

AVSP 7 – Summer 2016

Section 3: Visitor Volume

This section presents estimates of the number of out-of-state visitors that came to Alaska between May 1 and September 30, 2016. The visitor volume phase of the AVSP project involves three major tasks: conducting visitor/resident tallies at exit points, compiling exiting traffic data, and applying the visitor/resident ratios to the traffic data to arrive at visitor volume estimates.

As detailed in Table 3.1 below, 57,441 visitors and residents were tallied in Summer 2016. Visitor and resident tallies are broken into five groups, depending on travel mode.

TABLE 3.1 - Tally Locations and Volume, AVSP 7 – Summer 2016

Mode	Tally Locations	Passengers Tallied
Air	Anchorage, Fairbanks, Juneau, Ketchikan, Sitka airports	53,394
Highway	Survey stations on Klondike, Haines, Alcan, and Taylor highways ¹	4,047
Ferry	None; based on AMHS passenger residency data	0
Cruise Ship	None; all passengers considered to be visitors	0
Total Tallied:		57,441

The tallies determined visitor/resident ratios for each location, by month. These ratios were applied to monthly traffic data collected from the following sources: Alaska Department of Transportation and Public Facilities, Anchorage International Airport, Fairbanks International Airport, Alaska Airlines, Delta Airlines, Cruise Line Agencies of Alaska, U.S. Customs and Border Patrol, and Yukon Department of Tourism and Culture.

A full description of these tasks is provided in the *Section 14: Methodology*.

This section contains the following chapters:

- Alaska Visitor Volume**
- Visitor Industry Indicators**
- Visitor Volume by Origin and Trip Purpose**

¹ While tallies and surveys were conducted on the Taylor Highway, the Top of the World Highway is indicated elsewhere in the report in reference to border crossings.

Alaska Visitor Volume

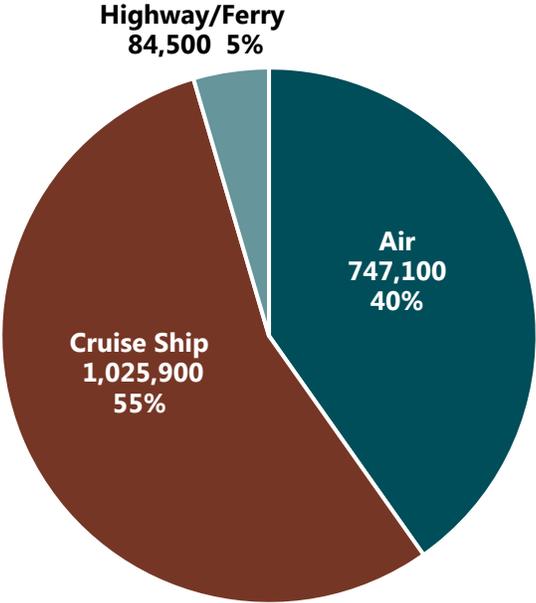
Volume by Transportation Market

An estimated 1,857,500 out-of-state visitors came to Alaska between May and September 2016. In terms of transportation market, 1,025,900 were cruise ship passengers, 747,100 were air visitors (entered *and* exited the state by air), and 84,500 were highway/ferry visitors (entered *or* exited the state by highway *or* ferry).

AVSP methodology counts visitors as they exit the state, by transportation mode (airport, highway, ferry, and cruise ship). However, measuring traffic by transportation market is useful because many cruise ship passengers exit the state via air; in addition, the highway and ferry markets overlap, making it practical to group them together.

Survey results are reported for the total visitor market as well as these three transportation markets in the Sections 4-7 of this report.

CHART 3.1 - Alaska Visitor Volume by Transportation Market, Summer 2016

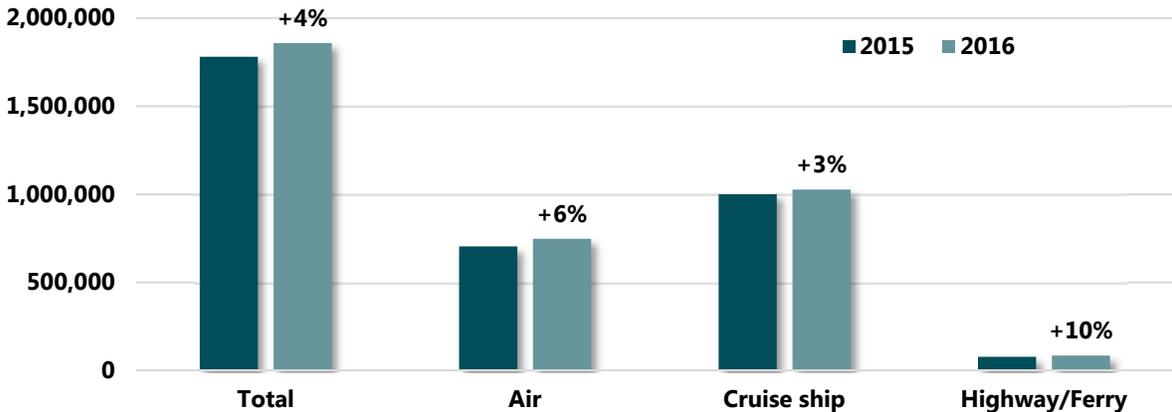


Total Visitor Volume: 1,857,500

Change from Summer 2015

Summer 2016 visitor volume represented an increase of 4 percent (77,500 visitors) from summer 2015. The bulk of the increase is attributable to the air market, which increased by 6 percent (43,700 visitors). The cruise market increased by 3 percent (26,300 visitors), while the highway/ferry market increased by 10 percent (7,500 visitors). Visitation trends are discussed in more detail, below.

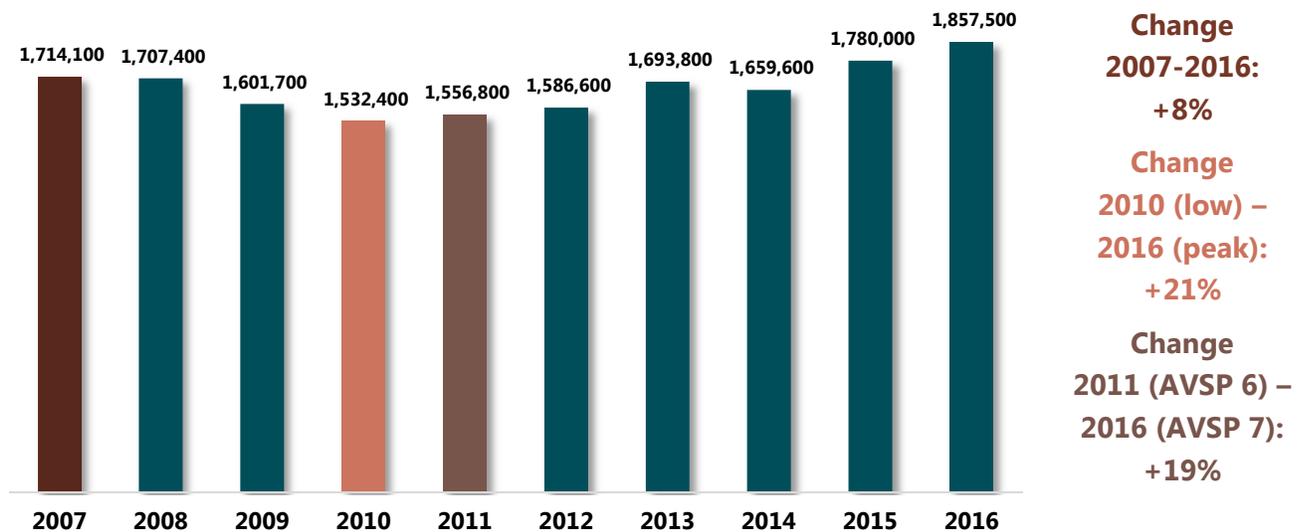
CHART 3.2 - Alaska Visitor Volume, Total and By Transportation Market, Summers 2015 and 2016



