



2018 ECONOMIC BENEFITS OF THE FOREST INDUSTRY IN GEORGIA

2018 ECONOMIC ACTIVITY

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

Output: \$21.5 billion in total revenue was generated by the forest industry in 2018, up 0.7% from 2017. *Figure 1* shows the output by sector from 2009-2018.

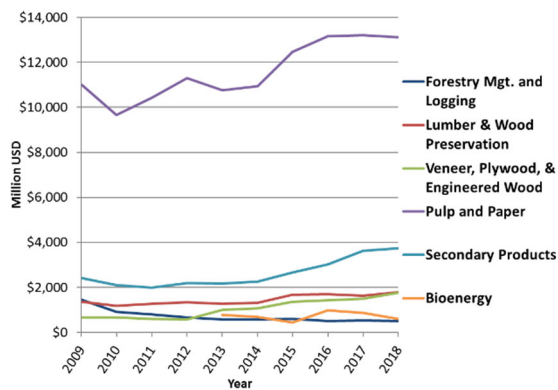


Figure 1. Economic activity by forest sector in 2018 real dollars, 2009-2018 Bioenergy sector was first tracked in 2012.

Compensation: Including wages and salaries, forest industry workers earned \$4.0 billion, an increase of 4.7% from 2017. Across all manufacturing industries, the forest products industry ranked second (to food processing) in compensation.

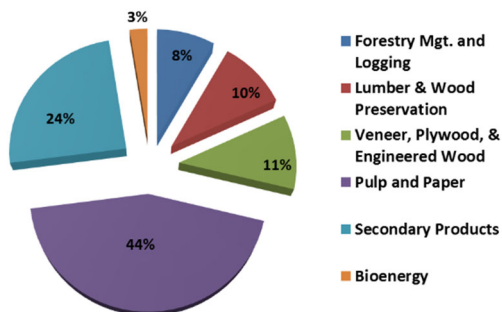


Figure 2. Compensation paid to forest industry workers in 2018 real dollars.

Employment: In 2018, Georgia's forest industry provided 55,089 jobs, up 2.1% from 2017 (1,156 jobs gained). This is the eighth consecutive year of positive job growth. Across all manufacturing industries, forestry ranks second in employment (to food processing).

Pulp and Paper: Georgia's pulp and paper industry continued to dominate all sectors within the forest industry. Georgia's 12 pulp mills represented 61% of direct revenue output (*Figure 3*), 36% of employment, and 44% of compensation. In 2018, pulp and paper decreased its output and compensation by 0.8% and 5.1%, respectively. However, employment increased by 1.7%.

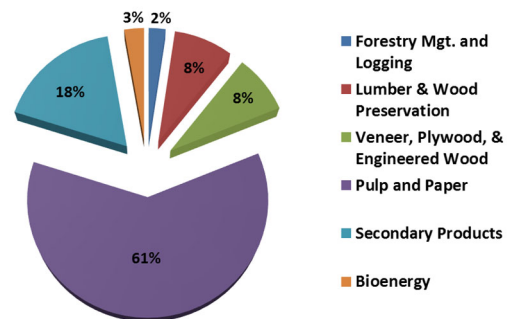


Figure 3. Revenue sharing by forest industry sector in 2018 real dollars.

2018 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 2018, the total impact of the forest industry was approximately \$36.3 billion, a 0.9% increase from 2017.

Total Employment: The forest industry supported 148,414 jobs in 2018 (1,034 jobs gained). Total employment supported by the forest industry increased 0.7%.

Total Compensation: In 2018, the forest industry provided \$9.1 billion in wages and salaries, up 4.5% from 2017.

All metrics have realized gains for eight consecutive years. Gains were minimal in 2018 for output and employment and modest for wages and salaries. Average annual growth over the past five years is 5.3%, 3.0%, and 5.7%, respectively.

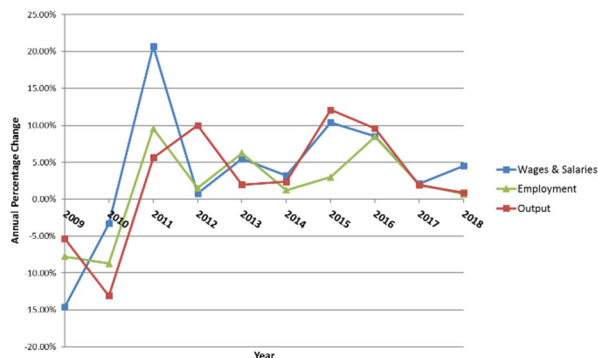


Figure 4. Year-to-year percentage change in total output, employment, and compensation supported by the forest industry in 2018 dollars.

FISCAL IMPACTS

The forest industry provided the state with \$977 million in tax revenue for 2018. Net state revenue generated by the forest industry was \$110 million, an increase of 12.4% from 2017.

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.

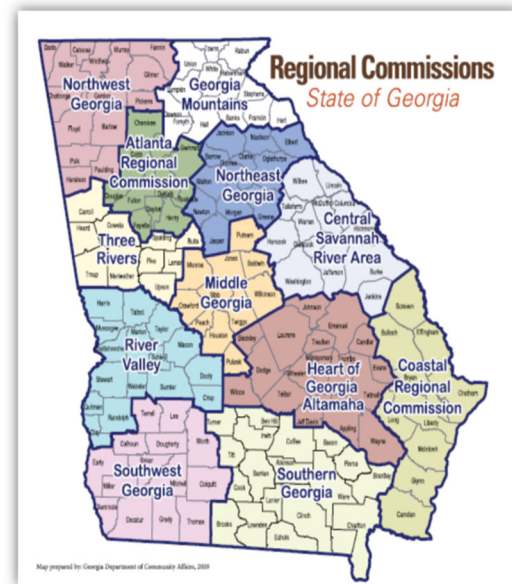


Figure 5. Georgia's 12 Regional Commissions

Employment by Region

The Atlanta Regional Commission, Southern Georgia, and Coastal Regional Commission are the top three commissions in terms of employment, accounting for 42% of the forestry related jobs in Georgia. However, in terms of regional dependence on forestry compared to all other industries, Heart of Georgia Altamaha, Southern Georgia, and Southwest Georgia have the three highest employment percentages at 5.5%, 4.0%, and 3.7%, respectively.

Compensation by Region

The three regions with the greatest dependency on forest based compensation compared to all industries are Heart of Georgia Altamaha, Southern Georgia, and Southwest Georgia with 10.7%, 6.4%, and 6.1%, respectively. The Atlanta Regional Commission provided the most forest based compensation at \$1.1 billion; however, that accounted for only 0.8% of the region's total compensation (compared to all other industries).

REFERENCE

2018 Economic Benefits of the Forest Industry in Georgia. Enterprise Innovation Institute. Georgia Institute of Technology, November 2019.