



2022

Juneau Business Survey



Completed by the Juneau Economic Development Council. JEDC research efforts are supported by core funding from the CBJ.



February 16, 2022

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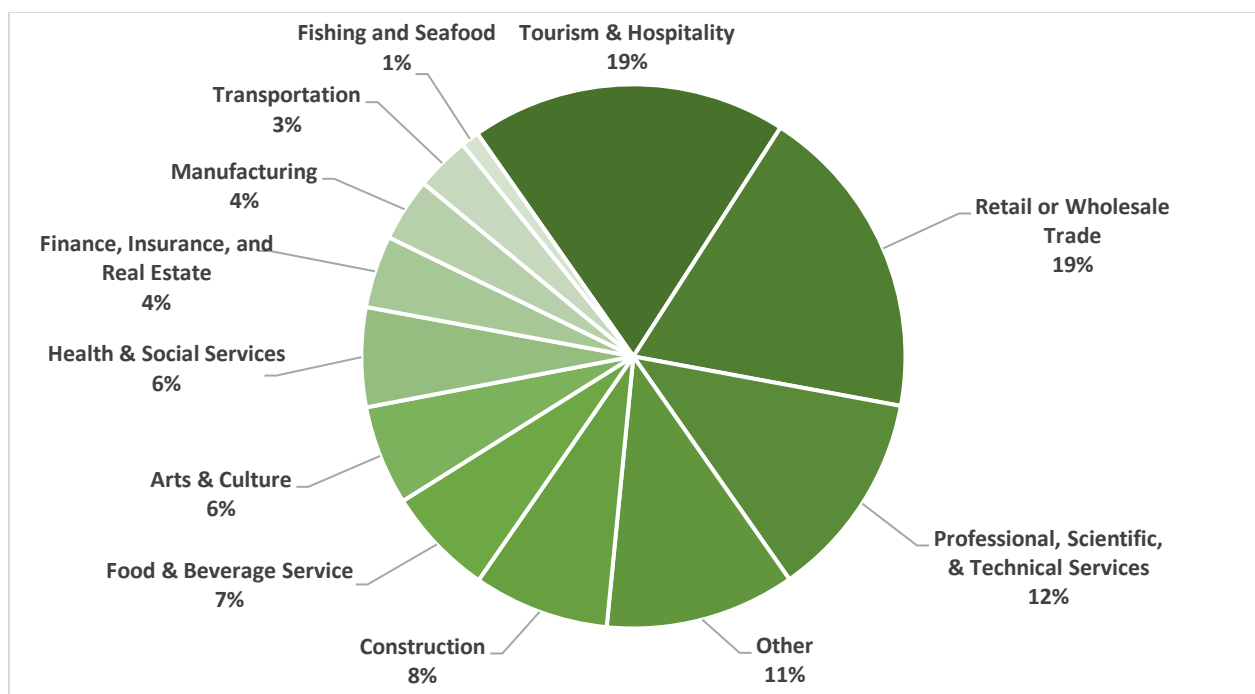
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10. If your business does not currently offer mentorship programs, what barriers are preventing you from doing so?
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12. As you think about 2022 and the welfare of your business, what are your most pressing needs?
13. Have the various Local, State, and Federal COVID-19 aid programs adequately addressed your business's financial needs as the pandemic continues?
14. What permanent changes have you made to your business in response to COVID-19 that you will continue to implement post-pandemic because they made your business stronger?
15. Do you require your employees to be vaccinated for protection against COVID-19 or to get tested for COVID-19? Do you require your employees to get tested for COVID-19?
16. What measures are you taking to make your business environmentally sustainable?
17. If you have used the Local Frequency App, where did you learn about it?

EXECUTIVE SUMMARY

The JEDC COVID-19 Juneau Business Survey was sent to local businesses in December of 2021 and received a total of 187 responses. The questions on the survey focused primarily on the impact of the COVID-19 pandemic on the business environment, as well as hiring challenges, and the resources and needs for the development of talent in the local workforce. The respondents represented a wide range of industries and business types that form a cross section of Juneau's economy. The effects of the pandemic can be seen across all business choices made throughout it. Hiring and retaining employees are at the forefront of concern for most business owners and across all industries.

INTRODUCTION AND METHODOLOGY

Figure 1: In what sector does your organization primarily operate?



In total, 187 businesses responded to the survey. Of those businesses, the majority operated in retail or wholesale trade (19%), or tourism/hospitality (19%), followed by professional, scientific, and technical services (12%). The remaining businesses operated in construction (8%), food and beverage service (7%), arts and culture (6%), health and social services (6%), finance, insurance, and real estate (4%), manufacturing (4%), transportation (3%), fishing and seafood (1%) and other sectors/industries (11%).

91% of the respondents were some form of for-profit organization, with the other 9% being nonprofit or public organizations. For-profit corporations (LLCs, partnerships, etc.) were the largest group of respondents, with 115 organizations and 50 sole proprietorships responding. 17 non-profit corporations responded to the survey. Two organizations responded as other business types, one being a municipal entity, and the other university affiliated.

Most businesses who responded to the survey are fully open year-round (68%). During the summer, 91% of businesses were fully open, 1.5% of businesses were closed, and the remaining 7.5% were open with limited operation/capacity. During the winter, 73% of businesses were open, and 9% of businesses were closed.

Not all respondents answered every survey question. Percentage summaries for certain responses as they appear in this report were calculated using the number of responses to the particular question, not the total number of survey respondents. Some percentage values will not add up to 100% due to rounding.

FINDINGS

Impacts of COVID-19 on employment and operations

In a previous survey, JEDC collected data on the impact of COVID-19 on employment and operations, comparing July 2019 to July 2020. On average, businesses experienced an overall decrease in employment between 2019 and 2020 of 53.4%, with a loss of 25.8% of full-time, year-round employees, and an extreme loss of 84.9% of seasonal employees.

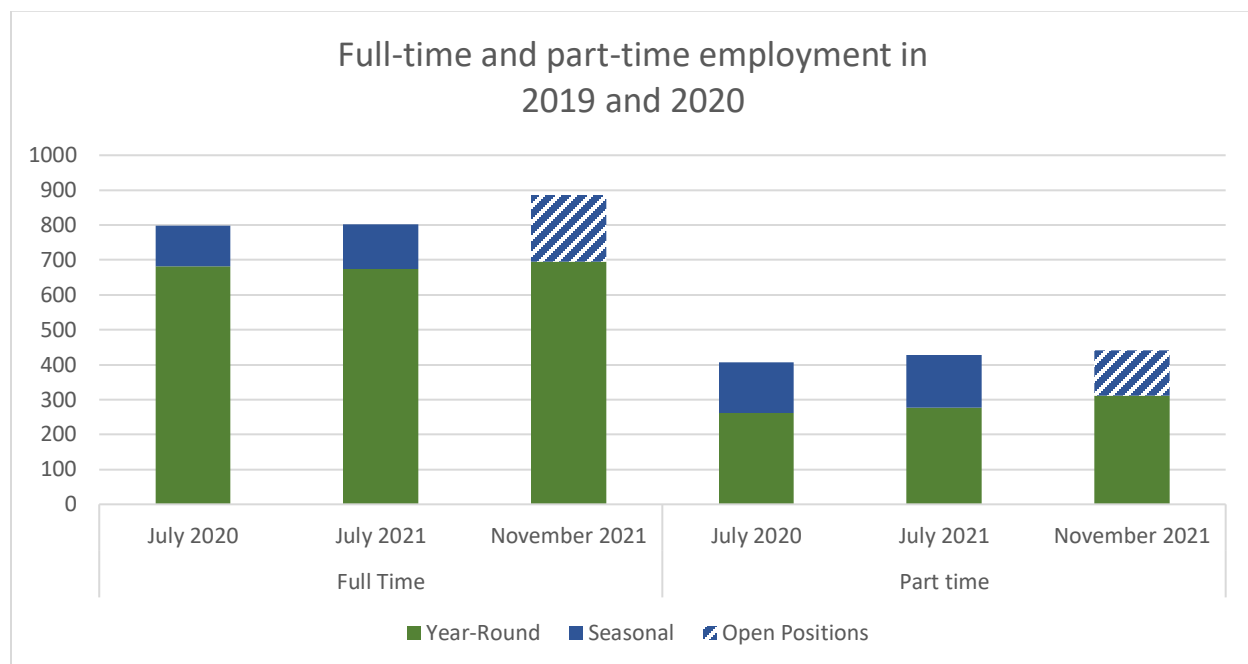
Figure 2. How many employees did your organization employ on July 31, 2020 / 2021?