Visitor Traffic Trends

The summer 2016 visitor volume of 1,857,500 represents the highest volume on record. From a long-term perspective, the 2016 volume is 8 percent higher than the volume visiting Alaska a decade earlier in 2007, and 21 percent higher than the low point of 2010. The 2016 volume is 19 percent higher than when the last AVSP was conducted, in 2011.

CHART 3.3 - Alaska Visitor Volume, Summers 2007-2016



Sources: AVSP 6 and 7.

Trends by Transportation Market

The following chart and table show how visitor volume to Alaska has fluctuated over the last six summers (since the last AVSP was conducted in 2011), broken down by air, cruise, and highway/ferry transportation markets.

The air market held relatively steady at around 600,000 between 2011 and 2014, followed by significant jumps in 2015 and 2016 (13 percent increase from 2014 to 2015 and 6 percent increased from 2015 to 2016). Overall, the air market increased by 24 percent between 2011 and 2016.

Alaska's cruise passenger volume increased 16 percent from 2011 to 2016, recovering from significant declines in 2010 and 2011. In 2016, 1.025 million cruise passengers visited Alaska, just below the record years of 2007 through 2009.

The highway/ferry market was relatively static from 2011 through 2014, followed by growth in 2015 and 2016. Overall, the highway/ferry market increased by 22 percent between 2011 and 2016.

Increases across the three transportation markets are likely attributable to several factors, including a recovering U.S. economy, cruise market growth, strong appeal relative to other destinations, and lower gas prices (affecting both highway traffic and airfares).

See chart and table, next page.

CHART 3.4 - Trends in Summer Visitor Volume, By Transportation Market, 2011-2016

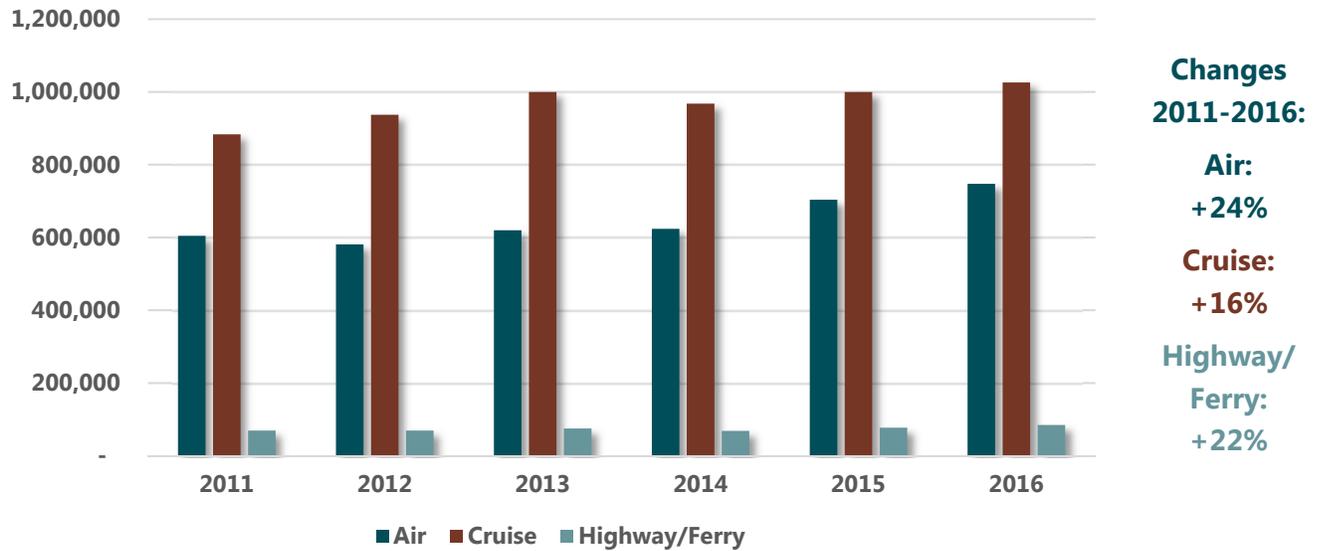


TABLE 3.2 - Trends in Summer Visitor Volume, By Transportation Market, 2011-2016

	2011	2012	2013	2014	2015	2016
Air	604,500	580,500	619,400	623,600	703,400	747,100
Cruise ship	883,000	937,000	999,600	967,500	999,600	1,025,900
Highway/Ferry	69,300	69,100	74,800	68,500	77,000	84,500
Total	1,556,800	1,586,600	1,693,800	1,659,600	1,780,000	1,857,500
<i>% change YOY</i>	<i>+1.6%</i>	<i>+1.9%</i>	<i>+6.8%</i>	<i>-2.0%</i>	<i>+7.3%</i>	<i>+4.4%</i>

Sources: AVSP 6 and 7.

Visitor/Resident Ratios

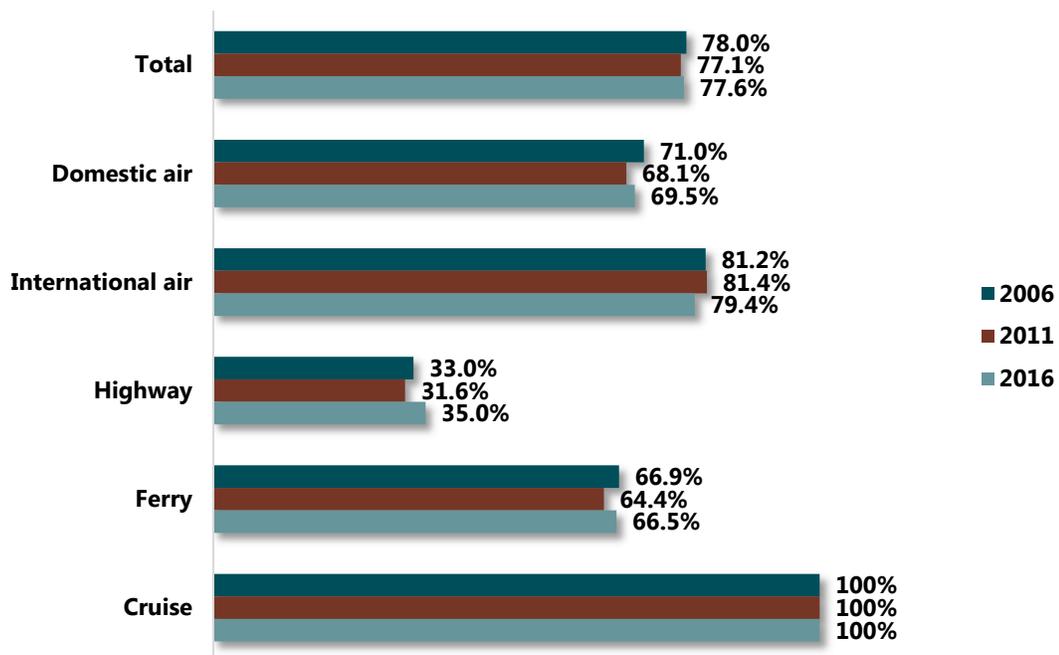
The following chart shows the percentage of visitors out of total traffic by each mode in summer 2016. For domestic air, international air, and highway modes, the ratios below represent a composite of ratios collected by location, compiled on a monthly basis. For summer 2016, over 57,000 tallies were conducted of travelers to determine the ratios. No tallies were conducted of cruise ship passengers, as 100 percent are considered visitors. No tallies were conducted of ferry passengers; visitor/resident from summer 2015 (the last year AMHS required passenger zip codes) were applied to 2016 traffic.

