



The Role of Visitors in Alaska's Economy

Prepared for:

Alaska Chamber

October 25, 2018



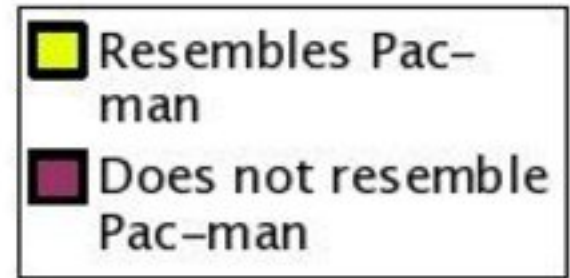
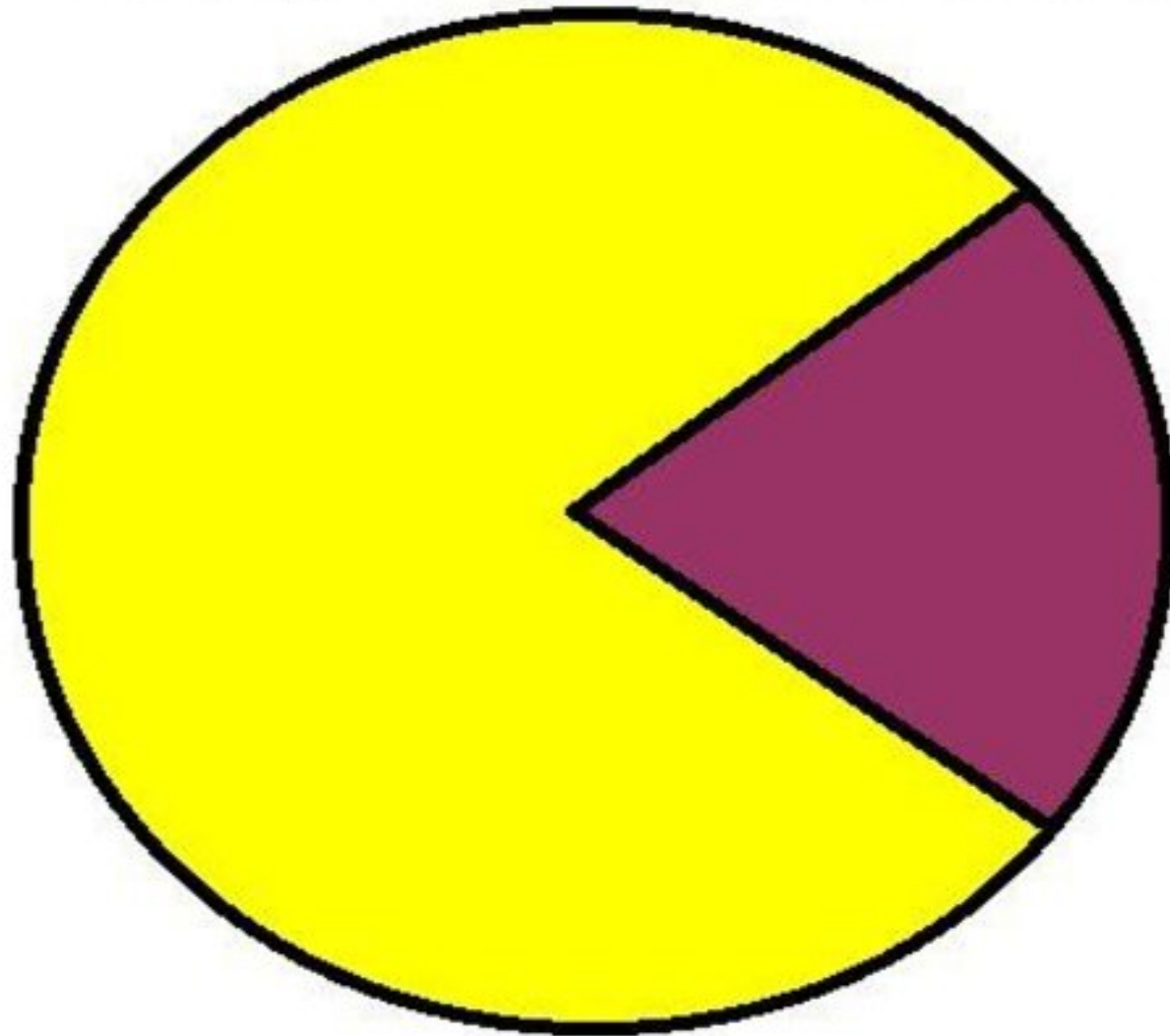
McDowell Group

- Multidisciplinary research and consulting firm since 1972
- 19 professional staff in Anchorage, Juneau, and Bellingham
- Tourism clients include:
 - State/Federal agencies (DCCED, AMHS, Alaska Railroad, NPS)
 - DMOs and municipalities (Anchorage, Fairbanks, Juneau, Ketchikan, Sitka, Kodiak, Haines, Valdez, Kenai, Mat-Su)
 - Alaska Native Organizations (Ahtna, Huna Totem, Shee Atika, Goldbelt, Sealaska, Aleutian Pribilof Islands Association)
 - Industry associations (ATIA, CLIA-Alaska, SEATrails, sportfishing groups)
 - Large and small cruise lines
 - Other private companies (hotels, tours, attractions)

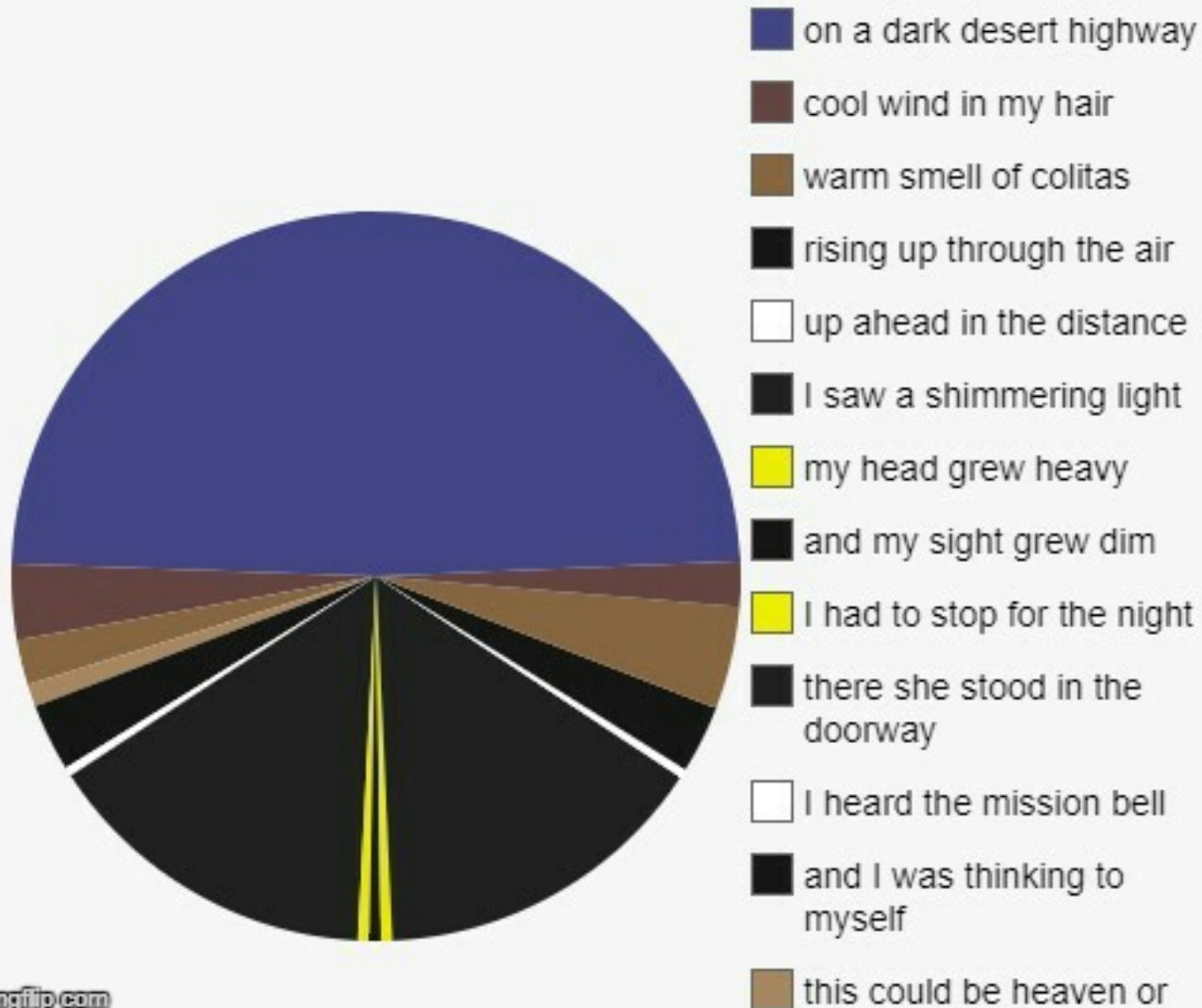
Presentation Outline

- Alaska Visitor Statistics Program overview
- Visitation update
- Economic impacts of visitor industry
- Community findings
- But first, a warm up...

Percentage of Chart Which Resembles Pac-man



Dark Desert Highway



imgflip.com

Key Data Source: AVSP

- Alaska Visitor Statistics Program 7
 - Summer 2016
- Visitor profile
 - 5,926 out-of-state visitors surveyed at 13 exit points
 - Airports, ferry terminal, cruise ship docks, highway borders
- Visitation estimates
 - 53,441 visitor/resident tallies
 - Airports and highway borders

