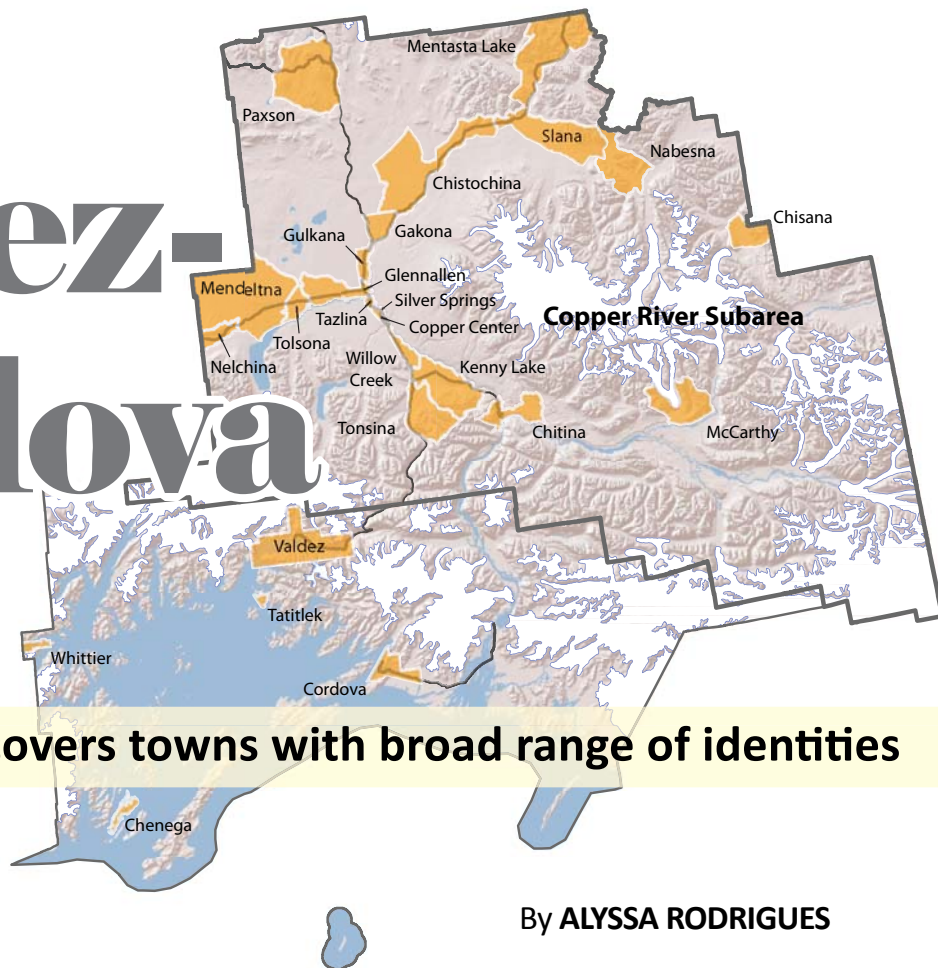


Valdez-Cordova



Vast census area covers towns with broad range of identities

By **ALYSSA RODRIGUES**



The Sheridan Glacier is between the Copper River Delta and Cordova. Photo by Flickr user Russ Wigh

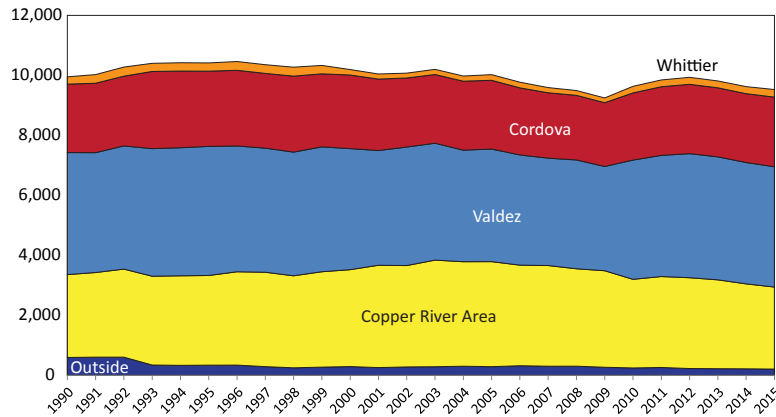
Besides their foundation in natural resources, the communities that make up the vast Valdez-Cordova Census Area have little in common. The land, which is the size of Kentucky, extends from Mentasta Lake in the north to Chenega in the south, Whittier in the west, and the Canadian border in the east. It's home to more than 20 unincorporated communities and just three cities: Valdez, Cordova, and Whittier.

