

ALASKA'S VISITOR SURVEY

By Jeff Hadland

Introduction

In cooperation with the Alaska Department of Commerce and Economic Development, Division of Tourism, the Alaska Department of Labor, Research & Analysis Section, recently completed a comprehensive study of Alaska's "Visitor Industry". The results are based upon two major surveys. The primary research tool was a survey of visitors (both business and pleasure) as they left Alaska from October 1982 through September 1983. In addition, a survey of businesses in Alaska affected by visitor expenditures was conducted in the spring of 1983. Data for calendar year 1982 was collected from these "Visitor Affected Businesses". Together, these two surveys provide evidence of the importance of visitor expenditures to Alaska's economy. Approximately 650,000 nonresident visitors came to Alaska during the survey period and spent nearly \$1 billion on their Alaska trips (including transportation costs to and from Alaska) which resulted in approximately 9,000 direct visitor related jobs. This article primarily addresses the economic impacts of these visitor expenditures.

Alaska's Visitor Affected Industries

Approximately 60 industry sectors (including hotels, air transportation, eating and drinking, and retail stores) were collectively identified as "Visitor Affected Industries". The Alaska Department of Labor currently codes all Alaska firms into industry categories according to definitions of the Standard Industrial Classification (SIC) Manual. These 60 industrial groups potentially affected by visitor expenditures served as the sample universe. The multiple industries surveyed represent the collective impact of direct visitor expenditure.

Approximately 38,000 employees were paid \$2.4 billion in wages during 1982 in these visitor affected industries. These firms were surveyed to determine characteristics including type of business activity, relative importance of visitors, taxes paid, and attitudes about tourism programs. Wage and employment data for most firms was available from Alaska Department of Labor files. Estimates of business attributable to nonresident and resident visitors were prepared. Nonresident visitors are those visitors to Alaska from another state or country. Resident visitors are those Alaskans visiting an Alaska city or area away from their home (that is, a person from Anchorage who visits Fairbanks). That portion of visitor affected industry employment and wages associated with resident and

nonresident visitors (rather than local residents of the area in which the business was located) was defined as Alaska's Visitor Industry.

Visitor Industry Employment and Wages

Employment directly associated with nonresident visitor expenditures averages approximately 9,000 employees monthly and makes up 6.5% of total private nonagricultural wage and salary employment. An additional 7,000 jobs are the result of resident visitor expenditures, the purchases of visitors from Anchorage to Fairbanks for instance. (See Figure 1).

This industry employment analysis was designed to be comparable to nonagricultural wage and salary employment. Visitor Industry Employment (16,164) excludes self-employed, unpaid family workers and government workers. Data presented is annual average monthly employment which includes full-time and part-time employment as opposed to full-time equivalent positions.

If these 16,164 "Visitor Industry" jobs are compared with other industry sectors (which is adjusted to exclude employment attributable to visitors) then the visitor industry is the fourth largest private sector employer. (See Table 1). Visitor industry employment is concentrated in eating and drinking establishments, hotels, air transportation and miscellaneous retail trade industry sectors. Nearly 80% of all visitor impact is in these four SIC industries. (See Table 2).

Table 1
Total Employment in Alaska by Industry
1982 Annual Average

Industry	Employment	
Services	30,960	
Retail Trade	21,311	
Construction	16,779	
Visitor Industry	16,164	
Transportation	15,617	
Manufacturing	12,599	
Fin. Insurance & Real	9,057	
Mining	8,976	Note: Employment for nonagricultural wage and salary employees subject to Alaska Unemployment Insurance; excludes self-employed, unpaid family workers and fish harvesters. Industry employment is adjusted to exclude those jobs directly attributed to resident and nonresident visitor expenditures, as a result, figures are not directly comparable to those published elsewhere. Visitor Industry is defined by the direct impact of resident and nonresident visitor expenditure as a percent of total sales.
Wholesale Trade	7,205	
Miscellaneous	2,007	
Total Private Industry	140,805	
Government	59,171	
Total	199,976	

Table 2
Visitor Industry Employment and Wages by SIC Industry Sector
1982

	Nonresident Visitor Employment/Wages (\$1,000)		Resident Visitor Employment/Wages (\$1,000)	
General Merchandise	86	\$1,365	1,002	\$15,930
Misc. Retail Food	108	6,853	383	6,110
Service Stations, RV	71	1,091	116	1,777
Apparel	89	1,012	208	2,155
Eating and Drinking	2,858	32,571	1,768	20,157
Misc. Retail Trade	1,610	26,119	300	1,771
Hotels, Camps, Parks	2,026	23,459	1,615	18,609
Personal Service	13	601	291	1,170
Auto Rental and Repair	171	2,723	78	1,216
Entertainment	70	721	160	1,650
Manufacturing	27	718	22	2,390
Ground Transportation	165	2,351	9	1,962
Air Related Transportation	1,500	13,431	1,052	101,229
Visitor Industry Total	9,157	\$113,055	7,007	\$359,183

Wages and Occupations by Industry

Wages in visitor industry jobs are approximately 56% of wages in all other industries because visitor industry jobs are in traditionally low paying services and retail trade sectors. On an annual average basis, visitor industry wages are the lowest of all industries. Many of the occupations in the visitor industry require few entry level skills. Eating and drinking establishments and hotels require cooks, waiters and housekeeping employees while most retail establishments require sales clerks. Twenty percent of air transportation employees are pilots making this visitor industry component the one with the highest annual average wages.

