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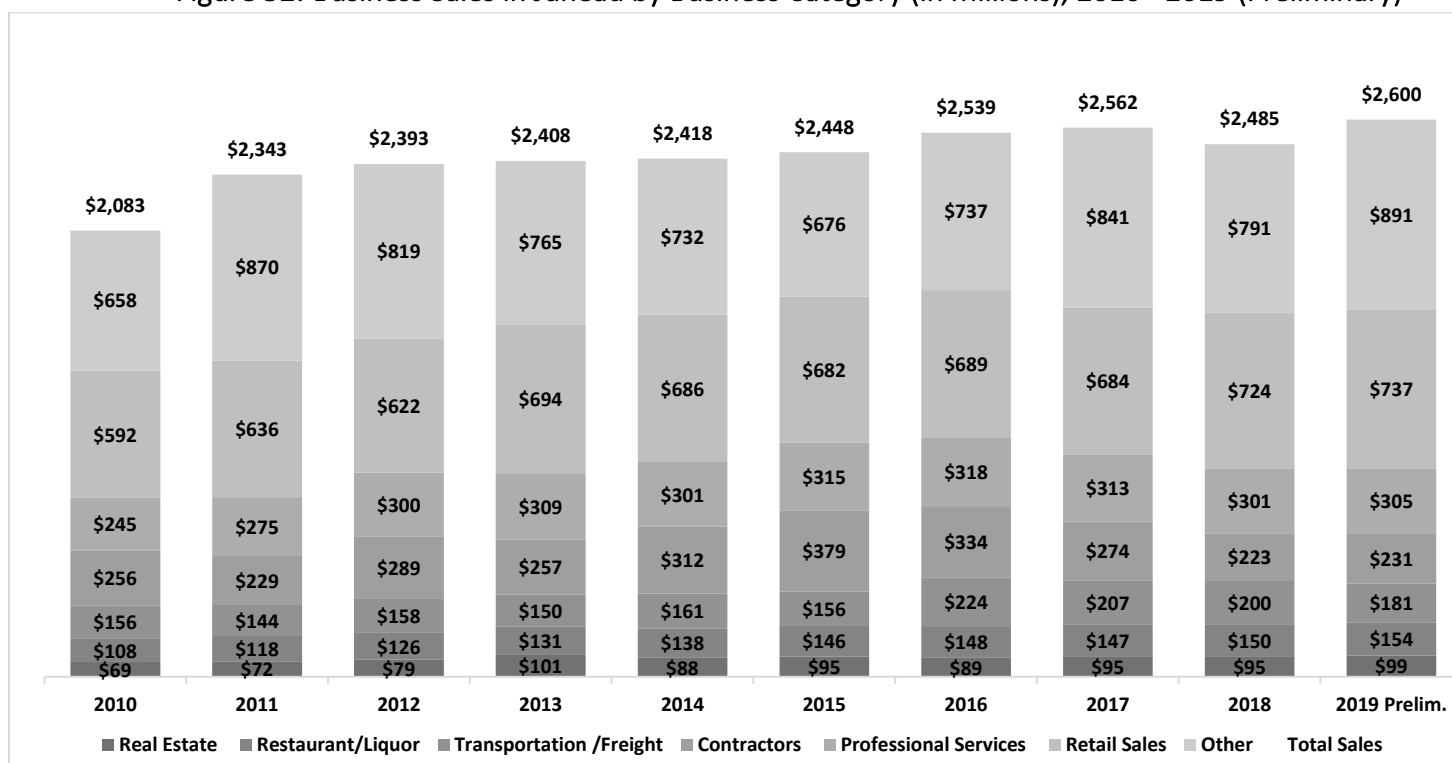
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Business and Industry

Gross Business Sales

In 2019, business sales in the City and Borough of Juneau increased by 5 percent from 2018. This increase was primarily a result of a rise of 13 percent in "other" sales and 5 percent in real estate sales. The "other" sales category includes mineral sales, wholesale equipment, food suppliers and fuel companies, among others. The only sector that saw a decrease in 2019 was transportation and freight, which experienced a 10 percent decrease.

Figure 52: Business Sales in Juneau by Business Category (in Millions), 2010– 2019 (Preliminary)

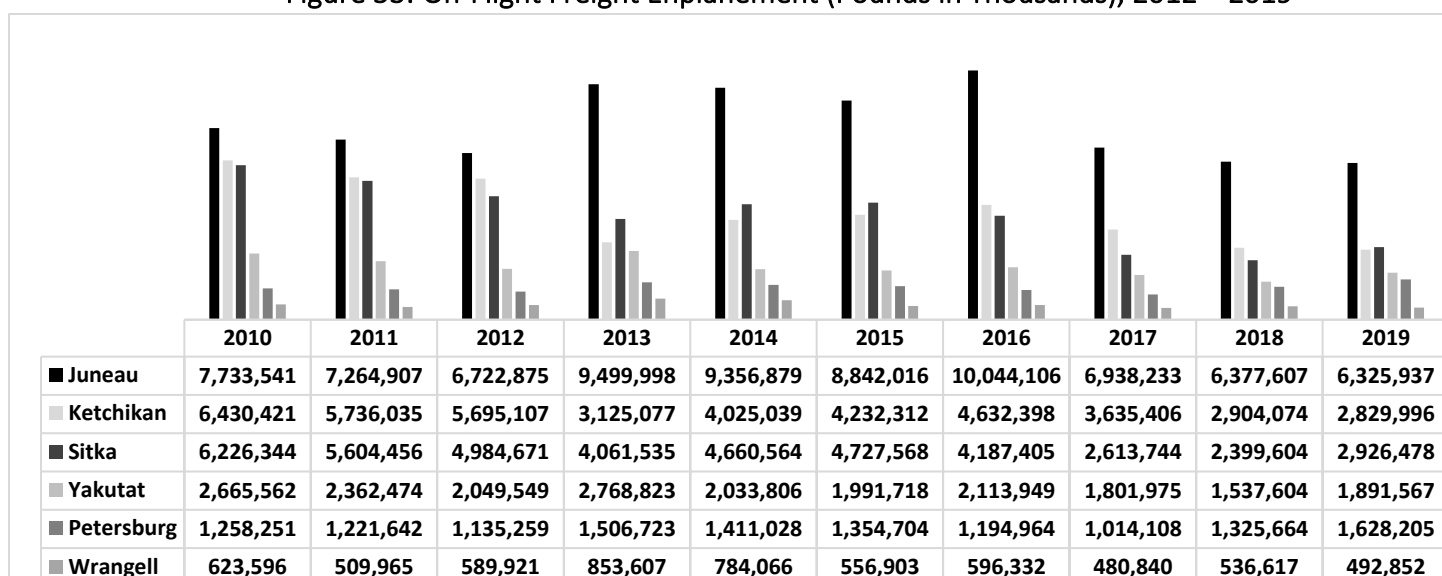


Source: City & Borough of Juneau Sales Tax Office and CBJ Comprehensive Annual Financial Report, July 1, 2018- June 30, 2019, Statistical Section. Note: "Other" category includes mineral sales, wholesale equipment, food suppliers, and fuel companies.

Freight Volumes

After reaching a high in 2016, Juneau's air freight enplanement volume fell to the lowest volume in a decade. The primary product shipped from Southeast Alaska by air is seafood heading to Seattle.

Figure 53: On-Flight Freight Enplanement (Pounds in Thousands), 2012 – 2019



Source: Bureau of Transportation Statistics, T-100 Market Data

Travel and Visitor Industry

Tourism grows the local economy because it brings in new money from outside the community. Businesses that serve the tourism industry often also serve the residents of Southeast Alaska. Examples are restaurants and support services for air and water transportation. For this reason, it is not possible to separate out employment statistics that can be attributed just to the tourism industry. Rather, to report employment and wage data, JEDC aggregates all jobs in leisure, hospitality and transportation to gauge the health of the tourism industry.

With 98 percent of all cruise visitors stopping in Juneau, it is the most visited community in Alaska in the summer. 2019 saw yet another record number of cruise visitors, with a 4 percent increase in Juneau firms, 6 percent increase in Juneau's average employment, and a 12 percent increase in Juneau's total earnings.

Juneau's tourism growth outpaced that of the Southeast region, though both enjoyed substantial percentage increases in tourism-related employment and earnings.

