

Hoosier National Forest: Jobs and Income Economic Contributions in 2016

In 2016, the Hoosier National Forest supported:

- An estimated 340 jobs (annual average of part time, full time, temporary and seasonal), and
- Around \$14,377,000 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 Hoosier National Forest supported approximately 340 local jobs and \$14,377,000 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 Hoosier 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 Hoosier 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 Hoosier 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 Hoosier National Forest.

Table 1: Hoosier National Forest Outputs by Program

Program	Activity	Units of Measure	Output in 2016
Wildlife and Fish Recreation	Local residents	Visits	82,089
Wildlife and Fish Recreation	Local residents	Expenditures (Thousands of \$2016)	\$928
Wildlife and Fish Recreation	Non-residents	Visits	6,179
Wildlife and Fish Recreation	Non-residents	Expenditures (Thousands of \$2016)	\$325
Downhill Ski Recreation	Local residents	Visits	0
Downhill Ski Recreation	Local residents	Expenditures (Thousands of \$2016)	\$0
Downhill Ski Recreation	Non-residents	Visits	0
Downhill Ski Recreation	Non-residents	Expenditures (Thousands of \$2016)	\$0
All Other Recreation Activities	Local residents	Visits	317,735
All Other Recreation Activities	Local residents	Expenditures (Thousands of \$2016)	\$4,823
All Other Recreation Activities	Non-residents	Visits	94,908
All Other Recreation Activities	Non-residents	Expenditures (Thousands of \$2016)	\$3,602
Grazing	Cattle, Horses, Sheep, Goats	AUMs	0
Timber	Sawtimber	CCF	3,022
Timber	Fuelwood	CCF	78
Timber	Pulp, Poles, All Other	CCF	2,288
Value of Energy Produced	Energy (coal, oil, gas, geothermal)	(Thousands of \$2016)	\$0
Value of Minerals Produced	Minerals	(Thousands of \$2016)	\$0
Payments to States/Counties	25% fund, Secure Rural Schools, Royalties.	(Thousands of \$2016)	\$232
Payments to States/Counties	Payments in Lieu of [property] Taxes	(Thousands of \$2016)	\$277

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 Hoosier 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 Hoosier National Forest supported an estimated 340 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 Hoosier National Forest.

Table 2: Jobs supported by the Hoosier National Forest

Program (2016)	Direct Jobs (Avg Annual)	Total Jobs (Avg Annual)
Recreation by Local Visitors	70	100
Recreation by Non-Local Visitors	70	100
Minerals and Energy	0	0
Forest Products	20	30
Livestock Grazing	0	0
FS Resource Mgt Investments	70	100
Payments to States/Counties	10	10

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 Hoosier National Forest contributed an estimated \$14,377,000 in labor income to the local area, with 82% going to wages and benefits for local wage earners and 18% 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 Hoosier National Forest

Program	Direct Labor Income (Annual, 1,000 \$2016)	Total Labor Income (Annual, 1,000 \$2016)
Recreation by Local Visitors	\$2,098	\$3,549
Recreation by Non-Local Visitors	\$1,956	\$3,313
Minerals and Energy	\$0	\$0
Forest Products	\$635	\$1,156
Livestock Grazing	\$0	\$0
FS Resource Mgt Investments	\$4,207	\$5,779
Payments to States/Counties	\$409	\$580

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 Hoosier National Forest

Major Economic Sector	FS Supported Jobs (2016) (Avg. annual)	FS Supported Labor Income (1,000 \$2016)	Area of Influence Jobs (2016) (Avg. annual)	Area of Influence Labor Income (1,000 \$2016)
Total	340	\$14,377	2,933,797	\$159,068,899
FS Percent of Area of Influence	0.0%	0.0%		
Accommodation & Food Servs	90	\$2,503	227,680	\$4,975,632
Admin, Waste Mgt & Rem Servs	10	\$371	202,884	\$6,802,602
Agriculture	10	\$432	54,158	\$1,199,380
Arts, Entertainment, and Rec	10	\$260	52,204	\$1,333,698
Construction	0	\$145	155,059	\$8,101,066
Private Educational Services	10	\$134	43,937	\$1,356,794
Finance & Insurance	10	\$390	127,126	\$8,582,732
Health Care & Social Assistance	20	\$928	322,134	\$19,626,264
Information	0	\$160	36,367	\$2,486,916
Local, State, & National Gov't	60	\$3,909	335,570	\$21,397,091
Manufacturing	10	\$452	322,587	\$25,566,089
Mining	0	\$35	14,843	\$776,477
Mgt of Companies	0	\$125	31,197	\$3,362,117
Other Services	10	\$451	193,602	\$7,516,012
Prof, Scientific, & Tech Services	20	\$993	167,798	\$12,262,871
Real Estate & Rental & Leasing	10	\$466	105,963	\$7,293,642
Retail Trade	60	\$1,529	151,688	\$8,416,133
Transportation & Warehousing	10	\$446	277,293	\$8,742,068
Utilities	0	\$83	11,609	\$1,471,549
Wholesale Trade	10	\$565	100,099	\$7,799,766

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](#))