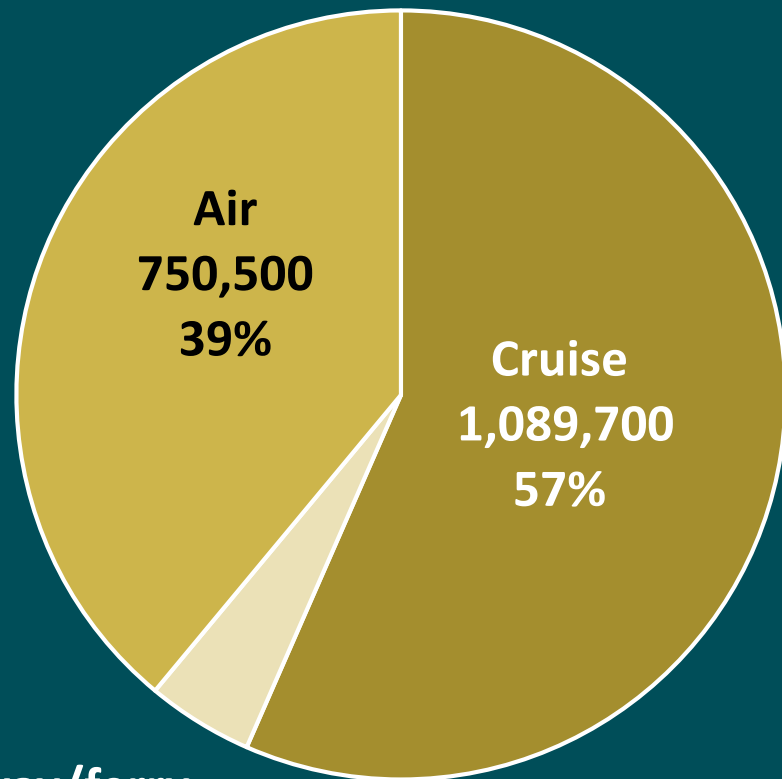


Visitation Update

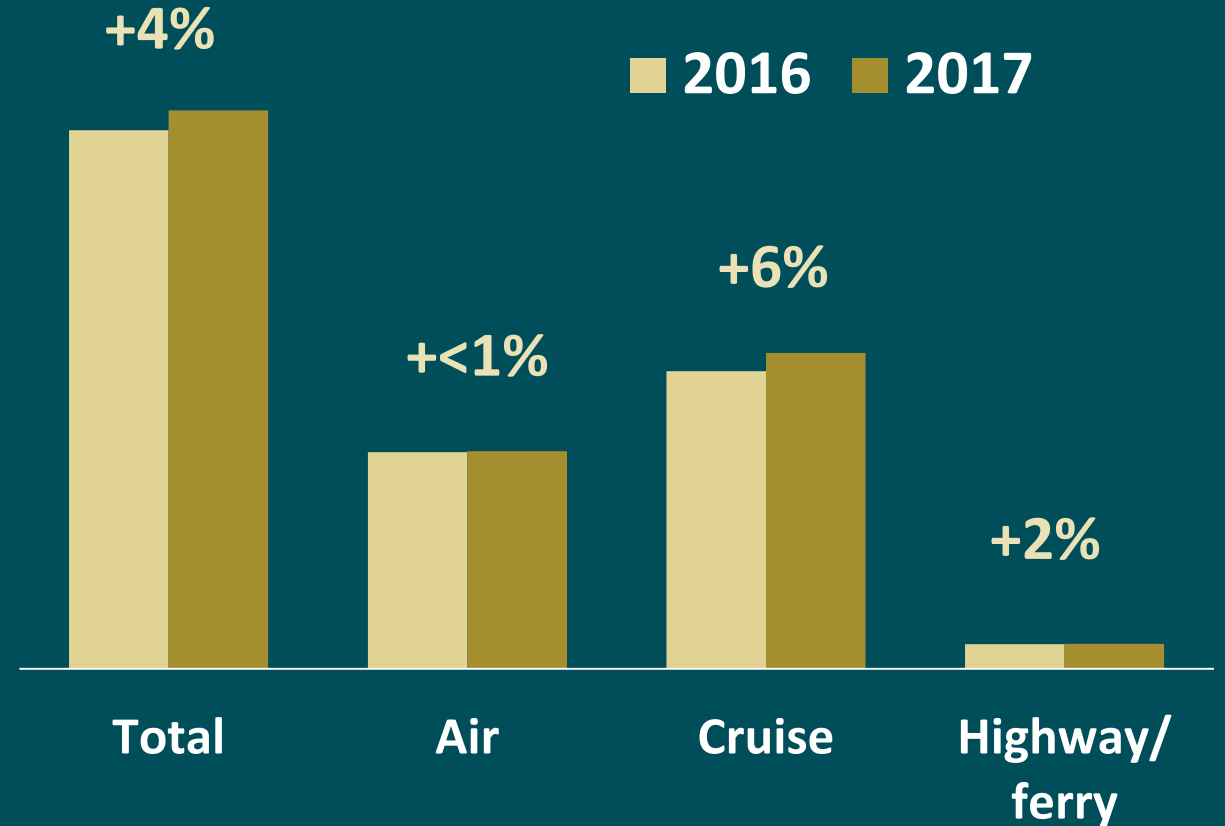


Summer 2017

Total Visitors: 1,926,300



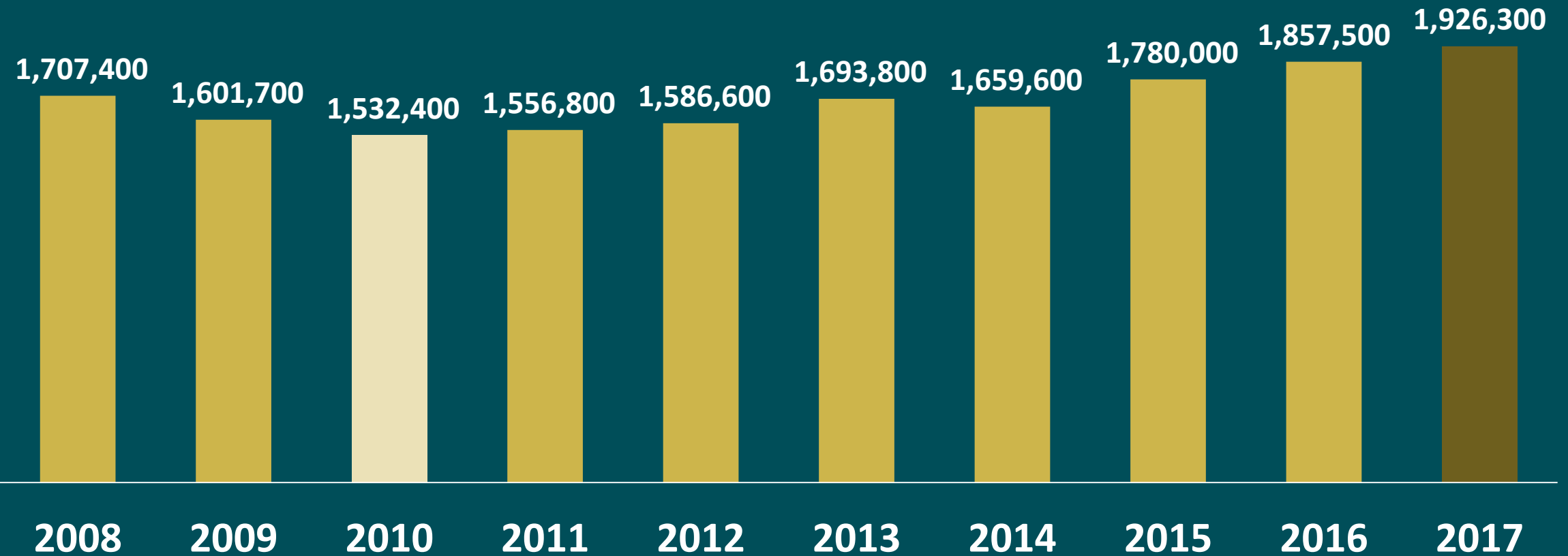
Change Summers 2016-17



Highway/ferry
86,100
4%

Visitor Volume Trends

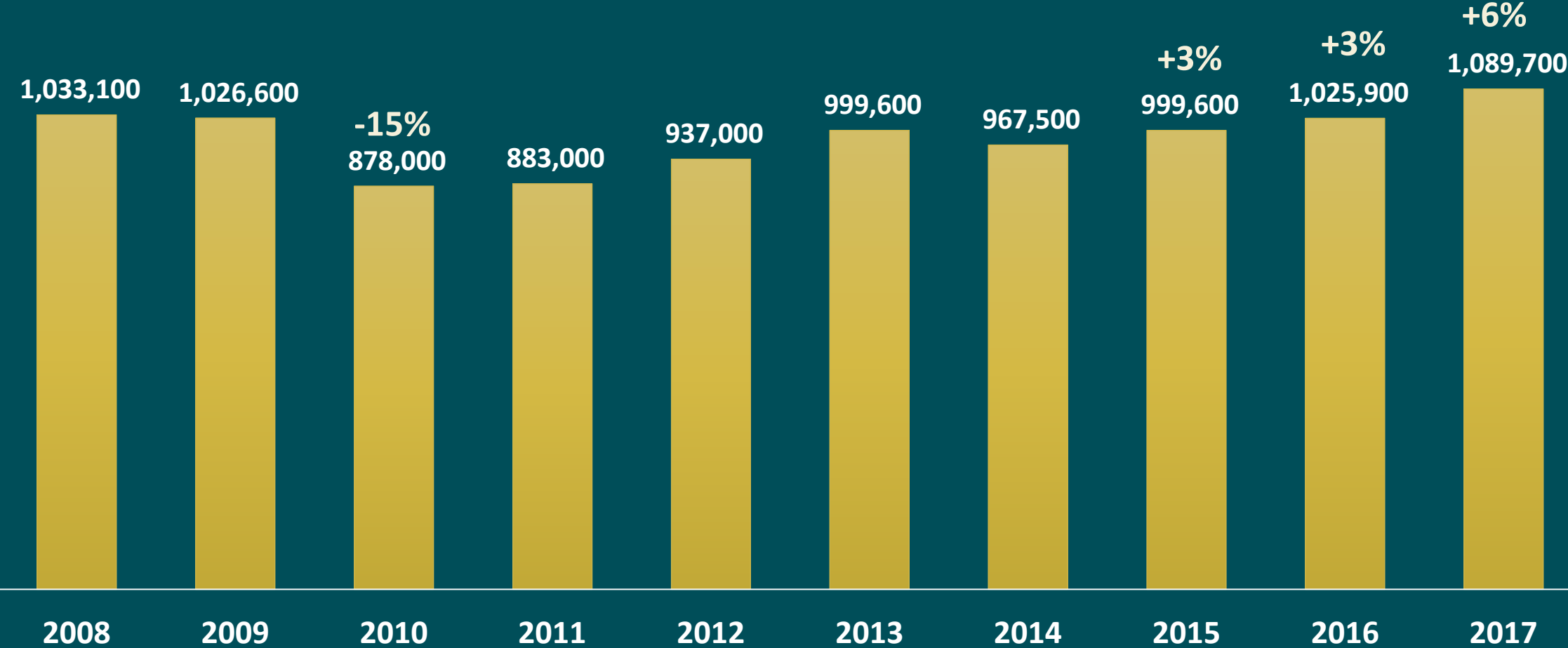
Summer Visitor Traffic, 2008-2017



% change 2008-2017: +13%

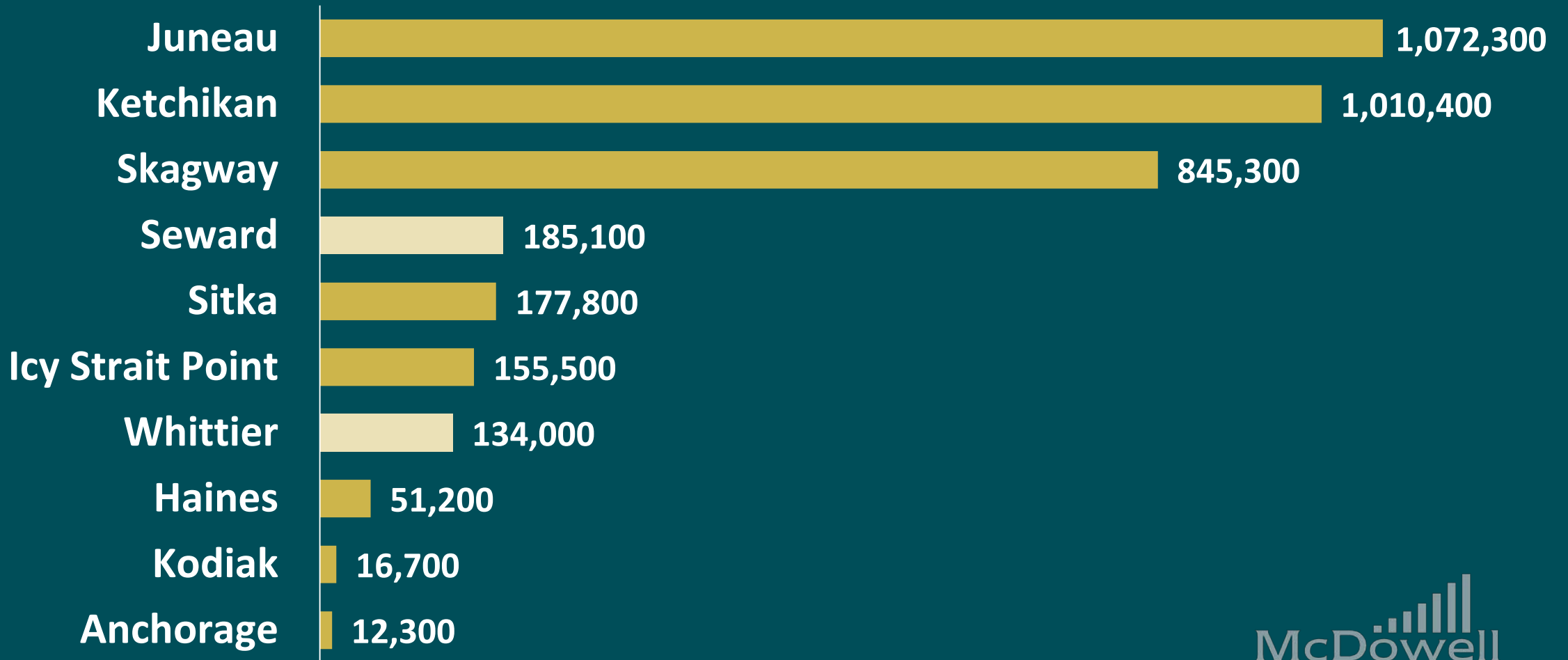
% change 2010-2017: +26%

Cruise Volume 2008-2017



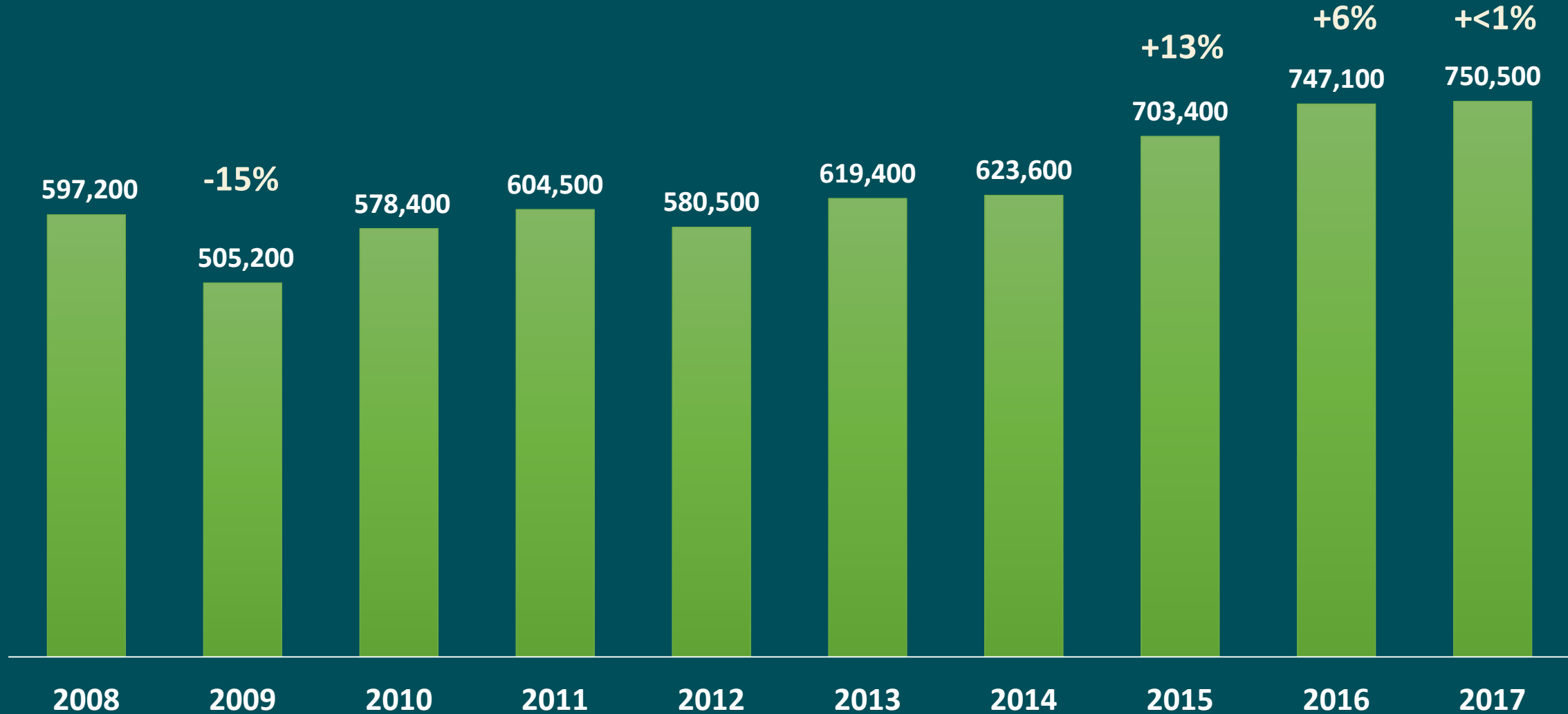
Source: CLAA.

Cruise Traffic by Port, 2017

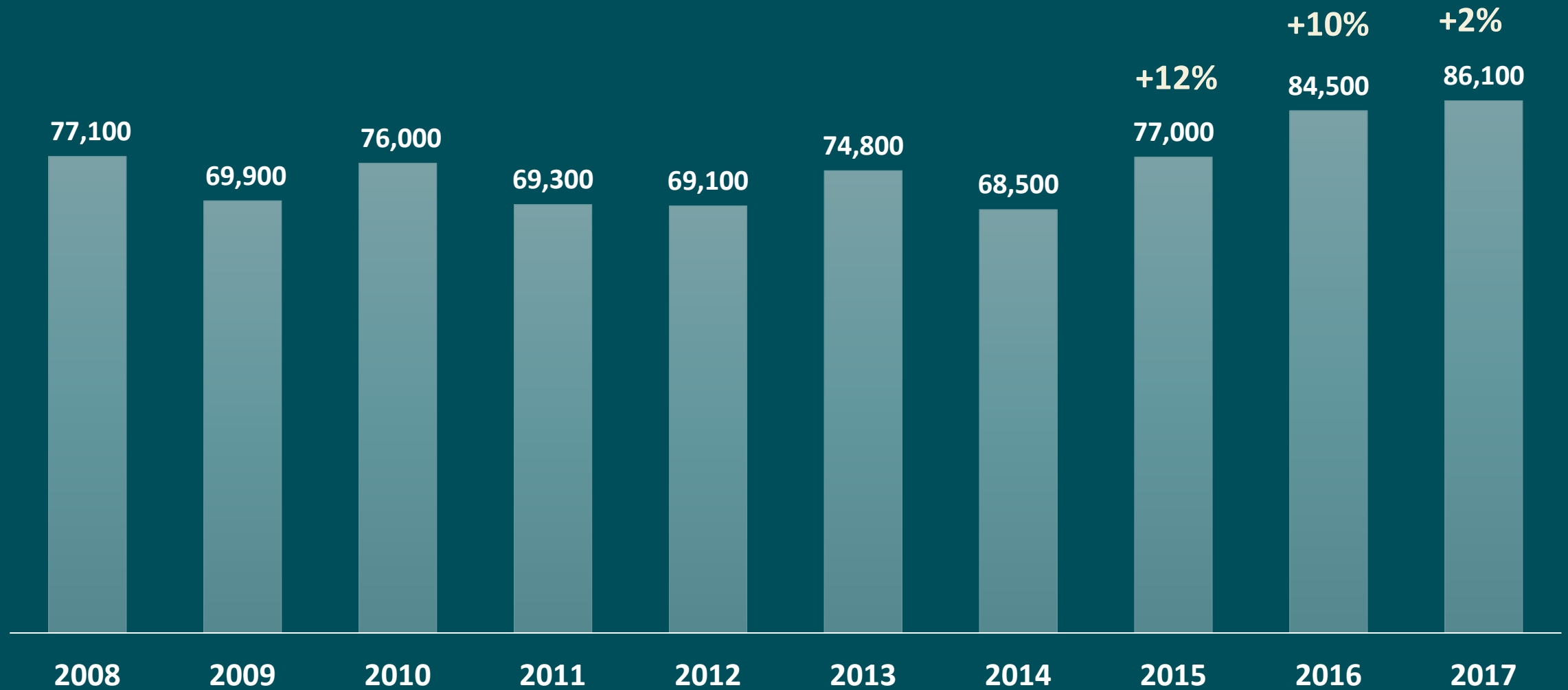


Source: CLAA.