Figure 54: Leisure, Hospitality, and Transportation Industries Employment and Earnings, 2015-2019

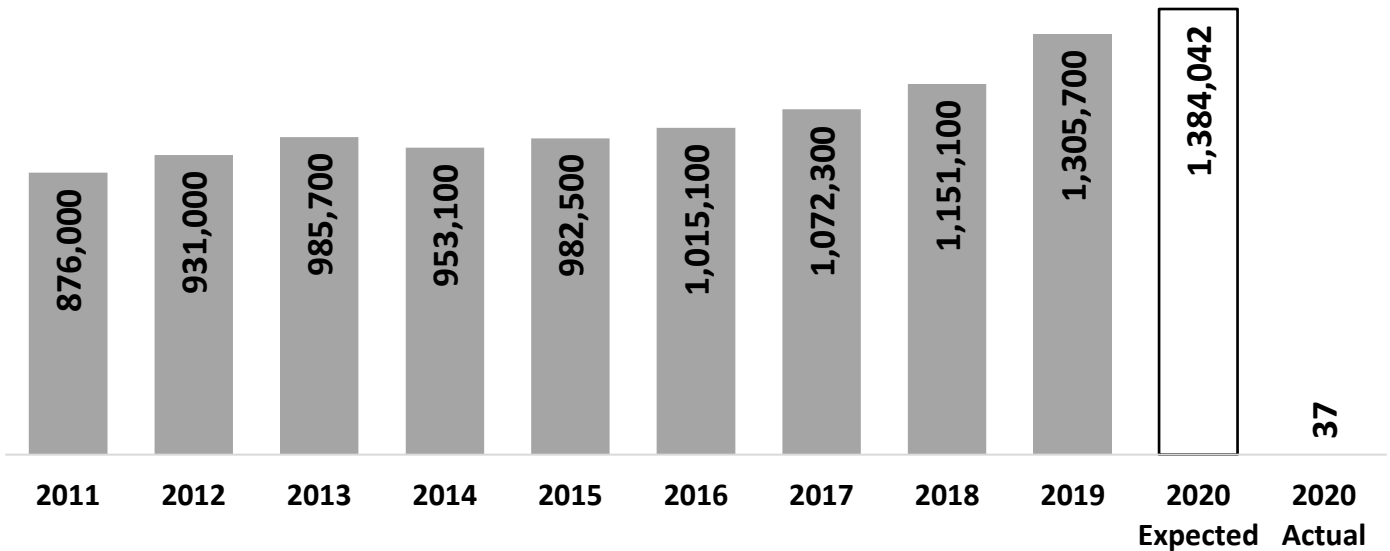
	Number of Firms		Average Employment		Total Earnings	
	Juneau	Southeast	Juneau	Southeast	Juneau	Southeast
2015	193	662	2,770	6,501	\$75,068,464	\$195,151,081
2016	190	645	2,784	6,648	\$79,294,933	\$205,880,420
2017	198	660	2,813	6,717	\$82,318,620	\$215,085,772
2018	200	666	2,987	6,962	\$92,094,125	\$231,907,883
2019	208	679	3,154	7,254	\$103,225,389	\$253,718,558
Change 2017 to 2018	4%	2%	6%	4%	12%	9%

Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages

Cruise Ship Visitation

After returning to the one million cruise passenger level in 2016, Juneau's cruise passenger volume continued to grow through 2019 reaching a record 1,305,700 visitors. Due to COVID-19, large cruise ships did not visit Juneau in 2020. One small cruise ship left Juneau in August of 2020, carrying 36 passengers. This was the only cruise ship to visit Juneau in 2020.

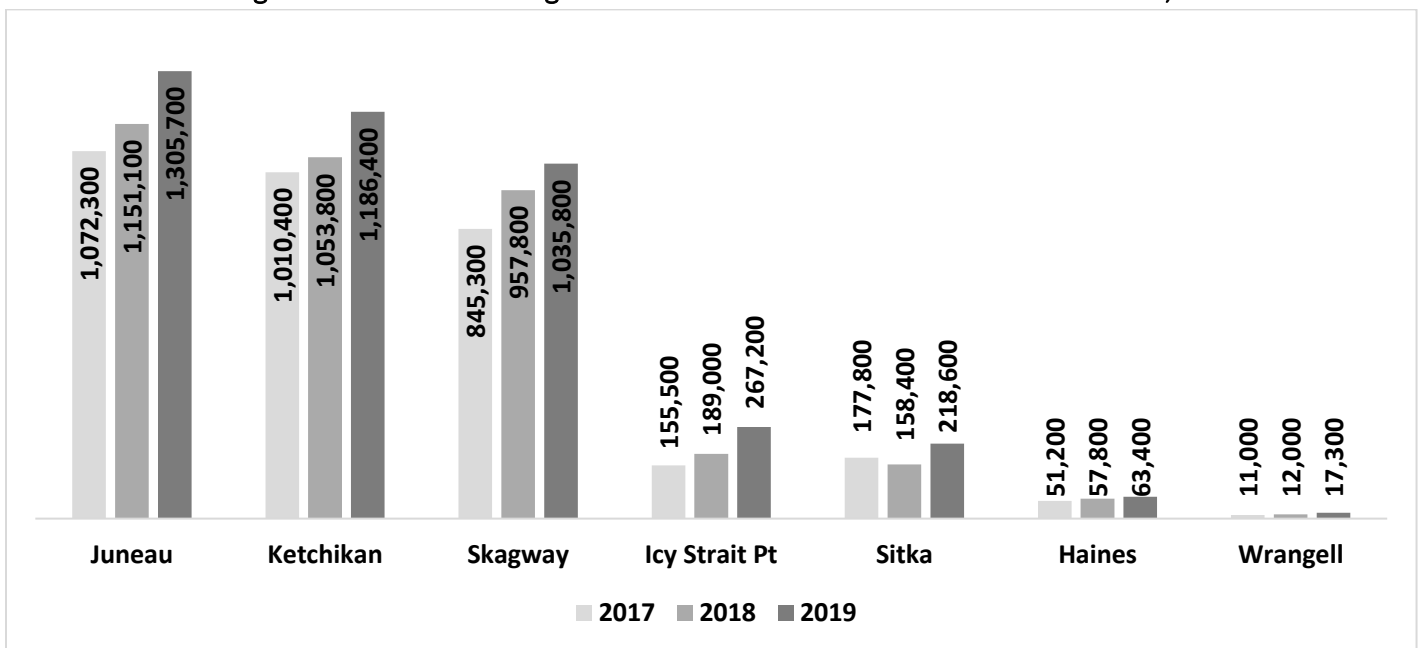
Figure 55: Cruise Passengers Visiting Juneau, 2011 - 2020 (Projected Estimate)



Source: Cruise Line Agencies of Alaska and McDowell Group.

Juneau, Ketchikan, and Skagway are the three most visited ports in Alaska. In 2019, all communities had an increase in cruise volume from 2018. The largest increases in cruise traffic were seen in Sitka (38 percent), Hoonah (Icy Strait Point, 42 percent), and Wrangell (44 percent). Other Southeast communities saw significant gains as well while Haines and Skagway both saw increases of 10 percent and 8 percent, respectively. Juneau and Ketchikan both saw an increase of about 13 percent in 2019. Juneau was the only port to see any cruise traffic (36 passengers) but that cruise was cut short due to COVID-19 concerns.

Figure 56: Cruise Passengers Volumes for Southeast Alaska Communities, 2017 – 2019



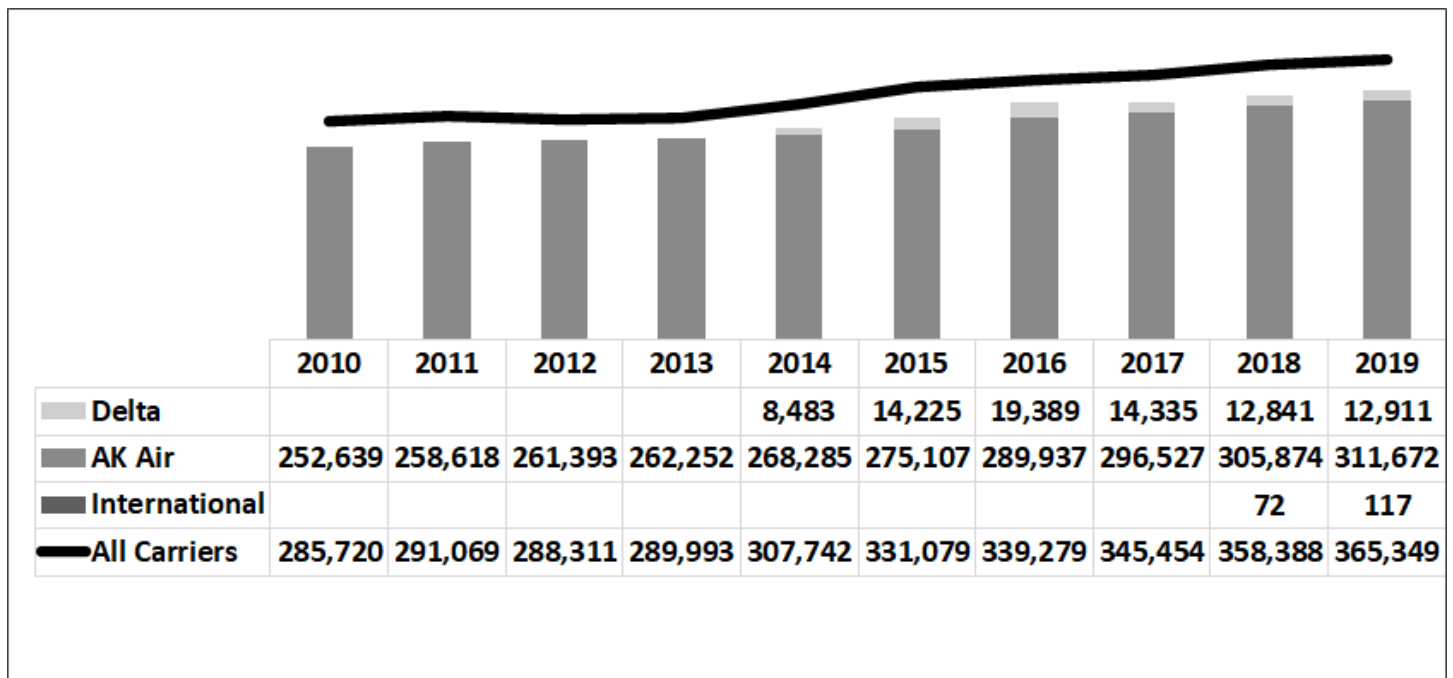
Source: Cruise Line Agencies of Alaska and McDowell Group. Note: These figures do not include most small cruise ship lines.

