

Wrangell Visitor Economy

By the Numbers



A Publication by
Rain Coast Data

Wrangell Convention and
Visitors Bureau
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Visitor Overview

In the summer of 2014, an estimated 14,720 tourists came to Wrangell. This represented a 26% increase (3,020 more tourists) over 2011. These tourists spent an estimated \$4.1 million in Wrangell last summer.

Wrangell is an attractive visitor destination, although it differs from other destinations in the region in that its visitors are more likely to be independent travelers rather than off of a cruise ship. Wrangell's charm includes a "working waterfront" rather than a set of retail focused tourism shops. The areas surrounding Wrangell provide many opportunities for nature based tours and wildlife viewing. The most popular visitor destination is Anan Creek, known for its world-class bear viewing. Anan—located 35 miles southeast of Wrangell—has been steadily gaining in popularity as a place to watch the grizzly and black bears that congregate between early July and late August to take advantage of Southeast's largest pink salmon spawning event. Other popular visitor activities in Wrangell include visits to the Stikine River Wilderness Area, the LeConte Glacier, Chief Shakes Island, and Petroglyph Beach State Historic Park—with the highest concentration of rock engravings in Southeast Alaska.

Employment

As the second largest private sector industry (the first is maritime) tourism is a clear economic driver in the community. In 2013, visitor industry employment made up 8% of all annual average jobs in Wrangell, accounting for 100 jobs with associated workforce earnings of \$1.7 million. (Note: Since annual average employment measures monthly jobs on an annual basis, a visitor industry job that lasts three months counts as one-quarter of an annual average job). The visitor industry accounted for 4% of total Wrangell workforce earnings in 2013.

This sector is smaller in Wrangell than the region as a whole, which represents 15% of all jobs and 8% of all employment earnings for Southeast Alaska. During the past three years, while visitor industry employment has grown by 14% across the region as a whole, visitor industry employment in Wrangell actually dipped slightly—possibly due to a decrease in non-tourist visitor traffic outside of the summer months.

Change in the Visitors Industry

Over the past five-years, overall visitor indicators have increased significantly, due to increased summer tourism (May through September). However, there has been decrease of visitors during the non-summer seasons. Despite such strong growth in the summer tourism season, and an increase in summer hotel room nights of 8% between 2010 and 2014, total annual room night rentals were down by 16% during that same period, and “off season” hotel room use was down by 35%. Therefore the increase in summer visitation was offset by losses to year-round visits by business travelers (such as those involved in local construction projects). The result of this was a flat visitor services labor market. Wages in the visitor industry increased by three percent between 2010 and 2013, while total visitor industry employment was down slightly.



Wrangell's Visitor Industry By the Numbers

	Year (2010 or 2011)	Year (2013 or 2014)	% Change
Air, Cruise, Ferry, Yacht Passenger Arrivals	2010	2014	Change 2010-2014
Air Passenger	10,587	11,932	13%
Summer Only Air Passengers	5,588	6,333	13%
Large Cruise Ship Passenger Arrivals	3,869	5,171	34%
Small Ship Passenger Arrivals (capacity not actuals)	2,910	2,925	1%
Alaska Marine Highway System	7,325	6,803	-7%
Summer Only Passengers	3,954	3,637	-8%
Total Yacht Visitors (estimate)	960	1,220	27%
Total Passenger Arrivals via Air, Cruise, Ferry & Yacht	25,651	28,051	9%
Summer Visitors to Wrangell	2011	2014	Change 2010-2013
Total Summer Visitors	11,700	14,720	26%
Cruise (10,000+ passengers expected for 2015)	5,500	8,100	47%
Yachters (estimate based on total summer yachts)	950	1,220	28%
Air (estimate based on total summer air arrivals)	2,850	3,200	12%
Ferry (estimate based on total summer ferry arrivals)	2,400	2,200	-8%
Total Summer Tourist Spending	\$3.0 million	\$4.1 million	+36%
Summer Yacht Traffic	2010	2014	Change 2010-2014
Total Yacht Arrivals	310	377	22%
Average yacht length	46.4	49.0	6%
Average days Yachts visited	2.3	2.3	0%
Total Yacht Visitors (estimate)	960	1,220	27%
Total Yachter Spending (avg. \$223 per person)	\$223,700	\$284,500	27%
Summer Visitor Activities	2010	2014	
Anan Creek Bear Viewing (Wrangell origin only, season only)	1,389	1,708	23%
Anan Bear Viewing Direct Fees	\$385,200	\$487,300	27%
Anan Bear Viewing Total Visitor Spending est.		\$1.36 million	
Hotel Room Nights	2010	2014	Change 2010-2014
Summer only room rental nights (excluding gov't workers)	3,484	3,768	8%
Non summer hotel room rental nights (all types)	3,243	2,114	-35%
Government only hotel room rental nights	2,017	1,110	-45%
Jobs and Earnings	2010	2013	Change 2010-2013
Visitor Industry Employment <small>(excludes self employed)</small>	88	85	-3%
Total Visitor Industry Wages/Earnings <small>(excludes self employed)</small>	\$1,413,226	\$1,461,237	3%
Total Visitor Industry Employment 2013 <small>(includes self employed)</small>	NA	100	-
Total Visitor Industry Workforce Earnings <small>(includes self employed)</small>	NA	\$1.7 million	-
Peak Visitor Industry Employment <small>(includes self employed)</small>	121 June	137 July	12%
Total Visitor Industry Businesses <small>(excludes self employed)</small>	15	16	8%

