

Economic Contribution of the Forest Sector in North Carolina, 2016

NC STATE

EXTENSION

- North Carolina has about **18.1 million acres** of timberland, which supports a vibrant forest product industry throughout the state.
- In 2016, the forest sector in North Carolina had a total economic contribution of **\$32.7 billion** in industry output to the state's economy, supporting about **150,000 full- and part-time jobs** with a payroll of **\$7.8 billion**.
- The wood-based industry is the **top employer** among manufacturing sectors in the state.
- Every job created in the forest sector resulted in another **1.1 jobs** in North Carolina.
- On average, every dollar generated in the forest sector contributed an additional **51 cents** to the rest of the North Carolina economy.
- The forest sector in North Carolina contributed about **\$894.1 million** to state and local taxes and **\$878.8 million** to federal taxes.
- Forest products firms exported about **\$1.4 billion** worth of forest products to foreign countries.



In 2016, the NC forest sector contributed **\$32.7 billion**, supporting **150,000 jobs**.



Economic Contribution of the North Carolina Forest Sector in 2016¹

	Employment² (jobs)	Labor Income³ (million \$)	Value Added⁴ (million \$)	Industry Output⁵ (million \$)
Direct Contribution⁶				
Forestry operations	389	21.10	21.35	36.18
Logging	5,782	295.12	301.08	530.77
Primary solid wood mills ⁷	8,231	456.44	766.81	2,764.70
Secondary solid wood mills ⁸	39,807	1,839.49	2,472.09	7,617.32
Primary paper and paperboard mills	4,212	417.81	769.08	3,284.11
Secondary paper and paperboard mills	12,543	881.48	1,450.20	6,087.40
Total	70,964	3,911.44	5,780.61	20,320.49
Total Contribution⁹				
Forestry	544	27.77	33.63	57.58
Logging	8,279	406.99	504.31	881.10
Primary solid wood products	18,716	989.00	1,688.96	4,406.27
Secondary solid wood products	73,217	3,493.18	5,336.38	12,912.22
Primary paper and paperboard products	16,707	1,056.04	1,876.52	5,313.62
Secondary paper and paperboard products	32,394	1,880.81	3,160.66	9,169.63
Total	149,856	7,853.78	12,600.46	32,740.43

¹ Economic contribution numbers, based on multi-industry contribution analysis, are reported in 2016 dollars. The method of internal adjustments to the IMPLAN software (IMPLAN 2018) was used. More details about the contribution analysis method can be found at: <https://bit.ly/2LajYIL>. IMPLAN sectors included: 15, 16, 19 (partial), 134, 135, 136, 137, 138, 139, 140, 141, 142, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 368, 369, 370, 373, 374.

² Employment includes both full- and part-time jobs.

³ Labor income includes all forms of employment income, including employee compensation (wages and benefits) and proprietor income.

⁴ Value added is the difference between industry output and the cost of intermediate inputs. It consists of compensation of employees, taxes on production and imports less subsidies, and gross operating surplus.

⁵ Industry output is the total annual value of production by industry.

⁶ Direct contribution is a series of production changes or expenditures made by producers/consumers as a result of an activity.

⁷ Primary mills consume wood in a round or log form before producing a value added product, such as sawmills and pulp mills.

⁸ Secondary mills use wood-based products to produce value added products, such as furniture and paper mills.

⁹ Total contribution is the sum of direct, indirect, and induced contribution effects generated by the sector.

This work is supported by Renewable Resources Extension Act funding from the USDA National Institute of Food and Agriculture.

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Published by:

NC State Extension

NC STATE UNIVERSITY College of Natural Resources

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07/18—DI

AG-844

publication URL

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