

The Juneau Economic Development Council Presents

The 2011 Juneau & Southeast Alaska Economic Indicators



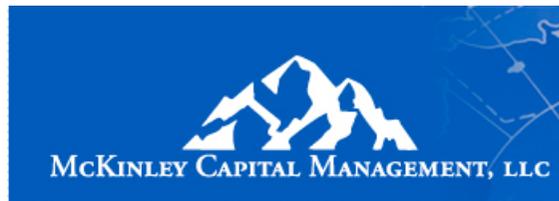
Developed with the support of the
City and Borough of Juneau and
corporate partners

EIGHT STARS OF GOLD PARTNER



Committed to the future of rural communities.

TONGASS PARTNERS



NORTHERN LIGHTS PARTNERS



TOTEM PARTNERS

IBEW Local 1547 ♦ Wostmann and Associates



JEDC.org
612 West Willoughby Ave. Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

Dear Readers,

September 2011

In your hands you have the 2011 edition of the Juneau and SE Alaska Economic Indicators. Through this and other research publications, the Juneau Economic Development Council hopes to increase public awareness and engage citizens in local and regional economic issues.

Alaska has weathered the recent national recession fairly well, including our region. While cruise visitors are down from their peak in 2008, they are expected to head back up in 2012. Prices for seafood are rising and mining jobs have increased significantly in Juneau with the Kensington Mine in full swing. Government jobs, a significant part of Juneau's economy and the Southeast region remained solid, and job gains in the health care industry continue. The population in Juneau increased slightly and the steady decline in population for the rest of the region experienced over the last decade appears to be leveling-off.

JEDC has engaged in several endeavors this past year to strengthen the regional economy; including leading the Southeast Alaska Cluster Initiative which has identified and begun to address key issues in the oceans, forest, renewable energy, and visitor products industries. We have worked on a statewide basis with the Alaska Forward Initiative to develop more competitive industries in Alaska, provided STEM (Science, Technology, Engineering and Math) education opportunities in Juneau and 20 other school districts in Alaska, and transferred technologies from federal laboratories to meet the needs of the private sector. Locally, we host the Juneau Maritime Festival, Juneau Business Expo, and helped expand Juneau's Farmer's Market into a Sunday market. We are engaged on affordable housing issues, access to child-care, transportation for low-income workers, and support to entrepreneurship through programs like Junior Achievement in our schools, business consulting services and access to financial assistance for small businesses.

JEDC is a non-profit organization whose mission is to foster a healthy and sustainable economic climate in Juneau and throughout Southeast Alaska. In collaboration with other organizations JEDC implements initiatives to maintain, expand and create economic opportunities. JEDC enjoys a special relationship with the CBJ, which (along with the Juneau Chamber of Commerce), was instrumental in the founding of the organization in 1987 and has provided annual financial support to the organization since that time. JEDC has a fine team of committed professionals on staff and is led by a dedicated all-volunteer eleven member Board of Directors.

We thank those groups and individuals that share information with us, with special thanks to the Alaska Department of Labor. We are also extremely grateful to our corporate sponsors and the CBJ whose generous support enables us to create this publication. We are very interested in your ideas for economic development in Juneau and the region, and how our organization can better serve the community. Call or email us (bholst@jedc.org) to become part of the conversation. Please sign up for JEDC News to learn about our efforts. Visit us at JEDC.org. We hope you find this publication valuable.

Regards,

A handwritten signature in blue ink, appearing to read "Kurt Fredriksson".

Kurt Fredriksson
Chair, Board of Directors

A handwritten signature in blue ink, appearing to read "Brian Holst".

Brian Holst
Executive Director

Table of Contents

| | |
|---|-----------|
| Juneau Economy Overview | 3 |
| Executive Summary | 5 |
| Employment and Payroll | 10 |
| State Employment | 13 |
| Federal Employment | 14 |
| Southeast Alaska Employment and Wages | 16 |
| Unemployment | 17 |
| Personal Income | 17 |
| Top Private Employers | 20 |
| Nonresident Employment | 21 |
| Demographics | 23 |
| Juneau and Regional Population Trends | 23 |
| Population Projections | 24 |
| Migration | 24 |
| Population by Southeast Alaska Community | 25 |
| Increasing Senior Population | 27 |
| Juneau Ethnicity | 29 |
| Juneau Voter Registration | 30 |
| Health Statistics | 31 |
| Income Equality in Juneau | 32 |
| Student Statistics | 36 |
| Juneau School District Enrollment | 36 |
| Educational Attainment | 37 |
| University of Alaska Southeast: The Juneau Campus | 38 |
| Childcare Capacity and Costs | 39 |
| Education by Gender | 40 |
| Cost of Living | 41 |
| Housing | 45 |
| City Sales and Taxes | 50 |
| Travel and Visitor Industry | 52 |
| Employment and Wages | 52 |
| Visitors and Travelers | 53 |
| Ferry Passengers | 53 |
| Airline Passengers | 53 |
| Cruise Ship Traffic | 55 |
| Bus Ridership | 56 |
| Health Care | 57 |
| Mining Industry | 59 |
| Timber Industry | 64 |
| Seafood Industry | 65 |
| Southeast Business Climate Survey | 71 |

| Juneau By the Numbers | 2010 | 2009 | % Change from 2009 |
|---|------------------|------------------|---------------------------|
| Juneau Employment and Wages¹ | | | |
| Total Employment | 17,932 | 17,528 | ↑ 2.3% |
| Total Government Employment* | 7,436 | 7,284 | ↑ 2.1% |
| Total Private Sector Employment | 10,496 | 10,244 | ↑ 2.5% |
| Total Payroll (\$000) | \$790,329 | \$754,402 | ↑ 4.8% |
| Average Wage | \$44,074 | \$43,039 | ↑ 2.4% |
| Unemployment | 5.8% | 6.1% | ↓ 0.3% pts |
| Juneau Demographics¹¹ | | | |
| Population | 31,275 | 30,946 | ↑ 1.1% |
| Median Age | 38.1 | 38 | ↑ 0.3% |
| Juneau Schools | | | |
| K-12 School District Enrollment² | 4,968 | 4,953 | ↑ 0.3% |
| Spring University of Alaska Southeast³ Enrollment (Juneau campus) | 3,067 | 2,724 | ↑ 12.6% |
| Child Care Capacity⁴ | 575 | 583 | ↓ -1.4% |
| Juneau Sector Employment¹ | | | |
| Mining¹ | 510 | 404 | ↑ 26.2% |
| Fishermen and Crew (Juneau Residents)⁵ | 689 | 697 | ↓ -1.1% |
| Health Care¹ | 1,391 | 1,327 | ↑ 4.8% |
| Tourism¹ (see definition) | 2,162 | 2,156 | ↑ 0.3% |
| Largest Employer: State of Alaska¹ | 4,276 | 4,221 | ↑ 1.3% |
| Juneau Housing | | | |
| Average Rent in Juneau¹ | \$1,149 | \$1,131 | ↑ 6.6% |
| Average Rental Vacancy Rate¹ | 3.2% | 4.1% | ↓ -0.9% pts |
| Average Homeowner Vacancy Rate¹¹ | 1.4% | 2.5% | ↓ -1.1% pts |
| Average Cost of Single Family Home⁵ | \$313,144 | \$307,955 | ↑ 3.9% |
| Starts: New Housing Units Permitted⁶ | 55 | 38 | ↑ 44.7% |
| Juneau Transportation | | | |
| Total Passenger Arrivals | 1,257,470 | 1,380,359 | ↓ -8.9% |
| Cruise Passenger Arrivals ⁹ | 875,593 | 1,018,700 | ↓ -14.0% |
| Alaska Airlines Passenger Arrivals ⁸ | 267,765 | 257,719 | ↑ 3.9% |
| Ferry Passenger Arrivals ⁷ | 77,991 | 73,189 | ↑ 6.6% |
| Small Air Passenger Arrivals ¹⁰ | 36,121 | 30,751 | ↑ 17.5% |
| Capital City Transit (Bus) Ridership⁶ | 1,226,286 | 1,212,419 | ↑ 1.1% |

Sources: ¹ Alaska Department of Labor; ² Alaska Department of Education and Early Development; ³ University of Alaska; ⁴ Association for the Education of Young Children – Southeast Alaska; ⁵ Southeast Alaska Multiple Listing Service; ⁶ City and Borough of Juneau; ⁷ Alaska Marine Highway System; ⁸ Juneau International Airport; ⁹ McDowell Group and Cruise Line Agencies of Alaska; ¹⁰ Bureau of Transportation Statistics; ¹¹ US Census 2010. "Tourism" includes air, scenic, and sightseeing transportation; travel agencies; and Leisure and Hospitality. *Excludes 284 Coast Guard jobs

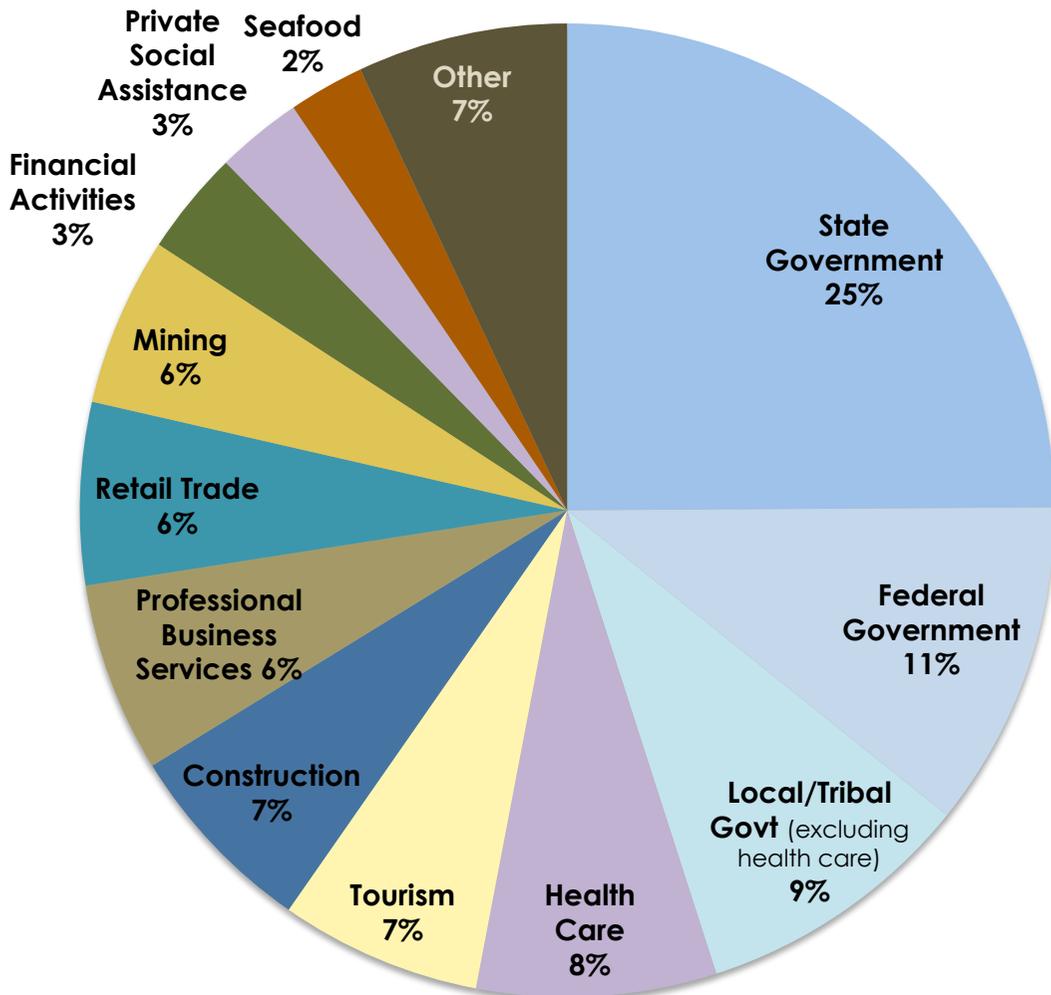
| Southeast By the Numbers | 2010 | 2009 | % Change from 2009 |
|---|------------------------|------------------------|---------------------------|
| SE Employment and Wages¹ | | | |
| Total Employment | 36,586 | 36,209 | ↑ 1.0% |
| Total Government Employment | 13,489 | 13,295 | ↑ 1.5% |
| Total Private Sector Employment | 23,097 | 22,914 | ↑ 0.8% |
| Total Payroll | \$1.495 billion | \$1.437 billion | ↑ 4.0% |
| Total Private Sector Payroll | \$824.0 million | \$795.4 million | ↑ 3.6% |
| Average Wage | \$40,857 | \$39,698 | ↑ 2.9% |
| Unemployment | 7.9% | 8.4% | ↓ -0.5 pts |
| SE Demographics⁸ | | | |
| Population | 71,664 | 71,141 | ↑ 0.7% |
| Non Juneau SE Population | 40,389 | 40,195 | ↑ 0.5% |
| Median Age | 39.5 | 39.3 | ↑ 0.5% |
| Southeast Schools | | | |
| K-12 School District Enrollment² | 11,388 | 11,367 | ↑ 0.2% |
| University of Alaska Southeast³ Enrollment (all campuses) | 3,963 | 3,834 | ↑ 3.4% |
| SE Commercial Seafood Industry | | | |
| SE Pounds Landed (all commercial pounds)⁴ | 279,864,836 | 282,908,521 | ↓ -1.1% |
| Total Salmon | 209,278,632 | 217,704,265 | ↓ -3.9% |
| Ex-Vessel Value⁴ | \$291,748,083 | \$234,098,894 | ↑ 24.6% |
| Fishermen and Crew (SE Residents)⁵ | 4,645 | 4,674 | ↓ -0.6% |
| SE Industry Employment¹ | | | |
| Mining | 536 | 413 | ↑ 29.8% |
| Logging and Wood Manufacturing | 272 | 238 | ↑ 14.3% |
| Health Care | 3,094 | 2,986 | ↑ 3.6% |
| Tourism (see definition) | 5,095 | 5,223 | ↓ -2.5% |
| State of Alaska | 5,563 | 5,483 | ↑ 1.5% |
| Southeast Transportation | | | |
| Airline Passenger Arrivals (from outside SE)⁶ | 333,095 | 327,124 | ↑ 1.8% |
| Air Freight Arrival (from outside SE)⁶ | 12,326,953 | 16,065,235 | ↓ -23.3% |
| Cruise Passenger Arrivals⁷ | 875,593 | 1,018,700 | ↓ -14.0% |

Sources: ¹ Alaska Department of Labor; ² Alaska Department of Education and Early Development; ³ University of Alaska; ⁴ Alaska Department of Fish and Game; ⁵ Bureau of Transportation Statistics; ⁶ McDowell Group and Cruise Line Agencies of Alaska; "Tourism" includes air, scenic, and sightseeing transportation; travel agencies; and Leisure and Hospitality; ⁸US Census 2010. *Excludes Coast Guard jobs

Juneau Economy Overview

The following is a primer on the Juneau economy. Juneau's key industries include government, tourism, mining, health care, and seafood.

Total Juneau 2010 Wages, by percent



The heart of Juneau's economy is **government**. In Juneau, 42 percent of all jobs (7,436) are with the government, including state, federal, local and tribal employment. Juneau's government workers earned \$399 million in 2010—nearly half of all Juneau wages.

The **State of Alaska** remains the most important source of Juneau jobs and income, accounting for a quarter of all direct local employment (4,276 annual average jobs) and 25% of total payroll. Within state government, the Department of Transportation and Public Facilities is the largest employer, with 652 employees.

The Juneau School District is the largest city employer, with over 700 employees. The Coast Guard, with 363 employees, is the largest local federal employer. Central Council Tlingit & Haida is the largest tribal government employer with more than 250 employees.

Tourism, as a whole, is Juneau's largest private-sector employer, with 2,400 annual average employees. In 2010, 1.26 million passengers disembarked in Juneau by airplane, cruise ship, or ferry. In 2010, 875,600 passengers arrived by cruise ship, 78,000 passengers arrived in Juneau via ferry, and 304,000 arrived in Juneau via plane.

Juneau's two mines have 510 employees and a payroll of \$49 million annually. In August of 2011 the price of gold approached \$2,000 per ounce (up from \$271 per ounce a decade earlier).

Juneau's largest private employer is the Hecla Greens Creek Mining Company, whose mine on Admiralty Island is the second largest silver producer in North America and the sixth largest in the world. The Kensington began operations in June of 2010, and is expected to produce 125,000 ounces of gold annually.

Jobs in the **health care industry** account for 1,400 local jobs with a payroll of \$65.6 million annually. **Construction** work contributed 730 jobs and \$44 million to the local economy in 2010. In 2010, the Juneau **retail trade sector** employed 2,000 with a payroll of \$51 million.

The **seafood industry** (commercial fishing, fish processing and hatchery production) constitutes another important sector of the local economy. Juneau's commercial fishing fleet harvests a wide variety of seafood including salmon, halibut, black cod, rockfish, shrimp, crab, herring and groundfish. Nearly 700 Juneau residents fish commercially (as crew or fishermen) and they earned \$21.5 million in 2010. In 2010 there were nine shorebased seafood processing facilities in Juneau that collectively processed 14.5 million pounds of product, with a wholesale value of \$43 million.

The combined economic importance of Juneau-based **Alaska Native organizations** and their activities is clearly significant to the local economy. Two of Alaska's larger Alaska Native Corporations, Sealaska Corporation and Goldbelt, Inc., are headquartered in Juneau, along with smaller village corporations such as Huna Totem Inc. and Kootznoowoo, Inc. Sealaska Corporation has for-profit businesses, 20,000 shareholders and has established Haa Aani LLC, an economic development corporation.

Executive Summary

Compared to a year prior, 2010 was a good year for Alaska's capital city. While 2009 was a difficult year for Juneau and the nation, Juneau's 2010 indicators are mostly positive, with the exception of cruise ship passenger arrivals, which was down 14%. However, the gains made in 2010 were not sufficient to offset 2009's losses.

Employment and Wages

Employment and payroll were both up in 2010

In 2010, annual average employment in Juneau grew by 2.3 percent, not quite erasing last year's loss of 3.5 percent. A summary of the most significant changes is below:



Mining

- +106 Jobs (Average Annual Employment)
- +\$11.9 million in wages



Health Care (public and private)

- +64 (Average Annual Employment)
- +\$3.2 million in wages



Government = +128

- +55 Jobs State Govt; +8 Fed Govt; +64 Local/Tribal Govt (excluding Health Care)
- +\$17.1 million in wages



Fishing (Southeast)

- +\$57 million/+25% Ex-Vessel Value



Biggest Losses Juneau

- Retail Job = -49 Jobs (-136 in 2009)
- Sightseeing Transportation = -20 Jobs (-113 in 2009)
- Arts, Entertainment, Recreation = -33 Jobs (-20 in 2009)

Government Jobs

For the first time since 2003, there was no loss of state **or** federal jobs. In 2010 state jobs grew by 55 (annual average employment) and federal jobs grew by eight. Local government and tribal government jobs also grew by 89 jobs (64 of which were in health care).

Unemployment

Juneau's average 2010 unemployment rate was 5.8 percent, significantly lower than the state and national averages for that same year of 8.0 percent and 9.6 percent, respectively.

Demographics

The populations of both Juneau and Southeast were up in 2010

In 2010 the population of Juneau increased by 1.1 percent (329 people) to 31,275. The population of the region also increased by 0.7 percent (523 people) to 71,664. However, the non-Juneau Southeast population was 4.7 percent below its 2000 population levels (73,082). Between 2000 and 2010, 25 of the regions communities lost population.

Huge regional population losses are predicted by ADOL

According to the Alaska Department of Labor, Southeast is on track to have a population of 59,472 by 2034 if future trends mimic past trends. As the Juneau population is expected to remain flat during this time period, this would represent a 28% population drop in the non-Juneau Southeast areas compared to 2010 levels.

Juneau has a growing senior population

Between 2000 and 2010, the number of Juneau residents in their sixties nearly doubled (an increase of 1,419 residents in their 60's). According to the ADOL, by the year 2024, nearly one out of five Juneau residents will be seniors (aged 65 and older), up from one out of twenty in 1990. Juneau's shifting demographics require a rethinking of Juneau housing, transportation, and tax structure.



The only age group under 50 to grow in the last decade was 20-somethings. Between 2000 and 2010, the number of Juneau residents aged 20-29 grew by 17% (627 people).

Juneau's Alaska Native Population Increased

In 2010, 19.2 percent of Juneau's residents identified themselves as Alaska Native (or American Indian), up from 16.5 percent in the 2000 US Census (+938). Alaska Natives comprise 19% of the State population, and 22% of the Southeast population.

Juneau is the healthiest community in Alaska

Juneau ranked first among Alaska communities for positive health factors in 2010. In addition to ranking first overall, Juneau also ranked first in the following categories: health behavior, clinical care, and social & economic factors.

Juneau men earn more than Juneau women

Nationally, men earned 29% more than their female counterparts between 2007 and 2009. Statewide, men earned 37% more for full-time, year-round employment. In Juneau, men earned 42% more than women.

Enrollment in grade school and University increased



Photo Credit: Michael Penn/Juneau Empire

In the 2010-2011 school year, the number of K-12 students enrolled in the Juneau School District increased for the second year in a row (albeit slightly).

On October 1, 2010, 4,968 students were enrolled in Juneau schools, a 0.3% (15 student) increase from the previous year. While grade school and high school student populations were still down incrementally, middle school enrollment was up by 3.2 percent, or 34 students, from the October 2009 count.

In the fall of 2010, 2,898 students attended the University of Alaska Southeast at its Juneau campus. This represents an increase of three percent from fall 2009.

Cost of Living

It costs 39% more to live in Juneau than the average US city

Based on 2011 data collected by JEDC and provided to the Council for Community and Economic Research, combined Juneau living costs are 39% more expensive than the average US city. Juneau housing costs are 66 percent more expensive.

Despite dropping prices nationally, Juneau housing prices are up

As of the first half of 2011, Juneau is back to the peak housing prices of 2007. The average price of a single-family residence in the first half of 2011 was \$321,391—a three percent increase over the first half of 2010 and similar to the 2007 average cost of \$322,779. Nationally in the first half of 2011, housing prices fell by seven percent.

Housing vacancy rates are incredibly low, 360 more units are needed

Juneau's housing vacancy rates are considerably lower than the region, state and nation. A five percent vacancy rate is considered to reflect a balanced and healthy market. In 2010, **Juneau's homeowner vacancy rate was 1.4 percent** (down from 2.5 percent in 2008). In 2010 and 2011, **rental vacancy rates for one, three & four bedroom single-family homes ranged from zero to 1.9 percent**; two and three-bedroom apartments had vacancy rates that ranged between 2.8 percent and 3.1 percent.

In order to obtain a healthy housing market vacancy rate of five percent, Juneau needs 360 more housing units.

Transportation (Ships, Planes, Buses)

In 2010, 123,000 fewer people arrived in Juneau. This represents a 8.9 percent decrease in total passenger disembarkations over 2009. These declines are solely due to a reduction of cruise passengers. In 2009, the following number of passengers arrived:

- **875,593 cruise ship tourists**—a 14 percent decline in cruise passenger traffic over 2009. An additional decrease of less than one percent is expected for 2011 as well.
- **77,991 ferry passengers**—a one-year increase of 6.6 percent from 2009.
- **267,765 deplaning Alaska Airlines passengers**—up 3.9 percent from 2009 figures.
- **36,121 passengers from other airlines**—up 17.5 percent from 2009.

Passenger numbers will continue to improve in 2011 and 2012

In the first seven months of 2011, Alaska Airlines passenger deplanements were up 3 percent (5,266 more passengers) compared to the first seven months of 2011. The Juneau Convention and Visitors Bureau is projecting a five percent increase in cruise passengers in 2012.

Key Southeast Alaska Industry Statistics

Mining is booming in Southeast

With the 2010 opening of the Kensington Gold Mine in Juneau and the skyrocketing price of gold and other metals, the Southeast mining industry has been booming. In 2010, there were 536 mining jobs in Southeast Alaska and a payroll of more than \$50 million.

This represents a 30 percent increase in employment from 2009, and an 84 percent increase from 2003, when there were just 291 mining jobs in the region. By 2012, JEDC expects the Southeast mining industry to have 600 employees in total and a combined payroll of \$57 million annually.

Fishing and Seafood

The seafood industry is the largest private sector employer in Southeast Alaska **in terms of wages**, accounting for 13% of all regional wages, and 10% of all employment.

- In 2010, 4,645 **Southeast residents** (as crew or fishermen) fished commercially.
- Including **non-residents**, there were more than 10,000 participants in the Southeast Alaska fishery in 2010.
- In 2010, the **ex-vessel value** (or money paid to fishermen) of the Southeast Alaska fisheries was \$291 million.
- In 2010, 51 **shorebased seafood processing facilities** collectively processed 209 million pounds of product, with a wholesale value of \$468 million.



Photo Credit: Michael Penn/Juneau Empire

Due to a significant increase in seafood prices—especially for Coho, Chum and Chinook—fishermen in the Southeast fishery earned 25 percent more for their seafood in 2010 over 2009, despite a similar amount of pounds landed.

