

2009 Juneau and Southeast Alaska Economic Indicators



Photo Credit: Michael Penn/Juneau Empire

September 2009





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September 2009

Dear Residents of Juneau and Southeast Alaska,

Alaska has weathered the national recession better than most states: while our national economy has been in recession since December 2007, Alaska did not see a decline in growth until spring of this year. Throughout the recession, Juneau has fared well by most measures. The relatively large number of government jobs in our economy and the fact that Alaska (the oil industry, specifically) has done relatively well has helped us. We have been largely spared the devastating foreclosures and the big declines in home values as well.

A look back at Juneau's 2008 numbers shows continued stability in our economy. Both the local and regional populations were up in 2008 compared to 2007. More people moved to Juneau in 2008 than moved away. Tourism was up in 2008, both in terms of sales and visitors, though it does appear that the 2009 season is slower than 2008. Total number of jobs is up, total payroll is up, and the average wage rose by 3.2 percent from the previous year. Despite the increase in number of jobs (some seasonal), there was also a rise in unemployment (continued into 2009), which increased the pool of applicants for lower-salaried service positions which Juneau employers were having trouble filling.

The average cost of a single-family home was down by 8.6 percent; alleviating some of the pressure on what has traditionally been a difficult area for Juneau residents (Juneau's housing costs are significantly higher than those of the average U.S. town). A \$70 million hydroelectric project came online in the fall of 2009, which has a positive environmental impact on our community as well as a positive economic impact on the Greens Creek Mine as it burns significantly less diesel to generate electricity. The local Kensington Mine has been fully permitted, meaning 200 permanent, high-wage mining jobs will soon be part of the local workforce.

The picture, of course, is not all rosy. The region is still reeling from the decline of the timber industry in our neighboring small towns. The non-Juneau regional population has had a net loss of 8.5 percent of its population since 2000, and the Juneau population is roughly the same as in 2000. Even while overall Juneau jobs are up, Juneau continues to lose state and federal jobs at an alarming rate. Since 2003, Juneau has 453 fewer state and federal employees. In 2008 alone, 70 more of these jobs left Juneau, resulting in a direct loss of \$25.7 million in annual local wages in 2008. Juneau School District enrollment is down, and further declines are predicted as the demographics of our nation shift. Rental housing prices went up another five percent. Homebuilding is down.

The Juneau Economic Development Council (JEDC) mission is to foster a healthy and sustainable economic climate in Juneau and throughout Southeast Alaska. We also engage in activities that support the growth of our state economy—see JEDC.org for more information on our activities. Every year JEDC compiles a set of indicators that provides our community with a snapshot of our economy. This year we have produced the most comprehensive report of this nature in our history—more than 60 pages of facts and figures about the local and regional economy.

We would like to thank our sponsors for making this publication and other research possible. Thanks, also, to the many organizations that provided us with data for this report, including the Alaska Departments of Labor, Fish and Game, and Administration, the McDowell Group, the City and Borough of Juneau, and many others.

On behalf of the staff and all-volunteer board of JEDC, we hope that you find our report valuable.

Regards,



Mark Mickelson
Chairman, JEDC Board of Directors



Brian Holst
Executive Director, JEDC

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Overview

Juneau By the Numbers, 2008



Photo Credits: Michael Penn/Juneau Empire

Juneau By the Numbers, 2008

	2008	2007	% Change from 2007
Population	30,427	30,134	↑1.0%
Median Age	38.1	38.1	None
Total Jobs	18,127	17,978	↑0.8%
Average Wage	\$41,653	\$40,380	↑3.2%
Unemployment	4.8%	4.4%	↑0.4%
School District Enrollment	4,930	5,042	↓-2.2%
University of Alaska Enrollment	2,632	2,599	↑1.3%
Average Rent in Juneau	\$1,125	\$1,076	↑4.6%
Average Cost of Single Family Home	\$295,061	\$322,779	↓-8.6%
Number of New Housing Units Permitted	39	71	↓-45%
Ferry Passenger Arrivals	82,957	74,540	↑11%
Alaska Airlines Passenger Arrivals	284,097	297,267	↓-4.4%
Cruise Passenger Arrivals	1,032,300	1,017,431	↑1.5%
Juneau Fishermen and Crew (who fished)	676	678	↓-0.3%
Total Property Tax	\$37,720,343	\$36,807,600	↑2.5%
Total Sales Tax	\$39,175,428	\$36,475,000	↑7.4%

A Glance at the Juneau Economy

Juneau's key industries include government, tourism, mining, and seafood. Health and social service providers, the construction industry, and Alaska Native organizations also play vital roles in shaping and supporting the local economy.

Government



Photo Credits: Michael Penn/Juneau Empire

With more than 7,000 employees, the most important source of Juneau jobs and income continues to be government, especially the State of Alaska, which accounts for nearly a quarter of all direct local employment with 4,211 jobs. City, tribal and federal government combined employ another 17 percent of Juneau's workers (3,043). Juneau's government workers from all four sectors earned \$366 million in 2008, or nearly half of all Juneau wages. Within state government, the Department of Transportation and Public Facilities is the largest employer, with around 700 employees. The Juneau School District is the largest City employer, with over 700 employees. The Coast Guard, with 350 employees, is the largest local federal employer. Juneau's historic dependence on state government has been declining from two decades ago when State jobs accounted for a third of all local employment.

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employ another 17 percent of Juneau's workers (3,043). Juneau's government

Tourism



Photo Credits: Michael Penn/Juneau Empire

Tourism, as a whole, is Juneau's largest private-sector employer. In 2008, the local tourism industry had 2,230 workers, and a payroll of \$75 million. Combined, cruise passengers and crew spent \$177 million in Juneau last year. The number of cruise ship visitors to Juneau doubled between 1997 and 2007 and now tops one million annually (1,032,000 in 2008). Juneau also hosts an additional 100,000 independent tourists annually. While the number of tourists visiting Juneau has been on a long steady upward trend, the community can expect approximately 140,000 fewer cruise passengers in 2010. The cruise industry is planning to remove three ships from Alaska in 2010 and reduce the number of visits of a fourth ship. The Alaska cruise ship head tax and the national recession have been cited as contributors in the industry's decision to remove the ships. On the other hand, both Disney Cruise Line and Crystal Cruises have recently announced new sailings that could bring more than 56,000 passengers to Southeast Alaska in 2011.

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Juneau also hosts an additional 100,000

Mining Industry



Mining industry payroll in Juneau was approximately \$38.6 million in 2007. With more than 300 employees, 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. A second mine, the Kensington, has recently completed permitting

and is expected to begin operations in the second half of 2010. Once opened, the mine will provide 200 direct jobs with \$14 million in annual payroll.

Seafood Industry

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, blackcod, rockfish, shrimp, crab, herring and groundfish. Nearly 700 Juneau residents fish commercially—as crew or fishermen—earning \$21.2 million in 2007. The processing sector includes several smokeries and fresh fish buyers. In 2007, 29 million pounds of seafood were processed in Juneau.



Photo Credits: Michael Penn/Juneau Empire

Other Key Contributors to the Local Economy

- **Health Care and Social Assistance** - Private sector jobs in the health care industry, along with social services positions, account for 1,627 local jobs with a payroll of \$56 million annually.
- **Construction** - Construction work contributed 882 jobs and \$53.4 million to the local economy in 2008.
- **Alaska Native Corporations and Tribal Government** - Two of Alaska's larger Alaska Native



Photo Credits: Michael Penn/Juneau Empire

Corporations, Sealaska Corporation and Goldbelt, Inc., are headquartered in Juneau, along with smaller village corporations, such as Kootznoowoo, Inc. (serving Angoon). Sealaska Corporation is the largest nongovernmental landowner in Southeast Alaska. According to a 2008 McDowell Group study, Sealaska spent \$41 million in Southeast Alaska on payroll, goods and services in 2007 and employed 421 full and part-time workers regionally. The Central Council of Tlingit and Haida Indian Tribes of Alaska (tribal government) and the Tlingit-Haida Regional Housing Authority are two of Juneau's largest private employers, with 333 employees between them. While the combined economic importance of Alaska Native organizations and their activities has not been fully calculated at the local level, the economic impacts of these organizations on the Juneau and Southeast Alaska economies are significant.

Comparing Numbers

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 2007. Juneau's median household income was 52 percent higher than the national median. Juneau also has fewer families below the poverty line than the state or nation. Forty-one percent of Juneau residents were born in Alaska. Both mean and median household income levels are presented below:



Photo Credits: Michael Penn/Juneau Empire

Comparing Juneau, Southeast and Alaska: 2007

	Juneau	Southeast Alaska	Alaska	United States
Median household income	\$76,185	\$60,482	\$61,766	\$50,007
Mean household income	\$86,075	\$74,794	\$76,433	\$67,799
Median family income	\$88,187	\$74,094	\$72,008	\$60,374
Mean family income	\$98,956	\$86,110	\$86,285	\$78,708
All families below poverty level	5%	5%	8%	10%
Bachelor's Degree or higher (age 25+)	36%	29%	26%	27%
Born in state of residence	41%	42%	39%	59%

Source: factfinder.census.gov

Employment and Payroll

In 2008 the number of total jobs in Juneau grew by nearly one percent (149 jobs) to 18,127. This included a gain of 219 private sector jobs and one city job, and a loss of 32 federal jobs and 38 state jobs. During the same period, wages grew by 3.2 percent. Federal average annual wages rose by \$4,600, while private sector wages rose by just \$720.

Juneau Employment by Industry, 2002-2008

	Average Annual Employment			Average Annual Wages		
	2008	2007	2002	2008	2007	2002
Private Sector	10,874	10,655	9,813	\$35,796	\$35,074	\$28,715
Federal Government	837	869	891	\$79,935	\$75,334	\$61,190
State Government	4,211	4,249	4,541	\$48,571	\$46,530	\$40,015
Local Government	2,206	2,206	2,087	\$42,797	\$40,400	\$38,225
Total	18,127	17,978	17,332	\$41,653	\$40,380	\$34,490
Change 2007-2008	+0.8%			+3.2%		
Change 2002-2008	+4.6%			+21%		

Source: Alaska Department of Labor

Juneau Employment by Industry, 2008

	Average Annual Employment	Change in Employment 2007-2008	Total Payroll (in thousands)	Avg. Annual Wage
Private Sector	10,874	2%	\$389,245	\$35,796
Natural Resource & Mining	476	-2%	\$40,894	\$85,837
Construction	882	1%	\$53,395	\$60,527
Manufacturing	280	-1%	\$9,098	\$32,511
Trade, Transportation, & Utilities	3,620	7%	\$111,582	\$30,827
Information	280	-2%	\$12,867	\$45,995
Financial Activities	635	-1%	\$30,046	\$47,285
Professional Business Services	840	-2%	\$31,413	\$37,407
Education & Health Services	1,660	1%	\$56,648	\$34,135
Leisure & Hospitality	1,610	-2%	\$26,605	\$16,521
Other Services	591	3%	\$16,698	\$28,254
Total Government	7,254	-1%	\$365,806	\$50,428
Federal Government	837	-4%	\$66,886	\$79,935
State Government	4,211	-1%	\$204,514	\$48,571
Local Government	2,206	0%	\$94,406	\$42,797
Total Employment	18,127	1%	\$755,051	\$41,653

Source: Alaska Department of Labor

Natural resource & mining, and federal government jobs paid out Juneau's highest average annual wages of \$85,837 and \$79,935, respectively, while the average annual leisure and hospitality wage was the lowest at \$16,521. (The hospitality industry has a higher percentage of part time jobs, and the data sets do not differentiate between full and part time employment).

Excluded groups

Certain segments of Juneau's employed population are excluded from Department of Labor statistics above, which are derived from unemployment insurance coverage data. Non-employer Statistics is an annual U.S. Census Bureau series of information about businesses without paid employees that are subject to federal income tax. Some of the top groups not included in the larger DOL employment and earnings data table on the previous page are included below.

Selected Juneau Nonemployer Statistics - 2006

Nonemployer Occupation	Income Tax Returns Filed	Receipts	Average Annual Income
Fishing	309	\$15,863,000	\$51,337
Professional, scientific, & technical services	442	\$16,792,000	\$37,991
Health care and social assistance	246	\$7,830,000	\$31,829
Arts, entertainment, & recreation	196	\$3,295,000	\$16,811

Source: Nonemployer Statistics, http://www.census.gov/epcd/nonemployer/2006/M99927940_11.HTM

Active duty Coast Guard employment is also excluded from the DOL figures. In 2009, there are nearly 300 active duty Coast Guard employees in Juneau, according to the U.S. Coast Guard. (In addition to the civilian Coast Guard employees included in the Department of Labor statistics.)

State Employment

The most important source of Juneau jobs and income continues to be the state government, Juneau's number one employer, with 4,211 employees who earned \$205 million in wages in 2008. Juneau State employees are paid an average wage of \$48,571, which is 17 percent higher than Juneau's overall average wage, and 36 percent higher than Juneau's average private sector wage. Only federal jobs and mining jobs have higher average salaries. In addition to payroll expenditures, the state spent \$191 million in local goods, services, and fees in 2008.

In 2008, the State accounted for 23 percent of all Juneau jobs, and 27 percent of all local wages. However, Juneau's historic dependence on State government has been declining. Two decades ago, the state accounted for 34 percent of all local jobs, and 42 percent of total wages in Juneau. The number of State jobs in Juneau continues to decline. From 2003 to 2008, 336 State jobs left Juneau (including 38 in 2008, and 116 in 2007). Since State employees earned an average of \$48,571 in 2008, these 336 jobs represented a loss of \$16.3 million in local wages in 2008.

The largest State employer in Juneau is the Alaska Department of Transportation and Public Facilities with more than 700 employees. The Department of Health and Social Services is the next largest with 550 employees, followed by the Department of Administration with 480 employees.

Federal Employment

Twenty-seven federal agencies have operations in Juneau. The U.S. Coast Guard has the largest employment presence in Juneau with 350 employees, followed by the Forest Service and the National Oceanic and Atmospheric Administration, each with slightly more than 200 employees.



Photo Credits: Michael Penn/Juneau Empire

Like State employment, federal employment in Juneau is also declining. Between 2003 and 2008, federal government employment in Juneau declined by 117 jobs (including 32 jobs in 2008, and 28 jobs in 2007). These are high paying jobs that have a greater impact on the community. Federal employees earned an average of \$79,935 in 2008, more than twice the private sector average of \$35,796. The value of federal wages lost since 2003 was \$9.4 million in 2008.

Southeast Alaska Employment and Wages

In 2008 the number of total jobs in Southeast Alaska grew by nearly two percent, or 650 full time jobs, to 37,010. This increase included gains in the private and local government sectors, but reflected federal job losses as well. During the same period, wages grew by 2.8 percent. Federal average annual wages rose by 4.4 percent, while private sector wages rose by 2 percent.

Total Southeast Alaska Employment by Industry, 2007-2008

	Average Annual Employment			Average Annual Wages		
	2007	2008	Change 2007-08	2007	2008	Change 2007-08
Total Government	13,030	13,196	1%	\$45,190	\$47,019	4.0%
Federal Government	1,800	1,786	-1%	\$67,222	\$70,170	4.4%
State Government	5,460	5,444	-0%	\$45,982	\$47,788	3.9%
Local Government	5,770	5,966	3%	\$37,567	\$39,386	4.8%
Private Sector	23,330	23,814	2%	\$33,047	\$33,722	2.0%
Total Employment	36,360	37,010	2%	\$37,399	\$38,463	2.8%

Source: ADOL

Unemployment

Juneau's average 2008 unemployment rate was 4.8 percent, significantly lower than the state and national averages for that same year, of 6.7 percent and 5.8 percent, respectively.

