

Wrangell Alaska 2020 Business Impact Survey

City and Borough
of Wrangell



October 2020

Developed and Prepared by

Rain
Coast Data



Table of Contents

Introduction **Page 1**

Wrangell Businesses 2020 Impacts **Page 2**

- *Estimate the percent revenue decline to your business inn 2020 so far* **Page 3**
- *Changes in workforce participation due to COVID-19 by industry.* **Page 4**
- *Is your business at risk of closing permanently?* **Page 5**
- *Did you receive any COVID-19 funding to support your business?* **Page 6**
- *How has your business been impacted by the 2020 economy?* **Page 7**
- *What are your top business challenges moving forward?* **Page 8**
- *What help do you need most moving forward?* **Page 9**

Wrangell Economic Outlook **Page 10**

Wrangell Jobs Outlook **Page 13**

Participant Overview **Page 20**

Open Ended Responses **Page 21**

- *Please elaborate on how COVID-19 has impacted your organization.* **Page 16**
- *Please elaborate on how the 2020 seafood season has impacted your organization.* **Page 21**
- *What is the number one thing that would ensure your business survival?* **Page 24**

Wrangell Business Survey Results 2020

The City and Borough of Wrangell commissioned a survey to gauge the impacts of COVID-19 and the 2020 seafood season on the Wrangell business community, in order to focus economic solutions moving forward. The survey, designed and administered by Rain Coast Data, includes comprehensive multiple choice questions regarding 2020 business impacts, questions clarifying how the private sector can be supported moving forward during this period of pandemic, and open-ended questions allowing increased input by business leaders.

More than 100 Wrangell business owners and top managers responded to the survey, representing 247 current workers, although businesses had 377 workers in 2019. The 18-question web-based survey was administered electronically from October 2nd through October 8th, 2020. The survey results include the following findings:

- Responding employers laid off 32% of their total workforce due to COVID-19 and the 2020 seafood season, and cancelled planned hires of 138 additional workers. Eleven percent of businesses expect to cut more staff over the next 12 months.
- Wrangell business revenue was down 50% on average in 2020 so far, compared to the same period in 2019. By industry, the tourism sector experienced the greatest revenue losses.
- More than one-fifth (21%) of respondents say that they are at risk closing permanently (including 2% that say they have already closed), while 35% say they are not at risk. Businesses in the tourism, retail, seafood, and maritime industries have the highest risk of closing due to the pandemic.
- 37% of respondents feel that the upcoming year will be worse.
- The most significant impacts to Wrangell businesses from COVID-19 include lost revenue (reported by 79% of businesses), followed by loss of clientele (50%), and declining sales (44%).
- Top challenges moving forward include trying to make good business decisions in the face of considerable uncertainty (reported by 54% of businesses), managing an unstable customer base (52%), depleted reserves (43%), paying off debts (43%), and a lack of ferry service (42%).
- The help Wrangell businesses are most wanting include access to grants (63%), utility bill relief (41%), and financial assistance (35%).
- A similar survey conducted 3 months earlier showed fewer impacts, but a bleaker outlook.

The workers represented by this survey represent 40% of Wrangell's total 2019 private sector workforce. It should be noted that Wrangell's largest private employers did not participate in this survey. No businesses with more than 25 workers took the survey, and the findings lack the perspective of Wrangell's large seafood processing and health care organizations.

The following pages summarize survey findings.

Wrangell Businesses COVID-19 Impacts

Wrangell Alaska business leaders were asked how the 2020 economy is impacting their businesses. Responding employers have already laid off 32% of their total workforce due to the 2020 economy. Wrangell business revenue was down 50% in 2020 so far, compared to the same period in 2019. Nineteen percent of respondents say that they are at risk of closing permanently, two percent have already closed, while an additional 43% say that they are at risk of closing permanently.

Total Businesses Responding = 114

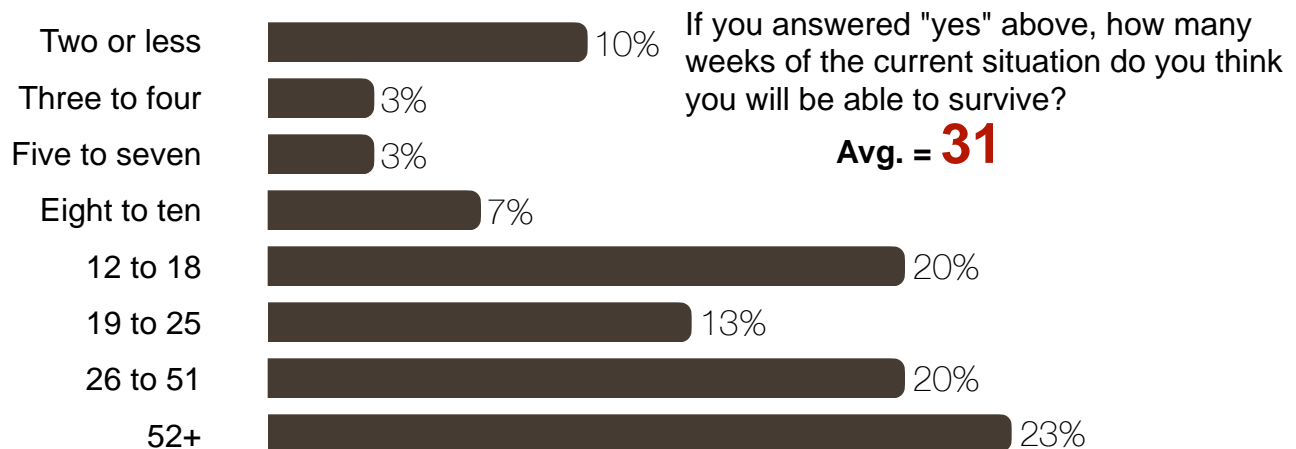
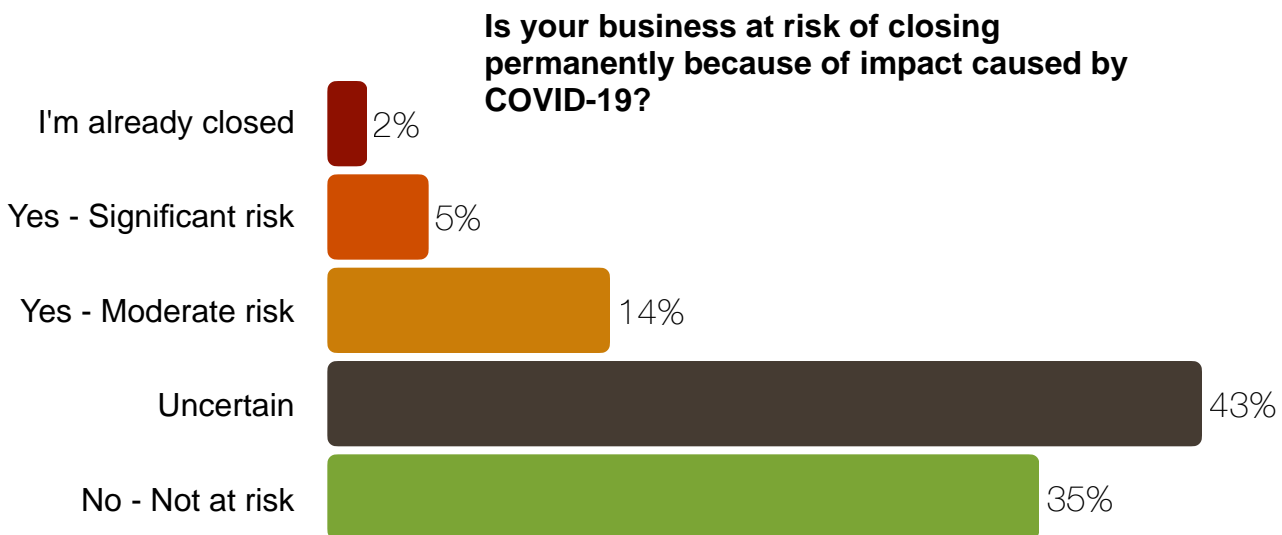
Representing 377 2019 Wrangell Alaska workers, and 247 current workers