| | | Year-round | Seasonal | All |
|----------------------------|-----------------|--------------|--------------|--------------|
| Full-time employees | 2020 | 681 | 117 | 798 |
| | 2021 | 675 | 128 | 803 |
| | % Change | -0.9% | +9.4% | +0.6% |
| | | | | |
| Part-time employees | 2020 | 262 | 144 | 406 |
| | 2021 | 276 | 151 | 427 |
| | % Change | +5.3% | +4.9% | +5.2% |
| | | | | |
| Total employees | 2020 | 943 | 261 | 1204 |
| | 2021 | 951 | 279 | 1230 |
| | % Change | +0.8% | +6.9% | +2.2% |

This year, we compared July 2020 to July 2021. On average, employment increased by only 2.2% over this period – a slow recovery compared to the loss last year. Seasonal employment saw the most significant increase (9.4%), but still has a large gap to fill before reaching pre-pandemic

levels. Year-round full-time employment was the only category that experienced a decrease, losing 0.9% of employees.

Figure 3. Full-time and part-time employment by Juneau businesses in 2020 and 2021.

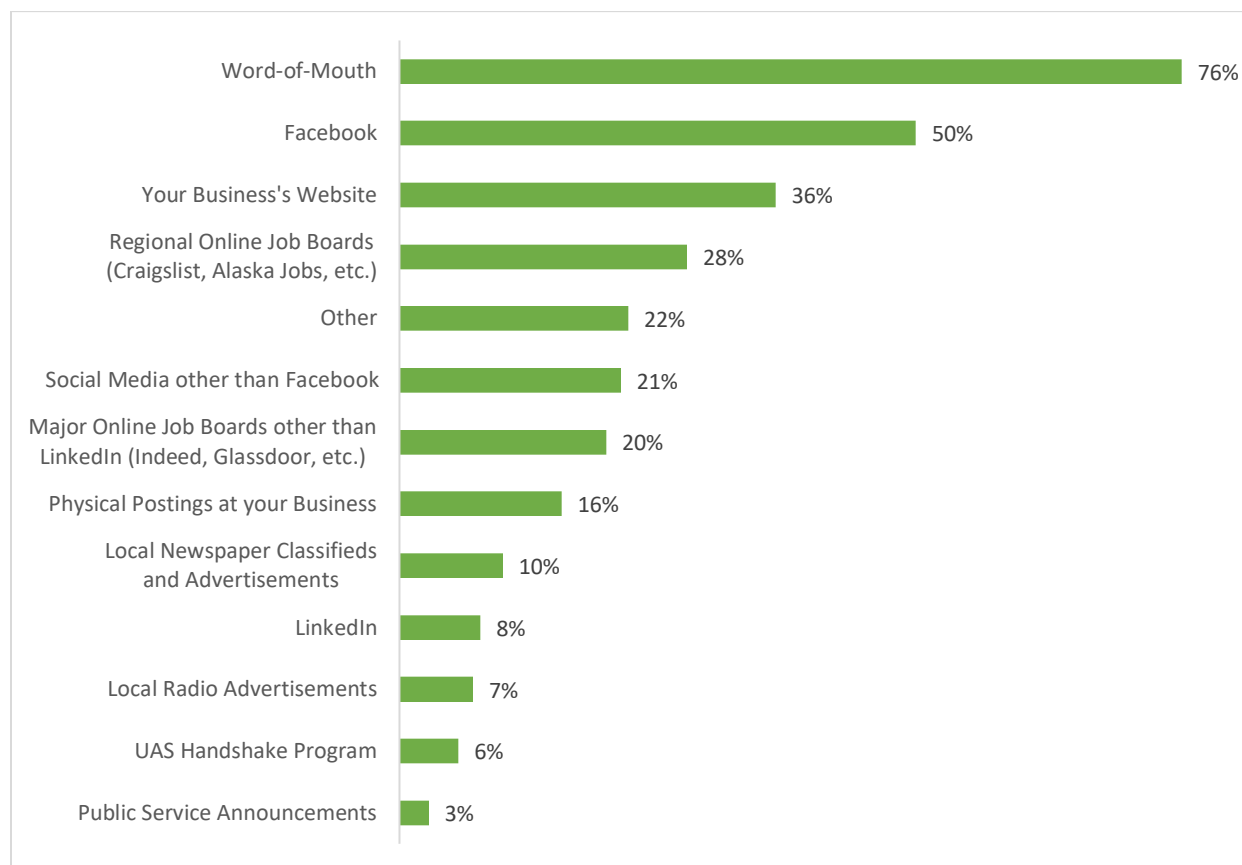


Full-time and part-time employment has held relatively steady since the start of the pandemic in most industries. Some businesses in the “Tourism activities” organization reported large jumps in full-time and part-time employees from April of 2020 to July of 2021. Some were back down to their previous levels in November 2021, while others stayed at their elevated employment level. A few other businesses in this industry reported major losses in the number of employees without gaining them back. Businesses in the “Tourism activities” also reported a large jump in seasonal employees as well in both full and part-time work, separate from the year-round responses.

Outside of these few businesses, most reported a steady number of jobs, indicating that there were few economic shocks in other industries once the pandemic set in. One “food/beverage service” business jumped from 2 employees in April 2020 to 16 employees in July 2021 before falling back to 2 again in November 2021, and one “retail or wholesale trade (tourism focused)” went from 20 employees in April 2020 to 3 in July 2021, but was back up to 10 employees in November 2021. No other business outside of “Tourism activities” had large swings in the number of employees.

Hiring Challenges

Figure 4: How does your organization advertise employment opportunities?



The most common hiring practices involved word of mouth and social media. LinkedIn and the UAS Handshake Program rank near the bottom, as well as older media platforms such as newspaper and radio. This trend shows a shift towards platforms that are more communal and not strictly for professional needs, such as Facebook and Craigslist. Word of Mouth as the most used method also points towards job hiring as geared towards informal and local, relying on established community networks.

Businesses that reported “other” as methods of advertising employment opportunities listed advertising in trade and professional organizations and their publications, as well as through job fairs, directly recruiting individuals, and even recruiting family members.

Businesses with six or more employees use a wider array of hiring tools. 68% of respondents recruit through their website, 65% use Facebook, 59% use regional online job boards, and 82% use word-of-mouth. Most of these businesses use multiple tools for recruitment.

Meanwhile, businesses with five or fewer employees rely heavily on word-of-mouth. 52% of respondents used word-of-mouth, and 35% use Facebook. For all other tools, less than 20% of respondents reported using them.

