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

USA Contiguous Albers Equal Area Conic Projection
Map Date: 8-15-2006
Average Earnings Per Job

2005 Dollars

Juneau City and Borough, Alaska
Haines Borough, Alaska
Ketchikan Gateway Borough, Alaska
Sitka Borough, Alaska
Yakutat Borough, Alaska
Wrangell-Petersburg Census Area, Alaska
Pr. of Wales-Outer Ketchikan Census Area, Alaska
Skagway-Hoonah-Angoon Census Area, Alaska
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
Where:
I-15
Rail
Southern Utah University
Work force
Technology
Ideas
....Connect

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45% in 1915
25% in 2000
Accumulated wealth:

Wealth transfer of $40 trillion from boomers and their parents to the younger generation
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
Some success stories from around the West
Take advantage of change
Moab, Utah

Personal Income by Industry

- Services and Professional
- Non-Labor Sources (investments, retirement, etc.)
- Government
- Construction
- Mining
- Manufacturing (incl. forest products)
- Farm and Agri.
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

- Wholesale-to-Retail
- Ranch-to-Wholesale

$/cwt.
Plug Leaks
Powell, Wyoming

... leading to downtown reinvestment and business growth
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Kremmling, Colorado
Compete for higher paying jobs
Bozeman, Montana

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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.”
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.
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.