

2021

ANNUAL BUSINESS CONFIDENCE INDEX REPORT

PRESENTED BY



AEDC
Anchorage Economic
Development Corporation

PREPARED BY



McKINLEY RESEARCH
GROUP, LLC

Formerly McDowell Group

SPONSORED BY

PREMERA |

BLUE CROSS BLUE SHIELD OF ALASKA

Furniture Enterprises
OF ALASKA, INC.

List of Tables

Table 1.	In terms of net profits, how has your business performed in 2020 compared to 2019?	8
Table 2.	In terms of annual operating budget, how do you expect your organization to perform in 2021 compared to 2020?	9
Table 3.	In terms of net profits, how do you expect your organization to perform in 2020 compared to 2019?	10
Table 4.	In terms of employment, how do you expect your organization to perform in 2021 compared to 2020?	10
Table 5.	In terms of capital expenditures, how do you expect your organization to perform in 2021 compared to 2020?	11
Table 6.	To what extent are the following factors a barrier to your organization's growth?	12
Table 7.	To what extent are the following factors a barrier to your organization's growth? (" <i>Significant barriers</i> " only)	13
Table 8.	How likely is your business to close permanently because of the COVID-19 impacts?	14
Table 9.	Are you planning significant capital improvements in the next two years? (2021-2022)	14
Table 10.	How do you think the Anchorage economy will fare next year, compared to this year?	15
Table 11.	How do you think the overall Alaska economy will fare next year, compared to this year?	16
Table 12.	How important do you think the following are for the Anchorage economy?	18
Table 13.	How important do you think the following are for the Anchorage economy? (" <i>Very important</i> " responses only)	19
Table 14.	Which of the following do you think is most important for the Anchorage economy?	20
Table 15.	Agreement with Statements about Sales Tax	21
Table 16.	Agreement with Statement about COVID-19 relief funding	21
Table 17.	Agreement with Statement about balanced approach to State budget crisis	22
Table 18.	In response to the State of Alaska's deficit, how supportive are you of each of the following?	22
Table 19.	Which sector best describes your organization? (<i>Self-identified</i>)	23
Table 20.	Which of the following describes your organization's gross sales or annual operating budget?	24
Table 21.	How many people do you employ in Municipality of Anchorage currently?	24
Table 22.	How many people do you employ in Municipality of Anchorage in a peak month?	24
Table 23.	Is your business/organization a member of any of the organizations listed below?	25

List of Figures

Figure 1.	Anchorage Business Confidence Indices	2
Figure 2.	How do you think the Municipality of Anchorage economy will fare in 2021, compared to 2020?	3
Figure 3.	Expectations for Gross Sales/Annual Operating Budget in 2021	4
Figure 4.	Expectations for Employment in 2021	4
Figure 5.	Expectations for Capital Expenditures in 2021	5
Figure 6.	Top 10 Barriers to Business Growth (Significant and Moderate Barriers Combined)	6
Figure 7.	Top 10 Issues for Anchorage Economy (% rating "very important")	6
Figure 8.	Anchorage Sales Tax: Agree/Disagree	7
Figure 9.	Methods to Address the State Budget Deficit: Support/Oppose	7
Figure 10.	Federal COVID-19 Relief Funding: Agree/Disagree	7

Summary of Key Findings	1
Introduction and Methodology	8
2020 Business Performance	8
Expectations for Business in 2021	9
Gross Sales/Annual Operating Budget	9
Net Profits	9
Employment	10
Capital Expenditures	11
Barriers to Business Growth	11
Capital Improvement Plans	14
Expectations for the Economy in 2021	15
Anchorage Economy	15
Alaska Economy	16
Importance of Issues for the Economy	17
Other Issues	17
Anchorage Sales Tax	17
COVID-19 Relief	17
State's Long-Term Fiscal Stability	17
Business Characteristics	23
Business Sector	23
Organization Size	23
Current and Peak Employment	24
Business/Industry Organization Membership	25
Appendix: Verbatim Responses	26

Summary of Key Findings

Anchorage Economic Development Corporation (AEDC) contracted with McKinley Research Group (formerly McDowell Group), an Alaska research firm, to conduct the 13th annual AEDC Business Confidence Index (BCI) Survey. The purpose of this survey is to assess business conditions in the Anchorage area and measure Anchorage business confidence entering 2021. The survey was fielded from November 19 to December 23, 2020. Online responses from 210 businesses and organizations in Anchorage, Chugiak, Eagle River, and Girdwood were analyzed and modeled to produce business confidence indices. Key findings are highlighted below.

BUSINESS CONFIDENCE INDICES

With a maximum score of 100, an index above 50 indicates a generally optimistic outlook while below 50 indicates a generally pessimistic view.

It is important to view the results of this year's BCI survey recognizing that the economic landscape in Anchorage has been dramatically altered by the pandemic. Anchorage's economic outlook at the start of 2021 is quite different than it was at the start of 2020, with many new and varied factors to consider related to recovery from the pandemic. With this caveat, indices for 2021 show optimism has tempered and, in some instances, turned to pessimism, with indices ranging between 43 and 53, all representing decreases from 2020. The largest decrease was for net profits, with the index falling 10 points; the smallest decrease was for the overall Anchorage economy, where the decline was 2.5 points.

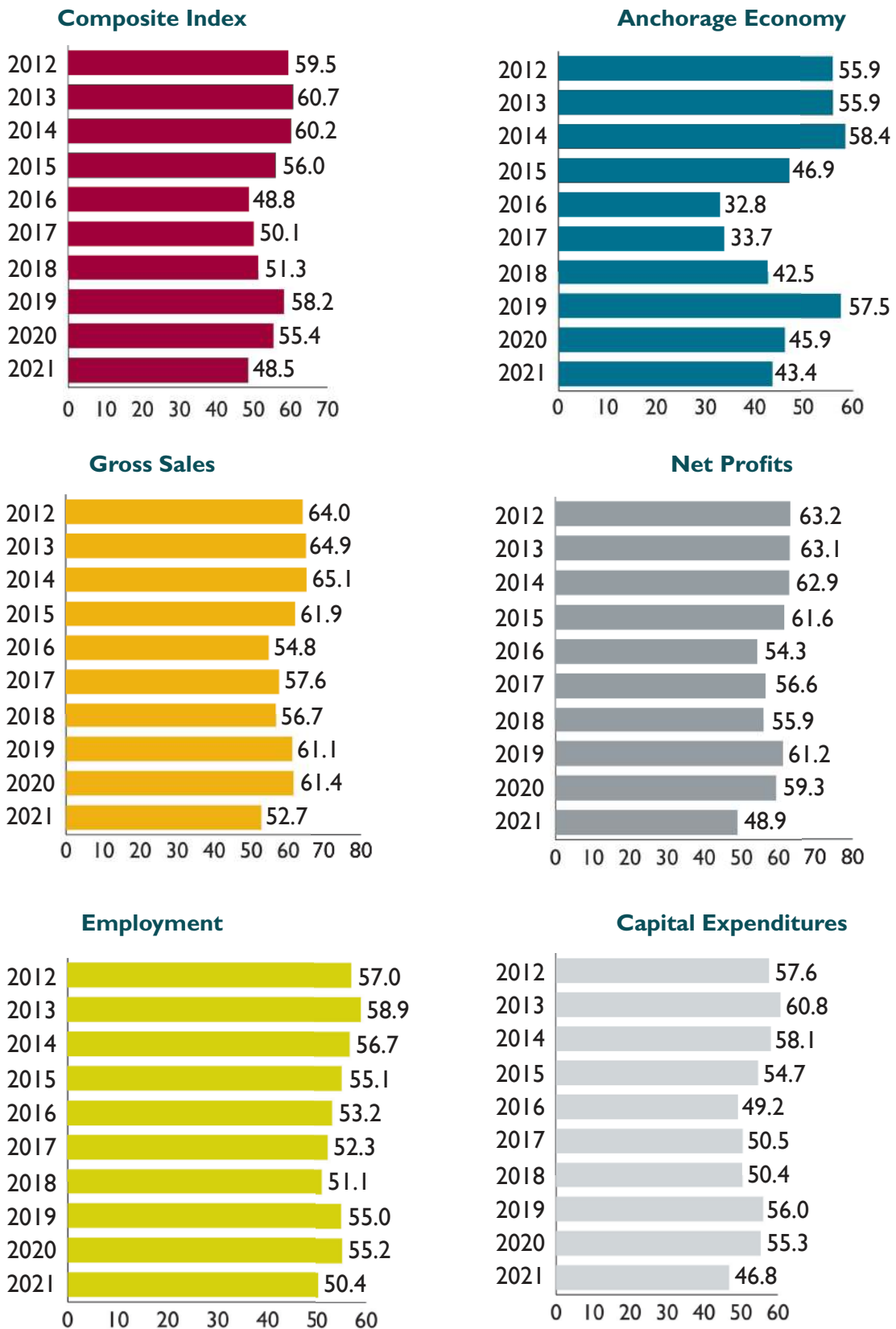
Comparing all indices to last year's results, expectations for 2021 are:

- Lower for the overall "composite" Business Confidence Index, ↓ 6.9 points to 48.5.
- Lower for the Anchorage Economy Index, ↓ 2.5 points to 43.4.
- Lower for Gross Sales Index, ↓ 8.7 points to 52.7.
- Lower for Net Profits Index, ↓ 10.4 points to 48.9.
- Lower for Employment Index, ↓ 4.8 points to 50.4.
- Lower for Capital Expenditures Index, ↓ 8.5 points to 46.8.