Figure 5: It has been difficult to find qualified applicants for open positions. What have been your major challenges when hiring?

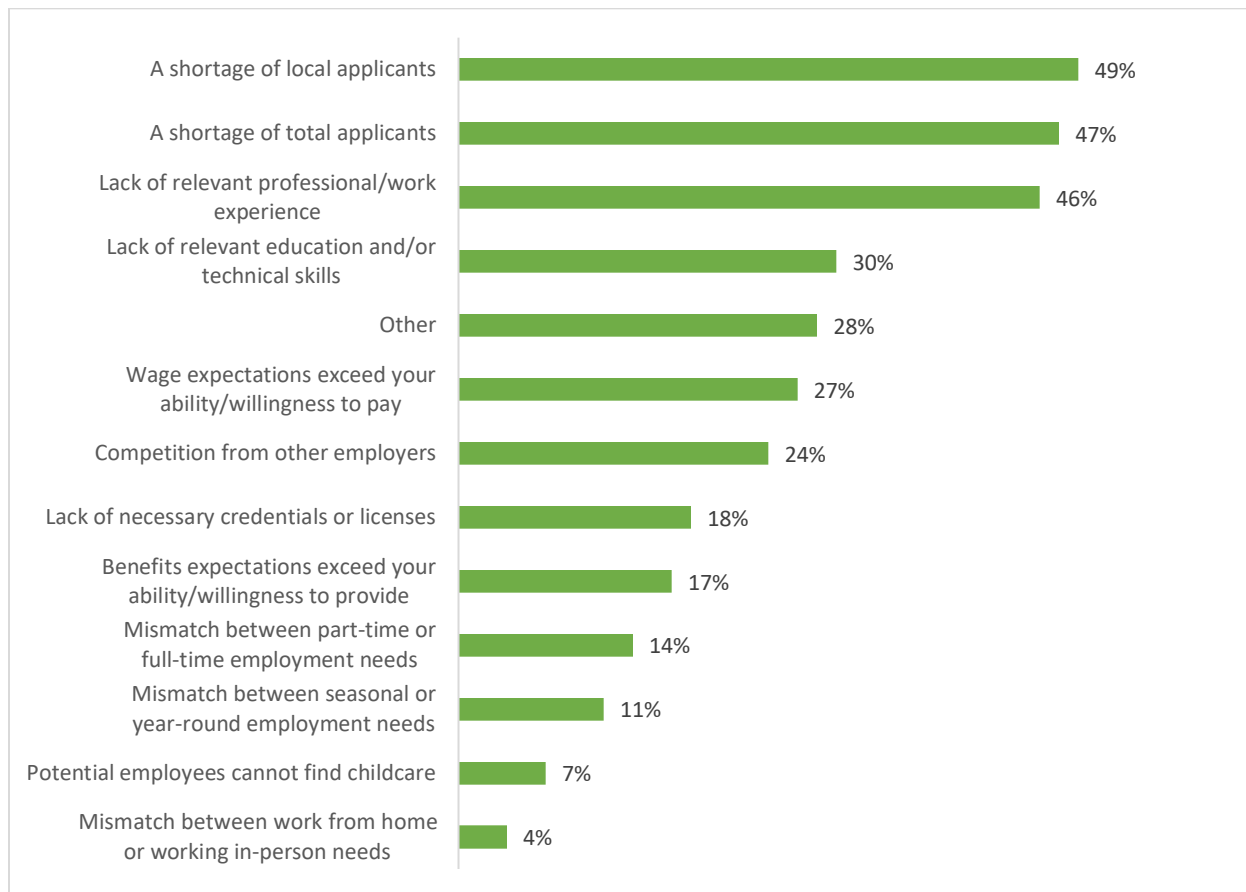


Figure 5 shows the most common hiring challenges come from not having a large enough local workforce, or applicants willing to work locally. The lack of applicants with relevant professional experience or technical skills is also high, likely stemming from the lower overall size of the eligible workforce. As the hiring practices noted in Figure 4 show, methods of recruitment are somewhat limited, and this may be a factor in finding enough quality applicants.

Across all sectors, 69% of businesses reported having a shortage of local applicants, total applicants, or both. 60% of construction businesses reported lack of relevant professional experience as a major challenge, higher than any other sector. Business in the food & beverage service, tourism activities, and professional, scientific, & technical service sectors also commonly identified this a major challenge, with above 40% of businesses in each of those sectors reporting it as a need. The sectors that are lacking education and/or technical skills are construction at 40% and Professional, scientific, and technical services at 39%.

The lack of credentials and licenses has not been a major challenge for most industries. The industries that are seeking them most are finance/insurance/real estate, and tourism, both having 25% of respondents reporting it as a challenge.

Many respondents listed other challenges they have experienced. Common topics included a lack of affordable housing for seasonal and year-round employees, a lack of quality contractors, and employees frequently leaving the business or the business's sector.

Figure 6: What strategies have you used to attract and retain employees during the pandemic?

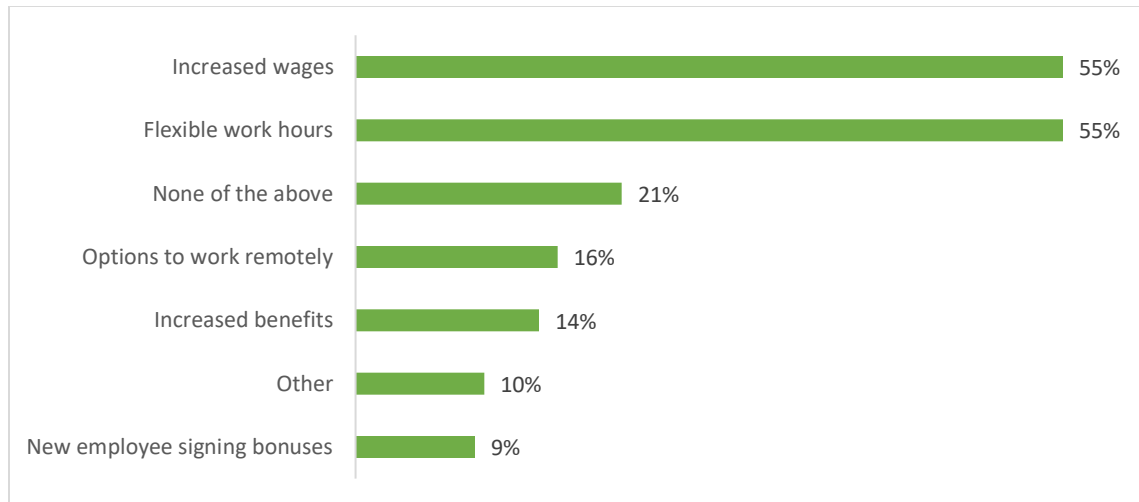


Figure 6 shows many employers report increasing wages and allowing schedule flexibility in response to the pandemic. These strategies point to wages being too low to attract applicants, as shown in Figure 5. If the pandemic induced labor demand does have any upsides, it would be higher wages which will lead to a stronger local economy.

The largest sector that allowed remote work was Professional, scientific, and technical services at 35%. Tourism and Health and social services were both in the mid-teens percentage-wise, but no other sector had a significant percentage offer remote work. A handful of businesses spread across other sectors did so as well.

Most businesses that listed “other” note that they are trying to attract and retain employees by continuing to have hours available despite less demand and improve the quality of working for them, one going so far as to list “great management” and spreading this by “word of mouth that we area company you want to work with.”

