

For Immediate Release

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Pennsylvania's Oil and Gas Industry Generates \$7.1 billion in Statewide Economic Impact Annually, New Report Finds

*More than 26,000 full and part-time jobs related to industry;
Average annual compensation for industry worker is \$63,000/year*

(PITTSBURGH – November 17, 2008) – Generating more than \$7.1 billion in economic output annually, Pennsylvania's oil and gas industry is a vital contributor to the state's economy, directly and indirectly, according to *The Economic Impact of the Oil and Gas Industry in Pennsylvania*, a new "state of the industry" report released today.

Prepared by the Pennsylvania Economy League of Southwestern Pennsylvania—an affiliate of the Allegheny Conference on Community Development—at the request of a newly formed Marcellus Shale Committee, the report describes the impact of an industry that touches every corner of the Commonwealth. The Marcellus Shale Committee* is an independent organization comprising oil and gas companies actively engaged in developing the natural gas resources of Marcellus Shale in Pennsylvania and in adjoining states.

"The oil and gas industry is fueling the economy in Pennsylvania in urban and rural areas and nearly every one of our 67 counties," said Kathryn Zuberbuhler Klaber, executive director of the Pennsylvania Economy League of Southwestern Pennsylvania and executive vice president of the Allegheny Conference on Community Development. (*Editor's note: see attached figures on geographic scope of industry*)

"As a nonpartisan organization recognized for providing sound research and analysis on public policy priorities for the Pittsburgh region and the state, the Economy League welcomed the opportunity to define the substantial contribution the oil and gas industry already makes to Pennsylvania's economy," said Pennsylvania Economy League of Southwestern Pennsylvania Chair Thomas L. VanKirk.

The Economy League report contains several key conclusions. These include:

- **Economic output in excess of \$7 billion annually** resulting from the direct employment, compensation and output of the oil and gas industry and from the impacts of the supply and distribution chain. This total includes \$4.5 billion in direct economic impact linked to drilling, extraction and support activities.

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- **Employment of 26,500 individuals in full and part-time jobs.** For every oil and gas industry job, an additional 1.52 full and part-time jobs are generated in Pennsylvania. Indirect or induced employment, related to oil and gas, includes industries such as health care, legal services and the management of companies and enterprises.
- **Employee compensation of nearly \$1 billion annually.** Jobs in Pennsylvania’s oil and gas industry are well paying with an average annual compensation of \$63,000. This compares to an average annual compensation of \$43,000 for all private sector employment in the state. Compensation also generates an additional \$1.88 in spending for every dollar paid to employees. Employees’ purchases of goods and services impact the broader economy.
- **Payments of more than \$200 million annually to landowners across Pennsylvania.** The oil and gas industry generates wealth in rural Pennsylvania counties through royalty payments to landowners and through land lease payments, which have experienced unprecedented growth in per-acre prices over the last year.

The oil and gas industry began in Pennsylvania with the drilling of the world’s first commercial oil well in Titusville in 1859, and western Pennsylvania was the site of the world’s first oil boom. The oil and gas industry began here and has remained continuously active in the state for 150 years.

“Not only is oil and gas a historically solid industry for Pennsylvania, it’s an industry that’s growing,” said Rich Weber of Atlas Energy and co-chair of the Marcellus Shale Committee. “The Economy League’s report identifies that from 2000 – 2007, the number of new oil and gas wells drilled in Pennsylvania has tripled, representing an investment of more than \$1.2 billion in this industry.”

“These facts, along with the report’s other conclusions, suggest that Pennsylvania’s oil and gas industry—in addition to filling pipelines with a critical natural resource—will continue to fuel economic development in the Commonwealth—with regard to investments and job opportunities—into this 21st century,” commented Ray Walker of Range Resources, also co-chair of the Marcellus Shale Committee.

“The largely untapped natural gas reserves found in western Pennsylvania’s Marcellus Shale formation offer new opportunities for economic growth because of a perfect storm of advanced technology and demand for energy,” said Klaber. “Tapping these reserves could generate substantial positive economic impact in Pennsylvania and—as a part of the state’s total energy portfolio—further advance Pennsylvania’s and the nation’s energy independence.”

A downloadable copy of the report is available [here](#).

***EDITOR’S NOTE:** The Marcellus Shale Committee is sanctioned and supported by both the Independent Oil and Gas Association (IOGA) and the Pennsylvania Oil and Gas Association (POGAM), the two largest oil and gas industry associations in the state, and includes member companies of both associations.

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Attached figures:

Oil and Gas Companies Contribute Jobs and Prosperity across Pennsylvania
[Company locations by County](#)

Oil and Gas Wells Generate Economic Growth at home
[New wells drilled in 2007 by County](#)

The Allegheny Conference on Community Development and Affiliates – the Greater Pittsburgh Chamber of Commerce, the Pennsylvania Economy League of Southwestern Pennsylvania and the Pittsburgh Regional Alliance – work in collaboration with public and private sector partners to stimulate economic growth and improve the quality of life in southwestern Pennsylvania. For more information, visit www.alleghenyconference.org.

The Pennsylvania Economy League of Southwestern Pennsylvania, LLC, the research affiliate of the [Allegheny Conference on Community Development](#), provides research and analysis on specific [public policy priorities](#). The information it provides serves the business, civic and governmental leadership of southwestern Pennsylvania in support of improvements for living and doing business in the [10-county Pittsburgh region](#).

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