



SEDA Putting the Pieces Together

Sitka Trends Economic Newsletter

June 2015

GOVERNMENT EMPLOYMENT AND PAYROLL IN SITKA

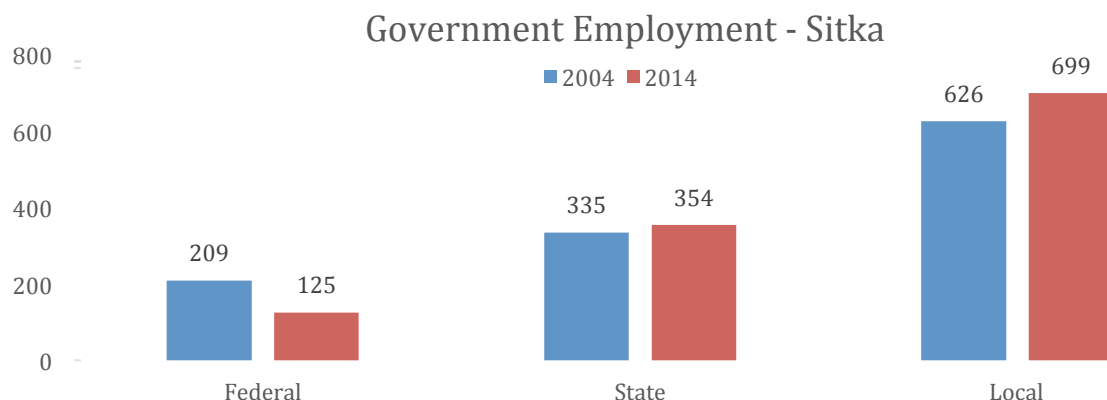
Government, at the Federal and State level includes:

Federal - US Forest Service, National Park Service, USDA Rural Development, etc.... Also the US Coast Guard – a very important part of the Sitka economy – for which employment and earnings information is not readily available.

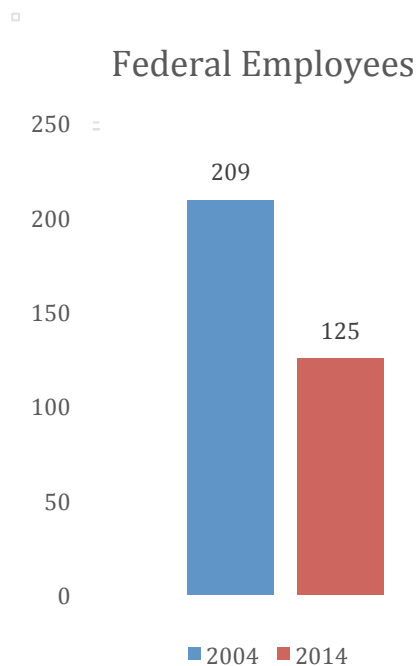
State of Alaska - Mt. Edgecumbe High School, University of Alaska Southeast, Sitka Pioneer Home, State Trooper Academy, etc.

Both Federal and State government are considered primary industry as they bring NEW \$\$\$ into the local economy. Most primary industries, like tourism and seafood harvesting & processing bring money into our economy by selling goods or services to buyers from outside the Sitka area. In the case of Federal and State government, the new money flowing into the Sitka economy comes from Federal and State coffers through:

- Wages and salaries paid to government employees that live and work here;
- Funding for public assistance programs and capital projects;
- Financial support for local government programs and services (e.g. the local jail);
- Direct benefits paid to individuals (e.g. federal employee pensions, veterans' benefits, social security distributions, etc....).
 - In 2013, Alaska residents received about \$3,998 per person in direct benefits from the federal government. Most of that money is Social Security and Medicare benefits, but includes food stamp benefits, unemployment benefits, and federal education assistance like Pell Grants.³
- Payments to vendors to perform federal and state contracts (e.g. local contractors that provide services to the US Coast Guard).



Federal Payroll Employment and Wages¹

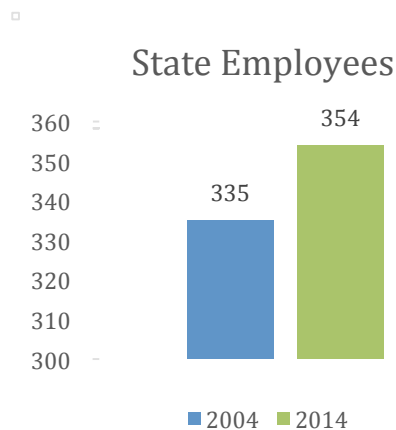


Sitka lost 40.2% of Federal payroll jobs between 2004 and 2014. The U.S. Forest Service accounted for the largest number of jobs lost with a reduction in the regular, year-round workforce down from 106 in 2004 to just 55 in 2014.

Based on the average monthly wage paid to Sitka's Federal employees in 2014, the loss of 84 Federal employees accounts for a theoretical **loss of \$6,207,264 in new payroll-based money coming into the Sitka economy in 2014.** ($84 \times \text{average 2014 monthly wage of } \$6,158 = \$517,272 \times 12 \text{ months} = \$6,207,264$)

These Federal employee statistics do not include US Coast Guard personnel in Sitka. Coast Guard employment numbers have remained fairly stable, and actually rose from 195 in 2004 to 209 in 2014. However, we do not know wage and salary information for USCG personnel.

