

# Southeast Alaska Resiliency Mapping

## *Surviving the Pandemic Economy*

Moving forward, what actions/initiatives/changes are you planning to implement to ensure the economic resilience of your business or industry until 2022?



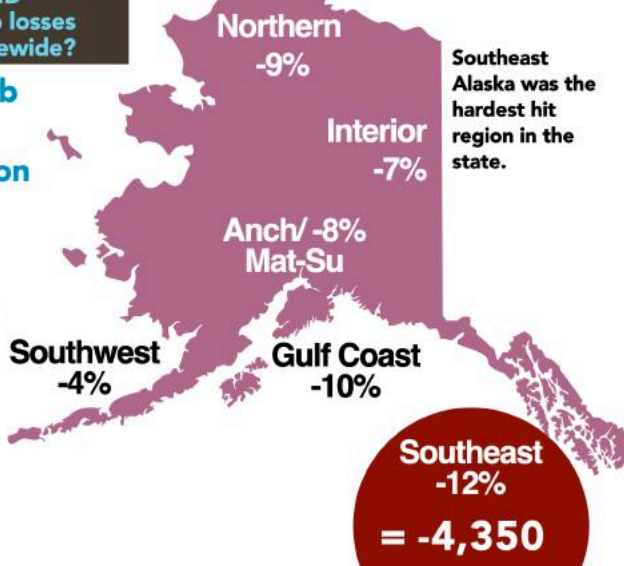
At Southeast Conference's February 2021 Mid-Session Summit, audience members participated in a resiliency mapping exercise. The purpose of this process was to determine and detail the key strategies that business leaders are implementing or planning to implement in order to respond to the COVID-19 economic crisis.

**Economic resilience is the ability to withstand and recover quickly from a disruption to the economic base.** Southeast Conference serves as both a source for information to deal with economic challenges and as a convener of regional stakeholders to gather data and collaborate post-disruption. Conducting a Southeast Alaska Resiliency Map was part of a larger planning effort to develop the Southeast 2025 Economic Plan that will be completed in April 2021.

Nearly 150 Southeast Alaskans from 16 communities and 18 industry sectors across the region rated their level of concern regarding the pandemic economic crisis, and wrote down the actions they plan to take to ensure the economic resilience of their businesses, industries, communities, and region. Approximately **250 individual written comments** became part of this analysis. Comments were individually sorted by comment type and content. The results were definitive and clear. Business leaders will pursue revenue diversification and vaccine distribution, while they reduce spending and staffing. Other community leaders will support the continuation of COVID-19 mitigation measure, engage in economic planning efforts, and support infrastructure investments.

How do COVID Southeast job losses compare statewide?

2020 Job Losses By Region

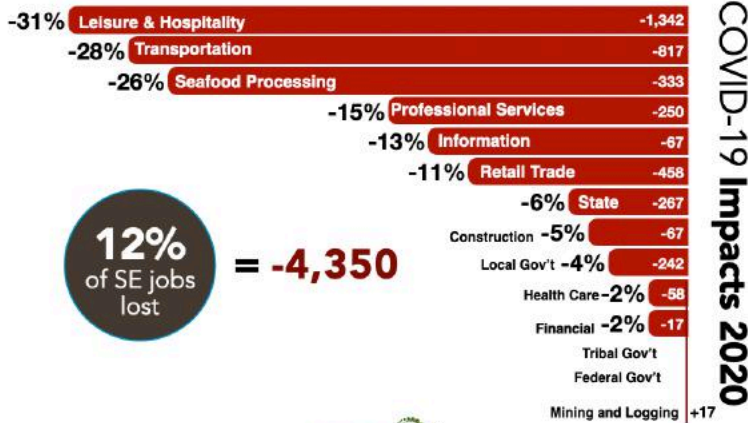


DOWN -4,350 JOBS IN 2020  
LOST JOBS



Southeast Alaska Jobs 2020

Change in Southeast Jobs: 2020 Compared to 2019



Source: Alaska Department of Labor Monthly Employment Statistics. Chart by Rain Coast Data

Challenge:

Maintaining capacity to respond to demand and opportunities in 2022



The Situation

Southeast Alaska was the hardest hit region in Alaska by the COVID-19 economic crisis. In 2020, Southeast Alaska lost 12% of all annualized jobs; however, in the peak of summer, June and July, the region was down by 19% of all workers, compared to 2019 levels. While regional communities had been gearing up to stage a modified tourism season in 2021, in February 2021 the Canadian government announced it would extend a ban on cruise ships through February 2022. In Southeast Alaska, 18% of all annualized employment is in the visitor industry. The businesses that serve the visitor industry must now determine a way to survive 31 months between cruise ships. Most, 90% of Southeast Alaska tourists, come by cruise ship.