Summer Visitation and Spending Analysis

In 2014, an estimated 14,720 summer tourists visited Wrangell and spent an estimated \$4.07 million in the local economy. This includes expenditures on accommodations, food, excursions, and shopping. Across all visitor arrival modes, visitor spending was calculated at \$233 per person per day for 2014. Cruise visitors represent more than half (55%) of all tourists, but represent just under a quarter (23%) of all estimated summer visitor spending. Independent visitors (those staying overnight in Wrangell) are estimated to have spent \$3.1 million during the summer of 2014.

Summer Visitors to Wrangell 2014

	2014	Total Estimated Summer Visitor Spending 2014
Total Visitors	14,720	\$4.07 million
Cruise Passengers	8,100	\$950,000
Yachters	1,220	\$284,500
Visitors by Air	3,200	\$1,794,000
Ferry	2,200	\$1,042,000

Total visitor numbers grew by 26% between 2011 and 2014. Cruise passengers numbers increased the most (47%), followed by number of people arriving on private yachts (28%).

Summer Visitors to Wrangell 2011 & 2014

Summer Visitors to Wrangell	2011	2014	% Change 2010-2013
Total Visitors	11,700	14,720	26%
Cruise	5,500	8,100	47%
Yachters	950	1,220	28%
Air	2,850	3,200	12%
Ferry	2,400	2,200	-8%

Summer Spending by Category

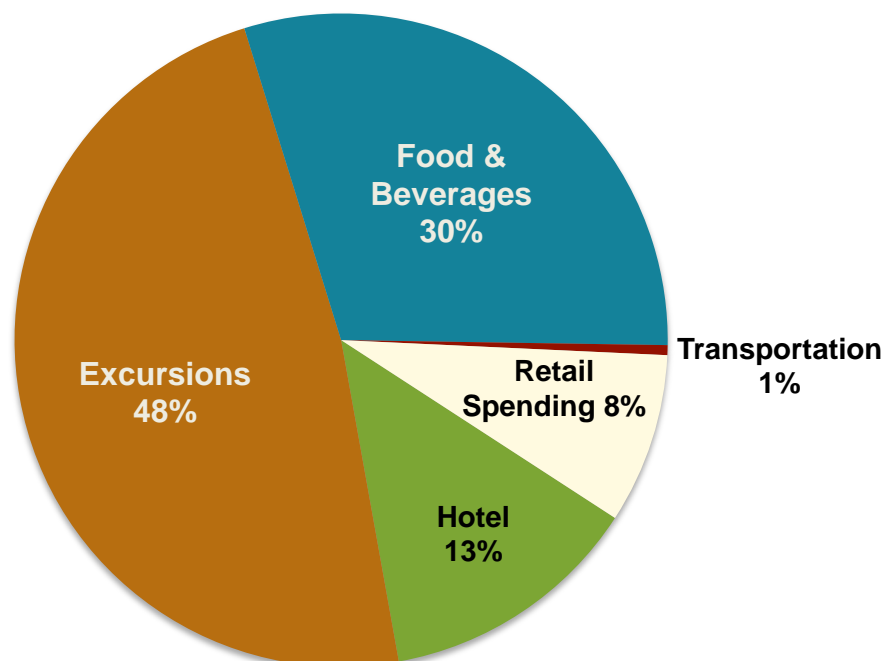
Rain Coast Data developed an estimate of summer visitor spending by category using local sales tax records for retail spending, bars, restaurants; transient tax database actuals for hotel rooms; Anan ticket fee actuals; Nolan Center receipts; estimates for other trips using operator survey data, and other executive interviews, research, and data analyses.

