



TABLE OF CONTENTS

Foreword	ii
Acknowledgements	iii
I. Executive Summary	1
II. Glossary.....	3
III. Introduction.....	4
IV. Objectives.....	6
V. Scope of Urban Forestry.....	7
VI. Methods	8
VII. Employment Profile.....	9
VIII. State Economic Contribution Analysis	12
IX. Ecosystem Services	16
X. Conclusions	19
REFERENCES.....	21
Appendix A.....	23

TABLE

T1 Scope of urban forestry in Northeast-Midwest states	7
---	---

LIST OF FIGURES

F1 Map depicting the 21 states involved in the survey.....	6
F2 Average employment in private businesses in Wisconsin	9
F3 Urban forestry jobs in public agencies in Wisconsin	10
F4 Urban forestry jobs in higher education institutions in Wisconsin.....	11
F5 Urban forestry jobs in non-profit organizations	11
F6 Economic contribution of urban forestry in Wisconsin, 2018	12
F7 Direct tax contribution of urban forestry in Wisconsin, 2018.....	14
F8 Top 10 industries affected by jobs in urban forestry in Wisconsin.....	15
F9 Overview of air pollution removal by trees in Census places in Wisconsin.....	18

A collection of stylized tree cross-sections in various sizes and orientations, scattered across the page. Some are large and prominent, while others are smaller and more subtle. They are rendered in a light green color with concentric rings.

FOREWORD

*Trees in **Wisconsin's** cities and suburbs provide a wide range of economic, environmental, and social benefits for the 70% of Wisconsin's population that live in and visit these urban areas. Our state has nearly 132 million urban trees with an estimated total replacement value of almost \$32.2 billion. In addition, urban forestry contributes to local and regional economies by supporting jobs and economic activities. As highlighted in the study, Wisconsin's urban forests had a total contribution of \$1.6 billion in industry output to our state economy and employed 16,725 people. Ongoing management of these urban trees is vital to continue and grow this sector of our economy.*

It brings me great pleasure to present Wisconsin's Urban Forestry Economic Analysis. Thank you for your interest in learning about this important part of Wisconsin's economic prosperity.

Heather Berklund

Forestry Division Administrator

Wisconsin Department of Natural Resources



NORTHEAST-MIDWEST
**STATE FORESTERS
ALLIANCE**

Urban & Community Forestry Committee

ACKNOWLEDGEMENTS

PREPARED FOR

Wisconsin Department of Natural Resources

PREPARED BY

**Rajan Parajuli, Stephanie Chizmar
and Morgan Hoy**

North Carolina State University

Sayeed Mehmood

Ohio State University

Jason Gordon

University of Georgia

Omkar Joshi

Oklahoma State University

James Henderson

Mississippi State University

Olivia Witthun

Wisconsin Department of Natural Resources

Laura Buntrock

Wisconsin Department of Natural Resources

Dan Buckler

Wisconsin Department of Natural Resources

This project was supported by the United States Department of Agriculture, Forest Service and the states, universities and other organization partners listed below. Funding support was provided by the USDA Forest Service via a 2018 Landscape Scale Restoration Grant administered by the Wisconsin Department of Natural Resources (WDNR), Forestry Division on behalf of the Northeast-Midwest State Foresters Alliance Urban & Community Forestry Committee. This report was produced as part of a 20-state (and Washington, D.C.) project supported by a U.S. Department of Agriculture Forest Service 2018 Landscape Scale Restoration Grant, administered by the WDNR, Forestry Division on behalf of the Northeast-Midwest State Foresters Alliance Urban & Community Forestry Committee. Dan Buckler, Laura Buntrock, and Olivia Witthun of the WDNR contributed extensively to this Wisconsin report, and we thank them for their contributions.



I. EXECUTIVE SUMMARY

Urban forestry is a crucial sector of the green industry and continues to grow as a popular solution to both ecological and social issues in rapidly evolving urban landscapes. Along with providing aesthetic benefits and other critical ecosystem services, urban forestry contributes to local and regional economies by supporting jobs and economic activities through various businesses and industries. This report features a comprehensive analysis of the estimated economic contribution of urban forestry to the state economy of Wisconsin. Economic contribution analyses, such as the one detailed in this report, are significant tools for communicating the greater monetary benefits of the urban forestry sector to policy makers and legislators.

THE OBJECTIVES OF THE PROJECT

- 1 Develop an input-output model to quantify the economic impact of the urban forest industry to the state economy.
- 2 Conduct economic impact analyses for the state.
- 3 Quantify financial impacts of the urban forest resource for the state using i-Tree Landscape derived environmental services and associated valuation estimate.
- 4 Develop and implement a framework and methodology to incorporate Urban Forest Inventory and Analysis data into i-Tree Landscape, piloting this work in Wisconsin.
- 5 Produce a report documenting methodology of analysis findings for the state detailing the financial contributions of the urban forest industry and resource.
- 6 Disseminate information developed for stakeholders and the public on the importance of the urban forest industry and resource.

Following rigorous discussion among project partners, the developed scope of urban forestry includes six different groups: private businesses, public (county and municipal governments), public (state agencies), higher education institutions, investor-owned utilities working in tree-line maintenance, and non-profit organizations. The project partners then created an electronic survey which was distributed to individual contacts associated with any of the six groups. The survey instrument for the private sector was primarily designed to separate urban forestry from broader green industries as well as to evaluate the current issues and opportunities related to urban forest businesses in the region, while the survey questions for the public sector focused on capturing the involvement of local and municipal governments and other public agencies in urban forestry. Next, we developed a complete profile of employment statistics associated with urban forestry businesses and activities for each group using the data obtained from primary surveys. The profile statistics were then input into the IMPLAN software, an input-output regional economic modeling system, to estimate economy-wide ripple effects in the state economy stemming from direct economic activities in urban forestry related industries.

... continued

The individualized web-based survey had a final sample size of 30,336 emails across 24,880 businesses and agencies in the Northeast and Midwest United States. Response rates range from 3% (private businesses) to 59.5% (public state agencies), depending on the group surveyed. Out of the businesses surveyed, private landscaping and tree care followed by farm and garden equipment wholesalers reported the highest number of employees on average, including full-time, part-time, and seasonal employees. Private landscaping and tree care providers also employ the largest percentage of workers in urban forestry (43%). Approximately a quarter of nursery and florist merchant wholesalers and nursery and tree production employees perform work in urban forestry-related activities. Less than 20% of the employees in the following business types perform work in urban forestry: nursery and garden supply stores; farm and garden equipment wholesalers; and landscape architectural services.

Results from the input-output modeling suggest that in 2018, urban forestry in Wisconsin directly contributed \$966 million in industry output and \$623 million in value-added by supporting about 12,517 full- and part-time jobs in various businesses and activities. Including direct, indirect, and induced effects, urban forestry in the state had a total contribution of \$1.6 billion in industry output to the state economy, employing 16,725 people with a payroll of about \$672 million. The private sector, predominantly landscaping services, represents over 85% of the direct jobs and industry output in the study region. The public agencies (municipal, county, and state agencies) collectively contributed about \$69.1 million in total industry output by supporting approximately 921 jobs to the state economy. Similarly, higher education institutions and non-profit organizations had total job contributions of 70 and 76, respectively. We estimated that every dollar generated in urban forestry by the private sector

contributed an additional \$0.65 to the state economy. These numbers are crucial to highlight the economic significance of urban forestry businesses and agencies as well as to educate the public, economic development professionals, and legislators about the importance of urban and community forestry in Wisconsin.

Annual savings derived from urban forests were valued at \$447.2 million across the Census-defined urban areas in Wisconsin. This estimate incorporates four broad categories of ecosystem services: air pollution removal, avoided stormwater runoff, carbon sequestration, and energy savings. Community tree canopy, estimated to cover 29.6% of Wisconsin's urban spaces, saved an estimated \$111.3 million from the removal of air pollutants, \$54.9 million from the reduction of stormwater, \$85.3 million from the sequestration of carbon, \$140.8 million in energy savings, and \$55.0 million in carbon avoided because of energy reductions. These trees are critical pieces of community infrastructure that can be used to adapt to or mitigate environmental and social stressors.

II. GLOSSARY

Urban Forestry Defined In this study as the establishment, conservation, protection, and maintenance of trees in cities, suburbs, and other developed areas.

Carbon sequestration To capture and store atmospheric carbon dioxide.

Direct effects The expenditures or initial production changes associated with an industry or sector in the study area which are entered into the Input-Output analysis. These changes can be positive or negative and display how the study area's economy will respond.

Ecosystem services The benefits provided by ecosystems, such as wetlands filtering water or trees capturing air pollutants. Some of these services have financial implications.

Employee compensation Total payroll cost of an employee, inclusive of wages, salaries, payroll taxes, and benefits such as health insurance and retirement.

Employment The number of full-time, part-time, and seasonal jobs associated with a specific industry.

