

# Results from Business Climate Survey

To better understand the Southeast Alaska business climate, the JEDC conducted a Southeast Alaska Business Climate Survey. The survey focused on Southeast Alaska business owners and top managers but could be completed by anyone with interest in the survey (non-business leaders took a shorter version of the survey). The purpose of the survey was to better comprehend the barrier and benefits to owning and operating a business in Southeast Alaska; what are the different regional norms and attitudes, and which regional networks and institutions are most valuable to local businesses.

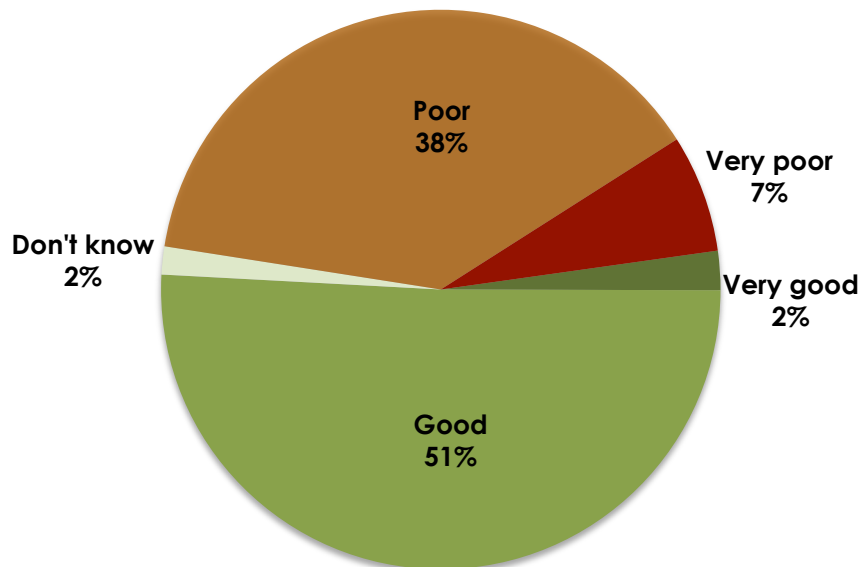
Along with demographic questions, business owners and operators were asked 62 questions regarding the regional business climate. A summary of some of the survey findings is included in this report, and a full write up of the survey results has been developed separately.

The survey was web-based, and business owners and operators across the region were invited to take the survey by organizations such as Southeast Conference, local chambers of commerce, and local economic development organizations. Paper copies of the survey were also sent out to areas that requested it. Surveying took place from November 2<sup>nd</sup> through December 1<sup>st</sup>. The survey was completed by 309 individuals, including 243 Southeast Alaska business owners and top managers. Business owners and operators from every community in Southeast Alaska responded to the survey.

## Results Summary

When asked how they viewed the overall business climate of Southeast Alaska, 53% of respondents said the climate was good or very good, while 45% said poor or very poor (see following graph). Some industry sectors were more positive than others. Those in the arts and entertainment industry were much more likely to say that the business climate is good or very good (75%), as are those in the health industry (70%). On the other hand, those involved in forestry or government were much more likely to say that the business climate is poor or very poor (75%). Respondents from Juneau were also slightly more positive about the business climate, with 63% saying the climate is good or very good, and respondents in Wrangell were slightly more negative, with 67% saying the business climate is poor or very poor.

