

The Juneau Economic Development Council Presents

The 2012 Juneau & Southeast Alaska ECONOMIC INDICATORS



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

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INSIDE PASSAGE



TOTEM



JUNEAU ECONOMIC DEVELOPMENT COUNCIL OVERVIEW

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MISSION

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

GOALS

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

JEDC PROGRAMS

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

SpringBoard Programs

Technology Transfer

SpringBoard is an Alaska-based program that helps transfer and commercialize U.S. Department of Defense technologies. SpringBoard staff identify and screen technologies for use in the private sector and look for technologies that can benefit Alaskan industry. Our Technology Transfer program also partners with the USDA Agricultural Research Service and the University of Fairbanks Office of Intellectual Property and Commercialization.

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

SpringBoard's STEM AK program provides educational enrichment opportunities for K-12 students and professional development for teachers to better prepare young people for the future. For example, JEDC offers *The Saturday Thing* in Juneau and implements FIRST Robotics in twenty-five school districts around the state.

Southeast Cluster Initiative

Partnering with the USDA in 2011, JEDC assembled and facilitated the work of four Cluster Working Groups in three established and one emerging industry sector: Ocean Products; Forest Products; Visitor Products; and Renewable Energy. In 2012, Mining Services and Supplies was added to the Cluster Initiative. The process is designed to remove barriers and make connections that will allow for growth in jobs and businesses in the specific areas.

Affordable Housing

JEDC serves as an important point of contact for public and community groups working to make Juneau's housing costs more affordable. We also support the Juneau Homeless Coalition.

Other JEDC Services

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

- **Research & Analysis** (including *Annual Economic Indicators*);
- **Southeast Alaska Revolving Loan Fund**, providing "gap financing" to new and expanding businesses;
- **Business Consulting Service**, giving small businesses low-cost access to highly qualified business experts;
- **Choose Juneau**, promoting Juneau as an attractive location for business, government, and retirement.
- **Wood Products Development Service**, offering statewide technical assistance for rural small businesses wishing to develop woody biomass fuels;
- **Sunday Market and Local Food Fest**, promoting locally grown produce and handmade products - *Alaska Grown*;
- **Downtown Revitalization**, supporting three engaged working groups in the Downtown Revitalization effort;
- **Maritime Festival**, Celebrating Juneau's History, Culture and Commerce;
- **Junior Achievement**, empowering Juneau's young people to own their economic success.

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JEDC.org



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October 2012

Dear Readers,

The Juneau Economic Development Council (JEDC) is pleased to make our 2012 edition of local and regional economic indicators available to you. We thank those groups and individuals that have shared information with us to make this publication possible, with special thanks to the Alaska Department of Labor. We are also extremely grateful to our corporate sponsors and the CBJ, whose generous support enables us to create this publication.

This year, JEDC celebrated its 25th year of service to the community and the region. From its inception, JEDC's mission has been to foster a healthy and sustainable economic climate in Juneau and Southeast Alaska. In Juneau, JEDC hosts the Juneau Maritime Festival and is engaged in downtown revitalization, affordable housing issues, access to child-care and transportation for low-income workers. JEDC supports entrepreneurship through programs like Junior Achievement in our schools, offers business-consulting services and makes loans to small businesses.

Regionally, JEDC developed and supports the Southeast Alaska Cluster Initiative, which has identified and began addressing key issues in the mining services, oceans, visitor and renewable energy industries. We work statewide with the Alaska Forward Initiative to improve the competitiveness of Alaska's industries. JEDC delivers STEM (Science, Technology, Engineering and Math) education opportunities to over 20 school districts. JEDC's technology transfer program helps Alaska's private sector access new technologies and innovations developed in taxpayer-funded federal laboratories.

We welcome your ideas for economic development in Juneau and the region, and how our organization can better serve the community. Please call or email us (bholst@jedc.org) to become part of the conversation and sign up for JEDC News to learn about our efforts. Visit us at JEDC.org.

Regards,

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

Kurt Fredriksson
Chair, Board of Directors

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

Brian Holst
Executive Director, JEDC

Contents

Juneau by the Numbers 2011	2
Southeast Alaska by the Numbers 2011	3
Juneau Economy Overview	4
Southeast Alaska Overview	6
Employment and Earnings	7
Self-employed/Sole Proprietors.....	10
Government Employment	11
Southeast Alaska Employment and Wages	13
Unemployment.....	14
Personal Income	15
Non-resident Employment.....	19
Income Equality	20
Demographics	23
Juneau and Regional Population Trends.....	23
Racial Composition.....	26
Migration and Resident Transiency	28
Population Projections	29
Median Age.....	30
Juneau Voter Registration	32
Health Statistics	33
Education	34
Juneau School District Enrollment.....	34
University of Alaska Southeast Enrollment.....	35
Educational Attainment.....	35
Cost of Living	37
Energy Costs	38
Housing	40
Juneau Housing Sales and Prices	40
Residential Construction.....	42
Business Sales and Tax Revenue	45
Tax Revenues	46
Travel and Visitor Industry	48
Health Care	54
Natural Resources and Mining	56
Seafood Industry	60
Commercial Harvest in Southeast Alaska.....	61
Seafood Processing in Southeast Alaska	66

Juneau by the Numbers 2011

	2011	% Change from 2010	
Employment and Wages – All Sectors			
Total Employment	18,057	↑	0.7%
Total Government Employment	7,381	↓	-0.7%
Total Private Sector Employment	10,676	↑	1.7%
Total Payroll (\$ Million)	\$816.5	↑	1.7%
Average Wage	\$45,216	↑	3.3%
Unemployment	5.30%	↓	-8.6%
Industry Employment			
Natural Resources and Mining	670	↑	20.5%
Fishermen and Crew (Juneau Residents)	764	↑	10.9%
Health Care & Social Assistance	2,202	↑	2.2%
Tourism	2,171	↑	0.4%
State of Alaska	4,272		0.0%
Demographics			
Population	32,290	↑	3.2%
Median Age	38.0		0.0%
Business Sales			
Gross Business Sales (\$ Billion)	\$2.3	↑	11.7%
Schools			
K-12 School District Enrollment	4,895	↓	-1.5%
Fall University of Alaska Southeast Enrollment (Juneau campus)	2,386	↓	-3.1%
Housing			
Average Rent in Juneau	\$1,158	↑	0.8%
Average Cost of Single Family Home	\$329,974	↑	3.2%
Starts: New Housing Units Permitted	47	↓	-14.5%
Transportation			
Cruise Passenger Arrivals	876,000		0.0%
Alaska Airlines Passenger Arrivals	258,716	↑	2.4%
Ferry Passenger Arrivals	76,027	↓	-2.5%
Small Air Passenger Arrivals	32,499	↓	-2.4%

Sources: Alaska Department of Labor, Research and Analysis Section; Alaska Department of Education and Early Development; University of Alaska; Southeast Alaska Multiple Listing Service; Alaska Marine Highway System; Juneau International Airport; McDowell Group and Cruise Line Agencies of Alaska; Bureau of Transportation Statistics; US Census 2010; Alaska Department of Fish and Game; City and Borough of Juneau CAFR 6/30/2011. Note: "Tourism" includes Air, Scenic, and Sightseeing Transportation; and Leisure and Hospitality industry categories.

Southeast Alaska by the Numbers 2011

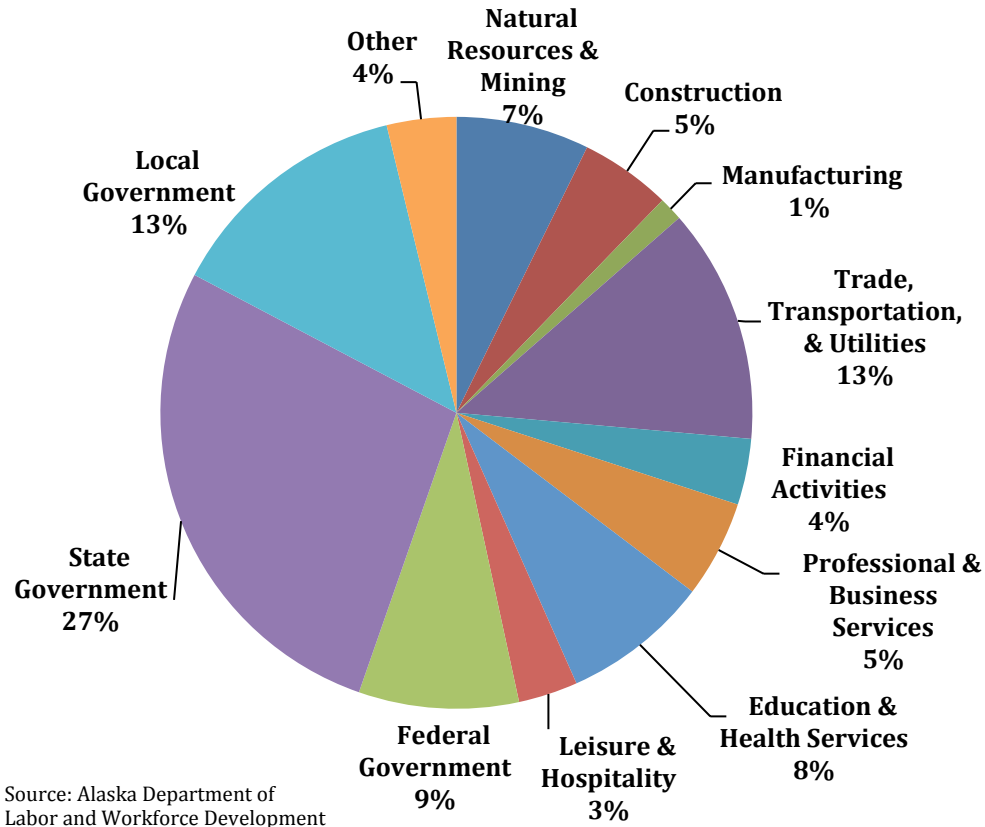
	2011	% Change from 2010	
Employment and Wages - All Sectors			
Total Employment	36,968	↑	1.0%
Total Government Employment	13,347	↓	-1.1%
Total Private Sector Employment	23,621	↑	2.2%
Total Payroll (\$ Billion)	\$1.547	↑	3.5%
Average Wage	\$41,839	↑	2.3%
Unemployment	7.3%	↓	-5.2%
Industry Employment			
Health Care	3,138	↑	1.4%
Travel, Leisure and Hospitality	5,268	↑	0.8%
State of Alaska	5,560		0.0%
Local Government	6,076	↓	-1.5%
Demographics			
Population	73,526	↑	2.3%
Non Juneau Regional Population	41,236	↑	2.1%
Median Age	39.4	↑	1.1%
Schools			
Fall University of Alaska Southeast Enrollment (All Campuses) ³	3,977	↑	0.5%
Housing			
New Housing Units	139	↑	5.4%
Commercial Seafood Industry			
Pounds Landed (all commercial pounds)	395,628,268	↑	41.4%
Total Salmon	327,014,708	↑	56.3%
Ex-Vessel Value	\$391,092,684	↑	34.1%
Fishermen and Crew (Residents)	5,017	↑	8.0%

Sources: Alaska Department of Labor; University of Alaska; Alaska Department of Fish and Game; Bureau of Transportation Statistics; McDowell Group and Cruise Line Agencies of Alaska

Juneau Economy Overview

The sectors employing Juneau residents include government, health care, tourism, mining and seafood. In addition, Juneau is a regional center providing goods and services to neighboring communities. Local and regional activities fuel employment in industries such as transportation, wholesale and retail trade, health care, financial activities, and professional and business services. Despite growing diversification, the core of Juneau's economy is government. Including state, federal, local and tribal employment, 41% of all jobs (7,381) are in government. Juneau's government workers earned \$405 million in 2011—nearly half of all Juneau wages. Retail trade (1994 jobs), healthcare (1797 jobs) and leisure and hospitality (1459 jobs) are the top three private employers with 29% of jobs. However, workers in these three industries combined took home \$144 million in wages, only 18% of total wages.

2011 Juneau Earnings by Industry¹



¹ The earnings reported by ADOL above are for civilian, nonfarm employment. They exclude active military jobs and self-employed workers such as commercial fishermen and sole proprietors of businesses with no employees.

The State of Alaska remains the most important source of Juneau jobs and income, accounting for a quarter of all direct local employment (4,272 average annual jobs) and 27% of total payroll. Within state government, the Department of Transportation and Public Facilities is the largest employer, with nearly 750 employees. The Juneau School District is the largest city employer, with over 700 employees. The largest Federal government employer in Juneau is the U.S. Coast Guard, with 350 employees, 275 of which are active military.

Tourism, as a whole, is Juneau's largest private-sector employer, with 2,171 annual average employees. In 2011, over 1.24 million passengers arrived in Juneau by airplane, cruise ship, or ferry: approximately 876,000 passengers arrived by cruise ship, 76,000 passengers arrived via ferry, and 291,000 arrived in Juneau via small and large plane. Airline arrivals were up by about 2%, cruise volume held level, and ferry passenger arrivals decreased by 2.5%.

Juneau's two operating precious metal mines have 611 employees (325 are Juneau residents) and a payroll of about \$56 million annually. The Hecla Greens Creek Mining Company, whose mine is on Admiralty Island, is the second largest silver producer in North America and the sixth largest in the world. The Kensington, which began operations in June of 2010, is expected to produce 125,000 ounces of gold annually.

Jobs in the health care industry account for 1,797 local jobs with an annual payroll of \$65 million. Construction work contributed 655 jobs and \$40.6 million to the local economy in 2011. The Juneau retail trade sector employed 1,994 with a payroll of \$52 million.

The seafood industry (commercial fishing, fish processing and hatchery production) constitutes another important sector of the local economy. Juneau's commercial fishing fleet harvests a wide variety of seafood including salmon, halibut, black cod, rockfish, shrimp, crab, herring and ground-fish. About 760 Juneau residents fish commercially (as permit holders, or crew), landing 22.7 million pounds of fish with a value of \$26.4 million in 2011. In 2011 there were eight shore based seafood processing facilities in Juneau that collectively processed 15.9 million pounds of product, with a wholesale value of \$50.3 million.

The combined economic importance of Juneau-based Alaska Native organizations and their activities is clearly significant to the local economy. Two of Alaska's larger Alaska Native Corporations, Sealaska Corporation and Goldbelt, Inc., are headquartered in Juneau, along with smaller village corporations such as Huna Totem Inc. and Kootznoowoo, Inc.

Southeast Alaska Overview

In general, the Southeast Alaska region gained population (2.6%), jobs (1%), and average annual wages (2.4%) between 2010 and 2011. Southeast population and wage growth was slightly higher than the state average, while employment growth was slightly lower.

Change in Population, Jobs and Wages in Southeast Alaska, 2010 to 2011

Borough/ Census Area	2011 Population	Change 2010-11	2011 Average Monthly Employment	Change 2010-11	2011 Average Monthly Wage	Change 2010-11
Haines Borough	2,620	4.5%	1,025	3.0%	\$2,706	-0.3%
Hoonah/Angoon	2,148	-0.1%	692	2.5%	\$2,621	0.5%
Juneau Borough	32,290	3.2%	18,057	0.7%	\$3,768	2.6%
Ketchikan Borough	13,686	1.6%	7,299	1.4%	\$3,431	1.1%
Petersburg	3,951	3.6%	1,667	1.0%	\$2,978	4.4%
Prince of Wales/ Hyder	5,814	4.6%	1,920	-1.2%	\$3,050	5.6%
Sitka Borough	8,985	1.2%	4,355	2.3%	\$3,295	2.6%
Skagway Municipality	965	-0.3%	790	-2.6%	\$3,332	3.7%
Wrangell Borough	2,411	1.8%	843	3.8%	\$2,994	3.8%
Yakutat Borough	656	-0.9%	320	1.9%	\$2,812	3.1%
Total Region	73,526	2.6%	36,968	1.0%	\$3,487	2.4%
Alaska	722,190	2.0%	328,566	1.6%	\$4,071	2.3%

Source: Alaska Department of Labor and Workforce Analysis.

Employment and Earnings

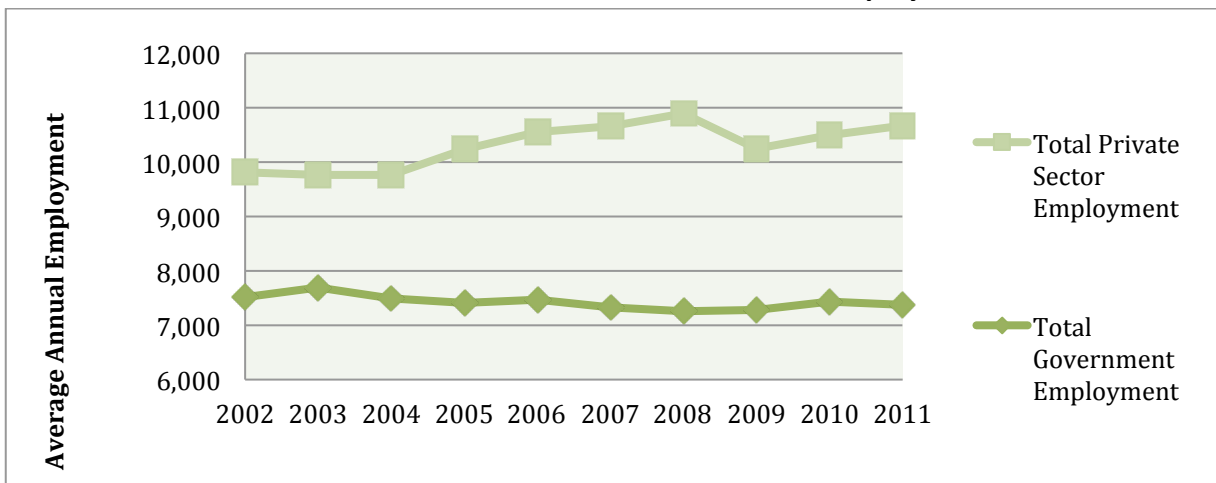


Photo Credit: Michael Penn/Juneau Empire

Between 2010 and 2011, Juneau gained 125 net jobs (0.7%) and average wages for all jobs increased by 2.6%. The private sector gained 180 jobs (1.7%) and an average of \$1,228 in salary (3.3%). The civilian government sector (not including active military) lost 55 jobs (-0.7%), but average employee wages increased 2.4%.

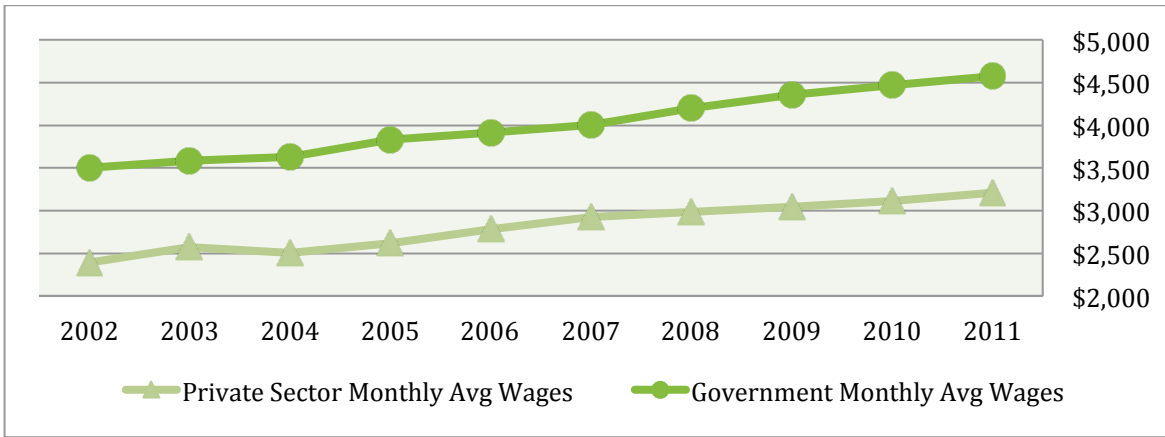
A ten-year historical perspective (2002-2011) on employment trends in Juneau shows a growth rate of less than one percent for private sector employment and nearly level total government employment over the ten-year period. Wages, however, have increased steadily during this time. During this period, the growth rate has been 3.0% for monthly average wages for the private sector and 2.7% for the government sector.

Juneau Private and Government Sector – Ten-Year Employment Trend



Source: Alaska Department of Labor and Workforce Development

Juneau Private and Government Sector – Monthly Average Wages Trend



Source: Alaska Department of Labor and Workforce Development

Juneau Employment by Industry, 2011

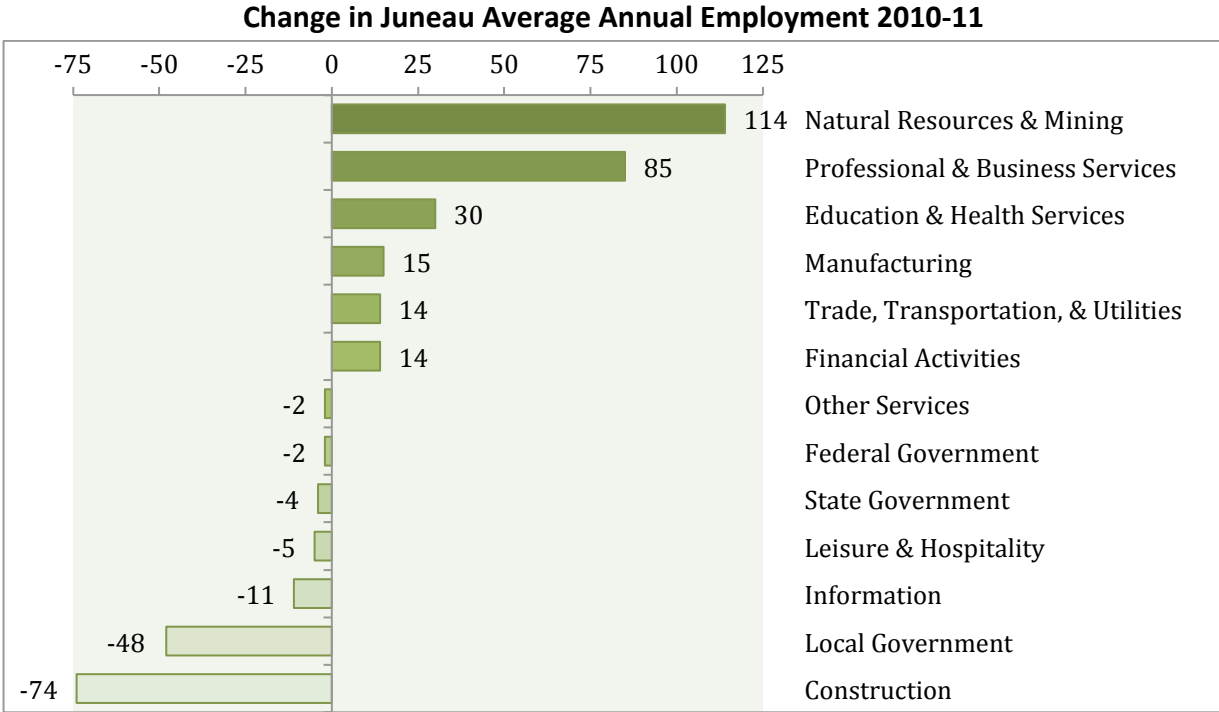
	2011 Average Monthly Employment	Change in Employment 2010-11	2011 Average Annual Wage	Change in Average Wage 2010-11
Private Sector	10,676	1.7%	\$38,544	3.3%
Natural Resources & Mining ²	670	20.5%	\$88,668	-2.8%
Construction	655	-10.2%	\$61,980	3.2%
Manufacturing	294	5.4%	\$36,312	3.1%
Trade, Transportation, & Utilities	3,288	0.4%	\$31,908	3.6%
Information	234	-4.5%	\$49,140	4.2%
Financial Activities	622	2.3%	\$47,400	-0.6%
Professional & Business Services	1,003	9.3%	\$43,164	5.8%
Education & Health Services	1,826	1.7%	\$35,928	1.0%
Leisure & Hospitality	1,459	-0.3%	\$18,168	6.3%
Other Services	625	-0.3%	\$31,416	0.1%
Total Government	7,381	-0.7%	\$54,876	2.4%
Federal Government	838	-0.2%	\$85,212	-1.6%
State Government	4,272	-0.1%	\$52,308	2.7%
Local Government	2,272	-2.1%	\$48,504	4.0%
Total Employment	18,057	0.7%	\$45,216	2.6%

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

² The employment counts above are for civilian, nonfarm employment. They exclude active military jobs (275 Coast Guard jobs), and self-employed workers such as commercial fishermen and sole proprietors of businesses with no employees. This impacts the totals reported for Private Sector, Total Government, Federal Government and Total Employment.

