

Wrangell Alaska Economic Conditions Report 2022

For the City and
Borough of Wrangell
November 2022



A Publication by
Rain Coast Data



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Wrangell Economy 2022 Summary

In 2018, the Wrangell economy seemed to be on the right track. Jobs, wages, and population were all up, and prospects appeared positive.

Seafood Losses: However, in 2020 Trident Seafood closed its plant. While the plant may still be reopened at some point in the future, there has been no indication as to when. The 2020 fishing season turned out to be one of the poorest on record for the region, and was especially devastating for Wrangell. The Wrangell seafood sector continued to struggle in 2021, as the closed seafood plant meant fewer landings and seafood processing in the community. Every seafood economic indicator was down in 2020 and 2021 compared to previous years.

Tourism Losses: Like the rest of Alaska, Canada's prohibition of cruise ships, combined with the U.S. Centers for Disease Control and Prevention no sail order for ships with more than 250, eliminated cruise ship traffic to Wrangell for all of 2020, and for much of 2021. Passenger arrivals in Wrangell by all modes fell from 40,702 in 2019 to just 7,641 in 2020, an 81% decline. While the 2021 passenger arrivals were significantly higher than 2020 levels, it remained critically below 2019 levels.

Government Losses: Government employment is down substantially. Total government jobs fell by 20% between 2019 and 2021. Local government employment fell by 23%. This represents a continued trend. Since 2010 government jobs have dropped by 41% (-131). Government generally provides steady year-round employment, which supplements Wrangell's other sectors that are more seasonal. Accounting for some, but not all of the losses, is the move to private health care. A quarter of city and borough employment had been hospital related, and approximately 55 of these jobs were transferred to SEARHC in November 2018.

Population and Job Losses: In 2020, the US Census steeply downgraded the Wrangell population, from 2,400 to 2,127, an administrative loss of 273 people. In September 2022, the State concurred with the US Census finding, and downgraded previous population estimates. Based on the new data, this means that Wrangell's population is now estimated to have lost 12% of its population in the last decade (2012-2021), a loss of 289 residents.

Health Care is Largest Sector: Health care is a critical part of the economy in terms of jobs, wages, and health care services. The health sector made up an estimated 22% of all wages in 2021, making it the largest sector in Wrangell in terms of earnings, slightly edging out combined government wages as well as all seafood wages.

Barriers and Benefits: Wrangell business leaders say Wrangell's art, recreation, overall quality of life, and culture benefit their businesses the most; while the high costs of freight transportation, the lack of ferry service, and energy costs represent the most significant business barriers.

A History of the Wrangell Economy

The City and Borough of Wrangell—located on Wrangell Island near the Stikine River—represents approximately 3 percent of total population, jobs, and earnings for Southeast Alaska. The community of Wrangell has restructured its economy and identity many times over the years. Centered around the fur trade in the early 1800's, Wrangell went on to become a military fort, a mining center, and a base for canneries and fishing. In the early 1900's plentiful spruce and hemlock in the area gave rise to a timber economy, and by the early 1990's timber industry jobs accounted for twenty percent of Wrangell's workforce, and nearly a third of all direct local wages.

When the Alaska Pulp Company sawmill closed in 1994, the local economy was devastated. During the same period salmon prices tumbled reducing the value of the area's commercial fisheries. The community's largest seafood processor filed bankruptcy. Although the community would go on to briefly attract major interest from the large-scale cruise industry, after three years the ships moved on. Between 1994 and 2006, the population of the community fell by 18% (losing more than 500 residents). In response to these losses the community leaders reviewed their remaining assets, and refocused on developing and supporting their maritime resources. Immediately the community set about enhancing its locally-based seafood and marine services sector: converting the old mill site downtown into a marine services center and boat yard; building a third boat harbor; upgrading the local seafood processing infrastructure; and investing in its boatbuilding and repair facilities. The community also turned its attention to the visitor and maritime economy, upgrading its cruise ship dock, constructing a convention and visitors center, restoring the Chief Shakes Tribal House, and completing a major downtown revitalization facelift.

In 2020, the COVID-19 virus devastated the global economy, with Southeast Alaska and Wrangell in particular reeling from the impacts. An estimated 26,500 visitors, who had been projected to spend \$6.24 million in Wrangell's economy in 2020, did not come. In an abundance of terrible timing, the 2020 Wrangell fishery is said to be the worst since 1976, with COVID-19 further reducing demand and lowering prices. In August the Wrangell Borough Assembly declared an economic disaster. An October 2020 business survey found that Wrangell business revenue had fallen by 50%, and 21% of businesses were at risk of closing permanently. Wrangell's main processor has remained closed since it shut down for the season in 2019. In 2021, Wrangell again lost jobs, for a combined two year decline of 10%, or 112 jobs. Wrangell had 1,031 year-round equivalent jobs and \$47 million in workforce earnings in 2021.

The top economic drivers of the community are health care, seafood, tourism, and industrial maritime. With some of the lowest electrical rates in Alaska, the highest school district test scores, the potential to grow its visitor industry, the lowest unemployment rate on record, and a high level of entrepreneurship (more than a quarter of all workers are self-employed), Wrangell has potential to improve its prospects. This document, Wrangell Alaska Economic Conditions Report, provides a baseline summary of the economy of Wrangell post pandemic to provide an economic planning tool for stabilizing and re-growing the economy moving forward.

CHANGES IN WRANGELL: 2010 to 2021

This table tracks key economic indicators in Wrangell 2010, 2015, 2019 and 2021, along with associated changes.

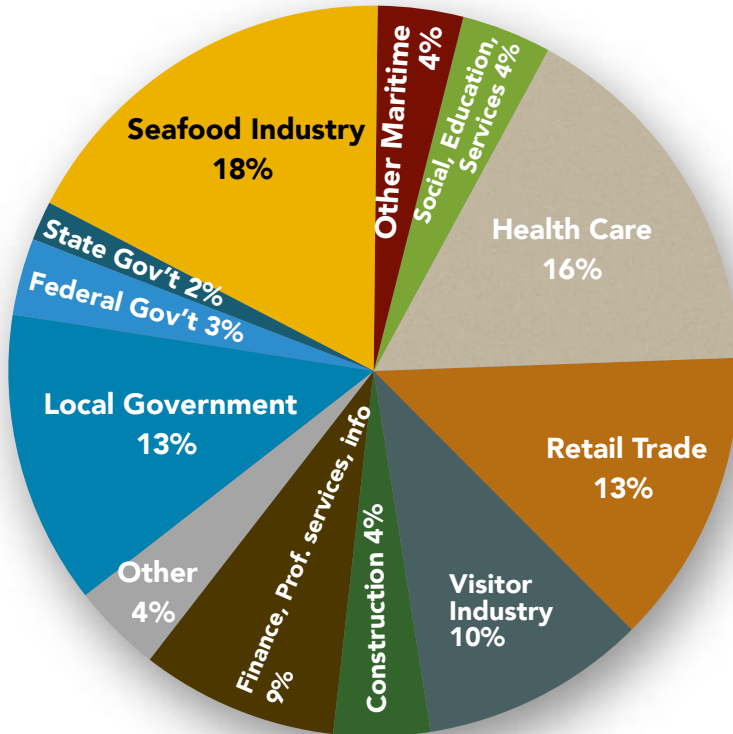
Demographics	2010	2015	2019	2021	% Change 2019-2021
Wrangell Population	2,369	2,310	2,174	2,096	-4%
65+ year olds (note that ADOL may update)	374	469	528	518	-2%
Median Age Wrangell (AK is 35.5)	46.4	47.8	47.5	47.1	-1%
K-12 Students	312	274	308	258	-16%
18 and under (note that ADOL may update)	542	518	540	467	-14%
General Economic Conditions	2010	2015	2019	2021	Change
Total Annualized Jobs	1,168	1,215	1,143	1,031	-10%
Total Job Earnings	\$45,285,755	\$46,507,622	\$49,804,705	\$47,279,823	-5%
Annual Average Wage	\$38,772	\$38,278	\$43,574	\$45,858	5%
Annual Unemployment Rate	8.8%	7.8%	7.7%	7.5%	-0.2%
Maritime Economy	Top Sector: 24% of employment earnings				
Seafood Jobs	271	281	198	181	-9%
Seafood Earnings	\$14,961,150	\$13,371,074	\$10,528,260	\$9,784,855	-7%
Other Maritime (Boatbuilding, etc.)	24	47	51	39	-24%
Other Maritime Earnings	\$1,335,825	\$1,620,018	\$1,573,899	\$1,442,157	-8%
Commercial Fish Vessels Homeported	208	233	214	187	-13%
Port of Wrangell: Total Seafood Pounds	2,116,100	3,751,754	2,353,539	1,487,718	-37%
Port of Wrangell: Total Seafood Value	\$2,857,169	\$4,809,060	\$4,880,779	\$4,817,726	-1%
Government	Public Sector: 22% of all employment earnings				
Total Government Employment	318	309	234	187	-20%
Federal Employment	58	51	41	35	-15%
State Employment	23	23	19	18	-5%
City and Tribal Employment	236	235	174	134	-23%
Total Government Payroll	\$14,148,023	\$14,291,774	\$11,070,750	\$10,189,605	-8%
Health Care Sector	Top Industry: Earnings confidential but estimated at 22%				
Visitor Industry	Key Industry: 7% of all jobs				
Visitor Industry Employment	na	95	110	103	-6%
Total Visitor Industry Wages/Earnings	na	\$2,093,291	\$3,077,530	\$3,189,000	4%
Wrangell Passenger Arrivals	2010	2015	2019	2021	Change
Total Arrivals	21,781	28,653	39,084	16,018	-59%
Air Passengers	10,587	12,512	14,637	11,897	-19%
Cruise Ship Passengers	3,869	10,011	21,540	*3,350	-84%
Alaska Marine Highway System	7,325	6,130	2,907	771	-73%
Other Selected Statistics	2010	2015	2019	2021	Change
Sales Tax Receipts Fiscal Year	\$2,196,229	\$2,681,435	\$2,850,003	\$3,215,708	13%
Housing Starts	3	13	4	7	75%
Total Assessed Property Value millions	\$121.9	\$140.8	\$153	\$179.4	17%

Sources: Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age; Alaska Department of Education and Early Development; Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; US Census Nonemployer (self-employment) Statistics; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Cruise Line Agencies of Alaska; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System data. Note: Because no self-employment data for Wrangell was available pre-2013, 2013 numbers were used in place of 2010 numbers. Self-employment represents approximately one-fourth of Wrangell's annualized employment. *2021 cruise numbers are estimated.

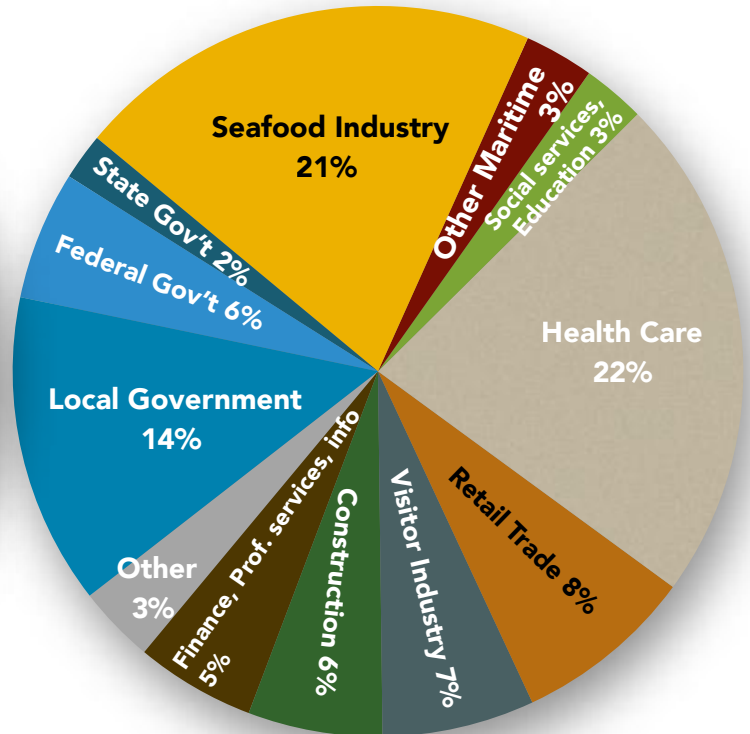
The Whole Wrangell Alaska Economy 2021

In 2021, Wrangell Alaska had 1,031 year-round equivalent jobs and nearly \$50 million in workforce earnings. Of this, 40% of all jobs and 46% of all wages are in government or maritime, including seafood.

Annualized Jobs 1,031 Jobs



Employment Earnings \$47.3 Million Workforce Earning



2021 Wrangell Alaska Employment Earnings

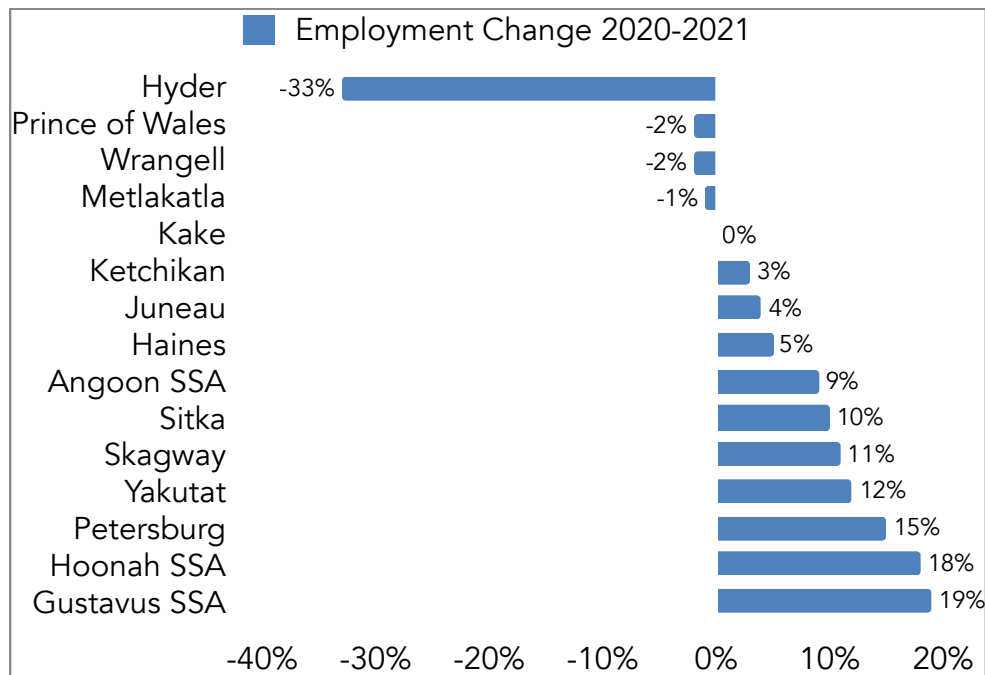
	EMPLOYMENT RELATED EARNINGS	EMPLOYMENT NUMBERS	
	Total Earnings 2021	Total 2019	Total 2021
Local Government	\$6,513,968	174	134
Federal Government	\$2,696,522	41	35
State Government	\$979,115	19	18
Seafood Industry	\$9,784,855	198	181
Other Maritime	\$1,304,126	54	26
Social & Education Services	\$1,310,381	NA	41
Health Care (estimated)	\$10,625,000	NA	170
Retail Trade	\$3,786,641	136	103
Visitor Industry	\$3,189,000	110	44
Construction Industry	\$2,815,714	51	35
Financial Activities	\$1,221,865	39	45
Profess. & Business Services	\$766,145	45	10
Information	\$514,991	12	54
Other	\$2,639,429	66	103
Total	\$47,279,823	1,143	1,031

Sources: Alaska Department of Labor Employment & Wage data; US Census Nonemployer (self-employment) Statistics. Due to data confidentiality, some figures are estimates by Rain Coast Data, based on all available inputs. *Other maritime draws from other sectors, so is not fully included in chart.

Regional Jobs Losses Compared 2021

Looking at all communities across Southeast in 2021, job counts were mostly up compared to 2020, but the recovery has been uneven.

Four areas experienced continued job losses in 2021 compared to 2020, including Hyder (-33%), Prince of Wales (-2%), Wrangell (-2%), and Metlakatla (-1%).



