

The Inter-Island Ferry Authority by the Numbers 2016

In 2015 the total economic impact of the ferry system was \$52.2 million.

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



PEOPLE: 50,000
PASSENGERS RIDE
ANNUALLY



VEHICLES: 12,000 CARS
AND TRUCKS FERRIED
ANNUALLY



85%
EFFICIENT: FAREBOX
RECOVERY RATE OF 85%



\$104 IN ECONOMIC
ACTIVITY CREATED **FOR**
EVERY \$1 OF INVESTMENT
BY THE STATE OF ALASKA



PRINCE OF WALES TOTAL
ECONOMIC IMPACT
\$19.4 MILLION



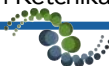
KETCHIKAN TOTAL
ECONOMIC IMPACT
\$21.6 MILLION



SHARED SEAFOOD
ECONOMIC IMPACT
\$11.2 MILLION

The Inter-Island Ferry Authority (IFA) provides daily service on a three-hour, 36-mile route between Prince of Wales Island and Ketchikan. It ferries more than 50,000 passengers and 12,000 vehicles between Hollis and Ketchikan annually. The system is more than a form of transportation - it is an economic engine for southern Southeast Alaska, generating jobs, commerce, and tourism - while also increasing community well-being. In 2015, the IFA brought 3,000 tourists to Prince of Wales Island, where they spent more than \$10 million on hotels, fishing expeditions, and dining - generating hundreds of summer jobs across the island. It provides a means for the seafood industry to move millions of pounds of high-quality, high-value fresh and live seafood to market, creating hundreds more jobs. It provides access to health care for a thousand island residents who use Ketchikan's medical services without the cost, inconvenience, or weather-related delays of flying. It shuttles workers to their jobs. It reinforces Ketchikan's status as the regional economic hub, as Prince of Wales residents spent more than \$14 million there in 2015 on groceries, goods, services, and medical care.

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 last year. This allowed students from 13 different Alaska school districts the opportunity to challenge themselves and interact with their peers. It connects residents to family, friends, and recreation. The ferry is a critical piece of a more extensive transportation network. It provides transportation security on days when the skies are rough, and access to transportation to those who cannot afford alternative means. Nearly a quarter of the ridership last year were senior citizens and young children, who have saved a combined \$17 million over the cost of flying since the system began in 2002. Its reliable arrivals and departures - so precise that people are said to set their watches by it - have enabled organizations to build their business models around this daily transportation connection. The result of the IFA's efficient operations is farebox revenue that covers a full 85% of the ferry's operational costs, a significant rate in the world of public transportation. The word businesses and residents most frequently use to describe the ferry service is "invaluable." While there are many intrinsic values of the system that cannot be measured, an analysis of the ferry's economic impact in the seafood, healthcare, visitor, transportation, and retail sectors shows an impressive \$52.2 million combined impact in Ketchikan and Prince of Wales in 2015.

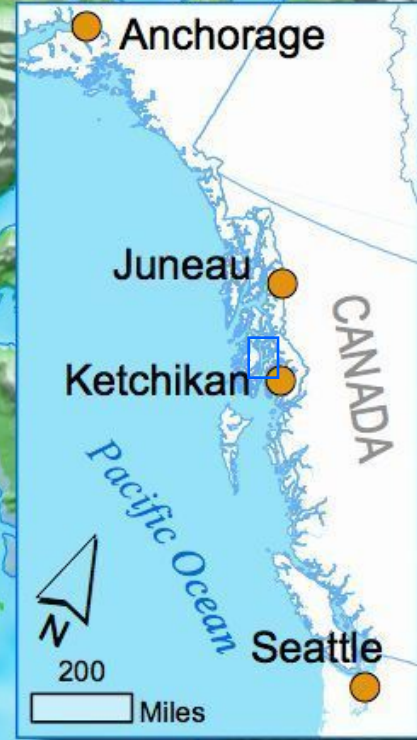


Prince of Wales and Inter-Island Ferry Authority Route Map

Daily Passenger and Vehicle Service Sailing Times

Depart Hollis 8:00 AM - Arrive Ketchikan 11:00 AM

Depart Ketchikan 3:30 PM - Arrive Hollis 6:30 PM



Hollis IFA Terminal

"As everyone knows, transportation is the lifeline to Southeast Alaska communities. The Inter-Island Ferry Authority means goods and services, it means shipping, trucking, and education—moving kids back and forth, it means increasing the social intercourse between the communities of Southeast. It means access to medical care. One of the tenets of economic growth is reliable transportation, and before the IFA came into being, the Prince of Wales Island was being bypassed. **The IFA put Prince of Wales back on the map.**"

