



**Haines Economic
Indicators Report**

**2019
Edition**

INTRODUCTION

Haines Economic Development Corp. presents the first edition of the Haines Economic Indicators Report, examining the most current economic data for our community.

In 2018, HEDC contracted with McDowell Group to publish the first comprehensive baseline data report for Haines. The 82-page report is dense with data and information on Haines's economic conditions and trends, and includes demographics, housing, transportation and industry profiles through early 2018. It also includes the results of a community survey, conducted by phone and online, gauging the community's responses about economic priorities and strategies. The Baseline Data Report and survey results continue to provide valuable economic data and guidance for HEDC's work and for community decision making.

One of HEDC's objectives is to continue to "produce and provide objective information to the community surrounding key economic development issues, promote awareness of Haines's key economic sectors, and promote awareness of threats, opportunities, and achievements in the economy." To compliment the Baseline Data Report, HEDC will produce an annual Economic Indicators Report update with the most recent economic data for Haines. This is the first issue of that annual report.

Thanks to those who helped us make this publication possible by providing data and information, including the Haines Borough and Haines Borough School District. Most notably, we thank the Juneau Economic Development Council for assistance in compiling data, graphs and research, and for invaluable mentorship helping us produce our first annual report.

We invite you to engage with HEDC's work and mission and welcome your input on economic development. Please visit www.hainesedc.org or contact us at 766-3130 or director@hainesedc.org.

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Our Mission

Haines Economic Development Corp. is a nonprofit corporation with a mission to realize economic development in Haines Borough through research, community engagement, and strategic planning.

Haines At a Glance

In 2018, Haines's population rose slightly and decreased in age by a small margin, yet the community still has the highest median age in Alaska. While the population changed only slightly, private sector employment was at its highest level in a decade. The Haines Highway Project and other seasonal construction projects contributed to the jump in construction jobs and wages. Because of the high seasonality of the Haines workforce, average monthly wages in Haines remain below the state average. Seasonal jobs related to the visitor industry and seafood processing contribute to the fact that non-residents account for 48 percent of Haines' workforce, compared to a statewide non-resident rate of 21 percent (based on most recent data; 2017).

While seasonal and visitor-industry related jobs dominate the private sector job market, education and health services account for most year-round jobs in Haines in 2018.

The most recent data shows that personal income in Haines is on the rise and is higher than the national and state average; however, there is a significant gap in income distribution; Haines is above the state and national average of households earning less than \$50,000. Haines' gender compensation gap is also wider than the state or national average.

Sales tax receipts, a primary source of funding for community services and infrastructure, continue to rise. Sales tax revenue averaged among all categories rose nearly 10 percent in 2018 over 2017.

Southeast at a glance

Employment and Wages	2018	% change from 2017
Total Payroll (Millions)	\$1,783.3	+3.4%
Government (Millions)	\$721.4	+1.1%
Service Sector (Millions)	\$778.7	+6.5%
Goods-Producing (Millions)	\$283.2	+1.2%
Average Wage	\$48,316	+3.2%
Average Monthly Employment	36,908	+0.2%
Service Sector	20,015	+1.5%
Goods-Production	4,407	-2.6%
State of Alaska	4,771	-1.1%
Local and Tribal	6,266	-0.9%
Federal Civilian	1,449	-1.0%
Fishermen and Crew (SE Residents)	4,475	-6.7%
Unemployment	6.0%	-3.2%

Demographics

Population	72,786	-0.1%
Without Juneau	40,629	-0.1%
Median Age	40.1	0.0%
Without Juneau	41.6	0.0%

Industry Specifics

SE Cruise Passengers Arrivals	1,151,094	+5.0%
Pounds of Seafood Landed <i>by resident fishermen, in thousands of lbs.</i>	189,347	+22.5%
Ex Vessel Value <i>by resident fishermen</i>	\$197,544	+18.7%
Total Government Employment	13,148	-0.9%

Haines at a glance

Employment and Wages	2018	% change from 2017
Average Monthly Employment	1,006	+2.0%
Total Wages (Millions)		
Government	\$8.1	0.0%
Private Sector	\$33.4	+17.3%
Average Yearly Wage		
Government	\$44,580	0.0%
Private Sector	\$40,572	+14.5%
No. Self-Employed (2017)	397	-6.0% (from 2016)
Self-Employed Total Receipts (2017)	\$17.461 million	+5.6% (from 2016)
Per Capital Personal Income (2017)	\$59,951	+5.9% (from 2016)

Demographics

Population	2,480	+0.9 %
Median Age	48.6	-1.6%
School Enrollment (Haines Borough School District only)	274	+4.9%

Other Specifics for Haines Borough

Sales Tax Receipts	\$3.349 million	+9.9 %
Cruise Ship Passengers	67,779 (2019)	+17.0% (from 2018)
All Fisheries, Est. Gross Earnings	\$5.808 million	-12.3%
All Fisheries, Lbs. Landed	4.322 million lbs	-38.0 %
<i>Salmon (all species) represents 92.8% of all seafood caught in Haines Borough in 2018</i>		

Employment and Earnings

Several sources of data are required to show a complete picture of Employment and Earnings for Haines. Traditional wage jobs are shown on the next page in Figures 1 and 2. These earnings are reported by employers who have employees on payroll. The Industry Sectors are categories defined by the federal government. Figure 3 depicts the same Industry Sectors but for Self-Employed, Sole Proprietors or Independent Contractors who do not have employees and do not pay themselves as a regular employee. These earnings are reported in total receipts by establishment, not necessarily how much a self-employed individual takes home in pay. This report uses the most recent available data; most state statistics have updated data for 2018, some federal census data relies on information from 2017.

Traditional Wage Jobs and Earnings

Figure 1 shows the total earnings in wages and salaries for each sector of Haines's economy. Five sectors account for about 75 percent of local earnings - Construction; Education and Health Services; Local Government; Trade, Transportation and Utilities; Leisure and Hospitality.

The sectors with the highest earnings do not necessarily correlate to the sectors with the highest number of employees, as seen in Figure 2. The Construction sector accounts for the most wages but only 9 percent of the workforce, while the Leisure and Hospitality Sector alone provides almost a quarter of the total jobs in Haines.

Some company and business information is kept confidential by the state. For example, if there is only one or two companies in one category, earnings information is not listed in that category; however, overall totals are provided. This means while the total earnings for 2018 are reported to be \$41,550,506, the earnings in Figure 1 total less than that. Similarly, while the average monthly employment is reported at 1,006 individuals, Figure 2 does not include every employee to equal that total. The sectors with confidential reporting data include Natural Resources and Mining, Manufacturing, and Transportation and Warehousing.

Figure 1

Annual Earnings/Wages by Industry Sector (2018)

