

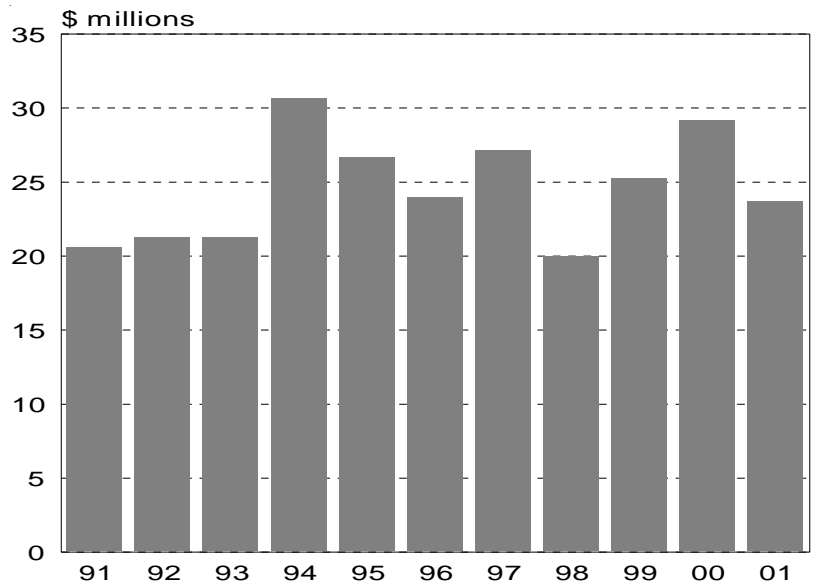
Service, U.S. Postal Service, National Marine Fisheries Services, and National Weather Service all contribute to the local economy.

Survival through diversity

While Sitka has lost the pulp mill, it has retained other core industries. Health care, education, government, and seafood harvesting and processing continue to play important roles. It has also developed and expanded endeavors in tourism, conventions and shipbuilding. The key to this community's resiliency seems to be its diversified economy and its willingness to embrace new ideas and opportunities. As a result, Sitka has fared better than most Southeastern communities in adjusting to the region's post-timber economy. After passing through some troubled times, Sitka seems to be looking forward to a second 200 years of innovative and adaptive history.

Fishing Still Important in Sitka

Value of landings by residents



Source: Commercial Fisheries Entry Commission

The Sitka Mill Workers

by Neal Gilbertsen
Labor Economist

Where are they now?

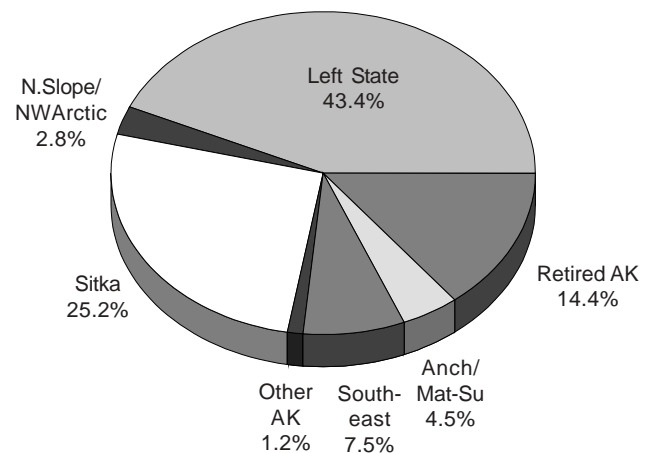
Early in 1993, 427 individuals worked in the wood products industry in Sitka. Later that year, the Alaska Pulp Corporation closed its pulp mill and the number fell dramatically. By 2001, only three Sitka residents were employed in wood products. What happened to the other people? Where did they go and what are they doing now?

Some left the state, others retired

By 2001, 243, or 57 percent of those once employed in the Sitka wood products industry,

Where Have All the Workers Gone?

By 2001, majority had left AK workforce



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

were no longer in the Alaska workforce. Of these displaced workers, 182 individuals, or 43 percent, had left the state. Another 61 individuals, 14 percent, were still in state, but had left the workforce. Most of these were older workers who may have retired since the closure. Fifty of them still resided in Sitka.

