

7.0 Economic Development

Sheinberg's notes in grey

GOALS

- ***Support and strengthen Haines' infrastructure, opportunities and services for existing businesses.***
 - ***Build the Haines' economy by providing infrastructure, opportunities and services that help create new jobs and revenue, build on local assets, and provide needed goods and services while maintaining public health, safety and welfare.***
 - ***Maintain a local business-friendly regulatory environment.***
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7.1 Introduction

Residents sent a strong message about economic development in this Plan's 2011 Community Opinion Survey when they listed the top two concerns facing Haines in the next five years as the economy (34%) and lack of jobs (14%).

In the survey, 45% of residents reported being employed full-time, year round with an additional 31% employed part-time or seasonally. Among employed respondents, 30 percent reported being self-employed. Three percent were unemployed and looking for work. Eighteen percent (18%) were retired. The majority (59%) of those who were employed part-time or seasonally said they would work more if they could.

To stabilize and provide more employment and business activity in Haines there are two primary strategies to employ:

- Retain and grow the industries and economic sectors currently providing employment and income. Strengthening existing services and businesses also leads to increased capture of local spending that could be escaping the community.
- Diversify the economy by attracting new industry and businesses.

This chapter contains:

1. Population, Housing and Future Growth Projections
2. Employment and Wage Data (data here but need to be organized and number of graphs reduced)
3. Haines' Unique Assets and Competitive Advantages (draft for review)
4. Economic Cluster Development (discussion item)

The following is not written yet; I want to have the Sept 22 discussion before developing more detail, as well as conducting some additional interviews

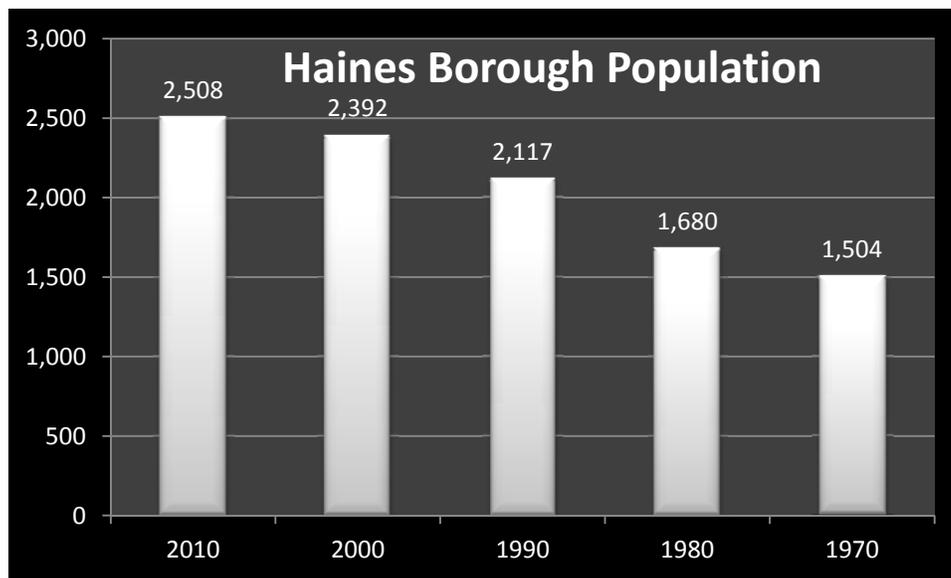
5. Strategies to keep money in Haines & Recirculate It
 - Local and Tribal Government
 - Businesses and Services: Buying Local
 - Arts & Cultural
 - Health Care and Wellness
6. Importing New Money
 - Trade-Transportation-Utilities
 - Fishing and Seafood Processing
 - Visitors: Three Types
 - Timber and Wood
 - Minerals
 - The “MailBox” Economy-Services, Goods and the Internet
 - Retirees & Second Home Residents
7. Economic development objectives and actions

7.2 Population, Housing and Future Growth Projections

Population

Haines Borough population has been slowly growing over time through the rate of growth has slowed in the last decade. During 2000 to 2010, the borough population increased by 116 people or just under half a percent annual growth (0.47%). During this time period however, Haines fared better than most parts of the region. Southeast Alaska lost 1,408 people over the last decade and while Juneau, it grew at a slower rate than Haines (0.18% annual average increase). Factors that have sustained growth in Haines include:

1. Mine data from socio-economics, regional trends and unique assets
2. Use data from COS on why people moved here and what they love about Haines
- 3.
- 4.



Source Data: ADOLWD

Within the Borough, the latest breakdown of where people live is from the 2010 US Census, showing that 68% live in the townsite area followed by 15% living out Haines Highway in Mosquito Lake and Covenant Life areas, followed by 8% in Mud Bay.