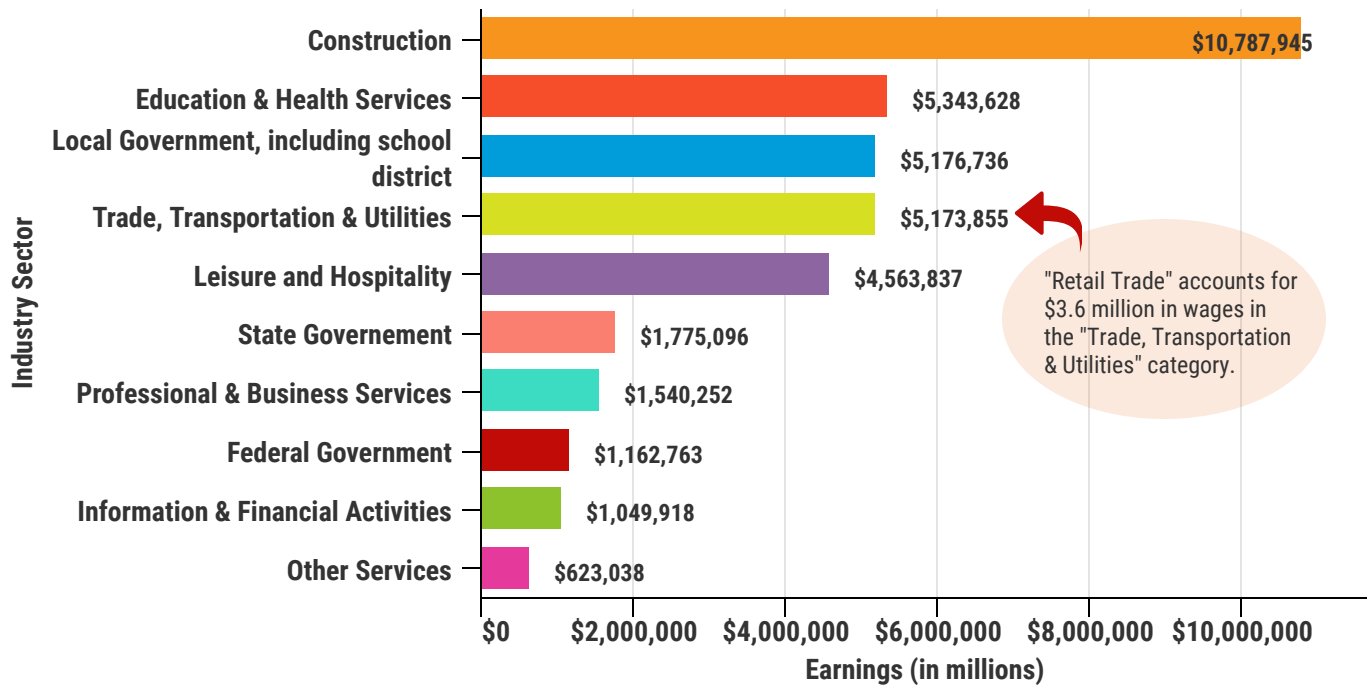
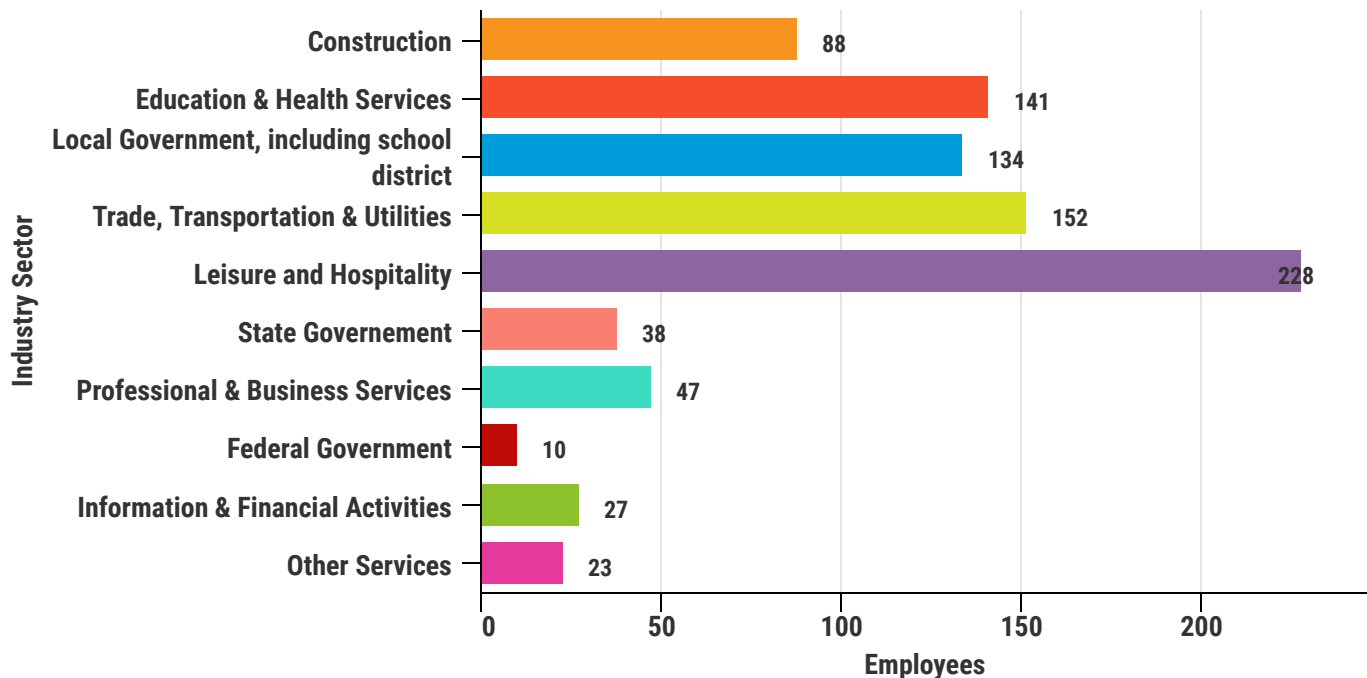


Figure 2

Average Monthly Employment by Industry Sector (2018)



Source: Alaska Department of Labor and Workforce Development, Research and Analysis, Quarterly Census of Employment and Wages.

Self-Employed, Sole Proprietors and Independent Contractors

Figure 3 illustrates the number of people who are considered self-employed or own businesses with no employees. This sector in Haines experienced growth between 2012 and 2015 but saw decreases in 2016 and 2017 (the most current year for which data is available.)

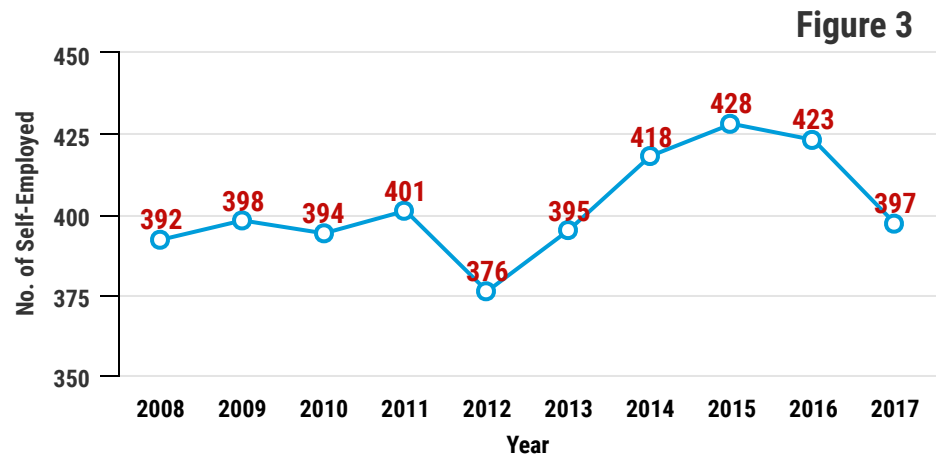
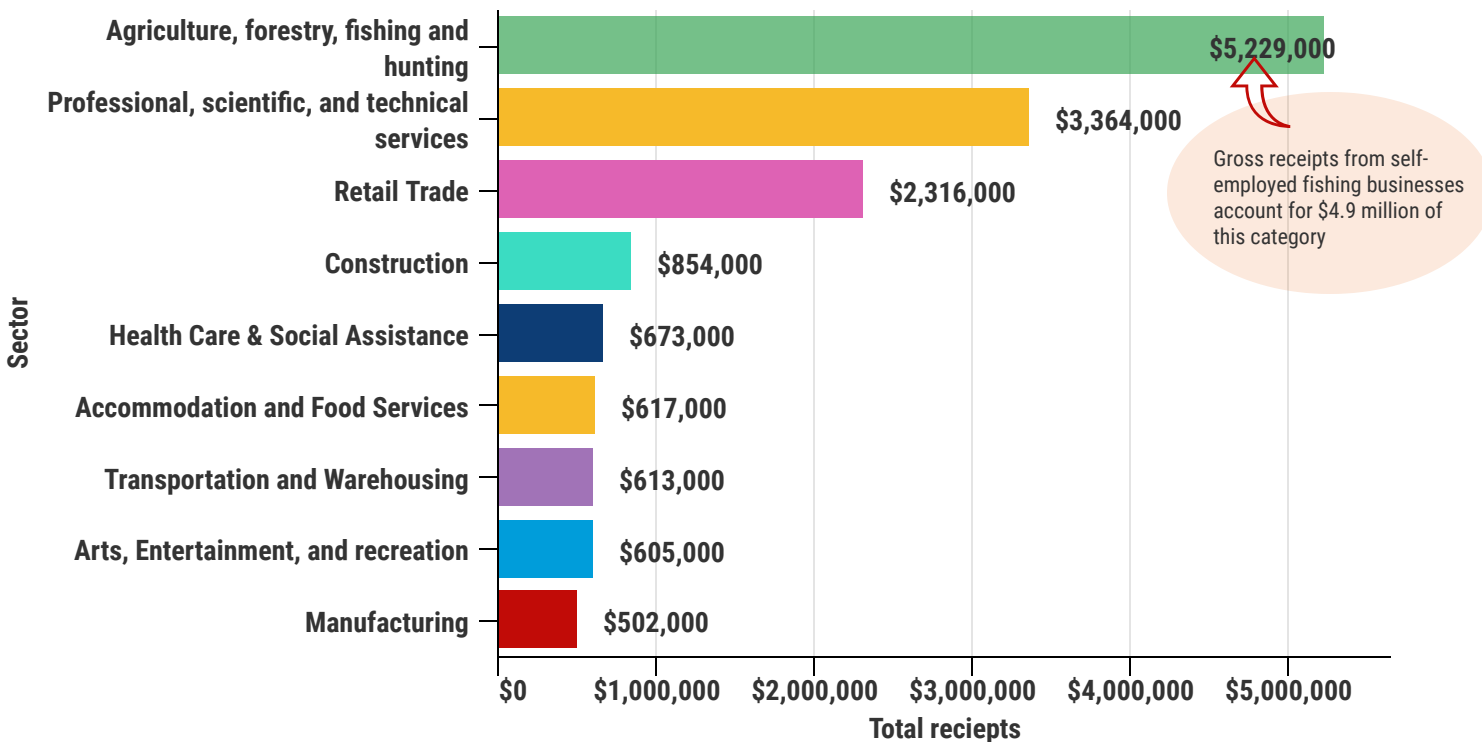


