

PREPARED FOR



AEDC
Anchorage Economic
Development Corporation

2024

ANNUAL BUSINESS CONFIDENCE

INDEX REPORT

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SUMMARY OF KEY FINDINGS

Anchorage Economic Development Corporation (AEDC) contracted with McKinley Research Group (MRG), an Alaska research firm, to conduct the 16th 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 in 2024. The survey was fielded during May 2024. Online responses from 150 Anchorage-area businesses and organizations 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.
- Confidence decreased in four out of five categories, leading to an overall decrease in the Composite Index score, from 60.2 to 58.2. However, 58.2 is above the 10-year average of 54.7 and is the third-highest score in the last decade (also tied with 2019's 58.2 score).
- The largest change in views was about net profits, which decreased by 3.9 points. Expectations about capital expenditures were up 2.2 points to 63.4, the highest in the survey's 16-year history.

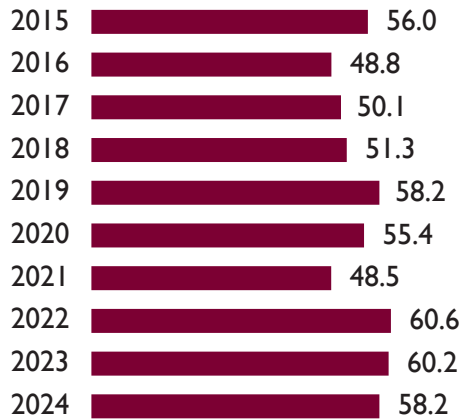
Comparing all indices to last year's results, expectations in 2024 are:

- ↓ **Lower** for the overall Composite Index: 2.0 points to 58.2
- ↓ **Lower** for the Anchorage Economy Index: 2.7 points to 49.5
- ↓ **Lower** for Gross Sales Index: 2.3 points to 62.8
- ↓ **Lower** for Net Profits Index: 3.9 points to 59.1
- ↓ **Lower** for Employment Index: 3.3 points to 56.2
- ↑ **Higher** for Capital Expenditures Index: 2.2 points to 63.4.

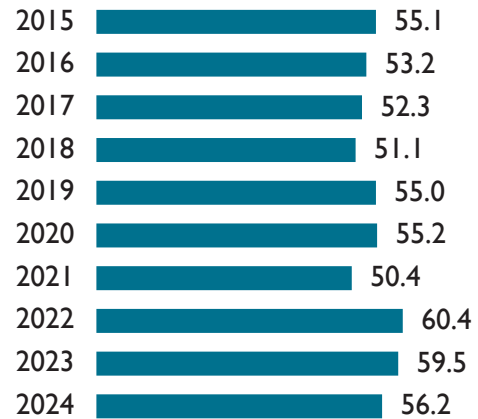
The charts on the following page compare the indices for each annual AEDC BCI survey conducted in the last 10 years.

Figure I. Anchorage Business Confidence Indices, 2015-2024
(0 – Very pessimistic, 50 – Neither Pessimistic nor Optimistic, 100 – Very Optimistic)

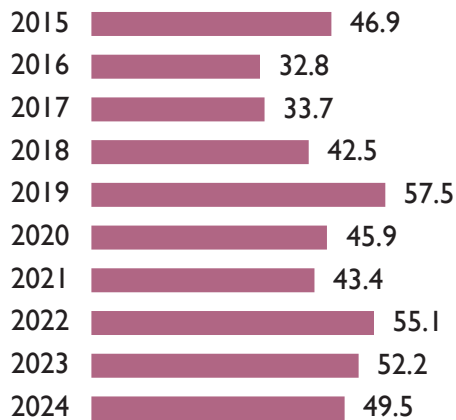
COMPOSITE INDEX



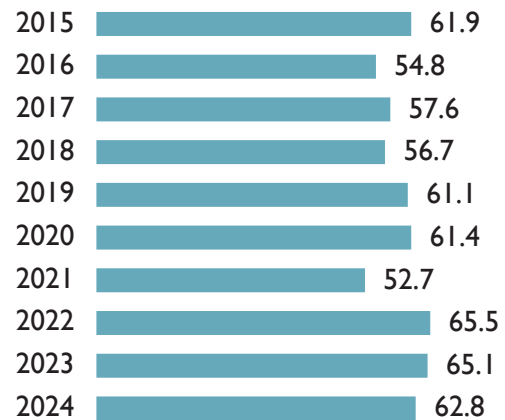
EMPLOYMENT



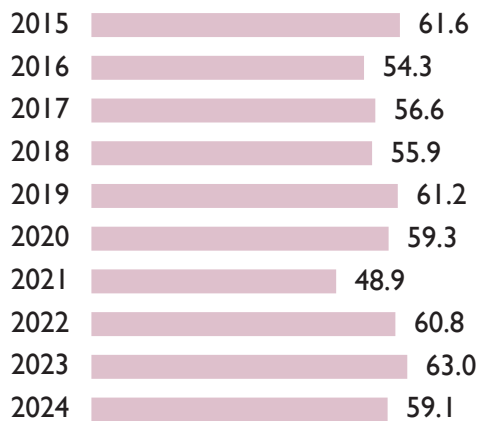
ANCHORAGE ECONOMY



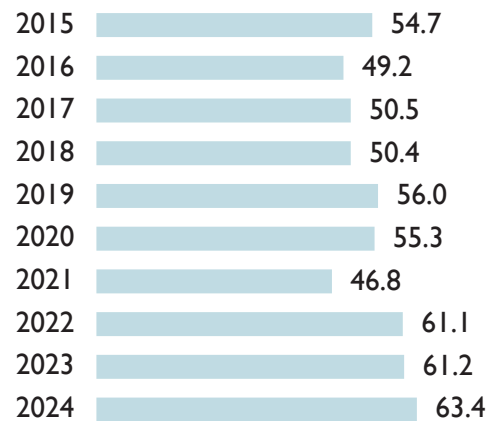
GROSS SALES



NET PROFITS



CAPITAL EXPENDITURES

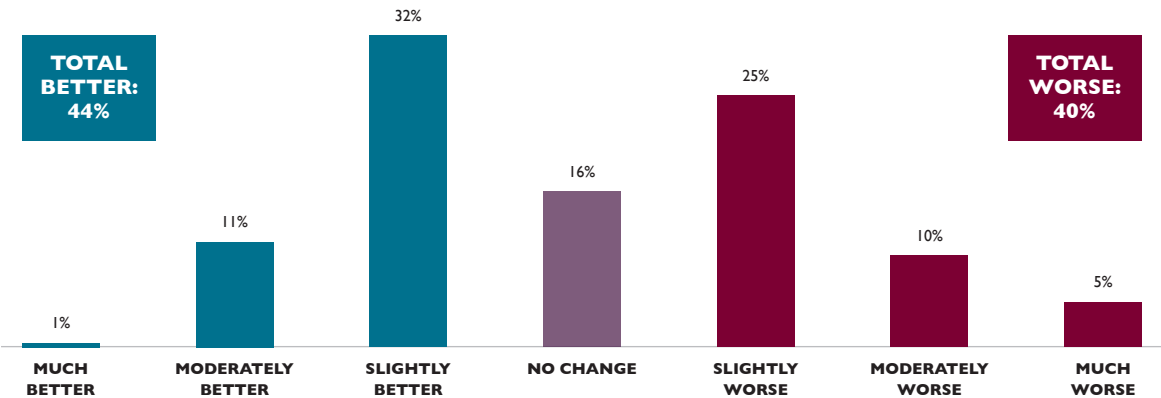


EXPECTATIONS FOR 2024

ANCHORAGE ECONOMY

When asked how the Anchorage economy will fare in 2024 compared to 2023, businesses were more likely to say it would fare better (44%) than to say it would fare worse (40%). The most common response was “slightly better” at 32%. Expectations were lower than in the previous survey, when 46% said the economy would fare better, and 35% said it would worsen.

