# Cruise Port Profile: Juneau

## Understanding Cruise Activity & Economic Impacts in Juneau

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# CONTENTS

1

# INTRODUCTION

# Introduction

The cruise industry is playing an increasingly important role for local economies across the globe. However, there is limited consistent information available at local level to enable a more thorough understanding of these impacts. While studies are periodically undertaken which document the impacts of cruise activity in destinations, there are often inconsistencies between approaches which limit the extent to which comparisons and inferences can be made to truly understand trends within the industry.

To address this issue, Cruise Lines International Association (CLIA) commissioned Tourism Economics to develop and implement a consistent framework for measuring and understanding cruise activity at individual ports. The CLIA Port Profile project was launched in 2024 for ten ports around the world, consisting of five ports in Europe and five ports in North America's Pacific Northwest (PNW) coast.

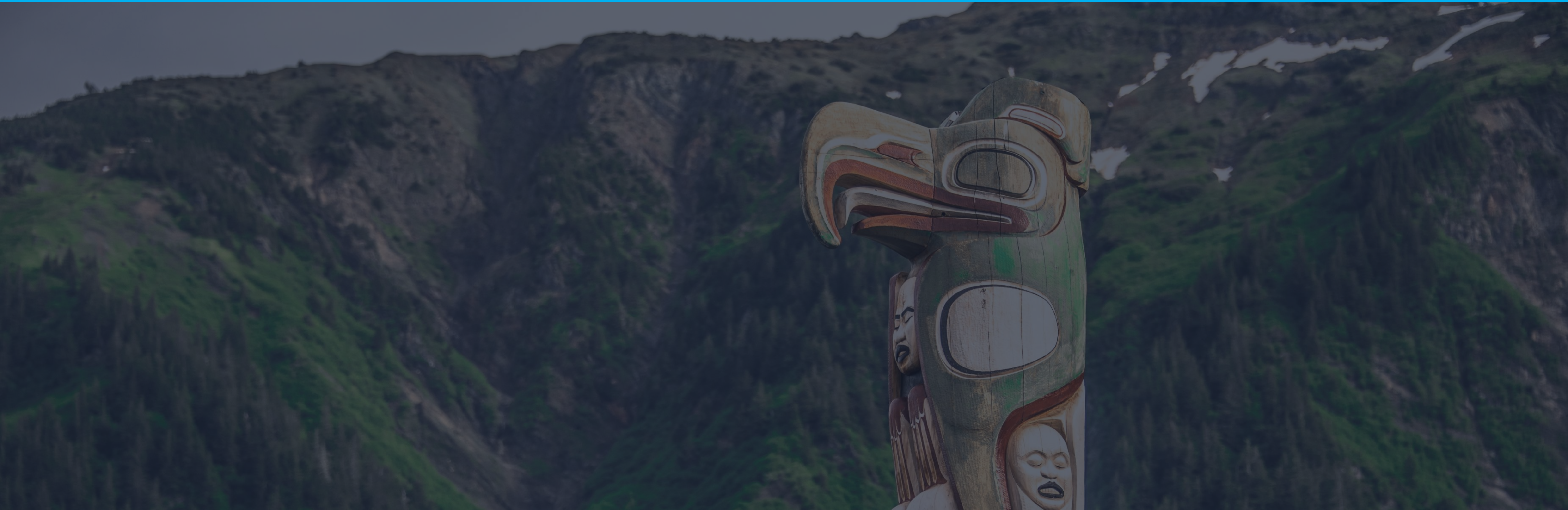
This report discusses the findings of the Port Profile study conducted in Juneau. The report is comprised of the following sections which, collectively, enable a detailed and thorough understanding of cruise activity and impacts in the city:

- **Visitor activity:** Key trends and attributes relating to the cruise industry in Juneau and the North American Pacific Northwest as a whole.
- **Visitor profile:** Insights regarding the types of cruise visitors that come to Juneau, including their demographic characteristics.
- **Destination engagement:** Understanding the behaviors of different types of cruise visitors, including the activities they undertake.
- **Passenger spending:** The spending behavior of cruise visitors in the city.
- **Economic impact:** Analysis of the economic impact of cruise-linked activity in Juneau on the local region.
- **Local business survey:** Views and attitudes towards cruise visitors and the broader industry among local businesses.

A technical appendix is included at the end of the report which provides additional detail regarding the research.

2

# KEY FINDINGS



# Key Findings

## VISITOR ACTIVITY

**Juneau achieved around 1.7 million cruise passenger visits in 2024, with almost all of these being transit passengers coming ashore for the day.**

**1.68M**
Total Passenger Visits[1]

**279K**
Total Crew Member Visits

**100%**
Share of Transit Passengers

**<0.5%**
Share of Turnaround Passengers

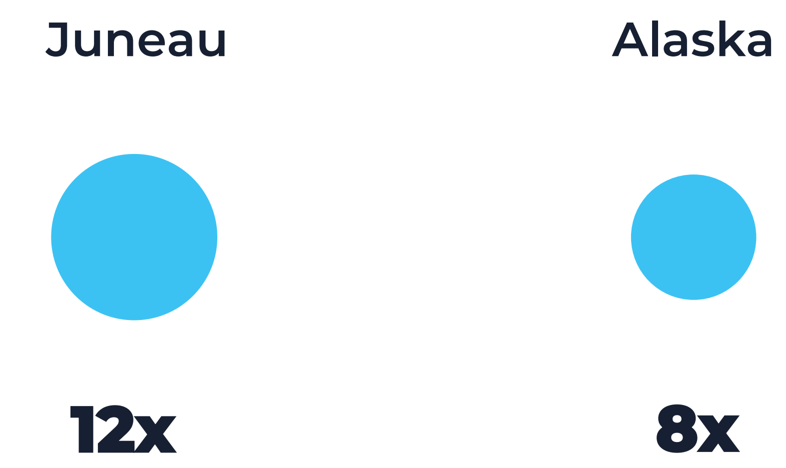
Juneau recorded around 1.68 million cruise passenger visits in 2024. Almost all of these were by transit passengers, who came ashore for a day visit to the city and surrounding area as part of their cruise itinerary. In addition to the passengers, the destination also benefited from around 279,000 crew member visits in 2024 which further supported the local visitor economy.

1. Note: Cruise passenger visits include embarkation, disembarkation, and transit visits. Passenger visits can be up to twice the number of unique passengers at turnaround ports.

### Cruise Activity in Juneau

Cruise activity in Juneau and the broader Alaska region experiences seasonal demand, with significantly higher visitation during the peak season summer months compared to shoulder season months. In 2024, Juneau experienced peak cruise activity in July, which was 12 times higher than in October, the month with the lowest activity. This compares to a regional average of eight for the wider Alaska cruise region.

**Cruise Seasonality**
Busiest month as multiple of quietest month




Note: Scaling is approximate for visualization purposes. Excludes months with zero activity.

### Cruise Vessel Size and Class Segments

In 2024, large vessels accounted for the greatest share of cruise passengers in Juneau, representing 60% of total passengers, followed by medium-sized vessels at 36%.

Premium class brands accounted for over 50% of passengers, while the contemporary segment was also important, making up 43% of passengers in Juneau in 2024.

**60%**
Share of Large Cruise Vessels

**53%**
Share of Premium Class Cruises

# Visitor Profile

Cruise visitors to Juneau are predominantly from North America, though a small minority come from other English-speaking countries. Most passengers were aged 55 or older and had not previously visited Juneau.

## Transit Visitors

**64%** United States

**25%** Canada

**69%** >55 years

**71%** first time visitors to Alaska

**77%** first time visitors to Juneau

**71%** Explore

**68%** Shopping

**56%** Guided tour

# Visitor Profile and Destination Engagement

Understanding variations in the profile and behavior of different cruise segments is critical to inform the destination's strategies for developing and enhancing its cruise offering.

### Source Markets

North American source markets were dominant in Juneau, with 64% of cruise visitors being from the United States and 25% from Canada. Other English-speaking countries accounted for a small but notable share of arrivals, with 4% coming from the UK and Australia each.

### Age Demographics

Passengers aged 55 years or above represented over two-thirds of transit visitors. The second-largest group was those aged 35 to 54 accounting for 22%. Meanwhile, just 7% were aged 18 to 34 years.

### Visit Patterns

Highlighting the importance of cruise in expanding the city's reach to new audiences, there were high levels of first-time visitation among cruise passengers. Around 70% of passengers were visiting Alaska for the first time, and 77% were visiting Juneau for the first time.

### Activity Profiles

Exploring was a key activity for most cruise visitors, with 71% of transit passengers taking time to walk around Juneau. Shopping was the second most popular activity, enjoyed by 68% of passengers, whilst 56% undertook a guided tour or excursion. This highlights that cruise passengers interact with Juneau in a variety ways which helps to disperse economic impacts.

## Visitor Spending and Economic Impact

**Total direct spending by cruise passengers, crew members and cruise lines was $401 million.**

Passengers and crew injected $334 million directly into the economy of Alaska, with over half concentrated in the tours sector. Cruise lines contributed an additional $67 million, with around 70% of this related to fuel. Together, this spending generated $401 million in direct cruise-related economic impact for the region.

**$334M** Passenger and Crew Spend **+** **$67M** Cruise Line Spend **=** **$401M** Cruise-related Spending

Direct visitor spending injects revenue into businesses, which then purchase from suppliers (indirect effects) and pay wages to employees who then spend their income in the wider economy (induced effects). Taken together, cruise-related spending in Juneau resulted in a total economic impact of $590 million in the Alaskan economy in 2024, supporting $326 million in GDP. In the labor market, this equates to just over 3,000 jobs and $176 million in linked wages.

**$590M**

**Total Output from Cruise-related Spending in Juneau in 2024**

## Economic Impacts of Juneau Cruise Activity

| | Direct | | Indirect | | Induced | | Total |
|---|---|---|---|---|---|---|---|
| Output | $401M | + | $89M | + | $100M | = | $590M |
| GDP | $213M | + | $53M | + | $60M | = | $326M |
| Employment | 2,308 | + | 285 | + | 416 | = | 3,008 |
| Wages | $119M | + | $23M | + | $34 | = | $176M |

Note: Values may not sum due to rounding.

## Local Business Survey

**Most local businesses surveyed agreed that the cruise industry has a positive impact on their organization and the local economy.**

Among the businesses surveyed, cruise visitors account for around 50% of their annual revenues, which highlights the importance of the cruise industry to these organizations. Signaling positivity for the future, there was optimism overall that this segment would grow in the coming five years.

The businesses were positive about the impact of the cruise industry on Juneau's economy, with 98% agreeing that cruise visitors are important to the local economy. Meanwhile, 78% agreed that sales increased when cruise ships arrive in Juneau and two-thirds recognized that cruising generates additional benefits for Juneau due to visitors returning to the city after visiting on a cruise.

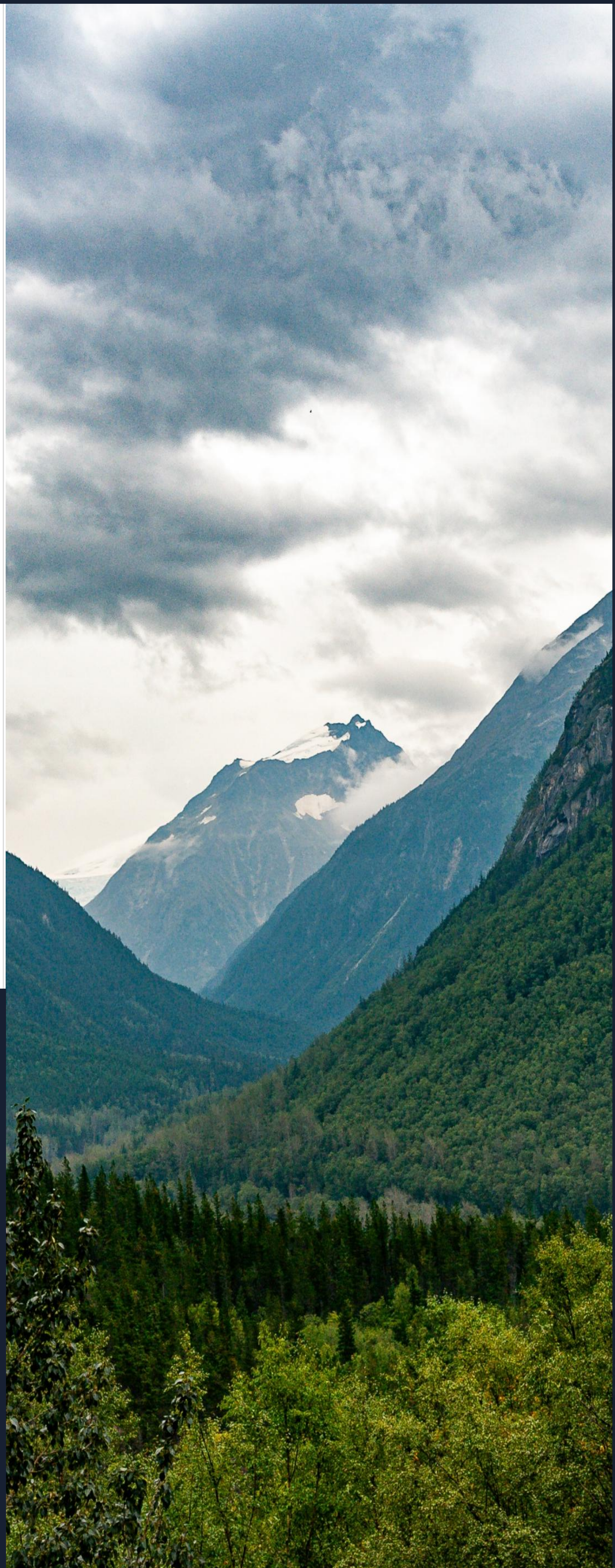
Overall, reflective of these positive perceptions and impacts, four out of five businesses surveyed were satisfied with the cruise industry's impact in Juneau. When asked about suggestions to grow or improve cruise tourism impacts, businesses highlighted the need to encourage cruise lines to stay longer in Juneau, with 59% mentioning this aspect.

Current financial year: Estimate % of sales due to cruise visitors

**52%** Average

'Cruise visitors are important to the local economy in Juneau'

**98%** Agree



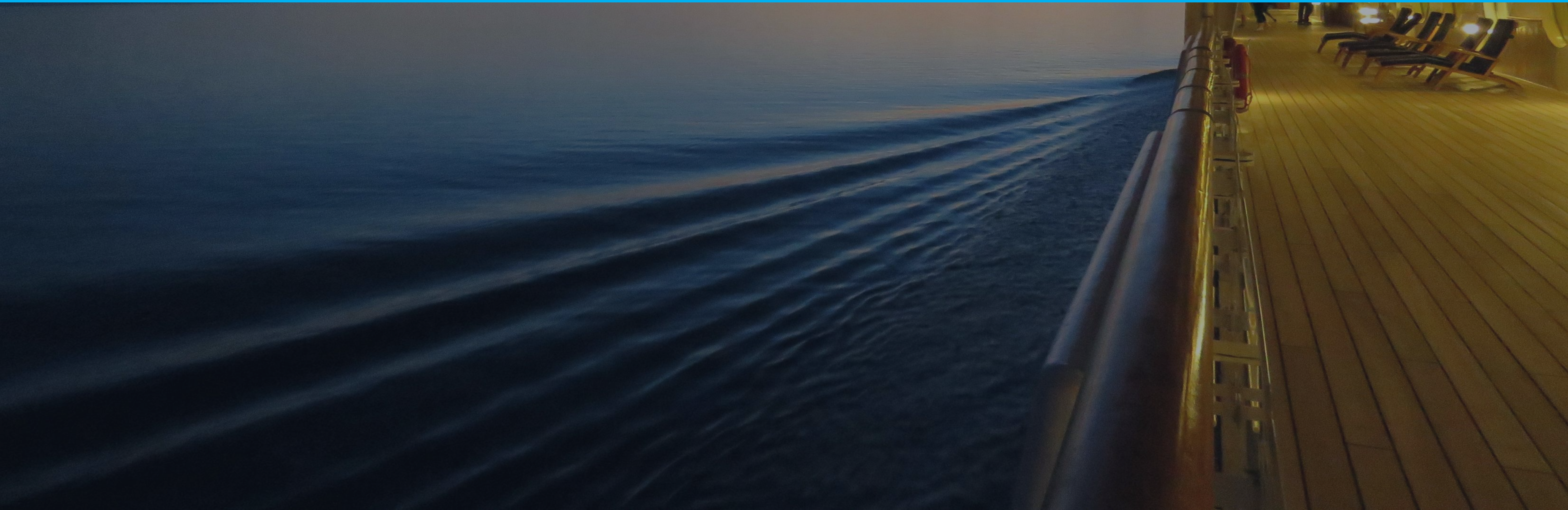
**41%** of businesses are confident that **sales linked to cruise visitors will grow** over the next five years

**78%** of businesses are **satisfied** with the current visitor impact in Juneau

**59%** suggested longer stays by cruise lines would **improve cruise tourism impacts**

3

# VISITOR ACTIVITY



# 3. Visitor Activity

## Global Overview

**The cruise industry has rebounded strongly since the end of the pandemic with global demand in 2024 around 20% above the previous high-water mark of 2019.**

The cruise industry delivered an exceptionally strong performance in 2024, marking a full recovery to 2019 occupancy levels. This was achieved while industry capacity expanded by over 20% during the same period, underscoring the impressive growth story of global cruising in recent years. The strong rebound is particularly striking compared to other tourism sectors, such as U.S. hotel demand and international travel, which have struggled to achieve their 2019 benchmarks.

One factor which has contributed to drive up demand is cruising's growing reputation as a value offering. This has been particularly important in recent years as many consumers have become increasingly price conscious and value-driven when evaluating travel decisions. Expanding supply has also played an important role fueling growth. This has been influential in attracting more new audiences to cruise, especially younger consumers. Consequently, total passenger demand globally has risen robustly from 30 million in 2019 to 35 million in 2024.

The industry's momentum has also reignited activity in cruise ship construction with a growing orderbook signaling strong confidence in future growth. Projections for 2025 indicate another positive year as global cruise deployment is expected to expand by an additional 6%.