Figure 4 shows that nearly a quarter (95, or 24 percent) of Self-Employed, Sole Proprietor and Independent Contractors were in the Agriculture, Forestry, Fishing and Hunting sectors. This sector accounted for 95 establishments with an average gross revenue per establishment of \$55,042. The single highest category of self-employment income is fishing, for a total of \$4.9 million. Several categories of self-employment fall under \$500,000 in total receipts and were not included in Figure 4. Those categories are Wholesale Trade, Information, Finance and Insurance, Administrative and Support and Waste Management and Remediation Services, Educational Services, Mining, Quarrying, Oil and Gas Extraction and Other Services.

Figure 4

Self-Employment, Sole Proprietor and Independent Contractor Receipts

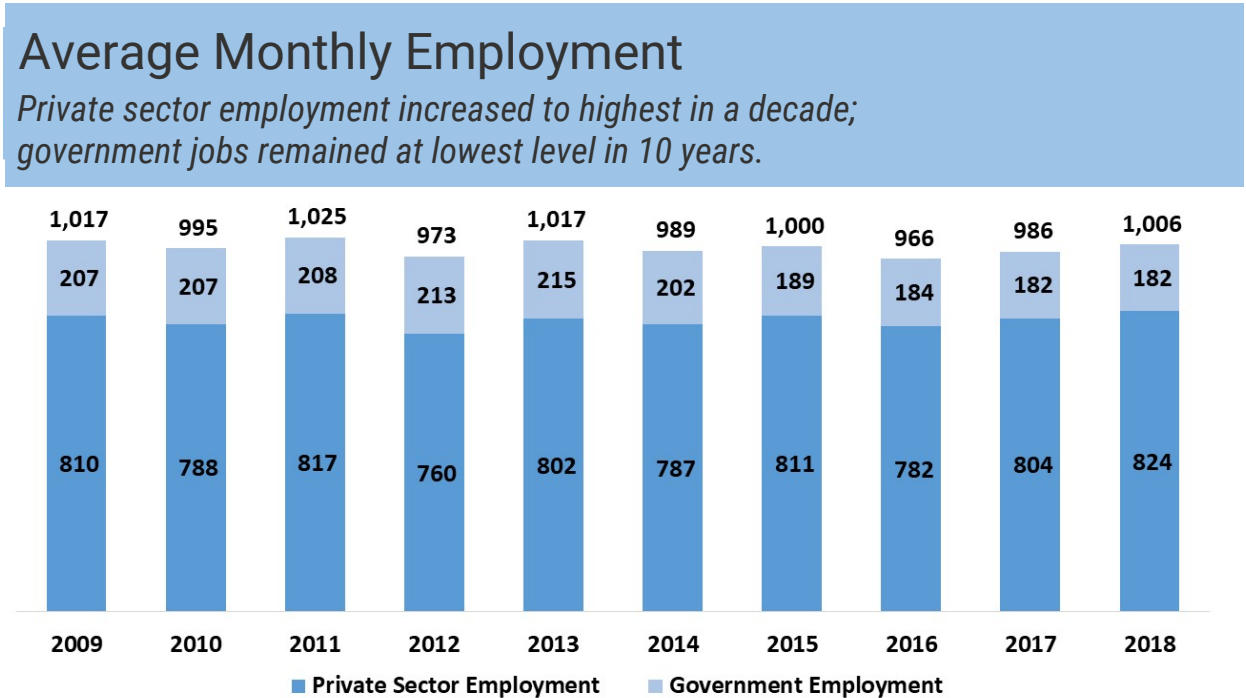


Source: U.S. Census Bureau, 2017 Non-employer Statistics, Table NS1700NONEMP.

Average Monthly Employment

While government employment in Haines remained unchanged from 2017 and at the lowest levels in 10 years, private sector employment increased to its highest in a decade (Figure 5). Haines' s total average monthly employment data includes government and private sector jobs. "Government jobs" here includes the Haines Borough School District and local, state and federal jobs. The total number is taken from the average of the monthly employment numbers over the year.

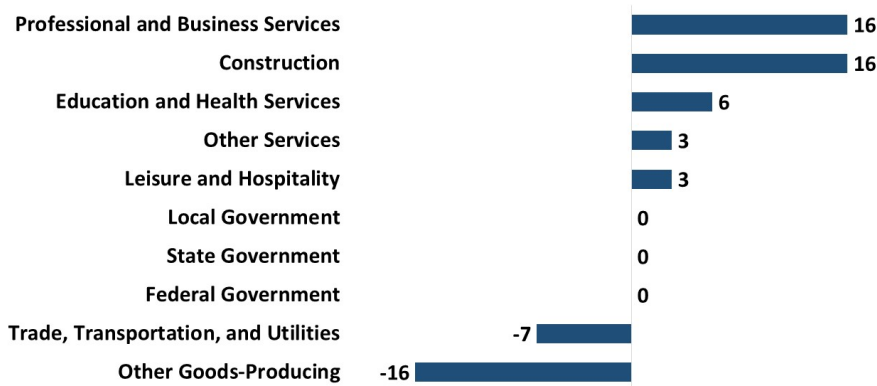
Figure 5



Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages. Note: Jobs count is for wage and salary jobs, including full and part-time, temporary or permanent, for all employers.

Figure 6

Change in Average Monthly Employment Growth in Professional and Business Services and Construction



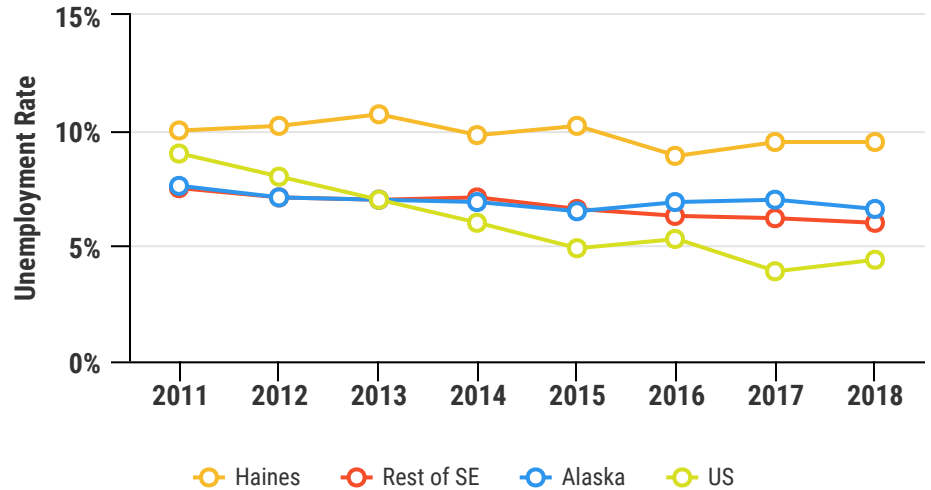
Source: U.S. Census Bureau, 2017 Nonemployer Statistics, Table NS1700NONEMP .

Figure 6 is broken into different industry sectors as defined by the federal government. Professional and Business Services and Construction saw the largest positive change in employment during 2018, while the "Other Goods-Producing" category lost the most jobs. This category includes jobs in agriculture, forestry, fishing, hunting, mining and manufacturing. These figures do not include job gains or losses in self-employment or independent contractor positions.

