

# Challenges and Opportunities in Southeast Alaska

Tongass Futures Roundtable  
Petersburg, Alaska  
September 11, 2007





# The Economy of Southeast Alaska

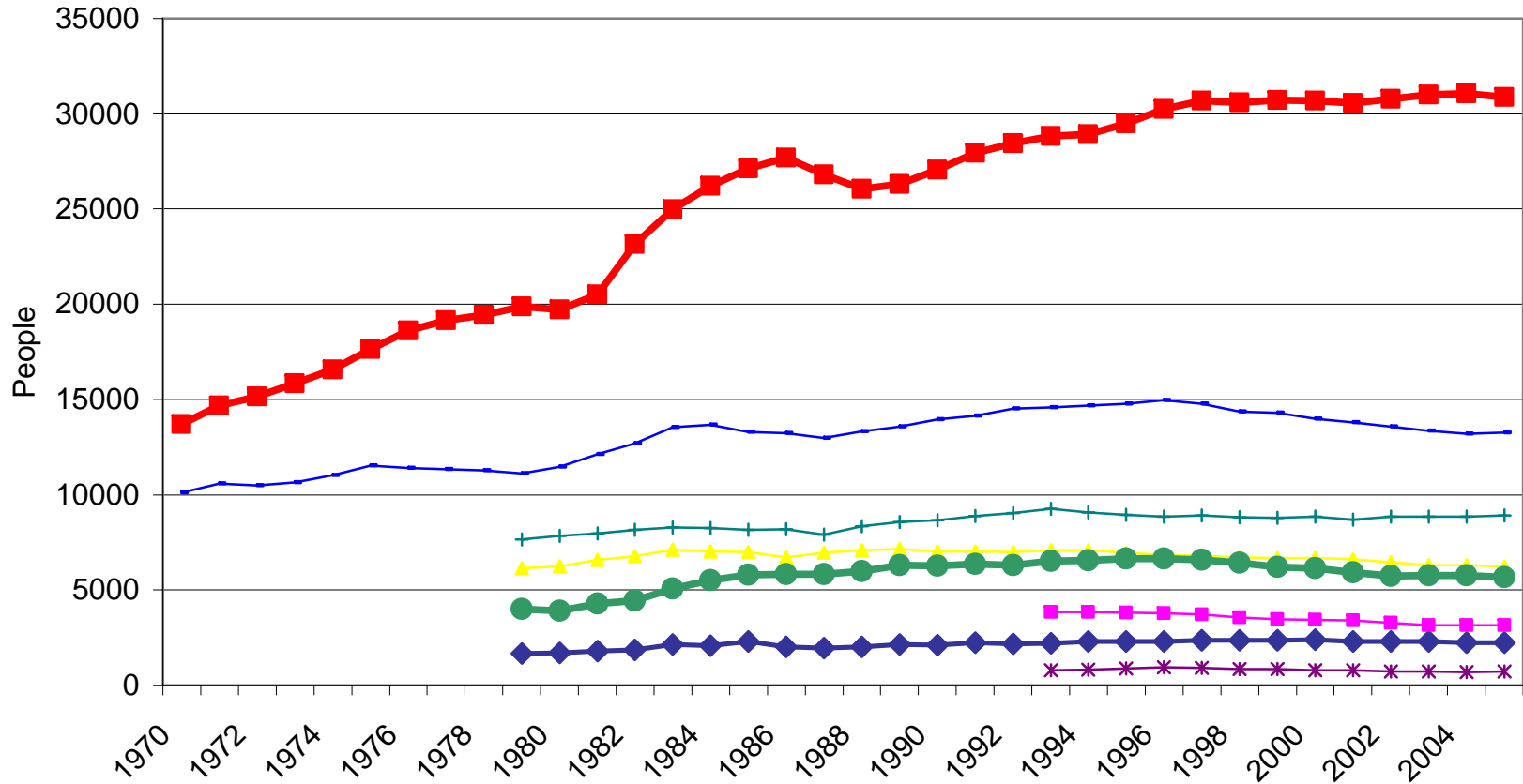
- Regional Trends
- Local conditions
- Drivers of change
- Approaches
- Success stories
- Questions

# Regional Economy

changes since 2000

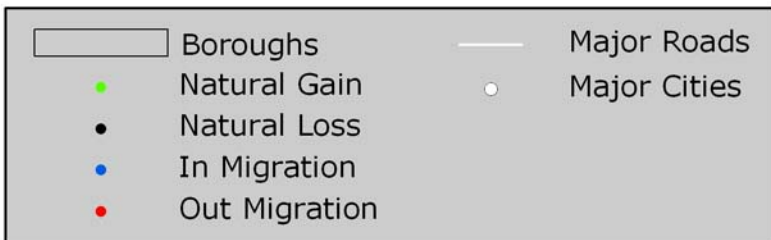
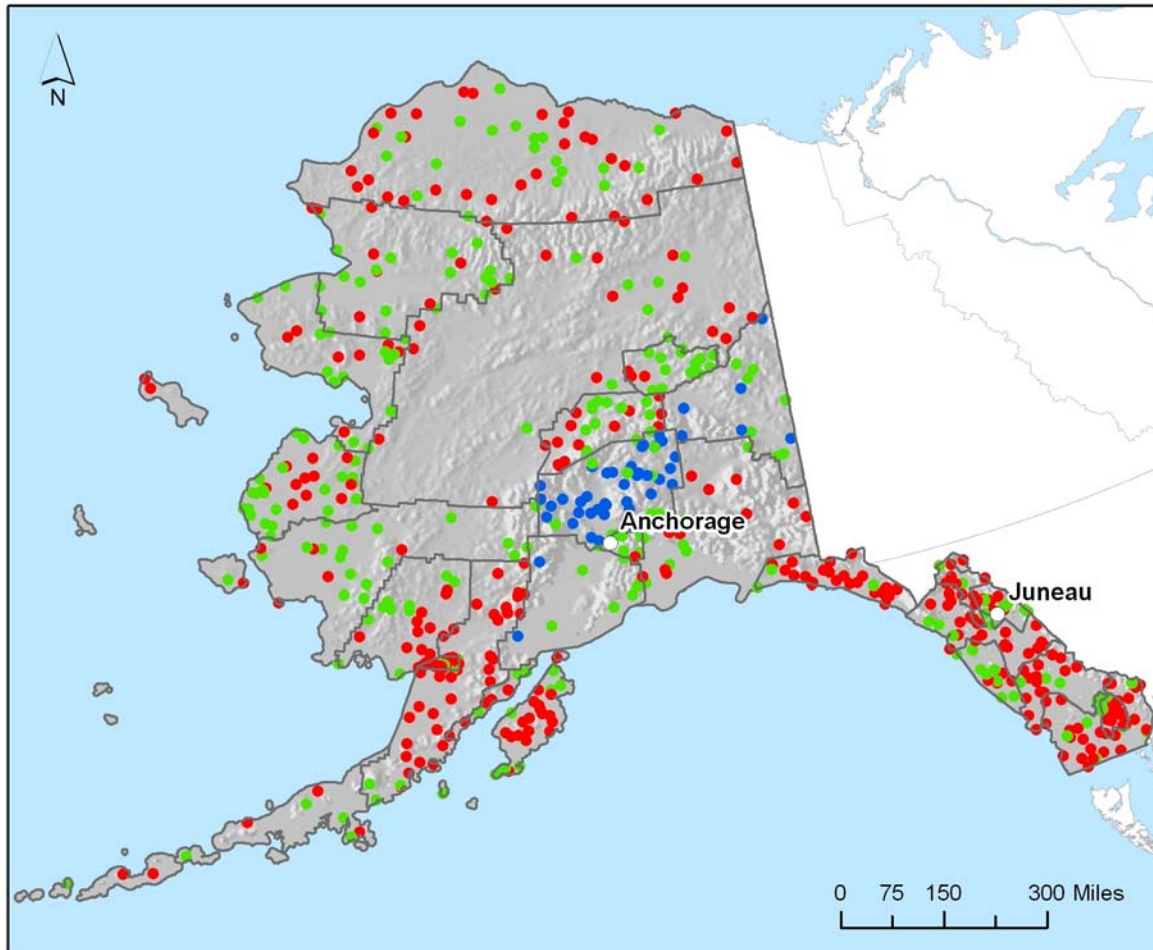
- Population - down 4% (3,000)
- Wage & salary jobs - no change
- Average wages - down <1%
- Personal income - down 2%
- Per capita income - up <1%

