

# The State of SITKA's Economy

# 2024

# SEDA

Rain Coast  
Data

September 12, 2024

2023

compared to 2019

**Note:** Alaska Department of Labor is amazing!

**Jobs +0.4%**

**+24**

**2019-2023**

Wages +22%

+ \$69

million

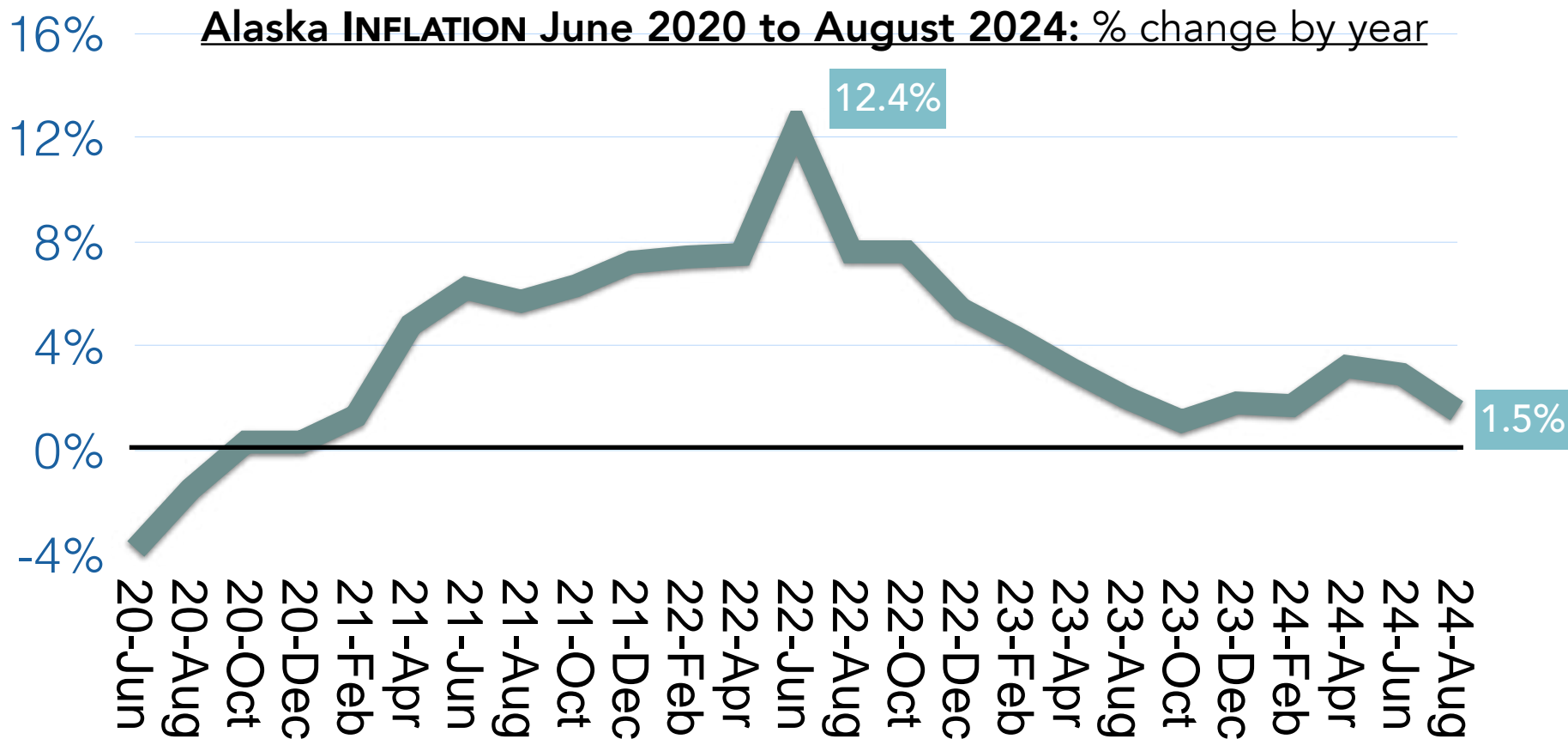
2019-2023

**Inflation +14%**

**+\$42**

**million**  
**2019-2023**

# Inflation has Normalized



# 2023 Sitka Alaska Employment & Earnings

	EMPLOYMENT RELATED EARNINGS			EMPLOYMENT NUMBERS			
	Wages (2023)	Self-Employment Earnings (est.)	Total Earnings	Annual Average Employment (2023)	Self-Employed (est.)	Total Employment	Change 2019 to 2023
Government (includes Coast Guard)	\$60,986,729	\$18,615,000	<b>\$79,601,729</b>	977	219	<b>1,196</b>	<b>-1%</b>
Seafood Industry	\$37,927,501	\$52,937,025	<b>\$90,864,526</b>	453	530	<b>983</b>	<b>-10%</b>
Health Care Industry (private only)	\$60,898,243	\$1,952,993	<b>\$62,851,236</b>	724	43	<b>767</b>	<b>22%</b>
Visitor Industry	37,549,653	\$4,453,640	<b>\$42,003,293</b>	781	117	<b>898</b>	<b>3%</b>
Construction Industry	\$18,770,048	\$8,808,575	<b>\$27,578,623</b>	178	103	<b>281</b>	<b>9%</b>
Trade: Retail and Wholesale	\$16,185,528	\$3,925,677	<b>\$20,111,205</b>	451	74	<b>525</b>	<b>-7%</b>
Professional and Business Services	\$8,633,100	\$7,322,359	<b>\$15,955,459</b>	196	152	<b>348</b>	<b>-4%</b>
Financial Activities	\$5,311,694	\$9,373,365	<b>\$14,685,059</b>	108	78	<b>186</b>	<b>-6%</b>
Social Services, Information	\$4,427,260	\$439,101	<b>\$4,866,361</b>	121	18	<b>139</b>	<b>-12%</b>
Transportation (other, non tourism)	\$8,138,823	\$1,206,000	<b>\$9,344,823</b>	130	47	<b>177</b>	<b>7%</b>
Other	\$7,373,509	\$2,230,000	<b>\$9,603,509</b>	226	146	<b>372</b>	
<b>Total</b>	<b>\$266,202,088</b>	<b>\$111,263,735</b>	<b>\$377,465,823</b>	<b>4,345</b>	<b>1,527</b>	<b>5,872</b>	<b>0.4%</b>

3 Sectors up: Tourism, Healthcare, Construction

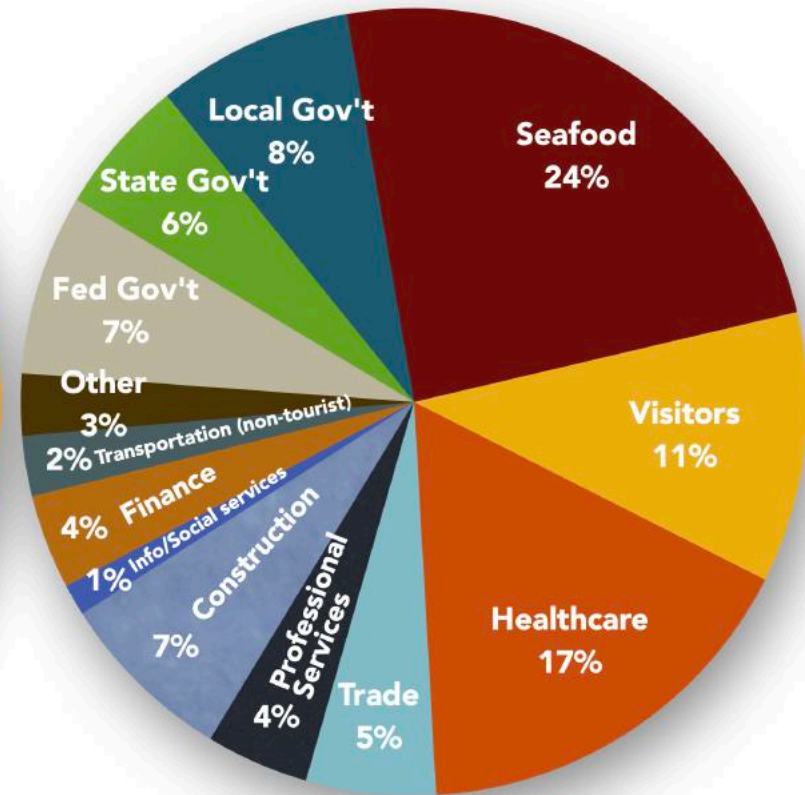
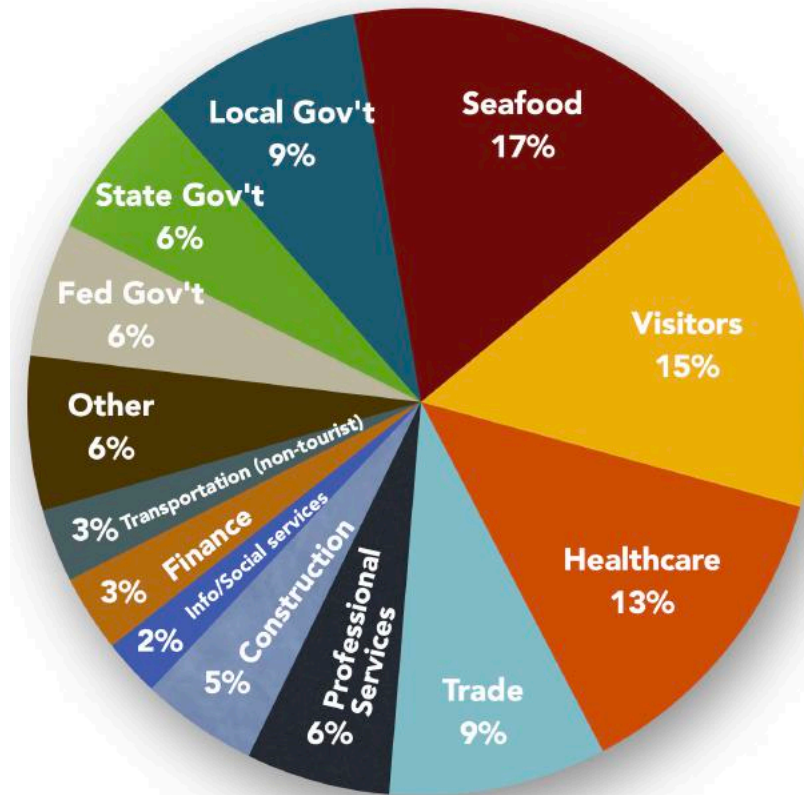
# The Whole **Sitka Alaska Economy** 2023

## 5,872 Jobs

**UP 24 JOBS IN 2023 +0.4%**

## \$377 Million Earnings

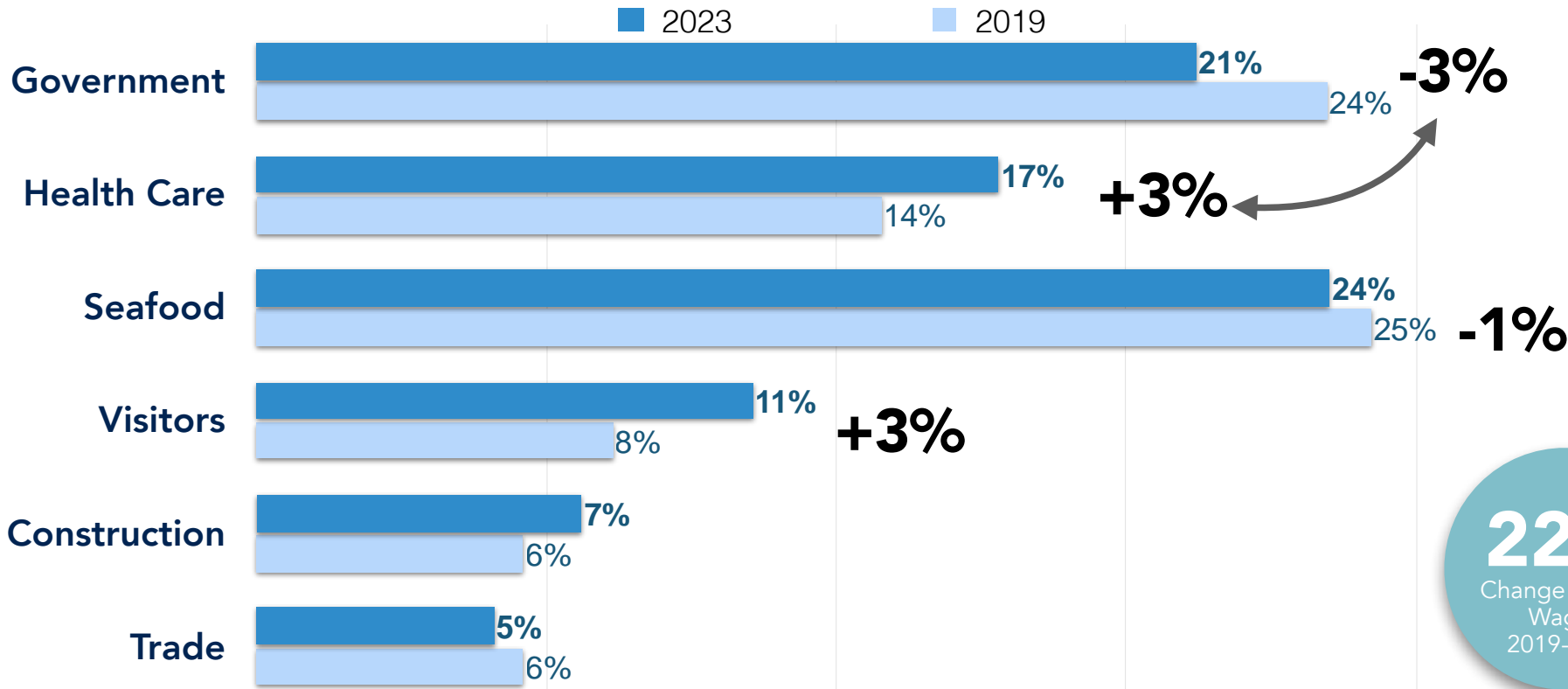
**UP \$69 MILLION +22% 2019-2023**





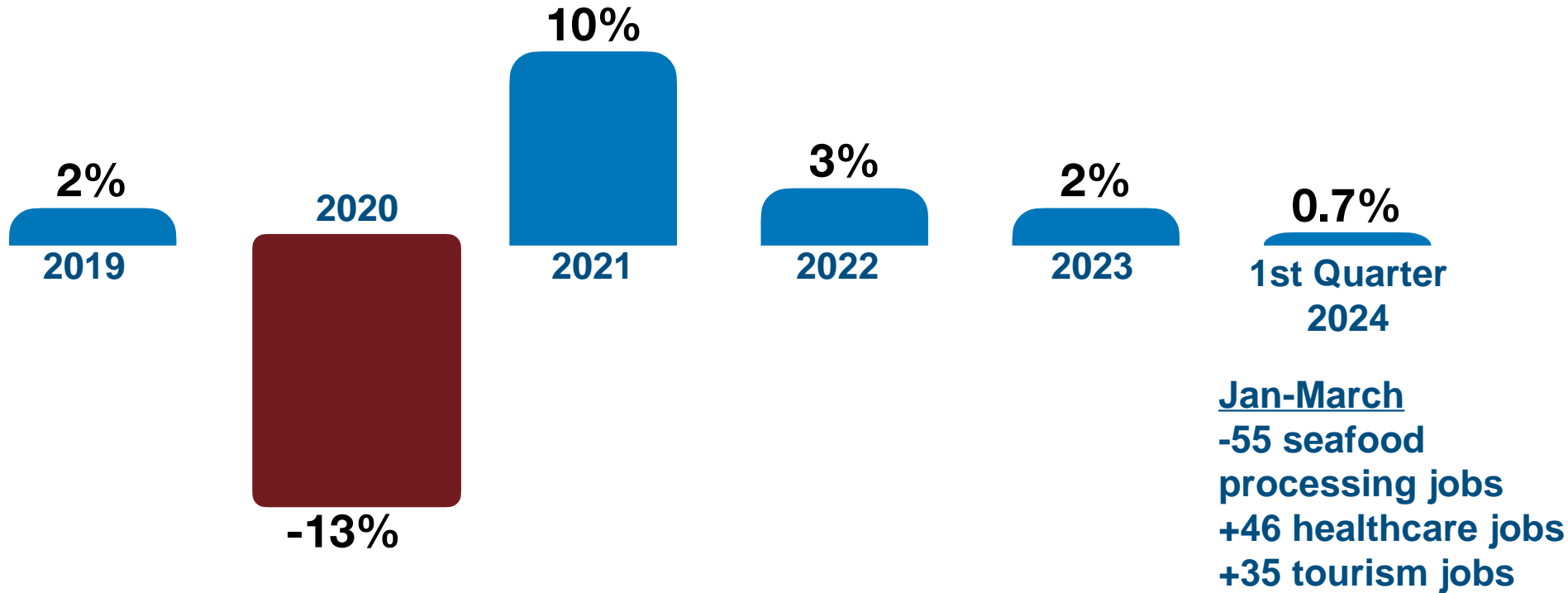
# Overall Wages as a % of Economy 2019-2023

