2023 ALASKA SBDC ANNUAL REPORT

We grow small business

Statewide data collected between October 2022 - December 2023
The past year has presented challenges and opportunities for Alaska's small businesses. While economic headwinds continued, Alaskans' entrepreneurial spirit remained strong. This report details the impactful work of the Alaska SBDC in 2023, highlighting our commitment to supporting the growth and success of Alaska's small business community.

While our 2023 annual report arrives a bit later this year and aligns with the University of Alaska Anchorage (UAA) year-end, it introduces a new State of Small Business section in partnership with the University of Alaska Center for Economic Development at the UAA Business Enterprise Institute. This collaboration aims to assess the status of small businesses in Alaska amidst the evolving economic landscape, providing a strong foundation of research for Alaska SBDC to build initiatives supporting the success of Alaska's entrepreneurs.

In 2023, our dedicated business advisors provided invaluable support to more than 1,750 businesses in 100 communities across Alaska, with a continued focus on supporting rural entrepreneurs across Alaska, including 78 communities. Through our guidance, over 165 new businesses have been established, and our clients have successfully raised over $37 million in new funding. Our advisors delivered over 7,750 hours of experienced advising and assistance directly to Alaskans, contributing to the growth and success of their businesses.

We are proud to report that in 2023, 45% of new businesses created with our assistance were woman-owned, 26% were minority-owned, 13% were veteran-owned, and 8% identified as Alaska Native-owned. These numbers reflect a commitment to fostering a more inclusive entrepreneurial ecosystem in Alaska, and we look forward to seeing them continue to increase.

In addition to core services, our Special Programs provided targeted support to small businesses across the state. The BuyAlaska program empowered Alaskan-owned businesses to connect with a wider audience. At the same time, the Technology Research Education and Development Center (TREND) assisted businesses in securing nearly $50,000 in federal research and development grants. Notably, the Alaska State Small Business Credit Initiative (SSBCI) provided crucial access to capital ($28,918,345 for 34 businesses) that might not otherwise qualify for traditional loans.

We invite you to explore the detailed information in this report, including success stories, key advising topics, and valuable resources available to Alaska's small businesses.
Alaska’s small business community is encountering a challenging economic environment. To delve deeper into this matter, Alaska SBDC collaborated with the University of Alaska Center for Economic Development at the UAA Business Enterprise Institute to assess the status of small businesses. By analyzing our recent surveys and publicly accessible data, we aim to compare the results and illuminate the current situation of small businesses in Alaska.

A DIVERSE BUSINESS LANDSCAPE

Alaska boasts a vibrant small business scene with nearly 76,500 establishments in 2020. Interestingly, the majority (around 60%) are non-employer businesses, highlighting a strong presence of solopreneurs alongside traditional firms.

Geographically, businesses are concentrated in Anchorage, with rural areas having a lower density. However, these areas with large seasonal populations often have a higher business density per capita.

The geographical distribution of businesses reveals interesting patterns. While Anchorage houses almost 40% of all small businesses, per capita density is highest in areas with fluctuating seasonal populations. Rural regions in western and northern Alaska see a lower concentration of businesses.

DEMOGRAPHICS & REPRESENTATION

A notable finding is Alaska’s high percentage of women-owned businesses. At 36%, Alaska surpasses the national average, suggesting a trend in female entrepreneurship statewide.

While Alaska reflects national trends in business ownership, skewing older and predominantly white (over 60% of owners are 45+), BIPOC ownership remains underrepresented compared to their population share.

The Alaska SBDC’s client base is more diverse than the general small business population in the state. It includes a higher percentage of female, BIPOC, and veteran-owned businesses.

Notably, Alaska has the second-largest share of American Indian and Alaska Native-owned businesses (11%) in the nation.

However, there’s still a gap between the 19% Alaska Native or American Indian population and their representation in business ownership.

This disparity extends to other non-white racial demographics in Alaska.
Since 2018, a consistent theme has emerged in Alaska: small businesses face hurdles related to staffing, running their day-to-day operations (operating costs), and securing funding. These challenges haven’t disappeared, but their relative importance has shifted slightly.

After 2020, concerns about workforce shortages and managing operating costs intensified. According to the Alaska SBDC 2023 Small Business Survey, inflation emerged as the top challenge facing Alaska’s small businesses.

