PETERSBURG HOUSEHOLD ECONOMIC ISSUES SURVEY

Prepared for:

City of Petersburg

November 2000

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Juneau • Anchorage

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Introduction

Purpose and Scope

As part of its *Economic Analysis and Strategic Development Plan* process for the City of Petersburg, the McDowell Group conducted a *Petersburg Household Economic Issues Survey*. A second survey was conducted with Petersburg business employers.

The overall development plan process can be divided into three major tasks:

- economic and business analysis,
- public involvement in economic development planning, and
- economic development plan and implementation.

As part of the economic and business analysis section, the household survey measures the perceptions and opinions of Petersburg residents in the following areas:

- the most important issues facing Petersburg,
- the economy and quality of life,
- growth and diversification,
- specific economic sectors, and
- independent tourism.

The survey results provide a starting point for developing a consensus on what Petersburg considers to be appropriate economic development. As with the employer survey, the household survey serves a dual purpose: to gather economic data for economic analysis and to insure overall public involvement by a representative proportion of the community.

Methodology

The Petersburg Household Economic Issues Survey was conducted in September 2000. The telephone survey was administered to a statistically selected random sample of 307 households. Responses accurately reflect the community as a whole within a maximum margin of error of ±5.8%. Through the random selection process, all factors and types of households are represented in proportion to their actual size in the population of all 1,200 Petersburg households. This type of survey allows the opinions of all citizens—not just the community's "loudest" voices—to be heard. The results are presented in narrative and graphic format.

The Most Important Issues Facing Petersburg

- Petersburg residents are most concerned about increasing the role of the fishing industry (26%) followed by diversifying the economy (14%).

Petersburg Economy and Quality of Life

- Half (53%) of Petersburg residents believe that businesses are worse off than last year.
- Nearly half (44%) expect the overall economy to decline in the next five years.
- Sixty percent feel that, economically, their individual households are doing about as well as this time last year.
- Sixty-five percent expect economic stability in their households.
- Half (53%) feel that the quality of life in Petersburg has been stable over the past five years.

Growth and Diversification in Petersburg

- Petersburg residents favor moderate growth (54%) or slow growth (40%) in their local economy.
- A strong majority (86%) favor a more diversified economy in Petersburg.

Perspectives on Economic Sectors

- Petersburg residents favor growth in a variety of economic sectors, especially timber processing (76%), seafood processing (73%), seafood harvesting (71%), communications technology (70%), and timber harvesting (70%).
- Residents are least in favor of large cruise ship tourism (63% opposed to its growth), followed by federal/state government (23% opposed).
- Residents indicated some indecision regarding mining; 15 percent were undecided as to whether the industry should be increased or decreased. Other sectors typically showed 1 to 4 percent undecided.

Independent Tourism

- Residents are ambivalent to, or moderately in favor of, various types of independent tourism. Guided local walks and local sightseeing are viewed the most favorably; ferry RV tourism and charter boat fishing are viewed the least favorably.

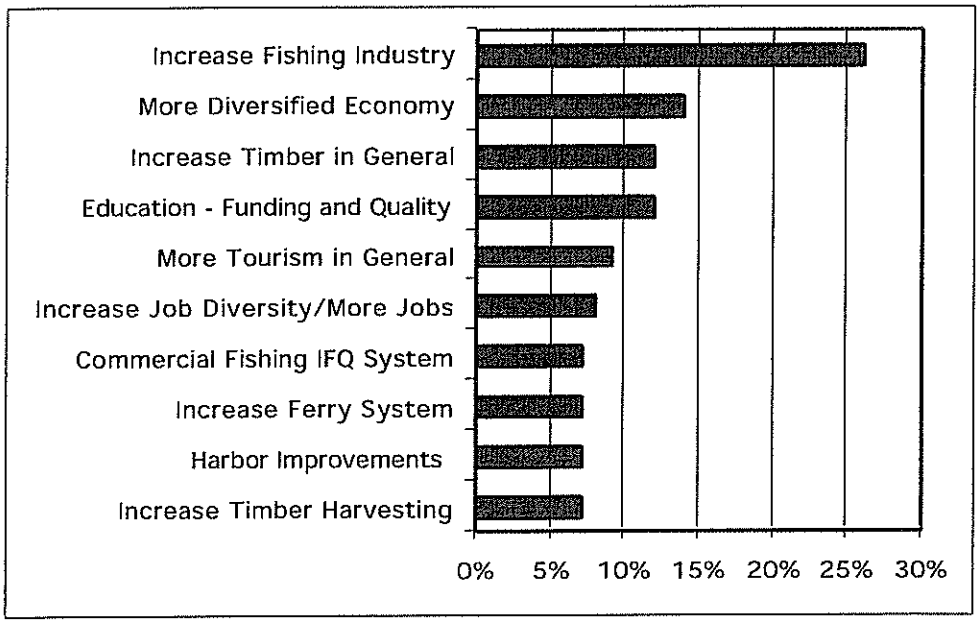
The Most Important Issues Facing Petersburg

