June 2018

Economic Baseline Report

Haines Economic Development Plan

PREPARED FOR

Haines Economic Development Corporation

HEDC
Haines Economic Development Corp.

PREPARED BY

McDowell GROUP

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Introduction

Background

This report is one component of an economic development planning effort being led by the Haines Economic Development Corporation (HEDC). HEDC is a nonprofit corporation formed in 2017 and funded by Haines Borough. Its mission is "to realize economic development in Haines Borough through research, community engagement, and strategic planning." As one of its first major initiatives, HEDC contracted with McDowell Group to prepare two documents, including:

- A comprehensive report of baseline economic data for Haines
- A five-year economic development plan for Haines.

The baseline data report serves as a foundational document for development of the five-year economic development strategy, and as a standard against which to measure progress toward economic development goals. The development plan includes goals, objectives, and strategies and a 1-year and 5-year action plan.

Why Conduct Economic Development Planning?

Economic development planning is about understanding conditions in the local economy, recognizing which forces shaping the local economy are susceptible to local influence, and identifying strategies to achieve specific development goals. The Haines economy, like most others, is influenced by many forces beyond local control. Communities can be passive, leaving the economy largely under the influence of outside forces or individual investors. Alternatively, they can be proactive, working toward a common goal and influencing local economic conditions.

Haines is uniquely positioned to benefit from economic development planning. It has a remarkable base of assets around which a stronger and more diversified economy can be built. At the same time, there are trends in the economy that may be cause for concern, such as declining wage income and limited opportunities for the year-round employment that can attract and sustain families.

The Economic Baseline Report

This economic baseline report provides a comprehensive assessment of Haines' economic conditions and trends based on the most recent available data. The purpose of this economic baseline report is to describe trends in the Haines economy, identify the forces that create those trends, and to consider the direction of the economy and its key sectors over the next five years.

Topics covered include employment, income, population, housing, transportation, and an assessment of each of Haines' major economic sectors. While the scope of the project does not include economic impact analysis for each industry, it nevertheless represents the most thorough assemblage of economic data ever prepared for Haines.

Scope of Work and Methods

A first step in the process of creating the Haines economic baseline was compilation of all available data that reflects conditions and trends in the Haines economy. This included collection and analysis of data regarding population and demographic characteristics, employment, unemployment, wages, personal income, sales tax revenue, transportation-related statistics, and a variety of industry-specific trends. Data sources include the U.S. Census Bureau (USCB) and its American Community Survey, Bureau of Economic Analysis (BEA), and Bureau of Labor Statistics (BLS); various state agencies, including the departments of Labor and Workforce Development (DOLWD), Fish and Game, Revenue, Commerce, Community and Economic Development; and local sources, including the Haines Borough.

In addition to this economic data, this report considers industry-level conditions and trends, with a focus on Haines' key "basic" industries. These industries include the visitor, seafood, and mining industries; health care and senior services; forest products; and state and federal government. Other sectors including arts and culture, non-profits, and agriculture are also included in this analysis. In addition to gathering and analyzing industry-level data, the McDowell Group study team conducted interviews with representatives of each sector to gain insight on the latest trends and activity in each industry. In total, more than 60 project interviews were conducted.

Finally, this baseline report includes the results of random-sample telephone and online surveys of Haines residents. The purpose of the surveys was to establish a baseline of community attitudes and priorities. The survey included questions regarding the local economy, household economic well-being, methods of measuring economic growth, support for (and opposition to) growth in a variety of economic sectors, economic development strategies, sources of household income, and other household characteristics.

Additional Economic Baseline Research Needs

The baseline report provides a compilation of the best available published information concerning the Haines economy. It does not include a comprehensive model of the Haines economy providing detailed measures of the direct and multiplier effects of each sector of the local economy. Such a modelling exercise is well beyond the resources available for this project. While such a modeling exercise is not necessary to provide the foundational understanding of the economy needed to inform the five-year plan, there are important gaps in the information available that prevent fully understanding the local impact of potential forms of economic development. In particular, available data fails to fully and accurately portray the economic impact of the visitor industry in Haines. As Haines' most important industry in terms of income generation, the visitor industry's economic impact in the economy should be well understood, so that planning efforts can be designed and conducted to achieve the greatest return on public investment in marketing and infrastructure.

Looking ahead, Haines will want a clearer understanding of the potential socioeconomic impact of resource development in the borough. Timber harvests and mine development both have the potential for significant local economic impact. As more detailed development plans evolve, studies should be conducted to accurately gauge the range of potential impacts and needs including workforce, business opportunities, environmental monitoring, housing, school enrollment, and utilities.

The economic baseline report should be regularly updated to track trends and gauge progress toward development goals. Annual updates are recommended.

How to Use this Report

The primary purpose of this economic baseline report is to provide a common understanding of conditions in the local economy and establish benchmarks from which to measure progress. Potential benchmarks for measuring progress toward a stronger economy include:

- Total population
- Total annual personal income
- Per capita personal income
- Median family income
- Total wage and salary income
- Total resident wage and salary income
- Average monthly wage and salary employment
- Average monthly resident wage and salary employment
- High and low-month employment and wage differential (to measure seasonality)
- Average monthly wage
- Total employment (wage and salary jobs plus self-employed)
- Sales tax revenues (reflecting trends in gross business sales)

None of these metrics alone provides a clear measure of economic trends, but several together can provide the community with an accurate barometer for the economy. Some of these metrics are better suited for tracking short-term progress, while others are only useful for tracking trends over a longer period. Metrics provided by DOLWD are best for measuring trends unfolding over a year or two, including population and wage and salary employment. DOLWD population estimates are accurate and prepared annually. Employment data is released monthly or quarterly, with a two to six-month lag, depending on the data set. Personal income data can provide good measures of economic progress over a three to five-year time horizon, but not current trends. Income data from BEA are annual estimates released on an 18-month lag and subject to revision, so year-to-year comparisons are delayed and must be made with caution.

A number of industry-specific metrics can also be tracked to measure sector-level growth, such as:

- Total employment and wages, by industry
- Resident employment and wages, by industry
- Resident fishermen total ex-vessel (gross) income
- Resident fishermen average annual ex-vessel (gross) income
- Cruise ship passenger visitation
- AMHS passenger and vehicle traffic (an indicator of visitor traffic)

In addition to providing a range of metrics for measuring economic development, the baseline report has other potential uses, including:

- Business development planning, including market research and feasibility studies

- Providing data for lenders seeking a better understanding of the investment climate
- Informing grant applications that require demographic or economic information
- Comprehensive community planning (which typically contain economic development sections), and
- Guiding identification and prioritization of future research.

As described above, regularly updating the data is key to preserving the value of this baseline report for its broad range of users.

Economic Baseline Report Organization

This report is organized into the following main sections:

Baseline Summary provides a high-level overview of the extensive data provided in the baseline report.

Chapter 1 – Current Economic Conditions and Trends includes personal and household income, employment and earnings, labor force characteristics (including residency), and employer statistics.

Chapter 2 – Demographics profiles the Haines population. Demographic information in this section describes population trends and projections, including special attention to aging trends, and household characteristics.

Chapters 3 – Housing and Transportation provides information regarding two critical aspects of community infrastructure.

Chapter 4 –Industry Profiles details conditions and trends in Haines’ key and emerging industry sectors.

Appendix – Telephone and Online Survey Report

The Haines Economy:
Baseline Summary

JOBS:
965 wage/salary 1,712 total jobs

(2016)

INCOME:
$127 million in personal income

(2016)

SALES TAX RECEIPTS:
$3.2 million

(2017)

Haines' wage and salary employment has hovered at **around 1,000 jobs over the past decade.** The 2016 total of 965 is down by 9% from a decade ago (1,061). Total wages are down 11%.

Haines employment doubles between winter and summer, ranging from a low of 667 in January, to a high of 1,382 in July.

Total employment in Haines has been at the 1,700 level since 2013; however, **self-employment has been on the upswing**, increasing by about 10% between 2012 and 2016.

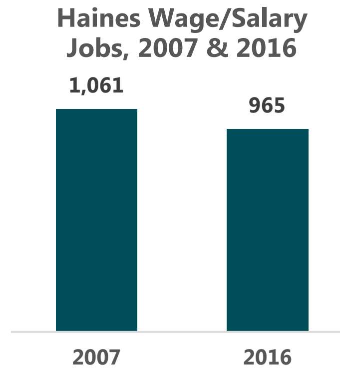
Excluding seafood processing, **the Haines workforce was 28% non-Alaskan** in 2016, with non-residents earning 15% of all non-seafood-processing wages.

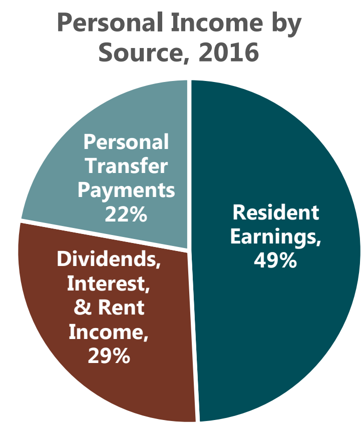
Haines' **unemployment rate was 9.1%** in 2017, slightly higher than the statewide rate of 7.2%.

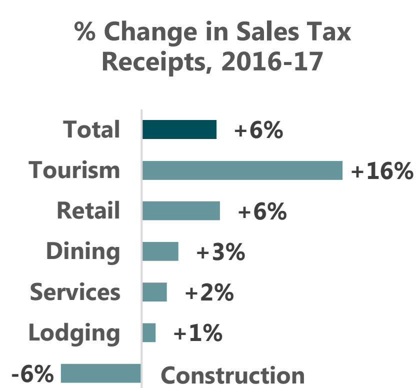
From 2007 to 2016, Haines' **personal income growth of 18%** was slightly ahead of personal income growth in Alaska overall (16%).

Haines is unique in its dependence on non-earnings income. Statewide, two-thirds (66%) of personal income is from earnings, compared with 49% in Haines.

Haines Borough business sales tax receipts in 2017 totaled just under **$3.2 million, up 6% from 2016.** The retail and tourism sectors accounted for most of the increase.







POPULATION:

2,459 Borough residents

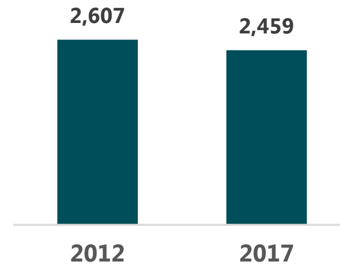
(2017)

Haines' 2017 population of 2,459 has been **slowly trending down since 2012** (2,607), although it is at about the same level as a decade ago (2,464 in 2008).

The recent decline is largely **attributable to net out-migration**. From 2012 through 2017, 142 more people moved from Haines than moved to Haines.

Haines' population is **projected to decline slowly** (about 5%) over the next 25 to 30 years.

Haines Population, 2012 & 2017



AGE:

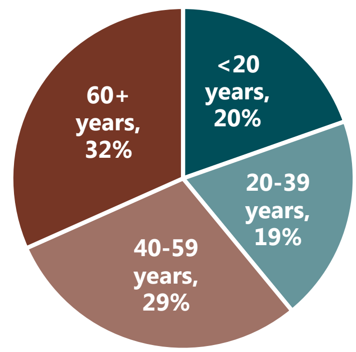
49.3 years old (median)

(2017)

Haines residents had a **median age of 49.3** in 2017, well above the statewide average of 34.9. **One-third of the population is 60 and older**, while one-fifth is under 20.

Between 2008 and 2017, **Haines' 60 and older population increased by 51%.** Over that same period, those aged 40-59 decreased by 24%; those aged 20-39 increased by 4%; and those under 20 decreased by 11%.

Haines Population, by Age Group



TRANSPORTATION:

43,000 hwy arrivals
33,000 ferry arrivals
7,000 air arrivals
(2017)

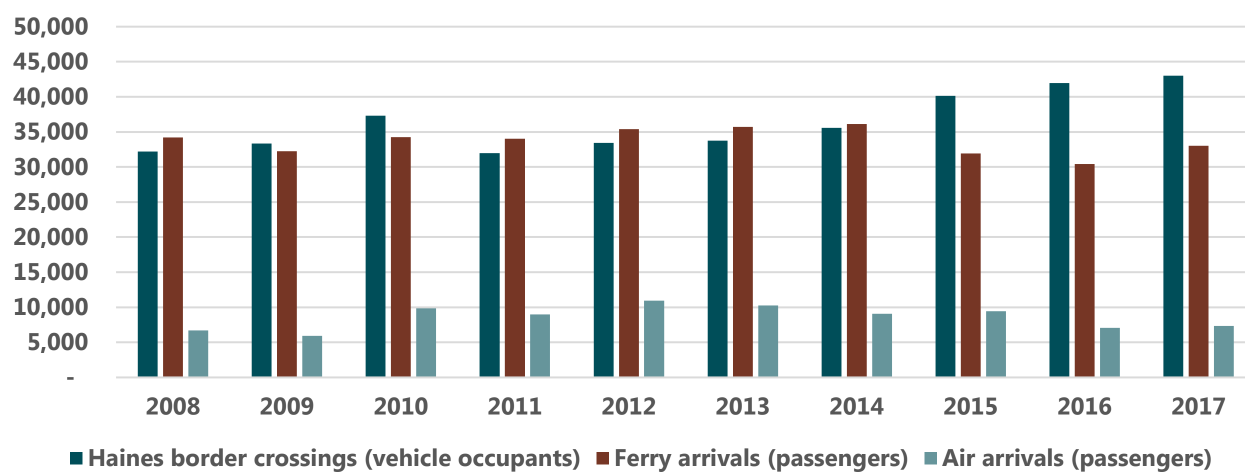
Highway traffic across the U.S./Canada border has increased steadily since 2011, gaining 34% between 2011 (31,996 vehicle occupants) and 2017 (42,999).

Haines' ferry passenger traffic in 2017 was down 8% from its peak in 2013 (700 fewer arriving passengers). Over the same period, **vehicle arrivals declined by 17%.**

The number of **travelers arriving in Haines by air has declined significantly over the past five years,** falling from about 10,900 arrivals in 2012 to 7,300 in 2017, a 33% decline.

Note: All figures include both residents and visitors.

Highway, Ferry, and Air Traffic Arriving into Haines, 2008-2017



TOURISM:

125,000-135,000 visitors

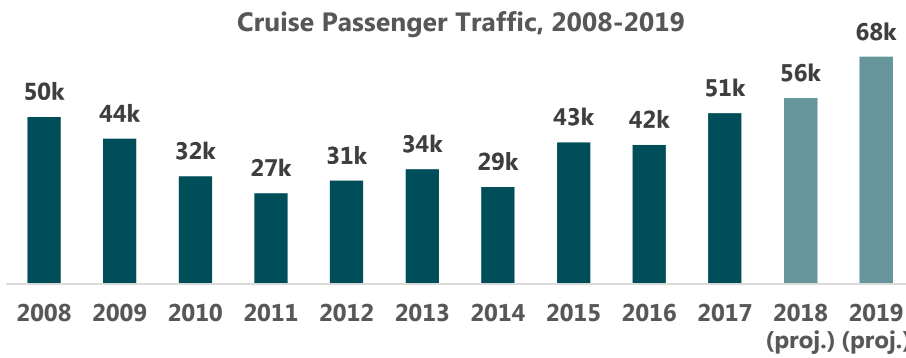
$20-$25 million in spending

(2017)

Haines hosted approximately **125,000 to 135,000 visitors in 2017**, including non-Alaskans and Alaska resident travelers. Visitor spending likely totaled **between $20 million and $25 million** in 2017.

Major visitor markets include cruise ship passengers, highway/ferry visitors, special events participants, and winter visitors.

Haines hosted **51,200 passengers from cruise ships** docked in Haines ("direct calls") in 2017. An additional **43,000 passengers visited Haines off the fast ferry from Skagway.** Direct call traffic is expected to increase to 68,100 in 2019, **a 33% jump from 2017 traffic**.



SEAFOOD:

160 permits

86 commercial vessels

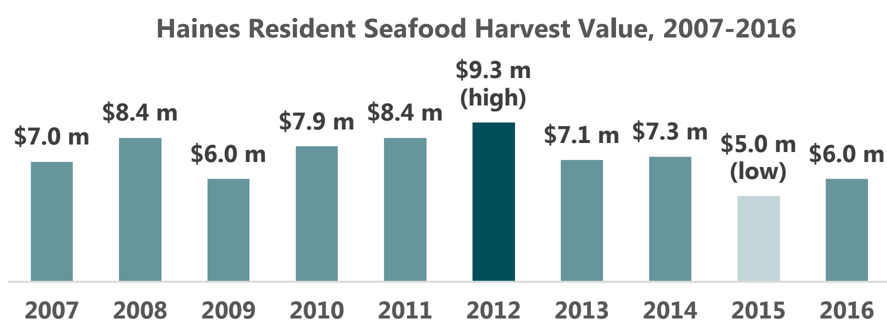
$6 million in income

(2016)

In 2016, 103 Haines residents held **160 limited entry permits** and owned **86 commercial fishing vessels**; an additional 96 residents participated in the fishing industry as crew.

Haines commercial fishermen earned **$6 million in gross income** in 2016. Salmon accounted for nearly 70% of Haines' commercial fishing income. Halibut was the next most important in terms of gross income, generating $1.4 million (23% of the total).

Over the 2007-2016 period, **harvest value ranged from a low of $5.0 million in 2015 to a high of $9.3 million in 2012**, after adjusting for inflation.



MINING:

79 jobs

$3.4 million in wages

(2016)

In 2016, Haines' mining industry directly accounted for **79 full-time, contract, and temporary jobs.** These workers earned a total of **$3.4 million in wages**.

In 2017 the **Palmer Project employed 64 workers**, including Constantine employees and contract workers such as drillers, pilots, and road construction personnel. About half (33) of those workers are Haines-based.

Haines is currently home to **31 Kensington Mine and Greens Creek Mine employees.**

HEALTH CARE:
162 jobs
$5.7m in wages
(2016)

The health care and social services sector is an important part of the Haines economy, accounting for **approximately 162 jobs and an estimated $5.7 million in annual wages** in Haines.

There are **14 local employers** in this sector, notably SouthEast Alaska Regional Health Consortium (SEARHC), Haines Assisted Living, the Senior Center, Cornerstone Health, and Hospice of Haines, among others.

ARTS & CULTURE:
80 jobs
$1.4m in wages
(2015)

Haines has a diverse and vibrant arts sector that includes **visual arts, performing arts, and numerous arts organizations**. In 2015, **80 Haines residents had full-time or part-time earnings** from the arts, including artists, teachers, and employees of museums, art galleries, and non-profits. **Artists' earnings totaled $1.4 million.**

FOREST PRODUCTS:
58,000 acres of timber land

Though current forest products industry activity in Haines is relatively limited, the **Haines area has significant potential for increased economic activity.**

In addition to a few individuals who operate small bandsaw mills primarily for personal use, there are **currently three small commercial mill operators** in the Haines area. These mills provide rough-cut lumber for local construction projects as well as the manufacture of bowls, furniture, carvings, cabinets, skis, musical instruments, and boats.

Combined, the State of Alaska, University of Alaska, and Alaska Mental Health Trust Authority **own 58,000 acres of timber land** in the area that is currently available for commercial harvest. These three entities recently announced that they are **working cooperatively to offer up to 150 million board feet of Haines area timber** for sale over the next decade.

OTHER SECTORS:
- **Government**
- **Retail**
- **Accommodation & Food Service**
- **Entertainment & Recreation**

Additional sectors representing significant employment in Haines include the following (based on 2016 data):

Government represents 197 jobs and $15.7 million in wages.

Retail represents 192 jobs and $4.7 million in wages.

Accommodation & food service represents 176 jobs and $3.2 million in wages.

Entertainment & recreation represents 151 jobs and $3.3 million in wages (this sector overlaps with arts and culture).

Please see the body of the report for additional detail on Haines baseline economic indicators and employment sectors.

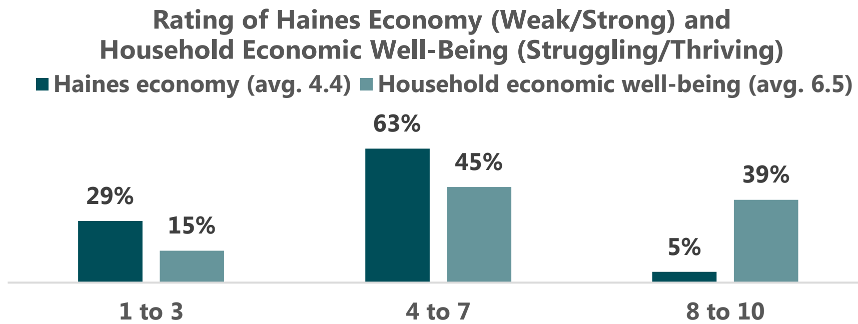
COMMUNITY SURVEY:

Telephone survey of 205 Haines households

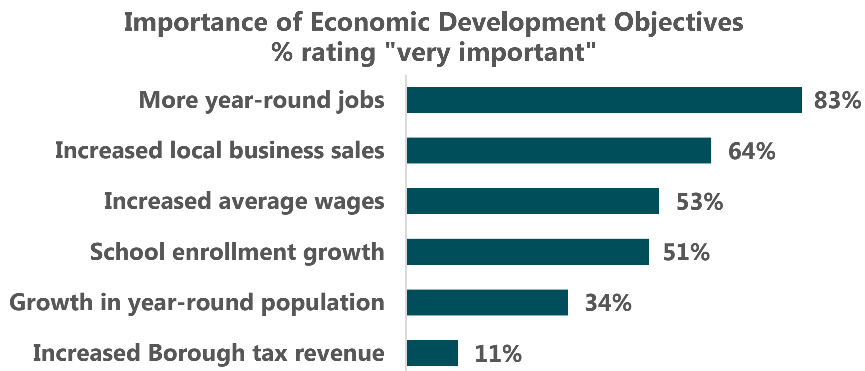
Online survey of 360 residents

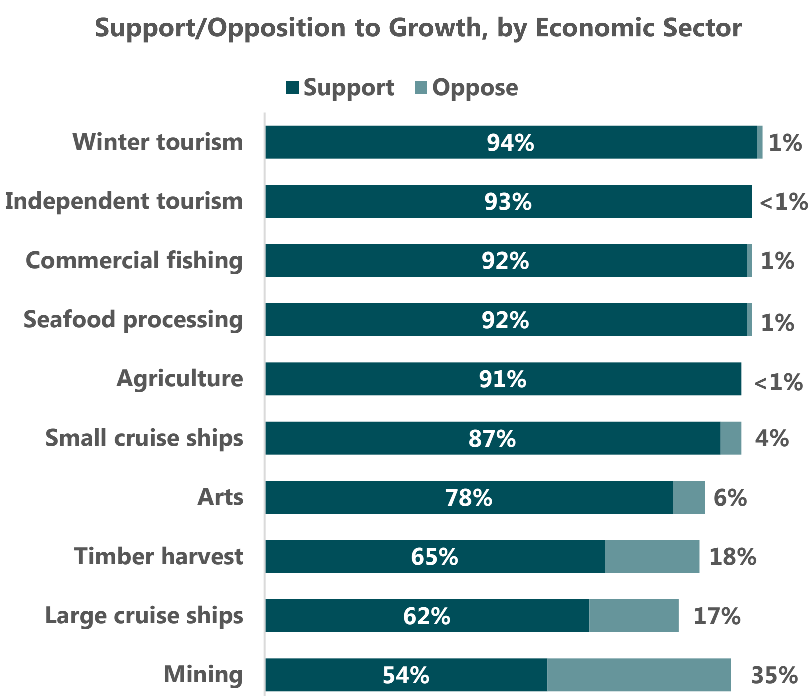
A **telephone survey was conducted of 205 randomly selected Haines households**; an additional 360 residents participated in an online version of the survey. Results below refer to the telephone survey only; online results were very similar for nearly all questions. Detailed survey results are provided in the Appendix to this report.

Haines residents rated the current condition of **Haines' economy an average of 4.4** on a 1-to-10 scale, where 1 = "very weak" and 10 = "very strong." **Residents gave more positive ratings to their own household's economic well-being**, giving an average rating of 6.5, where 1 = "struggling" and 10 = "thriving."



When asked to rate the importance of various economic development objectives, **residents rated more year-round jobs as most important,** followed by increased local business sales, increased average wages, school enrollment growth, year-round population growth, and increased Borough tax revenue.





A majority of survey respondents were supportive of growth in all economic sectors. Over 90% of residents expressed support for winter tourism, independent tourism, commercial fishing, and agriculture. Opposition ranged from less than 1% to 6% for all but three categories: mining (35% were opposed), timber harvest (18%), and large cruise ships (17%).

When asked about economic development initiatives, **residents expressed the strongest support for "create small business and entrepreneur support programs"** (89%), followed by "improve transportation services" (85%), "develop harbor and other commercial fishing facilities" (85%), "develop trails and outdoor recreation infrastructure" (78%), and "deepwater port redevelopment for freight transshipment" (74%).

Chapter 1. Current Economic Conditions and Trends

This chapter reports on economic conditions and trends in Haines' economy. A variety of measures, including personal income, employment, payroll, business sales, and others, are presented. None of these measures alone provides a clear picture of the economy; however, together they provide a basic understanding of what drives the local economy, and the direction of the economy.

For several economic indicators, data for the communities of Wrangell and Petersburg are provided, along with statewide data. Data for these "peer" communities provides an opportunity to identify economic and demographic trends that might be unique to Haines versus those are typical of smaller Southeast Alaska communities. Wrangell is a community of about 2,400 residents, with an annual average of about 860 jobs, and total personal income of $114 million (as of 2016). Petersburg's population in 2017 was 3,147, with 1,300 jobs, and $198 million in total personal income.

Personal Income

Total Personal Income

Personal income is a measure of income earned by individuals from all sources, including wages, investments, business profits, payments from government programs, and any other source of income flowing to residents of the community. In 2016, personal income in Haines totaled $126.5 million. This number includes personal income for Haines Borough residents only; it does not include income earned by non-resident workers working in Haines.

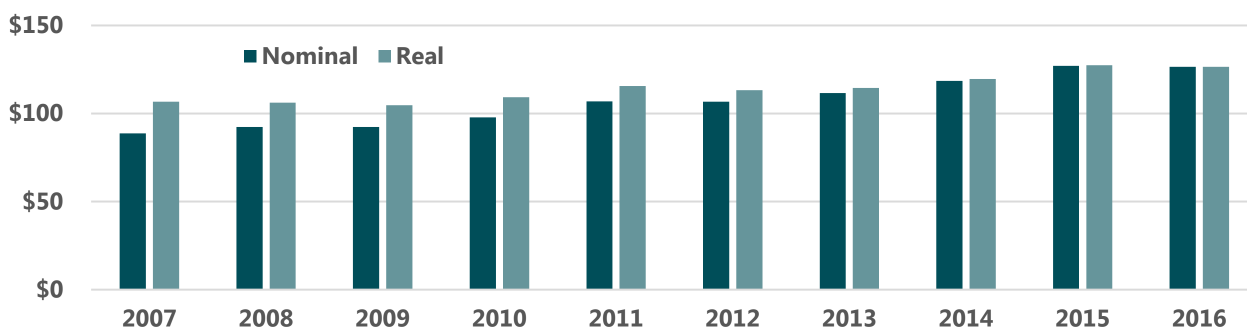
In terms of inflation-adjusted ("real") dollars, total personal income grew by a total of 18 percent between 2007 and 2016. Though growth has not been steady, over the ten-year period total personal income increased at an average annual rate of 1.7 percent.

Table 1. Haines Borough Resident Total Personal Income, Nominal and Inflation-Adjusted (Real), millions, 2007 – 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Nominal	$88.8	$92.3	$92.3	$97.8	$106.9	$106.7	$111.7	$118.6	$127.0	$126.5
Real	$106.8	$106.1	$104.8	$109.2	$115.6	$113.3	$114.6	$119.7	$127.5	$126.5

Source: BEA.

Figure 1. Haines Borough Resident Total Personal Income, Nominal and Inflation-Adjusted (Real), millions, 2007 – 2016



Source: BEA.

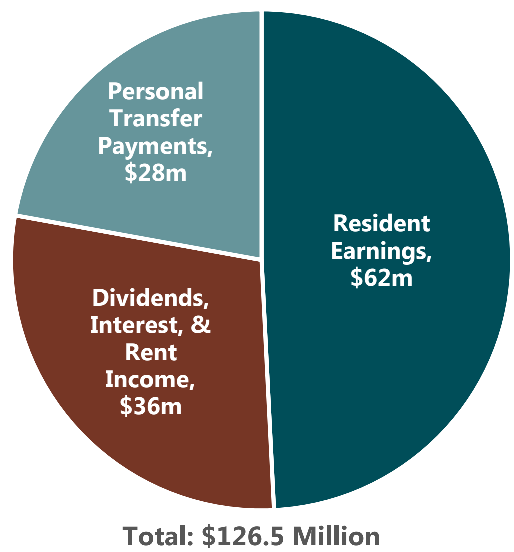
From 2007 to 2016, Haines' personal income growth of 18 percent was slightly ahead of personal income growth in Alaska overall (16 percent). Haines personal income increased by 9 percent over the past five years, compared to statewide growth of 3 percent. Total personal income in Haines dipped slightly in 2016, along with statewide personal income, which reflects Alaska's economy sliding into recession that year.

Total personal income includes three broad categories of income: resident earnings; dividends, interest, and rent; and personal current transfer receipts (also known as transfer payments). "Resident earnings" refer to the income earned by Haines residents from employment (or from business profits). "Dividends, interest, and rent" describes investment income, such as dividend income from stock ownership (including dividends paid to retirement plans), interest earned on savings accounts and bonds, and rental income from property ownership. "Personal current transfer receipts" are payments from government to individuals, including Medicare and Medicaid payments, Social Security payments, food stamps, and similar payments. This category also includes Permanent Fund dividend payments.

Local resident earnings accounted for 49 percent of Haines resident total personal income in 2016; dividends, interest and rent for 29 percent; and transfer receipts for 22 percent.

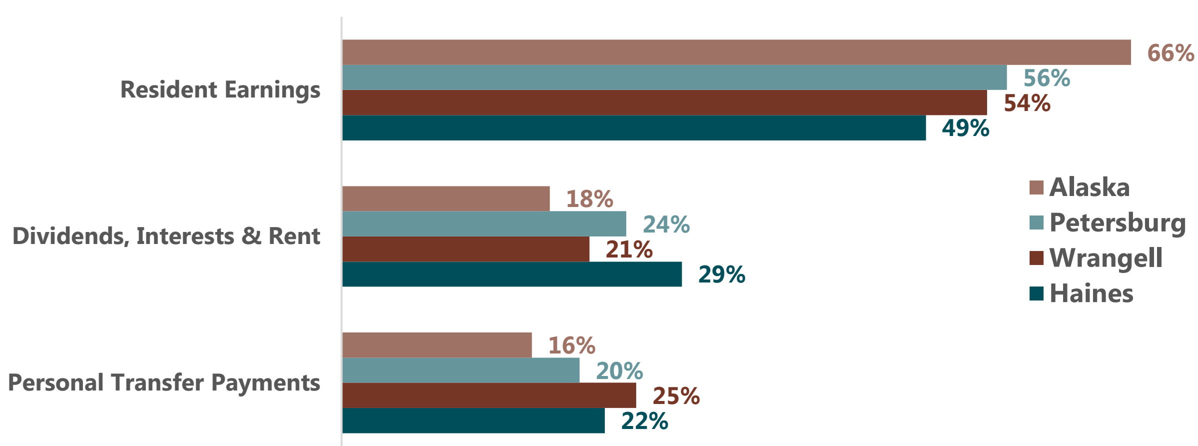
Haines is unique in its dependence on non-earnings income. Statewide, two-thirds (66 percent) of personal income is from earnings and 18 percent from dividends, interest, and rent. Peer communities of Petersburg and Wrangell are closer to Haines in this regard, as illustrated in the following graph. Haines, Petersburg, and Wrangell all have older populations than the state overall, which accounts for greater reliance on retirement income.

