	2019 Annual Average Employment	2020 Annual Average Employment	2020 Wages in millions	Wages Change 2019-2020	Employment Change 2019-2020
Juneau Borough	17,957	15,872	\$938.1	-1%	-12%
Ketchikan Borough	7,398	6,286	\$329.9	-8%	-15%
Sitka Borough	4,311	3,751	\$193.0	-7%	-13%
Prince of Wales	1,525	1,432	\$62.8	-3%	-6%
Petersburg Borough	1,282	1,237	\$55.2	0%	-4%
Skagway Borough	1,080	563	\$26.6	-43%	-48%
Haines Borough	1,029	773	\$31.4	-25%	-25%
Wrangell Borough	824	725	\$32.4	-8%	-12%
Metlakatla	505	497	\$23.9	1%	-2%
Hoonah SSA	431	328	\$14.0	-13%	-24%
Yakutat Borough	280	298	\$16.2	22%	6%
Gustavus SSA	204	177	\$8.3	-8%	-13%
Kake	168	162	\$5.5	2%	-4%
Angoon SSA	154	133	\$3.6	-12%	-14%
Hyder	52	51	\$2.9	-2%	-2%
Klukwan	51	38	\$0.8	-3%	-25%

**Source:** Alaska Department of Labor and Workforce Development, Research and Analysis Section. **Notes:** The Hoonah sub-subarea (SSA) includes Pelican and Elfin Cove. The Angoon SSA includes Tenakee Springs. Prince of Wales includes the Hollis SSA, Thorne Bay SSA and Hydaburg. An SSA is the smallest unit for which the Quarterly Census of Employment and Wages is analyzed. Photo: John Hyde.

Ferry connectivity, which has long been identified as the most vulnerable element of the regional economy, had already been significantly reduced pre-pandemic. The Alaska Marine Highway System (AMHS) ferried 262,931 individuals in the region in 2012. By 2019, that figure had dropped by 49%. Deferred and reduced maintenance led to ships being removed from service. In February 2020, the system shut down all but one ferry, leaving some communities without access to groceries. COVID-19 travel challenges came on top of these already existing limitations, further reducing the number of sailings and travelers to 38,596, a 71% decrease from 2019.

Lack of vaccine adoption, paired with the Delta variant, remains an economic, societal, and health care challenge. Despite an early lead in vaccination rates, Southeast Alaska and the state have slowed substantially. As of August 2021, less than two-thirds of the region has been fully vaccinated, and some areas, like Wrangell and Prince of Wales, remained at approximately one-half, similar to the national average. Alaska as a whole lags behind.

## AMHS Ridership in Southeast



Source: AMHS. Photo by Villame Kaulotu

## Vaccinations

SOUTHEAST VACCINATION RATES 2021	
Southeast Community	% Fully Vaccinated
Juneau	67%
Skagway	67%
Yakutat plus Hoonah-Angoon	65%
Sitka	64%
Haines	61%
Ketchikan	55%
Petersburg	53%
Prince of Wales	53%
Wrangell	52%
<b>Total Southeast</b>	<b>62%</b>
Total Alaska	45%
Total US	52%

As of August 24, 2021

# SOUTHEAST ALASKA REGIONAL OVERVIEW

THE FEDERALLY  
MANAGED TONGASS  
NATIONAL FOREST MAKES  
UP NEARLY 4/5TH OF ALL  
SOUTHEAST ALASKA

78%  
TONGASS

94%  
FEDERAL  
LANDS

16%

OTHER FEDERAL  
HOLDINGS MAKE UP  
NEARLY ALL THE REST  
(MOSTLY GLACIER BAY)

3.4%

ALASKA NATIVE  
ORGANIZATIONS ARE THE  
REGION'S NEXT LARGEST  
LANDOWNER

2.5%

STATE OF ALASKA  
LANDS INCLUDE THOSE  
MANAGED AS PART OF THE  
MENTAL HEALTH TRUST

0.25

MUNICIPAL LAND  
HOLDINGS

0.05%

PRIVATE LANDOWNERS

Southeast Alaska Land Ownership

Circle size = Number of Acres

## THE REGION

The Southeast Alaska panhandle extends 500 miles along the coast from Metlakatla to Yakutat, encompassing approximately 33,500 square miles of land and water. The saltwater shoreline of Southeast Alaska totals approximately 18,500 miles. More than 1,000 islands make up 40 percent of the total land area. The region is home to 34 communities. The three largest communities – Juneau, Ketchikan, and Sitka – together are home to 75 percent of the regional population.

