

# Chippewa National Forest: Jobs and Income Economic Contributions in 2016

## In 2016, the Chippewa National Forest supported:

- An estimated 1,210 jobs (annual average of part time, full time, temporary and seasonal), and
- Around \$43,955,000 of labor income in local communities.

## How do National Forests and Grasslands Contribute to Economies?

National Forests and Grasslands provide multiple benefits to the American people and to local communities. They provide clean air and water, preserve cultural resources, and conserve lands for the enjoyment of present and future generations.

They also support local economies through recreation, timber, energy, minerals, and livestock grazing. In addition, counties with national forests or grasslands receive funds to support schools, road maintenance, and stewardship projects. The Forest Service (FS) also invests in such things as the construction and maintenance of infrastructure, environmental restoration, and forest health. In 2016, the sum of these activities on the Chippewa National Forest supported approximately 1,210 local jobs and \$43,955,000 in local labor income.

## Why Report Jobs and Income?

Residents and local government officials in surrounding communities have interest in how management of the National Forests and Grasslands affects local economies.

## For More Information:

Economics for planning website ([Economics for Planning](#))

## Analysis Methods: How a contribution analysis is constructed

- A software and data package called IMPLAN ([IMPLAN](#)) is used to characterize the structure of the local economy and how the different pieces of the economy interact (an “Input-Output” model).
- Forest Service data for Program outputs from the Chippewa National Forest is added to the model: recreation (including fish and wildlife related), livestock grazing, forest products, energy, minerals, payments to states, and the Forest Service budget.
- The model then estimates the economic links between natural resource management on the Chippewa National Forest and local jobs and income.

## Resource Management Outputs from Forest Service Lands

National Forests and Grasslands are managed for multiple uses. Table 1 shows the Forest Service Resource Outputs by Program for the Chippewa National Forest during 2016 (for data sources, see page 7) which were used to estimate the tie between management actions and economic activity in communities around the Chippewa National Forest.

**Table 1: Chippewa National Forest Outputs by Program**

<b>Program</b>	<b>Activity</b>	<b>Units of Measure</b>	<b>Output in 2016</b>
<b>Wildlife and Fish Recreation</b>	Local residents	Visits	83,646
<b>Wildlife and Fish Recreation</b>	Local residents	Expenditures (Thousands of \$2016)	\$2,359
<b>Wildlife and Fish Recreation</b>	Non-residents	Visits	83,646
<b>Wildlife and Fish Recreation</b>	Non-residents	Expenditures (Thousands of \$2016)	\$13,143
<b>Downhill Ski Recreation</b>	Local residents	Visits	0
<b>Downhill Ski Recreation</b>	Local residents	Expenditures (Thousands of \$2016)	\$0
<b>Downhill Ski Recreation</b>	Non-residents	Visits	0
<b>Downhill Ski Recreation</b>	Non-residents	Expenditures (Thousands of \$2016)	\$0
<b>All Other Recreation Activities</b>	Local residents	Visits	222,760
<b>All Other Recreation Activities</b>	Local residents	Expenditures (Thousands of \$2016)	\$5,127
<b>All Other Recreation Activities</b>	Non-residents	Visits	119,948
<b>All Other Recreation Activities</b>	Non-residents	Expenditures (Thousands of \$2016)	\$16,290
<b>Grazing</b>	Cattle, Horses, Sheep, Goats	AUMs	221
<b>Timber</b>	Sawtimber	CCF	12,413
<b>Timber</b>	Fuelwood	CCF	2,936
<b>Timber</b>	Pulp, Poles, All Other	CCF	62,101
<b>Value of Energy Produced</b>	Energy (coal, oil, gas, geothermal)	(Thousands of \$2016)	\$0
<b>Value of Minerals Produced</b>	Minerals	(Thousands of \$2016)	\$35
<b>Payments to States/Counties</b>	25% fund, Secure Rural Schools, Royalties.	(Thousands of \$2016)	\$822
<b>Payments to States/Counties</b>	Payments in Lieu of [property] Taxes	(Thousands of \$2016)	\$1,305

## Economic Area of Influence

**Economic areas of influence oftentimes differ** by the resource under investigation, surrounding geography, and overall analysis objectives. The estimates in this report are generated for the area around the Chippewa National Forest where direct Forest Service related expenditures occur. Other objectives, i.e. for forest planning, NEPA project analysis, etc. often focus on a different geography. The map below shows where Forest Service related direct expenditures occur, including: recreation and wildlife visitor spending, the location of grazing permit holders, the location of logging and restoration firms, mills processing Forest Service wood products, the counties receiving returns to states funds and payments in lieu of taxes, the location of Forest Service budget expenditures, and the salary spending by Forest Service employees.

