

Table of Contents

Introduction	Page 1
Business Climate Survey Results	Page 2
Economic Outlook	Page 5
Jobs Outlook	Page 8
Businesses COVID-19 Impacts	Page 10
• Estimate the percent revenue decline to your business due to COVID-19	Page 11
• Is your business at risk of closing permanently because of impacts caused by COVID-19?	Page 12
• What was the impact of relief funding to your organization?	Page 13
• What does your business need funding for most moving forward?	Page 15
Open Ended Responses	Page 16

Please elaborate on how COVID-19 has impacted your organization. Looking forward what are your hopes or concerns? Are you refocusing on online services or remote employment? Are you changing the products you create to try to capture new markets?

Survey created in partnership with



Haines Alaska **Business** Survey Results **2021**

Each year Southeast Conference conducts a regional business climate and investment survey in order to track Southeast Alaska business confidence on an annual basis. The results are analyzed by community and economic sector, allowing the data to be used to form projections regarding the economic direction of Southeast Alaska.

A breakout report for Haines was developed in partnership with the Haines Chamber of Commerce. Rain Coast Data designed the survey instrument on behalf of this partnership.

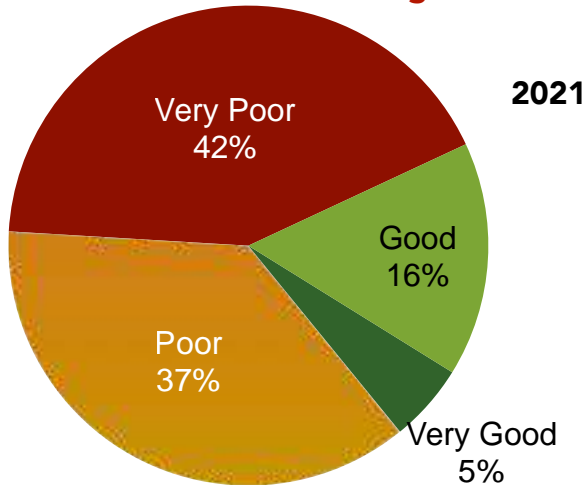
The survey invited Southeast Alaska business owners and top managers to respond to 19 questions. The web-based survey was administered electronically from April 9th through April 23rd. A total of 26 Haines business leaders participated. The results include the following key findings:

- **Revenue Decline:** On average, reporting businesses in the region lost 42% of their revenue due to COVID-19. The Haines business revenue decline mirrored the regional average of 42%. In Haines, arts and tourism businesses lost the most revenue.
- **Risk of Closure:** Nearly a quarter of regional businesses are at risk of closing permanently or have already closed. Haines businesses are among the least likely in the region to say they are at risk of closing.
- **Impact of Relief Funding:** Haines businesses were asked about the impact of the COVID-19 aid they received. One-third of Haines business owners reported that they would have closed permanently without the pandemic relief dollars. Two-thirds of respondents said that the funding allowed their businesses to retain staff.
- **State of the Economy, and Outlook:** Confidence in the Haines business climate continues to be poor in the wake of COVID-19. Most (79%) respondents are concerned about the state of the economy, calling the business climate poor or very poor. But 28% expect the outlook for their businesses to improve in the coming year.
- **Job Projections:** 44% of Haines business leaders expect to maintain job levels in the coming year, 6% expect to add employees, while nearly a quarter expect to reduce staffing levels.

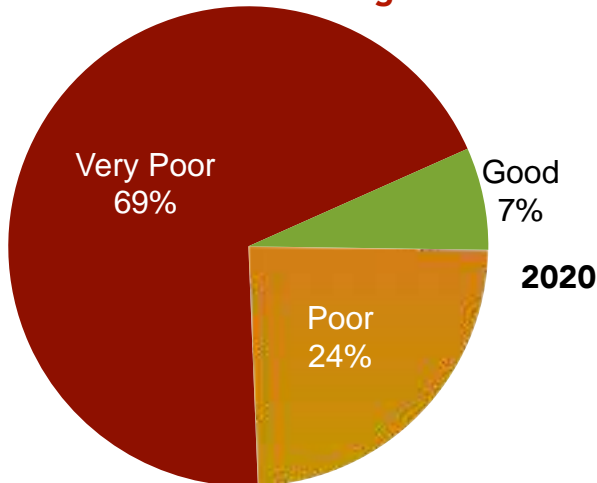
Haines Business Climate Survey Results 2021

April **2021** Southeast Alaska: **How do you view the overall business climate right now?**

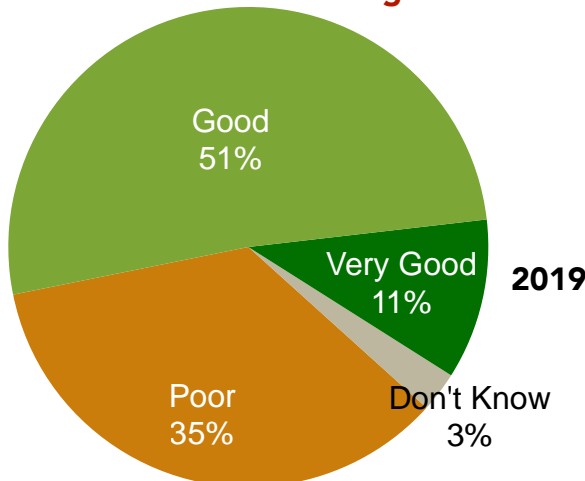
21% Positive / 79% Negative



7% Positive / 93% Negative



62% Positive / 35% Negative



Southeast Alaska Annual Business Climate Survey

In April of 2021, 26 Haines Alaska business owners and top managers responded to Southeast Conference's Business Climate and Private Investment Survey.

How do you view the overall business climate right now: Haines

Confidence in the Haines business climate continues to be incredibly poor in the wake of COVID-19.

Most (79%) respondents are concerned about the state of the economy, calling the business climate "poor" (37%) or "very poor" (42%). This has improved since last year when the "very poor" ratings in Haines were 27 percent higher. A fifth (21%) of business leaders called business climate good or very good in 2021 — a significant improvement over 2020.

Haines businesses had one of the most negative perceptions of the overall economy, after Skagway and Ketchikan.

