



Skagway Alaska Business Climate Survey

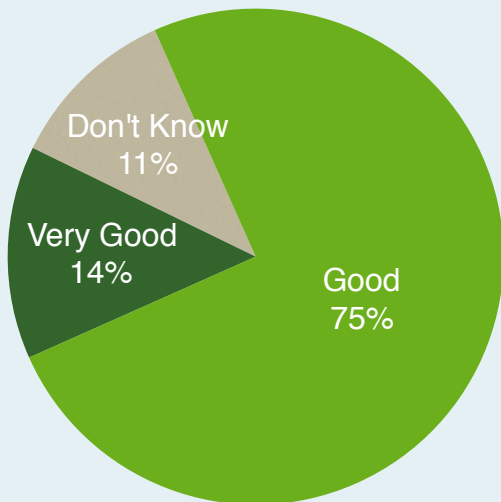
May 2016

Prepared by
Rain Coast Data
Photo credit Christopher Michel

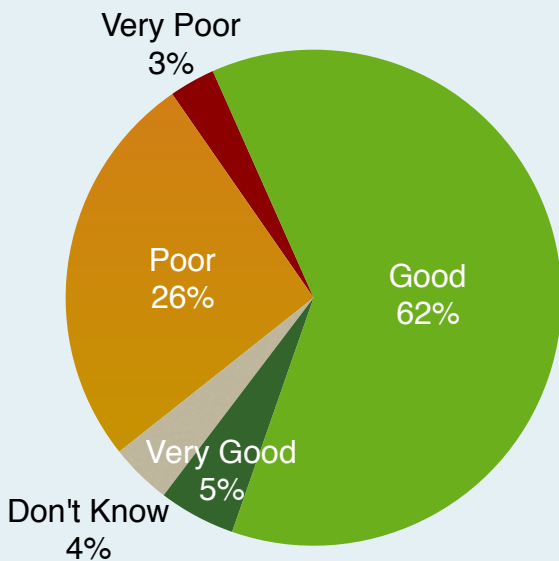


Skagway Business Climate Survey Results

Skagway: **How do you view the overall business climate right now?**



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



In the Spring of 2015, 38 Skagway business owners and top managers responded to Southeast Conference's Business Climate Survey, answering 45 questions about their experience operating businesses in Southeast Alaska. A summary of the responses by these Skagway business leaders is presented here.

Skagway businesses were the most positive in the region about the state of the economy, with 89% saying that the business climate is "good" or "very good" compared to 67% of business leaders across the region on average. No Skagway business leaders called the business climate "poor" or "very poor," while 29% of communities across the region had a negative view regarding the business climate (see pie charts on the left). This is likely a reflection of the fact that the economy of Skagway has a greater dependency on tourism, which is currently the region's fastest growing industry.

Southeast Alaska Business Climate Survey

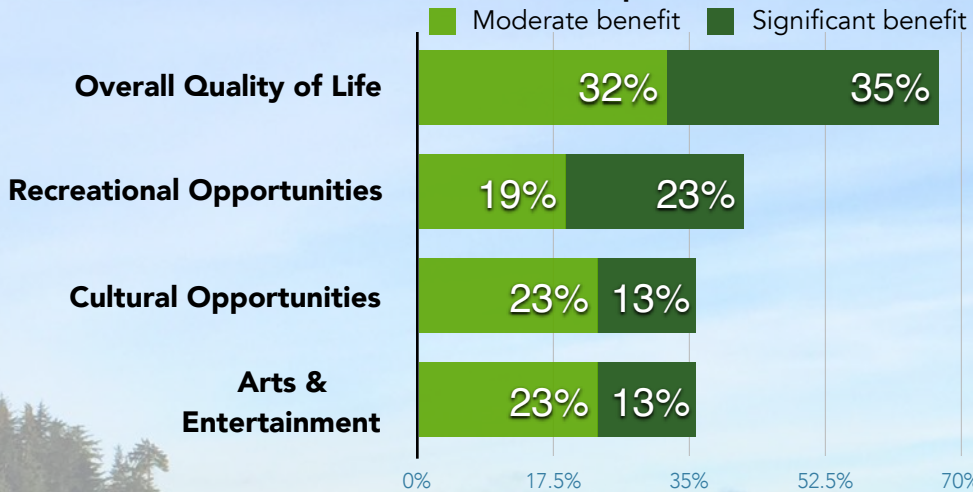
The Southeast Alaska Business Climate Survey takes the "pulse" of our local business community and the economy. It is completed every five years to provide insight to the obstacles and advantages of owning and operating a business in Southeast Alaska. The survey tracks change in economic outlook over time, along with tracking which institutions are most valuable to local businesses. Finally, it tracks private investment in the region. The survey was conducted between mid May and early July 2015. The larger survey was taken by 506 business owners and operators from 29 communities in Southeast Alaska. The Skagway Development Corporation asked Rain Coast Data to provide an analysis of Skagway responses.