Looking at industry sectors, private businesses producing goods gained a net of 55 jobs and private businesses providing services gained 125 jobs over 2010. Industry sectors with the greatest change in employment over the year are summarized below.

- The Natural Resources and Mining sector continues to see an increase in employment, gaining 114 jobs (20.5%) between 2010 and 2011. Average annual wages in that sector dropped by 2.8% (not considering inflation) over the same time period, suggesting that the jobs added paid lower than the average wage for the sector. As in past years, this sector paid the highest average annual wage in Juneau, at \$88,688 per year.
- Professional and Business Services gained 85 jobs for a 9.3% increase over the prior year. That sector had a 5.8% increase in annual average wages over the year.
- The Education and Health Services sectors gained a total of 30 jobs over 2010 and had an increase in average annual earnings of 1%.
- The Construction industry lost 74 positions between 2010 and 2011. Average annual wages increased just enough over the year (3.2%) to compensate for inflation. Construction jobs ebb and flow with particular projects and do not always denote a trend.
- Government sectors lost a total of 55 jobs over the year, with Local Government (which includes the local school district and locally-based tribal governments) losing 48 of those jobs. Federal government paid the second highest average annual wage in Juneau in 2011 (\$85,212), but that average was 2.1% lower than it had been in the prior year. Local Government gained 4% in average annual wages over the year.



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

Self-employed/Sole Proprietors

Employment and earnings data provided by the Alaska Department of Labor and Workforce Development (ADOL) include only counts of civilian, nonfarm workers and are derived from unemployment insurance coverage data. Consequently, active military and owners of businesses that have no paid employees (so do not have to file for unemployment insurance), such as commercial fishermen, are not counted in employment and earnings data. Active military personnel and fishermen's contributions to Juneau's economy are discussed in more detail in other sections of this report.

Owners of businesses with no paid employees are sometimes called sole proprietors and sometimes called self-employed, although none of these are exactly the same. The U.S. Census Bureau's American Community Survey provides information on businesses with no paid employees. These are the business owners whose self-employment activity would not be counted in ADOL employment and earnings data. Below is the latest available data on Juneau Borough resident businesses with no paid employees.

Juneau Self-employed Statistics, 2010

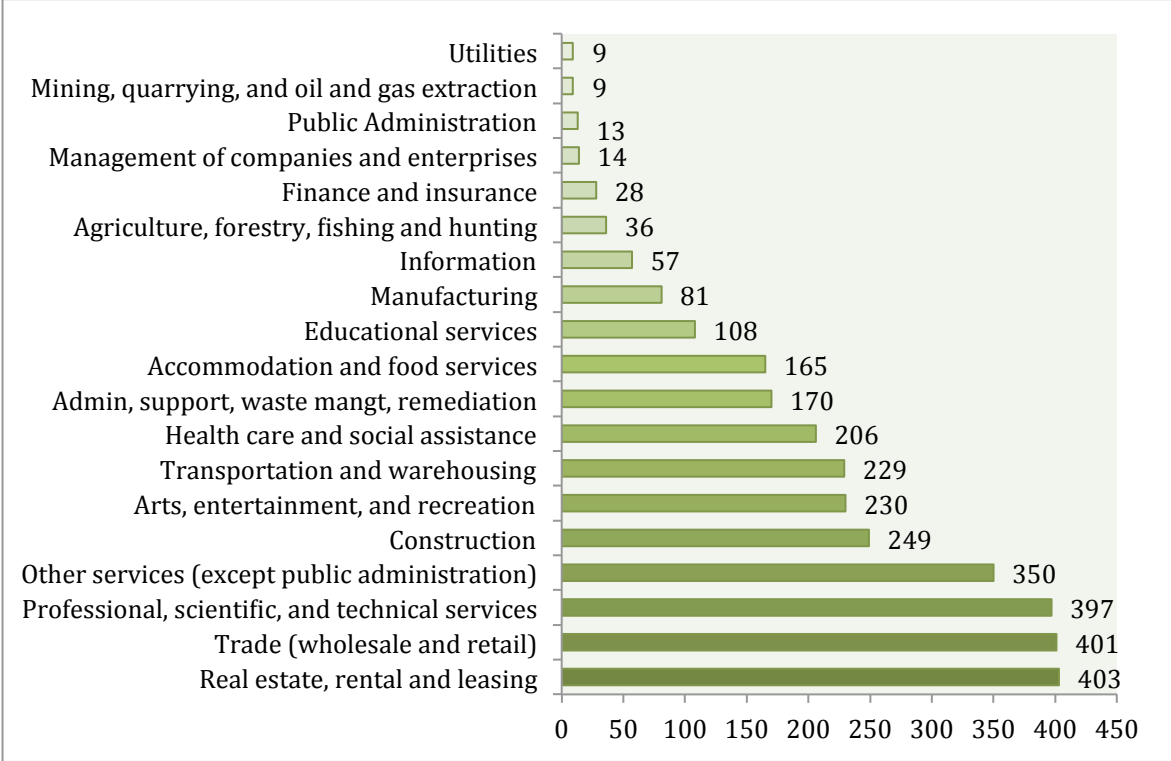
	Income Tax Returns Filed	Receipts (\$1,000)	Average Gross Revenue
Real estate and rental and leasing	211	\$26,690	\$126,493
Wholesale trade	22	\$2,703	\$122,864
Construction	243	\$16,757	\$68,959
Agriculture, forestry, fishing and hunting	332	\$19,781	\$59,581
Mining, quarrying, and oil and gas extraction	8	\$426	\$53,250
Finance and insurance	39	\$2,023	\$51,872
Transportation and warehousing	101	\$5,217	\$51,653
Professional, scientific, and technical services	439	\$18,482	\$42,100
Health care and social assistance	195	\$7,799	\$39,995
Accommodation and food services	65	\$2,442	\$37,569
Other services (except public administration)	193	\$6,829	\$35,383
Information	42	\$1,254	\$29,857
Retail trade	178	\$4,707	\$26,444
Administrative and support and waste management and remediation services	146	\$3,799	\$26,021
Manufacturing	49	\$1,021	\$20,837
Utilities	4	\$76	\$19,000
Arts, entertainment, and recreation	182	\$3,178	\$17,462
Total for all sectors	2,557	\$124,526	\$48,700

Source: Non-employer Statistics, US Census Bureau, American Community Survey

Since the ADOL employment and earnings data counts jobs, not people, it is possible that some of the self-employed people counted above work only part-time in their business and also work part-time for an employer, so both are counted in both sets of numbers. In 2010, 2,557 Juneau Borough residents reported themselves as self-employed with no paid workers. These businesses had revenue of nearly \$125 million in that year. Professional, scientific, and technical services (which includes consultants and lobbyists) had the most businesses, with 439 tax returns. Real estate, rental and leasing appears to be the most lucrative type of self-employment, followed by wholesale trade.

There are 3,155 active Alaska business licenses in the Juneau Borough in 2012 (Note: this figure does not include the number of Juneau residents who fished, which was 764 in 2011, as listed on p. 64). While these owners are considered self-employed, many of them may have paid employees, so these business owners would appear in both the ADOL and the U.S. Census Bureau’s American Community Survey data. Of these businesses licensed in the Borough, nearly 50% were concentrated in four industries: real estate, rental and leasing; wholesale and retail trade; professional, scientific and technical services; and other services. The remaining 50% were spread across 15 other industry categories.

Active Juneau Business Licenses, 2012



Source: Alaska Department of Commerce, Community and Economic Development, Business Licenses Database

Government Employment

In 2011, almost 41% of all jobs in Juneau were government jobs and those jobs accounted for just under 50% of wages paid. State government accounted for almost 24% of Juneau

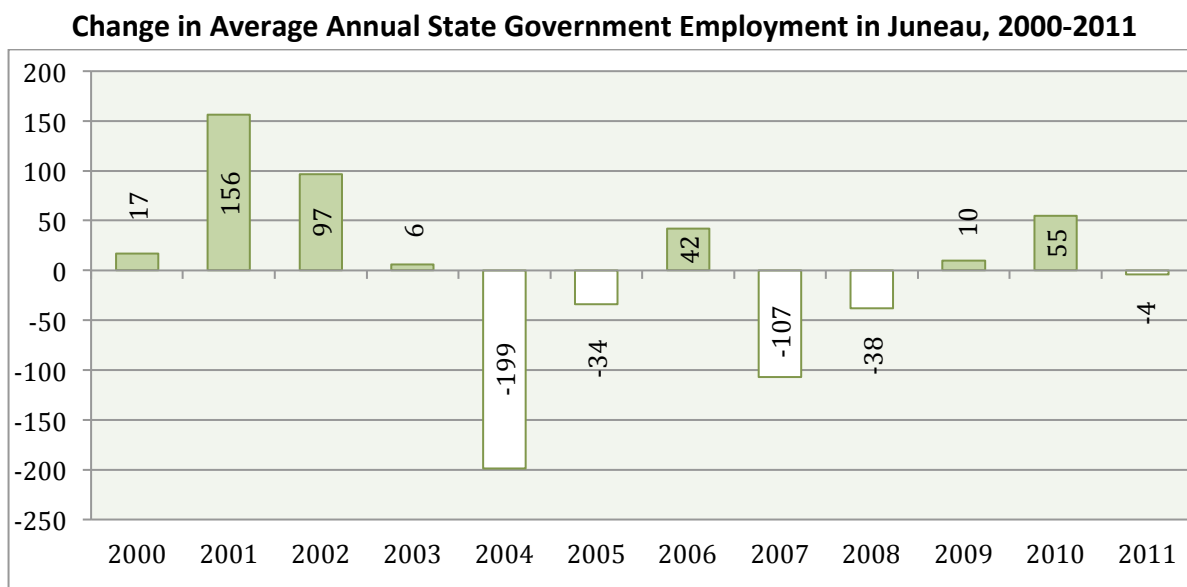


jobs and just over 27% of Juneau wages. In 2011, both State and Federal employment in Juneau remained relatively stable. State government employed 4,272 people and lost only 4 jobs between 2010 and 2011. A turnaround in State jobs transferring out of Juneau began in 2010 and, between 2010 and 2011, 14 net State jobs were transferred into Juneau. The Federal government employed 838 workers in Juneau in 2011, for a loss of only 2 jobs over 2010. Local government (which includes the local school district and locally-based tribal governments) lost the most jobs over the year. While local government lost 48 jobs (2.1%), they gained 4% in average annual wages over the year.

State Government Employment

State government accounts for nearly a quarter of all Juneau jobs. Juneau State employees were paid an average wage of \$52,308, about 16% higher than Juneau’s overall average wage (of \$45,216) and about 36% higher than Juneau’s average private sector wage (of \$38,544).

The largest State employer in Juneau is the Alaska Department of Transportation and Public Facilities with nearly 750 employees. The Department of Health and Social Services is the next largest employer with more than 550 employees, followed by the Department of Administration with just under 500 employees.



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

Federal Government Employment

Twenty-seven federal agencies have operations in Juneau. The US Coast Guard has the largest employment presence in Juneau with 350 employees, 275 of which are active military, so are not counted in the Alaska Department of Labor’s employment count. When active military jobs are included with all federal employment, that sector accounted for 1,113 jobs in Juneau in 2011 with a payroll of \$95 million. The Federal government accounted for 6% of all Juneau jobs and 12% of all local wages. Juneau Federal employees

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

Active Military - U.S. Coast Guard

Because active duty Coast Guard employment is excluded from ADOL data, the full economic impact that the Coast Guard has on the community of Juneau has often been overlooked. The Coast Guard is Juneau’s top Federal employer and has a significant economic impact on our community.

In 2012, there were about 350 Coast Guard working in Juneau (annual average employment). This figure included 275 active-duty Coast Guard employees and 75 non-uniformed, civilian personnel. Civilian personnel include Coast Guard MWR (morale, welfare and recreation) employees and Department of Transportation employees.



The total Coast Guard payroll in Juneau for 2010 was \$29.5 million. The average Coast Guard annual wage is \$81,267.

The agency has five vessels stationed in Juneau, including the U.S. Coast Guard Cutter Liberty, stationed at Auke Bay, a 110 ft. long cutter that performs a variety of missions, including search and rescue, fishing

enforcement and security and escort functions. The Coast Guard also maintains two medium (45 ft. long) and two small (25 ft. long) response boats that are based at the U.S. Coast Guard dock on Egan Drive near Downtown. These boats perform emergency response and escort functions. The U.S. Coast Guard Station Juneau performs 100 to 150 search and rescue operations and about 300 law enforcement boardings (recreational, boating safety, fisheries and Homeland Security missions) per year.

Southeast Alaska Employment and Wages

In 2011 the total number of jobs in Southeast Alaska grew by 1% to 36,968, about the same gain as last year. Average annual wages for those jobs increased by 2.3%, which was not enough to keep up with the 3.2% inflation (Anchorage CPI-U), so Southeast Alaska workers lost earning power between 2010 and 2011. The private sector fared better than the public sector in 2011, experiencing a 2.2% increase in jobs, while government jobs fell by 1.1%. While those job losses occurred in all government sectors, they were more pronounced in

the Federal government sector. All government sectors had gains in average annual wages, with the greatest increase occurring in local government.

Employment by Industry

Employment in natural resources and mining businesses grew by nearly 14%, however, the average annual wages for those workers decreased slightly. Manufacturing jobs increased by over 7% and average annual wages paid in those jobs kept up with inflation by increasing 3.2%.

Total Southeast Alaska Employment by Industry 2010-11

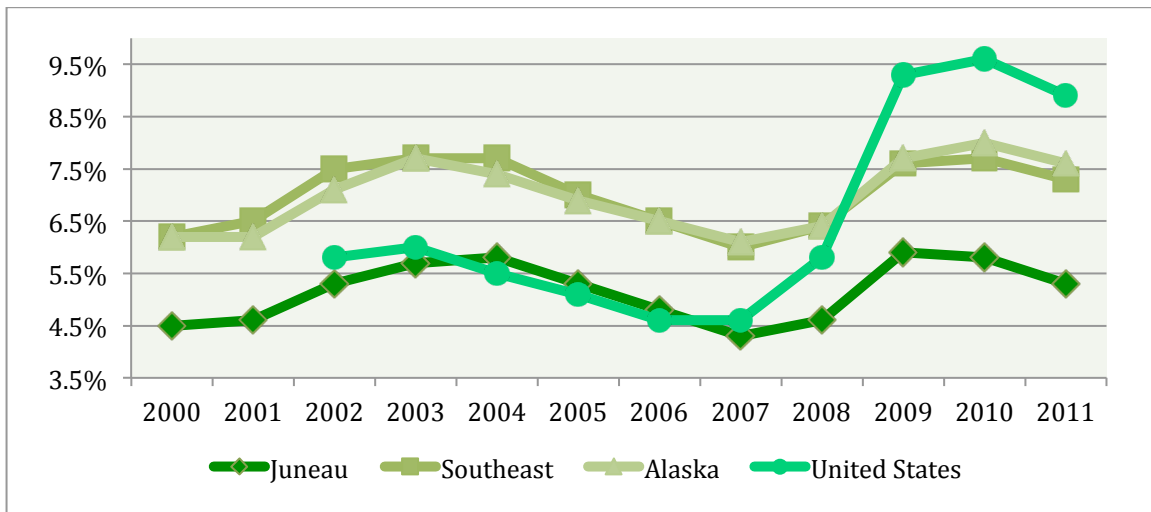
	Annual Average Employment 2011	Change in Employment 2010-11	Average Wage 2011	Change in Average Wage 2010-11
Private Sector	23,621	2.2%	\$36,706	2.8%
Natural Resource & Mining	1,081	13.8%	\$74,336	-0.5%
Construction	1,427	0.8%	\$59,673	-1.0%
Manufacturing	2,044	7.2%	\$37,230	3.2%
Trade, Transportation, & Utilities	7,094	-0.5%	\$32,070	3.6%
Information	442	-3.6%	\$42,870	4.0%
Financial Activities	1,319	0.3%	\$44,510	0.2%
Professional Business Services	1,540	6.2%	\$43,042	4.5%
Education & Health Services	3,953	3.6%	\$39,305	0.9%
Leisure & Hospitality	3,484	0.6%	\$19,744	4.0%
Other Services	1,214	-1.7%	\$24,218	1.1%
Total Government	13,347	-1.1%	\$50,925	2.3%
Federal Government	1,711	-2.9%	\$75,974	0.7%
State Government	5,560	-0.1%	\$51,391	2.5%
Local Government	6,076	-1.5%	\$43,444	3.2%
Total Employment	36,968	1.0%	\$41,839	2.3%

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

Unemployment

Juneau's unemployment rate tends to be significantly lower than the state, region or nation. Juneau's average 2011 unemployment rate was 5.3% compared to 7.6% for Alaska and 8.9% for the nation.

Annual Unemployment Rates, 2000 – 2011 (not seasonally adjusted)



Source: Alaska Department of Labor and Workforce Development.

Unemployment rates peaked in 2009 and 2010 and are now falling slightly as the economy stabilizes. Over the recent economic recession, Alaska and, to a greater extent, Juneau seem to have fared better and retained more jobs than the nation as a whole. Recent increased migration to Alaska and Juneau may have resulted from our relatively stronger economy and availability of jobs.

Personal Income

Total personal income for all Juneau residents in 2010 came to \$1.61 billion. Growth from 2009 to 2010 was 8.8%, showing a strong rebound from the 3% dip experienced in 2009. Since 2000, personal income has grown at a rate of 3.9% for Juneau. Total personal income has grown at a rate of 3.4% for the region but at a more robust 5.4% for the state. Personal income comes from several sources. Employment related income generally accounts for the majority of personal income. Another source of personal income is “transfer payments” that include the Alaska Permanent Fund Dividend (PFD), Medicare and public assistance medical payments, government retirement income, social security, food stamps and unemployment insurance payments. Residents also receive income from dividends (other than the PFD), interest and rent.

Total Personal Income, 2000-10 (millions)

	2000	2009	2010	Growth 2000-10	Change 2009 2010
Juneau	\$1,097	\$1,480	\$1,610	3.9%	8.8%
Southeast Alaska	\$2,383	\$3,189	\$3,333	3.4%	4.5%
Alaska	\$19,158	\$30,182	\$32,336	5.4%	7.1%

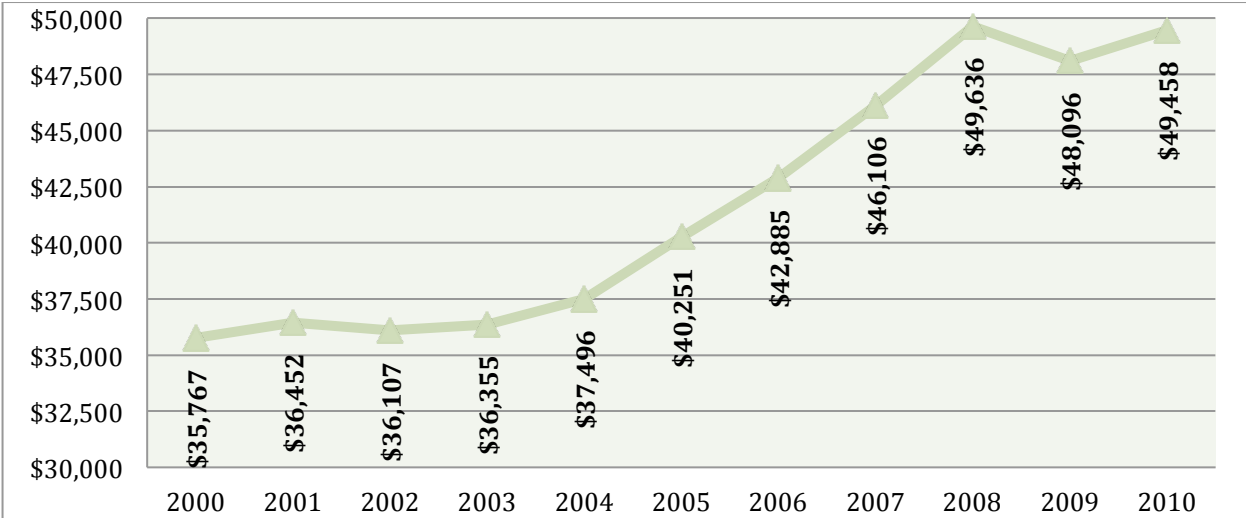
Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce.

Personal income data is provided by the U.S. Bureau of Economic Analysis (BEA). BEA data is derived from reports by employees and by individuals earning income by methods other than receiving salaries and wages. While BEA data reports earnings through wages and salaries as a separate category, it does not strictly correspond to wage and salary data provided by ADOL, which is derived from reports by employers. In particular, BEA wages earned includes the wages of active military personnel, real estate agents and home health care workers. Earnings by these workers are not included in ADOL data.

Per Capita Income

Juneau’s per capita personal income increased to \$49,458 in 2010, up 2.8% from the prior year and closely missing the previous high of \$49,636 reached in 2008.

Juneau per Capita Annual Personal Income 2000 - 2010



Source: U.S. Bureau of Economic Analysis

Regionally, the per capita personal income levels in Haines, Ketchikan, and Skagway were all higher than in Juneau. In addition to a large increase in population, the Haines Borough experienced a 22% increase in per capita personal income between 2009 and 2010. The Prince of Wales/Hyder Census Area experienced a 10% increase and Skagway Borough had a 9% increase in per capita income over the same time period. The communities of Wrangell, Yakutat, Ketchikan and Petersburg all had slight declines in per capita personal income in 2010.