The degree of pessimism for 2021 registered in the composite index and for the Anchorage economy is striking, suggesting some businesses foresee little or no recovery from the difficult year just passed. This year's BCI survey also illustrates that the pandemic had widely divergent impacts on different businesses, ranging from increases in sales and profits to sharp declines.

The charts on the following page compare the indices for each annual AEDC BCI survey conducted in the last 10 years.

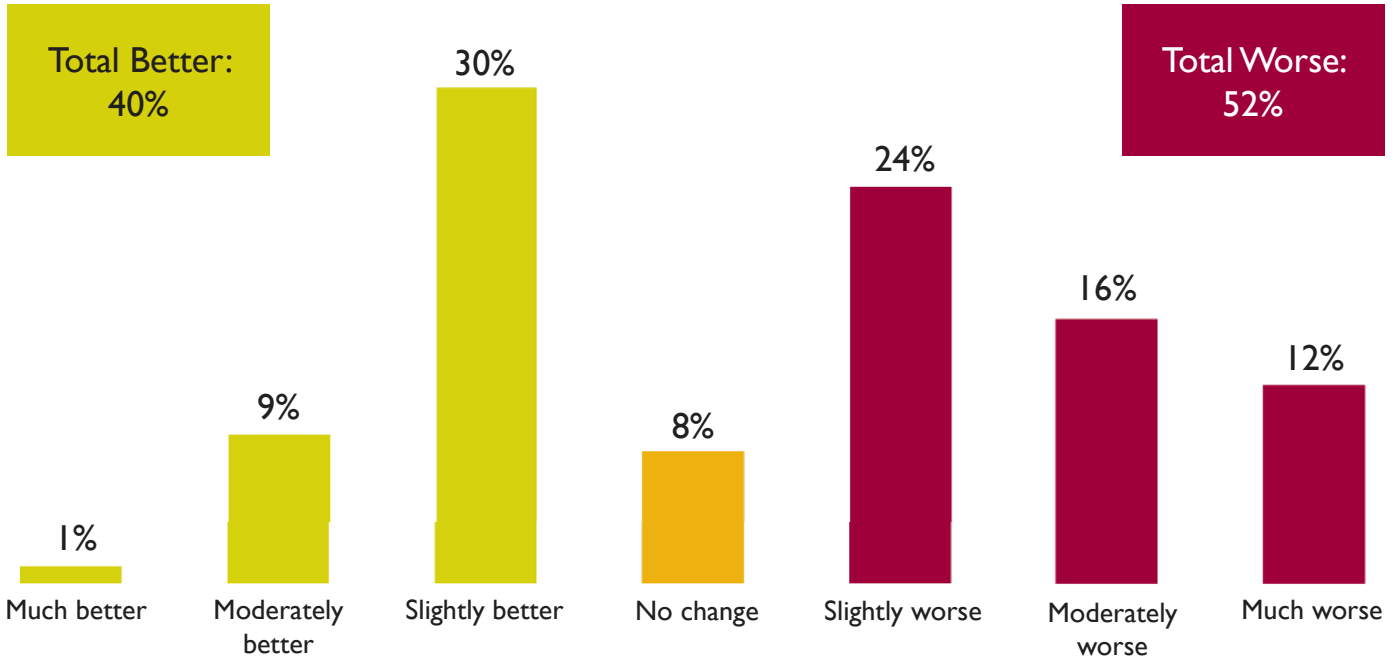
Figure I. Anchorage Business Confidence Indices, 2012-2021
 (0 - Very Pessimistic, 50 - Neither Pessimistic Nor Optimistic, 100 - Very Optimistic)



ANCHORAGE ECONOMY

When asked how the Anchorage economy will fare in 2021 compared to 2020, over half of businesses (52%) were pessimistic, saying they expect it to fare worse. Fewer businesses, 40%, expect the economy to fare better. The percentage expecting the economy to worsen is about the same as in 2020, while the percentage expecting the economy to improve has increased (40% in 2021 compared to 30% in 2020).

Figure 2. How do you think the Municipality of Anchorage economy will fare in 2021, compared to 2020?

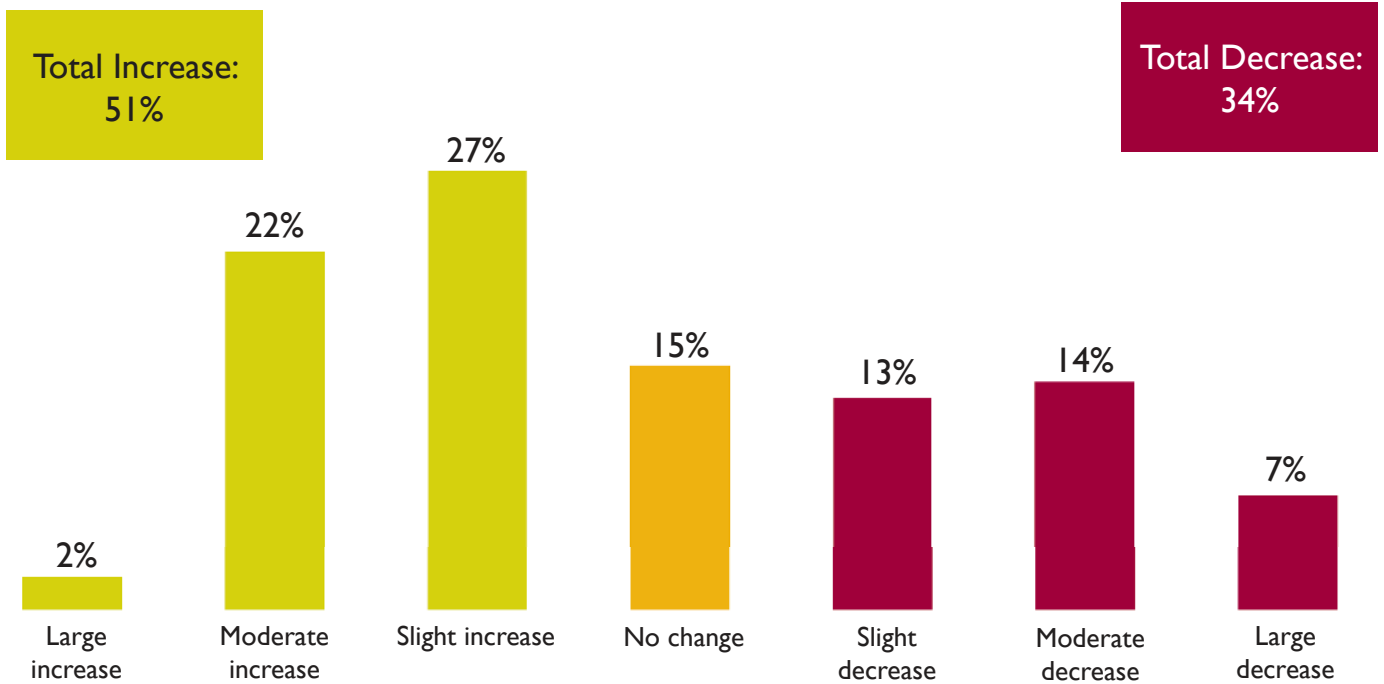


GROSS SALES AND NET PROFITS

Half of businesses (51%) expect their gross sales or annual operating budget to increase in 2021, while 34% expect a decrease. These results are less optimistic than in 2020, when 67% of businesses expected an increase, and 20% expected a decrease.

Net profit expectations (not shown) were similar to gross sales/operating budget expectations, with 46% anticipating an increase in net profits in 2021, and 37% expecting a decrease.