Summer Air Volume 2008-2017



Summer Highway/Ferry Volume 2008-2017



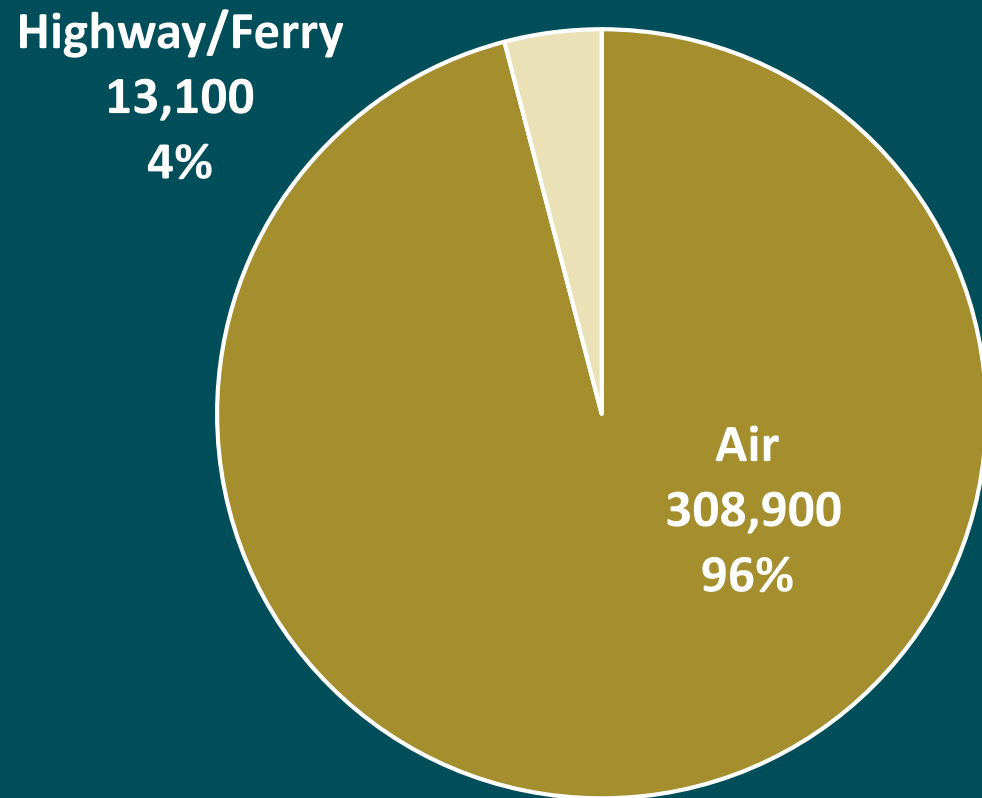
Fall/Winter Estimates

- Fall/Winter AVSP 2016-17 not funded
 - Last Fall/Winter AVSP (and ratios): 2011-12
- Industry observations
 - Chinese!!! Mainland, US immigrants, college students
 - Japanese market flat/down
 - Fairbanks is hopping
 - Expanded activities beyond Northern Lights: domes, overnighting above the Arctic Circle, photography, ice fishing
 - Railroad expanding service
 - Short-trippers from West Coast
 - In-state travel down



Fall/Winter 2017-18

Total F/W Visitors: 322,000

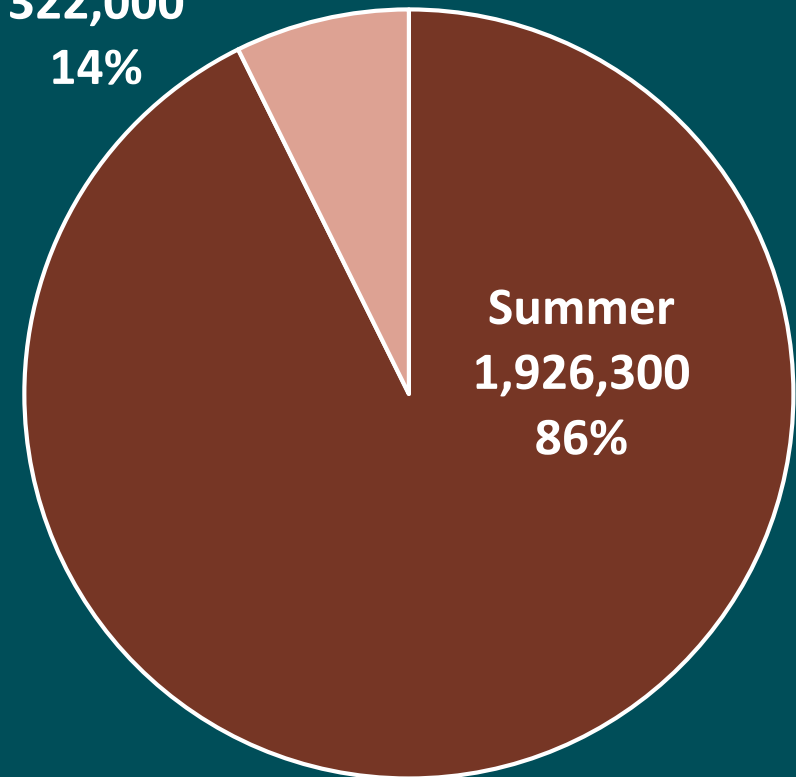


Volume By Season, 2017-18

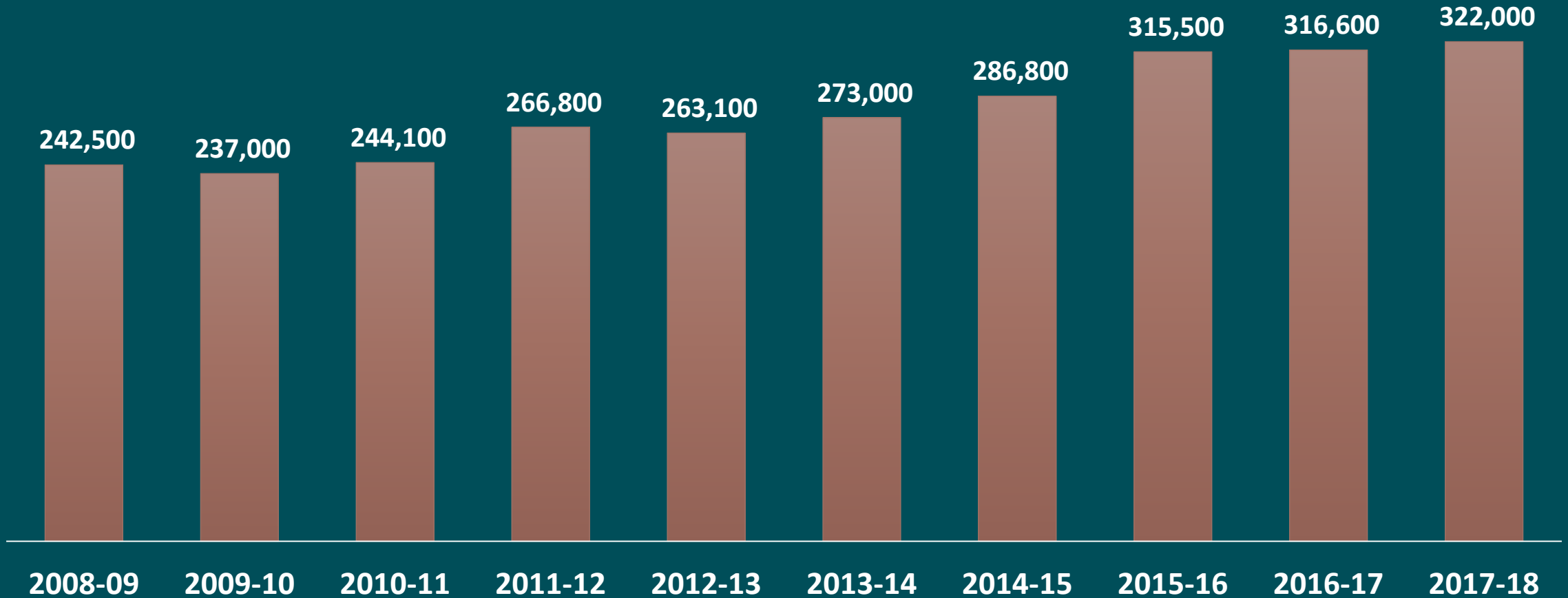
Fall/Winter

322,000

14%



Fall/Winter Visitor Volume 2008/09-2017/18



% change 2008/09-2017/18: +33%

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NEW Visitor Volume Reports

- Updates occur in between AVSP study periods; managed by State of Alaska, DCCED
 - Summer 2017
 - Fall/Winter 2015/16 to 2017/18
- Reports include indicators...
 - Outbound air enplanements by port
 - Changes in bed/vehicle tax revenues
 - Fishing license sales
 - Nationwide tourism indicators
 - Annual included in fall/winter
- Summer 2018 will be available in December
 - Preliminary indicators reveal continued growth

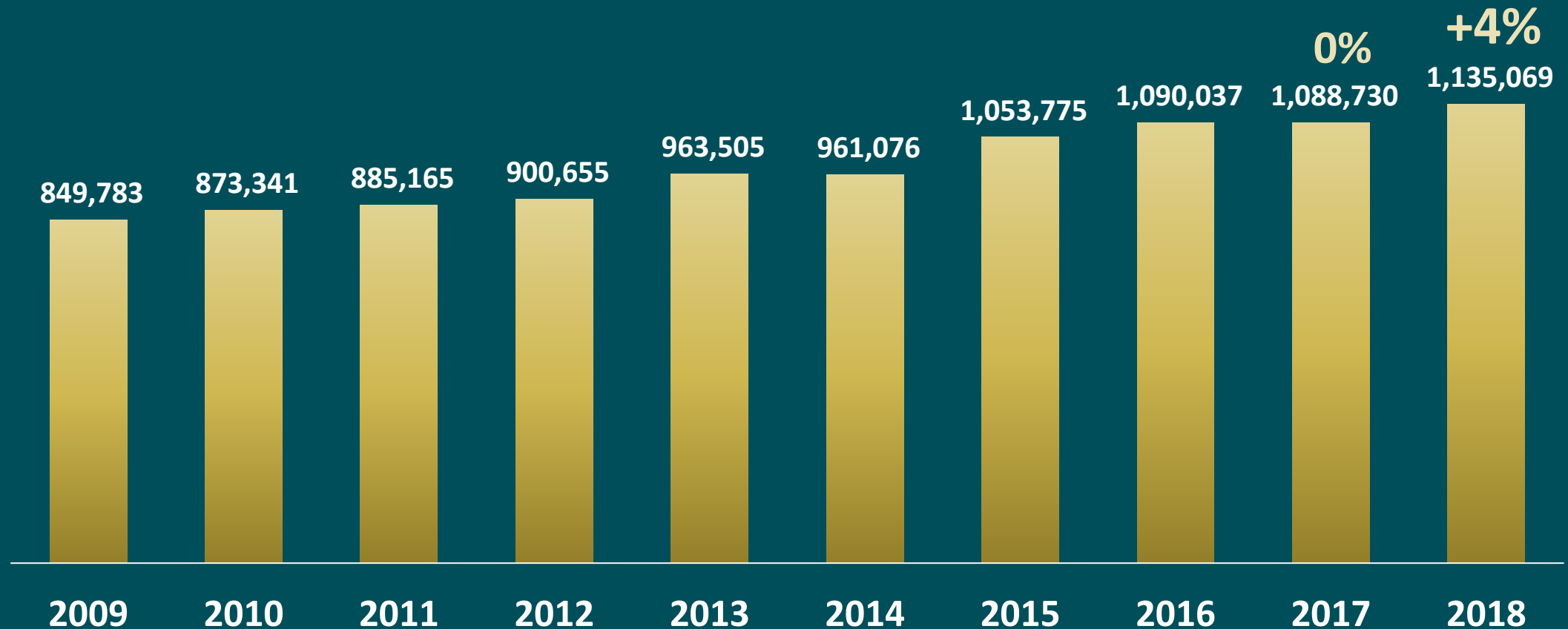
*Alaska Visitor Volume Report
Fall/Winter
2015-16, 2016-17, and 2017-18*

Prepared for:
**Alaska Department of Commerce,
Community, and Economic Development
Division of Economic Development**