Figure 2. Expectations for Anchorage Economy in 2024

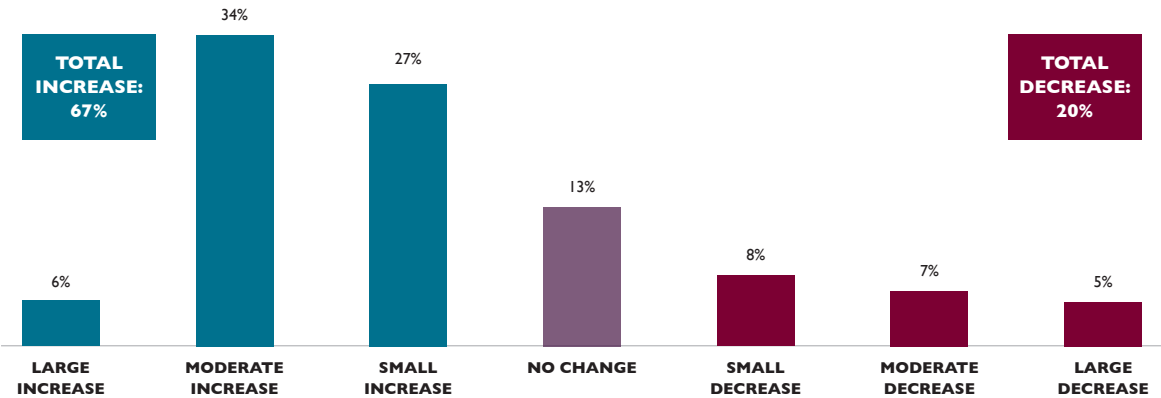


GROSS SALES AND NET PROFIT

Two-thirds of respondents (67%) said they expect their gross sales/operating budget to increase in 2024, while 20% expect it to decrease, and 13% to stay the same. The number of respondents expecting lower sales grew in 2024 compared to 2023 (14% in 2023).

Net profit expectations (not shown) were less optimistic compared to 2023, with 54% anticipating an increase in net profits in 2024 and 23% expecting a decrease.

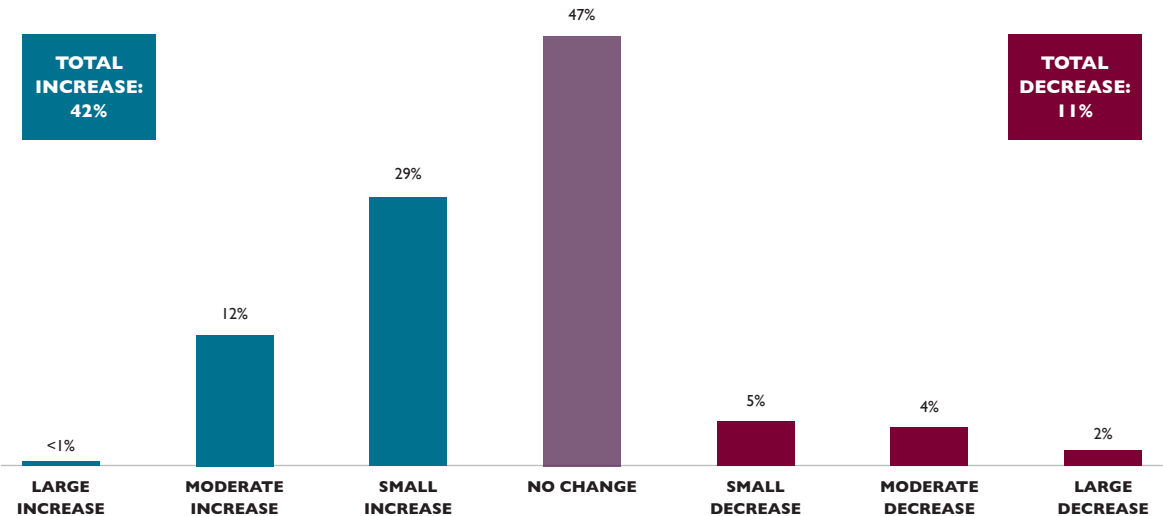
Figure 3. Expectations for Gross Sales/Annual Operating Budget in 2024



EMPLOYMENT

Fewer than one-half of respondents (42%) expect their employment to increase in 2024; 11% expect a decrease; and almost one-half (47%) expect no change. Compared to 2023, a lower percentage of respondents expected to increase employment (50% in 2023).

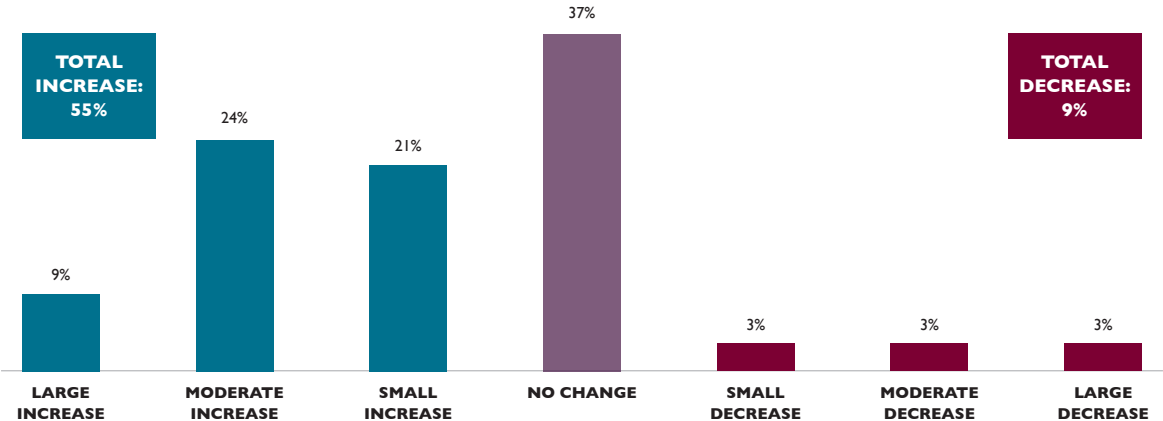
Figure 4. Expectations for Employment in 2024



CAPITAL EXPENDITURES

Over half of respondents (55%) expect their capital expenditures to increase in 2024, while 9% expect them to decrease, and 37% expect them to stay the same. Responses were generally similar to the previous year.