IMPLAN® Modeling software that performs Input-Output analysis. Its framework enables users to create regional economic models and multipliers for one or more counties or states in the USA. Version 3 of IMPLAN® accounts for commodity production and consumption for 536 industry sectors, 10 household income levels, taxes to local/state and federal governments, capital investment, imports/exports, transfer payments, and business inventories.

Indirect effects The economic impact of local industries purchasing goods and services from other industries along supply chains.

Induced effects The economic impact of household spending of labor income following deductions from taxes, savings, and income for commuting.

Industry Entities or businesses participating in similar types of economic activities.

Labor income The sum of employee compensation and proprietor income.

Multipliers The measure of an industry's connection to the economy of the study area

in terms of purchases, payments of wages and taxes, and other transactions.

Municipality The Census definition of an incorporated place, which is a type of governmental unit, incorporated under state law as a city, town (except in New England, New York, and Wisconsin), borough (except in Alaska and New York), or village, generally to provide governmental services for a concentration of people within legally prescribed boundaries (U.S. Census Bureau, 2018).

North American Industry Classification System (NAICS) An industrial classification scheme established and utilized by countries in North America for grouping entities by similar production processes.

Output The value in dollars of production within a study area. It equates to the total of sales and net inventory change.

Proprietor income Production income of sole proprietorships, partnerships, and tax-exempt cooperatives.

Region or Regional Economy The geographic area of interest (i.e., one or more

county or state) and its economic activity.

Sector The industries that make up the complete economy including businesses, households and institutions, and government. In the NAICS, sectors are one of the major areas of economic activity and are classified at the 2-digit level.

Social Accounting Matrix (SAM): SAMs capture all monetary market transaction, including what are called an economy's "ripple effects," during a study period by building upon Input-Out models to include transactions between industries and institutions, including those between institutions themselves.

Total effects: The sum of direct, indirect, and induced effects.

Value-added (or Gross Regional Product [GRP]): The total of labor income, other property income, and production and import taxes. It is also the difference between an industry's total output and the cost of its intermediate inputs. GRP equals the sum of value-added for all economic sectors within the study region.

III. INTRODUCTION

The green industry consists of the businesses and activities involved in the creation, distribution, and services associated with landscape design, garden supplies and equipment, and ornamental plants in urban and semi-urban settings. While academic literature defines green industry as it relates to the production of urban greening products (Hall et al., 2005; New Hampshire Landscape Association, 2021), some governments and private organizations interpret green industry as it pertains to environmentally sustainable economic growth (United Nations Industrial Development Organization [UNIDO], 2021; World Green Economy Council, 2021). Urban forestry is one important contributing sector of the green industry (Mcperson et al., 2005) that was first documented in the literature at the end of the 19th century. More recently, urban forestry has evolved to embody a socio-economic approach to growing trees in urban landscapes (Konijnendijk et al., 2006b; Templeton & Goldman, 1996).

As such, urban forests provide essential ecosystem services to perpetually growing urban populations in the United States, making them an integral component of cities, municipalities, and communities. Urban forestry encompasses various tree management and maintenance activities on over 141 million acres of urban landscape in the United States (USDA Forest Service, 2021a). In addition to private businesses that perform urban forestry activities, governments, non-profit organizations, and utility sectors are also crucial providers of urban forestry related activities and contribute substantially to local and state economies.

Nonetheless, the lack of a standard definition and accounting methodology for estimating the economic and social benefits of urban forestry activities have restricted the successful planning and further expansion of the Urban and Community Forestry Program (National Urban and Community Forestry Advisory Council, 2015). Major barriers in managing urban forestry programs partially result from the lack of consistent definitions and terms. This deficient framework fosters challenges to estimating the extent, contributions, and impact of the urban forestry sector. For the purposes of this report, we define the urban forestry sector as all sectors that participate in urban tree management activities that contribute to urban forestry such as landscape management and architecture, nurseries and tree distributors, and equipment dealers.

Economic contribution analysis of the urban forestry sector aids to communicate the industry's monetary benefits in terms of dollar values and jobs to lawmakers. However, economic contributions analyses, similar to urban forestry terminology and related frameworks, have tended to vary in scope, data used, input-output methodology, and measures reported. In addition, while state-level and regional economic contribution analyses covering forest products industries have been common in the literature (Henderson et al., 2017; Joshi et al., 2017; Parajuli et al., 2018; Pelkki and Sherman, 2020), limited studies have focused on the urban forestry sector. This gap is due in part to the complexity of the urban forestry sector, but also by the historical economic and cultural significance of the forest product industry.

Introduction continued . . .

The main purpose of this report is to estimate the economic contribution of the urban forestry sector in Wisconsin. First, we developed a standard definition of urban forestry that characterized the scope of the sectors building on the methodological approach of Hodges and Court (2019). We included all private, public, and non-profit businesses and organizations associated with urban forestry in the state of interest. The project partners then created an electronic survey which was distributed to individual contacts across the entire Northeast-Midwest study region. The survey instrument for the private sector was primarily designed to separate urban forestry from broader green industries, while the survey questions for the public sector focused on capturing the involvement of local and municipal governments and other public agencies in urban forestry related activities.

Following, we compiled the employment profile of all the related industries and agencies through the results from the online surveys and public sources. We used the Impact Analysis for Planning (IMPLAN) software, an input-output modeling program created by the U.S. government, to estimate the economic contribution of urban forestry to the state economy in terms of several economic and business metrics including jobs, labor income, value-added, and tax collections (IMPLAN, 2021). Lastly, we assessed the ecosystem benefits of Wisconsin communities using i-Tree Landscape. This included the incorporation of the state's Urban Forest Inventory and Analysis data into Landscape, which had previously not been pursued anywhere else.



IV. OBJECTIVES

This state-specific project is part of a broader analysis of urban forest industries in the Northeast and Midwest US (a 20-state region + Washington, D.C.) (F1).

THE OBJECTIVES OF THIS STATE-SPECIFIC PROJECT

- 1 Develop an input-output model to quantify the economic impact of the urban forest industry to the state economy.
- 2 Conduct economic impact analyses for the state.
- 3 Quantify financial impacts of the urban forest resource for the state using i-Tree Landscape derived environmental services and associated valuation estimate.
- 4 Develop and implement a framework and methodology to incorporate Urban Forest Inventory and Analysis data into i-Tree Landscape, piloting this work in Wisconsin.
- 5 Produce a report documenting methodology of analysis findings for the state detailing the financial contributions of the urban forest industry and resource.
- 6 Disseminate information developed for stakeholders and the public on the importance of the urban forest industry and resources.

F1 THE 21 STATES INVOLVED IN THE SURVEY

Connecticut	Michigan	Pennsylvania
Delaware	Minnesota	Rhode Island
Illinois	Missouri	Vermont
Indiana	New Hampshire	Washington, D.C.
Iowa	New Jersey	West Virginia
Maine	New York	WISCONSIN
Maryland	Ohio	



V. SCOPE OF URBAN FORESTRY

Since there are no well-defined industries specific to urban forestry and IMPLAN integrates urban forestry into broader green sectors, the first crucial step of economic contribution analysis was to delineate the scope of urban forest industries in the study region. First, a list of private industries as well as public agencies and non-profit organizations involved in urban forestry was developed based on an extensive review of available literature. The developed scope of urban forestry industries and activities was rigorously discussed with the representatives from each participating state, and other project partners from universities and agencies. Then, all the project team participants were surveyed to develop consensus on the following final list of urban forestry related industries and activities in both private and public sectors (**T1**).

The scope of urban forestry was discussed in all three webinars, with specific emphasis on sectors to be included in the second webinar. All team members who attended the webinar had ample opportunity to discuss their opinions on which sectors related to urban forestry should be included in the analysis. The consensus on the final list of urban forest industries in both private and public sectors was established by surveying all the project partners from participating states, institutions, and organizations.