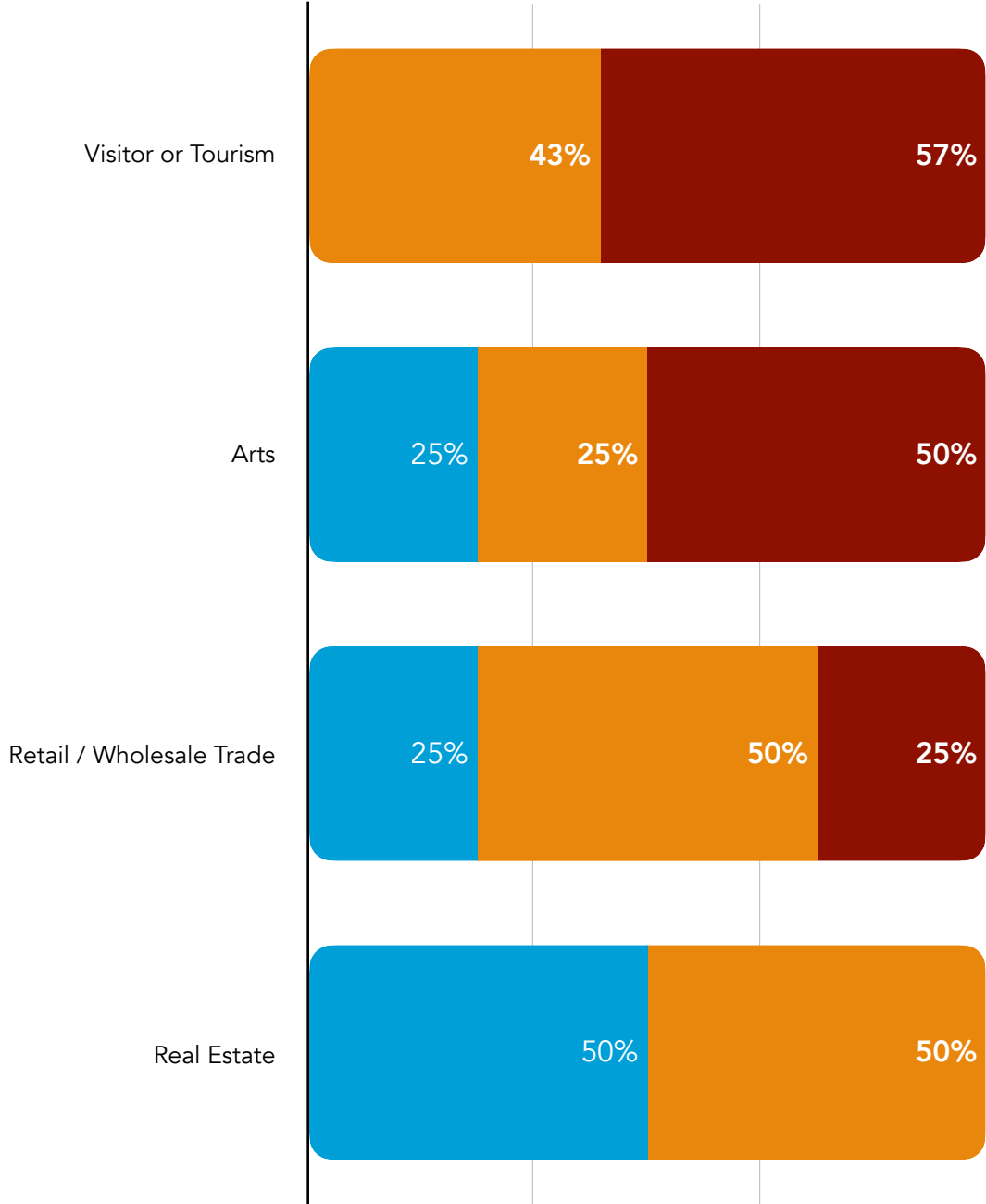
While all sectors have a negative perspective on the current economy, those in the visitor and real estate sectors are most likely to say that the economy is **very** poor.

Haines Business Climate Survey Results 2021: by Industry

The following graphic breaks out how the current Haines business climate is viewed by each various sector. Usually such a breakout reveals significant differences between sectors. However, the 2021 breakout shows that no industry has escaped a significant negative impact due to COVID-19. Not all industries are shown, due to small sample sizes.

April **2021** Haines Alaska: **How do you view the overall business climate right now?**

■ Good/Very Good ■ Poor ■ Very Poor

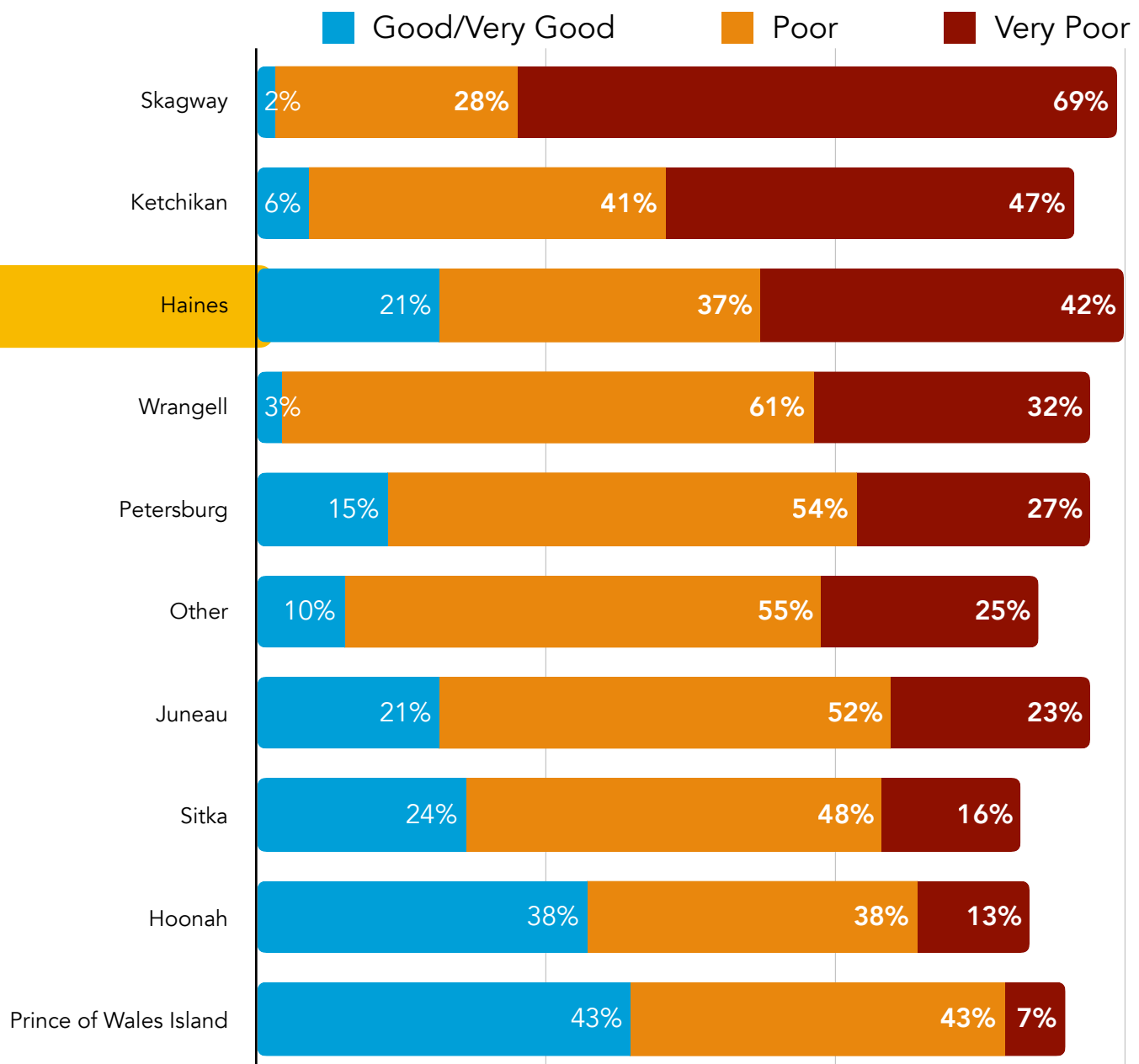


The "don't know" category has been excluded from this chart.

Southeast **Business** Climate Survey Results 2021: by Community

The graphic below shows how the current regional business climate is being experienced by business leaders in each community. While all communities are clearly suffering, Skagway has been the hardest hit, followed by Ketchikan and Haines.

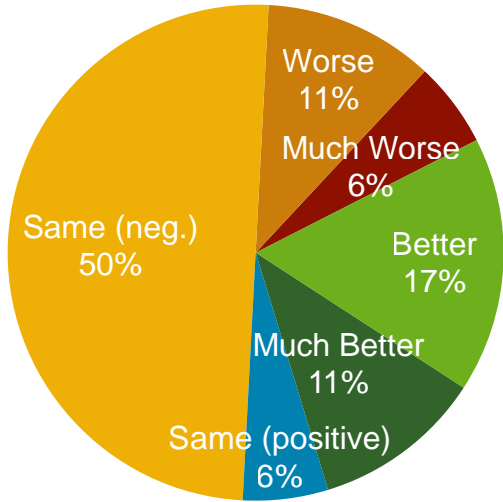
April **2021** Southeast Alaska: **How do you view the overall business climate right now?**



The "don't know" category has been excluded from this chart.

Haines Economic Outlook

34% Positive / 67% Negative



2021

What is the economic outlook for your business/industry over the next year (compared to the previous year)?

