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Economic Impacts of Alaska's Salmon Hatcheries

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McDowell Group

- Multidisciplinary research and consulting since 1972
- 18 professional staff in Juneau, Anchorage, and Washington
- 2018 Alaska Chamber Small Business of the Year
- Study the economic impacts of every major industry in Alaska
- Seafood industry a particular strength

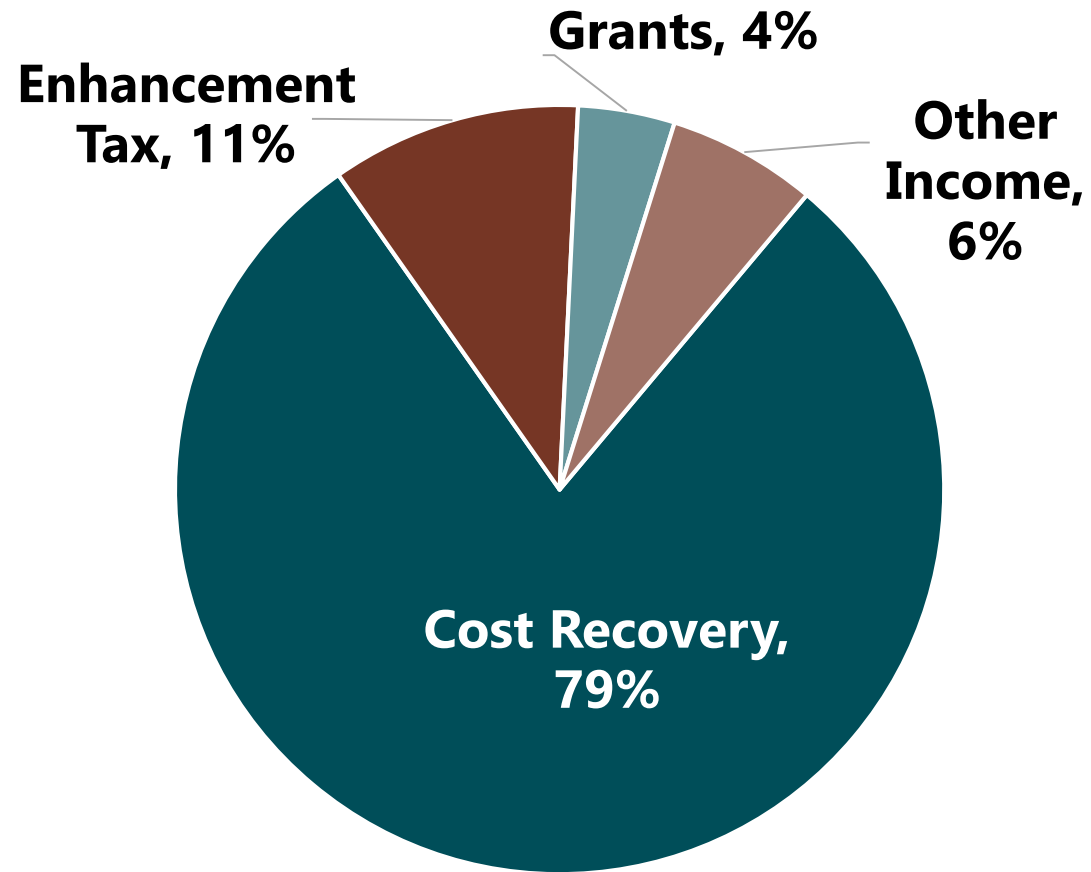
Related Studies

- Relevant projects include economic impact reports
 - VFDA (2018, 2013, 2008)
 - SSRAA (2018, 2008, 2001)
 - PWSAC (2018, 2012, 2010, 2008, 2001)
 - NSRAA (2009, 2001)
 - DIPAC (2013, 2009)
 - AKI (2004)
- Economic Value of Alaska's Seafood Industry (2017, 2015, 2013)
- Economic Impacts of the Seafood Industry in Southcentral Alaska
- ASMI's research contractor since 1990s