Figure 1
Alaska Wage and Salary Employment
Private Industry Only
1982 Annual Average



Table 3
Average Annual Wages in Alaska Visitor Industry
Ranked by Industry Component
1982 Average

Air Related Transportation	\$28,961
Manufacturing	26,725
Misc. Retail Food	16,807
Misc. Retail Trade	15,924
General Merchandise	15,897
Auto Rental and Repair	15,632
Visitor Industry Average	15,561
Service Stations	15,340
Ground Transportation	14,995
Personal Services	14,156
Apparel	11,775
Hotels, Camps, Trailer Parks	11,579
Eating and Drinking	11,398
Entertainment	10,324

An analysis of wages by specific visitor industry reveals that average wages in air related transportation jobs are \$28,961. This is more than twice as high as wages paid for ground transportation jobs. Jobs in visitor related manufacturing which are related to printing, publishing and production of handcrafted goods, pay significantly more than most visitor industry jobs. Wages are less than \$12,000 in four visitor industries: apparel, eating and drinking (unreported tips may understate actual earnings), hotels, camps, trailer parks and entertainment. Table 3 ranks average annual wages by industry component.

Figure 2
Distribution of Selected Occupations In Visitor Affected Industries
Alaska 1981

Source: Alaska Department of Labor, Occupational Employment Statistics Program prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

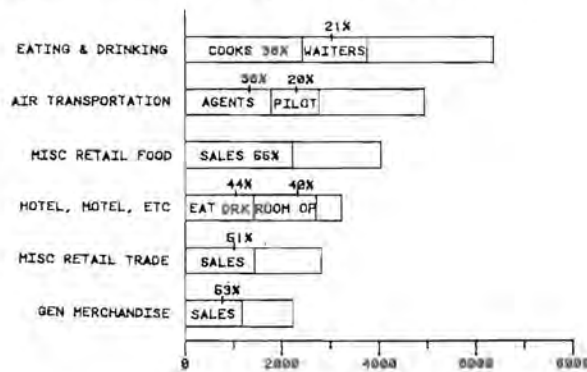
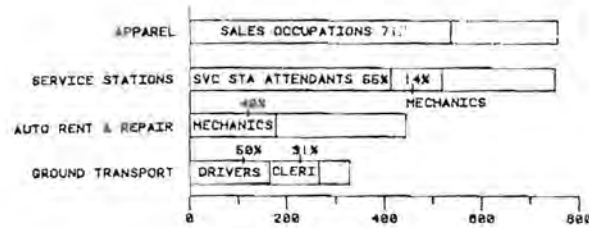


Figure 2
(Continued)



Visitor Industry Sales

Total sales and sales to resident and nonresident visitors were estimated based upon responses from the firm survey. The firms were asked what proportion wages were of their total business expenses. Given the total wage information available from Department of Labor files, total sales were calculated based upon the ratio of wages to sales. The U.S. Department of Commerce, Bureau of the Census conducts a quinquennial economic census that asks all businesses to provide wage and total sales data. Nineteen seventy-seven data is the most recent final economic census information for visitor affected businesses currently available. Economic census data for 1982 will be available during the coming year and will be used to update and adjust sales estimates. Preliminary 1982 census results indicate that estimates for some industries may be conservative.

Table 4
Nonresident Visitor Sales in Alaska Ranked by Industry
1982
(Millions)

Industry	Sales
Misc. Retail	\$167.1
Air Related Transportation	130.3*
Eating & Drinking	96.1
Hotels	72.0
Misc. Food	56.2
Auto Rental & Repair	9.1
General Merchandise	7.9
Ground Transportation	6.2
Service Stations	1.6
Apparel	3.6
Manufacturing	2.9
Entertainment	2.5
Personal Services	1.5
Total Sales Attributed to Nonresident Visitors	\$560.6

* Air related transportation sales were estimated from traveler exit survey expenditure data and reported wages rather than the wages to sales ratio.