Still, regional job rates remained below 2019 levels for most communities in 2021. Skagway's jobs remained 42% below 2019 levels. Three communities defied the odds and had more jobs in 2021 than they did in 2019. These include Yakutat (+19%), Petersburg (+11%), and Gustavus (+3%).

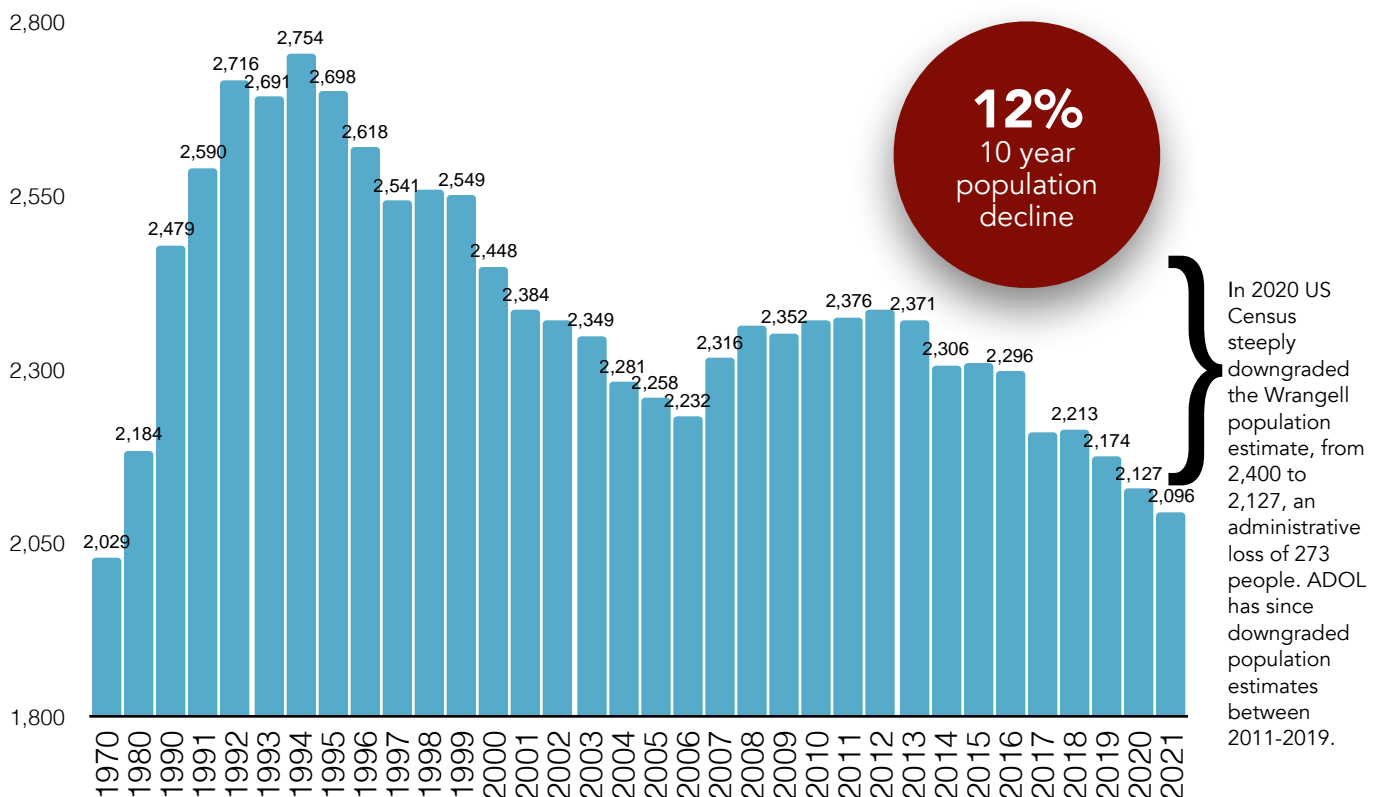
Demographics

Population¹

Wrangell's population peaked in 1994. After decreasing for twelve years due to the loss of the timber industry, Wrangell's population appeared to hit bottom in 2006 with 2,232 residents.

Wrangell's population had appeared to be recovering, but in 2020 US Census steeply downgraded the Wrangell population estimate from 2,400 to 2,127, an administrative loss of 273 people. In September 2022, the Alaska Department of Labor concurred with the US Census finding, and downgraded previous population estimates from between 2011 and 2019 (ADOL revises previous estimated in conjunction with every decennial census for every community). Based on the new data, this means that Wrangell's population is now estimated to have lost 12% of its population in the last decade (2012-2021), a loss of 289 residents, to levels not seen since the 1970's. The 2021 Wrangell population estimate is 2,096.²

Wrangell Alaska Population 1990-2021



¹ State of Alaska, Department of Labor and Workforce Development, Research and Analysis. 1990-2021.

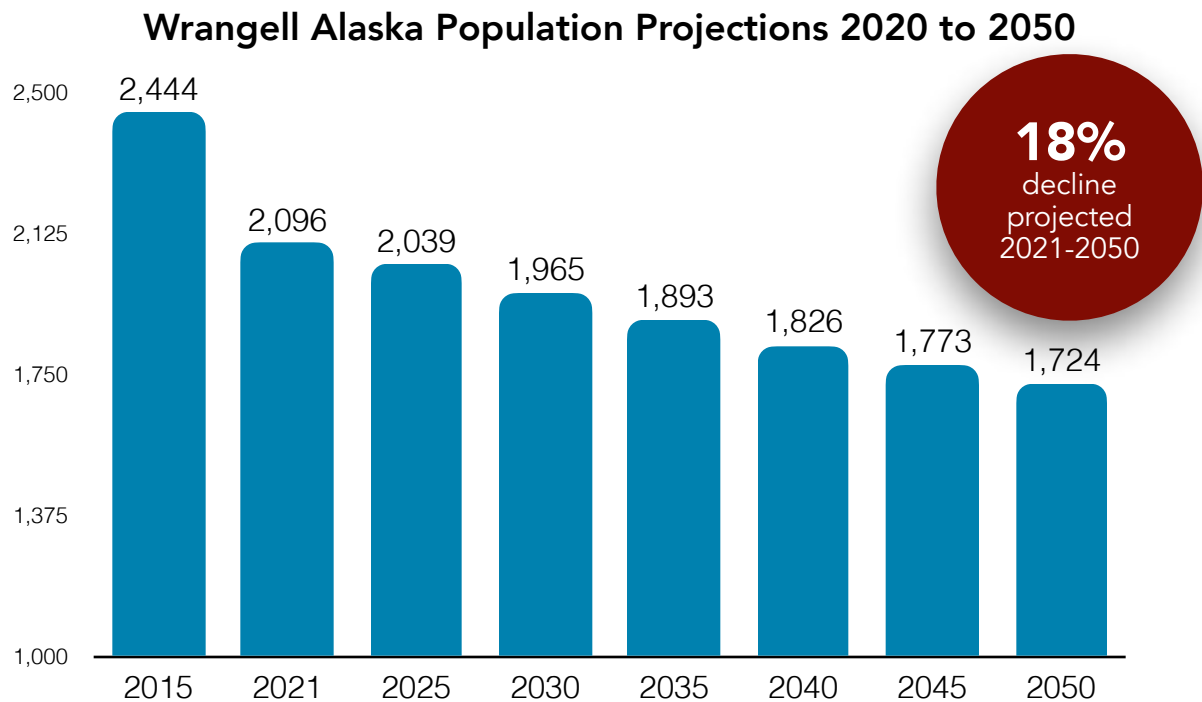
² Wrangell could challenge the census count only by challenging the housing count. The challenge would not change the population count, but could change baseline irregularities for housing in for the 2030 Census.

Population Projections³

Wrangell's population is expected to experience sustained decline through 2050, at a higher rate than previously projected. The Alaska Department of Labor and Workforce Development released updated population projections for Alaska in June of 2022.

According to these estimates, between 2021 and 2050, the community is expected to lose 18% of its population. This is in addition to the decrease due to the readjustment of the Wrangell's population downward.

These numbers must be understood to be projections, should indicators continue along their current paths. Much can and will change between now and 2050. As noted on page two, Wrangell has opportunities to improve and diversify economic prospects. The State study noted that Wrangell had one of the highest death rates for the state in 2021, precipitating the steepening of the downward trajectory.



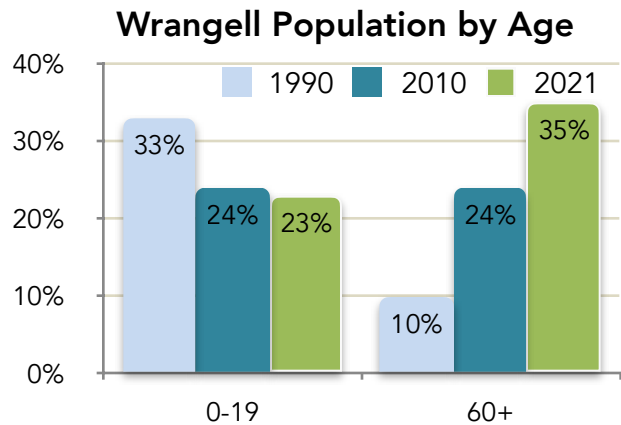
³ Alaska Department of Labor and Workforce Development. The population projections are based on the current population and historical birth, death, and migration trends, and were developed after the analysis of COVID-19's impact on population levels. <https://live.laborstats.alaska.gov/pop/projections.cfm>

Age⁴

Between 2010 and 2021, the Wrangell population declined by 12%, or 273 residents, according to the latest numbers, which were reshaped by the 2020 US Census findings.

During that period, those under the age of ten decreased by 8% (-22), while those aged ten to nineteen fell by 21% (-64), and those in their 20s fell by 24%, for a loss of 55 people in this age category. Those in their 30s grew by 24%, while those in their 40s and 50s fell by 42% (-335). Those under the age of 20 represented one-third of the population in 1990, and 23% of the population in 2021.

On the other end of the age spectrum, those aged 60 and older grew by 27%, for an increase of 155 older residents, who are aging in place in Wrangell. This 60+ age group was 10% of the Wrangell population in 1990 and grew to 35% of the population in 2021.



The median age in 2019 was 47.5. In 2021, it dropped to 47.1. This appears to be due to a higher number of deaths in Wrangell of older residents from 2020 to 2021, twice the annual average of the past 10 years.

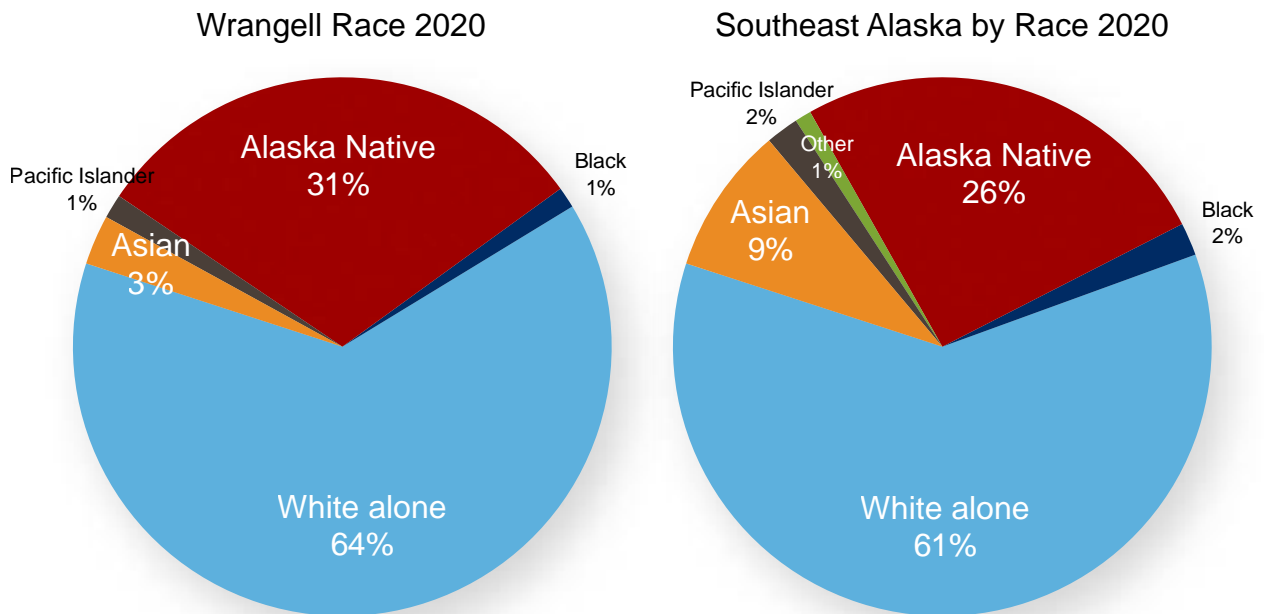
Wrangell Population by Age Group, 2010 to 2019

Age Group	2010	2021	Change 2010-2021
Under 10	265	243	-8%
10 to 19	307	243	-21%
Twenties	231	176	-24%
Thirties	202	250	24%
Forties	313	199	-36%
Fifties	478	257	-46%
Sixties	322	406	26%
70s+	251	322	28%
Median Age	46.4	47.1	2%
Total Population	2,369	2,096	-12%

⁴ State of Alaska, Department of Labor and Workforce Development, Research and Analysis.

Race⁵

Wrangell has a higher than average Alaska Native population. More than a quarter of all residents are Alaska Native, a proportion that has been growing. The community has a larger Alaska Native population than the state as a whole, as well as a larger white population, with little other ethnic diversity. Across the community, 64% of all residents are Caucasian, 31% are Alaska Native, and 3% are Asian.



Median Household Income

The median household income in Wrangell is significantly lower than the state or region figures. The median household income of \$58,438 in Wrangell in 2020 was 25% lower than Alaska or Southeast Alaska. It is 10% lower than the national average. These differences are deepening over time. In 2018, Wrangell's median household income was just 4% behind the national average.

	United States	Alaska	Wrangell	Southeast Alaska
2018	\$60,293	\$76,715	\$57,583	\$75,657
2020	\$64,994	\$77,790	\$58,438	\$78,037

⁵ 2018 and 2020: American Community Survey 5-Year Estimates. Note that 5 year estimates are not yet available for 2021, and one-year estimates are not currently being developed for Wrangell by the US Census.

Poverty⁶

Wrangell has a lower rate of poverty than the region, state, or nation. In Wrangell in 2020, 8% of the total population and 3.6% of families were below poverty levels. In Alaska in 2020 these rates were 10.3% and 7%, respectively.

Percentage of Population Below Poverty (ACS S1701)

	United States	Alaska	Wrangell	Southeast Alaska
2019	13.4%	10.7%	7.8%	9%
2020	12.8%	10.3%	8.0%	8.2%

Percentage of Families Below Poverty (ACS S1702)

	United States	Alaska	Wrangell	Southeast Alaska
2019	9.5%	7.3%	3.4%	6.1%
2020	9.1%	7.0%	3.6%	9.6%

Housing Cost Burdened

Fewer Wrangell households are cost-burdened by housing costs as well. Across Alaska 22% of homeowners and 40% of all renters are housing cost-burdened, meaning they spend more than 30% of household income on rent or homeowner costs. In Wrangell, just 13% of homeowners and 33% of renters are cost-burdened.