Airline Passenger Traffic

While 98 percent of all cruise visitors come to Juneau, only about 10 percent of tourists arriving in the state by air come to Juneau. Passenger enplanement statistics can serve as an indicator of economic activity in Juneau, since business, convention, and most independent tourism visitors come predominantly by air. Despite Delta Airlines' curtailment of year-round operation and subsequent decrease in

passengers by nearly 33 percent from 2016, Juneau experienced a sixth consecutive year of growth in airline passenger volume, as Alaska Airlines increased their annual Juneau passenger enplanements by almost 2 percent. After more than a decade without air connection, international flights to Whitehorse, Yukon Territory, resumed in 2018 and continued through 2019.

Figure 57: Scheduled Air Passenger Enplanements at Juneau International Airport, 2010-2019



Source: Bureau of Transportation Statistics, T-100 Market Data, ACAIS

Figure 58: Scheduled and Non-scheduled Air Passenger Enplanements at Select Southeast Communities

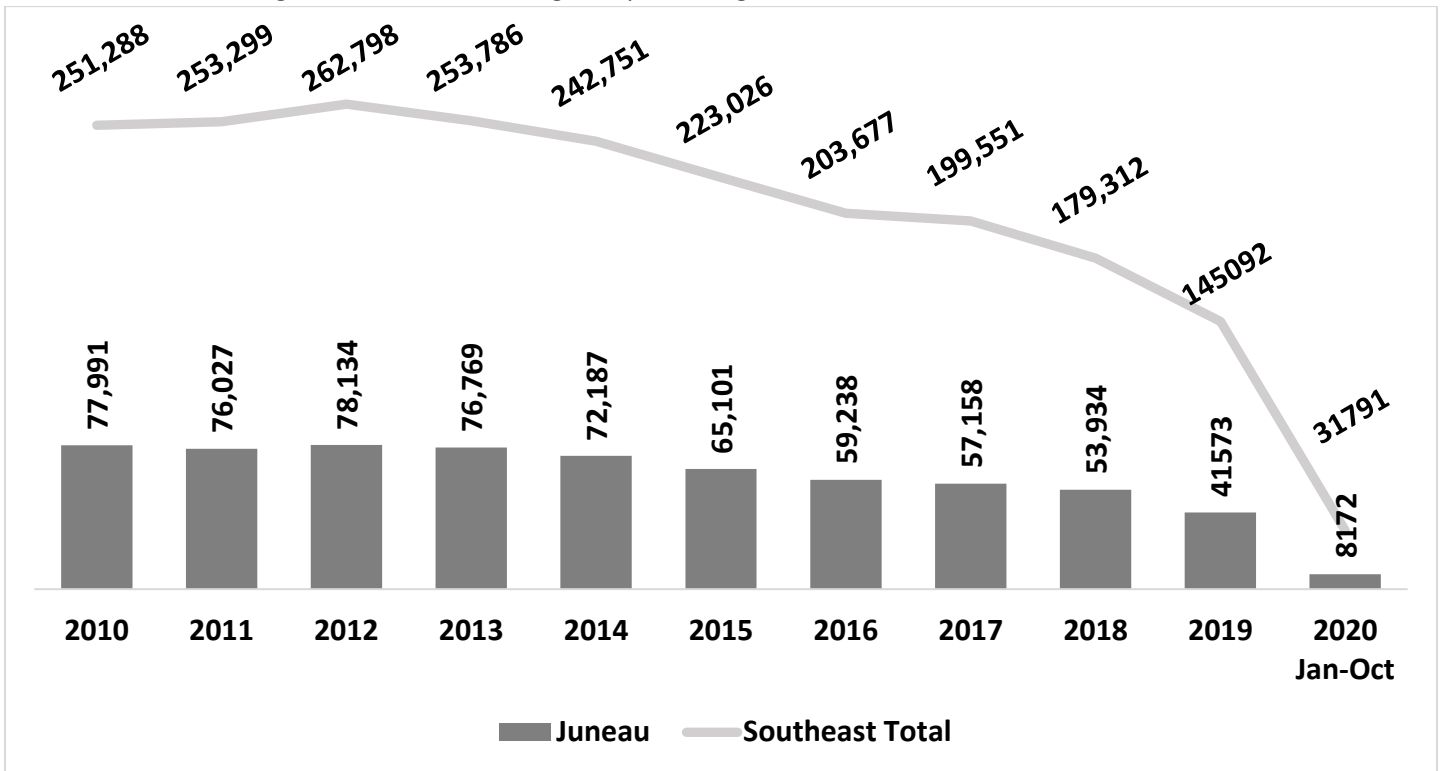
	2017	2018	2019	Percent Change 2017 - 2018
Juneau	422,226	440,277	459,191	4.3%
Ketchikan	173,636	165,561	149,606	-9.6%
Sitka	83,598	87,119	90,839	4.3%
Petersburg	22,915	24,520	23,479	-4.2%
Wrangell	13,160	14,033	14,776	5.3%
Klawock	10,923	13,503	12,980	-3.9%
Yakutat	10,880	11,800	12,808	8.5%
Gustavus	9,061	11,023	11,130	1.0%
Haines	7,864	8,026	10,013	24.8%
Hoonah	6,820	6,817	8,056	18.2%
Skagway	7,380	7,324	8,044	9.8%

Source: Federal Aviation Administration, Airports, Preliminary CY 2019 ACAIS. Note: Non-scheduled service includes air taxi/commercial and private activity.

Ferry Traffic

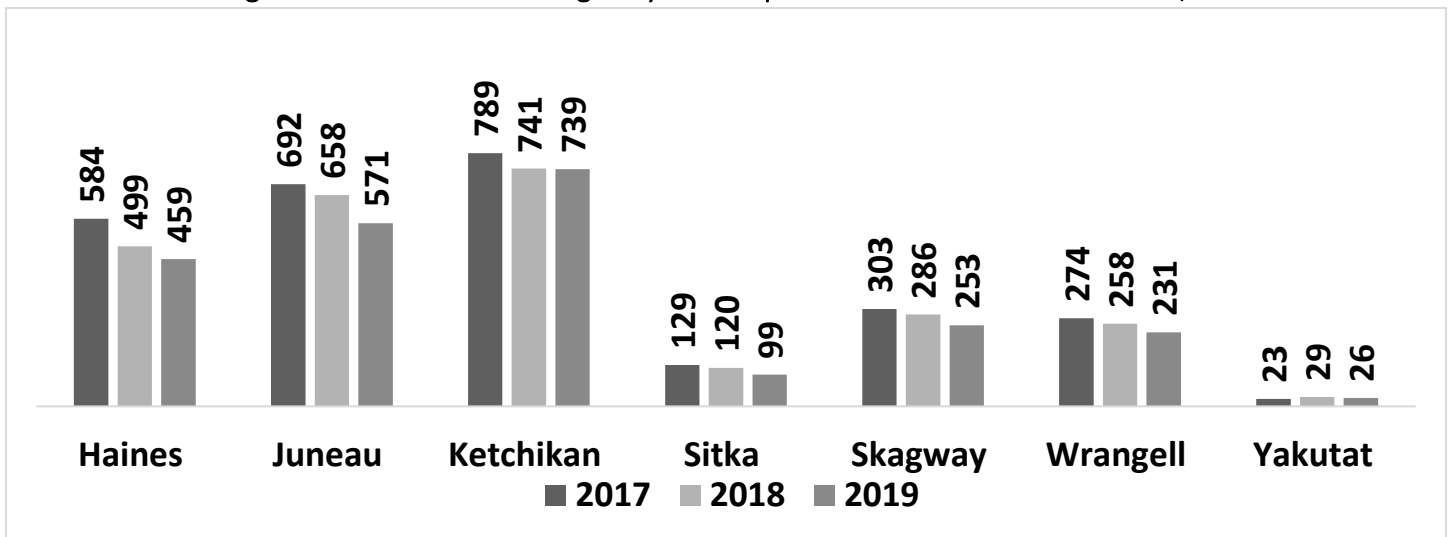
Ferry traffic volume reflects tourism travel as well as residential and regional personal travel. The decline in ferry travel throughout the region continued in 2019, and then fell 80.6 percent in 2020, reaching a record low. This is a result of local and statewide mandates and reduced travel due to COVID-19.

