

ALASKA'S INTER-ISLAND FERRY AUTHORITY BY THE NUMBERS 2020

In 2019, the total economic impact of the ferry system was **\$46.4 million** and **508 jobs**.



Providing daily, year-round passenger & vehicle transportation between Ketchikan & Prince of Wales Island

2019 Impacts



PEOPLE: 44,200
PASSENGER TRIPS
(UP 6% OVER 2018)



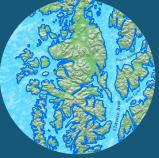
VEHICLES: 10,000
CARS AND TRUCKS
FERRIED



EFFICIENT: FAREBOX
RECOVERY RATE OF
79%



\$70
\$70 IN ECONOMIC
ACTIVITY GENERATED FOR
EVERY \$1 OF
INVESTMENT BY THE
STATE OF ALASKA



PRINCE OF WALES
TOTAL ECONOMIC
IMPACT
\$19.9 MILLION



KETCHIKAN TOTAL
ECONOMIC IMPACT
\$26.5 MILLION



IFA ACTIVITY
SUPPORTS **508 JOBS**
IN KETCHIKAN AND
PRINCE OF WALES

The Inter-Island Ferry Authority (IFA) is a public transit system that has been providing daily service between Prince of Wales Island and Ketchikan in Southeast Alaska since 2002. In 2019, the IFA ferried 44,200 passengers and 10,000 vehicles between Hollis and Ketchikan. The system is more than a form of transportation, it is an economic engine, generating jobs and commerce, while also increasing community well-being. A full economic impact analysis of ferry system activities in the tourism, seafood, health care, and retail sectors shows that the ferry generated \$46.4 million in economic activity, and supported 508 jobs in Ketchikan and Prince of Wales in 2019, including multiplier effects.

In 2019, the IFA brought 2,900 tourists to Prince of Wales Island, where they spent more than \$11 million on hotels, fishing, hunting, and dining - generating jobs across the island. Ferry service allowed the seafood industry to move two million pounds of high-quality, fresh and live seafood, valued at \$10 million, to market. The ferry system provided \$9 million worth of access to health care for island residents who rely on medical services available in Ketchikan. The IFA reinforced Ketchikan's status as a regional economic hub, with Prince of Wales residents and the IFA system spending more than \$8 million there in 2019 on groceries, goods, services, and ship repairs.

The Inter-Island Ferry allows for cultural and social commerce as well. Students, tribal members, and other residents use the system to participate in basketball games, totem pole raisings, trainings, college fairs, celebrations, and funerals. There were 3,100 student trips on the ferry last year, allowing students from 12 different Alaska school districts the opportunity to challenge themselves and interact with their peers. The ferry connects residents to family, friends, and recreation. It shuttles workers to and from their jobs. The IFA brings the parcel mail.

The ferry is the critical piece of a more extensive transportation network. It is the primary mode of transportation to and from the island. It provides transportation security in inclement weather, and access to transportation to those who cannot afford alternative means. One-third of the ridership last year were senior citizens and children. IFA's reliable arrivals and departures enable organizations to build their business models around daily transportation connections.

The word businesses and residents most frequently use to describe the ferry service is "invaluable." The system's efficient model means that farebox revenue covers 79% of operational costs, a significant rate in the world of public transportation. The IFA generates \$70 in economic activity for every \$1 of State investment.

Inter-Island Ferry Authority Route Map

Coffman
Cove

Naukati

Prince of
Wales Island

Klawock

Craig

Hydaburg

Hollis
Terminal

Thorne Bay

Kasaan

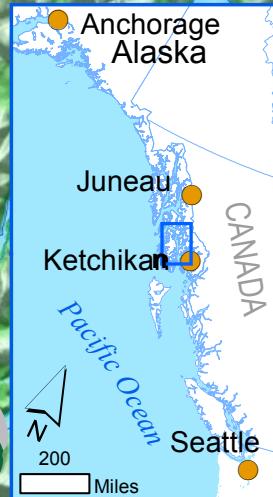
The IFA provides one round-trip between Hollis and Ketchikan, seven days a week. The three-hour, 36-mile run departs the island at 8AM daily.

