



2021 ECONOMIC BENEFITS OF THE FOREST INDUSTRY IN GEORGIA

2021 ECONOMIC ACTIVITY

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

Output: \$24.6 billion in total revenue was generated by the forest industry in 2021, up 5.1% from 2020. *Figure 1* shows the output by sector from 2012-2021.

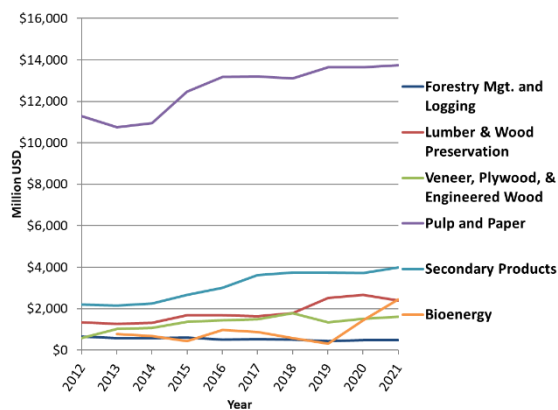


Figure 1. Economic activity by forest sector in 2021 real dollars, 2012-2021 Bioenergy sector was first tracked in 2012.

Compensation: Including wages and salaries, forest industry workers earned \$4.4 billion, an increase of 5.2% from 2020. Compared to other manufacturing industries, the forest products industry ranked first in compensation.

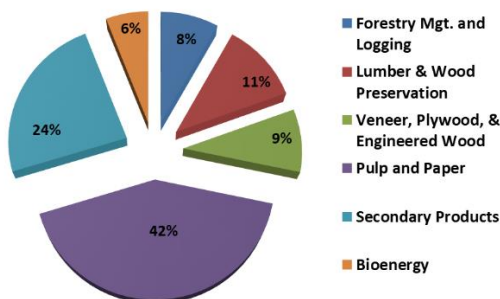


Figure 2. Compensation paid to forest industry workers in 2021 real dollars.

Employment: In 2021, Georgia's forest industry provided 55,418 jobs, up 2.3% from 2020 (1,233 jobs added). 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 56% of direct revenue output (*Figure 3*), 34% of employment, and 42% of compensation. In 2021, pulp and paper output and compensation increased 0.8% and 0.9%, respectively. Employment decreased 1.2%.

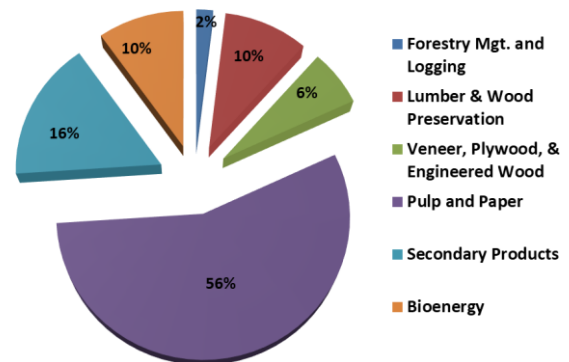


Figure 3. Revenue sharing by forest industry sector in 2021 real dollars.

2021 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 2021, the total impact of the forest industry was approximately \$41.3 billion, a 5.9% increase from 2020.

Total Employment: The forest industry supported 143,936 jobs in 2021, an increase of 2.8% (3,855 jobs) in total employment.

Total Compensation: In 2021, the forest industry provided \$9.6 billion in wages and salaries, up 5.6% from 2020.

Output has increased for 11 consecutive years. Over that time, employment only experienced declines in 2019 and 2020. Compensation only declined once in the last 11 years, in 2019. Over the past 5 years, average annual change in output, employment, and compensation is 3.2%, -0.1%, and 2.4%, respectively.

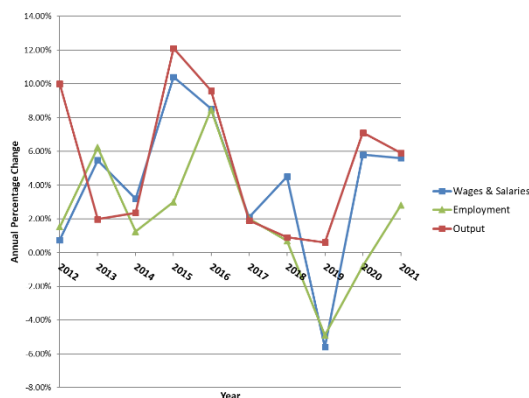


Figure 4. Year-to-year percentage change in total output, employment, and compensation supported by the forest industry in 2021 dollars.

FISCAL IMPACTS

The forest industry provided the state with \$774 million in tax revenue for 2021. Net state revenue generated by the forest industry was \$238 million.

URBAN & COMMUNITY FORESTRY IMPACTS

Urban and community forestry impacts are excluded from other economic impacts in this report. For 2021 direct impacts, the output, employment, and compensation were \$3.2 billion, 33,820 jobs, and \$1.6 billion, respectively. The total impacts were \$6.3 billion in output, 52,080 jobs, and \$2.5 billion in compensation.

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 43% 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 5.8%, 4.3%, and 3.8%, 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 10.5%, 6.6%, and 6.1%, respectively. The Atlanta Regional Commission provided the most forest based compensation at \$1.2 billion; however, that accounted for only 0.7% of the region's total compensation (compared to all other industries).

REFERENCE

2021 Economic Benefits of the Forest Industry in Georgia. Enterprise Innovation Institute. Georgia Institute of Technology, December 2022.