## Change in Overall Wages 2019-2023: **+\$69 million**



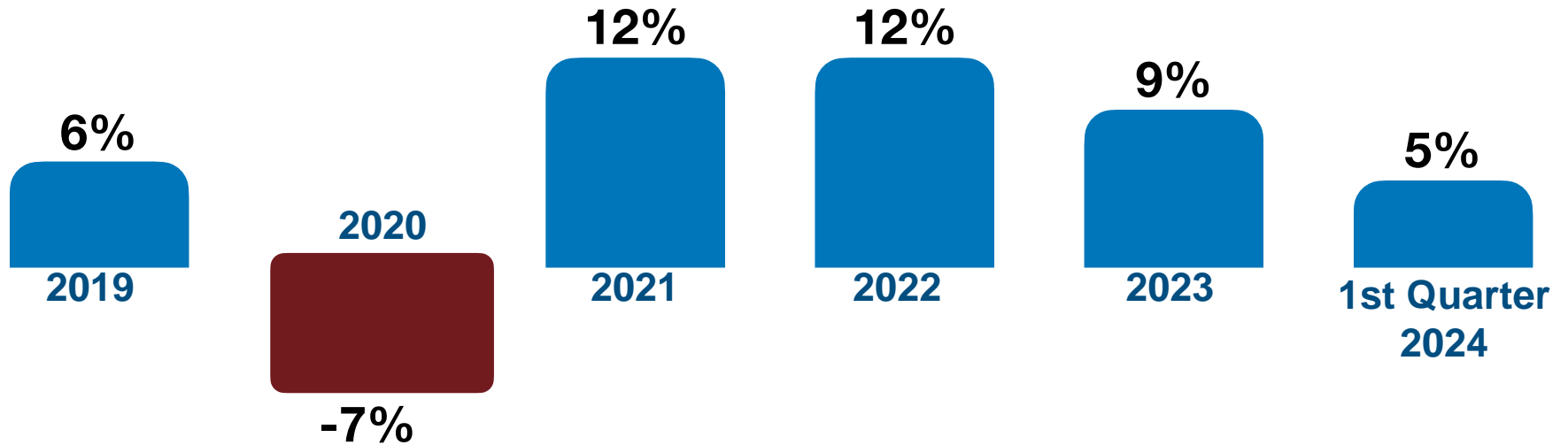
# Sitka Economics: Jobs

## Change in Sitka Jobs 2019-2024



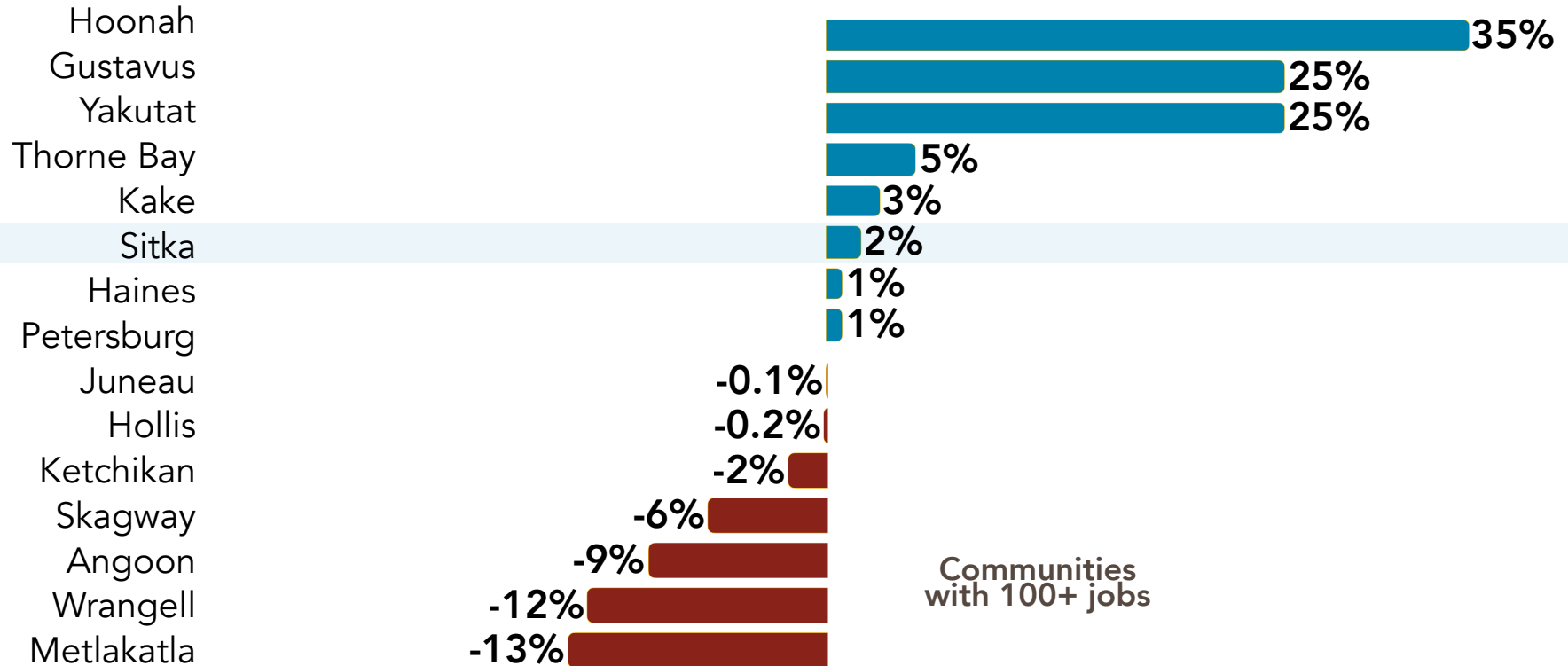
# Sitka Economics: Wages

## Change in Sitka Wages 2019-2024

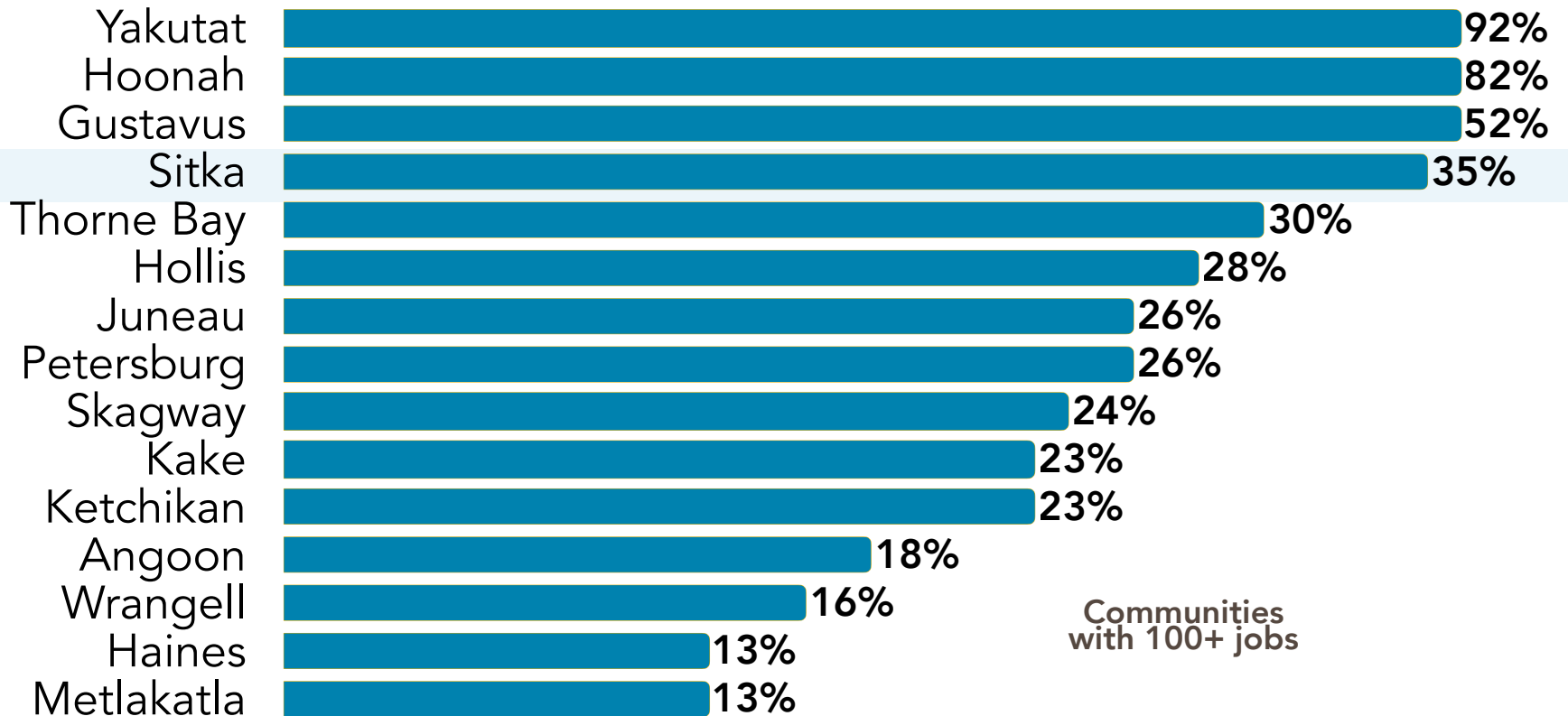


**Note:** Wage and Labor earnings only, self-employment and USCG excluded

# Southeast Jobs by Community Change 2018-2023



# Southeast Wages by Community Change 2018-2023



# DEMOGRAPHICS



# POPULATION

Population declining twice the rate of region

Lower in 1987,  
and 1980 and  
before

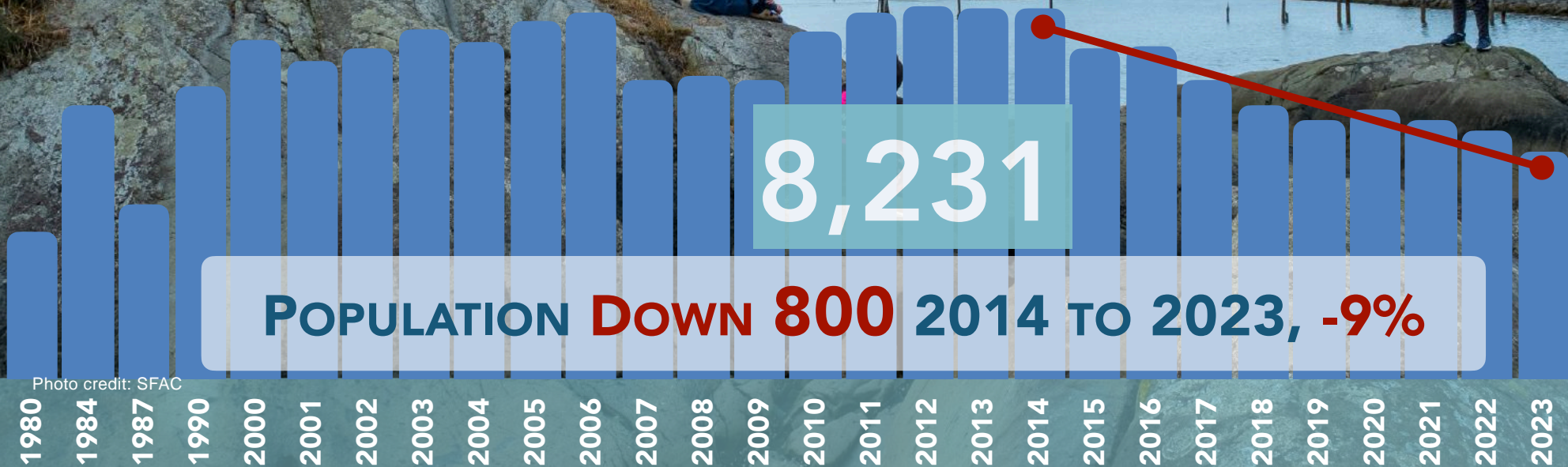
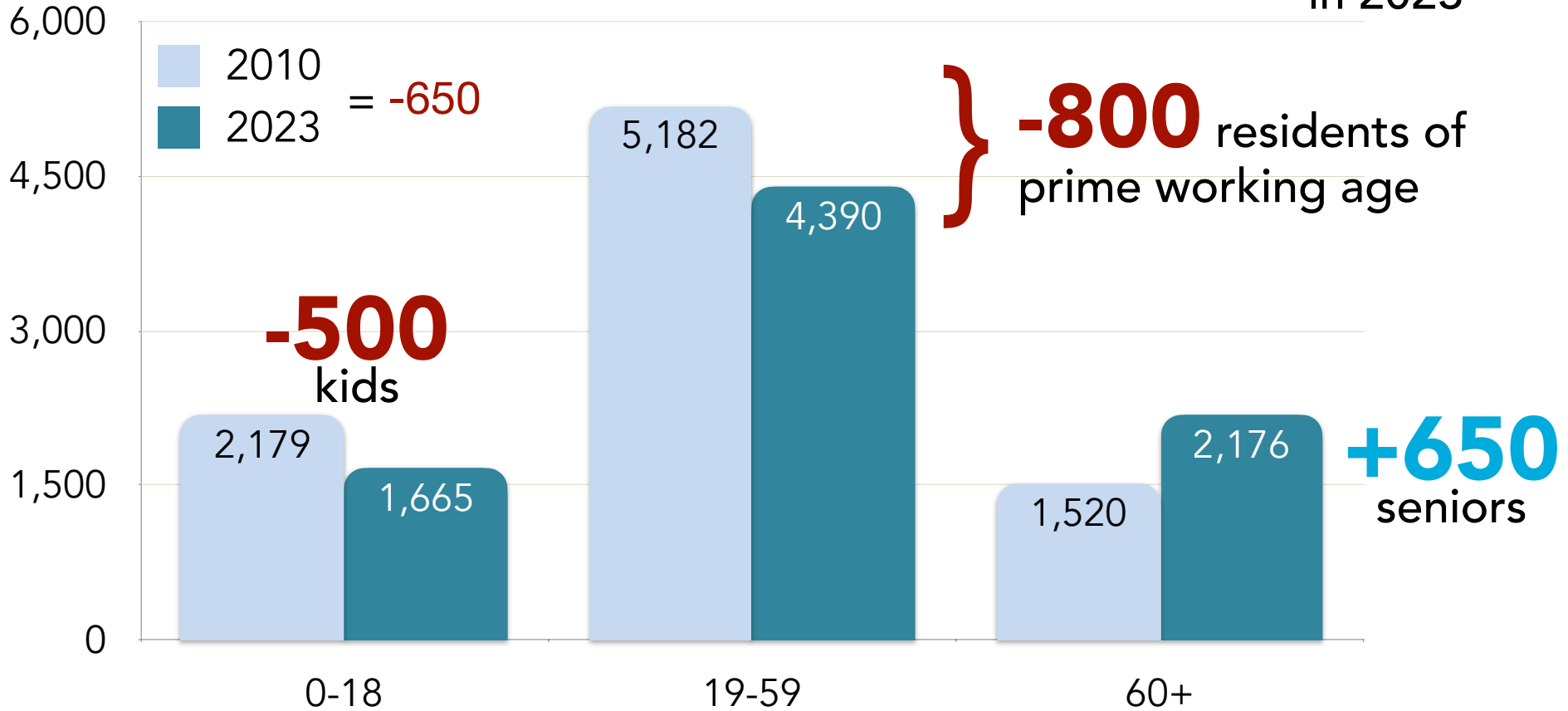


