

**Indicator 38. Value of Investment, Including Investment in Forest Growing Forest Health Management, Planted Forests, Wood Processing, Recreation, and Tourism**

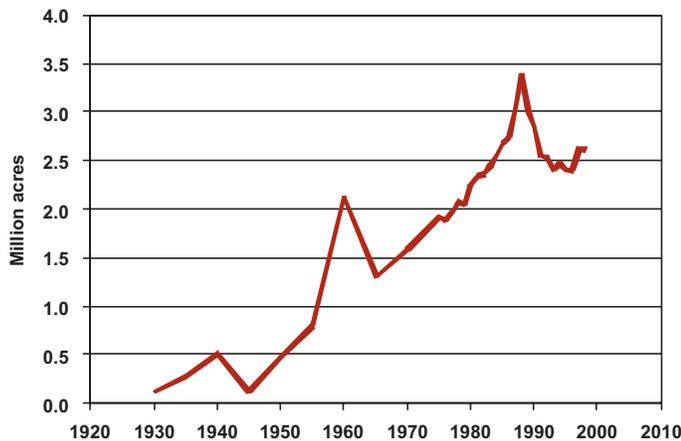


Figure 38.1. Area of tree planting in the United States, 1930–1998 (million acres).

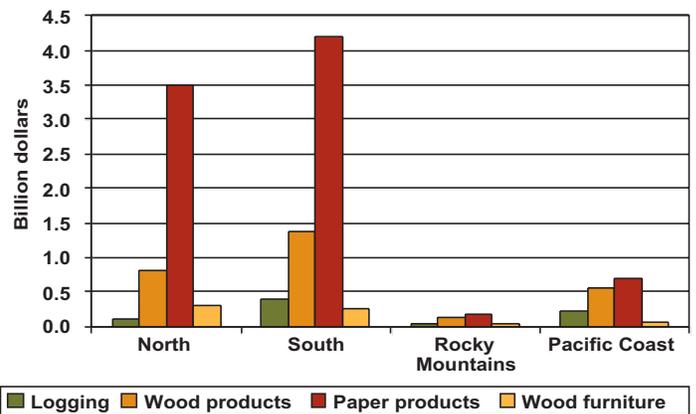


Figure 38.2. Capital investment in logging, wood products, paper products, and wood furniture industries by region, 1997 (billion dollars).

**What Is the Indicator and Why Is It Important?**

This indicator measures efforts to maintain or increase capacity to provide economic, social, and environmental benefits from forests. Forests are natural capital that provides benefits. Forest management activities, including planting, silviculture, protection, and preservation, are investments in this capital. Investments in wood and nonwood products businesses support capacity to provide wood and nonwood products. Investments in recreation facilities and businesses support capacity to provide recreation benefits. This is only part of all investment in natural, built, human, and social capital needed to sustain benefits.

**What Does the Indicator Show?**

Investment in forest management includes tree planting, which has increased from 0.5 to 2.6 million acres per year between 1950 and 1998. This and other forest management efforts, along with increases in value of timber, have increased the value of timber capital (standing trees). Between 1952 and 1997, the value changed most in the North (up 99 percent), followed by the South (up 68 percent), the Rocky Mountains (up 27 percent), and the Pacific Coast (down 14 percent).

The decline on the Pacific Coast is due primarily to a decline in volume on industry land. Planted forest area in the East in 1997 was 40 million acres or 10 percent of forest land area. About three-fourths is southern pine. Planted area in the West is about 14 million acres or about 6 percent of forest land area. Area planted in fast-growing hardwood plantations through 1996 was about 128,000 acres. New capital expenditures in lumber and wood products, and paper and allied products, have increased in real terms over the last four decades, from \$0.9 and \$2.0 billion in 1962, to \$1.6 and \$6.2 billion in 1996. But lumber and wood products investment has declined as a percent of the value of shipments from 2.5 to 1.5 percent over this period, while pulp and allied product investment has remained about 4 percent of shipments. Investment in recreation and tourism to maintain capacity to provide forest recreation experiences is wide ranging, including investment in facilities on public and private land, and investment in businesses that provide services and products to those recreating on forest land. Investment in recreation facilities includes expenditures by the USDA Forest Service (\$40 million in 2001) and the U.S. Department of the Interior National Park Service (\$367 million in 2002) (forest and nonforest areas).