Average Annual Unemployment Rates, 2002-2008

	2002	2003	2004	2005	2006	2007	2008	Change 2007-08
Juneau	5.3%	5.7%	5.8%	5.3%	4.9%	4.4%	4.8%	0.4%
Alaska	7.1	7.7	7.4	6.9	6.7	6.2	6.7	0.5
United States	5.8	6	5.5	5.1	4.6	4.6	5.8	1.2

Source: ADOL

In August of 2009, the local and regional unemployment rates were lower than the state or nation. The Juneau and Southeast August unemployment rates were 5.3 and 6.1 percent, respectively; while the state and national unemployment rates were 7.2 and 9.7 percent, respectively. (Prior to 2009, the last time Alaska's unemployment rate was lower than the nation's was in 1983.) While Juneau's August 2009 unemployment rate was one percentage point higher than a year ago (in August of 2008) this increase is significantly less than the 3.5 point rise of the U.S. unemployment rate over the same period. Unemployment rates for the region and state grew one percent and 1.6 percent, respectively, during this time. There is the possibility that Juneau's comparatively lower unemployment rate may result in a positive net migration to Juneau and the region as those in the lower-48 look elsewhere in search of jobs.

Juneau Unemployment Statistics and Rates, 2009

2009	Jan	Feb	Mar	Apr	May	June	July	Aug
Labor Force	18,512	18,488	18,533	18,628	18,897	18,843	19,020	18,744
Unemployment	1,281	1,319	1,331	1,132	1,185	1,199	1,023	1,002
Unemployment Rate 2009	6.9%	7.1%	7.2%	6.1%	5.7%	6.2%	5.4%	5.3%
Unemployment Rate 2008	5.1%	5.1%	4.9%	4.5%	4.3%	4.7%	4.1%	4.3%

Source: ADOL

Southeast Alaska Unemployment Statistics and Rates, 2009

2009	Jan	Feb	Mar	Apr	May	June	July	Aug
Labor Force	37,987	38,191	38,650	39,182	40,954	42,113	43,851	43,357
Unemployment	3,188	4,101	3,355	3,032	2,995	3,177	2,709	2,642
Unemployment Rate 2009	10.6%	10.8%	10.5%	8.4%	7.3%	7.4%	6.2%	6.1%
Unemployment Rate 2008	8.4%	8.5%	7.7%	6.6%	5.8%	5.8%	5.1%	5.1%

Source: ADOL

Personal Income

Juneau's per capita personal income grew to \$44,723 in 2007, a five percent increase from 2006. Regionally, the per capita personal income levels were higher in both Haines and Ketchikan than in Juneau.

Per Capita Personal Income, 2000-2007

Borough or Census Area	2000	2006	2007	Change 2006-07	Change 2000-07
Juneau	\$34,774	\$42,767	\$44,723	5%	29%
Haines	\$31,777	\$45,110	\$46,772	4%	47%
Ketchikan	\$34,384	\$43,410	\$46,182	6%	34%
Prince of Wales-Outer Ketchikan	\$20,997	\$23,819	\$25,107	5%	20%
Sitka	\$29,088	\$34,912	\$36,696	5%	26%
Skagway-Hoonah-Angoon	\$29,138	\$37,025	\$39,906	8%	37%
Wrangell-Petersburg	\$27,898	\$36,686	\$37,831	3%	36%
Yakutat	\$29,091	\$39,328	\$41,054	4%	41%
Alaska	\$29,870	\$38,344	\$40,042	4%	34%

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce, April 2009

Total personal income rose four percent from 2006 to \$1.4 billion in 2007. In Juneau, employment related income accounts for about 70 percent of total personal income. Another source of income in Juneau is "transfer payments," which includes 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.

Total Personal Income, 2000-2007 (in millions of dollars)

Borough or Census Area	2000	2006	2007	Change 2007-08	Change 2000-07
Juneau	\$1,066.5	\$1,312.0	\$1,365.4	4%	28%
Haines	\$76.2	\$99.8	\$106.2	6%	39%
Ketchikan	\$480.9	\$578.0	\$607.8	5%	26%
Prince of Wales-Outer Ketchikan	\$128.6	\$134.2	\$138.7	3%	8%
Sitka	\$256.9	\$313.5	\$324.3	3%	26%
Skagway-Hoonah-Angoon	\$99.9	\$115.1	\$124.3	8%	24%
Wrangell-Petersburg	\$186.3	\$219.5	\$226.1	3%	21%
Yakutat	\$23.3	\$26.2	\$28.0	7%	20%
Alaska	\$18,741.4	\$25,932.2	\$27,272.8	5%	46%

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce, April 2009

Top Private Employers

Juneau

In 2008, Juneau's largest private sector employer was once again the Greens Creek Mine with 300-350 employees (although with a slight name change due to change of ownership). The biggest "mover and shaker" was Wal-Mart, which moved up from slot number 14 on the private employers list in 2007, to slot number three in 2008. Holland America Princess of Alaska entered the list at number nine. In 2008 Princess Tours and West Tours (bus tour operations) merged to create Discover Alaska Tours, which was renamed to Holland America Princess of Alaska in 2009. Although Costco fell off the "over 100" list this year, they stand in position 16 with just under 100 employees.

More Than 100: Juneau's Top Private Employers, 2008 Firms With More Than 100 Employees

2008 Rank	2007 Rank	Employer	Average Number of Employees (Range)
1	1	Hecla Greens Creek Mining Company	300-350
2	2	Fred Meyer Stores Inc.	200-250
3	14	Wal-Mart Associates Inc.	"
4	3	Central Council Tlingit & Haida*	"
5	4	Reach Inc.	"
6	6	SEARHC (Southeast Alaska Regional Health Consortium)	150-200
7	5	Juneau Youth Services	"
8	7	Alaska Airlines Inc.	100-150
9	NA	Holland America Princess of Alaska	"
10	8	The Alaska Club**	"
11	11	SERRC (Southeast Alaska Regional Resource Center)	"
12	9	Safeway Inc./Carr's	"
13	12	Alaska Travel Adventures Inc.	"
14	10	Tlingit Haida Regional Housing Authority	"
15	11	Catholic Community Services Inc.	"

Source: DOL

* Central Council Tlingit & Haida is not technically a private employer. They are classified as "tribal government" which has been classified as Local Government since 2001 in the DOL employment and wage listings.

** The 2007 ranking for this employer was under the name "Athletic Clubs." Athletic Clubs was purchased by The Alaska Club in 2008.

Southeast Alaska

Southeast Alaska's top private employer list looks remarkably similar to the Juneau top private employer list, with the exception of three names: Ketchikan General Hospital, Trident Seafoods, and Alaskan & Proud Market (A&P is in position number 20 in Juneau). Ocean Beauty fell from its number 3 position in 2007, with 352 employees, to number 18 in 2008. Wal-Mart jumped from slot number 7 to number 3, while other organizations generally maintained their rankings.



Photo Credits: Michael Penn/Juneau Empire

More Than 200: Southeast Alaska's Top Private Employers, 2008 Firms With More Than 200 Employees

Rank 2008	Rank 2007	Employer	Average Number of Employees (Range)
1	1	SEARHC (Southeast Alaska Regional Health Consortium)	750-800
2	2	Ketchikan General Hospital	350-400
3	7	Wal-Mart Associates Inc.	"
4	4	Hecla Greens Creek Mining Company	300-350
5	5	Alaska Airlines Inc.	"
6	6	Fred Meyer Stores Inc.	200-250
7	9	Trident Seafood Corporation	"
8	10	Reach Inc.	"
9	8	Safeway Inc.	"
10	11	Central Council Tlingit & Haida*	"
11	12	Alaskan & Proud Market	"

Source: DOL

* Central Council Tlingit & Haida is not technically a private employer. They are classified as "tribal government" which has been classified as Local Government since 2001 in the DOL employment and wage listings.

Nonresident Employment

In 2007, 5,192 non-locals earned \$120 million in Juneau. While the percentage of nonresidents participating in Juneau's labor force is generally increasing—from 1999 to 2007, the number of non-Juneau residents working in Juneau was up by 36 percent—nonresident workforce participation dropped slightly from 2006 to 2007. In 2007, non-residents working in Juneau accounted for a quarter of the Juneau non-federal workforce (federal employees are excluded from this study). Non-residents include those from outside Alaska as well as Alaskans from outside Juneau. (Alaska residency is determined by PFD eligibility.)

Nonresident and Non-local Residents Workers in Juneau Private Sector, State and Local Government, 1999-2007

Year	Non-Alaska Resident Workers	Alaska Resident Non-local Workers	Total Non-Juneau Resident Workers	Total Wages for Non Juneau Resident Workers
1999	2,417	1,387	3,804	\$54,300,514
2000	2,403	1,396	3,799	\$57,799,064
2001	2,667	1,452	4,119	\$64,669,936
2002	2,816	1,320	4,136	\$65,199,623
2003	3,026	1,467	4,493	\$74,157,471
2004	2,849	1,294	4,143	\$71,806,539
2005	3,450	1,507	4,957	\$90,256,650
2006	3,648	1,574	5,222	\$111,777,054
2007	3,621	1,571	5,192	\$109,886,076
Change 2006-2007	-0.7%	-0.2%	-0.6%	-1.7%
Change 1999-2007	50%	13%	36%	102%

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

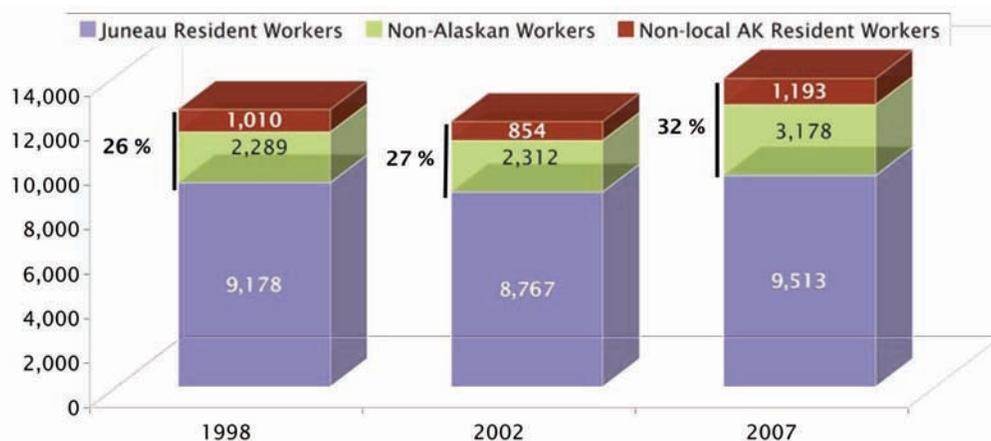
Juneau's private sector has higher levels of nonresident participation than the public sector. Non-residents account for nearly a third (32 percent) of all private sector employees and earn a quarter (24 percent) of all private sector wages. (See graph on following page).

Juneau Resident & Nonresident Workers & Wages (in millions) 2007

		% Non Resident	Juneau Resident Workers	Non-Juneau Residents
State and Local Government	Workers	12%	6,233	821
	Wages	8%	\$253	\$23
Private Sector	Workers	32%	9,513	4,371
	Wages	24%	\$279	\$87
Total	Workers	25%	15,746	5,192
	Wages	17%	\$532	\$110

Source: DOL

Resident and Non-Resident Private Employment in Juneau, 1998, 2002 & 2007



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. Approximately 14 percent of those classified as non-residents are recent arrivals in the state who later earn their residency. The top three private sector non-resident occupations included retail salespersons, construction laborers, and tour guides.

Top Non Juneau Resident Private Sector Labor Occupations, 2007

Occupation	Non Juneau Employees
Retail Salespersons	263
Construction Laborers	239
Tour Guides and Escorts	159
Food Preparation & Serving Workers	122
Cashiers	108
Bus Drivers	107
Waiters and Waitresses	105
Maids and Housekeeping Cleaners	82
Environmental Engineering Technicians	66
Mining Machine Operators	65
Seafood Processing Workers (Except Surimi & Fish Roe)	63
Carpenters	62

Source: DOL

Capital Creep: The Transfer of State Jobs Away From Juneau

As previously mentioned, the number of state jobs in Juneau has been declining. There are two ways to measure this decline. The Alaska Department of Labor data measures the annual average net change in State jobs in Juneau. By this measure, Juneau lost 145 state jobs in the previous two years (2007 & 2008). However, Department of Labor data does not delimit between full and part-time jobs, jobs moved away from Juneau, positions left vacant for extended periods, or positions eliminated altogether.

Another way to measure the change of State jobs in Juneau is to examine the actual transfer of individual State jobs to and from the Capital city—the so-called “capital creep”. According to the Alaska Department of the Administration, from January 2007 through June 2009, 207 State positions were moved away from Juneau, and 125 State positions were moved to Juneau, for a net loss of 82 positions to Juneau in this period. All other areas of the state experienced a net gain of State positions, and Anchorage gained the most, with a net gain of 69 positions.

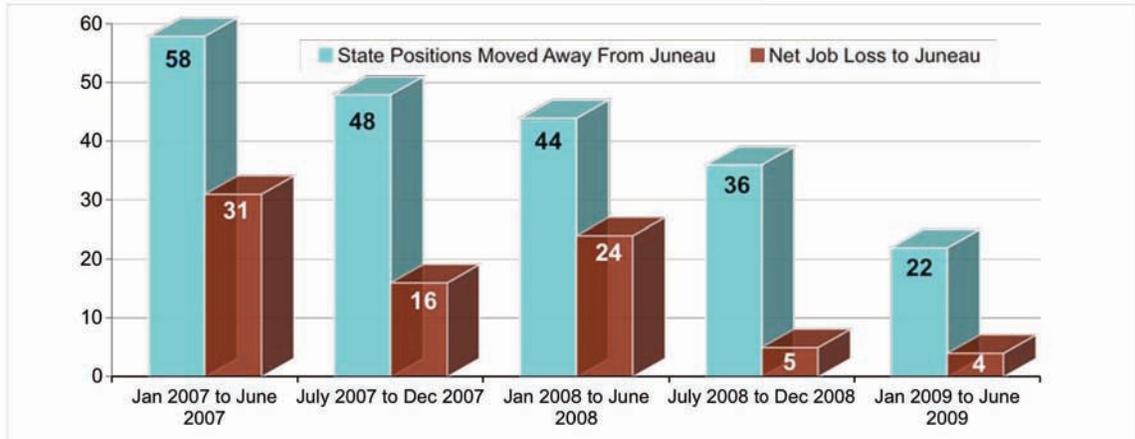
Movement in State Jobs Between Alaska Communities January 2007 to June 2009

Area	State Positions Moved Away From Area	State Positions Moved To Area	Net Change in Positions
Anchorage	81	150	+69
Fairbanks	9	16	+7
Juneau	207	125	-82
Other Southeast	22	27	+5
Other	12	14	+2

Source: Alaska Department of Administration

Within this timeframe, the period with the largest movement of job positions away from Juneau was between January 2007 and June 2008 (see chart on following page). During these 18 months, 150 state positions were relocated from Juneau to elsewhere in Alaska, and 79 positions were relocated to Juneau, resulting in a total net loss of 71 state jobs in Juneau over that 18 months period. Since that time, the net transfer of state positions away from Juneau has measurably slowed. In the 12 months following this period, July 2008 to June 2009, Juneau's total additional net loss was nine state positions.

State Jobs Moved from Juneau Between January 2007 and June 2009



Source: Alaska Department of Administration

To gain a full understanding of what these jobs transfers mean for our community, the quality of the positions must also be ascertained. Taking a closer examination of the positions that left Juneau from January 2007 to June 2008, 46 were Range 23 or higher, while ten Range 23 or higher level positions were relocated to Juneau (see table below). Positions in these ranges that left Juneau during this period included 8 commissioners, 7 deputy commissioners, 6 division directors, and 2 special assistants to the governor.