Employment and Payroll



Photo Credit: Michael Penn/Juneau Empire

While 2009 was a rough year economically for Juneau, in 2010 Juneau began to bounce back from the losses seen in that recession year. In 2009, annual average employment in Juneau grew by 2.3 percent (404 jobs) to 17,932, with an overall \$36 million increase of wages (+4.8 percent). The largest gains, per expectations, came in mining. That sector grew by 26 percent, from 404 employees in 2009 to 510 employees in 2010. Wages in that sector alone increased by \$11.9 million.

Juneau Employment by Industry, 2010

| | Annual Average Employment 2010 | Annual Average Employment 2009 | Change in Employment 2009-2010 | Total Payroll (in thousands) | Annual Avg. Wage |
|------------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------|------------------|
| Private Sector | 10,496 | 10,244 | 2.5% | \$391,674 | \$37,316 |
| Natural Resource & Mining* | 556 | 450 | 23.6% | \$50,696 | \$91,180 |
| Construction | 729 | 742 | -1.8% | \$43,762 | \$60,030 |
| Manufacturing | 279 | 275 | 1.5% | \$9,826 | \$35,217 |
| Trade, Transportation, & Utilities | 3,274 | 3,315 | -1.2% | \$100,805 | \$30,789 |
| Information | 245 | 275 | -10.9% | \$11,559 | \$47,178 |
| Financial Activities | 608 | 604 | 0.7% | \$28,985 | \$47,672 |
| Professional Business Services | 918 | 848 | 8.3% | \$37,460 | \$40,807 |
| Education & Health Services | 1,796 | 1,696 | 5.9% | \$63,886 | \$35,571 |
| Leisure & Hospitality | 1,464 | 1,438 | 1.8% | \$25,021 | \$17,091 |
| Other Services | 627 | 602 | 4.2% | \$19,675 | \$31,380 |
| Total Government | 7,436 | 7,284 | 2.1% | \$398,656 | \$53,612 |
| Federal Government** | 840 | 832 | 1.0% | \$72,713 | \$86,563 |
| State Government | 4,276 | 4,221 | 1.3% | \$217,726 | \$50,918 |
| Local/Tribal Government | 2,320 | 2,231 | 4.0% | \$108,218 | \$46,646 |
| Total Employment | 17,932 | 17,528 | 2.3% | \$790,329 | \$44,074 |

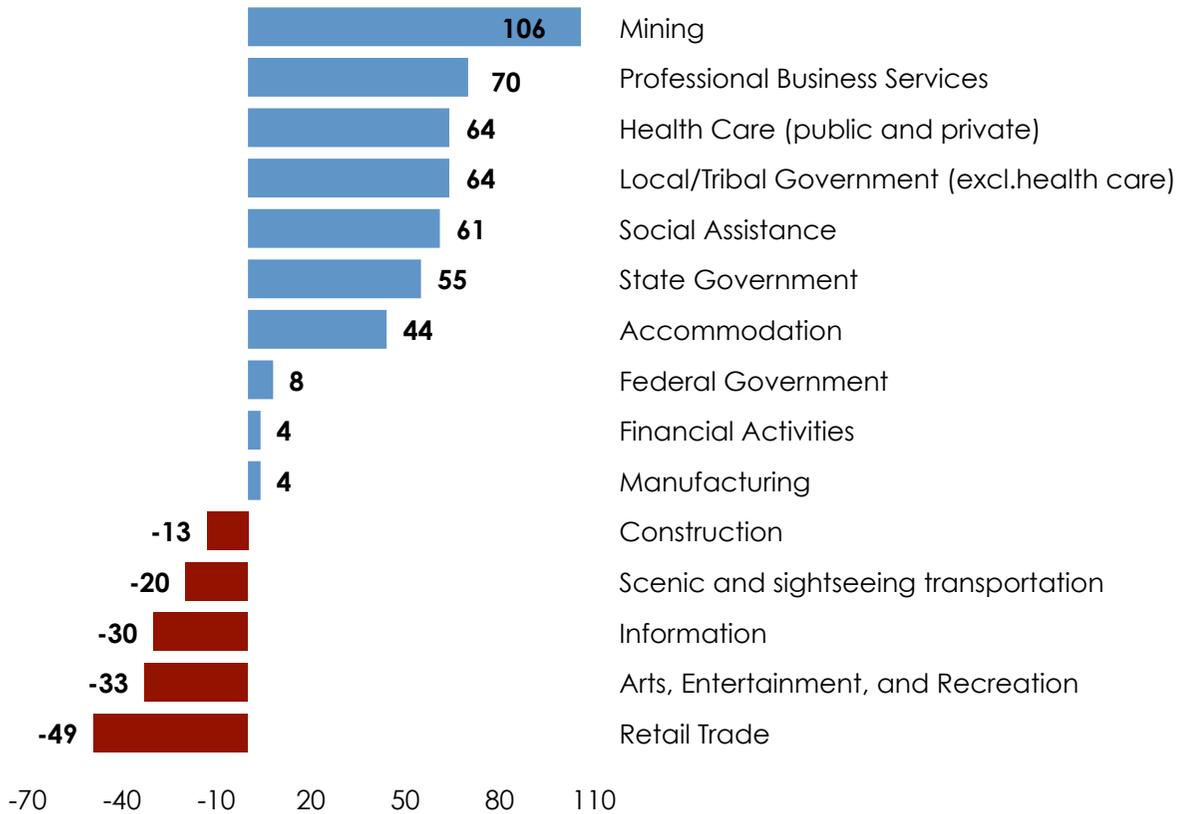
Source: Alaska Department of Labor * Excludes 291 Commercial fishing jobs

** Excludes 284 Coast Guard jobs

In addition to the increase in mining, other changes that occurred in the Juneau economy between 2009 and 2010 included the following:

- **Health care employment** (both public and private) grew by 64 annual average jobs, and \$3.2 million in wages. (While local Juneau government jobs grew by 89 in 2010, 25 of these gains were in health care positions.)
- **Government jobs** were up in every sector (city, state, and federal) for a combined increase of 152 jobs.
- The recession induced decreases in **tourism** continue to have a negative effect on local employment, as the number of cruise ships visiting Juneau continues to be down, despite the rebounding economy. Scenic and sightseeing transportation decreased by 20 annual average employees (in addition to the decrease of 113 employees seen in 2009). Arts, entertainment and recreation employment was also down another 33 jobs, while accommodation related employment was up by 44 jobs—which may point to a rise in independent travelers to Juneau in 2010.
- **Retail jobs** fell by an additional 49 positions, on top of the 136 loss already experienced in 2009.

Change in Juneau Average Annual Employment 2009-2010



Excluded groups

Self-Employed

Certain segments of Juneau's employed population, such as fishermen, are **excluded** from Department of Labor (ADOL) statistics that have been presented thus far because ADOL's numbers are derived from unemployment insurance coverage data. The self-employed are excluded from the ADOL numbers since they are not covered by unemployment insurance. In Juneau, there are 2,437 residents for whom self-employment contributes to part or all of their annual income. It should be noted that these are not necessarily mutually exclusive employment in that Juneau's self-employed may also hold a job that is counted by the ADOL. The top category of self-employment in Juneau is fishing.

In 2008, there were 291 Juneau fishermen who filed tax returns – with associated earning of \$17.4 million.

Juneau Self-employed Statistics, 2008

| | Income Tax Returns Filed | Receipts (1,000) |
|--|-----------------------------|---------------------|
| Agriculture, forestry, fishing and hunting | 310 | \$17,848 |
| Mining, quarrying, and oil and gas extraction | 4 | \$47 |
| Construction | 197 | \$13,320 |
| Manufacturing | 40 | \$1,382 |
| Wholesale trade | 23 | \$1,603 |
| Retail trade | 187 | \$8,811 |
| Transportation and warehousing | 91 | \$5,667 |
| Information | 41 | \$1,813 |
| Finance and insurance | 41 | \$1,314 |
| Real estate and rental and leasing | 165 | \$16,538 |
| Professional, scientific, and technical services | 467 | \$17,750 |
| Administrative and support and waste management and remediation services | 126 | \$3,438 |
| Educational services | 85 | \$958 |
| Health care and social assistance | 216 | \$6,505 |
| Arts, entertainment, and recreation | 179 | \$3,559 |
| Accommodation and food services | 56 | \$2,219 |
| Other services (except public administration) | 205 | \$7,285 |
| Total for all sectors | 2,437 | \$110,175 |

Source: Nonemployer Statistics, US Census 2010

Active Duty Coast Guard

Active duty Coast Guard employment is also **excluded** from the DOL figures. However, the Coast Guard has shared their data with JEDC. In 2010, there was an annual average employment of 284 active duty Coast Guard employees in Juneau according to the US Coast Guard, with an associated payroll of \$22.3 million.

State Employment

In 2010, the most important source of Juneau jobs and income continued to be the Alaska state government, with 4,276 employees and a payroll of \$218 million in wages. The State accounted for 25 percent of all Juneau jobs and wages.¹

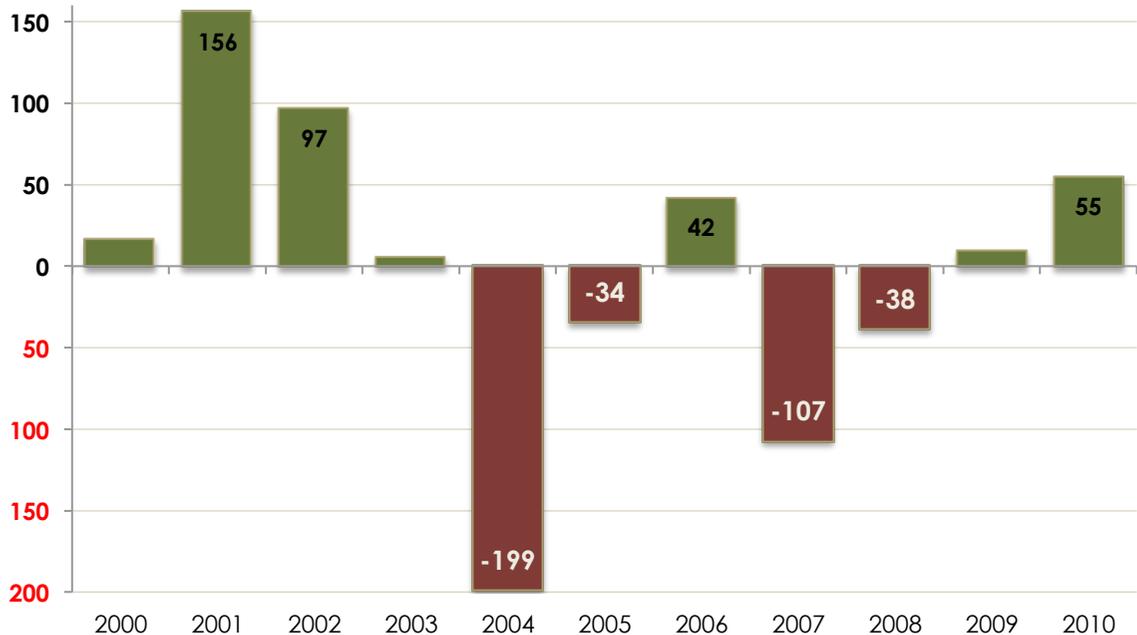
Juneau State employees were paid an average wage of \$50,918, which was 16 percent higher than Juneau's overall average wage (of \$44,074) and 37 percent higher than Juneau's average private sector wage (which was \$37,316).

The largest State employer in Juneau is the Alaska Department of Transportation and Public Facilities with approximately 650 employees, including nearly 300 employees of the Alaska Marine Highway System. The Department of Health and

¹ Juneau's historic dependence on State government has been declining, as two decades ago, the state accounted for 34 percent of all local jobs, and 42 percent of total wages in Juneau.

Social Services is the next largest with more than 550 employees, followed by the Department of Administration with 475 employees.

Change in Annual average State Government Employment in Juneau, 2000-2010



In 2010 **both** state and federal employment grew in Juneau (albeit slightly) for the first time since 2003. Between 2004 and 2010, Juneau's combined state and federal employment fell by 385 jobs. Those jobs could have contributed an additional \$23.7 million in payroll to the local economy in 2010.

Federal Employment

Twenty-seven federal agencies have operations in Juneau. The US Coast Guard has the largest employment presence in Juneau with 363 employees, followed by the National Oceanic and Atmospheric Administration with just over 200 employees, and the Forest Service with just under 200 employees.

When all federal employment is considered, federal employment accounted for 1,124 jobs in Juneau in 2010 and a payroll of \$95 million. The Federal government accounted for 6 percent of all Juneau jobs, and 12 percent of all local wages.

Juneau Federal employees earn more than any other Juneau sector, except mining, earning an average wage twice the overall Juneau average wage.

Juneau's Coast Guard: An Economic Force



Because active duty Coast Guard employment is excluded from Alaska Department of Labor data, the full economic impact that the Coast Guard has on the community of Juneau is difficult to track, and therefore has often been overlooked. The Coast Guard is Juneau's top Federal employer, and has a significant economic impact on our community.

In 2010, there were 363 Coast Guard working in Juneau (annual average employment). This included 284 active duty Coast Guard employees and 79 non-uniformed civilian personnel. (Civilian personnel include Coast Guard MWR—morale, welfare and recreation—employees and Department of Transportation employees). The 2010 total Coast Guard payroll in Juneau was \$29.5 million. The average Coast Guard annual wage is \$81,267.

The Coast Guard has been located in Juneau since the 1950's. The Coast Guard Station Juneau performs 100-150 search and rescues and 300 law enforcement boardings per year.

Southeast Alaska Employment and Wages

In 2010 the number of total jobs in Southeast Alaska grew by one percent (377 annual average jobs) to 36,586, making up for about half the employment losses in 2009.

Total Southeast Alaska Employment by Industry 2008-2010

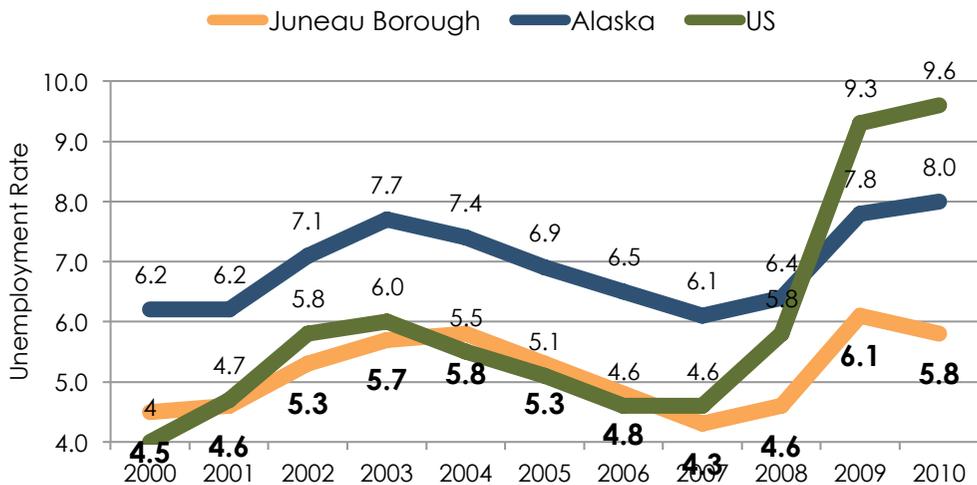
| | Annual average Employment 2010 | Annual average Employment 2009 | Annual average Employment 2008 | Change in Employment 2009-2010 | Total Payroll 2010 millions | Avg. Annual Wage 2010 |
|------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------|-----------------------|
| Private Sector | 23,097 | 22,914 | 23,836 | 1% | \$823.95 | \$35,673 |
| Natural Resource & Mining | 932 | 744 | 770 | 25% | \$69.6 | \$74,720 |
| Construction | 1,416 | 1,436 | 1,569 | -1% | \$85.3 | \$60,253 |
| Manufacturing | 1,896 | 1,869 | 1,818 | 1% | \$68.4 | \$36,055 |
| Trade, Transportation, & Utilities | 7,127 | 7,219 | 7,781 | -1% | \$220.3 | \$30,919 |
| Information | 458 | 561 | 571 | -18% | \$18.8 | \$41,135 |
| Financial Activities | 1,315 | 1,319 | 1,358 | 0% | \$58.4 | \$44,404 |
| Professional Business Services | 1,444 | 1,325 | 1,333 | 9% | \$59.3 | \$41,102 |
| Education & Health Services | 3,812 | 3,666 | 3,585 | 4% | \$148.5 | \$38,955 |
| Leisure & Hospitality | 3,464 | 3,558 | 3,840 | -3% | \$65.7 | \$18,957 |
| Other Services | 1,235 | 1,212 | 1,210 | 1% | \$29.6 | \$23,959 |
| Total Government | 13,489 | 13,295 | 13,199 | 1% | \$670.9 | \$49,734 |
| Federal Government | 1,761 | 1,745 | 1,786 | 1% | \$132.9 | \$75,450 |
| State Government | 5,563 | 5,483 | 5,447 | 1% | \$278.7 | \$50,096 |
| Local Government | 6,165 | 6,068 | 5,966 | 2% | \$259.3 | \$42,062 |
| Total Employment | 36,586 | 36,209 | 37,035 | 1% | \$1,494.8 | \$40,857 |

Source: Alaska Department of Labor

Unemployment

Juneau's average 2010 unemployment rate was 5.8 percent, significantly lower than the state and national averages for that same year of 8.0 percent and 9.6 percent, respectively.

Annual Average Unemployment Rates, 2000 to 2010



In June of 2011, the local and regional unemployment rates were lower than those of the state or nation. The Juneau and Southeast June unemployment rates were 5.5 and 7.0 percent, respectively, while the state and national unemployment rates were 7.9 and 9.5 percent, respectively. Juneau, Southeast and the state experience dramatic changes in seasonal unemployment rates, while the US as a whole does not.

Personal Income

Juneau's per capita personal income fell to \$48,062 in 2009, two percent lower than 2008.² Every borough and census area of the region registered lower per capita personal income in 2009 over 2008. Regionally, the per capita personal income levels in Ketchikan, Haines and Skagway were all higher than in Juneau.

² Per capita personal income is the total personal income of an area divided by population. Employment income represents approximately 70 percent of per capita income.

Per Capita Personal Income, 2000-2009

| Borough or Census Area | 2009 | 2008 | 2000 | Change 2008-09 | Change 2000-09 |
|---|-----------------|-----------------|-----------------|----------------|----------------|
| Juneau City and Borough | \$48,062 | \$49,171 | \$35,767 | -2% | 37% |
| Ketchikan Gateway Borough | \$51,850 | \$52,308 | \$35,338 | -1% | 48% |
| Sitka City and Borough | \$41,567 | \$42,530 | \$29,716 | -2% | 43% |
| Haines Borough | \$50,001 | \$52,112 | \$33,223 | -4% | 57% |
| Hoonah-Angoon Census Area | \$35,990 | \$37,790 | NA | -5% | (NA) |
| Skagway Borough | \$53,005 | \$56,581 | NA | -6% | (NA) |
| Wrangell-Petersburg Census Area | (NA) | \$40,317 | \$28,441 | (NA) | 42% |
| Petersburg Census Area | \$43,606 | (NA) | (NA) | (NA) | (NA) |
| Wrangell City and Borough | \$35,197 | (NA) | (NA) | (NA) | (NA) |
| Prince of Wales-Outer Ketchikan Census Area | (NA) | \$28,586 | \$21,589 | (NA) | 32% |
| Prince of Wales-Hyder Census Area | \$28,479 | (NA) | (NA) | (NA) | (NA) |
| Yakutat City and Borough | \$41,145 | \$45,000 | \$28,841 | -9% | 56% |
| Anchorage Municipality | \$48,598 | \$50,446 | \$34,389 | -4% | 47% |
| Alaska state total | \$43,212 | \$44,414 | \$30,531 | -3% | 45% |

Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce, June 2010 <http://www.bea.gov/regional/reis/drill.cfm>

Total personal income declined three percent from 2008 to \$1.48 billion in 2009. In Juneau, employment related income accounts for about 70 percent of total personal income. Another source of income in Juneau is "transfer payments" that include the PFD, Medicare and public assistance medical payments, government retirement income, social security, food stamps, and unemployment insurance payments. Juneau residents also receive income from dividends (other than the PFD), interest, and rent. In 2008 on top of record-high Alaska Permanent Fund dividend checks, Governor Palin issued "resource rebate" checks of \$1,200 to most Alaskans.

Total Personal Income, 2000-2009 (in millions of dollars)

| | 2009 | 2008 | 2000 | Change 2007-2008 | Change 2000-2008 | % of AK income 2008 |
|------------------|------------|------------|----------|------------------|------------------|---------------------|
| Juneau | \$1,480.1 | \$1,523.9 | \$1,097 | -3% | 35% | 5% |
| Southeast | \$3,189.9 | \$3,262.5 | \$2,383 | -2% | 34% | 11% |
| Alaska | \$30,182.3 | \$30,562.5 | \$19,158 | -1% | 58% | 100% |

Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce, April 2010

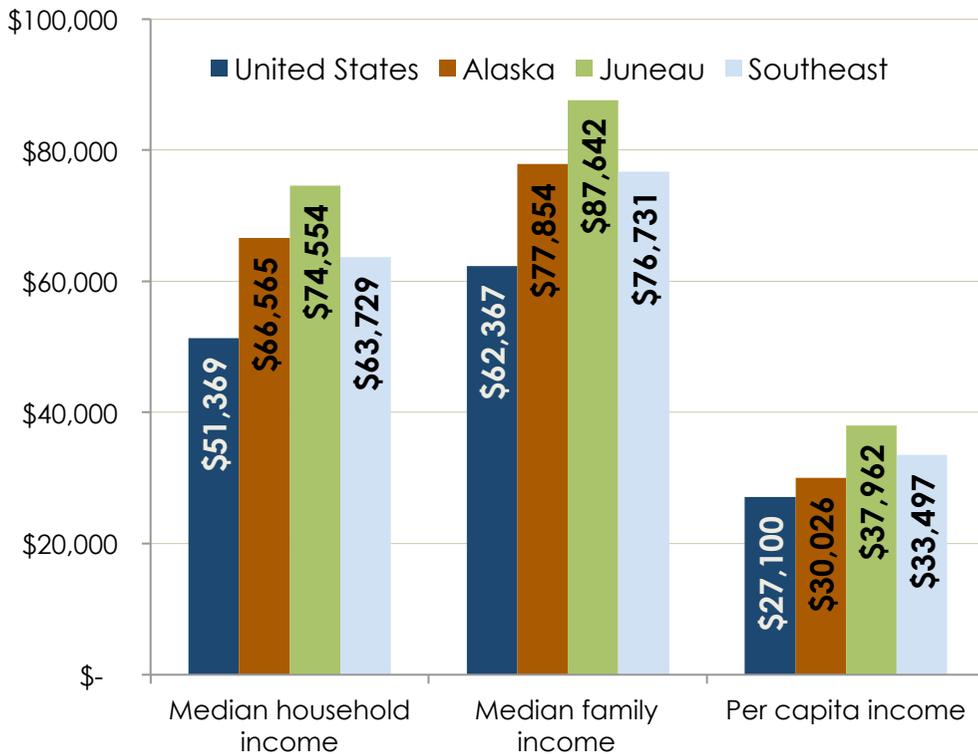
Median Income

The following table compares recently released statistics for Juneau, the region, the state, and the nation. Juneau had higher average and median household and family incomes than these areas in 2009. Juneau's median household income was 45 percent higher than the national median.

Comparing Juneau, Southeast and Alaska: 2009

| | Median household income | Median family income | Per capita income |
|------------------|-------------------------|----------------------|-------------------|
| United States | \$51,369 | \$62,367 | \$27,100 |
| Alaska | \$66,565 | \$77,854 | \$30,026 |
| Juneau | \$74,554 | \$87,642 | \$37,962 |
| Southeast Alaska | \$63,729 | \$76,731 | \$33,497 |

Household income includes all 11,740 Juneau households, while family income only includes households containing family units (7,713 Juneau households).



Top Private Employers

In 2010, Juneau's largest private sector employer was once again the Greens Creek Mine with 337 employees. Coeur Alaska jumped up 31 spots on the list to number 7. (Coeur will likely rise up to employer #3 on list in 2011, as it was in full operations for only half of 2010). Other movers and shakers include Westmark Hotels, who rose 22 places on the list to #19.

