THE ECONOMIC VALUE OF RESIDENT AK HUNTERS

To help guide you in your management and allocation decisions, by the dollar.
Douglas Malone testimony to the Alaska Board of Game, February 2017
ALASKA CONSTITUTION ARTICLE 8 (Natural Resources)

Section 1: Statement of Policy
It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest.

Section 2: General Authority
The legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the state, including land and waters, for the maximum benefit of its people.

Section 3: Common Use
Wherever occurring in their natural state, fish, wildlife, and waters are reserved to the people for common use.

Section 4: Sustained Yield
Fish, forests, wildlife, grasslands, and all other replenishable resources belonging to the State shall be utilized, developed, and maintained on the sustained yield principle, subject to preferences among beneficial uses.

Alaska Statute 16.05.020 (2) Commissioner’s Duties
“Manage, protect, maintain, improve, and extend the fish, game, and aquatic plant resources of the state in the interest of the economy and general well-being of the state.”

ADFG Agency Mission Statement
To protect, maintain, and improve the fish, game, and aquatic plant resources of the state, and manage their use and development in the interest of the economy and the well-being of the people of the state, consistent with the sustained yield principle.
Highlights from the 2014 McDowell/ APHA Survey

This studied only guided hunters’ economic impact.

- Paid for by the Professional Hunter Association, who also designed the survey questions
- Sample based primarily on 111 guides’ response to online survey (75 actually contracted during the survey year 2012), to determine total spending.
- Borrowed AVSP data for pre/post hunt in state spending by tourists
- Total economic value $78 million (direct, indirect, and induced) for 3055 guided NR hunters
- BGCSB records and ADFG provided license and tag sales data ($1.9 million)
- This study was for RY 2012, and was published in 2014

Notable that of 15,278 total NonResident hunters, just 3055 (19%) were guided; these by a total of 299 contracting guides.
There was another study published in 2014, for RY 2012

This one was paid for by the Alaska Department of Fish and Game, who assisted in designing the questions.

Data is conveniently and explicitly separated between Res/NonRes/Hunt/View

Used 3 distinct yet interlocking surveys and ADFG data

Sample size of Non-resident hunters was 1558
Sample size of AK resident hunters was 4970

Gives NR Total Impact at $150 million, with additional “multiplier effects”

Gives Resident Impact at $1.065 BILLION dollars under the same lens.

$1.215 billion total spending on all Hunting

Residents spent 88% of this, Nonresidents spent 12%

Table 16, page 47, The Economic Importance of AK Wildlife in 2011
CATEGORIES OF SPENDING

Hunting-Related Spending, by Category

RESIDENTS

VISITORS

Legend:

- a: Trip-Package Spending
- b: Guide, Outfitter, Charter, and Transporter Fees
- c: Transportation Fees or Tickets
- d: Licenses, Tags, and Fees
- e: Gear and Equipment Purchases
- f: Fuel for Vehicles
- g: Lodging
- h: Groceries, Food, Liquor Purchased at Stores
- i: Meals Purchased at Restaurants and Bars
- j: Souvenirs and Gifts
- k: Equipment Rental

The Economic Importance of Alaska’s Wildlife
EMPLOYMENT created by hunting

<table>
<thead>
<tr>
<th></th>
<th>TOTAL JOBS</th>
<th>DIRECT</th>
<th>INDIRECT</th>
<th>INDIRECT</th>
<th>INCOME $$</th>
<th>INCOME%</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESIDENT HUNTING</td>
<td>7216</td>
<td>5052</td>
<td>1053</td>
<td>1111</td>
<td>$396m</td>
<td>87%</td>
</tr>
<tr>
<td>NONRESIDENT HUNTING</td>
<td>1188</td>
<td>780</td>
<td>243</td>
<td>164</td>
<td>$61m</td>
<td>13%</td>
</tr>
</tbody>
</table>

Direct= pilot, guide, ATV dealer/ rental, taxidermist, butcher etc.
Indirect= grocers, sporting goods stores, fuel merchants etcetera
Induced= above spending their paychecks in Alaska.

