

Wisconsin's Forest Products Industry



Forest products in Wisconsin contribute significantly to the economy, accounting for 12% of the value of all shipments, as well as 13.5% of jobs and 13.1% of wages in the manufacturing sector.

There are over 64,000 employees employed in this sector (mostly in paper and wood product manufacturing) and 1,207 establishments. The average wage is \$47,391 with total wages contributing about \$3.4 billion per year to Wisconsin's economy.

This industry has not fared well in recent years. Since 2005, the number of employees and establishments has decreased 20% and total wages are down 22%. But the situation has improved somewhat since 2011 with an upturn in both employee numbers and wages in all sectors except paper mills. The number of establishments continues to fall.

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“How much does the forest products industry contribute to the state economy?”

Value of shipments and capital expenditures by industry



Wisconsin’s forest products industries contribute significantly to the economy, 12% of the value of shipments and of all capital expenditures in the manufacturing sector.

The paper industry is a very significant contributor, ranking second out of 65 manufacturing industries in the state for value of shipments and capital expenditures.

Industry	Total value of shipments (\$1,000)	Total capital expenditures (\$1,000)	Cost of materials (\$1,000)	Value added (\$1,000)
Pulp, paper, & paperboard mills	7,321,572	181,742	3,774,602	3,520,479
Converted paper product mfg	7,142,959	231,935	4,093,833	3,063,772
Other wood product mfg	2,236,575	45,705	1,262,574	972,897
Sawmills & wood preservation	620,168	12,359	414,291	205,179
Veneer, plywood, & engineered wood product mfg	467,542	6,280	286,186	182,372
Wood Furn (est.)	2,092,935	48,583	1,085,000	999,492
Total forest products industry	19,881,751	526,604	10,916,486	8,944,191
Total all manufacturing	163,107,359	4,423,443	91,320,423	72,804,157
Percent of total manufacturing	12.2%	11.9%	12.0%	12.3%

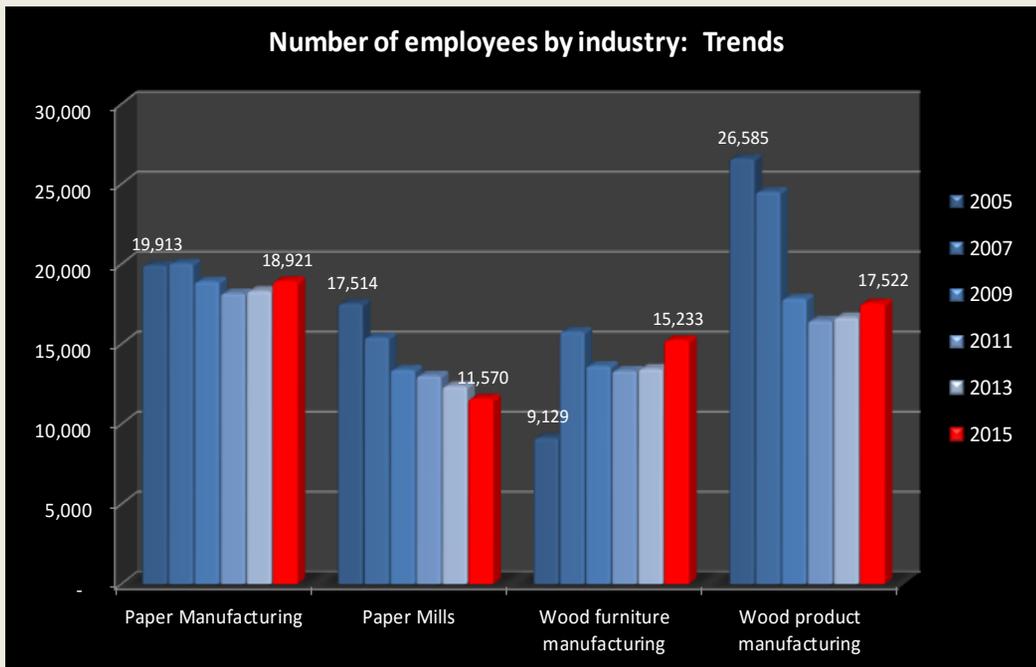
Source: Roger M. Nacker, President, Wisconsin Economic Development Institute, Inc., 10 East Doty Street, Suite 500, Madison, WI 53703-3397, 2011 data

“How many people work for the forest products industry?”