T1 SCOPE OF URBAN FORESTRY IN NORTHEAST-MIDWEST STATES

PRIVATE INDUSTRIES

- Landscaping services (NAICS 561730)
- Nursery and tree production (NAICS 111421)
- Nursery, garden, and farm supply stores (NAICS 444220)
- Farm and garden machinery and equipment merchant wholesalers (NAICS 423820)
- Nursery stock and florists' supplies merchant wholesalers (NAICS 424930)
- Landscape architectural services (NAICS 541320)
- Private (investor-owned) utility companies

PUBLIC SECTORS

- Municipalities
- Counties
- State agencies involved in urban forestry

HIGHER EDUCATION INSTITUTIONS

NON-PROFIT ORGANIZATIONS

VI. METHODS

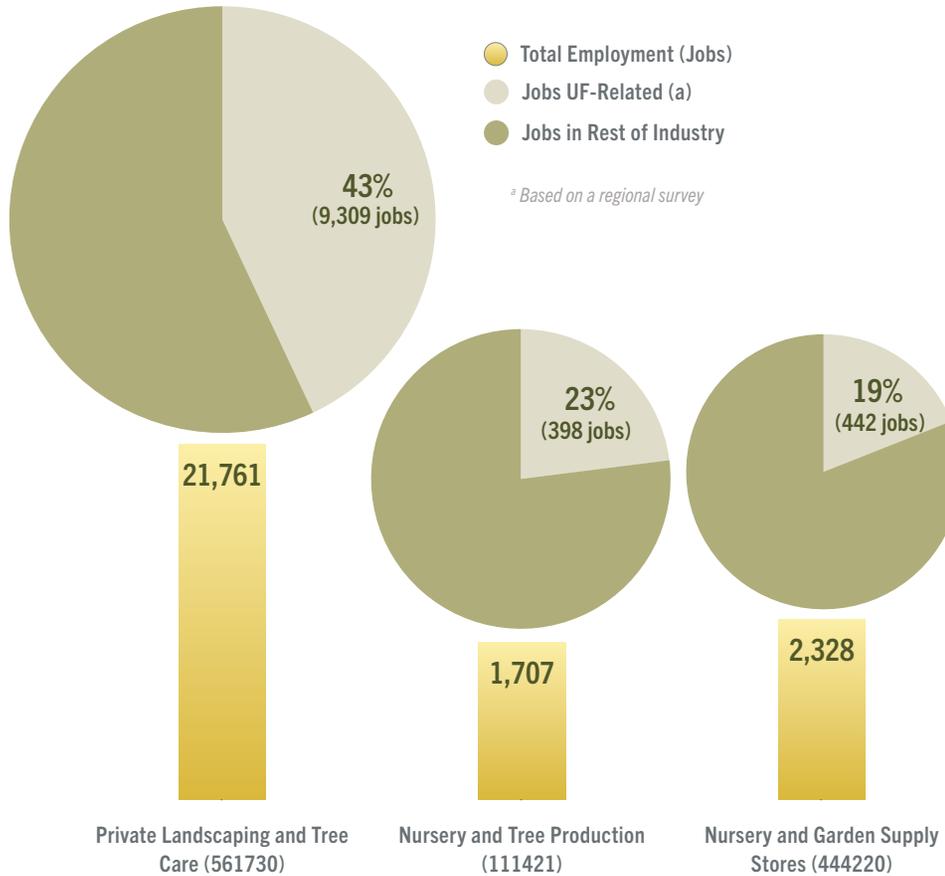
Six different groups across the 21-state region were surveyed: private businesses, public (county and municipal governments), public (state agencies), higher education institutions, investor-owned utilities working in tree-line maintenance, and non-profit organizations. The University of Wisconsin Survey Center (UWSC) sent the surveys out on September 29, 2020, and stopped accepting survey responses on November 4, 2020, after three reminder emails. The survey instrument for the private sector was primarily designed to separate urban forestry from broader green industries as well as to evaluate the current issues and opportunities related to urban forest businesses in the region. On the other hand, the survey questions for the public sector focused on capturing the involvement of local and municipal governments and other public agencies in urban forestry.

We then compiled a complete profile of sales and expenditures of economic activities related to establishment, care, and maintenance of urban forests utilizing publicly available sources in addition to the primary surveys to separate urban forestry activities from broader green industries. Also utilizing data from the primary surveys and publicly available sources, we developed a complete profile of employment statistics including job number and percentage of jobs in urban forestry associated with each group and sector, a key input in the IMPLAN modeling. For the private industries, the 2018 employment numbers in each North American Industry Classification System (NAICS) category were obtained from the Census of Employment and Wages (CEW) from the US Bureau of Labor Statistics (US BLS, 2021). Since CEW does not incorporate self-employed jobs and businesses with their own social insurance programs (IMPLAN Data

Team, 2021), the 2017 IMPLAN data was utilized to compute self-employed jobs specifically in landscaping services (NAICS 561730) and Nursery and tree production businesses (NAICS 111421).

We specify the steps in our approach to the surveys and subsequent economic contribution analysis in more detail in the Urban Forestry Economic Analysis in the Northeast and Midwest Methodology Report. Also described in the Methodology Report, we quantified the estimated benefits from ecosystem services provided by urban trees using tools within i-Tree, a suite of software developed by the U.S. Forest Service that enables forestry analyses and benefit assessments (i-Tree, 2021). While analyses for other states used default i-Tree Landscape results, we incorporated Wisconsin's Urban Forest Inventory and Analysis (UFIA) data into i-Tree Landscape, yielding finer, more localized benefit information for air quality, carbon storage and sequestration, and hydrology. Additionally, the UFIA data allowed for the estimation of energy savings, emissions of volatile organic compounds, and compensatory value of trees. The integration of UFIA data required the ecosystem services expressed in this Wisconsin report to be bound by Census-defined urban areas rather than the Census-defined places used in the regional and other states' reports (U.S. Census Bureau, 2011).

VII. EMPLOYMENT PROFILE



F2 AVERAGE EMPLOYMENT IN PRIVATE BUSINESSES

—TOTAL EMPLOYMENT—
30,785

—JOBS IN URBAN FORESTRY—
11,011

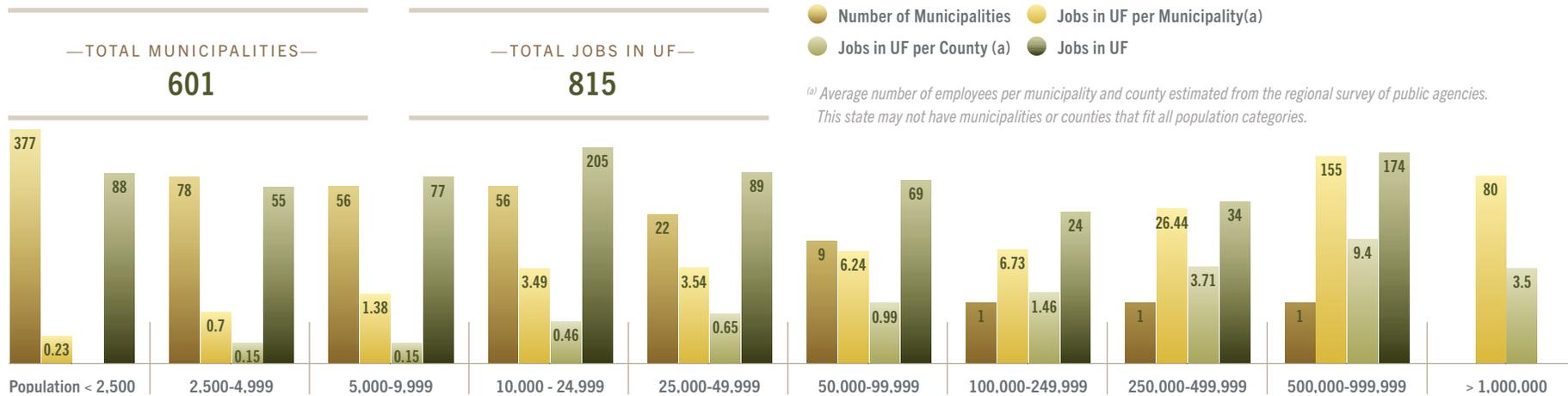
^a Based on a regional survey

Out of the businesses surveyed, private landscaping and tree care followed by farm and garden equipment wholesalers reported the highest number of employees on average, including full-time, part-time, and seasonal employees (F2). Private landscaping and tree care providers also employ the largest percentage of workers in urban forestry (43%). Approximately a quarter of

nursery and florist merchant wholesalers and nursery and tree production employees perform work in urban forestry-related activities (F2). Less than 20% of the employees in the following business types perform work in urban forestry: nursery and garden supply stores; farm and garden equipment wholesalers; and landscape architectural services.

... continued

F3 URBAN FORESTRY JOBS IN PUBLIC AGENCIES IN WISCONSIN

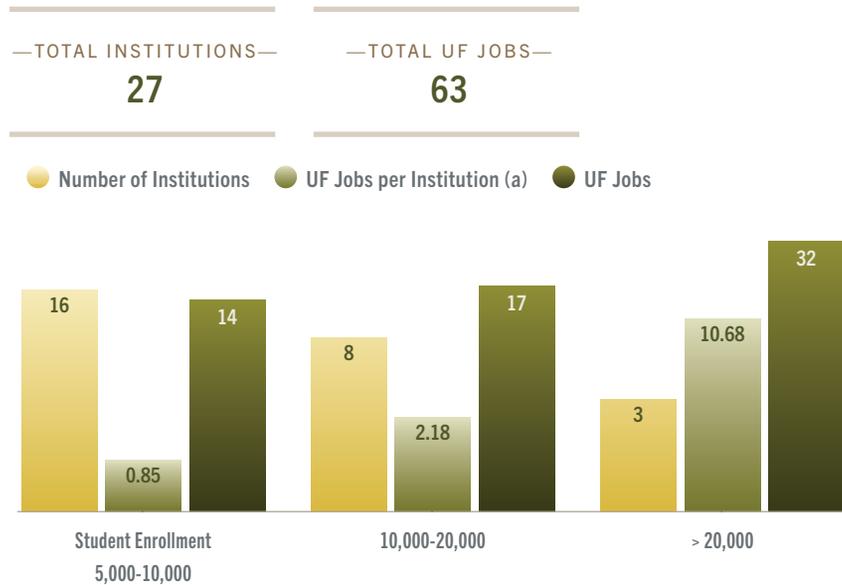


^(a) Average number of employees per municipality and county estimated from the regional survey of public agencies. This state may not have municipalities or counties that fit all population categories.

