

Travel and Visitor Industry



Businesses that serve the tourism industry also often serve the residents of Southeast Alaska. Examples are restaurants, travel agencies, and support services for air transportation. For this reason, it is not possible to separate out employment statistics that can be attributed just to the tourism industry. Rather, JEDC aggregates all jobs in leisure and hospitality, air transportation and support, scenic and sightseeing transportation and travel arrangement and reservation services to report employment and wage data and to gauge the health of the tourism industry.

Southeast Alaska Travel, Leisure and Hospitality Industries Employment and Wages 2010 - 2011

	2011 No. Firms	2011 Total Wages	2010 Employment	2011 Employment	Change 2010- 11
Air Transportation	42	\$29,222,885	720	732	1.7%
Scenic and Sightseeing Transportation	86	\$24,111,739	683	711	4.1%
Support Activities for Transportation	26	\$10,272,453	215	196	-8.8%
Travel Arrangement, Reservation Services and Travel Agencies	20	\$4,322,716	143	145	-3.1%
Leisure and Hospitality	401	\$68,781,238	3,464	3,484	0.6%
Industry Total	575	\$136,711,031	5,226	5,268	0.8%

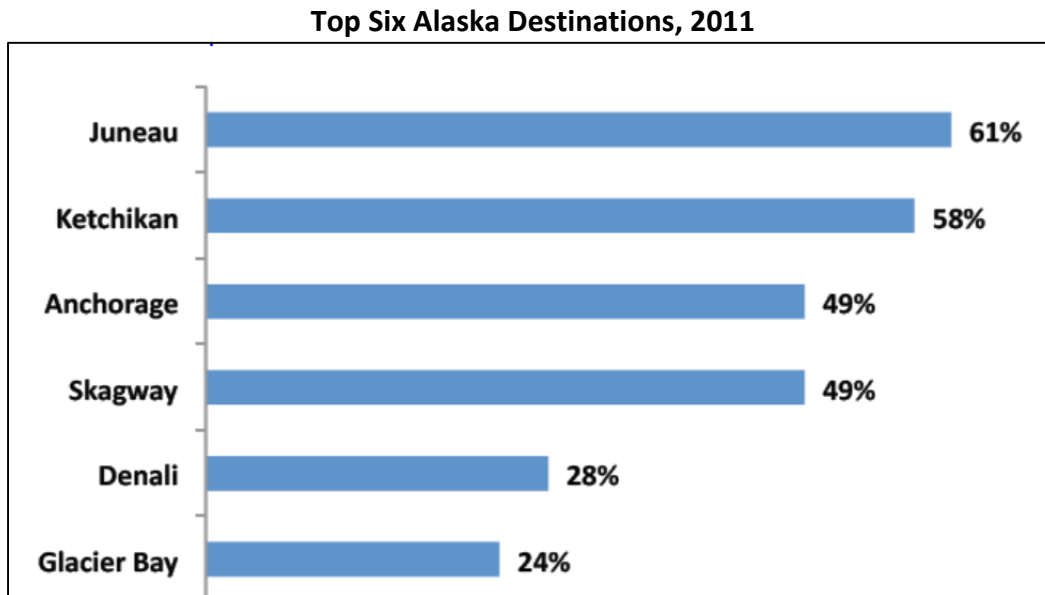
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

In 2011, there were 5,268 employees in the region for the travel, leisure and hospitality industries, with an associated payroll of over \$136 million. This represents a slight increase in regional employment after a drop of 2% between 2009 and 2010. In aggregate, this

industry group is the largest private sector regional industry in terms of number employees, accounting for 14% of all employment, but it accounts for only 9% of all regional wages (15.7% of regional wages not considering commercial fishing “wages”).¹⁹

Out-of-State Visitors

The Alaska Visitor Statistics Program (AVSP) is a statewide visitor study periodically commissioned by the Alaska Department of Commerce, Community and Economic Development. The study provides essential information on one of Alaska’s major economic engines: out-of-state visitors. The following statistics are excerpted from the 2011 AVSP report.²⁰