State Payroll Employment and Wages¹



Between 2004 and 2014, State of Alaska employment in Sitka grew by 5.7%.

The additional 19 State employees account for a **theoretical gain of \$893,760 in new payroll money flowing into the Sitka economy in 2014.** ($19 \times \text{average 2014 monthly wage of } \$3,920 = \$74,480 \times 12 \text{ months} = \$893,760$)

State Government – Overview & Outlook

State of Alaska budget cuts will have both short and long-term impacts on Sitka. Not only will there be reduced funding for capital improvement projects, funding that supports basic services will also be reduced or cut. Public schools, state parks and trails, Sitka's jail, state highway maintenance and Sitka's airport are all subject to losses in funding and reduced or eliminated services. And we have no idea what will happen with the Alaska Marine Highway system and ferry service to Sitka. Thousands of tourists have already had their 2015 Southeast Alaska travel plans either canceled or delayed due to cuts in ferry service. This has a direct impact on local hotels, restaurants, and visitor related businesses.

FY2014 CBS received the following funding support from Federal & State Government: ²

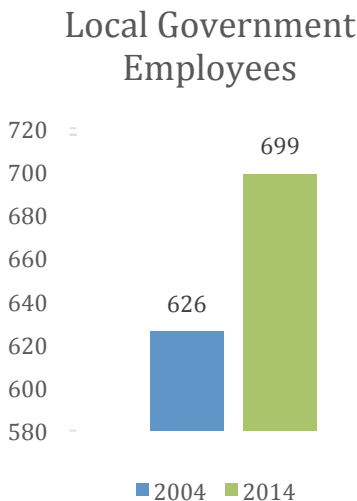
FY2014	General Fund	Capital Projects Fund	School Bonds Debt Service	Non-major Governmental Funds	TOTAL
State sources	\$1,847,906	\$4,698,992	\$2,523,860	\$313,451	\$9,384,209
Federal Sources	\$2,183,351	\$11,636	\$0.00	\$365,294	\$2,560,281

Another \$694,660 was received from the State under contract for the local jail.

LOCAL GOVERNMENT

Local Government Payroll Employment and Wages

□



Local government provides many essential services such as public safety through the Police and Fire Departments. However, local government payroll does not bring new money into the Sitka economy, unless staff is being paid with State/Federal grants, etc....

Between 2004 and 2014, local government employment in Sitka grew by 11.66% (73 jobs)

Local government employment includes²

	FY2004	FY2014
City & Borough of Sitka*	142	165
Sitka School District	225	219
Sitka Community Hospital	95	176
Sitka Tribe of Alaska	NA	134

**FY2016 CBS budget is for 156 City employees*

Local Governments Compared²

	2004	2014	% Change
Sitka employees	626	699	11.66%
Local Gov. employees per capita ⁴	1/14	1/13	
Sitka average monthly wage	\$3,023	\$4,298	42.17%
Total payroll wages for year	\$ 22,693,286	\$ 36,053,081	58.87%
Ketchikan employees	1,042	1,138	9.21%
Local Gov. employees per capita ⁴	1/13	1/12	
Ketchikan average monthly wage	\$3,237	\$3,989	23.23%
Total payroll wages for year	\$ 40,479,741	\$ 54,479,343	34.58%
Juneau employees	2,185	2,004	- 8.28%
Local Gov. employees per capita ⁴	1/14	1/16	
Juneau average monthly wage	\$3,124	\$4,583	46.70 %
Total payroll wages for year	\$ 81,894,740	\$ 110,221,943	34.58%

1 Alaska Department of Labor, Quarterly Census of Employment and Wages

2 City and Borough of Sitka, Comprehensive Annual Financial Reports 2014 and 2013.

3 <https://www.nationalpriorities.org/smart/alaska/#aid-panel2>

4 Based on Alaska Department of Labor population estimates

SEDA's Mission is to:
Foster a business climate that is receptive and conducive to existing and new business;
Promote the creation of family wage jobs; and Enhance the quality of life for Sitkans.

Sitka Economic Development Association
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SEDA is a non-profit 501(c)(3) organization. Donations are tax deductible and support economic development in Sitka and Southeast Alaska.