In addition to the loss of tourism, the regional salmon fishery collapsed in 2020 due to poor returns, and the

region has lost 20% of its State of Alaska jobs over the past 8 years.

However, if there is one thing Southeast Alaskans understand well, it is economic resilience. In the late 1990's and early 2000's, the region lost 4,200 jobs as the timber industry crashed and salmon prices fell. The region worked through these difficult times collectively, developing collaborative solutions that were implemented regionally. Southeast Alaska experienced the return of economic growth, population, employment, and wages back then, and we will experience these again.

The following pages contain an in-depth analysis showing **what Southeast Alaskans leaders plan to do to keep their businesses and communities economically stable.**

# What Business Leaders Are Doing

## 1 Revenue

### Diversification

Find new clients, develop new products, expand markets

## 2 Vaccination Advocacy

Distribute vaccines, explain importance of vaccinations

## 3 Spending, Staff & Service Reductions

Cut costs, reduce budgets, downsize staff, freeze hiring

## 4 Maximizing Federal Benefits

Take advantage of federal stimulus funding to replace income and keep businesses operating

5 Encouraging local spending and hiring

6 Engaging in long-term economic planning

7 Applying for grants, loans, debt relief, deferment

8 Moving business and staff online

9 Maintaining staffing levels

10 Survival mode until 2022

11 Passenger Vessel Services Act of 1886 Waiver advocacy

12 Increased workforce training

13 Continued use of masks & testing

### Resiliency Mapping (Font size = number of responses)

What actions will Southeast Alaska business leaders implement to ensure the economic resilience of their businesses in response to the pandemic economic crisis?