# Population



- Juneau City and Borough, Alaska
- Ketchikan Gateway Borough, Alaska
- ◆ Haines 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

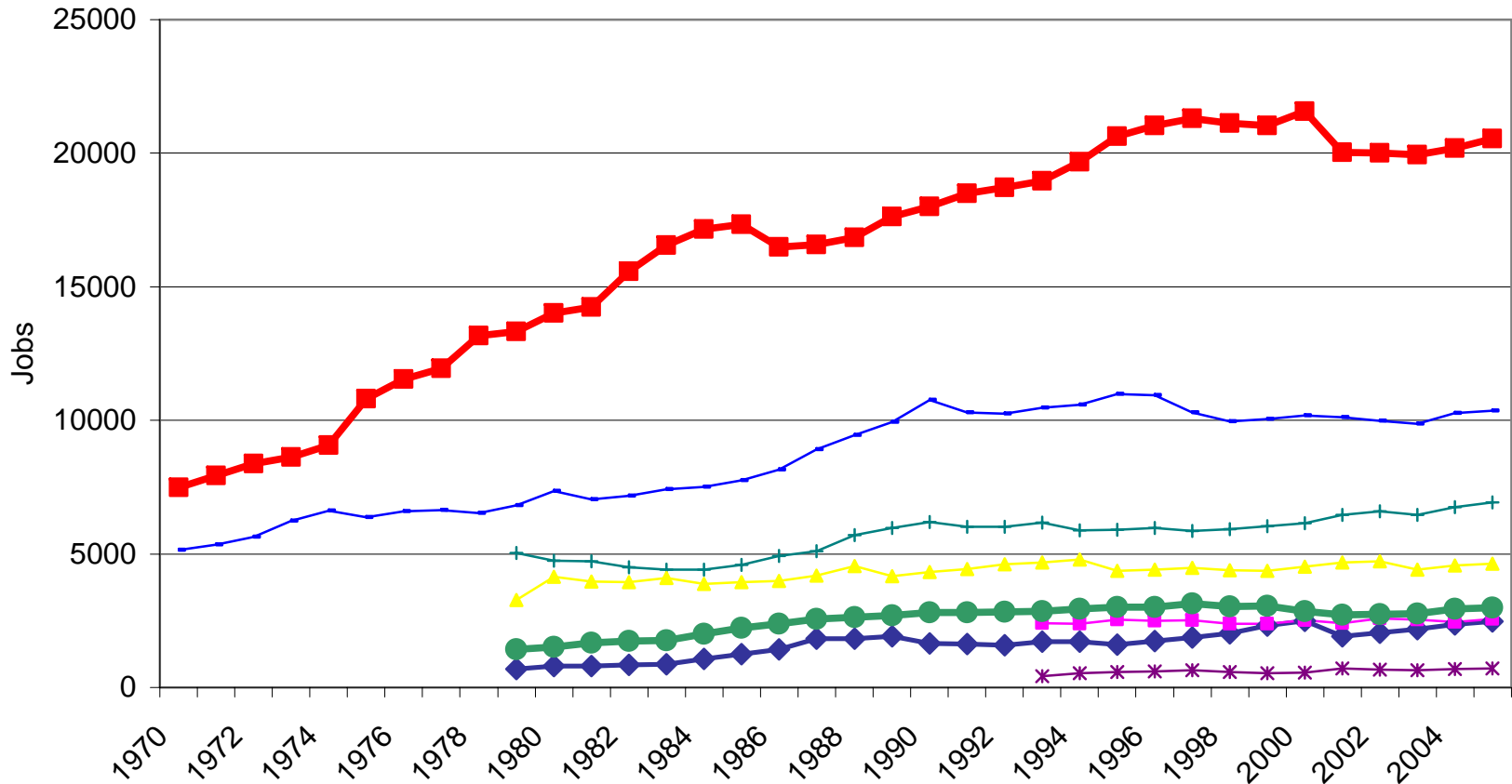
## Composition of Population Change 2000-2005: Migration vs. Natural Change