For three of the transportation modes, the proportion of out-of-state travelers increased slightly between 2011 and 2016. In 2011, 68.1 percent of all travelers exiting Alaska via domestic air were visitors; that figure increased to 69.5 percent in 2016. The highway ratio increased from 31.6 to 35.0 percent, and ferry increased from 64.4 to 66.5 percent. The only mode showing a decrease was international air, which fell slightly from 81.4 to 79.4 percent.

Because ratios are applied to traffic data on a monthly and by-location basis, they cannot be applied to overall traffic numbers. Details on how these ratios were collected and applied to traffic data can be found in the Methodology section.

It is important to note that the highway ratio refers to highway travelers who are exiting the state for the final time on their trip. This eliminates the possibility of double-counting visitors who exit the state twice – for example, ferry passengers who exit the state at Beaver Creek, then re-enter at Haines to board a ferry.

CHART 3.5 – Visitor Percentage of Exiting Travelers, by Mode, Summer 2006, 2011, and 2016



Note: The highway ratio refers to "last-exit" visitors not planning to re-enter Alaska on the same trip.

Visitor Industry Indicators

To provide context for the 2016 visitor season, this section highlights major travel and economic trends in the US, as well as internationally. Trends in cruise travel are also discussed as this market represents the largest volume of summer visitors to the state each year. A variety of data concerning trends in Alaska’s tourism market (such as bed tax, ferry ridership, and non-resident fishing license sales) are also included in order to provide additional indicators of visitor traffic, activities, and spending. Where possible, data is provided for the six years since the last AVSP study (2011-2016).

U.S. Economic Indicators

With four out of five Alaska visitors originating from within the U.S., the health of the nation’s economy plays an influential role in Alaska visitor volume. While the previous AVSP was conducted in 2011 while the country was in a recession, the period covered in this report saw a rebound and steady economic growth.

- Gross Domestic Product (GDP) is a measure of the overall value of goods and services produced within the U.S. each year. Broadly interpreted, changes in the GDP are an indicator of the health of the U.S. economy, reflecting economic growth or contraction. GDP grew steadily at rates of roughly 3 to 4 percent from 2011 through 2016.
- While lagging the rebound of the GDP following the U.S. recession, the nation’s unemployment rate declined steadily from 2011 to 2015. The rates in 2015 and 2016 (5.3 and 4.9 percent, respectively) represent a return to prerecession levels.
- The rate of inflation as measured by changes in the national Consumer Price Index (CPI) has remained low in recent years, ranging from 3.1 percent in 2011 to 0.1 percent in 2015.
- The Anchorage CPI increased 8.1 percent from 2011 through 2016, compared to only 6.7 percent for the U.S. during the same time period.

TABLE 3.3 - U.S. Economic Indicators, 2011-2016

	2011	2012	2013	2014	2015	2016
GDP (\$ Billions)	\$15,518	\$16,155	\$16,692	\$17,393	\$18,037	\$18,566
<i>% change YOY</i>	<i>+3.7%</i>	<i>+4.1%</i>	<i>+3.3%</i>	<i>+4.2%</i>	<i>+3.7%</i>	<i>+2.9%</i>
Unemployment Rate	8.9%	8.1%	7.4%	6.2%	5.3%	4.9%
U.S. Consumer Price Index	224.9	229.6	232.9	236.7	237.0	240.0
<i>% change YOY</i>	<i>+3.1%</i>	<i>+2.1%</i>	<i>+1.5%</i>	<i>+1.6%</i>	<i>+0.1%</i>	<i>+1.3%</i>
Anchorage CPI	201.4	205.9	212.4	215.8	216.9	217.8
<i>% change YOY</i>	<i>+3.2%</i>	<i>+2.2%</i>	<i>+3.1%</i>	<i>+1.6%</i>	<i>+0.5%</i>	<i>+0.4%</i>

Source: Economic Research Division, Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics.

Domestic Travel

Several measures of overall domestic travel in the U.S. are presented in the following table and chart. Overall, U.S. domestic travel increased by 11.0 percent between 2011 and 2016, including a 12.7 percent increase in leisure travel and a 4.9 percent increase in business travel. As the economy slowly recovered from the recession, domestic travel increased modestly from 2010 through 2013, with annual increases of 1.4 to 1.6 percent. In 2014 and 2015, domestic travel grew at higher rates (2.4 and 3.3 percent, respectively), followed by 1.8 percent growth in 2016. Leisure travel accounted for 79 percent of domestic person-trips in 2016.

In comparison to overall domestic travel, Alaska visitor traffic grew at a significantly faster rate between 2011 and 2016: 19.3 percent, compared to 11.0 percent.

Another key measure is the price of fuel as it impacts the cost of vehicle travel as well as airline ticket prices. Fuel prices within Alaska range from somewhat higher to significantly higher than the national average depending on location. Average U.S. gasoline prices stayed between \$3.53 to \$3.64 from 2011 to 2014, followed by a drop to \$2.45 in 2015 and \$2.15 in 2016.

U.S. occupancy rates averaged 65.5 percent in 2016, up from 60.0 percent in 2011. Over the same period, average daily room rates increased 22 percent to \$124 – all contributing to an impressive 33 percent increase in revenue per available room from 2011 to 2016.