Approach

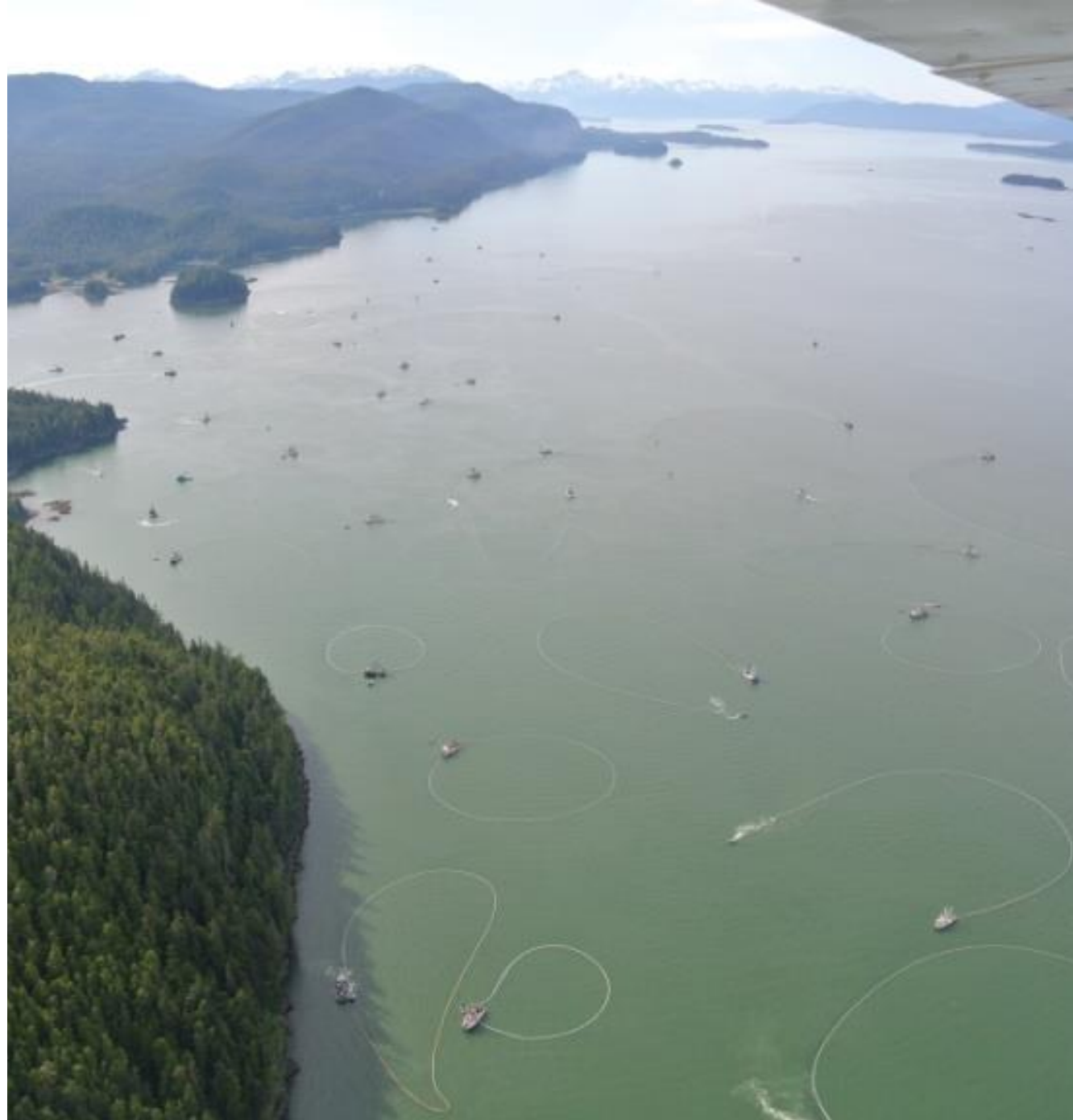
- Follow the fish as they bring new money into the state
 - Commercial fishing income
 - Value added in seafood processing
 - Nonresident spending tied to sport fishing
 - Hatchery operations
 - Tax revenue
- Estimate secondary effects as new money circulates in the economy (IMPLAN)
- 2012 – 2017 (6-year) average
- Conservative estimate