## Alaska Cruise Demand Forecast

**Following exceptional growth in recent years, cruising in the Pacific Northwest region is projected to expand at a slower pace. Demand for premium class ship experiences and passenger limitations in key ports are expected to influence deployment.**

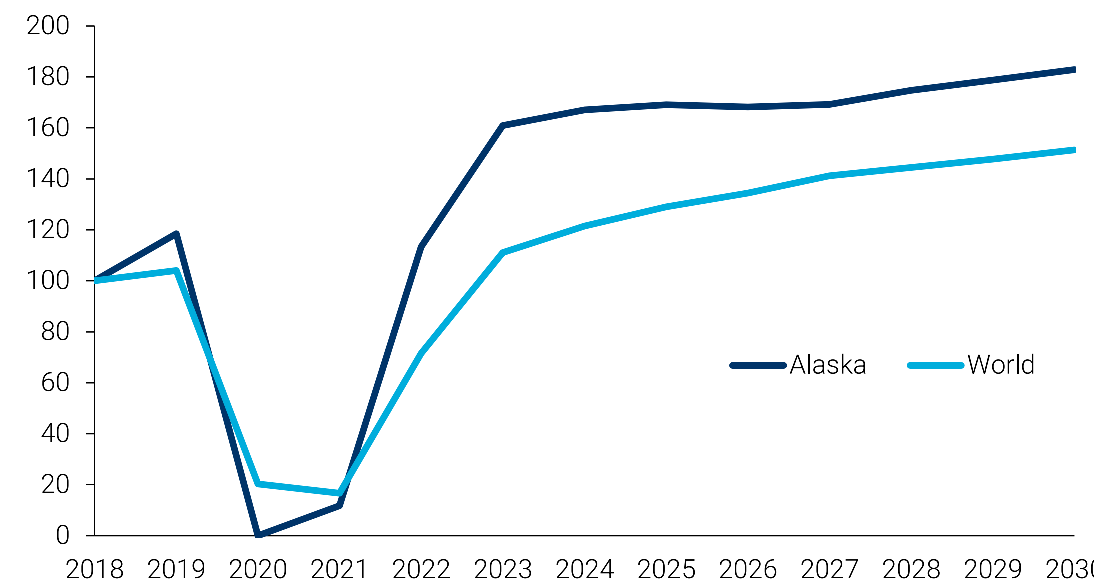
Cruise demand in the Alaska cruise region has surged in recent years, increasing 40% from 1.2 million in 2019 to 1.7 million in 2024. This growth is more than double the global rate of 17% over the same period as cruise demand globally increased from 30 million to 35 million passengers.

After this rapid expansion, growth across the region is expected to moderate in the coming years. Demand is projected to rise by 9% between 2024 and 2030, well below the global passenger growth forecast of 25% over the same period. This reflects the current orderbook, with other regions set to see a stronger uplift in capacity as more large cruise ships are deployed. In addition, caps on cruise visitors in Juneau and other potential tourism management initiatives across the region are contributing to soften the outlook.

Meanwhile, there is a disproportionately large share of premium class cruise activity across the region, as the segment in 2025 is expected to account for just over half of cruise passenger visits in Alaska, compared to a global average of just over 20%. Strong underlying demand in this segment is expected to drive new deployment in 2026 targeting consumers seeking premium class cruise experiences.

### Cruise demand

Index, 2018 = 100




**40% growth** in Alaska cruise demand (2019-2024)[1]

Source: Cruise IP, Tourism Economics

1. Note: Refers to the Alaska cruise region, which includes Juneau.

## Juneau Cruise Visitor Activity

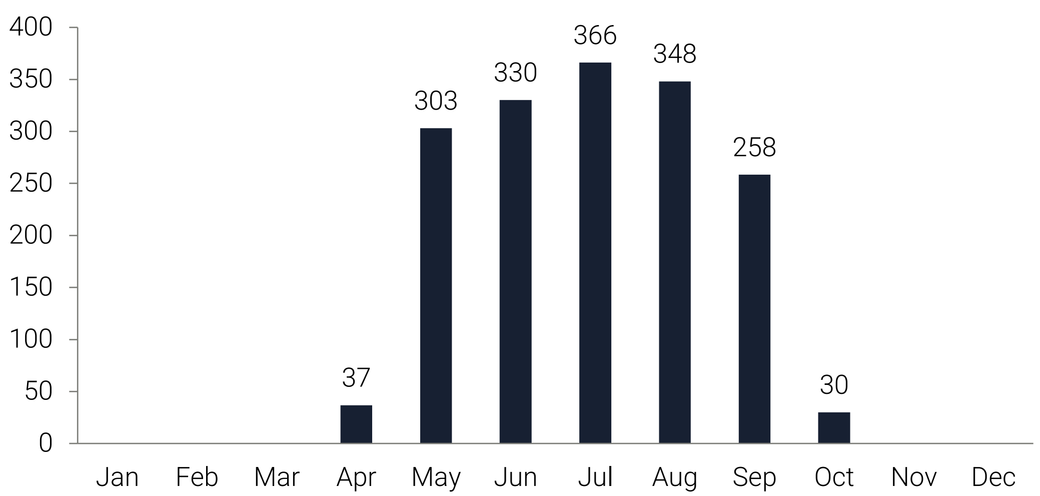
**In 2024, Juneau achieved around 1.68 million cruise passenger visits. While visitation is seasonal across the region, there is greater seasonality in Juneau compared to the wider Alaska cruise region.**

In 2024, there were 1.68 million cruise passenger visits in Juneau, according to the City and Borough of Juneau's Docks and Harbors department.

Based on 2024 data from Tourism Economics' Cruise IP, the most comprehensive cruise industry database available based on published planned itineraries, most cruise activity in Juneau took place between May and August with over 300,000 passenger visits each month. September also benefited from high activity with 258,000 passenger visits. Meanwhile, reflective of lower deployment, the shoulder months of April and October posted significantly lower activity of under 50,000 visits per month. Highlighting the seasonal nature of cruising in Alaska, there were no cruise passenger visits during the remaining months between November and March.

### Passenger visits to Juneau's port by month in 2024

000's




Source: City and Borough of Juneau, Cruise IP, Tourism Economics

Based on 2024 data from Tourism Economics' Cruise IP, a similar seasonal pattern is observed in the broader Alaska cruise region, where deployment and demand are largely concentrated between May and September with some additional activity during the shoulder months of April and October.

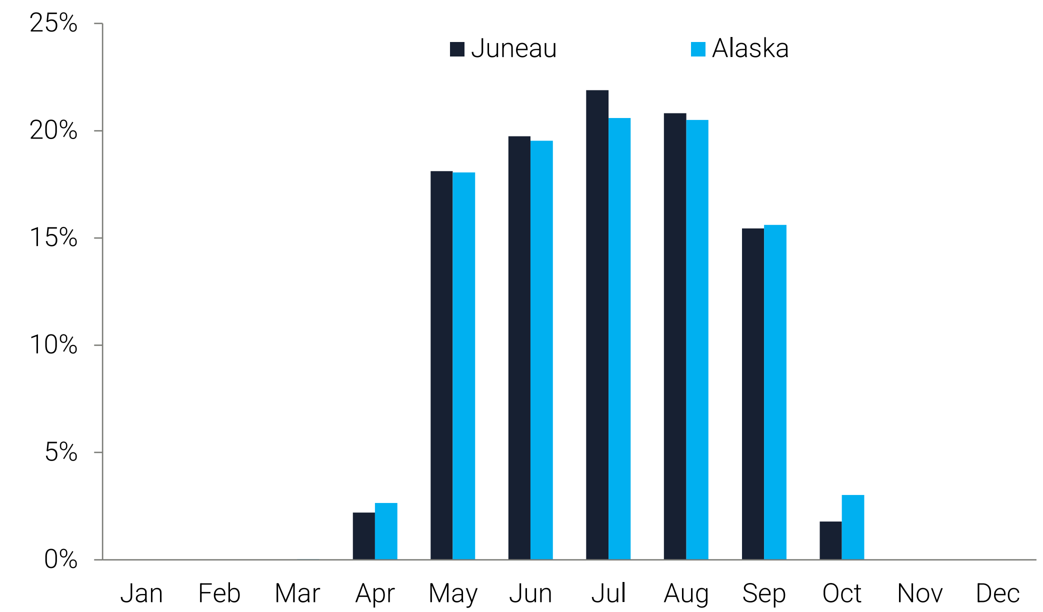
Overall, these findings highlight the region's exposure to seasonality as cruise deployment largely halts during the winter months. Staffing limitations are also a significant constraint on industry operations in the region outside of the peak season period.

Juneau's cruise visitor activity is more seasonal than the Alaska cruise region overall as the busiest month recorded 12 times more cruise visitors than the quietest month during the 2024 season, according to Cruise IP data. This compared to a ratio of eight for the Alaska region overall.

This result was driven by the slightly lower share of visitors that Juneau received during the quietest month of the season in October and its slightly higher share of visitors in the peak month of July compared to the Alaska region overall.

### Monthly capacity compared to Alaska

Monthly capacity as a share of annual capacity in 2024




Source: Cruise IP, Tourism Economics

## Cruise Seasonality by Region (2024)

Busiest month as a multiple of quietest month

Juneau

Alaska

12x

8x

Note: Scaling is approximate for visualization purposes. Excludes months with zero activity.

## Juneau Cruise Visitor Segmentation

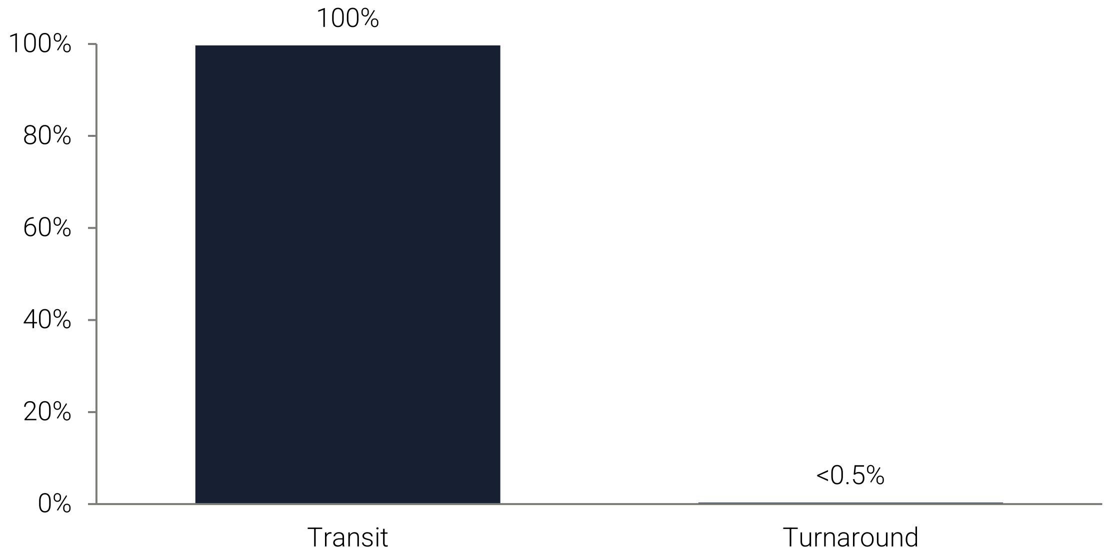
**Juneau overwhelmingly attracts transit visitors, with turnaround visitors making up a negligible share of total passengers. The city benefits from a good mix of contemporary and premium class cruises, typically arriving in large vessels.**

Transit passengers are those who come ashore for a day to visit local attractions, shop, eat, drink, and carry out other tourism-related activities. Turnaround passengers embark or disembark at the beginning or end of their cruise itinerary. These passengers typically incur additional expenses, including transport costs to reach Juneau and accommodation costs, if they choose to stay overnight before and/or after their cruise.

According to data extrapolated from Tourism Economics' Cruise IP, nearly all cruise passengers in Juneau were transit visitors, with under 0.5% being turnaround passengers. The predominance of transit visitors highlights that Juneau plays an important role within Alaska cruise itineraries, as destination choice is a significant factor in cruise decision-making.

### Passenger visits by type

% of passenger visits

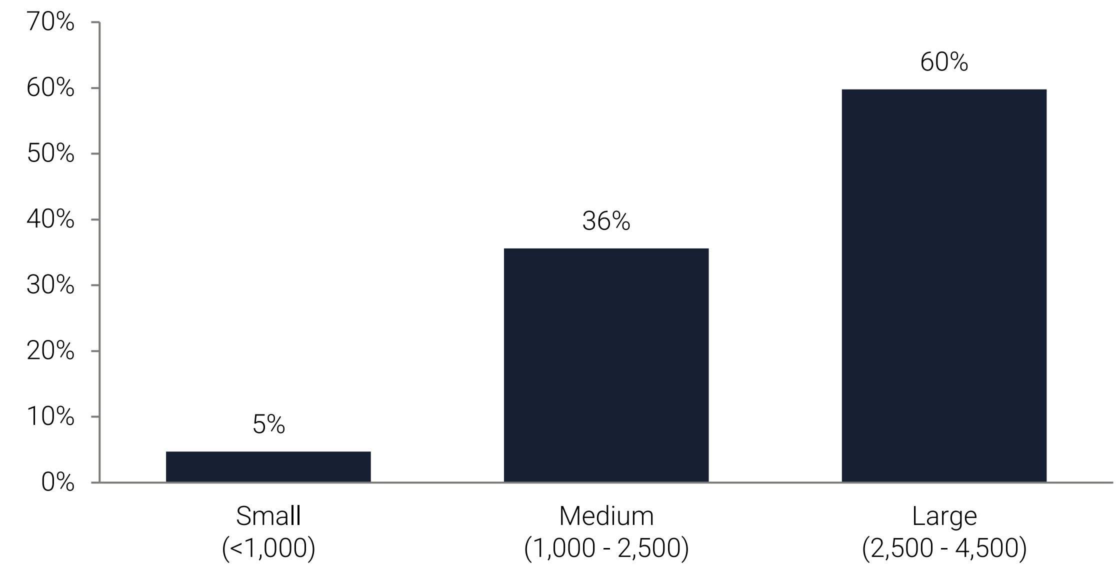



Source: Cruise IP, Tourism Economics

According to Cruise IP data, most passengers (60%) arrived in Juneau in 2024 in large cruise vessels capable of carrying between 2,500 and 4,500 passengers. Medium-sized vessels, with between 1,000 and 2,500 passengers, accounted for 36% of passengers, while small vessels, with less than 1,000 passengers, brought 5% of passengers to the destination.

### Passenger capacity by vessel size

% of passenger visits

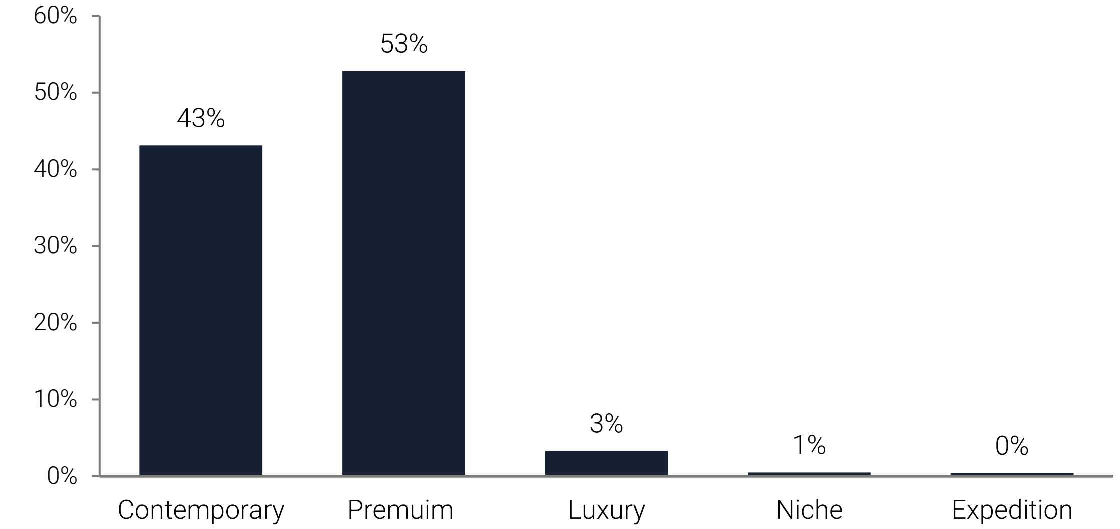



Source: Cruise- IP, Tourism Economics

Accounting for 53% of passengers, the premium segment represents a significant part of the cruise visitor market in Juneau. Contemporary class brands also account for a sizable share of the market (43%), which means that the destination benefits from a good mix of cruise activity across key segments.

### Passenger capacity by cruise brand class

% of passenger visits




Source: Cruise IP, Tourism Economics

4

# CRUISE VISITOR RESEARCH

# 4. Cruise Visitor Research

## Introduction

**Comprehensive primary research was conducted among passengers visiting Juneau from April to October 2024. The survey enabled detailed understanding of how cruise visitors interact with the city, including spending insights.**

Primary research was undertaken to evaluate and understand the behavior, experience, and spending profile of two different cruise segments - transit passengers and turnaround passengers – visiting the city.

Increased understanding of the needs and behaviors of specific cruise segments provides opportunities for the city's business community to develop effective initiatives aimed at growing and improving the economic footprint of the cruise industry in the city.

In addition to capturing insights to better understand the needs and behaviors of cruise visitors, the survey captured critical information about the expenditure behaviors of cruise visitors. This spend data was utilized to inform our economic impact analysis which is set out later in this report.

## Methodology

**An online survey distributed by cruise lines achieved 10,477 responses from passengers who visited Juneau during the 2024 season.**

A survey of cruise passengers was conducted between April and October using an online questionnaire distributed by the cruise lines.

The questionnaire was developed to provide a comprehensive understanding of the behavior, experiences, and spending impacts of cruise visitors to Juneau. The final questionnaire was developed and agreed upon after consultation with representatives at CLIA.

In total, 10,477 surveys were completed by cruise passengers, including 10,446 transit surveys and 51 turnaround surveys. This distribution reflects Juneau's primary role as a transit visitor destination.[1]

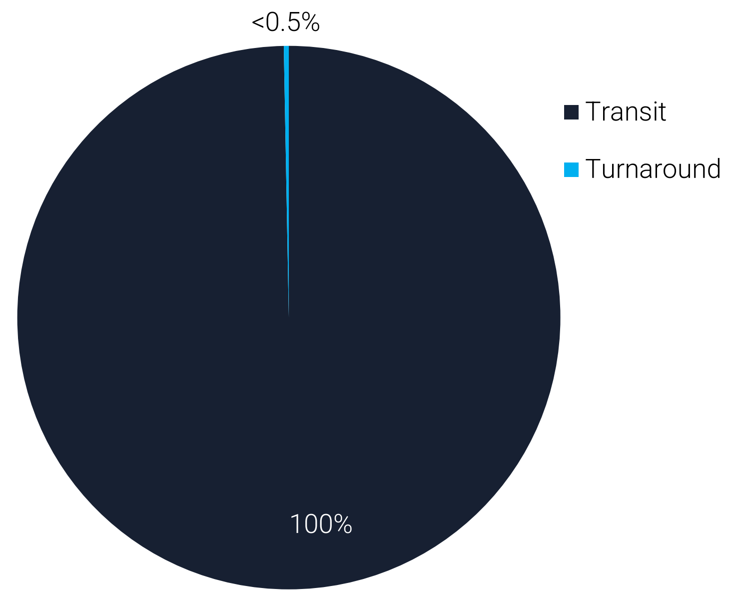
## Cruise Passenger Survey Sample

**The survey achieved a good spread of responses by cruise visitors during the season. Holland America passengers comprised a major part of the sample.**

Reflecting the underlying distribution of cruise passengers who come to Juneau, almost all completed surveys were by passengers who came ashore for the day during their cruise itinerary, known as transit visitors.