Haines Economic Outlook

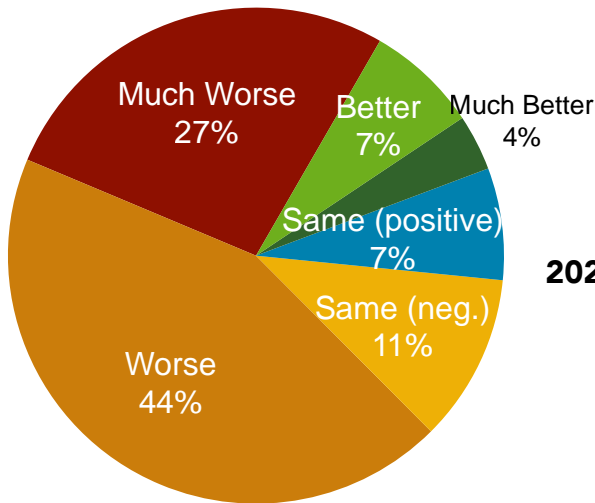
Historically, the overall economic outlook for business leaders tends not to change much on an annual basis, however 2020 and 2021 are clearly exceptions. In 2021, 67% of businesses say the economic outlook for their business or industry over the next 12 months is negative.

17% of survey respondents expect their prospects to get even worse over the next year, while 28% expect the outlook for their businesses to improve in the coming year.

Compared to all other communities in Southeast Alaska, Skagway has the most negative outlooks in the region, while Haines is not far behind. Prince of Wales, Gustavus, and Sitka have the least negative outlooks.

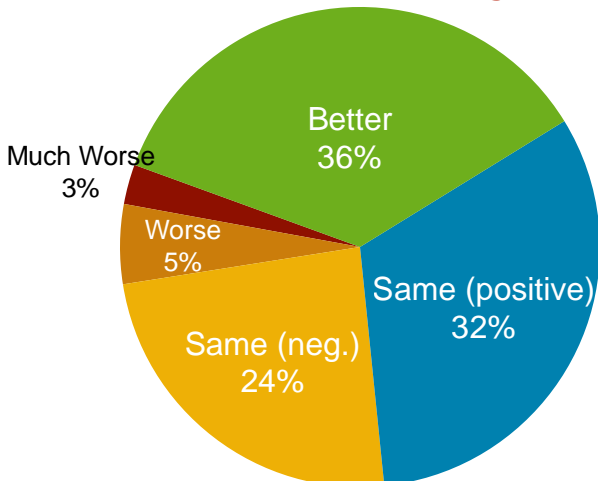
Regionally, the mining sector's economic outlook is the most positive moving into 2022, followed by the nonprofit and healthcare sectors. The real estate, food/ beverage, and tourism sectors have the most negative outlooks.

18% Positive / 82% Negative



2020

68% Positive / 32% Negative



2019

Southeast Economic Outlook: by Community and Industry

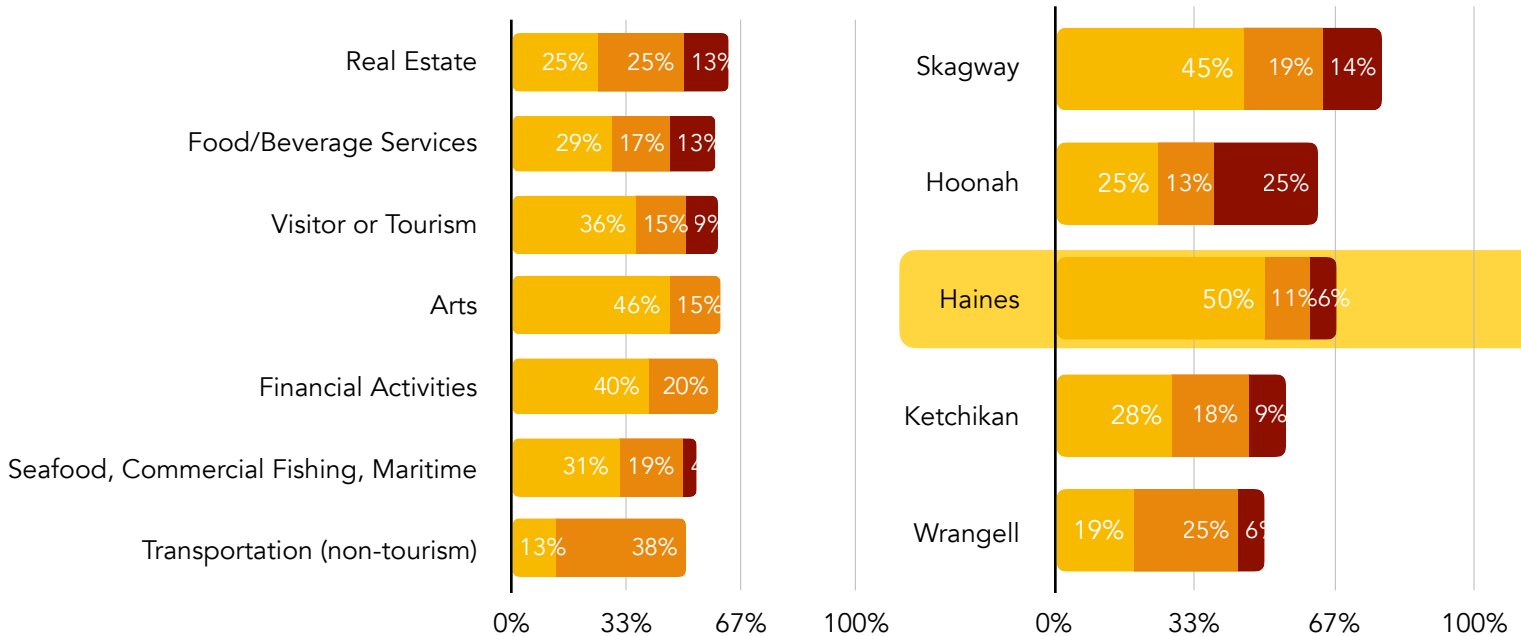
The below graphics show economic outlook breakdowns for the next year by industry as well as by community.

2021: What is the economic outlook for your business or industry?

