



SITKA TRENDS

ECONOMIC NEWSLETTER

June 2023

The cruise ships are arriving in the masses, harbor mountain road is open and the lupines are blooming, which means one thing: summer is here! Rain or shine, working on the water or taking to the trails, we hope this update finds you well.

Sitka State of the Economy

In April, we had the opportunity to host the annual Sitka State of the Economy presented by Taylor Holman of the McKinley Research Group. We had around 100 folks join us for the in person presentation, but didn't want to miss the opportunity to keep everyone informed. The most notable takeaways included:

1. Overall decline in population with aging trends continuing. What does this mean? Not as many young families and working age individuals are staying local for a myriad of reasons including: lack of housing availability, lack of childcare, high cost of living. This probably does not come as a surprise to many. SEDA continues to work with the city and other organizations to provide options to help those who want to stay in Sitka, be able to call this home. However, at the same time the group of 65+ residents continues to grow (as many who were born and raised in Alaska enter into this age bracket). This is something to consider to ensure we have proper care as the group of individuals in this age bracket continues to expand.



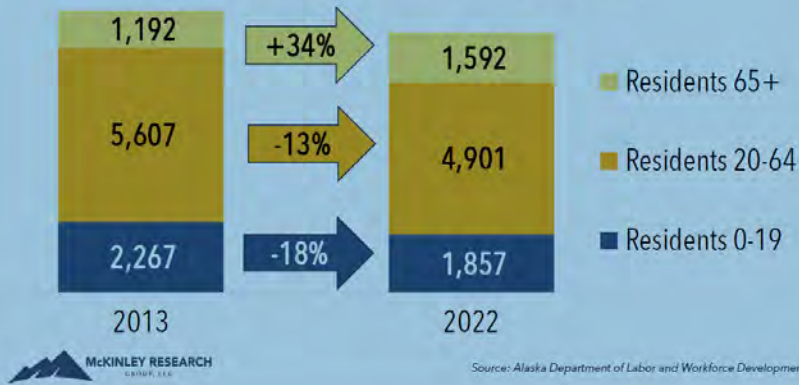
SITKA ECONOMIC DEVELOPMENT ASSOCIATION

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Population: Age Cohorts

65+ population increased by 34% over last decade

Sitka Population by Age Cohort, 2013 and 2022



Age cohort trends:

Overall population decline **(-7%)**

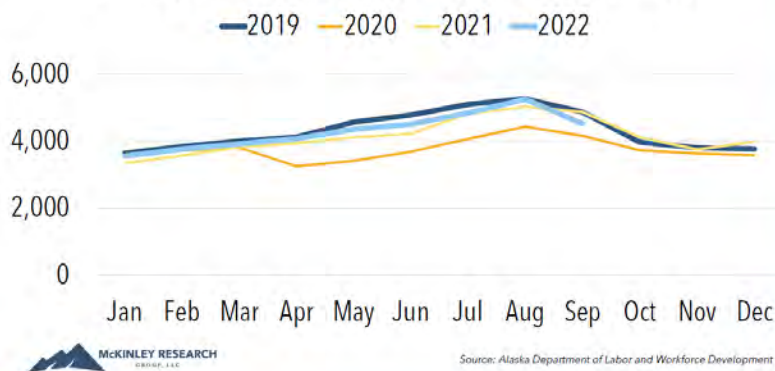
- 65+ population increases by 400 **(+34%)**
- Working age population fell by 706 **(-13%)**
- Number of children declined by 410 **(-18%)**

- In 2022, there was significant wage and salary recovery post pandemic. We expect 2023 to exceed pre pandemic norms with the increase in tourism.

Wage & Salary Employment

Significant recovery, still below pre-pandemic levels

Sitka Wage and Salary Employment by Month, 2019 - 2022



9-month trends:

- 2019 - 2020: -678 **(-15%)**
- 2020 - 2022: +522 **(+14%)**

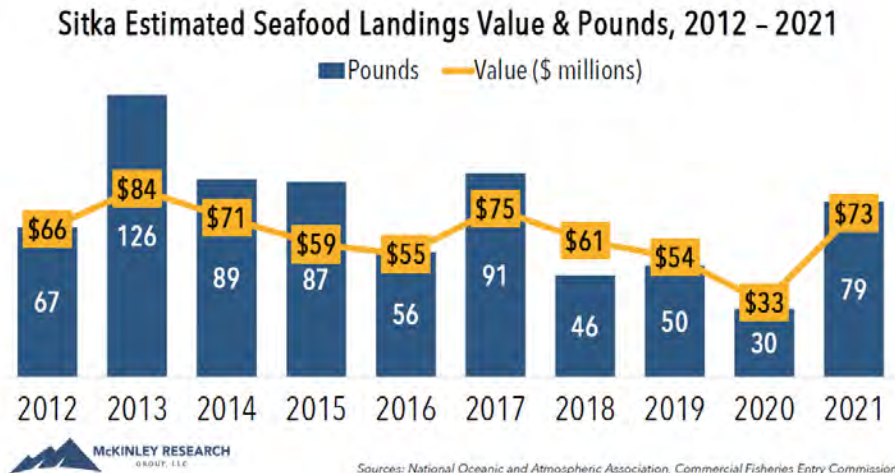
9-month averages:

- 2019: 4,465 jobs
- 2022: 4,310 jobs
- Difference: **-156 jobs**

- The seafood industry rebounded after 2020 lows. We are hopeful 2022 and 23 reports will continue to show gains.

Seafood Industry: Landings Value and Pounds

Increase in value and pounds caught in 2021



Total value **up 120% from 2020**, third highest in past decade

- **72% higher** than 2016-2020 average

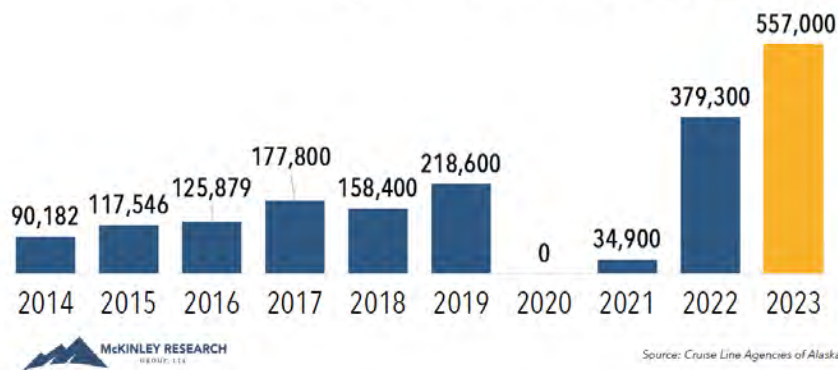
373 active permit holders in 2021, 7 more than 2020

- Visitor arrivals continue to increase. There are more ships, which mean more people and more dollars. There is an obvious buzz in town with more visitors, seasonal employees, and vendors.

Visitor Industry

2022 cruise visitation 74% above 2019, further growth expected in 2023

Sitka Cruise Passenger Counts, Actuals and 2023 Forecast



2022 actuals **17% below expected volumes**

2023 forecast:

- **47% higher** than 2022
- **155% higher** than 2019

Port calls:

- 2022: 279 calls
- 2023: 308 calls **(+29 ships)**



5. The housing market is super tight, costs are high and short term rentals are way up. This category is a hard one to cover because it fluctuates so drastically with seasonal rentals. In fact, McKinley group stated most of the data available is just not factual because of the sample size and timing of samples. While the city did make some changes to ensure short term rentals wouldn't completely take over, year round renters are still struggling to find suitable options. With so many seasonal employees in the summer they need housing and if we want tourism to continue to thrive this is a necessity. However, year round renters and buyers need options too if we want young families to stay in Sitka. SEDA continues to explore what other island communities are doing who face similar housing issues.

Interested in reviewing the entire presentation? It can be found on our [website](#)!

Brewfest 2023

SEDA will be hosting the annual Alaska Day Brewfest again directly following the parade on Wednesday, October 18th. Last year we had the great privilege of inheriting this event from the Sitka Historic Society and it was a blast, so we are keeping the tradition going. We look forward to seeing you there. Interested in helping out? Get in contact with us!



The data below are the most recent available from various sources.

EMPLOYMENT	April 2023	April 2022	April 2021
Total Labor Force – Sitka (Source: Alaska Dept. of Labor)	4,147	4,397	4,386
Number Filing for Unemployment – Sitka (Source: Alaska Dept. of Labor)	117	120	214
Unemployment Rate – Sitka (Source: Alaska Dept. of Labor)	2.6%	2.7%	5.0%
Unemployment Rate – Alaska (Source: Alaska Dept. of Labor)	3.9%	4.3%	7.6%
Unemployment Rate – National (Source: Alaska Dept. of Labor)	3.1%	3.3%	5.7%
Job Openings (Source: Alaska Dept. of Labor)	June 2023	June 2022	June 2021
Job orders at Sitka Job Center (includes SEARHC)	163	212	250
SEARHC job openings in Sitka	56	94	80