Percentage of Housing Cost-Burdened Households 2020

	United States	Alaska	Wrangell	Southeast Alaska
Home Owners ACS B25091	22%	22.0%	13.0%	20%
Renters ACS B2070	46%	40.0%	33.0%	46%

⁶ 2020 and 2018: American Community Survey 5-Year Estimates (2021 not yet available for Wrangell)

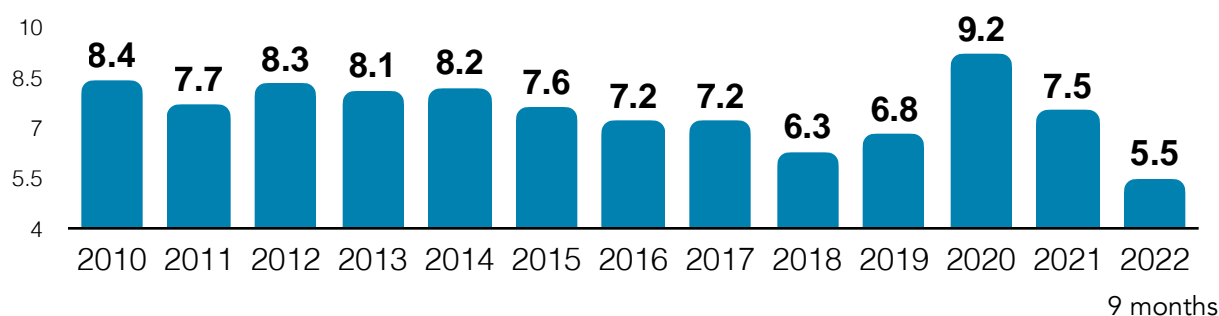
Unemployment⁷

Unemployment over the past 10 years in Wrangell has ranged from an annual high of 9.2% in 2020, to a low of 6.3% in 2018, although 2022 is on track to have the lowest unemployment rate on record. September's 3.9% unemployment rate was the lowest recorded for any month; however data only goes back to 2010.

Because much of the employment in the community is seasonal, there is significant variation between unemployment rates during a given year. January and February typically are the months with the highest unemployment levels. July and August have the lowest levels.

Unemployment in Wrangell, 2010 to 2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2022	7.5	6.9	6.0	5.5	5.0	5.4	5.1	4.1	3.9				5.5*
2021	8.8	8.8	8.2	8.2	7.2	7.8	7.0	6.0	6.8	6.7	7.0	6.9	7.5
2020	7.9	7.5	8.5	12.8	12.8	11.6	10.7	7.0	7.6	6.7	7.8	8.4	9.2
2019	9.6	9.2	8.2	6.6	5.7	6.5	5.5	5.5	5.1	5.8	6.9	7.2	6.8
2018	8.9	8.7	7.7	5.7	5.2	6.3	4.7	4.7	4.6	5.7	6.8	7.8	6.3
2017	9.6	9.2	8.4	6.8	6.2	6.6	5.4	6.1	6.2	6.3	7.7	8.1	7.2
2016	9.9	9.7	8.8	6.6	5.9	6.8	5.6	5.6	6.5	6.6	7.7	7.8	7.2
2015	10.3	10.0	8.6	7.1	7.1	7.5	6.0	5.2	6.0	6.9	8.5	9.2	7.6
2014	11.9	12.4	9.6	7.5	6.8	7.3	6.1	6.1	6.7	7.6	8.9	9.4	8.2
2013	11.7	11.2	9.6	6.8	6.3	6.9	6.0	5.6	6.0	8.4	9.4	10.4	8.1
2012	11.7	11.5	11.0	8.4	7.5	7.6	6.4	6.0	6.5	7.4	7.7	9.4	8.3
2011	10.4	9.5	8.6	7.4	6.7	7.4	5.6	5.3	6.0	7.8	8.5	10.6	7.7
2010	13.8	13.3	11.1	7.7	7.6	7.2	5.5	5.5	6.0	7.0	7.5	8.4	8.4



⁷ Alaska Department of Labor. Annual Unemployment Rates for City and Borough of Wrangell and Alaska 2010 to 2019. <https://live.laborstats.alaska.gov/labforce/labdata.cfm?s=30&a=0> Note: Rain Coast Data was advised against relying on ADOL unemployment rates during pandemic, as the model is not calibrated to accurately measure this type of event on our economy.

Educational Attainment⁸

For those aged 25 and older in Wrangell, 12% have less than a high school degree, 33% have a high school degree only, 21% have an associate's or bachelor's degree, and 7% have a graduate or professional degree. Those with only a high school degree earned a median of \$35,000 last year, while those with at least some college earned \$47,054.

Top Educational Attainment and Wages for Wrangell Residents Aged 25 and Older

Population 25 years and over	% 2020	Median Earnings 2020
Less than high school	11.7%	\$26,397
High school graduate only (includes equivalency)	32.6%	\$35,000
Some college, no degree	29.5%	\$47,054
Associate's degree	9.4%	
Bachelor's degree	11.5%	\$44,702
Graduate or professional degree	6.7%	\$54,125

Residency⁹

Wrangell generally has a high level of residential workforce compared to other Southeast Alaska communities. Of the total workforce, 378 employees are from outside Wrangell or Alaska, and 723 are local Wrangell residents. (This is not a measurement of annualized jobs, but workers). Locals make up 66% of all workers in Wrangell, and earn 78% of all community workforce wages.

An exception to this is the seafood processing sector. Only 19.7% of Wrangell's seafood processing workers are local residents, who earn 34% of total seafood processing workforce wages. These figures do not include self-employment numbers.

Wrangell Non Residents versus Resident Workers, 2020

Sector	Total Wrangell Workers	Wages (millions)	Seafood Processing Workers	Seafood Processing Wages
Locals	723	\$26.0	29	\$0.82 mill
Nonlocal Alaskans	78	\$2.8	Combined below	Combined below
Non Alaska Residents	300	\$4.9	Combined below	Combined below
Total non Wrangell	378	\$7.5	118	\$1.57 mill
Percent local workers	65.7%	77.6%	19.7%	34.4%

⁸ 2020: American Community Survey 5-Year Estimates

⁹ Nonresidents Working in Alaska: 2020. Alaska Department of Labor and Workforce Development.

Government

Government in Wrangell makes up 22% of all workforce earnings in 2021 (down 6% from 2019), and 18% of all jobs (down 2% from 2019). In 2021, government accounted for 187 average annual jobs, and \$10.2 million in earnings.

Local government (including tribal government)—with 134 employees last year and \$6.5 million in wages last year—make up the bulk of all government jobs in the community. This represents an enormous shift. A quarter of city and borough employment had been hospital related, and approximately 55 of these jobs were transferred to SEARHC in November 2018. City and Borough of Wrangell (CBW) employment in 2021 included employees of the Wrangell School District, Wrangell Municipal Light and Power, Wrangell Medical Center, the Public Library, the Nolan Center, and Public Works (solid waste, water, and wastewater).

Total combined government employment (federal, state, city, and tribal) is down substantially over the past year. Total government jobs fell by 20% between 2019 and 2021. Local government employment fell by 23%. This represents a continued trend. Since 2010 total combined government jobs have dropped by 41% (-131), while total government wages fell by 40% (after adjusting for inflation).

Government employment and earnings in Wrangell, 2010 to 2021

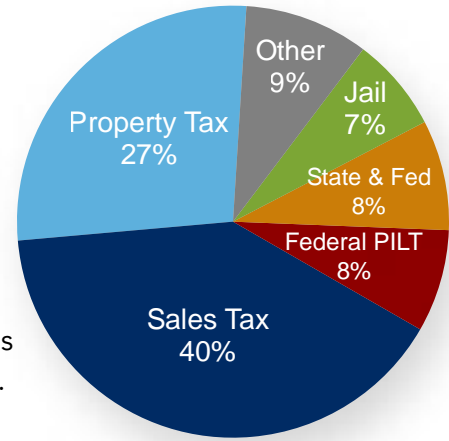
Government Sector	2010	2013	2015	2018	2019	2021	Change 2019-2021	Change 2010-2021
Total Government Employment	318	325	309	292	234	187	-20%	-41%
Federal	58	50	51	43	41	35	-15%	-40%
State Employment	23	25	23	20	19	18	-5%	-22%
City and Tribal	236	250	235	229	174	134	-23%	-43%
Total Government Payroll, adjusted for inflation	\$17 mill	\$17 mill	\$15.6 mill	\$16.2 mill	\$11.5 mill	\$10.2 mill	-11%	-40%

Tax Revenue

Wrangell General Fund Revenue Sources FY2023

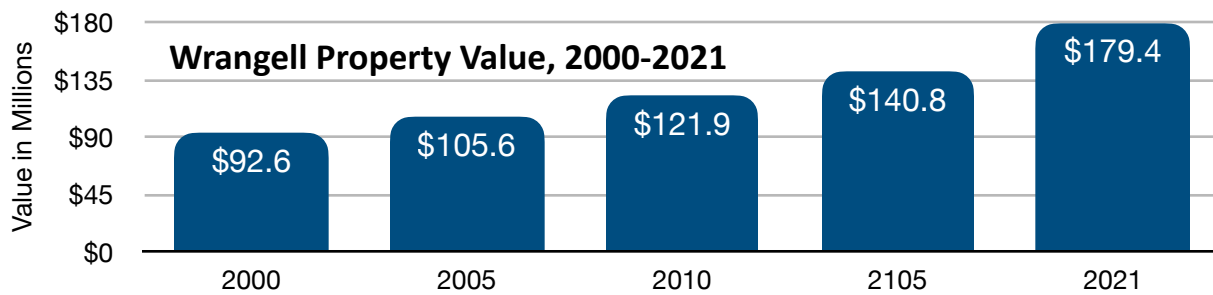
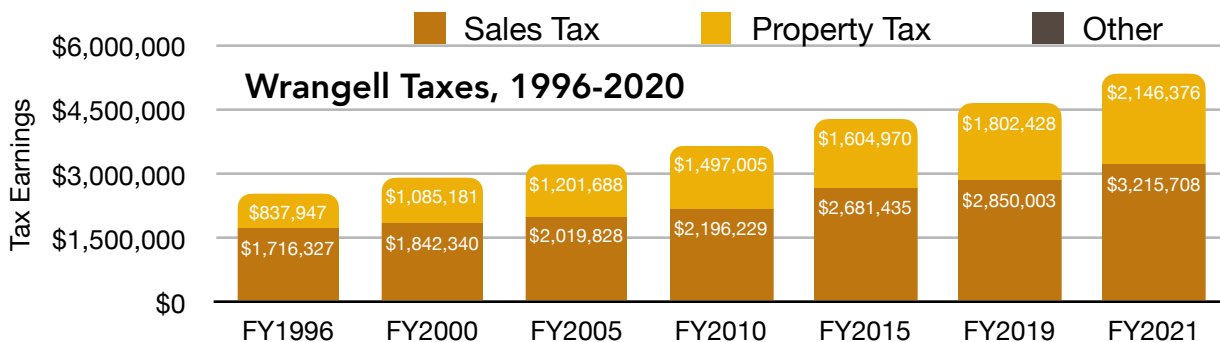
Total = \$6.57 million¹⁰

Sales tax represents the largest source of annual revenue for the municipality of Wrangell, estimated at 40% for FY2023. Property tax is expected to provide 27% of revenue in that fiscal year, followed by federal payment in lieu of taxes (PILT). Other state and federal revenue is expected to be 8%.



The City and Borough of Wrangell's 7% sales tax generated revenues of more than \$3.2 million in FY2021, which was up from FY2019 due to the inclusion of online tax collection.¹¹ During the same time period, property tax revenue increased by nearly \$344,000. Locally assessed land values have steadily climbed since 2000 to \$179.4 million in 2021. Revenue generated from Wrangell's 6% bed tax brought in \$30,661 in FY2021, down from a high of \$46,687 collected two years prior. In recent years Wrangell adopted a marijuana tax rate of \$10 per ounce sold, generating \$4,528 in additional tax revenue in FY2021.

City of Wrangell Taxes					
Year	Bed Tax	Other Tax	Real & Personal Property Tax	Sales Tax	Total
Current Rate	6%	0% Tobacco Tax; 0% Alcohol Tax; \$10/oz Marijuana Tax	Effective Mill Rate 12.75* (4 Mills in some parts outside service area)	7%	
2019 Earnings	\$46,687	\$0	\$1,802,428	\$2,850,003	\$4,699,118



¹⁰ Draft budget of the City and Borough of Wrangell

¹¹ Sales tax data from the City and Borough of Wrangell. All other tax data comes from Alaska Taxable. **Note:** A U.S. Supreme Court case decided in 2018 means that municipal governments are able to collect sales tax from online retailers.

Seafood Sector¹²

Seafood is one of the most important sources of jobs and workforce earnings for Wrangell. In 2021 seafood provided 18% of all community annualized jobs (181), and 21% of total workforce earnings (\$9.8 million). The Wrangell fishing sector is important to community due to the number of fishermen the rich fisheries support, but also due to its seafood processing facilities.

Jobs and wages decreased significantly over the past 10 years due to a significant decline in processing in the community. Total seafood processing jobs have been down significantly. Between 2015 and 2021, total seafood processing jobs in Wrangell dropped by 37%.

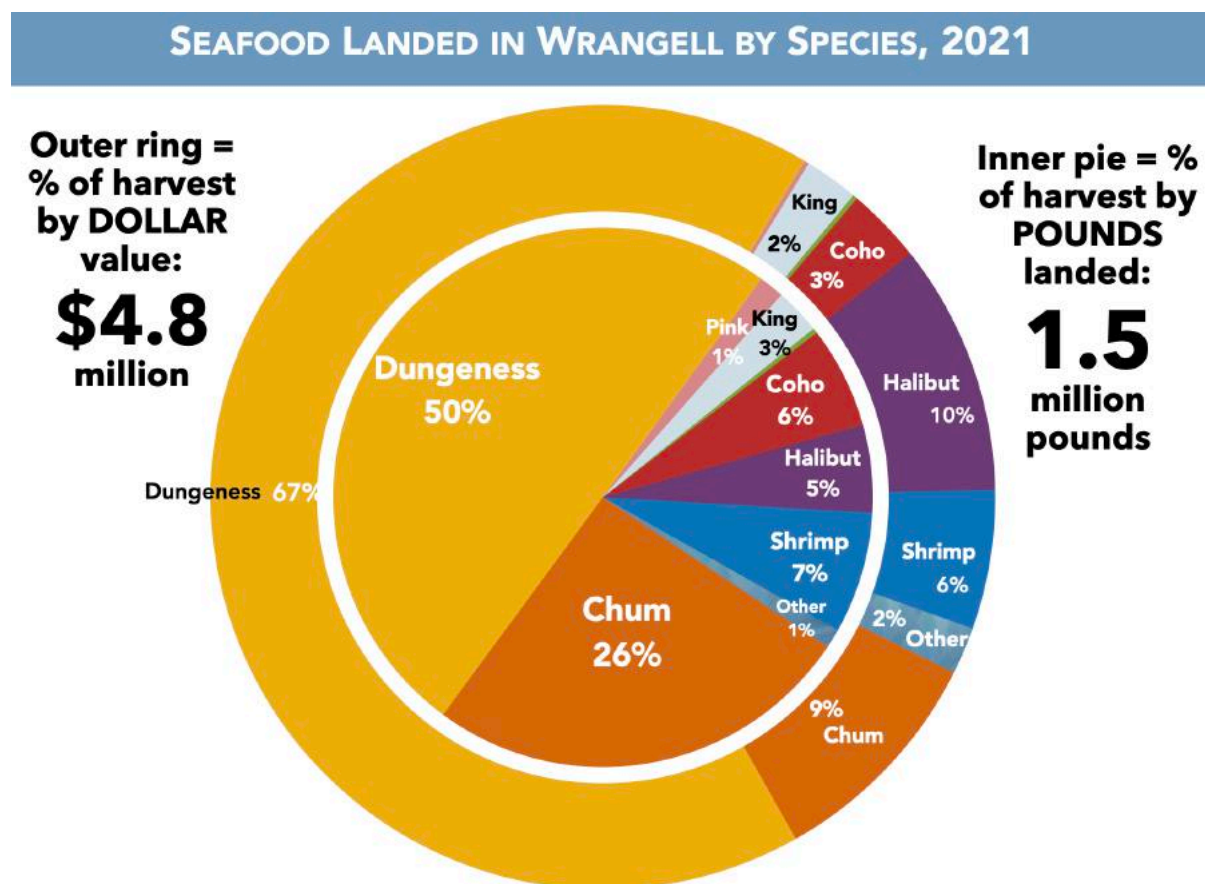
Wrangell Seafood Sector, 2010-2019

Seafood Sector	2010	2015	2018	2019	2021	Change 2019- 2021
Seafood Jobs (annualized)	271	281	220	198	181	-9%
Total Seafood Workforce Earnings	\$14,961,150	\$13,371,074	\$11,868,545	\$10,528,260	\$9,784,855	-7%
Seafood Processing Workers (peak)	377	284	174	173	180	4%
Total Seafood Processing Wages	\$2,743,874	\$4,006,185	\$2,383,743	\$2,554,170	\$2,352,663	-8%
Port of Wrangell Seafood Pounds Landed	2,116,100	3,751,754	3,292,910	2,312,678	1,487,718	-36%
Port of Wrangell Seafood Value (nominal \$)	\$2,857,169	\$4,809,060	\$4,883,033	\$4,667,561	\$4,817,726	3%
Commercial Fishing Vessels Homeported in Wrangell	208	233	212	214	187	-13%
Number of Resident Permit Holders	214	215	210	199	199	0%

¹² Alaska Department of Labor 2019 Employment & Wage data; 2018 (latest available) US Census Nonemployer. 2019 data for peak seafood processing jobs and wages are Rain Coast Data estimates.

