

A TRENDS profile — Kodiak Island

by Brigitta Windisch-Cole

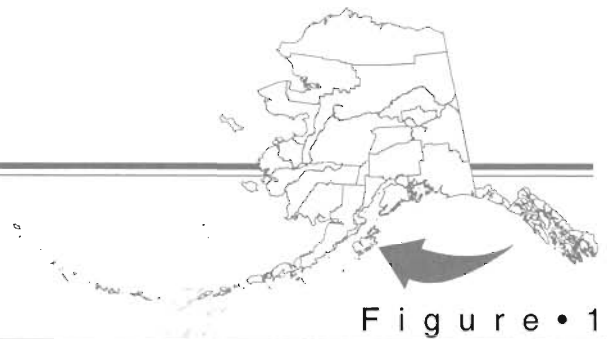
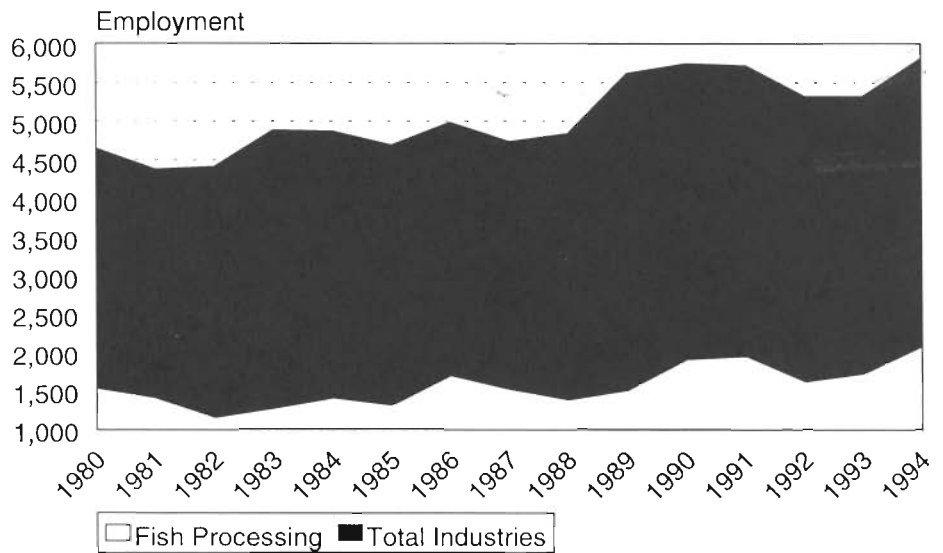


Figure • 1

The description of Kodiak as the Emerald Isle not only hints at its scenic beauty but also alludes to the abundant ocean resources in its surrounding waters. While fishing provides Kodiak's economic base, other industries such as timber, tourism, and especially the Coast Guard's presence sustain and promote growth in the construction, retail and service industries.

Kodiak's wage and salary employment history reflects the up and down fortunes of the fishing industry. (See Figure 1, Table 1.) Exceptional employment growth in 1989 marks the year of the *Exxon Valdez* oil spill in Prince William Sound, which affected Kodiak greatly. Employment grew over 16 percent in one year due to jobs created by the clean-up effort. In subsequent years, employment levels remained high because of strong fish harvests.

Kodiak's Employment Picture 1980-1994



Source: Alaska Department of Labor, Research & Analysis Section.

Commercial fishing is an old tradition

The purchase of Alaska by the United States in 1867 ushered in a new era that created a commercial salmon fishery. By the late nineteenth century, Kodiak had become the commercial seafood production center of the Alaska territory.

