



JEDC.org
612 West Willoughby Ave. Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

September 2014

Dear Readers,

The Juneau Economic Development Council is pleased to present the 2014 edition of the Juneau and Southeast Alaska Economic Indicators and Outlook report. Each year we compile economic information that private and public organizations, local, state and federal agencies, lawmakers and engaged citizens see as important to making sound decisions for individual communities and our region.

Economic indicators for the past year have had mixed performance. Juneau's economy recorded a solid 3.3 percent growth in total payroll in 2013 due to increased earnings in the private sector despite a small net decrease in jobs. However, Juneau's continued loss of jobs in the government sector, a net of 200 in the past year, continued to be a drag on its economy, as these are some of Juneau's highest paying jobs. Business sales were level from 2012 to 2013 despite growth in retail sales.

The per capita personal income in Juneau continues to be above the national average by about 26 percent, helping to compensate for the estimated 30% higher than average cost of living here. Although new housing units permitted increased by 80 percent from last year, the housing market continues to be tight, with purchase prices and rents continuing to rise. The outlook for Juneau, however, is expected to be continued slow expansion driven by continued slight population and earnings growth.

We thank those who helped us make this annual publication possible, including the City and Borough of Juneau which provides core funding to JEDC, and the many organizations who shared their research and information, most notably the Alaska Department of Labor. In addition, we thank the 43 businesses and affiliate organizations that invested in 2014 to support our mission and work to strengthen our economy.

JEDC is a non-profit organization with a vision to make Juneau and Southeast Alaska a place where our residents thrive, our traditions carry on, and our unique lifestyles persist as we work to fashion a bright future in this incredible place.

We invite you to engage with our programs and welcome your input on economic development. Please visit www.JEDC.org or contact us at 523-2300 or bholst@jedc.org.

Regards,

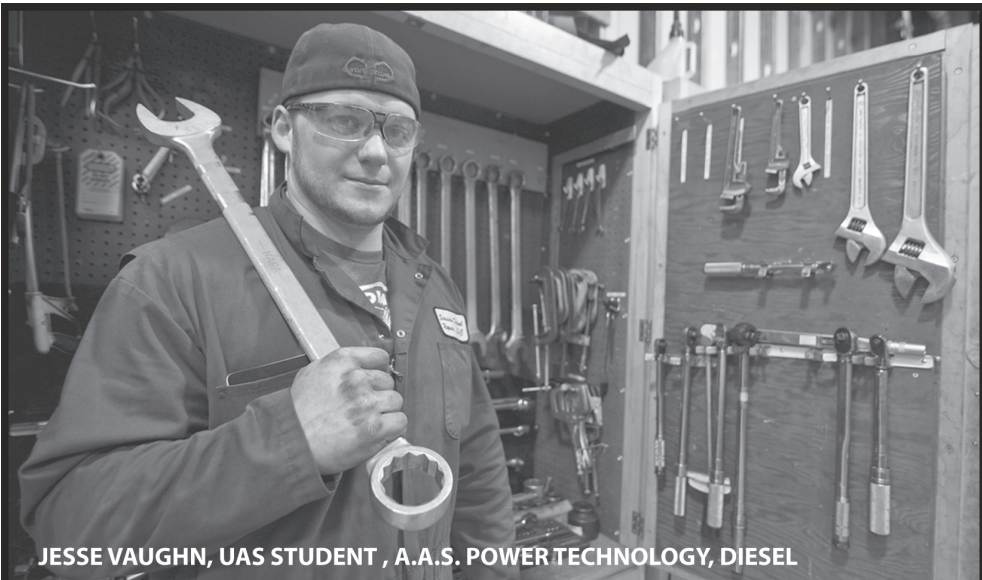
A handwritten signature in blue ink that reads "Kurt Fredriksson".

Kurt Fredriksson
Chair, Board of Directors

A handwritten signature in blue ink that reads "Brian Holst".

Brian Holst
Executive Director

Visit our website to download an electronic version and view all JEDC reports
JEDC.org



JESSE VAUGHN, UAS STUDENT , A.A.S. POWER TECHNOLOGY, DIESEL

A.A.S. POWER TECHNOLOGY DIESEL OR MARINE OILER EMPHASIS

Earn Your Degree While Working in Your Field!

The Power Technology Program (diesel emphasis) at the University of Alaska Southeast offers both an associate's degree and a one year occupational endorsement in diesel technology. Evening and day classes are available at the Technology Educational Center (TEC) downtown.

UAS diesel programs receive strong support from local industry in mining, trucking and marine, which makes the career of a diesel technician an excellent choice in Southeast Alaska.

"At the UAS Tech Center I put what I am learning in theory into practice. And I'm working as a diesel technician while going to school. My UAS education is not only an asset to my employer, it's given me a sense of confidence I can take with me."

All classes held at the UAS Technical Education Center downtown across from JDHS.

Check our full class schedule online at:
www.uas.alaska.edu/schedule

UAS UNIVERSITY OF ALASKA
SOUTHEAST

learn • engage • change

To register, contact: UAS Registrar's Office, (907) 796-6100





Irwin Chou
Production Engineer
BP Alaska



Our Commitment to Alaska: More Investment. More Jobs.

Thanks to a more competitive economic climate, we are adding two more rigs to our drilling fleet and will drill dozens of new oil wells on the North Slope. That means more investment. More production. And more jobs for Alaskans. It's an exciting time for BP and Alaska.

Find out more about BP Alaska at alaska.bp.com



Contents

| | |
|---|-----------|
| Juneau by the Numbers 2013 | 1 |
| Southeast Alaska by the Numbers 2013 | 2 |
| Employment and Earnings | 3 |
| Economic Contribution | 7 |
| Self-employed/Sole Proprietors | 8 |
| Government Employment Concentration | 10 |
| Non-resident Employment | 13 |
| Southeast Alaska Employment and Wages | 14 |
| Unemployment | 15 |
| Per Capita Personal Income | 15 |
| Demographics | 17 |
| Juneau Population Trends | 17 |
| Regional Population Trends | 18 |
| Median Age | 20 |
| Migration and Resident Transiency | 20 |
| Education | 23 |
| Juneau School District Enrollment | 23 |
| University of Alaska Southeast Enrollment | 23 |
| Educational Attainment | 24 |
| Construction and Housing | 25 |
| New Construction | 25 |
| Juneau Housing Sales and Prices | 26 |
| Monthly Rental Costs (Market Rates) | 28 |
| Business and Industry | 29 |
| Transportation and Visitor Industry | 30 |
| Health Care Industry | 34 |
| Natural Resources and Mining Industry | 35 |
| Seafood Industry | 36 |
| Cost of Living | 40 |

Juneau by the Numbers 2013

| | 2013 | % Change from 2012 | |
|---|-----------|--------------------|--------|
| Employment and Wages | | | |
| Total Payroll (\$ Millions) | \$881 | ↑ | 1.8% |
| Government (\$ Millions) | \$421 | ↑ | 0.2% |
| Service Sectors (\$ Millions) | \$323 | ↑ | 3.9% |
| Goods-Producing (\$ Millions) | \$137 | ↑ | 2.0% |
| Total Employment | 18,086 | ↓ | -1.3% |
| Total Private Sector | 10,992 | ↓ | -0.4% |
| Service Sectors | 9,165 | ↓ | -0.2% |
| Goods-Producing | 1,827 | ↓ | -1.0% |
| Total Government | 7,095 | ↓ | -2.7% |
| State of Alaska | 4,273 | ↓ | -0.7% |
| Local and Tribal | 2,061 | ↓ | -4.7% |
| Federal Civilian | 761 | ↓ | -8.2% |
| Fishermen and Crew (Juneau Residents) | 739 | ↑ | 4.5% |
| Average Wage | \$49,242 | ↑ | 3.3% |
| Unemployment | 4.6% | ↓ | -4.2% |
| Demographics | | | |
| Population | 33,064 | ↑ | 0.7% |
| 60 - 69 Year-Olds | 3,610 | ↑ | 5.7% |
| 40 - 49 Year-Olds | 4,615 | ↓ | -2.9% |
| 30 - 39 Year-Olds | 4,544 | ↑ | 4.0% |
| 10 - 19 Year-Olds | 4,106 | ↓ | -2.7% |
| Median Age | 37.9 | ↑ | 0.3% |
| Business Sales | | | |
| Gross Business Sales (\$ Billion) | \$2.39 | ↑ | 0.0% |
| Construction and Housing | | | |
| New Commercial Construction Permits | 12 | N/A | N/A |
| New Housing Unit Permits | 132 | ↑ | 140.0% |
| Median Price of Single Family Detached Home | \$350,000 | ↑ | 3.3% |
| Transportation | | | |
| Cruise Passenger Arrivals | 985,700 | ↑ | 5.2% |
| Alaska Airlines Passenger Arrivals | 262,334 | ↑ | 1.0% |
| Ferry Passenger Arrivals | 76,769 | ↓ | -1.7% |

Southeast Alaska by the Numbers 2013

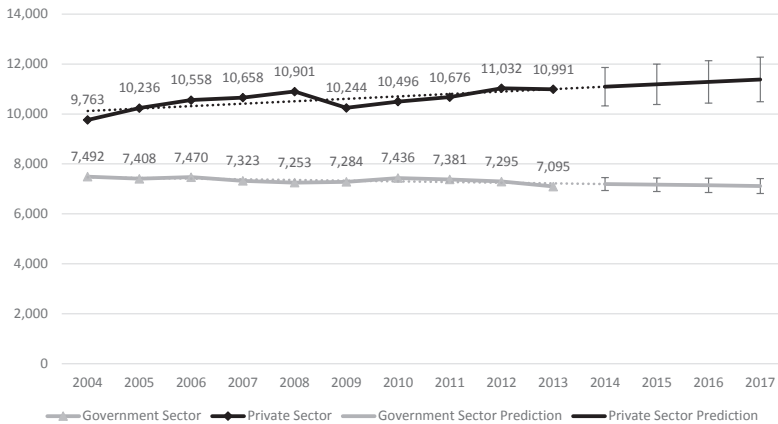
| | 2013 | % Change from 2012 | |
|--|-----------|--------------------|--------|
| Employment and Wages | | | |
| Total Payroll (\$ Millions) | \$1,723 | ↑ | 3.3% |
| All Government (\$ Millions) | \$755 | ↑ | 1.4% |
| Service Sectors (\$ Millions) | \$665 | ↑ | 2.5% |
| Goods-Producing (\$ Millions) | \$302 | ↑ | 10.4% |
| Total Employment | 38,210 | ↑ | 0.2% |
| Total Private Sector | 24,492 | ↑ | 1.2% |
| Service Sectors | 19,447 | ↑ | 0.3% |
| Goods-Producing | 5,045 | ↑ | 4.7% |
| All Government | 13,718 | ↓ | -1.4% |
| State of Alaska | 5,516 | ↓ | -1.0% |
| Local and Tribal | 6,007 | ↓ | -0.9% |
| Federal Civilian | 1,567 | ↓ | -6.8% |
| Fishermen and Crew (Southeast Residents) | 4,886 | ↑ | 3.1% |
| Average Wage | \$45,085 | ↑ | 3.1% |
| Unemployment | 6.4% | ↓ | -5.9% |
| Demographics | | | |
| Population | 74,382 | ↑ | 0.0% |
| Without Juneau | 41,318 | ↓ | -0.5% |
| Median Age | 39.73 | ↑ | 0.6% |
| Construction and Housing | | | |
| New Housing Units Built | 254 | ↑ | 135.2% |
| Commercial Seafood Industry | | | |
| Pounds Landed by Resident Fisherman (Thousands) | 272,546 | ↑ | 64.2% |
| Ex Vessel Value for Resident Fisherman (\$Thousands) | \$216,108 | ↑ | 9.4% |

Employment and Earnings

After three years of net job growth led by the private sector, both the government and private sectors of Juneau lost jobs in 2013. While total private sector employment declined by less than one percent (-41 jobs), the government sector employment dropped by almost three percent (-200 jobs). Job losses were led by local government, where job count decreased by 4.7 percent (-101 jobs), declining for the third year in a row. Civilian employment with the federal government, also down for the third year in a row, had a net loss of 68 jobs, a significant 8.2 percent decline.

Looking ahead, JEDC does not foresee any major disruptions in the economy. The key influences on the employment outlook will be both slow population growth and continued rebound in cruise tourism, which will be the driving force for a small expansion in the service sector. We anticipate private sector employment increasing in the area of 0.8 percent to about 11,400 jobs by 2017. The government sector employment will remain stagnant at about 7,100 jobs.

Figure 1: Juneau Private and Government Sector Employment Trend, 2004 - 2017



Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages; Forecast developed by JEDC. **Note:** Government sector employment is exclusive of Coast Guard employment.

Job Creation

While the single largest employer in Juneau continues to be the state government, the private sector in Juneau employs more total residents (10,991) than the state, federal, and local government combined (7,095). Juneau's private sector is predominately service providing, with 9,165 jobs in the service sector compared to 1,827 in the goods-producing sector. Retail trade (1,985 jobs), leisure and hospitality (1,618 jobs), and transportation and warehousing (1,049 jobs) are the largest employment sectors, together accounting for about 42 percent of all private sector jobs. In 2013, the leisure and hospitality sector led in job expansion with an increase

of 57 jobs, followed by retail trade (+34). Local and tribal government (-101) had the most job losses, followed by federal civilian employment.

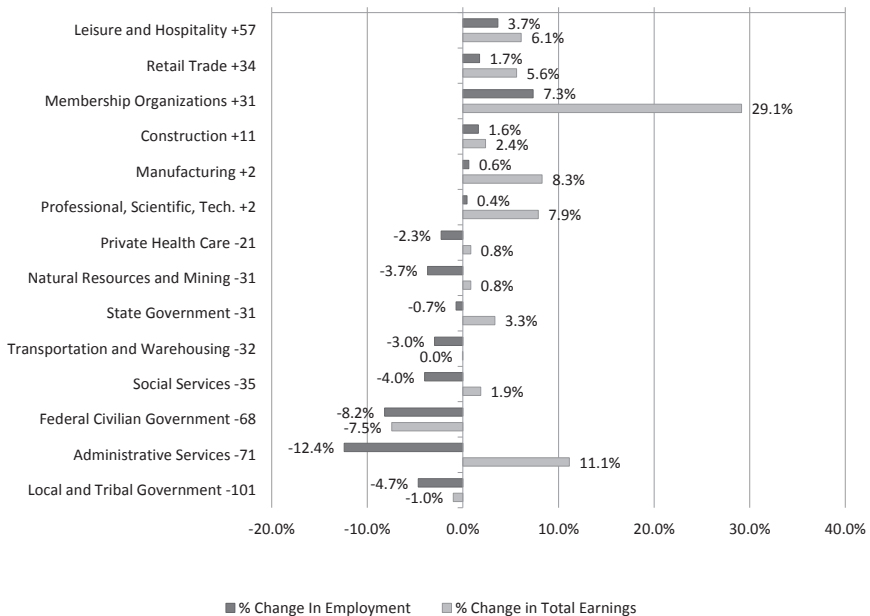
Employment Sector Expansion/Contraction

A net gain or loss of jobs must be looked at in the context of expansion or contraction in total industry earnings to determine the economic impact for Juneau. In this context, the industry sectors of leisure and hospitality, retail trade, membership organizations, construction, manufacturing, and professional, scientific and technical services experienced expansion, as both employment and total wages increased in 2013.

The sectors of health care, natural resources and mining, state government, transportation and warehousing and social services had a loss of jobs, but a gain in total payroll, indicating that while lower paying part-time or full-time jobs were reduced, there was no net impact on Juneau’s economy.

The federal civilian government sector’s loss of 68 jobs represents significant industry contraction with economic consequences for Juneau, as the 8.2 percent reduction in the workforce was coupled with a 7.5 percent reduction in the total payroll. The local and tribal sector also saw contraction with just under 5 percent reduction in jobs, but the effect was a one percent reduction in total sector earnings.

