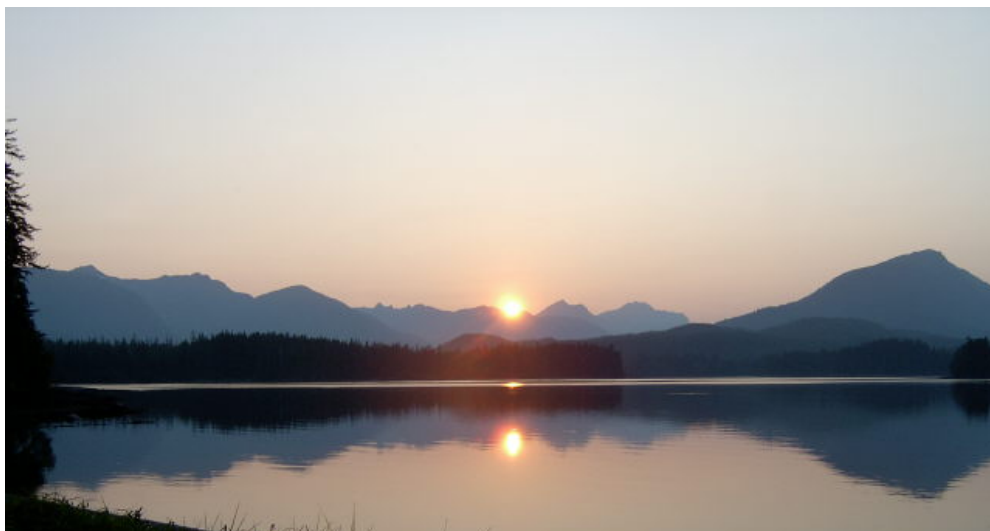


Challenges and Opportunities in Southeast Alaska

Tongass Futures Roundtable
Petersburg, Alaska
September 11, 2007









The Economy of Southeast Alaska

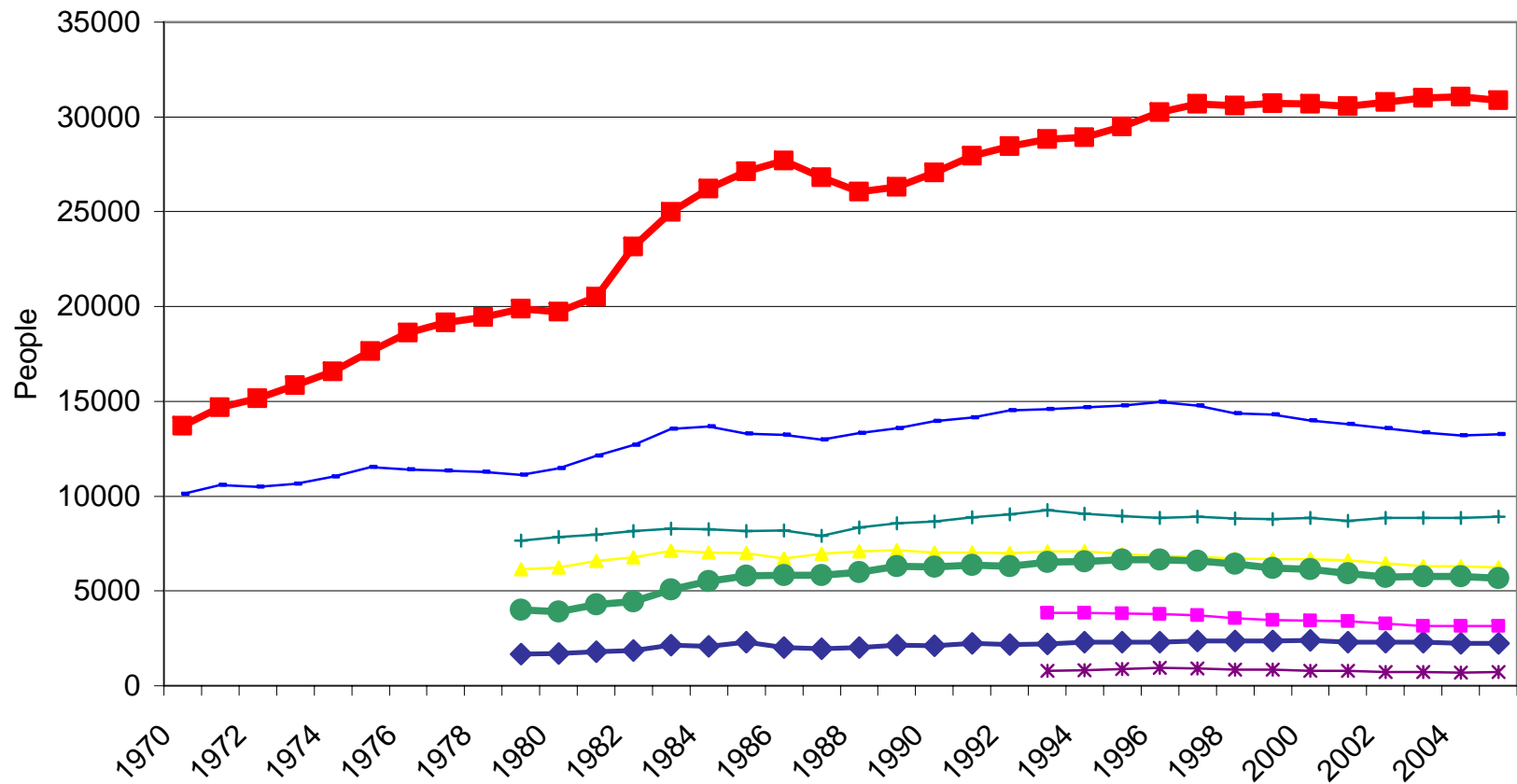
- Regional Trends
- Local conditions
- Drivers of change
- Approaches
- Success stories
- Questions