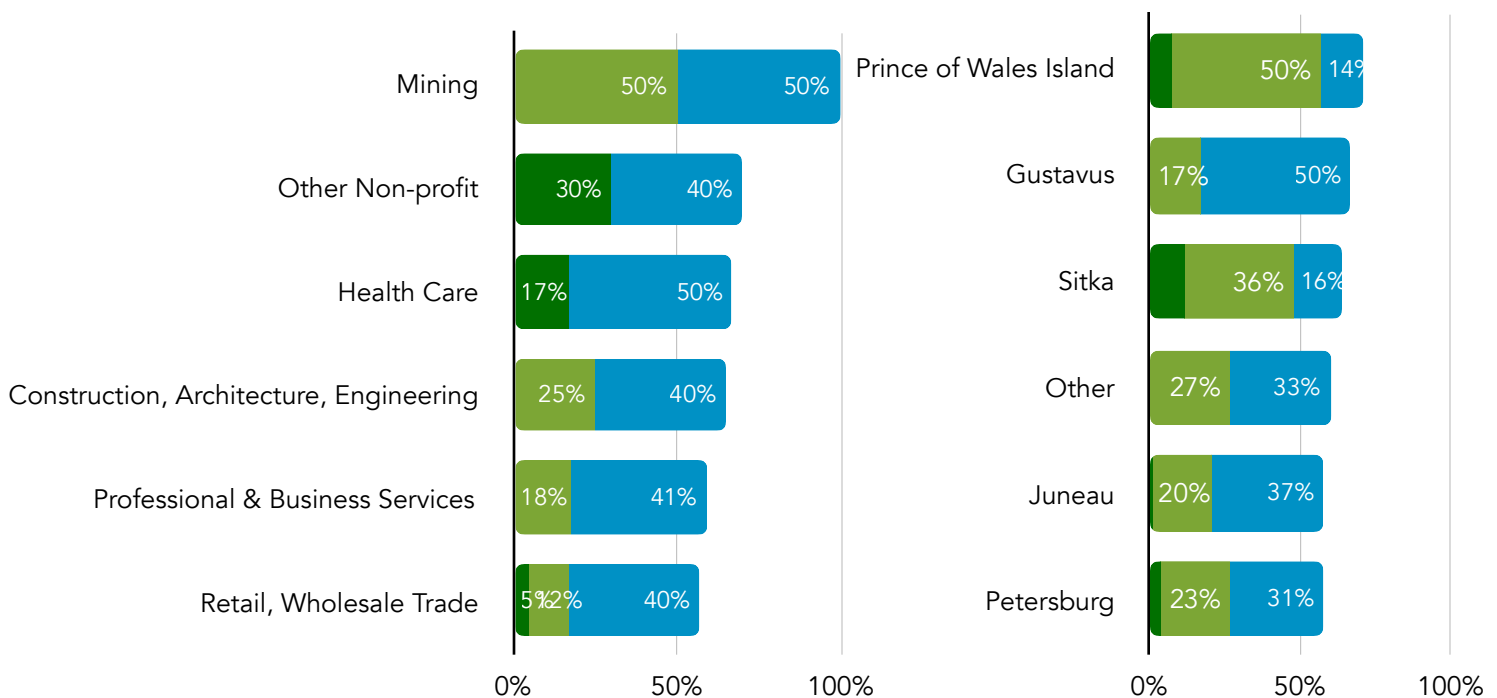
By Industry

By Community

■ Same (generally negative)
 ■ Worse
 ■ Much Worse



■ Much Better
 ■ Better
 ■ Same (generally positive)



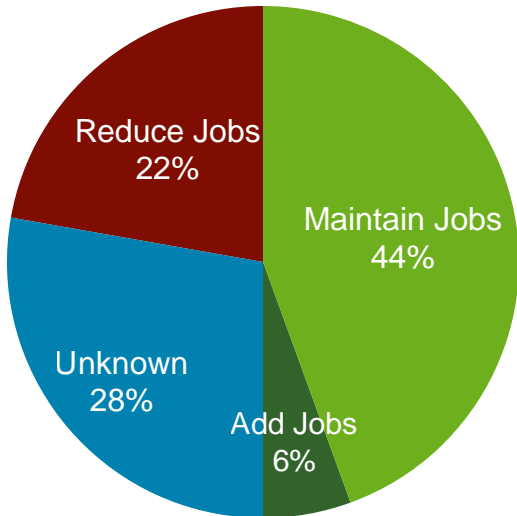
Southeast Economic Outlook: by Industry

The following table shows a detailed economic outlook by industry for the region as a whole. Haines business leaders generally tracked along with regional averages.

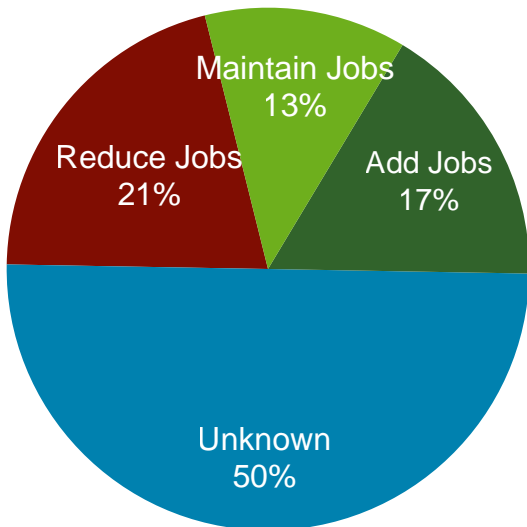
What is the economic outlook for your business or industry? Regional Response Summary						
Sector	Much Better	Better	Same (generally a positive statement)	Same (generally a negative statement)	Worse	Much Worse
Mining	0%	50%	50%	0%	0%	0%
Energy	0%	0%	75%	25%	0%	0%
Other Non-profit	30%	0%	40%	20%	0%	10%
Health Care	17%	0%	50%	0%	17%	17%
Alaska Native entity	0%	0%	67%	0%	33%	0%
Construction / Architecture / Engineering	0%	25%	40%	20%	5%	10%
Professional & Business Services / Consultant	0%	18%	41%	18%	24%	0%
Retail / Wholesale Trade	5%	12%	40%	28%	14%	2%
Communications / Information Technology	0%	22%	33%	22%	11%	11%
Transportation (non-tourism)	0%	25%	25%	13%	38%	0%
Child Care, Education, Social Services	0%	25%	25%	50%	0%	0%
Seafood, Commercial Fishing, Maritime	0%	35%	12%	31%	19%	4%
Food/Beverage Services	8%	13%	21%	29%	17%	13%
Visitor or Tourism	3%	23%	15%	36%	15%	9%
Financial Activities	0%	0%	40%	40%	20%	0%
Arts	0%	15%	23%	46%	15%	0%
Real Estate	0%	25%	13%	25%	25%	13%

Haines Jobs Projections in 2021 & 2022

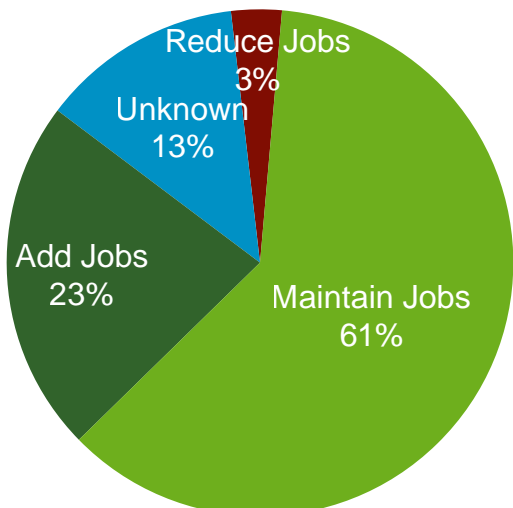
2021: Jobs Outlook



2020: Jobs Outlook



2019: Jobs Outlook



Over the next 12 months, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure (For those business with staff)

Haines employment changes in the next year

When asked about staffing expectations, 44% of Haines business leaders expect to maintain job levels in the coming year, and 6% expect to add employees (or add employees back after the declines of 2020).

Nearly a quarter (22%) of business leaders in Haines expect to reduce staffing levels. Those expecting to add or maintain job levels increased significantly over the previous year.

Business leaders in Haines and “other rural” communities expect the greatest job reductions for their businesses moving forward.

In the region, expected job gains will be most significant in the communication/IT and construction sectors. In Haines, some retail and tourism jobs are expected to return.

Sitka has the most positive jobs outlook with a third of employers saying they expect to add jobs in the coming year. Juneau is the second most likely community in the region to add jobs in 2021, according to the outlook.

