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**JEDC Research Note**  
**Juneau’s Maritime Industries**  
**May 7, 2024**

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**Introduction**

An area’s geographical location has a significant impact on the industries that emerge. In Juneau’s case, being adjacent to the Pacific Ocean has resulted in a myriad of maritime-related economic industries that contribute greatly to the economic output of Alaska’s capital city. Juneau’s major maritime industries include the Visitor Industry, Fishing & Seafood Processing, and Mariculture.

The Visitor Industry has experienced a major recovery since the pandemic-induced impacts of 2020 and 2021. The 2023 cruise ship season brought a record number of passengers to Juneau, resulting in record business revenues. The Seafood & Fishing industry was less impacted by the pandemic, but its share of Juneau’s overall economy has been slowly shrinking over the past several decades. Mariculture is an emerging industry that has recently seen strong growth and investment in Southeast Alaska.

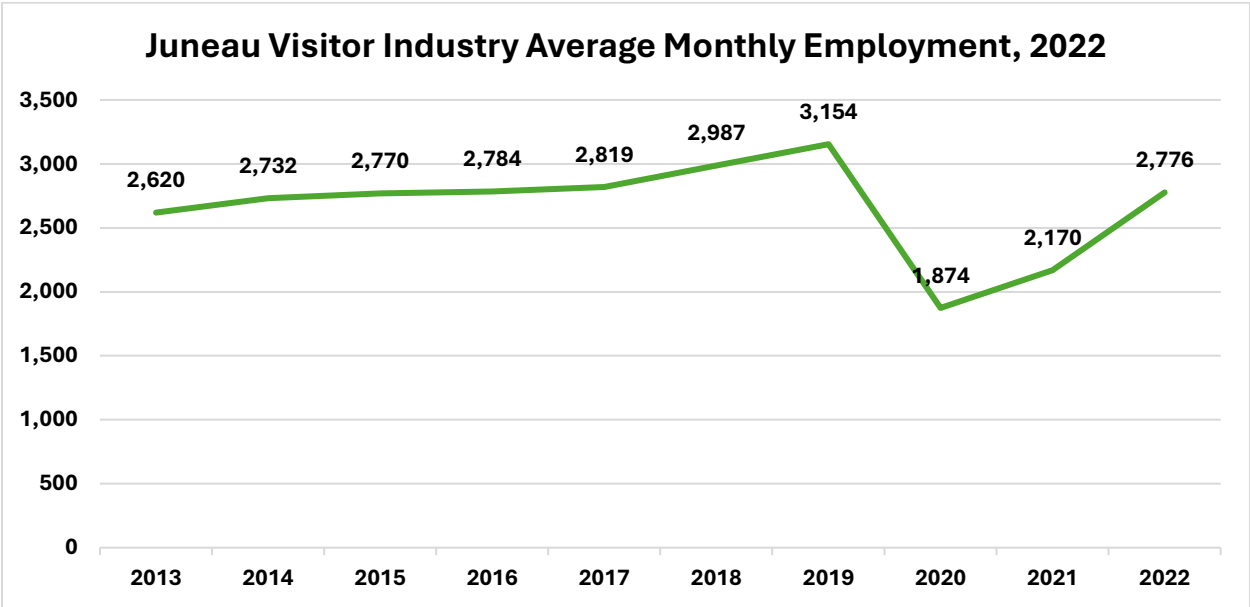
## Visitor Industry

Juneau’s largest private industry is the visitor industry, which is inextricably connected with the bodies of water surrounding Juneau, both in terms of transportation via cruise ships and many excursions relating to ocean wildlife & nature viewing and fishing. Juneau’s proximity to pristine nature is a large draw for tourists, and the channels within Southeast Alaska allow for large & small cruise ships to bring visitors by way of marine vessels.

### Employment & Earnings

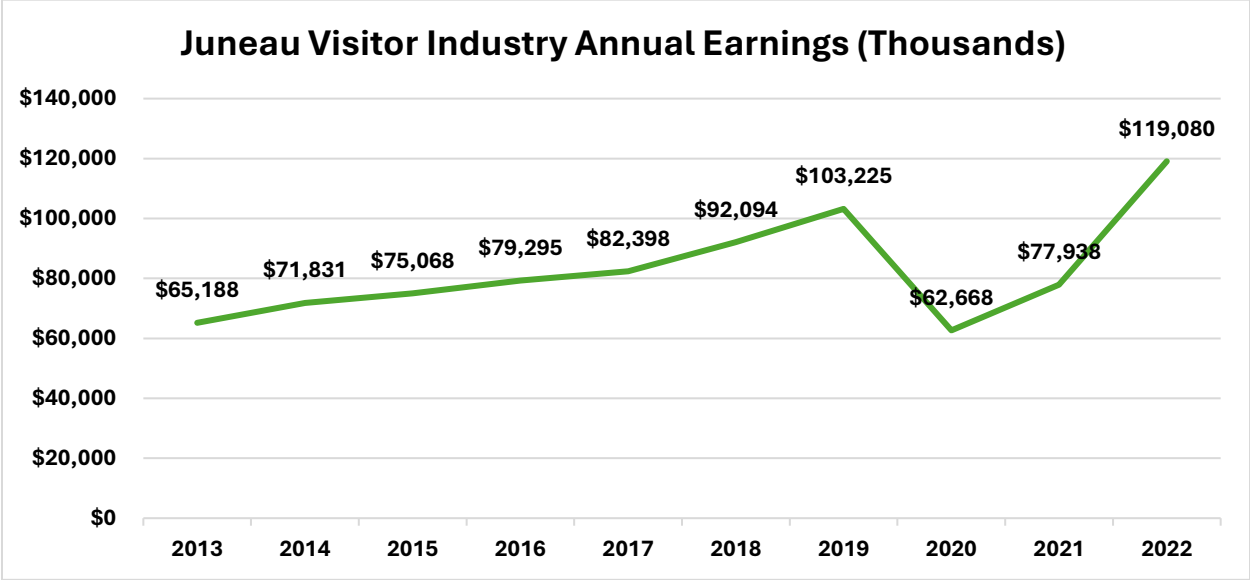
Juneau’s visitor industry employs the second highest average number of individuals, second only to the State of Alaska. This means that tourism is a major contributor to the local economy. Due to the seasonality of the visitor industry, employment goes up significantly in summer months.

In 2022, the most recent year for which annual data is available, the visitor industry employed an average of 2,776 visitors. This is up by 606 (+28%) from 2021 but remains down by 378 (-12%) compared to 2019, before the pandemic. Incomplete data from 2023 suggests the annual average continued to rise.



