

# TOURISM

## A GROWTH INDUSTRY

Tourism in Alaska has experienced a phenomenal growth rate in recent years. State Division of Tourism's preliminary figures for 1973 indicate a total of non-resident travelers in excess of 215,000, producing approximately 72 million dollars of non-resident tourist expenditures and about 10.5 million in State revenue.

While travel to Alaska by every mode of transportation showed an increase in 1973, airline travel showed the greatest increase, with passenger volumes expected to reach close to 85,000 when tallies are completed. This represents an average annual increase of 22 percent. Expanding knowledge in the lower 48 of the tremendous distances involved in traveling to and in Alaska, plus the increasing affluence of most Americans, could have contributed to airline travel having more than doubled from 1970 to 1973.

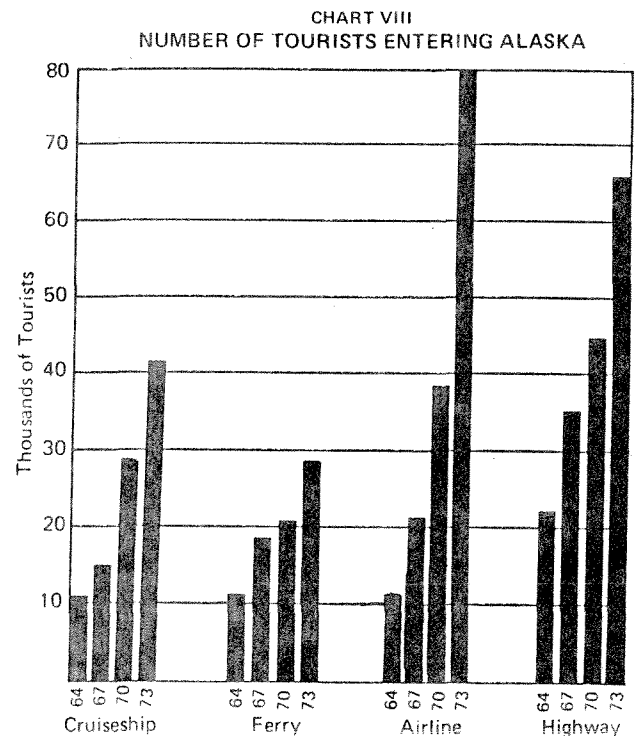
Tourists traveling overland to Alaska reached 66,000 in 1973, some 22,000 more visitors taking this way north than in 1970. Gasoline shortages, real or threatened, coupled with a decrease in highway-oriented tourism by State government, held this mode of travel to a 15 percent annual gain. A continuation of these circumstances could divert these travelers to airlines, ferries or cruise ships this coming season.

Cruise ships carried some 9,400 more passengers to Alaska during 1973 than during the previous year, and have showed an annual increase calculated to be 13 percent. Projected figures for 1974 cruise ship travel indicate an even greater increase, 27 percent, according to Alaska Division of Tourism figures. The expected increase could be attributable in part to the nationwide energy crisis, since cruise ship passengers are always assured of a round trip.

Travel by Alaska Marine Highway system rose by only 11 percent, the smallest increase of any mode of travel. Alaska's Tourism Division projects an increase of 15 percent for ferry travel in 1974. The addition of new ferries and the enlargement of existing vessels could lead to a greater increase in

marine highway travel in future years possibly with an attendant increase in highway travel, since this would open the popular triangle "Inside Passage — Alcan Highway" route to a number of visitors. The latter, of course, would be conditional upon a considerable lessening of the energy crisis.

The bar graph below prepared by Alaska's Tourism Division vividly portrays the increases in various sectors of the tourism industry from 1964 to 1973.



