



Ecological Restoration Institute



Fact Sheet: Ecological Restoration as Economic Stimulus II

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Forest Economist Finds Landscape-scale Ecological Restoration Will Stimulate Rural Economy

The ecological restoration of federally-managed forests in the American Southwest will require a significant financial investment to ensure its success. What will be the costs and benefits of such spending? Northern Arizona University Forest Economist, Dr. Yeon-Su Kim, recently assessed the potential economic impacts of both proposed and planned restoration treatments on four national forests in northern Arizona. Her findings indicate that federal spending for landscape-level ecological restoration treatments will not only make the forests healthier, it will create sustainable, “green collar” jobs in northern Arizona’s rural communities, generate social and economic benefits, and provide biomass for energy uses.

Results from the study indicate that a proposed 20-year restoration treatment effort would produce the following annual average costs and benefits for three different scenarios:

- The larger treatment scenario (mechanically treating 1.7 million acres) would require a federal investment of **\$50M/year** at the current rate, and generate **\$65M/year** of total economic output, **\$25.9M/year** of labor income, and **741 jobs/year** for local economies.
- The smaller treatment scenario (mechanically treating slightly less than 1 million acres) would require a federal investment of **\$25M/year** at the current rate, and generate **\$40M/year** of total economic output, **\$15.4M/year** of labor income, and **440 jobs/year** for local economies.
- Treatment of 918,149 acres already submitted and approved (i.e., NEPA-ready acres) would require a federal investment of **\$10.7M/year**, and generate **\$13.7M/year** of total economic output, **\$7.3M/year** of labor income, and **150 jobs/year** for local economies.

As Dr. Kim points out, these results do not include potentially significant economic advantages that may be gained from using treatment-generated woody biomass to produce wood products or generate energy through burning. These findings strongly suggest that federal dollars spent on restoring forests will have a positive fiscal, ecological, and social return on the investment .

Project Type	Ecological Benefits	Economic Benefits	Social Benefits
Forest restoration (including mechanical thinning and prescribed burning)	<ul style="list-style-type: none"> • Improved ecosystem health • Reduced risk to forests, watersheds, animal habitat, hydrology from catastrophic wildfires • Protection of old-growth trees • Increased ecosystem services 	<ul style="list-style-type: none"> • Increased and more diverse employment/ income opportunities • Increased diversity of rural economies, including recreational • Increased tax revenues • Reduced fire suppression costs 	<ul style="list-style-type: none"> • Increased public familiarity with local resources • More participation and buy-in for collaborative ecosystem planning • Increased social stability with economic security • Reduced risk of loss due to catastrophic wildfire

For a copy of the white paper, contact the Ecological Restoration Institute at the address below or download a copy from the ERI e-Library at <http://library.eri.nau.edu/gsdll/collect/erilibra/index/assoc/HASH010b.dir/doc.pdf>.