Juneau's Top 20 Private Employers, 2010

| 2010 rank | 2009 Rank | Employer | Avg. # of Employees (Range) |
|-----------|-----------|-------------------------------------|-----------------------------|
| 1 | 1 | Hecla Greens Creek Mining Company | 250 - 499 |
| 2 | 3 | Reach Inc | 100 - 249 |
| 3 | 2 | Fred Meyer Stores Inc | 100 - 249 |
| 4 | 5 | Southeast Alaska Regional Health Co | 100 - 249 |
| 5 | 4 | Wal-Mart Associates Inc | 100 - 249 |
| 6 | 6 | Juneau Youth Services Inc. | 100 - 249 |
| 7 | 38 | Coeur Alaska Inc | 100 - 249 |
| 8 | 7 | Alaska Airlines Inc | 100 - 249 |
| 9 | 11 | Catholic Community Services | 100 - 249 |
| 10 | 9 | Southeast Regional Resource Center | 100 - 249 |
| 11 | 10 | Safeway | 100 - 249 |
| 12 | 8 | The Alaska Club | 100 - 249 |
| 13 | 12 | Tlingit Haida Regional Housing Auth | 100 - 249 |
| 14 | 14 | Costco | 100 - 249 |
| 15 | 13 | Wildflower Court | 100 - 249 |
| 16 | 16 | Home Depot | 100 - 249 |
| 17 | 18 | M&S Associates Inc | 50-99 |
| 18 | 15 | Northland Services Inc | 50-99 |
| 19 | 41 | Westmark Hotels Inc | 50-99 |
| 20 | 19 | Breeze In Corporation | 50-99 |

Southeast Alaska's Top 10 Private Employers, 2010

| 2010 | 2009 | Employer | Avg. # of Employees (Range) |
|------|------|--|-----------------------------|
| 1 | 1 | SEARHC (Southeast Alaska Regional Health Consortium) | 750 - 999 |
| 2 | 2 | Ketchikan General Hospital | 250 - 499 |
| 3 | 4 | Hecla Greens Creek Mining Company | 250 - 499 |
| 4 | 3 | Wal-Mart Associates Inc. | 250 - 499 |
| 5 | 5 | Alaska Airlines Inc. | 250 - 499 |
| 6 | 6 | Reach Inc. | 250 - 499 |
| 7 | 7 | Trident Seafood Corporation | 250 - 499 |
| 8 | 8 | Safeway Inc. | 100 - 249 |
| 9 | 9 | Fred Meyer Stores Inc. | 100 - 249 |
| 10 | 10 | A&P (Williams Inc) | 100 - 249 |

Source: DOL

Southeast Alaska's list of top private employers looks remarkably similar to the Juneau top private employer list, with the exception of Ketchikan General Hospital and Trident Seafoods. (A&P is on Juneau's list at #22). There was no change in the names on Southeast Alaska's top 10 list; however, some minor shuffling in ranking took place.

Nonresident Employment

In 2009, 4,791 non-locals (those from outside Alaska as well as Alaskans from outside Juneau) earned \$101 million in Juneau and accounted for 28 percent of the Juneau non-federal workforce. This represented a 7.7 percent decrease (397 employees) in non-local employment over 2008. (Federal employees are excluded from this study). Alaska residency is determined by PFD eligibility.

Nonresident and Non-local Resident Workers in Juneau Private Sector, State and Local Government, 2000-2009

| Year | Non-Alaska Resident Workers | Alaska Resident Non-local Workers | Total Non-Juneau Resident Workers | Total Wages for Non Juneau Resident Workers |
|------------------|-----------------------------|-----------------------------------|-----------------------------------|---|
| 2000 | 2,403 | 1,396 | 3,799 | \$57,799,064 |
| 2007 | 3,621 | 1,571 | 5,192 | \$109,886,076 |
| 2008 | 3,571 | 1,617 | 5,188 | \$104,154,139 |
| 2009 | 3,310 | 1,481 | 4,791 | \$101,965,715 |
| Change 2008-2009 | -7.3% | -8.4% | -7.7% | -2.1% |
| Change 2000-2009 | 38% | 6% | 26% | 76% |

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Juneau's private sector has higher levels of nonresident participation than its public sector. Nonresidents accounted for 38 percent of all private-sector employees and earned a fifth (20 percent) of all private-sector wages in 2009. Approximately 14 percent of those classified as non-residents are recent arrivals in Juneau who later earn their residency. According to the Alaska Department of Labor, non-residents typically do not work all four quarters in a year, but instead work only during summer months or in other short-term seasonal positions. The top private-sector, nonresident occupations included retail salespersons, food preparation and service workers, and tour guides.

Top Private Non Juneau Resident Industries, 2009

| Industry (Two Digit NAICS) | Non-local employees |
|---|---------------------|
| Retail Trade | 564 |
| Transportation and Warehousing | 563 |
| Accommodation and Food Services | 513 |
| Construction | 408 |
| Health Care and Social Assistance | 325 |
| Manufacturing | 321 |
| Arts, Entertainment and Recreation | 235 |
| Mining | 229 |
| Administrative Support/Waste Management & Remediation | 202 |
| Professional, Scientific and Technical Services | 155 |
| Finance and Insurance | 125 |

Source: DOL



Demographics

Juneau and Regional Population Trends

In 2010, the Juneau population increased by 1.1 percent—an increase of 329 people to 31,275. The population of the region also increased, by 523 people (+0.7 percent) to 71,664, and the Alaska population grew by 2.6 percent to 710,231 between 2009 and 2010.

Juneau and Regional Population Overview 2000-2010

| Population | 2010 | 2009 | 2008 | 2000 | Change 2009-2010 | Change 2000-2010 |
|-----------------------------|---------|---------|---------|---------|------------------|------------------|
| Juneau | 31,275 | 30,946 | 30,554 | 30,711 | 1.1% | 1.8% |
| Southeast Alaska | 71,664 | 71,141 | 70,504 | 73,082 | 0.7% | -1.9% |
| Non Juneau Southeast Alaska | 40,389 | 40,195 | 39,950 | 42,371 | 0.5% | -4.7% |
| Alaska | 710,231 | 697,828 | 681,977 | 626,931 | 1.8% | 13.3% |
| United States (000) | 308,745 | 307,007 | 304,060 | 282,217 | 0.6% | 9.4% |

Source: ADOL and US Census 2010

In 2010, the non-Juneau Southeast region was 4.7 percent **below** its 2000 population level, while Juneau was 1.8 percent **above** its 2000 population. In this way, we lag behind state and national trends. Between 2000 and 2010, the population of Alaska increased by 83,300 (+13.3 percent) and the population of the US increased by 9.4 percent.

Southeast Borough and Census Area Population 1990 to 2010

| | 2010 | 2009 | 2000 | 1990 | Pop Change 2009-2010 | Pop Change 2000-2010 |
|----------------------------|---------------|---------------|---------------|---------------|----------------------|----------------------|
| Haines Borough | 2,508 | 2,453 | 2,392 | 2,117 | 55 | 116 |
| Hoonah-Angoon Census Area | 2,150 | 2,166 | 2,574 | 2,988 | -16 | -424 |
| Juneau City and Borough | 31,275 | 30,946 | 30,711 | 26,751 | 329 | 564 |
| Ketchikan Gateway Borough | 13,477 | 13,377 | 14,067 | 13,828 | 100 | -590 |
| Petersburg Census Area | 3,815 | 3,904 | 4,260 | --- | -89 | -445 |
| Prince of Wales-Hyder C.A. | 5,559 | 5,525 | 6,125 | 6,278 | 34 | -566 |
| Sitka City and Borough | 8,881 | 8,730 | 8,835 | 8,588 | 151 | 46 |
| Skagway Municipality | 968 | 944 | 862 | 692 | 24 | 106 |
| Wrangell City and Borough | 2,369 | 2,352 | 2,448 | --- | 17 | -79 |
| Yakutat City and Borough | 662 | 744 | 808 | 705 | -82 | -146 |
| Southeast Region | 71,664 | 71,141 | 73,082 | 68,989 | 523 | -1,418 |

Source: ADOL and US Census 2010

Population Projections

Alaska has grown steadily over recent years, and according to the Alaska Department of Labor, is expected to increase by an additional 21% over the next 25 years. The only region in Alaska expected to have population decline during that time period is Southeast. The region has the highest median age in the state along with particularly low birth rates. According to the Alaska Department of Labor, "growth would require a sharp rise in net-migration." As migration depends on economic and social factors, making it less predictable, "the future of Southeast is uncertain because of its dependence on future social and economic developments."

This would represent a 28% population decline in the non-Juneau Southeast areas by 2034 compared to 2010. During that time period, Haines is forecasted to lose 43% of its population, Prince of Wales 36%, and Wrangell-Petersburg 35%. Juneau's population is forecasted to remain relatively flat, with a loss of just three percent.

Population Projections for Through 2034: Alaska and Southeast Alaska (mid Projections)

| | 2010 | 2014 | 2024 | 2034 | Change 2010-2034 |
|----------------------------|---------------|---------------|---------------|---------------|------------------|
| Alaska | 710,231 | 723,619 | 794,975 | 862,750 | 21% |
| Southeast Alaska | 71,664 | 67,948 | 64,692 | 59,472 | -17% |
| Haines Borough | 2,508 | 2,133 | 1,802 | 1,422 | -43% |
| Juneau City and Borough | 31,275 | 30,884 | 31,040 | 30,191 | -3% |
| Ketchikan Gateway Borough | 13,477 | 12,464 | 11,339 | 9,878 | -27% |
| Prince of Wales-Hyder C.A. | 5,559 | 5,052 | 4,368 | 3,566 | -36% |
| Sitka City and Borough | 8,881 | 8,578 | 8,400 | 8,000 | -10% |
| Skagway-Hoonah-Angoon | 2,908 | 2,785 | 2,483 | 2,100 | -28% |
| Wrangell-Petersburg | 5,852 | 5,445 | 4,701 | 3,828 | -35% |
| Yakutat City and Borough | 662 | 607 | 559 | 487 | -26% |

Source: ADOL

Editors Note: JEDC cautions that these estimates are based on the past performance of the region, over a period of time that Southeast Alaska lost 3,240 direct timber industry jobs. Since we are not expecting to lose an industry of this magnitude again, JEDC believes these projections represent a worst-case scenario forecast for the region.

Migration

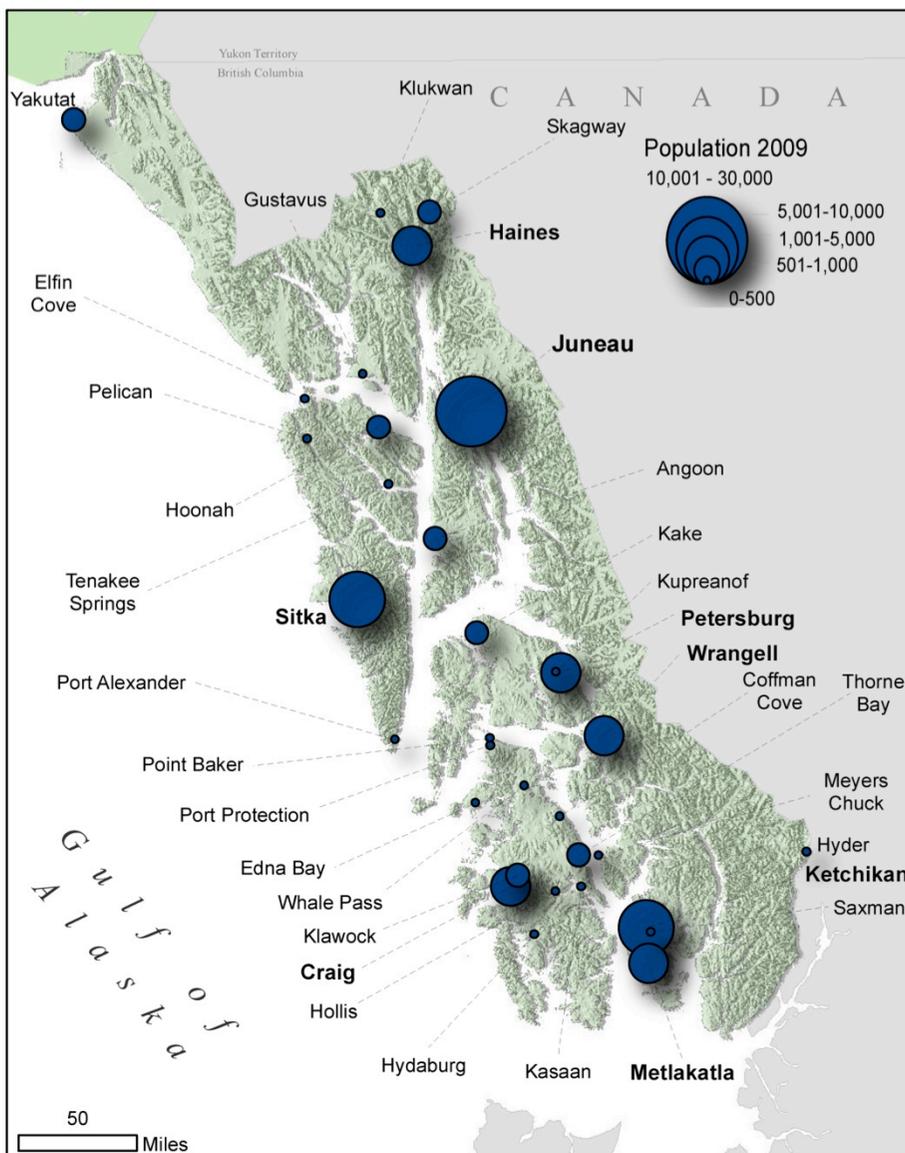
Migration is a large component of Juneau's culture and demographic trends. Each year between nine and 11 percent of Juneau's population moves away, replaced by a new 10 percent who move here annually. This population churn takes place on a similar scale in the region, and state. Two-thirds of this group moves to Juneau from out of state. Nationally six percent of residents moved into a new community in 2009.

Migration Patterns: New Residents in Previous Year, 2009

| | Alaska | Anchorage | Juneau | Southeast Alaska |
|---|--------|-----------|--------|------------------|
| Total moved to community last year | 64,874 | 24,724 | 3,265 | 6,841 |
| Total moved to community last year % | 10% | 9% | 11% | 10% |
| Moved in from different Borough | 19,836 | 5,855 | 1,034 | 2,256 |
| Moved in from different Borough % | 2.9% | 2.1% | 3.4% | 3.3% |
| Moved from different state or country | 45,038 | 18,869 | 2,231 | 4,585 |
| Moved from different state or country % | 6.6% | 6.8% | 7.4% | 6.7% |

Population by Southeast Alaska Community

There are 34 towns in Southeast with a population of more than one person.



Source: Alaska Map Company, Alaska Department of Labor and Workforce Development, Research & Analysis

Southeast Community Population Change, 2000-2010

| Southeast Alaska Community | 2010 | 2009 | 2008 | 2000 | Change 2009-10 | Change 2000- 2010 |
|-----------------------------|--------|--------|--------|--------|-------------------|-------------------------|
| Juneau City and Borough | 31,275 | 30,946 | 30,554 | 30,711 | 1% | 2% |
| Ketchikan Gateway Borough | 13,477 | 13,377 | 13,287 | 14,067 | 1% | -4% |
| Sitka City and Borough | 8,881 | 8,730 | 8,698 | 8,835 | 2% | 1% |
| Petersburg City | 2,948 | 3,008 | 3,017 | 3,224 | -2% | -9% |
| Haines City and Borough | 2,508 | 2,453 | 2,464 | 2,392 | 2% | 5% |
| Wrangell City and Borough | 2,369 | 2,352 | 2,362 | 2,448 | 1% | -3% |
| Metlakatla Indian Community | 1,405 | 1,345 | 1,319 | 1,375 | 4% | 2% |
| Craig City | 1,201 | 1,194 | 1,193 | 1,397 | 1% | -14% |
| Skagway Borough | 968 | 944 | 911 | 862 | 3% | 12% |
| Hoonah City | 760 | 762 | 808 | 860 | 0% | -12% |
| Klawock City | 755 | 723 | 723 | 854 | 4% | -12% |
| Yakutat City and Borough | 662 | 744 | 686 | 808 | -11% | -18% |
| Kake City | 557 | 578 | 592 | 710 | -4% | -22% |
| Thorne Bay City | 471 | 442 | 452 | 557 | 7% | -15% |
| Angoon City | 459 | 450 | 431 | 572 | 2% | -20% |
| Gustavus City | 442 | 464 | 452 | 429 | -5% | 3% |
| Hydaburg City | 376 | 386 | 379 | 382 | -3% | -2% |
| Coffman Cove City | 176 | 207 | 183 | 199 | -15% | -12% |
| Tenakee Springs City | 131 | 129 | 118 | 104 | 2% | 26% |
| Naukati Bay CDP | 113 | 111 | 116 | 135 | 2% | -16% |
| Hollis CDP | 112 | 118 | 115 | 139 | -5% | -19% |
| Klukwan CDP (Chilkat) | 95 | 76 | 75 | 139 | 25% | -32% |
| Pelican City | 88 | 112 | 102 | 163 | -21% | -46% |
| Hyder CDP | 87 | 97 | 103 | 97 | -10% | -10% |
| Port Alexander City | 52 | 55 | 57 | 81 | -5% | -36% |
| Kasaan City | 49 | 82 | 75 | 39 | -40% | 26% |
| Port Protection CDP | 48 | 62 | 57 | 63 | -23% | -24% |
| Edna Bay CDP | 42 | 46 | 37 | 49 | -9% | -14% |
| Whale Pass CDP | 31 | 37 | 31 | 58 | -16% | -47% |
| Kupreanof City | 27 | 27 | 26 | 23 | 0% | 17% |
| Elfin Cove CDP | 20 | 23 | 20 | 32 | -13% | -38% |
| Game Creek CDP | 18 | 16 | 18 | 35 | 13% | -49% |
| Whitestone Log. Camp CDP | 17 | 10 | 13 | 116 | 70% | -85% |
| Point Baker CDP | 15 | 12 | 16 | 35 | 25% | -57% |

Source: ADOL, Research and Analysis Section and the US Census Bureau.

Note: CDPs (census-designated places) are populated areas that resemble incorporated places, but lack separate municipal government.

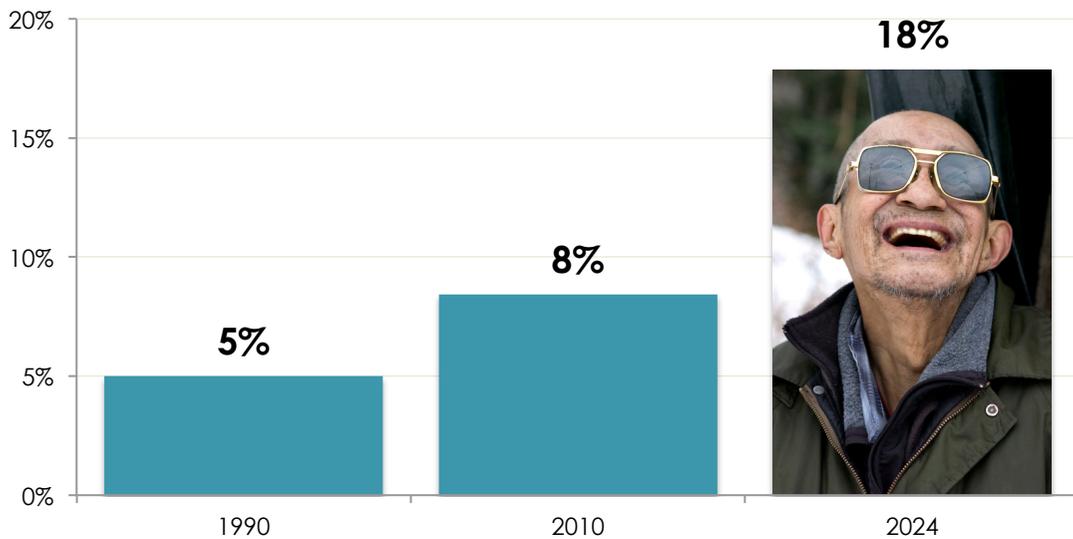
There have been major changes in the population levels of Southeast communities between 2000 and 2010: 25 of the regions communities lost population. Just looking at the 23 communities with a population over 100, nine communities lost 12% to 20% of their populations—Hoonah, Klawock, Coffman Cove, Craig, Thorne Bay, Naukati, Yakutat, Hollis, and Angoon; while three communities lost even more, including Kake, Klukwan, and Pelican. (Pelican lost

46%). Tenakee and Skagway enjoyed the largest percentage population **gains** of the decade, increasing by 26% and 12%, respectively. Juneau's population remained relatively flat, increasing just two percent in the last ten years.

Increasing Senior Population

The proportion of those 65 and older in Juneau increased from 5 percent in 1990 to 8 percent in 2010. By 2024 those 65 and older are expected to make up 18 percent of the local population.

Juneau Residents 65 and Older: by Percent of Population
1990, 2010, 2024 (est.)

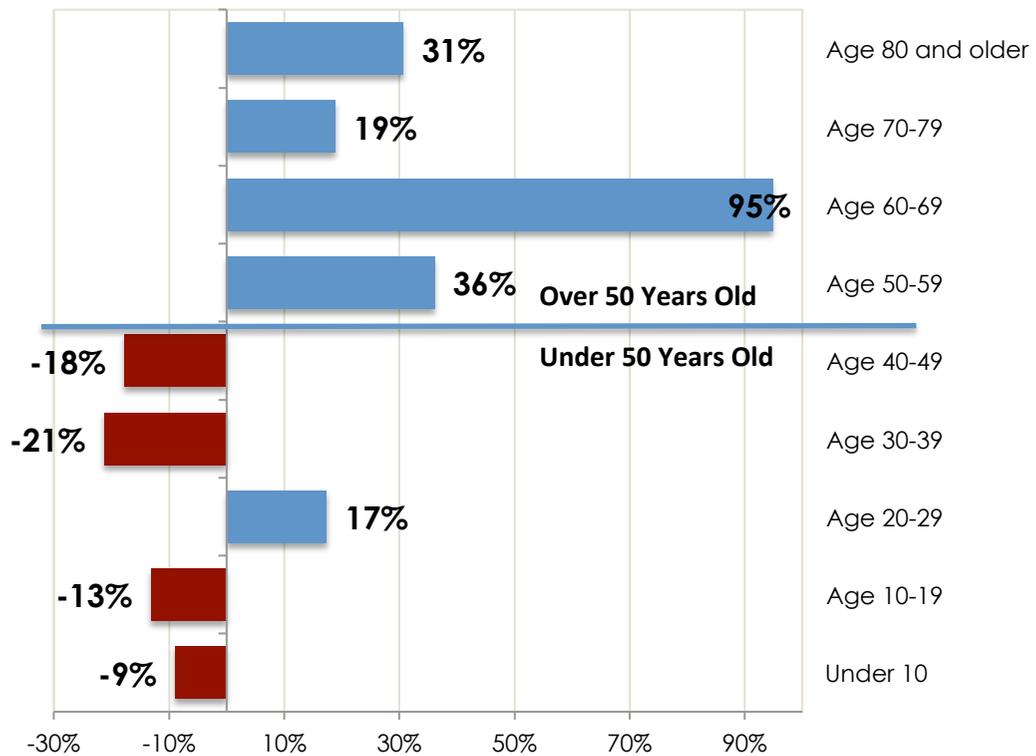


| Area | 1990 | 2010 | 2024 |
|------------------------|--------------|--------------|--------------|
| 55 to 64 | 5% | 14% | 12% |
| 65 to 74 | 3% | 6% | 12% |
| 75 plus | 2% | 3% | 6% |
| Total 65+ % | 5% | 8% | 18% |
| Total 65+ Count | 1,338 | 2,635 | 5,549 |

Source: ADOL, Research and Analysis Section and the US Census Bureau.

Juneau has aged at a faster pace than the state and the nation and Juneau's senior population has been increasing rapidly. According to the Alaska Commission on Aging, the number of older Alaskans is increasing at a rate more than four times the national average. Juneau's shifting demographics mean that Juneau's senior population is becoming more significant by the year.

Age Group Changes of Juneau's Population, by Percent 2000 to 2010



Between 2000 and 2010, all age categories over 50 increased, while all age categories under 50 decreased. The exception was the Juneau 20-somethings. The number of people in that demographic increased by 17% (627 people) over the last decade.

Median Age

In 2010 the median age in Juneau was 38.1 (up from 35.3 in 2000) and the lowest median age in the region. The state and national median ages were both lower than Juneau, 33.8 and 37.2 respectively. The regional median age was 39.5, although some areas of the region are notably older, such as Haines, with a median age of 46.5 and Wrangell at 46.1.

