



Forest Products Industry Economic Impact

Washington Forest Protection Association

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WFPA GOAL

WFPA is committed to advancing sustainable forestry in Washington State to provide forest products and environmental benefits for the public. We establish balanced forest policies that encourage investment in forestland, protection of fish, water and wildlife and promote responsible forest management as a preferred land use.

Washington's Working Forests

Washington's forest products industry supplies green jobs in rural communities where 80% of the timber is harvested, and 49% of the timber industry jobs are located. The industry continues to provide family wage jobs, significant government revenues through taxes and fees, and green, renewable wood products. In 2013, the forest products industry provided:

- More than 41,000 **direct jobs** averaging about \$56,000/yr. and 105,000 total direct, indirect and induced jobs;
- **\$2.5 billion in direct wages;**
- **\$26.5 billion** in gross business income & **\$64 million** in B&O tax;
- A combined timber excise and property tax of **\$55 million;** and additional **\$82 million** in state taxes & fees.

Washington's forests provide employment, taxes and revenues paid to the state. Many jobs are located in rural, high unemployment counties. Washington is the 2nd largest lumber producer in the nation.

The forest industry is the 3rd largest manufacturing employer in the state.

Private Forest Landowners Investing in Public Resources

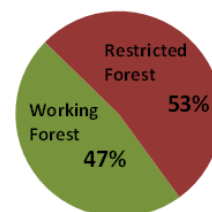
Washington has comprehensive forestry regulations with the State's 9.3 million acre, 50-year Habitat Conservation Plan.

All forest landowners are making investments on the ground in salmon habitat restoration, and clean water, where it matters to the fish.

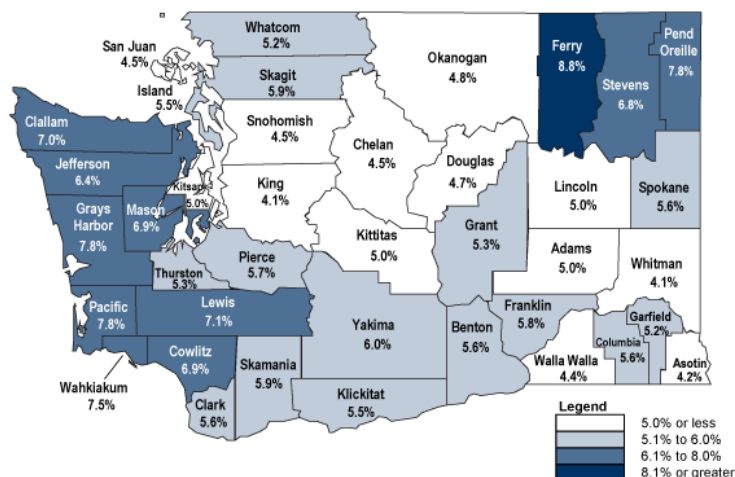
Since 2001, more than \$300 million has been invested by state and private landowners resulting in removal or repair of more than 5,600 barriers to fish migration, which has restored nearly 3,900 miles of historic fish habitat.

Private landowners have permanently set aside almost 1.2 million acres of forestland in riparian buffers and for steep slope protection, and made an investment in salmon recovery of \$170 million in forest road improvements.

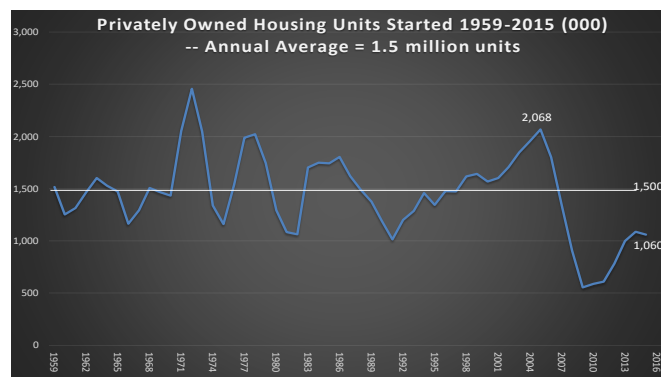
Washington State Forestland
22,983,438 acres