## CULTURE

The dominant culture in the region is indigenous. Alaska Natives – the Tlingit, Haida, and Tsimshian – make up more than a quarter (26%) of the region's population. The Tlingit have resided in the region for 11,000 years. The region's mild climate, abundant food and raw materials supported the development of highly-organized and culturally-advanced societies with extensive trade routes and rich artwork.

## ECONOMIC TRENDS

Starting in the 1880s, the economy of Southeast Alaska experienced a century of growth that intensified after statehood in 1959. From statehood into the 1990s, population and employment levels in Southeast more than doubled as the workforce expanded in the areas of mining, government, fishing, tourism, and timber. In the beginning of the 1990's seafood and timber directly accounted for a fifth of the regional economy. However, over that next decade pulp mills and sawmills in the region closed, laying off 3,200 workers. During the same period, the value of salmon declined and catch levels fell. The population continued to decline through 2007. Between 2008 and 2015, the region experienced a significant economic recovery, rebounding to record numbers of jobs, wages, and residents. However, the state budget crisis resulted in 1,140 State of Alaska jobs cut across the region, reversing the economic trajectory. The strength of the visitor sector was poised to lead the region to a stronger economic position in 2020, but the COVID-19 pandemic wiped out the tourism season, wreaking havoc across the regional economy. An extremely poor 2020 salmon season exacerbated the economic impacts of the pandemic.

## LAND OWNERSHIP

A lack of privately-owned land and land available for development is unique to Southeast Alaska and impacts the ability of the region to nurture the private sector. (See infographic on the left.) Southeast Alaska's land ownership is dominated by the federal government, which manages 94 percent of the land base. Most of this (78%, or 16.75 million acres) is the Tongass National Forest. The remaining federal lands are mostly in Glacier Bay National Park. The State manages 2.5 percent of the total land base (511,500 acres), including the Alaska Mental Health Trust Authority and University of Alaska lands. Boroughs and communities own 53,000 acres—a quarter of one percent of the regional land base. Alaska Native organizations, including village, urban, regional corporations, and the Annette Island Reservation, own 3.4 percent (728,100 acres). Other private land holdings account for 0.05 percent of the regional land base.