Transfer of Jobs to and From Juneau, Range 23 and Higher January 2007 to June 2008

Range	Positions Moved From Juneau	Positions Moved to Juneau	Net Loss of Juneau Positions
23	10	1	9
24	6	3	3
25	3	1	2
26	1	1	0
27	7	2	5
28	7	2	5
30	8	0	8
Total	42	10	32

Source: Alaska Department of Administration

Demographics

Juneau and Regional Population Trends

In 2008, the Juneau population increased, albeit slightly. The population of Juneau increased by one percent (293 people) to 30,427, and the population of the region increased by less than one percent (231 people) to 69,202. Most remaining major communities in the region shifted by fractions of a percent, while the population of Ketchikan declined by a percent and a half. State and national population levels also grew by less than one percent from 2007 to 2008.

Juneau and Regional Population Overview

Population	2007	2008	Change
Southeast Alaska	68,971	69,202	+231
Juneau	30,134	30,427	+293
Sitka City and Borough	8,602	8,615	+13
Ketchikan City	7,629	7,508	-121
Petersburg City	3,036	3,009	-27
Haines City and Borough	2,246	2,310	+64
Wrangell City	1,936	1,943	+7

Source: DOL

Despite positive population growth in 2008, the non-Juneau Southeast region is still 8.5 percent below its 2000 levels, while Juneau is less than one percent below its 2000 population. In this way, we lag behind state and national trends. The state and nation both increased in population size by around 8 percent between 2000 and 2008. (As noted above, Juneau's 2007 to 2008 population growth of one percent was slightly greater than the state or nation.)

Local, Regional, Statewide, and U.S. Population, 2000-2008

Population	2000	2008	Change
Juneau	30,711	30,427	-0.9%
Rest of Southeast	42,371	38,775	-8.5%
Alaska	626,931	679,720	+8.4%
United States	282,216,952	304,059,724	+7.7%

Source: DOL

Components Population Change

Between 2000 and 2008, about 8,000 more people moved away from Southeast Alaska than moved here, and there were about 4,000 more births than deaths. In Juneau, during that same time period, 2,400 more people moved away than moved to Juneau, and there were about 2,100 more births than deaths. Between 2007 and 2008 the out-migration trend shifted, and 86 more people moved to Juneau than moved away. Haines and the Prince of Wales Outer Ketchikan areas also experienced positive migration flows between 2007 and 2008.

Components of Juneau and Southeast Alaska Population Change, 2000-2008

	Natural Increase (Births – Deaths)		Net Migration (In-Out)		Population Change		% Pop. Change	Total Pop
	2007-2008	2000-2008	2007-2008	2000-2008	2007-2008	2000-2008	2007-2008	2008
Southeast Region	486	4,099	-255	-7,979	231	-3,880	0.3%	69,202
Juneau City and Borough	207	2,070	86	-2,354	293	-284	1.0%	30,427
Ketchikan Gateway Borough	104	778	-200	-1,844	-96	-1,066	-0.7%	12,993
Sitka City and Borough	66	556	-53	-776	13	-220	0.2%	8,615
Wrangell-Petersburg Census Area	18	166	-56	-891	-38	-725	-0.6%	5,959
Prince of Wales-Outer Ketchikan Census Area	54	338	7	-1,135	61	-797	1.1%	5,360
Skagway-Hoonah-Angoon Census Area	27	129	-67	-619	-40	-490	-1.3%	2,946
Haines Borough	7	34	57	-116	64	-82	2.8%	2,310
Yakutat City and Borough	3	28	-29	-244	-26	-216	-4.3%	592
Alaska	7,770	59,828	-2,560	-7,039	5,210	52,789	0.8%	679,720

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

Population by Southeast Alaska Community

Of the 22 Southeast Alaska communities with populations of over 100, only two gained population between 2000 and 2008. (See table on following page.) These two were Gustavus (+4%) and Hollis (+24%). The population increase in Hollis can be attributed to the creation of the Inter-Island Ferry Authority, which built a terminal in Hollis in 2002. Gustavus benefits from its proximity to Glacier Bay National Park and the overall increase of tourism in the region. The Park Service accounts for more than half of all Gustavus employment.

Southeast Alaska Community Population Change, 2000-2008

Southeast Alaska Community	2008	2007	2000	Change 2000-08	Change 2007-08
Juneau City and Borough	30,427	30,134	30,711	-1%	1%
Sitka City and Borough	8,615	8,602	8,835	-2%	0%
Ketchikan City	7,508	7,629	7,922	-5%	-2%
Petersburg City	3,009	3,036	3,224	-7%	-1%
Haines City and Borough (includes Covenant Life, Mosquito Lake, Mud Bay, Lutak, and Excursion Inlet)	2,310	2,246	2,392	-3%	+3%
Wrangell City	1,943	1,936	2,308	-16%	0%
Craig (AK Native Village Statistical Area)	1,414	1,352	1,725	-18%	5%
Metlakatla CDP	1,318	1,276	1,375	-4%	3%
Skagway City	846	841	862	-2%	1%
Hoonah City	823	837	860	-4%	-2%
Klawock City	785	741	854	-8%	6%
Yakutat City and Borough	592	618	808	-27%	-4%
Kake City	519	533	710	-27%	-3%
Gustavus City	448	440	429	4%	2%
Thorne Bay City	440	465	557	-21%	-5%
Angoon City	430	475	572	-25%	-9%
Hydaburg City	341	352	382	-11%	-3%
Hollis CDP	172	185	139	24%	-7%
Coffman Cove City	141	146	199	-29%	-3%
Naukatli Bay CDP	124	130	135	-8%	-5%
Pelican City	113	109	163	-31%	4%
Klukwan CDP (Chilkat)	102	100	139	-27%	2%
Tenakee Springs City	99	102	104	-5%	-3%
Hyder CDP	94	72	97	-3%	31%
Port Protection CDP	66	57	63	5%	16%
Kasaan City	54	61	39	38%	-11%
Port Alexander City	51	58	81	-37%	-12%
Whale Pass CDP	48	56	58	-17%	-14%
Edna Bay CDP	40	42	49	-18%	-5%
Kupreanof City	27	26	23	17%	4%
Elfin Cove CDP	22	21	32	-31%	5%
Game Creek CDP	18	19	35	-49%	-5%
Meyers Chuck CDP	17	20	21	-19%	-15%
Point Baker CDP	15	15	35	-57%	0%
Whitestone Log. Camp CDP	11	9	116	-91%	22%
Thoms Place CDP	7	7	22	-68%	0%

Source: ADOL, Research and Analysis Section and the U.S. Census Bureau. 2008 populations greater than one.

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

Juneau Population Distribution

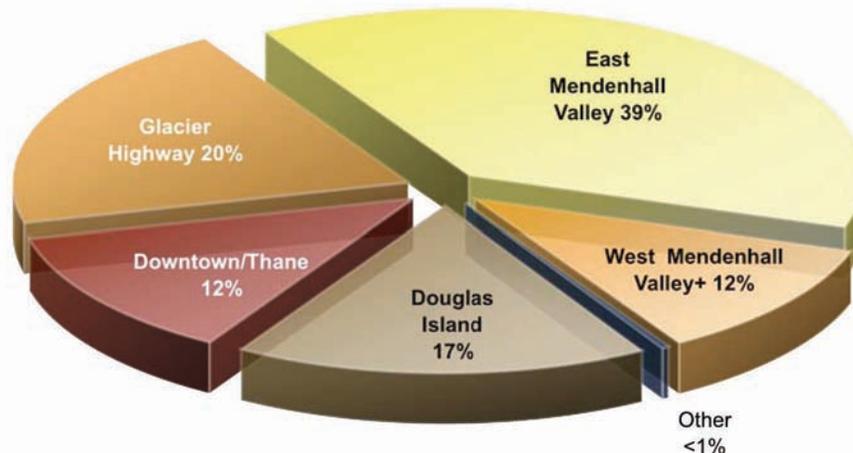
Less than a third of Juneau's population (29%) live in the downtown/Douglas/Thane area. The most populated area of Juneau is the East Mendenhall Valley, where 39% of Juneau residents live.

Juneau Population Distribution, 2001-2008

Juneau Area	Population 2001	Population 2008	Change 2001-2008	Change 2001-2008
Town/Douglas/Thane	9,173	9,092	-1%	-81
Douglas	2,115	2,046	-3%	-69
West Juneau	1,583	1,558	-2%	-25
North Douglas	1,596	1,654	4%	+58
Thane	172	204	19%	+32
Downtown Juneau	3,707	3,630	-2%	-77
Glacier Hwy/Valley/Out the Road	21,682	21,810	1%	+128
Glacier Highway - Norway Point to Fred Meyers (Includes Salmon Creek, Twin Lakes, Lemon Creek, Switzer Creek)	4,812	4,907	2%	+95
Glacier Highway - Waydelich Creek to end of road (Includes Lena Loop, Tee Harbor, out the road)	1,318	1,381	5%	+63
East Mendenhall Valley	12,122	11,954	-1%	-168
West Mendenhall Valley, Mendenhall Peninsula, Auke Bay	3,430	3,568	4%	+138

Source: City and Borough of Juneau.

Juneau Population Distribution, 2008



Median Age

In 2008 the median age in Juneau was 38.1, unchanged from 2007. The state and national median ages are both lower than Juneau, 33.5 and 36.6 respectively. The regional median age was 39, although some areas of the region are notably older, such as Haines, with a median age of 45.7, and Wrangell, with a median age of 44.4.

Median Age, 2008

Area	Median Age
Juneau	38.1
Southeast	39.0
Alaska	33.5
United States	36.6
Haines	45.7
Wrangell City And Borough	44.4

Source: ADOL, U.S. Census

Aging Population

Juneau has aged at a faster pace than the state or the nation. In 1990, the median age of Juneau residents was a year younger than the national median age, and two and a half years older than the state median age. In 2008, Juneau residents are a year and a half older than the nation, and nearly five years older than the median age of Alaskans as a whole. Looking at it in another way, Juneau's median age has increased by 20 percent in the last 18 years, while the U.S. median age increased by just 12 percent over the same period.



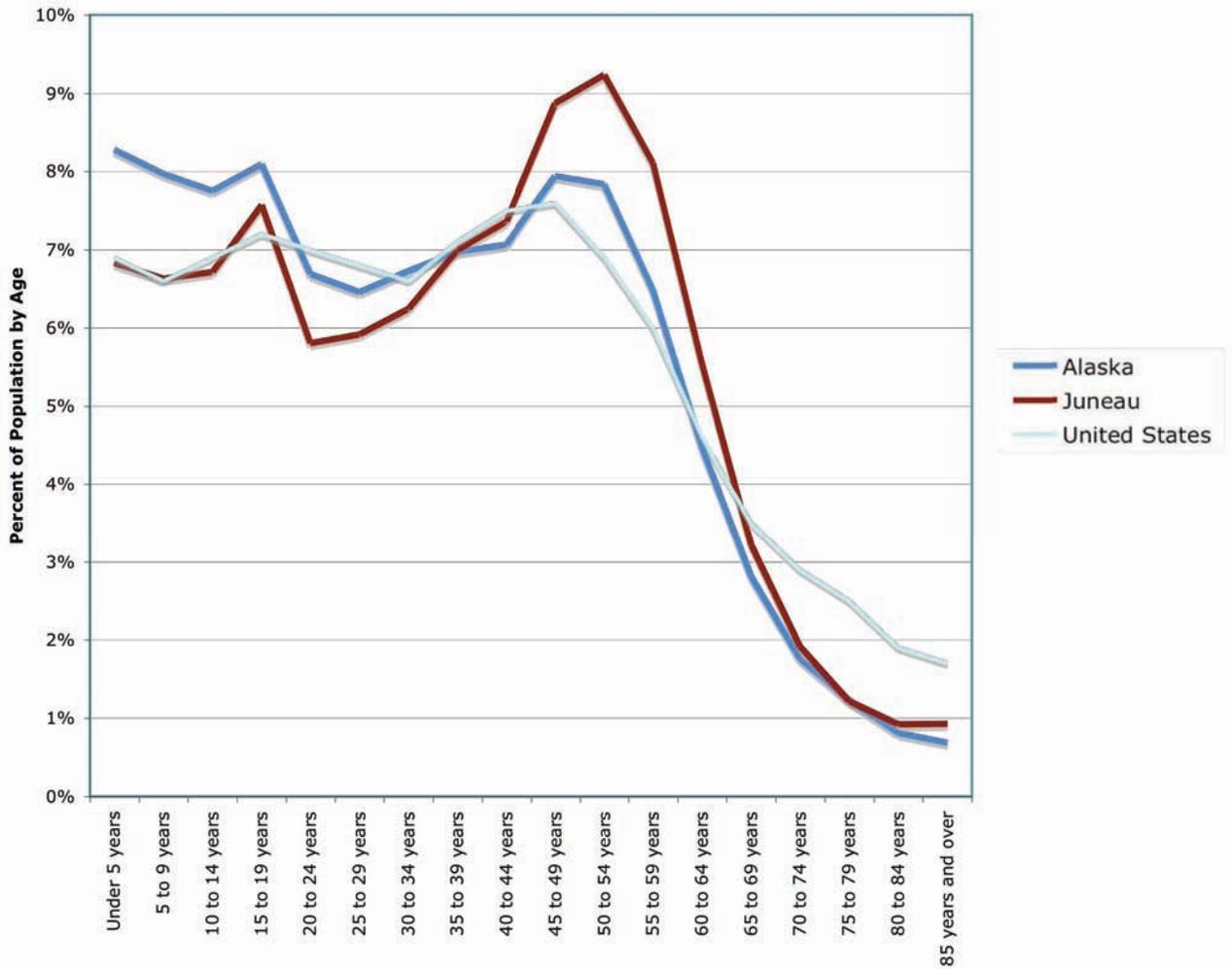
Median Age, 1990, 2000, 2008

Area	1990	2000	2008	Change 1990-2008
Juneau	31.7	35.3	38.1	20%
Alaska	29.2	32.4	33.5	15%
United States	32.8	35.3	36.6	12%

Source: ADOL, U.S. Census

Juneau is aging faster in part because it has a higher percentage of 40 to 64 year olds, and a smaller percentage of 15 to 34 year olds than the state or nation. Nearly 40 percent of Juneau's population is between 40 and 64, compared to 33 percent in the US overall; and a quarter of Juneau's population is between 15 and 34, compared to 28 percent of the state and nation.