Developing Talent

Figure 7: What training opportunities does your organization offer to your employees?

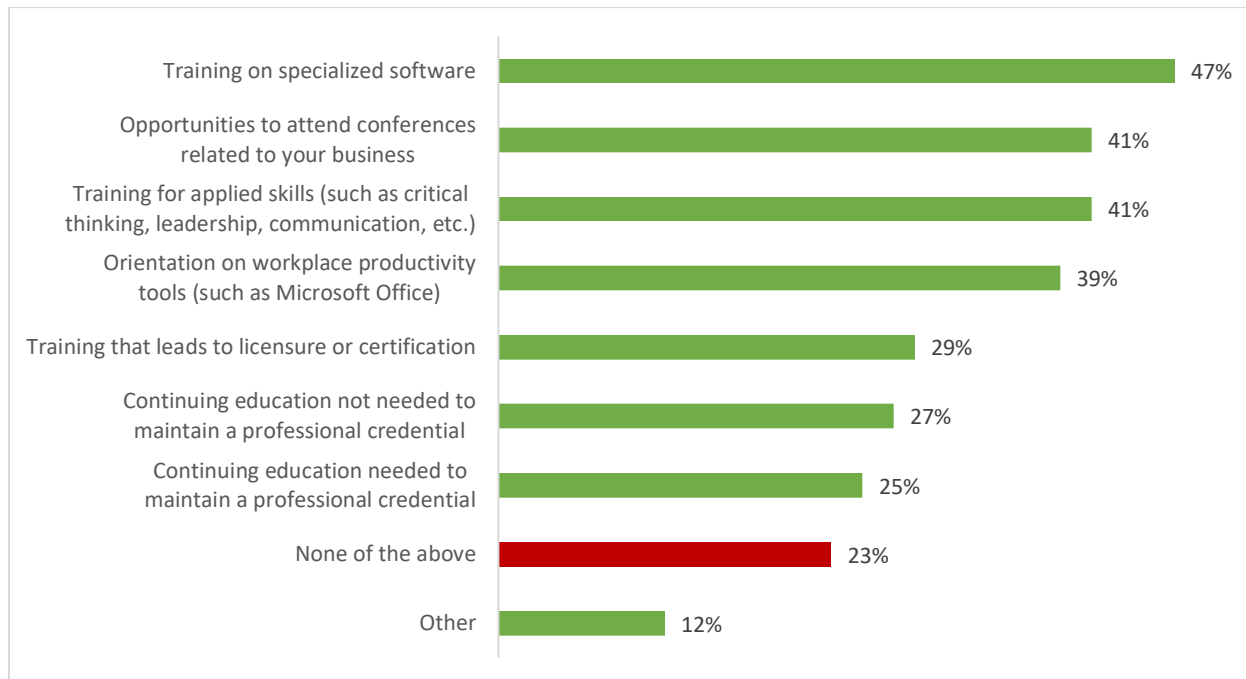


Figure 7 shows most of the training offered by organizations apply directly to training employees for operating that business. Specialized software and conferences have narrow focuses that often do not apply outside of the industry that business operates in. Skills that apply to a wider range of industries, such as workplace productivity tools and continuing education not needed to maintain a professional credential, are less often offered by employers. Professional, scientific, and technical services were the most consistent with offering training on specialized software at 74% of organizations offering it to employees. That industry also had the highest rate of offering opportunities to attend conferences related to their business, at 61%. Conversely, fishing/seafood offered no training opportunities, and less than 30% of businesses in the hospitality industry offered any training.

Figure 8: Does your organization offer educational tuition reimbursement to your employees?

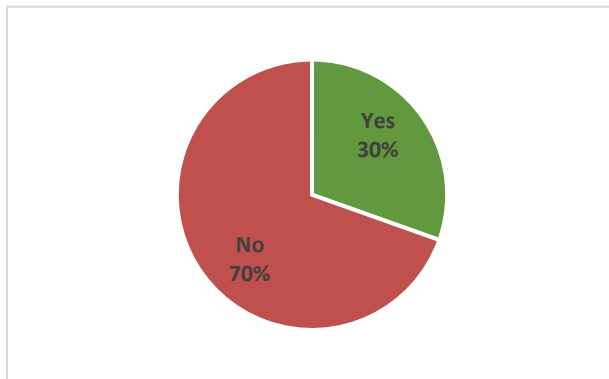


Figure 8 shows that most employers do not offer educational tuition reimbursement to their employees. This is just one area of improvement that could lead to a stronger workforce. The following charts show other areas of improvement, as well as the barriers that businesses face in strengthening Juneau's employees.

Figure 9: Does your firm offer internships, job shadowing, or any other mentorship programs to high school, college, and/or trade school students?

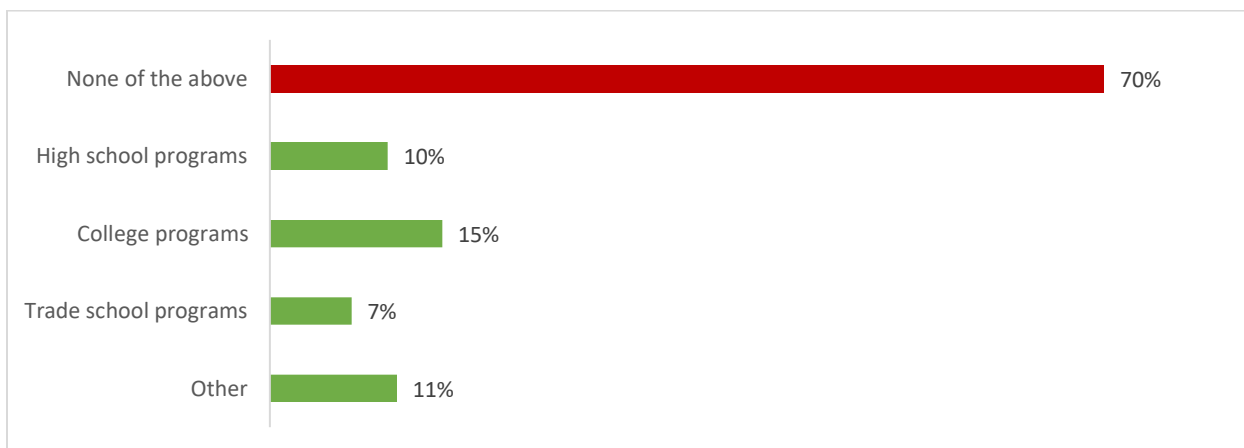


Figure 9 shows that most organizations do not offer any form of internships, job shadowing, or any other mentorship programs. Expanding these would improve job readiness. Of note, college programs are the highest ranked of what is offered. High school and trade school programs have much more room for improvement. The barriers that businesses face in doing this are shown in the two following figures.

The Professional, scientific, and technical services sector had the largest offering of programs, with 41% of respondents in that sector offering college programs with only 32% of organizations offering no programs. The construction sector offered a spread of programs with only 36% offering none, and the rest spread evenly between the other categories of programs.

Figure 10: If your business does not currently offer mentorship programs, what barriers are preventing you from doing so?

