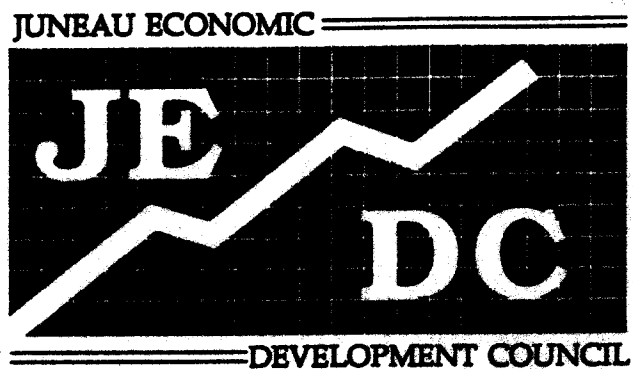


JUNEAU ECONOMIC BENCHMARK REPORT IV

Prepared for:



August, 1990

Prepared by:



Juneau • Ketchikan

JUNEAU ECONOMIC BENCHMARK REPORT IV

**AN UP-TO-DATE STATUS REPORT FOR
HOUSEHOLDS AND BUSINESSES**

**Presented by:
The Juneau Economic
Development Council**

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Introduction

Introduction

The Juneau Economic Development Council is pleased to present the Juneau Economic Benchmark Report, 1990, the fourth in a series of current measures of economic change in the Juneau area. The purpose of the Juneau Economic Benchmark Report series is to provide up-to-date information on the status of the Juneau economy, its households and its businesses. Other reports document the economy in greater detail than the Benchmark report, but the information they provide is often not current in these rapidly changing times. In addition to its timeliness, the Benchmark provides information on the economic status and especially the perceptions of Juneau households and businesses, information not found in other reports.

In times of economic uncertainty, lack of current information hinders the accurate assessment of economic change and its effects. Decision makers and community leaders need current in-depth information. To meet this need, our "Benchmark" reports include three major elements:

- *A survey of Juneau households*
- *A survey of key or "bellwether" Juneau businesses*
- *Analysis of selected economic indicators*

The surveys allow comparisons of current conditions and attitudes with those of the past three years, back to 1987, the year when the local recession was most severe. The economic indicators provide a sample of commonly accepted measurements of Juneau's economic activity and vitality. This benchmark report is intended to take the guesswork out of what is happening in today's economy and how it is affecting people.

Economic change impacts the community in two ways. Tangible impacts can include changes in employment, income, and business sales. The other type of impact is on the perceptive side and is expressed in terms of how households and business people feel about their own status and that of the economy of the community. The "Benchmark" report series measures both the business and the human impacts of economic change and reports these impacts on a periodic basis.

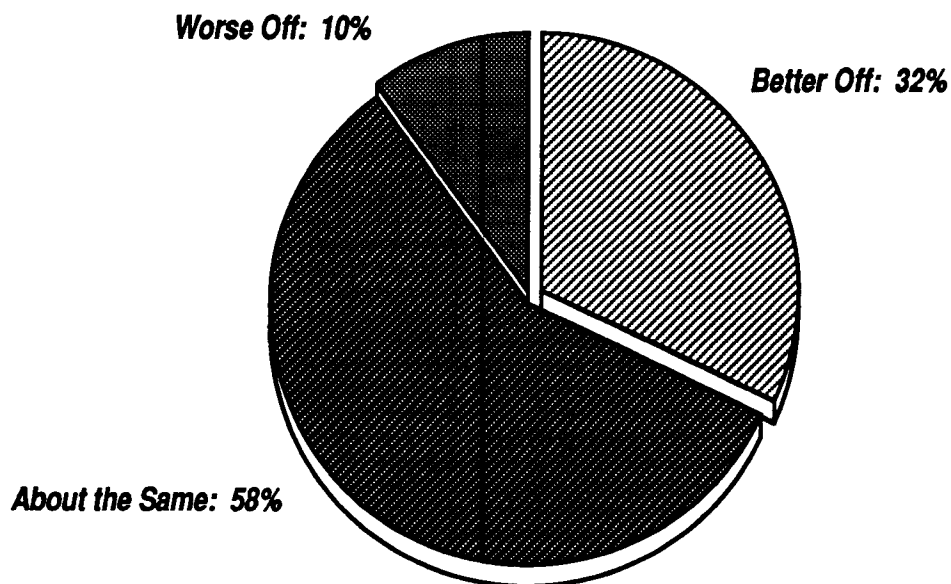
I. Summary of Results

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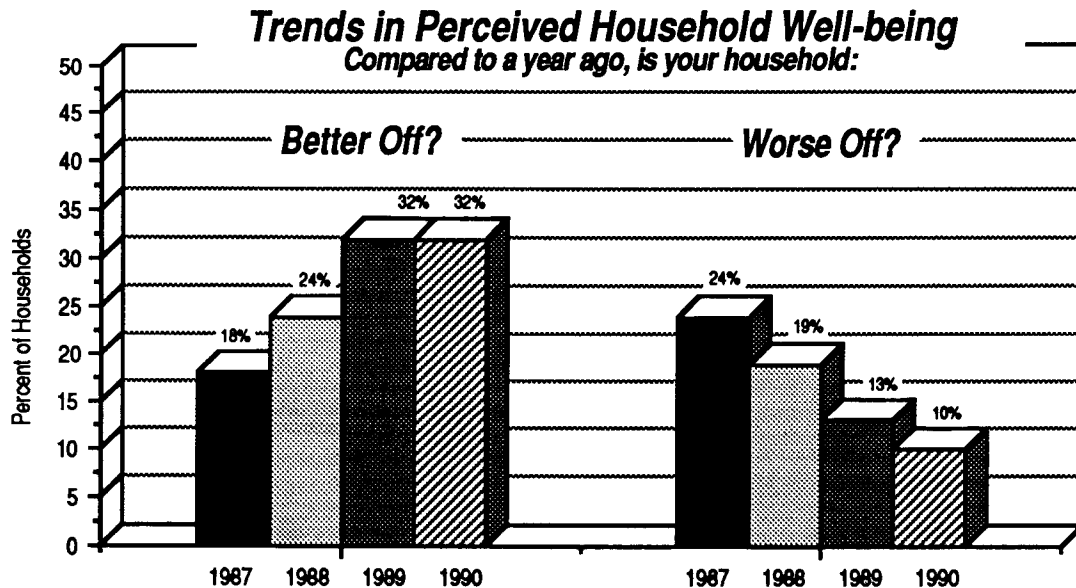
Household Survey Results:

- *One-third of Juneau's households feel they are better off now than they were a year ago. Nearly a third (32%) of Juneau households say their standard of living has improved since 1989, while just 10% feel that it has deteriorated.*

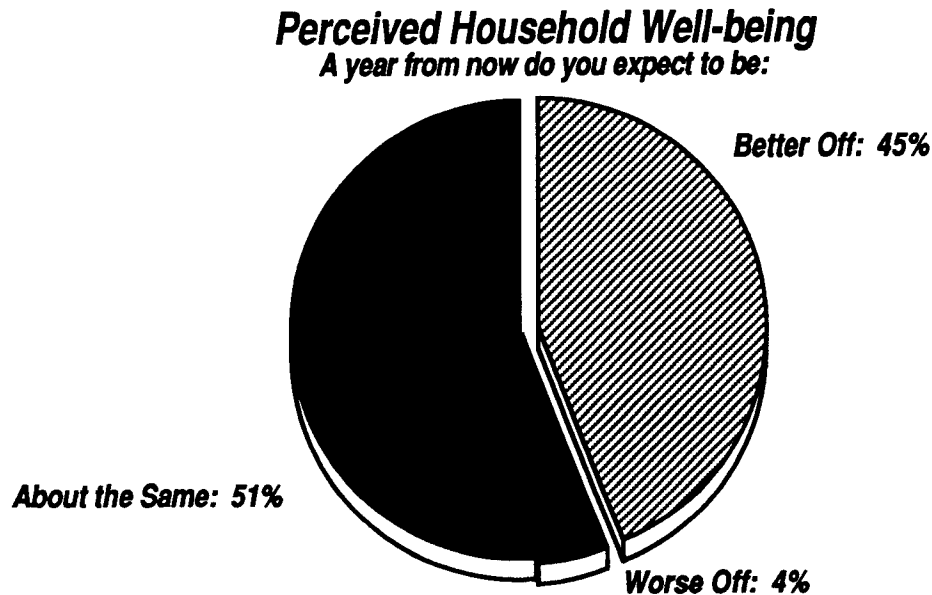
***Perceived Household Well-Being
Compared to a year ago, is your household?***



These results are similar to last year's, and contrast sharply with the responses in 1987, when more households considered themselves worse off than better off (24% versus 18%). Lower income households perceive themselves as increasingly better off, but do not share the high optimism of the middle and higher income households.

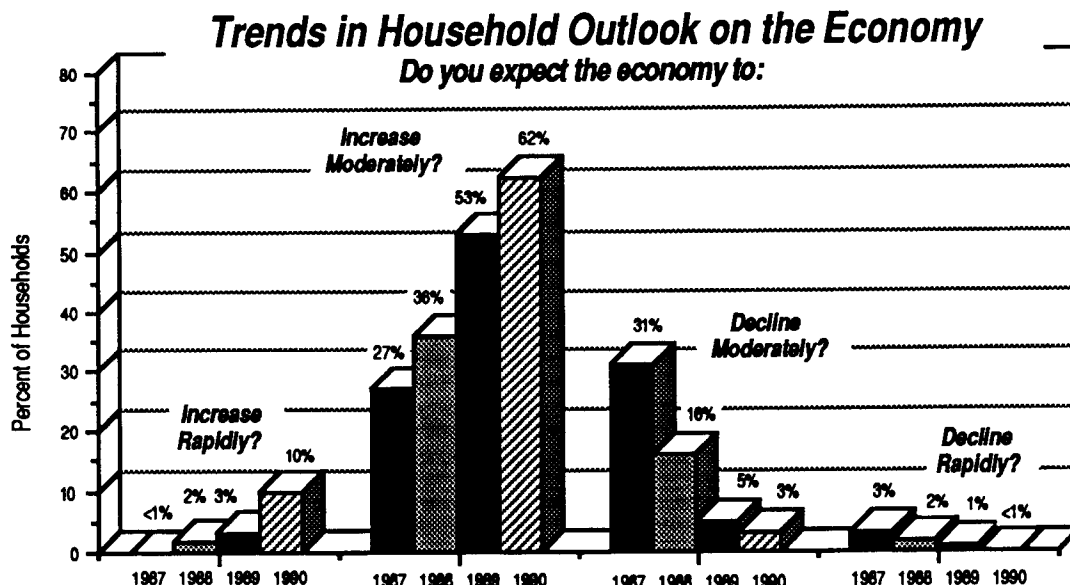


- ***A record 45% of Juneau households expect to be better off next year than they are now, and only 4% expect to be worse off.***
Optimism about the future among Juneau households has been increasing since 1987. In the 1987 survey, 27% expected to be better off in the future and 12% thought they would be worse off. Juneau households are feeling more confident about the local economy than at any time since the recession.