Population Distribution by Age Juneau, Alaska, US 2008



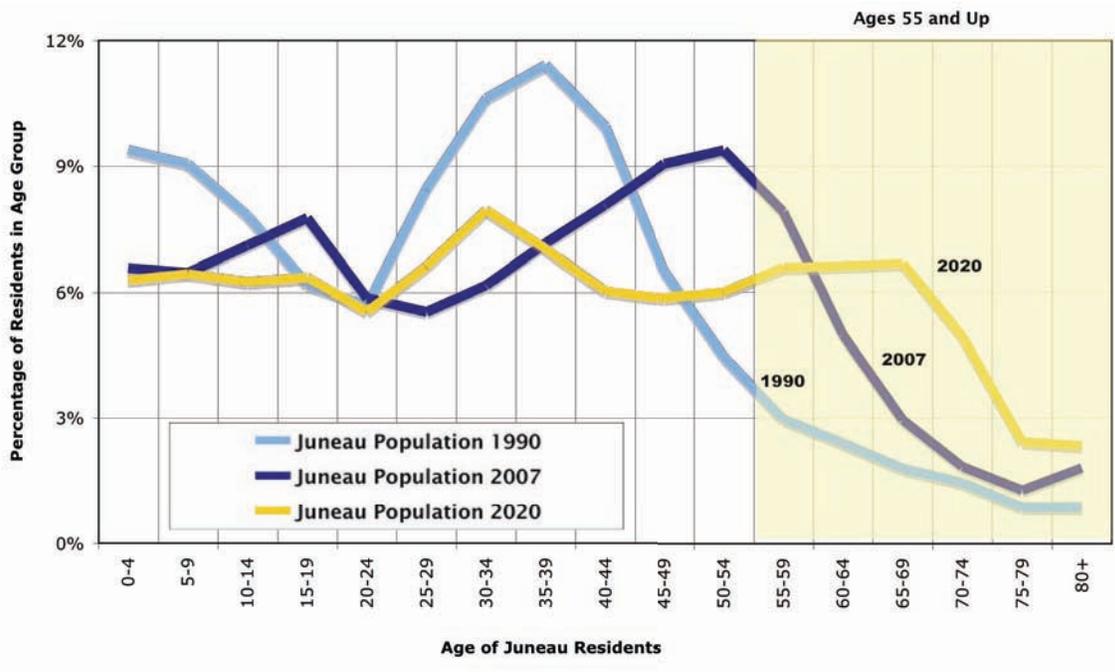
Source: ADOL, Research and Analysis Section and the U.S. Census Bureau.

The senior population in Juneau 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.

The proportion of those 55 and older in Juneau increased from 10 percent in 1990 to 21 percent in 2007. By 2020 those 55 and older are expected to make up 30 percent of the local population, and a full third of the regional Southeast population. Juneau's shifting demographics mean that Juneau's senior population is becoming more significant by the year.

Juneau Residents 55 and Older: by Percent of Population 1990, 2007, 2020 (est.)

Area	1990	2007	2020
55 to 64	5%	13%	13%
65 to 74	3%	5%	12%
75 plus	2%	3%	5%
Total 55+ %	10%	21%	30%
Total 55+ Count	2,800	6,300	11,500



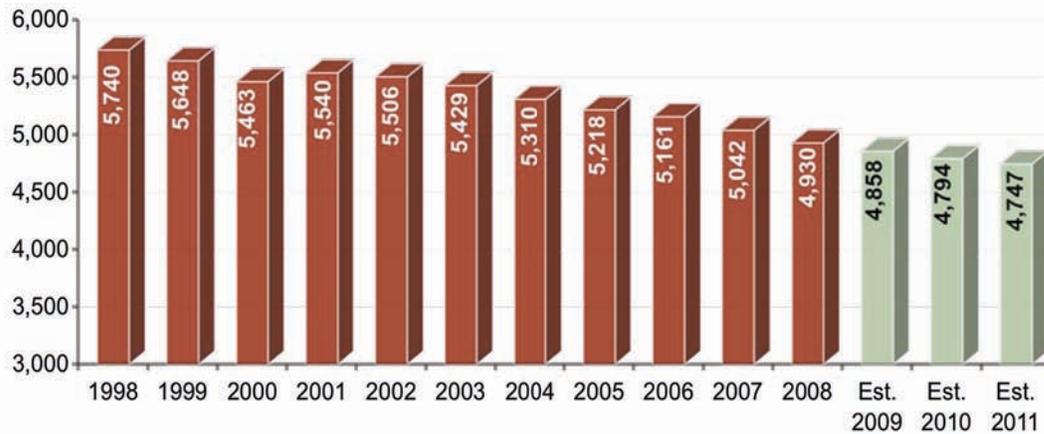
Source: ADOL, Research and Analysis Section and the U.S. Census Bureau.

Student Statistics

Juneau School District Enrollment

In 2008 the number of students enrolled in the Juneau School District, 4,930, decreased by 112 students, or two percent from the prior year. The Juneau K-12 student population is down more than 800 students from peak levels a decade ago. According to current projections, the school district will lose another 183 students over the next three years. The Juneau high schools will be the hardest hit by these losses, where the high school student population is expected to decrease 12 percent over the next three years. Grade school population, on the other hand, is expected to increase three percent by 2011.

Juneau School District K-12 Enrollment, Fall 1998 - 2011



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

Juneau School District Enrollment, 1998-2009

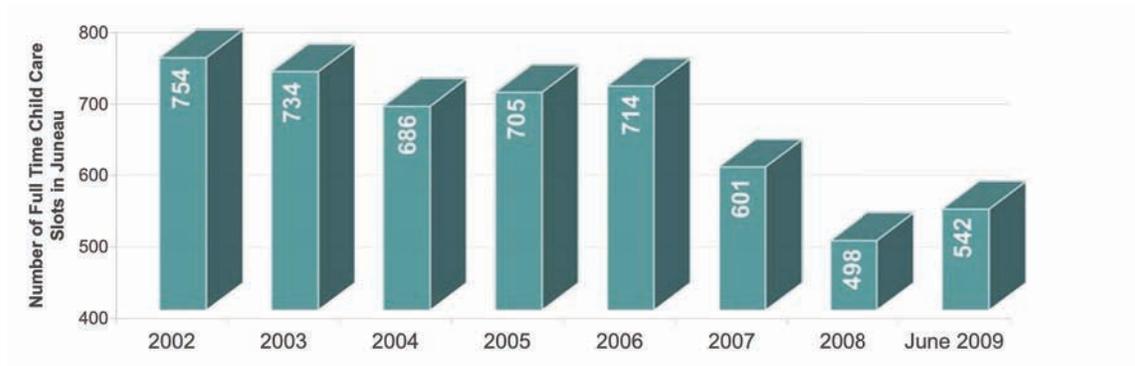
School Year	Grade School	Middle School	High School
Fall 1998 (peak enrollment)	2,599	1,358	1,783
Fall 2007	2,120	1,109	1,813
Fall 2008	2,100	1,092	1,738
Fall 2009 CBJ Projection	2,107	1,082	1,669
Fall 2010 CBJ Projection	2,139	1,062	1,593
Fall 2011 CBJ Projection	2,173	1,040	1,534
Fall 2019 CBJ Projection	2,032	1,101	1,580
Change Fall '98 to Fall '08	-19%	-20%	-3%
Change Fall '07 to Fall '08	-1%	-2%	-4%
Est. Change Fall '08 to Fall '11	3%	-5%	-12%

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

Childcare Capacity and Costs

The Juneau Economic Development Council conducted a 2009 study on child care in Juneau and determined that of the 2,200 children under the age of six in 2008, 1,540 were likely in need of childcare. In 2008, there were 498 licensed or approved child care slots. Capacity is most limited for Juneau's youngest children. Of the total full time child care slots in Juneau in 2008, 104 slots served Juneau's 600 toddlers, and 44 served Juneau's 400 infants. Although child care capacity increased by nine percent in 2009, the waiting list times for some programs is up to two years. The average annual cost of child care in Juneau is \$8,748 per child, and ranges as high as \$11,600. (The full study is available at www.jedc.org/forms/JEDC-childcare-working-paper.pdf).

Number of Full Time Child Care Slots in Juneau
2002 to 2009

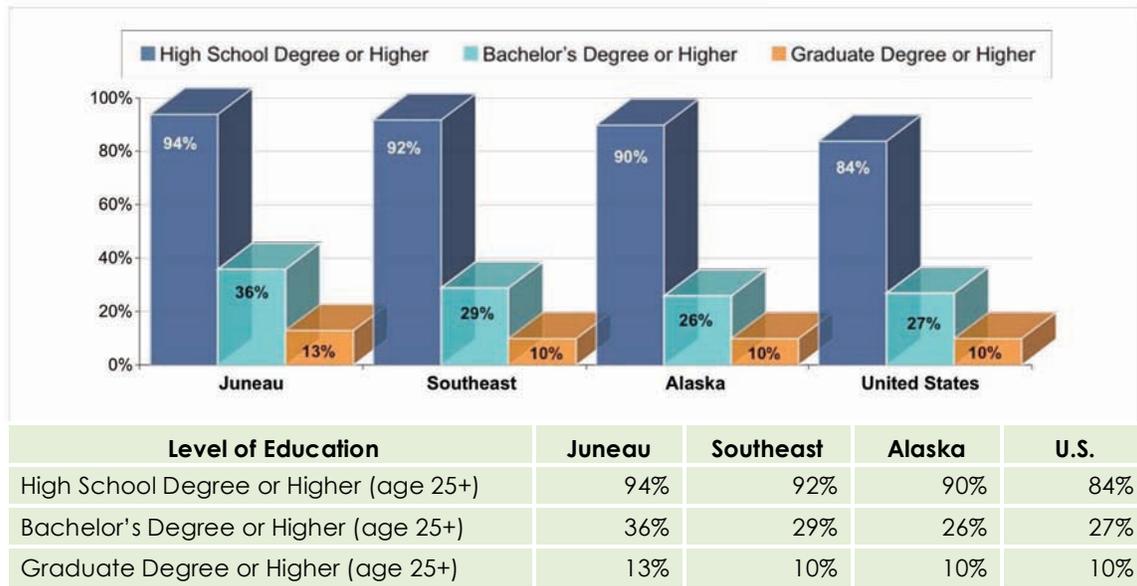


Source: Association for the Education of Young Children - Southeast Alaska

Educational Attainment

Juneau and Southeast Alaska residents have a higher level of average educational attainment than the state and national populations. (See table on following page). In 2007, 94 percent of Juneau residents over the age of 25 had a high school degree (or higher), and 13 percent had a graduate degree. The percent of Juneau high school graduates is 10 percent higher than the U.S. average of 84 percent. Overall, 92 percent Southeast Alaska residents have at least a high school degree (or equivalent).

Educational Attainment by Percent 2005-2007, Age 25+

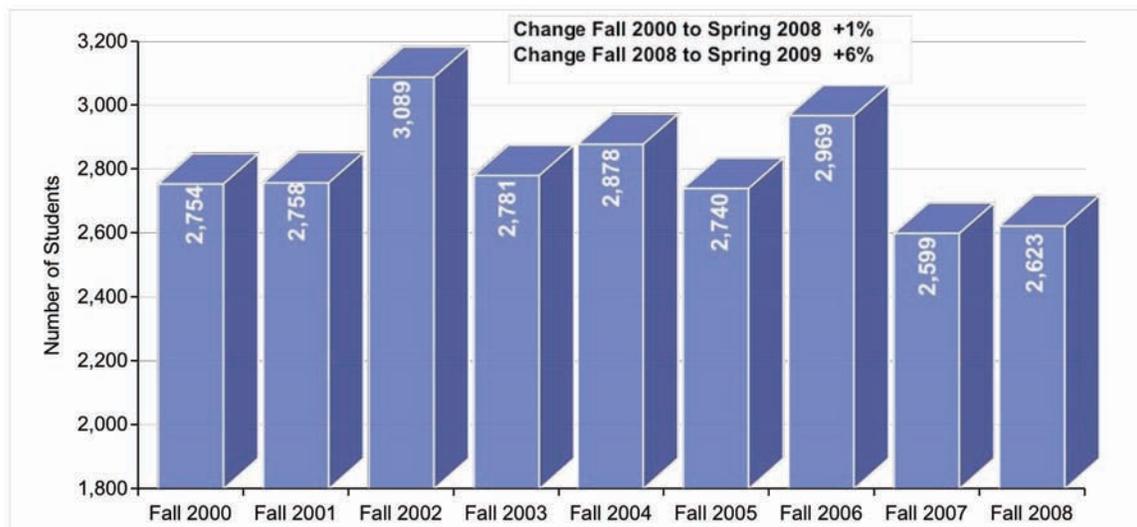


Source: U.S. Census (American Fact Finder)

University of Alaska Southeast: The Juneau Campus

In the Fall of 2008, there were 2,623 students attending the University of Alaska Southeast Juneau campus. This represents an increase of one percent from Fall 2007. While the Spring 2009 enrollment of 2,783 was six percent higher than Fall 2008, it represented a three percent decrease from Spring 2008 enrollment levels.

University of Alaska Juneau Enrollment Fall 2000 to Spring 2009



Source: University of Alaska.

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

Cost of Living

Comparing Living Costs

Several studies are conducted periodically to try to determine the comparative living costs of Alaska and Juneau to other communities. Generally, Juneau is 30 percent more expensive to live in than the “average” US city, and 11 percent more expensive than Anchorage. Findings from four of these studies are presented below.

Comparing Costs Within Alaska: The Alaska Geographic Differential Study

In 2008, the Alaska Department of Administration and the McDowell Group conducted a comprehensive study comparing the cost of living in Alaska communities using Anchorage as the base community. The overall cost of living in Juneau was 11 percent higher than the cost of living in Anchorage, largely due to the higher costs of housing in Juneau, which were 14 percent higher. (See table on following page).

State of Alaska Cost of Living Differential By Selected Community

Community	Percent of Average
Anchorage	100%
Mat-Su	95
Fairbanks	103
Juneau	111
Ketchikan	104
Petersburg	105
Sitka	117
Kotzebue	161

Source: Alaska Department of Administration, Alaska Geographic Differential Study, 2009.

www.state.ak.us/local/akpages/ADMIN/GDS/home.shtml

Note: Anchorage cost of living equals 100% in each category, so each cost of living value represents a comparison to the cost of living in Anchorage.

While not all communities in Southeast Alaska were presented individually, Sitka appears to have the highest cost of living of any community in the region, 17 percent higher than Anchorage. Both Ketchikan and Petersburg were reported to have living costs lower than Juneau, but still four and five percent higher than Anchorage, respectively.

State of Alaska Cost of Living Differential by Category

Category	Juneau	Ketchikan-Sitka	Mid-Size SE Communities	Small SE Communities	Fairbanks
Housing	114%	101%	74%	67%	98%
Grocery	103	117	122	122	103
Transportation	109	110	116	119	104
Healthcare	103	103	98	101	107
Clothing	102	112	123	121	117
Other Goods & Services	114	115	121	120	105
Composite	111%	109%	105%	102%	103%

Source: ADOA, Alaska Geographic Differential Study, 2009. www.state.ak.us/local/akpages/ADMIN/GDS/home.shtml

Note: Anchorage cost of living equals 100% in each category.

Mid-Size SE Communities: 1,000-5,000 Residents - Craig, Haines, Klawock, Metlakatla, Petersburg, Wrangell.

Small SE: Less than 1,000 Residents- Elfin Cove, Gustavus, Hoonah, Pelican, Skagway, Tenakee Springs, Yakutat.

Comparing Juneau Living Costs to the “Average” US City

Three national cost of living price indexes compare the cost of living in Juneau to an “average” US city, including the Runzheimer Plan, the ACCRA Cost of Living Index, and the US Military Cost of Living Index. According to these studies, Juneau is generally 30 percent more expensive to live in (30 percent, 31 percent, and 28 percent, respectively). Again, it is housing that plays the largest role in inflating Juneau's overall cost of living.

Runzheimer Plan of Living Cost Standards (Compares Lower Income Households)

Runzheimer data are designed to show how much it would cost for a family of four to live in different cities while maintaining the same, relatively low, standard of living of \$32,000. According to the study findings, it costs 30 percent more to live in Juneau than a standard U.S. city. A household of four that was able to get by on \$32,000 in an average U.S. city would need \$41,616 to maintain the same standard of living in Juneau. Juneau residents pay lower taxes, and similar transportation costs in comparison to an average U.S. city, but housing costs are 49 percent higher.

Runzheimer Plan of Living Cost Standards

Annual Spending	Juneau	Alaska	U.S.
Housing	\$26,672	\$24,498	\$17,920
Taxation	\$2,448	\$2,448	\$3,040
Transportation	\$4,599	\$4,749	\$4,180
Other Goods & Services	\$7,897	\$7,722	\$6,860
Total Costs	\$41,616	\$39,419	\$32,000

Source: Runzheimer International, Runzheimer's Living Cost Index, 2008, as presented in ADOL's Alaska Economic Trends, July 2008.

