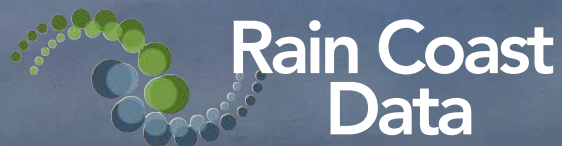


# SOUTHEAST ALASKA

## Economy and Housing

Tlingit Haida Regional Housing Authority  
**Southeast Housing Summit**



**March 13th, 2019**



# Southeast Alaska by the Numbers



**REGIONAL POPULATION**  
DECREASED BY **1,600**  
PEOPLE TO **72,915**  
-2%



**LABOR FORCE**  
DECREASED BY **54**  
JOBS TO **45,640** JOBS  
-0.1%



**STATE GOVERNMENT**  
JOBS DECREASED BY  
**700 JOBS TO 4,823**  
-12%



**PASSENGER ARRIVALS**  
FROM OUTSIDE THE  
REGION INCREASED BY  
**+13% 173,000**  
PEOPLE



**HEALTH CARE WAGES**  
IN THE REGION  
INCREASED BY **\$22**  
MILLION A GAIN OF  
**13%**

Southeast Alaska has been experiencing rough economic times, but there are bright points in the region. While the state sector has struggled, we have seen sustained growth in the tourism industry, and there are indications the economy is beginning to stabilize.

Dramatic cuts reduced state sector employment in the region by 15% since 2012, a loss of 850 jobs, and an estimated \$50 million in lost annual wages. By comparison, the rest of the state experienced a 7.5% decline in state jobs during the same period. State spending cuts have curtailed growth in other industries, especially construction.

The regional population declined for the third year in a row, by a combined 1,600 people. About half the population loss consisted of children and 20-somethings leaving Juneau, the community most impacted by cuts in state employment.

The seafood industry has been struggling. A poor 2016 harvest led to the loss of 500 jobs; and while the 2017 harvest was on par with 10-year averages, neither the jobs nor the Chinook returned. Chinook harvest levels are the lowest on record. Additionally, the fishing industry is facing the potential impacts of the president's seafood tariffs.

The ferry system continues to face significant cuts, reducing ridership by 20% in the last

three years, and bringing 35% fewer visitors to the region. Layoffs were announced at the Ketchikan shipyard, and Ocean Beauty is permanently closing its Petersburg cannery. Just under half of regional business leaders called the Southeast business climate "poor" or "very poor" in 2018, up from 29% in 2015.

But not all indicators are bad. There were 380 more jobs in 2017 than in 2016, and we are less than 400 jobs below peak employment levels of 2013. This is almost entirely thanks to massive growth in tourism – specifically cruise ship tourism. Between 2010 and 2019, cruise passenger numbers are projected to increase by 50%, with 1.31 million cruise visitors expected to sightsee here in 2019. Jobs in the visitor industry increased by nearly 2,000 year-round equivalent workers since 2010, and visitors to Southeast spent \$65 million here last year.

Jobs are poised to expand in health-related fields. Mining and tribal government employment grew last year. Oil prices are improving, and there is hope that this, combined with a permanent fund restructure, will stabilize the government sector.

Looking forward, Southeast Alaskans remain optimistic about the future, with two-thirds of Southeast Alaska business leaders expecting their prospects to be positive or to improve in 2019.



## SOUTHEAST CONFERENCE

# About Southeast Alaska

- 34 Communities
- 1,000+ Islands
- 500 Miles
- 18,500 shoreline
- 10% of AK Economy
- 1/4 Alaska Native





# Southeast Alaska Land Ownership

Circle size = Number of Acres

16%

OTHER FEDERAL

TONGASS  
78%

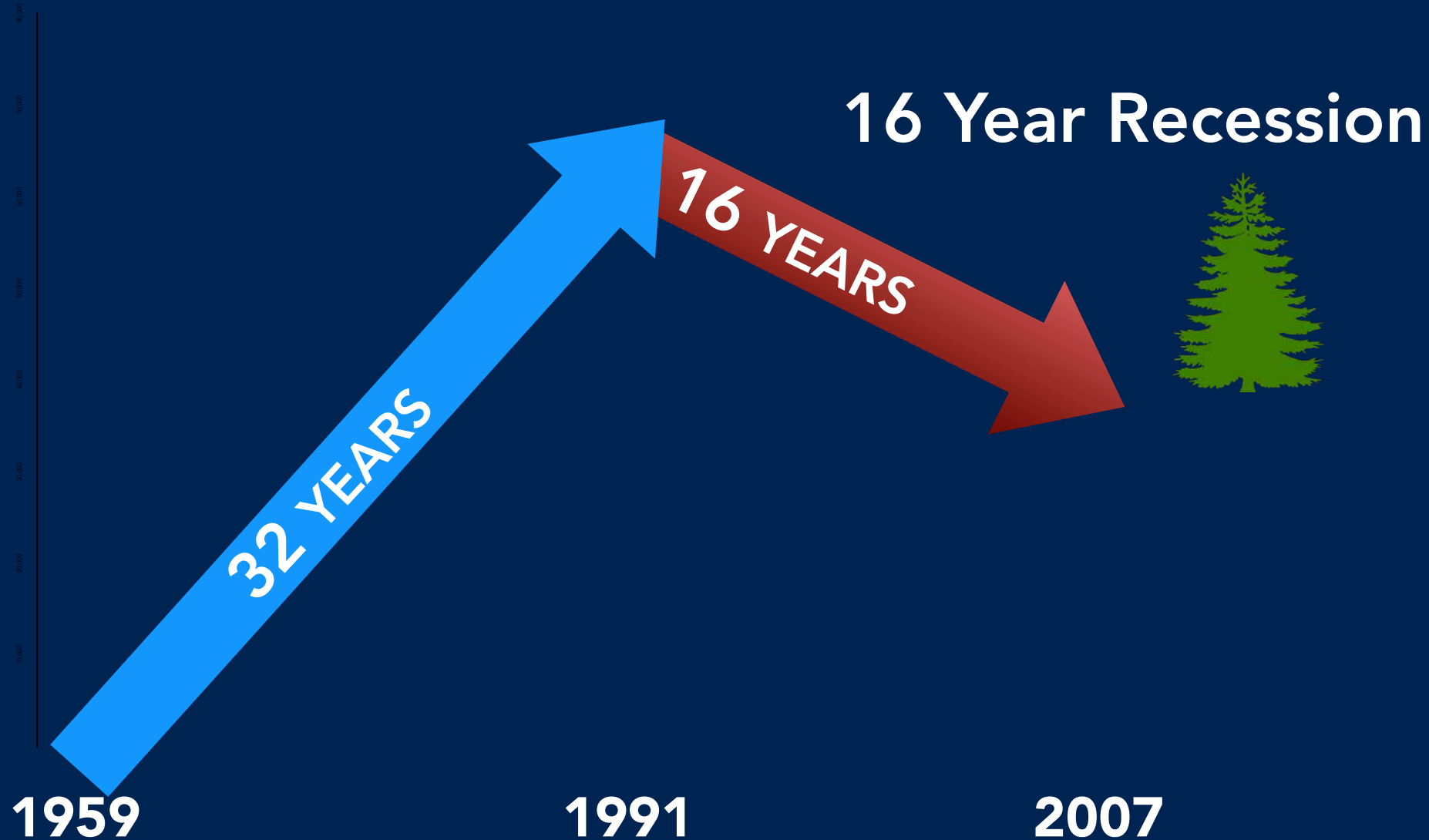
- 3.4% ALASKA NATIVE
- 2.5% STATE OF ALASKA
- ← 0.25% TOWNS
- ← 0.05% PRIVATE LAND OWNERS

TOTAL FEDERAL = 94%

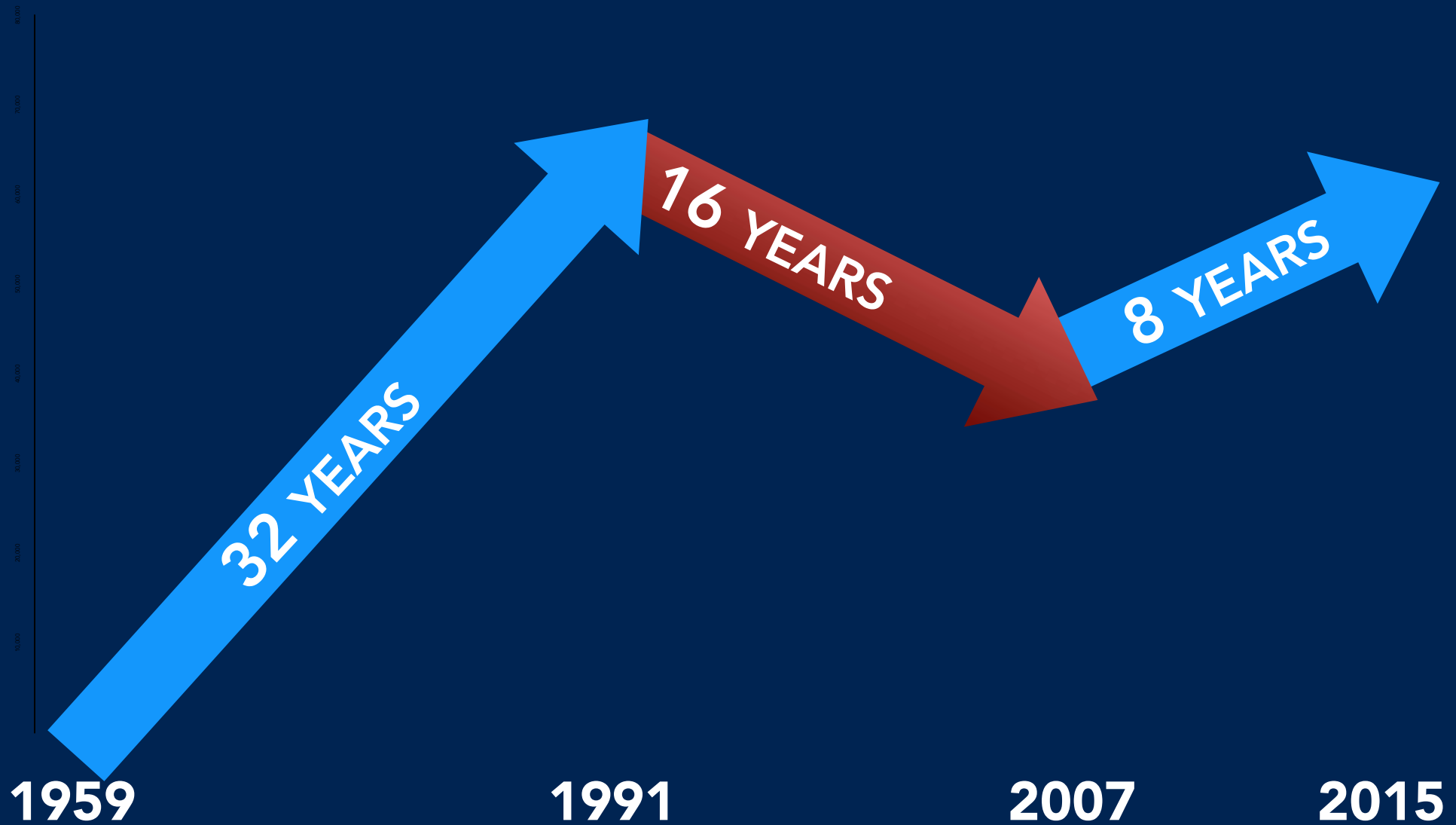
# Southeast Alaska Economic History



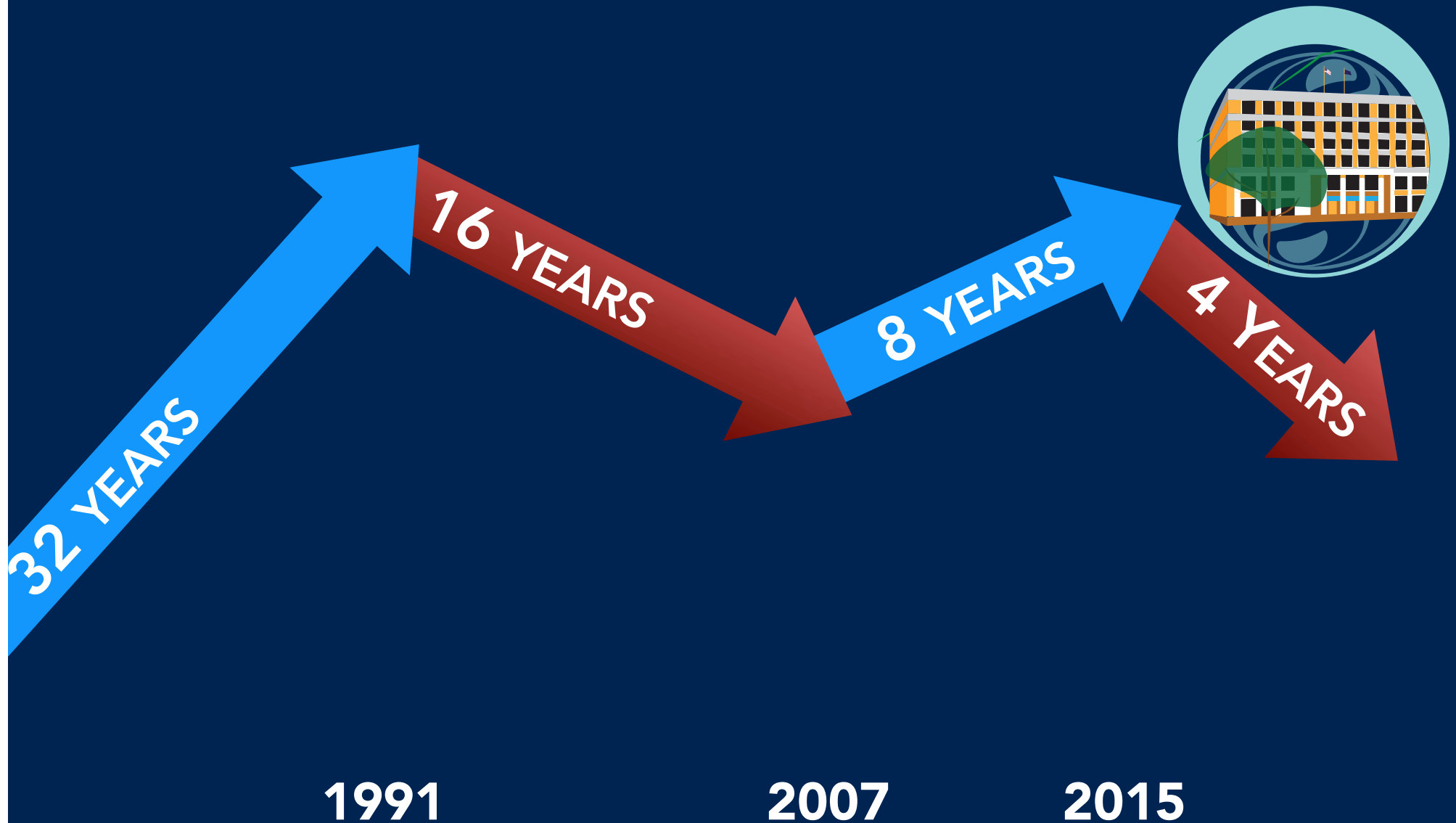
# Changes in Southeast Alaska: 1960 to 2007



# Changes in Southeast Alaska: 1960 to 2015



# Impact the of State Fiscal Crisis






A hand holding a pair of large, black-handled scissors, positioned as if about to cut. The background is a dramatic, dark sky with heavy clouds and a bright lightning bolt striking down on the right side. The overall tone is ominous and suggests a significant cut or reduction.

# **-\$1.6 Billion**

**February 13**  
**Projected Budget Cut 2019**



- 
- **Real cut is \$2.1 Billion including federal match losses**
  - **Mouhcine Guettabi - ISER Research**
  - **Potential jobs losses in SE = 4,500**

(excluding social service impacts of cuts)

**-10% SE Jobs**

**Southeast Impacts  
Proposed Budget Cut 2019**





**Primary  
concern is our  
smaller  
Southeast  
communities...**

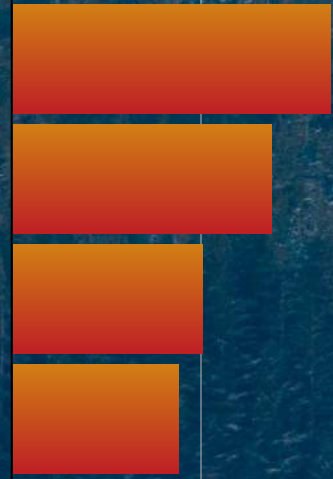
## *Economic Weaknesses*

**Transportation Costs**

**Energy Costs**

**Overreach of Government**

**Cost of Living & Doing Business**



25

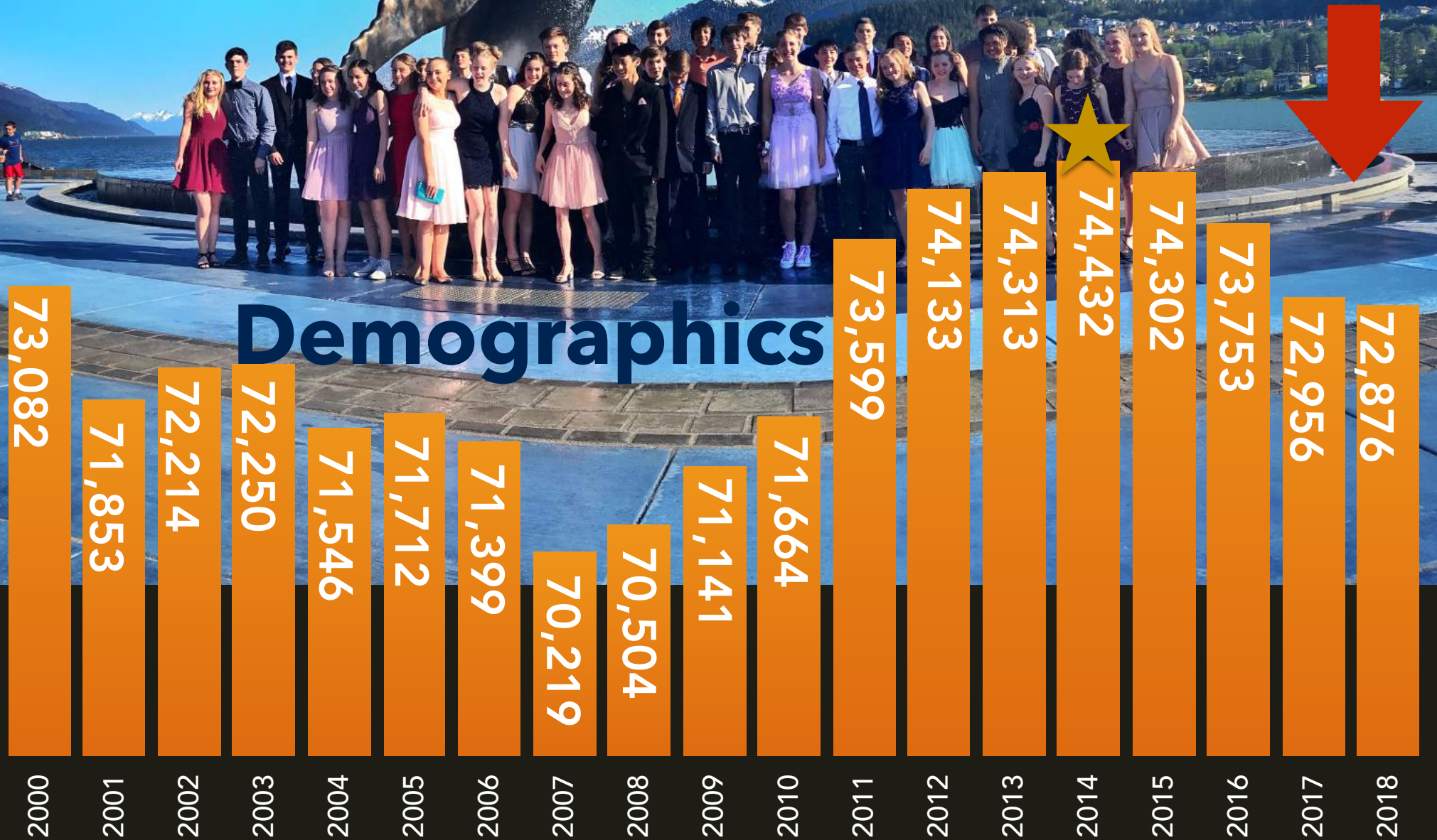
**Loss of PCE, Revenue Sharing, Transportation**

