

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 \$47,083 with total wages contributing about \$3.4 billion per year to Wisconsin's economy.

This industry has not fared well in recent years. Since 2006, the number of employees and total wages have decreased by 11% and the number of establishments is down 15%. But the situation has improved somewhat since 2014 with an upturn in both employee and establishment numbers as well as total wages. Paper mill jobs, however, continue to decline.

- [How much does the forest products industry contribute to the state economy?](#)
Value of shipments and capital expenditures by industry
- [How many people work for the forest products industry?](#)
Number of employees by industry
- [How much money do employees in the forest products industry make?](#)
Average annual wage by industry
- [How many businesses make up the forest products industry?](#)
Number of establishments by industry
- [How much do forest products' wages contribute overall?](#)
Total wages by industry

“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 (2011 data).

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% |

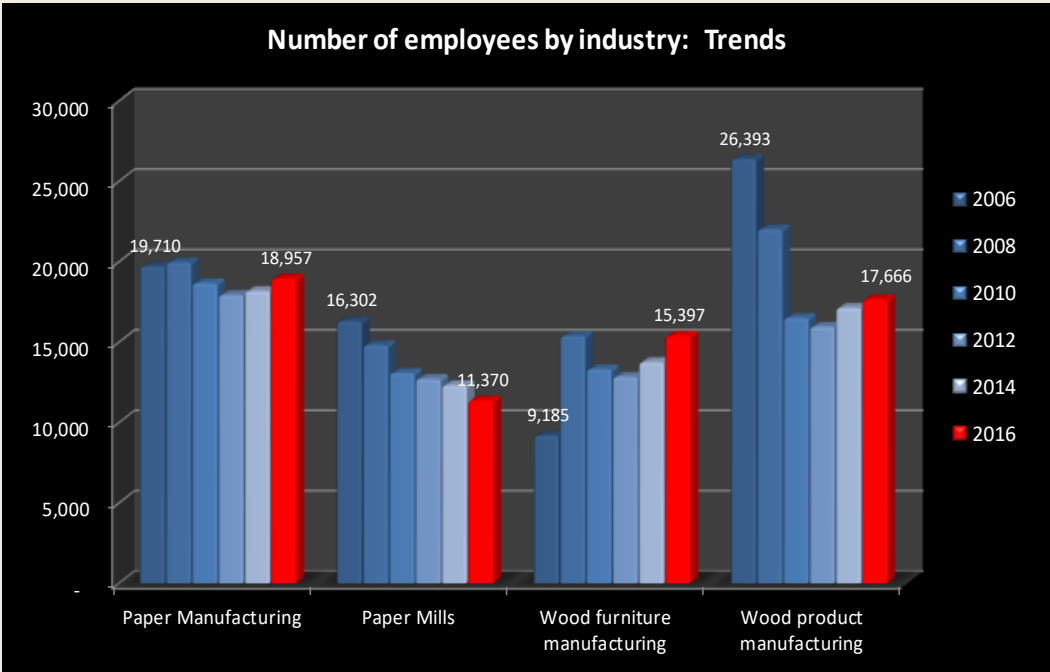
Source: Roger M. Nacker, President, Wisconsin Economic Development Institute, Inc., 10 East Doty Street, Suite 500, Madison, WI 53703-3397, 2011 data

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

Number of employees by industry

Wisconsin has about **64,298 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 2006 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, 30% since 2006 and 11% since 2012.



Number of employees by forest products industry

| Industry | Number of employees |
|---|---------------------|
| Converted Paper Product Manufacturing | 18,957 |
| Wood furniture manufacturing | 15,397 |
| Wood Product Manufacturing | 12,519 |
| Pulp, Paper, and Paperboard Mills | 11,370 |
| Plywood and Engineered Wood Product Mfg | 2,921 |
| Sawmills and Wood Preservation | 2,226 |
| Logging | 767 |
| Support Activities for Forestry | 141 |
| Total | 64,298 |