2018 Unemployment

Haines’s unadjusted 2018 annual unemployment rate was 9.5 percent (Figure 7), flat with 2017 but up from 2016. Haines’s unemployment rate is higher than Juneau (4.4 percent), the rest of Southeast, state and country. The high rate of unemployment can be explained in part by the prevalence of seasonal work. Monthly unemployment rates in 2018 ranged from a low of 5.5 percent in August to a high of 16.1 percent in January.

Figure 7

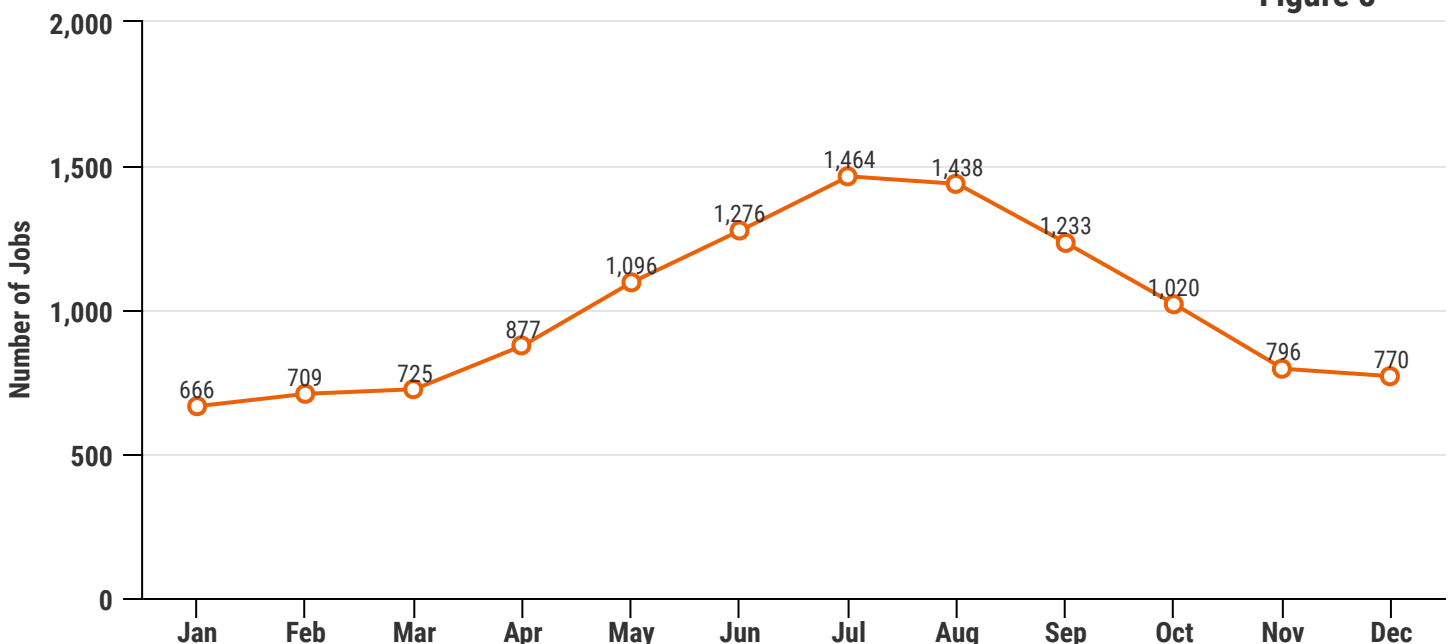


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Unemployment Data.

Seasonality of employment

Haines’ average monthly employment has significant seasonal variability (Figure 8). Private sector employment increases with summer hiring for Haines’ tourism, construction and seafood processing sectors. In 2018, peak average monthly employment was in July and the low was in January. The difference between January and July private sector employment was 820 jobs.

Figure 8



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Unemployment Data.

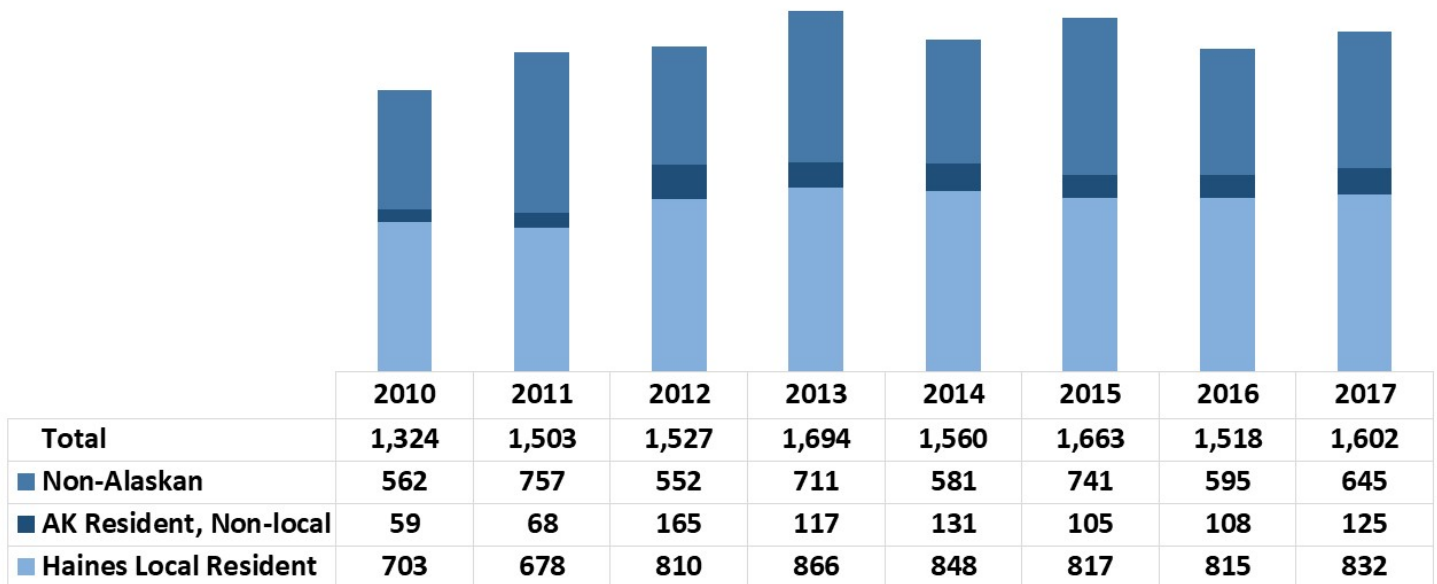
Recent Trends in Non-resident Employment

In 2017 (the most current year for which data is available), Haines' cumulative workforce (the total number of people who worked over the course of a year) was 1,602, up from the previous year, but the number has fluctuated over the last seven years (Figure 9). The number of those employees who are Haines residents has increased over the last two years, as has the number of non-Haines Alaska residents. The number of non-Alaskans in the Haines workforce continues to fluctuate year to year, likely due to seasonal work opportunities. About 90 percent of non-resident workers in the Haines Borough are employed in seafood processing with most of those jobs being with the Ocean Beauty Seafoods cannery in Excursion Inlet. Haines Borough is one of seven boroughs in the state with a non-resident workforce of more than 40 percent. Other boroughs with a high percentage of non-resident workforce are home to major visitor attractions, including Skagway and Denali Boroughs, or a high volume of seafood processing, including Bristol Bay, Lake and Peninsula, and Aleutians East and West boroughs.

Figure 9

Non-Resident Employment

Non-Residents account for 48 percent of workforce



Source: Alaska Department of Workforce Development, Research and Analysis, Alaska Resident Hire Information, "Nonresidents Working in Alaska 2017," Table 25. Note: Worker count shows total cumulative workers.