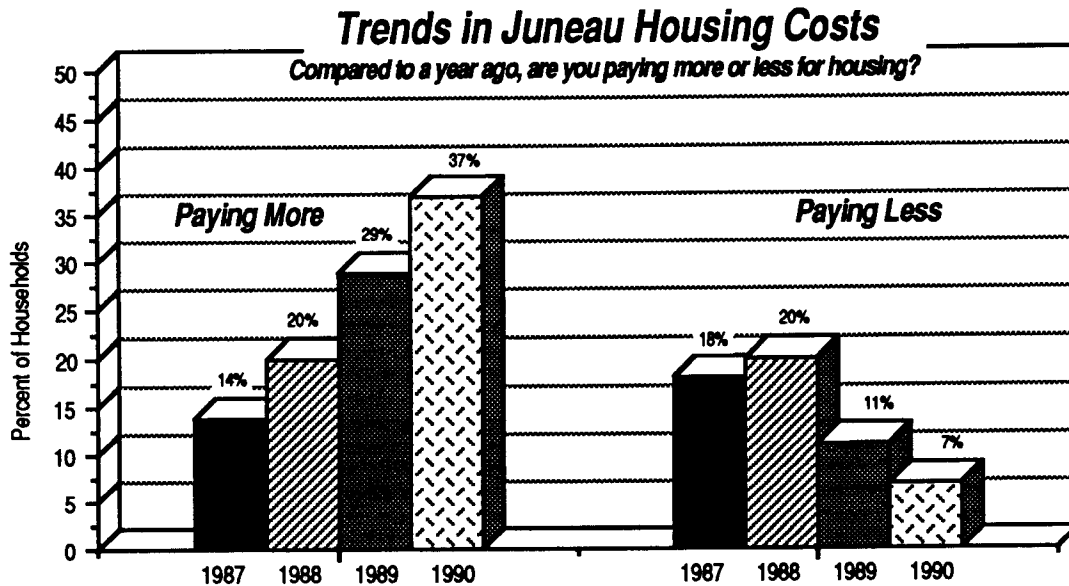
- ***Juneau households are reporting higher incomes than in 1989.***
Forty-three percent are earning more now than in 1989, while 12% are earning less. A majority of the households reporting higher earnings also felt that their standard of living had improved
- ***Fewer main wage earners lost their jobs in 1990.*** For the first time in four years, fewer than one in ten households experienced this loss. However, those who found themselves unemployed had a tougher time getting back on their feet again. Only 7% of the households reported having had a main wage earner lose a job in 1990, compared to 11% in 1989 and 15% in 1988. In 1990, only 39% of those surveyed were able to find new employment, versus 62% in 1989.
- ***Unemployment is down in Juneau.*** One in ten households have a member who is not now working but would like to be working, compared to one in eight last year. A shortage of jobs was cited by only one in four respondents as the reason for unemployment.

- **Juneau households are optimistic about the future of the local economy**, and expect the next year to bring at least moderate growth in the local economy. Nearly three quarters expect some growth for next year, up from 22% in 1987 and 53% in 1989., with the largest share anticipating moderate rather than rapid growth. Only 3% expect a decline, compared to 31% in 1987 and 5% last year.



- **Juneau is experiencing a population influx.** One in five households (21%) have lived in Juneau for two years or less, compared to about one in eight (12%) last year. The percentage of households that have resided in Juneau for more than 20 years has decreased, from 25% in 1989 to 21% in 1990.
- **The seafood and tourism industries are the leading employers in the private sector, followed by mining and tourism.** About 10% of Juneau households include someone employed in either the seafood or tourism industries. The number of households reporting at least one person employed in the mining industry increased from 5% in 1989 to 8% in 1990. Timber followed close behind, with 7% of households reporting jobs in that industry.
- **Juneau households did more of their spending at local businesses than last year, a sign of increased consumer confidence.** Four out of five households (82%) estimated that they did 76% to 100% of their spending locally this year, compared to three out of four households (73%) last year. This is a positive trend for the local business community.

- **Housing costs are increasing throughout the economy.** Nearly 40% of all households report paying more for housing than last year, compared to 29% in the 1989 survey. Part of the cost of economic recovery and expansion is higher housing costs. In 1987, by comparison, more households had a reduction than an increase in housing costs. The increase in housing costs has affected more renters than homeowners. About 60% of renters reported paying more for housing this year, compared to just 26% of homeowners.

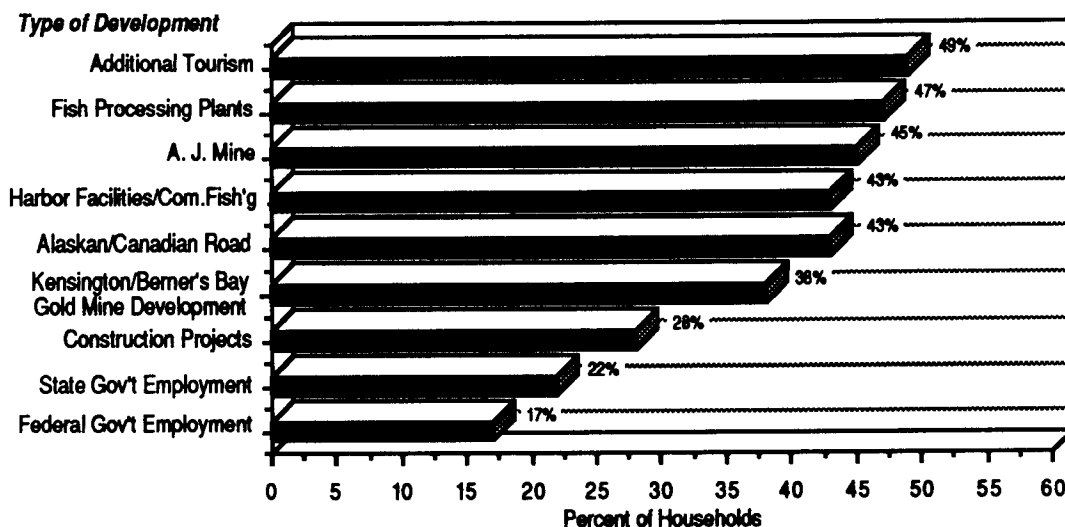


- **Fewer Juneau residents are trying to sell their homes.** Only 3% of Juneau homeowners are currently trying to sell their houses, compared to 5% in 1989 and 13% in 1988. This is a sign of a healthier housing market. It also indicates that fewer residents plan to leave Juneau than in past years.
- **The rate of home ownership has come back up to 1987 levels,** indicating an increased level of confidence in the local economy. The current Benchmark household survey revealed a home ownership rate of 68%, compared to 66% in 1989 and 65% in 1988.
- **Juneau households perceive the business community as better off now than a year ago and far better off than in 1987.** Nearly 60% felt that local businesses were doing better this year, compared to 51% in 1989, 29% in 1988 and just 16% in 1987.

- *Approximately eight in ten Juneau households consider economic development an important function of local government. More than half felt it was "very important" and about one-third felt it was "somewhat important" for local government to devote effort and funding to encourage development which creates jobs and benefits the economy.*

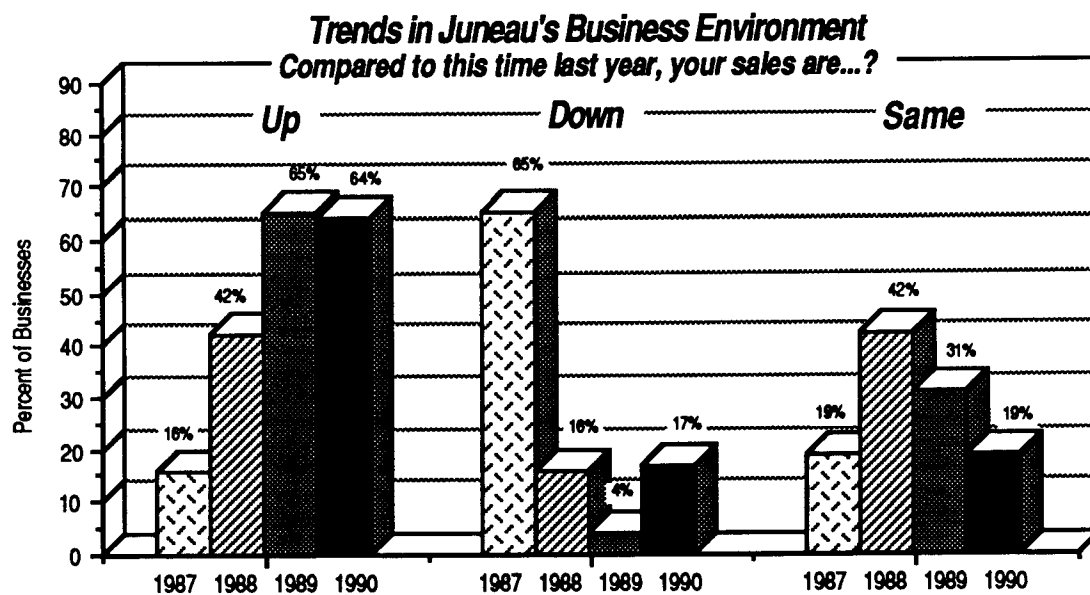
- *Juneau households consider additional tourism and seafood processing development quite important to the local economy. Constructing a road link with the Canadian highway system, reopening of the AJ mine downtown, harbor facilities and commercial fishing development, Kensington/Berners Bay mining development, and more construction projects were also rated as important.*

Perceived Importance of Economic Development
Percent of Households Rating as Very Important to Juneau's Future Economy

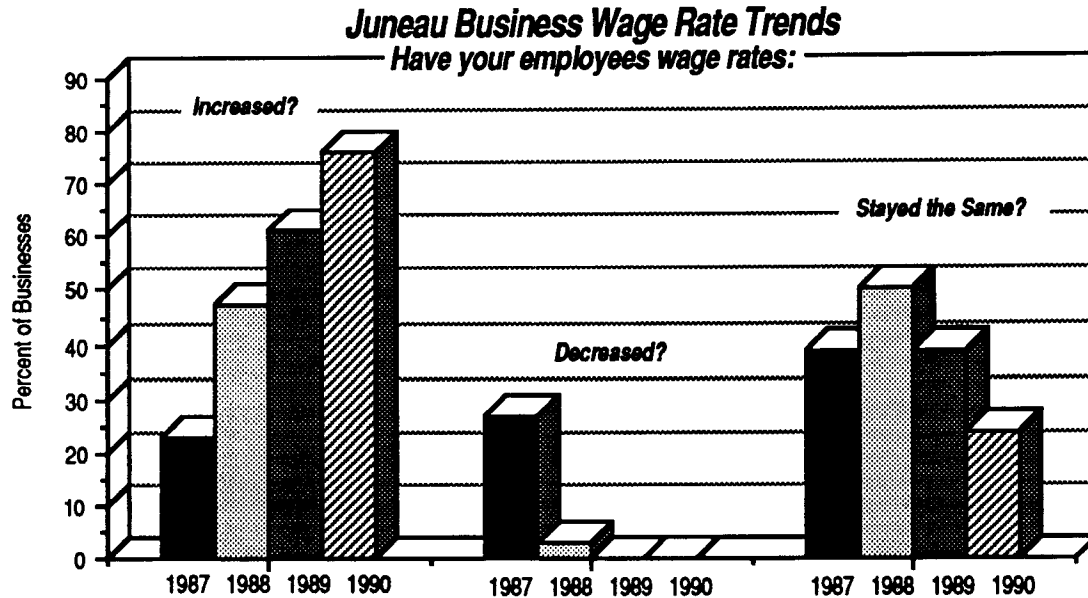


Business Survey Results:

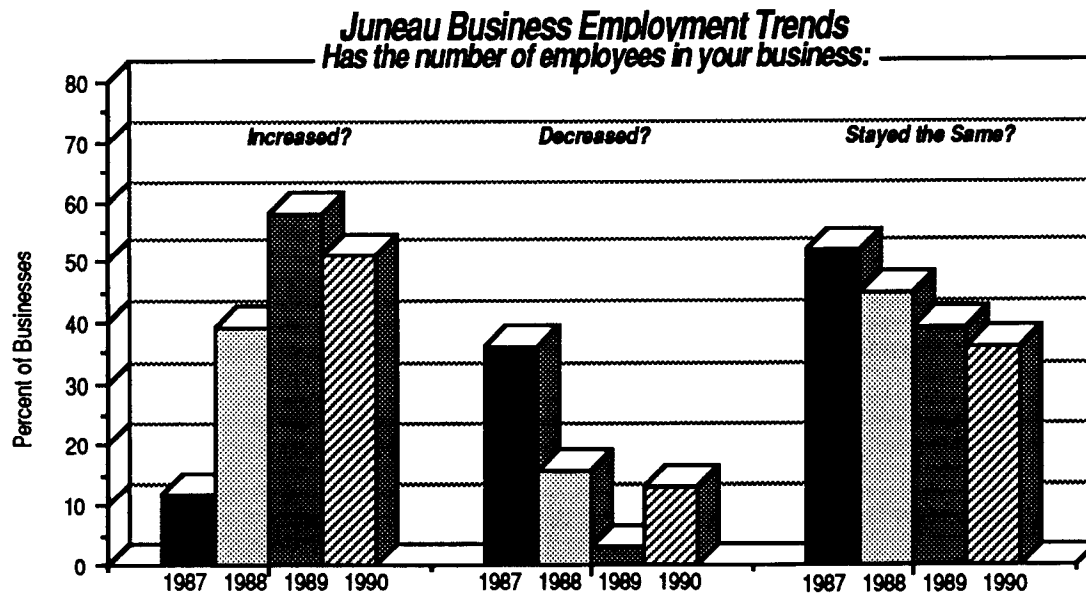
- The business community, as represented by the thirty-nine "bellwether" businesses surveyed, has recovered from the 1986-87 recession and is in a period of expansion. The rate of expansion appears to be slowing compared to 1989 levels, however, and local businesses are exhibiting more caution about the future of the economy. In 1990, 65% of businesses reported increasing sales, 16% reported declining sales, and 19% reported steady sales volumes. In contrast, no businesses reported a loss in sales in 1989. In 1987, two-thirds of businesses surveyed reported declining sales.*



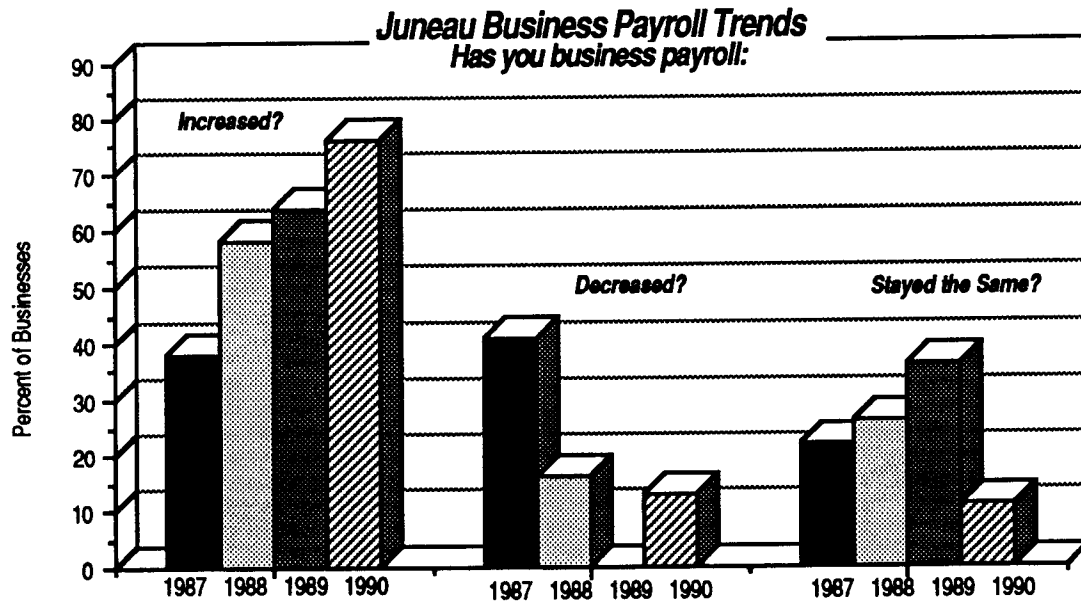
- *Wage rates increased throughout the economy in 1990. Three-quarters of the businesses surveyed reported increased wage rates, compared to 61% in 1989. Only in the 1987 survey did a substantial percentage of respondents report a decrease in wage rates.*



- *Just over half of the businesses surveyed added new employees in 1990, while 15% have reduced the number of employees. About one-third reported no change in employment. These results from last year, when only 3% of businesses had reduced the number of employees. The number of businesses that reduced their work forces correlates with the number that have been experiencing a decrease in sales. Unlike 1989, this year a significant percentage of businesses are not participating in the economic growth apparent elsewhere in the economy.*



- *Despite a trend towards higher wage levels, 15% of businesses reduced total payroll costs this year. As with the scattered reports of declining sales and employment, this too suggests that the rate of economic expansion is slowing. A year ago, no businesses reported reducing payroll costs. Total payroll was also up at 74% of businesses, and holding steady at 11% of businesses.*



- *The Juneau Economic Development Council's effectiveness rating returned to a favorable level after declining in 1989 together with most of the rest of Juneau economic development organizations. The JEDC was rated at 4.4 on a scale of 1 to 7, with seven being the most help to the Juneau economy. The Juneau Convention and Visitors Bureau led in this rating with a 5.5, followed by the Juneau Chamber of Commerce, which rose sharply to a 4.8. Next came the JEDC, followed by the Downtown Business Association at 4.2 and the Southeast Conference at 3.9. The average rating was about 4.6 this year.*

- *A broad majority of owners and managers felt the business environment was improving in 1990, but this perception was not as widespread as in 1989. In 1990 about 72% of respondents said the business environment was improving, while about 8% cited a decline and the remaining 20% considered the business environment stable. In 1989 virtually all businesses thought the business environment was improving.*

- *About 60% of Juneau businesses are investing in capital improvements in 1990, down from 75% in 1989. Improvements are generally investments in the existing facility, with little new construction.*

- *Business owners report that the impact of mining on Juneau businesses is increasing. Mining-related activity has affected sales in 87% of the businesses surveyed, up from 80% in 1989.*

- *Juneau businesses are facing increased competition, and spending on advertising is up compared to last year. These are new trends which differs from 1989. In 1990, 40% of businesses report spending more on advertising than last year, while just 5% are spending less. In 1989 about 33% spent more on advertising and 21% spent less. In 1990, 49% of Juneau businesses reported more competition, while just 8% reported less. In 1989, 27% reported increased competition, while 12% reported less.*

Summary of Current Indicators:

<i>Indicator</i>	<i>Period</i>	<i>Performance</i>
<i>Unemployment Claims</i>	<i>First Quarter 1989/1990</i>	<i>Stable</i>
<i>Unemployment Rate</i>	<i>First Quarter 1989/1990</i>	<i>Stable</i>
<i>Electricity Customers</i>	<i>First Quarter 1989/1990</i>	<i>Up 12.4%</i>
<i>Cable TV Subscribers</i>	<i>First Quarter 1989/1990</i>	<i>Stable</i>
<i>Telephone Stations</i>	<i>First Quarter 1989/1990</i>	<i>Up 4.4%</i>
<i>Residential Building Permits</i>	<i>First Quarter 1989/1990</i>	<i>Up 46%</i>
<i>Single Family Units Listed with JMLS</i>	<i>First Half 1989/1990</i>	<i>Down 10%</i>
<i>Appraisal Values</i>	<i>Fiscal Year 1989/1990</i>	<i>Up 3.4%</i>
<i>Airline Passenger Traffic</i>	<i>First Quarter 1989/1990</i>	<i>Up 5.1%</i>
<i>Bankruptcies</i>	<i>First Half 1989/1990</i>	<i>Down 60%</i>

II. Juneau Household Economic Benchmark Survey

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Introduction

The 1990 Juneau Household Economic Benchmark Survey is the fourth in a series of in-depth telephone surveys of local households. The first survey, performed in July of 1987, was conducted for the purpose of accurately identifying the impacts of the economic downturn on households and to measure household attitudes toward recession impacts. The 1988 and 1989 surveys measured the recovery and expansion in the Juneau economy following the 1986-1987 recession. This issue of the Benchmark report analyzes new survey data and compares the results of all four years of surveying.

Since July of 1987 important changes have occurred in Juneau. State government employment reached its lowest recent level in 1987, since then Juneau's legislative delegation has succeeded in bringing hundreds of new state jobs to Juneau. Mining is becoming an increasingly important presence in the local economy with Green's Creek Mine at full production and the potential for new mine ventures at the downtown AJ site, in Berners Bay and at Taku Inlet. A major new salmon hatchery is now in operation, and the city continues to host a large number of tourists each season.

How are these and other proposed developments viewed? How have these recent developments changed the perceptions of Juneau households? Are Juneau residents feeling better about themselves and the future of the community? How do current attitudes in this period of economic expansion compare to household feelings in 1987, at the bottom of a recession? These are a few of the questions answered in the 1990 Juneau Household Economic Benchmark Survey.

As in the first three benchmark surveys, this survey focuses on five key areas of interest, comparing the present with the past three years, as well as looking a year into the future. The five areas of concentration are:

- 1) household perceptions of their own and the community's well-being*
- 2) employment impacts and employment expectations*
- 3) housing trends*
- 4) perceived effectiveness of economic development organizations,*
- 5) household spending patterns and economic leakage.*

In addition, a complete summary of four years of survey results is at the end of this section of the report.