* 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

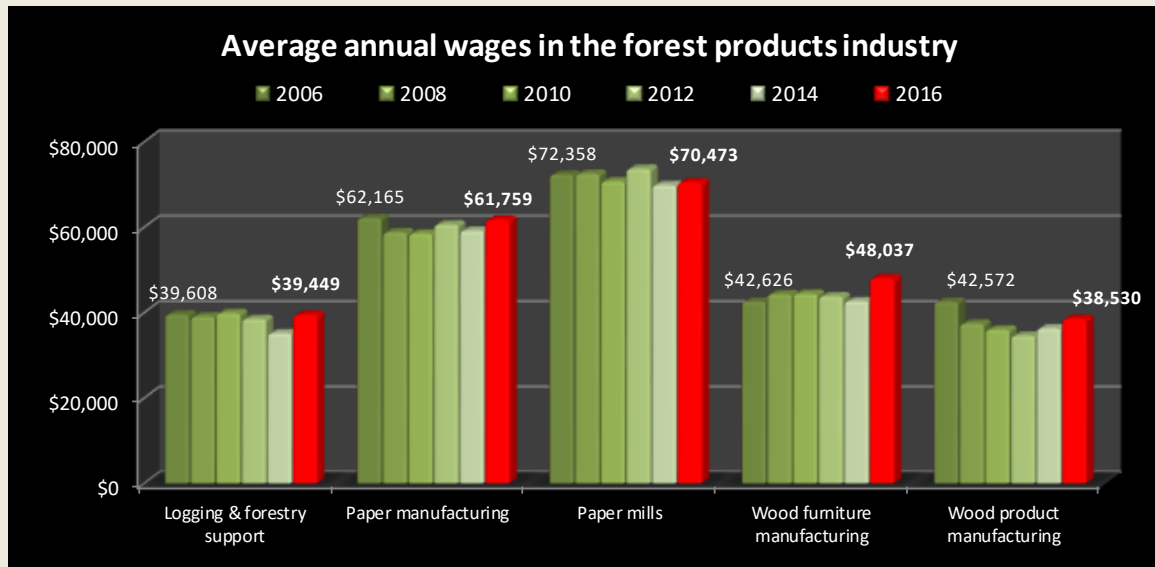


The average annual wage for forest products employees is approximately \$47,083. This is about 15% lower than the average for all manufacturing jobs in Wisconsin (\$55,328) but 2% higher than the average wage for all industries combined (\$46,031).

Since 2006, wages (adjusted for inflation) have decreased for paper mills (-2.6%), paper manufacturing (-0.7%), wood product manufacturing (-10%) and logging and forestry support (-0.4%) but increased for wood furniture manufacturing (13%).

Average annual wage by forest products industry

| Industry | Average annual wage |
|---------------------------------------|---------------------|
| Converted Paper Product Mfg | \$61,759 |
| Wood Furniture Mfg | \$48,037 |
| Wood Product Mfg | \$37,810 |
| Pulp, Paper, & Paperboard Mills | \$70,473 |
| Plywood & Engineered Wood Product Mfg | \$41,350 |
| Sawmills and Wood Preservation | \$36,110 |
| Logging | \$36,381 |
| Support Activities for Forestry | \$42,517 |
| Total* | \$47,083 |



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?"

