

# Economic Impact of Seafood Industry in Southeast Alaska

The Southeast region includes the City and Borough of Yakutat and all other Alaska borough and census areas to the south. In 2011, Southeast Alaska's population totaled 73,715 residents. The region produced \$641 million worth of seafood (in first wholesale terms) in 2011.

The seafood industry directly employs about 13,500 individuals within the region and generates an estimated \$321 million in labor income. On an average monthly basis, the seafood industry directly creates 6,500 jobs. The commercial fleet consists of 2,300 vessels and the region contains 45 registered shore-based processing facilities.

## Seafood Industry in Southeast Alaska: Direct Employment and Earnings, 2011

	Total Participation Within Southeast Fisheries	Regional Resident Participation in Alaska Seafood Industry
<b>Commercial Fishing</b>		
Number of Fishermen	6,600 <sup>1</sup>	4,690
Active CFEC Permit Owners	N/A	2,110
Crew Members	N/A	2,580
Number of Commercial Vessels	2,300	N/A
Equivalent Monthly Avg. Employment	3,900	2,600
Estimated Labor Income (in \$Millions)	\$176	\$147
Harvest Value (in \$Millions)	\$341	\$236
<b>Seafood Processing</b>		
Number of Workers	5,700	880
Average Monthly Employment	1,600	650 <sup>2</sup>
Wage and Salary Earnings (in \$Millions)	\$62	\$22
First Wholesale Value (in \$Millions)	\$641	N/A
<b>Government, Salmon Hatcheries, and Tender Operators</b>		
Number of Workers	1,200	1,150
Average Monthly Employment	1,000	950
Labor Income and Benefits (in \$Millions)	\$83	\$81
<b>Total Seafood Sector</b>		
Number of Workers	13,500	6,720
Equivalent and Average Monthly Employment	6,500	4,200
Total Estimated Labor Income (in \$Millions)	\$321	\$250

<sup>1</sup> The number of commercial fishing workers in each region has been estimated by the authors based on the number of active vessels present in the region, the type of fisheries found in the region, and the number of local resident commercial fishermen. Data to ascertain the exact number of workers is not possible because crew member participation is not tracked by fishery or region.

<sup>2</sup> Estimate based on ratio of resident earnings to total earnings.

Source: ADFG, DOLWD, ADOA, and McDowell Group estimates.

Southeast Alaska produces salmon, halibut, black cod, crab, and other shellfish species. Commercial fishing accounts for the majority of the earnings and employment associated with the industry, but Southeast Alaska also has 11 salmon hatcheries and is the administrative home for state and federal agencies that manage fisheries.

Residents make up about half of the region’s seafood industry workforce, but account for 78 percent of the industry’s labor income. On an average monthly basis, the seafood industry directly creates 6,500 jobs, most of which are held by local residents. Southeast Alaska features a large number of “direct support” workers due to the region’s salmon hatcheries and prevalence of government operations.

Including multiplier effects, the commercial seafood industry created year-round and seasonal jobs for 17,500 workers who earned an estimated \$468 million in labor income during 2011 in Southeast Alaska. On an average monthly basis, the commercial seafood industry created 9,650 jobs in Southeast Alaska.

### Total Economic Impact of the Commercial Seafood Industry in Southeast Alaska, 2011

	Direct Impacts	Indirect and Induced Impacts	Total Impacts
<b>Commercial Fishing</b>			
Estimated Number of Workers	6,600	1,800	8,400
Equivalent Monthly Avg. Employment	3,900	1,400	5,300
Estimated Labor Income (in \$Millions)	\$176	\$79	\$255
<b>Seafood Processing</b>			
Number of Workers	5,700	1,200	6,900
Average Monthly Employment	1,600	900	2,500
Labor Income (in \$Millions)	\$62	\$31	\$93
<b>Government, Salmon Hatcheries, and Tender Operators</b>			
Number of Workers	1,200	1,000	2,200
Average Monthly Employment	1,000	850	1,850
Labor Income (in \$Millions)	\$83	\$37	\$120
<b>Total Seafood Sector</b>			
Number of Workers	13,500	4,000	17,500
Average Monthly Employment and FTE’s	6,500	3,150	9,650
Total Estimated Labor Income (in \$Millions)	\$321	\$147	\$468

Source: McDowell Group estimates based on ADFG, NMFS, ADOLWD, and IMPLAN data.