Source: State of Alaska QCEW

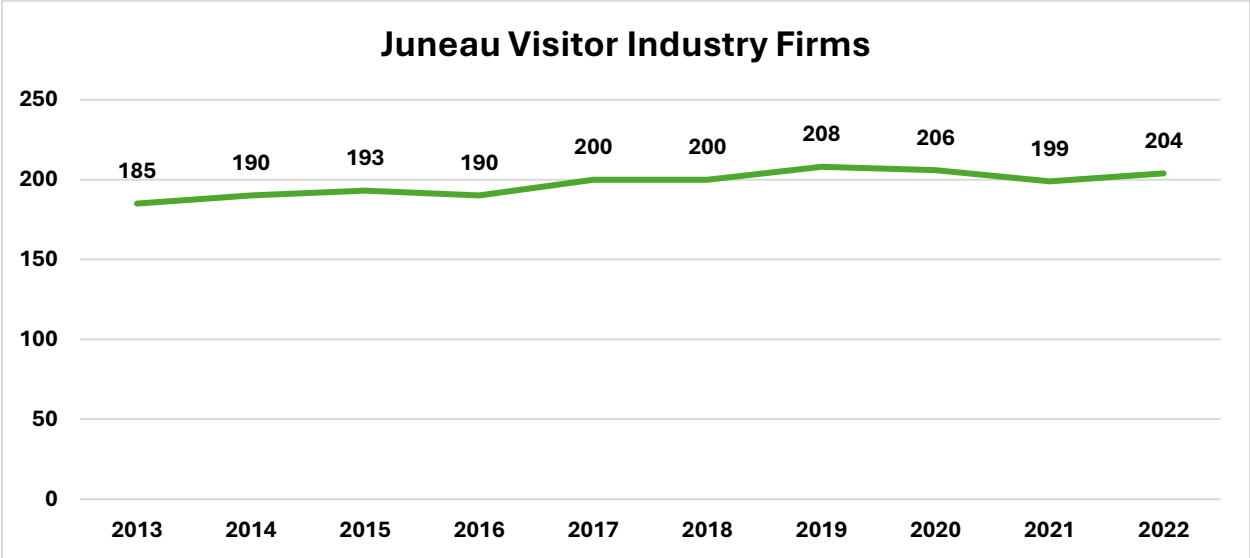
While 2022 employment levels did not quite reach 2019 levels, annual earnings in 2022 surpassed 2019 by almost \$16 million (+15%). Earnings went up by over \$40 million (+53%) from 2021 to 2022, displaying a strong recovery from the pandemic years. This data suggests that workers are earning more on average compared to 2019, but this is complicated by factors like inflation, which leads to less spending power per dollar.



Source: State of Alaska QCEW

*Firms*

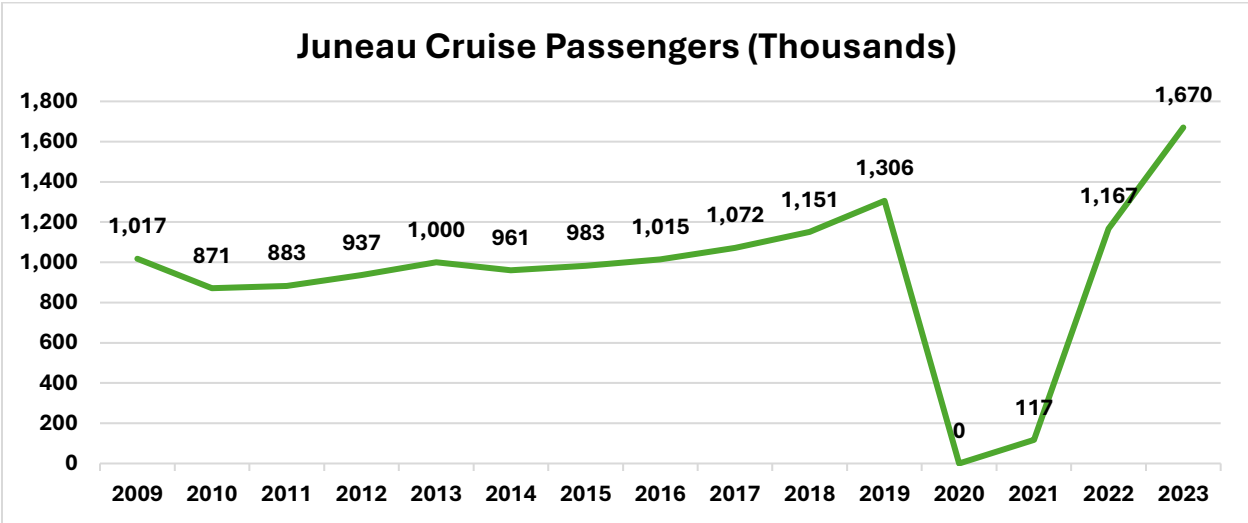
Firms are business organizations that sell goods and services for a profit. Types of firms include corporations, LLCs, partnerships, etc. The number of Juneau firms operating in the visitor industry has remained relatively stable over the past decade, increasing slowly until the 2020 pandemic. The number of firms went down by 2 in 2020 (-1%) and by 7 in 2021 (-3.4%) and rose by 5 in 2022 (+2.5%).



