Southeast Alaska Business Climate Report 2026

Annual Survey of Southeast Alaska Business Owners and Top Managers

SOUTHEAST CONFERENCE

Prepared by
Rain Coast Data

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Southeast Alaska **Business** Survey Results **2026**

360
Businesses

22
Sectors

10,000
Workers Represented

20
Communities

In April 2026, 360 Southeast Alaska business leaders representing approximately 10,000 workers across 20 communities participated in the annual Southeast Alaska Business Climate Survey. Since 2010, Southeast Conference has partnered with organizations across the region to conduct this annual study. Rain Coast Data designs, administers, and analyzes the survey.

- **Business Confidence and Outlook Improves in 2026:** Business confidence improved modestly in 2026 compared to 2025, although sentiment remains mixed in many sectors and communities. Overall, 62% of Southeast Alaska businesses describe the current business climate positively (up 2% from 2025), and 67% report a positive outlook for the coming year (up 4%). Mining, real estate, and tourism reported the strongest business confidence, while concerns persist in the seafood, social services, and manufacturing sectors.

- **Rising Costs and Workforce Challenges Continue to Constrain Growth:** Across nearly every sector, businesses report increasing pressure from the cost of operating in Southeast Alaska. While many leaders remain optimistic about long-term opportunities, concerns remain regarding housing shortages, transportation challenges, and the growing seasonality of the regional economy. Fuel, freight, insurance, utilities, and labor costs were among the most frequently cited barriers. Housing availability and workforce recruitment continue to limit business expansion and employee retention, particularly in seasonal and skilled industries. Many respondents also noted that inflation and uncertainty surrounding government policy are contributing to more cautious decisions regarding hiring, investment, and growth.

- **Use of Artificial Intelligence Prevalent:** For the first time, businesses were asked about their use of artificial intelligence (AI) in business operations. Results suggest AI adoption is emerging across Southeast Alaska, with 55% of businesses reporting some AI use. However, most use remains limited: 36% report using AI regularly or occasionally, while another 19% describe their use as very limited. An additional 6% are considering adoption, while 38% of responding businesses report no plans to use AI. Findings suggest AI use is currently focused on productivity and operational efficiency, providing an early benchmark for understanding how AI is beginning to shape Southeast Alaska workplaces.

Southeast Alaska **Business** Survey Results **2026**

- **Business Climate Improves Slightly:** Sixty-two percent of regional business leaders currently have a positive view of the Southeast Alaska business climate, a two-point increase over 2025. At the same time, 36% describe the current business climate as poor or very poor, a one-point increase, highlighting continued concern and mixed economic conditions across the region.

62% positive about economy now

- **Outlook Improves From 2025:** In 2026, just over two-thirds (67%) of respondents describe the economic outlook for their business or industry over the next 12 months as positive, and 27% say their business or sector is on track for continued improvement or growth. This represents a stronger outlook than reported in 2025. Real estate, financial activities, and construction report some of the strongest outlooks, while social services and manufacturing remain more concerned. Among communities, Wrangell stands out for its dramatic shift in sentiment, moving from among the weakest outlooks in recent years to one of the strongest in 2026. Hoonah and Skagway also report highly positive expectations for the coming year.

67% positive outlook for next year

- **Hiring Plans Remain Modest:** Fifteen percent of regional businesses anticipate growing their workforce over the next twelve months, while 14% expect to reduce employment. Most employers anticipate maintaining current staffing levels, reflecting continued caution and a restrained hiring environment. Job growth expectations are strongest in Hoonah and Sitka.

15% of employers are hiring

- **More Than Half of Southeast Businesses Use AI:** More than half (55%) of Southeast Alaska businesses report some use of AI, including 36% that use it regularly or occasionally and 19% report only very limited use. AI adoption is highest in the financial and professional services sectors and among businesses in Sitka and Juneau, with most use focused on writing, editing, and administrative support.

55% SE businesses using AI

- **Quality of Life Rating Declines:** Business leaders gave Southeast Alaska an overall quality of life rating of 6.9 out of 10, down from 7.4 in 2025 and below the previous low of 7.2 recorded in 2022. Ratings vary across communities and industries, with Gustavus and Sitka reporting the highest ratings among communities, and the mining and energy sectors reporting the highest ratings among industries.

6.9 quality of life rating

Southeast **Business** Climate Spring 2026

April **2026** Southeast Alaska: **How do you view the overall business climate right now?**
62% Positive / **36% Negative**

April **2025** Southeast Alaska: **How do you view the overall business climate right now?**
60% Positive / **35% Negative**

Southeast Alaska Annual Business Climate Survey

In April 2026, 360 Southeast Alaska business owners and top managers representing 20 communities responded to Southeast Conference's annual Business Climate Survey.

Economy Now: How do you view the overall business climate right now?

In 2026, perceptions of the Southeast Alaska economy were generally in line with long-term survey averages, excluding the two pandemic years.

Sixty-two percent of regional business leaders described the current business climate as good or very good, while 36% characterized conditions as poor or very poor. Compared to 2025, positive sentiment increased modestly by two percentage points, while negative sentiment edged up by one point.

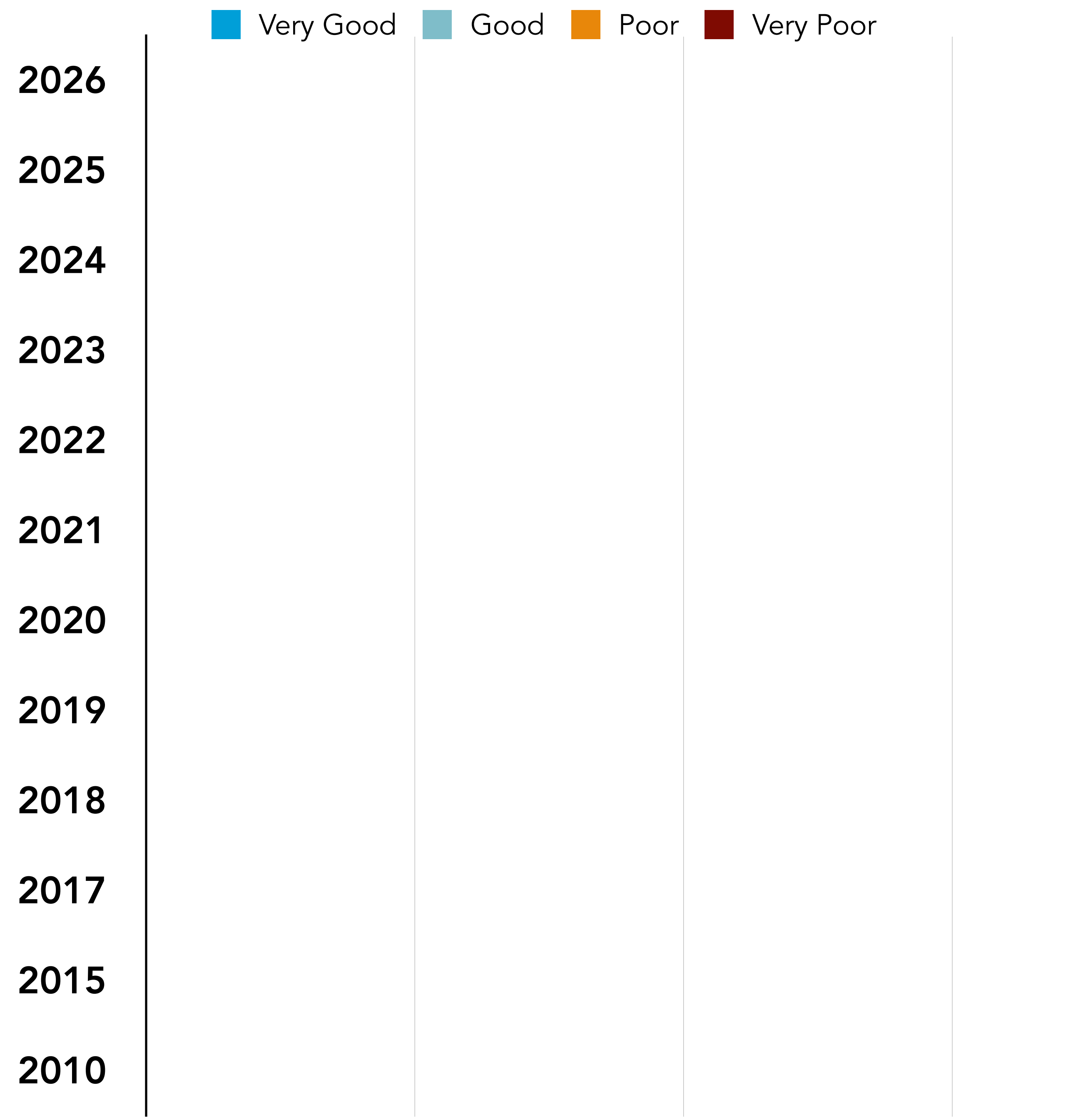
Mining, tourism, real estate, and construction reported the strongest business climate ratings. By contrast, in manufacturing, timber, and seafood, businesses reporting poor or very poor conditions outnumbered those expressing positive views.

Among Southeast communities, business leaders in Yakutat, Sitka, and Skagway reported the most favorable business climate perspectives. In Gustavus, Petersburg, and Haines, respondents were more likely to characterize current conditions negatively than positively.

Southeast Business **Climate** Results: **By Year**

Business climate ratings in 2026 are generally consistent with long-term survey patterns recorded since 2010, excluding the pandemic years of 2020 and 2021. While sentiment improved modestly from 2025, business confidence remains below stronger pre-pandemic years such as 2017 and 2018.

April **2026** Southeast Alaska: **How do you view the overall business climate right now**



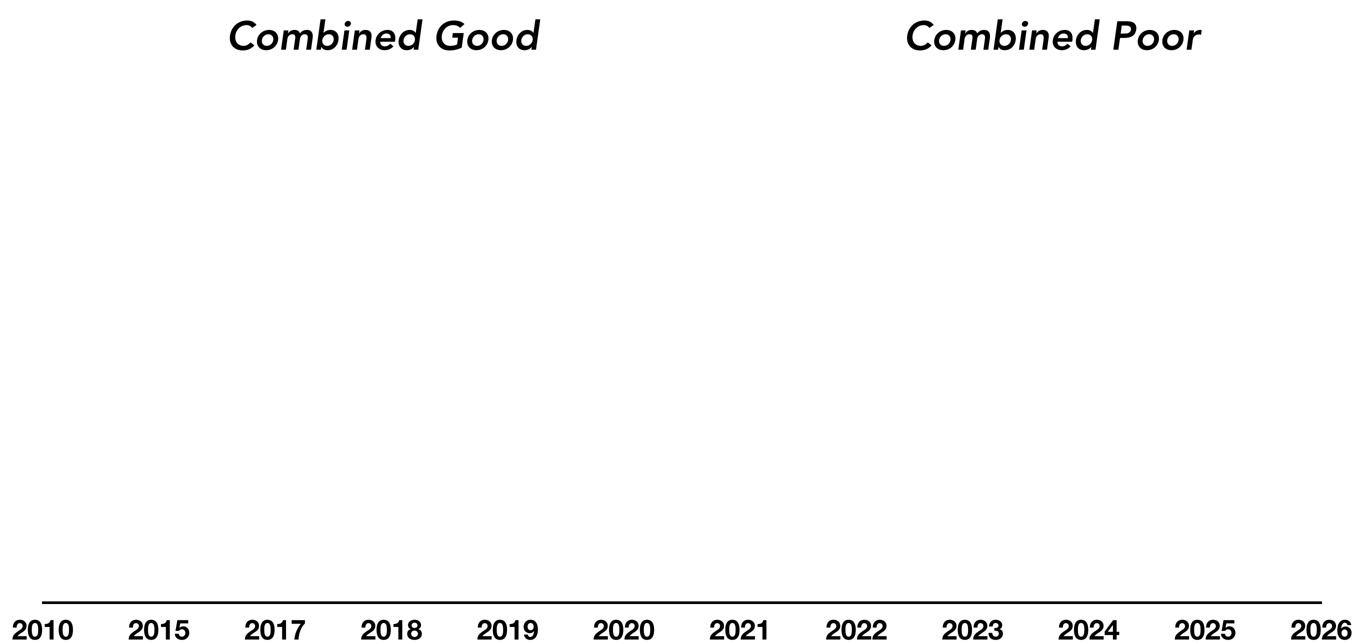
“Don’t know” responses have been excluded from this graphic.

Southeast Business **Climate** Results: **By Year**

The chart below provides the same data as the previous page, but combines the good and very good responses, as well as the poor and very poor responses, allowing combined sentiment trends to be more easily compared across survey years.

Positive sentiment in 2026 exceeds negative sentiment by 26 percentage points, similar to several pre-pandemic years.

April **2026** Southeast Alaska: **How do you view the overall business climate right now**

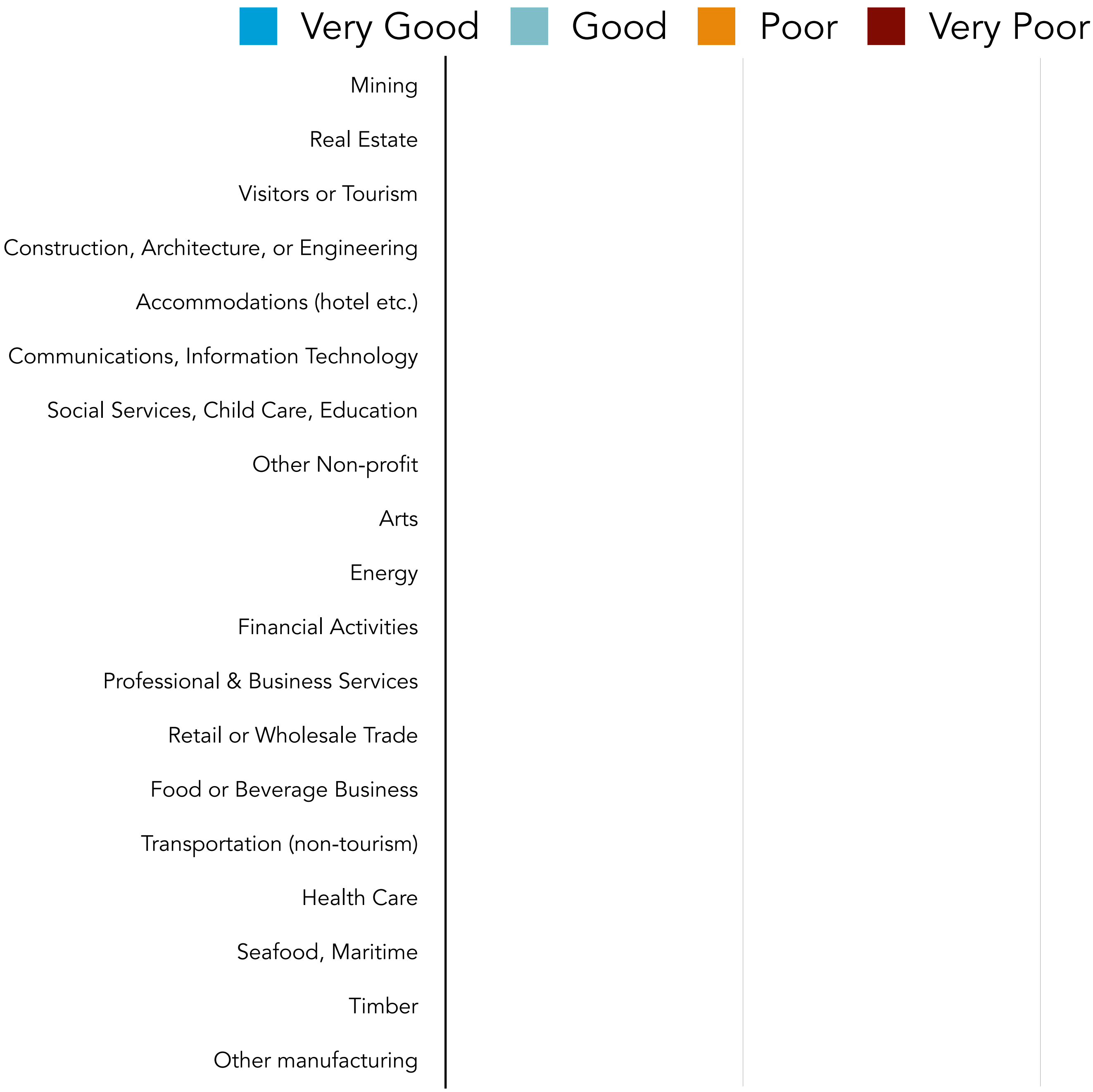


The “don’t know” category has been excluded from this chart.

Southeast **Business** Climate Results: **By Industry**

The following graphic breaks out how the current Southeast Alaska business climate is viewed by each sector. Mining, real estate, tourism, and construction businesses are most likely to describe the current economy positively, while manufacturing, timber, and seafood businesses are most likely to characterize conditions negatively.

April **2026** Southeast Alaska: **How do you view the overall business climate right now?**



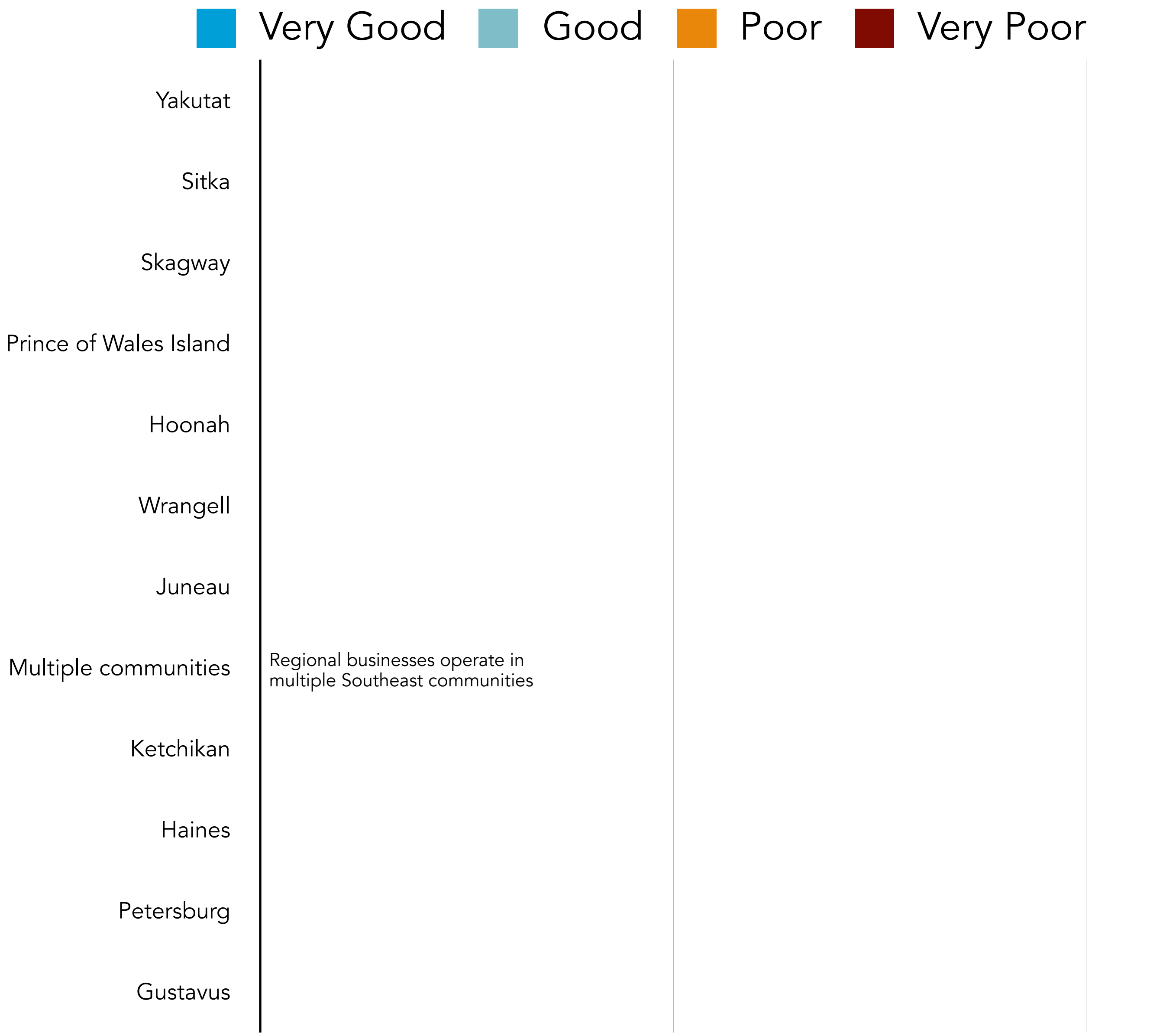
The “don’t know” category has been excluded from this chart.