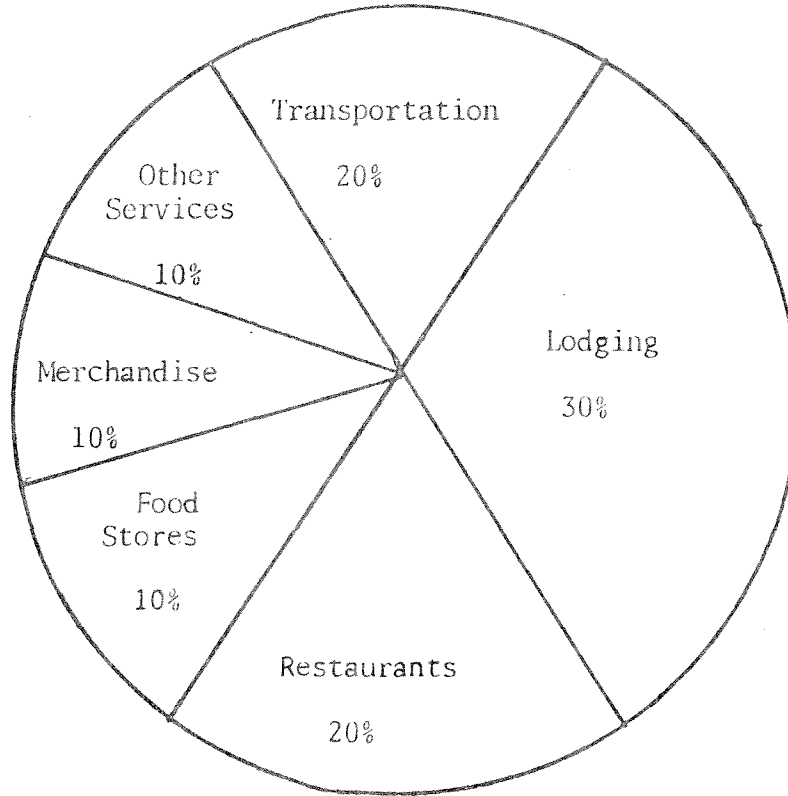
The tourist dollar has made an increasingly large contribution to Alaska's economy each year, and has accordingly been the cause of an increase in employment in the transportation, lodging and restaurant trades especially. Tourism is thus serving to diversify Alaska's economic base away from

government and resource extraction. an important reason for further nurturing of this important industry. Division of Tourism figures show an expected 40 million dollar contribution to wages in Alaska by the tourism industry in 1973. The following chart shows the percentage distribution of the tourist dollar, and the sectors in which it contributed to employment.

inclement weather conditions. Tourism has likewise suffered with few tourists visiting Alaska after the peak summer season.

However, the aggressive promotion of both "September" program of Autumn travel and of winter sports activity areas by both private and government agencies involved in tourism have resulted in some

DISTRIBUTION OF TOURIST EXPENDITURES



Note: Expanded from Cresap, McCormick & Paget Study - 1967.

By: Department of Economic Development, Division of Tourism

Seasonality is a problem which has always plagued Alaskan industry, but in the tourism industry it is being squarely faced up to by both the government and private sectors. Unemployment has traditionally been high in Alaska during the winter months when severe weather forces many industries to shut down operations. On land, construction and most other outdoor activities are severely hampered by cold, dark winters. Offshore, fishing is limited because of

increase in off-season travel such as the extension of cruise ship operations into the later months of the year. Also hotel and lodge bookings for the fall months have increased, and the closing date for such facilities as Mt. McKinley Park Lodge has been extended to early autumn. A good part of the increase in Marine Highway passenger traffic for 1973 has been attributable to off-season traffic.

Another State agency preparing to meet the expected continuing increase of out-of-state visitors is the Division of Parks. They had ready for review at the end of 1973, final draft master plan studies for four additions to the park and recreation system. Included the new Denali State Park to be located on the highway between Alaska's two largest cities, Fairbanks and Anchorage, and affording spectacular vistas of Mt. McKinley. Preparations will be made to keep park facilities open the year around, with provisions for various winter sports activities.

Winter sports sites such as the Alyeska ski area have seen increased use of facilities in winter by tours from Japan. The U. S. Forest Service, with the construction of an access road, has taken the first step toward implementing a ski area planned for the Fish Creek Valley on Douglas Island near Juneau to which some of the Japanese visitors could eventually be diverted. With the rapid increase in tourists from Japan interested particularly in winter sports, opportunities will exist in many areas throughout the State for the development of accommodations with these Japanese guests in mind.

Another problem to be faced in the future will be that of increased use of all recreational and tourist facilities not only by tourists from out-of-State but Alaska residents as well. Alaskans are ardent admirers of their own "Great Land" and with an influx of pipeline construction workers, all facilities, private, State and National Parks, will face increasingly heavy use in the future, particularly during the peak summer season.