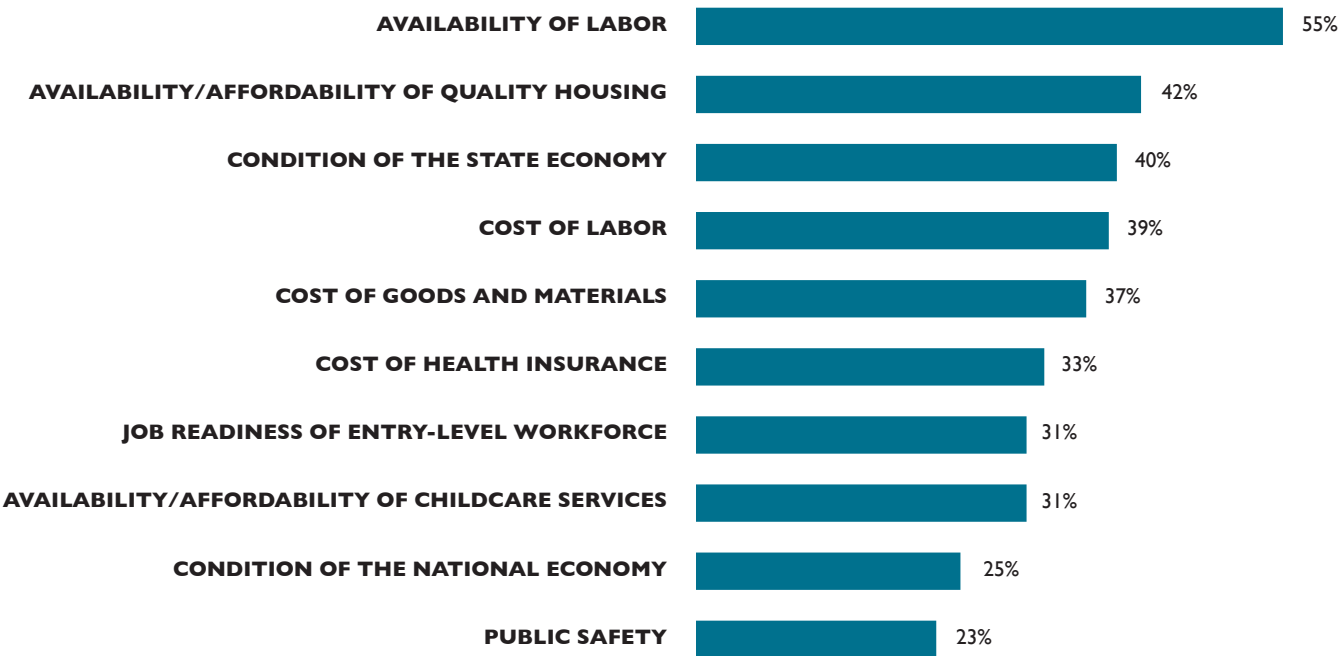
Figure 5. Expectations for Capital Expenditures in 2024



BARRIERS TO BUSINESS GROWTH

Respondents were presented with a list of 21 potential barriers to growth and asked to identify which were a “significant barrier” to their organization’s growth. The number one barrier to growth was “availability of labor,” noted by 55%, followed by “availability and affordability of quality housing” (42%), and “condition of the state economy” (40%). As in 2023, barriers related to the availability and cost of labor remained among the top ten significant barriers for business growth. A higher percentage of respondents noted “availability and affordability of quality housing” as a significant barrier in 2024 (42%) compared to 2023 (28%).

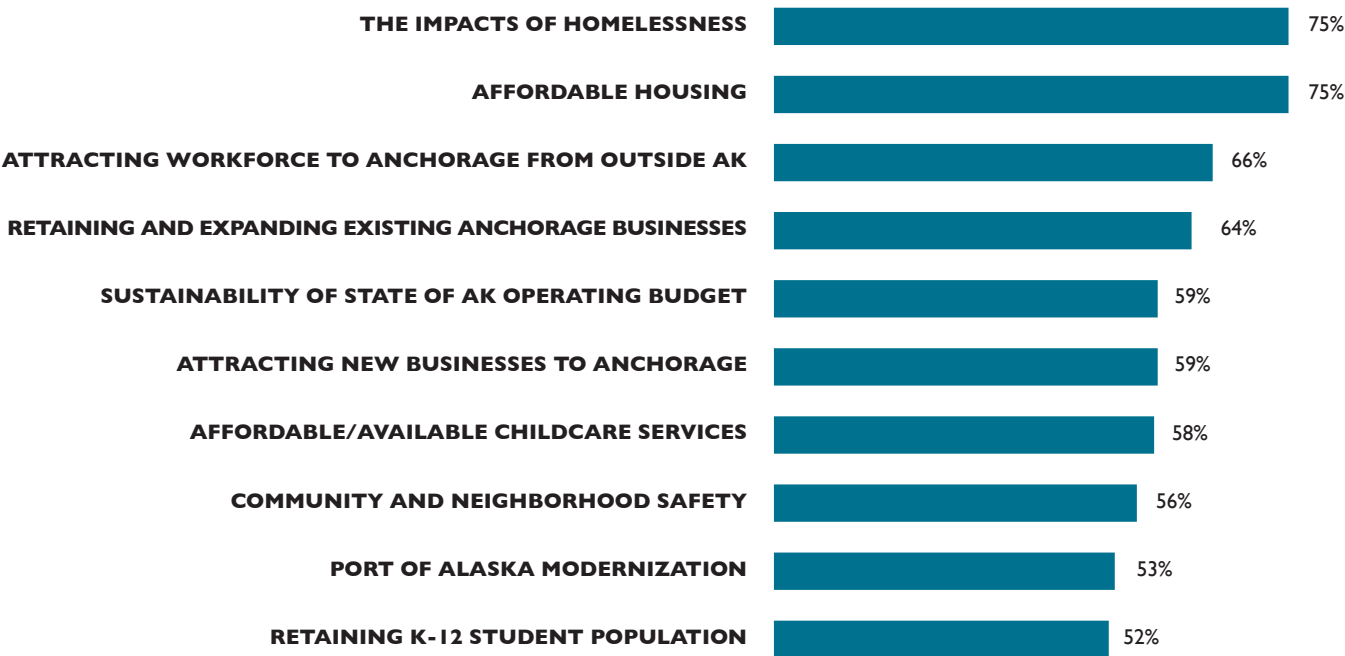
Figure 6. Top 10 “Significant” Barriers to Business Growth



IMPORTANT ISSUES AFFECTING ANCHORAGE'S ECONOMY

Respondents were presented with a list of issues and asked to identify which were “very important for the Anchorage economy.” The number one issues for the Anchorage economy were “the impacts of homelessness” and “affordable housing” (both 75%), followed by “attracting workforce to Anchorage from outside Alaska” (66%) and “retaining and expanding existing Anchorage businesses” (64%).