Petersburg residents are concerned about a wide variety of economic issues. In fact, the 307 respondents surveyed mentioned over sixty separate issues when asked what two economic issues are most important (although many of these are similar). A list of all responses is in the appendix to this report.

By far, the issue of most concern to residents is increasing the role of the fishing industry. One-quarter (26%) mentioned this as one of the two issues of greatest concern. This is not surprising, given the role that the fishing industry plays in the Petersburg economy and given the fact that 29 percent of all respondents state that fishing provides a significant proportion of their household income.

Diversifying the economy follows, with 14 percent of all respondents mentioning it, followed by increasing education funding and increasing timber, each with 12 percent.

What two current or potential economic issues do you feel are most important to the city of Petersburg?
(issues mentioned by more than 5 percent of all respondents)



The table below shows what categories of issues drew the most mentions -- either positive or negative -- from respondents. Fishing, economic diversity, timber, transportation, and tourism are the general issues most on the minds of Petersburg residents.

General Issues of Most Importance to Petersburg Residents (percent of all suggestions)

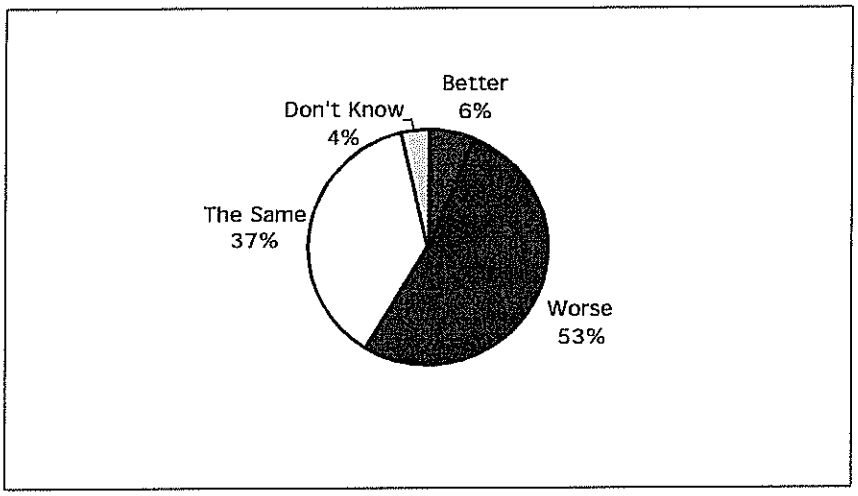
Fishing	27%
Economic Diversity	15%
Timber	14%
Transportation	12%
Tourism	11%
Education	8%
Government	6%
Quality of Life	4%
Infrastructure	3%

Local Economy

Half (53%) of all Petersburg residents believe that businesses in Petersburg are doing worse economically than last year. One-third (37%) rate business performance as unchanged, and only 6% feel that businesses are better off than last year.

Those in the middle-income bracket ($50,000-$100,000 per year) are least likely to believe businesses are doing worse, compared with those in the lower- and upper-income brackets.