How do you view the overall business climate in Southeast Alaska?  
N=309



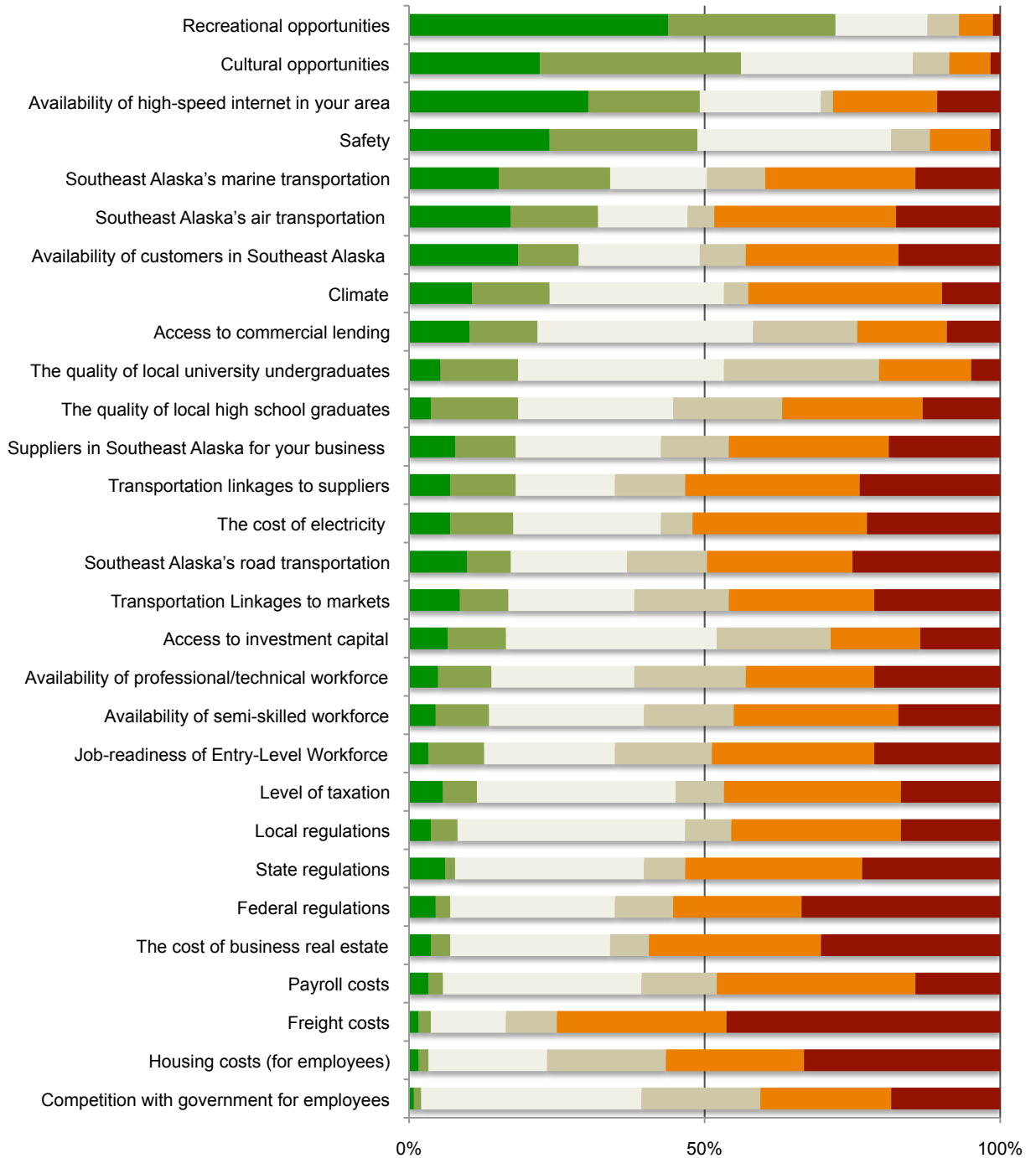
Source: "Southeast Alaska Business Climate Survey" December 2010, JEDC

We also asked business leaders (only) which regional elements acted as a benefit to operating their businesses, and which acted as barriers (please see the following three charts). The top two benefits to the region (based on questions asked) were Southeast Alaska's recreational opportunities—with 72% of business leaders saying that the regional recreation resources are an asset to their business—and cultural opportunities—with 56% of all business leaders responding that the region's cultural assets are a net benefit.