Of the \$4.07 million in summer spending by visitors, an estimated \$2 million (48% of all spending) was spent on excursions. Visitors spent \$1.2 million on food and beverages, over a half million dollars on hotel rooms, and more than one third of a million dollars on retail and gift spending.

Total Summer Visitor Spending

Summer Spending by Visitors by Category	2014
Total estimated summer spending	\$4.07 million
Hotel	\$530,000
Excursions (Anan, Stikine, LeConte, fishing, kayaking, flightseeing, water taxi – actuals + estimates)	\$2.0 million
Food, Alcohol, Coffee	\$1.2 million
Retail Spending and Transportation (excluding transportation to and from Wrangell, water taxi transportation, and excursions)	\$353,000

Total Summer Visitor Spending By Percent



Anan, Stikine, LeConte Tours Analysis

In 2014, ten Wrangell based companies provided tours to Anan – and most of these also provided excursions to the Stikine River and the LeConte Glacier.

These businesses include the following:

- **Alaska Charters and Adventures**
- **Alaska Peak and Seas**
- **Alaska Vistas**
- **Alaska Waters**
- **Aqua Sports**
- **Breakaway Adventures**
- **Southeast Alaska Fly Fishing**
- **Stickeen Wilderness Adventures**
- **Summit Charters**
- **Sunrise Aviation**

According to the US Forest Service, these Wrangell based operators provided 1,708 guided Anan bear viewing tours during the Anan permit season, from July 5 – August 25th annually. This represents a 23% increase over 2010—but an 8% decrease from the previous summer of 2013. (The decrease appears to have been weather related).

Anan Creek Bear Viewing: Wrangell Origin, Guided Tours During Season

2010	2011	2012	2013	2014
1,389	1,491	1,636	1,856	1,708

In addition to the Wrangell based providers, four large yachts located in the region brought 143 visitors to Anan last summer. Anan Creek was also visited by an additional 831 people in the 2014 Anan season. Most of these were guided visitors that originated from communities outside Wrangell, but also included a small number of tourists visiting Anan Creek independently, without a guide.

Anan Creek guided visits that did not occur during the Forest Service defined permit season were not included in this analysis. A week before or after the permit season can be an important revenue generation time period, but the reliability of viewing bears can fluctuate from year to year due to the timing of spawning salmon and river levels. Officials with the Forest Service explain that use before and after the defined permit period is generally confined to residents along with their visiting family and friends. The potential lack of spawning

salmon in Anan Creek in early July mean that bear activity is at a minimum, and would not be sufficient to drive those interested in bear viewing to visit Wrangell before July and after August.



In addition to Anan Creek visitations, tourists participated in guided tours of the Stikine River and the LeConte Glacier. Other visitor excursions included sport fishing, flightseeing, kayaking, travel by water taxi to cabins and trails or other destinations, and other miscellaneous guided tours. Together, visitors spent an estimated \$2 million on all tours in 2014.

Stikine River, LeConte Glacier Tour Analysis

Rain Coast Data originally attempted to contact all operators to determine actual data for Stikine, LeConte, and other tours to combine with the actual Anan data. However, this data proved time consuming to collect. For this reason the numbers below were estimated based on a report entitled "Nature-Based Tourism in Southeast Alaska, 2009" by ISER, which conducted extensive field work in Wrangell to collect this data. For purposes of analysis, it was assumed that the number of visitors for each of these tours increased by the same proportion as the Anan tours. Tour costs were determined by using the average tour rate posted on the websites of the local operators. The average tour costs currently posted (April 2015) include the following:

- **Anan Bear Viewing: \$280 (Range: \$250-\$328)**
- **LeConte Glacier: \$250 (Range: \$190-\$270)**
- **Stikine River: \$219 (Range: \$140-\$275)**

According to the ISER study, in 2006 fourteen Wrangell tourism companies offered activities from jet boat tours to kayak rentals to bear viewing trips. Based on assumption that tour participation rate grew by 18% during this timeframe, an estimated 6,828 total tours were sold in 2014, generating \$1.59 million in ticket fees. (Note, the original Rain Coast Data estimate based on interviews with participating operators was \$1,493,000 and 6,400 tours sold. While this interview methodology relied on too many assumptions, and was less defensible, the fact that these numbers are close provides more credibility to both estimates.)