Figure 2: Juneau Employment and Earnings Growth, 2012-2013

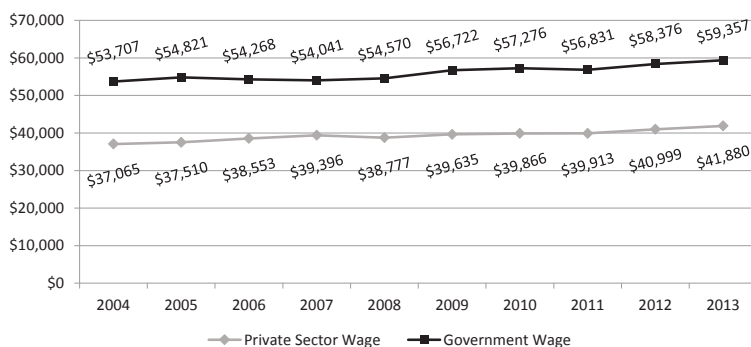


Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages **Note:** Local Government includes the Juneau School District employment and enterprises such as the Juneau Airport, Docks and Harbors, and Bartlett Regional Hospital.

Wages

In 2013, the average annual wage in the government sector, for all state, federal, local and tribal employment was \$59,357. The average annual wage in the private sector was \$41,880. Overall wages increased almost 4 percent for private sector employees and just over 3 percent for the public sector. When adjusted for inflation, the increase is closer to 2 percent for private sector and 1.5 percent for government sector employees.

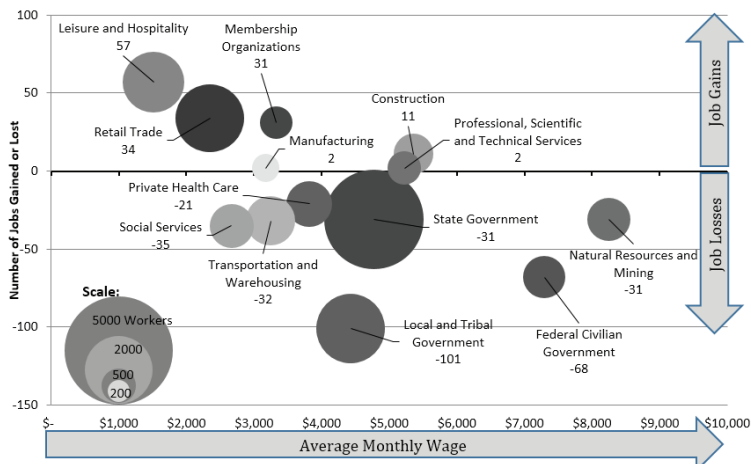
Figure 3: Juneau Private and Government Sector Average Annual Wage (2013 Inflation-Adjusted Dollars), 2004-2013



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

But a look at job gains and losses when compared to sector wages shows a more nuanced picture. The chart below shows Juneau's job gains and losses along with average monthly wage for employment sectors. It shows that Juneau has lost jobs in its highest paying sectors while gaining jobs in the lowest paying sectors.

Figure 4: Job Gains and Losses and Average Monthly Wage, 2012 – 2013



Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages; Note: Local Government includes the Juneau School District employment and enterprises such as the Juneau Airport, Docks and Harbors, and Bartlett Regional Hospital. The Federal Civilian Government circle does not include the Coast Guard personnel stationed in Juneau.

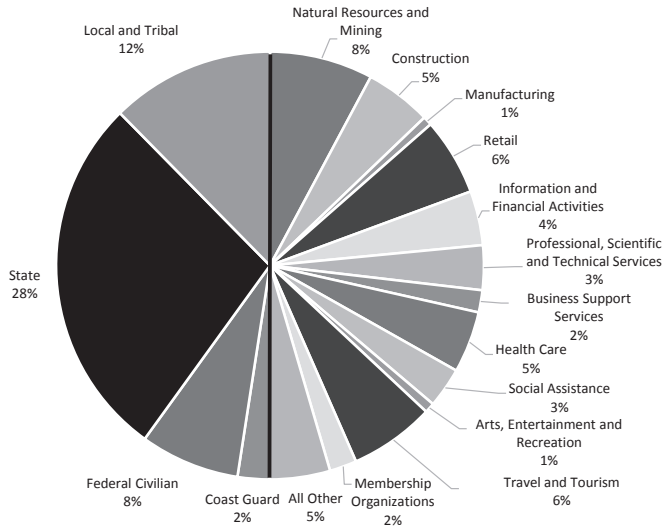
Here is how the chart works:

- The size of the circle represents the number of jobs in each industry today. State government, with the largest circle, is the largest employer in Juneau. Local Government is the second largest employer and Retail Trade is the third.
- The horizontal axis lines up the circles from left to right by the average monthly wage in the industry. Mining jobs pay the highest wages in Juneau. The federal government pays the second highest. Located on the left side of the chart, leisure and hospitality pays the lowest wages in Juneau.
- The circle's vertical position, either floating up or sinking down, shows the number of jobs gained or lost over the last year for each industry. Local government, with 101 jobs lost, is at the bottom of the chart. Leisure and Hospitality, expanding by 57 jobs, is the highest bubble on the chart.

Notable industry changes between 2012 and 2013 include:

- Natural Resources and Mining, Juneau's highest paying sector, decreased employment by 4 percent (-31 jobs) but experienced a 5 percent jump in average monthly wage. The Natural Resource industry continues to be the highest paying industry on average, with wages over two times the average private sector wage.
- Federal civilian employment, Juneau's second highest paying sector, decreased employment by 8.2 percent (-68 jobs) with no change in average monthly wage.
- Hospitality and leisure, much of which is involved in the tourism industry, grew 4% with 57 new jobs, and went up 2 percent in average wages, although it remains the lowest paid industry on average. However, since many of the jobs and workers in this industry are seasonal, it is likely that the average wage is slightly skewed.
- Overall, Juneau is seeing job losses in higher paying jobs while experiencing job growth in part-time or lower paying jobs.

Figure 5: Juneau Total Earnings by Sector, 2013



Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages; US Coast Guard FOIA **Note:** Local Government includes the Juneau School District employment and enterprises such as the Juneau Airport, Docks and Harbors, and Bartlett Regional Hospital; Natural Resources and Mining has been reduced by 20 percent to reflect workers living outside of Juneau.

State government is the largest contributor to Juneau’s economy by total earnings, accounting for almost 28 percent of the total wages paid into the community. State government, local and tribal government, federal government and the Coast Guard combined total 50 percent of total earnings in the community. The private sector contributes the other 50 percent of earnings in the community. The private sector is well diversified, with 12 industry sectors contributing from one to eight percent of total private sector wages.

In 2013 total earnings increased 3.3 percent overall in the private sector with gains in all sectors, with the exception of Financial Services. Several sectors experienced growth in earnings combined with decreases in employment (natural resources and mining, transportation and warehousing, health care, social assistance, and administrative services).

Figure 6: Juneau Average Annual Employment and Total Earnings by Sector, 2012 - 2013

| | Average Employment 2012 | Average Employment 2013 | % Change | Total Earnings 2012 | Total Earnings 2013 | % Change |
|------------------------------|-------------------------|-------------------------|--------------|----------------------|----------------------|-------------|
| Natural Resources and Mining | 841 | 810 | -3.7% | \$79,556,099 | \$80,205,983 | 0.8% |
| Construction | 681 | 692 | 1.6% | \$43,487,737 | \$44,519,736 | 2.4% |
| Manufacturing | 323 | 325 | 0.6% | \$11,425,788 | \$12,372,736 | 8.3% |
| Total Goods Producing | 1,845 | 1,827 | -1.0% | \$134,469,624 | \$137,098,455 | 2.0% |
| Retail Trade | 1,951 | 1,985 | 1.7% | \$52,938,156 | \$55,911,115 | 5.6% |
| Leisure and Hospitality | 1,561 | 1,618 | 3.7% | \$27,713,469 | \$29,404,297 | 6.1% |

| | Average Employment 2012 | Average Employment 2013 | % Change | Total Earnings 2012 | Total Earnings 2013 | % Change |
|-------------------------------------|-------------------------------|-------------------------------|--------------|------------------------|------------------------|-------------|
| Transportation and Warehousing | 1,081 | 1,049 | -3.0% | \$40,878,350 | \$40,858,641 | 0.0% |
| Private Health Care | 920 | 899 | -2.3% | \$40,855,866 | \$41,192,449 | 0.8% |
| Social Services | 875 | 840 | -4.0% | \$26,414,356 | \$26,904,832 | 1.9% |
| Information and Financial | 844 | 807 | -4.4% | \$41,920,073 | \$36,966,214 | -11.8% |
| All Other Services | 485 | 536 | 10.5% | \$18,410,493 | \$21,346,802 | 15.9% |
| Professional, Scientific, and Tech. | 475 | 477 | 0.4% | \$27,716,222 | \$29,900,492 | 7.9% |
| Membership Organizations | 422 | 453 | 7.3% | \$14,029,619 | \$18,118,796 | 29.1% |
| Administrative Services | 572 | 501 | -12.4% | \$20,379,054 | \$22,646,153 | 11.1% |
| Total Service Providing | 9,186 | 9,165 | -0.2% | \$311,255,658 | \$323,249,791 | 3.9% |
| Total Private Sector | 11,031 | 10,992 | -0.4% | \$445,725,282 | \$460,348,246 | 3.3% |
| State Government | 4,304 | 4,273 | -0.7% | \$237,039,721 | \$244,958,241 | 3.3% |
| Local and Tribal Government | 2,162 | 2,061 | -4.7% | \$110,679,504 | \$109,562,955 | -1.0% |
| Federal Civilian Government | 829 | 761 | -8.2% | \$71,980,772 | \$66,618,104 | -7.5% |
| Coast Guard | 245 | 246 | 0.4% | \$19,788,900 | \$21,265,329 | 7.5% |
| Total Government | 7,540 | 7,341 | -2.6% | \$439,488,897 | \$442,404,629 | 0.7% |

Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages; US Coast Guard FOIA
Note: Local Government includes such enterprises as the Juneau Airport, Docks and Harbors, and Bartlett Regional Hospital

Self-employed/Sole Proprietors

According to the most recent statistics published by the U.S. Census Bureau, there were 2,596 businesses in Juneau with no employees in 2012. This is traditionally considered an estimate of the number of self-employed/sole proprietors in Juneau.¹ There were 12 more non-employer businesses in Juneau in 2012 than in 2011. Professional, Scientific, and Technical Services remains the industry class with the largest number of the self-employed, with Agriculture, Forestry, Fishing, and Hunting (mostly composed of fishermen) as the second largest self-employed sector. Those self-employed in real estate sales, rental or leasing report the highest average gross revenues at \$124,609, followed by finance and insurance.

Figure 7: Juneau Non-Employer (Self-Employed) Statistics, 2012

| | Number of Non-Employer Establishments | Receipts | Average Gross Revenue |
|--|---|--------------|-----------------------------|
| Professional, scientific, and technical services | 454 | \$19,933,000 | \$43,905 |
| Agriculture, forestry, fishing and hunting | 334 | \$20,059,000 | \$60,057 |
| Construction | 216 | \$16,518,000 | \$76,472 |
| Real Estate, rental and leasing | 235 | \$29,283,000 | \$124,609 |

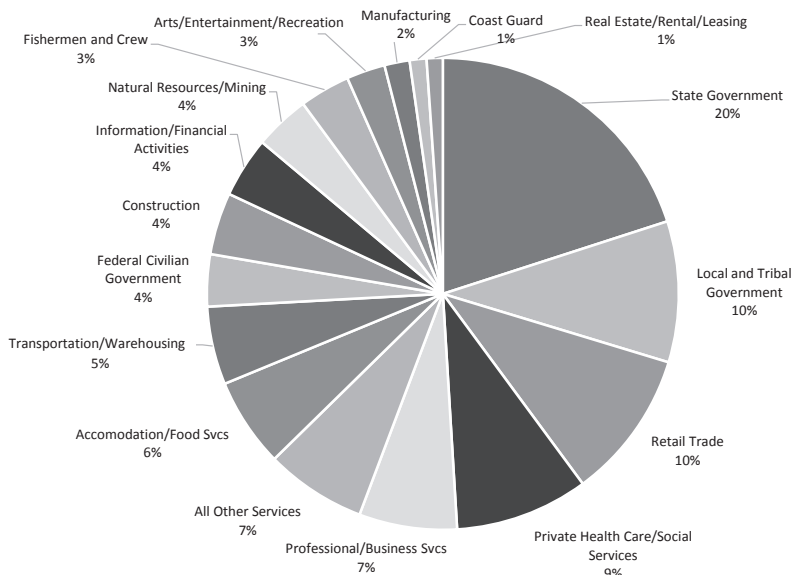
¹ It is possible that one person may own multiple businesses, or that business owners may also be an employee at another job while also self-employed on the side, so this number is likely an overestimate of the number of solely self-employed people in Juneau.

| | Number of Non-Employer Establishments | Receipts | Average Gross Revenue |
|---|---------------------------------------|----------------------|-----------------------|
| Private Health Care and Social Services | 211 | \$8,181,000 | \$38,773 |
| Arts, entertainment, and recreation | 196 | \$3,677,000 | \$18,760 |
| Retail trade | 192 | \$6,299,000 | \$32,807 |
| Administrative support, waste management and remediation services | 144 | \$5,678,000 | \$39,431 |
| Educational services | 101 | \$1,404,000 | \$13,901 |
| Transportation and warehousing | 94 | \$5,294,000 | \$56,319 |
| Accommodation and food services | 55 | \$2,526,000 | \$45,927 |
| Manufacturing | 43 | \$861,000 | \$20,023 |
| Finance and insurance | 41 | \$3,559,000 | \$86,805 |
| Information | 38 | \$1,348,000 | \$35,474 |
| Other services (except public administration) | 242 | \$9,230,000 | \$38,140 |
| Total for all sectors | 2,596 | \$133,850,000 | \$51,560 |

Source: US Census Bureau, 2012 Non-employer Statistics

Fishing along with arts, entertainment and recreation are industry sectors in which the majority of participants are self-employed. Consequently, they are sectors of Juneau’s economy that are not fully represented in earnings data tracked by the Alaska Department of Labor and Workforce Development. To get a complete picture of the diversity of Juneau’s workforce, the employed and self-employed job count has been combined in Figure 8. Overall, the fishing industry contributes four percent of jobs, and Juneau’s dependence on state government now decreases, from 23 percent of all jobs to 20 percent of employment. The largest four sectors, state government, local and tribal government, retail trade, health care and social services, together employ 49 percent of Juneau’s workforce.

Figure 8: Where Juneau Works: Total Employed and Self-employed Jobs



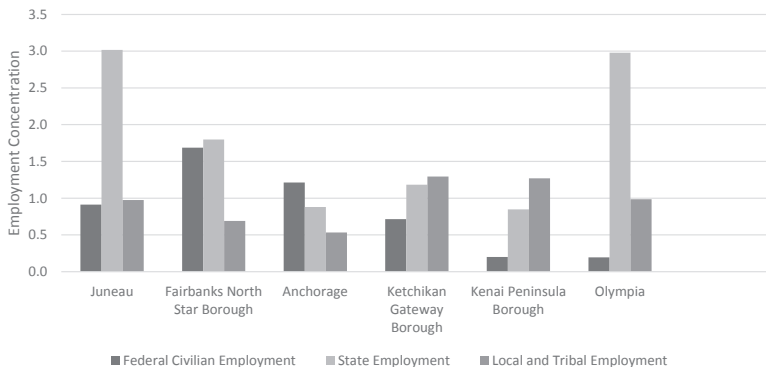
Source: Alaska Department of Labor and Workforce Development, 2013 Quarterly Census of Employment and Wages; US Census Bureau, 2012 Non-Employer Statistics, US Coast Guard FOIA.

Government Employment Concentration

In 2013, local, state, tribal and civilian federal government agencies collectively employed about 7,000 people, or 39 percent of Juneau’s workforce, accounting for almost 50 percent of the total wages. The State of Alaska has a combined average employment in the four government sectors of about 80,900, which is 24 percent of Alaska’s total workforce and accounts for 25 percent of total wages.

The chart below looks at a comparison of the employment concentration in government jobs for Juneau and other select communities. Employment concentration is the number of workers in one economic sector in a community as a percent of the total workforce in that community compared to the corresponding state-wide concentration of the same sector in the state-wide workforce. When the employment concentration equals one, the community has the same percentage of workers in the local workforce as exists in the state aggregate. A ratio of greater than one indicates that a larger percent of the community workforce is employed by the one economic sector than in the state overall. While Juneau is three times more concentrated in state government employment, this concentration is consistent with Olympia, capital of Washington State. Alaska’s federal workforce is concentrated in Fairbanks and Anchorage. Juneau’s concentration of federal civilian workers falls slightly below the state average. Juneau’s local and tribal workforce, while more concentrated than in Alaska’s two largest cities, is below that of larger population centers such as Kenai and Mat-Su boroughs.

