

Economic Contribution of the Forest Sector in North Carolina, 2017

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- North Carolina has about **18.1 million acres** of timberland covering about 58% of the state's total land area.
- In 2017, the forest sector in North Carolina—including forestry and logging operations, sawmills, furniture mills, and pulp and paper industries—directly contributed **\$20 billion** in industry output, just over 2% of the state-wide economic output. The forest sector employed over 71,600 people with a payroll of \$4 billion and a value added (gross state product) of \$5.6 billion.
- Including direct, indirect, and induced effects, the forest sector in North Carolina had a **total** contribution of **\$32.8 billion** in industry output to the North Carolina economy, supporting over **150,000** full- and part-time jobs with a payroll of \$8.2 billion.
- Compared to 2016, total economic output in 2017 remained flat, but both total employment and value added increased about 1% with a 4.2% rise in total labor income.
- The manufacturing component of the forest sector was the top employer among manufacturing sectors in the state.
- Every job created in the forest sector resulted in another **1.11** jobs in North Carolina.
- On average, every dollar generated in the forest sector contributed an additional **64 cents** to the rest of the North Carolina economy.
- The forest sector in North Carolina directly generated about **\$258.5 million** to state and local taxes and **\$848.7 million** to federal taxes. Compared to 2016, while the state and local taxes increased by 5.3%, federal taxes decreased by 1%.
- International exports from the North Carolina forest sector totaled about **\$1.78 billion**, up 24% from 2016.



Economic Contribution of the North Carolina Forest Sector in 2017¹

	Employment ² (jobs)	Labor Income ³ (million \$)	Value Added ⁴ (million \$)	Industry Output ⁵ (million \$)
Direct Contribution⁶				
Forestry operations	399	18.78	44.50	53.47
Logging	6,166	273.91	296.01	431.54
Primary solid wood mills ⁷	8,090	459.91	679.48	2,818.54
Secondary solid wood mills ⁸	39,997	1,910.31	2,407.80	7,426.99
Primary paper and paperboard mills	4,124	406.64	734.24	3,148.83
Secondary paper and paperboard mills	12,867	912.14	1,471.62	6,080.55
Total	71,642	3,981.69	5,633.64	19,959.93
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
Change in Total Contribution from 2016				
Forestry operations	-3.8%	-12.3%	62.5%	23.4%
Logging	-2.0%	-10.7%	-9.2%	-19.4%
Primary solid wood mills	3.4%	8.1%	1.2%	5.2%
Secondary solid wood mills	-0.1%	4.1%	0.2%	-0.9%
Primary paper and paperboard mills	-1.2%	2.4%	-0.2%	-2.0%
Secondary paper and paperboard mills	2.9%	6.7%	4.4%	1.8%
Total	0.8%	4.2%	1.1%	0.0%

¹ Economic contribution numbers, based on multi-industry contribution analysis, are reported in 2017 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 Gross State Product (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.

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