Regional Economy

changes since 2000

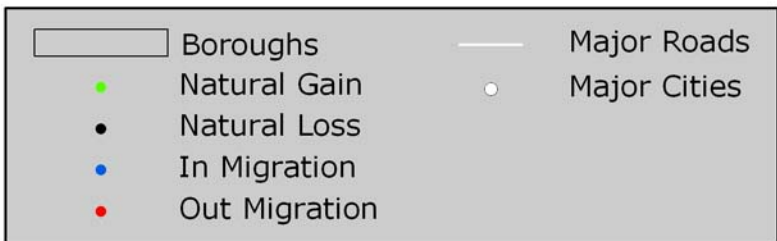
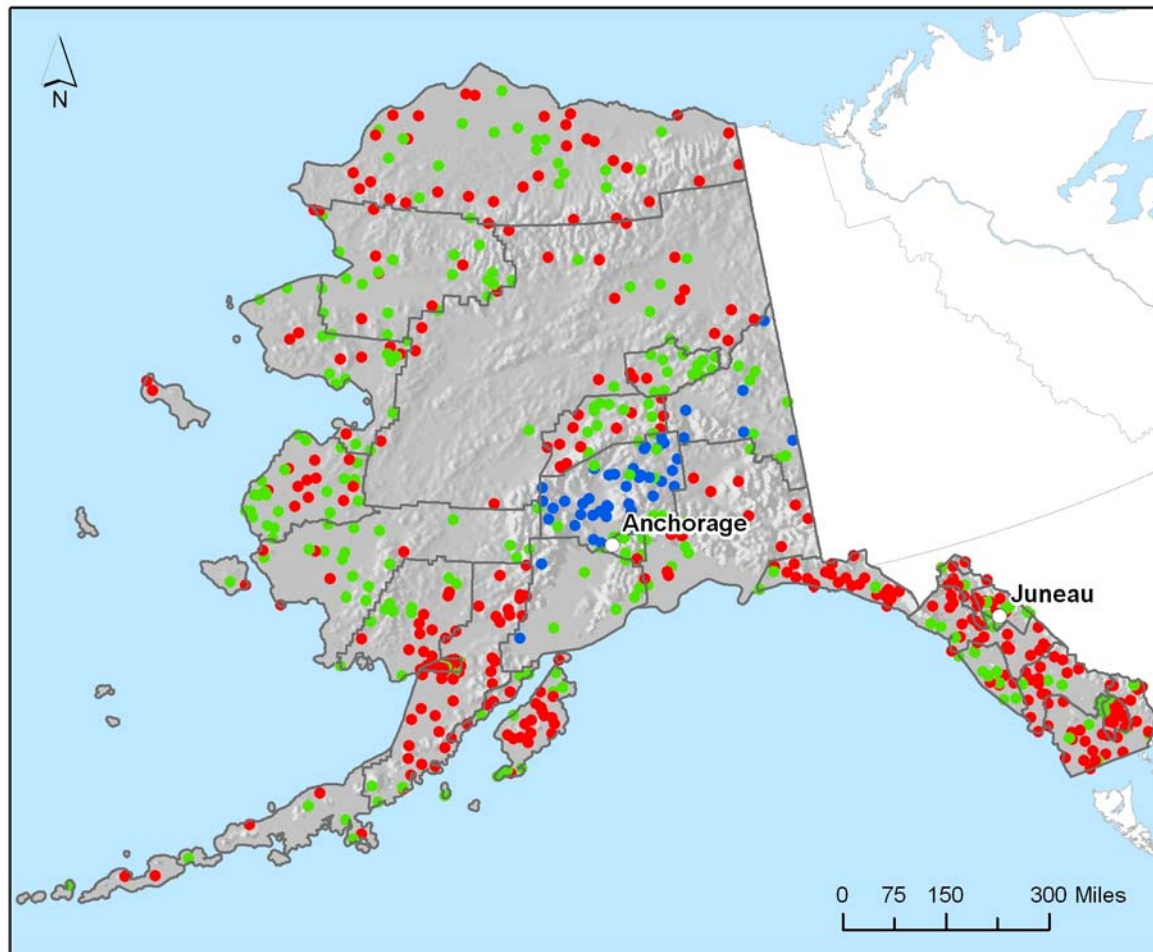
- Population - down 4% (3,000)
- Wage & salary jobs - no change
- Average wages - down <1%
- Personal income - down 2%
- Per capita income - up <1%

Population



- Juneau City and Borough, Alaska
- Ketchikan Gateway Borough, Alaska
- Yakutat Borough, Alaska
- Skagway-Hoonah-Angoon Census Area, Alaska
- Haines Borough, Alaska
- Sitka Borough, Alaska
- Wrangell-Petersburg Census Area, Alaska
- Pr. of Wales-Outer Ketchikan Census Area, Alaska

