



January 4, 2008

# Economic & Workforce Brief

Information You Can Use About Pennsylvania Economic & Workforce Development

## *Role of Drilling Oil and Gas Wells in the Economy of Elk, Forest, McKean, & Warren Counties*

The **oil and gas well drilling industry** is an important part of the history and economy of Elk, Forest, McKean, and Warren counties in Pennsylvania. The industry creates jobs and compensation for workers throughout these counties and influences tax revenues in the counties.

The impact of jobs in the oil and gas well drilling industry in Elk, Forest, McKean, and Warren counties:

- *For every 100 jobs* — Due to the need to supply the oil and gas well drilling industry, other industries in Elk, Forest, McKean, and Warren counties employ an additional 109 workers. Spending of income earned by oil and gas well drilling employees and by workers in Elk, Forest, McKean, and Warren industries that supply the drilling industry on such items as housing, food, health care, and other retail goods and services creates an additional 50 jobs in the four counties. In short, every 100 jobs in the Elk, Forest, McKean, and Warren oil and gas well drilling industry are associated with 259 total jobs in the counties.
- *For every 100 jobs* — The oil and gas well drilling industry generates \$4.3 million compensation (wages, pensions, income of proprietors) for its own Elk, Forest, McKean, and Warren employees and \$4.8 million compensation for employees whose jobs are created because their Elk, Forest, McKean, and Warren firms supply the oil and gas well drilling industry in the counties. Spending of income by drilling industry employees and workers in supplying industries generates an additional \$1.2 million compensation for other Elk, Forest, McKean, and Warren workers. In this way, the oil and gas well drilling industry is responsible for generating \$10.3 million annual compensation for every 100 drilling industry workers employed in Elk, Forest, McKean, and Warren counties.
- *For every 100 jobs* — Business activity by the oil and gas well drilling industry, the industry's impact on Elk, Forest, McKean, and Warren industries that supply it, and the effect of spending by workers employed in the drilling industry and its supplying industries generate \$887,000 in property taxes that are paid annually by businesses and individuals in Elk, Forest, McKean, and Warren counties to local governments.

Research reported in this *Brief* was prepared by Penn State's Workforce Education & Development Initiative, a collaboration between Penn State Outreach and Penn State's College of Education.

This *Brief* results from analysis of Pennsylvania economic and workforce opportunities and issues conducted by the Workforce Assessment Center in Penn State Outreach in collaboration with the Institute for Research in Training and Development, a research unit in Penn State's College of Education.

Contact Rose M. Baker, Program Manager of the Workforce Assessment Center, at [rmb194@psu.edu](mailto:rmb194@psu.edu), 814.865.9919 (voice), or 814.865.3589 (fax) for information about additional services available to help plan and evaluate economic and workforce development in the Commonwealth.



*This Brief contains an analysis of activity of establishments primarily engaged in drilling oil and gas wells in North American Industry Classification System codes 213111. Information provided in this Economic & Workforce Brief was calculated using IMPLAN, a macroeconomic model applied by Penn State's Office of Economic and Workforce Development to identify the impact of economic activity on Pennsylvania and its counties. For more information, contact Rose M. Baker ([rmb194@psu.edu](mailto:rmb194@psu.edu); 814.865.9919) or David L. Passmore ([dlp+irt@psu.edu](mailto:dlp+irt@psu.edu); 814.863.2583). Dollar values reported in this Brief are expressed as year 2006 dollars.*