

# Prince of Wales Island

by John Boucher and Kristen Tromble

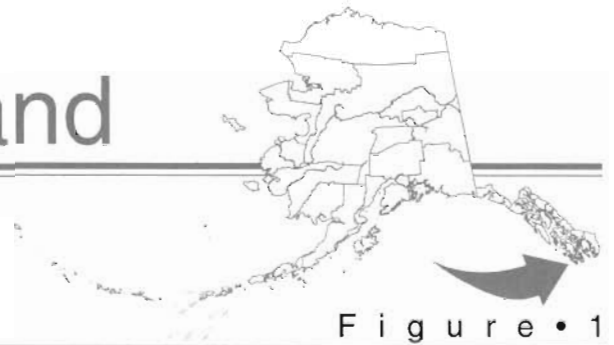
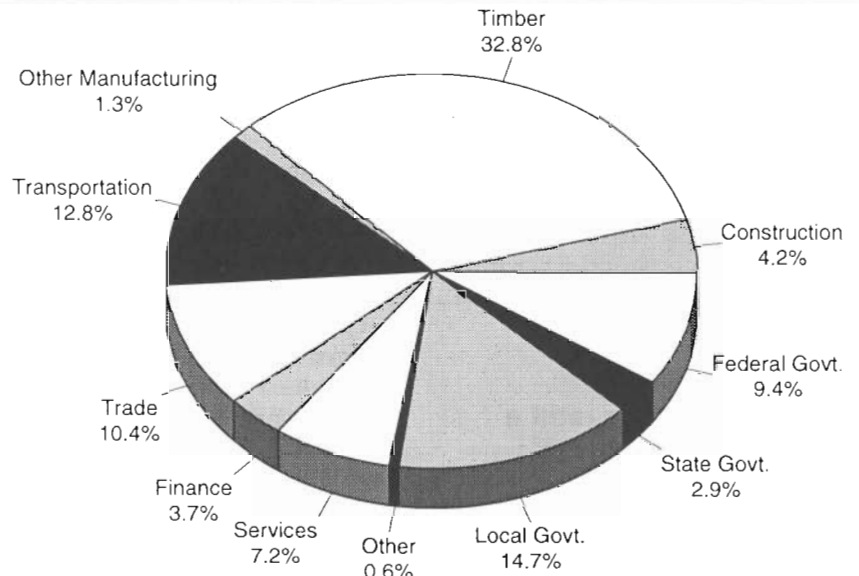


Figure • 1

## Timber Provided Almost One-Third of 1994 Wages



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

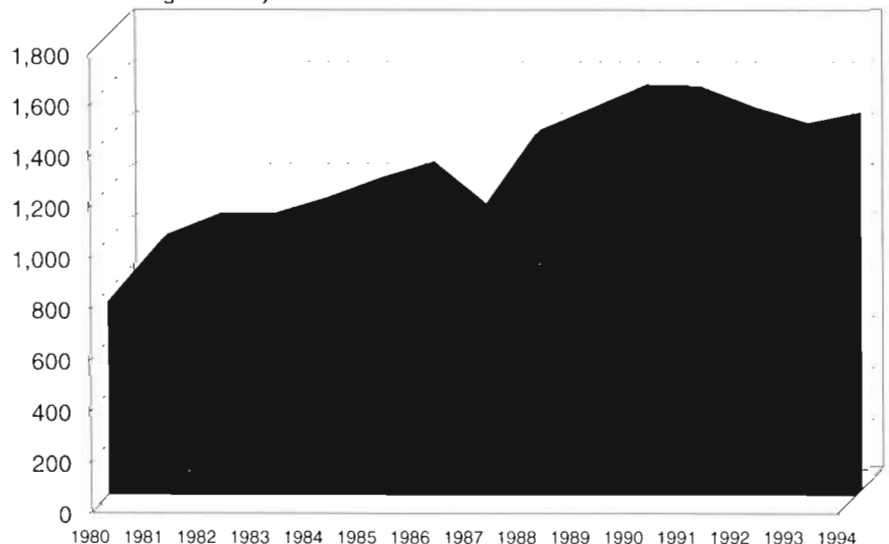
## Timber harvesting a shrinking but vital job source

The wood products industry is the largest private wage and salary employer on Prince of Wales. In 1994, timber industry employment (logging and sawmill activity only) accounted for nearly one-quarter of the wage and salary jobs and one-third of the wages paid. (See Figure 1.) Sales of U.S. Forest Service timber stands and private timber stands, owned by Prince of Wales' four village native corporations and Sealaska, the regional native corporation, account for most timber harvesting employment on the island. The industry's presence on Prince of Wales is predominantly logging and related activity. Processing on the island has had a spotty history. Currently, there are several small sawmills on the island, the largest being the Viking Lumber Mill in Klawock.