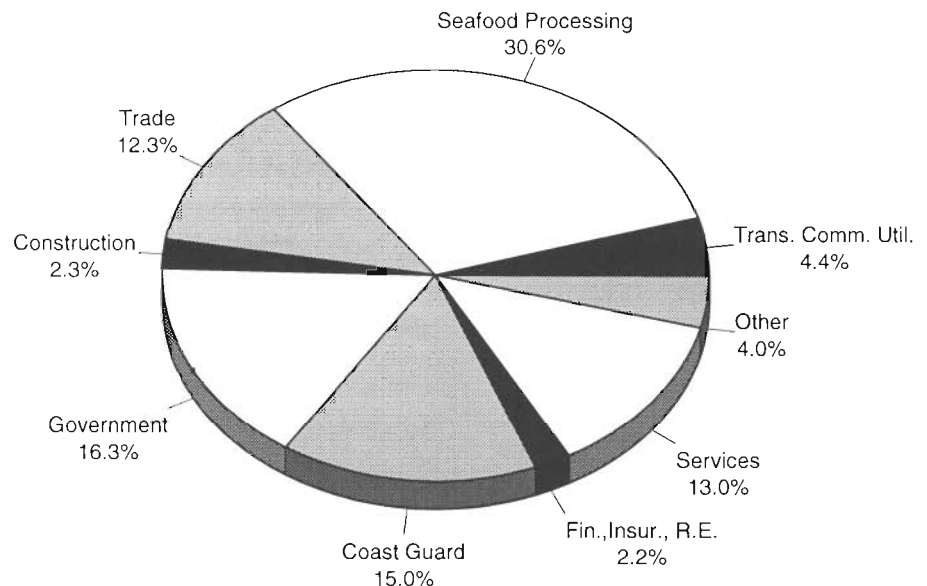
Since then, Kodiak has become one of the nation's biggest seafood ports. An impressive infrastructure developed to support the fishing industry. Harbors, docks, seaplane landing areas, seafood processing plants, and a fishery research center provide jobs and revenues that spread throughout the area's economy.

A fishing metropolis

The fishing industry dominates Kodiak's employment scene (See Figure 2.), with eight of Kodiak's

Figure • 2

Kodiak's Employment Mix 1994



Percentages may not add to 100 because of rounding.
*includes federal, state and local government employment.
Source: Alaska Department of Fish and Game.

seafood processing plants among the Island's top 15 private employers. (See Table 2.) Fish processing companies, which provided 36% of all wage and salary jobs in Kodiak in 1994, have traditionally relied on a transient work force. Almost 50 percent of Kodiak's salary and wage earners were nonresidents in 1993. Estimating employment for the harvesters is difficult because of fluctuating crew sizes, multiple fisheries, and seasons. Further compounding the fisheries employment issue is a 1995 fisheries management strategy instituted in the halibut fishery. No empirical data are available yet on the impact of Individual Fishing Quotas (IFQs) on seafood harvesting and processing employment. However, anecdotal evidence indicates that a shift in the relationship between vessel skippers and crews may be occurring in the halibut fishery. With the extra time now allowed for fishing, quota shareholders can pool their efforts and assist each other. Additional crew may not be needed.

A 1990 study by Impact Assessment, Inc., a national consulting firm experienced in fisheries research, cal-

culated that Kodiak's fish harvesting employment averaged about 1,460 jobs annually. About 496 salmon permit holders participated in the 1995 fishing season. Alaskan residents own nearly 75 percent of all Kodiak salmon permits, and almost 52 percent of these permit holders list Kodiak as their residence.

In 1994, Kodiak's commercial fishers delivered a harvest of 307.7 million pounds of seafood valued at \$107.6 million. This catch confirmed Kodiak as the third largest seafood port in the nation. Salmon is not the only ocean resource contributing to these totals. Groundfish, halibut, herring, and crab fisheries have complemented the summer's fishing season for many years. In recent years, the groundfish fishery has gained importance and its processed output nearly equaled salmon production in 1994. (See Figure 3.) But the Island's summer salmon harvest, which netted a record catch of over 187 million pounds with a harvest value of \$50.5 million in 1995, remains Kodiak's number one fishery.

With a salmon glut depressing prices on international markets,

Kodiak's fishing industry is seeking new markets and products. For example, scientists at the Fisheries Industrial Technology Center, on Kodiak, are conducting research and developing new products. Another multi-agency fishery research complex may be built in the near future to complement this on-going research effort.

Host to the largest Coast Guard base in the nation

The Coast Guard exerts the second largest impact on the local economy. Kodiak has been a military town since 1938. In 1972, both the Navy's and the Army's WW II installations were converted to the nation's largest Coast Guard base.

From Kodiak, 1,028 Coast Guard personnel monitor most of Alaska's 33,000-mile-long coastline. In 1995, there were 2,516 personnel and dependents, comprising 16.7% of the Island's population. In addition, a group of about 320 employees, consisting of civilians, private contract and other personnel, supports the base. In the upcoming reorganiza-

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Kodiak's Wage and Salary Employment by Industry, 1980-1994