Figure 2. Haines Borough Resident Personal Income, by Source, 2016



Source: BEA.

Figure 3. Personal Income by Source, % of Total, Selected Geographies, 2016

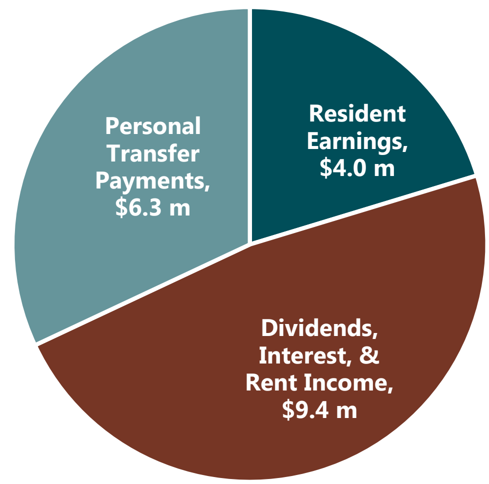


Source: BEA.

Between 2007 and 2016, Haines' total real personal income increased by about $20 million. This includes $4.0 million in earnings, $9.4 million in dividends/ interest/rent, and $6.3 million in transfer receipts. Three-quarters of the growth in Haines personal income over the past decade was in non-employment-related income.

Statewide, 46 percent of the growth in total real personal income over the 2007 to 2016 period was in resident earnings, 31 percent was in personal transfer receipts, and 23 percent was in dividends, interest, and rent income.

Figure 4. Growth in Haines Resident Personal Income, 2007 – 2016



Source: BEA.

Total: $19.6 million

Table 2. Selected Components of Haines Personal Income, 2007 to 2016 (millions)

Component	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net earnings by place of residence	$48.4	$48.2	$51.2	$53.8	$56.4	$57.6	$61.2	$60.8	$62.7	$62.2
Percent Change YoY	*-0.1%*	*-0.3%*	*+6.0%*	*+5.1%*	*+5.0%*	*+2.0%*	*+6.2%*	*-0.6%*	*+3.1%*	*-0.7%*
Dividends, interest, and rent	$22.3	$20.7	$20.2	$20.2	$25.1	$25.6	$28.2	$30.1	$36.3	$36.2
Percent Change YoY	*+27.5%*	*-7.1%*	*-2.8%*	*+0.3%*	*+24.1%*	*+2.0%*	*+10.1%*	*+6.8%*	*+20.4%*	*-0.1%*
Proprietors' Income	$9.5	$10.0	$10.3	$12.2	$12.2	$13.8	$13.8	$15.3	$15.7	$16.5
Percent Change YoY	*-16.9%*	*+5.5%*	*+2.6%*	*+19.1%*	*-0.4%*	*+13.1%*	*+0.4%*	*+10.3%*	*+2.8%*	*+5.3%*

Source: BEA, McDowell Group calculations.
Note: Annual growth rate shown for the period. Proprietor's income includes nonfarm business only.

Per Capita Personal Income

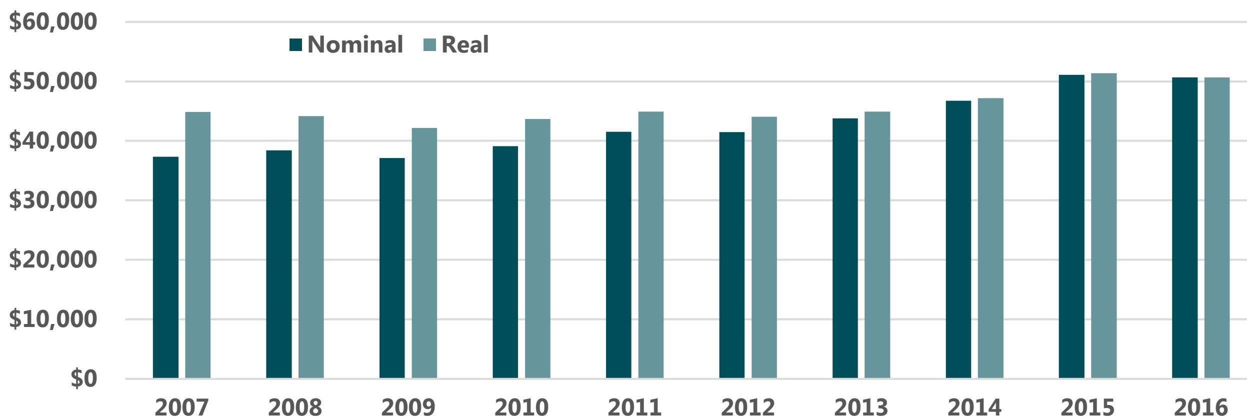
Per capita personal income in Haines was $50,667 in 2016. This is a measure of total personal income divided by Haines' total population. Real per capita personal income increased 13 percent in Haines between 2007 and 2016. Similar to total personal income, per capita income in Haines declined slightly in 2016 compared to 2015.

Table 3. Haines Borough Per-Capita Personal Income (Nominal and Real Dollars), 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Nominal	$37,329	$38,408	$37,115	$39,136	$41,546	$41,502	$43,799	$46,730	$51,129	$50,667
Real	$44,875	$44,151	$42,164	$43,696	$44,935	$44,056	$44,919	$47,170	$51,348	$50,667

Source: BEA.

Figure 5. Haines Borough Per-Capita Personal Income (Nominal and Real Dollars), 2007-2016



Source: BEA.

Between 2007 and 2016, per-capita personal incomes rose by an annual rate of 3.4 percent, slightly higher than the statewide growth rate of 3.1 percent. (See table, next page.)

Per capita personal income in Haines in 2016 was 9 percent below the statewide level of $55,646 and about 3 percent above national per capita income. Relative to peer communities, Haines per capita personal income is above Wrangell, but well below Petersburg.

Table 4. Per-Capita Personal Income (Nominal Dollars), 2012-2016

	2012	2013	2014	2015	2016	% Change 2012 to 2016	% Change 2015 to 2016
Haines	$41,502	$43,799	$46,730	$51,129	$50,667	+22.1%	-0.9%
Petersburg	$56,114	$62,790	$63,972	$65,428	$62,773	+11.9%	-4.1%
Wrangell	$42,166	$42,044	$46,449	$47,141	$47,105	+11.7%	-0.1%
Alaska	**$52,648**	**$51,455**	**$54,625**	**$56,528**	**$55,646**	**+5.7%**	**-1.6%**
U.S.	**$44,282**	**$44,493**	**$46,494**	**$48,451**	**$49,246**	**+11.2%**	**+1.6%**

Source: BEA.

Household and Family Income

Haines is significantly below Alaska overall in terms of household and family income. Family income is the combined income of all people in the family – that is, a group of people living together and related by birth, marriage, or adoption. Household income is the combined income of all people living together, regardless of relation. The definition of household includes families, as well as non-related people living together, or people living alone. As such, household income tends to be lower.

Haines' mean household income was 20 percent below the Alaska-wide mean in 2016, while median income was 29 percent below the statewide median. Haines lagged the state overall by 31 percent and 33 percent, in terms of mean and median family income, respectively.

Table 5. Mean and Median Household Income, 2012-2016

	2012	2013	2014	2015	2016	% Change 2012 to 2016	% Change 2015 to 2016
Haines Mean Household Income	$65,709	$62,807	$71,240	$76,126	$73,554	+11.9%	-3.4%
Alaska	$86,208	$87,235	$88,583	$89,746	$92,191	+6.9%	+2.7%
Haines Median Household Income	$50,208	$52,866	$57,551	$58,750	$53,125	+5.8%	-9.6%
Alaska	$69,917	$70,760	$71,829	$72,515	$74,444	+6.5%	+2.7%

Source: USCB, ACS.

Table 6. Mean and Median Family Income, 2012-2016

	2012	2013	2014	2015	2016	% Change 2012 to 2016	% Change 2015 to 2016
Haines Mean Family Income	$79,166	$71,429	$75,402	$73,977	$71,827	-9.3%	-2.9%
Alaska	$97,631	$99,002	$100,099	$100,810	$103,495	+6.0%	+2.7%
Haines Median Family Income	$63,519	$68,207	$66,250	$68,750	$58,750	-7.5%	-14.5%
Alaska	$81,752	$82,870	$83,714	$84,232	$87,365	+6.9%	+3.7%

Source: USCB, ACS.

Measures of Poverty

Federal government measures of poverty in Alaska sometimes misrepresent living standards and quality of life because those measures fail to account for the role of subsistence in rural lifestyles. Nevertheless, the data does provide relative measures of economic well-being from a cash income perspective. Poverty level data is also important as criteria for determining eligibility for a variety of government programs.

Federal poverty levels depend on the number of people residing in the household. For example, the 2018 poverty guidelines for Alaska are $15,180 for a single-person household, $20,580 for a two-person family household, $25,980 for three, $31,380 for four, and $36,780 for a five-person family household. These income levels are 25 percent above national levels.

Based on 2012-2016 ACS data, 5.3 percent of Haines residents have income below the federal poverty level. The margin of error indicates that the actual rate could be as low as 3.0 percent or as high as 7.6 percent. Haines is well below the statewide percentage (10.1 percent) of residents with income below the poverty level and also below the peer communities of Petersburg (9.3 percent) and Wrangell (9.9 percent).

Table 7. Percent of Haines Population Below Poverty Level by Age, 2012-2016 Five-Year Estimate

Age (Years)	Population Estimate	Percent Below Poverty Level	Percent Margin of Error
Under 18	454	4.0%	±4.1%
18-34	514	9.9%	±7.7%
35-64	1,127	4.7%	±0.2%
65 and above	418	2.4%	±2.4%
Total (All Ages)	**2,513**	**5.3%**	**±2.3%**

Source: USCB, 2012-2016 ACS.

Table 8. Percent of Population Below Poverty Level by Age, Haines, Petersburg, Wrangell and Alaska, 2012-2016 Five-Year Estimate

Age (Years)	Haines	Petersburg	Wrangell	Alaska
Under 18	4.0%	9.7%	14.9%	14.4%
18-34	9.9%	16.2%	18.4%	11.4%
35-64	4.7%	7.4%	5.4%	7.9%
65 and above	2.4%	4.3%	7.4%	4.5%
Total (All Ages)	**5.3%**	**9.3%**	**9.9%**	**10.1%**

Source: USCB, 2012-2016 ACS.

IRS Income Tax Return Data

Data from the Internal Revenue Service (IRS) provides additional information about the personal and household income make-up of the Haines economy. Based on the most recent available data (2015), 1,340 returns were filed by Haines residents in 2015 with total income of about $74 million. (Total income as reported to the IRS differs from total personal income because the BEA uses a broader definition of nontaxable income in estimating personal income. This includes nontaxable transfer payments, employer contributions to pension and insurance funds, and investment income retained by pension plans.) The IRS tax return data provides a sense of the distribution of income within the local economy. For example, the largest number of returns (320, about a quarter of the total) were in the $25,000 to $50,000 income range. Meanwhile, there were 20 returns (just over 1 percent of the Haines returns) in the $200,000 or more category.

Table 9. Number of Tax Returns, Adjusted Gross Income, and Total Income, by Adjusted Gross Income Bracket, Haines Borough, 2015

Adjusted Gross Income (AGI) Bracket	Returns	Total AGI (millions)	Total Income (millions)	Average Income (Loss)/Return
Haines Borough Total	**1,340**	**$71.9**	**$73.7**	**$55,001**
Under $1	40	-2.5	-2.5	(63,350)
$1 to under $10,000	210	1.1	1.2	5,595
$10,000 to under $25,000	290	5.2	5.4	18,728
$25,000 to under $50,000	320	11.7	12.1	37,919
$50,000 to under $75,000	180	11.2	11.5	63,811
$75,000 to under $100,000	130	11.0	11.2	85,900
$100,000 to under $200,000	150	19.6	20.3	135,113
$200,000 or more	20	14.6	14.6	728,750

Source: IRS Statistics of Income – County Data, McDowell Group calculations.

The IRS data also indicates that Haines residents earned $37.5 million in salaries and wages in 2015, along with $8.3 million in income from pensions and annuities, $2.2 million from dividends, $1.9 million for individual retirement account (IRA) distributions, and $1.2 million in taxable interest.

Table 10. Number of Tax Returns including and Total Income from Selected Sources, by Adjusted Gross Income Bracket, Haines Borough, 2015

	Salaries and Wages		Taxable Interest		Ordinary Dividends	
Adjusted Gross Income (AGI) Bracket	Number of Returns	Amount (millions)	Number of Returns	Amount (millions)	Number of Returns	Amount (millions)
Haines Borough Total	**1,000**	**$37.5**	**460**	**$1.2**	**380**	**$2.2**
Under $1	-	-	-	-	-	-
$1 under $10,000	140	0.9	50	0.1	50	0.1
$10,000 under $25,000	230	3.3	70	0.1	60	0.1
$25,000 under $50,000	250	7.5	90	0.2	80	0.2
$50,000 under $75,000	140	6.6	70	0.1	60	0.2
$75,000 under $100,000	110	6.4	70	0.2	50	0.2
$100,000 under $200,000	130	12.8	90	0.3	80	1.4
$200,000 or more	(N)	(N)	20	0.2	(N)	(N)

Source: IRS Statistics of Income – County Data.
(N): Not reported to avoid disclosing information about specific taxpayers. However, these data are combined with data in adjacent brackets, as appropriate.
Note: In the statistics of income reports, the IRS does not classify the Permanent Fund Dividend as a dividend, but as unemployment compensation.

Table 11. Number of Tax Returns and Amount of Income from Selected Retirement Income Sources, by Adjusted Gross Income Bracket, Haines Borough, 2015

	Taxable Individual Retirement Distributions		Pensions and Annuities in AGI	
Adjusted Gross Income (AGI) Bracket	# of Returns	Amount (millions)	# of Returns	Amount (millions)
Haines Borough Total	**100**	**$1.9**	**310**	**$8.3**
Under $1	0	0	0	0
$1 under $10,000	0	0	0	0
$10,000 under $25,000	0	0	60	0.5
$25,000 under $50,000	30	0.2	70	1.3
$50,000 under $75,000	40	0.6	60	1.6
$75,000 under $100,000	0	0	50	1.8
$100,000 under $200,000	30	1.0	70	3.0
$200,000 or more	0	0	0	0

Source: IRS Statistics of Income – County Data.

IRS data provides an indication of the number of residents that earn income from their own sole proprietorship business enterprises. Approximately 40 filers reported business losses. Another 40 reported net business income of less than $10,000, 90 filers report profit of between $10,000 and $25,000, and 100 reported profits of between $25,000 and $50,000. At the other end of the net income spectrum, approximately 60 filers reported business income of more than $100,000. By industry, commercial fishermen (Haines has 85 commercial fishing permit owners and 88 licensed crew) are likely the largest component of these filers.

Table 12. Number of Tax Returns and Amount of Income from Business and Professional Income Sources, by Adjusted Gross Income Bracket, Haines Borough, 2015

Adjusted Gross Income (AGI) Bracket	Number of Returns	Amount (millions)
Haines Borough Total	**420**	**$3.6**
Under $1	40	-1.0
$1 under $10,000	40	0.1
$10,000 under $25,000	90	0.6
$25,000 under $50,000	100	0.9
$50,000 under $75,000	50	0.9
$75,000 under $100,000	40	0.6
$100,000 or more	60	1.5

Source: IRS Statistics of Income – County Data.

The number of Haines residents filing returns with business income is the same as Wrangell (420) and less than Petersburg (750).

Employment and Wages

There are several published measures of local-level employment and employment-related earnings, though each provide slightly different data. DOLWD provides the most accurate measures of wage and salary employment with its quarterly census of employment and wages (QCEW). That data is available on a six-month lag and provides a full monthly accounting of all jobs and total annual wages in a local area, including jobs held by non-residents. QCEW data does not include self-employed workers (proprietors) such as commercial fishermen. BEA publishes employment data annually that does include self-employed workers, though the data is less detailed than DOLWD data and is released with an 18-month lag. Finally, DOLWD also published labor force estimates that include the number of residents in the labor force, the number employment, the number unemployed, and the unemployment rate. Haines Borough data from each of these sources is provided below.

DOLWD QCEW Employment and Wages

In 2016, the Haines economy included an average of 965 wage and salary jobs that accounted for a total of $34.5 million in wages. The private sector accounted for 81 percent of employment in Haines and 76 percent of total wages. The average monthly wage paid in 2016 was $2,979, including $3,729 in the government sector and $2,803 in the private sector.

Published employment statistics do not align with key economic drivers in Haines. For example, the visitor industry includes jobs in the retail, transportation, and leisure & hospitality sectors. Commercial fishing employment is excluded from wage and salary employment data.

The table on the following page provides 2016 employment and wage data for sectors where data is available (not subject to confidentiality restrictions).

(See table on next page)

Table 13. Employment and Wages, Selected Industries, Haines Borough, 2016

Industry Description	Average Employment	Total Wages (millions)	Percent of Total Wages	Average Monthly Wage
TOTAL INDUSTRIES	**965**	**$34.5**	-	**$2,979**
TOTAL GOVERNMENT	**184**	**8.2**	**23.9**	**$3,729**
FEDERAL GOVERNMENT	11	1.1	3.2	$8,240
STATE GOVERNMENT	39	2.1	5.9	$4,381
LOCAL GOVERNMENT	134	5.1	14.8	$3,169
PRIVATE OWNERSHIP	**781**	**26.3**	**76.1**	**$2,803**
GOODS-PRODUCING	187	10.7	30.9	$4,753
Specialty Trade Contractors	13	0.5	1.5	$3,390
SERVICE-PROVIDING	594	15.6	45.2	$2,189
TRADE, TRANSPORTATION AND UTILITIES	167	4.8	14.0	$2,406
Retail Trade	134	3.4	9.8	$2,099
Food and Beverages	57	1.4	4.1	$2,091
INFORMATION	17	0.4	1.1	$1,790
PROFESSIONAL AND BUSINESS SERVICES	30	0.8	2.3	$2,162
Professional, Scientific, Technical Services	12	0.3	1.0	$2,361
Administrative and Waste Services	18	0.3	1.0	$2,361
EDUCATIONAL AND HEALTH SERVICES	132	0.4	1.3	$2,029
Social Assistance	52	4.2	12.3	$2,676
LEISURE AND HOSPITALITY	210	0.9	2.7	$1,494
Arts, Entertainment and Recreation	93	4.4	12.8	$1,746
Amusements, Gambling, Recreation	84	2.2	6.3	$1,957
Accommodation and Food Services	117	1.9	5.6	$1,901
Accommodation	54	2.2	6.4	$1,577
Food Services and Drinking Places	63	1.1	3.1	$1,676
OTHER SERVICES	26	1.1	3.3	$1,493
Membership Organizations, etc.	22	0.5	1.3	$1,479

Source: DOLWD, QCEW.
Note: This table excludes data for sectors where employment is dominated by a single employer and is therefore suppressed to preserve confidentiality.

Manufacturing and construction employment data are noticeably absent from the DOLWD data (both are in the broader "Goods Producing" category). That data is non-closeable because a single employer dominates employment. Employment in Haines' manufacturing sector is comprised primarily of seafood processing jobs at Excursion Inlet (described in more detail in Chapter 4). Six other firms reported manufacturing employment in Haines in 2016, including two in food manufacturing, two in beverage manufacturing, and one in each of the following subsectors; apparel, wood products, nonmetallic mineral products, and furniture and related products. Fourteen firms reported employment in Haines' construction sector in 2016, including eight in specialty trades (data provided in table above), four in construction of buildings, and two in heavy construction. The construction sector accounted for about $7 million in total wages in 2016, based on McDowell Group estimates.

Wage and salary employment data highlight the seasonal nature of the Haines economy. In 2016 there were 715 more jobs in Haines Borough at the summer peak than at the winter low. Seafood processing in Excursion Inlet accounts for about 300 summer jobs. Excluding seafood processing, the leisure & hospitality sector has the highest degree of seasonality, ranging from 372 jobs in August to 85 jobs in December.

Table 14. Monthly Employment, Selected Industries, Haines Borough, 2016

Industry Classification	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Difference Between High, Low Months
TOTAL INDUSTRIES	**667**	**695**	**761**	**902**	**1,068**	**1,217**	**1,382**	**1,359**	**1,151**	**897**	**775**	**707**	**715**
TOTAL GOVERNMENT	**172**	**176**	**191**	**202**	**211**	**171**	**151**	**165**	**199**	**201**	**190**	**182**	**60**
FEDERAL GOVERNMENT	11	11	11	11	11	11	11	11	11	11	11	11	0
STATE GOVERNMENT	25	25	28	39	42	48	51	55	49	45	31	28	30
LOCAL GOVERNMENT	136	140	152	152	158	112	89	99	139	145	148	143	69
PRIVATE OWNERSHIP	**495**	**519**	**570**	**700**	**857**	**1,046**	**1,231**	**1,194**	**952**	**696**	**585**	**525**	**736**
GOODS-PRODUCING	58	62	83	161	197	283	445	401	255	128	106	62	387
Specialty Trade Contractors	10	8	15	10	13	16	16	18	15	13	13	10	10
SERVICE-PROVIDING	437	457	487	539	660	763	786	793	697	568	479	463	356
TRADE, TRANSPORTATION AND UTILITIES	136	140	147	157	169	192	193	192	194	162	157	163	58
Retail Trade	116	121	125	127	131	146	146	142	141	137	135	141	30
Food and Beverages	53	52	55	52	55	70	63	60	60	53	51	54	19
INFORMATION	17	18	18	18	17	16	17	18	19	16	16	15	4
PROFESSIONAL AND BUSINESS SERVICES	24	24	26	26	32	34	35	38	38	30	26	23	15
Professional, Scientific, Tech.	11	12	13	12	12	11	11	12	14	12	9	9	5
Professional, Scientific, Tech.	11	12	13	12	12	11	11	12	14	12	9	9	5
Administrative and Waste Services	13	12	13	14	20	23	24	26	24	18	17	14	14
EDUCATIONAL AND HEALTH SERVICES	127	131	133	129	129	125	135	137	136	131	132	136	12
Social Assistance	54	55	55	51	51	49	52	54	56	46	49	52	10
LEISURE AND HOSPITALITY	95	106	127	168	272	355	370	372	274	186	107	85	287
Arts, Entertainment and Recreation	24	31	47	63	132	176	190	189	127	88	25	27	166
Amusements, Gambling, Recreation	20	29	46	62	118	156	170	166	110	85	24	24	150
Accommodation and Food Services	71	75	80	105	140	179	180	183	147	98	82	58	125
Accommodation	31	31	33	44	69	90	92	93	73	39	30	23	70
Food Services and Drinking Places	40	44	47	61	71	89	88	90	74	59	52	35	55
OTHER SERVICES	25	25	23	29	30	28	23	24	25	28	27	27	7
Membership Organizations, etc.	23	23	22	26	23	20	17	18	21	25	26	25	9

Source: DOLWD, QCEW.

EMPLOYMENT TRENDS

Over the past ten years, Haines Borough employment has been reasonably steady, ranging from a high of 1,061 jobs (in 2007) to a low of 965 (2016). Data for the first three-quarters of 2017 indicate employment increased by about 3 percent (30 jobs) compared to 2016, all in the private sector.

Table 15. Haines Borough Average Annual Employment, Total Annual Wages, and Average Monthly Wage, 2007-2016

Year	Average Annual Employment	Total Wages	Average Monthly Wages
2007	1,061	$32,207,130	$2,529
2008	981	$30,037,807	$2,552
2009	1,017	$31,730,468	$2,600
2010	995	$32,407,677	$2,715
2011	1,025	$33,271,577	$2,706
2012	973	$32,667,950	$2,798
2013	1,018	$36,065,561	$2,952
2014	989	$33,964,935	$2,862
2015	999	$35,599,162	$2,970
2016	965	$34,499,860	$2,979

Source: DOLWD, QCEW.

Table 16. Haines Monthly Employment, January Through September, 2016 and 2017

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	9-month Ave.
2016										
Total	676	697	760	920	1,080	1,240	1,429	1,425	1,251	1,053
Total Gov.	179	181	188	192	199	165	156	167	193	180
Total Private	495	519	570	700	857	1,046	1,231	1,194	952	840
2017										
Total	667	695	761	902	1,068	1,217	1,382	1,359	1,151	1,022
Total Gov.	172	176	191	202	211	171	151	165	199	182
Total Private	497	516	572	728	881	1,075	1,273	1,258	1,058	873

Source: DOLWD, QCEW.

Government has accounted for about 15 to 20 percent of wage and salary employment in the Haines Borough, including local, state, and federal government jobs. Local government employment includes school district employees, as well as other workers engaged in various local government functions. Government employment as of 2016 was down 14 percent from its 2013 peak, including a 17 percent decline in local government jobs.

State government employment in Haines in 2016 included a monthly average of 13 ADF&G jobs, with a peak of 23 in July. DOTPF accounted for 14 jobs consistently throughout the year.

Private sector employment has ranged between 760 jobs and 859 jobs over the 2007 to 2016 period. Its important to note that year-to-year changes in private sector employment in Haines Borough are affected by seafood processing employment in Excursion Inlet, which is composed mainly of nonresident workers.

Table 17. Haines Average Annual Employment by Sector, 2007-2016

Industry	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Federal Gov.	16	14	13	15	12	10	10	9	8	11
State Gov.	40	42	43	44	45	44	44	44	41	39
Local Gov.	146	147	150	148	152	159	161	149	140	134
Government	202	203	207	207	208	213	215	202	189	184
Private Sector	859	778	810	788	817	760	802	787	811	781
Ave. Annual Employment	**1,061**	**981**	**1,017**	**995**	**1,025**	**973**	**1,018**	**989**	**999**	**965**

Source: DOLWD, QCEW.

Examination of employment trends over the past five years indicates that professional and business services has been a growth segment in the Haines economy. Employment in that sector increased steadily from 19 jobs to 30 jobs, from 2012 to 2016.

Employment in the accommodations sector has been trending up since 2013, from 38 jobs to 54 jobs in 2016. Employment in the food services and drinking places sector has been flat. This sector is affected by local economic conditions as well as non-resident spending.

Retail trade, another sector affected by both resident and non-resident spending, was flat over the 2012 to 2016 period, with employment ranging from 134 to 139 jobs.

(See table on next page)

Table 18. Average Annual Employment, Selected Industries, Haines Borough, 2012-2016

	2012	2013	2014	2015	2016	5-Year Percent Change	1-Year Percent Change
TOTAL INDUSTRIES	973	1,018	989	999	965	-1	-3
TOTAL GOVERNMENT	213	215	202	189	184	-14	-3
FEDERAL GOVERNMENT	10	10	9	8	11	+10	+38
STATE GOVERNMENT	44	44	44	41	39	-11	-5
LOCAL GOVERNMENT	159	161	149	140	134	-16	-4
PRIVATE OWNERSHIP	760	802	787	811	781	+3	-4
GOODS-PRODUCING	171	214	186	204	187	+9	-8
CONSTRUCTION	91	93	(N)	(N)	(N)	(N)	(N)
Specialty Trade Contractors	19	13	11	12	13	-32	+8
SERVICE-PROVIDING	589	588	601	607	594	+1	-2
TRADE, TRANSPORTATION AND UTILITIES	177	176	176	175	167	-6	-5
Retail Trade	138	135	137	139	134	-3	-4
Building Material and Garden	16	15	16	(N)	(N)	(N)	(N)
Food and Beverages	59	58	58	57	57	-3	0
Miscellaneous	7	8	6	7	(N)	(N)	(N)
INFORMATION	13	16	16	19	17	+31	-11
FINANCIAL ACTIVITIES	13	15	(N)	14	(N)	(N)	(N)
PROFESSIONAL AND BUSINESS SERVICES	19	21	24	25	30	+58	+20
Professional, Scientific, Tech.	(N)	5	(N)	8	12	(N)	+50
Administrative and Waste Services	(N)	16	(N)	17	18	(N)	+6
Administrative and Support Services	(N)	(N)	(N)	(N)	(N)	(N)	(N)
Waste Management/Remediation	9	(N)	8	(N)	(N)	(N)	(N)
EDUCATIONAL AND HEALTH SERVICES	134	131	137	134	132	-1	-1
Educational Services	(N)	5	(N)	(N)	(N)	(N)	(N)
Health Care and Social Assistance	(N)	126	(N)	(N)	(N)	(N)	(N)
Out Patient Health Care	93	89	86	64	(N)	(N)	(N)
Social Assistance	(N)	(N)	34	52	52	(N)	0
LEISURE AND HOSPITALITY	191	184	189	204	210	+10	+3
Arts, Entertainment and Recreation	91	83	87	91	93	+2	+2
Amusements, Gambling, Recreation	(N)	(N)	78	81	84	(N)	+4
Accommodation and Food Services	100	101	102	114	117	+17	+3
Accommodation	41	38	41	50	54	+32	+8
Food Services and Drinking Places	59	63	61	64	63	+7	-2
OTHER SERVICES	40	39	40	37	26	-35	-30
Membership Organizations, etc.	35	35	34	33	22	-37	-33

Source: DOLWD, QCEW.
(N): Non-disclosable, due to confidentiality requirements.

Worker Residency

DOLWD tracks the residency of the Alaska workforce. Statewide, about 22 percent of the 2016 Alaska workforce was nonresident.[1] In 2016, the Haines Borough workforce was 39 percent non-Alaska resident, while 20 percent of the wages were earned by non-resident workers.

If the manufacturing sector is excluded (which is comprised mainly of jobs at the Excursion Inlet seafood processing plant), the Haines workforce was 28 percent non-Alaska resident in 2016, with non-residents earning 15 percent of all wages.

Data is not available at the industry level, but within the private sector overall, 12 percent of resident workers were residents of other Alaska communities, rather than Haines.[2]

Table 19. Haines Borough Workers by Residency, 2016

	Total Workers	Resident Workers	Nonresident Workers	Percent Nonresident Workers
TOTAL INDUSTRIES	**1,518**	**923**	**595**	**39.2**
Accommodation and Food Services	211	108	103	48.8
Administrative Support/Waste Management and Remediation	(N)	19	(N)	(N)
Agriculture, Forestry, Fishing and Hunting	(N)	(N)	(N)	(N)
Arts, Entertainment and Recreation	158	64	94	59.5
Construction	76	58	18	23.7
Educational Services	(N)	(N)	(N)	(N)
Finance and Insurance	(N)	11	(N)	(N)
Health Care and Social Services	145	129	16	11.0
Information	21	15	6	28.6
Local Government	172	155	17	9.9
Manufacturing	300	42	258	86.0
Mining	24	8	16	66.7
Other Services	(N)	21	(N)	(N)
Other/Unknown	(N)	6	(N)	(N)
Professional, Scientific and Technical Services	(N)	14	(N)	(N)
Real Estate and Rental and Leasing	(N)	16	(N)	(N)
Retail Trade	172	146	26	15.1
State Government	56	49	7	12.5
Transportation and Warehousing	49	35	14	28.6
Utilities	14	14	0	0.0
Wholesale Trade	8	8	0	0.0

Source: DOLWD.
(N): Non-disclosable, due to confidentiality requirements.

[1] http://live.laborstats.alaska.gov/reshire/nonres.pdf
[2] Ibid.