36 Miles

Ketchikan
Terminal



The 200-foot MV Prince of Wales and MV Stikine cruise at 13 knots, carrying up to 190 passengers and 30 vehicles.



20

Miles

Map by Alaska Map Company

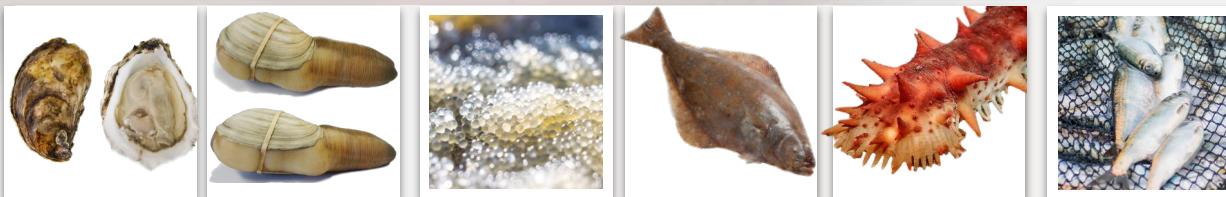
Key Inter-Island Ferry Indicators

People	Total: Ridership between Ketchikan and Hollis on the IFA 2019	44,200 riders
	Increase: Ridership increase between 2018 and 2019	6%
	Seniors and Kids: Percentage of 2019 riders 65 and older, or under 12	25%
	Students: Southeast students traveling IFA for school activities 2019	3,100 students
	Access to Travel: Cumulative savings (in 2019 dollars) over airfare for children, students, seniors, and tribes during 18 years of IFA ferry service	\$43 million
	Patients: Total island residents traveling to Ketchikan and Sitka for medical purposes in 2019, representing 12% of all ferry trips	1,530 patients
	Visitors: Total tourists and hunters arriving by ferry in 2019	2,900 tourists
Prince of Wales Economy	Visitor Spending: Estimated direct 2019 spending in Prince of Wales by visitors arriving via the IFA ferry	\$11.1 million
	Population: Total Prince of Wales residents	4,044 people
	Poverty: Percent of Prince of Wales residents below poverty	17%
	Island Wages: Total workforce earning directly and indirectly generated by IFA activity on Prince of Wales in 2019	\$9.3 million
	Total Economic Activity: Total economic activity on Prince of Wales Island directly and indirectly generated by the IFA in 2019	\$19.9 million
	Island Jobs: Total Prince of Wales jobs directly and indirectly created by IFA activity in 2019	278 jobs
Ketchikan Economy	Health Care: Total direct spending at Ketchikan medical institutions by Prince of Wales residents using the IFA for healthcare purposes	\$9.2 million
	Additional Spending: Direct 2019 spending by IFA passengers on groceries, vehicles, building materials, etc., and spending by the IFA on fuel, food, and ship repairs in Ketchikan	\$8.6 million
	Population: Total Ketchikan residents	13,843 people
	Total Economic Activity: Total economic activity in Ketchikan directly and indirectly generated by the IFA in 2019	\$26.5 million
	Ketchikan Jobs: Total Ketchikan jobs directly and indirectly created by IFA activity in 2019	230 jobs
Freight	Seafood Pounds: Pounds of seafood shipped by IFA in 2019	2.1 million
	Seafood Value: Ex-vessel value of seafood shipped	\$12.1 million
	Vehicles: Vehicles transported between Hollis and Ketchikan in 2019	10,000
Return on Investment	Revenue: Total IFA revenue in FY 2020	\$3.6 million
	Farebox Recovery Rate: % of IFA operating costs covered by farebox (the North American average is 59%)	79%
	Total Economic Activity: Total economic activity in Prince of Wales and Ketchikan generated by the IFA in 2019, including multiplier effects	\$46.4 million
	Bang for the Buck: Amount of economic activity generated by the IFA for every \$1 of state investment in FY19	\$70



Seafood and Other Freight

Two million pounds of fresh or live seafood was shipped on the IFA in 2019, with an estimated value of \$10 million



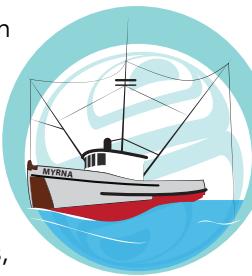
Freight is a major component of IFA's services. In 2019, 15 organizations regularly shipped cargo between Prince of Wales and Ketchikan. The IFA carries critical goods such as groceries, road building and maintenance equipment, supplies for the island's many fishing lodges, and parcel mail.