ACCRA Index (Compares Higher Income Households)

Similar to the Runzheimer Plan, the ACCRA Cost of Living Index provides a useful measure of living costs among different cities, but the index reflects cost differentials for professional and executive households in the top income quintile. According to the index, it costs 31 percent more to live in Juneau than a standard U.S. city. Professional and executive housing is 64 percent more expensive in Juneau than an average US city.

ACCRA Cost of Living Index – 2nd Quarter, 2009

Category	Juneau	Anchorage	Fairbanks
Housing	164%	139%	154%
Grocery	127	133	122
Utilities	128	103	151
Transportation	116	115	124
Health Care	140	125	144
Other Goods & Services	109	119	117
Composite	131%	125%	134%

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.

Food Costs

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 2009 it cost 11 percent more to feed a family of four in Juneau than in Anchorage. In Sitka, it cost 38 percent more. While the survey was not designed to be a time series, it appears that food costs have increased at a greater rate in Juneau and Southeast Alaska than in Anchorage or Fairbanks. (See table on the following page).



Weekly Cost of Low-Expense Food for a Family of Four 2000 and 2009

Area	2000	2009	Change 2000-2009
Anchorage	\$100.89	\$128.16	27%
Fairbanks	\$100.63	\$125.87	25%
Juneau	\$104.55	\$143.83	38%
Ketchikan	\$105.72	\$150.33	42%
Sitka	\$119.59	\$176.74	48%

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. Note: the survey was not designed to be a time series

Energy Costs

Juneau's energy is clean, plentiful and cheap. The Snettisham Hydroelectric Project, which provides approximately 85 percent of Juneau's power, began providing power to Juneau in 1973, and despite some initial challenges along the 44-mile transmission line, Snettisham service experienced few interruptions between 1976 and 2008. In April 2008, and again in January of 2009, avalanches destroyed transmission towers, forcing AEL&P to generate almost all of the borough's electricity with high cost diesel-powered generators. The resulting rate increases due to those events are not captured in the numbers below. While energy costs have increased across Alaska and the United States, Juneau's electricity rates are similar to what they were in 2000.

Electricity Rates, Average Residential kWh 2000 and 2009

Area	2000	2009	Change 2000-2009
Juneau	\$0.084	\$0.089	6%
Anchorage	\$0.109	\$0.151	39%
Fairbanks	\$0.104	\$0.138	33%
Alaska Average	\$0.115	\$0.172	50%
U.S. Average	\$0.082	\$0.114	39%

Source: Energy Information Administration, Chugach Electric, AEL&P,

AEL&P has invested \$70 million in a new hydroelectric project at Lake Dorothy. Lake Dorothy is expected to increase Juneau's hydroelectric output by 20 percent. Lake Dorothy came online in September of 2009. The change will allow the Greens Creek Mine to shift from diesel generator use to hydroelectric power. Due to low lake levels and high energy demands in the Juneau area Greens Creek has not been able to obtain significant utility power. Having a high power user, such as Greens Creek, helps make the investment in a new hydro project, such a Lake Dorothy, more affordable for everyone.

Alaska Renewable Energy Fund Southeast Grant Allocations

In 2009, \$125 million in renewable energy resources funds were authorized statewide by the legislature, with over \$17 million directed to Southeast Alaska energy projects. The following Southeast Alaska renewable energy projects await AEA administrative execution of grant award documents and disbursal:

Community	Award in thousands
Coffman Cove-Naukati Intertie Construction Alaska Power & Telephone	\$3,752
Kake-Petersburg Intertie Final Design Kwaan Electric	\$2,990
Reynolds Creek Hydroelectric Construction Haida Power	\$2,000
Wrangell Hydro Based Electric Boilers City and Borough of Wrangell	\$2,000
Juneau Ground Source Heat Pump Construction (Aquatic Center)	\$1,450
Whitman Lake Hydro Construction Ketchikan Public Utilities	\$1,300
Metlakatla-Ketchikan Intertie Construction Metlakatla Indian Community	\$820
Falls Creek Hydroelectric Construction Gustavus Electric	\$750
Takatz Lake Hydroelectric Feasibility City & Borough of Sitka	\$515
Juneau Ground Source Heat Pump (Airport) City & Borough of Juneau	\$513
Haines Central Wood Heating System Chilkoot Indian Association	\$288
Yakutat Biomass Gasification Construction Yakutat Power	\$250
Ruth Lake Hydro Reconnaissance City of Petersburg	\$160
Haines Central Wood Heating Feasibility Study Haines Borough	\$121
Burro Creek Hydro Feasibility Study Burro Creek Holdings	\$48
TOTAL	\$16,957

Source: Southeast Conference

Housing

Percent of Income Spent on Housing

Affordable housing refers to a households' ability to find housing within their financial means. Households that spend more than 30% of their income on housing and certain utilities are considered to experience cost burden. According to the U.S. Census, in 2007, a third of Juneau homeowners paid more than 30% of their income on housing, slightly lower than both the U.S. and Alaska averages. However, 45% of Juneau renters paid more than 30% of their income on housing, significantly above the U.S., state and regional averages (see table below). The 2008 CBJ Comprehensive Plan notes, "there is an inadequate supply of housing to provide residents adequate choice in housing size, location and price, resulting in residents paying more than 30% of their income on housing."

Percent of Income Spent on Housing, 2007

	Juneau	Southeast	Alaska	United States
Home owners who spend more than 30% of income on mortgage/home costs	33%	32%	34%	36%
Renters who spend more than 30% of income on rent	45%	38%	38%	30%
Percent of homes rented (vs. owned)	34%	35%	36%	33%

Source: 2005-2007 American Community Survey 3-Year Estimates Survey: American Community Survey

The percent of renters versus homeowners in Juneau is very similar to the region, state and nation. Approximately a third (34%) of Juneau's occupied housing units are rented, while 66 percent of Juneau's housing units are occupied by homeowners. The median monthly housing cost for mortgaged homeowners was \$1,843, and \$912 for renters.

Juneau Housing Inventory

Between 2001 and 2008, the population of Juneau remained flat (declining by 19 people from 30,446 in 2001 to 30,427 in 2008). During the same period the number of housing units in Juneau increased by 5%, from 12,369 housing units in 2001 to 13,007 in 2008, (the increase is 6% if boats and RVs are excluded). (See table on following page). Apartments in single-family homes saw the largest increase during this period, increasing 16% to 683 single-family home apartments. The number of single-family homes increased by 8% over this period as well, to 5,735. Use of boats and RVs as housing units declined during this period, by 31% and 79% respectively.

Housing Units in Juneau 2001-2008

Housing Unit Type	2001	2008	Percent Change 2001-2008
Single Family	5,323	5,735	8%
Apartment in Single Family Home	587	683	16%
Condo or Townhouse	1,098	1,184	8%
Duplex	572	580	1%
Zero-Lot	774	826	7%
Multifamily	2,628	2,666	1%
Mobile Home	1,225	1,237	1%
Boats	129	89	-31%
RV's	33	7	-79%
Total	12,369	13,007	5%

Source: CBJ.

In the two-decade period between 1988 and 2008, the number of housing units in Juneau increased by 24%, from 10,447 to 12,911 (excluding boats and RVs). Most of this increase took place in the first half of this period, between 1988 and 1998, as the local population and the number of housing units both increased by 15%. From 1998 to 2008, the population of Juneau grew by 1%, while the total number of housing units continued to increase by 8%.

Total Housing Units and Population 1988-2008

	Total Housing Units	Juneau Population
1988	10,447	26,064
1991	10,451	27,579
1994	10,912	28,454
1998	11,965	30,021
2000	12,302	30,711
2005	12,653	31,225
2008	12,911	30,427
Change 1988-1998	+15%	+15%
Change 1998-2008	+8%	+1%
Change 2005-2008	+2%	-3%

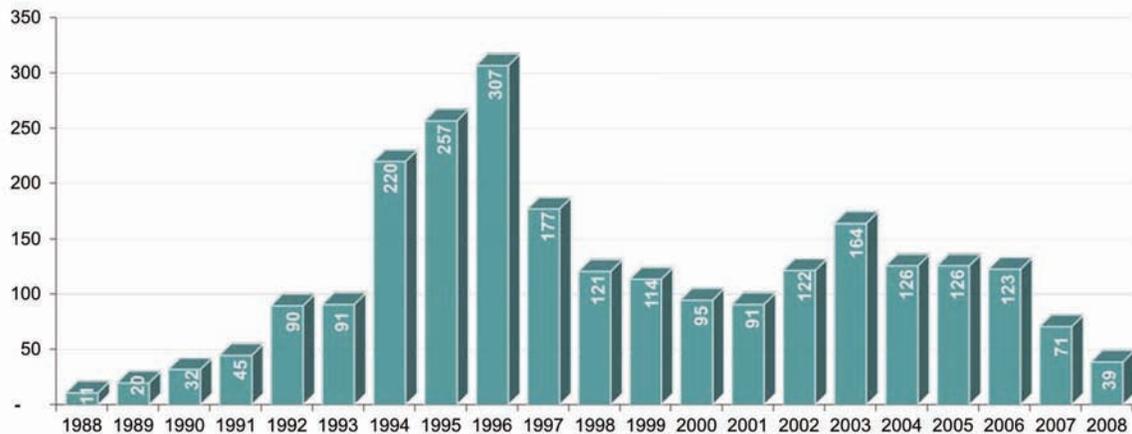
Source: CBJ.

Note: Total housing units excludes boats and RVs.

New Housing Units Permitted

In 2008, 39 new housing units were permitted for construction in Juneau, including 19 detached, single-family homes, and 20 duplex or multiplex units. This is down significantly from earlier years. In 1996, 307 housing units were permitted. From 1996 to 2008, an average of 129 housing units have been permitted in Juneau annually.

Number of New Housing Unit Permitted in Juneau 1987-2008



Year	Single Family Detached	Single Family Attached	Duplex Units	Multi Plex Units	Total Housing Units Permitted
2000	75	6	4	10	95
2001	48	20	15	8	91
2002	86	2	12	22	122
2003	82	8	36	38	164
2004	52	12	28	34	126
2005	56	24	28	18	126
2006	60	9	14	40	123
2007	51	8	12	-	71
2008	19	-	4	16	39

Source: CBJ.

The Costs and Benefits of Home Building in Juneau

A 2009 study by the National Association of Home Builders examined the costs and benefits related to home building in Juneau. According to study findings, new home building incurs the following costs:

- Average value of raw land required to build a new single-family home: \$95,000
- Average fees paid by builder and developer in permits, etc.: \$4,289
- Average annual property tax of a new, single-family home: \$3,727
- Average sales price of a new, single-family home (includes everything): \$359,450

Material and Freight Costs

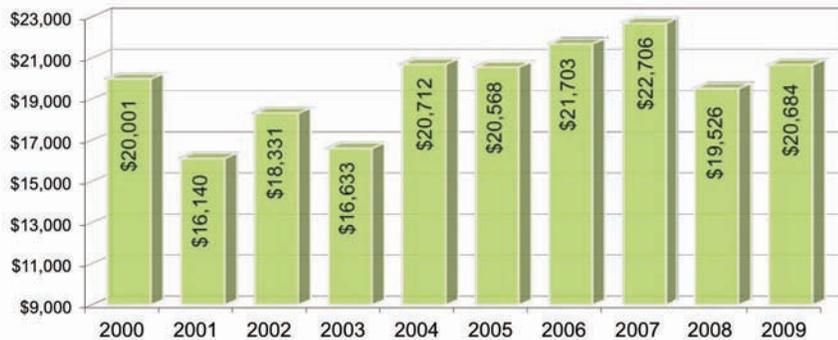
The Alaska Department of Labor conducts an annual construction cost survey for the Alaska Housing Finance Corporation. Included in that survey are the local costs to purchase or ship a construction "market basket." The market basket items (shown below) represent approximately 30% of the materials used in the construction of a model home.

BCI 60 Series 768ft 14"; 2-4-1 T&G FF Underlay 4' x 8' 62pcs; T-111 8" Center Groove 4' x 10' Siding 60pcs 5/8"; CDX 4' x 8' #53 106pcs 5/8"; Studs #2 & btr Kiln-dried 164pcs 2" x 4" 92 5/8"; Studs #2 & btr #14 Kiln-dried 263pcs 2" x 6" 92 5/8"; 4' x 12' Plain Sheetrock #84 95pcs 1/2"; 4' x 12' Type X Sheetrock #109 68pcs 5/8"; Fiberglass Bat Insulation (2,560 sq ft) 40bags R-38" x 24" 64 sq ft; Fiberglass Bat Insulation (2,034 sq ft) 30bags R-21" x 15" 68 sq ft; NMB Electric Wire 3boxes 250'; Single Breaker 15pcs 15 Amp; Copper Pipe Type 'M' 150ft 3/4"; ABS Pipe 100ft 3"; 3 Tab Shingles Brown 102bundles; Metal Roofing 3,215sq ft 3' x 20'

Average Price for Construction Materials Purchase

Juneau's 2009 market basket costs increased by 6 percent (\$1,159) to \$20,685, from 2008. Eight of the basket's 15 items increased in cost, including a 74 percent increase in the cost of shingles.

Juneau Building Material "Market Basket" Costs, 2002-2009



Year	Juneau	Ketchikan	Sitka
2000	\$20,001	\$19,922	\$20,623
2001	\$16,140	\$14,880	\$14,219
2002	\$18,331	\$16,672	\$13,909
2003	\$16,633	\$14,853	\$12,676
2004	\$20,712	\$15,885	\$15,294
2005	\$20,568	\$17,401	\$16,994
2006	\$21,703	\$19,262	\$20,473
2007	\$22,706	\$18,150	\$21,088
2008	\$19,526	\$18,196	\$21,433
2009	\$20,684	\$19,728	\$20,524
Change 2008-2009	6%	8%	-4%

Source: Alaska Department and the Alaska Housing Finance Corporation

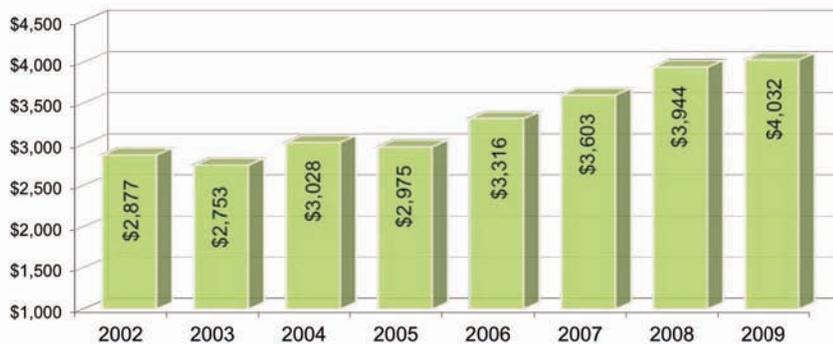
Average Price for Construction Materials Shipping Seattle to Juneau Shipping Costs

The 2009 cost of transporting a "market basket" of building materials decreased in all Alaska communities surveyed, except for Juneau. The cost of transporting the "market basket" freight to Juneau increased 2% in 2009 to \$4,032.

Juneau Shipping Costs 2009 - \$4,032

- 20 ft van, 20 ft platform
- 49,000 pounds
- Includes loading, delivery, and unloading
- This scenario simulates contractor pricing for a market basket of materials used in the construction of a model home, representing approximately 30 percent of the materials used in the construction of the model home.

