

THE ECONOMIC IMPORTANCE OF FORESTRY IN THE SOUTH - 2013



Forestry and the forest products industry generated **\$230.6 BILLION**, or over **2%** of U.S. South regional economic output. Forest-related economic activity generated **1,075,764 JOBS** and **\$47.9 BILLION** in income in 2011, about **2% OF ALL JOBS** in the South.

Forests cover more than 40% of the land in the Southern U.S. (232 million acres).¹ Of these forests, over 86% are privately owned.¹ Our forests are not only a matter of natural heritage and a source of clean air, water, and beauty, but they are a source of renewable economic forest resources. The South is known as the world's "woodbasket." The 13 Southern states contain some of the most productive forestlands in the world and provide for over 18% of the world's pulpwood for paper and paper-related products and 7% of its industrial roundwood.²

SOUTHERN REGION FORESTED LAND AREA

232 million acres

Forests as percent of total land area: 40%

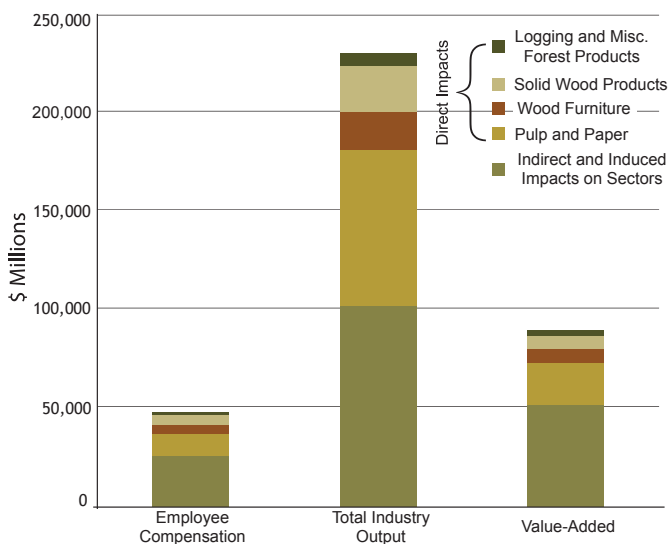
Publicly owned forests: 32 million acres¹

Privately owned forestland: 200 million acres¹

Over 5 million Private Forest Owners¹

27 percent of U.S. Forest land³ in the U.S.

Produce 57% of U.S. Timber Harvest Volume²



A FEW DEFINITIONS

DIRECT IMPACTS

The expenditures and employment of the forestry and forest products industry sectors (pulp and paper, wood furniture manufacturing, solid wood products, forestry services, and logging.)

INDIRECT IMPACTS

Derived from the purchase of goods and services by the forest product industry's supporting industries. **INDUCED IMPACTS** The purchases of consumer goods and services by employee households associated with direct and indirect effects.

EMPLOYEE COMPENSATION

Wages and salaries.

TOTAL INDUSTRY OUTPUT

The value of all goods and services produced.

VALUE-ADDED

The creation of new wealth; payments made to workers, interests, profits, and indirect business taxes.

Direct forestry economic impacts are divided into four categories: pulp and paper, wood furniture, solid wood products, and logging and miscellaneous forest products. Indirect and Induced Impacts represent economic activity generated by the Direct Impacts and when added to the Direct Impacts generate a Total Impact.



A family-owned pine plantation in central Georgia.

The forestry and forest products industry substantially impacts the combined economy of the 13 states¹ in the southern region. Not only does forestry have significant direct impacts to the economy, but these industries, through purchase of various goods and services, create more activity and impact other sectors of the economy. These impacts amount to more than \$230 billion in total industry output, nearly \$90 billion in value-added services, almost \$50 billion in wages and salaries, and more than a million jobs.

This economic impact information was measured by examining how spending by the forestry and forestry products industries impacts the entire economy using four key statistics: total industry output, value-added, employee compensation, and employment. The data was obtained using an economic modeling program called IMPact Analysis for PLANning

(IMPLAN). This analysis measures how the inputs of one sector of the economy are the outputs of other sectors. Using 2011 data and the IMPLAN model, this study estimated the total economic contribution of forestry and the forest products industry within the U.S. South. For each of the four key statistics the direct, indirect and induced were estimated. Together, these impacts add to a total economic impact. Value-added impacts amounted to over \$89.9 billion or about 2% of all value-added in the region. Value-added includes payments made to workers, interests, profits, and indirect business taxes. This essentially represents the creation of new wealth.

The story of the South is intrinsically linked with forestry. Natural beauty, ecosystem services, wildlife habitat and lasting, renewable economic benefits of southern forests will remain important to the South's economy.

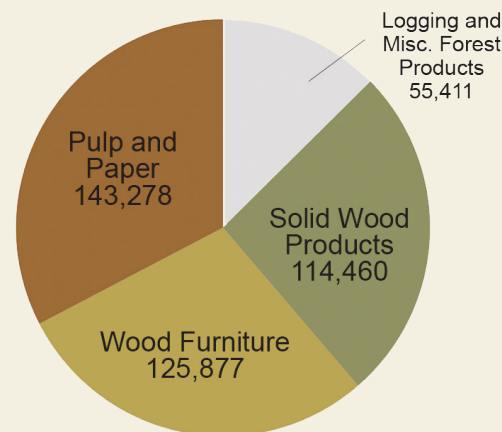
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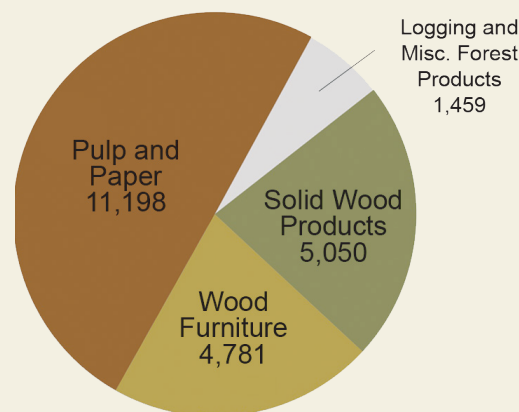
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employment numbers by forestry category



Total employment in the direct forest industry totals 439,025 jobs. Employment from indirect and induced impacts is 636,739, bringing the total to 1,075,764.

employment Compensation (\$) by forestry category



Employee compensation from direct impacts from four forest-related sectors totals \$22,490 million. Indirect and induced impacts yield an additional \$25,459 million.

References

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