



500,000

Projected job creation
in the upstream oil and natural
gas industry by 2020



KEY FINDINGS

Oil and natural gas will remain as the main source of fuel for decades to come as other forms of energy also become commercially viable. In fact, in early November 2012, the International Energy Agency (IEA) projected that the United States will become the world's top oil producer by 2020 and that North America would be in a position to export more oil than it imports by 2030.

These findings underscore the critical importance of the analysis and findings of a new IHS report entitled *Employment Outlook for African Americans and Latinos in the Upstream Oil and Natural Gas Industry (2012)*. Principal findings of the new IHS report include:

- More than **500,000** jobs projected to be created by 2020 and over **800,000** jobs created by 2030 in the upstream oil and natural gas industry under pro-energy development policies.
- Job growth would be geographically diverse. Over half of the job growth, **417 thousand** jobs, is expected in the Gulf region. The East region is expected to contribute nearly **140 thousand** job opportunities and the Rockies region nearly **116 thousand** job opportunities. The West, Alaska, and Central regions will combine to contribute approximately **138 thousand** job opportunities.

Central to this analysis is workforce training critical to the projected U.S. petroleum industry growth to keep the nation at a competitive advantage and to provide the energy the nation depends upon. African Americans and Hispanic Americans represent a critically vital and available talent pool to help meet the demands of the projected growth and expansion. For African Americans and Hispanics to be competitive for the 800,000 potential new jobs it will require:

- Significant improvement in minority preparation in Science, Technology, Engineering and Mathematics (STEM) related disciplines at the primary and secondary school levels – a national priority;
- Significant improvement in high school completion rates for Hispanics and African Americans;
- Secondary and post-secondary staff (i.e., principals, deans, teachers, faculty, counselors) should be trained to inform their students on the workforce opportunities in the petroleum industry, specifically in the regions identified, and the training required;
- An increase the labor force participation rates of African Americans and Hispanics;

- Sixty-two percent of the job growth are estimated to be in blue collar jobs that would require a high school diploma and some additional training such as community college vocational degrees and certificates;
- Twenty-one percent of the job growth will require training in engineering (petroleum, etc.), geoscience fields, management, business and finance, and as technicians;
- Partnerships between higher education and industry, especially at the community college level would yield near term positive results;
- Hispanic and African American students with high school diplomas and some additional training at community colleges in skills related to the oil and gas industry are immediately competitive for current job opportunities;
- African American and Hispanic students who successfully complete college degrees related to the oil and natural gas industry, e.g., petroleum engineering, would be highly competitive for workforce placement;
- Wages in the upstream oil and natural gas industry, across many professions, far exceed the national average wage rate;
- Some portion of the job opportunities would be in geographic locations away from segments of minority populations and may require relocation;
- Employment in the oil and gas industry can provide a reliable means to a better than average quality of life for Hispanics and African Americans for decades to come.

Both challenges and opportunities exist going forward. Raising educational achievement for large segments of the upcoming generation is resource intensive and will take decades to achieve. However, the payoff of an increased skilled labor pool would be enormous to society in general and U.S. industry in particular. This report illustrates that there are significant opportunities for African Americans and Hispanics throughout the petroleum industry currently and well into the future at each level of education and training.



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