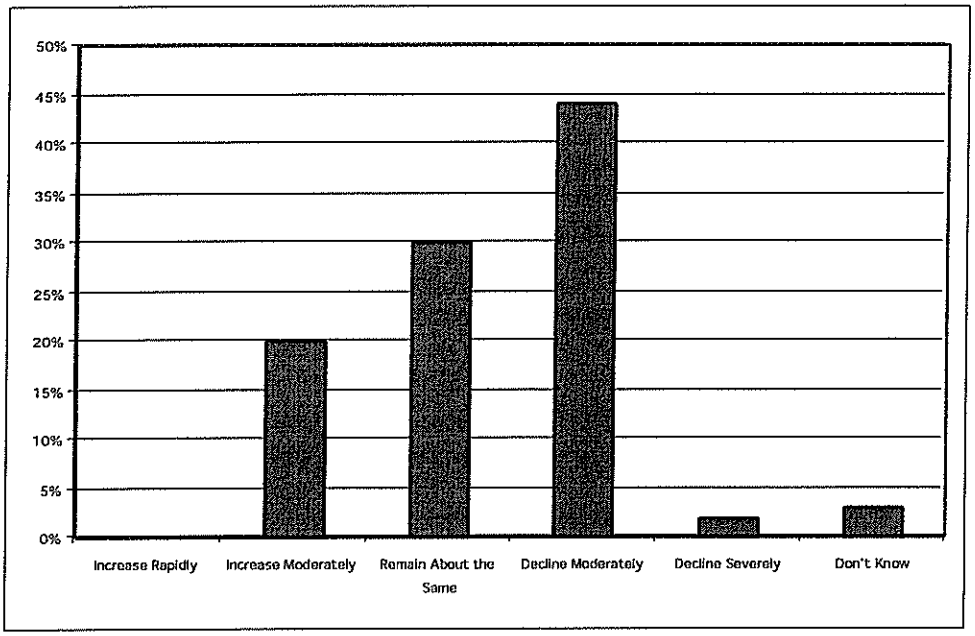
Overall, compared to this time last year, do you think businesses in Petersburg are doing better, worse or about the same?



Petersburg residents are somewhat optimistic about how the Petersburg economy will do in the future. Slightly less than half (46%) expect it to decline, and one-third (30%) expect it to remain the same. One-fifth project moderate improvement in the Petersburg economy.

Long-time residents are more likely to predict stability while more recent residents (those residing in Petersburg 6-20 years) are more likely to forecast improvement. Similarly, men are more likely than women to predict stability.

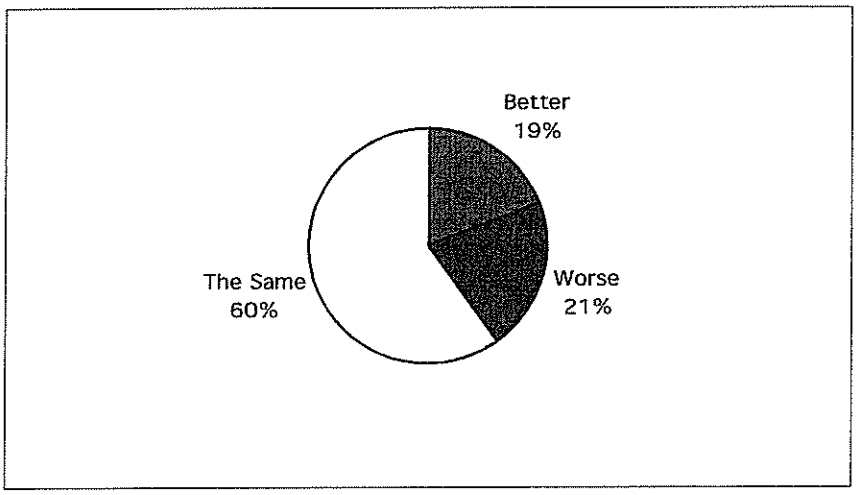
Do you expect Petersburg's overall economy in the next five years to:



Household Economic Situation

Petersburg residents view the economic situation of their individual households far more favorably than that of Petersburg in general. Only 21 percent believe that their households are worse off than last year, and 60 percent believe that their household economic situation has remained stable.

