



2020 ECONOMIC BENEFITS OF THE FOREST INDUSTRY IN GEORGIA

2020 ECONOMIC ACTIVITY

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

Output: \$23.4 billion in total revenue was generated by the forest industry in 2020, up 6.6% from 2019. *Figure 1* shows the output by sector from 2011-2020.

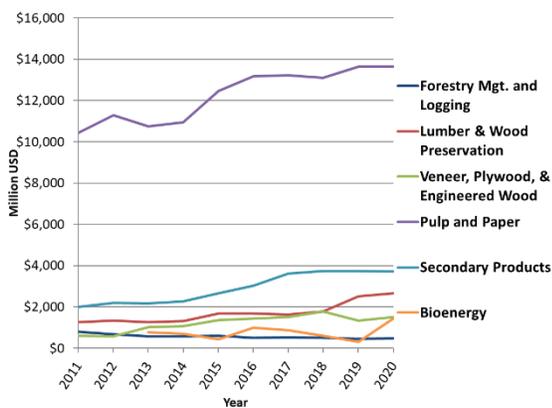


Figure 1. Economic activity by forest sector in 2020 real dollars, 2011-2020 Bioenergy sector was first tracked in 2012.

Compensation: Including wages and salaries, forest industry workers earned \$4.2 billion, an increase of 6.2% from 2019. Compared to other manufacturing industries, the forest products industry ranked first in compensation.

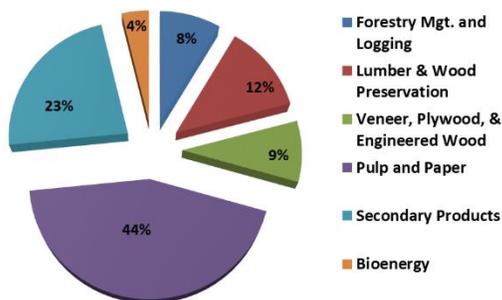


Figure 2. Compensation paid to forest industry workers in 2019 real dollars.

Employment: In 2020, Georgia's forest industry provided 54,185 jobs, down 2.5% from 2019 (1,377 jobs lost). This is the first decrease in employment in over 10 years. Across all manufacturing industries, forestry ranks second in employment (to food processing).

Pulp and Paper: Georgia's pulp and paper industry, including 11 pulp mills, continued to dominate all sectors within the forest industry, representing 58% of direct revenue output (*Figure 3*), 36% of employment, and 44% of compensation. In 2020, pulp and paper output and employment decreased -0.1% and -2.0%, respectively, and compensation increased 1.5%.

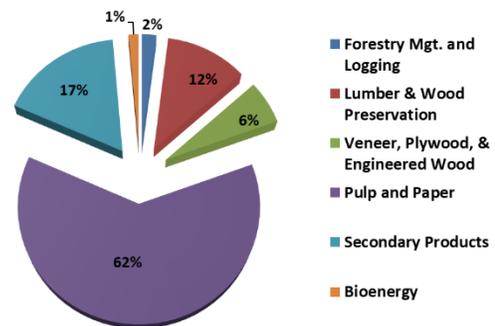


Figure 3. Revenue sharing by forest industry sector in 2019 real dollars.

2020 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 2020, the total impact of the forest industry was approximately \$39.1 billion, a 7.1% increase from 2019.

Total Employment: The forest industry supported 140,081 jobs in 2020, a decline of 0.8% (1,133 jobs) in total employment.

Total Compensation: In 2020, the forest industry provided \$9.1 billion in wages and salaries, up 5.8% from 2019.

Output has increased for 10 consecutive years. Over that time, employment experienced its first decline in 2019, followed by another slight decline in 2020. Compensation also saw its first decline in the last 10 years back in 2019, but rebounded in 2020 almost to its 2018 level. Over the past 5 years, average annual change in output, employment, and compensation is 4.0%, 1.0%, and 3.0%, respectively.

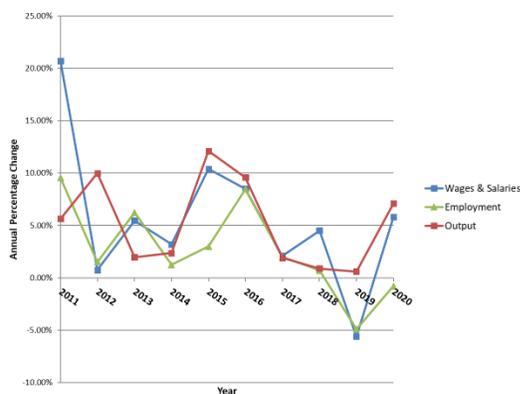


Figure 4. Year-to-year percentage change in total output, employment, and compensation supported by the forest industry in 2020 dollars.

FISCAL IMPACTS

The forest industry provided the state with \$706 million in tax revenue for 2020. Net state revenue generated by the forest industry was \$183.0 million. These calculations were modified in 2020, making year-over-year values incomparable.

URBAN & COMMUNITY FORESTRY IMPACTS

Urban and community forestry impacts are excluded from other economic impacts in this report. For 2020 direct impacts, the output, employment, and compensation were \$3.4 billion, 33,324 jobs, and \$1.6 billion, respectively. The total impacts were \$6.5 billion, 51,553 jobs, and \$2.5 billion for output, employment, and compensation, respectively.

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 5.6%, 4.2%, 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 10.6%, 6.6%, and 6.3%, respectively. The Atlanta Regional Commission provided the most forest based compensation at \$1.2 billion; however, that accounted for only 0.8% of the region's total compensation (compared to all other industries).

REFERENCE

2020 Economic Benefits of the Forest Industry in Georgia. Enterprise Innovation Institute. Georgia Institute of Technology, December 2021.