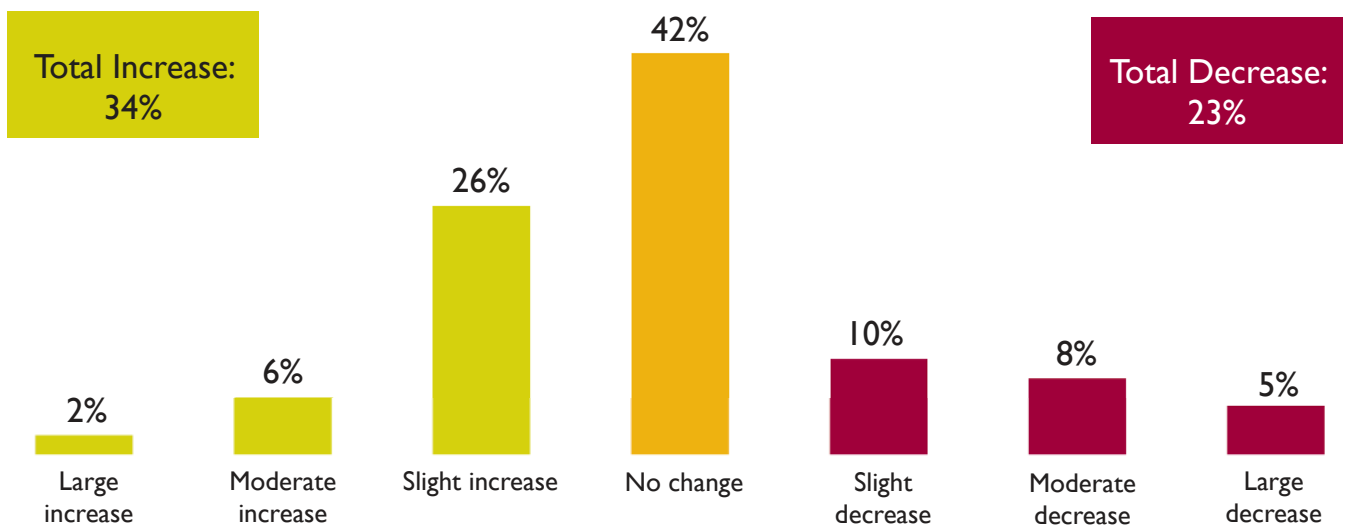
Figure 3. Expectations for Gross Sales/Annual Operating Budget in 2021



EMPLOYMENT

Over 40% of responding businesses (42%) expect no change in their 2021 employment. The remainder are more likely to expect an increase (34%) than to expect a decrease (23%). Businesses became more likely to expect a decrease in the 2021 survey (23%) compared to 2020 (15%).

Figure 4. Expectations for Employment in 2021

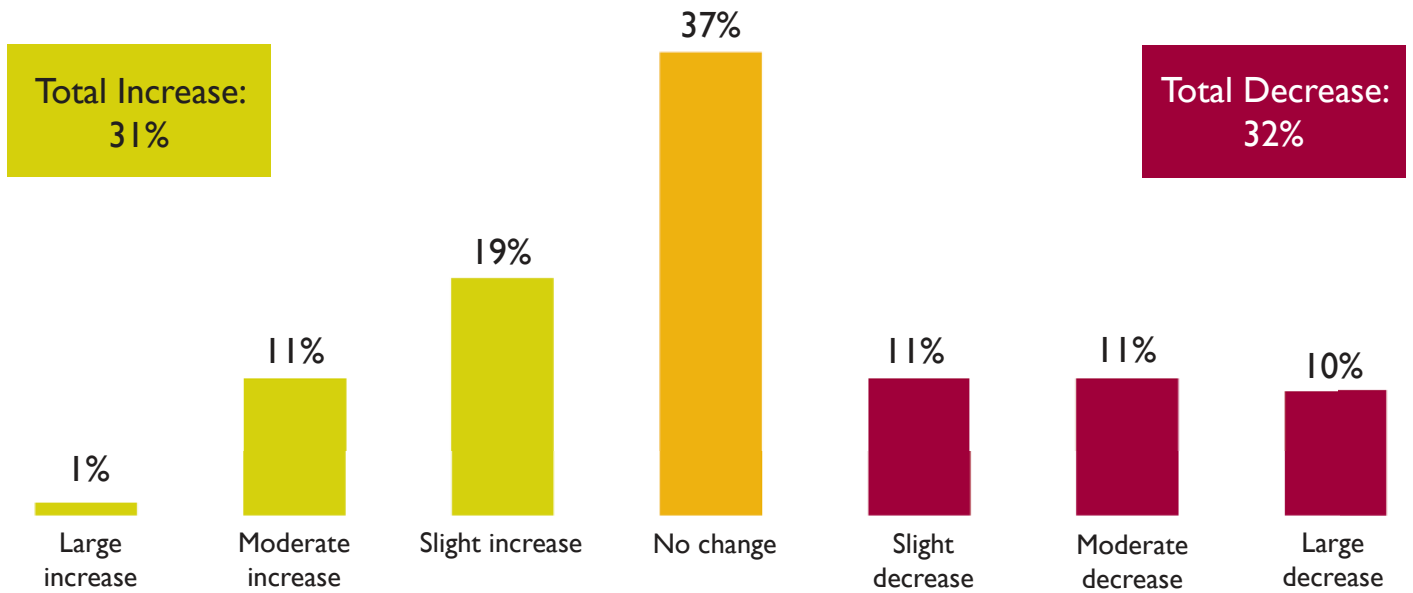


Note: Due to rounding figures do not add up to 100 percent.

CAPITAL EXPENDITURES

The percentage of businesses expecting an increase (31%) in capital expenditures in 2021 was about equal to those expecting a decrease (32%). The remainder (37%) expect no change. Those expecting a decrease doubled from 15% in 2020 to 32% in 2021, while those expecting an increase fell from 40% to 31%.

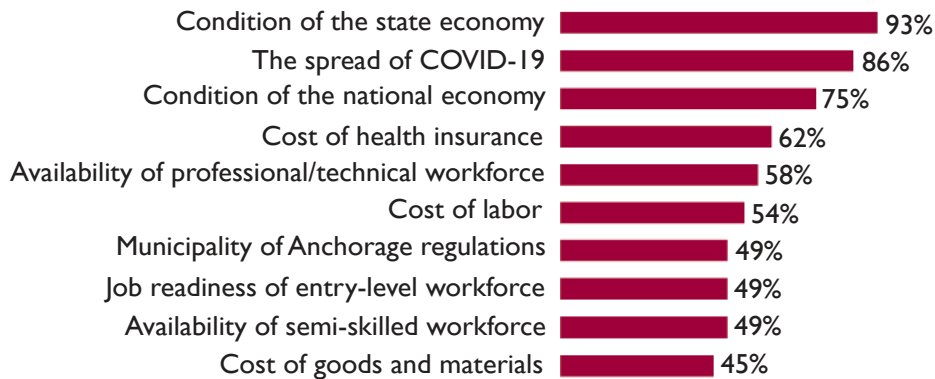
Figure 5. Expectations for Capital Expenditures in 2021



BARRIERS TO BUSINESS GROWTH

When asked to rate the significance of various barriers to their business' growth, the most significant barrier is the condition of the state economy, with 93% calling it either a significant (54%) or moderate (39%) barrier. Next highest ranked were the spread of COVID-19 (86%, including 49% calling it "significant"), the condition of the national economy (75%, including 20% calling it "significant"), and the cost of health insurance (62%, including 28% calling it "significant"). Similar to surveys in 2018 and 2019, the condition of the state economy continued to top the list. The spread of COVID-19 was new to the list of top barriers, and the state of the national economy grew in significance (75% calling it "significant" or "moderate" in 2020 compared to 44% in the 2019 survey).

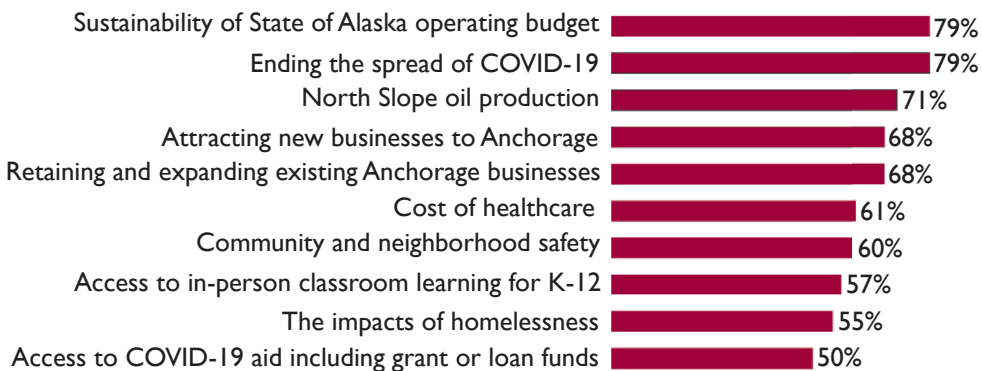
Figure 6. Top 10 Barriers to Business Growth (Significant and Moderate Barriers Combined)



IMPORTANT ISSUES AFFECTING ANCHORAGE'S ECONOMY

When asked to rate the importance of various issues to the Anchorage economy, the sustainability of the State of Alaska operating budget and ending the spread of COVID-19 received the most "very important" ratings at 79%, following by North Slope oil production (71%), and attracting new businesses to Anchorage (68%).

Figure 7. Top 10 Issues for Anchorage Economy (% rating "very important")



BUSINESS SUPPORT FOR ANCHORAGE SALES TAX

Over half (57%) agreed that the Municipality of Anchorage should establish a dedicated sales tax to support economic development projects to revitalize the Anchorage economy, while 43% disagreed.