Per Capita Personal Income for Selected Boroughs, 2009-10

Borough/Census Area	2009	2010	Change 2009-10
Haines City and Borough	\$50,001	\$61,270	22.5%
Hoonah-Angoon	\$35,990	\$36,519	1.5%
Juneau City and Borough	\$48,062	\$49,458	2.3%
Ketchikan Gateway Borough	\$51,850	\$51,266	-1.1%



Borough/Census Area	2009	2010	Change 2009-10
Petersburg Census Area	\$43,606	\$43,395	-0.5%
Prince of Wales-Hyder	\$28,479	\$31,349	10.1%
Sitka City and Borough	\$41,567	\$41,654	0.2%
Skagway City and Borough	\$53,005	\$57,832	9.1%
Wrangell City and Borough	\$35,197	\$34,316	-2.5%
Yakutat City and Borough	\$41,145	\$40,129	-2.5%
Southeast Region	\$44,839	\$46,520	3.7%
Anchorage Municipality	\$48,598	\$48,993	0.8%
Alaska	\$43,212	\$45,529	5.4%

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

In 2010, Juneau residents received 67% of their income through employee compensation (wages and benefits), the highest in the region, and Juneau closely follows Yakutat in having the lowest percent of self-employed residents (4%). Haines tends to have a high percentage of self-employed residents, receiving 41% of its earnings from business profits compared to only 32% from employer compensation. On average, Petersburg residents lead the region in income from investments, followed closely by Wrangell and Sitka. They receive about a fifth of their income from investments. Residents of the Hoonah/Angoon and Prince of Wales/Hyder Census Areas, and the Wrangell Borough receive over a quarter of their income from transfer payments. This analysis only considers monetary income, and does not account for subsistence activities. Subsistence harvest is, in a sense, income because it can reduce a resident's need for money.

Per Capita Income and Income by Type for Southeast Alaska, 2010

Borough/Census Area	Per Capita Personal Income³	Worker's Compen- sation	Business Profit⁴	Invest- ment⁵	Transfer Payments⁶
Haines City and Borough	\$61,270	32.4%	41.2%	12.1%	14.3%
Hoonah-Angoon	\$36,519	50.0%	6.0%	15.3%	28.7%

³ Compensation to Workers includes wages, salaries and employee benefits paid by the employer, such as health insurance premiums and retirement account contributions.

⁴ Business Profit is business income retained by business owners as profit. It also includes inventory valuation and capital consumption adjustments.

⁵ Income from Investment includes interest and dividends from private companies and rental income. Native Corporation dividends are included in this category.

⁶ Transfer Payments include payments from a government to an individual that is not payment for goods or services rendered. The Alaska Permanent Fund Dividends, Medicare and public assistance medical payments, government retirement income, social security, food stamps and unemployment insurance payments are included in this category.

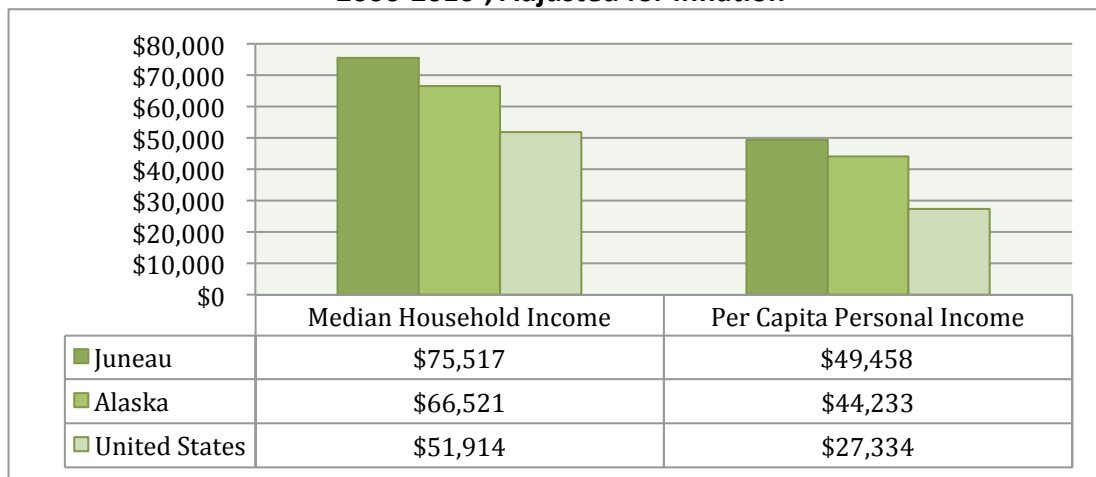
Borough/Census Area	Per Capita Personal Income³	Worker's Compensation	Business Profit⁴	Investment⁵	Transfer Payments⁶
Juneau City and Borough	\$49,148	67.3%	4.0%	15.8%	12.9%
Ketchikan Gateway Borough	\$51,266	56.4%	12.1%	15.2%	16.2%
Petersburg Census Area	\$43,395	45.2%	12.9%	21.4%	20.5%
Prince of Wales-Hyder	\$31,349	53.9%	5.6%	14.7%	25.8%
Sitka City and Borough	\$41,654	54.0%	10.3%	19.8%	15.9%
Skagway City and Borough	\$57,832	59.5%	12.1%	16.5%	12.0%
Wrangell City and Borough	\$34,316	45.9%	7.2%	20.3%	26.6%
Yakutat City and Borough	\$40,129	61.1%	3.9%	12.7%	22.2%
Total Region	\$46,520	59.0%	8.9%	16.3%	15.8%

Source: U.S. Bureau of Economic Analysis

Median Household Income

Below is a comparison of per capita personal income and median household income for Juneau, the state and the nation for 2010. Juneau's median household income was 45.5% higher than the national median and Juneau's per capita personal income was 80% higher than the national average in that year.

Annual Average Median Household and Per Capita Personal Income 2006-2010⁷, Adjusted for Inflation



Source: U.S. Census Bureau, American Community Survey

⁷ The U.S. Census Bureau's American Community Survey (ACS) develops information from a sample of the populations examined. The smaller the population examined, the smaller the sample size and the less accurate the data. The ACS presents data for one year and also for the average of the prior three years and the prior five years (generally adjusted for inflation if monetary values are considered). A five-year average of data gives a closer approximation of the sample to the total population when examining small populations.

Non-resident Employment

The distinction between resident and non-resident employee is determined by eligibility to receive an Alaska Permanent Fund Dividend, which requires a full year of residence. In reality, a new resident is eligible to vote after one month of residence. Some of the non-resident workers reported below could be new residents who intend to stay in Juneau long term, but have not yet completed the year of residency required to obtain a Permanent Fund Dividend.

Resident and Non-resident⁸ Workers and Earnings in Juneau, 2010

	Workers			Earnings (Millions)		
	Local Residents	All Non-Residents	% Non-Residents	Local Resident	All Non-Residents	% Non-Resident
State						
Government	4,110	514	11.1%	\$186.1	\$17.0	8.4%
Local						
Government	2,397	286	10.7%	\$104.0	\$6.4	5.8%
Private Sector	9,151	4,308	32.0%	\$298.8	\$94.7	24.1%
All Sectors	15,658	5,108	24.6%	\$588.9	\$118.1	16.7%

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

Juneau’s private sector has significantly higher levels of non-resident participation than the public sector. Non-residents account for nearly a third (32%) of all private sector employees and earned a quarter (24%) of all private sector wages in 2010. According to the ADOL, non-residents typically do not work all four quarters in a year, but instead work mainly during summer months or in other short-term seasonal positions (including legislative staffers from other parts of the state). The top private sector, non-resident occupations included retail salespersons, food preparation and service workers, and tour guides. In 2010, 5,108 non-locals (those from outside Alaska as well as Alaskans from outside Juneau) earned \$118 million in Juneau and accounted for nearly 25% of the Juneau non-federal workforce. This represented a 3.1% decrease (147 employees) in non-local employment over 2009. The percent of non-residents working in Juneau has been decreasing each year since 2007. (Federal employees are excluded from this study).

⁸ Alaska residency is determined by eligibility to receive an Alaska Permanent Fund Dividend, which requires a full year of residence.



**Non-local Alaska Resident and Nonresident Workers in Juneau
Private Sector, and State and Local Government, 2000-2010**

Year	Non-Alaska Resident Workers	Alaska Non-local Resident Workers	Total Non-Juneau Resident Workers	Total Wages for Non-Juneau Resident Workers
2000	2,403	1,396	3,799	\$57,799,064
2007	3,621	1,571	5,192	\$109,886,076
2008	3,571	1,617	5,188	\$104,154,139
2009	3,310	1,481	4,791	\$101,965,715
2010	3,177	1,467	5,108	\$118,100,000
Growth 2000-2010	2.8%	0.5%	3.0%	7.4%

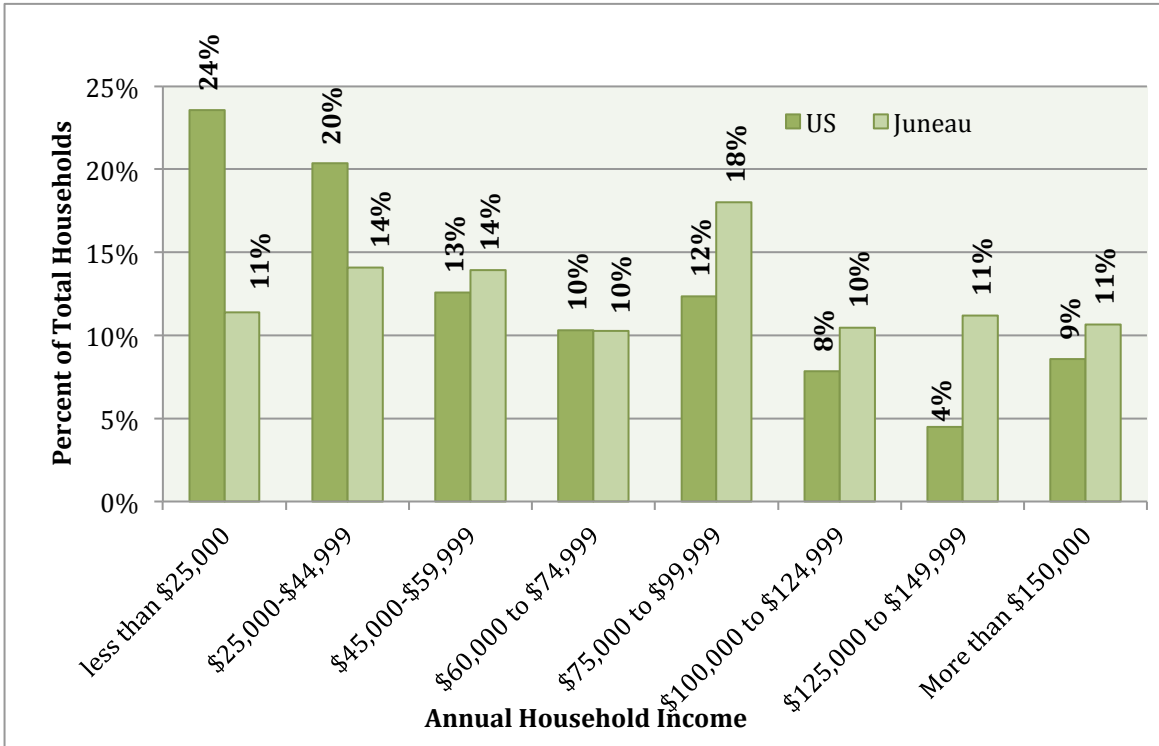
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

In the Southeast region, manufacturing, largely because of the seafood processing industry, was the largest industry employer of non-resident workers in 2010. Sixty-six percent of manufacturing workers were nonresidents. The agriculture, forestry, fishing and hunting industry (41.3% of industry workers), mining (39.7% of industry workers) and accommodation and food services (38.1% of industry workers) were the next highest, respectively. The largest driver of non-resident employment is the seasonality of Southeast's major industries of fishing and tourism. Companies in both the tourism and seafood processing industries find it difficult or impossible to fill all positions by local hire to meet their needs during periods of peak activity.

Income Equality

One way to compare income equality between Juneau and the U.S. as a whole is to look at the distribution of household income. The following chart compares levels of annual household income between Juneau and the nation by percentage in 2010. Only 24% of Juneau households earn less than \$45,000 annually, compared to 44% of households nationally; also, one half (50%) of Juneau households earn more than \$75,000 annually, compared to only one third (33%) of US households.

Annual Household Income by Percent of Households, 2010

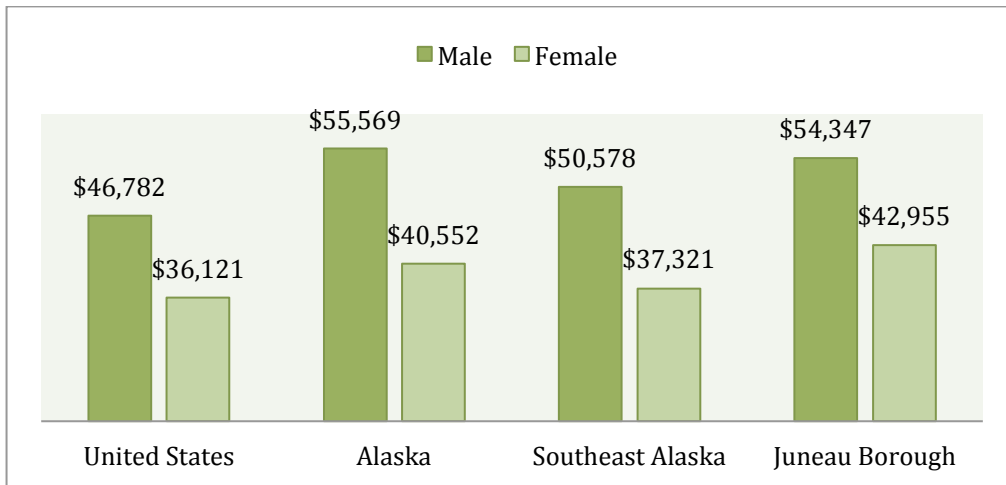


Source: U.S. Census Bureau, American Community Survey, Annual Average 2006-2010, adjusted for Inflation to 2010 dollars.

Juneau Gender Compensation

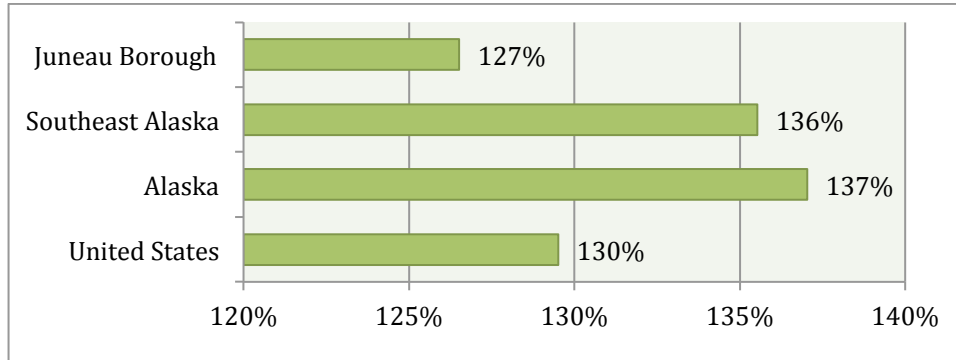
In 2010, the median full time year-round earnings for a female over 16 years of age in Juneau was \$42,955, while median full time year-round earnings for a male over 16 years of age was \$54,347. Compared to the U.S. as a whole, the median annual full time earnings were higher in Juneau – for both men and woman. Juneau women earn about 19% more than women nationally; men in Juneau earn 16% more than the national average for men.

Median Annual Earnings by Gender, 2010 for Full-time Year-round Workers Over Age 16 Years



Juneau men earned 27% more than women on average in 2010, which is lower than the national average of 30% more. Alaska men earned, on average, 37% more for full-time year-round employment than Alaska women. The disparity in earnings by gender in Juneau has narrowed since 2009, when men earned 42% more than women on average.

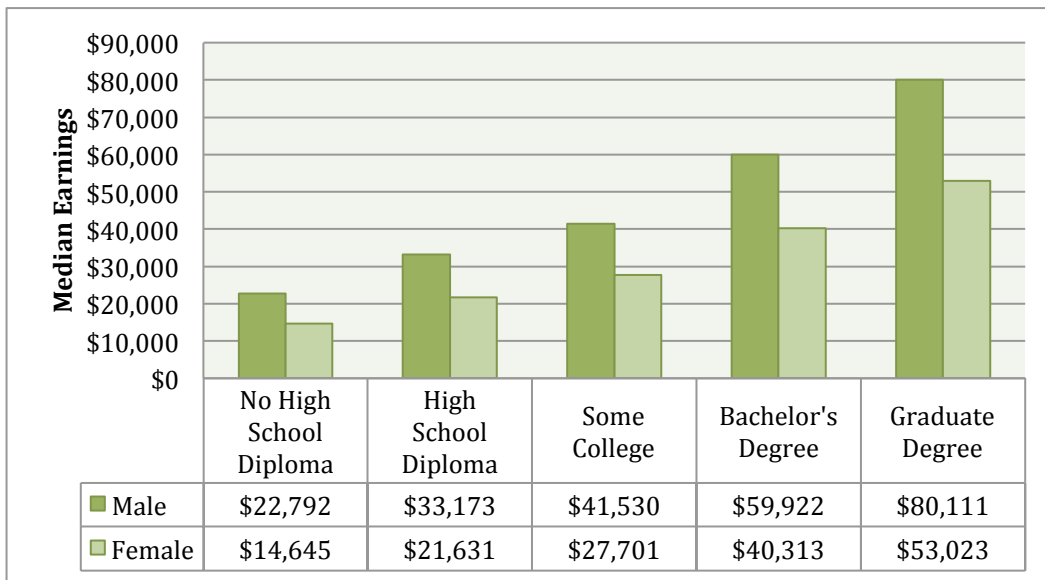
2010 Median Full-time Earnings by Gender, Men’s Percentage of Women’s Earnings



Source: U.S. Census Bureau, American Community Survey, average 2006 – 2010, adjusted for 2010 dollars.

Generally, the higher level of education a person has, the higher their pay, with men earning more than their female counterparts for each education level. In 2010, for all U.S. residents over 25 years of age with some earnings during the year, women with Bachelor’s Degrees earned less than men with some college but no Bachelor’s Degree. Women with a Graduate Degree earned about 11.5% less than men with just a Bachelor’s Degree.

Median Earnings by Educational Attainment for People 25 Years Old and Over with Annual Average 2006-2010 Earnings Adjusted to 2010 Dollars



Source: U.S. Census Data, American Community Survey Average for 2008 to 2010.

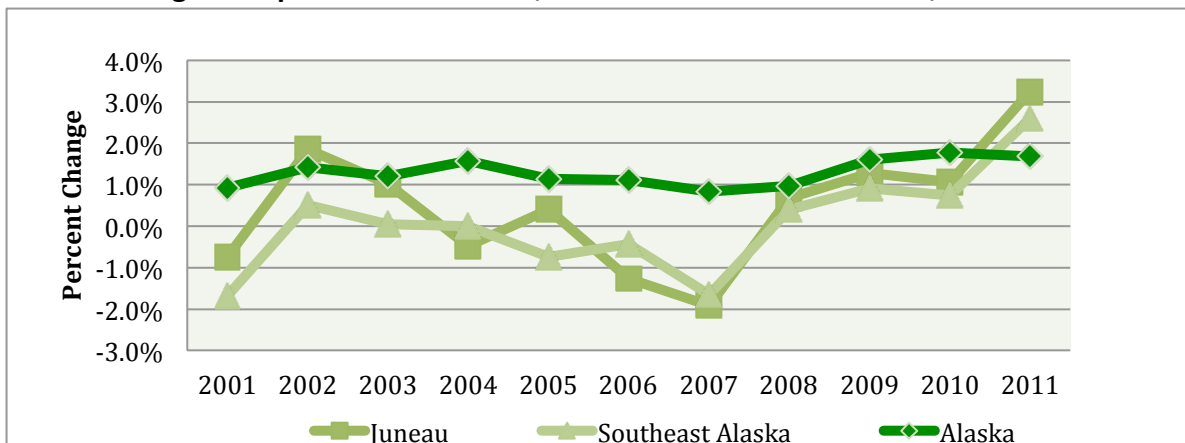
Demographics



Juneau and Regional Population Trends

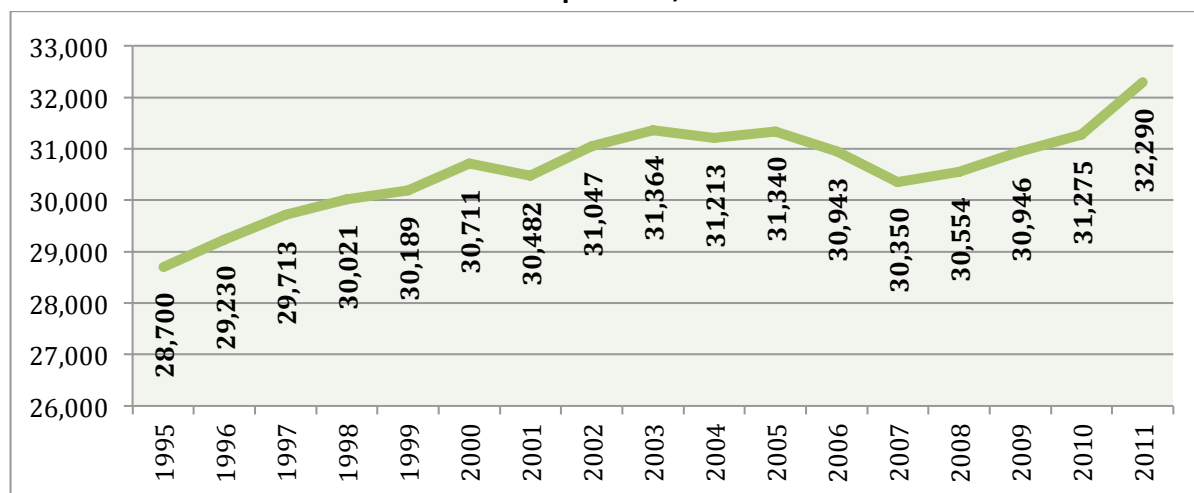
The State Demographer's Office recently released its 2011 estimates of population for Alaska communities. The population of the Southeast Alaska region grew by 2.6% over the previous year and, in most boroughs and census areas in the region, the population growth in 2011 far surpassed the annual average population growth between 2000 and 2011. The 2011 population increase was most pronounced in the Prince of Wales/Hyder Census Area (4.6%), the Haines Borough (4.5%), the Petersburg Census Area (3.6%), and the Juneau Borough (3.2%). Juneau's population passed its 2003 historic peak in 2011, increasing by 3.2% from 2010 to 32,290 residents. The state population increased by just 1.7% over the year. The exceptions to Southeast's 2011 growth spurt include the Yakutat Borough, the Skagway Municipality, and the Hoonah/Angoon Census Area, where the population remained flat.

Change in Population for Juneau, Southeast Alaska and Alaska, 2000 - 2011



Source: Alaska State Demographer, Alaska Department of Labor and Workforce Development.

