Oil and Natural Gas Stimulate Kentucky 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 Kentucky, supporting business activity across the state. This finding grows out of a new American Petroleum Institute survey of domestic oil and natural gas vendors,1 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 74 businesses, spread across all six of Kentucky’s 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.2 That study found that the oil and natural gas industry in Kentucky supports some 94,700 jobs, which is 4 percent of the state’s total employment. The amount of Kentucky labor income supported by the oil and natural gas industry comes to $4.054 billion annually. That’s 3.8 percent of the state’s total labor income.

Although Kentucky is not a top U.S. energy producer, these job and labor income figures demonstrate that the people of Kentucky enjoy significant benefits from energy development.3 The benefits show up in the state’s salary statistics as well. Thus, while the average annual salary in Kentucky across all industries and sectors is $40,589, the average oil and gas industry salary (excluding gas stations) is substantially higher—$65,495 annually. Overall the industry supports $7.9 billion of the Kentucky economy. That’s 4.6 percent of the state’s total economic activity.

Kentucky 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 Kentucky reached 9,614 in

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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.
2012. The job total is projected to climb to 16,595 in 2020 and to 20,243 in 2035.4

And Americans, including the people of Kentucky, 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.5

### Top Cities

Louisville = 21

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6. From the 2014 “API Onshore Oil and Gas Vendor Identification Survey” returns.
Congressional District 1
David L. Goeson
Royster's Machine Shop

Congressional District 2
Kentucky Underground Storage, Inc
R. Scott Spidel
Southern Tank & Mfg, Inc

Congressional District 3
Allied Waste Services, Inc
Ally Financial, Inc
American Air Filter Company
Arrowhead
Atmos Energy
Cock Compression
CRS Reprocessing Services

Congressional District 4
Cincinnati Ventilating Co
Health & Safety Sciences, LLC
James Cook
Jordan Technologies, LLC
North Second Street Smithfield, LLC
Opell Excavating, LLC
Starrag Hecket, Inc
Trenwa, Inc
Vanantwerp Monge Jones

Congressional District 5
A. Risner
Anthony Lafferty
Baige Casto
Cantrell's Consulting, LLC (David K. Cantrell Jr)
Charles T & Janet Vance
Curtis Marvin Tackett
Daniel C. Carlisle
David Eller
Gregory Howell
GRO Enterprises, LLC
James Hopper
James Maynard
James Ray Cyrus II
Jason Stidham
Jennifer Marie Klein O Keefe
John & Sheila Denise Isaac
John Gilbert
Joshua Hicks
Marvin Shepherd
Mikes Sealing & Striping,
LLC
Morehead State University
R&J Well Service, Inc
Ronald Addington
Russell Kodd
Smith Oilfield Service, Inc
Stephen Cornett
Tri-Span Construction, LLC
Western Construction, Inc
Willie Thompson

Congressional District 5
Big Ass Fans Research Facility
Century Exploration Resources, LLC
Cortland F. Eble
EMS Land Services, LLC
EMS Quality Control, LLC
Energy Management & Services Co
George Mason Law Firm Psc
Home City Ice Co
Hotwork Usa
James T. Baker