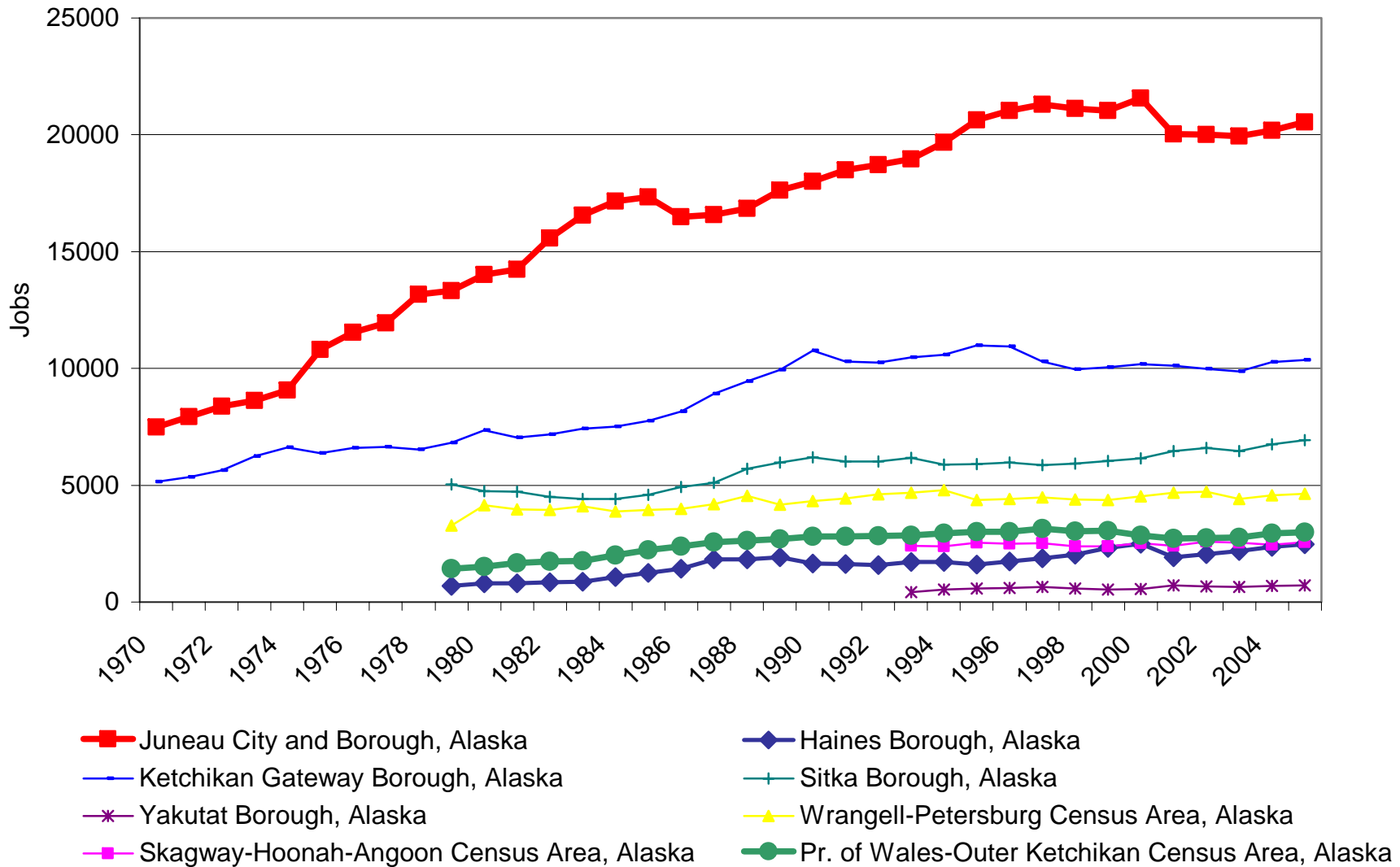
Composition of Population Change 2000-2005: Migration vs. Natural Change



Data Sources: US Census, US Geological Survey, NationalAtlas
 USA Contiguous Albers Equal Area Conic Projection
 Map Date: 8-15-2006

