



Economic Impacts of the Military in Alaska

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Goals of AK Defense Industry Resilience Initiative



Identify barriers and vulnerabilities to defense sector firms



Better understand community sensitivities to changes in defense activity



Identify types of assistance needed by defense firms



Lay groundwork for a statewide strategy or approach





Ike signs Alaska Statehood Act, 1959

Military need, civilian and commercial use:

- Alaska Railroad
rehab/expansion
- Anchorage Airport
- Fairbanks Airport
- Rural airports
- Telecommunications
statewide
- Port of Seward
- Port of Valdez
- Port of Whittier
- Alcan Highway
- University of Alaska
research institutes



March 2019

The Economic Benefits of Alaska's Mining Industry

Mining is a growing force in Alaska's economy,

providing jobs for thousands of Alaskans and millions of dollars of personal income throughout Alaska. Alaska's mining industry includes exploration, mine development, and mineral production.

Alaska's mines produce coal, gold, lead, silver, zinc, as well as construction materials, such as sand, gravel, and rock.



Key Industry Measures estimated

Exploration

- \$135 million spent on exploration (2018).
- \$3.7 billion spent on exploration since 1981.

Development

- \$170 million spent on mine construction and other capital investment (2018).

Production

- Export value of \$1.8 billion, or 36% of Alaska's total exports (2017).
- 205 active placer mines produced approximately 41,295 ounces of gold, a gross production value of \$52 million (2017).
- Approximately 120 active rock qu and sand and gravel operations throughout Alaska with at least \$12 million production value on state lands (2017).

In 2018, Alaska's mining industry provided:

- 4,500 direct mining jobs in Alaska.
- 9,200 total direct and indirect jobs attributed to Alaska mining industry.
- \$715 million in total direct and indirect



THE ECONOMIC VALUE OF ALASKA'S SEAFOOD INDUSTRY

JANUARY 2020

Prepared by:
McDOWELL GROUP



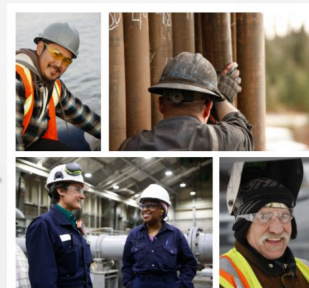
The Role of the Oil & Gas Industry in Alaska's Economy