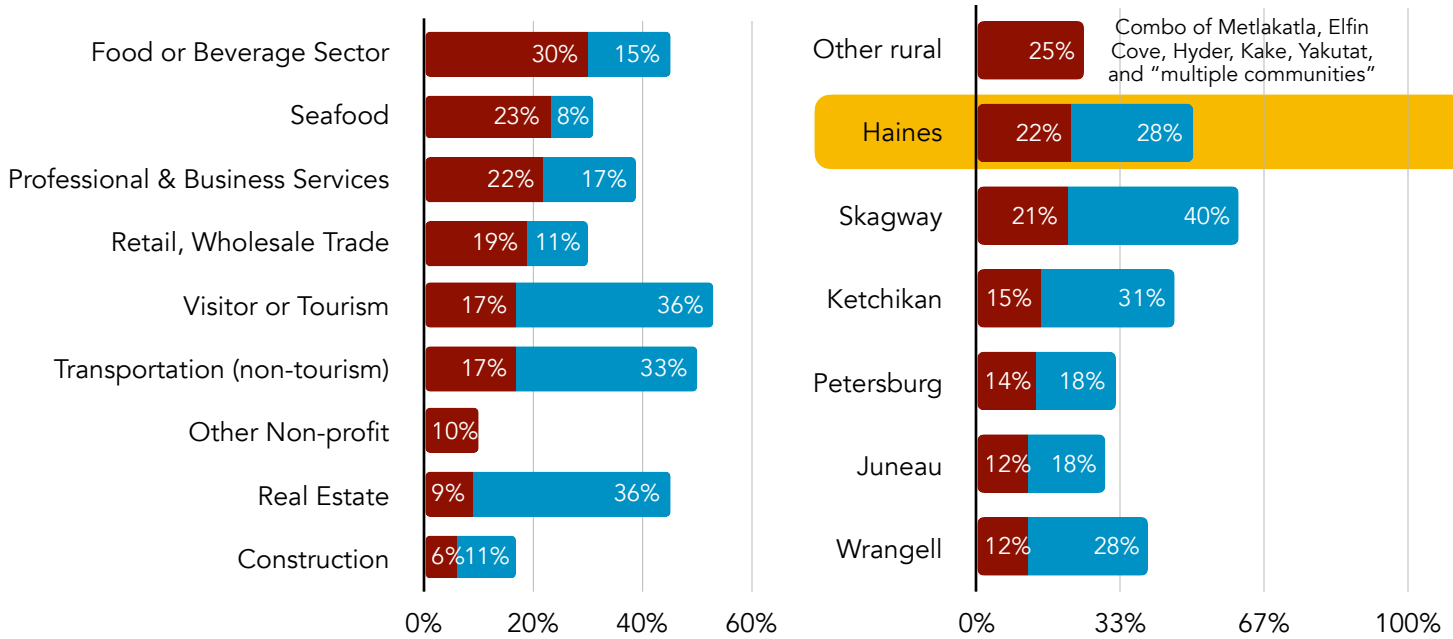
By Community: Jobs in Next 12 Months

Over the next year, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure?

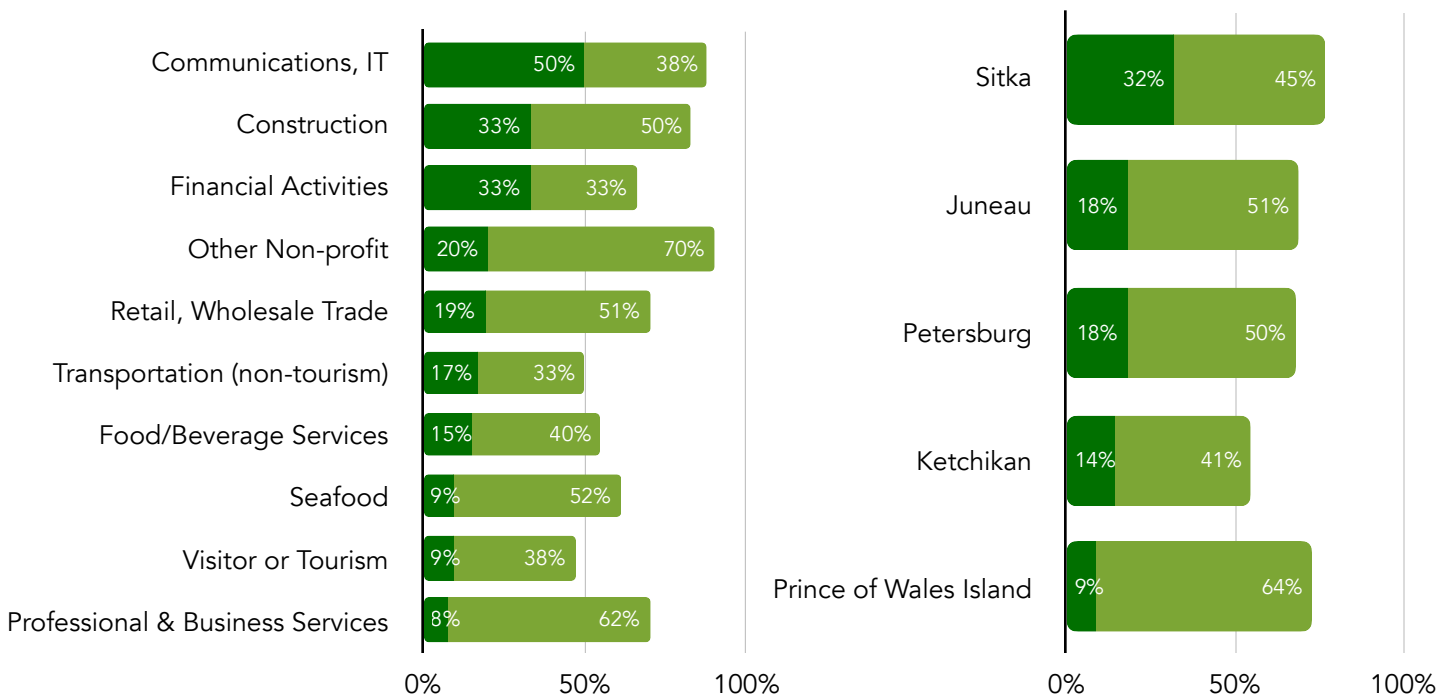
By Regional Industry

By Community

■ Reduce total jobs ■ Unknown at this time



■ Add jobs ■ Maintain the same amount of jobs



Haines Businesses COVID-19 Impacts

Haines business leaders were asked how COVID-19 is impacting their businesses. Responding employers have already laid off 40% of their total workforce due to the COVID-19 virus. Haines business revenue was down 42% so far due to the pandemic. Nineteen percent of respondents say that they are at risk of closing permanently, while 57% say that they are not at risk.

Total Businesses Responding = 29

Please estimate the percent revenue decline to your business due to COVID-19 so far.

= -42% overall

76% of responding businesses received COVID relief funding

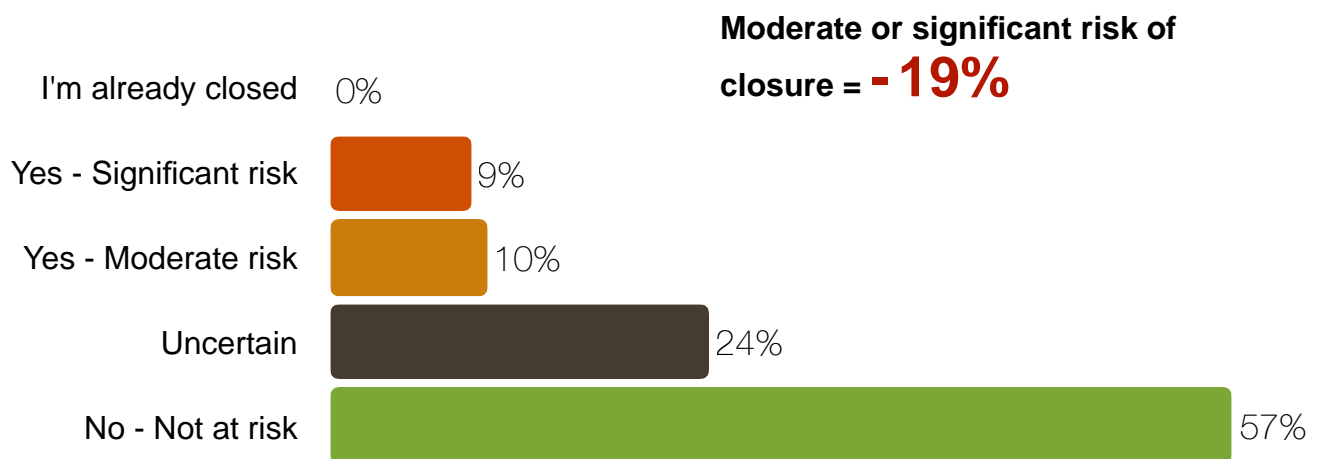
Respondents have laid off **40%** of existing staff so far due to COVID-19

22% expect to make more employment cuts in the future due to COVID-19

Average current workers per organization = **4**

Average workers laid off so far per business = **-3**

Is your business at risk of closing permanently because of impact caused by COVID-19?



If you answered "yes" above, how many weeks of the current situation do you think you will be able to survive?