"The ferry is an integral part of not just our business, but most businesses in Prince of Wales Island," explains Matt House of Tyler Rental.

The IFA's most valuable cargo is seafood. In 2019, an estimated two million pounds of fresh or live seafood was shipped on the IFA with a value of \$10 million.

Seafood shipped on the IFA is the highest value of all Alaska fisheries. It includes oysters, geoduck, roe-on-kelp, halibut, winter king, sea cucumber, herring, and black cod, along with shrimp and other species of salmon. No one is more dependent on IFA's daily timetable than those trying to get fresh or live seafood to market. Frozen salmon can go by barge, but live geoduck headed to the airport on the way to China do not have the luxury of time.

The seafood industry is the heart of the Prince of Wales economy. In 2019, 17% of all Prince of Wales workforce



earnings were paid to local commercial fishermen, seafood processors, brokers, and divers. The ferry service provides local seafood operators a reliable, cost-effective means to move their seafood harvest to market on a daily basis.

"The IFA is the backbone of Prince of Wales. You have to have daily ferry service for the island to survive. Everything we ship is fresh, which is why the ferry is so important. It keeps our business alive." says Noyes Island Smokehouse owner Ken Quigley, who ships seafood on the IFA.

The IFA is significantly cheaper than the airlines to transport seafood. "That difference is my profit margin," says Quigley. "I couldn't run my business without it."

In 2019, it took 185 fishermen, divers, and logistics personnel to bring the two million pounds of seafood from the ocean to the ferry. This translates into \$6.5 million in associated direct, indirect, and induced workforce earnings in Ketchikan and Prince of Wales. In addition to these impacts, the seafood harvest the IFA carries is taxed by the State of Alaska in the form of salmon enhancement and shared fisheries taxes, thereby contributing hundreds of thousands of additional dollars to local and state coffers.

Seafood Statistics, 2019

	Value
Pounds of seafood shipped by IFA in 2019	2 million pounds
Total value of seafood shipped by IFA	\$10 million
Prince of Wales and Ketchikan seafood jobs dependent on this cargo	185 jobs
Estimated workforce earnings generated by IFA dependent seafood enterprises, including multiplier effects	\$6.5 million
Commercial fishing and diving as a percent of all POW workforce earnings	17%

Sources: Interviews with representatives from 14 companies that ship on the IFA. Alaska Department of Labor POW Employment Select Areas. Secondary impacts analyzed using BEA RIMS II data. **Image Credits:** Seafood Producers Cooperative, Bethany Goodrich SE Sustainable Partnership, various. Graphics by Avery Veliz.



Ferry Tourism

The 2019 Summer Ferry Visitors to Prince of Wales Island

Tourists attracted largely by the world-class fishing opportunities on Prince of Wales Island represent one of the largest impacts of the IFA to the island. Tourism is a growing industry on the island, accounting for 13% of all Prince of Wales employment in 2019. With 2,231 square miles and more miles of road than all other Southeast Alaska communities combined, Prince of Wales is an accessible outdoor recreation paradise. In the summer of 2019, an estimated 2,900 tourists used the ferry to visit the island. This figure includes 450 deer and bear hunters from Ketchikan who visited the island in the fall. Together these visitors spent \$11.2 million on the island, which generated an additional \$3.02 million in indirect and induced spending. Tourists accounted for 13% of all IFA ridership in 2019.

The Prince of Wales visitor industry is unlike the rest of the region as tourists stay longer, spend more, and come back year after year. According to survey and data analysis, tourists arriving by ferry stay an average of 12.7 days, and 60% are returning visitors. Nearly four-fifths (79%) come to fish. The next most popular activity of ferry visitors is hiking (32%), followed by hunting (27%). Tourists that came on the ferry spent an average of \$284 per day on hotels, sport fishing, food, transportation, shopping, and other activities in 2019. Last year, IFA travelers directly and indirectly generated 155 jobs - and \$4.7 million in wages.

