



THE FACTS ABOUT THE WOOD PRODUCTS INDUSTRY, JOBS, AND THE RURAL ECONOMY



OUR FORESTS. OUR STRENGTH.

Stand4Forests Report Series

Building a thriving town is difficult in rural areas of the South.

Community leaders want companies to provide well paying jobs and also serve the community. But companies may mislead communities about health and pollution impacts in order to set up shop.

If your community is considering a new wood products company, here are some things to consider before moving forward:

- Factory jobs offer decent wages, but expose workers to dangerous chemicals. Logging jobs are among the most dangerous jobs in the world.
- Wood products cause a lot of pollution. Logging degrades the surrounding landscape. These both make an area less appealing to other types of business.
- Benefits for landowners don't necessarily benefit the surrounding community.
- There are industries that are alternatives to wood products. These include outdoor recreation, "green" or "clean" jobs, and small businesses.

Jobs In Wood Products

There are three main types of jobs in the wood products industry: leadership, factory, and logging jobs. Leadership jobs tend to be located in big cities and employ educated workers. These well paying jobs are not brought to rural areas when a new plant moves in. Most likely, someone will be hired from outside of the community.

People in factory jobs enjoy fair wages, benefits, and paid time off. Some factories are located in rural areas, while others are in cities. When new factories are located in rural areas, the jobs often require previous experience, creating jobs for people outside of the community. **Although factory jobs pay well, they're at higher risk of injury from dangerous chemicals and equipment.**

Logging jobs are the second most dangerous job in the world.¹ Most loggers are self-employed, so they must pay for their own equipment and insurance. Across the US, loggers are retiring and not being replaced because of the risks, expensive equipment, and low pay of the jobs.^{2,3} People with access to college go on to become certified foresters or natural resource managers, instead of loggers. These foresters have an increasingly important role in regional forest management.

Logging also has a diversity and equity problem. In 2017, just 3% of logging jobs were held by women, and 86% of logging workers were white. In contrast, about 47% of all jobs are held by women, and 78% of all jobs are held by white people. In other words, logging, like many other manufacturing industries, has a serious diversity and equity problem.



Finally, wood manufacturing is closely tied to the world's economy. **Wood products facilities are always at risk of closing.** In Canada, the average lifespan of a wood or furniture manufacturing facility is less than eight years.⁴ Biomass firing plants are particularly prone to closure because of their high operating costs. In contrast, other renewable energies are more competitive.⁵ From 2004 to 2009, the South lost over twenty percent of total wood product jobs.^[6] When mills close, they leave rural areas with high unemployment and few transferable skills to other sectors.

Land Ownership And The Wood Products Industry

Wood products companies overemphasize the need for "markets for wood products." They believe that if land owners cannot sell wood, they will sell their land. However, forest owners are often motivated by natural beauty and family, not logging.

Most states have tax programs for people who log their forests. In North Carolina, the "Present Use Value" program allows for just a small annual property tax if they plan to log. There are also

"cost-share" programs which offset the costs of planting, spraying, or logging. These programs help landowners log their forests, and therefore subsidize the forest products industry.

People benefit from natural areas and their ecosystem services: water filtration, flood prevention, and wildlife habitat. But areas surrounded by "fake" forests (plantations) don't benefit as much as those near natural forests. People pay the price when the forests are logged:



increased flooding, pollution, low air quality, noise, carbon emissions, and more. Climate change is impacting us all, but is especially impacting rural flood-prone areas, where logging is rampant.

One study found that a third of forest owners in eastern North Carolina were “absentee” forest owners. This means that they lived either in a different county or at least 30 miles away.⁷ Forest owners like these may barely pay county taxes.

Also, most forest owners don’t own forests because they want money from logging. **The vast majority of forest owners (87%) surveyed in the South say that protecting wildlife habitat is a key reason they own land.**⁸

In North Carolina, only a small portion of forests are enrolled in the Present Use Value program, a program that encourages regular logging. Instead, most owners keep their forests because of their family or desire to use their forests for camping, fishing, and hiking. Even absentee owners do not list income as the primary reason for why they own forests.⁷

However, sometimes forest owners will log their forests even if they don’t intend to. They are usually approached by a logger who offers them a large amount of money for their trees. Or, they need a lot of money, and turn to logging instead of loans. These forest owners don’t care about “markets for

wood products”. They simply seize the opportunity once in their lifetime, and never again.

A better economic solution to keeping forests standing would be to get rid of taxes and subsidies that support logging. Instead, we

could provide incentives for activities that leave forests intact, like recreation, tourism, and agroforestry. These activities don’t hurt forests very much, and they also support diverse small businesses and jobs for non-forest owners. Taking an approach like this would help local economies be more diverse and stable, instead of depending on global forest product markets.

Updating laws about forests would also help resolve some of the systemic racism present in the US South. **Current forest owners in the South are overwhelmingly white, and don’t represent the true demographics of the South. Less than 1% of black citizens in the South are forest owners, and black, indigenous, and people of color (BIPOC) citizens are far less likely to own land than white ones.**^{9,10} This means that the shareholding system of using but not owning the land will continue - and community members will have no say in what their landscape looks like. As long as forest owners are driven by logging, the economic gap will continue to increase between land-owning and non-landowning citizens.

