

# Oil and Natural Gas Stimulate Rhode Island Economic and Job Growth



Oil and natural gas are driving the U.S. economy through a major energy boom and that boom is rippling through the economy of Rhode Island, supporting business activity across the state. This finding grows out of a new American Petroleum Institute survey of domestic oil and natural gas vendors,<sup>1</sup> which offers a glimpse into the job and business creation engine that is the current oil and natural gas industry. The survey shows that at least 11 businesses, located across Rhode Island's two congressional districts, are part of the larger oil and natural gas supply chain.

The survey's snapshot of state-by-state activity reinforces the impressive level of industry success throughout the country that is documented in a recent PriceWaterhouseCoopers study conducted for the American Petroleum Institute.<sup>2</sup> That study found that the oil and natural gas industry in Rhode Island supports some 15,100 jobs, which is 2.5 percent of the state's total employment. The amount of Rhode Island labor income supported by the oil and natural gas industry comes to \$934 million annually. That's 2.8 percent of the state's total labor income.

Although Rhode Island is not a top energy producer, these job and labor income figures demonstrate that the people of Rhode Island enjoy significant benefits from

energy development.<sup>3</sup> The benefits show up in the state's salary statistics as well. Thus, while the average annual salary in Rhode Island across all industries and sectors is \$45,770, the average oil and gas industry salary (excluding gas stations) is higher—\$47,055 annually. Overall the industry supports \$1.7 billion of the Rhode Island economy. That's 3.2 percent of the state's total economic activity.

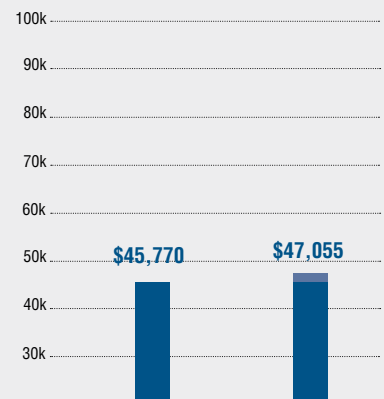
Rhode Island also benefits from the production of oil and natural gas from shales and so-called "tight formations," energy development that uses the proven engineering technologies of hydraulic fracturing, or "fracking," and horizontal drilling. Total jobs supported by these activities in Rhode Island reached 2,257 in

**\$1.7 BILLION**  
THE INDUSTRY CONTRIBUTES TO  
RHODE ISLAND'S ECONOMY

**15,100**  
RHODE ISLAND JOBS

SUPPORTED BY OIL AND  
NATURAL GAS INDUSTRY

### AVERAGE ANNUAL SALARY COMPARISON



1. American Petroleum Institute, "API Onshore Oil and Gas Vendor Identification Survey," Washington, D.C., 2014. The survey was distributed to API members in January 2014 to collect information for the period October 2012 to September 2013. Included are companies that provide goods and services for onshore oil and natural gas development, whether as operators, contractors, service companies, suppliers, or vendors.

2. PriceWaterhouseCoopers, "Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy in 2011," Washington, D.C., July 2013. Prepared for API using the IMPLAN input-output modeling system, based on 2011 U.S. Bureau of Economic Analysis data.

3. Information cited in this paragraph comes from the Bureau of Labor Statistics, Quarterly Census of Employment and Wages (preliminary data for 2013 accessed July 2014); and PriceWaterhouseCoopers, "The Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy: Employment, Labor Income and Value Added," 7/12/13 (based on 2012 IMPLAN database).