Responding businesses have typical peak employment of 3.3 workers

Respondents laid off 32% of existing staff in the summer of 2020

and did not bring on an additional 138 planned hires

11% expect to make further employment cuts

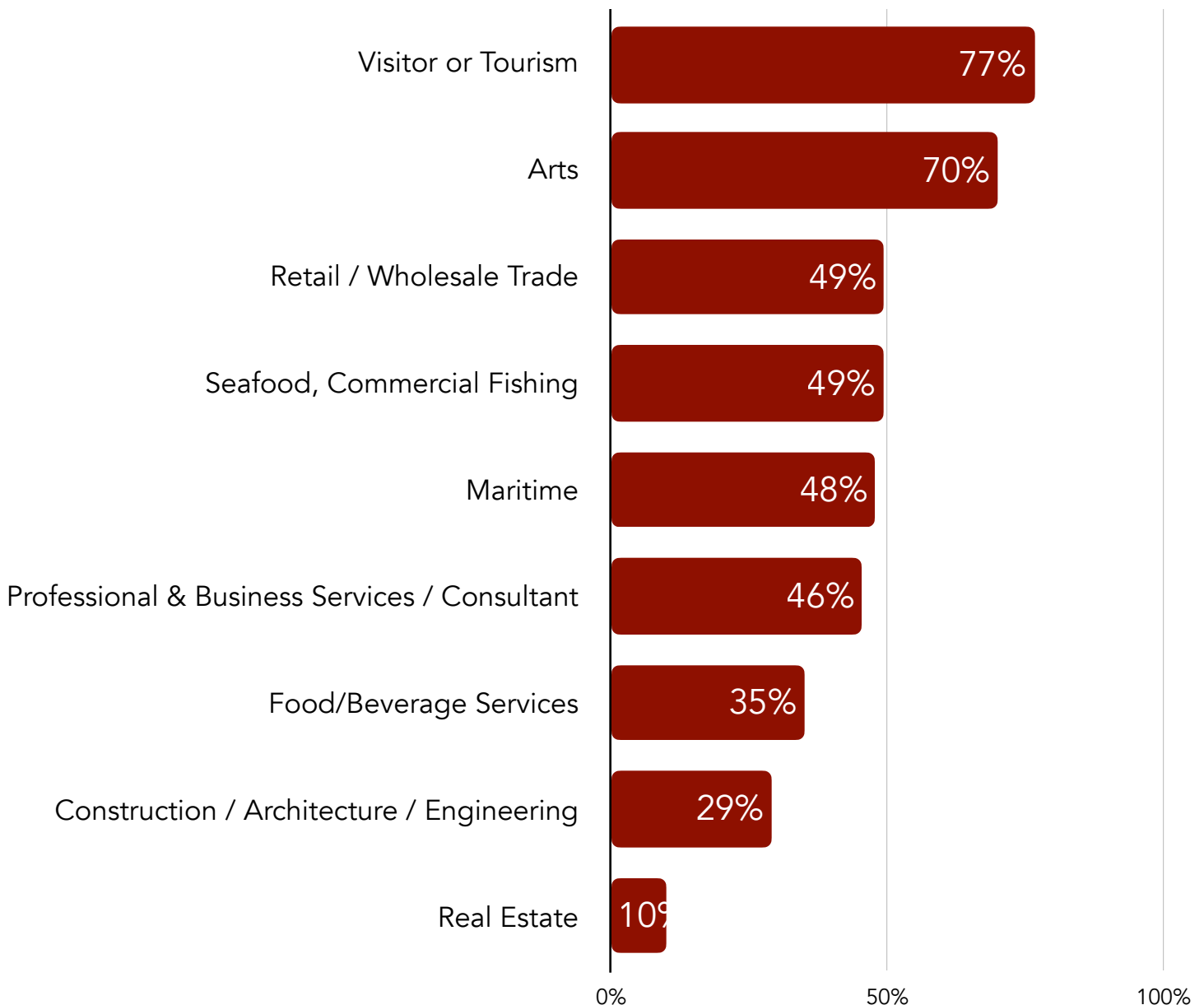


Please estimate the percent revenue decline to your business due to COVID-19 in 2020 so far (compared to same period in 2019)? By Industry

On average, Wrangell businesses have lost **50%** of their revenue due in 2020 compared to the same period in 2019. However, there is significant variation between industry impacts. Businesses in the tourism and arts sectors are down by more than 70%. The retail, seafood, and maritime sectors are all down by just under 50%. Real estate and construction businesses are down the least.