This concern was followed closely by operating costs, workforce shortages, and securing funding. The survey format allowed respondents to select their top three challenges (without ranking). Interestingly, when asked to identify the single biggest challenge facing their own business specifically, only 12% named inflation their primary concern.

Workforce shortages and finding clients/customers were cited more frequently. This data suggests that while inflation is a broader economic concern for many business owners, they may view workforce issues and customer acquisition as more immediate threats to their businesses.

Despite navigating economic challenges like the 2015-2018 recession and the pandemic, Alaska's small businesses have proven resilient. They are critical for innovation and the driving force behind job creation in the state.

The data speaks for itself: in 2021, while total private sector employment dipped, very small businesses (1-4 employees) were the only ones generating new jobs. Small businesses with fewer than 500 employees also employed over 134,000 Alaskans, representing more than half of the state's private sector workforce.

This report serves as a springboard to propel this vital sector forward. By understanding their unique characteristics and needs, policymakers, the Alaska SBDC, and service providers can collaborate to create a thriving entrepreneurial ecosystem for the future.
In 2023, the BuyAlaska program amplified its impact on the local economy and community. By refreshing its brand and investing in new outreach initiatives, BuyAlaska improved program recognition, serving as a constant reminder for Alaskans to support local businesses.

The program's distribution of 18,000 maps to visitors arriving in Southeast Alaska via Celebrity and Carnival cruise lines highlighted local enterprises, encouraging tourists to contribute to the local economy.

The holiday shopping campaign was another success, featuring a gift guide with 85 unique ideas from our network of businesses, which boosted holiday sales and visibility for local entrepreneurs.

The growth of the program since its relaunch in 2020 has cemented BuyAlaska as a household name, working to foster a culture where both locals and visitors are inspired to think local first.

The increased awareness and support for local businesses have positively impacted communities, encouraging more people to discover and shop at Alaskan-owned businesses.

**MISSION:** To amplify Alaska businesses through connection, awareness, and access to resources

<table>
<thead>
<tr>
<th>COMMUNITIES REPRESENTED</th>
<th>BUSINESSES IN DIRECTORY</th>
<th>WEBSITE PAGEVIEWS</th>
<th>SOCIAL MEDIA FOLLOWERS</th>
<th>SOCIAL MEDIA IMPRESSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>54</td>
<td>1,040</td>
<td>120K</td>
<td>8.8K</td>
<td>1.2M</td>
</tr>
</tbody>
</table>

BuyAlaska's initiatives in 2023 have played a crucial role in promoting local shopping and supporting the diverse and vibrant Alaskan business landscape.

**MISSION:** To teach Alaskan innovators how they can access government programs with a focus on SBIR/STTR, provide the technical assistance and know-how needed to access government research dollars, and host discussions with technology research & development leaders from around the world to generate a whole-of-state approach towards improving Alaska's last-place ranking for technology and innovation research.

**2023 TRENDS PHASE 0 GRANT RECIPIENTS AWARDED A COMBINED $49,000 IN GRANTS!**

Five Phase 0 grants were awarded after the selection committee carefully examined six applications. Applications were evaluated in two stages based on eight parameters: scalability, achievability, technical merit, and innovation. This is the most geographically diverse set of Phase 0 winners that TRENDS has seen throughout the program’s history.

After five years, over half of all SBIR/STTR recipients in the State of Alaska have been previous TRENDS Phase 0 award winners. The program's success rate is 30%, twice the national average.
MISSION: To attract lenders and investors in helping fund businesses that cannot obtain conventional business loans.

The Alaska SBDC is the only SBDC in the nation to serve as an administrative lead for a State Small Business Credit Initiative program, an objective of the U.S. Treasury. Alaska is allocated to receive $59,905,891 throughout the 10-year program. The program requires private funds to match each allocated dollar, creating a $120 million impact on the Alaskan economy.

Particularly significant in the aftermath of COVID-19, Alaska SSBCI serves as a key instrument in rebuilding Alaska’s economy by addressing the needs of vulnerable individuals, promoting growth in underserved areas, and combating long-standing structural inequalities in access to credit.

Alaska SSBCI prioritizes financial support for Socially and Economically Disadvantaged Individuals (SEDI) and Very Small Businesses (VSB), including incentive funds for states and tribal entities demonstrating support for SEDI-owned businesses. The program is crucial in unlocking funding opportunities for these marginalized groups, fostering economic inclusivity, and contributing to revitalizing Alaska.