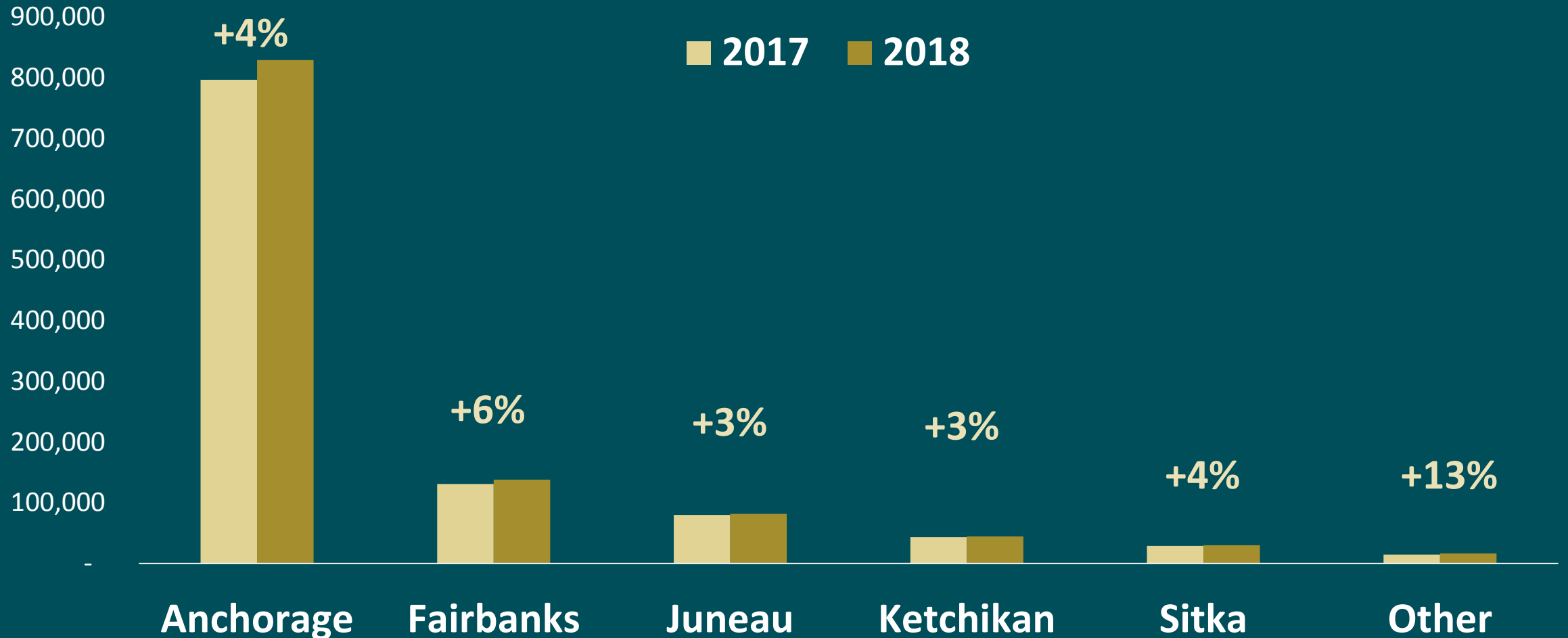
August 2018

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Outbound Domestic Air Passengers (May-Aug)



Outbound Domestic Pax By Port, May-Aug

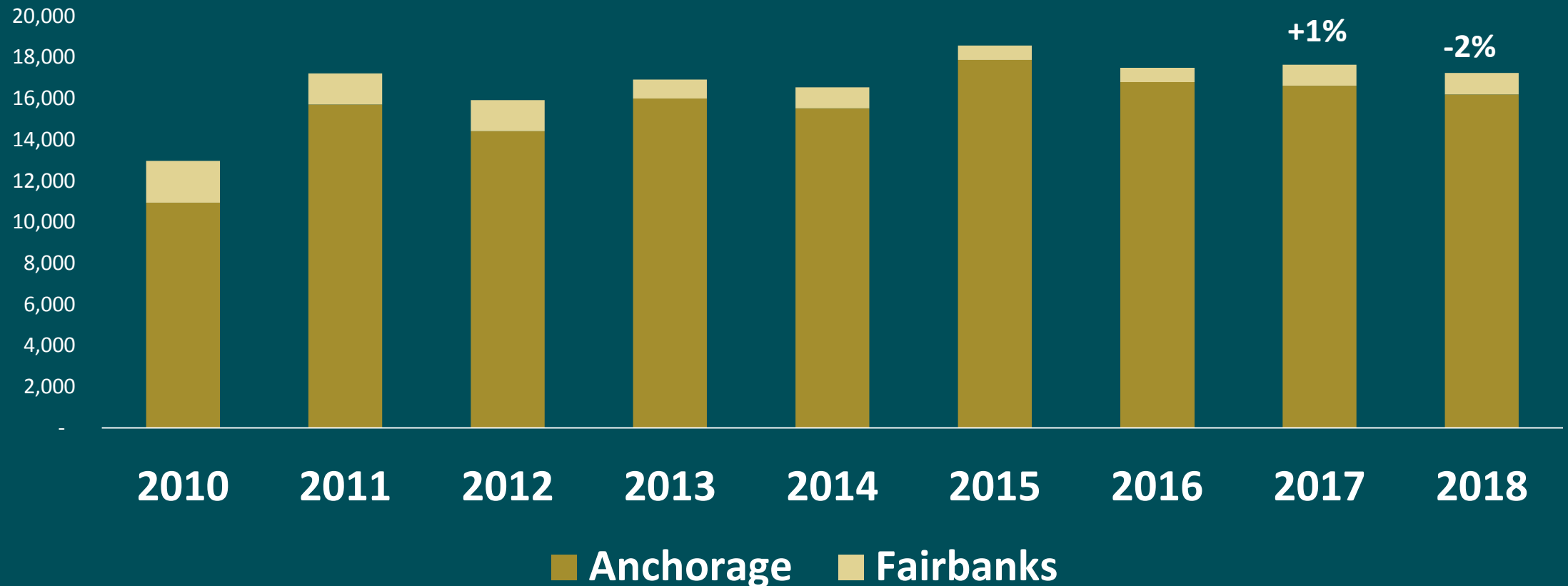


Source: Alaska DOTPF, Alaska Air, Delta.

International Air Passenger Exits (May-Aug)

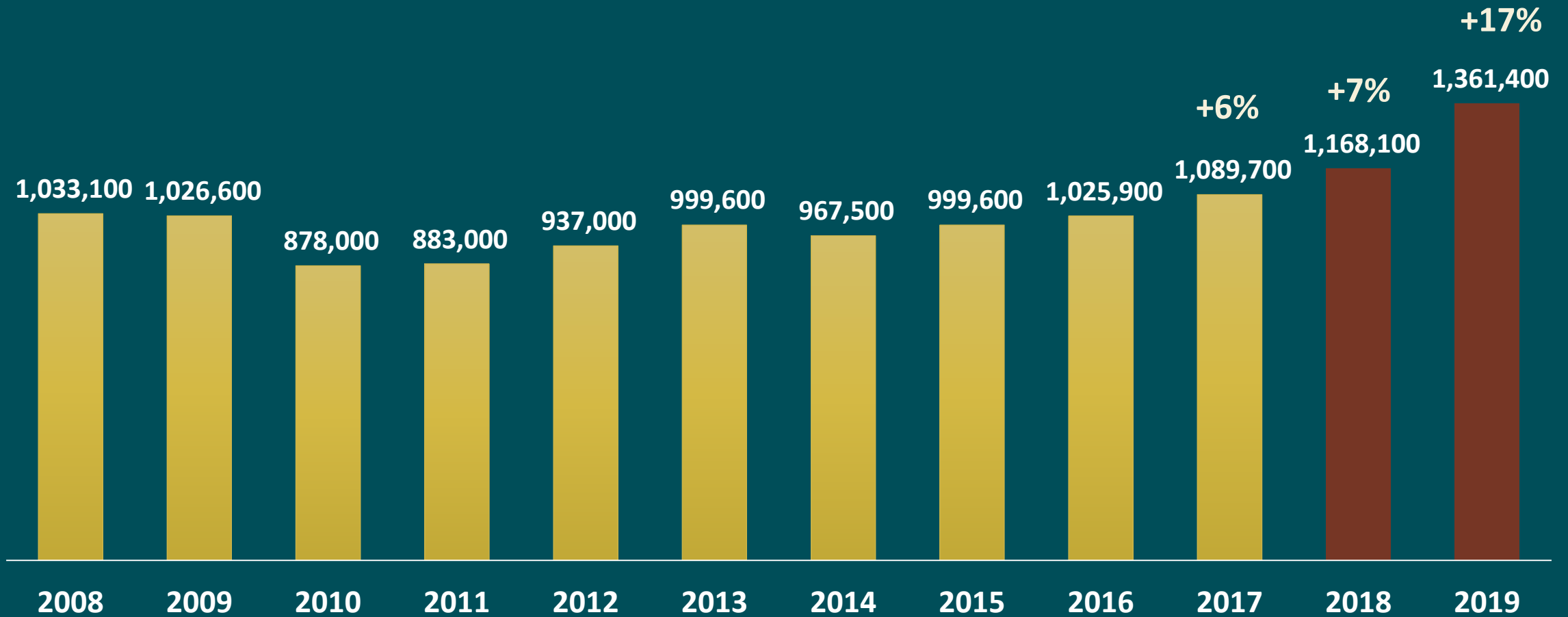
Total international passenger exits May-August 2018: 17,243

- Condor 66%; Icelandair 27%; Korean 3%; Yakutia 3%



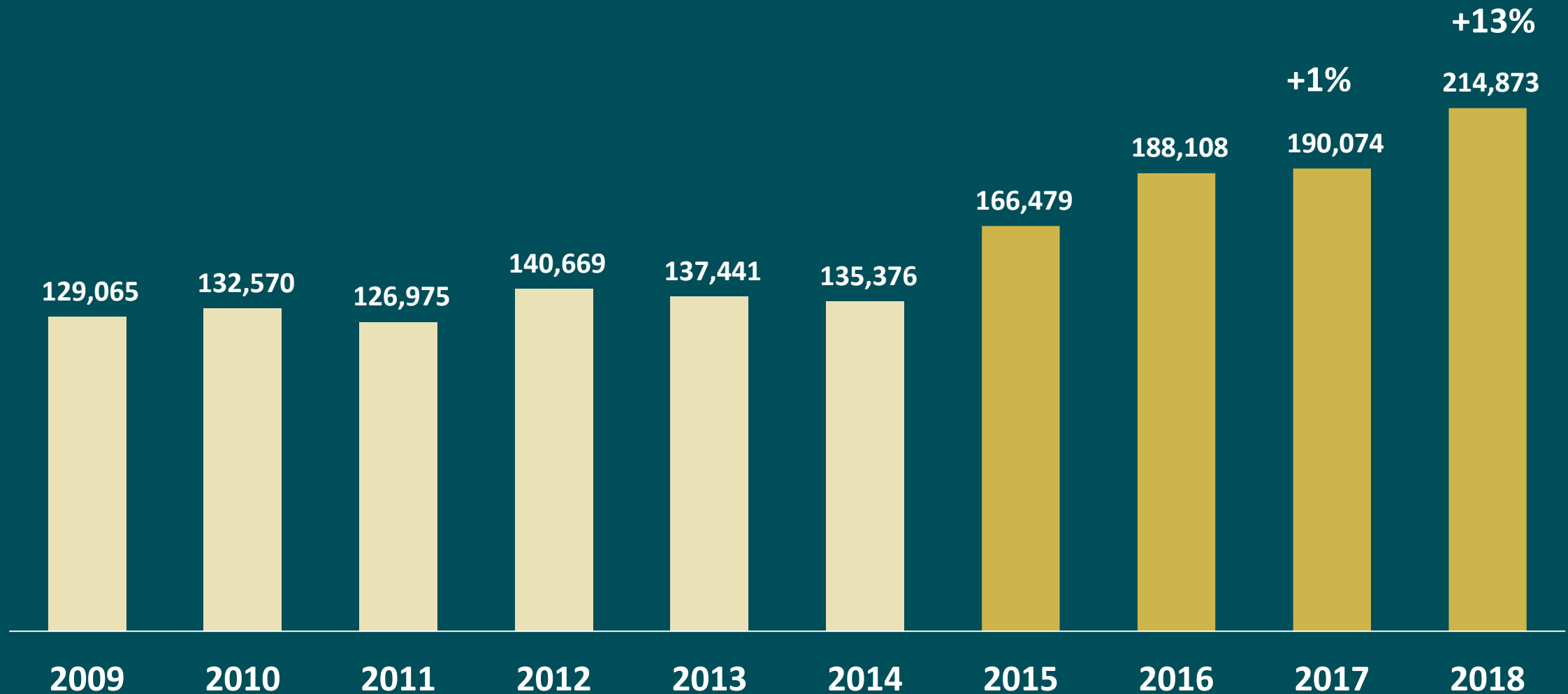
Source: Alaska DOTPF.

Cruise Volume 2008-2017; 2018-2019 proj.



*Cross-Gulf up ~20% in 2018

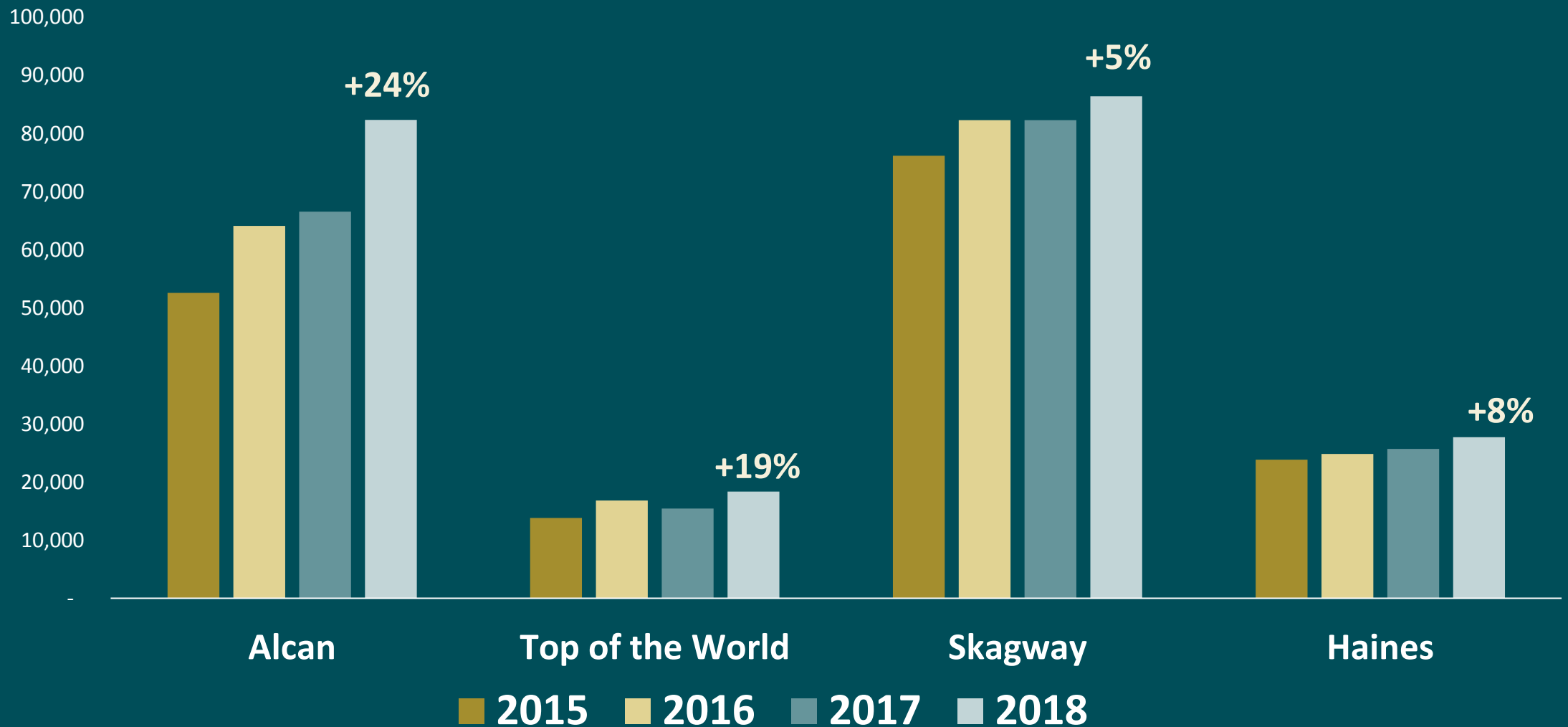
CA-AK Border Traffic (private vehicle occ; May-Aug)