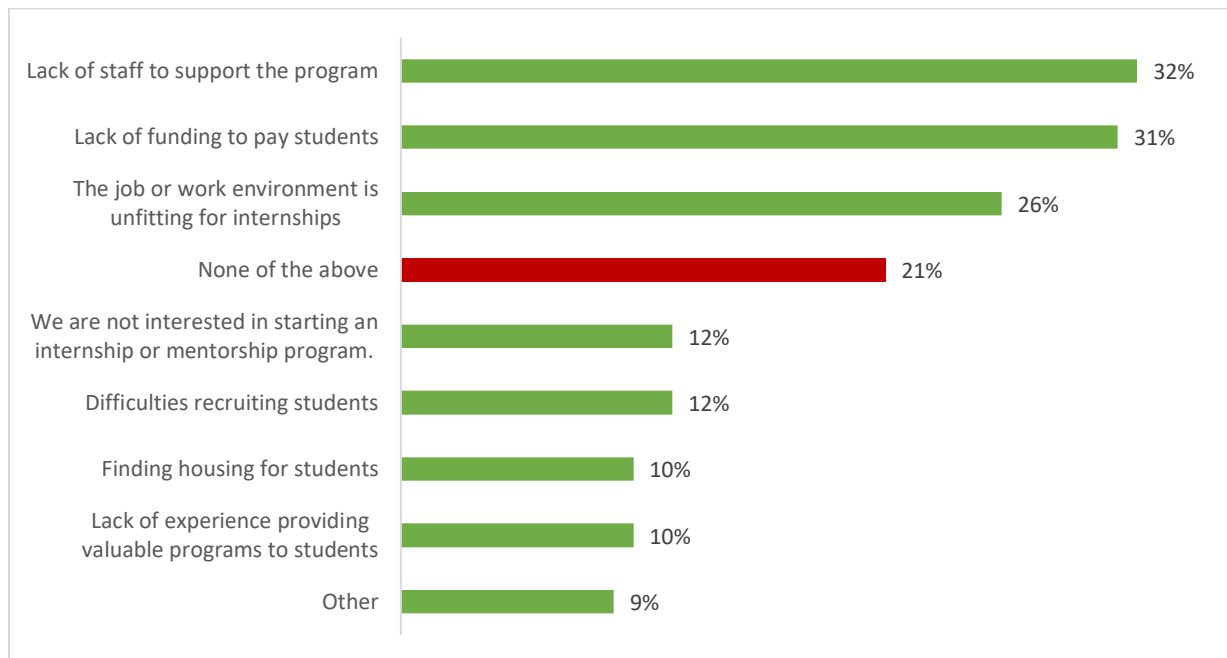


Figure 10 shows the largest barriers to offering mentorship programs are the lack of staff and funding. About a quarter of businesses stated that they are not interested in providing internships, or their work environment is not fit for an internship program. The lowest response rate was for lack of interest or practical ability such as needing housing. Businesses are interested in providing internships but may not have the resources to run the programs. Outside support programs could help businesses offer mentorship programs and expand the quality of Juneau’s workforce.

Responses to this question were similar across most sectors, identifying staff and funding as the two major barriers. The manufacturing and tourism industries were the most likely to respond “The job or work environment is unfitting for internships” at 71% and 67% respectively.

Figure 11: If your business currently offers mentorship programs and would like to expand them, what barriers are preventing you from doing so?

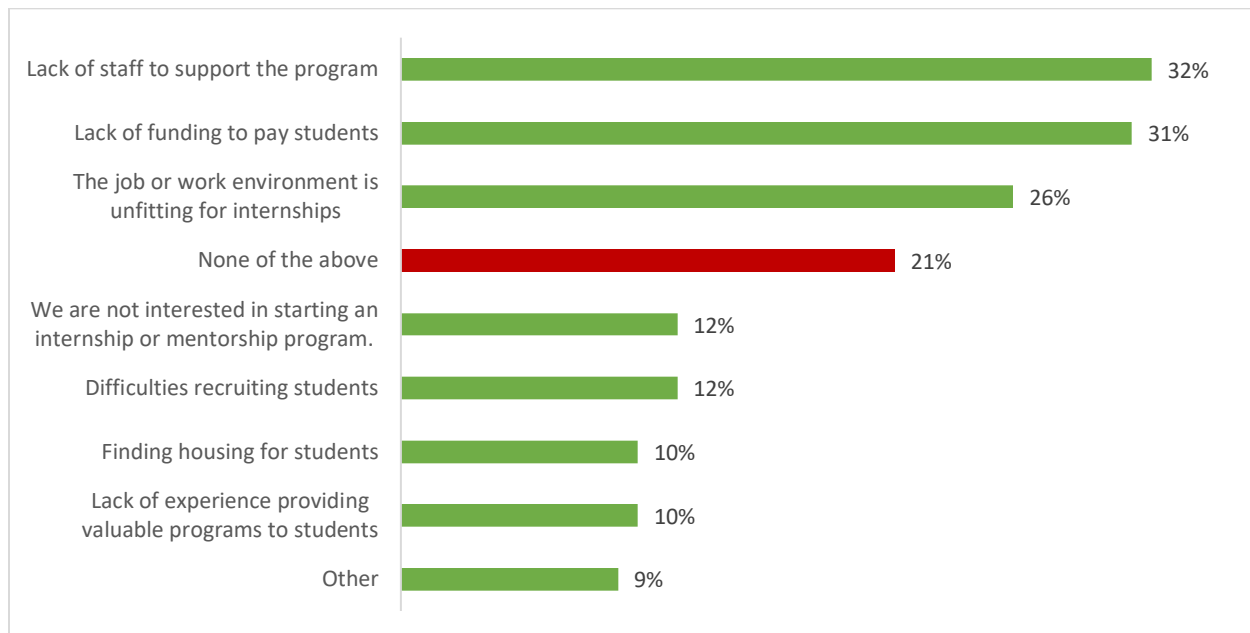


Figure 11 shows that existing mentorship programs face similar difficulties in the lack of funding and staff to support them. These issues could be addressed through better funding through grants or other programs. Difficulty in recruiting students ranks higher for businesses that do not yet offer programs than for existing programs. Once a program exists, finding students is less of a barrier.

Individual industries did not have a single issue that prevented most businesses from expanding programs. The highest response for any one category was 26% of professional, scientific, and technical services reporting the lack of staff to support the program.

Response to Current Conditions

Figure 12: As you think about 2022 and the welfare of your business, what are your most pressing needs?