IN THE FIRST NINE MONTHS OF OPERATION
March 2023 - December 2023

Alaska's State Small Business Credit Initiative closed a wide range of loans, with amounts as low as $21,000 and as high as $8,000,000.

<table>
<thead>
<tr>
<th>CLOSED LOAN VALUE</th>
<th>BUSINESSES SUPPORTED</th>
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<tbody>
<tr>
<td>$28,918,345</td>
<td>34</td>
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<table>
<thead>
<tr>
<th>SEDI BUSINESSES SUPPORTED</th>
<th>COMMUNITIES SUPPORTED</th>
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<tbody>
<tr>
<td>29</td>
<td>22</td>
</tr>
</tbody>
</table>

PROVIDING TECHNICAL ASSISTANCE

The SSBCI Technical Assistance (TA) program expands access to capital, promotes economic resiliency, creates new jobs, and increases economic opportunity for SEDI-owned businesses and VSBs. The TA team focuses on qualifying businesses that are applying for, preparing to apply for, or have previously applied for federal or other jurisdictional funding.

SBDC’s Business and Funding Specialists offer financial expertise and access to legal, accounting, and financial services via a mini-grant program (up to $5,000) set to launch in 2024.

THANK YOU TO OUR LENDING PARTNERS
For making the first nine months of operation a success!

- **Northrim Bank** led in loan amounts, covering over half the total value ($16.5 million).
- **First National Bank Alaska** stood out as the top lender in loan quantity, finalizing 18 small business loans.
- **Business Impact Northwest** was recognized for its commitment to providing financial assistance and supporting business growth.
- **Cook Inlet Lending Center** was praised for its commitment to financial backing and fostering business development.
The Alaska SBDC provides no-fee and low-fee business workshops through on-demand self-service videos, live webinars, and in-person classes throughout the state. Our goal is to introduce new workshops that address a variety of topics, industries, and business stages throughout the year.

<table>
<thead>
<tr>
<th>WORKSHOPS OFFERED</th>
<th>WORKSHOP ATTENDEES</th>
<th>GUEST PRESENTERS</th>
<th>LIVE WEBINAR WORKSHOPS</th>
<th>ON-DEMAND WORKSHOPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>90</td>
<td>1,383</td>
<td>31</td>
<td>16</td>
<td>74</td>
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</table>

**ENTREPRENEURSHIP FOR ALL**

The Alaska SBDC plays a crucial role in empowering residents to turn their business ideas into reality by offering a range of no-fee and low-fee workshops on various entrepreneurial topics throughout the state.

This geographically inclusive approach ensures accessibility for aspiring entrepreneurs across the state, regardless of location or financial background.

These educational workshops equip participants with the knowledge and skills necessary to navigate the intricacies of business ownership, fostering a wave of innovation and economic growth within Alaskan communities.

**10 MOST POPULAR SBDC WORKSHOPS (BASED ON ATTENDANCE)**

- Starting a Business
- How to Get a Business License in Alaska
- Starting a Construction Business in Alaska
- Attracting Opportunities with Social Media (SBIR)
- Anchorage Health Department Cottage Food Permit Process
- Is QuickBooks Online the Right Accounting Tool for Your Business?
- Developing a Marketing/Sales Strategy (SBIR)
- SBA Loans and What the Lender Requires
- ADA Law: What Businesses Should Know
- Bookkeeping Basics

**ENTREPRENEURIAL EDUCATION: YOUR TIME, YOUR PACE**

For the night owls and the early birds. For the brown-bag lunch learners and after-dinner studiers. Entrepreneurs are resilient and gritty. No matter the hour, we’re right there with you. Visit [aksbdc.org](http://aksbdc.org) for a complete list of statewide workshops!

**THANK YOU FOR YOUR SERVICE**

The Alaska SBDC appreciates the service of America’s military and veterans. To show our support for Alaska’s military community, the Alaska SBDC proudly provides active military and veterans with no-fee access to workshops.