Figure 59: Disembarking Ferry Passenger Traffic Juneau and Southeast, 2011-2020



Source: Alaska Department of Transportation, Alaska Marine Highway System, Marine Traffic Manager

Figure 60: Alaska Marine Highway Port Departures for Select Communities, 2017– 2019

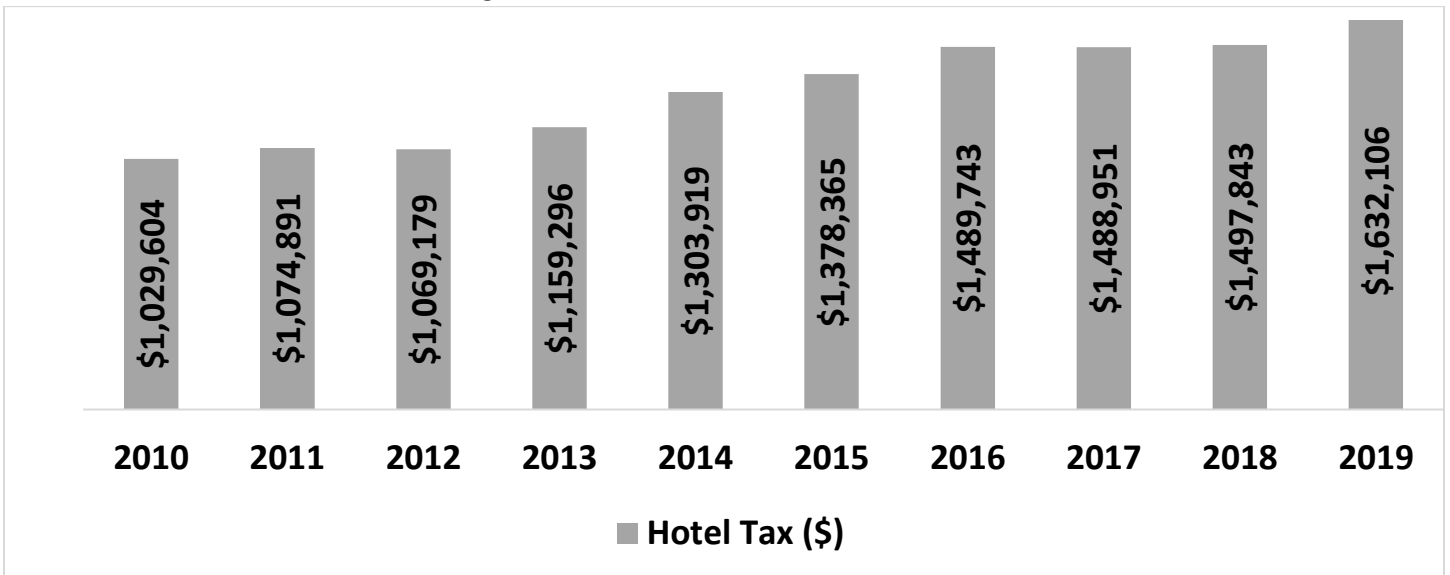


Source: Alaska Department of Transportation, Alaska Marine Highway System, Marine Traffic Manager

Visitor-related Tax Revenue

Juneau’s hotel tax revenue can be used to indicate the health of the independent tourism and the business travel sectors. Juneau’s hotel tax revenue increased by 9 percent in 2019, following 3 years of steady tax levels. In the October 1, 2019 City and Borough of Juneau Regular Municipal Election, voters approved an increase to the CBJ hotel/motel tax, raising the tax rate from 7 to 9 percent. This increase will become effective January 1st of 2020. The two percent increase is temporary, extending to December 31, 2034.

Figure 61: Juneau Hotel Tax Revenue, 2010 – 2019



Source: City and Bureau of Juneau Comprehensive Annual Financial Report, July 1, 2018 - June 30, 2019, Statistical Section

Health Care Industry

In 2019, Juneau lost one firm in the private health care and social services sector, contributing to an aggregate loss of 28 local jobs in the industry. This is the third consecutive year of decline in Juneau’s health care employment. Total industry earnings fell 0.8 percent from 2018, the first decline in over a decade. The decrease was minor with total earnings remaining the second highest of the decade behind 2018. While Juneau lost jobs in the sector, the rest of Southeast added 85 jobs, resulting in a 2.2 percent growth in health care employment for the region. Similarly, total health care wages grew 7.5 percent from the previous year. As the Southeast population continues to age, it is expected that demand in this sector will continue to increase.

Figure 62: Private Health Care and Social Services Employment and Payroll, 2014-2019

	Number of Firms		Average Employment		Total Earnings	
	Juneau	Southeast	Juneau	Southeast	Juneau	Southeast
2014	124	257	1,716	3,717	\$70,935,083	\$159,087,405
2015	123	259	1,692	3,662	\$71,932,471	\$161,310,761
2016	121	261	1,701	3,683	\$73,152,855	\$164,297,414
2017	115	254	1,670	3,841	\$77,383,767	\$177,893,856
2018	112	248	1,638	3,904	\$82,144,110	\$196,642,935
2019	111	254	1,610	3,989	\$81,489,212	\$211,463,440
Change 2018 to 2019	-0.9%	2.4%	-1.7%	2.2%	-0.8%	7.5%

Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages

Natural Resources and Mining Industry

Juneau’s average monthly employment in the natural resources and mining sector reached a new high for the third consecutive year as employment increased from 918 to 950. Total firms increased for the third consecutive year, and total earnings remained relatively stable.

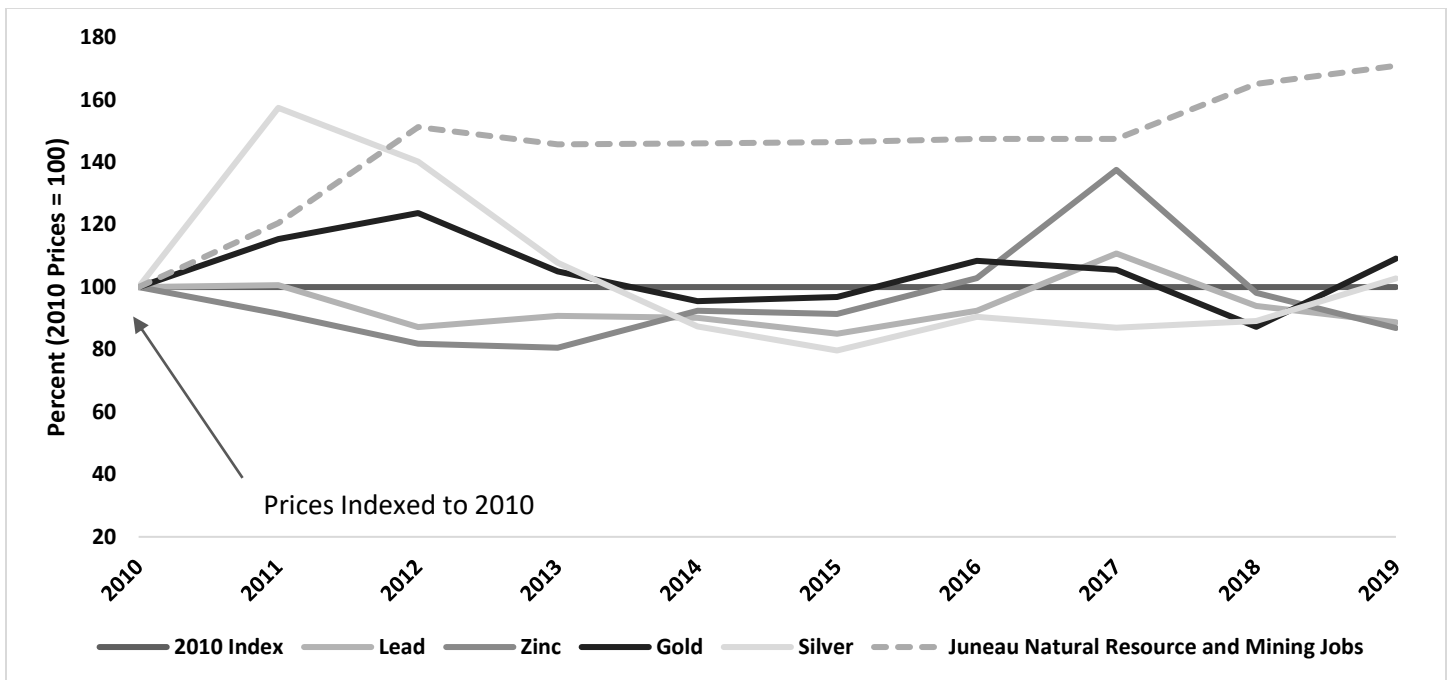
Figure 63: Natural Resources and Mining Employment and Payroll, 2015-2019

	Number of Firms		Average Employment		Total Earnings	
	Juneau	Southeast	Juneau	Southeast	Juneau	Southeast

	Number of Firms		Average Employment		Total Earnings	
2015	11	78	814	1,185	\$82,119,693	\$102,980,934
2016	11	69	820	1,158	\$83,559,450	\$101,998,083
2017	12	76	891	1,240	\$88,235,285	\$109,308,256
2018	14	77	918	1,241	\$92,836,267	\$112,349,130
2019	15	78	950	1,359	\$92,719,063	\$119,061,411
Change 2018 to 2019	7.1%	1.3%	3.5%	9.5%	-0.1%	6.0%

Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages

Figure 64: Prices of Metals Mined in Juneau and Natural Resources and Mining Employment, 2010 – 2019 Indexed to 2010 Dollars



Source: The World Bank, Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages; Note: Prices are in real dollars.

