



Economic Benefits of the Forest Industry in Georgia: 2013

2013 ECONOMIC ACTIVITY

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

Output: \$16.9 billion in total revenue was generated by the forest industry in 2013, up 3.6% from 2012. *Figure 1* shows the output by sector from 2004-2013.

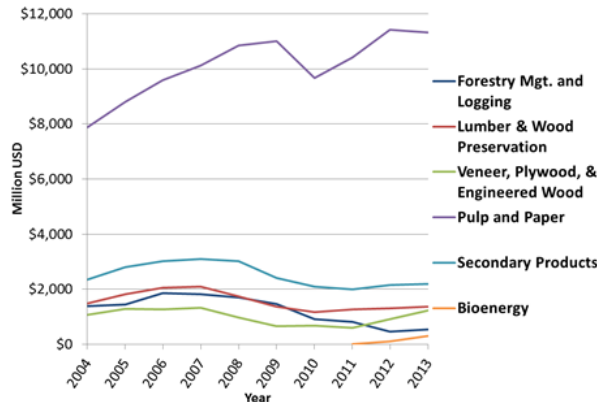


Figure 1. Economic activity by forest sector in 2013 real dollars, 2004-2013
Bioenergy sector was first tracked in 2012; \$100 million.

Compensation: Including wages and salaries, forest industry workers earned \$3.1 billion, an increase of 0.7% from 2012. Across all sectors, the forest industry ranked second in total compensation.

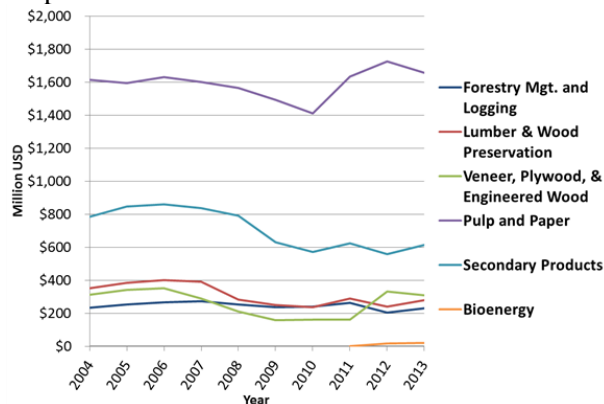


Figure 2. Compensation paid to forest industry workers in 2013 real dollars.

Employment: In 2013, Georgia's forest industry supported 50,110 jobs, up 1.2% from 2012 (613 jobs gained). This is the third consecutive year of positive job growth. Across all industry sectors, forestry ranks 3rd in total employment.

Pulp and Paper: Georgia's pulp and paper industry continues to dominate all sectors within the forest industry. Georgia's 12 pulp mills represented 67% of total revenue output (Figure 3), 40% of employment, and 53% of compensation. In 2013, pulp and paper experienced a decrease of 0.9%, 7.1%, and 3.9% in output, employment, and compensation, respectively.

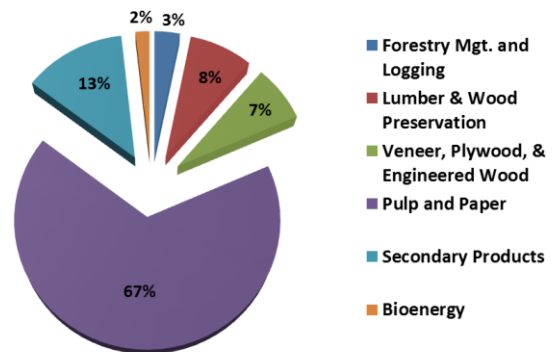


Figure 3. Revenue sharing by forest industry sector in 2013 real dollars.

2013 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 2013, the total impact of the forest industry was \$28.9 billion, approximately the same as 2012.

Total Employment: The forest industry supported 133,353 jobs in 2013 (2,379 jobs lost). Total employment supported by the forest industry declined 1.75%.

Total Compensation: In 2013, the forest industry provided \$7.24 billion in wages and salaries, down 3.38% from 2012.

This is only a slight decline after 2011 and 2012 saw significant increases of 20.7% and 15.5%, respectively. The 2013 wages and salary is still 22.2% higher than in 2010, the lowest point from the recession.

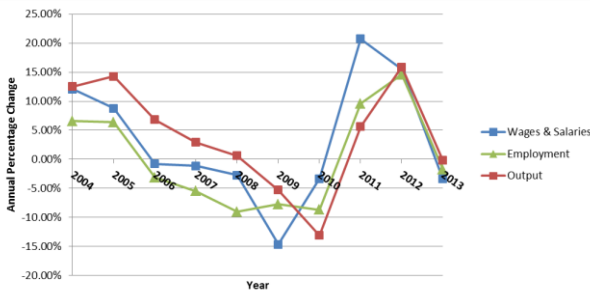


Figure 4. Year-to-year percentage change in total output, employment, and compensation supported by the forest industry in 2013 dollars.

FISCAL IMPACTS

The forest industry provided the state with \$746 million in tax revenues for 2013. Net state revenues generated by the forest industry equaled \$365 million, an increase of 51% from 2012 and more than double the revenue since 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 basic 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, Coastal Regional Commission, and Heart of Georgia Altamaha are the top three commissions in terms of employment, accounting for 45% of the forest related jobs in Georgia. However, Heart of Georgia Altamaha, Southwest Georgia, and Central Savannah River Area have the three highest employment percentages compared to total employment at 4.9%, 2.9%, and 2.5%, 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 9.5%, 5.1%, and 4.7%, respectively. The Atlanta Regional Commission provided the most compensation at \$861.1 million; however, that accounted for only 0.8% of the region's total compensation.

Reference

Economic Benefits of the Forestry Industry in Georgia, 2013. Enterprise Innovation Institute. Georgia Institute of Technology, 2014.