Juneau Population, 1995 - 2011



Source: Alaska Department of Labor and Workforce Development

Southeast Borough and Census Area Population 2000-2011

Borough/ Census Area	2000	2010	2011	Change 2010- 2011	Average Annual Change 2000-2011
Haines Borough	2,392	2,508	2,620	4.5%	0.9%
Hoonah/Angoon	2,574	2,150	2,148	-0.1%	-1.5%
Juneau Borough	30,711	31,275	32,290	3.2%	0.5%
Ketchikan Borough	14,067	13,477	13,686	1.6%	-0.3%
Petersburg	4,260	3,815	3,951	3.6%	-0.7%
Prince of Wales/ Hyder	6,125	5,559	5,814	4.6%	-0.5%
Sitka Borough	8,835	8,881	8,985	1.2%	0.2%
Skagway Municipality	862	968	965	-0.3%	1.1%
Wrangell Borough	2,448	2,369	2,411	1.8%	-0.1%
Yakutat Borough	808	662	656	-0.9%	-1.7%
Southeast Region	73,082	71,664	73,526	2.6%	0.1%
Alaska	626,932	710,231	722,190	1.7%	1.4%

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

The following table compares the previous 50-year historic population peak (1960 to 2010) to the population in 2011 for selected Boroughs and Census Areas. We were not able to compare all Boroughs and Census Areas because of boundary changes over this time period. The Haines Borough population reached its historic peak in 2010, and has grown 4.5% since that time. The 2011 population of the Ketchikan Borough was 7.3% below its 50-year high of 14,764 (1995), and the Sitka Borough population for 2011 was 1.1% below its peak in 1993. The 2011 population of the entire Southeast Alaska region was just 304 people below its high count of 73,830 residents in 1997.

Change in Peak and Current Population For Select Boroughs & Census Areas

Borough/ Census Area	Peak Year (1960- 2010)	Peak Popu- lation	2011 Popu- lation	Population Change - Peak to 2011	% Change - Peak to 2011
Haines Borough/Census Area	2010	2,508	2,620	112	4.5%
Juneau Borough	2003	31,364	32,290	926	3.0%
Ketchikan Borough	1995	14,764	13,686	-1,078	-7.3%
Sitka Borough	1993	9,083	8,985	-98	-1.1%
Southeast Alaska	1997	73,830	73,526	-304	-0.4%

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

The following table presents population change in most communities in the region between 2000 and 2011. While the overall regional population increased very slightly by 0.1% per year over that time, some communities had significant population losses, and some had significant population gains.

Between 2000 and 2011, twelve Southeast Alaska communities gained population and 23 communities lost population. The region's smaller communities, such as Pelican, Whale Pass, Elfin Cove, Game Creek, and Point Baker, had some of the biggest losses in terms of percentage. Kasaan gained an average of 6.3% in population annually over that period, with an increase of 17 residents (equal to about 35% of its population) between 2010 and 2011. Tenakee Springs gained an average annual 3.6% in population over that same time period. Despite large gains in 2011, Juneau's population averaged only a 0.5% increase over the past 11 years.

Change in Southeast Alaska Population by Community, 2000 - 2011

Southeast Alaska Community	2000	2005	2010	2011	Change 2010- 11	Avg. Annual Change 2000- 2011
Juneau City & Borough	30,711	31,340	31,275	32,290	3.2%	0.5%
Sitka City & Borough	8,835	8,990	8,881	8,985	1.2%	0.2%
Ketchikan City	8,345	7,920	8,050	8,142	1.1%	-0.2%
Petersburg City	3,224	3,161	2,948	3,030	2.8%	-0.5%
Wrangell City & Borough	2,448	2,258	2,369	2,411	1.8%	-0.1%
Haines Borough	2,392	2,312	2,508	2,620	4.5%	0.9%
Craig City	1,397	1,146	1,201	1,240	3.2%	-1.0%
Metlakatla Indian Community	1,375	1,348	1,405	1,419	1.0%	0.3%
Skagway Municipality	862	875	968	965	-0.3%	1.1%
Hoonah City	860	818	760	753	-0.9%	-1.1%
Klawock City	854	742	755	813	7.7%	-0.4%

Southeast Alaska Community	2000	2005	2010	2011	Change 2010- 11	Avg. Annual Change 2000- 11
Yakutat City & Borough	808	708	662	656	-0.9%	-1.7%
Kake City	710	644	557	579	3.9%	-1.7%
Angoon City	572	478	459	466	1.5%	-1.7%
Thorne Bay City	557	496	471	496	5.3%	-1.0%
Saxman City	431	401	411	436	6.1%	0.1%
Gustavus City	429	445	442	460	4.1%	0.7%
Hydaburg City	382	396	376	406	8.0%	0.6%
Coffman Cove City	199	185	176	170	-3.4%	-1.3%
Pelican City	163	104	88	83	-5.7%	-4.5%
Hollis CDP ⁹	139	103	112	106	-5.4%	-2.2%
Klukwan CDP (Chilkat)	139	104	95	98	3.2%	-2.7%
Naukati Bay CDP	135	113	113	117	3.5%	-1.2%
Whitestone Log. Camp CDP	116	8	17	0	-100.0%	-9.1%
Tenakee Springs City	104	106	131	145	10.7%	3.6%
Hyder CDP	97	97	87	94	8.0%	-0.3%
Port Alexander City	81	66	52	62	19.2%	-2.1%
Port Protection CDP	63	53	48	53	10.4%	-1.4%
Whale Pass CDP	58	58	31	31	0.0%	-4.2%
Edna Bay CDP	49	40	42	50	19.0%	0.2%
Kasaan City	39	75	49	66	34.7%	6.3%
Game Creek CDP	35	20	18	15	-16.7%	-5.2%
Point Baker CDP	35	21	15	14	-6.7%	-5.5%
Elfin Cove CDP	32	26	20	18	-10.0%	-4.0%
Kupreanof City	23	26	27	27	0.0%	1.6%
Balance not reported above	6,383	6,029	6,045	6,210	2.7%	-0.2%
Total Region	73,082	71,712	71,664	73,526	2.6%	0.1%

Source: State Demographer's Office, Alaska Department of Labor and Workforce Development.¹⁰

Racial Composition

In the ten years between the 2000 and the 2010 U.S. Census Juneau's racial composition has become more mixed and less white. The percentages of Juneau's Alaska Native and

⁹ CDP stands for Census Designated Place.

¹⁰ Census Counts (every 10 years) are taken in April, while annual Alaska Department of Labor and Workforce Development population estimates are taken in July.

American Indian, Filipino and Hispanic residents all increased. Below is a breakout of the distribution of Juneau’s residents along self-identified racial lines for the segments that comprise more than 1% of the total population.

US Census Race Profile of Juneau, Alaska 2000 and 2010

US Census / Total Juneau Population	2000 30,711	100.0 %	2010 31,275	100.0%	Percent Change 2000-11
Population of one race	28,590	93.1%	28,308	90.5%	-1.0%
White alone (includes some Hispanic or Latino)	22,969	74.8%	21,814	69.7%	-5.0%
American Indian and Alaska Native alone	2,496	8.1%	3,692	11.8%	47.9%
Asian alone	1,438	4.7%	1,919	6.1%	33.4%
Filipino alone	1,050	3.4%	1,423	4.5%	35.5%
Population of Two or More Races	2,121	6.9%	2,967	9.5%	39.9%
White alone (includes some Hispanic or Latino) or in combination with one or more other races	24,728	80.5%	24,334	77.8%	-1.6%
Black or African American alone or in combination with one or more other races	439	1.4%	593	1.9%	35.1%
American Indian and Alaska Native alone or in combination with one or more other races	5,084	16.6%	6,005	19.2%	18.1%
Asian alone or in combination with one or more other races	2,060	6.7%	2,850	9.1%	38.3%
Native Hawaiian and Other Pacific Islander alone or in combination with one or more other races	223	0.7%	416	1.3%	86.5%
Some Other Race alone or in combination with one or more other races	539	1.8%	509	1.6%	-5.6%
Hispanic or Latino (of any race)	1,040	3.4%	1,588	5.1%	52.7%
Hispanic or Latino - Mexican	626	2.0%	1,009	3.2%	61.2%
Other Hispanic or Latino (not Puerto Rican or Cuban)	321	1.0%	413	1.3%	28.7%
Not Hispanic or Latino	29,671	96.6%	29,687	94.9%	0.1%

Sources: U.S. Census Bureau, Census 2000, Alaska Department of Labor, Research and Analysis Section Demographic Profile for City & Borough of Juneau, compiled by JEDC.

Of the region’s total 73,526 residents reported in the 2010 US Census, 71,664 (97.5%) resided within the Census Areas and/or Boroughs of the Haines Borough, Hoonah/Angoon Census Area, Juneau Borough, Ketchikan Gateway Borough, Petersburg Census Area, Prince of Wales/Hyder Census Area, Sitka Borough, Skagway Municipality, Wrangell Borough and Yakutat Borough. Of these residents, 9.2% identified as belonging to more than one race. Nearly 40% of the region’s residents identified themselves as members of a non-white race or as Hispanic. Residents identifying as at least partly Alaska Native or American Indian



made up 24% of the region’s total population. About two thirds of the region’s residents identify as white only, similar to Alaska as a whole.

Although Juneau has one of the region’s lowest percentages of Alaska Native and American Indian residents, it has the vast majority in terms of numbers and also has a higher percentage of most other racial groups than any other community in the region. Juneau’s population distribution is most like that of the region and the state. Skagway is the least diverse Southeast Alaskan community in terms of racial composition.

Migration and Resident Transiency¹¹

Migration is a large component of Juneau’s demographic trends. On average between 2000 and 2011, 8.3% of our year-end population moved to Juneau, and 8.8% of that population moved away from Juneau. Although some residents stay for long periods of time and some move more frequently, this movement results in a net change in number of residents enough to equal Juneau’s population every 11 to 12 years. It appears that the national rate of population “turnover” is far lower than that of Juneau (2010 to 2011). The national population has around a 3.9% migration per year, for a population turnover about every 25.6 years. For Alaska as a whole, the migration rate is slightly higher than for Juneau (just over 9% between 2009 and 2010), for a turnover about every 11 years. According to the State Demographer, only Nevada and Wyoming come close to or surpass Alaska's statewide population turnover.

The majority of people who moved to or from Juneau between 2010 and 2011 came from or went to locations outside of Alaska. Within Alaska, the single area with the highest level of the migration to or from Juneau was the Anchorage and Matanuska-Susitna region.

Change in Juneau's Population through Migration, 2000 - 2011

Years	In Migration	Out Migration	Year End Population	Change from In Migration	Change from Out Migration
2000-01	2,285	3,000	30,482		
2001-02	2,575	2,654	31,047	8.4%	8.7%
2002-03	2,686	2,593	31,364	8.7%	8.4%
2003-04	2,556	2,857	31,213	8.1%	9.1%
2004-05	2,604	2,888	31,340	8.3%	9.3%
2005-06	2,234	3,058	30,943	7.1%	9.8%
2006-07	2,485	3,037	30,350	8.0%	9.8%
2007-08	2,657	2,626	30,554	8.8%	8.7%

¹¹ In and out migration data developed using the Alaska Permanent Fund Dividend database. There is a lag (up to a year) in capturing new residents from out of state.



Years	In Migration	Out Migration	Year End Population	Change from In Migration	Change from Out Migration
2008-09	2,761	2,551	30,946	9.0%	8.3%
2009-10	2,482	2,688	31,275	8.0%	8.7%
2010-11	2,724	2,377	32,290	8.7%	7.6%
Averages	2,550	2,757	31,073	8.3%	8.8%
Average Annual Population Change				2,588	2,743
Number of Years for Population to Turn Over				12.01	11.33

Source: State Demographer's Office, Alaska Department of Labor and Workforce Development.

Migration to and from Juneau, 2010 - 2011

Alaska Regions, Boroughs and Census Areas	From Juneau to:	To Juneau from:	Net Migration (change to Juneau's population)
Anchorage/Mat-Su Region	293	241	-52
Gulf Coast Region	37	55	18
Interior Region	79	63	-16
Northern Region	11	9	-2
Southwest Region	9	16	7
Southeast Region Outside Juneau:	233	288	55
Haines Borough	19	15	-4
Hoonah-Angoon Census Area	52	73	21
Ketchikan Gateway Borough	32	58	26
Petersburg Census Area	32	46	14
Prince of Wales-Hyder Census Area	29	19	-10
Sitka City & Borough	56	54	-2
Skagway Municipality	4	3	-1
Wrangell City & Borough	4	12	8
Yakutat City & Borough	5	8	3
Outside Alaska (other states & countries)	1,715	2,052	337
Total Migration	2,379	2,724	345

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

Population Projections

Alaska has grown steadily over recent years and, according to the ADOL, the population is expected to continue to grow at a 1% rate, resulting in an increase in the population by an additional 28% by 2035. In contrast, Southeast Alaska's population is projected to have a negative growth rate of 0.3%, leading to a decrease in population of about 6% by 2035.

Southeast Alaska is the only region in Alaska projected to have a population decline during that time period.

ADOL bases these projections on historic birth and death rates and net migration between the years 2000 and 2010. Population numbers are projected based on the 2010 count. As our region has the highest median age in the state, along with particularly low birth rates, according to the ADOL, “growth would require a sharp rise in net-migration.” Migration depends on economic and social factors, making it less predictable. Migration to the Southeast Alaska region was high between 2010 and 2011. If that trend were to continue, the prediction of decreasing population could change.

Population Projections for Alaska and Southeast, 2015-2035

Borough/ Census Area	2015	2025	2035	Growth Rate 2015-2035
Haines Borough	2,598	2,663	2,613	0.0%
Hoonah/Angoon	1,988	1,669	1,385	-1.9%
Juneau Borough	32,040	32,485	32,080	0.0%
Ketchikan Borough	13,489	13,144	12,515	-0.4%
Petersburg	3,736	3,486	3,167	-0.7%
Prince of Wales/ Hyder	5,409	4,947	4,470	-1.0%
Sitka Borough	9,002	8,974	8,737	-0.2%
Skagway Municipality	1,018	1,100	1,126	0.5%
Wrangell Borough	2,351	2,272	2,165	-0.4%
Yakutat Borough	652	616	566	-0.7%
Southeast	72,283	71,356	68,824	-0.3%
Alaska	759,244	842,899	915,211	1.0%

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

Median Age

Juneau, along with Southeast Alaska, has aged at a faster pace than Alaska and the nation. In 2000, Juneau and Southeast were close to the national median age, which was about 35 years for all three. In 2011 the median age in Juneau (38 years) is 1.2 years older than the national median age (36.8 years) and 4.1 years older than the state median age (33.9 years).



Median Age in Years of Age by Area, 2000, 2010, and 2011

Area	2000	2010	2011	Change 2000- 2011	Change 2010-11
Juneau Borough	35.3	38.0	38.0	2.7	0.0
Southeast Alaska	35.6	38.3	39.4	3.8	1.1
Alaska	32.4	33.8	33.9	1.5	0.1
United States	35.3	37.2	36.8	1.5	-0.4

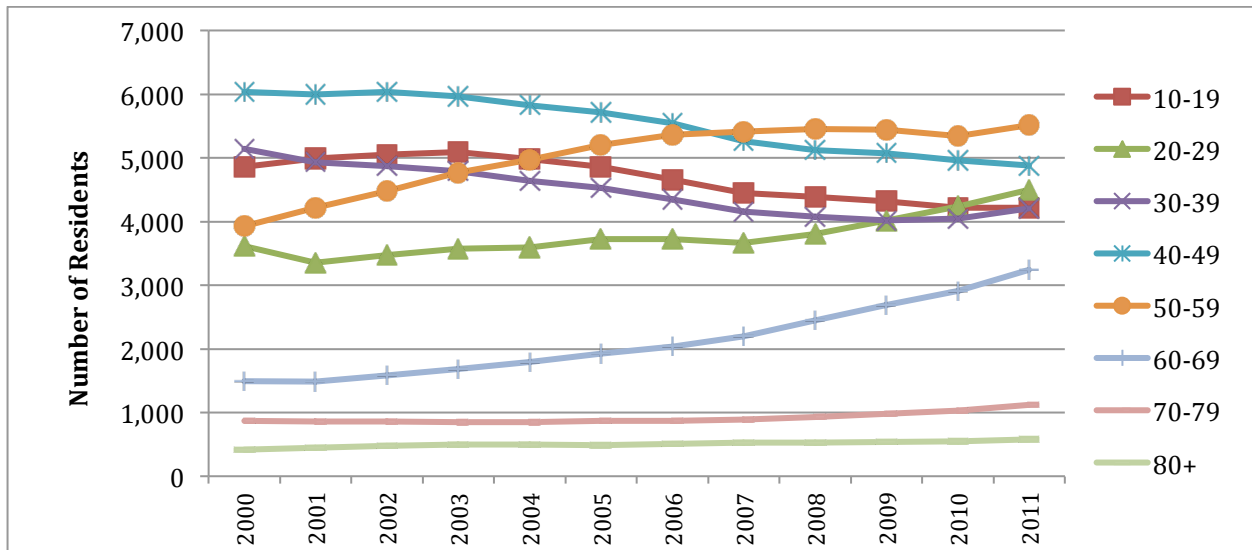
Source: Alaska Department of Labor and Workforce Development and CIA World Factbook.

While the median age of the population of Juneau increased less than that of Southeast Alaska from 2000-2011, it increased almost twice as much as Alaska and the nation during the same period. This is in part because Juneau has a higher percentage of 45 to 64 year olds and a smaller percentage of 15 to 34 year olds than the state or nation.

Juneau Population by Age Group

Between 2000 and 2011, the number of people in all age categories over 50 years increased, while most age categories under 50 decreased. The exception was 20-somethings. The number of people in that demographic increased by 24% over the last decade. In contrast, nationally, the only age category showing a decline over the decade was the 30 to 39 year old category, which lost nearly 14% of its number. Nationally, the age categories with the highest growth over the past 11 years were the 80 years and older group (up 111%), the 60 to 69 year old group (up 86%) and the 50 to 59 year old group (up 72%).

Juneau Population by Age Group, 2000 - 2011

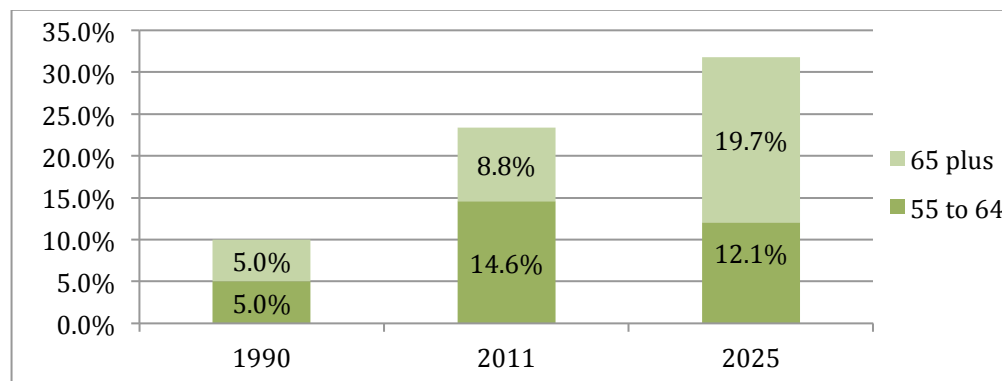


Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Census Bureau

Increasing Retiree Population

The percentage of Juneau's population 55 and older increased from 10% in 1990 to over 23% in 2011. By 2025, those 55 and older are projected to make up almost one third (32%) of the local population.

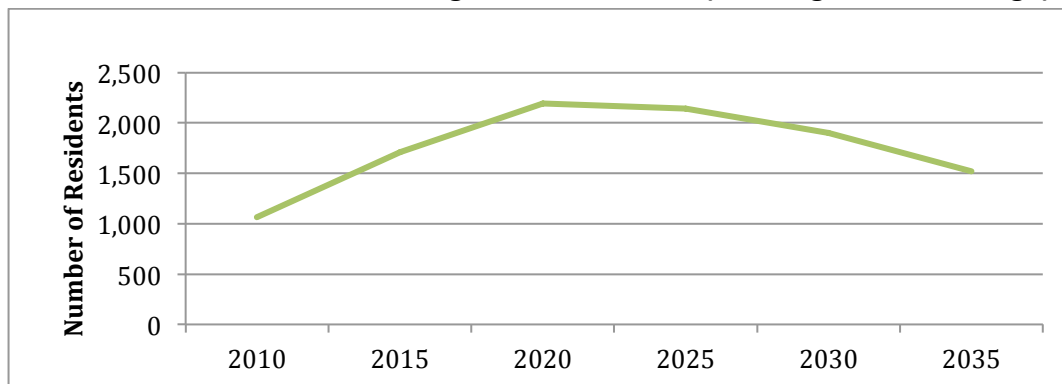
Juneau Residents 55 and Older by Percent of Population 1990, 2011, 2015 (estimate)



Source: Alaska Department of Labor and Workforce Development, State Demographer's Office, and the U.S. Census Bureau

While the number of residents over 55 years will continue to grow for some time, a look at recent projections of growth rates by age group reveals an interesting prediction for the number of Juneau residents attaining retirement age of 65 to 69 through the year 2035. As shown below, the number of Juneau residents entering retirement age (age 65 to 69 years) will peak around 2020, but begin to decline after that. These projections are based primarily on analysis of the past and present birth and death rates, and the migration to and from Juneau by age group. This trend is similar, on the national-level, to the large population group born following World War II.

Forecast of Juneau Residents Aged 65 To 69 Years (Entering Retirement Age)



Source: State Demographer's Office, Department of Labor and Workforce Development.

Juneau Voter Registration

As of July 2012, Nonpartisan and undeclared voters in Juneau make up 57% of all local registered voters. Democrats in Juneau slightly outnumber Republicans, with 4,917 registered voters belonging to the Alaska Democratic Party and 4,439 belonging to the

Alaska Republican Party. An additional 4% of Juneau's voters belong to other political parties, including the Alaska Independence Party, the Green Party of Alaska, the Veterans Party of Alaska, and the Alaska Constitution Party.

Health Statistics

According to a 2012 study by the University of Wisconsin Population Health Institute and the Robert Wood Johnson Foundation, Juneau has the best health factors—those factors that influence the health of a community—in Alaska, followed by Sitka, Anchorage, and Haines. To determine these rankings, a list of conditions and activities that affect health were compared between communities. Factors examined included such things as adult tobacco use, adult obesity rate, excessive drinking, motor vehicle crash death rate, teen birth rate, adult uninsured rate, high school graduation rate, adults with college degrees, unemployment rate, children in poverty, single-parent households and community safety. In addition to ranking first overall, the community of Juneau also ranked highest in the sub-categories of Health Behavior and Clinical Care. Juneau ranked relatively poorly in terms of alcohol use and built environment. The lower the health factor score, the higher the predicted health of the community.

Selected Alaska Borough Rankings by Health Factors, 2012 (as of 11/1/12)

	Juneau	Sitka	Anchorage	Haines	Ketchikan Gateway	Wrangell-Petersburg
Health Behaviors	1	4	2	6	13	10
Tobacco Use	3	5	2	1	11	9
Diet and Exercise	1	5	2	11	18	13
Alcohol Use	11	14	8	2	12	10
Unsafe Sex	7	8	13	11	9	1
Clinical Care	1	10	4	2	6	5
Access to Care	2	3	4	1	8	5
Social & Economic Factors	3	1	4	10	6	12
Employment	2	3	5	10	8	15
Income	1	5	6	13	11	12
Family & Social Support	8	9	6	1	12	16
Community Safety	6	1	20	7	3	4
Physical Environment	12	2	16	4	1	21
Overall Ranking	1	2	3	4	9	11

Source: "County Health Rankings & Roadmaps: A Healthier Nation, County by County", University of Wisconsin Population Health Institute and the Robert Wood Johnson Foundation (Note: groupings of communities in the chart above reflect the groupings of the source study.)