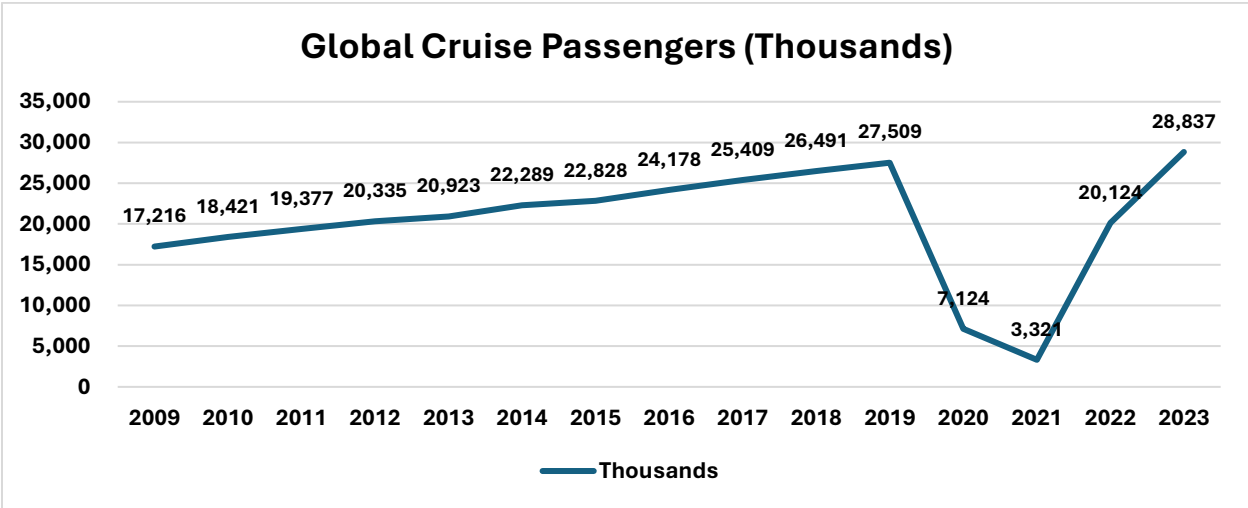
### Cruise Visitors

Most tourists arrive in Juneau via large cruise ships. There are four cruise ship docks in Juneau: two city-owned, and two private. From 2010 to 2019, the number of annual passengers was trending upward. Unsurprisingly, numbers plummeted in 2020 when cruises were cancelled due to the global pandemic. In 2021, there were only 125,000 annual visitors. In 2022, a major recovery occurred as approximately 1,167,000 cruise passengers visited Juneau, up by 1.05 million passengers compared to 2021 (+897%) but still down by 139,000 passengers compared to 2019 (-11%). 2023 saw the highest cruise passenger count on record, with approximately 1,670,000 passengers arriving in Juneau – an increase of 364,000 from 2019 (+27%) 503,000 from 2022 (+43%).

While overall trends are similar between Juneau passenger and global cruise passenger counts, the increase from 2022 to 2023 was much more significant in Juneau, suggesting that Southeast Alaska may be increasing in popularity as a cruise destination relative to the global cruise market.



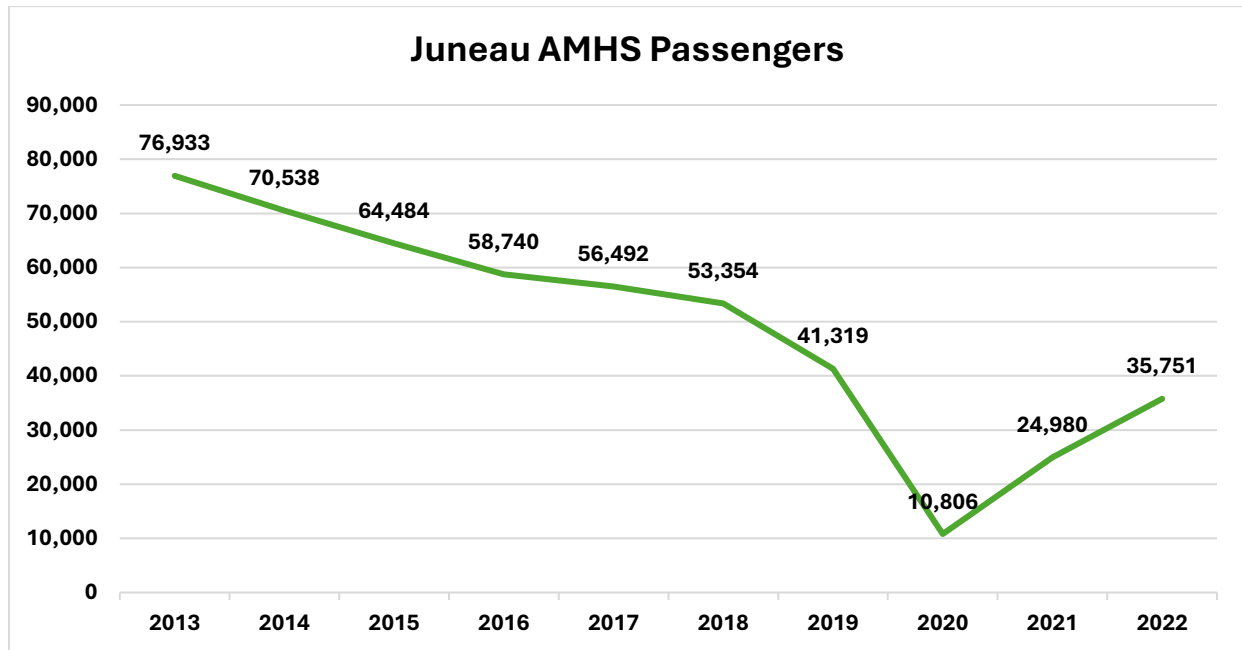
Source: Cruise Line Agencies of Alaska, McKinley Group, and CBJ Docks & Harbors



Source: Cruise Market Watch

## AMHS Travelers

The Alaska Marine Highway System (AMHS) plays a vital role in Southeast Alaska, allowing for movement between different communities by locals and tourists alike. Even prior to the 2020 pandemic, AMHS traffic had been steadily decreasing every year, illustrating its decreased usage. Passenger count dropped by over 30,000 (-74%) in 2020, increasing by almost 15,000 (+131%) in 2021 and another 10,000 (+43%) in 2022.