Figure 8. Anchorage Sales Tax: Agree/Disagree

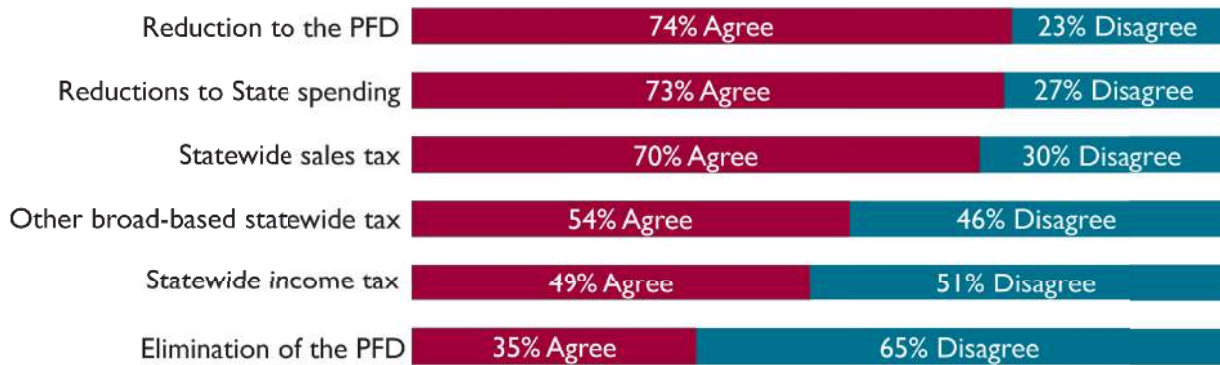
The Municipality of Anchorage should establish a dedicated sales tax to support economic development projects to revitalize our economy.



STATE'S LONG-TERM FISCAL STABILITY

When respondents were asked about support or opposition to six potential methods of addressing the State of Alaska's budget gap, the most popular was "Reduction to the Permanent Fund Dividend" at 74% supportive. Reducing PFD remained the method with the most support but fell from 81% supportive in 2019. Support for "Reductions to State spending" and support for elimination of the PFD rose; support for "Other broad-based statewide tax" and "Statewide income tax" fell.

Figure 9. Methods to Address State Budget Deficit: Support/Oppose



Note: Due to rounding, some rows may not add up to 100 percent.

BUSINESS SUPPORT FOR FEDERAL COVID-19 RELIEF FUNDING

The majority (82%) agreed that the federal government should distribute another round of COVID-19 relief funding. (This survey was completed before passage of a second federal COVID-19 relief bill in late December 2020).

Figure 10. Federal COVID-19 Relief Funding: Agree/Disagree

The federal government should distribute another round of COVID-19 relief funding.



Introduction and Methodology

Anchorage Economic Development Corporation (AEDC) contracted with McKinley Research Group for the 13th annual Business Confidence Index (BCI) survey of businesses and organizations in the Municipality of Anchorage. The purpose of the survey is to identify various factors that affect Anchorage businesses and the overall economy to assess business confidence.

The online survey was conducted between November 19 and December 23, 2020. Respondents were asked a series of questions regarding their organization's business performance in 2020 compared to 2019, expectations for 2021, perceived barriers to growth, importance of various projects and issues to the Anchorage economy, and their opinion of the overall economies in Anchorage and Alaska. Most of the questions were unchanged from prior surveys, allowing most results to be benchmarked.

This year, a total of 210 businesses and organizations completed the survey, representing an increase in response from the 2019 survey, when 170 businesses participated.

A business confidence index model is designed to gauge expectations about the overall Anchorage economy, gross sales, net profits, employment, and capital expenditures. The index, with a possible maximum of 100, indicates a positive outlook above 50 and a negative outlook below 50.

2020 Business Performance

- In terms of net profits, only 30% of businesses reported an increase between 2019 and 2020, which is half the percentage reporting a decrease (61%). The remainder (9%) reported no change.
- The percentage reporting an increase (30%) dropped significantly from 2019 and 2018 (both 53%) and represents the lowest point in a decade.
- The percentage reporting a decrease in net profits (61%) nearly doubled from 33% in 2019. This is the largest share of businesses reporting a decrease in a decade. Almost one third (29%) of those reporting a decrease reported a large decrease.

Table 1. In terms of net profits, how has your business performed in 2020 compared to 2019? (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Increase (net)	30	53	53	42	46	53	61	65	56	57
Large increase	2	7	3	4	4	5	8	6	10	8
Moderate increase	15	19	18	17	22	21	29	24	25	23
Small increase	13	27	32	21	20	27	24	35	21	26
Decrease (net)	61	33	32	44	41	34	27	23	28	25
Small decrease	10	18	12	20	16	16	14	12	15	12
Moderate decrease	22	12	15	14	14	13	9	9	9	7
Large decrease	29	3	5	10	11	5	4	2	4	6
No change	9	15	14	14	13	13	12	12	15	19

Note: Due to rounding, some columns may not add up to 100 percent.

GROSS SALES/ANNUAL OPERATING BUDGETS

- Half of businesses (51%) expect an increase in their gross sales or annual operating budgets in 2021, more than those expecting a decrease (34%). Fifteen percent expect no change.
- The percentage expecting an increase in their sales/budget fell significantly from 67% in 2019 to 51% in 2020, while those expecting a decrease grew significantly from 20% to 34%. The 2020 “expect increase” percentage is the lowest since 2015, when 49% of businesses expected an increase.
- The percentage expecting “no change” has stayed between 13% and 20% over the last decade.

Table 2. In terms of gross sales/annual operating budget, how do you expect your organization to perform in 2021 compared to 2020? (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Increase (net)	51	67	62	53	54	49	65	73	73	68
Large increase	2	5	4	4	5	4	5	4	3	4
Moderate increase	22	22	26	22	27	19	26	27	33	26
Small increase	27	40	32	27	22	26	34	42	37	38
Decrease (net)	34	20	21	27	28	31	18	13	13	12
Small decrease	13	12	11	16	14	17	10	9	6	8
Moderate decrease	14	6	8	8	10	11	5	3	4	2
Large decrease	7	2	2	3	4	3	3	1	3	2
No change	15	13	18	20	17	18	17	14	15	19

Note: Due to rounding, some columns may not add up to 100 percent.

NET PROFITS

- Forty-six percent of businesses expect their net profits to increase in 2021, while just over one-third (37%) expect their net profits to decrease, and 18% expect no change.
- Businesses expecting an increase in net profits fell significantly from 60% in 2019 to 46% in 2020, the lowest mark in a decade. Those expecting a decrease grew from 23% to 37% which is the highest share in a decade.

Table 3. In terms of net profits, how do you expect your organization to perform in 2021 compared to 2020? (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Increase (net)	46	60	64	51	53	49	63	68	68	66
Large increase	2	4	4	3	5	2	4	3	2	4
Moderate increase	17	21	23	20	25	19	27	24	23	23
Small increase	27	35	37	28	23	28	32	41	43	39
Decrease (net)	37	23	20	27	29	28	20	16	12	14
Small decrease	12	12	13	15	15	15	12	11	7	10
Moderate decrease	16	8	5	9	9	9	6	4	5	2
Large decrease	9	3	2	3	5	4	2	1	-	2
No change	18	17	15	22	18	23	18	15	20	19

Note: Due to rounding, some columns may not add up to 100 percent.

EMPLOYMENT

- One-third of businesses (34%) expect their employment to increase in 2021, 23% expect a decrease. Forty-two percent expect no change in employment.
- The percentage expecting an increase fell from 39% in 2019 to 34% in 2020. Those expecting a decrease grew from 15% to 23%.

Table 4. In terms of employment, how do you expect your organization to perform in 2021 compared to 2020? (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Increase (net)	34	39	36	26	30	36	41	45	52	45
Large increase	2	2	1	1	1	2	2	1	2	2
Moderate increase	6	9	9	6	11	10	11	11	11	11
Small increase	26	28	26	19	18	24	28	33	39	32
Decrease (net)	23	15	14	20	21	21	17	13	8	13
Small decrease	10	9	11	14	14	12	11	8	6	10
Moderate decrease	8	5	3	4	5	7	3	4	2	2
Large decrease	5	1	-	2	2	2	3	1	<1	1
No change	42	46	50	53	48	43	44	41	39	43

Note: Due to rounding, some columns may not add up to 100 percent.

CAPITAL EXPENDITURES

- Nearly one-third of businesses (31%) expect an increase in capital expenditures, while 32% expect a decrease, and 37% expect no change.
- The percentage expecting an increase in capital expenditures fell from 40% in 2019 to 31% in 2020, while those expecting a decrease doubled from 15% to 32%. The 2020 “expect increase” rate of 31% was the lowest in a decade.

Table 5. In terms of capital expenditures, how do you expect your organization to perform in 2021 compared to 2020? (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Increase (net)	31	40	45	36	33	34	42	50	52	45
Large increase	1	2	4	2	3	3	5	7	7	5
Moderate increase	11	14	14	9	11	9	14	14	18	12
Small increase	19	24	27	25	19	22	23	29	27	28
Decrease (net)	32	15	17	25	29	32	19	16	13	14
Small decrease	11	6	9	11	14	17	7	8	7	8
Moderate decrease	11	6	3	5	10	8	6	3	4	4
Large decrease	10	3	5	9	5	7	6	5	2	2
No change	37	45	38	39	37	34	38	35	35	43

Note: Due to rounding, some columns may not add up to 100 percent.