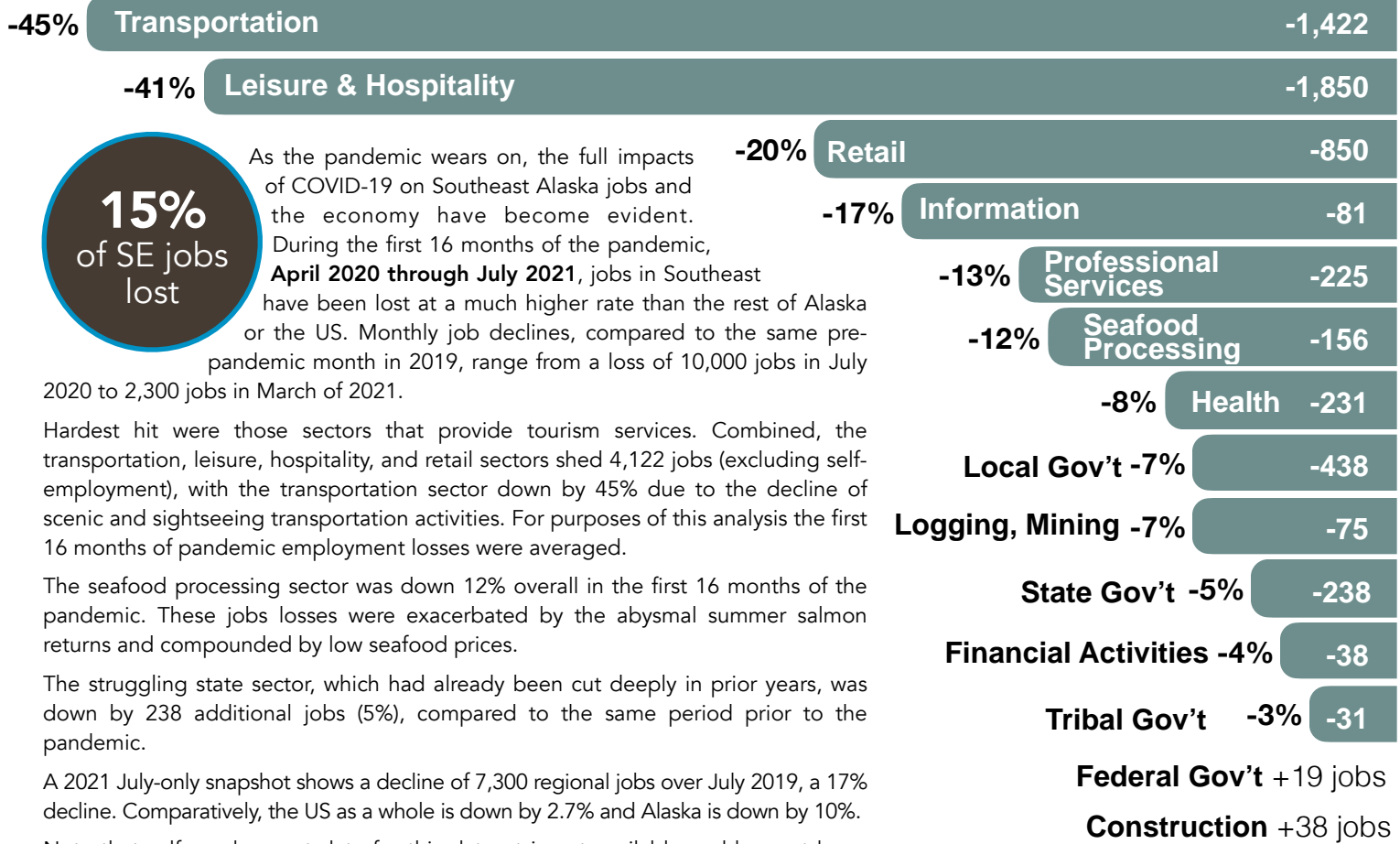


Sources: State of Alaska; US Forest Service; Sealaska. *Economies in transition: An assessment of trends relevant to management of the Tongass National Forest, USDA 1998.* Image Credits: Section of SHI clan house by David Boxley. Boat photo by Nick Starichenko.



# Southeast Alaska Pandemic Economics

Change in Southeast Jobs: **First 16 Months of COVID-19 Job Losses = -5,800**



**15%**  
of SE jobs  
lost

As the pandemic wears on, the full impacts of COVID-19 on Southeast Alaska jobs and the economy have become evident. During the first 16 months of the pandemic, **April 2020 through July 2021**, jobs in Southeast have been lost at a much higher rate than the rest of Alaska or the US. Monthly job declines, compared to the same pre-pandemic month in 2019, range from a loss of 10,000 jobs in July 2020 to 2,300 jobs in March of 2021.

Hardest hit were those sectors that provide tourism services. Combined, the transportation, leisure, hospitality, and retail sectors shed 4,122 jobs (excluding self-employment), with the transportation sector down by 45% due to the decline of scenic and sightseeing transportation activities. For purposes of this analysis the first 16 months of pandemic employment losses were averaged.

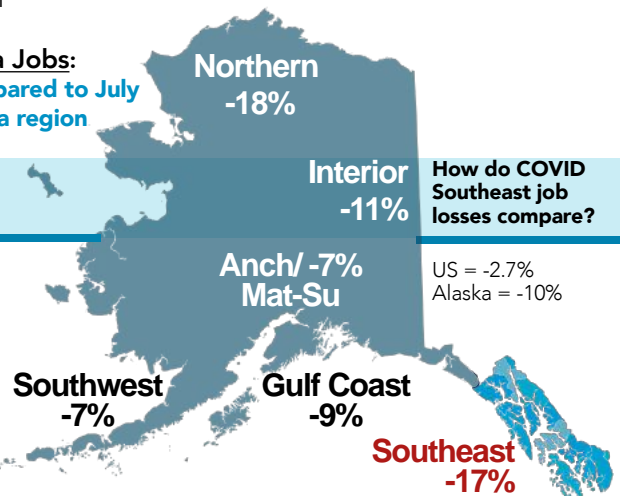
The seafood processing sector was down 12% overall in the first 16 months of the pandemic. These jobs losses were exacerbated by the abysmal summer salmon returns and compounded by low seafood prices.