Overall Average = -50%

■ Average percent revenue decline to your business due to COVID-19 in 2020

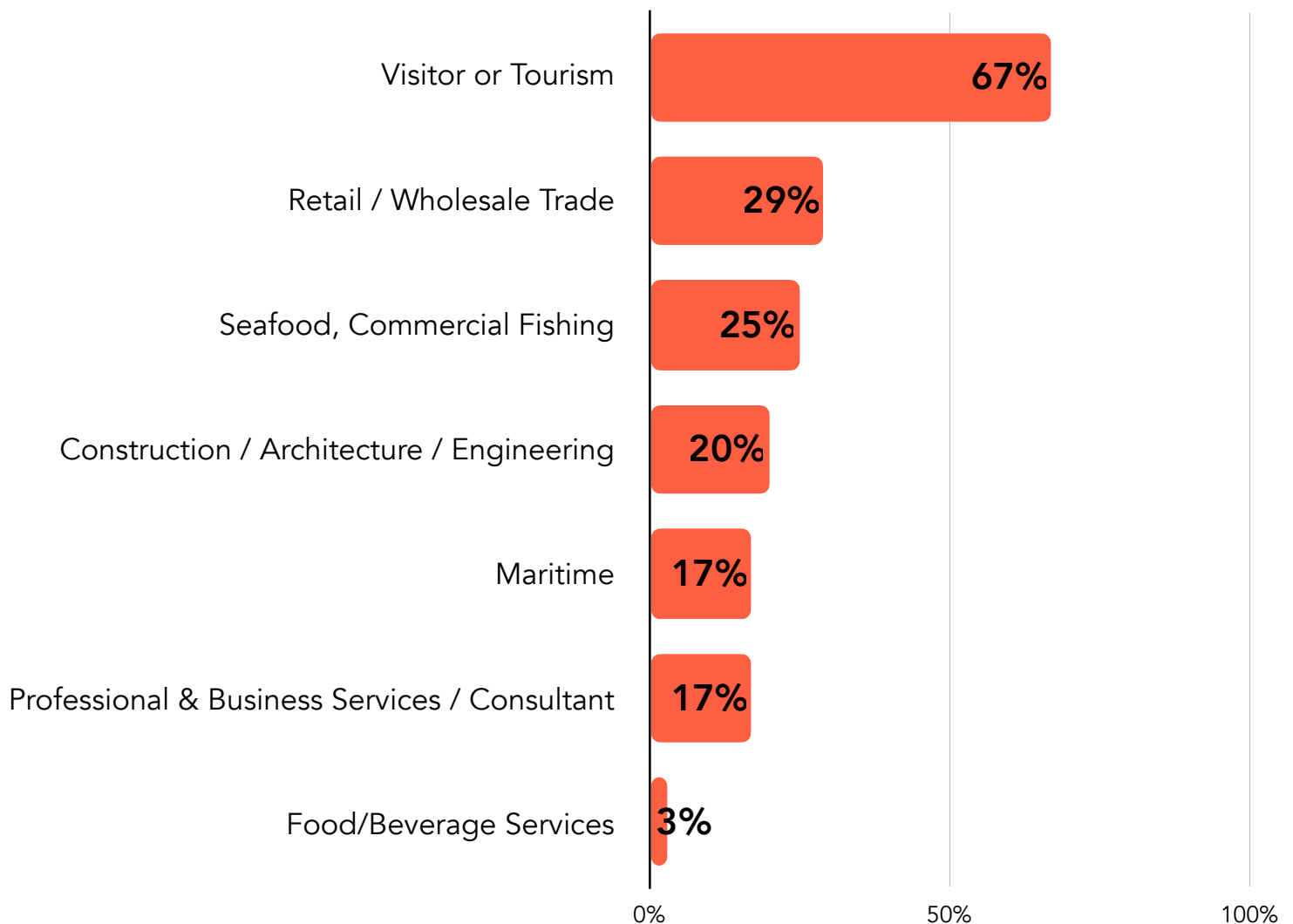


Changes in workforce participation due to COVID-19 By Industry

A similar pattern to revenue loss analysis emerges when comparing the loss of employment by industry. Business leaders were asked how many existing employees have been laid off or put into unpaid status so far due to COVID-19. Overall, businesses reported laying off **32%** of their staff in 2020. The tourism sector was the hardest hit by this measure as well, laying off 67% of workers, followed by retail (-29%) and seafood (-25%). The food and beverage sector experienced the smallest percentage of separations. Note that more than one-third of responding businesses are sole proprietors with no staff beyond themselves, and thus did not make any cuts at all.

Overall Average = **-32%**

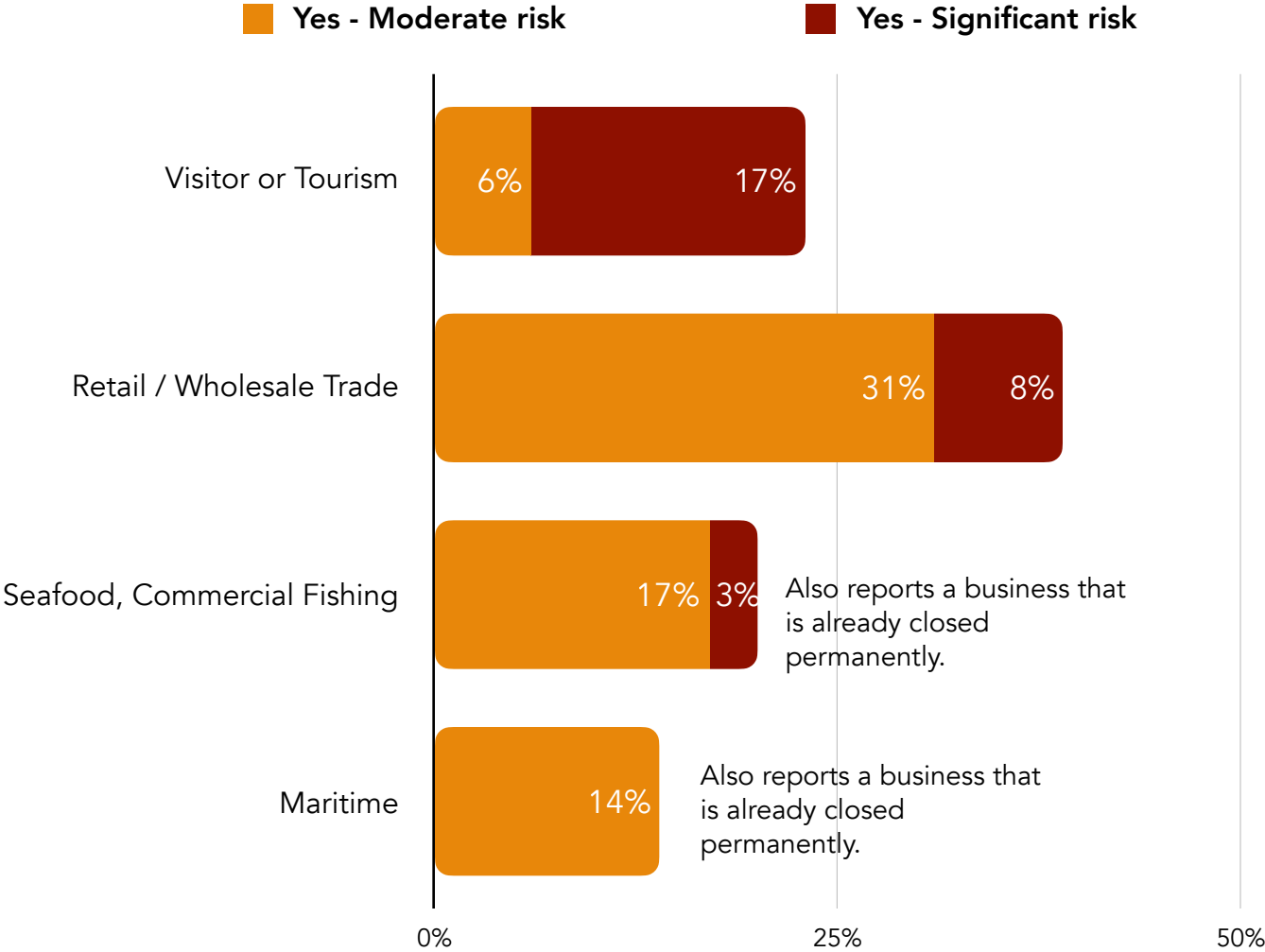
■ % of staff laid off in 2020



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

Overall, 19% of Wrangell businesses said that they were at risk of closing moving forward, including 5% who said they are at significant risk. The following chart analyzed which sectors are at the greatest risk of being unviable due to the 2020 economy.

Businesses in the tourism, retail, and seafood sectors have the greatest risk of closing in this time of pandemic. Two responding businesses have already closed. These businesses were in the industrial maritime and seafood sectors.



Did you receive any COVID-19 funding to support your business?

A total of \$1.7 million in funding was reported received by responding Wrangell businesses. The average assistance amount received was \$25,565. Those in the tourism sector received the highest average amount of funding assistance, at \$31,509 per businesses. Those in the industrial maritime sector received the least amount of average per businesses funding.

