

A TRENDS profile — The City of Cordova

by Neal Fried

Abundance of natural resources has always sustained Cordova's economy. At the beginning of this century Cordova developed because it was near oil and fishery resources. The city came into its own in 1906, when it became the rail terminus for copper from the Kennicott mines. In 1938 the mine shut down. This would have been the death blow to many communities, but a developing fishing industry sustained Cordova's economy. Fish harvesting and processing has dominated the city's economy ever since, almost entirely to the exclusion of any other industry.

Fishing defines Cordova's economy

Each year, Cordova's fishers harvest large runs of red salmon headed for the Copper and Bering rivers. In addition to these rich fisheries, they help harvest the abundant pink salmon runs of Prince William Sound. During the 1980s these harvests grew as the natural salmon runs increased. The pink salmon harvests grew substantially in the late 1980s as a result of major hatchery construction in the Sound. Also important to the Cordova fishing industry is a substantial herring harvest. Shell fish, bottomfish, halibut and other fisheries help supplement the salmon and herring harvests.

The domination of Cordova by the fishing industry is reflected in its work force. Nearly half of Cordova's work force is directly employed in fish harvesting or processing. In 1991, nearly 90% of the 421 permits fished in the Sound listed a Cordova residence; the community's processing plants employed more than 240 workers on an annual basis. (See Figure 2 and Table 1.) Most of the remaining work force provides support to this

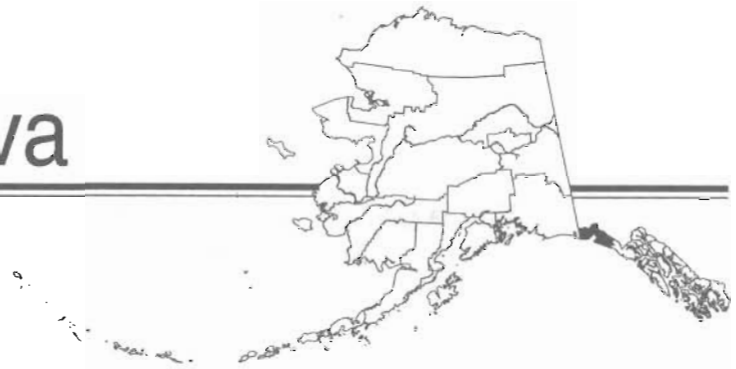
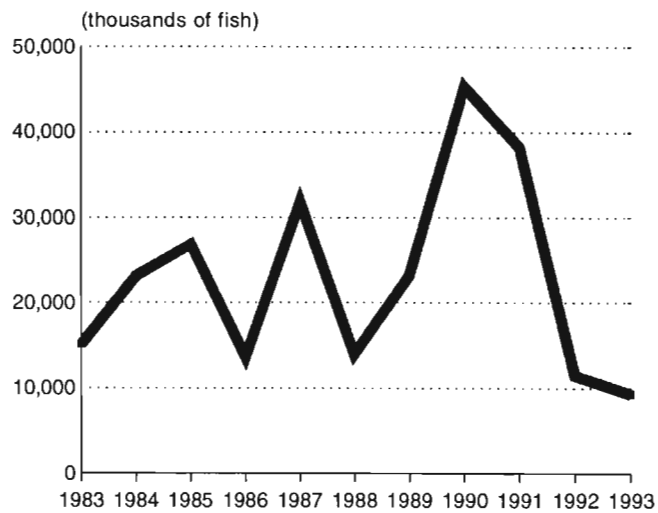


Figure • 1

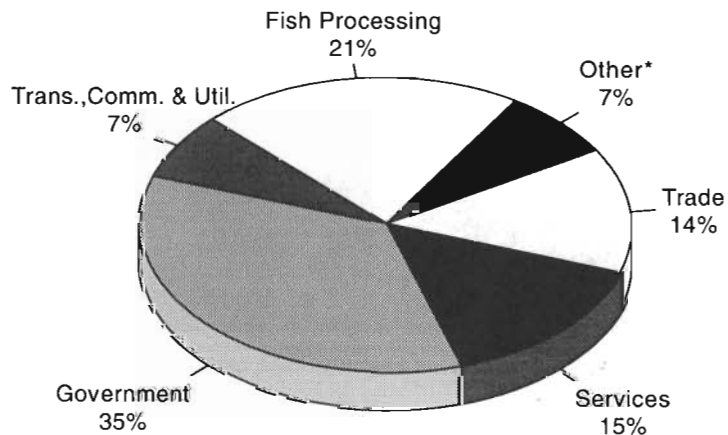
Fish Harvests Decline in Prince William Sound



Source: Alaska Department of Fish & Game.