The counties selected to form a National Forest or Grassland's economic area of influence are chosen based on where Forest Service management decisions have a direct effect on economic activity. This group of counties is also referred to as the "study area" or "impact area." The contributions of natural resource management on the National Forests and Grasslands ripple through the local economy, supporting jobs and income in many different sectors of the economy.

To avoid double counting, the results for the individual forests and grasslands in an area cannot be simply summed together to get together to get meaningful regional or state contribution results.

**Note:** The presentation of data by Program (recreation, timber, etc.) provides a convenient way of displaying the economic contributions of Forest Service activities. It does not mean that the economic contributions can be fully attributed to individual program areas, nor that economic contributions can be compared across programs. Joint cost and joint production complicate programmatic comparisons. For example, an increase in timber harvest would support an increase in local economic contributions from logging and the forest products industry. However, there are associated effects such as fire mitigation, wildlife habitat restoration, recreation access, and so on that share production costs and are not individually captured in the calculation of economic contributions.

The values presented in this report are the best estimates to date, however they are subject to change as new data become available. The estimates for 2016 were last revised in June, 2018.

## Job Contributions by Program

Jobs supported by the National Forests and Grasslands are often in small, rural communities and are therefore an important contribution to economic and social sustainability. Employment is the estimate of average annual full-time, part-time, temporary, and seasonal jobs. In 2016, the Chippewa National Forest supported an estimated 1,210 jobs in the local area. Direct job contributions come from economic activity associated with a Forest Service Program. Secondary job contributions are the ripples of economic activity stimulated by the direct economic activity. Total job contributions are the sum of direct and secondary contributions.

The estimates for Recreation (including wildlife related), Minerals & Energy, Forest Products, and Livestock Grazing estimates include the jobs supported by these programs in the private sector. Non-local recreation visitors bring new money into the economy. Local recreationists spend money that is already counted in the economic statistics for the area so they are tracked independently.

Forest Service Resource Management Investments capture the spending of the National Forest or Grassland's budget on such things as infrastructure construction and maintenance, ecosystem restoration, fuels treatments, salaries, etc.

The Payments to States/Counties estimates the jobs supported by local government investment in such things as roads and schools via funding from programs like the 25% Fund, Payments in Lieu of Taxes and minerals royalties.

**Note:** What is a “job”? One “job” does not always equal one person. The job estimates reported here represent the average annual SUM of portions of jobs - part time, full time, seasonal and temporary – that are supported by management of the Chippewa National Forest.

**Table 2: Jobs supported by the Chippewa National Forest**

<b>Program (2016)</b>	<b>Direct Jobs (Avg Annual)</b>	<b>Total Jobs (Avg Annual)</b>
<b>Recreation by Local Visitors</b>	70	90
<b>Recreation by Non- Local Visitors</b>	300	380
<b>Minerals and Energy</b>	0	0
<b>Forest Products</b>	190	460
<b>Livestock Grazing</b>	0	0
<b>FS Resource Mgt Investments</b>	170	230
<b>Payments to States/Counties</b>	30	40

### **Labor Income Contributions by Major Program**

Labor income is the value of wages, salaries and benefits for wage earners plus income to local business owners. In 2016 Chippewa National Forest contributed an estimated \$43,955,000 in labor income to the local area, with 93% going to wages and benefits for local wage earners and 7% going to local business proprietors and partnerships.

Labor Income is directly associated with local jobs and business owners. Other measures of income such as Household Income and Total Income include things like investments, rents, and transfer payments that are not tied to Forest Service management decisions so they are not reported here.

As direct and secondary contributions ripple through the economy, Labor Income is supported in a wide variety of sectors not directly affected by resource management decisions.