*Kerry Howard*  
PHOTOGRAPHY



72,876 People -80 people

## Demographics





# 4th Year of Declines

-1,600 people



# Half+ Losses From Juneau

-900 people -3%

-310 Kids

-380 20s

-200 30s & 40s





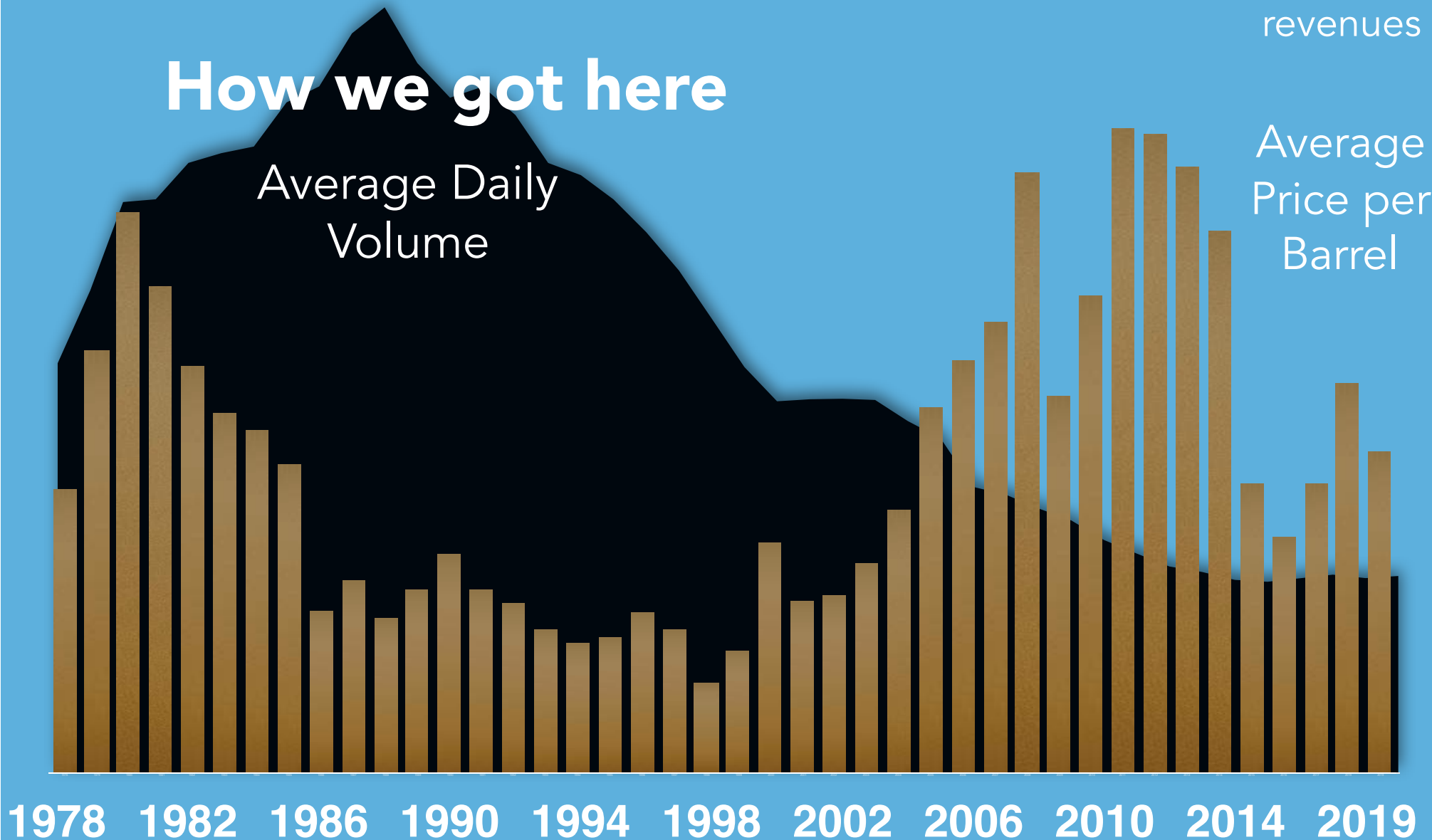
# Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2019

Oil revenues historically accounted for 90 percent of the state's unrestricted revenues

## How we got here

Average Daily Volume

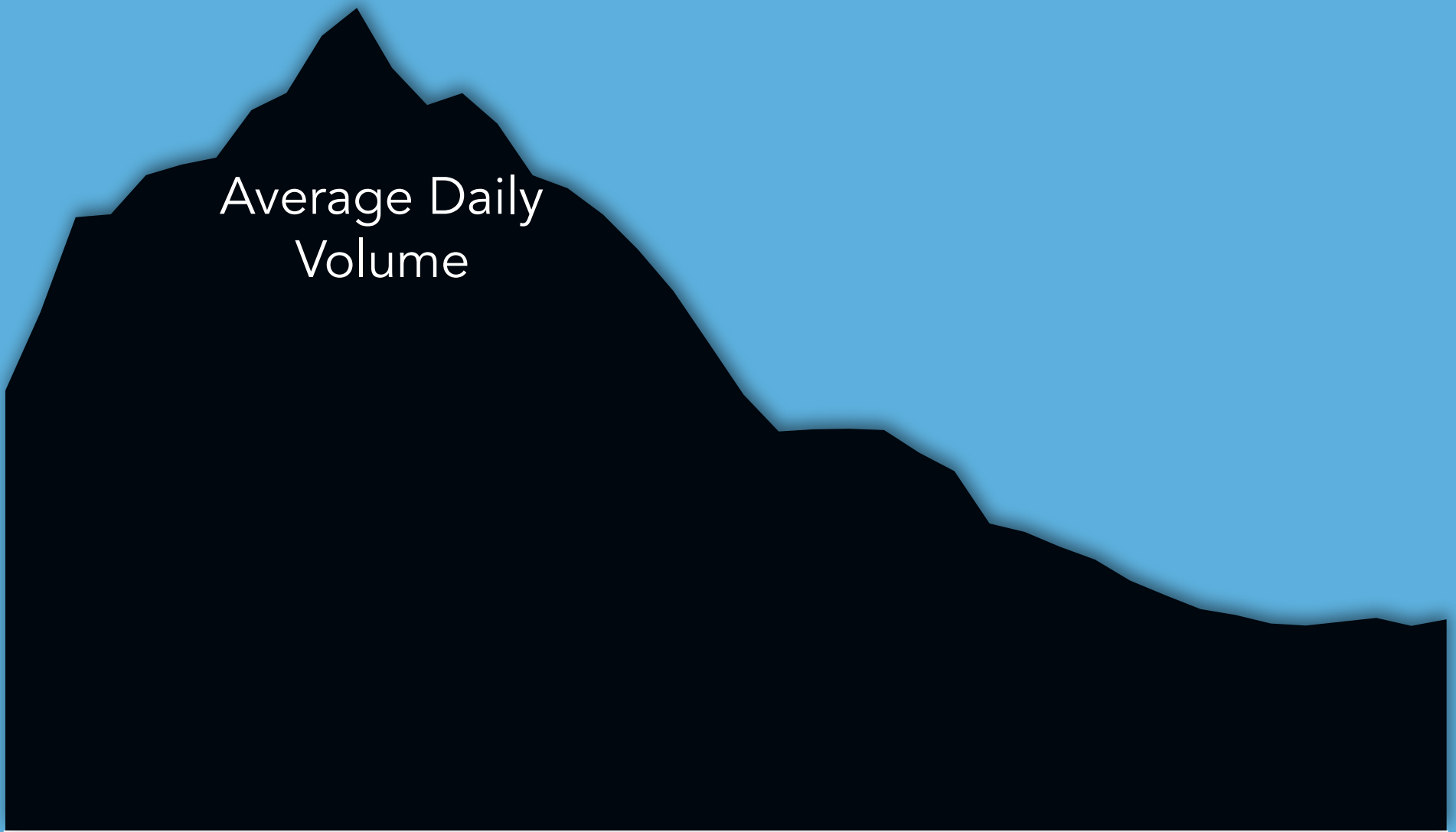
Average Price per Barrel



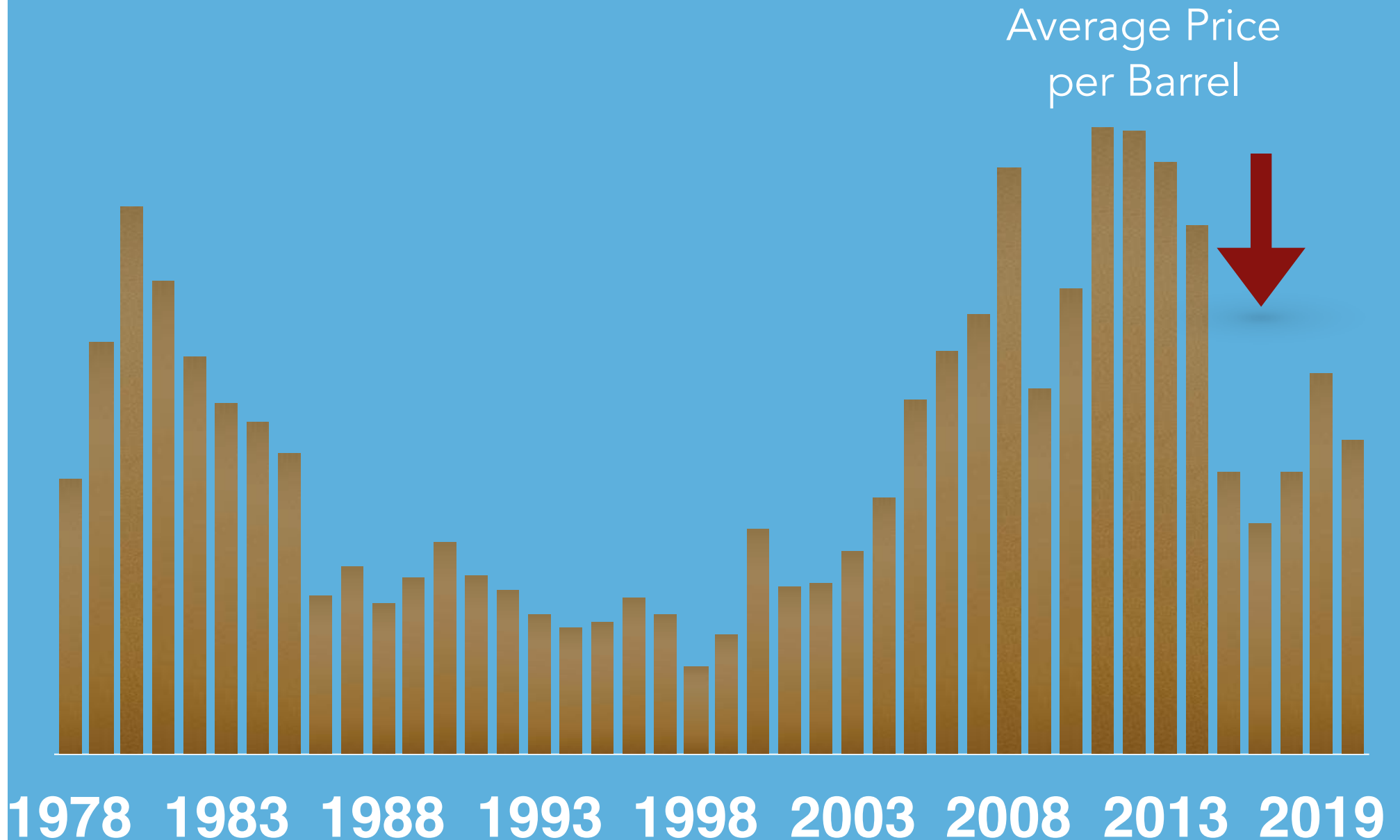
# Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2019

Average Daily  
Volume

1978 1982 1986 1990 1994 1998 2002 2006 2010 2014 2019



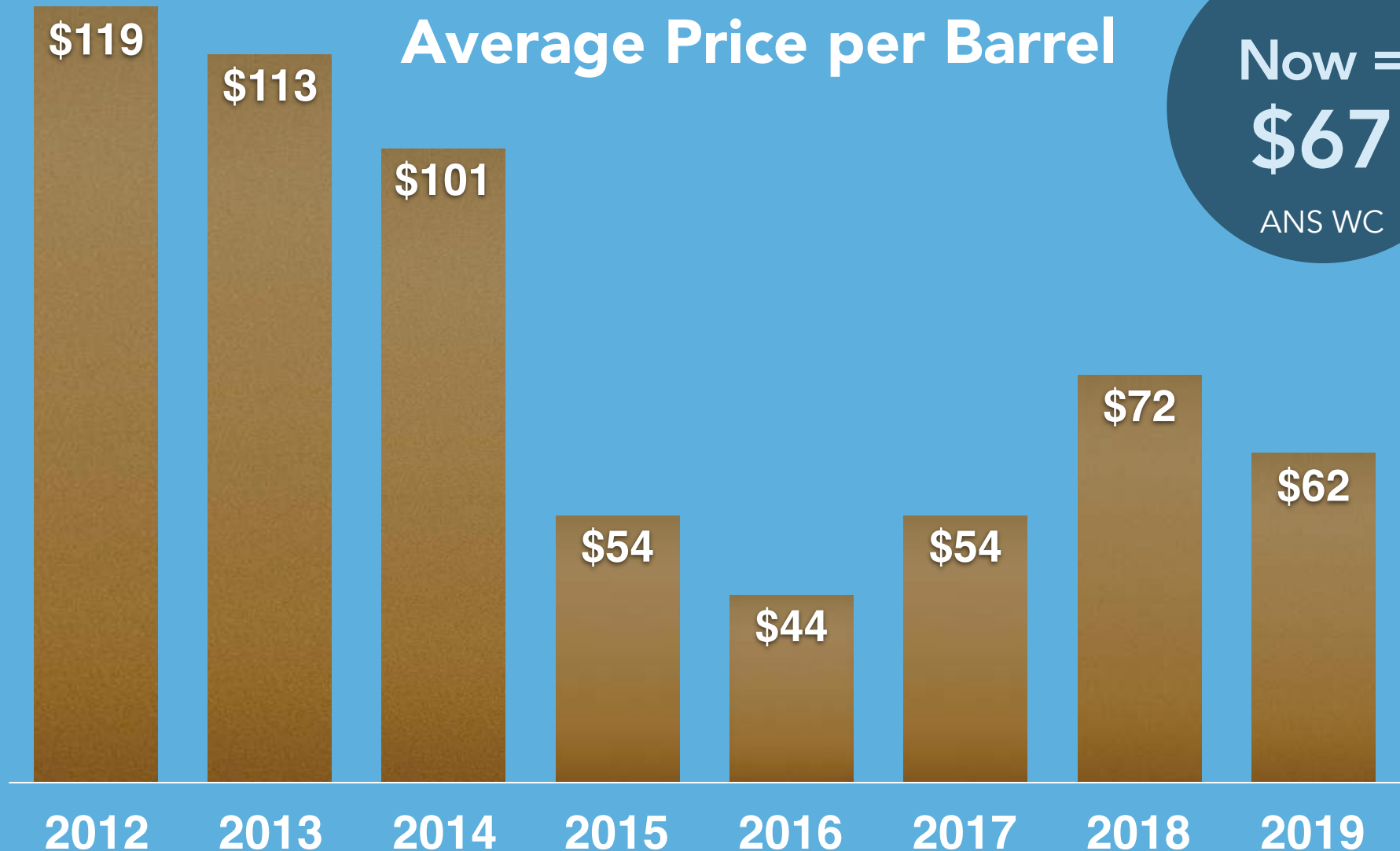
# Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2018





# Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 2012-2019

Where are we going?  
Average Price per Barrel



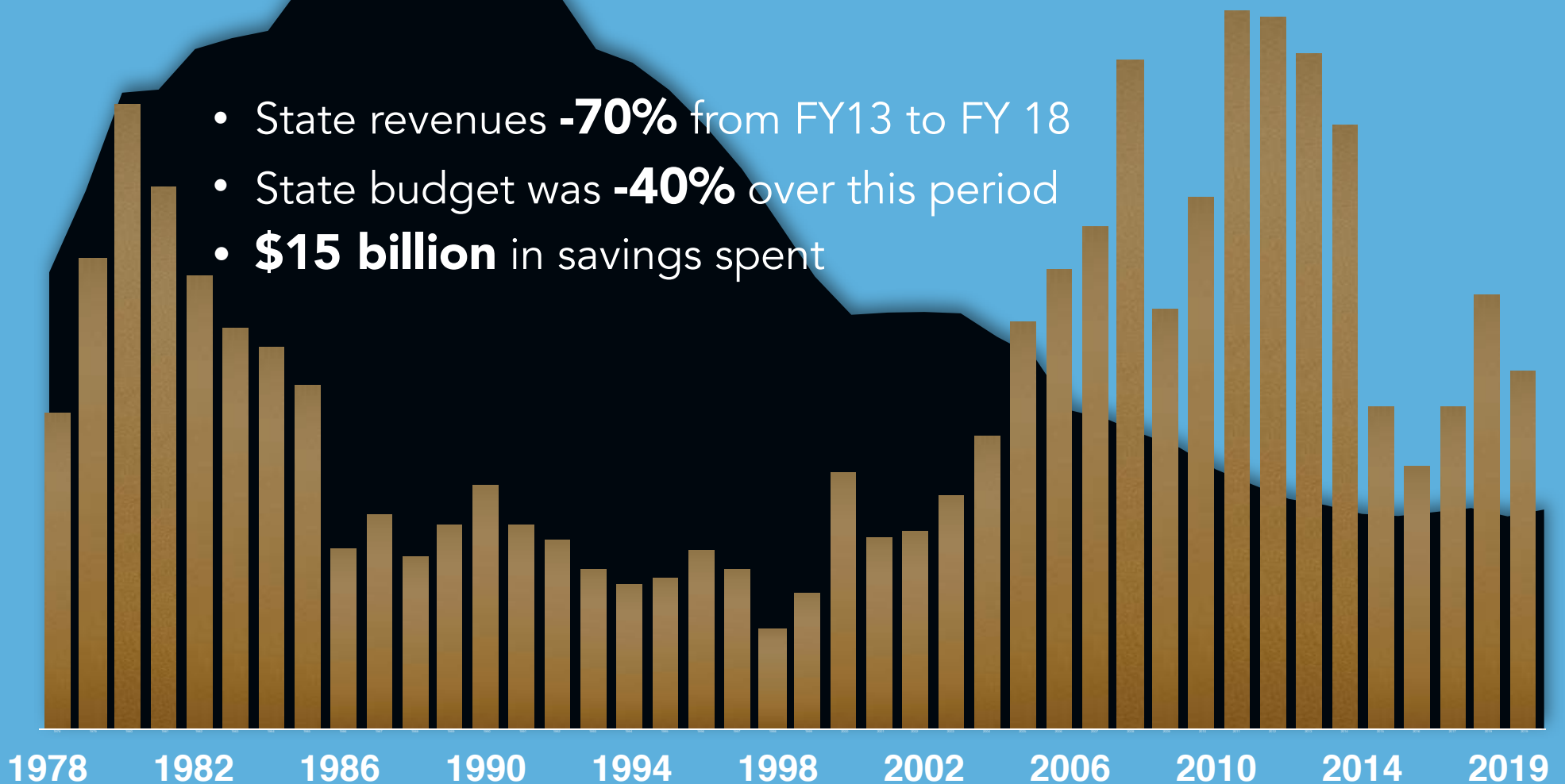
Now =  
**\$67**  
ANS WC

# Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2019

Oil revenues historically accounted for **90 percent** of the state's unrestricted revenues

**Now its 30%**

- State revenues **-70%** from FY13 to FY 18
- State budget was **-40%** over this period
- **\$15 billion** in savings spent



