



# Economic Benefits of the Forest Industry in Georgia: 2014

## 2014 ECONOMIC ACTIVITY

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

**Output:** \$16.8 billion in total revenue was generated by the forest industry in 2014, up 1.7%\* from 2013. *Figure 1* shows the output by sector from 2005-2014.

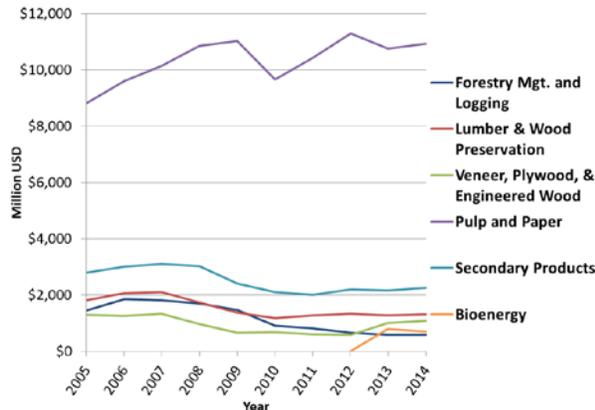


Figure 1. Economic activity by forest sector in 2014 real dollars, 2005-2014. Bioenergy sector was first tracked in 2012; \$100 million.

**Compensation:** Including wages and salaries, forest industry workers earned \$3.03 billion, an increase of 3.1%\* from 2013. Across all sectors, the forest industry ranked first in total compensation.

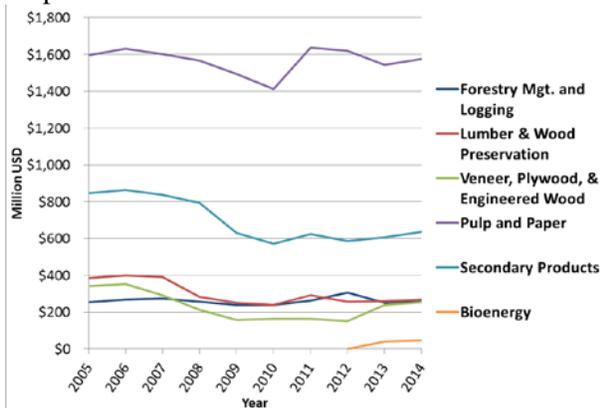


Figure 2. Compensation paid to forest industry workers in 2014 real dollars.

**Employment:** In 2014, Georgia's forest industry supported 48,740 jobs, up 1.2%\* from 2013 (601 jobs gained\*). This is the fourth consecutive year of positive job growth. Across all industry sectors, forestry ranks 3<sup>rd</sup> 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 65% of total revenue output (Figure 3), 42% of employment, and 56% of compensation. In 2014, pulp and paper remained relatively constant with a change of 1.7%\*, -1.2%\*, and 2.0%\* in output, employment, and compensation, respectively.

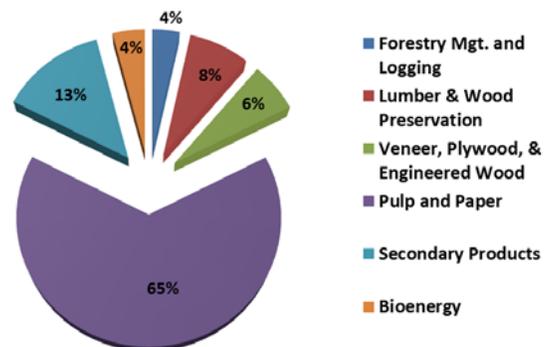


Figure 3. Revenue sharing by forest industry sector in 2014 real dollars.

## 2014 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 2014, the total impact of the forest industry was nearly \$28.7 billion, a 2.4%\* increase from 2013.

**Total Employment:** The forest industry supported 129,329 jobs in 2014 (1,579 jobs gained\*). Total employment supported by the forest industry increased 1.2%\*.

**Total Compensation:** In 2014, the forest industry provided \$7.1 billion in wages and salaries, up 3.2%\* from 2013.

Total output, employment, and compensation have all seen gains over the last four years, with growth over the last two years becoming more stable. From 2013 to 2014, output, employment, and compensation have increased 2.4%\*, 1.2%\*, and 3.2%\*, respectively. Average annual growth over the past four years is 5.0%\*, 4.6%\*, and 7.5%\*, respectively.

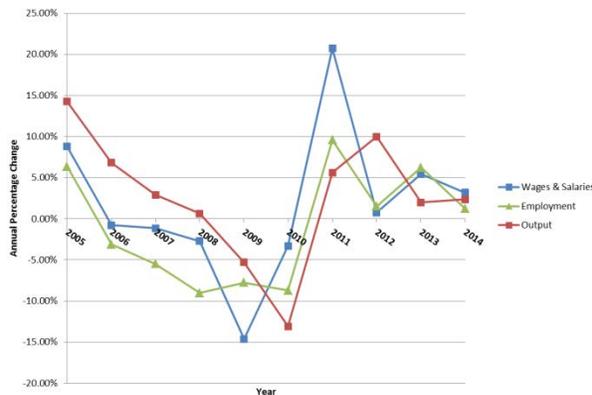


Figure 4. Year-to-year percentage change in total output, employment, and compensation supported by the forest industry in 2014 dollars.

## FISCAL IMPACTS

The forest industry provided the state with \$721 million in tax revenues for 2014. Net state revenues generated by the forest industry equaled \$351 million, an increase of 3.2%\* from 2013 and approximately double the revenue from 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, Southern Georgia, and Heart of Georgia Altamaha are the top three commissions in terms of employment, accounting for 41% of the forestry related jobs in Georgia. However, Heart of Georgia Altamaha, Southern Georgia, and Southwest Georgia have the three highest employment percentages compared to total employment at 5.3%, 3.6%, and 3.0%, respectively.

## Compensation by Region

The three regions with the greatest dependency on forests based compensation compared to total compensation are Heart of Georgia Altamaha, Southern Georgia, and Southwest Georgia with 10.2%, 6.9%, and 5.3%, respectively. The Atlanta Regional Commission provided the most compensation at \$667.5 million; however, that accounted for only 0.6% of the region's total compensation.

## Reference

Economic Benefits of the Forestry Industry in Georgia, 2014. Enterprise Innovation Institute. Georgia Institute of Technology, 2015.

*\*NOTE: This report includes revised 2012 and 2013 data to reflect the changed methodology of retrieving data from the ES202 database provided by the Georgia Department of Labor. This change was necessary to reflect proper trends compared to 2014 data.*