Seafood Industry

Southeast Alaska Resident Fishermen

In 2018, the commercial harvest in Southeast Alaska fell as volume decreased across all communities. Consequently, Juneau saw a decrease of 1.1 percent in total participation. Sitka participation dropped by 1.8 percent while Petersburg participation decreased by just 0.1 percent. The largest changes were seen in POW-Hyder and Hoonah-Angoon, which both dropped by 22.4 and 21 percent, respectively.

Figure 65: Southeast Alaska Resident Commercial Fishermen and Crew, 2019

Borough or Census Area	Fishing Permits Issued	Permit Holders	Fisherman who Fished	Fishing Crew Licenses	Total Participation
Sitka	1,031	538	398	517	915
Petersburg	1,100	491	369	400	769
Juneau	598	370	247	465	712
Ketchikan Gateway	605	351	219	337	556
POW-Hyder	510	292	221	212	433
Wrangell	361	199	150	224	374
Haines	156	98	83	107	190
Hoonah-Angoon	240	165	96	73	169

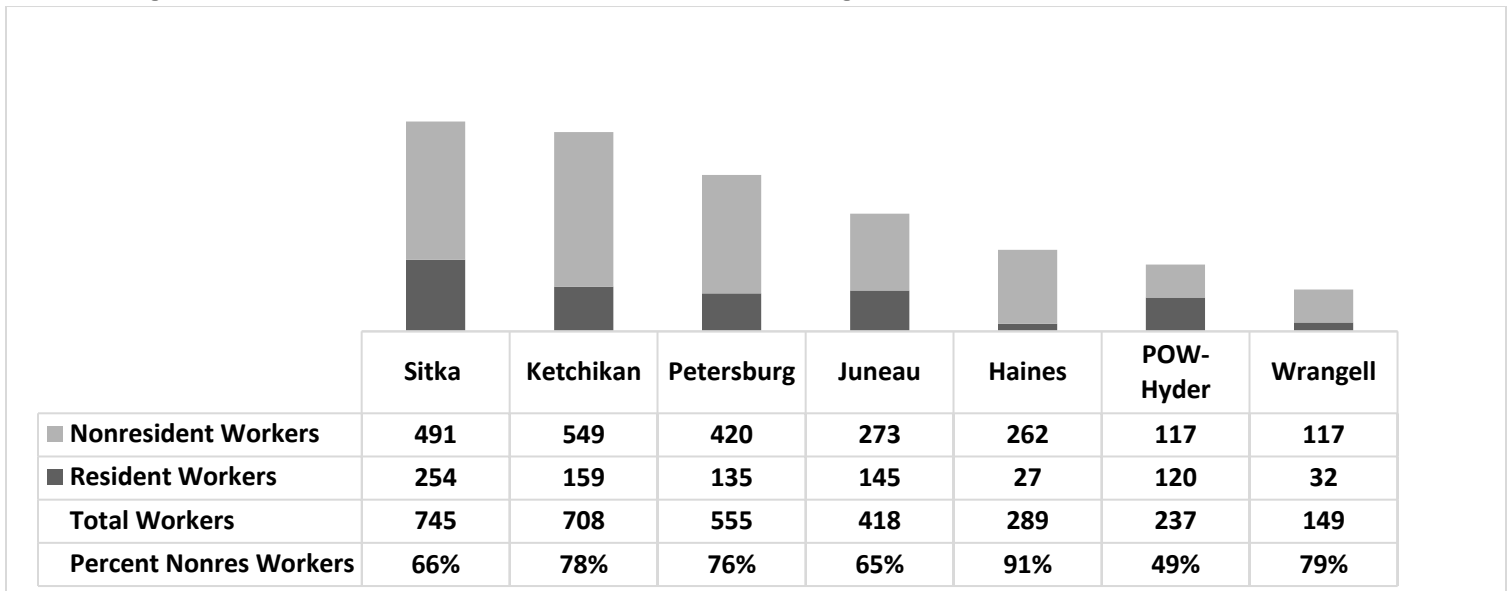
Borough or Census Area	Fishing Permits Issued	Permit Holders	Fisherman who Fished	Fishing Crew Licenses	Total Participation
Yakutat	231	149	109	59	168
Total Southeast 2019	4,832	2,653	1,892	2,394	4,286
Total Southeast 2018	4,925	2,703	1,932	2,543	4,475
Change 2018-2019	-1.9%	-1.8%	-2.1%	-5.9%	-4.2%

Source: Commercial Fisheries Entry Commission, "Permit and Fishing Activity by Year, State, Census Area or Alaskan City", 2019; Alaska Department of Fish & Game, 2018 Comm. Crew Licenses dataset.

Seafood Processing Employment in Southeast Alaska

Seafood processing is a primary component of Southeast Alaska’s manufacturing segment. In 2018, the most recent year for which data is available, regional seafood processing employment increased for the first time in four years to 3,205 individuals, up from 3,049 in 2017.

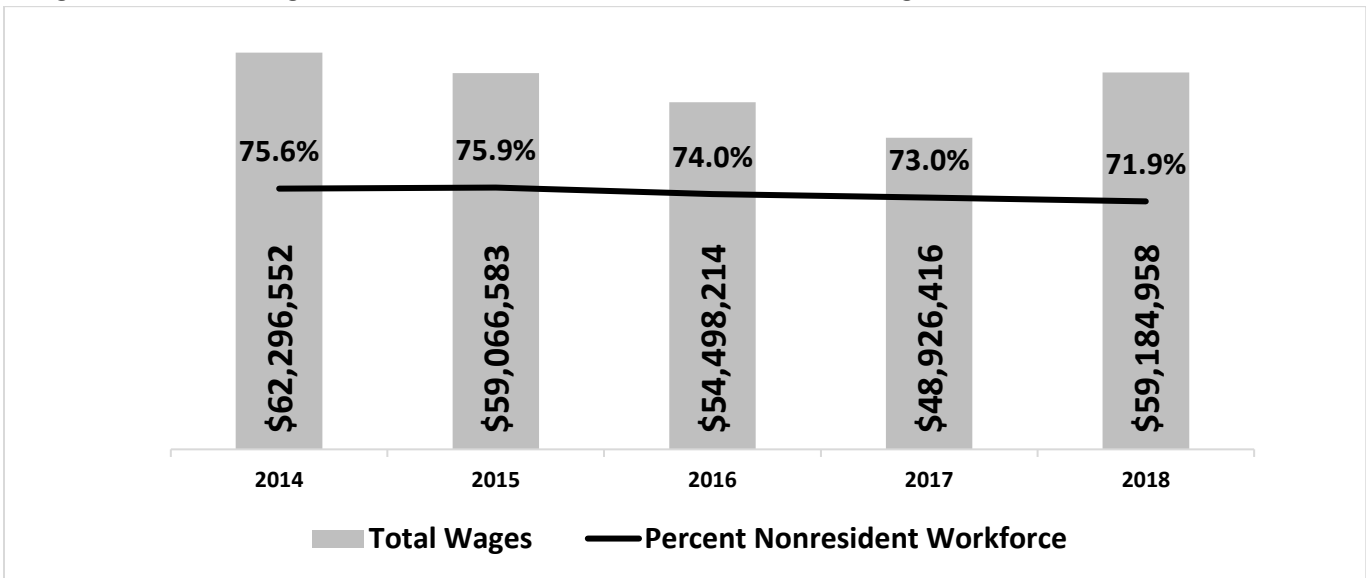
Figure 66: Resident and Nonresident Seafood Processing Workers, Select Communities 2018



Source: Alaska Department of Labor and Workforce Development, "Nonresidents Working in Alaska", 2018, Table 12. Note: Worker count is the cumulative number of workers who worked over the course of a year, not the number of jobs.

Of the 4,356 employed in seafood processing, 71.9 percent were non-Alaskan residents. Sitka, Ketchikan, and Petersburg were the primary locations for these employees. Southeast seafood processing wages grew by 21 percent from last year, just above what it was in 2015. While wages have increased for the region, the share of resident employment has decreased by just over one percent from last year.