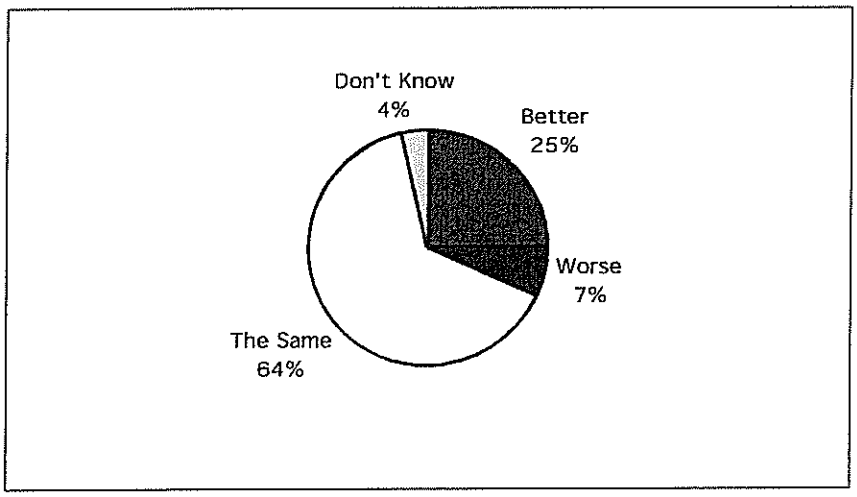
Economically is your household doing better, worse or about the same as this time last year?



Once again, Petersburg residents view the future more positively than they do the past. One-quarter (25%) expect to be better off a year from now, and 64 percent expect to have the same economic situation.

Those in the highest income bracket ($100,00 and more) are more likely to predict stability than those in lower income brackets. Similarly, women are more likely to forecast stability.

Economically, do you anticipate your household doing better, worse or about the same at this time next year?

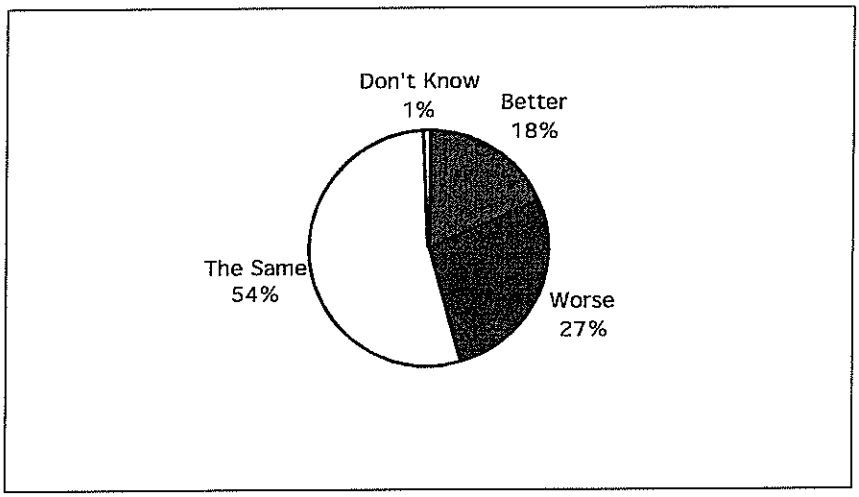


Quality of Life

Petersburg residents evaluate the quality of life in Petersburg similarly to how they evaluate the economic situation of their households – they are only slightly less favorable. One-half (54%) see the quality of life in Petersburg as essentially unchanged in the past five years and 27 percent rate it as worse.

Long-time residents (those living in Petersburg 20 or more years) are more likely to see stability, whereas more recent residents are more likely to see improvement.