Barriers to Business Growth

- Respondents were asked to rate a list of potential barriers to their business’s growth as either significant, moderate, not a barrier, or not applicable.
- When combining the results for “significant” and “moderate” barrier, the condition of the state economy is seen as the biggest barrier (93%), followed by the spread of COVID-19 (86%), condition of the national economy (75%), and cost of health insurance (62%).
- Factors seen as least threatening are access to Personal Protective equipment (PPE) (just 19% rated this as a moderate or significant barrier), state taxes (24%), federal taxes, and access to capital (both 29%).
- Other barriers and related comments mentioned by respondents are listed in the Appendix.
- Results differed from 2019, in several significant ways:
 - “The spread of COVID-19” eclipsed all responses except “conditions of the state economy” as a significant barrier to growth (49%). Far fewer respondents rated other COVID-19 related barriers as significant: “access to COVID-19 aid including grant or loan funds” (14%), “reduced workforce availability caused by lack of in-person education” (9%), and “access to personal protective equipment (PPE)” (3%).
 - Those citing “cost of health insurance” as a significant barrier fell from 38% to 28%.
 - Those citing “Municipality of Anchorage regulations” increased from 12% to 22%.
 - “Condition of the national economy” increased from 8% to 20%.

Table 6. To what extent are the following factors a barrier to your organization's growth? (%)

	Significant barrier	Moderate barrier	Significant/ Moderate Combined	Not a barrier	Not applicable
Condition of the state economy	54	39	93	6	1
The spread of COVID-19	49	37	86	12	2
Condition of the national economy	20	55	75	23	2
Cost of health insurance	28	34	62	29	8
Availability of professional/technical workforce	20	38	58	36	7
Cost of labor	14	40	54	41	5
Availability of semi-skilled workforce	17	32	49	40	11
Job readiness of entry-level workforce	11	38	49	41	10
Municipality of Anchorage regulations	22	27	49	45	6
Cost of goods and materials	11	34	45	44	11
Public safety in Anchorage	14	31	45	47	7
Energy prices	12	32	44	47	8
State regulations	14	29	43	51	6
Federal regulations	15	25	40	50	10
Cost of commercial lease/rental property	11	28	39	46	15
Municipality of Anchorage taxes	12	25	37	51	11
Transportation linkages with suppliers and markets	9	25	34	50	16
Affordable/available childcare services	9	25	34	47	19
Availability and affordability of quality housing	8	24	32	52	16
Access to COVID-19 aid including grant or loan funds	14	17	31	60	9
Reduced workforce availability caused by lack of in-person education	9	22	31	55	14
Access to capital	9	20	29	63	8
Federal taxes	7	22	29	59	12
State taxes	7	17	24	59	17
Access to Personal Protective Equipment (PPE)	3	16	19	69	11

Note: Due to rounding, some rows may not add up to 100 percent.

**Table 7. To what extent are the following factors a barrier to your organization's growth?
("Significant barriers" only) (2011-2020 results) (%)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Condition of the state economy	54	54	51	56	53	51	33	27	*	*
The spread of COVID-19	49	*	*	*	*	*	*	*	*	*
Cost of health insurance	28	38	44	38	38	31	31	36	29	23
Municipality of Anchorage regulations	22	12	17	11	10	14	12	10	7	6
Availability of professional/technical workforce	20	24	25	15	15	16	26	24	19	15
Condition of the national economy	20	8	8	7	16	12	16	28	*	*
Availability of semi-skilled workers	17	20	15	13	8	13	13	18	6	4
Federal regulations	15	15	12	20	22	24	25	36	28	25
Public safety in Anchorage	14	13	17	19	9	6	5	*	*	*
Cost of labor	14	15	14	12	13	11	15	11	*	*
State regulations	14	13	12	16	13	12	12	18	13	12
Access to COVID-19 aid including grant or loan funds	14	*	*	*	*	*	*	*	*	*
Energy prices	12	11	16	18	20	21	15	9	15	15
Municipality of Anchorage taxes	12	8	10	10	6	7	6	6	4	4
Job readiness of entry-level workforce	11	13	15	13	13	13	14	16	9	11
Cost of goods and materials	11	9	13	*	*	*	*	*	*	*
Cost of commercial lease/rental property	11	10	12	11	7	9	10	9	7	10
Access to capital	9	7	13	12	13	11	8	10	10	8
Transportation linkages with suppliers/markets	9	6	7	8	7	7	9	8	6	10
Reduced workforce availability caused by lack of in-person education	9	*	*	*	*	*	*	*	*	*
Availability and affordability of quality housing	8	10	13	10	9	14	*	*	*	*
Federal taxes	7	7	8	12	10	13	15	13	7	9
State taxes	7	4	6	10	6	6	5	7	7	6
Access to Personal Protective Equipment	3	*	*	*	*	*	*	*	*	*
Cost of Workers' Compensation insurance	*	*	8	11	8	11	9	13	8	12
Availability of industrial/commercial/office space	*	2	5	5	5	3	*	*	*	*
Availability of commercial property for development near the airport	*	*	2	2	3	2	*	*	*	*

When asked if their business was likely to close permanently due to the COVID-19 pandemic, the majority of Anchorage businesses (90%) said they were unlikely or very unlikely to close. Only 7% of respondents said they were likely (either “likely” or “very likely”) to close permanently.

Table 8. Is your business or organization very likely, likely, unlikely, or very unlikely to close permanently because of COVID-19 impacts? (%)

Very Likely	Likely	LIKELY NET	Very Unlikely	Unlikely	UNLIKELY NET	Don't Know
3	4	7	68	23	90	3

Capital Improvement Plans

- Under one-quarter of businesses (22%) said they are planning significant capital improvements in the next two years. Among these businesses, 62% said their investment will create jobs for Anchorage residents.
- The percentage planning capital improvements (22%) is down from 2019 (28%) and the lowest in the last decade.
- Among those not planning capital improvements, six in ten (60%) said that recent changes in the Anchorage economy have affected their growth plans.
- The percentage claiming that the recent economic climate affected their plans (60%) is up slightly from 2019 (55%) and is the highest in the last decade.

Table 9. Are you planning significant capital improvements in the next two years (2020-2021)? (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Planning capital improvement	22	28	28	25	31	27	31	35	43	34
Will create jobs	62	73	80	69	67	68	78	70	65	71
Will not create jobs	38	27	20	31	33	32	22	30	35	29
Not planning capital improvement	78	72	72	75	69	73	69	65	57	66
Recent economic climate did not affect plans	40	45	50	56	59	60	73	76	88	72
Recent economic climate affected plans	60	55	50	44	41	40	27	24	12	28

Note: Due to rounding, figures may not add up to 100 percent.

Expectations for the Economy in 2020

Respondents were asked about their expectations for both the Anchorage and Alaska economies.

ANCHORAGE ECONOMY

- Four out of ten businesses (40%) said they think the Anchorage economy will fare better in 2021 compared to 2020, while half (52%) expect it to fare worse, and 8% expect no change.
- A higher percentage of businesses expect the Anchorage economy to be better in 2021 compared to 2020 (40%) when contrasted to expectations of the economy in 2020 compared to 2019 when 30% expected it to fare better. However, context is important in comparing 2019 and 2020 survey results. Rather than optimism, this increase in the expectation of a better Anchorage economy is likely a function of the significant downturn in the 2020 economy, which was entirely unforeseen during the 2019 survey period.

Table 10. How do you think the Municipality of Anchorage economy will fare next year, compared to this year? (2010-2019 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Better (net)	40	30	58	29	18	10	37	59	51	55
Much better	1	1	2	2	1	-	1	1	1	-
Moderately better	9	8	12	4	3	<1	7	11	14	7
Slightly better	30	21	44	23	14	10	29	47	36	48
Worse (net)	52	48	23	58	70	78	44	18	21	20
Slightly worse	24	35	18	36	40	48	29	17	19	15
Moderately worse	16	9	4	17	23	22	12	1	2	3
Much worse	12	4	1	5	7	8	3	<1	-	2
No change	8	22	19	14	12	12	18	22	28	25

Note: Due to rounding, figures may not add up to 100 percent.

ALASKA ECONOMY

- Four out of 10 Anchorage businesses (43%) think the Alaska economy will improve in 2021, while half (52%) think it will worsen, and 5% expect no change.
- A higher percentage of businesses also expect the Alaska economy to be better in 2021 compared to 2020 (43%) when contrasted to expectations of the economy in 2020 compared to 2019 (35%). Again, this increase in the expectations of a better Alaska economy are likely a reflection of the significant economic downturn in 2020.

Table 11. How do you think the overall Alaska economy will fare next year, compared to this year? (2010-2019 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Better (net)	43	35	62	32	19	5	35	56	54	51
Much better	3	3	3	2	1	-	2	1	2	1
Moderately better	7	6	16	5	4	<1	8	13	11	8
Slightly better	33	26	43	25	14	5	25	42	41	42
Worse (net)	52	49	24	52	71	88	50	24	17	24
Slightly worse	25	35	17	29	32	40	29	20	13	19
Moderately worse	17	10	6	19	29	36	16	3	4	3
Much worse	10	4	1	4	10	12	5	1	-	2
No change	5	16	15	16	9	7	15	20	29	26

Note: Due to rounding, figures may not add up to 100 percent.

Importance of Issues for the Economy

Businesses were asked to rate the importance (very, somewhat, or not important) of various projects and issues to the Anchorage economy.

