

# King Salmon

## Alaska



### The mouth of Bristol Bay and the gateway to Katmai

By **SARA WHITNEY**

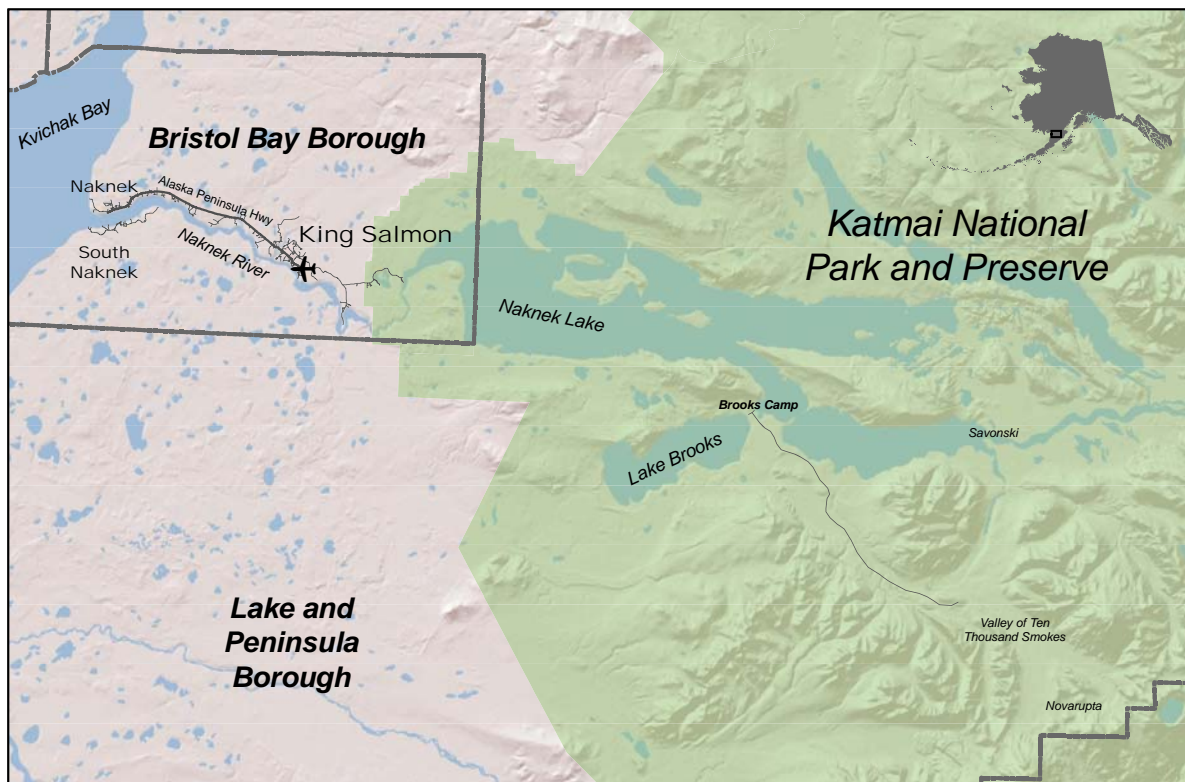
**W**hen the Novarupta volcano erupted in the Katmai area on June 6, 1912, the explosion was so loud that people heard it an hour later in Juneau, 750 miles away.

The largest volcanic eruption of the 20th century lasted for 60 hours and bathed a 2,500-square-mile area in darkness and several feet of ash. While no one was killed, the blast permanently altered the physical and cultural landscape.

Many Alaska Natives fled their villages. The hardest-hit was Savonoski, where residents were driven out by up to 700 feet of ash and resettled in what is now known as King Salmon. Today, King Salmon is a town of 335 people on the bank of the Naknek River, 293 air miles southwest of Anchorage and 15 miles up-river from the mouth of Bristol Bay.