Source: *Alaska Visitor Statistics Program VI, Summer 2011*, Conducted by the McDowell Group for ADCC&ED

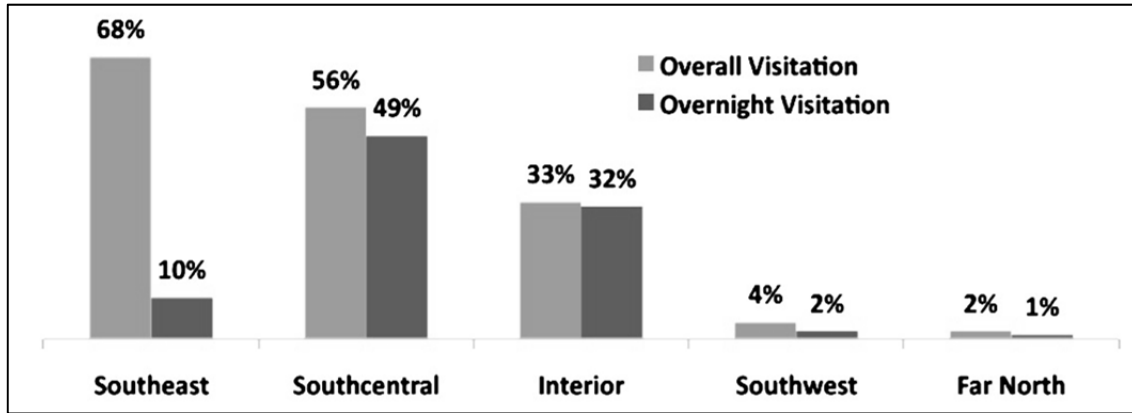
With the growth of cruise travel, Juneau has become the number one visitor destination in the state, hosting 61% of all out-of-state visitors in 2011. Second most visited is Ketchikan, hosting 58% of all visitors. Skagway ties for third with Anchorage. Two national parks, Denali and Glacier Bay, are fifth and sixth on the list.

In total, 1,037,000 visitors (68%) of all tourists to Alaska visited the Southeast region in 2011. Over 90% of the visitors to Juneau, Ketchikan, Skagway, Glacier Bay and Hoonah are cruise visitors, followed by Sitka at 84%. The region hosts only 10% of all overnight visitors to Alaska. However, Wrangell, Petersburg and Haines, with low cruise visitation, averaged the longest length of overnight stay in Alaska, at 14.4 nights, 13.1 nights, and 11.1 nights, respectively. Of those that do stay overnight, most reach their destination by ferry (56%) with air a distant second (17%).

¹⁹ Government pays 35% of all Southeast wages, while seafood is the largest private sector employer in terms of wages.

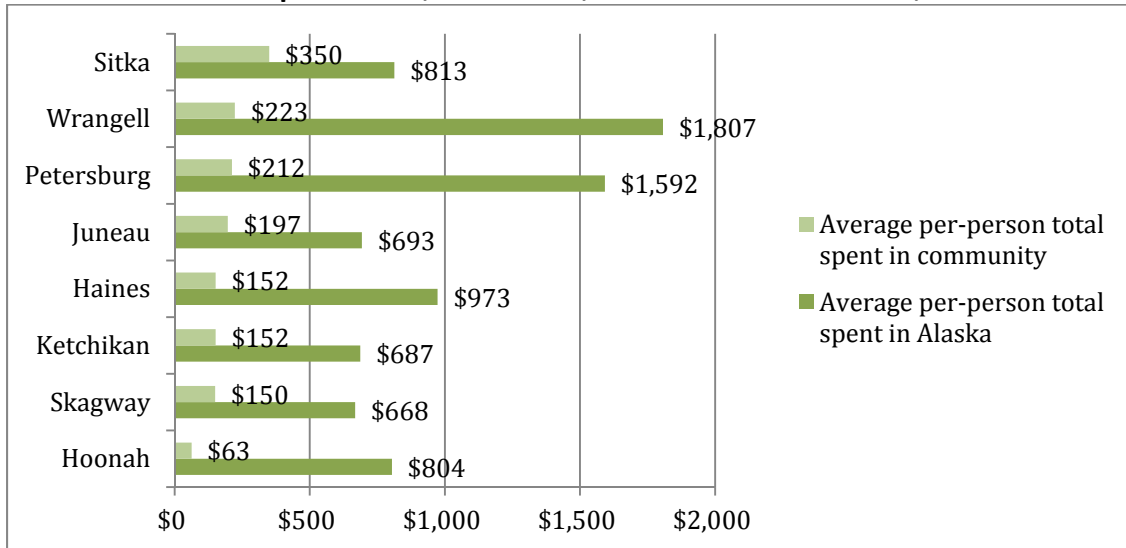
²⁰ The full report is available at <http://www.commerce.state.ak.us/ded/dev/toubus/research.htm>.