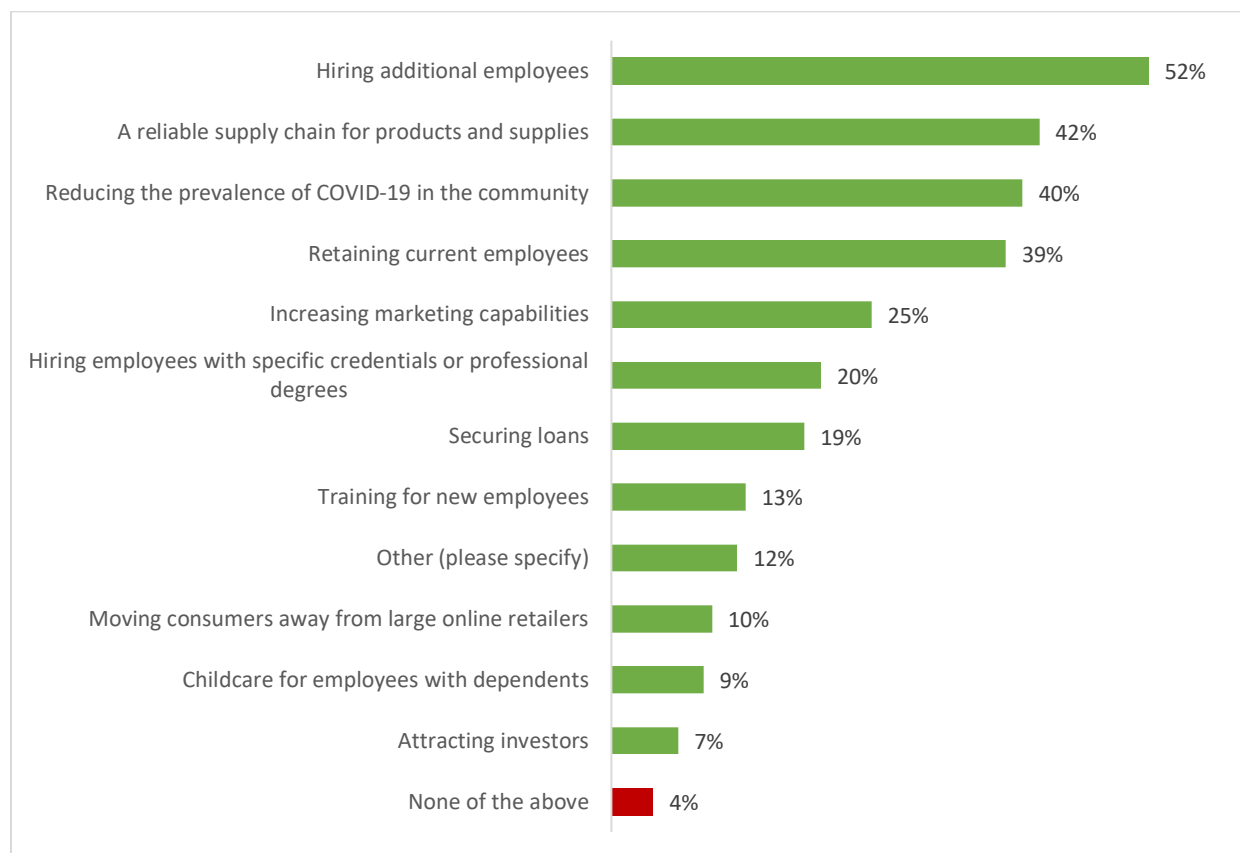


Figure 12 shows the most pressing needs of businesses being the hiring of additional employees, followed by supply chain issues. COVID-19 continues to be a pressing issue as well. However, some of the most common issues that businesses have faced in the past in dealing with these issues have fallen to the bottom of the needs list. Childcare, while often seen as a pressing need in Juneau, is among the lowest needs for businesses despite their need for hiring and retaining employees. The issue of moving consumers away from large online retailers is low as well, which in conjunction with the supply chain issues shows that the local demand for businesses is still strong and promises a healthy local economy if the pandemic can be weathered.

Individual industries show some of the needs are more specialized than others. Hiring additional employees was one of the most constant across industries with only arts and culture, fishing/seafood, and health and social services having a low percentage of organizations viewing it as a pressing need. The industries with the highest need for hiring additional employees were transportation, food/beverage service, and construction at 67%, 50%, and 47% respectively. The construction industry viewed a reliable supply chain for products and supplies as their most pressing need with 60% of respondents for that industry listing it as a pressing

need. Manufacturing saw a reliable supply chain for products and supplies as a pressing need the second most at 57%.

Figure 13: Have the various Local, State, and Federal COVID-19 aid programs adequately addressed your business's financial needs as the pandemic continues?

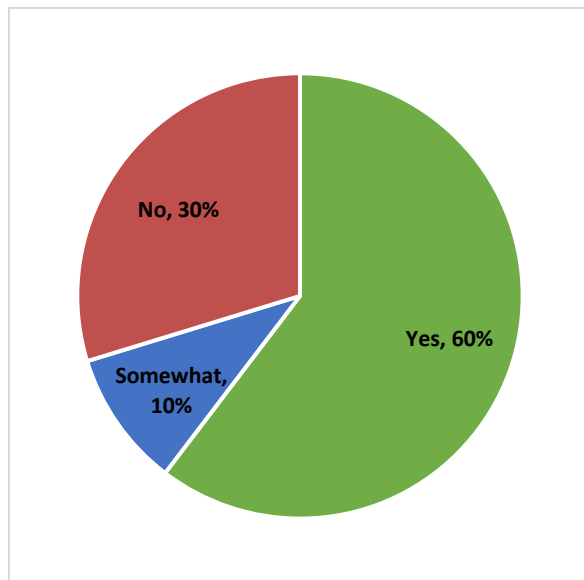


Figure 13 shows how well local, state, and federal aid was able to address the financial needs of businesses. Overall, businesses responded very positively to the programs with only a minority of businesses missing out on them. This shows that public spending in times of crisis has had a positive outcome and that businesses want the support given to them.

Tourism Activities was the only sector in which most respondents did not feel that the aid programs helped in the pandemic. They were also the industry most directly affected by the pandemic due to the lack of tourism.

Comments about the programs ranged widely but were overall positive. A sample of comments include:

"I feel like the grants I received help keep my business open and most importantly allowed me to keep paying all my employees and give them higher wages to keep them employed with my business"

"They have helped us weather the COVID storm"

"The aid programs have helped the business substantially. However, the aid programs do not replace the revenue that was lost."

Figure 14: What permanent changes have you made to your business in response to COVID-19 that you will continue to implement post-pandemic because they made your business stronger?