Some continued to work in Alaska

Only 43 percent of the original group were still employed in Alaska in 2001. Of these 184 individuals, 111 were working in Sitka, while 73 had moved to other Alaska locations. Nearly half of these, (32), were still in Southeast Alaska, with fourteen in Juneau, seven in Ketchikan, six in the Wrangell-Petersburg census area, two in Skagway, and one each in Haines, Yakutat and Prince of Wales-Outer Ketchikan.

Forty-one of the original workers had staked out their futures to the north. Nineteen were in the Anchorage/Mat-Su area, five more had relocated

to the Kenai Peninsula, three were in Fairbanks, one in Bethel, and twelve had migrated to the higher latitudes in the North Slope or Northwest Arctic Boroughs. One individual was working offshore in the Alaska maritime industry.

What are they doing?

Only eight persons were still employed in timber related industries. Nearly half had found jobs in either services (29.9 percent) or government (19 percent). Others were working in a variety of industries, but a significant difference appears between those who remained in Sitka and those who left.

Those who stayed and those who left Sitka

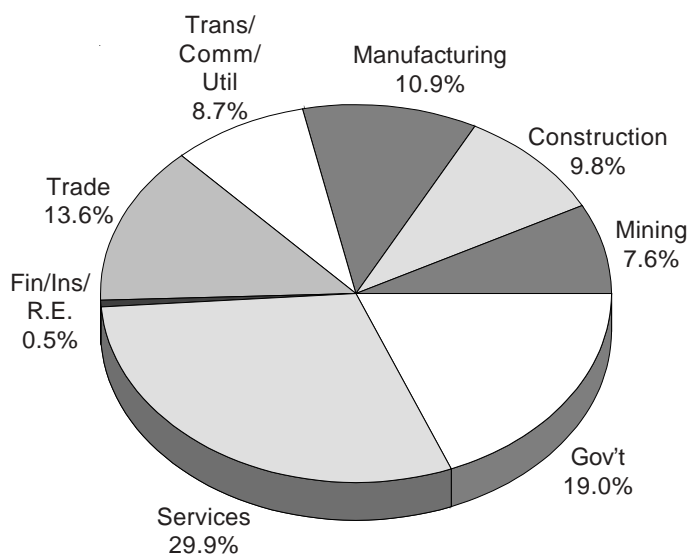
The first noticeable difference between those workers who stayed and those who sought employment elsewhere in Alaska is that a far higher percentage of the migrants secured jobs in the goods producing sector. Fully 41 percent of those who left Sitka were still employed in the goods producing sector in 2001, while only 24.3 percent of those who stayed were so employed. (See Exhibit 3.) Some former Sitka residents who left found work in mining, but none of those who stayed did. Those who stayed were more likely to be working in government. The percentages working in services and manufacturing were roughly comparable for both groups. Those who remained in Sitka were, however, more likely to be employed in trade, while those who left were more likely to hold jobs in the field of transportation, communications and utilities.

Sitka residents

Most Sitka residents who once worked in the wood products industry have changed occupations. Almost all have found jobs in other local industries. Of the 11 workers employed in manufacturing in 2001, three were still involved with wood products, but six had moved to the

2 The Industries They Work In

Ex-Sitka wood products workers in Alaska



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

Employment by Industry

Former Sitka mill workers – 2001

Industry	All Alaska Including Sitka		Sitka		Alaska Excluding Sitka	
Mining	14	7.6%	0	0	14	19.2%
Construction	18	9.8%	11	9.9%	7	9.6%
Manufacturing	20	10.9%	11	9.9%	9	12.3%
Trans/Comm/Util	16	8.7%	5	4.5%	11	15.1%
Trade	25	13.6%	20	18.0%	5	6.8%
Fin/Insur/Real Estate	1	0.5%	1	0.9%	0	0.0%
Services	55	29.9%	35	31.5%	20	27.4 %
Government	35	19.0%	28	25.2%	7	9.6%
Total	184	100.0%	111	100.0%	73	100.0%

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

seafood processing industry. Of the 35 employed in services, 15 were in medical related services, five were in social services, and six in educational services.

Sitka has been more resilient to the timber shock than most Southeast communities, in large part because it faced this challenge with a diversified economy. Two major seafood processing plants, two important health care facilities, a significant social service provider, a large educational community and a healthy government sector provided local opportunities that absorbed many displaced workers. In addition, several industries, such as shipbuilding and tourist related services, have developed or expanded in this time frame and provided other alternatives.