Anan, Stikine, LeConte Tours Analysis

Summer Visitors to Anan, Stikine, LeConte (guided by Wrangell tour operators)	2006 Study	2014 Estimates
Anan Visitors (during season)	1,447	1,708
Anan Tour Cost	\$304,448	\$487,292
Stikine Visitors (est.)	3,796	4,481
Stikine Tour Cost	\$731,998	\$940,050
LeConte Visitors (est.)	542	640
LeConte Tour Cost	\$118,211	\$159,621
Total Tours Sold	5,785	6,828
Total Tour Cost	\$1,154,657	\$1,586,963

Anan Creek Bear Viewing Independent Visitor Expenditures

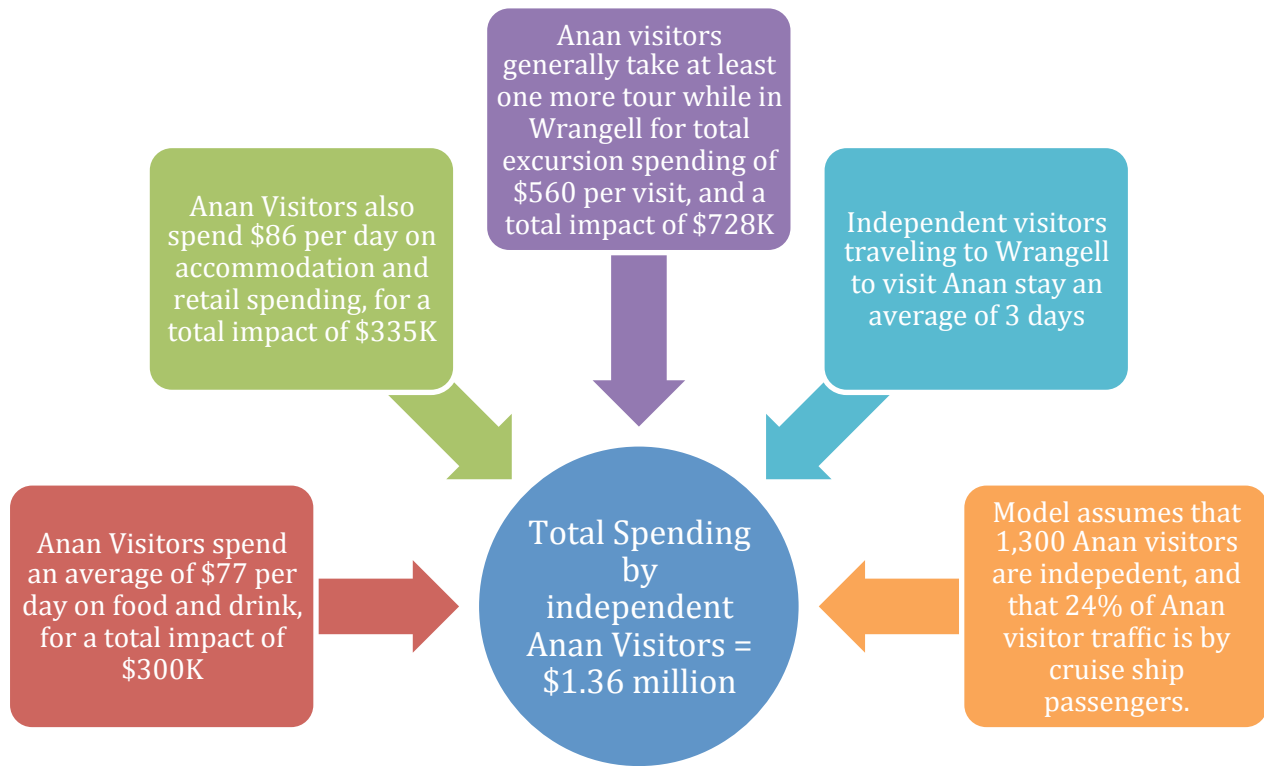
Based on interviews with primary service providers in the Wrangell visitor industry independent (non-cruise) visitors to Wrangell spend an estimated \$60 per day on food, including \$10 on breakfast, \$15 on lunch, and \$35 on dinner, on average. Coffee and alcohol expenditures are estimated at \$18 per day per visitor. Shopping opportunities in Wrangell are limited, and tourism operators estimated visitors spend \$25 per day on gifts and clothing items. Generally visitors share rooms, and the average per person per night accommodation spending is estimated at \$60. Independent visitors who come to Wrangell for bear viewing usually partake in at least one additional tour during their stay, and the average stay is generally agreed upon to be three days/nights. Based on these assumptions, visitors who come to Wrangell for bear viewing generate an estimated \$1.36 million in total spending, which is equivalent to \$1,050 per person.