Median Age, 2010, 2000

| Area | Median Age, 2010 | Median Age, 2000 |
|---------------|------------------|------------------|
| Juneau | 38.1 | 35.3 |
| Southeast | 39.5 | 35.9 |
| Alaska | 33.8 | 32.4 |
| United States | 37.2 | 35.3 |

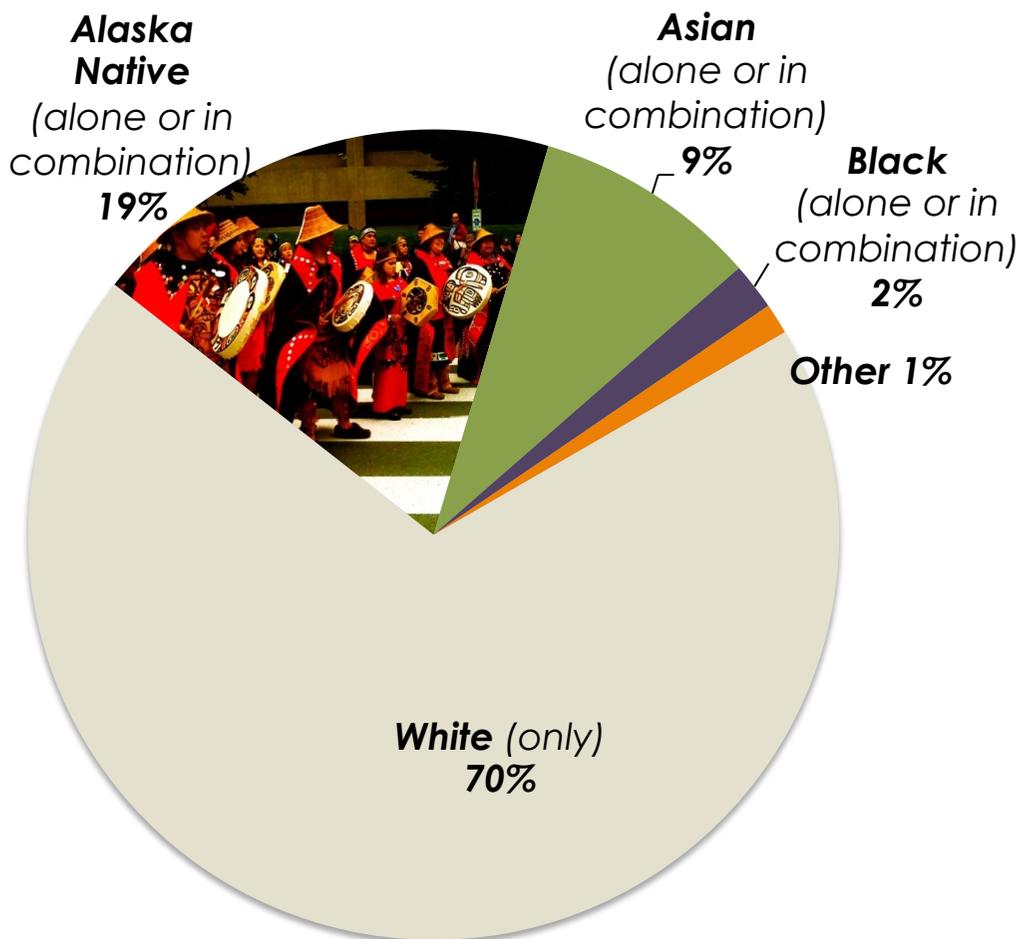
Source: ADOL, US Census

Juneau Ethnicity

In Juneau, Alaska Natives (and American Indians) comprise 19 percent of the Juneau population in 2010. Of that group, 12 percent identify themselves as Alaska Native only, 5 percent identify themselves as White and Alaska Native, and 2 percent identify themselves as Alaska Native in combination with other racial groups. In the 2000 Census, 16.5 percent of Juneau residents identified themselves as Alaska Native.

State-wide, 19 percent of the population is Alaska Native. Regionally, 22 percent of all Southeast residents identify themselves as Alaska Native.

Juneau Population by Ethnicity, 2010

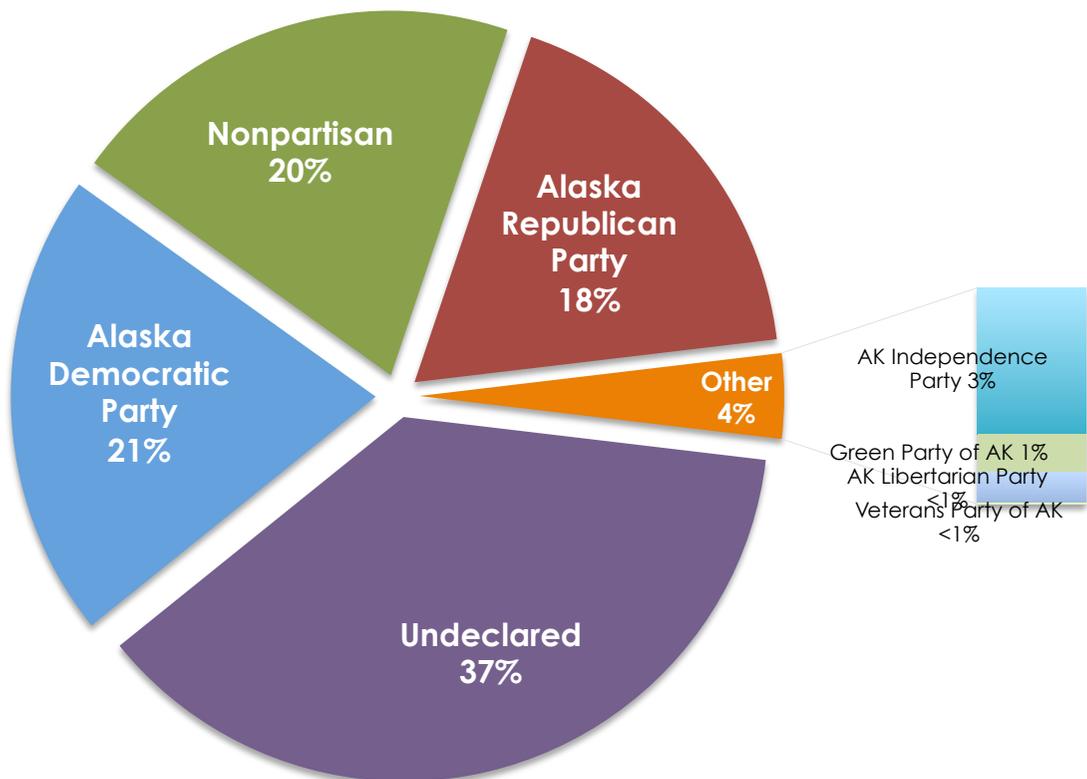


Source: US Census 2010

Juneau Voter Registration

Nonpartisan and undeclared voters in Juneau make up 57 percent of all local registered voters. Democrats in Juneau slightly outnumber Republicans, with 21 percent of all registered voters belonging to the Alaska Democratic Party and 18 percent belonging to the Alaska Republican Party. (Regionally 20 percent are Democrats, and 22 percent are Republicans). An additional 4 percent of Juneau's voters belong to other political parties, such as the Alaska Independence Party or the Green Party of Alaska.

In the two previous presidential elections, Juneau residents voted in favor of the Democratic candidate. In 2008 the split was 64 percent to 32 percent, and in 2004 the split was 59 percent to 37 percent.



Source: Alaska Division of Elections

There are 24,217 registered voters in Juneau, despite the fact that there are only 22,967 Juneau residents aged 18 and older. According to the Alaska Division of Elections, the discrepancy is due to residents relocating, both temporarily and permanently. (If a registered voter moves and does not vote in another state, he

or she will remain on the rolls for 4 years before they are finally purged from the voter registration master list).

Health Statistics

Juneau is the healthiest community in Alaska. This is according to a 2010 study by the University of Wisconsin Population Health Institute and the Robert Wood Johnson Foundation. Juneau is followed by Kodiak Island and Anchorage. Sitka ranks fourth in the study. (The lower the health factor score, the higher the health of the community).



Source: <http://www.countyhealthrankings.org/>

To determine these rankings, a huge array of data points were compared to each other (such as adult smoking rate, adult obesity rate, excessive drinking, Motor

vehicle crash death rate, teen birth rate, adult uninsured rate, high school graduation rate, adults with college degrees, unemployment rate, children in poverty, single-parent households, community safety, etc.)

In addition to ranking first overall, the community of Juneau also ranked highest in the sub-categories of Health Behavior, Clinical Care, and Social & Economic Factors. Juneau ranked relatively poorly in terms of alcohol use.

2011 Alaska Borough Health Rankings

| | Juneau | Keetchikan Gateway | POW-Outer KTN | Sitka | Skagway-Hoonah-Angoon | Wrangell-Petersburg | Anchorage |
|--------------------------------------|----------|--------------------|---------------|-----------|-----------------------|---------------------|-----------|
| Health Behaviors | 1 | 14 | 15 | 8 | 11 | 2 | 3 |
| Smoking | 1 | 9 | 17 | 3 | 11 | 7 | 2 |
| Diet and Exercise | 5 | 20 | 19 | 10 | 11 | 2 | 4 |
| Alcohol Use | 9 | 18 | 8 | 17 | 15 | 7 | 6 |
| Unsafe Sex | 8 | 9 | 12 | 7 | 11 | 1 | 14 |
| Clinical Care | 1 | 3 | 12 | 9 | 8 | 4 | 5 |
| Access to Care | 3 | 6 | 17 | 2 | 15 | 4 | 7 |
| Quality of Care | 4 | 1 | 8 | 22 | 7 | 9 | 10 |
| Social & Economic Factors | 1 | 10 | 18 | 3 | 15 | 12 | 4 |
| Employment | 2 | 5 | 22 | 3 | 20 | 16 | 3 |
| Income | 2 | 8 | 17 | 5 | 16 | 13 | 6 |
| Family and Social Support | 4 | 16 | 7 | 12 | 9 | 11 | 5 |
| Community Safety | 4 | 12 | 5 | 1 | 9 | 17 | 15 |
| Education | 6 | 13 | 19 | 5 | 8 | 2 | 4 |
| Physical Environment | 8 | 1 | 12 | 4 | 12 | 12 | 11 |
| Health Factors | 1 | 9 | 16 | 4 | 13 | 6 | 3 |

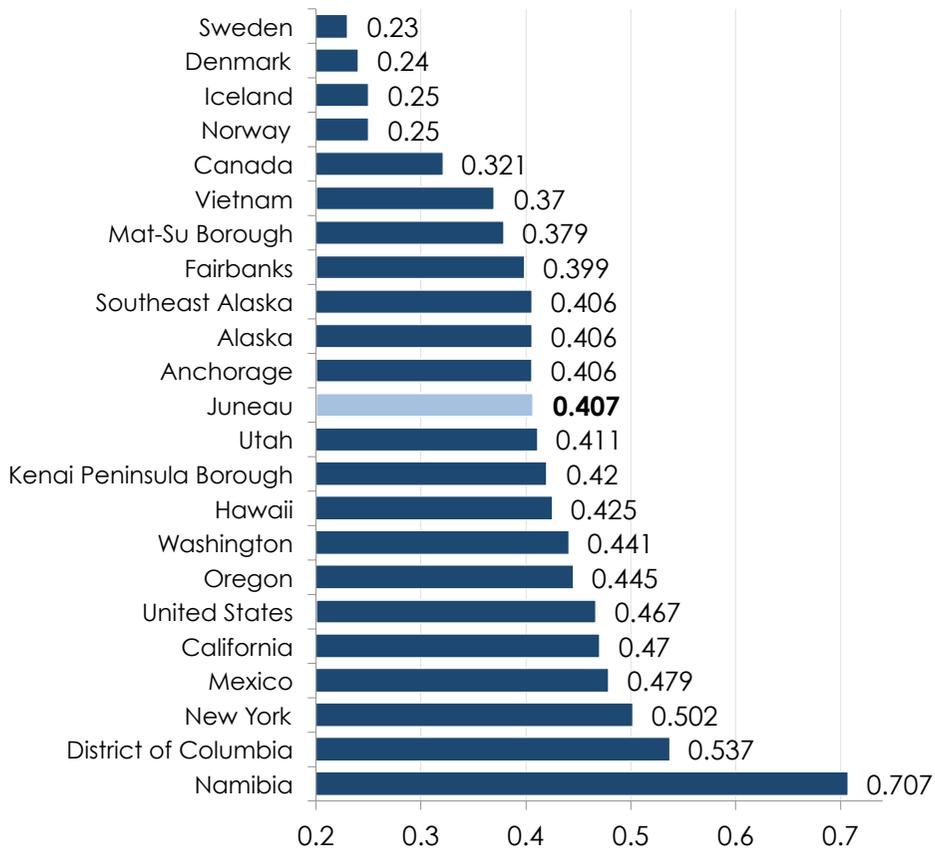
Income Equality in Juneau

Differences in income equality are measured by the Gini coefficient. The Gini coefficient is a number between 0 and 1, where 0 corresponds with perfect equality (where everyone has the same income) and 1 corresponds with perfect inequality (where one person has all the income and everyone else has zero income). The index is calculated from the Lorenz curve, in which cumulative family income is plotted against the number of families arranged from the poorest to the richest. To get a sense of how Juneau rates in terms of income equality, let's start with the world. Using the Gini coefficient to rate 135 countries, Sweden has the greatest income equity with a Gini coefficient of 0.23, and Namibia has the

greatest disparity, with 0.71. The US ranks 98th with a score of 0.47 meaning there are 97 countries with more income equality than the US.

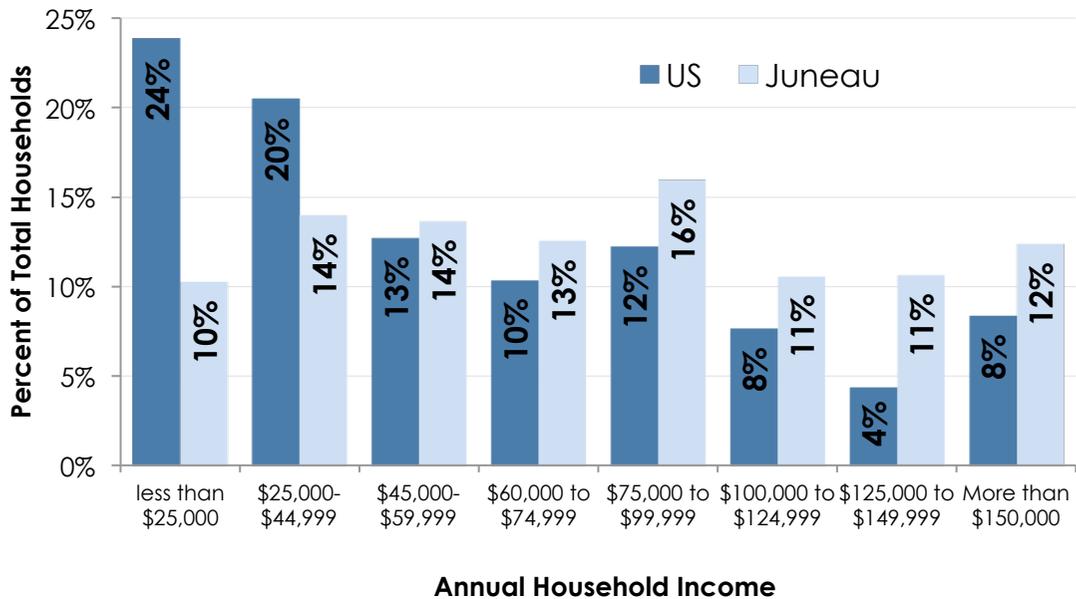
Comparing states within the US, Alaska has a score of 0.406. No other state has more income equality than Alaska. Fairbanks and the Mat-Su Boroughs have even greater income equality than the state as a whole. Juneau's Gini coefficient is 0.407. A graph with some comparative examples is presented below.

Distribution of Family Income – Gini Index Score



Another way to compare income equality between Juneau and the US as a whole is to look at the distribution of household income. The following chart compares levels of annual household income between Juneau and the US as a whole by percentage. One-quarter (24 percent) of Juneau households earn less than \$45,000 annually, compared to 44 percent of households nationally; and more than a third (34 percent) of Juneau households earn more than \$100,000 annually, compared to one-fifth (20 percent) of US households.

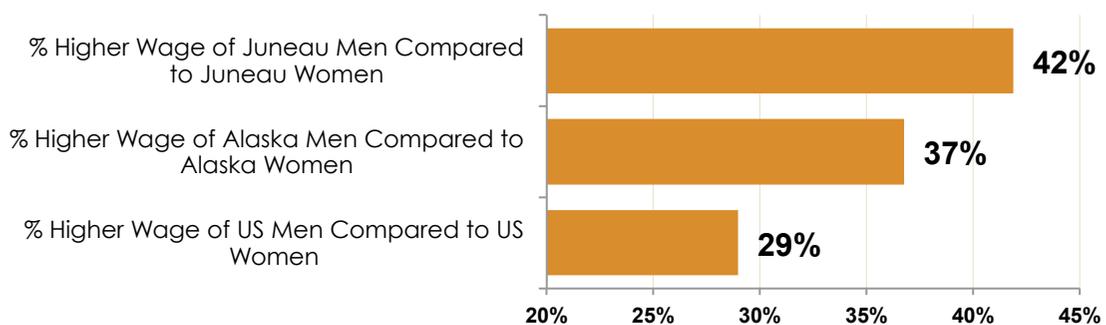
Annual Household Income in the US and Juneau by Percent of Households, 2009



Juneau Gender Compensation Analysis

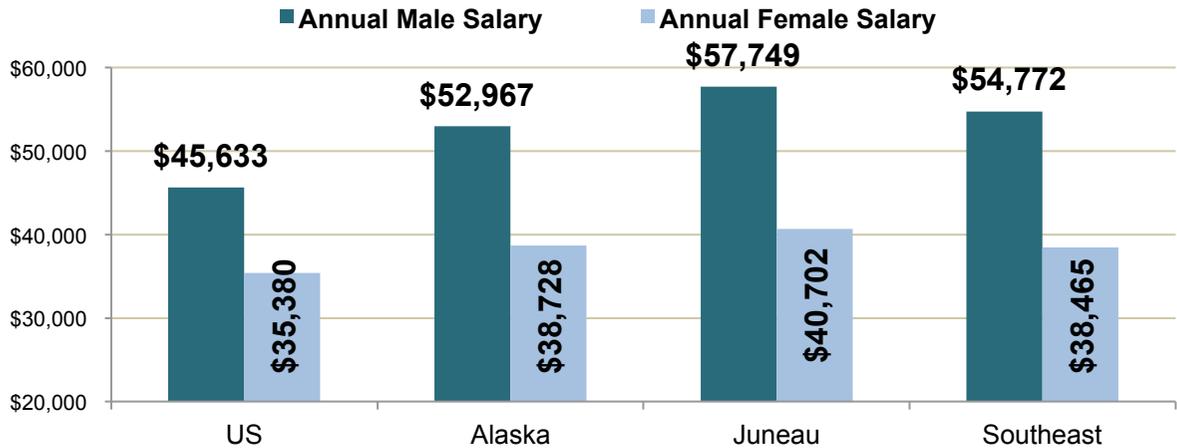
Nationally, men earned 29% more than their female counterparts in 2009. Statewide, men earned 37% more for full time year round employment. **In Juneau, men earned 42% more than women.**

Percent Higher Annual Full Time Wages Earned by Men than Women



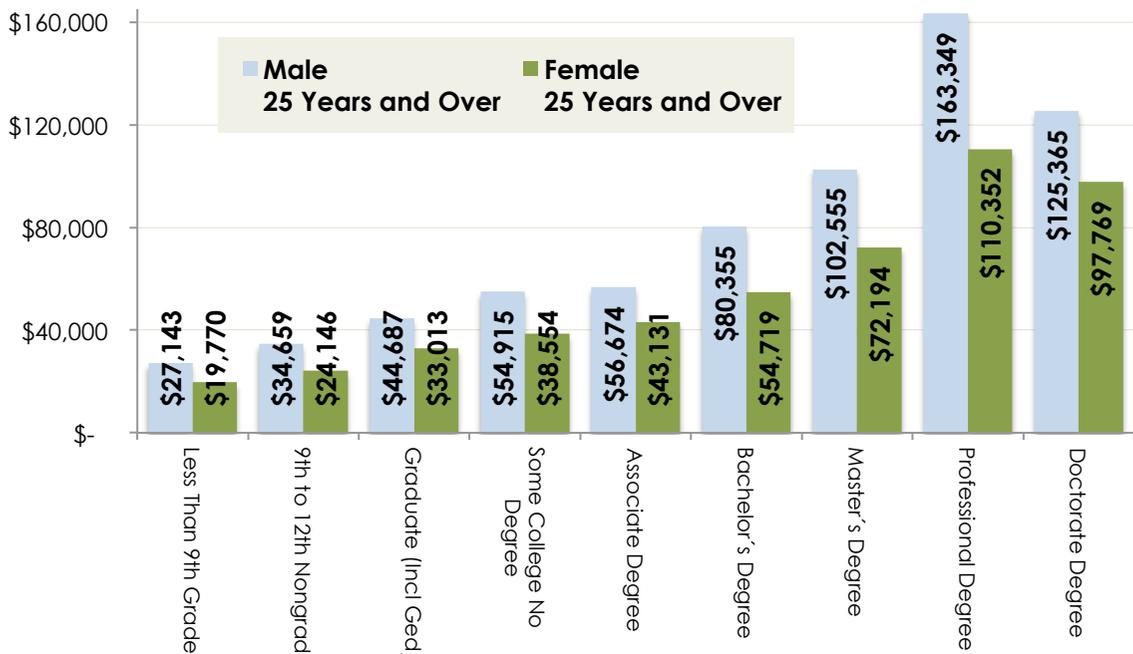
In 2009, the average full time year round wage for a woman in Juneau was \$40,702, while the average full time annual male wage was \$57,749. The average annual full time salary is higher in Juneau – for both men and woman. However, while Juneau women earn 15% more than women nationally, men in Juneau earn 27% more annually for full time employment than the national male average.

Full Time Year Round Employee Average Wages, 2009



Generally, the higher level of education a person has, the higher their pay, with men earning more than their female counterparts for each education level. In 2009 for full time year round work for all US, women with Associate Degrees earned less than men with only a HS degree. Women with Master's Degrees earned less than men with just a Bachelor's.

2009 Earning by Educational Attainment-People 25 Years Old and Over, Worked Full-Time, Year-Round, by Gender (Total US)



Source: Current Population Survey (CPS): A joint effort between the Bureau of Labor Statistics and the Census Bureau

Student Statistics

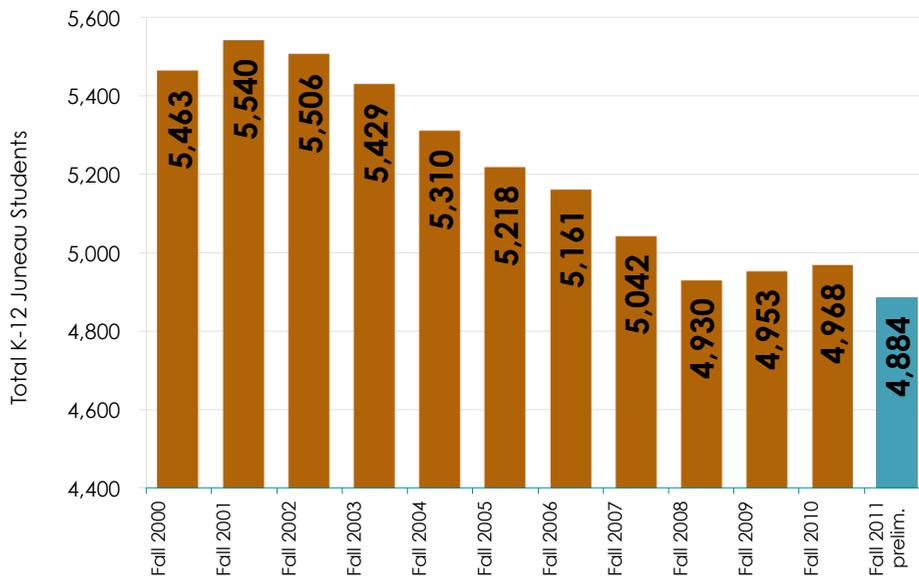
Photo Credit: Michael Penn/Juneau Empire



Juneau School District Enrollment

In the 2009-2010 school year, the number of K-12 students enrolled in the Juneau School District (JSD) remained flat. On October 1, 2010, 4,968 students were enrolled in Juneau schools, a 0.3% (15 student) increase from the previous year. Since 2000, the number of children enrolled in Juneau schools has fallen by 9 percent (-495 students). Forecasts project a one percent decline in enrollment in 2011, and a four percent student decline by 2016.

Juneau School District K-12 Enrollment, Fall 1999 - 2010



Source: State of Alaska Department of Education and Early Development and JSD.

Juneau School District Enrollment, 1999-2010

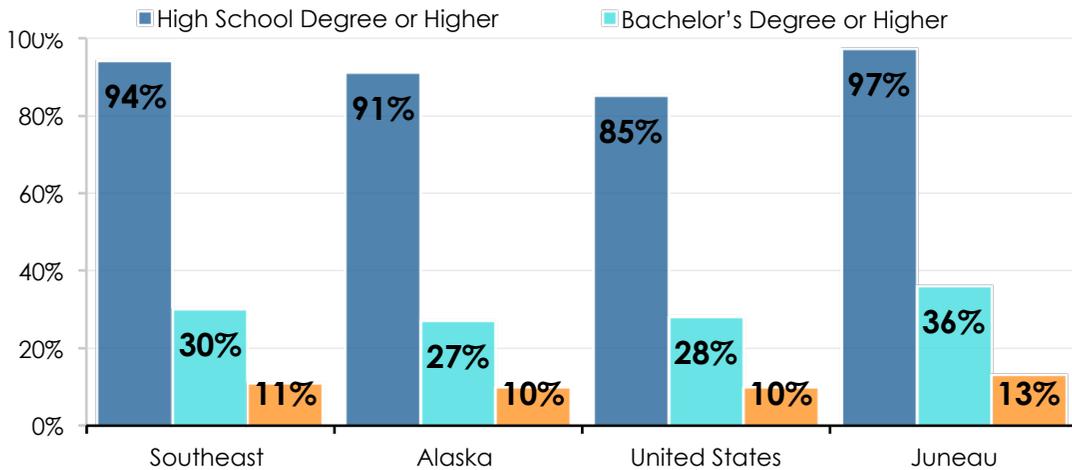
| Year | Grade School | Middle School | High School | Total Enrollment |
|-----------------------------|--------------|---------------|-------------|------------------|
| Fall 2011 (preliminary) | 2,157 | 1,104 | 1,623 | 4,884 |
| Fall 2010 | 2,142 | 1,111 | 1,715 | 4,968 |
| Fall 2009 | 2,160 | 1,077 | 1,716 | 4,953 |
| Fall 2000 | 2,555 | 1,322 | 1,771 | 5,648 |
| Fall 2016 Forecast | 2,100 | 1,064 | 1,584 | 4,748 |
| Fall 2011 Forecast | 2,137 | 1,090 | 1,697 | 4,924 |
| Change Fall '09 to Fall '10 | -0.8% | 3.2% | -0.1% | 0.3% |
| Change Fall '00 to Fall '10 | -13% | -12% | -2% | -9% |

Source: State of Alaska Department of Education and Early Development and JSD.