Figure • 2

## Prince of Wales Back On A Growth Path

Wage & Salary Jobs



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

Since the late 1980s, when combined annual timber harvests from public and private lands were at all-time highs, the number of timber industry jobs has fallen off dramatically. This detoured the island's economy from what had previously been a strong growth path. (See Table 1 and Figure 2.) Smaller harvests from public and private lands account for the drop. In the future, it appears likely that the timber industry will play an important, but shrinking role in the island's economy. Timber harvest levels from Forest Service land are currently being debated and future harvest levels are uncertain. Harvestable timber on private land will likely diminish as the village corporations deplete their saleable timber. Sealaska's timber base should make the regional corporation a steady source of timber industry activity into the foreseeable future.

### Commercial fishing, still a cornerstone of Prince of Wales' economy

Prince of Wales still has strong economic ties to the fishing industry. Salmon, halibut, herring, groundfish, shellfish and numerous other products are either harvested or grown in the island's surrounding waters. The majority of the harvest occurs west of Prince of Wales, in the

rich fishing grounds of the outer islands and the open ocean. In 1993, more than \$6.5 million in seafood was harvested by Prince of Wales permit holders; salmon accounted for the largest share at more than \$4.0 million. Pink salmon constituted the majority of the salmon catch, but higher priced species provided most of the catch's value. The second most valuable fishery to area fishers in 1993 was halibut, which provided \$1.3 million in earnings. Shellfish aquaculture, particularly oysters, is another thriving part of the island's seafood industry. Several oyster farms operate on Prince of Wales. Somewhat like the timber industry, processing activity on the island is minimal.

Craig, the island's largest community, is home to the largest contingent of fishers. In 1993, Craig permit holders hauled in more than \$4.1 million in earnings, or 63.0% of the island's total take. Fishers in Edna Bay, Point Baker and Klawock collectively caught \$1.7 million worth of seafood, and Hydaburg and Thorne Bay permit holders also had significant earnings.

### Fishing lodges anchor tourist industry

Prince of Wales' rich fishing grounds make it a haven for saltwater sport

fishing. The resource has spawned a thriving visitor industry built around guided saltwater sport fishing opportunities. The island's nearly 20 operating fishing lodges and a burgeoning charter boat fleet are proof of the industry's strength. The rehabilitated Waterfall Cannery is the largest facility on the island and is among Prince of Wales' largest private employers. (See Table 2.)

Besides sport fishing, other attractions are contributing to this growing segment of the Prince of Wales economy. One developing destination is the extensive cave system on the island's north end. El Capitan, the system's largest cave, attracted about 100 visitors a week over a nine-week season last summer. Demand for the tour was high enough that the Forest Service is evaluating ways to expand the number of visitors to the cave. Tourism companies are interested in developing tours that explore the cave system as a destination. Currently, the Forest Service is looking at developing a self-guided trail system to increase access to the cave system. The Forest Service also has plans underway to build a 15-unit campground at Harris River, which would significantly increase the number of campsites available to tourists in the peak season.