Total Spending: Independent Anan Visitors

Per Person Per Day Anan Traveler Costs	2014
Food expenditures	\$60
Coffee/Alcohol	\$18
Hotel Accommodation	\$60
Retail Spending	\$25
Anan Average Cost	\$280
Excursions/Tours/Entertainment per day (other days)	\$140
Average Days	3
Total Independent Anan Visitors (est)	1,300
Total Spending	\$1.36 million
Per Person Trip Expenditures	\$1,050



Total Spending: Independent Anan Visitors



Total Anan Bear Viewing Economic Impact

Combining the total spending by independent visitors to Anan, as well as cruise visitors who partake in Anan bear viewing, the total estimated economic impact of Anan bear viewing in Wrangell was \$1.5 million last summer.

This means that more than a third (37%) of all summer tourism related spending in Wrangell is made by travelers who visit Anan on a guided trip.

Total Spending: All Anan Visitors (Wrangell Origin)

Per Person Per Day Anan Traveler Costs, all expenses	2014
Independent Anan Visitors (est)	1,300
Spending	\$1.36 million
Cruise Anan Visitors (est)	408
Spending	\$134,640
Total Anan Visitors	1,708
Total Spending	\$1.5 million

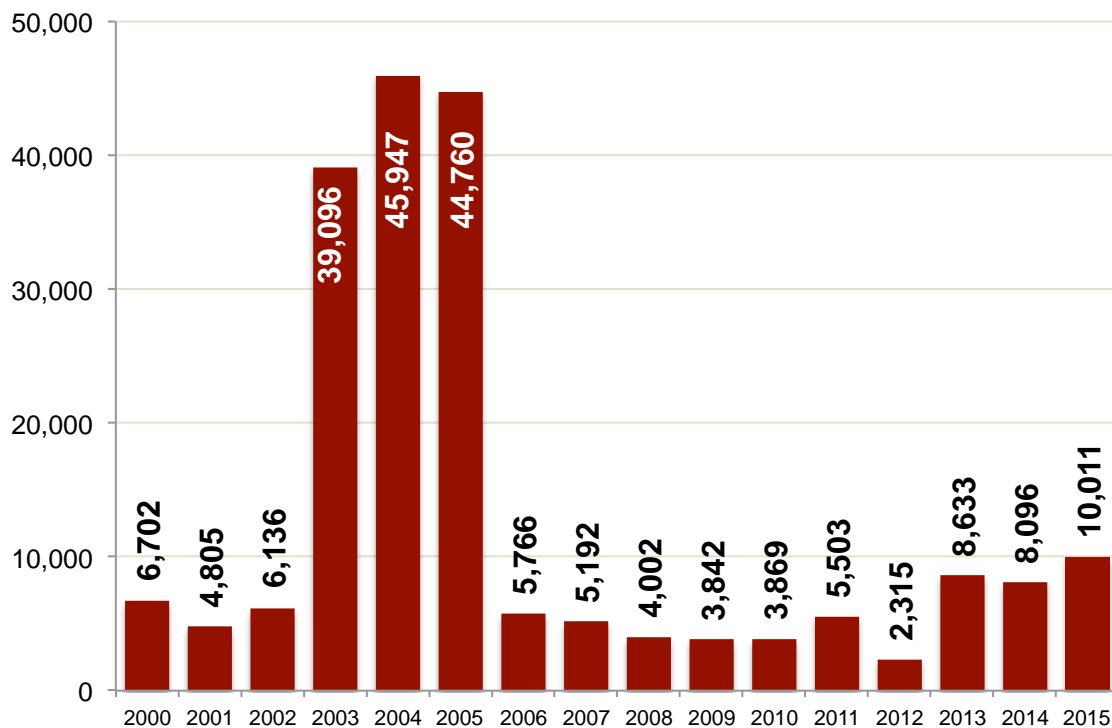
For this analysis, it was assumed that 24% of all visits to Anan Creek were made by cruise ship passengers, as opposed to independent travelers. This proportion of independent travelers to Anan Creek versus cruise passengers was determined in two ways: 1) Asking operators for an estimated percent, and applying that average to all trips (result = 23%) and 2) Analyzing the cruise ship ports of call schedule during Anan bear viewing season and assuming that 45 passengers from each of the larger cruise ships visited Anan, and that 15% of passengers from smaller cruise ships participated (this analysis was per suggestion by Forest Service staff) (result = 25%).