Educational Attainment

Juneau and Southeast Alaska residents have a higher level of average educational attainment than the state and national populations. In 2009, 97 percent of Juneau residents over the age of 25 had at least a high school degree, and 13 percent had a graduate degree. The percent of Juneau high school graduates is 12 percentage points higher than the US average of 85 percent. Overall, 94 percent of Southeast Alaska residents have at least a high school degree (or equivalent).

Educational Attainment by Percent 2009, Age 25+



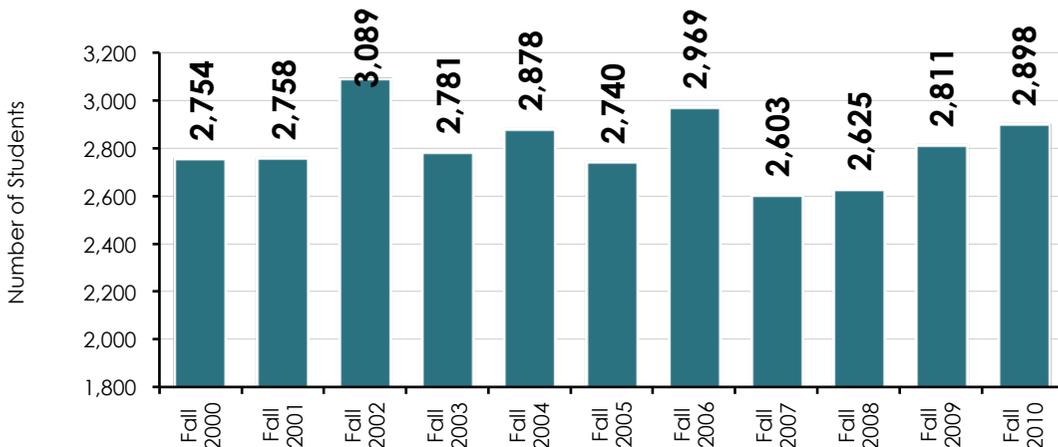
| Level of Education | Juneau | Southeast | Alaska | US |
|--|--------|-----------|--------|-----|
| High School Degree or Higher (age 25+) | 97% | 94% | 91% | 85% |
| Bachelor's Degree or Higher (age 25+) | 36% | 30% | 27% | 28% |
| Graduate Degree or Higher (age 25+) | 13% | 11% | 10% | 10% |

Source: US Census (American Fact Finder)

University of Alaska Southeast: The Juneau Campus

In the fall of 2010, 2,989 students attended the University of Alaska Southeast campus in Juneau. This represents an increase of 3 percent from fall 2009, and an 11 percent increase from 2007. Regionally, University of Alaska Southeast enrollment was also up by 3 percent, to 3,968 students.

University of Alaska Juneau Enrollment Fall 2000 to Fall 2010



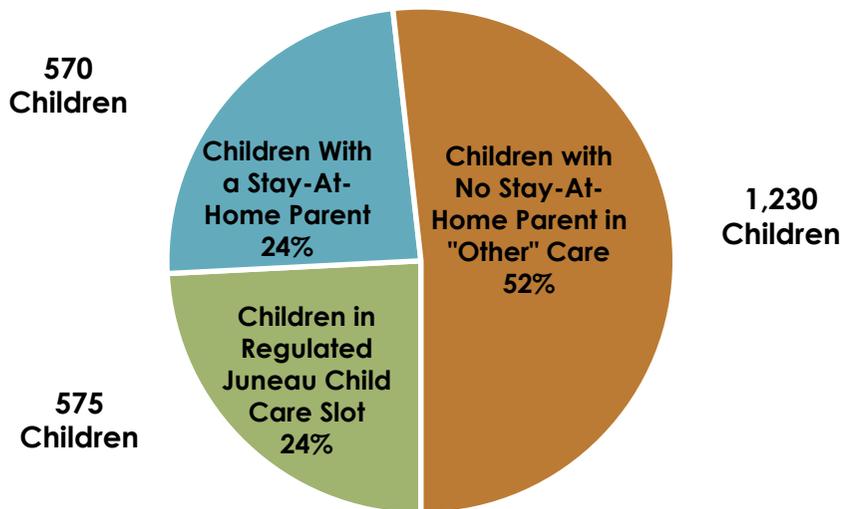
Source: University of Alaska. <http://www.alaska.edu/opa/publications/budget-summary/>

Note: Enrollment includes part time and full time students, as well as students auditing courses.

Childcare Capacity and Costs

Number of Full Time Child Care Slots in Juneau, 2010

Total Juneau Kids Under 6 = 2,375



Source: US Census 2010; Association for the Education of Young Children

Juneau Child Care by the Numbers

| | |
|---|----------|
| Juneau Population Under age six 2010 ¹ | 2,375 |
| Juneau population Under age six with no stay-at-home parent ² | 1,805 |
| Total licensed child care slots in Juneau ³ | 575 |
| Ratio of children Under 6 to Licensed Child care slots ⁴ | 1 to 4 |
| Average Annual child care Wages in Juneau 2010 ⁹ | \$20,157 |
| Average Annual Wages in Juneau 2010 ⁵ | \$44,074 |
| Average Annual Elementary school teacher Wages in Juneau 2010 ⁵ | \$53,730 |
| Salary needed to afford the fair market rent for a 2-bedroom apt ⁶ | \$48,880 |
| The 2010 turnover rate for all Juneau child care workers ⁷ | 65% |
| Annual child care turnover rate nationally ⁸ | 33% |
| Total child care workers in Juneau 2010 (Avg Employment) ⁷ | 141 |

Sources: 1 2010 US Census; 2 ACS; 3 AEYC; 4 JEDC; 5 BLS; 6 NLIHC; 7 AEYC; 8 NAEYC; 9 ADOL

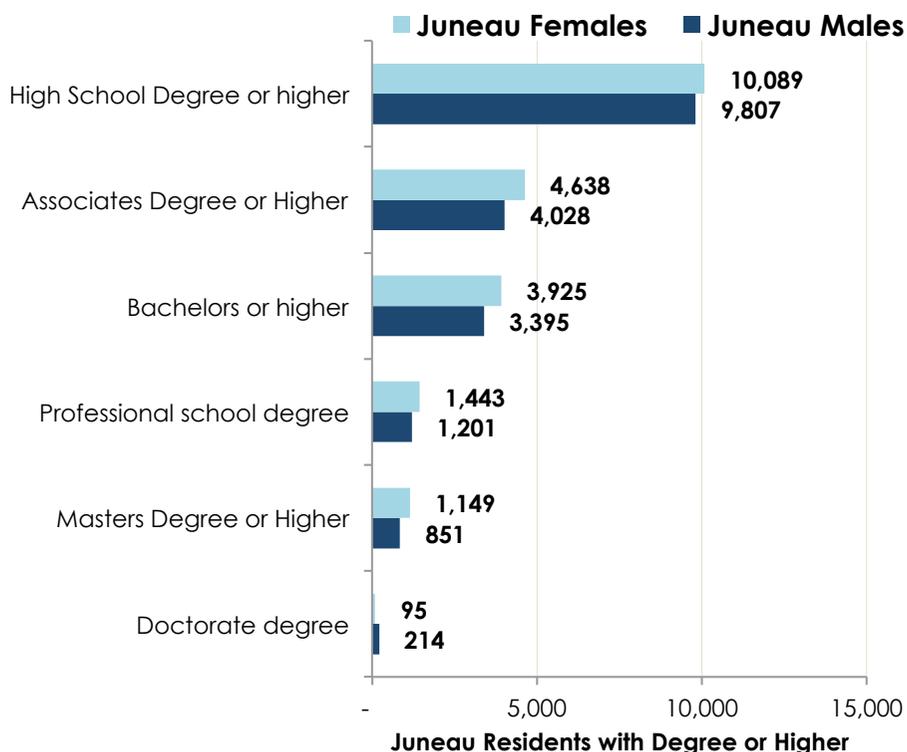
Southeast Alaska In 2010, Juneau's population included 2,375 children under the age of six. According to the US Census American Community Survey, 76 percent of Juneau children live in homes with no stay-at-home-parent (compared to 63% nationally) meaning 1,805 Juneau children are likely in need of childcare. In 2010, Juneau has 575 total licensed and approved child care slots. It follows that approximately 1,230 children under six in Juneau are in "unknown" child care situations – either with relatives or in unlicensed child care. Child care capacity decreased slightly in 2011, the waiting list times for some programs are long, and capacity is most limited for Juneau's youngest children. Of the total full-time child care slots in Juneau in 2010, just 45 are available for Juneau's 415 infants. The annual average cost of child care for a preschooler in Juneau is \$9,184 per child.

Education by Gender

Women in Juneau are slightly better educated than their male counterparts when it comes to higher education: Juneau women hold more Associate's degrees, Bachelor's degrees, and Master's degrees. Men have one percent more PhD's than Juneau women (over the age of 25).

| Level of Education | Count of Degrees | | Percentage of those Holding Degrees | |
|------------------------------|------------------|----------------|-------------------------------------|----------------|
| | Juneau Males | Juneau Females | Juneau Males | Juneau Females |
| High School Degree or higher | 9,807 | 10,089 | 97% | 96% |
| Bachelors or higher | 3,395 | 3,925 | 34% | 37% |
| Graduate Degree or higher | 1,201 | 1,443 | 12% | 14% |

Level of Education of Juneau Males and Females Over the Age of 25, 2009



Cost of Living

Comparing Living Costs

Several studies are conducted periodically to try to determine the living costs in Alaska and Juneau compared with other communities. Generally, Juneau is 30 to 39 percent more expensive to live in than the "average" US city, and 8 to 11 percent more expensive than Anchorage. Because housing is such a large component of household spending, it is the high cost of local housing that significantly inflates Juneau's overall cost of living.

ACCRA Index (Compares Higher Income Households)

The ACCRA Cost of Living Index provides a useful measure of living costs among different cities. The index reflects cost differentials for professional and executive households in the top income quintile. According to the index, it costs 39 percent more to live in Juneau than a standard US city. Professional and executive housing is 66 percent more expensive in Juneau than an average US city.

ACCRA Cost of Living Index – 1st Quarter, 2011

| Category | Juneau | Anchorage | Fairbanks |
|------------------------|-------------|-------------|-------------|
| Housing | 166% | 141% | 144% |
| Grocery | 128 | 142 | 134 |
| Utilities | 159 | 100 | 207 |
| Transportation | 111 | 114 | 114 |
| Health Care | 151 | 139 | 142 |
| Other Goods & Services | 120 | 131 | 121 |
| Composite | 139% | 131% | 138% |

Source: ACCRA Cost of Living Index.

Note: The ACCRA Cost of Living Index measures relative price levels for consumer goods and services in participating areas. The average for all participating places, both metropolitan and nonmetropolitan, equals 100, and each participant's index is read as a percentage of the average for all places.

US Military Cost of Living Allowance

The Department of Defense compares the cost of living in various locations around the world to average lower-48 costs in its Cost of Living Allowance (COLA) index. It compares the price of approximately 120 goods and services in each community. According to the COLA indices, it cost 32 percent more to live in Juneau in 2011 than in an average US city.

US Military Cost of Living Index For Selected Alaska Communities, 2011

| Community | Percent |
|-----------|---------|
| Anchorage | 128% |
| Fairbanks | 130% |
| Juneau | 132% |
| Ketchikan | 142% |
| Sitka | 140% |

Source: DOD

http://www.defensetravel.dod.mil/site/pdcFiles.cfm?dir=/Allowances/Appendix_J_Overseas_COLA_Tables/

The DoD also has a housing allowance for military personnel. In Juneau that housing allowance ranges from \$1,230 for a lower range without dependents to \$2,826 for a higher range employee with dependents. For comparison, Juneau's housing allowance is 68% higher than a community such as Spokane, Washington.

Food Costs



Photo Credit: Michael Penn/Juneau Empire

The University of Alaska Fairbanks' Cooperative Extension Service surveys communities in Alaska to determine the cost of low-expense food items that meet the minimum recommended levels of nutritional needs. The survey uses an identical market basket for each community. According to the findings, in 2011 it

cost 7 percent more to feed a family of four in Juneau than in Anchorage. In Haines, it costs 43 percent more.

Food Costs, 2011

| Community | Family Weekly Food Cost* | % of Anchorage Food Cost |
|-----------|--------------------------|--------------------------|
| Juneau | \$141 | 107 |
| Anchorage | \$132 | 100 |
| Fairbanks | \$133 | 101 |
| Haines | \$188 | 143 |
| Ketchikan | \$160 | 121 |
| Sitka | \$178 | 135 |

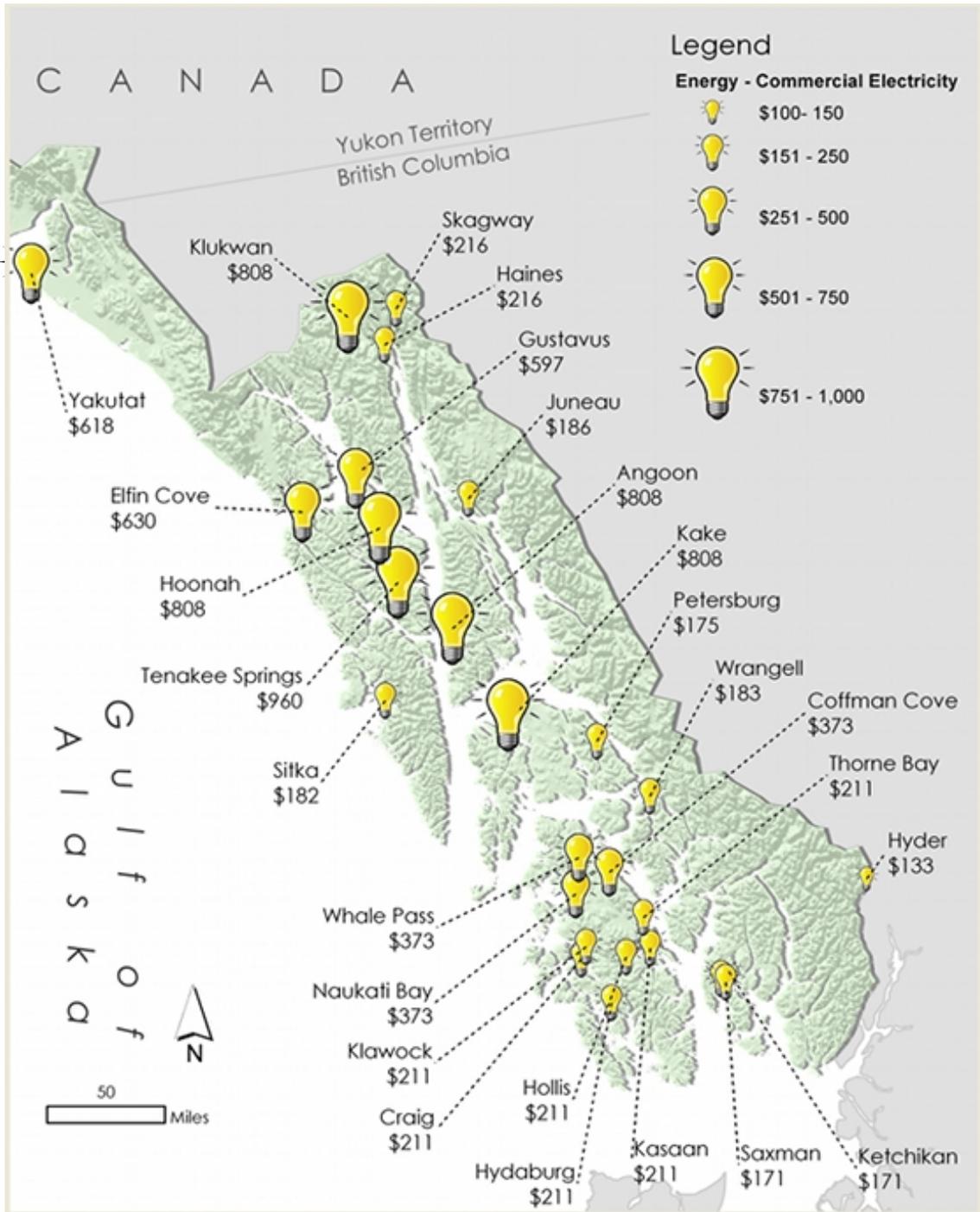
Source: University of Alaska Fairbanks, Cooperative Extension Service. www.uaf.edu/ces/fcs/.
 *Family of 4 including 2 school age children, 6-11 years old.

Energy Costs

The five major population centers in Southeast Alaska—Juneau, Ketchikan, Wrangell, Petersburg, and Sitka—have been well served for decades with relatively low cost renewable hydroelectric power. Thirteen other communities in Southeast Alaska (such as Gustavus) are served with more expensive hydroelectricity. The remainder of Southeast Alaska's communities do not have access to renewable energy, and rely on high cost diesel generation to meet their energy needs. While some residential electricity costs are partially offset by the Power Cost Equalization program, commercial and industrial users face very high rates.

In December of 2010, JEDC and Sheinberg Associates conducted a small **commercial** electricity survey based on a monthly use of 1,500 kWh across Southeast Alaska. The commercial rate for 1,500 kWh per month was lowest in Hyder (\$132.65) and highest in Tenakee Springs (\$960). The results full are presented on the map on the following page:

Small Commercial Rate for 1,500 kWh/month by Southeast Alaska Community, December 2010



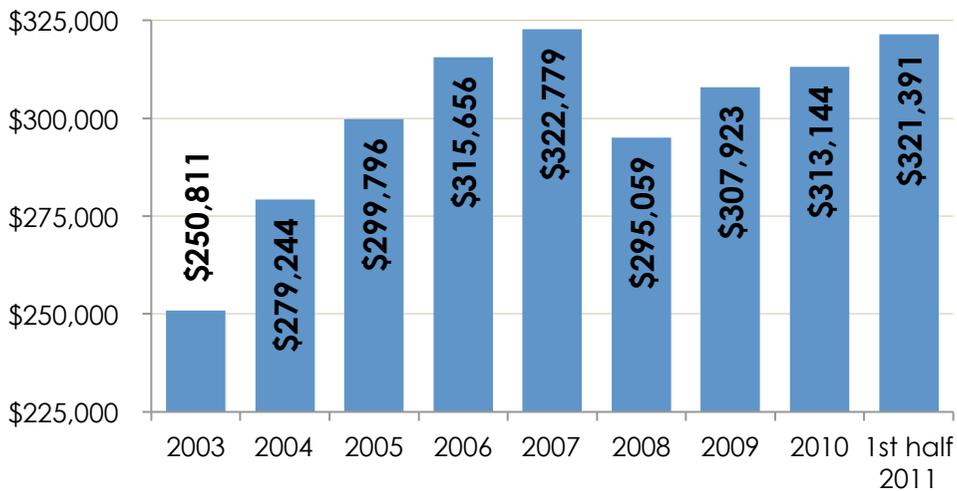
Source: Alaska Map Company; Sheinberg Associates; Inside Passage Electric Cooperative; Alaska Power Company; Personal Communication: Jane Button, Elfin Cove; Gustavus Electrical Company, Inc.; City of Ketchikan, Municipal Code, Chapter 11, Section 8, Electrical Rates; BC Hydro; Petersburg Municipal Power & Light Company; Alaska Electrical Light & Power Company; DCCED; City of Ketchikan; City and Borough of Yakutat; City and Borough of Wrangell.

Housing

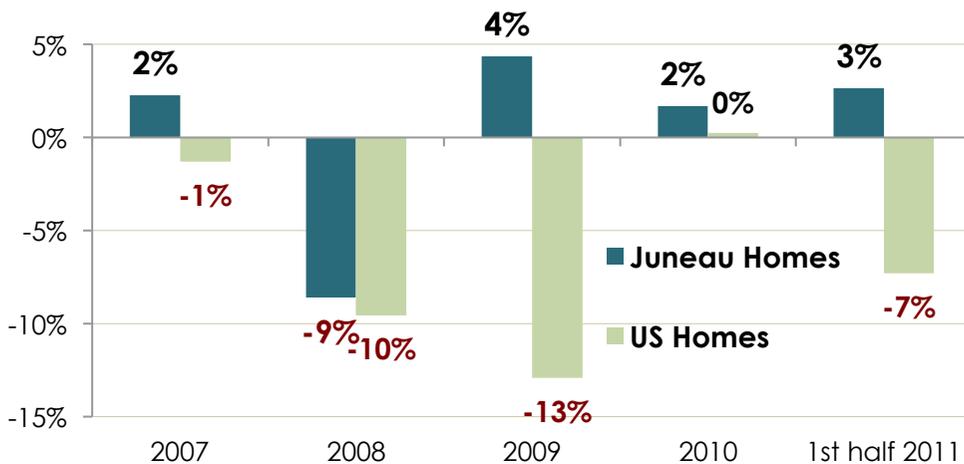
Juneau Housing Sales and Prices

In the first half of 2011, home prices were up, and the average number of days on the market was down. The average price of a single-family residence was \$321,391—a three percent increase over the first half of 2009 and similar to 2007 (peak) prices. During the same period, the price of single-family homes nationally fell by 7 percent. Nationally homes are at their 2003 prices.

Single-Family Home Prices in Juneau, 2003-2011



Change in Price: Single Family Homes 2007-2011, Juneau and US



Annual Single-Family Residential Sales in Juneau

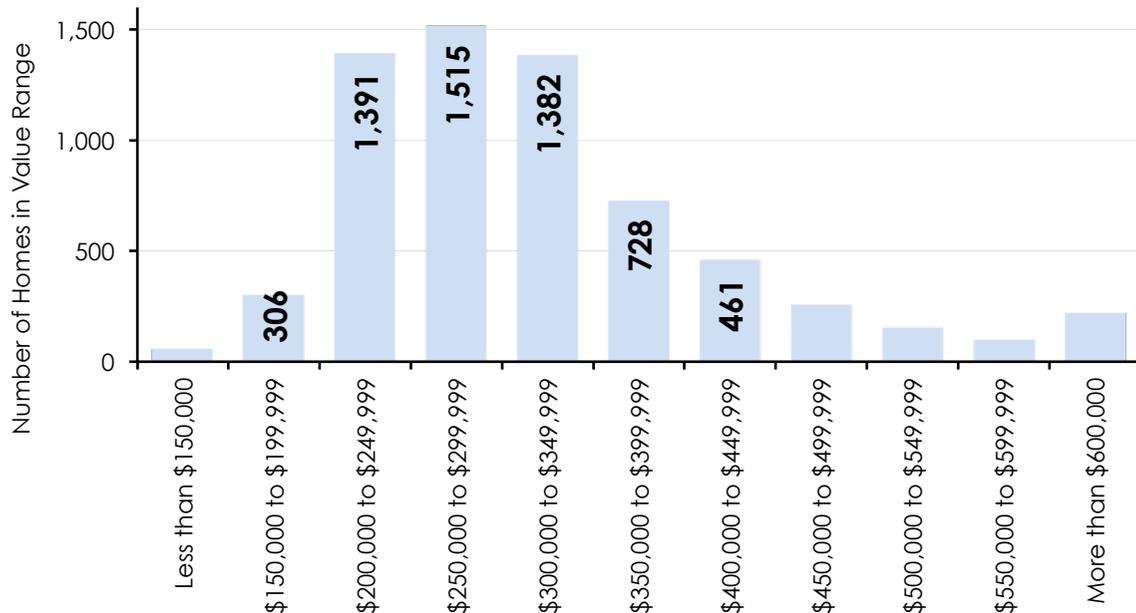
| Year | Single-Family Homes | | | Average Days on Market |
|---------------|---------------------|---------------|------------------------|------------------------|
| | Sales Closed | Average Price | Change from Prior Year | |
| 1st half 2011 | 62 | \$321,391 | 3% | 80 |
| 2010 | 257 | \$313,144 | 2% | 91 |
| 2009 | 230 | \$307,923 | 4% | 94 |
| 2008 | 227 | \$295,059 | -9% | 94 |
| 2007 | 241 | \$322,779 | 2% | 73 |
| 2006 | 290 | \$315,656 | 5% | 95 |
| 2005 | 254 | \$299,796 | 7% | 89 |

Source: Southeast Alaska MLS, ADOL *2011 data is only for Jan-June (6 months)

Assessed Housing Value

According to the Juneau Assessor's Database, the average assessed value of the 6,319 single-family homes in Juneau was \$325,711. Only six percent of Juneau's single-family homes are valued at \$200,000 or less according to the CBJ assessor's database. Half (50%) of Juneau's single-family homes are assessed at a value of more than \$300,000. Juneau single-family homes include single-family homes, single-family homes with apartments, and zero-lot lines. Condos, duplexes, and mobile homes are excluded.