Source: AK DOT&PF

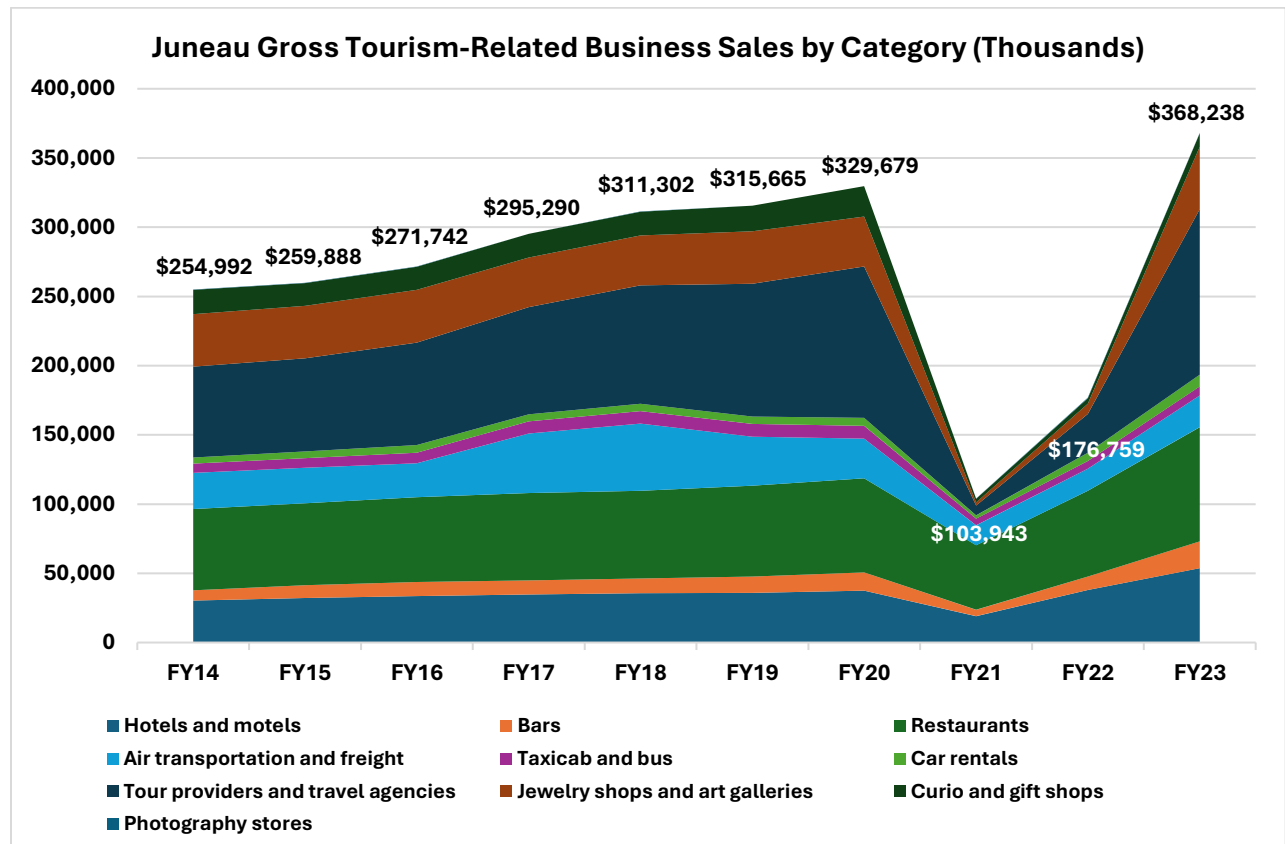
## Business Sales

The City & Borough of Juneau publishes this data for fiscal periods starting on July 1 and ending on June 30. For tourism-related business categories from July 1, 2022 – July 30, 2023, gross sales reached an all-time high of \$368,238. This aligns closely with a recent report published by the McKinley Group, where they estimated that approximately \$375 million was directly spent by cruise ships, crew, and passengers in Juneau during the 2023 calendar year.

The graph below illustrates the relative declines and increases for specific tourism-related business categories. During FY21 (July 1, 2020 – June 30, 2021), certain categories saw sales fall more than others. For example, sales for tour providers and travel agencies fell, going from the biggest share of tourism-related business sales to one of the smallest.

In FY23 (July 1, 2022 – June 30, 2023), many categories had the highest sales on record: tour providers and travel agencies, jewelry shops, restaurants, hotels and motels, bars, and car rentals all saw record sales. Conversely, curio and gift shops, taxicab and bus, and air transportation and freight were still lower than pre-pandemic levels. Overall, this data illustrates an extremely strong post-pandemic recovery, especially for those categories that experienced record sales during FY23.

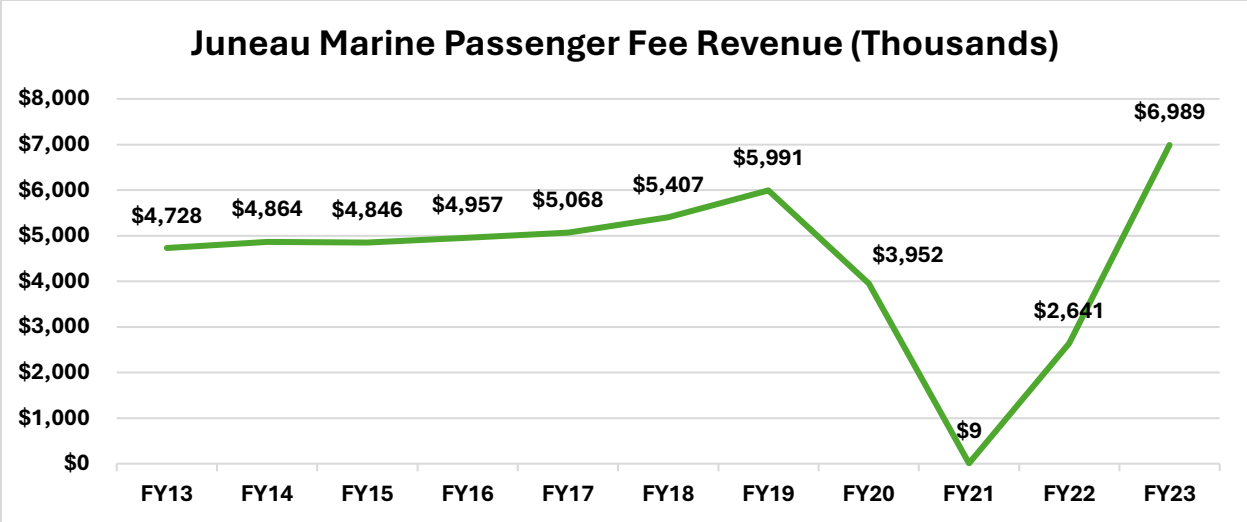
On the figure below, the categories from top to bottom are as follows: photography stores (almost invisible due to small size of category), curio and gift shops, tour providers and travel agencies, car rentals, taxicab and bus, air transportation and freight, restaurants, bars, hotels & motels.



Source: CBJ Annual Comprehensive Financial Report

### Marine Passenger Fee Revenue

Juneau’s Marine Passenger Fee or “head tax” is levied against cruise ships docking in town on a per-passenger basis (\$5/passenger). The fund is meant to “assist in funding projects that enhance the tourism experience and offset community impacts created by the cruise ship industry.” In FY23, passenger fee revenue reached an all-time high of approximately \$6,989,000. Some uses of this revenue include dock electrification, downtown Seawalk expansion, Marine Park improvements, and more.



