

Economic Contribution of Forestry and Forest Products

on Louisiana's 2nd Congressional District



The forestry and forest products industry in Louisiana's 2nd Congressional District had a total economic impact amounting to **2,004 jobs** and **\$98 million in income** during **2021**. Forestry and the forest products industry generated an **output of \$516 million** in the district. Total industry output is defined as the value of all goods and services produced in the districts. **Value added amounted to approximately \$229 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 \$20,199,755** with \$16,927,755 in federal and \$3,272,000 in state and local taxes. The forestry and forest products contribution to the Louisiana economy are summarized in the column to the right and detailed in **Table 1**.

These results were obtained using Impact Analysis for Planning (IMPLAN), an input-output model. Input-output analysis can track how the inputs of one sector of the economy are the outputs of other sectors. This can illustrate a sector or group of sectors' importance to the overall economy.

Louisiana District 2



Jobs

2,004

Output

\$516 million

Income

\$98 million

Value added

\$229 million

Federal tax total

\$16,927,755

State tax total

\$3,272,000

Table 1. Contributions from Forest-related Sectors on Employment, Labor Income, Output and Total Value Added in Louisiana's 2nd Congressional District (2021).*

	Number of Jobs	% Share	Income (US\$ million)	% Share	Output (US\$ million)	% Share	Value Added (US\$ million)	% Share
Direct Impact From Forest-related Sectors								
Forestry	611	1.7	12	0.5	14	0.1	12	0.2
Logging	260	0.7	4	0.2	13	0.1	3	0.1
Primary Solid Wood Products	38	0.1	3	0.1	13	0.1	5	0.1
Secondary Solid Wood Products	142	0.4	10	0.4	40	0.4	20	0.4
Wood Furniture	224	0.6	10	0.4	34	0.3	10	0.2
Primary Paper Products	65	0.2	8	0.4	62	0.6	27	0.6
Secondary Paper Products	388	1.0	32	1.4	278	2.5	119	2.4
Subtotal	1,728	4.7	79	3.5	455	4.1	196	4.0
Indirect and Induced Impact on Sectors								
Forestry Sector	28	0.1	2	0.1	6	0.1	3	0.1
Non-Forestry Sector	244	0.7	18	0.8	55	0.5	29	0.6
Subtotal	272	0.7	19	0.8	61	0.5	32	0.7
Total Impact 2nd District	2,004	5.4	98	4.3	516	4.7	229	4.7
Rest of Louisiana	35,007	94.6	2,172	95.7	10,513	95.3	4,649	95.3
Total in Louisiana	37,011	100	2,270	100	11,028	100	4,877	100

*Though all totals are correct, some may appear incorrect due to rounding within the table.

Glossary:

Employment: Number of full- and part-time employees in the chosen industries and the jobs created in the rest of the economy by the chosen industries.

Labor 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: Refers to the sector's own production, value added, employment and labor incomes.

Indirect effects: Refers to the economic activities in other sectors by the forest sector's purchase of goods and services from those other sectors.

Induced effects: Refers to spending by employees from the forest sector on goods and services, such as groceries and gasoline.

Contact Jinggang Guo at JGuo@agcenter.lsu.edu for more details on this publication.

Jinggang Guo, Ph.D.
Department of Agricultural Economics and
Agribusiness, LSU AgCenter

James M. Fannin, Ph.D.
Department of Agricultural Economics and
Agribusiness, LSU AgCenter



Visit our website: www.LSUAgCenter.com

Matt Lee, LSU Vice President for Agriculture
Louisiana State University Agricultural Center
Louisiana Agricultural Experiment Station
Louisiana Cooperative Extension Service
LSU College of Agriculture

P3367-B (online) 8/23 REV.

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

Acknowledgements: This work has been supported, in part, by the USDA National Institute of Food and Agriculture, Renewable Resources Extension Act Award Numbers: 2017-46000-01800 (Louisiana State University).