Barriers and Benefits

How Significant are These Elements to Operating Your Business in Skagway?

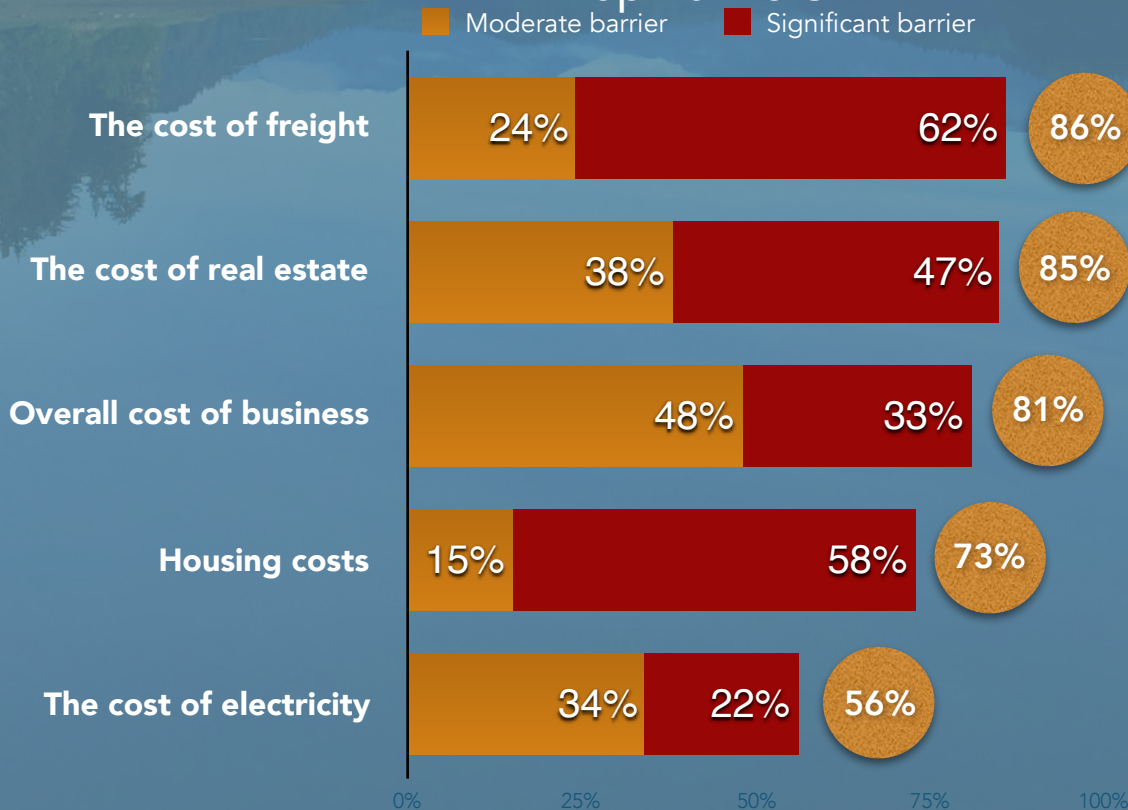
Business owners and operators were asked about the top barriers and benefits to having their businesses located in Skagway. The **overall quality of life** and **recreational opportunities** were most likely to be called advantages by Skagway businesses.

Top Benefits



Despite this, Skagway business leaders rated its top benefits with lower percentiles than any other community in the region. Three quarters of all business leaders across the region called “quality of life” a benefit, compared to two-thirds of those in Skagway, and 63% of regional businesses called recreation a benefit, compared to just 42% of those in Skagway.