Figure 9: Government Employment Concentration for Select Communities, 2013

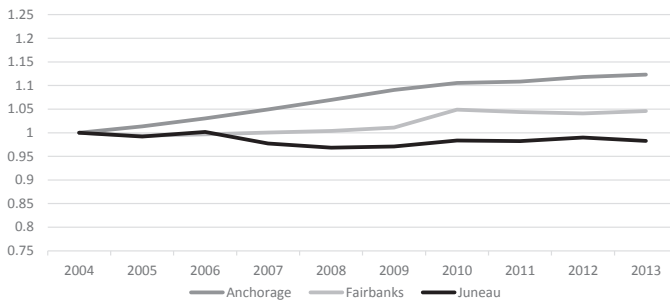


Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages, US Bureau of Labor Statistics, Quarterly Census of Employment and Wages; **Note:** Local Government includes such enterprises as the Juneau Airport, Docks and Harbors, and Bartlett Regional Hospital

State Government Employment

In 2013, State employment lost a net of 31 jobs in Juneau, nearly reversing the 32 jobs gained in 2012. From a ten year perspective, the number of state jobs in Juneau has returned to within two percent of the number of jobs in 2004. However, while Juneau has struggled to retain jobs, the percent of state jobs is now over 12 percent higher in Anchorage and nearly 5 percent higher in Fairbanks.

**Figure 10: Annual Change in State Government Employment in Juneau, Anchorage and Fairbanks
2004-2013, Indexed to 2004**



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

Using a two year comparison to reduce annual variability, the Department of Transportation and Public Facilities gained 32 jobs over two years and Health and Social Services gained 11. Contributing significantly to the job losses were ADOLW (-26 jobs) and the Department of Administration (-17). The average wage for 2013 was about \$57,300, a 2.6 percent increase from 2012, after adjusting for inflation.

Figure 11: State Government Employment in Juneau by Department, 2013

| | 2011 | 2012 | 2013 | Change 2011-2013 |
|--------------------------------------|------|------|------|---------------------|
| Transportation and Public Facilities | 672 | 712 | 704 | 4.8% |
| Health and Social Services | 525 | 523 | 536 | 2.1% |
| University of Alaska | 447 | 445 | 446 | -0.2% |
| Administration | 459 | 450 | 442 | -3.7% |
| Fish & Game | 313 | 310 | 312 | -0.3% |
| Labor & Workforce Development | 317 | 306 | 291 | -8.2% |
| Legislative Affairs | 250 | 250 | 251 | 0.4% |
| Education | 226 | 229 | 230 | 1.8% |
| Community and Economic Development | 169 | 172 | 167 | -1.2% |
| Revenue | 160 | 163 | 165 | 3.1% |
| Environmental Conservation | 129 | 138 | 136 | 5.4% |
| Corrections | 113 | 117 | 121 | 7.1% |
| Law | 84 | 83 | 82 | -2.4% |
| Office of the Governor | 71 | 88 | 65 | -8.5% |
| Public Safety | 41 | 42 | 43 | 4.9% |
| Natural Resources | 45 | 41 | 42 | -6.7% |
| All Other | 250 | 235 | 241 | -3.6% |

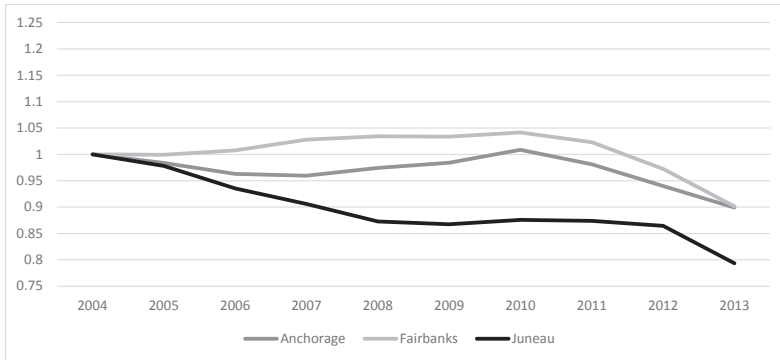
Source: Alaska Department of Labor and Workforce Development, Research and Analysis

Federal Government Employment

An annual average of 761 people are employed in civilian federal jobs in Juneau. The average wage of these federal employees is approximately \$87,500, making it one of the highest paying sectors in Juneau, second only to natural resources and mining. Thirteen federal government agencies have a local presence, but only 5 have more

than 10 employees. Since 2004, Juneau has suffered a loss of 193 Federal positions, which is a 20 percent reduction in the federal workforce. In comparison, Anchorage and Fairbanks have both experienced only a 10 percent reduction in federal jobs.

Figure 12: Annual Change in Federal Government Employment in Juneau, Anchorage and Fairbanks 2004-2013, Indexed to 2004



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

The five largest agencies are listed in Figure 13 below. The Department of Commerce (includes NOAA) lost 32 positions, the Department of Agriculture (includes USFS) lost 23 and the Department of the Interior lost 12, all significant cutbacks. The other 8 agencies include the following departments: Defense, Justice, Labor, General Services Administration, Homeland Security, Social Security Administration, Environmental Protection Agency, Court Administration Office and Payroll.

Figure 13: Federal Civilian Government Employment in Juneau by Department, 2013

| | 2011 | 2012 | 2013 | Change 2011-2013 |
|--------------------|------|------|------|------------------|
| Transportation | 241 | 248 | 240 | -0.4% |
| Commerce (NOAA) | 233 | 228 | 201 | -13.7% |
| Agriculture (USFS) | 204 | 200 | 181 | -11.3% |
| Postal Service | 72 | 71 | 68 | -5.6% |
| Interior | 54 | 50 | 42 | -22.2% |
| All Other | 35 | 33 | 30 | -14.3% |

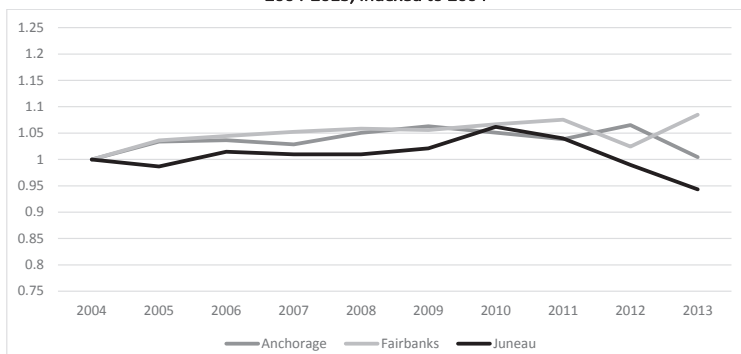
Source: Alaska Department of Labor and Workforce Development, Research and Analysis

Local and Tribal Government Employment

Local and tribal government reported a third year of substantial loss of jobs, reducing employee count by 101 (5 percent of all local and tribal government) between 2012 and 2013. Despite this, the average annual wage increased 4 percent from \$51,193 to \$53,160 from 2012.

Looking at the ten year perspective, Juneau now employs almost 6 percent fewer local government employees than in 2004, despite a 6 percent increase in population. Anchorage has returned to 2004 employment levels, while Fairbanks has 4 percent more jobs in local government than in 2004.

Figure 14: Annual Change in Federal Government Employment in Juneau, Anchorage and Fairbanks 2004-2013, Indexed to 2004



Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages
Note: Local Government includes such enterprises as the Juneau Airport, Docks and Harbors, and Bartlett Regional Hospital

Non-resident Employment

In 2012, approximately 30 percent of the workforce in Juneau (a total of about 6,400 workers) did not live in the city full time. This is an increase of 7 percent since 2010, when 23 percent of the workforce did not live in Juneau. Among nonresidents, 40 percent are residents of Alaska outside of Juneau while 60 percent are residents of another state. The majority of Juneau’s non-local workforce consists of non-Alaskans working in the private sector (3,400).

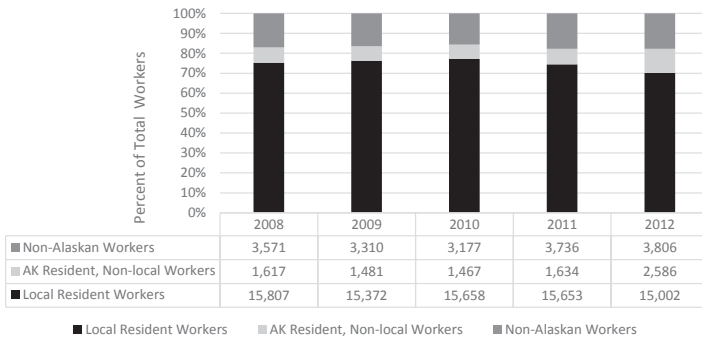
The reported earnings of workers residing out of state are lower than the earnings of both Juneau resident workers and other Alaskan residents working in Juneau, probably due to the seasonality of much of the employment. The manufacturing sector, which includes seafood processing, has traditionally had a high nonresident seasonal workforce. About 73 percent of processing workers in the Juneau workforce are nonresident, according to ADOLWD. Mining is a local industry which has a high percent of full time out-of-state workers, estimated at 28 percent by the industry.

Figure 15: Resident and Non-Resident Workers and Earnings in Juneau, 2012

| | Workers | | | | Per Capita Annual Earnings | | |
|-----------------------------|-------------------------|---------------------------|----------------------|----------------|----------------------------|---------------------------|----------------------|
| | Juneau Resident Workers | Other AK Resident Workers | Out of State Workers | % Out of State | Juneau Resident Workers | Other AK Resident Workers | Out of State Workers |
| State Government | 3,929 | 449 | 229 | 5.0% | \$49,504 | \$40,535 | \$27,074 |
| Local and Tribal Government | 2,307 | 162 | 177 | 6.7% | \$45,340 | \$31,481 | \$20,904 |
| Private Sector | 8,766 | 1,975 | 3,400 | 24.0% | \$34,303 | \$31,342 | \$21,265 |
| All Sectors | 15,002 | 2,586 | 3,806 | 17.8% | \$39,981 | \$32,947 | \$21,597 |

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Resident Hire, Historical Documents, "Residency of Alaska Workers 2012"

Figure 16: Non-Local Workers in Juneau, 2008-2012



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Resident Hire, Historical Documents, "Residency of Alaska Workers" Dataset

Southeast Alaska Employment and Wages

Employment in Southeast Alaska leveled off from 2012 to 2013, following a three-year growth period. The private sector added 290 new jobs in 2013, while the government sector lost 198 jobs. Wages increased for government workers by nearly 3 percent, compared to a 3.6 percent increase in the private sector. Retail trade (11%), leisure and hospitality (10%), and transportation and warehousing (6%) are the three largest employment sectors in the Southeast region. The natural resources and mining industry, and the construction industry are the highest paying industries in the Southeast private sector. While the construction industry in Juneau posted gains in both employment and wages, employment in Southeast grew at over three times the growth rate in Juneau, and wages grew at over ten times the growth rate seen in Juneau.

Figure 17: Total Southeast Alaska Employment and Wage by Sector, 2013

| | Average Employment 2012 | Average Employment 2013 | % Change | Total Earnings 2012 | Total Earnings 2013 | % Change |
|--------------------------------|-------------------------|-------------------------|-------------|----------------------|----------------------|--------------|
| Manufacturing | 2,066 | 2,214 | 7.2% | \$75,719,723 | \$87,771,232 | 15.9% |
| Construction | 1,552 | 1,658 | 6.8% | \$99,294,038 | \$114,254,439 | 15.1% |
| Natural Resources and Mining | 1,202 | 1,173 | -2.4% | \$98,628,258 | \$100,074,331 | 1.5% |
| Total Goods Producing | 4,820 | 5,045 | 4.7% | \$273,642,019 | \$302,100,002 | 10.4% |
| Retail Trade | 4,231 | 4,270 | 0.9% | \$113,630,002 | \$118,401,067 | 4.2% |
| Leisure and Hospitality | 3,695 | 3,815 | 3.2% | \$73,696,963 | \$76,923,412 | 4.4% |
| Transportation and Warehousing | 2,364 | 2,401 | 1.6% | \$96,538,643 | \$101,001,870 | 4.6% |
| Private Health Care | 2,404 | 2,344 | -2.5% | \$115,624,024 | \$114,421,038 | -1.0% |
| Social Services | 1,506 | 1,495 | -0.7% | \$42,776,693 | \$44,506,336 | 4.0% |
| All Other Services | 1,042 | 1,220 | 17.1% | \$43,021,722 | \$51,833,122 | 20.5% |
| Financial Services | 1,321 | 1,197 | -9.4% | \$60,400,951 | \$53,395,079 | -11.6% |

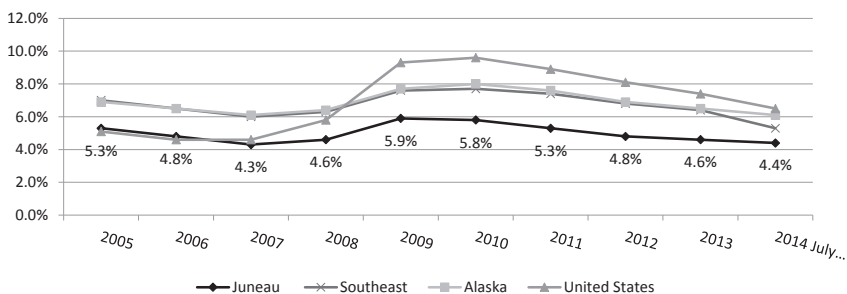
| | Average Employment 2012 | Average Employment 2013 | % Change | Total Earnings 2012 | Total Earnings 2013 | % Change |
|-------------------------------------|-------------------------|-------------------------|--------------|----------------------|----------------------|-------------|
| Membership Organizations | 885 | 908 | 2.6% | \$20,841,003 | \$25,002,199 | 20.0% |
| Professional, Scientific, and Tech. | 712 | 680 | -4.5% | \$37,567,339 | \$38,685,478 | 3.0% |
| Administrative Services | 780 | 636 | -18.5% | \$25,805,055 | \$21,676,277 | -16.0% |
| Information | 442 | 481 | 8.8% | \$19,257,088 | \$19,568,936 | 1.6% |
| Total Service Providing | 19,382 | 19,447 | 0.3% | \$649,159,483 | \$665,414,814 | 2.5% |
| Total Private Sector | 24,202 | 24,492 | 1.2% | \$922,801,502 | \$967,514,816 | 4.8% |
| Local and Tribal Government | 6,062 | 6,007 | -0.9% | \$270,748,249 | \$273,411,497 | 1.0% |
| State Government | 5,574 | 5,516 | -1.0% | \$302,013,846 | \$309,150,068 | 2.4% |
| Federal Civilian Government | 1,682 | 1,567 | -6.8% | \$131,404,157 | \$122,404,128 | -6.8% |
| Coast Guard | 598 | 628 | 5.0% | \$40,651,551 | \$50,210,843 | 23.5% |
| Total Government | 13,916 | 13,718 | -1.4% | \$744,817,803 | \$755,176,536 | 1.4% |

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

Unemployment

In the past 5 years the unemployment rate in Juneau has been consistently lower than the rest of the region, state, and country. As of July 2014, the unemployment rate in Juneau was 4.4 percent, compared to the U.S. Average of 6.5 percent. In addition, the regional average (5.3 percent) has substantially improved over the state average (6.5 percent). Juneau, the state, and the rest of the United States, all appear to be on a steady decline in unemployment since 2010, and Juneau has almost reached its pre-recession relative-low of 4.3 percent.

