Income From Commercial Fishing

Commercial fishing accounted for more than one quarter of all the personal income generated by private basic industries in Alaska in 1984, putting it behind mining (which includes petroleum), but ahead of tourism as a source of personal income from private industry. And the fishing industry was responsible for anywhere from almost none to nearly half of all the personal income generated by both government and private activities in various regions of the state that year, the most recent for which we have figures.

These are some of the findings of The Commercial Fishing Industry in Alaska’s Economy, a recent ISER study done for the Alaska Department of Fish and Game by Matthew Berman and Teresa Hull.

Importance to Regional Income

Salmon and other seafood caught in Alaska’s waters directly and indirectly generated about 7 percent—$580 million—of all personal income in Alaska in 1984.* That income was spread unevenly among regions of the state.

As Figure 1 shows, the commercial fishing industry generated nearly half of the total $500 million in personal income in the southwest region in 1984, but almost none of the $1.4 billion in personal income in the interior region. Commercial fishing was responsible for about 2 percent of the $4.4 billion in personal income in the Anchorage-MatSu region, 19 percent of total $800 million personal income in the gulf coast area, 10 percent of total $1 billion income in the southeast region, and 5 percent of $800 million in personal income in the northernmost region of the state.

Government Versus Private Industry Activities

Table 1 shows all 1984 personal income in Alaska, generated by basic and support industries. Basic industries are those—like fishing, mining, tourism, and federal activities—that drive the economy by producing goods or services for export from the region. Support industries—like retail trade or banking—provide goods and services for local residents or local businesses.

State and local government activities are split between basic and support. In recent years Alaska state and local government revenues have come mainly from taxes on petroleum and other resource development, rather than from local broad-based sources—and spending has been based not on local demand but rather on availability of resource revenues. State and local activities based on resource revenues are basic; those based on local taxes are support. Below we classify 77 percent of income from state and local activities as basic and 23 percent as support.

Table 1. Alaska Personal Income, 1984

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Basic Income</td>
<td>$5.1 billion</td>
</tr>
<tr>
<td>Support Income</td>
<td>3.8 billion</td>
</tr>
<tr>
<td>Total Income</td>
<td>$8.9 billion</td>
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</tbody>
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*Sources of personal income from commercial fishing include earnings of fishermen and processing workers; income Alaskans receive from supplies or services fishermen and processors buy; and income generated from spending fishing industry incomes. The report also discusses employment generated by commercial fishing, another measure of the economic importance of that industry.
Figure 2 shows how much of basic personal income in Alaska was generated by government spending as compared with private activities in 1984. Federal, state, and local government spending of various kinds accounted for around three-fourths of the approximately $5.1 billion in personal income produced by basic industry activities in Alaska. That was a year before the big reductions in state and local spending began; if we had figures for 1986, the share of personal income from government sources would be smaller and that of private industry larger. Still, it's obvious that government spending is a very important source of personal income in Alaska. Support activities of both government and private entities accounted for another roughly $3.8 billion in personal income.

The bottom half of Figure 2 separates out the roughly $1.3 billion of basic income attributable to private industry in 1984 and looks at the relative shares various industries contributed to just private basic income: mining, including the petroleum industry, accounted for 43 percent, commercial fishing 27 percent, tourism 12 percent, and other private industries 17 percent. Figure 3 shows how much of personal basic income from just private sources was generated by commercial fishing in individual regions: the proportions ranged from almost none in the interior region to almost all in the southwest region. In other regions, commercial fishing made up anywhere from 5 to 45 percent of income generated by all private basic industries in 1984.