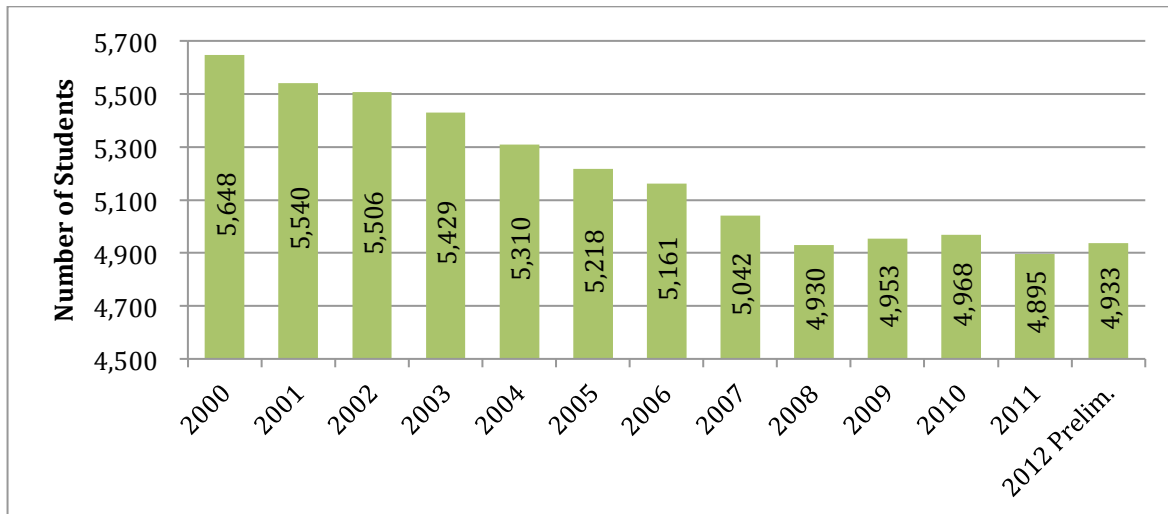
Education



Juneau School District Enrollment

In the 2010-2011 school year, the number of K-12 students enrolled in the Juneau School District (JSD) declined slightly. On October 1, 2011, 4,895 students were enrolled in Juneau schools, a 1.4% (68 students) decrease from the previous year. From 2000 to 2008, the number of children enrolled in Juneau schools fell by about 13% (718 students). Since 2008, enrollment has remained relatively stable.

Juneau School District K-12 Enrollment, 2000 – 2012 at Beginning of School Year



Source: State of Alaska Department of Education and Early Development and Juneau School District.

While the largest drop in Juneau School District enrollment since 2000 has been in middle school enrollment, more recently, high school enrollment also has been on the decline.

This fall, the Juneau School District reported an increase in graduation rate from 71.5% in 2011 to 73% in 2012 for four-year, on-time graduation.

Juneau School District Enrollment, Fall 2000 & 2011

Year	K-5th	6th-8th	9th-12th	Total Enrollment
2000	2,555	1,322	1,771	5,648
2009	2,160	1,077	1,716	4,953
2010	2,142	1,111	1,715	4,968
2011	2,183	1,095	1,617	4,895
2021 Forecast	2,100	1,064	1,584	4,748
Change 2010 to 2011	-1.88%	-1.46%	-6.06%	-1.49%
Change 2000 to 2011	-17%	-21%	-10%	-15%

Source: State of Alaska Department of Education and Early Development and Juneau School District.

University of Alaska Southeast Enrollment

In the fall of 2011, 2,386 students were enrolled at the University of Alaska Southeast campus in Juneau, and 3,977 were enrolled region-wide. This represents a 3% decrease in Juneau, but a 0.5% increase in the region over fall 2010.

University of Alaska Southeast, All Campuses Fall Enrollment, 2000 to 2011

Year	Juneau	Ketchikan	Sitka	Total
2000	2,754	465	1,265	4,484
2008	2,046	516	808	3,370
2009	2,280	535	917	3,732
2010	2,462	540	954	3,956
2011	2,386	562	1029	3,977
Change 2000-2011	-13.4%	20.9%	-18.7%	-11.3%
Change 2010-2011	-3.1%	4.1%	7.9%	0.5%

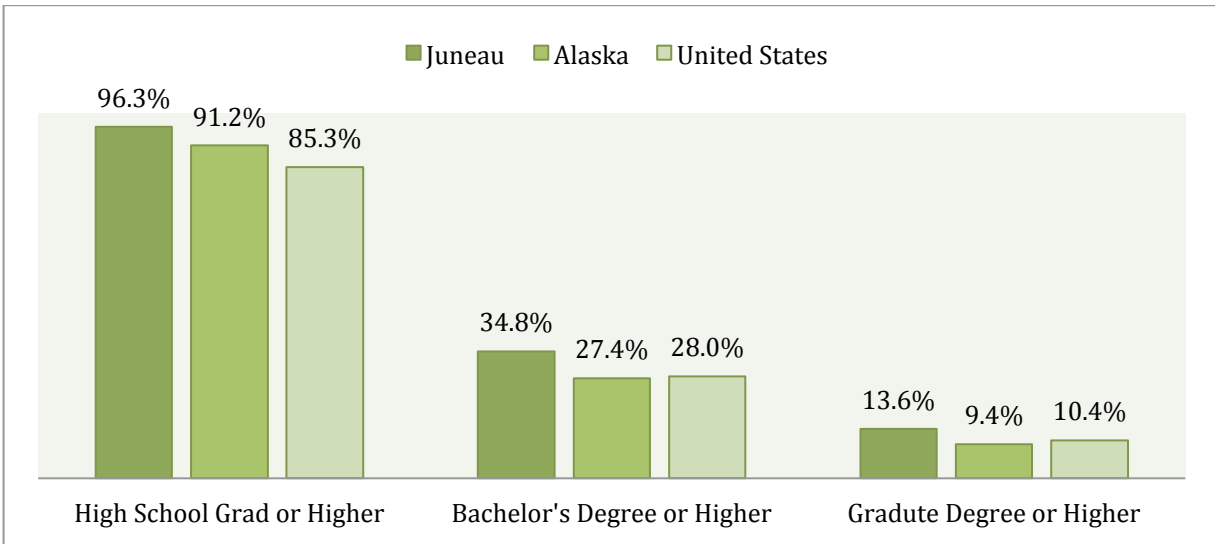
Source: University of Alaska Fact Book

Educational Attainment

Juneau residents have a higher level of average educational attainment than the state and national populations. In 2010, 96% of Juneau residents over the age of 25 had at least a high school degree, 34% had a bachelor’s degree and 13% had a graduate degree. While 91% of Alaska residents have a high school degree compared to only 85% of Americans, the state falls below the national averages for the percent of residents with college or graduate degrees.



Educational Attainment by Percent 2010, Age 25 and Over

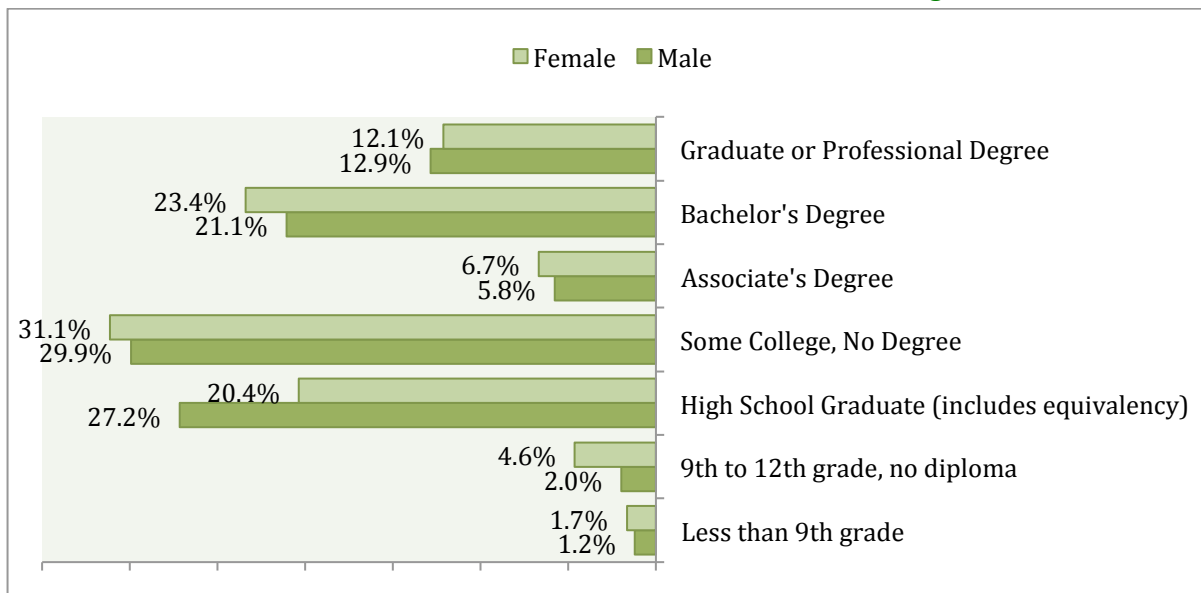


Source: U.S. Census Data, American Community Survey Average for 2008 to 2010.

Education by Gender

Women in Juneau are slightly better educated than their male counterparts when it comes to higher education: Juneau women hold more Associate's degrees and Bachelor's degrees. Men have 0.8% more graduate or professional degrees than Juneau women (over the age of 25).

Level of Education of Juneau Males and Females Over Age 25, 2010



Source: U.S. Census Data, American Community Survey Average for 2005 to 2010.

Cost of Living

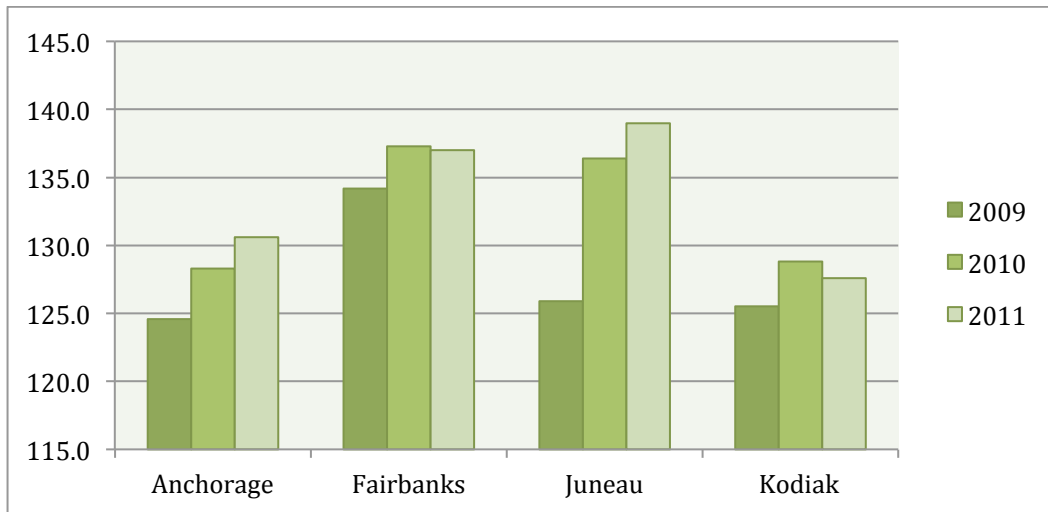


Several studies are conducted periodically to try to determine the living costs in Alaska and Juneau compared with other communities. Generally, Juneau is 25 to 39% more expensive to live in than the average US city and 6 to 8% more expensive than Anchorage. Because housing is such a large component of household spending, the high cost of local housing significantly inflates Juneau's overall cost of living.

ACCRA Cost of Living Index

The ACCRA Cost of Living Index provides a useful measure of living costs for higher income households in different cities. The index reflects cost differentials for professional and executive households in the top income quintile. According to the index, it costs 39% more to live in Juneau than a standard US city. Professional and executive housing is nearly 73% more expensive in Juneau than an average US city.

Comparative Cost of Living for Select Alaskan Cities 2009 - 2011



Source: ACCRA Annual Cost of Living Survey

In 2011, Kodiak had the highest grocery costs and Juneau had the lowest among the four communities in the chart above. Kodiak also had the highest transportation costs while Juneau had the lowest. On the other hand, Juneau had the highest housing costs and health

care costs for all communities with Kodiak the lowest. Fairbanks had the highest utility costs, followed by Juneau, with Anchorage the lowest.

ACCRA¹² Cost of Living Index for Select Alaska Cities, 2011

Index Category	Percent of Composite	Anchorage	Fairbanks	Juneau	Kodiak
Grocery Items	13.36%	137.4	132.4	130.8	149.1
Housing	28.64%	149.8	140.3	172.8	123.1
Utilities	10.46%	98.2	211.5	163.7	152.2
Transportation	10.66%	112.0	109.9	107.9	130.5
Health Care	4.44%	139.4	124.5	149.8	133.0
Misc. Goods & Services	32.44%	126.3	120.2	113.2	113.2
Composite	100.00%	130.6	137.0	139.0	127.6

Source: ACCRA national cost of living index, Council for Community and Economic Research.

Military Cost of Living Index

The U.S. Department of Defense compares the cost of living in various locations around the world to average Lower 48 costs in its Cost of Living Allowance (COLA) index (for the purpose of this calculation, the Department of Defense considers Alaska to be an overseas post). It compares the price of approximately 120 goods and services in each location. In this assessment, Juneau faces higher costs of living than Anchorage and Fairbanks but has lower costs than other cities included in the evaluation such as Sitka and Ketchikan.

U.S. Military Cost of Living Index for Select Alaska Communities January 2012

Community	Percent	Community	Percent
Ketchikan	142%	Juneau	134%
Sitka	140%	Fairbanks	130%
Kodiak	138%	Anchorage	128%

Source: U.S. Department of Defense.

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

Energy Costs

The five major population centers in Southeast Alaska—Juneau, Ketchikan, Wrangell, Petersburg and Sitka—have been provided relatively low-cost, renewable hydroelectric power for decades. Thirteen other communities in Southeast Alaska (such as Gustavus) are served with more expensive hydroelectricity. The rest of the communities in Southeast Alaska do not have access to renewable energy and rely on high-cost diesel generation to

¹² 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.



meet their energy needs. While residential electricity costs are partially offset by the Power Cost Equalization (PCE) program in many communities, commercial and industrial users face very high rates.

The following table shows residential electric rates by community and how these rates are adjusted by the PCE subsidy provided by the State of Alaska. Even after the PCE subsidy is applied, communities such as Pelican and Elfin Cove have residential electric rates of nearly four times the rates in Ketchikan. Business rates are unsubsidized and can be six or more times higher in the highest cost communities compared to the lowest cost communities.

Southeast Alaska Residential Power Rates, 2011 in Cents per Kilowatt Hour

Communities	Average Residential Rate	PCE Subsidy	Effective Residential Rate After Subsidy
Pelican	65.06	27.57	37.49
Elfin Cove	69.40	32.55	36.85
Tenakee Springs	66.00	36.99	29.01
Gustavus	41.66	15.79	25.87
Whale Pass	54.98	30.20	24.78
Angoon, Chilkat Valley, Hoonah, Kake & Klukwan	60.26	38.10	22.16
Yakutat	52.57	33.24	19.33
Coffman Cove	54.44	35.75	18.69
Naukati	53.78	35.12	18.66
Craig, Hollis, Hydaburg, Kasaan, Klawock & Thorne Bay	28.01	11.73	16.28
Haines/Covenant Life	23.00	6.93	16.07
Skagway	22.80	6.93	15.87
Sitka	14.17	0.00	14.17
Wrangell	12.60	0.00	12.60
Petersburg	11.10	0.00	11.10
Juneau	11.06	0.00	11.06
Ketchikan & Saxman	9.58	0.00	9.58

Sources: FY 2011 Power Cost Equalization Program Statistical Report, Alaska Energy Authority. For those utilities not receiving Power Cost Equalization Subsidies, rates were obtained from rate sheets in the municipal codes of the specific community.

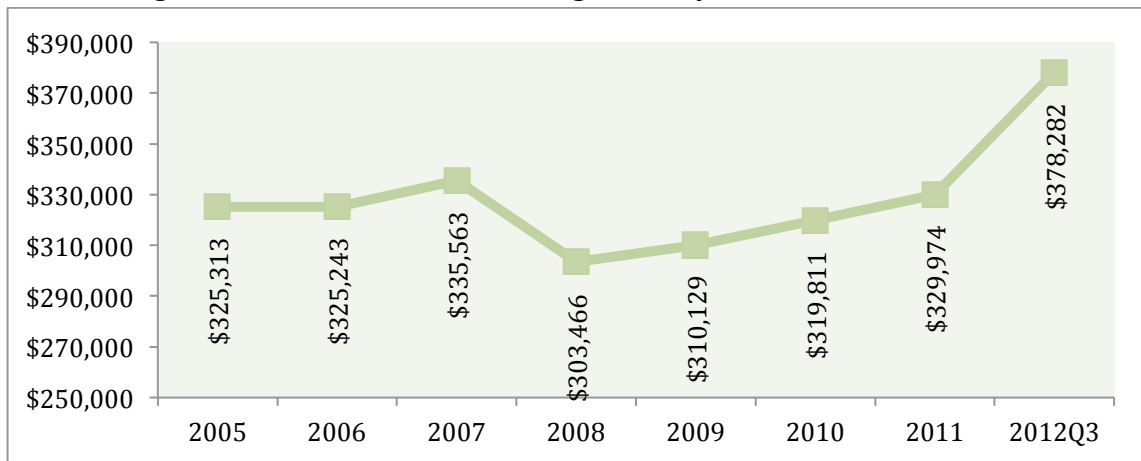
In the table above, for those utilities receiving PCE subsidies, representative residential rates are for State Fiscal Year 2011 and are average rates based on a monthly use of 500 kWh. Data for those utilities not receiving PCE subsidies are rates for the minimum amount of residential power used, with no discount for greater usage and are not inclusive of customer charges, sales or other taxes or any other charges. In the case of power rates in Juneau, the rate is averaged and weighted for on and off peak seasonal rates.

Housing

Juneau Housing Sales and Prices

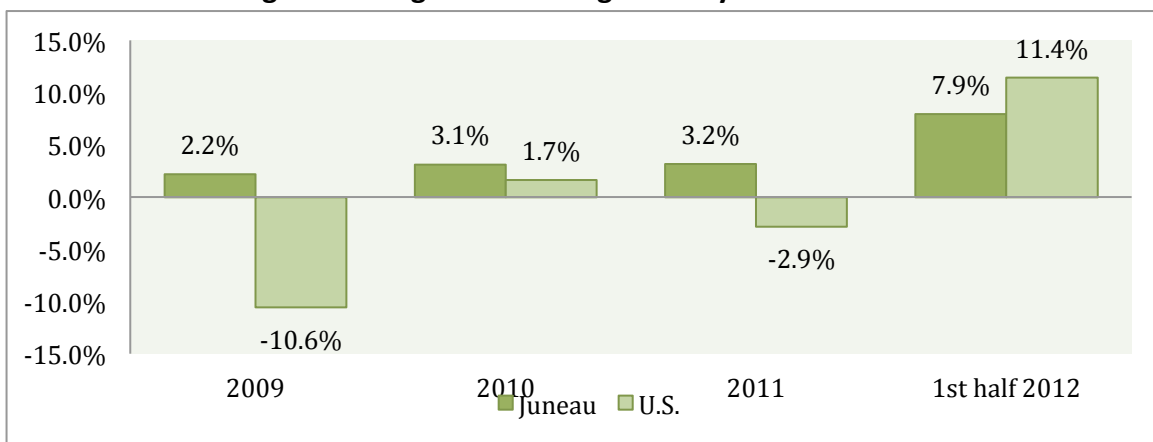
In the first three quarters of 2012, the average sales price for single-family homes in Juneau reached \$378,282, surpassing the previous 2007 high of \$335,563. The average price for was based on 186 sales, so while the trend of increasing prices seems clear, the actual value can differ greatly on the basis of a few sales. Nationally, home sales peaked in 2006 and defaults of subprime mortgages increased quickly thereafter. By mid-2007, home prices and sales had dropped dramatically. Since 2009, Juneau's home prices have continued to rise as those at the national-level have faltered. Showing a strong rebound, however, national prices are up 11.4% in first half of 2012.

Average Sales Price of a Detached Single-Family Home in Juneau, 2005-2012



Source: Southeast Alaska Multiple Listing Service.

Change in Average Price of Single Family Homes 2009-2012



Source: Southeast Alaska Multiple Listing Service and National Association of Realtors.

Locally, the number of sales of single-family homes decreased in 2007 and 2008, rose again in 2009 and 2010, but dropped again in 2011. The average number of days that a single-family home (including attached houses, detached homes with apartments and condos) remained on the market peaked 2009 and has dropped slightly since that time.

Juneau Single-Family, Single-Family Detached, Detached With Apartment, Attached, and Condominiums Home Sales, 2006 - 2011

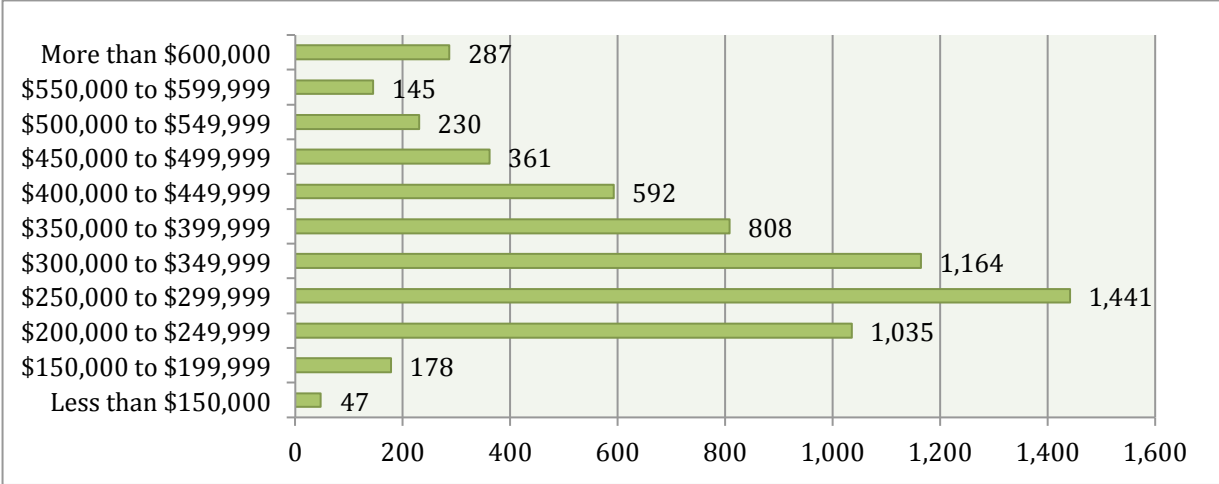
Year	Sales Closed	Average Price	Price Change from Prior Year	Average Days on Market
2006	407	\$277,219	1.6%	56
2007	328	\$293,353	5.8%	78
2008	285	\$274,642	-6.4%	92
2009	294	\$276,101	0.5%	100
2010	329	\$279,512	1.2%	94
2011	305	\$294,818	5.5%	87

Source: Southeast Alaska Multiple Listing Service.

