

# The Bethel Census Area

by Brigitta Windisch-Cole  
Labor Economist

## A profile of rural life in the Yukon-Kuskokwim delta and Upper Kuskokwim River

**T**he Bethel census area encompasses a 41,087 square mile area in western Alaska, nearly the size of the state of Ohio. Two types of landscapes predominate. In the southwest lies the vast Yukon-Kuskowim delta region, commonly referred to as the Y-K delta. In this lower section the Kuskokwim River flows southwest and effectively divides the Y-K delta region into a western and eastern half. Few people live east of the river in the area of the Kilbuck Mountains. The northeast part of the census area is a long rectangular stretch of land bordering the Kuskokwim River.

The Y-K delta is a large coastal plain with approximately 900 miles of shoreline along the Bering Sea. Two near shore islands, Nunivak and Nelson, belong to the area. Marsh, wetlands, grassland, and many tundra lakes provide habitat for waterfowl, migratory birds and small fur bearing mammals. This landscape changes inland upriver at the east-south bend of the river. It turns into a river valley between soft rolling hills. Swatches of boreal forest parallel the riverbed of the Kuskokwim and those of its confluent rivers and streams.

### The census area's demographic brief

On the map, the Bethel census area with its 34 communities appears to be a well populated place, by rural Alaska standards. Its 16,280 residents do make it by far the most populous remote rural area. (See Exhibit 1.) But its acreage is so vast that the population density is a mere four-tenths person per square mile.

Census 2000 shows Bethel area residents to be much younger than the state average. The regional median age was 25.3 versus the state's median age of 32.4. In fact, this area's median age was the third lowest in the state.

The Bethel area is home to a large Alaska Native population. Nearly 82 percent of the population identified themselves as Alaska Native on the 2000 Census questionnaire. Yupiit Eskimo was the predominate tribal affiliation named. Nearly four percent of all residents were of mixed race, the most common combination being Alaska Native and White. Whites made up 12.5% of area residents. The remaining racial groups had small representations. Combined, African Americans, Asians, Native Hawaiians or other Pacific Islanders and other races made up just 1.7% of the area's population. (See Exhibit 1.) The rural hub city of Bethel showed the greatest racial diversity. The concentration of Alaska Natives was generally much greater in the villages.

In the past decade the area's population has grown by 17.5%, faster than the state's 14% rate of growth. (See Exhibit 2.) Practically all growth came from natural increase. A few demographic differences were revealed in Census 2000 for the area's two distinct landscapes. In the past decade, population growth was much stronger in the Lower Kuskokwim area (the Y-K delta) than in the Upper River area.

### The Upper Kuskokwim

The Upper Kuskokwim area is remote and its sparse population thins toward the Interior.

# 1 A Snapshot of Current Statistics

## Bethel Census Area

Current Statistics	Alaska	Bethel
Population (2001)	634,892	16,280
<b>Bethel's population is younger (2000)</b>		
Median age	32.4	25.3
<b>Predominately Native (2000)</b>		
White	69.3%	12.5%
Alaska Native and Native American	15.6%	81.9%
Black	3.5%	0.4%
Asian	4.0%	1.0%
Native Hawaiian and other Pacific Islander	0.5%	0.1%
Other	1.6%	0.2%
Two or more races	5.4%	3.9%
<b>More children (2000)</b>		
Under 5	7.6%	10.0%
School Age (5-19)	25.6%	32.9%
Young workforce (20-34)	20.7%	20.2%
Boomers (35-54 year olds)	33.3%	26.0%
Mature workforce (55-64)	7.2%	5.7%
Percent 65 years & over	5.7%	5.2%
<b>Fewer females (2000)</b>		
Percent female	48.3%	46.9%
<b>Type of households (2000)</b>		
Average family size	3.28	4.41
Family households	68.7%	75.1%
Married couple family	52.5%	50.2%
Female householder, no husband present	10.8%	15.2%
Householder living alone	23.5%	19.9%
<b>More are unemployed (2001)</b>		
Percent unemployed (2001)	6.3%	10.6%
Labor force participation	71.3%	62.8%
<b>Income and wages are lower</b>		
Personal per capita income (2000)	\$29,642	\$19,035
Annual average wage and salary (2001)	\$36,162	\$25,875
Poverty status—individuals (1999)	9.4%	20.6%
<b>Educational attainment (2000)</b> <b>(population 25 years and over)</b>		
Less than 9th grade	4.1%	17.8%
9th to 12th grade no diploma	7.5%	11.3%
High school graduate	27.9%	38.6%
Some college, no degree	28.6%	15.9%
Associate degree	7.2%	3.4%
Bachelor's degree	16.1%	8.2%
Graduate or professional degree	8.6%	4.9%
<b>Housing characteristics differ (2000)</b>		
Average household size	2.74	3.73
Vacant housing units	15.1%	18.5%
For seasonal or recreational use	8.2%	9.8%