Table 20. Haines Borough Wages by Residency, 2016

	Total Wages	Resident Wages	Nonresident Wages	Percent Nonresident Wages
TOTAL INDUSTRIES	**$30,110,088**	**$24,005,834**	**$6,104,254**	**20.3**
Accommodation and Food Services	$2,223,249	$1,425,952	$797,298	35.9
Administrative Support/Waste Management and Remediation	(N)	$369,955	(N)	(N)
Agriculture, Forestry, Fishing and Hunting	(N)	(N)	(N)	(N)
Arts, Entertainment and Recreation	$1,570,365	$892,468	$677,896	43.2
Construction	$3,061,509	$2,580,416	$481,093	15.7
Educational Services	(N)	(N)	(N)	(N)
Finance and Insurance	(N)	$368,808	(N)	(N)
Health Care and Social Services	$4,108,820	$3,904,759	$204,060	5.0
Information	$363,528	$311,870	$51,658	14.2
Local Government	$5,196,056	$4,896,355	$299,701	5.8
Manufacturing	$2,991,944	$827,159	$2,164,784	72.4
Mining	$679,391	$183,970	$495,421	72.9
Other Services	(N)	$398,913	(N)	(N)
Other/Unknown	(N)	$66,570	(N)	(N)
Professional, Scientific and Technical Services	(N)	$408,798	(N)	(N)
Real Estate and Rental and Leasing	(N)	$216,274	(N)	(N)
Retail Trade	$3,483,907	$3,242,288	$241,619	6.9
State Government	$1,913,248	$1,787,209	$126,038	6.6
Transportation and Warehousing	$1,015,440	$811,478	$203,962	20.1
Utilities	$808,690	$808,690	$0	-
Wholesale Trade	$358,784	$358,784	$0	-

Source: DOLWD.
(N): Non-disclosable, due to confidentiality requirements.

DOLWD Labor Force

The QCEW data described above provides a detailed accounting of all employment in Haines Borough, including jobs held by residents and nonresidents alike. DOLWD also provides estimates of the local resident labor force, including wage and salary workers, self-employed workers, and those unemployed but seeking work. In 2017, 1,089 Haines residents were in the labor force (44 percent of the population). An average of 990 residents were employed over the course of the year, while an average of 99 were unemployed. The average unemployment rate for the year was 9.1 percent. Haines unemployment rate is generally on par with peer communities. Petersburg's unemployment rate in 2017 averaged 9.3 percent and Wrangell's rate averaged 7.7 percent. In 2017, Alaska's statewide unemployment rate was 7.2 percent while the national rate was 4.4 percent.

Haines' unemployment rate is strongly seasonal. In 2017, unemployment was at its peak in January, at 14.3 percent. Unemployment was at its low-point in August at 5.2 percent. Wrangell's unemployment rate ranged from 5.8 percent to 9.9 percent in 2017, while Petersburg's ranged from 7.5 percent to 12.6 percent. Alaska overall has a much more seasonally consistent unemployment rate. In 2017, it ranged from 6.4 percent in August to 7.4 percent in February.

Table 21. Haines Monthly Labor Force Profile, 2017

Year	Labor Force	Residents Employed	Residents Unemployed	Unemployment Rate (%)
Jan	888	761	127	14.3
Feb	897	777	120	13.4
Mar	928	815	113	12.2
Apr	1,043	945	98	9.4
May	1,149	1,063	86	7.5
June	1,256	1,173	83	6.6
July	1,409	1,331	78	5.5
Aug	1,375	1,303	72	5.2
Sept	1,250	1,174	76	6.1
Oct	1,013	921	92	9.1
Nov	956	833	123	12.9
Dec.	907	788	119	13.1
Ave.	1,089	990	99	9.1

Source: DOLWD, Research and Analysis, Labor Force Data.

Haines' annual average unemployment rate has varied little over ten years, ranging from 8.8 percent to 10.7 percent. Over that period, both the size of the labor force and the number of residents employed has slowly trended down.

Haines has a low "participation rate" relative to Alaska overall, but very similar to peer communities. The participation rate is the percentage of the population that is in the labor force. As noted above, Haines' participation rate in 2017 was 44 percent, exactly the same as Wrangell's, and fractionally below Petersburg's rate of 45 percent.

Table 22. Haines Employment and Unemployment, 2008-2017

Year	Labor Force	Residents Employed	Residents Unemployed	Unemployment Rate (%)
2008	1,358	1,238	120	8.8
2009	1,416	1,288	128	9.0
2010	1,150	1,028	122	10.6
2011	1,167	1,050	117	10.0
2012	1,108	997	111	10.0
2013	1,142	1,026	116	10.2
2014	1,113	994	119	10.7
2015	1,089	982	107	9.8
2016	1,077	966	111	10.3
2017	1,089	990	99	9.1

Source: DOLWD, Research and Analysis, Labor Force Data.

Table 23. Participation Rates for Selected Geographies, 2017

	Population	Labor Force	Participation Rate
Haines	2,459	1,089	44%
Petersburg	3,147	1,413	45%
Wrangell	2,387	1,050	44%
Alaska	737,080	362,783	49%

Source: DOLWD, Research and Analysis. Compiled by McDowell Group.

Unemployment insurance benefit payments to Haines residents in 2017 totaled just under $440,000. These payments were less than half the total payout in 2010, when about $950,000 was distributed to Haines residents. The reason for the sharp decline is unclear, but may be related to extended payments made during the national recession.

Table 24. Unemployment Insurance Regular Benefit Payments to Haines Residents (All Programs Total) 2007 to 2016

Year	Unemployment Count, Not Seasonally Adjusted	UI Regular Payments
2007	107	$456,770
2008	120	$517,985
2009	128	$866,427
2010	122	$949,176
2011	117	$746,701
2012	111	$758,408
2013	116	$730,004
2014	119	$463,653
2015	107	$403,493
2016	111	$438,400

Source: DOLWD.

BEA Employment and Earnings

BEA provides measures of employment and earnings that include self-employed workers. For 2016, BEA measured 1,001 wage and salary jobs in Haines and 711 proprietors, resulting in total employment of 1,712. Total employment in Haines has been at the 1,700 level since 2013, however self-employment has been on the upswing, increasing by about 10 percent between 2012 and 2016.

Table 25. Total Employment, Haines Borough, 2012-2016

Type of Employment	2012	2013	2014	2015	2016
Wage and salary employment	999	1,041	1,014	1,026	1,001
Proprietors employment[a]	649	660	679	702	711
Total employment (number of jobs)	**1,648**	**1,701**	**1,693**	**1,728**	**1,712**

Source: Bureau of Economic Analysis.
a. Includes sole proprietors and individual general partners in partnerships.

Table 26. Total Employment by Industry, Haines Borough, 2012-2016

Category	2012	2013	2014	2015	2016	2016 Compensation ($000)
Total Employment	**1,648**	**1,701**	**1,693**	**1,728**	**1,712**	**$52,706**
Government and government enterprises	**227**	**230**	**215**	**201**	**197**	**15,685**
Federal, civilian	10	10	(L)	(L)	11	1,541
Military	18	18	18	17	17	511
State Government	43	45	44	40	39	3,874
Local Government	156	157	144	136	130	9,759
Private Employment	**1,421**	**1,471**	**1,478**	**1,527**	**1,515**	**37,021**
Forestry, fishing, and related activities	(N)	(N)	(N)	(N)	(N)	(N)
Mining, quarrying, and oil and gas extraction	(N)	(N)	(N)	(N)	(N)	(N)
Utilities	(N)	(N)	(N)	(N)	(N)	(N)
Construction	146	141	127	112	119	8,894
Manufacturing	(N)	157	137	151	136	4,353
Wholesale trade	(L)	10	15	18	21	(N)
Retail trade	190	188	185	193	192	4,686
Transportation and warehousing	(N)	(N)	(N)	(N)	(N)	(N)
Information	21	23	25	24	(N)	(N)
Finance and insurance	(N)	32	(N)	(N)	(N)	(N)
Real estate and rental and leasing	(N)	48	(N)	(N)	41	(N)
Professional, scientific, and technical services	81	82	92	109	115	476
Administrative and support and waste management and remediation services	40	42	40	46	47	613
Educational services	(N)	17	23	20	21	151
Health care and social assistance	(N)	148	153	162	162	5,748
Arts, entertainment, and recreation	148	137	147	148	151	3,359
Accommodation and food services	142	152	150	170	176	3,236
Other services (except public administration)	87	88	91	84	81	1,155

(N): Non-Disclosable
(L): Less than five.
Source: Bureau of Economic Analysis.

Business Sales

Haines Borough sales tax receipts provide another barometer of economic conditions in the community. Tax receipts in 2017 totaled just under $3.2 million, a 5.9 percent increase over 2016. The retail and tourism sectors accounted for most of the increase, each adding about $80,000 in tax revenue. The tourism sector had the highest proportional increase, with a 16 percent jump between 2016 and 2017.

Table 27. Haines Borough Sales Tax Receipts, by Sector, 2012-2017

Sector	2012	2013	2014	2015	2016	2017	% Change '16 to '17
Construction	$57,960	$38,498	$65,084	$72,216	$82,474	$77,181	-6.4%
Eating & Drinking	283,553	285,075	287,343	310,428	309,195	318,038	+2.9%
Lodging	280,617	274,015	278,294	313,028	333,841	337,627	+1.1%
Retail	1,326,908	1,367,384	1,351,400	1,339,373	1,298,183	1,378,763	+6.2%
Services	462,314	459,628	469,195	466,630	464,199	473,285	+2.0%
Tourism	390,745	414,212	442,511	471,720	499,587	579,182	+15.9%
Total	**$2,802,097**	**$2,838,811**	**$2,893,828**	**$2,973,395**	**$2,987,479**	**$3,164,076**	**+5.9%**

Source: Haines Borough.

While this sale tax data provides a good high-level indicator of changes in economic activity in Haines, 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.

The sales tax receipt data does provide an indication of the seasonality of the Haines economy. Sales tax receipts in the July/August (the peak months in 2017) were more than three times the January/February period. The tourism sector has the highest degree of seasonality; the service sector shows the least.

Table 28. Haines Borough Sales Tax Receipts, by Sector by Month, 2017

	Construction	Eating & Drinking	Lodging	Retail	Services	Tourism	Month Total
Jan	$4,894	$13,462	$10,317	$73,374	$34,566	$3,633	$140,246
Feb	2,414	13,798	11,103	73,643	32,936	5,926	139,821
Mar	3,291	20,543	26,641	93,879	39,884	9,523	193,762
Apr	3,011	23,477	19,485	93,017	37,234	21,653	197,877
May	5,712	36,226	26,715	128,660	38,795	22,231	258,339
June	9,688	38,073	51,802	146,081	49,583	92,132	387,359
July	5,500	48,197	44,784	158,253	42,682	149,757	449,174
Aug	13,256	45,317	44,506	167,365	42,723	145,646	458,812
Sept	11,643	31,426	47,517	134,797	48,412	89,935	363,729
Oct	5,935	22,791	20,251	121,861	35,383	22,333	228,554
Nov	8,110	12,298	17,791	93,990	32,856	11,131	176,176
Dec.	3,726	12,431	16,717	93,843	38,230	5,281	170,227
Sector Total	**$77,181**	**$318,038**	**$337,627**	**$1,378,763**	**$473,285**	**$579,182**	**$3,164,076**

Source: Haines Borough.

Subsistence

This economic baseline analysis focuses mainly on Haines' cash economy. However, subsistence hunting, fishing, and gathering, and sharing of subsistence resources, are an important aspect of the local economy, with many households relying on these resources as primary or supplemental sources of food. According to ADF&G data, in 2012 Haines households harvested an average 198 pounds of fish (including 109 pounds of salmon, 32 pounds of halibut, 31 pounds of smelt, plus herring and various other finfish). Haines households also harvested an average of 16 pounds of crab, 12 pounds of shrimp, 36 pounds of moose, 18 pounds of deer, and 17 pounds of berries, along with an assortment of other products. These averages include households that do not harvest all these resources, therefore understate actual harvest levels (and dependence) for many households.[3]

[3] http://www.adfg.alaska.gov/sb/CSIS/index.cfm?ADFG=harvInfo.harvest

Chapter 2. Demographics

Haines Population Profile

Population Size and Trends

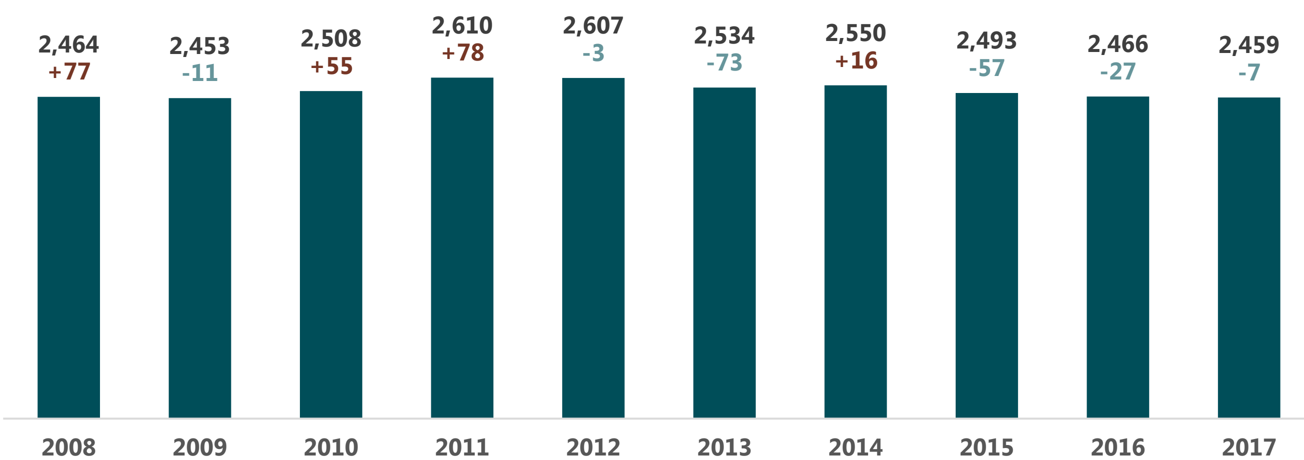
Haines Borough had a total population of 2,459 in 2017, according to DOLWD estimates. Haines' population has been trending down since peaking in 2011 at 2,610. The decline is attributable to net out-migration, rather than natural decrease (where the number of deaths exceeds the number of births). Since 2011, 142 more people moved from Haines than moved to Haines. Natural change accounts for a population loss of 9 residents.

Table 29. Haines Borough Population Components of Change, 2008-2017

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Births	21	18	19	31	24	13	19	18	15	19
Deaths	14	15	14	16	23	21	21	17	20	15
Natural Increase (Decrease)	7	3	5	15	1	(8)	(2)	1	(5)	4
Net Migration	70	(14)	50	63	(4)	(65)	18	(58)	(22)	(11)
Population Change	**77**	**(11)**	**55**	**78**	**(3)**	**(73)**	**16**	**(57)**	**(27)**	**(7)**
Total Population	**2,464**	**2,453**	**2,508**	**2,610**	**2,607**	**2,534**	**2,550**	**2,493**	**2,466**	**2,459**

Source: DOLWD. Note: Net migration figures may not sum to the PFD-based migration data presented below.

Figure 6. Haines Borough Population, 2008-2017



Source: DOLWD.

The State Demographer's projection for the Haines Borough population is for slow decline over the next 25 years. The population projection, prepared in 2015, shows a net loss of about 130 residents by 2045. The projection is based on historical population data and rates of fertility, mortality and migration. It does not consider particular events, developments, or other unforeseeable forces shaping economic conditions.

In- and Out-Migration

Within Alaska, Haines residents most often move to or from Juneau. An average of 27 Juneau residents moved to Haines from Juneau annually between 2008 and 2017. Over the same period an annual average of 23 Haines residents moved to Juneau.

Migration into and out of Alaska accounts for most of the population change in Haines. Between 2008 and 2017, an annual average of 151 Haines residents had not filed for a Permanent Fund Dividend the previous year. After subtracting the average number of annual births (20) in Haines, an average of 131 people from outside Alaska moved to Haines each year over the 2008 through 2017 period.

Between 2008 and 2017, an annual average of 156 Haines residents didn't file for a Permanent Fund Dividend the following year. After subtracting the average number of annual deaths (17), an annual average of 139 Haines residents left Alaska over the 2008 through 2017 period.

Table 30. Migration to Haines, 2008-2017

Origin	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Ten-Year Average
Juneau	14	39	28	14	20	35	21	40	30	28	**27**
Anchorage	14	6	13	22	1	15	10	14	12	12	**12**
Mat-Su	2	8	11	8	10	8	0	17	5	2	**7**
Fairbanks	7	3	2	3	5	11	8	8	7	5	**6**
Sitka	1	5	8	0	7	3	3	2	5	6	**4**
All Other AK	23	16	17	23	36	24	14	26	21	13	**21**
Did Not File	142	168	147	78	148	184	159	151	160	170	**151**

Source: DOLWD.

Table 31. Migration from Haines, 2008-2017

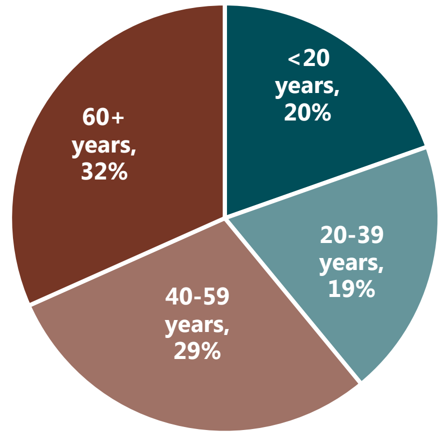
Destination	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Ten-Year Average
Juneau	20	22	16	21	16	12	20	39	33	21	**23**
Anchorage	9	16	7	20	15	7	7	10	8	12	**12**
Mat-Su	3	7	3	3	10	6	6	8	5	8	**7**
Fairbanks	7	5	15	2	5	5	7	4	3	5	**6**
Sitka	0	3	5	7	9	3	8	10	7	6	**5**
All Other AK	31	22	27	16	14	28	19	17	19	27	**22**
Did Not File	198	150	192	157	149	121	172	130	128	159	**156**

Source: DOLWD.

Age

Haines' population tends to be older and is aging. When grouped in roughly 20-year categories (see chart at right), those over 60 years of age represent the biggest age group at 32 percent, followed by those 40 to 59 (29 percent), less than 20 years (20 percent), and 20 to 39 years (19 percent).

Figure 7. Haines Population Distribution by Age Group, 2017



Source: DOLWD.

Haines residents were a median of 49.3 years of age in 2017, well above the statewide average of 34.9 (see table, below). Over the last ten years, Haines residents' median age has increased by three years, from 46.4 to 49.3. Over the same time-period, the median age of Alaskans increased by only one year, from 33.9 to 34.9.

Between 2008 and 2017, the 60 and older population increased by 51 percent. This compares with an increase of 4 percent in the 20-to-39 age group, and decreases in both the birth-to-19 age group (by 11 percent) and the 40-to-59 age group (by 24 percent).

Table 32. Haines Resident Count by Age, 2008-2017

Age (Years)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Change 2008-17
0-4	114	114	128	132	134	115	119	105	99	92	
5-9	136	133	135	144	150	143	132	144	156	159	
10-14	145	144	141	133	142	132	130	114	120	122	
15-19	149	141	135	136	129	134	122	120	109	109	
0-19	**544**	**532**	**539**	**545**	**555**	**524**	**503**	**483**	**484**	**482**	**-11%**
20-24	105	83	79	84	99	74	87	77	71	63	
25-29	86	93	115	126	118	126	129	118	119	111	
30-34	114	117	131	148	150	141	134	149	156	154	
35-39	156	138	144	145	145	142	152	139	150	150	
20-39	**461**	**431**	**469**	**503**	**512**	**483**	**502**	**483**	**496**	**478**	**+4%**
40-44	164	171	161	185	175	160	154	127	120	142	
45-49	225	227	228	196	190	170	166	182	148	148	
50-54	264	253	250	241	228	237	235	213	199	185	
55-59	291	283	274	290	288	274	280	269	256	245	
40-59	**944**	**934**	**913**	**912**	**881**	**841**	**835**	**791**	**723**	**720**	**-24%**
60-64	208	228	242	252	248	253	252	256	260	262	
65-69	100	120	138	159	179	182	199	207	215	210	
70-74	80	75	78	88	82	94	111	118	127	142	
75-79	59	67	67	63	61	60	52	61	67	71	
80-84	37	35	32	51	50	55	56	48	40	41	
85+	31	31	30	37	39	42	40	46	54	53	
60+	**515**	**556**	**587**	**650**	**659**	**686**	**710**	**736**	**763**	**779**	**+51%**
Median Age, Haines	**46.4**	**47.0**	**46.9**	**46.8**	**46.6**	**47.9**	**48.5**	**49.2**	**49.5**	**49.3**	**+3 yrs**
Median Age, Alaska	**33.9**	**33.9**	**33.8**	**33.9**	**34.1**	**34.3**	**34.3**	**34.5**	**34.7**	**34.9**	**+1 yr**

Source: DOLWD.

Gender

Haines' population is about evenly split between males (49.4 percent) and females (50.6 percent). These percentages have stayed fairly steady over the last decade, with both male and female proportions staying between 49 and 51 percent.

Table 33. Haines Resident Count by Gender, 2008-2017

Gender	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Male	1,211	1,209	1,234	1,283	1,300	1,268	1,272	1,238	1,248	1,215
% of Total	50.9%	50.7%	50.8%	50.8%	50.1%	50.0%	50.1%	50.3%	49.4%	49.4%
Female	1,253	1,244	1,274	1,327	1,307	1,266	1,278	1,255	1,218	1,244
% of Total	49.1%	49.3%	49.2%	49.2%	49.9%	50.0%	49.9%	49.7%	50.6%	50.6%
Total	**2,464**	**2,453**	**2,508**	**2,610**	**2,607**	**2,534**	**2,550**	**2,493**	**2,466**	**2,459**

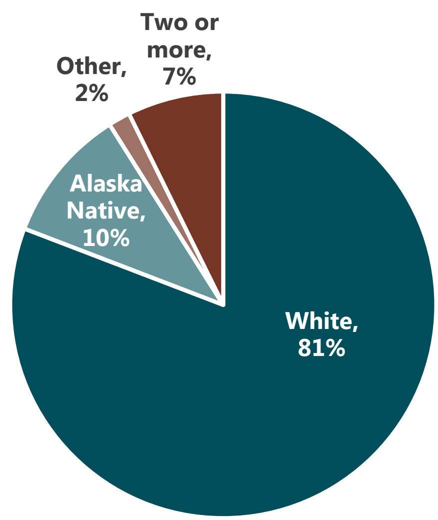
Source: DOLWD.

Race

In 2016, Haines' population was 81 percent White, 10 percent Alaska Native, 7 percent two or more races, 1 percent African American, and less than 1 percent Asian.

The White population decreased by 5 percent between 2010 and 2016; all other categories saw increases. While the percentage increases for Asian and African American appear high at 50 percent and 86 percent, respectively, these percentages only represent 5 and 11 additional people of those races. The largest increase in terms of numbers of people was in the Two or more races category, which saw an increase of 37 people.

Figure 8. Haines Population by Race, 2016



Source: DOLWD.

Table 34. Haines Borough Resident Count by Race

Race	2010	2011	2012	2013	2014	2015	2016	% change 2010-16
White	2,106	2,175	2,153	2,073	2,070	2,013	1,993	**-5%**
Alaska Native	235	245	246	247	263	253	252	**+7%**
Asian	10	12	12	12	15	14	15	**+50%**
African American	14	18	20	22	23	27	26	**+86%**
Two or More	143	160	176	178	179	185	180	**+26%**

Source: DOLWD.

School District Enrollment

Haines School District included 274 students in the 2017-18 school year, including 138 in pre-K through 5th grade, 53 in grades 6-8, and 83 in high school. While the overall enrollment of 274 was a slight bump up from 2016-17 (269), it represented 12 percent fewer students than in 2008-09, ten years earlier.

Figure 9. Haines School District Enrollment, 2008-2018

Source: ADEED.

In terms of changes by age group, the Pre-K through 5th grade enrollment level has stayed fairly steady over the last 10 years, ranging between 121 and 138, with 2017-18 matching previous peak levels. Both middle school and high school enrollment levels have been trending down: from a high of 75 in 2008-09 to 53 in 2017-18 for middle school students, and from 101 in 2008-09 down to 83 in 2017-18 for high school students

Table 35. Haines School District Enrollment, By Grade Level, 2008-2018

School Year	Pre-K – Grade 5	Grades 6-8	Grades 9-12
2008-2009	136	75	101
2009-2010	138	72	102
2010-2011	134	64	112
2011-2012	135	68	107
2012-2013	124	64	100
2013-2014	121	71	89
2014-2015	126	67	87
2015-2016	138	64	88
2016-2017	134	52	83
2017-2018	138	53	83
% change 2008-09 to 2017-18	**0%**	**-29%**	**-18%**

Source: ADEED.

Klukwan

While physically located within the Haines Borough, Klukwan is officially part of the Hoonah-Angoon Census Area. Therefore, the population of Klukwan is not included in DOLWD, BEA, or U.S. Census data for the Haines

Borough. This section of the baseline report provides available data describing the socioeconomic and demographic characteristics of Klukwan.

Klukwan's population was 93 in 2017, about the same as in 2015 (92) and 2016 (94), and significantly up from 2008 (75) and 2009 (76) levels.

Table 36. Klukwan Population, 2008-2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population	75	76	95	96	92	92	84	92	94	93

Source: DOLWD.

In 2017, Klukwan had 77 residents 16 and older, including 46 employed. These workers earned $873,098. While Klukwan's adult population has stayed fairly steady (between 75 and 81) over the last 10 years, employment has trended down. From 2007 to 2010, between 56 and 58 residents were employed; this compares to between 41 and 48 from 2011 to 2016. Total wages have fluctuated, with a low of $675,490 in 2012 and a high of $1,214,303 in 2007.

Table 37. Klukwan Labor Force Characteristics, 2007-2016

Year	Population Age 16 and Above	Males Employed	Females Employed	Total Employment	Total Wages (Nominal)	Total Wages (2016 dollars)
2007	77	30	28	58	$1,010,314	$1,214,303
2008	80	31	26	57	$994,881	$865,478
2009	81	30	26	56	$994,790	$875,660
2010	79	29	27	56	$810,476	$726,069
2011	81	26	20	46	$794,500	$734,673
2012	75	28	19	47	$714,573	$675,490
2013	77	24	22	46	$834,988	$814,101
2014	75	23	18	41	$754,731	$747,715
2015	79	25	23	48	$908,822	$904,979
2016	77	24	22	46	$873,098	$873,098

Source: DOLWD.

While the margin of error is high due to the small number of residents, the Census Bureau reports that over the 2012-2016 period, 63 percent of Klukwan residents were Alaska Native Alone; 23 percent were Alaska Native and White, and 14 percent were White Alone.

Table 38. Klukwan Demographic Characteristics, 2012-2016 Five-Year Estimates

Race	Percent (Margin of Error)
Alaska Native Alone	63% (±16.5)
Alaska Native and White	23% (±12.7)
White Alone	14% (±7.1)

Source: USCB, 2012-2016 ACS.

Chapter 3. Housing and Transportation

A broad range of infrastructure facilities and services support the Haines economy, including energy, water supply, wastewater treatment and solid waste disposal, public safety and emergency response, public education, housing, and a full spectrum of transportation facilities and services. While all of these are important in terms of community development, this baseline analysis focuses on housing and transportation. Housing costs and availability are often a barrier to economic development in Alaska. Transportation facilities and services are critical in many ways to Haines' current and future economic well-being.

Housing Market and Inventory

Home Sales Activity

Available data suggests housing in Haines is more affordable than other communities. Based on data compiled by Haines Real Estate, there were 40 home sales in Haines in 2017. Sales price data is available for 38 of the sales, which had an average value of about $265,000. Data for the past three years is provided in the following table.

Table 39. Haines Home Sales, 2015-2017

	2015	2016	2017
Total Sales	39	35	40
Known Sales	29	35	38
Total Sales Value	$7,330,700	$7,524,500	$10,076,500
Average Sales Price	**$252,783**	**$214,986**	**$265,171**

Source: Haines Real Estate.

To place these sales prices in perspective, in Juneau single family homes sold for an average price of $364,787 in 2015 and $373,046 in 2016, according to Alaska Housing Finance Corporation data. Those averages are based on 304 sales in 2015 and 279 sales in 2016. Through the first three quarters of 2017, single family homes were selling in Juneau for an average price of $393,548 (based on 155 sales).

Other comparative data also illustrates that Haines home sales are priced lower than elsewhere in the region and the state. Ketchikan had an average single-family home sales price of $322,754 in 2016, Anchorage sales averaged $383,830, and Mat-Su averaged $283,204. The statewide average was $323,909.

New Construction

According to AHFC data, 10 housing units were constructed in Haines in 2016, up from seven in 2015. This new construction was all single-family residences, with the exception of one mobile home. Over the past ten years, residential construction peaked at 23 units in 2013, including 12 single family and 11 multifamily residences.[4]

Table 40. Haines Borough New Housing Units, 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
New housing units	12	6	19	6	1	0	23	9	7	10

Source: DOLWD.

Inventory

Data from the Alaska Housing Finance Authority's (AHFC) 2017 Alaska Housing Assessment indicates there are 1,415 housing units in the Haines Borough, including 1,144 occupied units. Other housing units are seasonal or otherwise vacant. At the time of the 2017 study, 34 units were for sale or available for rent.

AHFC describes approximately 27 percent of households (312) in the Haines Borough as "cost-burdened." Cost-burdened means that households are spending more than 30 percent of their income on housing costs. In Wrangell, 24 percent of households are cost-burdened, as are 28 percent in Petersburg. Nationally, 36 percent of households are considered cost-burdened.[5]

Home energy costs in Haines are 1.4 times the statewide average and 2.5 times the U.S. average. Home energy costs in Haines averaged $5,739 at the time of the AHFC study.

Approximately 4 percent of occupied units are over-crowded, similar to the national average, but among the lowest rates in Alaska.

AHFC also reported that a full-time job with an hourly wage of $17 is required for a fair market rent 2-bedroom rental housing unit in Haines to be affordable. Wrangell is slightly lower at $16, and Petersburg is higher at $20.

American Community Survey (ACS) data indicates that Haines housing inventory includes 1,200 occupied housing units. ACS data estimates the homeowner vacancy rate over the 2012-2016 survey period at 2.1 percent and rental vacancy rate at 12.7 percent.

ACS has a substantial margin of error for smaller communities such as Haines. The data in the following tables is provided for informational purposes only. Further research is required to develop an accurate current assessment of housing vacancy rates in Haines.

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[4] https://www.ahfc.us/efficiency/research-information-center/alaska-housing-market-indicators/

[5] Alaska Housing Finance Corporation, 2017 Alaska Housing Assessment.

Table 41. Housing Units in Haines Borough

	2012-2016 Estimates
Owner-occupied	803
Renter-occupied	367
Occupied Housing Units	1,170
Vacant Housing Units	453
Total	**1,623**

Source: USCB, ACS Five-Year Estimates.

Table 42. Housing Units in Structure, Haines Borough, by Tenure

	Owner-Occupied	Renter Occupied
Single housing unit in structure	774	270
Multiple housing units in structure	9	96
Mobile home	20	1
Total	**803**	**367**

Source: USCB, ACS Five-Year Estimates.

Table 43. Number of Occupied and Vacant Housing Units, 2010-2016

Category	2010	2011	2012	2013	2014	2015	2016
Occupied Units	1,149	1,176	1,139	1,245	1,144	1,176	1,170
Vacant Units	482	492	451	431	427	414	453
Total Housing Units	**1,631**	**1,668**	**1,590**	**1,676**	**1,571**	**1,590**	**1,623**

Source: USCB, ACS Five-Year Estimates.

Table 44. Monthly Housing Costs of Owner-Occupied Housing Units, as a percent of Household Income

	2010	2011	2012	2013	2014	2015	2016
Less than 20 percent of income	58.0%	59.7%	60.2%	54.6%	54.5%	54.5%	56.5%
20 to 29 percent of income	13.0%	15.0%	14.9%	22.1%	22.9%	22.9%	20.4%
30 percent of income or higher	28.8%	25.4%	23.7%	21.4%	21.1%	21.1%	21.6%

Source: USCB, ACS Five-Year Estimates.