Figure 18: Annual Unemployment Rate Trend 2005-2014 (Not Seasonally Adjusted)²



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

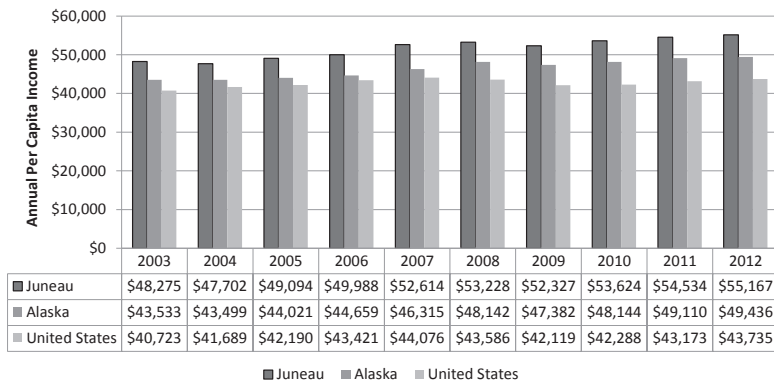
Per Capita Personal Income

Total personal income, defined as total gross income from all sources, increased from \$1.7 billion to \$1.8 billion in Juneau between 2011 and 2012, a 2.2 percent increase

² 2014 number a preliminary estimate for July

after adjusting for inflation. Since 2009 the per capita personal income has been growing faster than inflation, which means that Juneau is gaining spending power. Juneau continues to have a higher per capita income than the State and the U.S. (\$49,436 and \$43,173 respectively). More than two-thirds of total personal income for Juneau is income from employment. Investment income, which includes dividends, rental income and interest, is 21 percent, and government transfers, which include the permanent fund dividend, Medicare, Medicaid and social security, is 11 percent of total personal income. While Alaska has almost the same percent contribution of employment income to total personal income, only 17 percent of income comes from investments while 14 percent from government transfers. Income from investments was the fastest growing source of personal income in Juneau in 2013, increasing by 7.2%.

Figure 19: Per Capita Annual Personal Income, 2003-2012 (In 2012 Inflation-Adjusted Dollars)



Source: U.S. Bureau of Economic Analysis, Regional Data, Local Area Personal Income

Regionally, Juneau has the fourth highest per capita income in Southeast, but it is above the regional average by about \$2,100. Wrangell City and Borough was the only area to experience a decline in spending power in 2012. Haines and Petersburg experienced the highest rate of increase at just over 2 percent each.

Figure 20: Per Capita Personal Income for Selected Boroughs, 2011-12 (In 2012 Inflation-Adjusted Dollars)

| Area | 2011 | 2012 | % Change |
|---------------------------------------|----------|----------|----------|
| Haines Borough, AK | \$80,575 | \$82,323 | 2.2% |
| Skagway Municipality, AK | \$67,774 | \$68,730 | 1.4% |
| Ketchikan Gateway Borough, AK | \$55,589 | \$56,477 | 1.6% |
| Juneau City and Borough, AK | \$54,534 | \$55,167 | 1.2% |
| Petersburg Census Area, AK | \$48,875 | \$49,907 | 2.1% |
| Sitka City and Borough, AK | \$50,210 | \$50,583 | 0.7% |
| Yakutat City and Borough, AK | \$47,514 | \$47,710 | 0.4% |
| Hoonah-Angoon Census Area, AK | \$42,357 | \$42,872 | 1.2% |
| Wrangell City and Borough, AK | \$39,519 | \$39,359 | -0.4% |
| Prince of Wales-Hyder Census Area, AK | \$33,445 | \$33,542 | 0.3% |
| Southeast | \$52,420 | \$53,066 | 1.2% |
| Alaska | \$49,110 | \$49,436 | 0.7% |

Source: U.S. Bureau of Economic Analysis, Regional Data, Local Area Personal Income

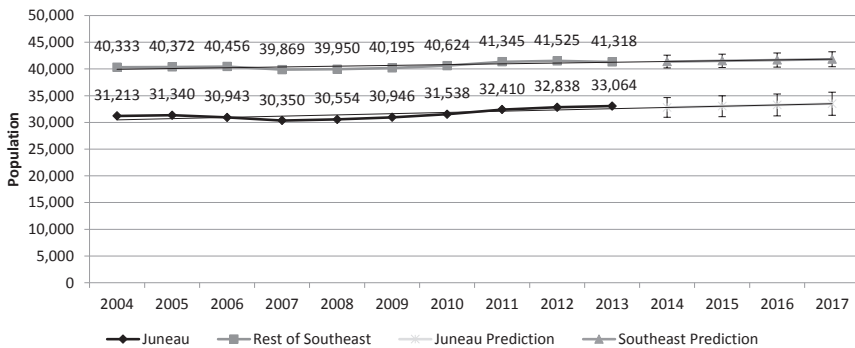
Demographics

Juneau Population Trends

For six consecutive years Juneau’s population has been increasing, reaching a record high of 33,064 people in 2013. This year’s net increase of 226 people (+0.69 percent) was primarily due to net births over deaths (61), while net out-migration mitigated the total growth (-8). Over the past ten years, from 2004 to 2013, Juneau’s compound annual growth rate was 0.64 percent, the Southeast region exclusive of Juneau grew at 0.12 percent, and the State of Alaska enjoyed a 1.23 percent compound annual growth rate in population.

The Alaska Department of Labor and Workforce Development projects that Juneau’s population from 2012 to 2017, the last period for which projections have been provided, will continue to grow at a very slow (+.35 percent) rate with population gains due to a net increase of births over both outmigration and deaths. To date, Juneau’s population has outpaced ADOLWD projections, so the population by 2017 will likely be above state projections. Based on the current levels and historical trends, JEDC estimates that Juneau will continue to have a slight increase in population through 2017, when the population will be about 33,500.³

Figure 21: Juneau and Southeast Alaska Population, 2004 – 2017 (Estimate)



Source: Alaska Department of Labor and Workforce Development, Research & Analysis, Population Estimates, Economic and Regions and Boroughs/Census Areas, "Components of Change" Dataset; Forecast developed by JEDC.

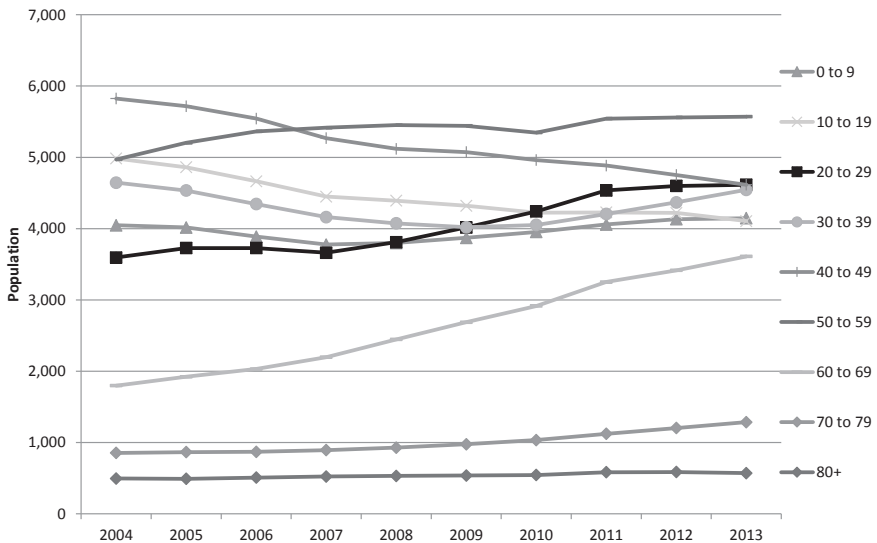
Juneau Population by Age Group

From 2012 to 2013, all but three demographic age groups gained residents, with 70 to 79 year-olds and 60 to 69 year-olds experiencing the greatest increase followed by 30 to 39 year-olds, increasing by 6.9, 5.7 and 4.0 percent, respectively. The three demographics which experienced declines were 10 to 19 year-olds (-2.7 percent), 40 to 49 years-old (-2.9 percent), and residents 80 years or older (-2.6 percent). The

³ Estimate represents the midpoint of a 95 percent confidence interval.

largest demographic in Juneau, accounting for 17% of the total population, are 50-59 year-olds; this demographic has grown at a compound annual rate of 3 percent since 2000. Tying for second largest demographic are 20 to 29 year-olds and 40 to 49 year-olds, each accounting for 14 percent of the total population. 20 to 29 year-olds grew in numbers at a compound annual rate of 2 percent since 2000, while 40 to 49 year-olds have declined in numbers by an annual average of 2 percent over the same period. The fastest growing age group has been 60 to 69 year-olds, growing at compound annual rate of 7 percent since 2000 and representing 11 percent of Juneau's population in 2013.

Figure 22: Juneau Population by Age Group, 2004 – 2013



Source: Alaska Department of Labor and Workforce Development, Population Estimates, Economic Regions and Boroughs/Census Areas, "Age and Sex" Dataset

Regional Population Trends

The population of Southeast Alaska, excluding Juneau, declined by 207 people (-0.5 percent) over the past year. According to the Department of Labor and Workforce Development, this decline is due to net outmigration of -398, mitigated by net births over deaths of 191. The majority of the population decline occurred in the region's small, outlying communities. From 2011 to 2013, six out of fourteen communities with populations of 500 or more had two consecutive years of growth (Gustavus, Hoonah, Ketchikan, Metlakatla, Thorne Bay, and Wrangell), while three experienced two consecutive years of population decline (Craig, Klawock, and Petersburg).

The compound annual growth rate for the Southeast region exclusive of Juneau was 0.27 percent from 2004 to 2013. The Alaska Department of Labor and Workforce

Development projections estimate that the Southeast regional population, exclusive of Juneau, from 2012 to 2017 would have a slight decrease (-.07 percent) as a result of outmigration exceeding births over deaths. Based on the current levels and historical trends, JEDC estimates that Southeast will have a slight increase in population by 2017, when the population will be about 41,800⁴ if trends continue as they have over the past decade.

Figure 23: Southeast Population by Borough and Census Designated Place (CDP) 2010-2013

| | April 2010 | July 2011 | July 2012 | July 2013 | % Change 2012-2013 |
|--|---------------|---------------|---------------|---------------|--------------------|
| Haines Borough | 2,508 | 2,615 | 2,616 | 2,530 | -3.3% |
| Covenant Life CDP | 86 | 85 | 83 | 65 | -21.7% |
| Excursion Inlet CDP | 12 | 15 | 12 | 8 | -33.3% |
| Haines CDP | 1,713 | 1,805 | 1,828 | 1,809 | -1.0% |
| Lutak CDP | 49 | 50 | 56 | 67 | 19.6% |
| Mosquito Lake CDP | 309 | 311 | 292 | 266 | -8.9% |
| Mud Bay CDP | 212 | 208 | 210 | 198 | -5.7% |
| Balance | 127 | 141 | 135 | 117 | -13.3% |
| Hoonah-Angoon Census Area | 2,149 | 2,157 | 2,208 | 2,183 | -1.1% |
| Angoon City | 459 | 474 | 455 | 438 | -3.7% |
| Elfin Cove CDP | 20 | 17 | 20 | 16 | -20.0% |
| Game Creek CDP | 18 | 14 | 19 | 27 | 42.1% |
| Gustavus City | 442 | 456 | 489 | 502 | 2.7% |
| Hoonah City | 760 | 762 | 776 | 798 | 2.8% |
| Klukwan CDP | 95 | 96 | 92 | 93 | 1.1% |
| Pelican City | 88 | 83 | 82 | 79 | -3.7% |
| Tenakee Springs City | 131 | 144 | 151 | 141 | -6.6% |
| Balance | 136 | 111 | 124 | 89 | -28.2% |
| Juneau City and Borough | 31,275 | 32,410 | 32,838 | 33,064 | 0.7% |
| Ketchikan Gateway Borough | 13,477 | 13,755 | 13,904 | 13,856 | -0.3% |
| Ketchikan City | 8,050 | 8,202 | 8,274 | 8,313 | 0.5% |
| Saxman City | 411 | 437 | 432 | 411 | -4.9% |
| Balance | 5,016 | 5,116 | 5,198 | 5,132 | -1.3% |
| Petersburg Census Area | 3,203 | 3,298 | 3,265 | 3,216 | -1.5% |
| Kupreanof City | 27 | 27 | 34 | 25 | -26.5% |
| Petersburg City | 2,948 | 3,023 | 2,968 | 2,957 | -0.4% |
| Balance | 228 | 248 | 263 | 234 | -11.0% |
| Prince of Wales-Hyder Census Area | 6,172 | 6,468 | 6,445 | 6,434 | -0.2% |
| Coffman Cove City | 176 | 176 | 181 | 163 | -9.9% |
| Craig City | 1,201 | 1,251 | 1,242 | 1,195 | -3.8% |
| Edna Bay CDP | 42 | 50 | 39 | 49 | 25.6% |
| Hollis CDP | 112 | 110 | 109 | 120 | 10.1% |
| Hydaburg City | 376 | 409 | 367 | 405 | 10.4% |
| Hyder CDP | 87 | 95 | 98 | 94 | -4.1% |
| Kake City | 557 | 577 | 598 | 598 | 0.0% |
| Kasaan City | 49 | 80 | 80 | 75 | -6.3% |

⁴ Estimate represents the midpoint of a 95 percent confidence interval.

| | April 2010 | July 2011 | July 2012 | July 2013 | % Change 2012-2013 |
|----------------------------------|---------------|---------------|---------------|---------------|--------------------|
| Klawock City | 755 | 808 | 798 | 786 | -1.5% |
| Metlakatla CDP | 1,405 | 1,421 | 1,462 | 1,471 | 0.6% |
| Naukatli Bay CDP | 113 | 121 | 113 | 123 | 8.8% |
| Point Baker CDP | 15 | 14 | 16 | 15 | -6.3% |
| Port Alexander City | 52 | 64 | 66 | 66 | 0.0% |
| Port Protection CDP | 48 | 52 | 42 | 57 | 35.7% |
| Thorne Bay City | 471 | 492 | 508 | 518 | 2.0% |
| Whale Pass CDP | 31 | 32 | 39 | 39 | 0.0% |
| Balance | 682 | 716 | 687 | 660 | -3.9% |
| Sitka City and Borough | 8,881 | 9,025 | 9,058 | 9,039 | -0.2% |
| Skagway Municipality | 968 | 966 | 960 | 982 | 2.3% |
| Skagway CDP | 920 | 916 | 910 | 927 | 1.9% |
| Balance | 48 | 50 | 50 | 55 | 10.0% |
| Wrangell City and Borough | 2,369 | 2,414 | 2,448 | 2,456 | 0.3% |
| Yakutat City and Borough | 662 | 647 | 621 | 622 | 0.2% |
| Southeast Total | 71,664 | 73,755 | 74,363 | 74,382 | 0.0% |

Source: Alaska Department of Labor and Workforce Development, Research & Analysis, Population Estimates, Places and Special Areas, "Cities and CDP 2010-2013" Dataset

Median Age

After a two-year hiatus from its aging trend, Juneau's population continued to grow a little older in 2013, with a median age of 37.9. The Southeast region exclusive of Juneau, which has been aging at a slower rate than Juneau since 2000, jumped from a median of 40.8 to 41.2. While median age in Alaska is lower than the nation as a whole, the Southeast region exclusive of Juneau is significantly older than Alaska and the nation. Juneau is closest to national demographics.

Figure 24: Median Age, 2000, 2010, 2012, and 2013

| | 2000 | 2010 | 2012 | 2013 | Average Annual Change 2000-13 | Average Annual Change 2010-13 |
|---------------|------|------|------|------|--|--|
| Juneau | 35.3 | 38.1 | 37.8 | 37.9 | 0.55% | -0.18% |
| Southeast | 40.1 | 40.5 | 40.8 | 41.2 | 0.21% | 0.57% |
| Alaska | 32.4 | 33.8 | 34.1 | 34.3 | 0.44% | 0.49% |
| United States | 35.3 | 37.2 | 37.4 | 37.6 | 0.49% | 0.36% |

Source: U.S. Census Bureau, 2000 and 2010 Census 100% Dataset; Alaska Department of Labor and Workforce Development, Population Estimates, Economic Regions and Boroughs/Census Areas, "Age and Sex 2010-2013" Dataset

Note: Southeast median age calculated by averaging ages for Southeast Alaskan cities (excluding Juneau) weighted by population. US median age calculated by the US Census Bureau as of July 1, 2013.

Migration and Resident Transiency⁵

Migration into and out of Alaska has always been a large component of Alaska's demographic trends. The Alaska Department of Labor and Workforce Development

⁵ 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.

uses Permanent Fund Dividend applications to track migration patterns between communities. Based on PFD filings, Juneau experienced about an 8% population inflow and a 9% population outflow, resulting in a net loss of 298 people. As in previous years, the majority of people who moved to or from Juneau between 2012 and 2013 came from or went to locations outside of Alaska. Within Alaska, Juneau again saw a net population loss to the Anchorage and Matanuska-Susitna region (-110). Overall Juneau had a net population gain from other Southeast communities (+73). The largest numbers came from the Hoonah-Angoon census area and Ketchikan.

