

# The Indiana Horticulture Industry Generates Economic Activity Assisting With the Preservation of Urban Forests

## FACT SHEET

### THE URBAN FOREST GENERATES ECONOMIC ACTIVITY IN INDIANA THROUGH THE HORTICULTURE INDUSTRY BY...

#### ...PROVIDING SPECIALIZED EXPERTISE.

The extent and quality of urban forests are associated with horticultural practices

- Arboriculture and Landscaping Services
- Horticulture Related Wholesale and Retail Trade
- Horticulture Related Equipment Manufacturing
- Nurseries and Greenhouses

#### ...PROVIDING INDIANA JOBS.

In 2004, the horticulture industry paid \$5.66 for every \$1,000 in total Indiana wages paid

- The Indiana Horticulture industry employed over 25,700 employees.
- Over \$586 million in wages were disbursed by the Horticulture industry.

#### ...GENERATING ADDITIONAL INDIANA JOBS.

One additional non-horticulture related job was created for every four horticulture jobs in 2004.

- 6,606 additional non-horticulture related jobs created
- \$285 million in additional, non-horticulture related wages

#### ...CONTRIBUTING TO THE INDIANA ECONOMY.

In 2004, the total economic contribution from spending attributable to the horticulture industry in Indiana was nearly \$2.05 billion.

- Examples of industry sectors that benefited from horticulture employee spending include,
  - Real estate (\$26.6 million);
  - Food stores (\$17.1 million);
  - Doctors and Dentists(16.7 million);
  - Eating and Drinking Establishments (\$13.9 million);
  - Hospitals(\$12.5 million);
  - Automotive Dealers (\$8.9 million); and
  - Automobile Repair (\$4.4 million).
- Examples of industry sectors that benefited from spending by horticulture employees and firms include,
  - Miscellaneous Retail (\$105.5 million);
  - Wholesale Trade (\$74.6 million)
  - General Merchandise Establishments (\$52.9 million);
  - Indiana Banking (\$15.8 million)
  - Communications (\$9.7 million),
  - Electrical Services (\$8.5 million)
  - Legal Services (\$8 million)
  - Insurance Carriers (\$7.9 million)
  - Petroleum Refining (\$9.4 million), and
  - Computer and Data Processing (\$4.2 million)
- Examples of industry sectors that benefited by supporting the Horticulture Industry include,
  - Business Motor Freight Transportation (\$10.7 million)
  - Maintenance and Repair (\$9.6 million)
  - Other Business Services (\$7.9 million)



# WHAT, WHY HOW, AND IMPLICATIONS

**WHAT:** The Center for Urban Policy and the Environment recently examined the economic benefits associated with Indiana's urban forests. The urban forest includes all vegetation in urban areas – trees, shrubs, ground cover, and lawns – and is greatly influenced by horticultural practices. Because the extent and quality of urban forests are associated with horticultural practices, one way to assess the economic importance of the urban forest is to analyze the economic activity associated with the horticulture industry. That industry generally provides landscaping services, horticulture related wholesale and retail trade (e.g. lawn and garden stores, florists, and florist supplies), plant production (e.g. nursery and greenhouses), and horticulture-related equipment manufacturing (i.e. equipment manufacturing and some prefabricated metal buildings). The horticulture industry is linked to urban forestry through services by specialized personnel and the quality of goods it supplies.

**WHY:** Policy-makers operate in an environment in which there is escalating competition for limited public resources. Forests, urban or otherwise, provide several benefits. However, those benefits are rarely stated in direct monetary terms. It is difficult for policy makers to make decisions to apply monetary resources when there is no explicit monetary or economic value assigned by citizens. The lack of stated economic value, at this point, places urban forest programs at a disadvantage in the competition for public financial support.

**HOW:** The Center combined actual jobs and wages in the horticulture industry with the indirect and induced economic activities that result. For example, firms in the horticulture industry hire and pay workers and purchase goods and services from a variety of other firms. Employees in the industry spend money on homes, groceries and clothing, entertainment and recreation, dine at restaurants, and buy new cars. The result of that spending by firms and employees creates additional jobs and income in other industries. Therefore, the economic activity that is associated with the horticulture industry is much larger than the number of jobs and wages earned in that industry.

**IMPLICATIONS:** Investments in the horticultural industry and in the urban forest have significant and sizable impacts on the Indiana economy. The business sector benefits from expansion of horticulture industry as do residents of Indiana who benefit through the thousands of jobs and millions of dollars in wages that are available within the industry. Businesses and employees in non-horticulture related industries also benefit.

Research Conducted by the Indiana University:



Contact the Center for Urban Policy and the Environment to receive a copy of the full report,  
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