Number of employees by industry

Wisconsin has about **64,074 employees** in the forest products industry (including logging and forestry support activities). About half of these jobs are in pulp and paper mills and paper manufacturing. Forest products jobs make up about **14% of all manufacturing jobs**.

The number of employees working in the forest products industry has decreased significantly since 2005 in all sectors except wood furniture manufacturing. However, this trend is beginning to reverse. All sectors with the exception of paper mills have shown an increase in the number of employees in the last 4 years. Employment at paper mills has continued to decline dramatically, 34% since 2004 and 11% since 2011.



Number of employees by forest products industry

Industry	Number of employees
Converted Paper Product Manufacturing	18,921
Wood furniture manufacturing	15,233
Wood Product Manufacturing	12,392
Pulp, Paper, and Paperboard Mills	11,570
Plywood and Engineered Wood Product Mfg	2,928
Sawmills and Wood Preservation	2,202
Logging	700
Support Activities for Forestry	128
Total	64,074

* Source: WORKnet, Wisconsin’s Workforce and Labor Market Information System, <http://worknet.wisconsin.gov/worknet/>

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"How much money do employees in the forest products industry make?"

Average annual wage by industry

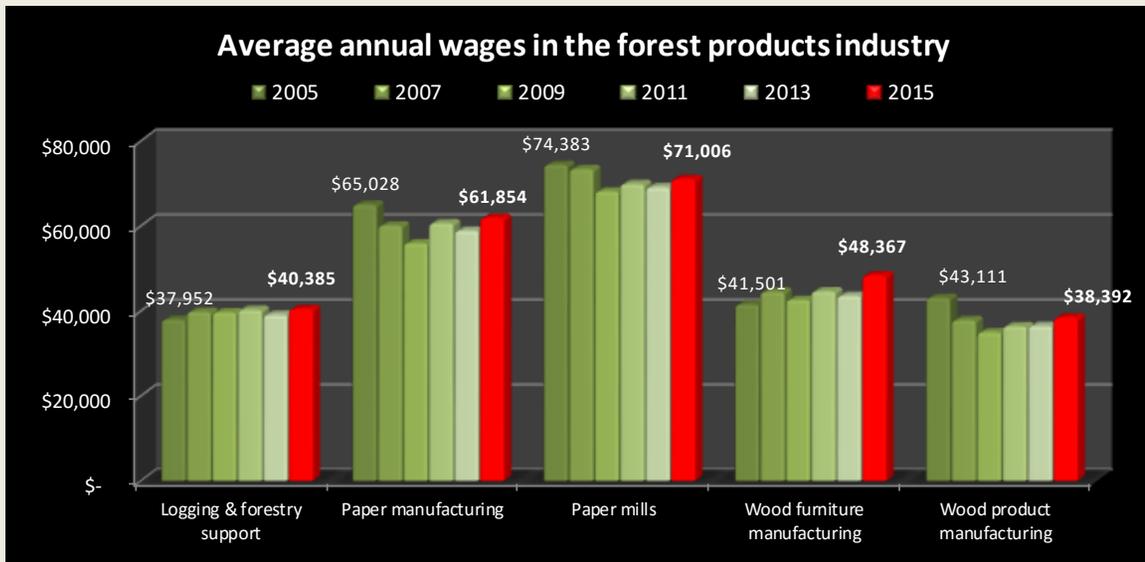


The average annual wage for forest products employees is approximately \$47,391. This is about 14% lower than the average for all manufacturing jobs in Wisconsin (\$55,375) but 4% higher than the average wage for all industries combined (\$45,389).

Since 2005, wages (adjusted for inflation) have decreased for paper mills and manufacturing (-5%) and for wood product manufacturing (-11%) but increased for logging and forestry support (6%) and wood furniture manufacturing (17%).