Regions Visited In Alaska, Overall and Overnight, 2011



Source: Alaska Visitor Statistics Program VI, Summer 2011, Conducted by the McDowell Group for ADCC&ED

Visitor Expenditures, Per Person, Southeast Communities, 2011



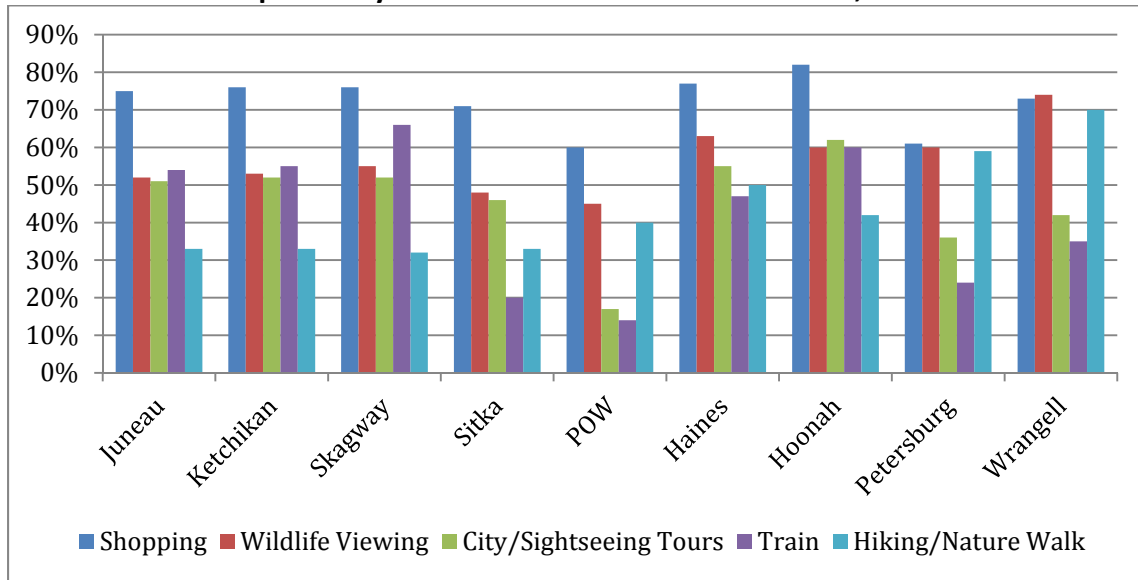
Source: Alaska Visitor Statistics Program VI, Summer 2011, Conducted by the McDowell Group for ADCC&ED

Note: Excludes transportation to/from Alaska.

Visitors to Sitka and Wrangell reported the highest per-person spending in the community at \$350 and \$223, respectively. Wrangell visitors also reported the highest in-state spending, followed by Petersburg. It can be noted that visitors to Wrangell and Sitka reported the highest average annual income, \$113,000 and \$111,000 respectively, compared to the overall Southeast average of \$108,000.

The activities visitors undertake while in the state are an indication of where they spend money. The number one activity in Alaska reported by visitors in 2011 is shopping. For Southeast cruise port visitors, shopping in Alaska is the most popular activity by a large margin. Seventy-five percent of visitors to Juneau report that they shopped while in Alaska. The second most popular activity for visitors who stopped in Juneau was to take a train (54%), followed by wildlife viewing (52%) and city/sightseeing tours (51%). Among visitors to Petersburg and Wrangell, activities such as wildlife viewing and hiking/nature walks are just as popular as shopping.