### Cruise passenger visit type

% of respondents




Source: Tourism Economics

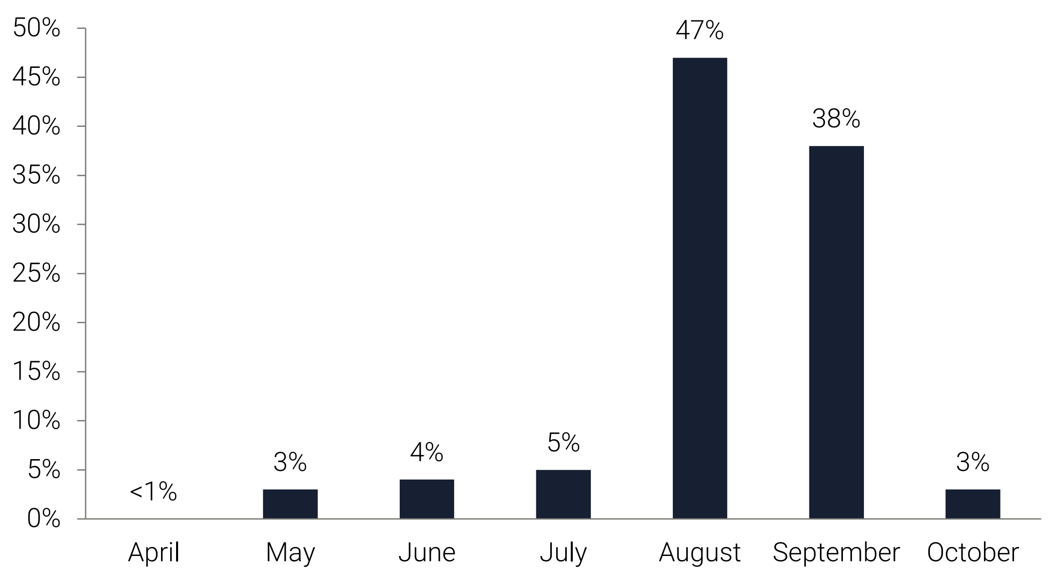
1. Note: Due to Juneau's primary role as a transit port, only a limited number of turnaround surveys were achieved. The sample size is too small for meaningful analysis, so results are not included in this report.

## Cruise Passenger Sample (cont.)

Responses were captured from transit visitors throughout the sampling period from April to October 2024. Most surveys were completed by visitors who came ashore in August (47% of all survey responses) and September (38%), reflecting the seasonal pattern of cruise visitor volume in Juneau. The remainder, 15% of completed surveys, were from visitors who went to Juneau outside of these peak season months.

### Cruise passenger monthly surveys

% of respondents

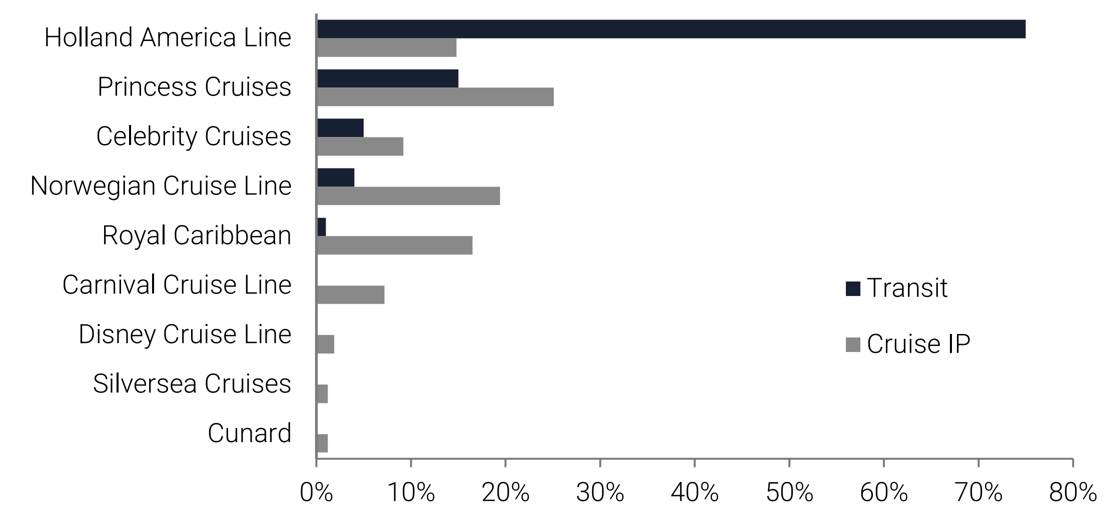



Source: Tourism Economics

The survey methodology was reliant on the distribution of the survey link by cruise brands to recent guests. There was a high level of engagement with the research by Holland America Line which led to a high volume of survey responses achieved among their guests. As a result, Holland America Line was the most represented brand in the sample, accounting for 75% of respondents, followed by Princess Cruises at 15% and Celebrity Cruises at 5%.

### Cruise passenger cruise brand

% of respondents

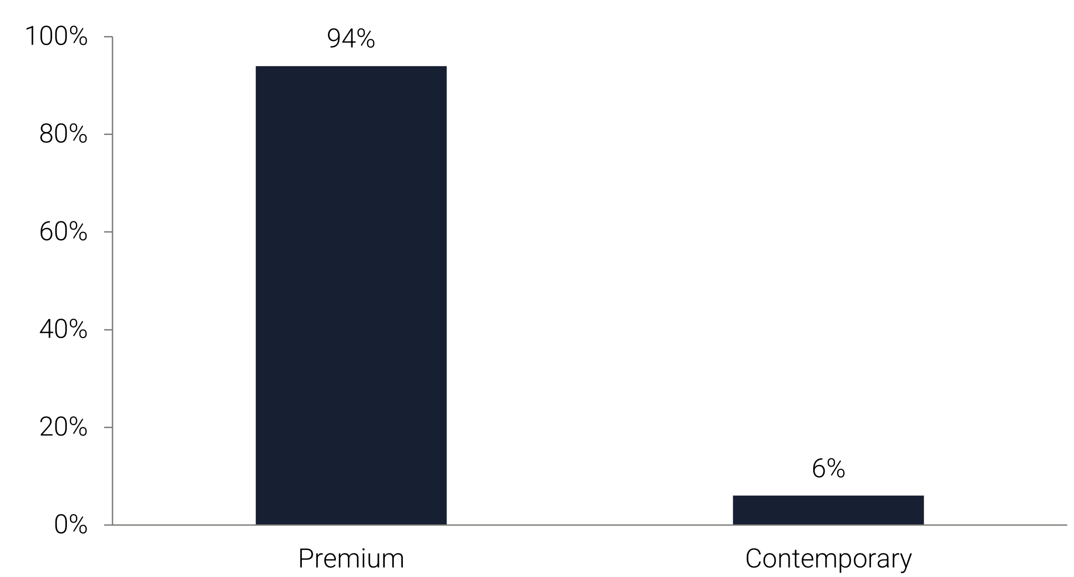



Source: Tourism Economics

Heavily influenced by the high volume of respondents who cruised with Holland America Cruise Line, those who travelled with premium class cruise brands accounted for 94% of the sample. The remaining survey responses were from passengers who sailed with contemporary class brands (6%).

### Cruise passenger cruise brand class

% of respondents




Source: Tourism Economics

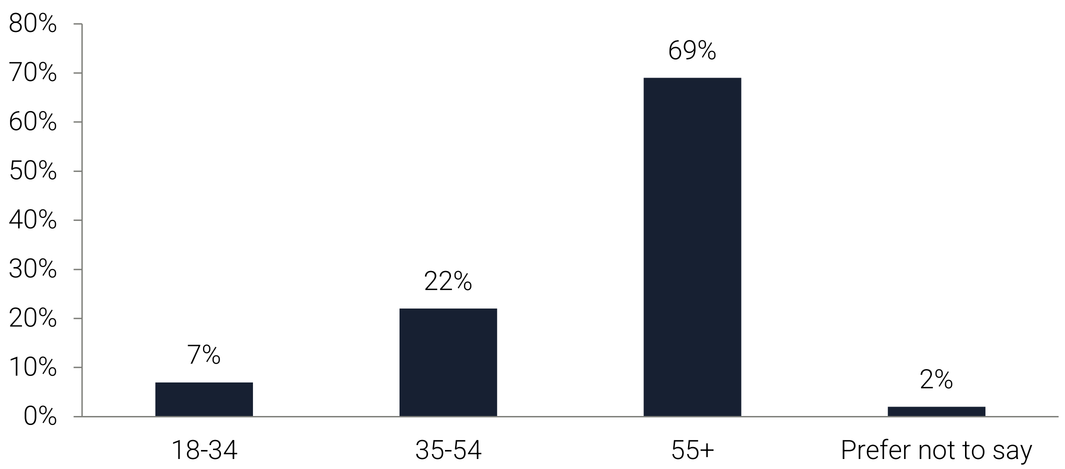
## Cruise Passenger Visitor Profile

**The key age segment was those aged 55 or above, with couples being the most common form of travel party.**

The largest share of transit passengers were aged 55 or over, accounting for 69% of respondents. The second largest share of passengers was aged 35-54, accounting for 22% of respondents, and 7% were aged 18-34.

### Cruise passenger age group

% of respondents

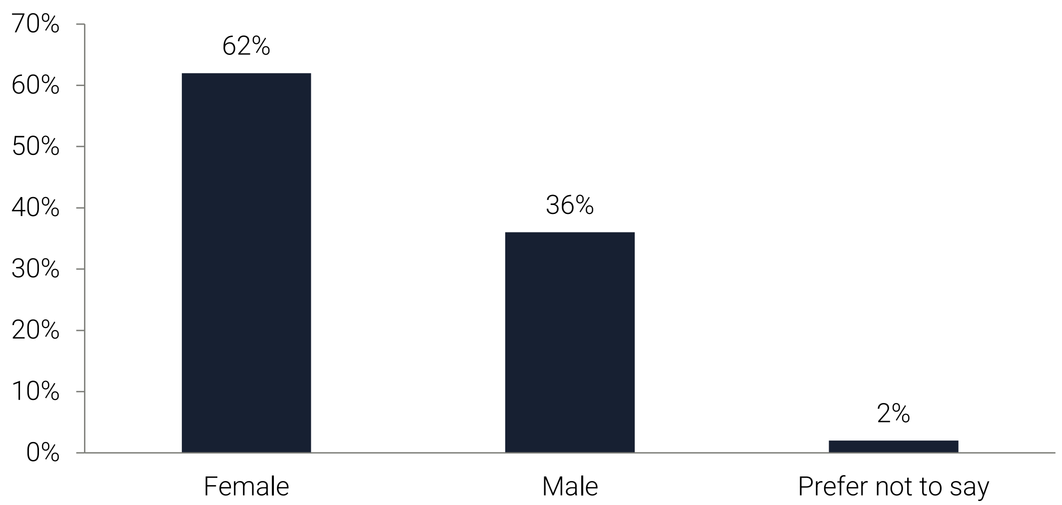



Source: Tourism Economics

The survey achieved a good spread of responses among male and female cruise passengers. Female respondents outnumbered male respondents, accounting for 62% of the survey responses compared to 36% for males.

### Cruise passenger gender

% of respondents



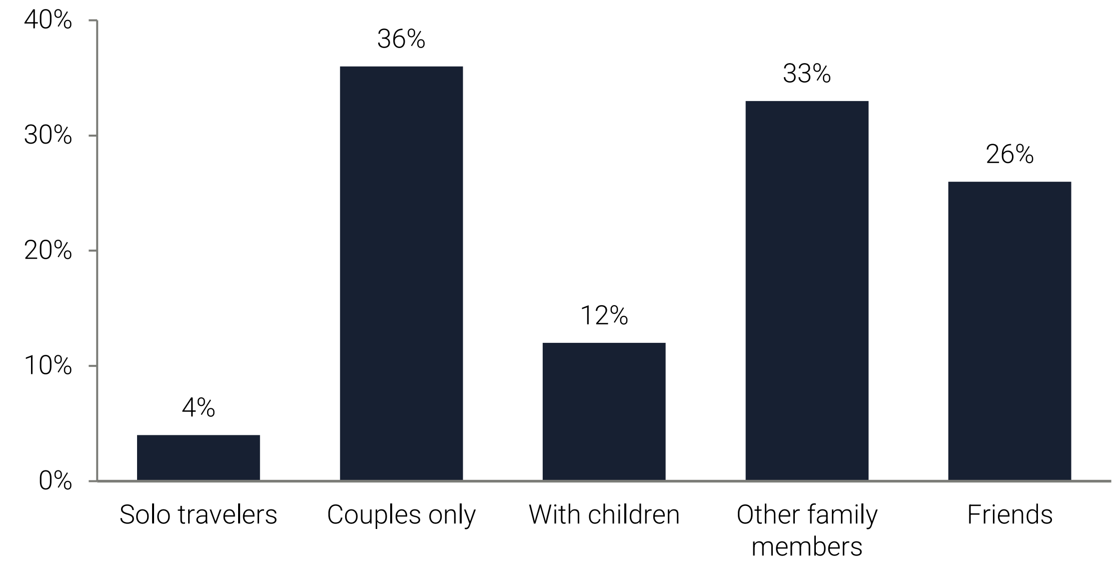

Source: Tourism Economics

Couples traveling without other companions made up the largest share of survey respondents, representing 36% of the sample. This was followed by those cruising with other family members (33%) and those traveling with friends (26%).

The least common travel party type was those undertaking a cruise by themselves, making up 4% of responses. Groups traveling with children accounted for just around one in 10 respondents (12%). The relatively low proportion of family-type visitors was due to the age profile, as respondents aged 55 or above are generally less likely to travel with children than younger travelers.

### Cruise passenger traveling party

% of respondents




Note: Multiple response question hence sum may exceed 100%
Source: Tourism Economics

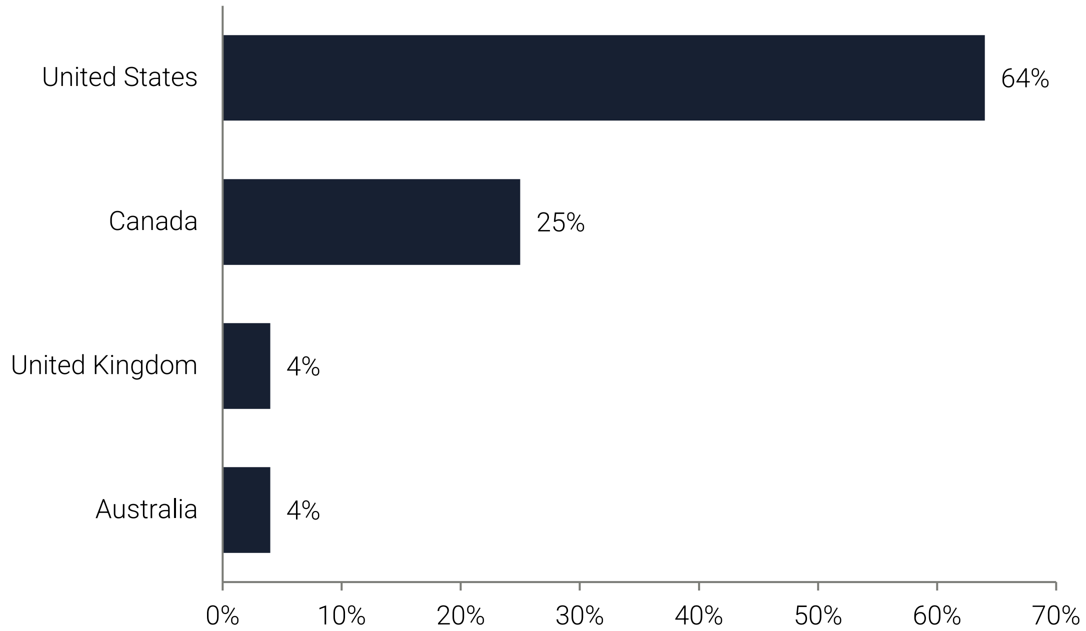
## Cruise Passenger Visitor Profile (cont.)

The vast majority (89%) of transit passengers in Juneau were from North America, with 64% coming from the United States and 25% from Canada. Visitors from these markets were by some distance more common than visitors from elsewhere.

The next most common markets were the United Kingdom and Australia, both accounting for 4% of survey responses. While these four source markets accounted for over 95% of the sample, the survey achieved responses from visitors from over 40 other international source markets.

**Cruise passenger country of origin**

% of respondents



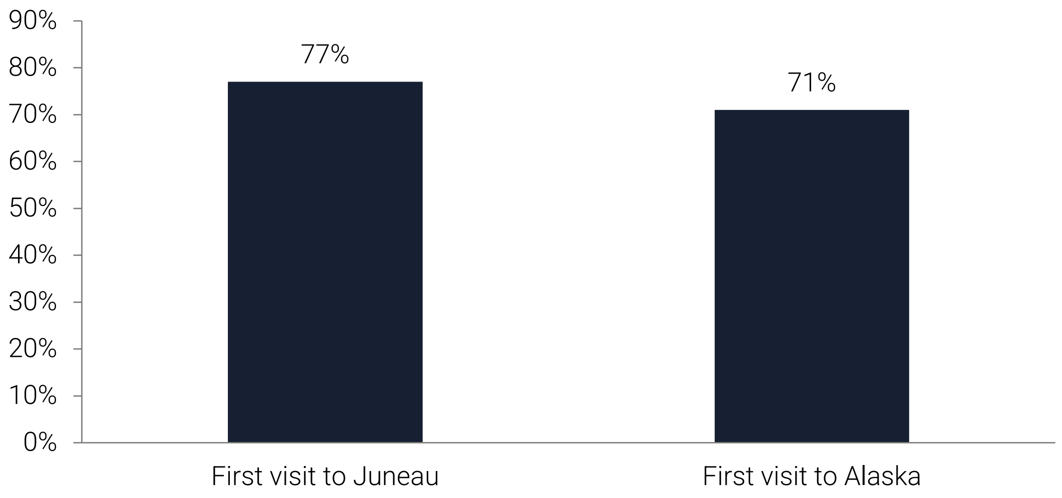

Source: Tourism Economics

Survey respondents were asked whether it was their first time in Juneau and Alaska. The findings revealed a high incidence of first-time visitation with 71% stating they had not visited Alaska before and an even higher share of 77% stating they had not previously visited Juneau.