Figure 7. Top 10 “Very Important” Issues for Anchorage Economy



STATE'S LONG-TERM FISCAL STABILITY

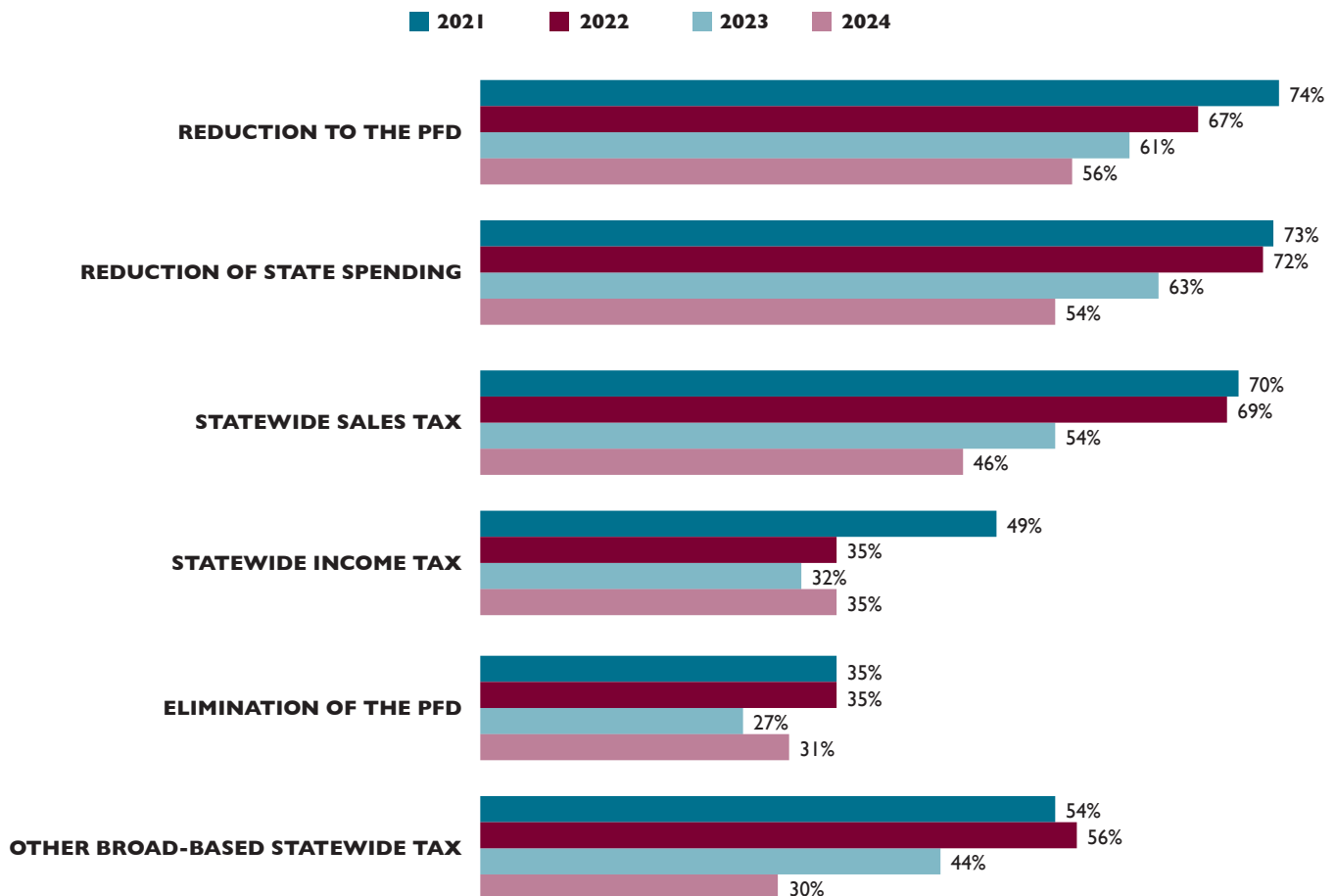
Respondents were asked to indicate their level of support for six potential methods of addressing the State's budget challenges. "Reduction to the PFD" (56% supportive) and "reduction of State spending" (54%) received the highest support. The least supported was "other broad based statewide tax" (30%).

Most methods lost support in 2024. For example, support for "reduction to the PFD" fell from 74% in 2021 to 67% in 2022, 61% in 2023, and 56% in 2024. Support for "other broad-based statewide tax" lost the largest amount of support from 44% support in 2023 to 30% in 2024.

Support did increase for some proposed methods:

- Support for "statewide income tax" increased from 32% in 2023 to 35% in 2024.
- Support for "elimination of the PFD" increased from 27% in 2023 to 31% in 2024.

**Figure 8. Methods to Address the State Budget Challenges:
% Supportive, 2021-2024**



Note: Question wording was changed slightly in the 2024 survey to address state budget 'challenges' rather than 'deficit' (used in 2021-2023).



INTRODUCTION AND METHODOLOGY

Anchorage Economic Development Corporation (AEDC) contracted with McKinley Research Group for the 16th 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 survey has historically been fielded in November and December. The 2024 online survey was conducted in May 2024. Respondents were asked a series of questions regarding their organization's business performance in 2023 compared to 2022, expectations for 2024, 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.

This year, 150 businesses and organizations completed the survey, down from 240 in 2023, and exceeding the 2022 total of 115.

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.

EXPECTATIONS FOR BUSINESS IN 2024

GROSS SALES/ANNUAL OPERATING BUDGET

- Two-thirds of respondents (67%) said they expect their gross sales/operating budget to increase in 2024, while 20% expect it to decrease, and 13% expect it to stay the same.
- The percentage saying “decrease” (20%) was the highest since 2021 (34%).

Table 1. In terms of gross sales/annual operating budget, how do you expect your organization to perform in 2024 compared to 2023? (2015-2024 results) (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
INCREASE (NET)	65	49	54	53	62	67	51	70	68	67
LARGE INCREASE	5	4	5	4	4	5	2	4	5	6
MODERATE INCREASE	26	19	27	22	26	22	22	29	32	34
SMALL INCREASE	34	26	22	27	32	40	27	37	31	27
DECREASE (NET)	18	31	28	27	21	20	34	10	14	20
SMALL DECREASE	10	17	14	16	11	12	13	4	8	8
MODERATE DECREASE	5	11	10	8	8	6	14	5	6	7
LARGE DECREASE	3	3	4	3	2	2	7	1	<1	5
NO CHANGE	17	18	17	20	18	13	15	18	17	13

Note: Due to omission of “Not Applicable” responses, some columns may not add up to 100%.

NET PROFITS

- Over one-half of respondents (58%) expect their net profits to increase in 2024, while one-quarter expect them to decrease, and 17% to stay the same.
- The percentage saying “increase” (58%) was similar to the 10-year average of 57%.