# What Other Community Leaders Want to See

## 1 Continued COVID-19 Mitigation

Adherence to mask, heath, and safety measures

## 2 Community & Economic Planning Efforts

## 3 Support for Infrastructure Investments

Increased capital spending

## 4 Plan for Return of Cruise Ships

5 Attract Independent Tourists in 2021

6 Increased Federal Stimulus and Aid

7 Preparation for Spending, Job, and Service Cuts

8 Support for Local  
Businesses

9 Widespread Vaccinations

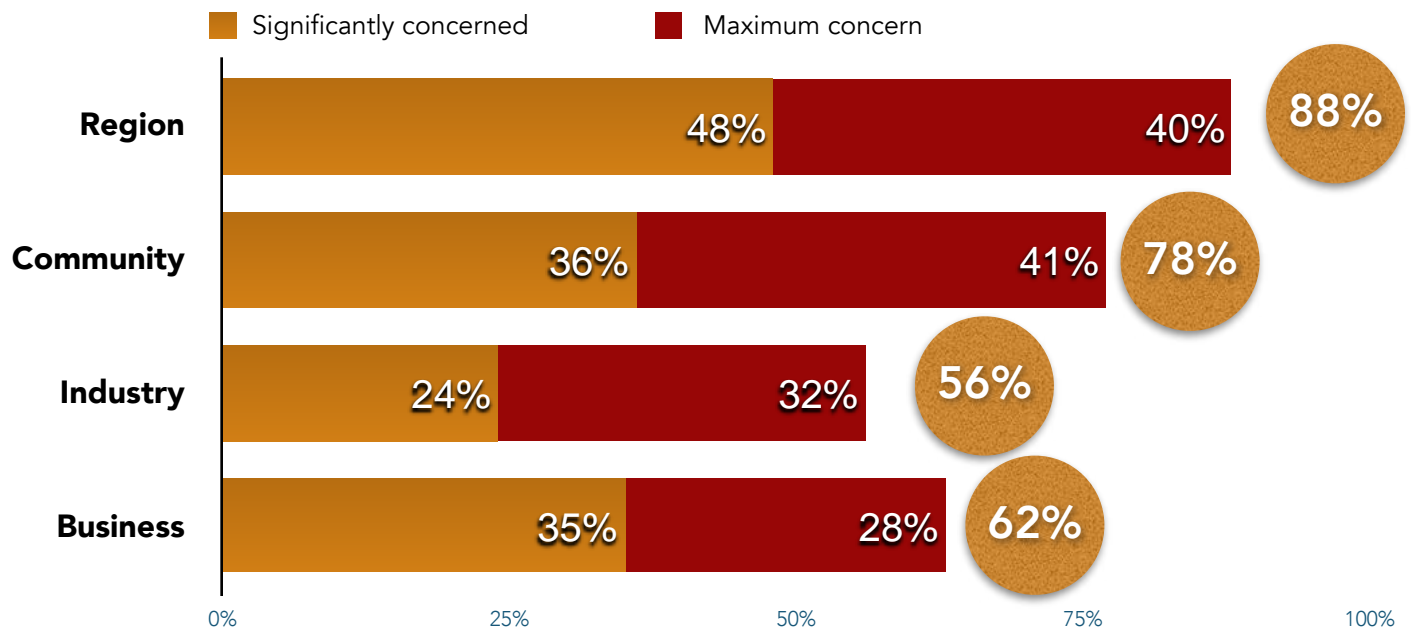
10 Local Government Support

What do Southeast Alaska community leaders want to see implemented to ensure the economic resilience of their communities through 2022?

# How concerned are regional leaders regarding the impacts of State fiscal situation?

In February 2021, 150 Southeast Conference members were asked to rate their level of concern regarding how the pandemic economy would impact their communities, businesses, industries, and the region as a whole. All - 100% of respondents - said they were concerned about how the pandemic would impact the regional economy, with 88% saying they are “significantly concerned” or have “maximum concern”. Most concerned were the self-employed, 67% of whom say they have “maximum concern” regarding the overall impacts facing the region. Those involved in tourism registered the highest degree of concern regarding the impact COVID-19 on their industry (100% have maximum concern). Respondents from Wrangell, Skagway, and Petersburg were most concerned regarding the ultimate impacts on their community.

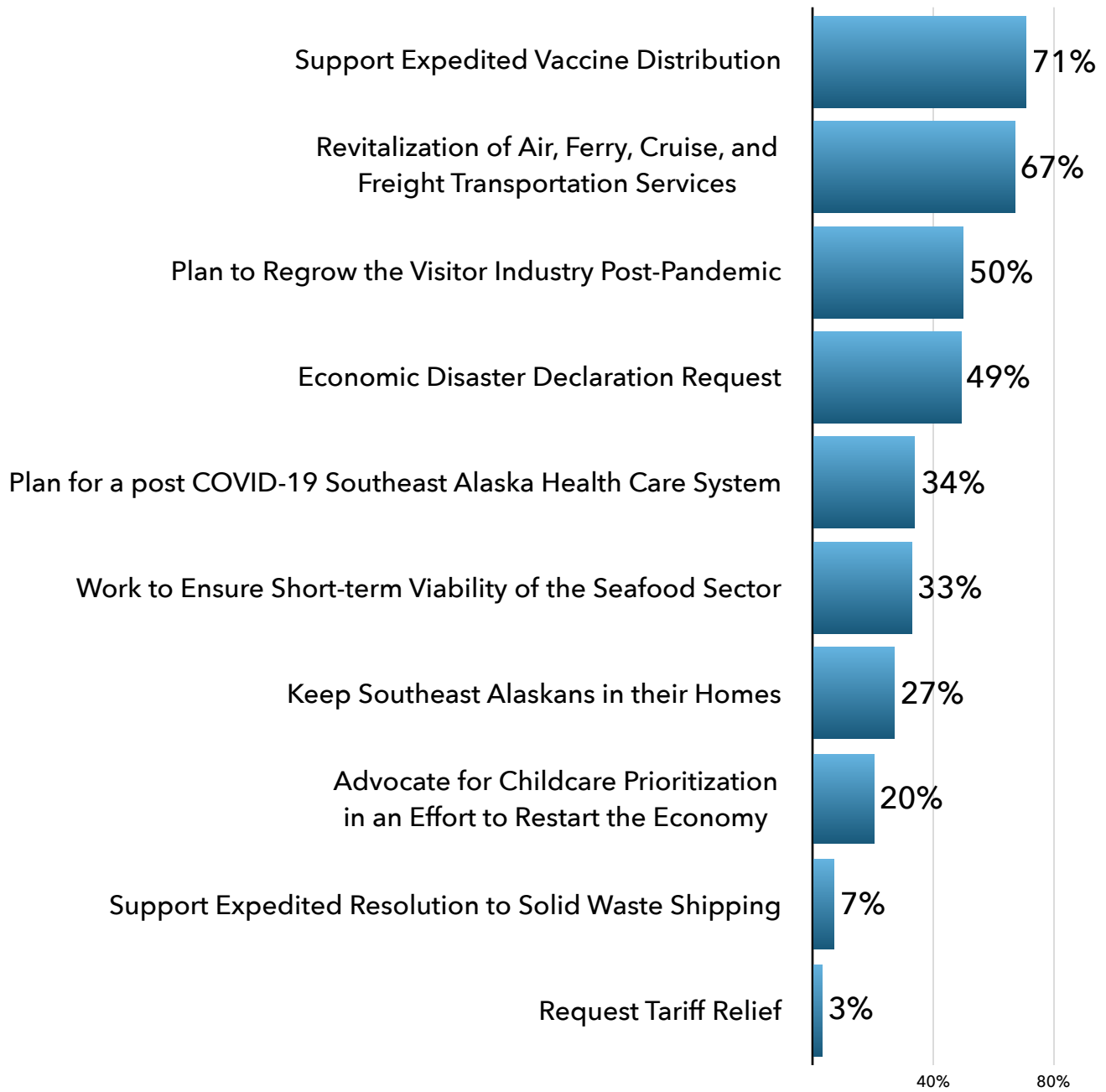
Rate your level of concern regarding how the COVID-19 crisis will continue to impact your:



	Maximum Concern	Significantly Concerned	Moderately Concerned	Not concerned/ Not applicable
Community	41%	36%	21%	2%
Region	40%	48%	12%	0%
Industry	32%	24%	32%	11%
Business	28%	35%	25%	12%

# Getting to 2022 Short-Term Southeast Alaska Resilience Plan

Also included in resilience mapping exercise was a prioritization tool to gauge the level of critical immediacy associated with each component of the Southeast Conference short-term resilience plan entitled "Getting to 2022". Mid-Session Summit Conference attendees were asked to pick the top three to four items that must be done immediately to safeguard our regional economy. The results are below:



The full text of the short-term economic reliance initiatives, developed through the collaboration of Southeast Conference board and committee members, are below:

### **1 Support Expedited Vaccine Distribution**

Support regional entities to ensure that the State of Alaska and Southeast communities continue to be ready to accept COVID vaccines and are implementing robust distribution plans. Support a coordinated strategy to communicate the importance of vaccinations to the broader community to ensure wide adoption once the vaccines are widely available. Create a higher level of understanding regarding the relationship between vaccine distribution and regrowth of the regional economy.

### **2 Revitalization of Air, Ferry, Cruise, and Freight Transportation Services**

Transportation is critical to a healthy regional economy, and Southeast Alaska's transportation networks have been disrupted during the pandemic. In 2020, air passenger traffic to the region was down by 58% over 2019 levels, cruise passengers was down by 99.9%, and ferry traffic has been severely curtailed. Set strategic direction across transportation providers to operate safely and within shared mitigation measures as the world recovers. Restoring regional transportation services to pre-pandemic levels will be imperative to ensuring that Southeast recovers from this economic disaster in a united way. Support transportation providers as they work towards re-building service and routes.

### **3 Plan to Regrow the Visitor Industry Post-Pandemic**

Support the creation of region-wide safety procedures and best practices for the tourism industry in Southeast Alaska. In light of the Canadian government's extended ban on cruise ships through February 2022, work to attract independent tourists. Support and collaborate with communities and entities to offer new programs and products catering to this type of traveler. Work as a catalyst to promote implementation of these regional procedures to communities and stakeholders. Communicate the importance of the tourism industry, and the role of cruising in the industry's success to lawmakers and communities; advocate for the swift return of business (including cruise) to the region in order to maximize potential economic impact for 2021. Support ATIA's communication efforts to amplify community reach for latest industry updates. Look for opportunities to innovate and/or redesign tourism in Southeast Alaska as we rebuild.