Showcasing the Alaska SBDC’s dedication to assisting those who have served our nation by equipping them with the necessary tools and resources for success as entrepreneurs, Alaska SBDC proudly supported **226 veterans, military personnel, and spouses** through workshops, with 32 benefiting from discounted access, resulting in a **total savings of $1,115.**
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<table>
<thead>
<tr>
<th>Client Served</th>
<th>Jobs Supported</th>
<th>Advising Hours</th>
<th>New Businesses</th>
<th>New Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,751</td>
<td>3,062</td>
<td>7,757</td>
<td>168</td>
<td>951</td>
</tr>
</tbody>
</table>

### Total Capital Infusion

$37,270,242 in total capital infusion

*Includes Stock/Venture ($198,745) and Grants ($573,604)*

Alaska SBDC’s commitment to diversity is reflected in our clients. Minority-owned businesses comprised 26% of our clientele, and 8% were specifically Alaska Native-owned, demonstrating our reach across Alaska’s diverse communities. Women are also a driving force in Alaska’s small business community, with 45% of our clients being women-owned businesses and over half (54%) identifying as female. Alaska SBDC is proud to empower all entrepreneurs and foster their success, contributing to a more vibrant and inclusive Alaskan economy.

### Alaska SBDC Statewide Client Demographics

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Client Percentage</th>
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<tbody>
<tr>
<td>Alaska Native-owned</td>
<td>8%</td>
</tr>
<tr>
<td>Veteran Clients</td>
<td>13%</td>
</tr>
<tr>
<td>Minority-Owned</td>
<td>26%</td>
</tr>
<tr>
<td>Women-owned Businesses</td>
<td>43%</td>
</tr>
<tr>
<td>Female Clients</td>
<td>54%</td>
</tr>
</tbody>
</table>

Source: 2023 Alaska SBDC Annual Report • Created with Datawrapper

### Market Research Provided

*Including cost-equivalence*

- IBIS (3,451): $1,416,000
- ProfitCent (532): $638,000
- Vertical IQ (113): $136,600

### Success Stories


*"I am floored by this service and am so grateful. They made stepping into the world of small business ownership a reality."* - Olivia Lunsford
This has been a huge help getting me started and focused! I feel much more confident knowing there are resources available to help organize me!

-Jason Womble
**Client Served**: 232
**Jobs Supported**: 369
**Advising Hours**: 1,160
**New Businesses**: 30
**New Clients**: 123

**$4,750,990** in total capital infusion
No SBA Loans or Stock/Venture Capital recorded, Grants ($29,000)

**Business Starts & Jobs Supported**
The Fairbanks Center helped establish 30 new businesses. Although this number is lower than the record of 51 in 2022, it exceeds the startup count in both 2020 (39) and 2021 (49). Notably, women-owned businesses made up 53% of the new ventures. Veteran-owned businesses had a significant presence at 23%, and minority-owned businesses accounted for 27%. In terms of job creation, the Fairbanks Center supported 369 jobs in 2023, showing a decrease from the peak in 2020 (518) but surpassing the numbers from 2021 (357) and 2022 (339).

**Fairbanks Center Client Demographics**

**Top Communities Served**
- Fairbanks, North Pole, Ft. Wainwright, Eielson AFB, and Ester

**Success Stories**
Alaska SBDC published 1 success story of a Fairbanks-based business.

**Top 3 Advising Needs**
- Start-Up Assistance
- Financial Planning
- Managing a Business

**Top 5 Industries Advised**
- Retail Trade
- Service
- Construction
- Accommodation & Food Service
- Professional, Scientific & Technical

**Quote**
I am floored by this service and am so grateful. They made stepping into the world of small business ownership a reality.

-Olivia Lunsford
73 client served
104 jobs supported
294 advising hours
8 new businesses
37 new clients

$2,480,740 in total capital infusion
No SBA Loans, Grants, or Stock/Venture Capital recorded

Business Starts & Jobs Supported
The Juneau Center helped launch 8 new businesses, a decrease from previous years (2020: 15, 2021: 11, 2022: 14), yet indicating a positive trend compared to pre-pandemic times. Women entrepreneurs took the lead by establishing 88% of the new ventures. Minority-owned ventures accounted for 25% of new starts, with no veteran-owned startups. Efforts to generate employment resulted in 104 new positions, a lower number than the peak year of 2020 (1095) but showing progress compared to 2021 (625) and 2022 (410).

Top 3 Advising Needs
- Start-Up Assistance
- Financing/Capital
- Buy/Sell a Business

Top 5 Industries Advised
- Accommodation & Food Service
- Retail Trade
- Healthcare & Social Assistance
- Manufacturer/Producer
- Professional, Scientific & Technical

Top Communities Served
- Juneau, Douglas, and Auke Bay

Wonderful help and service from [my advisor]. I wish I had started taking advantage of the SBDC sooner!