The population throughout the census area is older — a median 39 years versus 35 for Alaska in 2015 — and the population and job numbers have been fairly stable since the 1990s. (See exhibits 1 through 3.) But that's where the major similarities end. From industries and wages to racial makeup, the region varies drastically from one place to another.

1

Steady Population

VALDEZ-CORDOVA, 1990 TO 2015

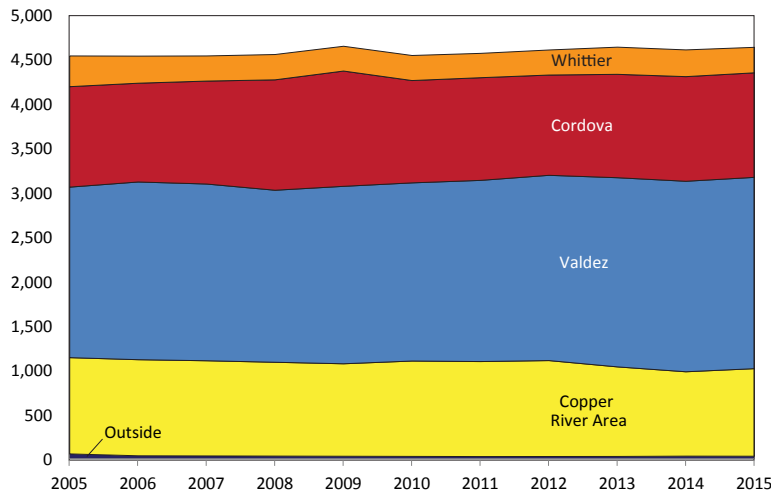


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

2

Steady Employment

VALDEZ-CORDOVA, 2005 TO 2015



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Valdez is heavily tied to transportation because of oil, while Whittier and Cordova derive most of their income from the seafood industry. (See exhibits 4 and 5.) Copper River area residents largely rely on subsistence in an area where average wages are low and food costs and unemployment are high.

Valdez and the pipeline

The largest community, Valdez, is also perhaps the most well-known. The town, which was relocated after the Good Friday earthquake of 1964, is the terminus of the Trans-Alaska Oil Pipeline System. It's also the census area's largest city, with a population of 4,011.

The pipeline provides the city with stable employment as well as a steady source of tax revenue. In 2014, property tax from the oil and gas industry alone generated \$53.5 million.

Because most of the city's employment revolves around transportation of oil, transportation made up 17 percent of the city's jobs in 2015. Transportation also provided the highest-paying jobs in Valdez, averaging \$103,123, which is why Valdez had the highest average wages of any community in the area, at \$58,824.

Valdez's transportation industry supports its small commercial fishing fleet as well. Its seafood industry grossed \$3.3 million in 2015, equivalent to about 3 percent of the area's wage and salary earnings. While these earnings have historically been highly variable, they've been between \$2.4 million and \$5.4 million since 2010: just a fraction of what Cordova brings in each year. (See Exhibit 6.)

