



Economic Benefits of the Forest Industry in Georgia: 2011

2011 ECONOMIC ACTIVITY

Economic activity is measured by output, employment, and compensation generated directly by Georgia's forest industry.

Output: Almost \$15.1 billion in total revenue was generated by the forest industry in 2011, up 4% from 2010. *Figure 1* shows the output by sector from 2004-2011.

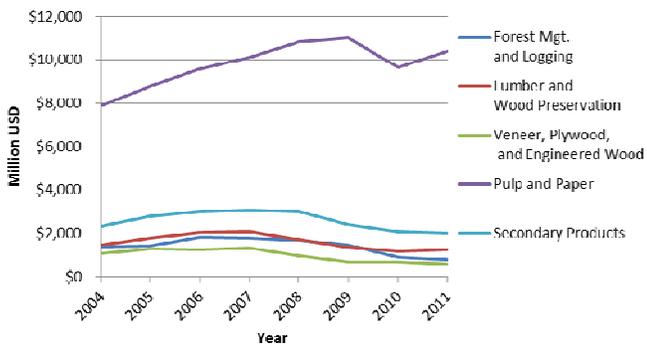


Figure 1. Economic Activity by forest sector in 2011 real dollars, 2004-2011

Compensation: Including wages and salaries, forest industry workers earned over \$2.9 billion, up 13.3 % from 2010. Across all sectors, the forest industry ranked second in total compensation.

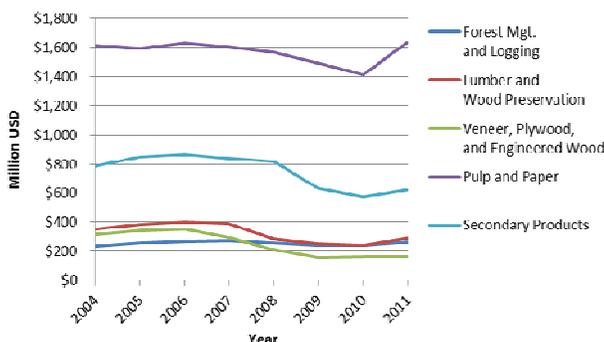


Figure 2. Total Compensation paid to forest industry workers in 2011 real dollars, 2004-2011

Employment: In 2011, Georgia's forest industry supported 46,378 jobs, up 6.8% from 2010 (2953 jobs gained). This is the first upward trend in 4 years. Across all industry sectors, forestry ranks 3rd in total employment

Pulp and Paper: Georgia's pulp and paper industry continues to dominate all sectors within the forest industry. Georgia's 12 pulp mills represented 69% of total revenue output (Figure 3), 41% of employment, and 55% of compensation. In 2011, pulp and paper experienced an increase of 7.9%, 12.2%, and 15.9% in output, employment, and compensation, respectively.

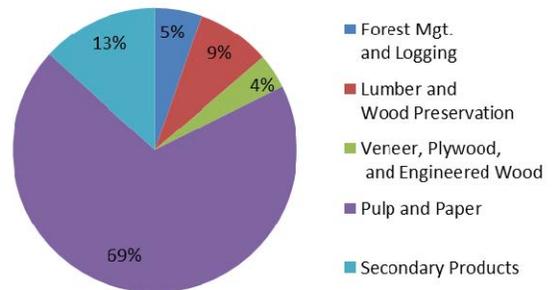


Figure 3. Revenue sharing by forest industry sector in 2011 real dollars.

2011 TOTAL ECONOMIC IMPACTS

Total economic impact of the forest industry includes dollars brought into the state, which recirculate through all major industry sectors (multiplier effect).

Total Output: In 2011, the total impact of the forest industry was just over \$24.9 billion, an increase of 5.63% over 2010.

Total Employment: The forest industry supported 118,459 jobs in 2011 (10,347 jobs gained). Total employment supported by the forest industry grew 9.57%.

Total Compensation: In 2011, the forest industry supported \$6.49 billion in wages and salaries, up 20.72% from 2010.

From 2008 to 2010, total output supported by the forest industry was in a decline, trailing behind total employment and compensation which has been declining since 2006. 2011 economic data show increases in total output, employment, and compensation for the forest industry; a trend that is hoped to continue with an improving economy.



Figure 5. Georgia's 12 Regional Commissions

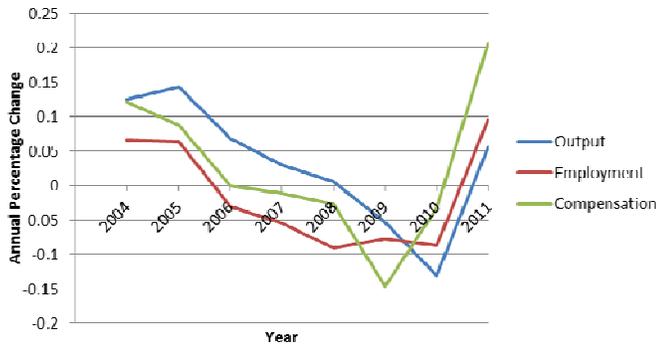


Figure 4. Year-to-year percentage change in total output, employment, and compensation supported by the forest industry in 2011 dollars.

ECONOMIC IMPACT BY REGION

Local economies are impacted by the forest industry by supporting employment, bringing in additional dollars, and recirculating the dollars across local businesses. In regions where forestry is a large proportion of the local basic industry, all economic support is generally dependent. *Figure 5* shows Georgia's 12 regional commissions.

Employment by Region

The Atlanta Regional Commission, Heart of Georgia Altamaha, and Northwest Georgia are the top three commissions in terms of employment, accounting for 40% of the forest related jobs in Georgia. However, Southern Georgia, Heart of Georgia Altamaha, and Southwest Georgia have the three highest employment percentages compared to total employment at 3%, 5.2%, and 2.7%, respectively.

Compensation by Region

The three regions with the greatest dependency on forest based compensation compared to total compensation are Heart of Georgia Altamaha, Southern Georgia, and Southwest Georgia with 10.8%, 6.3%, and 5.1%, respectively. Atlanta Regional Commission provided the most compensation at \$631.6 million; however, that accounted for only 0.6% of their total compensation.

Reference

Economic Benefits of the Forestry Industry in Georgia, 2011. Enterprise Innovation Institute. Georgia Institute of Technology, 2012.