Since investor-owned private utility companies are also involved in tree line clearing and vegetation management in urban and suburban regions, their involvement in urban forestry in the study region is also included. As the regional survey did not produce meaningful statistics from these surveyed investor-owned utility (IOU) companies due to a very low response rate, the average expenditures of IOU companies in vegetation management are obtained from a similar study conducted by Arbor Day Foundation (P. Smith, Personal Communication). According to their survey of IOUs participating in Tree Line USA, the average per company in-house expenses of IOU companies in vegetation management in our study region was \$36 million per year. The total expenditures of IOUs in vegetation management are calculated by multiplying the number of IOUs in the study state by the average expenditures per company. Based on the total expenditures, the total number of urban forestry jobs (548) in Wisconsin supported by IOUs in landscaping and horticultural services (IMPLAN Industry 469) is imputed by using the IMPLAN model.

Similarly, total public employees involved in urban forestry are also estimated based on the population size of the jurisdiction that these agencies serve in the study region. The number of municipalities and counties in all 21 states by their population sizes are obtained from the Population Division of the U.S. Census Bureau (US Census Bureau, 2020). Then, the average numbers of employees in a municipality and county estimated from our regional survey are used to estimate the total number of jobs in urban forestry employed by municipal and county governments (F3). In 2018, it is estimated that county and municipal governments in Wisconsin employed 815 people directly working in urban forestry activities. Moreover, the number of employees in state forestry or natural resources agencies directly involved in urban forestry is also included in the economic contribution analysis. According to the information collected from state representatives, in 2018, state agencies employed 11 positions in the study region.

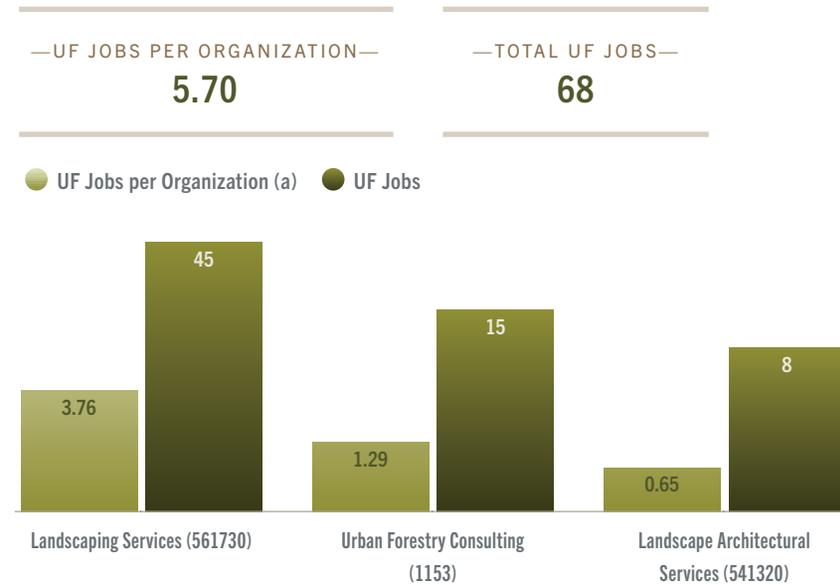
F4 URBAN FORESTRY JOBS IN HIGHER ED INSTITUTIONS



^(a) Based on a regional survey

Similarly, the total jobs related to urban forestry supported by higher education institutions are estimated based on their student enrollment size. First, the total number of higher education institutions and student enrollments are collected from various publicly available sources in each state. The total urban forestry jobs in colleges and universities are estimated by multiplying the number of institutions by the average number of jobs per institution estimated from our regional survey of higher education institutions (F4). In 2018, there were 63 direct jobs from higher education institutions involved in urban forestry activities in the study region.

F5 URBAN FORESTRY JOBS IN NON-PROFIT ORGANIZATIONS (12 NPOS)

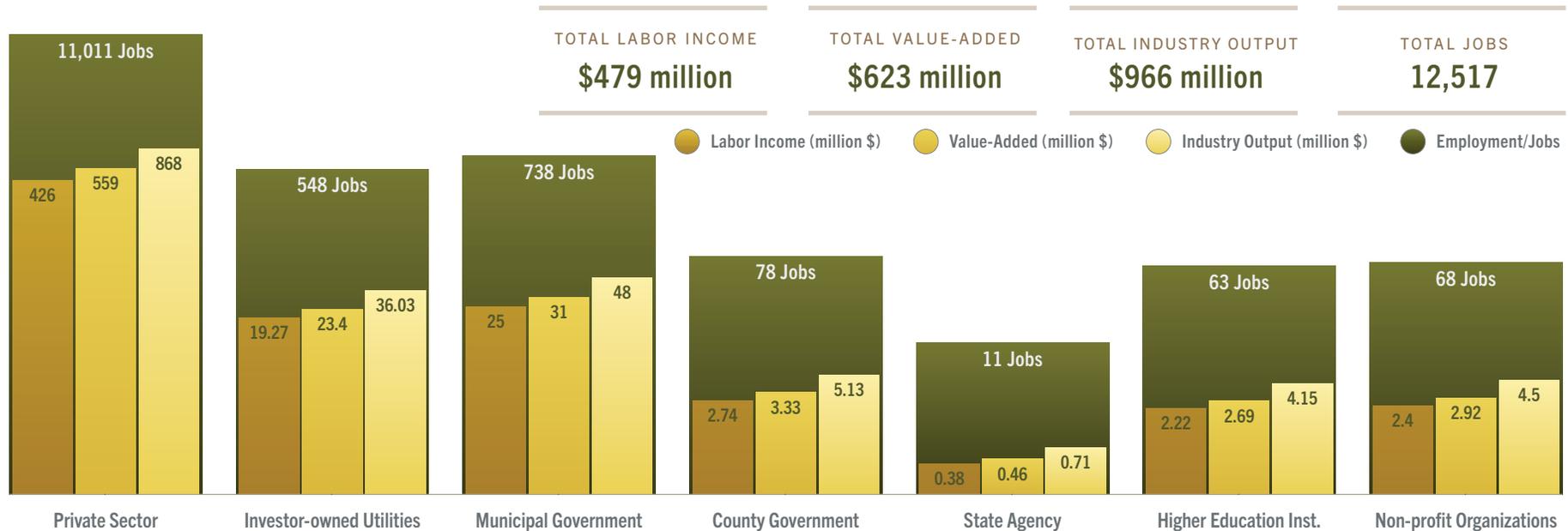


^(a) Based on a regional survey

Further, this study also includes the total jobs related to urban forestry supported by non-profit organizations (NPOs) in the study region. The regional survey of NPOs reveals that on average, an NPO supports 3.76 jobs in landscaping services, 1.29 jobs in forestry consulting services, and 0.65 jobs in architectural services (F5). Urban forestry coordinators from the study states collected the names and contact information for the non-profits in their states. Collectively, it is estimated that in 2018, NPOs in Wisconsin supported 68 jobs directly working in urban forestry activities.

