### **Timber & Wood Products**

**JULY 2016** 

Inferred Objectives	Results
Reduce cost of doing business	Achieved
Retain good paying rural jobs	Unclear
Help the timber industry compete	Unclear

### Businesses paid lower tax rate and saved \$13.6M (FY 2015)

0.4840%

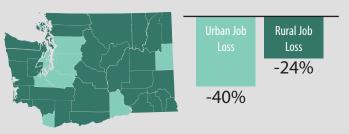
(Standard Rate)

0.3424%

(Lower Rate, Including forest & fish surcharge)

## Timber industry jobs declined but less in rural

areas (2006 to 2014)



In rural counties, remaining timber industry jobs pay 57% more than average jobs

Source: Data from ESD, 2006-14

# Productivity per worker grew (2006 to 2013) 78% 30% 1% Paper products manufacturing Forestry/Logging

Wood and paper products measured as GDP per job; forestry/logging measured as board feet per job. Sources: DNR harvest reports, ESD data, BLS data, 2006-13

### Change in WA competitive position unclear

WA's rank for share of industry jobs fell compared to other states

	WA State Rank	
Industry	2006	2015
Wood Product Manuf.	13th	16th
Paper Product Manuf.	17th	21st
Forestry/Logging	8th	9th
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Source: U.S. BLS, QCEW data, 2006-15

From 2006-13, business output grew for one industry and declined for another

	Change in Output	
Industry and Output	WA	Nation
Wood Product Manuf. GDP	+16%	-12%
Paper Product Manuf. GDP	-31%	-28%
Forestry/Logging Harvest	no comparable data	

Source: U.S. BLS, QCEW data, 2006-13

**RECOMMENDATION:** The Legislature should review and clarify its objectives and employment goals. The preference has reduced the cost of doing business, but other results are unclear.

#### For more information, contact: