

# EFFECTIVE ENGAGEMENT WITH LOCAL COMMUNITIES



The oil and natural gas industry can bring prosperity, economic development and enhancements to an area and assist in securing national energy interests. To promote natural gas and oil development that results in a positive experience for communities, the industry works through exchange of information with local stakeholders to align its activities with community concerns, prioritize responsible practices and incorporate lessons learned from former experiences.

## BACKGROUND:

The oil and natural gas industry supports communities in obvious ways – jobs, investment and tax revenue – but also in many ways that might fly under the radar. New development helps support property values, and provides opportunities for landowner royalty payments and a potentially new tax base. Local operations help fund community projects and programs that support environmental and public health. Industry projects can also bring enhancements to roads, schools, public services and more.

Helping communities realize the benefits of oil and natural gas production requires effective community engagement and direct communication with local residents and their leadership about environmentally responsible development. Industry operators recognize that operations and activities can affect nearby communities and other local stakeholders.

The oil and natural gas industry's commitment to the future growth and prosperity of the country also includes major efforts to foster the educational needs of the next-generation workforce, particularly in the STEM subjects: science, technology, engineering and mathematics. Specific programs focused on these educational opportunities and activities benefit local communities as well.

## FAST FACTS:

- » Studies find that energy extraction can directly advance the development of amenities in communities. Amenity development and high value energy development can increase property values, raise the cost of living, and result in inter-county migration. Energy extraction operations offer higher-paying jobs, while hospitality and recreation operations employ greater numbers of people. <sup>1</sup>
- » Local governments receive increased revenue from property taxes to develop and maintain infrastructure. In 2015, several Texas counties got 70 percent or more of their tax revenue from the natural gas and oil industry. <sup>2</sup>
- » A 2015 study in the Journal of Environmental Economics and Management compared two Pennsylvania counties and three New York counties along the state border. The Pennsylvania counties have seen Marcellus shale development while the three counties in New York have not, due to New York's ban on hydraulic fracturing. Before energy development in the Marcellus, all five counties had similar housing price patterns. But after development the counties on the Pennsylvania side of the border flourished, while those in New York did not. <sup>3</sup>
- » Many companies are also heavily involved in philanthropic work. For example, in 2015 one company distributed more than \$2.46 million to 1,112 charities across North America by matching employee giving dollar for dollar, up to \$10,000 per worker, to the charity of the employee's choosing. <sup>4</sup>
- » The industry has also contributed significantly to creating safe spaces for endangered species. For example, companies have worked to protect species from the sagebrush lizard to the prairie chicken, as well as elk, bald eagles, songbirds and others. <sup>5</sup>

## REFERENCES:

1. Considine, Timothy, Robert Watson and Seth Blumsack. (July 20, 2011). [The Pennsylvania Marcellus Natural Gas Industry: Status, Economic Impacts and Future Potential](#). The Pennsylvania State University.
2. UNEP Industry and Environment and the E&P Forum (Oil Industry International Exploration and Production Forum).
3. Mall, Natural Resources Defense Council. [Drilling Down, Protecting Western Communities from the Health and Environmental Effects of Oil and Gas Production](#). 2007.
4. Carol L. Cwiak et al., North Dakota State University. [The New Normal: The Direct and Indirect Impacts of Oil Drilling and Production on the Emergency Management Function in North Dakota](#). 2015.
5. Stantec. [Socio-Economic Benefits from Petroleum Industry Activity in Newfoundland and Labrador](#), 2008-2010 (Prepared for Petroleum Research Newfoundland and Labrador). 2012.