Southeast **Business** Climate Results: **By Community**

The graphic below illustrates how business leaders in each Southeast Alaska community are experiencing the regional business climate. Yakutat ranked first in 2026, followed by Sitka, Skagway, and Prince of Wales, where business leaders also reported particularly positive business conditions.

Gustavus reported the weakest business climate ratings, with 62% of business leaders describing conditions as poor or very poor. Petersburg (53%) and Haines (52%) also reported elevated levels of negative sentiment. Wrangell showed the strongest improvement, rising from among the weakest community ratings in recent survey years to mid-range in 2026.

April **2026** Southeast Alaska: **How do you view the overall business climate right now**



The “don’t know” category has been excluded from this chart.

Southeast **Economic Outlook**

What is the economic outlook for your business/industry over the next year (compared to the previous year)?

2026

67% Positive / **33% Negative**

2025

63% Positive / **37% Negative**

2025

Southeast Alaska Economic Outlook

Economic Future: In 2026, 67% of Southeast Alaska business leaders report a positive outlook for their business or industry over the next 12 months, while 33% anticipate worsening or challenging conditions. Forty percent expect business conditions to remain generally similar to current operations, but in a stable or positive way.

This represents a four-point increase in optimism over 2025. While outlooks improved modestly this year, 2026 still ranks among the weaker outlook years in survey history. Only the pandemic period (2020–2021) and 2025 reported lower levels of optimism.

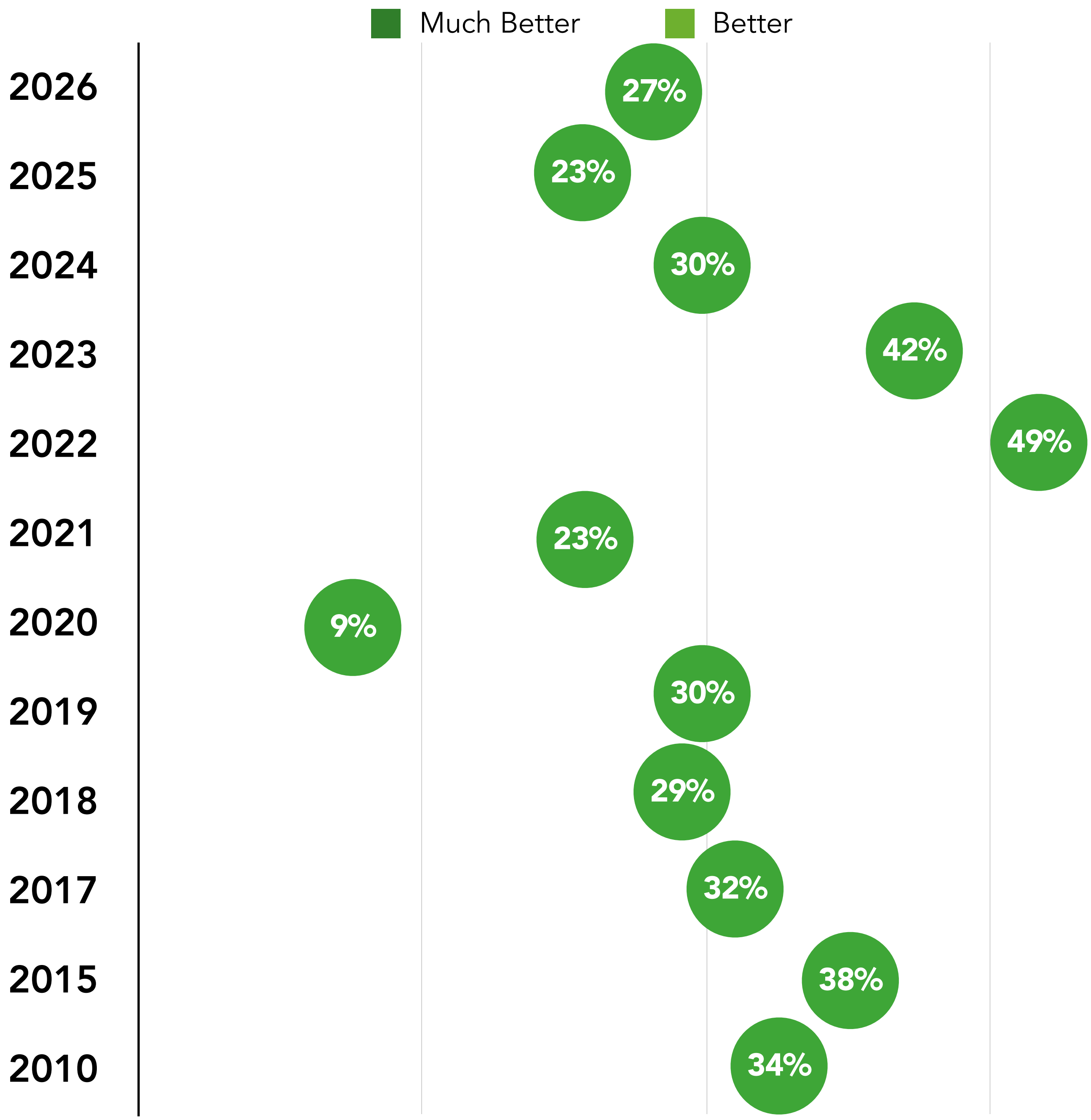
Real estate, financial services, and construction report the most positive outlooks moving into 2027. By contrast, social services, manufacturing, seafood, and timber businesses were more likely to anticipate worsening conditions.

Hoonah, Wrangell, and Skagway report the strongest outlooks, while Petersburg and Gustavus remain the most pessimistic. Petersburg and Gustavus continue to report more cautious outlooks. Despite ranking lowest regionally, Gustavus improved markedly, with its negative outlook declining from 72% in 2025 to 31% in 2026.

Southeast Business **Outlook** Results: **By Year**

A total of 27% of Southeast Alaska businesses forecast better conditions for their business or industry over the coming year (2026 through spring 2027). While weak by historical standards, this represents a four-point increase over 2025.

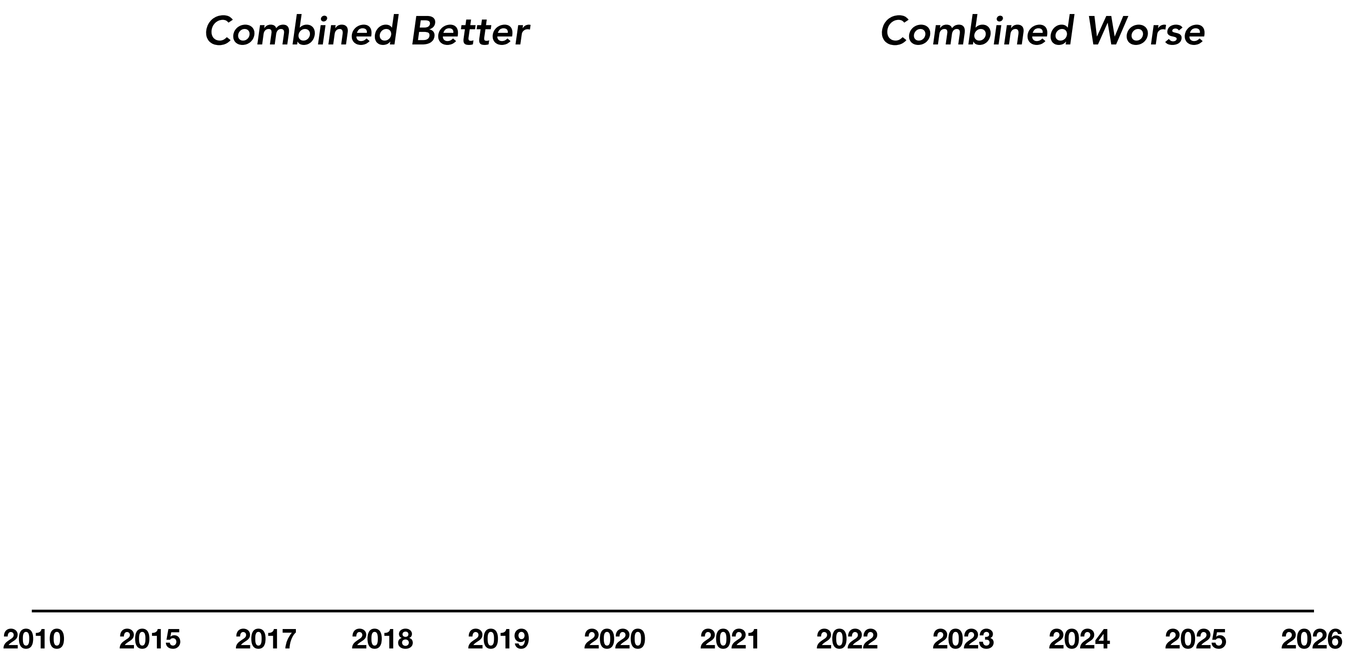
What is the economic outlook for your business/industry over the next year (compared to the previous year)?



Southeast Business **Outlook** Results: **By Year**

The chart below presents the same data as the previous page, combining the better and much better responses and the worse and much worse responses to more clearly illustrate overall sentiment compared to past years. In 2026, businesses expecting improving conditions outnumber those anticipating worsening conditions by nine percentage points.

What is the economic outlook for your business/industry over the next year (compared to the previous year)?

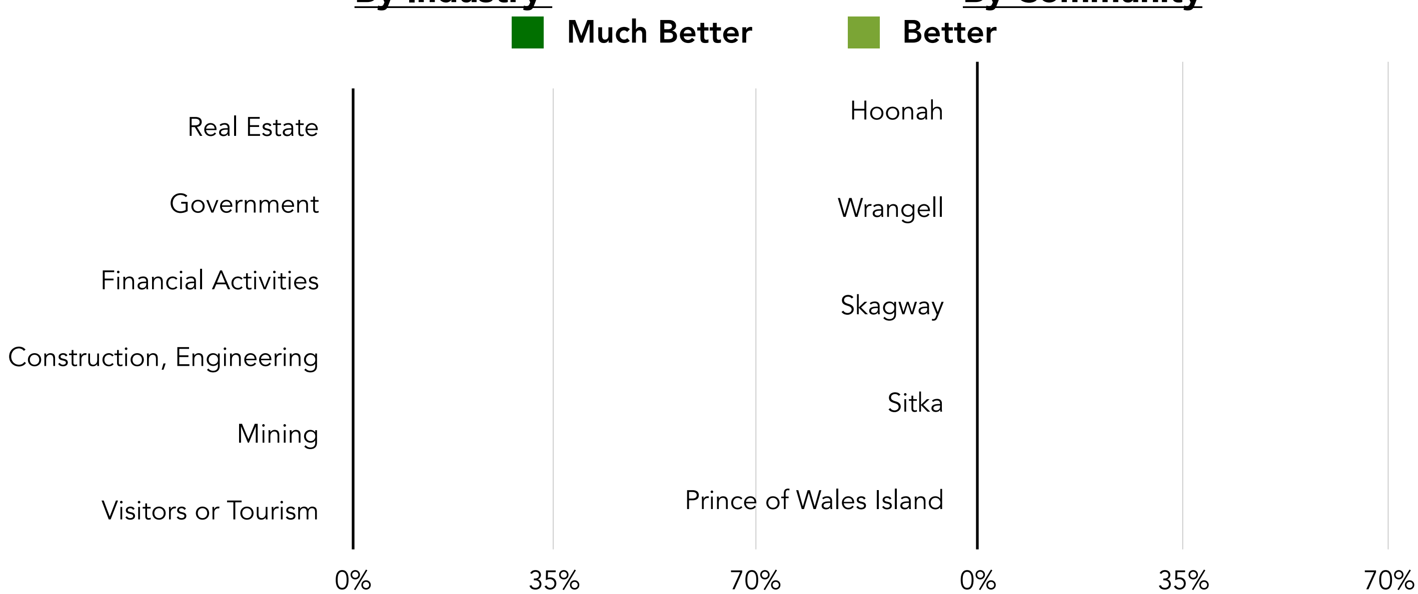


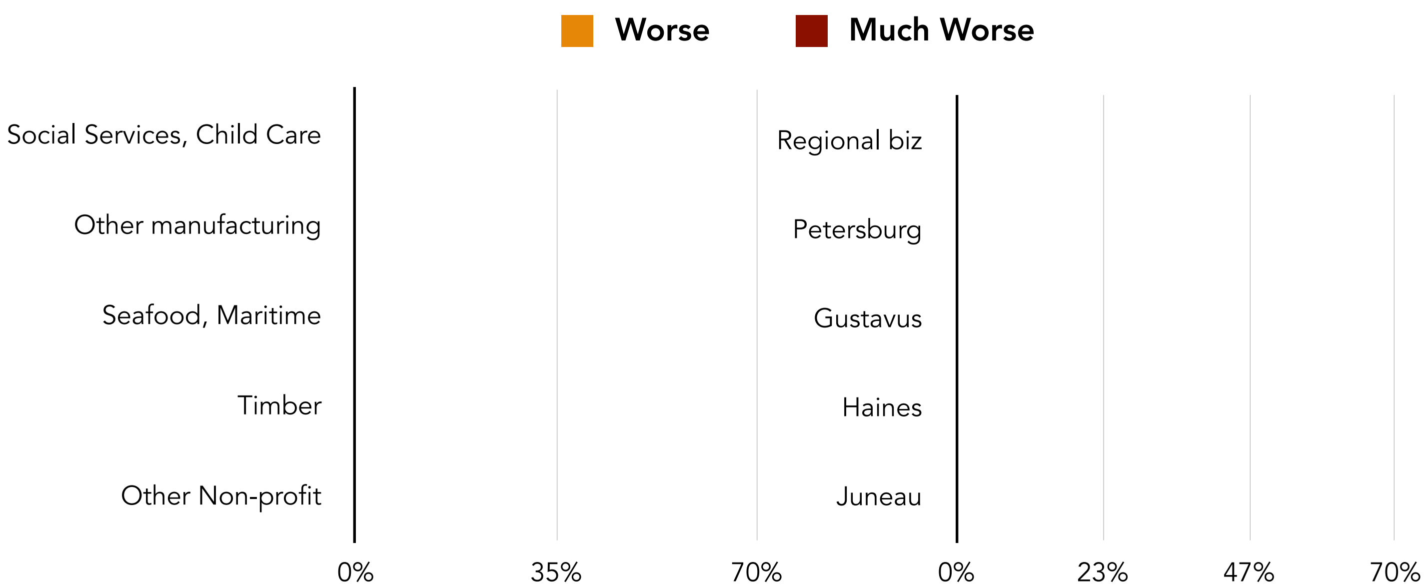
Southeast Economic **Outlook**: By Community and Industry

The graphics below show economic outlook breakdowns for the coming year by industry and community. The optimism reported in Hoonah and Wrangell was particularly notable relative to recent survey years. Open-ended comments indicate Hoonah's strong outlook is largely driven by continued tourism growth and investment associated with Icy Strait Point, while Wrangell's improved outlook appears tied to expanding economic-development opportunities and infrastructure investment. Businesses in both communities continue to report concerns regarding rising costs and other challenges, but many also expressed renewed confidence in local opportunities and long-term community potential.

What is the economic outlook for your business or industry

By Industry **By Community**





Southeast Economic **Outlook:** By Industry

The following table shows a detailed economic outlook by industry.

What is the economic outlook for your business or industry?

Sector	Much Better	Better	Same (positive)	Same (negative)	Worse	Much Worse
Real Estate	0%	57%	21%	14%	7%	0%
Government	0%	50%	38%	13%	0%	0%
Financial Activities	0%	40%	40%	10%	10%	0%
Construction, Architecture, or Engineering	18%	18%	32%	14%	18%	0%
Mining	11%	22%	56%	11%	0%	0%
Visitors or Tourism	4%	29%	48%	10%	6%	3%
Other manufacturing	33%	0%	33%	0%	0%	33%
Retail or Wholesale Trade	5%	26%	37%	16%	16%	0%
Accommodations (hotel etc.)	0%	31%	38%	8%	23%	0%
Food or Beverage Business	0%	27%	47%	20%	7%	0%
Communications, Information Technology	8%	17%	25%	25%	25%	0%
Health Care	0%	25%	0%	0%	50%	25%
Other Non-profit	0%	22%	39%	22%	11%	6%
Professional & Business Services	0%	21%	38%	21%	21%	0%
Energy	0%	20%	40%	20%	20%	0%
Transportation (non-tourism)	0%	14%	29%	29%	29%	0%
Arts	0%	8%	46%	8%	38%	0%
Seafood, Commercial Fishing, Maritime, Mariculture	4%	4%	41%	24%	24%	4%
Alaska Native organization	0%	0%	100%	0%	0%	0%
Timber	0%	0%	50%	25%	0%	25%
Social Services, Child Care, Education	0%	0%	67%	0%	17%	17%

Southeast Economic **Outlook**: In their own words

Please elaborate on the outlook for your business or sector over the next year.

Few sections of this report provide greater insight into business conditions than the words of Southeast Alaska business leaders themselves. A total of 250 respondents provided additional comments describing their expectations, opportunities, and concerns for the coming year. Selected comments are included below, with the full collection available in the appendix.

- **Visitors, Tourism:** *"Right now the year ahead (2026 season) looks good. But fuel and food prices are likely to hamper the level of success we hope to have in 2026."*
- **Seafood:** *"Increased costs of operation (price of fuel, groceries, maintenance needs, moorage rates, electric rates, insurance, etc.), with uncertain return; price, health of fish stock, quota and treaty with equitable allocation. Delayed start of season locally, unknown length of operating window per season, leading to difficulty in forecasting business opportunities."*
- **Food, Beverage:** *"We are anticipating the same number of customers but we expect those customers to not spend as much money. Not ordering the appetizer and/or dessert with their meal and/or opting for the lesser expensive items, skipping the Alaskan seafood."*
- **Construction, Architecture, Engineering:** *"Inflation costs in the construction industry are spiraling upward quickly. My crew is skilled, but older, hurt and expensive."*
- **Retail, Wholesale Trade:** *"Local business and off season business is worse than ever, but the seasonal business, specifically related to all forms of tourism is better than ever."*
- **Real Estate:** *"The housing market remains strained with limited housing available for seasonal tourism employees."*
- **Transportation (non-tourism):** *"In order to make this company sustainable we must look for ways to cut overhead costs with the rate of inflation. The fuel prices are skyrocketing and the future is unknown."*
- **Mining:** *"The mining industry is doing great with high metals prices. This allows the mines to recapitalize and prepare for the next metals price down cycle. The industry continues to suffer a shortage of skilled labor and attracting people to relocate to Southeast Alaska."*
- **Finance:** *"Looking ahead, we see continued steady growth in membership, loans, and deposits, alongside a focused effort to expand access to homeownership through targeted lending and support."*

Outlook by Sector

Combining the open-ended sector outlooks by business leaders, along with responses to other survey questions, outlooks by sector have been developed for the seafood, tourism, construction, retail, and mining sectors. Selected sector-specific outlook summaries and survey data are presented below:

Seafood Outlook:

Seafood and maritime businesses report a challenging outlook for 2026, driven by rising fuel, shipping, labor, insurance, and maintenance costs, combined with continued uncertainty around seafood prices, fish stocks, regulations, and market access. Seafood businesses expressed concern about the long-term viability of small independent fishing operations, particularly as processors consolidate and operating costs continue to rise. Despite these challenges, businesses continue to adapt through diversification, collaborative research, and investment in maritime infrastructure and innovation. Respondents also emphasized the importance of sustainable fisheries management and long-term resource stewardship.