Table 2. In terms of net profits, how do you expect your organization to perform in 2024 compared to 2023? (2015-2024 results) (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
INCREASE (NET)	63	49	53	51	64	60	46	59	64	58
LARGE INCREASE	4	2	5	3	4	4	2	3	3	3
MODERATE INCREASE	27	19	25	20	23	21	17	21	29	31
SMALL INCREASE	32	28	23	28	37	35	27	36	32	24
DECREASE (NET)	20	28	29	27	20	23	37	15	15	25
SMALL DECREASE	12	15	15	15	13	12	12	8	8	14
MODERATE DECREASE	6	9	9	9	5	8	16	5	7	6
LARGE DECREASE	2	4	5	3	2	3	9	2	1	5
NO CHANGE	18	23	18	22	15	17	18	22	19	17

Note: Due to omission of “Not Applicable” responses, some columns may not add up to 100%.

EMPLOYMENT

- About one-half of respondents (47%) expect no change in their employment in 2024 compared to 2023, while 42% expect an increase and 11% expect a decrease.
- The percent expecting an employment increase in 2024 (42%) remained above the 10-year average of 39%.

Table 3. In terms of employment, how do you expect your organization to perform in 2024 compared to 2023? (2015-2024 results) (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
INCREASE (NET)	41	36	30	26	36	39	34	54	50	42
LARGE INCREASE	2	2	1	1	1	2	2	3	2	<1
MODERATE INCREASE	11	10	11	6	9	9	6	14	13	12
SMALL INCREASE	28	24	18	19	26	28	26	37	35	29
DECREASE (NET)	17	21	21	20	14	15	23	9	7	11
SMALL DECREASE	11	12	14	14	11	9	10	6	5	5
MODERATE DECREASE	3	7	5	4	3	5	8	2	2	4
LARGE DECREASE	3	2	2	2	0	1	5	1	<1	2
NO CHANGE	44	43	48	53	50	46	42	35	42	47

Note: Due to omission of “Not Applicable” responses, some columns may not add up to 100%.

CAPITAL EXPENDITURES

- Over half of respondents (55%) expect their capital expenditures to increase in 2024, while 9% expect them to decrease, and 37% expect them to stay the same.
- Responses were similar to 2023. The percentage expecting an increase (55%) was well above the 10-year average of 42%.

Table 4. In terms of capital expenditures, how do you expect your organization to perform in 2024 compared to 2023? (2015-2024 results) (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
INCREASE (NET)	42	34	33	36	45	40	31	50	53	55
LARGE INCREASE	5	3	3	2	4	2	1	4	5	9
MODERATE INCREASE	14	9	11	9	14	14	11	14	16	25
SMALL INCREASE	23	22	19	25	27	24	19	32	31	21
DECREASE (NET)	19	32	29	25	17	15	32	5	10	9
SMALL DECREASE	7	17	14	11	9	6	11	3	6	3
MODERATE DECREASE	6	8	10	5	3	6	11	<1	3	3
LARGE DECREASE	6	7	5	9	5	3	10	2	1	3
NO CHANGE	38	34	37	39	38	45	37	40	35	37

Note: Due to omission of “Not Applicable” responses, some columns may not add up to 100%.

COMPARISON OF 2023 TO 2022

The 2024 survey asked one question about how businesses fared in 2023 compared to 2022: how net profits have changed.

- Half of respondents reported an increase in their net profits, while 30% reported a decrease, and 12% reported no change.
- The percentage of businesses reporting an increase in profits declined compared to the previous survey period: 61% saw an increase between 2021 and 2022 compared to 50% with increased profit between 2022 and 2023.

Table 5. In terms of net profits, how has your business performed in 2023 compared to 2022? (%)

	2022 COMPARED TO 2021	2023 COMPARED TO 2022
INCREASE (NET)	61	50
LARGE INCREASE	11	5
MODERATE INCREASE	25	21
SMALL INCREASE	25	24
DECREASE (NET)	26	30
SMALL DECREASE	11	11
MODERATE DECREASE	12	10
LARGE DECREASE	3	9
NO CHANGE	11	12

Note: Due to omission of “Not Applicable” responses, some columns may not add up to 100%.

BARRIERS TO BUSINESS GROWTH

Respondents were presented with a list of potential barriers to growth and asked to identify which were a “significant barrier” to their organization’s growth.

- The number one barrier to growth was “availability of labor,” noted by 55%, followed by “availability and affordability of quality housing” (42%) and “condition of the state economy” (40%).
- Potential barriers with the lowest level of “significant barrier” responses were “state taxes” (2%), and “state regulations” and “federal taxes” both with 8%.
- A follow-up question asked if there were any other barriers to their organization’s growth; the most common response was “impacts of homelessness,” mentioned by 4% of respondents. All verbatim responses can be found in the Appendix.

Table 6. Which of the following factors are currently a significant barrier to your organization’s growth? (%)

	2023	2024
AVAILABILITY OF LABOR	54	55
AVAILABILITY AND AFFORDABILITY OF QUALITY HOUSING	28	42
CONDITION OF THE STATE ECONOMY	42	40
COST OF LABOR	47	39
COST OF GOODS AND MATERIALS	37	37
COST OF HEALTH INSURANCE	35	33
JOB READINESS OF ENTRY-LEVEL WORKFORCE	24	31
AVAILABILITY AND AFFORDABILITY OF CHILDCARE SERVICES	19	31
CONDITION OF THE NATIONAL ECONOMY	28	25
PUBLIC SAFETY	13	23
ENERGY PRICES	20	21
ANCHORAGE REGULATIONS	19	20
COST OF COMMERCIAL PROPERTY LEASE/ACQUISITION	14	19
ACCESS TO CAPITAL	11	15
ANCHORAGE TAXES	8	14
FEDERAL REGULATIONS	17	14
FEDERAL TAXES	8	8
STATE REGULATIONS	11	8
STATE TAXES	2	2

CAPITAL IMPROVEMENT PLANS

- Over one-third of respondents (38%) said they are planning capital improvements in 2024, much higher than the 10-year average of 29%.
- Of those planning improvements, two-thirds (65%) said the improvement will create jobs.
- Almost two-thirds of respondents (63%) are not planning capital improvements. Of these respondents, close to one-half (46%) noted that a recent change in Anchorage’s economy had affected their plans.

Table 7. Are you planning significant capital improvements in 2024 and 2025? (2015-2024 results) (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PLANNING CAPITAL IMPROVEMENT	31	27	31	25	28	28	22	31	32	38
WILL CREATE JOBS	78	68	67	69	80	73	62	78	72	65
WILL NOT CREATE JOBS	22	32	33	31	20	27	38	22	28	35
NOT PLANNING CAPITAL IMPROVEMENT	69	73	69	75	72	72	78	69	68	63
RECENT CHANGE IN ANCHORAGE ECONOMY AFFECTED PLANS	27	40	41	44	50	55	60	44	39	46
RECENT CHANGE IN ANCHORAGE ECONOMY DID NOT AFFECT PLANS	73	60	59	56	50	45	40	56	61	54

Note: Due to a shift in survey timing question wording changed slightly. Previously the survey asked about planned capital improvements “in the next two years”. The 2024 survey question asked about 2024 and 2025.