Elements which business leaders were most likely to call barriers included freight costs, with 75% of all business leaders surveyed calling freight costs a moderate or significant barrier; the cost of real estate—both in terms of business real estate, and the high cost of housing for employees. However, it should be noted that when the region was analyzed for non-Juneau respondents only, concerns regarding the cost of real estate fell from the top barriers ranking, with the cost of electricity being the second major business barrier—61% of those outside Juneau called the cost of electricity a moderate or significant barrier, compared to 43% of Juneau business leaders.

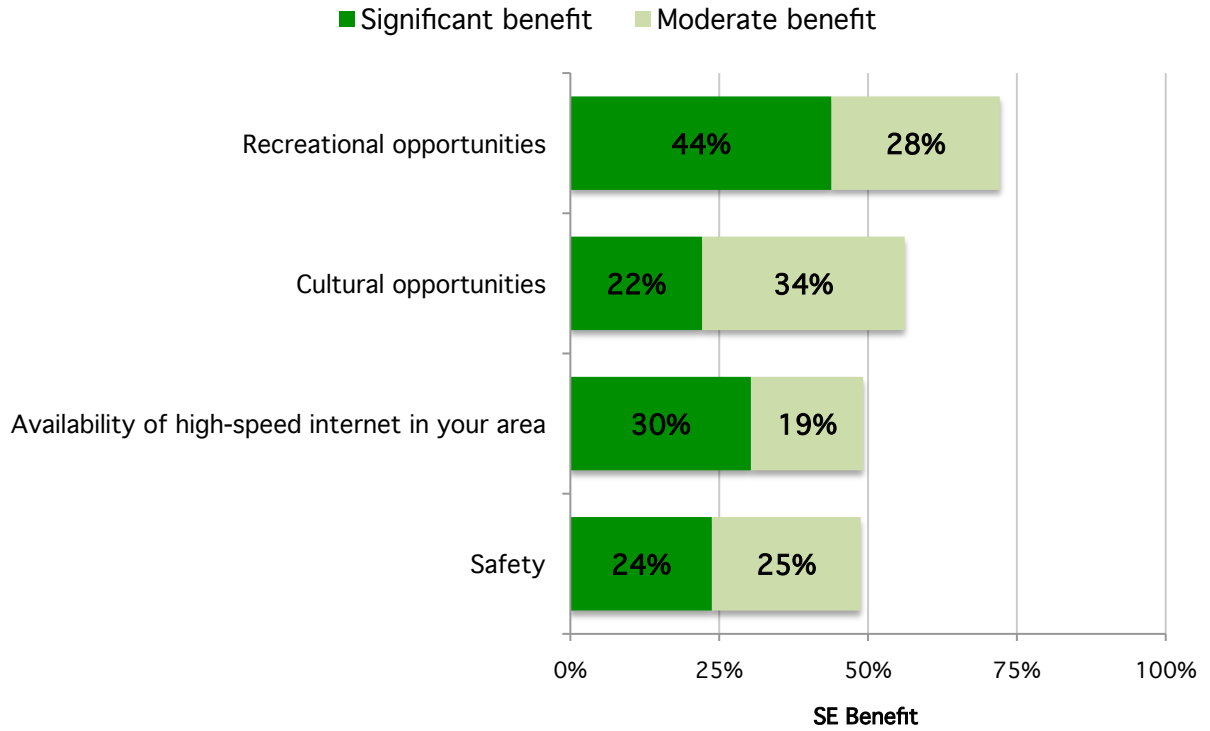
## How significant are each of the elements listed below to operating your business in Southeast Alaska? N=243

■ Significant benefit  
 ■ Moderate benefit  
 ■ Not a barrier or benefit  
 ■ Don't Know or NA  
 ■ Moderate barrier  
 ■ Significant barrier