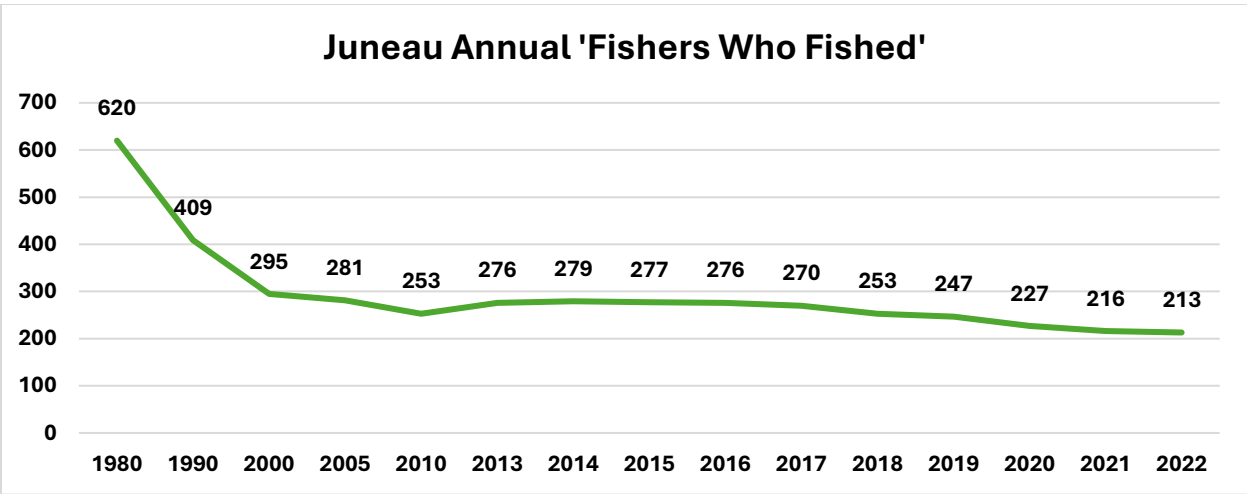
Source: CBJ Comprehensive Annual Financial Report

## Seafood & Fishing Industry

Juneau’s unique location adjacent to the Pacific Ocean has resulted in the common practice of fishing. Common landings include various species of salmon, crab, herring, and halibut. There exists a large global demand for the unique seafood products available in Southeast Alaska, especially sought-after delicacies like salmon and crab. The fishing & seafood industry can be volatile due to fluctuations in annual fish populations and shifting prices for seafood products.

### Fishers Who Fished

“Fishers Who Fished” is a count of permit holders who made at least one landing during the year, including people who held the permit through a temporary emergency transfer, who later permanently transferred their permit away, or who later had their permit revoked. Juneau has seen a steady decrease in the number of annual fishers in the past decade. In 2022, there were 213 fishers who fished, down by 66 (+24%) from the 10-year peak of 279 fishers in 2014.



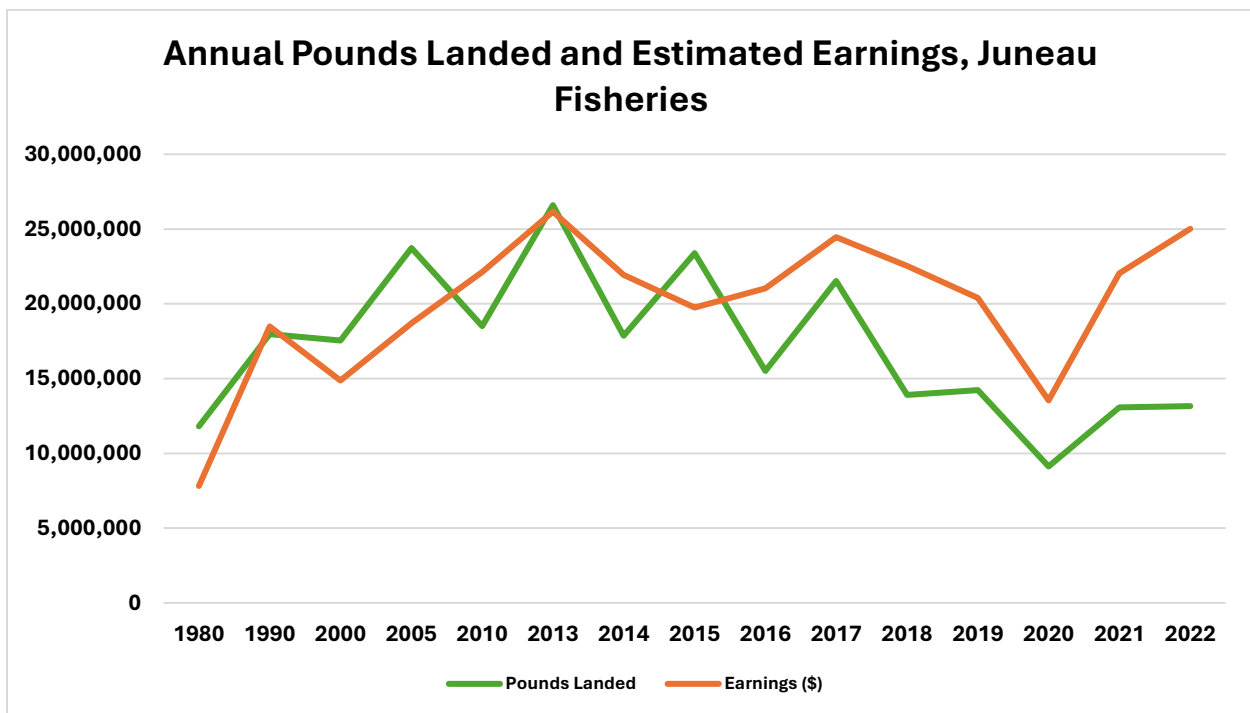
Source: AK CFECE

## Commercial Fishing: Pounds Landed & Earnings

Due to fluctuations in fish populations and prices, there can be large year-to-year differences in fishery landings and their value. 2022 landings slightly exceeded the previous year, and the value of the landings reached the second highest within this 10-year period.

The five-year average from 2013-2017 for pounds landed was 20,977,688, and the average earnings for this period was \$22,666,311.

The five-year average from 2018-2022, excluding 2020 (due to anomalously low landings resulting from pandemic impacts) for pounds landed was 13,595,557. Average earnings during this period (excluding 2020) were \$22,491,782. While there have been lower harvests in Juneau starting in 2018, it appears that prices have increased for these ocean products, resulting in similar value of landings across both five-year periods.