Source: US Customs and Border Protection; Yukon Dept of Culture

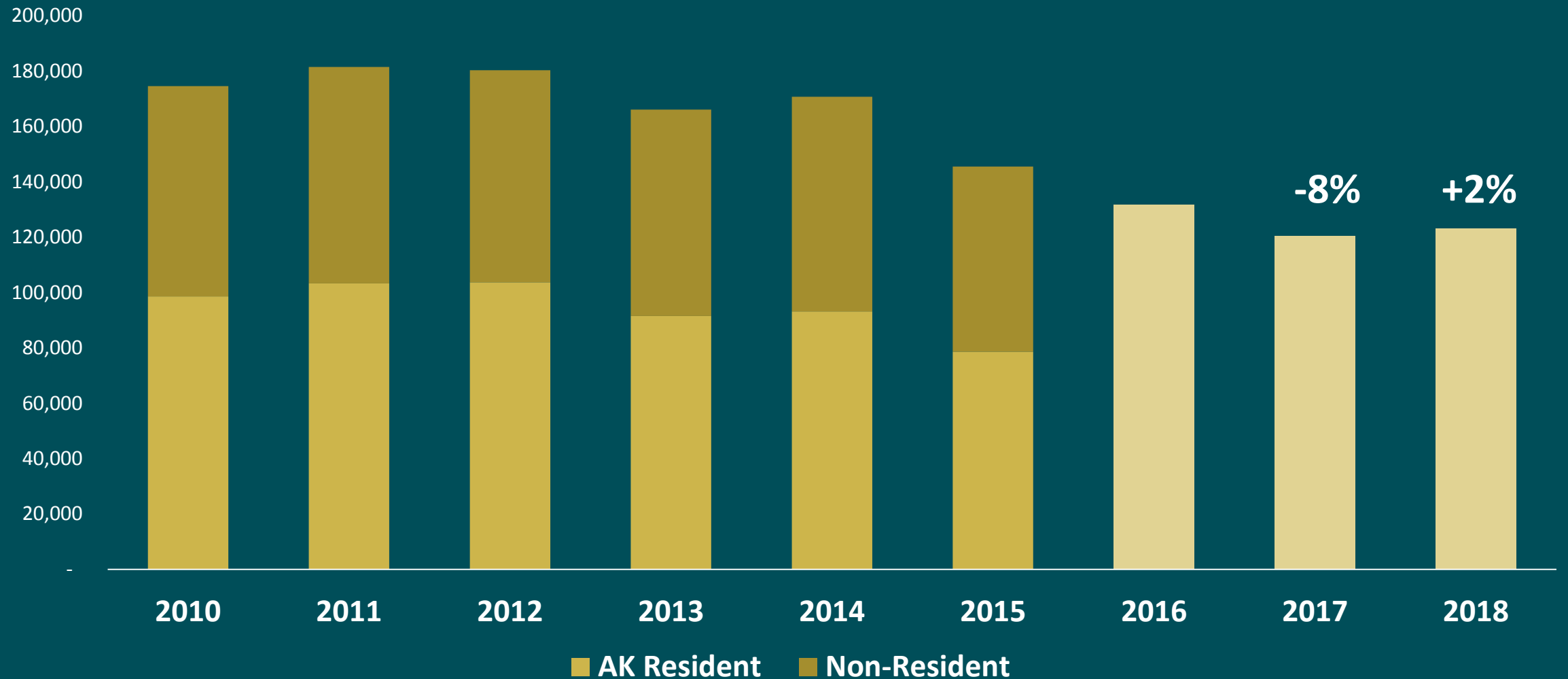
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CA-AK Border Traffic, By Border (private vehicle occ; May-Aug)



Source: US Customs and Border Protection

AMHS Traffic 2010-2018 (total traffic; May-August)



Source: AMHS

2018 Preview

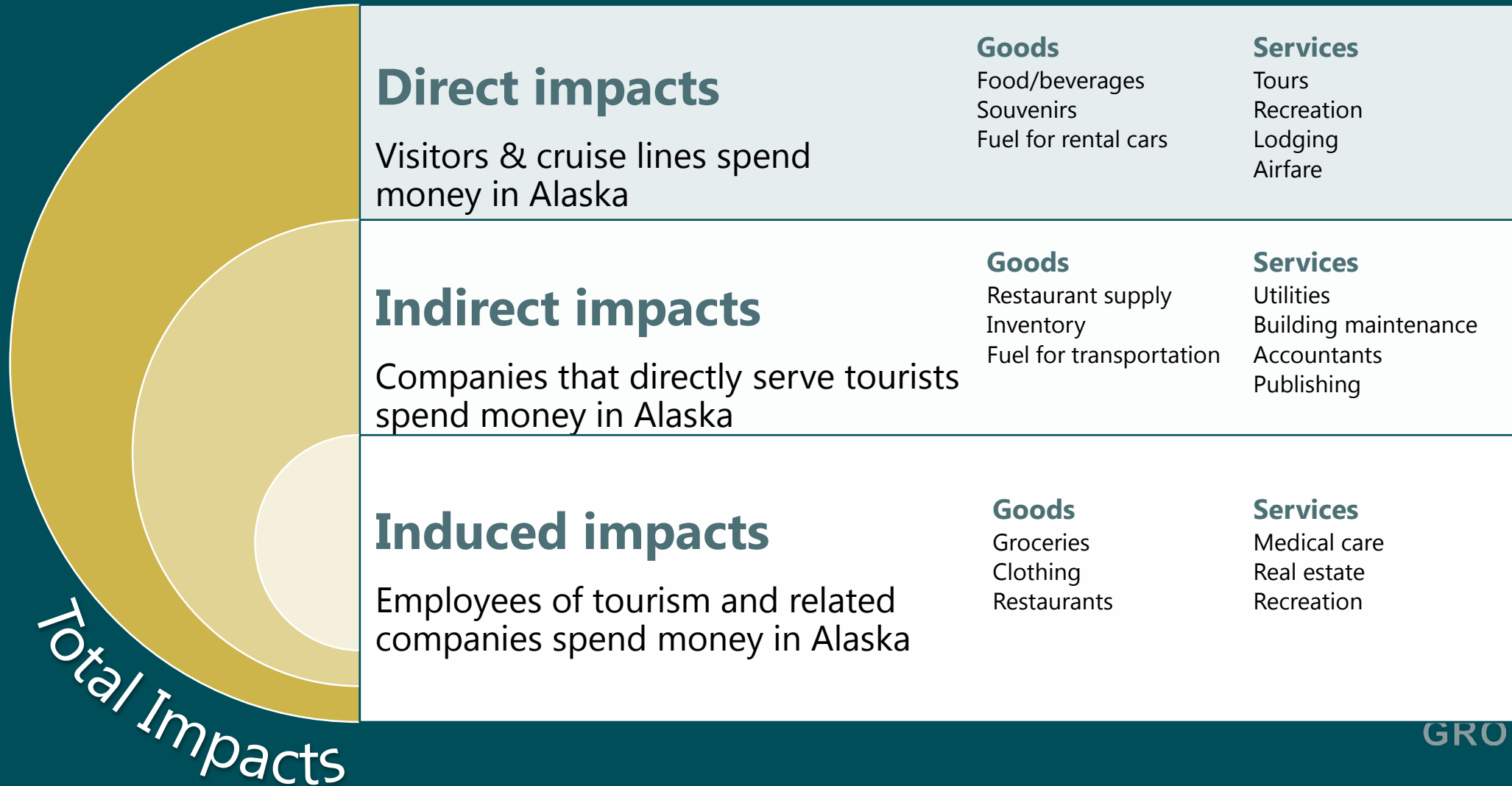
- Domestic Air: +4%
- International Air: -2%
- Cruise: +7%
- Highway: +13%
- Ferry: +2%



Visitor Industry Impacts



Visitor Industry Impacts Overview



“Alaska Treasure” Gift Shop

Sales to Visitors
\$1 Million Annually

Employee Payroll &
Owner's Profit
\$300,000

Inventory for Resale
\$400,000
(non-local)

Business
Operations Spending
\$300,000

Federal Payroll
Taxes
\$60,000

**Disposable
Income**

Housing
\$80,000

Clothing
\$80,000

Transportation
\$80,000

Local Taxes
\$60,000

Non-local Taxes
\$20,000

Rent
\$70,000

Non-local
Other
\$50,000

Medical
\$15,000

Recreation
\$80,000

Food
\$80,000

Utilities
\$10,000

Misc Services
& Supplies
\$40,000

Marketing
\$20,000

Construction
\$30,000

Banks
Landlords
Power Co.
Telephone Co.
Fuel Distributors
Contractors
Building Supply
Stores
Hardware
Stores

Doctors
Dentists
Hospital
Drug Stores
Etc.

Apparel
stores
of all
kinds

Theaters
Bowling Alley
Fitness
Centers
Bookstores
Sporting
Goods
Stores

Car Dealers
Boat Dealers
Gas Stations
Auto Parts
Stores
Insurance Co.
Airlines
AMHS

Grocery Stores
Restaurants

Telephone Co.
Fuel Distributors
Power Co.

Sales
& Property
Taxes

Accountants
Attorneys
Repair Services
Misc. Business
Services
Travel Services
Office Supply
Stores
Equipment
Suppliers

Newspapers
TV Stations
Radio Stations
Advertising
Agencies
Printers

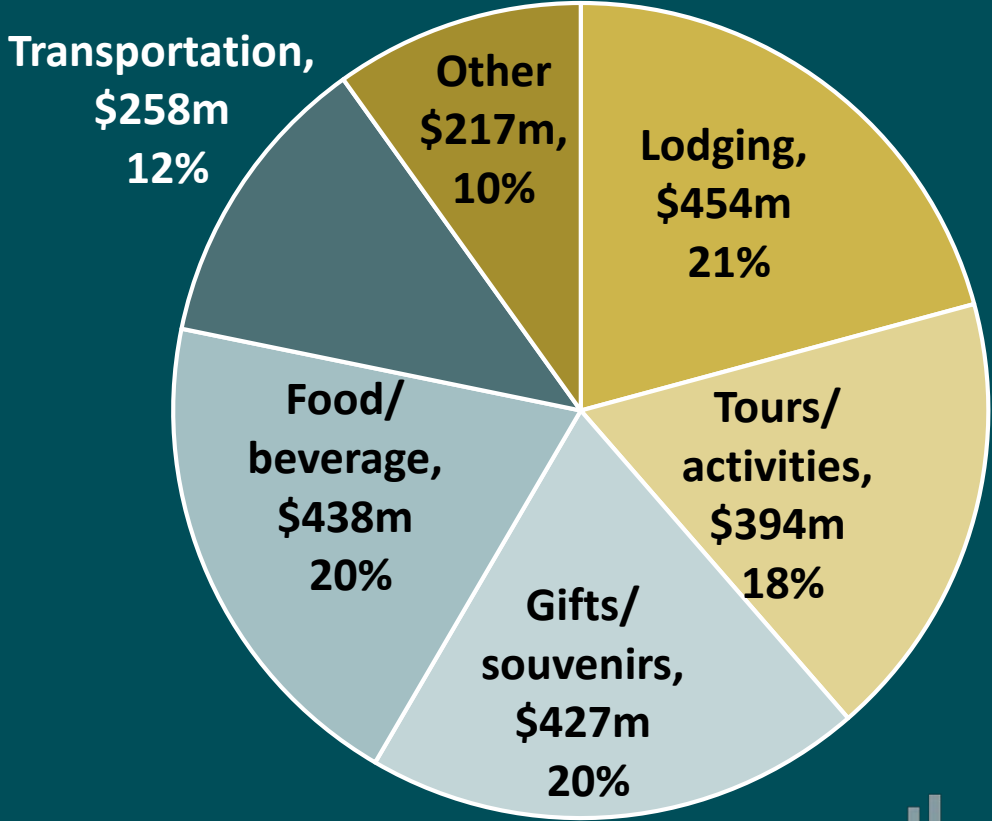
Payment to
Local Property
Owners

Contractors
Special Trades
Architects
Engineers

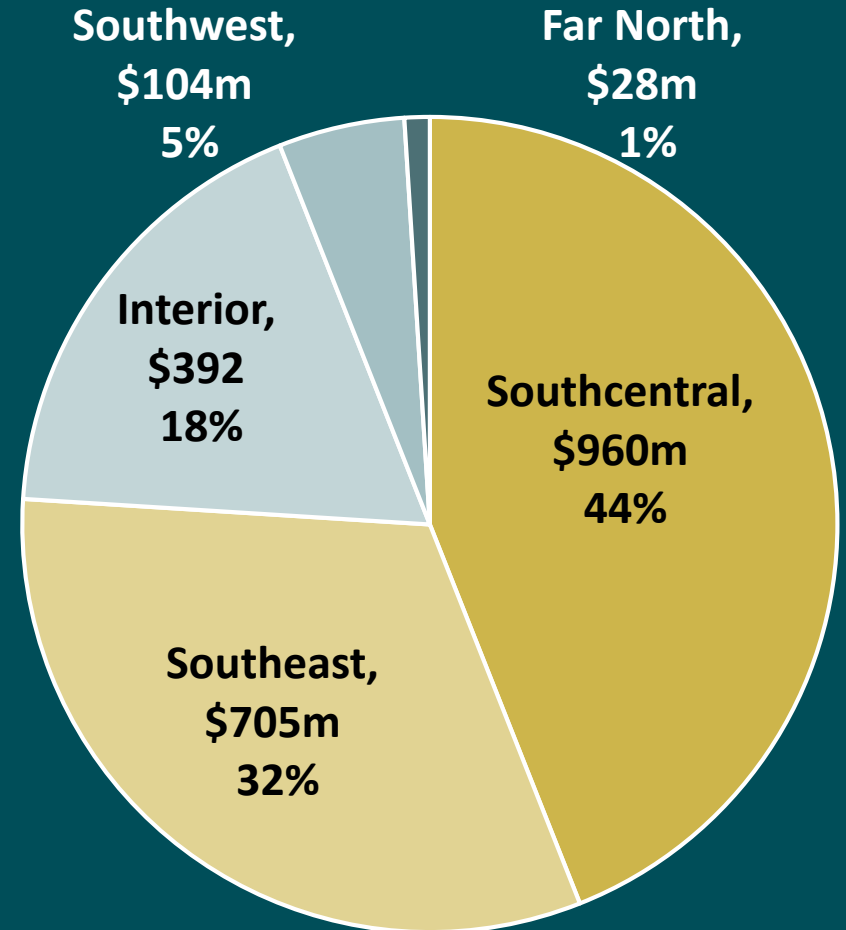
Methodology

- Visitor volume from AVSP
- Visitor spending from AVSP 7, by season/region/category (adjusted for inflation and tour commissions)
- Cruise line spending from cruise line vendor data
 - Data for 91% of passengers
- Direct spending translated into direct/indirect/total jobs, labor income, and output; DOL and BEA data comparison
- State/muni revenues: sales/bed/vehicle taxes, ADF&G licenses, dockage/moorage, CPV tax, AMHS, AKRR, etc.
- Study period: October 2016-September 2017