# State Savings Used

**\$15 Billion**



# State Government Job Losses loss of -850

5,600

5,570

5,380

5,500

5,160

5,290

4,940

4,940

4,720

4,830

4,500

4,750

-70

-210

-350

-110

-80

2012

2014

2015

2016

2017

2018

-15%

30% of cuts

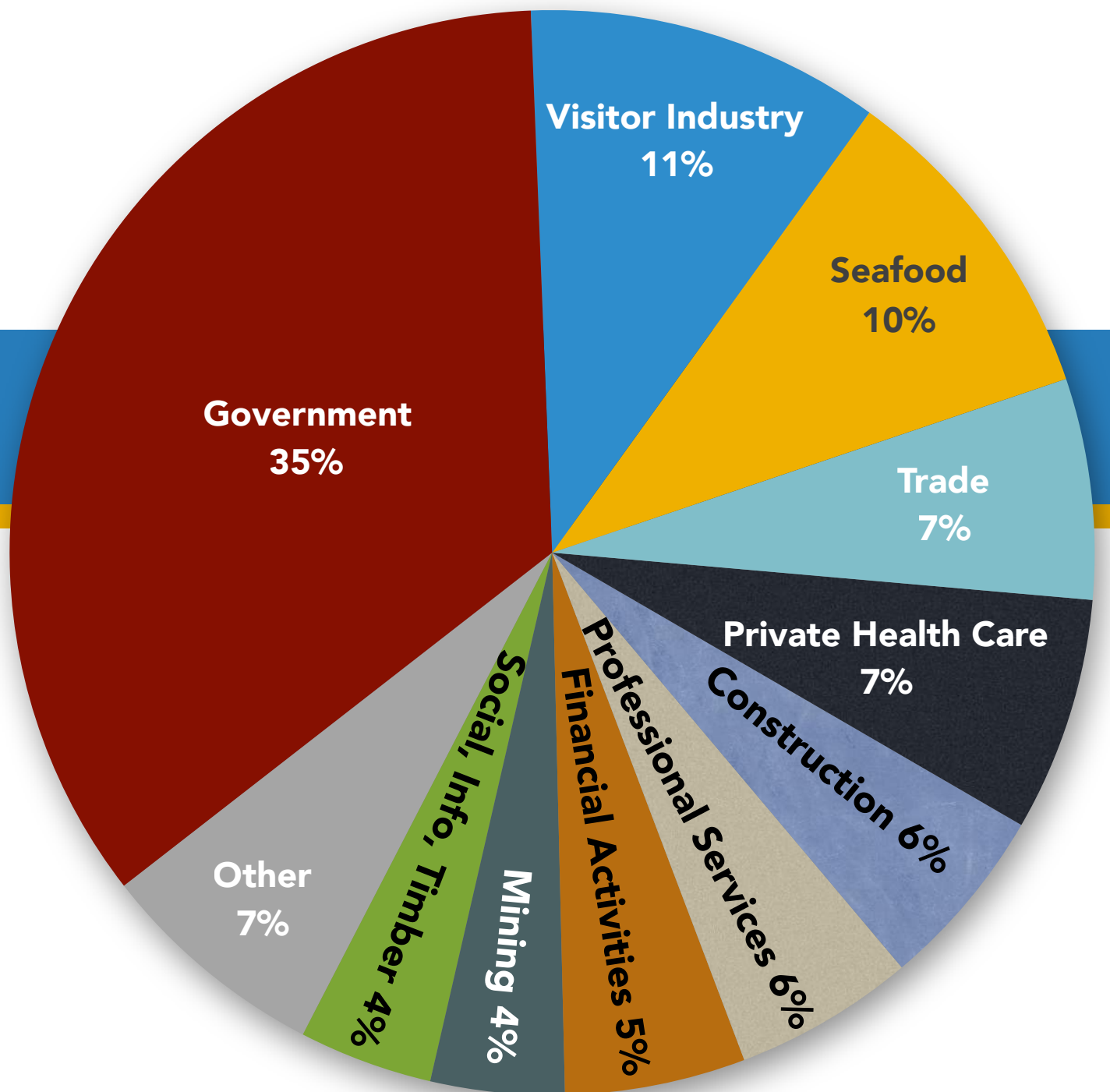


# Southeast Alaska

## Employment Earnings

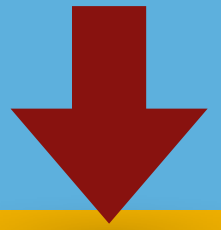
\$2.2 billion

45,640 Jobs

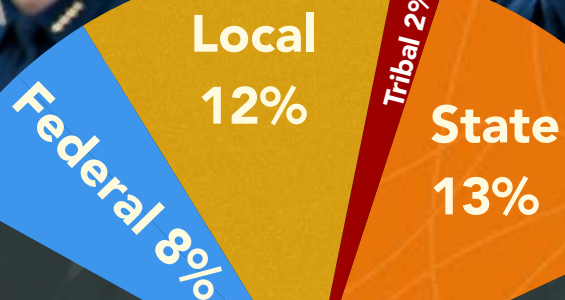




# Government 13,250 Jobs ESTIMATE DOWN 100 JOBS 2018



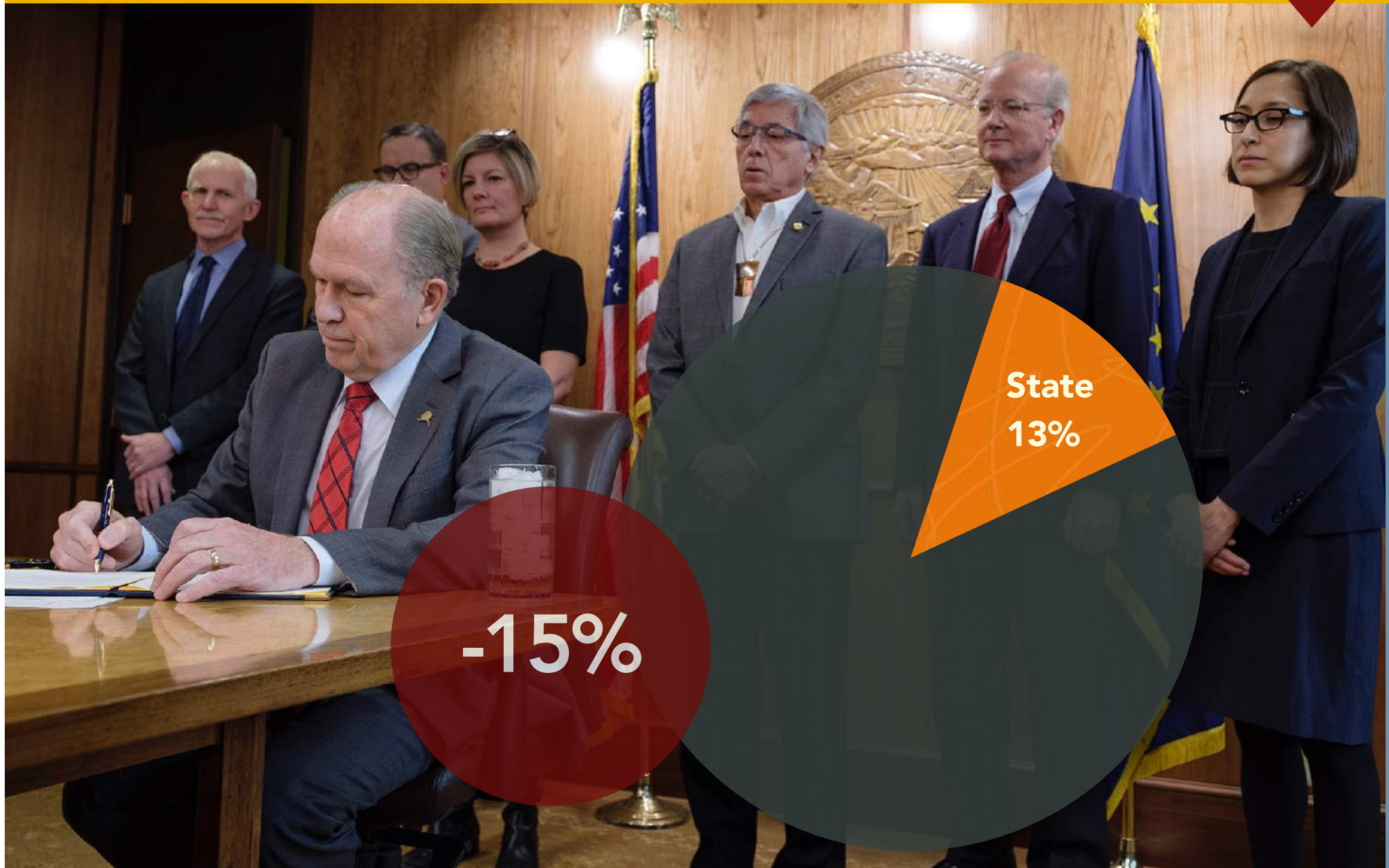
**Government wages =  
35% of all  
employment**





# State Jobs

ESTIMATE DOWN 80 JOBS 2018





# Federal Jobs ESTIMATE FLAT IN 2018



Federal 8%

-28%  
Since 2006

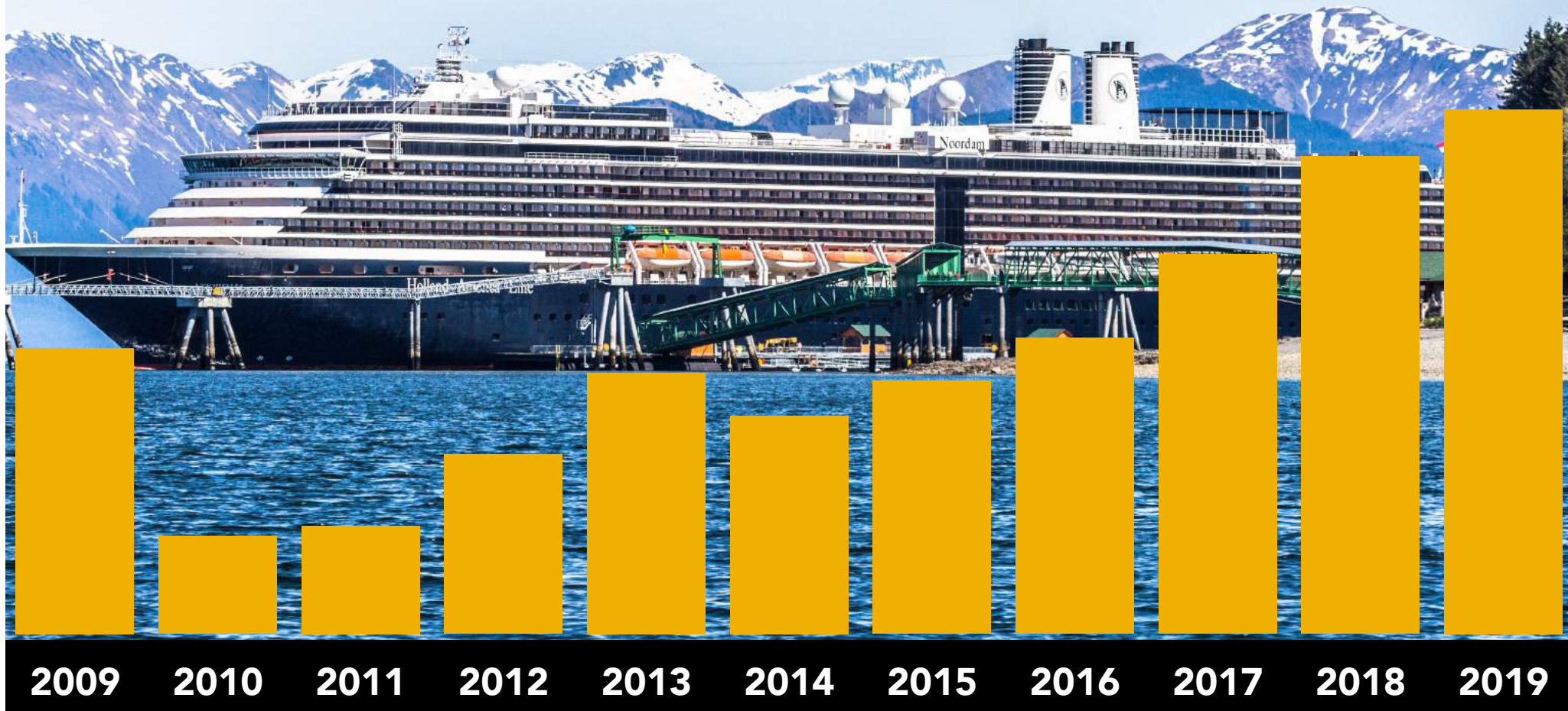
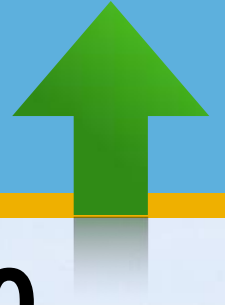
# ***Government Job Losses***

**Last 15 years loss of  
1,500 State and  
Federal Jobs = a loss of  
\$100 million  
in annual wages**



# Visitor Industry 7,740 Jobs

**UP 1,900 JOBS +32% SINCE 2010  
+\$58 MILLION**

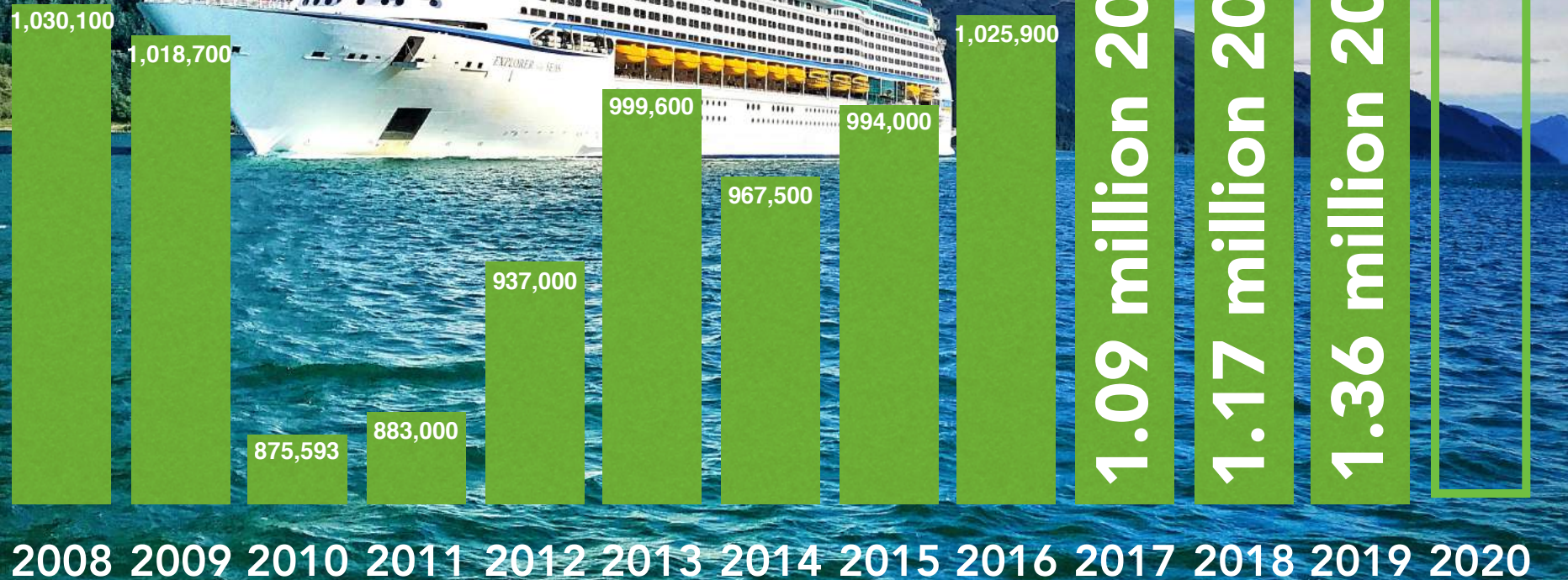




# Cruise Passengers

25% increase 2017-2019

55% increase 2010-2019





# ***Tourist Spending in Southeast***

# **\$657 Million**

## **\$487 per SE visitor**



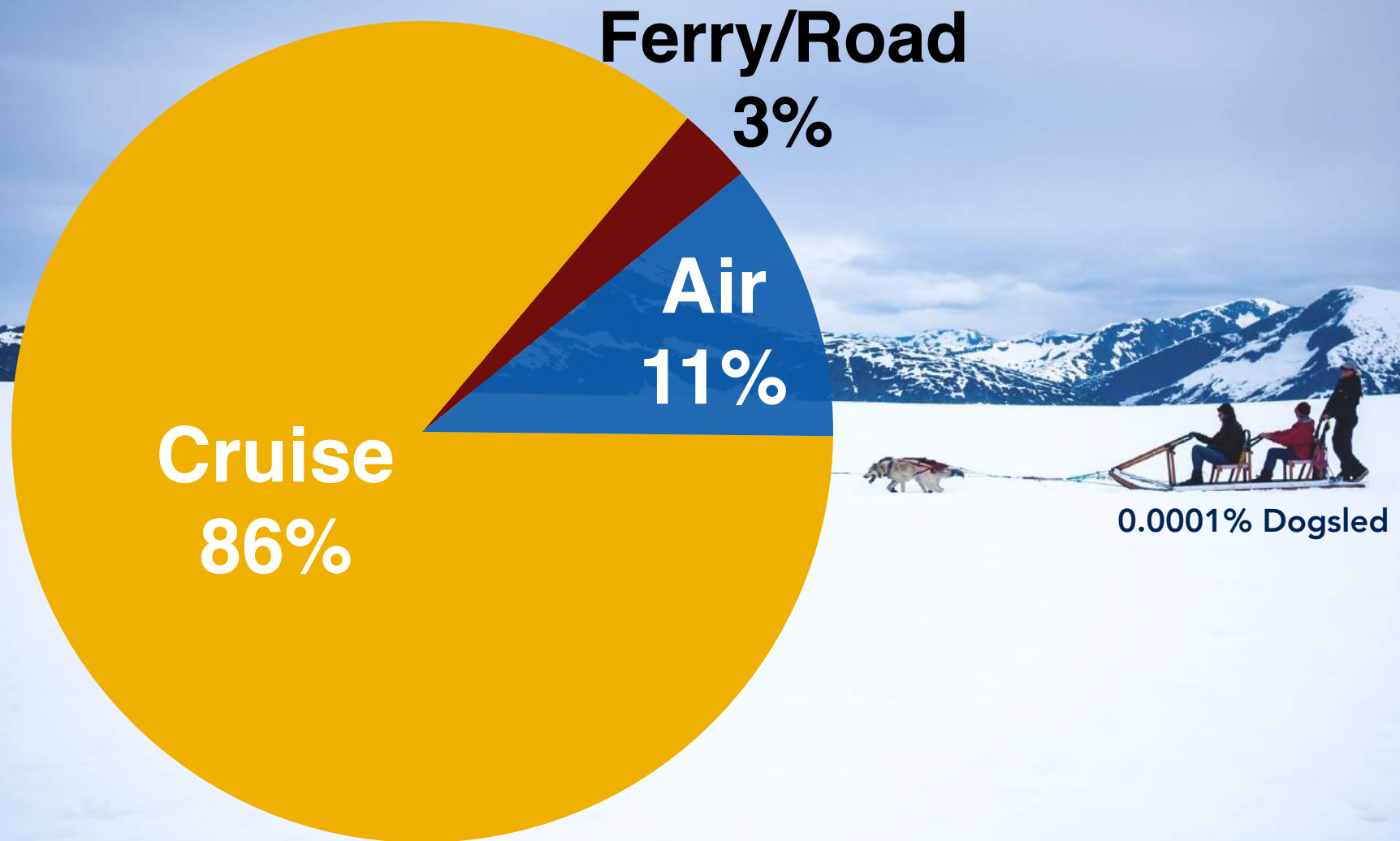


A wide-angle photograph of a cruise ship's deck. In the center, a rectangular swimming pool with a yellow border is filled with people. Some are standing in the shallow water, while others are splashing. A man in blue jeans is standing in the pool, holding a ladder. A group of people is gathered around the pool, some taking photos. In the background, a large, snow-covered glacier stretches across the horizon under a clear blue sky. The ship's deck is made of light-colored wood, and there are several white, round tables and chairs scattered around. A large, dark blue circular graphic is overlaid on the right side of the image, containing white text.

Glacier Bay was  
the **highest-rated**  
cruise destination in  
the **world** in 2018.  
*Cruise Critic*