Tom Briggs, Former Deputy DOT Commissioner for the Marine Highway System & Former IFA General Manager.



36 Miles

Ketchikan IFA Terminal

Key IFA Indicators

People	Total: Average annual Ketchikan-Hollis IFA ridership (2002-2015)	50,500
	Increase: Ridership increase between 2014 and 2015	5.6%
	Seniors and Kids: Percentage of 2015 riders 65+ or under 12	22%
	Students: Southeast students traveling IFA for school activities 2015	3,100
	Access to Travel: Cumulative savings over airfare for children, students, and senior citizens on the IFA during the entire 14 years of ferry service	\$17 million
	Patients: Total trips to or from Ketchikan for medical purposes by 1,000 island residents in 2015	4,500
	Visitors: Total estimated visitor trips in 2015	6,130
Prince of Wales Economy	Visitor Spending: Estimated direct 2015 spending in Prince of Wales by visitors arriving via the IFA	\$10.2 million
	Island Jobs: Total Prince of Wales jobs directly and indirectly created by the IFA in 2015	320 peak 176 ann. avg.
	Island Wages: Total workforce earning directly and indirectly generated by the IFA on Prince of Wales in 2015	\$7.1 million
	Population: Total Prince of Wales residents	4,855 people
	Poverty: Percent of Prince of Wales residents below poverty	18%
	Total Economic Activity: Total economic activity on Prince of Wales Island directly and indirectly generated by the IFA in 2015	\$19.4 million
Ketchikan Economy	Population: Total Ketchikan residents	13,825 people
	Health Care: Total direct spending at Ketchikan medical institutions by Prince of Wales residents using the IFA for healthcare purposes	\$7.2 million
	Additional Spending: Direct 2015 spending by IFA passengers on groceries, vehicles, building materials, etc., and spending by the IFA on fuel, food, and ship repairs in Ketchikan	\$8.9 million
	Multiplier Effect: Total effect of spending by IFA and IFA passengers in Ketchikan in 2015 (including direct, indirect, and induced spending)	\$21.6 million
Freight	Seafood Pounds: Pounds of seafood typically shipped by IFA each year	3 million
	Seafood Value: Ex-vessel value of seafood shipped	\$15 million
	Increase: Increase in freight activity between 2014 and 2015	7%
	Vehicles: Average annual number of Ketchikan-Hollis IFA vehicles transported	12,000
Return on Investment	Revenue: Total IFA revenue in FY 2015	\$3.8 million
	Farebox Recovery Rate: % of IFA operating costs covered by farebox (the North American average is 53%)	85%
	Total Economic Activity: Total economic activity in Prince of Wales and Ketchikan directly and indirectly generated by the IFA in 2015	\$52.2 million
	Bang for the Buck: Amount of economic activity generated by the IFA for every \$1 of state investment in FY15	\$104

Three million pounds of fresh or live seafood is shipped on the IFA each year, with a harvest value of \$15 million

Seafood and Other Freight

Freight is a major component of IFA's services. Nearly 900 freight units (live product containers or vans) were transported between

Ketchikan and Prince of Wales in 2015. The IFA carries critical goods such as concrete, groceries, supplies for the island's many fishing lodges, and parcel mail to the island.