Sources: U.S. Department of Commerce, Census Bureau, and Bureau of Economic Analysis

Census 2000 counted only 1,580 people living here in nine communities, eight of them on or near the banks of the Kuskokwim River. Lime Village, a settlement of 46 residents, lies 50 miles southeast on the Stony River, which empties into the Kuskokwim. Of the river shore settlements, Aniak was the largest with 572 residents. Population ranged between 48 and 267 in the remaining villages. (See Exhibit 2.) This area is historically where indigenous groups met and the Yupiit Eskimo and Athabascan Indian cultures blended. A subsistence lifestyle dominates in all these villages. Hunting moose, bear, caribou, and waterfowl, and fishing and gathering berries are essential life-sustaining activities.

### The Lower Kuskokwim

The Lower Kuskokwim area, with its 25 communities, is far more populated. Thirteen communities lie on or near the ocean; three communities are near the center of the Yukon-Kuskokwim delta; and nine towns or villages bank the shores of the Lower Kuskokwim River. (See Exhibit 2.)

The coastal villages are home to nearly 28 percent of the population. Among them are four island villages. Mekoryuk is on Nunivak Island. Toksook Bay, Tununak and Nightmute are the three Nelson Island communities. Kipnuk with 644 residents was the largest coastal community. Newtok, a Bering Sea coastal settlement, set the area population growth record with a rate of 55 percent between the census years. On the flip side, the largest negative population change fell to Platinum, which lost 36 percent of its population between 1990 and 2000. (See Exhibit 2.)

A cluster of three communities lies in the middle of the delta some 20 to 26 miles northwest of Bethel. Atmautluak lies on the Pitmiktakik River, while Nunapitchuk and Kasigluk are on the Johnson River in a typical Yukon-Kuskokwim delta landscape. They are considered to be model tundra villages. Census 2000 enumerated 1,303 people living in these three places.

Census 2000 locates more than 54 percent of the census area's population in the riverbank section of the Y-K delta. Bethel, the area's largest town,

## Communities In the Bethel Census Area 2

	Population 2000	Population 1990	Change	Decennial Population Growth	Median Age	In Labor Force	Poverty Rate
<b>Alaska</b>	626,932	550,043	76,889	14.0%	32.4	71.3%	9.4%
<b>Bethel Census Area<sup>1</sup></b>	16,046	13,656	2,390	17.5%	25.3	62.8%	20.6%
<b>Upper Kuskokwim census subarea</b>							
Aniak city	572	540	32	5.9%	28.3	67.1%	14.0%
Chuathbaluk city	119	97	22	22.7%	22.9	62.2%	24.1%
Crooked Creek CDP <sup>2</sup>	137	106	31	29.2%	24.8	55.6%	28.1%
Georgetown		0	-				
Lime Village CDP <sup>1</sup>	46	42	4	9.5%	n/a	n/a	n/a
Lower Kalskag city	267	291	(24)	-8.2%	20.9	52.7%	40.6%
Napaimute		3	(3)	-100.0%			
Red Devil CDP	48	53	(5)	-9.4%	38.0	37.9%	40.9%
Sleetmute CDP	100	106	(6)	-5.7%	37.0	55.8%	57.7%
Stony River CDP	61	51	10	19.6%	24.3	42.9%	38.7%
Upper Kalskag city (Kalskag)	230	172	58	33.7%	21.7	61.9%	24.2%
<b>Subtotal</b>	1,580	1,461	119	8.1%			
<b>Lower Kuskokwim census subarea</b>							
Akiachak CDP	585	481	104	21.6%	22.2	56.2%	21.2%
Akiak city	309	285	24	8.4%	21.3	53.5%	33.9%
Atmautluak CDP	294	258	36	14.0%	24.2	53.8%	30.3%
Bethel city	5,471	4,674	797	17.1%	29.1	73.0%	11.2%
Chefornak city	394	320	74	23.1%	20.8	66.3%	25.1%
Eek city	280	254	26	10.2%	24.0	42.1%	28.8%
Goodnews Bay city	230	241	(11)	-4.6%	30.7	45.3%	39.0%
Kasigluk CDP	543	425	118	27.8%	21.0	59.0%	22.8%
Kipnuk CDP	644	470	174	37.0%	20.6	59.6%	20.9%
Kongiganak CDP	359	294	65	22.1%	21.8	53.6%	13.8%
Kwethluk city	713	558	155	27.8%	19.6	53.9%	29.5%
Kwigillingok CDP	338	278	60	21.6%	26.0	56.8%	34.7%
Mekoryuk city	210	177	33	18.6%	35.6	67.1%	21.9%
Napakiak city	353	318	35	11.0%	26.2	58.8%	20.2%
Napaskiak city	390	328	62	18.9%	21.7	51.7%	20.2%
Newtok CDP	321	207	114	55.1%	20.7	63.5%	31.0%
Nightmute city	208	153	55	35.9%	21.8	67.1%	10.7%
Nunapitchuk city	466	378	88	23.3%	22.8	59.7%	20.7%
Oscarville CDP	61	57	4	7.0%	25.3	50.0%	40.0%
Platinum city	41	64	(23)	-35.9%	32.5	73.3%	22.0%
Quinhagak city	555	501	54	10.8%	26.6	41.2%	26.1%
Toksook Bay city	532	420	112	26.7%	22.5	66.9%	27.3%
Tuluksak CDP	428	358	70	19.6%	23.7	47.8%	27.9%
Tuntutuliak CDP	370	300	70	23.3%	22.9	65.5%	23.0%
Tununak CDP	325	316	9	2.8%	22.8	60.2%	30.8%
<b>Subtotal</b>	14,420	12,115	2,305	19.0%			