# Tourists into Southeast by Mode



# Healthcare

**JOBS SINCE 2017 +4.5%**

**3,426 Jobs**

**Estimated**

**9% of all  
SE earnings**

\$200

\$175

\$150

**\$173**

**\$172**

**\$175**

**\$182**

**\$189**

**\$197**

**2012**

**2013**

**2014**

**2015**

**2016**

**2017**







**Construction Industry 1,900 Jobs**  
**Estimate DOWN 70 JOBS IN 2018**

**Lowest since 1992**



# Capital Appropriations for Southeast in Millions

\$400

\$385

\$260

\$200

\$215

\$183

\$107

\$47

\$9

\$15

-96%

\$0

FY12

FY13

FY14

FY15

FY16

FY17

FY18

FY19

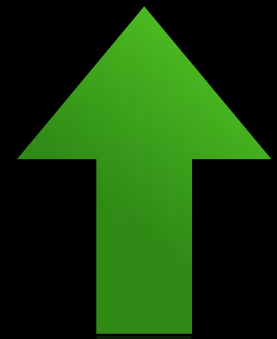


# Mining Industry

886 Jobs

UP 90 JOBS IN 2017

JOBS +11%

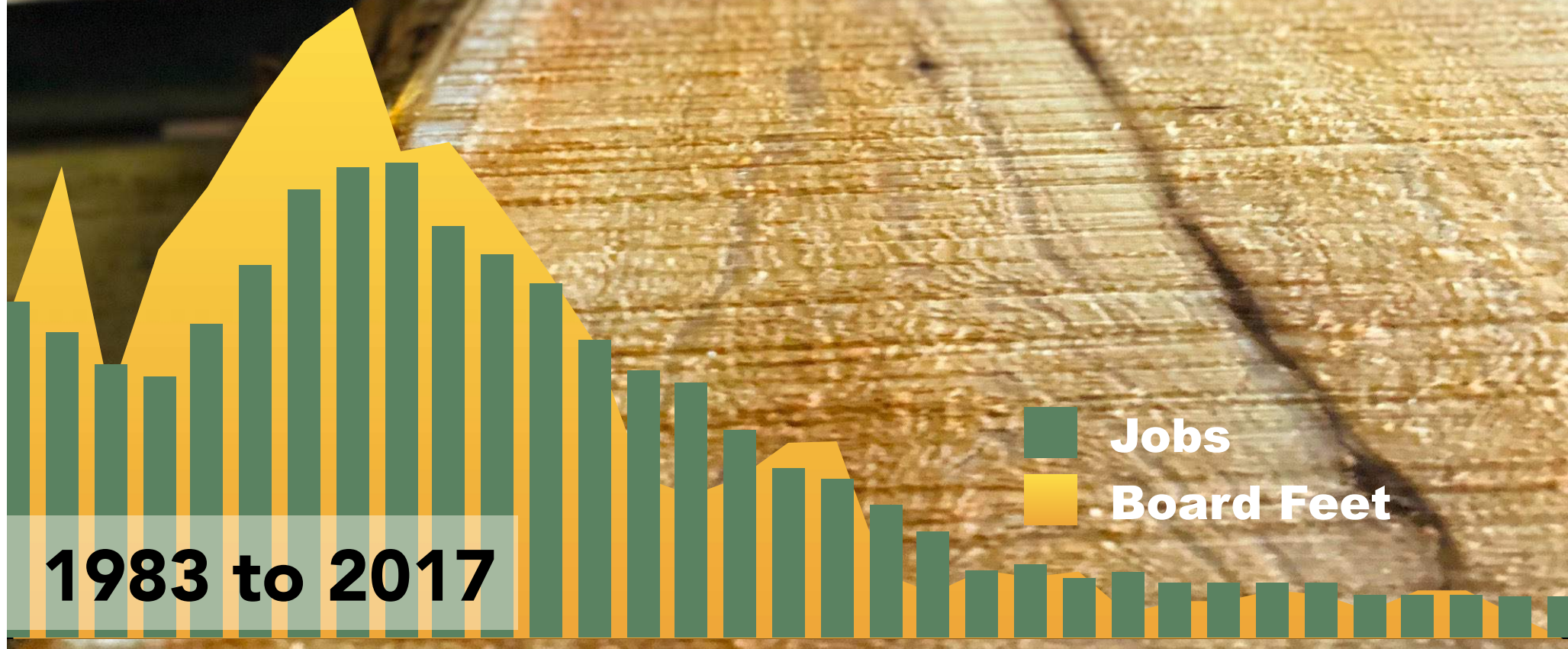




# Timber Industry

354 Jobs

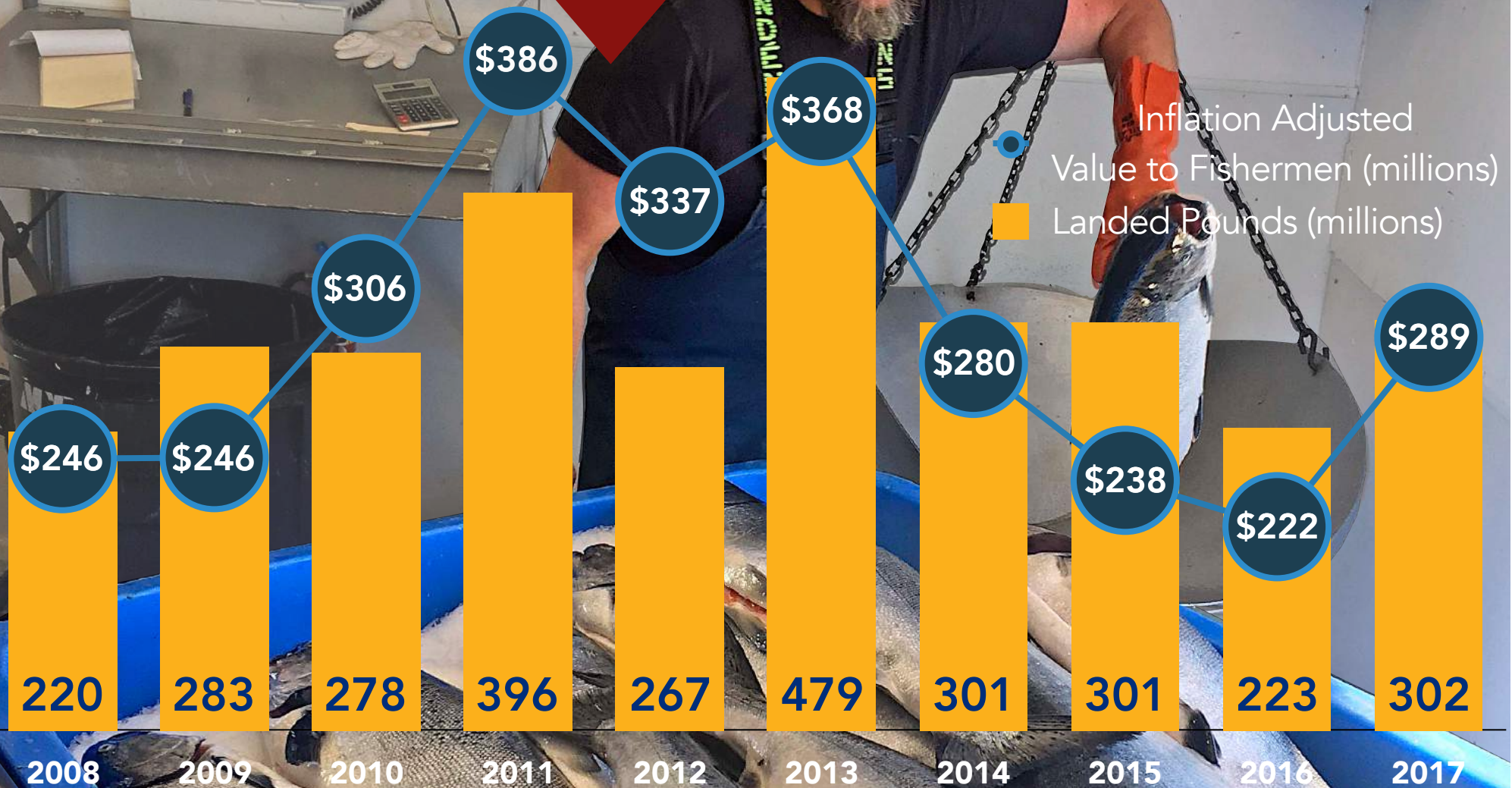
**DOWN -3%**





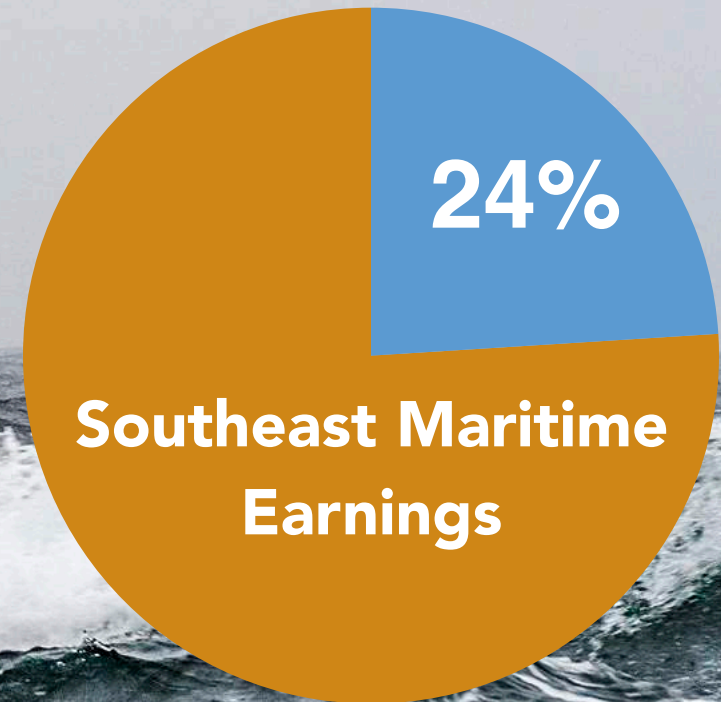
# VALUE & POUNDS OF SEAFOOD LANDED IN SOUTHEAST ALASKA TEN YEARS

3,854 Jobs





# SOUTHEAST ALASKA's BLUE ECONOMY





# 2019 and 2020 Southeast Outlook

- 
- Tourism
  - Health Care
  - Mining

- 
- Seafood Volatility
  - State Fiscal Crisis

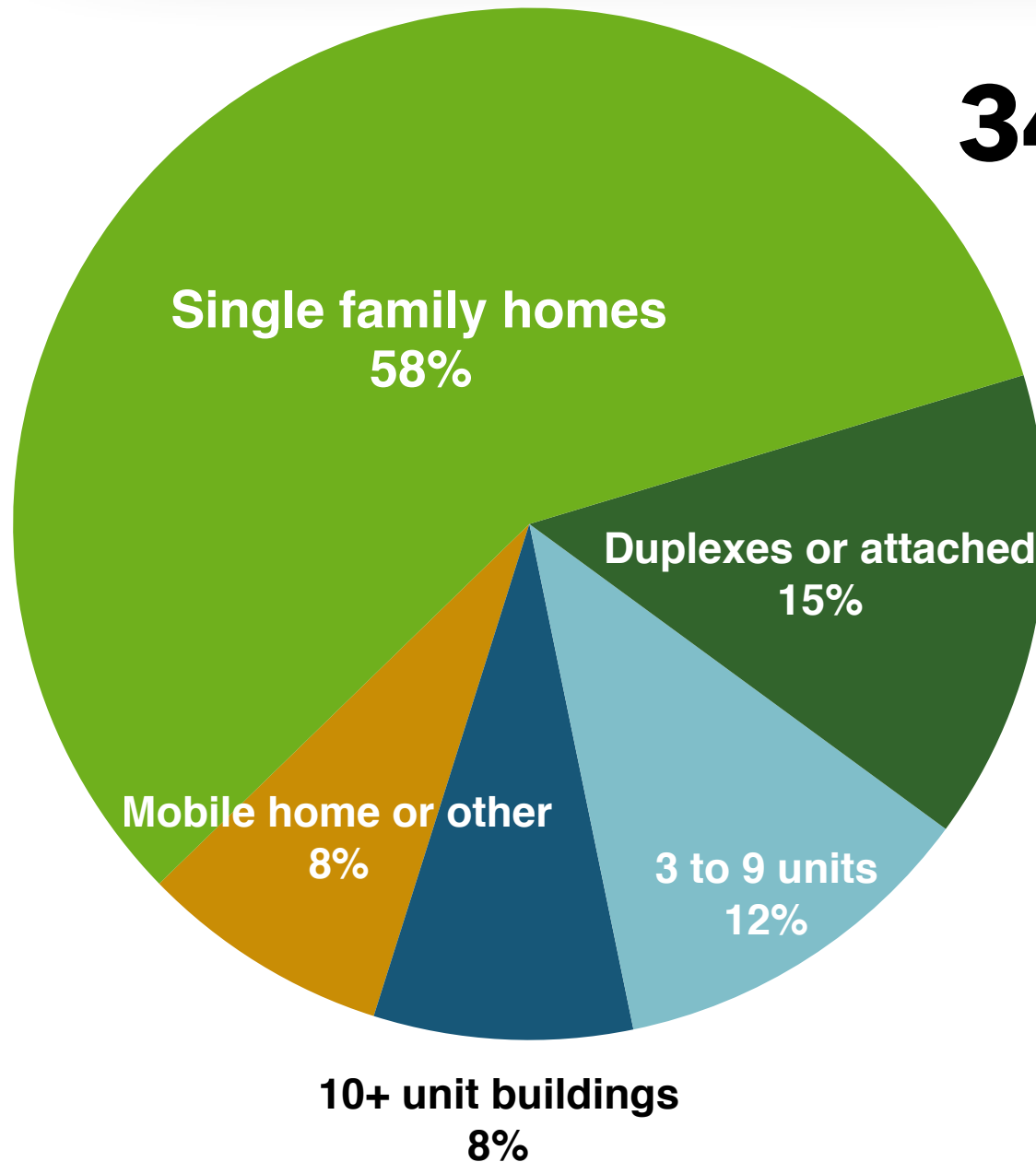


# Southeast AK Housing Indicators



# Southeast Housing Inventory

**34,400 Units**



**19%**  
Vacant  
6,500

Most of these have  
summer occupancy

**Alaska = 19%**  
**US = 12%**



# Vacant Housing

A photograph of a wooden suspension bridge over a river. A person on a bicycle and a child are crossing the bridge. In the background, there is a large, multi-story house and a dense forest of evergreen trees.

**19%**  
Vacant

**6,500**

# *Economic Impact*

**\$10.9 Million**

Annual Rent

**\$5.4 Billion**

Home Values

Owner-occupied housing units



# Top Benefits

How Significant are These Elements to Operating Your Business in Southeast Alaska?

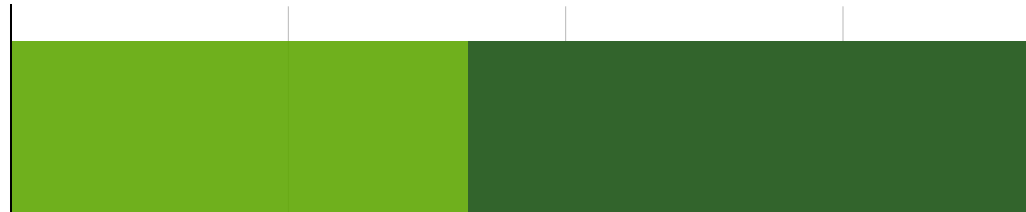


Moderate benefit



Significant benefit

**Overall Quality  
of Life**



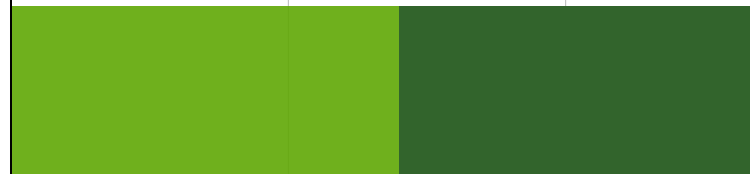
74%

**Recreational  
Opportunities**



63%

**Cultural  
Opportunities**



54%

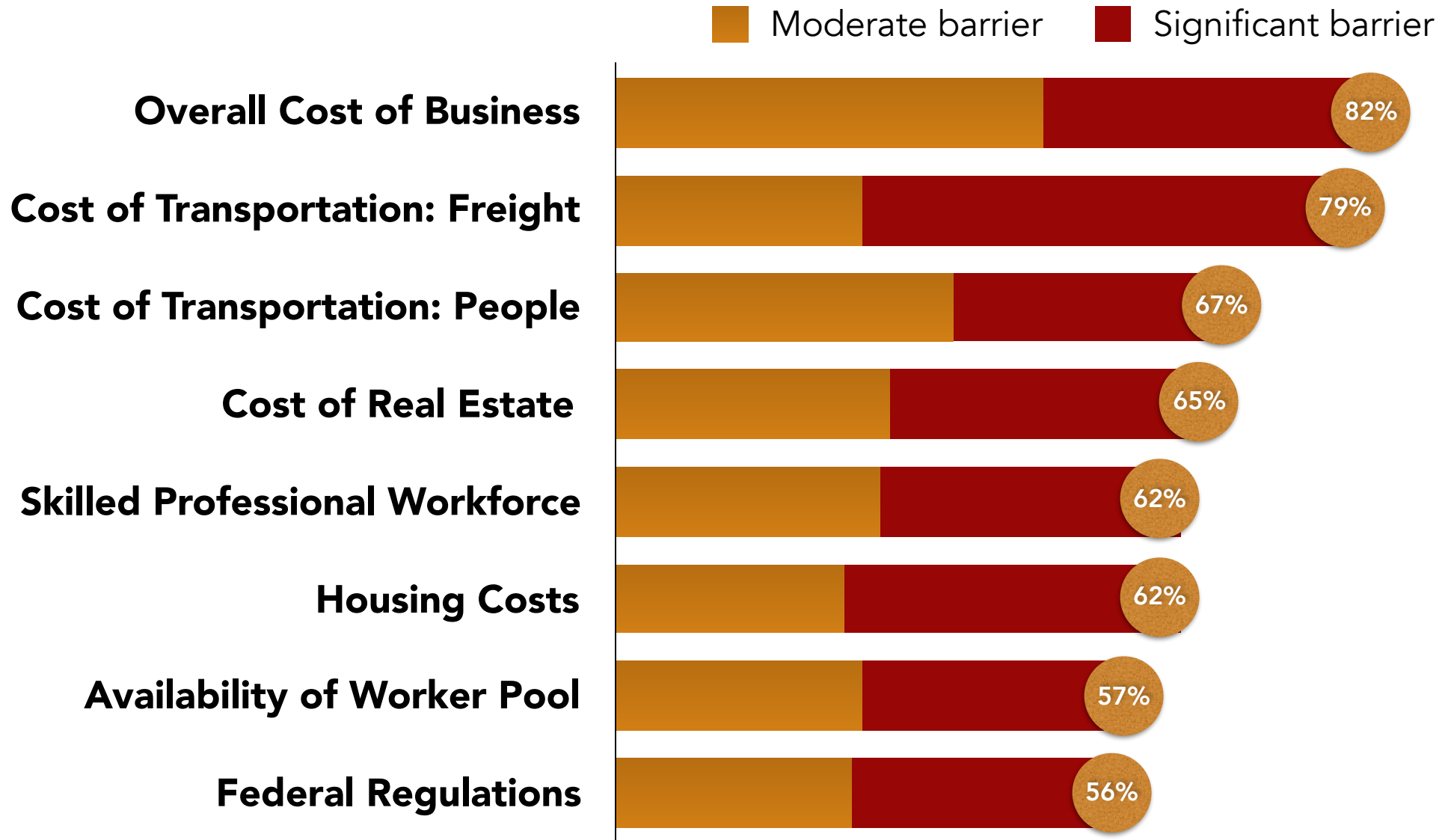
**Arts &  
Entertainment**



49%

# Top Barriers

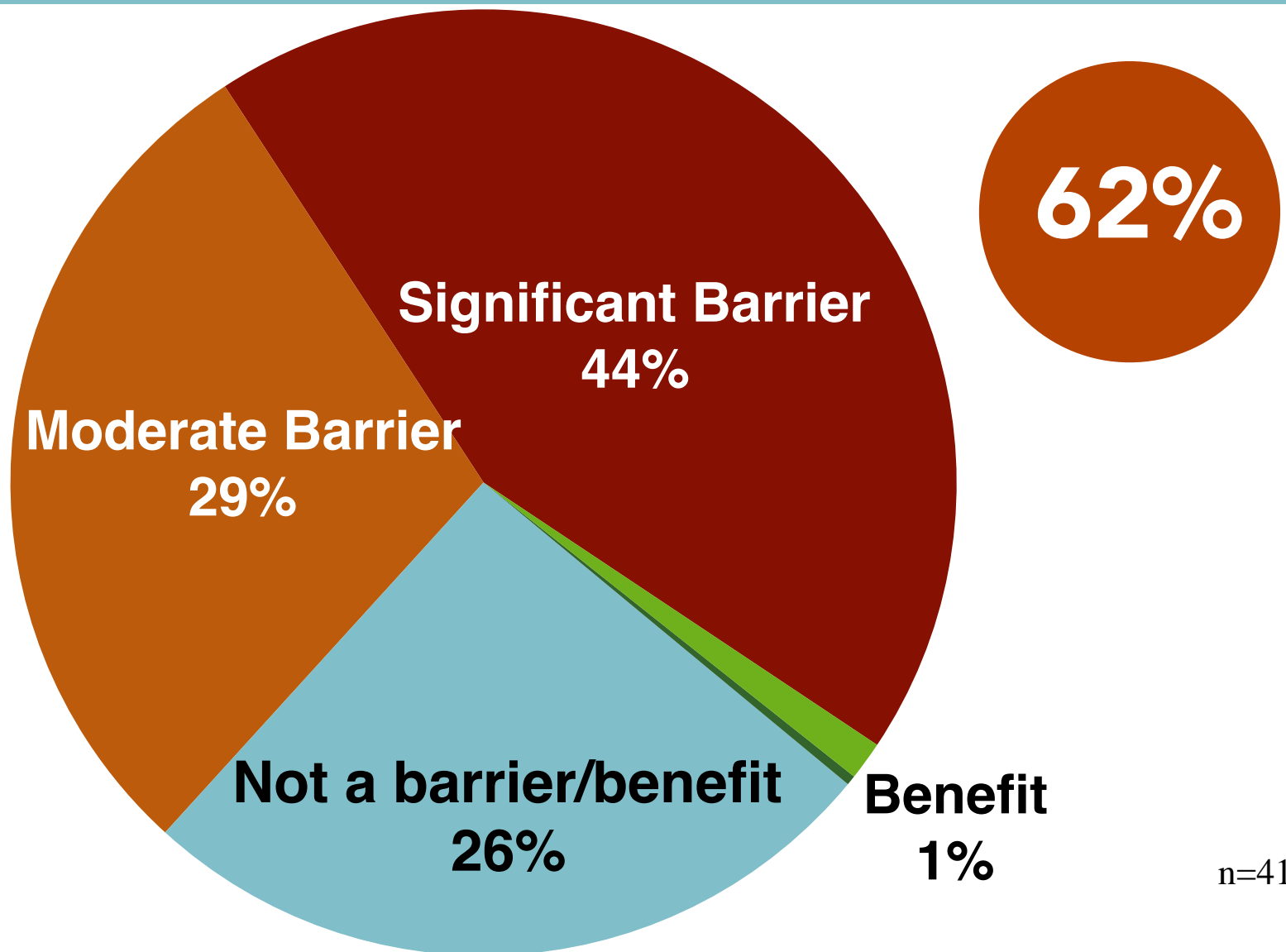
How Significant are These Elements to Operating Your Business in Southeast Alaska?