Hatchery Funding Sources, 2017



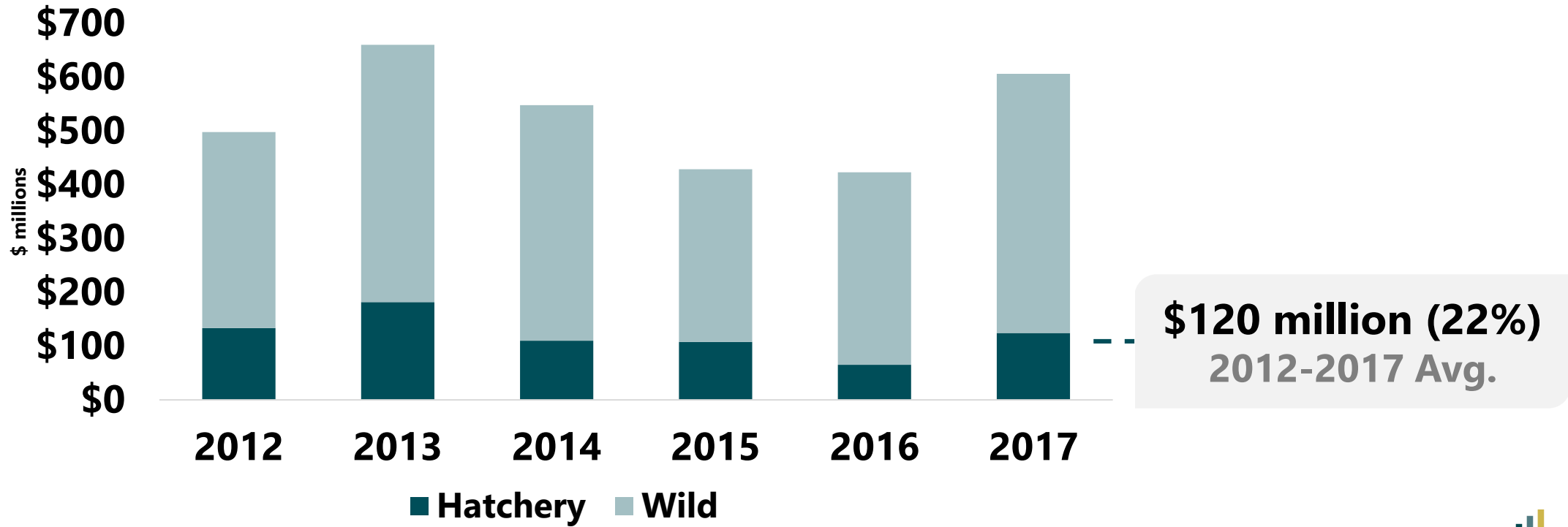
Ex-Vessel
Value

\$120
million



Alaska Salmon Ex-Vessel Value

wild vs. hatchery (common property only)



Commercial Fishing Earnings

- \$120 million
- Crew share, owner income, expenses, taxes
- \$71 million in labor income (direct)
- \$24 million in additional labor income through multiplier effects
- 8,000 fishermen (permit holders and crew)
 - 1,040 annualized jobs
 - 1,540 annualized jobs including multiplier effects