Top Barriers



The top categories of barriers for Skagway businesses centered around **freight costs**, housing & real estate costs, the overall cost of business, and the cost of electricity. Skagway business owners gave **housing costs** the highest “significant barrier” rating of any community in the region, at 58%.

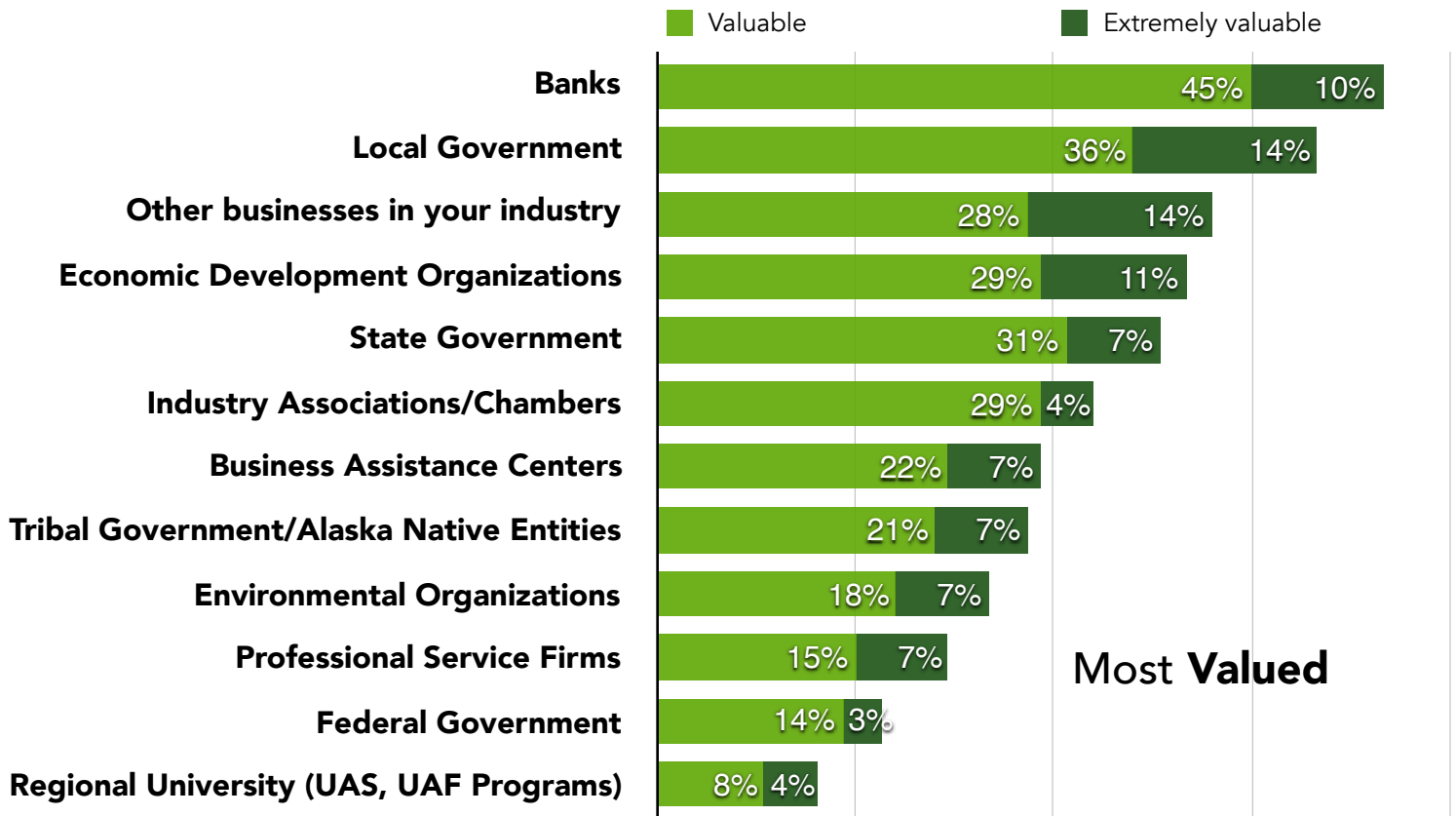
Barriers and Benefits

The table below shows how Skagway business leaders scored the full list of 20 elements that are considered traditional barriers or benefits to business operations.