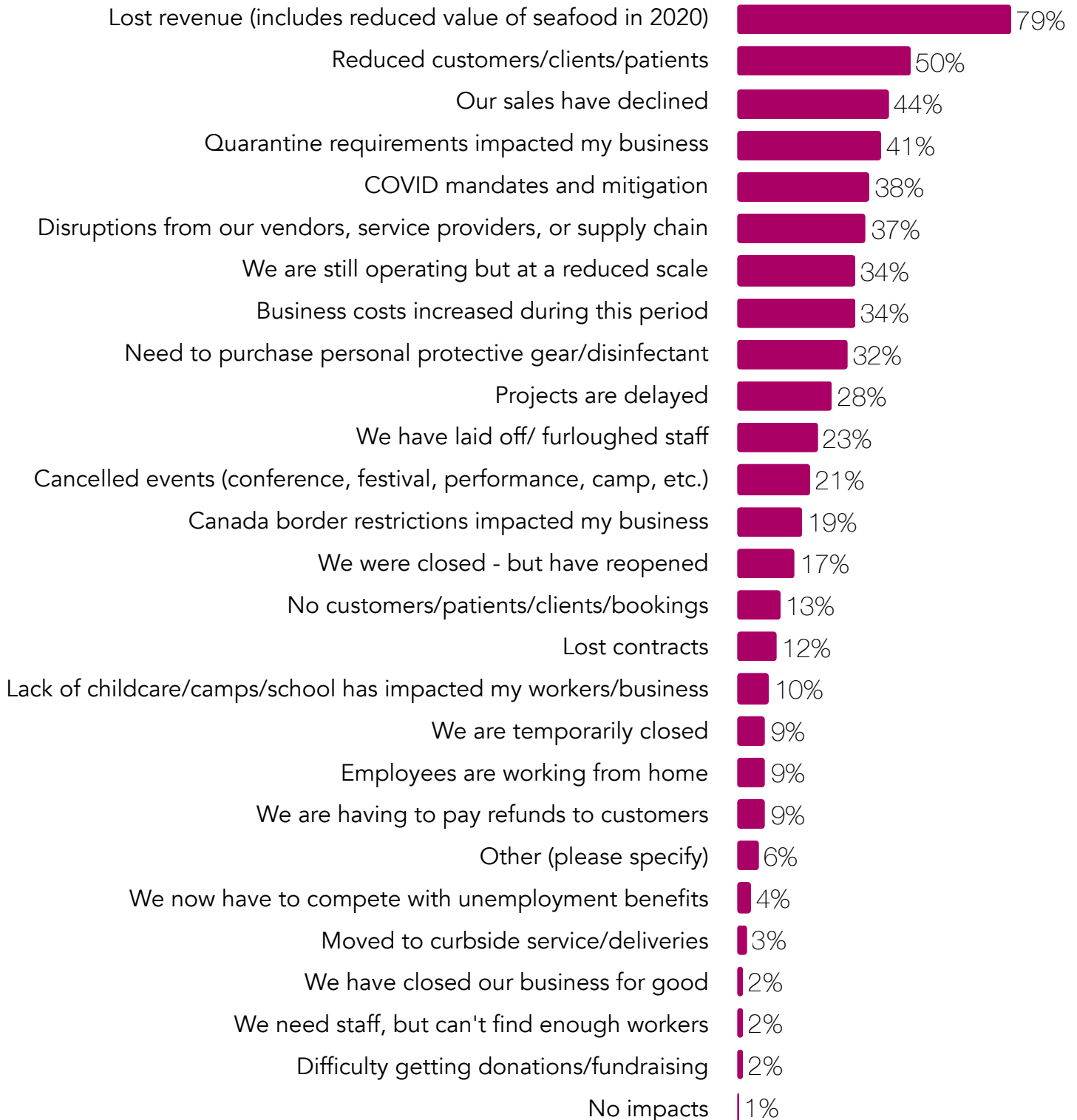


Total Funding Reported Received by Wrangell Businesses = \$1.7 million
Average amount received by businesses receiving funds = \$25,565

How has your business been impacted by COVID-19?

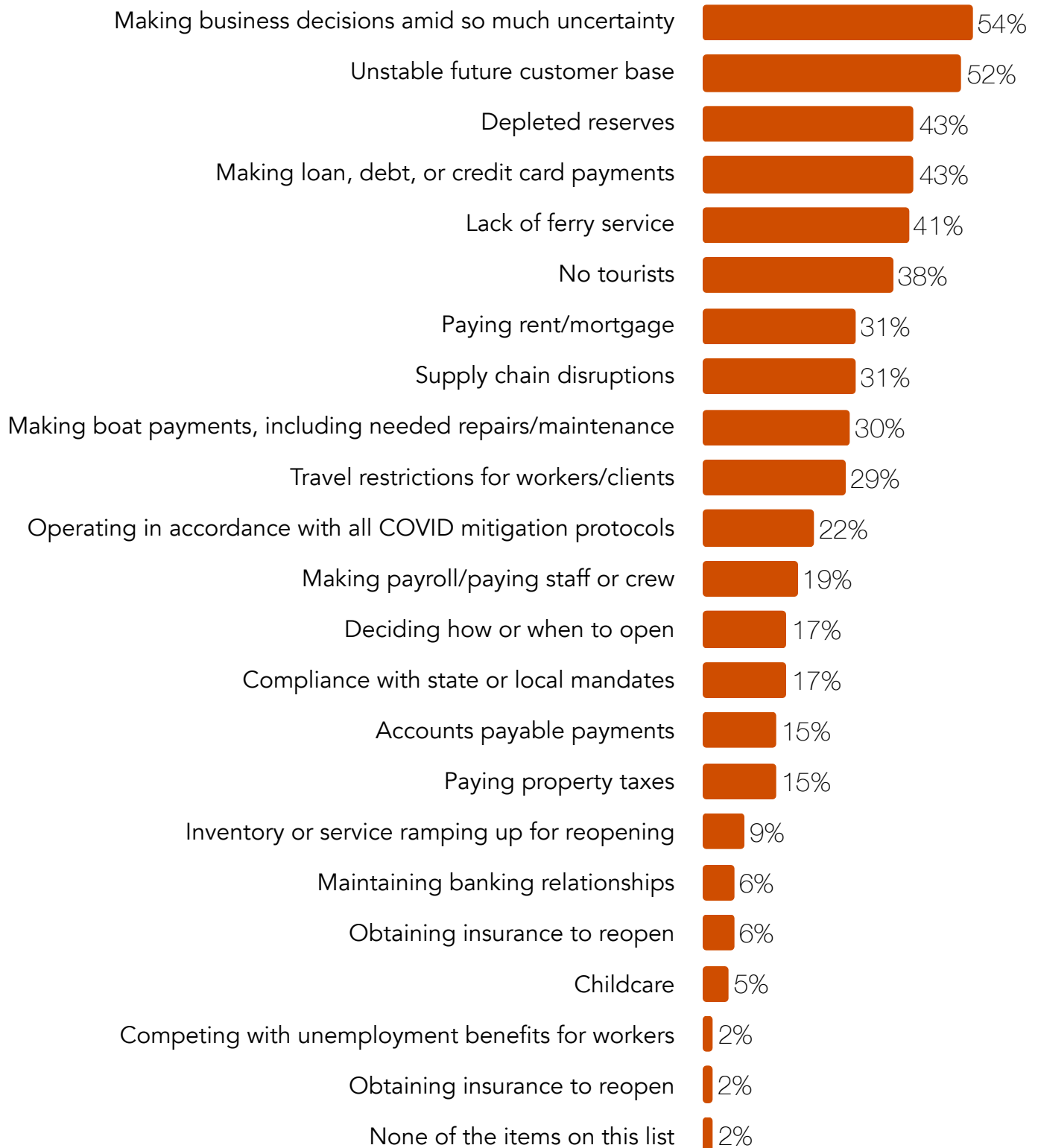
(check all that apply)

Business leaders were asked how their organizations have been impacted by the pandemic. Seventy-nine percent of businesses reported they had lost revenue due to 2020 events, half reported a decline in customers, and 44% reported sales declines.