Photo credit: SFAC

# Sitka's Workforce Challenge

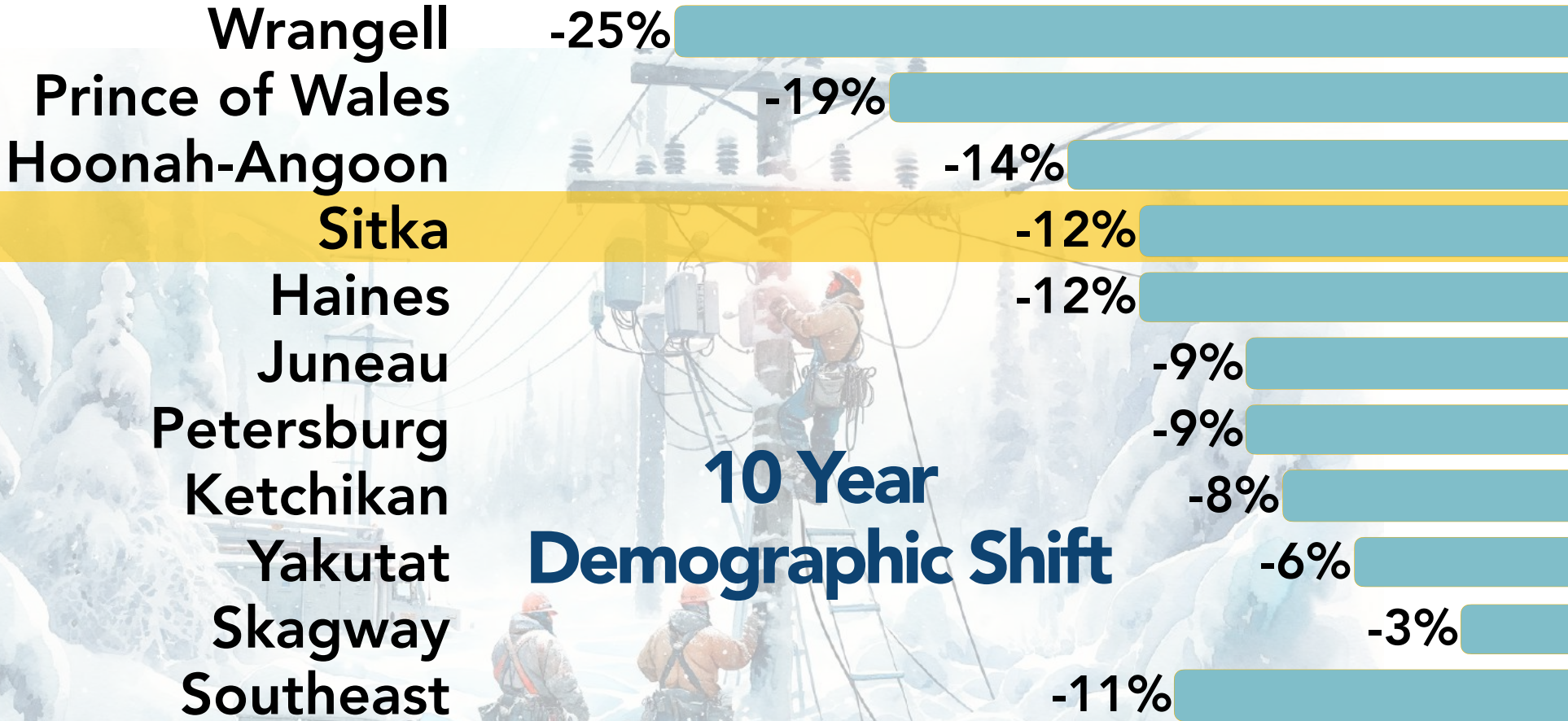
## Sitka Population by Age, 2010-2023

**150**  
more jobs  
in 2023





# 2022 WORKING AGE VERSUS 2013

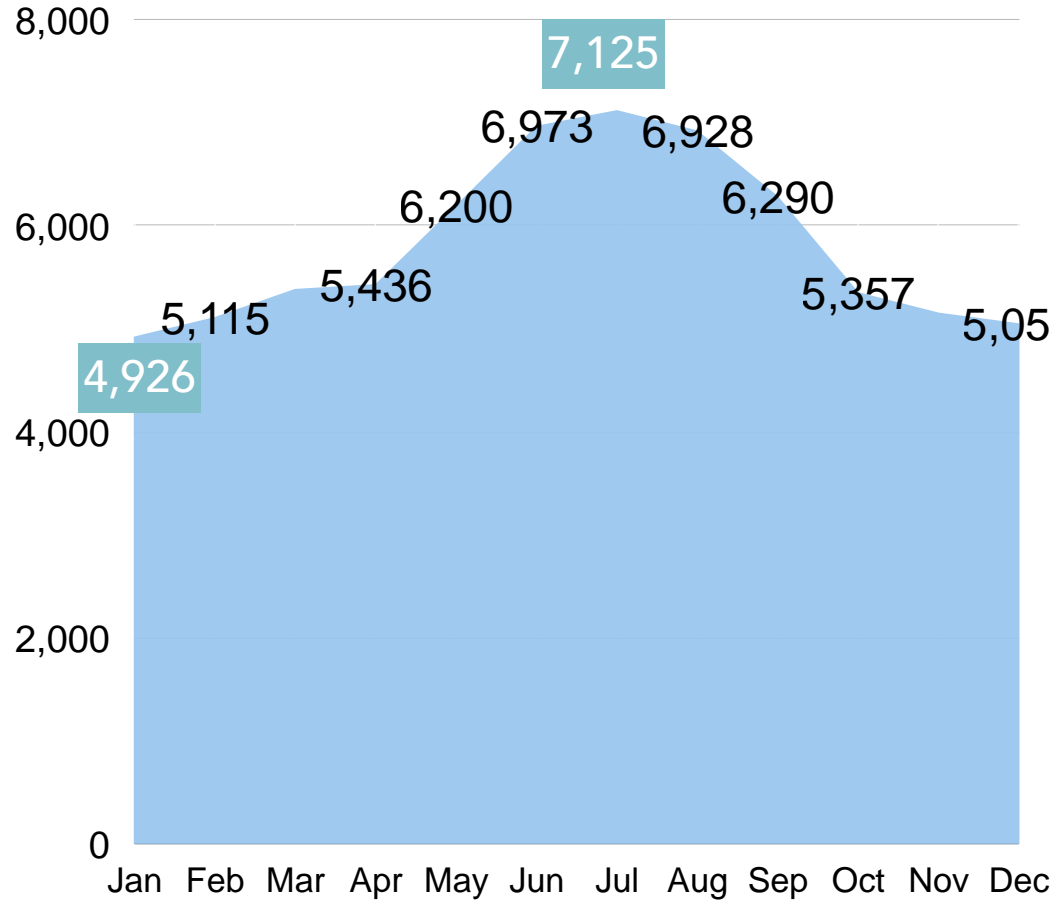


**10 Year  
Demographic Shift**

# Retail

*" We could hire a dozen people today but unfortunately they are just not there to hire. So, we steal each others employees and they go to the highest bidder, so to speak."*

# Sitka Workforce by Month, 2023

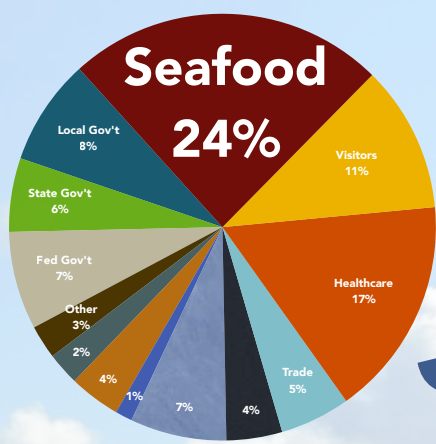


**=2,200**  
More peak summer workers than low winter workers

i.e. up to 2,200 more people need some type of housing in the summer

# SEAFOOD





**Jobs = 1,000**

**Earnings = \$91 million**

**SEAFOOD = #1**

# Top sector in Sitka

**DOWN 106 JOBS, -10%**

**WAGES UP \$15 MILLION BY 20%**

**2019-2023**

# Seafood

A large fishing boat named 'Lisa Jean' is docked at a pier in a harbor. The boat is white with blue and red stripes and has the name 'Lisa Jean' written on its side. It is surrounded by other fishing boats. In the background, there are mountains and a blue sky with white clouds. The water is calm and reflects the sky.

# SEAFOOD CHALLENGES



- Global **downturn in seafood demand**
- Salmon overfishing in **Russia**
- Massive **inventory backlog**
- Crash of **salmon prices**
- Troller fleet targeted

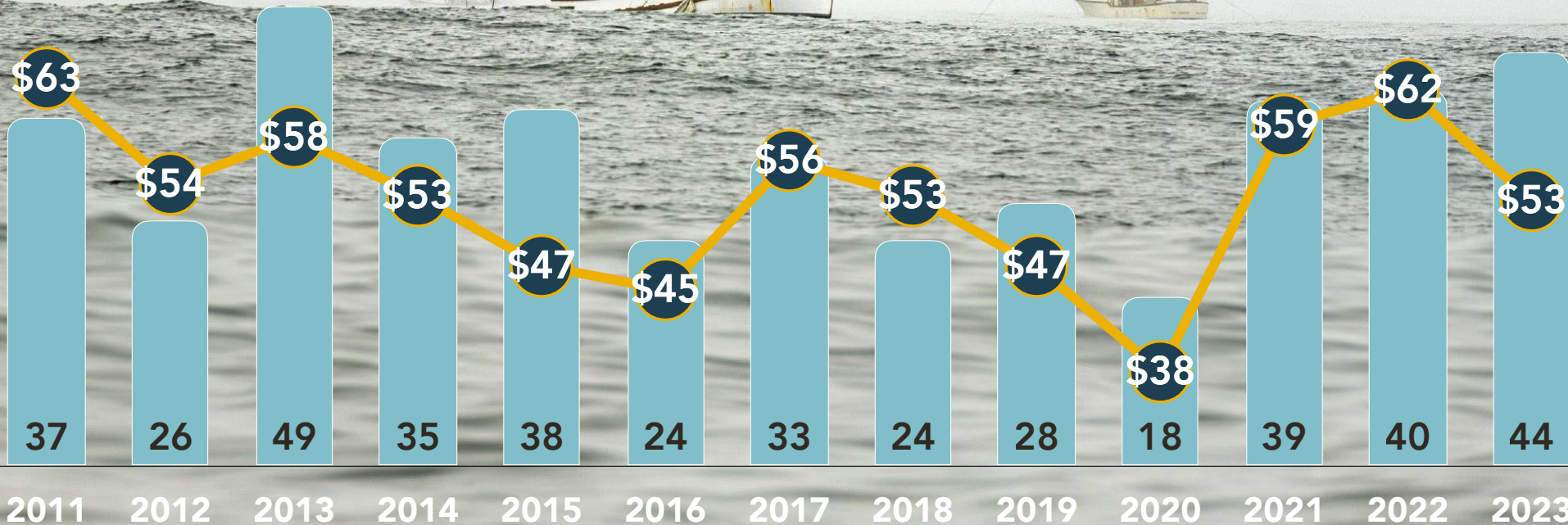
# SEAFOOD

Total POUNDS 44 MILLION  
Total VALUE \$53 MILLION

Resident Fishermen Only

# 2023

- Inflation Adjusted
- Value to Fishermen (millions)
- Whole Pounds (millions)