EXPECTATIONS FOR ECONOMY IN 2024

ANCHORAGE ECONOMY

- About 44% of respondents expect the Anchorage economy will fare better in 2024 compared to 2023, while 40% expect it will be worse, and 16% expect no change.
- Expectations for the Anchorage economy stayed about the same compared to last year.

Table 8. How do you think the Anchorage economy will fare in 2024, compared to 2023? (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BETTER (NET)	37	10	18	29	58	30	40	60	46	44
MUCH BETTER	1	<1	1	2	2	1	1	4	2	1
MODERATELY BETTER	7	<1	3	4	12	8	9	10	11	11
SLIGHTLY BETTER	29	10	14	23	44	21	30	46	33	32
WORSE (NET)	44	78	70	58	23	48	52	30	35	40
SLIGHTLY WORSE	29	48	40	36	18	35	24	19	26	25
MODERATELY WORSE	12	22	23	17	4	9	16	6	6	10
MUCH WORSE	3	8	7	5	1	4	12	5	3	5
NO CHANGE	18	12	12	14	19	22	8	10	18	16

Note: Due to omission of “Not Applicable” responses, some columns may not add up to 100%.

ALASKA ECONOMY

- Half of respondents (50%) expect the Alaska economy to improve in 2024 compared to 2023, while 34% expect it to worsen, and 16% expect no change.
- The percentage expecting the economy to be better (50%) was higher than the 10-year average of 40%.

Table 9. How do you think the overall Alaska economy will fare in 2024, compared to 2023? (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BETTER (NET)	35	5	19	32	62	35	43	63	51	50
MUCH BETTER	2	0	1	2	3	3	3	3	3	1
MODERATELY BETTER	8	<1	4	5	16	6	7	10	12	14
SLIGHTLY BETTER	25	5	14	25	43	26	33	50	36	35
WORSE (NET)	50	88	71	52	24	49	52	28	34	34
SLIGHTLY WORSE	29	40	32	29	17	35	25	21	25	24
MODERATELY WORSE	16	36	29	19	6	10	17	3	6	8
MUCH WORSE	5	12	10	4	1	4	10	4	3	2
NO CHANGE	15	7	9	16	15	16	5	9	17	16

Note: Due to omission of “Not Applicable” responses, some columns may not add up to 100%.

IMPORTANCE OF ISSUES FOR THE ECONOMY

Respondents were presented with a list of issues and asked to identify which were “very important for the Anchorage economy.”

- The top issues for the Anchorage economy, according to respondents, are “the impacts of homelessness” (75%), and “affordable housing” (75%), followed by “attracting workforce to Anchorage from outside Alaska” (66%).
- The least important issues are “retaining transitioning veterans in the local workforce” (23%), “City parks and trails revitalization” (33%), “mining resource development projects” (36%), and “supporting entrepreneurs” (37%).
- A follow-up question asked if there were other projects or issues very important for the Anchorage economy; the most common response was “natural gas availability,” mentioned by 4% of respondents. All verbatim responses are included in the Appendix.

Table 10. Which of the following do you think are very important for the Anchorage economy? (%)

	2023	2024
THE IMPACTS OF HOMELESSNESS	70	75
AFFORDABLE HOUSING	73	75
ATTRACTING WORKFORCE TO ANCHORAGE FROM OUTSIDE ALASKA	71	66
RETAINING AND EXPANDING EXISTING ANCHORAGE BUSINESSES	68	64
SUSTAINABILITY OF STATE OF ALASKA OPERATING BUDGET	64	59
ATTRACTING NEW BUSINESSES TO ANCHORAGE	63	59
AFFORDABLE/AVAILABLE CHILDCARE SERVICES	58	58
COMMUNITY AND NEIGHBORHOOD SAFETY	60	56
PORT OF ALASKA MODERNIZATION	59	53
RETAINING K-12 STUDENT POPULATION	44	52
K-12 EDUCATION FUNDING	*	52
REDUCING HEALTHCARE COSTS	46	50
NORTH SLOPE OIL PRODUCTION	57	48
WORKFORCE TRAINING	50	46
DOWNTOWN REVITALIZATION	50	46
AREA ROAD INFRASTRUCTURE	35	39
EXPANSION OF AIR CARGO INDUSTRY AT ANCHORAGE INT. AIRPORT	48	38
SUPPORTING ENTREPRENEURS	*	37
MINING RESOURCE DEVELOPMENT PROJECTS	32	36
CITY PARKS AND TRAILS REVITALIZATION	31	33
RETAINING TRANSITIONING VETERANS IN THE LOCAL WORKFORCE	27	23

*Not included in the survey that year.

Respondents were asked to select one issue as the “most important” for the Anchorage economy.

- Two issues each garnered more than 10% of responses: “affordable housing” (14%) and “attracting workforce to Anchorage from outside Alaska” (11%).
- While “the impacts of homelessness” earned the highest percentage of “very important” responses in the previous question, it was most important for only 9% of respondents.
- The most important barriers in 2023 differed slightly. Only 7% of 2023 respondents rated “affordable housing” as the most important factor, ranking fifth in the list of top factors compared to first in 2024.
- “Attracting workforce to Anchorage from outside Alaska” remained among the most important factors in 2023 and 2024.

Table 11. Which of the following do you think is most important for the Anchorage economy? (%)

	2023	2024
AFFORDABLE HOUSING	7	14
ATTRACTING WORKFORCE TO ANCHORAGE FROM OUTSIDE ALASKA	12	11
THE IMPACTS OF HOMELESSNESS	5	9
K-12 EDUCATION FUNDING	*	9
NORTH SLOPE OIL PRODUCTION	13	8
RETAINING AND EXPANDING EXISTING ANCHORAGE BUSINESSES	11	7
SUSTAINABILITY OF STATE OF ALASKA OPERATING BUDGET	11	5
PORT OF ALASKA MODERNIZATION	5	4
ATTRACTING NEW BUSINESSES TO ANCHORAGE	6	4
RETAINING K-12 STUDENT POPULATION	2	3
DOWNTOWN REVITALIZATION	4	3
REDUCING HEALTHCARE COSTS	2	2
COMMUNITY AND NEIGHBORHOOD SAFETY	1	2
MINING RESOURCE DEVELOPMENT PROJECTS	<1	1
WORKFORCE TRAINING	6	1
AFFORDABLE/AVAILABLE CHILDCARE SERVICES	1	1
EXPANSION OF AIR CARGO INDUSTRY AT ANCHORAGE INT. AIRPORT	5	1
CITY PARKS AND TRAILS REVITALIZATION	<1	1
AREA ROAD INFRASTRUCTURE	<1	1

*Not included in the survey that year.

STATE OF ALASKA BUDGET

Respondents were asked to indicate their level of support for six potential methods of addressing the State's budget challenges.