These findings underscore the importance of cruises as they help to introduce and showcase destinations for visitors. This can lead to additional visitor activity due to repeat visits and word-of-mouth recommendations and, hence, further economic benefits for these and nearby destinations in the future.

**Cruise passenger first time visit to Juneau or Alaska**

% of respondents




Source: Tourism Economics

Making up **over 60%** of the sample, transit visitors were most commonly from the **United States.**

Highlighting the important role of cruises attracting new audiences, **77%** were visiting Juneau for the first time,

## Cruise Passenger Destination Engagement

## Activities & Dwell Time

**Transit cruise visitors undertook a variety of activities in Juneau. Walking around the destination was the most common activity, closely followed by shopping. Passengers spent on average around six hours in the destination.**

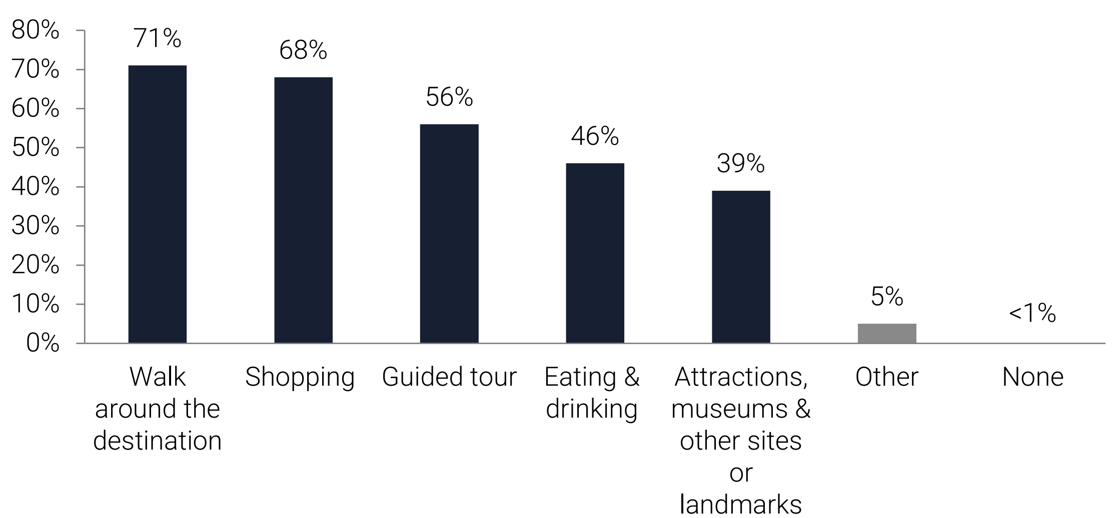
The survey asked passengers about the types of activities they undertook while visiting Juneau, offering valuable insights into the cruise industry's local impacts.

Walking around was the most common activity with 71% of passengers taking time to explore the destination on foot. This activity is important as it can activate other activities in the destination such as shopping, eating and drinking, and visiting attractions.

The second most common activity was shopping undertaken by 68% of passengers. This was followed by going on guided tours or excursions (56%) and eating and drinking (46%), while the least common listed activity was visiting attractions (39%).

### Cruise passenger activities undertaken

% of respondents

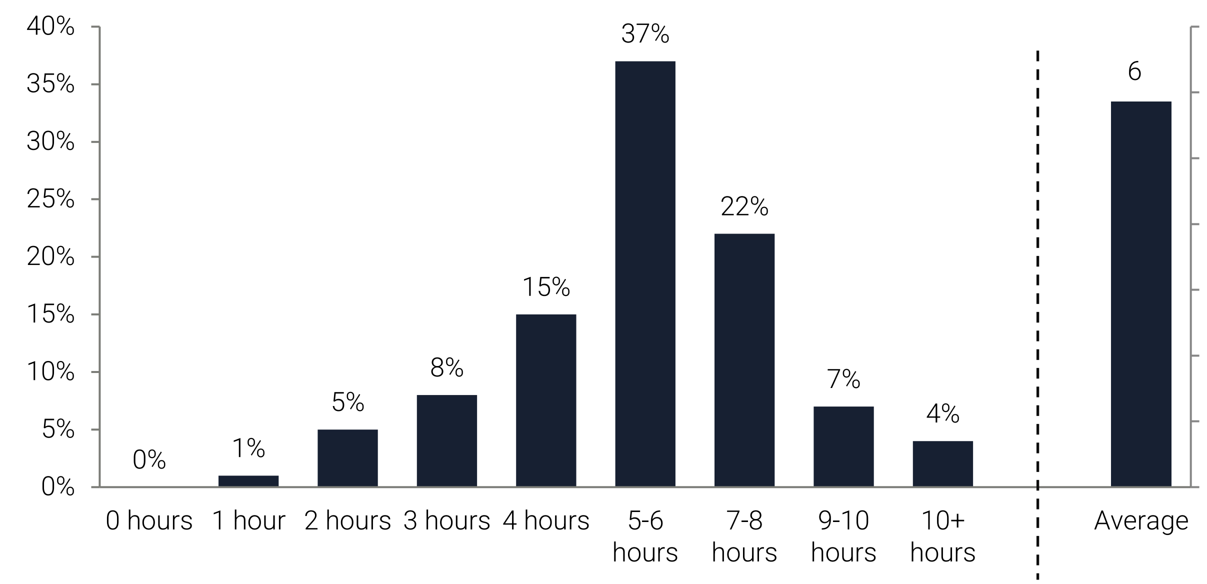



Source: Tourism Economics

The survey gauged how long passengers stayed in Juneau during their time ashore. On average, passengers spent around 6 hours in the destination. The majority (70%) spent five or more hours in Juneau and only 15% stayed under four hours, which highlights high engagement with the destination by most passengers.

### Cruise passenger dwell time in Juneau

Average hours, distribution (left side) and average number of hours (right side)




Source: Tourism Economics

## Geolocation Analysis

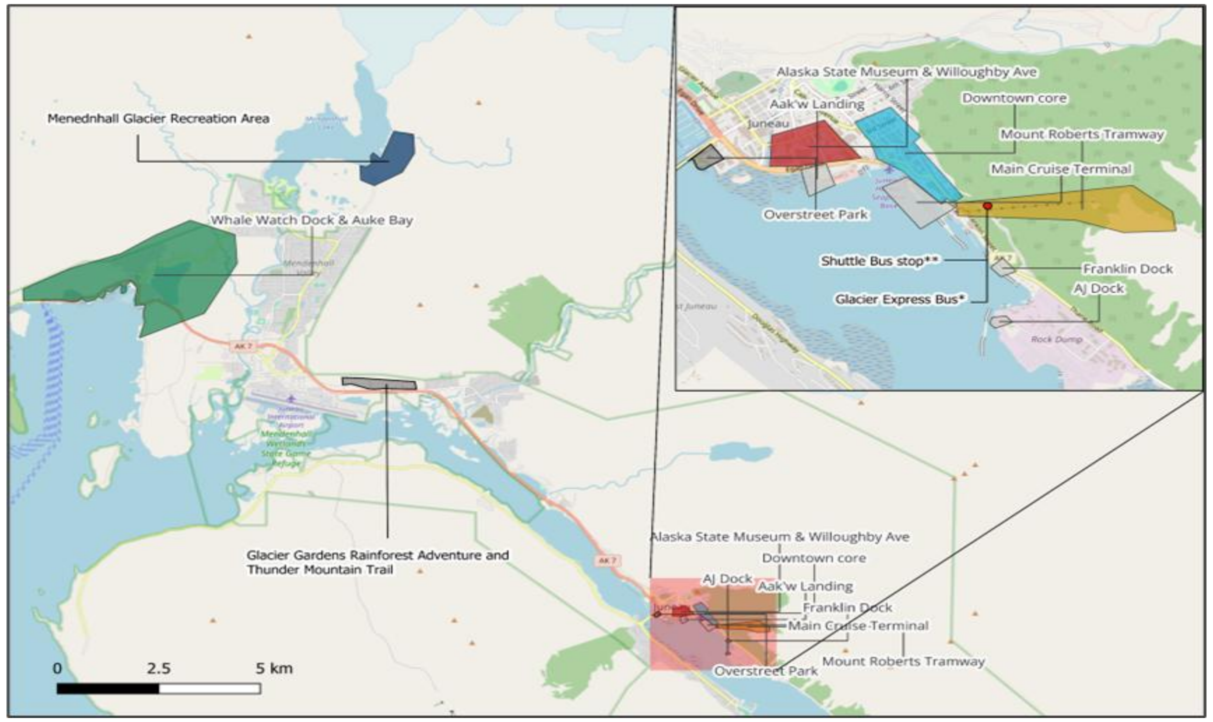
**Mobile device data highlights significant tourism dispersal among cruise visitors. The Downtown core and Mount Robert Tramway areas were visited the most.**

Leveraging mobile device signal data enables opportunities to identify and analyze visitation patterns to Juneau and the surrounding area by cruise visitors. Overall, the results show that cruise visitors explored different locations in Juneau, highlighting dispersed impacts for the city.

Based on defined locations agreed in partnership with the City and Borough of Juneau, the Downtown core area emerged as the most visited destination. Nearly three-quarters (73%) of tracked devices visited this area, located close to the main cruise terminal, enabling easy access for passengers. Overall, passengers spent an average of 152 minutes in this area, making it also the location with the highest dwell time.

The second most visited area was Mount Roberts Tramway, which 34% of tracked devices visited. The tramway ascends Mount Roberts to an elevation of approximately 1,800 feet, offering panoramic views of the area. The devices tracked in this locations stayed for an average of 56 minutes.

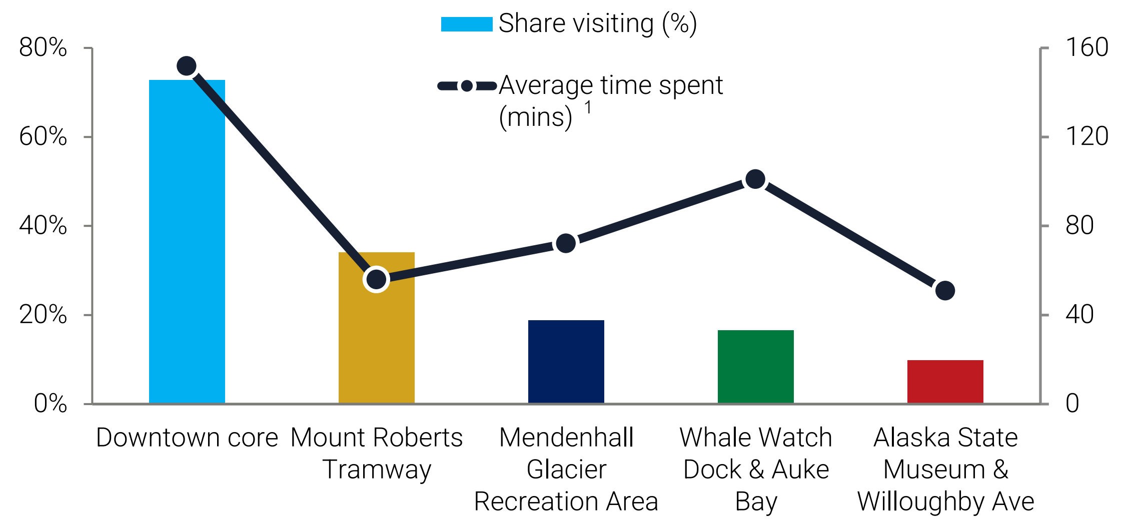
### Map of the city outlining the terminal and main visitation points




Source: Tourism Economics
Notes:
1. * Glacier Express Bus takes you from Mount Roberts Tramway to Mendenhall Glacier Recreation Area.
2. ** The Shuttle bus runs from the AJ Dock to Mount Roberts Tramway.
3. Areas in light gray are cruise terminals.
3. Areas in dark gray have very low sample sizes, hence have not been included in the chart.

### Transit passenger movements in Juneau

Percentage of devices tracked (left side) and average time at each location in minutes (right side)




Source: Tourism Economics

1. Note: Estimates of time spent in locations depend on phone signals and data roaming settings and should be considered as indicative. As a result, the true time spent in these areas may be higher.

The third most visited location was Mendenhall Glacier Recreation Area, which provides views of the Mendenhall Glacier. Nearly one in five devices (19%) were observed in this location, with visitors spending an average of 72 minutes in the area.

The next most visited destination was Whale Watch Dock and Auke Bay, a well-known site for spotting humpback whales. This location was visited by 17% of tracked devices, with an average stay of 101 minutes recorded.

Finally, the Alaska State Museum was the least visited site among the locations monitored, visited by 10% of passengers, with these passengers spending an average of 51 minutes in the area.

## Passenger Spending

**Passengers spent an average of $203 per person, with the majority of the spend directed towards guided tours, shopping, and eating and drinking.**

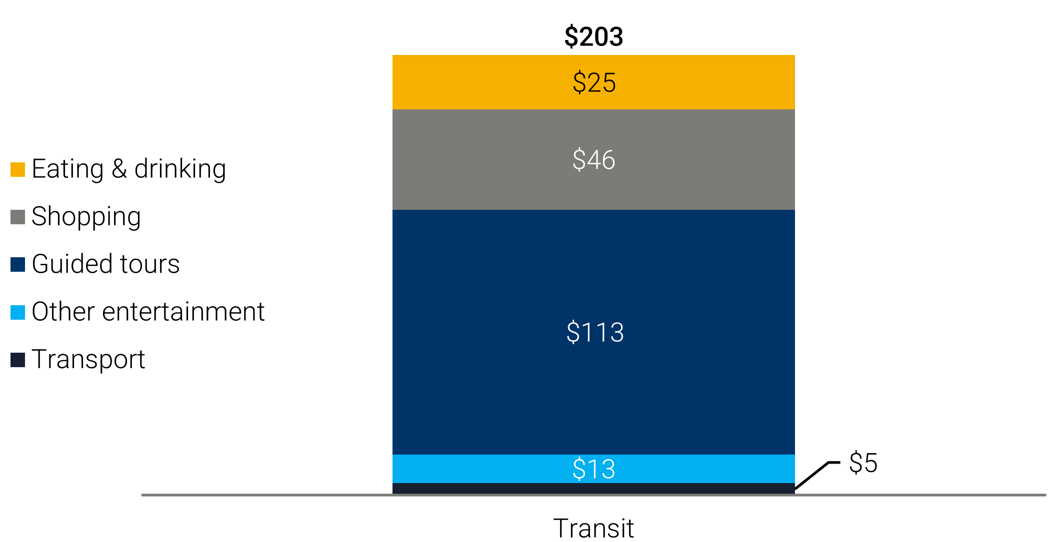
Transit passengers spent an average of $203 per person during their time in Juneau, with just over half (56%) of this expenditure on tours and excursions. This reflected high passenger engagement with wildlife and natural attraction tours along with other types tours as part of the cruise visit experience in the destination.

The second highest spending category was shopping, which had an average spend of $46 among all passengers, including those who did not spend anything. This was followed by eating and drinking, with an average spend $25 per person.

In contrast, spending on transportation was noticeably lower compared to other categories, with an average spend of $5 per person. This was likely driven by a low propensity to use local transportation, as most passengers chose to explore the destination on foot.

Spend intensity, which considers dwell time and expenditure in the city, was $34 per hour.

**Cruise passenger expenditure on goods and services**
US Dollars




Source: Tourism Economics

5

# ECONOMIC IMPACT


# 5. Economic Impact

## Introduction & Approach

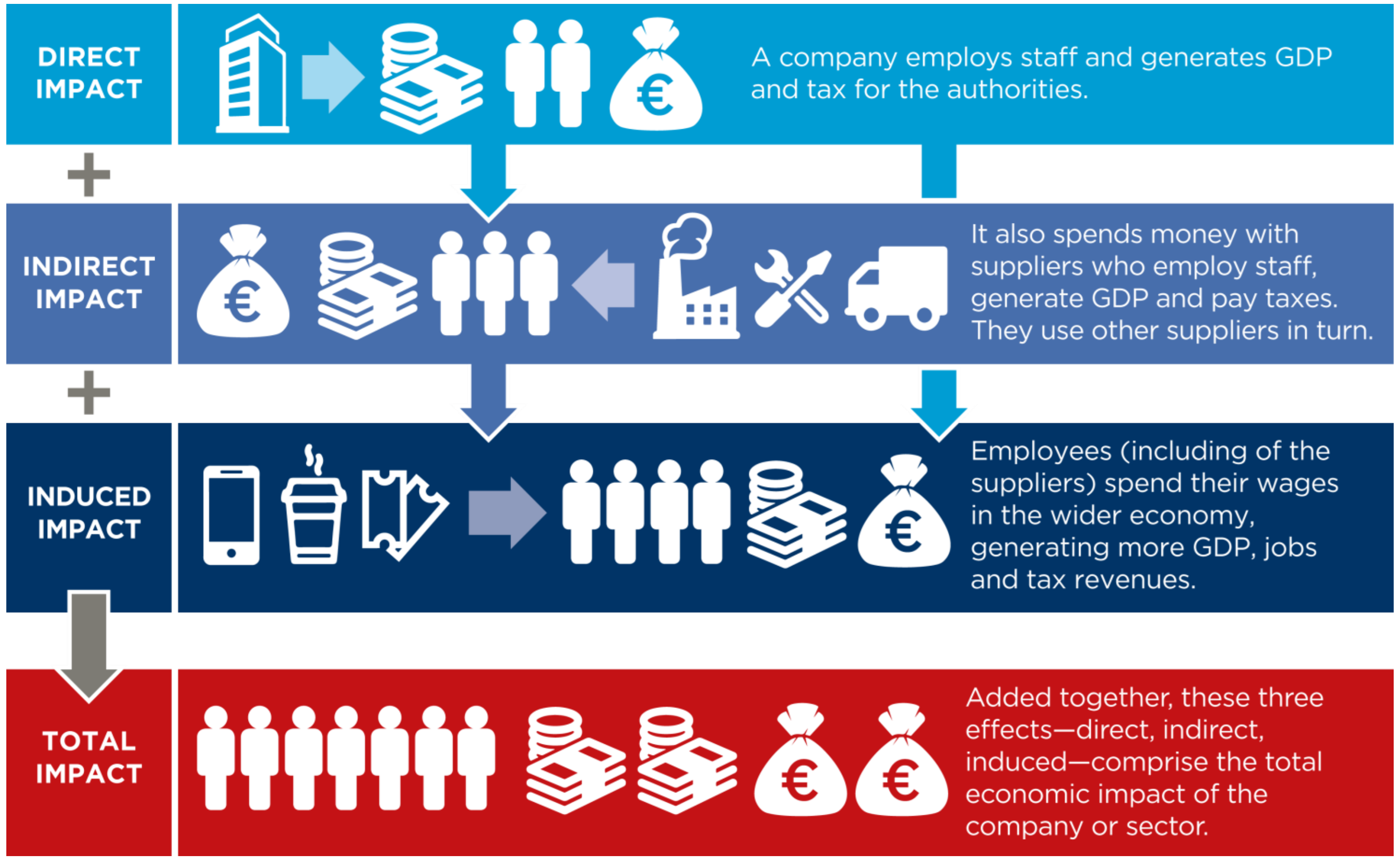
In this section, we assess the economic impact of cruise tourism in Juneau using a standard approach known as economic impact analysis which quantifies the impact of the cruise industry across three “core” channels:

- **Direct impact**—this relates to the economic activity supported by expenditure directly linked to the cruise industry. This includes visitor spending at ports and cruise line operational purchases.
- **Indirect impact**—captures the regional supply chain effects that follow on from direct impacts. For example, purchases by businesses of goods and services from other businesses.
- **Induced impact**—captures the income effect and flow on to household consumption. Direct and indirect impacts generate employment and wages among businesses, and these employees then spend part of their earnings elsewhere in the economy.

