

# Aleutians East



Processing-centered borough stands out in nearly every way

By NEAL FRIED

The Aleutians East Borough formed in 1986, but the area’s history goes back to the last ice age, when the Aleut people settled the island chain.

Thousands of years later, Aleuts were among the first Alaska Natives in contact with the western world. Vitus Bering arrived in 1741, eventually bringing the Russian fur trade and consequently the subjugation of the Aleuts.

Whaling, fishing, and canning attracted an influx of outsiders in the 1900s. During that same century, the area became a war zone where Aleuts were both captured by the Japanese and relocated by the U.S. government to Southeast Alaska. The area became heavily militarized in the aftermath of World War II, which lasted well into the late 1990s, with installations spread throughout the Aleutian chain. Most have closed since.

While the area has seen centuries of occupation and change, one common thread remains since the beginning and explains why the Aleuts settled the area and why people are still there — the rich marine resources that sustain both their economic and cultural existence.

## Six small communities

Today, six communities make up the Aleutians East Borough: Nelson Lagoon, King Cove, Cold Bay, Akutan, False Pass, and Sand Point. The borough had 2,977 residents in 2017, with 95 percent living in Akutan, Sand Point,

## 1 Aleutians East Population by Town 2010 TO 2017

	2010	2011	2012	2013	2014	2015	2016	Total 2017	Group Quarters 2017*
<b>Aleutians East Borough</b>	<b>3,141</b>	<b>3,146</b>	<b>3,146</b>	<b>3,148</b>	<b>3,093</b>	<b>3,047</b>	<b>2,999</b>	<b>2,977</b>	<b>1,726</b>
Akutan city	1,027	1,023	1,021	1,026	1,009	1,010	999	993	937
Cold Bay city	108	102	106	92	97	85	65	72	1
False Pass city	35	27	26	40	34	44	42	42	0
King Cove city	938	932	961	947	938	919	916	925	438
Nelson Lagoon CDP**	52	44	46	45	44	39	34	30	0
Sand Point city	976	1,013	981	993	971	950	943	915	350
Balance	5	5	5	5	0	0	0	0	0

\*The group quarters population, a subset of the 2017 total, are fish processors living in dormitories.  
\*\*Census designated place

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

and King Cove. (See Exhibit 1.)

No community has more than 1,000 residents, which compounds the already-remote feel of the borough. Even cartographers have a hard time dealing with the expansive Aleutians. The chain is so long it often goes off the map, so the islands are often shown disconnected, floating in a box in the Gulf of Alaska.

## Special limitations on the numbers

Describing the area’s economy is difficult, because much of the data that would normally be available are suppressed for confidentiality due to the small populations. Employment data must be suppressed if they provide too much detail about a single employer.

Despite these challenges, a small amount of data is available to paint a cogent economic profile of the area.

## Fishing, processing shape economy

Fish harvesting and fish processing define the borough's economy, and the fisheries are diverse. Salmon is king, but halibut, crab, other shellfish and groundfish such as cod are also important.

In 2017, 175 borough fish permit holders earned more than \$44 million, but it was a good year. Just a year earlier, they earned \$16 million less — an illustration of the vagaries of the fishing industry. (See Exhibit 2.) The borough also collected \$4.7 million in raw fish taxes last year.

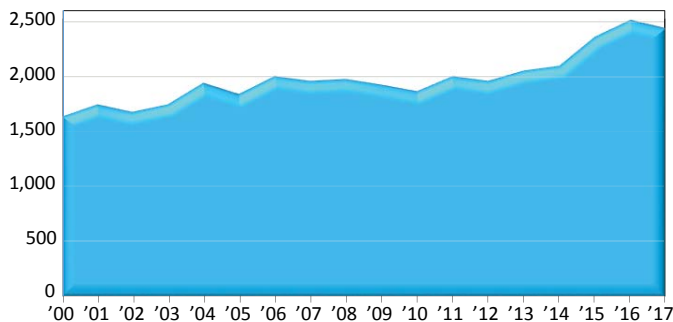
Sand Point is home to the largest fishing fleet in the Aleutian Islands. (See Exhibit 3.) Sand Point, King Cove, Akutan, and False Pass have some of the largest fishing processing plants in the state, and the borough's processing industry is mostly a few large processors. Unlike many canneries, these process a variety of seafood products throughout the year.

Cold Bay is the only community without strong ties to the fishing industry. Instead, during World War II it became a military base and remains a major air transportation hub with one of the largest landing strips in the state. A controversial 30-mile road connecting King Cove with Cold Bay, which would give King Cove residents better access to the airport in Cold Bay, is in the planning stage.