Table • 1

Prince of Wales Island—Employment by Industry 1980-1994

|                              | 1980 | 1981 | 1982  | 1983  | 1984  | 1985  | 1986  | 1987  | 1988  | 1989  | 1990  | 1991  | 1992  | 1993  | 1994  |
|------------------------------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Total Industries</b>      | 757  | 997  | 1,080 | 1,080 | 1,143 | 1,220 | 1,283 | 1,114 | 1,410 | 1,498 | 1,588 | 1,579 | 1,499 | 1,436 | 1,479 |
| Construction                 | *    | 16   | 24    | *     | 29    | 47    | 35    | 25    | 69    | 95    | 68    | 50    | 48    | 50    | 61    |
| Manufacturing                | 424  | 508  | 567   | 509   | 530   | 453   | 550   | 388   | 612   | 563   | 609   | 551   | 476   | 340   | 344   |
| Trans., Comm., & Util.       | *    | 74   | 71    | *     | 15    | 45    | 49    | 51    | 57    | 126   | 131   | 134   | 141   | 148   | 149   |
| Trade                        | 51   | 94   | 96    | 99    | 118   | 122   | 131   | 159   | 168   | 173   | 199   | 208   | 214   | 228   | 252   |
| Finance, Ins., & Real Estate | 12   | 25   | 36    | 63    | 40    | 46    | 40    | 34    | 36    | 45    | 60    | 47    | 58    | 62    | 51    |
| Services & Misc.             | 50   | 76   | 77    | 92    | 102   | 111   | 114   | 116   | 113   | 133   | 158   | 185   | 133   | 170   | 179   |
| <b>Government</b>            | 163  | 205  | 210   | 239   | 310   | 396   | 364   | 341   | 355   | 363   | 364   | 405   | 429   | 438   | 444   |
| Federal                      | 27   | 39   | 47    | 57    | 59    | 83    | 88    | 83    | 79    | 94    | 97    | 104   | 122   | 128   | 121   |
| State                        | 14   | 19   | 23    | 23    | 25    | 29    | 30    | 28    | 29    | 32    | 30    | 32    | 34    | 27    | 28    |
| Local                        | 122  | 148  | 140   | 158   | 226   | 284   | 247   | 230   | 247   | 237   | 237   | 269   | 273   | 283   | 295   |

\*Nondisclosable

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

## A unique group of linked communities

Most Southeast Alaska communities are isolated. Southeast's terrain makes air and water transport the link between communities. A unique feature of Prince of Wales is the network of logging roads that links together the island's communities. The road system makes it easier for residents and visitors to take advantage of a variety of goods, services and recreational opportunities available on the island. In the long term, an island-wide transportation system offers economic opportunities that other communities in the region will find difficult to duplicate.

While roads connect most Prince of Wales communities, the island's link to other Southeast communities remains water or air. The Alaska Marine Highway System offers daily ferry service to Prince of Wales in the summer and curtailed service in the winter. Increasing the frequency of service, and increasing access to Prince of Wales, has been a goal of many of the island's communities. Currently, the communities are in pursuit of \$6 million in federal funds to build a ferry system that would offer daily service to Prince of Wales on a year-round basis. An island-wide port authority would manage the ferry and terminals. To improve the air transportation link, the Federal Aviation Administration is scheduled to upgrade the navigational aids at the Klawock Airport which would allow more bad weather landings. This could be a step to introducing jet service to the island.

## Boom times on the island

Recently, Prince of Wales has experienced a population and economic boom. (See Table 3.) Increased student enrollment has stretched area schools well beyond capacity. Craig was the fastest growing city in Alaska from 1990 to 1995. The island's communities and businesses have responded by building infrastructure. Recently completed projects include a hydroelectric facility to increase power generation

## Prince of Wales' 10 Largest Private Employers<sup>1</sup>

| Rank | Firm  | 1994 Annual Avg. Employment |
|------|---|-----------------------------|
| 1    | Ketchikan Pulp Corporation                                    | 185                         |
| 2    | Thompson House/Little T/Young's Liquor/<br>Craig Bar & Liquor | 74                          |
| 3    | Shaan Seet Inc.   | 50                          |
| 4    | Waterfall Group LTD   | 36                          |
| 5    | Lawrence Derry Trucking Inc.                                  | 32                          |
| 6    | Fox River Timber Corp.  | 28                          |
| 7    | Alaska Power & Telephone Co.                                  | 24                          |
| 8    | Ruth Ann's Restaurant   | 21                          |
| 9    | Golden Rule Camp Services Inc.                                | 20                          |
| 10   | Klawock Heenya Corporation                                    | 16                          |

<sup>1</sup> Published with permission of employers.  
Two of the largest private employers asked to be excluded from this listing.

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

## Craig Posts 54% Population Gain Since 1990

|                 | Apr. 1,<br>1990 | July 1,<br>1995 | %<br>Change |
|-----------------|-----------------|-----------------|-------------|
| Prince of Wales | 4,652           | 5,154           | 10.8        |
| Craig           | 1,260           | 1,946           | 54.4        |
| Klawock         | 722             | 759             | 5.1         |
| Thorne Bay      | 581             | 650             | 11.9        |
| Balance of POW  | 430             | 448             | 4.2         |
| Hydaburg        | 384             | 406             | 5.7         |
| Coffman Cove    | 186             | 254             | 36.6        |
| Naukati Bay     | 93              | 147             | 58.1        |
| Hollis          | 111             | 106             | -4.5        |
| Whale Pass      | 75              | 92              | 22.7        |
| Edna Bay        | 86              | 79              | -8.1        |
| Polk Inlet      | 135             | 69              | -48.9       |
| Port Protection | 62              | 64              | 3.2         |
| Point Baker     | 39              | 62              | 59.0        |
| Kasaan          | 54              | 41              | -24.1       |
| Port Alice      | 30              | 22              | -26.7       |
| Labouchere Bay  | 149             | 9               | -94.0       |
| Dora Bay        | 57              | 0               | -100.0      |
| Long Island     | 198             | 0               | -100.0      |

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

and new health care and recreational facilities. In addition, there are ongoing efforts to improve roads and upgrade air and water transportation facilities.