Value of Single-Family Homes in Juneau, 2010

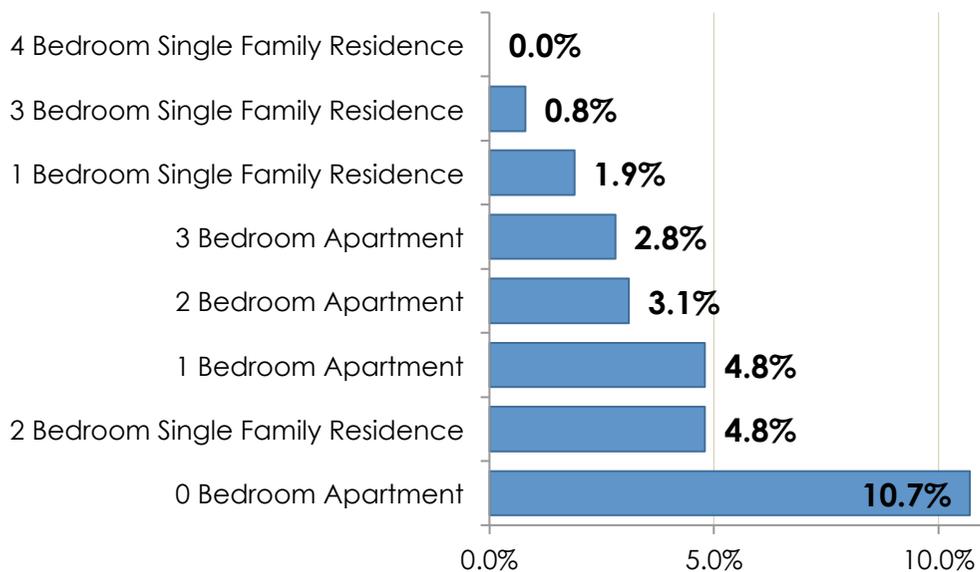


Source: CBJ with analysis by JEDC, 2010

Vacancy Rates

A five percent vacancy rate is considered to reflect a balanced and healthy rental market. Juneau has long been plagued by low rental vacancy rates, making it difficult for renters to find suitable housing, and difficult for home-buyers to purchase ideal homes. Juneau's rental vacancy rates are lower than the region, state and nation. The 2011 average **rental vacancy rate was 3.2 percent** in Juneau (compared to 9.2 percent nationally) and was significantly lower for some types of rental units. Vacancy rates for one, three & four bedroom single-family homes range from zero to 1.9 percent; and one, two, and three-bedroom apartments have vacancy rates that range between 2.8 percent and 4.8 percent. Juneau's **homeowner vacancy rate was 1.4 percent** in 2010, again, significantly lower than the recommended rate of five percent.

Vacancy Rate by Rental Unit Type and Number of Bedrooms, Juneau 2010-2011 Average



Note: chart averages ADOL Alaska Housing and Finance Corporation Rental Market Survey data from the past two years of rental housing vacancy type.

Healthy Housing Market

There are 12,187 homes in Juneau. In order to reach a healthy housing market vacancy rate of five percent, Juneau needs 360 more housing units: including 275 homeowner units and 85 new rental units.

Juneau 2011 Units Needed for Five Percent Vacancy Rate

| Homeowner Units | Rental Units | Total Units Needed |
|-----------------|--------------|--------------------|
| 275 | 85 | 360 |

Notes: Calculations assumes that 2010 homeowner vacancy rate is 1.4% (2010 US Census) and the overall 2011 rental vacancy rate is 3.2% (ADOL).

Part of the difficulty is that there are very few buildable land parcels in the city and borough that are readily suitable for development. Most undeveloped land in the CBJ is dominated by wetlands, forests, steep slopes and variable terrain, and/or is inaccessible by road. Even if such terrain were developable, the costs to engineer development and mitigate environmental impacts would be prohibitive to all but the highest-priced, lowest-density residences.

Monthly Rental Costs (Market Rates)

Juneau (tied with Anchorage) had the highest average rent in the state in 2011. In 2011, Alaska Department of Labor (ADOL) surveyed 1,141 market rate rental units in Juneau for this survey.³ According to ADOL, in 2011 the average monthly cost for a rental unit in Juneau was \$1,149 including utilities, a one percent increase over 2010.

Average Juneau Rental Prices 2000-2011

| Year | Average Adjusted Rent Juneau |
|------------------|------------------------------|
| 2011 | \$1,158 |
| 2010 | \$1,149 |
| 2000 | \$922 |
| Change 2009-2010 | 1% |
| Change 2000-2010 | 26% |

Source: DOL. Above rents are the average rents for all units. Adjusted rents are calculated rents determined by adding estimated utility costs that are not included in the contract rent.

³ There are 667 rental units in Juneau that are designated as low-income units, and do not charge market rent.

ADOL also calculates average rental rates by unit type. Average Juneau rental prices ranged from \$819 per month (including utilities) for a zero-bedroom efficiency apartment to \$2,208 for a four-bedroom house.

Average Adjusted Rent by Rental Unit Type and Number of Bedrooms, Juneau 2011

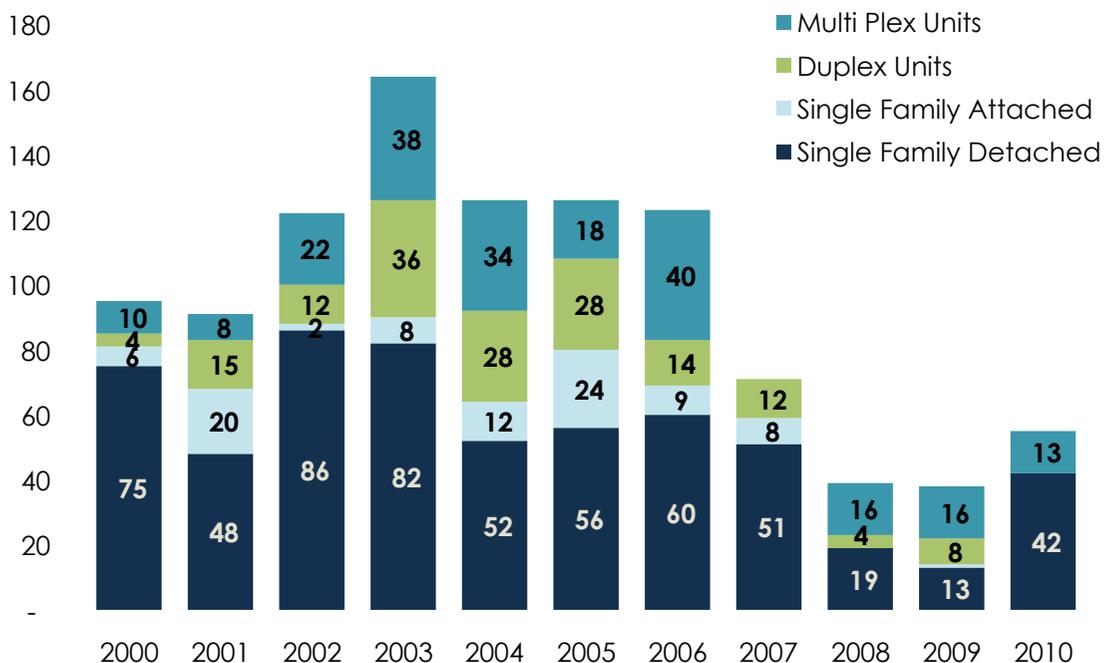
| Number of Bedrooms | Apartment Average Adjusted Rent | Single Family Residence Average Adjusted Rent |
|--------------------|---------------------------------|---|
| 0 Bedroom | \$819 | NA |
| 1 Bedroom | \$953 | \$981 |
| 2 Bedroom | \$1,196 | \$1,437 |
| 3 Bedroom | \$1,565 | \$1,934 |
| 4 Bedroom | NA | \$2,208 |

Source: DOL. Above rents are the average rents for all units. Adjusted rents are calculated rents determined by adding estimated utility costs that are not included in the contract rent.

New Home Construction

In 2010, 55 new housing units were permitted for construction in Juneau, including 42 single-family homes and 13 duplex or multiplex units. This represents an increase of 17 units over 2009, but is down significantly from earlier years. In 1996, 307 housing units were permitted. From 1996 to 2008, on average, 129 housing units were permitted in Juneau annually.

Number of New Housing Units Permitted in Juneau 2000-2010

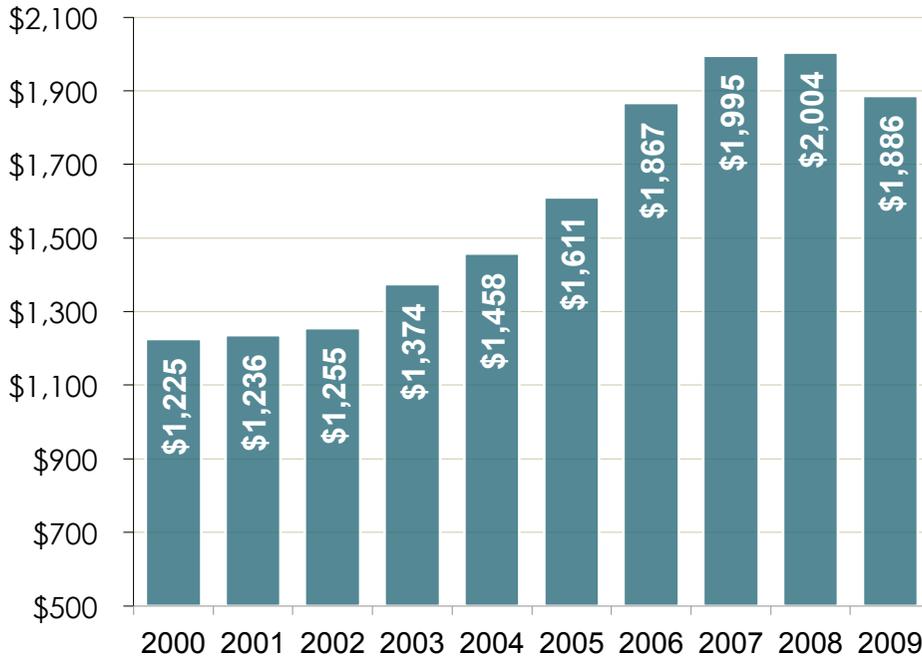


Source: CBJ.

City Sales and Taxes

In 2009, gross business sales in Juneau were \$1.886 billion, a decrease of 6 percent over the previous year. Every category of business sales registered declines in 2009, except for real estate. Generally, economic indicators were down in 2009.

Gross Business Sales in Juneau, 2000 to 2009
in Millions of Dollars (Calendar Years)



Source: DOL and CBJ

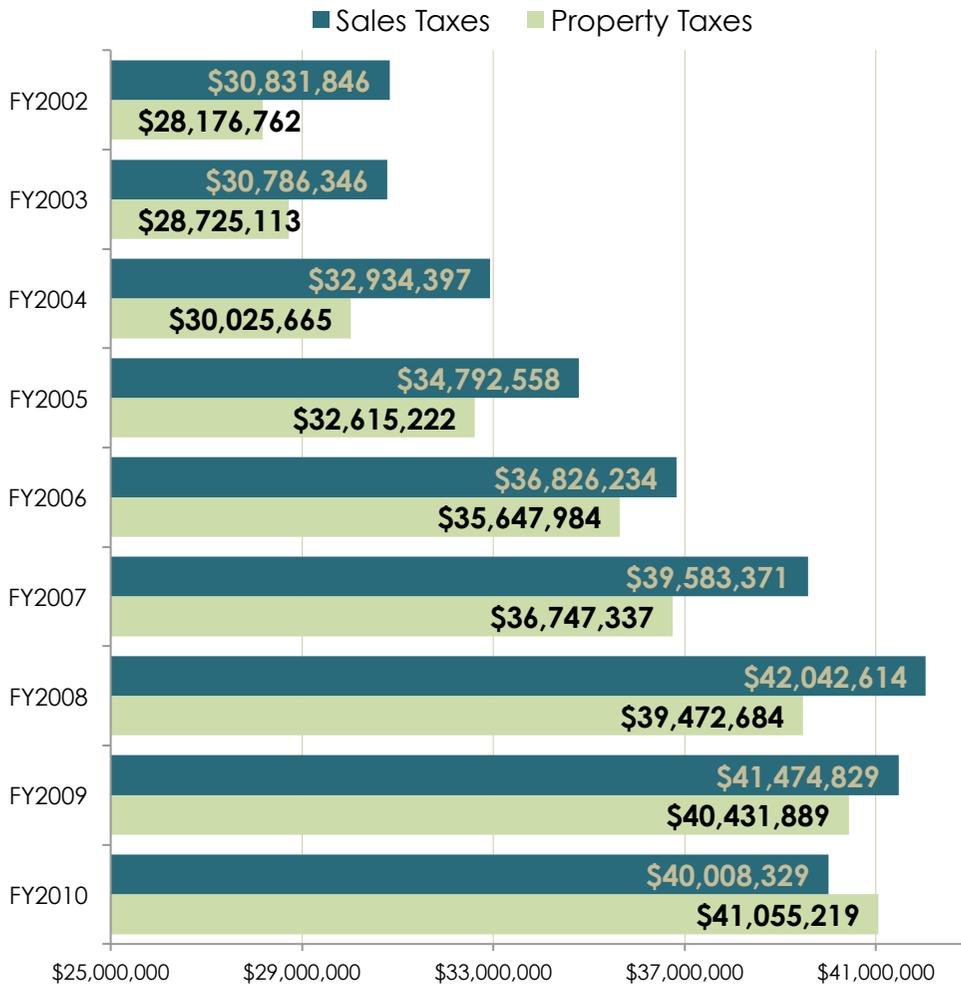
| Category | 2009 | 2008 | Change 2008-2009 |
|-----------------------------------|------------------|------------------|------------------|
| Real estate | 78,132 | 61,486 | 27% |
| Contractors | 257,902 | 285,409 | -10% |
| Liquor and restaurant | 105,138 | 106,427 | -1% |
| Retail sales - general | 202,648 | 217,030 | -7% |
| Foods | 159,724 | 168,246 | -5% |
| Transportation and freight | 157,385 | 159,228 | -1% |
| Professional services | 235,090 | 234,783 | 0% |
| Retail sales - specialized | 143,081 | 151,687 | -6% |
| Automotive | 73,467 | 86,602 | -15% |
| Other | 473,238 | 533,202 | -11% |
| Total gross business sales | 1,885,805 | 2,004,100 | -6% |

Through June 2010, revenues from two CBJ taxes were down: the CBJ bed tax brought in three percent less revenue than in FY2009 and sales tax was down by four percent.

Various City and Borough of Juneau Taxes FY2000-2010 (Fiscal Years)

| | Property Taxes | Sales Taxes | Hotel Taxes | Alcohol Taxes |
|-----------------------|----------------|-------------|-------------|---------------|
| Tax Rate FY10 | 10.60 | 5% | 7% | 3% |
| FY2010 | 41,055,219 | 40,008,329 | 1,029,604 | 826,570 |
| FY2009 | 40,431,889 | 41,474,829 | 1,066,795 | 726,034 |
| FY2008 | 39,472,684 | 42,042,614 | 1,283,970 | 722,028 |
| FY2007 | 36,747,337 | 39,583,371 | 1,184,151 | 743,837 |
| Change FY09-10 | 2% | -4% | -3% | 3% |

Source: DOL



Travel and Visitor Industry

Photo Credit: Michael Penn/Juneau Empire



Employment and Wages

In 2010, there were 5,095 annual average employees in the regional tourism industry, with an associated payroll of \$128 million. This represents an employment decrease of two percent from 2009. While tourism is not a commonly defined sector, if the visitor products industry is defined to incorporate the categories below, it would be the largest **private** sector regional employer **in term of employees**, accounting for 14% of all regional employment, and 9% of all regional wages.⁴

Travel and Visitor Sector, Southeast Alaska, 2010

| | NAICS | Units | Total Wages | Avg. Annual Employment 2010 | Avg. Annual Employment 2009 | Change 2009-2010 |
|---------------------------------------|--------|------------|----------------------|-----------------------------|-----------------------------|------------------|
| Air transportation | 481 | 39 | \$27,098,151 | 720 | 716 | 1% |
| Scenic and sightseeing transportation | 487 | 87 | \$24,055,301 | 683 | 727 | -6% |
| Support activities for transportation | 488 | 29 | \$10,692,886 | 215 | 207 | 4% |
| Travel Agencies | 561510 | 6 | \$451,414 | 13 | 16 | -18% |
| Leisure and Hospitality | 1026 | 388 | \$65,675,927 | 3,464 | 3,558 | -3% |
| Visitors Industry Total | | 549 | \$127,973,679 | 5,095 | 5,223 | -2% |

⁴ Government pays 35% of all Southeast wages. Seafood is the largest private sector employer in terms of wages.

Visitors and Travelers

In 2010, 1.26 million passengers disembarked in Juneau by airplane, cruise ship, or ferry. This represents an 8.9 percent decrease in total passenger disembarkations over the previous year (123,000 fewer passengers). This decline is solely due to an increase in cruise travelers. Juneau saw 20,000 more air and ferry passengers in Juneau in 2010 over 2009; while cruise passengers traffic dropped by 143,000 visitors.

Juneau Cruise, Air, and Ferry Traffic 2009-2010

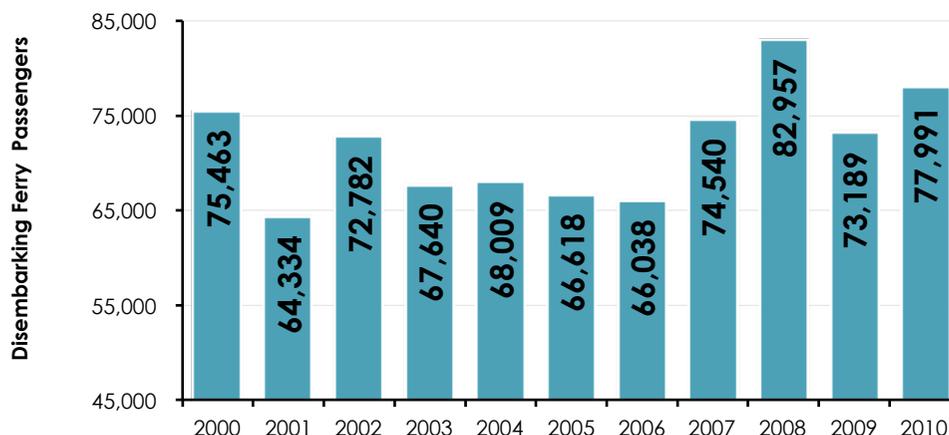
| | Ferry | AK Air | Other Air | Cruise | Total |
|----------------|--------|---------|-----------|-----------|-----------|
| 2010 | 77,991 | 267,765 | 36,121 | 875,593 | 1,257,470 |
| 2009 | 73,189 | 257,719 | 30,751 | 1,018,700 | 1,380,359 |
| Change 2009-10 | ↑6.6% | ↑3.9% | ↑17.5% | ↓-14.0% | ↓-8.9% |

Source: Ferry traffic is disembarking passengers in Juneau from the Alaska Marine Highway System. Alaska Airlines deplanements are obtained from Juneau International Airport. Cruise line traffic obtained from Cruise Line Agencies of Alaska. Other airline arrivals is from the US Bureau of Transportation Statistics.

Ferry Passengers

In 2010, 77,991 ferry passengers disembarked in Juneau. This represents a 6.6 percent increase over 2009 (4,802 passengers).

Disembarking Ferry Passengers in Juneau, 2000-2010



Airline Passengers

The number of passengers disembarking in Juneau using Alaska Airlines increased in 2010. Alaska Airlines passenger deplanements were up four percent, an increase of more than 10,000 passengers compared to 2009. In the first half of 2011, Alaska Airlines passenger deplanements were up 7.7 percent compared to

the first half of 2009. Total passenger airline arrivals were up five percent in 2010 from the previous year. In 2010, according to the Bureau of Transportation Statistics, 303,886 air passengers landed in Juneau, 15,000 more than the year before. In 2010, 43% of all airline passengers (131,083) arrived in Juneau directly from Seattle; while one third of passengers (31%) came from elsewhere in Southeast.

Air Passenger Arrivals to Juneau in 2010 by Top Cities of Origin

| Origin City | 2010 Passengers | Passenger Change 2009-2010 |
|--------------------|-----------------|----------------------------|
| Seattle, WA | 131,083 | 1% |
| Anchorage, AK | 74,259 | 6% |
| Sitka, AK | 21,776 | 6% |
| Ketchikan, AK | 16,741 | 6% |
| Petersburg, AK | 10,667 | 1% |
| Hoonah, AK | 10,259 | 62% |
| Gustavus, AK | 9,130 | 201% |
| Haines, AK | 7,349 | 41% |
| Skagway, AK | 6,472 | 20% |
| Yakutat, AK | 4,025 | 2% |
| Wrangell, AK | 3,406 | -9% |
| Grand Total | 303,886 | 8% |

Source: Bureau of Transportation Statistics. The data does not include most charter flights, and is direct link only.

Juneau's smaller airline services experienced some major changes in recent years. After 19 years of small air taxi charter service, Air Excursions started scheduled service December 2009 from Juneau to Gustavus, Hoonah, Haines, Skagway, and Kake. In 2007, Skagway Air Service closed down after 43 years of service. After 52 years in Haines, L.A.B. Flying Service was shut down in 2008 and did not reopen.

Air Passenger Arrivals to Juneau in 2010, by Carrier (not including charter service)

| Carrier Name | 2010 | Change 2009-2010 |
|-------------------------|----------------|------------------|
| Alaska Airlines Inc. | 267,765 | 4% |
| Wings Of Alaska | 22,666 | 17% |
| Air Excursions LLC | 10,013 | >+100% |
| Alaska Seaplane Service | 3,366 | 3% |
| Other | 76 | -7% |
| Grand Total | 303,886 | 8% |

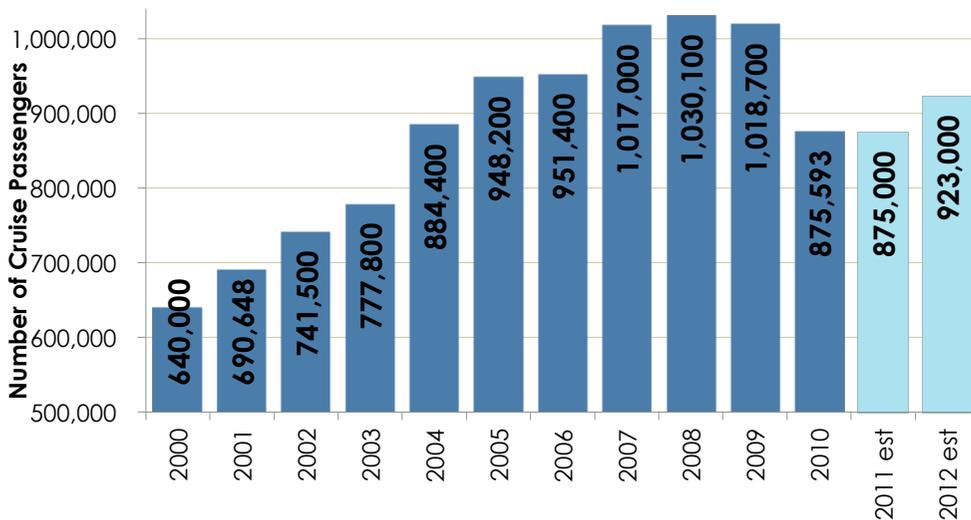
Source: Bureau of Transportation Statistics. <http://www.transtats.bts.gov/>

Cruise Ship Traffic



In 2010, Juneau and Southeast Alaska were visited by 875,600 cruise ship tourists, a 14-percent decrease over 2009, and an 18-percent decrease over 2008. A slight additional decrease is expected in 2011 before rebounding again (by 5.5%) in 2012. The peak cruise visitor day in 2011 was September 6th, with 16,578 passengers aboard six vessels.

Southeast Alaska Cruise Passengers 2000-2011



Source: McDowell Group, Cruise Line Agencies of Alaska. Estimates by Juneau Convention and Visitors Bureau on July 28, 2011 via KiNY.

The number of cruise ship visitors to the region doubled between 1997 and 2007, when more than a million passengers visited the region. However, in response to

the global recession and the Alaska cruise ship head tax the cruise industry decreased the number of ships and ship sailings to Southeast Alaska.

Bus Ridership

In 2010, Juneau residents and visitors took 1.22 million trips on the local Capital Transit bus system. This represents a one percent increase over 2009 ridership, and a 20 percent increase over 2002, when ridership was 1.01 million bus trips.

PARTNERING WITH THE JUNEAU ECONOMIC DEVELOPMENT COUNCIL TO SUPPORT COMMUNITY AND ECONOMIC DEVELOPMENT IN SE ALASKA

USDA Rural Development-Alaska

Provides financial assistance for energy projects, community facilities, business development and housing to help create jobs and improve the quality of life for rural Alaskans

Call 747-3506 for more information or visit:

www.rurdev.usda.gov



Committed to the future of rural communities.

USDA is an equal opportunity employer and provider

Health Care



Photo Credit: Jim Strader Bartlett Regional Hospital

In 2010, there were 3,094 health care jobs in Southeast Alaska, representing 8 percent of all Southeast Alaska employment. Three-quarters of health care employment is in the private sector, with an annual average employment of 2,307. Regionally, health care employment increased by 4 percent between 2009 and 2010.