Juneau Building Supplies Freight Costs, 2002-2009



Year	Juneau	Ketchikan	Sitka
2000	\$3,005	\$1,862	\$3,753
2007	\$3,603	\$2,179	\$5,598
2008	\$3,944	\$2,549	\$6,472
2009	\$4,032	\$2,221	\$5,872
Change 2000-2009	34%	19%	56%
Change 2008-2009	2%	-13%	-9%

Source: Alaska Department and the Alaska Housing Finance Corporation

Benefits of Homebuilding

In 2009, the National Association of Home Builders conducted an economic impact analysis of home building in Juneau, and determined that construction of 25 homes would create 74 jobs (48 direct jobs, and 26 induced jobs) with an associated payroll of \$3.5 million, a local business owners' income of \$1.5 million, and \$884 thousand in taxes (including taxes, fees, fines permits, etc.)

The study also examined the on-going, annual local impacts of building 25 new homes resulting from the new homes "being occupied, and the occupants paying taxes and otherwise participating in the local economy year after year." These annual recurring impacts include 15 jobs, \$933,000 in local income, and \$312,000 in local taxes.

Economic Impacts of Building 25 Single Family Homes in Juneau in 2009

Year	Local Income	Taxes & Other Local Gov't Revenue	Jobs
Year One Impacts	\$5.04 million	\$884,000	74
Annual Recurring Impacts	\$933,000	\$312,000	15

Source: "The Local Impact of Homebuilding in Juneau, Alaska: Income, Jobs, and Taxes Generated" National Association of Home Builders, May 2009.

Juneau Housing Sales and Prices

While the average price of a single-family home in Juneau fell by 9% from 2007 to 2008 to \$295,061, this still represents a 48 percent increase in single-family home prices in 2000. Single-family homes in Juneau spent an average of 94 days on the market in 2008, and 227 single-family homes were sold.

Single-Family Residential Sales in Juneau, 2000-2008

Year	Sales Closed	Average Price	Average Days on Market
2008	227	\$295,061	94
2007	241	\$322,779	73
2006	290	\$315,656	95
2005	254	\$299,796	89
2004	229	\$279,244	105
2003	229	\$250,811	84
2002	262	\$219,551	71
2001	220	\$211,066	76
2000	151	\$198,706	77

Source: Southeast Multiple Listing Service

Recent Home Sales

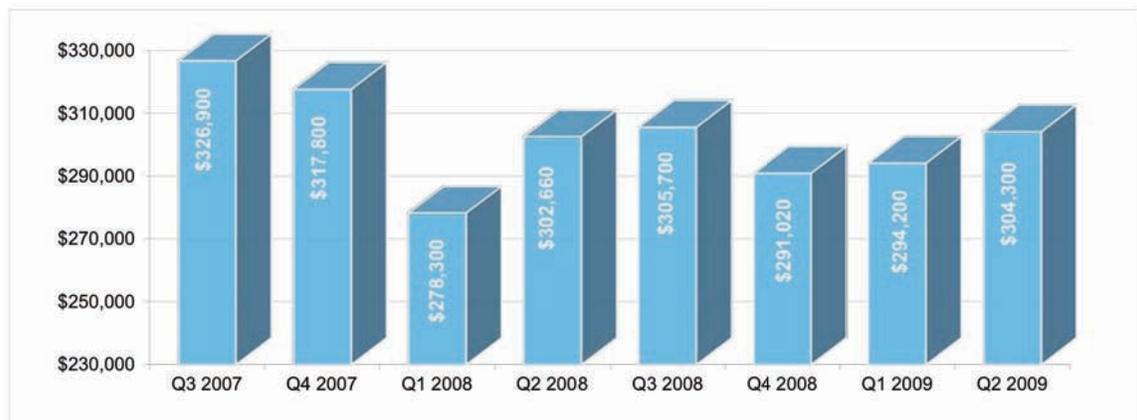


In the first half of 2009 there were a total of 102 single-family homes sold. The average number of days on the market was 86, and the average sales price was \$300,900. This represents a four percent increase in the price of single-family home prices from the first half of 2008, and is similar to home prices in the first half of 2006. In 2009, single family home sold, on average, for five percent below the original asking price.

In the second quarter of 2009, home prices were up 0.5 percent from the second quarter in 2008, and the volume and pace of the market was more brisk. There were 39 percent more single family homes sold in the first quarter of 2009, over the first quarter of 2008, and homes spent an average of 40 fewer days on the market.

Single-Family Residential Sales in Juneau

Qtr/Yr	Number of Sales	Average Sales Price (\$)	Average days on Market
Q2 2009	68	\$304,300	76
Q1 2009	34	\$294,200	107
Q4 2008	48	\$291,020	94
Q3 2008	73	\$305,700	70
Q2 2008	49	\$302,660	116
Q1 2008	57	\$278,300	105
Q4 2007	48	\$317,800	87
Q3 2007	72	\$326,900	73



Source: Southeast Multiple Listing Service

Rental Housing

From 2008 to 2009, the average cost in rental housing in Juneau increased one percent to \$1,131. From 2000 to 2009, the average rental price in Juneau increased 23 percent. (During the same period, the average price of a single-family home increased 48 percent).

Juneau has long been plagued by low rental vacancy rates that are often below six percent. In 2009, however, vacancy rates rose to 6.2%. The 2009 rental vacancy was 7.1% in Alaska overall, and 10.1% nation-wide.

Average Juneau Rental Prices and Vacancy Rates 2000-2009

Year	Average Adjusted Rent Juneau	Juneau Vacancy Rate
2009	\$1,131	6.2%
2008	\$1,125	5.5%
2007	\$1,076	4.7%
2006	\$1,085	4.9%
2005	\$1,026	6.3%
2004	\$1,005	4.8%
2003	\$967	6.2%
2002	\$955	3.8%
2001	\$965	7.7%
2000	\$922	5.0%
Change 2008-2009	+1%	Avg. 5.9%
Change 2000-2009	+23%	Avg. 5.5%

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

Travel and Visitor Industry

The visitor industry plays a key role in the economies of both Juneau and the region.

Passengers Disembarking in Juneau

In 2008, 1.4 million passengers disembarked in Juneau by airplane, cruise ship, or ferry. This represents a 0.4 percent increase in passenger disembarkations over the previous year, 2007.

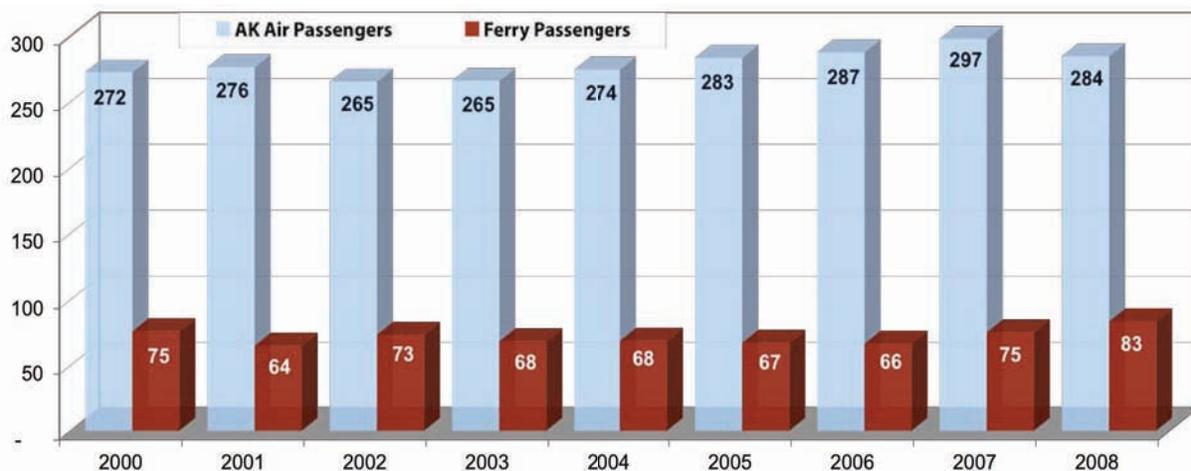
Cruise ship passenger traffic increased by one percent to 1,032,300 cruise visitors in Juneau from 2007, and by 61 percent from 2000. The number of disembarking **ferry passengers**—82,957—represented a one-year increase of 11 percent, and a two-year increase of 26 percent. The number of deplaning **Alaska Airlines passengers**—284,097—was down four percent from 2007 figures. The number of **other airline passengers**—24,023—was down 17 percent in 2008 from 2007.

Juneau Cruise, Air, and Ferry Traffic 2000-2008

	Ferry	AK Air	Other Air	Cruise	Total
2008	82,957	284,097	24,023	1,032,300	1.42 million
2007	74,540	297,267	29,003	1,017,341	1.41 million
2000	75,463	271,637	NA	640,000	NA
Change 2007-08	11%	-4%	-17%	1%	0.4%
Change 2000-08	10%	5%	NA	61%	NA

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.

Juneau Alaska Airline and Ferry Disembarkations 2000-2008
(in thousands of people)



Alaska Airline Deplanements Down in 2009

In the first half of 2009, Alaska Airline passenger deplanements were down 10 percent (nearly 13,000 fewer passengers) compared to the first half of 2008. Statistics for June 2009 show a 17 percent decline in passenger deplanements compared to June 2008.

Total Air Passenger Arrivals

Another way to look at airline traffic is through passenger arrivals. Passenger arrivals are different from passenger deplanements, as the figures represent all passengers landing in Juneau, and not just those getting off the plane (so passengers continuing on to other destinations are also counted). In 2008, according to the Bureau of Transportation Statistics, 362,839 air passengers landed in Juneau, nearly 24,000 fewer than the year before, or a six percent decrease. In 2008, a third of all airline passengers (119,285) arrived in Juneau directly from Seattle. Total passenger airline arrivals were down six percent in 2008 from the previous year.

Air Passenger Arrivals to Juneau in 2007, by City of Origin

Origin City	2007	2008	Change 2007-2008
Seattle, WA	126,308	119,285	-6%
Anchorage, AK	97,950	94,612	-3%
Sitka, AK	58,007	52,876	-9%
Petersburg, AK	28,802	27,526	-4%
Ketchikan, AK	27,257	24,848	-9%
Yakutat, AK	14,989	15,272	2%
Hoonah, AK	7,975	6,661	-16%
Haines, AK	7,629	6,098	-20%
Skagway, AK	5,528	4,995	-10%
Gustavus, AK	4,793	4,582	-4%
Angoon, AK	1,876	1,664	-11%
Kake, AK	2,130	1,618	-24%
Tenakee, AK	570	705	24%
Pelican, AK	983	679	-31%
Wrangell, AK	754	436	-42%
Other	1,164	982	-16%
Grand Total	386,715	362,839	-6%

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 2008. In 2007, Skagway Air Service closed down after 43 years of service; and in 2008, L.A.B. Flying Service was shut down and did not reopen. Wings of Alaska increased its services 22 percent in 2008 to make up for the losses in service. (See table on following page).

Air Passenger Arrivals to Juneau in 2007, by Carrier

Carrier Name	2007	2008	Change 2007-2008
Alaska Airlines Inc.	357,713	338,816	-5%
Wings Of Alaska	13,892	16,950	22%
L.A.B. Flying Service Inc.	8,980	3,587	-60%
Alaska Seaplane Service	3,878	3,402	-12%
Skagway Air Service	2,156	-	-100%
Other	97	84	-13%
Grand Total	386,715	362,839	-6%

Source: Bureau of Transportation Statistics. The data does not include most charter flights, and is direct link only. The AK Airlines numbers include 54,719 passengers, not included in the AK Airlines deplanement data from above, who landed in Juneau but did not deplane.

Economic Impacts of the Visitor Industry in Juneau 2007-2008 A McDowell Group Study

A 2009 study by the McDowell Group, "Economic Impacts of the Visitor Industry in Juneau 2007-2008," examined the total economic impacts of tourism on the community of Juneau. A summary of these findings is presented below.

Juneau Economic Impacts

Visitors spent \$190 million in Juneau alone in 2008, including \$147 million by cruise ship passengers and crew. On average, Juneau cruise ship passengers spent \$144 each in Juneau, while crew members spent \$300 over the course of the season. (Cruise passenger spending does not include commissions paid to cruise lines for shore excursions.)

Juneau Visitor Volume and Spending in Juneau, 2007-2008

Juneau Visitors	Average spending per visitor	Volume (Number of Departures)	Total Spending in Millions
Cruise Ship Passengers*	\$144	969,600*	\$139.6
Cruise Ship Crew Members	\$300	24,400	\$7.3
AK Air Visitors (summer, non-AK resident)	\$383	84,500	\$32.4
Ferry Visitors (summer, non-AK resident)	\$179	22,000	\$3.9
AK Air Visitors (winter, non-AK resident)	\$414	12,300	\$5.2
Ferry Visitors (winter, non-AK resident)	\$414	3,300	\$1.4
Total	Avg. \$170	1,116,100	\$189.7

Source: McDowell Group, "Economic Impacts of the Visitor Industry in Juneau 2007-2008," April 2009. The study period was over 12 months from October 2007 through September of 2008.

* In this table, cruise ship passengers who do not disembark are not counted. Small ship cruise passengers who exited Juneau by air are counted as "air visitors" in the table. The study period was 12 months, from the end of 2007 and most of 2008. The above numbers do not include in-state residents traveling to Juneau.

According to the study, there were 2,230 visitor jobs in Juneau in 2007-2008, with an associated payroll of \$75 million. The average annual wage for Juneau workers in the visitor industry is \$33,600. (Note: This is an annualized wage based on full time employment.)

Visitor Industry Employment and Payroll in Juneau, 2007-2008

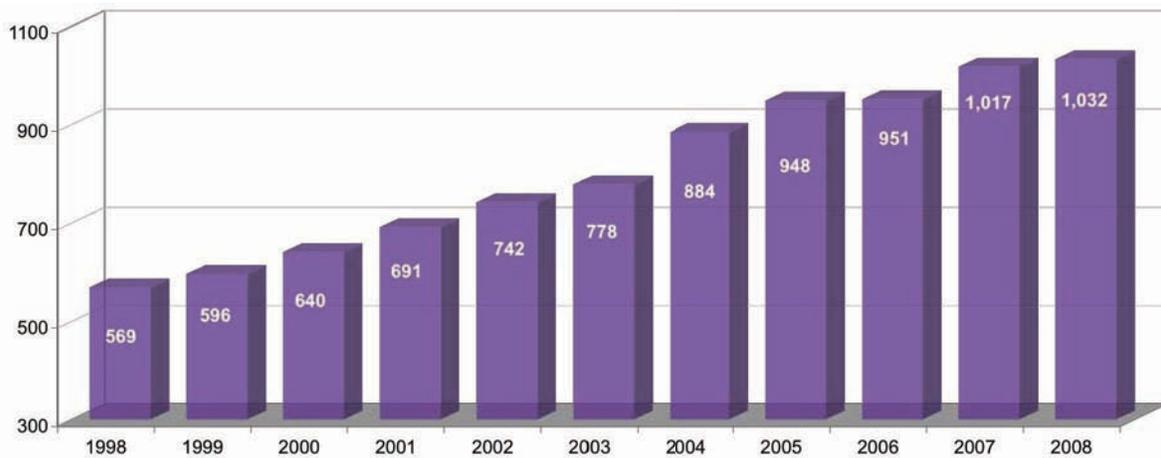
	Direct	Indirect and Induced	Total	Percent of Juneau Total
Employment	2,230	520	2,750	13%
Payroll	\$75 million	\$20 million	\$95 million	9%

Source: McDowell Group, "Economic Impacts of the Visitor Industry in Juneau 2007-2008," April 2009.