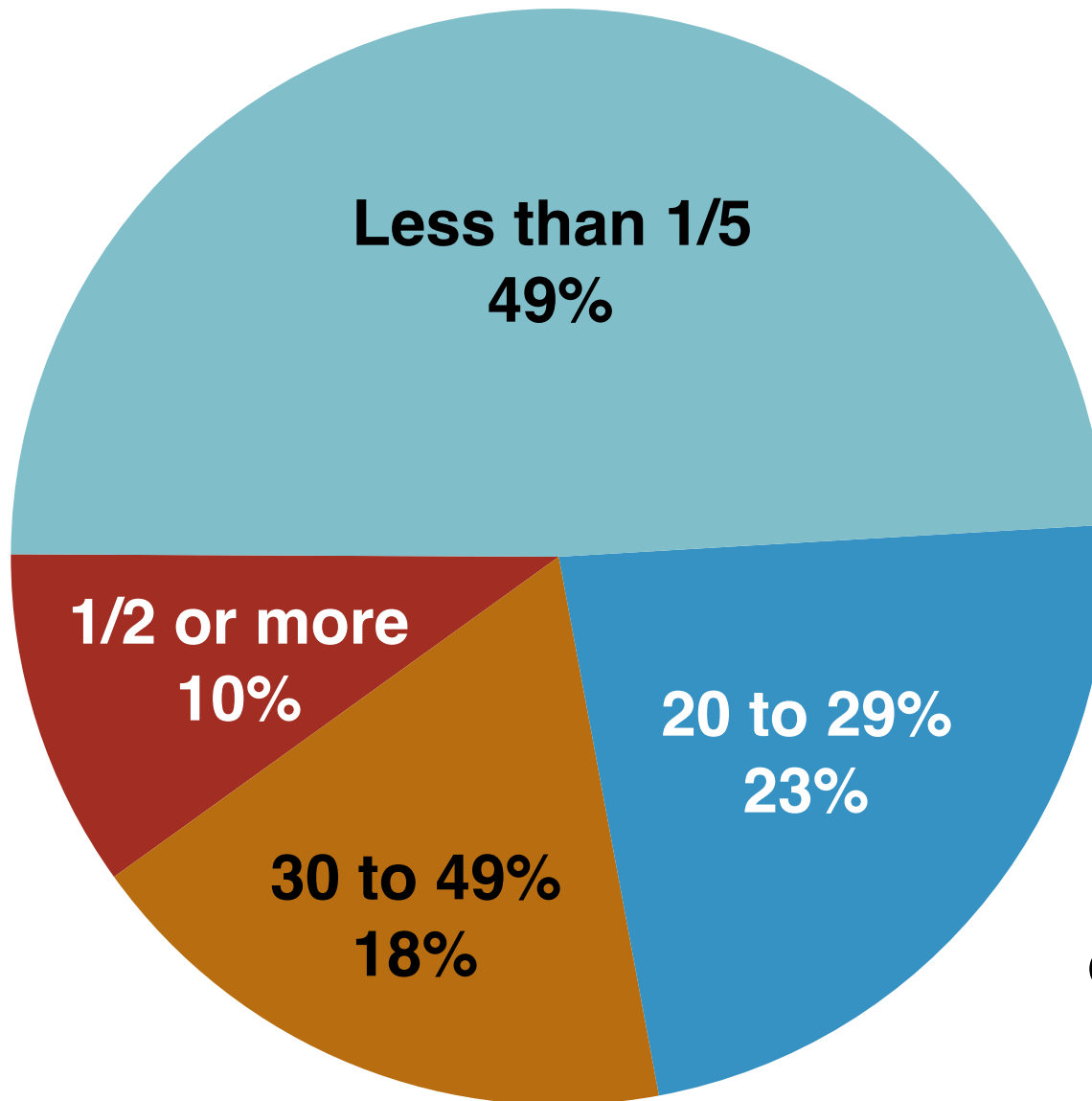
# Top Barriers

## #6 Housing Costs for Employees



# Affordability

Percentage of Income Southeast Households Paid Towards Housing Costs



0 to 29% = Not Burdened

30% = Burdened

50%+ = Severely Burdened

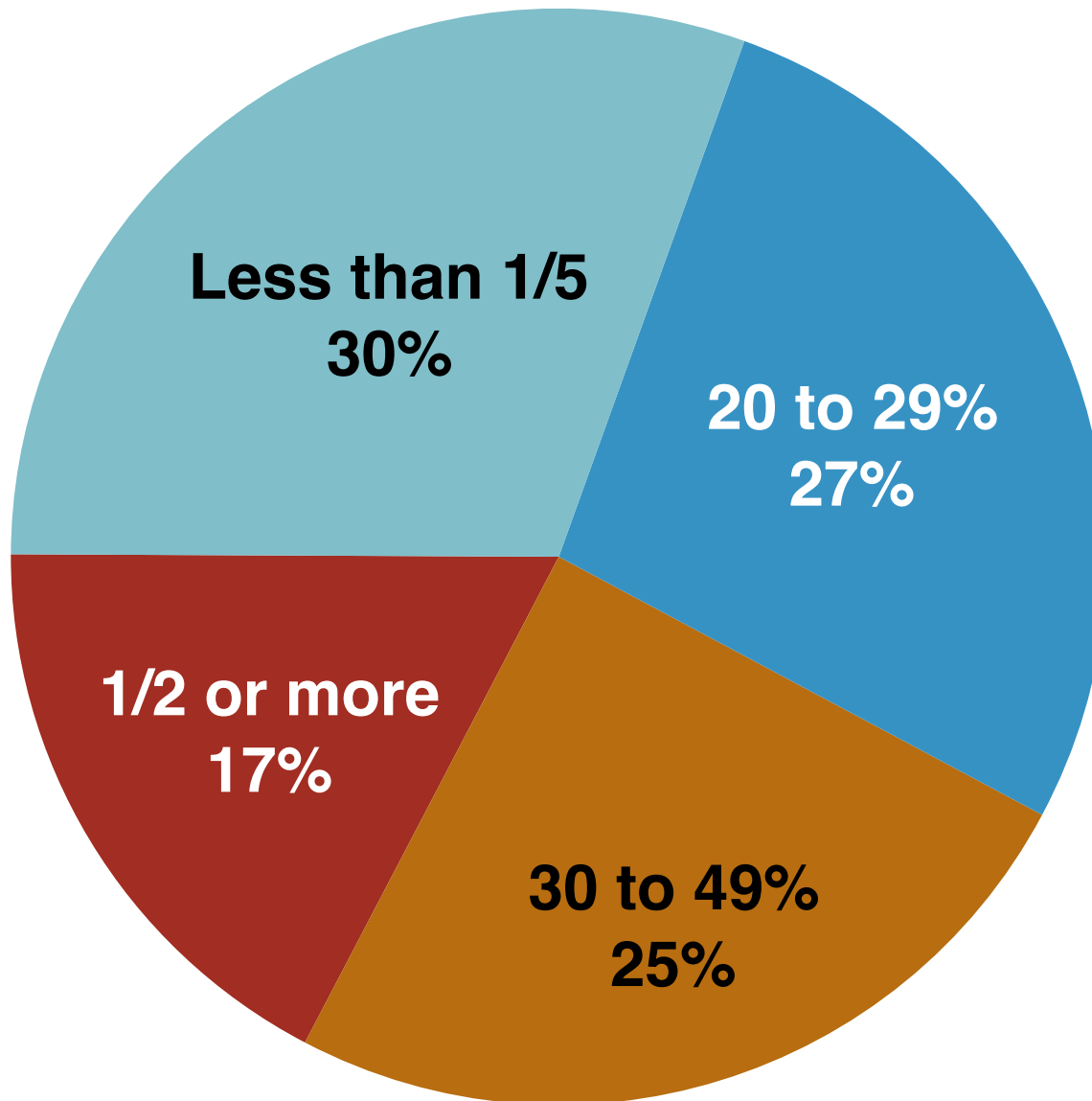
**28%**

**Of households cannot afford  
the home they are in**



# Rental Affordability

Percentage of Income Southeast Rental Households Paid Towards Housing Costs



0 to 29% = Not Burdened

30% = Burdened

50%+ = Severely Burdened

**42%**

Of renters cannot afford  
the home they are in

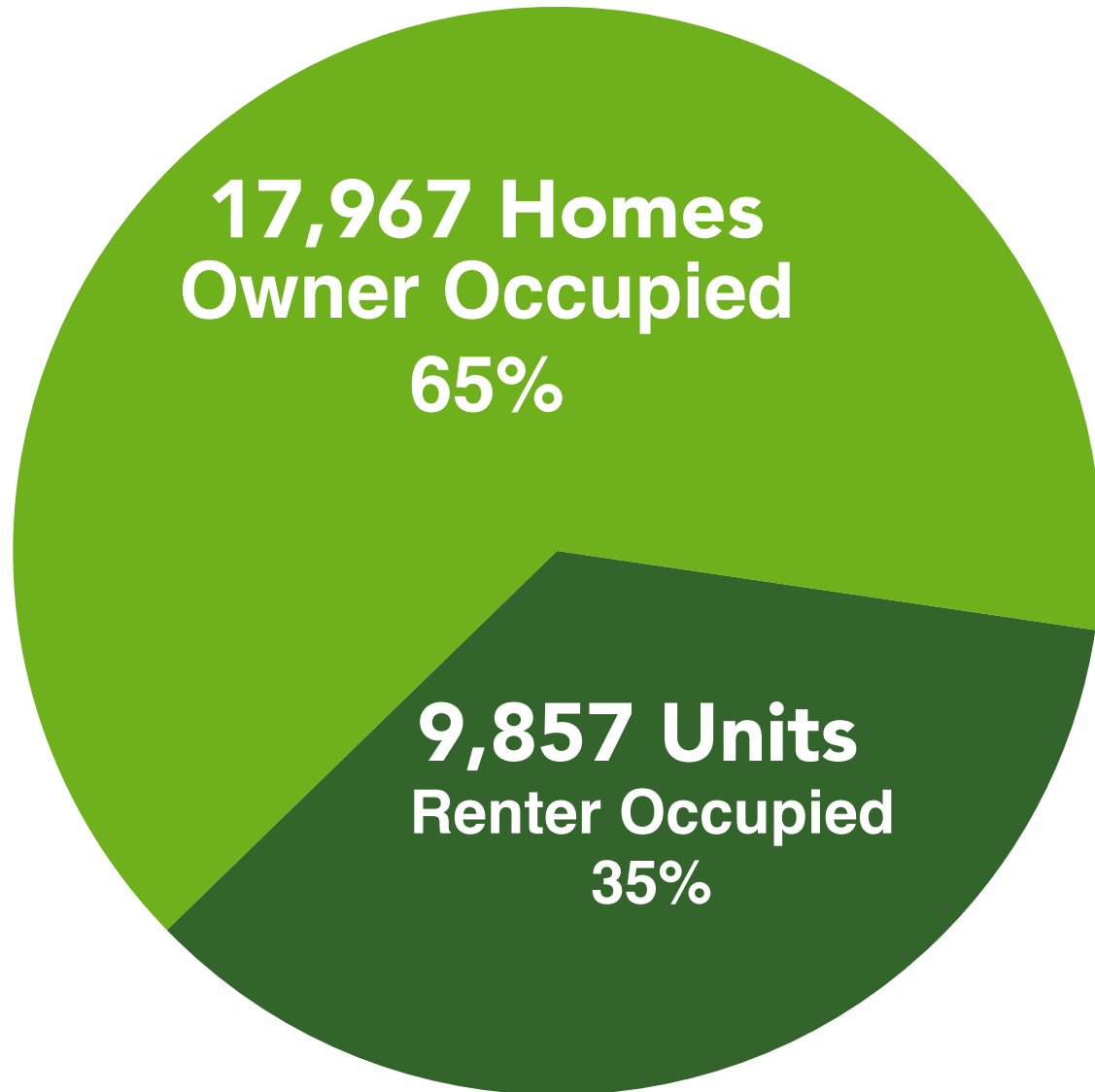
**Alaska = 46%**

**US = 51%**

# Southeast Renters vs Owners

**Alaska = 64%**

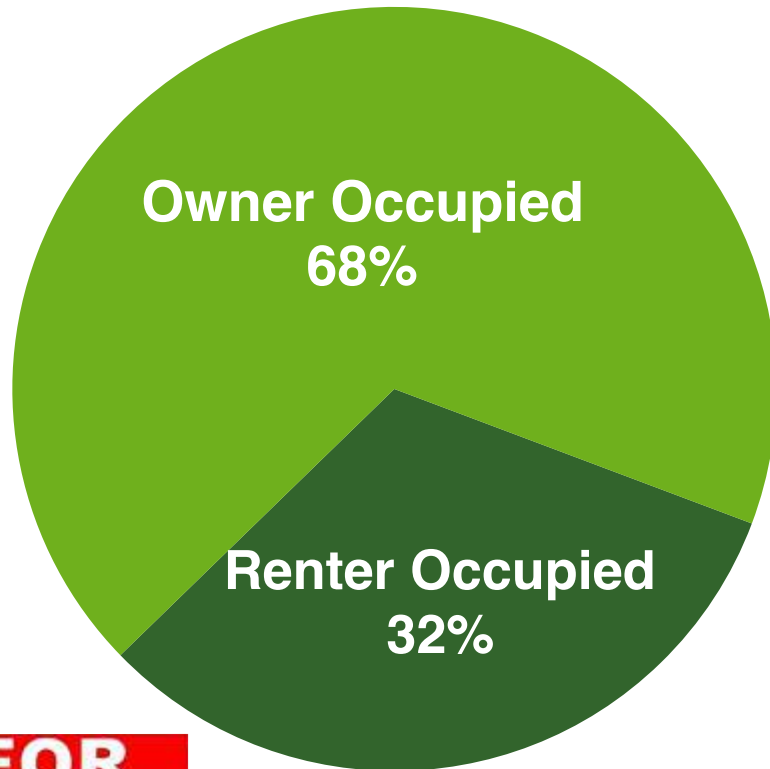
**US = 64%**



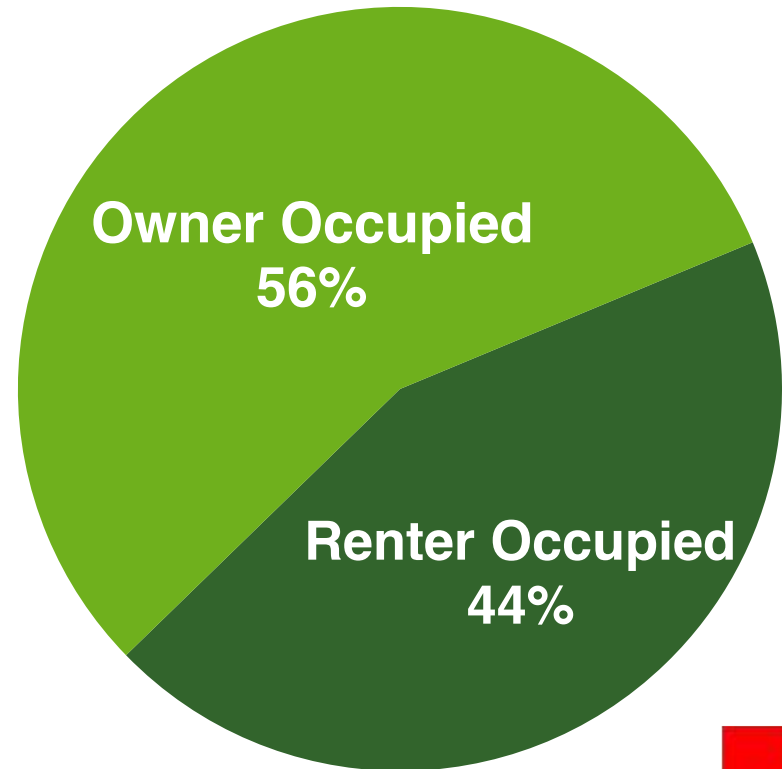


# Southeast Renters vs Owners by Race

## White



## Alaska Native



US or AK Native Owner

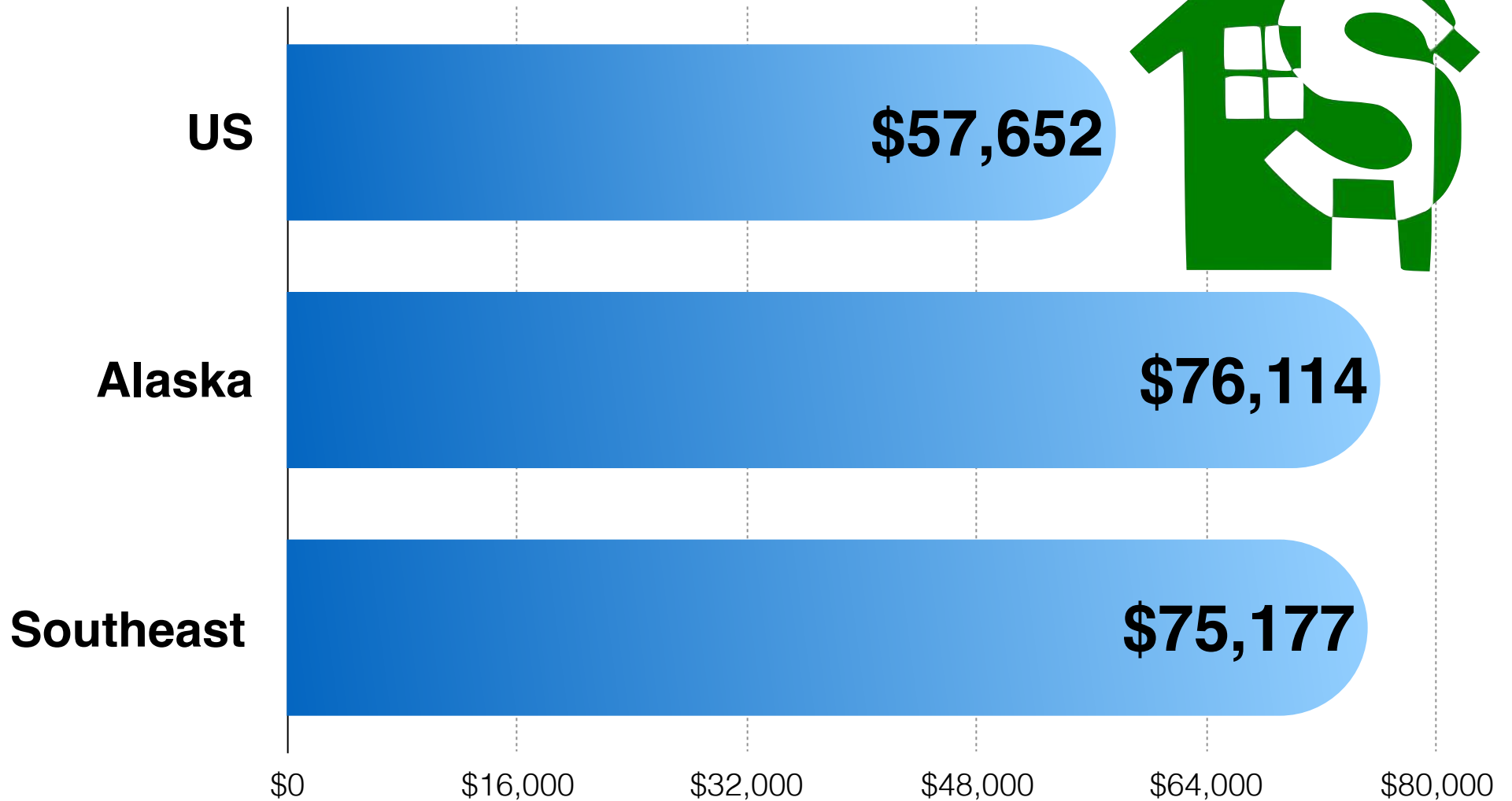
**Alaska = 59%**

**Juneau is 50%    Kake is 76%**



# Median Household Income

## Median Earnings





# Median Household Income Southeast

## Median Earnings

Owner-occupied housing units

**\$92,731**

Renter-occupied housing units

**\$51,011**

Race = White

**\$81,705**

Race = AK Native

**\$46,230**

\$0 \$16,000 \$32,000 \$48,000 \$64,000 \$80,000



# *Household by Type*

	White	Alaska Native
<b>Family households:</b>	<b>63%</b>	<b>63%</b>
Married-couple family	51%	33%
Other family:	12%	30%
Male householder, no wife present	4%	8%
Female householder, no husband present	8%	22%
<b>Nonfamily households:</b>	<b>37%</b>	<b>37%</b>
Householder living alone	29%	26%
Householder not living alone	8%	11%



# *Household by Type*

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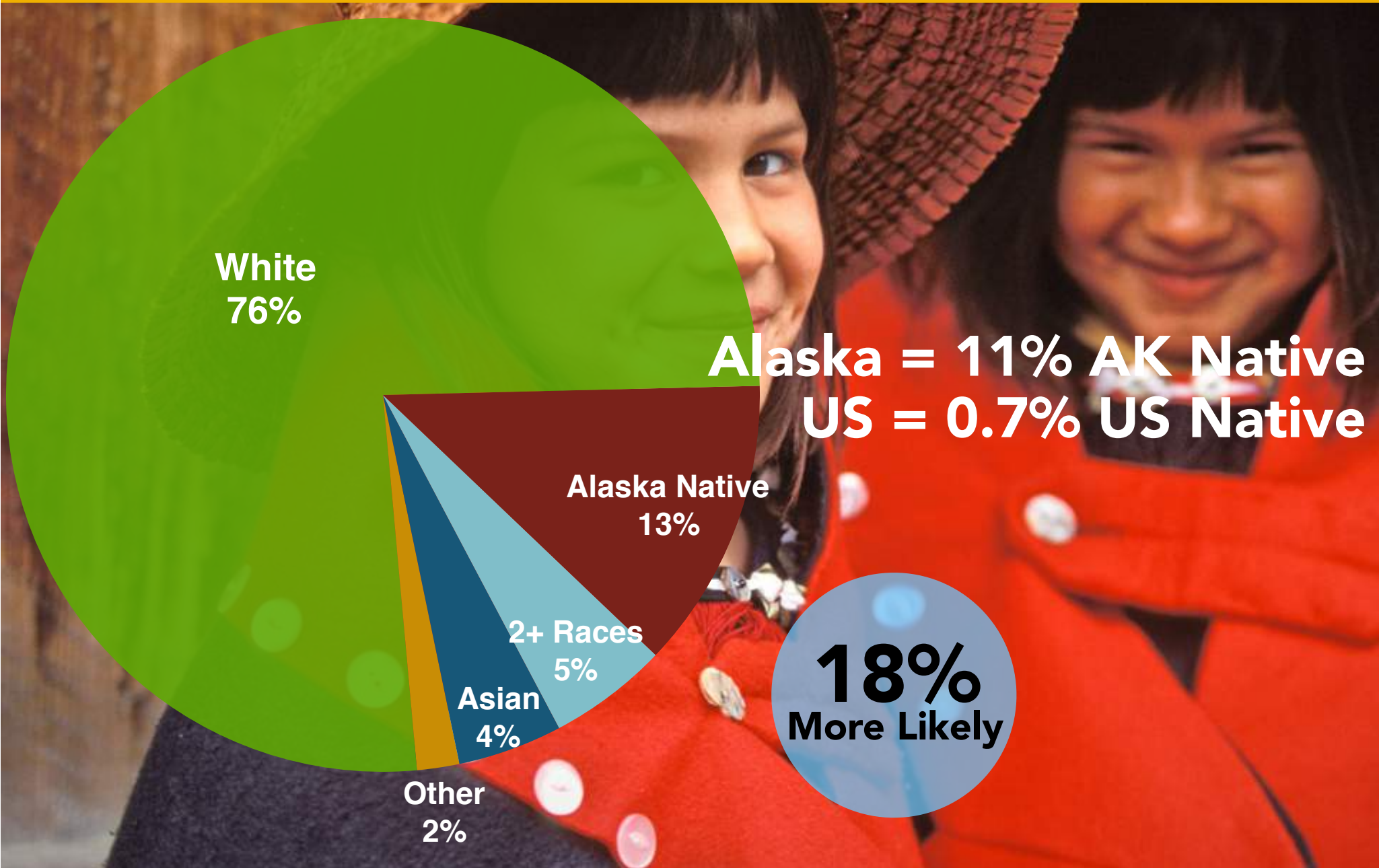
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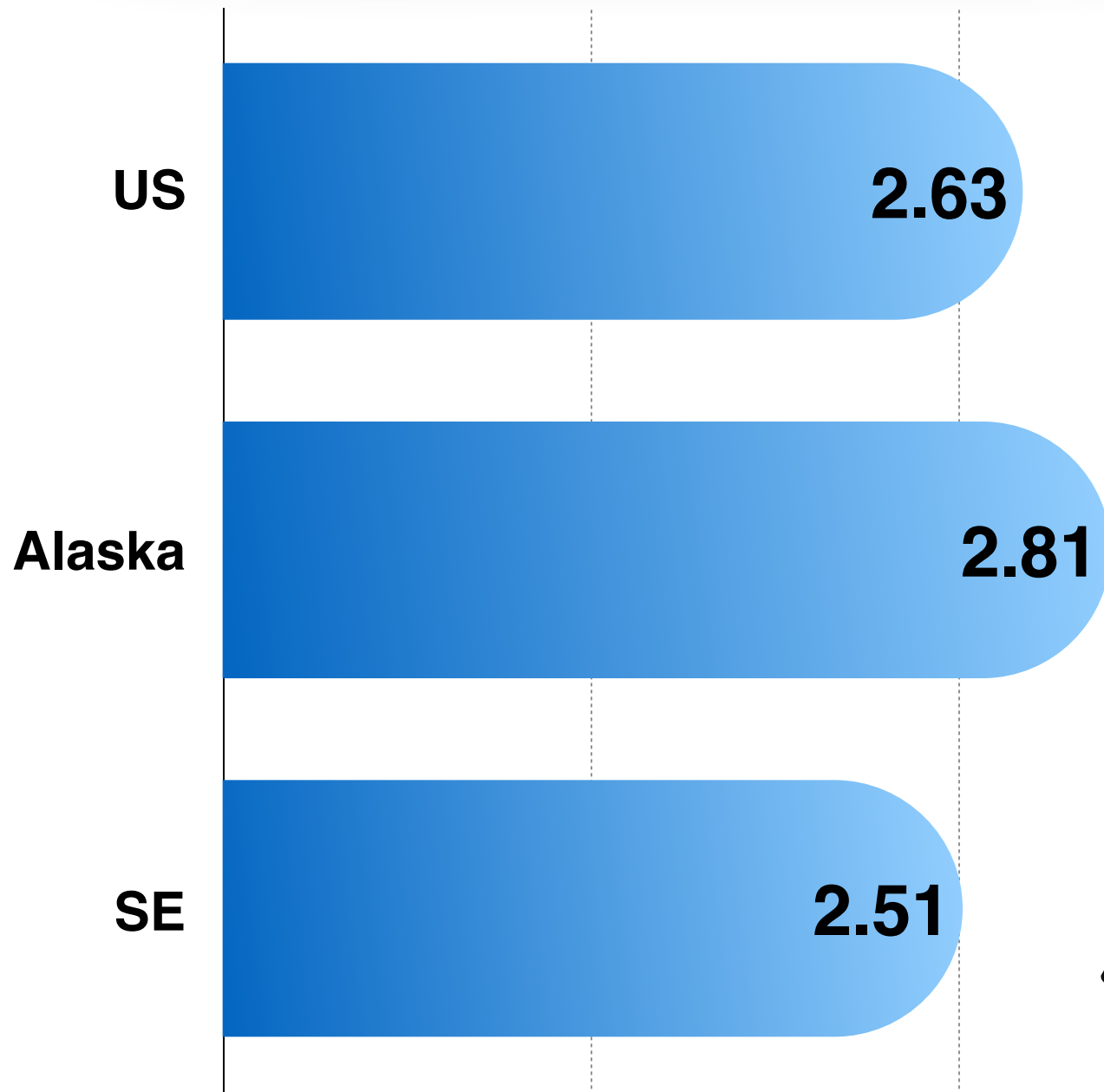
**Juneau is 26%**