Average = 41

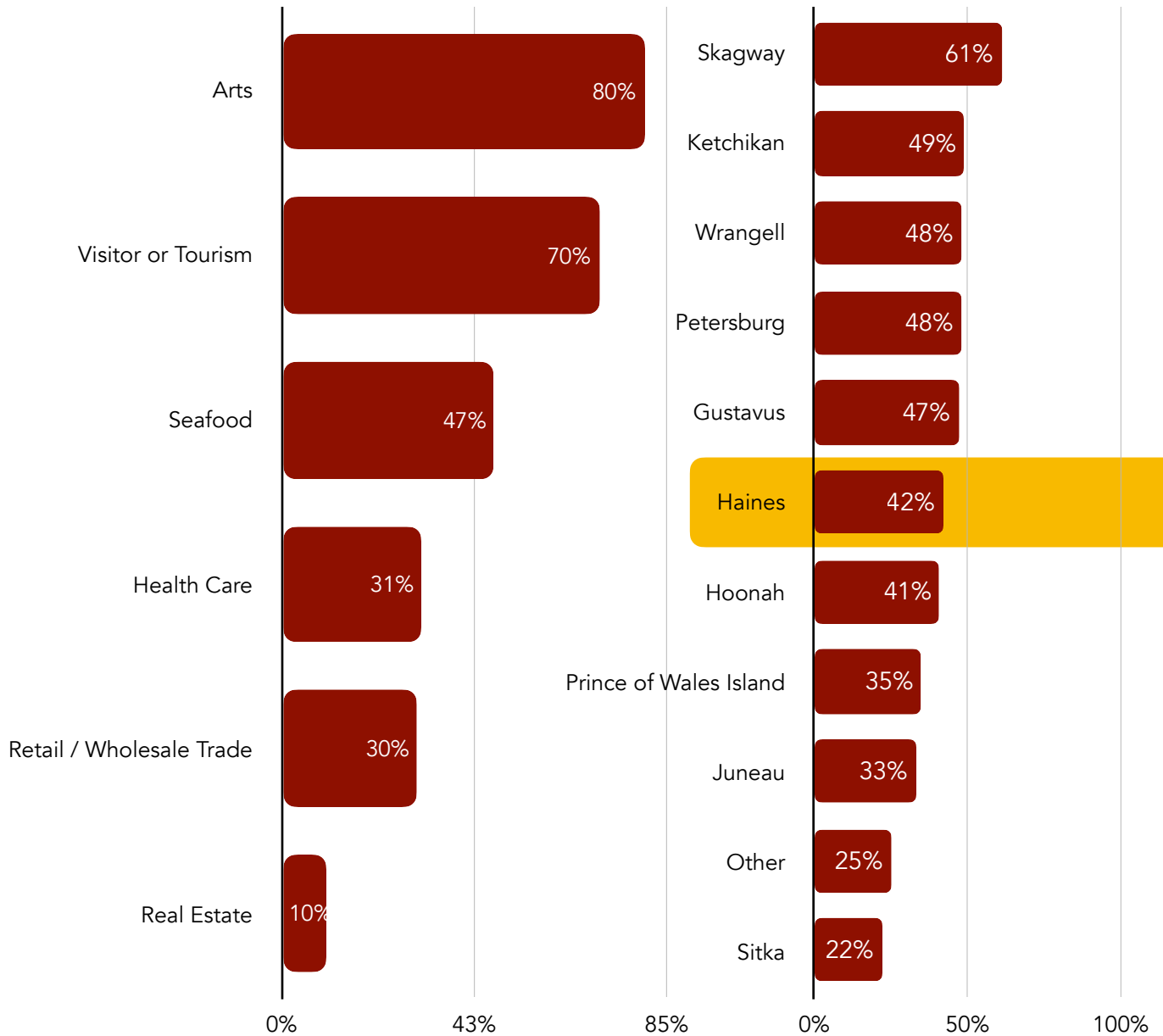
Please estimate the percent revenue decline to your business due to COVID-19: **By Industry and Community**

On average, regional businesses have lost 42% of their revenue due to COVID-19. By community, Skagway businesses have lost the most, with reported average revenue loss of 61%. Sitka businesses report the smallest average revenue decline of “only” 22%. **The Haines business revenue decline mirrored the regional average of 42%.** In Haines, arts and tourism businesses lost the most revenue.

By Industry in Haines

By Regional Community

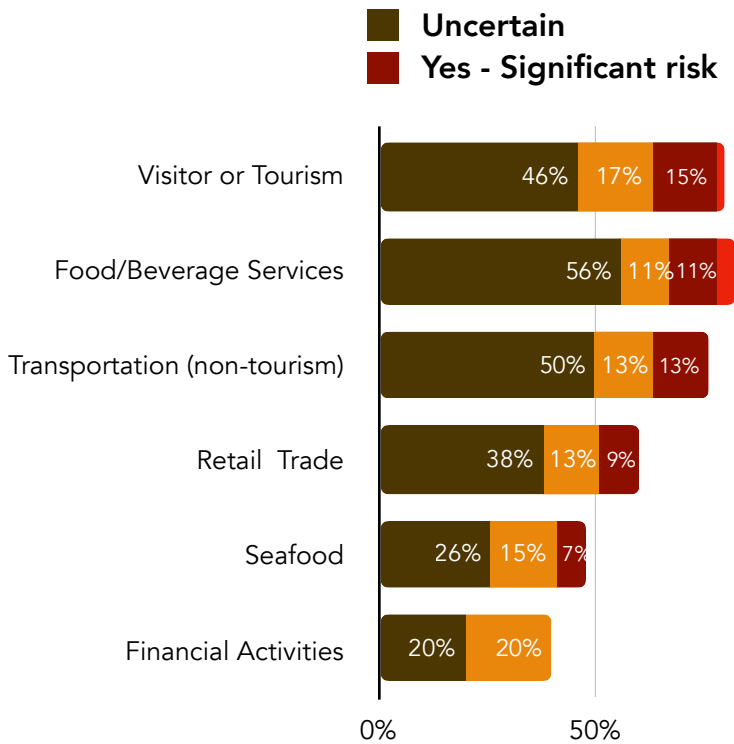
■ Average percent revenue decline to your business due to COVID-19



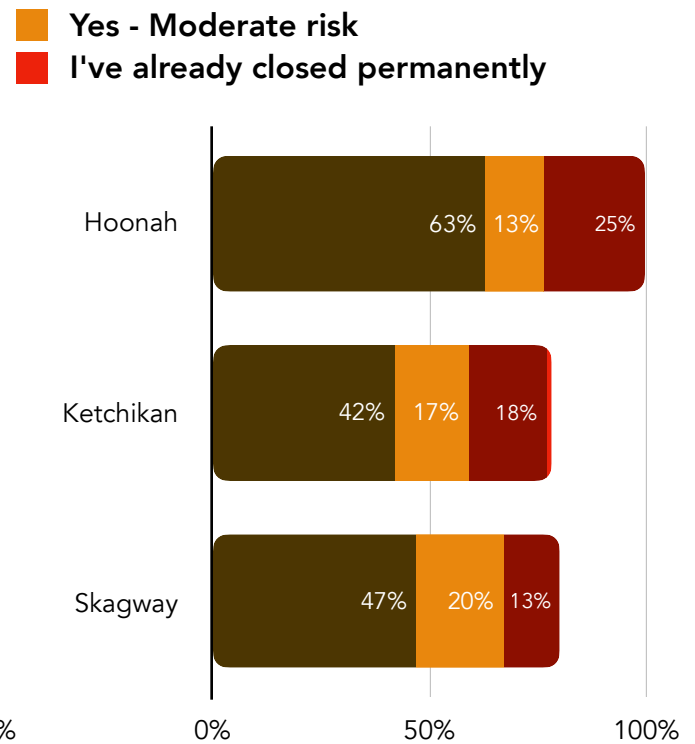
Is your business at risk of closing permanently because of impacts caused by COVID-19? By Industry and Community

Nearly a quarter of respondents (22%) are at risk of closing permanently or have already closed. The following charts analyzed which sectors and communities are at the greatest risk of being unviable due to the COVID economy. Businesses in Hoonah, Ketchikan, and Skagway face the highest risks of closure, while **Sitka and Haines businesses appear to be the most resilient at the moment**. Tourism, the food and drink sector, and transportation have the greatest risk of closing due to the pandemic, while the mining and Alaska Native entities have the lowest risk.