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



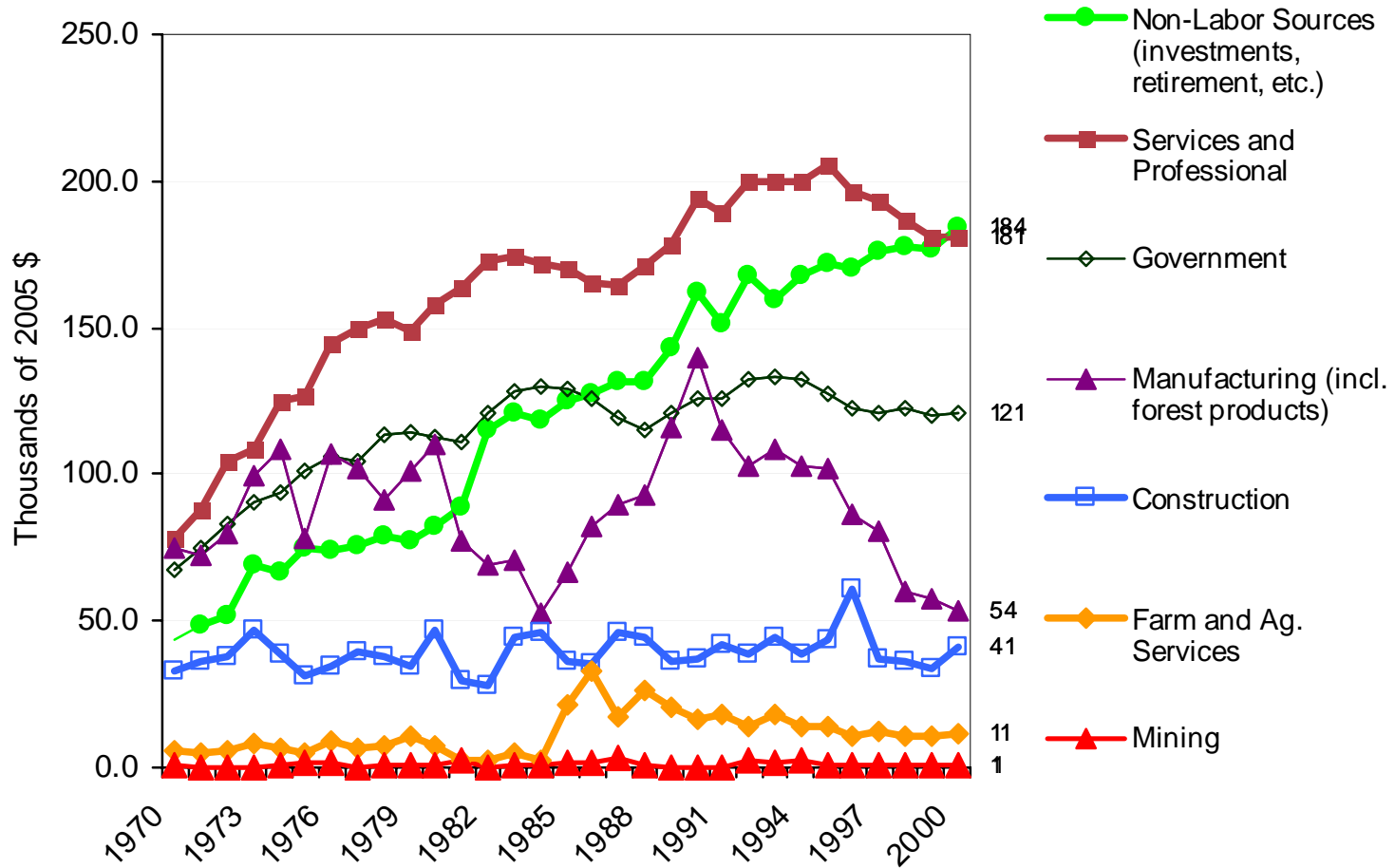
# Total Employment



- Juneau City and Borough, Alaska
- Ketchikan Gateway Borough, Alaska
- \* Yakutat Borough, Alaska
- Skagway-Hoonah-Angoon Census Area, Alaska
- ◆ Haines Borough, Alaska
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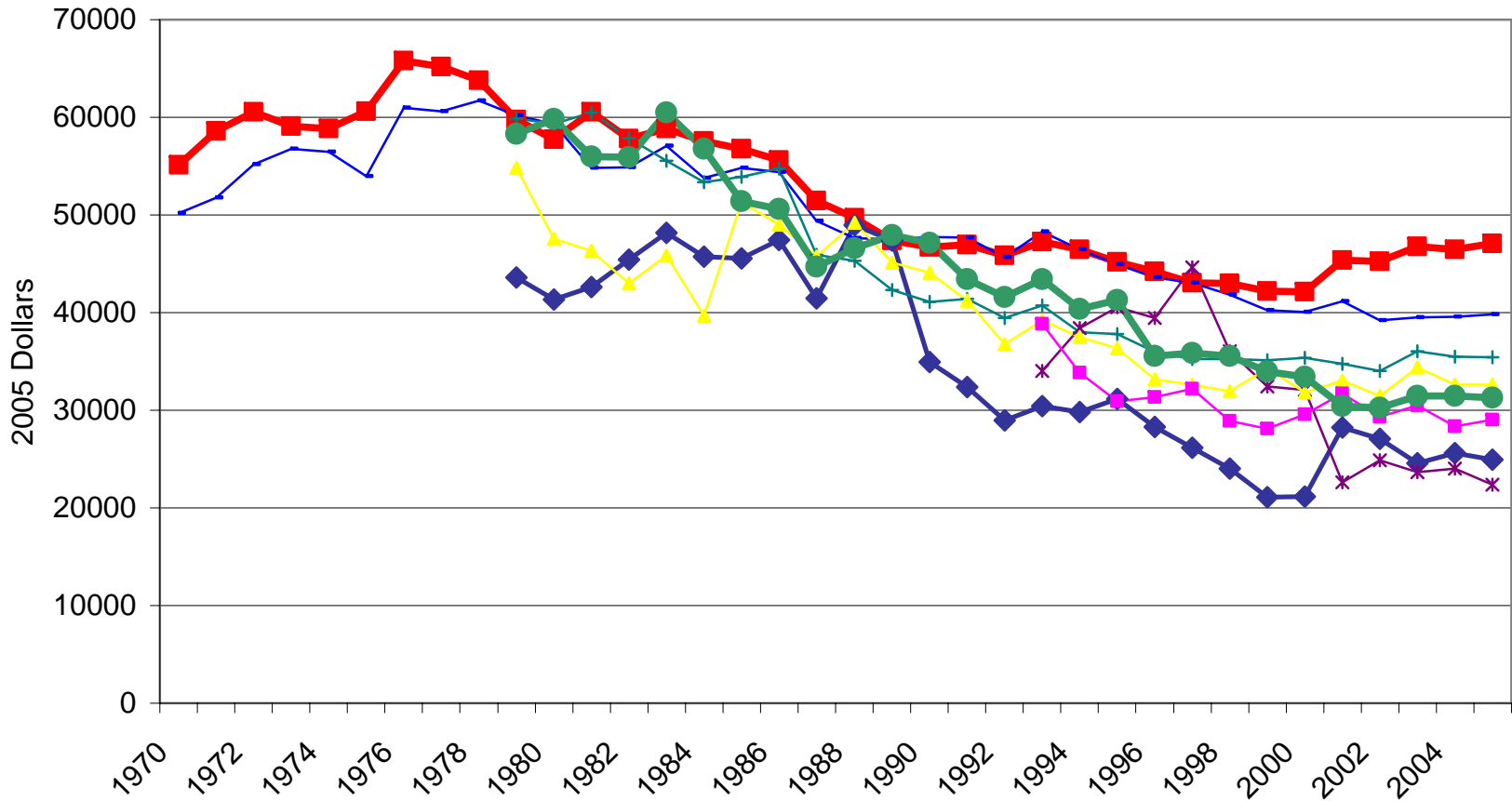
# Ketchikan Gateway Borough