Haines Borough, Year 2010	pop	%
TOTAL	2,508	100%
Haines Townsite	1,713	68%
Mosquito Lake	309	12%
Mud Bay	212	8%
Remainder of Haines Borough	127	5%
Covenant Life	86	3%
Lutak	49	2%
Excursion Inlet	12	0%

Source Data: 2010 US Census

Haines Borough, Year 2010	Total	Male	Female
Total	2,508	1,274	1,234
Under 5 years	128	61	67
5 to 9 years	135	62	73
10 to 14 years	141	84	57
15 to 19 years	135	64	71
20 to 24 years	79	41	38
25 to 29 years	115	55	60
30 to 34 years	131	67	64
35 to 39 years	144	70	74
40 to 44 years	161	83	78
45 to 49 years	228	119	109
50 to 54 years	250	132	118
55 to 59 years	274	140	134
60 to 64 years	242	131	111
65 to 69 years	138	70	68
70 to 74 years	78	37	41
75 to 79 years	67	28	39
80 to 84 years	32	19	13
85 years and over	30	11	19
Median age and population of selected age groups			
Median age	46.9	47.2	46.5
Population 16 years and over	2,070	1,053	1,017
Population 18 years and over	2,009	1,026	983
Population 21 years and over	1,960	999	961
Population 62 years and over	479	241	238
Population 65 years and over	345	165	180

Housing

The number of dwelling units to house the growing population has increased over time from 1,112 dwellings units in Haines Borough in 1990 to 1,631 in 2010. In both year 2000 and 2010, 69-70% of all homes were occupied and 29-30% were vacant. About 20% of the housing in Haines are vacation homes.

Haines Borough, Year 2010	Number Dwelling Units	%
Total Dwelling Units	1,631	100%
Occupied Dwelling Units	1,149	70%
Vacant for rent	51	3%
Vacant for sale	21	1%
Vacant seasonally (vacation homes)	345	21%
Other vacant (usually rundown, abandoned)	65	4%

Source Data: 2010 US Census

In 2010, the average number of persons per household in Haines is 2.2 and the average number of persons per family household is 2.7.

Population Projection

The Alaska Department of Labor and Workforce Development (ADOLWD) prepared 30-year State population projections in 2007 and 2009 (update), based on historical data on Alaska’s population size and rates of fertility, mortality and migration. The report authors acknowledge the high uncertainty of the projections in smaller population areas, “With population projections of smaller areas, there is a much higher level of uncertainty. Inter-borough migration, highly specific policy and economic factors, and unique historical events all play an important role. Single projections, based on recent trends, are presented at the borough/ census area level. Users of this data should be aware that there is a high degree of uncertainty regarding the future of these area populations. Countless factors could sway many of these populations dramatically.”

Indeed, the 2007 and 2009 projections for Haines Borough seem to get farther away from the actual 2010 population, which would tend to compound the projection error over time. The state forecasts the year 2034 Haines Borough population as 1,151 (low), 1,422 (medium), and 1,698 (high), which translates to average annual declines (from 2010) of -3.25%, -2.36%, and -1.63% . These rates are unprecedented and the forecasts seem inaccurate. One key factor is these projections are based in part on declining numbers of annual births and an aging population.

An important message for Haines is to do all it can to be “family-friendly” to attract and retain the “Millennial Generation” (also known as “Gen-Y” or the “Echo Generation” - echo of the baby boomers) so that the community’s annual birth rate does not decline. These individuals are born between 1982 and 1995 (16 to 29 years old today). Research has shown that Gen Y individuals have grown up with “choices” and continue to seek choice; are used to instant communication and seek places with excellent wireless and internet capacity and speeds; and compared to their parents are both more racially and culturally tolerant and more environmentally concerned.

ACTUAL RATE OF GROWTH

1980 to 2010 average annual rate of growth:	1.34%
1990 to 2010 average annual rate of growth:	0.85%
2000 to 2010 average annual rate of growth:	0.47%

Need to add text to explain this....

STATE FORECASTED RATE OF GROWTH (2009 PROJECTION)

2029 low - average annual rate of growth:	-2.59%
2029 Medium - average annual rate of growth:	-1.72%
2029 high - average annual rate of growth:	-0.99%

HAINES COMP PLAN FORECAST

Using 0.85% annual rate of growth, population in 2030 will be:	2,971
At 0.47% per year population in 2030 will be:	2,756

7.3 Employment and Wage Data

Reviewing the data in this section reveals a few interesting facts about the local economy.

Haines Borough's per capita income was the fourth highest in the State of Alaska in 2008, affirming the impact of "mailbox" payments and other entrepreneurial-based income for residents. Borough-level data is not available yet for 2010, but per capita income for the US and Alaska has fallen since 2008.

Haines' population has grown slightly over the last decade (+116) while the number of jobs has been flat over the decade, or, if reviewed against the mid-2000's peak, has declined by about 55-65 jobs (depending on source). Employment wages have grown very slightly.