# Southeast Households by Race

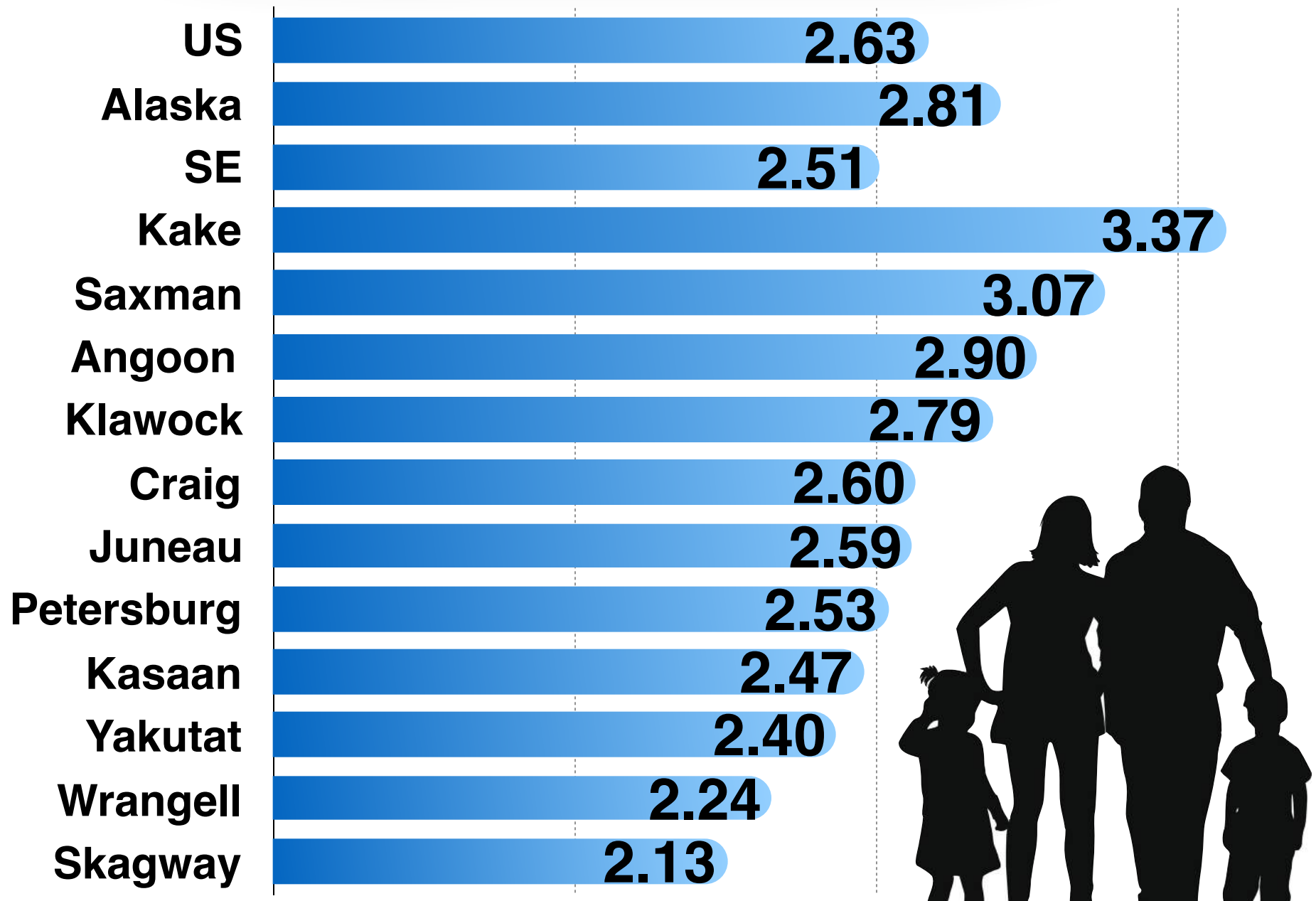


# Average Household Size





# Average Household Size

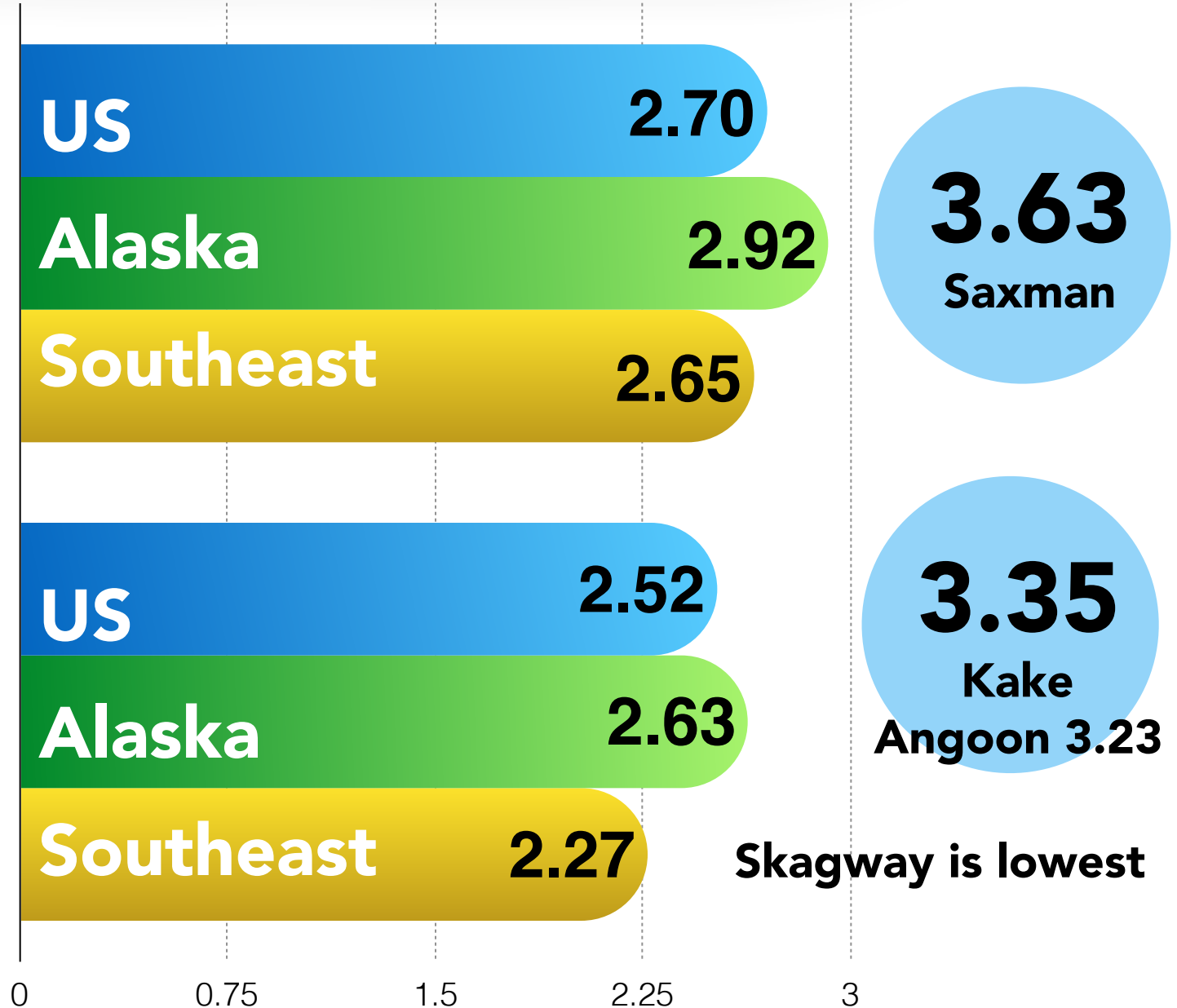


# Average Household Size

Owner occupied



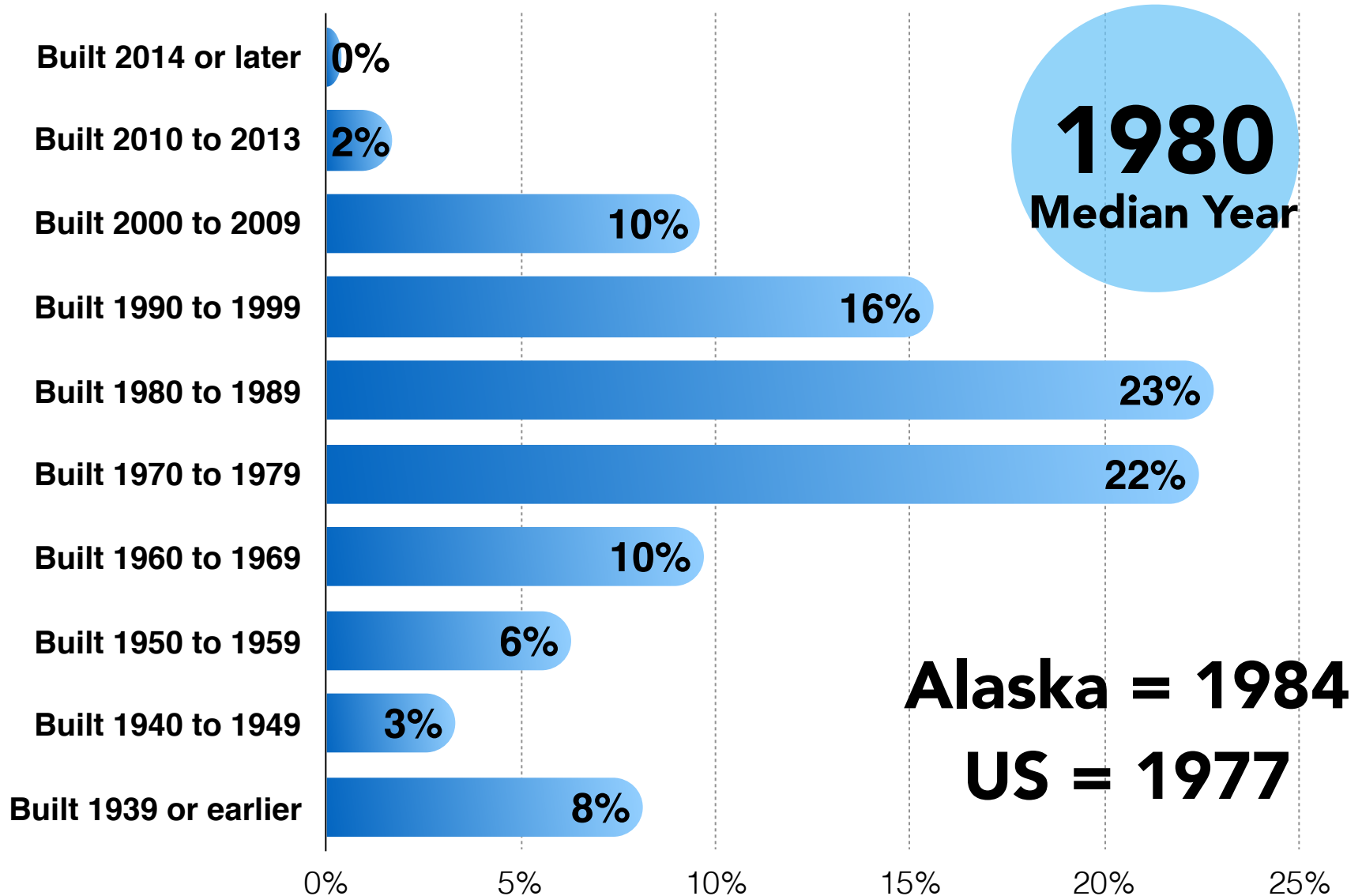
Renter occupied





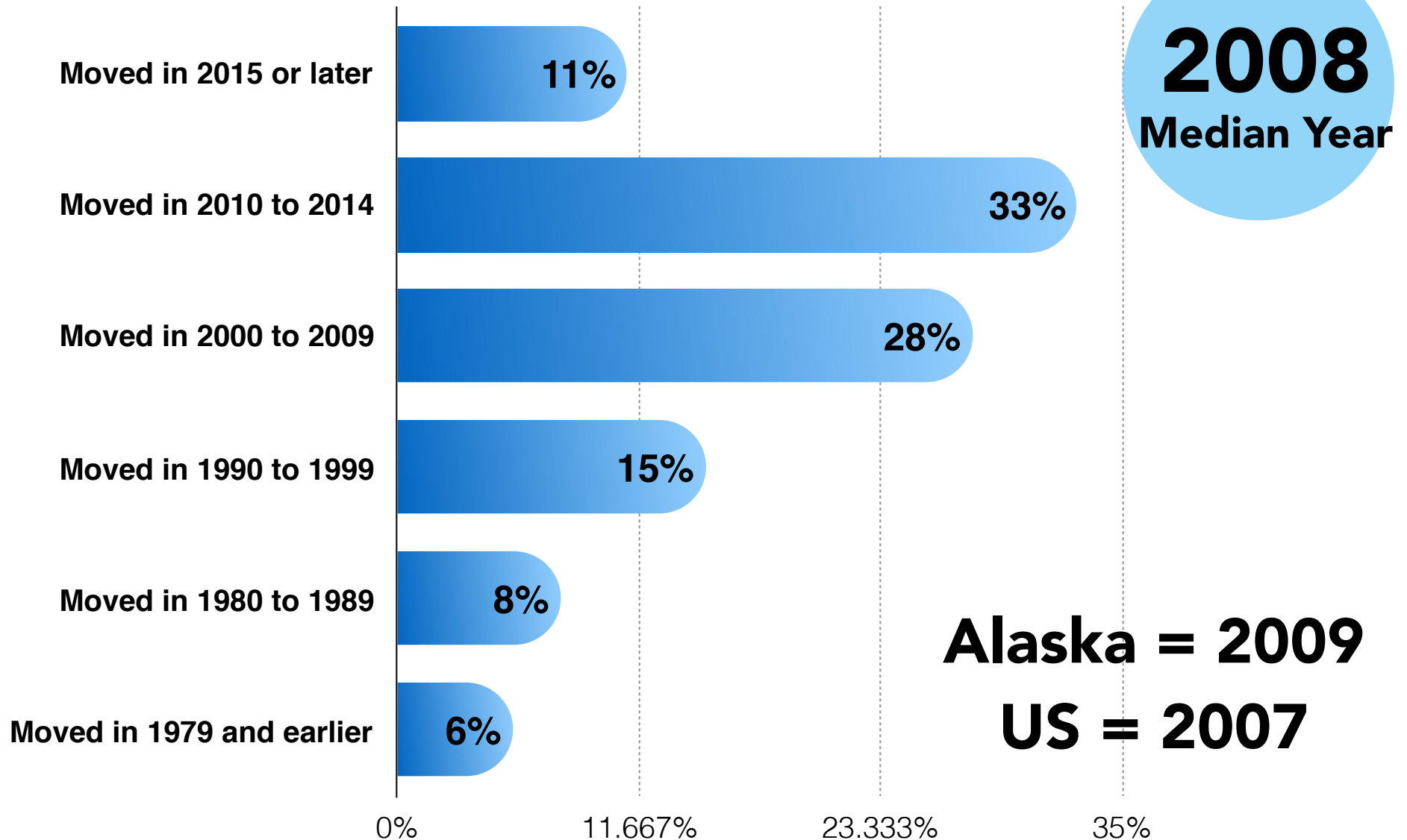
# Year Built Southeast

## Percentage of Homes by Year Built



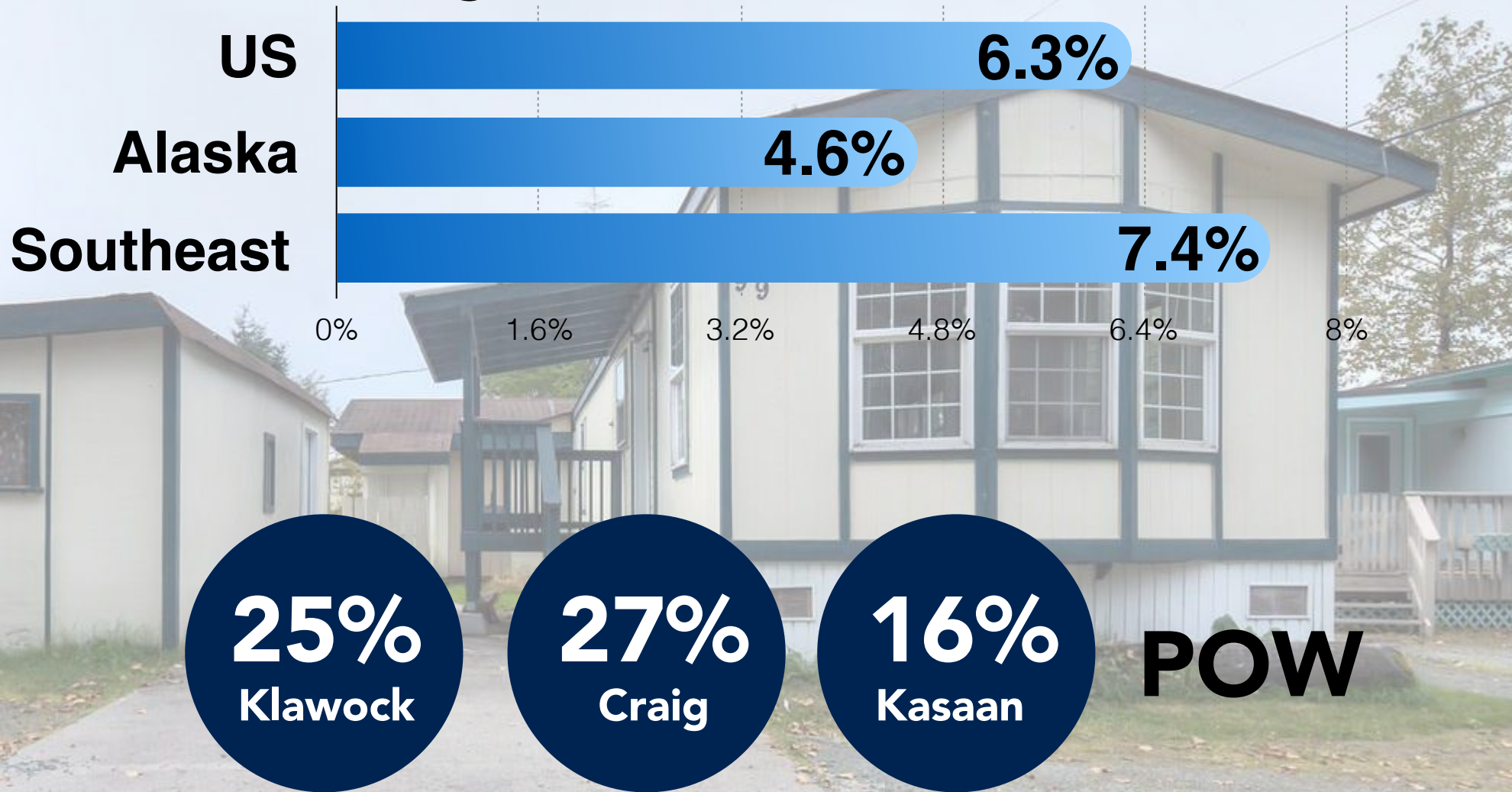
# Year Moved In Home (in SE)