Visitor Spending by Sector

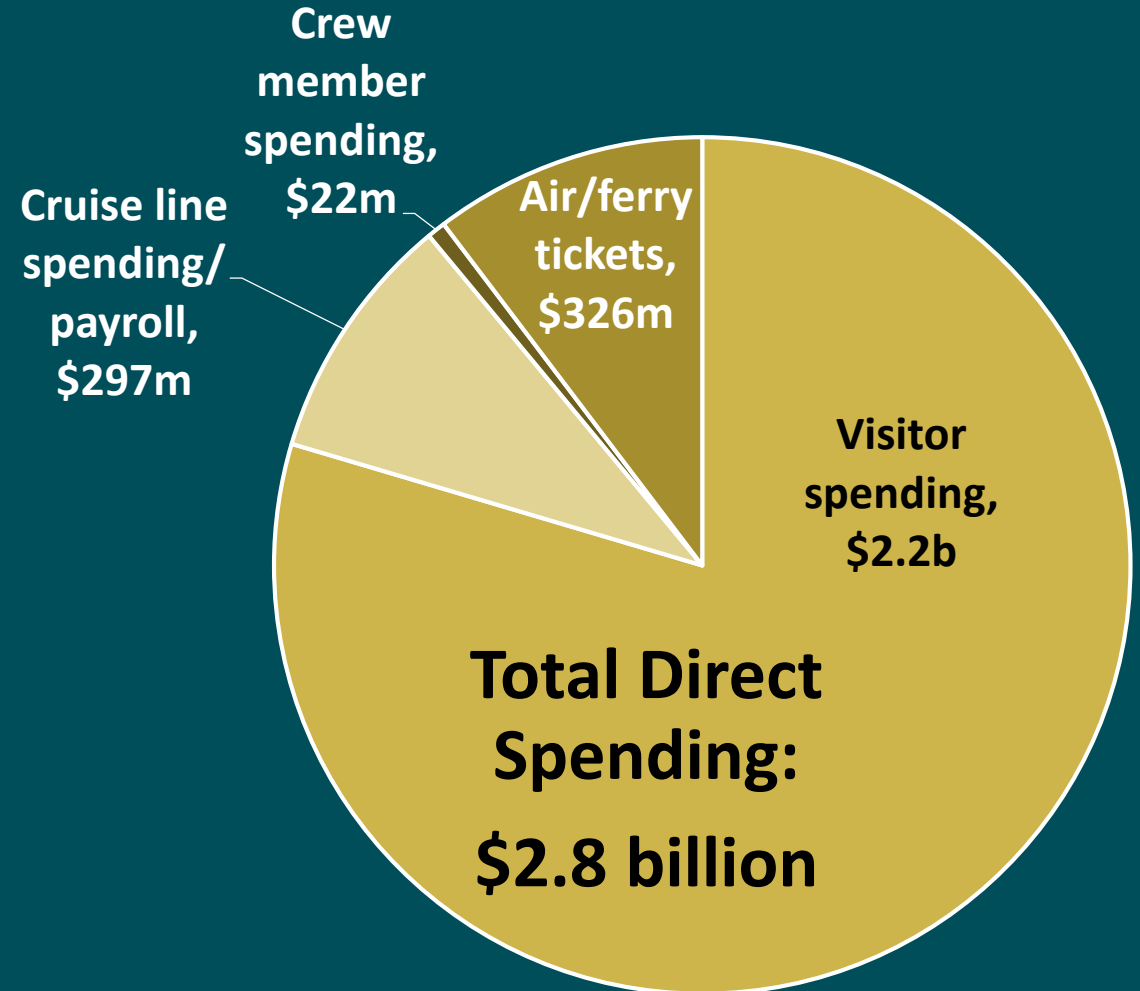


Visitor Spending by Region



Direct Visitor Industry Spending, 2017

- Visitor spending
 - Adjusted to remove commissions
- Cruise line spending/payroll
 - Adjusted to remove double-counting of shore-ex
- Crew member spending
- Spending on air/ferry tickets to enter/exit Alaska



Visitor Industry Impacts 2017

43,300 Jobs

1 in 10 jobs in Alaska



\$1.5 Billion
Labor Income

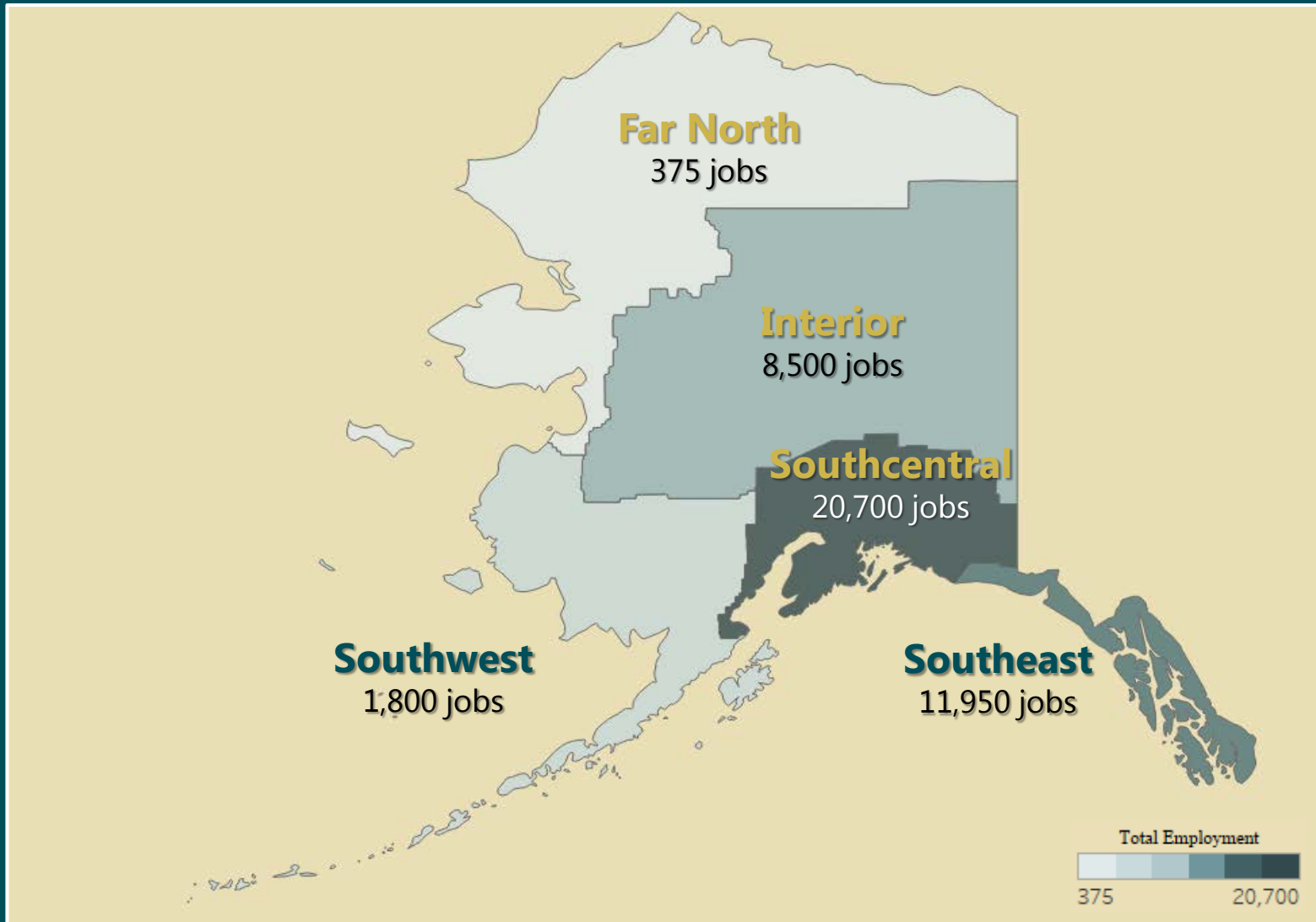
Wages and benefits spent throughout
the Alaska economy **year-round**