Haines has a higher percentage of private sector jobs, and a higher percentage of goods-producing jobs than does Alaska, Southeast Alaska or Juneau.

However, because government jobs (especially federal) tend to be relatively high-paying this also is one reason Haines' average wage is less than these places.

Haines is less dependent on federal jobs, wages and revenue than most other places in Southeast Alaska.

Current Employment Trends

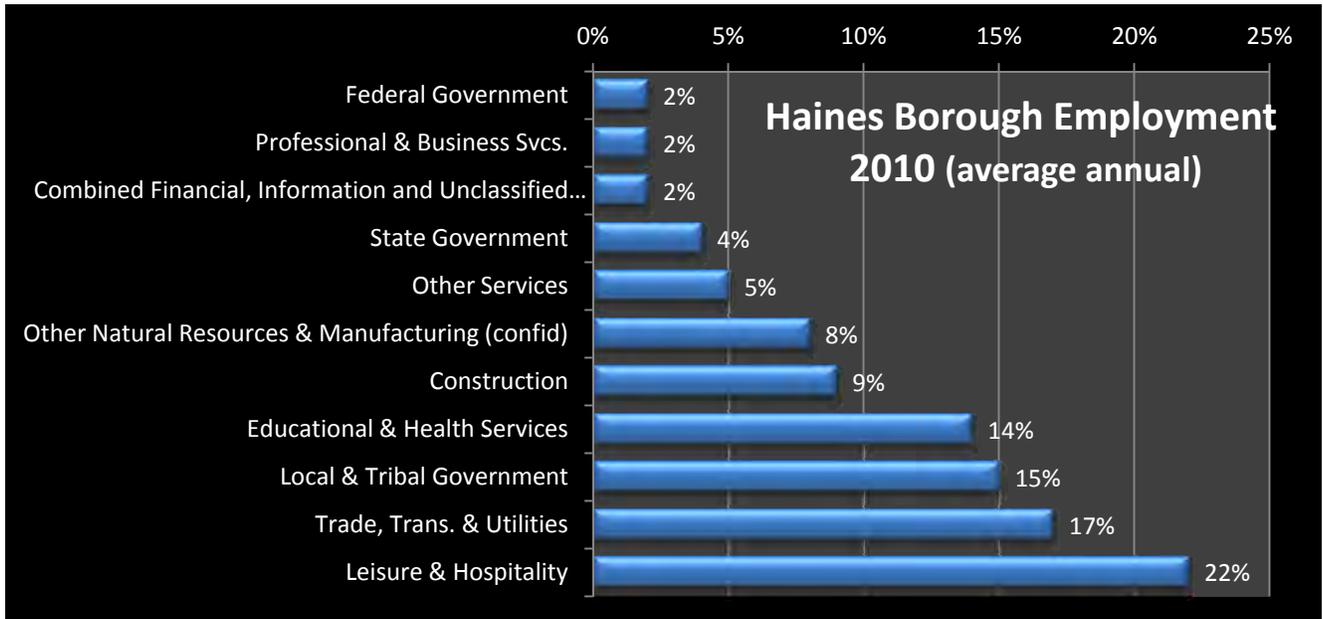
Overall employment in Southeast Alaska has grown slightly since 2001, gaining about 500 average annual jobs from 35,950 in 2001 to 36,450 in 2009. Economic sectors showing the most growth (Table 4-1) are Education and Health Services, Professional and Business Services, and Local and Tribal Government. Sectors with the largest employment declines are Information, Construction and Leisure and Hospitality.

This section presents a lot of data. Next version will be revised to trim some graphs and tell the story better.

The most recent complete employment dataset for Haines is from 2010. In 2010, there were 995 average annual jobs in Haines. Private sector employment accounted for 79 percent while government employment was 21 percent. Note that these numbers only include wages for employees so excludes self-employed individuals such as fishermen and business owners. The top four employment sectors in Haines are 1) Leisure and Hospitality, 2) Trade-Transportation-Utilities, 3) Local and Tribal Government, and 4) Education and Health Services.