Two projects critical to growth are planned for the 1996 construction season. Craig and Klawock are working to expand their water and sewage treatment capacity. Completion of these projects will increase available residential and commercial land.

Several land development projects are currently underway on the island: Thorne Bay's Goose Creek industrial site; Craig's False Island industrial site project; and the Mary Jackson subdivision in Klawock, which has commercial and residential parcels planned. Making more land available for industrial sites should spur an expansion of small wood processing facilities, seafood processors, marine industrial busi-

nesses and other commercial activity. The Mary Jackson project will also help ease the current housing crunch.

Efforts to expand the island's infrastructure are enabling Prince of Wales to develop a more self-sufficient economy. Today's island residents are less dependent on other communities for goods and services. One example of this is the recent opening of a retail mall in Klawock. This development increased the island's ability to capture local residents' spending, and it expanded employment opportunities for area residents.

T a b l e • 4

### A Snapshot of Prince of Wales Statistics from the 1990 Census

|  | POW      | Alaska   |
|--|----------|----------|
| <b>POW's population grew much faster...</b>            |          |          |
| Percent change 1980-1990 (1990 Population = 4,646)     | 86.7%    | 36.9%    |
| <b>A higher percentage was male...</b>                 |          |          |
| Percent male   | 57.9%    | 52.7%    |
| <b>Nearly a quarter was Alaska Native...</b>           |          |          |
| Percent White  | 74.2%    | 75.5%    |
| Percent American Indian, Eskimo, or Aleut              | 24.7%    | 15.6%    |
| Percent Hispanic (of all races)                        | 1.7%     | 3.2%     |
| Percent Asian  | 0.7%     | 3.6%     |
| Percent Black  | 0.2%     | 4.1%     |
| <b>Fewer people over 25 held degrees...</b>            |          |          |
| Percent high school graduate or higher                 | 77.8%    | 86.6%    |
| Percent bachelor's degree or higher                    | 11.6%    | 23.0%    |
| <b>Labor force participation by women was lower...</b> |          |          |
| Percent of all 16 years + in labor force               | 72.0%    | 74.7%    |
| Percent males 16+ in labor force                       | 81.8%    | 82.1%    |
| Percent males unemployed (Mar./Apr. 90)                | 11.9%    | 10.0%    |
| Percent females 16+ in labor force                     | 57.2%    | 66.4%    |
| Percent females unemployed (Mar./Apr. 90)              | 6.3%     | 7.3%     |
| <b>More families were below the poverty level...</b>   |          |          |
| Percent of families below poverty level                | 7.9%     | 6.8%     |
| Median family income in 1989                           | \$44,112 | \$46,581 |
| Less than \$5,000                                      | 3.8%     | 2.6%     |
| \$5,000-\$9,999  | 3.9%     | 3.3%     |
| \$10,000-\$14,999                                      | 5.4%     | 5.5%     |
| \$15,000-\$24,999                                      | 9.6%     | 11.7%    |
| \$25,000-\$34,999                                      | 10.7%    | 12.6%    |
| \$35,000-\$49,999                                      | 24.1%    | 18.4%    |
| \$50,000-\$74,999                                      | 30.1%    | 23.8%    |
| \$75,000-\$99,999                                      | 7.7%     | 12.9%    |
| \$100,000 or more                                      | 4.7%     | 9.1%     |

Source: U.S. Department of Commerce, Bureau of the Census.

### Prince of Wales' future looks bright

While some uncertainty hangs over the Prince of Wales economy, particularly the deterioration of the island's timber industry, the future appears bright. The combination of a developing transportation system, abundant natural resources, vast and relatively untapped recreational areas, and a large base of privately held land make the economic potential of the island extremely good. These economic advantages make it conceivable that by the middle of the next century Prince of Wales will have evolved into one of the major population centers in Southeast Alaska, and one of the more diverse economies in the state.

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