Figure • 2

Where Cordovans Are Employed

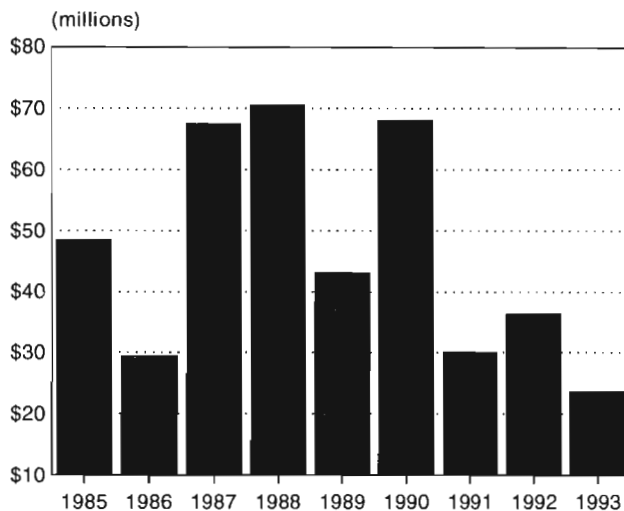


* Other includes construction, finance-insurance and real estate, logging and miscellaneous.

Source: Alaska Department of Labor, Research & Analysis Section, 1992.

Figure • 3

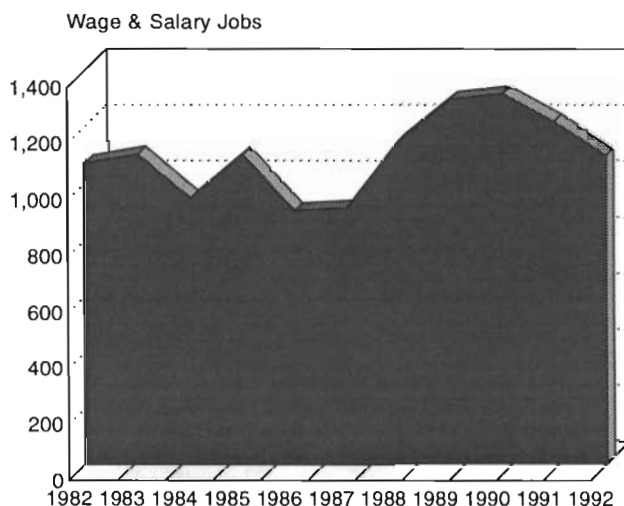
Value of Prince William Sound's Fish Harvests



Source: Alaska Department of Fish & Game.

Figure • 4

Employment is Declining in Cordova



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

industry. Four of Cordova's ten largest employers are tied directly to the fishing industry. (See Table 2.)

Three poor fishing seasons in a row

During the past three years this heavy reliance on the area's fisheries has taken a toll on Cordova's economy. After a near-record salmon harvest coupled with good prices in 1990 it appeared Cordova might be able to put the oil spill-related interruptions to their fishery behind them. But then their fisheries hit upon hard times.

Although the 1991 harvest was not much smaller than 1990's robust harvest, the value fell from \$68 million to \$30 million. (See Figure 3.) One of Cordova's five processors closed their doors that year and another went bankrupt. In 1992 the salmon harvests fell precipitously but prices rebounded slightly. This year was worse. Not only was the 1993 harvest the lowest in more than a decade but the prices for this meager harvest were also at an all time low. To add insult to injury the herring harvest, which supplements many fisher's incomes, also collapsed.

The cumulative impact of three back-to-back bad years is affecting Cordova's economy. After strong employment growth in the last half of the 1980s, the number of Cordovans employed has declined during each of the past three years. (See Figure 4.) Sales statistics have followed close behind. Cordova's population may also be falling.