**Most Popular Activities in Alaska (by % Participating)
Reported by Visitors to Southeast Communities, 2011**

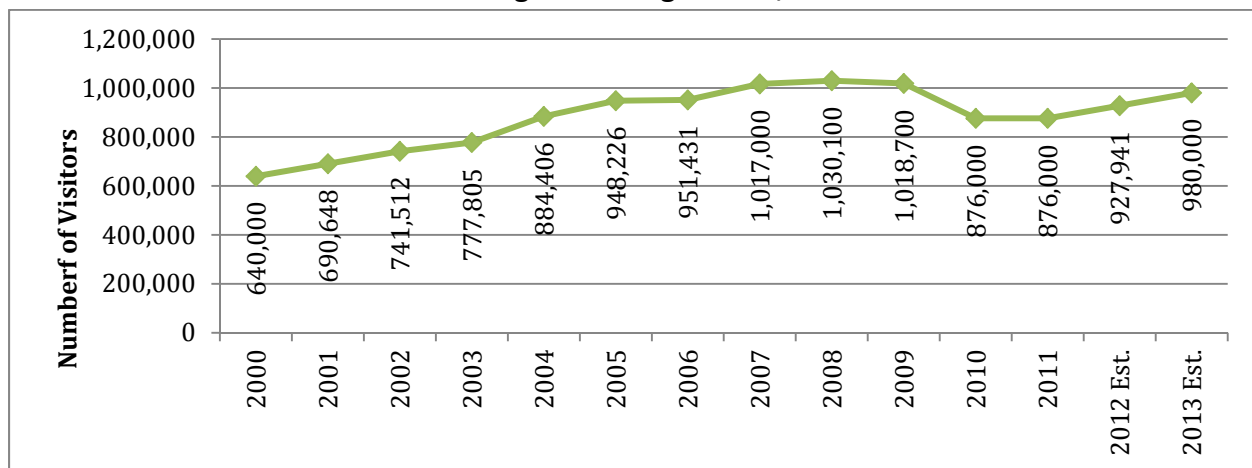


Source: Alaska Visitor Statistics Program VI, Summer 2011, Conducted by the McDowell Group for ADCC&ED

Cruise Ship Visitation

Cruise ships have been visiting Juneau and Southeast Alaska since the late 1800's, but visits began to increase in the 1970s. Visitation to the region doubled between 1997 and 2007, but by 2009, the cruise industry decreased the number of ships and ship sailings to Southeast Alaska in response to the global recession. In 2011, Southeast Alaska was visited by 876,000 cruise ship tourists, unchanged from 2010. Traffic has stabilized in 2011 and is expected to continue to increase over the next few years, with an expected increase of about 12% between 2011 and 2013. Current visitation is down about 15% from the peak of 1,030,100 passengers in 2008.

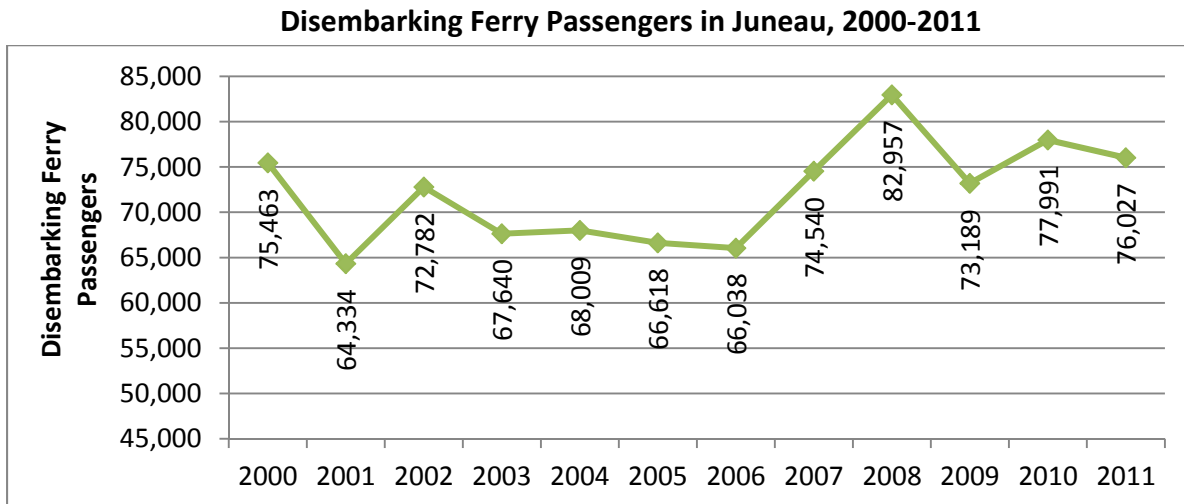
Cruise Passengers Visiting Juneau, 2000-2013



