

SITKA TRENDS ECONOMIC NEWSLETTER



March 2024

Southeast Economic Development Association Mid-Session Summit Summary

The Sitka Economic Development Association strives to keep local community and business members updated and informed on the current health of our city and region. Our Executive Director, Garry White and President, Cory Baggen had the opportunity to attend the Southeast Economic Development Association Mid-Session Summit in Juneau back in early February.

In summary, they reported that our business climate continues to be strong, tourism is thriving, jobs are up, wages are up, GDP is up and inflation is down creating a very positive economic outlook with nearly every sector growing. However, the seafood sector is facing continued significant challenges in 2024 and if we don't make some large strides in the housing and childcare options available, young families will be forced leave.

The seafood challenges were summarized as a global downturn in seafood demand, massive inventory backlog, overfishing in Russia, crash of salmon prices, Trident divesting its assets and the troller fleet being targeted specifically. In addition to impacting the fisherman and their crew directly, this is leading to a projected loss of 100 seafood processing jobs throughout Southeast Alaska. This is a sector we will continue to research as more information becomes available with the 2024 season.



*Rain Coast Data, SE By the Numbers 2024



Additionally, housing has been and continues to be a topic directly impacting our economy. Sitka’s home ownership and rental fees (2024 rates noted in the charts on page 5) continue to be some of the highest in the region, but that is not even the glaring problem, inventory is. There just is simply not enough room to continue to house the growth we are seeing in the region (especially during the summer months) without major changes.

AVERAGE VALUE SINGLE-FAMILY HOME



Average Single Family Home Price 2024	
Borough	Average Value
Alaska	\$359,590
USA	\$343,319
Juneau	\$494,034
Sitka	\$479,818
Ketchikan	\$398,594
Petersburg	\$301,803
Haines	\$273,986
Wrangell	\$272,712

PEOPLE PER HOUSEHOLD IN SOUTHEAST



2000 = 2.6
2022 = 2.3

To house **70,000** people we need **3,500** more housing units, **+13%**

*Rain Coast Data, SE By the Numbers 2024

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Luckily, this discussion has progressed from just that, to government organizations beginning to truly research and develop options for forward growth. SEDA is working with government organizations in several ways to get more housing development. “We are looking at large government properties to get more land on the market. The city owns a lot of developable land. We’ve worked with the university system, to discuss their tracks of land. The key is to get more supply out there,” Mr. White stated in a recent interview with Rain Coast Data for STA’s December 2023 Sitka Tribal Housing Needs Assessment report. Additionally, SEDA is looking at zoning code changes that would encourage and incentivize more dense property development. We are going to need to get creative and move fast if our housing (and childcare) is going to support the workforce that is required to successfully operate during peak season. Especially since only 56% of our workforce is local, the hardship of finding summer housing to support our thriving tourism market is a growing issue.

Here at SEDA, we remain optimistic that we will have another successful year despite these continued hurdles. The more informed we all remain, the more innovative we can become. If you have ideas we encourage you to join a local organization, board or coalition that can help bring your ideas to the right people. We are always open and willing to listen should you want to contact us our information is below! If you are interested in reading the full report from the conference you can find it [here](#).

Additionally, you can take the Southeast Alaska Business Climate Survey [here](#). Your responses to this survey will help determine Southeast priorities, and will be incorporated into the 2030 Southeast Alaska Comprehensive Economic Development Strategy.



Why we need your support now more than ever!

Those of us at SEDA hope you will agree we need to be focused, proactive and determined in our efforts to strengthen our economy and maintain a high quality of life for residents like you. That's why SEDA's Board and Staff are working for you. Your investment in SEDA is an investment in the economic future of Sitka and Southeast Alaska. When you contribute to SEDA, you are supporting proactive economic development activities that include:

- Retention and expansion of existing local businesses, which remains a huge challenge in the current economic climate.
- Brokering innovation driven development in the seafood and maritime industries.
- Continued expansion of the Gary Paxton Industrial Park to include the ongoing development of the multi-purpose dock and a marine haul out facility to support the local fleet and businesses activities serving the marine service industry.
- Marketing Sitka's fresh water resource.
- Supporting the development of housing affordable for our workers and families.
- Supporting workforce development to meet the coming labor shortage and preparing our youth for local employment opportunities.
- Advocating for operational and management changes to the Alaska Marine Highway System that will provide for long-term viability of our ferry service.
- Host of Sitka's annual Alaska Day Brewfest, a fun event for Sitkans to gather and celebrate the end of cruise ship season.