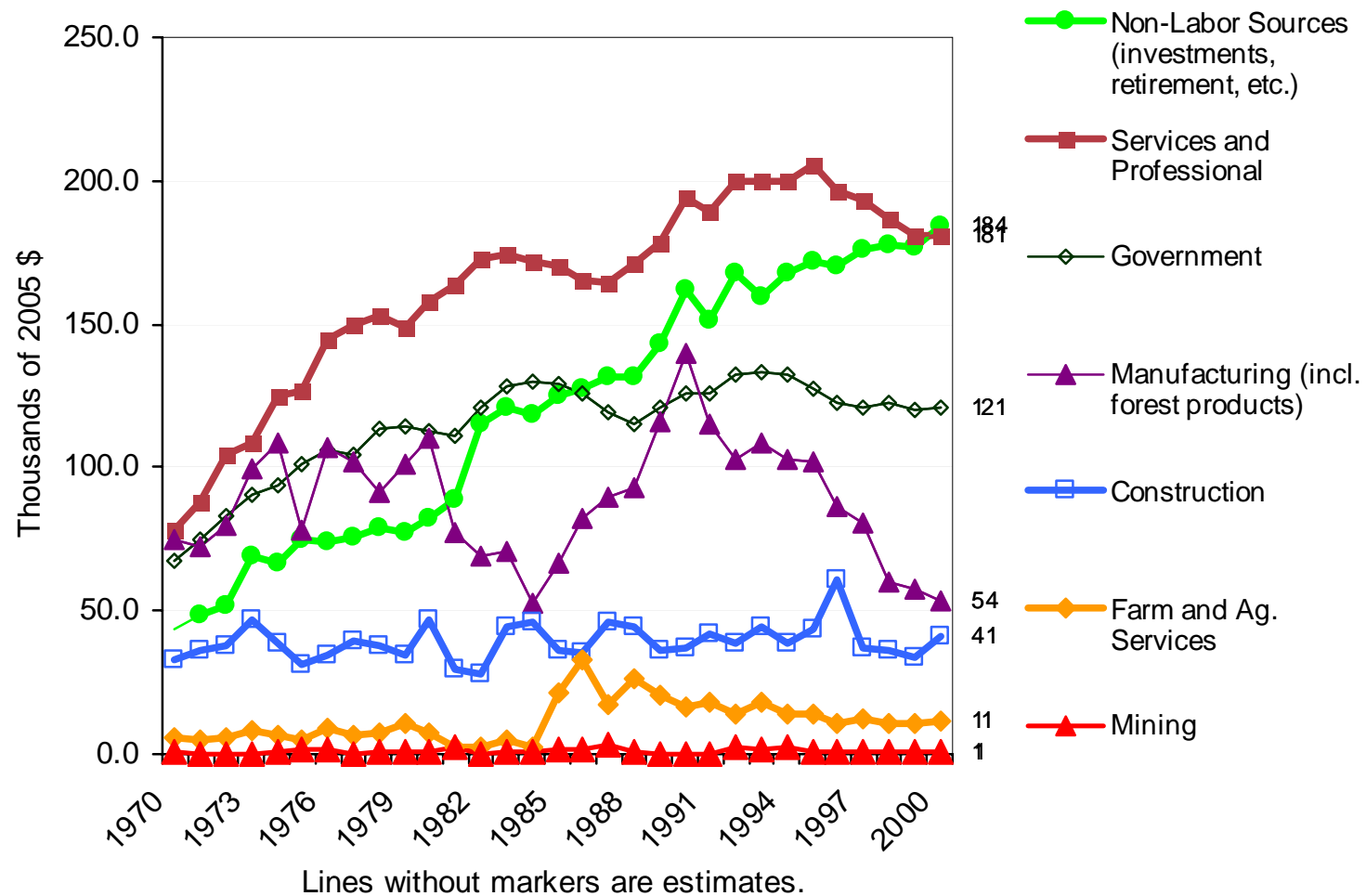


Total Employment

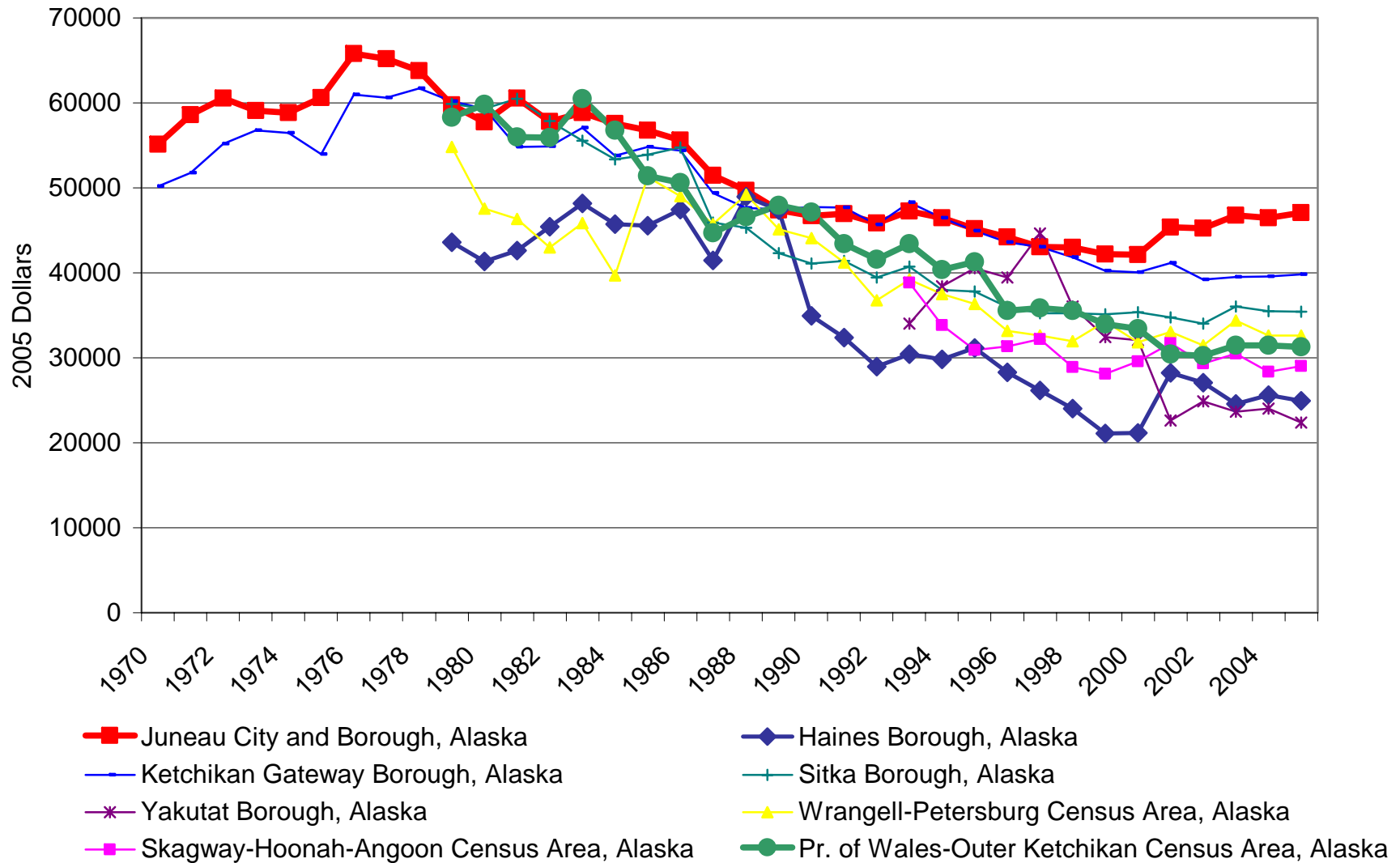


Ketchikan Gateway Borough

Income History (by SIC)



Average Earnings Per Job



Southeast Economies

- The region is far from economically homogenous
- Economic conditions vary widely among communities
- Different forces are (and have been) at work in different communities

Angoon

- 2006 Population, 482 (82% Alaska Native),
 - 16% below 2000
 - 24% below 1990
 - Per capita income \$11,357, half the statewide average
- Forces at work
 - Welfare reform
 - Migration of commercial fishing permits

Wrangell

- 2006 Population, 1,911
 - 17% below 2000
 - 31% below 1993 peak
 - Per capita income \$21,851, just below statewide average
- Forces at work
 - Mill closure in 1994 - steady decline since

Petersburg

- 2006 Population, 3,129
 - Down 3% since 2000
 - Also down slightly from 1990
 - Per capita income \$25,827, 14% above statewide average
- Forces at work
 - Changing seafood industry

Juneau

- 2006 Population, 30,650
 - Stable since 2000
 - 13% above 1990
 - Per capita income \$26,719, 17% above statewide average
 - 4% unemployment
- Forces at work
 - Cruise industry growth
 - Loss of year-round population
 - Declining wages in key industry
 - Continued threat of capital move

Other SE Communities

- **Ketchikan**, 13,174, steady decline from mill closure to 2004, slow increase since
- **Sitka**, 8,833, stable since 2000
- **Haines**, 2,241, down 6% since 2000
- **Craig**, 1,420, down 18% since 2000
- **Hoonah**, 829, down slightly, but relatively stable
- **Yakutat**, 60, down 10% since 2000
- **Thorne Bay**, 482, down 13% since 2000
- **Kake**, 536, down 24% since 2000