But the IFA's most precious cargo is seafood. In a typical year three million pounds of fresh or live seafood is shipped on the IFA with a harvest value of \$15 million (although the value was down slightly in 2015). No one is more dependent on IFA's daily timetable than those trying to get fresh or live seafood to market. The ferry service provides local seafood operators a reliable, cost-effective means to move their seafood harvest to market on a daily basis. Seafood shipped on the IFA is the highest value of all Southeast Alaska fisheries. It includes halibut, winter king, sea cucumber, geoduck, roe-on-kelp, and black cod, along with shrimp and other species of salmon. Frozen salmon can go by barge, but live geoduck headed to the airport on its way to China does not have the luxury of time.

Seafood products fuel the Prince of Wales economy. Nearly one-fifth (18%) of all Prince of Wales workforce earnings are from resident commercial fishermen, seafood processors, brokers, and divers. Dylan Knutsen of the Loki Fish Company explains, "It's essential that we have that ferry connection. The ferry is an integral part of the way we transport our fish. The way the schedule is set up is a vital component of our company's logistics."

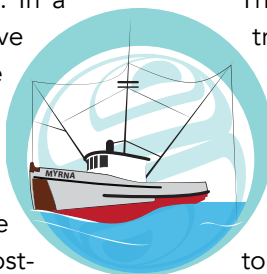
"Without the ferry system, we would have a tough time continuing our operations. We would not be able to have a facility in Craig. We would have to look at alternatives, and the alternatives would be a lot more expensive and a lot less convenient." E.C. Phillips president Larry Elliot.

Jim Vaughn, a seafood broker for Golden House Seafoods, explains it like this: "The ferry system is invaluable. If there was no boat to get off the island, I

could get stuck with 15,000 pounds of live geoduck that no one would be able to buy. So if there was no ferry I wouldn't be buying geoduck."

The IFA is significantly cheaper than the airlines to transport seafood. "That difference is my profit margin," says Noyes Island Smokehouse owner Ken Quigley, who ships seafood on the IFA regularly. "I couldn't run my business without it. You have to have daily ferry service for the island to survive."

It takes 220 fishermen, divers, and logistics personnel to bring the three million pounds of seafood from the ocean to the ferry. This translates into an estimated 63 year-round equivalent primary and secondary jobs and \$3.8 million in associated workforce earnings. 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 dollars to local and state coffers.



Seafood Statistics

Seafood Statistics	Value
Pounds of seafood typically shipped by IFA each year	3 million
Average annual ex-vessel value of seafood shipped by IFA	\$15 million
Seafood jobs dependent on this cargo	220 jobs
Estimated direct & secondary year-round equivalent jobs	63 jobs
Estimated workforce earnings directly and indirectly generated by IFA dependent seafood enterprises on POW	\$3.8 million
Commercial fishing/diving as a % of all POW job earnings	18%



IFA Tourism

The 2015 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 Prince of Wales. In the summer of 2015, an estimated 2,265 tourists used the ferry to visit the island. An additional 800 deer and bear hunters from Ketchikan visited the island in the fall. Together these visitors spent \$10.2 million on the island, which generated an additional \$3.6 million in indirect and induced spending. These visitors represented 14% of all ferry passengers in 2015.

The Prince of Wales visitor industry is unlike the rest of the region as most tourists stay longer, spend more, and come back year after year. According to survey data, summer tourists arriving by ferry in 2015 stayed an average of 12.7 days, and 60% were returning visitors. Nearly four-fifths (79%) came to fish. The next most popular activity of ferry visitors was hiking (32%), followed by hunting (14%).

To determine total visitor spending, an analysis was conducted of average days stayed, type of accommodation used, and estimated per-person per-day spending based on activities and lodging type. Visitors spent an average of \$3,335 per person per trip, while hunters were estimated to have spent just over \$1,000 per trip. In 2015 IFA travelers directly and indirectly generated 53 year-round equivalent jobs - or 213 peak summer jobs - and \$1.7 million in wages.



2,265 summer tourists and 800 Ketchikan hunters came to POW on the IFA, accounting for 6,130 ferry rides.



The tourists stayed an average of **12.7** days.



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



Visitors spent **\$10.2** million in Prince of Wales on hotels, food, activities, etc. for a total economic impact of \$13.9 million.



Tourists generated **213** peak summer visitor industry jobs with an associated payroll of \$1.7 million (including secondary jobs).