"The IFA is indispensable to the economy and well-being of Prince of Wales Island. Tourists can bring their campers, trailers, bicycles, and canoes on the ferry. Cyclists from across the globe travel our Scenic Byways. Visitors love to meet the locals and taste the local flavor. The ferry sets the stage as the entrance to our welcoming island, gives us a place to meet. Without the Inter-Island Ferry Authority, we would suffer loss of affordable travel for our visitors, our friends and family, and our economy!" **Wendy Hamilton, Prince of Wales Chamber Manager**

Sources: 2019 tourist numbers determined by residency analysis of IFA passengers. Employment and wage data derived from the Alaska Department of Labor. Accommodation expenditures were determined by conducting an analysis of 89 accommodations businesses on POW, while other expenditures were determined through interviews with those involved in the visitor industry. IFA onboard survey in 2015 with 560 visitors used to understand tourist length of stay. Alaska Department of Fish and Game provided 2018 Ketchikan deer hunting data. **Photo Credit:** Portage paddler by Chris Miller Photography. Visitor luggage by Targhee Media. Graphics by Avery Veliz.



2,900 tourists came to Prince of Wales on the ferry in 2019, representing 13% of all ridership.



79% come to Prince of Wales by ferry to fish.

Visitors spent **\$11.2** million in Prince of Wales on hotels, food, activities, etc.



Spending by IFA tourists generated **155** island jobs (including direct, indirect and induced) with an associated payroll of **\$4.7** million.

ESTIMATED TOURISTS TO POW ON THE IFA 2019

Location Stayed	Average Days Visited	Total People	Estimated Spending
Cabin or Bunkhouse	20.4	529	\$2,639,333
Resort	6.7	290	\$2,278,645
Hotel or B&B	6.8	426	\$1,485,372
Camped	17.3	355	\$1,396,082
RV	46.7	135	\$1,313,871
Friends or Family	12.4	632	\$1,208,848
Other (boat, etc)	17.3	84	\$314,753
Ketchikan Hunters	4.4	450	\$541,080
Total	12.7	2,900	\$11.2 million



SCHOOL GROUPS

In 2019, **3,100 students from 12 different school districts** across Southeast Alaska traveled on the IFA for school activities. The savings to schools by using the ferry over flying was **\$337,000 last year and \$7.5 million** since the ferry began. Kids travel to or from Prince of Wales to compete against other schools in activities ranging from basketball to academic decathlon to honors band - and to participate in activities like college fairs or peer mediation training. Craig High School Principal Kim Brand explains, *"The IFA is vital to our school and community. Without this service, we would drastically have to cut back the opportunities we can currently provide for our students. These opportunities are an important part of meeting the mission and vision of our district. Being able to travel enhances the whole experience for our students, and they work hard to keep their grades up in order to be able to travel."* **Student travel represented 7% of all ridership in 2019.** Photo: Island high school students traveling to a career fair in Ketchikan.



KIDS

In addition to student travelers, **4,400 children under age 12 rode the ferry in 2019, representing 10% of all ferry users.** Last year, the parents of these younger children saved **\$381,000** over the cost of flying. Over the 18-year life of the IFA, families saved **\$8.2 million** transporting their kids to and from Prince of Wales using the ferry.

70% of trips by workers and residents to Prince of Wales in 2019 were by ferry.

The People Who Ride the IFA Ferry



VETERANS

A rural travel grant through the U.S. Department of Veterans Affairs and a partnership with the State of Alaska Department of Military & Veterans Affairs provides free passage for veterans using the ferry for medical purposes. **On Prince of Wales, 13% of all people are veterans, including 40% that have disabilities.** *"This isn't just a ride to Ketchikan for an appointment; to some, this is the difference between making rent, buying groceries, supplies, or heating oil, versus making it to needed medical care. The Highly Rural Transportation Grant takes away the need to choose,"* explains Forrest Powell, who manages the grant for the Office of Veterans Affairs.