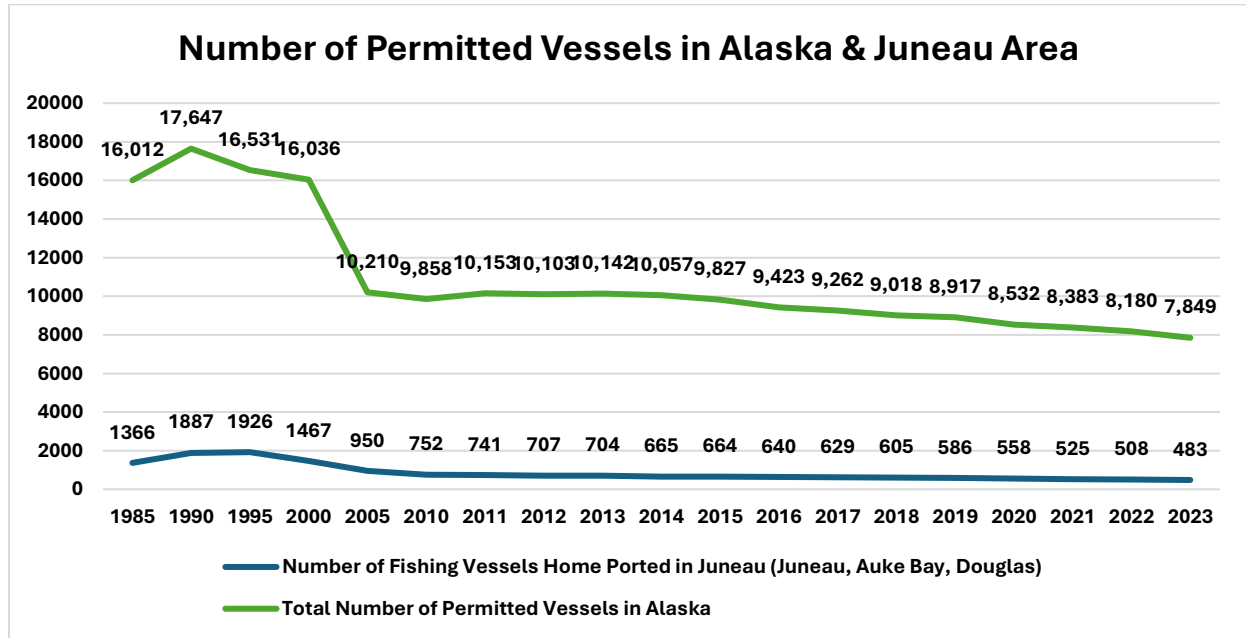
Source: AK CFECC

## Home Ported Vessels

The number of permitted vessels home ported in the Juneau area serves as another metric to track the overall trends within Juneau's fishing and seafood industry. The number of permitted vessels both statewide and within the Juneau area peaked during the 1980s and 1990s, with a significant drop-off from 2000-2005. In Alaska, the number of vessels declined by 5,826 from 2000 to 2005 (-36.3%). In Juneau, there was a decline of 517 vessels (-35.2%) in the same period. Since 2005, the number of permitted vessels has been steadily declining in Alaska & Juneau. In Alaska, there was a decline of 2,361



(-23.1%) vessels from 2005 to 2023. Juneau vessel counts have declined by 467 (-49.2%) within the same period, suggesting a more significant decline locally than statewide.



Source: AK CFEC

### Seafood Processing Employment & Earnings

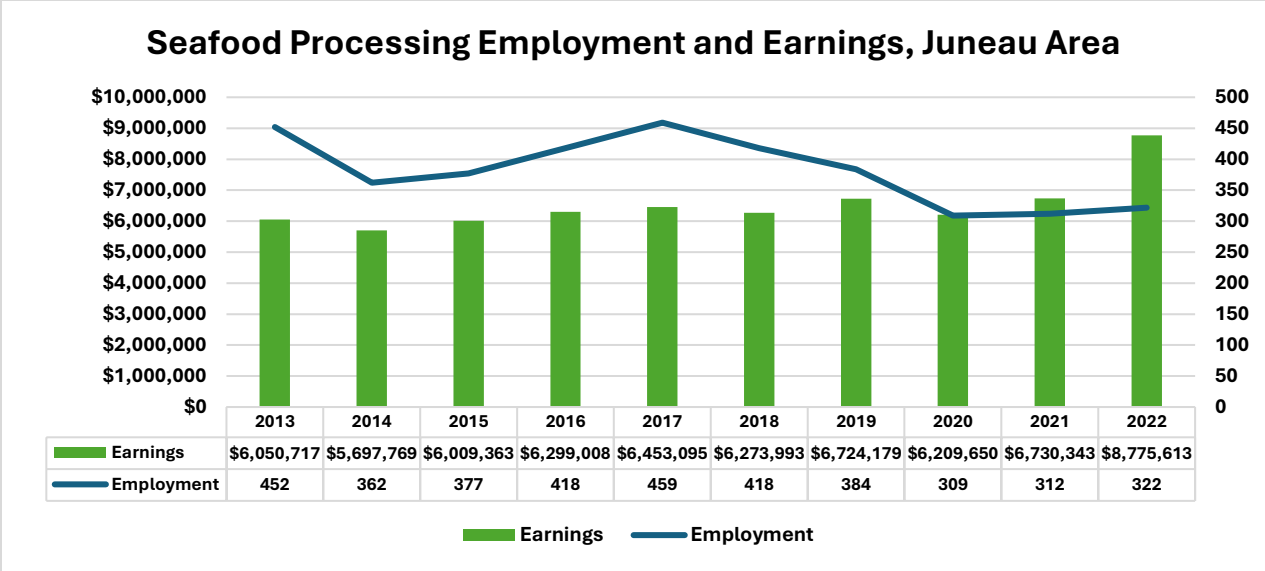
In addition to fishing, seafood processing plays a vital role in the fishing industry ecosystem. Six seafood processing plants in Juneau employed 322 individuals in 2022, with almost \$9 million in wages. As a result of the 2020 pandemic, Juneau’s seafood processing workforce fell by 75 (-19.5%) from 2019 to 2020 and only rebounded by 13 (4%) from 2020 to 2022. Despite this, wages were up by over \$2 million (+30.5%) from 2019 to 2022.

Much of Juneau’s seafood processing workforce is comprised of non-residents. In 2022, 62.7% of Juneau’s seafood processing workforce were non-residents. This is lower than most other Southeast communities, as illustrated in the following table.

#### Seafood Processing Nonresident Workforce in Southeast Alaska (2022)

Community	% Nonresident Workforce	% Nonresident Wages
Juneau	62.7%	45.0%
Sitka	76.5%	61.0%
Ketchikan	82.7%	67.3%
Prince of Wales-Hyder	86.7%	87.2%
Yakutat	40.4%	28.2%
Wrangell	57.1%	38.5%
Petersburg	81.5%	67.2%
Haines	75.0%	77.1%
Hoonah-Angoon	67.6%	61.9%

