



EXTENSION

Economic Contribution of Forest Sector in Oklahoma in 2020

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Highlights

- Oklahoma's forest sector directly contributed \$3.8 billion in industry output and employed more than 8,900 people with a payroll contribution of \$575 million in 2020.
- The state received \$1.4 billion directly from the forest sector through payroll, other employee compensation and property taxes.
- Including direct, indirect and induced impacts, the forest sector had a total economic impact of \$5.6 billion in industry output and supported more than 18,450 jobs with a payroll of \$1.1 billion.
- Every job created in the sector resulted in another 1.07 jobs in the state.
- Every dollar generated in the sector contributed an additional 45 cents to the rest of the state economy.
- In 2020, the forest sector witnessed mixed effects during COVID-19 in Oklahoma. Compared to 2019, industry output and employment were decreased. Averaged over all direct and total impact categories, labor income and value added were slightly increased by 2-4% from 2019 to 2020.



Figure 1. A wood load truck from SE Oklahoma.



Figure 2. A forest located in SE Oklahoma.

Industry Analysis

- Secondary solid wood and primary paper and paperboard products were the top two employers in the Oklahoma forest sector.
- Almost half (49%) of the forest sector workforce - 4,369 workers - were directly employed in secondary industries.
- The primary paper and paperboard industry produced the largest value added, economic output and the labor income.
- Primary paper and paperboard and primary solid wood products were the top two highest-paying forestry industries, based on their labor income to employment ratio.
- The forestry and logging industries together accounted for about 13% of the total employment. However, these were the lowest-paying forestry industries in Oklahoma.
- The loss of economic contribution from other forest sectors were mostly compensated by pulp and paper industries, which witnessed higher demand during the first year of the pandemic.

Table 1. Total economic contribution of forest sector on Oklahoma employment, output and value-added.

	Employment (jobs)	Change from 2019	Labor Income (million \$)	Change from 2019	Value Added (million \$)	Change from 2019	Industry Output (million \$)	Change from 2019
Direct Impact*								
Forestry	394	-11%	15.14	-1%	17.82	2%	22.98	-5%
Logging	735	-10%	17.23	-13%	21.07	-10%	44.13	-12%
Primary solid wood products	1,069	-6%	81.28	-5%	137.16	-3%	399.25	-16%
Secondary solid wood products	3,216	-2%	142.77	-4%	181.72	-4%	562.22	-6%
Primary paper and paperboard products	2,340	3%	234.49	6%	822.21	7%	2,200.33	6%
Secondary paper and paperboard products	1,153	8%	83.75	15%	170.13	5%	608.36	7%
Total	8,908	-1%	574.66	2%	1,350.12	4%	3,837.26	1%
Total Impact**								
Forestry	469	-11%	18.49	-4%	23.69	-3%	34.07	-9%
Logging	958	-7%	24.66	-12%	33.42	-12%	68.14	-14%
Primary solid wood products	2,096	-13%	137.66	-11%	230.93	-11%	586.36	-19%
Secondary solid wood products	5,042	-4%	235.67	-5%	334.64	-6%	861.56	-8%
Primary paper and paperboard products	7,328	5%	525.58	7%	1,311.05	6%	3,182.43	5%
Secondary paper and paperboard products	2,558	9%	157.54	13%	292.96	6%	850.59	6%
Total	18,451	-1%	1,099.61	2%	2,226.70	2%	5,583.16	-0.5%
SAM Multiplier								
Forestry	1.19	-1%	1.22	-2%	1.33	-5%	1.48	-5%
Logging	1.30	3%	1.43	1%	1.59	-2%	1.54	-2%
Primary solid wood products	1.96	-7%	1.69	-7%	1.68	-9%	1.47	-3%
Secondary solid wood products	1.57	-2%	1.65	-1%	1.84	-2%	1.53	-2%
Primary paper and paperboard products	3.13	2%	2.24	1%	1.59	-1%	1.45	-1%
Secondary paper and paperboard products	2.22	1%	1.88	-2%	1.72	1%	1.40	0%
Total	2.07	-1%	1.91	-2%	1.65	-3%	1.45	-2%

* Economic impacts, based on multi-industry contribution analysis, are reported in 2020 dollars.

** Ripple Effects = SAM Multiplier – 1

Key Definitions

- **Industry output** reveals total value of production or service by industry in a snapshot of time.
- **Employment** includes all full-time, part-time and self-employed persons.
- **Labor income** includes wages, salaries, benefits of the employees (including their tax contributions to the government) and income for the self-employed individuals.
- **Value-added** is the difference between total output and the costs of its intermediate outputs.
- **Direct contributions** include forestry sector's own production, value-added, employment and labor incomes.
- **Indirect contributions** include economic activities in other sectors impacted by forestry sector's purchase of goods and services.
- **Induced contributions** are economic activities from consumption of goods and services using incomes generated from direct and indirect contributions.
- **Total economic contributions** include direct, indirect and induced contributions.

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