Regional Cruise Ship Economic Impacts

In 2008, Southeast Alaska was visited by 1.032 million cruise ship tourists, nearly double the volume from a decade earlier.

Southeast Alaska Cruise Passengers 1998-2008 (in thousands of people)



Source: Cruise Line Agencies of Alaska

According to the McDowell Group, in 2007, the regional employment impact of the cruise industry (including direct, indirect and induced employment) was 7,000 jobs. Approximately 40 percent of these jobs—2,750—were situated in Juneau. The total direct cruise industry spending was \$493 million region wide in 2007-2008. By including indirect and induced impacts, that figure rose to \$636 million. (See table on the following page.) The regional impacts from the non-cruise visitors have not been measured in a number of years.

Direct Cruise Industry Impacts in Southeast Alaska, 2007

Cruise Industry Spending Component	Total Spending
Passenger spending	\$390 million
Crew member spending	\$15 million
Cruise line spending	\$77 million
Cruise line payroll (including benefits)	\$11 million
Total direct cruise industry spending	\$493 million

Source: *Economic Impacts of the Cruise Industry in Alaska*, conducted by McDowell Group for Alaska Cruise Association, 2008.

In 2007, cruise ship passengers spent an average of \$388 per person in the region (including \$144 in Juneau) according to the McDowell Group.

2010 Outlook For The Regional Cruise Ship Industry

While the number of cruise visitors to the region has been on a long, steady upward trend, the cruise industry is planning to remove three ships from Alaska in 2010, and will reduce the number of visits of a fourth ship by half. For Southeast Alaska this will translate into a loss of 140,000 cruise passengers, and a \$54 million reduction in passenger spending in the region, including \$20 million in Juneau (JEDC estimates). According to Lorene Palmer of the Juneau Convention and Visitor's Bureau, the 2010 cruise ship passenger capacity will be 15 percent lower in 2010 than in 2008. The State cruise ship head tax has been cited by the cruise industry as a contributor in the industry's decision to remove the ships, and litigation over the head-tax law is anticipated. The outcome of that litigation could impact future passenger traffic. On the other hand, both Disney Cruise Line and Crystal Cruises have recently announced new sailings that could bring more than 56,000 passengers to Southeast Alaska in 2011.



Photo Credits: Michael Penn/Juneau Empire

Health Care and Social Assistance

Health care and social assistance employment represents 15 percent of all private sector employment in Southeast Alaska. In the private sector alone, there are nearly 3,500 employees in this industry regionally with a payroll of \$130 million. If government positions are calculated in, health care and social assistance positions rise to 4,230 with a payroll of \$165.4 million in 2008.

The largest health care provider in the region is the Southeast Alaska Regional Health Consortium (SEARHC). SEARHC is a non-profit tribal health consortium that provides health and wellness services to Natives and their families. SEARHC is also Southeast Alaska's largest private employer with a regional staff of nearly 800 in 18 communities around Southeast Alaska, including a Juneau staff of nearly 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 430 employees and 55 inpatient beds. In 2008, Bartlett treated 45,300 outpatients, admitted 2,800 patients for treatment, delivered 372 babies, and performed 3,700 surgeries. 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.

Private Southeast Health Care and Social Assistance Employment and Earnings, 2007 and 2008

	2008	2007	Change 2007-2008
Average Annual Employment	3,489	3,435	2%
Average Annual Wages	\$37,195	\$36,460	2%
Total Payroll	\$130 million	\$125 million	4%

Source: ADOL.

Total Southeast Health Care and Social Assistance Employment and Earnings, 2007 and 2008

	2008
Average Annual Employment	4,226
Average Annual Wages	\$39,140
Total Payroll	\$165,403,572

Source: ADOL.

Health Care Outlook

According to the Alaska Department of Labor, the aging of the 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, so will the scale of the local and regional health care industry.

Mining Industry

Southeast Alaska is one of the most mineral rich areas of North America. The Juneau gold belt



Photo Credits: Michael Penn/Juneau Empire

stretches from Windham to Berners Bay, approximately 90 miles across the heart of the Alaska panhandle. The community of Juneau was founded on gold mining in 1880. It is fitting that mining remains a significant contributor to the regional Southeast economy.

In 2007, there were 432 mining jobs in Southeast Alaska with a total payroll of nearly \$40 million. Mining workers in Southeast earned an average of \$90,200 annually. (Because of new confidentiality requirements, the Alaska Department of Labor would not release the 2008 mining specific employment and earnings data.)

Greens Creek

The Greens Creek Mine, Juneau's top private employer, is located on Admiralty Island near Juneau. The mine is the second largest silver producer in North America and the sixth largest silver producer in the world. The mine, with 336 employees, was purchased by the Hecla Mining Company for \$750 million in 2008. It is currently the only fully operational mine in the region.

Kensington

The Coeur owned Kensington Mine, a gold mining project near Juneau, is scheduled to start producing gold in the second half of 2010. Most of the Kensington Mine facilities were completed in 2007; however, production had been postponed pending a court decision on permitting and construction of a redesigned tailings disposal facility. The case went to the U.S. Supreme Court, and in June of 2009 the Supreme Court ruled in favor of the mine. Subsequently, permits have been issued.

The Kensington will require 300 construction workers to complete the tailings facility and remaining construction, and 200 workers to operate the mine once it is fully operational. According to a 2007 study by the McDowell group, the direct construction wages will be \$17 million annually in Southeast Alaska (or \$25 million including direct and indirect) and the production wages will be \$14 million annually (or \$21 million including direct and indirect wages). The expected average annual wage will be \$85,000. The mine is also expected to pay \$1.5 million in taxes to the city each year, and spend \$9.3 million annually on local supplies and services.

The mine will begin production at a rate of about 125,000 ounces of gold a year, and over the life of the mine, Kensington is expected to yield more than 1 million ounces of gold. Historically, development and ore production occurred at the Kensington mine site from 1897 through 1938.

Other Mining Prospects in Southeast Alaska



Other mining prospects in the region include the following:

- The gold-rich copper-lead-zinc volcanic massive sulfide Niblack Prospect on Prince of Wales Island has a \$5.35 million exploration budget.
- Bokan Mountain on Prince of Wales Island was historically a high-grade uranium mine. The site is currently being explored by Ucore Uranium.
- The Poorman Prospect near Kaasan is being explored for its magnetite (iron ore) potential.
- The copper-rich Palmer Project, near Haines, represents 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.

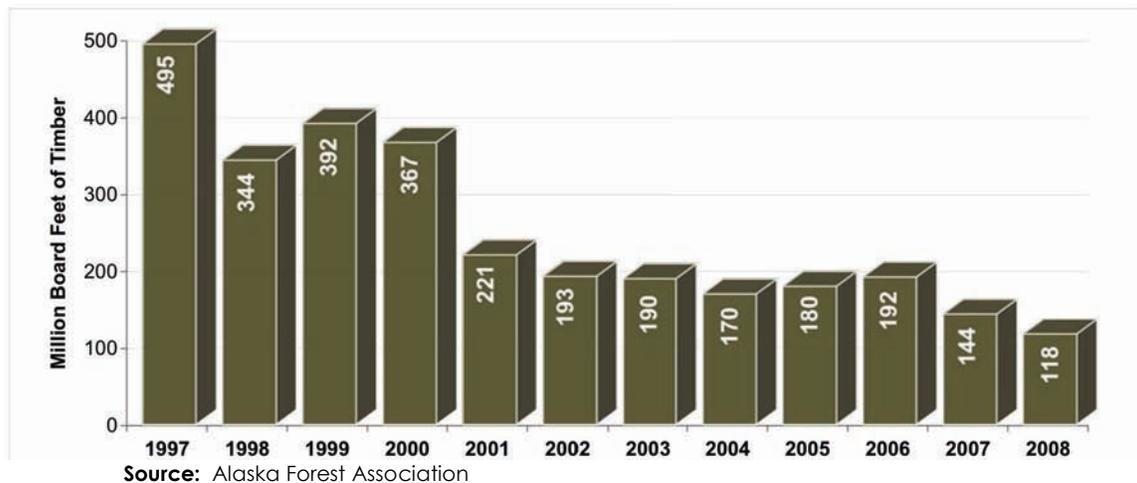
Source: Alaska Department of Natural Resources. Office of Project Management & Permitting

Timber Industry

Total Southeast Alaska Timber Harvest

In 2008, the total Southeast Alaska timber harvest was 118 million board feet (mmbf). This represents an 18 percent decline from 2007 and a 68 percent decline from 2000.

Total Southeast Timber Harvest, 1997-2008 (mmbf)



Timber Mill Production in Southeast Alaska

In 2007, there was an installed mill capacity of 292 mmbf in Southeast Alaska, but mill production levels were at just 11 percent of that, 32 mmbf. Installed mill capacity is down 42 percent from 2000. There are currently 11 mills operating in Southeast Alaska, down from 20 in 2000.

2009 Outlook For The Regional Timber Industry

The regional timber industry is continuing its decline. The Silver Bay Mill in Wrangell remains closed. The Pacific Log & Lumber Mill in Ketchikan has not operated this year. Of the three largest sawmills in Southeast Alaska, only the Viking Mill in Craig is operating. Sealaska Timber Company harvests remained flat from 2007 to 2008.

As a result of litigation resulting in an injunction from the Ninth Circuit Court of Appeals in 2005, timber sales from the Tongass National Forest were substantially reduced pending preparation of the 2008 Amended Tongass Land Management Plan (TLMP). The Orion North Timber sale, which is the first sale made pursuant to the 2008 Amended TLMP, is being litigated.

Industry leaders believe that to avoid the delays of litigation the industry must shift from a timber supply primarily based on old growth timber from roadless areas of the Tongass National Forest to a

combination of residual old growth timber from roaded, previously logged areas and small diameter logs from second growth stands and from roaded areas.

This switch in raw material supply will require investment in new equipment. Such investment will be difficult to finance without the assurance of a reliable supply of economic timber from the Forest Service. The Forest Service will be hard pressed to provide such assurance given the history and results of Tongass timber litigation. Accordingly, further declines are expected.

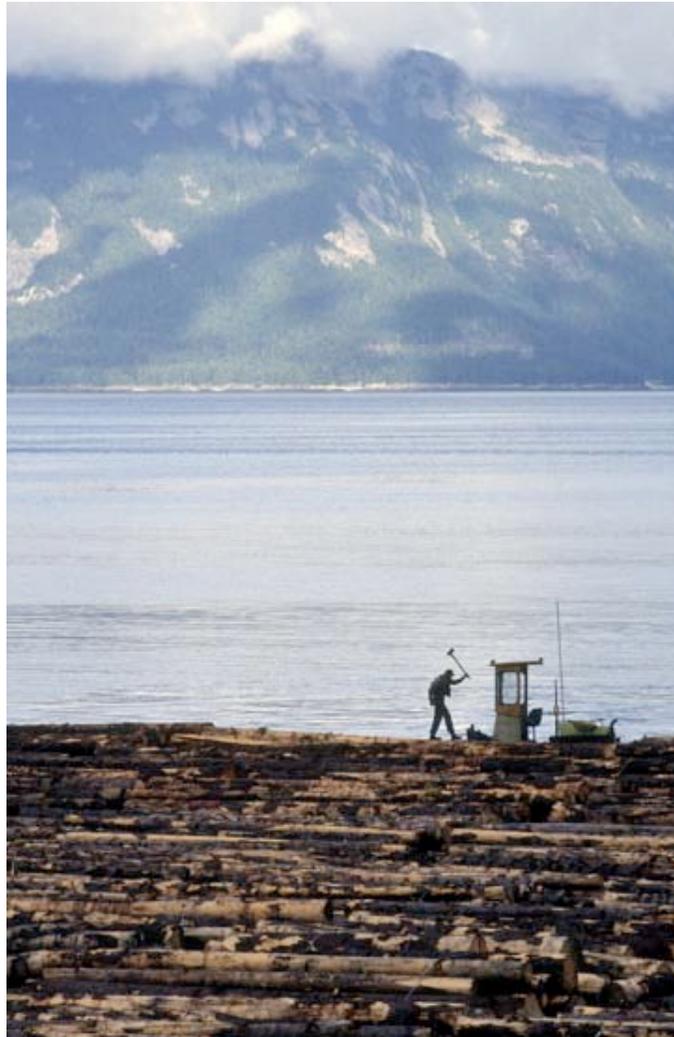


Photo Credits: Michael Penn/Juneau Empire

Seafood Industry with thanks to Glenn Haight & Mike Plotnick



Photo Credits: Michael Penn/Juneau Empire

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

Commercial Harvest in Southeast Alaska

In 2008, the ex-vessel value (or money paid to fishermen) of the Southeast Alaska fisheries was \$275 million, roughly 21% of total statewide harvest.

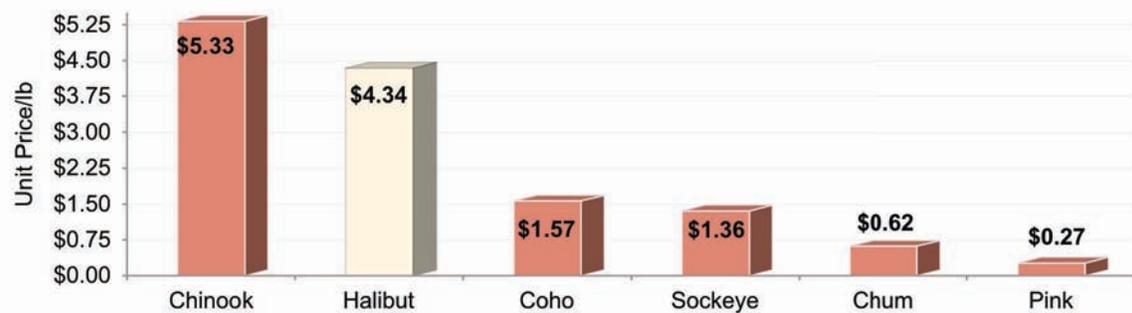
Southeast Alaska Commercial Seafood Industry Harvest & Value Information, 2008

Species	Landed Pounds (Fish Ticket Pounds) (000 lbs)	Ex-vessel Value (\$000s)
Salmon	162,518	\$133,089
Halibut	11,566	\$50,195
Sablefish	11,799	\$55,338
Dungeness Crab	4,736	\$10,278
Herring	31,800	\$11,395
Dive Fisheries	2,554	\$5,840
Large Crab	1,244	\$4,037
Shrimp	504	\$2,208
Miscellaneous Groundfish	2,993	\$2,273
Total	229,714	\$274,653

Source: ADF&G - COAR & Fish Ticket Databases, 6/18/09

The five salmon species represents approximately 70 percent of the regions catch in terms of volume and around half of the total ex-vessel value. In terms of volume within salmon, Pink and Chum represented 84 percent of the regional salmon catch in 2008, while Chinook and Sockeye represented just four percent. The value of each salmon species (shown below) range considerably, are harvested with different fishing gear, and sell to different world markets.

Southeast Alaska Commercial Salmon and Halibut Ex-Vessel Price Per Pound, 2008



In 2008, halibut made up five percent of the total volume caught yet accounts for 18 percent of the total ex-vessel value. Halibut emerged as a valuable fishery for harvesters after it became a quota fishery in 1995. Participants must hold federal quota rights, or Individual Fishing Quota (IFQ) in order to fish halibut. The quota system increases value of the fishery for participants and benefits consumers with fresh halibut year round. However, IFQ makes the cost of entry higher and is leading to consolidation among existing quota holders. Remote fishing communities are sustaining diminished deliveries as halibut flows towards ports with better transportation to markets. Juneau is a benefactor of the change in management. Sablefish, the other fishery managed under an IFQ system, has many of the attributes of halibut including, increasing value and cost of entry, and ownership consolidation. There is a small state managed sablefish fishery in Lynn Canal just north of Juneau.