Figure 3
 Nonresident and Resident Visitor Sales as Percent of Total Sales
 in Visitor Affected Industries
 Alaska 1982

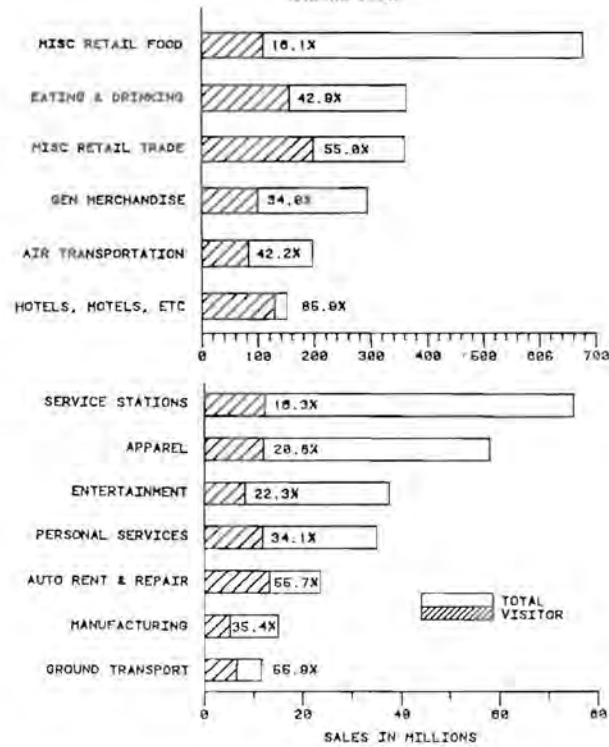


Table 5
 Total NonAlaskan Visitors Exiting Alaska by Month and Mode
 October 1982-September 1983

	Oct-Dec	Jan-Mar	April
Domestic Air	66,000	71,800	21,300
Am-borage Int'l Air	2,780	2,710	1,115
Highway	4,500	1,686	1,380
Ferry	1,605	1,187	475
Cruisehip	—	—	—
Misc. Aircraft & Watercraft	297	444	276
Total	75,182	77,827	24,516

Number of Visitors to Alaska

In addition to the firm survey of visitor affected businesses, travelers leaving Alaska by all different modes of transportation were contacted between October 1982 and September 1983. More than 10,700 completed surveys were coded and tabulated. Included in these surveys were responses from 6,761 visitors to Alaska for business, pleasure or a combination of the two. Visitors were contacted on departure to obtain impressions of the state after their trip.

Between October 1982 and September 1983, a total of 645,960 business and pleasure visitors left Alaska. Most travelers departed by domestic air carriers which transported over 67% of all visitors. A little more than two thirds of all visitors came to Alaska during the months of June through September.

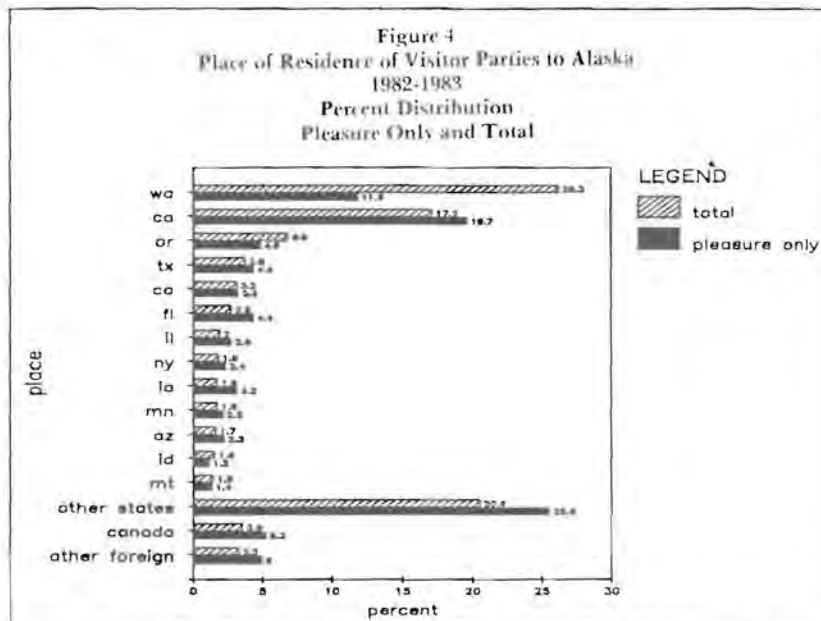
Approximately 50% of all visitors during the year resided in Washington, Oregon or California; most of the pleasure visitors came from California and most of the business visitors came from Washington State. (See Figure 4.) Approximately two thirds of all visitors spent some time in Anchorage. Nearly 40% of the average 16.8 nights spent in Alaska were spent in Southcentral Alaska.