The struggling state sector, which had already been cut deeply in prior years, was down by 238 additional jobs (5%), compared to the same period prior to the pandemic.

A 2021 July-only snapshot shows a decline of 7,300 regional jobs over July 2019, a 17% decline. Comparatively, the US as a whole is down by 2.7% and Alaska is down by 10%.

Note that self-employment data for this dataset is not available and has not been included in this analysis. Approximately one-fifth of Southeast jobs are independent workers, including sole-proprietors and commercial fishermen. It is assumed that these jobs were lost at a similar rate.

**Loss of Alaska Jobs:**  
July 2021 compared to July 2019, by Alaska region

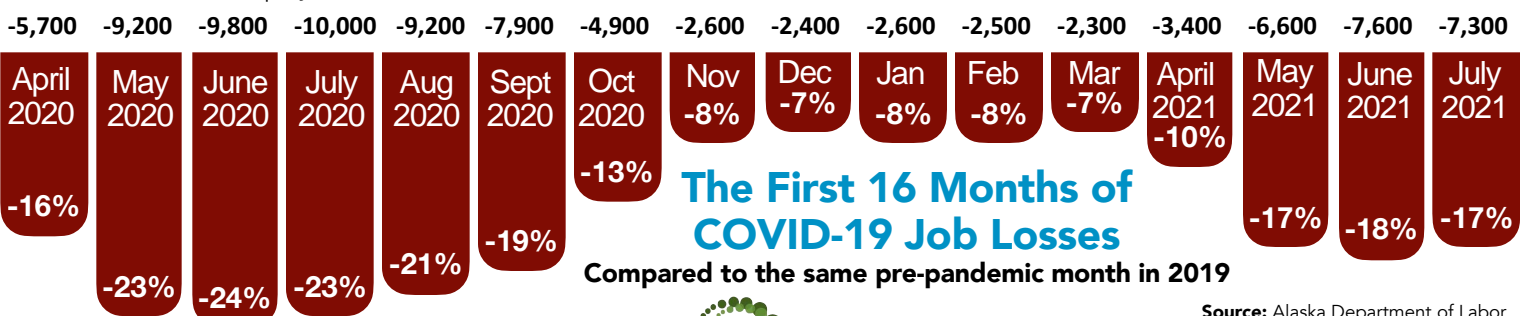


How do COVID Southeast job losses compare?

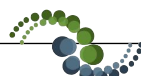
US = -2.7%  
Alaska = -10%

## Southeast COVID-19

Since the pandemic hit Alaska in March of 2020, jobs in the Southeast region have been down sharply, especially in the summer months. In June of 2020, the region was down by nearly a quarter of all jobs (24%) compared to June of 2019. A year later, in June of 2021, jobs were down by 18%. In November 2020 through March 2021, jobs were "only" down by seven to eight percent, but in a place where the summer months are also referred to as the "working season" for several industries, summer employment counts are the most critical.



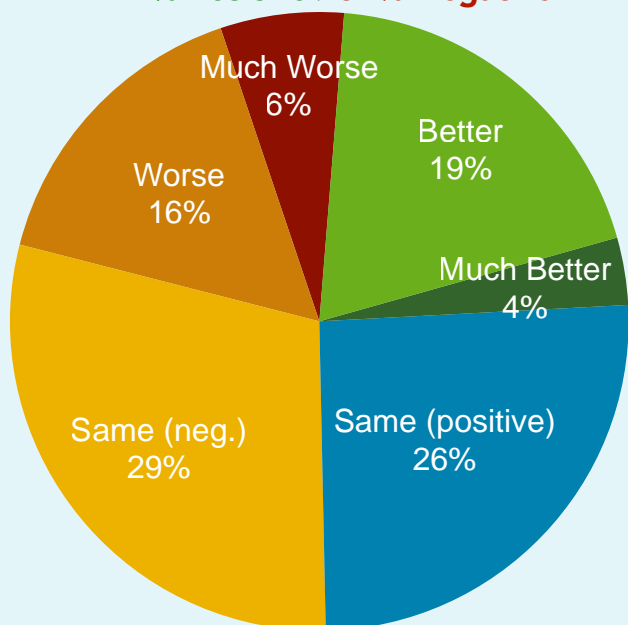
Source: Alaska Department of Labor



# SOUTHEAST ECONOMIC OUTLOOK SURVEY

“What is the economic outlook for your business or industry over the next year (compared to the previous year)?”