3 Demographics by Town

VALDEZ-CORDOVA, 2010 TO 2014

	Valdez	Cordova	Copper River	Whittier	Alaska
Unemployment rate	9.6% (+/-5.2)	4.4% (+/-2.9)	16.1% (+/-4.1)	5.8% (+/-6.5)	8.4% (+/-0.3)
Poverty rate	9.2% (+/-4.2)	2.4% (+/-1.4)	16.4% (+/-4.8)	17.5% (+/-8.9)	10.1% (+/-0.3)
Household size	2.9 (+/-0.3)	3.1 (+/-0.5)	2.9 (+/-0.4)	2.3 (+/-0.6)	2.8 (+/-0.02)
Median household income	\$99,973 (+/-6,370)	\$93,750 (+/-17,181)	\$43,063 (+/-8,582)	\$45,000 (+/-13,291)	\$71,829 (+/-735)
Commuting patterns					
Drive to work	76.6% (+/-8.9)	61.7% (+/-11.8)	61.2% (+/-8.3)	32.9% (+/-10.9)	67.7% (+/-0.6)
Walk to work	10.3% (+/-6.4)	9.5% (+/-5.5)	16% (+/-5.8)	45.5% (+/-15.8)	7.9% (+/-0.3)
Racial profile					
White	78.3% (+/-5.9)	76.6% (+/-5.9)	64.9% (+/-5.5)	71.5% (+/-12.7)	66.5% (+/-0.2)
Alaska Native/Amer Indian	12% (+/-4.5)	5.6% (+/-3)	30.3% (+/-5)	5.7% (+/-4.5)	14.1% (+/-0.2)
Black/African American	0.1% (+/-0.2)	0% (+/-0.8)	0.9% (+/-1.4)	0% (+/-7.8)	3.5% (+/-0.1)
Asian	1.1% (+/-1.2)	8.4% (+/-4.4)	0% (+/-0.8)	10.6% (+/-11.5)	5.6% (+/-0.1)
Pacific Islander	0.2% (+/-0.5)	0.3% (+/-0.5)	0.6% (+/-0.8)	4.1% (+/-6.1)	1.1% (+/-0.1)
Two or more races	5.9% (+/-3.1)	8.9% (+/-5.6)	3.2% (+/-1.3)	7.3% (+/-6.2)	8% (+/-0.2)

Source: U.S. Census Bureau, American Community Survey

Cordova brings in most seafood earnings

Cordova, with a population of 2,321, was once a railroad town connecting the Kennecott Copper Mine to tidewater. Today it's a fishing town that consistently brings in 90 percent of the census area's gross commercial seafood earnings, mainly from salmon, amounting to more than \$38.3 million last year.

While most commercial fishermen are self-employed and not included in the job numbers here, the 373 commercial permits fished in Cordova in 2015 provide some context. If each permit were counted as a job, those would make up about 18 percent of all the city's jobs in July, which is peak harvesting month.

The city's reliance on fishing is also reflected in its high percentage of jobs in seafood processing. Processing jobs tend to pay less, though, which is largely why Cordova's average wage of \$46,382 last year was well below the statewide average of \$54,191.

Whittier has fishing and tourism

Many seafood processing workers travel to Whittier during the summer, when the town has more wage and salary jobs than it has residents. The town is also

buoyed by summer tourism, and hosts about 700,000 visitors per year.

This highly seasonal economy means at the summer peak, the town's employment can be twice the population, at 500 jobs and 253 residents — nearly all of whom live in a single building built by and originally for the military.

The military established itself in Whittier during World War II because the area provided a deep, far north, year-round ice-free port. The federal railroad to Portage was completed in 1943 and became the primary debarkation point for cargo, troops, and dependents of the Alaska Command, which remained active until 1960. At that time, the population was 1,200.

The town has so little buildable land and such a small population that a single building provides most of its needed housing. The 14-story Hodge Building, now called Begich Towers, was completed in 1957 and contains 150 apartments of varying sizes. At one time, it was one of the largest buildings in the state.

The town's second-largest sector, leisure and hospitality, is tied to the Whittier Tunnel, owned by the State of Alaska. The combined one-way road and railway tunnel had its second-highest traffic year in history in 2015, with more than 240,000 vehicles

passing through, mainly between May and August. Visitor traffic includes buses full of cruise ship passengers as well as independent tourists and travelers heading to or from the ferries.

Whittier will host 29 cruise ships in summer 2016. The largest will be the Star Princess, which can hold nearly 15 times the entire population of Whittier, at 3,700 passengers and crew.

Whittier also has strong ties to fishing, including commercial and sport fishing and marine support services. From a commercial standpoint, Whittier brings in less than 1 percent of the census area's annual commercial harvest and gross earnings, but seafood processing is the town's largest single source of jobs. As a result, Whittier's average annual earnings were relatively low in 2015, at \$34,490.

The future of the city's seafood processing industry is uncertain, however, because its main employer, Great Pacific Seafoods, filed for Chapter 7 bankruptcy and closed its local processing plant in May. The closure means not just job loss but also the loss of revenue from the plant's use of city water and sewer.