Income History (by SIC)



Lines without markers are estimates.

# Average Earnings Per Job



- Juneau City and Borough, Alaska
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# 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**, 609, down 10% since 2000
- **Thorne Bay**, 482, down 13% since 2000
- **Kake**, 536, down 24% since 2000

# Major forces at work in Southeast

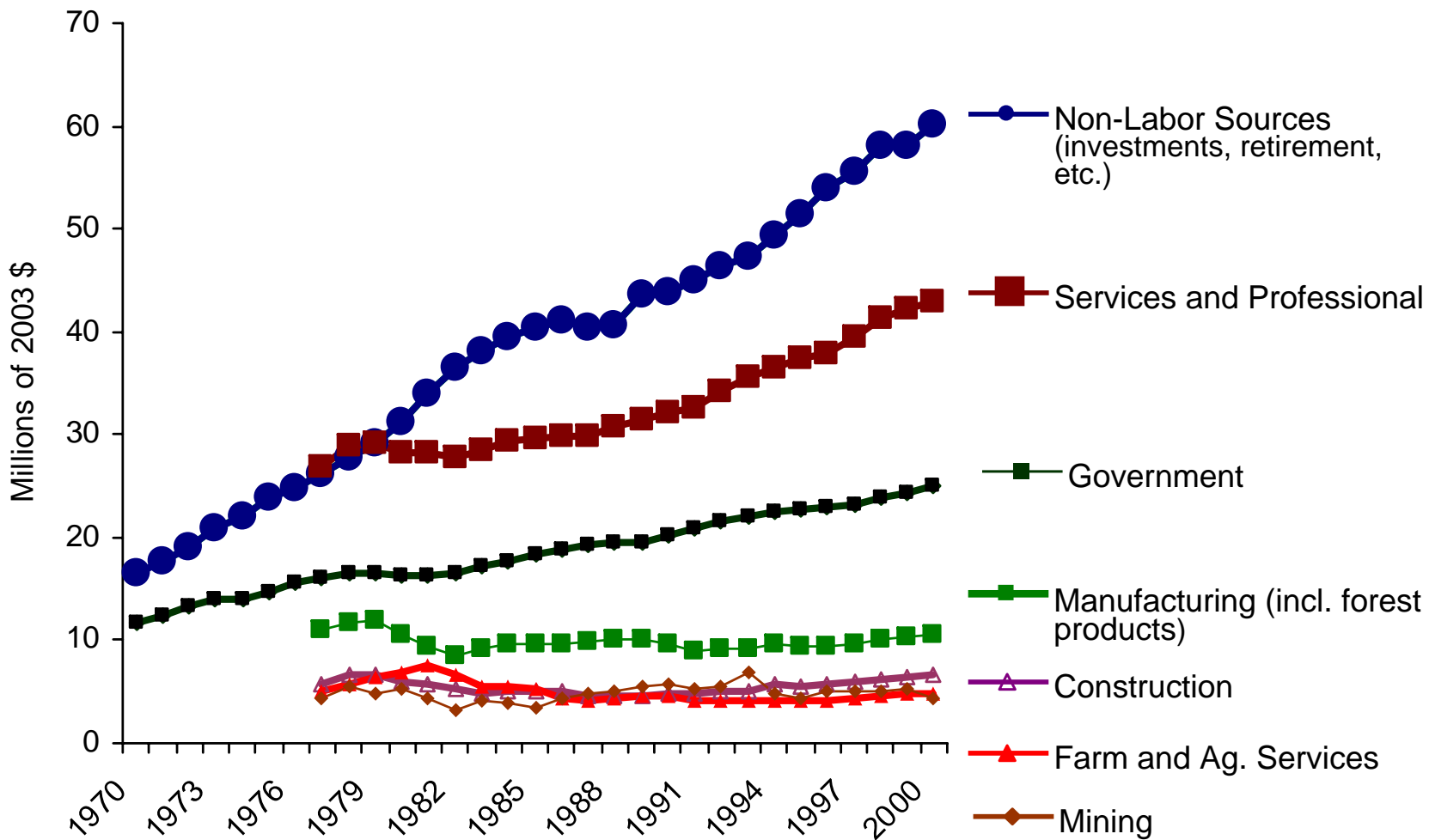
- Declining timber harvests and processing
- Growing cruise industry
- Changing management of fish resources
- Demographic shifts
- National and global trends