**49% Positive / 51% Negative**



## CURRENT REGIONAL BUSINESS CLIMATE SURVEY

In April of 2021, 440 Southeast Alaska business owners and top managers responded to Southeast Conference’s Business Climate and COVID-19 Impacts Survey.

## SOUTHEAST ALASKA ECONOMIC OUTLOOK

In 2021, half of businesses say the economic outlook for their business or industry over the next 12 months is positive. Nearly a quarter (22%) of survey respondents expect their prospects to be worse (16%) or much worse (6%) in the coming year, while a similar number (23%) expect the outlook for their businesses to improve in the coming year.

Prince of Wales Island and Sitka have the most positive outlooks. On Prince of Wales, more than half of the business leaders expect the economy to improve over the next year. The communities with the most negative projections include Skagway, Haines, and Hoonah. More than a third of Hoonah businesses expect the economic outlook to become worse (13%) or much worse (25%) in the next 12 months.

The industries with the most positive outlooks include mining, health care, and the nonprofit sector. Those with the most negative outlooks are the real estate sector, the food & beverage sector, and the visitor industry.

Businesses report that their overall revenue is down **42%** due to COVID-19

**22%** of businesses say that they are at risk of closing permanently in the next year

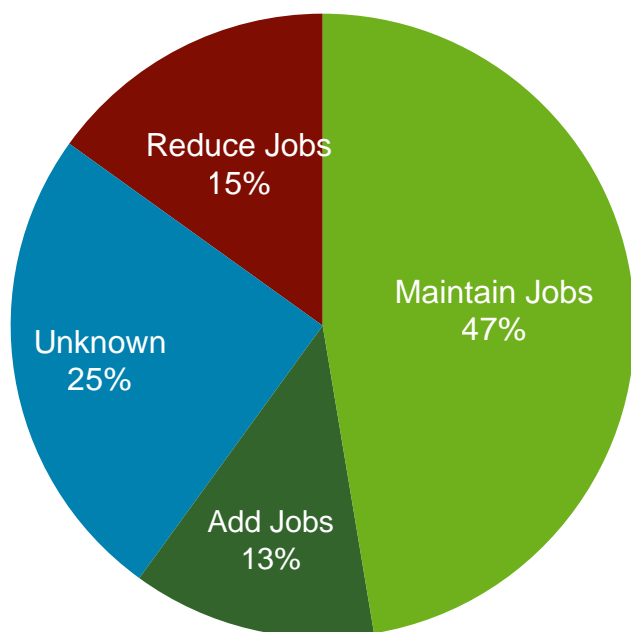
**29%** of businesses would have closed permanently without relief funding

## Jobs Outlook April 2021 to April 2022

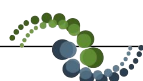
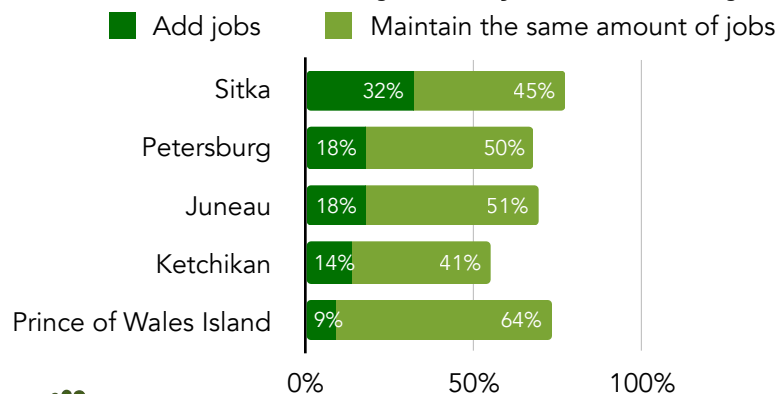
### JOB LEVELS STABILIZE