Table 45. Monthly Housing Costs of Renter-Occupied Housing Units, as a percent of Household Income

	2010	2011	2012	2013	2014	2015	2016
Less than 20 percent of income	30.6%	35.5%	26.9%	23.4%	40.4%	40.4%	39.2%
20 to 29 percent of income	17.4%	8.9%	14.6%	20.7%	18.9%	18.9%	26.7%
30 percent of income or higher	40.1%	38.7%	40.3%	38.8%	27.1%	27.1%	22.3%

Source: USCB, ACS Five-Year Estimates.

Note on Data Limitations

Anecdotal information suggests that available data does not adequately reflect current conditions in the Haines rental housing market. Further research is warranted to document the cost and availability impacts of a recent trend of property owners transitioning rental housing to vacation rentals. The housing market effects of the Haines Highway reconstruction project also warrants further analysis.

Transportation

Transportation facilities and services affect nearly every aspect of the Haines economy. This section provides statistics on air, ferry, and highway travel to and from Haines. It also provides an overview of key marine transportation related infrastructure.

Air Transportation

PASSENGER TRAVEL

The federal Bureau of Transportation Statistics (BTS) tracks air passenger traffic at the individual airport level. In 2017, 7,326 passengers arrived into Haines. While 2017 saw a small (3 percent) increase from 2016, both 2016 and 2017 are significantly down from previous years; between 9,000 and 11,000 passengers arrived between 2010 and 2015. In the ten years examined in the baseline study, arrivals peaked in 2012 at 10,939 passengers. Air passenger departures followed a similar trend.

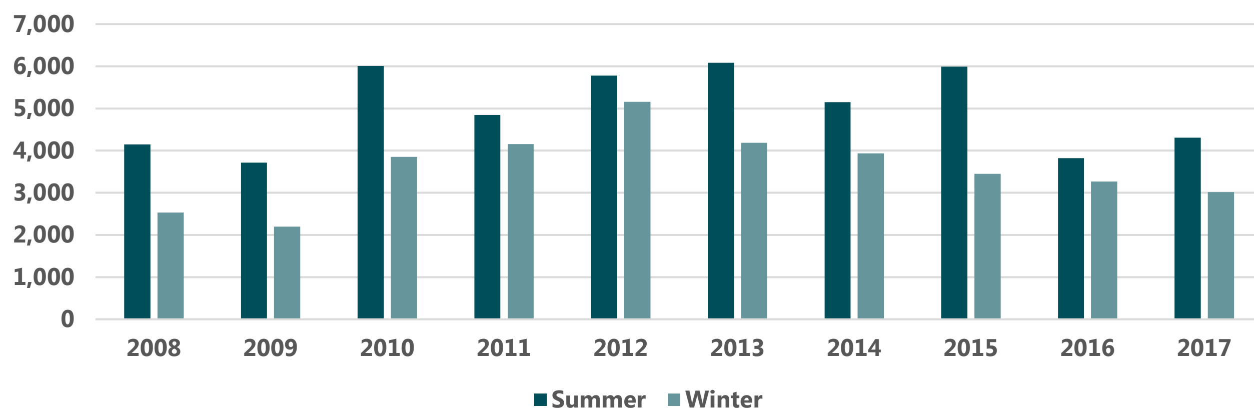
Haines air passenger traffic has a significant seasonal component, in parallel with the visitor industry. On average, summer outbound air passenger traffic is 30 percent higher than the rest of the year, accounting for 57 percent of annual departures in the five months between May 1 and September 30.

Table 46. Total Air Passengers Arriving in Haines, 2008-2017 by Season

Season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	4,151	3,718	6,003	4,845	5,782	6,085	5,150	5,989	3,820	4,310
Winter	2,534	2,194	3,855	4,155	5,157	4,183	3,937	3,451	3,267	3,016
Total Inbound	**6,685**	**5,912**	**9,858**	**9,000**	**10,939**	**10,268**	**9,087**	**9,440**	**7,087**	**7,326**

Source: BTS, TranStats.

Figure 10. Total Air Passengers Arriving in Haines, 2008-2017 by Season



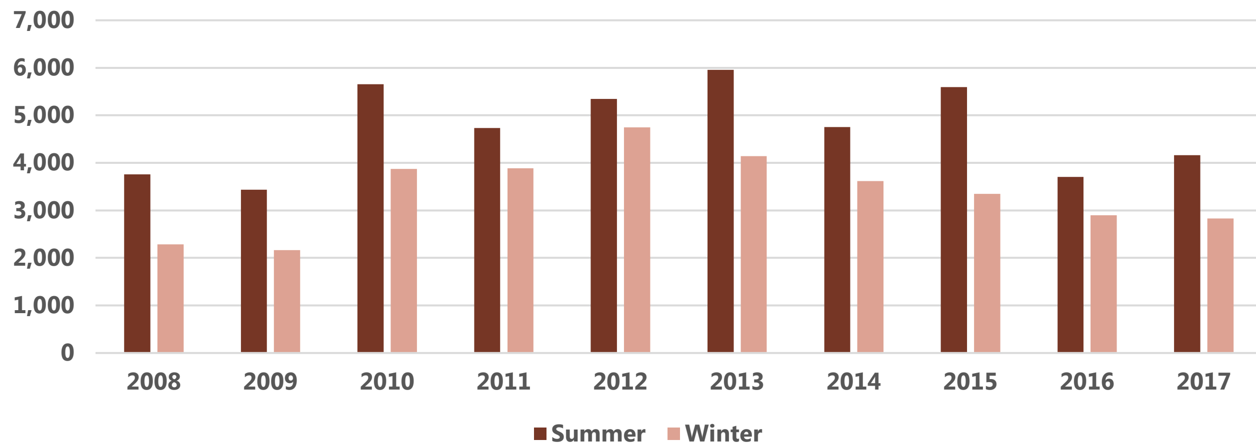
Source: BTS, TranStats.

Table 47. Total Air Passengers Departing Haines, 2008-2017 by Season

Season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	3,757	3,434	5,658	4,731	5,343	5,955	4,751	5,594	3,706	4,162
Winter	2,286	2,163	3,876	3,887	4,750	4,143	3,617	3,351	2,895	2,831
Total Outbound	**6,043**	**5,597**	**9,534**	**8,618**	**10,093**	**10,098**	**8,368**	**8,945**	**6,601**	**6,993**

Source: BTS, TranStats.
Note: The summer season is defined as May 1 through September 30.

Figure 11. Total Air Passengers Departing Haines, 2008-2017 by Season

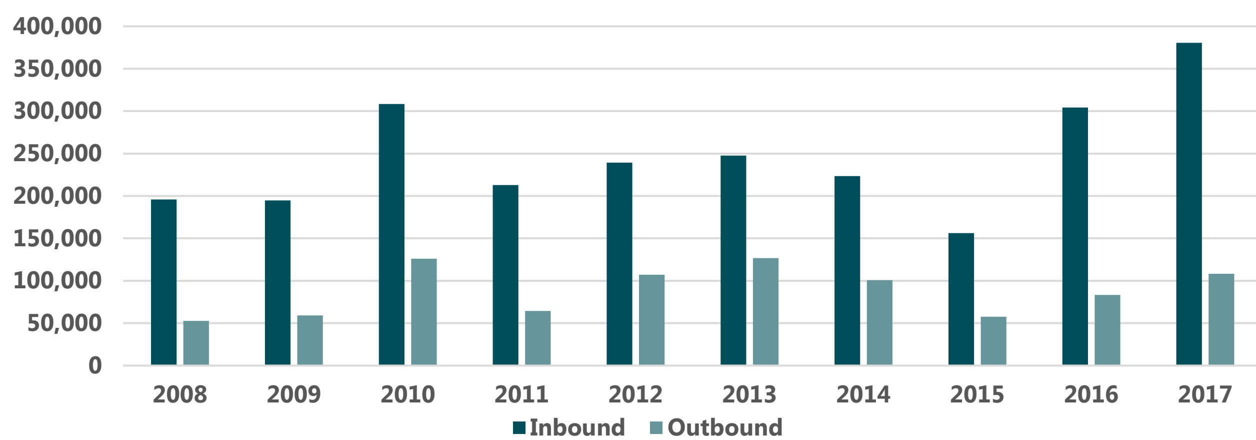


Source: BTS, TranStats.

Air Freight and Air Mail

In 2017, 380,000 pounds of air freight arrived in Haines, while a much lower volume of freight (108,000 pounds) was shipped out of Haines by air. In 2017, inbound air mail totaled 399,000 pounds while outbound air mail totaled about 72,000 pounds. Air freight and air mail trends are detailed in the following chart and tables.

Figure 12. Total Air Freight Arriving in/Departing Haines, Pounds, 2008-2017



Source: BTS, TranStats.

Table 48. Total Air Freight Arriving in Haines, Pounds, 2008-2017 by Season

Season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	98,422	100,629	170,283	104,216	115,966	114,186	98,189	53,741	146,486	192,210
Winter	97,292	94,262	138,122	108,617	123,292	133,442	125,297	102,565	157,610	188,180
Total Inbound	**195,714**	**194,891**	**308,405**	**212,833**	**239,258**	**247,628**	**223,486**	**156,306**	**304,096**	**380,390**

Source: BTS, TranStats.
Note: The summer season is defined as May 1 through September 30, and Winter as October 1 through April 30.

Table 49. Total Air Freight Departing Haines, Pounds, 2008-2017 by Season

Season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	26,408	34,435	89,858	28,460	50,424	69,751	54,929	27,880	42,236	60,622
Winter	27,563	26,142	24,755	36,049	35,804	56,635	56,918	45,946	29,748	47,744
Total Outbound	**52,550**	**59,190**	**125,907**	**64,264**	**107,059**	**126,669**	**100,875**	**57,628**	**83,446**	**108,366**

Source: BTS, TranStats.

Table 50. Total Haines Inbound and Outbound Air Mail, Pounds, 2008-2017

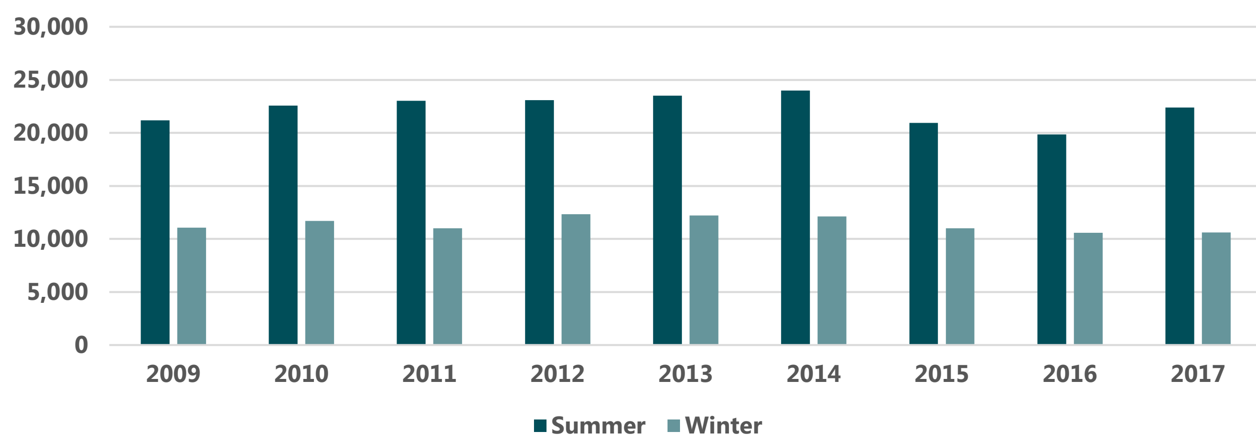
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Inbound Mail	374,187	335,736	477,787	394,446	459,416	435,860	364,185	320,433	465,147	399,161
Outbound Mail	103,547	78,180	182,684	123,945	187,950	192,951	102,653	75,972	80,673	71,779
Total Pounds	**477,734**	**413,916**	**660,471**	**518,391**	**647,366**	**628,811**	**466,838**	**396,405**	**545,820**	**512,554**

Source: BTS, TranStats.

Alaska Marine Highway System (AMHS)

Over 33,000 Alaska Marine Highway passengers embarked at Haines in 2017, about two-thirds (68 percent) in the summer months. Over the last decade, annual passenger embarkations have fluctuated somewhat, ranging from 30,427 in 2016 to 36,134 in 2014. Between 2016 and 2017, embarkations increased by 8 percent. Nearly all of this increase is attributable to the summer months, which saw a 13 percent increase. Winter embarkations stayed about the same both years.

Figure 13. Seasonal AMHS Passenger Embarkations from Haines, 2009-2017



Source: AMHS ATVR.

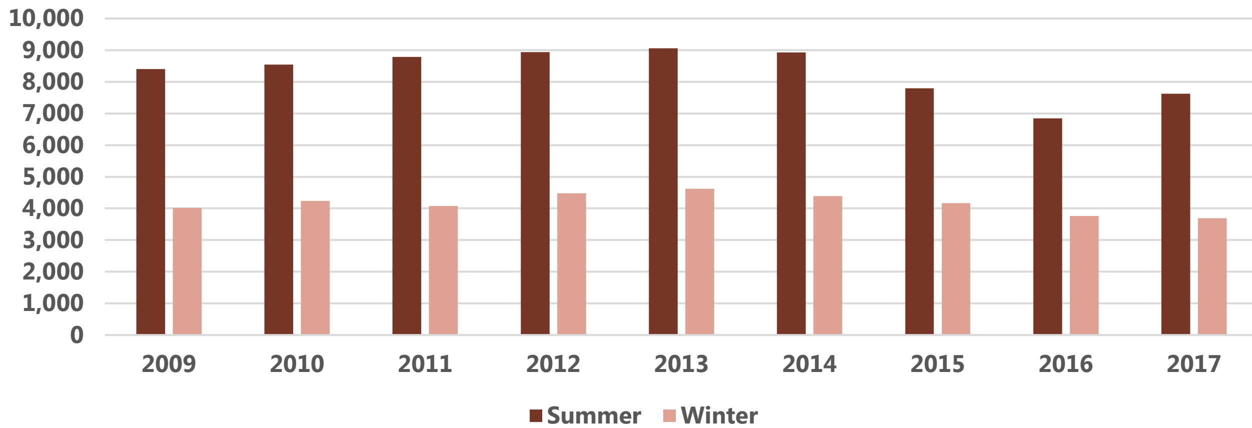
Table 51. Seasonal AMHS Passenger Embarkations and Disembarkations from Haines, 2009-2017

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total embarkations	**32,241**	**34,273**	**34,005**	**35,411**	**35,722**	**36,134**	**31,939**	**30,427**	**33,013**
Summer	21,190	22,574	23,013	23,071	23,504	23,999	20,948	19,850	22,393
Winter	11,051	11,699	10,992	12,340	12,218	12,135	10,991	10,577	10,620
Total disem-barkations	**30,920**	**32,943**	**33,284**	**33,575**	**33,811**	**32,924**	**31,368**	**29,648**	**31,247**
Summer	19,807	21,321	22,266	21,961	21783	21,273	20,495	19,275	21,044
Winter	11,113	11,622	11,018	11,614	12,028	11,651	10,873	10,373	10,203

Source: AMHS ATVR.

Over 11,000 vehicles embarked at Haines in 2017, two-thirds of them (67 percent) in the summer months. Vehicle embarkations were up 7 percent in 2017 from 2016, but down 17 percent from the peak of 13,685 set in 2013.

Figure 14. Seasonal AMHS Vehicle Embarkations from Haines, 2009-2017



Source: AMHS ATVR.

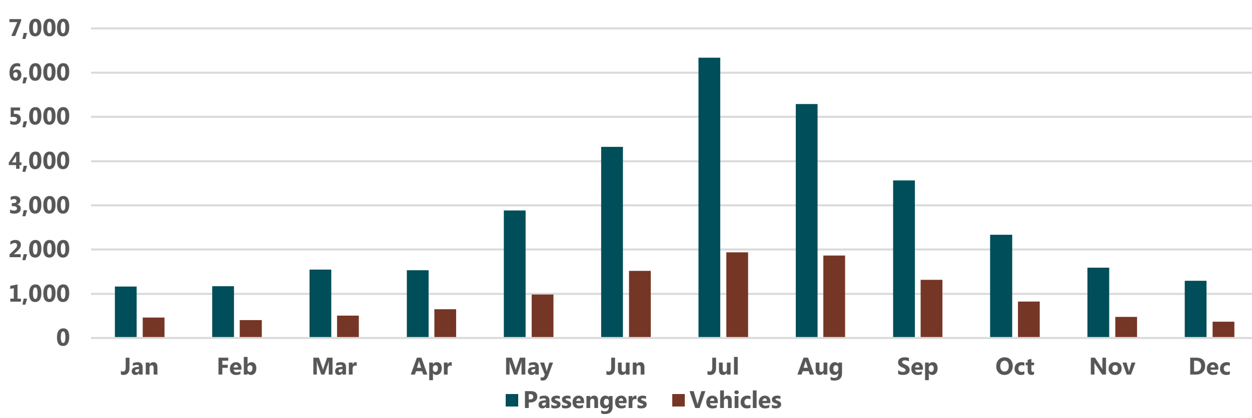
Table 52. Seasonal AMHS Vehicle Embarkations and Disembarkations from Haines

Season	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total embarkations	**12,410**	**12,782**	**12,868**	**13,414**	**13,685**	**13,318**	**11,971**	**10,615**	**11,317**
Summer	8,398	8,549	8,791	8,935	9,064	8,926	7,800	6,848	7,624
Winter	4,012	4,233	4,077	4,479	4,621	4,392	4,171	3,767	3,693
Total disem-barkations	**11,655**	**11,933**	**12,195**	**12,369**	**12,538**	**11,965**	**11,572**	**10,037**	**10,245**
Summer	7,572	7,767	8,149	8,162	8,082	7,641	7,545	6,378	6,886
Winter	4,083	4,166	4,046	4,207	4,456	4,324	4,027	3,659	3,359

Source: AMHS ATVR.

Haines ferry traffic fluctuates widely by month. In 2017, July was the peak month at 6,341 passengers and 1,936 vehicles. This compares with 1,165 passengers and 460 vehicles in January, the slowest month.

Figure 15. Monthly AMHS Haines Embarking Traffic, Passengers and Vehicles, 2017



Source: AMHS ATVR.

Table 53. Monthly AMHS Haines Traffic, 2017

Month	Passenger Embarkations	Passenger Disembarkations	Vehicle Embarkations	Vehicle Disembarkations
Jan	1,165	1,052	460	341
Feb	1,168	1,234	406	388
Mar	1,544	1,721	507	542
Apr	1,529	1,552	652	637
May	2,883	3,206	983	1,103
Jun	4,320	4,752	1,516	1,628
Jul	6,341	6,049	1,936	1,749
Aug	5,287	4,494	1,865	1,499
Sep	3,562	2,543	1,316	907
Oct	2,332	1,876	826	643
Nov	1,590	1,421	479	429
Dec	1,292	1,347	368	379
Total	**1,165**	**1,052**	**11,314**	**10,245**

Source: AMHS ATVR.

Table 54. Annual AMHS Vehicle Embarkations and Disembarkations in Haines, by Type

Vehicle Type	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total embarkations	**12,410**	**12,782**	**12,868**	**13,414**	**13,685**	**13,318**	**11,971**	**10,615**	**11,317**
Personal vehicles	10,954	11,317	11,429	12,002	12,280	11,942	10,909	9,312	10,051
Recreational Vehicles	1,062	1,076	1,062	1,027	1,004	1,003	770	1,100	1,013
Commercial Container Van	394	389	377	385	401	373	292	203	253
Total disem-barkations	**11,655**	**11,933**	**12,195**	**12,369**	**12,538**	**11,965**	**11,572**	**10,037**	**10,245**
Personal vehicles	10,715	10,931	11,227	11,477	11,613	11,129	10,731	9,051	9,267
Recreational Vehicles	700	808	769	662	712	635	690	865	795
Commercial Container Van	240	194	199	230	213	201	151	121	183

Source: AMHS.
Note: The personal vehicles category includes a very small number of buses.

Table 55. Number of AMHS Voyages to Haines by Month, 2009-2015

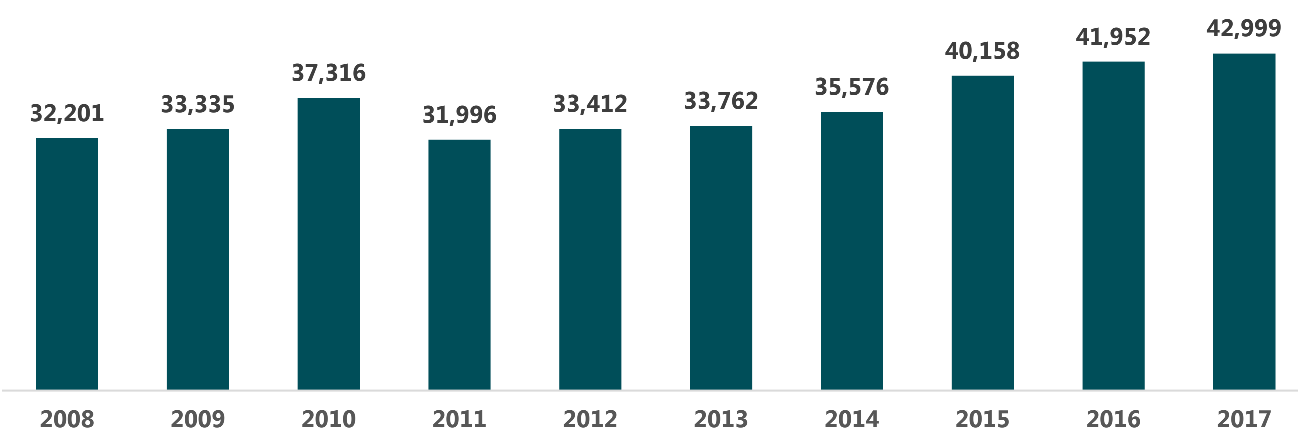
Month	2009	2010	2011	2012	2013	2014	2015
Jan	95	81	85	71	82	70	58
Feb	66	68	71	66	79	62	55
Mar	101	78	83	87	78	62	63
Apr	91	91	64	76	90	75	66
May	76	114	147	115	122	87	110
Jun	161	128	154	137	119	127	115
Jul	157	160	155	133	145	119	107
Aug	147	155	154	119	133	114	118
Sep	119	106	125	108	122	107	107
Oct	63	73	77	63	80	73	75
Nov	90	71	63	101	78	63	67
Dec	100	76	78	86	77	58	64
Total	**1,266**	**1,201**	**1,256**	**1,162**	**1,205**	**1,017**	**1,005**

Source: AMHS ATVR.

Highway Traffic

In 2017, 43,000 people crossed the U.S. border on the Haines Highway in some type of vehicle. Nearly all of these (94 percent) were in personal vehicles; 3 percent were in buses; and 3 percent were in commercial trucks. Traffic has been increasing annually since the low of 32,000 in 2011, for a total increase of 34 percent between 2011 and 2017. Note that these figures include Haines residents.

Figure 16. Highway Vehicle Passenger Entries at U.S. Border, Haines Highway, 2008-2017



Source: U.S. Customs and Border Protection.

(See table, next page)

Table 56. Highway Vehicle Passenger Entries at U.S. Border, By Vehicle Type, Haines Highway, 2008-2017

	Personal Vehicle Occupants	Bus Occupants	Truck Occupants	Total Number of Border Crossings
2008	30,365	530	1,306	**32,201**
2009	32,036	371	928	**33,335**
2010	34,654	492	2,170	**37,316**
2011	30,110	492	1,394	**31,996**
2012	31,776	481	1,155	**33,412**
2013	31,879	536	1,347	**33,762**
2014	33,026	971	1,579	**35,576**
2015	37,850	777	1,531	**40,158**
2016	39,942	683	1,327	**41,952**
2017	40,366	1,277	1,356	**42,999**

Source: U.S. Customs and Border Protection.

Transportation Infrastructure Assets

HAINES MUNICIPAL DOCK (LUTAK DOCK)

Ice-free and operated year-round, Lutak Dock is Haines' primary industrial port facility for containerized and conventional cargo, petroleum products, and timber. While its major customers are both Alaska Marine Lines and Delta Western, Lutak Dock generates the majority of its revenues from bulk fuel shipped through Haines for export into Canada (80 percent) as well as for the local Haines market. In 2017, Delta Western bulk fuel shipments made up approximately 60 percent of Lutak Dock revenues compared to 40 percent for AML freight shipments.[6] Since FY2013, when Lutak Dock fees generated $344,425 in revenue, revenues have increased by 39 percent, reaching $478,431 in 2017. This growth is even more impressive if one considers that Lutak revenues effectively tripled between FY2009 and FY2012.[7]

First constructed in 1953, the Lutak Dock is today at the end of its service life and in dire need of repair, with reconstruction cost estimates ranging from $21.2 million to $61.8 million[8]. Given the scale and cost of the needed repairs, combined with strained Borough and State budgets, finding a quick funding solution is unlikely. Nevertheless, the ever-present risk of localized failures preventing use of the dock has led to plans focused on repairing and/or replacing roll-on roll-off infrastructure that could be used by AML for barge loading/unloading. By comparison, costs for these options range from $2.3 million to $14.0 million[9]. Roll-on, roll-off infrastructure would be used primarily by AML and directly support the economical supply of goods to the community of Haines.

[6] Shawn Bell, Haines Harbormaster
[7] Haines Borough Manager's Budget, http://www.hainesalaska.gov/finance/fy19-haines-borough-managers-budget
[8] http://www.lutakdock.com/wp-content/uploads/sites/21/2017/03/March_9_2017-Final-Report-Draft-Lutak-Dock.pdf
[9] http://www.hainesalaska.gov/sites/default/files/fileattachments/ports_and_harbors/page/14161/2018-02-21_haines_lutak_dock_ro_ro_ramp_option_4.pdf

Should Lutak Dock not be repaired and suffer a failure that renders the dock inoperable, Haines residents would likely see significant freight disruptions and price increases. While there is no clearly defined contingency plan, the two most likely options are to rely on the Alaska Marine Highway System and/or barge freight to Skagway and then truck to Haines. In contrast to AML, Delta Western appears to be in a better situation as it would likely be able to continue to use its tank farm and related fuel infrastructure even in the absence of repairs.

ALASKA MARINE HIGHWAY SYSTEM, HAINES FERRY TERMINAL

Located adjacent to Lutak Dock, the AMHS Terminal is owned by the State of Alaska and is primarily used for AMHS ferries, with maximum berthing space of 640 feet and a depth of 23-25 feet. Beginning in Fall 2018, the terminal will be developed to add end-berthing capacity for use by the new Alaska Class Ferry (dayboat), with anticipated completion sometime in summer 2019. The M/V Tazlina, the AMHS' first dayboat, will be christened in June 2018 with delivery expected in the second half of 2018. The second Alaska Class vessel, the M/V Hubbard, is currently expected to be delivered in Summer 2019. As now planned, both will be deployed in Lynn Canal, one between Haines and Skagway and one between Haines and Juneau (or Skagway and Juneau). Barring delays in vessel delivery and/or dock construction, the new dayboats would be available for Haines service in the second half of 2019.

PORT CHILKOOT DOCK

Owned by Haines Borough, Port Chilkoot Dock is Haines' berthing space for large cruise ships. In good working condition and capable of receiving all but the largest cruise ships sailing Alaska's waters, its facilities are functional and effective for their intent. While not presently an issue, the cruise industry's transition to larger ships may eventually pose a problem for Haines. For example, while able to accommodate the Grand Princess (949 feet, 107,517 gross tons, 2,600 passengers), Port Chilkoot Dock would not likely accommodate the new Norwegian Bliss (994 feet, 168,028 gross tons, 4,004 passengers). Another issue is that the 100' long offloading deck does not always allow alignment with two vessel doors, making it difficult to place two gangways in position. With more large ships due to enter the Alaska market in the coming years, this may become a bigger issue for Haines' cruise sector.

Port Chilkoot Dock has offered some of the lowest docking fees of any major port of call in Alaska. To further incentivize cruise ships to call on Haines, Port Chilkoot fees were further cut by 50 percent for ships calling regularly in 2017, 2018, and 2019.

CHILKOOT SAWMILL/LUMBER DOCK

This former Chilkoot Lumber facility was last used in the 1990s, possesses roughly 25 acres of upland, and has a deepwater dock that is in a state of disrepair and currently unsuitable for use. With water depths ranging from 35 to 60 feet, it offers greater potential to large vessels than the Lutak Dock. This key factor has helped make it highly regarded by the minerals industry for its potential future use, and led to the site being identified as the preferred terminus in plans to build a railroad from the Yukon to Haines for minerals exports. While a rail connection is unlikely, the rationale for its selection remains. Today, its most likely immediate use is as a staging area and export port for timber supplied through a joint timber sale from the University of Alaska, State of Alaska Division of Forestry, and the Alaska Mental Health Land Office. This sale would be the largest in decades and is estimated to provide over 150 million board feet over ten years.

UA is anticipating releasing a Request for Proposals for design/build and repair for the dock in summer 2018 with the dock operational by spring 2019. Such repairs may also provide other opportunities for usage at the facility although it is currently unknown what these might be.

Portage Cove Dock

After sitting vacant for five years since Klukwan Inc. filed for bankruptcy in August 2012, the Portage Cove Dock was purchased by the Chilkoot Indian Association (CIA) in February 2018. The offshore mooring platform with 220 feet of berthing space is expected to be used by private yachts and small cruise ships beginning in summer 2018. In addition to creating jobs for CIA members, the dock is viewed as a key piece of property that helps maintain Tribal sovereignty in the area. In future years, the onshore facilities may be used in support of artists and/or day tours.

CIA financed the purchase through a bank loan and by utilizing funding from the U.S. Department of Transportation Tribal Transportation Program (TTP), whose purpose is to "provide safe and adequate transportation to and within Indian lands" with a "prime objective to contribute to the economic development, self-determination, and employment of Indians and Native Americans."[10] In addition to the purchase of the dock, CIA will need to invest in the repair of the dock over the next five years, investing an amount comparable to the purchase price. While the purchase price was not publicly disclosed, the land and infrastructure are valued at $715,500, per Haines Borough records.[11]

Haines Highway

Over the next six years, Haines Highway will be undergoing reconstruction from mile 3.9 to mile 25.3. Phase 1 will be conducted in 2018 and 2019 and will focus on Mile 3.9 to mile 12.2. The $150 million-plus project will have significant economic impacts in Haines. The Final Environmental Assessment Socioeconomic Analysis estimated that the project would create an average of 145 jobs over a six-year construction period, including direct, indirect, and induced employment. Payroll and proprietors' income would average $11.8 million annually, and total business revenue would average $23.2 million (in 2013 dollars), including multiplier effects. The Socioeconomic Analysis indicates that 56 percent of the economic activity associated with the project will be retained in the borough.[12] Though the employment impacts of the project are likely overstated in the estimates, it is clear the project will have important local economic impacts.

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[10] https://flh.fhwa.dot.gov/programs/ttp/
[11] http://www.chilkatvalleynews.com/story/2018/02/22/news/chilkoot-indian-association-purchases-portage-cove-dock/11570.html
[12] http://dot.alaska.gov/sereg/projects/haines_hwy/assets/8.15.2016/Apx-B_Socioec_Analysis.pdf

Chapter 4. Industry Profiles

Introduction

This chapter provides a compilation of best available information on key industries in Haines and other notable sectors of the economy. Not all industries are profiled. The study team selected industries that are recognized as important segments of the economy today, may have the potential for future growth, and/or have been the subject of local development efforts in the recent past.

The amount of information available is highly variable from industry to industry. Some industries have been the subject of previous research, which provided a level of detail about economic impacts that is not available for other industries. The purpose of the following profiles is to present as much readily available information as possible about key segments of the Haines economy; some sector profiles are more detailed than others.