# 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

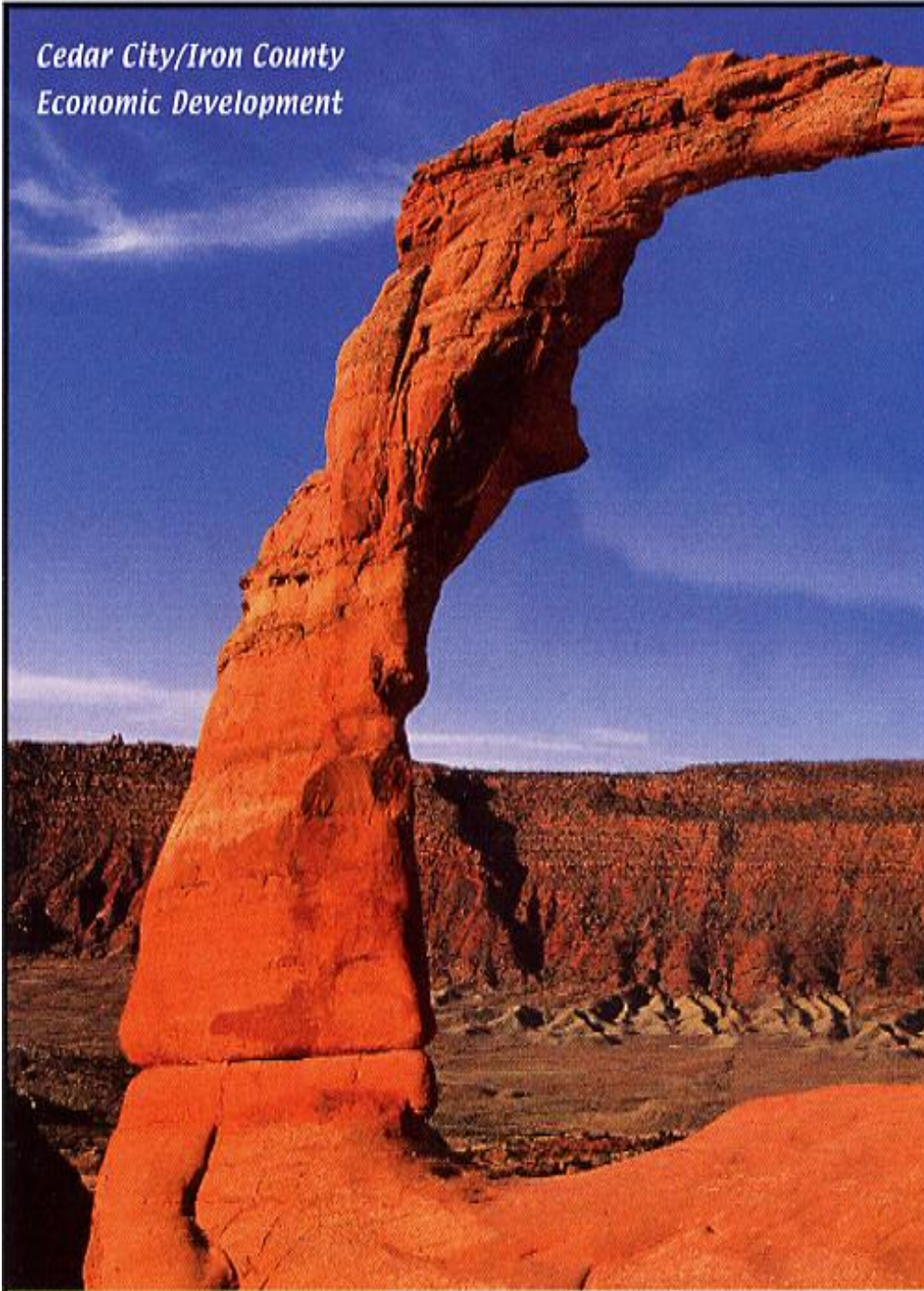
# Non-Metro West

## Historical Trends - PERSONAL INCOME



*Cedar City/Iron County  
Economic Development*

*Cedar City, Utah*



*Where....*

*I-15*

*Rail*

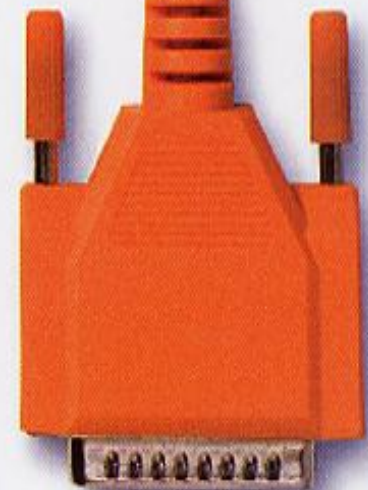
*Southern Utah  
University*

*Work force*

*Technology*

*Ideas*

*....Connect*



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*45% in 1915*

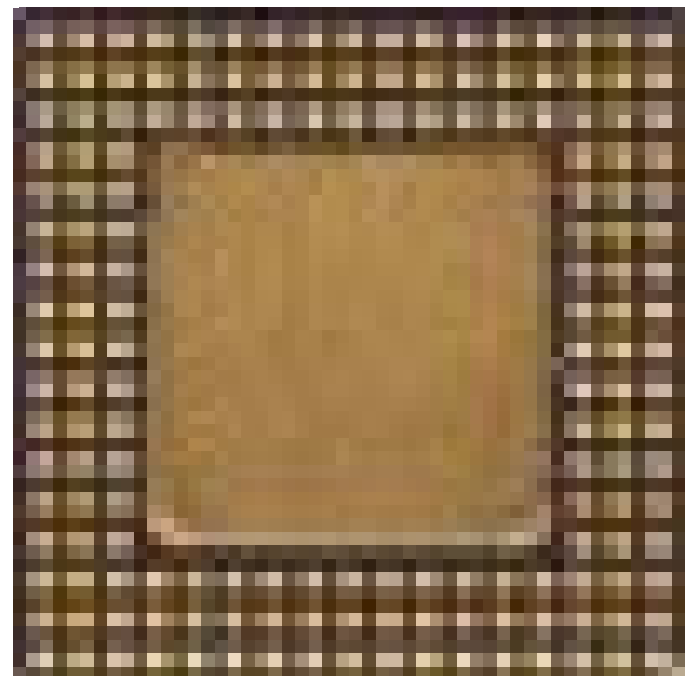