- The vast majority of issues are seen as important to the Anchorage economy, with at least 75% of businesses rating 19 out of 25 issues as “somewhat” or “very” important. The top five issues in terms of overall importance (very and somewhat important combined) were:
 - Sustainability of State of Alaska operating budget (98% very or somewhat important)
 - Retaining and expanding existing Anchorage businesses (97%)
 - Community and neighborhood safety (96%)
 - Attracting new businesses to Anchorage (96%)
 - North slope oil production (95%)
- The issues seen as of somewhat less importance to the Anchorage economy (though still important overall) include:
 - Ship Creek redevelopment (47% somewhat or very important)
 - Live.Work.Play. Initiative (56%)
 - Upgrade community water/wastewater utility infrastructure (59%)
 - Access to Personal Protective Equipment (PPE) (63%)
- In 2020, respondents were also asked about the importance of several factors related to the COVID-19 pandemic. All pandemic-related issues are seen as important to the Anchorage economy, with at least 63% of businesses rating each issue as “somewhat” or “very” important. The issues in terms of overall importance were:
 - Ending the spread of COVID-19 (94%)
 - Access to COVID -19 aid including grant or loan funds (90%)
 - Access to in-person classroom learning for K-12 (89%)
 - Access to personal protective equipment (PPE) (63%)
- Between 2019 and 2020, “very important” ratings changed for several issues. Following are changes of more than 5 percent.
 - The impacts of drug and alcohol addiction (↓ 16 points to 43%)
 - Area’s road infrastructure (↓ 14 points to 27%)
 - Workforce affordable housing (↓ 13 points to 36%)
 - Community and neighborhood safety (↓ 11 points to 60%)
 - City Parks and trail revitalization (↓ 10 points to 15%)
 - Cost of healthcare (↓ 8 points to 61%)
 - North Slope oil production (↑ 8 points to 61%)
 - Attracting new businesses to Anchorage (↓ 7 points to 68%)
 - Creative environments that enhance community livability (↓ 6 points to 31%)
- “Other” issues of high importance to respondents not included in the following tables are provided in the Appendix.

Table 12. How important do you think the following are for the Municipality of Anchorage economy? (%)

	Very important	Somewhat important	Very/Somewhat Combined	Not important
Sustainability of State of Alaska operating budget	79	19	98	1
Retaining and expanding existing Anchorage businesses	68	29	97	1
Community and neighborhood safety	60	36	96	5
Attracting new businesses to Anchorage	68	28	96	2
North Slope oil production	71	24	95	5
Cost of health care	61	34	95	5
Ending the spread of COVID-19	79	15	94	6
Port of Alaska modernization	47	44	91	7
The impacts of homelessness	55	36	91	8
Access to COVID-19 aid including grant or loan funds	50	40	90	9
North Slope natural gas development projects	46	43	89	8
Access to in-person classroom learning for K-12	57	32	89	8
The impacts of drug and alcohol addiction	43	45	88	11
Workforce affordable housing	36	51	87	9
90% Anchorage School District high school graduation rate by 2020	50	36	86	12
Workforce training	39	46	85	12
Affordable/available childcare services	39	46	85	10
Mining resource development projects	32	46	78	18
Area's road infrastructure	27	51	78	18
Creative environments that enhance community livability	31	44	75	22
Retaining transitioning veterans in the local workforce	21	53	74	21
City parks and trails revitalization	15	48	63	35
Access to Personal Protective Equipment (PPE)	27	36	63	33
Upgrade community water/wastewater utility infrastructure	16	43	59	31
Live. Work. Play. Initiative	21	35	56	34
Ship Creek redevelopment	13	34	47	45

- When asked to select the “most important” issue for the Anchorage economy, ending the spread of COVID-19 was by far the most frequent response (23%), followed distantly by sustainability of the State operating budget (14%), attracting new businesses to Anchorage (11%), retaining and expanding existing Anchorage businesses (11%), and North Slope oil production (10%).
- With the exception of “ending the spread of COVID-19”, responses were fairly similar to 2019.

Table 13. How important do you think the following are for the Municipality of Anchorage economy? (“Very important” responses only) (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Sustainability of State of Alaska operating budget	79	84	85	87	86	81	76	73	*	*
Ending the spread of COVID-19	79	*	*	*	*	*	*	*	*	*
North Slope oil production	71	63	72	76	69	83	80	82	*	*
Retaining and expanding existing Anchorage businesses	68	70	63	65	53	56	*	*	*	*
Attracting new businesses to Anchorage	68	75	60	68	43	56	*	*	*	*
Cost of healthcare	61	69	68	78	*	*	*	*	*	*
Community and neighborhood safety	60	71	73	74	60	51	47	54	*	*
Access to in-person classroom learning for K-12	57	*	*	*	*	*	*	*	*	*
The impacts of homelessness	55	54	49	*	*	*	*	*	*	*
Access to COVID-19 aid including grant or loan funds	50	*	*	*	*	*	*	*	*	*
90% Anchorage School District high school graduation rate by 2020	50	49	44	49	41	31	50	54	*	*
Port of Alaska modernization (Prior to 2018: “Port of Anchorage improvements”)	47	62	56	50	40	35	33	41	43	43
North slope gas development projects (prior to 2019: Natural gas pipeline from North Slope to Cook Inlet)	46	46	49	50	39	61	65	67	62	57
The impacts of drug and alcohol addiction	43	59	56	*	*	*	*	*	*	*
Workforce training	39	41	42	44	31	32	42	46	41	37
Affordable/available childcare services	39	43	35	40	32	25	*	*	*	*
Workforce affordable housing	36	49	49	44	38	39	56	51	35	22
Mining resource development projects	32	*	*	*	*	*	*	*	*	*
Creative environments that enhance community livability	31	37	34	35	31	27	33	33	*	*
Area’s road infrastructure	27	41	45	38	31	33	43	*	*	*
Access to Personal Protective Equipment (PPE)	27	*	*	*	*	*	*	*	*	*
Retaining transitioning veterans in the local workforce	21	22	24	27	21	22	*	*	*	*
Live. Work. Play. Initiative	21	26	23	24	22	20	22	24	*	*
Upgrade community water/wastewater utility infrastructure	16	21	19	28	23	23	25	30	33	39
City parks and trails revitalization	15	25	19	24	24	17	25	17	*	*
Ship Creek redevelopment	13	12	14	14	12	10	12	14	20	*
Cook Inlet resource development	*	*	49	59	48	60	64	73	76	69
Increasing support services for entrepreneurs	*	*	29	34	36	23	*	*	*	*
Donlin Gold Project	*	*	26	30	17	*	*	*	*	*
Pebble Project	*	*	20	29	*	21	54	33	35	*
Outer Continental Shelf oilfield development	*	*	*	48	36	44	*	*	*	*
The cost and impact of public inebriation	*	*	*	46	30	36	*	*	*	*

Table 14. Which of the following do you think is most important for the Municipality of Anchorage economy? (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Ending the spread of COVID-19	23	*	*	*	*	*	*	*	*	*
Sustainability of SOA operating budget	14	18	16	19	25	23	12	13	*	*
Attracting new businesses to Anchorage	11	15	10	9	7	7	*	*	*	*
Retaining and expanding existing Anchorage businesses	11	11	5	5	8	7	*	*	*	*
North Slope oil production	10	11	14	19	19	20	24	28	31	-
Community and neighborhood safety	4	5	8	6	2	3	3	1	*	*
The impacts of homelessness	4	4	4	*	*	*	*	*	*	*
Access to COVID-19 aid including grant or loan funds	4	*	*	*	*	*	*	*	*	*
Access to in-person classroom learning for K-12	3	*	*	*	*	*	*	*	*	*
Reducing cost of health care	2	5	6	6	*	*	*	*	*	*
Port of Alaska modernization (Prior to 2018: "Port of Anchorage improvements")	2	5	6	6	4	2	3	3	8	10
The impacts of drug and alcohol addiction	2	4	4	*	*	*	*	*	*	*
Mining resource development projects	1	*	*	*	*	*	*	*	*	*
North slope gas development projects	1	4	5	6	5	12	13	16	18	14
Workforce affordable housing	1	2	5	2	5	4	8	8	8	3
Workforce training	1	3	3	3	2	1	5	5	2	3
Creative environments that enhance community livability	1	3	2	1	3	3	2	1	*	*
90% ASD high school graduation rate by 2020	1	1	1	2	1	-	2	3	*	*
Retaining transitioning veterans in the local workforce	1	*	1	-	-	<1	*	*	*	*
Affordable/available childcare services	1	2	-	-	-	<1	*	*	*	*
Live. Work. Play. Initiative	*	1	2	1	1	3	3	1	*	*
Cook Inlet resource development (such as oil, gas, coal, energy, etc.)		*	1	3	3	6	8	9	16	28
Increasing support services for entrepreneurs (Prior to 2018: "Entrepreneurship support services")		*	1	1	1	2	*	*	*	*
Area's road infrastructure	*	2	1	1	-	<1	2	*	*	*
City parks and trails revitalization	*	*	1	<1	-	-	<1	-	*	*
Pebble Project		*	1	<1	*	*	4	<1	1	*
Ship Creek Redevelopment	*	*	1	<1	<1	<1	1	-	-	*
Donlin Gold Project	*	*	-	1	1	*	*	*	*	*
Upgrade community water/wastewater utility infrastructure	*	*	-	-	1	<1	1	1	1	3
The cost and impact of public inebriation	*	*	*	3	1	<1	*	*	*	*
Outer Continental Shelf oilfield development	*	*	*	1	1	3	*	*	*	*
Other**	3	3	2	3	2	3	3	1	4	3

* Not included in the survey that year.