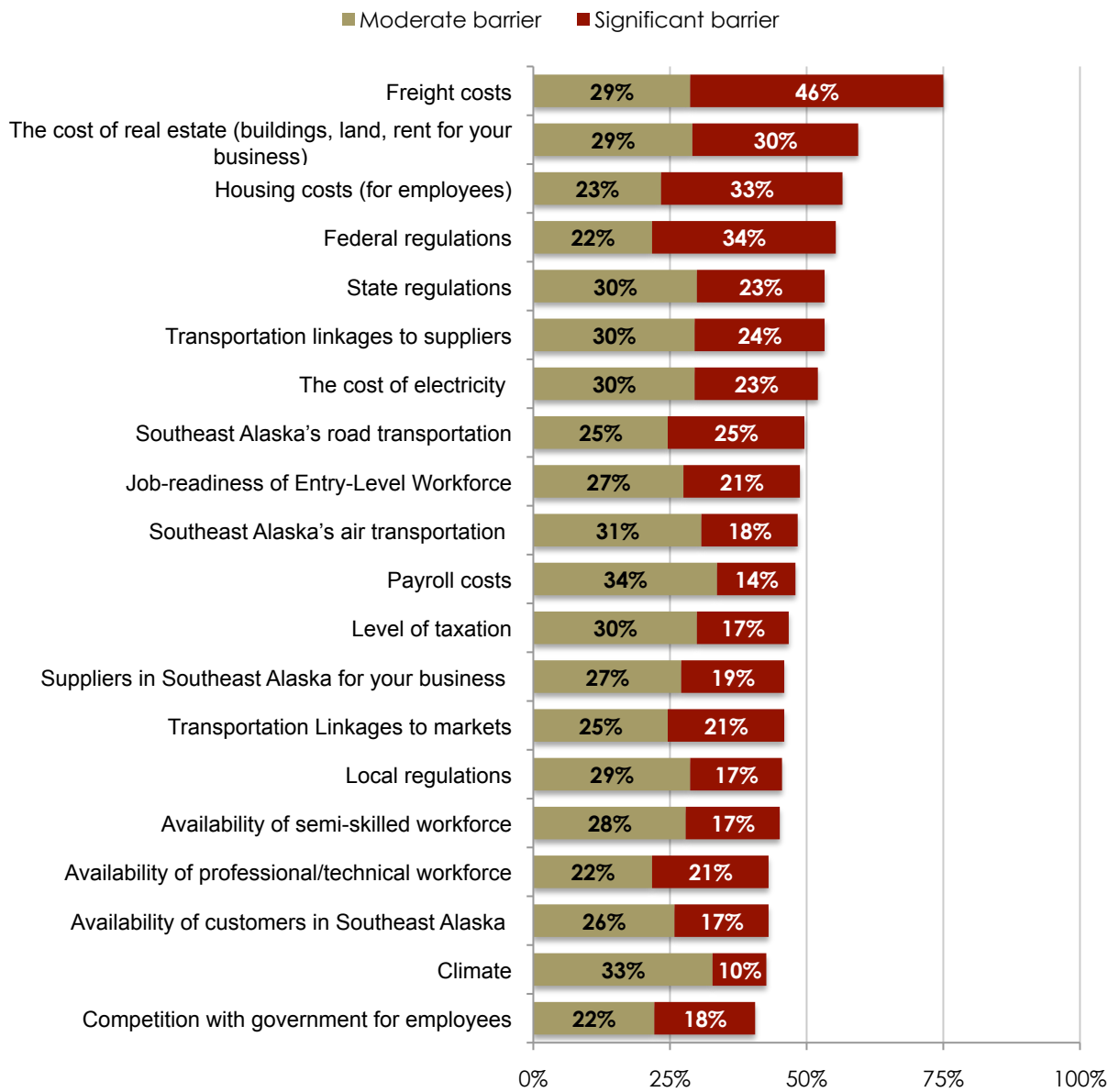
The following two charts are a subset of the chart above. Here you can more easily see how the regional business community ranked the major benefits and barriers.