Port of Wrangell: Total Volume and Value of Wrangell Seafood¹³

With the closure of Trident over the past three years, the bounty at the port of Wrangell is changing. While historically a salmon port, in 2021 only one-third of the Wrangell fishery was salmon. By value, crab made up approximately two-thirds (67%) of total fishery value in 2021.



2020, 2021 Seafood Seasons

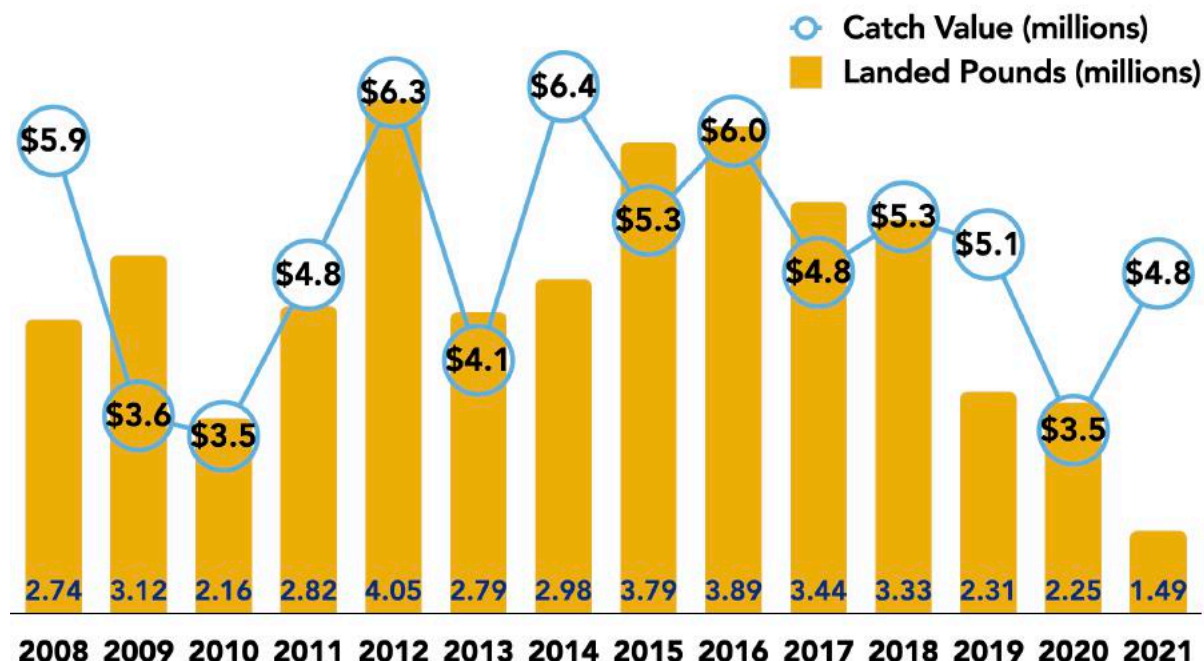
The 2020 season was perhaps the worst seafood year in Southeast Alaska history. Reduced seafood prices — due to the shutdown of the global restaurant sector, as well as trade war tariffs — coincided devastatingly with one of the worst salmon catches on record. For the Port of Wrangell, it was equivalent to the 2010 season. While 2021 was a better season across the region, the Port of Wrangell saw even fewer pounds landed in Wrangell than in 2020, even though the value of the catch was up significantly due to high crab values.

Between 2008 and 2021, the average value of the Wrangell fishery was \$4.96 million (adjusted for inflation) and the average volume landed was 2.94 million pounds. Because

¹³ Alaska Department of Fish and Game Division of Commercial Fisheries 2008 - 2019 Commercial Fisheries Value by Species, Wrangell

the volume of seafood can fluctuate so much annually, it is important to track using average values over time, rather than comparing years directly. In the last decade, the value of the Wrangell seafood catch has fluctuated between \$6.4 million in total value in 2014 to \$3.5 million in 2010 and 2020, while total pounds landed was over four million pounds in 2012, and down to 1.49 million pounds in 2020.

VALUE & POUNDS OF SEAFOOD LANDED WRANGELL ALASKA 2008 TO 2021 (INFLATION ADJUSTED)



Seafood Processing¹⁴

Seafood processing creates additional value in this industry. Total count of workers in the Wrangell seafood industry is much higher than the annualized job count. Seafood processing employment peaks in late July when the processors are at maximum effort. Wrangell seafood processing jobs have been declining. In 2011 there were 534 jobs, and by 2021 that number has fallen by 66% to 180 total seafood processing worker in the community.¹⁵

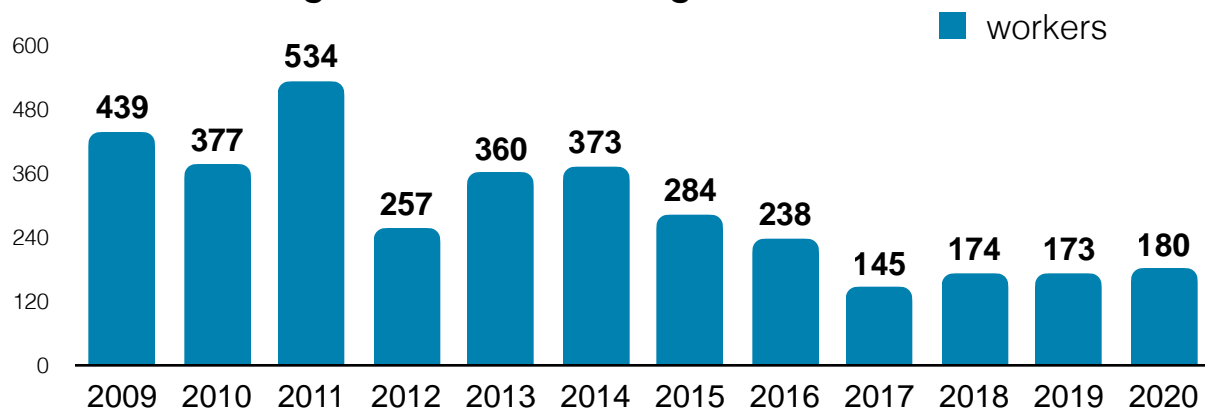
Trident Seafoods, one of the two main seafood processors in Wrangell, has decided not to operate during the 2020 salmon season, even prior to the pandemic, due to a prediction of a low salmon abundance. Nor did it decide to operate in 2021 or 2022, meaning the last time Trident was operating in Wrangell was 2019.

¹⁴ Alaska Department of Fish and Game Division of Commercial Fisheries 2008 - 2020 Petersburg/Wrangell Production Shorebased Processors and Direct Marketers custom processing with Shorebased Processors

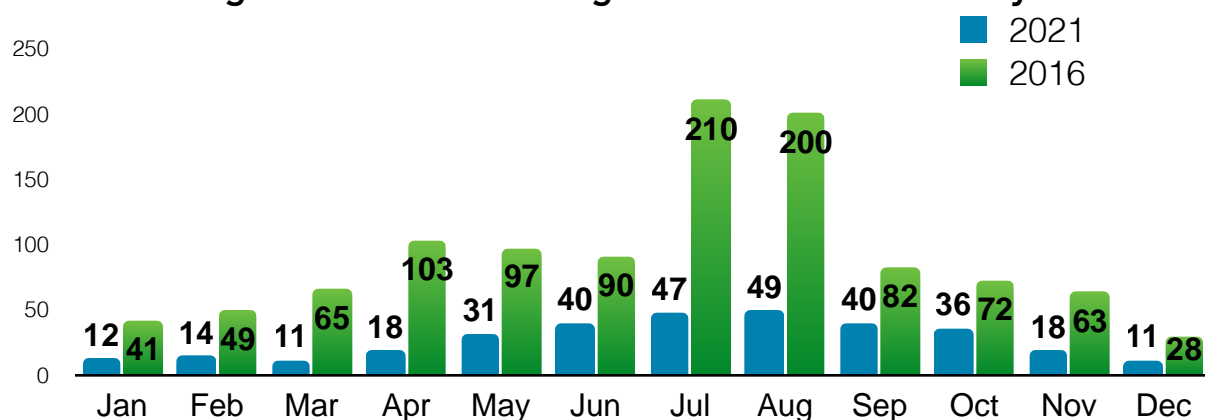
¹⁵ Alaska Department of Labor. Seafood Processing Workforce and Wages by Borough, 2009 - 2020.

The remaining large seafood processor in Wrangell Island is Sea Level, owned by Pacific Seafood. Sea Level processes halibut, black cod, and rockfish in the early season, and transitions mostly to crab and salmon.

Wrangell Seafood Processing Workers 2009 to 2021



Wrangell Seafood Processing Workers 2016 & 2021 by Month



Seafood Processing Workforce and Wages 2009-2020

Year	Total Workers	Wages	% non-resident workers
2009	439	\$2,760,843	71.3%
2010	377	\$2,743,874	71.1%
2011	534	\$3,991,965	80.9%
2012	257	\$2,610,723	68.5%
2013	360	\$4,472,669	75.8%
2014	373	\$4,015,454	79.4%
2015	284	\$4,006,185	75.7%
2016	238	\$2,643,179	63.0%
2017	145	\$1,980,904	68.3%
2018	174	\$2,383,743	76.4%
2019	173	\$2,554,170	83.2%
2020	180	\$2,352,663	72.2%
Change 2019-2020	4%	-8%	-11%

Maritime

In Wrangell there were 220 private “blue jobs”—as maritime jobs are sometimes called—with \$11.2 million in associated workforce earnings in 2021. It is the community’s largest sector, and it draws from nearly every element of the local workforce. Nearly all of Wrangell’s maritime sector is driven by seafood. Seafood processing, mariculture and commercial fishing account for most of the maritime jobs in the community, but the shipyard also creates important jobs and wages.

Wrangell Maritime Employment and Workforce Earnings, 2010 to 2021

Maritime	2010	2015	2018	2019	2021	Change 2019-2021
Maritime Jobs	295	328	269	249	220	-12%
Maritime Workforce Earnings	\$16,296,975	\$14,991,092	\$13,415,195	\$12,102,159	\$11,227,012	-7%

The Wrangell Shipyard

After the demise of the regional timber industry, Wrangell began to focus on providing maritime industrial services to southern Southeast Alaska. Wrangell is centrally-located in Southeast Alaska, allowing fishermen to access emergency repairs while remaining close to fishing grounds. Southeast Alaska vessel owners are taking advantage of the ability to have their repairs completed close to home.

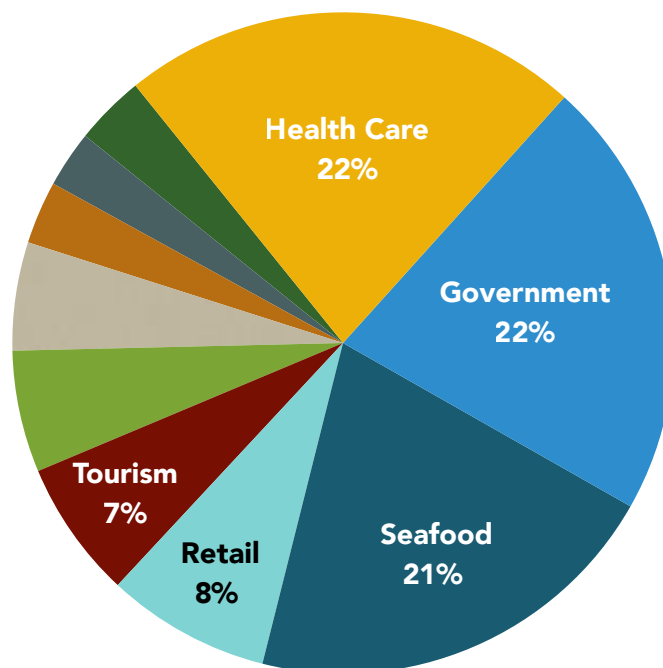


The City of Wrangell took advantage of the former mill site, literally building its marine center—complete with tunnel freezer, cold storage, vessel haul-out, and boat storage—on top of the sawdust ruins left behind. In 2006, a 150-ton travel lift was installed. In 2014, a 300-ton boatlift was installed to haul out boats up to 180-feet long. As Wrangell's marine services expand and the yard's capabilities improve, the reputation and use of Wrangell's maritime facilities has also grown. Wrangell is home to excellent craftsmen who provide services for yachters and the commercial fleet. There are people employed through shipyard activities as wooden shipwrights, fiberglass workers, machinists, steel welders, commercial painters, sandblasters, and in metal fabrication, along with those with expertise in hydraulics, electronics, and refrigeration. The 7-acre area includes a 40-ton hydraulic trailer, a wash down area and upland storage for over 85 boats.

Health Care

The health sector made up an estimated 16% of all Wrangell jobs in 2021, and 22% of all wages. For various reasons, health care jobs in Wrangell are confidential. Rain Coast Data estimates that in 2021, there were 170 health care workers in Wrangell with a payroll of \$10.6 million. This makes health care the largest sector in Wrangell in terms of earnings, slightly edging out total government wages. The Wrangell government and seafood sectors each employed more people in 2021, but paid out fewer overall wages (see page 4).

Wrangell Employment Earnings 2021



Health care in the community has recently transitioned from a primarily public sector enterprise to a privately run industry. Southeast Alaska Regional Health Consortium (SEARHC) took over the city-owned Wrangell Medical Center in November 2018. In February 2021, SEARHC completed construction on a new Wrangell Medical Center. The facility includes a critical access hospital, and creating a 44,500 square foot healthcare campus run by a staff of 80 workers.¹⁶

According to SEARHC, altogether it has 163 permanent employees, plus another 15 temps and intermittent employees, in Wrangell. This includes Critical Access Hospital, Primary Care Clinic, Long Term Care, Specialty Clinics, associated support services (lab, imaging, rehab, social work, education, etc.), and Community Behavioral Health, and Dental. SEARHC is in the process of expanding their 14 long-term care beds to 18, with construction for that project set for completion by the end of 2022.¹⁷

In 2022, SEARHC closed Crossings, a Wrangell-based behavioral health program services program that was consolidated to Sitka. At its peak, Crossings employed approximately 20 staffers and 50 seasonal guides in Wrangell. When the program closed in January 2022, it employed 16 people in Wrangell.¹⁸

¹⁶ March 2022 SEARHC presentation: https://www.pmcak.org/uploads/3/1/1/0/31108911/searhc_slide_deck_3.24.22.pdf

¹⁷ Personal communication SEARHC.