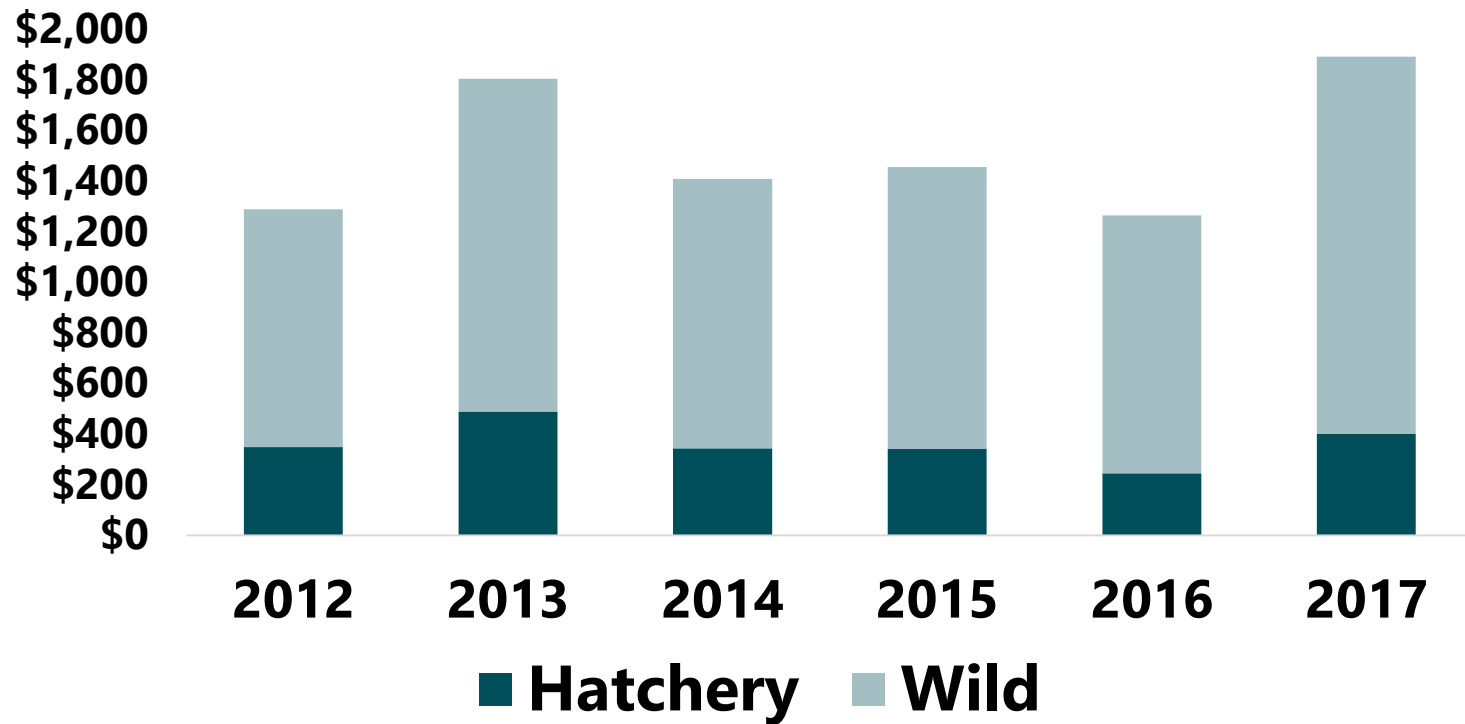
First Wholesale
Value

\$361
million



Alaska Salmon Wholesale Value

wild vs. hatchery (common property and cost recovery)



\$361 million (24%)
2012-2017 Avg.