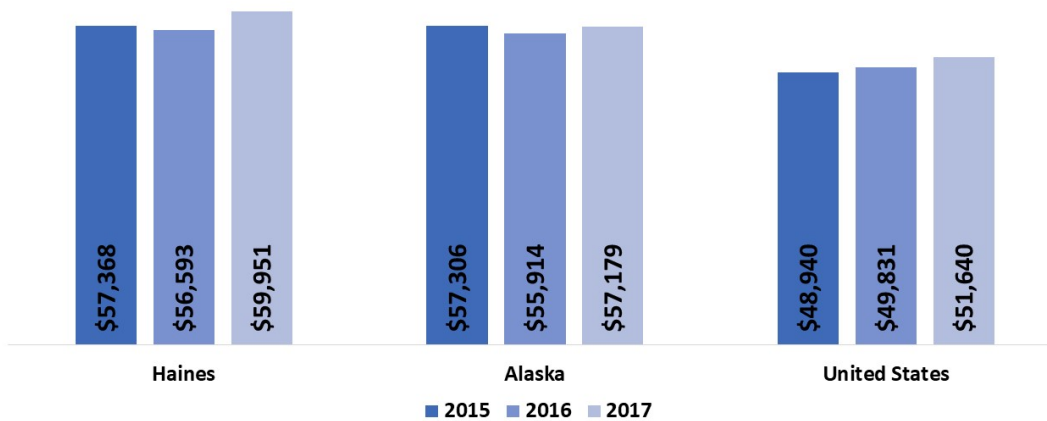
Per Capita Personal Income and Household Earnings

Per capita personal income is calculated as the total personal income of all residents divided by the total population. In 2017 (the most current year for which data is available), Haines' per capita personal income of \$59,951 was 116 percent of the national average and 105 percent of the state average (Figure 10). Haines ranks 6th in Southeast (out of 10 boroughs or census areas) in average per capita income (Figure 11).

Per Capita Personal Income *(not adjusted for Inflation)*

Increased in 2017

Figure 10

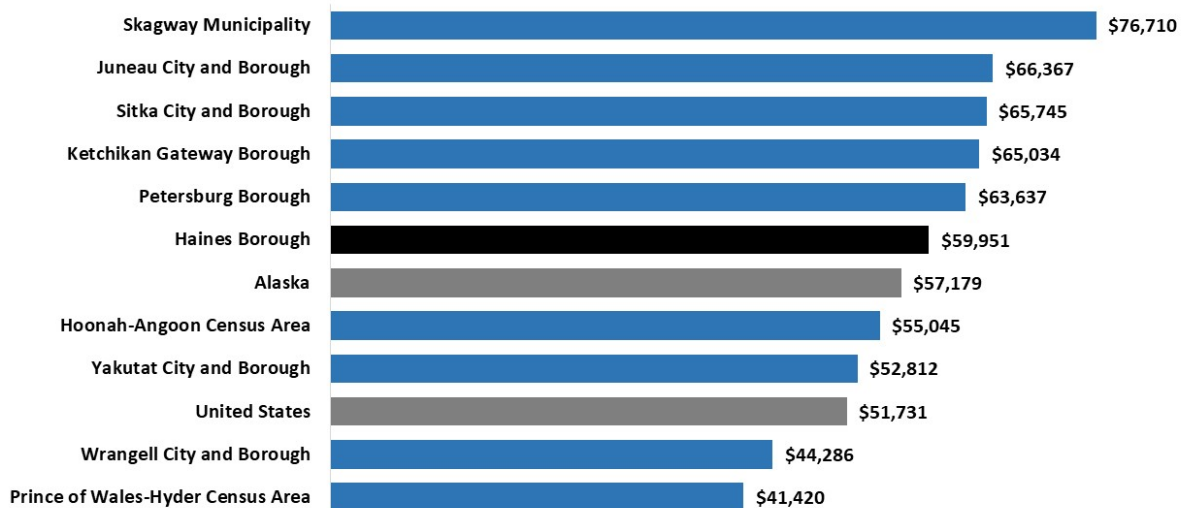


Source: U.S. Bureau of Economic Analysis, Regional Data, Local Area Personal Income.

Figure 11

Per Capita Personal Income *(not adjusted for Inflation)*

Remains above state and national average



Source: U.S. Bureau of Economic Analysis, Regional Data, Local Area Personal Income.

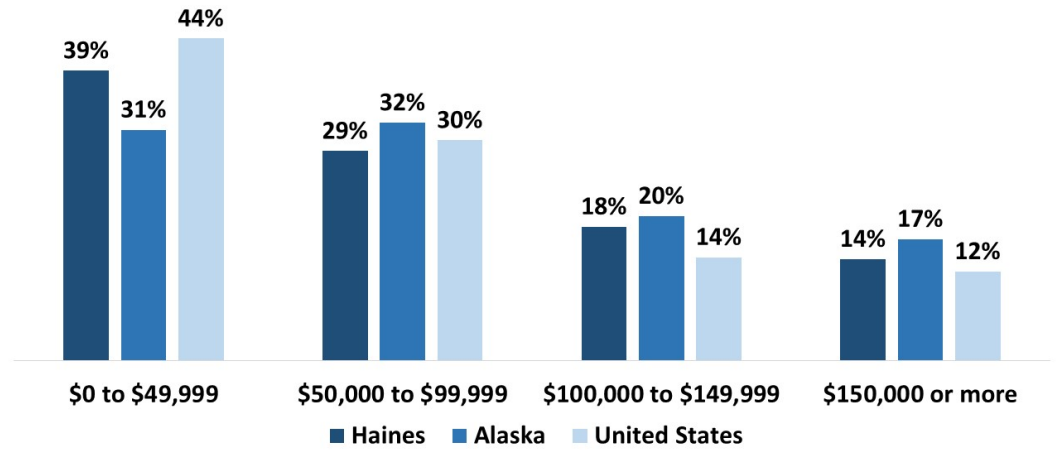
Income Distribution

In Haines, 32 percent of households earn more than \$100,000 per year, while 37 percent of all Alaskan households and 26 percent of all U.S. households earn above this threshold (Figure 12). In contrast, Haines is above the state average of households earning less than \$49,000, at 39 percent compared to 31 percent statewide.

Figure 12

Income Distribution

Closer match to the U.S. than Alaska



Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates DP03 Dataset, 2017 Inflation Adjusted Dollars.

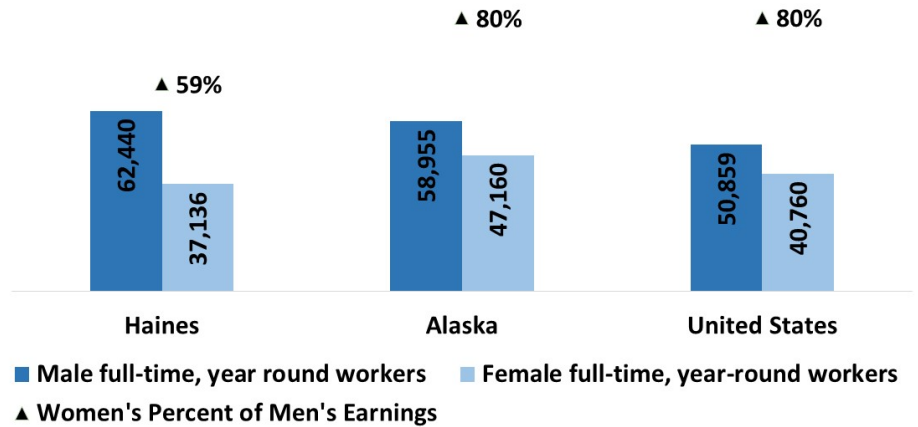
Gender Compensation

Women working full-time, year-round jobs in Haines, on average, earn less than their counterparts in Alaska and the United States. Men earn more than both averages, so the ratio of women's earnings to men's in Haines is wider than the state or national ratio. One significant factor in the difference in pay for men and women in Haines and Alaska is the difference in types of jobs typically held by men and women in the workforce.

Figure 13

Gender Compensation

Haines women earn 59 percent of men's salary



Source: U.S. Census Bureau, DP03 Dataset: Selected Economic Characteristics, 2013-2017 ACS 5-Year Estimate.

Male-dominated industries in Alaska tend to be in resource extraction, construction and building trades which have higher wages than female-dominated occupations in lower wage service and care-providing sectors.