Photo: Klawock veteran Aaron Isaacs at the veteran totem raising, by Staff Sgt. Balinda O'Neal Dresel.





TOURISTS

In 2019, **2,900** tourists visited Prince of Wales by ferry, generating \$11 million in spending on the island. *"The ferry is perfect if you have lots of fish, and the scenery is beautiful."* Brook Haines, tourist. Photo: Fishermen at the Waterfall Resort on Prince of Wales.



TRIBAL MEMBERS

Alaska Native residents comprise 34% of the Prince of Wales island population, and 21% in Ketchikan. Assuming 30% of the IFA riders are Alaska Native, **the ferry has saved these passengers \$24.4 million** over the price of flying in the 18 years of IFA's service, including \$1.4 million in 2019. Richard Peterson, the President of Central Council Tlingit & Haida Indian Tribes of Alaska, explains it this way: *"The IFA is priceless. It is a huge benefit to the tribes. It brings down the cost of living. They travel to meetings, trainings and conferences. Being able to travel and bring value back to the communities is critical."* Photo by Bethany Goodrich SE Sustainable Partnership.



WORKERS rely on the IFA to move to and from Prince of Wales, including divers, loggers, summer lodge employees, construction crews, seafood processors, marine highway crew members, and others.

Photo by Rafe Hanson

The IFA works in partnerships with other transit providers to create a **regional transportation grid** in southern Southeast Alaska. The IFA operations are colocated with the **Alaska Marine Highway System** in Ketchikan, and the IFA provides service to Metlakatla when the state ferry serving that community is not operating. **The Bus** connects with IFA passengers in Ketchikan. In July 2019 the **Craig Tribal Association's Public Transit System** began providing bus transportation between Craig, Klawock, and the Hollis POW terminal.



6,800 senior citizens rode the IFA in 2019, representing 15% of all passengers. Many island elders say they are more comfortable on the ferry than traveling by plane. **Seniors saved nearly \$800,000** over the cost of flying last year, and since IFA's service began, **they saved \$11 million**. Photo by C. Chapman



SENIORS

COORDINATED TRANSPORTATION

The IFA is an important part of the coordinated transportation network on the island for seniors, those with disabilities, and individuals with limited income. The IFA brings passengers on and off the ferries using wheelchair accessible vans.

Riders with Disabilities: 22% of POW residents have a disability. The IFA offers a discounted fare to people with disabilities.

Lower Income: On Prince of Wales, 17% of people are below poverty level (compared to 10% for Alaska as a whole). The IFA provides an affordable transportation option.



A High Return on Investment

The ferry system generated \$46.4 million in economic activity in 2019, and had a farebox recovery rate of 79%.

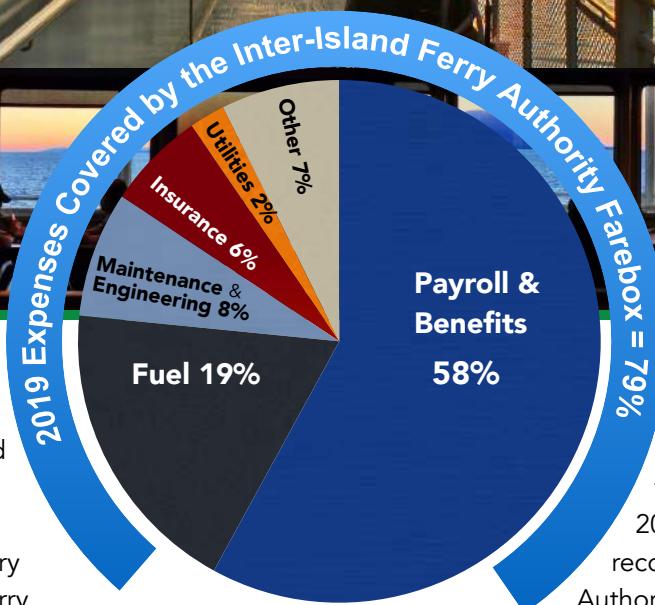
Farebox Indicator: Measured against other North American public ferry systems, the Inter-Island Ferry Authority is run very cost effectively. The best indicator to measure this is the "farebox recovery rate," which is the percentage of ferry operating costs that are covered by revenue from ticket sales. Public transportation systems do not and cannot operate out of the farebox alone. The public good provided by public transportation necessarily means that elements such as providing affordable, reliable travel, quality working conditions, and adherence to public