¹⁸ SEARHC permanently closes Wrangell's Alaska Crossings program by KSTK <https://www.kstk.org/2022/01/12/searhc-permanently-closes-wrangells-alaska-crossings-program/>

Visitor Overview

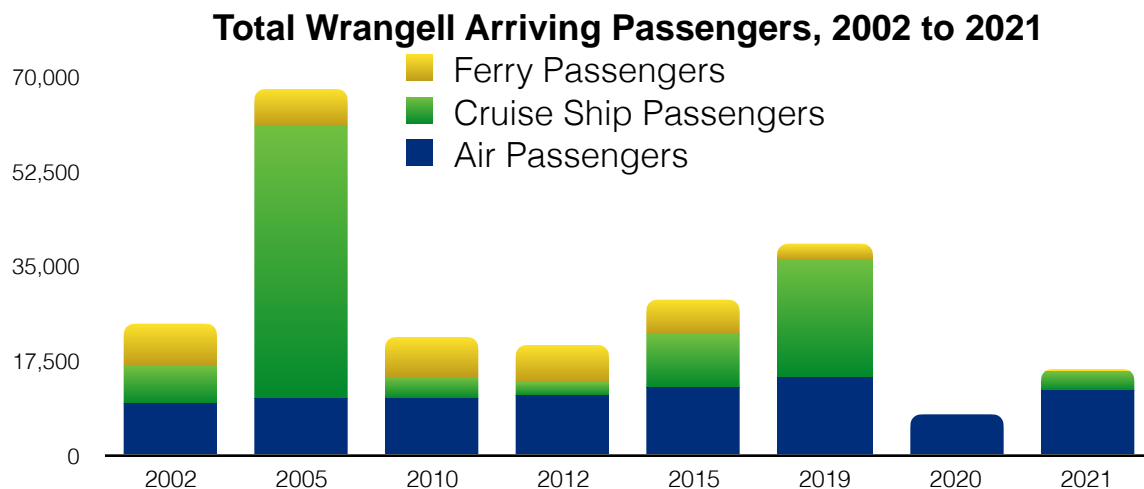
Employment

Tourism is an economic driver in the community. In 2021, visitor industry employment made up 10% of all employment in Wrangell, accounting for 103 annual average jobs with associated workforce earnings of \$3.2 million. The visitor industry accounted for 7% of total Wrangell workforce earnings in 2021. This sector is smaller in Wrangell than the region as a whole; the visitor industry represented 15% of all jobs and 9% of all employment earnings for Southeast Alaska in 2021.

	Year 2014	Year 2017	Year 2018	Year 2019	Year 2021	% Change
Jobs and Earnings	2014	2017	2018	2019	2021	Change 2019-2021
Average Visitor Industry Wage	\$22,227	\$24,066	\$27,259	\$31,955	\$30,961	-3%
Total Visitor Industry Employment	101	100	106	110	103	-6%
Total Visitor Industry Workforce Earnings	\$2,244,990	\$2,406,618	\$2,889,447	\$3,515,030	\$3,189,000	-9%

Change in the Visitor Industry

The visitor sector has been hit by a series of challenges, the most significant being the



COVID-19 pandemic. Like the rest of Alaska, Canada's prohibition of cruise ships and CDC limitation eliminated cruise ship traffic to Wrangell for all of 2020, and for much of 2021. Passenger arrivals in Wrangell by all modes fell from 40,702 in 2019 to just 7,641 in 2020, an 81% decline. While 2021 passenger arrivals were significantly higher than 2020 levels, they remained critically below 2019 levels.

A second factor the visitor sector is struggling with is the continued decline of ferry system service that was accelerated during the pandemic. Wrangell had set up a unique and successful visitor sector based on ferry service. Ferry service decreased by 89% in Wrangell between 2013 and 2021 due to deep budget cuts to the Alaska Marine Highway System. In 2002, ferry passengers represented approximately one-third (32%) of all community passenger arrivals. By 2021, that number had fallen to just 5% of all passenger arrivals to Wrangell.

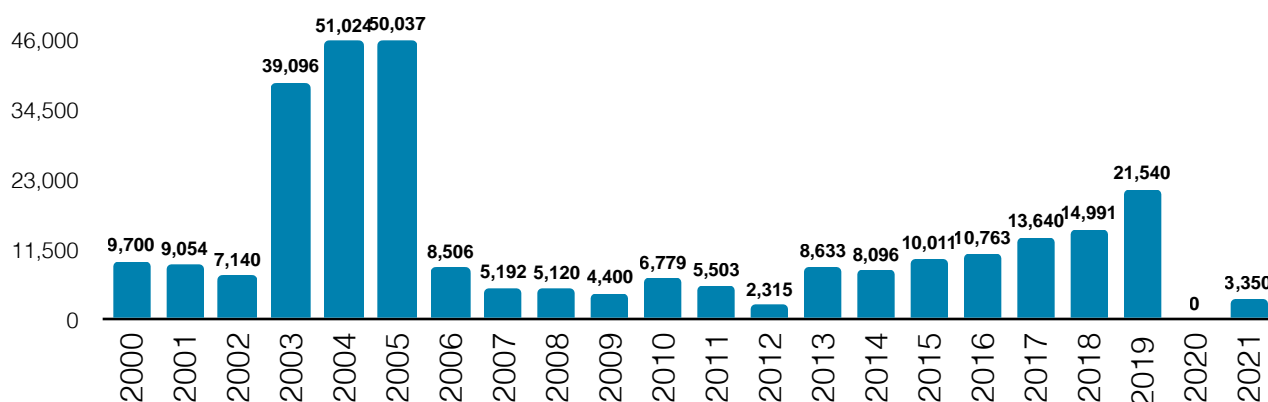
Another factor that has stymied growth in the tourism sector over time is a cap on the number of people allowed to visit Anan each year.¹⁹ The Anan Wildlife Observatory is managed by the Wrangell District of the Tongass National Forest and is only accessible by boat or plane. With constraints on this prime visitor attraction it has been difficult to grow the visitor sector as a whole.

Cruise Passengers²⁰

In 2019, more than 21,500 passengers visited Wrangell. The number of cruise passengers arriving in Wrangell on small to mid-sized cruise ships saw more than a nine-fold increase from 2012 to 2019.²¹ Nine small cruise ships made port calls, and eight medium-sized cruise ships visited Wrangell in 2019. This represented a 45% increase in total arriving passengers from 2018.

In 2020, a total of 21,486 cruise ship passengers had been expected, but none came. In 2021, as estimated 3,350 cruise passengers arrived in the community.

Total Cruise Passengers in Wrangell 2000-2021



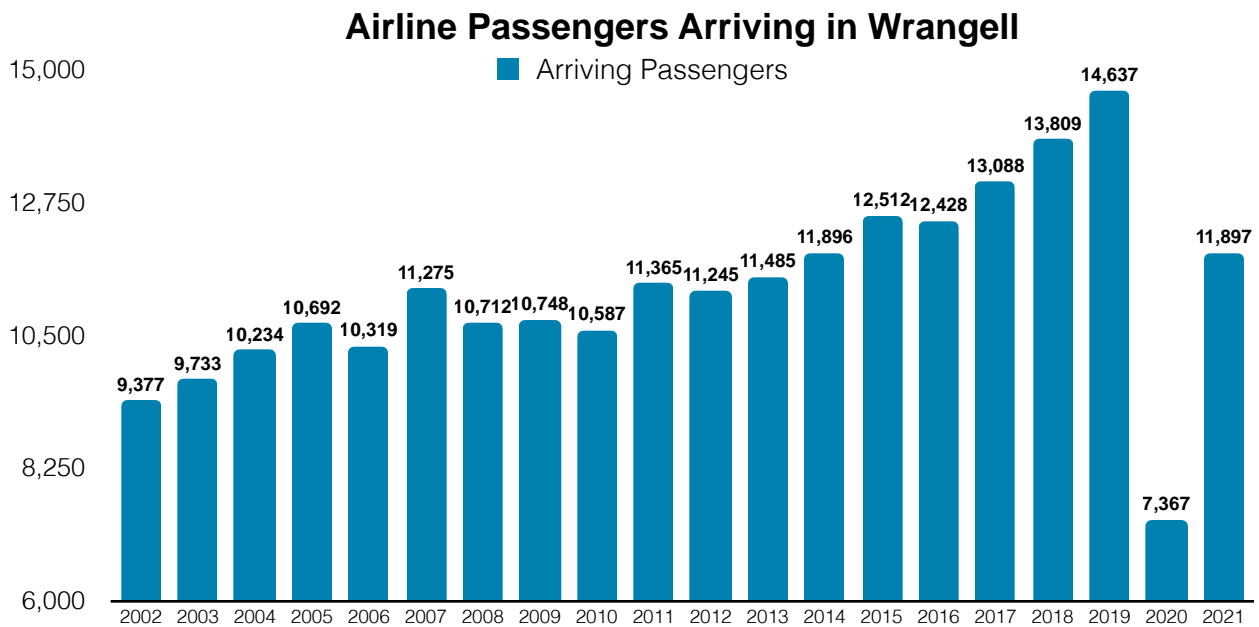
¹⁹ While Anan capacity is not always met, daily caps in addition to seasonal caps mean that last minute cancellations for inclement weather or other factors cannot be "made up" at later dates.

²⁰ Midsized cruise passenger actuals were provided by McDowell Group & Cruise Line Agencies of Alaska. 2019 are estimates based on capacity. All other cruise passenger data are estimated totals based on small cruise ship schedules and research regarding total capacity.

²¹ This figure combines actual numbers from midsized cruise ship arrivals and capacity numbers from smaller cruise ships.

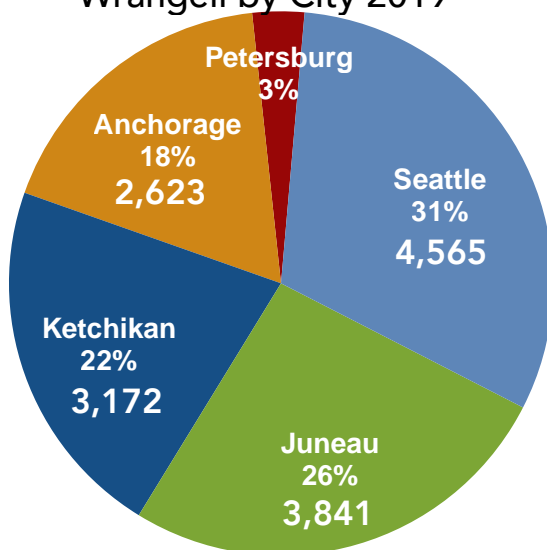
Air Passengers²²

In 2021, there were 11,897 air passengers arriving in Wrangell. This represents a 19% passenger decline over 2019, but a 61% increase from 2020.

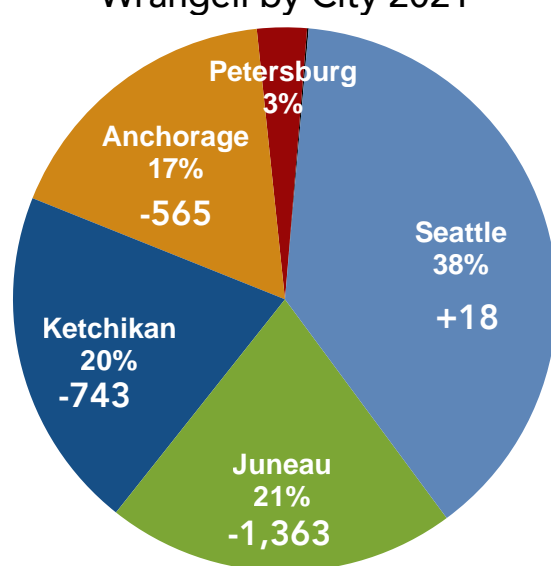


Looking at a full year of passenger data, the greatest percentage of passengers arrived in Wrangell via Seattle (38%), while a fifth arrived via Juneau and another fifth via Ketchikan. An additional 17% arrived via Anchorage. Wrangell saw 1,363 fewer passenger arrivals from Juneau in 2021 than in 2019, and 1,308 fewer from Ketchikan and Anchorage combined. (Data includes scheduled flights only).

Passengers Disembarkments in Wrangell by City 2019



Passengers Disembarkments in Wrangell by City 2021

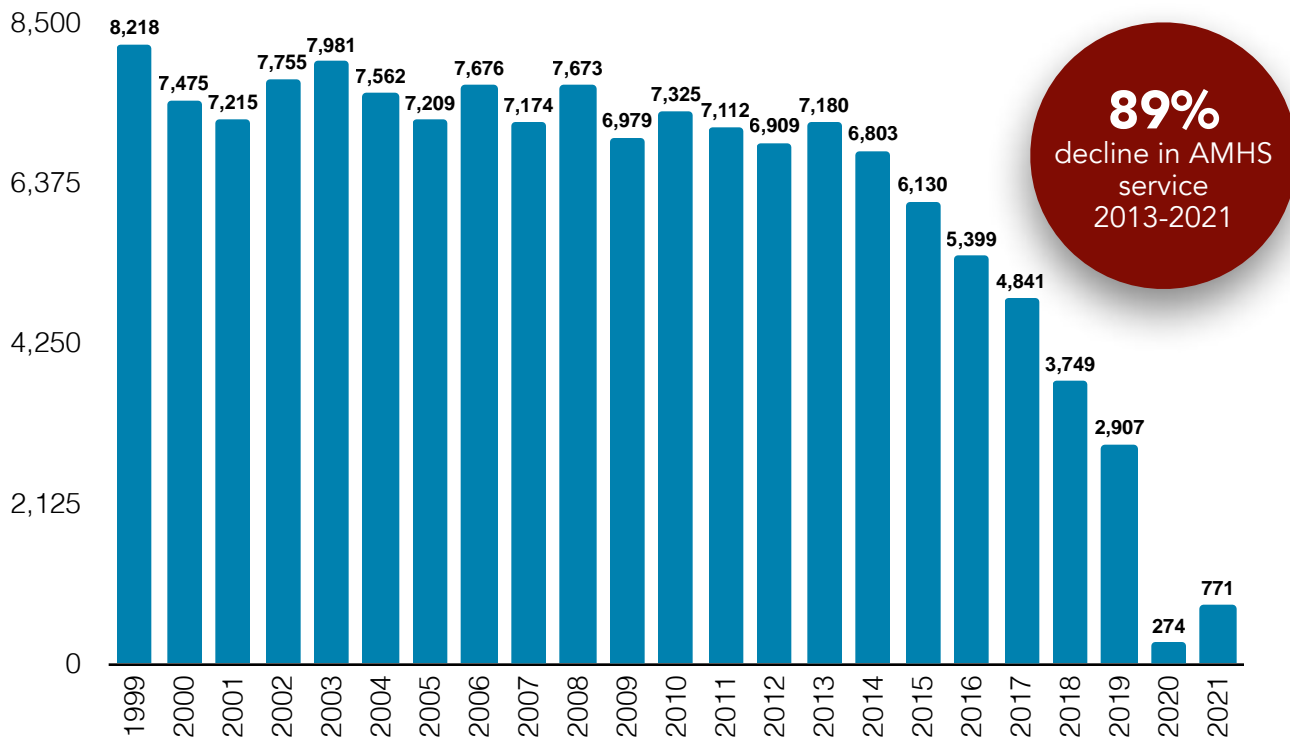


²² Bureau of Transportation Statistics T-100 Market data.

Ferry Passengers²³

In 2021, a total of 771 Alaska Marine Highway (AMHS) ferry passengers arrived in Wrangell. Total ferry passenger numbers decreased by 89% between 2013 and 2021. Since 2013, the number of passengers disembarking in Wrangell has decreased every year, with the exception of 2021, and in the last two years have fallen to their lowest point since before ferry service began in 1963.

Ferry Passengers Arriving in Wrangell 1999 to 2021



In recent years the Alaska Marine Highway System has been hit hard by state budget cuts, significantly reducing state funding levels. Service and port calls have been cut significantly, and Wrangell has been disproportionately impacted. The unreliability of the ferry scheduling and the increase in costs to travel have impacted ferry users, but even more significantly impacted those who have built their businesses around serving ferry passengers. A reputation for the unreliability of the ferry system means that potential customers are less likely to want to use the ferry for travel, further impacting total ridership numbers.