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Total Industries	4,642	4,374	4,408	4,883	4,866	4,688	4,981	4,734	4,835	5,613	4,742	4,711	5,318	5,320	5,811
Mining	0	0	0	0	19	13	0	0	0	0	*	*	*	*	*
Construction	102	136	304	582	342	280	276	198	180	180	158	161	164	142	154
Manufacturing	1,824	1,544	1,276	1,378	1,473	1,380	1,733	1,569	1,479	1,671	2,062	2,091	1,810	1,885	2,260
Food & Kindred Prod.	1,544	1,422	1,167	1,285	1,423	1,326	1,708	1,534	1,396	1,520	1,923	1,961	1,631	1,733	2,092
Trans., Comm., Util.	352	321	297	311	298	231	188	222	230	664	319	320	339	323	301
Trade	611	591	713	723	749	813	757	834	842	890	921	931	851	828	841
Wholesale	35	*	*	37	35	49	52	50	56	49	36	41	45	68	72
Retail	576	578	690	687	715	764	706	784	786	841	886	890	806	759	769
Finance, Ins., Real Estate	99	95	102	105	103	105	110	108	116	106	111	112	136	135	148
Services	562	545	752	611	605	641	663	664	826	969	1,018	955	828	823	890
Agric., Forest. & Fish.	*	*	*	*	*	35	30	*	*	34	30	21	52	62	99
Government	1,038	1,052	1,046	1,115	1,165	1,174	1,209	1,081	1,112	1,098	1,120	1,116	1,120	1,115	1,113
Federal	286	257	252	253	241	243	243	234	193	161	162	165	174	171	166
State	208	253	260	273	282	282	266	237	248	282	285	275	277	263	252
Local	545	542	533	588	643	650	700	610	671	656	673	677	669	681	695
Nonclassified	*	*	*	*	*	*	*	*	*	3	*	*	*	*	*

*Nondisclosable.

Source: Alaska Department of Labor, Research & Analysis Section.

tion of Coast Guard installations, Kodiak's base could gain additional station strength.

A portion of the annual military payroll of almost \$57 million remains on the Island. Military expenditures, such as capital projects and contracted services, also stimulate economic activity. For example, the Coast Guard appropriated \$22.6 million in 1995 for capital construction, and Kodiak's hospital delivers some health care services for Coast Guard personnel and their families. This military spending adds stability to the local economy.

Timber sales show impressive revenues

Logging on Afognak Island and Chinaiak began with the passage of the Alaska Native Claims Settlement Act of 1971. In recent years, logging on Afognak and Kodiak showed impressive growth. From 1992 to 1993, revenues more than doubled. In 1994, harvest value was over \$40 million. A few companies currently harvest about 65 to 70 million board feet per year. Most logs, shipped in round, are sold on Asian markets.

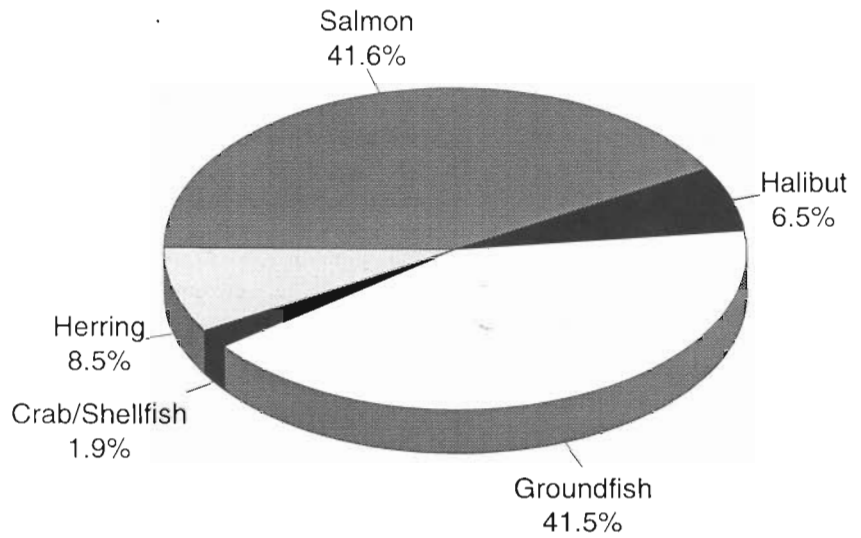
Visitors discover the Emerald Isle

Kodiak holds attractions for a variety of visitors. Hunters and anglers find spectacular locations for their sports. Other visitors choose Kodiak as a vacation spot for its scenic beauty, cultural resources, wildlife viewing, camping, hiking, and other recreational activities. According to the Kodiak Island Convention and Visitors Bureau, tourists spent approximately \$10.5 million in 1994. Recently, Kodiak's visitor industry received a boost when Princess Tours, a large tour operator in Alaska, announced it would offer Kodiak tours.