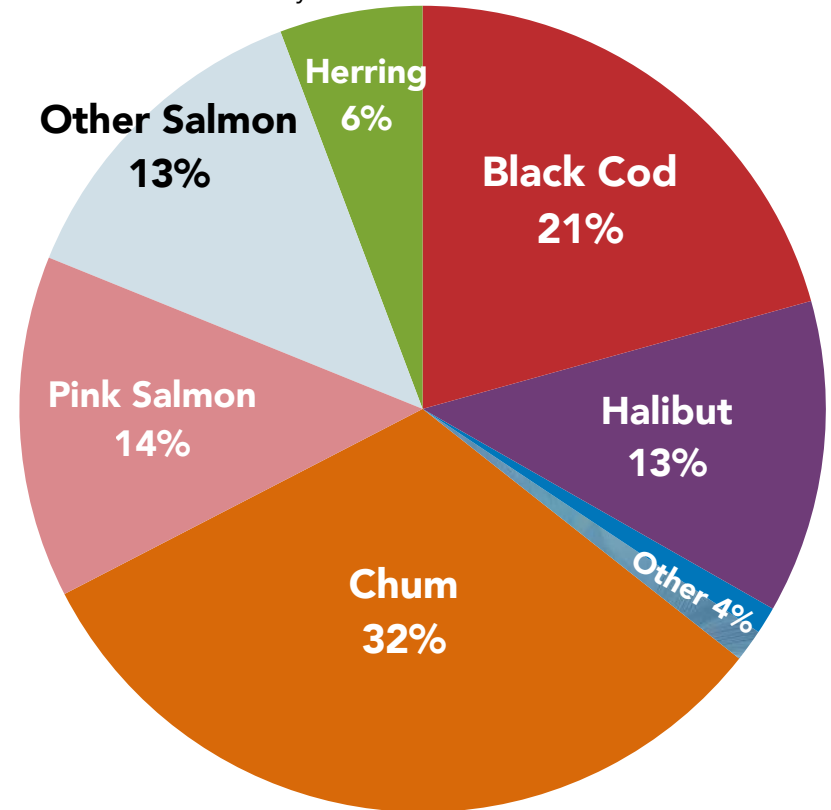
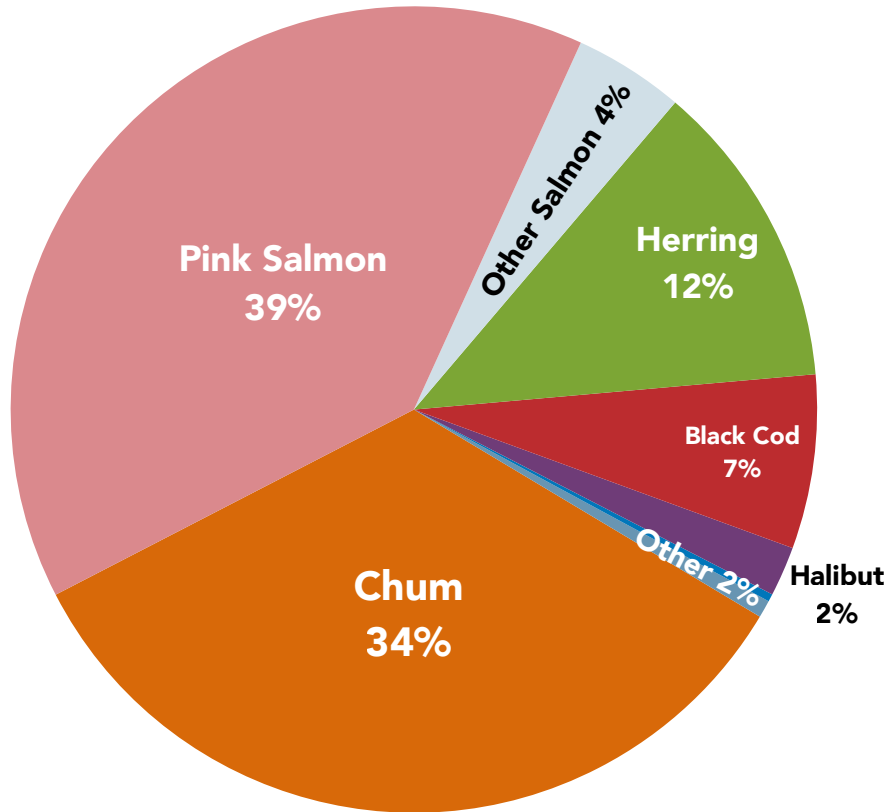


# SEAFOOD LANDED IN **PORT OF SITKA** BY SPECIES, 2023

Whole **POUNDS 96 MILLION**

**CFEC VALUE \$86 MILLION**

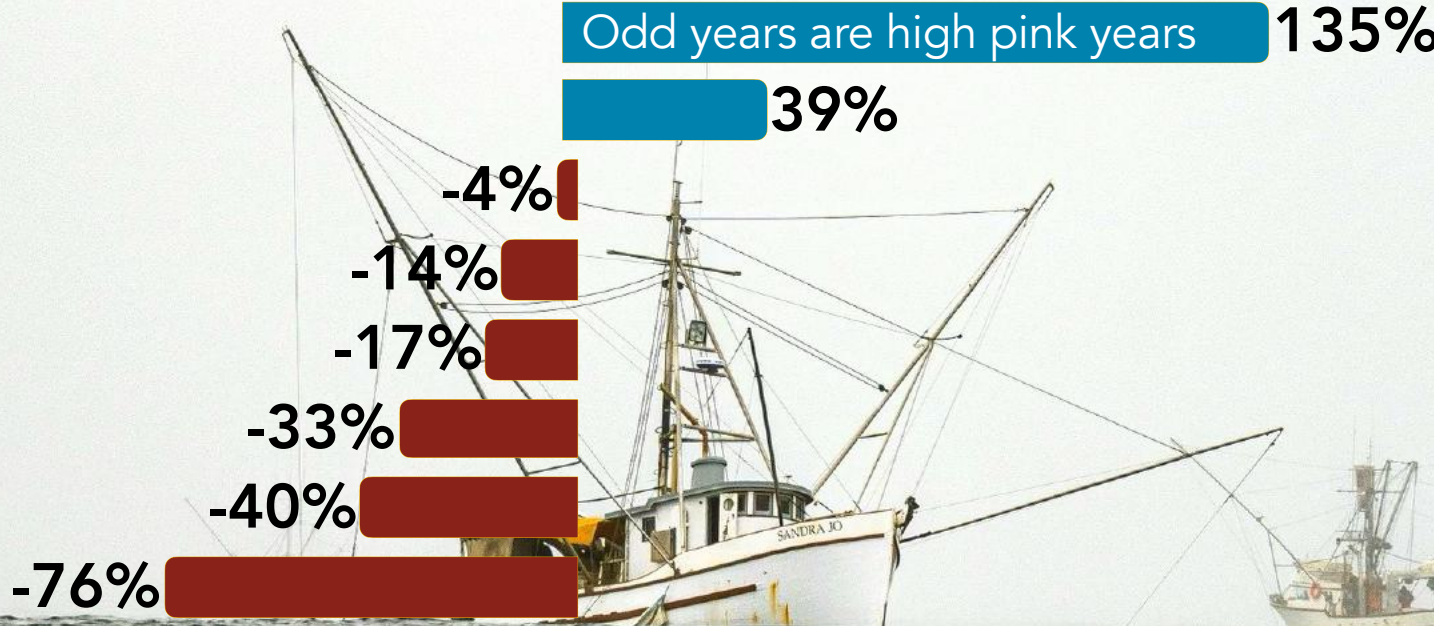
Commercial Fisheries Entry Commission



# 2023 CATCH COMPARED TO 2022

Catch in pounds, Port of Sitka

- Pink
- Chum
- Coho
- Sablefish
- Sockeye
- Chinook Salmon
- Dungeness Crab
- Herring



**-\$14m**

Decreased Catch Value in Millions

**-14%**

# Sitka Value Added Processing 2023

Pound processed = 80 million, **-22%**

**\$166**

Value of Seafood  
Processed in  
Millions **-32%**

# Seafood Outlook 2024

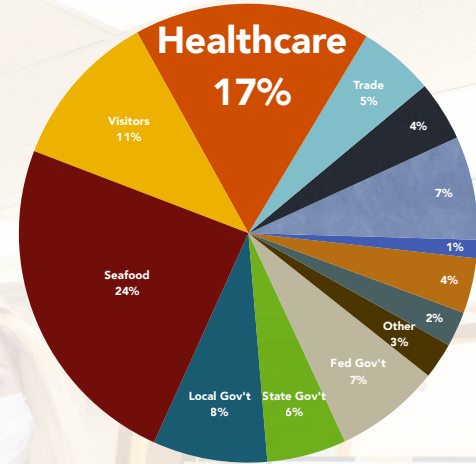
*“Fish prices are down so the outlook is gonna be a negative because the cost of doing business **isn't** down.”*

# HEALTHCARE



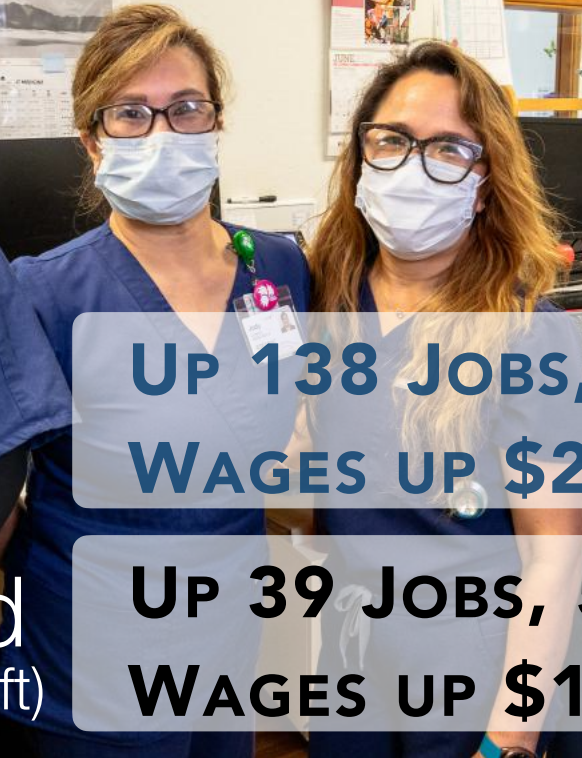
**Jobs = 770**  
**Earnings = \$63 million**

**HEALTHCARE = #2**



# HEALTHCARE

## 2019-2023



**UP 138 JOBS, 22%**

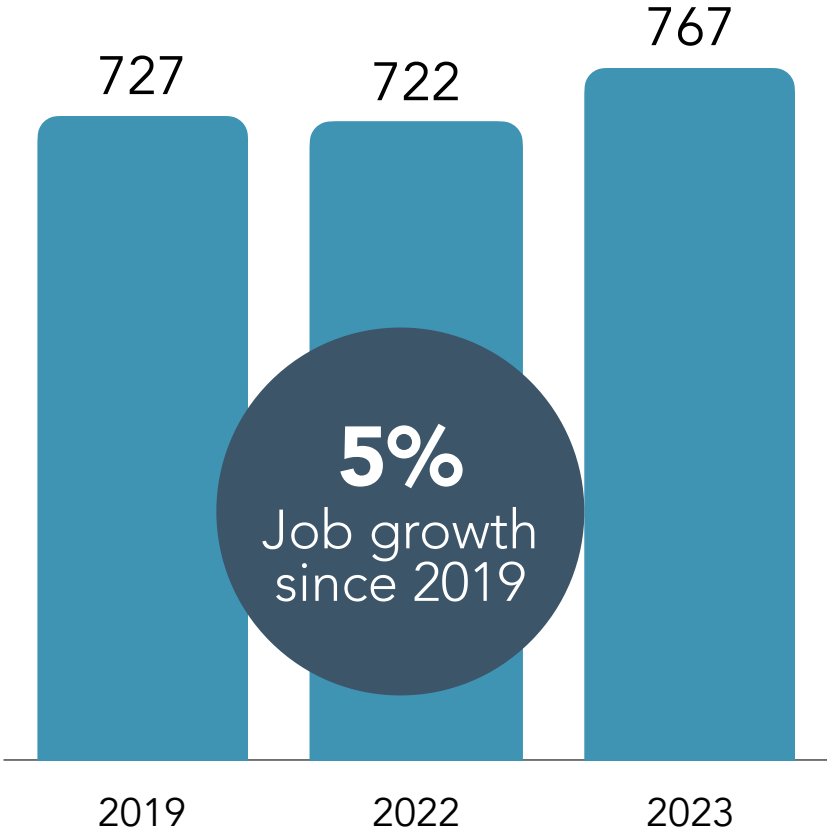
**WAGES UP \$20 MILLION BY 45%**

**UP 39 JOBS, 5%**

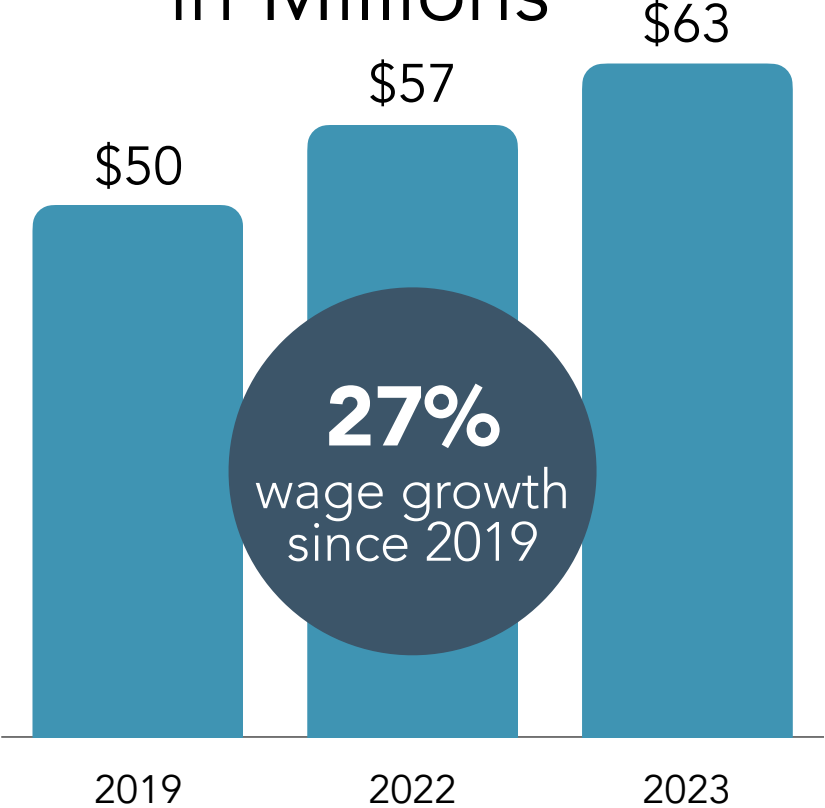
**WAGES UP \$13 MILLION BY 27%**

**Adjusted**  
(for public to private shift)

# Sitka Healthcare Jobs



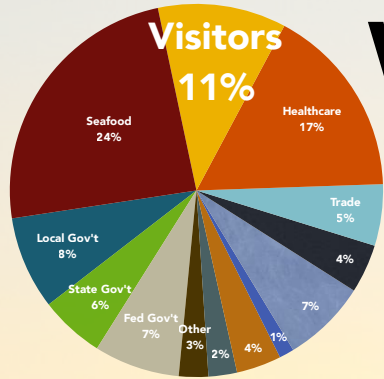
# Sitka Healthcare Wages in Millions





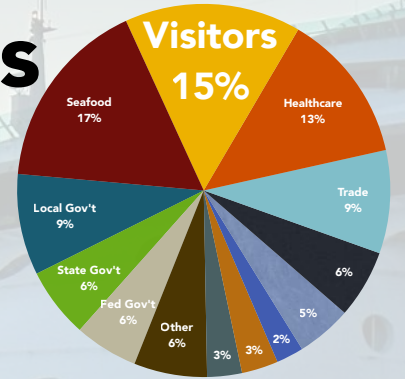


**TOURISM**



**Wages**

**Jobs**



**Jobs = 900**

annualized

**Earnings = \$42 million**

**TOURISM = #3 (wages)**

**#2 in jobs**

A large cruise ship is shown from a low angle, with its white hull and multiple decks visible. The ship is positioned on the right side of the frame. In the background, a bright sunset is visible over a body of water, with a line of trees and hills on the left. The sky is a mix of orange, yellow, and blue. A group of people is silhouetted against the sunset on the ship's deck. The overall scene is serene and scenic.