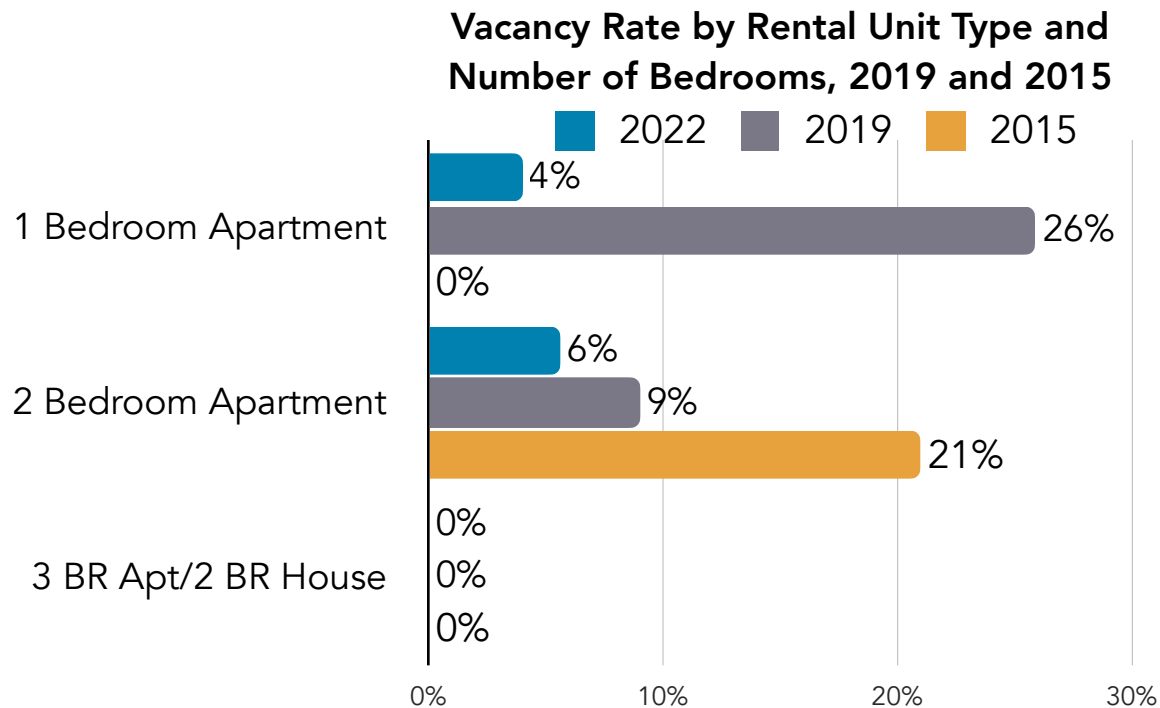
²³ Alaska Marine Highway System Annual Traffic Volume Reports for 2010 and 2014. Direct data request for 2016, 2017, 2018, and 2019 data.

Land Ownership

The City and Borough of Wrangell encompasses 2,582 square miles of land and 883 square miles of water. Like most places in Southeast Alaska, Wrangell's land ownership is dominated by the federal government, which manages 97% of the land base. The State manages 2.5% of the total land base, while the City and Borough of Wrangell manages less than one-tenth of 1% of the entire land base at 0.08%. Other private land holdings account for 0.17%. The lack of municipally or privately owned land and land available for development impedes the ability of Wrangell to nurture the private sector.

Housing

Low Rental Vacancy Rates—In 2022 Wrangell had zero vacancy rates in the state in several categories. According to the Alaska Housing Market Indicators 2022 Residential Rental Market Survey, the vacancy rates for three-bedroom apartments and two-bedroom single families homes was zero. The rental surveys are conducted in spring.



2022 Wrangell Business Climate Survey

Each year Southeast Conference conducts a regional business climate survey in order to track Southeast Alaska business confidence. This year 26 Wrangell business owners and operators from 10 different economic sectors responded to the survey, representing a total workforce of 155.

Survey analysis for Wrangell includes the following findings:

Least Positive Business Climate in the Region: Wrangell's perception of the business climate was the lowest in the region in 2022, with 48% having a positive view on the current economy, and 48% calling it poor or very poor. The comparatively poorer rating was led by those in Wrangell's blue economy, fishermen and maritime workers, who were more likely to say the business climate was poor than good.

Outlook is Also Poorest in the Region: In 2022 the outlook of Wrangell business leaders had the highest negative rating of any community in the region, but the overall ratings were very high regionally, so the Wrangell findings are not too concerning. Two-thirds of Wrangell business leaders have a positive outlook regarding the next year, including 24% who think the economic outlook will be better or much better. This represents an improvement over 2021 survey findings, in which 48% of respondents had a negative outlook.

Hiring Remains Uncertain: While no business leaders in Wrangell said that they expect to make job cuts moving forward, Wrangell business leaders expressed tremendous uncertainty regarding their job outlook, the highest uncertainty levels in the region. Nearly half (45%) said they could not yet project if they would be hiring, firing, or maintaining staffing levels.

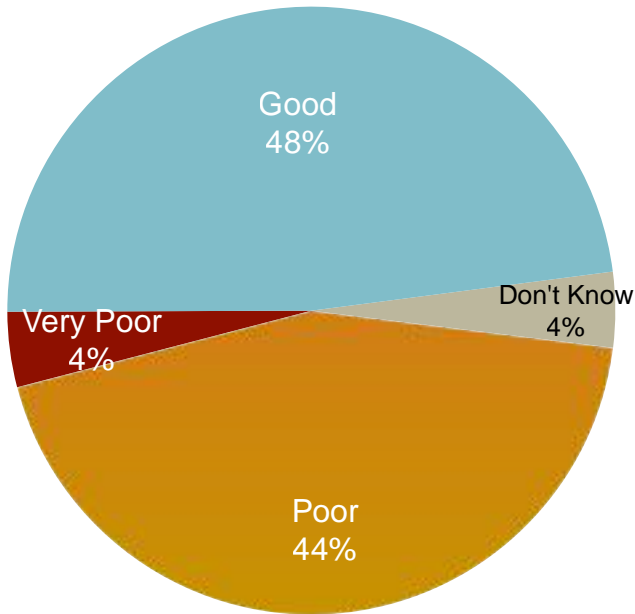
Benefits and Barriers: Wrangell business leaders say Wrangell's art, recreation, overall quality of life, and culture benefit their businesses the most; while the high costs of freight transportation, the lack of ferry service, and energy costs represent the most significant business barriers.

Housing is a Problem: Business leaders identified housing as the top need to advance economic growth in Wrangell. Economic expansion in Wrangell is currently limited by a lack of housing availability paired with prohibitive pricing, directly contributing to worker shortages. 86% say attracting and retaining workforce is difficult due to lack of housing; and 76% say there are not enough rentals for workers.

Wrangell Business Climate Survey

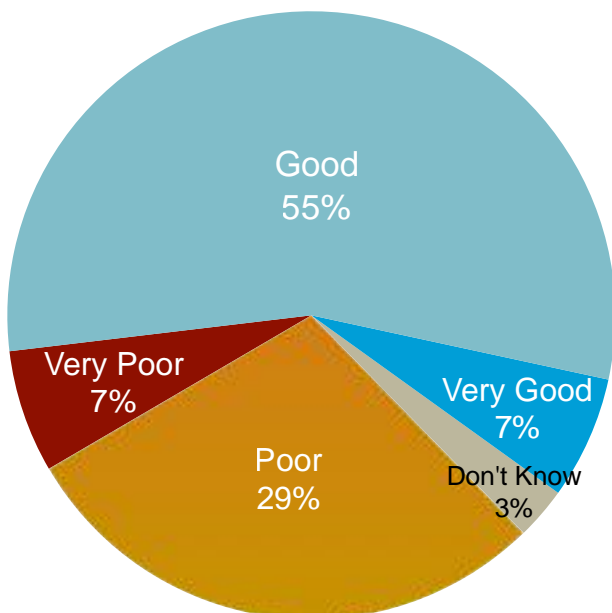
2022 Wrangell Alaska: How do you view the overall business climate right now?

48% Positive / 48% Negative



2022 Southeast Alaska: How do you view the overall business climate right now?

62% Positive / 36% Negative



Southeast Alaska Annual Business Climate Survey

In April and May of 2022, 440 Southeast Alaska business owners and top managers responded to Southeast Conference's Business Climate Survey, including 26 Wrangell business leaders with a total of 155 workers, and ten economic sectors.

Southeast Economy Now: How do you view the Southeast business climate right now?

In 2022, nearly two-thirds (62%) have a positive view of the Southeast business climate, making it **the best business climate since 2017**.

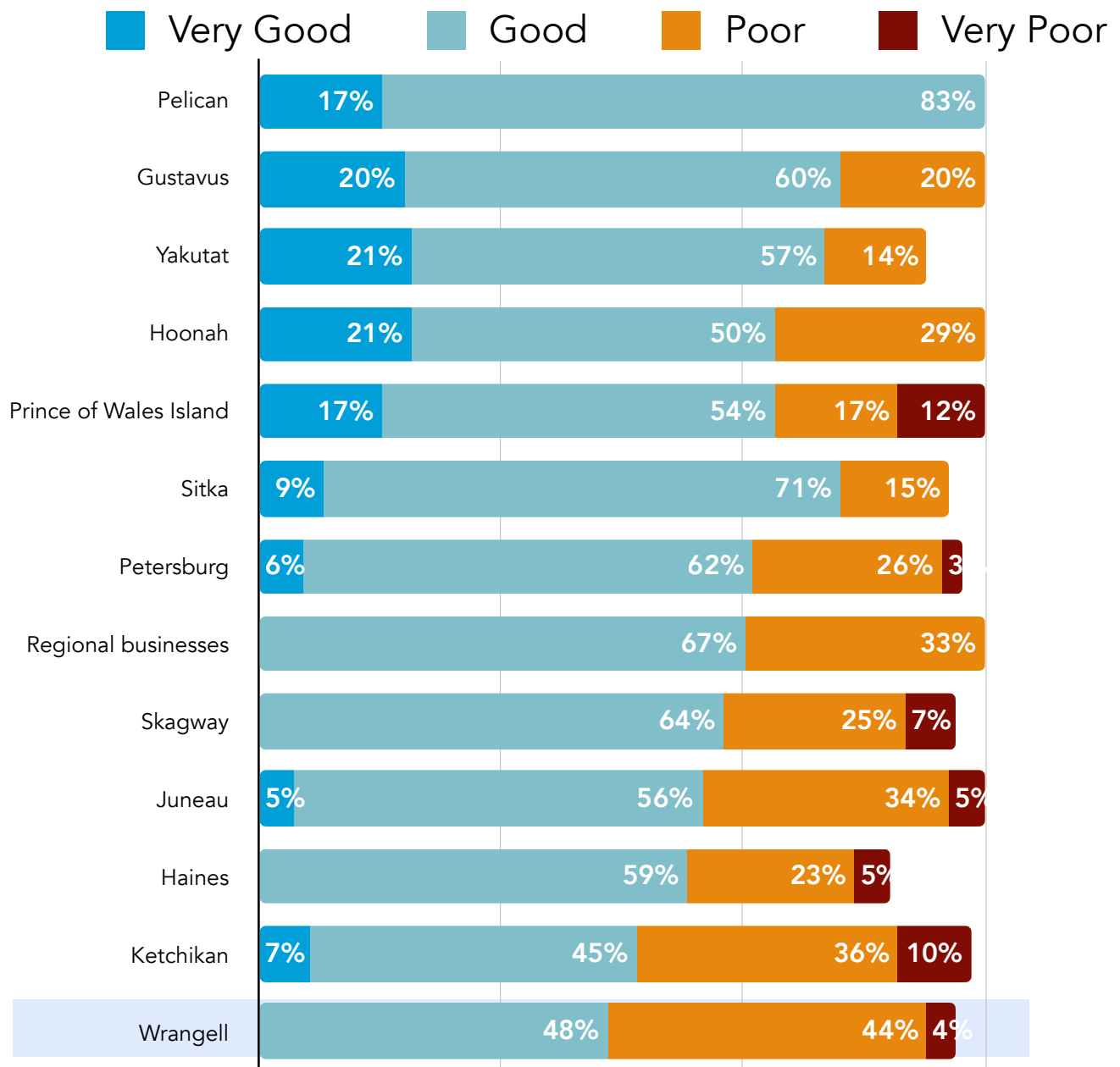
Wrangell Now

Wrangell's business climate was the most negative in the region in 2022, with 48% having a positive view on the current economy, and 48% calling it poor or very poor. The comparatively poorer rating was led by those in Wrangell's blue economy, fishermen and maritime workers, who were more like to say the business climate was poor than good.

Southeast **Business** Climate Survey Results 2022: **by Community**

The graphic below shows how the current regional business climate is being experienced by business leaders in each community. The region's smallest, most rural communities have the most positive views of the economy, led by Pelican, Gustavus, Yakutat, Hoonah, and Prince of Wales. Wrangell and Ketchikan

May **2022** Southeast Alaska: **How do you view the overall business climate right now?**

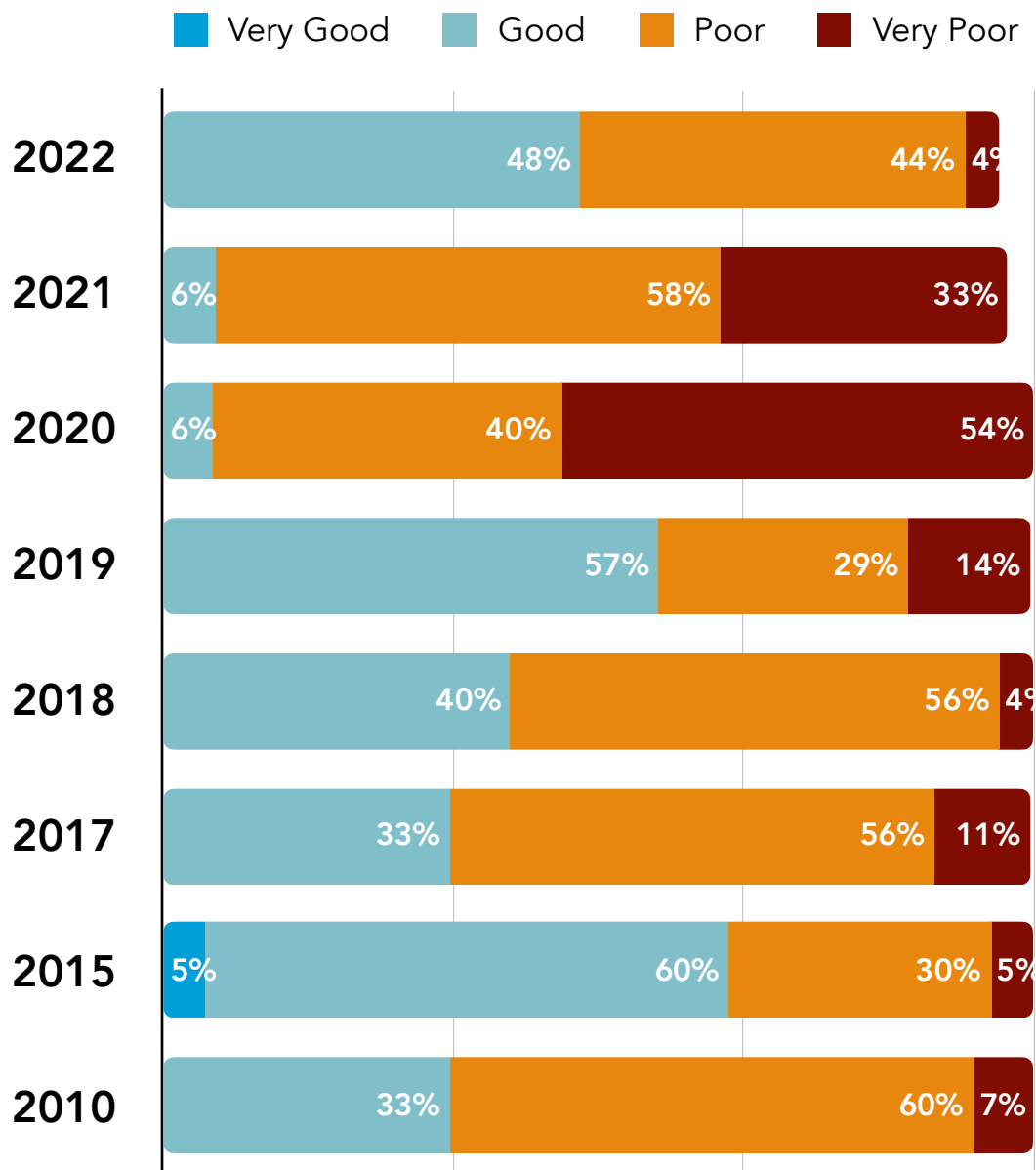


The "don't know" category has been excluded from this chart.