### Centuries of transformation

Before the catastrophe created what is now known as the “Valley of 10,000 Smokes,” the area around King



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



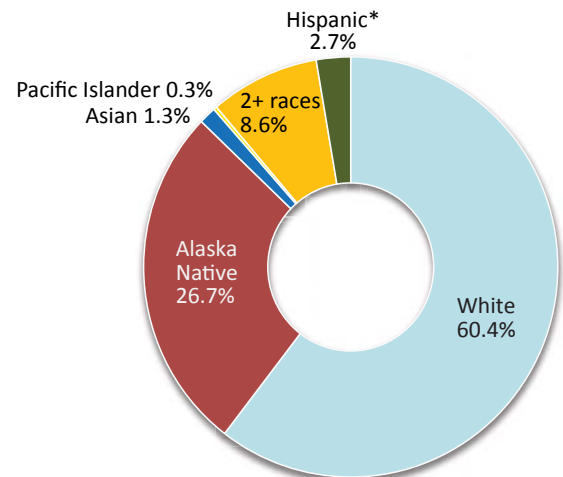
Above, the town of King Salmon on the Naknek River. Photo by Todd Radenbaugh

Salmon had already seen centuries of settlement and transformation. Artifacts as old as 6,000 years show the presence of Yupiks, Athabascans, and Aleuts. The area’s location near the head of the bay, where the Alaska Peninsula meets the mainland, made it an ideal spot for tribes to gather with the return of the salmon each year.

Russian fur traders were also drawn to the area in the late 1700s, setting up camp 15 miles downriver in what is now Naknek. The area’s fur trade didn’t last long, but the Russians left a lasting mark on the area prior to the U.S. purchase by spurring development of the modern Bristol Bay economy, initially through the establishment of the Russian Orthodox Church.

The Homestead Act of 1862 granted the church title to much of the land on the north bank of the Naknek River, and the church provided surrounding lots to residents for development. The first salmon cannery opened on the Naknek River in 1890, replacing salteries as the way to preserve catches. Within a decade, 12 canneries were operating on the river. Today, there are six.

# 1 Racial and Ethnic Makeup KING SALMON, 2010 CENSUS



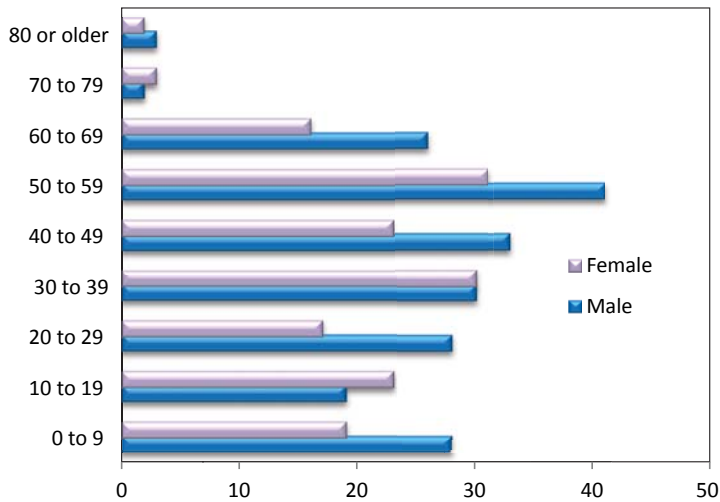
\*Hispanics can be of any race.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Census Bureau



## 2 Older, More Male Population

KING SALMON, 2010 CENSUS



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Census Bureau

### The military raised the area's profile

King Salmon's modern identity as a transportation hub started to take shape in the 1930s when the U.S. built an air navigation silo there. Then, at the beginning of World War II, the army built Naknek Air Force Base around the silo, which was a refueling stop and support base for air operations in the Aleutians.

When the base officially closed in 1993, it became a public airport, now classified as a primary commercial service airport. Though King Salmon only has a few hundred year-round residents, its airport is large enough for commercial summer service to Anchorage, provided by Alaska Airlines and PenAir. Katmai Air flies to Brooks Camp in Katmai National Park and Preserve, and a number of other companies provide year-round service to villages throughout Southwest and carry millions of pounds of freight and mail each year.

### A strange borough role

King Salmon also serves as a transportation and shipment center for the giant Bristol Bay salmon fishery. Although the town has major air access, it isn't connected to Alaska's road system — it is, however, connected by a 15-mile road along the river to Naknek, home to the world's largest summer sockeye salmon run.

Across the river is the small community of South

Naknek, accessible by ice road during the winter. Together, these three communities make up 100 percent of the population of the Bristol Bay Borough, and functionally, the three form a single community. All three are census-designated places — the borough has no incorporated cities.