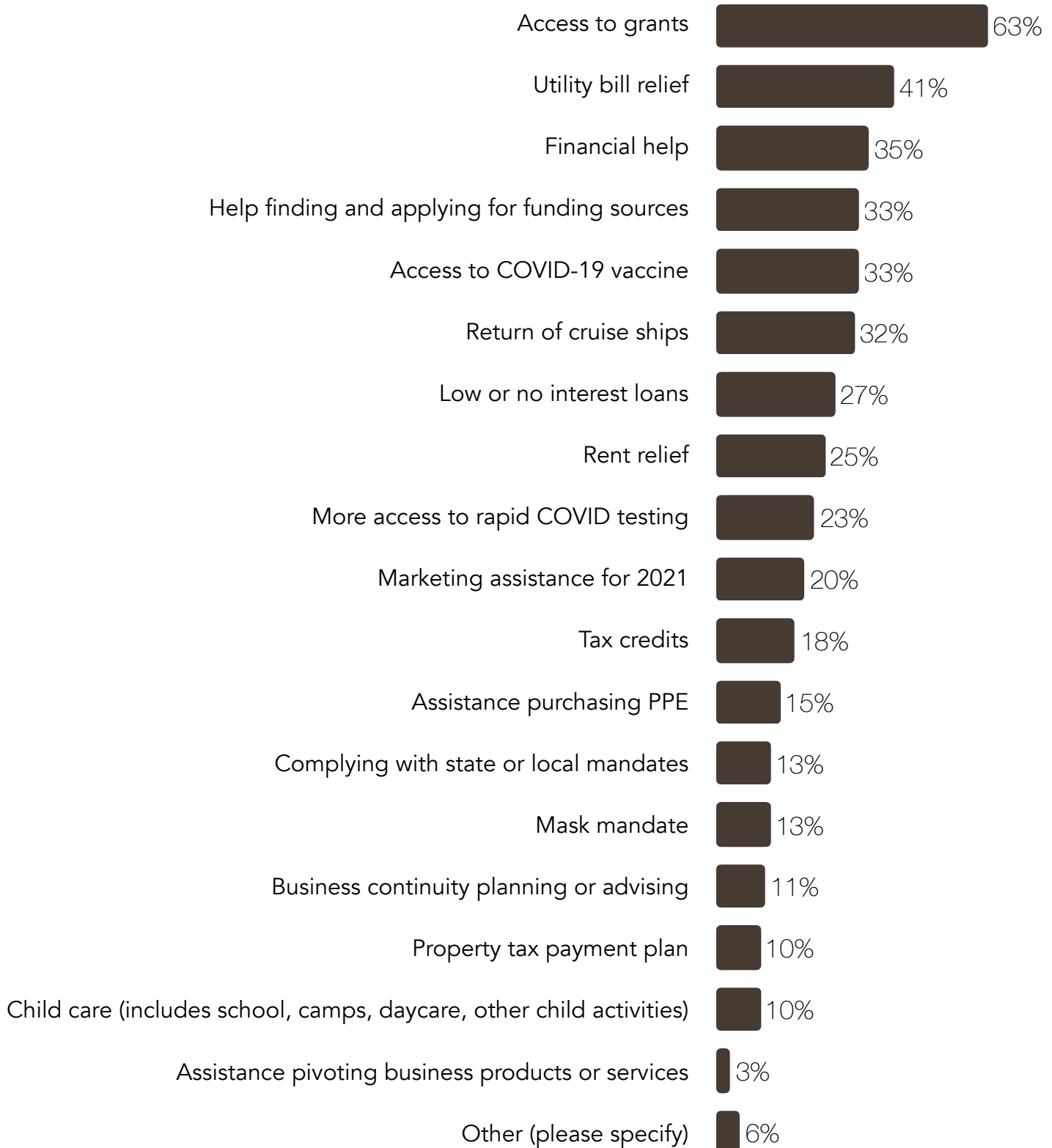
What are your top business challenges moving forward? (check all that apply)

Owners and managers were asked what their top business challenges are moving forward. Top responses included making business decisions amid uncertainty, an unstable customer base, depleted reserves, and a lack of ability to pay bills or make debt payments.



What help do you need most moving forward? (check all that apply)

Business leaders were asked what help they most want and need moving forward. Top answers include access to grants, utility bill relief, financial help, and help applying for aid.



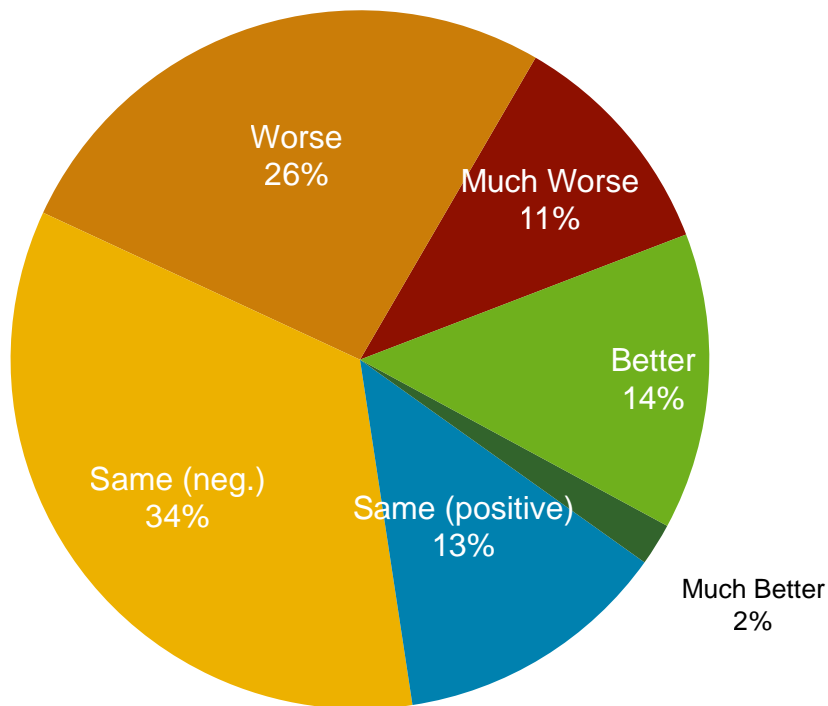
Wrangell Economic Outlook

Business leaders were also asked about their expectations over the coming year. Nearly three-quarters (71%) of businesses say the economic outlook for their business or industry over the next 12 months is negative. More than one-third of survey respondents expect their prospects to be worse (26%) or much worse (11%) over the next year, while 16% expect the outlook for their businesses to improve in the coming year.

October 2020 Wrangell Alaska: What is the economic outlook for your business or industry?

29% Positive / 71% Negative

16% Improving / 47% Same / 37% Worsening



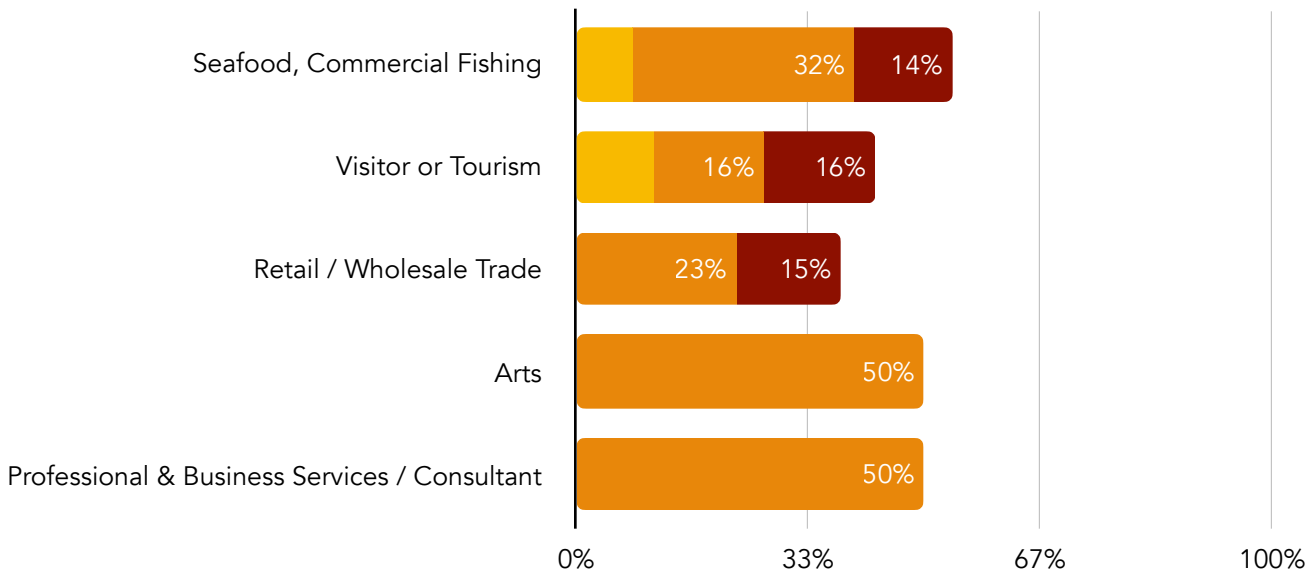
Interestingly, the outlook for Wrangell has improved since businesses were asked this same question in early June, three months earlier. This shift in perspective appears to be due to the severity of the 2020 economic impacts for Wrangell occurring during the summer of 2020. Businesses were correct regarding their earlier forecast when 79% of Wrangell survey respondents expected their prospects to be worse (38%) or much worse (41%). Compared to the summer of 2020, the current outlook, while still largely negative, has fewer saying the economy will be much worse moving forward.