## State: Rhode Island

### Vendors by Congressional District

Congressional District	Total
Congressional District 1	5
Congressional District 2	6
<b>Grand Total</b>	<b>11</b>

### Vendor Profile<sup>6</sup>

#### parsonsKellogg

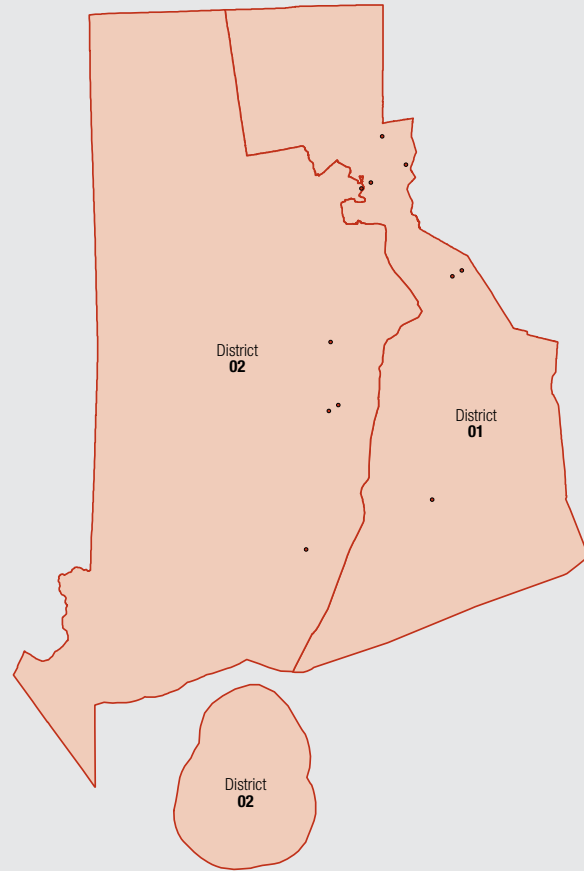
parsonsKellogg is an industry leader in helping Fortune 1000 companies secure positive consumer impressions through the use of impactful promotional products. Services include e-commerce solutions, golf and other sporting event sponsorships and co-branded focused programs, sporting goods, day-to-day promotional products, gift cards, offshore sourcing, and custom packaging.

For the oil and natural gas industry, the company helps set up sponsorships of sporting events. For example, parsonsKellogg worked on the Valero Texas Open golf tournament on behalf of the Valero Energy Corp. In 2010, parsonsKellogg partnered with the Valero Benefit for Children (BFC), the Valero Energy Foundation's annual charitable fundraiser for children in need, which raises more money on the PGA Tour than any other charitable event. By providing a turnkey merchandise website at which participants could redeem gift cards as part of the Pro-Am packages, the company helped BFC/Valero save money while enhancing the participants' experience.

parsonsKellogg also helps its partners by providing materials for safety and wellness programs within their companies. These programs bring down costs and promote a safer and healthier workplace.

## Rhode Island Vendors by Congressional District

District Location ●



Sources: Esri, DeLorme, NAVTEQ, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), and the GIS User Community

2012. The job total is projected to climb to 3,708 in 2020 and to 3,804 in 2035.<sup>4</sup>

And Americans, including the people of Rhode Island, get it. A telephone poll of 1,012 registered voters across the country,

conducted on behalf of the American Petroleum Institute, found that 77 percent of Americans, regardless of party affiliation, support increased production of oil and natural gas resources located in the United States.<sup>5</sup>

4. IHS Inc., "America's New Energy Future: The Unconventional Oil and Gas Revolution and the U.S. Economy," Washington, D.C., December 2012.
5. "What America is Thinking on Energy Issues." <http://www.api.org/news-and-media/news/newsitems/2014/july-2014/voters-say-us-should-do-more-to-develop-oil-natural-gas> the results of a national poll conducted by Harris for API July 10-13, 2014. Click on "national poll" to see how percentages of voters answered this and other questions.



AMERICAN PETROLEUM INSTITUTE

To find out more, visit [API.org](http://API.org)

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6. From the 2014 "API Onshore Oil and Gas Vendor Identification Survey" returns.

**RHODE ISLAND - VENDOR LIST**

**Congressional District 1**

Avtech Software, Inc  
Lasater Angie M.

Magnetic Seal Corporation  
Parsonskellogg, LLC  
QV21 Technologies, LLC

**Congressional District 2**

Applied Science Assoc, Inc  
Duggan & Associates, Inc

Durant Tool Company  
K2 Partnering Solutions, Inc  
Provant Health Solutions

Strauss Factor Laing & Lyons