Average annual wage by forest products industry

Industry	Average annual wage
Converted Paper Product Mfg	\$61,854
Wood Furniture Mfg	\$48,367
Other Wood Product Mfg	\$37,244
Pulp, Paper, & Paperboard Mills	\$71,006
Plywood & Engineered Wood Product Mfg	\$41,350
Sawmills and Wood Preservation	\$36,582
Logging	\$36,577
Support Activities for Forestry	\$44,194
Total*	\$47,391



Average annual wages updated to account for inflation.

Source: WORKnet, Wisconsin's Workforce and Labor Market Information System, <http://worknet.wisconsin.gov/worknet/>

*Total annual wages divided by total number of employees
 Source: WORKnet, Wisconsin's Workforce and Labor Market
<http://worknet.wisconsin.gov/worknet/>

"How many businesses make up the forest products industry?"

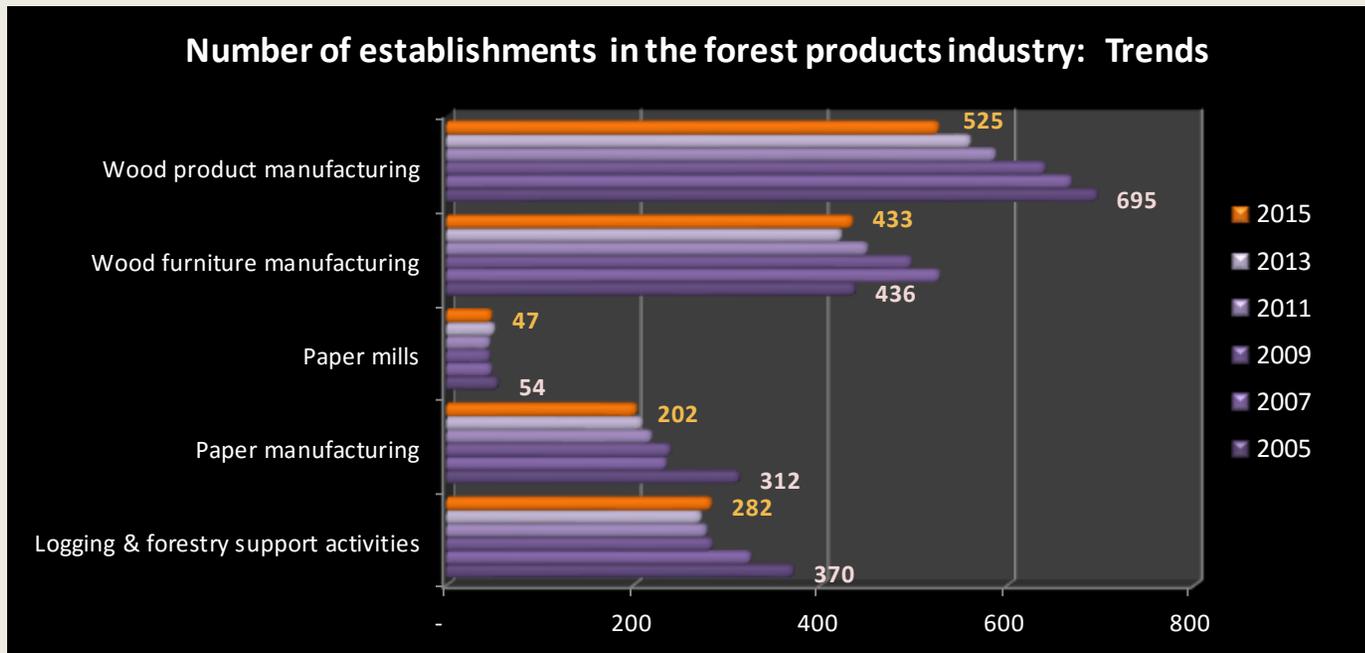
Number of establishments by industry

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In 2015, there were about **1,207 establishments** in the forest products industry with another **282** in the logging and forestry support sectors.

The number of establishments declined 24% between 2005 and 2015 with the greatest percentage loss occurring in the number of paper manufacturing establishments, from 312 in 2005 to 202 in 2015, a loss of 35%. The number of establishments in logging and forestry support decreased 24% since 2005. With the exclusion of paper mills, the number of employees has increased since 2011, but the number of establishments has decreased.