Major forces at work in Southeast

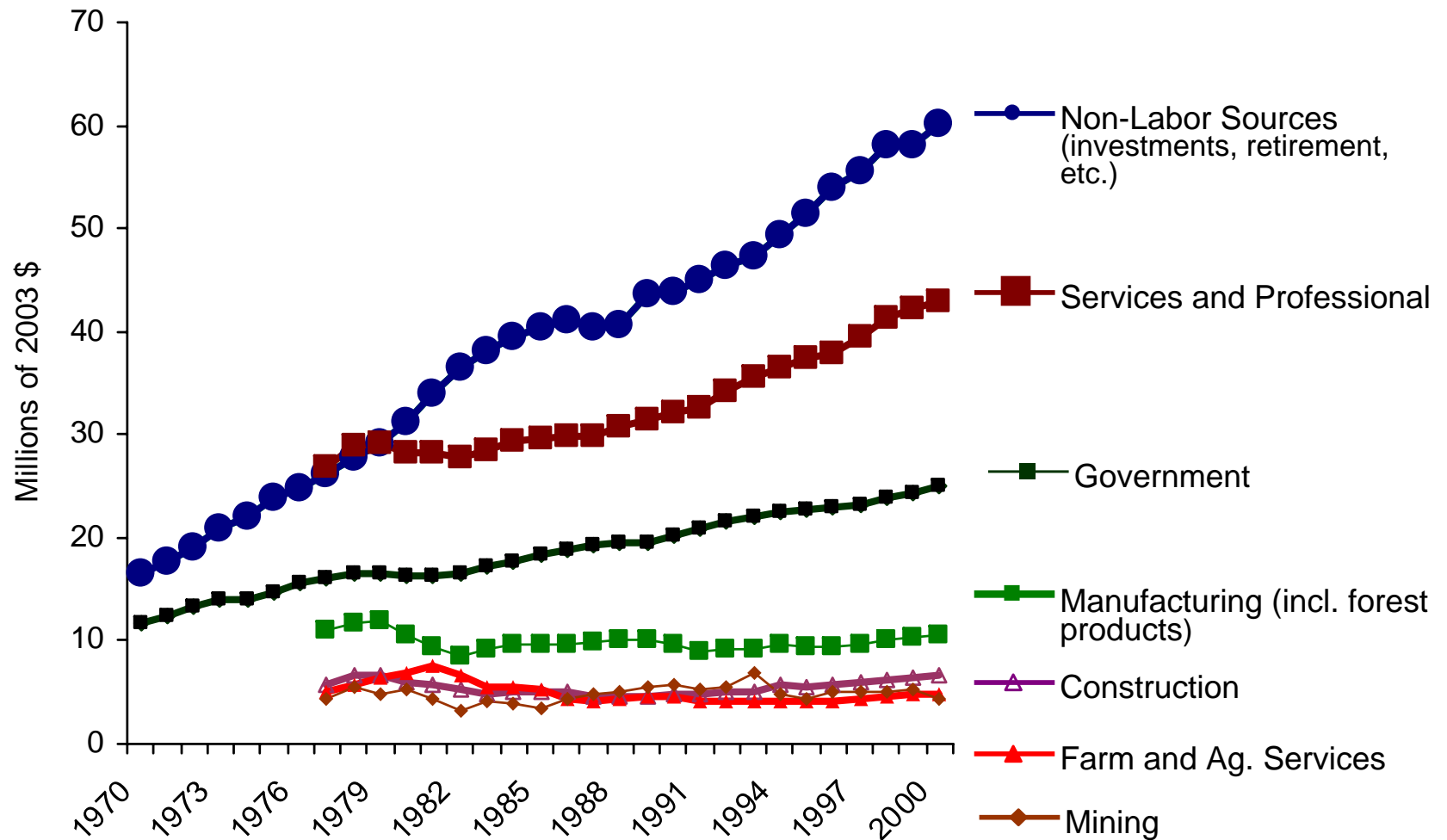
- Declining timber harvests and processing
- Growing cruise industry
- Changing management of fish resources
- Demographic shifts
- National and global trends

What's Driving Big Picture Change?

- Globalization – pressure on manual labor and commodity prices
- Maturing economy – services a comparative and competitive advantage
- Aging population – Boomers and Pre-Boomers
- Transportation and Telecommunications – dispersed assembly line

Non-Metro West

Historical Trends - PERSONAL INCOME



*Cedar City/Iron County
Economic Development*

Cedar City, Utah

Where....

I-15

Rail

*Southern Utah
University*

Work force

Technology

Ideas

....Connect



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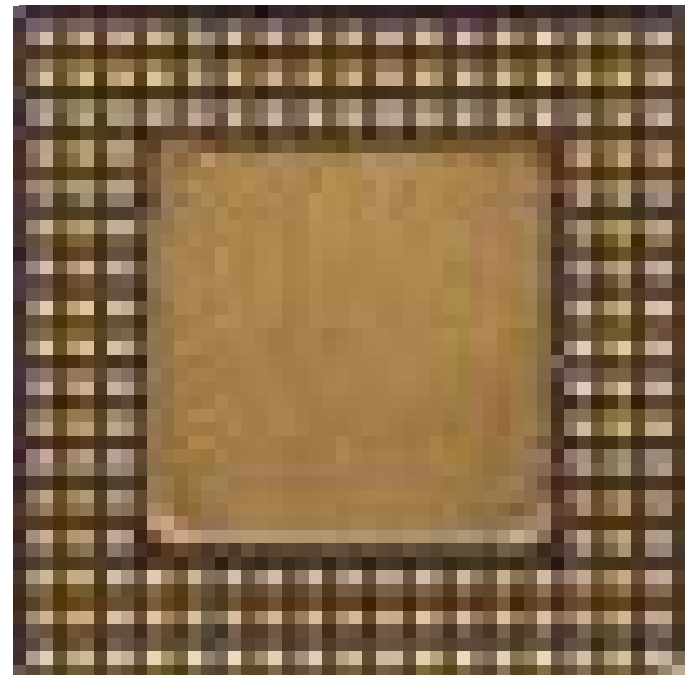
45% in 1915
25% in 2000





5% of value

3% of value







The Best (and Worst) Mutual-Fund Families

Worth

FINANCIAL INTELLIGENCE • APRIL 2000

THE NEW RETIREMENT

Start Sooner. Live Larger. Die Broke.