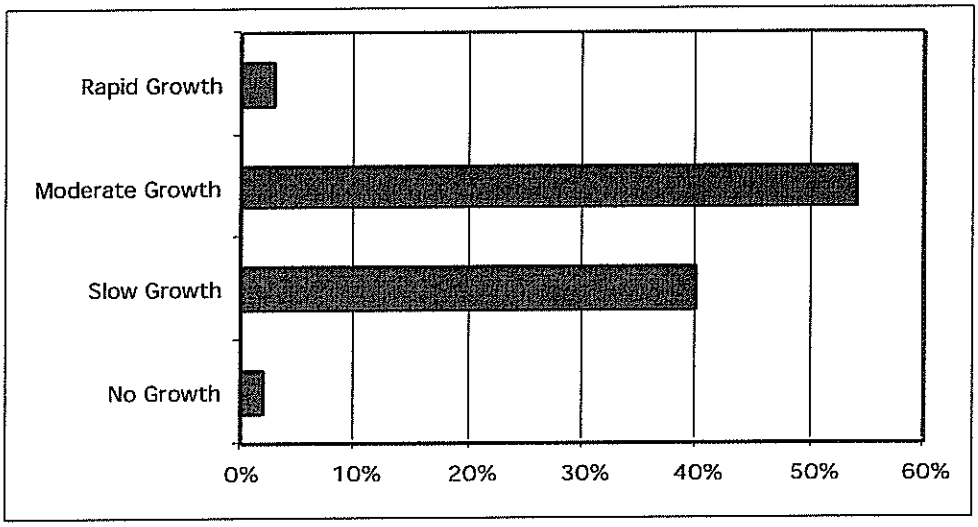
Over the past five years, do you feel the overall quality of life in Petersburg has gotten better, worse or stayed about the same?



Rate of Growth

Slow to moderate growth is what Petersburg residents want for their economy. Over half (54%) favor moderate growth and 40 percent opt for slow growth.

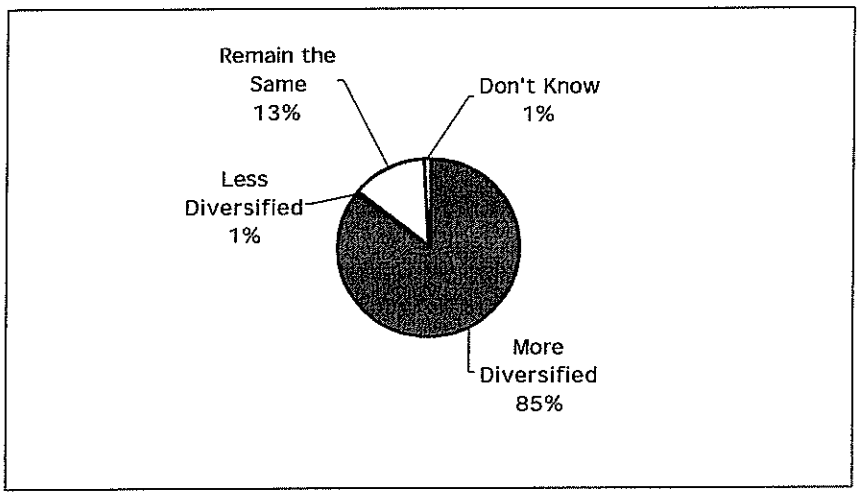
What rate of economic growth, if any, do you favor for Petersburg?



Economic Diversification

Petersburg residents overwhelmingly favor a diversified economy, with 85 percent calling for more diversification. Only 13 percent advocated keeping the same degree of diversification.

For this survey, the definition of a diversified economy means having several industries and an un-diverse economy has only one or two. Do you think the economy in Petersburg should be more diversified, less diversified or remain the same?



Perspectives on Economic Sectors

Petersburg residents favor growth in a variety of economic sectors. Of the twelve sectors included in the survey, ten of them were rated as areas worthy of growth by over half of Petersburg residents. Only three economic sectors had more than one-tenth of Petersburg residents advocating decline.