In the past a lack of housing in Cordova was the norm—there are now 35-40 homes on the market. While Table 3 shows that most households in Cordova have higher-than-average incomes, this data should be treated carefully for two reasons. One is because of what has transpired in Cordova since 1990 when the census was taken. The other is because these

Cordova's Wage and Salary Employment 1983-1992

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
TOTAL	1,108	952	1,107	990	977	1,222	1,302	1,321	1,225	1,131
Construction	26	34	37	25	14	19	29	51	32	24
Manufacturing*	293	188	345	269	256	445	329	361	298	287
Transportation, Comm, Util	93	89	78	70	79	83	197	96	92	82
Trade	194	173	194	174	181	171	178	190	173	157
Finance, Ins. & Real Estate	23	23	25	25	26	24	24	24	25	16
Services & Misc.	161	141	129	137	140	179	212	228	212	168
Government	319	305	300	291	282	302	335	372	394	397
Federal	34	32	30	30	31	38	40	49	51	52
State	88	92	96	96	89	90	112	121	128	123
Local	197	181	174	166	162	174	184	202	215	222

* Nearly all of the manufacturing employment is seafood processing employment.

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

numbers were inflated by one-time windfalls earned during cleanup of the 1989 oil spill.

Fishing remains the only game in town

Vagaries in the fishing industry are nothing new for Cordovans. But three bad years in a row and little prospect that salmon prices will bounce back any time soon have created an economic environment of concern.

For a number of years the Eyak Native Corporation ran a logging operation just outside of Cordova. This operation closed down in September, putting 80 people out of work. Some visitor activity supplements other economic activity but is minimal.

Many residents believe there is significant potential for growth in tourism given the area's beauty, along with the recreational, fishing and hunting opportunities. But what is certain is that Cordova's economy will remain almost entirely dependent on its fisheries for years to come.

Cordova's Ten Largest Private Employers

Rank	Firm 1/	1992 Annual Avg. Employment
1	St. Elias Ocean Products	96
2	Prince William Sound Aquaculture	86
3	North Pacific Processors	79
4	Norquest (Silver Lining Seafoods)	42
5	Sound Development	39
6	Reluctant Fisherman	27
7	Cordova Electric Cooperative	20
8	Alaska Commercial (AC Co.)	18
9	Davis Super Foods	17
10	Alaskan Hotel & Bar	13

1/ One of the 10 largest employers in Cordova asked to be excluded from this listing.

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

T a b l e • 3

A Snapshot of City of Cordova Statistics from the 1990 Census

Cordova's population grew much more slowly...	Cordova	Alaska
Percent change 1980-1990 (1990 Population = 2,110)	10.0%	36.9%
And is a little older...		
Median age	31.6	29.4
Percent under 5 years old	8.8%	10.0%
Percent 21 years & over	69.2%	64.5%
Percent 65 years & over	5.4%	4.1%
There are fewer Alaska Natives...		
Percent White	79.5%	75.5%
Percent American Indian, Eskimo, or Aleut	11.2%	15.6%
Percent Asian/Pacific Islander	8.1%	3.6%
Percent Hispanic (of all races)	3.6%	3.2%
Percent Black	0.4%	4.1%
Labor force participation is high; unemployment low...		
Percent of all 16 years + in labor force	78.4%	74.7%
Percent males 16+ in labor force	86.1%	82.1%
Percent males unemployed (Mar./Apr. 90)	3.4%	10.0%
Percent females 16+ in labor force	69.1%	66.4%
Percent females unemployed (Mar./Apr. 90)	2.7%	7.3%
Most households make more money...		
Median household income in 1989	\$46,304	\$41,408
Percent of households below poverty level	4.3%	8.0%
Percent with less than \$5,000 income	2.7%	3.5%
Percent with \$5,000-\$9,999 income	3.9%	4.8%
Percent with \$10,000-\$14,999 income	4.8%	6.4%
Percent with \$15,000-\$24,499 income	13.3%	13.3%
Percent with \$25,000-\$34,999 income	12.9%	13.6%
Percent with \$35,000-\$49,999 income	16.0%	18.5%
Percent with \$50,000-\$74,999 income	22.6%	21.3%
Percent with \$75,000-\$99,999 income	9.5%	10.9%
Percent with \$100,000 or more income	14.4%	7.7%
Renters pay about the same...		
Median Gross Rent	\$550	\$559
Percent rented for less than \$200	4.0%	1.7%
Percent rented for \$200-\$299	5.8%	5.4%
Percent rented for \$300-\$499	22.8%	27.8%
Percent rented for \$500-\$749	41.5%	29.8%
Percent rented for \$750-\$999	6.3%	12.8%
Percent rented for \$1,000 or more	4.9%	9.1%
Percent with no cash rent	14.7%	13.5%

Source: U.S. Bureau of the Census

Trends profiles are a new feature which will appear periodically in **Alaska Economic Trends**. For more information, contact
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