VIII. STATE ECONOMIC CONTRIBUTION ANALYSIS

F6A DIRECT EFFECT ECONOMIC CONTRIBUTION OF URBAN FORESTRY IN WISCONSIN, 2018

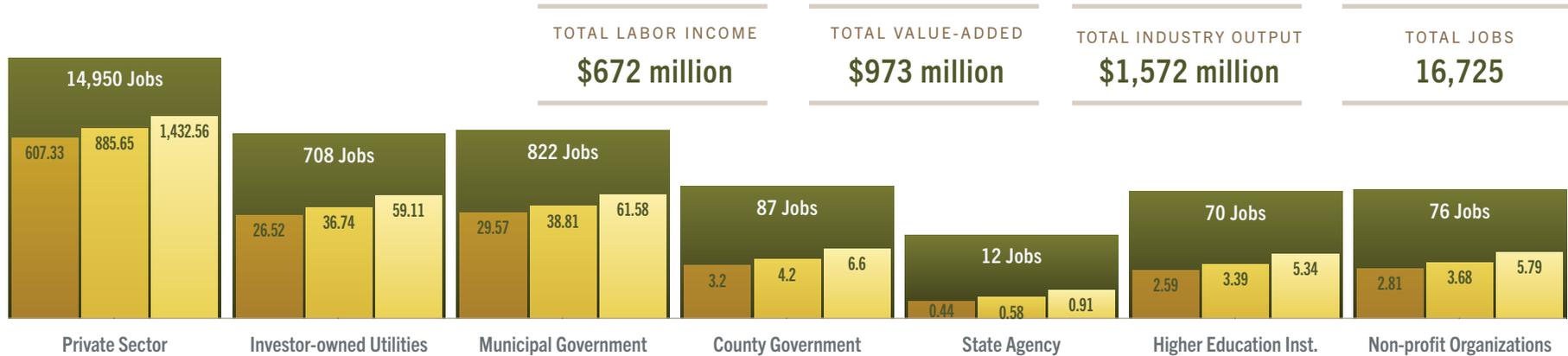


Figures 6A, 6B and 6C present the summary economic contribution results obtained from individual IMPLAN scenarios representing each sector of urban forestry in Wisconsin. Based on the input-output modeling, we estimated that in 2018, urban forestry in Wisconsin directly supported 12,517 full- and part-time jobs in various businesses and activities. The total job contribution of urban forestry including the direct, indirect, and induced employment was 16,725. In terms of labor income, urban forestry in this region collectively contributed about \$479 million directly, and over \$672 million including the multiplier effects throughout the state economy.

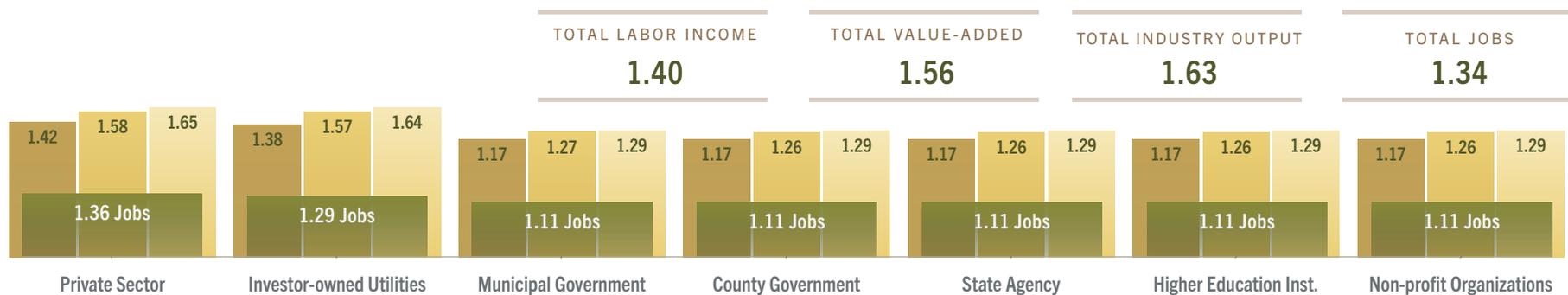
Similarly, in terms of value-added, which is equivalent to gross domestic product, urban forestry in Wisconsin contributed approximately \$623 million to the state economy directly, and if we account for the indirect and induced effects, the total value-added contribution in 2018 was about \$973 million (F6B). In terms of industry output representing all economic activities, the direct and total contributions of urban forestry were approximately \$966 million and \$1.6 billion, respectively. The overall SAM multiplier associated with employment was estimated to be 1.34, indicating that every job in urban forestry in these states resulted in another 0.34 jobs in other sectors of the economy (F6C). Similarly, every dollar generated in urban forestry contributed an additional \$0.63 in industry output to the rest of the regional economy.

... continued

F6B TOTAL EFFECT ECONOMIC CONTRIBUTION OF URBAN FORESTRY IN WISCONSIN, 2018



F6C SAM MULTIPLIER ECONOMIC CONTRIBUTION OF URBAN FORESTRY IN WISCONSIN, 2018

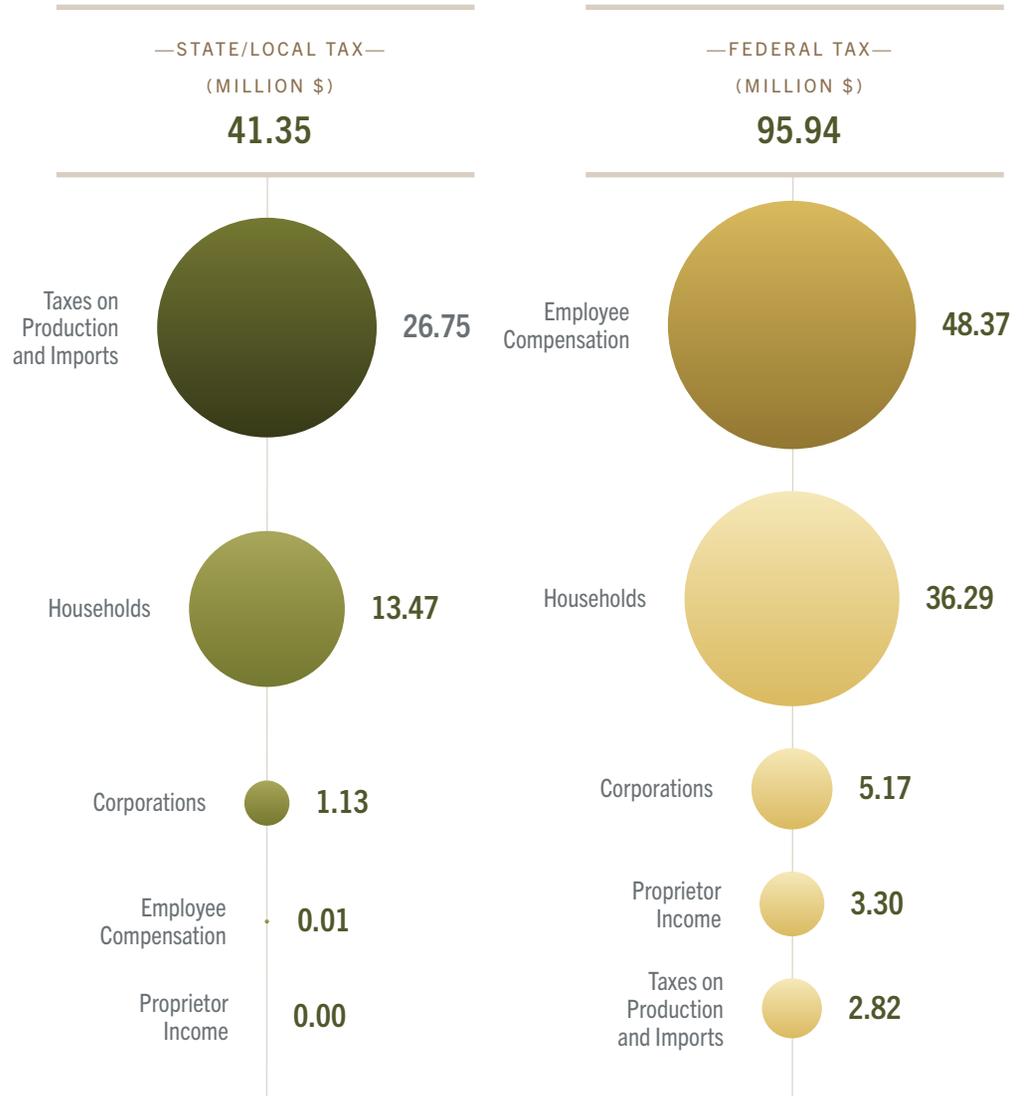


The economic contribution of urban forestry varies widely among the sectors. The private sector, predominantly landscaping services, represents over 85% of the direct jobs and industry output in the study region. The public agencies (municipal, county, and state agencies) collectively contributed about \$69.1 million in total industry output by supporting approximately 921 jobs to the state economy (F6B). Similarly, higher education institutions and non-profit

organizations had total job contributions of 70 and 76, respectively. We estimated that the private sector had the highest SAM multiplier values in all metrics. The SAM value of 1.65 associated with the industry output of the private sector indicates that every dollar generated in urban forestry by the private sector contributed an additional \$0.65 to the state economy.

Urban forestry in Wisconsin also had substantial contributions to the local or state and federal taxes (**F7**). In 2018, urban forestry businesses and employees in the study region paid approximately \$41.4 million in state and local taxes and about \$95.9 million in federal taxes. Most of the state and local taxes were collected on production and imports of goods, followed by household taxes. Employee compensation and households were the major categories contributing to about 88% of federal taxes collected directly from urban forestry businesses and employees in the region.