<sup>1</sup> Census correction of June 2002 for 2000 population figures

<sup>2</sup> CDP — Census Designated Place

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

had 5,471 residents, more than one third of the entire census area's population. Kwethluk and Akiachak, each with a population of more than 500, ranked second and third in size among the nine river settlements.

In all communities of both the lower and upper Kuskokwim region, subsistence plays a pivotal role. The major food source along the Kuskokwim River is fish, particularly salmon. Whitefish is the second most targeted species. Fishing is also important in the central villages and on the coast. In the coastal region sea mammals are also taken for food. Herring roe is an important food source for subsistence and is also harvested for commercial purposes. Large animals, such as moose and caribou, are hunted in the Lower River section. The Mulchatna caribou herd travels in the region. Waterfowl, eggs from nesting birds, snowshoe hares, beavers, berries, and other delicacies all contribute to the subsistence larder. Villagers in Mekoryuk on Nunivak Island herd reindeer for personal and commercial use, while the musk oxen on Nunivak and Nelson Islands are also taken for food.

## Spotlighting the City of Bethel

Bethel is the central hub not only for the Bethel census area but also for its northern neighbor, the Wade Hampton census area and its 19 villages. Together, the Bethel and Wade Hampton census areas form the Yukon-Kuskokwim region, commonly referred to as the Y-K region. The City of Bethel is its commercial center, its major airway intersection, and its largest supply and freight distribution station. Bethel is the largest meeting place and regional headquarters for health care and governmental services. Moreover, private sector companies and tribal organizations that administer public housing and social, educational, and cultural services, maintain their principal offices in Bethel. Its large population base and its supportive function for outlying villages magnify Bethel's role in this western Alaska economy. It is a natural corollary to find that the vast majority of the area's wage and salary jobs are located in the City of Bethel. Despite its size, Bethel's appearance and its isolated location lend it more of a rural than an urban ambience.