TOURISTS TO POW ON THE IFA 2015

Location stayed	Average Days Visited	Total People	Estimated Spending
Cabin or Bunkhouse	20.4	475	\$2,222,560
Resort	6.7	270	\$2,106,580
Hotel or B&B	6.8	400	\$1,331,850
Camped	17.3	330	\$1,202,250
RV	46.7	125	\$1,190,310
Friends or Family	12.4	590	\$1,059,510
Other	17.3	75	\$276,960
Ketchikan Hunters	5.6	800	\$830,000
Total	12.7	3,065	\$10,220,020

"Without the IFA ferry, the Island would quickly lose its appeal as a tourist destination. The IFA provides the core method of transportation. Tourists can more affordably bring gear they want and the fish they want to bring home. We have many customers who return year after year, and bring with them friends and family who, themselves, make POW a tradition. Our business was created to serve the clientele from the IFA. In seven seasons we have grown from four rental vehicles to 25. We have seen, leveraged and enhanced the tremendous opportunity that the IFA has offered the communities of Prince of Wales Island." **Darren Lamp, Hollis Adventure Rentals**

Sources: The IFA conducted an onboard survey in August of 2015 asking 560 visitors about trip purpose, accommodations, and total days stayed. 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. Estimates of total summer visitors to POW on IFA were determined through data analysis and the Economic Impact of Visitors to Southeast Alaska report by the McDowell Group. **Note:** The previous version of this study underestimated total visitor spending because the average days visited for hotels was applied to all visitors, while the new survey data shows average days visited by summer tourists coming to POW on the IFA was 12.7 days. **Photo Credit:** Waterfall Resort Alaska.



SCHOOL GROUPS

In 2015, **3,100 students from 13 different school districts** across Southeast Alaska traveled on the IFA for school activities. The savings to schools by using the ferry over flying was nearly **\$300,000 last year and \$4.2 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, “We rely on the IFA almost weekly, it’s really important to us. We all realize the benefits of extracurricular activities for kids. 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. Having the IFA also means that other schools are willing to travel here as well. The system is especially valuable in a time of reduced budgets and funding for the schools.” **Student travel represented 7% of all ridership in 2015.**



KIDS

In addition to student travelers, **3,900** children under age 12 rode the ferry in 2015, representing **9%** of all ferry users. Last year, the parents of these younger children saved **\$435,000** over the cost of flying. Over the 14-year life of the IFA, families saved **\$5.5 million** in transporting their kids to and from Prince of Wales by using the ferry.



TRIBAL MEMBERS

Klawock Totem Pole Raising

There are 2,915 enrolled tribal members in Prince of Wales and Ketchikan who rely on the ferry system for affordable travel. 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. I heard that 30% of the people who travel on the IFA are tribal members. They travel to meetings, trainings and conferences. Being able to travel and bring value back to the communities is critical.” **Haida Transit Services** provided ferry terminal bus transportation for 262 riders last year. While tribal member travel is not tracked, tribal members do comprise nearly one-third of the Prince of Wales population. If 30% of the IFA riders are tribal members, **the ferry has saved tribal members \$18.7 million** over the price of flying in the 14 years of IFA’s service, including \$1.2 million in 2015.



VETERANS

In 2015, thanks to a \$50,000 rural travel grant through the U.S. Department of Veterans Affairs and a partnership with the State of Alaska Department of Military & Veterans Affairs, the IFA provided free passage for 450 trips for veterans using the ferry for medical purposes. **Ten percent of the Prince of Wales population are veterans.** “I am absolutely thrilled at what State of Alaska and IFA’s General Manager Dennis Watson did,” explains Jan Storbakken, a Craig based Iraq Veteran (pictured above) who used the program for chemotherapy in Ketchikan. “There are so many veterans below poverty levels here, and just \$100 bucks can be a deal breaker in seeking treatment. Veterans go to Ketchikan, Anchorage, Seattle, and even Juneau.” Forrest Powell, Grant Manager for the Office of Veterans Affairs for the State of Alaska, reflects on the success of the IFA partnership. “It was phenomenal. The veterans using the IFA took such advantage that they ran out of funding early.” The grant also applied to a veteran’s vehicle, and the fare for an escort, if needed. The grant has been renewed for 2016.