F7 DIRECT TAX CONTRIBUTION OF URBAN FORESTRY IN WISCONSIN, 2018



F8 PRESENTS THE TOP 10 INDUSTRIES AFFECTED BY JOBS IN URBAN FORESTRY IN WISCONSIN

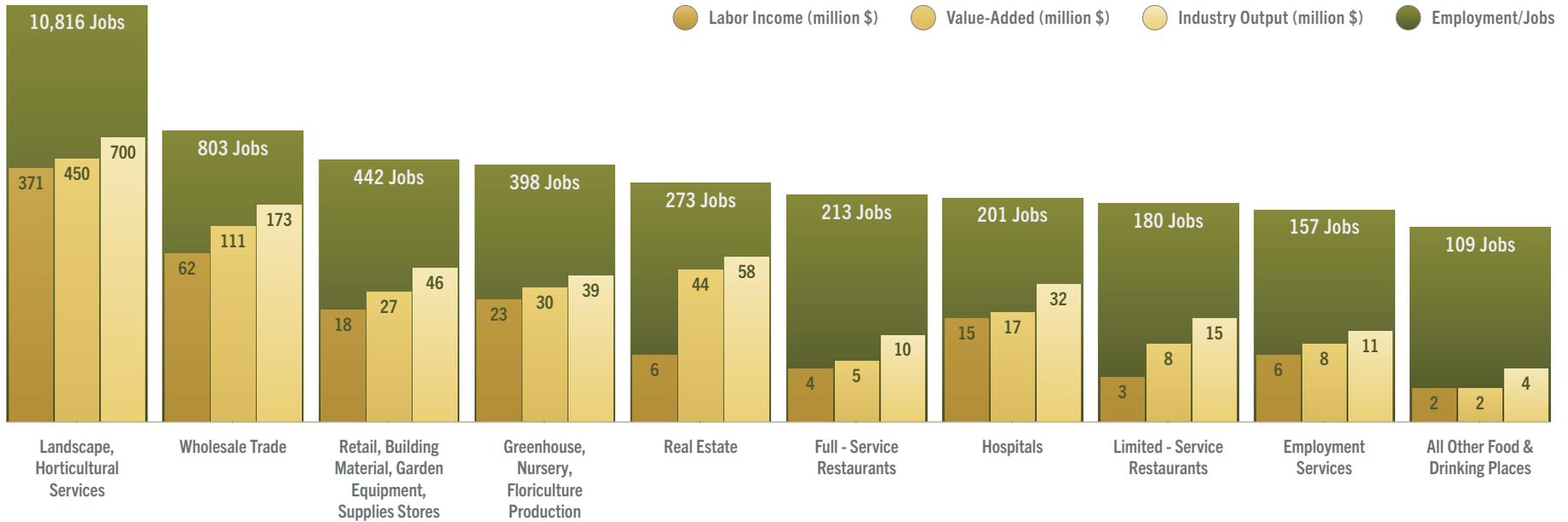


Figure 8 presents the top 10 industries in the state that have the highest employment contributions from urban forestry. A total of 10,816 jobs with an industrial output of about \$699.7 million in landscape and horticultural services were contributed by the urban forestry in the study region. Urban forestry supported about 803 jobs in the wholesale trade industry, 442 jobs in the retail sector, and 398 jobs in greenhouse, nursery, and floriculture production in the study region (F8). Through the induced effects, employees in urban forestry in the study region supported a number of jobs in real estate, full- and limited-service restaurants, and hospitals, playing a vital role in the overall state economy.

Appendix A breaks down total economic contributions from urban forestry activities in the study by direct, indirect, and induced effects.

IX. ECOSYSTEM SERVICES



Unlike the regional and other states' reports which use the boundaries of Census places, this analysis uses the boundaries of Census urban areas (U.S. Census Bureau, 2011). This geographic classification recognizes those areas of the state with higher population density. Of the 5.7 million people who live in Wisconsin, 3.99 million are in these places, accounting for 70% of the state's population.

Urban forests offer myriad ecosystem services to these areas, from building community culture, to improving mental and emotional health, to offering food and habitat for wildlife. However, only some of these ecosystem services are quantifiable in economic terms on a large scale across the state. These include the removal of air pollutants, the reduction of stormwater, the storage and sequestration of carbon, and the avoidance of energy usage. The i-Tree Landscape methodology, informed by UFIA data, was used to tabulate these services.

It is estimated that trees cover 29.6% of Wisconsin's urban areas, saving them \$447.2 million a year across those four broad categories of ecosystem services. This includes \$111.3 million from the removal of air pollutants, \$54.9 million from the reduction of stormwater, \$85.3 million from the sequestration of carbon, \$74.4 million in electricity usage avoided, \$66.4 million in fuel usage avoidance, and \$55.0 million from the avoidance of carbon due to energy reductions. Additionally, urban trees were found to have an estimated compensatory value of \$32.2 billion, reflecting the trees' value as structural assets.

... continued

Six different air pollutants were analyzed within i-Tree Landscape: carbon monoxide (CO), nitrogen dioxide (NO₂), ozone (O₃), fine particulate matter (PM_{2.5}), particulate matter (PM₁₀) and sulfur dioxide (SO₂). Figure 9 identifies the weight removed, money saved and main emission sources for each of these pollutants. The table also expresses urban forests' pollutant reduction capacity by the equivalent number of vehicles removed from roads. Monetary savings from air pollution removal are derived from pollutants' impacts on human health.

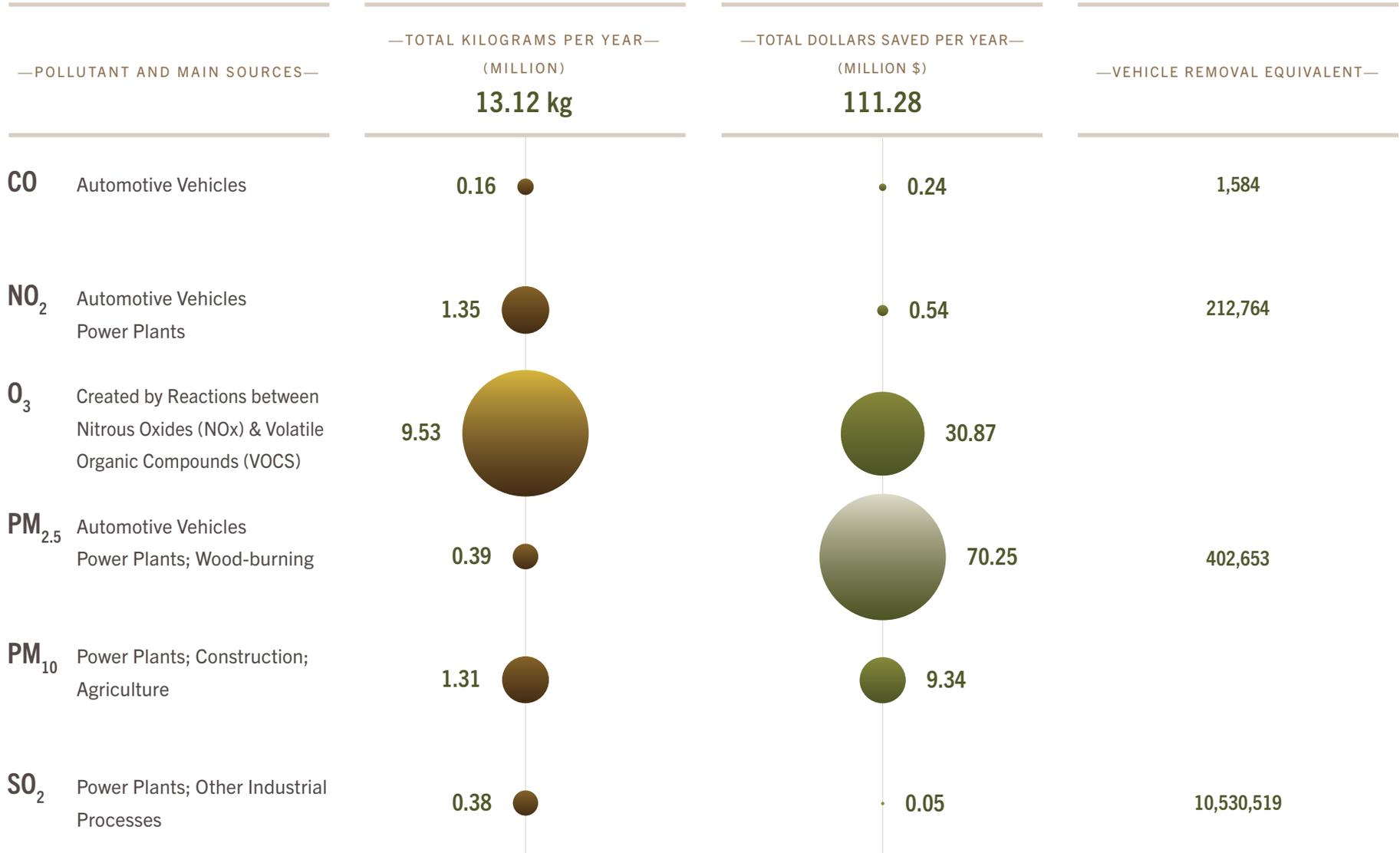
Trees also have an important role in intercepting and slowing rainwater, including preventing some of it from being funneled to grey stormwater infrastructure. In Wisconsin, trees are estimated to intercept 109.3 million m³ of rainwater a year, ultimately preventing 23.3 million m³ of it from reaching stormwater systems. To use a colloquial comparison, that is the equivalent of 3,330 Olympic size swimming pools (each 50m x 25m x 3m). The value of this avoided runoff is \$54.9 million - calculated by the amount of water no longer needed to be managed by wastewater facilities. Additional hydrologic benefits of trees, such as erosion control, are beyond this study.