Each year, private business owners and managers are asked about hiring expectations over the next year. When asked about staffing projections, 13% of the 440 business leaders surveyed expect to add jobs to their businesses over the next 12 months, while nearly half (47%) expect to maintain current staffing levels, and 15% expect to make additional cuts. Sitka has the most positive jobs outlook with a third of employers saying they expect to add jobs in the coming year. Businesses were asked about the impact of the COVID-19 aid they received. Nearly half of respondents (45%) said that federal and state relief funding allowed their business to retain staff.

Over the next 12 months, do you expect to add jobs, maintain jobs, reduce jobs?



### Communities most likely to add jobs in the next year



# SOUTHEAST 2025 STRATEGIC PLAN SUMMARY

In April 2021, Southeast Conference released the Southeast Alaska 2025 Economic Plan, a five-year strategic plan for the region. The membership worked together to develop an overall vision statement, more than 50 objectives, and 4 priority objectives, along with regional and industry specific SWOT analyses. More than 400 people representing small businesses, tribes, Native organizations, municipalities, and nonprofits were involved in various elements of the planning process. The Plan's prioritized objectives are listed below.

## ★ TRANSPORTATION

1. **Priority** Sustain and support the Alaska Marine Highway System
2. Develop a long-term, strategic, multi-modal, regional transportation plan
3. Ensure the stability of regional passenger transportation services
4. Move freight to and from markets more efficiently
5. Ports and harbors infrastructure improvements
6. Road Development



## SEAFOOD & MARITIME

### ★ Seafood

1. **Priority** Mariculture development
2. Work to promote a year-round seafood economy
3. Further develop seafood markets
4. Maintain a stable regulatory regime
5. Research the effects of changing ocean conditions on the marine environment
6. Support regional processors becoming economically competitive
7. Communicate the importance of salmon hatcheries
8. Seafood sector workforce development
9. Full resource utilization & ocean product development



### Maritime

1. Increase employment & training opportunities for Southeast Alaska residents in the Marine Industrial Support Sector
2. Increase energy efficiency & reduce energy costs
3. Expand marine industrial support capacity

## ★ VISITOR INDUSTRY

1. **Priority** Market Southeast Alaska to attract more visitor spending and visitor opportunities
2. Grow cultural and arts tourism opportunities
3. Increase access to public lands and expand trail network
4. Increase yacht and small cruise ship visitation
5. Educate public on the economic value of tourism



## ★ ENERGY SECTOR

1. **Priority** Promote beneficial electrification
2. Continue to support rural Southeast communities with high-cost electric rates without access to lower-cost hydroelectricity
3. Work with communities to create energy systems that provide sustainable, affordable, renewable thermal energy
4. Implement regional energy plan with a focus on "committed units" and deployment of renewables
5. Energy workforce development

## MINING INDUSTRY

1. Proactively support mining operations and mineral exploration projects
2. Support efforts to increase access to minerals and energy sources for mining on state and federal lands
3. Mining and exploration workforce development
4. Preserve access to reliable, year-round transportation for miners living in rural Southeast Alaska
5. Attract mining capital



## HEALTH CARE

1. Plan for a post COVID-19 health care system
2. Retain Alaska-trained health care students
3. Meet the health care needs of an aging population
4. Increase health care training within the region and state

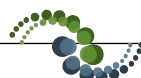
## TIMBER INDUSTRY

1. Provide an economically viable and dependable supply of timber from the Tongass National Forest to regional timber operators
2. Revise the Tongass National Forest Land Management Plan
3. Support an integrated timber industry that includes harvest of young growth and old growth
4. Community-based timber workforce development
5. Work with USFS to direct federal contracts and timber sale opportunities toward eligible locally-owned businesses