Borough employment hit a near record of 2,436 jobs

## 4 Jobs Trend is Upward

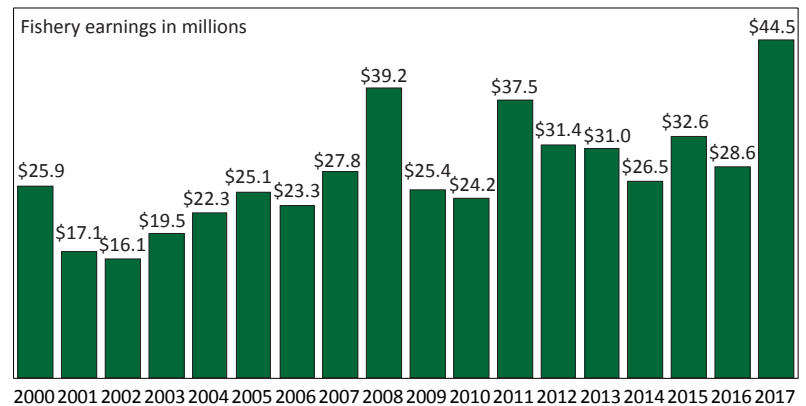
ALEUTIANS EAST BOROUGH, 2000 TO 2017



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

## 2 Fishing Earnings Are Volatile

ALEUTIANS EAST BOROUGH, 2000 TO 2017



Source: Commercial Fisheries Entry Commission

## 3 The Catch by Community

ALEUTIANS EAST BOROUGH, 2016

	Permit holders	Pounds landed	Gross earnings
Aleutians East Borough	177	102,568,698	\$28,599,832
Akutan	8	2,024,364	\$612,708
Cold Bay	1	*	*
False Pass	5	*	*
King Cove	46	26,259,235	\$9,218,818
Nelson Lagoon	18	1,536,067	\$1,399,356
Sand Point	99	67,531,115	\$15,741,420

\*Data suppressed for confidentiality

Source: Commercial Fisheries Entry Commission

in 2017.<sup>1</sup> (See Exhibit 4.) Because of data suppression, seafood processing job numbers are not available, but seafood processing made up 71 percent of borough jobs in 2007, the last time data weren't suppressed. In 2012, the borough's total seafood processing payroll was the largest in the state.

### Borough's unusual demographics

The large processing workforce explains why so many people living in Aleutians East come from outside Alaska. It also explains the borough's unusual demographics.

Just 18 percent of workers in Aleutians East were locals in 2017 — the fourth-lowest percentage in the state. (See Exhibit 5.) Only the North Slope, Denali, and Bristol Bay boroughs had a smaller share of local job holders.

A number of Aleutians East communities feature sepa-

<sup>1</sup>This does not include self-employment, so it excludes most seafood harvesters.



Sand Point, photo courtesy of Flickr user J. Stephen Conn

rate, parallel economies. In Akutan, for example, 937 of the 993 total residents live in company-provided bunkhouses, or group quarters. All of them work for Trident Seafoods, the largest seafood company in the United States. King Cove and Sand Point also have sizable group quarters populations. These residents, 67 percent of whom are men, tend not to bring their families with them. This is why the borough's median age is so much older than the state as a whole.

Locals are more likely to commercial fish or work in health care or government, where the pay is better and jobs are less seasonal.

In 2014, the national magazine *Atlantic Monthly* ranked the Aleutians East Borough the second most racially diverse county equivalent in the United States, just ahead of Queens, New York City, and eclipsed only by its coun-

terpart, the Aleutians West Census Area.

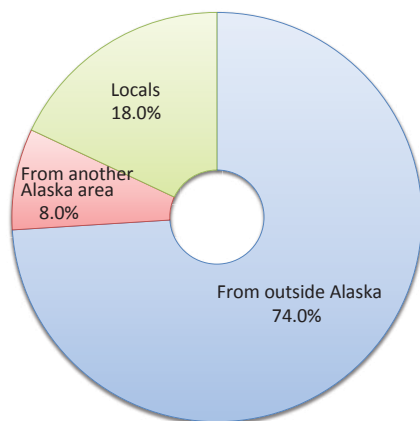
While the magazine's explanation for the diversity was wrong — that the excitement of such a dangerous job draws in people from all backgrounds — the numbers were right. (See Exhibit 6.) The borough was traditionally Alaska Native, but it now has a white population of about equal size. It's also over 42 percent Asian and has sizable black and Hispanic populations.

The reason is many seafood processing workers are first-generation immigrants. Aleutians East also has the highest percentage of foreign-born residents in the nation, at 41 percent. For comparison, just 7.5 percent of Alaska residents are foreign-born.

Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or [neal.fried@alaska.gov](mailto:neal.fried@alaska.gov).

## 5 Most Workers Aren't from Aleutians East

WORKER RESIDENCY, 2017



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

## 6 Atypical Demographics

ALEUTIANS EAST AND ALASKA, 2017

	Aleutians E	Alaska
Total population	2,977	737,080
Median age	43.3	34.9
White	21.4%	65.7%
Native American	20.5%	15.3%
Black	10.0%	3.7%
Asian	42.6%	6.5%
Hawaiian/Other Pac Islander	1.4%	1.4%
Two or More Races	4.1%	7.4%
Hispanic	13.6%	7.0%
Under 5	2.7%	7.1%
20 and over	89.1%	72.0%
65 years and over	6.7%	11.2%
Percent male population	66.6%	51.5%
Percent female	33.4%	48.5%

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