A quantum leap into the future?

Because of its ideal geographic location, Kodiak has been selected as a

Kodiak's Seafood Production Mix



Source: Alaska Department of Fish and Game, Commercial Operator's Annual Report.

Table • 2

Kodiak's Top 15 Private Employers in 1994

Rank	Firm	Average Annual Employment
1	All Alaskan Seafoods (now Tyson Seafoods)	436
2	International Seafoods of Alaska	342
3	Cook Inlet Fisheries	214
4	Queen Fisheries (now closed)	193
5	Alaska Pacific Seafoods, Inc.	189
6	Ocean Beauty Seafoods	149
7	Safeway Inc.	137
8	AK Commercial Company (formerly O Krafts)	121
9	Western Alaska Fisheries Inc.	102
10	Ben A. Thomas (logging)	80
11	Ocean Peace (seafood processor)	71
12	AK-Mac, Inc. (dba Mc Donald's in Kodiak)	62
13	Kodiak Electric Association	61
14	Westmark Kodiak Hotel	44
15	Brechan Enterprises (construction contractor)	43

Source: Alaska Department of Labor, Research & Analysis Section.

T a b l e • 3

The Population of Kodiak Island 1995

Kodiak Island Borough	15,400
Akhiok city	80
Chiniak CDP	83
Karluk CDP	58
Kodiak city	7,620
Larsen Bay city	130
Old Harbor city	310
Ouzinkie city	259
Port Lions city	233
Women's Bay CDP	749
Coast Guard Station CDP	2,049
Remainder of Kodiak Island census subarea	3,829

CDP = Census designated place.

Source: Alaska Department of Labor, Research & Analysis Section.

T a b l e • 4

A Snapshot of Kodiak Current Statistics

	Alaska	Kodiak
Population 1995	615,900	15,400
Kodiak's population is almost a year younger...		
Median age (1994)	29.9	29.0
...and there are more children and fewer seniors (1994)		
Percent under 5 years old	9.5%	10.4%
Percent 18 years & over	69.1%	68.1%
Percent 65 years & over	4.5%	3.4%
There are fewer women (1994)		
Percent Female	47.8%	44.9%
Kodiak's diversity (1995)		
Percent White	75.7%	66.5%
Percent Black	4.4%	1.2%
Percent American Indian, Eskimo, or Aleut	15.7%	15.3%
Percent Asian/Pacific Islander	4.2%	17.0%
Percent Hispanic	4.0%	6.8%
More workers are unemployed (1994)		
Percent of all 16 years + in labor force	70.2%	70.0%
Percent unemployed	7.9%	12.1%
Income measured:		
*Personal per capita income (1993)	\$23,070	\$20,889
Annual Average Monthly Earnings (1994)	\$2,689	\$2,135
Renters pay more...		
Anchorage (11/1995)	-	\$678
Kodiak (11/1995)	-	\$824

*U. S. Department of Commerce, Bureau of Economic Analysis.

Source: Alaska Department of Labor, Research and Analysis.

possible site of an orbital rocket launch facility. The project proposal includes \$20 million in construction to begin in 1996. The Kodiak Launch Complex would be the first non-federally-owned commercial space port.

Satellites, designed and owned by domestic and an international clientele, would loft into space from this site. Alaska's Aerospace Development Corporation also foresees an established Foreign Trade Zone to exempt foreign customers from import taxes when they utilize the Kodiak Launch Complex.

Kodiak's people

Current estimates indicate that 15,400 residents live on Kodiak (See Table 3.), with Alaskan Natives representing 15.3% of the Island's population. (See Table 4.) Many of Kodiak's fish processing workers are of Filipino or Hispanic origin. While a large portion of these workers come to work only the peak fishing seasons, many have made Kodiak their home, some for generations. (See Table 4.) The City of Kodiak, growing at an annual average of 3.7% in the past five years, and the nearby Coast Guard base make up about 63 percent of the Island's population.

What's in Kodiak's future?

In spite of changes and problems in the fishing industry, it will remain Kodiak's mainstay. The uncertainties of this industry have been part of Kodiak's history, and fluctuations in the economy will continue. The Coast Guard's presence on Kodiak not only establishes a steady demand for goods and services but also delivers a variety of public services beneficial to the local fishing industry. Logging has created jobs and stimulated business in transportation, service, and retail industries. Kodiak tourism, with its large repertoire of attractions, will continue to grow. And Kodiak, as a future space port, may become a major high-tech center in Alaska.