



# Economic Benefits of the Forest Industry in Georgia: 2016

## 2016 ECONOMIC ACTIVITY

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

**Output:** \$20.8 billion in total revenue was generated by the forest industry in 2016, up 8.3% from 2015. *Figure 1* shows the output by sector from 2007-2016.

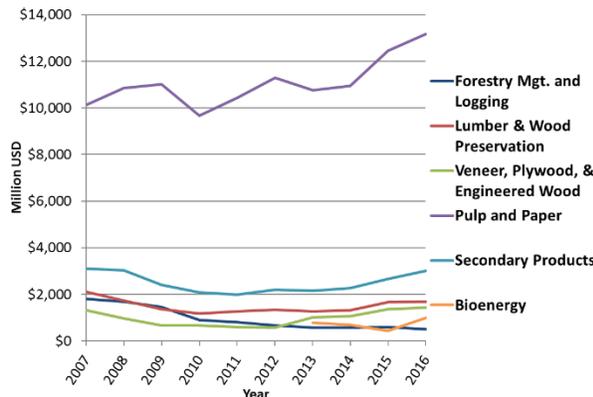


Figure 1. Economic activity by forest sector in 2016 real dollars, 2007-2016. Bioenergy sector was first tracked in 2012; \$100 million.

**Compensation:** Including wages and salaries, forest industry workers earned \$3.74 billion, an increase of 5.3% from 2015. Across all manufacturing industries, the forest products industry ranked first in total compensation.

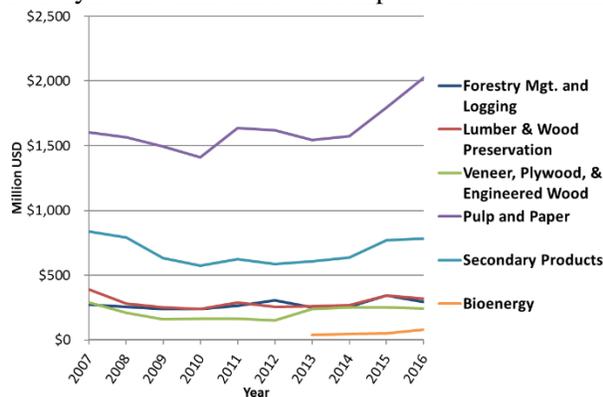


Figure 2. Compensation paid to forest industry workers in 2016 real dollars.

**Employment:** In 2016, Georgia's forest industry supported 51,900 jobs, up 3.0% from 2015 (1,515 jobs gained). This is the sixth consecutive year of positive job growth. Across all manufacturing industries, forestry ranks second in total employment (to poultry).

**Pulp and Paper:** Georgia's pulp and paper industry continues to dominate all sectors within the forest industry. Georgia's 12 pulp mills represented 63% of total revenue output (Figure 3), 36% of employment, and 54% of compensation. In 2016, pulp and paper increased its output, employment, and compensation by 5.7%, 0.3%, and 12.6%, respectively.

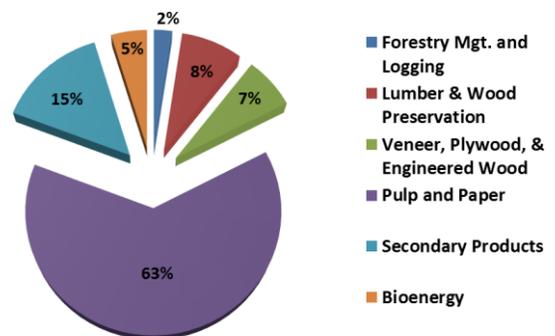


Figure 3. Revenue sharing by forest industry sector in 2016 real dollars.

## 2016 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 2016, the total impact of the forest industry was approximately \$35.2 billion, a 9.6% increase from 2015.

**Total Employment:** The forest industry supported 144,537 jobs in 2016 (11,281 jobs gained). Total employment supported by the forest industry increased 8.5%.

**Total Compensation:** In 2016, the forest industry provided \$8.5 billion in wages and salaries, up 8.5% from 2015.

All metrics have realized gains for six consecutive years. Gains have been substantial over the past two years for total output and compensation, while employment also saw a significant increase over the past year. Average annual growth over the past five years is 7.1%, 4.1%, and 5.6%, respectively.

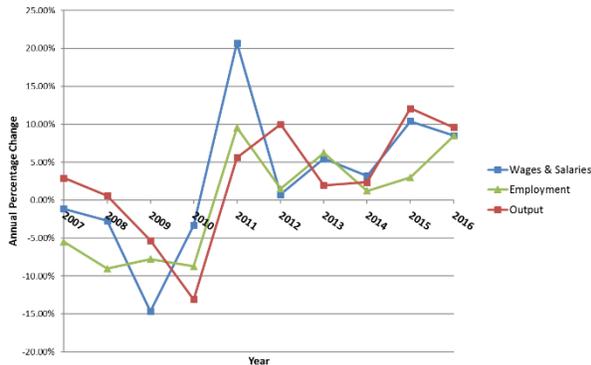


Figure 4. Year-to-year percentage change in total output, employment, and compensation supported by the forest industry in 2016 dollars.

## FISCAL IMPACTS

The forest industry provided the state with \$778 million in tax revenues for 2016. Net state revenues generated by the forest industry equaled \$345 million, a decrease of 4.2% from 2015 but approximately 93% more revenue than 2011.

## 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 industry, all economic support is generally dependent. Figure 5 shows Georgia's 12 regional commissions.



Figure 5. Georgia's 12 Regional Commissions

## Employment by Region

The Atlanta Regional Commission, Southern Georgia, and Heart of Georgia Altamaha are the top three commissions in terms of employment, accounting for 41% of the forestry related jobs in Georgia. However, Heart of Georgia Altamaha, Southern Georgia, and Southwest Georgia have the three highest employment percentages compared to total employment at 5.4%, 3.6%, and 3.4%, respectively.

## Compensation by Region

The three regions with the greatest dependency on forest based compensation compared to total compensation are Heart of Georgia Altamaha, Southwest Georgia, and Southern Georgia with 11.1%, 6.5%, and 6.0%, respectively. The Atlanta Regional Commission provided the most compensation at \$983.9 million; however, that accounted for only 0.8% of the region's total compensation.

## Reference

Economic Benefits of the Forest Industry in Georgia, 2016. Enterprise Innovation Institute. Georgia Institute of Technology, 2016.