VISITORS

In 2015, tourists accounted for **6,130 ferry rides** on their way to and from the island. These visitors comprised 14% of all IFA ridership in 2015.



WORKERS rely on the IFA to move to and from POW, including divers, loggers, summer lodge employees, seafood processors, AMHS crew members, and others. Those who traveled to Prince of Wales for work in the summer of 2015 stayed an average of 21 days.

The IFA works in partnerships with other transit providers to create a regional transportation grid in southern Southeast Alaska. The IFA operations are collocated with the **Alaska Marine Highway System** in Ketchikan, and the IFA provides service to Metlakatla when the AMHS ferry serving that community is not operating. **The Bus** in Ketchikan connects with IFA passengers.



SENIORS & INDIVIDUALS WITH DISABILITIES

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 top priority of Craig-Klawock Coordinated Transportation Group is to provide transportation to the ferry. In 2015, **Southeast Senior Services** provided nearly 200 rides between the Craig-Klawock Senior Center and the Hollis ferry terminal, funded through a ADOT&PF grant. The IFA brings passengers on and off the ferries using wheelchair accessible vans. The Ketchikan Senior Center provided 565 rides to or from the Ketchikan ferry terminal. **Disabilities:** According to the US Census, 14% of POW residents have a disability. Last year the IFA provided \$7,000 in direct discounts to these riders. **Lower Income:** On Prince of Wales, 18% of people are below poverty level (compared to 10% for Alaska as a whole).

SENIORS: 5,500 senior citizens rode the IFA in 2015, representing 13% of all passengers. Many island elders say they are more comfortable on the ferry than traveling by plane. **Seniors saved more than a half million dollars over the cost of flying last year**, and since IFA’s service began, they saved \$7.1 million.



The People Who Ride the IFA Ferry System

According to a 2012 survey, 63% of POW households use the ferry.

Access to Medical Care

Increased access to medical care for Prince of Wales residents is one of the most valuable benefits of ferry service between Prince of Wales and Ketchikan. An estimated 10% of the ferry's total riders last year were onboard the IFA for healthcare purposes.

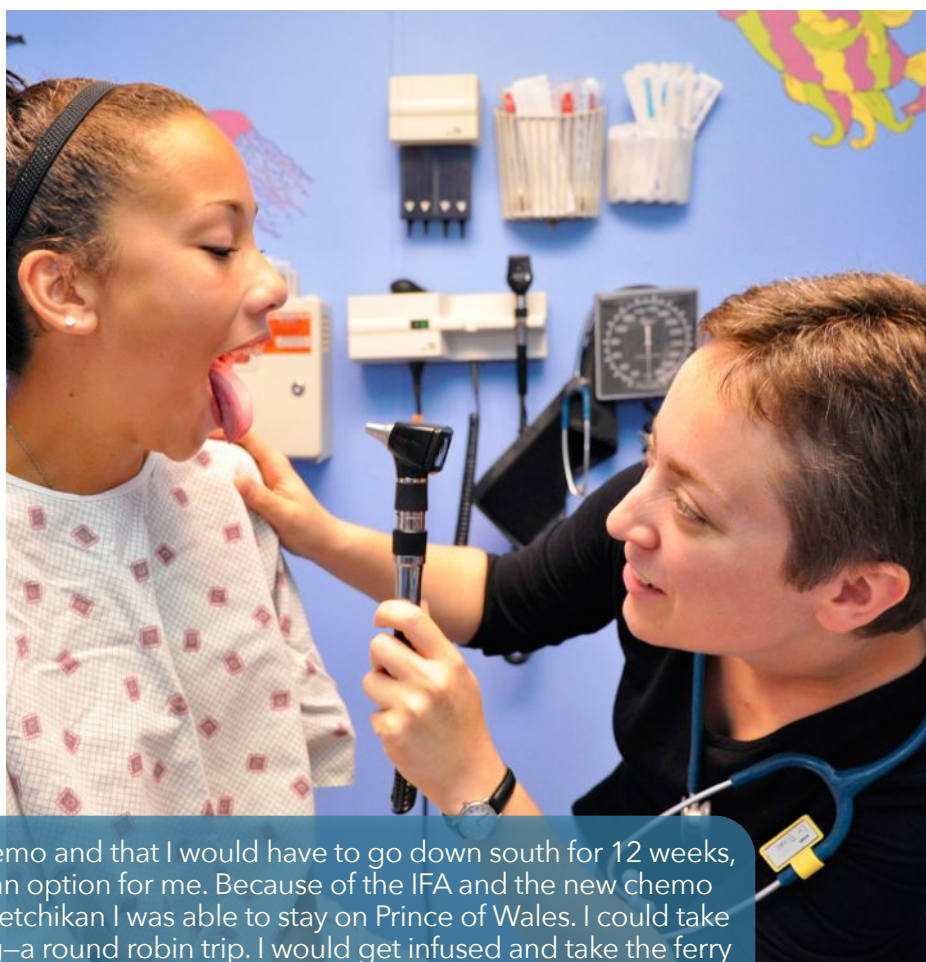
Matt Eisenhower, the Executive Director of Community Health Development & Foundation at PeaceHealth Ketchikan, estimates that 80% of those traveling to Ketchikan from Prince of Wales for medical purposes used the ferry in 2014. This "medical tourism" brings dollars into Ketchikan. Last year, 1,000 patients took 4,500 ferry rides for medical purposes, and were charged \$7.2 million by Ketchikan hospitals and medical facilities. Including secondary impacts (based on revenue rather than charges to account for leakage), the total economic impact of IFA medical travel to Ketchikan was \$8.9 million. 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. Last year, 3,500 trips were reimbursed through these programs.