\$4.5 Billion
Economic Output

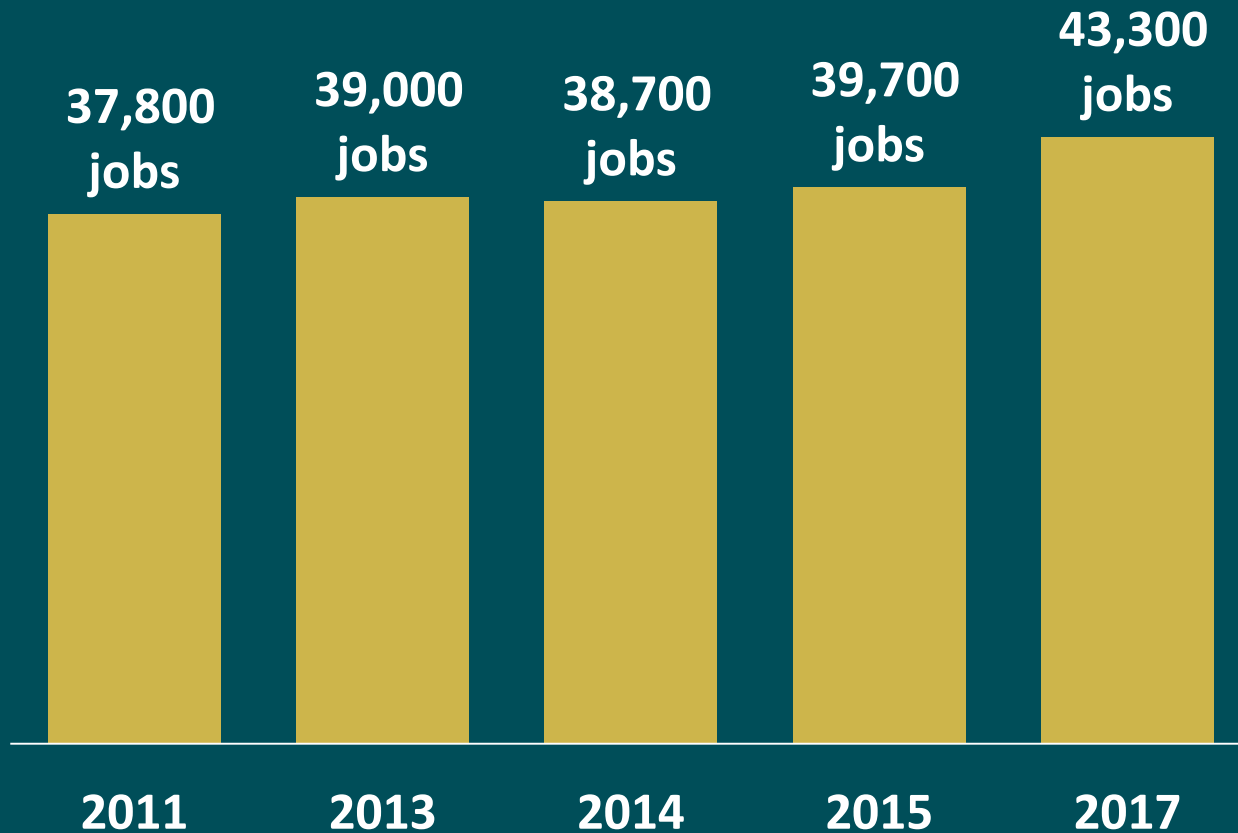


Regional Employment Impacts 2017



Trends in Economic Impacts

Employment



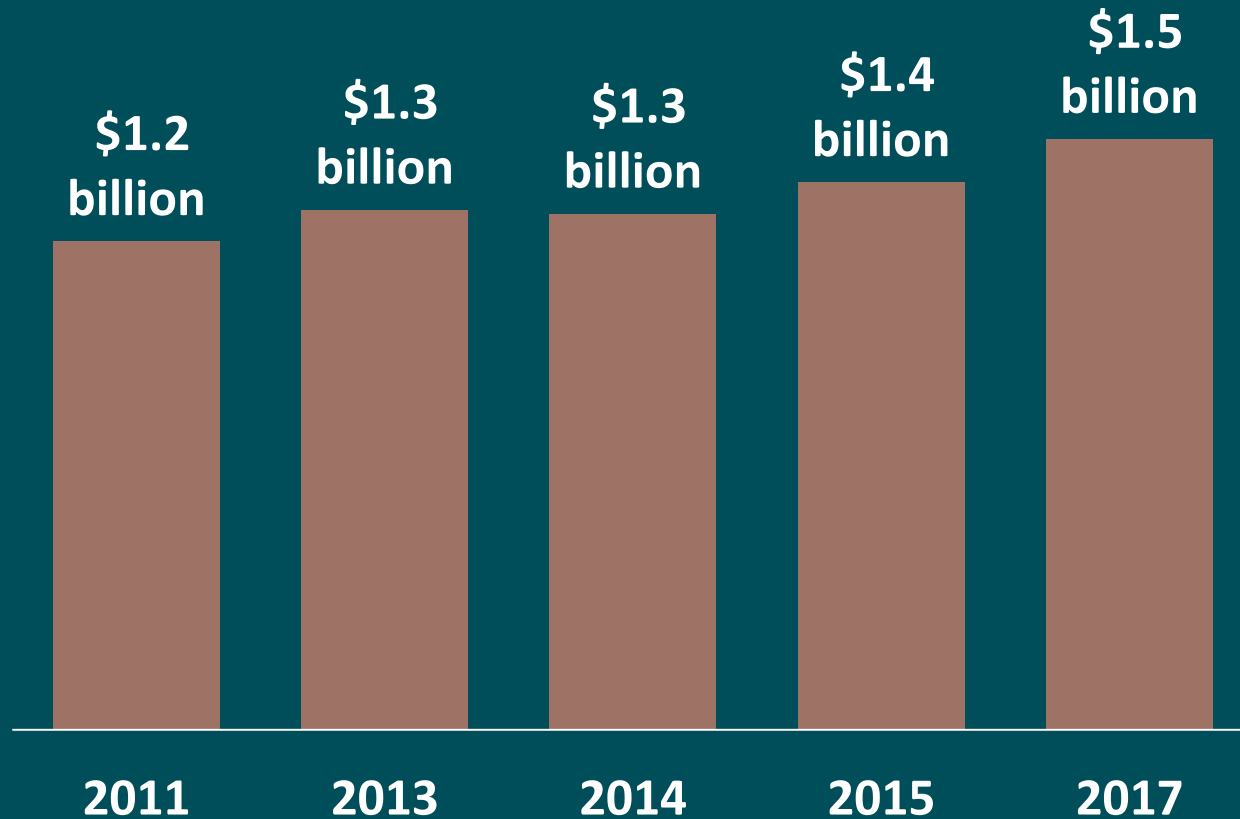
**Employment
Up 15%**

2011-2017



Trends in Economic Impacts

Labor Income



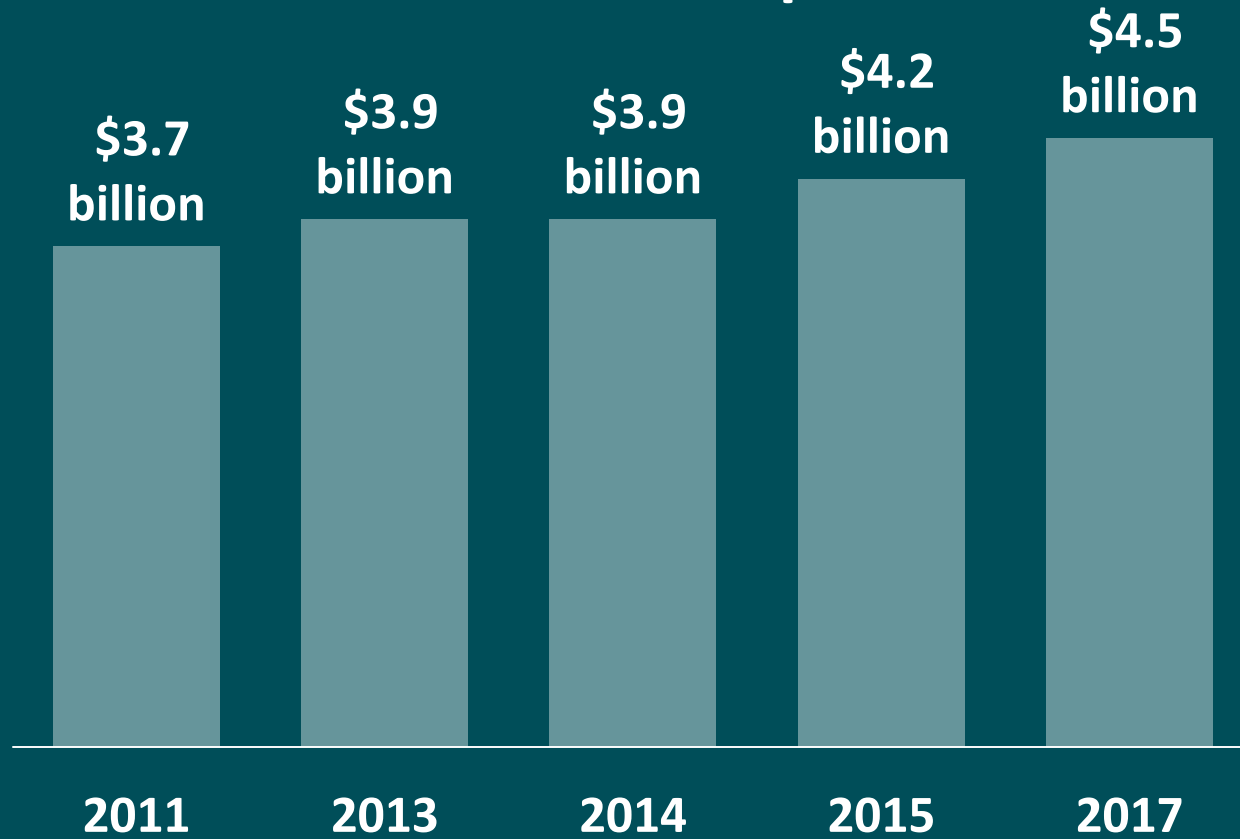
**Labor Income
Up 21%**

2011-2017



Trends in Economic Impacts

Economic Output

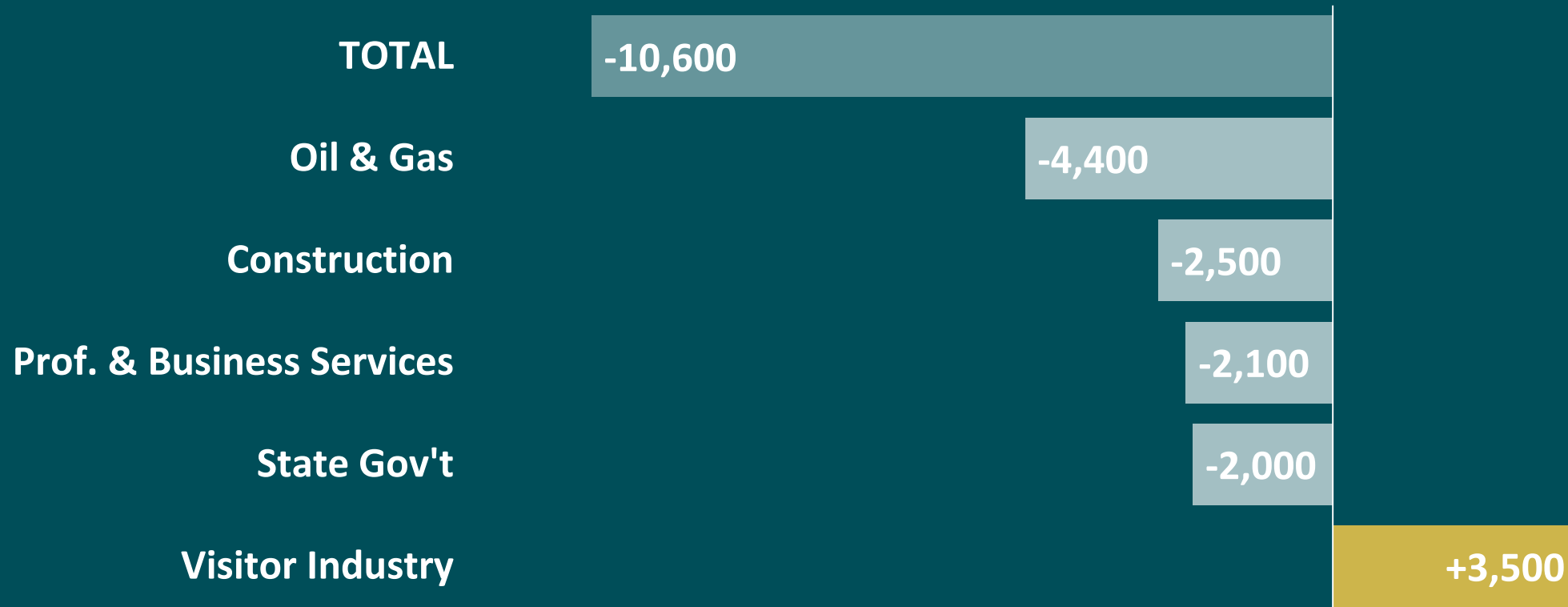


**Economic Output
Up 22%**

2011-2017



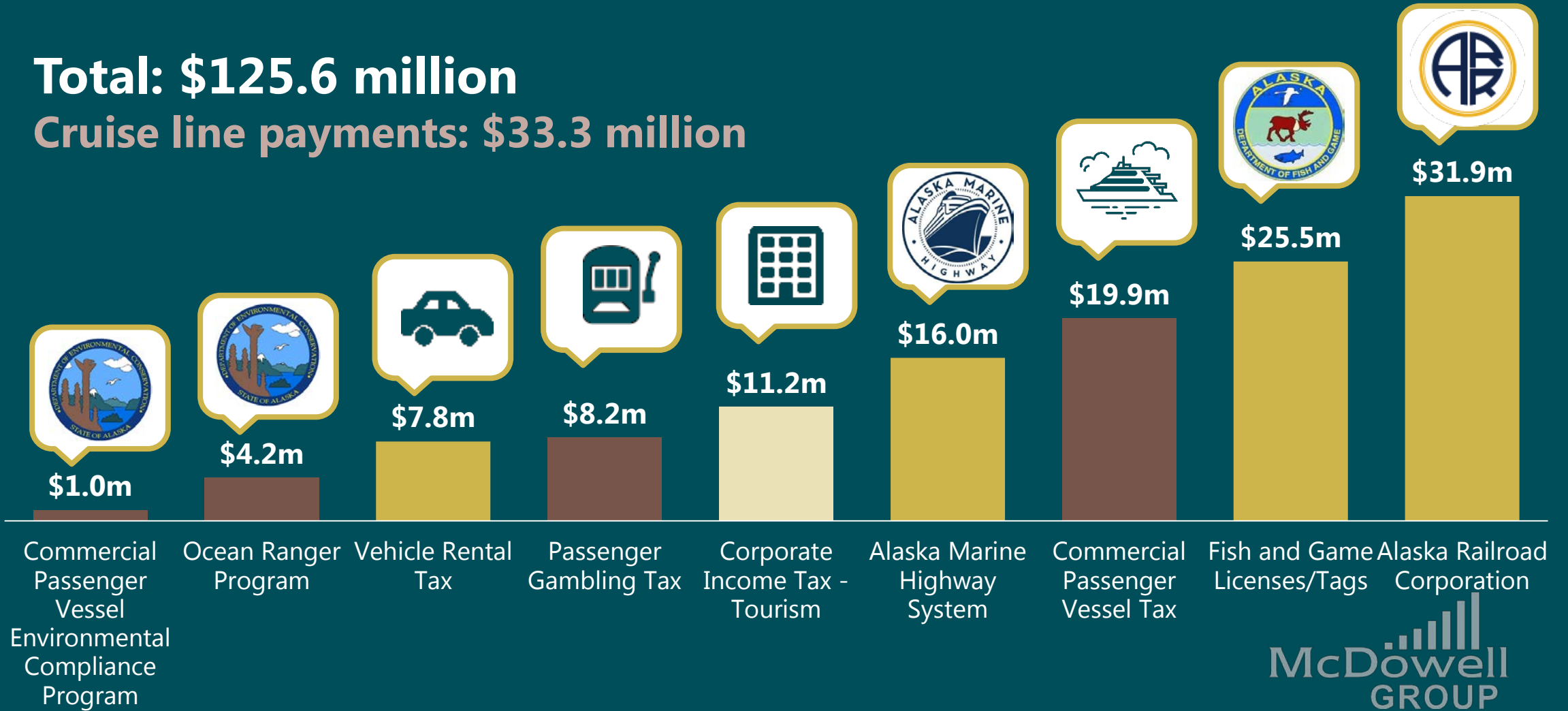
Alaska Employment, 2015-2017 Change



State of Alaska Revenues, 2017

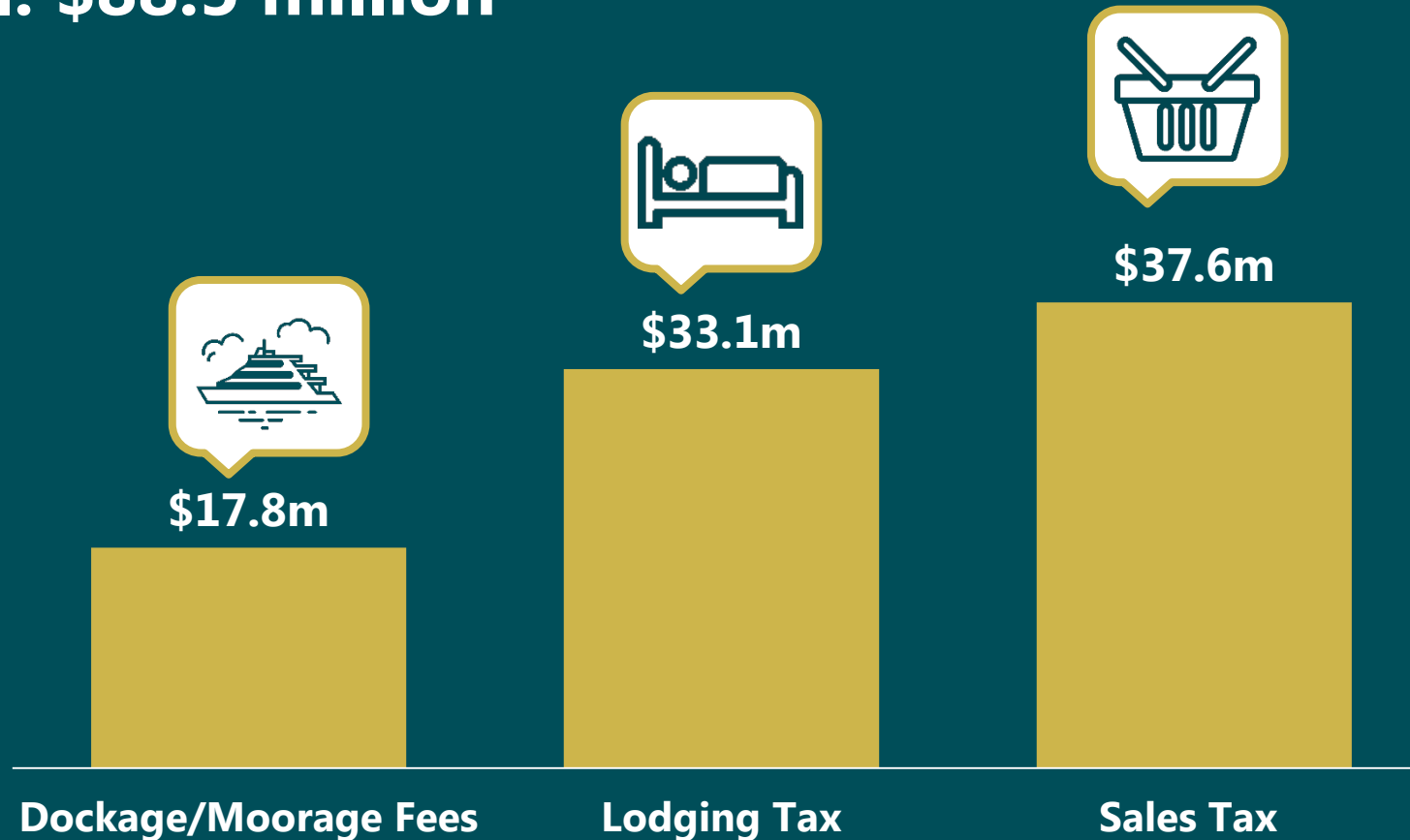
Total: \$125.6 million

Cruise line payments: \$33.3 million



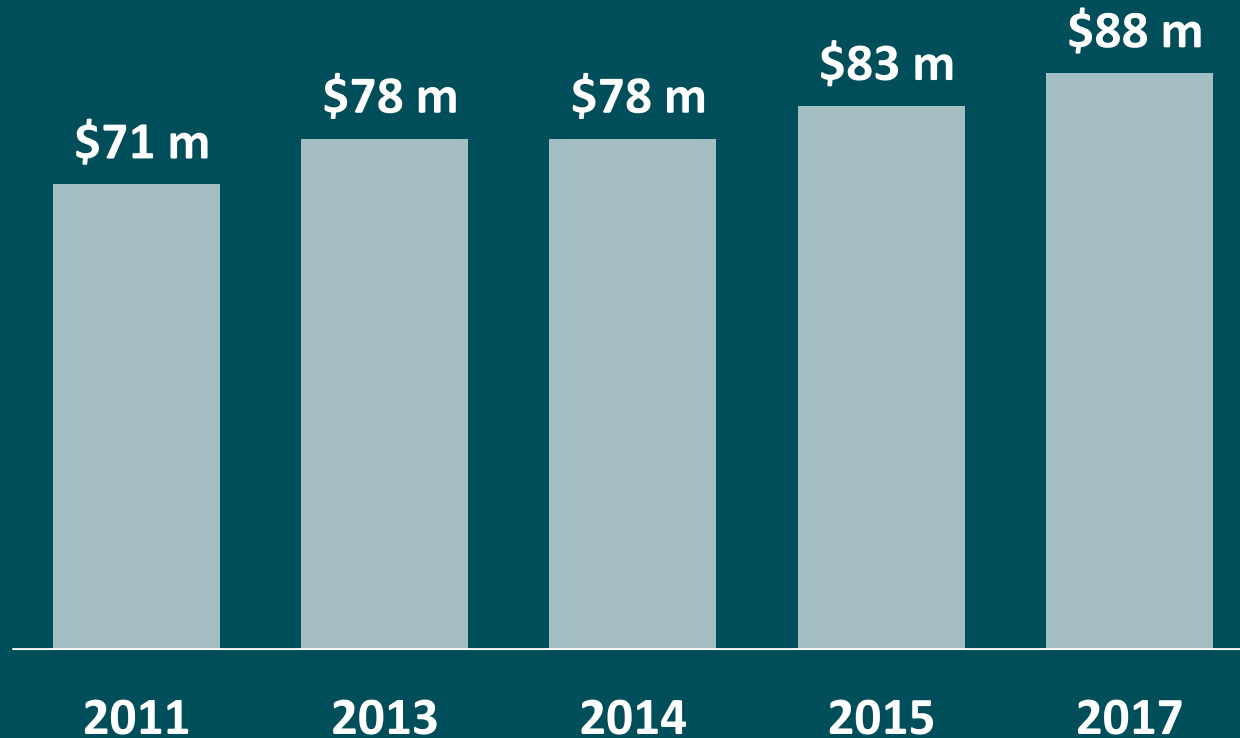
Municipal Revenues, 2017

Total: \$88.5 million



Trends in Government Revenues

Municipal Revenues

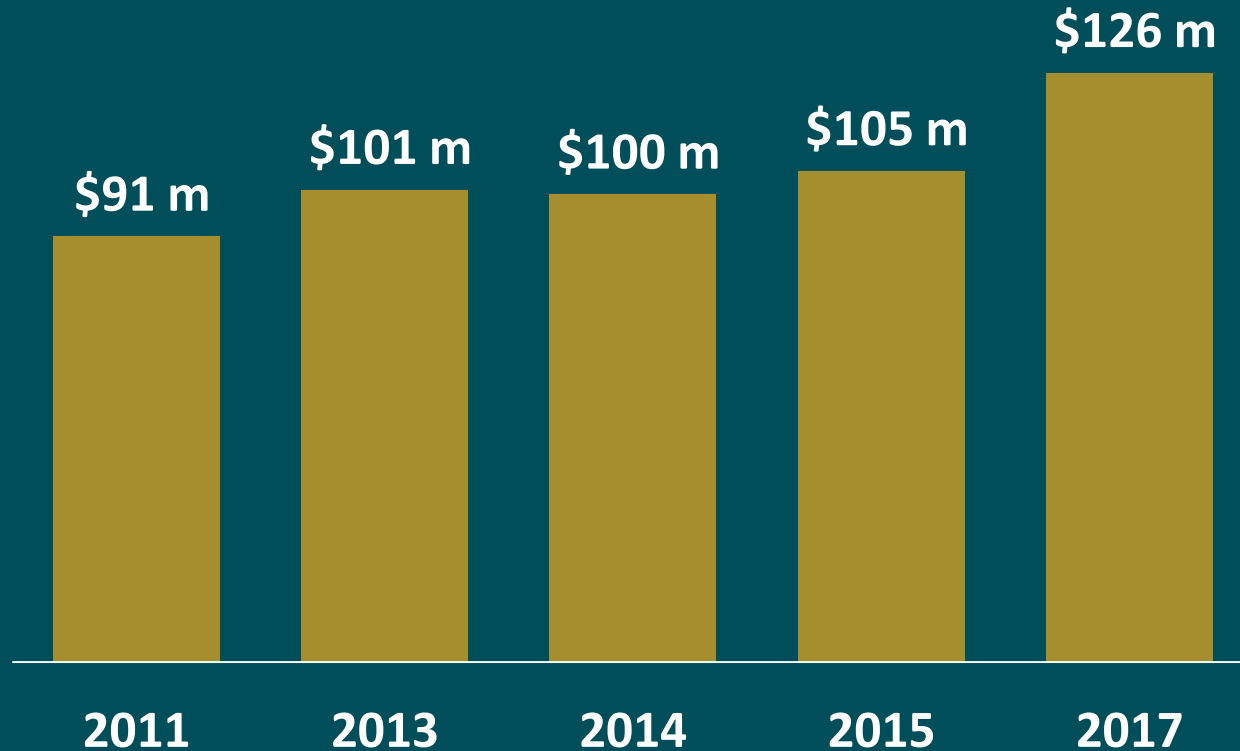


**Municipal Revenues
Up 24%
2011-2017**



Trends in Government Revenues

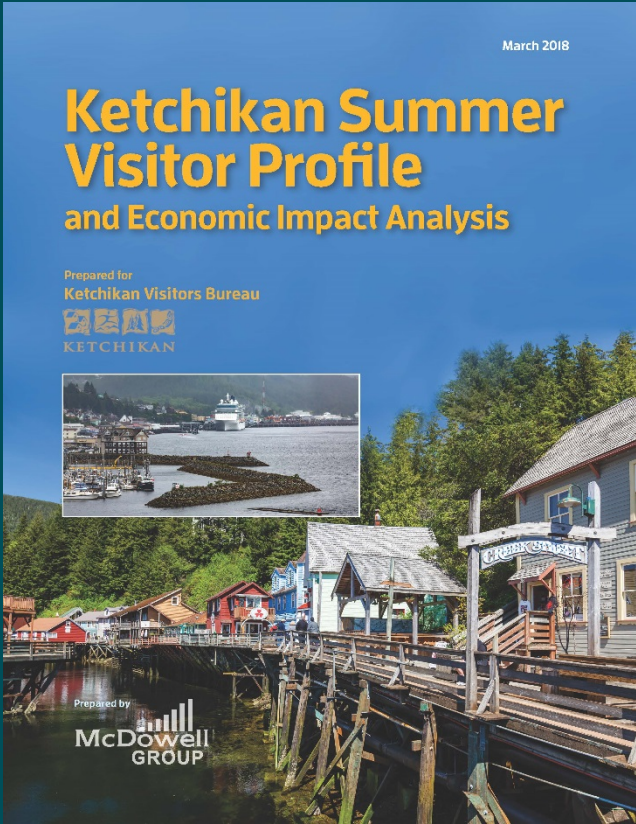
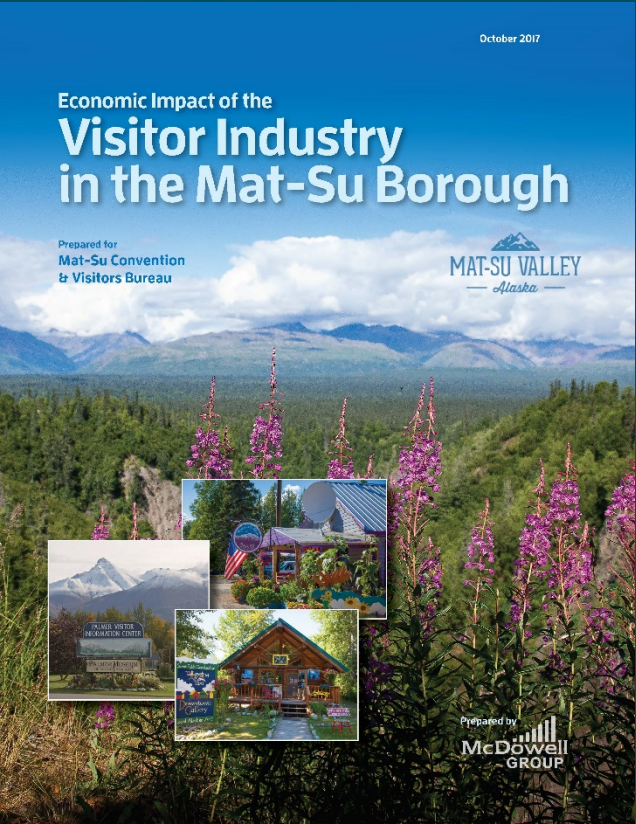
State of Alaska Revenues



**State Revenues
Up 38%
2011-2017**



Local Impacts



Mat-Su

- *Economic Impact of the Visitor Industry in the Mat-Su Borough, 2016*
- Prepared for Mat-Su CVB
- Included visitor volume estimates by location



Annual Economic Impacts

1,700 jobs

\$47 million labor income

\$133 million economic output



Juneau

- *Juneau Visitor Profile and Economic Impact Study, 2016*