## Year Current Occupant Moved in



# Mobile Homes

## Percentage of Homes Mobile Homes





# Median Household Monthly Costs

**United States**

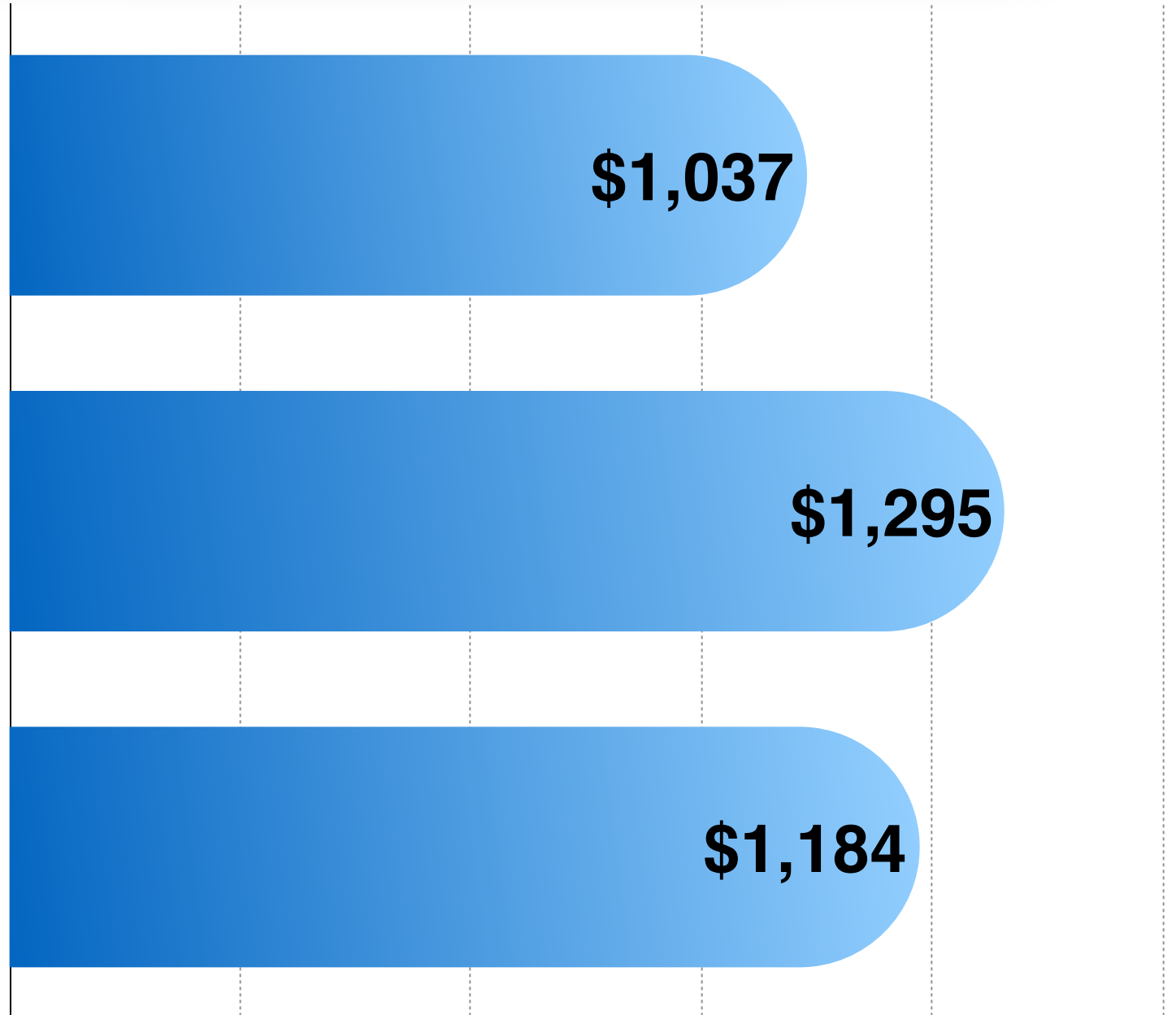
**\$1,037**

**Alaska**

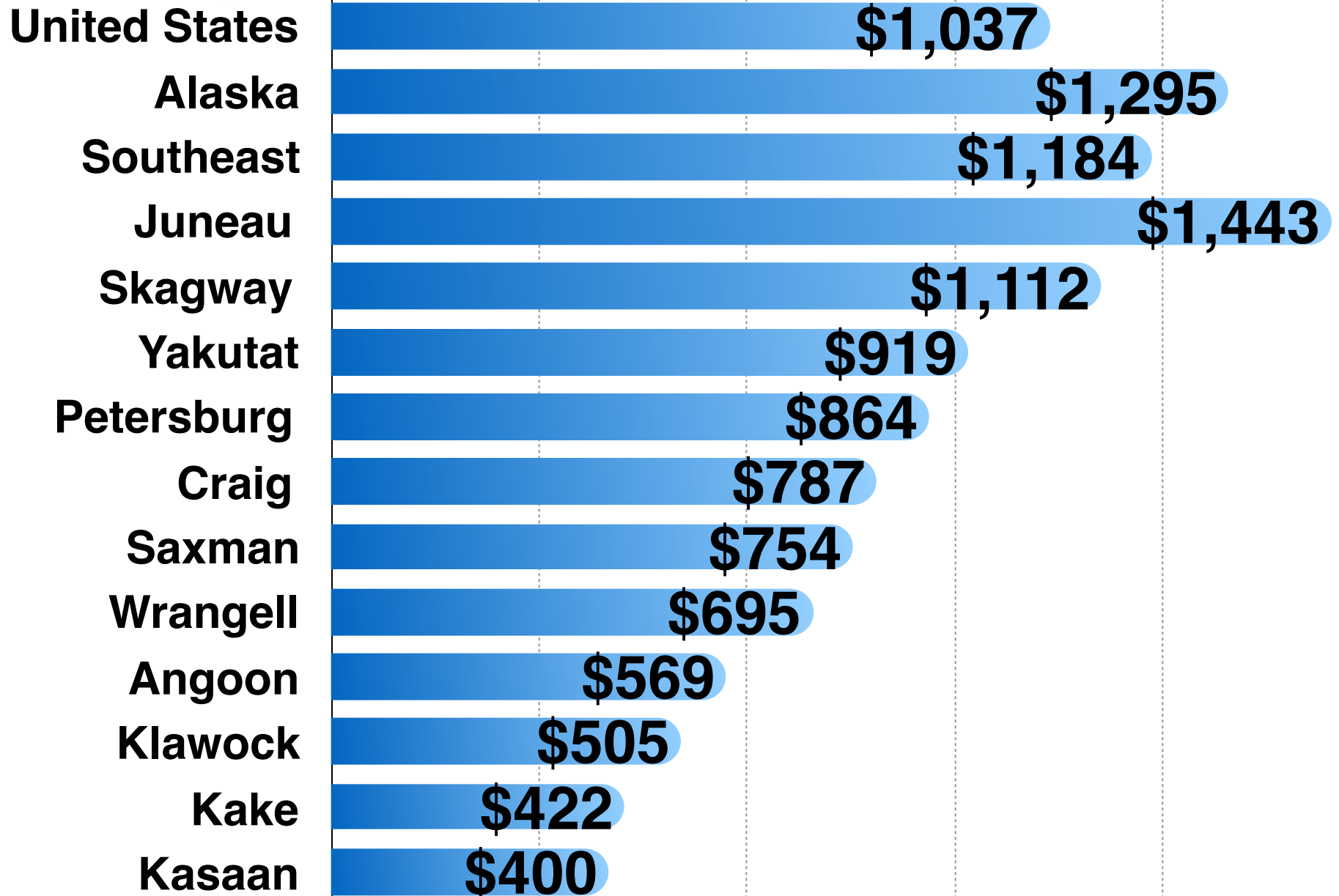
**\$1,295**

**Southeast**

**\$1,184**



# Median Household Monthly Costs



# Median Rent

**United States**

**\$982**

**Alaska**

**\$1,200**

**SE**

**\$1,104**

\$0

\$260

\$520

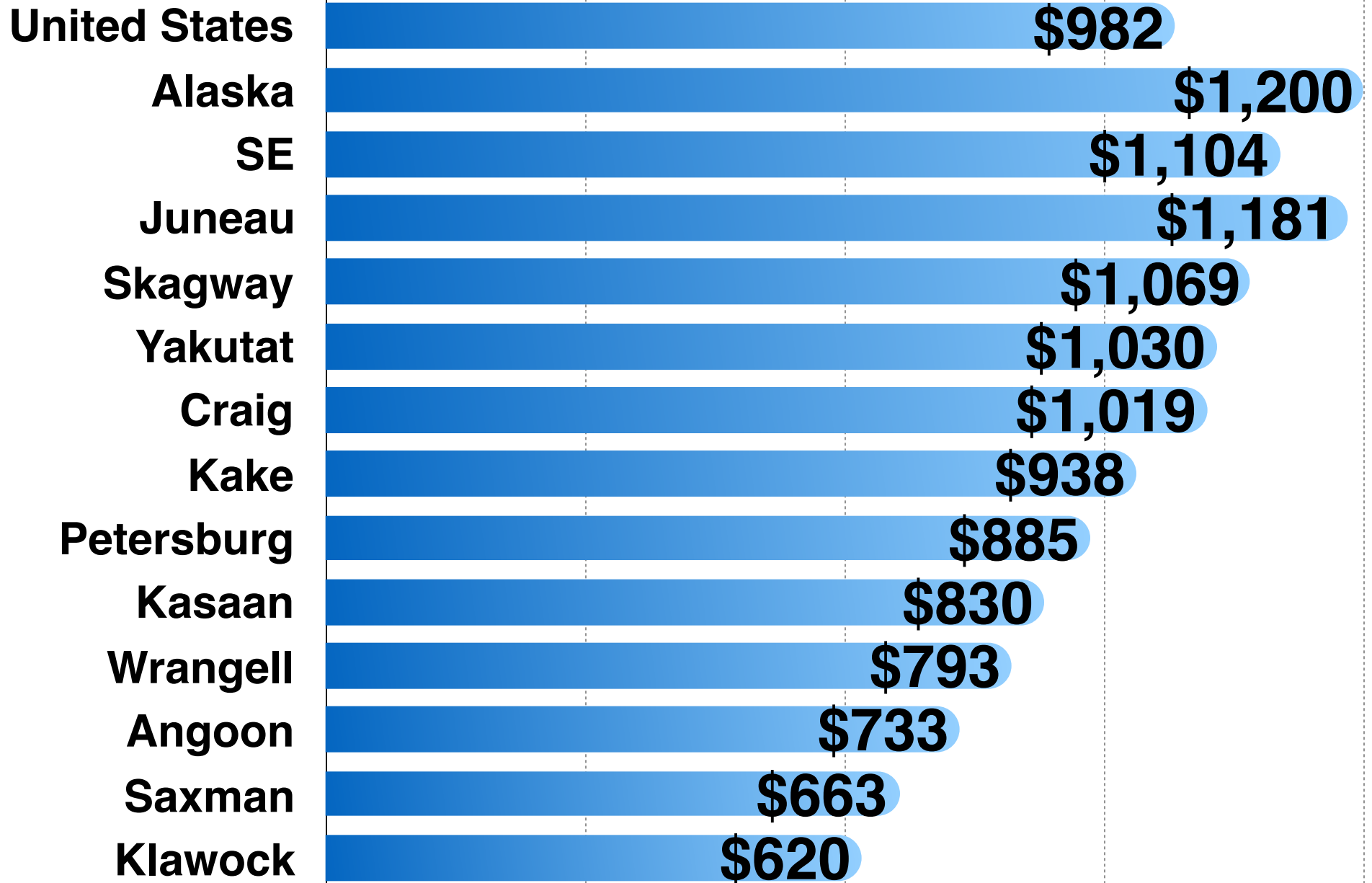
\$780

\$1,040

\$1,300



# Median Rent



# Median Home Value (owner occupied)

**United States**

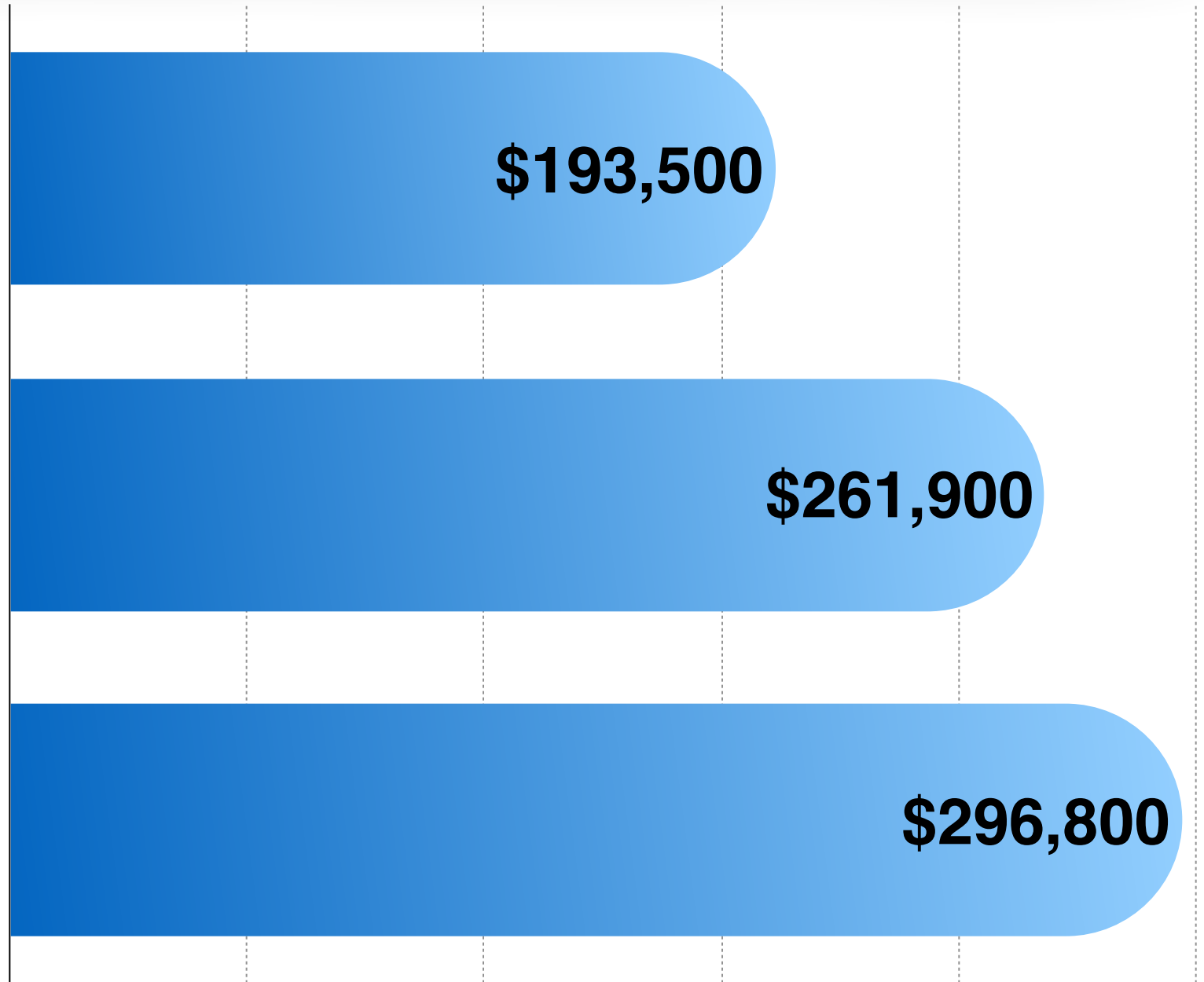
**\$193,500**

**Alaska**

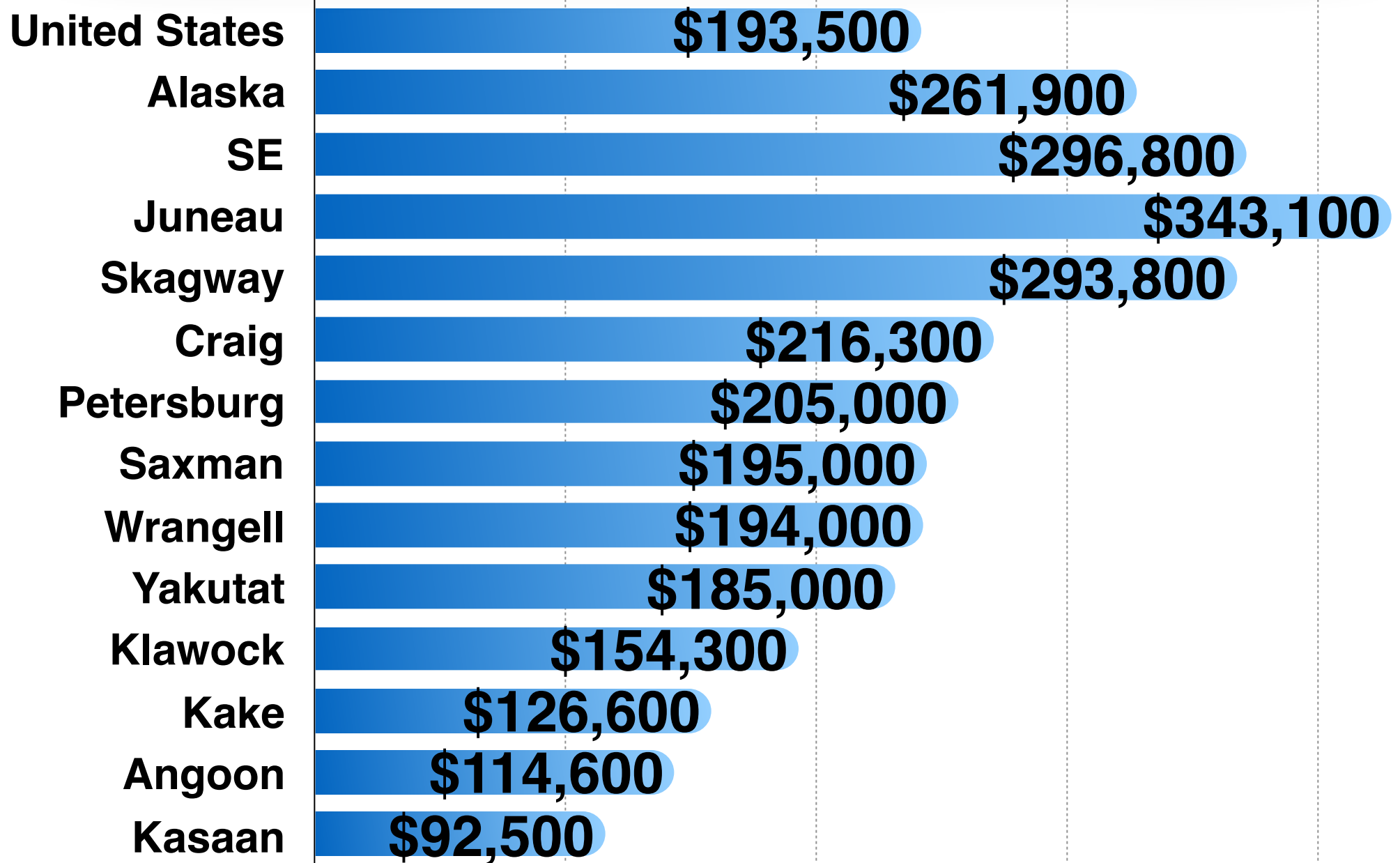
**\$261,900**

**SE**

**\$296,800**



# Median Home Value (owner occupied)



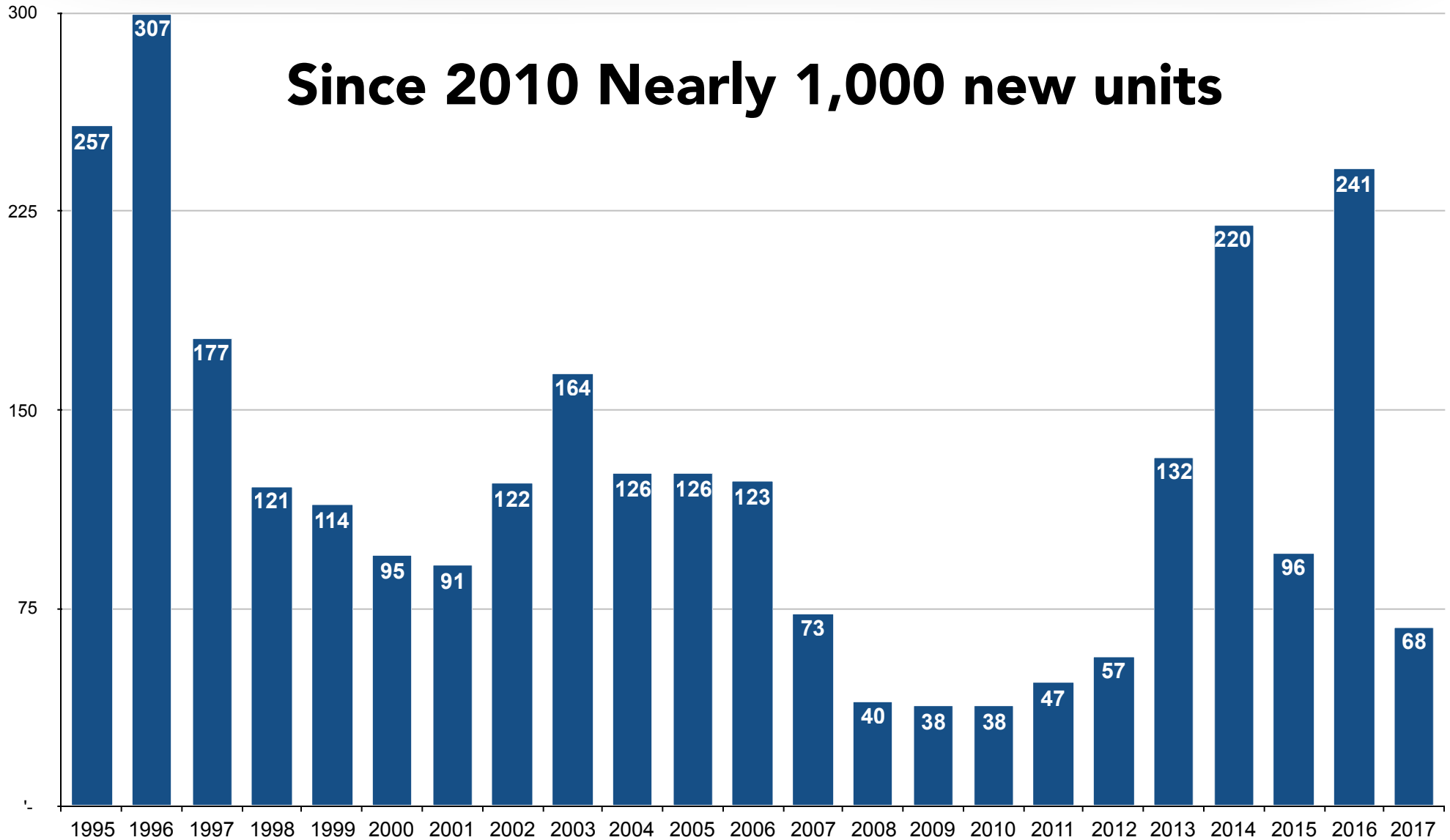


# New Housing Units Permitted SE

	2017	2016	2015	2014	2013	2010
Craig	16	9	2	4	5	2
Haines	4	10	7	9	23	6
Hoonah			3	4	2	
Juneau	68	241	96	220	132	57
Ketchikan	30	46	21	36	41	36
Klawock	6	7	1	2	4	4
Petersburg	11	6	12	10	4	2
Sitka	27	28	32	21	24	16
Skagway	7	15	8	4	16	2
Thorne Bay	1		1	2		2
Wrangell	4	6	13	6	3	
Yakutat	1					
Tenakee		1				2
Angoon			1			
Pelican				2		
Hydaburg					5	
Port Alexander				1		
Kupreanof						1
<b>Total</b>	<b>175</b>	<b>369</b>	<b>197</b>	<b>321</b>	<b>259</b>	<b>130</b>