Other Characteristics

Visitors were asked to indicate all activities engaged in on their Alaska trip. Based upon these multiple responses, 36% of all visitors indicated that they spent some time visiting friends and relatives on their trip; 27% of all visitors had visited museums or attended performing arts during their stay.

May	June	July	August	September	Total
27,400	58,000	75,000	72,000	46,400	137,900
1,227	2,092	2,088	2,133	1,536	15,981
1,839	10,978	19,807	17,382	6,319	66,891
1,100	1,110	8,570	9,890	2,610	30,207
420	20,131	26,279	29,811	11,307	90,981
332	1,013	931	522	185	1,000
35,618	96,651	132,675	132,071	71,387	615,960

Note: Excludes crew on cruiseships, airlines, fishing boats and other commercial vessels; travelers on military transports and highway traffic from Hyder, Alaska, to Stewart, B.C. Includes non-Alaskans here for business, pleasure or some combination of the two.



On the average, visitors spent \$90 per person per night (includes transportation costs to and from Alaska) on their Alaska trip. After excluding 80% of transportation costs to and from Alaska and 70% of all money spent on prepaid tours (this money was assumed not to directly enter the state), approximately \$51 per person per night remained in Alaska. Visitors gave Alaska high ratings in terms of the value received for money spent and overall experience.

Because the focus of the survey was statewide in nature, attitudes relating specific areas of the state were not asked. Visitors were asked, in an open ended question, to write down two things that they most enjoyed seeing or doing on their Alaska trip. Visitors indicated sightseeing, visiting friends and viewing mountains and glaciers as the things they most enjoyed. About 1% of the visitors specifically mentioned Anchorage as one of the things they most enjoyed seeing! Given the other reasons that generally draw visitors to the state, that is a significant positive response.

More than 54% of all pleasure visitors and more than 37% of all visitors were age 55 and over. (See Figure 5.) Twenty five percent had an annual household income of \$60,000 or more. In general, cruiseship visitors were the wealthiest and oldest visitors, with the primary purpose of those visitors' trip pleasure only. Domestic air visitors were much more likely to stay with friends or to be in Alaska for business or some business than visitors leaving Alaska by other modes of travel.

Figure 5
Age of All Visitors to Alaska
1982-1983

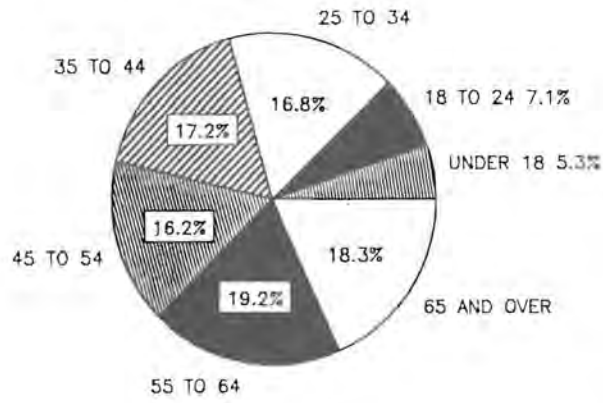


Figure 6
Total Household Income of Visitors to Alaska
1982-1983

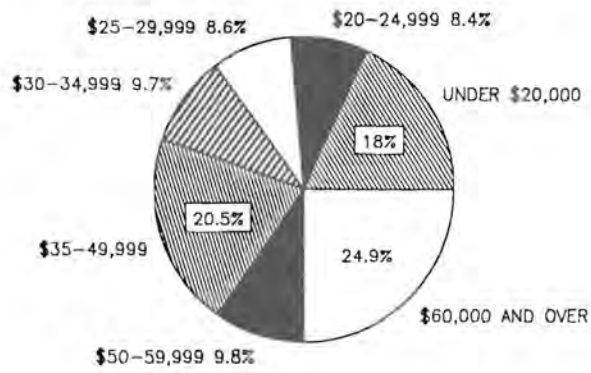


Figure 7
Educational Attainment of Visitors to Alaska
1982-1983

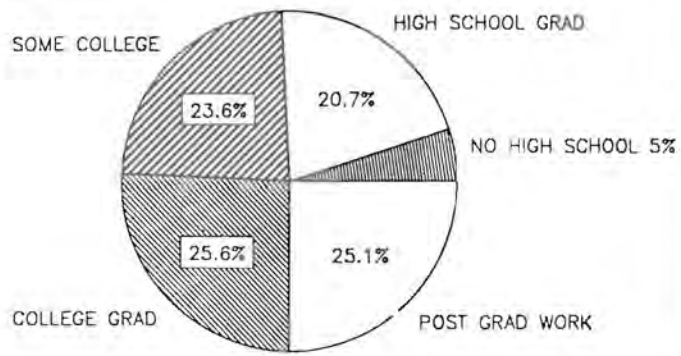


Figure 8
Marital Status of Visitors to Alaska
1982-1983