Source: EcoNorthwest “Economic importance of Alaska’s Wildlife”, 2014

Guiding jobs are generally seasonal, average 7-10 weeks per year
Guide daily wage approx $400 x 3055hunts x 10 days = $12.2m (20% of total NR)

Last line derived from author’s experience
## Comparison between surveys, NR only

<table>
<thead>
<tr>
<th></th>
<th>McDowell/ APHA (guided NR only)</th>
<th>ECONorthwest/ ADFG (nonresident only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number in sample</td>
<td>111</td>
<td>1558nr, 4970r</td>
</tr>
<tr>
<td>Tag/License Revenue</td>
<td>1.9m</td>
<td>9m (all NR)</td>
</tr>
<tr>
<td>Wages</td>
<td>35m</td>
<td>43m</td>
</tr>
<tr>
<td>Total Economic Impact</td>
<td>78m</td>
<td>150m(all NR)</td>
</tr>
<tr>
<td>Year surveyed</td>
<td>2012</td>
<td>2011</td>
</tr>
</tbody>
</table>

Nonresident Non-guided hunters provided 79% of lic/tag sales, and 48% of spending.

Consider this scenario: 
**Without MBG law, 12,000 NR non-guided hunters would probably now buy a bear tag.**

12,000 x $1000 = $12m add’l revenue to state.  = $48 million *additional* NR revenue to the state after P/R funding match.  $9million versus $57million license and tag revenue
### PERCENTAGE IMPACTS BY USER GROUP

<table>
<thead>
<tr>
<th></th>
<th>TOTAL SPENDING</th>
<th>EMPLOYMENT TOTAL JOBS</th>
<th>LICENSED HUNTERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESIDENT</td>
<td>88%</td>
<td>87%</td>
<td>87%</td>
</tr>
<tr>
<td>NONRESIDENT</td>
<td>12%</td>
<td>13%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: “The Economic Importance of Alaska’s Wildlife”, ADFG
ALLOCATED PROPOSAL:
BY MAXIMUM ECONOMIC VALUE, BY USER GROUP

Non-Resident Hunters spent:
$150,000,000
12 percent

Resident Hunters spent:
$1,065,000,000
88 percent
Thank you....Questions?

- I appreciate your service to this Board and Process.
<table>
<thead>
<tr>
<th>RY 2012</th>
<th># SUCCESSFUL GUIDED HUNTS</th>
<th>LBS MEAT EACH ANIMAL</th>
<th>TOTAL WEIGHT OF MEAT</th>
<th>ECONOMIC VALUE MEAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHEEP</td>
<td>253</td>
<td>79</td>
<td>19,987</td>
<td></td>
</tr>
<tr>
<td>GOAT</td>
<td>116</td>
<td>96</td>
<td>11,136</td>
<td></td>
</tr>
<tr>
<td>MOOSE</td>
<td>333</td>
<td>564</td>
<td>187,812</td>
<td></td>
</tr>
<tr>
<td>CARIBOU</td>
<td>209</td>
<td>171</td>
<td>35,379</td>
<td></td>
</tr>
<tr>
<td>BISON</td>
<td>2</td>
<td>684</td>
<td>1,368</td>
<td></td>
</tr>
<tr>
<td>DEER</td>
<td>100</td>
<td>68</td>
<td>6800</td>
<td></td>
</tr>
<tr>
<td>ELK</td>
<td>0</td>
<td>462</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MUSKOX</td>
<td>28</td>
<td>274</td>
<td>7,672</td>
<td></td>
</tr>
<tr>
<td>BLACK BEAR</td>
<td>311</td>
<td>120</td>
<td>18,660 *</td>
<td></td>
</tr>
<tr>
<td>BROWN BEAR</td>
<td>816</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTALS</td>
<td>2168</td>
<td>288,814</td>
<td>$710,482</td>
<td></td>
</tr>
</tbody>
</table>

Providing food security for needy hunters is noble, however .... The expense of a lost culture and heritage of hunting is priceless.

- From BGCSB and ADFG data
- Assumes ALL hunters donate ALL of the meat
- 1196 total successful guided meat hunts
- $Value = Weight x (hanging price \{1.76\} + freight \{.70\})
- 45% are clients w/o mandating

Total Value added is less than ½ % of total NR economic impact.

Hardly significant economic benefit, even in this best case scenario, to legitimize allocation decisions based on maximum value.