### How significant are each of the elements listed below to operating your business in Southeast Alaska? Top Benefits N=243



Source: "Southeast Alaska Business Climate Survey" December 2010, JEDC

How significant are each of the elements listed below to operating your business in Southeast Alaska? Top 20 Barriers N=243

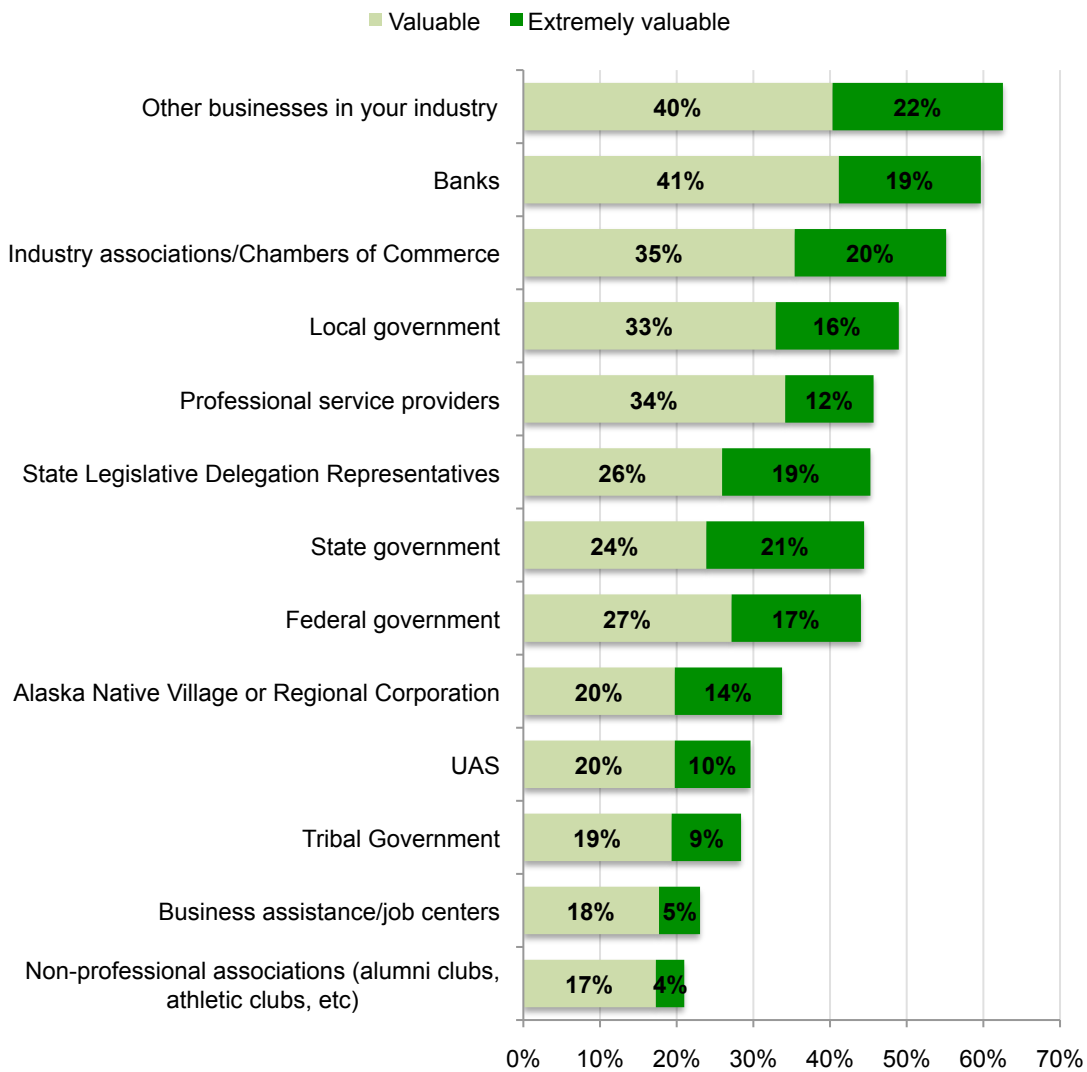


Source: "Southeast Alaska Business Climate Survey" December 2010, JEDC

We also asked business leaders (only) about how valuable their interactions with other organizations are to their businesses. Possible answers included: Not at all valuable, Somewhat valuable, Valuable, Extremely Valuable, Not Applicable, and Don't Know.