Passenger/Vehicle Ferry Systems	Farebox Recovery Rate (most recent)
Steamship Authority	98%
Inter-Island Ferry Authority	79%
Washington State Ferries	73%
BC Ferries	67%
North American Average	59%
Cape May-Lewes	55%
Alaska Marine Highway	33%
North Carolina Ferries	6%

Sources: Direct research into each recovery rate. IFA data.
Photo Credit: Carolyn Chapman and Rain Coast Data.

Leveraging State Dollars of Alaska

The Inter-Island Ferry Authority leveraged funding provided by the State to attract millions of dollars and hundreds of jobs to Prince of Wales. In FY2019, IFA leveraged state support to generate \$46.4 million in economic activity in the sub-region, or \$70 in economic activity for every dollar of state funding invested.



goals take precedence. The average farebox recovery rate for North American passenger and vehicle ferry systems was 59% in 2019. By contrast, the farebox recovery rate for the Inter-Island Ferry Authority was 79% for the year, and 100% in the summer of 2019. Considering the distance the IFA must travel each day, the price of fuel, and the relatively small population the IFA is serving, this farebox recovery rate is remarkably high.

Bang for the Buck Indicator: Another way to measure cost effectiveness is the so called "bang for the buck" indicator. As a municipal corporation and subdivision of the state, the Inter-Island Ferry Authority is eligible for general fund assistance. In FY19, the IFA used \$664,730 in State of Alaska appropriations. The IFA leveraged those funds to generate \$3.6 million in total direct revenues - or \$5.42 in total revenue for every \$1 of state revenue. Through the visitor, seafood, retail, and healthcare industries, that investment in the ferry system resulted in \$46.4 million in economic activity in Ketchikan and Prince of Wales in 2019. In other words, the IFA created \$70 in economic activity for every dollar of investment by the State of Alaska.

\$1 State



\$70
Inter-Island
Ferry return on
investment in
2019

Access to Medical Care



Access to health care for Prince of Wales residents is one of the most valuable benefits of ferry service between Prince of Wales and Ketchikan. At least 12% of the ferry's total riders last year were seeking medical care in Ketchikan or Sitka.



Matt Eisenhower, the Executive Director of Community Health Development & Foundation at PeaceHealth Ketchikan, estimates that 80% of those traveling to Ketchikan from Prince of Wales for medical purposes use the ferry, a figure that is supported by transportation data. This "medical tourism" brings dollars into Ketchikan. Last year, 1,150 patients took 4,900 ferry rides for medical purposes, and were charged \$9.2 million by Ketchikan hospitals, medical facilities, and dental offices. Including secondary impacts, the total economic impact of IFA medical travel to Ketchikan was \$10 million, supporting 82 jobs in Ketchikan. Moreover, ferry service has allowed medical providers to expand their services in both Prince of Wales and Ketchikan.

Services sought by island residents range from chemotherapy to orthopedics, but one of the most appreciated benefits is that pregnant islanders no longer have to travel to Ketchikan an entire month before their due date. The IFA works with Medicaid, the Southeast Alaska Regional Health Consortium, the Annette Island Service Unit Health Center, and the Office of Veterans Affairs to reimburse medical travel.

"Most people on POW must leave the island for medical attention in Ketchikan. Since being diagnosed with an illness, I travel from Prince of Wales Island to Ketchikan every week for treatment. More than ever, I appreciate Inter-Island Ferry Authority. The three-hour 'cruise' is great for relaxing a bit, getting ready for an appointment." **Kathryn, Prince of Wales resident.**



Prince of Wales residents traveling to Ketchikan and Sitka for medical care on the IFA last year represented 12% of all ferry travel in 2019, taking at least 5,280 ferry rides (4,900 to Ketchikan and at least 380 to Sitka).



Their Ketchikan medical expenses totaled \$9.2 million, for a total economic impact of \$10 million, supporting 82 jobs.