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Community Impacts Of The Wood Products Industry

Like most manufacturing, wood products can have significant impacts on the environment. Wood for manufacturing is taken from a 75 mile radius around a wood products facility. In the US South, large areas of forests are usually clearcut to supply the wood.

Industrial logging degrades soils, wildlife habitat, carbon storage, nearby waterways, and ambient noise levels. Natural forests are worth thousands of dollars in “ecosystem services” each year, like clean water and protection from storms.^{11,12} **Logging doesn’t just affect the forest, but also the surrounding area and people who live nearby. When a forest is logged, the public loses. In essence, the public is subsidizing the wood products industry.**

Wood products manufacturing pollutes communities. Even with permits, there is an “allowable” amount of pollution released every day. Areas with paper mills have a very distinct smell. Areas surrounding wood pellet mills report dust that irritates asthma, ruins property values, and makes simple outdoor activities like gardening impossible.¹³

In the South, many rural areas are “environmental justice” areas: places with many nonwhite residents in poverty. These areas usually have a lot of pollution. In Hamlet, North Carolina, with just 6,500 residents there are five polluting companies.¹⁴ Companies take

Hamlet, NC,
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6,500 has **5** polluting industries.

advantage of areas that need jobs, and politicians look past the environmental harms.

Many people believe that manufacturers are the best for economics. However, areas with just one major industry are likely to have higher rates of unemployment.¹⁵ High concentrations of wood products facilities negatively affect income, education, unemployment, and poverty.¹⁶ **When these wood product companies fail, they leave behind abandoned mills and degraded forests. Even worse, these communities have missed opportunities to develop healthy, diverse businesses.**



Opting Out Of Wood Products

With all of these issues around community and forest health, some communities are envisioning a future without wood products. In the US South, this vision is very achievable. Although the South is projected to be hit the worst by climate change in the US, it is still growing faster than other regions of the US.¹⁷ With population growth, there are new opportunities in “clean” or “green” jobs, in outdoor recreation, and in entrepreneurship.



Outdoor Recreation

Outdoor recreation is one of the largest avenues for “green” employment in the US South. Outdoor Recreation added 2.5% to the South’s economy, \$152 trillion in 2017, controlled 3.5% of the job market, and employed 1.8 million people, for an average salary of \$39,701.08 per employee per year.¹⁸ However, if most private lands are being used for logging, they can’t be used for recreation.

On average across the South, the Outdoor Recreation Industry:

- Is worth \$198 Billion (2.6x) more than the Forest Products Industry
- Employs 2.2 million (6.8x) more people than the Forest Products Industry
- Pays \$17 Billion (10.7x) more taxes to state and local governments than the Forest Products Industry



Clean / Green Jobs

The “clean economy”, an alternative term for the “green” or “low carbon” sector of the economy, involves jobs that cut across disciplines, including manufacturing, wastewater, mass transit, and biotech jobs.

- If the United States reduces carbon emissions by 40% by 2030, the US would lose 1.5 million jobs in the fossil fuels industry, and gain 4.2 million jobs in the environmental goods and services sectors and the supply chains that support them.
- Currently, the South has the largest number of clean economy jobs available for workers.²¹
- Investment in the renewable energy industry produces 135% more jobs per dollar than investment in fossil fuel industries.²²
- The domestic ecological restoration sector directly employs ~ 126,000 workers and generates ~ \$9.5 billion in economic output (sales) annually in the United States.²³
- The US solar industry is adding workers almost 17 times as fast as the overall economy, and is the largest segment of renewable energy.²⁴



Entrepreneurship

Although not exclusively part of the “green” economy, small businesses make up an important segment of the workforce in the country.

- 20 million Americans are employed by firms with less than 20 employees.²⁵
- Many American small businesses operate in spaces that overlap with recreation and clean/green tech. Small business operate:
 - 60% of the businesses in Food & Accommodations
 - 58% of the Professional/Scientific Services
 - 61% of the Arts, Entertainment, and Recreation industry
 - 85% of the Agriculture, Forestry, Fishing, and Hunting industries.²⁵

Small business surveys like the statistics above do not capture all of the green business, nor are all of the listed businesses “green.” For example, many of the individuals employed in Forestry are likely focused on commercial logging instead of supporting ecosystem health and function. Similarly, there are some businesses, which may not be captured here, like recycling, which have a lot of waste and pollution in pursuit of the “green” label. Regardless, there is a substantial opportunity to promote, train, and support small businesses in the Southern Green Economy.

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ABOUT DOGWOOD ALLIANCE • Dogwood Alliance mobilizes diverse voices to protect Southern forests and communities from destructive industrial logging. For over 20 years, Dogwood Alliance has worked with diverse communities, partner organizations and decision-makers to protect Southern forests across 14 states. They do this through community and grassroots organizing, holding corporations and governments accountable and working to conserve millions of acres of Southern forests.