Figure 25: PFD-based Migration To and From Juneau, 2012 to 2013

| Region | Into Juneau | Out of Juneau | Net Migration |
|-----------------------------------|--------------|---------------|---------------|
| Southwestern Region | 12 | 7 | 5 |
| Northern Region Alaska | 11 | 8 | 3 |
| Gulf Coast Region | 30 | 47 | -17 |
| Interior Region | 60 | 47 | 13 |
| Anchorage/Mat-Su Region | 245 | 355 | -110 |
| Southeast Region | 339 | 266 | 73 |
| Haines Borough | 35 | 12 | 23 |
| Hoonah-Angoon Census Area | 69 | 44 | 25 |
| Ketchikan Gateway Borough | 75 | 56 | 19 |
| Petersburg Census Area | 22 | 24 | -2 |
| Prince of Wales-Hyder Census Area | 43 | 33 | 10 |
| Sitka City and Borough | 65 | 67 | -2 |
| Skagway Municipality | 7 | 3 | 4 |
| Wrangell City and Borough | 17 | 16 | 1 |
| Yakutat City and Borough | 6 | 11 | -5 |
| Outside Alaska | 1,891 | 2,156 | -265 |
| Total Migration | 2,588 | 2,886 | -298 |

Source: Alaska Department of Labor and Workforce Development, Research & Analysis, Migration Data and Information, "PFD-Based Migration Indicator" Dataset

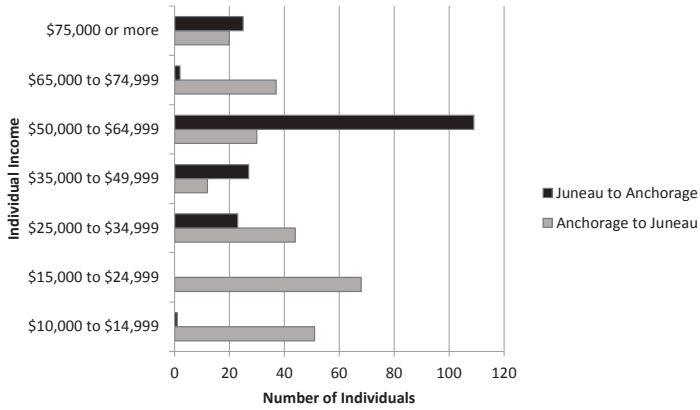
The U.S. Census Bureau has released a new tool to let people examine demographic migration patterns to and from their community called the Census Flows Mapper.

This mapping application provides information on migration patterns between counties in the United States. Migration can be looked at both inbound and outbound and can be displayed by educational attainment, household income and individual income. The data comes from the 2006-2010 and 2007-2011 American Community Surveys, which uses five-year average estimates from those years.

A look at the migration patterns between Juneau and Anchorage shows that the largest single category of migration was individuals with income between \$50,000 and \$64,999 moving to Anchorage from Juneau, and almost all migrants from Juneau to Anchorage had incomes of \$25,000 or more. The majority of migrants from Anchorage to Juneau (67 percent) had income of \$50,000 or less, with the majority

having incomes of \$25,000 or less. Consequently, Juneau has seen outmigration of higher income individuals to Anchorage while gaining lower income migrants.

Figure 26: Migration between Juneau and Anchorage by Income of Individual, Population 15 Years and Over 2010 - 2012 (5-year averages)



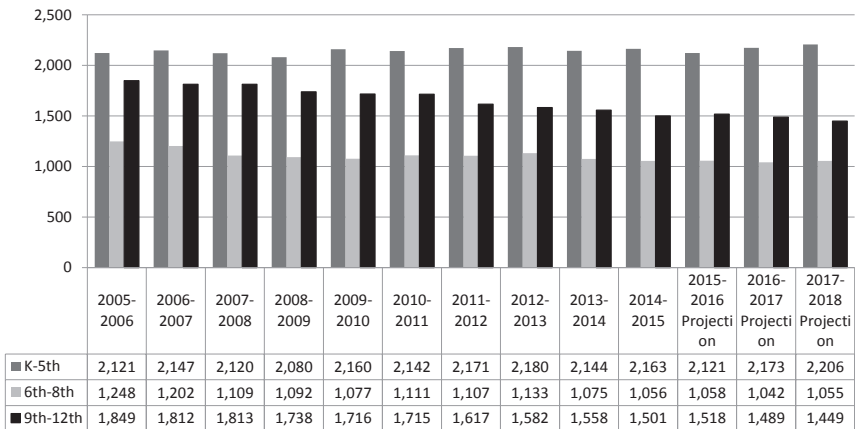
Source: US Census Bureau, Census Flows Mapper

Education

Juneau School District Enrollment

4,720 students were enrolled in the Juneau School District as of August 22, 2014. The official count for the 2013-2014 school year was 4,777 students, a decrease of 2.4 percent (118 students) from the previous year. Nearly half the decrease came in the middle school grades (-58 students), while 30 percent was due to declines in elementary schools (-36 students) and the last 20 percent occurred at the high school level (-24 students). The Juneau School District has seen a continual decline in student population for the ten year period from 2005 to 2014 of about 1 percent on an annual compound basis. Erickson & Associates, economic consultants for the Juneau School District, have released a forecast showing enrollment totals through 2017 flat, with little change in any of the grade categories.⁶

Figure 27: Juneau School District K-12 Enrollment by Grade, 2005 - 2014, and Projections for 2015 – 2017



Source: Alaska Department of Education and Early Development, Statistics and Reports, District Enrollment Totals for All Alaskan School Districts; FY14 School District Enrollment as of 8/22/14 obtained through Juneau School District; FY 15-17 enrollment projections by Erickson & Associates LLC.

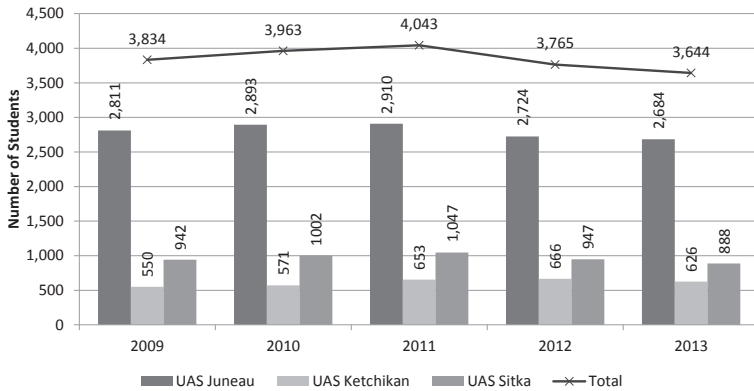
University of Alaska Southeast Enrollment

Fall of 2013 saw the second consecutive year of decreases in UAS enrollment region-wide, from its peak of 4,043 students in 2011 to the current enrollment of 3,644 students in 2013. According to the University of Alaska’s “UA in Review” report, the Juneau campus, with 2,683 students, has approximately 33 percent of students enrolled full-time, with 67 percent enrolled part-time. Sixty-five percent of students

⁶ These estimates represent the midpoint in a range of possible enrollment outcomes.

are female, and 18 percent are under age 20. Most students are pursuing a bachelor's degree (24 percent).

Figure 28: University of Alaska Southeast, All Campuses Fall Enrollment, 2009 to 2013*



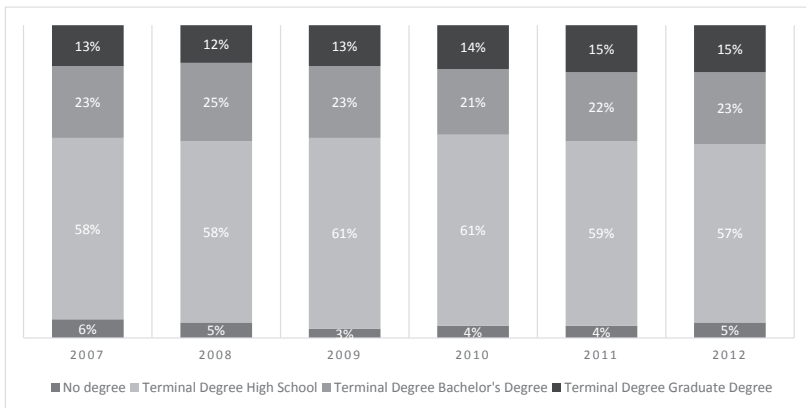
Source: University of Alaska Fact Book

*Note: Due to cross-registration, individual campus enrollments do not sum to total enrollment.

Educational Attainment

Juneau residents have a higher level of educational attainment than the state and national population, but the percent of Juneau's population that holds a postsecondary Bachelor's degree has changed very little over the past six years. However, the number of residents continuing their education to obtain a terminal graduate degree has increased from 13 to 15 percent of the population.

Figure 29: Terminal Degree by Percent of Population in Juneau, 2012⁷



Source: U.S. Census Bureau, 2010-2012 American Community Survey, "Selected Social Characteristics in the United States" Dataset

⁷ Reflects average percent for date year and two prior years.

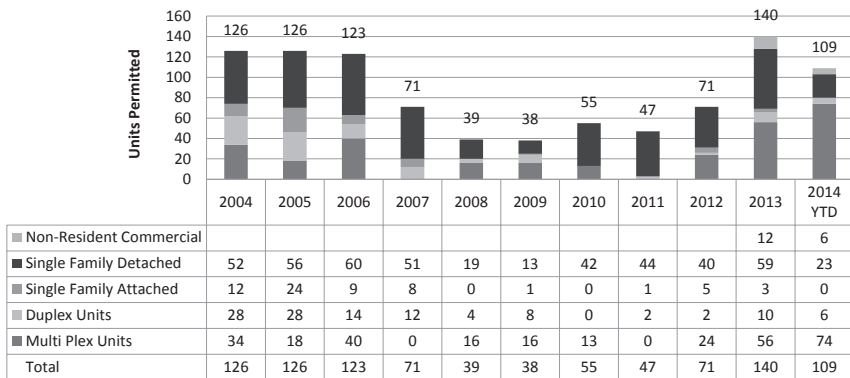
Construction and Housing

New Construction

Juneau New Construction

2013 saw a dramatic increase in the number of units permitted to be built in Juneau. A total of 127 residential (single family attached, detached, duplex and multiplex) construction permits were issued, surpassing 2012 by 57 units. Through June 2014, 109 residential permits have been issued, surpassing the number of permits issued for the same period in 2013. Of note is the significant increase in multiplex units permitted both in 2013 and 2014 through June.

Figure 30: New Units Permitted⁸ to be Built in Juneau 2004 to 2014 (YTD June)



Source: Alaska Housing Finance Corporation, Alaska Housing Market Indicators, "Quarterly Survey of Lenders" Datasets; City & Borough of Juneau Permit Center reports.

In commercial (including government) non-resident activity, 12 projects were permitted in 2013. Large projects permitted and/or began construction included the new State Library Archives and Museum building, the new UAS student residence hall and the Walter Soboleff Center.

Through June of 2014, six non-residential projects have been permitted. New large commercial (including government) projects include the Mendenhall Valley public library and the Juneau Mercantile and Armory. The construction industry will continue to see a rebound as construction begins or continues on these projects.

Southeast Alaska Home Construction

Juneau, along with all but three other Southeast communities, saw an increase in building activity from 2012 to 2013. The Alaska New Housing Unit Survey, conducted

⁸Residential does not include mobile home setups, or housing units built in conjunction with commercial developments or remodels of existing structures. Commercial permits added in for 2013 and 2014 have not been compiled for past years.

quarterly by the Alaska Department of Labor and Workforce Development reported an increase in new housing units of 82 percent over fourth quarter 2012 for Southeast Alaska exclusive of Juneau, and an increase of 8 percent statewide. Ketchikan saw the greatest increase in the region outside Juneau, with 24 more new units than in 2012. Haines followed closely behind with a growth of 23 new units over the period.

Figure 31: New Housing Units by Type of Structure, 2013

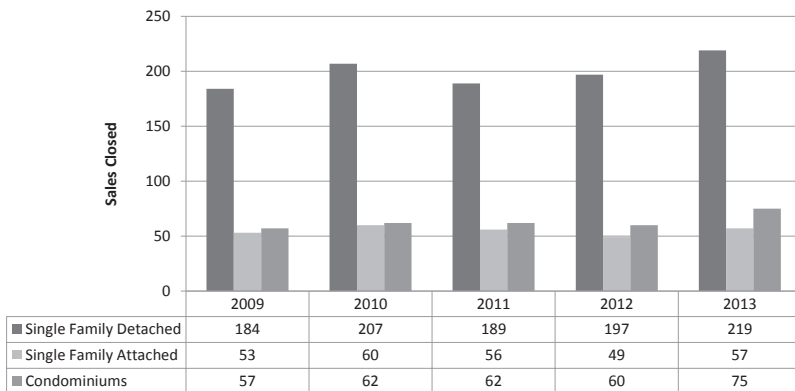
| | Total Units 2012 | Total Units 2013 | Single Family 2012 | Single Family 2013 | Multi Family 2012 | Multi Family 2013 |
|---------------------------|------------------|------------------|--------------------|--------------------|-------------------|-------------------|
| Craig | 0 | 5 | 0 | 5 | 0 | 0 |
| Haines | 0 | 23 | 0 | 12 | 0 | 11 |
| Hoonah | 0 | 2 | 0 | 2 | 0 | 0 |
| Juneau | 55 | 132 | 31 | 61 | 24 | 65 |
| Ketchikan Gateway Borough | 17 | 41 | 15 | 23 | 2 | 18 |
| Klawock | 5 | 4 | 4 | 4 | 0 | 0 |
| Petersburg | 3 | 4 | 1 | 4 | 2 | 0 |
| Sitka Borough | 22 | 24 | 7 | 9 | 0 | 12 |
| Skagway | 18 | 16 | 3 | 3 | 15 | 12 |
| Thorne Bay | 1 | 0 | 1 | 0 | 0 | 0 |
| Wrangell Borough | 1 | 3 | 1 | 2 | 0 | 0 |
| Southeast | 122 | 254 | 63 | 125 | 43 | 118 |
| Southeast (ex. Juneau) | 67 | 122 | 32 | 64 | 19 | 53 |

Source: Alaska Housing Finance Corporation, Alaska Housing Market Indicators, "Quarterly Survey of Lenders" Datasets
 Note: Single Family includes attached units.

Juneau Housing Sales and Prices

There were 351 total sales of single family homes and condominiums in 2013, an increase of 14.7 percent over 2012. Detached single family homes saw the greatest increase, though attached single family homes and condominiums increased as well.

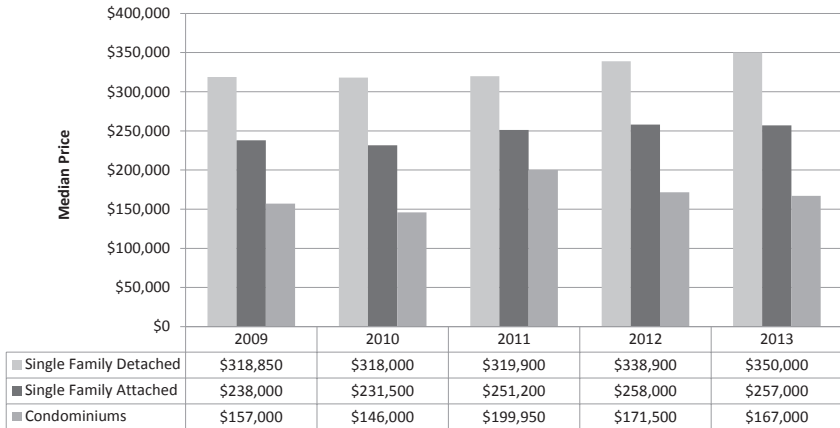
Figure 32: Juneau Single-Family Home and Condominium Sales, 2010 – 2013



Source: Southeast Alaska Multiple Listing Service.

Juneau’s median sales price for a detached single family home continued to rise, increasing by 3.3 percent in 2013 and by another 2.2 percent year-to-date in 2014 (based on 95 transactions). Since 2010, prices have risen at an annual average rate of 3.2 percent. The median sales price of an attached home in Juneau stayed level from 2012 to 2013, while condominiums saw some relief in price, declining in value by 2.6 percent in 2013.