This chapter does not provide full analysis of the economic impact of various industries in Haines. Such analyses are beyond the scope of this baseline project. The economic development plan will note where investment in research to better understand an industry's economic impact would facilitate the strategic planning process.

The following sectors are profiled in this chapter:

- Visitor Industry
- Mining
- Forest Products
- Seafood
- Agriculture
- Arts and Culture
- Health Care and Social Services
- Non-Profit Organizations

Visitor Industry

Haines welcomes a wide range of non-resident and Alaska resident visitors each year. Non-resident visitation is documented in detail by the *Alaska Visitor Statistics Program* (AVSP). Much less in known about the size and content of the Alaska resident visitor market.

Economic Impacts

While widely recognized as a critical component of the local economy, the economic impact of the visitor industry has not been measured comprehensively in more than 15 years. Previous research and other published data provides only part of the picture.

From previous research:

- McDowell Group's 2002 *Haines Tourism Management Plan* included an economic impact analysis which measured 300 jobs and $6.5 million in total wages in 2001, including multiplier effects. The visitor industry then accounted for about one-quarter of all employment in Haines. Visitation to Haines in 2001 included 40,000 large ship passengers, 5,500 small cruise ship passengers, 40,000 cruise passengers from Skagway, and 50,000 to 60,000 independent visitors, plus regional residents attending special events.

- The *Haines Cruise and Fast Ferry Passenger Survey*, conducted by McDowell Group in 2011, found that cruise passengers spent an average of $85 per person in Haines, including $59 per person on tours. Visitors arriving on the fast ferry from Skagway reported average spending of $135 per person in Haines, including $119 on tours. These spending estimates indicate total spending by cruise and fast ferry visitors of approximately $6.1 million in 2011 (when there was a total of about 55,000 cruise and fast ferry visitors).

- In its 2015 *Haines Winter Visitor Industry Impact and Market Assessment* McDowell Group measured $5.4 million in Alaska resident and nonresident winter visitor spending during the October 2013 to April 2014 period. That spending accounted for 100 jobs, including direct and indirect employment in Haines.

- *Alaska Visitor Statistics Program* (AVSP) data indicates that in summer 2016, non-resident visitors to Haines spent an average of $111 in Haines. However, that average likely does not fully capture spending by visitors arriving from Skagway on the fast ferry (who may have attributed their spending to Skagway, where their Haines tour started, rather than to Haines). Fast ferry visitors to Haines spend about 60 percent more than cruisers who arrive in Haines directly.

From other indicators:

- Employment in Haines' Leisure and Hospitality sector averaged 210 jobs in 2016, with $4.4 million in total wages. That represents 22 percent of all wage and salary employment in the Haines Borough, and 13 percent of total wages. Peak season employment in the Leisure and Hospitality sector reached approximately 370 jobs in July and August 2016. These figures do not include jobs and wages generated by visitor spending in the retail or transportation sectors.

- Haines Borough tax revenue data indicates that the Tourism sector accounted for approximately $10.5 million in taxable sales in Haines in 2017, including $9.1 million in summer sales and $1.5 million in winter sales. These figures do not capture taxable sales in the transient lodging sector, sales in the retail sector attributable to non-residents, or spending in restaurants and bars by non-residents.

A comprehensive, up-to-date assessment of the economic impact of the visitor industry in Haines would involve measuring local spending by these visitor segments:

- Visitors arriving on large and small cruise ships
- Visitors arriving on the fast ferry from Skagway
- Visitors arriving by ferry, highway, and small plane.

The assessment would capture summer and winter spending by non-Alaskan and Alaskan resident visitors arriving in the community as part of a cruise or independent travel vacation, to visit friends or relatives, to attend a special event, or simply passing through Haines as part of a ferry/highway trip.

The best available data suggests that Haines hosted approximately 125,000 to 135,000 visitors in 2017, including non-Alaskans and Alaska resident travelers. Spending by these visitors ranges from a few dollars as they pass through town to $2,000 or more for a multi-day adventure package. Analysis of past survey data, current sales tax data, and other information suggests visitor spending likely totaled between $20 million and $25 million in 2017. Including indirect and induced spending (the multiplier effect) the total spending footprint of the visitor industry in Haines may have totaled $25 million to $30 million.

Recognizing that the community lacks a complete understanding of the role of the visitor industry in the local economy, and that a comprehensive industry impact study is beyond the scope of this baseline, it is nevertheless important for development planning to understand the various components of the industry, as described below.

Visitor Industry Segments

For purposes of this report, Haines' visitor industry is described in terms of the following components:

- Non-Alaska residents
- AMHS travelers
- Special events
- Winter visitors

While these categories have some overlap, and the list is not exhaustive or inclusive of *all* out-of-town travelers to Haines, it covers the markets representing the bulk of visitor-related economic activity. Following is a discussion of each market.

NON-ALASKA RESIDENTS

AVSP provides comprehensive data on non-resident visitors to Alaska. The periodic statewide research project is overseen by the Alaska Department of Commerce, Community, and Economic Development and conducted by McDowell Group. The most recent edition of the program (the seventh since 1985) was summer 2016. The sample included 332 visitors to Haines; the sample was weighted by transportation mode to ensure representativeness of the entire visitor market. Survey results based to Haines visitors are presented in the following tables. Readers are reminded that this sample represents summer (May-September) and out-of-state visitors only.

Volume and Transportation Market

Haines received an estimated 94,000 out-of-state visitors in summer 2016, representing 4 percent of the overall Alaska visitor market. Three-quarters of visitors (73 percent) were cruise ship passengers, 18 percent were highway/ferry visitors, and 9 percent were air visitors.

Table 57. Haines Summer 2016 Visitor Volume, by Transportation Market

	% of Visitors	# of Visitors
Cruise ship	73%	69,000
Highway/ferry	18%	17,000
Air	9%	8,000
Total	**100%**	**94,000**

Source: AVSP 7.
Note: Cruise ship passengers include fast ferry passengers from Skagway.

Note that the AVSP transportation markets refer to methods of traveling in and out of Alaska, not necessarily in and out of Haines. Air visitors traveled in and out of Alaska via air; highway/ferry visitors traveled in and/or out of Alaska via highway or ferry; and cruise ship passengers overnighted onboard a cruise ship at some point in their trip. Therefore, if a visitor flew from their home state to Juneau, but took a ferry to/from Haines, they would fall into the "air" category.

Visitor Activities

The most popular activities in Haines, among summer 2016 visitors, were wildlife viewing, hiking/nature walk, museums, and city/sightseeing tours.

Table 58. Haines Summer Visitors: Activities in Haines

	% of Visitors
Wildlife viewing	17
Hiking/nature walk	10
Museums	10
Camping	8
City/sightseeing tours	7
Birdwatching	6
Day cruises	5
Rafting	5
Biking	3
Fishing	3
Flightseeing	2
Historical/cultural attractions	2
Native cultural tours/activities	2
Kayaking/canoeing	2

Source: AVSP 7.
Note: Shopping was not recorded at the community level.

ADFG data provides detailed information on non-resident fishing activity. Non-residents purchased 2,435 fishing licenses in Haines in 2016. Nearly half of these (45 percent) were 1-day licenses, while one-third (31 percent) were for longer periods of time. The remainder (24 percent) were purchased by Yukoners in a "reciprocal fishing" system. The data is generally consistent with the AVSP measure of 3 percent of visitors sportfishing during their Haines visit.

Table 59. Non-Resident Fishing License Sales in Haines, 2016

	Number of Licenses
Non-resident 1-day fishing	1,089
Non-resident 3-day fishing	382
Non-resident 7-day fishing	146
Non-resident 14-day fishing	91
Non-resident Annual fishing	139
Non-resident Annual fishing and hunting	1
Yukon reciprocal fishing	587
Total non-resident fishing licenses	**2,435**

Source: Alaska Department of Fish and Game.

Non-Resident Visitor Demographics

Nearly one-half (47 percent) of Haines visitors were from the Western U.S. Visitors from the South represented 14 percent; from the Midwest, 12 percent; from the East, 5 percent; from Canada, 14 percent; and from other international countries, 8 percent.

The average party size of Haines visitors was 2.3 people; this is the number of people sharing expenses. The average group size was 4.1 people; this includes those in the travel party not necessarily sharing expenses. Visitors were slightly more likely to be female at 55 percent. Visitors reported an average age of 54 years old. One-quarter (23 percent) reported children living in their household, while 49 percent reported being retired or semi-retired. Over half (61 percent) reported having a college degree. The average household income was $120,000.

Table 60. Haines Summer Non-Resident Visitor Demographics

	% of Visitors
Origin	
Western US	47
Southern US	14
Midwestern US	12
Eastern US	5
Canada	14
Other international	8
Average party size	2.3
Average group size	4.1
Male/female	45/55
Average age	54 years old
Children in household	23
Retired/semi-retired	49
College graduate	61
Average income	$120,000

Source: AVSP 7.

CRUISE SHIP VISITORS

As noted above, cruise ship visitors represent about three-quarters of all summer out-of-state visitors to Haines. Haines receives two types of cruise ship visitors: those off ships calling directly at Haines, and fast-ferry passengers off cruise ships docked in Skagway.

Direct Calls

Haines will receive nearly 56,000 cruise ship passengers off ships calling directly at the port in 2018. The bulk of passengers (82 percent) will be attributable to ships over 1,500 passengers: the Noordam, the Westerdam, and the Grand Princess. There are two mid-size ships calling in 2018: the Seabourn Sojourn (capacity 450) and the Regatta (capacity 684); these ships will account for 9 percent of passengers. Smaller ships, with capacities of less than 400 passengers, will account for the remaining 9 percent of passengers. These include the Sea Bird (capacity 62), the Star Legend (capacity 212), and all Un-Cruise vessels (capacities range from about 60 to 90 passengers).

Table 61. Cruise Ship Traffic to Haines, 2018 (Planned)

Vessel	Capacity	# of Calls	Total Passengers
Noordam	1,916	10	19,160
Westerdam	1,916	9	17,244
Grand Princess	3,100	3	9,300
Seabourn Sojourn	450	8	3,600
Un-Cruise (several)	60 to 86	40	2,775
Regatta	684	2	1,368
Star Legend	212	6	1,272
Sea Bird	62	16	992
Total		**94**	**55,711**

Source: Cruise Line Agencies of Alaska; Un-Cruise Adventures; McDowell Group.

Direct cruise ship traffic has fluctuated widely over the last decade, from a low of 27,200 in 2011, to a high of 51,200 in 2017 – a difference of 88 percent. Between 2017 and 2019, traffic is expected to increase by another 33 percent, from 51,200 to 68,100. While the 2019 schedule is still preliminary, the distribution by ship size is projected to be similar to 2018: 80 percent to large ships over 1,500 passengers, 13 percent to mid-size ships (400 to 1,000 passengers), and 6 percent to small ships (less than 400 passengers).

Even with the projected growth over the next two years, passenger traffic will still be lower than previous levels. Cruise visitation was nearly 190,000 passengers in 2000.

(See table, next page)

Table 62. Cruise Ship Passenger Traffic to Haines, 2008-2017 (2018 and 2019 Projected)

	Cruise Passengers
2008	50,100
2009	43,600
2010	32,300
2011	27,200
2012	31,000
2013	34,400
2014	29,100
2015	42,500
2016	41,700
2017	51,200
2018 (proj.)	55,700
2019 (proj.)	68,100

Source: Cruise Line Agencies of Alaska; McDowell Group.

Skagway Fast Ferry

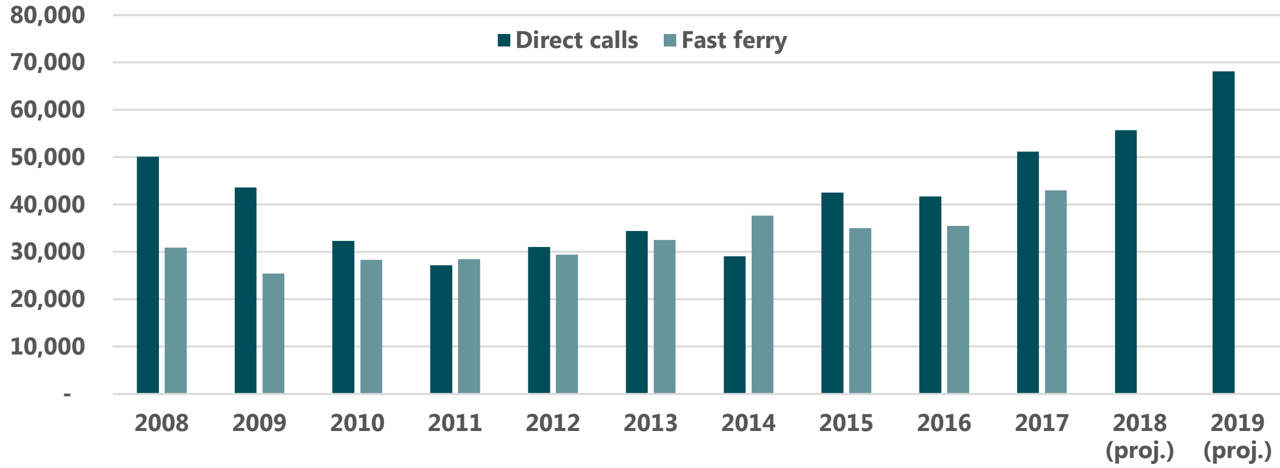
Passengers off the fast ferry between Haines and Skagway represented nearly as many passengers as those off ships calling directly in 2017: about 43,000, compared to 51,000 off direct calls. In 2017, 87 percent of fast ferry passengers (37,565) were on a tour package that included the fast ferry as a component, while the remaining 13 percent (5,429) purchased the ferry as a stand-alone tour. Total fast ferry traffic has ranged between 25,440 (in 2009) and nearly 43,000 (in 2017), a difference of 69 percent. Traffic was up by 21 percent between 2016 and 2017 alone. With Skagway cruise ship capacity projected to increase in both 2018 (by 4 percent) and 2019 (by 6 percent), it is likely that fast ferry traffic to Haines will increase proportionally.

Table 63. Fast Ferry Passenger Traffic to Haines, 2008-2017

	Tour Passengers	Non-Tour Passengers	Total Passengers
2008	28,122	2,771	30,893
2009	23,148	2,256	25,440
2010	26,156	2,161	28,317
2011	24,885	3,580	28,465
2012	25,062	4,380	29,442
2013	27,686	4,845	32,531
2014	31,343	6,326	37,669
2015	27,950	7,050	35,000
2016	27,135	8,328	35,523
2017	37,565	5,429	42,994

Source: Haines Convention and Visitors Bureau.

Figure 17. Cruise Ship Passenger and Fast Ferry Traffic to Haines, 2008-2017 (2018 and 2019 Projected)



Source: Cruise Line Agencies of Alaska; McDowell Group.

AMHS TRAVELERS

Visitors traveling to/from Alaska via highway or ferry represent about 18 percent of all summer out-of-state visitors to Haines. The highway/ferry market further includes a large number of regional residents who travel to Haines for business, special events, recreational activities, other trip purposes, or are just passing through.

The table below shows the distribution of AMHS passengers by place of origin, by year. In 2015 (the most recent year for which origin data is available), 60 percent of passengers departing Haines were Alaskan residents, including 26 percent from Haines/Skagway and 18 percent from Juneau. One-quarter (23 percent) were from elsewhere in the US (most commonly Western states at 12 percent); 9 percent were from Canada; and 8 percent were from other international countries. The distribution of passengers by origin stayed fairly consistent over the seven-year period of 2009 to 2015.

Table 64. Number of AMHS Passenger Arrivals in Haines, by Passenger Residence, 2009-2015

	2009	2010	2011	2012	2013	2014	2015
Alaska	**19,349**	**20,067**	**20,271**	**20,914**	**20,698**	**19,590**	**18,107**
Haines/Skagway	8,266	8,402	8,831	9,082	9,486	8,712	8,107
Juneau	6,010	6,299	6,525	6,431	6,676	6,548	5,932
Other	5,073	5,366	4,915	5,401	4,536	4,330	4,068
US, not Alaska	**7,339**	**8,084**	**8,116**	**7,757**	**7,991**	**8,504**	**8,675**
West	3,770	4,264	4,095	3,907	3,936	4,127	4,515
South	1,730	1,856	2,001	1,909	1,954	2,072	2,039
Midwest	1,278	1,318	1,382	1,322	1,444	1,575	1,417
East	552	631	619	607	637	715	684
Canada	**2,084**	**2,567**	**2,471**	**2,700**	**2,981**	**2,801**	**2,582**
BC/Yukon	567	642	845	901	1,019	932	834
Other	1,517	1,925	1,626	1,799	1,962	1,869	1,748
Other int'l	**2,014**	**2,291**	**2,342**	**2,243**	**2,052**	**2,010**	**2,061**
Total	**30,786**	**33,009**	**33,200**	**33,614**	**33,722**	**32,905**	**31,425**

Source: AMHS.

Table 65. Percent of AMHS Passenger Arrivals in Haines, by Passenger Residence, 2009-2015

	2009	2010	2011	2012	2013	2014	2015
Alaska	**63**	**61**	**61**	**62**	**61**	**60**	**58**
Haines/Skagway	27	25	27	27	28	26	26
Juneau	20	19	20	19	20	20	19
Other	16	16	15	16	13	13	13
US, not Alaska	**24**	**24**	**24**	**23**	**24**	**26**	**28**
West	12	13	12	12	12	13	14
South	6	6	6	6	6	6	6
Midwest	4	4	4	4	4	5	5
East	2	2	2	2	2	2	2
Canada	**7**	**8**	**7**	**8**	**9**	**9**	**8**
BC/Yukon	2	2	3	3	3	3	3
Other	5	6	5	5	6	6	6
Other int'l	**7**	**7**	**7**	**7**	**6**	**6**	**7**

Source: AMHS.

Table 66. Number of AMHS Passenger Departures from Haines, by Passenger Residence, 2009-2015

	2009	2010	2011	2012	2013	2014	2015
Alaska	**20,176**	**21,177**	**21,433**	**22,344**	**22,186**	**21,571**	**19,141**
Haines/Skagway	8,424	8,516	9,060	9,343	9,480	9,111	8,231
Juneau	6,077	6,361	6,693	6,548	6,732	6,716	5,913
Other	5,675	6,300	5,680	6,453	5,974	5,744	4,997
US, not Alaska	**6,968**	**7,745**	**7,260**	**7,112**	**7,237**	**8,019**	**7,360**
West	3,533	4,098	3,684	3,651	3,628	3,934	3,814
South	1,506	1,472	1,579	1,506	1,505	1,580	1,376
Midwest	1,367	1,492	1,349	1,337	1,511	1,672	1,463
East	562	683	648	618	593	833	707
Canada	**2,665**	**3,074**	**2,895**	**3,665**	**3,789**	**3,801**	**2,831**
BC/Yukon	806	1,042	934	1,351	1,553	1,313	986
Other	1,859	2,032	1,961	2,314	2,236	2,488	1,845
Other int'l	**2,413**	**2,263**	**2,359**	**2,253**	**2,474**	**2,642**	**2,612**
Total	**32,222**	**34,259**	**33,947**	**35,374**	**35,686**	**36,033**	**31,944**

Source: AMHS.

Table 67. Percent of AMHS Passenger Departures from Haines, by Passenger Residence, 2009-2015

	2009	2010	2011	2012	2013	2014	2015
Alaska	**63**	**62**	**63**	**63**	**62**	**60**	**60**
Haines/Skagway	26	25	27	26	27	25	26
Juneau	19	19	20	18	19	19	18
Other	18	18	17	18	17	16	16
US, not Alaska	**22**	**23**	**21**	**20**	**20**	**22**	**23**
West	11	12	11	10	10	11	12
South	5	4	5	4	4	4	4
Midwest	4	4	4	4	4	5	5
East	2	2	2	2	2	2	2
Canada	**8**	**9**	**9**	**10**	**11**	**11**	**9**
BC/Yukon	3	3	3	4	4	4	3
Other	6	6	6	7	6	7	6
Other int'l	**7**	**7**	**7**	**6**	**7**	**7**	**8**

Source: AMHS.

Special Events

Special events have become a mainstay of Haines' visitor economy, accounting for thousands of visitors every year. The bulk of special event visitors are from Southeast Alaska; however, other Alaska residents, as well as Lower 48 and international visitors, also attend.

Southeast Alaska State Fair (aka Haines Fair)

The Southeast Alaska State Fair serves as an umbrella organization for the Beer Fest (see below) as well as other community events such as Winterfest and Spring Fling; the main event sponsored by the organization is the annual State Fair, held annually for four days starting the last Thursday of July. While exact number of attendees is difficult to pin down due to the nature of ticket sales (four-day passes plus daily admission), Fair leadership estimates they get around 11,500 admittances over the four days; and about 5,000 to 6,000 individual people. These figures include Haines residents as well as non-residents.

Great Alaska Craft Beer and Home Brew Festival (aka Beer Fest)

The Beer Fest is held at the State fairgrounds every Memorial Day weekend. In 2018 the Beer Fest will welcome at least 20 brewers and distributors; attendance is capped at 1,700. The event typically sells out months ahead of time and is already sold out for 2018.

Kluane Chilkat International Bike Relay

The Chilkat Bike Relay is held every June between Haines Junction, Yukon Territory and Haines. The route covers 148 miles and is open to solo, 2-person, 4-person, and 8-person teams. Registration is capped at 1,200 riders.

Alaska Bald Eagle Festival

The Bald Eagle Festival is four-day event held in Haines every November, scheduled around the confluence of 2,000 to 4,000 bald eagles attracted by local salmon runs each fall. Attendance fluctuates; while participation has reached 300 in past years, it was down to 99 in 2017.[13]

Winter Visitors

Winter visitors are defined as those traveling in the October to April months. A McDowell Group report estimated that approximately 2,000 pleasure-related visitors traveled to Haines in the 2013-14 season, in addition to 7,000 non-pleasure visitors. The most substantial pleasure markets were heli-skiing (550 visitors), backcountry skiing (300 visitors), Yukon sportfishing (350 visitors), and special events (400 visitors). Non-pleasure visitors included those traveling for the purposes of visiting friends/relatives, business, attending sporting or other school-related events, or just passing through town.

[13] https://www.ktoo.org/2017/11/17/eagle-numbers-soar-near-haines-visitors-annual-festival-decline/

Meetings/conferences are a subset of this non-pleasure, winter market. The Haines Convention and Visitors Bureau reports that only two groups scheduled their conferences through HCVB in 2017: Alaska Municipal League (roughly 100 participants) and Southeast Conference (roughly 200 participants).

Heli-Skiing Permits

Haines heli-skiing permits have stayed steady at 2,600 total days permitted between 2011 and 2017. The number of "days used" has fluctuated over the years, ranging from 563 in 2007 (the first year permits were issued) to 1,959 in 2012. Over the last several years, the number of days has been fairly consistent at around 1,600.

Table 68. Heli-Skiing Permits and Usage Days, 2007-2017

	# Days Permitted	# Days Used
2007	1,140	563
2008	1,140	895
2009	1,460	1,198
2010	1,340	1,351
2011	2,600	1,931
2012	2,600	1,959
2013	2,600	1,971
2014	2,600	913
2015	2,600	1,645
2016	2,600	1,606
2017	2,600	1,574

Source: Haines Borough.
Note: Between 2007 and 2010, photo days were allocated separately from skier days. Figures in this table are combined for those years.

Visitor Industry Outlook

The overall outlook for Haines' visitor industry is positive. Cruise ship passenger volume (from ships calling directly at Haines) is projected to increase by 33 percent between 2017 and 2019. While Skagway cruise volume is projected to increase at a lower rate over the same time period (by 11 percent), fast ferry traffic from Skagway is also likely to grow. Highway border crossings on the Haines Highway have increased every year since 2011, for a total increase of 34 percent between 2011 and 2017. In general, the statewide outlook for tourism is positive, with 2018 likely to continue a several-year growth streak. Haines is well positioned to benefit from the state's increasing popularity, particularly with recent expansion in lodging options, including new hotel rooms, additional vacation rentals, and upgrades to existing properties.

A few constraints exist as Haines looks to expand its visitor industry. One is the uncertainty in the ferry system, a major pipeline for both regional and out-of-state visitors. Another is the significant downturn in the State of Alaska's tourism marketing budget: as a small town with a limited marketing budget itself, Haines is particularly reliant on the statewide program to reach a wide variety of potential visitors. It is also possible that the trend towards larger cruise ships may constrain Haines' ability to accommodate certain vessels at the Port Chilkoot Dock. In terms of winter tourism, including meetings/conventions and recreational tourism, Haines is constrained by the large number of shuttered businesses, particularly restaurants.

Mining Industry

The most recent assessment of the economic impact of the mining industry in Haines found that in 2016 the industry accounted for 98 "full-time, contract, and temporary jobs." This estimate included jobs related to Constantine Metals' Palmer Project, local placer miners, gravel quarry operators, television production crews, Haines residents working at the Greens Creek and Kensington mines, and additional jobs created through local multiplier effects. These workers earned a total of $4.1 million in wages, including multiplier effects.[14] Direct employment was measured at 79 jobs and $3.4 million in wages.

This baseline profile will focus on four aspects of mining industry-related economic activity in Haines:

- Current economic impacts and outlook for the Palmer Project
- Haines as home for regional mine workers
- Haines as transshipment center for Yukon mines
- Other Haines area mining-related activity and development opportunities

Palmer Project

Constantine Metal Resources, in a 51/49 percent Joint Venture partnership with Dowa Metals & Mining Alaska Ltd., is conducting detailed resource evaluation on the Palmer Property, located about 37 miles northwest of Haines. The property includes 340 unpatented federal lode claims and 63 state mineral claims. Constantine is also leasing surrounding property from the Alaska Mental Health Trust Authority, which owns the subsurface rights to large areas on both sides of the Haines Highway near the Alaska/B.C. border. The Trust further owns surface rights to property immediately adjacent to the project. If commercial production occurs, annual lease payments would be replaced by royalty payments to the lease holders based on the value of the mine's output from their lands.

The Palmer prospect is a high-grade copper-zinc deposit with the potential for underground mining. Approximately $38 million has been invested in the project since Constantine began work in 2006. The surface prospect was discovered in 1969 by Haines resident Merrill Palmer and the main drill discovery was made in 2007, 38 years later.

With a budget of $7 million, work in 2017 included 7,000 meters of drilling, airborne geophysical surveying, geological mapping, and prospecting work. Other work included additional road construction, engineering, environmental studies, and evaluation of a potential exploration drift.[15] Inferred resources include 8.1 million metric tons with metal grades of 1.41 percent copper, 5.25 percent zinc, 0.32 g/ton gold, and 31.7 g/ton silver.

[14] "The Haines Mining Sector", prepared by Raincoast Data, 2017.
[15] http://constantinemetals.com/projects/palmer/

Constantine's work on the Palmer project is having an impact on the Haines economy. In 2017 the project employed 64 workers, including Constantine employees and contractor workers such as drillers, pilots, and road construction personnel. About half (33) of those workers are Haines-based.

The economic impact of Constantine's current activity includes purchases of goods and services from Haines business. In 2017, Constantine made purchases with 65 Haines vendors.

FUTURE WORK ON THE PALMER PROJECT

The 2018 budget of $8.8 million will be spent on additional drilling, updating the mineral resource estimate, preparing a preliminary economic assessment (PEA), and initiate planning and permitting for underground exploration.[16] Millions of dollars of additional investment and at least several more years will be required before enough is known about the Palmer deposit to fully determine the technical and financial feasibility of developing and operating a mine. In the meantime, spending on the project can be expected to gradually ramp up, assuming that deposit studies and exploration results continue to suggest that economic reserves exist.

The first indication of mine feasibility will be provided with the PEA. If the results of the PEA are positive, and as reserves are better understood and reclassified as Measured or Indicated, the project would be advanced to the pre-feasibility stage, which would include detailed mine and infrastructure planning, metallurgical testing, additional and more detailed environmental and socioeconomic baseline and impact analyses, and other work required to assess the feasibility of mine. A multi-year permitting process would parallel ongoing studies and planning efforts.

Conceptual Mine Development

If the Palmer project proves capable of supporting profitable mine operations, mine development would require two to three years and several hundred million dollars in construction expenditures. During development, the ore body is prepared for mining, an ore processing mill is constructed, and support infrastructure is developed—roads, electrical generation, and marine facilities, for example. The construction phase would require a temporary workforce of several hundred. This labor force will include a variety of highly skilled and semi-skilled construction workers. It will also include professional/technical personnel, equipment operators, camp support workers, administrative personnel, and others. Nonresidents would play a role in filling specialized construction trade jobs. Residents could also fill some of the specialized jobs, as well as administrative, general labor, transportation, camp support, and other less specialized positions. Resident participation in the construction-phase labor force will also depend on the degree to which Alaska-based firms are contracted or subcontracted to perform various aspects of mine, mill, and infrastructure construction.

[16] Constantine Metal Resources news release, May 10,2018. http://constantinemetals.com/news/2018/index.php?content_id=262

Conceptual Mine Operations

The potential scale of mining will first be formally considered in the PEA. In the PEA (and in later feasibility studies) the labor force needs will be considered, including trends toward greater automation, which can increase production per worker and enhance safety. Constantine has suggested that the mine would likely include between 150 and 300 direct jobs.[17] In regard to potential socioeconomic impacts, Southeast Alaska's two operating mines, though larger in scale, can serve as examples.

Hecla Mining Company's Greens Creek Mine is an underground silver, gold, zinc, and lead mine located in the City and Borough of Juneau. The mine is located off the local road system. About half of its workforce of approximately 410 is composed of Juneau residents who make a daily ferry commute to and from the mine. Workers who reside elsewhere in Alaska or the Lower 48 live in a camp at the mine for the duration of their shifts. Greens Creek commenced production in 1989, ceased operations temporarily in 1994 and 1995, and has been in continuous operation since then.

Coeur Alaska's Kensington Mine started operations in 2010 and now employs approximately 360 workers. Kensington is located in Juneau and is also off the local road system, with workers either making a daily commute or residing in a camp at the mine. About 45 percent of the Kensington workforce reside in Juneau, 25 percent reside elsewhere in Alaska, and the remainder are non-Alaskans.

Important economic characteristics of these mines include:

- Greens Creek and Kensington are Juneau's top two property tax payers, paying $1.7 million and $1.4 million in 2016, respectively, based on a tax rate of 6.7 mills.
- The mines are the largest private sector employers in Juneau, in terms of total annual payroll.
- The mines pay the highest wages in the community, at about $100,000 per employee annually, double the community-wide average annual wage.

A hypothetical Palmer mine, employing 150 to 300 workers, would account for about $15 million to $30 million in annual wages. In 2016, Haines Borough had total wage and salary employment of 965, with $34.5 million, including both resident and non-resident employment. A mine with a total taxable assessed value of $150 million (Greens Creek and Kensington have assessed values of more than $200 million) would generate approximately $1.1 million in annual property tax revenues for Haines Borough, based on areawide (outside of service area) rate of 7.24 mills. Haines Borough now takes in a total of about $2.3 million in property tax revenues (based on the FY2018 budget).

The scale and range of socioeconomic impacts associated with mine operations would depend to a large degree on how many mine employees reside in Haines. If half the workforce of between 150 and 300 resides locally, about 225 to 450 residents would be added to Haines' current population of 2,500. That would include approximately 50 to 100 school-age children. As mine planning progresses to feasibility-level studies, careful

[17] http://www.constantinemetals.com/projects/haines_community/#future

analysis of potential impacts on housing, schools, health care, and other public services and facilities will be required to mitigate impacts and enhance local benefits.