Assessed Housing Values

According to the Juneau Assessor’s Database, in 2012, the average assessed value of the 6,288 single-family homes in Juneau was \$347,912, 6.8% higher than the average single family home value in 2010. Only 3.6% of Juneau’s single-family homes were valued at \$200,000 or less in 2012. Those homes valued \$300,000 or more made up 57% of Juneau’s single-family homes in 2012, up 7% from 2010. For this analysis, Juneau single-family homes include single-family detached homes, single-family homes with accessory apartments and zero-lot lines. Condominiums, mobile homes and multi-family dwellings are excluded.

Number of Single-Family Homes in Juneau by Assessed Value Range, 2012



Source: City & Borough Assessor. Compiled by JEDC, 2012.



Monthly Rental Costs (Market Rates)

While Juneau has tended to have the highest apartment rental rates in the state, we have been surpassed in the first half of 2012 by several communities including Anchorage. Kodiak and Valdez/Cordova (tied with Anchorage) had the highest average rent in the state in 2011. In mid-2012, Alaska Housing Finance Corporation surveyed 1,009 market rate rental units in Juneau for their quarterly survey.¹³ According to ADOL, in the first half of 2012, the average monthly cost for a rental unit in Juneau was \$1,155 including utilities, nearly the same as in 2011.

Average Juneau Rental Prices, 2000 - 2012

Year	Average Adjusted Rent Juneau¹⁴
2000	\$922
2011	\$1,158
2012	\$1,155
Change 2011-2012	-0.3%
Change 2000-2012	24.7%

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

Residential Construction

Juneau Home Construction

In 2011, 47 new housing units were permitted for construction in Juneau, including 45 single-family homes and 2 duplex units. This represents a decrease of 8 units over 2010, but is significantly lower than earlier years. In 1996, 307 housing units were permitted. From 1996 to 2008, on average, 129 housing units were permitted in Juneau annually.

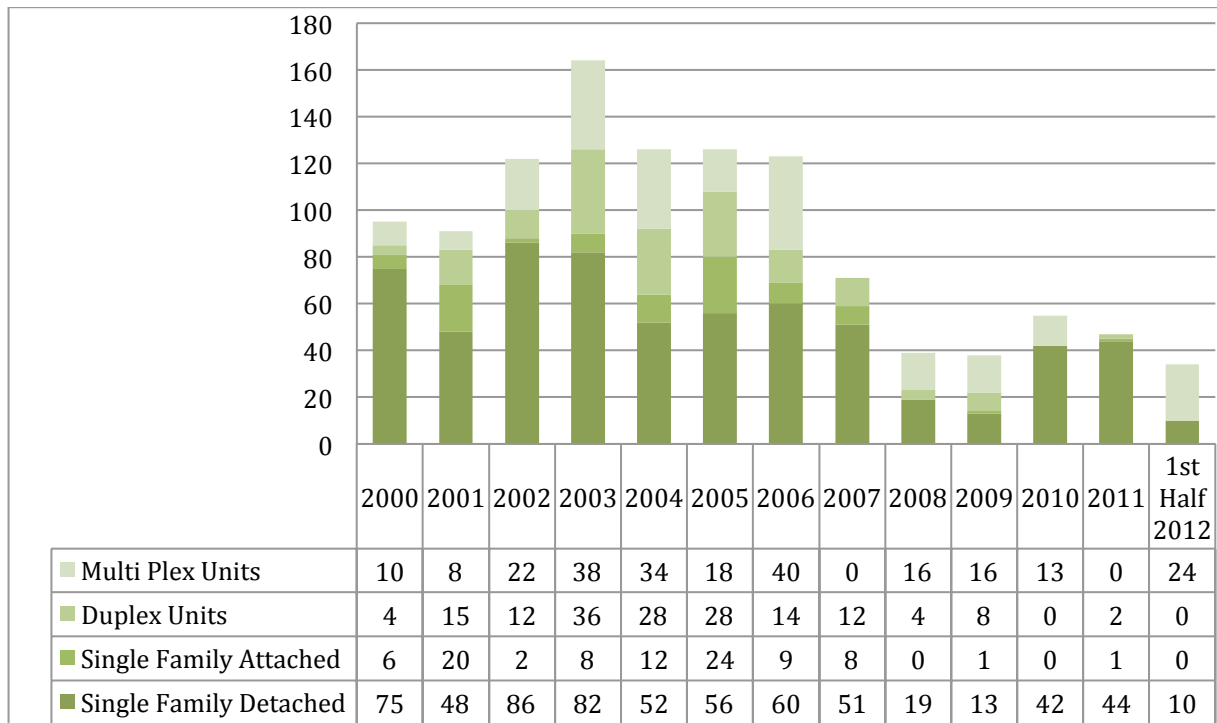
As of July 1, 2012, new residential building permits were issued for 34 new housing units in Juneau. Ten of those permits were for single-family homes, and one permit was for a 24 unit building.

The graphic below illustrates changes in the number of new housing units permitted in the Borough from 2000 through the first half of 2012. Over this time period, new housing permits peaked in 2003 with 164 new housing units permitted. In the first half of 2012, ten single-family homes and one 24-unit multifamily dwelling have been permitted. Those units have not been completed, so they are not currently part of the available housing inventory.

¹³ There are 667 rental units in Juneau that are designated as low-income units and do not charge market rent.

¹⁴ The above rents are the average rents for all units. Adjusted rents are calculated rents determined by adding estimated utility costs that are not included in the contract rent.

New Units Permitted¹⁵ to be Built in Juneau 2000 to First Half of 2012



Source: City & Borough of Juneau Permit Center reports.

Southeast Alaska Home Construction

ADOL performs a quarterly Alaska Housing Unit survey of local governments and housing agencies to collect data on new housing units by community. In comparison to 2010 year-end numbers, Southeast Alaska Residential construction was up 5% over 2010 in 2011, whereas the number of new units decreased 3% for the state as a whole. Most of the growth in the region centered in Petersburg, Hoonah and Wrangell. According to the survey, Juneau and Ketchikan each had six fewer units built in 2011 than in the prior year. No new housing units were reported for the communities of Angoon, Pelican, Kake, Port Alexander, Hydaburg, Kasaan or the Yakutat Borough for either 2011 or 2010. According to ADOL no multi-family units were built in Southeast Alaska last year.

¹⁵ Note: Does not include mobile home setups, or housing units built in conjunction with commercial developments or remodels of existing structures.

New Housing Units by Type of Structure YTD 4th Quarter 2011 and 2010

	Total New Units 2011	Total New Units 2010	Single Family¹⁶ 2011	Single Family 2010	Multi Family¹⁷ 2011	Multi Family 2010	Mobile Home 2011	Mobile Home 2010
Juneau Borough	51	57	49	40	0	2	0	0
Ketchikan Gateway Borough	30	36	11	16	0	19	0	0
Sitka Borough	17	16	13	6	0	4	0	2
Petersburg	13	2	9	2	0	4	0	0
Hoonah	9	0	3	0	0	0	6	0
Wrangell Borough	8	0	8	0	0	0	0	0
Klawock	4	3	2	1	0	0	2	1
Skagway	2	2	2	2	0	0	0	0
Haines Borough	1	6	1	6	0	0	0	0
Craig	1	2	1	2	0	0	0	0
Tenakee Springs	0	2	0	2	0	0	0	0
Thorne Bay	0	2	0	2	0	0	0	0
Kupreanof	0	1	0	1	0	0	0	0
Southeast	136	129	99	80	0	29	8	3
Total Alaska	1,940	2,001	1,532	1,594	399	399	14	9

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

¹⁶ Single Family Includes attached units.

¹⁷ Multi Family includes properties with two or more dwellings.

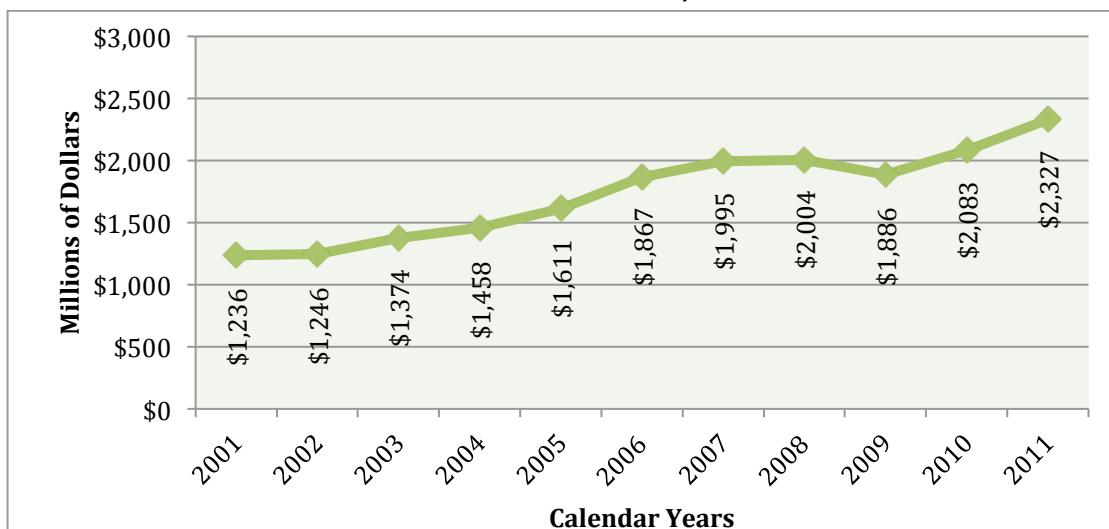
Business Sales and Tax Revenue



In 2011, gross business sales in Juneau were \$2.3 billion. Business sales in Juneau continue to grow, and are nearly 12% higher than the previous high of about \$2.1 billion in 2010. Sales are up about 23% since 2009, when sales had a one year dip. All categories of business in Juneau realized increases in sales in 2011 except real estate, contractors, and transportation and freight. Businesses selling food and automotive products and

services saw the greatest gains between 2010 and 2011. Note, however, that the 2011 data is unaudited preliminary data as of June 4, 2012.

Gross Business Sales in Juneau, 2001 - 2011



Source: City & Borough of Juneau Sales Tax Office and Financial Reports.

Gross Business Sales in Juneau by Business Category 2001 - 2011 (in Millions of Dollars)

Business Category	2001	2005	2010	2011 Prelim.	Change 2010-11	Average Annual Change 2001-11
Real Estate	\$43	\$67	\$69	\$68	-1.3%	5.6%
Contractors	\$134	\$221	\$256	\$225	-11.9%	6.8%
Liquor & Restaurant	\$74	\$90	\$108	\$118	9.1%	5.9%
Retail Sales - General	\$154	\$175	\$204	\$209	2.5%	3.6%
Foods	\$109	\$160	\$179	\$199	11.2%	8.3%
Transportation & Freight	\$127	\$132	\$156	\$144	-7.7%	1.4%
Professional Services	\$153	\$192	\$245	\$267	9.1%	7.5%
Retail Sales - Specialized	\$124	\$138	\$141	\$149	5.4%	2.0%
Automotive	\$88	\$81	\$69	\$78	14.3%	-1.1%
Other	\$230	\$356	\$658	\$870	32.3%	27.8%
Total Gross Business Sales	\$1,236	\$1,611	\$2,083	\$2,327	11.7%	8.8%

Source: City & Borough of Juneau, Sales Tax Office and Financial Reports.

Note: 2011 data is unaudited preliminary data as of June 4, 2012.

Tax Revenues

According to the State Assessor, every community in the region collects some type of tax with the exception of Kasaan, Metlakatla and Coffman Cove. Most communities collect a combination of property, sales and bed taxes. Selected tax receipts are shown below. In 2011 Haines Borough and the CBJ were the only communities with significant increased revenues reported (8% and 5%, respectively). Both Haines and Juneau have chosen to collect sales and property tax at close to equal proportions, while Sitka, Skagway and Ketchikan fund municipal operations about two thirds from sales and bed tax revenue and one third from property tax, in this way shifting more of the burden of paying for municipal services on visitors to these communities. These communities have had a decrease in tax revenues between 2005 and 2011, while Haines and Juneau are up 38% and 23% since 2005, respectively.

Southeast Alaska Borough & Municipality Tax Revenues for 2005, 2010 & 2011

	2005	2010	2011	% of 2011 Total
Haines Borough¹⁸				
Hotel Tax	\$64,223	\$74,384	\$71,928	1%

¹⁸ The City of Haines and the Haines Borough consolidated in 2002, into a single Home Rule Government

	2005	2010	2011	% of 2011 Total
Sales Tax	\$1,944,121	\$2,490,446	\$2,688,833	51%
Property Tax	\$1,838,182	\$2,335,968	\$2,547,271	48%
Total Taxes	\$3,846,526	\$4,900,798	\$5,308,032	100%
City & Borough of Juneau				
Hotel Tax	\$914,001	\$1,029,604	\$1,074,891	1%
Sales Tax	\$34,792,558	\$38,118,000	\$42,135,105	50%
Property Tax	\$32,615,222	\$41,055,219	\$40,738,679	49%
Total Taxes	\$68,207,349	\$81,991,700	\$83,948,675	100%
Ketchikan City				
Hotel Tax	\$353,376	\$35,899	\$385,286	3%
Sales Tax	\$8,566,669	\$9,520,691	\$9,304,491	65%
Property Tax	\$7,941,125	\$4,565,937	\$4,579,151	32%
Total Taxes	\$16,861,170	\$14,122,527	\$14,268,928	100%
City & Borough of Sitka				
Hotel Tax	\$356,070	\$303,655	\$314,662	2%
Sales Tax	\$13,268,233	\$9,073,689	\$8,950,150	59%
Property Tax	\$4,401,399	\$5,926,046	\$6,003,008	39%
Total Taxes	\$18,025,702	\$15,303,390	\$15,267,820	100%
Municipality of Skagway				
Hotel Tax	\$140,464	\$157,837	\$97,295	2%
Sales Tax	\$4,232,693	\$6,847,513	\$4,088,803	66%
Property Tax	\$1,338,097	\$1,862,990	\$2,031,458	33%
Total Taxes	\$5,711,254	\$8,868,340	\$6,217,556	100%

Source: Alaska Department of Commerce, Community and Economic Development, Office of the State Assessor and City & Borough of Juneau, Financial Reports

Juneau's Top 10 Property Tax Payers 2011

Rank 2011	Rank 2010	Taxpayer	Taxable Assessed Value (\$ million)
1	4	Coeur Alaska Inc.	\$164,309
2	1	Hecla Greens Creek Mining Company	162,753
3	2	Alaska Electric Light and Power	92,525
4	3	Fred Meyer of Alaska Inc.	22,859
5	5	BBS Enterprises	19,033
6	6	Home Depot USA Inc	18,417
7	7	Glacier Village Supermarket Inc	18,075
8	8	O Jacobsen Drive Juneau LLC	17,775
9	10	Wal-mart Property	17,728
10	9	Carr Gottstein Foods Co	16,522

Source: City and Borough of Juneau Comprehensive Annual Financial Report (CAFR), FY2011
http://www.juneau.org/financeftp/financial_reports.php

Travel and Visitor Industry



Photo Credit: Michael Penn/Juneau Empire

Businesses that serve the tourism industry also often serve the residents of Southeast Alaska. Examples are restaurants, travel agencies, and support services for air transportation. For this reason, it is not possible to separate out employment statistics that can be attributed just to the tourism industry. Rather, JEDC aggregates all jobs in leisure and hospitality, air transportation and support, scenic and sightseeing transportation and travel arrangement and reservation services to report employment and wage data and to gauge the health of the tourism industry.

Southeast Alaska Travel, Leisure and Hospitality Industries Employment and Wages 2010 - 2011

	2011 No. Firms	2011 Total Wages	2010 Employment	2011 Employment	Change 2010- 11
Air Transportation	42	\$29,222,885	720	732	1.7%
Scenic and Sightseeing Transportation	86	\$24,111,739	683	711	4.1%
Support Activities for Transportation	26	\$10,272,453	215	196	-8.8%
Travel Arrangement, Reservation Services and Travel Agencies	20	\$4,322,716	143	145	-3.1%
Leisure and Hospitality	401	\$68,781,238	3,464	3,484	0.6%
Industry Total	575	\$136,711,031	5,226	5,268	0.8%

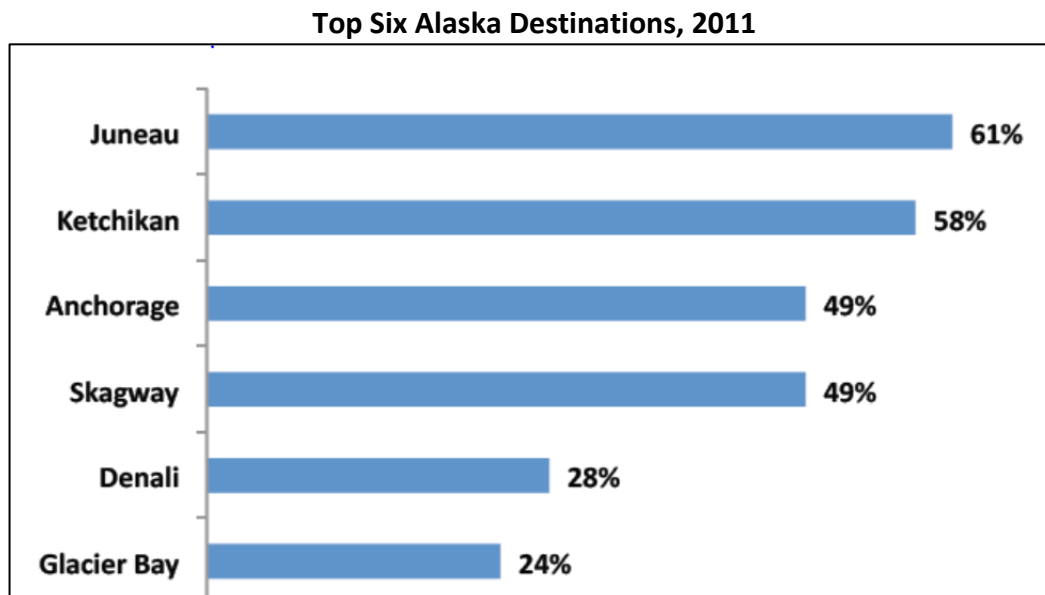
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

In 2011, there were 5,268 employees in the region for the travel, leisure and hospitality industries, with an associated payroll of over \$136 million. This represents a slight increase in regional employment after a drop of 2% between 2009 and 2010. In aggregate, this

industry group is the largest private sector regional industry in terms of number employees, accounting for 14% of all employment, but it accounts for only 9% of all regional wages (15.7% of regional wages not considering commercial fishing “wages”).¹⁹

Out-of-State Visitors

The Alaska Visitor Statistics Program (AVSP) is a statewide visitor study periodically commissioned by the Alaska Department of Commerce, Community and Economic Development. The study provides essential information on one of Alaska’s major economic engines: out-of-state visitors. The following statistics are excerpted from the 2011 AVSP report.²⁰



Source: Alaska Visitor Statistics Program VI, Summer 2011, Conducted by the McDowell Group for ADCC&ED

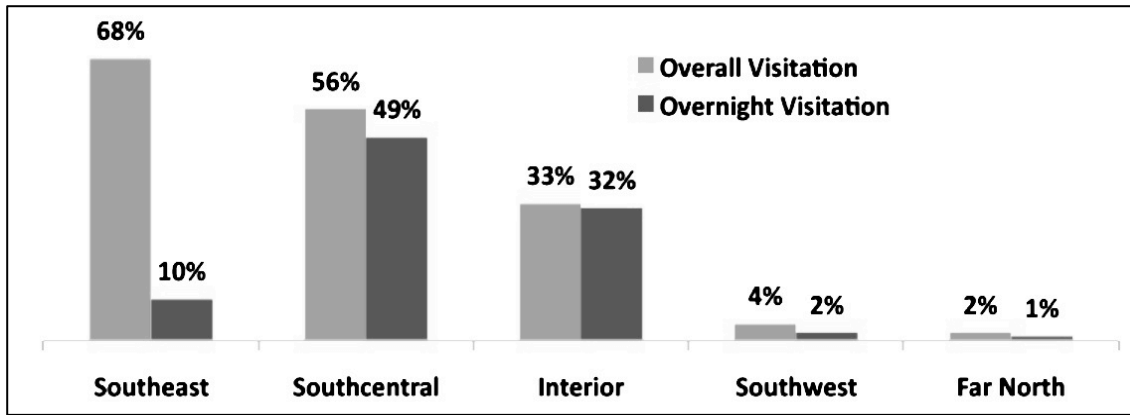
With the growth of cruise travel, Juneau has become the number one visitor destination in the state, hosting 61% of all out-of-state visitors in 2011. Second most visited is Ketchikan, hosting 58% of all visitors. Skagway ties for third with Anchorage. Two national parks, Denali and Glacier Bay, are fifth and sixth on the list.

In total, 1,037,000 visitors (68%) of all tourists to Alaska visited the Southeast region in 2011. Over 90% of the visitors to Juneau, Ketchikan, Skagway, Glacier Bay and Hoonah are cruise visitors, followed by Sitka at 84%. The region hosts only 10% of all overnight visitors to Alaska. However, Wrangell, Petersburg and Haines, with low cruise visitation, averaged the longest length of overnight stay in Alaska, at 14.4 nights, 13.1 nights, and 11.1 nights, respectively. Of those that do stay overnight, most reach their destination by ferry (56%) with air a distant second (17%).

¹⁹ Government pays 35% of all Southeast wages, while seafood is the largest private sector employer in terms of wages.

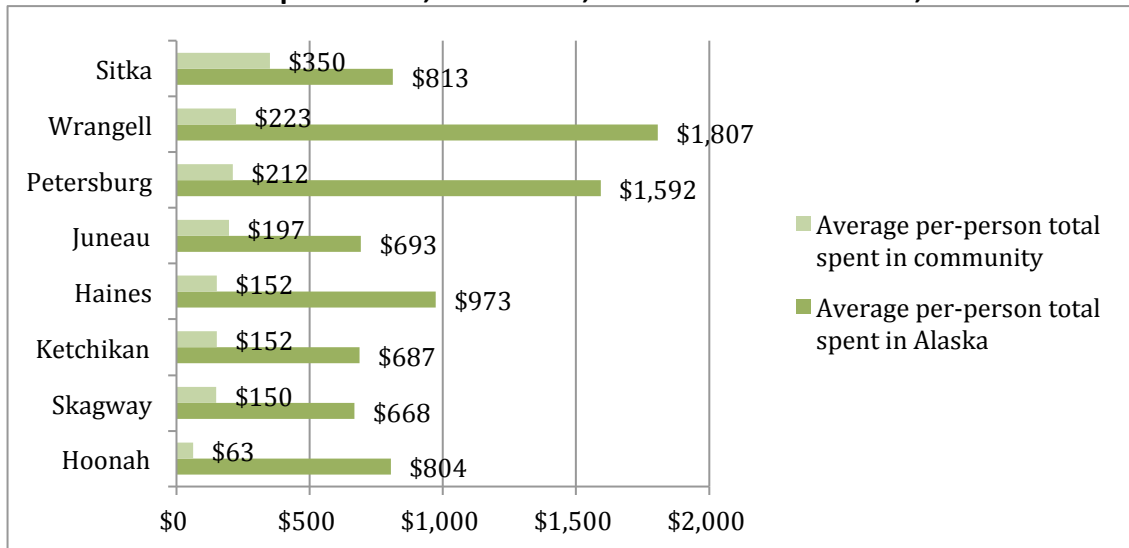
²⁰ The full report is available at <http://www.commerce.state.ak.us/ded/dev/toubus/research.htm>.