## 3 Wage and Salary Employment 1990-2001 Bethel Census Area

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Change	Percent Change
<b>Total Industries <sup>1</sup></b>	<b>4,604</b>	<b>4,456</b>	<b>4,589</b>	<b>5,142</b>	<b>5,302</b>	<b>5,542</b>	<b>5,573</b>	<b>5,581</b>	<b>5,882</b>	<b>5,821</b>	<b>6,093</b>	<b>6,250</b>	<b>1,646</b>	<b>35.8%</b>
Mining	0	5	10	16	7	8	6	8	10	9	11	11	11	
Construction	50	44	78	104	105	61	42	23	32	49	90	54	4	8.0%
Manufacturing	224	131	153	502	396	405	330	369	300	49	60	111	-113	-50.4%
Seafood Processing <sup>1</sup>	224	131	153	502	396	405	330	369	300	49	60	111	-113	-50.4%
Trans/Comm/Util	427	269	270	294	286	379	399	476	482	539	508	505	78	18.3%
Trade	420	386	426	491	538	558	557	573	603	565	613	604	184	43.8%
Wholesale	28	19	22	21	29	27	16	31	45	23	36	28	0	0.0%
Retail	392	368	403	470	510	531	541	542	558	542	577	576	184	46.9%
Finance/Insur/R.E.	240	263	280	301	376	364	328	320	364	370	357	352	112	46.7%
Services	876	1,001	1,142	1,240	1,459	1,600	1,701	1,579	1,731	1,782	2,046	1,620	744	84.9%
Miscellaneous	3	7	11	3	2	1	0	0	2	2	1	0	-3	-100.0%
Government	2,365	2,349	2,217	2,185	2,132	2,162	2,207	2,234	2,359	2,456	2,407	2,993	628	26.6%
Federal	288	295	211	179	157	132	137	132	125	117	123	124	-164	-56.9%
State	321	356	336	328	315	318	320	321	299	298	303	301	-20	-6.2%
Local	1,756	1,699	1,670	1,677	1,660	1,712	1,750	1,781	1,935	2,041	1,981	2,568	812	46.2%

<sup>1</sup> Adjusted for employment at Coastal Villages Seafoods, LLC, in 2000 and 2001

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

## Labor market changes over the decade

Between 1990 and 2001, employment in the census area grew by 36 percent, more than twice as fast as population growth. (See Exhibit 3.) The largest addition in jobs came from service industries and government. Among services, health care employment showed the greatest increase. In the public sector, local government provided more jobs. School related employment grew due to higher enrollment and improved pupil-teacher ratios. Public administration type of employment increased because most tribal councils became governmental entities. Prior to year 2000, these councils were classified as private sector service industry employers. The number of jobs with federal and state government, however, decreased over the decade. Annual average employment showed gains in the transportation, trade and real estate sectors. Growth in the real estate sector stemmed from an increase in public funds for Indian housing. Seafood processing employment was the only private sector industry that showed employment losses, but not all this decline was real. From the early 1990s to 1997 annual average seafood employment was overstated due to erroneous employer reporting. In subsequent years, however, the lower averages in seafood processing employment contain actual employment losses that reflect the meager harvest years of 1997 through 2001. The 2002 harvest may come in below last year's because low prices have discouraged fishers from participating.

## The public sector's footprint is large

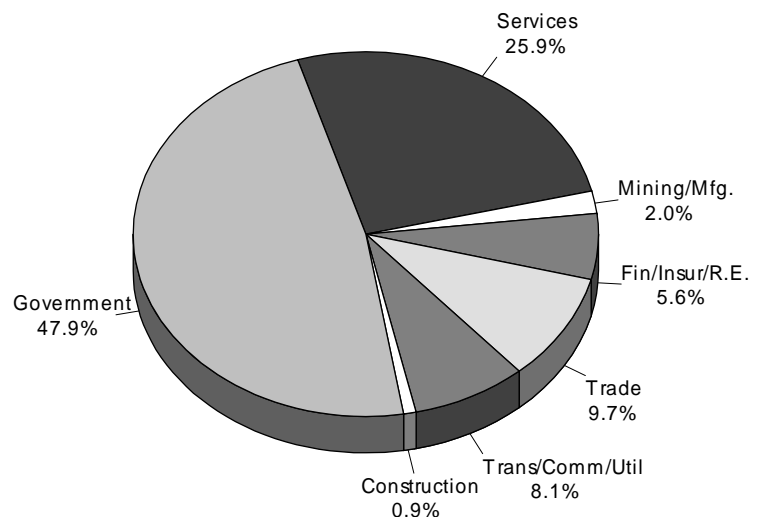
Government remained the most important economic force throughout the recent decade. Its influence on employment has waned little. In 1990, the public sector was responsible for more than 51 percent of all wage and salary employment and in 2001 it held a 48 percent portion. (See Exhibit 4.) Federal and state governments significantly influence private sector jobs as well because large not-for-profit organizations depend largely on public funding. The Yukon-Kuskokwim Health Corporation, the area's second largest employer, is an example. (See Exhibit 5.) The federal government carries out the mandate to provide free health care to Alaska's Native

population. Some tribal entities also receive public grants to provide needed services. Career and workforce development, social and family services are examples of their involvement. Construction activities also depend on public capital budgets and grants. Most infrastructure improvement and residential building are financed through state and federal appropriations. Federal grants from Housing and Urban Development are funneled through the local housing authorities, which build new projects and maintain a large inventory of public housing. Other agencies, like the Denali Commission, assess infrastructure needs in rural Alaska from water and sewer systems to energy projects. In turn, local governments often administer these projects and form local labor pools that perform the brick and mortar work.

