



Economic Benefits of the Forest Industry in Georgia: 2012

2012 ECONOMIC ACTIVITY

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

Output: \$16.4 billion in total revenue was generated by the forest industry in 2012, up 8.5% from 2011. *Figure 1* shows the output by sector from 2004-2012.

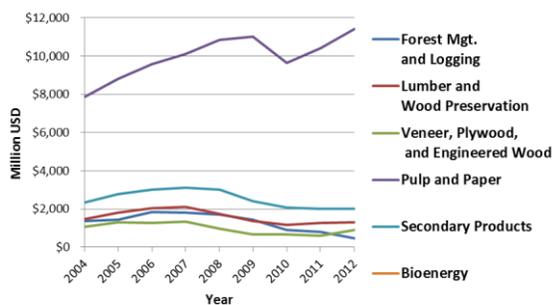


Figure 1. Economic activity by forest sector in 2011 real dollars, 2004-2012. Bioenergy sector was first tracked in 2012; \$100 million.

Compensation: Including wages and salaries, forest industry workers earned almost \$3.1 billion, up 3.8 % from 2011. Across all sectors, the forest industry ranked second in total compensation.

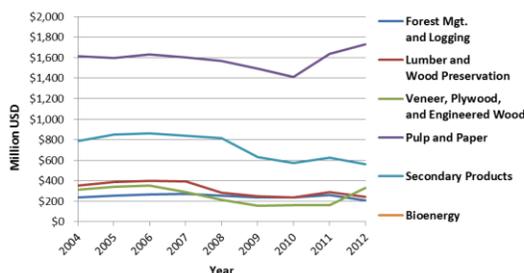


Figure 2. Compensation paid to forest industry workers in 2012 real dollars. Bioenergy sector was first tracked in 2012-\$17 million.

Employment: In 2012, Georgia's forest industry supported 49,497 jobs, up 6.7% from 2011 (3,119 jobs gained). This is the second 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 70% of total revenue output (Figure 3), 44% of employment, and 56% of compensation. In 2012, pulp and paper experienced an increase of 9.6%, 14.6%, and 5.6% in output, employment, and compensation, respectively.

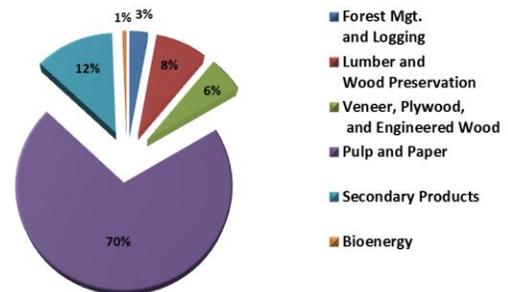


Figure 3. Revenue sharing by forest industry sector in 2012 real dollars.

2012 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 2012, the total impact of the forest industry was \$28.9 billion, an increase of 15.9% over 2011.

Total Employment: The forest industry supported 135,732 jobs in 2012 (17,273 jobs gained). Total employment supported by the forest industry grew 14.6%.

Total Compensation: In 2012, the forest industry supported \$7.50 billion in wages and salaries, up 15.5% from 2011.

From 2008 to 2010, total output supported by the forest industry was in a decline, trailing behind total employment and compensation which had been declining since 2006. 2011 economic data showed an increase in total output, employment, and compensation for the forest industry; a trend that has continued into 2012.

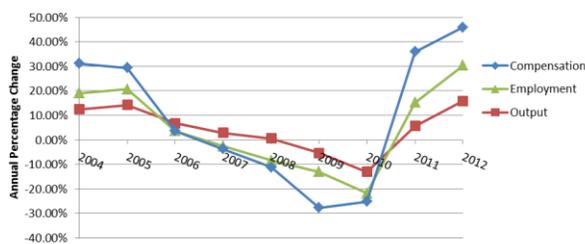


Figure 4. Year-to-year percentage change in total output, employment, and compensation supported by the forest industry in 2012 dollars.

FISCAL IMPACTS

The forest industry provided the state with nearly \$604 million in tax revenues. Net state revenues generated by the forest industry equaled \$243 million, an increase of 35% 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, Heart of Georgia Altamaha, and Central Savannah River Area are the top three commissions in terms of employment, accounting for 40% of the forest related jobs in Georgia. However, Southern Georgia, Heart of Georgia Altamaha, and Southwest Georgia have the three highest employment percentages compared to total employment at 3.4%, 4.9%, and 2.8%, respectively.

Compensation by Region

The three regions with the greatest dependency on forest based compensation compared to total compensation are Heart of Georgia Altamaha, Southern Georgia, and Southwest Georgia with 7.6%, 4.2%, and 4.1%, respectively. Atlanta Regional Commission provided the most compensation at \$631.6 million; however, that accounted for only 0.6% of their total compensation.

Reference

Economic Benefits of the Forestry Industry in Georgia, 2012. Enterprise Innovation Institute. Georgia Institute of Technology, 2013.