Despite being part of Bristol Bay Borough, King Salmon has the unusual distinction of being the borough seat of neighboring Lake and Peninsula Borough and home to Lake and Peninsula's School District. However, King Salmon has no public school of its own. Most students attend school in Naknek, which is the seat of the Bristol Bay Borough.

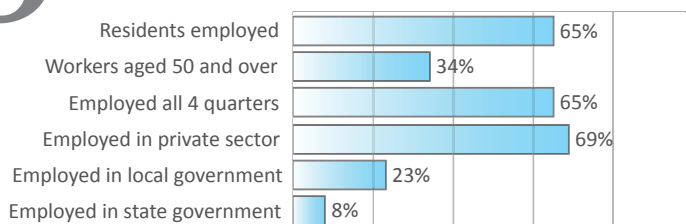
### Age, racial makeup differs from statewide

The volcano and the influenza epidemic that followed in 1919 hit the indigenous population hard — according to oral history, only about three of the original families remained in the area in the aftermath. Their descendants form the modern King Salmon Tribe, which was federally recognized on Dec. 29, 2000.

But unlike much of Southwest Alaska, the town's population is majority non-Native, with 60.4 percent identified as white in the 2010 Census. (See Exhibit 1 and the sidebar on the next page.) Alaska Natives made up 26.7 percent, more than the statewide average of 15 percent at that time but much less than Southwest as a whole, which was 68.5 percent Native.

## 3 King Salmon's Workers

RESIDENTS ONLY, 2014



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Census Bureau

## About the data

Numbers for places as small as King Salmon can have large margins of error and are measured infrequently. The town's demographic data come from the 2010 Census because that level of detail is the most recent for a community of less than 1,000 people. Therefore, the accompanying statewide and regional numbers are also from 2010 to allow for comparison, even though more recent data are available for larger populations.

The most recent estimates for the state and regions were in 2014, and they give median ages of 34.4 for Alaska and 32.8 for the Southwest Region.

In 2014, the percent Native, alone or in combination with another race, was 19.5 percent for the state and 70.7 percent for Southwest.

Overall, the state population has aged since 2010 and the percentage of nonwhite residents has gone up.

King Salmon's demographics stand out in other ways, too, with an older population than the state as a whole. As of the 2010 Census, the most recent data available for a place that small, King Salmon was 56 percent male and had a median age of 39.1 — 40 for men and 38 for women. (See Exhibit 2.) The estimated statewide median at that time was 33.8 and for the Southwest Region it was 29.9.

The population has been declining since 1993, when it hit a peak of 820 residents. After the base closed, the population fell to 442 within seven years and has continued to decline since, to 374 in 2010 and 335 by 2014.

## The military and tourism are major players in local economy

Although King Salmon's base officially closed in the 1990s, it's maintained under contract and the military keeps a considerable presence. The base is still used for missions by the Air Force, Army, Marines, Coast Guard, and the North American Air Defense, or NORAD. The Bristol Bay Borough and state government also use building space on the base.

King Salmon is also one of 35 global sites of the Super Dual Auroral Radar Network, or SuperDARN, which analyzes plasma structures and convection in the high-latitude ionosphere, gravity waves, and ionospheric irregularities.

Besides the base and the airport, King Salmon is notable for its fly-in fishing lodges and camps. The town

# 4 King Salmon a Costly Home

## MILITARY OCONUS\* INDEX, 2015

National average index value	100	King Salmon (incl Bristol Bay)	140
Anchorage	124	Kodiak	134
Barrow	158	Nome	158
Bethel	158	Petersburg	146
Clear AFS	126	Seward	132
College	126	Sitka	144
Cordova	140	Spuce Cape	138
Delta Junction	128	Tok	132
Fairbanks	126	Unalaska	138
Homer	140	Valdez	140
Juneau	134	Wainwright	158
Kenai (incl Soldotna)	140	Wasilla	122
Ketchikan	138	Other	158

\*Overseas cost-of-living allowance. Does not include housing.  
Source: Department of Defense, effective date January 2015

is both the gateway to Katmai National Park and Preserve and mere miles from Bristol Bay along the Naknek River, a location ideal for tourism. As of October 2015, the town had 97 active business licenses, the vast majority of which were in lodging, transportation, and other tourism or support businesses.