1,000 POW residents traveled to Ketchikan for medical care on the IFA last year, taking 4,500 one-way ferry rides.

Their Ketchikan medical expenses totaled **\$7.2** million, for a total economic impact of \$8.9 million.



"I was told I needed chemo and that I would have to go down south for 12 weeks, but that really wasn't an option for me. Because of the IFA and the new chemo unit at Peacehealth in Ketchikan I was able to stay on Prince of Wales. I could take the ferry in the morning—a round robin trip. I would get infused and take the ferry back in the afternoon. It was absolutely a godsend for me. It worked great and it truly was a quality of life to stay in Craig. Not to mention the amount of money to relocate like they originally wanted."

Jan Storbakken, Iraq Veteran and Craig City Council Member

IFA PASSENGERS SEEKING MEDICAL CARE IN KETCHIKAN 2014

Category of Ferry Passenger	IFA Patients Served	Medical Charges	Local Revenue Collected	Secondary Impacts	Total Economic Impact in Ketchikan
Prince of Wales residents using IFA for transportation to Ketchikan healthcare services	1,000 unique patients, 4,500 ferry rides	\$7,186,670	\$4,200,000	\$1,676,940	\$8,863,610

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 IMPLAN data. **Photo Credit:** PeaceHealth Ketchikan Medical Center

The Economic Impact of the IFA in Ketchikan



22,000 passengers traveled to Ketchikan on the IFA in 2015



\$8 million on Ketchikan goods and services was spent by IFA shoppers.



Altogether the IFA created **\$16.1** million in Ketchikan spending for a total economic impact of \$21.6 million in 2015.

Having a small public ferry system with daily service between Ketchikan and Hollis 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 2015 the IFA system was responsible for approximately \$16.1 million in direct sales in Ketchikan, or \$22.6 million in total economic impacts (including indirect and induced impacts).

Purchases by Authority: In 2015, just under \$1 million was spent in Ketchikan by the IFA in support of ferry operations, including fuel purchases, groceries for the galley, and repairs and maintenance at Vigor Alaska Ship and Drydock.

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. Carlos Ortiz, Assistant Store Manager for Wal-Mart, explains: "The IFA means more business for us. Approximately 10% of sales at our store are by Prince of Wales customers who come

over on the ferry to shop." IFA riders from Prince of Wales spent an estimated \$8 million on retail in Ketchikan in 2015.