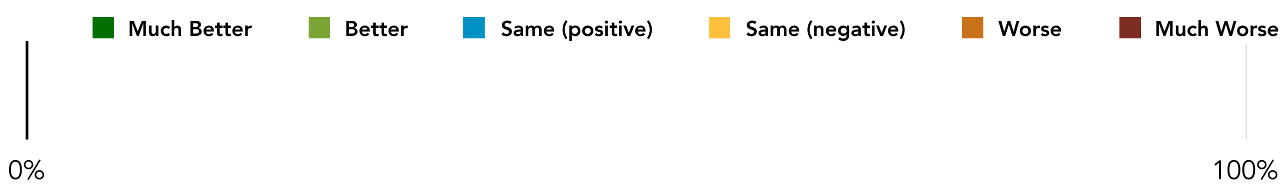
- In 2026, 49% of seafood, commercial fishing, maritime, and mariculture business leaders have a positive outlook, including 8% who feel that 2026 will be better or much better. This is an improvement from 2025, when 45% reported a positive outlook.
- 8% of seafood and maritime leaders plan to add new jobs this year (down from 9% last year), while 26% expect to reduce total jobs. More than half of businesses (52%) expect to maintain current staffing levels. Overall, the sector's employment outlook has weakened modestly from 2025, with a larger share of businesses anticipating workforce reductions.

Tourism Outlook:

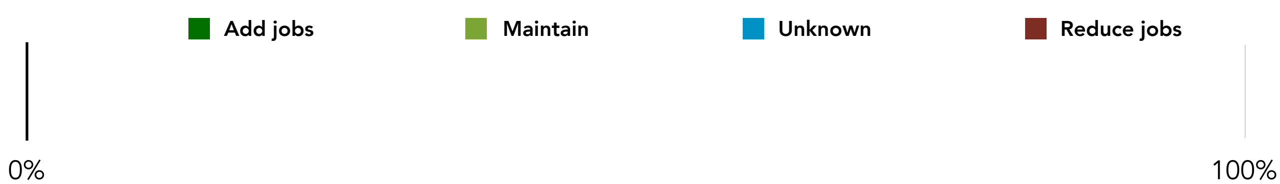
Tourism businesses across Southeast report a positive outlook for 2026, supported by continued demand for Alaska travel, particularly cruise visitation, guided experiences, fishing, and nature-based tourism. Many businesses report stable or growing bookings, with some operators already seeing strong advance reservations into 2027. Businesses continue to see opportunity in the region's reputation for authentic small-community, wilderness experiences, and recreation, along with growing interest in cultural tourism. Several businesses note that Alaska is continuing to benefit from travelers seeking domestic destinations and outdoor experiences, while others point to ongoing investment in tourism infrastructure and partnerships as creating new opportunities in some communities.

Businesses also describe a more challenging operating environment. Rising fuel, freight, food, labor, and operating costs continue to pressure margins, while workforce housing shortages and difficulty recruiting employees remain persistent concerns. Transportation reliability, particularly ferry and air service, was frequently identified as a challenge affecting both visitors and business operations. Several businesses also expressed concern regarding economic uncertainty, international visitation, fisheries regulations affecting charter operations, and ongoing community debate surrounding tourism growth and cruise visitation. Overall, tourism businesses remain optimistic. Alaska's strong tourism appeal continues to support long-term market confidence.

Visitor Sector Business Outlook (includes accommodation and food services)



Visitor Sector Workforce Outlook (includes accommodation and food services)

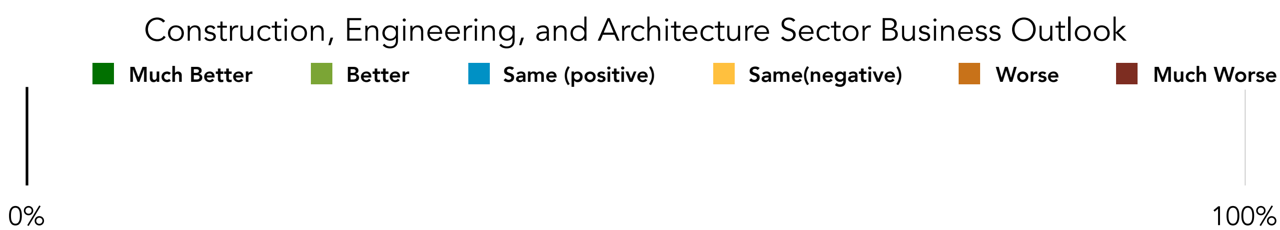


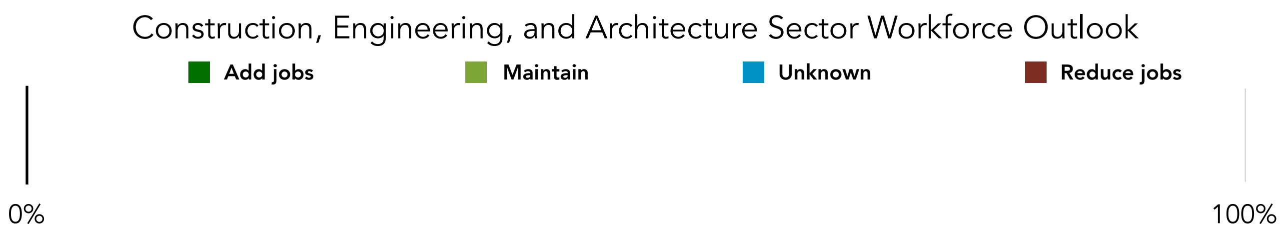
- In 2026, 78% of tourism business leaders (including accommodations and food services) have a positive outlook, including 31% who feel that 2026 will be better or much better. This represents an improvement from 2025, when 71% reported a positive outlook.
- 12% of tourism leaders plan to add new jobs this year, while a similar amount expect to reduce total jobs (including accommodations and food services). Most businesses (64%) expect to maintain current staffing levels. Overall, the sector's employment outlook has become more stable compared to 2025, when 19% of businesses were adding jobs and 18% of businesses anticipated workforce reductions.

Construction Outlook:

Construction, engineering, and architecture businesses continue to report concerns about rising material costs, tariffs, freight expenses, and uncertainty surrounding government funding for infrastructure and deferred maintenance projects. Many respondents noted that delays or reductions in federal, state, tribal, and municipal funding are already affecting planning and design work and may reduce future construction activity. Businesses also expressed concern that economic uncertainty and unstable pricing are causing some customers to delay or reconsider projects.

At the same time, several firms reported steady residential construction activity and strong demand for skilled trades, particularly as retirements continue to outpace new workers entering the industry. Recruitment and housing availability remain ongoing challenges across the region. While overall sentiment has improved modestly from last year, the sector continues to face constraints related to workforce shortages, high operating costs, and uncertainty in public-sector investment.



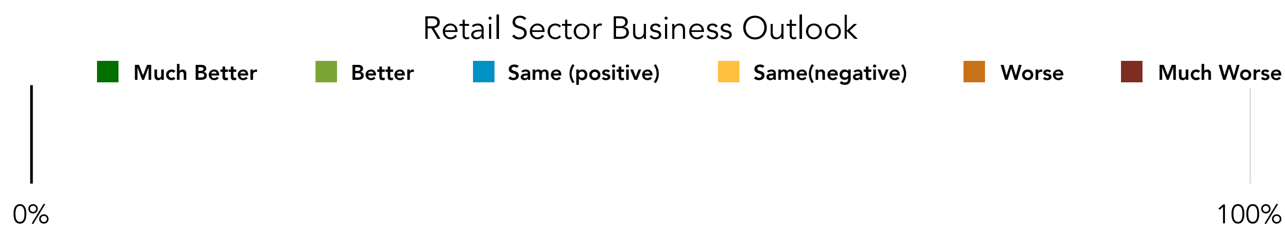


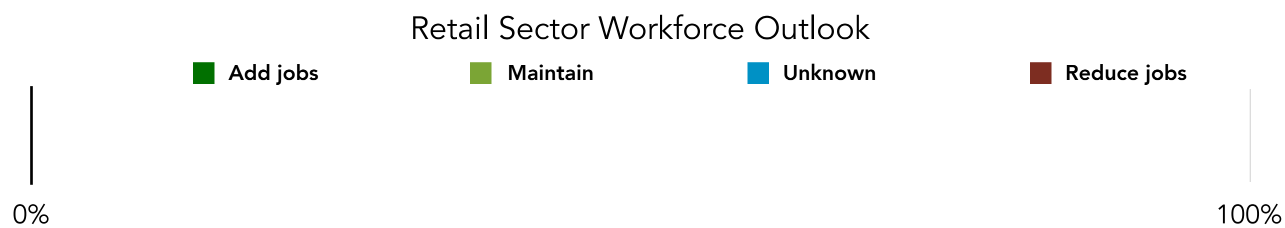
- In 2026, 75% of construction, engineering, and architecture business leaders have a positive outlook, including 36% who feel that 2026 will be better or much better. This represents an improvement from 2025, when 69% reported a positive outlook and just 16% expected conditions to improve.
- 17% of construction, engineering, and architecture leaders plan to add new jobs this year, while 11% expect to reduce jobs. Most firms (56%) expect to maintain current staffing levels. Overall, the sector's employment outlook has stabilized from 2025, when a larger share of firms anticipated workforce reductions (19%), but also a larger share were hiring (25%).

Retail Outlook:

Retail and wholesale businesses report a more positive outlook heading into 2026 than a year ago, although many continue to describe a challenging and uncertain operating environment. Businesses tied to tourism continue to benefit from strong visitor volumes and seasonal spending, and some retailers report plans to expand or diversify their operations. However, many businesses describe a growing divide between seasonal and year-round markets. Several retailers report weaker local spending as households face higher living costs and economic uncertainty.

Retail businesses continue to face rising operating expenses, particularly freight, fuel, insurance, utilities, and inventory costs. Tariffs and volatile shipping conditions were frequently cited as concerns, particularly for businesses dependent on imported goods and barge transportation. Several businesses also expressed concern regarding reduced Canadian visitation, transportation reliability, workforce shortages, housing affordability, and local tax or regulatory burdens. Many retailers describe tightening margins and increasing difficulty competing with online sales and large outside corporations. Overall, while sentiment has improved substantially from 2025, businesses continue to emphasize the importance of stronger year-round economic activity and more affordable operating conditions.



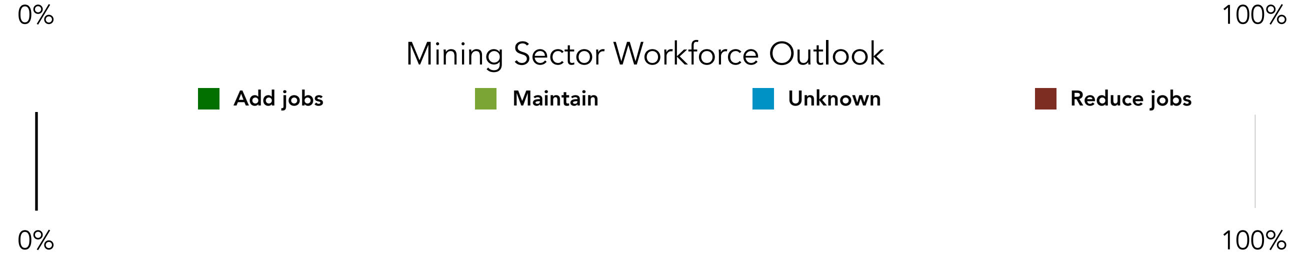


- In 2026, 66% of retail and wholesale business leaders have a positive outlook, including 30% who feel that 2026 will be better or much better. This represents an improvement from 2025, when 49% had a positive outlook.
- 23% of retail and wholesale leaders plan to add new jobs this year, while only 3% expect to reduce total employment. Most businesses (66%) anticipate maintaining current staffing levels, suggesting a considerably stronger employment outlook than in 2025, when 12% planned to add jobs and 21% anticipated workforce reductions.

Mining Outlook:

Mining businesses continue to report one of the strongest outlooks in Southeast Alaska, supported by high metal prices, stable production, and long-term operating prospects at existing mines. Businesses report that strong commodity pricing, particularly for gold and strategic minerals, is supporting cash flow, recapitalization, and capital investment planning. Several respondents note that established, well-permitted operations remain well positioned to navigate market volatility and maintain long-term value, with some citing substantial remaining mine life and continued opportunity for near-mine development.

Mining businesses continue to identify policy, infrastructure, and workforce challenges. Regulatory uncertainty and anticipated litigation surrounding federal land management and resource development remain ongoing concerns, although some respondents view permitting and NEPA reforms as a potential opportunity for greater consistency and clearer timelines. Workforce recruitment remains difficult, particularly given housing, childcare, and relocation barriers in Southeast Alaska. Businesses also raised concern regarding transportation and infrastructure limitations, including access to off-road operations, as well as local tax uncertainty and broader questions surrounding long-term economic planning and public understanding of the mining sector's regional economic role.



- In 2026, 89% of mining business leaders have a positive outlook, including 33% who feel that 2026 will be better or much better. While this remains among the strongest outlooks of any sector, it represents a modest decline from 2025, when 100% of mining leaders reported a positive outlook.
- 11% of mining leaders plan to add new jobs this year, while 89% anticipate maintaining current staffing levels. No mining businesses reported plans to reduce employment.

Job Projections **in 2026 and 2027**

2026: Jobs Outlook

2025: Jobs Outlook

Over the next 12 months, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure
(For those business with staff)

Employment changes in the next year

When asked about staffing expectations, 15% of Southeast Alaska business leaders report plans to add employees, while 60% expect to maintain current staffing levels.

Fourteen percent anticipate reducing employment in the coming year, a four-point decline from 2025.

Planned job growth is strongest in timber, Alaska Native organizations, financial activities, and communications and information technology.

By contrast, anticipated employment reductions are concentrated in transportation, food and beverage businesses, nonprofits, and seafood.

Among communities, Hoonah businesses report the strongest hiring expectations, followed by Sitka.

Prince of Wales, Haines, and Petersburg report the most negative employment outlooks.

Southeast **Job Projections: By Year**

The chart below compares business leader responses to this question since 2019.

Overall, employment expectations remain relatively balanced in 2026, with businesses nearly as likely to anticipate workforce reductions as additions. Hiring expectations remain cautious by historical standards despite modest improvement in some industries and communities.

April **2026** Southeast Alaska: **Over the next 12 months, do you expect your organization to add jobs or reduce jobs**

Add Jobs ***Reduce Jobs***

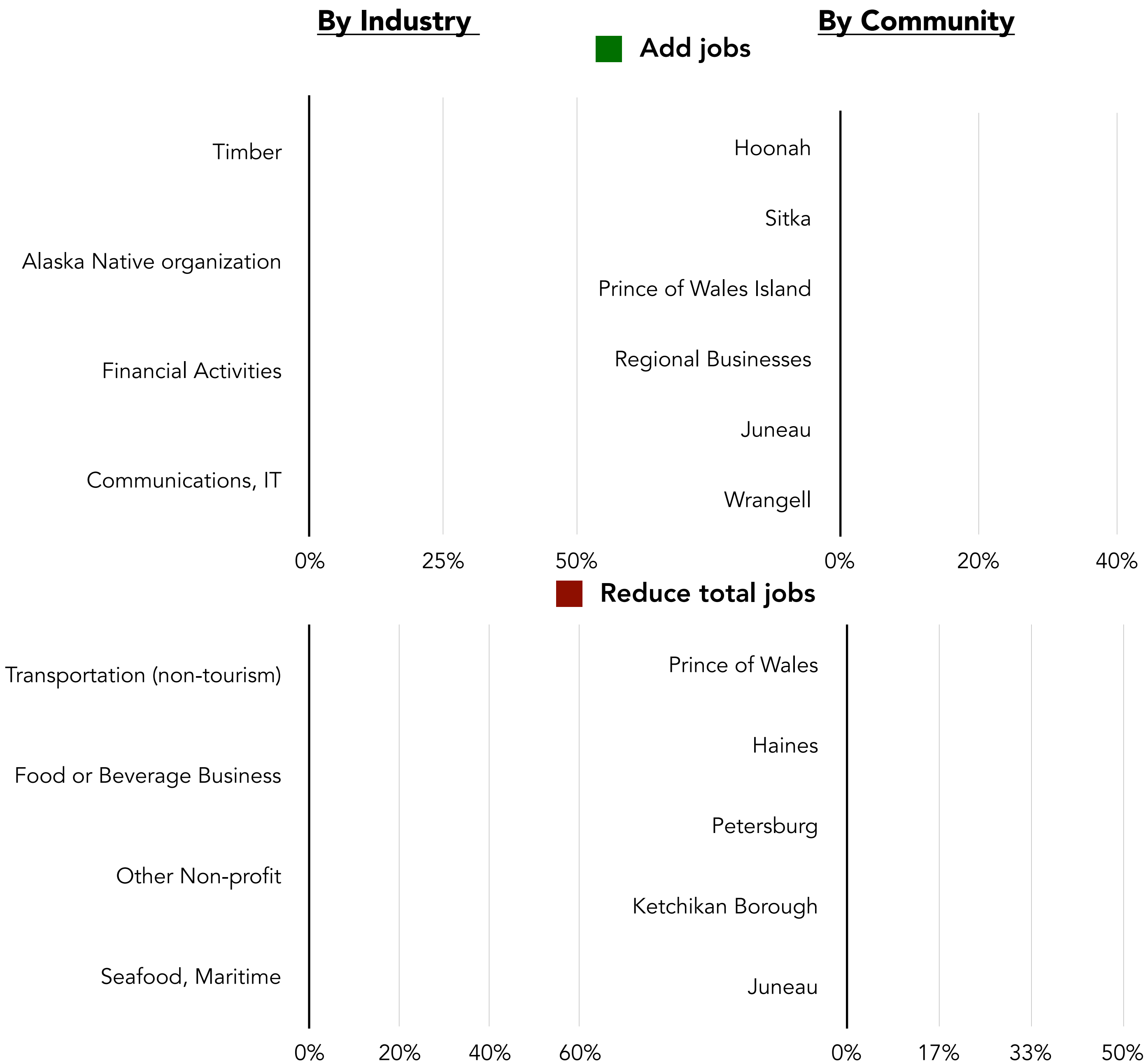
2019 2020 2021 2022 2023 2024 2025 2026

The "maintain jobs" and "unknown" response categories have been excluded from this chart.

Job Projections for the Next 12 Months

Over the next year, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure?

Hiring expectations vary considerably by community and industry, with strong projected hiring in Hoonah and Sitka and more cautious employment expectations in Prince of Wales, Haines, and Petersburg.