January 2020

PREPARED FOR
Alaska Oil and
Gas Association

AOGA

PREPARED BY
McDOWELL GROUP



Oil and gas: 77,600

Mining: 9,200

Seafood: 58,700

Source: McDowell Group/McKinley Research Group

58,000 total jobs

33,400 civilian jobs

1 in 10 civilian jobs

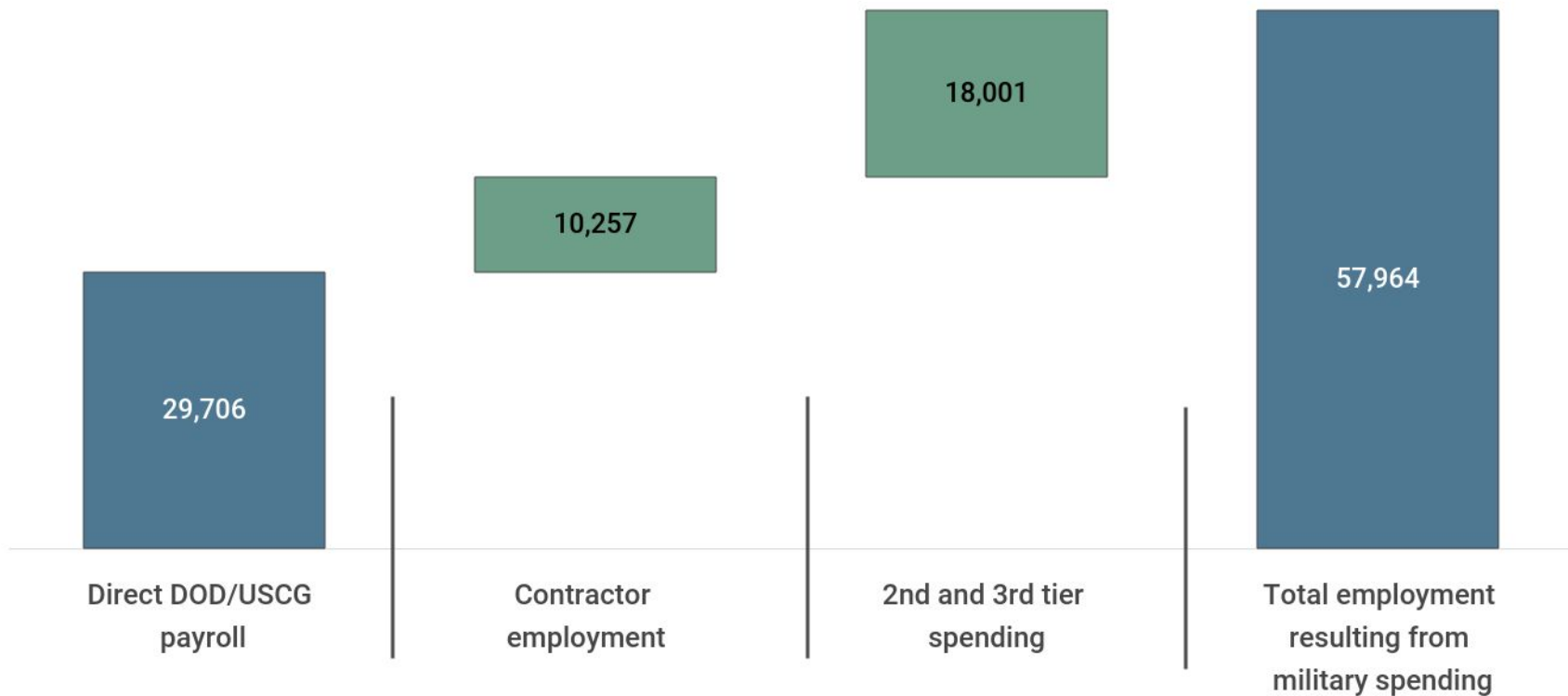
1 in 6 total jobs

Source: CED

True employment number may be
10,000 higher than our estimates,
according to Guettabi (forthcoming)

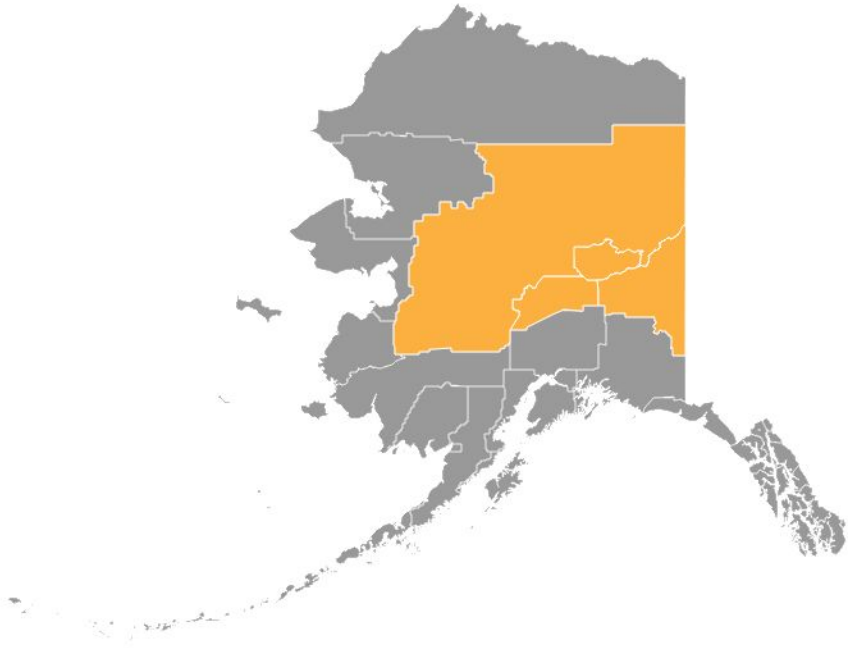
How the military creates jobs for civilians