Sources: Cruise Line Agencies of Alaska and McDowell Group.

Ferry Traffic

Port stops by State ferries at Juneau increased by 55 between 2010 and 2011, yet both passengers and vehicles disembarking at Juneau declined in the same time period. In 2011, 76,027 ferry passengers disembarked at Juneau, for a drop of 2.5% over the previous year. Vehicles disembarking at Juneau also dropped slightly in 2011, for a 1.9% decline (427 vehicles) over 2010. Region-wide disembarking passenger traffic increased slightly (0.8%). However, if Juneau numbers are excluded, the total disembarkations to all other Southeast communities increased by 2.8%.



Source: Alaska Marine Highway System's Traffic Volume Reports.

Airline Traffic

Juneau is a regional hub for transportation services, and provides connecting air travel for regional residents and visitors. Juneau's 8,457 ft. runway and adjacent seaplane pond is one of the busiest airports in the state, with the 3rd most passengers enplaned and the 4th most aircraft operations performed. One large carrier, Alaska Airlines, and three small carriers provide scheduled passenger and cargo service and three carriers provide cargo-only service to the airport. The smaller air carriers provide service between Juneau and the neighboring communities, and Alaska Airlines provides service to major communities in the region, as well as communities outside the region. In addition, several small carriers based in Juneau offer charter-only service in the region, using both wheeled and float equipped aircraft.

2011 saw a 2.4% increase in passenger volume embarking from the Juneau International Airport. Alaska Airlines carried about 88% of scheduled passengers departing Juneau. Small regional carriers continued to increase volume for the third year in a row. Charter and flightseeing operators showed an 8.4% upturn in demand in 2011, following several years of decreasing enplanements.

Air Passenger Enplanements at Juneau Airport²¹ 2009 - 2011

	2009	2010	2011	Change 2010-2011
Alaska Airlines	241,934	252,639	258,618	2.4%
Commuter and Small Certified Carriers	22,712	35,644	36,650	2.8%
Nonscheduled/On-demand Air Carriers	72,189	55,544	60,194	8.4%
Total	337,038	344,057	355,499	2.4%

Source: Juneau International Airport Note: Total includes miscellaneous other departures.

The following table presents passenger enplanements for select Southeast communities. Gustavus had the largest increase in volume, followed by Wrangell.

Air Passenger Enplanements at Select Southeast Communities, 2010 - 2011

City of Origin	2010	2011	Change 2010 to 2011
Juneau	344,057	355,499	3.33%
Ketchikan	100,138	102,086	1.95%
Sitka	64,536	65,193	1.02%
Petersburg	18,468	18,318	-0.81%
Wrangell	10,882	11,674	7.28%
Gustavus	9,996	11,537	15.42%
Hoonah	10,759	10,815	0.52%
Yakutat	10,035	10,517	4.80%
Haines	9,534	8,618	-9.61%
Skagway	8,531	8,244	-3.36%
Metlakatla	4,140	3,657	-11.67%
Craig	4,368	3,470	-20.56%
Thorne Bay	2,608	2,621	0.50%

Source: Bureau of Transportation Statistics.

²¹ Includes scheduled, charter, helicopter and flightseeing enplanements