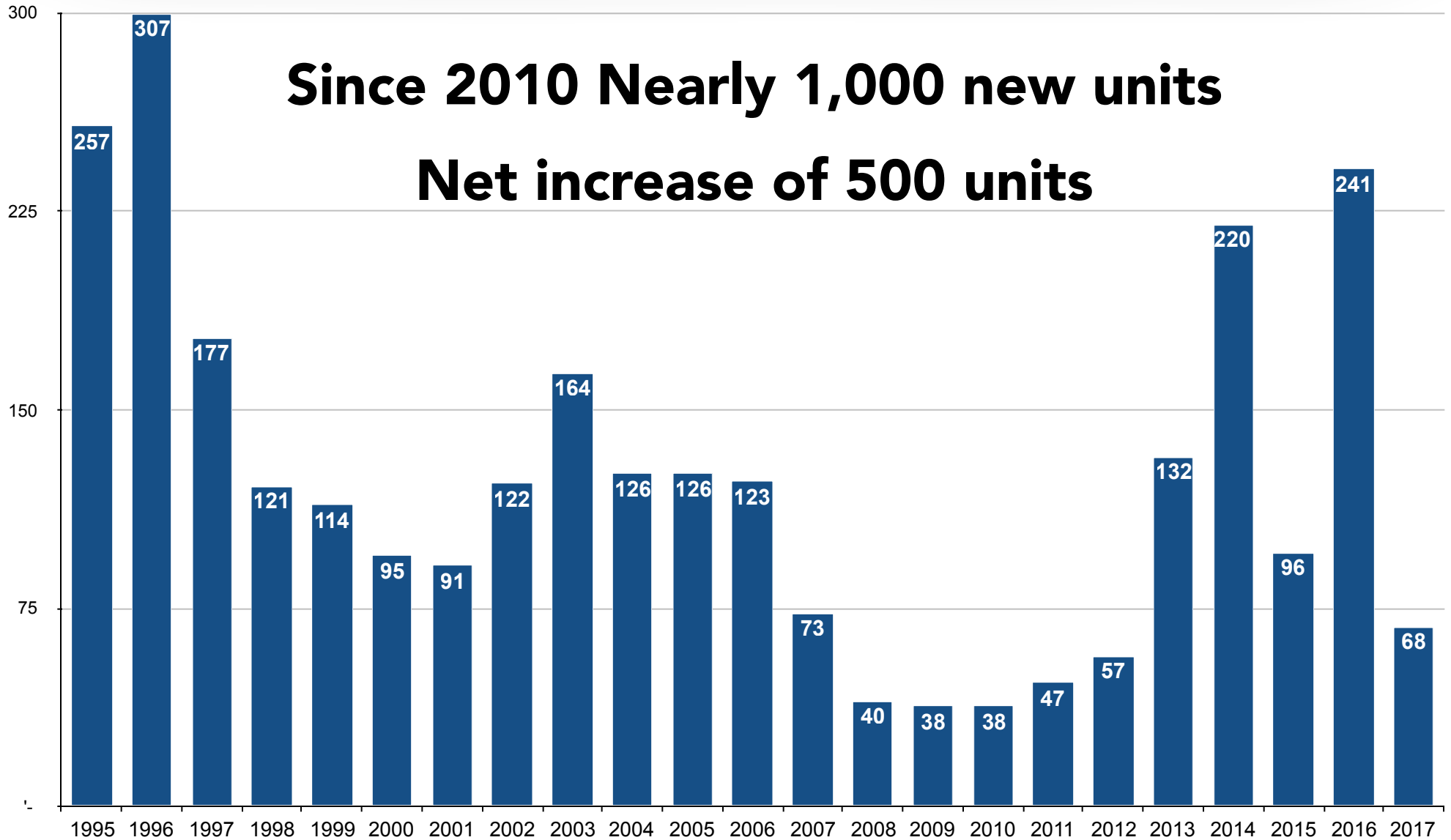
# New Housing Units Permitted Juneau

**Since 2010 Nearly 1,000 new units**



# New Housing Units Permitted Juneau

**Since 2010 Nearly 1,000 new units  
Net increase of 500 units**





# Rental Vacancy Rates

**5.9%**  
**SE**



**US = 6.1%**

**Alaska = 6.5%**

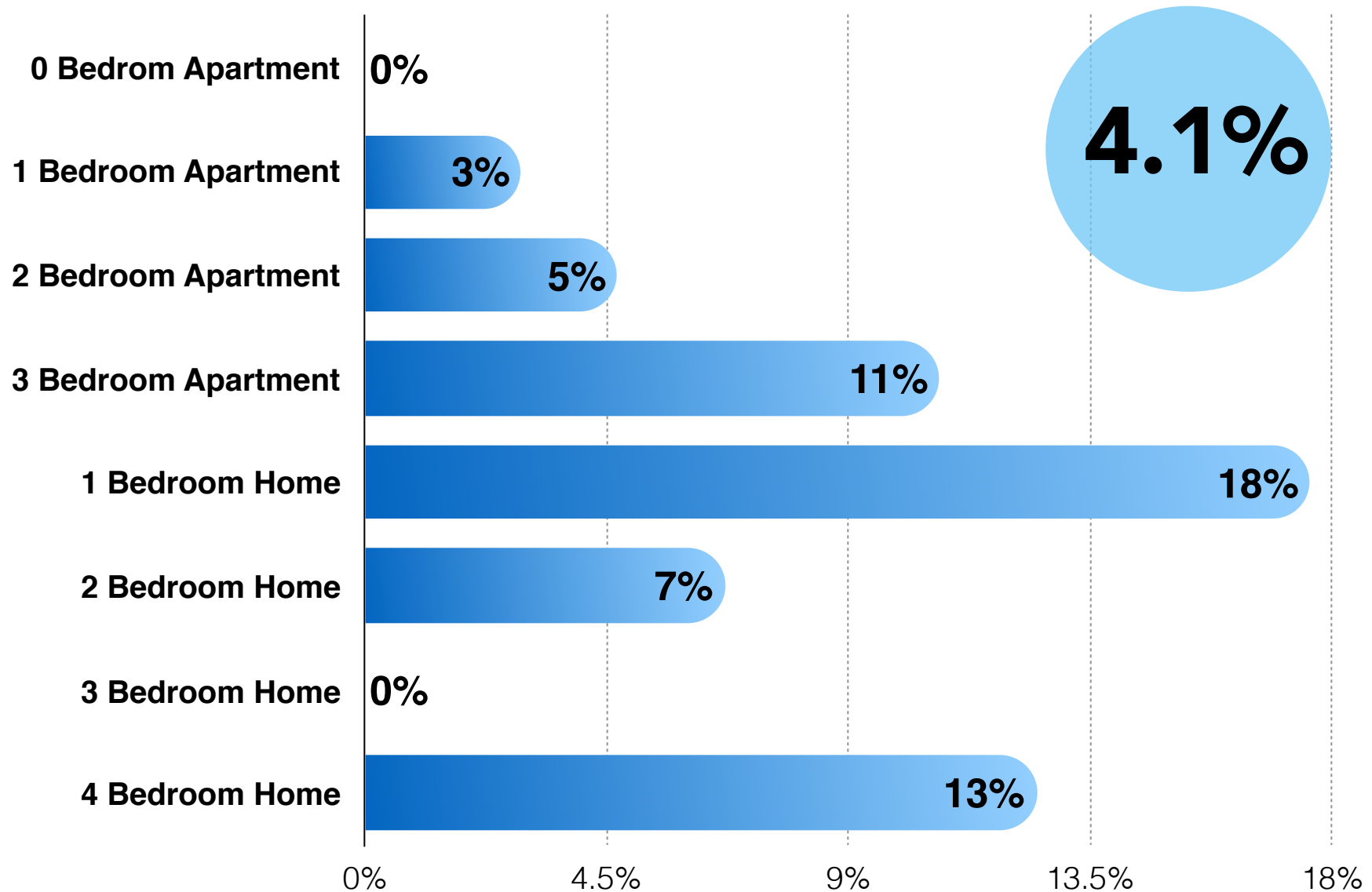
**12%**  
**Kake**

**4.1%**  
**Juneau**

**0%**  
**Kasaan**

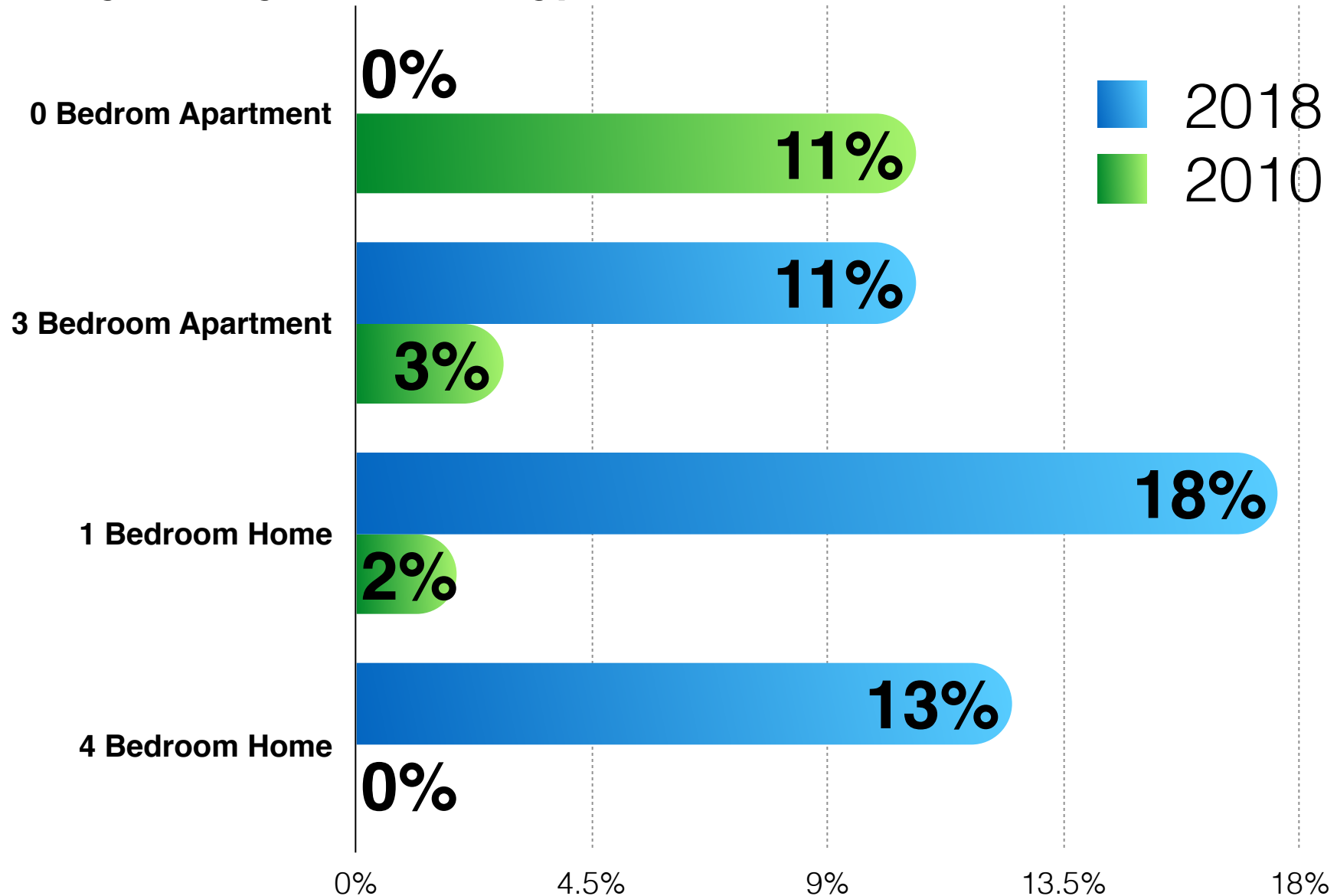
# Rental Vacancy Rates Juneau

## Vacancy Rate by Rental Unit Type and Number of Bedrooms 2018



# Juneau Rental Vacancy Rates

Vacancy Rate by Rental Unit Type and Number of Bedrooms 2018 & 2010





# Homeowner Vacancy Rates

**2.2%**  
**SE**



**US = 1.7%**

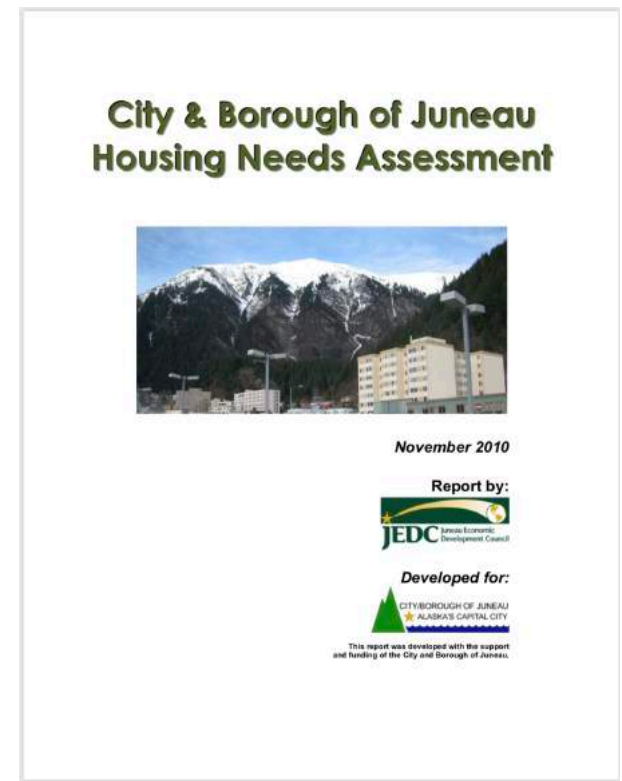
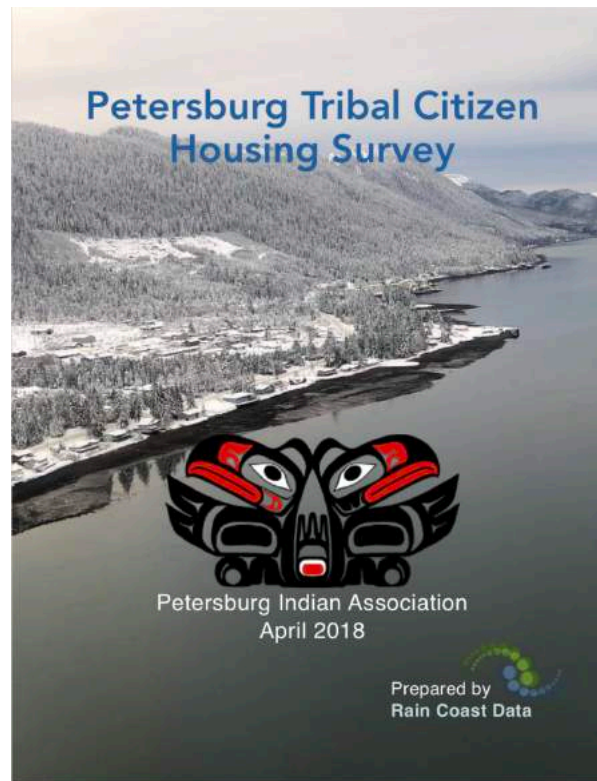
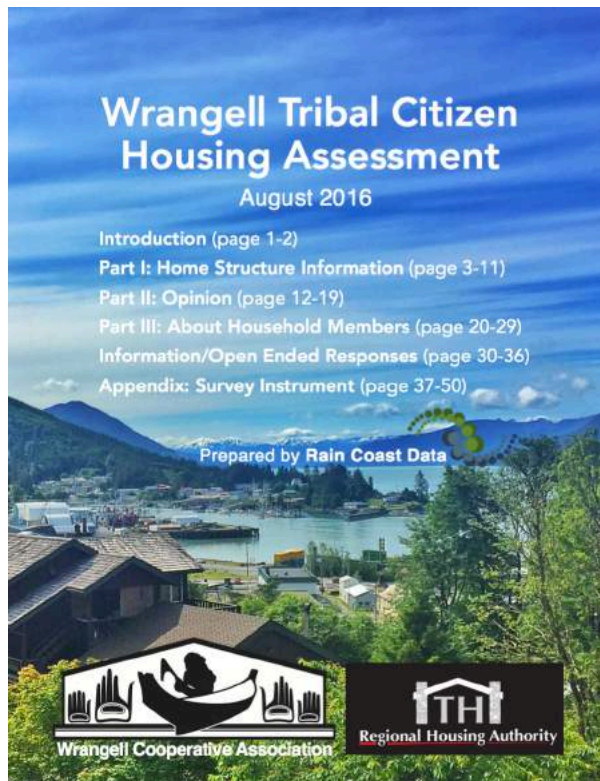
**Alaska = 1.8%**

**4.4%**  
**Angoon**

**0.3%**  
**Wrangell**

**0%**  
**Kasaan &  
Saxman**

# Past Housing Work





## Wrangell Tribal Citizen Housing Assessment

### Welcome

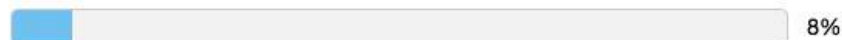
Thank you for taking this housing survey on behalf of the Wrangell Cooperative Association. Having good data on our local tribal community is essential when we are applying for grant dollars to build housing, roads, and other necessities for our people. **We need your help to get this data.** All the individual information you provide will be **completely confidential**, and only reported in summary. As a thank you, your name will be entered in a drawing to **win two free Alaska Airline tickets, \$500 worth of fuel, or \$250 of groceries. Only one survey per household.** GunalchĖesh. (To be eligible to win, you must complete the entire survey). The survey is being administered by Rain Coast Data.

### 1. Are you, or any member of your household Alaska Native or American Indian?

☐ Yes

☐ No

Between June 20 and August 20, 2016, Rain Coast Data received surveys from **133 tribal households**, or **59% of all Wrangell tribal households**. Due to this extremely high response rate, the survey findings have a **95% confidence level**.

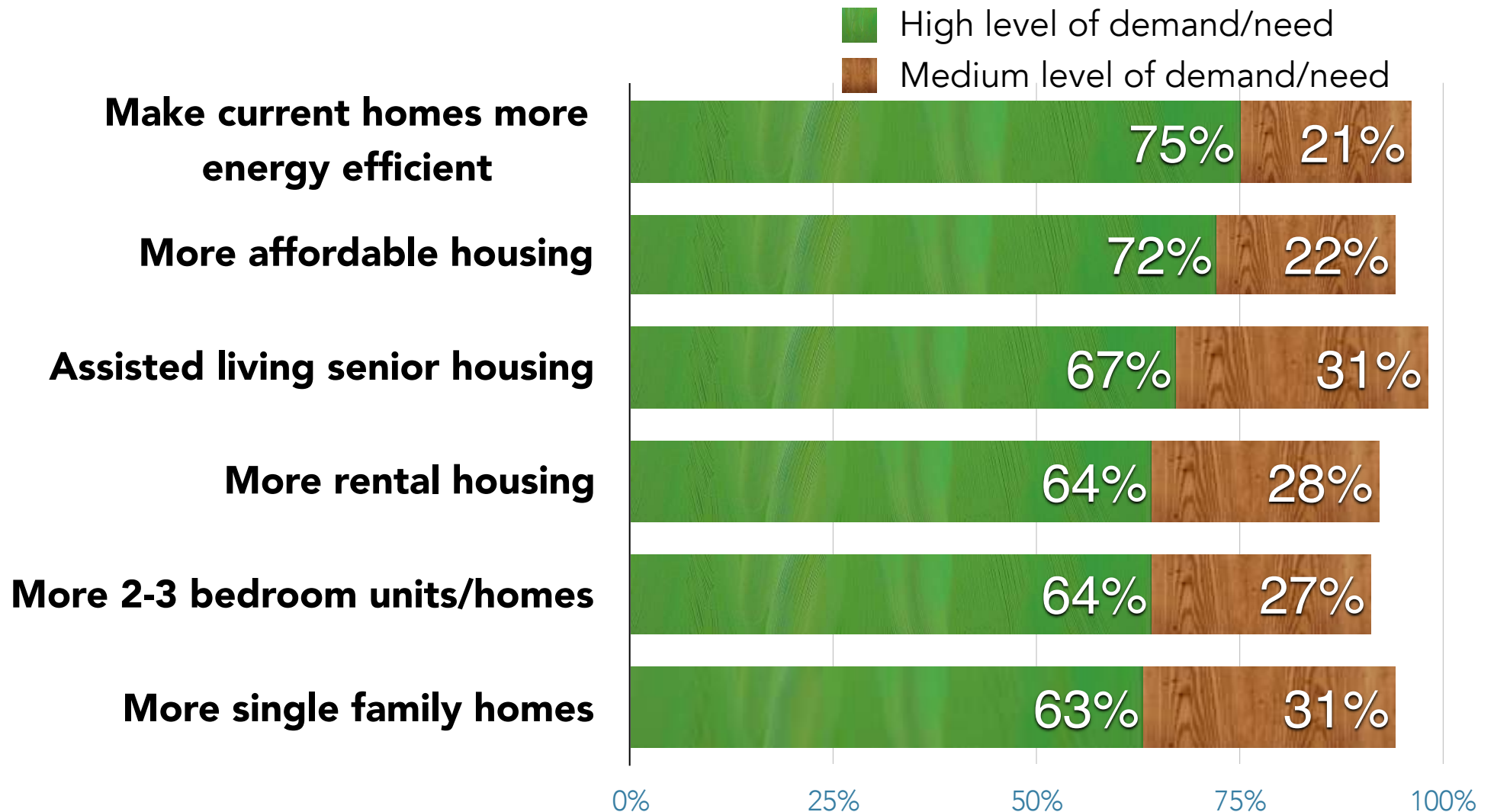


8%

Next



# Top Finding: How important are the following tribal housing needs in Wrangell?



# Thank You