## Local jobs are scarce

In spite of private sector investment and government funding, overall job opportunities are limited. Bethel's job market is the area's largest, and it offers limited variety and few choices. Usually, the demand for jobs exceeds available positions. Mismatches between job requirements and applicant readiness frequently occur, due to the young age and insufficient training of much of the population. In smaller communities the choice of employment is even more restricted. School

## Employment Sectors Of Bethel area workers—2001 4



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

employment, public sector jobs, and some trade and healthcare jobs in essence describe the entire wage and salary job market. Some seasonal work becomes available in the summers. Many villagers are firefighters who move away during the season to earn much needed cash.

In most villages, entrepreneurial opportunity exists mainly in fishing or in craft making, using subsistence resources. The scale of such operations is usually small. The high seas fishery remains a job resource, but it requires long absences from home—a situation that many find undesirable. Many residents in the Bethel area have no jobs.

The area's unemployment rate does not accurately reflect the long-term jobless issue, because workers who experience lasting spells of unemployment become separated from the labor force. Persons who do not seek jobs because they believe none are available are classified as discouraged workers; unemployment statistics exclude this pool of potential workers. The labor force participation rates as shown on Exhibit 2, however, indicate that job opportunities are scarce. In general, low labor force participation rates indicate weaknesses in specific labor markets. In most Bethel census area communities, as in most other rural locations, labor force participation rates are low (see Exhibit 2) and earning potential is limited.

## Income earned tends to be low

Income for Bethel census area residents tends to be low. In 2000, on a statewide scale, Bethel's personal per capita income ranked 23rd among Alaska's 27 census areas or boroughs. The Bureau of Economic Analysis estimated all income from all sources to be \$305.6 million. Net earnings, those from payroll jobs and self employment made up 59 percent of all income received. Dividends, interest, and rents, the investment-based income sources, yielded nine percent; and transfer payments, which include all payments in cash or in kind from government sources amounted to 32 percent of the total. (See Exhibit 6.) This underscores the key role that government plays.

## Alaska Permanent Fund disbursements swell transfer payments

At first blush, government payments to individuals, regional non-profit organizations, and other businesses appear very large. In 2000, the public sector transferred nearly \$97.5 million to the area, 32 percent of total personal income compared to 11 percent statewide. The main reason for public sector spending in the Bethel census area stems from the federal health care mandate for Alaska's Native population. Over 34 percent of the total transfer payments covered medical expenditures in 2000. (See Exhibit 7.)

The second largest portion came from the state and was within the category labeled "other payments." These contain the Alaska Permanent Fund dividend distributions which have a huge impact on the regional economy. In 2000, 15,589 Bethel area resident applications for Permanent Fund dividends resulted in disbursement of over \$30 million. The annual checks substantially increase income in subsistence based economies. Most other transfer payments are in-kind payments that cover a variety of services or are cash disbursements that are reserved for specific individuals such as retirees, veterans, unemployed workers or those who qualify to receive aid. Aid packages also play a large role in the area's economy.

Income maintenance payments, some of them

## 5 The Largest Employers Bethel census area—2001

Rank	Name of Business/Organization	Annual Avg. Employment
1	Lower Kuskokwim School District	1,094
2	Yukon Kuskokwim Health Corporation	940
3	State government	301
4	Association of Village Council Presidents (AVCP)	259
5	Yupiit School District	156
6	Federal government	124
7	Alaska Commercial Company	111
8	Kuspuk School District	109
9	Coastal Villages Seafood LLC	103
10	Omni Enterprises	85

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

more commonly called welfare, were 18 percent of the transfer payments. In all, state and federal governments spent \$17.7 million to provide individuals with cash or in-kind benefits. Food stamps filled the largest portion of the area's aid package, which also contains family assistance, supplemental security income payments, general relief, foster care, adoption assistance, and heating assistance.

