



Economic Impacts of Forest Products Manufacturing in Georgia: 2010

2010 ECONOMIC ACTIVITY

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

Output: Almost **\$14.5 billion** in total revenue was generated by the forest industry in 2010; down 15.6% (inflation adjusted) from 2009. *Figure 1* shows output by sector from 2004 to 2010.

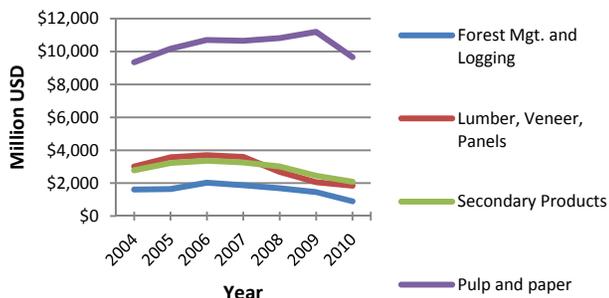


Figure 1. Economic activity by forest industry sector in 2010 real dollars, 2004—2010.

Compensation: Including wages and benefits, forest industry workers earned a total annual compensation of over **\$2.6 billion**, down 6.8% (inflation adjusted) from 2009 (*Figure 2*). Across all industry sectors, the forest industry ranked second in total compensation.

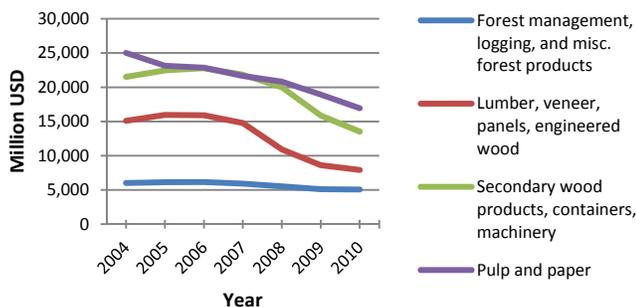


Figure 2. Total compensation paid to forest industry workers in 2010 real dollars, 2004—2010.

Employment: In 2010, the forest industry supported a total of 43,425 jobs in Georgia, down 10.5% from 2009 (5,094 jobs lost). Across all manufacturing sectors, the forest industry ranked second in employment.

Pulp and Paper: As in previous years, the pulp and paper sector dominated the industry in 2010; Georgia's 12 pulp mills represented 67% of total revenue (*Figure 3*), 40% of employment, and 54% of compensation. Pulp and paper suffered a 10.5% drop in employment and a 13.7% drop in output from 2009.

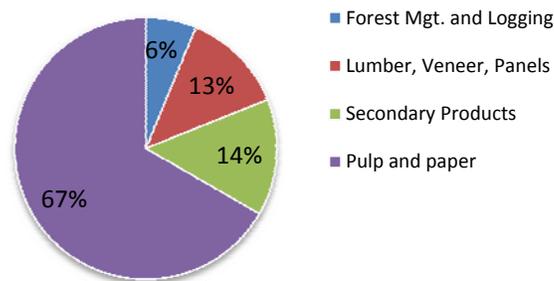


Figure 3. Revenue share by forest industry sector in 2010 real dollars.

2010 TOTAL ECONOMIC IMPACTS

Total economic impact of the forest industry includes direct impacts plus indirect impacts (multiplier effect).

Total Output: In 2010 the total impact of the forest industry was almost **\$23.6 billion**, down 14.5% (inflation adjusted). Refer to *Figure 4*.

Total Employment: The forest industry supported **108,112 jobs** across all sectors of Georgia's economy in 2010, down 8.7% from 2009 (10,311 jobs lost). Refer to *Figure 4*.

Total Compensation: In 2010, the forest industry supported annual wages and benefits equal to almost \$5.4 billion, down 4.9% (inflation adjusted) from 2009.