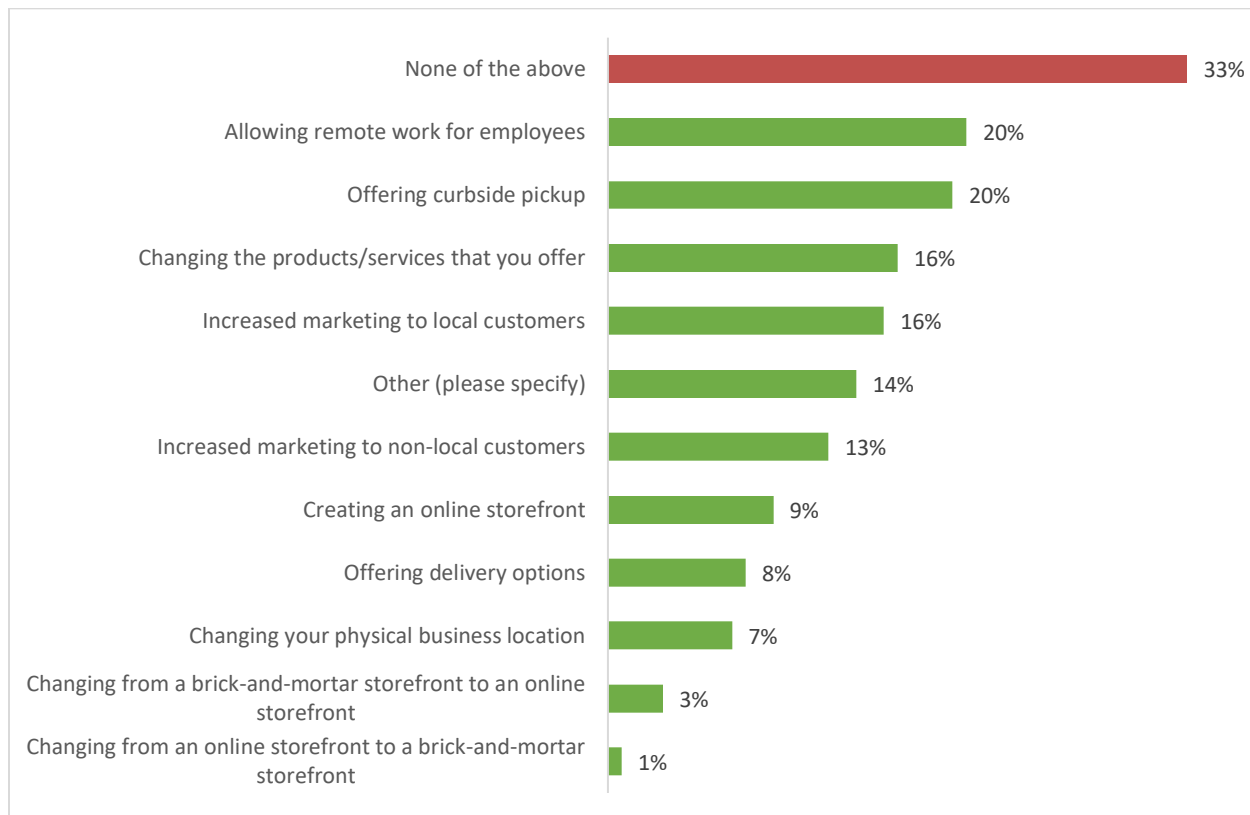


Figure 14 shows that while there are some permanent changes that businesses will make, many also do not want to keep any of them. Remote work and curbside pickup are the most common changes likely to stay. These make work and retail more convenient for employees and customers. Lower on the list are changing locations of the business and changing between brick-and-mortar storefronts and online storefronts. Businesses are not interested in keeping changes in storefronts post-pandemic. However, the largest change in individual industries was food/beverage service industry in creating online storefronts. 50% of all food/beverage service respondents created online storefronts in response to the pandemic and plan to keep them.

Figure 15: Do you require your employees to be vaccinated for protection against COVID-19 or to get tested for COVID-19? Do you require your employees to get tested for COVID-19?

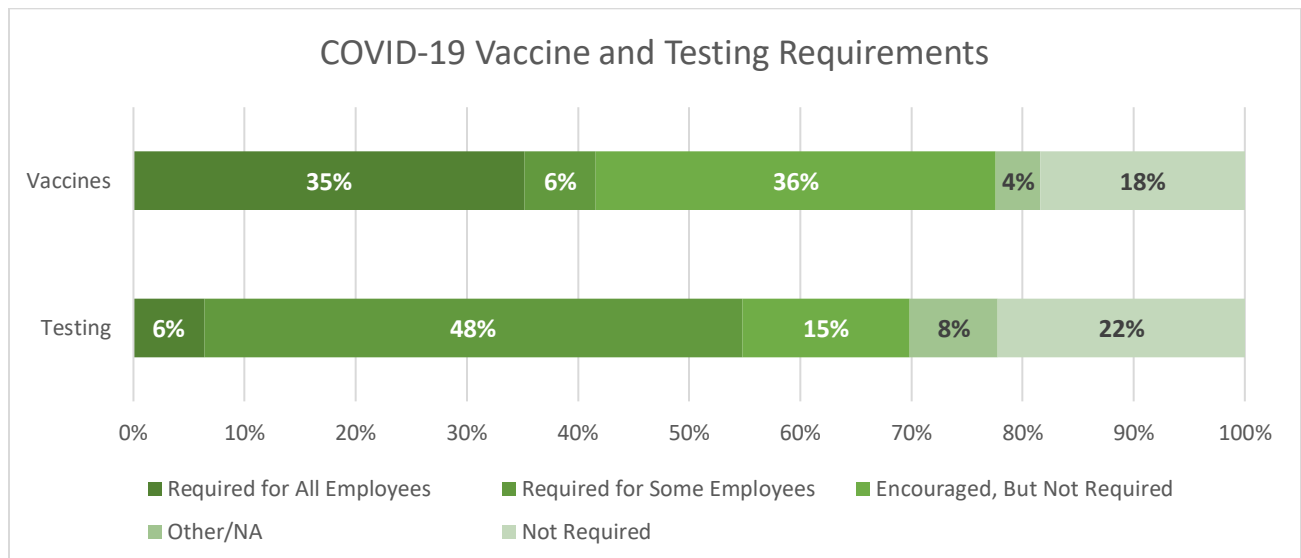


Figure 15 shows the various requirements and policies for testing and vaccines among businesses. Businesses who require vaccines for some employees (but not all) typically required employees who physically work at their place of business, and/or interact directly with customers to be vaccinated. Required testing refers to businesses that require all employees to test on a regular schedule. Businesses that require testing for some employees only require testing after showing symptoms COVID-19 or after being exposed to COVID-19, although they may encourage regular testing.

Businesses have had a variety of responses in how they have handled the issue. Testing is most often required for symptoms or exposure. Vaccines have a somewhat lower level of being required, but that is still the largest segment of businesses, followed by, only their encouragement. Very few businesses reported they offer incentives for either testing or vaccines. Across most industries, many businesses had some requirement for vaccines. Outliers were the construction industry and tourism activities, which the majority encouraged them, but did not require them.

Figure 16: What measures are you taking to make your business environmentally sustainable?

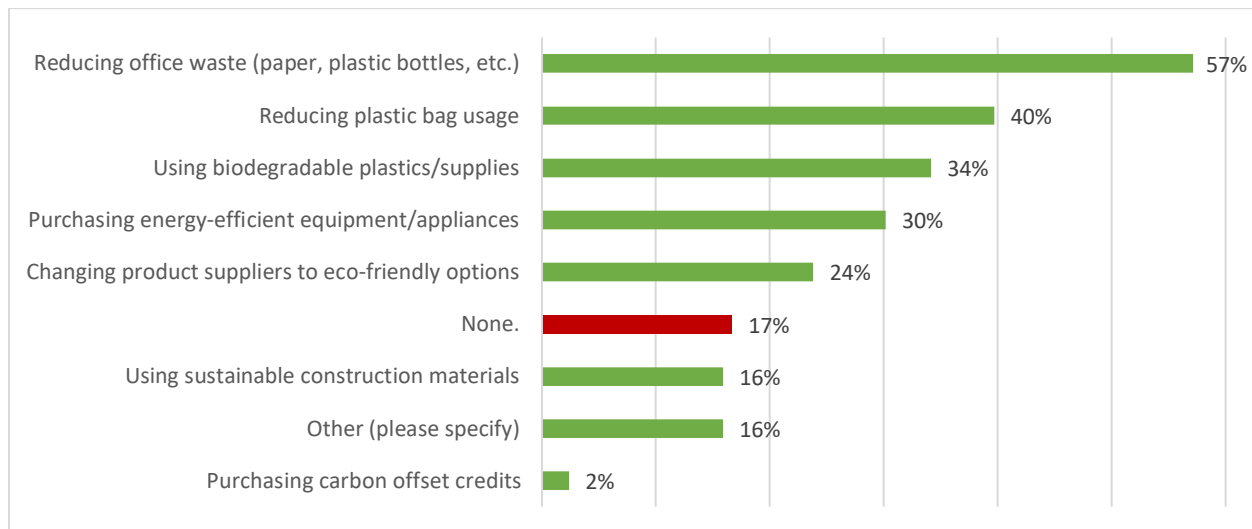


Figure 16 shows how local businesses are committed to being more environmentally sustainable. Reducing waste is the main way businesses are trying to be more environmentally minded, with energy efficiency ranking in the middle, and carbon offsets being the lowest. As Juneau runs on renewable hydroelectric power, that is not one of the largest concerns businesses have. Products that need to be imported, such items that eventually become office waste, or plastic bags, are the biggest concern.

Industries with the most businesses reducing office waste were tourism activities and professional, scientific, and technical services at 57% and 52%. Industries with the most businesses using biodegradable plastic/supplies were food/beverage service at 58% and hospitality at 57%.