Payments to non-profit organizations and businesses added three percent to Bethel's personal income in 2000. Such funding is often procured through grants that pass through local organizations or business for specific purposes and may directly or indirectly benefit the local population. The overall income position of the Bethel census area demonstrates that the area lacks cash and therefore, almost by definition, poverty is widespread.

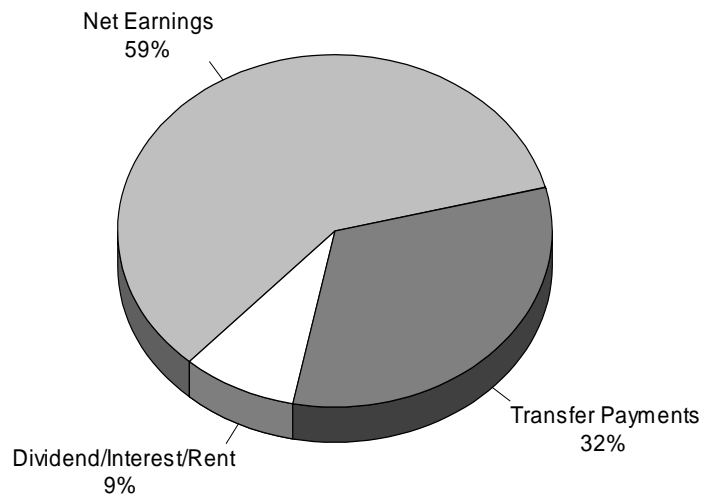
### Poverty rates are high in the villages

During Census 2000 every second household in western Alaska responded to income questions. The information gathered indicated that 3,234 persons or 20.6 percent of the total population in the Bethel census area were considered to be poor. Poverty thresholds were based on 1999 income and adjusted for size of household. In Census 2000, a four-person household with an income below \$17,029 was included in poverty statistics. Poverty rates exceeded the statewide average of 9.4% in all communities of the Bethel census area, which had the fifth highest rate in the state. All but four communities had poverty rates above twenty percent. (See Exhibit 2.) The City of Bethel had the second lowest area poverty rate at 11.2%. This tends to confirm that more income opportunities exist in Bethel than elsewhere in the region. Nightmute, a small Bering Sea community, recorded the lowest rate of poverty. This community's small size and fisheries earnings enable it to experience less poverty than most of the region.

It is important to remember that poverty ratings are strictly income-based, and ignore the subsistence economy. While it is hard to place a value on such an economy because value derived

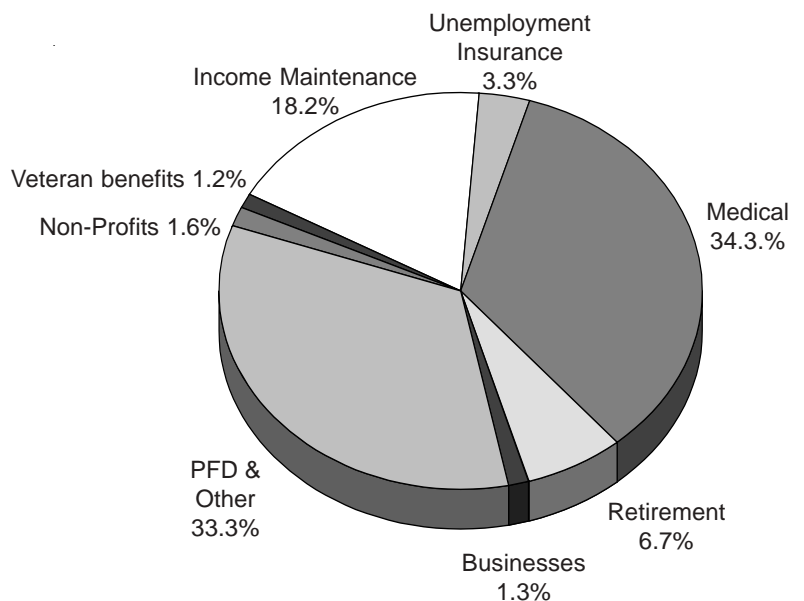
from its various sources will differ with usage, it carries central significance in Alaska's rural communities. The traditional subsistence lifestyle largely sidesteps the need for store-bought foodstuffs, which come at high cost in rural Alaska. As a result, income-based poverty levels may not

## Personal Income Totaled \$302.6M In Bethel census area in 2000 **6**



Source: U.S. Department of Commerce, Bureau of Economic Analysis

## Health Care is Biggest Slice Of government spending in Bethel area **7**



Source: U.S. Department of Commerce, Bureau of Economic Analysis

represent the same reduced quality of living that they would in an urban setting.

