

Arkansas Logging Sector

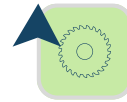
20-year Trends



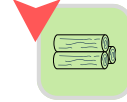
Forest industries contribute 4.1% to the GDP of Arkansas, making it the most forestry-dependent economy in the US South [1].



Arkansas grows 25 million tons more timber than it harvests each year. Since 1978, the state's total standing timber has nearly doubled [2].



Arkansas mill capacity, where wood is processed, has increased over the years reaching 12,109 MMBF in 2022 [3].



Arkansas loggers have continually ensured that the state's industry needs are met despite significant labor decline in the last 20 years.

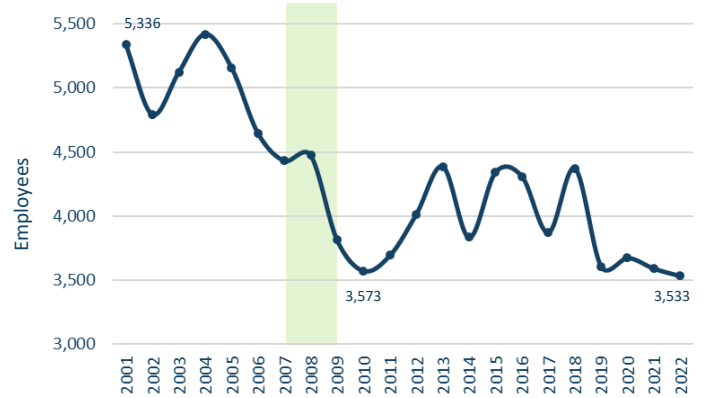
Employment

Total employment in the logging sector in Arkansas decreased by 34% from 2001 to 2022. In 2001, the sector employed 5,336 people, but this number declined significantly over the years.

The sharpest decline occurred during the Great Recession of 2007-2009. During this period, the sector lost nearly 1000 jobs because of the significant decrease in wood demand in the state.

Since 2019, employment in the sector has remained relatively stable, with 3,533 individuals employed in 2022.

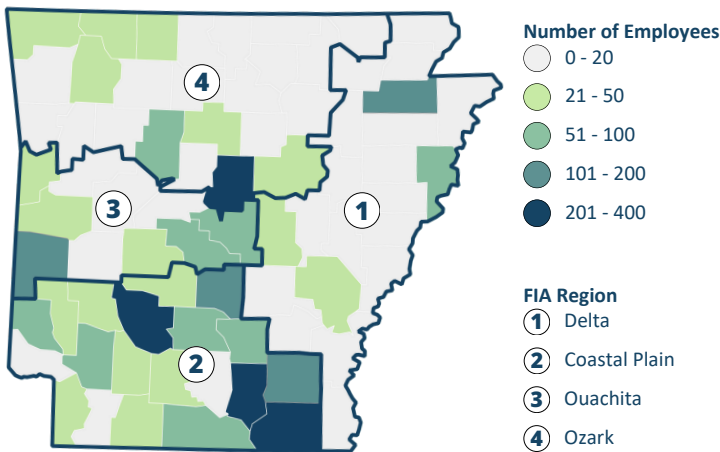
Figure 1. Arkansas annual employment in the logging sector



Employment Distribution

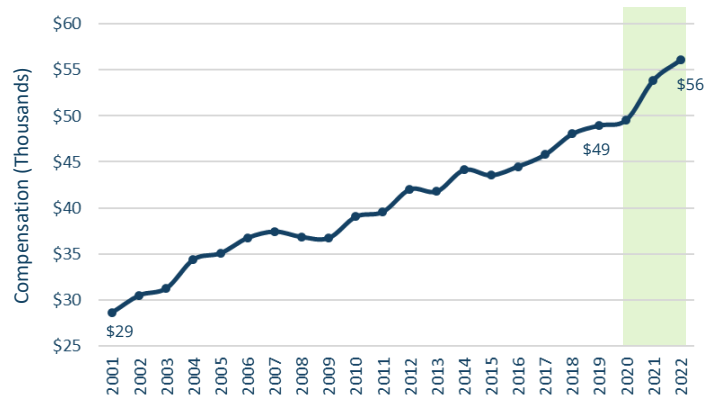
Geographically, the Coastal Plain region of Arkansas has seen the highest logging employment rates with counties such as Ashley, Bradley, and Clark consistently ranking high in the number of employees. The Delta region of the state, home to most of Arkansas's row crop production, employed the fewest.

Figure 2. Arkansas employment distribution by county in 2022



Employee compensation

Figure 3. Arkansas mean employee compensation in the logging sector.

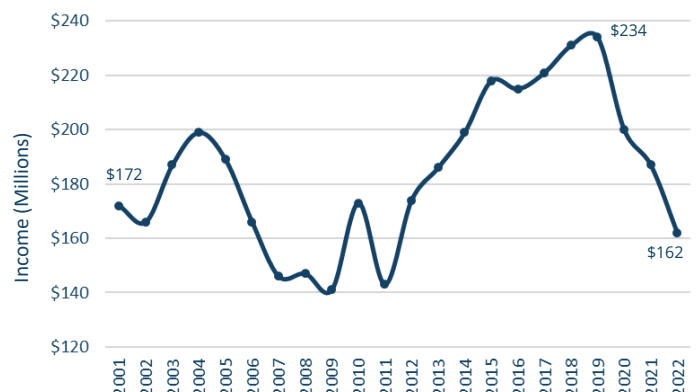


Employee compensation is the amount of money spent on the payroll of both salaried and hourly workers. Mean employee compensation is calculated by dividing total compensation by the number of employees. Figure 3 shows a steady rise in mean employee compensation in the logging sector, which has increased over 96% since 2001. There was a rapid increase in compensation following the COVID-19 pandemic, with a 15% increase from 2019 to 2022.

Labor Income

Labor income includes both employee compensation and proprietor income, reflecting the total amount paid across all levels of employment. As illustrated in Figure 4, the logging sector generated \$161,985,166 in labor income in 2022, marking a 13% decline from the previous year. This decrease brought labor income in 2022 back to levels similar to those seen two decades earlier. Labor income peaked in 2019 when housing starts were high, interest rates were low, and the economy was robust.

Figure 4. Arkansas total labor income in the logging sector.



Data source: IMPLAN

Note: Dollar values are not inflation adjusted.

[1] Pelkki, M. 2023. U.S. Forestry Economic Contribution by State.

[2] Pelkki, M. and Tian, N. 2024. Economic Contributions of Arkansas Forest Industries

[3] Forisk. 2024. North American Forest Industry Capacity Database.



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