Accumulated wealth:

Wealth transfer of
\$40 trillion from
boomers and their
parents to the
younger generation

construction



recreation



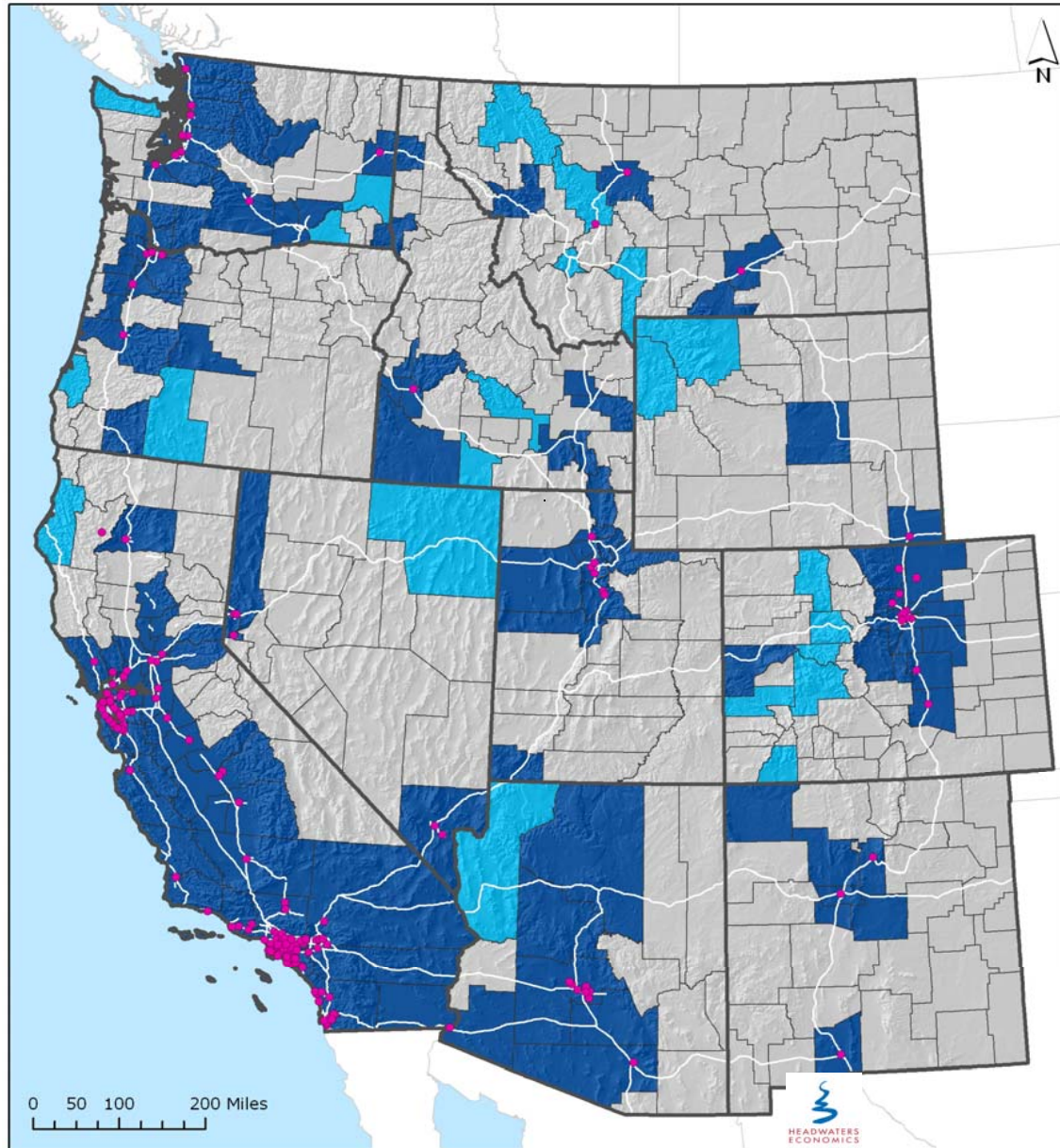
retail



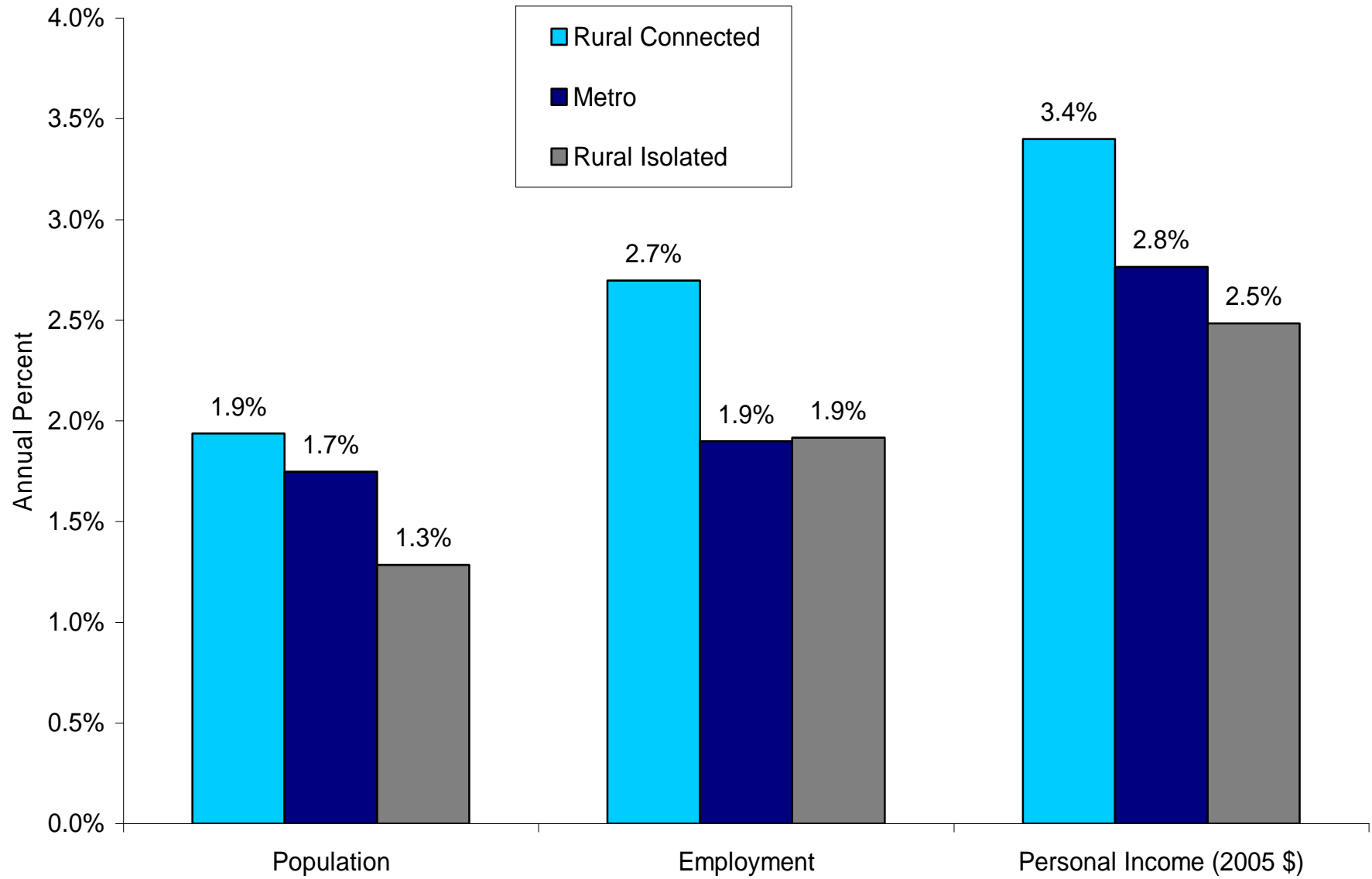
health



Connectivity in the West



Annual Percent Growth (1990 to 2005)



Ways to think about economic development

- Plug leakages – dollars and people
- Create conditions for success – culture, infrastructure, cooperation
- Comparative advantage – cheaper
- Recruitment vs. grow internally
- Jobs > migration; migration > jobs
- Growth vs. sustainable development
- Clusters – regional critical mass

Constraints

- Relatively remote
- Small rural populations
- Historical sectors not faring well
- Out migration/aging
- Earnings falling
- Infrastructure – transport., telecom.
- Over reliance on government

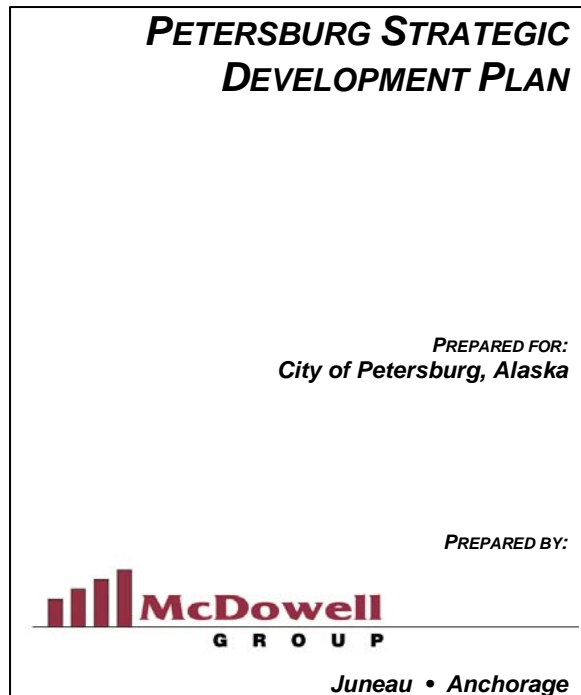
Opportunities