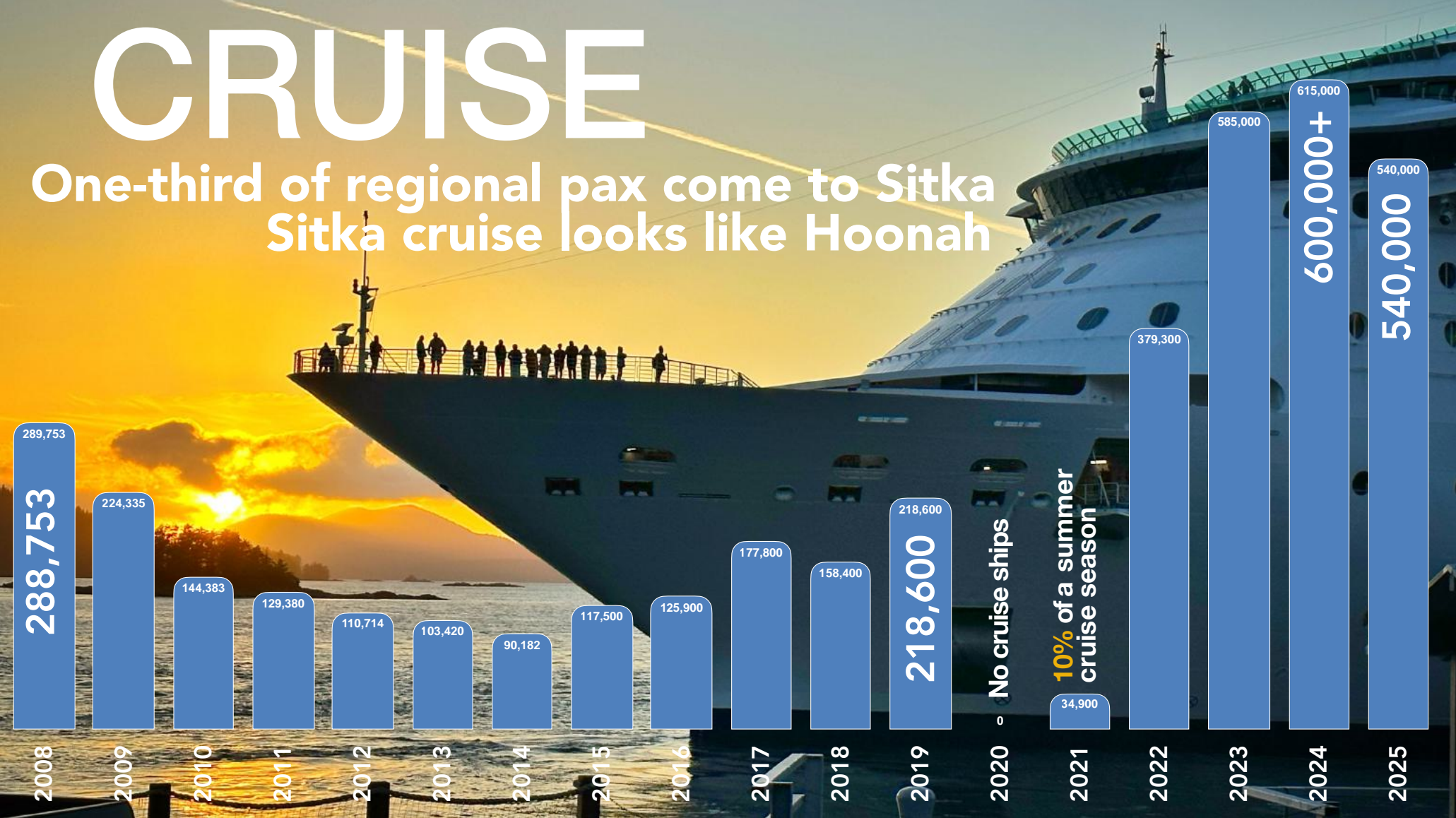
**UP 3% JOBS, +28  
WAGES UP BY 61%  
+\$16 MILLION**

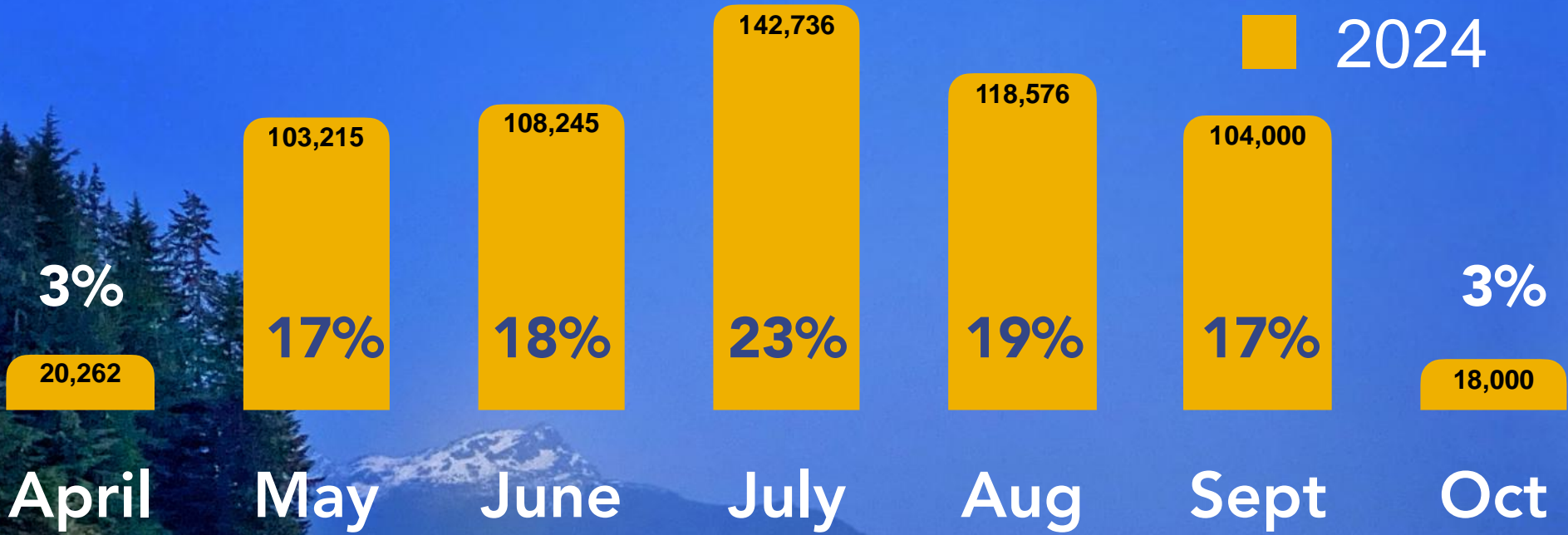
**TOURISM**

**2019-2023**

# CRUISE

One-third of regional pax come to Sitka  
Sitka cruise looks like Hoonah





**First Ship 2024** - April 8th  
**Last Ship 2024** - October 21th

**First Ship 2026** - April 28th  
**Last Ship 2026** - October 6th  
**35 days shorter**

**CRUISE**  
 Sitka Passengers

# Regional **Passenger Abatement Strategies**

Moving into 2025 and 2026, regional cruise ship passenger numbers are expected to be slightly smaller. This is due to three significant agreements between local communities and the larger cruise industry:

**1) 5-Ship Limit:** In 2024, the CBJ started enforcing a 5-ship-per-day limit, a recommendation of the community's Visitor Industry Task Force, and agreed to by the industry.

**2) Daily Caps:** CBJ worked with the cruise lines to set a daily agreed upon limit of 16,000 on weekdays and 12,000 on weekends, which will be enacted in 2026.

**3) Shorter Season:** Also in 2026, the cruise season will be significantly shorter. Instead of starting in early April, the 2026 cruise season is currently slated to begin on April 28th, and instead of running through the end of October, the season will end on October 6th.

These three changes are intended to cap significant overall cruise passenger growth and includes an agreement to meet annually to balance the schedule.

# Sitka Tourism SWOT

- *Top Strength:* **Unique Destination**
- *Top Weakness:* **Crowds**
- *Top Opportunity:* **Independent/niche tourism development**

*Top Threat:* **Initiatives that seek to limit tourism (without buy-in from industry)**

# Sitka Arriving Passengers

**90%**  
decrease in AMHS  
service  
2013-2023



**AMHS**

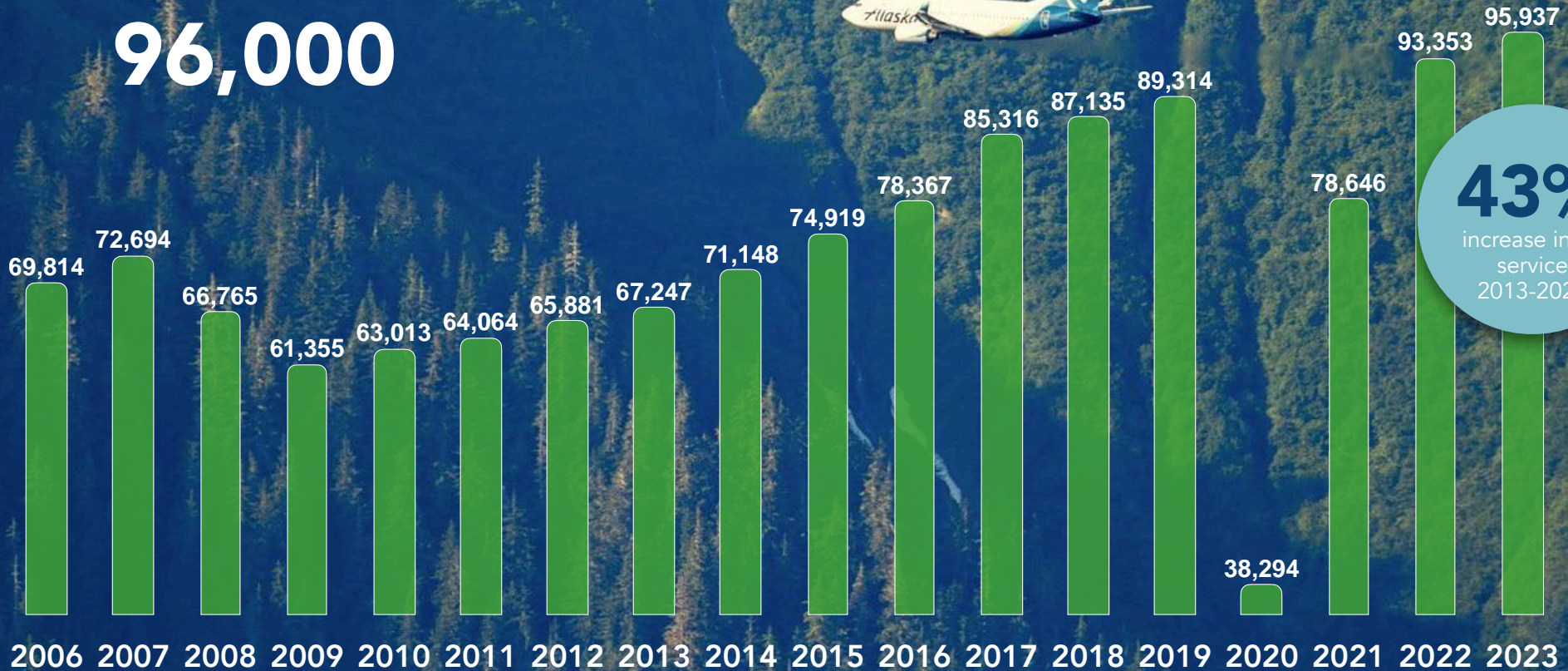


# Arriving Sitka Air Passengers

## 96,000

### New record

Surpassed  
2022 levels  
by 3%



### 43%

increase in air  
service  
2013-2023

# Transportation SWOT

## Sitka

- *Top Strength:* **Strong/reliable Air Service**
- *Top Weakness:* **AMHS Not Reliable**
- *Top Opportunity:* **Improve ferry service**
- *Top Threat:* **Demise of AMHS**



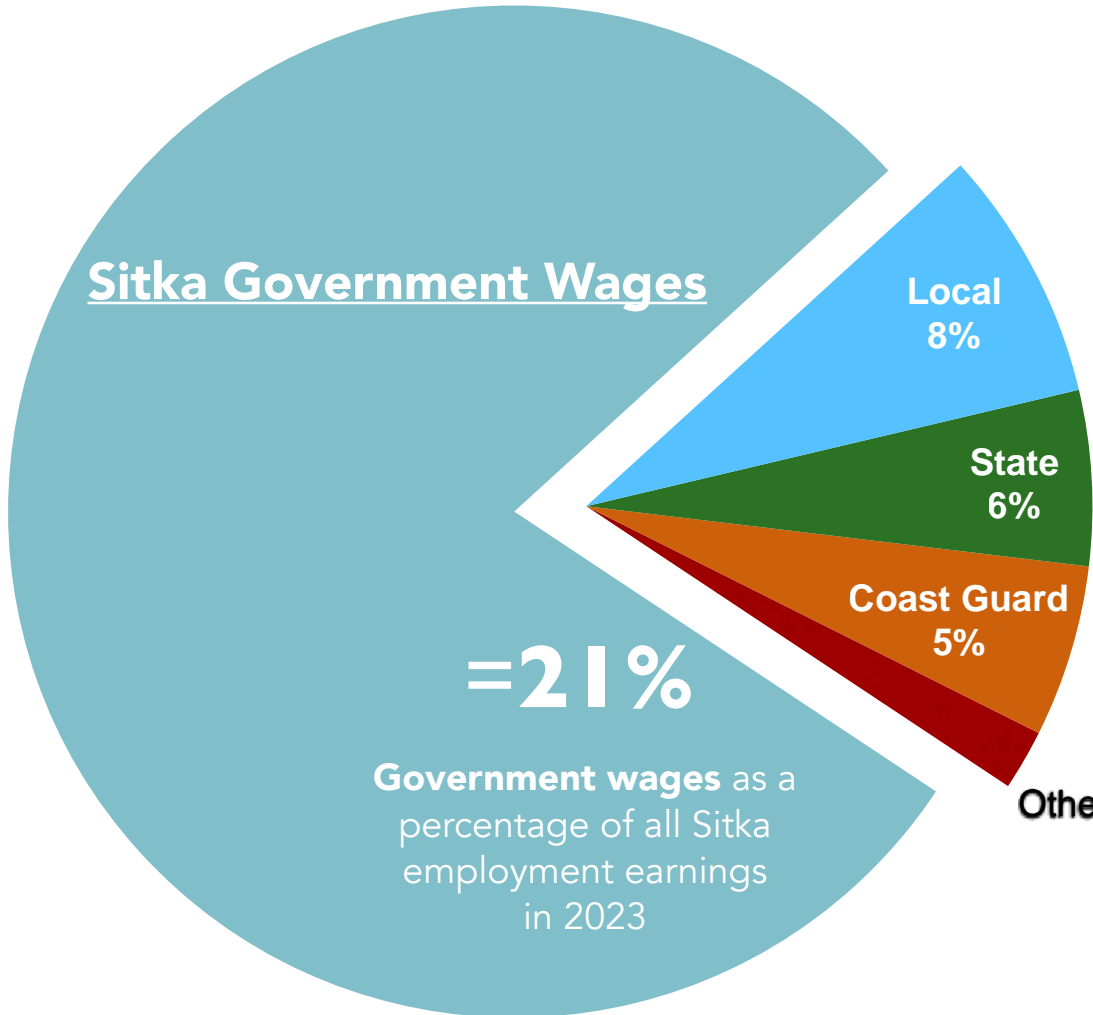
GOVERNMENT



**Jobs = 1,200**

**Earnings = \$80 million**

**GOVERNMENT**



**Sitka Government Jobs 2023**

**Local** 515 Jobs **-77** 2019-2023

**State** 357 Jobs **+42**

**US Coast Guard** 238 Jobs **+31**

**Other Federal** 86 Jobs **-3**

**=21%**

**Government jobs** as a percentage of all Sitka jobs in 2023



# GOVERNMENT

DOWN 7 JOBS  
WAGES UP BY 6%,  
\$5 MILLION

2019-2023

# COAST GUARD

5% OF ECONOMY

ACTIVE DUTY  
UP 28 POSITIONS  
IN 2023  
+15%

Kodiak  
Employment  
Earnings

Increase primarily due to  
helicopter maintenance crew  
staffing standards adjustment

2022-2023

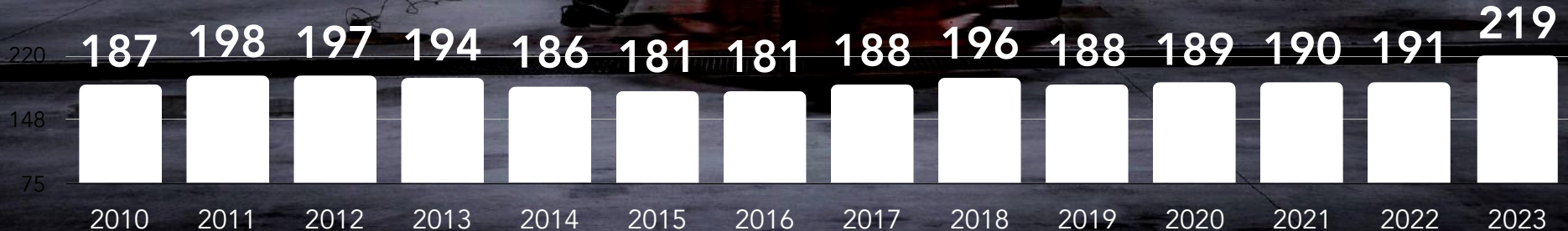
238

Coast Guard Activity Duty + Civilian

\$21 million

Coast Guard Activity Duty + Civilian Estimates

Sitka Active Duty (Only) US Coast Guard Personnel, 2010-2024





# CONSTRUCTION



A construction site is shown in a scenic, wooded area near a lake. Several workers in orange safety vests and hard hats are working on the wooden frame of a large building. In the background, a completed house with a grey roof and white windows is visible. The scene is misty and surrounded by tall evergreen trees.

