

**The oil and natural gas industry is the backbone of the American economy and what happens in the industry reverberates throughout the entire economy.** That's because the industry supports more than 9 million American jobs and makes significant economic contributions as an employer and purchaser of American goods and services. In 2009, the most recent year for which data are available, the industry supported a total value added to the national economy of more than \$1 trillion or 7.7 percent of the U.S. gross domestic product.

# The People of the U.S. Oil and Natural Gas Industry are the Backbone of Our Economy.



Congress is considering new taxes and fees on the oil and natural gas industry. With America just beginning to recover from the worst economic recession since the Great Depression, now is not the time to impose new taxes and fees on the nation's oil and natural gas industry. Increasing taxes could wipe out American jobs and hurt American businesses. The primary industries and jobs most at risk are shown below.

## The Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy in 2009 by Industry

Industry	Employment <sup>1</sup>	Labor Income <sup>2</sup> (\$ millions)	Value Added <sup>3</sup> (\$ millions)
<b>Direct Impact<sup>4</sup> of the Oil and Natural Gas Industry</b>	<b>2,192,392</b>	<b>\$176,305</b>	<b>\$464,574</b>
<b>Indirect<sup>5</sup> and Induced Impacts<sup>6</sup> on Other Industries</b>	<b>6,968,174</b>	<b>357,243</b>	<b>617,126</b>
Services	3,428,418	163,555	199,089
Wholesale and Retail Trade	1,077,410	50,341	85,054
Finance, Insurance, Real Estate, Rental and Leasing	894,914	40,987	162,172
Manufacturing	593,149	42,899	75,511
Transportation and Warehousing	300,582	15,073	21,063
Other	237,742	15,948	17,876
Information	150,407	13,754	27,767
Construction	131,614	6,481	7,795
Agriculture	106,742	3,040	4,169
Utilities	31,137	4,037	13,854
Mining	16,062	1,129	2,776
<b>Total Impact</b>	<b>9,160,566</b>	<b>\$533,548</b>	<b>\$1,081,701</b>
<b>As a % of U.S. Total</b>	<b>5.3%</b>	<b>6.0%</b>	<b>7.7%</b>

Source: PricewaterhouseCoopers calculations using IMPLAN modeling system (2009 database). Numbers may not add to totals due to rounding.

1 Employment is defined as the number of payroll and self-employed jobs, including part-time jobs.

2 Labor income is defined as wages and salaries and benefits as well as proprietors' income.

3 Value added refers to the additional value created at a particular stage of production. It is a measure of the overall importance of an industry. Value added consists of: employee compensation, proprietors' income, income to capital owners from property, and indirect business taxes.

4 Direct impact is measured as the jobs, labor income, and value added within the oil and natural gas industry.

5 Indirect impact is measured as the jobs, labor income, and value added occurring within other industries that provide goods and services to the oil and natural gas industry.

6 Induced impact is measured as the jobs, labor income, and value added resulting from household spending of income earned either directly or indirectly from the oil and natural gas industry's spending.



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## The Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy in 2009 by State