- Health care
- Regional cooperation
- Waste disposal, recycling
- Re-tooled timber
- Restoration
- Retirement, amenity migration
- Footloose entrepreneurs
- Retain/return youth
- Fishing
- Tourism
- Leadership
- Branding/marketing
- Education/training
- Renewable energy

The economic development process

- Understand the economy
- Assess opportunities and obstacles
- Gather public opinion
- Create a road map
- Devote energy and resources

This process in action



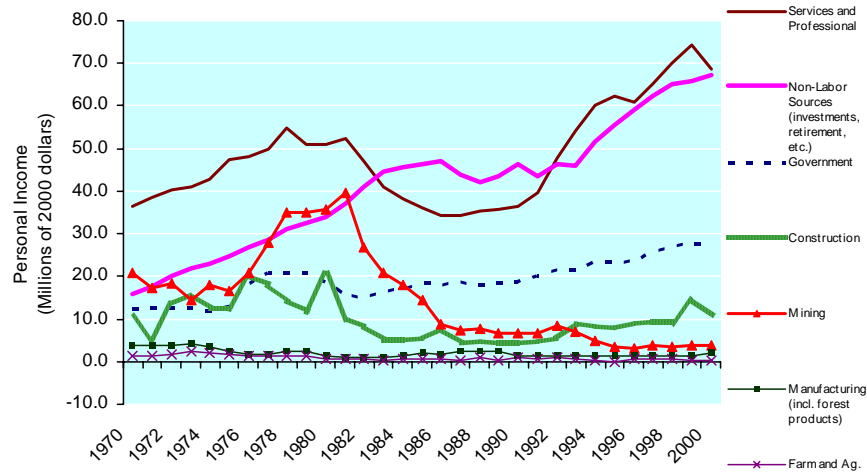
Petersburg Economic Development Council
P.O. Box 750 • Petersburg, Alaska 99833 • 907.772.4042

Some success stories
from around the West

Take advantage of change

Moab, Utah

Personal Income by Industry



Move your business to Moab!

Work Hard, Play Harder!



For a unique combination of recreational opportunities,
small town atmosphere, and a positive business climate,
there's no place like MOAB!