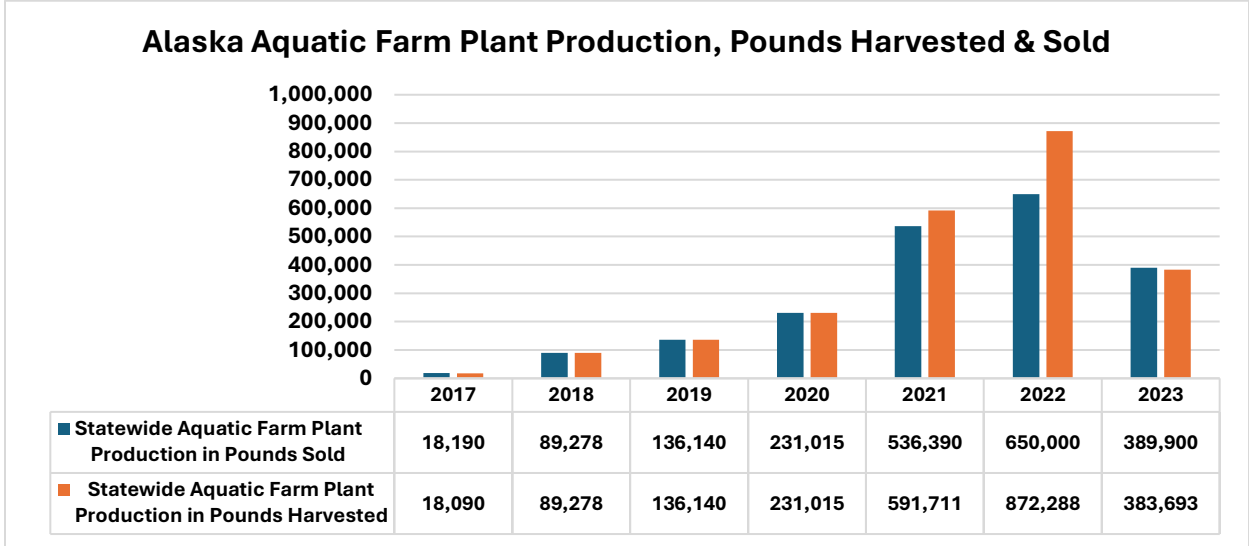
Source: Alaska Department of Labor, *Nonresidents Working in Alaska Report 2022*



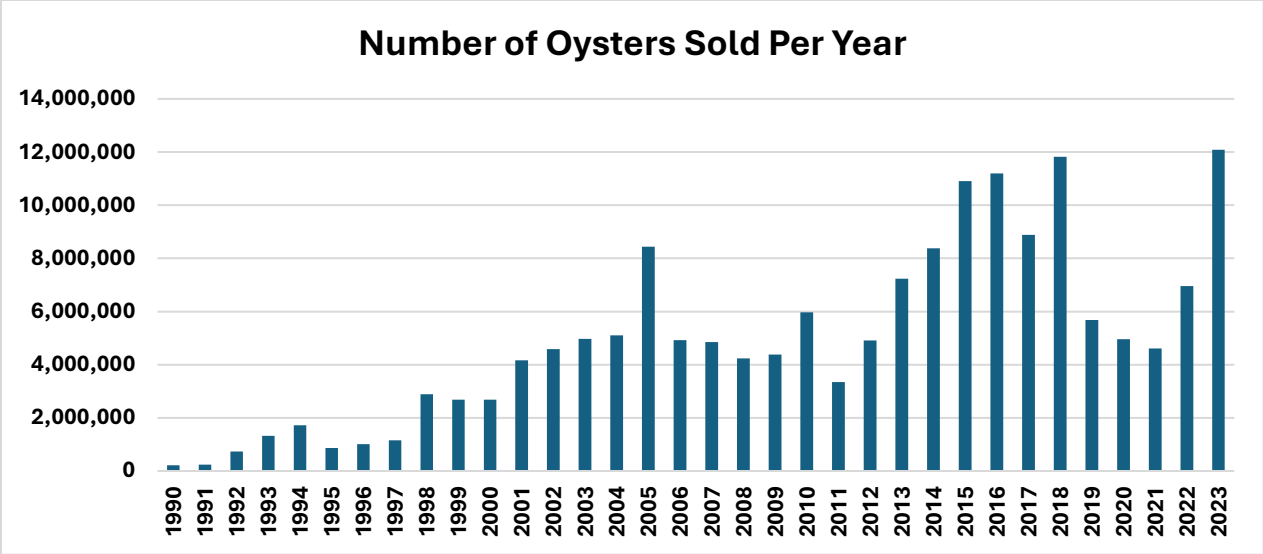
Source: AK DOL, *Nonresidents Living in Alaska Reports 2013-2022*

## Mariculture

Mariculture, or aquaculture, is an emerging industry within Alaska and the Southeast Region. Due to Alaska’s vast stretches of coastline, the area is conducive to aquatic plant and shellfish growth. Major products in Southeast Alaska include kelp and oysters. For Southeast Alaska in 2023, there were **28** active aquatic farm permits out of **60** total active permits statewide: **3** for aquatic plants, **14** for shellfish, and **11** with a combination of the two. Southeast Alaska possesses **368.77** out of the **645.12** total acres dedicated to aquatic farming, comprising **57.2%** of total statewide acreage. This makes Southeast Alaska by far the highest contributing region to mariculture within Alaska.



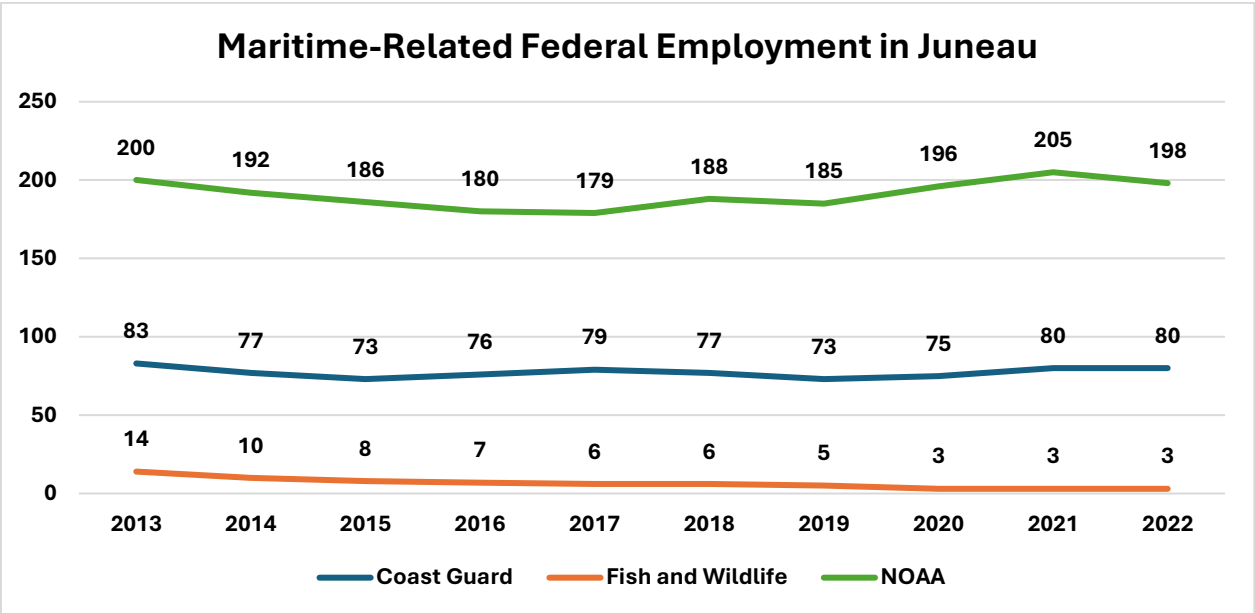
Source: Alaska Department of Fish & Game