Sport fishing also boosts local tourism. Whittier has a harbor and boat launch that can accommodate 350 boats, and it's at full capacity with a waiting list of five to seven years. During the summer peak, an average of 150 boats launch in a single weekend day, or one boat every 10 minutes.

Subsistence is vital in Copper River area

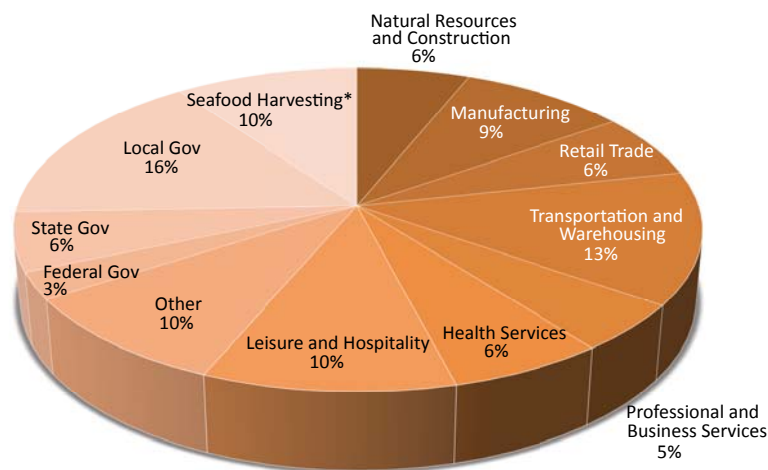
The Copper River area, which contains 20 of the area's 22 unincorporated communities and 2,735 residents, differs considerably from the three main cities. The three are proportionally more white than the statewide average, while the Copper River area has

more than double the statewide percentage of Alaska Natives. Thirty percent in the Copper River area identify as Native alone versus 14 percent for Alaska as a whole, and many who say they are more than one race are also Alaska Native. (See Exhibit 3.) The Copper River area also has the lowest percentage of those who self-identify as white, at 65 percent.



Cordova from the water. Photo by St. Louis Julie, U.S. Fish and Wildlife Service

4 Area Has a Diverse Economic Base VALDEZ-CORDOVA, 2015

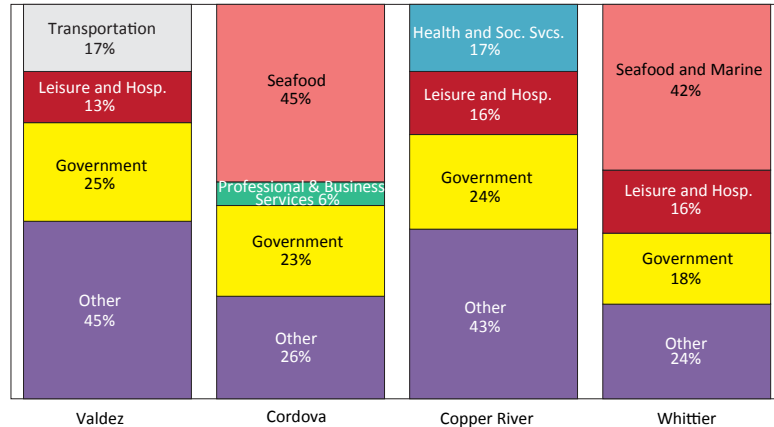


*Because seafood harvesters are mainly self-employed and not included in employer data, this is an estimate based on permits fished.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