### No income class dominates in the area

Graphing the Census 2000 income distribution for the Bethel area into ten income groups confirms that income lies significantly below the statewide average. (See Exhibit 8.) A relatively flat pattern develops for the Bethel area with the majority of incomes ranging between \$15,000 and nearly \$75,000 per year. Household income in the Bethel area is more evenly distributed than in the rest of the state. Most incomes fall into four common classes. There are nearly as many households that earn between \$15,000 and \$25,000 per year as there are households that earn between \$50,000 and \$75,000 per year. Exhibit 8 further shows high incidences of very low income and very low frequencies of elite income. Bethel's income distribution picture is quite unlike Alaska's, which shows a high percentage of households in the state earning between \$50,000 and \$75,000 per year in 1999.

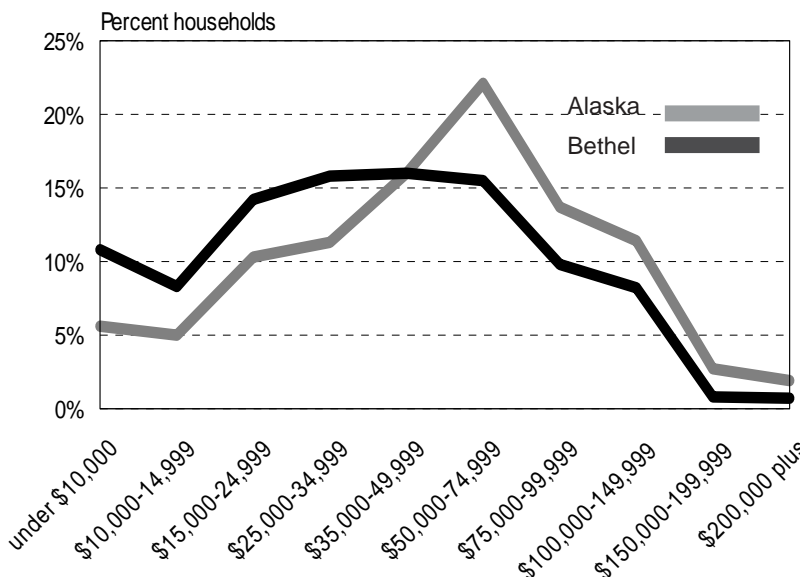
### Commercial fishing has suffered

For many years cash generated from commercial fishing represented a substantial portion of the

Bethel area's market economy. This source of cash income has deteriorated. (See Exhibit 9.) Between 1991 and 1995 regional commercial fishing income averaged nearly \$9.9 million. Between 1996 and 2000 it had faded to about \$5.4 million—a 45 percent drop. Meager salmon harvests between 1997 and 2000 were a big part of the problem but falling fish prices also played a role. In 1991, for example, setnetters in the Kuskokwim district earned on average \$.57 per pound of salmon and in 2000 the price was just \$.34. The value of the herring fishery, the other important commercial species, has also been caught in a long lasting downward spin. Demand for herring roe and roe on kelp in Japanese markets has weakened. The downturn of these two fisheries has discouraged participation. The lack of harvesting effort is dramatic in the herring fishery. Less than half of the permit holders who fished the 2000 season were on the grounds in 2001. Commercial salmon is also drawing fewer fishers. In 1991, 814 permits were fished on the Kuskokwim River but by 2001 this number had dropped to 514, a 37 percent decline in participation.

The fisheries do exhibit some positive indicators. In recent years a commercial halibut fishery has developed. Business arrangements between salmon, herring and halibut harvesters and the local Community Development Quota (CDQ) group, the Coastal Village Region Fund, (CVRF) have become tighter and investments in seafood processing have followed.

## Bethel Middle Incomes Plateau While Alaska's peak—Census 2000



### CDQ group benefits from fisheries

Coastal villages in the Bethel area and a few in the Wade Hampton area form one of the six CDQ groups that participate in the Bering Sea fishing industry. The CDQ program was designed to benefit communities adjacent or close to the Bering Sea. Fishing quotas vary annually and are determined by federal or state officials who determine multi-species groundfish and crab total harvest limits. The International Halibut Commission regulates the halibut fishery. A portion of the western groundfish and crab harvests is reserved for the six CDQ groups, which in turn receive individual harvest rights that vary with species.