Methodology

The survey methodology used professional standards to insure selection of a statistically reliable sample, the results of which can be expanded to the entire Juneau population of households. Two hundred and sixty randomly selected households were surveyed during the months of May and June, 1990. The sample size was increased from 240 in 1989, 191 in 1988 and 164 in 1987, for greater statistical reliability. Interviewers were trained, pretests conducted, and the telephone surveying supervised by professional in-house staff. The random digit dialing system was used to insure random selection of all households with telephones, including unlisted numbers.

Top line (Summary) results of this survey represent the true proportions of the Juneau household population with a maximum margin of error of $\pm 7\%$. Most answers are subject to smaller margins, so readers can be assured the results are accurate.

Perceptions of Changes in Living Standard and Income

Compared to the the past three years, especially the recession-affected 1987 findings, more Juneau households are enjoying a higher standard of living, and more are optimistic about Juneau's future than before. These attitudes are a continuation of the positive trend established in 1988-1989 and a reversal of the more pessimistic attitudes documented in 1987.

In terms of standard of living, Juneau households again perceive they are better off than a year ago. One-third of Juneau households consider themselves better off in 1990 than in 1989, while just 10% consider themselves worse off. These numbers show a slight improvement over the 1989 figures, when 32% considered themselves better off and 13% worse off. In 1988, 24% felt better off, 19% worse off. By contrast the 1987 survey revealed that just 18% felt better off than in the previous year, while 24% felt worse off.

This growing perception of well-being does vary somewhat among different segments of the population. Lower income households perceive themselves as increasingly better off, but do not share the high optimism of the middle and higher income households. Of households with incomes of less than \$30,000, 29% reported being better off, versus 33% of households with incomes over \$30,000. Eighteen percent of households with incomes under \$30,000 reported being worse off, compared to 8% of households with incomes over \$30,000. Rising housing costs may have a major influence on the attitudes of lower income households.

Household expectations for the future also improved somewhat from last year, the third consecutive year of increased optimism about the future. A full 43% percent of Juneau households expect to be better off next year than they are in 1990, while only 4% expect a decline in their household standard of living. In 1989, 41% expected to be better off this year, and 8% expected to be worse off. In 1988, 36% expected to be better off, and in 1987, 27% thought they would be better off in the next year.

Juneau households reported increased income again this year, consistent with the perception of an improved standard of living among many survey respondents. Increased income was reported by 44% of Juneau households in the past year. Only 12% reported reductions. These figures show improvement over the past two years, when 39% reported increased income and 17% reduced income. In addition to income, home equity contributes to a sense of well-being. The increasing sense of economic well-being among Juneau households is probably due in part to recovery of the residential real estate market (see below).

Higher income was reported by households of all income levels, but households with incomes under \$30,000 annually were less likely to report increases (38%) and more likely to report decreases (27%). Among all households reporting incomes over \$30,000, 47% reported higher incomes, while just 9% reported lower incomes. The households with incomes under \$30,000 appear to be declining slightly as a percentage of all households. In 1990, 17% reported an income of less than \$30,000, compared to 19% in 1989 and 28% in 1988. The percent of households making \$60,000 to \$90,000 and over \$90,000 increased since last year, while the percent reporting income between \$30,000 and \$60,000 declined.

Future expectations for household income also improved in 1990. More than half reported an expectation that their household income would improve next year, while just 8% reported expecting a decline. In 1988 and 1989 about 40% expected their next year's income to increase, while in 1987 just 29% had this expectation.

Household Perceptions of the Economy and the Business Community

Household perceptions of Juneau's economic future have grown more optimistic for the fourth year in a row. In 1990, 61% of Juneau households expected the economy to expand moderately next year, while 10% expected rapid growth. One-fifth expected economic conditions to remain stable next year. Only 3% expected moderate decline, and no respondents expected a sharp decline. In 1989, 53% expected moderate growth. In 1988 only 38% felt this way, and three years ago the survey showed just 27% looking for improvement. Conversely, those pessimistic about the economy dropped to just 3% in 1990, from 18% in 1988 and 33% of the population in 1987.

Views of Juneau's future vary little among households with different types of employment, income or length of residency. In households where main wage earners are in the private sector, 77% of respondents expected moderate or strong growth in the economy next year. In households where local government employees were the main wage earners, 76% expected moderate or strong growth. Moderate or strong growth was expected in about 70% of households where state employees were the main wage earners, and among households where federal employees were the main wage earners, the figure was 66%.

State worker households continue to take an increasingly optimistic view of the economy. In 1987 and 1988, though they were less affected by the recession than private sector groups, just 29% of state worker households anticipated an increase in the economy. In 1989, 52% (about average for Juneau households) of them expected the economy to expand, and just 11% anticipated a decline, compared to 24% expecting a decline in 1988. This year 68% of Juneau households where a state employee is a main wage earner expect Juneau's economy to grow moderately or rapidly in the next year.

Among households with incomes over \$90,000, 68% expect the Juneau economy to expand moderately or rapidly. Among incomes between \$60,000 and \$90,000, 72% expect moderate or rapid economic growth. For households with incomes between \$30,000 and \$60,000, 77% expect moderate or rapid growth, and for households under \$30,000, 62%.

Length of residency appears to be more of a factor in views of economic growth or decline than either employment type or income. Of respondents who have lived in Juneau 1-2 years, 74% expect strong or moderate growth next year. For residents of 3-5 years the figure is 77%. Just 71% of residents of 6-10 years expect moderate or strong growth, compared to 81% of residents of 11-15 years. Only 56% of residents of 16-20 years expect moderate or strong growth. For residents of over twenty years the number expecting economic growth increased to 69%.

Juneau households continue to view Juneau businesses as being increasingly well off. In 1990, 56% of respondents felt Juneau businesses are better off than a year ago, while just 3% felt they were worse off, and 37% felt they were about the same. In 1989, 51% said businesses were better off, while 7% said they were worse off. In 1988 opinions on Juneau businesses were divided, with 29% saying better off and 27% saying worse. In 1987, by contrast, 53% said businesses were worse off, while just 16% felt they were better off.

Employment Patterns and Attitudes

The household employment picture also continues to improve. Fifteen percent of respondents reported more people in the household working, up slightly from the last two years and up substantially from 1987, when only 5% reported more people employed. Only 8% of households reported less people employed in 1990, down from 12% in each of the past three years.

Of full time jobs, the private sector accounted for 50% (including self-employment), state government 25%, local government 13% and federal government 12%. For main wage earners the percentages are fairly similar, with 46% private sector (including self-employment), 26% state government, 15% federal government and 13% local government.

In 1990, 7% of Juneau households reported a main wage earner losing a job, down from 11%-15% in each of the past three years. The number of employed persons per household increased slightly over 1989, from 1.6 to 1.7. In 1990, 72% of all Juneau households had two or more household members employed, and the work force participation rate (percent of household members employed) was about 57%. All of the above factors are indications of continuing improvement in employment in 1990.

Households where a private sector employee was the main wage earner were more likely to fall into the highest or lowest income categories than households where the main wage earner was a public servant. In 36% of all households under \$30,000 a private sector employee was the main wage earner. Sixty percent of all households with incomes over \$90,000 had a private sector employee as the main wage earner. Private sector households were more likely to have a high income. Fifteen percent of all households where the main wage earner was employed in the private sector earned more than \$90,000. By contrast, among households where the main wage earner worked for the state or federal government, 9% each had incomes over \$90,000. Among local government main wage earner households, about 7% had incomes over \$90,000.

Households were asked if any member was employed in a mining or mining-related job, and 8% replied yes. This indicates that about one in twelve Juneau households have a household member working in mining or in a mining-related field. This figure is up from one in twenty households reporting a member working in mining or a mining-related field last year.

Despite the growth in mining related employment, tourism and seafood each provided more jobs. Juneau households reported 10% had at least one person employed in tourism or seafood industry related jobs. Of the households surveyed, 7% had a member employed in a timber related job.

Households most likely to have a main wage earner lose a job in the past year were those with incomes under \$30,000, where 18% experienced a main wage earner losing their job. Twelve percent of households with incomes over \$90,000 had a main wage earner losing a job, and the households between \$30,000 and \$90,000 experienced only 4% of main wage earners losing jobs.

For those finding other employment, finding another job took an average of about six months, but only 39% of respondents reported that main wage earners had found other employment. This is a change from 1989, when 62% of those losing jobs were able to find new employment. Of those finding new jobs in 1990, about 14% were outside the Juneau area.

Households with an unemployed main wage earner dropped from 6% in 1989 to 4% in 1990. In 1988, 12% of Juneau households had an unemployed main wage earner. Households with an unemployed main wage earner are divided in their expectations of that person finding another job, with 50% anticipating success and 45% not expecting success.

Compared to 1989 slightly fewer households have a member who is not working but who would like to be working (11% in 1990 versus 12% in 1989). In 1988, 18% of households reported a member not working who wanted to work. In 1990, 25% cited a lack of jobs as the reason for a member's unemployment, versus 20% in 1989 and 31% in 1988. Lack of day care and lack of marketable skills were not substantial issues in 1990 unemployment, with only 4% citing either. Lack of skills had been cited by 13% as a reason for unemployment in 1989.

Three percent of respondents expected a household member to retire in the next twelve months, and 38% of households with a retiring member expected to relocate outside of Juneau. Of those retirees responding to the survey, the average amount of time they had been retired was about seven years.

Residential Real Estate Patterns

From the homeowners' perspective, the Juneau's housing market continues to improve. In 1990, only 3% of Juneau homeowners reported trying to sell their homes. In 1989, 5% were trying to sell, in 1988, 13% and in 1987, 10%. This means that fewer homes are coming on the market, and Juneau homeowners are more confident that owning a home in Juneau is a good investment.

Along with a stronger housing market (viewed as positive by most people) comes higher housing costs (viewed as negative by most people). Households paying more for housing outnumber those paying less by more than five to one (37% are paying more, 7% less). In 1989, 29% were paying more, 11% less. In 1988 these numbers were even at 20% each, and in 1987 a greater number of all households paid less than more for their housing.

Home ownership patterns appear to have stabilized, with about two of three Juneau households owning their homes. The 68% of Juneau residents owning their own homes is consistent with the results of the 1987 survey. In 1988 the number of owners dropped to 65% and rose to 66% in 1989. By comparison a 1985 McDowell Group study found that 70% of Juneau households owned homes. The number of renters who had previously owned a home in Juneau dropped for the first time in four years, from a high of 15% in 1989 to 11% in 1990.

Approximately one-third of all homeowners intend to make major improvements or additions to their homes in the near future. This level of activity also shows renewed confidence in Juneau's residential real estate market, as people are willing to invest to make capital improvements.

One-fourth of the renters surveyed stated that they are considering buying a home in Juneau in the next six months, while 62% of renters stated they would purchase a Juneau home if they could. Not surprisingly, cost was the primary factor preventing would-be buyers from purchasing homes. Forty-three percent cited lack of funds as preventing their purchase, 10% cited the cost of property, and 9% cited prohibitively large down payment requirements.