We present the economic impact of the cruise industry in Juneau across four key metrics:

- **Output**—this consists of those goods or services that are produced by a company or industry. To calculate output, we add together the value of the inputs used in the production process including labor, capital, and intermediate goods and services. Output is closely linked to revenue.
- **GDP**—the gross-value added contribution to GDP. This reflects the value (after accounting for costs) that a business or sector receives for producing goods and services. This value is distributed between wages and profits.
- **Employment**—the number of jobs supported.
- **Wages**—which includes the gross wages paid to workers but also includes benefits in-kind and employer social security contributions (including pensions).

### Channels of Economic Impact



## Direct Spending Summary

**In 2024, we estimate there were nearly 1.7 million cruise passenger visits to Juneau, including around 6,000 turnaround passenger visits, and nearly 280,000 crew member visits. This led to cruise-related direct spending of $401 million.**

The direct local impact of cruise activity in Juneau can be split into two categories:

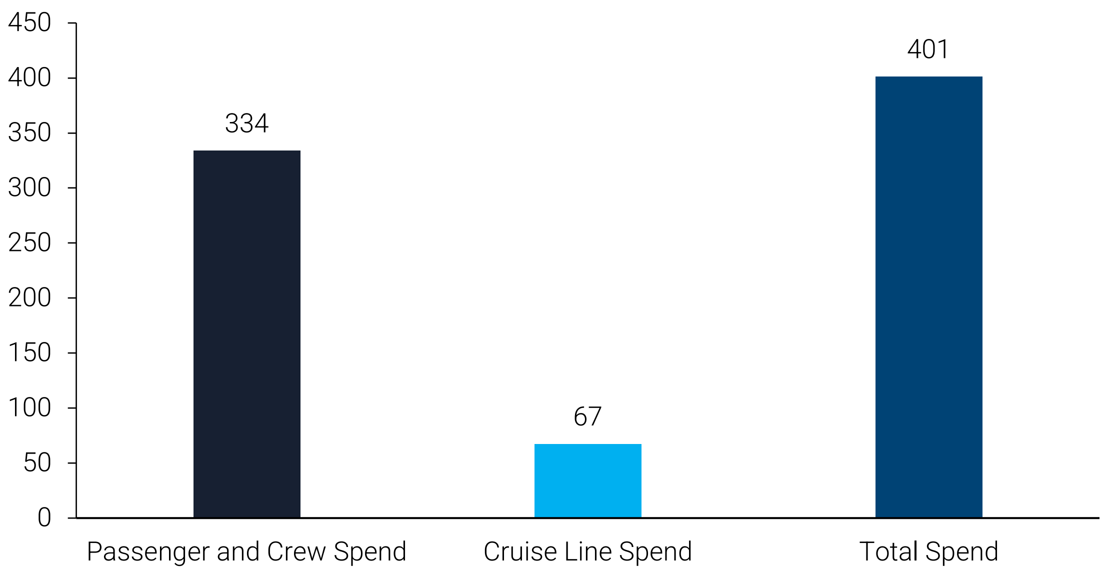
**Passenger and crew spend** occurs at various stages of the journey, including during embarkation and transit stops as passengers visit destinations on the ship's itinerary. Spending before or after embarkation often includes the cost of travel to and from Juneau, as well as accommodation for those that choose to stay in the area as part of their cruise trip.

**Cruise line spend** is limited to operational expenses. It is driven primarily by embarkation calls, when cruise vessels restock on their supplies and carry out any light maintenance. Cost of sales and other headquarter related expenses, as well as shipbuilding, are excluded from this study.

The total cruise-linked spend in Juneau was $401 million in 2024. Juneau is primarily a transit port, meaning that most of the total spending is concentrated in passenger and crew spend rather than cruise line spending—83% compared to 17%, respectively.

### Total direct spending by category

$ millions




Source: Tourism Economics

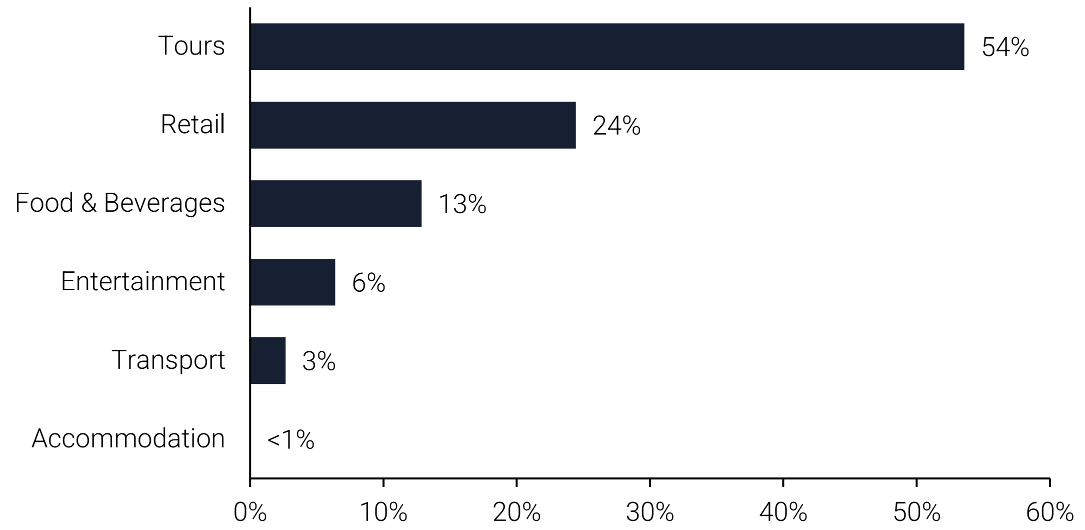
Overall cruise line spending in Juneau, which includes expenditure on fuel, supplies, provisioning, port fees, and light maintenance, was estimated at $67 million in 2024.

Passenger and crew spending reached $334 million in 2024. This was largely made up of spending on tours and retail, accounting for 54% and 24% of total spending, respectively. This was followed by food and beverages (13%), entertainment (6%), transport (3%), and accommodation (<1%).

The high proportion of spending on tours reflects the popularity of wildlife and natural attraction tours and excursions on offer to cruise visitors coming ashore at Juneau. This includes whale watching and other types of tours of the local area which provide scenic views of natural attractions such as the Mendenhall Glacier. Retail expenditures also accounted for a notable share of overall expenditure which was in-line with the high incidence of visits by passengers to local shops.

### Passenger and crew in-destination spending by type

% of total




Source: Tourism Economics

## Output Impact of Cruise Activity in Juneau

**The economic contribution of the cruise industry in Juneau extends beyond the direct spending of passengers, crew, and cruise lines. Total output, including indirect and induced effects, is estimated at $590 million in 2024.**

Direct spending generates a knock-on effect across multiple sectors, stimulating business activity, supporting employment, and driving economic growth. These effects are spread across the direct, indirect, and induced channels. Direct output represents the total value of goods and services directly purchased by crew, passengers, and cruise lines. This direct spending reflects the immediate financial contribution of the spending channels to the Alaskan economy.

Indirect output represents the economic activity that spreads through the supply chain as a result of this direct spending. This occurs when businesses that benefit from the direct spending such as hotels, tour operators, fuel suppliers, and shipyards make purchases from other industries to meet demand. It captures the value of goods and services generated within the supply chain due to direct spending, as well as the contributions from sectors such as wholesale and retail trade, transportations and logistics, hospitality services, and construction, which provide goods and services that support cruise industry operations and related expenditures. These indirect effects are quantified using country-specific input-output multipliers, accounting for regional specializations.

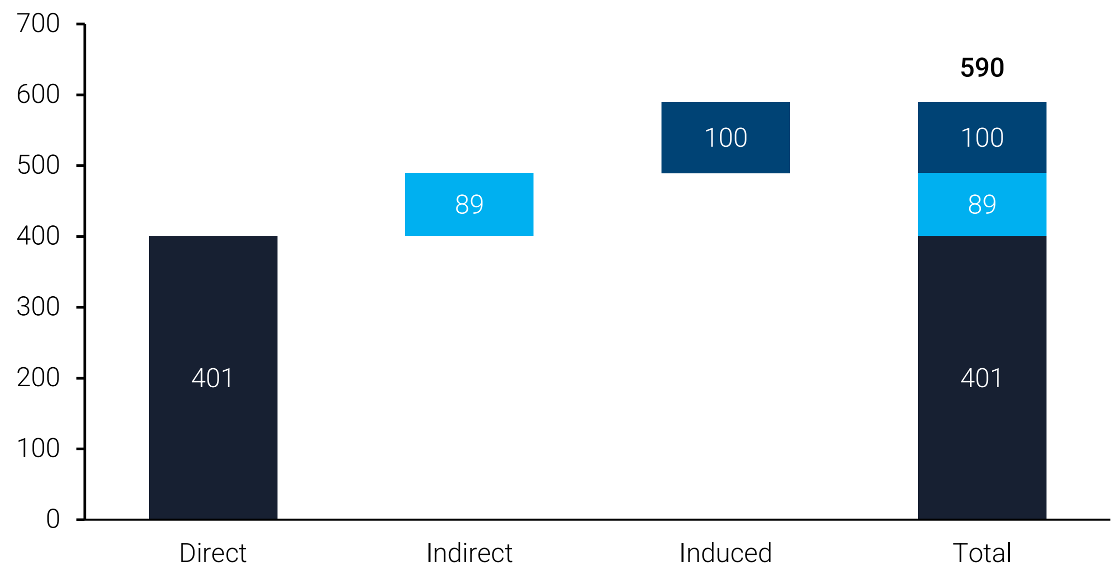
Induced output represents the economic activity generated when employees in the sectors impacted by cruise-related spending, directly or indirectly, spend their wages within the broader economy. It is estimated using country-specific and region-specific household expenditure data from national accounts, covering retail activity, utilities, recreation, and other purchases, which break down spending based on consumption patterns at a national and local level. This highlights the wider economic benefits resulting from wage-driven consumption.

Total output is the sum of direct, indirect, and induced output. This reflects the overall economic contribution of the spending channels to economic activity, generated across multiple sectors.

In 2024, cruise activity in Juneau supported $590 million in economic output in Alaska. An initial injection of $401 million in direct output—or direct spending—by passengers, crew and cruise lines generated a further $89 million in sales output through the indirect channel, and $100 million through the induced channel, linked to cruise industry wages impacts.

**Output by channel of impact**

$ millions




Source: Tourism Economics

The cruise industry in Juneau contributed **$590** million in economic output to the local economy.

## GDP Impact of Cruise Activity in Juneau

**In 2024, the GDP impact of cruise activity in Juneau was significant at around $326 million for the local economy. The arts, culture and leisure sector accounted for the largest share of the GDP impact.[1]**

An important indicator used to measure the impact of business and industry activity in the economy is Gross Domestic Product (GDP) contributions. While quantifying output (sales) enables measurement of overall economic activity, identifying GDP contributions provides important insights highlighting the value added by business activities, which includes profits and wages supported.

Cruise industry-linked spending in Juneau is estimated to have contributed $326 million in GDP to the Alaska economy in 2024. Of this total, $213 million was delivered through direct effects, $53 through indirect effects (i.e. supply chain effects), and $60 million through induced (wage-linked) effects.

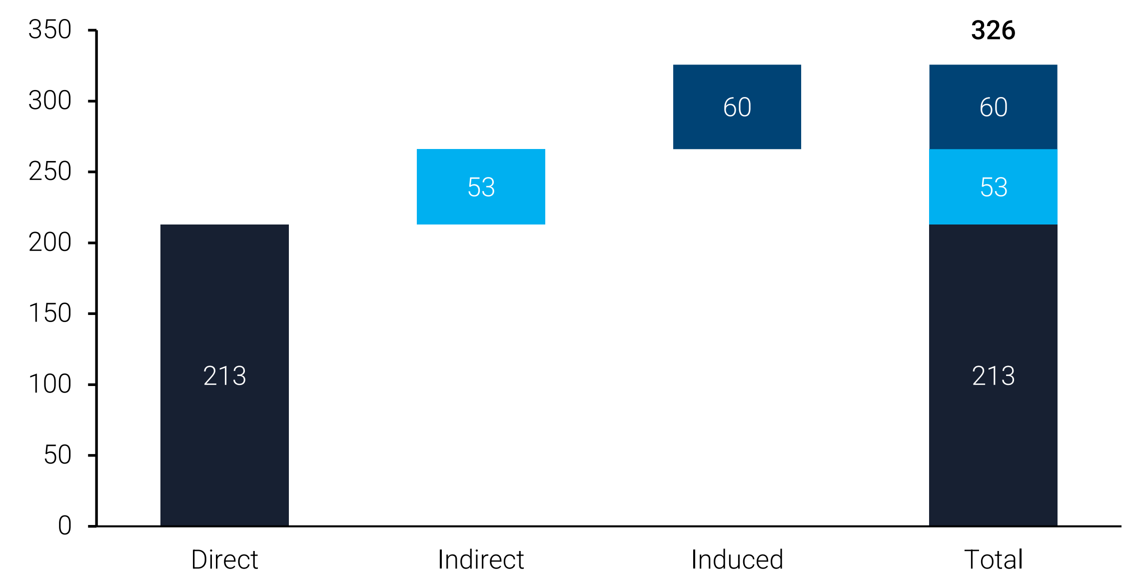
The largest impact was across the arts, culture and leisure sector ($122 million GDP impact) followed by the wholesale commerce and retail trade sector ($60 million GDP impact). The sectors with the lowest GDP impact included agriculture, mining and natural resources and the construction sector.

Total GDP impacts related to cruise were **$326** million. The arts, culture and leisure sector accounted for the greatest GDP contribution of **$122** million.

TOURISM ECONOMICS

### GDP by channel of impact

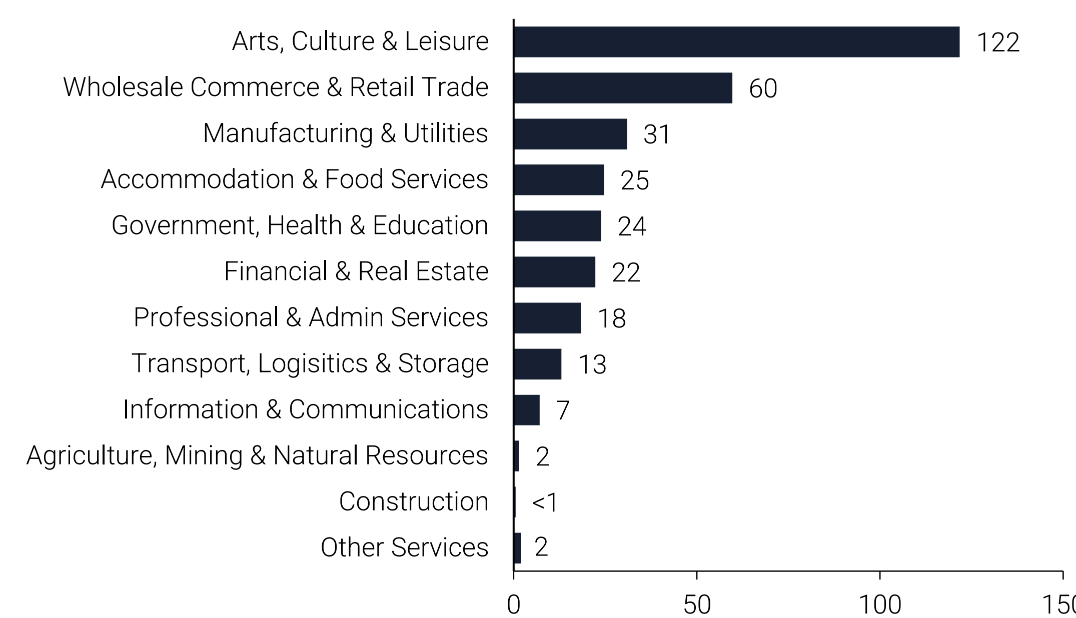
$ millions




Source: Tourism Economics

### GDP impact by sector

$ millions




Source: Tourism Economics

1. Note: Industry breakdowns of the economic impact results are derived from aggregations of economic activity classifications following NACE Rev. 2 Section structure.

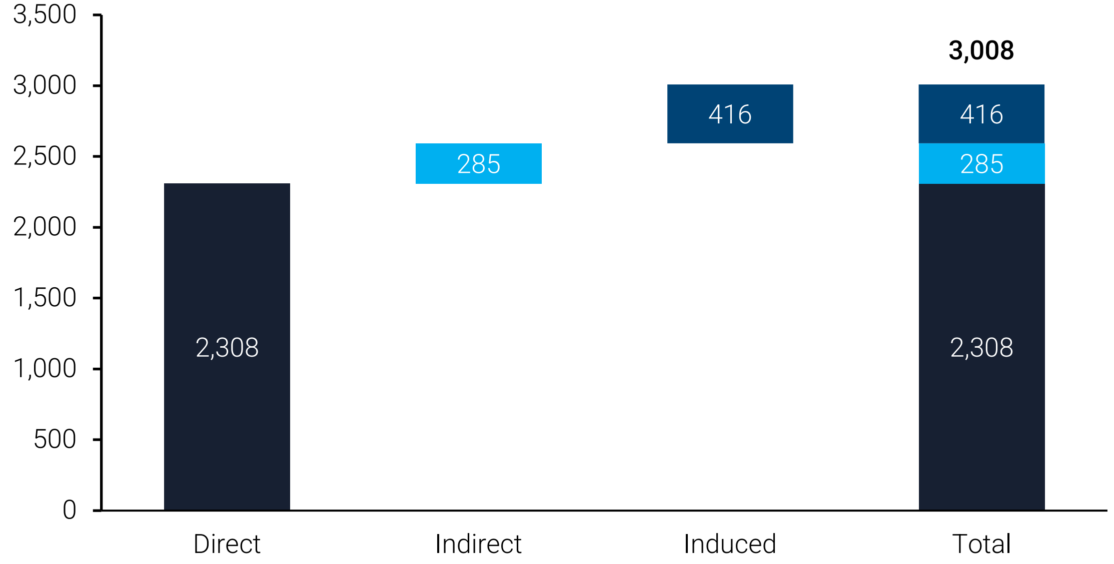
## Employment Impact of Cruise Activity in Juneau

**Cruise industry activity in Juneau supported around 3,000 jobs in Alaska in 2024, with nearly 1,500 of these in the arts, culture and leisure sector.**

In 2024, cruise industry activity in Juneau supported over 3,000 jobs in the Alaska region. This was generated through over 2,300 direct jobs, which refers to jobs that exist specifically due to spending by passengers, crew, and cruise lines. A further 285 jobs were supported through the indirect channel, representing jobs generated within the supply chain due to demand from direct purchases. Almost 420 jobs were supported through the induced channel, showing the broader effects of wage-driven spending. Workers in direct and indirect jobs earn wages and their spending supports additional employment in consumer services, housing, and retail industries.