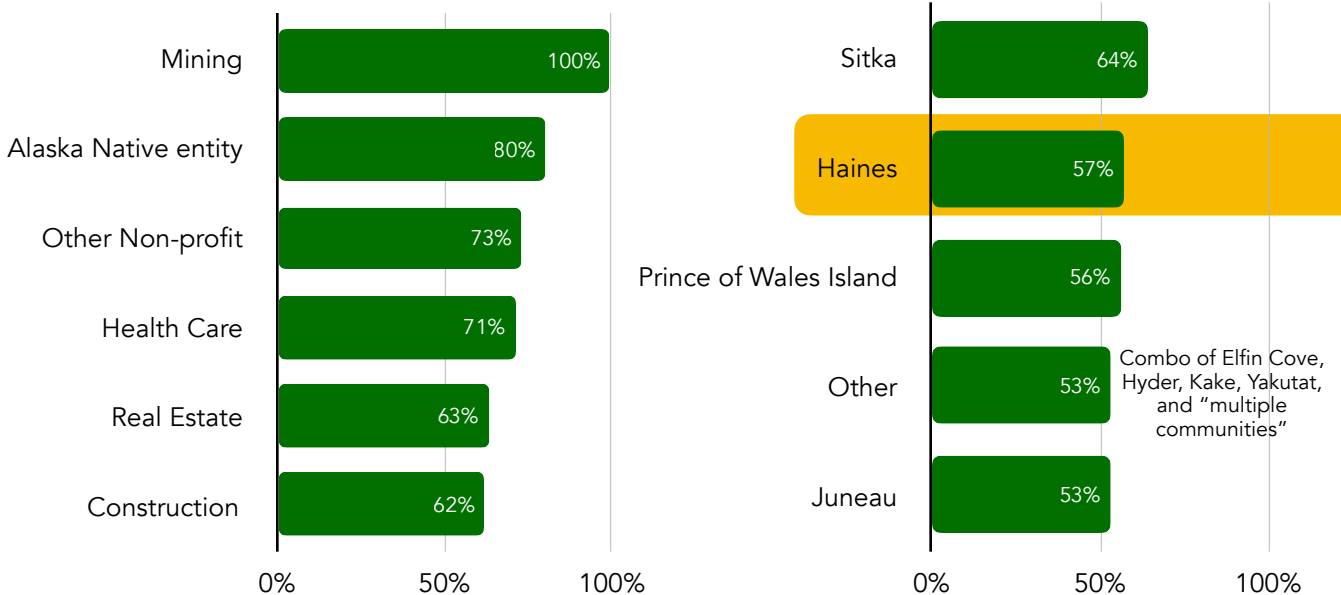
By Southeast Industry



By Community

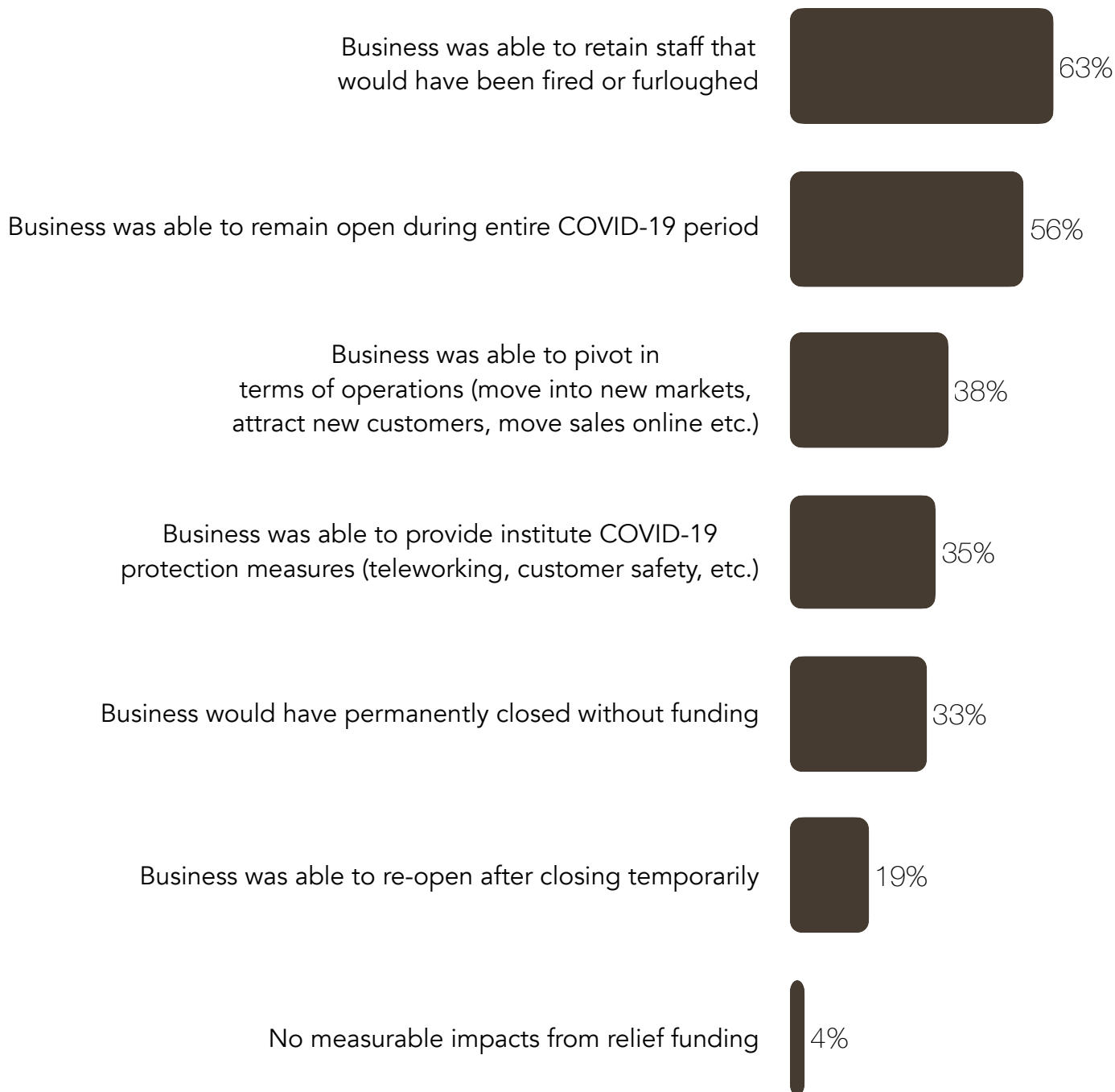


No - Not at risk of closing permanently



What was the impact of relief funding to your Haines organization? (check all that apply)

Businesses that received funding were asked about the impact of the COVID-19 aid they received. One-third of Haines business owners reported that they would have closed permanently without the pandemic relief dollars. Two-thirds of respondents said that the funding allowed their businesses to retain staff. 38% of businesses used their relief funding to pivot their operation model to attract new customers, move online, or move into new markets.