Cruise Passengers

In 2014, 8,096 cruise visitors came to Wrangell, a slight decrease over 2013. Four medium size cruise ships visited Wrangell in 2014: Hanseatic, Silvershadow, Regatta, and Seven Seas Navigator. Small ports such as Wrangell endure significant variance year-to-year regarding total cruise visitors. (For example in 2013, 5,000 of the 6,000 passengers were from the Regatta—which didn't visit Wrangell at all in 2012.)

In 2015, based on capacity levels of visiting ships, more than 10,000 passengers are scheduled to visit Wrangell, although actual number will be slightly less. This includes 8,202 passengers from medium size cruise ships (The Regatta, the Seven Seas Navigator, and the Silver Shadow), and 1,809 visits from those arriving on smaller cruise ships.

Total Cruise Passengers



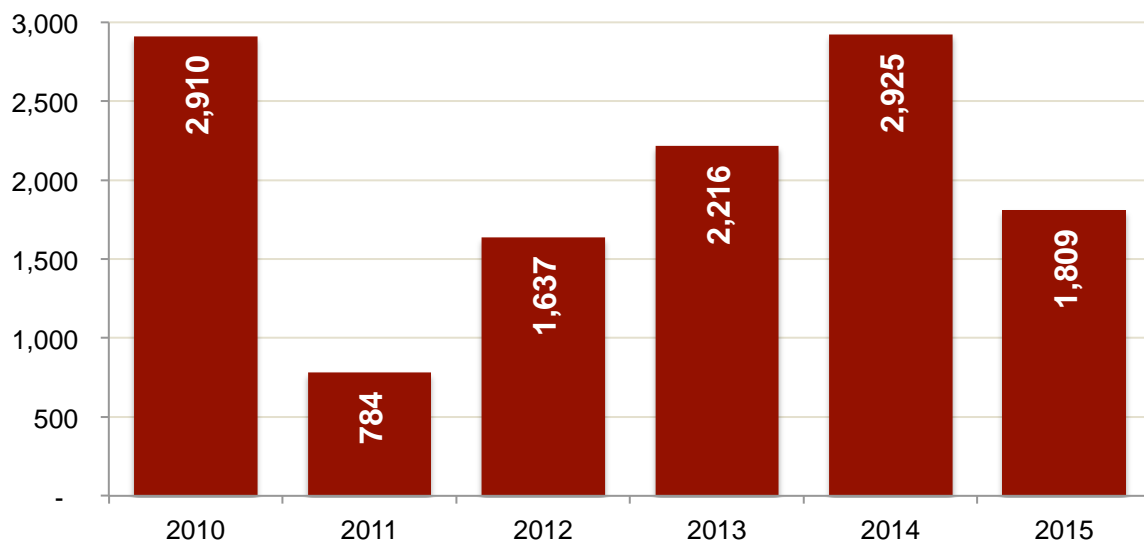
Small Cruise Ships

Small ships are an important part of the Wrangell visitor economy, and this economy experienced a disruption in 2010 when Cruise West ceased operations at the end of the summer season. Cruise West accounted for the vast majority of small ship passenger volume in Alaska. In the last four years, two small cruise companies: Allen Marine (Alaska Dream Cruises) and Un-Cruise Adventures started making port stops at Wrangell helping to rebuild the Wrangell visitor market.

The following small ships visited Wrangell in 2014: Alaska Dream, Wilderness Explorer, Wilderness Adventure, Wilderness Discoverer, Safari Quest, Safari Explorer, Safari Endeavour, and the SS Legacy.

