



2019 ECONOMIC BENEFITS OF THE FOREST INDUSTRY IN GEORGIA

2019 ECONOMIC ACTIVITY

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

Output: \$22.0 billion in total revenue was generated by the forest industry in 2019, up 2.4% from 2018. *Figure 1* shows the output by sector from 2010-2019.

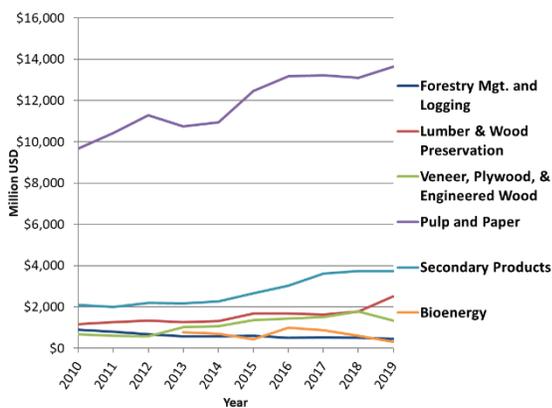


Figure 1. Economic activity by forest sector in 2019 real dollars, 2010-2019 Bioenergy sector was first tracked in 2012.

Compensation: Including wages and salaries, forest industry workers earned \$3.9 billion, a decrease of 1.9% from 2018. Despite the decline, across all manufacturing industries, the forest products industry ranked first in compensation.

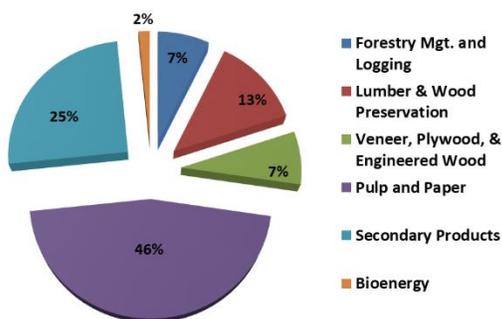


Figure 2. Compensation paid to forest industry workers in 2019 real dollars.

Employment: In 2019, Georgia's forest industry provided 55,562 jobs, up 0.9% from 2018 (473 jobs gained). This is the ninth 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, representing 62% of direct revenue output (*Figure 3*), 35% of employment, and 46% of compensation. In 2019, pulp and paper increased its output, employment, and compensation by 4.1%, 0.6%, and 2.1%, respectively.

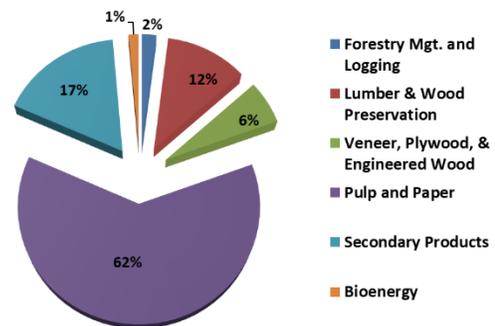


Figure 3. Revenue sharing by forest industry sector in 2019 real dollars.

2019 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 2019, the total impact of the forest industry was approximately \$36.5 billion, a 0.6% increase from 2018.

Total Employment: The forest industry supported 141,214 jobs in 2019, a decline of 4.9% (7,200 jobs) in total employment.

Total Compensation: In 2019, the forest industry provided \$8.6 billion in wages and salaries, down 5.6% from 2018.

Output has increased for 9 consecutive years while 2019 employment and compensation experienced its first decline over that time. Over the past 5 years, average annual change in output, employment, and compensation is 4.9%, 1.8%, and 3.8%, respectively.

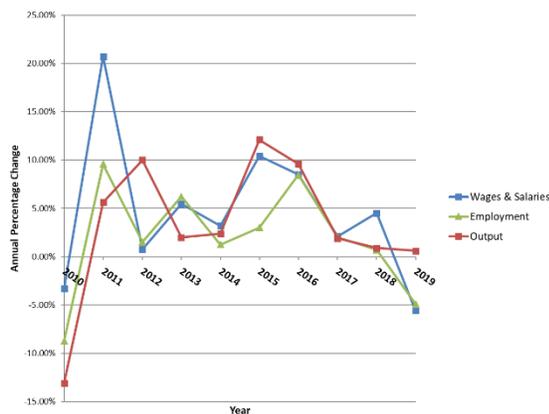


Figure 4. Year-to-year percentage change in total output, employment, and compensation supported by the forest industry in 2019 dollars.

FISCAL IMPACTS

The forest industry provided the state with \$928.6 million in tax revenue for 2019. Net state revenue generated by the forest industry was \$106.8 million, a decline of 2.7% from 2018.

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 44% 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 5.7%, 4.3%, and 3.6%, 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 11.6%, 6.9%, and 6.5%, respectively. The Atlanta Regional Commission provided the most forest based compensation at \$1.1 billion; however, that accounted for only 0.9% of the region's total compensation (compared to all other industries).

REFERENCE

2019 Economic Benefits of the Forest Industry in Georgia. Enterprise Innovation Institute. Georgia Institute of Technology, December 2020.