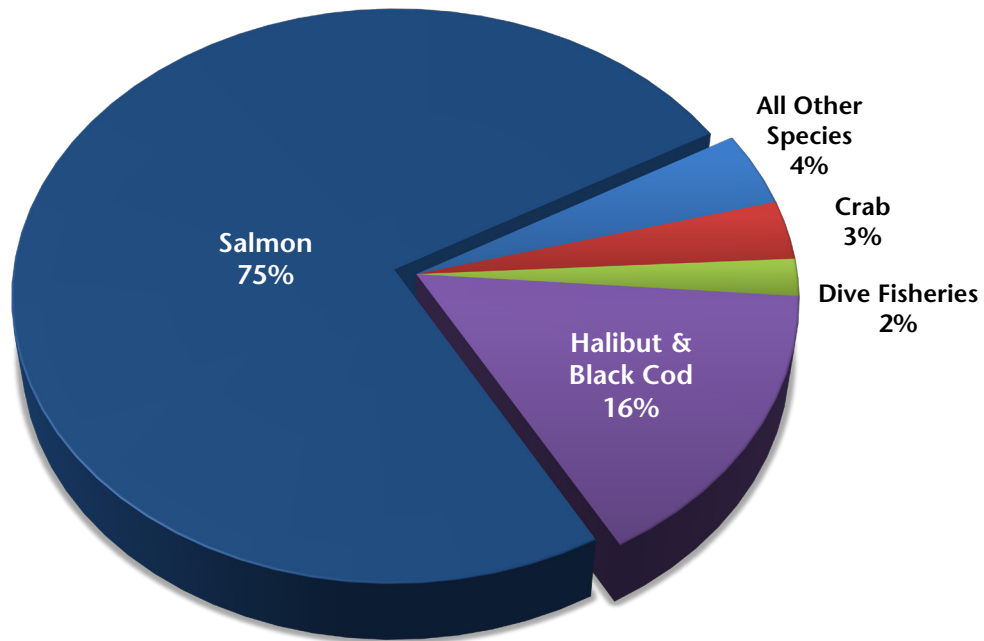
Southeast Alaska’s seafood industry included about 2,300 active commercial fishing vessels in 2011, and all but 444 of them landed salmon that year. Many of these vessels participate in multiple fisheries. The number of vessels participating in regional commercial fisheries during 2011, broken out by species, is as follows:

- Salmon (1,857)
- Shellfish (475)
- Halibut and Black Cod (627)
- Herring (95)

Salmon accounted for 75 percent of the region’s total wholesale value in 2011. As a result, the salmon fishery drives most of the economic effects associated with the commercial seafood industry in Southeast Alaska. Halibut and black cod account for 16 percent of the region’s total wholesale value, and provide fishermen with an important secondary source of income. Many salmon fishermen participate in halibut and black cod

fisheries in the spring prior to the summer salmon season. Dive fisheries, crab fisheries, and herring fisheries also provide income for fishermen and processors.

### First Wholesale Value of Southeast Alaska Seafood, by Species, 2011



Source: ADFG (COAR data).

#### REGIONAL SPOTLIGHT: SALMON HATCHERIES

Southeast Alaska salmon hatcheries produce salmon fry for regional commercial, sport, and personal-use fisheries. The hatcheries use wild-stock salmon to breed fry in an effort to improve riparian survival rates (before the fish migrate to the open ocean).

Southeast's 11 salmon hatcheries employ roughly 250 workers and create 160 jobs (on an average monthly basis) per year. However, their impact goes far beyond these direct employment totals. Hatcheries typically account for 15 to 30 percent of the region's salmon harvest and are especially important for the region's gillnet and seine fleet.



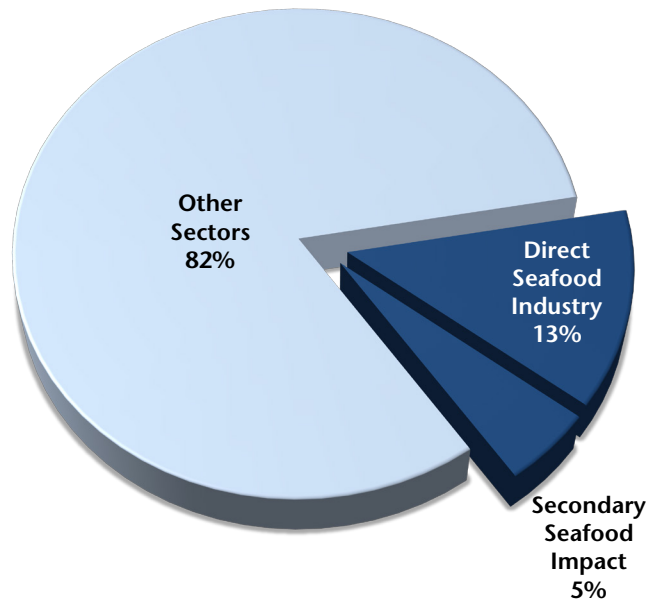
Workers at DIPAC salmon hatchery in Juneau, Alaska.

Southeast Alaska produces large numbers of pink salmon in odd-numbered years. Most hatchery-bred salmon caught in commercial fisheries consist of chum salmon. Chum salmon production helps offset the odd-even pink salmon abundance cycle. This provides fishermen and processors with a valuable source of raw material, especially in even-numbered years when pink are harvests are low.

## Role of Seafood Industry in Southeast Alaska Economy

The seafood industry directly accounted for 13 percent of all labor income earned in Southeast Alaska during 2011. Indirect and induced effects associated with the commercial seafood industry accounted for an additional 5 percent of total labor income. In total, the seafood industry accounted for 18 percent of all labor income earned in Southeast Alaska during 2011.

### Economic Impact of Seafood Industry in Southeast Alaska, Labor Income, 2011



Source: McDowell Group estimate compared to BEA data.

The commercial seafood industry also helps to decrease the cost of living in Southeast Alaska. Seafood is a significant source of backhaul for regional barge operators. Revenue from exporting seafood out of the region covers some of the cost associated with bringing other goods into the region – an important consideration given that most Southeast communities are not connected by any road system.

Commercial fishing also benefits the Ketchikan Shipyard. The state-owned facility is managed by Vigor Industrial and supports 160 full-time equivalent jobs that are primarily filled by local residents. The seafood industry represents 25 to 30 percent of the shipyard's business and company management sees a growing potential for servicing CDQ vessels and replacing older Bering Sea vessels.



Construction of the 136' F/V Arctic Prowler in Ketchikan, Alaska.