Medical: The economic impact of island residents using the IFA to access Ketchikan medical care was \$8.9 million last year.

Cumulative Impact: Assuming this spending has remained somewhat constant through the years, this means that the IFA has brought \$254 million worth of direct spending to Ketchikan over the past 14 years, for a total economic impact of \$360 million since the IFA began.

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 2015 800 Ketchikan residents harvested 1,200 deer and 10 black bear from Prince of Wales.



"For POW Island residents the Inter-Island Ferry Authority is their lifeline to necessary services. For Ketchikan, it means a boost to our businesses when island folks ferry over for the day (or longer!) to take advantage of industry and services the 'big city' offers that might not be available in their remote communities."

Julie Isom, Executive Director of the Ketchikan Chamber

ECONOMIC IMPACT OF IFA SPENDING IN KETCHIKAN 2015

Cost category	Direct effects	Total Impact (including direct, indirect and induced)
Spending by IFA: fuel, shipyard, groceries	\$885,570	\$1,297,850
Estimate of IFA ridership spending: grocery, clothing, hardware, building materials, automotive, restaurant, etc.	\$8,031,030	\$11,470,870
Spending by IFA riders on healthcare in Ketchikan	\$7,186,670	\$8,863,610
Total economic impact	\$16,103,270	\$21,632,330

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 93 sales categories from the Ketchikan Borough. Secondary impacts analyzed using IMPLAN data. **Photo Credit:** Carolyn Chapman.



Island Jobs Created by the Ferry

In 2015 the Inter-Island Ferry Authority supported 320 jobs on Prince of Wales Island in the areas of tourism, seafood, and transit, with associated workforce earnings of \$7.1 million.

The ferry system generates many jobs in the Prince of Wales communities. Island businesses use the daily transportation connection to expand existing operations, build new ones, or—as was the case after southern Southeast's economic crash—to stem job losses. These jobs in turn create indirect and induced employment. 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. This analysis includes jobs in seafood, tourism, and on the IFA itself.



IFA Jobs: In 2015 there were 33 jobs and \$1.36 million in wages directly created by the IFA and the ferry galley on Prince of Wales Island.

Jobs Related to Seafood: According to company managers, 220 workers harvest and transport seafood that is ultimately shipped on the IFA, jobs that would not exist without the ferry system. Just over a quarter of these are Prince of Wales residents. In order to measure annual average (12-month) employment, these translate into 46 year-round equivalent jobs. The average annual earnings of a Southeast Alaska worker involved in seafood was \$59,244 in 2014. So, these jobs are estimated to have generated \$2.7 million in direct earnings. An additional 17 secondary jobs are created by this activity.

Jobs Related to Tourism: Tourists create opportunities on the island to develop businesses to accommodate visitors and their needs. The visitors that come to Prince of Wales via ferry represent 20% of all tourists to the island. In 2014, there were 230 year-round equivalent visitor industry jobs on Prince of Wales (including the self-employed). The IFA generated 46 (20%) of these, along with \$1.4 million in earnings—the equivalent of 185 summer jobs. Including secondary jobs, peak employment was 213 jobs.

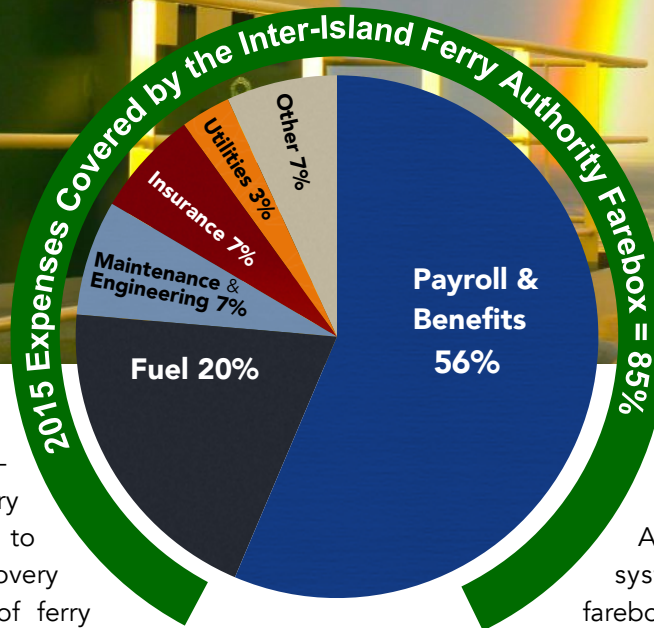
The Multiplier Effect: The full economic impact of the IFA on Prince of Wales employment levels can be determined by calculating the induced and indirect impacts of ferry-dependent employment using 2014 IMPLAN economic data modeling. In 2014, the 124 direct jobs and \$5.4 million in direct earnings created another 52 jobs and \$1.7 million in wages through the multiplier effect, for a total impact of 176 jobs and \$7.1 million in earnings. In the summer, total island jobs generated by the ferry system peak at 320.