Urban forests are critical infrastructure for climate change mitigation. Across Wisconsin, community trees store 11 million metric tons of carbon, the equivalent of 40.5 million metric tons of CO₂. This carbon storage is valued at \$2.1 billion. Each year, these forests sequester 453 thousand metric tons of carbon, or the equivalent of 1.7 million metric tons of CO₂. The annual sequestration of carbon in Wisconsin community forests is valued at \$85.3 million. These monetary values are calculated using the current social costs of carbon within i-Tree Landscape.

According to i-Tree Landscape, trees across the entire state, including rural areas, store 394.7 million metric tons of carbon at a sequestration rate of 7.1 million metric tons a year. Thus, using UFIA-informed i-Tree Landscape figures, urban forests store about 2.8% of the state's total carbon and sequester about 6.4% of the carbon a year. Urban trees can also mitigate electricity or fuel usage by cooling their surroundings during warm seasons or blocking winds during cold seasons. It is estimated the state's urban trees help avoid 500 million kwh of electricity usage, valued at \$74.4 million, and 8 trillion btu of fuel usage, valued at \$66.4 million. Furthermore, by reducing the amount of energy consumed, urban trees help avoid 265 thousand metric tons of carbon put into the atmosphere, a service valued at \$55.0 million.

Wisconsin's urban trees were also estimated to produce 13.4 million pounds of volatile organic compounds each year. This class of chemicals serves many beneficial purposes for plants, but when in the presence of pollutants such as nitrogen oxides (NO₂), can also produce ozone (O₃).

F9 OVERVIEW OF AIR POLLUTION REMOVAL BY TREES IN CENSUS PLACES IN WISCONSIN



X. CONCLUSIONS

Urban forestry has received considerable attention in recent years, not only for trees' intrinsic and infrastructure values in urban and suburban landscapes, but also for the economic significance of various businesses and industries relying on urban forestry. However, estimating the economic contribution of urban forestry is somewhat challenging as it is quite difficult to separate the sector from broader green industries. As a result, estimation of the sector's economic contributions through input-output modeling requires additional effort to characterize industry portions specific to urban forestry. In this report, we outlined our approach to developing a standard methodology and model set-ups to capture urban forestry related businesses and activities exclusively. We then applied our approach to estimate the economic contributions of urban forestry in Wisconsin. To this end, our study makes an important methodological contribution and sets a milestone in urban forestry economic contribution analysis. We complemented this analysis with a conservative assessment of ecosystem services, allowing for a more holistic perspective on the economic impact of urban forests.

Results from our IMPLAN model suggest that the majority of the urban forestry-related employment opportunities are in the private sector, which collectively represents industries related to urban tree care and services, nursery and tree production, machinery supplies, and landscape architecture, among others. The results also indicate that landscaping and tree care services were the most dominant private sectors, contributing to more than 9,309 direct jobs in the study region. Interestingly, the magnitude of SAM multipliers in the private sector industries were higher than those associated with the public sectors, which reflects the diversified market channels of private industries and the

subsequent magnified ripple effects in the rest of the economy (Henderson et al., 2017). While employment from urban forestry in the public sectors in the study region is minimal, our results suggest a meaningful contribution of this sector in large metro areas. Public sector investments in urban forestry have paid off through employment opportunities, ripple effects in other sectors of the economy, and ecosystem service-related benefits such as shade and health (Hardy et al., 2000; Donovan, 2017).

The framework and findings documented in this report also have important management and policy implications:

- Using stakeholder input and rigorous discussion as a foundation, we established an exhaustive scope of urban forestry, incorporating the involvements of private, public, non-profit, and higher education institutions in urban forestry.
- Our approach developed an input-output analysis framework for urban forestry with the use of a relatively novel application of the analysis-by-parts method and margins analysis for wholesalers and retailers. This approach is easily generalizable and can be used to estimate comparable results regardless of the study region.
- Our results could provide justification for enhancement of current programs or creation of new measures to support urban forest management.
- The comprehensive nature of this study leads to a complete picture of urban forestry contributions, including areas that require attention.

... continued

- Results from this study could be used to develop targeted technical and financial assistance to jurisdictions that require capacity building.
- Private sector urban forestry industries could also use the results to highlight their importance while communicating with the public and policymakers.
- The consideration of ecosystem services shows that urban forests save communities and society at-large substantial amounts of money, in addition to generating economic activity.

Response rates to the survey that varied widely among the target groups represent a potential caveat of this study. While response rates from the public sector, higher education institutions, and non-profit organizations were relatively higher compared to other studies based on web-based surveys (e.g., Sinclair et al., 2012), the response rate from private businesses (about 3%) was less than expected. The COVID-19 pandemic is one possible reason explaining lower survey responses from the private businesses. Nonetheless, the lower response rates are consistent with the finding that web-based surveys may be more effective for the groups with smaller population sizes (Sinclair et al., 2012). To this end, we suggest that future studies adopt the mixed-mode approach utilizing both paper-based and web-based platforms.



REFERENCES

- Donovan, G.H.** 2017. Including public-health benefits of trees in urban-forestry decision making. *Urban Forestry and Urban Greening* 22, pp. 120–123. <https://doi.org/10.1016/j.ufug.2017.02.010>
- Hall, C.R., Hodges, A.W., Haydu, J.J.** 2006. Economic Impacts of the Green Industry in the United States. *HortTechnology* 16(35437). <http://dx.doi.org/10.21273/HORTTECH.16.2.0345>.
- Hardy, J., Behe, B.K., Barton, S.S., Page, T.J., Schutzki, R.E., Muzii, K., ... Safley, C.** 2000. Consumers Preferences for Plant Size, Type of Plant Material and Design Sophistication in Residential Landscaping. *Journal of Environmental Horticulture* 18(4), pp. 224–230. <https://doi.org/10.24266/0738-2898-18.4.224>.
- Henderson, J.E., Joshi, O., Tanger, S., Boby, L., Hubbard, W., Pelkki, M., ... Tappe, P.** 2017. Standard procedures and methods for economic impact and contribution analysis in the forest products sector. *Journal of Forestry* 115(2), pp. 112-116. <https://doi.org/10.5849/jof.16-041>.
- Hodges, A.W., Court, C.D.** 2019. Economic Contributions of Urban Forestry in Florida in 2017. *Florida Department of Agriculture and Consumer Services-Florida Forest Service*. Retrieved August 18, 2021 from <https://fred.ifas.ufl.edu/DEStudio/html/EconomicImpactAnalysis/EconomicContributionsFloridaUrbanForestry.pdf>.
- i-Tree Landscape v4.3.1.** Retrieved September 29, 2021 from <https://landscape.itreetools.org>.
- IMPLAN. 2021. IMPLAN.** Retrieved August 18, 2021 from <https://www.implan.com/>.
- Joshi, O., Henderson, J.E., Tanger, S.M., Boby, L.A., Pelkki, M.H., Taylor, E.L.** 2017. A synopsis of methodological variations in economic contribution analyses for forestry and forest-related industries in the US South. *Journal of Forestry* 115(2), pp. 80-85. <https://doi.org/10.5849/jof.16-044>.
- Konijnendijk, C.C., Ricard, R.M., Kenney, A., Randrup, T.B.** 2006 b. Defining urban forestry - A comparative perspective of North America and Europe. *Urban Forestry and Urban Greening* 4(3–4), 93–103. <https://doi.org/10.1016/j.ufug.2005.11.003>.
- Mcpherson, G., Simpson, J.R., Peper, P.J., Maco, S.E., Xiao, Q.** 2005. Municipal Forest Benefits and costs in five U.S. cities. *Journal of Forestry*, 411–416. <https://doi.org/10.1093/jof/103.8.411>.
- National Urban and Community Forestry Advisory Council.** 2015. *Ten-Year Urban Forestry Action Plan: 2016-2026*. University of Virginia Institute for Environmental Negotiation. Retrieved August 18, 2021 from https://urbanforestplan.org/wp-content/uploads/2015/11/FinalActionPlan_Complete_11_17_15.pdf.



