



Forestry — Important to Oklahoma's Economy

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Highlights

- Oklahoma's forest sector directly contributed \$3.3 billion in industry output and employed more than 8,700 people with a payroll contribution of \$454 million in 2016.
- The state received \$1.1 billion directly from the forest sector through payroll, other employee compensation and property taxes.
- Including direct, indirect and induced impacts, the forest sector had a total economic impact of \$5.1 billion in industry output and supported more than 19,300 jobs with a payroll of \$1.0 billion.
- Every job created in the sector resulted in another 1.20 jobs in the state.
- Every dollar generated in the sector contributed an additional 53 cents to the rest of the state economy.

Industry Analysis

- Secondary solid wood and primary paper and paperboard products were the top two employers in the Oklahoma forest sector.
- The majority (52%) of the forest sector workforce—4,562 workers—were directly employed in secondary industries.



- The primary paper and paperboard industry produced the largest value added, economic output and the labor income.
- Primary paper and paperboard and primary solid wood products were the top two highest-paying forestry industries, based on their labor income to employment ratio.
- The forestry and logging industries together accounted for about 14 percent of the total employment. However, these were the lowest-paying forestry industries in Oklahoma.

Table 1. Total economic contribution of forest sector on Oklahoma employment, labor income, value-added and output.

| | <i>Employment (No. of jobs)</i> | <i>Labor Income (million \$)</i> | <i>Value-added (million \$)</i> | <i>Industry Output (million \$)</i> |
|---|-------------------------------------|--------------------------------------|-------------------------------------|---|
| Direct Contribution | | | | |
| Forestry | 236 | 5.53 | 5.80 | 15.18 |
| Logging | 1,007 | 14.05 | 15.57 | 55.57 |
| Primary solid wood products | 1,083 | 71.23 | 122.01 | 391.66 |
| Secondary solid wood products | 3,516 | 129.33 | 183.73 | 569.32 |
| Primary paper and paperboard products | 1,900 | 166.31 | 578.80 | 1,729.83 |
| Secondary paper and paperboard products | 1,046 | 67.34 | 176.21 | 573.78 |
| Total | 8,789 | 453.78 | 1,082.12 | 3,335.34 |
| Total Contribution* | | | | |
| Forestry | 279 | 7.42 | 9.10 | 21.24 |
| Logging | 1,192 | 23.25 | 31.93 | 84.84 |
| Primary solid wood products | 2,499 | 142.52 | 245.81 | 618.64 |
| Secondary solid wood products | 5,708 | 233.27 | 359.57 | 893.53 |
| Primary paper and paperboard products | 7,118 | 461.40 | 1,078.37 | 2,676.54 |
| Secondary paper and paperboard products | 2,505 | 139.46 | 301.27 | 804.18 |
| Total | 19,301 | 1,007.32 | 2,026.05 | 5,098.96 |
| Ripple Effects based on SAM Multiplier** | | | | |
| Forestry | 0.18 | 0.34 | 0.57 | 0.40 |
| Logging | 0.18 | 0.65 | 1.05 | 0.53 |
| Primary solid wood products | 1.31 | 1.00 | 1.01 | 0.58 |
| Secondary solid wood products | 0.62 | 0.80 | 0.96 | 0.57 |
| Primary paper and paperboard products | 2.75 | 1.77 | 0.86 | 0.55 |
| Secondary paper and paperboard products | 1.39 | 1.07 | 0.71 | 0.40 |
| Total | 1.20 | 1.22 | 0.87 | 0.53 |

* Economic impacts, based on multi-industry contribution analysis, are reported in 2016 dollars.

** Ripple Effects = SAM Multiplier – 1

Key Definitions

Industry output reveals total value of production or service by industry in a certain time frame.

Employment includes all full- and part-time employees and self-employed persons.

Direct contributions includes forestry sectors own production, value-added, employment and labor incomes.

Indirect contributions includes economic activities in other sectors impacted by forestry sector's purchase of goods and services.

Induced contributions are economic activities from consumption of goods and services using incomes generated from direct and indirect contributions.

Social Accounting Matrix (SAM) multiplier is the ratio of total to direct contribution.

Total economic contributions include direct, indirect and induced contributions.

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