Regions Visited In Alaska, Overall and Overnight, 2011



Source: Alaska Visitor Statistics Program VI, Summer 2011, Conducted by the McDowell Group for ADCC&ED

Visitor Expenditures, Per Person, Southeast Communities, 2011



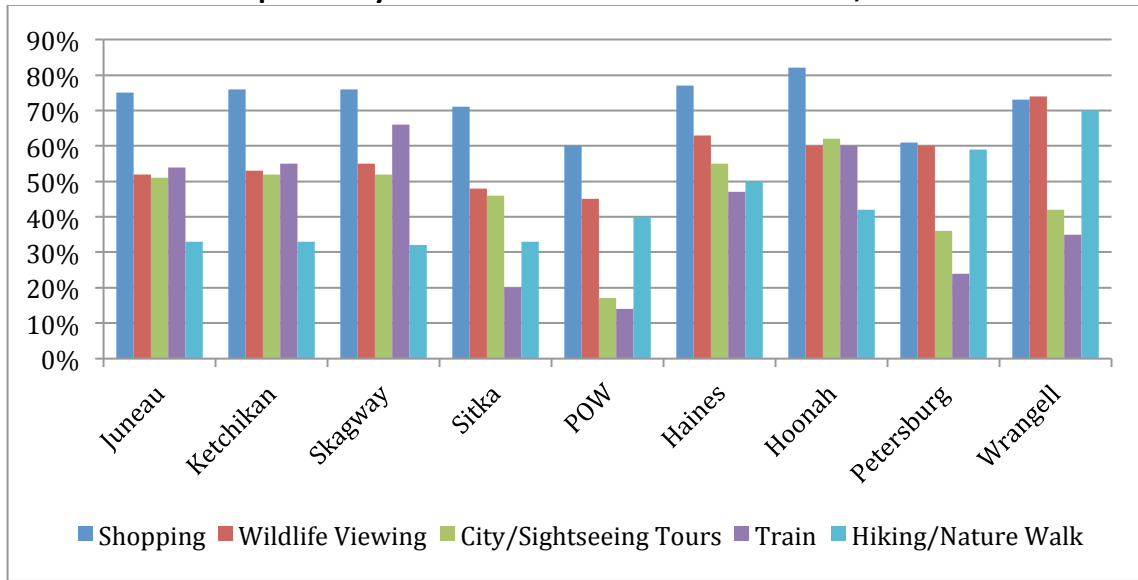
Source: Alaska Visitor Statistics Program VI, Summer 2011, Conducted by the McDowell Group for ADCC&ED

Note: Excludes transportation to/from Alaska.

Visitors to Sitka and Wrangell reported the highest per-person spending in the community at \$350 and \$223, respectively. Wrangell visitors also reported the highest in-state spending, followed by Petersburg. It can be noted that visitors to Wrangell and Sitka reported the highest average annual income, \$113,000 and \$111,000 respectively, compared to the overall Southeast average of \$108,000.

The activities visitors undertake while in the state are an indication of where they spend money. The number one activity in Alaska reported by visitors in 2011 is shopping. For Southeast cruise port visitors, shopping in Alaska is the most popular activity by a large margin. Seventy-five percent of visitors to Juneau report that they shopped while in Alaska. The second most popular activity for visitors who stopped in Juneau was to take a train (54%), followed by wildlife viewing (52%) and city/sightseeing tours (51%). Among visitors to Petersburg and Wrangell, activities such as wildlife viewing and hiking/nature walks are just as popular as shopping.

**Most Popular Activities in Alaska (by % Participating)
Reported by Visitors to Southeast Communities, 2011**

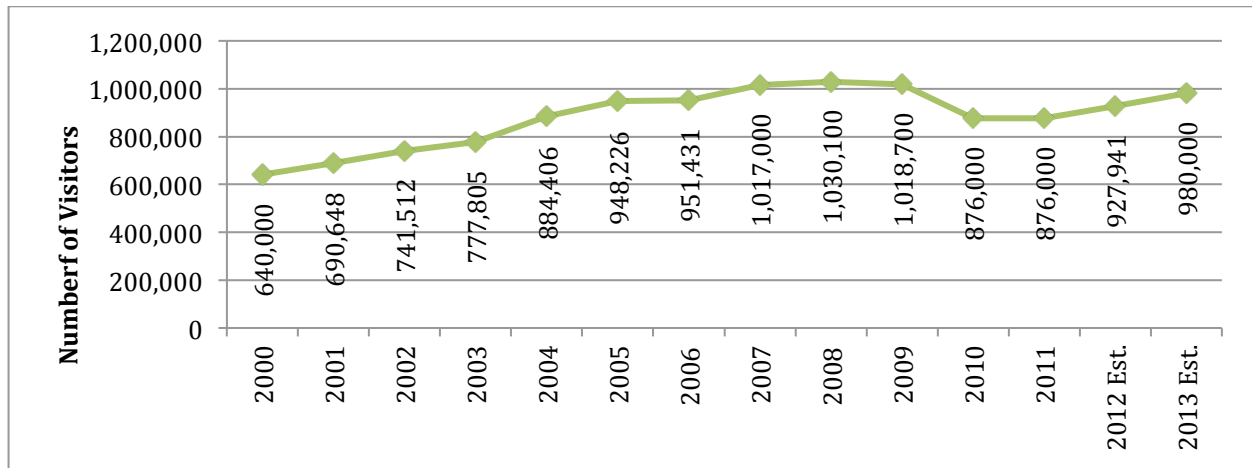


Source: Alaska Visitor Statistics Program VI, Summer 2011, Conducted by the McDowell Group for ADCC&ED

Cruise Ship Visitation

Cruise ships have been visiting Juneau and Southeast Alaska since the late 1800's, but visits began to increase in the 1970s. Visitation to the region doubled between 1997 and 2007, but by 2009, the cruise industry decreased the number of ships and ship sailings to Southeast Alaska in response to the global recession. In 2011, Southeast Alaska was visited by 876,000 cruise ship tourists, unchanged from 2010. Traffic has stabilized in 2011 and is expected to continue to increase over the next few years, with an expected increase of about 12% between 2011 and 2013. Current visitation is down about 15% from the peak of 1,030,100 passengers in 2008.

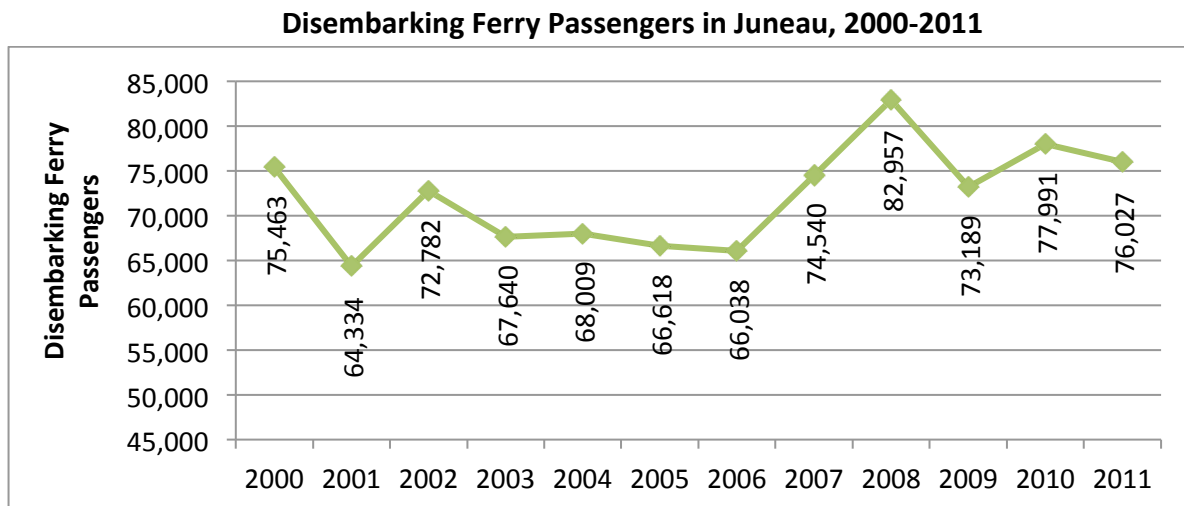
Cruise Passengers Visiting Juneau, 2000-2013



Sources: Cruise Line Agencies of Alaska and McDowell Group.

Ferry Traffic

Port stops by State ferries at Juneau increased by 55 between 2010 and 2011, yet both passengers and vehicles disembarking at Juneau declined in the same time period. In 2011, 76,027 ferry passengers disembarked at Juneau, for a drop of 2.5% over the previous year. Vehicles disembarking at Juneau also dropped slightly in 2011, for a 1.9% decline (427 vehicles) over 2010. Region-wide disembarking passenger traffic increased slightly (0.8%). However, if Juneau numbers are excluded, the total disembarkations to all other Southeast communities increased by 2.8%.



Source: Alaska Marine Highway System's Traffic Volume Reports.

Airline Traffic

Juneau is a regional hub for transportation services, and provides connecting air travel for regional residents and visitors. Juneau's 8,457 ft. runway and adjacent seaplane pond is one of the busiest airports in the state, with the 3rd most passengers enplaned and the 4th most aircraft operations performed. One large carrier, Alaska Airlines, and three small carriers provide scheduled passenger and cargo service and three carriers provide cargo-only service to the airport. The smaller air carriers provide service between Juneau and the neighboring communities, and Alaska Airlines provides service to major communities in the region, as well as communities outside the region. In addition, several small carriers based in Juneau offer charter-only service in the region, using both wheeled and float equipped aircraft.

2011 saw a 2.4% increase in passenger volume embarking from the Juneau International Airport. Alaska Airlines carried about 88% of scheduled passengers departing Juneau. Small regional carriers continued to increase volume for the third year in a row. Charter and flightseeing operators showed an 8.4% upturn in demand in 2011, following several years of decreasing enplanements.

Air Passenger Enplanements at Juneau Airport²¹ 2009 - 2011

	2009	2010	2011	Change 2010-2011
Alaska Airlines	241,934	252,639	258,618	2.4%
Commuter and Small Certified Carriers	22,712	35,644	36,650	2.8%
Nonscheduled/On-demand Air Carriers	72,189	55,544	60,194	8.4%
Total	337,038	344,057	355,499	2.4%

Source: Juneau International Airport Note: Total includes miscellaneous other departures.

The following table presents passenger enplanements for select Southeast communities. Gustavus had the largest increase in volume, followed by Wrangell.

Air Passenger Enplanements at Select Southeast Communities, 2010 - 2011

City of Origin	2010	2011	Change 2010 to 2011
Juneau	344,057	355,499	3.33%
Ketchikan	100,138	102,086	1.95%
Sitka	64,536	65,193	1.02%
Petersburg	18,468	18,318	-0.81%
Wrangell	10,882	11,674	7.28%
Gustavus	9,996	11,537	15.42%
Hoonah	10,759	10,815	0.52%
Yakutat	10,035	10,517	4.80%
Haines	9,534	8,618	-9.61%
Skagway	8,531	8,244	-3.36%
Metlakatla	4,140	3,657	-11.67%
Craig	4,368	3,470	-20.56%
Thorne Bay	2,608	2,621	0.50%

Source: Bureau of Transportation Statistics.

²¹ Includes scheduled, charter, helicopter and flightseeing enplanements

Health Care



Photo Credit: Michael Penn / Juneau Empire

In 2011, there were 3,138 health care jobs in Southeast Alaska, representing about 8.5 % of all Southeast Alaska employment. Three-quarters of health care employment is in the private sector, with an annual average employment of 2,356. Regionally, health care employment increased by 1.4% between 2010 and 2011.

Southeast Health Care Employment and Payrolls 2008 - 2011

	Average Annual Employment Southeast	Average Annual Employment Juneau	Total Payroll Southeast	Total Payroll Juneau
2008	2,909	1,282	\$132,998,285	\$56,970,526
2009	2,986	1,327	\$143,543,552	\$62,361,928
2010	3,094	1,391	\$149,476,844	\$65,554,880
2011	3,138	1,414	\$152,455,464	\$71,559,177
Change 2008-11	7.9%	10.3%	14.6%	25.6%
Change 2010-11	1.4%	1.7%	2.0%	9.2%

Source: Alaska Department of Labor and Workforce Development, and Bartlett Regional Hospital.

The largest health care provider in the region is the Southeast Alaska Regional Health Consortium (SEARHC). SEARHC is a non-profit tribal consortium that provides health and wellness services to Native Alaskans and their families. SEARHC is also Southeast Alaska's largest private employer with a regional staff of about 740 in 18 communities around Southeast Alaska, including a Juneau staff of about 150 employees.

The Bartlett Regional Hospital is the region's next largest health care provider and offers a full range of medical services. The hospital employs an average monthly staff of 487, and has 57 inpatient beds and 16 residential substance abuse treatment beds at the Rainforest

Recovery Center. The Bartlett Regional Hospital is considered part of City Government in employment statistics. The third largest health care provider in the region is the Ketchikan General Hospital with nearly 400 employees.

Social services have experienced robust growth in employment and payroll in the region, growing 6.2% and 8.2%, respectively, from 2010. The largest social service provider in Juneau is Reach, Inc., which employs 317 people in Juneau and 341 in Southeast.

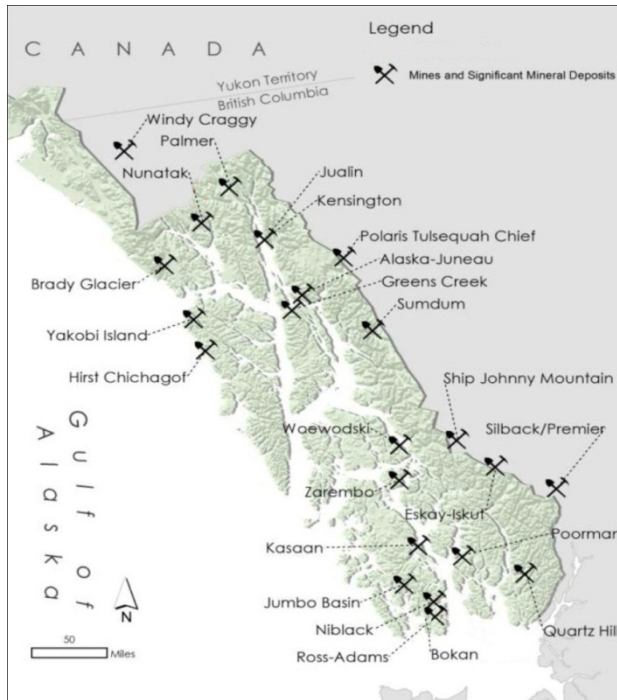
Social Services Employment and Payrolls 2008 - 2011

	Average Annual Employment Southeast	Average Annual Employment Juneau	Total Payroll Southeast	Total Payroll Juneau
2008	1,316	775	\$32,405,287	\$21,550,622
2009	1,344	780	\$34,792,489	\$22,767,674
2010	1,410	841	\$38,342,130	\$24,918,274
2011	1,498	870	\$41,569,500	\$26,275,370
Change 2008-11	13.8%	12.3%	28.3%	21.9%
Change 2010-11	6.2%	3.4%	8.4%	5.4%

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



Natural Resources and Mining



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

The city of Juneau was originally founded on gold mining in 1880, and Southeast Alaska continues to be one of the most mineral rich areas of North America. The Juneau gold belt stretches from Windham to Berners Bay, approximately 90 miles across the heart of the Alaska panhandle. The region's mineral deposits are large and diverse. They include gold, silver, lead, zinc, copper, molybdenum, platinum, limestone, marble, uranium and rare earth minerals. There are also substantial quantities of rock, sand and gravel for use in construction around the region. With the 2010 opening of the Kensington Gold Mine in Juneau and the recent increases in the price of gold and other metals, the Southeast mining industry has been booming. In 2011, there were 647 mining

jobs in Southeast Alaska on a payroll of nearly \$60 million. This represents a 17% increase in employment from 2010, and a 57% increase from 2009, when there were just 413 mining jobs in the region. The Southeast mining industry is expected to grow in the future as ventures such as the Niblack and Bokan projects continue to develop.

Southeast Alaska Mining Employment, 2009 - 2011

Annual Average Employment 2011	647
Annual Average Employment 2010	536
Annual Average Employment 2009	413
Change in Employment 2009-2011	57%
Change in Employment 2010-2011	21%
Total Payroll 2011	\$59,570,418
Total Payroll 2010	\$50,965,783
Total Payroll 2009	\$37,980,160
Change in Wages 2009-2011	57%
Change in Wages 2009-2010	17%
Average Wage 2011	\$92,071

Source: Alaska Department of Labor and Workforce Development

In 2011, mining accounted for 1.8% of regional jobs, and 3.9% of regional wages. Mining jobs are known to have some of the best wages of any regional sector. In 2011, the average annual regional mining wage was \$92,048, which is about two and a half times the average private sector wage.

Greens Creek Mine

The Hecla Greens Creek Mine, Juneau's top private employer with 363 permanent year round employees is located on Admiralty Island near Juneau. Of the total, 236 (65%) are residents of Southeast. In 2011, Greens Creek produced 6.5 million ounces of silver, continuing the downward trend that began in 2000. However, the mine remains the second largest silver producer in North America and the sixth largest silver producer in the world. Greens Creek is a high-grade, silver-gold-zinc-lead enriched deposit. The primary mining methods used are cut-and-fill and long-hole stoping.

In the course of more than two decades of operation, Greens Creek has produced over 200 million ounces of silver, nearly 2 million ounces of gold, and almost 1.8 billion tons of zinc and lead combined. Over the years, Greens Creek has consistently replaced the ore mined and has kept a 9-10 year mine life ahead of it. The mine has identified approximately 100 million ounces of silver reserves.²²

Kensington Gold Mine

After two decades of efforts, the Coeur Alaska owned Kensington Mine began producing gold in June of 2010 using long-hole open stoping and drift and fill mining. It is suspected that there is 1.5 million ounces of gold available in total and the company anticipates that the Kensington mine will be able to produce an average of 125,000 ounces of gold per year through its expected 10 year lifespan. In its first year of modern gold mining, Kensington only produced 43,143 ounces of gold, but in 2011, that number increased to 88,420. In 2011, the mine employed a total of about 248, of which 152 (61%) are residents of Southeast.

Herbert Glacier Project

Grande Portage Resources Ltd. announced in June 2012 that it began drilling exploration at the Herbert Glacier Gold project just 20 miles north of Juneau. Grand Portage and Quaterra Resources, Inc. have formed a 65%/35% joint venture for exploration and development of the property. Initial deposits are estimated at 245,145 ounces of gold. Grand Portage considers Herbert Glacier one of Alaska's "most promising districts"²³ in terms of its potential to become a mine. Gold was first identified at the Herbert Glacier site by miners in the 1880s, but the extensive ice cover discouraged investigation for 100 years, until 1986-1987. Exploration at that time showed promising results, but interest in it went dormant until Quattera Resources acquired the prospect in 2007.

²² http://www.hecla-mining.com/operations/operations_greencreek_reservesresources.php

²³ <http://www.grandportage.com/s/herbertglacier.asp>

Bokan Mountain

Another potential opportunity in mining comes from increasing interest in rare earth elements (REEs). Bokan Mountain, located on southern Prince of Wales Island, approximately 37 miles southwest of Ketchikan, is thought to hold about 3.8 million tons of ore containing rare earth elements. Rare earth elements are a group of 17 minerals that are highly valued due to their applications in modern technology and their unique energy properties. REEs, have become vital components in computer hard drives, cell phones, hybrid vehicles, and other clean energy technology. As the global demand for REEs grows, the worldwide supply is starting to dwindle. What makes the Bokan Mountain deposit special is the size of the deposit (it is the largest heavy rare earth deposit in the U.S.), coupled with the proximity to deep water, and the prior mining infrastructure and permitting. These traits increase accessibility and ease of transport, making it a prime location to resume ore extraction. Bokan Mountain deposits are currently being explored by UCore for rare earth elements such as dysprosium and they will be publishing their preliminary economic assessment, including a full business plan, by the end of 2012. They have started applying for permits already and mining production is predicted to start by the end of 2015 or early 2016. UCore is currently recruiting and training workers and estimates the operation will provide about 220 jobs. Bokan Mountain produced 1.3 million pounds of uranium between 1957 and 1971 and is the only uranium mine in Alaska.²⁴

Niblack Project

The Niblack Project, a copper-zinc-gold-silver deposit also located on Prince of Wales Island 27 miles southwest of Ketchikan, is in advanced exploration stage. The Niblack site has a history of mining and exploration going back to the early 1900s. Approximately 25,000 tons of ore was mined between 1902 and 1908. Exploration resumed in 1974. Heatherdale Resources LTD has been conducting an “aggressive” active drilling exploration program since 2009 and reports excellent results, finding enough good quality copper, zinc, silver, and gold to have encouraged two resource base expansions. The latest expansion in November of 2011 puts the current resource indication at 5.6 million tons of high grade ore, with an additional 3.4 million tons of slightly lower grade ore. In July 2012, the company reaffirmed their intended construction to begin in the second half of 2015, but no mine permit applications have yet been filed as they are waiting on the results of a preliminary economic assessment being conducted this year. The ore likely will be milled at a nearby location to the mine site.²⁵

²⁴ <http://ucore.com/projects/bokan-mountain-alaska>

²⁵ Personal communication to JEDC by Heatherdale Resources LTD.

Timber Industry

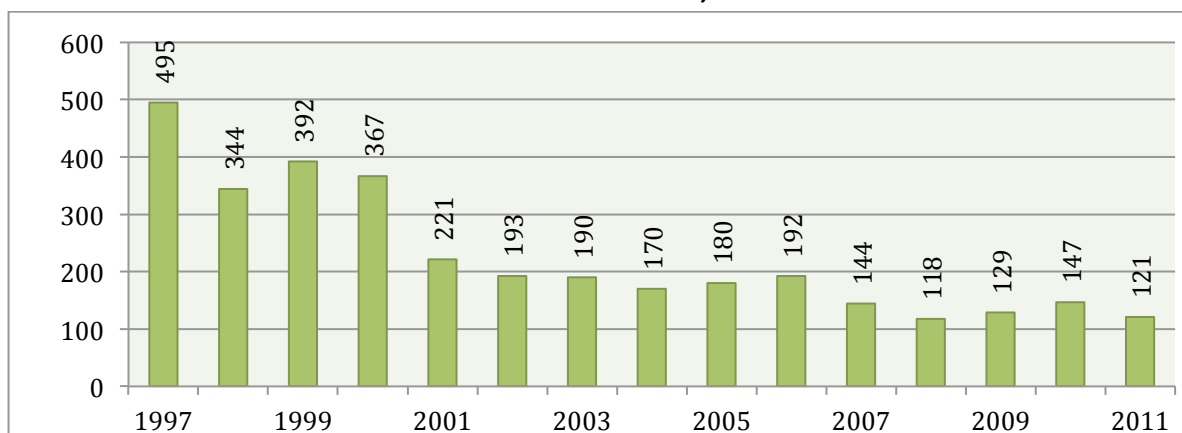
Employment in the timber industry has increased by about 50 jobs between 2010 and 2011. In 2011, the total Southeast Alaska timber harvest was 121 million board feet (mmbf). The harvest in the state for this same year was 180 mmbf.