Population Trends

Survey results and other available information indicate two major findings regarding the current Juneau population: 1) the total population is probably at an all-time high; 2) Juneau's population is becoming somewhat less stable, as measured in length of residency.

With regard to total population, survey results and economic indicators clearly show a substantial increase in Juneau's population since 1987. Recent employment statistics obtained for this report, as well as other statistics obtained for the publication "Juneau Trends," show that Juneau's employment base is at an all-time high of about 14,050 jobs. This figure eclipses the previous high of about 13,900 jobs attained in late 1985 and suggests that Juneau's population is also likely to be at an all-time high. It is also known that the employment base and population have been growing steadily since 1988.

Previously Juneau's population fell by an estimated 1,600 persons in 1986 and 1987, 6% of the total population. This loss of population was caused by out-migration, following loss of employment and difficulty finding new work during the recession. By the end of the recession in early 1988, Juneau had lost nearly 10% of its total employment.

This means that since 1987 a sizeable percentage of the population left Juneau and was replaced by a greater number of new residents in search of employment opportunities. This growing population is now probably keeping pace with new jobs, and competition for the most desired positions is more pronounced in 1990 than in recent years. This competition is demonstrated by the 1990 survey results regarding the ability of unemployed main wage earners to find new jobs (see the employment discussion above).

Juneau's population appears to be increasing, but the percentage of long-term residents is decreasing. Trends in length of residency tend to indicate a less stable population. The percent of households residing in Juneau for one to two years rose substantially in the past year, from 12% in 1988-1989 to 21% in 1990. In addition the percentage of households with residence of five years or less rose from 29% in 1989 to 33% in 1990. This rise in new residents is probably associated with new job opportunities afforded in the expanding Juneau economy. Further the number of residents who have lived in Juneau for more than twenty years continues to decline, from 25% of all residents last year to 21% of all residents in 1990. In addition to dislocation caused by the mid-1980s recession, the state's early retirement program may be contributing to the out-migration of long term Juneau residents, although probably not substantially.

Another stability indicator among the Juneau population is intended migration. In 1990, 10% of respondents expected to move from Juneau in the next year. This number is up somewhat from 1989, when 8% intended to leave. Of those intending to leave, 41% cited a job transfer as the reason for moving. 15% were going back to school; 11% were leaving because of the weather, and 7% were leaving because of the economy in general.

Rating the Importance of Developments

Among nine potential economic developments facing Juneau, tourism development was rated by the largest share of respondents (49%) as very important to the Juneau economy. Additional fish processing (47% rating very important) and re-opening the AJ Mine (45% rating very important) followed tourism closely in perceived importance. A road link to Canada and additional harbor facilities/commercial fishing were each seen as very important by 43% of respondents. Kensington/Berners Bay gold mining was seen as very important by 38% of respondents and more construction projects by 28%. Additional state government employment was viewed as very important by just 22% of respondents and additional federal government employment by just 17%.

When percentages of respondents considering these potential developments as somewhat important to the future of Juneau's economy are added, the rankings are modified somewhat. Additional tourism and fish processing plants become tied, with 82% rating them either very or somewhat important. Reopening of the AJ Mine, additional harbor facilities and commercial fishing facilities follow tied for third at 78%. Kensington and other Berners Bay mines are rated at 74%; the road link drops to seventh, with 68% rating it important. More construction projects follows at 67%, while additional state and federal employment are at the bottom, with 57% rating them very or somewhat important. Readers should remember that these statistics do not represent "for" or "against" ratings. Households are not being asked to vote on these developments. The survey is interested only in perception of economic importance.

The perceived importance of additional government, particularly additional state government is declining significantly in the minds of Juneau residents. State government's very important rating dropped from 54% in 1987 to 26% in 1989 and to 22% this year. Perhaps the emphasis on diversification and the tangible evidence of new development in tourism, fisheries and mining is changing the public perception of Juneau's economic base, even though in reality that base is still 85% government.

An additional view of the perceived importance of these potential developments among respondents is obtained by quantifying responses, and this was done in the survey. Responses were quantified on a scale of 1-4, with "4" being "very important" and "1" being "not at all important."

Under this rating system additional tourism and fish processing plants led with ratings of 3.3 ("somewhat-very" important). Reopening of the AJ Mine and additional harbor facilities/commercial fishing both follow closely at 3.2 (also "somewhat-very" important). Kensington and other Berners Bay mines (rated 3.1), the Canadian road link and more construction projects (rated 2.9 each) are all viewed as "somewhat important." State and federal employment (rated 2.6 each) are viewed as neutral in importance

Respondents were also asked detailed questions on how much mining activity in Juneau has economically affected their household and how much they expect mining to economically affect their household in the future. The questions were posed on a 1-7 scale to quantify answers. A "7" indicated "very significant effects" from mining, and a "1" indicated "not at all affected."

When asked how much mining has affected their household economically, whether negatively or positively, respondents rated mining effects as 2.7 (positive) on a scale of seven, meaning that mining had a relatively modest impact on a Borough-wide basis. About 15% of respondents stated that mining had a very significant economic impact on their households, while about 60% said that mining had little or no economic effect on their household. Respondents specified an improved housing market (for sellers) and increased business sales as the positive effects they associated with mining. Negative economic impacts were mentioned by less than 5% of those surveyed. The only negative impact mentioned was the decreased availability of larger apartments and houses on the rental market, and increased rent levels.

In response to the question of how much mining will economically affect their household in the future, respondents rated potential future mining effects on their households as 4.0 on a scale of seven, meaning that respondents feel mining will substantially impact households on a Borough-wide basis. Again, crediting mining development with the resurgence in the real estate market and the potential for increased business sales. About 25% of households stated that mining will affect their household very significantly, while about 30% said that mining will have little or no economic effect on their household.

Ratings of Development Organizations

Fewer of the households surveyed this year recognized the names of various local development organizations, probably because there are so many new residents. Households were most familiar with the Chamber of Commerce (90% recognition, down from 96%), the Downtown Business Association (80%, down from 85%) and the Juneau Convention and Visitors Bureau (77%, down from 84%). The Juneau Economic Development Council, which had been taking a lower profile to the general public, is recognized by 61% of all households (down from 64% in 1989). The Southeast Conference, which promotes the interests of municipalities and the region's major industries, is least recognized, and its recognition declined to 27% in 1990, from 34% in 1989.

Household effectiveness ratings of Juneau economic development organizations continued to increase in 1990, following the trend established in 1989. Only those respondents who recognized an economic development organization were asked to rate the effectiveness of the organization, ("don't know/not sure" responses were not averaged when determining an effectiveness rating.) Ratings of the JEDC increased to a favorable 4.0 on a 1-7 effectiveness scale ("7" is the most effective), up from a moderate 3.4 rating of 1988-1989. Ratings of economic development organizations appears to correlate closely with recognition of those organizations. Improving the recognition rate of the Juneau Economic Development Council could lead to higher ratings.

The Juneau Convention and Visitors Bureau (4.9), the Downtown Business Association (4.6) and the Juneau Chamber of Commerce (4.0) all received favorable-to highly favorable effectiveness ratings from households. The Southeast Conference received a moderate effectiveness rating of 3.7.

Local Government Participation in Economic Development

Continuing involvement in economic development activities is considered an important function of local government by 85% of Juneau households. Juneau residents clearly look to local government to assume an active role in economic development. Residents consider it appropriate for both staff time and funds to be dedicated to improving the economy. Local government activities which create jobs and benefit the economy were rated as very important by 55% of all Juneau households surveyed (compared to 48% in 1988), and another 27% rated such activities as somewhat important (compared to 34% in 1988).

Few Juneau households considered local government participation in economic development as not at all important (7%). These results show increasing support for local government development efforts, and the 85% of all households which consider such local government activity as very or somewhat important provide clear direction for political leaders, as well as for development organizations associated with local government.

Household Spending and Economic Leakage

The 1990 survey revealed a shift in spending patterns towards more local purchasing. Over 80% of respondents did most of their spending (76% to 100%) of their spending locally, up from 73% in 1989 and 75% in 1988. In addition, 14% of respondents reported spending a greater percentage of their dollars in Juneau than in the past year, up from 8% in 1988. These are favorable trends for the Juneau business community.

Some spending and leakage questions were not repeated in 1989 and 1990, since responses in past Benchmark surveys showed little annual variation. The specific spending patterns identified below were taken from 1988 survey data; the comparison to other communities in Southeast and relative spending proportions are still valid. Increases in local spending indicated by the 1990 survey are probably due to increased confidence in the economy, and are assumed to be fairly evenly distributed throughout the economy.

Data gathered in the 1988 survey indicated that Juneau enjoys a relatively low level of economic leakage, at least compared to other Southeast Alaska communities. Eighty percent of Juneau households usually buy their clothing locally; 68% purchase their autos and trucks here, 80% their appliances, and 83% buy their sporting goods locally. In addition 83% of Juneau households usually purchase their medical services locally.

In the retail sector, room remains for capturing some of the remaining clothing market, (20% of all clothing bought by Juneau households is bought outside the local area). However, the current level of leakage should not necessarily be viewed as unacceptable. Leakage will always occur to some extent. Even Seattle residents, use mail order services. Alaskans are even more inclined to shop by mail for the sake of convenience and selection. Juneau enjoyed large scale expansion of the retail and service sectors in the mid-1980s, which increased variety and cost-competitiveness and reduced leakage substantially. While additional improvement may be possible, competition from the retail sectors of much larger urban centers, such as Seattle and from hundreds of mail order firms, makes complete retail market capture an unrealistic expectation.

Comparison of 1990 Household Economic Benchmark Survey Results with 1987, 1988 and 1989 Surveys

1. How many persons, including yourself, live in your household?

	Annual Averages	1990 Percentages
1990	Average: 3.0 persons	1 person: 17%
1989	2.8	2 persons: 27%
1988	3.0	3 persons: 18%
		4 persons: 23%
		5 persons: 9%
		6 persons: 5%

2. Overall, in terms of standard of living, do you consider your household better off, worse off or about the same as a year ago?

1990	Better off: 32%	Worse off: 10%	About the same: 58%
1989	32%	13%	55%
1988	24%	19%	57%
1987	18%	24%	58%

3. Next year at this time, do you think your household will be better off, worse off or about the same as it is now?

1990	Better off: 43%	Worse off: 4%	About the same: 50%
1989	41%	8%	50%
1988	36%	11%	62%
1987	27%	12%	61%

4. How many persons in your household are presently employed?

	Annual Averages	1990 Percentages
1990	1.7 persons	1 person 28%
1989	1.6	2 persons 48%
1988	1.5	3 persons 8%
1987	1.5	4 persons 2%

4A. Compared to last year at this time, is the number of employed people in your household more, less or the same?