An aspect of a potential Palmer mine that is different than Greens Creek and Kensington is its road accessibility. With road access, supplies needed for mine operations would be transported from a Haines dock to the mine, while mineral concentrates would be shipped out. A Palmer mine may produce copper and zinc concentrates for shipment to overseas smelters. Constantine is also studying the technical feasibility of producing a barite concentrate. Barite is primarily used as a drilling mud weighting agent in the oil and gas industry. The U.S. is highly dependent on imported barite (with 78 percent import reliance), mainly from China.[18]

Regional Mining Industry Workforce

Based on most recent available counts, Haines is currently home to 16 Kensington Mine employees and 15 Greens Creek Mine employees. Kensington and Greens Creek are at least as important to Haines as they are to Juneau, in terms of providing employment and wages to local residents. The two mines together directly account for about 3 percent of resident employment in both communities. The mines account for about 5 percent of Haines resident wages.

Haines has evidently proven to be an attractive place to live for mine workers seeking a more rural lifestyle and more affordable housing than available in Juneau.

Yukon Transshipment

The mining industry has long been a critical component of the Yukon economy, and recent increases in spending suggest further mine development and production can be expected in the future. Approximately $90 million in exploration spending occurred in 2017, up more than 50 percent from 2016. Further, $360 million in federal and territorial government funding has been committed for new and upgraded mining roads in the Yukon.

Haines may be in a position to take greater economic advantage of the Yukon mining industry. If port infrastructure capable of handling mineral concentrates is developed in Haines to meet the needs of the Palmer Project, that same infrastructure could serve Yukon mines. Mining projects in the Yukon that might someday seek access to a deepwater port in Haines includes the Nickel Shaw project (formerly known as the Wellgreen Project), located in southwest Yukon near Burwash Landing. The deposit is estimated to contain 2.1 billion pounds of nickel, 1.1 billion pounds of copper, 121 million pounds of cobalt, along with Platinum Group Metals and gold. A PEA was completed on the project in 2015 with positive results. Next steps include metallurgical testing, geotechnically drilling in support of a pre-feasibility study, mine planning optimization, and continuing baseline environmental studies. If developed the mine would produce a nickel/cobalt/copper concentrate that would, according to the PEA, be shipped through the port of Haines.[19]

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[18] https://minerals.usgs.gov/minerals/pubs/commodity/barite/mcs-2017-barit.pdf
[19] Preliminary Economic Assessment Technical Report, Wellgreen Project, Yukon Territory, Canada, March 18, 2015.

The Skagway Ore Terminal (SOT) provides infrastructure needed to transship Yukon mine concentrates destined for overseas smelters, but the future of that facility is uncertain. Owned by Alaska Industrial Development and Export Authority (AIDEA), the SOT includes 6.7 acres of waterfront industrial property with a 42,000 square foot concentrate storage building and concentrate handling/shipload facilities. According to AIDEA, the facility's workforce includes three full-time jobs, two part-time jobs, and 18 jobs during ship loading operations, which occur six times a year over a 24-hour period.[20]

Capstone Mining Corp's Minto Mine produced 37,372 tons of copper concentrate produced in 2017 (down from 70,000 tons in 2016), which was shipped through Skagway to foreign smelters. Capstone planned to place the Minto Mine in care and maintenance status in 2018, but as a result of rising copper prices has extended its planned operating life to mid-2021.[21]

Other Haines Area Mining Activity

Extraction of construction materials is a component of the mining industry. Sand, gravel, and crushed rock are required for many different construction applications, including building pads, road work, concrete, marine infrastructure, etc. No data is available on the volume of construction materials mined from private and public quarries in the Haines area, but it is generally recognized that significant resources exist. The economic benefit of utilizing local resources is that money used to purchase those materials stays in the community rather than flowing out to owners of non-local supplies.

[20] http://www.aidea.org/Programs/ProjectDevelopment/SkagwayOreTerminal.aspx
[21] Capstone Mining Corp Annual Information Form For year-ended December 31, 2017. March 19, 2018.

Seafood Industry

Commercial fishing and seafood processing are important sources of jobs, income, and tax revenue thanks to Haines' significant resident fleet and the importance of Ocean Beauty Seafoods' Excursion Inlet plant (XIP). While XIP effectively operates independent of the community of Haines in terms of operations and processing jobs, many Haines fishermen deliver fish there, its Fleet Manager is a Haines resident, and Ocean Beauty is the Borough's largest taxpayer. Within Haines proper, two small processors—Haines Packing Co. and Dejon Delights—purchase fish from the local fleet and support a modest but impactful number of full-time and seasonal jobs each year. Both of these also contribute to the appeal of Haines from a tourism standpoint, selling products to visitors and/or hosting tours. Haines also benefits economically from having a full-time ADFG Area Management Biologist based locally as well as numerous seasonal staff. In terms of regional importance, however, Haines falls significantly behind other Southeast communities in terms of gross earnings for resident permit holders. For example, Haines' total of $6.0 million in 2016 ranked seventh behind Wrangell ($11.3 million), Craig/Klawock ($11.9 million), Juneau ($16.4 million), Ketchikan ($19.5 million), Sitka ($37.9 million), and Petersburg ($44.8 million).

Commercial Fishing

Participation

In 2016, 103 Haines residents held 160 limited entry permits and owned 86 commercial fishing vessels; an additional 96 residents participated in the fishing industry as crew.[22] Of this total, Haines had 80 active fishermen (permit holders) fishing 113 permits, with 63 commercial fishing vessels homeported in Haines.

Table 69. Haines Commercial Fishing Fleet Characteristics, 2007-2016

Year	# of Vessel Owners living in Haines	# of Boats Homeported in Haines	Average Length (feet)	Average Age (years)
2007	83	56	33.4	27.2
2008	82	53	34.6	29.2
2009	85	59	34.6	30.9
2010	84	58	35.0	32.4
2011	89	60	34.7	33.1
2012	93	64	35.2	33.6
2013	88	63	34.6	35.3
2014	91	64	34.1	35.7
2015	90	64	34.2	35.8
2016	86	63	35.0	35.7

Source: CFEC.

Over the past ten years, the number of active fishermen living in Haines declined 5 percent from 84 (2007) to 80 (2016), with peak activity occurring in 2011, when 92 fishermen fished. The year 2016 had the fewest active

[22] Crew number includes all Haines residents that crewed in Alaska fisheries across the state over the course of the year. Some of these may be full-time fishermen while others may have crewed for just a single opening.

fishermen (80) and number of permits fished (113) of the 2007-2016 period, which averaged 87 active fishermen fishing 127 permits.

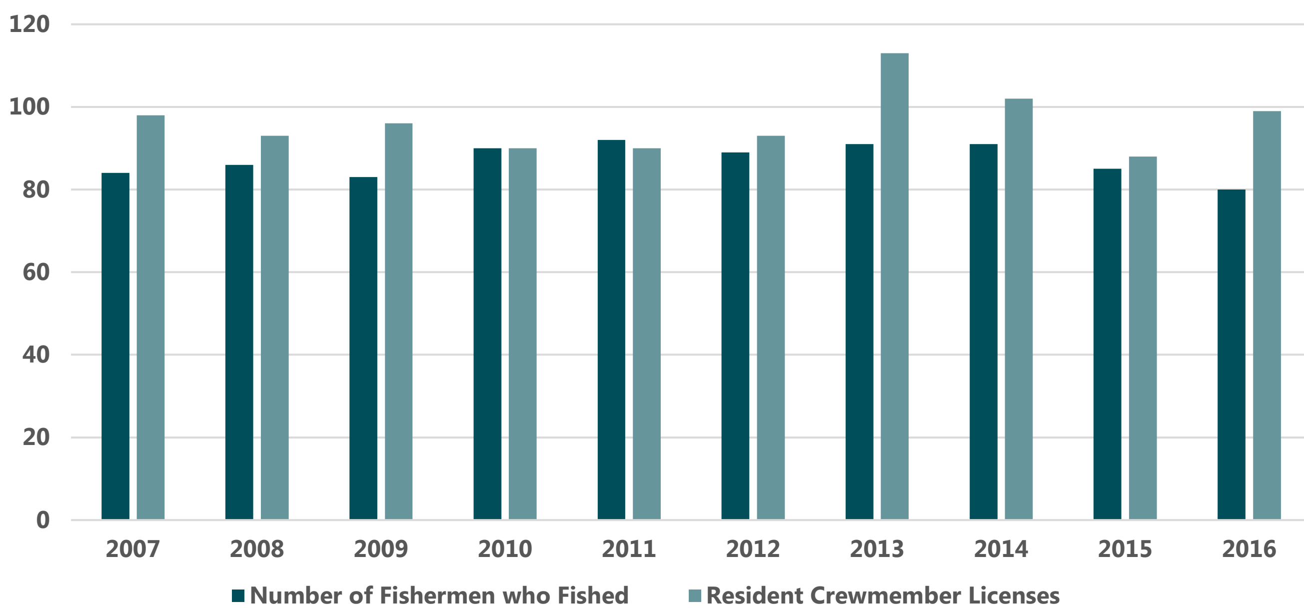
Table 70. Haines Resident Permit and Fishing Activity, 2007-2016

Year	Number of Permit Holders	Number of Fishermen Who Fished	Number of Permits Issued	Number of Permits Fished
2007	113	84	186	126
2008	109	86	182	124
2009	110	83	177	128
2010	107	90	177	130
2011	113	92	182	129
2012	112	89	177	132
2013	109	91	171	132
2014	112	91	171	128
2015	105	85	164	123
2016	103	80	160	113
Average	**109**	**87**	**173**	**127**

Source: CFEC.

Meanwhile, the trend for crew members is mostly stable, with the exception of the Resident Child category, which reached a ten-year high in 2016; 99 resident crew licenses were purchased in 2016, slightly above the ten-year average of 96. Of this total, 86 were Resident Annual Crewmember (ten-year average of 89), six were Resident 7-Day (average of five), and seven were Resident Child (average of two).

Figure 18. Haines Active Fishermen (Permit Holders) and Crew Member Licenses Purchased, 2007-2016



Source: CFEC.

Table 71. Haines Resident Crew Member Licenses Purchased, 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Resident Annual Crewmember License	91	88	92	87	83	86	101	93	81	86
Resident Child Crew License	1	1	-	1	2	1	3	1	3	7
Resident 7-Day Crew License	6	4	4	2	5	6	9	8	4	6
Total	**98**	**93**	**96**	**90**	**90**	**93**	**113**	**102**	**88**	**99**

Source: ADF&G.
Note: Crew license sales are categorized by address zip code reported to ADFG at the point of sale. Children under ten years old qualify for child crew licenses.

Of Haines' active fishermen (permit holders), 89 percent fished for salmon in 2016 (71 total), with 51 participating in the Southeast drift gillnet fishery and 15 participating in the statewide power troll fishery. Haines residents also participated in the Bristol Bay drift gillnet (3), statewide hand troll (1), and the Prince William Sound purse seine fisheries (1). Following salmon, the next most important fisheries in terms of active participation are: halibut (25); shrimp (6); crab (4); sablefish (4); herring (1); ling cod (1); and sea cucumber (1).

Over the 2007-2016 period, the total number of permits owned dropped from 186 to 160, a drop of 14 percent, with the total number of permit owners declining from 113 to 103, a drop of 9 percent. Despite this, the drop in active fishermen was less pronounced, declining by 5 percent. Of key importance is that while salmon fishery permit ownership declined (-1), active participation actually increased from 69 to 71. The biggest change in fishery participation can be traced to the decline in ownership and participation in the halibut fishery, which decreased from 38 permit holders to 30 (-21 percent), with active halibut fishermen declining even more sharply, from 34 to 25 (-26 percent). Also notable is that while sablefish permit ownership is unchanged from 2007 to 2016 (7), active participation decreased 57 percent over this period. Decreases in ownership of "Other Shellfish" permits—from 20 to 12—were due to drops in the pot shrimp fishery and much less impactful than they initially appear over this time period; active participation declined by just one.

Table 72. Haines Resident Fish Permits Issued, by Species, 2007-2016

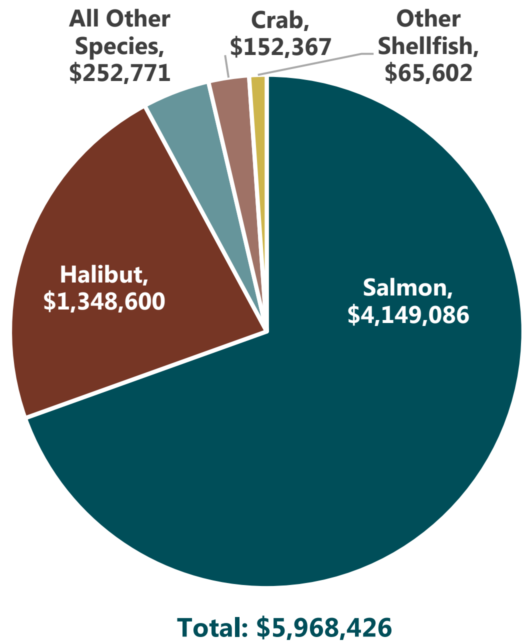
Year	Total Unique Permits	Salmon	Halibut	Other Shellfish	Crab	Sablefish	Other Groundfish	Herring
2007	186	89	38	21	13	11	8	6
2008	182	89	36	22	8	10	13	4
2009	177	87	37	21	8	10	10	4
2010	177	87	37	19	10	8	11	5
2011	182	88	39	21	11	8	9	6
2012	177	88	37	20	12	9	7	4
2013	171	89	32	18	11	10	7	4
2014	171	91	31	18	12	10	5	4
2015	164	86	30	16	10	10	8	4
2016	160	88	30	13	8	9	8	4
Average	**173**	**88**	**34**	**19**	**10**	**9**	**9**	**4**

Source: CFEC.

EARNINGS

Haines commercial fishermen earned nearly $6 million in gross income in 2016 from a total harvest of 6.2 million pounds of fish. Of this, salmon accounted for nearly 70 percent of Haines' commercial fishing income, with $4.1 million in gross earnings in 2016. Halibut was the next most important in terms of gross income, generating $1.4 million in gross earnings (23 percent of total). Other fisheries of importance include crab ($152,367) and shrimp ($59,288); while sablefish earnings in 2016 are not listed due to confidentiality restrictions, in 2015 the total was at least $541,952, albeit with eight active permits fished versus four in 2016.

Figure 19. Ex-Vessel Value of Seafood Harvest by Species, Haines Borough, 2016



Source: CFEC.

Table 73. Disclosable Haines Resident Seafood Harvest Value, by Species, 2007-2016

Year	Salmon	Halibut	Sablefish	Other Shellfish	Crab	Other Groundfish	Herring	Total
2007	$2,961,877	$1,846,446	$370,982	$85,371	$140,370	XX	XX	**$5,840,615**
2008	$4,778,027	$1,448,714	$376,241	$81,878	$38,055	XX	XX	**$7,312,820**
2009	$3,206,535	$972,654	$377,671	$73,922	XX	$105,618	XX	**$5,273,373**
2010	$4,549,137	$1,655,318	$423,361	$96,914	XX	XX	XX	**$7,120,681**
2011	$5,142,417	$1,288,558	$826,502	$70,784	$30,157	XX	XX	**$7,734,064**
2012	$6,430,938	$1,068,363	$766,354	$88,953	$47,674	XX	XX	**$8,806,407**
2013	$4,821,881	$1,041,319	$538,980	$110,808	$41,975	XX	XX	**$6,937,261**
2014	$5,209,853	$1,018,141	$690,369	$84,088	$98,383	XX	XX	**$7,272,535**
2015	$2,584,922	$1,190,227	$541,952	$83,276	$96,069	XX	XX	**$4,949,648**
2016	$4,149,086	$1,348,600	XX	$65,602	$152,367	XX	XX	**$5,968,426**

Source: CFEC.
Notes: For specific fishing activities, CFEC does not report ex-vessel value or pounds landed when less than four permits were fished, or when a single participant accounted for over 80% of the group activity.
The total column includes all earnings, including those which are confidential at the species level.

While Haines-based fishermen do participate in fisheries across the state, the vast majority of Haines-based fishermen participate in Southeast Alaska fisheries. Haines' resident commercial fishermen collectively grossed an annual average of $6.7 million over the ten-year period. Active permit holders averaged gross earnings of

$76,922. Peak earnings occurred in 2012, when 92 fishermen grossed $8.8 million, or $98,948 per fisherman. The worst year was in 2015, when 85 fishermen grossed $4.9 million, or $58,231 per fisherman.

Table 74. Nominal and Real Earnings per Haines Permit Holder, 2007-2016

Year	# of Fishermen Who Fished	Earnings Per Fisherman (nominal)	Earnings per Fisherman (2016 dollars)	Total	Total (2016 dollars)
2007	84	$69,531	$83,570	**$5,840,615**	**$7,019,875**
2008	86	$85,033	$97,747	**$7,312,820**	**$8,406,210**
2009	83	$63,535	$72,178	**$5,273,373**	**$5,990,794**
2010	90	$79,119	$88,316	**$7,120,681**	**$7,948,479**
2011	92	$84,066	$90,912	**$7,734,064**	**$8,363,880**
2012	89	$98,948	$104,673	**$8,806,407**	**$9,315,933**
2013	91	$76,234	$78,190	**$6,937,261**	**$7,115,248**
2014	91	$79,918	$80,668	**$7,272,535**	**$7,340,777**
2015	85	$58,231	$58,478	**$4,949,648**	**$4,970,664**
2016	80	$74,605	$74,605	**$5,968,426**	**$5,968,426**

Source: CFEC, McDowell Group estimates.

PERMIT VALUES

Haines residents own approximately $7.6 million in limited entry permits for fisheries across the state (2016 values), with Southeast drift gillnet permits comprising roughly 60 percent of this value ($4.6 million). Northern Southeast sablefish and statewide power troll represent the next most valuable components, being valued at $0.8 and $0.7 million, respectively. The remaining 40 permits across various fisheries are valued at $1.6 million.

(See table, next page)

Table 75. Resident Ownership of State of Alaska Limited Entry Permits, Haines Borough, 2016

Species	Gear Type	Region	Permit Holders	Estimated Permit Value	Estimated Total Permit Value
Salmon	Drift Gillnet	Southeast	54	$84,400	$4,557,600
Sablefish	Longline	Northern Southeast	2	$398,900	$797,800
Salmon	Power Troll	Statewide	20	$35,000	$700,000
Salmon	Drift Gillnet	Bristol Bay	3	$109,300	$327,900
Herring Roe	Purse Seine	Southeast	1	$239,000	$239,000
Shrimp	Pot Gear	Southeast	11	$18,500	$203,500
Salmon	Purse Seine	Chignik	1	$167,200	$167,200
Salmon	Purse Seine	Prince William Sound	1	$147,900	$147,900
Salmon	Hand Troll	Statewide	9	$10,200	$91,800
Dungeness Crab (150 pots)	Pot Gear	Southeast	2	$38,500	$77,000
Dungeness Crab (75 pots)	Pot Gear	Southeast	5	$15,200	$76,000
Tanner Crab	Pot Gear	Southeast	1	$70,000	$70,000
Dungeness Crab (225 pots)	Pot Gear	Southeast	1	$55,300	$55,300
Herring Spawn On Kelp	Pound	Northern Southeast	1	$43,100	$43,100
Sea Cucumber	Diving Gear	Southeast	1	$25,200	$25,200
Shrimp	Beam Trawl	Southeast	1	$24,300	$24,300
Herring Roe	Gillnet	Southeast	1	$13,400	$13,400
Herring Roe	Gillnet	Norton Sound	1	$1,600	$1,600
Total	**-**	**-**	**116**	**-**	**$7,618,600**

Source: CFEC.
Note: Fishermen harvesting halibut and sablefish hold individual fishing quota (IFQ) instead of limited entry permits (excluding the northern Southeast longline sablefish fishery).

Haines residents also own approximately $10.2 million in halibut and sablefish quota across the state, with Areas 2C (Southeast Alaska) and 3A (Central Gulf of Alaska) valued at $8.4 million. A total of 49,258 pounds of Southeast Alaska sablefish quota valued at $1.8 million is owned by Haines residents. A very small amount ($16,495) of Area 4B (Aleutian Islands) halibut is also held.

Table 76. Resident Ownership of Halibut and Sablefish Individual Fishing Quota, Haines Borough, 2018

Area and Species	IFQ (Pounds)	Estimated IFQ Value per Pound	Estimated Total Value
Southeast (2C) Halibut	104,433	$70	$7,310,326
Central Gulf of Alaska (3A) Halibut	24,544	$45	$1,104,472
Aleutian Islands (4B) Halibut	660	$25	$16,495
Southeast Sablefish	49,258	$36	$1,773,284
Total	**178,895**	**-**	**$10,204,577**

Source: NMFS, Dock Street Brokers (IFQ value per pound).
Note: Value of halibut IFQ in area 2C will likely fall in 2018. Due to limited market activity in the 4B area, IFQ value for 4A is used in its place. Residency based on mailing address.

STATE SHARED TAXES

The State collects a 3 to 5 percent tax from seafood processors (onshore or in state waters) based on the price of fish paid to fishermen at the point of processing. Revenues from this Fisheries Business Tax are shared with communities impacted by the fishing industry. The amount of shared revenue Haines receives is directly linked to the amount of fish processing occurring in Haines Borough and the price of fish.

Between 2013 and 2017, Haines shared revenues fluctuated between a high of $438,390 in 2014 and a low of $121,208 in 2016. These revenues are most directly linked to production at Ocean Beauty's XIP plant and the value of pink salmon returns. While not reflected in this data, returns for 2018 and beyond are anticipated to be significantly higher due to Ocean Beauty's decision not to operate its Petersburg canning facility, diverting volume to XIP instead.

Table 77. Shared Fisheries Tax Revenue, Haines Borough, FY 2013-2017

Fiscal Year	Fisheries Business Tax	DCCED Shared Fisheries Tax	Total
2013	$172,511	$4,560	**$177,071**
2014	$438,390	$2,407	**$440,797**
2015	$212,855	$916	**$213,771**
2016	$121,208	$2,071	**$123,279**
2017	$128,174	$2,192	**$130,366**

Source: DOR Shared Taxes Report, DCCED
Note: The State Fiscal Year is July 1 to June 30.

Table 78. Shared Fisheries Tax Revenue, Haines and Selected Municipalities, FY 2017

	Fisheries Business Tax	DCCED Shared Fisheries Tax	Total
Haines	**$128,174**	**$2,192**	**$130,366**
Juneau	$389,022	$10,604	$399,626
Petersburg	$877,158	$14,709	$891,867
Wrangell	$314,455	$12,453	$326,908

Source: DOR Shared Taxes Report, DCCED.

Seafood Processing

EMPLOYMENT AND WAGES

Haines Borough is home to three shore-based seafood processors, of which one is a large plant (Excursion Inlet), one is a small processor (Haines Packing Co.), and a third is a very small value-added processor and retailer (Dejon Delights). The number of workers employed in seafood processing in Haines fluctuates from year to year based on salmon run strength (XIP staff levels largely depend on pink salmon run strength). As with other areas in Alaska, the majority of Haines' processing workers are seasonal, non-resident workers who are brought into handle the summer rush of salmon.

These three processors employed 311 workers during the peak of the 2016 processing season. Wages and salaries were just $2.6 million in 2016, the second-lowest amount during the 2007-2016 timeframe and largely attributable to meager pink salmon returns. Note that the vast majority of the processing workforce is attributable to Ocean Beauty Seafoods' XIP, and that total employment varies greatly from year to year, depending on how many canning lines are operating. For example, average peak employment over this period was 369 although peak employment reached 458 in 2013. XIP employment fluctuations have little impact on the community of Haines due to the plant's remote location.

Table 79. Haines Seafood Processing Profile, 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Workers	441	383	405	238	448	257	458	345	408	311
Alaska Resident[a] Workers	39	26	39	24	32	25	39	29	27	32
Wages	$3,396,483	$2,904,106	$2,757,181	$1,916,365	$3,769,791	$2,459,589	$4,741,367	$3,461,400	$4,654,722	$2,613,642
Alaska Resident[a] Wages	$303,380	$226,168	$273,732	$217,791	$322,339	$258,325	$386,629	$340,098	$359,168	$398,227

Source: DOLWD.
Note: Data is not available on the number of Haines Borough residents employed by seafood processors.

Government Functions Related to Commercial Seafood

Government functions related to Alaska's commercial fisheries are also an economic driver in Haines, with the major government employer related to the commercial seafood industry being the Alaska Department of Fish and Game (ADFG). This agency employs one full-time fisheries biologist in Haines and up to 12 part-time employees during the summer.

Arts and Culture

Haines has a diverse and vibrant arts sector that includes visual arts, performing arts, and numerous arts organizations. The sector encompasses for-profit and non-profit activity, and great deal of part-time employment and volunteers. As such, much of the economic activity related to the arts is not captured in government employment and earnings data.

Community Facilities and Organizations

Traditionally, the Chilkat people lived in Klukwan and in several nearby villages. Their trade routes extended over the Chilkat Pass into Athabascan country. The Chilkoot people had village sites at Chilkoot Lake and Tanani Point; their trade routes extended over the Chilkoot Pass and White Pass. Although Klukwan is the only original village that remains an active community today, art and culture from the region is recognized and celebrated worldwide.

The Jilkaat Kwaan Cultural Heritage Center provides an opportunity to experience art and culture in a village setting. The Heritage Center features the Whale House Collection, a highly acclaimed collection of Pacific Northwest Coast Art. Facilities include the Heritage Center, a traditional long house, a smoke house, an adzing shed with a 37-foot canoe, and trails. Programming includes guided and self-guided tours; traditional knowledge camps; and classes perpetuating traditional art, culture, language, and food preparation.

The Haines Sheldon Museum & Cultural Center houses thousands of artifacts and documents. Owned by the Haines Borough, the collection was donated to the community by the Sheldon family. The Chilkat Valley

Historical Society was instrumental in establishing the Sheldon Museum. The Historical Society sponsors programs during winter months and leads restoration efforts like the Charles Anway homestead project currently underway.

The Haines Arts Council is a non-profit bringing arts programming to the community and schools. The Alaska Arts Confluence is a non-profit helping the public appreciate the arts through workshops and projects like Art on Main Street and the interpretive sculpture garden at the Fort. The Confluence was awarded grants from ArtPlace America and National Association of Counties to help build arts engagement and a creative economy.

The annual Southeast Alaska State Fair is a multifaceted combination of exhibits, performances, contests, and vendors. The fairgrounds are also home to the Haines Farmers market; small businesses and galleries in Dalton City, and recently upgraded conference and event space at Harriett Hall.

The Chilkat Center for the Arts is used for performances, films, conferences, workshops, and other community gatherings. Also located at the Fort is Alaska Indian Arts, a non-profit dedicated to the preservation and continuation of Northwest Coast art and culture. The former hospital building houses a gallery, retail space, and artists' workshops.

Numerous additional entities support and present local arts including the Hammer Museum, Lynn Canal Community Players, Chilkat Valley Community Foundation, the American Bald Eagle Foundation, and more. The arts community also includes numerous individual artists, art galleries, teachers, event organizers, sponsors, and volunteers.

Economic Activity

As noted above, publicly available data does not fully capture the economic activity generated by the arts sector. The statistics provided below help provide some context about arts-related impacts in the community.

In 2016, DOLWD reported average annual employment of 93 in arts, education, and recreation for the Haines Borough; peak employment was 190 in July. The Alaska Arts Confluence has compiled a list of 105 artists living in Haines.

Preliminary results from McDowell Group's *2018 Haines Household Telephone Survey* revealed that 18 percent of households earned income from home-based activities such as arts and crafts, firewood, wild plants, preserved foods, baked goods, or home maintenance/repair. On average, these activities represented a third of household income.

Southeast Conference produced a publication in 2015 titled *The Arts Economy of Haines, Alaska*, authored by Rain Coast Data. The study found that 80 individuals had full-time or part-time earnings from the arts including artists, museums, art galleries, teachers, and non-profits. Arts-related earnings by artists totaled $1.4 million. On average, the percent of an artists' income derived from art was 41 percent. A total of 82 arts-related events were conducted in 2013 including performances, festivals, and camps. More than 23,500 volunteer hours were contributed to support the arts.

Arts and culture provide clearly direct employment and additional economic activity in the Borough. Likely even more important is their collective contribution to quality of life, community identity, and perpetuation of traditional culture.

The outlook for this sector is positive, given strong community pride in local arts and artists, high value placed on quality of life, and residents' personal support and volunteerism. Furthermore, arts and culture have a strong linkage with the visitor industry, which also has a favorable outlook in Haines and the region.

Forest Products

The forest products industry has a long history in Haines, and for a time, included the largest employer in the community. However, it currently represents a small part of the local economic base. Only one Haines business reports (to DOLWD) employment in a sector related to the forest products industry. The number of workers employed by that firm is not published due to confidentiality restrictions. A number of self-employed residents earn income from forest products-related activity, including logging and manufacturing.

Though current economic activity is limited, the Haines area is rich in forest products resources and has significant potential for increased logging and manufacturing activity. The following narrative provides a brief history of the industry in Haines and an overview of current resource ownership and development plans.

History

The forests near Haines are primarily composed of western hemlock, Sitka spruce, and black cottonwood/willow with some lodgepole pine and paper birch. For generations, Tlingit people harvested trees for use as canoes, totem poles, longhouses, and smaller hand-carved items such as masks, bowls, rattles, and staffs. Beginning in the late 1800s, local Alaska Native people sold firewood to new settlers. In the early 1900s, Jack Dalton established a new community with a sawmill near the Porcupine gold fields that could cut 5,000 board feet per day. In addition to providing lumber to support community construction, the Dalton mill supplied between one and two million board feet for flume construction. During the early to mid-1900s, canneries often established small mills to supply lumber for cannery buildings, dock, and fish trap construction.

The first large-scale sawmill was constructed by the Schnabel family at Jones Point in 1939. The mill was destroyed by fire in 1961. The Schnabel Lumber Company built a new sawmill in 1967 at Lutak Inlet (approximately four miles from downtown Haines) designed to cut spruce and hemlock cants for the Japanese market. At peak production in 1968, the mill produced and exported 52 million board feet of lumber. Less valuable timber and sawmill waste was chipped and exported to Japanese markets. The mill closed briefly, then operated from 1979 until 1983. Pacific Forest Products reopened the mill in 1984 but closed within a year. Chilkoot Lumber operated the mill from 1987 through 1993, when weak market conditions forced its closure. Around the time of closure, the mill employed 145 workers with an estimated payroll of $5.2 million. The mill and much of the facility were destroyed by heavy snowfall in 1993. The State of Alaska Department of Environmental Conservation (DEC) has since designated the site as contaminated. DEC is actively working with the responsible party and their environmental contractor to clean up the site.

Two other large-scale mills operated in the area in the 1960s and 1970s. Alaska Forest Products opened a mill at Jones Point in 1965 with a reported monthly payroll of $50,000 in 1967. The mill closed in 1976. Buster Benson started a mill in 1976 providing approximately 250,000 board feet of rough-cut lumber annually for local construction projects. The mill closed upon his death in 2008.[23]

From the early 1900s to today, a few small mills have operated in the community to provide lumber for local construction. Over the last two decades, all timber sales have been relatively small (by industry standards) and processed locally. Most timber harvest in the Haines area is completed by clearcutting, with extraction by cable systems, ground skidding, or helicopter.

Local Timber Milling and Demand

LOCAL OPERATORS

In addition to a few individuals who operate small bandsaw mills primarily for personal use, there are currently three small commercial mill operators in the Haines area. The commercial mills provide rough-cut lumber for use in local construction projects as well as the manufacture of bowls, furniture, carvings, cabinets, skis, musical instruments, and boats. One mill operator produces logs for log home and cabin construction (primarily local construction). Local gardeners also use rough-cut lumber to build garden beds. One operator harvests timber and sells logs to local mills, exports cabin logs to the Yukon and Interior Alaska, and sells whole-log and cut firewood locally.

An estimated annual average of 75,000 board feet of cabin logs/packages were shipped to the Yukon and interior Alaska over the last decade. Annual volume can vary significantly. A small volume of rough-cut lumber and an unknown volume of manufactured goods are also exported. The sale of lumber, logs, and manufactured items outside the community brings new dollars to the local economy and supports local employment.