While the number of small cruise ship passengers increased at a rapid rate between 2011 and 2014, the expected number of passengers is expected to drop by more than 1,000 visitors in 2015, and the 88-guest SS Legacy will not make any visits to the Wrangell port. Wrangell must compete with shore excursions in other Southeast Alaska communities to attract these operators.

Small Cruise Capacity



Yacht Visitors

In Wrangell, the size of yachts and length of stay are recorded for each yacht visit. In 2014 an estimated 1,220 people came to Wrangell aboard yachts, and stayed an average 2.3 days each.

(Total passengers are estimated based on yacht length. While in the future total yacht visitors will be tracked directly, for the purposes of this analysis, the following assumptions were applied after discussion with Port staff: 19ft-39ft=2 person average; 40ft-49ft=3 person average; 50ft-79ft=4 person average; 80-99ft=5 person average; 100ft-200ft=6 person average).

Total yacht visits were up by 22% in 2014 over 2010, while the average yacht visiting the community has grown by 2.6 feet. The number of average visitation days remains the same, at 2.3 days.

While it is difficult to assess exactly how much yachters spend in Wrangell without a more focused study or survey, using an average per person per visit spending estimate of \$233, it is estimated that those arriving by yacht spent \$284,500 in Wrangell last summer (excluding dock fees). This represents a 27% increase in estimated spending over 2010.

Wrangell Yacht Traffic

Year	Total yacht visits	Average yacht length	Average Days Stayed	Total Days Stayed
2009	323	45.5	1.8	557
2010	310	46.4	2.3	665
2011	411	46.0	1.8	700
2012	327	46.2	2.0	639
2013	324	50.2	2.2	700
2014	377	49.0	2.3	864
Change 2010-2014	22%	6%	0%	30%
Avg. 2010-2014	350	47.6	2.1	714

Air Passengers

In 2014, there were 11,932 air passengers arriving in Wrangell, of these 6,333 arrived during the summer (May through September). This represents a 13% increase in summer passenger arrivals since 2010. However, in 2014 arriving air passenger numbers did not increase, and even dipped slightly. This was likely in response to the fact that the number of seafood processor employees also dips in off salmon cycle years, resulting in 110 fewer employees needed last summer.

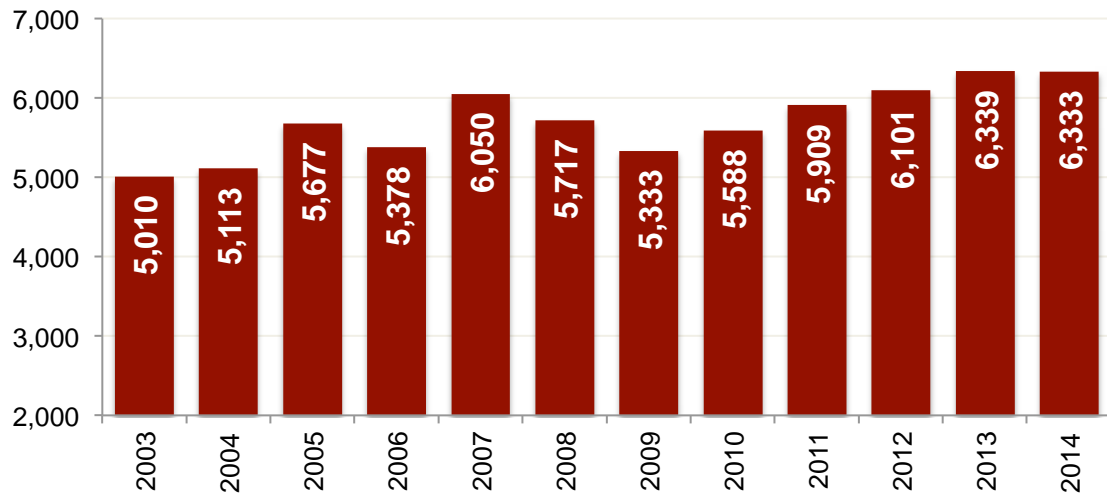
To estimate how many of these summer travelers were in fact tourists, off-season monthly travel numbers were subtracted from high season monthly travel numbers, and the number of seafood processor workers was subtracted from this figure. Using this methodology, it is estimated that half—3,200—summer air travelers visited for the purpose of recreation.