Residents generally have an opinion on these issues; only 1 to 4 percent responded "I don't know" when asked about any given sector. The only exception to this was mining, with 15 percent uncertain as to whether to advocate growth or decline.

Economic Sector	% for Growth	% for Stability	% for Decline	Don't Know
Recreation Facilities	66%	31%	2%	1%
Communications Tech.	70	27	0	3
Mining	57	21	7	15
Timber Harvesting	70	24	5	1
Seafood Harvesting	71	25	3	1
Timber Processing	76	19	2	2
Seafood Processing	73	25	1	1
Sm. Cruise Ship Tourism	45	42	12	1
Medical Facilities	54	43	1	2
Independent Tourism	60	30	7	4
Federal/State Govt.	20	53	23	4
Large Cruise Ship Tourism	10	24	63	3

Most Favorable Growth Ratings

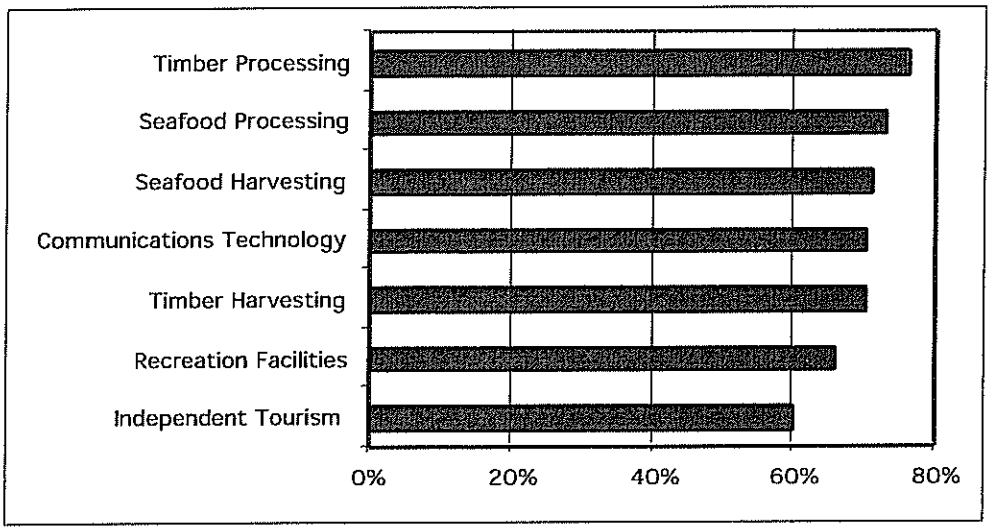
Timber and seafood are the two major areas where a significant number of Petersburg residents favor growth. Approximately three-quarters favor growth in these areas. Communications technology, recreational facilities, and independent tourism are also viewed especially favorably.

Certain characteristics of respondents appear to be factors in whether or not they favor growth in certain sectors. Length of residence appears to be a factor in how residents approach this issue. Newer residents (6-20 years) are more likely than their longtime counterparts to favor recreational facilities, communication technology, small cruise ship and independent tourism, and medical facilities. Longtime residents are more likely than their recent counterparts to favor mining, timber harvesting, and seafood harvesting.

Residents also appear to divide along gender lines. Women are more likely than men to favor growth in recreational facilities and independent tourism, while men are more likely than women to favor communication technology, mining, and timber processing. Women are considerably more likely to be undecided on mining.

Income does not appear to be much of a factor. Upper-income residents are more likely than those in other income brackets to favor communication technology, while those in the middle-income bracket are most likely to favor independent tourism, and those in the lower income bracket are most likely to favor medical facilities.