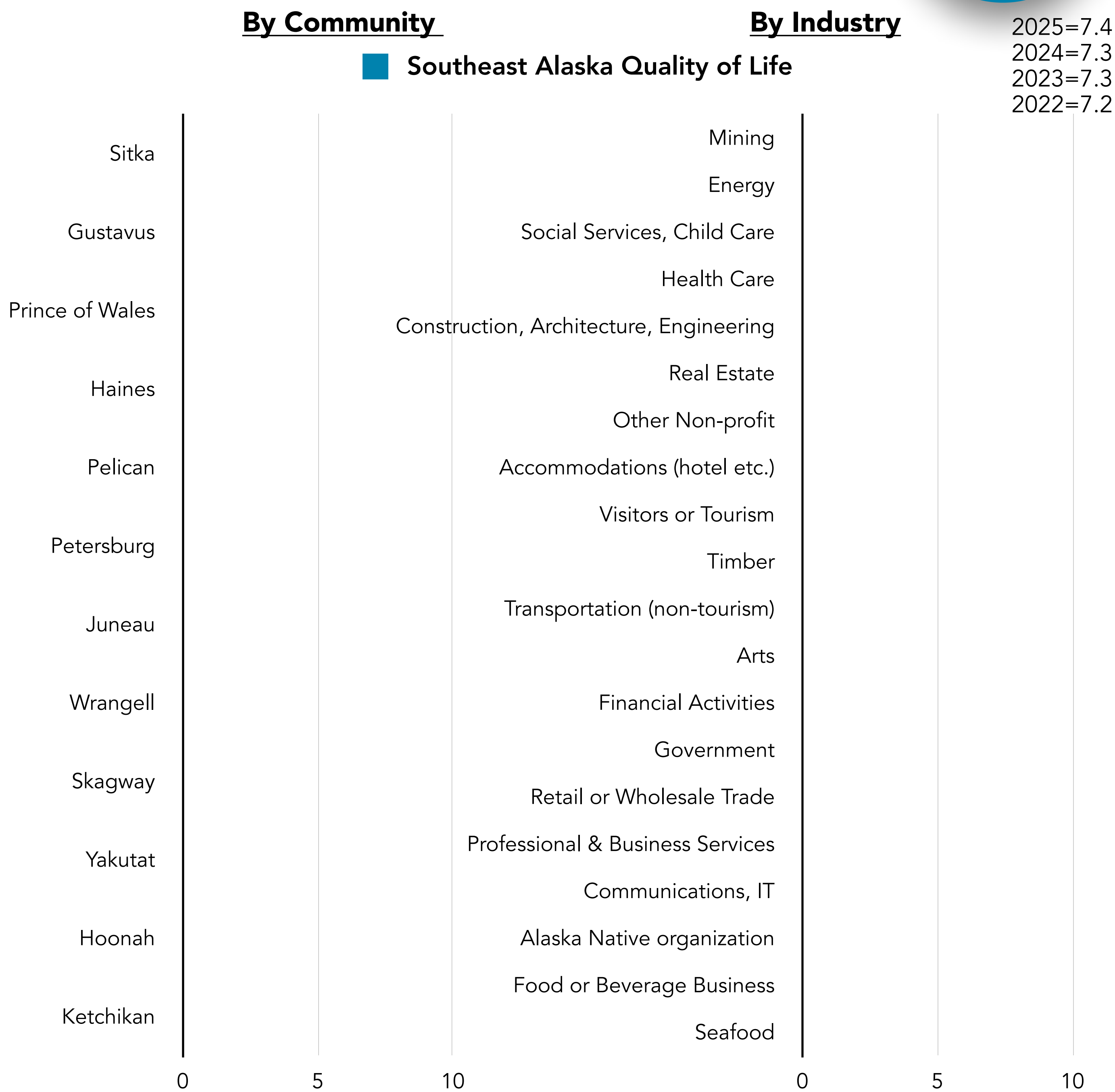


The "maintain jobs" and "unknown" response categories have been excluded from this chart.

How would you rate the **Quality of Life** in Southeast Alaska?

Southeast Alaska is widely recognized for its high quality of life. In 2026, business leaders rated regional quality of life at 6.9 out of 10, down from 7.4 in 2025. Sitka, Gustavus, and Prince of Wales reported the highest ratings, while Ketchikan, Hoonah, and Yakutat reported the lowest. By sector, business leaders in mining, energy, and social services provided the strongest ratings, while seafood and food and beverage businesses reported the lowest.

6.9
SE Quality of Life



Southeast Businesses **AI Use**

Regional businesses were asked about their use of AI in their business operations. Just over half (55%) reported using AI at their businesses, although 19% are only using AI in a very limited way only. Another 6% are considering integrating AI, while 38% have no plan to use AI in the future.

Does your business currently use artificial intelligence (AI) tools in its operations?

55% report some AI use / **44% are not currently using AI**

AI Use: **By Industry**

AI use is highly uneven across industries. Those in the financial sector are the most likely to use AI regularly or occasionally in their business operations (90%), followed by professional and business services (63%). While no respondents in the energy sector said they are using AI regularly, 80% said they are in the experimental phase. Those in accommodations are the least likely to use AI, and 77% in accommodations say they have no plans to start using it.

Does your business currently use artificial intelligence (AI) tools

AI Use: **By Community**

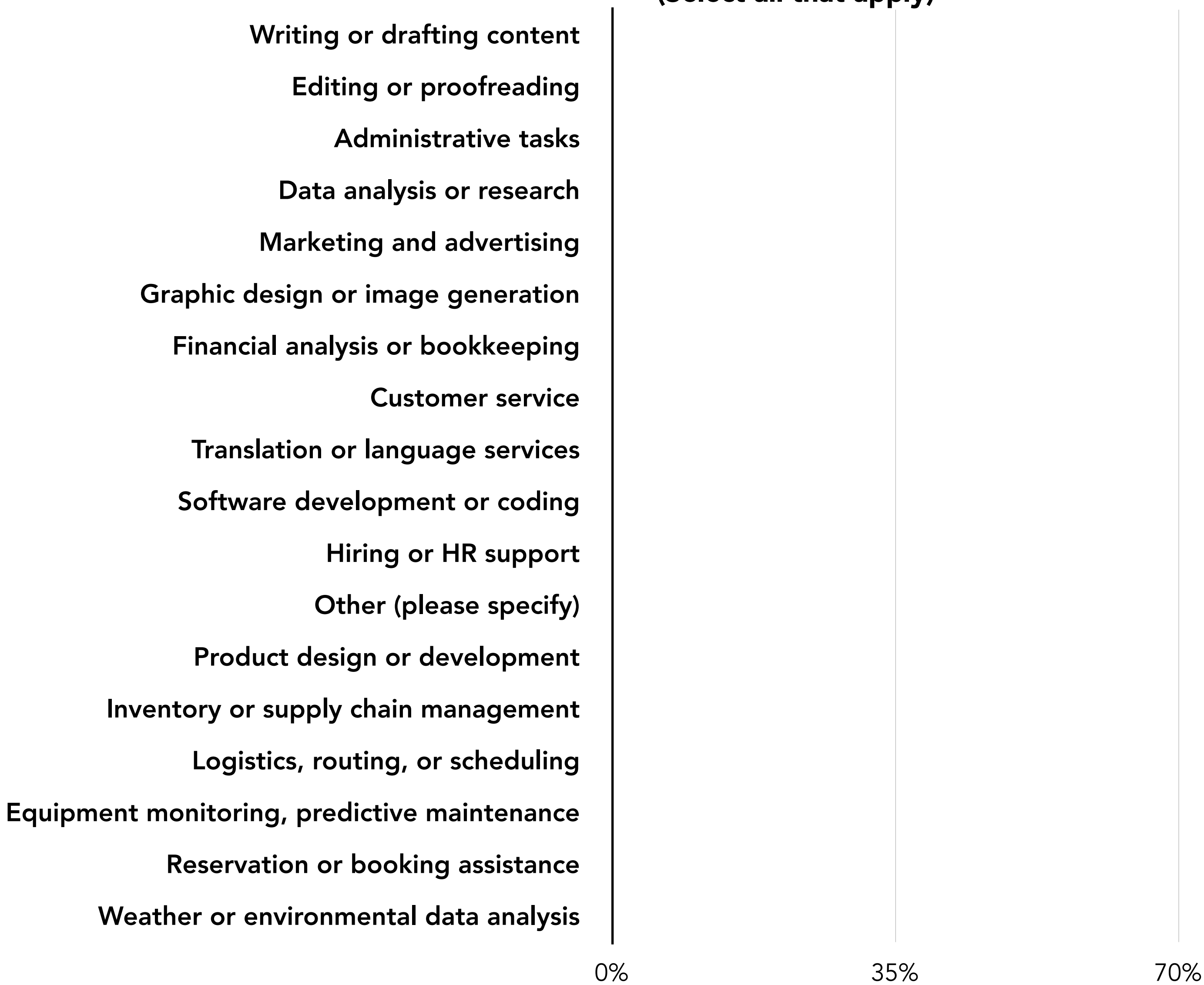
AI adoption appears highest in larger regional centers and among businesses operating across multiple Southeast communities. Sitka businesses are the most likely to regularly or occasionally use AI in their business operations (53%), followed by Juneau (49%), and regional businesses (46%). Haines and Prince of Wales are the least likely to use AI.

Does your business currently use artificial intelligence (AI) tools in its operations?

AI Use: **By Purpose**

For those businesses using AI, two-thirds (66%) use it for writing or drafting content; more than half (58%) use it for editing or proofreading; nearly half use it for assistance with administrative tasks, such as writing summaries, taking meeting notes, and scheduling; 41% use it for data analysis and research; and a third (32%) use it for marketing and advertising. A quarter (24%) use it for graphic design or image generation, and 13% use it for financial analysis or bookkeeping.

For what purposes does your business currently use AI? (Select all that apply)



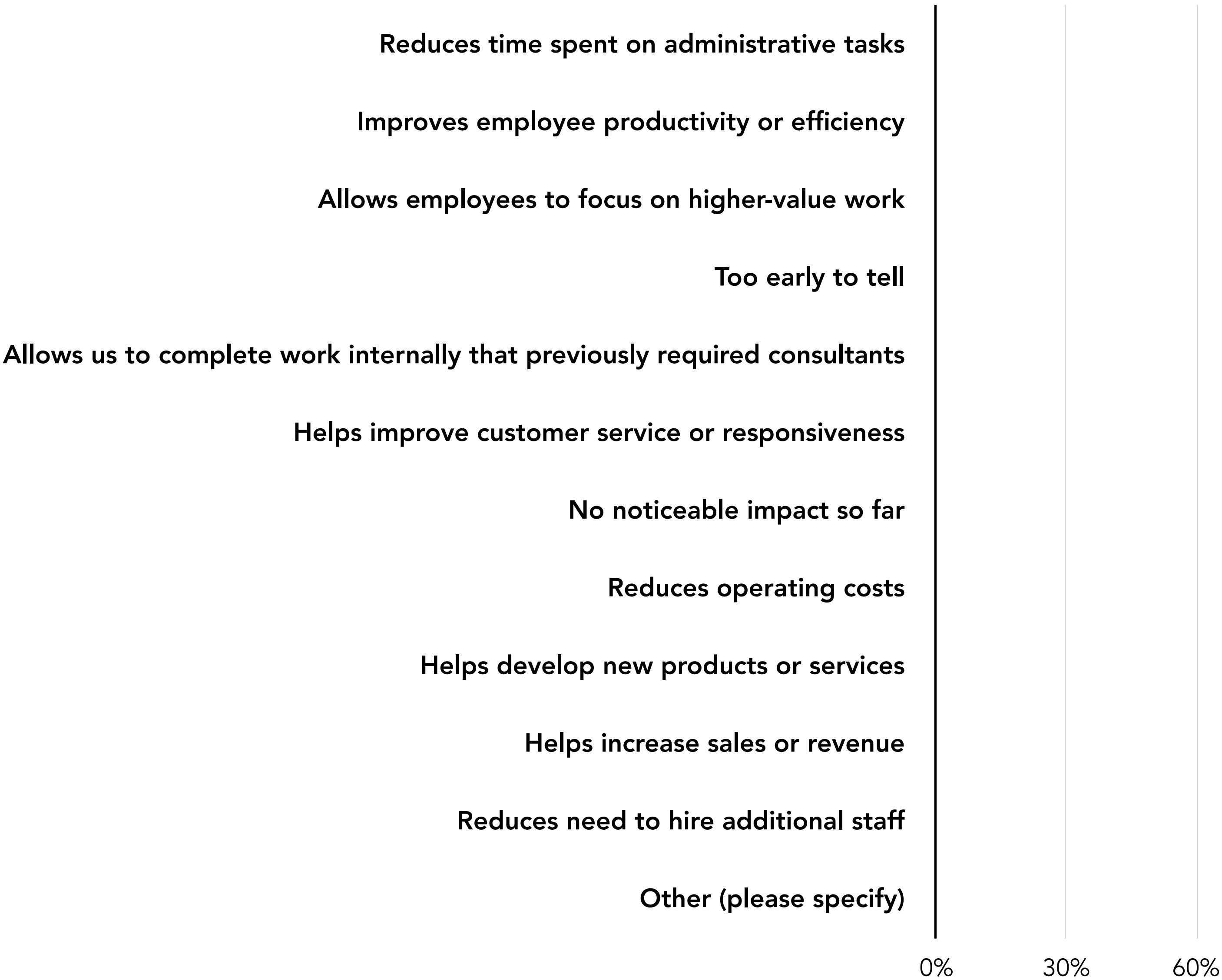
Asked to businesses using AI only

AI Use: **By Impact**

When businesses using AI were asked about its impacts, the most commonly reported benefit was reduced time spent on administrative tasks (57%). Four in ten (40%) said AI improves employee productivity or efficiency.

Among respondents selecting "other" (6%), most described AI as having a negative impact on their business.

What impact, if any, has the use of AI had on your business so far? (Select all that apply)



Asked to businesses using AI only

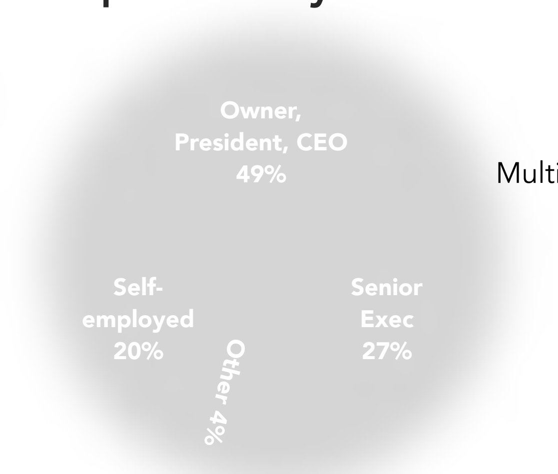
Southeast Business Respondent **Profile**

The 360 responding businesses represent approximately 10,000 Southeast Alaska workers.

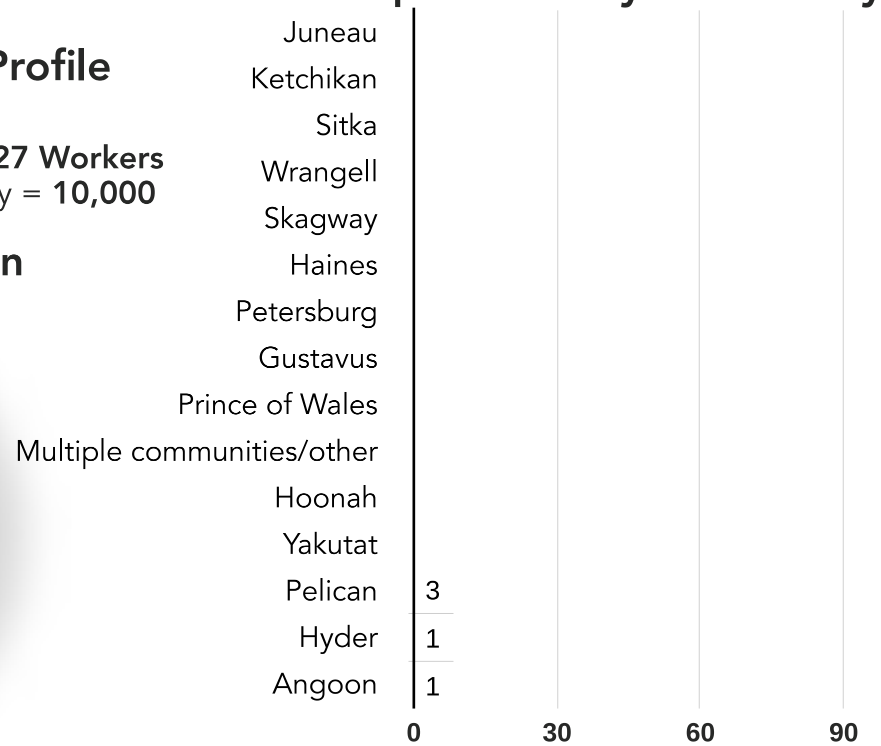
Responding Businesses Profile

Responding Businesses = **360**
Average Employees Per Business = **27 Workers**
Total Workers Represented by Survey = **10,000**

Respondent by Position



Respondents by Community



Respondents by Sector

Sector	Businesses	Workers Represented
Visitors or Tourism	67	2,310
Government	9	1,363
Mining	6	976
Alaska Native organization	2	866
Financial Activities	12	647
Food or Beverage Business	16	520
Retail or Wholesale Trade	43	418
Seafood, Commercial Fishing, Maritime, Mariculture	30	415
Transportation (non-tourism)	7	414
Other Non-profit	19	351
Construction, Architecture, or Engineering	23	307
Energy	5	264
Arts	15	151
Social Services, Child Care, Education	7	142
Professional & Business Services	26	111
Communications, Information Technology	13	102
Timber	4	82
Real Estate	18	70
Accommodations (hotel etc.)	14	56
Other manufacturing	5	21
Health Care	5	11
Agriculture	3	6
Other	10	10

Appendix

Open Ended **Responses**

Please elaborate on the outlook for your business or sector over the next year.

A total of 250 businesses took the time to explain the business outlook for their business in the upcoming year. The full comments of business leaders are presented below:

Accommodations

With the current geo-instability, I believe Americans are considering Alaska as being a great alternative to international travel... Combined with Huna Totems significant investment, and concentration in Tourism, makes Hoonah a comparative boom town to pretty much anywhere. I consider it an all-around win for everyone.

There is so much negativity toward Vacation Rentals these days. I ran a small business offering my well suited property for nightly rentals since 2022. I am no longer in the business. My clients were wonderful. I was getting 5 star ratings. The tourism industry was not affected by my business other than the independent traveler that wanted something other than a hotel room, which are scarce in Skagway in the summer. I closed the business after selling my primary residence and moving into my vacation rental, which is now my forever home. I love it. I am a retired teacher, widowed, and living alone. The house is small and convenient as it has undergone extensive renovation and is easy to heat. This investment property has a second rental as well, and I have managed to keep that house occupied as a long term rental since 2015. Taxes on the vacation rental were high as were the fees for using the big name vacation companies like Air B&B and Verbo. Glad to be out of their grip.

Using Airbnb, we have one cottage rental, with almost no use November-March, full use April-October, in Gustavus.

I run a vacation rental. With our current administration, many international travelers aren't coming to the US. Additionally, costs have increased that it's expensive to operate as well as for travelers.

The rising costs are making it difficult to see growth even when revenues are growing year over year. The increase of inflation, tariffs and shipping (fuel) costs are outpacing revenue. The opportunities for our sector are partnerships with larger tourism companies who can invest in infrastructure locally. There is opportunity to create more visitor experiences and generate more revenue during the summer season.

No real changes expected

Many of my Airbnb guests are employed at the SEARHC medical facility. I live nearby, making it convenient. I also charge a reasonable, low price.

There is a lack of Marketing for the rural communities. We are right next to Glacier Bay but see little spillover from the park. Most NP visitors never leave the park. Also trying to find good workers is very challenging

In the accommodation business it varies. Without a reliable ferry system we lose out with the independent traveler, They used to be the majority of our summer business and now there are much fewer. Ferry travelers could stop at each town for a couple of days and then get on the next ferry for the next town. Now they can't do that with only one ferry a week. Also, the cost of everything is higher - groceries, utilities, - we still do a hot breakfast but have had to raise our prices because of our costs. Our guests now are more sport fishermen.

I am very concerned that CBJ is looking to limit bed and breakfasts to solve the housing shortage. This is shortsighted and will have a negative impact on an important segment of tourism. It is government overreach to control use of private property and only appears to solve a bigger problem. There are better ways to support new housing and a better use of city resources than the Eaglecrest tram, Telephone hill project or the expensive city hall move.

We operate a fishing lodge and the fishing limits that continue to become more restrictive decrease the probability of guests coming back.