Business leaders said other businesses in their industry provide the most value to them, 63% of business leaders feel that other businesses in their industry are valuable or extremely valuable. Banks and industry associations such as Chambers of Commerce also were rated highly.

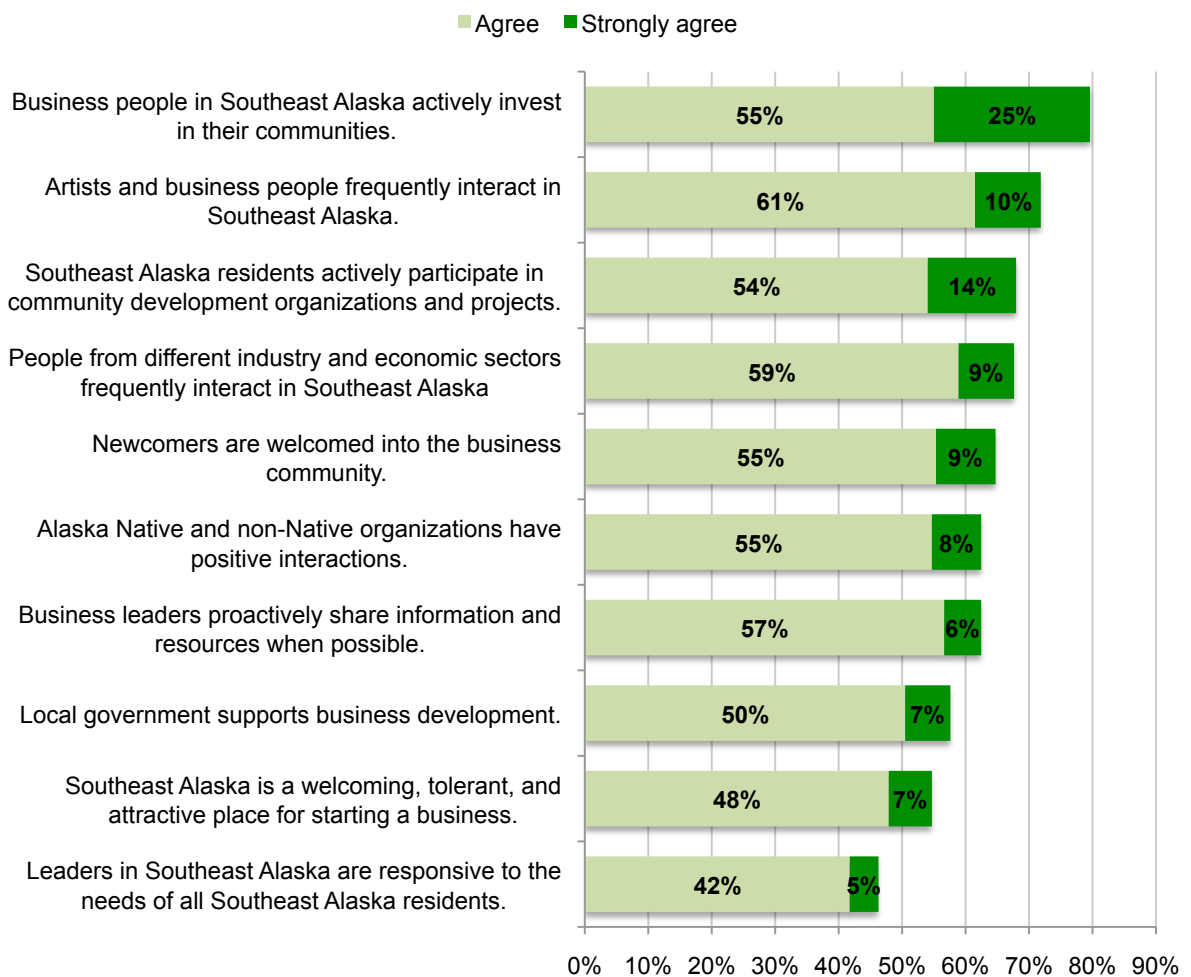
Please rate how valuable interaction with each of the following Southeast Alaska institutions is to your business. N=243