## OTHER OBJECTIVES

1. **Child Care:** Increase child care capacity
2. **Housing:** Support the sustainable development of housing
3. **Communications:** Improve communications access
4. **Education Objective:** Partner with University of Alaska Southeast and K-12 school districts to build career pathways and meet employer needs for a skilled workforce
5. **Natural Disaster Planning:** Support disaster preparation and relief efforts
6. **Solid Waste:** Support regional solid waste management solutions
7. **Food Security:** Increase supply, demand and equitable access and distribution of local foods and regional food system opportunities
8. **Arts:** Increase the recognition of Southeast Alaska's thriving Northwest Coast arts economy
9. **Cultural Wellness:** Support the development of activities and infrastructure that promotes cultural wellness and multicultural wellness



# A Message from Southeast Conference

## Executive Director Robert Venables



**Southeast Strong.** It's where we've been, who we are, and where the region is headed with continued hard work and a strategic plan. Over the past year, Southeast Conference members and stakeholders have created both a resiliency plan and a new 5-year Comprehensive Economic Development Strategy. These plans lay the foundation for a successful return to

economic vibrancy. Southeast Conference has been providing businesses with technical assistance and resources to keep their doors open and employees on the job. To this end, we coordinate with municipalities, Tribes, industry representatives, chambers of commerce, and state and federal agencies. We sit through countless hours of virtual meetings and do whatever is necessary to help businesses survive the pandemic and wide-spread economic devastation experienced by so many.

Southeast Conference's Mid Session Summit virtual resiliency workshop directly led to many businesses pivoting from shut down brick-and-mortar storefronts to online platforms, creating opportunities to survive and rebound. Southeast Conference remains focused on both the short-term relief and long-term economic recovery.

Southeast Conference was proud to participate in efforts leading to the return of cruise ships to Alaska. We are working with SATC and regional partners to facilitate nearly \$3 million in strategic marketing, benefiting the tourism industry for years to come. Progress has been made to address ferry and freight transportation with the emergence of a new oversight board for the Alaska Marine Highway System.

It is imperative that the region be ready for federal investment dollars. We need to answer questions such as what does basic marine transportation service look like? Can the region leverage advances in technology to modernize the fleet? Where can infrastructure investments stimulate the economy, ensuring a resilient future? Can more technology and automation be implemented?

Mariculture is poised to be an economic engine in coastal communities. Tourism is on the rebound, but the recovery is fragile and needs support. Working together, we can speed the recovery process through strategic planning and partnership opportunities to ensure our region stays Southeast Strong!

## Incoming President Lisa Von Barga



**Lisa Von Barga is the Borough Manager for the City and Borough of Wrangell. She will become the Southeast Conference president at the Annual Meeting in September 2021.**

When I moved from Southcentral to Southeast Alaska just over four years ago, I was struck by how cohesive a region Southeast truly is. It is not something I had previously experienced.

That strength, Southeast Strong, is a most appropriate theme for this year's annual conference. In late 2019 who among us could have imagined maintaining and growing a regional economy in such a perfect storm of adversity – Alaska's overall economic decline; the State budget deficit; abysmal fish returns; climate change; COVID that just won't be contained; the two-year collapse of cruise tourism; the Roadless Rule saga; declining jobs and population; the disappearance of the Alaska Marine Highway; and unprecedented political divisiveness at the state and federal levels – just to name a few.



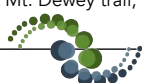
How can we possibly stay Southeast Strong? It won't be doing business as usual. Rather, I imagine it will be all of us ramping up to put our Southeast regional cohesiveness on steroids.

Collaborations and strategic affiliations will be more important than ever, blurring the lines of more traditional Tribal, public, private and non-profit partnerships. I don't know what these will look like, but I know it is together we will evolve to a stronger and more sustainable economy. As we prepare to come together this year, I challenge everyone to think differently, openly, and hopefully about what new ways we can collaborate locally, regionally, and beyond to be Southeast Strong.

One Team, One Fight my friends.

The mission of Southeast Conference is to **undertake and support activities that promote strong economies, healthy communities, and a quality environment in Southeast Alaska.** As the state- and federally-designated regional economic development organization, Southeast Conference serves as the collective voice for advancing the region's economy. We have 200 member organizations representing 1,200 people from 32 regional communities. We started 60 years ago with a group of people supporting the establishment of a regional transportation system, leading to the formation of the Alaska Marine Highway System. Our members stayed together through more than a half-century to focus on concerns unique to the region.

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# SOUTHEAST CONFERENCE

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