With tourism expected to increase by at least 14 percent each succeeding year, the State Division of Tourism as well as the private tourism industry, both fully aware of needs which must be met, are directing their energies toward augmenting all facilities needed by this rapidly growing sector of the Alaskan economy.

## ALASKA'S ECONOMY IN MARCH

**Employment – Unemployment:** The total number of persons employed rose to 3,900 more than were working in February. The unemployment rate remained at 14 percent, with an additional 400 out of work. Total unemployment exceeded by 3,100 the figure for March of 1973. Many of these unemployed were doubtless pipeline work hopefuls still awaiting

the commencement of the construction season. The seasonal upswing in employment should gain momentum soon, and will peak during the summer months.

INDUSTRY	3-74	2-74	3-73	Changes From:	
				2-74	3-73
CIVILIAN LABOR FORCE.....	129,700	125,800	121,700	3,900	8,000
INVOLVED IN WORK STOPPAGES.....	0	0	0	0	0
TOTAL UNEMPLOYMENT.....	18,400	18,000	15,300	400	3,100
Percent of Labor Force.....	14.2	14.3	12.6	-	-
TOTAL EMPLOYMENT <sup>2/</sup> .....	111,300	107,800	106,400	3,500	4,900
Nonagricultural Wage & Salary <sup>3/</sup> .....	106,200	103,400	101,000	2,800	5,200
Mining.....	2,000	1,900	1,800	100	200
Construction.....	6,000	5,600	5,200	400	800
Manufacturing.....	7,900	7,200	7,600	700	300
Durable Goods.....	3,100	2,400	2,500	700	600
Lumber, Wood Products.....	2,500	1,900	2,000	600	500
Other Durable Goods.....	600	500	500	100	100
Non Durable Goods.....	4,800	4,800	5,100	0	- 300
Food Processing.....	2,700	2,700	3,100	0	- 400
Other Non Durable Goods.....	2,100	2,100	2,000	0	100
Transp.-Comm. & Utilities.....	10,500	10,200	9,200	300	1,300
Trucking & Warehousing.....	1,700	1,600	1,100	100	600
Water Transportation.....	800	700	700	100	100
Air Transportation.....	3,100	3,100	2,900	0	200
Other Transp.-Comm. & Utilities.....	4,900	4,800	4,500	100	400
Trade.....	18,200	18,000	16,900	200	1,300
Wholesale Trade.....	3,600	3,500	3,200	100	400
Retail Trade.....	14,600	14,500	13,700	100	900
General Merchandise & Appar.....	3,700	3,700	3,400	0	300
Food Stores.....	2,100	2,000	1,700	100	400
Eating & Drinking Places.....	3,500	3,500	3,400	0	100
Other Retail Trade.....	5,300	5,300	5,200	0	100
Finance-Insurance & Real Estate.....	4,400	4,300	4,100	100	300
Service & Miscellaneous.....	15,700	15,300	15,000	400	700
Government <sup>4/</sup> .....	41,500	40,900	41,200	600	300
Federal.....	17,100	17,000	16,700	100	400
State.....	13,600	13,100	13,800	500	- 200
Local.....	10,800	10,800	10,700	0	100

<sup>1/</sup> Estimated in accordance with techniques recommended by U. S. Bureau of Labor Statistics.

<sup>2/</sup> Includes domestics, nonagricultural self employed and unpaid family workers, and agricultural workers.

<sup>3/</sup> Prepared in cooperation with the U. S. Bureau of Labor Statistics.

<sup>4/</sup> Includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

**Mining:** Mining again showed the same increase as it had the previous month, with 100 more employed in the industry. The gain from March the year before was 200. With the forthcoming increase in oil exploration activity, employment in this industry should increase in spring months. Also, if the quickening interest in exploration of Alaska's coal deposits accelerates, development of these resources would mean another area of increased employment.

**Manufacturing:** The arrival of spring break-up prompted some increase in lumbering and attendant sawmill operations in southeastern Alaska. Clean-up crews moved into the camps, and machinery was readied for the reopening of logging operations. Partly as a result of this activity, 700 more were employed in the durable goods sector than had been the case the month before, an over-the-year gain of 600.