1990	More: 15%	Less: 8%	About the same: 74%
1989	13%	12%	75%
1988	12%	12%	76%
1987	5%	12%	82%

4B1. Beginning with the highest paying job, is it a Local, Federal or State government job, or a private sector job. Is it full time or part time?

Sector	First Job	
Federal - FT	13%	33
Federal - PT	0%	1
State - FT	22%	56
State - PT	0%	1
Local Gov't. - FT	12%	30
Local Gov't. - PT	1%	2
Private - FT	33%	87
Private - PT	2%	5
Self-Employed - FT	5%	13
No Response	12%	32

CUMULATIVE TABLE

Sector	ALL JOBS	
Federal - FT	11%	44
Federal - PT	1%	4
State - FT	21%	86
State - PT	1%	6
Local Gov't. - FT	11%	45
Local Gov't. - PT	2%	9
Private - FT	37%	152
Private - PT	8%	34
Self-Employed - FT	6%	24
Self-Employed - PT	2%	7
Not Sure/No Response		32

4B2. Are any of these jobs...?

		1990	1989
Mining Related?	Yes	8%	5%
Tourism Related?	Yes	10%	
Seafood Related?	Yes	10%	
Timber Related?	Yes	7%	

4C. Has a main wage earner in your household lost his or her job in the past 12 months?

1990	Yes:	7%	No:	93%
1989		11%		89%
1988		15%		85%
1987		11%		89%

4D1. (If yes on 4C) Was that person able to find another job?

1990	Yes:	39%	No:	61%
1989		62%		38%
1988		48%		52%
1987		47%		53%

4D2. (If yes on 4D1) Was that (new) job outside the Juneau area?

1990	Yes:	14%	No:	86%
1989		22%		78%
1988		13%		87%
1987		25%		75%

4D3. How many months has that person been unemployed?

1990	Average:	6 months
1989		6 months
1988		7 months
1987		5 months

5. Is ANYONE in your household not working who would like to be working?

1990	Yes	11%	No	85%
1989		12%		84%
1988		18%		82%

5A. (If yes to 5) In your opinion, what do you think specifically is preventing them from working ?

	1990	1989	1988
Lack of jobs	25%	20%	31%
No construction jobs	NA	3%	14%
Personal	11%	7%	17%
Lack of skills	4%	13%	9%
Lack of day care	4%	NA	NA
Health related	NA	10%	11%

6. Compared to a year ago, is your present household income higher, lower or about the same?

1990	Higher: 44%	Lower: 12%	Same: 44%
1989	39%	17%	44%
1988	39%	28%	43%
1987	29%	28%	43%

6A. Compared to the present, do you expect next year's household income to be higher, lower or about the same?

1990	Higher 52%	Lower 08%	Same 40%
1989	40%	16%	44%
1988	41%	8%	47%
1987	27%	12%	58%

7. How many years have you resided in Juneau?

Years in Juneau	1990	1989	1988	1987
1-2	21%	12%	12%	16%
3-5	12%	17%	15%	18%
6-10	20%	21%	18%	19%
11-15	17%	11%	18%	15%
16-20	10%	11%	8%	8%
Over 20	21%	25%	29%	24%

8. Do you own or rent your home?

1990	Own 68%	Rent 32%
1989	66%	34%
1988	65%	35%
1987	68%	32%

8A. If you rent, had you previously owned your home in Juneau?

1990	Yes 11%	No 89%
1989	15%	85%
1988	13%	87%
1987	10%	90%

8B. If you own, are you currently trying to sell your home?

1990	Yes 3%	No 97%
1989	5%	95%
1988	13%	87%
1987	10%	90%

8C. Compared to a year ago, is your present house (or rent) payment more, less or about the same?

1990	More 37%	Less 07%	Same 51%	No payments 6%
1989	29%	11%	53%	5%
1988	20%	20%	50%	11%
1987	14%	18%	53%	14%

9. Do you expect Juneau's overall economy in the next year to:

	1990	1989	1988	1987
1. Decline severely	0%	1%	2%	3%
2. Decline moderately	3%	5%	16%	31%
3. Remain about the same	21%	35%	44%	40%
4. Increase moderately	61%	53%	36%	27%
5. Increase rapidly	10%	3%	2%	0%
Don't know	3%	2%	1%	1%

10. Overall, compared to this time last year, do you think businesses in Juneau are doing better, worse or about the same?

	Better	Worse	Same
1990	56%	3%	37%
1989	51%	7%	42%
1988	29%	27%	44%
1987	16%	53%	31%

11. Using a 1 to 7 scale with 1 being not at all and 7 being very significantly, how much has mining affected your household?

	1990	1989	1988	1987
1 Not at all	47%	50%	40%	29%
2	10%	12%	11%	8%
3	8%	12%	14%	13%
4	9%	10%	8%	26%
5	8%	7%	11%	10%
6	6%	4%	5%	4%
7 Very significantly	8%	4%	11%	10%
Mean	2.7	2.0	3.0	3.3

12. Using the same 1 to 7 scale, To what degree do you expect mining development in the Juneau area to affect your household ?

	1990	1989	1988	1987
1 Not at all	24%	45%	46%	40%
2	5%	12%	12%	16%
3	8%	13%	16%	8%
4	12%	11%	9%	7%
5	17%	8%	7%	5%
6	9%	4%	2%	4%
7 Very significantly	18%	4%	5%	3%
Mean	4.0	2.5	2.5	2.4

13. Have you heard of the following organizations? If yes, how would you rate their effectiveness in helping Juneau's economy, using a 1 to 7 scale with 1 being not effective at all and 7 being very effective?

Organization	Recognition				Effectiveness Rating			
	1990	1989	1988	1987	1990	1989	1988	1987
JCVB	77%	84%	80%	80%	4.9	4.3	4.0	4.4
SE Conference	27%	34%	39%	42%	3.7	3.0	3.0	3.0
DBA	80%	85%	80%	86%	4.6	4.2	3.8	4.6
JEDC	61%	64%	56%	54%	4.0	3.4	3.4	3.6
Chamber	90%	96%	90%	90%	4.4	4.0	3.6	4.4

14. In your opinion, how important is it for LOCAL GOVERNMENT to spend effort and funding to encourage developments which create jobs and benefit the economy in Juneau? Very important, somewhat important, somewhat unimportant or not at all important?

	1990	1989	1988
Very important	55%	48%	60%
Somewhat important	30%	33%	29%
Somewhat unimportant	7%	9%	5%
Not at all important	7%	9%	5%

15. How important do you feel the following types of developments would be to Juneau's economy? Very important, Somewhat important, Somewhat unimportant or Not at all important (1 to 4 scale).

	Importance Rating			
	1990	1989	1988	1987
Additional state government employment	2.6	2.6	2.6	3.3
Additional federal government employment	2.6	2.6	2.7	3.3
Greens Creek mine development	NA	3.2	3.2	3.6
Reopening of the AJ mine	3.2	3.3	3.1	3.1
Additional fish processing plant or plants	3.3	3.2	3.2	3.3
Additional tourism development	3.3	3.2	3.4	3.3
More construction projects	2.9	2.8	2.7	2.8
Kensington/Berners Bay mine development	3.1	3.1	2.9	NA
Road link between Alaskan/Canadian systems	2.9	3.0	2.9	NA
Harbor and fishing development	3.2	NA	NA	NA

16. What percent of your total household spending is done locally in Juneau?

	1990	1988	1987
0-25%	2%	1%	1%
26-50%	2%	3%	4%
51-75%	13%	23%	20%
76-100%	82%	73%	75%

17. Is that percentage more, less or about the same as last year?

1990	More 14%	Less 4%	Same 82%
1989	NA	NA	NA
1988	8%	5%	87%
1987	7%	3%	90%

18. Next year do you expect to spend more, less or about the same percentage in Juneau?

1990	More 10%	Less 8%	Same 82%
1989	NA	NA	NA
1988	9%	11%	80%
1987	5%	7%	87%

19. In which of the following categories would you estimate your total household income falls?

	1990	1989	1988
Under \$30,000	17%	19%	28%
\$30,000 - \$59,999	45%	54%	35%
\$60,000 - \$89,999	22%	19%	28%
\$90,000 & over	10%	5%	7%

III. Juneau Business Benchmark Survey

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Introduction

The business portion of the Juneau Economic Benchmark Report IV is the result of executive interviews with owners and managers of "bellwether" Juneau businesses. These businesses were selected as a reasonable and representative cross-section of their respective sectors of the Juneau economy. Businesses were selected in a variety of industries including transportation, lodging, retail trade, finance, real estate, construction, restaurant, professional services (legal, medical, engineering, etc.) utilities and media. Between the time the initial benchmark survey was conducted in 1987 and the present report, between thirty and forty businesses have been surveyed annually. This year thirty-nine businesses were surveyed.

Since the purpose of the benchmark series is to compare trends in business activity, perceptions and attitudes over time, the 1990 survey questionnaire is nearly identical to the survey questionnaires used in 1987-1989. Two new questions were added this year. One inquired about the business community's perceptions about whether future mining impacts in Juneau would be positive or negative for business; the other question concerned the importance of local government's involvement in economic development.

The 1987 survey showed the impacts of the 1986-1987 recession on activities, perceptions and attitudes of Juneau business owners and managers. The local economic recovery which began in 1988 was documented in that year's report. The 1988 report showed that over 60% of Juneau businesses were experiencing increased sales, while about 25% showed stable sales between 1987 and 1988. However, about one-sixth of Juneau businesses still reported decreasing sales in the 1988 survey.

The 1989 survey showed the continuation of the recovery and a marked expansion of all sectors of the Juneau economy. Sales, employment and payroll were up significantly in nearly all cases, by a range of about 11%, and Juneau businesses were optimistic that the expansion would continue through 1990.

The 1990 survey shows that Juneau's economic recovery of 1987-1989 has become a sustained expansion in 1990, although various key results show that 1990 business conditions and owner/manager perceptions are not as favorable towards continued expansion as in 1989. Increasing competition in the marketplace has affected some businesses, and sales, while primarily up, are down in some cases.

In addition, uncertainty about State spending policy has caused a more conservative approach among many bellwether business owners, who are not anxious to re-experience some of the problems associated with over-expansion during the mid-1980s recession. To avoid carrying a large overhead burden, many owners are electing to reduce or eliminate capital improvements, and total payroll is down at many businesses. Wage rates are however higher in nearly all cases, meaning that employers are using a smaller labor force in many instances. Given these qualifications, the overall economy portrayed in this survey is quite strong and is poised for continued expansion, as shown in the results provided below.

Business Performance in the Past Year

Almost two-thirds of the businesses surveyed reported increased sales. However, increased competition in many sectors meant business was down for 15% of businesses. This is a change from 1989, when only 4% reported declining sales. Averaging all responses, the typical business reported sales increases of about 10% between 1989 and 1990.

How would you describe your business sales so far in 1990, are they up, down or about the same as for the same period last year?