Agriculture

With rising energy, shipping, grocery, transportation costs paired with a declining market value it is very difficult. The tax cost to the state on our wholesale cannabis has not been modified to reflect the market value decline. This places cultivators at an extreme disadvantage as the above costs of living and running a business mentioned continues to increase.

Higher fuel and freight costs will result in increased prices for my customers

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Alaska Native Organizations

Because we are an AK Native Corp, we have many businesses outside of AK. These businesses are growing and are mostly doing government contract work. Our AK business is mostly tourism related. This business sector is expected to grow in the next year due to our expansion of our tourism business and our investment in our operations.

National economic trends are leading to uncertainty in the economy, and we are predicting a more conservative customer when it comes to spending money in 2026.

Arts

Effects of this summer's coming fuel, water, and food shortages will surely impact Alaska, even if only in somewhat reduced spending. My industry relies on generosity and people's ability to spend a little extra on "optional" experiences, so if that spending declines even a little, we expect to be impacted. We will also be impacted by cuts to education and arts funding around the state.

Because of the political and economic climate, I've been in business for 8 years and every year has seen a slight increase in income and clients. This is the first year I've seen a significant decrease in business. My business is service based, high investment, highly personalized, mostly serving middle-class clients. Because of the shrinking middle class this is causing a problem.

We are not able to retain key staff members: housing is so expensive, we can't pay what people need to live here. Tourism has driven out families, and as families leave, the schools reduce - as school reduce, more families leave. Ketchikan chose extreme cruise ship tourism over a sustainable year-round economy and the effects have been to push year round residents out. If a balance were to be reach between sustainable and moderate cruise ship tourism, year round tourism, and other industries the community would be much better situated to thrive.

Much of my business is dependent on the tourism industry. I'm looking for ways to expand to a greater level of sales from locals.

Dependent on tourism which is not good anymore.

Decrease in size of families, decrease in size of school, decrease in support of education and especially arts education, decrease in support of social programs including arts, decrease of desire to be socially engage in person and present with others.

My outlook is generally positive, however much depends on the possibility of potential economic development projects that might happen in my town. My city is working hard to create jobs and opportunities here. If for whatever reason some of those initiatives don't materialize I fear our population will decline. In addition many of my customers are visitors to the state, if the visitor industry and Alaska market remains appealing then things will be good with potential for growth.

I'm a writer & independent artist. Lots of literary journals & presses are shutting down. AI is also replacing jobs. My art is donation based supporting the local food bank.

Shipping to and from Alaska is going to make me close my business

Tourism and healthcare are two large components to Southeast Alaska's economy. The state has been slow at responding to healthcare issues, and the changes in federal programs have caused confusion and some distress. As fuel prices and other costs ride, tourism is also likely to be impacted. Despite the federal government and Republican advocacy for LNG and more oil drilling, there are credible analyses to show these would not be immediate economic boosts and still face hurdles before any realistic economic benefit results from expansion efforts. These economic impacts effect disposable income, outflow of residents to other states and countries, and generally pose challenges for rising cost materials, available sales venues, and impact shipping rates (which have seen quite a jump).

People have less disposable income this year.

I think there will be declines in our sector, but our business has been over performing due to strong local support. I think tourism traffic is in for a bit of a black eye this year with immigration enforcement getting carried away and oil prices going through the roof. Recession on the horizon? Probably so.

Communications, Information Technology

With the reduction of Federal/State/Local grants and a general uptick in over all costs (IT hardware costs have skyrocketed) I think there will be a reduction in business activity in general. I definitely do not see any growth in the near term. The current instability at the Federal level could cause huge issues in the economy.

We have been providing state of art communication for remote Alaska sites for 30 years starting with internet cafes for cruise ship crew in Alaska ports and expanding to Canada and throughout the Caribbean with payphones, pay for use Wi-Fi, Money Transfer, VoIP and satellite internet. Thrust from 2010 to present has been satellite internet and TV. Advent of Starlink was initially favorable, and we replaced many Hughesnets with Starlink systems - in libraries and schools among other places. That segment of our business has been subverted by a competitor who was able to prevail on Starlink personnel to discontinue any service we had been providing for 4 years, and award those contracts to the competitor. At present we are servicing what few Hughes we have remaining, troubleshooting networks, printers and other dispatched jobs by national jobbers. And more recently installing PIAB units to replace copper from LECs, which supposedly copper will eventually be abandoned. We are now a partner with MIX Networks for PIABs, and installations of those units is rapidly accelerating. Things like fire alarms, security systems, intrusion alarms at banks and backup systems that need analog delivery for businesses who are trying to get ahead of the copper demise are pretty important. So we see PIABs as a large part of our 2026 revenue, but is far far below our VAR internet from 2024. And if Amazon LEO ever gets service in our area, we'll win all those lost contracts back from the competitor whose quotes are unreasonable and whose service is non-existent.

The business is doing well with our current customers, but there is a lack of new ones as we have saturated the Alaska market. We are looking to expand the services we offer and to find customers outside the state.

Federal leadership have increased cost of living significantly for our customers (most residents of Alaska). This has caused people to decrease spending wherever they can. This includes the reduction of spending on important products and services like what we provide. Increased technology pricing due to AI have reduced sales and/or has caused customers to look at cheaper big box store devices rather than continuing to support local business's. Fuel prices have brought on comments like 'I'm not sure how often I’m going to do this/that with these prices'. Poor federal leadership / Poor state leadership.

The growing outflow of consumer dollars to online spending weakens the economy, as does the growing reliance on social media as a controlling factor in commerce.

We relied on funds from the Corporation for Public Broadcasting which were defunded last year. Now, we're in the midst of figuring out how to be sustainable financially.

We are a public radio station. The only station serving our community. We lost federal funding last July. We were the fortunate recipients of emergency funding this fiscal year, but there is no guarantee that similar funds will be available next fiscal year. We are likely to be in a budget deficit next year, and I will have to seriously look at reducing staff or other cost cutting measures if things don't change.

There is a lot of funding forecast that bring money into the community. The concern is how much of this can be directed locally. Under the Cares act funding during the pandemic a lot of it was spent on "outside" services. We need to be looking at how we not just bring money to the community, but also keep it in the community.

Construction, Architecture, or Engineering

Some potential small to medium projects possible in the next two years.

There is a lack of new people moving in with families. There are a few municipal and federal projects. State projects are few and burdensome. The state of Alaska is uncooperative with the city in terms of the multimodal dock facility negatively effecting commerce and the ability to maintain infrastructure.

There could be a downturn of new construction, or remodels, for me to draw plans for due to the overall economy faltering, and prices rising, due to the current administration's tariff policy and now supply issues due to the Iran war.

Cautious but optimistic. I am concerned that the city doesn't know how to budget and prioritize. I am concerned that it's difficult to obtain health care. I am concerned that citizens do not feel their concerns are heard.

Lots of economic pressure, fuel, barge cost

Our business success is tied to success of our municipal, tribal, state and federal governments to successfully fund projects. There was a noted drop off in some sectors as the feds cut important grant funding that the state could not make up for - education, social services, tribal government were all hit hard. In a climate where the cost of living is rising and there is a noted scarcity of qualified potential employees, we need to maintain a high level of pay to keep them, and that is less reward and more just keeping up with cost escalation in the economy.

There will be lots of construction related work in Juneau for small and large businesses. The future is so bright we'll have to wear shades.

We plan to grow to outside communities.

I expect to retire and to sell my share of the company to continue ongoing work. The company has a five-year $350,000 state contract. The company has prospects in other environmental engineering work state wide.

I think the State Administration and Legislature has let us down by not coming up with a revenue policy that will sustain State finances and allow us to fully fund education. I see the lack of prioritizing the education of our youth as the major obstacle to our community's growth. There are so many reasons why we need to invest in our youth, I just can't understand why we can't all agree that this funding should be a priority.

Recruiting staff always a challenge since there is a shortage of qualified young architects, and a shortage of people that are interested in living here. Our most recent recruiting effort was extensive and yielded mostly applicants with international-student work visas. Our current intern architect is from India. With the current political climate of hostility towards immigrants, we are concerned about finding a suitable replacement when she goes to graduate school this summer.

Too high a cost of living in se AK to expand, and boom bust cycles are extremely difficult to weather

One man show that keeps plugging at site development.

I'm working harder than ever and barely surviving. Inflation costs in the construction industry are spiraling upward quickly. My crew is skilled, but older, hurt and expensive. Federal taxes are eating me alive. Plumbers and electricians dominate any timeline I generate and they are very scarce.

The Borough of Skagway by its policies, ordinances and actions inhibits private sector investment except for small seasonal tourism businesses.

I am optimistic that Wrangell will grow and expand with the upcoming expansion of the deep water port. I believe more housing is critical (regardless of the success of that particular project) and I hope to build more homes over the next two years.

I'm hoping to expand to a whole new area of business this year. It will be a large investment for me. If it works I will be able to work I. Other towns in Southeast Alaska. My big problem is advertising and fright costs.

Increased prices will drastically impact our business. We operate a fleet of heavy equipment and dump trucks that have a high fuel consumption. Rising fuel prices and a decline in disposable income will create a decrease in home construction and property improvements.

Energy

Although our base of operations is in Juneau, we serve the surrounding communities of Angoon, Kake, Hoonah, Klukwan and the Chilkat Valley. Growth in those communities continues to be flat and has been for years.

The sharp increase in oil prices caused by the Iran war will result in a significant increase in the cost of diesel fuel. This will increase the cost of electricity in rural communities, as well as the cost of diesel heating oil, harming families and businesses. It will breathe new interest into heat pumps. The PCE endowment has reached the maximum of what it is able to pay out (a 5% drawn on approximately $1b), resulting in limited incremental support to offset incremental fuel cost increases. The State of Alaska should use some of its oil revenue windfall to assist Alaskans who will be paying higher energy costs - both in the short run by increasing support for PCE, and in the long run by investing in renewable energy projects via the Renewable Energy Fund. Otherwise we will see outmigration from villages and rural communities to larger population centers, and to the lower 48 states. Young people with the most transferable and in-demand skillsets will be the first to leave. There is very limited community and business growth in southeast Alaska from an energy and telecom usage standpoint. Housing constraints and access to developable and natural resources remain key challenges. Businesses have difficulty and retaining workers due to the lack of affordable and housing stock of decent quality. (Housing quality is as much a problem as affordability.) Really, the story has not changed much over the last few years; the only problem has been that oil price volatility is back, bringing at once a windfall that the State of Alaska must manage prudently, and significant pain for rural energy consumers.

In the local energy sector, we are seeing load/revenue growth tied to heating conversions from oil to electric - mostly from heat pump installations. There are also some opportunities coming our way, including the potential for a small data center to move into an abandoned fish processor. There could also be growth from a local sawmill that is seeking to connect to our local distribution system. Silver Bay's purchase of the historic Icicle Seafoods plant (most recently OBI) has injected some optimism in local seafood processing jobs and local fleet support.

Financial Activities

I expect my business to grow overall and to increase staffing. However, this is due to my competitors failing or contracting and not any improvement in the economy. Their pain is my gain because it is motivating highly qualified personnel to seek employment with me because they have to.

With the ever increasing tourism in Ketchikan, the low wages, expensive cost of housing, sales taxes and utilities increasing, I believe the economic outlook for Ketchikan is dreary. Many long term residents are leaving already.

The lack of a state fiscal plan alongside rising costs, an unstable federal administration and war creates a very difficult environment for businesses to plan and operate.

The uncertainty created by the flood and the City's fiscal position undermines growth potential.

While the general business climate is good right now, the area is losing population, schools are closing, government services are increasing in cost, and inflation driven by tariffs and the Iran war threaten business activity and the quality of life. The economy is overdependent on tourism which supplies only low to middling paying seasonal jobs for most workers. With an aging population, we need technologically advanced industries that diversify the economy, offer young people high paying jobs and attract them to live here. Efforts to diversify the economy have not garnered enthusiasm from local government. A sense of partnership and engagement is lacking. The infrastructure and services needs, which are many, consume their attention in a way that mires them in reaction rather than foresight. They respond to necessities by raising taxes on a shrinking population, which makes life here less attractive, rather than planning to expand the tax base with innovative, technologically advanced, 21st century industries.

Looking ahead, we see continued steady growth in membership, loans, and deposits, alongside a focused effort to expand access to homeownership through targeted lending and support. We are also mindful of external pressures, particularly changes in the seafood industry and global conditions that could influence the movement of Alaska seafood, as well as oil and transportation costs that affect our communities.

Consumer loan demand is slowing as many individuals have to go down south to purchase automobiles and the dealers have lower rates then what local financial institutions can offer; however, business loan demand and real estate loan demand have increased. There simply is not enough built homes or built commercial structures for the number of people that are looking to buy. Supply is low and demand is high, this pushes prices higher, even for remote communities such as Thorne Bay, where buildable lots on the road system (which were selling for $25,000 4 years ago) are now selling for $90,000. I recognize that are large portion of those lots or built homes are being purchased as vacation or second homes by non-Alaskan residents, driving the prices up for Alaskan's and pricing many young families out of the markets and forcing them to relocate-housing continues to be an issue in all our communities.

Food or Beverage Business

Housing needs to be built, and CBJ needs to stop over taxing

We close on Sunday to attend religious meetings. We would like ships to have a schedule that is on other days of the week.

Over the next year, Southeast Alaska businesses will face both strong opportunities and real pressures. Visitor demand remains important for many communities, creating opportunity for hospitality, retail, transportation, food service, and local experiences. At the same time, our region has much broader economic engines that must remain a priority, including fishing, seafood processing, maritime trades, construction, healthcare, and small business entrepreneurship. The greatest concerns continue to be workforce shortages, housing availability, rising operating costs, freight costs, energy costs, and the difficulty of doing business in remote communities. Reliable transportation remains one part of that larger puzzle, including the need for a more consistent Alaska Marine Highway schedule that helps residents move vehicles, allows more affordable travel between communities, and supports school sports teams and other community groups traveling together at reasonable cost. A major opportunity for Southeast Alaska is stronger regional coordination. Communities often face the same challenges separately when we could benefit from shared workforce strategies, training systems, data, infrastructure advocacy, and collaborative economic planning. We need to focus on retaining young people, creating clear career pathways, and supporting industries that provide year-round stability. For my business specifically, I see opportunity in continued demand for quality local service, community-centered businesses, and experiences that reflect Southeast Alaska's character. Customers increasingly value businesses that invest in staff, consistency, and authentic local connection. Overall outlook: cautiously optimistic if we address workforce, housing, transportation reliability, infrastructure, and cost pressures with practical regional solutions.

The "off season" from October to April is becoming very bleak. With nothing but tourism as the main focus of the community, year-round residents are becoming a thing of the past. Ketchikan is quickly turning into a summer only city, which is both sad and alarming. It seems as though we have put all of our eggs in one basket, and the community as a whole is suffering.

We miss our Canadian neighbors

The reality is the rent, and shipping fees make up for a huge proportion our expenses.

We are getting screwed on freight costs. The Jones Act needs to be thrown out.

Tourism seems strong so far. Cost of goods getting hard to sustain. Fuel/barge prices main factors plus seafood prices.

Labor Pool

We are anticipating the same number of customers, but we expect those customers to not spend as much money. That will likely be realized by the customer not ordering the appetizer and/or dessert with their meal and/or opting for the lesser expensive items, skipping the Alaskan seafood.

Lack of housing is a critical issue as well as a lack of skilled workers.

Government

Impact of tariffs have increased costs significantly

The organization I work for is constantly growing and has employees in many locations within Alaska and out of State. While I feel optimistic for the organization I work for, I have concern for the region due to increased cost of living and decreased funding for essential services. Also, when it comes to question #9, the quality of life is difficult to rate overall. Our community is small enough that the quality of the environment is very high in that we are in a relatively safe community, we have easy commutes to work, our children have good opportunity in our schools/extra-curricular activity and similar however the rising costs of everything, limited resources and similar take away from that advantage and cause a high number of families likely evaluating that overall quality of life. Because of this, I'll have to rate it right in the middle but wanted to add the comment.

Currently seeing good growth in tourism and marine services industry. We should continue to see growth for the next few years. Wrangell has a lot of potential growth in the next couple of years as we restructure our waterfront and replace our aging harbor infrastructure.

Our success is relatively dependent on the success of the State of Alaska and that's probably the biggest concern. The State's cavalier attitude towards local government has created many problems for our community. Now that their finances have a depressing outlook, we worry about the trickle affect.

We are implementing several large, multi-year capital projects to improve utilities and other services in the borough. This will bring additional workers into the community and benefit the year-round economy. Our summer season is looking to be busier than last year, and our sales tax revenue continues to increase every year.

Health Care

My business can be considered an optional luxury, even though there are strong results-oriented referrals and return customers. Perception of the economy definitely affects people's spending for optional health care services.

Birth rate continues to drop Medicaid coverage is nonexistent for adults in my area of expertise Families are moving out Schools are closing More seasonal people equal less year round business. Public utilities continue to increase rates as they increase their employee salaries to meet economic needs, yet it strains the entire community Increased sales tax … and on food! Too much reliance on tourism is limiting community health to only May-Sept

With the cost of living (housing, food, healthcare - all underappreciated when calculations of affordability for some inexplicable reason) people are likely to spend less on discretionary items which, unfortunately, include preventive healthcare

Our practice is bracing for legislative changes and reimbursement changes in healthcare in 2027 from the "Big Beautiful Bill" and in the past year have been experiencing more payment delays and challenges in getting reimbursed from private insurance companies in general as they have been emboldened further by the current administration to put profits over people. Staffing remains a major concern, and we are losing significant profit due to short staffing levels. There is a nationwide shortage of providers as our profession has moved to entry level doctorate, which has also limited the diversity of candidate pools and increased costs of education. Limited housing availability and high costs limit our ability to accept fieldwork students for the three month rotations that have been our best recruiting tool, as all of our current staff clinicians have been a Level 2 student in the past. Most cannot afford to pay peak summer prices for an Airbnb and unless I provide housing for them cannot complete more than a one week Level 1 fieldwork experience. Housing costs also impact our ability to float our current staff between the four southeast communities we serve and even the local hotel rates we have been provided in the past by local businesses have become unaffordable as well as air travel, both creeping up about 30% per year in the past three years while our reimbursement levels remain the same. This makes us ever more dependent on the ferry for our commutes and we highly value the increased winter service levels to the Northern Lynn Canal, despite weather related cancellations which are likely to continue to be problematic with climate change. If further cuts are made to Medicaid we will likely have to shut down operations in three of our four current communities in SE which will end up raising costs and strain to the healthcare system overall by increasing hospitalizations and incarcerations if we are not able to continue to provide community based rehabilitation services as our more rural communities approximately 90% of our patients are dependent on Medicaid. The increased out of pocket cost for ACA plans and other private healthcare has also impacted our patients' ability to obtain or maintain private insurance and/or private pay.

Mining

Currently have a fifty plus year mine life.

There will be continuing litigation by ENGOs opposing resource development in Southeast Alaska. This will involve litigation against the Roadless Rule after a new Rule is promulgated sometime in 2027. It will also involve litigation against the new Tongass Forest Plan. This litigation will provide an opportunity for a new Administration to revoke and relief on these issues provided by the current Administration.

The business outlook constantly changes, due to CBJ's lack of a sustainable budget there is concern of additional tax being added to our sector to make up for the shortage.

The biggest impact I foresee to our business sector over the next year is the increase in metal prices. I anticipate increased cashflow driving an increase in capital investment and jobs.

Across the mining sector, the next year is expected to favor established, well-permitted operations with strong balance sheets and near-mine growth opportunities. While market volatility and regulatory scrutiny continue, demand fundamentals for gold and strategic minerals remain supportive. Operators that consistently demonstrate strong safety performance, environmental stewardship, and disciplined capital allocation will be best positioned to navigate these challenges and create long-term value.