Operational Impacts by State <sup>1</sup>	Employment <sup>2</sup>		Labor Income <sup>3</sup>		Value Added <sup>4</sup>	
	Number	% of State Total	\$ Million	% of State Total	\$ Million	% of State Total
Alabama	87,781	3.5%	\$4,010	3.7%	\$7,690	4.6%
Alaska	46,310	10.3%	\$3,559	14.1%	\$6,671	16.9%
Arizona	85,949	2.7%	\$4,074	2.7%	\$7,672	3.0%
Arkansas	76,532	5.0%	\$3,404	5.4%	\$6,457	6.6%
California	908,801	4.6%	\$62,321	5.4%	\$131,589	7.0%
Colorado	161,266	5.2%	\$10,235	6.3%	\$20,467	7.8%
Connecticut	55,405	2.6%	\$3,817	2.8%	\$7,349	3.3%
Delaware	34,213	6.5%	\$2,046	7.3%	\$4,810	10.5%
District of Columbia	9,973	1.2%	\$926	1.2%	\$1,513	1.4%
Florida	230,561	2.4%	\$10,086	2.3%	\$18,590	2.6%
Georgia	130,176	2.5%	\$6,251	2.5%	\$11,594	2.8%
Hawaii	22,807	2.7%	\$1,154	2.8%	\$2,663	4.2%
Idaho	23,218	2.6%	\$901	2.6%	\$1,731	3.3%
Illinois	268,970	3.7%	\$16,816	4.2%	\$34,400	5.4%
Indiana	132,528	3.8%	\$6,220	4.0%	\$13,527	5.4%
Iowa	58,801	3.0%	\$2,278	2.8%	\$4,192	3.2%
Kansas	116,070	6.5%	\$5,781	7.2%	\$14,117	10.8%
Kentucky	86,210	3.7%	\$3,673	3.7%	\$7,060	4.4%
Louisiana	375,245	15.1%	\$20,818	18.0%	\$43,010	22.8%
Maine	28,504	3.5%	\$1,094	3.3%	\$2,061	4.1%
Maryland	67,730	2.0%	\$3,585	1.9%	\$6,331	2.2%
Massachusetts	102,332	2.5%	\$6,800	2.7%	\$12,700	3.3%
Michigan	162,380	3.2%	\$8,364	3.5%	\$16,819	4.4%
Minnesota	117,319	3.5%	\$5,802	3.5%	\$11,094	4.1%
Mississippi	91,201	6.1%	\$4,014	6.8%	\$8,576	9.4%
Missouri	111,290	3.2%	\$5,094	3.2%	\$9,523	3.8%
Montana	40,276	6.4%	\$1,771	7.7%	\$4,050	10.7%
Nebraska	45,338	3.7%	\$2,340	4.4%	\$4,897	5.8%
Nevada	43,527	2.9%	\$2,089	2.9%	\$4,204	3.5%
New Hampshire	24,322	3.0%	\$1,194	3.0%	\$2,245	3.6%
New Jersey	147,045	3.0%	\$9,782	3.3%	\$19,604	4.1%
New Mexico	79,389	7.5%	\$3,856	8.2%	\$7,461	10.6%
New York	245,948	2.3%	\$17,374	2.5%	\$32,898	3.0%
North Carolina	135,165	2.6%	\$6,065	2.6%	\$10,963	2.9%
North Dakota	36,995	7.5%	\$1,835	8.8%	\$3,868	11.8%
Ohio	230,858	3.6%	\$11,374	3.9%	\$22,709	4.9%
Oklahoma	299,093	14.1%	\$17,856	19.3%	\$42,321	27.1%
Oregon	55,600	2.5%	\$2,538	2.6%	\$4,775	3.1%
Pennsylvania	275,563	3.9%	\$14,958	4.2%	\$28,440	5.1%
Rhode Island	14,538	2.5%	\$752	2.5%	\$1,444	3.2%
South Carolina	63,192	2.6%	\$2,438	2.4%	\$4,334	2.7%
South Dakota	18,318	3.3%	\$709	3.2%	\$1,317	3.9%
Tennessee	102,083	2.9%	\$4,588	2.9%	\$8,370	3.3%
Texas	1,982,140	14.3%	\$134,866	18.9%	\$297,510	24.3%
Utah	78,425	4.9%	\$3,811	5.6%	\$7,986	7.4%
Vermont	13,591	3.3%	\$512	3.0%	\$960	3.7%
Virginia	128,030	2.7%	\$6,507	2.4%	\$11,601	2.8%
Washington	109,195	2.8%	\$6,129	2.9%	\$12,250	3.7%
West Virginia	63,306	7.1%	\$2,920	7.4%	\$5,887	9.5%
Wisconsin	94,060	2.8%	\$4,029	2.6%	\$7,007	2.9%
Wyoming	61,065	15.8%	\$3,452	19.9%	\$7,018	24.3%
<b>U.S. Operational</b>	<b>7,978,636</b>	<b>4.6%</b>	<b>\$466,869</b>	<b>5.3%</b>	<b>\$966,324</b>	<b>6.8%</b>
<b>U.S. Capital Investment<sup>5</sup></b>	<b>1,181,930</b>	<b>0.7%</b>	<b>66,679</b>	<b>0.8%</b>	<b>115,377</b>	<b>0.8%</b>
<b>U.S. Total Impacts</b>	<b>9,160,566</b>	<b>5.3%</b>	<b>\$533,548</b>	<b>6.0%</b>	<b>\$1,081,701</b>	<b>7.7%</b>

1 Operational impacts measure the oil and natural gas industry's contribution as a purchaser of intermediate inputs. Due to data limitations, only operational impacts are available at the state level.

2 Employment is defined as the number of payroll and self-employed jobs, including part-time jobs.

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4 Value added refers to the additional value created at a particular stage of production. It is a measure of the overall importance of an industry. Value added consists of: employee compensation, proprietors' income, income to capital owners from property, and indirect business taxes.

5 Capital investment impacts measure the oil and natural gas industry's contribution as a purchaser of new structures and equipment.

Source: PricewaterhouseCoopers calculations using the IMPLAN modeling system (2009 database). Numbers may not add to totals due to rounding.