** Other responses provided in the Appendix.

ANCHORAGE SALES TAX AND PORT OF ALASKA FUNDING

- More than half of businesses (57%) agreed that Municipality of Anchorage should establish a sales tax to support economic development projects, while 43% disagreed.
- The 2020 survey measured slightly lower support for a sales tax than the 2019 survey (a change in question design may have accounted for some of the decrease). In the 2020 survey, 57% of businesses said they supported a sales tax to support economic development projects, compared to 64% in 2019 saying they supported a sales tax to offset property taxes.

Table 15. Agreement with Statements about Sales Tax, 2020 (%)

2020	Strongly Agree	Agree	TOTAL AGREE	Disagree	Strongly Disagree	TOTAL DISAGREE
The Municipality of Anchorage should establish a dedicated sales tax to support economic development projects to revitalize our economy.	26	31	57	26	17	43
2019	Strongly Agree	Agree	TOTAL AGREE	Disagree	Strongly Disagree	TOTAL DISAGREE
The Municipality of Anchorage should establish a dedicated sales tax to offset property taxes.	24	40	64	23	13	36

COVID-19 RELIEF

- In 2020, businesses were asked if they believed the federal government should distribute another round of COVID-19 relief funding. Businesses overwhelmingly agreed with the statement, 82% chose either “agree” or “strongly agree.” Only 18% disagreed with the statement, including only 2% who chose “strongly disagree.”

Table 16. Agreement with Statement about COVID-19 relief funding, 2020 (%)

	Strongly Agree	Agree	TOTAL AGREE	Disagree	Strongly Disagree	TOTAL DISAGREE
The federal government should distribute another round of COVID-19 relief funding.	46	36	82	16	2	18

STATE’S LONG-TERM FISCAL STABILITY

Respondents were asked if they agreed with the statement, “the State’s fiscal crisis must be solved this session using a balanced approach of targeted cuts, new broad-based sources of revenue, and the Permanent Fund.” Businesses overwhelmingly agreed with the statement, 84% either agreeing or strongly agreeing, while only 16% disagreed.

Table 17. Agreement with Statement about balanced approach to State budget crisis, 2020 (%)

	Strongly Agree	Agree	TOTAL AGREE	Disagree	Strongly Disagree	TOTAL DISAGREE
The State’s fiscal crisis must be solved this session using a balanced approach of targeted cuts, new broad-based sources of revenue, and the Permanent Fund.	54	30	84	9	7	16

The next question gauged support for six potential methods of addressing the State of Alaska’s budget deficit.

- Of the six methods, the most supported was reductions to the PFD (74% very or somewhat supportive), followed closely by reduction to state spending (73%), statewide sales tax (70%) and other broad-based statewide tax (54%).
- The other two methods were opposed by a majority of businesses: statewide income tax (51% somewhat or very opposed), and elimination of the PFD (65% opposed).
- Some responses varied widely between 2019 and 2020.
 - Reduction to State spending (↓ 9 points to 73%)
 - Reduction to the PFD (↓ 7 points to 74%)
 - Other broad-based statewide tax (↓ 7 points to 54%)
 - Statewide income tax (↓ 7 points to 49%)
 - Elimination of the PFD (↑ 6 points to 35%)

Table 18. In response to the State of Alaska’s budget deficit, how supportive are you of each of the following? (2019 and 2020 results) (%)

2020	Very Supportive	Somewhat Supportive	TOTAL SUPPORTIVE	Somewhat Opposed	Very Opposed	TOTAL OPPOSED
Reduction to the PFD	32	42	74	12	14	26
Reductions to State spending	33	40	73	25	2	27
Statewide sales tax	32	38	70	17	13	30
Other broad-based statewide tax	15	39	54	32	14	46
Statewide income tax	21	28	49	28	23	51
Elimination of the PFD	15	20	35	39	26	65
2019	Very Supportive	Somewhat Supportive	TOTAL SUPPORTIVE	Somewhat Opposed	Very Opposed	TOTAL OPPOSED
Reduction to the PFD	48	33	81	15	5	27
Statewide sales tax	32	39	71	15	15	30
Reductions to State spending	36	28	64	25	11	36
Other broad-based statewide tax	21	40	61	23	17	40
Statewide income tax	28	28	56	17	27	44
Elimination of the PFD	10	19	29	28	43	71

BUSINESS SECTOR

The most common sector represented by respondent businesses was finance/insurance/real estate (16%), followed by professional services (13%), and engineering/architecture (12%). Few shifts in survey respondent composition occurred between 2019 and 2020: non-profit representation decreased from 15% to 10%, and tourism/hospitality doubled from 4% to 8%.

Table 19. Which sector best describes your organization? (Self-identified) (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Finance/insurance/real estate	16	17	21	11	13	12	12	20	9	8
Professional services	13	17	15	14	18	16	21	15	12	10
Engineering/architecture	12	5	6	4	7	11	8	7	4	7
Non-profit	10	15	11	7	9	10	11	8	12	13
Tourism/hospitality	8	4	5	6	6	7	6	2	7	5
Health care	5	3	3	6	4	3	5	3	2	3
Construction/maintenance	4	5	5	6	3	5	4	8	5	3
Wholesale/retail trade	4	5	5	8	6	6	5	3	6	5
Transportation	4	4	5	4	5	5	4	9	7	10
Alaska Native Corporation	4	6	2	4	4	3	2	2	2	4
Media/communication	3	3	5	7	7	5	4	2	6	4
Government/military	3	2	4	3	3	5	2	5	7	2
Education/childcare	2	2	2	2	*	*	*	*	*	*
Mining/oil production	2	1	1	4	2	1	2	2	3	4
Manufacturing	2	1	1	2	3	2	-	1	2	1
Information technology	1	3	2	3	4	2	2	2	4	3
Mining/oil support services	<1	1	1	3	2	2	2	3	3	2
Social services	<1	1	<1	1	1	1	<1	-	-	1
Arts	1	-	-	2	*	*	*	*	*	*
Fishing/seafood	1	1	-	1	-	-	-	<1	-	2
Utilities	-	1	1	1	1	3	2	1	3	2
Other	2	4	-	1	1	<1	3	-	4	7

* Not included in the survey that year.

ORGANIZATION SIZE

- When asked about their business's gross sales or annual operating budgets, about one-third reported more than \$10 million (34%), followed by 20% in the \$1 million to \$5 million range, and 14% between \$5 million and \$10 million.
- The distribution of survey respondents by annual gross sales or operating budget did not differ substantially in 2020 compared with previous years.

Table 20. Which of the following categories best describes your organization's annual gross sales or annual operating budget? (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Under \$250,000	10	12	15	27	20	13	16	11	9	16
\$250,000 to \$500,000	7	10	7	6	10	9	8	6	3	4
\$500,000 to \$1 million	9	8	7	10	8	9	8	5	10	9
\$1 million to \$5 million	20	19	24	20	13	25	26	19	20	19
\$5 million to \$10 million	14	14	11	8	10	7	8	12	11	9
More than \$10 million	34	31	32	25	33	31	30	41	45	38
Don't know	6	5	4	4	7	6	5	6	3	5

CURRENT AND PEAK EMPLOYMENT

- Four in ten businesses (40%) reported fewer than 10 employees, while another 31% had between 10 and 49 employees.
- In terms of number of current employees, the distribution of responses did not differ substantially in 2020 compared to 2019.

Table 21. How many people (full-time and part-time) do you employ in Municipality of Anchorage currently? (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Under 10	40	36	36	54	46	43	45	38	31	39
10 to 49	31	30	30	24	26	31	22	20	27	27
50 to 99	12	12	12	6	7	6	5	11	12	7
100 to 249	5	10	10	7	7	10	12	16	12	10
250 to 500	4	5	5	2	5	4	6	3	10	8
500 or more	5	6	6	5	8	5	7	11	8	7
Don't know	1	<1	<1	1	1	2	2	<1	-	2

- Peak employment responses are similar to the number of current employees.

Table 22. How many people (full-time and part-time) do you employ in the Municipality of Anchorage in a peak month? (2011-2020 results) (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Under 10	37	37	34	51	45	40	42	37	30	39
10 to 49	32	33	31	25	25	31	24	22	27	26
50 to 99	13	15	12	7	8	8	7	11	12	8
100 to 249	5	6	11	7	7	9	10	13	11	10
250 to 500	5	4	5	3	5	5	7	5	11	9
500 or more	5	5	6	5	8	5	8	11	9	7
Don't know	2	-	1	2	2	2	2	<1	-	2

BUSINESS/INDUSTRY ORGANIZATION MEMBERSHIP

- The most frequent memberships among surveyed businesses were AEDC (52%) and Anchorage Chamber of Commerce (48%).
- Businesses reported higher rates of membership in several organizations, including AEDC and Anchorage Chamber, in 2020 compared to 2019. AEDC membership jumped considerably from 35% in 2019 to 52% in 2020. Only 16% said they were not members of any of the listed organizations, down from 17% in 2019 and 21% in 2018.