Employment impacts of DOD/USCG spending, FY2018



Major economic impacts in the Interior

Employment impacts of DOD/USCG spending, FY2018



23,000 total jobs

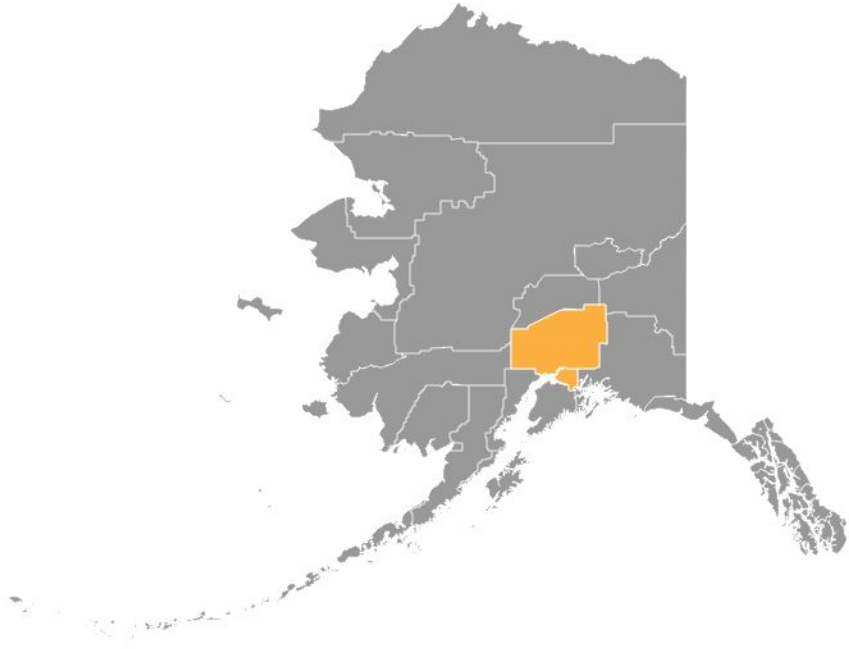
13,500 civilian jobs

31% of all civilian employment

1 in 3 jobs

A key industry for Anchorage and Mat-Su

Employment impacts of DOD/USCG spending, FY2018



30,000 total jobs

17,000 civilian jobs

10% of all civilian employment

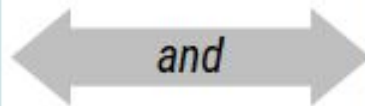
1 in 10 jobs

THE CONSULTING TEAM'S SUGGESTIONS

Based on the input from Alaska stakeholders, best practices research and interviews, and our experience, TIP recommends the State of Alaska:



*Establish a statewide
military
coalition/alliance
through state
legislation.*



*Create an Office of
Military Affairs within
State government.*

ALASKA MILITARY COALITION/ALLIANCE

- ▶ Members of the body **should be identified by statute** and/or appointed by the governor.
- ▶ Members should **represent military communities** and associated constituencies.
- ▶ Should include **private sector representation**
- ▶ Meet regularly to **discuss and act on key issues** impacting Alaska's military and defense sector.
- ▶ Should **build continuity** between administrations

MISSION AND ACTIVITIES

- ▶ **Advocating to Congress** and DOD in support of Alaska's military installations, missions, and defense sector
- ▶ **Advising the Governor and the Legislature** on defense and military issues in the state
- ▶ Developing strategies to **protect the state's existing military missions** and **positioning Alaska to compete** for new and expanded military missions and defense industries
- ▶ Identifying **public infrastructure needs** and recommending state community grant assistance programs to support the retention and expansion of military installations, missions, and defense sector

MISSION AND ACTIVITIES, CONTINUED

- ▶ Reviewing state policies to support military installations and **maximize economic benefits to local communities** (e.g., land use, transportation, noise restrictions);
- ▶ Making policy recommendations to **improve the quality of life for Uniformed Servicemembers, Veterans, and their families** (e.g., housing, professional licensing reciprocity, education, workforce training); and
- ▶ **Expanding connections and collaboration** between the state's businesses, universities, business organizations, and installations.

Thank You!

For more information, visit:
<https://ua-ced.org>