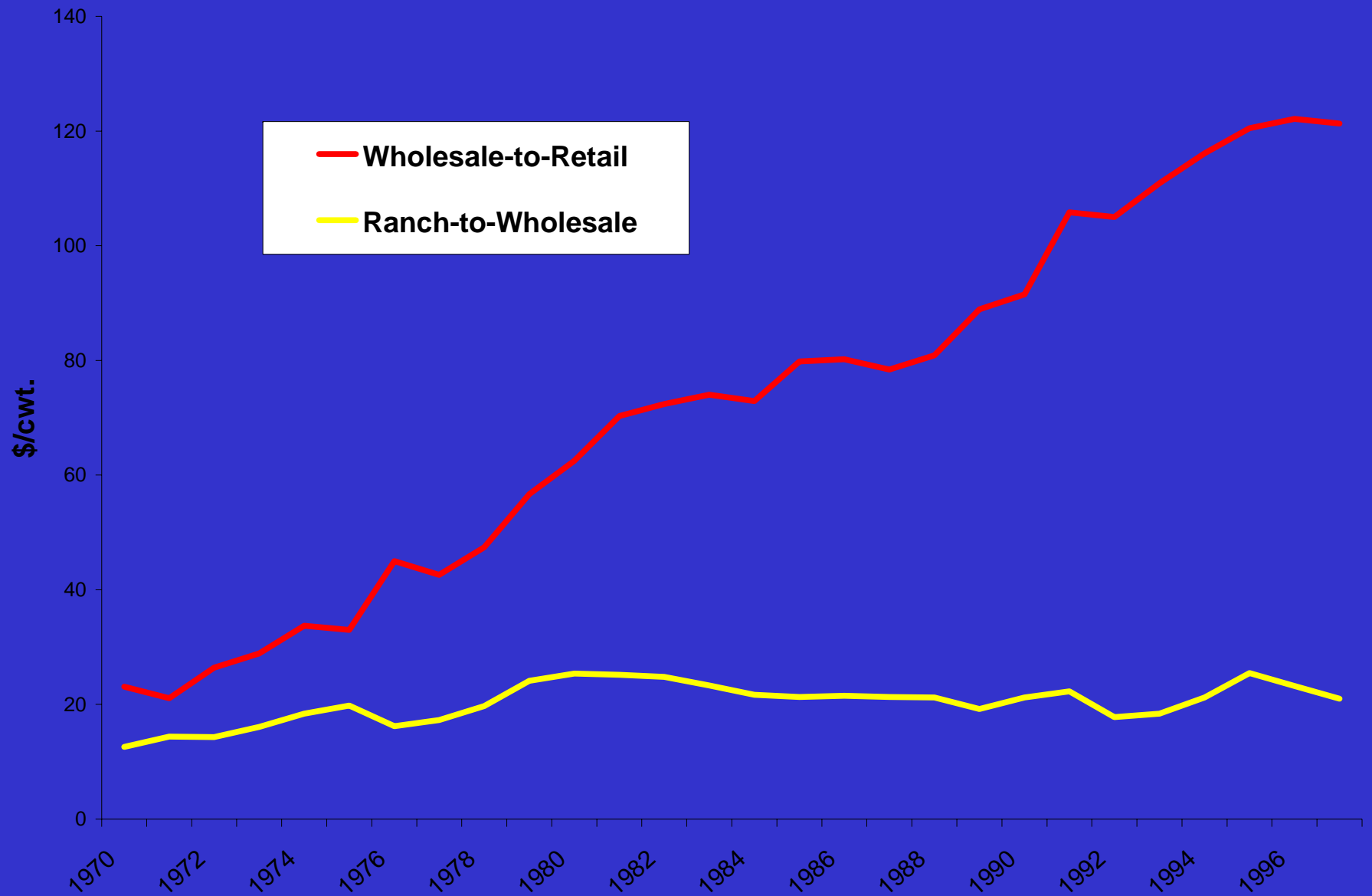
If you would like to receive more information, including business incentives,
and a community profile, please detach, fill out and return the information
request, or contact our office directly.

Capture more than commodity value

Eagle Creek, Arizona



U.S Price Margins for Beef, 1970 to 1997



Plug Leaks

Powell, Wyoming



... leading to downtown reinvestment and business growth

Retain and attract retirees

Kremmling, Colorado



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Compete for higher paying jobs

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**Great
Careers**
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Improve transportation

Gunnison, Colorado



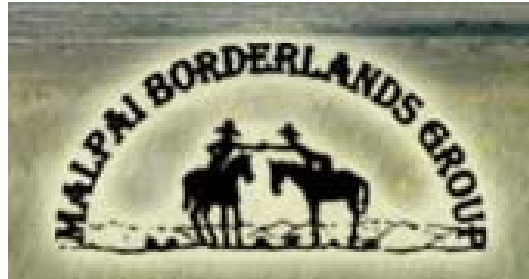
Cultivate leadership and networks

Montana



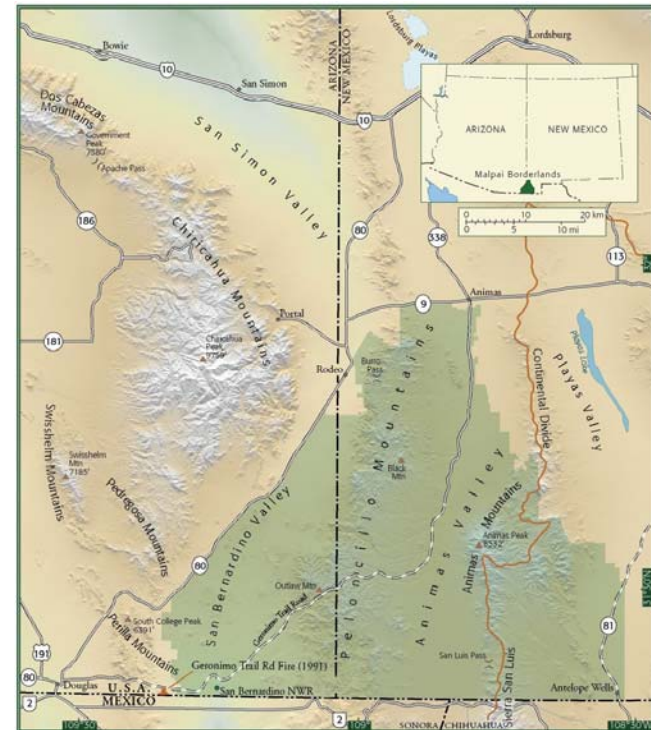
“As Montana looks to the future, we face a changing and challenging economy.... We see an increasing need for our communities, our businesses and our government to be partners for a strong, growing Montana.”

Southern Arizona and New Mexico



Our goal is to restore and maintain the natural processes that create and protect a healthy, unfragmented landscape to support a diverse, flourishing community of human, plant and animal life in our borderlands region.

Together, we will accomplish this by working to encourage profitable ranching and other traditional livelihoods, which will sustain the open space nature of our land for generations to come.



Western Montana



From the headwaters of the Blackfoot to the Clearwater drainage, this “home-grown” effort is a rare opportunity for local residents to guide the future ownership and management of nearly 88,000 acres of large, intact landscapes with critical community, agricultural and biological values.



Northeast Washington



Demonstrating the full potential of restoration forestry to enhance forest health, public safety, and community economic vitality.