Figure 17: If you have used the Local Frequency App, where did you learn about it?

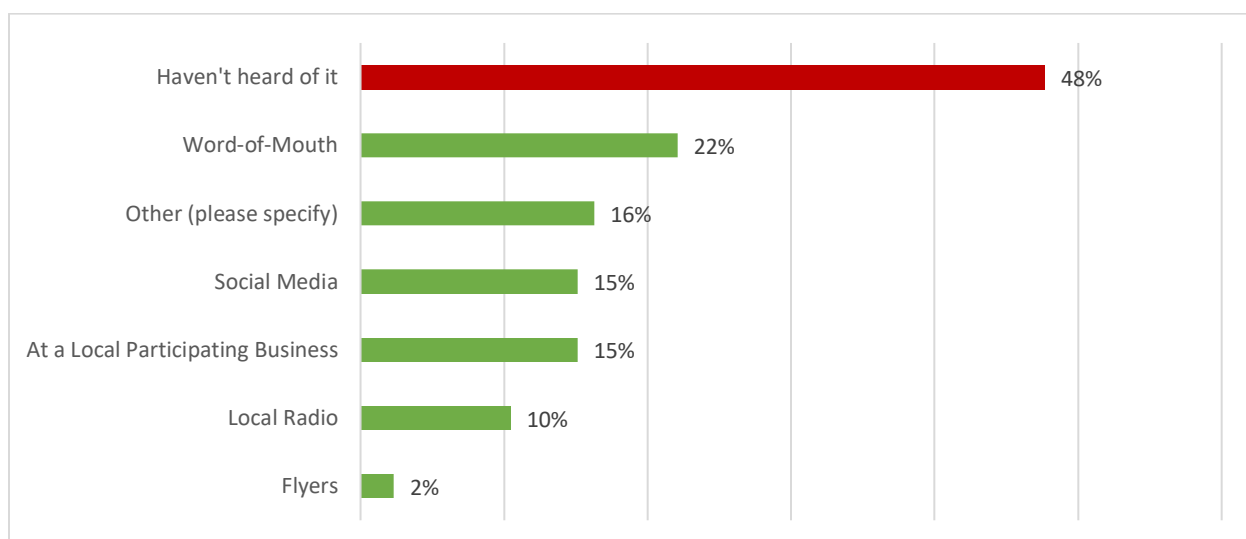


Figure 17 shows how well various advertising methods work in Juneau for spreading

information about innovative programs like the Local Frequency App. Unfortunately, the data shows many businesses have not heard of the creative deals they would be able to offer through the Local Frequency App, as well as the ability to reward customer loyalty and keep money spent in Juneau within the local economy. Word-of-mouth is the best method for reaching business owners, as well as social media and testimonials from local participating businesses. Traditional methods such as broadcasting on local radio stations and posting flyers have been the least effective in spreading information about potential game-changing initiatives like the Local Frequency App.

Businesses in the food/beverage service industry were most likely to have heard of the opportunity through social media at 33%. The hospitality industry was most likely to have discovered it at a local participating business at 28%.

SUMMARY OF FINDINGS

Overall Juneau's businesses have worked hard to adapt to the changing business environment brought on by the pandemic. The survey showed that employment has held steady through the pandemic, which was backed up by hiring additional employees being listed as the most pressing need for businesses. A shortage of applicants when recruiting was the largest hiring challenge for most businesses as well. Businesses have adapted by offering higher wages and more flexible hours, which will benefit Juneau's workforce.

One area that Juneau businesses could improve is in the offering of additional training and educational opportunities. Many businesses offer few incentives or benefits when it comes to training or educating their employees beyond what is needed for their current position. There are some positive signs, with many businesses interested in starting or expanding mentorship programs, especially if resources can be made available for them to take advantage of.

The pandemic and its induced supply chain issues continue to be a concern for businesses. Most have responded by requiring or encouraging vaccines and testing, which will help with the recovery. The local, state, and federal aid programs have helped businesses stay afloat and while most businesses want to return to the pre-pandemic normal, a significant number plan to keep at least some of the changes they have made post-pandemic.

Juneau remains a tight-knit community, a strength that will help it recover from the pandemic. By far the largest method of recruiting new employees was word-of-mouth. When recruiting, employers first looked for local applicants. Businesses also were most likely to have heard about the Local Frequency App through word of mouth-as-well. This shows that the community of Juneau watches out for and helps each other.

APPENDIX 1: SURVEY QUESTIONS

| | |
|----|--|
| 1 | In what sector does your organization primarily operate? |
| 2 | What is your NAICS code (if known)? |
| 3 | What is your organization's entity type? |
| 4 | Please indicate the time of year your organization operates. |
| 5 | In what year did your business open? |
| 6 | Approximately how many employees did your organization employ as of July 31, 2020? |
| 7 | Approximately how many employees did your organization employ as of July 31, 2021? |
| 8 | Approximately how many employees did your organization employ as of November 30, 2021? |
| 9 | If your organization is currently hiring additional employees, how many positions are you hiring for? |
| 10 | How does your organization advertise employment opportunities? |
| 11 | It has been difficult to find qualified applicants for open positions. What have been your major challenges when hiring? |
| 12 | What strategies have you used to attract and retain employees during the pandemic? |
| 13 | What skills, knowledge, or certifications are hardest to fill at your business ("hard skills")? |
| 14 | What are the personal characteristics of the most successful employees (or most keenly sought after) at your business ("soft skills")? |
| 15 | How significant are each of the workforce elements listed below to operating your business in Juneau? <ul style="list-style-type: none"> • The quality of local high school graduates • The quality of local university undergraduates • Job-readiness of entry-level workforce • Availability of semi-skilled workforce • Availability of professional and technical workforce |
| 16 | When you search to fill positions, what percentage of your successful recruitment is from individuals who currently reside in Juneau? |
| 17 | Can the positions that you are hiring for obtain the necessary skills in Juneau? |
| 18 | What training opportunities does your organization offer to your employees? |
| 19 | Does your organization offer educational tuition reimbursement to your employees? |
| 20 | Does your firm offer internships, job shadowing, or any other mentorship programs to high school, college, and/or trade school students? |
| 21 | If your business does not currently offer mentorship programs, what barriers are preventing you from doing so? |
| 22 | If your business currently offers mentorship programs and would like to expand them, what barriers are preventing you from doing so? |
| 23 | What permanent changes have you made to your business in response to COVID-19 that you will continue to implement post-pandemic because they made your business stronger? |

| | |
|----|---|
| 24 | Do you require your employees to be vaccinated for protection against COVID-19? |
| 25 | Do you require your employees to get tested for COVID-19? |
| 26 | Have the various Local, State, and Federal COVID-19 aid programs adequately addressed your business's financial needs as the pandemic continues? |
| 27 | Describe any other unmet needs due to the pandemic that inhibit your business's recovery. |
| 28 | As you think about 2022 and the welfare of your business, what are your most pressing needs? |
| 29 | As you reflect on your experience opening and/or operating a business, what are some services to support entrepreneurs that you wish were available in Juneau? |
| 30 | What measures are you taking to make your business environmentally sustainable? |
| 31 | Please identify a business concept, innovation, or "big idea" that has impressed you recently. |
| 32 | What are topics of economic research you would be interested in seeing JEDC pursue? Over the last year, JEDC has produced material on education funding, childcare, local spending impacts, and the distribution of COVID-19 aid, among other topics. |
| 33 | If you have used the Local Frequency App, where did you learn about it? |