SEDA's Board of Directors represents a broad spectrum of private sector businesses and the members of the Board make annual financial contributions to the organization because they know that supporting local economic development is a good business investment. It is a good investment for your business too. Please find our investor form at the bottom of this newsletter and also attached separately for your printing convenience.



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

EMPLOYMENT	January 2024	January 2023	January 2022
Total Labor Force – Sitka (Source: Alaska Dept. of Labor)		4,042	3,914
Number Filing for Unemployment – Sitka (Source: Alaska Dept. of Labor)		142	188
Unemployment Rate – Sitka (Source: Alaska Dept. of Labor)		3.5%	4.8%
Unemployment Rate – Alaska (Source: Alaska Dept. of Labor)		4.4%	5.9%
Unemployment Rate – National (Source: Alaska Dept. of Labor)		3.9%	4.4%
*1st Qtr 2024 data released Summer 2024			
Job Openings (Source: Alaska Dept. of Labor)	March 2024	March 2023	March 2022
Job orders at Sitka Job Center (includes SEARHC)	169	169	129
SEARHC job openings in Sitka	83	48	69

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
*2023 data released Summer 2024			
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)	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)	FY 2024	FY2023	FY2022



Sales Tax Collected – Total Remitters	\$19,594,150	\$19,317,031	\$14,572,130
Bed Tax Collected – Total Remitters	\$839,500	\$792,950	\$669,958
Property Tax Collected – Total Remitters	\$7,354,000	\$7,191,735	\$7,200,260
Raw Fish Tax – Received into Harbor Fund	\$850,000	\$1,451,832	\$1,752,179
<i>*FY2024 budgeted</i>			
Cost of Living Indicators			
Transportation – Regular Gasoline per gallon	March 2024	March 2023	% Change
Sitka (Source: AAA)	\$4.55	\$5.08	-11.6%
Juneau (Source: AAA)	\$3.68	\$4.36	-18.5%
Anchorage (Source: AAA)	\$3.46	\$3.73	-7.8%
Alaska Average (Source: AAA)	\$3.46	\$3.83	-10.7%
National Average (Source: AAA)	\$3.30	\$3.47	-5.2%
Housing - HUD Fair Market Rent – Sitka (Source: U.S. HUD)	2024	2023	% Change
Efficiency	\$1,044	\$956	9.2%
One-Bedroom	\$1,221	\$1,110	9.0%
Two-Bedroom	\$1,466	\$1,316	10.2%
Three-Bedroom	\$2,066	\$1,870	9.5%
Housing - HUD Fair Market Rent – Ketchikan (Source: U.S. HUD)	2024	2023	% Change
Efficiency	\$1,048	\$905	13.5%
One-Bedroom	\$1,177	\$1,029	12.6%
Two-Bedroom	\$1,546	\$1,354	12.5%
Three-Bedroom	\$2,140	\$1,815	15.2%
Housing – Construction and Sales	4th Quarter 2023	4th Qtr 2022	4th Qtr 2021
Value of Construction Permits Issued (Source: CBS Building Department)	\$253,315,606	\$2,683,619	\$2,821,145
Net Dwelling Units Added (Source: AHFC)	21	7	2
Total Homes Sold – all types combined (Source: CBS Assessing Dept.)	60	37	48
Vacant Lots Sold – residential (Source: CBS Assessing Dept.)	11	9	9
POPULATION	2023	2022	2021





City & Borough of Sitka (Source: AK Dept. of Labor)	8,231	8,350	8,387
Southeast Alaska (Source: AK Dept. of Labor)	71,077	72,218	72,494
State of Alaska (Source: AK Dept. of Labor)	736,812	736,556	734,323
PUBLIC SCHOOL ENROLLMENT – Sitka School District	Oct. 1, 2023	Oct. 1, 2022	Oct. 1, 2021
Total student enrollment KG-12 (Source: AK Dept. of Education)	1,132	1,137	1,177





2024 INVESTOR FORM

We appreciate your continued support!

Suggested Contribution Levels:

- Diamond \$7,500+
- Platinum \$4,000 - \$7,499
- Gold \$2,000 - \$3,999
- Silver \$500-\$1,999
- Bronze \$200-\$499

Make Checks Payable to SEDA

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

Name _____

Company _____

Address _____

City _____ State _____ Zip _____

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

Thank You 2023 Supporters!

Don't see your company's name? We would love your support! More info on how to get involved below.

Diamond Level



Platinum Level



Gold Level



Silver Level



Ken Cameron

Sitka Vision Clinic
Wayne Hagerman O.D.

Bronze Level



House of Liquor