

Ties that Bind

The Enduring Economic Impact of Alaska on the Puget Sound Region

Alaska and Puget Sound share a dynamic and diverse economic relationship that grows stronger each year. Just as Alaska is economically dependent on Puget Sound as a service, supply, and transportation hub, Puget Sound derives billions of dollars in economic benefits from its powerful connections with Alaska. Those connections include the movement of millions of tons of freight and millions of passengers between Alaska and Puget Sound. Puget Sound provides essential support to Alaska's seafood industry and other maritime sectors, as well as a critical market for Alaska's crude oil. Important links in health care, education, and other sectors are all part of the fabric that connects Puget Sound and Alaska.

EXPORT VALUE \$5.4 billion

JOBS 113,000

LABOR EARNINGS \$6.2 billion

- ▶ Alaska accounted for **113,000 Puget Sound jobs** in 2013, up **9 percent** from 103,500 in 2003.
- ▶ These jobs accounted for **\$6.2 billion** in labor earnings, including all direct, indirect, and induced impacts, a **12 percent increase** from 2003, after adjusting for inflation.
- ▶ Puget Sound's exports to Alaska totaled **\$5.4 billion** in 2013. This is the value of all goods and services Puget Sound businesses provide to households, businesses, and industries in Alaska.
- ▶ Alaska's export value to Puget Sound **increased by 12 percent** between 2003 and 2013, after adjusting for inflation.
- ▶ Puget Sound's Alaska-related exports accounted for an estimated **74,000 jobs** in the Puget Sound area in 2013, a **16 percent increase** from 2003 (including all direct, indirect, and induced impacts).
- ▶ Alaska's natural resource development (fishing, seafood processing, petroleum, tourism) created an additional **39,300 jobs** in Puget Sound in 2013.



Ties that Bind

JOBS 5,500

LABOR EARNINGS \$450 million



Photo courtesy Port of Seattle, Don Wilson

Freight & Cargo

The Puget Sound area is the primary hub for moving goods to and from Alaska, whether by water, air, truck, or rail.

- ▶ In 2013, over **3.4 million tons of cargo** moved between Puget Sound and Alaska, nearly all (97 percent) via water. Of all cargo moving either direction, **80 percent** is transported north, while **20 percent** is transported south.
- ▶ Between 2009 and 2013, trade with Alaska accounted for over **80 percent** of domestic containerized shipments through the Ports of Seattle and Tacoma, and **20 percent** of total containerized shipments.
- ▶ The marine commerce connection between Puget Sound and the Port of Anchorage is particularly critical to Alaska. Virtually all northbound containerized freight destined for Alaska originates in Puget Sound.
- ▶ Alaska-Puget Sound cargo and freight activity accounted for **5,500 jobs** and **\$450 million in labor earnings** in 2013.

JOBS 23,900

LABOR EARNINGS \$1.3 billion



Photo courtesy Alaska Seafood Marketing Institute

Seafood

Puget Sound is the base for Alaska's commercial fishing industry: the homeport for its biggest boats and largest processors, and the transportation hub for its seafood products.

- ▶ Puget Sound residents own nearly **1,000 commercial fishing vessels** participating in Alaska commercial fisheries.
- ▶ Puget Sound's **36 seafood processing companies** accounted for **82 percent** of total first wholesale value of Alaska seafood production in 2013.
- ▶ Alaska-related commercial fishing created **10,150 jobs** and **\$600 million in labor earnings** in Puget Sound in 2013.
- ▶ Alaska-related seafood processing created **13,100 jobs** and **\$690 million in labor earnings** in Puget Sound in 2013.
- ▶ Government and industry organization-related employment created **650 jobs** and **\$50 million in labor earnings**.
- ▶ Including multiplier effects, nearly **24,000 Puget Sound jobs** and **\$1.3 billion** in labor earnings are tied to Alaska's seafood industry.

Transportation & Tourism

Puget Sound is the gateway for nearly all travel to and from Alaska, including via airplane, cruise ship, and ferry.

- ▶ Over **1 million air passengers** embark on planes bound for Alaska communities at Sea-Tac on an annual basis (with an equivalent number disembarking).
- ▶ Puget Sound hosts over **430,000 Alaska cruise passengers** annually. Nearly all of these passengers transit the area twice (once before embarking and again after disembarking). **Almost half (45 percent)** of all Alaska cruise passengers begin and end their cruise in Seattle.
- ▶ Over **14,000 ferry passengers**, and nearly **6,000 vehicles**, travel from Bellingham to Alaska via the Alaska Marine Highway annually; an equivalent number travel the same route south.
- ▶ **Passenger transportation** to and from Alaska accounted for **14,100 jobs** and **\$554 million in labor earnings** in Puget Sound in 2013.

JOBS 14,100

LABOR EARNINGS \$554 million



Photo courtesy Port of Seattle, Don Wilson



Petroleum

Alaska is the number one source of crude oil for Puget Sound refineries.

- ▶ Alaska supplies nearly **half (46 percent)** of all crude oil refined in Puget Sound. Puget Sound's five refineries receive **265,000 barrels** of Alaska crude oil per day.
- ▶ An estimated **12,000 Puget Sound jobs** and **\$780 million in labor earnings** are connected with refining Alaska oil.

JOBS 12,000

LABOR EARNINGS \$780 million

Maritime Support

The maritime support industry includes the full range of services required to build, operate, and maintain vessels. With such services relatively limited in Alaska, Puget Sound is particularly important to the fleet.

- ▶ Ship/boat construction, repair and maintenance facilities and services; suppliers of marine-related goods, materials, and equipment; marine-related manufacturing; and a variety of other businesses are included in the maritime industrial support sector.
- ▶ Vessels from Washington represent **56 percent** of the Alaska fleet's gross tonnage.
- ▶ It is estimated that **one-quarter** of all maritime support activity in Puget Sound is connected to Alaska, with an economic impact that includes **5,300 jobs** and **\$390 million** in annual wages in 2013.

JOBS 5,300

LABOR EARNINGS \$390 million



Photo courtesy Vigor Industrial

JOBS 1,200

LABOR EARNINGS \$87 million



Health Care

Health care is a small but literally life-saving segment of the Alaska-Puget Sound economic relationship.

- ▶ Puget Sound medical facilities served over **2,000 Alaska residents** in 2013, at **33 different facilities**. They spent nearly \$100 million on medical care in Puget Sound.
- ▶ Alaska patients receiving treatment in Puget Sound created **1,200 jobs** and **\$87 million in labor earnings** in 2013.

JOBS 250

LABOR EARNINGS \$11 million



Education

Many Alaskans turn to Puget Sound when seeking educational opportunities after high school.

- ▶ Washington is the number one state for Alaska residents attending postsecondary institutions outside of Alaska. **Over 600 Alaska residents** attend Puget Sound postsecondary educational institutions on an annual basis.
- ▶ Alaska students attending Puget Sound postsecondary institutions accounted for **250 jobs** and **\$11 million in earnings** in 2013.

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Content of this brochure is based on the report "Ties that Bind: The Enduring Economic Impact of Alaska on the Puget Sound Region." Please refer to the full report, available at www.seattlechamber.com, for additional detail.

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