Southeast Health Care Employment and Earnings 2007 to 2010

| | Annual average Employment Southeast | Annual average Employment Juneau | Total Payroll SE | Total Payroll Juneau |
|-------------------------|--|---|---------------------|----------------------------|
| 2010 | 3,094 | 1,391 | \$149,476,844 | \$65,554,880 |
| 2009 | 2,986 | 1,327 | \$143,543,552 | \$62,361,928 |
| 2008 | 2,909 | 1,282 | \$132,998,285 | \$56,970,526 |
| 2007 | 2,908 | 1,285 | \$126,934,633 | \$53,558,908 |
| Change 2007-2010 | 6% | 8% | 18% | 22% |
| Change 2009-2010 | 4% | 5% | 4% | 5% |

Source: ADOL.

The largest health care provider in the region is the Southeast Alaska Regional Health Consortium (SEARHC). SEARHC is a non-profit tribal consortium that provides health and wellness services to Native Alaskans and their families. SEARHC is also Southeast Alaska's largest private employer with a regional staff of 800 in 18 communities around Southeast Alaska, including a Juneau staff of approximately 200 employees.

The Bartlett Regional Hospital is the region's next largest health care provider and offers a full range of medical services. The hospital has a staff of 407 full-time-equivalent employees and 55 inpatient beds. In 2009, Bartlett delivered 396 babies, discharged 2,240 patients after treatment, performed 4,040 surgeries, and treated 13,600 patients in the emergency room. The Bartlett Regional Hospital is considered part of City Government in employment statistics. The third largest health care provider in the region is the Ketchikan General Hospital with nearly 400 employees.

Social Services Employment and Earnings 2006 to 2010

| | Annual average Employment Southeast | Annual average Employment Juneau | Total Payroll SE | Total Payroll Juneau |
|-------------------------|-------------------------------------|----------------------------------|------------------|----------------------|
| 2010 | 1,410 | 841 | 38,346,463 | 24,918,274 |
| 2009 | 1,344 | 780 | 34,792,489 | 22,767,674 |
| 2008 | 1,316 | 775 | 32,405,287 | 21,550,622 |
| 2007 | 1,283 | 767 | 30,849,467 | 20,652,938 |
| Change 2009-2010 | 5% | 8% | 10% | 9% |
| Change 2006-2010 | 11% | 0% | 29% | 18% |

Source: ADOL.

Health Care Outlook

According to the Alaska Department of Labor, the aging of Southeast Alaska's baby boomers is resulting in growth of health care services, as older people require more health care. As the state and region continue to age, the scale of the local and regional health care industries must grow to meet increasing demand.

Mining Industry

Photo Credit: Greens Creek Mine



Southeast Alaska Mining Employment 2010, 2009 & 2003

| | |
|---------------------------------------|---------------------|
| Annual Average Employment 2010 | 536 |
| Annual Average Employment 2009 | 413 |
| Annual Average Employment 2003 | 291 |
| Change in Employment 2003-2010 | 84% |
| Change in Employment 2009-2010 | 30% |
| Total Payroll 2010 | \$50,965,783 |
| Total Payroll 2009 | \$37,980,160 |
| Total Payroll 2003 | \$22,034,767 |
| Change in Wages 2003-2010 | 131% |
| Change in Wages 2009-2010 | 34% |
| Average Wage 2010 | \$95,085 |

Source: Alaska Department of Labor

With the 2010 opening of the Kensington Gold Mine in Juneau and the skyrocketing price of gold and other metals, the Southeast mining industry has been booming. In 2010, there were 536 mining jobs in Southeast Alaska and a

payroll of more than \$50 million. This represents a 30 percent increase in employment from 2009, and an 84 percent increase from 2003, when there were just 291 mining jobs in the region. By 2012, JEDC expects the Southeast mining industry to have 600 employees in total and a combined payroll of \$57 million annually.

Mining accounts for one percent of regional jobs, and two percent of regional wages. Mining jobs pay the best wages of any regional sector. In 2010, the average annual regional mining wage was \$95,085, nearly triple the average private sector wage.

The community of Juneau was founded on gold mining in 1880, and Southeast Alaska continues to be one of the most mineral rich areas of North America. The Juneau gold belt stretches from Windham to Berners Bay, approximately 90 miles across the heart of the Alaska panhandle. The region's mineral deposits are large and diverse. They include gold, silver, lead, zinc, copper, molybdenum, platinum, limestone, marble, uranium, and rare earth minerals. There are also substantial quantities of rock, sand, and gravel for use in construction around the region.

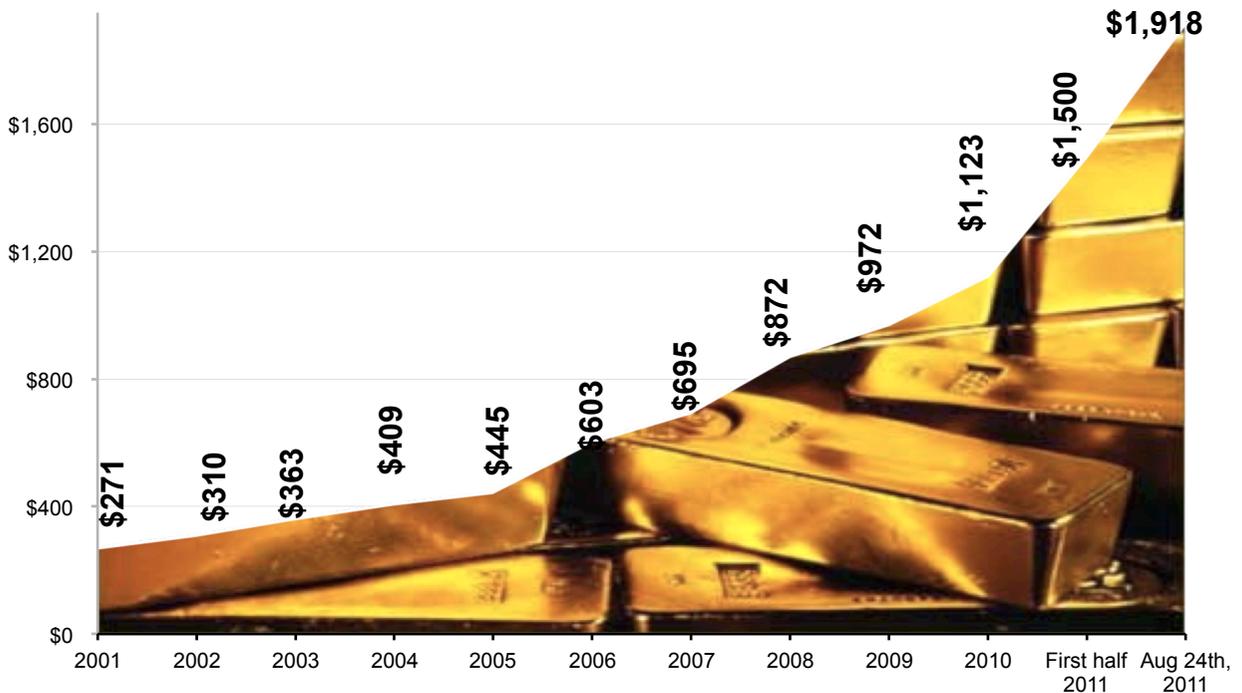
Gold Prices

Gold prices stayed within a narrow range during the 1990s—between \$250 and \$420 an ounce—and in 2001, the price of gold was just \$271 per ounce. Since that time gold has increased in value six fold, peaking at a record just below \$1,918 an ounce in August of 2011.⁵

Gold's rise accelerated sharply from 2005 onward, breaking through \$1,000 an ounce in 2008 as the weaker dollar fuelled demand for alternative stores of value. The price of Gold is determined by several factors: It is an important commodity (jewelry), and it is seen as an important way to invest wealth—especially in times of economic uncertainty. While approximately 80% of all gold has been used to make jewelry, investment demand is the primary factor behind the increase in price of gold between 2006 and 2011. Times of economic turmoil or recession tend to increase the value of gold as people move from more risky stock markets to gold.

⁵ Adjusted for inflation, the record gold price reached \$2,500 in 1980—just over \$600 in nominal dollars.

Gold Prices, 2001 to 2011



Source: Kitco Metals Inc. <http://www.kitco.com/>

Greens Creek

The Greens Creek Mine, Juneau's top private employer with 337 permanent year round employees, is located on Admiralty Island near Juneau. In 2010, Greens Creek produced 7.2 million ounces of silver. The mine is the second largest silver producer in North America and the sixth largest silver producer in the world. Greens Creek is a high-grade, silver-gold-zinc-lead enriched deposit.

In the course of more than two decades of operation, Greens Creek has produced over 200 million ounces of silver, nearly 2 million ounces of gold, and almost 1.8 billion tons of zinc and lead combined. Over the years, Greens Creek has consistently replaced the ore mined, and has kept a 9-10 year mine life ahead of it. The mine has identified 100 million ounces of silver reserves.⁶

Kensington

After two decades of efforts, the Coeur Alaska owned Kensington Mine began producing gold in June of 2010. By 2011, the company employed 207 permanent year-round employees, and 38 contract employees. The company anticipates

⁶ <http://216.139.227.101/interactive/hl2010/>

that Kensington will average approximately 125,000 ounces of gold annually over the mine's initial 12.5 year life. For its first year, production is expected to be a little over a 100,000 ounces. According to Coeur Alaska, 30 percent of the workers currently at Kensington are Native or Native affiliated, and approximately 75 percent are Alaska residents.

Other significant mining prospects in Southeast Alaska

Another potential opportunity in mining comes from increased interest in rare earth elements (REEs). Bokan Mountain, located on southern Prince of Wales Island, approximately 37 miles southwest of Ketchikan, is thought to hold about 3.8 million tons of rare earth elements. Rare earths are a group of 17 minerals that are highly valuable today with unique high technology and energy properties. REEs, have become vital components in computer hard drives, cell phones, hybrid vehicles, and other clean energy technology. As the global demand for REEs grows, the worldwide supply is starting to dwindle. Bokan Mountain deposits are currently being explored by UCore for rare earth elements such as dysprosium, and one source suggested production could occur as early as 2012. Bokan Mountain produced 1.3 million pounds of uranium between 1957 and 1971 and is the only uranium mine in Alaska.⁷

Another exciting prospect is close to Bokan Mountain. The Niblack Project is a copper-zinc-gold-silver deposit located on Prince of Wales Island, 27 miles southwest of Ketchikan. The Niblack site has a history of mining and exploration going back to the early 1900s. Approximately 25,000 tons of ore was mined between 1902 and 1908. Exploration resumed in 1974. Niblack conducted an "aggressive" active drilling exploration program during the summers of 2010 and 2011. The current indicated resource consists of 2.6 million tons of ore, composed of copper, zinc, gold, and silver. In July 2010 the company announced an ongoing expansion of the resource base for the project, partly due to the discovery of very high-grade deposits located outside the original estimate. In June 2011, the company proposed an "optimistic" opening date of 2015 but no permit applications have yet been filed. The ore likely will not be milled at Prince of Wales Island due to electricity costs. Approximately 35 people are employed year-round in the exploration work at the Niblack site.

⁷ Abstract: The Bokan Mountain REE-U Deposit, Prince of Wales Island, Alaska H. Keyser, J. Dostal, A. Mariano, and C. Hanson, Ucore Uranium Inc.

Other mining prospects in Southeast Alaska include the following:

- The **Poorman Prospect** near Kaasan is being explored for its magnetite (iron ore) potential by Eagle Industrial.
- The copper-rich **Palmer Project**, near Haines, is one of North America's newest volcanogenic massive sulphide discoveries.
- The gold, silver and zinc **Woewodski and Zarembo prospects** are located on separate islands near Petersburg and Wrangell.
- The **Admiral Calder Calcium Carbonate Mine** on Prince of Wales Island was purchased from Sealaska by Tri-Valley in 2005. The mine is currently in a care and maintenance mode while Select Resources Inc., the mineral division of Tri-Valley Corp., organizes a customer base before restarting the mine.

Southeast Alaska Mines and Significant Mineral Deposits



Source: Alaska Department Natural Resources Division of Geological & Geophysical Surveys

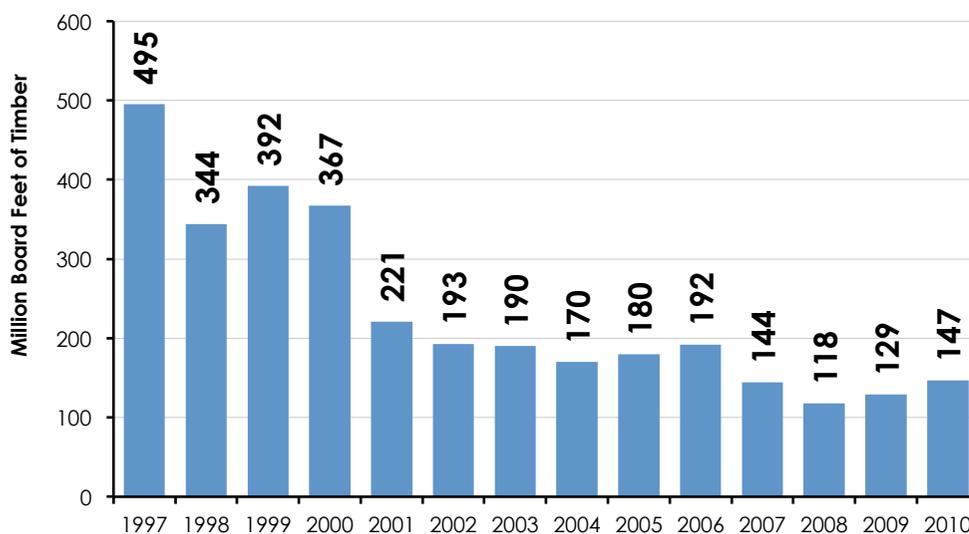
Timber Industry

While the regional economy had its roots in resource extraction, currently timber accounts for only one percent of jobs and wages in the region. The decline of the timber industry has been well documented. At one time there were 12 large sawmills operating in Southeast Alaska. Today there are no large mills; only one mid-sized mill remains along with a handful of smaller mills. In 1990, there were 3,450 direct sawmill and logging jobs in the region; however, by 2010 only 214 sawmill and logging jobs remained in Southeast.

The decline of the timber industry in Southeast Alaska has directly contributed to declines in the non-Juneau regional population (which decreased 8.7 percent between 2000 and 2009.) In 1990, 3,400 workers were employed in the timber industry in Southeast Alaska—so 2010 numbers represent an employment decline of 94 percent since that time.

In 2010, the total Southeast Alaska timber harvest was 147 million board feet (mmbf). This includes 51 mmbf from Sealaska; 30 mmbf from Mental Health timber operations; 36 mmbf from the US Forest Service; and 31 mmbf from State timberlands. The total 2009 harvest represents a 14 percent increase from 2009, but a 60% decrease from 2000.

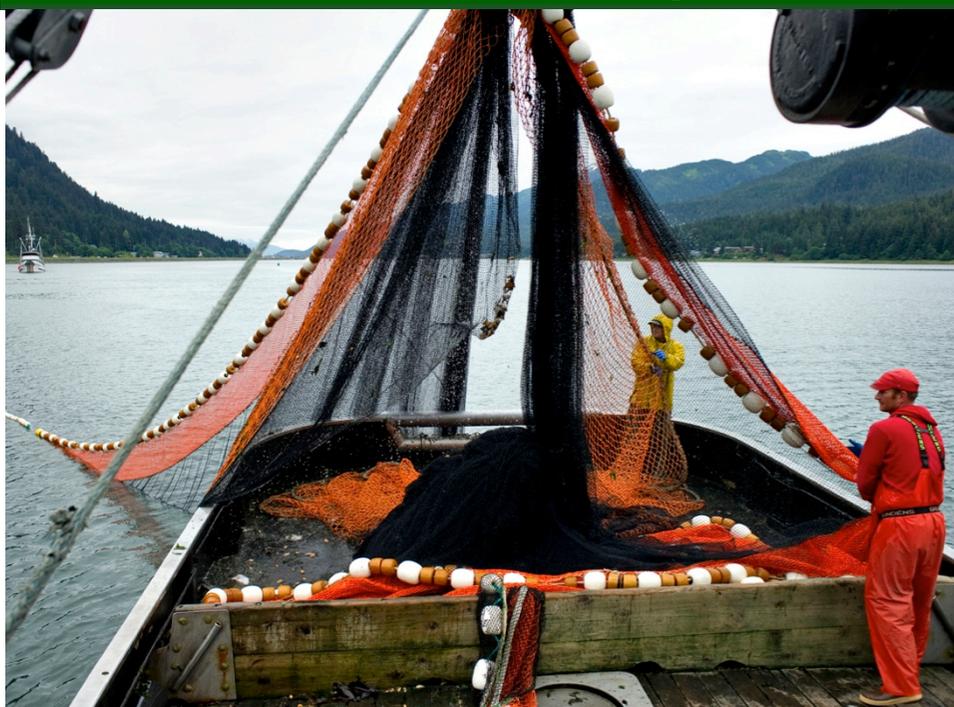
Total Southeast Timber Harvest, 1997-2010 (mmbf)



Source: Alaska Forest Association

Seafood Industry

Photo Credit: Michael Penn/Juneau Empire



The seafood industry is the largest **private sector** employer in Southeast Alaska **in terms of wages**, accounting for 13% of all regional wages, and 10% of all employment.⁸ In 2010, 4,645 **Southeast residents** (as crew or fishermen) fished commercially. Including nonresidents, more than 10,000 **harvesters** participated in the Southeast Alaska commercial fishery industry in 2010.

Fishing has long been a key element of the Southeast Alaska economy. Southeast Alaska has several dozen fisheries conducted by a fleet of mostly small boats. Regional seafood processors dot the entire archipelago from Ketchikan to Haines. Processors range from fishermen direct operators to larger operations in Ketchikan, Petersburg, and Sitka. Juneau hosts several mid-size processors. Salmon remains the bedrock for Southeast's small boat fleet, but unlike many Alaska fishing regions, Southeast also has a diverse array of high-value, low-volume fisheries.

This section explores the economic impacts of the regional fisheries in two ways: first by examining the value and volume of **seafood caught in Southeast Alaska** waters—including ex-vessel and first wholesale value—and second by examining

⁸ Due to different rules regarding wage and labor data, fisheries statistics are often excluded from the overall picture of wages and jobs distribution. The chart above includes wages earned by Southeast Alaska fishermen and crew based on JEDC analysis. Government is the largest employer, accounting for 40% of all wages. The largest private sector employer in terms of **employees** is tourism.

the level of participation, pounds landed, and estimated gross earning of **Southeast Alaska residents who fish** commercially in Alaska.

Commercial Harvest in Southeast Alaska

Southeast Fisheries Ex-Vessel Value (\$ Paid To Fishermen)

In 2010, the ex-vessel value (or money paid to fishermen) of the Southeast Alaska fisheries was \$291 million. Due to a significant increase in seafood prices—especially for Coho, Chum and Chinook—fishermen earned 25 percent more for their seafood in 2010 over 2009, despite a similar amount of pounds landed. Preliminary results show additional price increases for 2011.

Southeast Alaska Commercial Seafood Industry Harvest & Value Information, 2009-2010

| Species | Landed Pounds 2010 | Landed Pounds 2009 | Calculated Ex-Vessel Value 2010 | Calculated Ex-Vessel Value 2009 | Change in value 2009 to 2010 |
|---------------------------------|--------------------|--------------------|---------------------------------|---------------------------------|------------------------------|
| Salmon | 209,278,632 | 217,704,265 | \$150,844,605 | \$111,215,839 | 36% |
| Chinook | 3,799,987 | 3,804,385 | \$16,490,949 | \$11,994,887 | 37% |
| Sockeye | 4,221,783 | 5,494,064 | \$7,124,923 | \$6,829,771 | 4% |
| Coho | 19,451,314 | 16,769,651 | \$25,254,296 | \$17,412,757 | 45% |
| Pink | 102,744,757 | 120,408,221 | \$41,325,419 | \$34,582,622 | 19% |
| Chum | 79,060,791 | 71,227,944 | \$60,649,019 | \$40,395,802 | 50% |
| Halibut | 9,253,090 | 10,039,049 | \$45,618,735 | \$32,755,929 | 39% |
| Sablefish | 9,346,729 | 9,847,620 | \$54,957,735 | \$49,075,299 | 12% |
| Dungeness | 3,242,076 | 3,572,064 | \$5,615,885 | \$6,326,238 | -11% |
| Herring | 39,911,512 | 34,341,480 | \$15,331,088 | \$17,991,427 | -15% |
| Geoduck, Sea Cucumbers, Urchins | 2,667,409 | 2,709,504 | \$9,376,748 | \$8,505,381 | 10% |
| King and bairdi | 1,693,808 | 1,298,359 | \$5,088,680 | \$3,949,943 | 29% |
| Shrimp | 497,943 | 612,862 | \$2,989,726 | \$2,462,540 | 21% |
| Miscellaneous Groundfish | 3,973,636 | 2,783,320 | \$1,924,880 | \$1,816,298 | 6% |
| Total | 279,864,836 | 282,908,521 | \$291,748,083 | \$234,098,894 | 25% |

Source: ADF&G - COAR and Fish Ticket Databases; Run 6/1/2011 for 2010 summary

Average Price Per Pound in Southeast Alaska, 2009 & 2010 (Ex-Vessel Value)

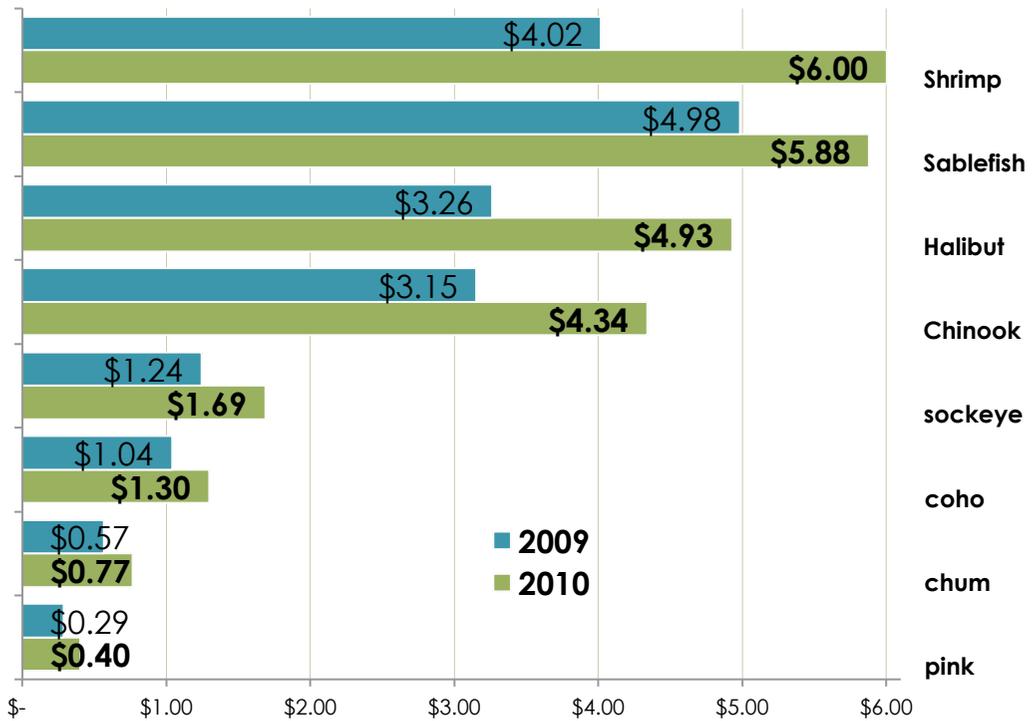
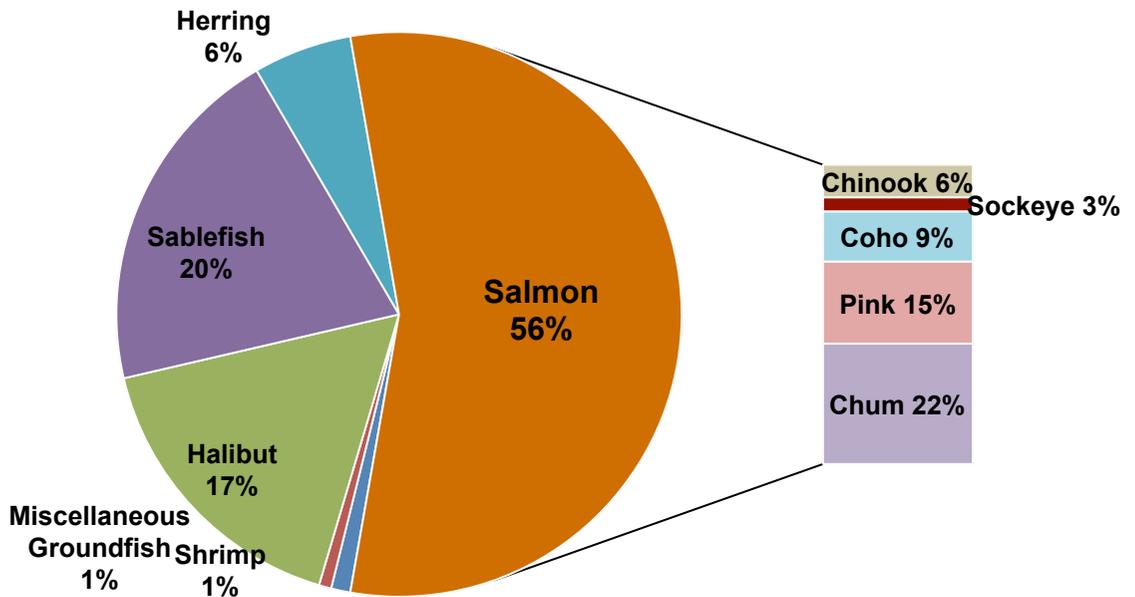


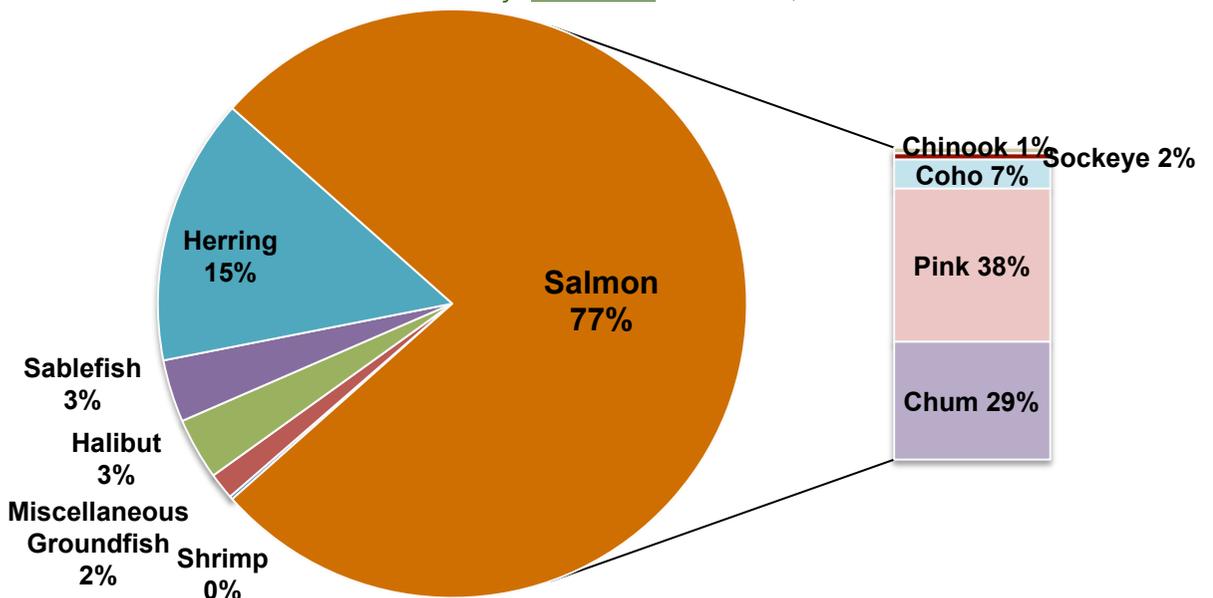
Photo Credit: Michael Penn/Juneau Empire

In 2010, the five salmon species represented more than three quarters (77 percent) of the region's catch in terms of volume and just over half (56 percent) of the total ex-vessel value.