Demographics

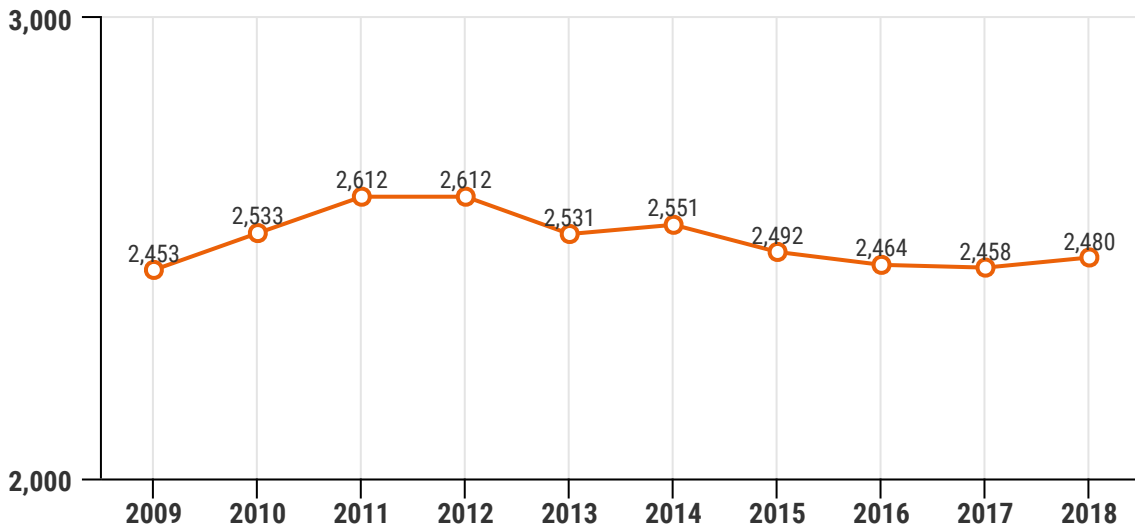
Haines Population Trends

Demographics are important in determining an economy's growth potential. In 2018, Haines was one of the few communities in Southeast that saw a positive net population increase after several years of slow decline locally and regionally. Haines continues to hold the title of oldest community in the state with the highest median age of 48.6, although that number dipped slightly in 2018 for the first time in several years. The number of residents over age 60 continues to increase as it has every year in the last decade. But the number of 0-19 year olds in Haines also had its first significant increase since 2012 (Figures 14-16.) Population in the rest of Southeast as a whole continued to decline, down about 2 percent since 2014.

Haines Population

Slight increase after several years of decline

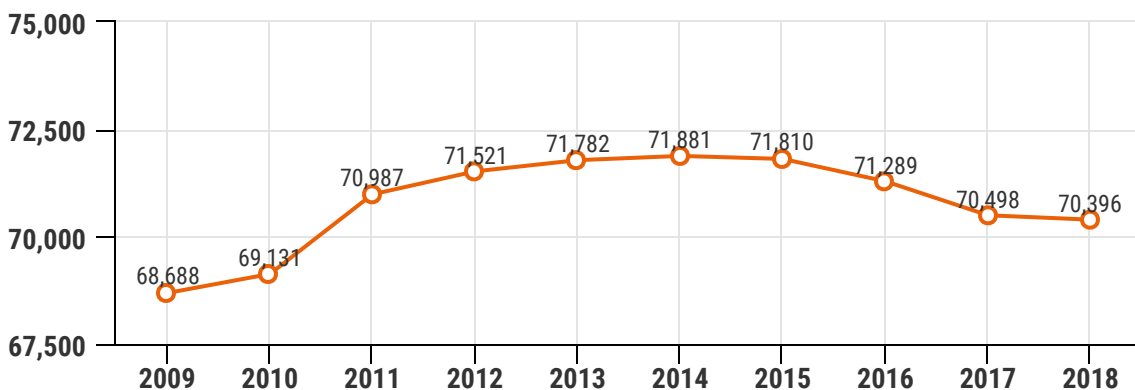
Figure 14



Southeast Population (not including Haines)

Continuing a slow decline

Figure 15

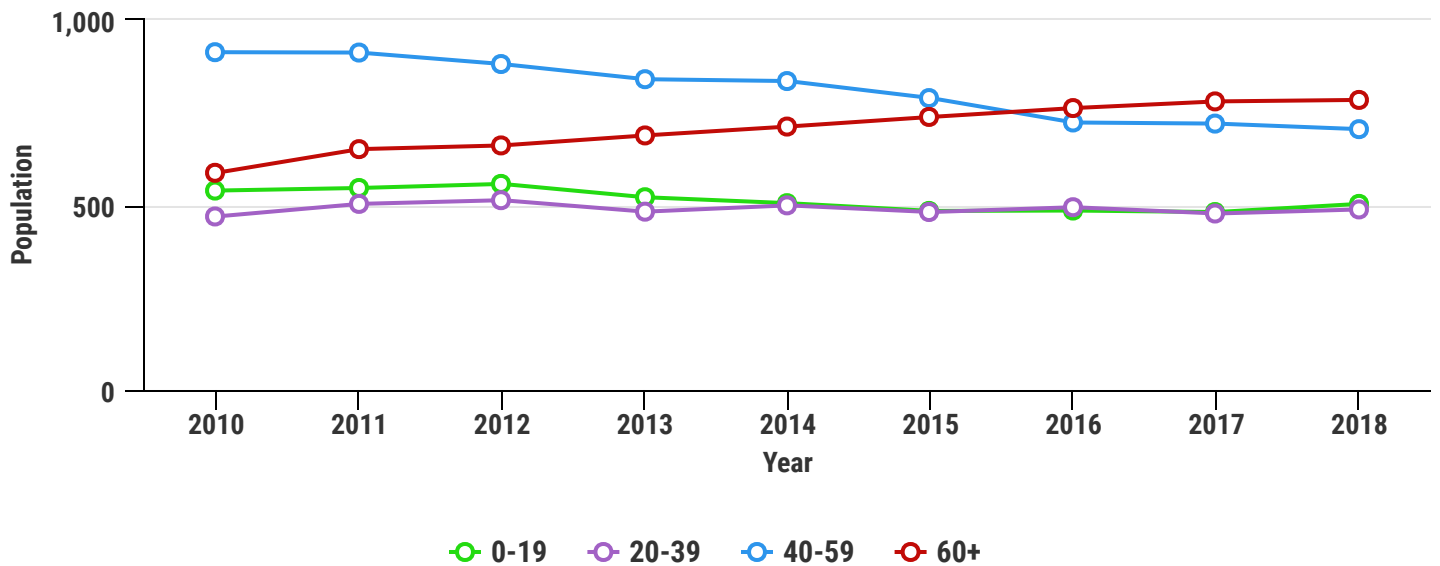


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Population by Age Group

Figure 16

60+ age cohort accounts for 32 percent of population

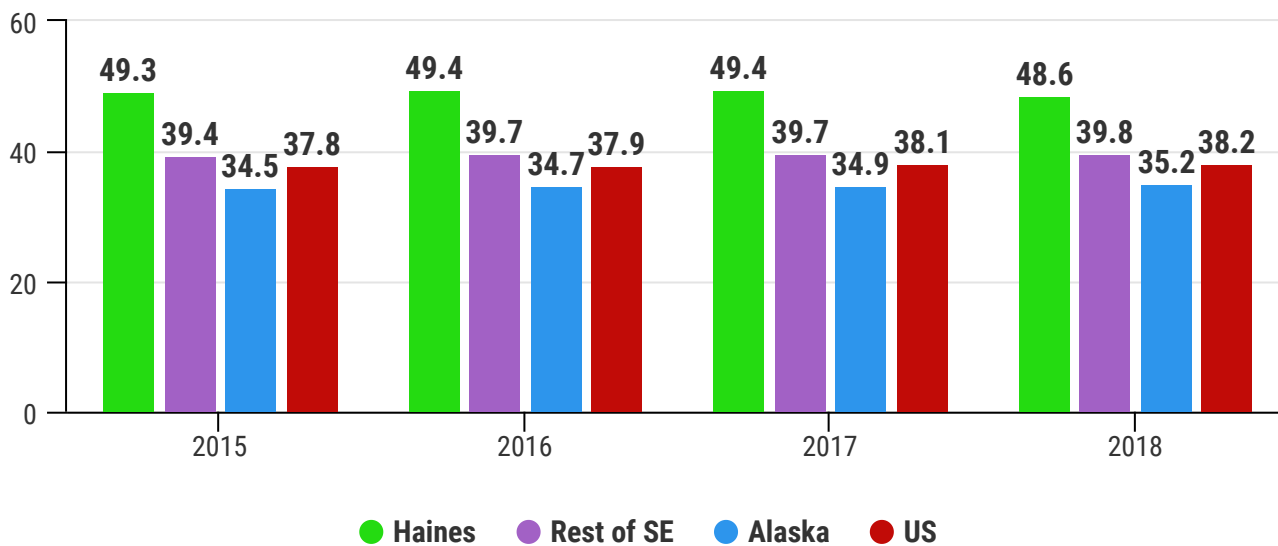


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Median Age

Figure 17

Haines is a decade older than other areas of Southeast



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Alaska Population Estimates, Economic Regions and Boroughs/Census Areas, Age and Sex; U.S. Central Intelligence Agency, The World Factbook, United States, Median Age. *Rest of Southeast median age calculated by average median ages for Southeast Alaskan cities (excluding Juneau) weighted by population.