Figure 67: Total Wages and Percent Nonresident Seafood Processing Workforce, Southeast Alaska 2012-2018

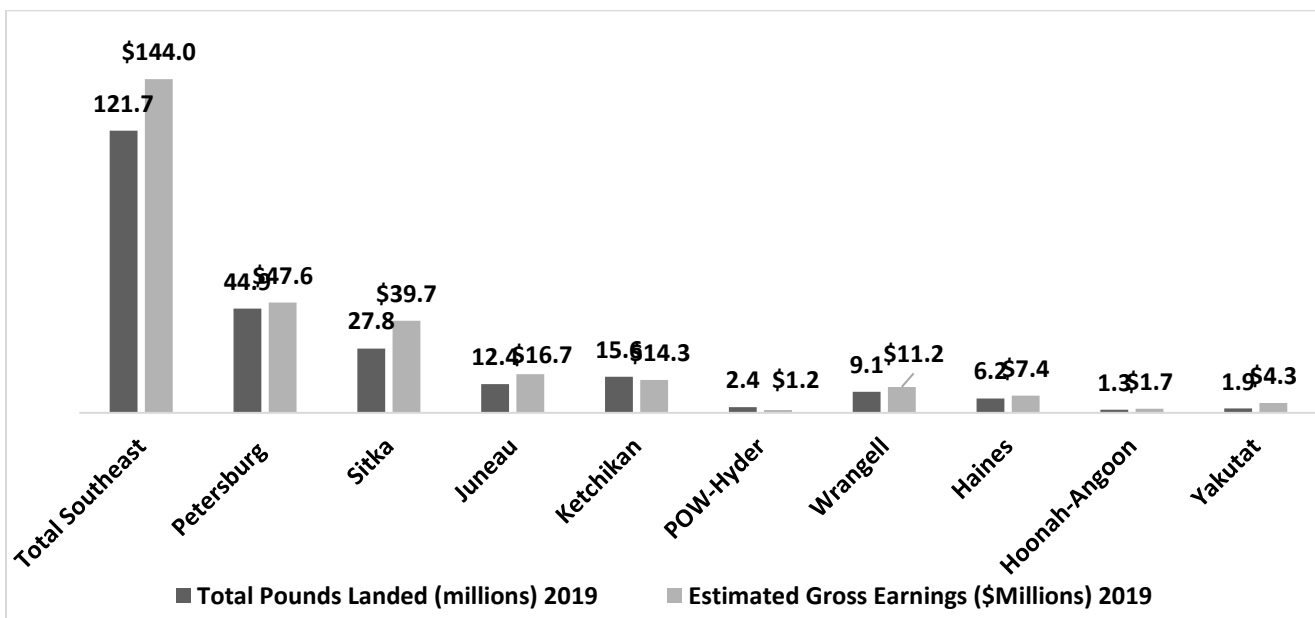


Source: Alaska Department of Labor and Workforce Development, "Nonresidents Working in Alaska", 2018, Table 12. Note: Worker count is the cumulative number of workers who worked over the course of a year, not the number of jobs.

Commercial Harvest in Southeast Alaska

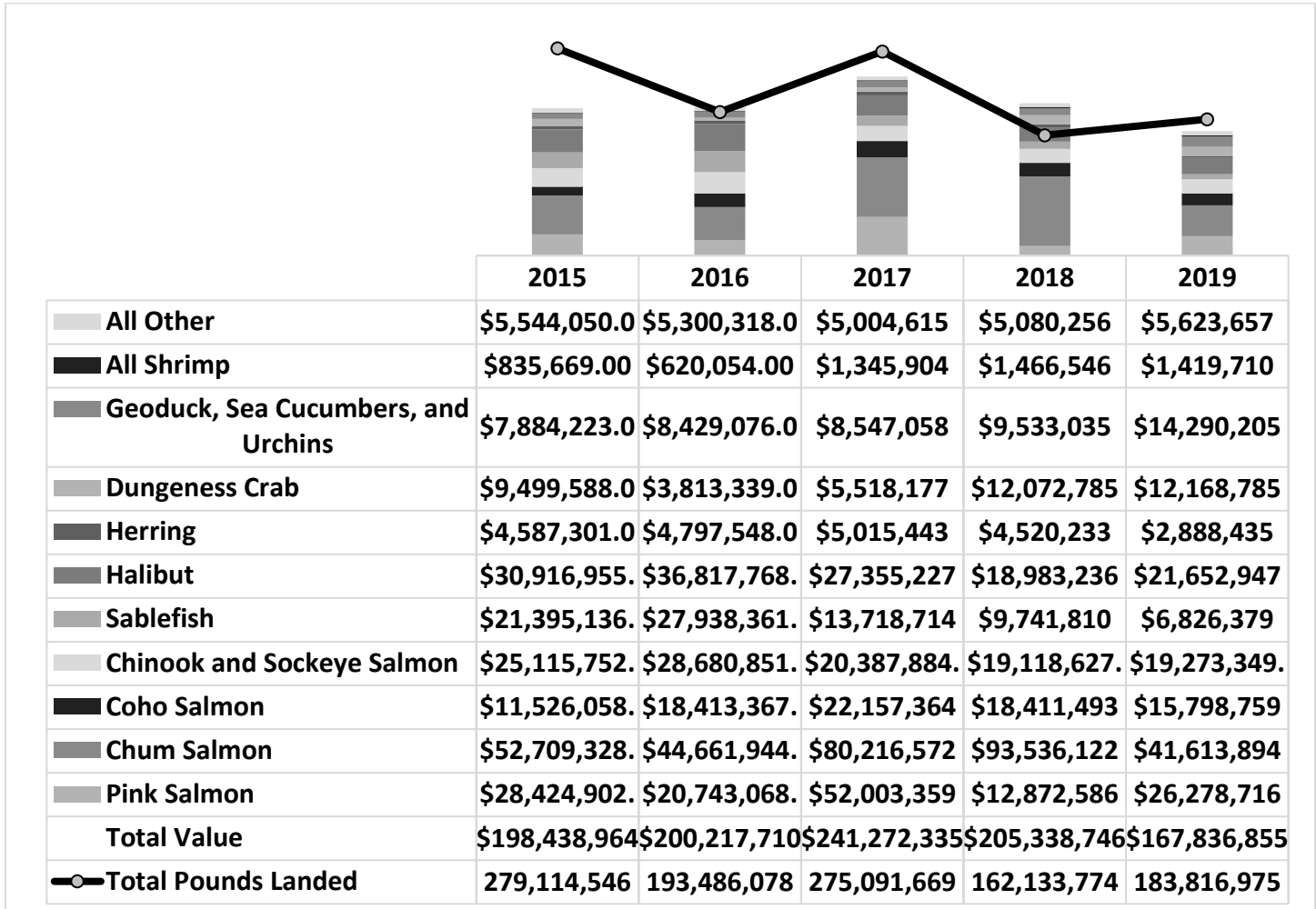
The overall salmon harvest value fell by nearly 33 percent, largely as a result of a 56 percent decrease in value brought in by Chum salmon. Pink Salmon increased by 104 percent in the region, which is due to larger pink harvests during odd years. The largest value increases were seen in Pink Salmon (104 percent) and Geoducks, Sea Cucumbers, and Urchins (50 percent). The average value per pound decreased by 18 percent.

Figure 68: Estimated Gross Earnings (\$Millions) and Pounds Landed (Millions) by Southeast Alaska Residents for Select Communities, 2019



Source: Commercial Fisheries Entry Commission, "Permit and Fishing Activity by Year, State, Census Area or Alaskan City" 2019

Figure 69: Southeast Alaska Commercial Seafood Industry Ex-Vessel Value by Species and Pounds Landed, 2015 - 2019



Source: Alaska Department of Fish and Game personnel and "Commercial Operators Annual Report"

Figure 70: Commercial Fish Harvest by Southeast Alaska Residents: Gross Earnings (Value) and Pounds Landed (Volume) in Thousands, 2017-2019

Area of Residency	Value 2017	Value 2018	Value 2019 Preliminary	Volume 2017	Volume 2018	Volume 2019 Preliminary
Petersburg	55,504,636	50,350,225	47,568,757	64,033,021	40,411,534	44,942,868
Sitka	46,244,926	41,115,267	39,699,290	33,537,216	23,854,582	27,771,170
Juneau	25,609,154	20,715,883	16,733,270	21,943,477	14,017,254	12,429,117
Ketchikan	22,816,755	17,568,225	14,265,585	25,560,298	13,812,634	15,629,134
POW-Hyder	16,543,928	16,087,158	1,165,652	18,827,307	11,862,134	2,398,316
Wrangell	12,562,845	12,035,646	11,186,713	10,832,688	8,403,946	9,118,844
Haines	6,810,647	5,801,233	7,413,916	7,049,534	4,320,574	6,200,910
Yakutat	5,778,411	4,301,371	4,271,126	4,341,239	2,212,631	1,874,656
Hoonah-Angoon	5,672,952	3,599,629	1,712,389	3,222,000	1,777,732	1,312,133
Total Southeast	\$197,544,254	\$171,574,637	\$144,016,698	189,346,780	120,673,021	121,677,148

Source: Commercial Fisheries Entry Commission, "Permit and Fishing Activity by Year, State, Census Area or Alaskan City" 2019

State of Alaska Shared Fish Taxes

Fisheries business tax is collected primarily from licensed processors and persons who export fish from Alaska. Alaska statutes provide that a percentage of revenue collected be shared with municipalities in which the processing took place. For fiscal year 2019, Southeast communities received a total of \$4.0 million from these taxes, a drop from the previous year.