5 Each Dominated by Different Industry

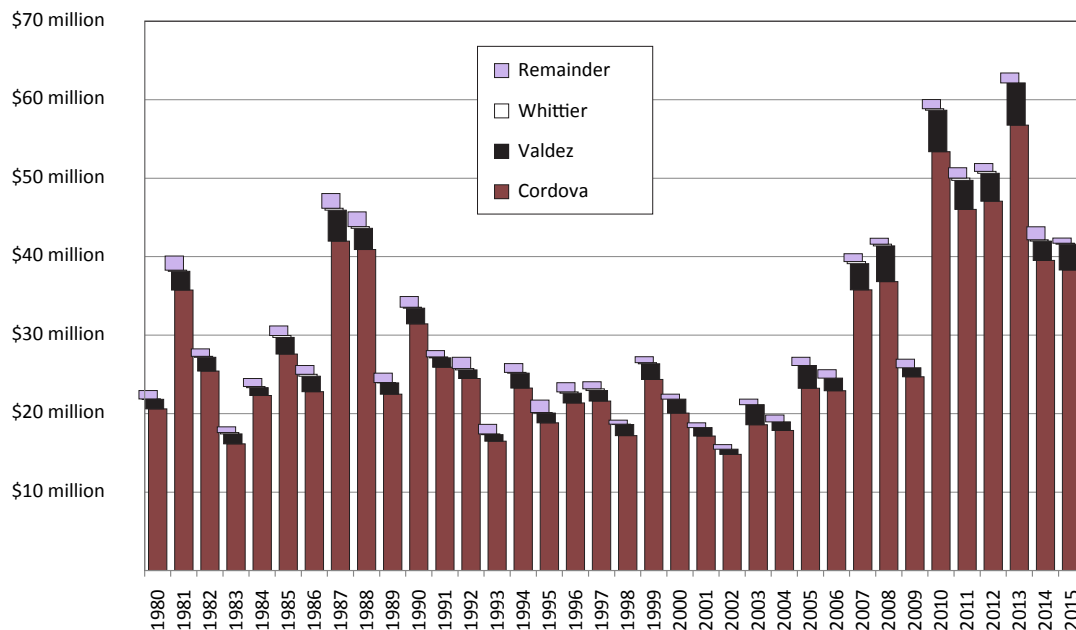
VALDEZ-CORDOVA, 2015



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

6 Cordova Dominates Commercial Fishing Earnings

VALDEZ-CORDOVA, 1980 TO 2015



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The area has strong historic ties to the Copper River, and like many rural places in Alaska, a good deal of labor is devoted to harvesting subsistence resources such as fish, moose, and berries, something the employment and wage numbers don't reflect. The average subsistence harvest for the Copper River area is roughly 200 pounds per person per year. This is on

the lower end for rural places in the state, but significantly higher than more urban areas such as Valdez, where it's about 45 pounds per person per year.

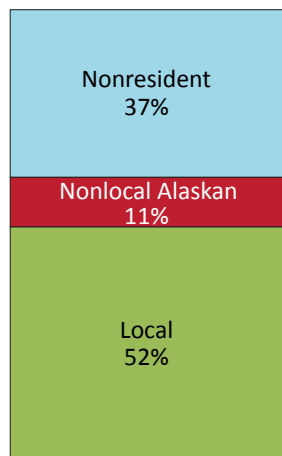
Participation in traditional and customary subsistence harvest is both culturally and economically important. Subsistence helps mitigate low incomes and high food



The Whittier Tunnel, above, a combined one-way road and railway tunnel. Photo by Flickr user Arthur Chapman, and Audrey Bendus

7 Many Workers Live Elsewhere

VALDEZ-CORDOVA WORKERS, 2014



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

costs, which were 26 percent higher than Anchorage in 2008, the most recent year available.

The core industries in the Copper River area are health care, social services, and leisure and hospitality. Health care and social services include health clinics and Native associations that focus on community care. The leisure and hospitality businesses and jobs in the area exist largely to serve travelers on the Glenn and Richardson highways, which both run through the area. These combined industries made up a third of the area's wage and salary jobs in 2015.

At 9.4 percent, the Copper River area's unemployment rate is high, and both of the major private industries have lower-than-average wages. Health and social services jobs paid an average of \$37,582 in 2015 and leisure and hospitality jobs paid \$21,122.

The highest-paying jobs in the area were in construction, which paid more than \$100,000 on average in 2015 but made up just 6 percent of jobs. The area has some higher-paying jobs with the state and federal government as well, which paid an average of \$57,464 and \$66,989 respectively. Government jobs made up 14 percent of the area's employment.

Nearly half of workers live outside census area

Nearly half of the people who work in the Valdez-Cordova Census Area, 48 percent, don't live there. (See Exhibit 7.) Nonresidents make up the largest slice of those who live elsewhere, at 37 percent in 2014. Many of these workers travel in for seafood processing, which had the highest rate of nonresident hire among industries in 2014, at 84.8 percent.

Of the commuters who are Alaskans, the biggest share come from Anchorage, followed by the Matanuska-Susitna Borough and the Kenai Peninsula.

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