Timber Industry Employment and Wages Southeast Alaska, 2011

	Employment	Total Wages	Average Annual Wages
Forestry & Logging	212	\$10,820,232	\$51,079
Wood Products Manufacturing	50	\$1,387,248	\$36,806
Total	262	\$12,207,480	\$46,593

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

Total Southeast Timber Harvest, 1997-2011 in MMBF



Source: Alaska Forest Association.

Seafood Industry



In 2011, fishermen in Southeast landed 395,628,268 pounds of fish with an ex-vessel value of \$391,091,684. This harvest resulted in 272.6 million pounds of product, with a wholesale value of \$612 million. 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. Examples of species commercially harvested include salmon, herring, halibut, sablefish, Pacific cod, shrimp, crab (King, tanner, Dungeness), geoducks, sea urchins and sea cucumbers. Regional seafood processors dot the entire archipelago from Ketchikan to Haines and beyond to Yakutat. Processors range from fishermen direct marketers to larger operations in Ketchikan, Excursion Inlet, 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.

On the national scale, four Southeast communities ranked within the top 50 U.S. ports for commercial fishery landings.²⁶ In 2011, Sitka ranked ninth for value followed by Petersburg (#13), Ketchikan (#15), and Juneau (#39). In terms of volume, Sitka ranked as #14, followed by Petersburg (#15), Ketchikan (#16), and Juneau (#43).

If these four communities were considered as one “port entity,” Southeast would be number 6 in the nation with volume of 332 million pounds landed with an ex-vessel value of \$240 million; ***this would make Southeast the second most valuable “entity port” in the country.*** Within the state, Southeast would rank first in value and just behind Dutch

²⁶ 2011- Fisheries of the United States (NOAA) Note: A landing is the initial sale of harvested fish to a buyer.

Harbor-Unalaska, Akutan and Kodiak in volume. Nationally, Dutch Harbor-Unalaska ranks as the second most valuable single port in the country and first in volume.

Commercial Fishery Value and Landings at Major U.S. Ports, 2011

Port	Value (Million dollars)	National Rank	Volume (Million pounds)	National Rank
New Bedford, MA	369	1	117	11
Southeast Alaska	240		332	
Dutch Harbor - Unalaska, AK	207	2	706	1
Kodiak, AK	168	3	372	5
Akutan, AK	114	4	431	3
Sitka	85	9	113	14
Petersburg	65	13	101	15
Ketchikan	62	14	100	16
Juneau	28	39	18	43

Source: *Fisheries of the United States, 2011*; National Marine Fisheries Service, Office of Science and Technology

In 2011, 5,017 Southeast residents (as crew or fishermen) fished commercially and 1005 Southeast Alaskans worked in seafood processing jobs in their own communities. Including nonresidents, more than 9,100 harvesters and an estimated 5,198 processors participated in the Southeast Alaska commercial seafood industry in 2011. The combined harvester-crew-processor workforce (resident and non-resident) would be over 14,000.

The impact of fisheries on Southeast and Juneau is not just measured in numbers of fishermen or processors and the harvest. Several government agencies and academic institutions involved in fisheries management, research, and enforcement are located in our region. To name a few, there are the Alaska Department of Fish and Game, Commercial Fisheries Entry Commission, the Alaska Seafood Marketing Institute based in Juneau, DOT&PF dock and harbor engineers and planners, National Marine Fisheries Service (Alaska Regional Administrator and staff, Ted Stevens Marine Science Institute, Little Port Walter research station, and office of law enforcement), U.S. Coast Guard (fisheries enforcement, aids to navigation, search and rescue and marine safety), University of Alaska Fairbanks (School of Fisheries), University of Alaska Southeast (Juneau, Ketchikan, Sitka), municipal harbormasters and Alaska Sea Grant agents. Non-government entities include hatcheries (salmon and shellfish), fishery trade associations and consultants, one community development quota (CDQ) entity, marine repair and supply and community quota entities (CQE).

Commercial Harvest in Southeast Alaska

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,

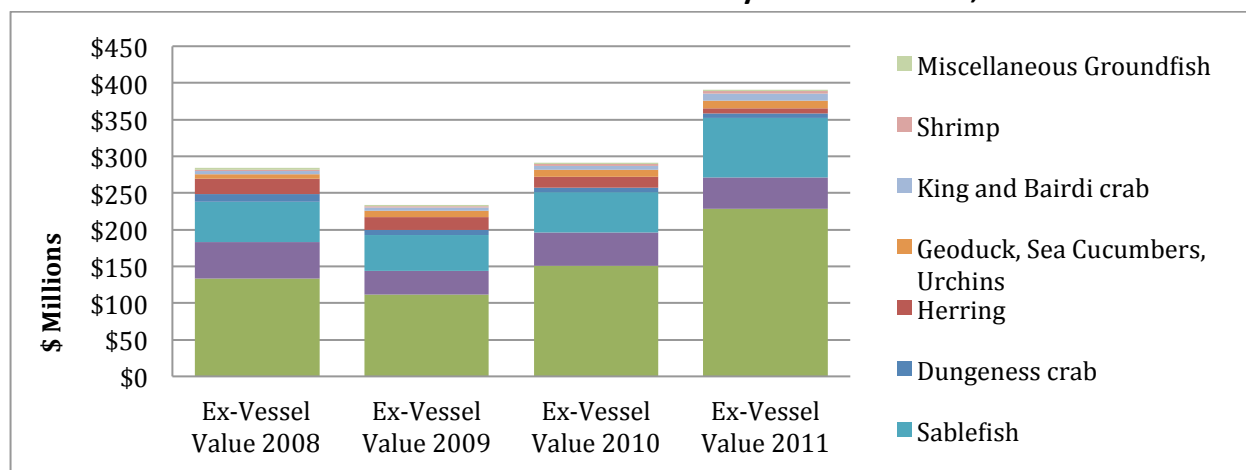
pounds landed and estimated gross earning of Southeast Alaska residents who fish commercially in Alaska.

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

In 2011, the ex-vessel value (or money paid to fishermen) of the Southeast Alaska fisheries was \$391 million. Due to changes in both volume and prices—fishermen earned 34 percent more for their seafood in 2011 over 2010. Notably the value of halibut landed decreased 6% due in part to a 31% decrease in volume (due to a decreased biomass and precautionary management) that was only partially offset by price increases. Salmon experienced a 51% increase in value due to increases in both prices and volume; however, we would note that pink salmon runs are usually significantly larger in odd (2011) years than even (2010) years. In 2011 both chum and pink prices and volume were up.

In 2011, the five salmon species represented more than four fifths (82 percent) of the region’s catch in terms of volume and just over half (58 percent) of the total ex-vessel value. It is important to note that the salmon hatcheries in Southeast Alaska operated by the Northern Southeast Regional Aquaculture Association, Southern Southeast Regional Aquaculture Association and Juneau’s Douglas Island Pinks and Chums (DIPAC) generated a common property commercial harvest of 37,111,000 fish valued at \$131,240,000 in 2010²⁷. These hatcheries are a significant economic driver in Southeast in their own right.

Southeast Alaska Commercial Seafood Industry Ex-Vessel Value, 2008 - 2011

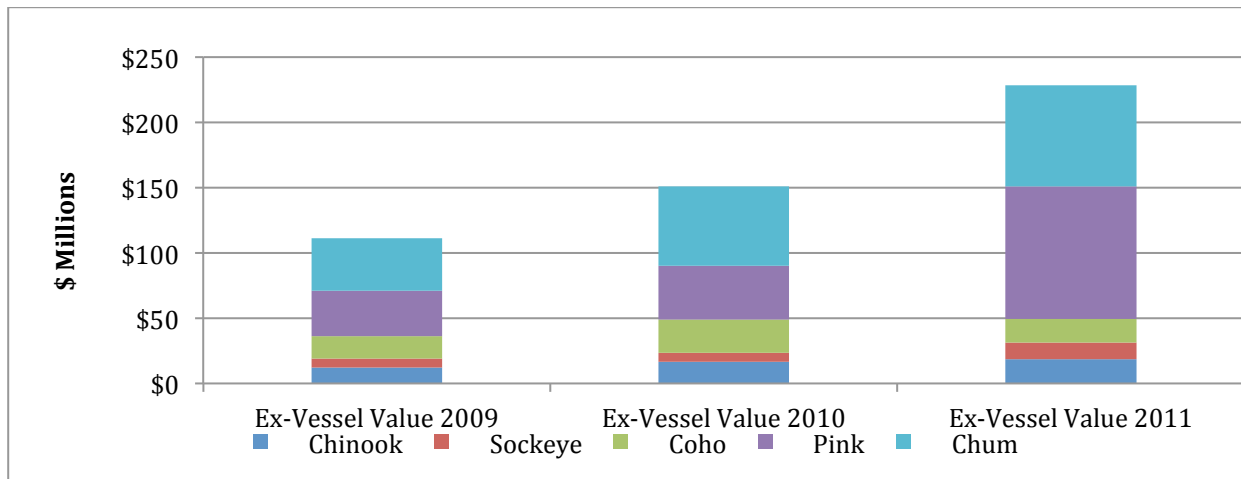


Source: Alaska Department of Fish and Game - COAR and Fish Ticket Databases

In 2011, sablefish made up 2.5 % of the total volume caught yet accounted for one-fifth (20%) of the total ex-vessel value. Participants must hold federal quota rights or Individual Fishing Quota (IFQ) in order to fish sablefish and there is a small state managed sablefish fishery in Lynn Canal just north of Juneau. Halibut has also emerged as a valuable fishery.

²⁷ Alaska Salmon Fisheries Enhancement Report for 2010. Fishery Management Report 11-04. ADFG (Feb 2011)

Ex-Vessel Value by Salmon Species, 2009 - 2011



Source: Alaska Department of Fish and Game - COAR and Fish Ticket Databases

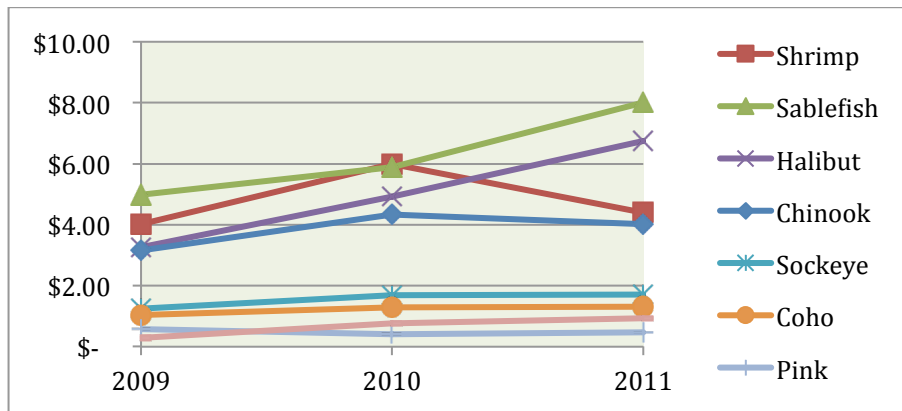
In 2011 halibut accounted for 1.6 percent of the total Southeast harvest and accounted for 10 percent of total ex-vessel value.

Southeast Alaska Commercial Seafood Industry Harvest & Value Information, 2010 to 2011 (in Thousands Pounds & Dollars)

Species	Pounds Landed 2010	Pounds Landed 2011	Change in Landings, 2010-11	Ex-Vessel Value 2010	Ex-Vessel Value 2011	Change in Value, 2010-11
Salmon	209,279	327,015	56%	\$150,845	\$228,233	51%
Chinook	3,800	4,574	20%	\$16,491	\$18,426	12%
Sockeye	4,222	7,499	78%	\$7,125	\$12,894	81%
Coho	19,451	13,766	-29%	\$25,254	\$17,992	-29%
Pink	102,745	219,257	113%	\$41,325	\$101,737	146%
Chum	79,061	81,919	4%	\$60,649	\$77,185	27%
Halibut	9,253	6,364	-31%	\$45,619	\$42,914	-6%
Sablefish	9,347	10,183	9%	\$54,958	\$81,598	48%
Dungeness crab	3,242	2,588	-20%	\$5,616	\$5,803	3%
Herring	39,912	41,543	4%	\$15,331	\$6,558	-57%
Geoduck, Sea Cucumbers, Urchins	2,667	1,792	-33%	\$9,377	\$11,134	19%
King and Bairdi crab	1,694	1,690	0%	\$5,089	\$9,015	77%
Shrimp	498	854	72%	\$2,990	\$3,753	26%
Miscellaneous Ground fish	3,974	3,598	-9%	\$1,925	\$2,084	8%
Total	279,865	395,628	41%	\$291,748	\$391,092	34%

Source: Alaska Department of Fish and Game - COAR and Fish Ticket Databases

Average Price per Pound for Commercial Fish Species, Southeast Alaska (Ex-Vessel Value)



Source: Alaska Department of Fish and Game - COAR and Fish Ticket Databases

Southeast Alaska Resident Fishermen

Another measure of the economic value of commercial fishing in the region is how many Southeast Alaska residents participated in the Alaska commercial fishing industry. According to the Alaska Commercial Fisheries Entry Commission (CFEC), 5,017 Southeast Alaska residents (2,111 commercial fishermen and 2,906 crew members) fished in 2011, including 764 Juneau residents (75 more than in 2010); this represents an 8 percent and 11 percent increase from 2010 numbers, respectively. Including non-residents, there were more than 12,500 participants in the Southeast Alaska fishery in 2011.

Southeast Alaska Resident Commercial Fishermen, 2011

Borough or Census Area	Fishing Permits Issued	Permit Holders ²⁸	Fishing Crew Licenses	Fishermen Who Fished ²⁹
Juneau	666	398	491	273
Haines	183	114	100	92
Ketchikan	589	340	415	231
Wrangell-Petersburg	1,564	733	723	561
Skagway-Hoonah-Angoon	320	211	151	128
Sitka	1,082	568	655	466
POW-Outer KTN	577	330	296	228
Yakutat	239	156	75	132
Total Southeast 2011	5,220	2,850	2,906	2,111
Total Southeast 2010	5,285	2,830	2,527	2,118
Change 2010-2011	-1.23%	0.71%	15.00%	-0.33%

Source: Commercial Fisheries Entry Commission.

²⁸ May hold multiple permits

²⁹ Fishermen Who Fished is a count of permit holders who made at least one landing during the year.

Pounds of Seafood Landed by Southeast Residents

In 2011, the total seafood landed by Southeast Alaska resident fishermen was 222 million pounds, with associated estimated gross earnings of \$215 million. This represents a 24 percent increase in pounds landed over 2010 and a 16 percent increase in gross earnings over the same period. Estimated gross earnings were derived from an ex-vessel price per pound developed by the CFEC. The following table presents pounds and value of fish landed by commercial fishermen residing in Southeast Alaska.

**Commercial Fish Harvest by Southeast Alaska Residents
Pounds Landed (Volume) and Gross Earnings (Value), 2010-2011**

Area of Residency	Volume 2010	Volume 2011	Volume Change	Value 2010	Value 2011	Value Change
Haines	6,347	7,152	13%	\$7,085	\$7,585	7%
Juneau	18,776	22,699	21%	\$22,162	\$26,394	19%
Ketchikan	30,881	35,679	16%	\$23,543	\$26,869	14%
POW-Outer KTN	15,854	19,402	22%	\$14,339	\$15,912	11%
Sitka	33,882	37,441	11%	\$42,673	\$46,207	8%
Skagway-Hoonah- Angoon	3,894	4,777	23%	\$6,787	\$6,903	2%
Wrangell-Petersburg	66,686	92,668	39%	\$65,832	\$81,496	24%
Yakutat	3,236	3,019	-7%	\$4,261	\$4,379	3%
Total Southeast	179,556	222,837	24%	\$186,682	\$215,745	16%

Source: Commercial Fisheries Entry Commission.

Pounds (000s) of Commercial Seafood Landed by Area of Residency 2010 and 2011



Source: Alaska Commercial Fisheries Entry Commission.

Seafood Processing in Southeast Alaska

In 2011, 50 shore-based seafood-processing facilities were active in Southeast Alaska and collectively processed 272.6 million pounds of product, with a wholesale value of \$612 million. This represents about a 30% increase in both volume and value over 2010. The majority of the product was processed in Sitka (77.8 million pounds), Petersburg (58.3 million pounds) and Ketchikan (54.6 million pounds). Juneau had eight shore based processors, producing 15.9 million pounds of product, a nearly 10% increase over 2010.

For 2011, the Alaska Department of Labor and Workforce Development estimated 1,612 processing jobs in Southeast Alaska, with total wages earned of \$57,099,063³⁰. Twenty-five percent of all processing workers were Alaska residents and these workers earned 40% of wages. In addition, 19% of processing workers were local residents, living in the same borough or census area as their employer. These workers earned almost 35% of all wages. Both processors and their non-resident workers contribute to the Southeast economy through their purchase of a variety of goods and services in local communities. Resident workers tend to fill many of the higher-level positions in the processing company such as managers, accountants, and mechanics.

State of Alaska Shared Taxes

For state fiscal year 2011, the state shared \$4,339,010 in fisheries business and landing taxes with municipalities, boroughs, and cities in Southeast Alaska³¹. Half of the fisheries business and landing taxes (3%) collected by the state are shared with local governments (A.S. 43.75.137 and A.S. 43.77.060 (3)(d)). It is up to each community to decide how to spend these taxes; some communities have chosen to invest in harbor infrastructure, like Juneau, while others have decided to use the funds in their general operating budget.

Salmon Market Trends

A 2012 trend analysis³² of Alaskan salmon markets (prepared by Economics Professor Gunnar Knapp of the University of Alaska, Anchorage for ComFish Alaska 2012) reports the steady, healthy growth of the salmon industry in the past decade. This growth is based on the strong harvests in the past ten years and a general increase in global demand for salmon. Since 2002, prices have been rising and both fishermen and processors are sharing in the profits. The markets for salmon have shifted somewhat, seeing a decline in exports to Japan and an increase in exports to China, and the European Union. The domestic U.S. market has also increased consumption, but it is the emerging markets like Brazil, Russia, and China that are responsible for driving up the global demand. Professor Knapp predicts a downturn in future prices due to the weakening of Alaskan salmon

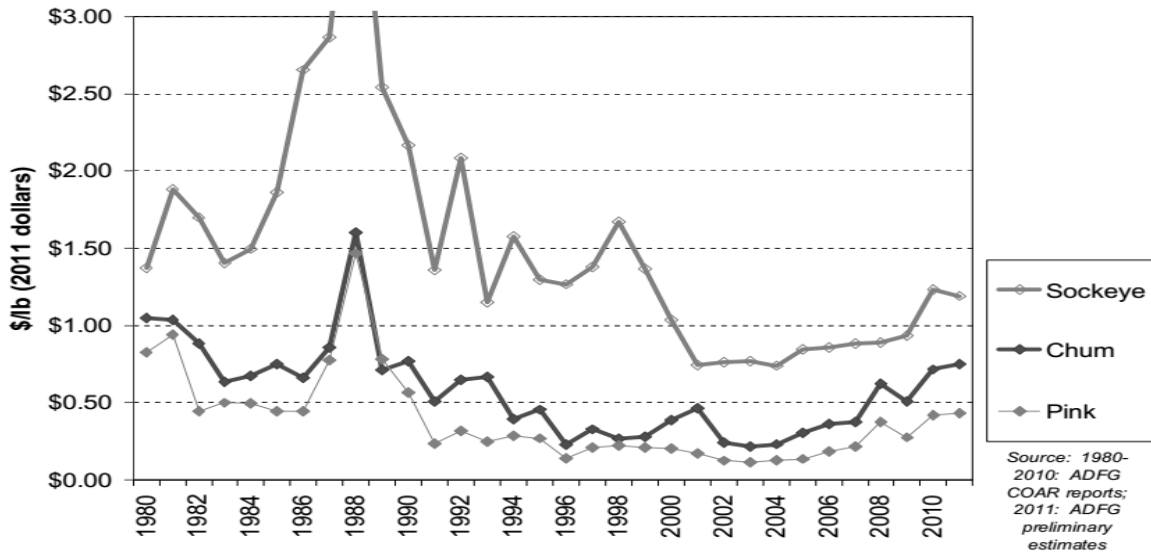
³⁰ Alaska Department of Labor and Workforce Development, Research and Analysis Section

³¹ Shared Taxes and Fees Annual Report –Fiscal Year 2011. Alaska Department of Revenue, Tax Division.

³² Knapp, Gunnar, (2012). *Trends in Alaska Salmon Markets*. ComFish Alaska 2012. Found at http://www.adfg.alaska.gov/static/fishing/PDFs/commercial/gk_trends_4-12-12.pdf

importer's currencies (the Yen and Euro) and the anticipated recovery of Atlantic salmon farms in Chile from an outbreak of disease.

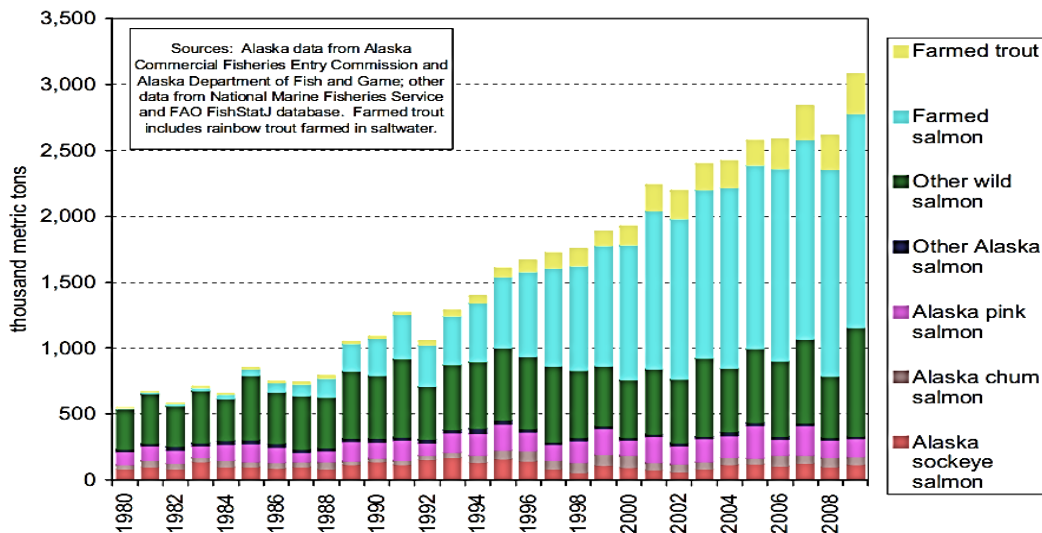
Alaska Salmon Real Statewide Average Ex-Vessel Prices, by Species (adjusted for inflation, expressed in 2011 dollars)



Source: Alaska Department of Fish and Game COAR reports and preliminary estimate

The trend analysis also notes that the prices of farmed salmon and wild salmon are linked as competing products and the price of farmed salmon has been declining in the past six months. Good marketing and sustainable industry practices have distinguished Alaskan salmon from the rest of the market and allowed Alaskan salmon to bring a premium price. According to Professor Knapp, the long-term outlook for the Alaskan fishing industry is good; he expects global demand to continue increasing, with Alaskan wild salmon creating a niche market in the world.

World Salmon Supply: Farmed versus Wild



Source: Alaska Commercial Fisheries Entry Commission and Alaska Department of Fish and Game, National Marine Fisheries Service and FAO FishStat