Sport and Related Harvests

10,000 Chinook

100,000 Coho

138,000 Sockeye



PNP	Species	Harvest	Community
VFDA	Coho	24,893	Valdez
VFDA	Pink	16,678	Valdez



Annual Economic Impacts

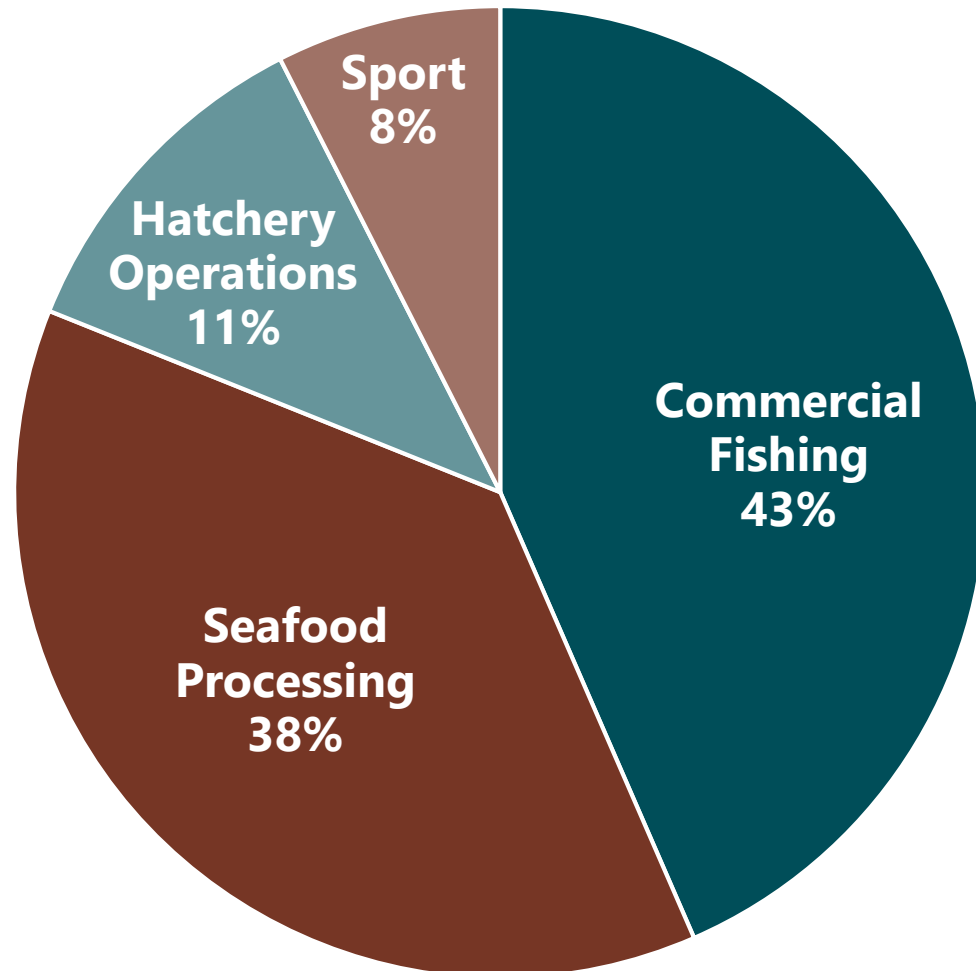
4,700 Jobs

\$218 million
labor income

\$600 million
economic output



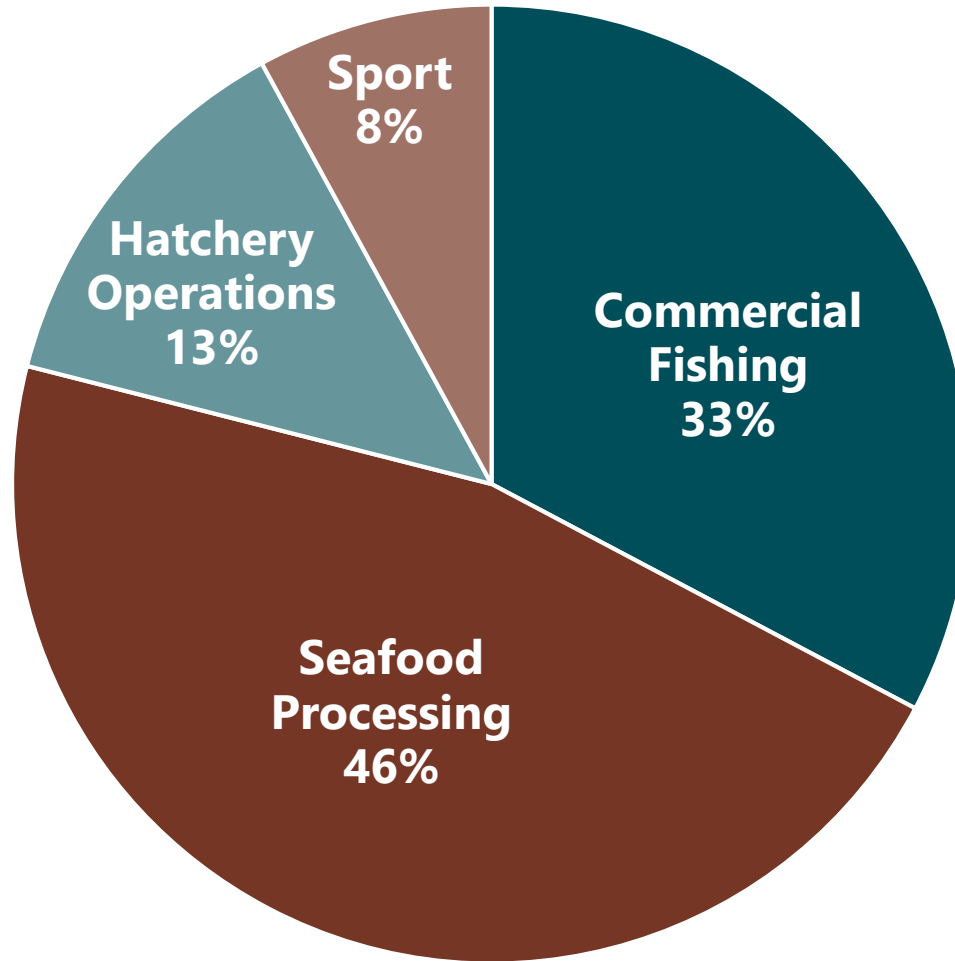
\$218 Million in Labor Income



\$100 million
PWS
\$90 million
Southeast

68% direct
32% secondary
impacts

4,700 Annualized Jobs



2,200 jobs in
PWS
2,000 jobs in
Southeast

16,000 total jobs
impacted

\$600 Million in Economic Output

- Labor income and spending combined
- Tax revenue (annual)
 - \$3.6 million in Fisheries Business Tax
 - \$1.3 Kodiak Island Borough raw fish taxes
 - Sales, property, fuel, and other taxes to communities throughout the state



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Annual Economic Impacts

4,700 Jobs

\$218 million
labor income

\$600 million
economic output



Employment

	Direct Impacts	Indirect & Induced Impacts	Total Economic Impacts
Commercial Fishing	1,040	500	1,540
Seafood Processing	1,360	820	2,180
Hatchery Operations	345	270	615
Non-resident Sport Fishing	285	90	375
Total	3,030	1,680	4,710

Labor Income

	Direct Impacts	Indirect & Induced Impacts	Total Economic Impacts
Commercial Fishing	\$70.9 million	\$23.6 million	\$94.5 million
Seafood Processing	\$52.2 million	\$29.6 million	\$81.8 million
Hatchery Operations	\$15.5 million	\$9.4 million	\$24.9 million
Non-resident Sport Fishing	\$10.5 million	\$5.7 million	\$16.2 million
Total	\$149.1 million	\$68.3 million	\$217.5 million