There are several other relatively small, yet valuable fisheries. Herring, crab, groundfish and dive (sea cucumber, sea urchin and geoduck) fisheries can be lucrative for permit holders – or at the very least a profitable addition to a fishing operation.

Seafood Processing in Southeast Alaska

The first wholesale value (also known as production value) of the Southeast Alaska fisheries was \$427 million in 2008, just under 12% of the total statewide production from 2007. The following tables break out Southeast Alaska first wholesale values by specie and area.

Southeast Alaska Commercial Seafood First Wholesale From Processors, by Specie, 2007 and 2008

Species	2008 Production Value (\$000s)	2007 Production Value (\$000s)	Change 2007-2008
Salmon	\$267,524	\$272,202	-2%
Halibut	\$57,626	\$68,424	-16%
Sablefish	\$41,949	\$35,089	20%
Pacific Cod	\$584	\$379	54%
Dungeness Crab	\$13,987	\$16,421	-15%
Herring	\$24,945	\$19,528	28%
Dive Fisheries	\$7,453	\$11,060	-33%
Large Crab	\$5,428	\$6,121	-11%
Shrimp	\$2,051	\$2,177	-6%
Other	\$5,260	\$2,812	87%
Total	\$426,807	\$434,213	-2%

Source: ADF&G

Note: Processor activity does not necessarily represent fishing activity in a specific area.

Although the value of individual species fluctuated dramatically from 2007 to 2008, total Southeast Alaska first wholesale values decreased by two percent (see previous table). There are a number of factors leading to these fluctuations. The first and most needling for commercial fisheries is harvest variability. Shifts in species value often reflects changes in harvest. Fortunately, Alaska's record on fisheries management is strong and harvests statewide remain stable. Certain river systems or fish stocks struggle from time to time, but management systems are in place to halt stock depletion and seek remedies for recovery.

Market changes consistently impact wholesale prices. Japan, a mainstay market for Alaska, directly impacts seafood sales with decade long recessions and changing consumer tastes. Market and product diversification is a major development theme among Alaska's processing sector. This effort is championed through the Alaska Seafood Marketing Institute (ASMI), the state's seafood marketing organization. Through ASMI work and shifts in industry's marketing philosophy, Alaska seafood is sustaining strong gains in world markets in recent years.

Wholesale values in SE are steadily increasing. From 2000 to 2008, the total regional wholesale value increased 33 percent. (See next table). A fair amount of the appreciation stems from rebounding salmon prices, and steady gains in halibut and sablefish.

Southeast Alaska Commercial Seafood First Wholesale From Processors, by Area, 2000-2008, in millions

Year	Juneau/ Yakutat	Ketchikan/ Craig	Petersburg/ Wrangell	Sitka/ Pelican	Southeast Alaska Total
2000	\$91	\$82	\$88	\$62	\$322
2001	\$70	\$83	\$104	\$52	\$309
2002	\$64	\$75	\$89	\$47	\$274
2003	\$60	\$73	\$91	\$59	\$284
2004	\$85	\$83	\$109	\$68	\$346
2005	\$87	\$83	\$82	\$89	\$342
2006	\$102	\$71	\$138	\$93	\$404
2007	\$90	\$124	\$119	\$102	\$434
2008	\$108	\$78	\$103	\$137	\$427
Change 2007-08	20%	-37%	-13%	35%	-2%
Change 2000-08	20%	-4%	17%	121%	33%

Source: ADF&G

Note: Processor activity does not necessarily represent fishing activity in a specific area.

Note: The above groupings were made for confidentiality reasons.

Changes within sub-areas of Southeast reflect shifting processing activity and relative market strengths and weaknesses of certain species. The combined Juneau-Yakutat processor wholesale value, for example, increased 20 percent in this time to \$108 million. Juneau's growth is strong and steady thanks in part to several highly productive mid-size processors. Juneau's relatively low cost of energy and reliable transportation helps in paying higher prices to the fishing fleet. Juneau is headquarters to the Douglas Island Pink and Chum hatchery, DIPAC, which produces a significant volume of salmon for all area users. Currently the commercial production available through DIPAC is not widely used by local processors, but this may change when and if processing capacity grows.

Sitka's strong growth in recent years, 121% growth from 2000 to 2008, is attributable to increasing values for King and Coho salmon in its dominant troll fishery; increasing values in the halibut and sablefish longline fishery just off the coast; some recovery in the herring sac-roe fishery; a new pink salmon processor that is emerging as a major buyer; and a consistent hatchery presence in the Northern Southeast Regional Aquaculture Association (NSRAA).

Southern and central Southeast, dominated by large processors in Ketchikan and Petersburg, rely heavily on pink and chum salmon as its main industrial base. The marketability of pink salmon improved dramatically in the past several years, moving from traditional bone-in, skin-on canned product to alternatives like ready to eat pouches and burgers. While this is a critical transformation for the industry, the shift in product form is moving significant volumes of salmon to low-cost countries for value added production.

Southeast Residents Involved in the Fishing Industry

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), 4,663 Southeast Alaska residents (2,140 commercial fishermen and 2,523 crew members) fished in 2008, including 676 Juneau residents. Regionally, this represents a two percent decline in the number of fishermen from 2007 numbers, and a three percent decline in the number of participating crew members.

Southeast Alaska Resident Fishermen, Crew and Permits, 2008

Borough or Census Area	Permit Holders	Fishermen who Fished	Permits Issued	Permits Fished	Crew Members
Wrangell-Petersburg	765	597	1,679	1,115	677
Sitka	550	445	1,067	734	547
Juneau	406	263	710	419	413
POW-Outer KTN	340	255	619	405	327
Ketchikan	337	213	609	351	296
Skagway-Hoonah-Angoon	222	142	364	211	147
Yakutat	163	139	262	209	29
Haines	109	86	182	124	87
Total SE Alaska	2,892	2,140	5,492	3,568	2,523

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.

Southeast Alaska Resident Fishermen, Crew and Permits Totals, 2006-2008

	2006	2007	2008	Change 2007-2008
Permit Holders	3,005	2,958	2,892	-2%
Fishermen who Fished	2,163	2,176	2,140	-2%
Permits Issued	5,710	5,574	5,492	-1%
Permits Fished	3,540	3,539	3,568	1%
Crew Members	2,435	2,589	2,523	-3%

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.

In 2007, the total pounds landed by Southeast Alaska fishermen was 190 million pounds, with an associated estimated gross earnings of \$171 million. This represents a 20 percent increase in pounds landed over 2006, and a seven 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.

Southeast Alaska Resident Commercial Fisheries Pounds Landed and Gross Earnings, 2006-2007

Area of Residency	Pounds Landed			Gross Earnings (estimated)		
	2006	2007	Change 2006-07	2006	2007	Change 2006-07
Juneau	19,833,000	21,170,000	7%	\$21,596,000	\$21,242,000	-2%
Haines	7,967,000	5,939,000	-25%	\$5,575,000	\$5,840,000	5%
Ketchikan	26,477,000	34,056,000	29%	\$15,902,000	\$18,540,000	17%
Wrangell-Petersburg	58,878,000	78,140,000	33%	\$58,210,000	\$66,036,000	13%
Skagway-Hoonah-Angoon	5,874,000	4,102,000	-30%	\$8,830,000	\$7,278,000	-18%
Sitka	28,375,000	30,333,000	7%	\$37,646,000	\$36,712,000	-2%
POW-Outer KTN	8,889,000	14,553,000	64%	\$9,975,000	\$12,188,000	22%
Yakutat	2,007,000	2,353,000	17%	\$2,561,000	\$3,218,000	26%
Total SE Alaska	158,300,000	190,644,000	20%	\$160,295,000	\$171,053,000	7%

Source: Commercial Fisheries Entry Commission.

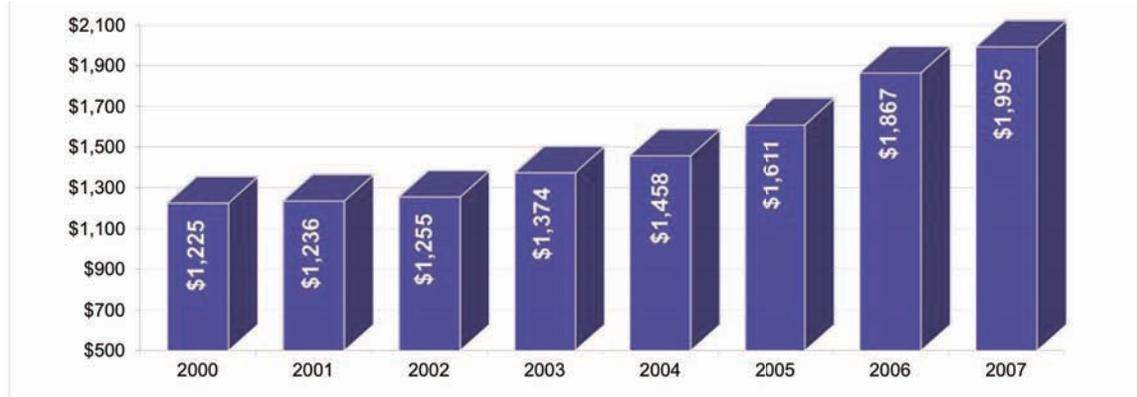
Note: Pounds landed and gross earnings are by residency of the fishermen only, and does not necessarily represent fishing activity in a specific area.

The positive news for Southeast is the upward trend in value of seafood extends to captains and crew. However, the number of fishing participants is declining in Southeast as it is across the state, essentially consolidating harvest capacity and resource access. There are opposing views regarding the consolidation. On one hand, the increased values are now making operations profitable when before they were not. Reinvigorated earnings allow for greater reinvestment, which helps diversify these operations. Conversely, the consolidation imposes a greater burden for entry into the industry. New entrants are necessary for the long-term viability of the industry. Workforce development efforts are important to ensure young Alaskans are ready to take over the helm of these operations.

City Sales and Taxes

In 2007, gross business sales in Juneau were nearly \$2 billion, up seven percent from the previous year, and 63 percent from 2000.

Gross Business Sales in Juneau, 2000 to 2007
in Millions of Dollars



Source: DOL and CBJ

In 2008, revenues from local taxes increased from the previous year. The bed tax brought in 14 percent more revenue, and the liquor tax nine percent more. Sales tax revenues were up by seven percent, and total property tax revenues to the City were up two percent. While there were overall sales tax gains for 2008, the CBJ shows drops in sales tax collections for the fourth quarter of 2008 and the first quarter of 2009.

Due primarily to these declines in investment income and the rising costs of human resources, CBJ projects a budget deficit of approximately \$5 million in FY2011 and beyond.

Various City and Borough of Juneau Taxes, 2000-2008

Year	Bed Tax	Liquor Tax	Sales Tax	Tobacco Tax	Total Property Tax
2000	\$900,000	\$545,000	\$27,945,000	\$269,400	\$25,745,900
2007	\$1,035,000	\$760,000	\$36,475,000	\$578,500	\$36,807,600
2008	\$1,184,151	\$826,600	\$39,175,428	\$578,473	\$37,720,343
Change 2000-2008	+32%	+52%	+40%	+115%	+47%
Change 2007-2008	+14%	+9%	+7%	0%	+2%

Source: DOL

Sales Tax Revenue Collection
Compared to Same Quarter Previous Year

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2009	↓6.8%	NA	NA	NA
2008	↑4.0%	↑4.3%	↑8.9%	↓5.6%

Source: CBJ.

Note: The figures represent revenue collected in a quarter, and not merchant filings.

Quality of Life

While more difficult to quantify economically, nearly all Juneau locals (94 percent) point to a high quality of life as one of the key reasons they live and work here, with one in five naming quality of life as **the** most important reason to live in Juneau. Clearly, Juneau's quality of life is a major economic benefit to the community. In 2005, MSNBC ranked Juneau as the #11 Best Places to Live in America based on quality of life, including affluence, education, commuting time, easy access to recreation and other factors.

Two elements of quality of life—arts and recreation—are explored below.

Profile: Nonprofit Arts Organizations

Juneau has numerous arts and cultural opportunities, and hosts many regional and state festivals. The Alaska Folk Festival, for example, showcases 450 musicians from across Alaska and beyond with a series of free performances, concerts and events. The annual Gold Rush Days is an event featuring mining and logging competitions. Celebration is one of the largest Native Alaskan cultural events in the state, drawing more than 6,000 people to Juneau biennially.



Photo Credits: Michael Penn/Juneau Empire

In 2001, the Americans for the Arts collected data from arts events in Juneau to determine the economic impact of nonprofit arts organizations in Juneau. According to the study, the nonprofit arts organizations contributed 208 full time jobs, with an associated payroll of \$5.1 million to the Juneau economy in 2001. In total, Juneau's nonprofit arts organizations contributed \$7.1 million to the local economy in that year.

Total Impact of the Juneau Nonprofit Arts Industry, 2001

	Expenditures in Millions	FTE Jobs	Payroll in Millions	Local Gov't Revenue
Impact of Nonprofit Arts Organizations	\$6.1	182	\$4.6	\$221,000
Impact of Arts Audiences	\$1.0	26	\$0.5	\$65,000
Total Impact of the Nonprofit Arts Industry	\$7.1	208	\$5.1	\$286,000

Source: Arts & Economic Prosperity, American for the Arts, 2003.

In addition to dollars spent, 863 Juneau residents volunteered nearly 19,000 hours to Juneau's nonprofit arts organizations in 2001.

Profile: Recreation

Juneau is situated in the Tongass National Forest and stretches along the shores of Alaska's Inside Passage and is home to glaciers, mountains, islands, waterfalls, and wildlife. Juneau residents enjoy unique access to outdoor recreational opportunities. Juneau has 50 major trails for hiking, and the Eaglecrest Ski area has 31 alpine runs and 8 km of Nordic trails. Other outdoor recreation options include kayaking, boating, hunting, rock climbing, ice climbing, zip lining, hang gliding, river rafting, camping, wildlife viewing, scuba diving, and fishing. The City of Juneau sponsors both indoor recreational and outdoor activities throughout the year.

For these reasons, Juneau has been nationally recognized as a "best place" to live and work. Here are some other recognitions.



Photo Credits: Michael Penn/Juneau Empire

August 2009–Juneau was named the fifth-best city to raise an outdoor kid by the outdoors magazine Backpacker. Juneau earned extra points for having the highest percentage of Boy Scouts in the West and an "unrivaled cornucopia: Glacier Bay National Park (ice, bears), Tongass National Forest (trees, bears), and Admiralty Island (fish, bears) total nearly 40 million acres."

July 2008–Juneau was listed as number six in the 10 Best Outdoorsy Places to Retire by U.S. News and World Report: "Retirees who love the outdoors get more than just enjoyment out of hiking, bird-watching, and kayaking. They also get exercise that improves their quality of life. Juneau, Alaska, provides a jumping-off point for hiking, rafting, kayaking, and rock climbing."

April 2008-Alaskan Brewing Company was named number 5 in the medium companies group in Outside magazine's "Best Places to Work" list. The magazine conducted extensive surveys - based on benefits, compensation, job satisfaction, environmental initiatives and community outreach programs - designed to identify, recognize and honor the best employers in the country.

June 2004–Juneau was listed as the best place to live in the Pacific Northwest by CNN Money Magazine: "With a population of some 30,000, Juneau, Alaska isn't a big city. But as the state capital, it straddles the urban and wilderness worlds. Ferries along the Alaska Marine Highway give access to other Inside Passage communities and beyond."

While no study has captured the larger economic impact of Juneau recreational opportunities, the connection between these opportunities and our local economy is clearly significant.

JEDC research is supported by generous contributions from the following sponsors:

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