Business Is:	1990	1989	1988	1987
Up	65%	65%	42%	16%
Down	16%	4%	16%	65%
Same	19%	31%	42%	19%

Perceptions of the Business Community

The bellwether group was also asked to assess the overall condition of their particular economic sector. As in the case of 1987 and 1988, respondents tended to rate their own business performance as somewhat better than that of their competition. Approximately 47% stated that sales were up in their economic sector; 3% thought sales in their sector may be down somewhat; about 19% thought sales in their sector were the same in 1989, and about 28% offered no opinion on the matter. The table below clearly shows increasing optimism among the Juneau business community between 1987 and the present.

In your opinion, for your type of business in Juneau, are sales up, down or about the same as for the same period last year? (Percentages do not include "no opinion.")

Business Is:	1990	1989	1988	1987
Up	59%	65%	42%	16%
Down	9%	4%	16%	65%
Same	31%	31%	42%	19%

Another question was designed to test the business community's perception of the Juneau economy in terms of their own business experience. The results of this question, shown in the table below, also mirrors the prevailing optimism voiced with regard to individual and sector-wide sales.

How would you describe your business experience in Juneau generally; right at this time are things getting better, worse or staying the same? (Percentages do not include "no opinion.")

Things are:	1990	1989	1988	1987
Better	72%	86%	73%	39%
Worse	8%	3%	8%	36%
Same	20%	11%	19%	25%

Perceptions about the Economic Impact of Mining in Juneau

On the question of whether mining has affected their business in the past year, 87% reported impacts from the mining industry, while 13% reported no impacts. This impact rate is up slightly from last year, when about 85% reported being affected by mining, and 15% reported no impacts.

When asked if future mining development will cause positive, negative or no impacts, 97% stated that mining would have a positive impact on their business, and the other 3% reported that mining would not affect their business.

Business Ownership Stability

Despite some turnover in ownership and management, Juneau's bellwether business community remains stable. The businesses surveyed had been in operation an average of 28 years.

As in previous years only about 10% of the respondents were actively trying to sell their businesses, and about the same percentage would like to sell their business. The great majority of respondents were neither trying to sell nor wanted to sell. All respondents expected to be in business here at this time next year.

Business Space Ownership and Costs

About 59% of respondents own their space, and about 41% lease. Of the owners, approximately 18% also lease. Ownership percentages are about the same as in 1988, after falling somewhat in 1989.

Lease costs continued to rise for the third straight year. As with 1989, about 23% reported leasing cost increases, and no respondents reported decreasing leasing costs. Of those leasing 77% stated that their costs were the same as a year ago, a result comparable to 1988 and 1989 survey data.

Recognition of Local Economic Development Organizations

The Juneau business community remains highly aware of the local economic development organizations which work to improve the Juneau economy and business atmosphere. Respondents were asked to state if they had heard of the Juneau Chamber of Commerce, the Juneau Economic Development Council, the Downtown Business Association, the Juneau Convention and Visitors Bureau and the Southeast Conference. The table below shows the recognition of these groups among respondents over the past four years.

Business Community Recognition of Economic Development Groups

Group	1990	Recognition (%)		1987
		1989	1988	
Chamber of Commerce	100%	100%	100%	100%
Economic Development Council	87%	92%	97%	88%
Downtown Business Association	95%	100%	100%	100%
Convention and Visitors Bureau	100%	97%	100%	97%
Southeast Conference	80%	81%	63%	73%

The Economic Development Council recognition in the community continues in the range of 90%. Changes in recognition percentages are attributable to turnover in management and new ownership at bellwether Juneau businesses.

Effectiveness of Local Economic Development Organizations at Improving the Juneau Economy

Effectiveness ratings for the four organizations, including the Council, changed between 1989 and 1990. In three cases respondents gave the organizations more favorable ratings. The JEDC rating improved substantially, and the Chamber of Commerce rating improved radically, following a year of reorganization. The Juneau Convention and Visitors Bureau rating improved to the highest level in the history of the survey. The Southeast Conference rating declined modestly, and the Downtown Business Association rating remained constant.

These rating changes probably reflect a number of factors at work in the Juneau economy and among the organizations themselves. Tourism continues as an important and growing economic sector, and the JCVB's role in this sector is favorably recognized by respondents. The general growth in the Juneau economy and JEDC's presence as an information provider and promoter of Juneau economic diversification, particularly in the mining sector, is viewed favorably by respondents. Owing to its recent reorganization and the continued expansion of the Juneau economy, the Chamber is viewed far more favorably in 1990 than in 1989. The table below shows the ratings for each of the organizations over the past four years.

Effectiveness Ratings for Juneau Economic Development Organizations

Group	1990	Rating		
		1989	1988	1987
Chamber of Commerce	4.8	3.5	4.7	4.8
Convention and Visitors Bureau	5.5	5.1	4.7	4.8
Downtown Business Association	4.2	4.2	4.7	4.5
Economic Development Council	4.4	4.0	4.8	3.9
Southeast Conference	3.9	4.1	4.5	3.8
Average Rating	4.6	4.2	4.7	4.4

The JEDC rating improved to 4.4 from 1989 levels. This favorable rating shows relatively broad acceptance of JEDC's overall program by the Juneau business community. JEDC's improvement over the 1989 rating mirrors the rebound in ratings for economic development organizations in general.

With specific reference to the JEDC, the survey included a follow-up question in which respondents were asked what the JEDC could do to help their business. These responses may provide direction to the JEDC Board and staff for future activities.

Business Community Suggestions for Development Programs and Comments on JEDC Activities

(JEDC Ratings Follow Comments in Parenthesis)

Bank Manager:	Council should attract new industry to Juneau. (Rated JEDC 4.0.)
Bank Manager:	Continue to provide accurate information on local business conditions. (Rated JEDC 6.0.)
Bank Manager:	The Council should develop seafood processing; expand and diversify the economic base. (Rated JEDC 5.0)
Real Estate Broker:	The Council should push for road paving, advertise Juneau, including housing information. (Rated JEDC 6.0.)

Real Estate Broker:	The Council should increase the variety and of Juneau businesses; increase tourism, mining support and fishing. (Rated JEDC 7.0.)
Construction Supply Owner:	The Council should become less general and focus on specific economic issues and sectors. (Rated JEDC 6.0.)
Media Manager:	The Council should keep doing what they are doing. (Rated JEDC 7.0.)
Utility Manager:	The Council should acknowledge all media companies as parts of the business community. (Rated JEDC.3.0)
Media Manager:	The Council should bring in business. (Rated JEDC 4.0.)
Media Manager:	The Council should promote tourism development. (Rated JEDC 2.0.)
Utility Manager:	The Council should educate the public on mining and transportation corridors. (Rated JEDC 4.0.)
Retail Manager:	The Council should foster a good environment for business. (Rated JEDC 4.0.)
Retail Manager:	The Council should act politically to promote business expansion and public consciousness of the business community. (Rated JEDC 4.0.)
Retail Manager:	The Council should attract more people to Juneau. (Rated JEDC 4.0.)
Retail Manager:	The Council should promote Juneau as a stable market and a good place to live. (Rated JEDC 3.0.)
Construction Equipment Sales Manager:	The Council should challenge the regulatory environment; JEDC studies are good. (Rated JEDC 6.0.)
Airline Manager:	The Council should promote mining and assist in permitting. (Rated JEDC 6.0.)

- Barge Line Manager:** The Council should promote mining.
(Rated JEDC 5.0).
- Airline Manager:** The Council is doing well now and should promote more air travel, particularly international travel.
(Rated JEDC 5.5.)
- Hotel Manager:** The Council should promote off-season growth, mining, etc. (Rated JEDC 6.0.)
- Hotel Manager:** Not real impressed; lots of talk; the Council needs specific steps to promote development, merger with the Alliance for Juneau and the Chamber.
(Rated JEDC 5.0.)
- CPA Firm Manager:** Attract new business and improve the quality of the existing business environment. (Rated JEDC 4.0.)
- Architect Firm Manager:** Promote more projects, a steady capital budget and more local services. (Rated JEDC 4.0.)

Perceived Technical Assistance Needs

When asked if they would use "business assistance advisory services" if those services were available at nominal cost, about 40% of the sample responded "yes," and 60% responded "no."

Employment and Payroll Trends

Total employment, employee wages rates and total payroll in Juneau's private sector continue to move upward in 1990. But the rate of economic expansion shown by these factors has slowed from 1989 levels. Owners and managers understand that the Juneau economy is at an all-time high, but they are also aware of the potential for sharp, sudden downturns caused by changes in State spending policies, as occurred in the mid-1980s. The table below shows the 1990 results of three separate questions relating to employees, wages and total payroll and provides a comparison with 1987-1989 results.

So far in 1990, compared to the same period last year, has your number of employees, average wage rates and your total payroll increased, decreased or remained about the same?

Characteristic	Year			
	1990	1989	1988	1987
Employees				
Increased	51%	58%	39%	12%
Decreased	15%	3%	16%	36%
Same	34%	39%	45%	52%
Wage Rates				
Increased	76%	61%	47%	33%
Decreased	0%	0%	3%	27%
Same	24%	39%	50%	39%
Total Payroll				
Increased	74%	64%	58%	38%
Decreased	15%	0%	16%	41%
Same	11%	36%	26%	22%

These results indicate selected reductions in numbers of employees and total payroll by various Juneau businesses. As with business community attitudes towards capital improvements (see below), this trend may result from the desire of owners and managers to remain competitive in the market place, while avoiding over-expansion, as occurred in many instances prior to the mid-1980s recession. Uncertainty within the business community regarding future state spending policy is probably a major factor in current hiring and payroll decisions.

Capital Improvements, Maintenance and Preventative Maintenance

Respondents were asked if they planned to undertake any capital improvements in the near future (i.e. equipment purchase, renovation, new building, addition, etc.), and they were also asked if their spending on maintenance and preventative maintenance had increased, decreased or stayed about the same as in previous years. The table below shows the results of these questions and also provides a comparison of results with surveys from 1987-1989.

Do you plan to undertake any capital improvements in the near future, and is your spending for maintenance and preventative maintenance up, down or about the same during the first part of 1990, as compared to the same period last year?

Characteristic	Year			
	1990	1989	1988	1987
Planning Capital Improvements?				
Yes	59%	74%	58%	39%
No	41%	26%	42%	61%
Maintenance/Preventative Maintenance Spending				
More	41%	42%	13%	41%
Less	10%	0%	19%	11%
Same	49%	58%	68%	48%

The above table shows that investment in both capital improvements and maintenance/preventative maintenance rose from 1987 through 1989 and are now slowing again in 1990. Capital improvements were largely reported as more minor investments, including renovations, equipment purchases and small additions, with a few notable exceptions. This trend mirrors the broad perception among the Juneau business community that, while the economy is expanding, uncertainty about State spending is cause for conservative investment practices.

Advertising

When asked if they were spending more, less or about the same on advertising at present, compared to the same period last year, responses showed a substantial increase over 1987-1989 levels.

So far in 1990 have your advertising expenditures been up, down or about the same, compared to the same period last year?