### Employment by channel of impact

Number of jobs

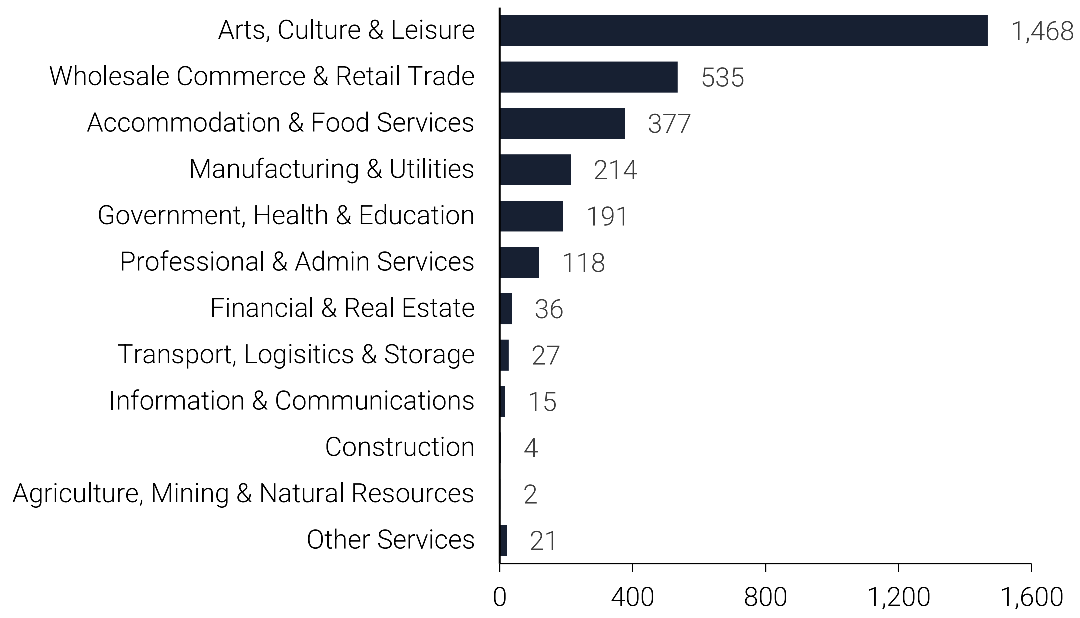



Source: Tourism Economics

The largest share of these jobs (49%) were in the arts, culture and leisure sector, supporting nearly 1,500 jobs, followed by the wholesale commerce and retail trade (18%), and accommodation and food services (13%) sectors. Meanwhile, the lowest impacts were for the construction and agricultural, mining and natural resources sectors.

### Employment impact by sector

Number of jobs




Source: Tourism Economics

## Wages Impact of Cruise Activity in Juneau

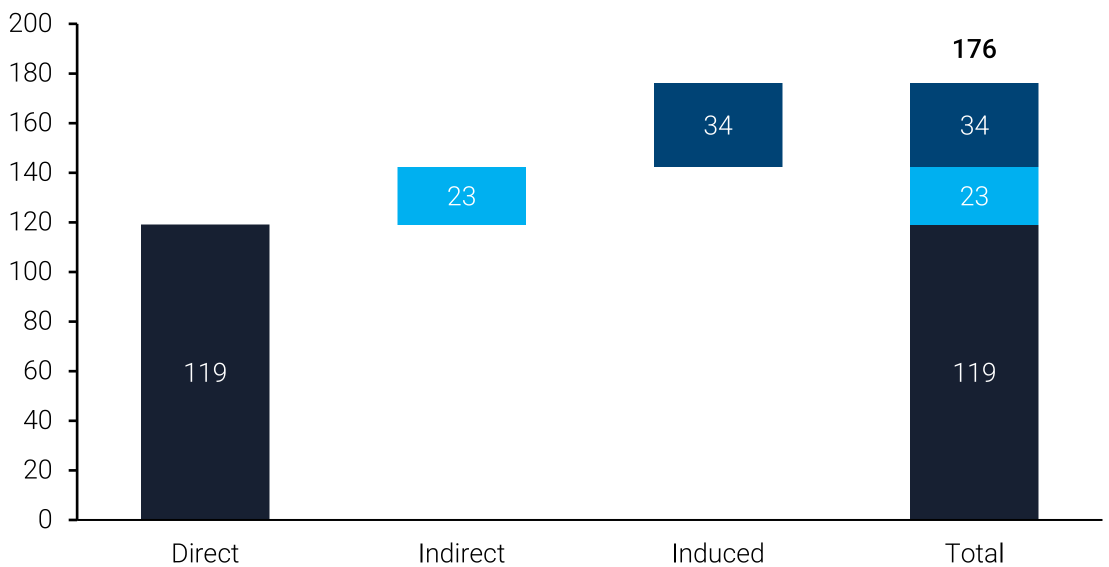
**Cruise industry activity in Juneau generated total wages of $176 million in the Alaskan economy in 2024.**

In 2024, the jobs supported by cruise activity at the port of Juneau earned a total of nearly $176 million in wages across the Alaskan economy. This represents the combined earnings of workers whose jobs were either directly or indirectly tied to cruise tourism.

This was generated through $119 million in direct wages, which represent the salaries and benefits paid to workers directly involved in providing the services to cruise passengers and crew that go ashore, as well as servicing cruise line operational purchases. A further $23 million is generated through indirect effects, which includes salaries paid to workers in supplier industries that service businesses directly involved in cruise operations. Finally, $34 million is generated through the induced channel, reflecting the wages earned in industries benefiting from increased consumer spending and cruise line purchases due to employment growth.

**Wages by channel of impact**

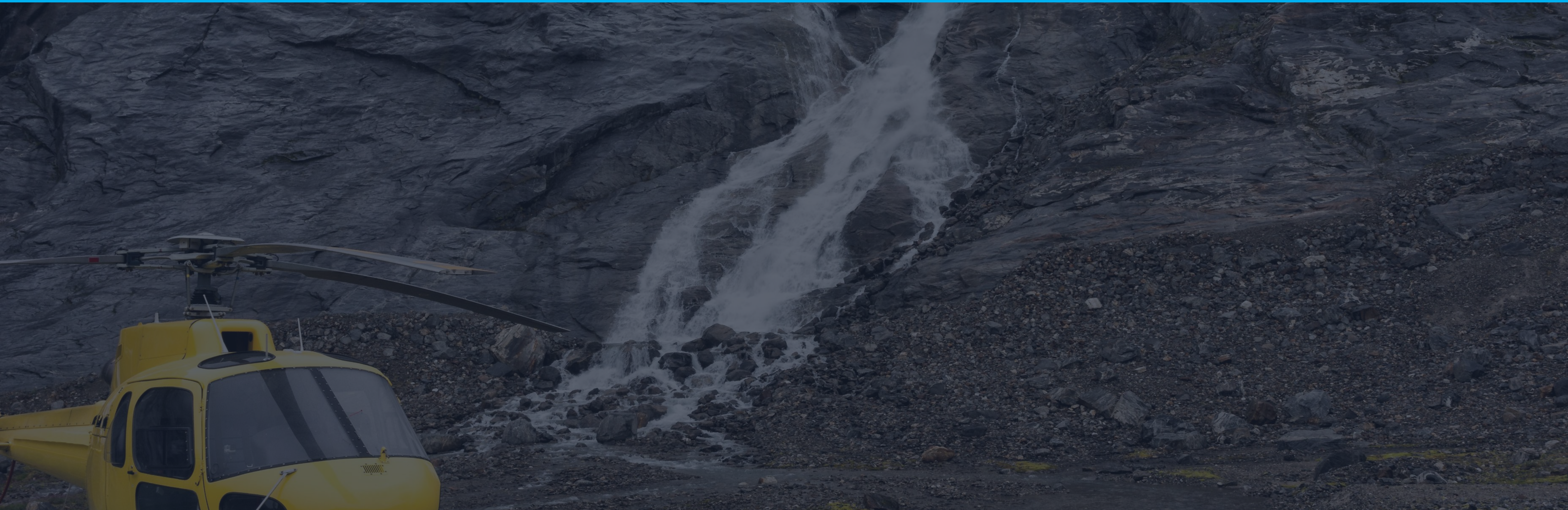
$ millions




Source: Tourism Economics

6

# LOCAL BUSINESS SURVEY



# 6. Local Business Survey

## Introduction

**A survey among local businesses was undertaken to assess the impact of cruise visitors on the destination.**

To supplement the cruise visitor research which relied on input from passengers, a survey among local businesses was undertaken. The objective of the survey was to gather insights regarding the impact of the cruise industry on the business community in Juneau.

Among other topics, the questionnaire assessed the importance of cruise visitors on the overall operations of local businesses and gauged opinions on the impacts of both cruise visitors and cruise lines on the destination.

The findings from this research provide additional context for understanding the impact of cruise tourism in the visitor economy of Juneau.

## Methodology

The research was conducted by an online survey, which was distributed to local business contacts by Juneau Chamber of Commerce and other local business associations.

The research took place in November and December 2024. In total, feedback was gathered from 51 respondents representing local businesses in and around Juneau.

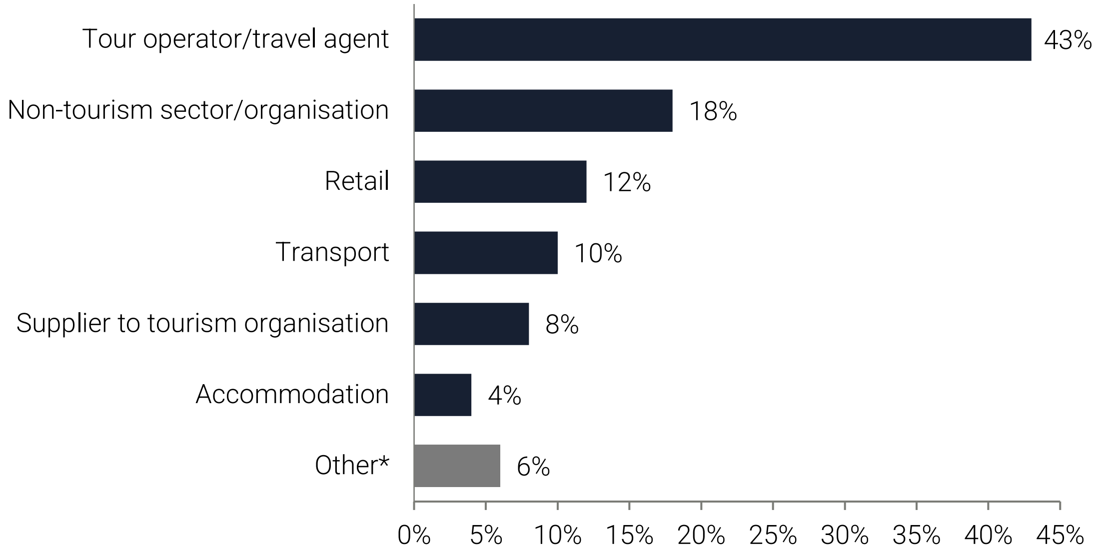
## Business Survey Sample

**The survey captured views from a broad range of Juneau-based businesses. Respondents typically represented smaller, long-standing businesses in the area.**

The largest share of responses was from businesses providing tour operator or travel agent services (43%), followed by those not operating specifically in the tourism sector (18%), and retail businesses (12%). The remaining responses were spread across a broad range of sectors, including transport and accommodation as well as suppliers to the tourism industry.

### Business sector

% of responses




Source: Tourism Economics
Other includes 'Attraction/entertainment/activities' (2%) and 'Food and drink' (4%).

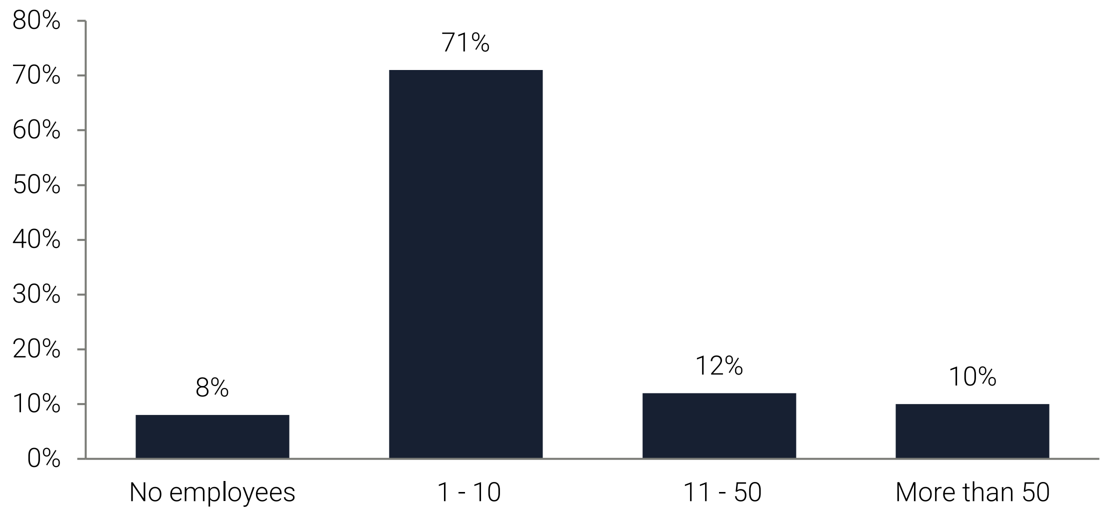
The responses gathered were commonly from representatives of well-established businesses in the area as 78% had been trading for 10 years or more, while only 6% had been trading for under five years. Highlighting the role of seasonal businesses supporting the cruise industry, 45% of respondents represented businesses that were open for seasonal periods during the year only.

## Business Survey Sample (cont.)

Individuals representing smaller organizations with 10 or less full-time staff accounted for most of the survey responses (71%). The remaining responses were spread among organizations without any full-time staff (8%) and those with 11 or more full-time staff (22%).

### Full-time business headcount

% of responses

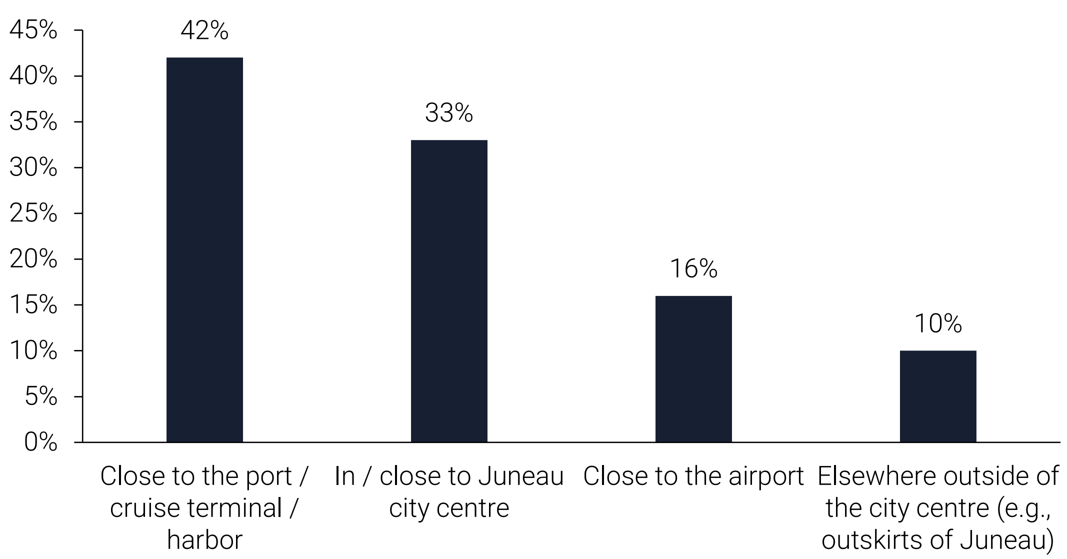



Source: Tourism Economics

Those responding to the survey represented businesses from different areas in and around Juneau. Most responses were from businesses in the city center, including close to the port or harbor, making up 75% of the sample.