Figure 71: Select Southeast Communities Receiving Shared Fish Taxes, 2015 - 2019

Fisheries Business Tax	2015	2016	2017	2018	2019
Sitka	\$1,009,033	\$879,793	\$953,324	\$1,279,885	\$1,188,722
Petersburg	\$820,118	\$336,848	\$877,158	\$889,855	\$749,771
Juneau	\$364,624	\$312,519	\$389,022	\$447,875	\$407,040
Ketchikan Borough	\$238,773	\$199,188	\$404,971	\$414,413	\$331,618
Haines Borough	\$212,855	\$150,045	\$128,174	\$352,884	\$226,899
Wrangell	\$392,076	\$233,563	\$314,455	\$307,405	\$284,469
Yakutat Borough	\$191,216	\$87,436	\$218,773	\$226,992	\$218,086
Hoonah	\$76,574	\$121,208	\$76,350	\$95,089	\$56,450
Craig	\$342,739	\$198,800	\$37,961	\$88,948	\$144,432
Total Southeast	\$3,904,681	\$2,723,549	\$3,809,689	\$4,529,411	\$3,953,604

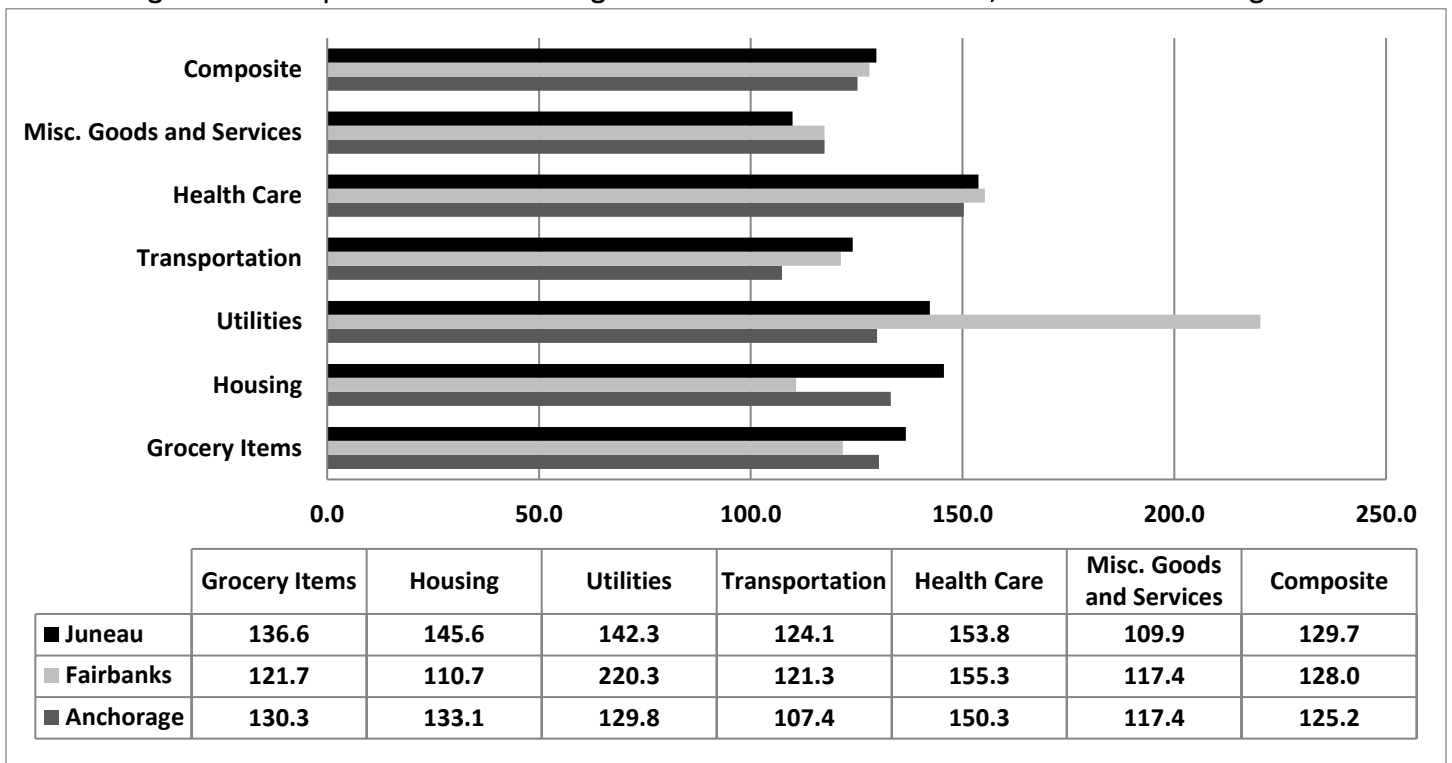
Source: Alaska Department of Revenue, Tax Division, FY2019 Shared Taxes and Fees Annual Report

Cost of Living

Cost of Living Index

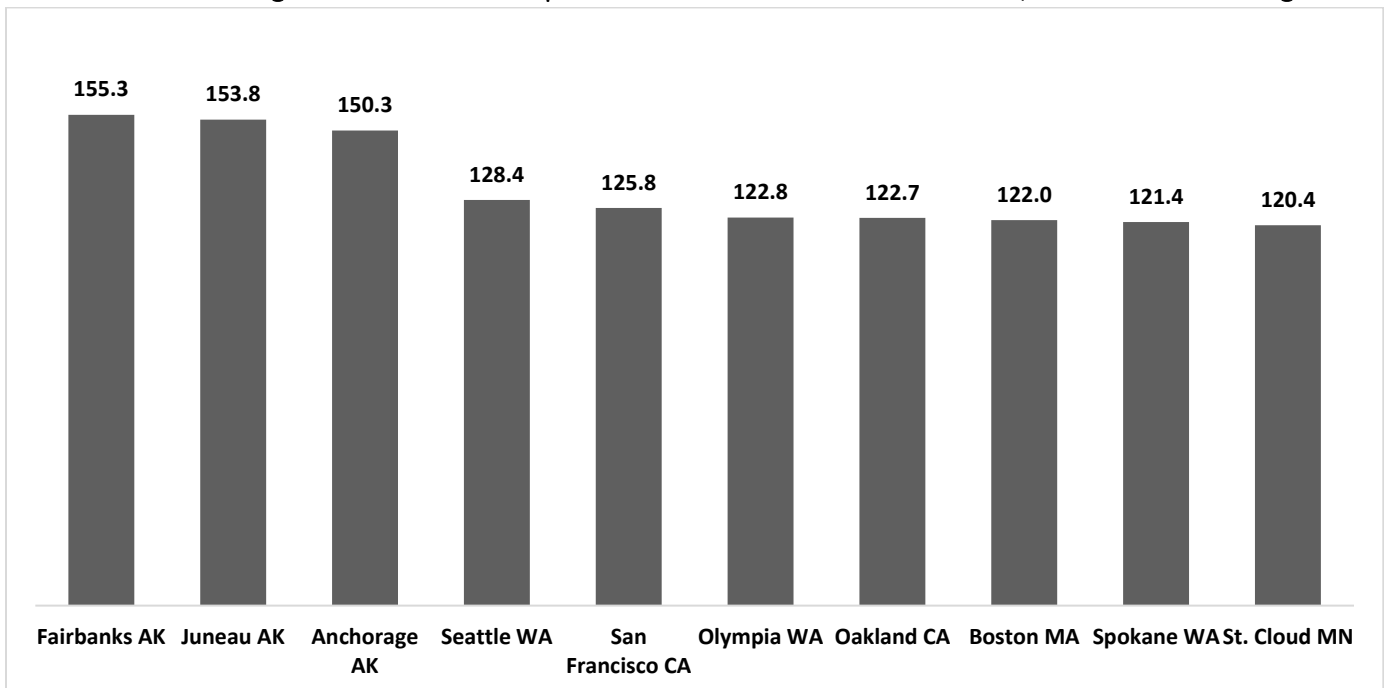
The Cost of Living Index is a nationwide survey of living expenses conducted three times a year in 268 U.S. cities. It establishes the average cost of living in the U.S. based on the cost of consumer goods, services, housing, energy, health care and transportation for a moderately affluent professional or executive household. The average cost across all urban communities surveyed is set at 100. Juneau’s 2019 annual average composite score of 129.7 means that it is nearly one-third more expensive to live in Juneau than the average U.S. city. Higher costs of groceries, housing, and transportation give Juneau the highest cost of living among the three Alaskan communities surveyed.

Figure 72: Comparative Cost of Living Index for Select Communities, 2019 Annual Averages



Source: Council for Community and Economic Research (C2ER), Cost of Living Index, 2019 Annual Average Data; Note: National average for 268 urban areas = 100.

Figure 73: Ten Most Expensive Cities for Cost of Health Care, 2019 Annual Averages



Source: Council for Community and Economic Research (C2ER), Cost of Living Index, 2019 Annual Average Data; Note: National average for 268 urban areas = 100.

Military Cost of Living Index

The Department of Defense gives a Cost of Living Allowance (COLA) to compensate active duty military personnel who are assigned to overseas duty stations (including Alaska and Hawaii) with above average prices for goods and services. COLA is determined by a survey of the cost of approximately 120 goods and services in a community compared to the same goods and services in the continental United States. COLA is adjusted downward in communities where military personnel shop at base commissaries and exchanges, as in Anchorage and Fairbanks. In general, the higher the proportion of on-base shopping, the lower the index. According to the July 2019 COLA allowance, Juneau was 42 percent more expensive for goods and services compared to the average continental U.S military location.