	Significant benefit	Moderate benefit	Not a barrier or benefit	Not applicable	Moderate barrier	Significant barrier
Overall quality of life	35%	32%	26%	0%	6%	0%
Recreational opportunities (fishing, hunting, camping, skiing, boating, etc.)	23%	19%	52%	6%	0%	0%
Cultural opportunities	13%	23%	57%	7%	0%	0%
Arts and entertainment	13%	23%	58%	3%	3%	0%
The quality of local high school graduates	3%	9%	41%	28%	13%	6%
Access to natural resources	9%	3%	42%	24%	18%	3%
The quality of local university undergraduates	3%	7%	52%	28%	10%	0%
The cost of transportation (people)	0%	9%	36%	21%	30%	3%
Availability of worker pool	0%	6%	38%	19%	19%	19%
Availability of a skilled/professional workforce	3%	3%	31%	22%	25%	16%
Level of taxation	3%	3%	36%	6%	36%	15%
Suppliers in Southeast Alaska for your business	3%	3%	33%	9%	33%	18%
Lawsuits/Litigation	0%	3%	60%	23%	3%	10%
Federal regulations	0%	3%	52%	6%	29%	10%
State regulations	0%	3%	59%	6%	22%	9%
The cost of electricity	0%	0%	38%	6%	34%	22%
The cost of real estate (buildings, land, rent for your business)	0%	0%	6%	9%	38%	47%
Housing costs (for employees)	0%	0%	6%	21%	15%	58%
The cost of transportation (freight)	0%	0%	12%	3%	24%	62%

Networks: Interactions

Skagway businesses rated the value of interactions with each of the following institutions to their business.