Quarterly Census Employment (Source: AK Dept. of Labor QCEW)	2022 Annual	2021 Annual	2020 Annual
Average Monthly Employment	4,267	4,132	3,751
Average Government Employment	952	849	851
Average Private Ownership Employment	3,315	3,283	2,900
Average Monthly Wage (Source: AK Dept. of Labor QCEW)	2022	2021	2020
All Sectors	\$4,732	\$4,363	\$4,287
Government Total	\$4,986	\$5,117	\$5,025
Federal Government	\$7,033	\$7,262	\$6,481
State Government	\$4,536	\$4,499	\$4,503
Local Government	\$4,893	\$5,001	\$4,981
Private Sector	\$4,659	\$4,168	\$4,071



Per Capita Personal Income (Source: US Bureau Econ. Analysis) Includes all forms of income: rent, retirement, employment, etc.	2021	2020	2019
Sitka	\$75,917	\$69,742	\$70,715
Juneau	\$75,996	\$72,097	\$71,082
Ketchikan	\$72,278	\$67,465	\$69,052
Alaska	\$65,813	\$62,756	\$61,316
City Revenues – Fiscal Year (July 1- June 30)	FY2023	FY2022	FY2021
Sales Tax Collected – Total Remitters	\$15,668,226	\$14,572,130	\$13,115,998
Bed Tax Collected – Total Remitters		\$669,958	\$407,024
Property Tax Collected – Total Remitters	\$7,321,141	\$7,200,260	\$7,242,612
Raw Fish Tax – Received into Harbor Fund		\$1,752,179	\$855,702
<i>*FY2023 budget, FY 2022 projected</i>			
Cost of Living Indicators			
Transportation – Regular Gasoline per gallon	June 2023	June 2022	% Change
Sitka (Source: AAA)	\$4.99	\$5.58	-10.57 %
Juneau (Source: AAA)	\$4.06	\$5.38	-24.53%
Anchorage (Source: AAA)	\$3.89	\$5.59	-30.41%
Alaska Average (Source: AAA)	\$3.96	\$5.60	-29.28%
National Average (Source: AAA)	\$3.55	\$4.98	-28.71%
Housing - HUD Fair Market Rent – Sitka (Source: U.S. HUD)	2023	2022	% Change
Efficiency	\$956	\$907	5.40%
One-Bedroom	\$1,110	\$1,040	6.73%
Two-Bedroom	\$1,316	\$1,229	7.07%
Three-Bedroom	\$1,870	\$1,715	9.04%
Housing - HUD Fair Market Rent – Ketchikan (Source: U.S. HUD)	2023	2022	% Change
Efficiency	\$905	\$886	2.14%
One-Bedroom	\$1,029	\$1,014	1.48%
Two-Bedroom	\$1,354	\$1,334	1.50%
Three-Bedroom	\$1,815	\$1,777	2.14%
Housing – Construction and Sales	1st Qtr 2023	1st Qtr 2022	1st Qtr 2021



Value of Construction Permits Issued (Source: CBS Building Department)	\$3,898,650	\$9,039,364	\$20,779,018
Net Dwelling Units Added (Source: AHFC)	3	16	6
Total Homes Sold – all types combined (Source: CBS Assessing Dept.)	13	20	22
Vacant Lots Sold – residential (Source: CBS Assessing Dept.)	8	8	8
POPULATION	2022	2021	2020
City & Borough of Sitka (Source: AK Dept. of Labor)	8,350	8,387	8,523
Southeast Alaska (Source: AK Dept. of Labor)	72,218	72,494	72,571
State of Alaska (Source: AK Dept. of Labor)	736,556	734,323	728,903
PUBLIC SCHOOL ENROLLMENT – Sitka School District	Oct. 1, 2022	Oct. 1, 2021	Oct. 1, 2020
Total student enrollment KG-12 (Source: AK Dept. of Education)	1,137	1,177	1,162





2023 INVESTOR FORM

Suggested Contribution Levels:

- Diamond \$5,000
- Platinum \$2,500-\$4,999
- Gold \$1,000-\$2,499
- Silver \$500-\$999
- Bronze \$100-\$499

Make Checks Payable to SEDA

Donation from (you will receive a recognition letter for IRS tax deduction):

Name_____

Company_____

Address_____

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We would like to acknowledge all of our supporters on the SEDA website, Facebook page, and at SEDA events. May we acknowledge your contribution?

Yes No, please keep my contribution confidential.

THANK YOU SO MUCH FOR YOUR CONTRIBUTION!

Mail this form and your check to:
SEDA 329 Harbor Drive, Suite 202
Sitka, AK 99835

Have questions to ask or ideas to share?

Contact: Garry White, Executive Director
Phone: 907-747-2660 Email: garrywhite@gci.net

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Sitka VISIT

House of Liquor