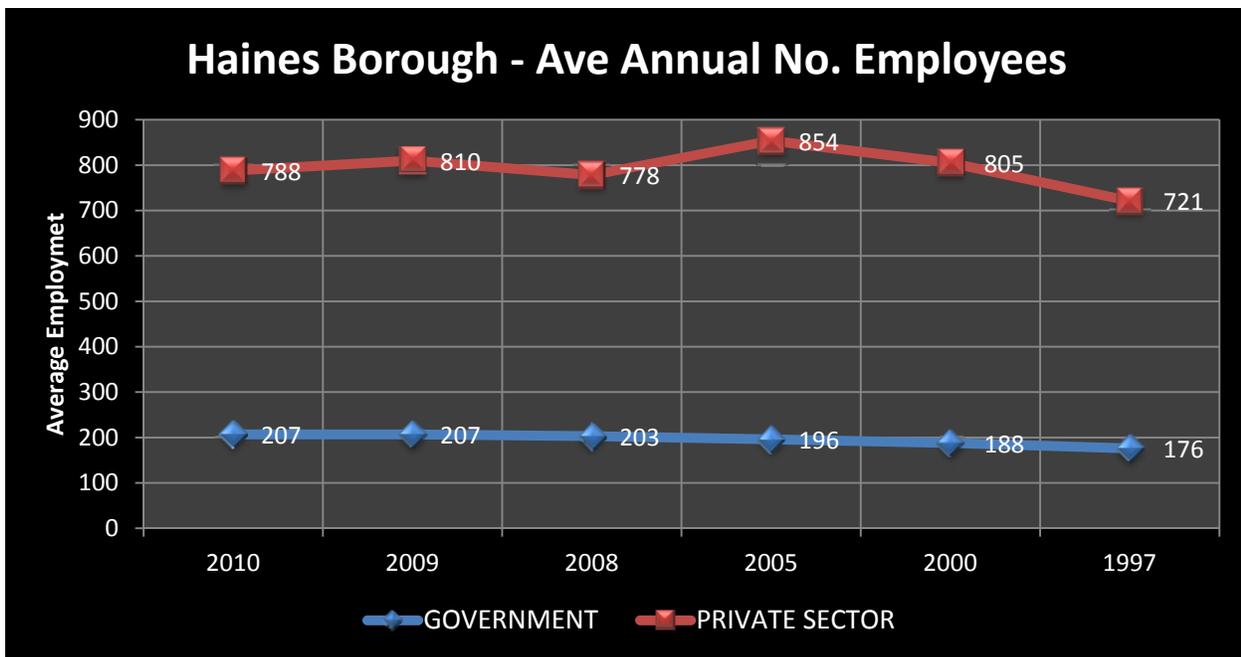


sources: ADOLWD

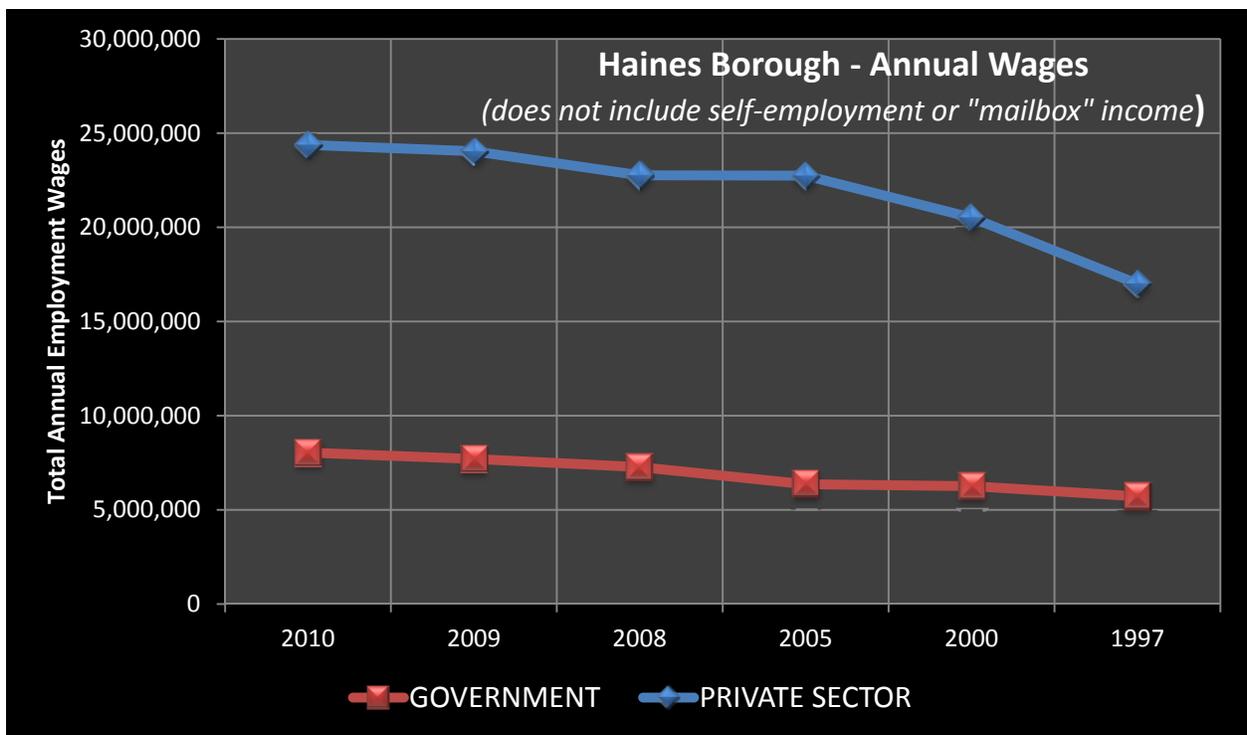
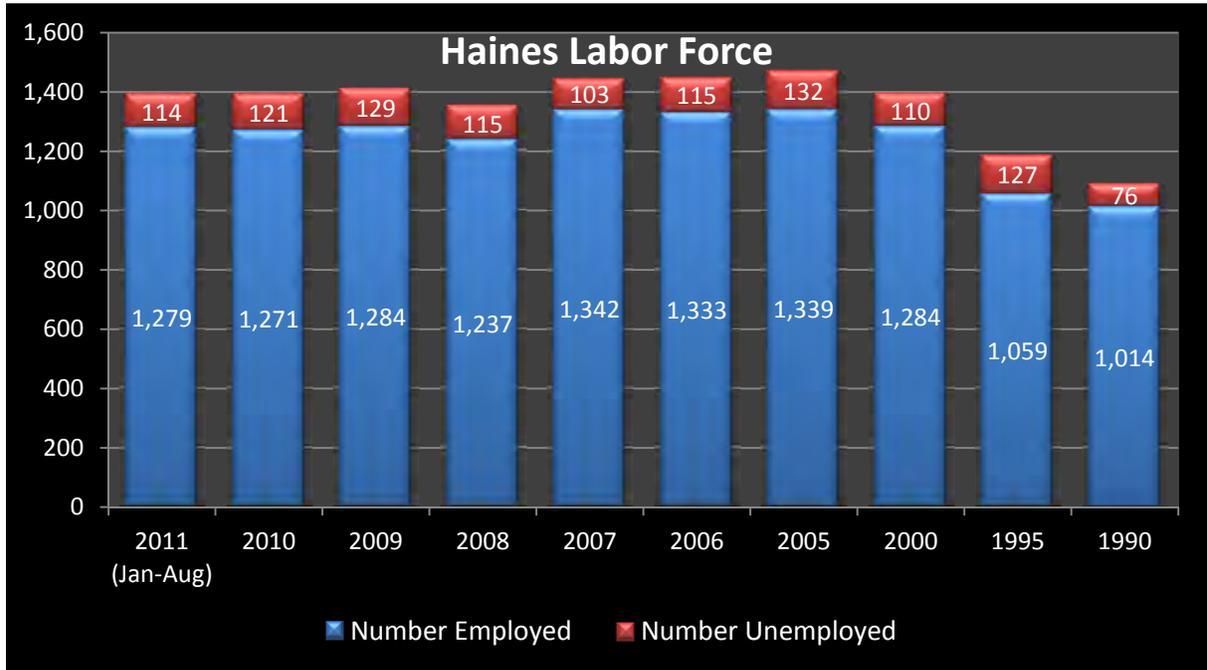


2010 Employment and Wages	Southeast			
	Alaska	Alaska	Juneau	Haines
Government	26%	37%	41%	21%
Private Sector	74%	63%	59%	79%
Goods producing	14%	11%	9%	17%
Services producing	61%	89%	50%	62%
Average Monthly Wage	\$3,977	\$3,308	\$3,673	\$2,715
<i>Source: ADOLWD</i>				

Looking at private sector jobs in Haines in 2010, 17% are created by goods-producing employers. Nine percent of these are in the construction sector, but there are not enough employers to break-out where the other 8% of goods producing employers. These jobs are from eight employers in manufacturing, three in mining and one in agriculture-forestry-fishing-hunting. Private sector service-producing employers accounted for 62% of total employment. Government employment accounts for 21% of all jobs, and local and tribal government are the top employers there.