Source: "Southeast Alaska Business Climate Survey" December 2010, JEDC

We were also interested in learning about the dynamics of the business and civic environment in Southeast Alaska, and asked all respondents to rate how strongly they agree or disagree with several statements. Generally, respondents were most likely to agree with the statement: "Business people in Southeast Alaska actively invest in their communities," with 80% of respondents agreed or strongly agreed. Respondents were most likely to disagree with the statement: "Leaders in Southeast Alaska are responsive to the needs of all Southeast Alaska residents," 54% of respondents *disagreed* with this statement.

Please rate your level of agreement with each of the following business and civic environment statements

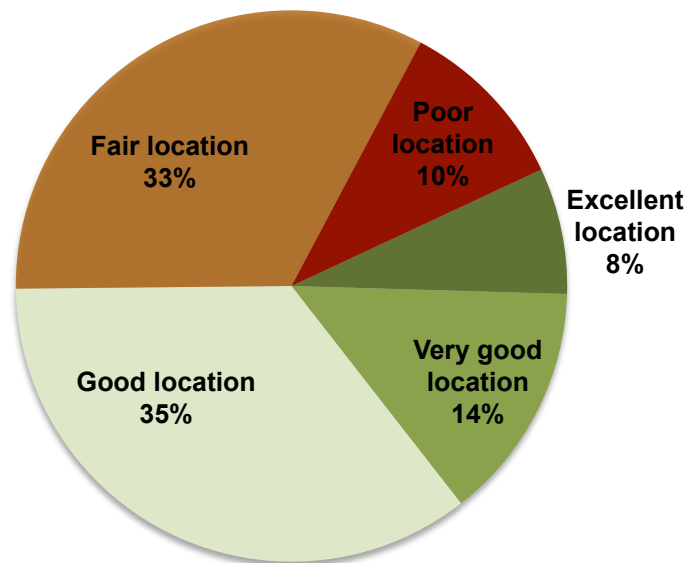


Source: "Southeast Alaska Business Climate Survey" December 2010, JEDC

Finally, we asked business leaders (only) how they would rate Southeast Alaska as a place for their specific business to succeed. Overall, 22% of respondents said that Southeast Alaska is a very good or excellent place for their business to succeed, while 43% called Southeast Alaska a fair or poor

location in terms of the success of their business. Industries that were most positive about the region included the seafood, mining, and tourism industries. One-third of these respondents in each of those groups called Southeast Alaska a very good or excellent location for their businesses to succeed. Just 5% of those in trade and 10% of those in finance said that Southeast Alaska is a good or excellent place for business.

Considering all the factors presented so far, how would you currently rate your region overall as a place for your business to succeed?  
N=243



Source: "Southeast Alaska Business Climate Survey" December 2010, JEDC

The full Business Climate Survey report will include the demographics of all respondents. The list below shows where the businesses of business leader respondents are located.

Please identify the community in which your business is located

Total Answering	242	Craig	19	Skagway	7	Klukwan	4
Juneau	125	Hoonah	11	Hollis	6	Tenakee Springs	4
Ketchikan	35	Coffman Cove	9	Metlakatla	6	Edna Bay	3
Sitka	35	Gustavus	9	Pelican	6	Elfin Cove	3
Wrangell	31	Kake	9	Whale Pass	6	Hyder	2
Haines	29	Thorne Bay	9	Yakutat	6	Port Alexander	2
Petersburg	29	Hydaburg	7	Angoon	5	Port Protection	2
Klawock	21	Naukatli Bay	7	Kasaan	5	Other	7

Source: "Southeast Alaska Business Climate Survey" December 2010, JEDC

Note: Respondents were asked to check all that apply.