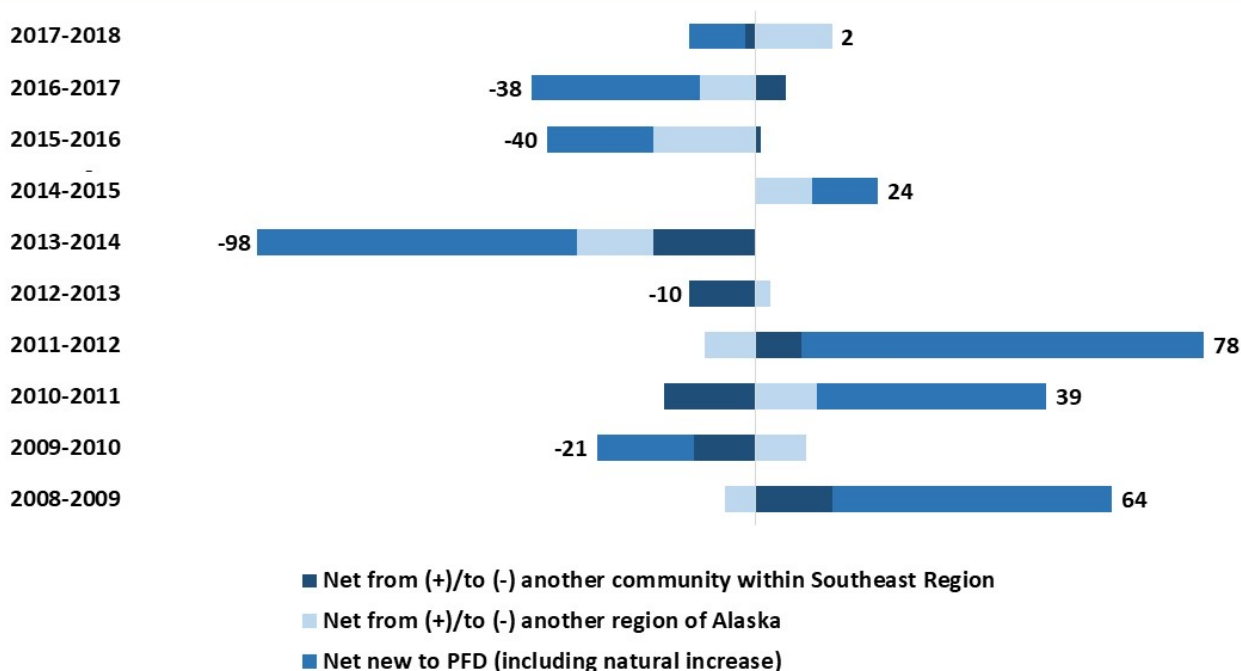
Haines Migration and Resident Transiency

The Alaska Department of Labor and Workforce Development uses Permanent Fund Dividend applications to track migration patterns between communities. Based on PFD filings, Haines experienced a net loss of 2 people in 2018 (Figure 17). PFD data tracks in-state movement of residents with accuracy, but lags data on new migrants from outside the state because of the one year residency required. In the last decade, the majority of migration in and out of Haines is to or from outside Alaska, although in recent years, migration to and from Haines from another region in Alaska (not including Southeast) has been significant. In data showing the breakdown of migration among the census areas within the borough, Covenant Life saw the largest out migration while Mosquito Lake and Excursion Inlet saw the highest percent of incoming migration.

Figure 18

PFD-Based Migration to and from Haines

Flat after two years of losses



Source: Alaska Department of Labor and Workforce Development, Research and Analysis, Migration Data and Information, PFD-Based Migration To and From Cities and Places.

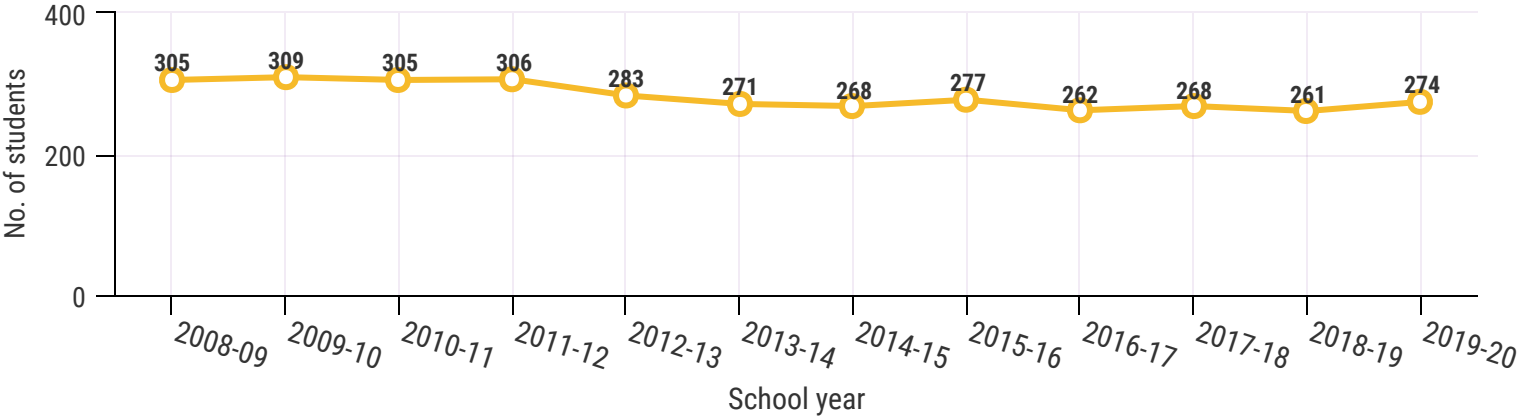
School Enrollment

Haines Borough School District enrollment numbers (Figure 18) have remained relatively flat since 2014-15. Up until the 2014-15 school year, enrollment numbers included Mosquito Lake School. It was closed beginning in Fall 2014. Some of those students transferred to the school in town while others transferred to Klukwan School or started a home school program. Anecdotally, Haines reportedly has a significant number of home school students, but the exact total is unknown. Those enrolled in the HBSC home school program are counted in this data as a portion of a student, depending on what school resources they use. (For the 2019-2020 school year, the HBSD reports the total enrollment includes 15.83 correspondent students.) Those enrolled in other home school programs or correspondent courses are not captured in this data.

Klukwan School is part of the Chatham School District and enrollment is not included in this figure. Klukwan School officials reported enrollment of 15 students for the 2019-2020 school year.

Figure 19

School Enrollment



Source: Haines Borough School District.

Cost of Living

Measuring Cost of Living in Alaska rural communities is challenging. The State of Alaska uses the Consumer Price Index for Urban Alaska - a single figure that illustrates what average Alaskan consumers spend on housing, food, transportation, medical care and entertainment. This figure is produced by the Bureau of Labor Statistics for 32 cities and larger areas around the country, Alaska being one of them.