ESTIMATED LOCAL DEMAND

The Buster Benson mill operated from 1976 to 2008, reportedly cutting approximately 250,000 board feet of rough-cut lumber annually to supply local demand. Based on that production volume, estimated current mill operator demand, and timber sales volume, local demand for timber has likely ranged from 550,000 to 600,000 board feet annually over the last decade. Annual harvest and milling volume can vary significantly from year to year.

Forest Ownership and Timber Harvest

The State of Alaska, University of Alaska, and Alaska Mental Health Trust Authority are the primary owners of commercial-scale timber in the Haines area. Combined, these three entities own approximately 58,000 acres of timber land in the Haines area that is currently available for commercial activity. A small amount of timber is also harvested from privately owned lands.

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[23] Historical information courtesy of the Haines Sheldon Museum. http://www.sheldonmuseum.org

STATE OF ALASKA

The State of Alaska Division of Forestry manages the 286,000-acre Haines State Forest for multiple-use, including recreation, habitat protection, and timber harvest. Approximately 93,500 acres are forested, with 60,194 acres of predominantly western hemlock and Sitka spruce. The current base of operable timber (available for harvest) in the Haines State Forest is 41,650 acres. State foresters estimate the resource will support a sustainable annual harvest of 5.88 million board feet, or 58.8 million board feet per decade. Not included in these operable acres are pure stands of cottonwood that could be made available should market conditions become favorable in the future. In addition to commercial harvest, individuals are permitted to harvest 2,500 lineal feet (or 10,000 board feet) annually for personal use.

Historic Harvest

Over the last 40 years, about 10,150 acres have been harvested, the majority from 1963 to the early 1970s. Annual average sales over the last decade have been about 425,000 board feet. Most of this volume supplied local markets.

Potential Future Harvest

State foresters report the State is motivated to sell timber and generate income. The Haines State Forest Five-Year Forest Management schedule outlines proposed timber sales from 2018 to 2022. The plan proposes selling 50.9 million board feet over the five-year period.

Table 80. State of Alaska, Proposed Five-Year Timber Sales, Haines State Forest 2018 to 2022

Year	Volume (MBF)
2018	21,300
2019	4,600
2020	13,300
2021	5,500
2022	6,200
Total	**50,900**

Source: Alaska Division of Forestry, Five Year Forest Management Schedule, 2018-2022, Haines State Forest.

UNIVERSITY OF ALASKA

The University of Alaska (UA) is a Land Grant Institution. UA was granted land throughout the state by federal legislation for the purpose of generating revenue for higher education. UA owns about 13,426 acres of timber land in the Haines area; most of these acres have previously been logged. Revenue from the Land Trust funds university operations and scholarships for UA students. More than 9,000 students have received scholarships since 1987. Historic harvest data was not made available by UA.

ALASKA MENTAL HEALTH TRUST AUTHORITY

The Alaska Mental Health Trust Authority (AMHTA) owns approximately 2,000 acres of harvestable timber in the Haines area. Revenue from AMHTA lands are used to support providers in Alaska that treat mental illness, addiction, Alzheimer's and related dementia, developmental disabilities, and traumatic brain injuries. Most AMHTA timber parcels near Haines are relatively small parcels of five to 30 acres. The majority are located along the Haines Highway from mile 20 to 39. The biggest parcel, about 700 acres, is on the Chilkat Peninsula. Most of their previous sales have occurred along the highway, with no sales to date on the Peninsula.

Historic Harvest

To date, AMHTA timber sales have all supplied local mills and averaged approximately 50,000 board feet annually over the last decade. AMHTA partners with State Division of Forestry to manage its timber sales.

Haines Timber Development Project

In March 2018, UA, the State of Alaska, and AMHTA announced that they are working cooperatively to offer up to 150 million board feet of Haines area timber for sale over the next decade. The University is leading coordination of the project, which the State of Alaska will manage. Once local demand is met, the remaining timber will be exported. The Chilkoot Sawmill dock may initially be used for the movement of timber. The Haines Timber Project group is investigating the development of a new dock at the site. A modern dock facility could also be used for loading Canadian timber bound for export markets. Funding for a new dock has not yet been secured.

The local economic impact of the Haines Timber Development Project is yet to be fully assessed, pending further information about the timber sale. UA has estimated the project will create 55 to 60 new local jobs over a ten-year period (and perhaps longer), including 25 to 30 jobs in timber operations and road construction and 30 stevedoring jobs. These estimates are consistent with Southeast timber industry standards of about three to four jobs per million board feet harvested, as measured in previous McDowell Group research. These figures are based on harvests from private land in Southeast and therefore do not include any jobs associated with sawmill operations. Historical data for timber harvests from the Tongass National Forest, where primary manufacturing was generally required, indicates that about six to seven jobs were generated per million board feet of timber harvest, including construction, logging, transportation, and milling operations. These employment figures do not include indirect and induced employment (multiplier effects).

Statewide, monthly wages in the Forestry and Logging sector averaged $5,103 in 2016, according to DOLWD data. Monthly wages averaged $4,790 in the Wood Products sector, which includes a variety of wood product manufacturing activities. A wide variety of occupations are included in the forest products industry, ranging from Fallers ($4,964 per month), Foresters ($5,841), Truck Drivers ($4,688), Heavy Equipment Mechanics ($5,258), and Construction Equipment Operators ($5,885), among others.

The magnitude of local economic impacts of future logging operations will depend on a variety of factors, including:

- Availability of suitably skilled residents to fill workforce needs
- Training opportunities made available to develop a local workforce

- Utilization of local contractors for road and other transportation infrastructure construction
- The nature and amount of other local purchases of goods and services
- Whether logging operations are camp-supported or by daily commute from Haines
- The volume of timber that is locally processed
- How value is added to locally milled timber (and markets for value-added products)
- Disposition of low-value material, for chip production
- The likelihood that timber sales and harvests will continue beyond the ten years envisioned in the current plan
- Investment in and ownership of port infrastructure needed to support transshipment of logs, and how that infrastructure might be used for other purposes
- Investment in and employment related to forest restoration/regrowth, following logging operations

Given the substantial long-term opportunity this may present to the community, detailed socioeconomic impact analysis may be warranted. Depending on market conditions and how resources are managed, the forest products industry could grow to play a significant role in the local economy over many years.

Agriculture

Agricultural History

The Haines area has a long history of crop production beginning more than 115 years ago. Several larger scale operations grew crops to sell or barter, primarily within the community. Some crops, however, were shipped outside of Haines to Skagway, Whitehorse, Juneau, and Seattle. Strawberries were one of the earliest commercially successful crops sold in Haines and throughout the region. Charles Anway produced and shipped high quality strawberries for more than two decades beginning in the early 1900s.[24]

Crops

Haines is well suited to growing crops. The community receives about 50 inches of rain annually, significantly less than most of Southeast, which allows farmers to successfully grow crops that are challenging elsewhere in the region. Crops that grow well in Haines include: strawberries, raspberries, gooseberries, currants, elderberries, cherries, apples, herbs, garlic, potatoes, carrots, cabbage, turnips, rutabagas, beets, squash, onions, lettuces, kale, and other greens. Crops such as tomatoes, cucumbers, and green beans can be grown in greenhouses. A variety of flowers are also grown for personal use and sale.

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[24] Historical information courtesy of the Haines Sheldon Museum. http://www.sheldonmuseum.org

Current Production

Currently, about a dozen Haines growers sell some crops. Three active Haines farmers, one previous farmer, and the Salt & Soil coordinator were interviewed for this project. In addition to providing information regarding their operations, they provided general information regarding other growers in the community.

Most Haines commercial growers are small operations that grow primarily for their household and sell excess product. Except for the Covenant Life Farm, all active farms are reportedly less than one-half acre. The Covenant Life Farm has approximately five to seven acres of land currently or previously in production, including greenhouses. Four Winds Farm, Whiterock Nursery, and Covenant Life Farm combined likely account for the majority of commercial crop sales in the community.

Four Winds grows a mix of produce both outdoors and in greenhouses. The Covenant Life farm produces plant starts for sale each spring and has produced strawberries. Whiterock Nursery produces flower and vegetable plant starts and lettuce, cucumbers, and tomatoes.

Foundroot is a new farm that sells a variety of produce and herb seeds. The company shipped seeds to 63 communities around the state in 2017. Foundroot also sold some produce locally in 2017, as well as herbs to the local distillery. Gross sales (nearly all from seed sales) was about $10,000. The company also shipped a small amount of produce outside the community.

Agricultural Sales

Farmers Market

The Haines farmers market is held weekly at the fairgrounds. The market is open for a few hours Saturdays, June through mid-September.

CSA

Two farms offer small-scale community supported agriculture (CSA) programs that provide mixed boxes of produce to customers within the community.

Online Marketplace

A new online marketplace—The Salt & Soil Marketplace—was developed by Spruce Root with a USDA grant and introduced in Haines and Juneau in 2017. The purpose of the three-year grant is to increase commercial production in the region and strengthen food security. The market place operates weekly from May through September. Each week, farmers, fishermen, foragers, and crafters notify Salt & Soil of the products and volume available. Potential buyers (who have signed up for Salt & Soil) are sent an email notification that the buying period is open. The website tracks the number of available products and sales for each item. Purchased items are picked up by the buyers at a central location in each community.

Six Haines growers participated in 2017, with total sales of less than $1,000. The Juneau marketplace had significantly higher participation with 24 vendors. The program met with greater success in Juneau for two reasons. One is the larger local market in Juneau. The second is that prior to launch of the online marketplace, Juneau's traditional farmers market operated bi-weekly, which was challenging for growers with product to sell during the off weeks. Juneau farmers reportedly like the ability to list only the products available to sell and that sales occur each week, in the online market.

With a well-established, weekly farmers market, Haines growers already have weekly opportunities to sell. The Salt & Soil Marketplace may, at some point, offer Haines products to Juneau buyers, providing new sales opportunities for Haines growers. The long-term outlook for the Salt & Soil Marketplace is unknown, as the program must support itself after grant funding ends in 2019.

OUTSIDE SHIPMENTS

Currently, a small volume of Haines crops and some seeds are shipped outside the community. There may be some sales to visitors from Whitehorse and other regional communities, in addition to some crops sent to friends and relatives in the region. In the recent past, one Haines farm produced a significant volume of garlic and seed potatoes, much of it shipped to Juneau for sale; however, that farm has since ceased operation.

Farmers Summit

Haines hosted Farmer Summits in 2017 and 2018. The events brought farmers together from around the region to learn new skills for increasing commercial production and featured a series of lectures by industry experts. The 2017 event attracted 80 people from 13 communities in the region. Recognizing that successful commercial growing in the region is challenging, the goal of the Summit is to help farmers increase the efficiency and profitability of their operations. Additionally, the three-day event is one of several local events that attract visitors to the community who spent money for accommodations, food, and shopping at a time of the year when sales are typical slow.

Health Care and Social Services

Health care and social services are an important part of the Haines economy. It provides jobs and income for local residents and access to health care services support other sectors of the economy in attracting and retaining employees. BEA figures indicate the sector accounted for 162 jobs and $5.7 million in wages in 2016.

Somewhat more detailed employment data is available from DOLWD. In the first quarter of 2017 the Health Care and Social Assistance sector accounted for 131 jobs and $1.2 million in total wages in Haines, according to DOLWD data.[25] Data for previous years and for the 2nd and 3rd quarters of 2017 are not available due to confidentiality restrictions.

Employment in 2017 included 56 workers in the Social Assistance area and 75 in Health Care. There are 14 employers in the Haines Health Care and Social Services sector including Southeast Alaska Regional Health Consortium, Haines Assisted Living, the Senior Center, Cornerstone Health, Hospice of Haines, and several others.

Table 81. Haines Health Care and Social Assistance 1st Quarter 2017 Employment and Wages

	Employers	Average Monthly Employment	Total Earnings	Average Monthly Wage
Health Care and Social Assistance	14	131	$1,212,930	$3,086
Out Patient Health Care	6	na	na	na
Nursing and Residential Care	1	na	na	na
Social Assistance	7	56	$229,280	$1,365

Source: Alaska Department of Labor Quarterly Census of Employment and Wages. Na: not available due to confidentiality restrictions.

The following entities are part of Haines' health care and social assistance sector.

SouthEast Alaska Regional Health Consortium (SEARHC)

With 59 employees, SEARHC is one of the largest employers in Haines and the primary health care provider in the community. SEARHC offers medical, physical therapy, dental, nutrition, behavioral health, pharmacy, and vision services. SEARHC also offers medical services at the Klukwan clinic on Tuesday and Thursdays. The non-profit health consortium is one of the oldest and largest Native-run health organization in the nation.[26] SEARHC provides services to the entire population of Haines.

In 2018, SEARHC released a new strategic plan which includes seven objectives, including several that may impact the Haines economy: becoming the provider of choice, meeting the increasing health care needs of the elderly population, and expanding vital healthcare services to all members of the community.[27]

[25] "Quarterly Census of Employment and Wages (QCEW)."
[26] SEARHC, "Our Story."
[27] "Our Story."

Haines Assisted Living

Haines Assisted Living offers personalized assistance for elders in the Haines community that do not need complex medical supervision. The $10 million assisted living campus includes a Community Wellness Center which offers space for local health and social providers along with a dental clinic. Three buildings provide housing for up to 42 seniors. HAL employed 16 workers in 2017.

Table 82. Haines Assisted Living Facilities

Buildings	Description
Haines Assisted Living	Built-in 2009 and is LEED Certified
Soboleff/McRae Veterans' Village	Built-in 2014, eleven 1-bedroom units with 4 for low-income seniors
St. Lucy's Senior Living	Built in 2011, five 1-bedroom units for very low-income elders
Total Capacity (potential occupants)	**42**

Source: Haines Assisted Living.

Sector Outlook

The health care industry in Alaska continues to grow, and this is especially true for services related to seniors. Between 2007 and 2017, the relative importance of the Haines population 65 years of age or older nearly doubled, from 12 percent to 21 percent. The average median age in Haines is 49.3 years, 14.4 years higher than the statewide median. As of 2017 there were 517 residents over 65 living in the community.

Table 83. Haines Population Trends by Age

Age Groups(years)	2007	2007 Percent	2017	2017 Percent	Difference Between 2007 and 2017
0-19	538	22%	482	20%	-56
20-44	594	24%	620	25%	+26
45-64	963	39%	840	34%	-123
65-84	269	11%	464	19%	+195
85+	23	1%	53	2%	+30
Total	**2,387**	**100%**	**2,459**	**100%**	**-72-**

Source: DOLWD.

Haines' Nonprofit Sector

The spectrum of nonprofit activities in Haines is broad, including organizations engaged in providing health and social services (including organizations described in the previous section of this report), environmental services, communications, and community events, among others. A study conducted by the Haines Chamber of Commerce found that 16 nonprofits accounted for a total of 65 jobs and $1.8 million in annual wages and benefits in the 2013 to 2015 period. The largest (in terms of local employment) organizations included in the analysis were Haines Assisted Living, Lynn Canal Broadcasting, Lynn Canal Human Resources, and Takshanuk Watershed Council, all with nine or more employees. Non-profit tribal entities were not included in the study.

Appendix: Telephone and Online Survey Results

Please see attached for a report detailing the results of the household telephone and online surveys.

Haines Economic Development Plan

Household Survey Report

Prepared for:

Haines Economic Development Corporation

May 2018

Haines Economic Development Plan

Household Survey Report

Prepared for:

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May 2018

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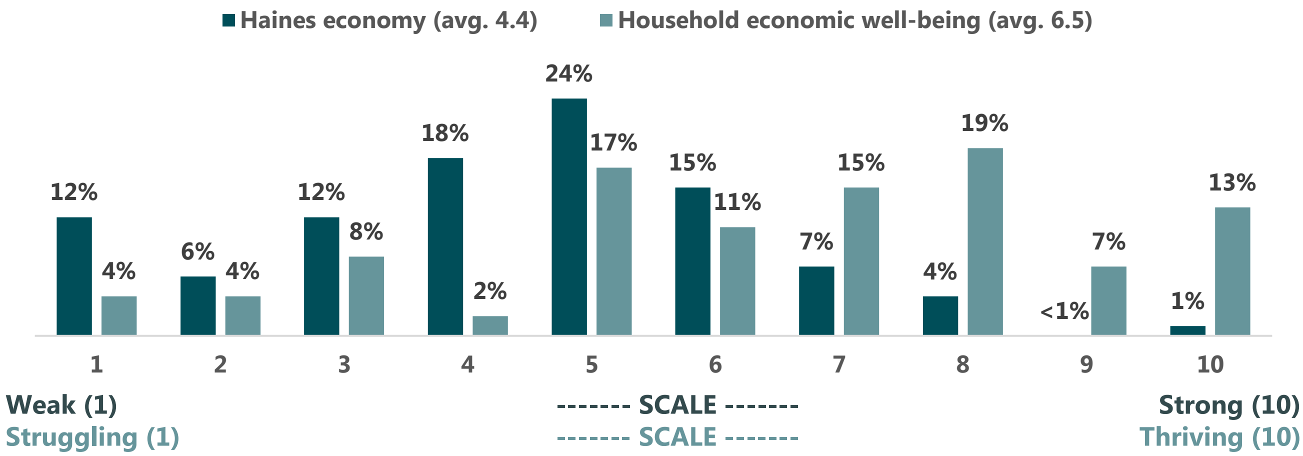
Executive Summary

As part of the *Haines Baseline Economic Data Report*, the McDowell Group conducted a telephone survey of Haines residents. To generate results that are statistically representative of the entire community, 205 households were selected randomly from a mix of cell phone and landline numbers. Following are key results of the telephone survey.

State of the Economy

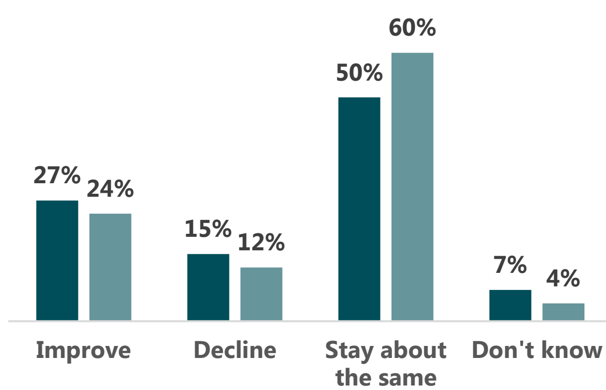
- Haines residents rated the current condition of Haines' economy an average of 4.4 on a 1-to-10 scale, where 1 = "very weak" and 10 = "very strong." Nearly two-thirds (63 percent) gave ratings between 4 and 7.
- Residents gave more positive ratings to their own household's economic well-being, giving an average rating of 6.5, where 1 = "struggling" and 10 = "thriving." Almost half (45 percent) gave ratings between 4 and 7, while nearly as many (39 percent) gave higher scores of 8 to 10.

Chart 1. Overall, how would you rate the current condition of Haines' economy, using a scale of 1 to 10, where 1 means "very weak, and 10 means "very strong"?
Overall, how would you rate your household's economic well-being, using a scale of 1 to 10 where 1 means "struggling" and 10 means "thriving"?



- When asked about their expectations for the local economy, and their household's economic well-being, over the next five years, the bulk of residents expected both to stay about the same (50 percent for the Haines economy, and 60 percent for their household economic well-being).
- For both questions, more residents expected an improvement than expected a decline: 27 percent expected the Haines economy to improve, versus 15 percent who expected it to decline, while 24 percent expected their household well-being to improve, versus 12 percent who expected it to decline.

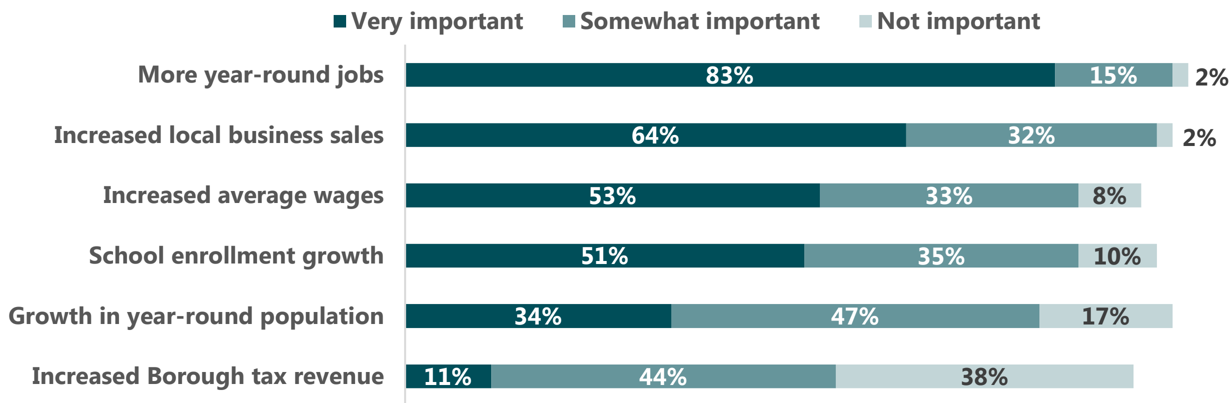
Chart 2. Over the next five years, do you expect the Haines economy/your household's economic well-being to...



Economic Development Objectives and Sectors

- Respondents were asked to rate the importance of various economic development objectives for Haines. The highest-rated objective was "more year-round jobs" at 83 percent very important; the lowest-rated objective was "increased Borough tax revenue," at 11 percent very important.

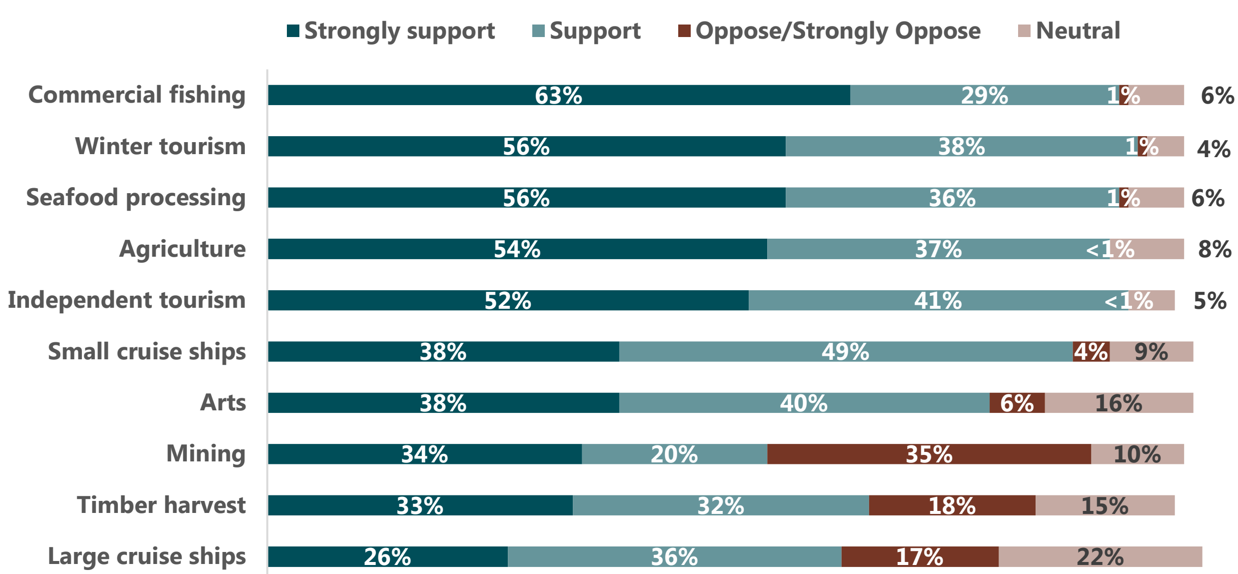
Chart 3. For each of the following economic development objectives, please tell me if you think it is very important, somewhat import, or not important for Haines.



Note: Rows do not add to 100 percent due to don't know responses.

- When asked to express their support or opposition to growth in various economic sectors, a majority of respondents expressed support for growth in all ten sectors. The sectors with the strongest support were commercial fishing (63 percent strongly support), winter tourism (56 percent), and seafood processing (56 percent).
- The sectors with the highest opposition were mining (35 percent opposed), timber harvest (18 percent), and large cruise ships (17 percent), though all three of these sectors had majority support (strongly support and support combined).

Chart 4. Please tell me if you strongly support, support, are neutral, oppose or strongly oppose growth in the following economic sectors of Haines.

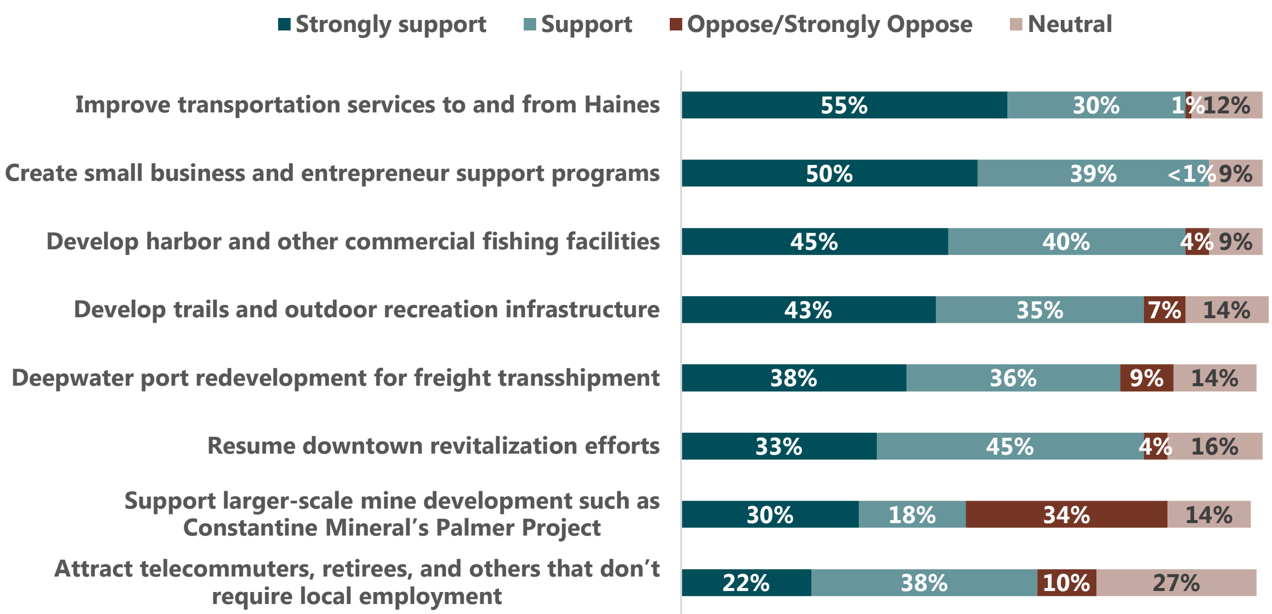


Note: Rows do not add to 100 percent due to don't know responses. "Oppose" and "strongly oppose" results combined.

Economic Development Strategies

- Respondents were asked to rate their level of support/opposition to a variety of economic development strategies that have been suggested in prior planning efforts. Each strategy was supported (or strongly supported) by 60 percent or more of respondents, with one exception: larger-scale mine development was supported by 48 percent (with 34 percent opposed).
- The strategy with the highest support was "improve transportation services to and from Haines," with 55 percent in strong support. "Create small business and entrepreneur support programs" had the highest combined strongly support and support, at 89 percent.

Chart 5. A number of economic development strategies have been suggested in prior planning efforts. Please tell me if you strongly support, support, are neutral, oppose or strongly oppose the following potential strategies.



Note: Rows do not add to 100 percent due to don't know responses. "Oppose" and "strongly oppose" results combined.

Online Survey

Following the telephone survey, the survey questions were converted to a web-based, open access survey giving everyone an opportunity to participate in this aspect of the community engagement process. A total of 360 residents responded to the online survey. Throughout the report, online survey results are presented alongside telephone survey results. Responses were very similar for the two methodologies.

Introduction and Methodology

Introduction

As part of Haines Economic Development Corporation's (HEDC) economic development planning project, McDowell Group conducted a survey of Haines residents. The goal of the survey was to establish a baseline of community attitudes and priorities. The survey included questions regarding the local economy, household economic well-being, methods of measuring economic growth, support for (and opposition to) growth in a variety of economic sectors, economic development strategies, sources of household income, and other household characteristics. Results of the survey will be used in the development of the *Haines Five-Year Economic Development Plan*, also being prepared by McDowell Group.

Methodology

The survey instrument was designed in consultation with HEDC. The telephone survey was fielded February 16 to 21, 2018, with 205 randomly selected Haines households, using a mix of land lines and cell phone lines. A copy of the survey instrument is included in the Appendix.

The survey sample was compared to Haines' population characteristics from U.S. Census data. As with most telephone surveys, older respondents participated in the survey at a higher rate than younger respondents. Results were weighted by age group to accurately represent the entire adult population.

Telephone survey results are statistically representative of the entire Haines adult population, with a maximum margin of error of ±6.5 percent at the 95 percent confidence level.

In order to allow everyone in the community a chance to participate in the survey, an identical online survey was made available between March 6 and May 5, 2018. The link was publicized in the following ways:

- Invitation posted on the HEDC homepage and local social media pages
- Public service announcements; radio and print articles
- Promoted in public meetings (project kick-off meetings and presentation of baseline results)
- Haines residents, employers, and community organizations were encouraged to share the link
- HEDC staff brought paper surveys to community presentations and meetings, including the Haines Senior Center, and entered results online on behalf of respondents

A total of 360 residents participated in the survey. A data review was conducted to evaluate the potential for duplicate responses.

Throughout the report, online survey results are presented in the text accompanying each table. In most cases, online survey results were very similar to telephone survey results.

Haines Economic Status

- Respondents rated Haines' economy an average of 4.4 on a 1-to-10 scale, where 1 = "very weak" and 10 = "very strong." Nearly two-thirds (63 percent) gave middling scores of 4 to 7, while 29 percent gave weaker scores of 1 to 3. Just 5 percent gave the highest scores of 8 to 10.

- Average ratings showed little statistically significant differences among subgroups. Younger respondents (18 to 39) gave a slightly higher average rating at 5.0, compared with 4.1 among 40-59 year-olds, and 4.3 among those 60 and older. Younger respondents were half as likely to give a low score (14 percent gave 1 to 3 ratings) when compared with the overall population (29 percent).

Table 1. Overall, how would you rate the current condition of Haines' economy, using a scale of 1 to 10, where 1 means "very weak, and 10 means "very strong"?

n=205	% of Total
Stronger (8-10)	**5**
10 - Very Strong	1
9	-
8	4
Middle range (4-7)	**63**
7	7
6	15
5	24
4	18
Weaker (1-3)	**29**
3	12
2	6
1 - Very Weak	12
Average rating	**4.4**

Comparison with Online Survey

- Online respondents gave an average rating of 4.2, slightly below the telephone survey result of 4.4. Numerical ratings differed somewhat: those giving a rating of 8, 9, or 10 totaled 10 percent (compared to 5 percent of telephone respondents); those giving a rating of 4, 5, 6, or 7 totaled 47 percent (compared to 63 percent); and those giving a rating of 1, 2, or 3 totaled 42 percent (compared with 29 percent).

- One-half of respondents (50 percent) said they expected Haines' economy to stay about the same over the next five years. Respondents that expected a change were more likely to expect an improvement (27 percent) than to expect a decline (15 percent).
- Those in the highest income bracket ($100,000 or more) were much more likely to expect a decline (26 percent, compared with 11 percent of those in the lower and middle-income brackets). There were no other statistically significant differences among subgroups.

Table 2. Over the next five years, do you expect Haines' economy to improve, decline, or stay about the same?

n=205	% of Total
Improve	27
Decline	15
Stay about the same	50
Don't know	7

Comparison with Online Survey

- Online results were somewhat similar to telephone survey results, although online respondents were much more likely to say they didn't know (18 versus 7 percent). The most common online response was stay about the same (37 percent, versus 50 percent of telephone respondents). The percentage expecting an improvement (22 percent) was just slightly lower than the telephone survey response (27 percent). The percentage expecting a decline (23 percent) was slightly higher than the telephone survey response (15 percent).