Looking at a full year of passenger data, the greatest percentage of passengers originated their Wrangell flights in Seattle (37%), while nearly a third (23%) originated their flights in Juneau, with 20% of arrivals coming from Ketchikan. Nearly 2,000 passengers—16%—arrived from Anchorage. Other arrival communities for scheduled passenger flights included Petersburg, Sitka, Klawock, and King Salmon.

Total Passenger Arrivals by Origin 2014

Passenger Origin	Passengers
Seattle, WA	4,361
Juneau, AK	2,745
Ketchikan, AK	2,446
Anchorage, AK	1,957
Petersburg, AK	376
Sitka, AK	20
Klawock, AK	18
King Salmon, AK	9
Total	11,932

Summer Airline Passengers Arriving in Wrangell (May-September)



Methodology

This analysis combines information derived through the following:

- **Interviews** with industry providers and City and Borough of Wrangell staff;
- **Datasets** from municipal, state, and federal data sources; and
- **Evaluation** of previous visitor industry research and reports.

Visitor industry employment comes from the Alaska Department of Labor, and self-employment data from the US Census. Cruise Line Agencies of Alaska and McDowell Group provided cruise passenger volume figures for the mid sized cruise ships. The City and Borough of Wrangell provided small cruise ship capacity figures and yacht traffic information. Air visitor volume was based on passenger arrival statistics from the Bureau of Transportation. The Alaska Marine Highway System provided the number people who arrived in Wrangell.

Visitor spending was estimated by applying average spending by transportation mode (cruise, air, ferry) to visitor volume figures. Average spending was estimated using passenger arrival numbers, visitor industry provider interviews and data, sale tax data, Nolan Center receipts, hotel room transient tax data, and analysis of the Alaska Visitor Statistics Program VI.

Anan, Stikine, and LeConte visitor information was derived from interviews with tour providers, data and interviews with the Forest Service, and review of ISER's publication, "Nature-Based Tourism in Southeast Alaska."

Sources

Alaska Department of Labor 2013 Employment & Wage data. Conner Bell, regional economist provided Wrangell Visitor-Related Employment numbers.

2012 US Census Nonemployer (self-employment) Statistics

McDowell Group

Cruise Line Agencies of Alaska

US Bureau of Transportation Statistics (RITA)

Alaska Marine Highway System

Datasets provided by the City and Borough of Wrangell included the following: Yacht activity, Hotel room transient tax data, sales tax data, Cruise ships port of call schedule, retail sales by the Nolan Center, etc.

Alaska Department of Labor and Workforce Development, Research and Analysis Section. Seafood Processing Workforce by Borough or Census Area.

Alaska Department of Labor. Trends Magazine September 2014. The City of Wrangell. Conor Bell.

Economic Impact of Visitors to Southeast Alaska 2010-11

Prepared by McDowell Group for the Alaska Wilderness League, August 2012.
http://www.alaskawild.org/wp-content/uploads/mcdowell_report_final.pdf

Alaska Visitor Statistics Program VI: Summer 2011 conducted by McDowell Group for Alaska Department of Commerce, Community and Economic Development. <http://commerce.alaska.gov/ded/dev/toubus/research.htm>

Nature-Based Tourism in Southeast Alaska. Darcy Dugan Ginny Fay Hannah Griego Steve Colt. ISER Paper, March 2009

Institute of Social and Economic Research University of Alaska Anchorage
http://www.iser.uaa.alaska.edu/Publications/workingpapers/WP2009%201_SEnbt_final.pdf

Executive Interviews and Dataset Providers

- Alaska Charters & Adventures— Brenda Schwartz-Yeager
- Alaska Waters—Jim Leslie
- Breakaway Adventures—Eric Yancey
- Southeast Alaska Fly Fishing—Dan Roope
- Stikine Inn—Bill Goodale
- Forest Service Wrangell Ranger District—Dee Galla
- Forest Service Wrangell Ranger District, District Ranger—Robert J. Dalrymple
- Wrangell Harbor Master—Greg Meissner
- Wrangell Economic Development Director—Carol Rushmore
- Nolan Center—Terri Henson
- U.S. Forest Service Special Use Administrator—Diane C. O'Brien
- (Additional conversations with Marjy Wood of Alaska Cruises & Vacations & Nancy Delpero)