### Business location

% of responses




Source: Tourism Economics

## Cruise Industry Business Impacts

**Among the businesses responding to the research, the cruise industry represents a major share of their total revenues. Highlighting optimism for the future, more businesses were confident about increasing, rather than decreasing, their cruise-related revenues over the next five years.**

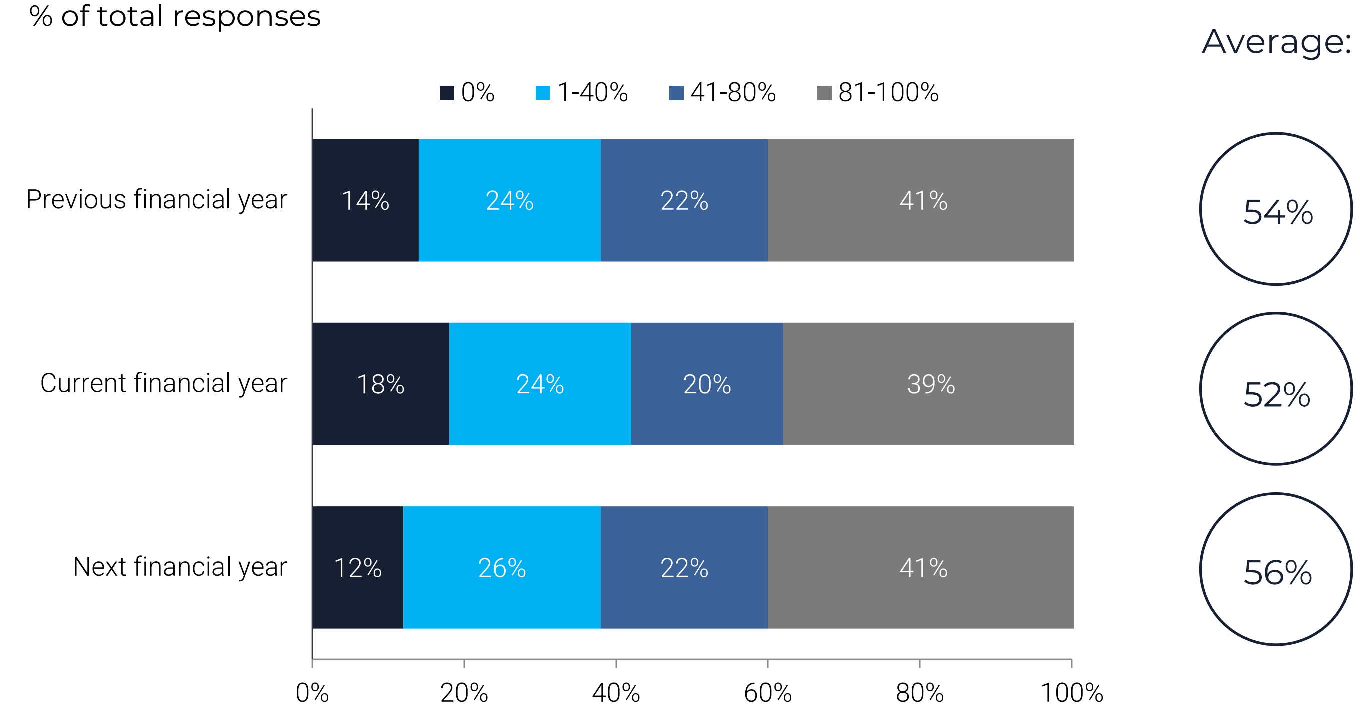
Businesses were asked to estimate the percentages of sales that were and are expected to be generated by cruise visitors in the previous financial year, current financial year, and next financial year.

According to the businesses who took part in the research, the average percentage of total sales generated by cruise visitors was broadly consistent at just over 50% during each of the three financial years. In the previous financial year, the average reported value was 54% of total sales, which was similar to the current financial year (52%) and the next financial year (56%).

Overall, the results highlight that the cruise industry is an important revenue driver for local businesses. In addition, the research shows that some organizations are almost entirely dependent on cruise-related business, as it represented over 80% of their sales, which underlines the significance of the cruise industry to the local economy.

### Estimated sales generated by cruise visitors

% of total responses




Source: Tourism Economics

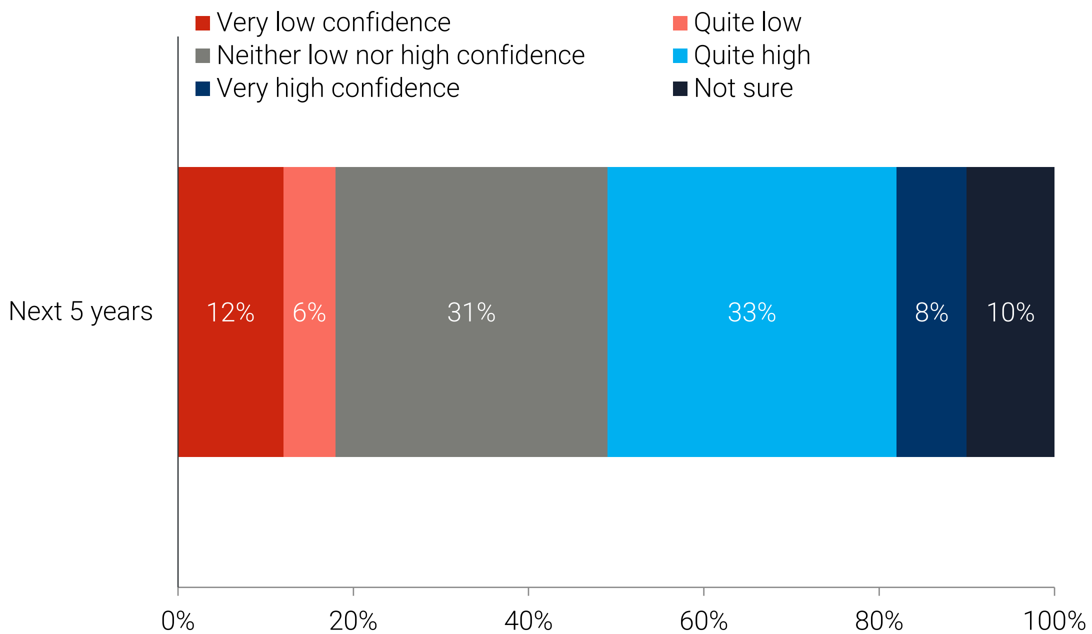
## Cruise Industry Business Impacts (cont.)

Confidence regarding future cruise-related revenue varied somewhat among respondents. While 18% expressed low confidence and 31% reported a neutral outlook, around four in 10 businesses (41%) indicated quite or very high confidence in increasing their revenues linked to cruise tourism over the next five years.

Overall, the results suggest that businesses are generally optimistic about growing their cruise-related revenues, which suggests a positive future for cruise-linked business activities in the destination.

### Business confidence in growth in cruise visitor sales (next 5 years)

% of total responses




Source: Tourism Economics

## Impact of Cruise Visitors

**Nearly all businesses surveyed recognized that cruise visitors are important to the local economy. Furthermore, businesses largely agreed that cruising generates additional benefits for Juneau through repeat visits.**

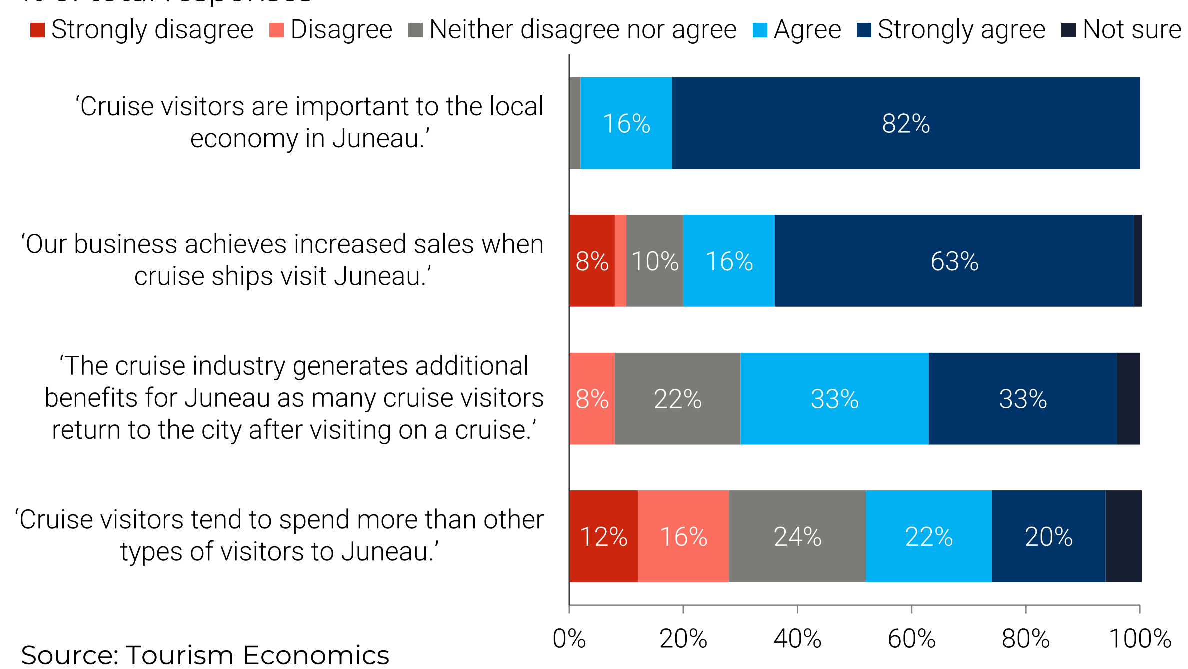
Businesses were provided with a list of statements regarding the impact of cruise visitors in Juneau and were asked the extent to which they agreed or disagreed with each statement.

Almost all businesses (98%) responding to the survey agreed that cruise visitors are important to the local economy. In addition, there was strong agreement that businesses achieve higher sales when cruise ships visit, with 78% of respondents agreeing compared to 10% disagreeing. Further underlining positive attitudes about the impact of cruise visitors, two-thirds agreed that the cruise industry generates additional benefits due to passengers returning to Juneau after visiting on a cruise.

There were more divided views about the spending impact of cruise visitors relative to other visitors. However, overall, more businesses agreed than disagreed that cruise visitors spend more than other types of visitors, 41% compared to 27%, respectively.

### Business views on cruise visitor impact: Statement agreement

% of total responses




Source: Tourism Economics

**41%** of businesses are confident that their cruise visitor sales will grow over the next five years.

**98%** of businesses agreed that cruise visitors are important to the local economy.

## Impact of Cruise Visitors (cont.)

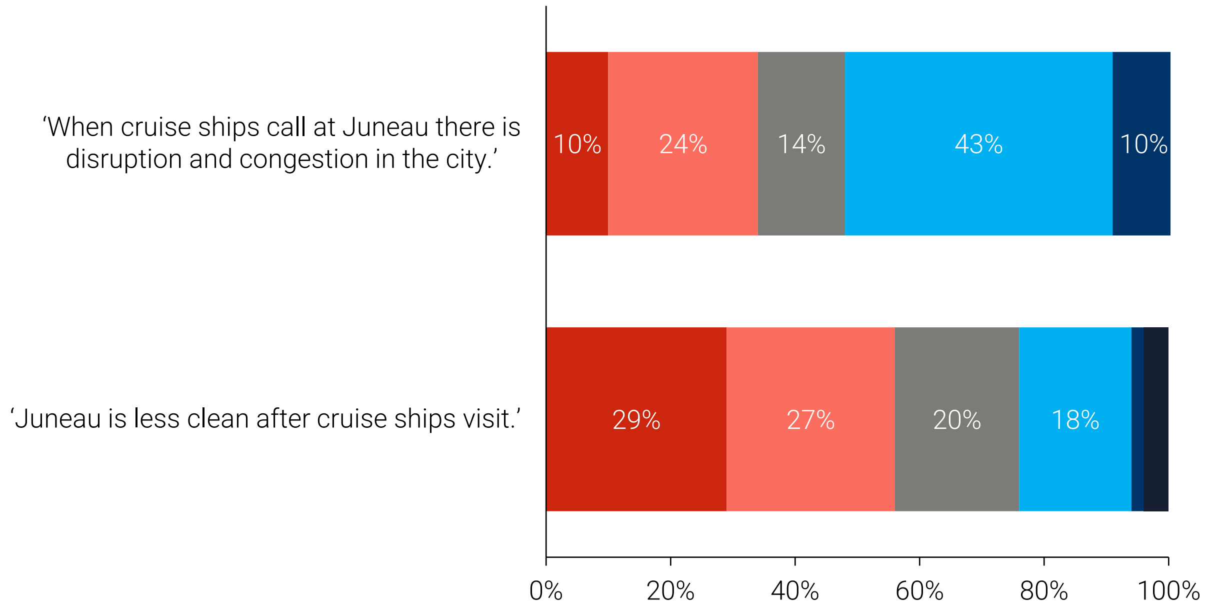
There was recognition of some negative impacts associated with cruise visitors. Around half of the businesses surveyed (53%) agreed there is disruption and congestion when cruise ships call at the port. This impact is somewhat unavoidable as the arrival of a large cruise ship can significantly increase the share of people using the city's infrastructure, given its relatively small population.

Meanwhile, businesses did not perceive cruise visitors as having a detrimental impact on the city's cleanliness. Only 20% of respondents agreed with the statement that Juneau was less clean after a cruise ship visit, while nearly six in 10 (57%) disagreed.

Overall, the results highlight that businesses recognize both positive impacts alongside some challenges that cruise tourism generates in the city. The recent Memorandum of Agreement between the destination and cruise lines to manage visitor volumes will help to assist with congestion when cruise ships call, which was recognized as an issue by most businesses.

### Business views on cruise visitor impact: Statement agreement

% of responses




Source: Tourism Economics

**53%** of businesses agreed that Juneau becomes congested when cruise ships visit.

## Impact of Cruise Industry

**Businesses believe the cruise industry could engage more with local firms to maximize the impact of cruise visitors. There were generally positive views about the industry's role on the environment and its efforts to reduce environmental impacts.**

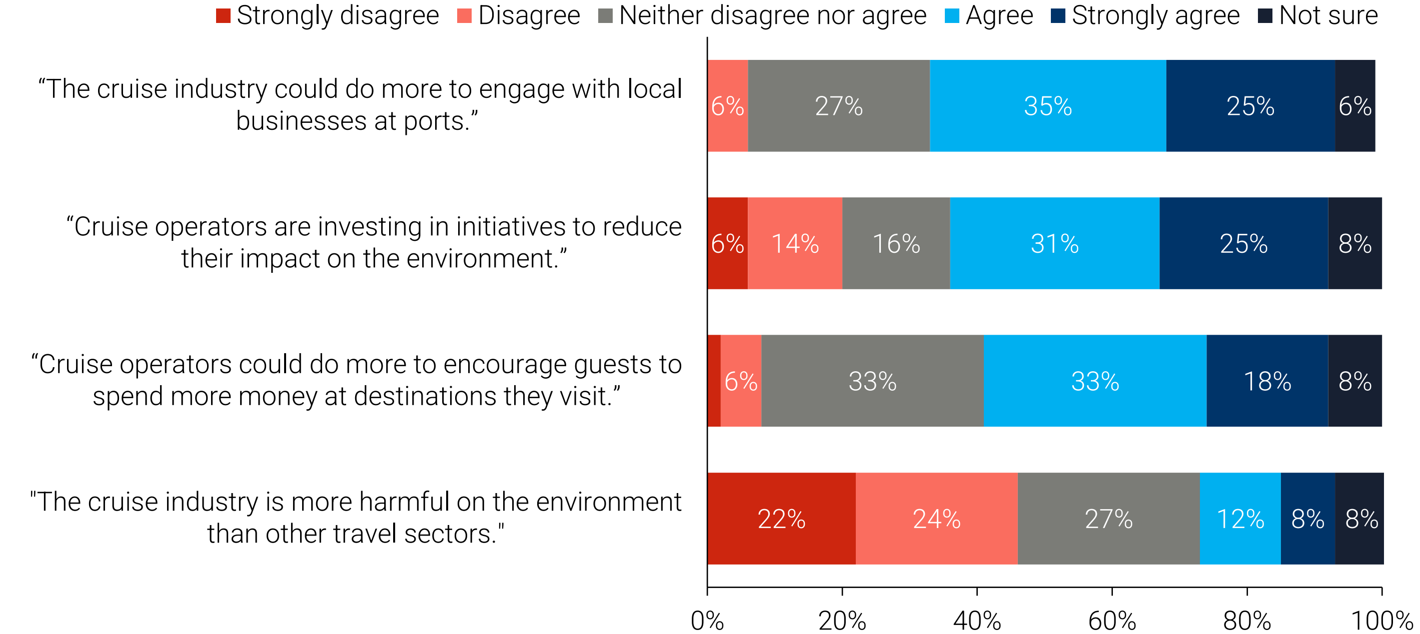
Respondents were asked about the cruise industry's role engaging with businesses and the industry's role on the environment.

Well over half (61%) agreed that the cruise industry could engage more with local businesses. There was also consensus that cruise lines could encourage guests to spend more in destinations, with 51% agreeing with this statement. Overall, the findings suggest that local businesses are seeking opportunities to collaborate more with cruise lines to maximize the impact of cruise visitors.

There were generally positive views about the cruise industry's role on the environment as 57% agreed that cruise lines were investing to minimize their impact on the environment. Furthermore, more respondents disagreed than agreed that cruising is more harmful to the environment than other travel sectors. This finding highlights favorable perceptions overall towards cruising among the local businesses surveyed.

### Business views on cruise operator impact: Statement agreement

% of responses




Source: Tourism Economics

## Satisfaction & Recommendations to Improve Impact

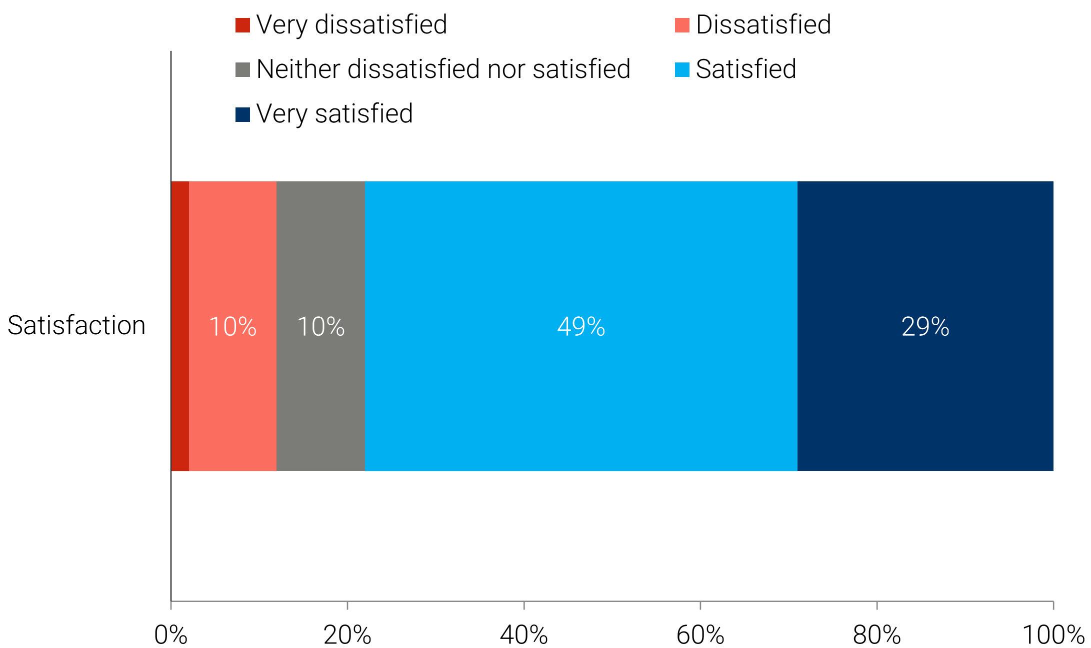
**There was high satisfaction evident regarding the current impact of cruise visitors in Juneau. Encouraging passengers to stay longer and better timing of cruise calls were the most common suggestions for improving.**

Businesses were asked if they were satisfied or dissatisfied about the current impact of cruise visitors in Juneau.