- Over half of respondents (56%) support a “reduction to the PFD”, followed by “reduction of State spending” (54% supportive).
- The highest level of opposition was to a “statewide income tax” (60% opposed) followed by “elimination of the PFD” (58% opposed).

Table 12. In response to the State of Alaska's budget challenges, how supportive are you of each of the following? 2024 (%)

	VERY SUPPORTIVE	SUPPORTIVE	TOTAL SUPPORTIVE	OPPOSED	VERY OPPOSED	TOTAL OPPOSED
REDUCTION TO THE PFD	27	29	56	16	21	37
REDUCTION OF STATE SPENDING	22	32	54	25	11	36
STATEWIDE SALES TAX	12	34	46	24	26	50
STATEWIDE INCOME TAX	16	19	35	29	31	60
ELIMINATION OF THE PFD	14	18	32	27	31	58
OTHER BROAD-BASED STATEWIDE TAX	6	24	30	21	25	46

Note: Due to omission of “Don't Know” responses, some rows may not add up to 100%. Question wording was changed slightly in the 2024 survey to address state budget ‘challenges’ rather than ‘deficit’ (used in 2021-2023).

Since 2021, “reduction of State spending”, “reduction to the PFD”, and “statewide sales tax” have been the methods with highest percentage of respondents in support. The method with the highest opposition has been “elimination of the PFD.”

Table 13. Support of potential methods of addressing the State's budget challenges. (2021-2024 results) (%)

	2021	2022	2023	2024
REDUCTION TO THE PFD	74	67	61	56
REDUCTION OF STATE SPENDING	73	72	63	54
STATEWIDE SALES TAX	70	69	54	46
STATEWIDE INCOME TAX	49	35	32	35
ELIMINATION OF THE PFD	35	35	27	32
OTHER BROAD-BASED STATEWIDE TAX	54	56	44	30

Note: Question wording was changed slightly in the 2024 survey to address state budget ‘challenges’ rather than ‘deficit’ (used in 2021-2023).

BUSINESS CHARACTERISTICS

BUSINESS SECTOR

The most common business sectors represented by respondents were finance/insurance/real estate (19%), professional services (13%), and non-profit (11%), the same top three as the previous year.

**Table 14. Which sector best describes your organization?
(Self-identified) (2015-2024 results) (%)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
FINANCE/INSURANCE/REAL ESTATE	12	12	13	11	21	17	16	18	18	19
PROFESSIONAL SERVICES	21	16	18	14	15	17	13	12	16	13
NON-PROFIT	11	10	9	7	11	15	10	10	10	11
TOURISM/HOSPITALITY	6	7	6	6	5	4	8	10	7	7
CONSTRUCTION/MAINTENANCE	4	5	3	6	5	5	4	8	4	7
TRANSPORTATION	4	5	5	4	5	4	4	3	8	5
ENGINEERING/ARCHITECTURE	8	11	7	4	6	5	12	6	6	5
WHOLESALE/RETAIL TRADE	5	6	6	8	5	5	4	6	5	5
MANUFACTURING	-	2	3	2	1	1	2	3	2	4
ALASKA NATIVE CORPORATION	2	3	4	4	2	6	4	4	5	3
HEALTH CARE	5	3	4	6	3	3	5	3	5	3
GOVERNMENT/MILITARY	2	5	3	3	4	2	3	1	3	3
MEDIA/COMMUNICATION	4	5	7	7	5	3	3	8	2	3
EDUCATION/CHILDCARE	*	*	*	2	2	2	2	1	3	2
MINING/OIL PRODUCTION	2	1	2	4	1	1	2	2	<1	2
OTHER	3	<1	1	1	-	4	2	-	-	2
INFORMATION TECHNOLOGY	2	2	4	3	2	3	1	1	3	1
UTILITIES	2	3	1	1	1	1	-	2	1	1
SOCIAL SERVICES	<1	1	1	1	<1	1	<1	1	1	1
ARTS	*	*	*	2	-	-	1	1	<1	1
FISHING/SEAFOOD	-	-	-	1	-	1	1	1	-	1
MINING/OIL SUPPORT SERVICES	2	2	2	3	1	1	<1	1	2	-

*Not included in the survey that year.

ORGANIZATION SIZE

- One-fifth of responding businesses (20%) reported an annual sales/operating budget of more than \$25 million. The next most popular category was \$1 million to \$5 million (18%).
- The percentage reporting under \$250,000 rose from 8% in 2022 to 16% in 2024.

Table 15. Which of the following categories best describes your organization's annual gross sales or annual operating budget? (2015-2024 results) (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
UNDER \$250,000	16	13	20	27	15	12	10	8	13	16
\$250,000 TO \$500,000	8	9	10	6	7	10	7	10	6	8
\$500,000 TO \$1 MILLION	8	9	8	10	7	8	9	8	6	8
\$1 MILLION TO \$5 MILLION	26	25	13	20	24	19	20	26	22	18
\$5 MILLION TO \$10 MILLION	8	7	10	8	11	14	14	9	8	8
MORE THAN \$10 MILLION	30	31	33	25	32	31	34	31	40	*
\$10 MILLION TO \$25 MILLION	*	*	*	*	*	*	*	*	*	16
MORE THAN \$25 MILLION	*	*	*	*	*	*	*	*	*	20
DON'T KNOW	5	6	7	4	4	5	6	8	5	6

**Not included in the survey that year.*

CURRENT EMPLOYMENT

Responding businesses represented a wide range in terms of employment numbers, with 42% employing under 10 people, and 19% employing 100 or more.

**Table 16. How many people do you currently employ in Anchorage?
Please include full-time and part-time employees. (2015-2024 results) (%)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
UNDER 10	45	43	46	54	36	36	40	36	34	42
UNDER 5	*	*	*	*	*	*	*	21	24	35
5 TO 9	*	*	*	*	*	*	*	15	10	7
10 TO 49	22	31	26	24	30	30	31	33	31	31
50 TO 99	5	6	7	6	12	12	12	11	14	8
100 TO 249	12	10	7	7	10	10	5	9	8	9
250 TO 500	6	4	5	2	5	5	4	4	8	5
500 OR MORE	7	5	8	5	6	6	5	6	6	5
DON'T KNOW	2	2	1	1	<1	<1	1	1	-	<1

**Not included in the survey that year.*

APPENDIX

The following section includes responses for open-ended survey questions. For readability, wording has been edited slightly for grammar, punctuation, or spelling.

ARE THERE ANY OTHER BARRIERS THAT PREVENT YOUR ORGANIZATION FROM ACHIEVING GROWTH?