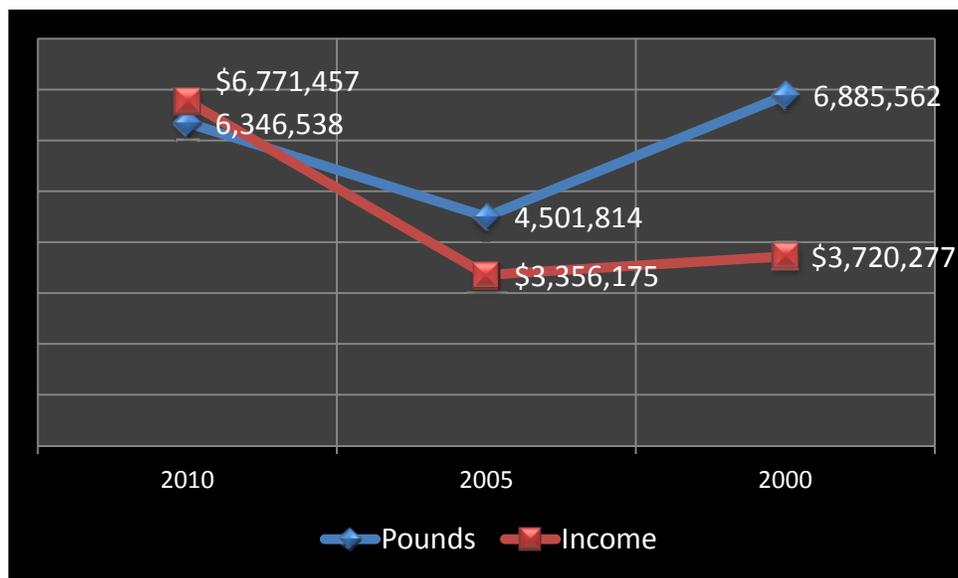
There is an additional dataset from ADOLWD based on an employment and unemployment information. This dataset includes paid employees as well as those working in their own businesses. Each person is counted once even if they hold two jobs. That data (below) for shows more total workers, and also shows unemployment number, which in 2010 was 8.9%. Like other ADOLWD datasets this shows that the Haines labor force peaked in mid-2000's and has essentially been flat when viewed over the last decade.



Commercial Fishing

Fisheries Permit Holders – Haines Borough			
	2010	2005	2000
Crab	8	10	13
Halibut	27	39	51
Herring	5	4	6
Other Groundfish	8	20	31
Other Shellfish	19	21	23
Sablefish	8	8	10
Salmon	84	84	94
TOTAL	107	115	127

Fisheries Total Pounds and Income – Haines Borough						
	2010		2005		2000	
	Pounds	Income	Pounds	Income	Pounds	Income
Crab						
Halibut	457,362	\$1,604,763	291,512	\$878,173	302,938	\$778,252
Herring						
Other Groundfish	28,556	\$96,478	X	X	161,003	\$90,041
Other Shellfish						
Sablefish						
Salmon	4,898,573	\$4,238,839	3,896,513	\$2,079,969	X	X
TOTAL	6,346,538	\$6,771,457	4,501,814	\$3,356,175	6,885,562	\$3,720,277



2010 Per Capital Personal Income	
United States	\$40,584
Alaska	\$44,174
2008 Per Capital Personal Income	
United States	\$40,673
Alaska	\$44,395
1. North Slope Borough	\$66,664
2. Skagway, Municipality of	\$62,685
3. Bristol Bay Borough	\$53,630
4. Denali Borough	\$53,131
5. Haines Borough	\$52,887
6. Ketchikan Gateway Borough	\$52,030
7. Anchorage Municipality	\$49,805
8. Juneau, City and Borough of	\$48,435
9. Valdez-Cordova Census Area	\$45,687
10. Yakutat Borough	\$44,168
11. Southeast Fairbanks Census Area	\$43,432
12. Sitka Borough	\$41,872
13. Kodiak Island Borough	\$41,617
14. Wrangell-Petersburg Census Area	\$41,514
15. Kenai Peninsula Borough	\$39,986
16. Fairbanks North Star Borough	\$38,969
17. Matanuska-Susitna Borough	\$38,657
18. Hoonah-Angoon Census Area	\$38,066
19. Dillingham Census Area	\$37,377
20. Lake and Peninsula Borough	\$36,665
21. Aleutians West Census Area	\$36,127
22. Nome Census Area	\$33,254
23. Aleutians East Borough	\$32,168
24. Yukon-Koyukuk Census Area	\$31,187
25. Northwest Arctic Borough	\$31,168
26. Bethel Census Area	\$29,010
27. Prince of Wales-Outer Ketchikan Census Area	\$28,359
28. Wade Hampton Census Area	\$20,177

NOTES: Personal income is the income that a person receives from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, minus contributions for government social insurance.

This measure of income is calculated as the personal income of the residents of a given area divided by the resident population of the area. In computing per capita personal income, BEA uses the Census Bureau's annual midyear population estimates.

[Source U.S. Bureau of Economic Analysis \(BEA\)](#)

Land Ownership Patterns

	Southeast Alaska	Haines
Federal	94.6%	71.4%
State	2.4%	27.1%
Local Govt & Private	0.30%	1.3% (0.07%-Hns, 1.33% -private)
Native Corp	2.7%	-

7.4 Fourteen Unique Assets or Competitive Advantages

Economic diversification should take advantage of existing or strategic assets that Haines already possesses where possible. Fourteen assets or competitive advantages are identified and explored in this section, including:

1. Roads and ports are connected to the US-Canadian system, the road network is more extensive than most of Southeast Alaska, and is recognized for its scenic value.
2. Haines Borough has more State and less federal land than any other part of Southeast Alaska. From a regulatory viewpoint it is easier to access, recreate and use State land compared to federal land, creating a unique asset for Haines. Haines borough is home to one of only three State Forests (the 3rd was constituted in 2010).
3. Haines is “ahead of the curve” on value-added forest industries.
4. The primary energy source is hydroelectric power, which is cheaper and produces significantly less greenhouse emissions than petroleum based energy. (Non-diesel winter power sources must be developed though.)
5. Haines successfully hosts several long-standing festivals that regularly bring regional to international visitors to the community.
6. Haines is known and valued by both residents and visitors as a year-round recreation destination.
7. Both Alaskans from the north and Lower 48 residents from the south view Haines as a destination for retirement or vacation homes.
8. Haines is oriented toward business; it has a higher percentage of private sector jobs than Juneau, Southeast or Alaska, and exhibits an entrepreneurial approach with about 10% of households engaged in businesses that sell products or services over the internet.
9. A significant number of Haines residents are somewhat sheltered from the current tough economy as about one-third receive regular “mailbox” income.
10. There are excellent schools and the community values education.
11. Volunteerism and civic engagement is valued and participation rates are very high.
12. There are more health care assets and services for seniors citizens than in comparable towns.
13. Haines borough is in a mineral-rich belt with active mines to the north and south.
14. Haines’ rich, deep, and diverse history and culture are assets lived by residents and celebrated by multiple local events, artists, musicians, and museums. The Haines Library is a welcoming facility with high community patronage that has won numerous awards including Best Small Library in America (need to get title right).

7.5 Economic Cluster Development

Economic development in Alaska and nationally is centering around economic clusters. An economic cluster is a set of businesses in the same or related field that are located near one another. These businesses compete with one another but also complement one another. They share a reliance on regional knowledge and on the regional labor market and draw productive advantage from their mutual proximity. They are linked by their buyer-supplier relationships and by their shared reliance on the six foundations of the Southeast Alaska economy (or indeed, any economy): human resources, technology, access to capital, business climate, physical infrastructure, and quality of life and social capital.

The Juneau Economic Development Council recently completed a Southeast Alaska Economic Asset Map and facilitated several Cluster Working Groups on behalf of the USDA. The economic asset map identified 12 regional clusters of economic activity, each with a unique combination of employment concentration and industry growth that together represent 74% of all private sector jobs in Southeast Alaska. These clusters are:

Star Clusters (higher than average employment concentration in the region, in growing markets)

- Arts and Entertainment
- Social Assistance
- Forestry and Logging
- Real Estate

Opportunity Clusters (lower employment concentration than average, but in growing markets)

- Advanced Business Services
- Health Care
- Construction

Mature Clusters (higher employment than average, but in slower growing markets)

- Fishing and Seafood Processing
- Mining
- Ship and Boat Building
- Transportation and Tourism

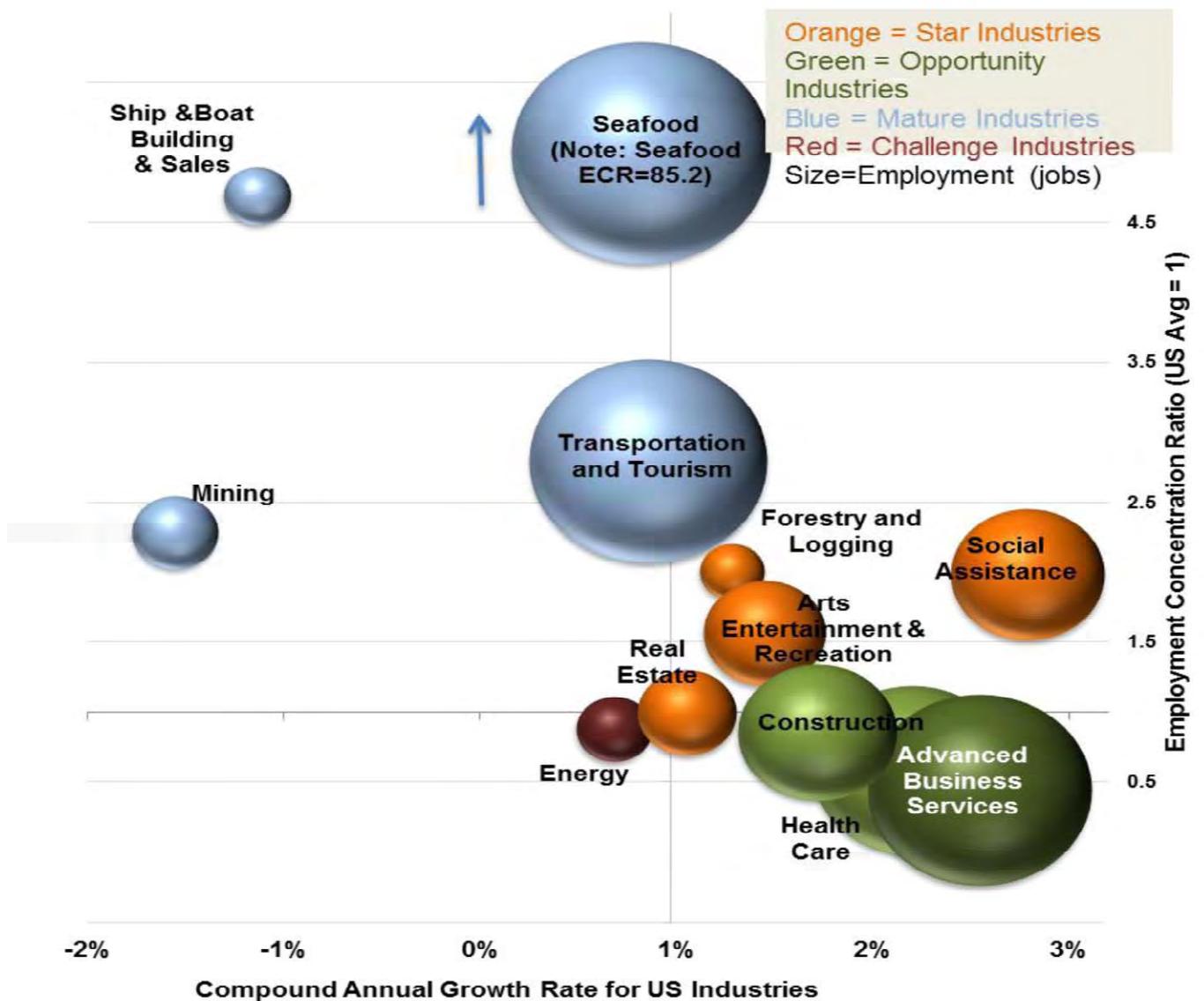
Challenge Clusters (low employment concentration and in slow growth markets)