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



Each CDQ group manages its own fishing quota. Coastal Villages Region Fund (CVRF) opted to lease its fishing rights to various catcher/processors. The organization receives royalty payments from these companies. In some cases, CVRF extended its involvement and purchased ownership shares in the businesses of their partners, thereby receiving royalties and part of the business profits. The benefit from such financial arrangements can be large. In 2000, for example, CVRF reported \$10.5 million in revenue. Such income reaches the Bethel census area in various ways.

CVRF has upheld and improved upon the area's fishing industry infrastructure. It operates a salmon processing facility in Quinhagak and halibut plants or buying stations in four additional communities. It plans to establish small plants in Kipnuk and Hooper Bay in the near future. Locally caught seafood products enter Anchorage's fresh seafood market. In 2001, employment at the Quinhagak plant and at village plants averaged 103 jobs that generated a payroll of over \$1 million. Harvesters also receive benefits from CVRF's existence. Loans, advances, boat safety training and assisted equipment or gear purchasing are examples of available services. The organization's influence extends to job recruitment and training, scholarships, and internships. The organization offers such services and programs to non-coastal communities as well.

### Calista focuses on new businesses

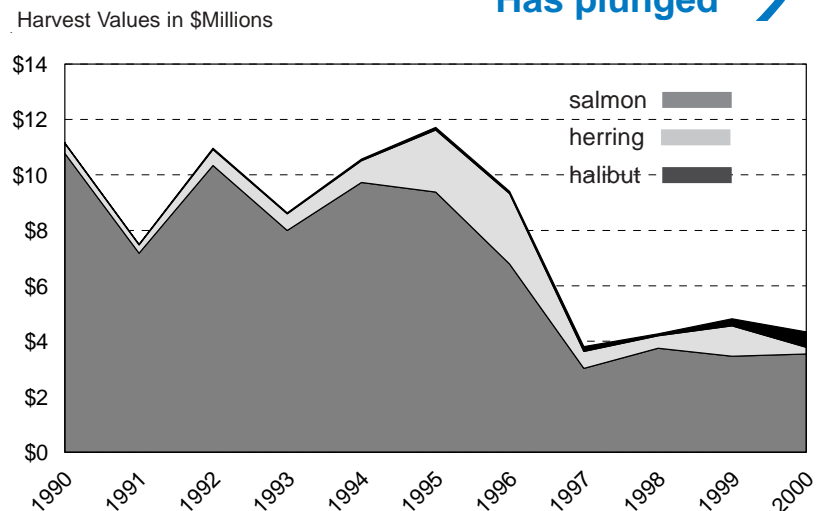
Calista Corporation, formed in 1971 under the Alaska Native Claims Settlement Act, has owned and managed several businesses since its formation. Originally, it started with an enrollment of 13,300 shareholders, mainly from the Bethel and Wade Hampton census areas. In past years, Calista enterprises recorded mixed business success. But the corporation's new business deals hold promise. A Calista subsidiary, the Yulista Management Service Company, was awarded a ten-year \$1.1 billion national defense research and technical support contract for development of missile systems and aerospace aircraft. A new Calista business emerged, named JVYS from the joint venture between Yulista and Science and Engineering Services of Maryland.

The regional corporation also owns 6.5 million acres of land and holds surface and subsurface rights to extract mineral deposits. The land has potential for oil and gas development, and precious metal deposits have been identified. Several years ago, Placer Dome started to explore at Donlin Creek, a 13 million troy ounce gold deposit in the Upper Kuskokwim area. The company spent \$33 million on exploration and built a campsite with an airstrip. It partnered with Nova Gold to continue this exploration effort. If mining starts, Calista will receive royalties from production, and good paying jobs will be created.

### Summary

The Bethel census area exhibits problems associated with high poverty and low employment opportunity. But the transition to a market economy is under way. Opportunities in the fisheries are still present and may eventually provide more jobs. Large service contracts have materialized and additional resource development appears likely. Such private sector economic development initiatives complement cash infusions from the public sector. This cooperative effort to build a bridge between the market economy and the subsistence-based lifestyle is aimed at improving conditions while retaining and reinforcing local traditions.

## Bethel Area Fishing Income 9 Has plunged



Source: Alaska Department of Fish and Game, Commercial Fishery Entry Commission