Wrangell Economic Outlook: by Industry

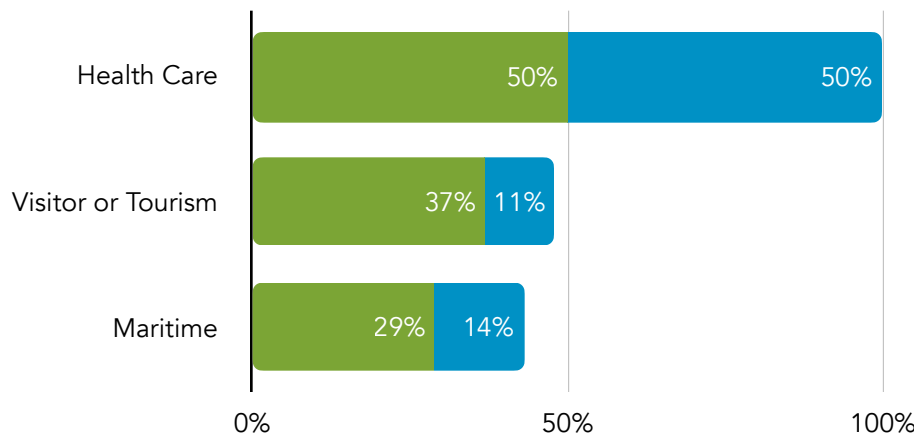
The seafood and retail sectors continue to have the most negative outlooks looking forward. Those in tourism have a divided outlook, and those responding from the health care sector have the most positive outlook. The below graphics show economic outlook breakdowns for the next year by industry.

What is the economic outlook for your business or industry over the next 12 months?

■ Same (generally negative)
 ■ Worse
 ■ Much Worse



■ Much Better
 ■ Better
 ■ Same (generally positive)



Wrangell Economic Outlook: by Industry, table

The following table shows a detailed economic outlook by industry.

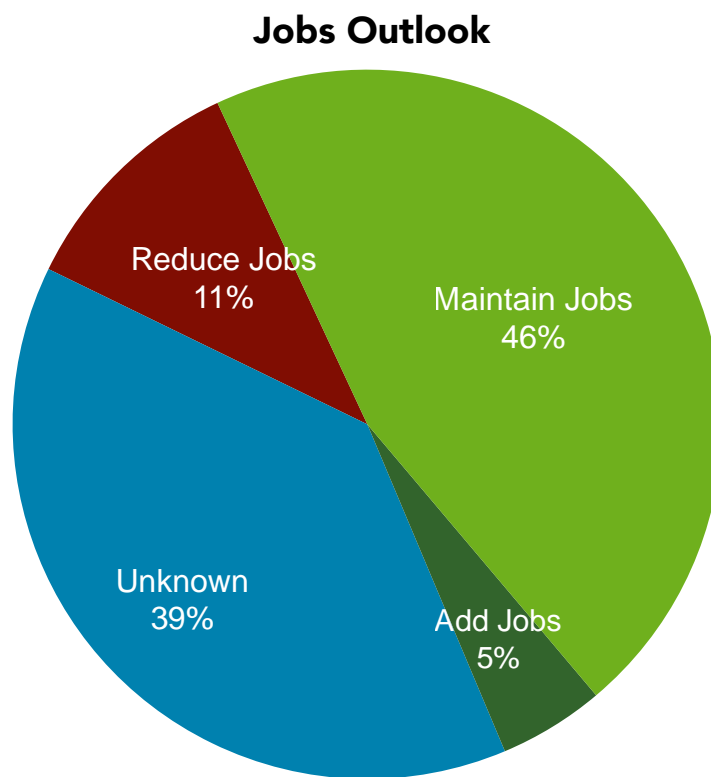
What is the economic outlook for your business or industry?						
Sector	Much Better	Better	Same (generally a positive statement)	Same (generally a negative statement)	Worse	Much Worse
Arts	0%	0%	0%	50%	50%	0%
Construction / Architecture / Engineering	0%	0%	67%	33%	0%	0%
Food/Beverage Services	0%	0%	67%	0%	33%	0%
Health Care	0%	50%	50%	0%	0%	0%
Maritime	0%	29%	14%	29%	29%	0%
professional & Business Services / Consultant	0%	25%	0%	25%	50%	0%
Real Estate	0%	0%	25%	50%	25%	0%
Retail / Wholesale Trade	0%	8%	0%	54%	23%	15%
Seafood, Commercial Fishing	5%	3%	8%	38%	32%	14%
Visitor or Tourism	0%	37%	11%	21%	16%	16%

Wrangell Job Outlook over the Next Year

Employment changes in the next year

Another way to gauge economic activity moving forward is to better understand where new jobs will be added or lost. Eleven percent of business leaders surveyed expect to further reduce the number of jobs associated with their businesses over the next 12 months, while 46% expect to maintain total jobs, and 5% expect to add new employees. More than one-third (39%) say that workforce changes over the next year are an unknown quantity.

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)



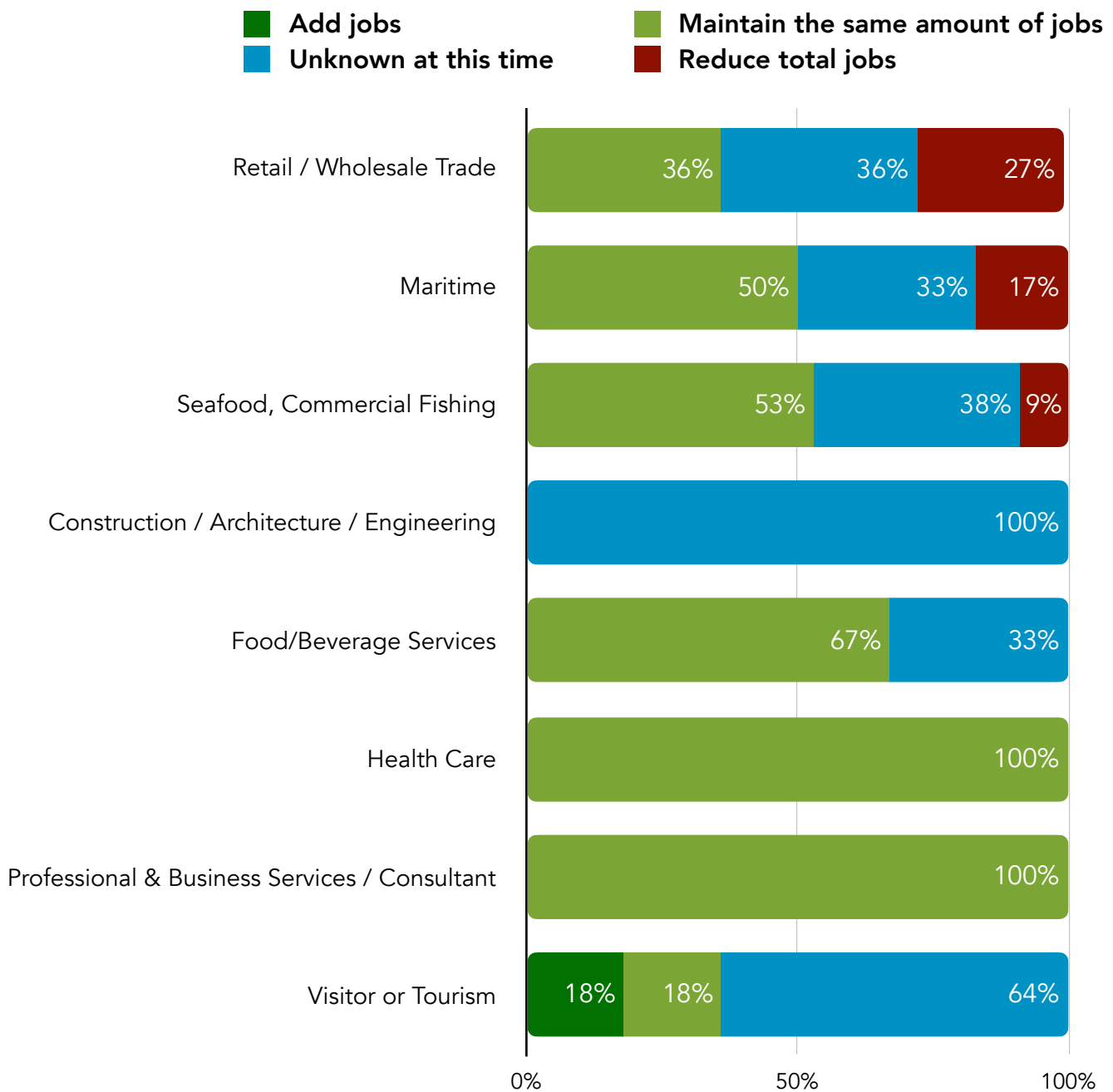
This was another area in which the projection has changed over the past three months. The mid-June forecast showed that 41% of Wrangell employers were considering additional staff cuts. Wrangell businesses report having cut 32% of their workers in 2020 already. While those saying they don't know what staffing choices they will make moving forward is roughly similar to the June findings, those saying that they will maintain current job levels has risen from 17% to 46%, while those saying they will likely continue to make cuts fell from 41% to 11%.