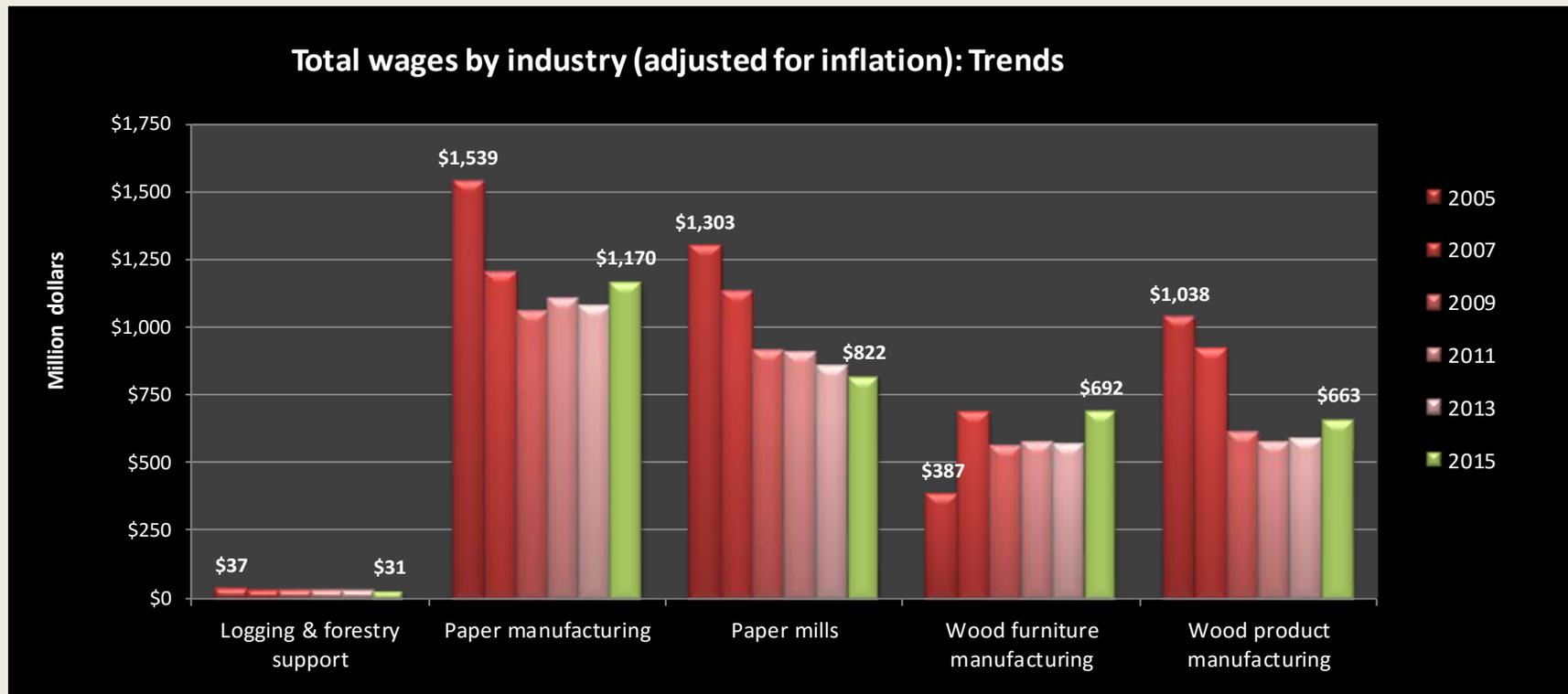
Source: WORKnet, Wisconsin's Workforce and Labor Market Information System, <http://worknet.wisconsin.gov/worknet/>

“How much do forest product industry wages contribute to our economy?”

Total wages by industry

Overall, the forest products industry contributed about \$3.4 billion per year in wages to the Wisconsin economy in 2015. This is down from \$4.3 in 2005, a decrease of 22%. In the past few years, some sectors are beginning to show an increase in total wages.

Paper mills have been the largest contributor to this decline, from \$1.3 billion in 2005 to \$822 million in 2015, a decrease of 37%. Total wages have decreased in all sectors with the exception of wood furniture manufacturing where wages have increased by 79% since 2005.



Source: WORKnet, Wisconsin's Workforce and Labor Market Information System, <http://worknet.wisconsin.gov/worknet/>