One of Alaska's mining industry's challenges is access and infrastructure. Both of the large operating mines in Juneau are located off the road system and only accessible by boat or air. Both operations are outside the grid of most city-provided utilities. Lack of access and infrastructure can affect the economic viability of mining operations. The current administration's focus on NEPA reform could potentially bring consistency and defined timelines to the permitting process.

Overall, the mining industry is doing great with high metals prices. This allows the mines to recapitalize and prepare for the next metals price down cycle. The industry continues to suffer a shortage of skilled labor and attracting people to relocate to Southeast Alaska continues to be difficult for a variety of reasons as highlighted by a Juneau Economic Development study completed in ~2024. In the short term, we are highly concerned about the Juneau sales tax situation and are aware that the City and Borough of Juneau is looking at the possibility of trying to fill the gap with additional taxes to the local mines. This is highly frustrating considering the contribution of the industry to the community despite the mines receiving almost no community services from the city. In the long term, Juneau needs to be looking past these local issues to the future issues that will be created by the ultimate closure of Greens Creek and Kensington, for instance: 1) Considering the hole the sales tax initiatives left in the budget, has the hole the mines will leave in the tax base been considered? These can really only be replaced by industry and CBJ doesn't seem to do much about promoting 2) Does the population realize the impact Greens Creek has to firm customer power costs through its use of interruptible power. This was recently estimated by AEL&P at over $100 million in rebates returned to firm customers since Greens Creek began receiving utility power. 3) Has anyone thought about the impact to flight availability and schedules when the mine commuters stop coming into town? 4) Has anyone considered the impact to freight costs and barge service when the freight volumes of the mines stop coming to Southeast. 5) Does anyone understand the unanticipated sale tax impact to the mines when the City and Borough of Juneau joined the Alaska Remote Sellers Sales Tax Commission in 2020? That should be understood before additional taxes are considered. As a mining industry employee in Southeast Alaska, I get extremely frustrated by the seeming lack of understanding and quite frankly, appreciation of the local mines, particularly from those that benefit but continue to fight any development of mining projects or even operating permits for existing mines. Lately, it is SEACC's attacks on the New Amalga project and Cascade Point ore shipping point. While they criticize that infrastructure and increased activity in Berners Bay and potential advancement of the New Amalga project, they are silent on the industrial scale whale watching industry or the Goldbelt development on Douglas that will bring more tourists into Juneau. With all of these things in mind, the persistent "NO" attitude of the Juneau population, and the fact that the mines will close in the future, I'm very concerned that Juneau is heading for a seasonal tourist-based economy and has not properly prepared for it. Southeast's past was based on natural resource development but it's hard to see a future for it if the motivations don't change.

My business is hard to reduce to a questionnaire.

Manufacturing

Growth is expected. However, overall outlook for growth is downgraded to Poor due to the issue a lack of entry level human resources, and the expected high cost of plant growth. The likely outcome of these challenges is to drive next phase plant development out of state.

There is some potential for a small logging industry. The construction jobs on the highway Aid my business.

With the steady increase in input costs (thanks to tariffs) and fuel costs (thanks to a moronic war with Iran), and decrease in demand for my product, I don't imagine we'll be a going concern unless we diversify or move out of Alaska.

Non-profit

Education in general is under some serious need currently. As a result, we have moved to very strategic innovation. While the current projection and prospect for educational systems across the state is under pressure, our particular campus is working toward some efforts that will almost certainly cause positive growth. This growth will likely come after the next year.

We are a non-profit fraternal organization that relies on members to visit and play our pull-tabs. When our members are not making money, we do not see sales in pull tabs. All of the profits for the pull-tabs go toward donations to medical or hardship donations in the community and throughout SE Alaska. During this winter we saw approximately a 40% increase of people requesting donations due to hardships. We also saw 20% more medical donation requests coming in compared to prior years; this is partially due to our member population aging and needing more fiscal help. However, the general population was hit really hard this winter with lack of work due to no tourism season during the winter, and multiple year-round businesses choosing to close over the winter months because of rising costs. With the gas prices rising it is creating exorbitant costs at local grocery stores, shipping, and in general, causing multiple year-round residents to need more fiscal help than normal.

We are operating on a lag of Biden-era funding, through USFS agreements, and expect that source to dry up next year.

With the ever changing economic climate, people always need hope, help and healing, emotionally, spiritually, and physically, that's why we are here and needed.

Lack of qualified labor workforce, lack of affordable housing, daycare and increased operating costs.

Key Concerns Facing Our Members As a non-profit Chamber of Commerce, we continue to focus on the issues most affecting our members in Wrangell. The primary concerns that have been raised include: • Cost of Living: Our members are increasingly worried about the rising cost of living, which impacts both businesses and individuals throughout the community. • Lack of Qualified Help: Many local businesses are experiencing difficulties finding qualified employees, which affects their ability to operate efficiently and grow. • Housing Shortages: There is a notable shortage of housing in the area, making it challenging for businesses to attract and retain staff. • Disruptions in Ferry Service: Ongoing disruptions in ferry service are causing logistical challenges for businesses and residents alike, complicating transportation and supply chain operations. These issues collectively pose significant challenges to the economic health and stability of our sector.

Federal government de-funding and dismantling services and organizations that directly serve Alaskans.

We rely on cruise ships so as long as that industry is strong, we will do well.

I think we need to get a handle on supporting younger adults and families by providing an affordable cost of living and a comfortable lifestyle including housing and child care. Too many younger families are choosing to leave Juneau due to the cost of living and poor quality of education and services. We have plenty of positives in our beauty, opportunity for recreation, and community character, but our population is aging. New blood is needed to continue the vibrant energy I experienced early in my 35 years in Southeast Alaska.

Professional & Business Services or Consultant

Business services are currently lacking for bookkeeping, accounting, payroll and tax preparation. There is a lot of room for growth in these employment opportunities as well as the businesses that provide them. Educating business owners about the real need for attracting and retaining experienced bookkeepers and accountants is essential as I've found that many do not value what a dedicated bookkeeper brings to their business and it shows in the hourly rates they are willing to pay for that service.

Concerned about the sustainability of the top heavy tourist industry in southeast AK.

We have a small consulting business that mostly provides services to government entities and nonprofit organizations. It is not a full-time occupation and is not currently very active, so some of these questions are not relevant. Do not expect changes in business cycle and climate to have a big impact on the business.

My sector is healthcare and tribal organizations, so my outlook is good. I provide supportive services such as grant writing, facilitation, program implementation and evaluation. These services are regularly in demand.

The changes at the federal government to grants/spending are very disruptive. Our clients are feeling pinched, which is translating to downstream, a lack of work. We are noticing that work that does come in is short-term, rather than multi-year, which exacerbates the instability. The work is harder too, as stress levels are increasing. State fiscal instability compounds this. In general, contact pricing is not keeping pace with inflation. Meanwhile expenses are rising too - both for employee benefits, as well as office-related infrastructure, which now requires multiple annual subscriptions that the costs rise on annually, for little to no value add to our operations. Planning and optimism are difficult in these conditions.

National level politics are a disaster; our town is doing well but current crazed policy swings and hare-brained non-governance and destruction of agencies and programs will crash the national and world economies.

The current federal administration is working towards deregulating environmental safeguards, and our job is to assess potential impacts of projects on the environment. Big changes to things like NEPA and protections to the roadless rule would essentially put me out of business.

Our business will likely expand as our services are geared toward supporting businesses who are also growing and expanding their workforce

Government creep away from SE is an issue.

Juneau has become over reliant on tourism at the expense of other possible business avenues. An economic downturn could negatively and significantly impact Juneau. We should be focused on a broad business base while supporting infrastructure (housing & schools) that attract a permanent, taxpayers and contributing workforce.

Concerns - general economy, fuel costs and inflation, interest rates and labor pool. Opportunities - availability of credit , interest rates on deposits , growing tourism infrastructure

The costs of everything are soaring in Southeast Alaska. It is difficult as a private sector business to compete with the local/state/tribal and federal government employers and Searhc Hospital staffing needs. Small businesses cannot compete with the hourly rate or the benefits offered. Shipping for office equipment and supplies can be challenging financially and time wise, since there are no local stores that sell much of it. Other challenges in hiring staff in small communities for sensitive and private tax and accounting information businesses, involves concerns about proprietary and confidential information when hiring from local pools of employees. Many people are related or families are competing in the same businesses. As businesses are moving to online scenario's, especially in the field of tax and accounting, it has disenfranchised older business owners who lack experience or knowledge of doing things exclusively on the computer. There are not enough tax preparers in SE Alaska to accommodate in person paper passing and signing and even for computer literate people, each tax firm is being overloaded by the amount of people seeking help in filing their taxes.

As a local business owner in Ketchikan, I spend a great deal of time thinking about the overall health of our business community and what it means for our future. Our success is closely tied to the strength of small- to medium-sized, locally owned, year-round businesses. When those businesses struggle, the ripple effects are felt by our business and across the entire community. The rising cost of living in Ketchikan is another major concern. We are facing increasing electric rates over the coming years, higher property taxes, record-high real estate prices, and elevated fuel costs that directly impact the price of goods on the island. These pressures affect both businesses and residents alike. There are also broader structural challenges. Our school district is facing financial strain, and there is growing concern that more families will choose to leave the community, while fewer new families see Ketchikan as an affordable or practical place to relocate. This has a direct impact on workforce availability. Many businesses are already struggling to find and retain employees. While job openings exist, wages have not kept pace with inflation, making it difficult for workers to afford to live here. This imbalance results in reduced services across the community and increased strain on existing businesses. Healthcare access is another ongoing issue. Many residents feel that local care options are limited, and insurance often does not adequately cover the high cost of traveling off-island for treatment, adding another layer of financial burden. Another growing concern is our increasing reliance on a single primary economic driver—tourism. While tourism brings important revenue to Ketchikan, its benefits are not evenly felt across the community, and many residents are becoming increasingly frustrated with the current volume of activity. Over the next six months, we are projected to receive more than 1.7 million visitors, a number that places significant strain on our limited infrastructure. Our road system is already in poor condition, and with few alternative routes, congestion becomes unavoidable on days when visitor numbers exceed our local population. Basic infrastructure, such as public restrooms, is insufficient for the demand, and even essential services like cell and internet connectivity can be impacted during peak times. As tourism continues to grow, it raises important questions about sustainability, quality of life for residents, and whether our community is adequately equipped to handle this level of volume moving forward. These are just some of the immediate concerns that come to mind. While Ketchikan remains a strong and resilient community, addressing these challenges will be critical to maintaining a healthy, sustainable local economy and quality of life for those who live and work here.

Juneau is going through change, including a new administration at the end of the year. It feels opportunistic where various projects can finally move forward and growth is possible.

Tariffs made the products we sell far more expensive which caused reduce sales with many products. AI eating up RAM and SSD inventory driving the prices up 1000% is a massive disruption. Fuel prices, food prices - people have tightened down their wallets. We provide services / products needed for businesses, but we're seeing everyone tighten up. Rightly so. Our local economy (Petersburg) is in question. Fishing prices are up right now (maybe because of the weakening dollar) but as the current administration continues to piss off the rest of the globe - what will that matter when the rest of the globe decides they don’t want our product? Our Federal work force is down because of 'cuts'. These are the two leaders in our economy.

Oh...and let's not get into how the current administration 'fixed' healthcare. I've officially lost health care. Turns out basic insurance for just myself is about the same prices as my mortgage. That's fun. It's really great that the rich people are making so much money. But what about the rest of us? My outlook isn't hopeful. We're just going to try to keep plugging away until I can no longer make payroll.

Federal stimulus funding—including the Infrastructure Investment and Jobs Act (IIJA), the American Rescue Plan Act (ARPA), CARES Act programs, and related funding through agencies like the Economic Development Administration, HUD, FEMA, and USDA—created a temporary surge in funding for local governments, tribes, and nonprofits. This allowed my clients to move forward with projects they had long wanted to do, including housing plans, economic development strategies, and infrastructure and feasibility work. These one-time funds are now largely spent or coming to an end, and I anticipate a decline in demand for the type of work my organization does over the next year. I expect a steep decline in my company's revenue moving forward.

Real Estate

Taxes/Regulations need to be constrained

With the minimum wage and required PTO changes, I'm no longer employing people. I'm using AI and project/contract job to find assistance when needed.

Seasonal

It would be helpful for the city to loosen the requirements for development in the borough to allow for more neighborhoods to be developed in order to increase the number of homes on the market, make housing more affordable, and help to alleviate the burden of constructing new housing. In addition, city should be divesting in many of its buildable land areas to open up to private individuals via a lottery system, so that individuals could invest in real estate and have an opportunity to build new housing. Finally, if city continued to evaluate its approach to making sure that the properties that are on the tax rolls are being taxed at a fair amount in comparison to the neighborhood, it would be a huge help. There is a vacant lot downtown that is currently on the market that is under 1300 square feet, but is zoned for multifamily D18 and is valued by city at over $104 a square foot. The vacant lot across the street that is 5000 square feet is currently valued at $26.88 a square foot. It is only one example, but it demonstrates the city's ability to negatively influence the pricing of land in the borough by overvaluing the land in its boundaries in order to maximize tax revenue, regardless of the ability to sell the property for the assessed value. The Peterson Hill subdivision was supposed to be an affordable housing option for our community, and with the amount of infrastructure the city built on the development, it made the project unaffordable instead of affordable.

The continued higher oil price as well as the current flow of federal funds into Alaska provide a backstop for the dysfunctional ferry system and the state. Southeast will continue to lose its best and brightest as the cost of living is too high for young people to afford to buy their own homes and build a family. AI will have a bigger impact than we currently have the capacity to envision. The early stages of AI implementation will come to larger population areas first.

The housing market in Sitka remains strained with limited housing available for seasonal tourism employees. The airport improvements as well as the new dock for the Coast Guard cutter will continue the impact of the construction after SEARHC finishes the new hospital.

Very difficult to predict given the current price of gas, the Iran war, and the current world view of the US/Americans.

The price of goods and services continue to go up and now with the war with Iran and oil prices going up the cost to get food and other items to southeast will just go higher. We already pay nearly $8/gallon for milk here in Petersburg. Also, AML just announced a large increase in the fuel surcharge. Wages have not adjusted with this rapid increase in costs. People are not buying homes right now. The interest rates do not help but they also have just less liquid cash.

Juneau needs the Cascade Point ferry terminal. I employ people who want and need reliable ferry service to access vacations and new employees who need to get to Juneau. Cascade point also is the first step in better, more reliable ferry service for outlying communities. It’s a rare win/win for all Southeast. The city of Juneau has outgrown the private sector and is crushing private development. It needs to prioritize needs over wants, but I am not optimistic.

I provide rental housing, and the demand is very strong for my sector. But the overall business picture is challenges by the lack of what I provide. Jobs or left open and services needed in town are restricted because people that want to move to or remain in Petersburg cannot find adequate housing. There are jobs in nearly all sectors, and the general economy feels good, but without the employees to staff the needed positions, we are help back. I know there is a labor shortage aside from the housing issue, but housing is a needed part in solving that problem.

Cruise ship tourism is coming to Prince of Wales. With this opportunity comes economic growth.

Retail or Wholesale Trade

I feel our economy is poor because of the lack of year round industry that we use to have. We have the visitors which is what we survive on, but to be where we were 35 years ago with an active Timber industry, also Commercial Fishing would make this a community again. It is hard to keep people to live here year around because of the lack of year-round jobs except government and schools. Local business struggle during the off season and hard to find people to work just seasonal without housing with the demands of the visitor season and people brought in to work. I moved here in 1979, and I thought I was in Heaven, we had everything here. So we Love Alaska, means so much to us. We hope the timber industry can come back controlled and the fishing industry can service all the by catch lost in the open seas.

We have expanded our company this summer focusing on the tourism population. We are a marijuana company, so we have many hurdles to deal with. The opportunities for employment on the Island are slim for the younger generation . It's one of the reasons why we built this business, to have stable jobs for people who want to stay and live here. Educating the public and providing safe tested product has helped our business grow. Hopefully we can maintain our growth. If this is read by lawmakers please put pressure on our government to give the marijuana industry in our State safe banking. The industry is not going away! We need to move forward and treat the industry just like any other business in Alaska. Thank you

I am diversifying my business position in Sitka. It is the only way to keep up with Cost of Living and general employment benefits, need to make more money to supply my staff with bare essentials

Always concerned about competition in our sector. Have concerns with transportation concerning ferry system. Always worried about fuel costs because impacts shipping costs so much

Our first quarter was the worst in years. People can only afford food and fuel. Everything else is incidental. Hoping the visitors take up the slack.

I own a year-round retail shop, but I'm in downtown Juneau, so I rely on tourist spending, even though my shop isn't geared toward tourists. And people just aren't spending money. My sales are down about 25% from 2023. Before that, I'd say that I was living comfortably, but for the past couple years, it's been paycheck to paycheck, and if this summer is as bad as last summer, I'll probably have to close.

High shipping cost for inventory, which may affect pricing and profit margin.

Location is everything when it comes to tourists, the most viable source of income. Our location in the historic district means many tourists don't walk all the way up South Franklin. We've requested that the city invest in a Circulator to reduce the congestion of the area around the Cruise ship docks and move the tourists up to the historic district and to Seward Street. So far the city has ignored the request.

My business is selling books that I have authored. They are about the history, nature and prehistory of Southeast Alaska and many are sold to tourists. So, I'm interested in the support of tourism including the health of the ferry system.

Uncertain about how incoming tourists and summer workers will spend money in this financial climate.

Well the outlook of the economy is generally a concern. But since it’s turned into a numbers game vs quality of traveler as it used to be, sometimes it doesn’t matter as much. The price of gold and silver is a concern, as our customers don’t get as much as before for the same $. But as through the years, we are seeing a shift once again, but now from jewelry stores, now to gift shops. Once low end, then to high end, and now back to lower end. And also now with tariffs affecting the bottom line everywhere. Tourists still eat and shop and will still have $ to spend, but can we get them to spend it with us, that’s all.

There continues to only be focus on the local tax laws to benefit seniors and keep the value of their property as high as possible. My employees can barely afford to rent a place to live much less actually own a home. The constant attack on opportunities for youths to achieve the American dream in Ketchikan has led to now decades of brain drain as there are better opportunities elsewhere (at lower cost of living with higher standards of living). There is no reason for any labor with any talent to stay in Southeast Alaska. This needs to change, otherwise Ketchikan will turn into an even scarier place to live (more homeless and drug addicts) and the seniors that decide to stay will have no competent services to rely upon. The focus on the tourist industry cannot sustain Ketchikan. The monopolistic deals that the barge lines have is not keeping prices under control. Without any real industry businesses like ours have a harder and harder time to think about the future, when everyone is only thinking about the next year or next quarter you know that you have real issues. Lawmakers need to open up land for residential, commercial and industrial development and price controls need to be instituted on groceries. The population of Ketchikan has stalled for the past 30 years, and the average age of its residents has only increased. Ketchikan is dying a slow and painful death. Police do nothing about the known drug addicts and/or mentally ill that meander the streets. There seems to be no action taken nor any care that now two entire generations of Ketchikanites have abandoned their hometown. After coming back for the past 5 years I see more reasons every day to leave Ketchikan unless there is a major shift in how the government treats labor and the youth.

The continually shifting tariffs and volatile shipping situations have made sourcing products harder. The vast majority of product in my industry have been made overseas for decades and that is not going to change quickly, if ever. Increasing freight costs have affected my business in a very negative manner and I don't see that changing as shipping companies become used to the extra income.

I expect business to increase as transportation issues are addressed appropriately.

We own a bookstore, and being the only one in our Borough makes for a level of security, but with tourism from Canada and around the world declining due to the impact of National politics it is unsure how tourism will continue to move around SE Alaska. Especially with the increase in fuel costs, difficulties in traveling around the US, and cost increases. We are worried that there won't be enough gross sales to cover our increase in seasonal taxes AND exist/live in Southeast. Cost of living is expensive; we just lost our only year-round reliable restaurant due to land lord disputes and inability to pay bills. That is a scary place to be as a small remote town.