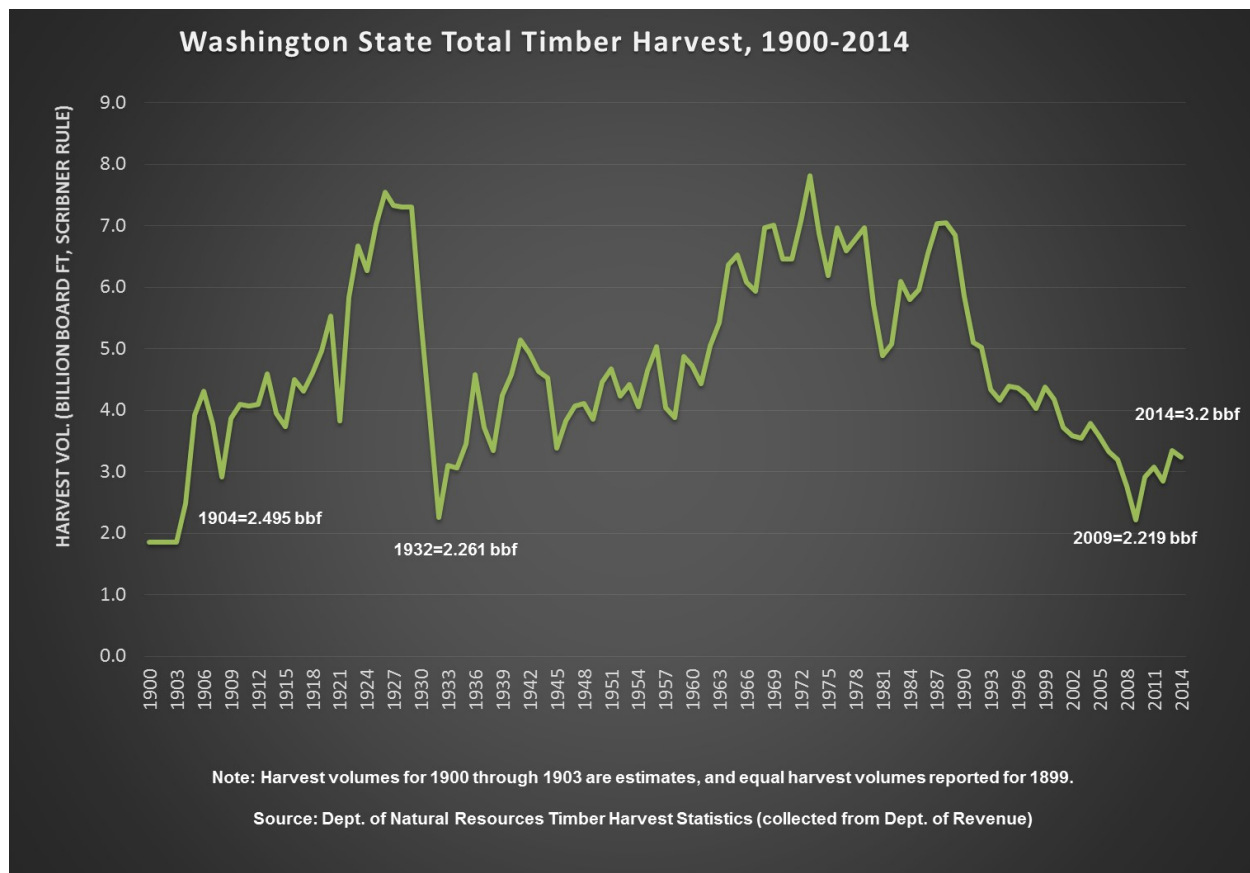
October 2015 unemployment rates
Preliminary statewide rate 5.2%, seasonally adjusted
Preliminary statewide rate 5.0%, not seasonally adjusted
County rates not seasonally adjusted



Source: Washington Employment Security Dept.



Housing starts poised for a rebound. 2015 single and multi-family housing starts predicted to be slightly above 1 million units. Average housing from 1959-2014 is 1.5 million units annually.



As markets return for wood products, the economic contribution from working forests will increase.

Taxes & Fees	2006	2007	2009	2011	2013
FET Liability	\$57,476,169	\$54,095,719	\$23,002,393	\$41,037,146	\$47,276,440
B&O	\$74,653,101	\$69,848,284	\$45,296,284	\$59,004,103	\$64,333,723
Property Tax	\$6,858,251	\$6,978,127	\$6,259,774	\$7,102,605	\$7,223,402
PUT	\$1,110,991	\$1,219,489	\$670,368	\$1,622,364	\$1,313,574
User Fees & Assessments:					
Forest Practices Application Fee	\$531,875	\$531,024	\$219,192	\$257,907	\$729,376
Silviculture Burning Permits	\$225,015	\$215,580	\$150,174	\$114,702	\$314,510
Retail Sales & Use Tax Generated	\$77,039,738	\$82,707,474	\$44,109,366	\$56,439,100	\$69,241,704
O/tax (litter, motor veh., haz subst,)	\$140,072	\$167,360	\$291,434	\$359,442	\$363,686
Contribution to Government	\$218,035,212	\$215,763,057	\$119,998,985	\$165,937,368	\$190,796,415
Fire Protection Assmt & LCF	\$8,836,738	\$7,492,506	\$10,404,385	\$9,327,250	\$10,469,335
RMAP Private Expenditure	\$15,220,000	\$16,290,000	\$8,440,000	\$9,950,000	\$10,351,460
Private Total contribution	\$242,091,950	\$239,545,563	\$138,843,370	\$185,124,618	\$211,617,210
Foregone revenue/incr. op. cost	\$127,500,000	\$127,500,000	\$127,500,000	\$127,500,000	\$127,500,000
PRIVATE CONTRIBUTION	\$369,591,950	\$367,045,563	\$266,343,370	\$312,714,618	\$339,117,210

<u>Covered Wages</u>	2008*	2009	2010	2011*	2013*
Direct Employ	50,063	35,536	34,056	39,732	41,466
Direct & indirect	124,343	88,271	84,595	107,455	107,455
Direct wages	\$2,395,410,610	\$1,784,511,516	\$1,751,872,190	\$1,939,819,801	\$2,327,592,197
Avg. wage	\$47,848	\$50,217	\$51,441	\$48,822	\$56,133
Avg. state wage	\$46,562	\$47,465	\$48,521	\$50,257	\$52,030

Source: Dept. of L&I Covered Employment from Quarterly Census of Employment & Wages and *Forest2Market.