"There's lots of people who use the ferry for medical reasons. It would be devastating for this island if we didn't have it."

Cathy Klinkert, a senior living in Prince of Wales

IFA PASSENGERS SEEKING MEDICAL CARE IN KETCHIKAN 2019				
Category of Ferry Passenger	IFA Patients Served	Medical Charges	Jobs Created in Ketchikan	Total Economic Impact in Ketchikan
Prince of Wales residents using IFA for transportation to Ketchikan for health care services	1,150 unique patients	\$9,192,000	82	including multiplier effect \$10 million

Sources: Analysis uses IFA data, data and interviews with PeaceHealth, and data from the Alaska Department of Labor and Workforce Development. Secondary impacts analyzed using BEA RIMS II data. **Photo Credit:** PeaceHealth Ketchikan Medical Center. Graphics by Avery Veliz.



Island Jobs and Economic Activity Created by the Ferry

In 2019, the Inter-Island Ferry Authority supported 278 jobs on Prince of Wales Island in the areas of tourism, seafood, and transit, with associated workforce earnings of \$9.3 million.

The ferry system generates jobs in the Prince of Wales communities in several ways. The organization has a direct staff. Island businesses use the daily transportation connection to support and expand existing operations, along with building new ones. The ferry also attracts visitors to the island, who spend money and create jobs. These jobs in turn create indirect and induced employment and spending. **Indirect** means jobs and income created as a result of employers purchasing goods and services on Prince of Wales, while **induced** applies to jobs and income created as a result of employees spending their payrolls locally. By understanding the economic activity that is supported by the ferry system, it is possible to measure the total activity that the system generates annually on the island.

IFA Organizational Jobs and Wages: In 2019, the ferry system had 32 workers, with \$1.45 million in wages directly created by the IFA and the ferry galley on Prince of Wales Island.

Jobs and Wages Related to Seafood Shipped on IFA: Ten organizations ship fresh and live seafood from Prince of Wales. According to company managers and economic analysis, 58 Prince of Wales workers were utilized to harvest, process, and transport seafood ultimately shipped on the IFA in 2019, jobs that would not exist without the ferry system. These jobs are estimated to have generated \$2.1 million in direct earnings on Prince of Wales Island.

Jobs and Wages Related to Tourism: Tourists create opportunities on the island to develop businesses to accommodate visitors and their needs.

In 2019, visitors arriving via ferry spent an estimated \$11.2 million. These dollars in turn created 125 jobs.

The Multiplier Effect: The full economic impact of the ferry system in Prince of Wales in 2019 was determined by calculating the induced and indirect impacts of ferry-dependent employment using Bureau of Economic Analysis, US

Department of Commerce Regional Input-Output Modeling System (RIMS) II economic data modeling.

In 2019, activities generated by the IFA created 278 direct and secondary jobs with \$9.3 million in total wage activity. When additional indirect and induced local spending is included, the total economic impact of the IFA on Prince of Wales in 2019 was \$19.9 million.



DIRECT, INDIRECT, & INDUCED FERRY JOBS AND WAGES 2019

Category	Jobs and Earnings
IFA jobs, direct including galley	32
Visitor jobs, direct	125
Seafood jobs, direct	58
Additional induced and indirect jobs	63
Total Prince of Wales employment impact	278
IFA company wages (direct, includes galley)	\$1,448,100
Visitor island wages (direct)	\$3,582,136
Seafood wages (direct)	\$2,051,286
Indirect and induced POW earnings	\$2,262,334
Total Prince of Wales wages impact	\$9,343,856
Total IFA Economic Impact in POW (includes direct and secondary impacts of wages and economic activity)	\$19,911,453

Sources: Analysis uses IFA data and interviews. Secondary impacts analyzed using BEA RIMS II data.
Photo Credit: IFA staff. Graphic by Avery Veliz.



The Economic Impact of the IFA in Ketchikan



22,400 passengers traveled to Ketchikan on the IFA in 2019



\$7.5 million on Ketchikan goods and services was spent by IFA shoppers.



Altogether IFA activities generated an economic impact of \$26.5 million in Ketchikan in 2019, and 230 jobs.