Household Economic Status

- Haines residents rated their household's economic well-being an average of 6.5 on a 1-to-10 scale, where 1 = "struggling" and 10 = "thriving." Almost half (45 percent) gave middling scores of 4 to 7, while nearly as many (39 percent) gave higher scores of 8 to 10. Fifteen percent gave lower scores of 1 to 3.
- While the scales for the two questions were different, Haines residents gave higher ratings to their household's well-being (average of 6.5) than to Haines' economic condition (4.4).
- Respondents over 60 gave a higher average rating (6.8) compared with those 40-59 (6.1) or those 18-39 (6.6).
- Not surprisingly, those in the highest income bracket ($100,000 or more) gave the highest average rating: 8.3. This compares with 7.3 among those earning $50,000 to $100,000, and 4.8 among those earning less than $50,000.
- White respondents gave a higher average rating (6.8) than non-white respondents (5.3).

Table 3. Overall, how would you rate your household's economic well-being, using a scale of 1 to 10 where 1 means "struggling" and 10 means "thriving"?

n=205	% of Total
More thriving (8-10)	**39**
10 - Thriving	13
9	7
8	19
Middle range (4-7)	**45**
7	15
6	11
5	17
4	2
More struggling (1-3)	**15**
3	8
2	4
1 - Struggling	4
Average rating	**6.5**

Comparison with Online Survey

- Online respondents gave an average rating of 6.2, slightly below the telephone survey result of 6.5. Numerical ratings were fairly close: those giving a rating of 8, 9, or 10 totaled 34 percent (compared to 39 percent of telephone respondents); those giving a rating of 4, 5, 6, or 7 totaled 46 percent (compared to 45 percent); and those giving a rating of 1, 2, or 3 totaled 19 percent (compared with 15 percent).

- Over half of respondents (60 percent) expect their household's economic well-being to stay about the same over the next five years. Respondents were twice as likely to expect an improvement in their well-being than to expect it to decline (24 versus 12 percent).
- Older respondents were much more likely to expect a decline: 19 percent, compared with 7 percent of those in both the 18 to 39 and 40 to 59 age brackets. In a related finding, those with children in the household were more likely to expect an improvement: 36 percent, compared to 19 percent among other households.

Table 4. Over the next five years, do you expect your household's economic well-being to improve, decline, or stay about the same?

n=205	% of Total
Improve	24
Decline	12
Stay about the same	60
Don't know	4

Comparison with Online Survey

- Online respondents were again much more likely to say they didn't know (14 versus 4 percent). Otherwise responses were very similar between online and telephone responses: 22 percent (online) versus 24 percent (telephone) for improve; 13 versus 12 percent for decline; and 51 versus 60 percent for stay about the same.

Economic Development Objectives

Respondents were asked to rate the importance of various economic development objectives for Haines.

- The highest-rated objective was "more year round jobs," with 83 percent of respondents rating this as very important. This was followed by "increased local business sales" (64 percent very important), "increased average wages" (53 percent), "school enrollment growth" (51 percent), "growth in year-round population" (34 percent), and "increased Borough tax revenue" (11 percent).

- Differences between subgroups were mostly found among different age groups, including the following:

  - Respondents over 60 were less likely to rate "more year-round jobs" as very important (74 percent, compared with 87 percent of 40-59 year-olds and 90 percent of 18-39 year-olds).

  - Respondents in the middle age group were more likely to rate "growth in year-round population" as very important (42 percent, compared with 36 percent of younger respondents and 25 percent of older respondents).

  - Younger respondents were the most likely to rate "increased average wages" as very important (67 percent, compared with 52 percent of those in the middle age group and 45 percent of older respondents).

  - Older respondents were the least likely to rate "increased school enrollment" as very important (39 percent, compared with 56 percent in the middle age group and 63 percent of younger respondents).

- A subsequent question asked: *Are there other ways Haines could measure the results of its economic development activities?* Verbatim responses are provided in the Appendix.

Table 5. For each of the following economic development objectivities, please tell me if you think it is very important, somewhat important, or not important for Haines.

n=205	Very important	Somewhat Important	Not important	Don't know
More year-round jobs	83	15	2	-
Increased local business sales	64	32	2	2
Increased average wages	53	33	8	6
School enrollment growth	51	35	10	4
Growth in year-round population	34	47	17	2
Increased Borough tax revenue	11	44	38	7

Comparison with Online Survey

- "Very important" ratings among online respondents were very similar to those among telephone respondents:

- More year-round jobs: 71 percent very important among online respondents versus 83 percent among telephone respondents
- Increased local business sales: 63 percent (online) versus 64 percent (telephone)
- Increased average wages: 48 percent (online) versus 53 percent (telephone)
- School enrollment growth: 47 percent (online) versus 51 percent (telephone)
- Growth in year-round population: 42 percent (online) versus 34 percent (telephone)
- Increased Borough tax revenue: 13 percent (online) versus 11 percent (telephone)

- When asked to select one of the objectives as most important, over half of respondents (56 percent) chose "more year-round jobs." Only one other objective earned more than 10 percent of responses: "increased local business sales" (16 percent).
- Newer residents (those who have lived in Haines fewer than ten years) were more likely to select "more year-round jobs" at 67 percent, compared with 52 percent of longer-term residents.

Table 6. Which of these objectives is most important for Haines?

n=205	% of Total
More year-round jobs	56
Increased local business sales	16
School enrollment growth	7
Increased average wages	7
Growth in year-round population	5
Increased Borough tax revenue	1
Don't know	7

Comparison with Online Survey

- The number one objective among online respondents was the same as among telephone respondents: more year-round jobs (53 percent online versus 56 percent telephone). The number two objective also matched closely: increased local business sales (18 percent online versus 16 percent telephone).

Economic Development Priorities and Strategies

Economic Development Sectors

Respondents were asked to rate their level of support/opposition to growth in ten different economic sectors. (See table, next page.)

- Over half of respondents expressed support for growth in all ten sectors, with between 54 and 94 percent saying they were either supportive or strongly supportive. Support was highest for winter tourism, with 94 percent either supporting or strongly supporting growth, and lowest for mining, at 54 percent.
- "Strong" support was highest for commercial fishing (63 percent), seafood processing (56 percent), and winter tourism (56 percent). These ratings were weakest for large cruise ships (26 percent) and timber harvest (33 percent).
- Opposition was highest to mining, with 35 percent either opposing or strongly opposing growth in the mining industry. Two other industries earned double-digit opposition ratings: timber harvest at 18 percent, and large cruise ships at 17 percent.
- Many of the differences among subgroups related to age. Older respondents were less supportive of growth in several sectors:
    - Timber harvesting, where 57 percent of older respondents were supportive (or very supportive), compared with 68 percent of those 40-59, and 73 percent of younger respondents.
    - Mining, where 47 percent of older respondents were supportive, compared with 60 percent of those 40-59, and 54 percent of younger respondents.
    - Large cruise ships, where 53 percent of older respondents were supportive, compared with 68 percent of those 40-59, and 66 percent of younger respondents.
- Respondents with children in their household were more supportive of growth in the mining industry at 67 percent, versus 47 percent of childless households. They were also more supportive of growth in large cruise ships at 71 percent, compared with 58 percent of childless households.
- Those earning less than $50,000 were less supportive of growth in the mining industry (36 percent), compared with 60 percent of those earning $50,000 to $100,000, and 74 percent of those earning more than $100,000.
- Those in the top income bracket were less supportive of growth in the arts industry (61 percent), compared with 79 percent of those in the middle bracket, and 87 percent of those in the lowest bracket.

Table 7. Please tell me if you strongly support, support, are neutral, oppose or strongly oppose growth in the following economic sectors of Haines.

n=205	Strongly support	Support	NET SUPPORT	Oppose	Strongly oppose	NET OPPOSE	Neutral
Commercial fishing	63	29	**92**	1	<1	**1**	6
Winter tourism	56	38	**94**	1	<1	**1**	4
Seafood processing	56	36	**92**	<1	<1	**1**	6
Agriculture	54	37	**91**	<1	-	**<1**	8
Independent tourism	52	41	**93**	<1	-	**<1**	5
Small cruise ships	38	49	**87**	2	2	**4**	9
Arts	38	40	**78**	5	1	**6**	16
Mining	34	20	**54**	14	21	**35**	10
Timber harvest	33	32	**65**	13	5	**18**	15
Large cruise ships	26	36	**62**	8	9	**17**	22

Note: Rows may not add to 100 percent due to Don't Know and Declined responses.

Comparison with Online Survey

- The level of support (support and strongly support combined) for growth among various sectors was similar between online and telephone survey respondents:
  - Commercial fishing: 95 percent supportive among online respondents versus 92 percent among telephone respondents
  - Seafood processing: 94 percent (online) versus 92 percent (telephone)
  - Agriculture: 92 percent (online) versus 91 percent (telephone)
  - Winter tourism: 90 percent (online) versus 94 percent (telephone)
  - Independent tourism: 89 percent (online) versus 93 percent (telephone)
  - Small cruise ships: 87 percent (online) versus 87 percent (telephone)
  - Arts: 70 percent (online) versus 78 percent (telephone)
  - Timber harvest: 58 percent (online) versus 65 percent (telephone)
  - Large cruise ships: 58 percent (online) versus 62 percent (telephone)
  - Mining: 49 percent (online) versus 54 percent (telephone)

Economic Development Strategies

Respondents were asked to rate their level of support/opposition a variety of economic development strategies that have been suggested in prior planning efforts.

- Each strategy was supported by 60 percent or more of respondents, with one exception: larger-scale mine development was supported by 48 percent. Support was highest for creating small business and entrepreneur support programs, with 89 percent supporting (or strongly supporting) this strategy.
- "Strong" support was highest for improving transportation services to and from Haines at 55 percent, and lowest for attracting telecommuters, retirees, and others that don't require local employment (22 percent).
- Opposition was highest for larger-scale mining at 34 percent opposed or strongly opposed.
- Difference among subgroups included the following:
    - Newer residents (those who have lived in Haines less than 10 years) were more supportive of developing commercial fishing facilities at 90 percent, compared with 74 percent of longer term residents.
    - Younger respondents were more supportive of developing recreation infrastructure at 93 percent, compared to 76 percent of those 40-59 and 71 percent of older respondents.
    - Older respondents were less supportive of resuming downtown revitalization at 70 percent supportive, compared with 81 percent of those 40-59 and 87 percent of younger respondents.
    - Top income earners were less supportive of downtown revitalization at 67 percent, compared with 85 percent of middle-income earners and 79 percent of those in the lowest bracket. Top income earners were much more likely to support large-scale mine development at 66 percent, compared with 51 percent of middle-income earners and 34 percent of those in the lowest bracket.
- A subsequent question asked: *Are there any other economic development strategies you think Haines should pursue?* Verbatim responses are provided in the Appendix.

See table, next page

Table 8. A number of economic development strategies have been suggested in prior planning efforts. Please tell me if you strongly support, support, are neutral, oppose or strongly oppose the following potential strategies.

n=205	Strongly support	Support	NET SUPPORT	Oppose	Strongly oppose	NET OPPOSE	Neutral
Improve transportation services to and from Haines	55	30	**85**	-	1	**1**	12
Create small business and entrepreneur support programs	50	39	**89**	<1	-	**<1**	9
Develop harbor and other commercial fishing facilities	45	40	**85**	4	-	**4**	9
Develop trails and outdoor recreation infrastructure	43	35	**78**	5	2	**7**	14
Deepwater port redevelopment for freight transshipment	38	36	**74**	7	2	**9**	14
Resume downtown revitalization efforts	33	45	**78**	3	1	**4**	16
Support larger-scale mine development such as Constantine Mineral's Palmer Project	30	18	**48**	9	25	**34**	14
Attract telecommuters, retirees, and others that don't require local employment	22	38	**60**	7	3	**10**	27

Note: Rows may not add to 100 percent due to Don't Know and Declined responses.

Comparison with Online Survey

- As with the previous series of questions, the level of support for various economic development strategies was very similar between online and telephone survey respondents:
    - Improve transportation services to and from Haines: 89 percent very important among online respondents versus 85 percent among telephone respondents
    - Develop harbor and other commercial fishing facilities: 88 percent (online) versus 85 percent (telephone)
    - Create small business and entrepreneur support programs: 80 percent (online) versus 89 percent (telephone)
    - Resume downtown revitalization efforts: 69 percent (online) versus 78 percent (telephone)
    - Develop trails and outdoor recreation infrastructure: 76 percent (online) versus 78 percent (telephone)
    - Deepwater port redevelopment for freight transshipment: 68 percent (online) versus 74 percent (telephone)
    - Attract telecommuters, retirees, and others that don't require local employment: 55 percent (online) versus 60 percent (telephone)
    - Support larger scale mine development: 48 percent (online) versus 48 percent (telephone)

Industries

- The number one source of income among respondents was "retired" at 25 percent, with another 4 percent listing it as a secondary source of income. Other significant sectors included government (17 percent cited it as a top income source, while another 7 percent noted it was a secondary source), professional services (12 and 9 percent, respectively), and tourism/hospitality (11 and 5 percent, respectively).
- Not surprisingly, those over 60 were much more likely to say they were retired: 59 percent, compared with 3 percent of those 40-59 and zero younger respondents.
- Nearly half of respondents (48 percent) listed no additional sources of household income beyond their top source.

Table 9. Which industry provides the most income for your household? What other industries provide income for your household?

n=205	Top Income Source (%)	Additional Income Sources (%)
Retired	25	4
Government (including Tribal and teachers)	17	7
Professional services	12	9
Tourism/hospitality	11	5
Fishing	7	6
Mining	6	1
Retail	4	8
Health care	4	2
Arts	2	4
Non-profit	2	2
Communications/media	1	<1
Investments	1	1
Construction/carpentry	1	1
None/no income	4	48

Comparison with Online Survey

- The top income sources among online respondents were retired (18 percent), tourism/hospitality (12 percent), government (10 percent), construction (9 percent), fishing (9 percent), and professional services (9 percent).

Employment Status

- Two-thirds of respondents (65 percent) described themselves as employed, including 36 percent full-time year-round, 14 percent part-time year-round, 9 percent full-time seasonal, and 6 percent part-time seasonal.
- One-quarter of respondents (26 percent) said they were retired, similar to the previous question in which 25 percent said their main source of income was retirement.
- Just 3 percent of respondents said they were unemployed.
- Around one-half of working-age respondents said they were employed full-time, year-round, including 51 percent of those aged 18-39, and 53 percent of 40-59 year-olds. Just 9 percent of those over 60 were employed full-time, year-round.
- Not surprisingly, those in the lowest income bracket (less than $50,000) were much less likely to be employed full-time, year-round: 27 percent, compared with 42 percent of those earning $50,000 to $100,000 and 46 percent of those earning more than $100,000.

Table 10. Which statement best describes your employment status?

n=205	% of Total
Employed Total	**65**
Employed full-time year-round	36
Employed part-time year-round	14
Employed full-time seasonally	9
Employed part-time seasonally	6
Unemployed, looking for work	2
Unemployed, not looking for work	1
Student	<1
Retired	26
Disabled	2
Homemaker	4

Comparison with Online Survey

- Employment status among online respondents was fairly consistent with telephone results. Forty percent of online respondents were employed full-time, year-round, compared with 36 percent of telephone respondents. Thirty-four percent of online respondents were employed part-time and/or seasonally, compared with 29 percent of telephone respondents. Eighteen percent of online respondents were retired, compared with 26 percent of telephone respondents.

Self-Employment

- Among employed respondents, 43 percent said they were self-employed. (This figure equates to 28 percent of all respondents.)
- Older (employed) respondents were more likely to be self-employed at 60 percent. This compares with 38 percent of those 40-59, and 40 percent of younger respondents.
- Among those self-employed, nearly two-thirds (64 percent) did not employ anyone besides themselves; the average number of employees was 3.4.

Table 11. Are you self-employed?
(Base: Currently employed)

n=119	% of Base
Yes	43
No	57
Besides yourself, how many employees do you have if any? (n=54)	
None: self only	64
1 to 2	15
3 to 5	9
20+	11
Average	**3.4**

Comparison with Online Survey

- The self-employment rate among currently employed online respondents (46 percent) was consistent with that among telephone respondents (43 percent).

Home-Based Activities

Respondents were asked whether anyone in their household earned income from home-based activities such as arts and crafts, firewood, wild plants, preserved foods, baked goods, or home maintenance/repair.

- Eighteen percent of respondents reported a household member earning income from home-based activities.
- Younger respondents were more likely to fall into this category at 34 percent; this compares with 16 percent of those 40-59 and 10 percent of older respondents.
- Among these respondents, most (61 percent) reported one household member earning such income, while another 30 percent reported two household members. They reported that such activities generated an average of 33 percent of their household income.

Table 12. Including yourself, does anyone in your household earn income from home-based activities, such as arts and crafts, firewood, wild plants, preserved foods, baked goods, or home maintenance and repair?

n=205	% of Total
Yes	18
No	82
How many people earn income from these types of home-based activities? (n=32)	
1	61
2	30
3	3
4+	6
Can you estimate what percentage of your household income is derived from these home-based activities? (n=32)	
Under 10%	33
10%-49%	21
50%+	26
Don't know	20
Average % of household income	**33**

Comparison with Online Survey

- A larger percentage of online respondents said someone in their household earned income from home-based activities (30 percent), compared with telephone respondents (18 percent).

Internet-Based Activities

- Twelve percent of respondents reported a household member selling products or services through the internet. They reported that such activities represented an average of 14 percent of their household's income.
- Younger respondents were more likely to have internet-based businesses at 23 percent; this compares with 8 percent of those in the middle age group, and 9 percent of older respondents.

Table 13. Do you or anyone in your household have a business that sells products or services through the internet?

n=205	% of Total
Yes	12
No	88
Can you estimate what percentage of your household income is derived from selling products or services online? (n=22)	
Under 10%	38
10%-49%	27
50%+	8
Don't know	26
Average % of household income	**14**

Comparison with Online Survey

- A larger percentage of online respondents said someone in their household had an internet-based business (22 percent), compared with telephone respondents (12 percent).

Respondent and Household Characteristics

Area of Residence

- Over half of respondents (57 percent) said they lived in town; 18 percent lived on the Haines Highway; 16 percent in Mud Bay/Chilkat Peninsula; 5 percent at Mosquito Lake; 3 percent in Klukwan; and 1 percent on Lutak Road.

Table 14. In which area of the city and borough do you live?

n=205	% of Total
In town	57
Haines Highway (excluding Klukwan)	18
Mud Bay/Chilkat Peninsula	16
Mosquito Lake	5
Klukwan	3
Lutak Road	1

Comparison with Online Survey

- Distribution of survey respondents was fairly consistent between the online and telephone survey results. Online respondents were most likely to live in town (64 percent, versus 57 percent of telephone respondents), followed by Mud Bay/Chilkat Peninsula (19 versus 16 percent), Haines Highway (9 versus 18 percent), Lutak Road (4 versus 1 percent), Mosquito Lake (3 versus 5 percent), and Klukwan (2 versus 3 percent).

Length and Season of Residency

- Respondents have lived in Haines an average of 22 years.

- The vast majority of respondents (84 percent) live in Haines 12 months of the year.

Table 15. How many years have you lived in Haines (Klukwan)?

n=205	% of Total
Under 10 years	29
10 – 19 years	25
20 – 29 years	16
30+ years	30
Average length of residency	**22 years**

Table 16. About how many months of the year do you live in the Haines area?

n=205	% of Total
4-6 months	3
7-8 months	5
9-11 months	7
12 months	84

Comparison with Online Survey

- The average length of residence in Haines was 23 years among online respondents, similar to the average of 22 years among telephone respondents. Eighty-one percent of online respondents lived in Haines for 12 months of the year, compared with 84 percent of telephone respondents.

Home Ownership

- Nearly nine out of ten respondents (84 percent) own their home, while 15 percent rent.

Table 17. Do own or rent your home?

n=205	% of Total
Own	84
Rent	15
Other	<1

Comparison with Online Survey

- The rate of home ownership was 85 percent among online respondents, nearly matching the 84 percent among telephone respondents.

Demographics

Note: The results below are based on weighted data, as are the rest of the tables in this report. Please see the Methodology section for a discussion of respondent (unweighted) demographics compared to Census data.

- Respondents were slightly more likely to be female (56 percent). The average age was 54 years old. Four out of five respondents (79 percent) identified as White, with another 12 percent identifying as Alaska Native.

Table 18. Gender, Age, and Ethnicity

n=205	% of Total
Gender	
Male	44
Female	56
Age	
Under 30	9
30-39	15
40-49	15
50-59	22
60-69	24
70-79	11
80+	5
Average age	**54 years**
Ethnicity	
White	79
Alaska Native	12
American Indian	3
Hispanic or Latino	2
Asian	1
Black or African-American	-
Native Hawaiian or Pacific Islander	-
Don't know/refused	6

Comparison with Online Survey

- Online respondents were 40 percent male, and 53 percent female; 7 percent declined to share their gender. This compares with 44/56 male/female split among telephone respondents.

- The average age among online respondents was 51 years old, only slightly younger than the average of 54 years among telephone respondents. (Note: The telephone results were weighted by age, but the online results were not weighted, as the age breakout closely matched Census records.)

- Online respondents were most likely to be White (84 percent, versus 79 percent of telephone respondents), followed by Alaska Native (9 percent, versus 12 percent of telephone respondents).

- Respondents reported an average household size of 2.4, with the bulk of households (44 percent) being two-person. Three out of ten respondents (29 percent) reported children living in the house.
- Respondents reported an average household annual income of $69,000. Thirty-eight percent fell into the bottom income bracket (less than $50,000); 34 percent fell into the middle income bracket ($50,000 to $100,000), and 21 percent fell into the top income bracket (over $100,000). Only 7 percent declined to share their income.

Table 19. Household Size and Income

n=205	% of Total
Household Size	
1	25
2	44
3	14
4	11
5+	7
Average household size	**2.4**
Children in household	
None	71
1	14
2	10
3+	5
Average number of children in household	**0.6**
Income	
Less than $15,000	6
$15,001 to $25,000	11
$25,001 to $50,000	21
$50,001 to $75,000	19
$75,001 to $100,000	15
$100,001 to $125,000	11
$125,001 to $150,000	4
Over $150,000	6
Declined	7
Average household income	**$69,000**

Comparison with Online Survey

- Average household size among online respondents (2.5) was very close to the average among telephone respondents (2.4).
- One-third of online respondents (33 percent) reported having children in their household, compared with 29 percent of telephone respondents.
- The average income among online respondents ($71,000) was just slightly higher than the average among telephone respondents ($69,000).

Appendix

Haines EDP Household Opinion Survey

PHONE # ______________________ **DATE** __________

INTERVIEWER NAME ________________ **Cell/landline** **SURVEY #** ________

Hi, this is __________ with McDowell Group. We are working with the Haines Economic Development Corporation to better understand the opinions and priorities of community residents. I'd like to ask you a few questions.

1. In what year were you born? 19______ (If 1999 or after, request someone 18 or older. If none available end survey)
If refused, thank and end survey

2. In which area of the Haines Borough do you live?

01❐ In town
02❐ Mud Bay/Chilkat Peninsula
03❐ Lutak Road
04❐ Klukwan
05❐ Haines Highway (excluding Klukwan)
06❐ Mosquito Lake
07❐ Other ______________________
08❐ Don't know
09❐ Refused

3. How many years have you lived in Haines (Klukwan)? _______ **Years** 02❐ Less than one year (skip to Q5)

4. About how many months of the year do you live in the Haines area? ________ **months**

02❐ Don't know 03❐ Refused

[READ] I'd like to ask a few questions about your household's economic well-being, which includes your ability to earn income, pay bills, provide for dependents, and save for the future.

5. Overall, how would you rate <u>your household's</u> economic well-being, using a scale of 1 to 10, where 1 means "struggling" and 10 means "thriving"? (Circle answer)

Struggling									Thriving		
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	11❐ DK	12❐ Ref.

6. Over the next five years, do you expect your household's economic well-being to improve, decline, or stay about the same?

01❐ Improve 02❐ Decline 03❐ Stay about the same 04❐ Don't know 05❐ Refused

7. Overall, how would you rate the current condition of <u>Haines' economy</u>, using a scale of 1 to 10, where 1 means "very weak" and 10 means "very strong"? (Circle answer)

Very weak									Very strong		
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	11❐ DK	12❐ Ref.

8. Over the next five years, do you expect Haines' economy to improve, decline, or stay about the same?

01❐ Improve 02❐ Decline 03❐ Stay about the same 04❐ Don't know 05❐ Refused

9. For each of the following economic development objectives, please tell me if you think it is very important, somewhat important, or not important for Haines.

(READ LIST, ROTATE)	**01** *Very important*	**02** *Somewhat important*	**03** *Not important*	**04** *Don't know*	**05** *Refused*
a. More year-round jobs	01	02	03	04	05
b. Growth in year-round population	01	02	03	04	05
c. Increased average wages	01	02	03	04	05
d. School enrollment growth	01	02	03	04	05
e. Increased Borough tax revenue	01	02	03	04	05
f. Increased local business sales	01	02	03	04	05

9a. Which of these objectives is the <u>most important</u> for Haines? (Re-read if necessary)

______ (letter) 02❐ Don't know 03❐ Refused

10. Are there other ways Haines could measure the results of its economic development activities?

____

____

2❐ No 3❐ Don't know 4❐ Refused

11. Please tell me if you strongly support, support, are neutral, oppose or strongly oppose growth in the following economic sectors of Haines.

ROTATE	01 *Strongly Support*	02 *Support*	03 *Neutral*	04 *Oppose*	05 *Strongly Oppose*	06 *Don't know*	07 *Refused*
a. Commercial fishing	01	02	03	04	05	06	07
b. Seafood processing	01	02	03	04	05	06	07
c. Timber harvest	01	02	03	04	05	06	07
d. Mining	01	02	03	04	05	06	07
e. Arts	01	02	03	04	05	06	07
f. Large cruise ships	01	02	03	04	05	06	07
g. Small cruise ships	01	02	03	04	05	06	07
h. Independent tourism	01	02	03	04	05	06	07
i. Winter tourism	01	02	03	04	05	06	07
j. Agriculture	01	02	03	04	05	06	07

12. A number of economic development strategies have been suggested in prior planning efforts. Please tell me if you strongly support, support, are neutral, oppose, or strongly oppose the following potential strategies.

ROTATE	01 *Strongly Support*	02 *Support*	03 *Neutral*	04 *Oppose*	05 *Strongly Oppose*	06 *Don't know*	07 *Refused*
a. Develop trails and outdoor recreation infrastructure	01	02	03	04	05	06	07
b. Develop harbor and other commercial fishing facilities	01	02	03	04	05	06	07
c. Deepwater port redevelopment for freight transshipment	01	02	03	04	05	06	07
d. Create small business and entrepreneur support programs	01	02	03	04	05	06	07
e. Attract telecommuters, retirees, and others that don't require local employment	01	02	03	04	05	06	07
f. Resume downtown revitalization efforts	01	02	03	04	05	06	07
g. Improve transportation services to and from Haines	01	02	03	04	05	06	07
h. Support larger-scale mine development such as Constantine Mineral's Palmer Project	01	02	03	04	05	06	07

13. Are there any other economic development strategies you think Haines should pursue?

2❒ No 3❒ Don't know 4❒ Refused

____

____

____

14. What industry provides the <u>most</u> income for your household? (Do not read, **<u>Check only one</u>**)

01❒ Retired
02❒ Tourism/hospitality
03❒ Fishing
04❒ Mining
05❒ Health care
06❒ Retail
07❒ Communications/media
08❒ Non-profit
09❒ Arts
10❒ Investments
11❒ Government (incl Tribal and teachers)
12❒ Professional services
13❒ None/no income **(skip to Q16)**
14❒ DK/Refused **(skip to Q16)**
15❒ Other ______________________

15. What other industries provide income for your household? (Do not read; Check all that apply).

01❒ Retired
02❒ Tourism/hospitality
03❒ Fishing
04❒ Mining
05❒ Health care
06❒ Retail
07❒ Communications/media
08❒ Non-profit
09❒ Arts
10❒ Investments
11❒ Government (incl Tribal and teachers)
12❒ Professional services
13❒ None/no income **(skip to Q16)**
14❒ DK/Refused **(skip to Q16)**
15❒ Other ______________________

16. **Which statement best describes your employment status?** (Read 1-10, Check only one)

- 01❒ Employed full-time year-round
- 02❒ Employed *part-time* year-round
- 03❒ Employed full-time seasonally
- 04❒ Employed *part-time* seasonally
- 05❒ Unemployed, looking for work **(skip to Q18)**
- 06❒ Unemployed, not looking for work **(skip to Q18)**
- 07❒ Student **(skip to Q18)**
- 08❒ Retired **(skip to Q18)**
- 09❒ Disabled **(skip to Q18)**
- 10❒ Homemaker **(skip to Q18)**
- 11❒ Don't know **(skip to Q18)**
- 12❒ Refused **(skip to Q18)**

17. **Are you self-employed?**

- 1❒ Yes
- 2❒ No **(skip to Q18)**
- 3❒ Don't know **(skip to Q18)**
- 4❒ Refused **(skip to Q18)**

17a. Besides yourself, how many employees do you have, if any? _______ 1❒ None; self only 2❒ DK/Ref.

18. **Including yourself, does anyone in your household earn income from home-based activities, such as arts and crafts, firewood, wild plants, preserved foods, baked goods, or home maintenance and repair services?**

- 1❒ Yes
- 2❒ No **(skip to Q19)**
- 3❒ Don't know **(skip to Q19)**
- 4❒ Refused **(skip to Q19)**

18a. How many people in your household earn income from these types of home-based activities?

#_____________ 3❒ Don't know 4❒ Refused

18b. Can you estimate what percentage of your household income is derived from these home-based activities?

%____________ 3❒ Don't know 4❒ Refused

19. **Do you or anyone in your household have a business that sells products or services through the internet?**

1❒ Yes 2❒ No **(skip to Q20)** 3❒ Don't know **(skip to Q20)** 4❒ Refused **(skip to Q20)**

19a. Can you estimate what percentage of your household income is derived from selling products or services online?

%____________ 3❒ Don't know 4❒ Refused

[READ] My last few questions are for demographic purposes only.

20. **How many people, <u>including yourself</u>, live in your household for at least nine months of the year?**

___________# people 01❒ Refused

21. **How many children 18 years of age and under live in your household for at least nine months of the year?**

___________# of children 01❒ Refused

22. **Do you own or rent your home?**

01❒ Rent 02❒ Own 03❒ Other____________ 04❒ Don't know 05❒ Refused

23. **Which racial or ethnic group do you most closely identify yourself with?**
(Do not read, check all that apply)

- 1❒ White
- 2❒ Alaska Native
- 3❒ American Indian
- 4❒ Black or African-American
- 5❒ Hispanic or Latino
- 6❒ Asian
- 7❒ Native Hawaiian or Pacific Islander
- 8❒ Don't know/refused
- 9❒ Other__________________________

24. **Please stop me at the category that best describes your total combined household income before taxes for 2017.** (Read 1-8)

- 01❒ Less than $15,000
- 02❒ $15,001 to $25,000
- 03❒ $25,001 to $50,000
- 04❒ $50,001 to $75,000
- 05❒ $75,001 to $100,000
- 06❒ $100,001 to $125,000
- 07❒ $125,001 to $150,000
- 08❒ Over $150,000
- 09❒ Refused

25. **Has anyone else in your household completed a Haines economic development survey recently?**

- 01❒ Yes
- 02❒ No
- 03❒ Don't know
- 04❒ Refused

Thank and end survey

26. **Gender** (Don't ask) 01❒ Male 02❒ Female 03❒ Don't know