Wrangell Business Climate Survey Results by Year

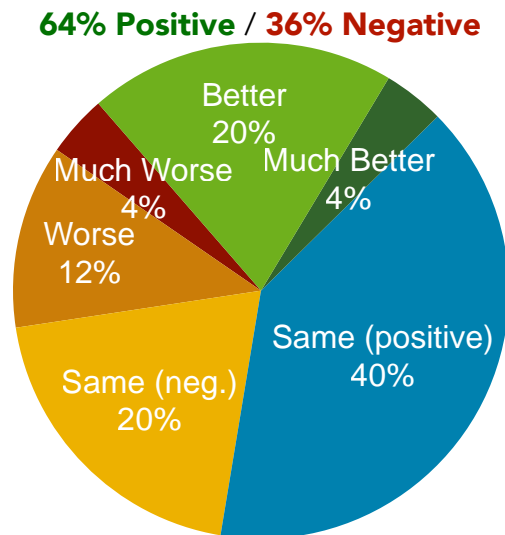
Looking back at previous business climate reports for Wrangell puts 2022's results in perspective. Since 2010 only two years, 2015 and 2019, had better business climate reports for the community.

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

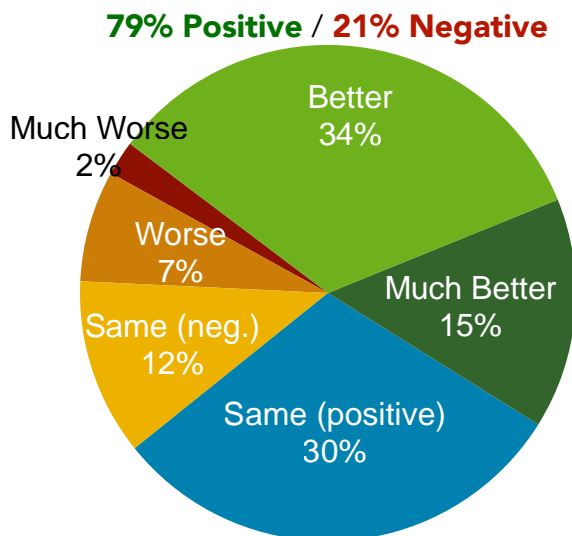


Wrangell Economic Outlook

2022 Wrangell Alaska: **What is the economic outlook for your business/industry over the next year (compared to the previous year)?**



2022 Southeast Alaska: **What is the economic outlook for your business/industry over the next year (compared to the previous year)?**

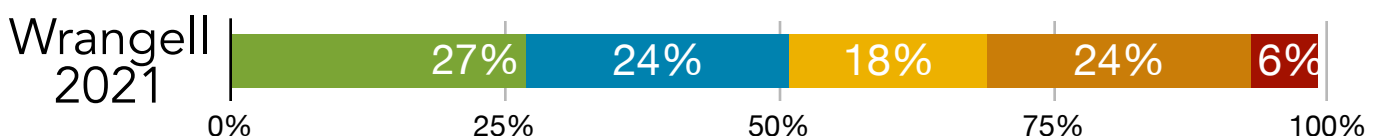


Southeast Alaska Economic Outlook

Economic Future: In 2022, four-fifths of regional respondents described the economic outlook for their business or industry over the next 12 months as positive. This represents a dramatic change in a positive direction over the last two pandemic years.

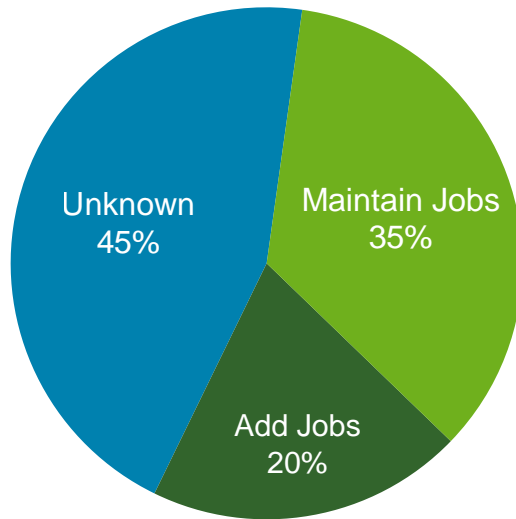
Half of survey respondents expect their prospects to be better (34%) or much better (15%) over the next year, and 30% expect their prospects to be similar in a positive way. Only 9% expect the outlook for their businesses to decline in the coming year.

Wrangell Future: Two-thirds of Wrangell business leaders have a positive outlook regarding the next year, including 24% who think it the economic outlook will be better or much better. Similar to the business climate question, in 2022 the outlook of Wrangell business leaders had the highest negative rating of any community in the region. Still, it represents an improvement over 2021 survey findings, in which 48% of respondents had a negative outlook.

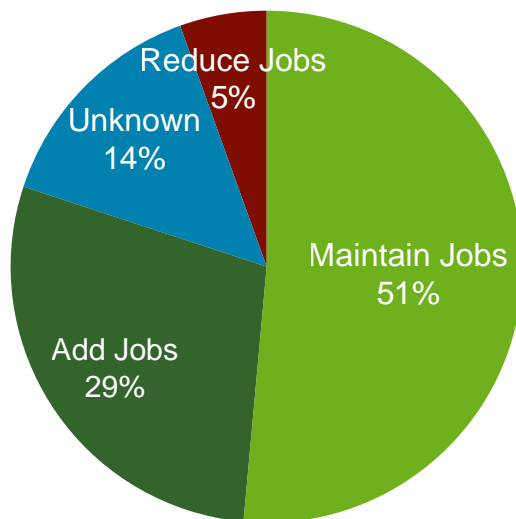


Wrangell Job Projections

2022 Wrangell: Over the next 12 months, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure (For those businesses with staff)



2022 Southeast Alaska: Over the next 12 months, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure (For those businesses with staff)



Southeast Alaska Economic Outlook

Southeast Jobs: When asked about staffing expectations, nearly one-third of regional businesses expect to add employees, and more than half of business leaders (51%) expect to maintain job levels in the coming year. Just 5% of business leaders expect to reduce staffing levels in the upcoming year.

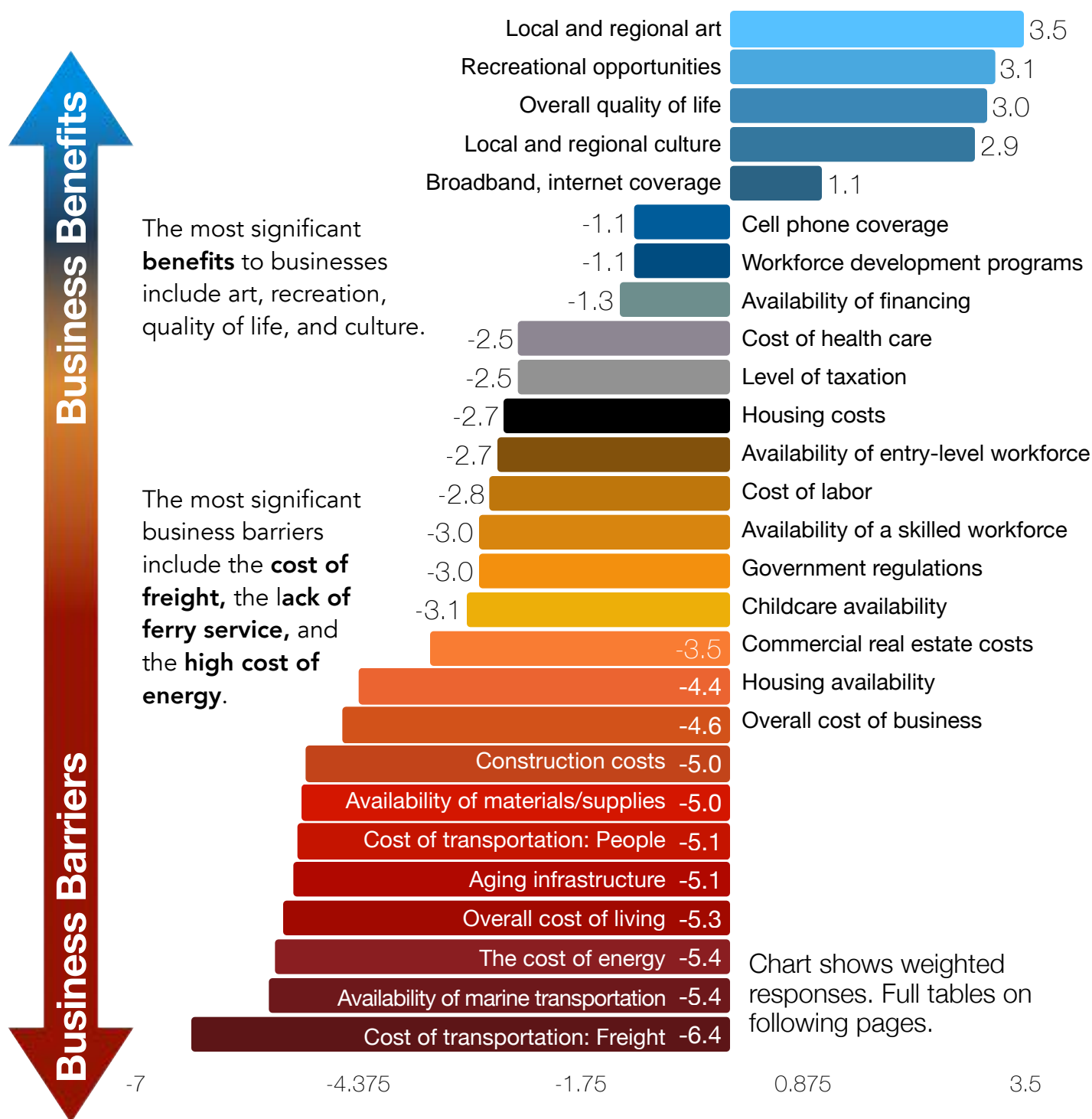
The expected job gains will be most significant in Alaska Native Organizations, mining, and financial sectors.

Wrangell Jobs: While no business leaders in Wrangell said that they expect to make job cuts moving forward, Wrangell business leaders expressed tremendous uncertainty regarding their job outlook, the highest uncertainty levels in the region. Nearly half (45%) said they could not yet project if they would be hiring, firing, or maintaining staffing levels. A fifth (20%) of Wrangell employers expect to add jobs in the coming year, while approximately a third expect to maintain current employment levels.



Barriers and Benefits: How do these elements impact your Wrangell business?

Wrangell business leaders were asked to rank the impact of 27 elements on their businesses. This is a weighted ranking of their responses.



Barriers and Benefits: How do these elements impact your Wrangell business?

Wrangell business leaders say Wrangell's art, recreation, overall quality of life, and culture benefit their businesses the most; while the high costs of freight transportation, the lack of ferry service, and energy costs represent the most significant business barriers.

Wrangell Alaska Business Barriers and Benefits					
Element	Significant Benefit	Moderate Benefit	Not A Barrier Or Benefit	Moderate Barrier	Significant Barrier
Cost of transportation: Freight	0%	0%	9%	17%	74%
Availability of marine transportation	0%	4%	9%	26%	61%
The cost of energy	0%	0%	17%	22%	61%
Overall cost of living	0%	0%	9%	39%	52%
Aging infrastructure	0%	0%	17%	26%	57%
Cost of transportation: People	0%	0%	13%	35%	52%
Availability of materials/supplies	0%	0%	9%	43%	48%
Construction costs	0%	0%	4%	52%	43%
Overall cost of business	0%	4%	9%	43%	43%
Housing availability	0%	0%	23%	32%	45%
Commercial real estate costs	0%	0%	30%	35%	35%
Childcare availability	0%	0%	52%	4%	43%
Availability of a skilled workforce	0%	9%	26%	35%	30%
Government regulations	0%	9%	26%	35%	30%
Cost of labor	0%	0%	27%	55%	18%
Availability of entry level workforce	0%	9%	27%	36%	27%
Housing costs	0%	9%	39%	17%	35%
Level of taxation	5%	5%	27%	36%	27%
Cost of health care	0%	4%	39%	30%	26%
Availability of financing	0%	26%	30%	22%	22%
Cell phone coverage	9%	22%	17%	30%	22%
Workforce development programs	4%	9%	43%	26%	17%
Broadband, internet coverage	22%	17%	22%	35%	4%
Local and regional culture	26%	22%	43%	9%	0%
Overall quality of life	30%	39%	9%	22%	0%
Recreational opportunities	30%	26%	30%	13%	0%
Local and regional art	32%	23%	41%	5%	0%

How would you rate the **Quality of Life** in Southeast Alaska?

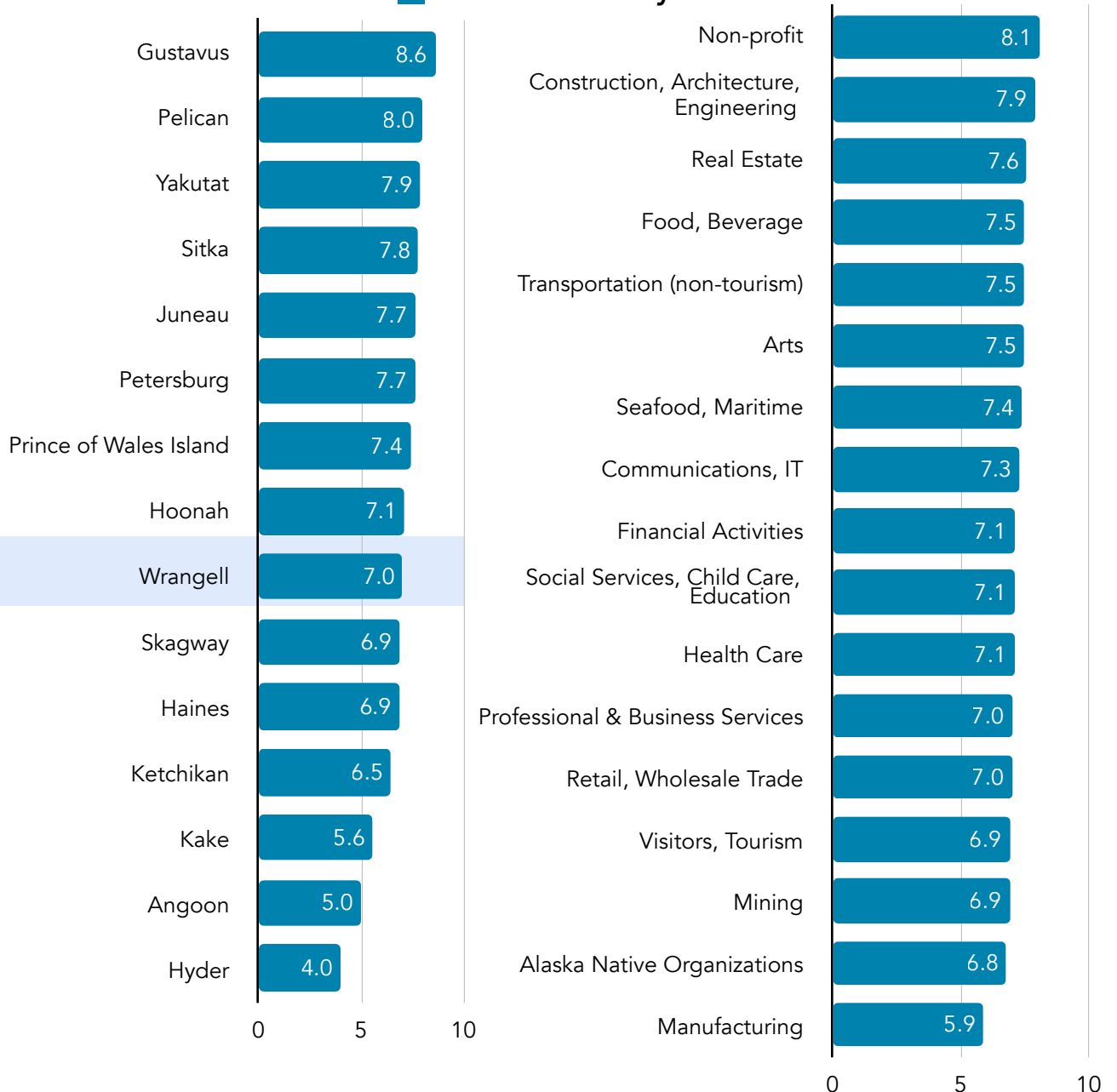
Southeast Alaska is known for its high quality of life ratings. Among business leaders, the overall quality of life rating is 7.2 out of 10. Gustavus, Pelican, and Sitka business leaders gave their region the highest ratings, while Kake, Angoon, and Hyder have the lowest. Those in the nonprofit sector and the construction/architecture/engineering sector provide the highest ratings, while those in tourism, mining, Alaska Native organizations, and manufacturing provide the lowest ratings. Wrangell's quality of life rating ranks #9 among 15 communities.