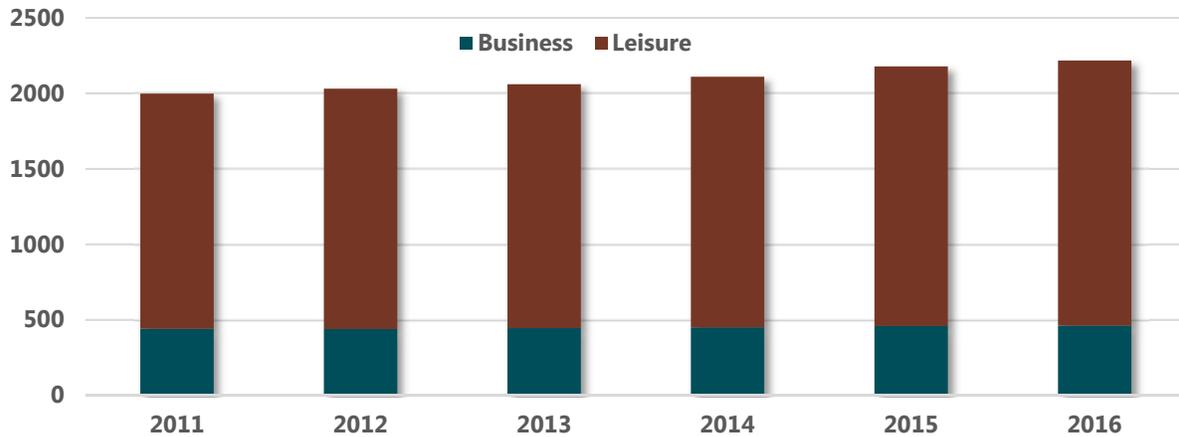
TABLE 3.4 - U.S. Travel Indicators, 2011-2016

	2011	2012	2013	2014	2015	2016
Total Domestic Person-Trips (Millions)*	1,997.50	2,030.30	2,059.60	2,109.30	2,178.20	2,217.10
<i>% change YOY</i>	<i>+1.6%</i>	<i>+1.6%</i>	<i>+1.4%</i>	<i>+2.4%</i>	<i>+3.3%</i>	<i>+1.8%</i>
Business	440.7	439.4	444.9	451	459.4	462.2
<i>% change YOY</i>	<i>-2.4%</i>	<i>-0.3%</i>	<i>+1.3%</i>	<i>+1.4%</i>	<i>+1.9%</i>	<i>+0.6%</i>
Leisure	1,556.80	1,590.90	1,614.70	1,658.30	1,718.80	1,754.9
<i>% change YOY</i>	<i>+2.8%</i>	<i>+2.2%</i>	<i>+1.5%</i>	<i>+2.7%</i>	<i>+3.6%</i>	<i>+2.1%</i>
Average U.S. fuel price (unleaded, per gallon)	\$3.53	\$3.64	\$3.53	\$3.37	\$2.45	\$2.15
<i>% change YOY</i>	<i>+26.5%</i>	<i>+3.1%</i>	<i>-3.0%</i>	<i>-4.5%</i>	<i>-27.3%</i>	<i>-12.2%</i>
Average U.S. Occupancy Rate	60.0%	61.4%	62.3%	64.4%	65.4%	65.5%
Average Daily Rate	\$101.8	\$106.1	\$110.0	\$115.1	\$120.3	\$124.0
<i>% change YOY</i>	<i>-</i>	<i>+4.2%</i>	<i>+3.7%</i>	<i>+4.6%</i>	<i>+4.5%</i>	<i>+3.1%</i>
Revenue per Available Room	\$61.1	\$65.1	\$68.5	\$74.1	\$78.7	\$81.2
<i>% change YOY</i>	<i>-</i>	<i>+6.7%</i>	<i>+5.2%</i>	<i>+8.2%</i>	<i>+6.2%</i>	<i>+3.2%</i>

Sources: U.S. Travel Association; U.S. Department of Energy; and Smith Travel Research. *Trips of 50 miles or more, one way, away from home or including one or more nights away from home.

See chart, next page

CHART 3.6 – U.S. Domestic Travel, Person-Trip (Millions), 2011-2016



International Visitors

While international visitors represent a relatively small share of the Alaska visitor market (9 percent in summer 2016, not including Canadians), they are an important component of the state’s visitor market. International visitors are more likely to be traveling for vacation/pleasure, and they spend more money on a per-person basis while in Alaska.

International visitation to the U.S. rebounded from a low of 55 million in 2009 to nearly 63 million visitors in 2011 and 70 million visitors in 2013. Data collection methodologies changed in 2014, and data for that year and beyond are not comparable to previous years. In 2014 and 2015, international visitation to the U.S. held steady at around 75 million, followed by an increase to 76.2 million in 2016.

TABLE 3.5 - International Visitors to U.S., 2011-2016

	2011	2012	2013	2014	2015	2016
Total International Visitors to U.S. (Millions)	62.8	66.7	70.0	75.0*	74.8*	76.2*

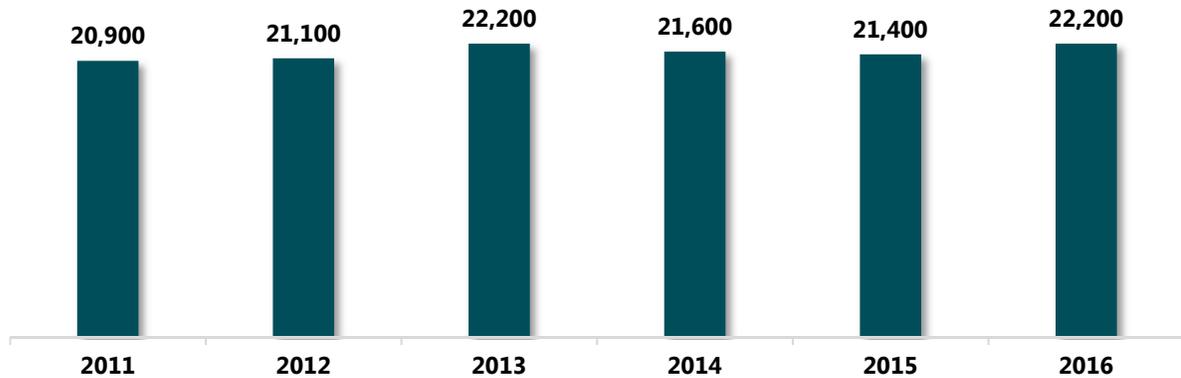
Source: U.S. Travel Association. *Data from 2014 onward collected with updated methodology to more accurately capture one-night stay international travelers.

Total international air enplanements departing Alaska increased 6.2 percent from summer 2011 to summer 2016. It is important to note that most international visitors to Alaska exit the state via other modes; however, international air traffic is a valuable indicator, as the vast majority of passengers are international residents. In addition, an increase in international flights to the Pacific Northwest in recent years has made Alaska more accessible to international travelers (who then fly to Alaska on domestic flights).

In 2016, by far the most dominant international carrier was Condor Air (with service to Frankfurt), followed by Icelandair. Other international airlines serving small, niche markets include Yakutia (service to Petropavlovsk-Kamchatsky), Korean Airlines, Uzbekistan Airways (chartered flights from Japan), Japan Airlines, and All Nippon.

See chart, next page.

CHART 3.7 – Summer International Air Enplanements Departing Alaska, 2011-2016



Sources: Alaska Department of Transportation and Public Facilities.

Cruise Industry Trends

Continuing a long-term trend, the global cruise market grew steadily between 2011 and 2016. In 2016, cruise passengers sourced from North America represented 52 percent of all cruise passengers. While global cruise passengers increased 18 percent from 2011 to 2016, North American cruise passengers increased at a more modest rate of 9 percent over the same period. Passengers from the Asia/Pacific region represented only 15 percent of global cruisers in 2016, but are the fastest growing sector (147 percent growth from 2012 to 2016). Alaska’s share of the worldwide cruise capacity was 4.1 percent in 2016, and has been generally declining since the last AVSP was conducted in 2011 (4.5 percent).