*25% in 2000*





*5% of value*

*3% of value*







**The Best (and Worst) Mutual-Fund Families**

# Worth

FINANCIAL INTELLIGENCE • APRIL 2008

## **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



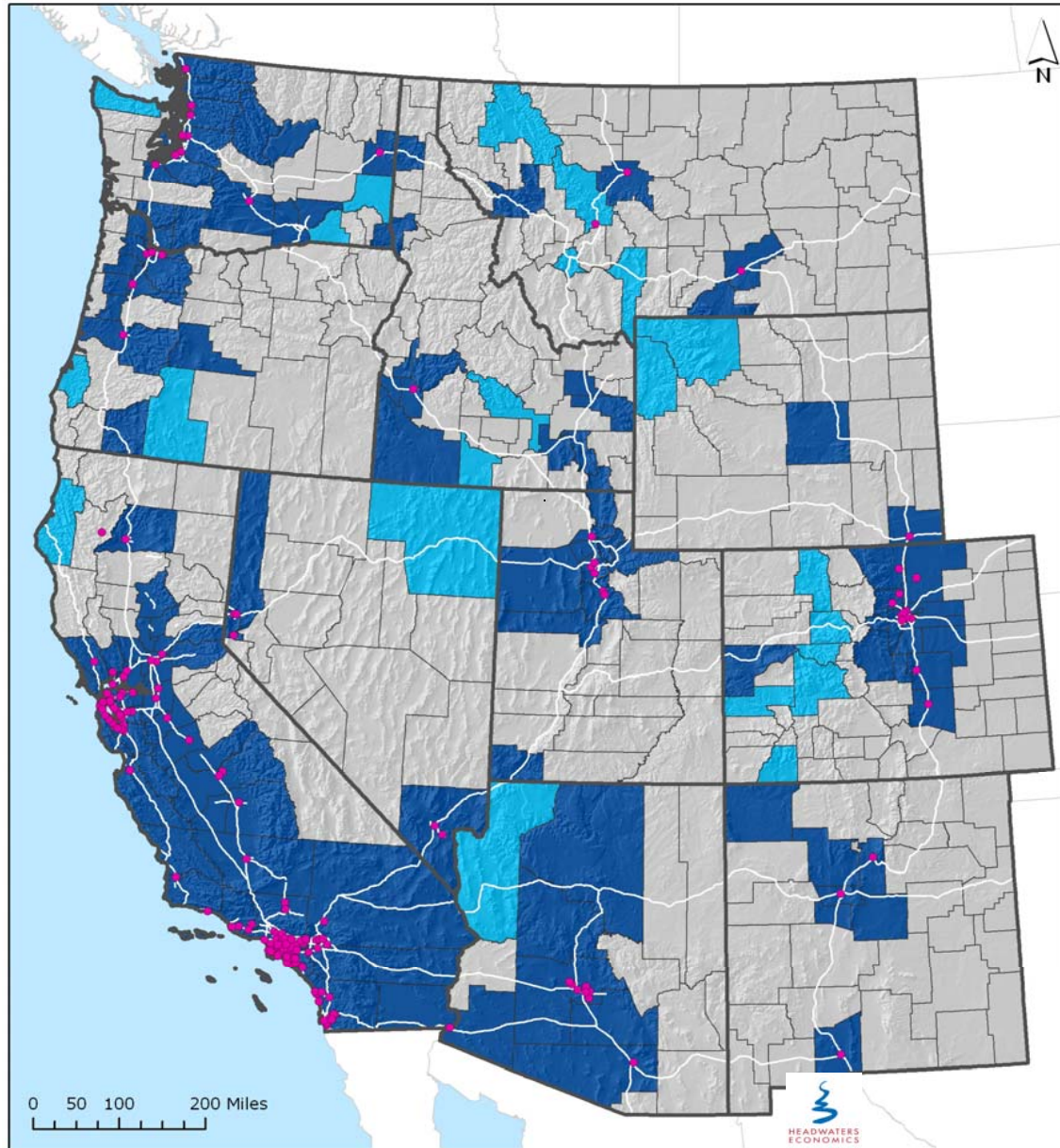
retail



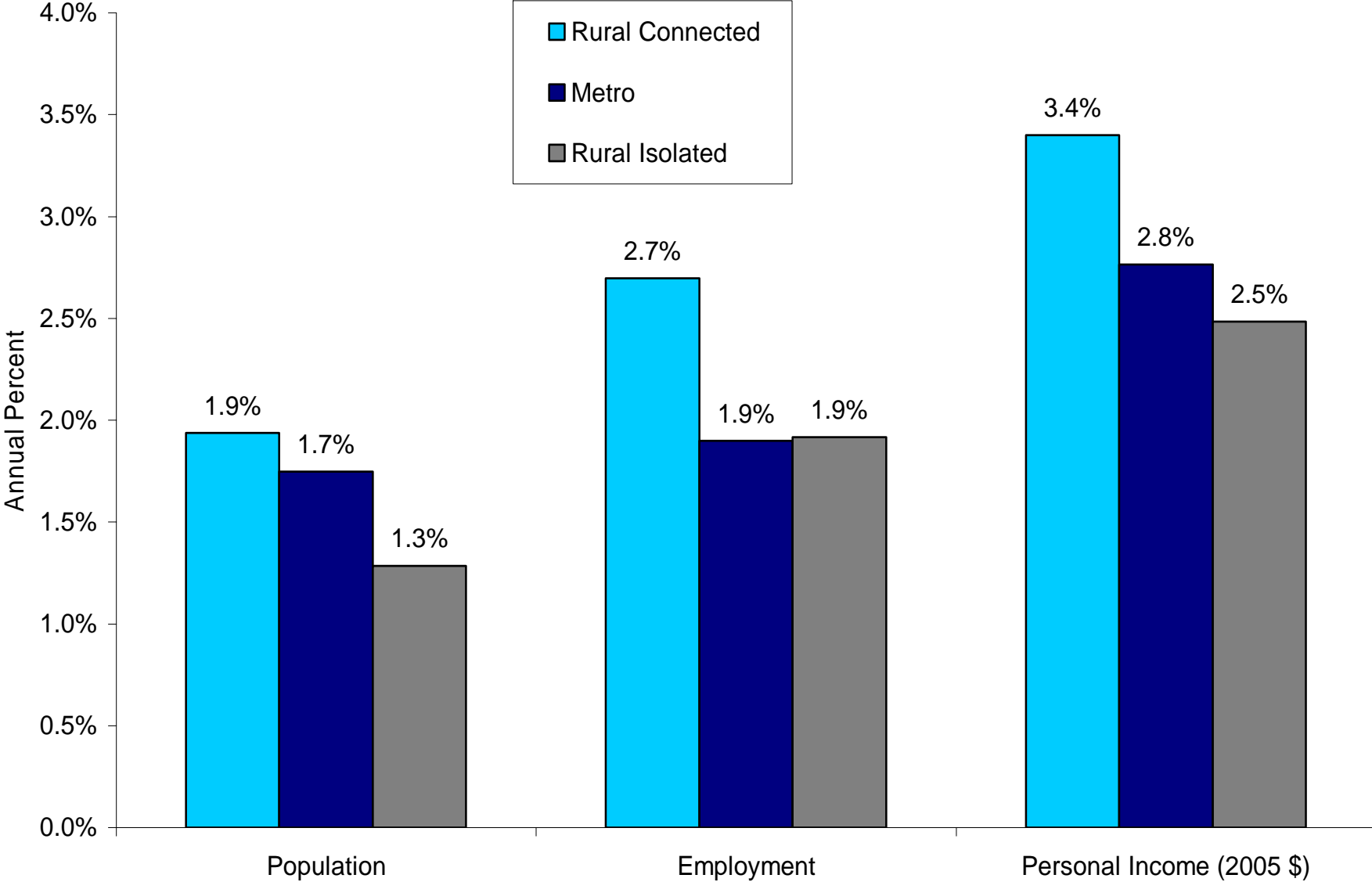
health

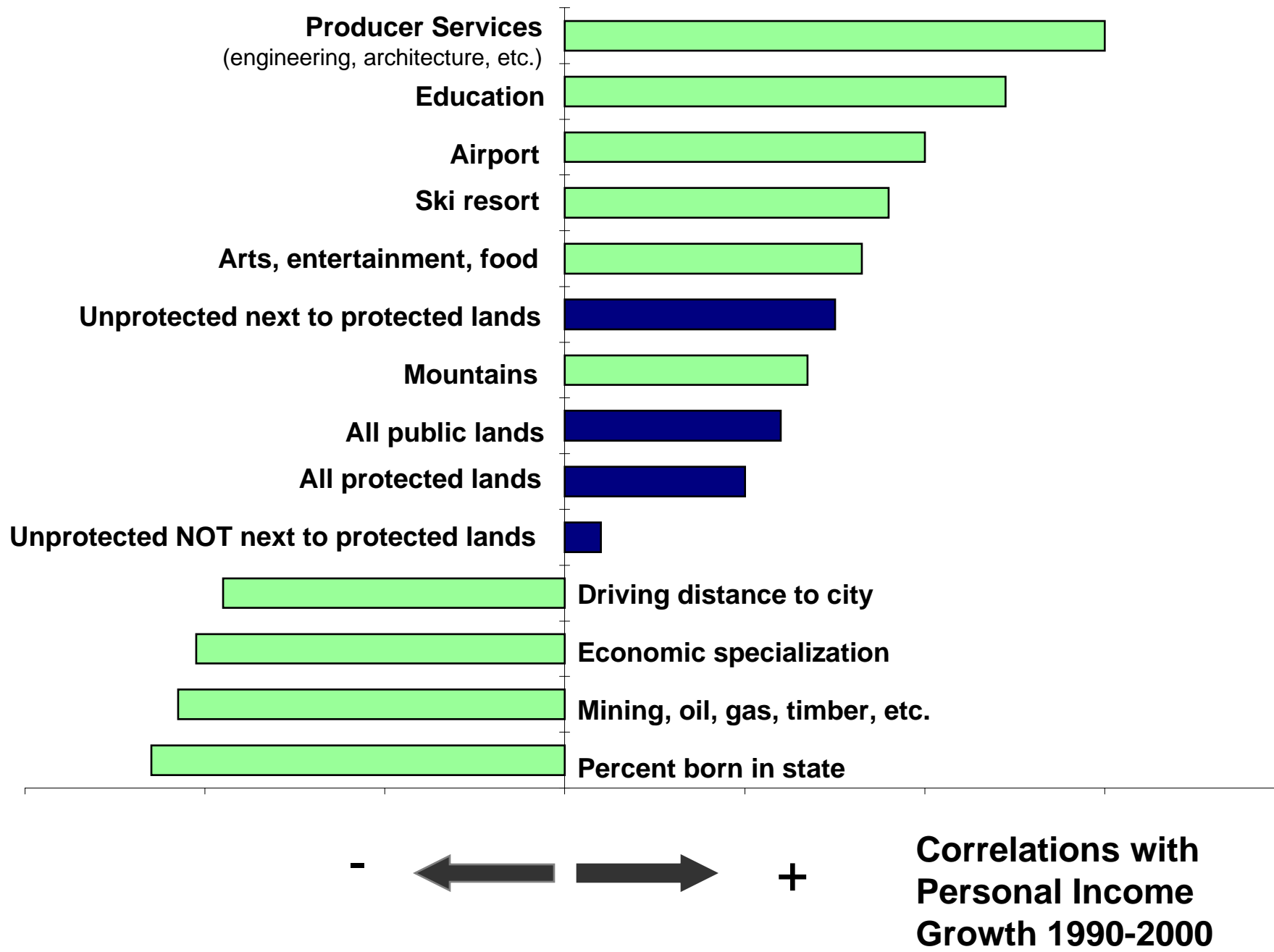


# Connectivity in the West



# 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

- Gain an understanding of the economy