- Prepared for Travel Juneau
- Included visitor profile from AVSP data



Annual Economic Impacts

2,800 jobs

\$13.5 million tax revenue

\$14.2 million marine revenue

\$109 million labor income

\$319 million economic output



Kenai Peninsula

- *Kenai Peninsula Visitor Profile and Economic Impact Analysis, Summer 2016*
- Prepared for Kenai Peninsula Tourism Marketing Council
- Included visitor profile from AVSP data



Summer Economic Impacts

3,100 jobs

\$95 million labor income

\$218 million economic output



Ketchikan

- *Ketchikan Summer Visitor Profile and Economic Impact Analysis, 2017*
- Prepared for Ketchikan Visitors Bureau
- Included visitor profile from AVSP data



Summer Economic Impacts

1,750 jobs

\$76 million labor income

\$18.7 million municipal revenues



Where do I find out more?

- AVSP, Visitor Volume, and Economic Impacts on DCCED website

<https://www.commerce.alaska.gov/web/ded/DEV/TourismDevelopment/TourismResearch.aspx>

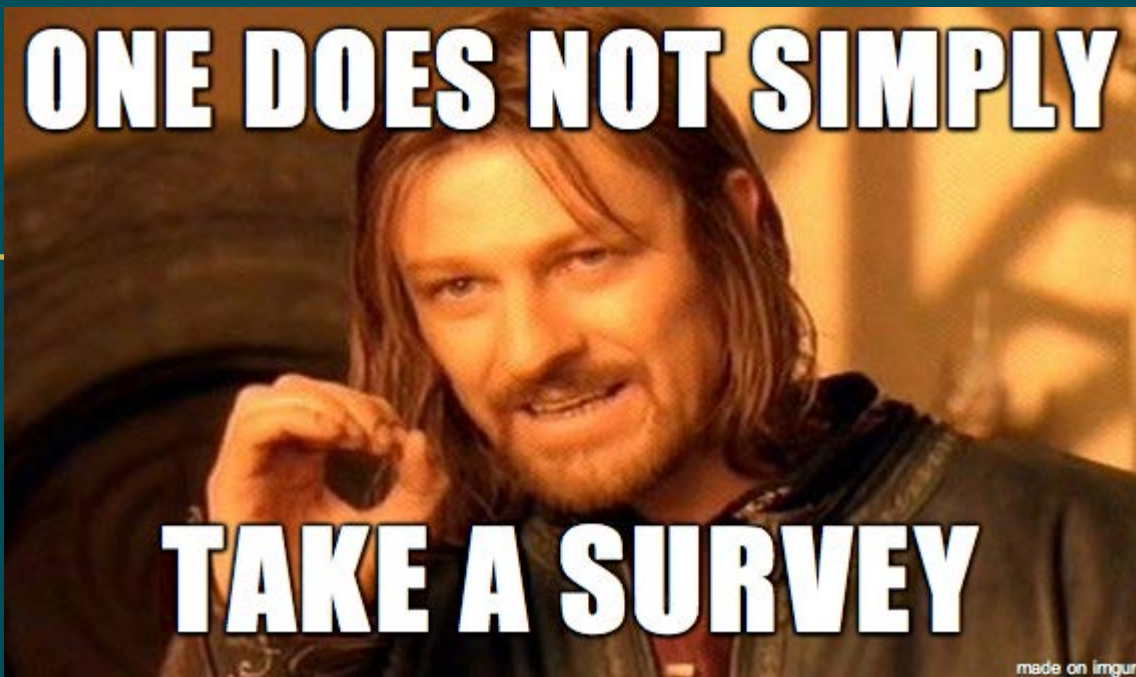
- And at ATIA's website

<http://www.alaskatia.org/marketing/alaska-visitors-statistics-program-avsp-vii>

- McDowell Group

www.mcdowellgroup.net

ONE DOES NOT SIMPLY



TAKE A SURVEY

made on imgur

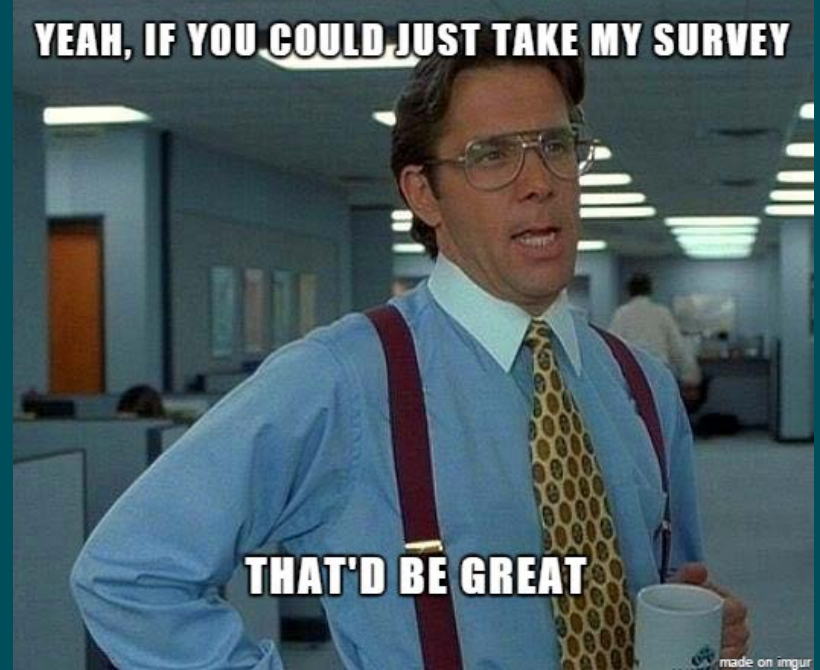
Oh yeah! A PHONE SURVEY!



Said no one ever

memecenter.com 

YEAH, IF YOU COULD JUST TAKE MY SURVEY



THAT'D BE GREAT

made on imgur



Thank you!

www.mcdowellgroup.net