Southeast Harvest by Value, 2010



Southeast Harvest by Pounds Landed, 2010



In 2010, sablefish made up three percent of the total volume caught yet accounted for one-fifth (20 percent) of the total ex-vessel value. Participants must hold federal quota rights, or Individual Fishing Quota (IFQ) in order to fish sablefish, and there is a small state managed sablefish fishery in Lynn Canal just north of Juneau.

Halibut has also emerged as a valuable fishery. In 2010 halibut accounted for three percent of the total Southeast harvest and accounted for 17 percent of total ex-vessel value.

Southeast Alaska (Resident) Fishermen

Another measure of the economic value of commercial fishing in the region is how many Southeast Alaska **residents** participated in the Alaska commercial fishing industry. According to the Alaska Commercial Fisheries Entry Commission (CFEC), 4,645 Southeast Alaska residents (2,118 commercial fishermen and 2,527 crew members) fished in 2010, including 689 Juneau residents (eight fewer than in 2009). Regionally, this represents a less than one percent increase in the number of fishermen from 2009 numbers.

Southeast Alaska Resident Fishermen & Crew, 2010

| Borough or Census Area | SE Fishermen who Fished | SE Crew Members who Fished | Total SE Residents who Fished |
|-------------------------------|--------------------------------|-----------------------------------|--------------------------------------|
| Juneau | 258 | 431 | 689 |
| Haines | 90 | 87 | 177 |
| Ketchikan | 232 | 355 | 587 |
| Wrangell-Petersburg | 562 | 649 | 1,211 |
| Skagway-Hoonah-Angoon | 132 | 147 | 279 |
| Sitka | 457 | 552 | 1,009 |
| POW-Outer KTN | 247 | 269 | 516 |
| Yakutat | 140 | 37 | 177 |
| Total SE Alaska 2010 | 2,118 | 2,527 | 4,645 |
| Total SE Alaska 2009 | 2,129 | 2,545 | 4,674 |
| Change 2009-2010 | -0.5% | -0.7% | -0.6% |

Source: Commercial Fisheries Entry Commission.

Note: Fishermen Who Fished is a count of permit holders who made at least one landing during the year. Permits Fished is the number of permits with recorded landings.

Including **non-residents**, there were more than 10,000 participants in the Southeast Alaska fishery in 2010.

Pounds of Seafood Landed by Southeast Residents

In 2010, the total pounds landed by Southeast Alaska fishermen was 179 million, with associated estimated gross earnings of \$176 million. This represents a five percent increase in pounds landed over 2009, and a 23 percent increase in gross earnings over the same period. Estimated gross earnings were derived from an ex-vessel price per pound developed by the CFEC.

The following table presents pounds and value of fish landed by commercial fishers residing in Southeast Alaska.

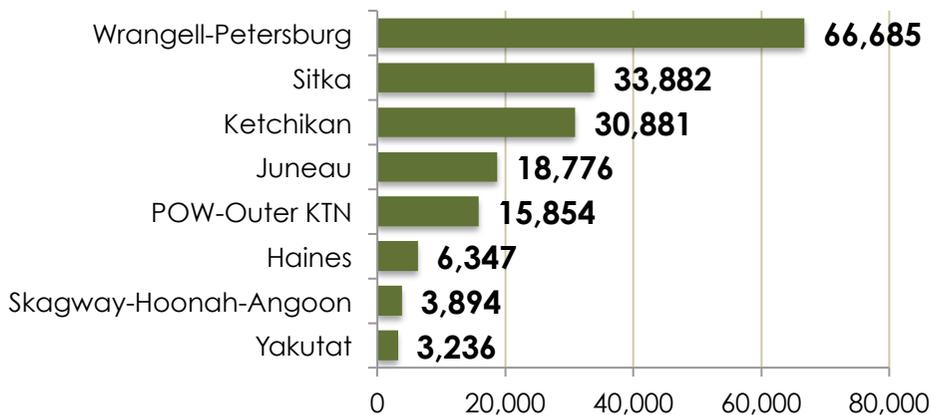
Southeast Alaska Resident Commercial Fisheries Pounds Landed and Gross Earnings, 2009-2010

| Area of Residency | Pounds Landed (000) | | | Gross Earnings (000) | | |
|------------------------|---------------------|----------------|-----------|----------------------|------------------|------------|
| | 2010 | 2009 | Change | 2010 | 2009 | Change |
| Juneau | 18,776 | 18,486 | 2% | \$21,452 | \$17,527 | 22% |
| Haines | 6,347 | 6,105 | 4% | \$6,771 | \$5,244 | 29% |
| Ketchikan | 30,881 | 31,285 | -1% | \$21,282 | \$17,959 | 19% |
| Wrangell-Petersburg | 66,685 | 64,249 | 4% | \$62,797 | \$52,621 | 19% |
| Skagway-Hoonah-Angoon | 3,894 | 3,759 | 4% | \$6,530 | \$5,590 | 17% |
| Sitka | 33,882 | 29,350 | 15% | \$40,151 | \$30,489 | 32% |
| POW-Outer KTN | 15,854 | 15,032 | 5% | \$13,093 | \$11,461 | 14% |
| Yakutat | 3,236 | 2,226 | 45% | \$4,257 | \$2,374 | 79% |
| Total SE Alaska | 179,556 | 170,492 | 5% | \$176,334 | \$143,265 | 23% |

Source: Commercial Fisheries Entry Commission.

Note: Pounds landed and gross earnings are by residency of the fishermen only, and does not necessarily represent fishing activity in a specific area. The 2010 data is preliminary.

Pounds of Seafood Landed by Area of Residency, 2010



Seafood Processing in Southeast Alaska

In 2010, 51 shorebased seafood processing facilities were active in Southeast Alaska and collectively processed 209 million pounds of product, with a wholesale value of \$468 million. This represents a 25 percent increase in value since 2009, and a 17 percent increase in poundage. More than half of the product was processed in Sitka (61 million pounds) and Ketchikan (53 million pounds). Juneau had nine shorebased processors, producing 14.5 million pounds of product, a three percent increase over 2009.

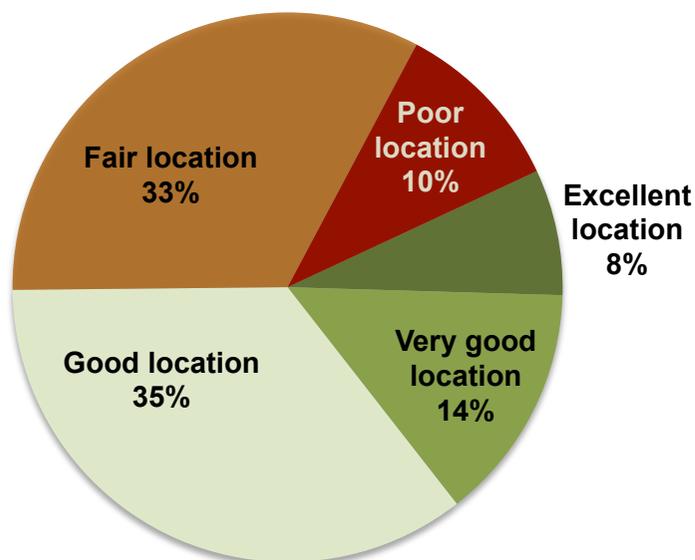
Southeast Business Climate Survey

Clusters Barriers and Benefits Analysis

JEDC conducted a Southeast Alaska Business Climate Survey in November of 2010 to gain better insight into elements Southeast Alaska business leaders believe benefit and hinder business success in the region. The survey was completed by 243 business leaders, representing every community in Southeast Alaska. (Non-business leaders were invited to take a shorter version of the survey).

Overall, 22% of business leaders feel 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.

How would you rate your region overall as a place for your business to succeed? N=243



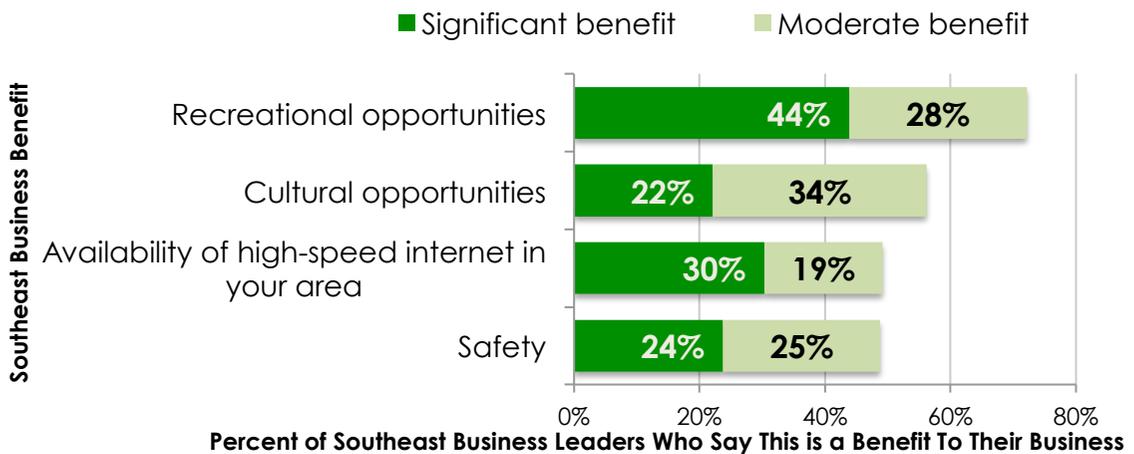
One section of the survey presented business leaders with 29 elements that are considered traditional barriers or benefits to business operations, and they were asked to ascribe the following ratings: Significant benefit, Moderate benefit, Not a barrier or benefit, Don't Know, Not Applicable, Moderate barrier, or Significant barrier.

Regional Business Benefits

Only four factors were rated as providing a higher net benefit than net barrier; three of these were related to quality of life: **the region's recreational**

opportunities, cultural opportunities, and safety. The fourth was **access to high speed internet.** Mostly highly rated was recreational opportunities—72% of business leaders feel recreation is a moderate or significant benefit to their business.

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

Regional Business Barriers

According to the region's business owners and top managers, some of the top barriers to business include the following:

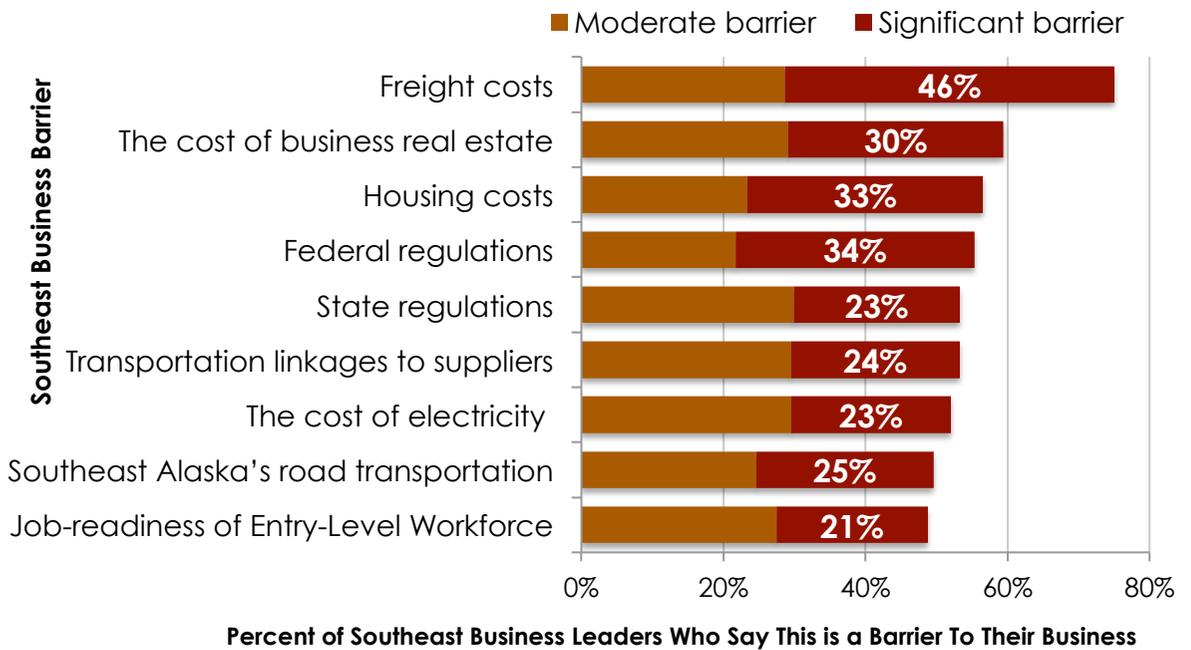
Freight Costs—75% of all business leaders surveyed call freight costs a moderate or significant barrier.

The High Price of Real Estate—both in terms of business real estate, deemed a barrier by 59% of respondents, and the high cost of housing for employees, which 56% say is a moderate or significant barrier.

Government Regulations—A third of the region's business leaders call Federal regulations a "significant" barrier to operating their business, while one quarter say the same about State regulations.

The High Price of Electricity—When the region was analyzed for non-Juneau respondents only, the cost of electricity emerged as the second major barrier to business, with 61% of those outside Juneau calling the cost of electricity a moderate or significant barrier.

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



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

Juneau Versus the Rest of the Region Analysis

We thought it would be interesting to see if there were major differences between Juneau business attitudes, and compare with the attitudes of those outside of Juneau. While the top business benefits are similar both in and out of Juneau, the only common business barrier shared by Juneau and the non-Juneau Southeast region is freight costs. This entire report can be found at jedc.org.

Juneau Versus the Rest of Southeast: Top Barriers

| SE Region Without Juneau | Net barrier | Juneau Only | Net barrier |
|--|-------------|---|-------------|
| 1. Freight costs | 81% | 1. Business real estate costs | 70% |
| 2. The cost of electricity | 62% | 2. Freight costs | 70% |
| 3. Transportation linkages to suppliers | 54% | 3. Housing costs | 66% |
| 4. State regulations | 54% | 4. Federal regulations | 58% |
| 5. Suppliers in Southeast Alaska for your business | 54% | 5. Southeast Alaska's road transportation | 55% |

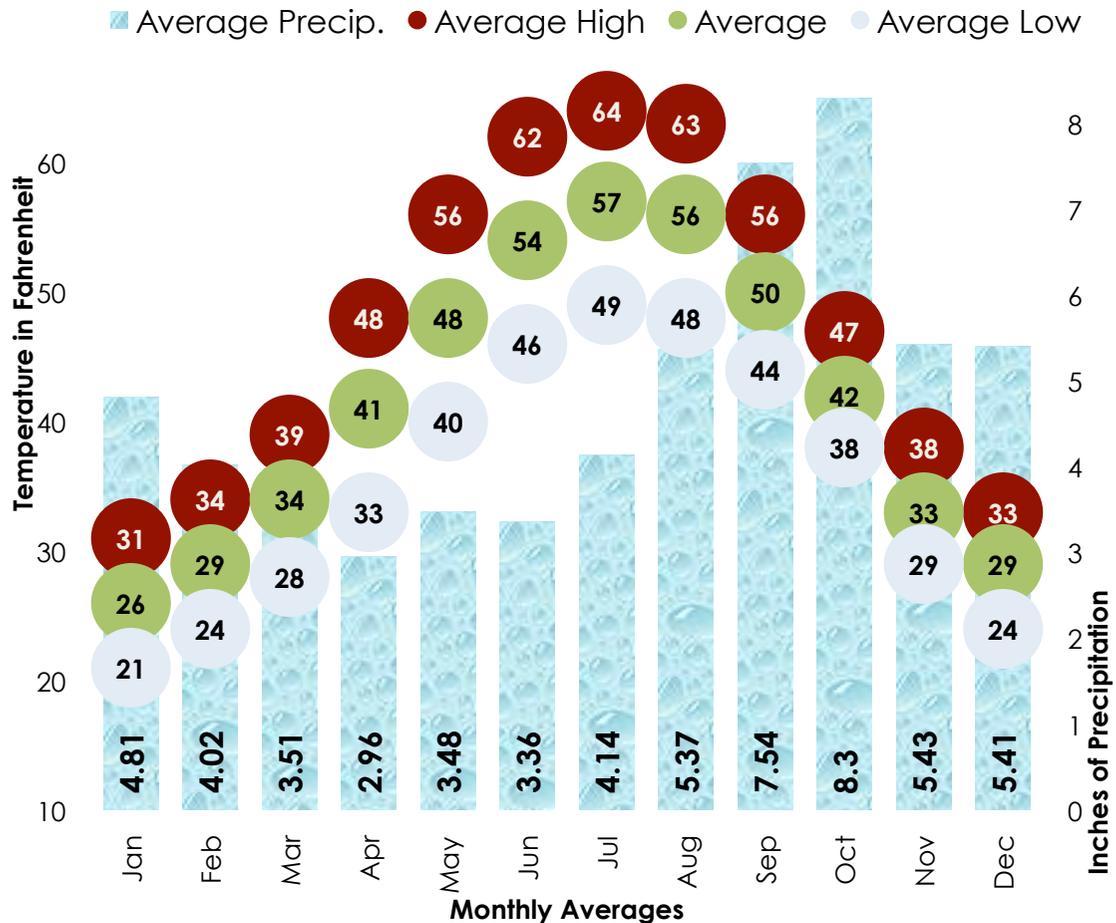
Juneau Versus the Rest of Southeast: Top Benefits

| SE Region Without Juneau | Net benefit | Juneau Only | Net benefit |
|---|-------------|--|-------------|
| 1. Recreational opportunities | 73% | 1. Recreational opportunities | 72% |
| 2. Cultural opportunities | 55% | 2. Cultural opportunities | 58% |
| 3. Availability of high-speed internet | 47% | 3. Safety | 56% |
| 4. Safety | 42% | 4. Availability of high-speed internet | 51% |
| 5. Southeast Alaska's marine transportation | 40% | 5. Availability of customers | 33% |

Bonus Indicator: Juneau Weather

Business were also asked if the local climate was a barrier or benefit. One third of respondents called Juneau's weather a moderate barrier, and 11% called Juneau's weather a "significant barrier" to doing business here.

Average Juneau Temperature by Month and Precipitation in Inches



Source: www.weather.com

Board of Directors

Kurt Fredriksson, Chair
John Pugh, Vice Chair
Kevin Ritchie, Treasurer
Greg Fisk
Jill Ramiel
Dru Garson
Mark Mickelson
Corey Baxter
Beverly Schoonover
Darren Dindinger
Bruce Botelho, Mayor
Johan Dydbahl, Alt.

STAFF

Executive Director

Brian Holst
bholst@jedc.org

Revolving Loan Fund & Operations

Margaret O'Neal
moneal@jedc.org

Communications

Adrien Lopez
alopez@jedc.org

Affordable Housing

Scott Ciambor
sciambor@jedc.org

Program Team

Eva Bornstein
ebornstein@jedc.org
Meilani Schijvens
mschijvens@jedc.org

Tech Transfer Team

Paul Moran
pmoran@jedc.org
Zach Wilkinson
zwilkinson@jedc.org

STEM Education Team

Mary Hakala
mhakala@jedc.org
Rebecca Parks
rparks@jedc.org
Robert Vieth
rvieth@jedc.org

Administrative Team

Elizabeth Martin
emartin@jedc.org
Jenny Harris
jharris@jedc.org

MISSION

The Juneau Economic Development Council fosters a healthy and sustainable economic climate in Juneau and throughout Southeast Alaska. In collaboration with other organizations, the council implements initiatives to maintain, expand, and create economic opportunities.

GOALS

- **Strengthen Juneau's economy**
- **Develop a regionally competitive economy**
- **Bring innovative economic development approaches to our region & state**
- **Increase Juneau's desirability as a place to live and work**

JEDC PROGRAMS

The Juneau Economic Development Council partners with many federal, state and local organizations and agencies to carry out the following programs:

SpringBoard Programs

Technology Transfer

SpringBoard is an Alaska-based program that helps transfer and commercialize U.S. Department of Defense technologies. SpringBoard staff identify and screen technologies for use in the private sector and look for technologies that can benefit Alaskan industry.

Education in Science, Technology, Engineering, and Math (STEM)

SpringBoard's STEM program provides educational enrichment opportunities for students and professional development for teachers to encourage careers in science and engineering.

Southeast Cluster Initiative

Partnering with the USDA in 2011, JEDC prepared an Asset Map, and assembled and facilitated the work of four Cluster Working Groups in four industry sectors: Ocean Products; Forest Products; Visitor Products; and Renewable Energy.

Affordable Housing

JEDC serves as the primary point of contact for public and community groups working to make Juneau's housing costs more affordable.

Other JEDC Services

JEDC programming staff work on issues of importance to our community, region, and state. Current efforts include:

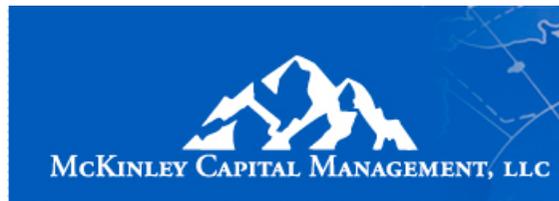
- **Research & Analysis**
Economic Indicators, cost of living, etc. ;
- **Southeast Alaska Revolving Loan Fund**, providing "gap financing" to new and expanding businesses;
- **Business Consulting Service**, giving small businesses low-cost access to highly qualified business experts;
- **Wood Products Development Service**, offering statewide technical assistance for rural small businesses wishing to develop woody biomass fuels;
- **Sunday Market and Local Food Fest**, promoting locally grown produce and handmade products - Alaska Grown;
- **Business Expo**, Entrepreneur Resource Expo providing support to small businesses in Juneau and the Southeast;
- **Maritime Festival**, Celebrating Juneau's History, Culture and Commerce;
- **Junior Achievement**, empowering Juneau's young people to own their economic success.

EIGHT STARS OF GOLD PARTNER



Committed to the future of rural communities.

TONGASS PARTNERS



NORTHERN LIGHTS PARTNERS



TOTEM PARTNERS

IBEW Local 1547 ♦ Wostmann and Associates