We are hoping to expand our operation and offering a year from now, which is exciting. Concerns are the fact that an overwhelming part of our business is directly tied to the cruise industry, and the impacts to this industry and tourism in general by larger economic pressures, such as fuel prices, international conflicts, and potential for recession. The plan with our expansion is to diversify more to reduce dependence on the cruise industry, as well as provide more year round employment to local residents.

I'm concerned that fewer Canadians and Europeans will travel to the US.

Local business and off season business is worse than ever, but the seasonal business, specifically related to all forms of tourism is better than ever. While we cater to local, sport and commercial fishing, etc., the Cruise Ship visitor industry is the main economic driver of the economy in Southeast Alaska.

I am very cautious about any growth for businesses in Haines, our local government is very anti-business, anti growth, anti-development and only wants to raise taxes. Raised sale tax to 7%.The attitude with the businesses is mostly negative.

State and local government fiscal and regulatory uncertainty makes it hard to plan for the future. If you add the loss of traffic due to Canadians no longer wanting to come to the US, it makes it hard to have a positive long range business outlook.

Federal and State transactions with our business have been taken over by contracts with Giant Non-Alaskan Based Corporations. This has occurred over the last 5+ years, and even those government employees who are committed to "shopping locally" inform us that they have to battle to get approval to shop with us. In the general public and private sector, as long-time customers "age out", customers at younger ages are increasingly conditioned/enticed to shop online, where the Corporate Giants' choices and prices have the consequence of making it impossible for 'brick and mortar' establishments to remain competitive. Our own City Government, so quick to urge citizens to shop locally, is made up of people who don't shop locally themselves, and who do not take the time to visit local businesses to find out what our concerns are or what we might consider helpful. Additionally, the bureaucracy in Sitka makes building improvements or suggesting changes in how things are done a complicated and oppositional process.

I would be adding a couple of employees, but nobody wants to work. We have been running short handed for 3 years now.

Continued increase in the cost of doing business. Insurance, Freight, Utilities....

I own and manage a liquor package store. Alcohol is not a necessity for most and when economic pressures arise in a personal budget, people will cut back on this expense. Earlier we saw the Federal Park Service involved in a national shutdown. Many of our customers work for NPS. Our sales reflect this. Tariffs and threats of tariffs affect alcohol prices. Now the war with Iran has made fuel prices increase which affects freight and shipping rates. I have had to raise prices which hurts business. My employees will probably not see any raises this year. It's not a great time to be in retail, in a rural Alaska community. I am very nervous about the economy in general and my bottom line specifically.

Our local shipper (AML) has stopped shipping large lithium-Ion batteries to Juneau. This action limits our sales portfolio drastically. We sell electric marine propulsion systems as our primary source of revenue.

It has been nice that a lot of government deregulation has gone on with the current administration.

While I see plenty of negative factors affecting the regional economy, I believe the primary sectors I serve have shown fair inelasticity over the last couple of years and I see that trend continuing.

The current political climate has me concerned, as do fuel prices.

Seafood, Commercial Fishing, Maritime, Mariculture

Outlook is horrible. I have fished my whole life, I would give my 2 sons my business, but they don't want it. They saw too much red tape, and it costs more to run the business than they can make. Sold my permit, all of my IFQS, now I just have to get rid of the boat. The fisheries have been managed into an unsustainable mess. I have NO hope the fisheries I participated in will rebound in my lifetime. I sit back and watch family, after family move out of Alaska. Alaska is not affordable anymore, it's sad. Many people have multiple jobs just to be able to afford the basics. Alaska does not want fishermen anymore. They want factory boats and tourists.

Commercial fishing, especially for individual boat owners is not doing well. Halibut quota share owners are facing massive uncompensated reallocation of allowable catch poundage to primarily unguided sport fishing. Although the ex-vessel price had increased, it falls very short of maintained reasonably profitable margins considering the higher costs of fuel, moorage, insurance and other expenses.

The fishing industry has been in decline for a while now. Boats and permits have declined in value for the last five years or more. In Ketchikan the city has done nothing to make life better for a fisherman. If anything they have worked to push small fishing businesses out of the city of Ketchikan . They did add a drive down dock about ten years ago which helped my business a great deal. This made it so much more efficient to move gear on and off a vessel. But something as simple as having a somewhat convenient place to park a vehicle, while out on a fishing trip. So the fisherman won't have to worry about getting their vehicle towed seems to beyond the reach of the local government.

Increased costs of operation (price of fuel, groceries, maintenance needs, moorage rates, electric rates, insurance, etc.), with uncertain return; price, health of fish stock, quota and treaty with equitable allocation. Delayed start of season locally, commercial season tied to start of sportfishing season, traffic on the water. A big concern is that there is only 1 active buyer for troll fish in Ketchikan community, limited market ability. Unknown length of operating window per season, leading to difficulty in forecasting business opportunities.

Tariffs, inflation, and incompetent federal and state government elected officials have been a consistent strain on small seafood businesses like my harvesting boat and the small processor I own a part of.

Fisheries industry Wild stocks of salmon and halibut, across the board, are clearly in decline. This is and will continue to have negative impacts on those involved in all aspects of fishery resource utilization. Hatchery production has been and will continue to prop up sport, guided sport and commercial fisheries to some degree, but it is really masking the true state of mostly commercial fisheries. If hatchery chum production were to stop or be substantially reduced, the gillnet and seine fleets would be significantly impacted by this. It is likely that many that benefit from hatchery chums would find their operations either marginally economically feasible or not feasible at all. There is also the question of whether hatchery production may be causing some of the wild stock decline due to generating additional pressure on needed ocean resources for juvenile salmon as they enter the ocean, I do not see a significant rebound in commercial fisheries for a long time to come.

Shipping costs are rising. Insurance through marketplace is inhibiting our ability to keep and retain talent. It's not a good time to be a small business owner. Things are getting harder faster than they're getting easier.

It’s very slow. Outlook is going to be very slow. In the commercial fishing business the price of Seafood is very low and will not change. And everything else goes up around you Insurance stall Rent fuel is crazy. It’s a dying in industry just trying to hang on to do the best I can to pay the light bill.

A storm on the horizon is the bid to expand Metlakatla's fishing area. This has me deeply concerned. The articles I have seen attempt to portray the current management by the state as unfair. I have been deeply involved in fishing politics over 45 years. Our fisheries are arguably the best managed in the world though definitely NOT perfect and there is plenty of room for improvement. I do not think that the problems in small Native communities can be solved by creating another system of management separate from what is in place. I do hope the dwindling of smaller fishing communities can be helped within the existing system. As I recall, the problem was addressed in the Pribilofs by Community Development Quotas, though I have not been there for a long time, I wonder how that has worked and whether or not it could be used in Kodiak and Southeast?

With fuel and shipping costs rising many fishermen are forced to sell to processors for low market values for their catch. Shipping for supplies and shipping seafood is up causing it to be a challenge to compete with larger seafood buyers.

unsustainable harvests by trawlers are impacting the returns of fish to their 'home waters' where I commercial fish. Domestic marketing of seafood is harder because it is not being viewed as sustainable (mostly because of the trawlers). International marketing is also hurt because of trade agreements. Tourism here in Juneau has overtaken all of the marine infrastructure and it is very difficult to get my boat worked on when something breaks or needs upgrades. Most of the haul outs are clogged with tour and sport boats. Redesigns of the harbors took out dry-dock space or grids and turned them into tour bus parking. I have to bring my boat from Juneau all the way to Wrangell to get it worked on, which is not plausible during the fishing season because I would miss incredibly valuable and limited fishing time.

The rising cost of fuel and shipping/transportation is greatly going to outpace any positive price movement for seafood this upcoming year. Parts, labor, services, insurance, fuel, groceries, etc. are all exponentially increasing and fishermen do not have the ability to pass those costs along.

The seafood industry can be very volatile with unknowns of salmon returns and fish prices.

Inflation and fuel prices.

Price of fuel Price of transportation price of housing for employees are all issues.

ex-vessel prices for seafood are up slightly; however, costs are still high, runs are not making up for the reduced value/profitability; implementation of Ballot Measure 1 has led to increased labor and administrative costs (which is already one of the highest costs for seafood processors); increasing fight for access to fishing resources for the commercial sector, as low Chinook runs and other species are blamed on commercial fisheries (even though ADFG does not agree with that); we spend increasing amounts of time and capacity fighting regulation and public opinion, instead of improving our businesses and being more competitive on the global scale (fish quality, efficiency, product development, etc.).

Tariffs are bad for our business. High fuel prices are bad for our business. A war time economy is bad for our business. People having less disposable income is bad for our business.

Fisheries businesses rely heavily on salmon price/lb. With the recent buyout of competitors in the seafood processing world, we expect a much less competitive price structure for our revenue. There is also so much misinformation being spread about commercial fisheries and aquaculture across the state, it is impacting people’s ability to spend time and money on research that actually matters. The State of Alaska ADF&G needs a robust research program, and budget cuts through this administration have hamstrung their ability to conduct much needed, big picture scientific studies to better understand the health of the ecosystem housing the fish which are caught in Alaska. The sport fish vs. comm fish rhetoric has to end. All fishermen, commercial, sport, personal use & subsistence rely on sound science and good fisheries management. By the sport fish industry in the state trying to take down commercial gear types or programs altogether, they could be creating a new predator abundance, or lack of prey availability that could significantly impact the ecosystem as we know it.

We work directly with commercial fishermen as a trade organization. We support their businesses in a variety of ways from economic development, quota bank and loan programs for emerging fishermen, policy and regulation advocacy, agency and fishermen collaborative research, etc.. We also work a lot on decarbonization projects with intent to create a cleaner, cheaper alternative for the entire maritime industry. The main concerns we hear from our member fishermen are around the cost of operation. Prices for operating their businesses have increased and the price of fish is very volatile. It's also increasingly harder to navigate the regulatory world with a constant barrage of threats from agencies to create laws many commercial fishing vessels cannot realistically adapt to. For example, the USCG just changed the regulations around carrying paper charts onboard. It's a regulatory requirement, but because paper charts are no longer being printed or updated, they changed the regulation to require vessels to carry an electronic chart display unit with a high price tag. Large commercial vessels such as tugs, cruise ships, cargo ships etc. carry these units and the USCG assumes it's a normal piece of equipment onboard a commercial vessel. But a SE Alaskan salmon troller on a wood boat that he bought for less than $20,000 does not carry this equipment and with a price tag upwards of $10,000 carrying this unit onboard is not feasible. This is just a small example of threats from agency. Aside, there are threats from extreme conservationist NGO's legally trying to shut down chinook salmon harvest, or mining development on the headwaters of all major salmon bearing rivers in the region, or BOEM putting out a comment period on Deep Sea Mining in the outer continental shelf of Alaska in some of the protected fish habitat. Trade wars and tariffs haven't helped our markets and processors keep consolidating which lowers competition for the product and drives down prices. There's also the rapid growth of tourism and cruise ships which municipalities are favoring over their year round resident commercial fishing fleet. Losing working water front spaces to tourism is a real threat and the lack of community support around projects like the Sitka Haul out which recently opened and vessels in Sitka were able to haul their boats locally for the first time in 4 years. The haul out has immense potential to be a thriving economic hub for all marine trades and is geographically positioned to service vessels from all over the region or vessels transiting from down south to other parts of Alaska.

As a commercial fisherman, I rely on diesel to fuel my boat and food to fuel myself and my deckhand. These basic costs are increasing so much that fishing is hardly profitable. And now with this war I am watching costs increase quickly. Plus, the market seems to be less secure, and the fleet does not have a reliable Alaskan market, and the buyers don't give us the money that the fish is worth.

Anything not tourist related is suffering.

Seafood industry prices are rising making it difficult to maintain proper margins. Fuel prices, transportation costs rising and tariff effect bottom line. Business is steady.

Social Services, Child Care, Education

Childcare needs subsidy and support for the industry.

We operate via a combination of sources, and state/fed contracts/grants have been inconsistent and constantly under threat. The sales tax exemption/property tax cap has hampered the city, and in response, they are considering cuts that will make living here less desirable, and it will be EVEN MORE DIFFICULT to hire and retain employees. Front line turnover remains very high for our organization, and the constant training/retraining cycle is exhausting dedicated employees. The cost of living is high, housing is scarce, and people are dipping into financial crisis more and more often, sometimes losing their health or housing.

Rises in cost, and housing cost verse income

We are in an extracurricular space, primarily serving youth. The school district in Sitka is looking at cutting 16 positions in large part because of the stagnation of base student allocation funding. Student enrollment is also declining with some natural aging of the population and with outmigration of working age families due to the attacks on education by the current administration. While some shift to adults is possible, and we have been doing that, kids are the core of the business and there will be a point where some of the private extracurriculars offered in Sitka are not economically viable.

I have discovered that our community has a deep need for the mental health services our company provides. I have the capacity to double the services currently provided. However, there are a number of providers who are not qualified to provide the services required by some individuals. Over the past year my business has grown slowly, mostly by word of mouth marketing. I expect that within the next year the demand will exceed my personal ability to provide services and I may need to hire another clinician or refer to qualified professionals.

Social services provided in community and home settings are becoming less available due to ongoing systemic issues in funding, workforce, and increase in unfunded compliance/reporting requirements. Businesses providing these services are struggling to provide care requested by individuals in the community due to lack of resources. There is no indication that the business climate for home and community based services will improve any time soon, as federal and state funding is being rolled back. Local governments vary in how they address social services in their communities, but many city and borough comprehensive plans do not include social services at all, noting that this is outside their scope of work, despite the fact that lack of social services not only results in challenges for vulnerable community members, but also impacts their bottom line with increased emergency response, medical and law enforcement action . Social services funding for (non-medical) services is flat funded, not keeping up with cost of doing business, and in many cases, funding is being cut. Businesses are less able to provide services than in the past, and many programs that used be fully funded now have limitations on what funding can be used for, creating new gaps in funding and services. There is a significant workforce shortage in home and community based social services, both direct care workers and in management and administrative positions. The social assistance workforce in Southeast is 30% less now than 10 years ago (JEDC Economic Indicators Report 2025). There have been efforts to grow and bolster the workforce, but funding for agencies providing these services do not allow for adequate or competitive wages, there is less perceived opportunity for wage advancement than other fields, and an overall change in workforce demographics seems to be impacting this as well. Increased unfunded compliance and reporting requirements is creating a huge impact on social service business's ability to be sustainable. Many nonprofits that close are reporting this issue as one of the top three reasons contributing to their permanent closure (United Way of Southeast Alaska). Funders (federal, state, city/borough and other) are requiring a much higher level of detail and reporting along with increasing compliance activities, without an increase in funding. This has pushed many social service businesses to cut into the funding they would like to use for direct services so they can focus on admin activities in order to not lose funding. While there are some opportunities for funding for special or innovative projects under the State of Alaska Department of Health Rural Health Transformation Program, this funding is for a single year at a time, cannot be used to support core services or supplant other funding, and projects must be sustainable to be funded. This funding does not address the fundamental challenges to sustainable social services in Alaska, instead looking to "transform" the system without recognizing that sustainability is no possible without system and funding reform. I have been working in social services in Southeast Alaska since 1997 and I've never seen the outlook for social services look worse. We are losing ground in helping people at the lowest cost, earliest intervention opportunities as social service businesses do less due to lack of resources at federal, state and local level.

Timber

Timber supply of course is an issue, but the bigger problem is the inflation in service cost. It is not really sustainable. We quit expanding years ago and see no alternative but to phase out our business

We are excited about some of the possibilities in Southeast Alaska and we are investing into our programs to build more in Southeast Alaska and expand opportunities. Some of the things we are concerned about are 1) workforce capacity, 2) high costs of shipping and the stranglehold that AML has on shipping, 3) we have a dependence on the Alaska Marine Highway and the State's mismanagement of the ferry system is a detriment to our business.

We are also concerned about the politicization of public sector agencies by political leaders (especially the federal delegation). We need competent federal and state agency staff to manage resources--- privatization and control by corporations is not the answer... but at the same time, the federal and state agencies need to improve and do better. In our sector, decision makers and the public need to understand that although timber is a renewable resource, we are at the end of the economic supply of old growth timber, and we need to start doing forestry on a sustainable basis which will require changes in how things are done.

Timber continues to rely on the federal government for timber supply. The USFS has yet to keep the current industry maintained. Transportation costs continue to climb, and electricity costs are outrageously high.

The primary issue for the timber industry in SE continues to be supply. Primary sales from the USFS for Twin Mt II, and Revision to the Forest Plan are the key matters we are focused on that will determine whether our members take on new employees, expand capital development and infrastructure upgrades and/or go into new markets or YG opportunities.

Transportation (non-tourism)

For me, I feel there will be a negative business outlook due to our current president and administration. The rising costs of fuel from the Iran war leaves less money for people to spend on goods and forces me to raise my prices for freight transportation.

Fuel prices are a major concern; Aging workforce is also a concern.

The SE economy is under a lot of strain. The small communities are losing population, and costs are going up due to all of president's 'wins' and other factors. Fuel prices will have a significant negative effect on our business and the economy, especially if they don't moderate in the near term. The Juneau government is not a partner for small businesses. If anything, they are unnecessarily antagonistic.

In order to make this company sustainable we must look for ways to cut overhead costs with the rate of inflation and predictions of tourism declining. The fuel prices are skyrocketing and the future is unknown. The State may benefit from the higher fuel prices, but we won't see that trickle into the States overall needs within smaller and rural communities. Alaskans can't even benefit even more from the permanent dividend set up for Alaskan's.

Visitor access declining due to varying factors - Fuel, insurance, lack of dependable ferry system. Govt and state agency reducing funding for research, fish and game, NPS, SOA, etc. Lack of stability in economic growth in our community. Poor state facilities, local businesses in a state of disrepair, the community is not thriving.

Visitors or Tourism

There is so much potential in southeast, but there are also uncertainties. Rational, calm, and thoughtful planning for growth and not folding to the vocal minorities that oppose all development is critical if we want to see a vibrant future for our region. Private sector growth and development creates opportunities for families and future generations; good schools and community infrastructure retains them. If our communities can move away from the infighting, our outlook can move from good to great.

International affairs, recession, and fuel prices heavy influence our visitor industry. We are seeing the ebb and flow of guest's bookings in line with the ebb and flow of the topics listed above.

Tourism in Skagway is considered mature market. Increased competition, housing availability, inflation and local government demands are expected to cut into margins over the next 5 years

I plan to slow down on my current business and start a completely new business. I'm working on that right now.

Business outlook is good. The demand is there. However, Hoonah is very challenging for independent small businesses. Politically, small businesses here don't get much support from the local government. The focus is on Icy Strait Point (they are very important) and grants. Commercial fishing gets some support. For example, the main street in Hoonah is paved, but covered in several inches of mud. This creates dust storms on dry days with all the bus traffic from tourism. A simple street sweeper would solve the problem, but it's not a priority? Doesn't make sense. Any small business on the main street gets choked out by dust all summer, or they have customers tracking mud everywhere.

Our sales are up compared to the nosedive in sales after tariffs last spring, but there is still so much uncertainty around rising fuel costs and the economy. We have record number of cruise ship passengers each year, but that isn't necessarily translating into record sales. The fact that sales tax revenue was relatively flat in 2025 despite an increase in cruise ship volume is concerning.

I feel that national and international events like federal leadership, tariffs, fuel prices, wars, recessions, economic uncertainty, a diminishing middle class, and an aging visitor population are all external factors that swing the prospects of the visitor industry. I also thing that leadership of the USFS, as well as their management direction including the Tongass Management plan, and resources and capacity of the agency to properly function (process permit renewals and applications), have huge impacts on the outdoor portion of our local visitor industry. Despite this, I'm cautiously optimistic about existing and new business opportunities in authentic wilderness tours.