## High wages for residents

The area's rich natural resources, strategic location, and role as a transportation center make it a source of high wages and a place with traditionally low unemployment, especially during the summer.

The town's residents have high median income compared to the rest of the state, although it's important to note these figures can have large margins of error. King Salmon had a median household income of \$84,583 in 2013 versus \$70,760 for the typical Alaskan household. Per capita, the town's income for residents was \$44,125, and for Alaska it was \$32,651.

Income is everything a person brings in per year from all sources, so in addition to wages from a job it includes investments, rents, benefits, retirement, and government payments called transfer receipts. Because King Salmon has an older population, it has a considerable number of retired residents.

In 2014, 65 percent of the population worked for an employer for at least part of the year. The most common payroll jobs were in trade/transportation and local government. (See Exhibit 3.)

However, self-employment is substantial. Although most fishermen aren't included in the jobs data, salmon is a major part of the town's economy. King Salmon residents' gross earnings were a reported \$7.74 million in 2014, and although its fisheries earnings are

far eclipsed by Naknek, about \$2.37 million came just from salmon fishing. That number doesn't include fisheries with fewer than three permit holders, nor does it capture the substantial value of subsistence fishing to the area.

## Housing is cheaper, but everything else is high

King Salmon has a lower overall cost-of-living than many rural communities, but that's mostly because of relatively inexpensive housing, an expense that eats up the largest chunk of most households' income.

The Council for Community and Economic Research's latest estimates put the area's costs at about 1.5 percent less than the Alaska average and 3.6 percent less than Anchorage. C2ER measures the area's costs at Naknek, a reasonable proxy for King Salmon, where housing costs are 30.9 percent less than Anchorage.

Most other costs are considerably higher, though — especially energy. Because King Salmon, Naknek, and South Naknek all run on diesel power, utilities in the area run 28.6 percent higher than in Anchorage.

The local electrical cooperative has explored cheaper alternative energy sources since the 1990s, including wind, coal-bed methane, and geothermal due to the area's volcanic activity. After an unsuccessful attempt to drill for geothermal energy, Naknek Electrical Association, which serves all three communities, filed for Chapter 11 bankruptcy in 2011.

As of August 2015, a gallon of propane in King Salmon cost \$11.65, and in July a gallon of heating fuel was \$4.73. Transportation costs are also high, at 34.4 percent above Anchorage. As of the second quarter of 2013, gasoline was \$5.70 a gallon. Groceries were also higher than Anchorage by 16.3 percent.

The military includes King Salmon as one of its "overseas locations," as it does with all Alaska places, in its cost-of-living index called OCONUS. With a value of 100 as the national baseline, OCONUS ranked King Salmon at 140 in 2015. (See Exhibit 4.) OCONUS doesn't include housing costs in its index, which is why it shows King Salmon as more expensive than Anchorage.

Sara Whitney is the editor of *Alaska Economic Trends*. Reach her in Juneau at (907) 465-6561 or [sara.whitney@alaska.gov](mailto:sara.whitney@alaska.gov).

## SEAFOOD HARVESTING

Continued from page 7

jobs in 2014, with some loss in most species. While this 6.5 percent decrease seems large, it returns Southeast to its typical job levels and to about what they were in 2012.

One exception was Southeast's crab fishery, which gained 29 jobs from the prior year for 19.6 percent growth. This is partially because crab didn't hit a record the year before like most of the region's fisheries, leaving it room to grow. The gains for crab didn't offset salmon job losses, however, as salmon dominates Southeast harvesting.

### Southcentral hits record

Seventy-seven percent of Southcentral's harvesting jobs are in salmon fisheries, which grew steadily over the year and hit records in 2014. These gains produced 2.4 percent growth, or almost 30 additional jobs. All of Southcentral's other fisheries registered job losses — even groundfish, which grew almost everywhere else.

Because all fisheries except salmon lost jobs in 2014, the region's harvesting employment levels were down overall. However, like Southeast, Southcentral hit new records during most of 2013, so even with 2014's losses the region is still well above its historical harvesting job levels.

Joshua Warren is an economist in Juneau. Reach him at (907) 465-6032 or [joshua.warren@alaska.gov](mailto:joshua.warren@alaska.gov).