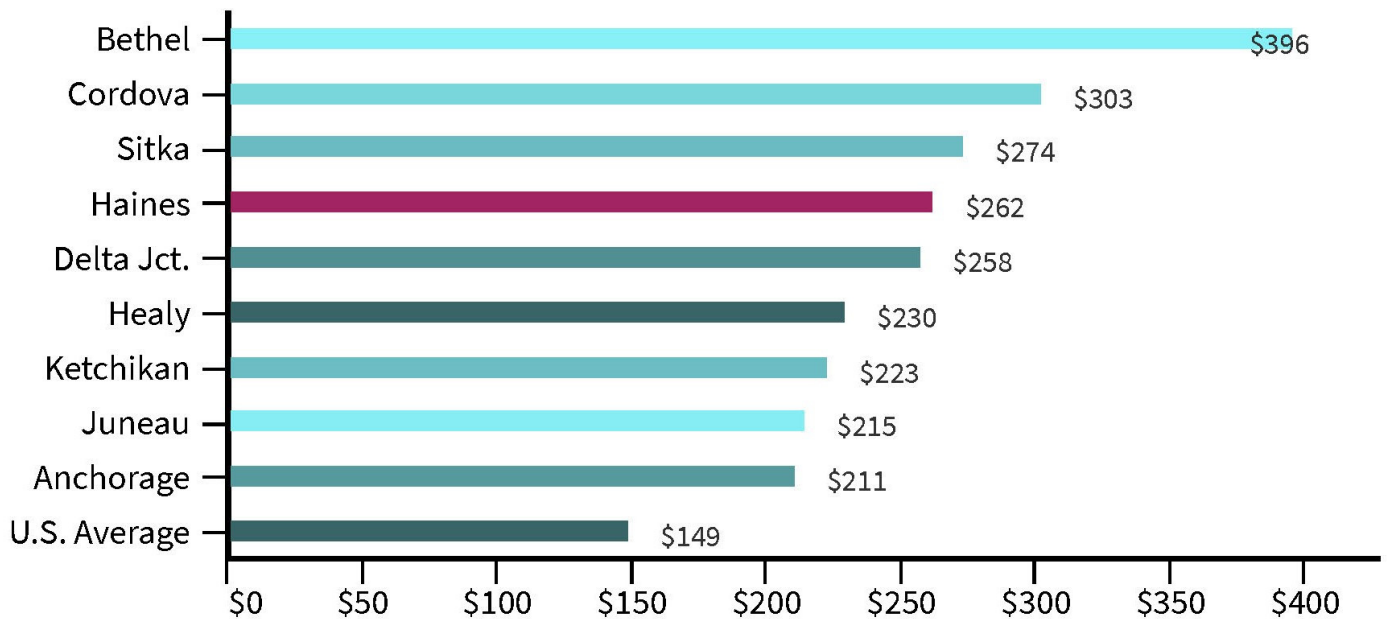
Another method of measuring cost of living is to compare data between two locations. This method requires gathering data from several sources and looking for consistent patterns, but there is no single source for this information or organization that compiles it.

Alaska Economic Trends, July 2019 issue, examined Cost of Living data from across Alaska. In general, cost of living data is difficult to gather for rural Alaska communities. But this issue of Trends included a survey from the University of Alaska Fairbanks Cooperative Extension Service comparing the cost of groceries among 12 Alaska communities, including Haines. That data is reproduced in Figure 20.

Figure 20

Cost of Groceries

Represents groceries for a week in Dec. 2018 for a family of four with two children, ages 6 and 11.



Source: University of Alaska Fairbanks, Cooperative Extension Services.

Sales Tax

Haines Borough sales tax receipts provide a barometer of economic conditions in the community. Increased sales tax revenue means increased consumer spending. An increase in consumer spending may indicate more consumer confidence in their economic security, an increased number of people spending money in the community, or a combination of both.

Tax receipts have steadily increased in recent years. The retail and tourism sectors accounted for most of the increase but caution is urged in interpreting the data at the sector level. For example, the tourism and lodging sectors together provide only a partial measure of the visitor industry's relative contribution to the economy. Substantial visitor spending also occurs in dining and retail sectors, as well as in the service sector. Sales tax receipt data also provides an indication of the seasonality of the Haines economy. Sales tax receipts in the July/August are more than three times January/February period in recent years.

2016-2018 Calendar Year Sales Tax Receipts by Business Activity **Figure 21**

	2016	2017	% Change	2018	% Change
Retail	794,290	823,089	3.6%	886,626	7.7%
Tourism	483,359	549,852	13.8%	624,649	13.6%
Petroleum & Auto	316,248	372,430	17.8%	464,908	24.8%
Services	425,479	433,645	1.9%	441,675	1.9%
Eating & Drinking	306,266	321,562	5.0%	334,492	4.0%
Construction	265,376	276,956	4.4%	315,860	14.0%
Short Term Lodging	140,393	149,568	6.5%	157,229	5.1%
Long Term Lease	80,049	84,182	5.2%	82,044	-2.5%
Gift Shops & Art	34,304	36,729	7.1%	41,598	13.3%
	\$2,845,766	\$3,048,014	7.1%	\$3,349,082	9.9%

Retail: groceries, liquor, clothing, sporting goods and other retail not included below

Tourism: tours, charters, car rentals, and transportation

Petroleum & Auto: auto mechanics, auto parts, and fuel sales

Services: utilities, professional services, personal services, etc.

Eating & Drinking Places: restaurants and bars

Construction: hardware stores, general contractors, carpenters, plumbers, handymen, etc.

Short Term Lodging: hotels, motels, B&Bs, and VRBOs

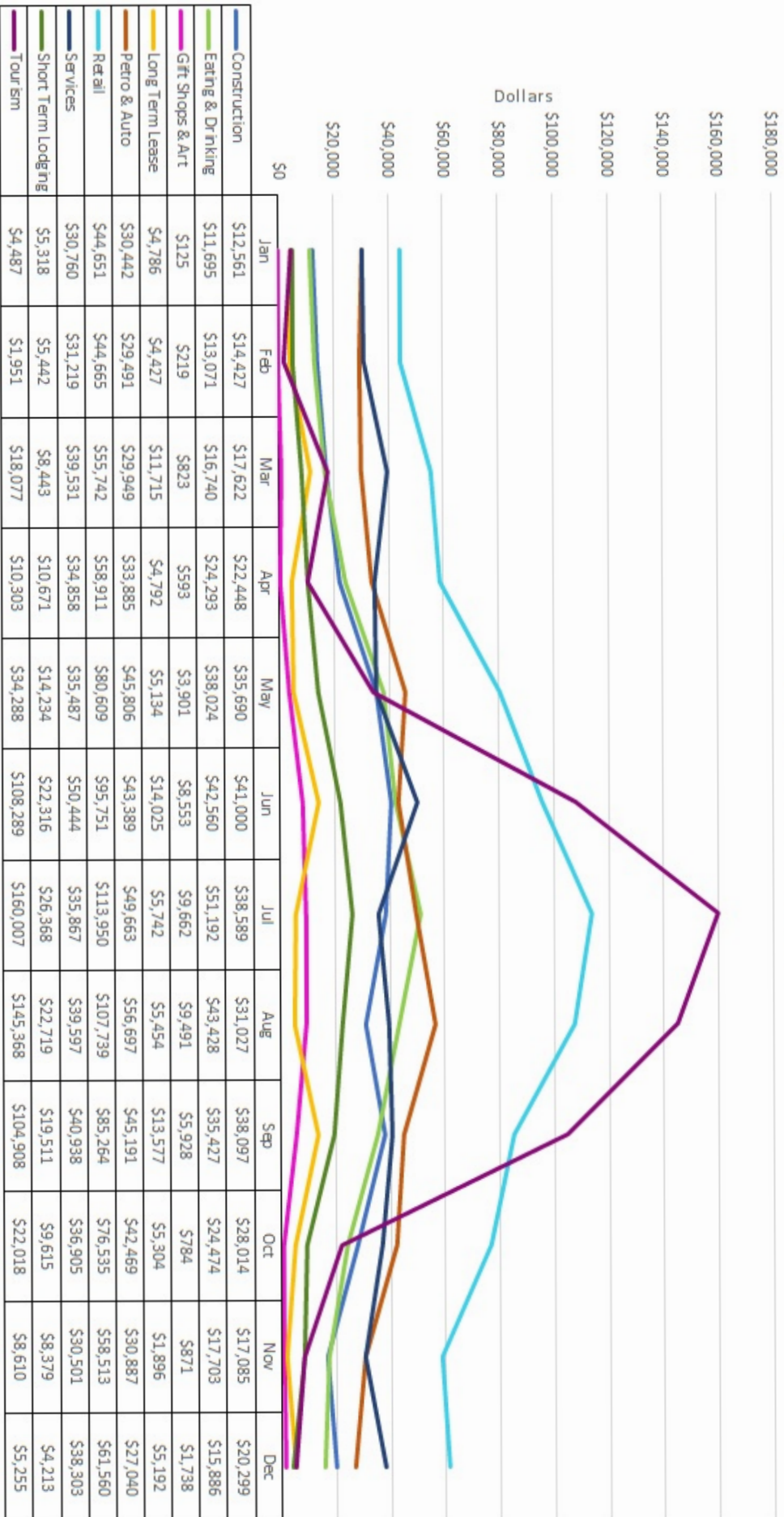
Long Term Lease: commercial and residential long term rentals

Gift Shops & Art: art galleries, photographers, seasonal gift shops, etc.

Source: Haines Borough. Based on tax return period.

Figure 22

Haines Borough Sales Tax Revenue 2018



2018 Month by Month