# CONSTRUCTION

**Jobs = 300**

**Earnings = \$28 million**

**#7**

# CONSTRUCTION



**UP 23 JOBS IN 2023, 9%  
WAGES UP BY 51%, +\$9 MILLION**

**2019-2023**

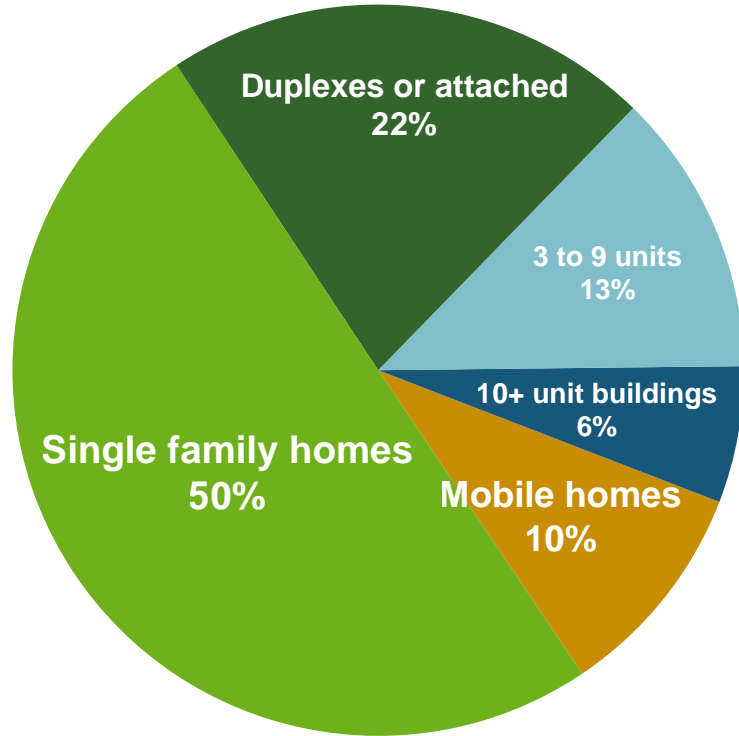
# Infrastructure Bill Investment

- Sitka Rocky Gutierrez \$6 million
  - Hydroelectric Production Incentives - Blue Lake Project \$2 million
  - Gary Paxton Industrial Haulout \$1 million
  - Tribal Transportation Program - Sitka Tribe of Alaska \$460,979
  - Energy Efficiency and Conservation Block Grant Program \$75,300
- = \$10+ million**

# HOUSING



# Sitka Housing

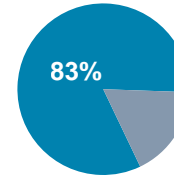


## Housing stock by type

In Sitka, half of housing units are single family homes. This is just lower than the state as a whole, which is 63% single family home. The most usual aspect of housing in Sitka is the very high percentage of mobile homes that make up the overall housing stock. Statewide just 4.6% of all housing stock is made up of mobile homes. In Southeast that figure is slightly higher at 6.3%.

## Housing Units = 4,140

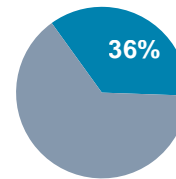
**Occupied**  
**= 3,460**



## Occupied Housing

In Sitka there are nearly 700 vacant housing units, or 17% of total housing units. The state as a whole has a vacant housing rate of 19%. Coastal Alaska is also 19%. Vacant housing units is measured in April and includes homes that are used in the summer-only.

**Renters**  
**= 1,230**

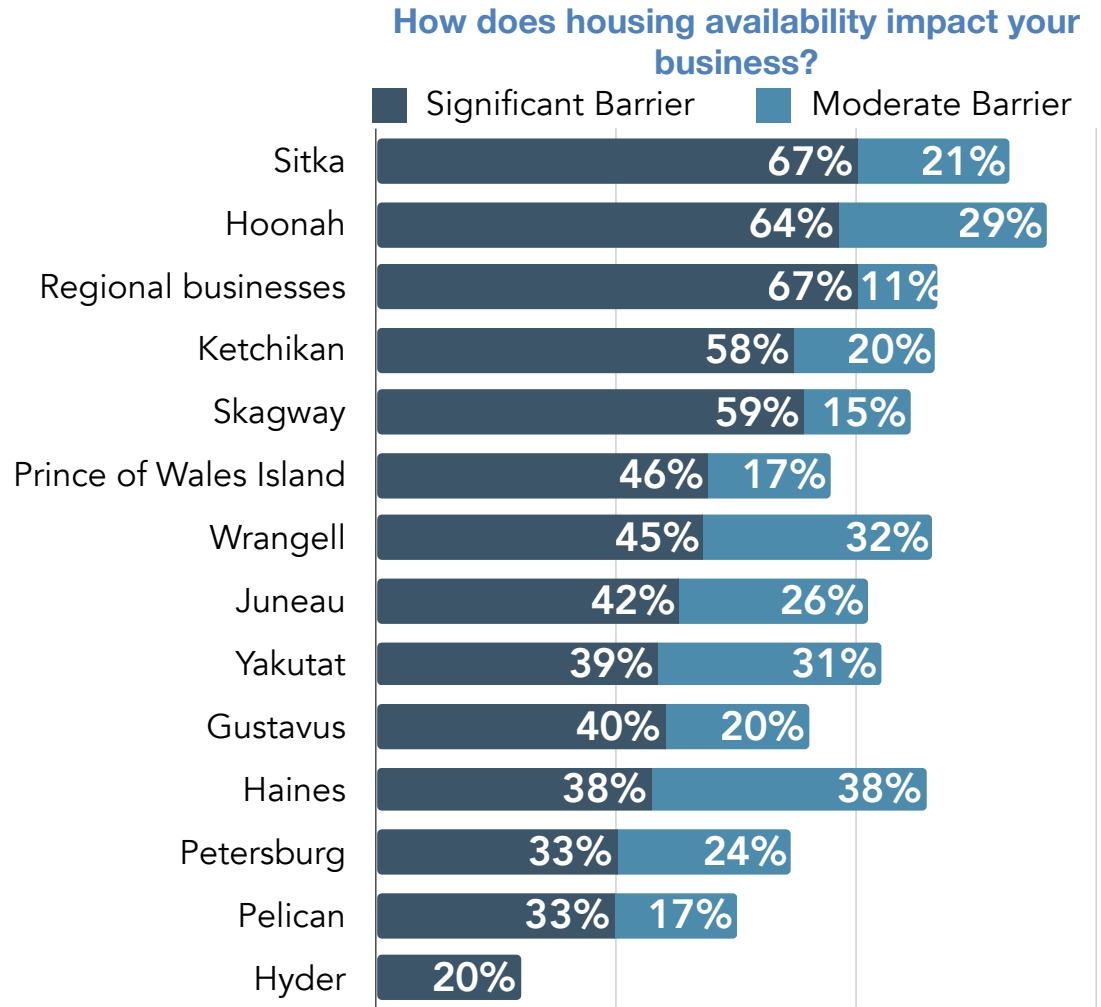


## Housing Tenure

Of the occupied housing units in Sitka, 36% are renter occupied, while 64% are homeowner occupied. Typically, the occupied housing tenure ratio is 1/3<sup>rd</sup> rentals and 2/3<sup>rd</sup>s homeowners, so Sitka has normal/healthy proportion of rental housing.

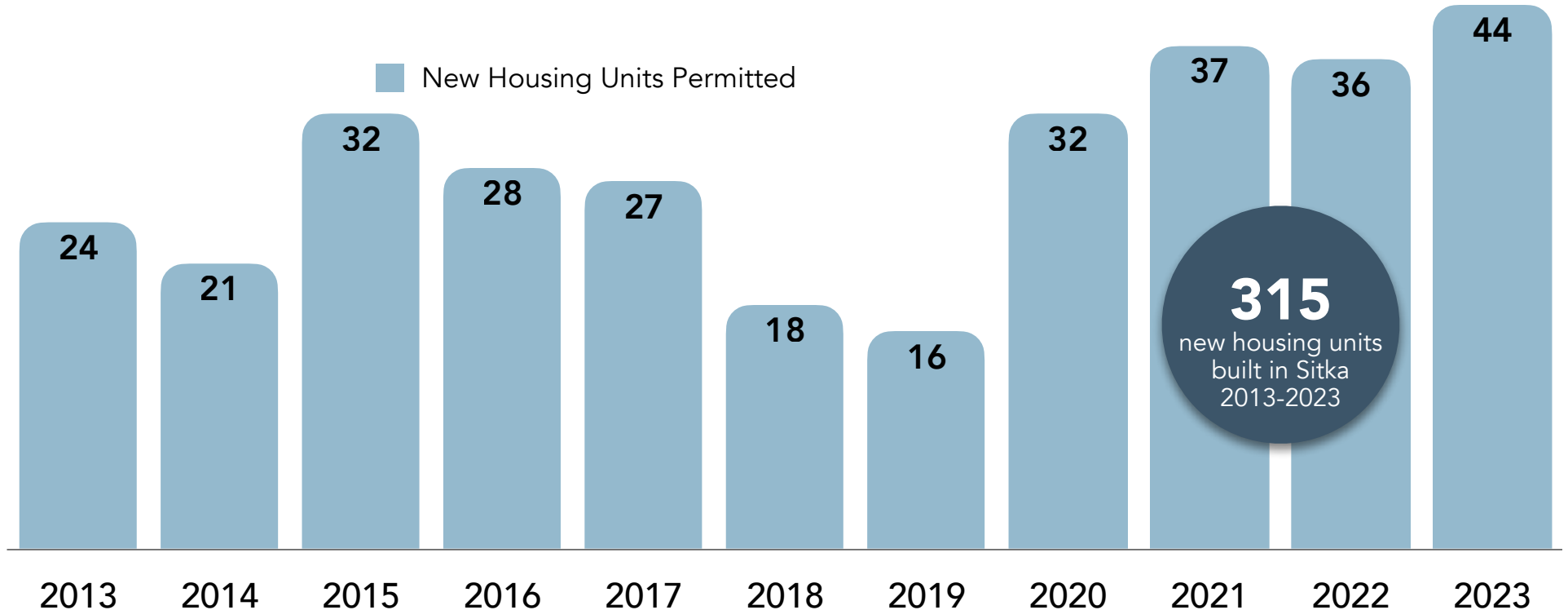
## Sitka Business Leaders are Impacted by Housing Shortages

88% of Sitka's business leaders call the lack of housing availability a barrier to their businesses — among the highest in the region; the same percentage say there are not enough homes for purchase to attract or retain workers.



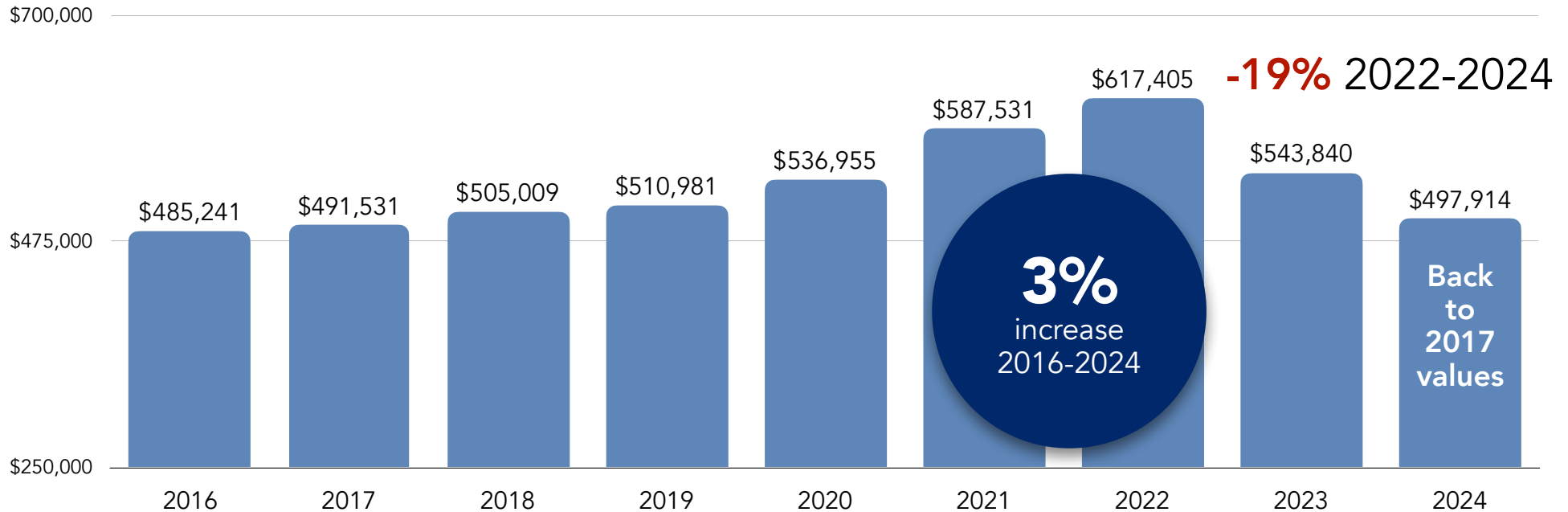
## Housing is Being Built in Sitka

Between 2013 and 2023, 315 new housing units have been built in Sitka. Representing 9% of Sitka's occupied housing units.