**Table 3: Direct and Total Labor Income supported by the Chippewa National Forest**

<b>Program</b>	<b>Direct Labor Income (Annual, 1,000 \$2016)</b>	<b>Total Labor Income (Annual, 1,000 \$2016)</b>
<b>Recreation by Local Visitors</b>	\$1,402	\$2,026
<b>Recreation by Non-Local Visitors</b>	\$6,059	\$8,968
<b>Minerals and Energy</b>	\$12	\$15
<b>Forest Products</b>	\$10,099	\$19,597
<b>Livestock Grazing</b>	\$2	\$36
<b>FS Resource Mgt Investments</b>	\$9,125	\$11,320
<b>Payments to States/Counties</b>	\$1,587	\$1,992

### **Job and Labor Income Contributions by Major Economic Sector**

Jobs and labor income supported by the National Forests and Grasslands are spread across many local economic sectors. Note that sectors that have the highest employment may not generate the highest labor income and vice versa. Jobs and income are important, but there is a range of other benefits from the national forests and grasslands.

**Table 4: Total Jobs and Labor Income supported by the Chippewa National Forest**

<b>Major Economic Sector</b>	<b>FS Supported Jobs (2016) (Avg. annual)</b>	<b>FS Supported Labor Income (1,000 \$2016)</b>	<b>Area of Influence Jobs (2016) (Avg. annual)</b>	<b>Area of Influence Labor Income (1,000 \$2016)</b>
<b>Total</b>	1,210	\$43,955	437,863	\$18,699,583
<b>FS Percent of Area of Influence</b>	0.3%	0.2%		
<b>Accommodation &amp; Food Servs</b>	300	\$5,476	34,556	\$647,597
<b>Admin, Waste Mgt &amp; Rem Servs</b>	30	\$835	12,502	\$372,601
<b>Agriculture</b>	130	\$4,894	21,084	\$618,715
<b>Arts, Entertainment, and Rec</b>	40	\$458	8,588	\$120,058
<b>Construction</b>	10	\$672	26,448	\$1,333,043
<b>Private Educational Services</b>	10	\$232	5,897	\$127,682
<b>Finance &amp; Insurance</b>	20	\$835	16,276	\$643,931
<b>Health Care &amp; Social Assistance</b>	50	\$2,510	64,158	\$3,324,992
<b>Information</b>	10	\$451	4,477	\$226,939
<b>Local, State, &amp; National Gov't</b>	160	\$9,805	68,037	\$3,767,542
<b>Manufacturing</b>	80	\$6,025	30,789	\$1,916,295
<b>Mining</b>	0	\$43	4,650	\$436,855
<b>Mgt of Companies</b>	10	\$427	1,682	\$112,524
<b>Other Services</b>	40	\$1,517	27,972	\$970,504
<b>Prof, Scientific, &amp; Tech Services</b>	70	\$1,764	17,049	\$787,058
<b>Real Estate &amp; Rental &amp; Leasing</b>	20	\$338	14,396	\$231,211
<b>Retail Trade</b>	120	\$2,940	12,272	\$636,034
<b>Transportation &amp; Warehousing</b>	30	\$1,651	47,621	\$1,276,503
<b>Utilities</b>	10	\$813	2,681	\$333,798
<b>Wholesale Trade</b>	50	\$2,269	16,728	\$815,701

## Additional Information

### Contact Us:

- For general inquiries, email the Washington Office EMC social scientists and economists: ([Washington Office EMC social scientists and economists](#)).
- For local inquiries, please see the list of ([regional social science and economics contacts](#)).

### Useful Links:

- Additional information on economic contributions and benefits to people is available on the ([Economics for planning website](#)).
  - General information about the use of economics in the Forest Service.
  - At a Glance reports and Story Maps for all national forests and grasslands covering Jobs and Income and Benefits to People.
  - Frequently Asked Questions and a Glossary are also available.
- The National Visitor Use Monitoring Program has detailed information on recreation visitation ([Visitor Use Monitoring Program](#)).
- The “Headwaters Economics” website ([Headwaters Economics](#)) maintains several useful reports including ([National Forest Socioeconomic Indicators](#)) - area profiles that can be consulted for a deeper dive into the social and economic characteristics of the area. There are also reports which include important information for consideration of outreach and effects to Environmental Justice populations.

### Data Sources:

- Recreation data are from the ([National Visitor Use Monitoring Survey](#)), Round 4.
- Grazing Animal Unit Months (AUM) data are found in the Rangeland Management Reports ([Grazing Animal Unit Months](#))
- Timber Harvest data are found in the Forest Service Forest Management Cut and Sold Reports ([Timber Harvest data](#))
- Minerals and Energy Revenues are reported by the ([Office of Natural Resources Revenue](#))
- Federal Revenues which are returned to the States and Counties are found on the ([Payments to States website](#)) and ([Payments in Lieu of Taxes website](#))