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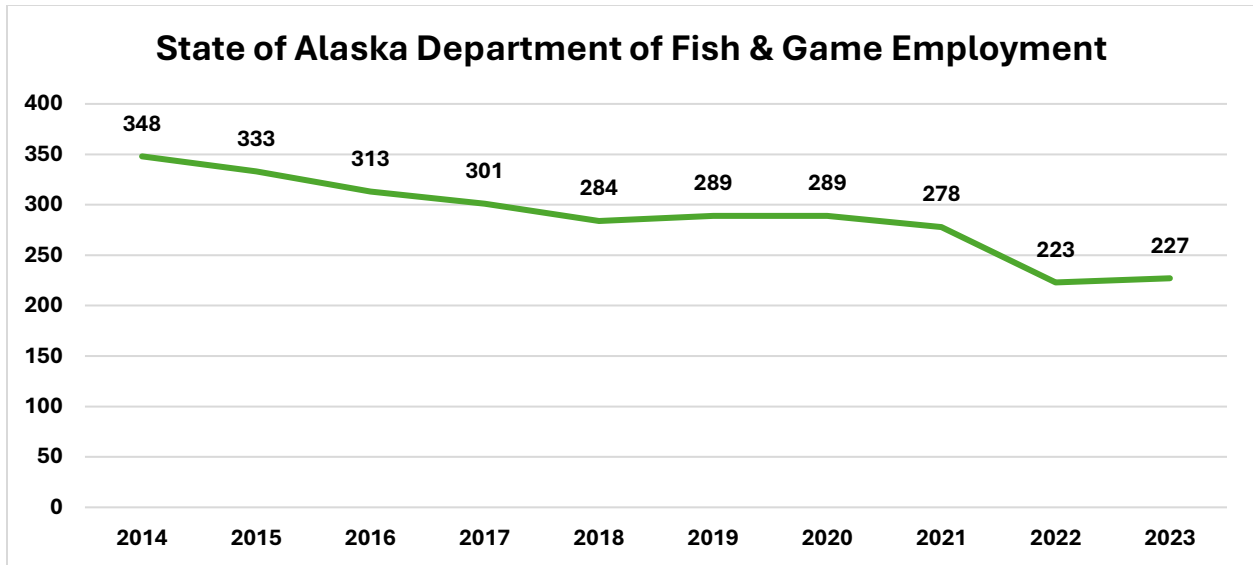
## State & Federal Employment

Federal departments relating to Juneau’s oceans include the U.S. Coast Guard, NOAA, and Fish & Wildlife. While the latter category has steadily declined over the past decade, going from 14 employees in 2013 to 3 in 2022, USCG and NOAA employment has remained steady overall, with some small year-to-year fluctuations. In this data set, US Coast Guard employment does not include active-duty personnel stationed in Juneau, and thus likely underestimates the local Coast Guard presence.



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

A count of State Executive Branch is taken on June 30<sup>th</sup> of each year. From 2014 to 2023, Alaska State Fish & Game jobs in Juneau have declined by 121 (-35%).

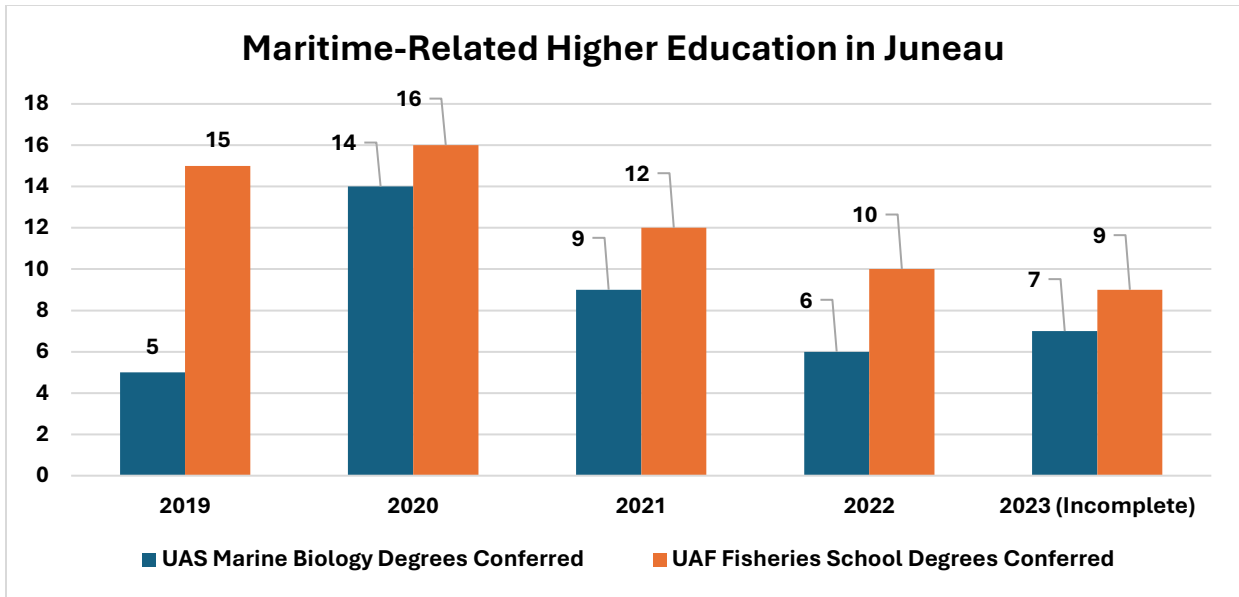


Source: Alaska Department of Administration, Employee Planning and Information Center.

## Education

The University of Alaska has a significant presence in Juneau when it comes to maritime-related education. The Marine Biology program at University of Alaska Southeast (UAS) was ranked #8 in the country by College Magazine in 2023 – the publication cites the ability for students to partake in funded independent research and its proximity to the University of Alaska Fairbanks (UAF) College of Fisheries, which provides opportunities for undergraduates to work with graduate-level students. The UAF College of Fisheries currently has 32 students pursuing MS and PhD fisheries and marine biology programs who are physically located at Juneau’s Lena Point Fisheries Facility. The UAS Marine Biology Program has 74 Marine Biology majors as of Fall 2023.

The figure below shows the number of degrees conferred annually for UAS Marine Biology undergraduate students and UAF Fisheries graduate students.



Source: UAS Department of Institutional Effectiveness, UAF College of Fisheries