# Market Rate Values

## Sitka Single-Family Home Average Value, 2016-2024

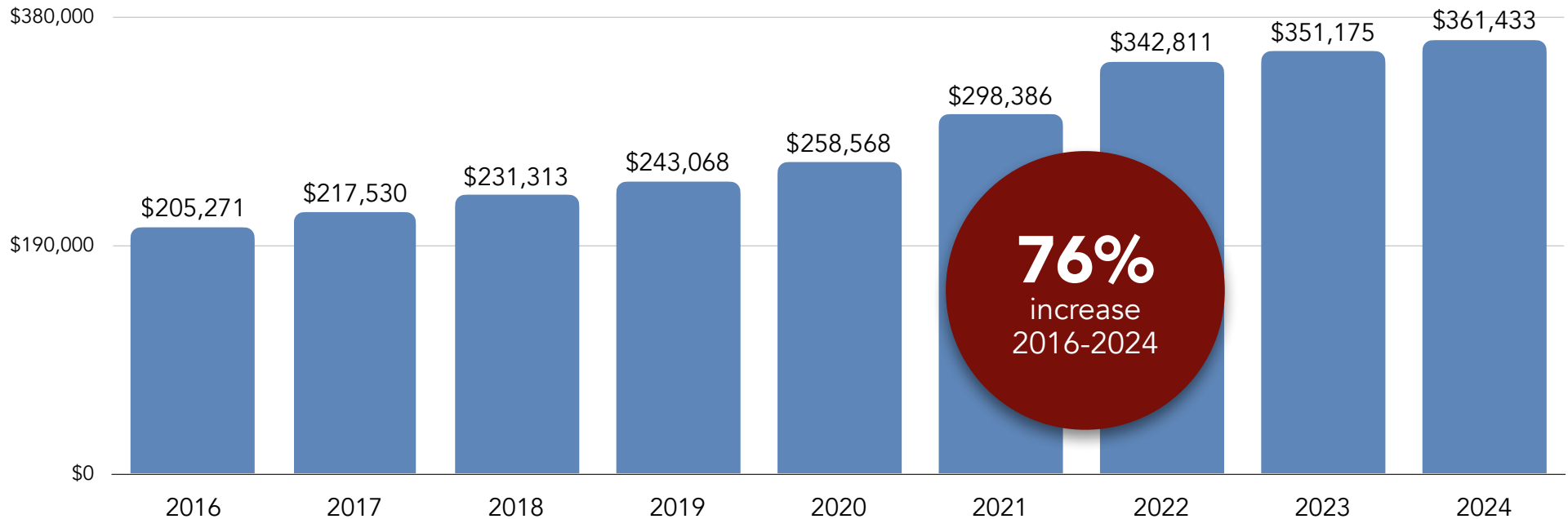


Source: Zillow, Sitka single-family resident analysis



# Market Rate Values USA

## US Single-Family Home Average Value, 2016-2024



Source: Zillow, Sitka single-family resident analysis

**+5% 2022-2024**

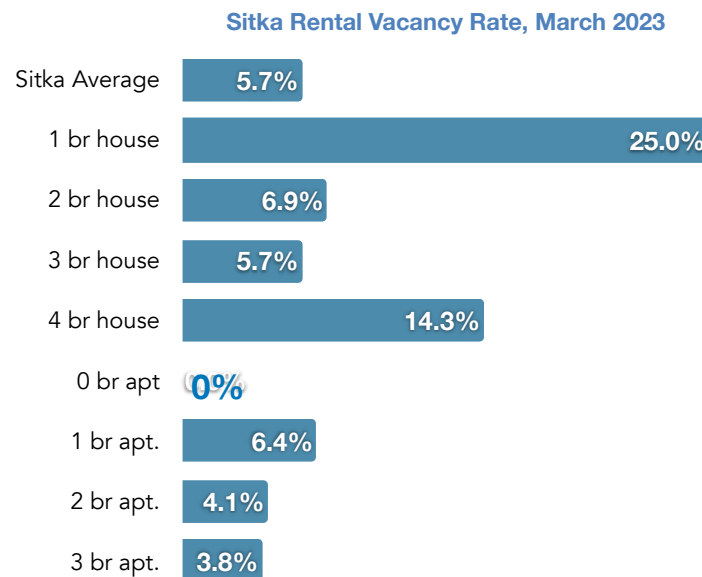
## Sitka's Rental Vacancy Rates are Similar to Alaska Averages

Sitka's overall rental vacancy rate was 5.7%, while the statewide vacancy rate was 5.9%. Sitka's vacancy rate remain higher than Anchorage, Juneau, Ketchikan, Mat-Su, and Wrangell-Petersburg. Because the survey is conducted each year in March, the high demand summer rental season is excluded from the vacancy rate analysis.

### Sitka Rental Vacancy Rates 2023 Compared

Survey Area	Vacancy Rate 2023	Change in Vacancy Rate from 2010
<b>City and Borough of Sitka</b>	<b>5.7%</b>	<b>-2.3%</b>
Municipality of Anchorage	4.1%	2.3%
Fairbanks North Star Borough	10.7%	5.7%
City and Borough of Juneau	4.0%	-0.1%
Ketchikan Gateway Borough	5.3%	-6.7%
Matanuska-Susitna Borough	3.5%	-1.8%
Valdez-Cordova Census Area	7.9%	1.4%
Wrangell-Petersburg	2.9%	-1.5%
<b>State Average</b>	<b>5.9%</b>	<b>2.0%</b>

Source; Alaska Department of Labor and Workforce Development, Research and Analysis Section, Alaska Rental Market Survey



Source; Alaska Department of Labor and Workforce Development, Research and Analysis Section, Alaska Rental Market Survey

## Rent in Sitka is Lower than Alaska Averages

Sitka's adjusted rental rates are nearly identical to the Alaska overall median rent. In 2023, Sitka's median adjusted rent was \$1,354, lower than the statewide median adjusted rent of \$1,381. The median adjusted rent in Sitka increased by 28% since 2010, compared to an average increase of 33% across rental rates in Alaska.

### Sitka Rental Costs and Vacancy Rates 2023 Compared

Survey Area	Median adjusted rent 2023	Change in Rent from 2010
<b>City and Borough of Sitka</b>	<b>\$1,364</b>	<b>28%</b>
Municipality of Anchorage	\$1,404	35%
Fairbanks North Star Borough	\$1,426	34%
City and Borough of Juneau	\$1,420	35%
Ketchikan Gateway Borough	\$1,262	26%
Matanuska-Susitna Borough	\$1,297	50%
Valdez-Cordova Census Area	\$1,265	17%
Wrangell-Petersburg	\$1,033	32%
<b>State Average</b>	<b>\$1,381</b>	<b>33%</b>

Source; Alaska Department of Labor and Workforce Development, Research and Analysis Section, Alaska Rental Market Survey

Sitka's median rent

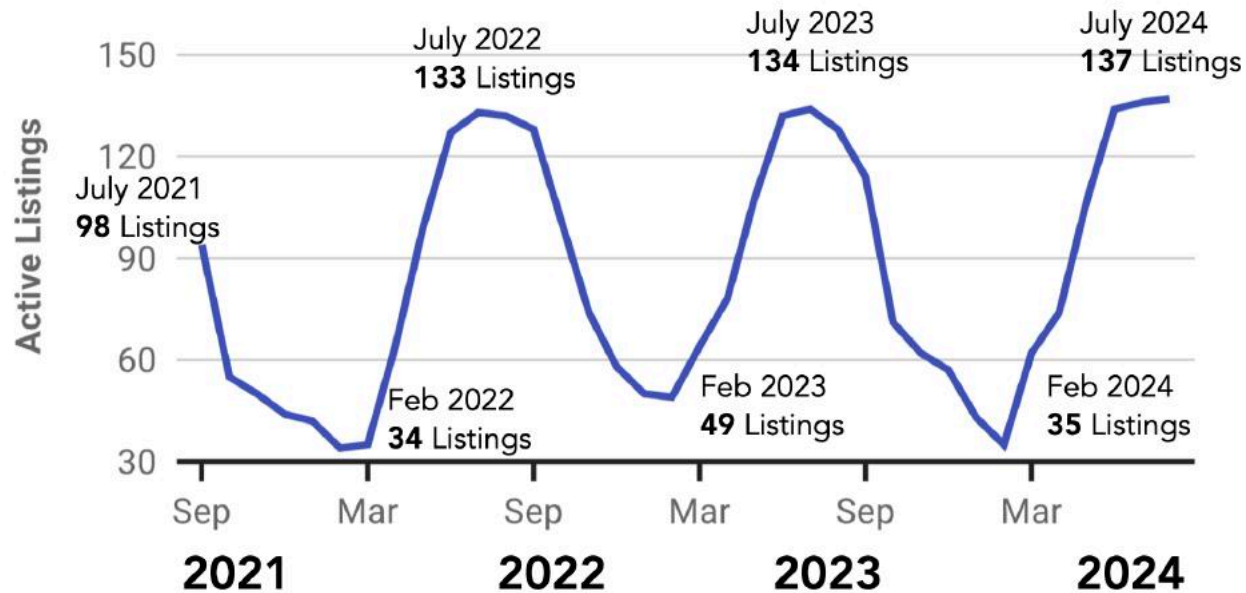
**\$1,364**

in 2023 was lower than Alaska's

## Short-Term Rentals are Leveling Out

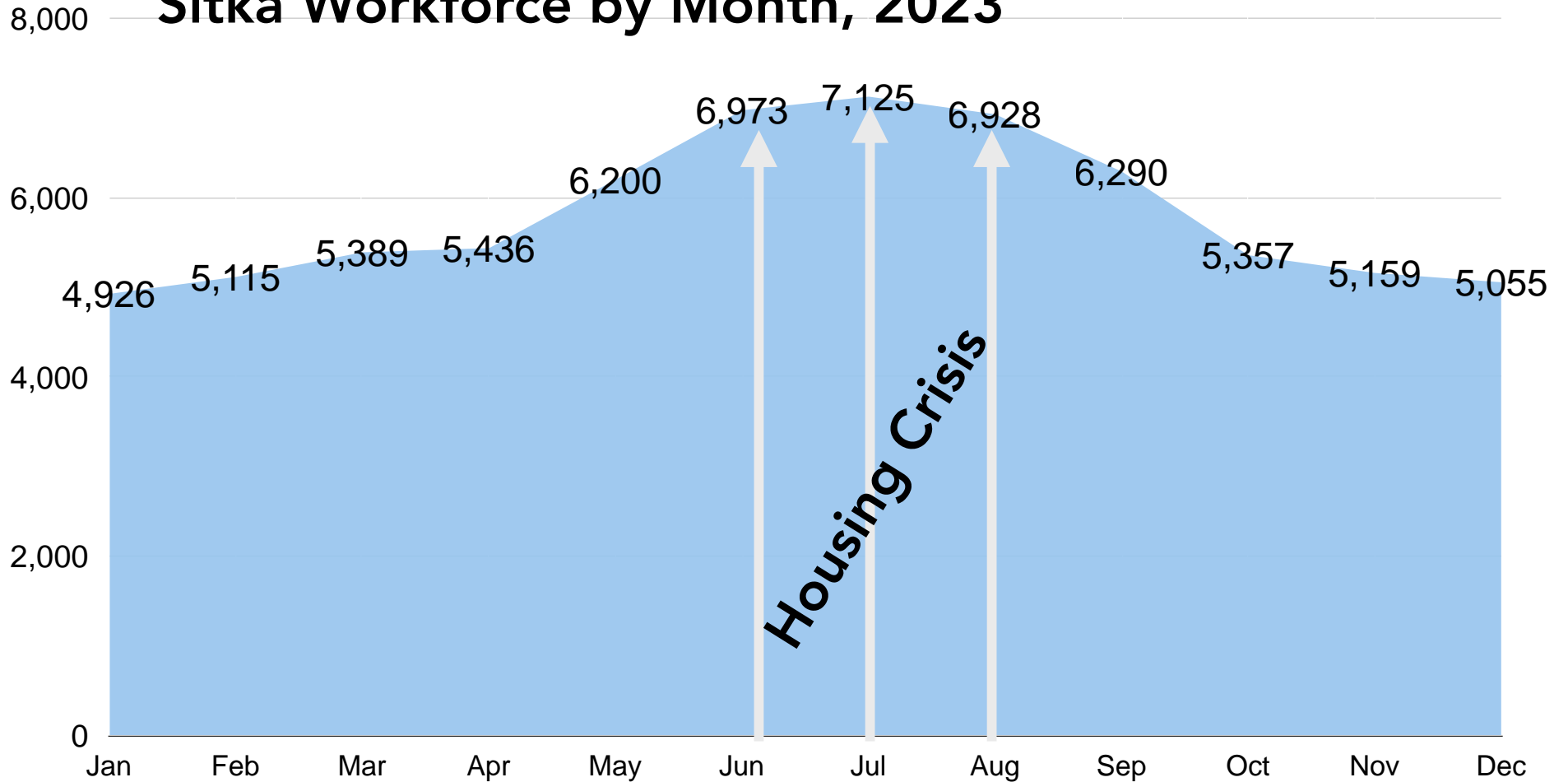
Use of short-term rentals in Sitka rose 3%, from 133 active listings in the summer of 2022 to 137 active listings in the summer of 2024. The average price in 2024 was \$290 per night. Assuming listings that offer an entire home are also counted among Sitka's traditional rental market, short-term rentals could comprise up to 11% of Sitka's rental market. But only 12% are available 9 months to year-round.

Sitka Short-Term Rentals, 2021-2024



**3%**  
increase in short-term rentals in Sitka 2022-2024

# Sitka Workforce by Month, 2023



# Regional BUSINESS CLIMATE

**440**  
Businesses

**11,000**  
Workers

**25**  
Communities

**38** 700 workers  
**in Sitka**

**22**  
Sectors

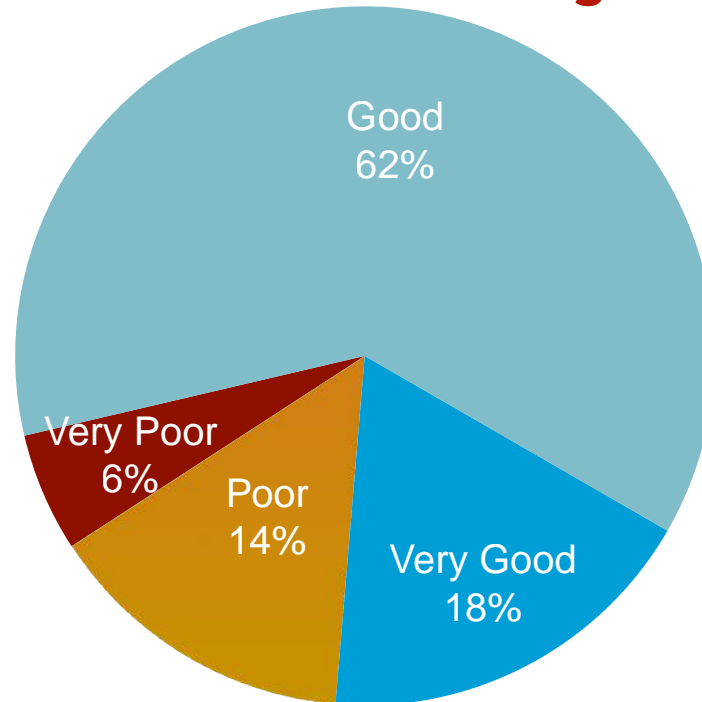


# Strong Sitka Business Climate

**Sitka Alaska:** How do you view the overall business climate **right now?**

**80% Positive / 20% Negative**

80% have a positive view of the Sitka business climate, making it the one of the highest rated business climates in the region.

