

Impacts of the Closure of Verso Paper on Sales within Wood County

To understand the impacts that the closure of Verso Paper will have on Wood County's economy, we first have to take a look at the original conditions within the County. Next, we factor in the initial loss of sales from the 915 jobs that will be lost. The initial loss in sales will lead to a direct loss in sales across all other industries within the County. These direct losses will lead to further indirect losses in sales as these losses will lead to a decrease in sales and earnings throughout the economy.

Original

This number represents sales per industry within Wood County before the loss of 915 jobs as a result of the expected closure of the Verso paper mill. Before the loss of 915 jobs, the total sales for the Manufacturing Industry in Wood County were estimated at \$2,401,764,865. Before the expected loss of 915 jobs in the paper mill industry, total sales across all industries within the county were estimated at \$7,936,911,344.

Initial

This number represents the initial change in earnings/sales as a result of the expected loss of 915 jobs within the Paper Mill industry, and therefore does not include ripple effects. The loss of 915 jobs in the paper mill industry will result in an initial loss of sales amounting to approximately **\$557,747,064**. This category only represents the sales that will be initially lost in the paper mill industry.

Direct

This column represents the direct effect that a loss of \$557,747,064 in sales in the paper mill industry will have on other industries. This column represents the first round of impacts as a result of the loss of 915 jobs. The loss of 915 jobs from the closure of the Verso paper mill is estimated to lead to a direct loss of **\$67,830,024** in sales within Wood County.

Indirect

This column represents the subsequent ripple effect in further supply chains resulting from the direct loss of \$67,830,024 in sales within Wood County. The estimated direct loss of \$67,830,024 in sales is estimated to lead to an indirect loss of **\$9,661,158** in indirect sales within Wood County. In more awkward terms, this shows the sales change in the supply chains of the supply chain, as a result of the direct change. This is the sum of the second and subsequent rounds of impact.

Induced

This change is due to the impact of the new earnings, investment, and government created by the initial, direct, and indirect changes. The combined loss of \$635,238,247 in sales from the initial, direct, and indirect losses are estimated to lead to an additional loss of **\$54,380,490** within Wood County. Induced effects enter the economy as employees spend their paychecks in the region, businesses invest to grow their operations, and government spends more to support the changes.

Detailed Effect on Industry Sales within Wood County from removing 915 jobs from Paper (except Newsprint) Mills using Type Emsi Model						
NAICS Code	Name	Original	Initial	Direct	Indirect	Induced
11	Agriculture, Forestry, Fishing and Hunting	\$220,165,765	\$0	(\$3,464,447)	(\$570,413)	(\$310,261)
21	Mining, Quarrying, and Oil and Gas Extraction	\$24,767,052	\$0	(\$896,298)	(\$186,330)	(\$382,947)
22	Utilities	\$46,898,471	\$0	(\$5,914,047)	(\$318,897)	(\$620,067)
23	Construction	\$328,159,132	\$0	(\$953,177)	(\$293,786)	(\$8,618,691)
31	Manufacturing	\$2,401,764,865	(\$557,747,064)	(\$20,034,325)	(\$1,063,845)	(\$1,717,627)
42	Wholesale Trade	\$332,258,699	\$0	(\$8,544,964)	(\$699,772)	(\$1,499,807)
44	Retail Trade	\$391,901,204	\$0	(\$632,412)	(\$361,366)	(\$4,980,222)
48	Transportation and Warehousing	\$624,629,906	\$0	(\$16,532,493)	(\$1,235,823)	(\$1,222,269)
51	Information	\$378,031,904	\$0	(\$1,185,418)	(\$505,695)	(\$3,749,658)
52	Finance and Insurance	\$256,758,920	\$0	(\$632,079)	(\$1,210,815)	(\$3,228,476)
53	Real Estate and Rental and Leasing	\$162,311,786	\$0	(\$249,829)	(\$991,965)	(\$1,550,985)
54	Professional, Scientific, and Technical Services	\$118,613,469	\$0	(\$3,133,443)	(\$679,225)	(\$1,688,621)
55	Management of Companies and Enterprises	\$37,258,578	\$0	(\$331,371)	(\$34,507)	(\$22,586)
56	Administrative and Support and Waste Management and Remediation Services	\$107,389,856	\$0	(\$3,325,385)	(\$836,464)	(\$846,983)
61	Educational Services	\$7,673,120	\$0	(\$840)	(\$4,161)	(\$161,372)
62	Health Care and Social Assistance	\$1,442,399,498	\$0	(\$28,134)	(\$18,579)	(\$9,980,998)
71	Arts, Entertainment, and Recreation	\$31,586,769	\$0	(\$44,007)	(\$17,570)	(\$388,676)
72	Accommodation and Food Services	\$127,949,141	\$0	(\$224,290)	(\$113,301)	(\$2,571,227)
81	Other Services (except Public Administration)	\$136,072,526	\$0	(\$1,693,896)	(\$348,005)	(\$2,118,865)
90	Government	\$760,320,683	\$0	(\$9,173)	(\$170,639)	(\$8,720,153)
	Total	\$7,936,911,344	(\$557,747,064)	(\$67,830,024)	(\$9,661,158)	(\$54,380,490)

Source: NCWRPC/EMSI Model 2020