Business owners with no staff are excluded from this analysis.

By Industry: Jobs over the Next 12 Months

Only tourism organizations are planning to add jobs in the coming year, and only a few. Employment reductions are expected to be most significant in the retail, maritime, and seafood, sectors.

Over the next 12 months, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure?



Participant Overview

A total of 114 businesses in Wrangell communities responded to the private investment survey. Respondents came from 16 different regional economic sectors. The highest number of respondents came from the visitor industry sector. Thirty-seven percent of responding business owners are sole-proprietors.

Which best describes the primary industry focus of your company?

Answer Options	# of business responses	Normal Peak Workers
Seafood, Commercial Fishing	44	143
Visitor or Tourism	24	82
Retail / Wholesale Trade	13	40
Maritime	6	18
Food/Beverage Services	4	36
Professional & Business Services / Consultant	3	8
Construction / Architecture / Engineering	3	16
Real Estate	3	7
Other Non-profit	3	4
Arts	2	4
Health Care	2	6
Communications /IT	2	7
Timber	2	3
Social Services, Child Care, or Education	1	1
Transportation (non-tourism)	1	1
Energy	1	2
TOTAL	114	377

How many people did your business employ during 2019?

Answer Options	Responding Businesses
One	42
Two	21
Three to Five	35
Six to Ten	12
11 to 25	4
TOTAL	114

community and businesses drastically. Many were not able to or not going to be able to financially recover from that blow.

- COVID-19 has impacted our ability to obtain suppliers and retain employees. We have also seen a 12% loss in number of customers as a result of no tourism.
- Delayed projects.
- Delayed remodeling a building
- Disrupted the supply chain and customer pool. Jobs delayed and cancelled. Inflated material and operating costs.
- Due to COVID-19, there was a huge drop in seafood price across all fisheries. In addition, positive COVID-19 cases in the seafood plant halted production during the peak of Dungeness crab, costing me 30-50% of my business revenue.
- Early on when we were able to reopen our customer volume had significantly decreased. As it was announced that there would be no cruise ships, we saw our customer volume further decrease. We not even covering our overhead. COVID-19 impacted our family on a personal level as travel became more of an issue. My husband was no longer able to commute via commercial airlines. We made the decision to close the doors and temporarily relocate our family to the area of his place of employment. Doors remain closed at this time. We may reopen in the spring.
- Ferry travel! Also locals not abiding by masks or distance affects my ability to access businesses to conduct my business. Also, businesses and city are not clearly posting their safety protocols for events or business opportunities. This is unacceptable. Safety protocols should be stated in every advertisement or announcement. Otherwise we assume it's not safe & can't attend a meeting, event, business etc.
- Fewer construction jobs, both personal and company, who rent our heavy equipment. Equipment rentals went down due to fewer jobs, lost personal revenue (so they can't do the projects they were planning), and fewer contractors traveling to town.
- Greatly decreased our income
- Has actually increased our business.
- Having no cruise ships and very few independent travelers has significantly reduced our revenue. We rely on summer revenue to carry us through the rest of the year. In addition to a poor commercial fishing season we suffered a double whammy.
- having to close down for 8 weeks really hurt things. Not being able to meet the needs of people in town makes it difficult to catch up as they go elsewhere online to get items.
- Huge loss of income!
- I had construction projects cancelled, delayed and reduced scope of work. That has created a major reduction in my income. With other industries suffering, I dint foresee many projects coming up this winter to keep us afloat.
- I have had to close many times due to illness that would otherwise not result in a closure. I recently had to let go of my younger group of children so I can homeschool because of the current situation with the reopening of our school it just didn't make sense for my family to attend public school this year.
- I just started my business last year, and it has seriously impacted the amount of revenue with no tourist to rent on a short-term basis.

- I sell books both retail and wholesale, mainly to tourists. No tourists, no sales.
- It completely stopped our cruise ship passenger vessels. It also impacted independent travelers. COVID-19 stopped about 90% of our yacht business.
- It has been a disaster for my business. Trying to find affordable, to me and to the customers, merchandise, they can afford
- It has caused us to have a decrease in revenue but an increase in expenses
- It has driven fish prices way, way down, making keeping crew almost impossible. Without crew you can't fish as hard, or run to as many places, and will have an overall decrease in catch. With the already poor prices and a decreased catch, it makes making money nearly impossible, and on top of that, sitting on a boat by yourself, not making money wears on you, and makes it harder to fish the way you typically would.
- Lack of customers
- Less customers buying goods
- lost income
- Lost travelers that would've stayed in our nightly rentals
- Low fish demand and prices.
- Low fish price and volume
- Low fish prices, low demand of fish
- Many tenants are not paying rent.
- Mentally, chances of our deckhands acquiring COVID-19 . and us also.
- Most all of my wholesale customers are closed and have canceled their orders. People are generally not out shopping for nonessential items and no travelers mean no customers. Most of my sales take place at art shows and all of those have been canceled.
- My business wholesales products primarily to Alaska based retail shops, many of whom make the bulk of their income from the summer tourism industry. We have felt the ripple effect from losing tourism this year. Many of our partner shops never opened their doors, while others purchased only limited inventory. Supply chain disruptions have also caused issues with manufacturing our products.
- My choice of jobs.
- My situation was different as I was in the process of upgrading an engine in the boat. Trying to do all this during the COVID-19 wasn't easy.
- no high-end restaurants opened to consume our salmon COVID-19 related transportation expenses as well as added expenses for canneries which came out of our fish prices
- no tourists
- Only about 10-15% vacation rental occupied this past summer vs 95%.
- Our business is reliant on the health of the local businesses and individuals of Wrangell. Their financial insecurity and the potential of more businesses closing affects our total addressable market and has caused us to lose some business already.
- Our prices for fish dropped due to COVID-19 and causing a drop-in profit
- Our Retail business depends largely upon tourism. With no cruise ships in 2020 our sales are way down.
- Our sales are 10% of a normal year due to no cruise ships or independent travelers.