Figure 74: US Military Overseas COLA Adjustment for Select Alaska Communities, July 16, 2018, 2019, 2020

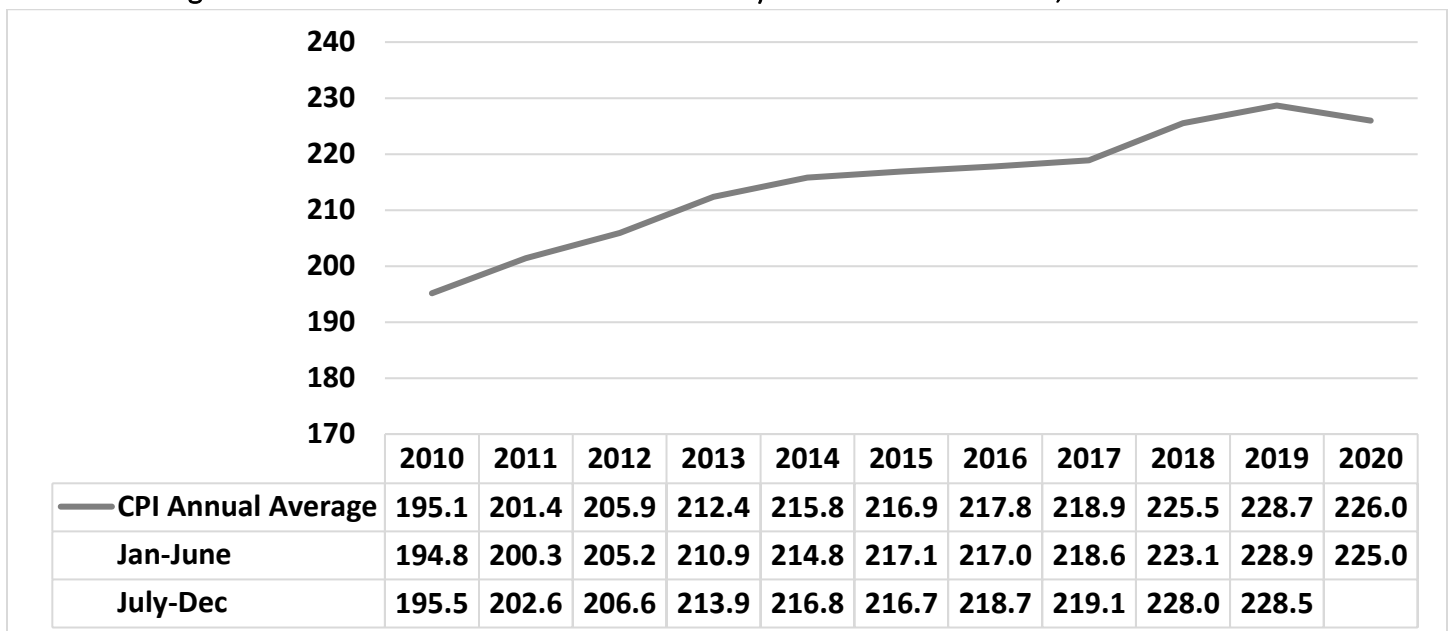
Community	2018 Percent	2019 Percent	2020 Percent	Community	2018 Percent	2019 Percent	2020 Percent
Juneau	140%	138%	142%	Petersburg	150%	144%	144%
Fairbanks	122%	126%	128%	Sitka	136%	140%	144%
Anchorage	128%	124%	126%	Ketchikan	130%	134%	138%

Source: U.S. Department of Defense, Overseas COLA Calculator

Consumer Price Index

The Bureau of Labor Statistics collects and publishes an aggregate index of market price consumer goods and services bi-monthly. Index values are percent compared to 1982-1984 so an index value of 200 means prices are twice as expensive as they were in 1982-1984. In 2019, the Urban Alaska CPI continued to rise similar to previous years. In the first half of 2020, the Urban Alaska CPI fell for the first time in over ten years, returning to 2018 levels.

Figure 75: Bureau of Labor Statistics Bimonthly Consumer Price Index, Urban Alaska 2010 – 2020

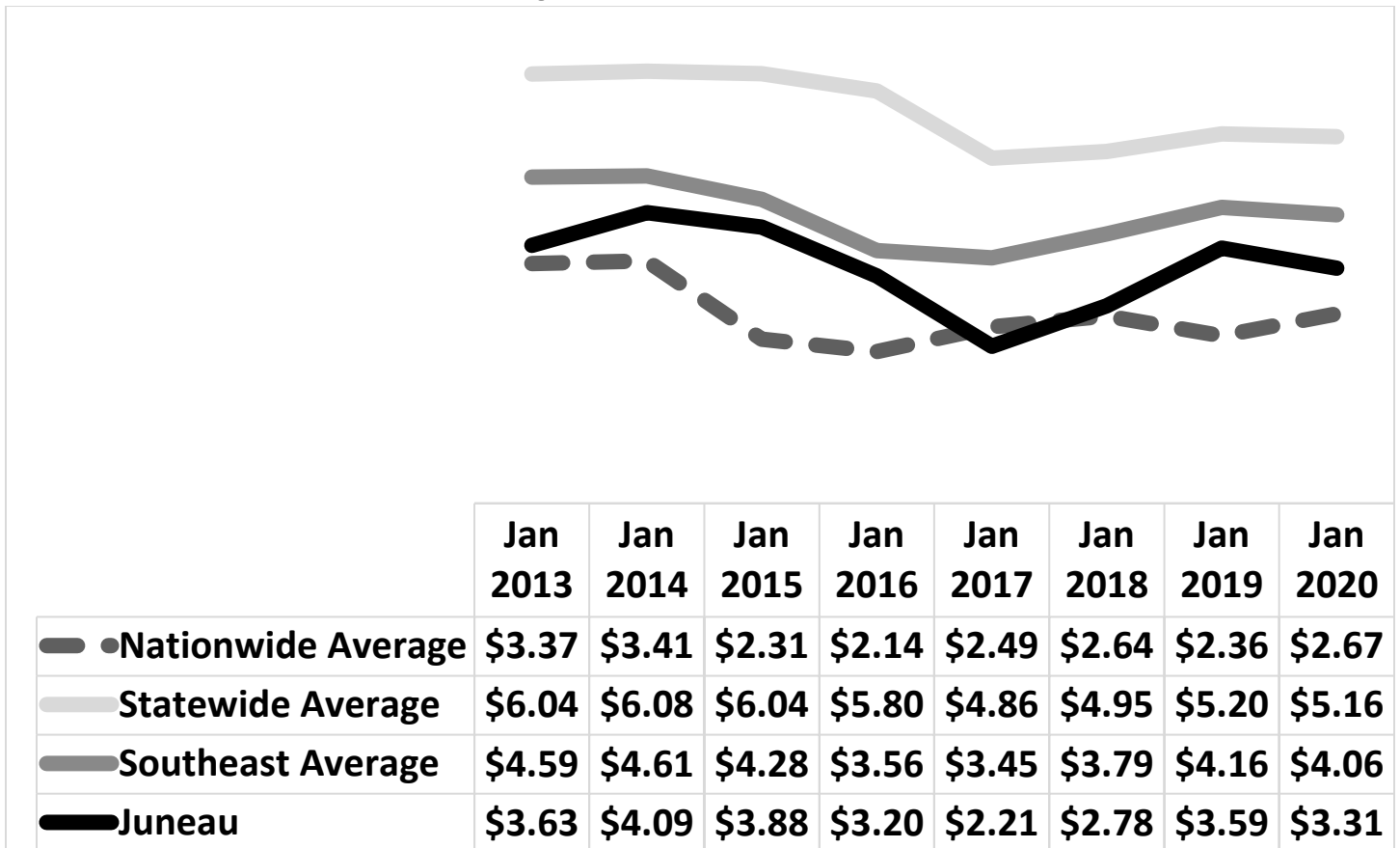


Source: Bureau of Labor Statistics, CPI for All Urban Consumers, Urban Alaska.

Gasoline and Fuel Oil Costs

The Alaska Department of Commerce, Community and Economic Development collects retail heating fuel and gasoline prices from 100 select communities across Alaska semiannually. In January 2020, Juneau’s average gasoline cost was \$3.31, significantly higher than the national average of \$2.67, but lower than the Southeast and statewide averages. The high cost of transporting fuel to Alaska’s remote interior communities keeps the state average much higher than local, regional and national prices.

Figure 76: Gasoline Prices, 2013 – 2020



Source: Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs, Alaska Fuel Price Survey – January 2020.

Similar to gasoline prices, Juneau’s heating fuel price was higher than the national average in January 2020, but lower than that of the region or state. The relatively shorter distances to fuel distribution centers and year-round marine access contribute to Southeast’s lower prices. It should also be noted that the state price excludes the Northern Region where prices are subsidized.

Figure 77: Heating Fuel Prices, 2011 – 2020



Source: Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs, Alaska Fuel Price Survey – January 2019.