TABLE 3.6 - Estimated Global and North American Cruise Passenger Volume, 2011-2016

	2011	2012	2013	2014	2015	2016
Global Cruise Passengers (millions)	20.5	20.9	21.3	22.3	23.2	24.2
<i>% change YOY</i>	<i>+10%</i>	<i>+2%</i>	<i>+2%</i>	<i>+5%</i>	<i>+4%</i>	<i>+4%</i>
North American Passengers (millions)	11.6	11.6	11.7	12.3	12	12.6
<i>% change YOY</i>	<i>+7%</i>	<i>0%</i>	<i>+1%</i>	<i>+5%</i>	<i>-2%</i>	<i>+5%</i>
Alaska Share of World Cruise Capacity	4.5%	4.4%	4.6%	4.2%	4.2%	4.1%

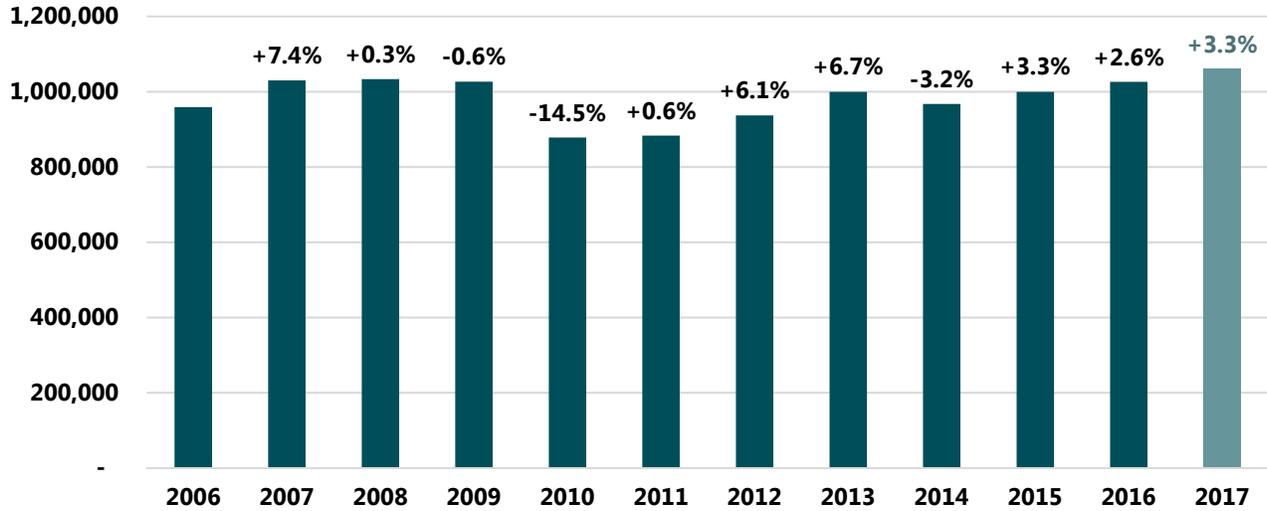
Sources: Cruise Lines International Association, Inc.; Royal Caribbean International annual SEC 10-K filing, 2017; Cruise Industry News 2015-2016 Annual Report; Cruise Lines International Association.

Alaska Cruise Industry

Alaska’s cruise passenger volume increased 16 percent from 2011 to 2016, recovering from a dramatic decline in 2010. (This growth rate is slightly lower than the global growth rate of 18 percent over the same time period, but higher than the North American growth rate of 9 percent.) In 2016, 1.025 million cruise passengers visited Alaska, just below the record years experienced in 2007, 2008, and 2009. One notable trend in the last decade is in itineraries: the percentage of passengers on round-trip itineraries shifted upwards between 2006 and 2016, from roughly 60 to 70 percent.

Based on scheduled sailings, 1.06 million cruise passengers are expected to visit Alaska in 2017, representing an increase of 3.3 percent over 2016. The increase is driven by a combination of the construction of new, higher capacity vessels and the shifting of higher capacity ships to the Alaska market.

CHART 3.8 - Alaska Cruise Passenger Volume 2006-2016; 2017 Projected



Source: Cruise Line Agencies of Alaska. Notes: Percentages reflect change from previous year. 2017 figure reflects CLAA projections based on scheduled sailings.

ALASKA’S SMALL CRUISE SHIPS

Although small cruise ships (those with capacities of less than 250 passengers) make up only 1 percent of Alaska’s overall cruise volume, these ships can significantly impact the communities they visit. Small ships are more likely to visit ports not frequented by larger ships (such as Petersburg). In addition, passengers can have a greater per-person economic impact because they often overnight in their Alaskan embarkation and/or disembarkation port. Over the last several years, the small ship market has stayed fairly consistent at around 15,000 passengers, including 14,400 in 2016.

Additional Alaska Tourism Indicators

Highway Traffic

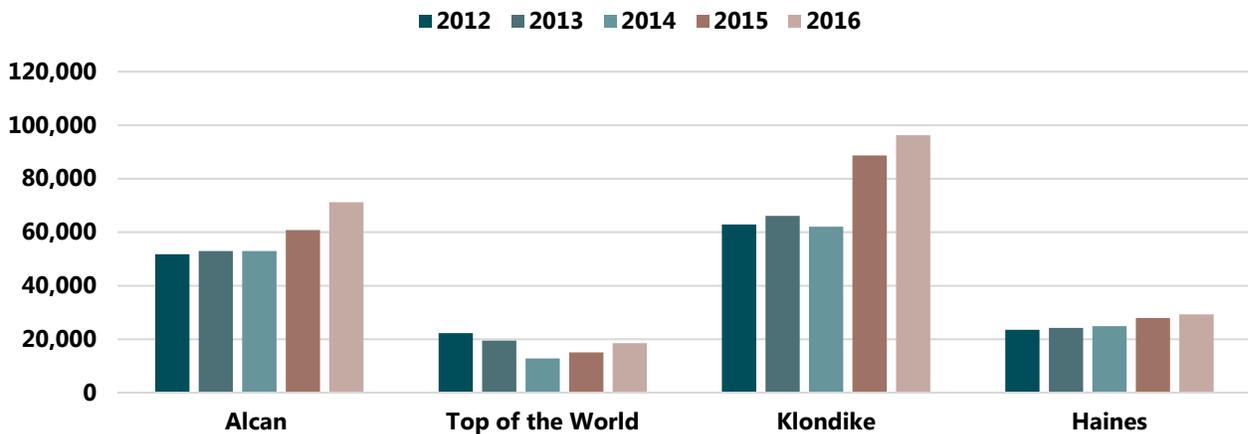
The chart and table below show the number of personal vehicle occupants crossing the border from Canada into Alaska between 2012 and 2016, broken down by the four highways connecting the jurisdictions. Over this period, combined personal vehicle crossings increased 34 percent, though there was considerable variability year to year. Between 2015 and 2016, total crossings increased 12 percent.

In 2016, Klondike Highway crossings accounted for 45 percent of combined personal vehicle Alaska/Yukon crossings, followed by those on the Alcan Highway (33 percent), Haines Highway (14 percent), and Top of the World Highway (9 percent).

The difference between 2012 and 2016 traffic varied by highway. Significant increases were seen in Klondike, Alcan, and Klondike Highway traffic (53 percent, 38 percent, and 24 percent, respectively), whereas Top of the World Highway traffic decreased 17 percent over this period.