Advertising Expenditures	Year			
	1990	1989	1988	1987
More	41%	32%	28%	33%
Less	5%	21%	22%	27%
Same	54%	47%	50%	40%

Inventory Levels

Respondents in inventory-related businesses (e.g. retail, auto sales, etc.) were asked if their inventories were up, down or about the same for the beginning of 1990, as compared to last year. 80% reported inventories up, while 20% reported them down. The table below shows responses to the inventory question in comparison to the 1987-1989 surveys.

(Retail only) So far in 1990 is your inventory up, down or about the same, compared to the same period last year?

Inventory Levels	Year			
	1990	1989	1988	1987
Up	80%	75%	25%	38%
Down	20%	9%	25%	16%
Same	0%	16%	50%	46%

Competition

Respondents were asked if they perceived their competition to have increased, decreased or stayed about the same during the first part of 1990, as compared to the same period last year. The result is the perception of a substantial rise in the level of competition.

So far in 1990 would you say your competition is up, down or about the same, compared to the same period last year?

Competition	Year			
	1990	1989	1988	1987
Increased	50%	27%	33%	27%
Decreased	8%	12%	23%	18%
Stayed the Same	42%	61%	46%	55%

Responses to the question on advertising expenditures are probably related to the above responses on competition. In general Juneau businesses perceive increasing competition in the marketplace, and they are accordingly spending more on advertising to assure their market share.

Government Role in Economic Development

Respondents were asked to rate how important it is for local government to expend staff time and funds to promote developments which create jobs and benefit the local economy. Sixty-seven said this activity was very important, and 33% said it was somewhat important. No respondents found the activity somewhat unimportant or not important at all.

1989 Business Benchmark IV Survey Results Summary

1. How would you describe your business sales so far in 1990, are they up, down or about the same as for the same period last year?

Up 24 Down 6 Same 7 Other 2

Up by what approximate percentage? 11%

2. In your opinion, for your type of business in Juneau (your competition), are sales up, down or about the same as for the same period last year?

Up 19 Down 3 Same 10 Other 7

3. How would you describe your business experience in Juneau generally, right at this time, are things getting better, worse or staying the same?

Better 28 Worse 3 Same 8 Other -

4. You are probably aware that Juneau is now experiencing a substantial amount of mining activity, including Green's Creek on Admiralty Island, two potential mines in the Berners Bay area and the potential reopening of the AJ Mine downtown. The question here is: Do you think mining development in Juneau has affected your business in the past year?

Yes 34 No 5

5. Do you think future mining development will have a positive impact, a negative impact or no impact at all on your business?

Positive 38

Negative -

No Impact 1

6. How many years has your business been in Juneau?

Years: 27.8 average

7. Are you currently trying to sell your business?

Yes 4 No 35 Other -

8. Would you like to sell your business?

Yes 6 No 31 Other 2

9. Do you expect to be in business here at this time next year?

Yes 39 No - Other -

10. Do you own or lease your space?

Own 23 Lease 23

11. Describe your space costs for the first part of 1990, are they up, down or about the same compared to the same period last year?

Up 5
Down -
Same 17
Other 7

12. Would you use business assistance advisory services if they were available to you at nominal cost (for example I mean assistance with accounting systems, marketing advice, planning, etc.)?

Yes 15 No 24 Other -

13. Please state if you have heard of any of the following organizations. (Rotate list.)

Juneau Chamber of Commerce	39
Juneau Economic Development Council	34
Southeast Conference	31
Downtown Business Association	37
Juneau Convention and Visitors Bureau	39

14. Please rate the organizations you have heard of on a scale of 1-7, with 7 being the most help to the Juneau economy and 1 being little or no help.

Juneau Chamber of Commerce	4.8
Juneau Economic Development Council	4.4
Southeast Conference	3.9
Downtown Business Association	4.2
Juneau Convention and Visitors Bureau	5.5

15. (If they have heard of the JEDC.) What do you think the Juneau Economic Development Council could do to help your business?

(See previous section)

16. Please describe the number of employees you have, in the first part of 1990 has that number increased, decreased or stayed about the same?

Increased	20
Decreased	6
Same	13

17. About your employee wage rates: In the first part of 1990 have they increased, decreased or stayed about the same?

Increased	29
Decreased	–
Same	10

18. How about your total payroll, in the first part of 1990 has it increased, decreased or stayed about the same?

Increased	29
Decreased	6
Same	4

19. Do you plan to undertake any capital improvements in the near future? (I mean purchase equipment, a renovation, new building, an addition, etc.)
- Yes 23 No 16 Other –
20. Overall would you say you are spending more, less or about the same on maintenance and preventative maintenance during the first part of 1990, as compared to the same period last year?
- More 16
Less 4
Same 19
Other –
21. Would you say you are spending more, less or about the same on advertising during the first part of 1990 as compared to the same period last year?
- More 15
Less 2
Same 20
Other 2
22. Would you say competition in your line of business has increased, decreased or stayed about the same during the first part of 1990 as compared to the same period last year?
- Increased 19
Decreased 3
Same 16
Other –
23. (Retail only.) Would you say your inventory is up, down or about the same during the first part of 1990 as compared to the same period last year?
- Up 8
Down 2
Same –
Other 29

24. In your opinion, how important is it for local government to spend effort (employee time) and funding to encourage developments which create jobs and benefit the economy of Juneau? Very important, somewhat important, somewhat unimportant or not important at all?

Very important	26
Somewhat important	13
Somewhat unimportant	–
Not important at all	–

IV. Current Community Economic Indicators

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Introduction

The statistical indicators presented in this chapter present additional insight into Juneau's economic condition. The indicators provide the most up-to-date information available on a range of economic activities. The indices include real estate activity, transportation, unemployment, population indicators and other items. Additional information is available in "Juneau Trends," a publication available through the City and Borough of Juneau, Community Development Department.

Labor Force Indicators

Unemployment levels are an excellent measure of labor force participation in the work place. Three indicators used to determine unemployment levels are: 1) initial unemployment insurance claims; 2) total weeks in which unemployment is claimed, and 3) the unemployment rate.

Initial Claims and Weeks Filed: The number of initial unemployment claims filed in the first quarter has remained relatively stable since 1988, according to the Alaska Department of Labor. However, the number of weeks filed increased approximately 6% in 1990, compared to 1989.

Juneau Unemployment Insurance Claims First Quarters 1987-1990

Claim Description	1990	1989	1988	1987
Initial Claims	1,109	1,015	1,011	1,427
Weeks Filed	7,426	7,006	7,064	10,632

Unemployment Rate: *The average first quarter unemployment rate has declined steadily since 1987 in Juneau. The average number of unemployed persons was 850 in the first quarter of 1990, compared to 977 for the first quarter of 1989.*

Average Monthly Unemployment Rate

Month	1990	1989	1988	1987
January	5.6%	6.2%	7.2%	8.8%
February	6.1%	5.9%	6.7%	8.2%
March	5.0%	5.4%	6.3%	8.7%
Average	5.6%	5.8%	6.7%	8.6%

Population Indicators

Sales and performance indicators were obtained from the Alaska Electric Light and Power Company (AEL&P), Telephone Utilities of Alaska and Cooke Cablevision. The number of residential consumers of electricity and telephone services increased, suggesting an increase in population between first quarter 1989 and first quarter 1990.

Sales and Performance Indicators Various Juneau Utilities and Media Companies

Company	1st Quarter 1990	1st Quarter 1989	1st Quarter 1988	% Change 1989 to 1990
AEL&P (Residential)	10,631	9,461	9,023	+12.4%
Cable (Subscribers)	6,365	6,402	5,760	-1.0%
Telephone Util. (Res.)	9,531	9,127	8,699	+4.4%
Averages	8,842	8,330	7,827	+6.1%

Community Real Estate Market:

Three segments of Juneau's real estate market were examined: 1) building permits; 2) residential real estate, and 3) commercial rental rates. Information obtained for each segment and analysis are provided below.

***Building Permits:** The market for new housing continued to improve in 1990, with new residential construction permits increasing by about 46%.*

New Housing Units Authorized in Juneau As Shown By Building Permits Issued, 1986-1989

Type of Dwelling	1st Half 1990	1st Half 1989	1st Half 1988	1st Half 1987	1st Half 1986
Single Family	15	13	4	6	21
2-4 Family	2	0	0	0	2
5 or More Units	2	0	0	0	0
Totals	19	13	4	6	23

***Residential Real Estate:** As of late July, the Juneau Multiple Listing Service was reporting a total of forty-seven single family homes available and fourteen condominiums. Brokers reported that JMLS listings do not tell the whole story behind current real estate, because many homes are not on the market long enough to become listed with JMLS. The market is described as excellent, with homes appreciating at substantial rates and selling quickly to a backlog of ready buyers, although the rate of appreciation has slowed somewhat since 1989.*

Zero lot lines and condominiums, which were radically devalued during the recession, are now also appreciating at substantial rates and selling quickly.

***Commercial Rental Rates:** An informal survey of local property managers was performed to gauge current conditions in Juneau's commercial space market. These managers indicated that occupancy is up compared to last year at this time. This is especially true for high quality space, which is becoming increasingly difficult to find downtown. Class A and B space occupancy has increased an estimated 10%, while demand for Class C space has remained stable.*

Transportation Statistics

Airline Passenger Statistics: Major airline passenger enplanements in Juneau increased nearly 5% in the first quarter of 1990 compared to the same period in the previous year.

Major Airline Passenger Enplanements in Juneau First Quarter Comparison 1987-1990

Airline	1990	1989	1988	1987
Alaska Airlines	31,888	30,287	31,001	25,369
Delta Airlines	2,272	2,222	2,791	3,481
Total	34,160	32,509	33,792	28,849

Alaska Marine Highway System: Alaska Marine Highway traffic has remained fairly stable since 1987. An apparent drop in passenger disembarkations during the first half of 1990 is somewhat misleading. There were 23% fewer disembarkations in the first quarter of 1990 than in the same period in 1989, but 10% more during the second quarter. This could be due to a number of factors including changes in the ferry schedule and the number of vessels dry docked for extended periods of time beyond normally scheduled maintenance dry docks.

Alaska Marine Highway System Traffic Volume First and Second Quarter Comparison

	1990	1989	1988	1987
Passengers Disembarking	24,864	25,526	25,974	25,504
Vehicles Disembarking	6,511	6,645	6,560	5,943

Financial Difficulty Indicators

Bankruptcies: There were less than half as many bankruptcies in Juneau during the first quarter of 1990 than in the same period in 1989, according to the Federal Court Clerk's office. The number of foreclosures and notices of default reported by the state recorder's office dropped sharply between 1988 and 1989, and is now back down to 1986 levels.

Number of Bankruptcies in Juneau, First Quarter Comparison

	1990	1989	1988	1987	1986
Bankruptcies	8	20	11	19	12
Foreclosures	NA	28	96	82	27
Notices of Default	NA	32	80	52	27