7.2
SE Quality of Life

By Community

By Industry

■ Southeast Quality of Life

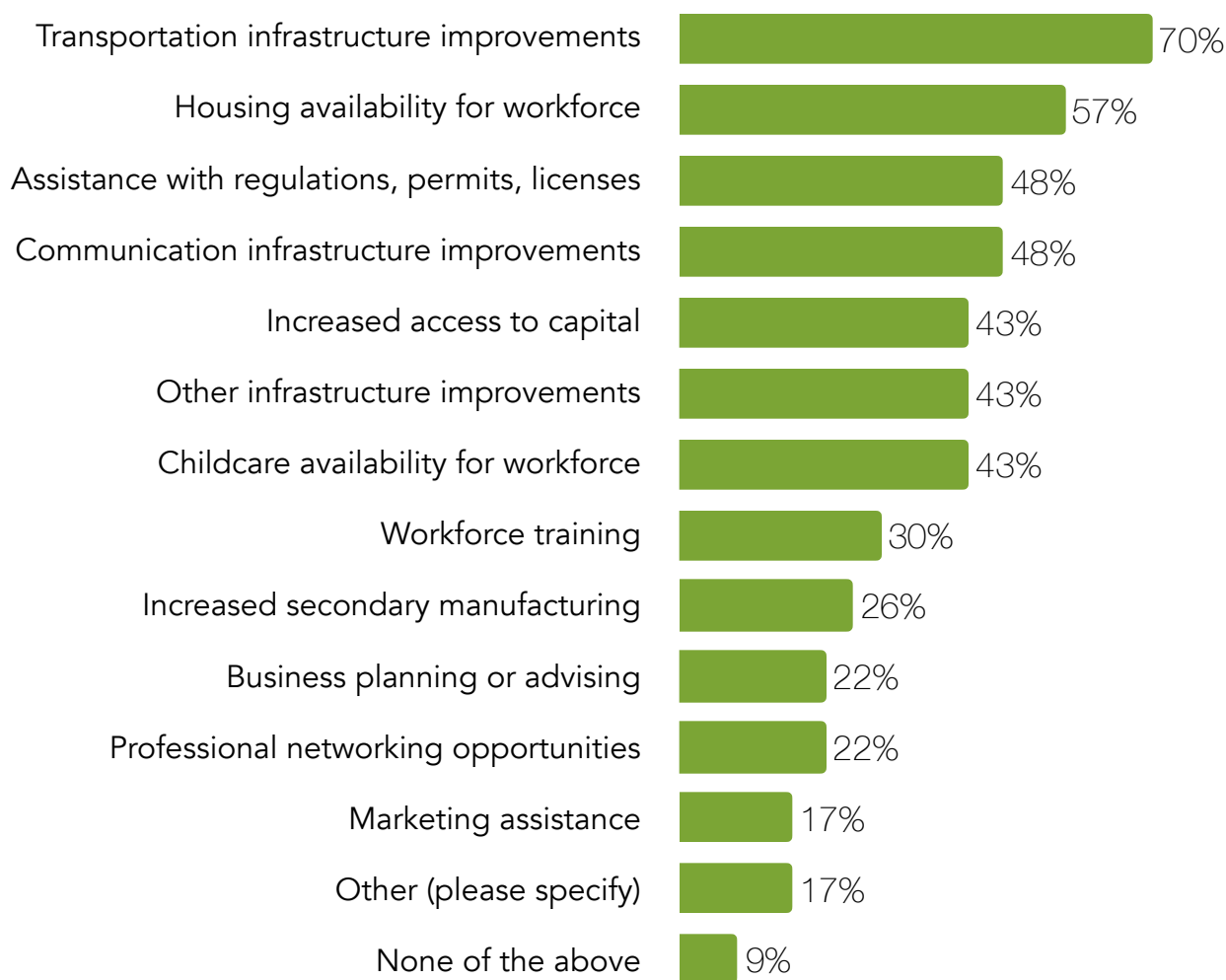


Which of the following services would help your organization expand in Wrangell?

(check all that apply)

Wrangell business leaders were asked to signify which services, if offered, would help their businesses expand the most. The top three responses included 1) Transportation infrastructure improvements; 2) workforce housing; and 3) assistance with permitting/regulations.

Services That Would Help Wrangell Businesses Expand



Housing: Which of the following impact your business? (check all that apply)

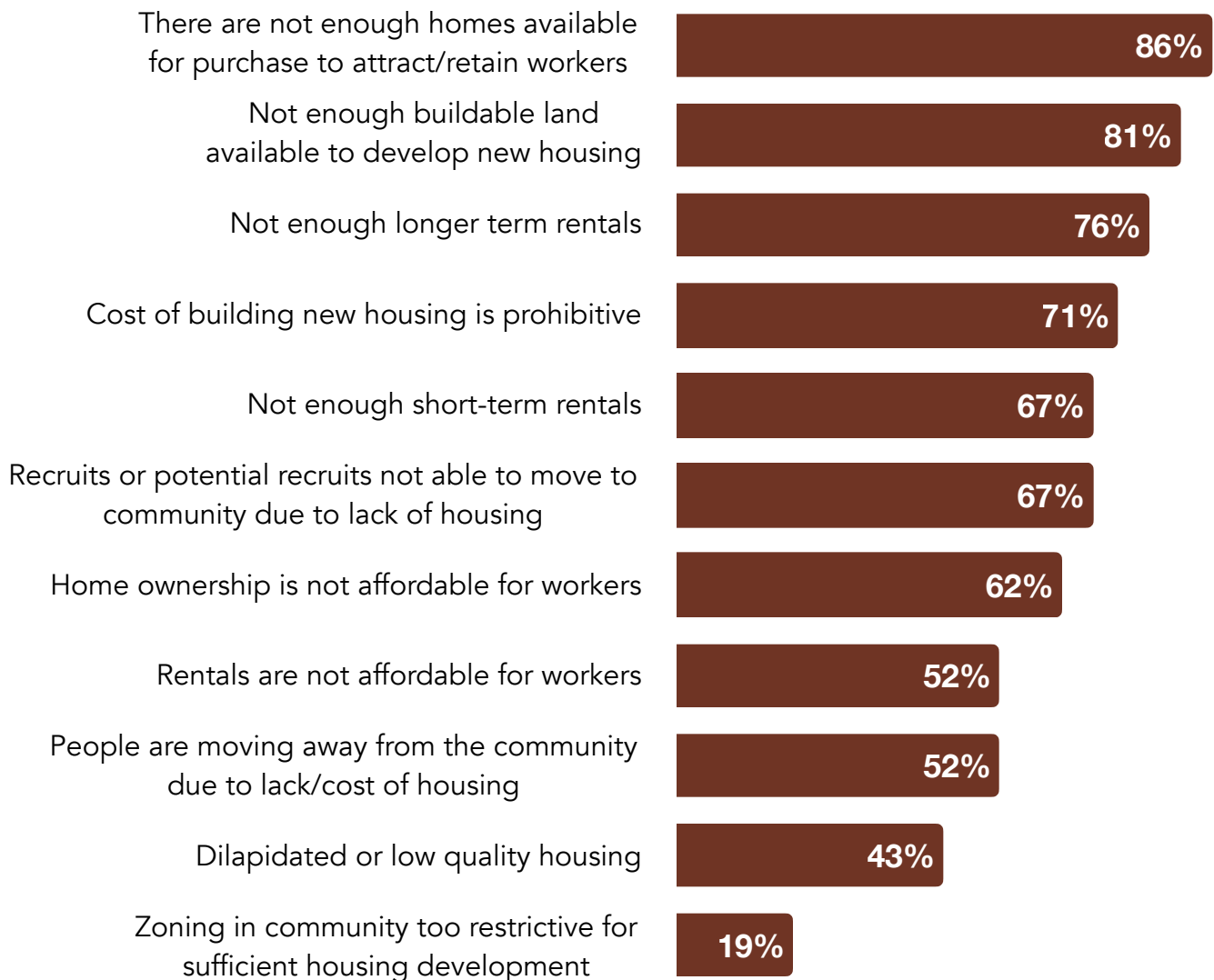
Housing is a problem repeatably mentioned by leaders in Wrangell. To better understand the scope of the problem, business leaders were asked to identify which housing issues specifically impact their own business.

Not Enough Housing: 86% say attracting and retaining workforce is difficult due to lack of housing; and 76% say there are not enough rentals for workers.

No Place to Build: 81% say that there is not enough buildable land available.

Construction is Expensive: 71% say the cost of building new housing is prohibitive.

Housing Elements Impacting Wrangell Businesses

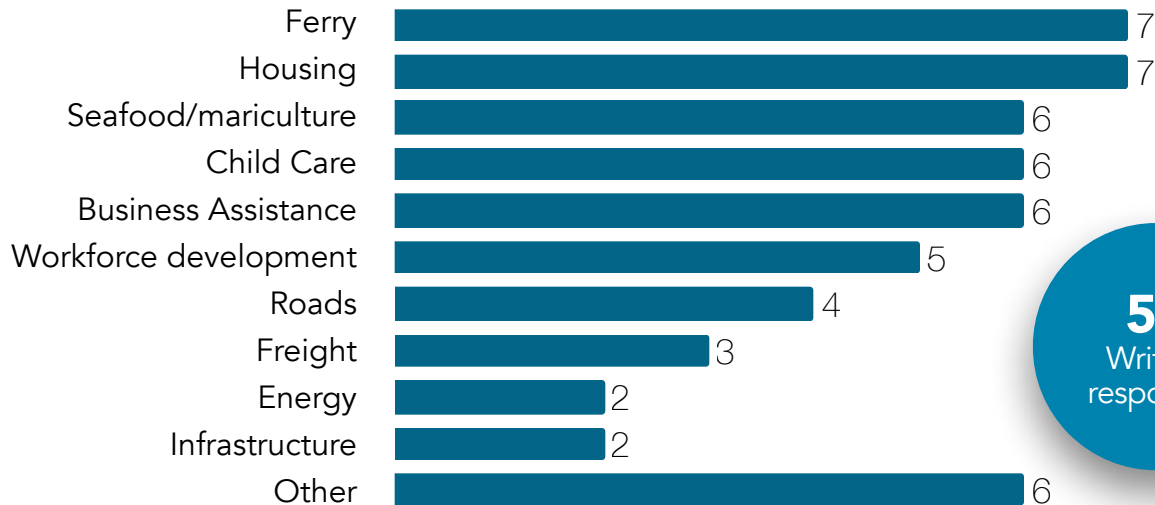


What are the 3 most important projects to advance economic growth in Wrangell?

(Open-ended written responses)

When asked about the most important project in Wrangell that would advance economic growth, the top responses were focused on ferry service and housing development. Respondents provided 54 written responses to this prompt. Full responses are presented below.

Summary of written responses by topic area



54
Written
responses

Ferry

- Improve the ferry system with the additional funds from US infrastructure package
- Reliable ferry service, including outlying areas
- Robust and reliable Alaska marine highway
- More ferries
- Fix and maintain our ferry system
- Improve transportation into smaller communities.
- Transportation

Housing

- Affordable housing, land must be more available. Not enough in public hands or local govt hands to sell to the private public
- Housing
- All kinds of housing
- Housing
- Open up land to build on
- Build more infrastructure for housing and support for workers
- Cost of living (housing, food, energy)

Seafood

- Support for shellfish & seaweed hatcheries
- Aquaculture
- Mariculture development
- Easier seafood marketing more fresh markets
- Ensure the economic viability of the seafood industry
- Recruitment for seafood processing jobs

Child Care

- Affordable, yet high quality childcare
- Child care
- Childcare
- Childcare options
- State permits for child care facilities need to be overhauled
- State Funding of schools, healthcare, senior care, child care & other critical services

Business Development

- Expand the knowledge base for businesses
- Funding opportunities
- Create a series of loan programs for very small businesses to access capital for projects such as housing infrastructure
- Lending to a new business
- Marketing assistance
- Invest in manufacturing and technology

Workforce Development

- support skilled labor job training opportunities
- workforce development
- Attract workers with experience
- Attracting/retaining businesses
- Training in the trades - possibly incentivized

Roads

- Road built on mainland
- Road to BC from Wrangell
- Road to Bradfeild
- More paved roads for owners of property

Freight

- Better and affordable marine transportation for goods
- Availability of supplies
- No monopoly on internet services and freight coming in.

Energy

- Hydro power development
- Power lines to connect to BC power lines

Infrastructure

- Replace aging infrastructure
- Infrastructure

Other

- No monopoly and better pricing on essentials
- Sustainable industries (not just extractive)
- Stop old growth logging.
- Policies to dismantle system racism
- Large commercial grade Hydroponic structures for food.
- Reduce duplicate reporting and regulation - let Agencies share applicable data.

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

Wrangell business leaders were asked to describe their economic outlooks in their own words.

- It is hard to guess what will happen in the next 6 months. Cost for people to fly or ferry to Alaska - specifically to communities that have only Alaska Air or even Alaska Seaplanes - is prohibitive. As costs rise, we look more and more toward the short cruise season for margin and profit, however we are short staffed and can't import workers because there is no available housing. There isn't even enough lodging for independent travelers. We cannot invest in growth under these conditions. Instead of a 7-10 year return, we are looking at 12-15 years, which is poor financial planning.
- Our business mission is to create housing. The cost of materials has skyrocketed which is very concerning given we are doing a renovation right now. Without housing we are detaching people from coming here to work/raise families, etc. We also have housing that is substandard which people don't consider substandard because they are not familiar with a higher standard - a healthier standard.
- Business looks very bad due to inflation, costs of goods and services, freight getting product to the consumer. Monopoly on services regarding internet, freight, cable phone services, grocery prices, property taxes and mill rate too high along with other services water, sewer, electric and garbage and City and States over spending.
- Fishing. It seems the Charter people fishing are dominating overtaking the fishery, letting too many fish get shipped out of state with no record.
- Much of the outlook has to do with how successful the upcoming travel and tourism season might be. Covid-19's impacts were devastating, and we are hopeful to have visitors again. We are so impacted by the cost and difficulty in moving ourselves, products and customers throughout the region. The pathetic Alaska Marine highway service is crippling to our region and commerce.
- Hopefully we will build a new warehouse to expand our business.
- It would be incredibly helpful to have a directory of growth/business consultants for hire. We need someone who can look at Wrangell's priorities that the Tribe can help with (expanded tourism, healthcare, and cultural education), and help design a plan for the next 2-5 years. Our Council has been overwhelmed with the amount of money and choices that the pandemic brought.

- It's been hard finding deckhands and expanding our business due to the increase in prices of goods and fuel. All the finding is for 2020 decline in earnings but 2021 was harder on our business as we struggled to find trained deckhands available to work and shipping and fuel prices went up. Crab sticks were down and now our winter shrimp season is being cut this year and no compensation or grants for 2021.
- Market prices look better, however, returning salmon stocks are still very uncertain (climate change related?)
- The cost of freight to get materials and move product is challenging.
- Fuel prices are going to really slow down economic growth.
- Government costs to provide services is increasing due to aging infrastructure, increased employee costs, supply chain issues, and cost of transportation. In order to improve services and replace or maintain infrastructure, government is needing to increase fees for services - many of these fees have not been increased as necessary over the years, and thus an added burden is being placed on residents to pay for the actual costs of the services provided. Attitudes, financial security is threatened.
- Things have been very difficult since the beginning of the year. Our package count for our business has been down quite a bit. If things don't pick up, I will need to get a second job.
- We cannot work to potential with aging infrastructure and a gutted state retirement program. There are fewer reasons to invest in Southeast. Especially as costs increase.
- I operate an Airbnb in the basement of my home. It is not complex but serves to pad my income as mostly retired.
- I'm hoping to have more business. But the cost of living is so high I'm not sure I can afford to keep my BNB open at an affordable rate for visitors.
- While the travel and tourism industry in Alaska has a great outlook because people want to travel again, we are plagued by the same issues as the rest of the country/world, IE lack of available and willing employees in the pool and issues with supplies in order to keep equipment operating.
- Without financial support from local, regional or state funding, we will close in 4 years because without that funding we don't meet guidelines for federal funding.