Previous AVSPs have relied on Yukon border crossing data, as the visitor volume methodology counts Alaska visitors as they exit the state (and enter Canada). Changes in the way Yukon counts vehicle passengers in the last several years led to a change in AVSP methodology in 2015 and 2016, relying primarily on U.S. border crossing data. Additional detail is provided in *Section 17: Methodology*.

CHART 3.9 – Border Crossings by Personal Vehicle, by Highway, 2011-2016 (May – September)



Source: U.S. Customs and Border Patrol.

Alaska Marine Highway System Ridership

The table below details summer ridership trends on Alaska Marine Highway System (AMHS) ferries, covering 2011 through 2016. Ridership includes out-of-state visitors as well as residents (visitors are broken out where possible). The table also shows the number of out-of-state visitors who exited Alaska via the Alaska Marine Highway System (disembarking in Bellingham or Prince Rupert).

Between 2011 and 2016, AMHS summer ridership decreased by 27 percent, with most of the declines occurring after 2013. The largest declines were seen in summer 2015, when total ridership declined 13 percent, non-

resident ridership dropped 17 percent, and non-residents using the ferry system to visit Alaska declined 12 percent. Budget cuts coupled with ferry maintenance issues contributed to widespread schedule modifications and cancellations of sailings – with serious implications for local residents and visitors. In 2016, the State of Alaska began a process to explore and implement new governance models for the AMHS system to enhance the predictability and sustainability of the ferry system.

TABLE 3.7 - Alaska Marine Highway System Ridership, 2011-2016 (May-September)

	2011	2012	2013	2014	2015	2016
Total ridership	215,868	213,699	221,921	201,941	175,144	157,007
<i>% change YOY</i>		-1.0%	+3.8%	-9.0%	-13.3%	-10.4%
Non-resident passengers	87,479	85,471	82,684	86,905	72,289	n/a
<i>% change YOY</i>	3.2%	-2.3%	-3.3%	+5.1%	-16.8%	n/a
Non-resident passengers exiting Alaska	9,900	9,200	9,300	8,900	7,800	6,900
<i>% change YOY</i>	-1.0%	-7.1%	+1.1%	-4.3%	-12.4%	-11.5%

Source: Alaska Marine Highway System. 2016 non-resident exits estimated by McDowell Group for AVSP 7.

Non-Resident Fishing License Sales

The sale of all non-resident Alaska fishing licenses combined increased 16 percent from 2011 to 2016. A decline of 2 percent occurred between 2011 and 2012, followed by consistent growth through 2016.

When broken down by type of fishing license (1-day, 3-day, 14-day, and annual licenses), the same trends were generally present. However, it is interesting to note that annual non-resident license sales increased 20 percent from 2011 to 2016, whereas 14-day license sales increased only 11 percent over this time period. Other types of non-resident licenses increased at rates close to the average for all combined (16 percent).

TABLE 3.8 - Non-Resident Fishing License Sales, 2011-2016

	2011	2012	2013	2014	2015	2016
1-day non-resident fishing licenses	93,120	90,984	97,206	99,093	105,728	110,164
<i>% change YOY</i>	+3.3%	-2.3%	+6.8%	+1.9%	+6.7%	+4.2%
3-day non-resident fishing licenses	48,524	46,608	48,977	51,296	54,023	55,881
<i>% change YOY</i>	+0.8%	-3.9%	+5.1%	+4.7%	+5.3%	+3.4%
7-day non-resident fishing licenses	75,275	73,924	77,268	79,434	82,427	86,458
<i>% change YOY</i>	+0.0%	-1.8%	+4.5%	+2.8%	+3.8%	+4.9%
14-day non-resident fishing licenses	20,820	20,775	20,482	20,668	22,007	23,028
<i>% change YOY</i>	+2.4%	-0.2%	-1.4%	+0.9%	+6.5%	+4.6%
Annual non-resident fishing licenses	21,101	21,403	22,338	23,044	24,730	25,331
<i>% change YOY</i>	-2.0%	+1.4%	+4.4%	+3.2%	+7.3%	+2.4%
Total non-resident fishing licenses	258,840	253,694	266,271	273,535	288,915	300,862
<i>% change YOY</i>	+1.3%	-2.0%	+5.0%	+2.7%	+5.6%	+4.1%

Source: Alaska Department of Fish & Game.

Select Community Bed Tax Collections

Bed (or accommodation) tax collections provide a measure of trends in visitor travel within Alaska. The data is not directly reflective of non-resident visitor volume because it includes Alaska residents; it is also sensitive to fluctuations in room rates. However, with these limitations in mind, bed taxes can be a useful indicator of visitor industry traffic.

Table 3.9 includes bed tax revenues for Quarters 2 and 3 for 2011 through 2016, for five communities for which comparable data were available. In all areas, summer bed tax collections increased over this period. Collections in the City and Borough of Juneau increased the most (49 percent increase from 2011 to 2016), followed by Sitka (48 percent increase), Denali Borough (40 percent), Municipality of Anchorage (20 percent), and Fairbanks (15 percent).

The Municipality of Anchorage collects the most bed tax revenue in the state by far. While increases of 4.4 to 7.9 percent were seen in Anchorage from 2011 through 2015, it should be noted that 2016 saw a decline of 4.7 percent.

TABLE 3.9 - 2nd and 3rd Quarter Bed Tax Revenue Trends, 2011-2016

	2011	2012	2013	2014	2015	2016
Anchorage	\$14,634,811	\$15,476,724	\$16,160,869	\$17,437,245	\$18,465,227	\$17,596,654
<i>% change</i>	<i>+8.0%</i>	<i>+5.8%</i>	<i>+4.4%</i>	<i>+7.9%</i>	<i>+5.9%</i>	<i>-4.7%</i>
Fairbanks	\$3,199,476	\$3,443,718	\$3,167,773	\$3,207,031	\$3,418,598	\$3,666,605
<i>% change</i>	<i>-4.5%</i>	<i>+7.6%</i>	<i>-8.0%</i>	<i>+1.2%</i>	<i>+6.6%</i>	<i>+7.3%</i>
Denali	\$2,507,100	\$2,588,192	\$2,854,485	\$3,092,426	\$3,325,860	\$3,504,559
<i>% change</i>	<i>+88.6%</i>	<i>+3.2%</i>	<i>+10.3%</i>	<i>+8.3%</i>	<i>+7.5%</i>	<i>+5.4%</i>
Sitka	\$269,611	\$285,585	\$266,546	\$328,987	\$355,234	\$399,842
<i>% change</i>	<i>+3.4%</i>	<i>+5.9%</i>	<i>-6.7%</i>	<i>+23.4%</i>	<i>+8.0%</i>	<i>+12.5%</i>
Juneau	\$718,868	\$784,967	\$875,913	\$953,970	\$1,022,622	\$1,067,974
<i>% change</i>	<i>-2.6%</i>	<i>+9.2%</i>	<i>+11.6%</i>	<i>+8.9%</i>	<i>+7.2%</i>	<i>+4.4%</i>

Sources: Municipality of Anchorage, Explore Fairbanks, Denali Borough, City and Borough of Sitka, City and Borough of Juneau.
Note: Fairbanks includes combined revenues from the City of Fairbanks, Fairbanks North Star Borough, and the City of North Pole.