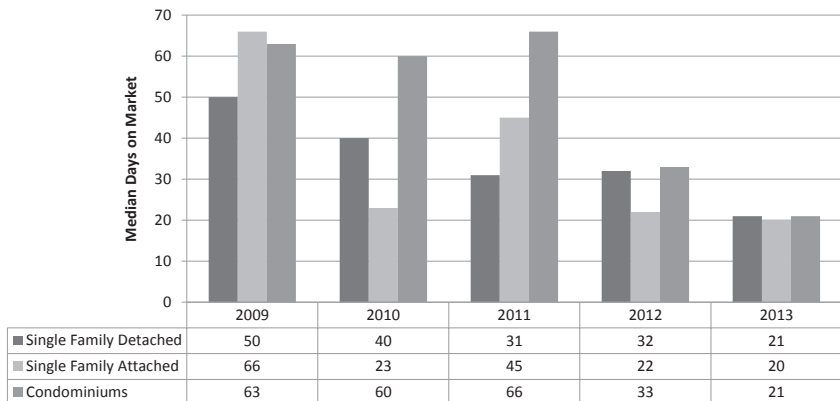
Figure 33: Median Price of Single Family Homes and Condominiums in Juneau, 2010-2013



Source: Southeast Alaska Multiple Listing Service.

In 2013, the median days on market continued to drop for single family homes and condominiums. The rapid turnover for single family homes and condominiums, less than 30 days, is an indication of the tight housing market in Juneau. In 2012, the median number of days on market dropped to 30 days or less for all housing types and continued to fall in 2013, to about 20 days.

Figure 34: Median Days on Market, 2010 – 2013

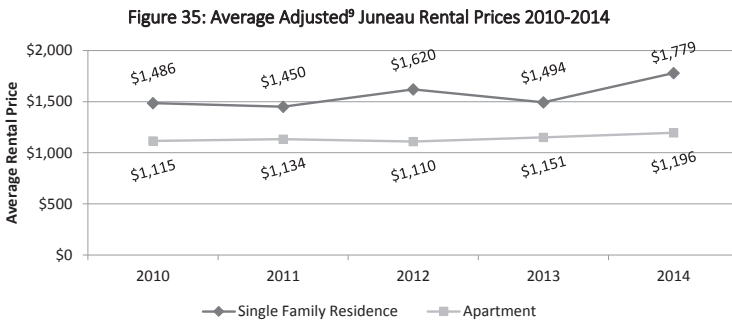


Source: Southeast Alaska Multiple Listing Service.

Monthly Rental Costs (Market Rates)

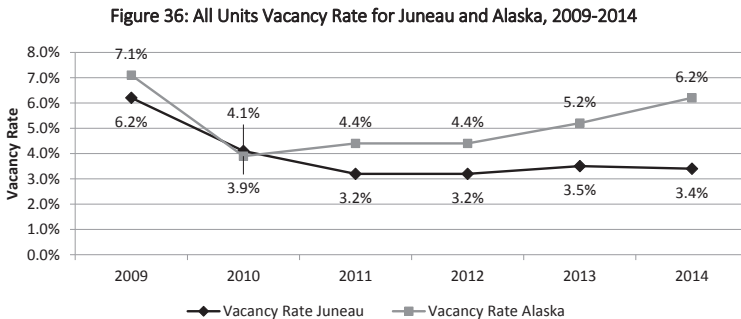
Every March, the Alaska Department of Labor and Workforce Development surveys Alaska’s landlords for residential rental unit information for the Alaska Housing Finance Corporation. In the 2013 survey, the average rental price for all rental units in Juneau was \$1,259 on an adjusted basis. Rental price is adjusted to include heat, light, hot water, water, garbage, sewer and snow removal, if one or more of these utilities is not included in the rent, prior to determining an average rental price. Overall rents in Juneau increased by 7 percent over the previous year. An average rental in Juneau is more expensive than a unit in Ketchikan (\$1,044), Sitka (\$1,203), Anchorage (\$1,250), or Fairbanks (\$1,224).

As seen in Figure 35, there is a 49 percent difference in the average adjusted rental rate of a single family home over an apartment. Rental rates for both single family homes and apartments increased in 2014.



Source: Alaska Housing Finance Corporation, Annual Rental Market Survey (March)

Juneau landlords reported a 3.4 percent vacancy rate in 2014, the second lowest vacancy rate in the state and surpassed only by Anchorage with a 3.2 percent rate. Juneau’s rate dropped since 2013, from 3.5 percent, indicating a slight increase in tension for the already tight rental market.



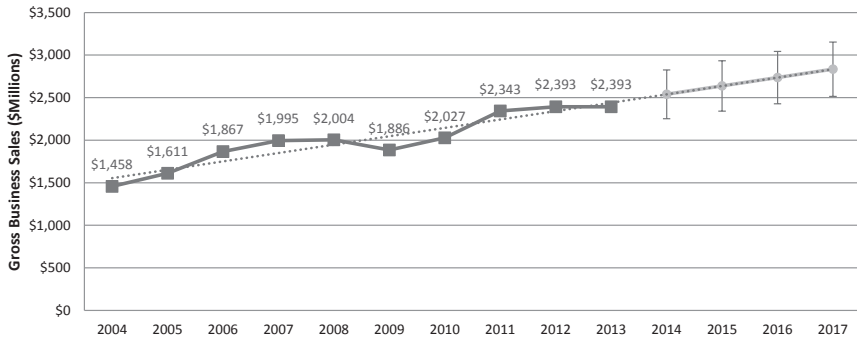
Source: Alaska Housing Finance Corporation, Annual Rental Market Survey (March)

⁹ Prices are adjusted to include the estimated cost of utilities.

Business and Industry

Juneau gross business sales were \$2.39 billion for 2013, leveling off after three years of growth. In the longer perspective over the past decade (since 2004), the amount of gross business sales has increased at an average annual compound rate of 5.7 percent. If the trend over the past ten years is indicative of the future, JEDC anticipates business sales to increase through 2017 at a compounded annual rate of 4.3% plus or minus 3%. If fundamental changes or shocks to the Juneau economy occur, this growth rate is liable to change in magnitude.

Figure 37: Gross Business Sales in Juneau (\$Millions), 2004 – 2013¹⁰



Source: City & Borough of Juneau Sales Tax Office, Comprehensive Annual Financial Report; Forecast developed by JEDC.

Retail sales (exclusive of tourist related sales, such as by gift shops, jewelry stores and art galleries) contribute 28.6 percent of total gross business sales in Juneau. Since 2009, retail sales have grown at an average annual rate of 4.6 percent to the current level of \$685 million dollars.

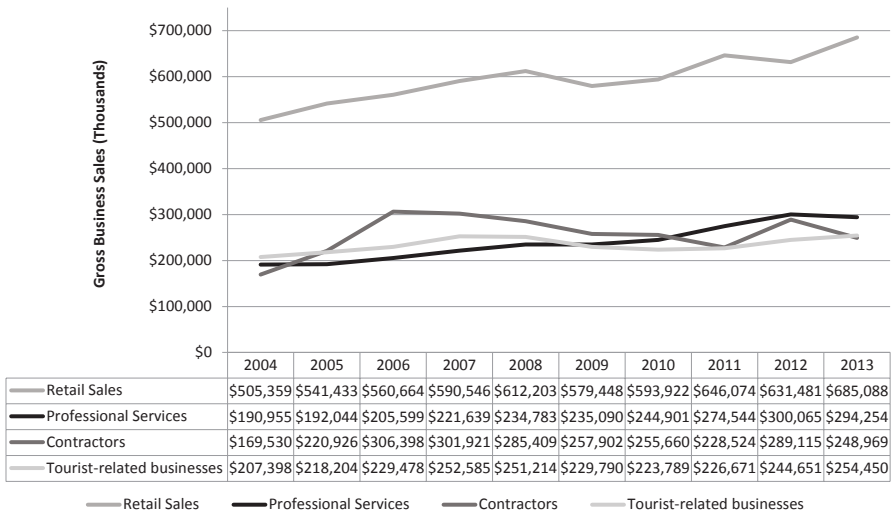
Professional services, the next largest category of business sales, accounting for 12 percent of all sales, has increased over the same period at 5.8 percent. However, Professional Service sales dropped by 2 percent from 2012 to 2013, following a 9 percent growth in 2012.

Gross sales by tourist related businesses (hotels, motels, bars, restaurants, air transportation and freight, taxi cab and bus, car rentals, tour providers, travel agencies, jewelry, curio, and gift shops, art galleries, and photography stores) account for over 10 percent of overall gross business volume. This sector experienced strong gains, with \$254 million in revenue, a 4 percent growth from 2012. However, the annual average growth of this sector has been only 2.6 percent since 2009.

After last year’s jump in sales that followed a five-year decline, contractor sales, representing 10 percent of total sales, dropped almost 14% in 2013.

¹⁰ CBJ retroactively adjusts gross sales figures as delinquencies are collected. These numbers are adjusted for collections as of 10/1/2013.

Figure 38: Gross Business Sales in Juneau by Business Category (\$Thousands), 2009 - 2013



Source: City & Borough of Juneau Sales Tax Office and Financial Reports, Comprehensive Annual Financial Report

Transportation and Visitor Industry¹¹

The number of businesses serving the travel and visitor industry showed little change in Juneau, but increased slightly in the region. However, businesses expanded their hiring, with the workforce growing 1 percent in Juneau and 3 percent region wide. Regional employment exceeded 6,200 employees, with an associated contribution to the economy of over \$177 million in payroll. While the total earnings increased for Juneau by 2 percent, earnings increased for the region as a whole by 5 percent, indicating that earnings in the industry in the Southeast region exclusive of Juneau is growing at a faster rate than in Juneau (6 percent).

Figure 39: Leisure, Hospitality, and Transportation Industries Employment and Earnings, 2010-2013

| | Number of Firms | | Average Employment | | Total Earnings | |
|--------------------|-----------------|-----------|--------------------|-----------|----------------|---------------|
| | Juneau | Southeast | Juneau | Southeast | Juneau | Southeast |
| 2010 | 172 | 606 | 2,488 | 5,687 | \$65,526,803 | \$155,129,875 |
| 2011 | 180 | 613 | 2,511 | 5,742 | \$67,339,053 | \$160,488,826 |
| 2012 | 186 | 641 | 2,642 | 6,059 | \$68,591,819 | \$170,219,568 |
| 2013 | 185 | 644 | 2,667 | 6,216 | \$70,262,938 | \$177,925,282 |
| % Change from 2012 | -0% | 0% | 1% | 3% | 2% | 5% |

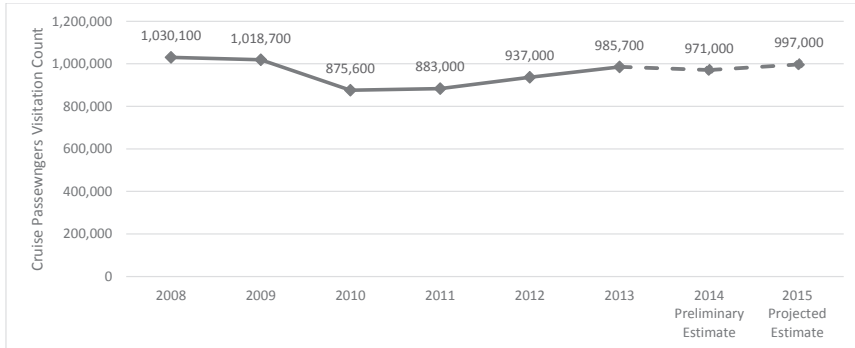
Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages

¹¹Businesses that serve the tourism industry often also 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, and transportation and support to report employment and wage data and to gauge the health of the tourism industry.

Cruise Ship Visitation

The rebound in cruise passenger visits to Juneau and Southeast continued to rebound from their low of 2010 in the summer of 2013, increasing over 5 percent for the second year in a row. However, the preliminary estimate for the summer of 2014 is 971,000 passengers, a slight decrease from 2013 (-1.5 percent). This estimate reflects a decrease in capacity due to changes Princess Cruise Lines is making to their Alaska Fleet, shifting Alaskan capacity to the Asia market. According to the Cruise Line International Association Alaska (CLIA Alaska), the summer of 2015 will see 28 ships again with a projection of 997,000 passengers.

Figure 40: Cruise Passengers Visiting Juneau, 2008-2014 (Preliminary Estimate)



Sources: Cruise Line Agencies of Alaska and McDowell Group; Forecast provided by Cruise Line International Association Alaska.

Airline Passenger Traffic

Passenger volume at the Juneau airport includes tourism travel, local and state business and government activity and residential travel. Passenger enplanement statistics, collected by the Bureau of Transportation Statistics, and can serve as an indicator of economic activity in Juneau, since all business and most independent tourism visitors come predominantly by air to Juneau.

Passenger enplanements for scheduled service increased slightly (0.5 percent) in 2013 over 2012, resulting from a rebound in commuter and small certified carrier passenger enplanement after a drop in 2012, along with and a small increase in Alaska Airlines enplanements.

Figure 41: Scheduled Air Passenger Enplanements at Juneau Airport¹², 2009 - 2013

| | 2009 | 2010 | 2011 | 2012 | 2013 | % Change 2012-2013 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| Alaska Airlines | 241,934 | 252,639 | 258,618 | 261,393 | 262,252 | 0.3% |
| Commuter and Small Certified Carriers | 22,712 | 35,661 | 36,659 | 31,396 | 32,095 | 2.2% |
| Total Scheduled Enplanements | 264,646 | 288,300 | 295,277 | 292,789 | 294,347 | 0.5% |

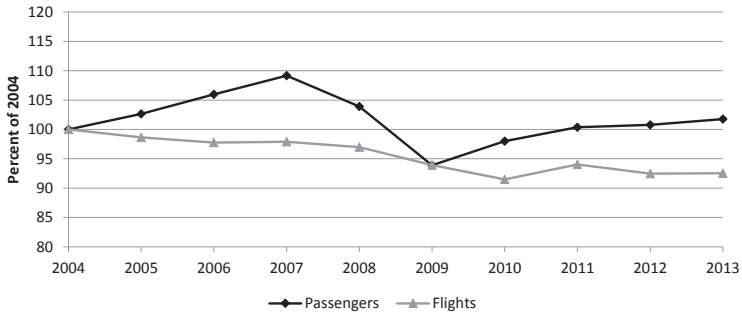
Source: Bureau of Transportation Statistics, T-100 Market Data, ACAIS

Alaska Airlines passenger arrivals to Juneau increased for the fourth year after bottoming out in 2009, with an annual average growth rate of 2 percent over the

¹² Includes scheduled, charter, helicopter and flightseeing enplanements

time period. In the past decade Alaska Airlines, which provided sole jet access to Juneau through 2013, decreased the number of flight arrivals, reaching a low in 2010 and then remaining fairly constant, with slight fluctuations year-to-year.

Figure 42: Change in Alaska Airlines Passenger Arrivals and Change in Number of Flights, 2004 – 2013 Indexed to 2004



Source: Bureau of Transportation Statistics T-100 Market data

The following table presents passenger enplanements for select Southeast communities. Ketchikan had the largest increase in volume, while Juneau saw the largest drop in passenger volume, due entirely to a drop in nonscheduled air taxi/commercial activity.