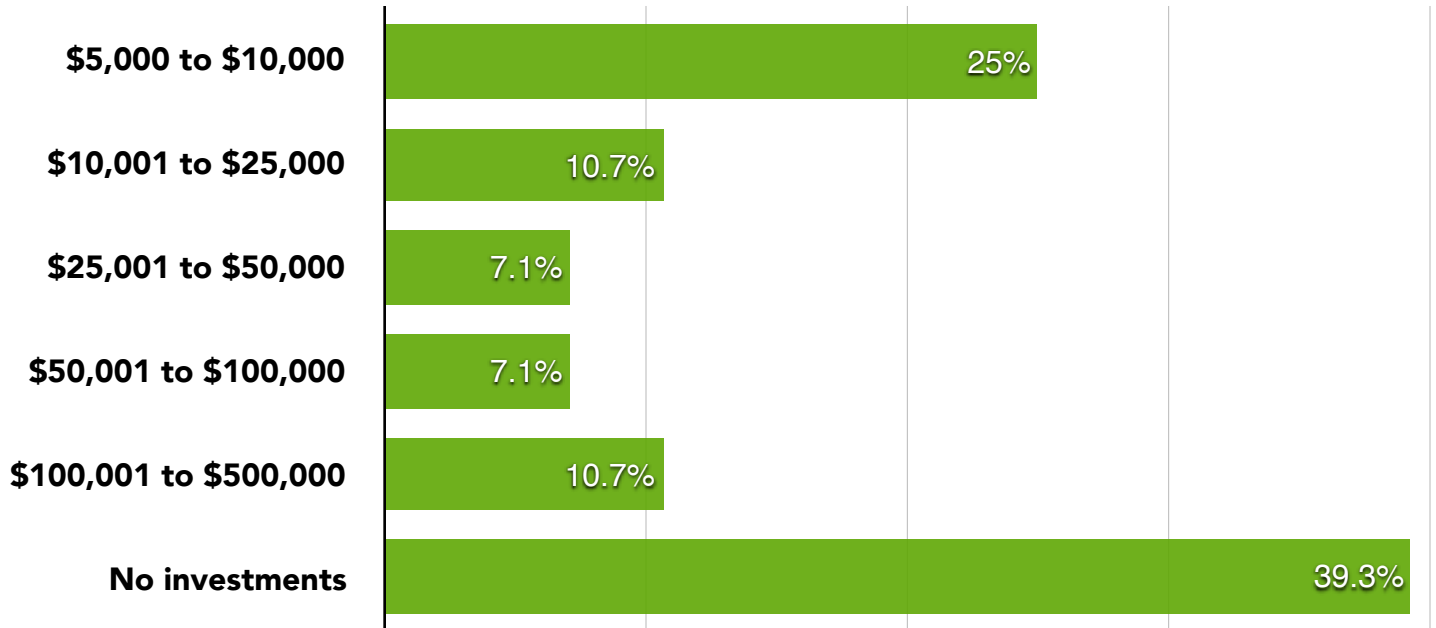


The table below shows how Skagway business leaders value their interactions with 12 types of institutions. Banks were most likely to be rated “valuable” or “extremely valuable,” followed by local government. “Other businesses in your industry” had the highest net value ranking when the rating of “somewhat valuable” was included in net value calculation.

Answer Options	Extremely valuable	Valuable	Somewhat valuable	Not at all valuable	Not applicable
Other businesses in your industry	14%	28%	45%	7%	7%
Local Government	14%	36%	32%	11%	7%
Banks	10%	45%	21%	10%	14%
State Government	7%	31%	28%	14%	21%
Professional Service Firms	7%	15%	37%	26%	15%
Industry Associations/Chambers	4%	29%	25%	32%	11%
Economic Development Organizations	11%	29%	11%	36%	14%
Federal Government	3%	14%	28%	31%	24%
Environmental Organizations	7%	18%	18%	32%	25%
Business Assistance Centers	7%	22%	11%	30%	30%
Tribal Government/Alaska Native Entities	7%	21%	11%	25%	36%
Regional University (UAS, UAF Programs)	4%	8%	20%	40%	28%

Business Investments

Sixty percent of Skagway businesses invested in their businesses last year. Investment is considered any expenditure beyond typical business and payroll expenses. A quarter invested less than \$10,000, while 18% invested more than \$50,000.



Business leaders that did make investments last year were asked to provide a short description of the purpose of these investments. This word cloud is a visualization of the responses, with more frequently used words appearing more prominently.



Participant Overview

The survey was taken by 38 Skagway business owners and top managers. Just over half of the respondents from Skagway were self-employed. Respondents were most likely to be in the retail or tourism sectors. More than three-quarters of respondents represented businesses earning less than a half million annually. Those participating in the survey were more likely to be from Generation X than the rest of region, in which respondents were most likely to be from the Baby Boomer generation. Skagway respondents were also more likely to be self-employed.

Which best describes you?

Answer Options	Response Percent
Self-Employed	57.6%
Owner, President, or CEO	33.3%
Senior Executive, Senior Official, Director, Vice President, or Manager	9.1%

What were the Gross Revenues for your company last year?

Answer Options	Response Percent
Less than \$500,000	78.6%
\$500,000 to \$1 million	3.6%
\$1 million to \$4.9 million	14.3%
\$5 million or more	3.6%

What year did your business start?

Answer Options	Response Percent
2014 to 2015	10%
2009 to 2013	24%
2000 to 2008	31%
1990s	10%
1980's	17%
1916-1979	7%

How many people does your business employ?

Answer Options	Response Percent
One	32%
Two to Three	25%
Four to Six	18%
Ten to 25	14%
29 to 47	11%

Which best describes the primary industry focus of your company?

Answer Options	Response Percent
Retail / Wholesale Trade	36.4%
Tourism / Recreation / Hospitality / Accommodations	27.3%
Food / Beverage Services	18.2%
Construction / Architecture / Engineering	6.1%
Seafood / Fishing / Maritime	6.1%
Other Non profit	6.1%
Arts, Entertainment	3.0%
Finance / Accounting	3.0%
Health Care	3.0%

What generation do you consider yourself a part of?

Answer Options	Response Percent
Generation X 1965 - 1980	51.7%
Baby Boomers 1946 - 1964	27.6%
Millennial Generation/ Generation Y 1981 +	13.8%
Greatest Generation 1901 - 1927	3.4%
Silent Generation 1928 - 1945	3.4%

How long have you lived in Southeast Alaska?

Answer Options	Response Percent
Less than 2 years	6.9%
2 to 5 years	13.8%
6 to 15 years	24.1%
More than 15 years	55.2%