### **4 Economic Disaster Declaration Request**

The Governor should declare an economic disaster area for Southeast Alaska as a whole. The events of 2020 have been devastating across the region. The declaration is based on two economic failures – the loss of the statewide summer tourism season due to COVID-19, and the collapse of the regional Southeast salmon fishery due to poor returns, along with low prices. Between April and September 2020, Southeast Alaska was down by more than 7,000 jobs, or 17% of its total workforce, compared to the same period in 2019. Canada has extended its ban on cruise ships through February 2022, an act that is likely to block large cruise ships from visiting Alaska in 2021 as well, which is devastating economic news for communities and businesses across the region. In addition to the twin economic disasters, communities have experienced severe weather disaster events, most notably Haines. Several of our municipalities have already submitted economic disaster declaration requests, including Juneau, Wrangell, Petersburg, Ketchikan, Sitka, Hoonah, and Haines; while other communities are moving towards this process.

## **5 Plan for a post COVID-19 Southeast Alaska Health Care System**

There are vulnerabilities within the health care system that are likely to be exacerbated following the COVID-19 crisis, including Medicaid cuts and reduced access to health care insurance. Advocate for the development of a state fiscal plan so that we have a plan to fund state services. Identify funding capabilities of the state going forward so that the region can maintain strong health care operations moving forward. Ensure that the regional populace is healthy, has access to health care, access to health care insurance, and has the community support they need to make healthy choices.

## **6 Work to Ensure Short-term Viability of the Seafood Sector**

Southeast Alaska has just experienced one of the worst salmon seasons in our history. Support request of a fisheries disaster determination by Governor Dunleavy. Support additional funding for the PPP loan program or state or federal grants through an additional federal distribution to keep the seafood industry working. Work to ensure short-term viability of the seafood sector in order to develop long-term sustainability. Preliminary harvest values by the Alaska Department of Fish and Game show that the value to fishermen of the Southeast Alaska salmon harvest fell by half (-50.8%) from \$101.8 million in 2019 to \$50.1 million. In addition, mitigation measures in response to the Covid-19 public health emergency has suppressed demand for seafood products and driven ex-vessel prices significantly lower than previous years. Work to find additional ways to provide stability to the regional seafood economy to make it through to 2022. There has also been a lack of ability to move seafood and mariculture product to market due to the pandemic. Work to revive the market in order to rebuild regional economic seafood/mariculture systems.

## **7 Keep Southeast Alaskans in their Homes**

Numerous renters across the region are facing eviction and homeowners face foreclosure. Support emergency rental assistance in Southeast Alaska, along with the organizations that are distributing funding. Prioritize those who are in immediate danger of eviction first. Many homeowners are facing an inability to pay their mortgage and could be evicted due to the impacts of the pandemic. Explore creative options to reduce mortgage payments for those unable to make payments during this pandemic emergency. Develop quarantine housing options across the region to support the need for isolation, and to address overcrowding and health issues. Southeast Alaska has been experiencing increased extreme weather events. Homes are in increased danger of landslides, flooding, tree falls, power surges, etc. Support housing disaster assistance for organizations such as the Tlingit and Haida Regional Housing Authority, which provides assistance during severe weather events.

## **8 Advocate for Childcare Prioritization in an Effort to Restart the Economy**

A fully functional childcare system must be in place to get the region back to work. Work to maintain childcare infrastructure. Elevate the essential nature of childcare workers by prioritizing them within vaccine distribution plans; and find other ways to honor them in communities. Through advocacy at the state level, ensure streamlined, direct delivery of Federal Block Grant funds to providers. Allocate a portion of any future federal pandemic assistance to support general operations of childcare programs.

## **9 Support Expedited Resolution to Solid Waste Shipping**

Some Southeast Alaska communities are at risk of losing solid waste shipment options due to new fire mitigation requirements. Support the work of communities and shipping companies to create a safer system, but under a timeframe that allows communities to move to new systems of baling,



compacting, and/or procuring closed containers without losing critical shipping access; or acceptance of temporary solutions while permanent solutions are being developed.

## **10** Request Tariff Relief

In recent years new tariffs on seafood, timber, and minerals have been detrimental to the Southeast Alaska economy. The extra burden, higher costs, and reduced market access as a result of these tariffs have become untenable during a period of a depressed pandemic economy. Work with the Alaska congressional delegation to support new trade negotiations with China that reduce or eliminate onerous tariffs on Southeast Alaska goods.