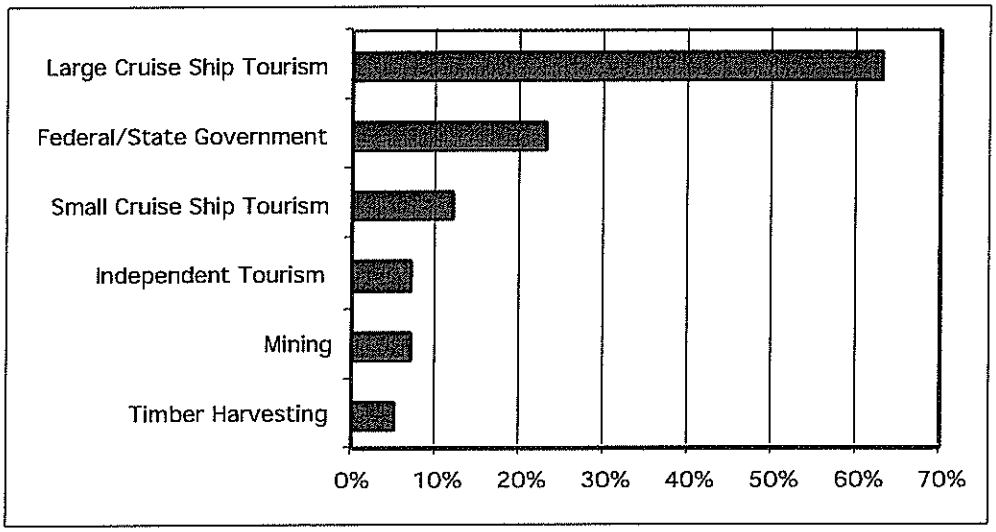
Sectors with at Least 60 Percent of Residents Favoring Growth



Least Favorable Growth Ratings

By far, Petersburg residents view large cruise ship tourism the least positively. Nearly two-thirds (63%) advocate a decline in this industry. The economic sector receiving the next highest "decline" rating is the government; however, only 23 percent favor its decline in the economy.

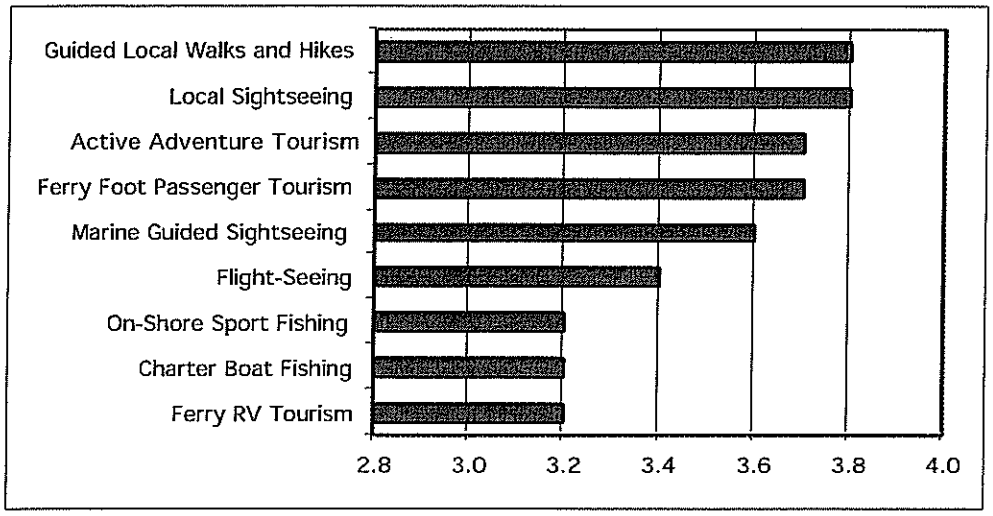
Sectors with at Least 5 Percent of Residents Favoring Decline



Independent Tourism

Petersburg residents are ambivalent to moderately in favor of various types of independent tourism. With 1="strongly oppose," 3="neither oppose nor favor," and 5="strongly favor," residents ranged from neutral on ferry RV tourism, charter boat fishing, and on-shore sport fishing to moderately in favor of guided local walks and local sightseeing.

Overall Ratings of Different Types of Tourism



(1="strongly oppose," 2="moderately oppose," 3="neither," 4="moderately favor," and 5="strongly favor")

Half of all Petersburg residents favor each type of independent tourism, and three-quarters favor the four most popular types listed in the above table. For the three least popular forms of independent tourism, only one-fifth to one-fourth of residents oppose them. Women and more recent residents are generally more likely to favor increasing the various types of independent tourism.

