

Economic Impact of Forestry and Forest Products

On Louisiana's Congressional Districts



The forest products industry impacts the Louisiana economy in a number of ways ranging from jobs, wages and purchases in local economies to local, state and federal taxes. Additionally, the purchase of goods and services by the forest products industry and its employees spurs economic activity in other sectors of the economy resulting in a substantial cumulative economic impact.

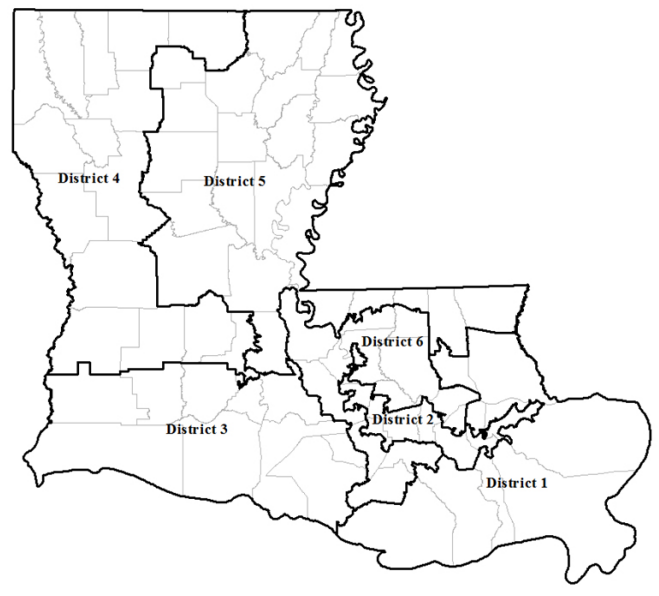
The forestry and forest products industry in Louisiana has a total economic impact amounting to **45,611 jobs and \$2.67 billion in income** during 2012. Forestry and the forest products industry generated an **output of \$10.86 billion** in the state. Total industry output is defined as the value of all goods and services produced in the state. **Value-added amounted to approximately \$4.20 billion.** Value-added represents the creation of new wealth, and is inserted into the economy through payments made to workers, interest, profits and indirect business taxes.

In addition, **the tax impact was estimated to be approximately \$711 million** with \$457 million in federal and \$254 million in state and local taxes. The forestry and forest products impacts on the Louisiana economy are summarized in the right column and detailed in **Table 1**.

These results were obtained using IMPact Analysis for PLANning (IMPLAN), an input-output model. Using input-output analysis to track how the inputs of one sector of the economy are the outputs of other sectors can allow for a greater appreciation of the economic importance of a sector or group of sectors to the overall economy.¹

¹ For more detail on combining the 440 sector to 17 sectors, please see [The Economic Impact of Forestry and the Forest Products Industry on Louisiana's Congressional Districts, Research Information Sheet #112](#)

Louisiana District Map



Jobs
45,611

Output
\$10.86 billion

Income
\$2.67 billion

Value-Added
\$4.20 billion

Tax Revenue
\$711 million

See Reverse Side
for a More Detailed
Breakdown

Table 1. Impacts from Forest Related Sectors on Employment, Income, Output, and Value-Added in Louisiana's Congressional Districts (2012).

	Number of Jobs	% of State	Income (\$)	% of State	Output (\$)	% of State	Value-Added (\$)	% of State
Direct Impact from Forest-Related Sectors:								
Forestry Services	548.00	0.02	82,937,026.77	0.07	140,122,784.84	0.03	74,661,417.83	0.04
Logging	2,575.00	0.10	145,646,437.72	0.13	256,248,193.97	0.05	73,975,103.56	0.03
Solid Wood Products	6,610.00	0.26	356,282,558.92	0.32	975,084,473.28	0.20	370,083,221.14	0.17
Pulp and Paper	8,077.00	0.31	797,613,731.15	0.72	2,863,619,090.16	0.58	1,411,617,802.54	0.66
Wood Furniture	1,327.00	0.05	50,624,290.45	0.05	122,392,086.63	0.02	42,862,382.49	0.02
Subtotal	19,637.00	0.76	1,433,104,045.00	1.29	6,968,823,494.00	1.40	2,316,868,888.21	1.09
Indirect and Induced Impacts on Sectors:								
Forestry Sector	3,824.00	0.15	204,673,113.33	0.18	687,858,111.63	0.14	167,876,264.11	0.08
Non-Forestry	22,200.00	0.86	1,031,863,810.07	0.93	3,204,629,521.98	0.64	1,721,935,383.16	0.81
Subtotal	26,024.00	1.01	1,236,554,692.55	1.12	3,892,487,633.62	0.78	1,889,811,647.28	0.89
Total Impact	45,661.00	1.77	2,669,658,738	2.41	10,861,311,127.62	2.18	4,206,680,535.49	1.98
Rest of State	2,541,171.04	98.23	108,195,766,149.34	97.59	486,502,348,832.19	97.82	208,651,209,441.19	98.02
Total in State	2,586,832.04	100.00	110,865,424,886.88	100.00	497,363,659,959.81	100.00	212,857,889,976.68	100.00

Glossary:

Number of jobs: number of full and part-time employment in the chosen industries and those created in the rest of the economy by the chosen industries.

Income: includes wages, salaries, and benefits of employees as well as income for self-employed individuals.

Output: represents the value of industry production.

Value Added: The difference between an industry's total output and the cost of its intermediate inputs.

Direct effects: refer to the sectors own production, value-added, employment, and labor incomes.

Indirect effects: refer to the economic activities in other sectors by the forest sectors purchase of goods and services.

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