RV and Vehicle Tax Collection

Anchorage vehicle rental revenues increased by 14 percent between 2011 and 2016. Over the same period, RV rental revenue increased 47 percent. Anchorage vehicle rental and RV rental revenues generally follow similar trends. In 2015, however, they diverged widely, with vehicle rental revenue declining nearly 2 percent from 2014 and RV rental revenue increasing 17 percent over the same period.

TABLE 3.10 – Anchorage RV and Car Rental Revenues, 2nd and 3rd Quarters, 2011-2016

	2011	2012	2013	2014	2015	2016
Vehicle rental revenue	\$4,136,982	\$3,987,097	\$4,187,202	\$4,615,054	\$4,544,920	\$4,735,611
<i>% change YOY</i>	<i>+7.4%</i>	<i>-3.6%</i>	<i>+5.0%</i>	<i>+10.2%</i>	<i>-1.5%</i>	<i>+4.2%</i>
RV rental revenue	\$899,100	\$858,991	\$999,180	\$1,078,831	\$1,257,743	\$1,324,327
<i>% change YOY</i>	<i>+8.1%</i>	<i>-4.5%</i>	<i>+16.3%</i>	<i>+8.0%</i>	<i>+16.6%</i>	<i>+5.3%</i>

Source: Municipality of Anchorage. Note: These figures include revenues generated by Alaska residents as well as visitors.

The State of Alaska also collects RV and car rental taxes, showing similar trends to revenue collections in Anchorage. (These figures are exclusive of Anchorage tax revenues.)

TABLE 3.11 – State of Alaska RV and Car Rental Revenues, 2nd and 3rd Quarters, 2011-2016

	2011	2012	2013	2014	2015	2016
Vehicle rental revenue	\$5,793,843	\$5,662,107	\$5,940,035	\$6,757,214	\$6,834,437	\$7,104,929
<i>% change YOY</i>	<i>+6.2%</i>	<i>-2.3%</i>	<i>+4.9%</i>	<i>+13.8%</i>	<i>+1.1%</i>	<i>+4.0%</i>
RV rental revenue	\$363,363	\$352,644	\$401,124	\$437,276	\$490,867	\$518,345
<i>% change YOY</i>	<i>+10.5%</i>	<i>-2.9%</i>	<i>+13.7%</i>	<i>+9.0%</i>	<i>+12.3%</i>	<i>+5.6%</i>

Source: Alaska Department of Revenue. Note: These figures include revenues generated by Alaska residents as well as visitors.

Alaska Population Trends

Alaska’s resident population increased 2.3 percent between 2011 and 2016, though most of this increase occurred in 2011 and 2012. The natural increase – births minus deaths – in Alaska’s population remained roughly the same throughout this period, with the state’s population decline largely coming from out migration. In 2011, the state saw net migration of 1,105 people entering the state. From 2012 through 2016, the state saw a net out migration of between 2,711 and 6,679 people each year.

TABLE 3.12 - Alaska Population Estimates, May-September 2006-2011

	2011	2012	2013	2014	2015	2016
Alaska population	722,886	731,238	735,859	736,818	737,183	739,828
<i>% change YOY</i>	<i>+1.24%</i>	<i>+1.16%</i>	<i>+0.63%</i>	<i>+0.13%</i>	<i>+0.05%</i>	<i>+0.36%</i>

Source: Alaska Department of Labor and Workforce Development.

Visitor Volume to Alaska Regions and Destinations

The chart below and on the following page show estimated visitor volume to Alaska regions and destinations, day or overnight, for summers 2011 and 2016. All destinations with a minimum of 5,000 estimated visitors are shown.

These figures were derived from applying survey results by market (air, cruise, highway/ferry) to total volume estimates by market, then combining the results. For both regional and destination volume estimates, some adjustments were made based on additional research, in most cases data from Cruise Line Agencies of Alaska (CLAA). For example, a higher proportion of cruise passengers surveyed went to Ketchikan than what is shown in CLAA data; the portion of Ketchikan visitation attributable to cruise passengers was therefore adjusted downward. Additional (minor) adjustments were made based on land tour volume information gathered from cruise lines and Haines-Skagway fast ferry passenger volumes.

The Southeast region received the highest number of Alaska visitors at 1,212,000, followed by Southcentral at 975,000, Interior at 543,000, Southwest at 84,000, and Far North at 33,000. Visitation to each of Alaska's five regions increased between 2011 and 2016, reflecting the strong increases discussed earlier in this section. Growth was strongest in the Southeast region which saw 175,000 more visitors in 2016 compared to 2011, and weakest in the Far North region, which saw a bump of only 2,000 additional visitors.

The following page shows visitor volume to Alaska destinations. Juneau, Ketchikan, and Anchorage were the three most-visited Alaska communities in both 2011 and 2016. Most destinations experienced an increase in visitor volume between 2011 and 2016, with some exceptions. Additional detail on visitation to regions and destinations, and factors influencing changes over time, can be found in Section 5.