- Energy

Economic clusters focus on private sector activity for job creation; however, they recognize that private sector activity – particularly in Alaska where the federal and state governments own and regular so much of the land and resources – is most successful when the government, workforce development and schools, trade associations and others work collaboratively and develop a strong base or foundation to ‘build’ jobs upon.

Another way to review and consider Southeast Alaska’s cluster of economic activity is on the bubble diagram below.

Southeast Alaska Clusters



Sources: Alaska Department of Labor, U.S. Bureau of Labor Statistics, JEDC Analysis

From Town Meeting

Q1. What are Haines' Unique Assets

Good school and Teachers
Senior housing and senior center
Assisted living center
Rural town but on the road system
Excellent emergency services for a town that needs expertise to get us to a higher level of care when needed
Community and their willingness to contribute and volunteer
Road access (unique for Southeast)
Outdoor access (and beautiful outdoors)
Good kids
Intimate Community
Proximity to Canada
Proximity to land travel options
Pristine natural beauty
Two runs of each salmon
High-achieving students
SE Alaska State fair and related activities
Natural beauty
Natural resources including possibility of subsistence
Deep water port
Natural beauty
Road access
Large forest
Rich minerals

Q2. What are Haines' Competitive Advantages

Beautiful natural environment
Road access
Ferry access
Seaport
Road access, sea access and interconnectivity
Connectedness within the community. It is important to focus this in healthy ways including addressing alternative means of transportation.
Proximity of services - walkable and bikable
Passionate residents eager to share skills and knowledge
Beauty
Harriett Hall meeting room
Natural beauty and quality of outdoor experiences
Artists, musicians, galleries and performances
Ability to connect to Canada and Interior Alaska via the road
Access to marine shipping with deep water port
Mineral and logging potential
Workers available/looking for employment

Economic Development comments from Town Meeting

Economic Development

Scenic biking for Haines Highway

Mountain bike park/jump park/skills parks like in Whitehorse and Carcross

Attracting people and families that bring their own jobs is paramount. Haines is already amazing, how can we make it more attractive to the self employed who can be anywhere. Improved internet and communications.

Fix and promote Chilkat Center for the Arts

Rec center will attract people

Alternate energy development

Ski area

Jobs will attract people.

I like that heli-skiing attracts an international clientele which adds flavor

Year-round resources. Its hard to market to bring people to Haines in October and early March because everything is closed.

More public art

Play up the arts community; displays, workshops and retreats.

Low cost electricity would help (such as Connelly Lake Hydro)

Natural scenery and views - presentation.

More focus on arts events, Chilkat center and arts business, seminars, etc.

Develop scientific institutions; research bases for tidal energy and other marine research.

Need a hydro power source on the west side of Lynn Canal so not dependent on undersea cable. Source should be large enough to meet energy needs of Haines Borough year round (with no diesel). Connelly Lake is a good source. Hydro power projects have not harmed fisheries and have enhanced it in places.

Hydro is important. Look at areas other than Connelly Lake.