- Our shop makes a significant portion of our income during the busy summer months of the tourism industry. With a complete lack of tourists, we have experienced a significant decline in income.
- Over \$44K in cancellations
- prices are low for fish, not having ferry service earlier effected having our fish sent out,
- Quarantine, lack of off-season small jobs, uncertainty about 2021/2022 season. Increased demand for FY ending 2020 for customers who received CARES funding and need to spend it before 12/31. But can only do one job/customer at a time so this does not benefit my business.
- Quarantines
- Reduced clients
- Revenue and ease of business operations
- Seafood prices are down as well as demand.
- Severe loss of revenues within the fishing seafood industry. Added costs of PPE and quarantine safety.
- Severely impacted summer tour season. Zero income yet continued to have to hold insurance and have office staff.
- Slow business
- Supply chain delays. Travel mandates and not wanting to risk travel for work.
- The market for commercially caught halibut virtually collapsed due to the mass closing of restaurants which caused a tremendous downturn in demand. This lack of demand kept the price very low and kept seafood buyers only taking limited poundage of halibut. This made it extremely difficult to catch our product and plan our trips most beneficially as we could. The low dock price made it impossible to hire crew. Lack of ferry stops and restrictions in Canada made selling fish very problematic.
- This has affected 2 sole proprietorship business of mine tremendously
- Tourism came to a halt and has remained slower than usual. Even travel among Alaskans doing work in Wrangell (and needing housing) has been reduced.
- Travel is challenging
- Travel restrictions, lack of tourism
- Travel, dramatic decrease in customers, lack of access to rapid COVID-19 testing
- We are a \$500,000 + annual revenue generating organization, because of COVID-19, we had \$0 in revenue.
- We could not get more grant money because of mandates stating we were essential, but it still impacted us because we didn't have tourist coming in and customers weren't making money and couldn't get things fixed or worked on. Even if we were essential.
- We had to cancel all reservations and cruise ship work in 2020. Our retail store sales were way down due to no visitors.
- With living on such a small remote island where our clients have to arrive on either ferry, commercial aircraft o ferry, with the COVID-19 travel mandates that were in place it made it extremely difficult for our clients to travel to us. Since we are a tourism-based company, it is uncertain that any of these issues will make travel any easier or relaxed for visitors in 2021. We don't feel that pivoting is relevant to our situation.

- With the COVID-19 Scare, and the reduced or no boat haulout, many of my customers cancelled having their boats worked on.

- Income is half
- It has driven the market down for crab almost 50% of the price per pound we have been receiving the past three years.
- It has not
- Lack of fish makes for lack of fishing charters
- lack of fishing-based charters
- Lack of market, low price, uncertain market and buyer restrictions made for a very dismal season.
- Less money in the local economy may be effecting sales.
- Low price, not many fish, low fish run.
- low prices for salmon and crab
- Many of our members are directly impacted by the 2020 seafood season which will impact us in the long run because they may not be able to financially afford our services in the future.
- Market issues.
- All Visiting customers matter
- Most of my work is repair on commercial fishing & tender vessels
- My income split in half with the terrible fish prices as well as poor run.
- No direct impact for our business.
- No Fish, customers don't want to spend what income they have to update, repair or replace their boats. This effected my business tremendously.
- No price at cannery while cost of business increased
- Only fished couple days
- Prices are affected over 30% loss. No markets with some seafood such as shrimp.
- Prices of processors are down for fishermen
- Seafood is a major part of our local economy. Without that money I don't foresee the little winter construction projects this year.
- Seafood participants had little money to donate to fund raisers
- Severe loss of revenues within the fishing seafood industry. Added costs of PPE and quarantine safety.
- The poor commercial fishing season has greatly reduced our customers' ability to afford to shop in our business. It will probably get even worse through the winter months.
- The seafood industry impacts all of our lives and every business in Wrangell. My family are commercial fishermen & have had to adjust their schedules & have not been able to employ others safely due to COVID. Also, I promote fishermen and Wrangell through my writing and art. I haven't been able to accompany fishermen this year. So basically, the industry isn't getting advertised or promoted as it should be.
- the virus has caused the seafood dock prices to crash & the salmon run failed!
- Trident Seafoods did not process any fish. Sea Level seafoods had limited processing. We will have lost 60% to 75% of our overall fish tax money.
- Very few fish poor price
- Very low fish prices. Lost markets as borders closed. Japan and Europe was our highest markets and they closed the borders, and others like restaurants.

- We are receiving less for our product and shipping has been hindered due to cancelled flights and shut down buyers
- Low fish price and volume
- prices are low for fish, not having ferry service earlier effected having our fish sent out,
- no high end restaurants opened to consume our salmon COVID related transportation expenses as well as added expenses for canneries which came out of our fish prices
- We specialize in helping the fishing industry, however, due to the financial threat that the industry is under due to Covid-19 as well as the poor runs, we are unsure of the stability of this industry going forward and have already reduced fees to help them out.
- Well Dungeness crab saw a 50% reduction in price and our May 15th shrimp season was nonexistent due to shipping difficulties
- With devaluation of resource value over 60% of normal profit does not exist
- Lost markets.. include Japan and Europe
- Resource devalued. 55%

- Customers
- Customers for my Airbnb
- Customers! We need people in our town to have jobs and money to be able to shop in our local stores. In lieu of paying customers, the only thing to ensure our survival is financial help through grants or no interest loans.
- Decent prices for seafood
- Economic turnaround.
- Funding
- Funding to help me keep my store until this is over.
- Grant funds.
- Grant help and sales of fish over season to return
- Grant money and tax breaks, to pay the inflated expenses and to pay our loans on our permits.
- Grants and or financial relief or the return of normal demand and pricing.
- Grants that we don't have to pay back.
- Grants to fisherman, or low interest loans.
- Grants to help maintain space and equipment until the market comes back.
- Grants to pay off credit card debt incurred during this time, as well as no/low interest loans to give some relief from the high interest fishing loans most fishermen have. Currently after this season I haven't even been able to cover my interest payments.
- Grants.
- Grants.
- Help with advertising/COVID mitigation efforts/ Alaska State & Federal \$ relief
- Hoping for the best next year good price and a demand for salmon. If things get worse with COVID-19 and with this stupid ass trade war trump has got us in up to our ass hard to say.
- I am not sure what can be done other than the government funneling money like they have but that will impact us in the future so that doesn't seem like an answer.
- if people would realize COVID is a hoax and nothing to be afraid of. Either you're going to get it or you're not. May the strong survive
- Lifting of COVID-19 sanctions
- Longer term funding options for customers and access to loans / grants for cash flow during an uncertain market
- Low interest loan
- Money
- Money
- More customers
- More of both
- More work.
- No COVID-19
- No COVID-19. lol. and borders open to seafood markets.
- No Virus
- opening up restrictions for travel, opening us-Canada border
- People eating more seafood!

- Plant wild salmon
- Price on seafood. Import of farm fish is a huge negative on the market, on top of our market of wild fish.
- Price up at cannery
- Rapid testing, a vaccine that allows cruise ship business to resume
- Reestablishing small restaurant and the seafood supply chain. Grant's and funding for small businesses
- Reducing travel restrictions - but I don't want this to happen YET since COVID-19 is expanding in the US and AK right now.
- Reopening
- Resume the normal level of guests at my Airbnb = full at least 1/2 of the month
- Safe return of small ship cruises and the survival of said small ship companies.
- Safe travel with attainable COVID-19 mandates and access to grant funding that will be available.
- Some financial boost, grant money. Property tax forgiveness. Lower yard space lease rent. Customer base return.
- Some help with moorage and shipping expenses and payroll.
- The economy
- The pandemic to end and return of the crab market prices.
- The return of tourism to Wrangell.
- There's no one thing that can help. Getting back to what use to be normal and quit disrupting our jobs and businesses with all this COVID-19 crap. Schools should reopen fully so our kids can go back and have something normal again.
- To be given substantial increase in price of product I sell.
- Tourism back
- Tourism to come back and everyone getting back to work.
- Tourism to continue as normal. As years past!
- Trade agreements with foreign countries
- Transportation