Haines businesses receiving grants or loans = 76%

COVID-19 Funding Distributions in Haines

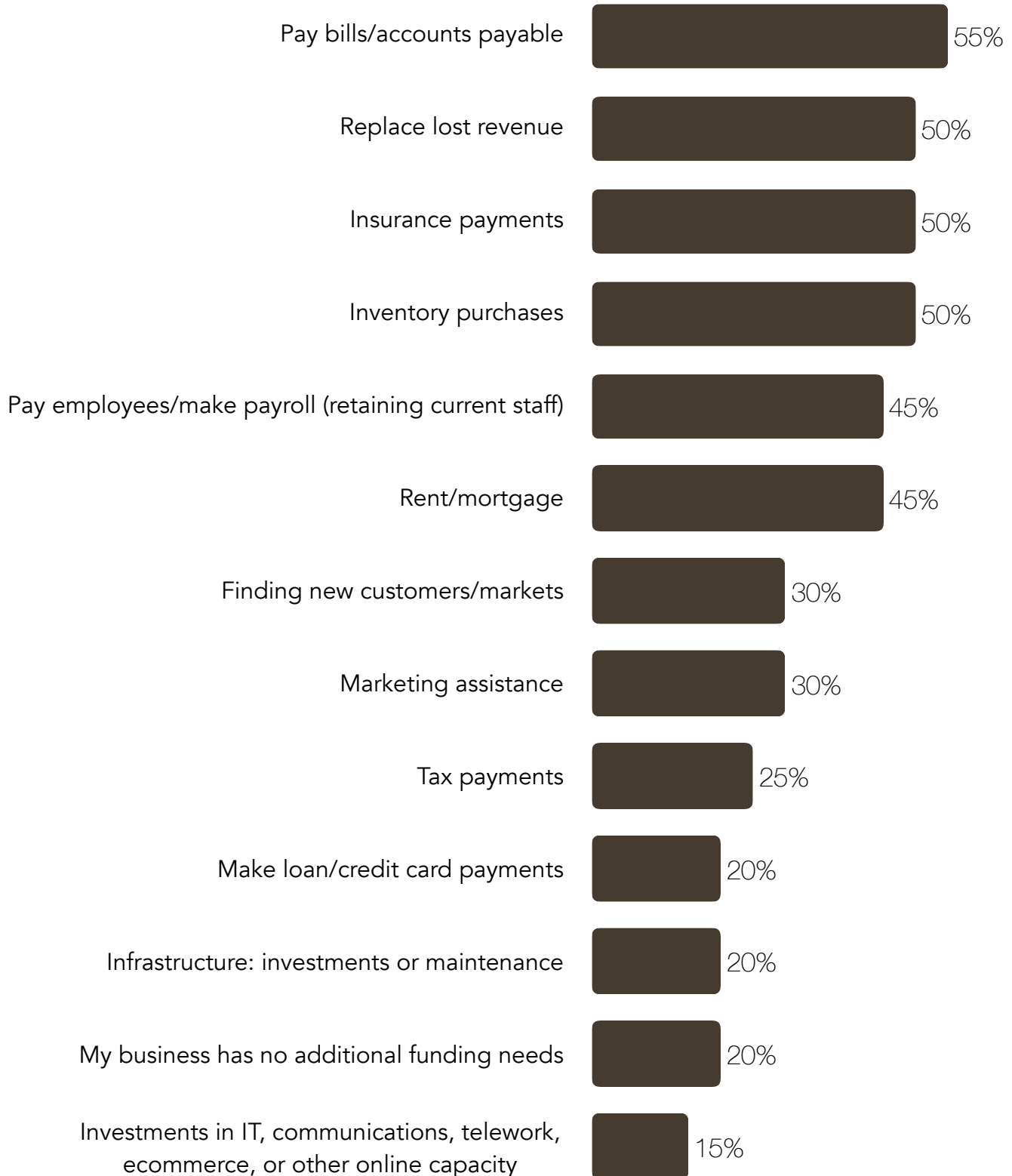
According to the Alaska Small Business Development Center (SBDC), which tracks four stimulus programs: PPP, EIDL (and EIDL Advanced), Alaska's state CARES program, and the local municipal grants, Haines businesses and organizations have received \$19.5 million in COVID-19 funding.

Borough Name	Updated PPP	EIDL	AK CARES	EIDL Advance	Local Grants	Total
Juneau	\$86,664,259	\$30,570,500	\$16,837,011	\$1,921,000	\$53,288,390	\$189,281,160
Ketchikan Gateway	\$55,171,734	\$19,400,900	\$12,101,232	\$860,000	\$24,296,962	\$111,830,828
Sitka	\$31,538,964	\$13,444,700	\$10,328,797	\$883,000	\$13,872,489	\$70,067,950
Petersburg	\$14,550,154	\$6,535,900	\$8,883,111	\$394,000	\$4,669,365	\$35,032,530
Skagway	\$8,564,780	\$7,301,400	\$3,991,615	\$274,000	\$7,301,019	\$27,432,814
Haines	\$5,734,361	\$4,786,000	\$5,189,718	\$300,000	\$3,497,809	\$19,507,888
Prince of Wales-Hyder	\$5,685,488	\$2,916,200	\$3,541,603	\$145,000	\$4,017,498	\$16,305,789
Wrangell	\$4,214,089	\$2,222,200	\$3,766,325	\$97,000	\$3,365,535	\$13,665,149
Hoonah-Angoon	\$3,178,375	\$2,693,200	\$1,948,335	\$196,000	\$3,526,453	\$11,542,363
Yakutat	\$1,753,865	\$729,300	\$935,661	\$24,000	\$1,566,335	\$5,009,161
#N/A	\$0	\$0	\$182,693	\$0	\$149,389	\$332,082
	\$217,056,071	\$90,600,300	\$67,706,101	\$5,094,000	\$119,551,244	\$500,007,714

In addition to the analysis above, \$1.2 million was allocated to the Chilkoot Indian Association.

What does your business need funding for most moving forward? Haines only (check all that apply)

Haines business leaders were asked what help they most want and need moving forward. Top answers include help paying bills, replacement of lost revenue, insurance payments, and purchasing.



Open Ended Responses

Please elaborate on how COVID-19 has impacted your organization. Looking forward what are your hopes or concerns? Are you refocusing on online services or remote employment? Are you changing the products you create to try to capture new markets?

Visitor or Tourism

- Canadian travel restrictions eliminated 98% of our customer base. We are developing US stateside products that do not require crossing into Canada.
- No cruise ships for 2020 or 2021 means elimination of summer business and travelers.
- Lack of visitors is biggest economic impact. Our business is pivoting from primarily working with cruise line visitors to attracting more multi-day independent travelers and also focusing on retail sales, which used to be secondary revenue streams. We've partnered with new travel organizations in our market to appeal to new multi-day visitors and invested in software to take our merchandise online. Both have so far shown some success and combined with the various ads funding will allow us to continue on as a smaller company until visitation levels bounce back.
- The majority of our revenue in 2019 came from cruise ship visitors. In 2020 we worked our staff for 6 weeks with the PPP loan. No revenue in 2020. In 2021 we will work a small staff with the PPP2 loan and operate, marketing to independent travelers to our community.
- The US/Canada border has been closed. We rely on highway traffic from across Canada and the lower 48. Once the border opens I think there will be flood of travelers to Alaska. We are trying to get more fly in customers and marketing in that direction for this summer.
- We are in a difficult position; we have live Raptors here and must keep my staff employed or lose the Raptors.
- We sell shore excursions and there are no cruise ships. We have a retail store and the nearby Canadian border is closed and there are few state ferry arrivals so less visitors.

Arts

- As an Art Gallery, we were closed for the whole season, planning to be open in 2021.
- As an artist and art product producer my company has had a huge impact from COVID related tourism declines. I had planned major investments to increase my product line and better meet the needs of a record tourism season. COVID caused me to hold off on creating new products and wait for galleries and gift shops to see large numbers again. I was looking to transition from a mom-and-pop boutique operation to a larger commercial producer. I stopped that transition and will wait.
- Refocusing to online, changing products

Other

- More people going to online services. Property Tax increased. Need to open back up so we have an economy. Need mining, road construction, timber services. Yes I have changed some of my inventory to draw in more customers due to no tourists.
- We were already set up for telemedicine services to serve more of SE Alaska with our service so we had an easy transition to full telemedicine services but about 30% of our patients could not or did not want to transition to telemedicine services in Haines. We had been planning to add a clinic in Juneau and were able to accomplish that several months after planned due to COVID19 but we still pulled it off and have now hired another employee to start this June. We hope to continue our hybrid onsite/telemed model to more SE communities that have limited access to services beginning with Angoon and Hoonah and having the Juneau clinic also allows for those communities to travel into Juneau for service as Haines was not practical for weather issues especially after more limited ferry services which has disrupted our expansion plans more so than COVID19 did.
- I make the bulk of my income from summer tourism. With borders closed and locals not making money there was nothing.
- New, we started selling merchandise online. We still need the Canadian border to open, and tourism traffic to build back up to get back to "normal," which allows local events to happen again.