DIRECT, INDIRECT, & INDUCED FERRY JOBS AND WAGES 2014

Category	Jobs and Earnings
IFA jobs (direct, includes galley, annual average)	33
Visitor jobs (direct, estimated annual average)	45
Peak direct visitor jobs	185
Seafood jobs (direct, estimated annual average)	46
Peak seafood jobs (POW residents only)	72
Peak seafood jobs (all IFA generated jobs)	220
Indirect and induced annual average jobs	52
Total annual average employment impact	176
Total peak summer POW employment impact	320
IFA company wages (direct, includes galley)	\$1,357,665
Visitor island wages (direct)	\$1,406,194
Seafood island wages (direct)	\$2,713,375
Indirect and induced POW earnings	\$1,650,283
Total Prince of Wales wages impact	\$7,127,517

A High Return on Investment

The ferry system generated \$52.2 million in economic activity in 2015, and had a farebox recovery rate of 85%.



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 goals take precedence. The average farebox recovery rate for North American passenger and vehicle ferry systems is 53%. By contrast, the farebox recovery rate for the Inter-Island Ferry Authority was 85% in 2015. 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 FY15, the State of Alaska invested \$500,000 in the system. The IFA leveraged those funds to generate \$3.8 million in total direct revenues - or \$7.60 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 \$52.2 million in economic activity in Ketchikan and Prince of Wales in 2015. In other words the IFA created \$104 in economic activity for every dollar of investment by the State of Alaska.

Passenger/Vehicle Ferry Systems	Farebox Recovery Rate 2015
Steamship Authority	93%
Inter-Island Ferry Authority	85%
BC Ferries	82%
Washington State Ferries	70%
North American Average	53%
Alaska Marine Highway	34%
North Carolina Ferries	6%

Sources: A Comparison of Operational Performance. Washington State DOT; IFA; ADOT.
Photo Credit: Carolyn Chapman.

Leveraging State Dollars

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 FY2015, IFA leveraged state support to generate \$52.2 million in economic activity in the sub region, or \$104 in economic activity for every one dollar of state funding invested.





50,500 people and 12,000 vehicles

travel between Ketchikan and Prince of Wales Island annually.

3 million pounds of fresh and live seafood

is shipped by IFA annually with an **ex-vessel value of \$15 million**



\$14.6 million

in savings for **children and senior citizens using the IFA** over the price of flying since 2002



Inter-Island Ferry Impacts

\$52.2 Million Economic Impact in 2015

320 island jobs and

\$7.1 million in wages are dependent on the IFA



Hollis

3,065 ferry visitors spent \$10.2 million

in Prince of Wales on lodging, food, and activities for a total economic impact of **\$13.9 million**



\$8 million

in POW resident spending on Ketchikan goods and services during IFA shopping trips. The IFA spent **\$1 million** on fuel, food, and repairs



3,100

student trips from 13 school districts **saved schools**

\$300,000 over the cost of flying



4,500 medical trips

\$8.9 million impact in Ketchikan by "medical tourists" using the IFA



Ketchikan



The total economic impact of the IFA in Prince of Wales was **\$19.4 million**

The total economic impact of the IFA in Ketchikan was **\$21.6 million**