Oil and Natural Gas Stimulate North Carolina 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 North Carolina, supporting business activity across the state. This finding grows out of a new American Petroleum Institute survey of domestic oil and natural gas vendors, 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 137 businesses, located across nearly all of North Carolina’s 13 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. That study found that the oil and natural gas industry in North Carolina supports some 146,100 jobs, which is 2.8 percent of the state’s total employment. The amount of North Carolina labor income supported by the oil and natural gas industry comes to $6.76 billion annually. That’s 2.6 percent of the state’s total labor income.

Although North Carolina is not a top energy producer, these job and labor income figures demonstrate that the people of North Carolina enjoy significant benefits from energy development. The benefits show up in the state’s salary statistics as well. Thus, while the average annual salary in North Carolina across all industries and sectors is $43,758, the average oil and gas industry salary (excluding gas stations) is very significantly higher—$51,651 annually. Overall the industry supports $12.5 billion of the North Carolina economy. That’s nearly 3 percent of the state’s total economic activity.

North Carolina 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

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.

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activities in North Carolina reached 18,665 in 2012. That job total is projected to rise to 32,477 in 2020 and to 37,439 in 2035.4

And the people of North Carolina get it. A state-wide telephone poll of 600 registered North Carolina voters, conducted on behalf of the American Petroleum Institute, found that 76 percent of them, regardless of party affiliation, support increased production of domestic oil and natural gas resources.5

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Vendor Profile
Southern Glove Manufacturing Company, Inc.
For more than 68 years, Southern Glove has been manufacturing industrial work gloves. The company provides innovative solutions for hand protection for the oil and natural gas drilling industry, with a focus on impact-resistant gloves. The gloves contribute to a safer work environment for drillers. In fact, the oil and natural gas drilling industry has proven to be a valuable partner in the development of new hand-protection technologies.

Southern Glove partners with many different companies in the oil and natural gas drilling industries in an effort to improve their safety records. One customer experienced a 70 percent decrease in the severity of hand injuries after using the company’s glove.

Sources:

6. From the 2014 “API Onshore Oil and Gas Vendor Identification Survey” returns.
Congressional District 1

Congressional District 2
Coleman Technologies, Inc DandR Enterprises

Congressional District 3
Caribbean Evaporation & Pump Quality Mat of North Dakota, LLC

Congressional District 4

Congressional District 5
JMS Southeast, Inc Lowes Home Centers, Inc

Congressional District 6
Advanced Electronic Services, Inc Apex Analytix, Inc Center For Creative Leadership Shamrock Environmental Truflow Pumps, Inc

Congressional District 7
Aster Group, Inc Fisher IT, Inc Goodrich Operating & Maintenance Spiroflow Systems, Inc

Congressional District 8

Congressional District 9
Bobby Hooton Buckeye Fire Eq Deborah Hooton Hartsosk Gene Hooton Industrial Distribution Group, Inc Res Energy Solutions, LLC William D. Hooton

Congressional District 10
Equilbar, LLC Master Workholding, Inc

Congressional District 11

Congressional District 12
East Coast Electrical Equipment Co Siemens Industry, Inc

Congressional District 13