Figure 43: Scheduled and Non-scheduled Air Passenger Enplanements at Select Southeast Communities

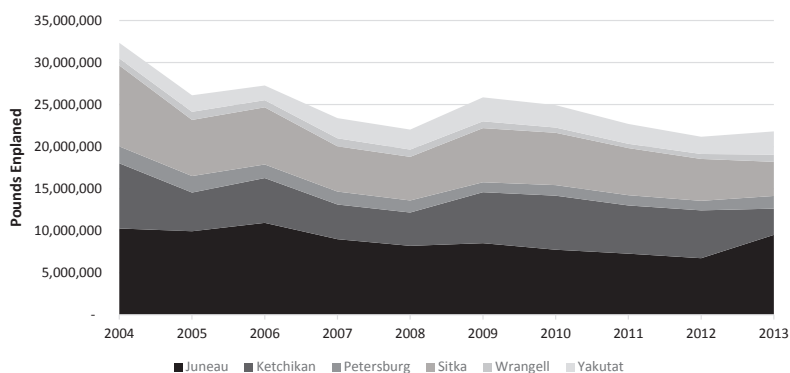
| | 2012 | 2013 | % Change |
|------------|---------|---------|----------|
| Juneau | 353,048 | 321,573 | -8.9% |
| Ketchikan | 103,136 | 109,433 | 6.1% |
| Sitka | 68,222 | 67,989 | -0.3% |
| Petersburg | 18,800 | 20,046 | 6.6% |
| Wrangell | 11,434 | 11,807 | 3.3% |
| Yakutat | 10,100 | 10,135 | 0.3% |
| Haines | 10,093 | 10,106 | 0.1% |
| Hoonah | 9,564 | 10,468 | 9.5% |
| Gustavus | 9,509 | 10,176 | 7.0% |
| Skagway | 7,532 | 8,050 | 6.9% |
| Metlakatla | 3,927 | 4,243 | 8.0% |
| Craig | 3,246 | 3,387 | 4.3% |
| Thorne Bay | 2,799 | 2,681 | -4.2% |

Source: Federal Aviation Administration, Airports, Final CY 2013 ACAIS

Air Freight Volumes

Freight enplaned from Southeast airports has declined almost 10 million pounds since 2004, from over 32 million pounds to just under 22 million pounds. However, cargo enplaned showed a slight increase of 3 percent in 2013. Significant gains were made in Juneau, with 9.5 million pounds enplaned and Yakutat, with 2.8 million pounds, 41 and 35 percent increases, respectively. Ketchikan, at 3.1 million pounds and Sitka, with 4.1 million pounds, had 45 and 19 percent respective losses, mitigated the increase over the region.

Figure 44: On-Flight Freight Enplaned for Southeast Alaska Airports, 2004 - 2013

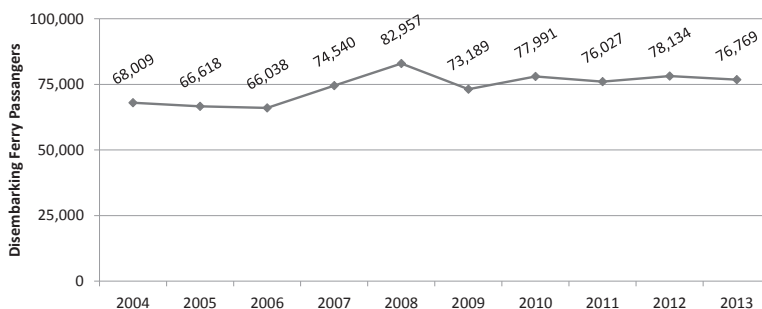


Source: Bureau of Transportation Statistics T-100 Market data

Ferry Traffic

Independent travelers to Juneau can arrive only by water and air. Ferry traffic volume reflects tourism travel as well as residential and regional personal travel. After decreasing port stops in Juneau by 80 in 2012, the Alaska Marine Highway increased stops by 64 in 2013. Despite this increase, the number of disembarking passengers in Juneau decreased 1.7 percent in the past year, although it is still above 2011 levels. Region-wide the number of disembarking passengers decreased for the first time since 2009, from 262,798 in 2012 to 253,786 in 2013. Skagway, Wrangell, Haines, and Kake were the only ports to see increased passenger disembarkation. All other ports experienced a decline in volume.

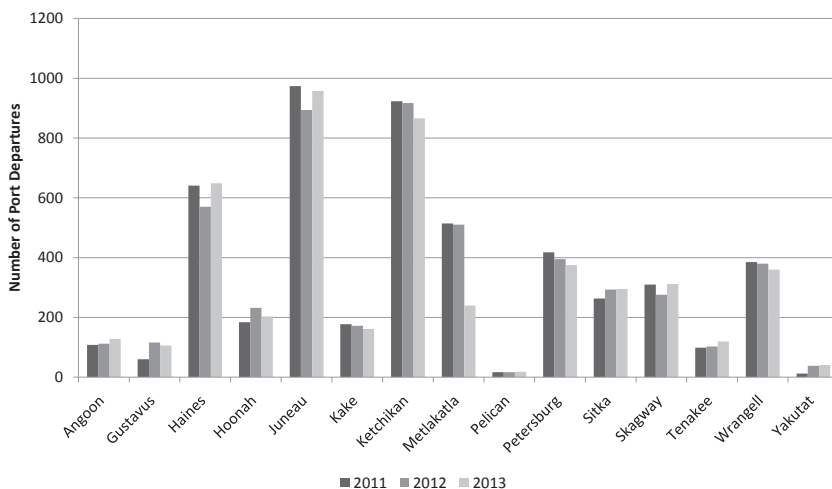
Figure 45: Disembarking Ferry Passengers in Juneau, 2004-2013



Source: Alaska Department of Transportation, Alaska Marine Highway System, Traffic Volume Report

While port departures exclusive of Juneau were up overall by 35 stops, individual Southeast communities experienced gains or losses in ferry service. Juneau surpassed Ketchikan to lead the region in number of departures, with 958 departures in 2013 compared to Ketchikan's 866. Haines (+79), Juneau (+64), Skagway (+36), Angoon (+16), and Tenakee (+16) saw the biggest increases in ferry visits. Metlakatla (-270), Ketchikan (-51), Hoonah (-29), Petersburg (-20), and Wrangell (-20) saw the greatest reductions.

Figure 46: Alaska Marine Highway Port Departures for Select Communities, 2011 – 2013



Source: Alaska Department of Transportation, Alaska Marine Highway System, Traffic Volume Report

Visitor-related Tax Revenue

Juneau’s hotel tax can be used to indicate the health of the independent tourism and the business travel sectors. After a sharp decline in 2009, hotel tax revenue stagnated for three years. In 2013, however, tax revenues increased by 10 percent.

Figure 47: Juneau Hotel Tax Revenue, 2004 – 2013



Source: City and Bureau of Juneau Sales Tax Office and Financial Reports, Comprehensive Annual Financial Report

Health Care Industry

The health care sector saw mixed results in 2013. The number of private sector firms providing health care and social assistance in Juneau remained just about the same from 2012 to 2013, while employee count dropped by 3 percent. At the same time, the economic contribution of the industry to the local economy increased by 1 percent. Bartlett Regional Hospital employees are counted as local government employees. CBJ reports 548 full-time equivalents at Bartlett in 2013, up from 542

FTEs in 2012. Bartlett makes up just over 31 percent of the city's total full-time equivalent employment.

In 2013, there were 248 firms in Southeast Alaska providing 3,839 health care jobs. While the number of firms increased by 5 percent, health care employment decreased by 2 percent from 2012. Despite this, total earnings stayed level.

Figure 48: Private Health Care and Social Services Employment and Payrolls, 2010-2013¹³

| | Number of Firms | | Average Employment | | Total Earnings | |
|--------------------|-----------------|-----------|--------------------|-----------|----------------|---------------|
| | Juneau | Southeast | Juneau | Southeast | Juneau | Southeast |
| 2010 | 114 | 218 | 1,767 | 3,717 | \$63,334,370 | \$146,251,594 |
| 2011 | 115 | 227 | 1,797 | 3,854 | \$64,980,771 | \$152,807,120 |
| 2012 | 122 | 236 | 1,795 | 3,909 | \$67,270,222 | \$158,399,236 |
| 2013 | 121 | 248 | 1,739 | 3,839 | \$68,097,281 | \$158,927,374 |
| % Change from 2012 | -1% | 5% | -3% | -2% | 1% | 0% |

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

Natural Resources and Mining Industry

Juneau's strong job growth in mining employment turned around in 2013, with a decline of 4 percent in employment. Still, employment has increased by almost 46 percent from 2010 to 2013. The sector continued to increase its contribution to the local economy with a total payroll increase of 1 percent in 2013. Of ten firms in the Natural Resources and Mining sector in 2012, three are mining, five are mining support enterprises, and three are other natural resource related businesses. New firm growth for 2013 was the addition of a mining support activity enterprise.

Figure 49: Natural Resources and Mining Employment and Payroll, 2010-2013

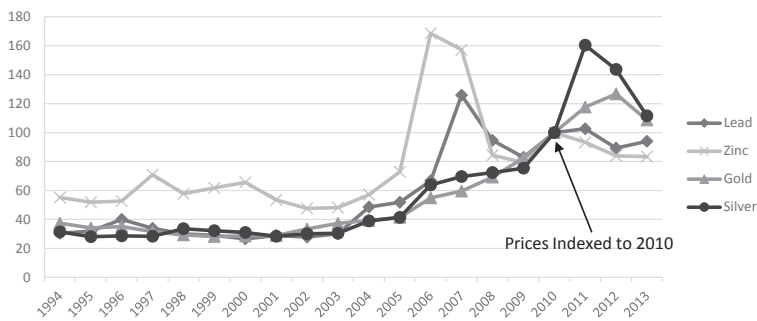
| | Number of Firms | | Average Employment | | Total Earnings | |
|--------------------|-----------------|-----------|--------------------|-----------|----------------|---------------|
| | Juneau | Southeast | Juneau | Southeast | Juneau | Southeast |
| 2010 | 8 | 69 | 556 | 932 | \$50,659,951 | \$69,601,643 |
| 2011 | 9 | 68 | 670 | 1,081 | \$59,442,055 | \$80,332,909 |
| 2012 | 10 | 67 | 841 | 1,202 | \$79,556,099 | \$98,628,258 |
| 2013 | 11 | 76 | 810 | 1,173 | \$80,205,983 | \$100,074,331 |
| % Change from 2012 | 10% | 12% | -4% | -2% | 1% | 1% |

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

On a regional level, exclusive of Juneau, mining employment has remained relatively unchanged, from 361 employed in 2012 to 363 in 2013. However, 8 new firms have entered the industry throughout the region (excluding Juneau).

¹³ Juneau's Bartlett Memorial Hospital employees are not included in this count, as they are classified as local government employees.

Figure 50: Prices of Metals Mined in Juneau, 1990 – 2013, Indexed to 2010 Dollars



Source: The World Bank

It is expected that the mining employment will be flat or continue to contract, as mineral prices have started to fall and Juneau’s mines are at or near full staffing.

Seafood Industry

Southeast Alaska Resident Fishermen

Juneau saw 739 residents participate in the Southeast Alaska fish harvest in 2013. This is an increase of 31 crew and 3 active permit holders over 2012. Region-wide in 2013, the number of fishing permits issued, the number of permit holders, and the number of fishermen who fished increased only slightly, while the number of crew licenses increased by almost 5 percent. In total 4,886 resident commercial fishermen and crew participated in the Southeast fisheries, compared to 4,741 in 2012. Sitka, with 1,041 fishermen and crew, contributes the largest number of participants to the Southeast fisheries, 21 percent of total participation. Juneau contributes 15 percent of total resident participants.

Figure 51: Southeast Alaska Resident Commercial Fishermen, 2013

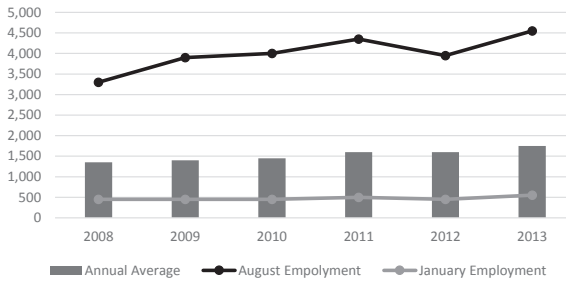
| Borough or Census Area | Fishing Permits Issued | Permit Holders | Fisherman who Fished | Fishing Crew Licenses | Total Southeast Participation |
|-----------------------------|------------------------|----------------|----------------------|-----------------------|-------------------------------|
| Sitka | 1,111 | 574 | 457 | 584 | 1,041 |
| Petersburg | 1,034 | 444 | 365 | 416 | 781 |
| Juneau | 656 | 397 | 275 | 464 | 739 |
| Ketchikan | 601 | 351 | 241 | 363 | 604 |
| POW-Outer KTN | 560 | 312 | 245 | 296 | 541 |
| Wrangell | 384 | 205 | 155 | 210 | 365 |
| Haines | 172 | 110 | 91 | 113 | 204 |
| Yakutat | 253 | 158 | 124 | 67 | 191 |
| Hoonah | 127 | 82 | 52 | 73 | 125 |
| Other | 367 | 231 | 143 | 152 | 295 |
| Total Southeast 2013 | 5,265 | 2,864 | 2,148 | 2,738 | 4886 |
| Total Southeast 2012 | 5,210 | 2,836 | 2,129 | 2,612 | 4741 |
| Change 2012-2013 | 1.1% | 1.0% | 0.9% | 4.8% | 3.1% |

Source: Commercial Fisheries Entry Commission, "Permit and Fishing Activity by Year, State, Census Area or Alaskan City", 2013 Dataset; McDowell Group "Economic Value of the Alaska Seafood Industry" Report, 2013; Alaska Department of Fish & Game, 2013 Comm. Crew Licenses dataset

Seafood Processing Employment in Southeast Alaska

For 2013, the Alaska Department of Labor and Workforce Development estimated the average annual employment in seafood processing in Southeast Alaska to be 1,750 jobs, an increase of 50 over 2012. However, 2013 saw a difference of 4,000 jobs between peak employment in August of 4,550 and the low of 550 employed in January. From 2008 to 2013, peak employment grew at an average annual rate of 6.6 percent while mid-winter employment increased at a rate of 4.1%.

Figure 52: Southeast Alaska Seafood Processing Employment Statistics, 2013

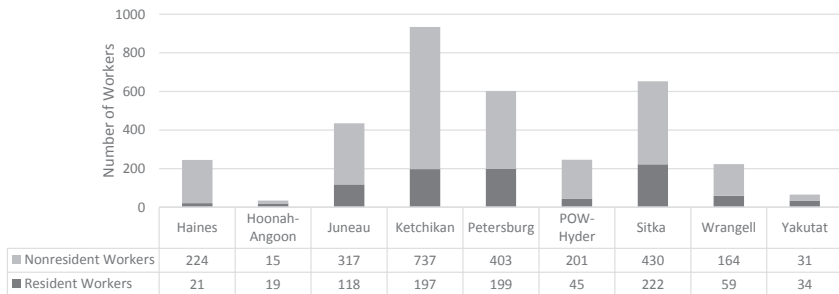


Source: Alaska Department of Labor and Workforce Development, Monthly Employment Statistics, Southeast Economic Region.

Source: Alaska Department of Labor and Workforce Development, "Residency of Alaska Workers", 2012 Dataset.

Because of the seasonality of the industry, seafood processing has traditionally relied on out-of-state hiring to find sufficient workers to fill summer needs. Some communities are able to hire local to a larger extent than others. Percent nonresident hire ranged from 91 percent in Haines to a low of 44 percent in Hoonah and Angoon in 2012, the most current year for which data is available. Resident workers tend to fill many higher-level positions in the processing companies, but both resident and nonresident workers contribute to the economy through their purchase of goods and services in the community.

Figure 53: Southeast Resident and Nonresident Seafood Processing Workers, 2012



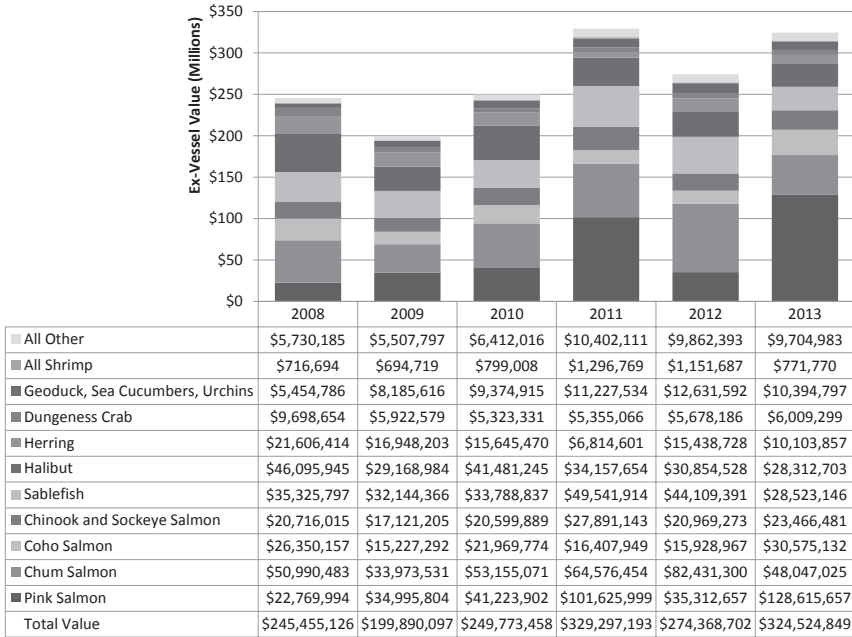
Source: Alaska Department of Labor and Workforce Development, "Residency of Alaska Workers", 2012 Dataset, Table 13. Note: Worker count is the cumulative number of workers who worked over the course of a year, not the number of jobs.