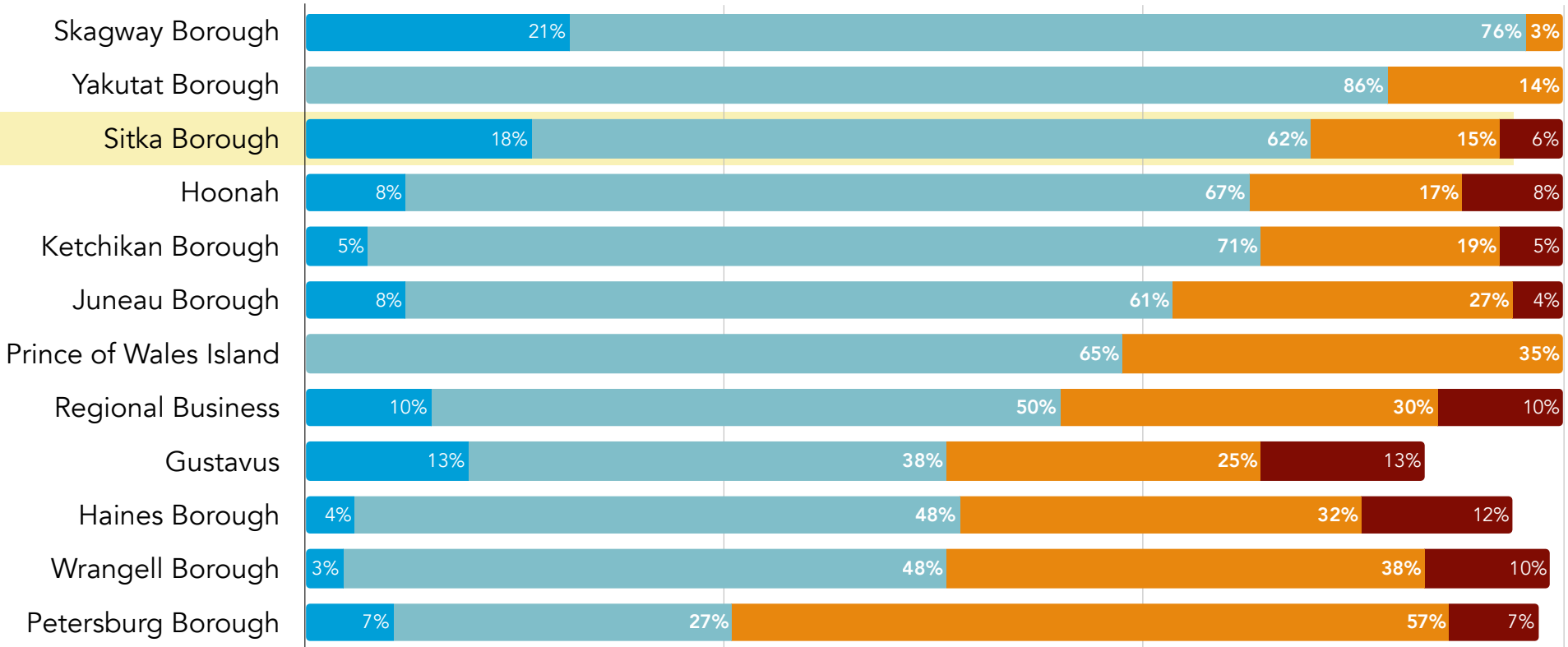


**38**  
Business  
Leaders

# Business Climate Survey Results by Community

## 2024: How do you view the overall business climate right now?

Very Good      Good      Poor      Very Poor

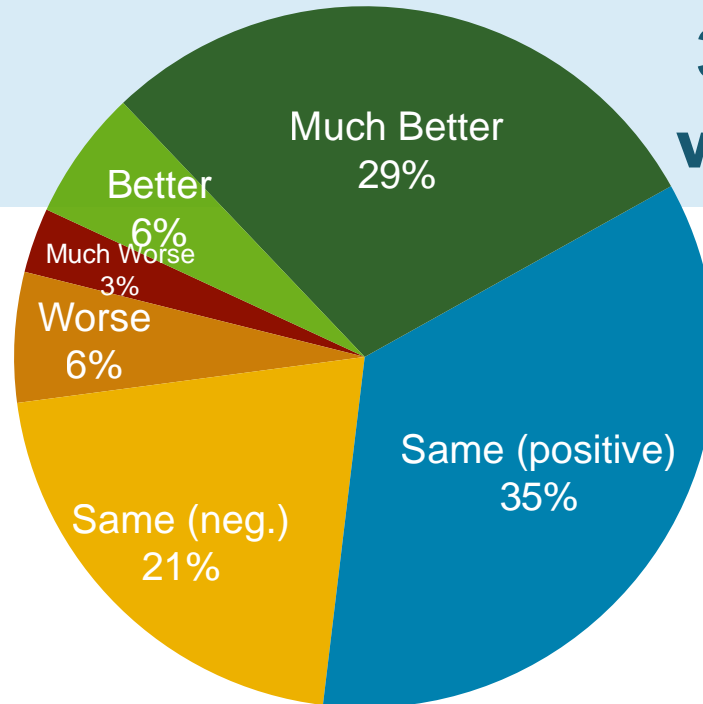




# The Sitka Outlook is also Good

**Sitka:** What is the economic outlook for your business or industry?

**35% say next year will be even better**

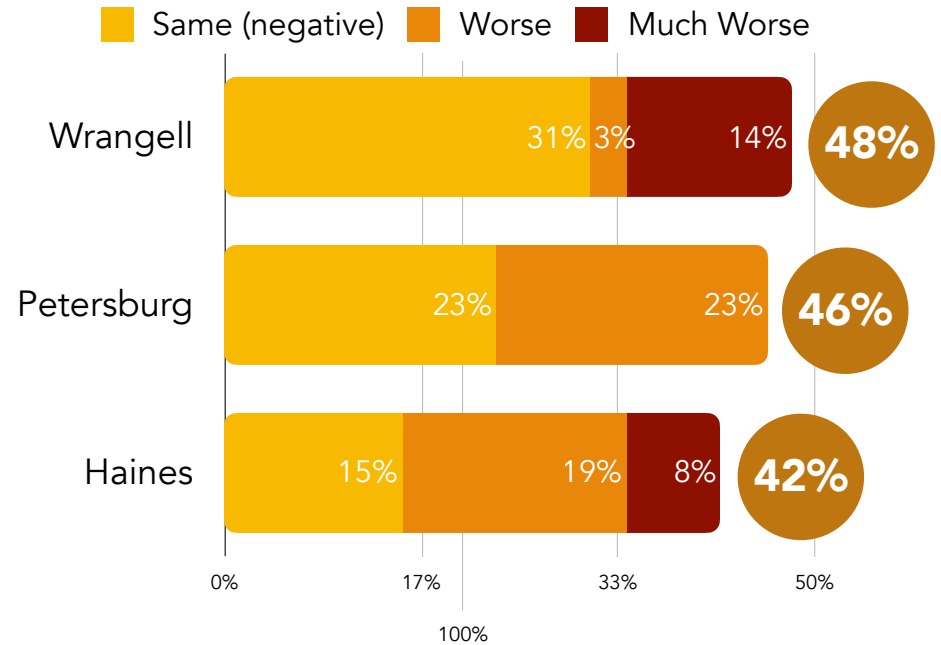
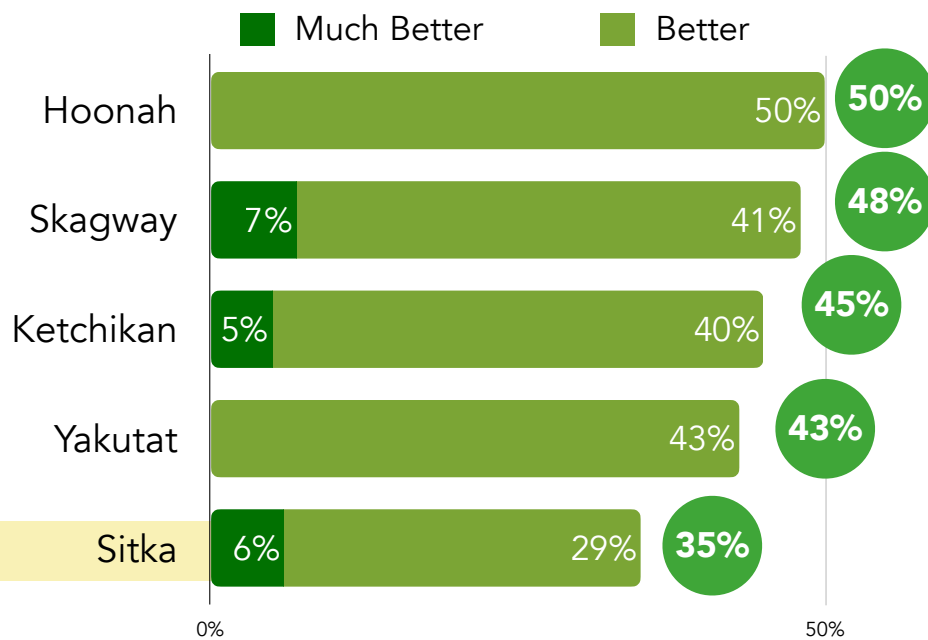


**30%  
Negative**

**70%  
Positive**

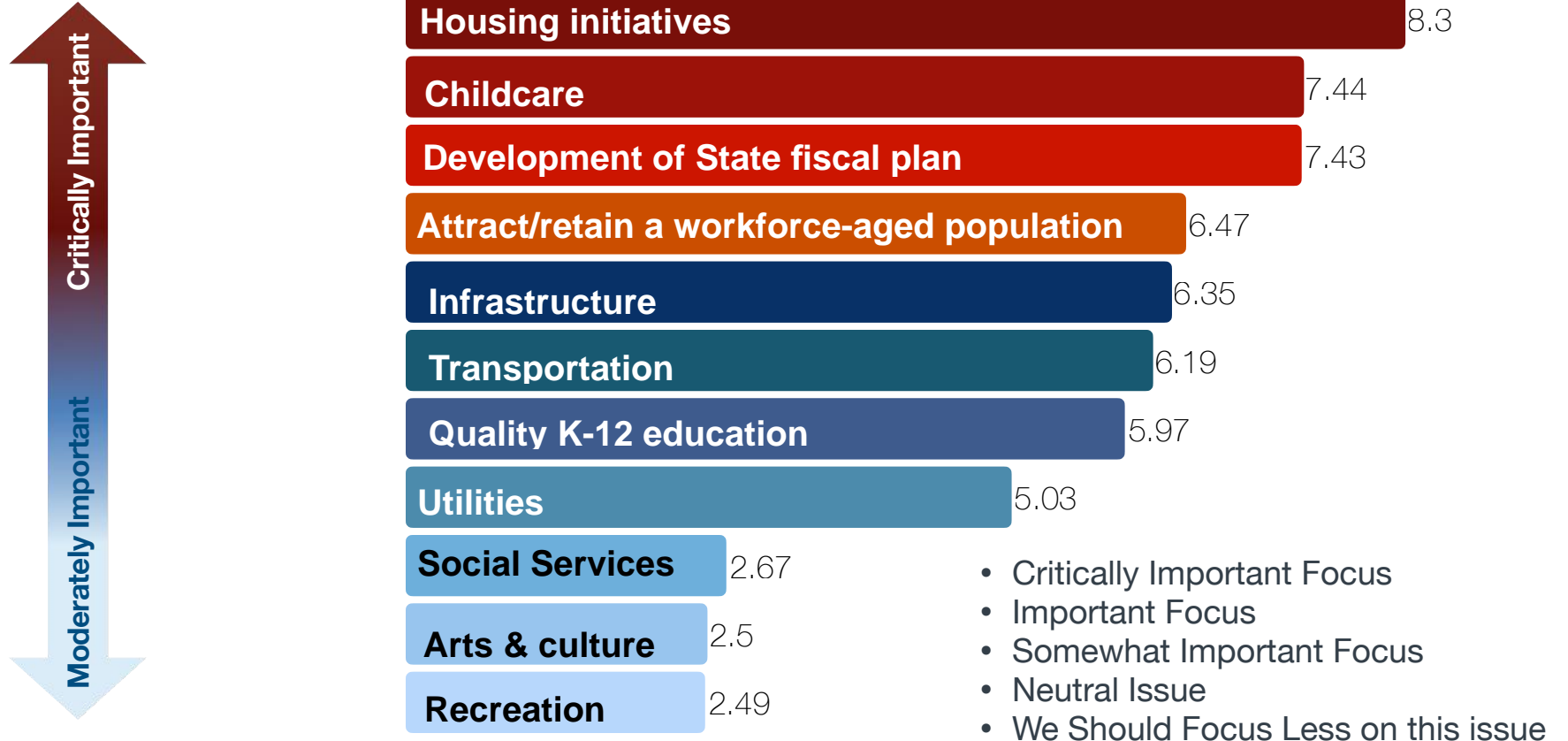
# Southeast Economic Outlook: by Community

**2024:** What is the economic outlook for your business or industry?



# Creating A Vibrant Business Climate: Sitka

Sitka business leaders were asked to rank the importance of focusing on 11 key element necessary for creating a vibrant business climate. This is a weighted ranking of their responses.



Please elaborate on the outlook for your business  
or sector over the next year.

# *The voices of Sitka business leaders*

*“Many of our customers rely on  
tourism income. They are all  
optimistic about 2024.”*

# Social Services

*“We are a nonprofit that used to be supported by the State but are no longer. The COVID money is running out and we are forced to lay off people and reduce services.”*

# Tourism

*“We operate in the cruise tourism market including shore excursions. We plan to add boats this next to expand our capacity which will also add employes.”*

# Food/Beverage Sector

*“People would like to limit visitors to our town. That would be BAD for us.”*

# Professional & Business Services

*“Our sector is growing in all directions. Visitors bring direct service jobs but also indirect services are needed by way of bookkeepers, mechanics, and other tradesman.”*



# Top 12 Stories of the Sitka Economy 2024

- 1) Good 2023 economy
- 2) Compared to 2019, jobs were flat, wages were up 22% (growing faster than inflation)
- 3) Tourism is back and thriving - reduced 2025 numbers projected
- 4) Healthcare sector strong
- 5) US Coast Guard is up
- 6) Millions in federal funding key to strong construction sector
- 7) One of strongest business climates in region
- 8) 2024 numbers are good so far
- 9) Seafood huge catch, low value 2023
- 10) Population is at its lowest since 1987
- 11) Available workforce is way down (despite jobs being up)
- 12) Summer housing crisis (but not a winter one)

An aerial photograph of a coastal town and harbor. A suspension bridge spans across a large body of water, connecting different parts of the land. The town below features a mix of residential houses and larger commercial buildings, some with red roofs. A marina is filled with numerous boats and fishing vessels. The surrounding landscape is lush with green trees and grass. In the background, there are several small, forested islands scattered across the blue water.

# THANK YOU

The logo for Rain Coast Data, consisting of a cluster of overlapping circles in various shades of green and grey, arranged in a roughly circular pattern.

Rain Coast  
Data