

## Fuels Planning: Science Synthesis and Integration

### Economic Uses Fact Sheet: 3

# Economic Impacts of Fuel Treatments



Pacific Northwest  
Research Station



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### Synthesizing Scientific Information for Fire and Fuels Project Managers

The information about the economic impact tool was provided by Greg Alward, Mike Niccolucci, and Doug Smith, USDA Forest Inventory and Monitoring Institute, Fort Collins, Colorado.

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Fuels planning: Science synthesis and integration, an interagency research/management partnership to support the Ten-Year Fire Plan, led by Russell T. Graham, RMRS, and Sarah M. McCaffrey, NCRS.

## Fuel Treatments and Communities

With increased interest in reducing hazardous fuels in dry inland forests of the American West, agencies and the public will want to know the economic impacts of fuel reduction treatments. Fuel planners may find, however, that those impacts are difficult to predict. The costs of fuel treatments will vary depending on the type of treatment, climate, and local site conditions. The economic benefits from fuel treatments will vary depending on whether or not wood products will come from the treatments (and market conditions for those products), how many jobs the treatment will create, the income generated from the treatment activities, and the amount of local spending associated with treatment activities. Federal money for local fuel treatments infuses the local economy with outside support. Impacts to local economies also depend on the timeframe of activities—a sustained period of economically beneficial fuel reduction treatments would yield a sustained source of income for communities (Flora 2003). Because economic impacts are difficult to predict, managers may find economic forecasting tools helpful when making decisions in their particular forests.

## A Tool for Evaluating Economic Impacts

Understanding how fuel reduction treatments may affect local jobs and incomes is often a challenge to field-level personnel focused on the resource management aspects of the treatments. Economists at the USDA Forest Service Inventory & Monitoring Institute (IMI) have developed a rapid assessment tool to estimate the job and income effects of fuel reduction projects.



Agency land managers faced with an over-abundance of hazardous fuels will want to know how treatments might affect the local economy (photo courtesy of USDA Forest Service).

The economic impact tool interacts with *My Fuel Treatment Planner*, an MS Excel-based treatment cost calculator (see fact sheet 4, RMRS-RN-20-4), prompting the user with simple forms for a minimal set of information about the project's location, the total cost and mix of the activities applied, and the products produced, if any. Estimates of the jobs and income that may result are provided for the standard, multicounty Component Economic Area (Johnson 1995) in which the project is located, anywhere in the United States. *My Fuel Treatment Planner*