Demographics

Age of Respondent	Percentage
19-24	2%
25-34	12%
35-44	28%
45-54	29%
55-64	13%
65 and older	15%

Length of Residency	Percentage
1 year or less	1%
1-5 years	6%
6-10 years	11%
11-20 years	21%
Over 20 years	60%

Household Size	Percentage
One person	19%
Two people	39%
Three people	16%
Four people	18%
Five people	6%
Six people	1%
Seven or more people	1%

Source of HH income	Percentage
Commercial Fishing	29%
Retired	16%
Construction/Trade/Blue Collar	11%
Federal Government	8%
Local Government	5%
Retail Trade	5%
Health Care	5%
Education	4%
State Government	3%
Fish Processing	2%
Professional Services	2%
Timber Harvesting	2%
Finance, Ins., Real Estate	1%
Tourism Industry	1%
Communication – Utilities	1%
Wholesale Trade	>1%
Unemployed	>1%

Annual HH Income	Percentage
Under $25,000	8%
$25,000-$50,000	25%
$50,001-$75,000	28%
$75,001-$100,000	16%
Over $100,000	12%
Refused	11%

Gender	Percentage
Male	47%
Female	53%

Responses to open-ended Question on Most Important Economic Issues Facing Petersburg

01 More small ship tourism

02 Commercial fishing IFQ system & Gov. reg. need to b improved

03 More independent tourism

04 More tourism in general

05 Increase fishing industry

06 Increase fish processing

07 Increase timber processing

08 Increase timber harvesting

09 Increase transportation

10 Harbor improvements-good thing

11 Road maintenance/improvements

12 Transportation-cheaper

13 Education-funding & quality

14 Increase Fish Harvesting

15 Water supply improvements

16 More diversified economy

17 More recreation

18 Increase ferry system-new ferry system is good

19 Transportation for fish products

20 Swimming Pool-funding-needs to be done

21 Increase city tax-public funding

22 Increase job diversity-more jobs

23 Opposed to tourism growth

24 Housing-improvements, cost

25 Increase timber in general

26 Annex South Mitkof is good

27 Opposed to new ferry system

28 Declining population-bad thing

29 Cost of living is too high

97 Other

Raising taxes on senior citizens.

Road initiative affecting the timber industry badly.

Federal distribution of grants.

Use more local resources.

People act like it's a big city they want to spend too much money on new police cars we don't need.

Not keeping the money in town. Spending money in Juneau at Costco.

Pool project costs too much.

Raising taxes for a pool-a negative.

Small businesses funded by city grants are very good for community.

Forest service also a big part needs to grow with the community.

Building construction growth is too rapid. Buildings are going up all over the place.

More brand name stores.

Keeping energy costs down.

Subsistence could potentially limit commercial fishing harvest.

Swimming pool-civic spending in the wrong areas

Better management of available real estate.

Too much money is spent on education.

Long term plan within our city budget makes false plans for future roads.

Less seafood harvesting and lower salmon prices.

More financial responsibility in how money is spent by the city.

No work for construction.

It takes much to long to attain a building permit. Remodeling building codes-its way to tough. Needs improvement.

Fishing industry should pay property taxes like everyone else.

Forestry service a good thing, good control.

Need to recycle paper, glass, etc. Very wasteful not to.

City power line-important protect areas where sewage drains now.

Federal government likes how it takes care of Petersburg

Inner-island ferry-question validity

Environmental issues-need to unlock land/change policies

How raw fish tax returns to the community

Fishing needs better management

Development in general

More resource development

Ferry terminal cost too much

Stop the "road less" initiative which may prohibit road through Federal forestland which will hurt Petersburg's economy.

Al Gore if elected-Environmental policies would lock up the laud.

Tourism-getting it under control and deal with issue with controls.

Determine priorities for city and its future. Reality of dwindling economic base (fishing).

98 Don't Know

99 Refused