Commercial Harvest in Southeast Alaska

The 2013 Southeast Alaska commercial fisheries fish harvest of 445,190,650 fish purchased was at a record high. However, while ex-vessel values approached 2011 Juneau and Southeast Alaska Economic Indicators and Outlook, September 2014

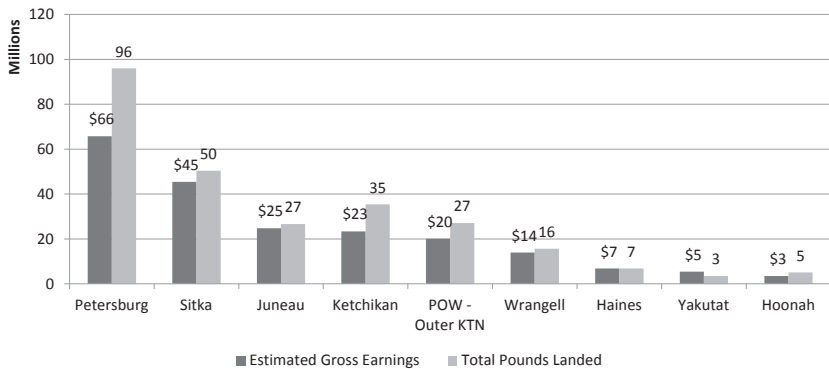
record high values, they fell just short. Higher values over the 2012 season were seen in salmon fisheries with the exception of chum and also in Dungeness crab. All other fisheries experienced a decline of ex-vessel value from 2012.

Figure 54: Southeast Alaska Commercial Seafood Industry Ex-Vessel Value, 2008 - 2013



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

Figure 55: Estimated Gross Earnings (\$Millions) and Pounds Landed (Millions) by Southeast Alaska Residents for Select Communities, 2013



Source: Commercial Fisheries Entry Commission, "Permit and Fishing Activity by Year, State, Census Area or Alaskan City", 2013 Dataset

In 2013, Southeast Alaska resident fishermen landed a total of 273 million pounds of seafood, with associated estimated gross earnings of \$216 million. This represents a 64 percent increase in pounds landed and an 11 percent increase in gross earnings

compared to 2012.¹⁴ Southeast Alaska residents harvested about two thirds (67 percent) of the total pounds landed, earning over 60 percent of the total ex-vessel value of \$324.5 million dollars. Juneau resident fishermen had gross earnings of almost \$25 million for 26.6 million pounds landed, or an average of nearly \$90,000 per fisherman. In 2012, Juneau fishermen averaged gross earnings of \$84,500 on a total of 17 million pounds landed. Juneau's volume represents 10 percent of the regional catch and 11 percent of the regional earnings in 2013.

Figure 56: Commercial Fish Harvest by Southeast Alaska Residents - Gross Earnings (Value) and Pounds Landed (Volume) in Thousands, 2010-2013

| Area of Residency | Value 2010 | Value 2011 | Value 2012 | Value 2013 | Volume 2010 | Volume 2011 | Volume 2012 | Volume 2013 |
|------------------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|
| Petersburg | \$55,837 | \$72,717 | \$59,557 | \$65,761 | 58,757 | 81,988 | 50,955 | 95,955 |
| Sitka | \$42,673 | \$48,498 | \$41,031 | \$45,404 | 33,882 | 37,441 | 25,564 | 50,354 |
| Juneau | \$22,162 | \$27,422 | \$22,972 | \$24,731 | 18,776 | 22,699 | 17,228 | 26,630 |
| Ketchikan | \$23,543 | \$28,652 | \$26,631 | \$23,379 | 30,881 | 35,678 | 31,927 | 35,362 |
| POW-Outer KTN | \$14,339 | \$17,080 | \$15,758 | \$20,055 | 15,854 | 19,393 | 16,693 | 27,079 |
| Wrangell | \$10,000 | \$12,128 | \$12,853 | \$13,900 | 7,927 | 10,687 | 9,883 | 15,580 |
| Haines | \$7,085 | \$7,726 | \$8,539 | \$6,835 | 6,347 | 7,151 | 8,076 | 6,842 |
| Yakutat | \$4,261 | \$4,438 | \$3,884 | \$5,409 | 3,236 | 3,036 | 2,340 | 3,471 |
| Hoonah | \$2,020 | \$2,696 | \$2,022 | \$3,433 | 1,337 | 2,535 | 1,514 | 5,045 |
| All Other | \$4,525 | \$4,254 | \$4,373 | \$7,200 | 2,299 | 1,964 | 1,761 | 6,228 |
| Total Southeast | \$186,445 | \$225,612 | \$197,620 | \$216,108 | 179,297 | 222,572 | 165,940 | 272,546 |

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

State of Alaska Shared Fish Taxes

Alaska statutes provide that a percentage of revenue collected from certain taxes be shared with municipalities in Alaska. Fisheries Business tax and Fishery Resource Landing tax are two such taxes. For fiscal year 2013, Southeast communities received a total of \$4,579,093 from these taxes.

Figure 57: Select Southeast Communities Receiving Shared Fish Taxes, 2013

| | Fisheries Business Tax | Fishery Resource Landing Tax |
|------------------------|------------------------|------------------------------|
| Sitka | \$1,183,956 | \$7,108 |
| Petersburg Boro | \$760,516 | \$9,077 |
| Ketchikan Boro | \$709,134 | |
| Ketchikan City | \$454,435 | |
| Juneau | \$384,415 | |
| Wrangell | \$288,004 | |
| Craig | \$282,111 | |
| Yakutat Boro | \$202,334 | |
| Haines Boro | \$172,511 | |
| Hoonah | \$103,975 | |
| Total Southeast | \$4,562,908 | \$16,185 |

Source: Alaska Department of Revenue, Tax Division, FY2013 Shared Taxes and Fees Annual Report Table 5.

¹⁴ Estimated gross earnings were derived from an ex-vessel price per pound developed by the Commercial Fisheries Entry Commission.

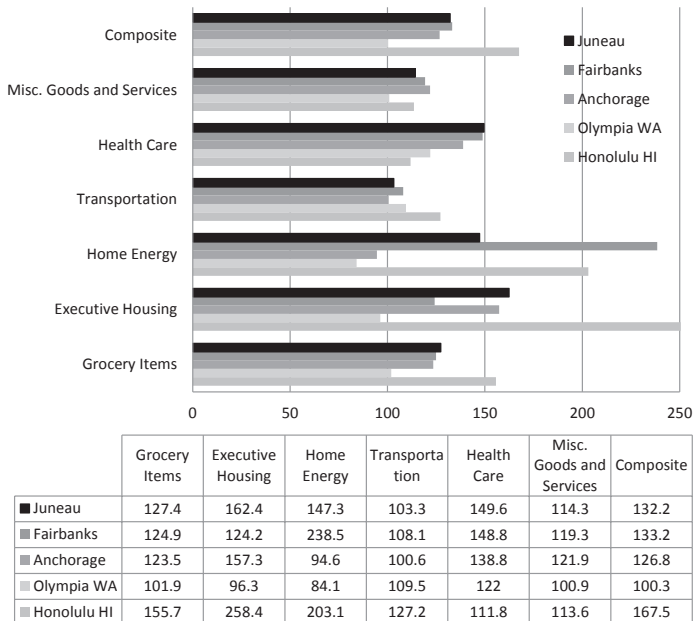
Cost of Living

Most people accept that living in Alaska costs more than in the contiguous United States, but with so many variables it can sometimes be difficult to quantify how much higher the costs are. Multiple organizations, such as the Cost of Living Index (COLI), the U.S. Military, and the Alaska Energy Authority, release annual reports. The range of results show that Juneau is about 30-35 percent more expensive to live in than the average U.S. city. Housing costs and health care seem to be the more costly elements of living in Juneau.

Cost of Living Index (COLI)

The Cost of Living Index (COLI) is a nationwide quarterly survey of living expenses in 279 U.S. cities. It establishes the average cost of living in the U.S. based on six areas of expenditure typical for a moderately affluent professional or executive household. Juneau's composite score is 132.2, which means that it is approximately 32 percent more expensive than the average city participating in the survey. This score places Juneau at number 17 out of all participants. Fairbanks places at number 16 and Anchorage places at number 20. To put Juneau's costs into a broader perspective, Figure 55 compares Alaska's capital city with Fairbanks, Anchorage and two other capital cities, Olympia, Washington, and Honolulu, Hawaii. Olympia has a composite score equal to the US average, and Honolulu, like Juneau reachable only by air and water, has a composite score over 30 percent higher than Juneau.

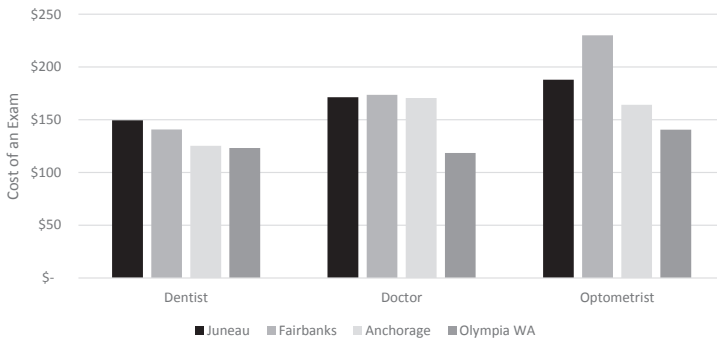
Figure 58: Comparative Cost of Living Index (COLI) for Select Cities, June 2014



Source: Council for Community and Economic Research, Cost of Living Index, Second Quarter (June) 2014

Juneau, Fairbanks and Anchorage are overall about 25-30 percent more expensive than Olympia, with a composite score of 100, putting it at the national average. At the same time, Alaska’s cities are about 35-40 percent less expensive than Honolulu. Juneau’s most expensive component score is for executive housing, more than 60 percent above the national average. Also more expensive is the cost of energy for a home, with Juneau at about 47 percent above average. This cost is a reflection of the number of heating degree days in a community. The largest cost differential between Juneau and Olympia is in the cost of energy for a home, followed by the cost of executive housing. In the cost of health care, Juneau is the number one most expensive city among all participating communities in the nation. Specifically, Juneau ranks number two in the nation for the cost of a medical exam and an eye exam, and Juneau is most expensive city in the nation for in the cost of a dental exam.

Figure 59: Comparative Cost of a Dental, Medical and Eye Exam for Select Cities, June 2014



Source: Council for Community and Economic Research, Cost of Living Index, Second Quarter (June) 2014

Military Cost of Living Index

The Department of Defense gives a Cost of Living Allowance (COLA) to compensate active duty military personnel who are assigned to counties with above average living costs. They measure approximately 120 goods and services in each place and then assign the COLA adjustment to each location. Juneau gets a 34% boost above the normal COLA, which is slightly less than other communities in the Southeast region.

Figure 60: US Military Overseas COLA Adjustment for Select Alaska Communities, August 2014

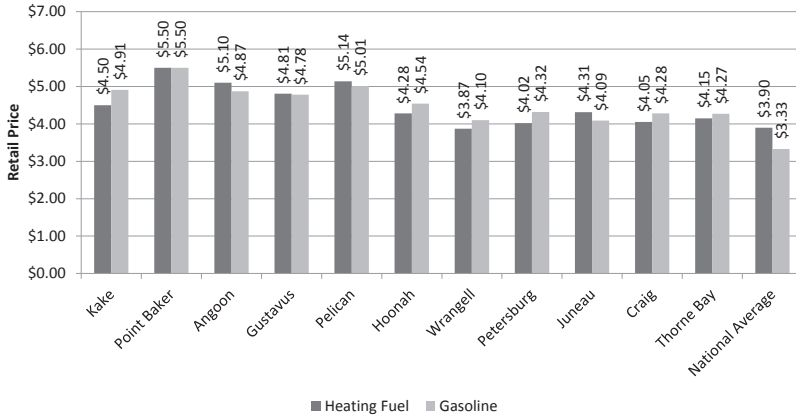
| Community | Percent | Community | Percent |
|-----------|---------|------------|---------|
| Anchorage | 130% | Ketchikan | 142% |
| Juneau | 134% | Petersburg | 146% |
| Fairbanks | 134% | Sitka | 144% |

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

Fuel Oil and Gasoline Costs

Heating fuel and gasoline are also two important sources of energy that generally cost more in Alaska than the rest of the United States. The Alaska Department of Commerce, Community, and Economic Development released a report on the price of fuel in Alaska in January of 2014, which compares the cost of fuel in over 100 Alaskan communities. The price of heating fuel and gasoline in participating Southeast cities is shown in Figure 58, and can be compared to the national price of heating fuel of \$3.90 (October 2013-January 2014) and the average gasoline price of \$3.51 at the end of January 2014.

Figure 61: Heating Fuel and Gasoline Prices of Select Southeast Cities, January 2014



Source: Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs, Alaska Fuel Price Report - January 2014 Update.

CONNECT



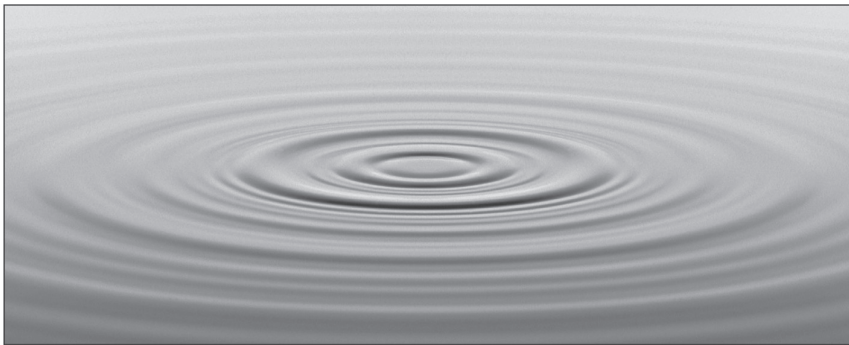
Alaska Airlines has been a member of the community for more than 82 years.



We are proud to support the Juneau Economic Development Council and the work it has done for this great state.



Alaska Airlines

ENERGIZING ALASKA'S CAPITAL CITY with clean, renewable hydropower since 1893.



AEL&P STAY CURRENT ON OUTAGES:  AELPjuneau  AELPjuneau

Alaska Electric Light and Power Company • (907) 780-2222 • www.aelp.com

Denali Alaskan Federal Credit Union is proud to support the
Juneau Economic Development Council.



COEUR
ALASKA®

Taking your business from plans to profits

WELLS
FARGO

When you're ready to build on your achievements, our trusted experts are ready to support your personal and professional goals. Our business bankers live and work in your community and know that good relationships make us all stronger.

We proudly salute the Juneau Economic Development Council.

wellsfargo.com

© 2014 Wells Fargo Bank, N.A. All rights reserved. Member FDIC. (1091518_09777)

Together we'll go far



Now in Juneau!
907-586-4750



Meet Dr. John Zimmermann, M.D., an oncologist and lead physician at Midnight Sun Oncology's newest clinic in Juneau.

midnightsunoncology.com

Headquartered in Juneau, your neighborhood
credit union – *the local choice.*

Business Loans

Business Dept: 523-4758

Home Loans

Mortgage Dept: 523-4710

Or You Can Apply Online!
www.TrueNorthFCU.org



TRUE NORTH

FEDERAL CREDIT UNION

Essentially Alaskan



2777 Postal Way, Juneau • www.TrueNorthFCU.org • Federally Insured by NCUA

Hecla

MINING COMPANY

**GET AHEAD OF IT WITH
ALASKA COMMUNICATIONS FOR BUSINESS.**



www.alaskacommunications.com
1-855-907-7007



***Proud to support the Juneau
Economic Development Council***

1-800-326-8346 • www.lynden.com

The Lynden Family of Companies 
Innovative Transportation Solutions