Table 23. Is your business/organization a member of any of the organizations listed below? (Self-identified) (Multiple responses allowed) (2016-2020 results) (%)

	2020	2019	2018	2017	2016
Anchorage Economic Development Corporation	52	35	43	29	57
Anchorage Chamber of Commerce	48	44	41	36	55
Alaska Chamber	27	28	23	25	33
Anchorage Downtown Partnership	24	17	17	11	22
Visit Anchorage	18	13	13	13	19
Rotary Club	17	17	21	18	26
Associated General Contractors of Alaska	16	13	20	10	17
Alaska Support Industry Alliance	14	7	13	16	18
Resource Development Council of Alaska	13	15	15	17	20
Better Business Bureau of Alaska	13	13	9	10	13
Building Owners and Managers Association (BOMA)	11	15	17	7	11
Alaska Miners Association	11	10	13	15	18
Eagle River/Chugach Chamber of Commerce	8	2	6	6	8
Anchorage Home Builders Association	7	10	8	9	8
Alaska Trucking Association	7	3	2	5	3
Alaska Cabaret, Hotel Restaurant & Retailer's Association (CHARR)	6	3	2	3	4
Alaska World Trade Center	5	3	6	5	10
Association of Builders and Contractors of Alaska	3	1	4	4	5
Alaska World Affairs Council	2	1	4	3	7
Alaska Process Industry Careers Consortium	2	2	2	3	2
None of the above	16	17	21	32	20

Appendix: Verbatim Responses

The following section includes responses for open-ended survey questions. Wording has been lightly edited for clarity.

Are there any other barriers that prevent your organization from achieving growth?

- *Aging oilfield workforce and unstable tax royalty regime.*
- *[Accounting for] all age groups susceptible to COVID-19, and all age groups who are [therefore] potential consumers and clients and employees of current business corporations.*
- *Class size limitations.*
- *Competition with Alaska Native Corporations.*
- *Condition of national retail landscape and online shopping (often not penalized whereas brick and mortar facilities pay more to the local economies and employ more people).*
- *Consumer concerns due to lack of control on State and Anchorage Municipality spending. The loss of residents in Anchorage.*
- *COVID-19 travel restrictions.*
- *COVID-19 has shown to be survivable by over 99.8% of those infected. While any loss of life is tragic, the cure for COVID-19 has far surpassed the virus itself. People need to get back to work to provide for their families. To talk about “non-essential workers” as if [their] jobs [do] not pay for food, housing, medical, etc., is irresponsible. There is an at-risk population within Anchorage and the country. Those at risk should consider isolation. The rest of us should be allowed to return to work and provide for our families.*
- *COVID-19 shutdowns [bar] marketing gatherings.*
- *Employees.*
- *Foreign & domestic business travel during COVID. Cancellation of trade shows & conferences during COVID.*
- *Homelessness & crime in Anchorage. It’s a shame the working-class folks are no longer valued or protected.*
- *Increase in apparent numbers and visibility of downtown homeless [people] and panhandlers.*
- *Instability in oil tax structure.*
- *Internet competition.*
- *Issues with the CN aqua train.*
- *It is not health insurance, it is healthcare that is a barrier.*
- *Lack of economic growth in Alaska. The Anchorage Assembly’s lack of ability to keep our neighborhoods and streets and clean. The Anchorage Assembly’s poor use of money and appropriation of funds for the homeless population’s issues is causing a large tax burden on homeowners. Zoning and over-regulation of building codes.*
- *Lack of investment in the City of Anchorage’s infrastructure. Free and open competitive bidding on MOA capital improvement projects without strings [attached], like CWA regulations.*
- *Lack of tourism.*
- *Loss of state funding and investment.*
- *MOA and State of Alaska need to create development incentives. The cost of development is unattainable for future growth.*
- *Municipal Assembly regulations that cause small employers to shutter or close, assembly regulations that discourage citizens to spend locally, and the Municipality’s unwillingness to consider alternatives to COVID-19 restrictions.*
- *Municipal government run awry, State government gone stagnant, and the new President shutting down the oil and gas industry.*
- *Negative net migration out of Alaska.*
- *Net job loss and lack of consistent oil tax policy which would allow for predictability when looking at return of and return on investment.*
- *People closing their businesses around the state due to COVID for either temporary or permanent reasons.*

- *Port of Alaska and the Alaska Railroad.*
- *Private and public clients holding back on project funding, not making decisions to move projects forward, and communication with clients as many of them are working remotely.*
- *Public willingness to participate in group events.*
- *Regulations of tourists.*
- *Staffing, city regulations, cost of closing.*
- *State budget/financial crisis, lack of capital budget, decreasing public and private investment in Alaska.*
- *State of Alaska's mismanagement of the COVID-19 pandemic. We could have positioned ourselves to have a robust economy and be a destination of choice, but lack of State leadership and inconsistent response to the pandemic caused loss of those opportunities.*
- *Systemic issues around the poor performance off the K-12 education system.*
- *The left-wing Anchorage Assembly and Mayor that have destroyed Anchorage's economy and who are totally incompetent political zealots.*
- *The mayor's emergency orders.*
- *The Municipality of Anchorage (Mayor and Assembly) are not aligned with the citizens of Anchorage. Their actions during the pandemic crisis including the allocation of funding available to alleviate the economic disaster caused by COVID-19, was nothing more than outright fraud. Using sleight of hand trickery to divert of millions of dollars for capital purchases (homeless shelters/rehab facilities) rather than spending COVID-19 relief funds on...(drum roll) COVID-19 relief will cause dozens of businesses to permanently shut down and hundreds of hardworking citizens to lose their jobs. This is 100% due to the ineptitude and foolish actions of the Assembly who drank Mayor Berkowitz's Kool Aid.*
- *The public education system and the almost myopic focus on fossil fuel extraction and use.*
- *The State Legislature's waning of support for municipalities and school districts.*
- *The State's fiscal health (largely dependent on one industry and excessive spending/per person that is more than double the next highest state in the country).*
- *Threat of increased taxes being proposed on resource development industry.*
- *Travel disruption to rural Alaska due to COVID-19 and Ravn Air's bankruptcy.*
- *Unfair competition from military healthcare facilities with deep pockets, unaccredited testing facilities, and no legitimate justification for competing against community testing facilities.*
- *Unresponsiveness of state regulators at DHSS SDS. They have been a consistent impediment to the development of my business for absolutely no-good reason.*
- *Where is the Cares Act Money that was given to this State and the MOA? Small businesses are dying, and nothing is being done to help us.*

Are there any other projects you think are very important for the Anchorage economy?

- A statewide energy policy that protects consumers
- Added support of tourism/hospitality
- Affordable housing in downtown Anchorage
- Air cargo expansion & modernization
- Alternative Energy Source projects
- Attracting those who are leaving major metro area
- Better maintenance of neighborhood parks
- Better road maintenance
- Better snow removal plan and implementation
- Biden administration shutting down oil exploration
- Cap/limit on cannabis businesses
- Cleaning up and out Midtown
- Concentrated tourism effort so visitors stop in Anchorage
- DNA analysis
- Downtown placemaking
- Effective use of liquor tax to reduce homelessness
- Expansion of year round tourist attractions
- Fair and Equitable Distribution of stimulus monies
- Finding for economic growth and protection
- Getting a Mayor focused on all aspects
- Getting a new Mayor
- House expansion for homeless
- Impacts of the 2020 census
- Improvement of tourism
- Increasing 3rd Grade Reading Proficiency
- Internships (paid) for transitioning military
- Issue: How sales tax might impact businesses.
- Issue: MOA regulations hindering business
- K-12 college preparation
- Keeping criminals in jail
- Long-term alcohol treatment centers
- Long-term drug treatment centers
- Make decisions based in science not fear
- Management of the Permanent Fund Earnings Reserve
- Move homeless to different area
- Muni assembly and mayor draconian response to COVID-19
- Muni should stop creating homeless
- Prohibition of Cannabis for Tourists from oversea
- Punish criminals for committing crimes
- Push the diversity of Anchorage
- Rebuilding local businesses post-COVID-19
- Reduce crime rates
- Reforming the Municipal Assembly
- Shik Shadel Treatment Center
- Stabilizing the cost of energy across the state
- Stop shutting down Anchorage over COVID-19
- Stop the ever-growing nonprofit industrial complex
- Tax incentives to redevelop brownfield sites
- Tax stability & reduction in city operating costs
- The growth of homeless population (reducing it)
- UMED district development
- University of Alaska Anchorage
- Using shelters already in place
- Viability of UAA and APU

AEDC is a private non-profit corporation (IRS code 501(c)(6)), operating since 1987. It exists to encourage growth and diversity in the Anchorage economy, promote a favorable business climate and improve the standard of living of Anchorage residents. Funding sources for the corporation are private contributions, municipal and state grants and contracts.



THANK YOU TO THE ANNUAL
BUSINESS CONFIDENCE INDEX
REPORT SPONSORS



THIS ECONOMIC FORECAST
PREPARED FOR AEDC BY



AEDC
Anchorage Economic
Development Corporation