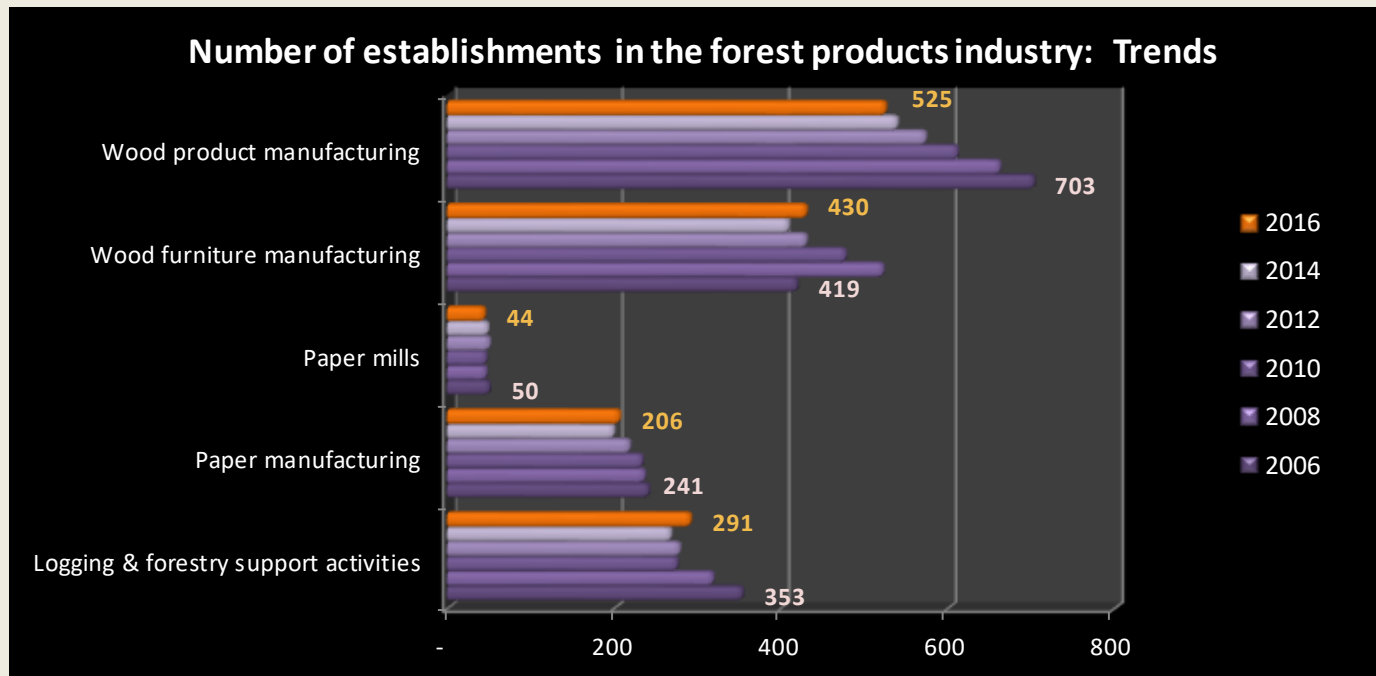
Number of establishments by industry

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In 2016, 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 15% between 2006 and 2016 with the greatest percentage loss occurring in the number of wood product manufacturing establishments, from 703 in 2006 to 525 in 2016, a loss of 25%. The number of establishments in logging and forestry support decreased 18% and the number of paper mills and paper manufacturing establishments decreased by 14%.



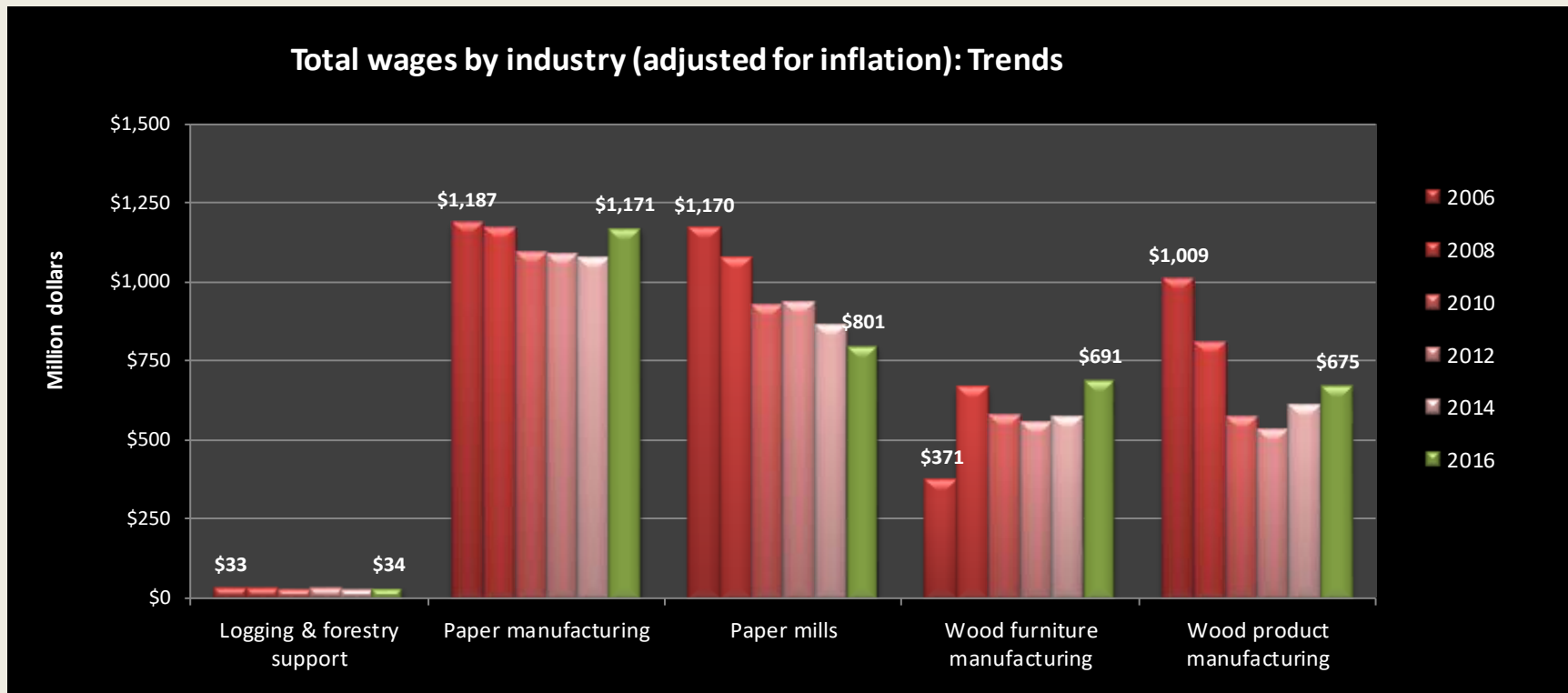
Source: WORKnet, Wisconsin's Workforce and Labor Market Information System, <http://worknet.wisconsin.gov/worknet/>

“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 2016. This is down from \$3.8 in 2006, a decrease of 11%. In the past few years, some sectors have begun to show an increase in total wages.

Paper mills and wood product manufacturing have been the largest contributors to the decline in total wages, from \$2.2 billion in 2006 to \$1.5 billion in 2016, a decrease of 32%. Total wages have decreased in all sectors with the exception of wood furniture manufacturing where wages have increased by 86% since 2006.



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