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

EMPLOYMENT (not seasonally adjusted) – Annual Average	April 2015	April 2014	April 2013
Total Labor Force – Sitka (Source: Alaska Dept. of Labor)	4,341	4,407	4,438
Number Filing for Unemployment – Sitka (Source: Alaska DOL)	211	232	231
Unemployment Rate – Sitka (Source: Alaska Dept. of Labor)	4.9%	5.3%	5.2%
Unemployment Rate – Alaska (Source: Alaska Dept. of Labor)	7.0%	7.1%	7.0%
Unemployment Rate – National (Source: US Bureau of Labor Statistics)	5.1%	5.9%	7.1%
Job Openings	June 18, '15	June 9, '14	June 6, '13
Job orders at Sitka Job Center (includes SEARHC)	84	78	109
SEARHC job openings in Sitka	28	32	55
FINANCIAL			
City Revenues (Source: CBS Finance Dept.)	1st Qtr. '15	1st Qtr. '14	1st Qtr. '13
Sales Tax Collected – Total Remitters	\$1,715,489	\$1,771,439	\$1,622,291
Bed Tax Collected – Total Remitters	\$35,341	\$33,562	\$29,555
Per Capita Personal Income (Source: US Bureau Econ. Analysis)	2013	2012	2011
Sitka	\$52,608	\$50,737	\$49,466
Juneau	\$57,033	\$56,978	\$53,830
Ketchikan	\$56,591	\$56,045	\$54,824
Alaska	\$50,150	\$49,906	\$48,181
Average Payroll Wages & Salaries (Source: US BEA)	2013	2012	2011
Sitka	\$47,574	\$44,786	\$44,037
Ketchikan	\$46,813	\$46,948	\$45,152
Juneau	\$52,705	\$51,267	\$49,416
Alaska	\$54,523	\$53,632	\$52,396
COST OF LIVING INDICATORS			
Transportation – Regular Gasoline per gallon	June 18, '15	June 18, '14	% Change
Sitka (Source: average pump price 3 vendors)	\$3.33	\$4.37	- 23.8%
Juneau (Source: AAA)	\$3.34	\$4.10	- 18.54%
Anchorage (Source: AAA)	\$3.29	\$3.99	- 17.54%
Alaska Average (Source: AAA)	\$3.42	\$4.09	- 16.38%
National Average (Source: AAA)	\$2.78	\$3.68	- 24.46%
Housing - HUD Fair Market Rent – Sitka (Source: U.S. HUD)	2015	2014	% Change
Efficiency	\$807	\$790	+ 2.15%
One-Bedroom	\$856	\$838	+ 2.15%
Two-Bedroom	\$1,158	\$1,134	+ 2.12%
Three-Bedroom	\$1,613	\$1,580	+ 2.09%
Comparison with Ketchikan			
Housing - HUD Fair Market Rent – Ketchikan (Source: HUD)	2015	2014	% Change
Efficiency	\$653	\$574	+ 13.8%
One-Bedroom	\$843	\$741	+ 13.8%
Two-Bedroom	\$1,097	\$965	+ 13.7%

<i>Three-Bedroom</i>	\$1,616	\$1,422	+ 13.6%
Housing – Construction and Sales	1st Qtr. '15	1st Qtr. '14	1st Qtr. '13
Value of Construction Permits Issued <i>(Source: CBS Building Department)</i>	\$2,880,123	\$3,354,748	\$4,790,775
Dwelling Units Added <i>(Source: CBS Building Department)</i>	4	2	3
Total Homes Sold – all types combined <i>(Source: CBS Assessing Dept.)</i>	22	26	20
Vacant Lots Sold – residential <i>(Source: CBS Assessing Dept.)</i>	10	10	7
Homes Sold – single family <i>(Source: Davis Realty MLS)</i>	7	9	11
Average Sale Price - single family home <i>(based on total sold)</i>	\$379,500	\$318,861	\$226,182
Sales Volume – single family homes	\$2,656,500	\$2,869,750	\$2,488,000
Housing – Sales for Most Recent Month Available	May 2015	May 2014	May 2013
Homes Sold – single family <i>(Source: Davis Realty MLS)</i>	3	8	4
Average Sale Price - single family home <i>(Source: Davis Realty MLS)</i>	\$626,676	\$208,062	\$289,750
Sales Volume \$ – single family homes <i>(Source: Davis Realty MLS)</i>	\$1,880,030	\$1,664,500	\$1,159,000
Homes Listed – single family homes <i>(Source: Davis Realty MLS)</i>	52	35	55
Average List Price – single family home <i>(Source: Davis Realty MLS)</i>	\$459,583	\$480,743	\$445,589
Median List Price – single family home <i>(Source: Davis Realty MLS)</i>	\$409,000	\$399,000	\$389,000
Volume \$ Listed - single family home <i>(Source: Davis Realty MLS)</i>	\$23,898,300	\$16,826,000	\$24,507,400
POPULATION	July 2014	July 2013	*2010 Census
City & Borough of Sitka <i>(Source: *US Census Bureau, AK Dept. of Labor)</i>	9,061	9,034	8,881
Southeast Alaska <i>(Source: *US Census Bureau, AK Dept. of Labor)</i>	74,280	74,310	71,664
State of Alaska <i>(Source: *US Census Bureau, AK Dept. of Labor)</i>	735,601	735,662	710,231
PUBLIC SCHOOL ENROLLMENT – Sitka School District	Oct. 1, 2014	Oct. 1, 2013	Oct. 1, 2012
Total student enrollment KG-12 <i>(Source: AK Dept. of Education)</i>	1,375	1,395	1,322

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Donations are tax deductible and support our mission to:

- *Foster a business climate that is receptive and conducive to existing and new business;*
- *Help promote the creation of family wage jobs; and*
- *Enhance the quality of life for Sitkans.*

Thank You!

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