Having a small public ferry system with daily service between Ketchikan and POW provides many significant benefits to Ketchikan. These benefits range from dollars spent in the community to anchoring Ketchikan as the regional hub for southern Southeast Alaska. In 2019 the IFA system was responsible for an estimated \$17.8 million in direct sales in Ketchikan, and \$26.5 million in total economic impacts, supporting 230 jobs in Ketchikan (including indirect and induced impacts). Economic activity was generated the following activities:

Purchases by Ferry Authority: In 2019, the IFA spent \$1.1 million in Ketchikan in support of ferry operations, including fuel purchases, groceries for the galley, and repairs and maintenance at Vigor Alaska Ship and Drydock.

"The IFA provides a vital service to both Ketchikan and POW. The ferry is a lifeline for island residents seeking medical care, professional services, shipping, or resupply opportunities in Ketchikan. The ferry enhances overall quality of life by increasing opportunities for recreation, subsistence, and commerce. It plays a major role in moving freight, creating jobs, and is an important customer for the Ketchikan Shipyard."

Chelsea Goucher, President of the Ketchikan Chamber



Retail Expenditures: The ferry provides a means for island residents to purchase items that local stores do not carry, such as furniture and household goods, to stock up on more affordable groceries and staples, and to take advantage of Ketchikan services like auto mechanics and movie theaters. Approximately 10% of sales at some Ketchikan stores are by Prince of Wales customers who come over on the ferry to shop. IFA riders from Prince of Wales spent an estimated \$7.5 million on retail in Ketchikan in 2019.

Medical Tourism: The economic impact of island residents using the IFA to access Ketchikan medical care was \$9.2 million last year.

Cumulative Impact: Assuming this spending has remained somewhat constant through the years, this means that over the past 18 years, the IFA has supported

\$477 million in economic activity in Ketchikan.

Recreation: Another opportunity the IFA provides is access to vast hunting and fishing grounds for Ketchikan residents, thereby improving overall quality of life. According to the Alaska Department of Fish and Game, in 2018, 450 Ketchikan residents hunted deer and black bear on POW.

ECONOMIC IMPACT OF IFA SPENDING IN KETCHIKAN 2019

Cost category	Direct effects
Spending by IFA in Ketchikan: fuel, shipyard, contractors, utilities, supplies, groceries, etc.	\$1,112,615
Estimate of IFA ridership spending in Ketchikan: groceries, clothing, hardware, building materials, automotive, fuel, lodge supplies, restaurant, etc.	\$7,475,230
Spending by IFA riders on health care in Ketchikan	\$9,192,000
Total Economic Impact (including direct, indirect and induced, including seafood)	\$26.5 million
Total jobs generated by above spending in Ketchikan + seafood jobs	230

Sources: Analysis uses IFA data, interviews with retail managers in Ketchikan at multiple stores regarding percentage of sales to POW residents, and a detailed account of sales categories from the Ketchikan Borough. Secondary impacts analyzed using BEA RIMS II data. **Photo Credit:** Carolyn Chapman. Graphics by Avery Veliz.

Children and senior citizens using the IFA have saved **\$19.3 million** over the price of flying since 2002

44,200 people and 10,000 vehicles traveled between Ketchikan and Prince of Wales Island in 2019

Two million pounds of fresh and live seafood were shipped by IFA with an **ex-vessel value of \$10 million**

Students from 12 school districts took **3,100 trips, saving schools \$337,000** over the cost of flying



Tourists spent \$11.2 million in Prince of Wales on lodging, food, and activities in 2019, after arriving by ferry



The Inter-Island Ferry Authority generated **\$46.4 Million in Total Economic Impact in 2019**
including multiplier effects

Medical Trips by Prince of Wales residents using the IFA generated **\$9.2 million** in Ketchikan health care spending in 2019

IFA activity supports **508 jobs** and **\$19.3 million** in associated wages in southern Southeast



Shopping by IFA riders generated **\$7.7 million** in Ketchikan spending, and the IFA spent **\$1.1 million** on repairs, fuel, and food.

The IFA provides daily ferry service between Alaska's Prince of Wales Island and Ketchikan



Inter-Island Ferry Impacts