- Assess opportunities and obstacles
- Gather public opinion
- Create a road map
- Devote energy and resources

# This process in action

**PETERSBURG STRATEGIC  
DEVELOPMENT PLAN**

*PREPARED FOR:  
City of Petersburg, Alaska*

*PREPARED BY:*



*Juneau • Anchorage*



*Petersburg Economic Development Council*

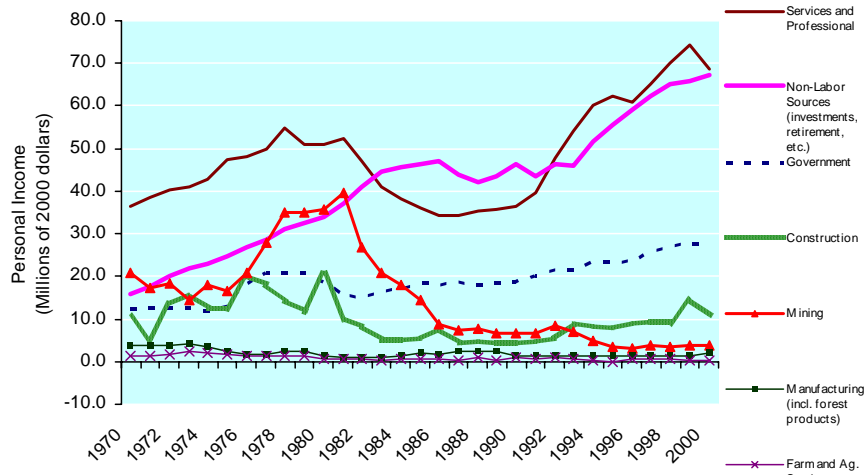
*P.O. Box 750 • Petersburg, Alaska 99833 • 907.772.4042*

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!