CHART 3.10 – Estimated Visitor Volume to Alaska Regions, Summers 2011 and 2016

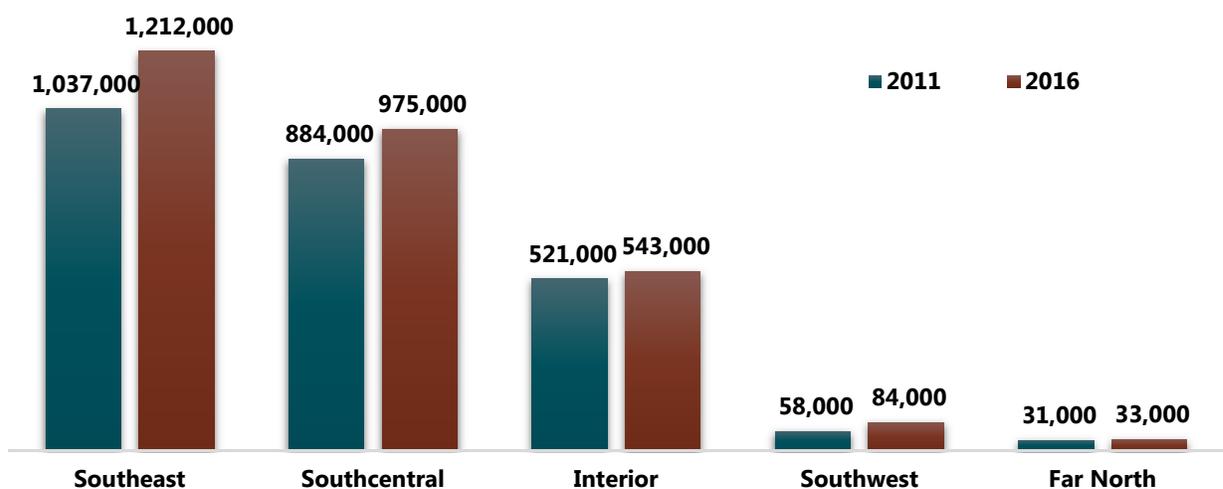
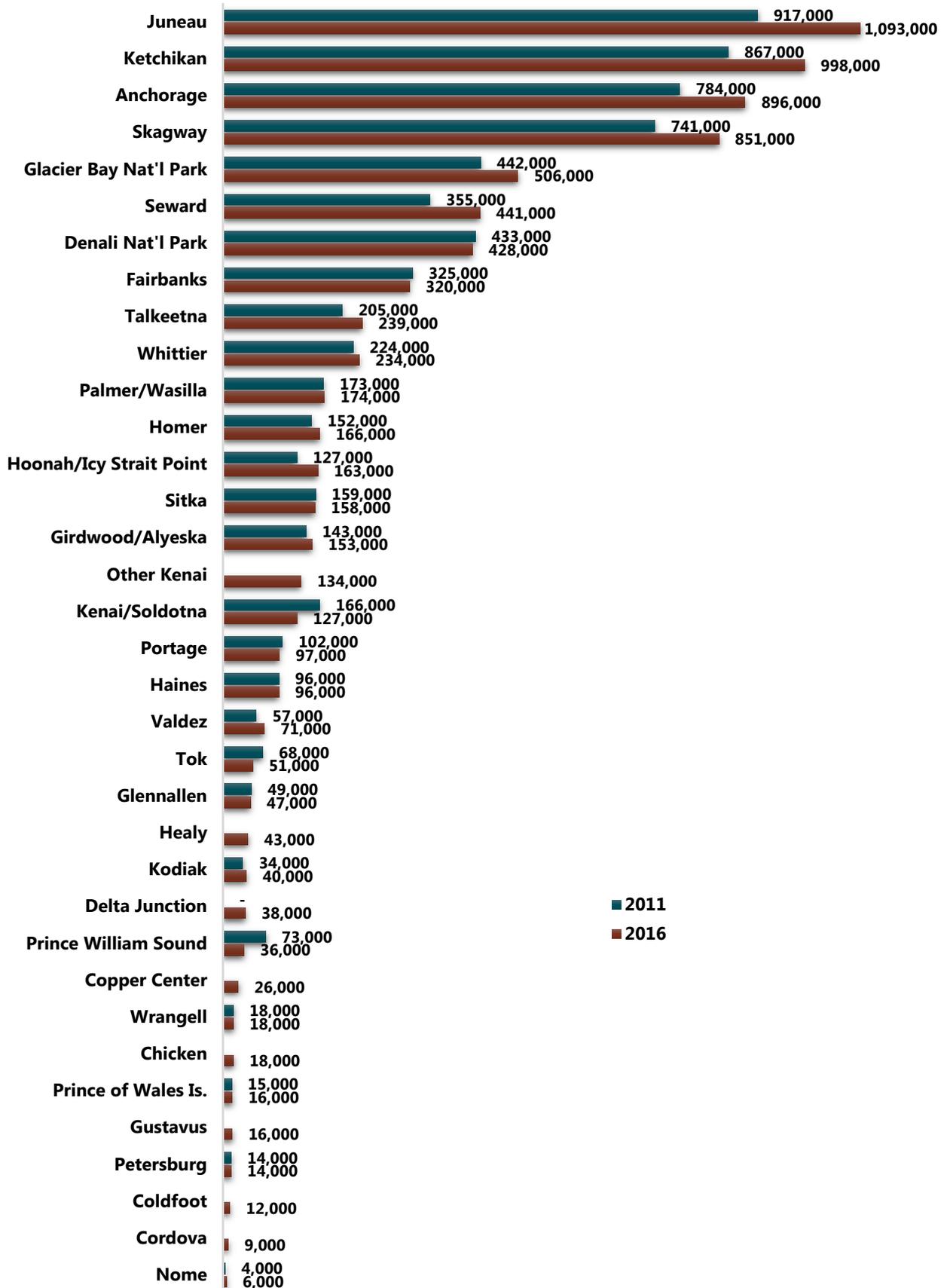


CHART 3.11 - Estimated Visitor Volume to Alaska Destinations, Summers 2011 and 2016



Note: Changes in AVSP 7 resulted in visitation estimates for several new locations.

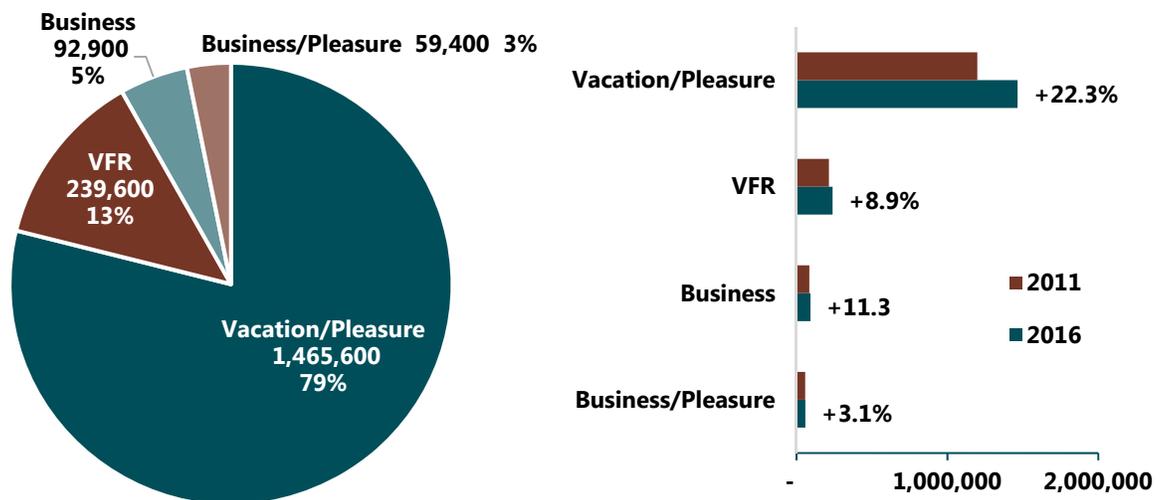
Visitor Volume by Trip Purpose and Origin

Volume by Trip Purpose

Roughly 1.45 million summer 2011 visitors traveled for vacation/pleasure. Those visiting friends and relatives (VFRs) represent the second-largest trip purpose market at 239,600, followed by business (92,900), and business/pleasure (59,400). Volumes were derived by applying survey percentages to total visitor volume.

While all trip purpose markets grew between 2011 and 2016, vacation/pleasure grew at an especially high rate (22 percent).

CHART 3.12 - Summer 2016 Alaska Visitor Volume, By Trip Purpose, and % Change from 2011



Volume by Region of Origin

Alaska visitors are most likely to be from the Western U.S., representing 713,300 visitors, followed by the South (390,100), the Midwest (276,800), and the East (178,300). Canada accounted for 131,900 visitors, while other international countries accounted for a total of 167,200 visitors.

These volumes are based on results of the visitor survey. Visitors were asked what state or country they were visiting from. Additional details on visitors' state and country of origin, including the states included in each region, can be found in *Section 7*.

All regions of origin increased their visitation to Alaska from 2011 to 2016. The greatest increase was seen by visitors from the Western U.S. (27 percent increase), followed by the Midwestern U.S. (23 percent increase), Canada (19 percent), Southern U.S. (14 percent), Eastern U.S. (9 percent), and other international (9 percent).

CHART 3.13 - Summer 2016 Alaska Visitor Volume, By Origin, and % Change from 2011