Over the next year, I have significant concerns about the outlook for our local tourism sector, particularly in Southeast Alaska. Our economy is deeply tied to visitor traffic from Canada and independent road travelers, and we are already seeing a noticeable decline in Canadian visitation. This trend has only worsened over the past year, and current national political dynamics appear to be influencing travel decisions in ways that are directly impacting our community. In addition, the high cost of fuel is a serious concern. Much of our visitation depends on drive markets, including RV travelers and road-based tourism. When fuel prices rise, discretionary travel—especially long-distance trips to remote destinations like ours—is often the first to be reduced. This creates a ripple effect across lodging, tours, retail, and other local businesses. More broadly, the cost of living and doing business in Southeast Alaska continues to rise at a pace that is increasingly unsustainable. From operational expenses, businesses are facing mounting pressure that makes it difficult to remain competitive while maintaining quality services. These challenges can also deter new investment and limit growth opportunities in the region. That said, there are still opportunities. Alaska remains a highly desirable destination, and there is continued interest in authentic, small-community experiences like those we offer. However, to fully realize that potential, we will need to address affordability, access, and cross-border travel barriers in a meaningful way. Without thoughtful attention to these issues at the state and federal levels, I am concerned that we will continue to see declines in key visitor segments that our economy depends on.

There is a growing sentiment against tourism in Ketchikan that is making growth more difficult. The market is saturated with tours, fishing regulations continue to get more and more stringent, and there is more and more competition. It's easy to see why people who aren't in the tourism business, or have any ties to it, are getting more and more fed up with it. We have employees who used to make a living wage who are finding it hard to secure affordable housing. That's putting a strain on our ability to grow our workforce, and to retain these employees, we are being forced to pay wages that are typically outside normal market conditions and in excess of the value these employees' skill set brings to the table.

I offer tours for cruise ship passengers and my bookings for the coming year are higher than they have ever been before.

Important for the tourism business to protect the Tongass and natural beauty as these resources are paramount for long-term growth and outweigh any short-term results of exploiting resources such as timber and minerals.

Our profit margins have disappeared due to tariffs and energy price increases. We generally are 50% booked for 2027 by now and are at 15%. Our community does not have good support for businesses as many Inns and restaurants have closed. It is hard for a community to grow when the ferry system is sporadic and only 2 times per week. If Alaska Air would Fly May1 thru Sept 15 then businesses could grow based on reliable transportation. As their services contract our businesses do as well and it discourages any new businesses.

Charter businesses are reporting lower-than-average bookings for 2026, with advance reservations down compared to a typical year. The general consensus is that the decline is largely due to the king salmon shortage. In response, some operators are beginning to diversify their offerings, with a shift toward halibut fishing to help offset the impact. We are seeing a few new businesses offer eco-tours and their willingness to create unique, individualized excursions. Tourism levels have remained largely unchanged despite cruise ship tourism. To date, the cruise industry has had minimal impact on local businesses, with the exception of a small number of adventure tour operators who have partnered to offer cruise-sponsored excursions. Overall, cruise visitors have spent limited time in local shops, and retail spending has been relatively low. Our airport is as busy as ever and the IFA ferry ridership was down 2% from the previous year. Expecting about the same for this year.

I must distinguish here between my views regarding the business prospects for Sitka and those of the entire SE Alaska region. In general, I believe Sitka's business prospects are somewhat better than those of the entire Southeast Alaska Region. Sitka and SE Alaska are all hampered by the following: a decline in European and Canadian tourism in response to the behavior of the Administration, all businesses in Sitka and SE Alaska will face higher operating costs due to tariffs and the new Gulf War. Sitka and S.E. Alaska will explain a declining fishing industry due to the climate issues we have failed to address. Any gains Sitka and S.E. Alaska experience due to potential expansion of the timber industry roadless rule will be offset due to declines in fishing and wildland-based tourism, the loss of federal jobs throughout to the region will be a drag on the economy of Sitka and S.E. Alaska. Sitka is in a temporary sweet spot regarding tourism. That industry will continue to grow, unless there is a major nationwide economic catastrophe. The fishing industry in Sitka will not fare worse than the industry throughout the region, and individual creativity and our geographic location may provide some local advantages. Small operators in the Sitka tourism industry should be able to operate with modest profit over the next few years as long as we remain flexible and can effectively market our products and services.

Generally we believe the cruise industry will see incremental growth of 2-3% annually for the foreseeable future in SE Alaska. But the threat of government/community imposed taxes and passenger count caps remain a concern.

Our business is heavily dependent on Canadian involvement. With the U. S. Executive branch insulting our neighbors and belittling them by declaring Canada be the 51st State, our relationship has hit a new low. This behavior must stop our business will continue to suffer and possibly close.

I am going to retire this year. I am concerned that the health care in Alaska is not in better shape. The nearest hospital or specialist is in Juneau and requires a 4.5 hour ferry ride- when there actually is a ferry running that day. The state Ferry system to be improved. You would get more and better crew if you paid competitively with better health care and retirement benefits. The Ferry system is a community benefit- not for profit-and should be managed like they do in Norway which has a similar geography and population. I mean that the ferry system there is subsidized, is funded consistently and long term, and the crew are treated well and with respect.

Alaska's strong tourism draw continues to create growth opportunities. High fuel costs and changes to permitting requirements are reasons for concern.

Transportation is very important for SE AK and Wrangell. When clients plan their adventure based vacations price matters. Without a reliable-user friendly AMHS ferry one must travel by Air. In Wrangell we are thankful for the presence of AK Airlines, but the service is not cheap. Why stop in Wrangell and buy local products if it is several hundred dollars less to by-pass and go to Juneau or Anchorage? We have amazing infrastructure in SE to support the ferry system. Terminals at Coffman Cove and Blind Slough are all but abandoned. I encouraged our leaders and those responsible for budgets to invest in Wrangell's (and SE AK's) future by building efficient diesel electric powered vessels. With increased stops and more flexible port of call schedules Wrangell will organically grow and prosper.

Inflation & poorer fishing results has slowed middle class visitors to POW Island, which is our main guests. I think that the demographic that is seeking a "do-it-yourself" vacation is shifting to destinations that are more affordable and attainable. With the current war, I don't see that changing in the near future.

Cruise tourism in Sitka remains a strong and growing segment of the global travel industry, with demand for Alaska itineraries continuing to be robust. Worldwide, cruise lines are expanding capacity and investing in new ships, and Alaska consistently ranks as a top destination due to its unique scenery and wildlife. Sitka is well-positioned within this market, benefiting from high passenger volumes, strong relationships with cruise operators, and continued interest from visitors seeking authentic, nature-based experiences. At the same time, there are local concerns that could impact future growth and investment. A relatively small but active anti-tourism segment within the community is advocating for increased restrictions on cruise activity and related businesses. These efforts are being advanced through lobbying and by influencing local decision-making bodies, including boards and commissions. This dynamic creates uncertainty around long-term planning, permitting, and the ability to sustainably operate and grow tourism-related infrastructure in Sitka.

Fishing regulations are one of the big factors when guests are deciding on where to go. The currently unstable climate of regulations is of concern for both our guests and for the company.

Traveling to Alaska is usually a big commitment and often planned 6-12 months in advance. Based on our current bookings, this coming summer appears that it will be similar to last summer in terms of business opportunity in our corner of SE AK tourism. Looking forward, the increasing uncertainty and rapidly increasing prices may start to have a downward effect on big ticket travel demand, which we may see slightly this year but would expect to get worse next year if things continue in this direction. As we also set our pricing 6-12 months in advance, we are going to have increased costs to operate this year vs. our projections from last fall. Increasing fuel prices are hitting many of our suppliers, and we are seeing the costs of our actual equipment and goods increase, as well as the barge costs to get those goods to us. Our prices have increased significantly, and our margins have dropped significantly since pre-pandemic. We've returned back to pre-pandemic demand as far as numbers of guests but have had to absorb increasing costs faster than we could raise prices.

I believe we are stagnant. I'm concerned that the idea that the cruise ship tourism industry is the big job and revenue creator is a shortsighted myth. We need to develop year round jobs, even for tour companies like us. We can only do this by attracting business that doesn't place us at the whim of the cruise industry. The cruise industry is certainly a large player in revenue, but it shouldn't be the only payer. We need better access to SE Alaska for independent travelers. If we can't seem to get out act together to improve the AMH system, let's get some "outside the box" thinking. How about using the IFA terminals and vessels as originally designed but run WRG-BS (Bling Slough)-WRG-CC (Coffman Cove)- WRG. The AMH can run KTN-WRG-KTN and JUN-PBG-JUN. The mainline can run the BLG-KTN-WRG-PBG-SIT-JUN . To start with, while these runs are developed and people can rely on them year round and learn the schedule, subsidize shuttles from Thorne Bay to Coffman and BS to Petersburg. Also, work on improving and attracting year round job industries so that we can increase the working population of SE. Build infrastructure - water/sewer/garbage/power and available property to support an increased population. Quit spending money on feasibility studies and survey after survey, just get the work done.

More cruise ship passengers equals more revenue and more employees

I believe the tour industry has a strong outlook, but communities are starting to reach their saturation point. It would be nice if we could work together to overcome the hurtles that we will soon face rather than have a reactive approach that divides communities. It is my opinion that we would all benefit more from sensible regulation that includes everyone's opinion. This area is special to many far and wide and I do want to see it protected. I also believe that we need to invest in other opportunities in the region that are not tour related. Our locals need to feel supported across the board not just in one area. Logistics make it difficult to operate, and our failing education system is going to bring long term damage to our communities. Another area that we need to tackle is managing out waste stream more appropriately. We need to work as a Southeast community to solve the problem, not individual communities acting alone. There are other avenues to overcome our problem, but right now we are succumbing the divide and conquer nature of AML and larger trash companies managing our problem. If anyone actually reads this I would certainly like to expand upon this thought.

We do guided sightseeing and sportfishing tours. I believe we need to standardize the recreational sportfishing rules for the federally managed halibut so that all recreational halibut sport fishermen have the same rules. There should be a one halibut of any size daily bag limit for all recreational halibut sport fishermen. Additionally, an annual limit and a provision that any sport caught halibut over 60 inches in length be counted as two fish on an angler's annual limit. And maintain current limits on state managed sport fisheries! We need a focus on the adventure of a trip visiting Alaska instead on how much fish we can take out of the state!!

I'm extremely concerned that the current actions of the federal government i.e. war, airport delays and cutting government jobs/services will negatively impact my ability to run a successful business.

The outlook for the Nolan Center over the next year is one of strategic modernization and expanded community impact. We are hoping to capitalize on the growth of small-ship tourism and increased waterfront activity. our focus remains on serving as a high-tech economic engine for Wrangell. By integrating local vendor markets with our cultural preservation efforts, we are ensuring that the museum and civic center remain the vibrant, functional heart of our community's future.

1- Self guided unrestricted new lodges 2 - nonresident of state fly by night seasonal guides 3- to many cruise ships/passengers (our roads) and quality of living are being degraded due to having too much of a good thing .

A partner failed to profit, and dissolved their operation, which drastically affects our work. We aren't certain, but the increasing number of large cruise ships may have caused the downturn in our partner's business. Our partner was a small tour boat operator, and we their clientele diminish significantly over the last couple years even though the clients all expressed how much they liked the small tour boat.

I am both an educator and a small business owner. I think the future for business is bright, but we need to make sure issues like workforce housing, childcare and affordability are addressed. The state government does not offer a lot of support/outreach for families or for individuals looking to grow a business in Alaska, so good help can be hard to find.

Tourism, particularly foreign travel, is suffering from the current Presidential administration and their foreign policies. Travelers are scared to enter the US, fuel prices are skyrocketing, tariffs are affecting parts and other essentials.

I am slightly concerned about foreign engagements in the Middle East, what affect that will have on this season - and potentially next season. But overall: Alaska is seen as a safe and exciting place to travel and what I have heard from the cruise lines is the same sentiment that I have: They are watching the situation unfold, there are concerns, but they will address them as they come. Cruise numbers continue to look good / hold strong. I would strongly prefer stability and consistency - particularly from our federal government. But the market adjusts, we adjust / adapt as businesses and corporations.

To be totally clear, I am retiring. But the agencies I have partnered with for my referrals are very busy:)

Haines Borough government is the most anti-business body in SE Alaska. We expect some economic growth despite this groups efforts to push away businesses. The tiered sales tax is a serious penalty placed on every business and was poorly conceived by a radical assembly that does not promote a vibrant business community. Until the local government becomes aware of the importance of a vibrant economy we will not expand.

It can be tough doing business in the City and Borough or Yakutat. They do not make it easy with high taxes and regulations.

High fuel prices, fewer visitors. Fewer cruise passengers.

The main concern for our businesses is the continued spike in operational costs. Our expenses in every facet of our operations - across the board - have increased far beyond what we can recoup by scaling or increasing prices. The result of this is a shift in how we are able to use resources. For example, while we plan to hire the same amount of employees, we will be filling less management positions and demoting those positions to associates that require a lesser salary (and even that has increased substantially). As a small business, this means more management duties will fall back on the owner (me) - leaving less time for community service and engagement in non-profit organizations. The reduced margins also mean there is less capacity for charitable contributions and donations.

Continued investment in the recreation economy of Southeast Alaska will benefit locals and visitors alike.

Bookings are way down and my fuel costs are skyrocketing. Food costs are up as well.

The State does not incentivize tourism to smaller communities.

Federal policies are creating increasing costs and uncertainty in many aspects of my business, including direct tariffs on equipment and increasing fuel, freight, travel, and food costs. Federal policies are also creating negative sentiment from Canadians and other international travelers who make up a significant part of our business. If these policies and foreign wars continue, I anticipate continuing increasing costs of doing business and overall inflation with reduced demand and business opportunity over the next few years.
Right now the year ahead (2026 season) looks good. But fuel and food prices are likely to hamper the level of success we hope to have in 2026. 2027 booking are way ahead of pace, when compared to 2026 (currently over 50% ahead!). This to say, advance bookings are very solid and have exceeded the pre-pandemic early booking pace. However, I am concerned that world events may hamper the level of success we may have due to dramatically increased cost of doing business.

Outlook for the Next Year: Southeast Alaska Charter and Lodge Sector We do not currently see meaningful opportunities for growth within our sector. Instead, we are facing several serious and compounding concerns that threaten the sustainability of our business model and the broader charter industry in Southeast Alaska. Our business operates as a destination lodge offering guided fishing experiences, not day charters. Because of this, the increase in cruise ship tourism has not created opportunities for us. In fact, we are observing negative downstream impacts on both the community of Wrangell and the natural resources that our business depends on. Wrangell has a population of roughly 2,200 people. When cruise ships arrive, the town is often overwhelmed by large volumes of visitors in a short period of time. Despite this influx, the local economic benefit appears minimal. For example, a locally owned retail shop may see significant foot traffic from cruise passengers, yet only one or two individuals make purchases, and those purchases are typically small. This pattern suggests that cruise-based tourism is not meaningfully supporting local businesses. At the same time, increased visitation is placing additional pressure on sensitive natural resources. We are particularly concerned about growing traffic in remote streams targeting vulnerable fish species. These areas are not equipped to handle increased pressure, and we are already seeing signs of negative impact. This raises serious concerns about long-term species viability and the sustainability of the ecosystems that support our industry. A major concern within the charter fishing sector is the continued decline of key species such as salmon and halibut, combined with an increasingly unbalanced regulatory environment. The charter sector accounts for approximately 15% of the halibut allocation, yet we are subject to the most restrictive regulations of any user group and the highest fees across the board. These policies are creating inequities that are both economically and environmentally counterproductive. For example, an out-of-state guest participating in a guided charter like ours may end up paying hundreds of dollars per pound of halibut when all associated costs are considered, including lodging, guide services, permit costs, and required fees. In contrast, an out-of-state individual who chooses to rent a boat and accommodations independently can harvest significantly more halibut while paying only for a standard sport fishing license, with no additional stamp fees or comparable regulatory costs. This disparity not only places charter businesses at a severe competitive disadvantage but also results in greater overall pressure on the resource from less-regulated, unguided fishing activity. These regulations have also created unintended and dangerous consequences. Many operators have been forced to shift away from guided charters toward self-guided or unguided rentals in order to remain viable. This means individuals with little to no boating experience are operating in open ocean conditions, often without adequate understanding of tides, weather, or safety protocols. There have been multiple fatalities associated with this shift over the years. Additionally, unguided anglers are allowed to retain more halibut than guided clients. While our guided guests are limited to one halibut per day under a strict size restriction, unguided anglers may retain two fish per day without the same limitations. This creates both a conservation imbalance and a market distortion, as more fish are being removed from the resource by less-regulated participants. From a business standpoint, the cost structure associated with halibut fishing has become increasingly unsustainable. We lease a halibut permit in Southeast Alaska, 2C at a cost of approximately $9,500 to $10,500 annually. On top of that, we are now required to pay an additional $20 per guest per day to fish for halibut. This cost is absorbed entirely by the business, not the client. For example, with five guests fishing four days a week, we incur $400 in additional fees to fish for halibut. Due to restrictive size limits, it is entirely possible that only one or two halibut are retained during that time. We are effectively paying hundreds of dollars per pound of halibut caught and retained for a minimal harvest opportunity, which significantly reduces the value of the experience we can offer. Because we lease our permit, we are also required to pay administrative fees to brokers to manage these regulatory requirements, further increasing our costs. These layers of regulation continue to expand, with each new rule adding complexity and financial burden. Local taxation is another significant concern. Businesses in Wrangell are subject to a 7% sales tax on goods, including items purchased remotely and shipped into the community. Given the lack of local supply options, nearly all essential goods must be imported, dramatically increasing operating costs. Fuel, labor, and supplies are already at a premium in Southeast Alaska, and these additional taxes further strain our ability to remain competitive. As a result, we are forced to raise prices for our guests. However, at the same time, the quality of the experience is declining due to reduced harvest opportunities and increased restrictions. Guests are being asked to pay more while receiving less. This is not a sustainable model. It is becoming increasingly difficult to justify the cost of a fishing trip to Alaska when guests face significant limitations on what they can catch and retain. The combination of high prices, limited harvest, and regulatory complexity is eroding demand and weakening the long-term viability of our business. More broadly, we are concerned about the direction of tourism in Southeast Alaska. The current model prioritizes high-volume, short-duration visitation, particularly from cruise ships. These visitors contribute less to the local economy while placing greater strain on infrastructure and natural resources. In contrast, destination lodge guests who stay for a full week contribute significantly more to the local economy and have a deeper, more meaningful experience. They support local businesses, engage with the community, and develop a lasting connection to the region. As long-time business owners in Wrangell, we believe that increasing visitor volume is not the solution to economic growth. Instead, the focus should be on creating high-quality, sustainable experiences that benefit local businesses, protect natural resources, and provide lasting value to visitors. Without meaningful changes to fisheries management, regulatory balance, and tourism strategy, we do not believe the current trajectory is sustainable for our business or for the charter sector as a whole. We would welcome more discussion.

Early months of this year were affected by government budget issues that affected government employee travel. ICE in airports and TSA staff shortages due to the government shut down made people hesitant to deal with potential complexities with travel.
Fuel cost increases are concerning with jet fuel (affecting travel), auto fuel and heating fuel. Electricity is generated by diesel fuel here in Yakutat, so that cost will most likely increase as well. Cost of goods increases and overall costs are up which will affect our bottom line.
We need a federal government that works for the people instead of lining their own pockets and serving their self-interests. The level of corruption is blatantly transparent, and those guilty must be held accountable. Accountability needs to happen sooner than later for the good of the country and every community and business in it.

Other

In the last couple of years I have decreased my employee base from 42 to 0. This was due to the increase in cost and complexity of having employees. Higher minimum wage, sick leave calculations, regulation increases, and tax reporting and compliance issues. Employee absenteeism, lack of motivation (quite quitting), and overall decrease in working age population have exacerbated this trend. The increase in hostility from the state and local legislators toward all manners of private property, overzealous taxation, and decrease in necessary services have motivated a push to liquidate local holdings and relocate businesses out of the state.