NORTHEAST-MIDWEST
**STATE FORESTERS
ALLIANCE**

Northeast-Midwest State Foresters
Alliance, Urban & Community
Forestry Committee

New Hampshire Landscape Association. 2021. What is the Green Industry. Retrieved September 21, 2021 from <https://nhlaonline.org/what-is-the-green-industry/>.

Parajuli, R., Henderson, J.E., Tanger, S., Joshi, O., Dahal, R. 2018. Economic Contribution Analysis of the Forest-Product Industry: A Comparison of the Two Methods for Multisector Contribution Analysis Using IMPLAN. *Journal of Forestry* 116(6), pp. 513-519. <https://doi.org/10.1093/jofore/fvy047>.

Pelkki, M., Sherman, G. 2020. Forestry's economic contribution in the United States, 2016. *Forest Products Journal* 70(1), pp. 28-38. <https://doi.org/10.13073/FPJ-D-19-00037>.

Sinclair, M., O'Toole, J., Malawaraarachchi, M., Leder, K. 2012. Comparison of response rates and cost-effectiveness for a community-based survey: postal, internet and telephone modes with generic or personalised recruitment approaches. *BMC Medical Research Methodology* 12(1), pp. 1-8. <https://doi.org/10.1186/1471-2288-12-132>.

Templeton, S.R., Goldman, G. 1996. Estimating Economic Activity and impacts of urban forestry in California with multiple data sources from early 1990s. *Journal of Arboriculture* 22(3), pp. 131–143. Retrieved August 18, 2021 from http://www.actrees.org/files/Research/templeton_economics.pdf.

UNIDO. 2021. **Green Industry initiative.** Retrieved September 21, 2021 from <https://www.unido.org/our-focus-cross-cutting-services-green-industry/green-industry-initiative>. U.S. Census Bureau. 2018. *Census Designated Places (CDPs) for the 2020 Census-Final Criteria*. Retrieved October 13, 2021 from <https://www.federalregister.gov/documents/2018/11/13/2018-24571/census-designated-places-cdps-for-the-2020-census-final-criteria>. USDA Forest Service. 2021a.

USDA Forest Service. 2021a. *Urban forests: what are urban forests?* Retrieved August 18, 2021 from <https://www.fs.usda.gov/managing-land/urban-forests>.

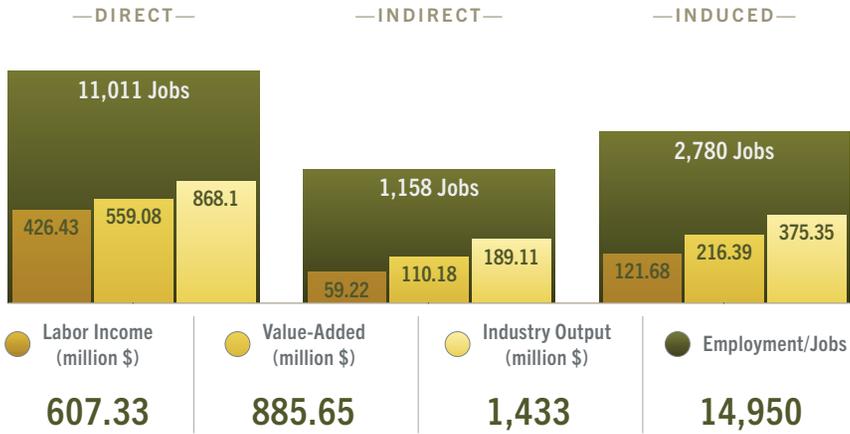
USDA Forest Service. 2021b. *National Urban and Community Forestry Advisory Council*. Retrieved August 18, 2021 from <https://www.fs.usda.gov/managing-land/urban-forests/ucf/nucfac>.

World Green Economy Council. 2021. *Green Industry*. Retrieved September 21, 2021 from <https://wgeco.org/green-industry/>.

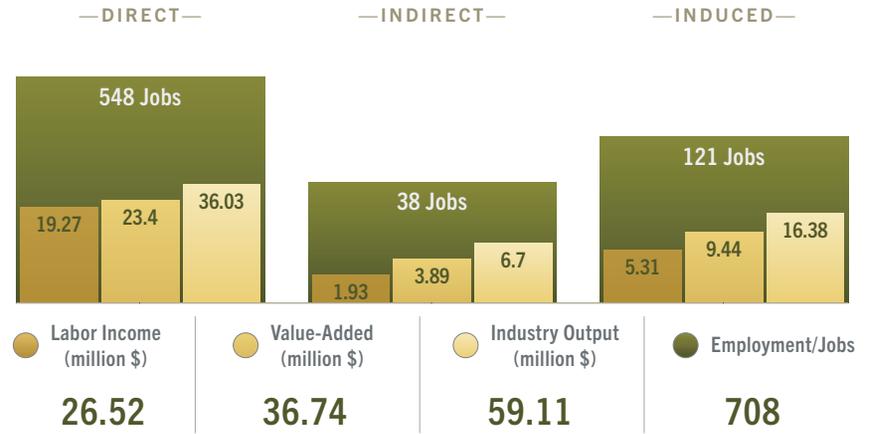
APPENDIX A

ECONOMIC CONTRIBUTIONS (DIRECT, INDIRECT, INDUCED, AND TOTAL) OF ALL SECTORS FEATURED IN THE STUDY

— PRIVATE —



— INVESTOR-OWNED UTILITIES —



— MUNICIPAL GOVERNMENT —



— COUNTY GOVERNMENT —

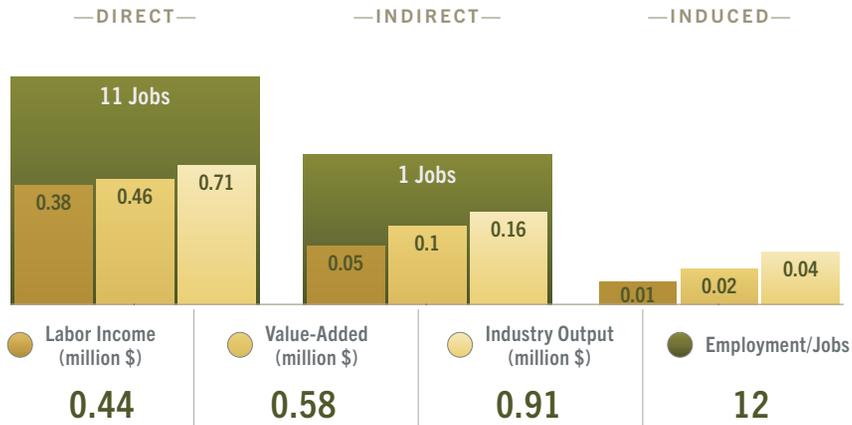


... continued

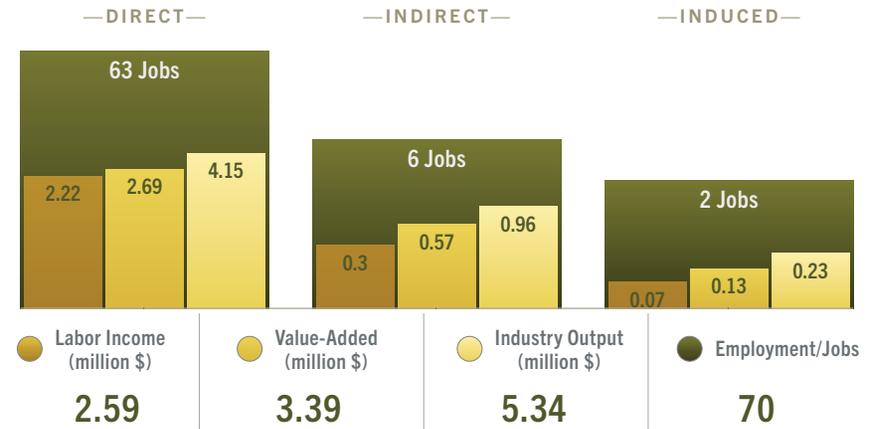
APPENDIX A

ECONOMIC CONTRIBUTIONS (DIRECT, INDIRECT, INDUCED, AND TOTAL) OF ALL SECTORS FEATURED IN THE STUDY

— STATE AGENCIES —



— HIGHER EDUCATION —



— NON-PROFIT —





"This institution is an equal opportunity provider."

U.S. FOREST SERVICE NONDISCRIMINATION STATEMENT

In accordance with Federal law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, disability, and reprisal or retaliation for prior civil rights activity (Not all prohibited bases apply to all programs).

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible State or local Agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information is also available in languages other than English.

To file a complaint alleging discrimination, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office or write a letter addressed to USDA and provided in the letter all of the information requested in the form.

To request a copy of the complaint form, call (866) 632-9992 or submit the completed form/letter to USDA

MAIL

U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250- 9410

FAX

(202) 690-7442

EMAIL

program.intake@usda.gov.