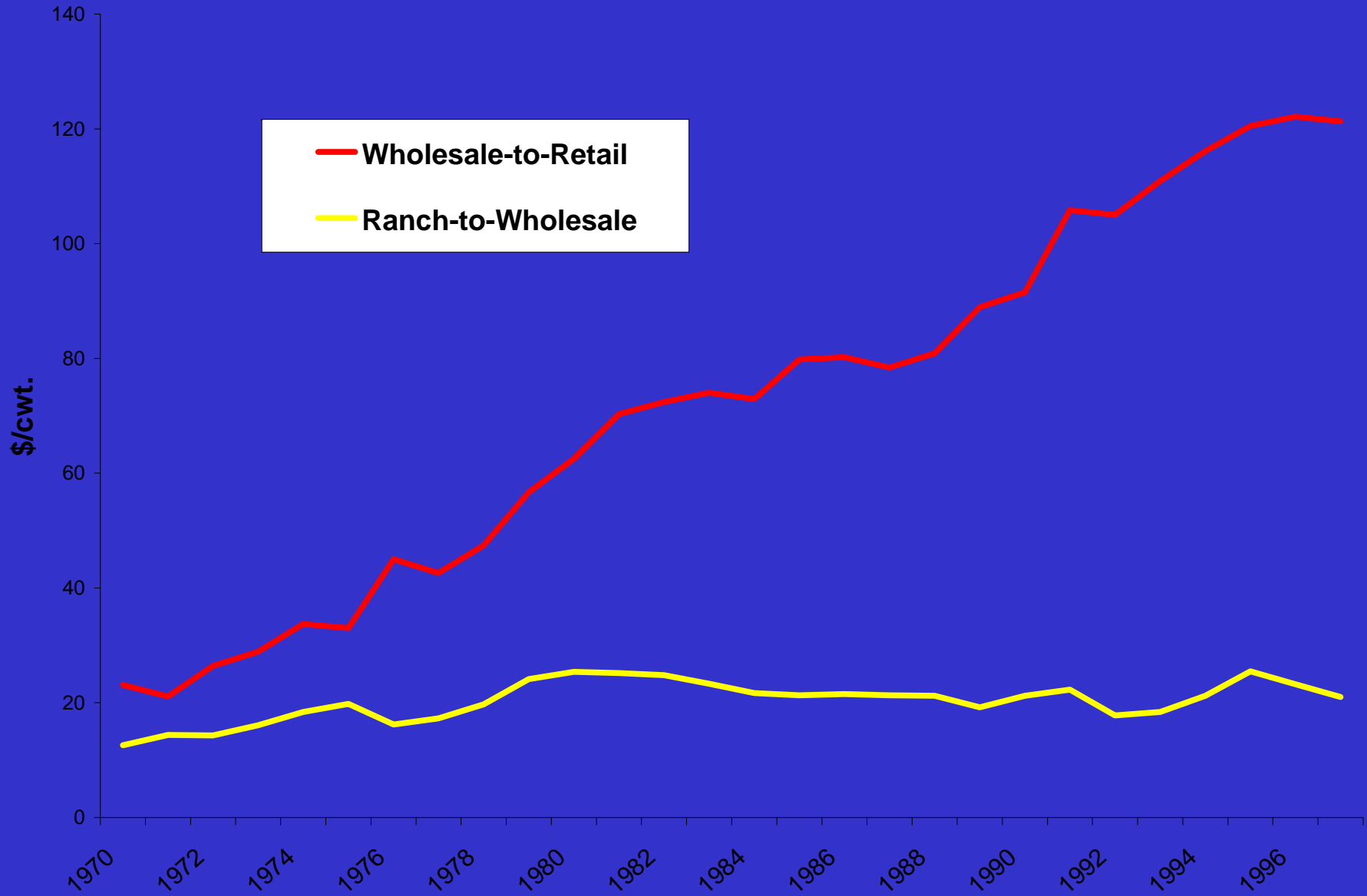
If you would like to receive more information, including business incentives, and a community profile, please detach, fill out and return the information request, or contact our office directly.

# 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



**CLIFFVIEW**  
ASSISTED LIVING CENTER



# Compete for higher paying jobs

Bozeman, Montana



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# Improve transportation

Gunnison, Colorado



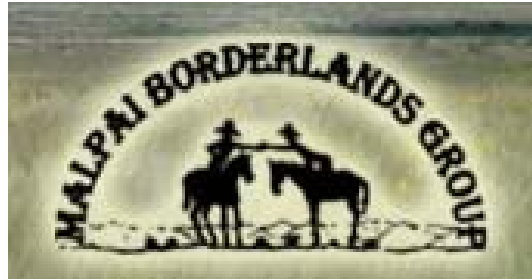
# Cultivate leadership and networks

Montana



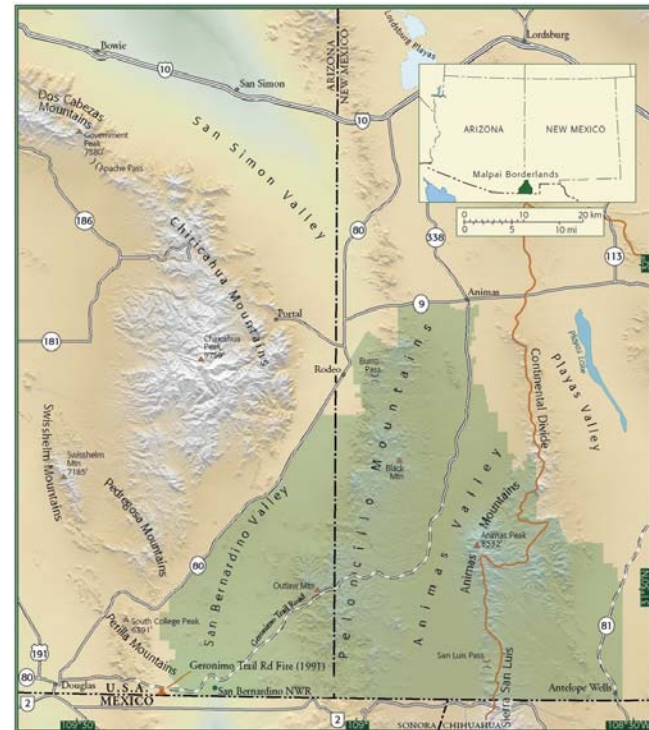
“As Montana looks to the future, we face a changing and challenging economy.... We see an increasing need for our communities, our businesses and our government to be partners for a strong, growing Montana.”

# 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.



# What to do...?

- What role can the Roundtable play in securing a prosperous and sustainable future for Southeast?
- Are there local solutions for distressed communities?
- Are there regional solutions?
- What problem(s) would you most like to address?
- What is a sustainable economy?

