

Economic Impact of Forestry and Forest Products

on Louisiana's Second Congressional District



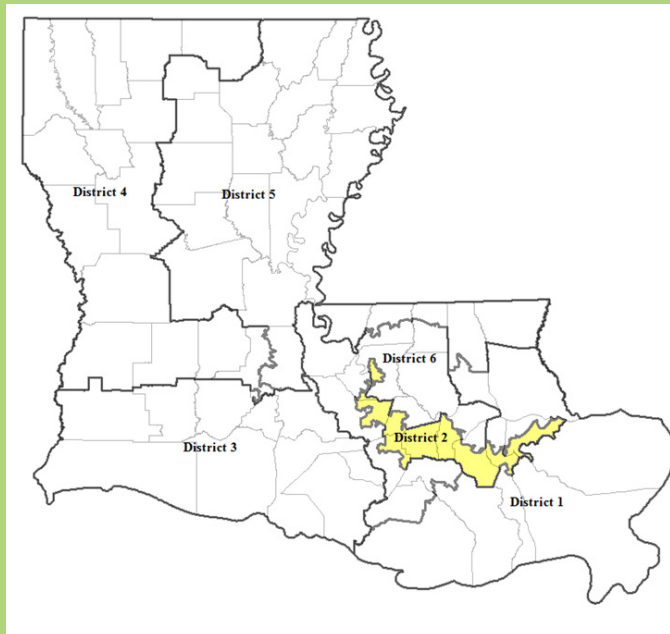
The forestry and forest products industry in Louisiana's 2nd Congressional District has a total economic impact amounting to **1,617 jobs and \$92 million in income** during 2012. Forestry and the forest products industry generated an **output of \$332 million** in the district. Total industry output is defined as the value of all goods and services produced in the district. **Value-added amounted to approximately \$132 million.** 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 \$20 million** with \$13 million in federal and \$7 million in state and local taxes. The forestry and forest products impacts on the economy of Louisiana's Second Congressional District 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 sectors 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 2



Jobs
1,617

Output
\$332 million

Income
\$92 million

Value-Added
\$132 million

Tax Revenue
\$20 million

See Reverse Side for
More Details.

Table 1. Impacts from Forest Related Sectors on Employment, Income, Output, and Value-Added in Louisiana's 2nd Congressional District (2012).

	Number of jobs	% of District	Income (\$)	% of District	Output (\$)	% of District	Value-Added (\$)	% of District
Direct Impact from Forest-Related Sectors:								
Forestry Services	33	0.01	4,943,857	0.02	12,704,044	0.01	4,616,002	0.01
Logging	82	0.02	3,903,619	0.02	6,403,254	0.00	1,995,564	0.00
Solid Wood Products	264	0.05	11,560,586	0.05	37,232,594	0.03	11,926,679	0.03
Pulp and Paper	395	0.08	29,469,126	0.12	158,333,463	0.12	52,903,020	0.11
Wood Furniture	111	0.02	4,429,945	0.02	13,061,603	0.01	4,192,074	0.01
Subtotal	885	0.18	54,307,133	0.23	227,734,958	0.17	75,633,339	0.16
Indirect and Induced Impacts on Sectors:								
Forestry Sector	532	0.11	1,980,781	0.01	10,967,909	0.01	1,426,182	0.00
Non-Forestry	200	0.04	35,612,797	0.15	94,056,761	0.07	54,649,368	0.12
Subtotal	732	0.15	37,593,577	0.16	105,024,670	0.08	56,075,550	0.12
Total Impact	1,617	0.34	91,900,710	0.39	332,759,628	0.25	131,708,889	0.28
Rest of District	480,779	99.66	23,600,287,374	99.61	132,108,829,833	99.75	47,387,624,273	99.72
Total in District	482,396	100	23,692,188,084	100	132,441,589,461	100	47,519,333,162	100

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.

Shaun M. Tanger, Ph.D.

Department of Agricultural Economics and Agribusiness

Louisiana State University Agricultural Center

This project partially supported with funding provided by the USDA National Institute of Food and Agriculture, through the Renewable Resources Extension Act, a McIntire-Stennis project.



Visit our website: www.LSUAgCenter.com

William B. Richardson, LSU Vice President for Agriculture
Louisiana State University Agricultural Center
Louisiana Agricultural Experiment Station
Louisiana Cooperative Extension Service
LSU College of Agriculture

Pub. 3367-B (online only) 03/15

The LSU AgCenter and LSU provide equal opportunities in programs and employment.