-Carissa Ottoson

Success Stories
Alaska SBDC published 3 success stories of Juneau-based businesses.
BUSINESS STARTS & JOBS SUPPORTED

The Kenai Peninsula Center fostered the creation of 43 new businesses. While this falls short of the record set in 2022 (47), it represents a steady increase compared to both 2020 (29) and 2021 (34). Women-owned businesses comprised 40% of new ventures, Veteran-owned (14%), and minority-owned businesses (16%). Regarding job support, 771 jobs were sustained. Although lower than the peak years of 2020 (921) and 2022 (932), it is an improvement over 2021’s figures (835).

$16,791,366 in total capital infusion
Includes Grants ($35,000), no Stock/Venture Capital recorded

Kenai Peninsula Center Client Demographics

Source: 2023 Alaska SBDC Annual Report • Created with Datawrapper

SUCCESS STORIES

Alaska SBDC published 5 success stories of Kenai Peninsula-based business.

SBDC was invaluable in framing the market potential for my business and identifying the risks and potential rewards of the business.

- Gary Alan Fisher
CLIENT SERVED: 210
JOBS SUPPORTED: 328
ADVISING HOURS: 788
NEW BUSINESSES: 22
NEW CLIENTS: 140

$1,270,000 in total capital infusion
Includes Grants ($5,000), no SBA Loans recorded

BUSINESS STARTS & JOBS SUPPORTED
The Matanuska-Susitna Center facilitated the launch of 22 new businesses. While this number remained steady compared to 2022 (22), it represents a decrease from the pre-pandemic high of 2021 (30). Women lead the charge at 41% of new ventures, veterans (27%), and minority-owned businesses (18%). For job support, the Mat-Su Center helped support 328 positions, reflecting a decline from the peak years of 2020 (760), 2021 (724), and 2022 (486). Notably, the decline from 2022 to 2023 is attributed to staff turnover.

TOP 3 ADVISING NEEDS
- Start-up Assistance
- Financing/Capital
- Managing a Business

TOP 5 INDUSTRIES ADVISED
- Construction
- Service
- Professional, Scientific & Technical
- Accommodation & Food Service
- Healthcare & Social Assistance

TOP COMMUNITIES SERVED
- Wasilla, Palmer, Talkeetna, Willow, and Big Lake

I found my initial meeting to be very valuable, and full of information. I now have a more clear path to walk down, and steps to take to achieve my goals.

-Marly Borovich Torres

SUCCESS STORIES
Alaska SBDC published 3 success stories of Mat-Su-based businesses.
## Business Starts & Jobs Supported

The Rural Center was key in establishing 13 new businesses in 2023. Although this number is lower than the peak of 44 in 2021, it shows a significant improvement compared to 2020 (23) and 2022 (11). Notably, a diverse group of entrepreneurs emerged, with 38% being minority-owned businesses, 15% veteran-owned, and 23% women-owned. Additionally, the Center’s employment initiatives resulted in 324 jobs supported, a drop from the peak years of 2020 (765) and 2021 (950) but higher than the 252 jobs in 2022.

### Rural Center Client Demographics

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veteran Clients</td>
<td>5%</td>
</tr>
<tr>
<td>Minority-Owned Businesses</td>
<td>9%</td>
</tr>
<tr>
<td>Alaska Native-owned Businesses</td>
<td>15%</td>
</tr>
<tr>
<td>Women-owned Businesses</td>
<td>43%</td>
</tr>
<tr>
<td>Female Clients</td>
<td>56%</td>
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</tbody>
</table>

Source: 2023 Alaska SBDC Annual Report • Created with Datawrapper

## Top 3 Advising Needs

- Start-up Assistance
- Financing/Capital
- Business Plan

## Top 5 Industries Advised

- Accommodation & Food Service
- Manufacturer/Producer
- Service
- Agriculture, Forestry, Fishing/Hunting
- Transportation & Warehousing

## Top Communities Served

- Ketchikan, Sitka, Kodiak, Valdez, and Cordova

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### Success Stories

Alaska SBDC published 1 success story of a Rural-based businesses.

“I’ve learned so much about developing my financial statement and starting my business plan that I feel more confident going forward with my business.

-Sonya Ash-Selanoff

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