- Affordable and safe childcare and housing
- Alaskans themselves have to have more money for me to make more money.
- Anchorage assembly
- Anchorage economy; inability to reduce homelessness; Anchorage is not inviting to business growth; e.g. lack of housing, abundance of regulation that limits residential construction
- Availability of workers (2)
- Bad mayor, dysfunctional and short-sighted legislature, terrible governor
- Challenges with safety/security in the downtown market
- Consistent access to deployable capital
- Cost of business insurance
- Costs of services like repairs
- Current presidency and new mayor of Anchorage
- Desirability of Alaska as a place to live for our staff, cost of living in Anchorage
- Diminishing downtown retail
- Finance costs
- Frankly, we are still recovering from the pandemic in terms of institutional knowledge/reestablishing SOPs. Things are going well, but I think we are one more year from feeling ready to really focus on intentional growth.
- High interest rates
- Homelessness downtown
- Homelessness in Anchorage negatively affect guest experience
- Housing, materials, labor availability
- Incompetence of the Biden administration on economic policy
- Inflation, higher interest rates, higher property taxes, homeless, no one wants to move here
- Interest rates
- Internet competition
- Lack of capital
- Lack of community partnerships with military
- Lack of competent people to do the work

- Lack of housing available in Anchorage and interest rate increases
- Lack of new business opportunities; and clients spending less
- Lack of population growth, lack of home construction at all price points
- Lack of state support for state-federal partnership programs and the lack of investment in economic diversification
- Litigation
- Local regulations
- Market size
- Mortgage loan interest rates are too high
- Most all of the above
- Municipal code
- Nepotism in sales with the state government
- No growth in Anchorage population; young adults leaving Alaska
- No tax base
- Non-friendly politics towards small business
- Pay scales significantly below private markets
- People are scared to invest
- People can't afford to spend money
- Politics
- Population loss
- Property taxes
- Reduction of professional pipeline (the number of CPAs) in Alaska
- Rising costs across the board
- Rural infrastructure
- Short-sighted and contentious politicians in positions of leadership
- Silly DOI regulations
- Slow growth of trans-pacific travel market
- Slowing AK and Anchorage economy decrease desire to invest more
- Talent pool, livability of Anchorage
- Technology
- The homeless problem
- The perception of Anchorage as a non-livable city
- Transportation
- Transportation costs
- Unfair advantage of large national healthcare organizations when competing with smaller local operators
- Wasteful spending on "homeless" by the assembly
- Winter road conditions

WHAT OTHER PROJECTS OR ISSUES DO YOU THINK ARE VERY IMPORTANT FOR THE ANCHORAGE ECONOMY?

- Abundant, affordable energy
- Access to illegal drugs
- Address natural gas looming shortage
- Addressing homelessness
- AEDC Choose Anchorage
- Affordable electric
- Affordable energy
- Affordable healthcare/fiscal policy support growth
- Affordable housing
- Affordable housing for seasonal employees
- Agriculture
- Alaska Long Trail
- Alaska Universities to retain teenagers
- All construction projects
- Amazon is beating down all retail
- ASD Career Academies
- ASD's school start time changes
- Assembly focus on supporting businesses NOT social
- Attracting and maintaining new business
- Attracting indoor agriculture projects
- Better access to mental health issues
- Bring more Tech Companies to AK
- City beautification
- City government hostility towards business and com
- Clean up
- Cleaning up the homeless problem
- Community development
- Community development around military installation
- Competent business leadership
- Competent school district leadership
- Continue tourism investment
- Cost and supply of natural gas
- Crime
- Criminal Accountability
- Cultural tourism
- Decrease homeless on the streets
- Develop Alaska gas

- Direct flight access to Asia
- Diversification of industries
- Diversifying the industries that operate here
- Downsizing of city government employees
- Drill our own oil
- Development of markets outside O&G and Mining like Agric
- Educated workforce
- Effective leadership between admin and assembly
- Elder/ retirement housing & services
- Encourage Exporting with Small/Medium Size Business
- Energy production
- Energy production
- Energy Projects
- Energy sustainability and security
- Exercise our rights under the Statehood Compact
- Expand alternative energy transportation corridors
- Expand public transit system
- Expanding the arts and music scene
- Expanding tourism industry
- Expediting Visas/green card for foreign labor
- Ferry between Anchorage, Pt Mac, Kenai P,Tyonek
- Finding senior talent is difficult too
- Fisheries
- Focusing on other areas besides downtown
- Functional local government
- Games with assembly vs mayor
- Get stranded gas to market
- Getting a navigation center built
- Glenn Highway improvements
- Gotta clean up our city
- High crime and lack of support for police
- Higher property taxes to pay for the homeless
- Hiring Anchorage contractors of military contracts
- Homeless get them out
- Improve indoor activities for families with babies
- Improved snow removal
- Improving education Pre-K-University & vocational
- Improving the appearance of the city
- Increase affordable homes
- Infrastructure upkeep - Roads, Parks, Trails

- Invest in Anchorage/Alaska students
- Invest in schools/education; good schools matter
- Keeping senior employees here in Alaska too
- Knik Bridge between Anchorage and Point Mac
- Lack of developable land
- Lack of proper priorities of city government
- Land availability for growth
- Less political noise
- Less political noise
- Local government is awful
- Low-cost housing in core areas
- Maintenance, Upkeep, Beautification
- Making this a sexy, desirable city to work/play
- Marketing of Anchorage as a destination
- Matsu Port Expansion
- Mental Health and Addiction access and services
- Mental health care, open up alternatives
- Mining Projects
- MOA Tax Incentives for Housing & Development
- Modernization of the Port of Alaska
- More renewable energy support and use
- MUST have NEW mobile home parks
- Natural Gas availability
- Need simpler ADU determination
- Out of Control City Government
- Political balance in the MOA...very concerning!
- Port expansion
- Port of Alaska stabilization
- Port of Anchorage
- Promote childcare options that aren't full time
- Quality schools
- Quit catering to the homeless
- Railroad expansion
- Realistic planning and budgeting in our schools
- Reduce crime
- Reduce homelessness
- Reduce the street bum image we so proudly home
- Reducing cost of construction materials
- Reducing Energy costs
- Reduction in property tax assessments or rates

- Re-Invest in our people, businesses, infrastructure
- Reroute downtown traffic to make more walk bike friendly
- Resolution of homelessness
- Resolving the homeless nightmare
- Returning of city owned streets to city management
- Revitalize downtown Anchorage, address homelessness
- Revitalizing all of Anchorage
- Safety, arrest then keep them off streets
- Sales tax
- Sales tax that is used to invest in Anchorage
- School funding
- Sewer and water extensions for growth
- Snow plowing
- Snow removal
- Solve the natural gas shortage
- State budget
- State tax incentives i.e.TIF
- Subsidizing workforce housing
- Support for unhoused in Midtown
- Sustainable planning to deal with homelessness
- Target remote working employees to move to here
- Telecommunications and Technology: Improving telec
- Tourist facilitation, such as new Seward dock
- Trade school for HS Diploma credit
- Trades conferences to gain workforce at all levels
- Trail maintenance & expansion
- Trained workforce
- Training/hiring workers with criminal history
- Transportation corridor improvements
- United Way of Anchorage Home for Good
- Walkable major roads; bike paths/lanes
- We must focus on funding our schools
- We need major renewable power development
- We need to get our swagger back
- We probably need an LNG import facility :(
- Willow Project
- Workforce development programs
- Workforce housing
- Zoning
- Zoning laws too strict in Anchorage

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