Nearly four out of five businesses (78%) stated they were either 'satisfied' or 'very satisfied' regarding the current situation with cruise visitors, which signals high overall satisfaction. Meanwhile, only around a tenth of respondents (12%) stated they were dissatisfied.

### Business satisfaction with cruise visitor impact

% of responses




Source: Tourism Economics

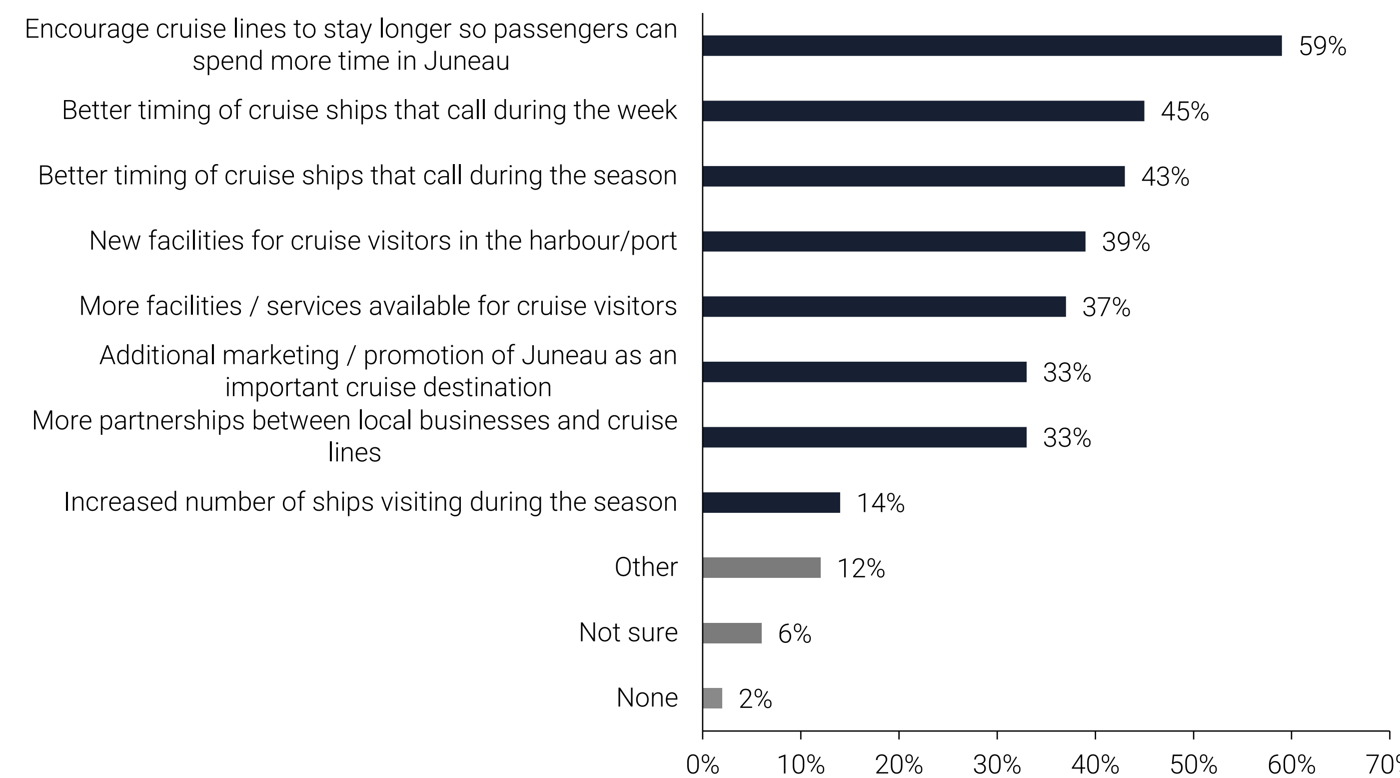
When asked to consider potential changes which could generate improved or increased cruise visitor impacts for their business, the most common suggestion was for cruise lines to encourage passengers to spend more time in Juneau, stated by 59% of respondents.

The next most common improvement suggestions were better timing of cruise ship calls during the week (45%) and better timing of cruise ship calls during the season (43%).

Collectively, the results suggest that extending the length of cruise stays and optimizing the timing of calls will help to generate improved impacts for local businesses and, in doing so, likely further enhance generally positive perceptions of the cruise industry in Juneau.

### Recommendations to improve/increase impact

% of responses




Source: Tourism Economics

**78%** of businesses are satisfied with impact of cruise visitors in Juneau.

**59%** of businesses stated longer cruise stays would generate greater impacts.

# TECHNICAL APPENDIX

## Glossary

**Port of Juneau**: The primary location with multiple cruise terminals or docking areas where cruise ships start, stop, or finish their journeys in Juneau. This location serves as the central hub for cruise activity examined in this report. The analysis specifically focuses on spending by both cruise passengers and cruise lines associated with operations at the port of Juneau.

**Juneau:** The primary location where direct spending by cruise visitors takes place. While the majority of tourism-related expenditure occurs within the city—covering activities such as shopping, dining, and visiting attractions—a small portion may also take place in surrounding areas within the broader region. For the purposes of this report, spending is primarily attributed to Juneau as a simplified reference point.

**Alaskan economy:** The broader regional economy that serves as the focus area for assessing the economic impacts of cruise-related spending.

**Cruise passengers:**

- **Transit visitors/passengers:** Cruise passengers who disembark at a destination for a day visit without beginning or ending their cruise there. These visitors typically engage in tourism-related activities such as sightseeing, shopping, dining, and visiting local attractions during their limited time ashore.
- **Turnaround visitors/passengers:** Cruise passengers who begin (embark) or end (disembark) their cruise itinerary in Juneau. In addition to engaging in tourism-related activities such as sightseeing, shopping, dining, and visiting local attractions, these visitors also typically incur transportation costs to reach the city and may spend on accommodation if staying overnight before or after their cruise.

**Crew members:** Individuals working on board cruise ships who may embark or disembark in Juneau. When granted shore leave, they engage in local activities similar to transit passengers, such as shopping, dining, and limited sightseeing, typically within the duration of their stay in port.

**Passenger visits:** Cruise passenger visits include embarkation, disembarkation, and transit visits. As a result, passenger visits can be up to twice the number of unique passengers at turnaround ports as both embark and disembark visits are included.

**Passenger and crew spend:** This is visitor-related spending that is directly attributable to the cruise industry. It includes expenditure by cruise passengers and crew members on eating and drinking, shopping, guided tours, other entertainment, and transport. Turnaround passengers may incur additional accommodation and transport costs. This spending is combined with cruise line spending to calculate cruise-related direct spending.

**Cruise line spending:** Operational expenditures incurred by cruise lines during port calls, primarily associated with embarkation stops. This includes spending on supplies, provisioning, port fees, and light maintenance. The analysis excludes broader corporate costs such as headquarters operations, cost of sales, and shipbuilding, focusing solely on local operational spending related to cruise activity in the region.

**Total economic output (Output):** total sales in an industry or the economy.

**Total value added (GDP):** total contribution (value added) to the GDP of an industry or GDP of the economy.

**Jobs supported:** number of jobs supported by cruise-related spending.

**Wages supported:** gross wages paid to workers but also includes benefits in-kind and employer social security contributions (including pensions).

**Cruise class segments:** Data relating to two key cruise market segments are discussed in this report. These segments are defined as follows:

- **Contemporary class** cruise lines tend to have the largest cruise ships with the most entertainment options and onboard attractions. The wide array of options allows cruise passengers to choose the type of cruise experience they desire. Typically, contemporary cruise lines are more affordable than premium cruise lines. This segment accounts for around 65% of global capacity.
- **Premium class** cruise lines are designed for passengers seeking a more sophisticated and refined cruising experience while maintaining an accessible price point. These cruise ships offer a more intimate and upscale experience, setting them apart from contemporary cruise lines. This segment accounts for around 20% of global capacity.
- Other cruise market segments which are not discussed in detail in this report are: budget, luxury, niche/boutique and expedition. Collectively, these segments account for around 15% of global capacity.

**Industry breakdowns** of the economic impact results are derived from aggregations of economic activity classifications following NACE Rev. 2 Section structure. For example, Manufacturing and Utilities covers economic activity classifications in Section C (Manufacturing), Section D (Electricity, gas, steam and air conditioning supply), and Section E (Water supply, sewerage, waste management and remediation activities).

**Cruise IP (Cruise Intelligence Platform):** Tourism Economics' proprietary cruise industry database, offering the most comprehensive view of global cruise activity. It is built from published planned itineraries, providing detailed, forward-looking insights into cruise operations worldwide.

## Appendix A: Cruise Visitor Research

A key part of this study was to undertake primary research among cruise passengers during the 2024 season from April to October.

**Sampling approach**

This study collected data through online questionnaires distributed via cruise line networks to passengers known to have visited Juneau.

**Cruise passengers** [1]

- **Turnaround visitors**—those embarking on or disembarking from a cruise ship at the start/end of cruise their cruise trip.
- **Transit visitors**—those visiting the destination/surrounding area for the day or undertaking a shore excursion as part of their cruise trip.

The data was gathered by an online survey which was distributed by cruise lines to passengers who previously visited Juneau. In the overall sample, there was a high share of responses (75%) among Holland America Line customers which needs borne in mind when drawing inferences from the research.

**Sample size**[2]

This following sample sizes were achieved for the target sample:

- **Cruise passengers**
    - Turnaround visitors: n= 10446, Transit visitors: n= 51

1. Note: As Juneau primarily serves as a transit port, only a limited number of turnaround surveys were achieved. The sample size is too small for meaningful analysis, so results are not included in this report.
2. Note: The sample sizes that formed the basis of the expenditure analysis were on average around 10% below these values as the data was cleaned to remove anomalous responses.

## Appendix B: Local Business Survey

Another research component entailed gathering feedback from local businesses to better understand views and attitudes regarding the cruise industry impact. This survey was undertaken between November and December 2024.

**Sampling approach**

This study was undertaken using an online survey that was distributed to predominantly tourism-related organizations in the Juneau area by Juneau Chamber of Commerce and other local business associations.

**Sample size**

The survey achieved 51 responses from business contacts, most of which were representing local businesses in and around the city center and port of Juneau.

## Appendix C: Cruise Line Spend Research

The estimates of local cruise line spending are based on detailed national-level data provided by various cruise lines to CLIA.

**Estimation approach**

We have used data on a range of countries with good data to estimate the relationship between the number of embarking passengers, the number of transit visitors, and the cruise line spend per visitor. The list of countries included are the United States and Canada. The formula below outlines the approach taken.

$$Cruise\ line\ spend = \beta_1 \times embarkations + \beta_2 \times transit\ visits$$

The estimates for $\beta_1$ provide a guidance on the cruise line spend per embarking (turnaround) passenger. Turnaround passengers are counted only once for this purpose, to be consistent with the formula above.

The estimates for $\beta_2$ provide a guidance on the cruise line spend per transit visit. This tends to be focused on payments for tours and port charges, with some spend on food and beverages.

Overall, we found that cruise line spending is concentrated in turnaround calls, where cruise lines have more time to re-stock their supplies. Fuel payments are more mobile and are driven by cost differences between countries.

**Limitations**

The cruise spend estimates are based on patterns observed at the national level. Therefore, it may be that large parts of the goods and services procured come from other parts of the country outside the study area of Alaska.

## Appendix C: Economic Impact Assessment

The total economic contribution of cruise tourism starts with the direct spend incurred by passengers, crew, and cruise lines. Their expenditure is then allocated across sectors of the economy based on port-specific survey data and historical patterns observed at the national level. The direct spending estimates are then run through a model of the regional economy to estimate the knock-on impacts from the supply-chain (indirect effects) and from wages (induced effects). The sum of direct, indirect and induced effects is the total regional economic impact linked to cruise activity out of the port of Juneau.

### Direct Spending Estimates

Direct expenditure linked to cruise activity out of Juneau is split in four categories:

- **Turnaround** considers expenditure by embarking and disembarking passengers before and/or after their cruise. Spending estimates are based on findings from the Cruise Visitor Research outlined in Appendix A and adjustments to reflect the true distribution of turnaround passengers in Juneau by brand segment using data from Tourism Economics' Cruise IP.
- **Transit** considers expenditure by cruise guests visiting Juneau as part of their itinerary. Spending estimates are based on findings from the Cruise Visitor Research outlined in Appendix A and adjustments to reflect the true distribution of transit passengers in Juneau by brand segment using data from Tourism Economics' Cruise IP.
- **Crew** considers expenditure by crew members visiting Juneau during a turnaround or transit port call. Spending estimates are based on findings from the Cruise Visitor Research outlined in Appendix A. Due to the low number of crew responses in Juneau, crew spending estimates are based on other ports surveyed as part of this study.
- **Cruise line** considers operational expenditure by cruise lines visiting Juneau during a turnaround or transit port call. Detail on the spending estimates is available in Appendix C.

For more detail on the forecasts of direct spending please refer to Appendix A and Appendix C above.

### Spend by Category

The spending for each type of visitor is then distributed across various items and sectors according to the survey results. For more detail on the survey approach, please see Appendix A on Cruise Visitor Research.

### Total Economic Output Impact

The direct spending estimates are then combined with supply-use tables published by the OECD. These tables are adjusted to reflect specializations and the size of the regional (Vestland) economy. The adjustment is done using data on regional employment by sector to construct the Flegg Location Quotient (FLQ). For more information on the approach taken please see "Julia Kowalewski (Feb 2013) *Regionalization of National Input–Output Tables: Empirical Evidence on the Use of the FLQ Formula".*

The total economic impact is estimated using this regional supply-use table as follows.

$$total\ impact\ by\ sector = direct\ spending \times (I - A)^{-1}$$

Where A is the direct requirements matrix and I the identity matrix. Direct spending is a vector with the final expenditure by sector.

This total impact can be split into direct, indirect (supply-chain), and induced (wage-linked). For more information on the approach taken to estimate the indirect and induced multipliers, please see "ONS (Apr 2022) *Input-output analytical tables: guidance for use".*

### GDP, Employment, Wages

Tourism spending figures are combined with national statistics and forecasts for macroeconomic indicators to produce an estimate of the direct contribution of tourism to GDP, Employment, and Taxation.

- **GDP** contribution is calculated based on sector-specific GDP to output ratios sourced from the U.S. Bureau of Economic Analysis. Gross revenue (or output) is multiplied by the sector-specific GDP to output ratio to get an estimate of the associated GDP. GDP estimates are based on Gross Value Added (GVA) data from the U.S. Bureau of Economic Analysis. However, the terminology of GDP is used within the report for ease of communication
- **Employment** is calculated based on sector-specific labor productivity ratios sourced from the U.S. Bureau of Economic Analysis. GDP is divided by these ratios to get an estimate of the associated jobs.
- **Wages** are calculated based on sector-specific compensation of employees to GDP ratios sourced from the U.S. Bureau of Economic Analysis. GDP is multiplied by these ratios to get an estimate of the wages associated with the above employment.

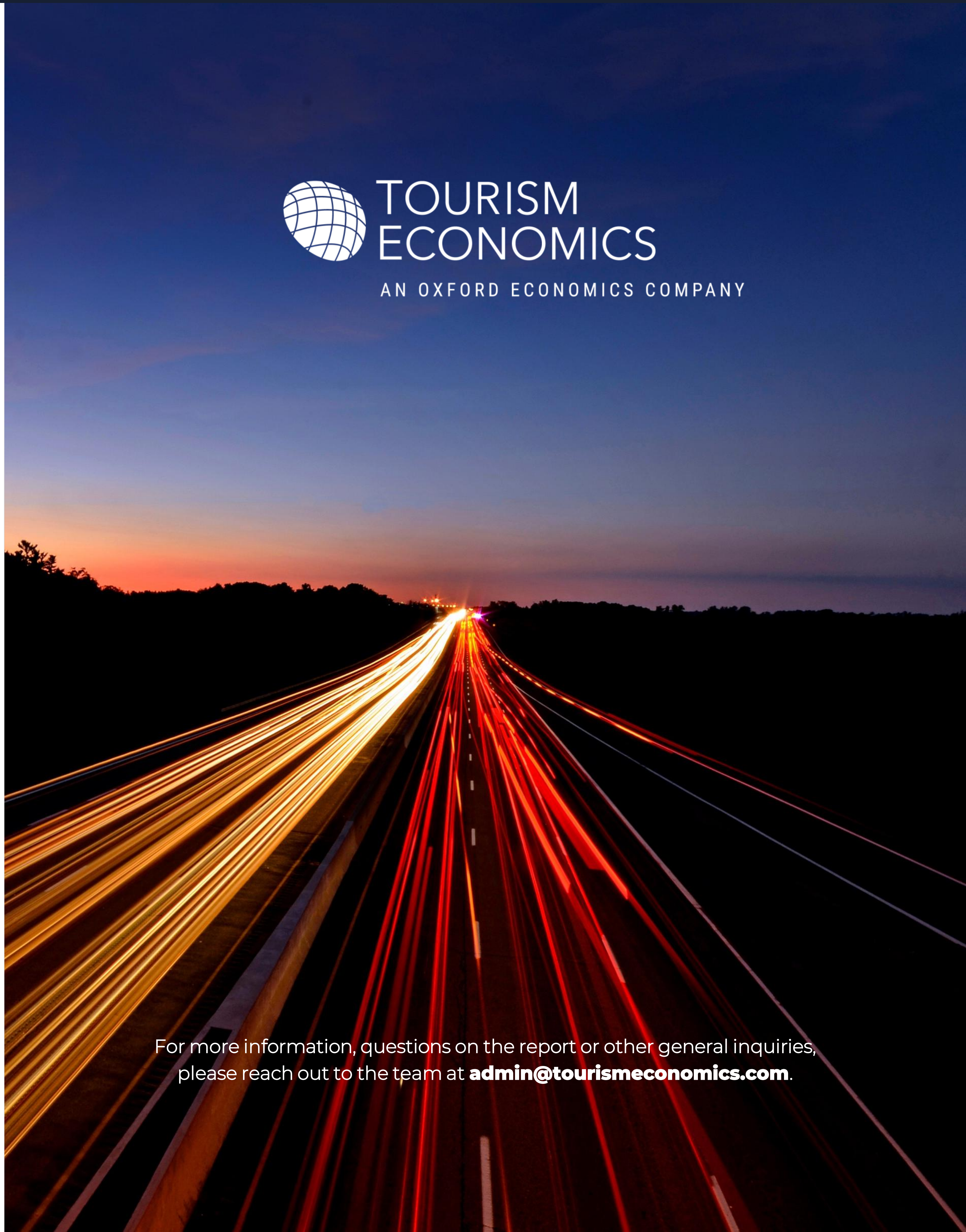
# About the Research Team

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Oxford Economics is an adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base comprises over 2,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics in order to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics employs 700 full-time staff, including 300 professional economists and analysts. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC.



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