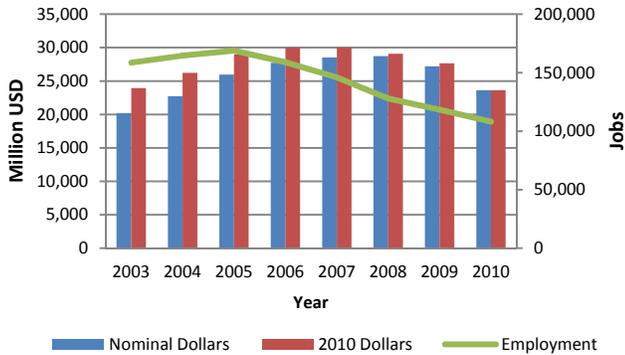


Figure 4. Total economic output in nominal and 2010 dollars and employment, 2003—2010.

Since 2007, total output supported by the forest industry has decreased, trailing reductions in employment and compensation that began in 2006. In 2010, employment continued to shrink. On a more positive note, although compensation continued to decrease, it did so at a significantly lower rate (Figure 5).

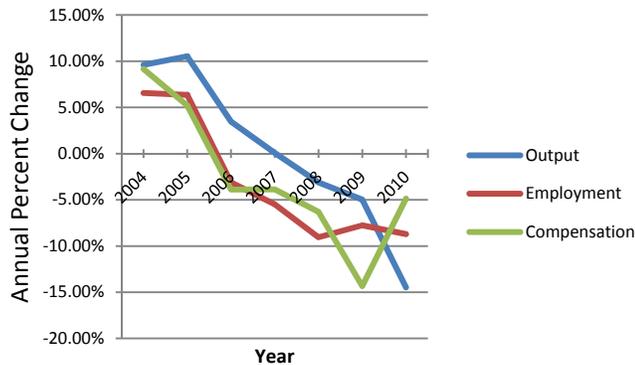


Figure 5. Year-to-year percent change in total output, employment, and compensation supported by the forest industry in 2010 dollars. Adapted from Riall, 2011.

LOCAL ECONOMIC DEPENDENCE

The forest industry plays a vital role in supporting local economies and rural livelihoods throughout Georgia. The economies of 47 counties are moderately-to-critically dependent on the forest industry based on both employment and income. Figure 6 shows employment dependence by county in 2010.

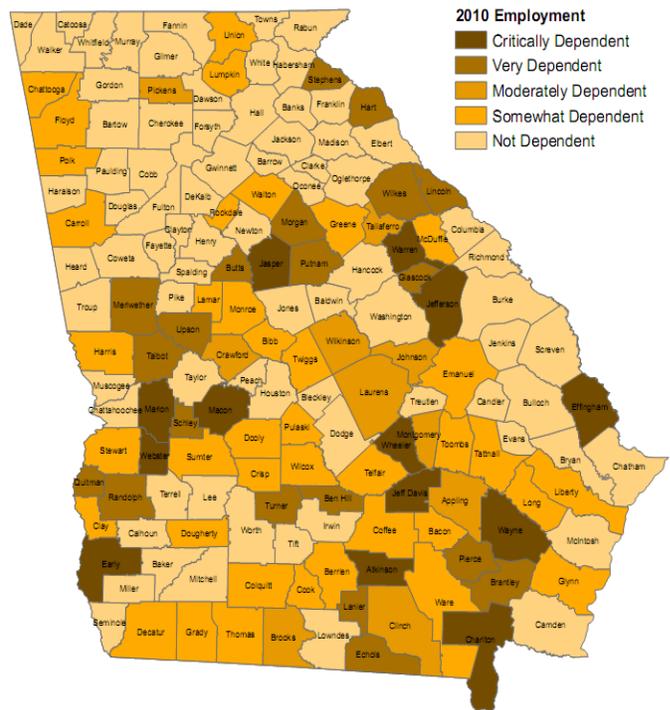


Figure 6. Degree forestry-related dependence by employment percentage. From Riall, 2011.

2010 FISCAL IMPACTS

In 2010, the forest industry generated \$448 million dollars in tax revenue for the state of Georgia. Net revenue for 2010 from the forest industry (state revenue minus state costs) totaled over 165 million.

REFERENCE

Riall, B.W. Economic Benefits of the Forestry Industry in Georgia: 2010. Enterprise Innovation Institute Report. Georgia Institute of Technology, 2011.