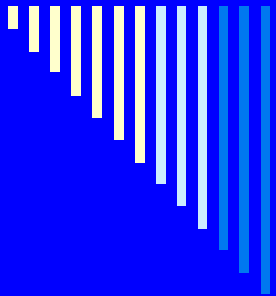


# **Wyoming Oil and Gas Economic Contribution Study**

***Wyoming Heritage Foundation  
Casper, Wyoming  
August 2008***

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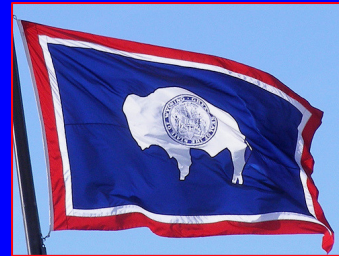
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The Wyoming Oil and Gas Economic Contribution Study will be available on the Wyoming Business Alliance / Wyoming Heritage Foundation website on Monday August 25, 2008 at [www.wba.vcn.com](http://www.wba.vcn.com)

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## Study Goals

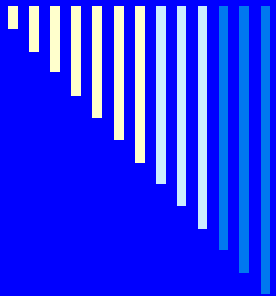
Comprehensive Report

Assess Economic Contributions

- ◆ employment
- ◆ income
- ◆ industry output
- ◆ taxes

## Time Frame

- ◆ February, 2008 – August, 2008



## Major Findings: Extraction and Development Activities

- ◆ *Total Economic Contribution* \$15.5 Billion
- ◆ *Economic Contribution Including Royalty and Tax Payments* \$18.6 Billion
- ◆ *Total Employment* 73,229
- ◆ *Labor Earnings* \$3.9 billion
- ◆ *Employment Multiplier* 3.65

## Major Findings: Oil and Gas Activities as a Fraction of Wyoming's Economy





## Employment Impacts

Of the 73,229 jobs due to oil and gas

- ◆ *Government* 25,149 / 34.3%
- ◆ *Mining* 18,001 / 24.6%
- ◆ *Retail Trade* 4,893 / 6.7%
- ◆ *Health Care / Social Assistance* 3,801 / 5.2%
- ◆ *Accommodations / Food Service* 3,548 / 4.8%



## Labor Earnings Impacts: Without Tax Impacts

Of the \$3.9 billion earnings due to oil and gas

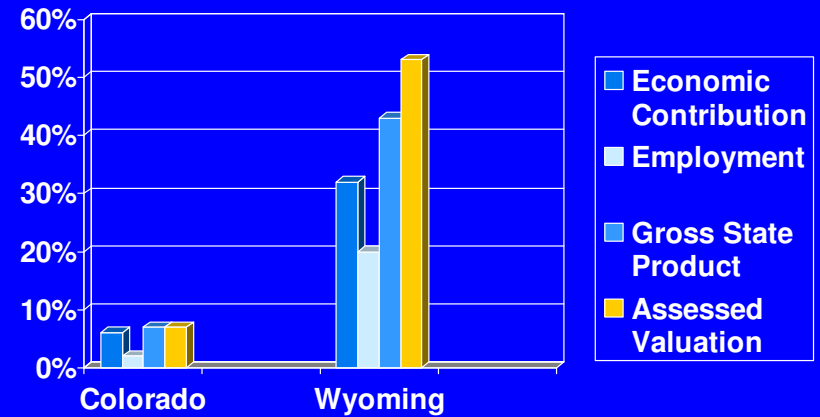
- ◆ *Government* \$1.5 billion / 37.5%
- ◆ *Mining* \$1.4 billion / 36.5%
- ◆ *Wholesale Trade* \$160 million / 4.1%
- ◆ *Health Care / Social Assistance* \$148 million / 3.8%
- ◆ *Retail Trade* \$119 million / 3%



## Travel and Tourism Comparison: Without Tax Impacts

	<u>Travel</u>	<u>Oil and Gas</u>
<i>Direct Revenue</i>	\$2.6 billion	\$13.4 billion
<i>Employment</i>	43,430	39,913
<i>Earnings</i>	\$1 billion	\$2.2 billion
<i>Gross State Product</i>	\$933 million	\$11.2 billion
<i>State and Local Taxes</i>	\$107 million	\$2 billion

## Colorado Comparisons



	<u>Colorado</u>	<u>Wyoming</u>
<i>Economic Contribution</i>	\$26 billion / 6%	\$18.6 billion / 32%
<i>Employment</i>	70,799 / 2%	73,229 / 20%
<i>Gross State Product</i>	\$17.7 billion / 7%	\$13.3 billion / 43%
<i>Assessed Valuation</i>	\$7.2 billion / 7%	\$11.3 billion / 53%



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## Summary

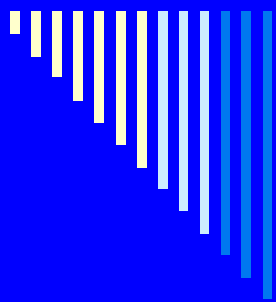
- ◆ 31.6% of State's Economy
- ◆ 19.8% of All Employment
- ◆ 37.9% of Government Employment
- ◆ 25.3% of Labor Earnings
- ◆ 42.7% of Gross State Product
- ◆ 52.6% of Assessed Valuation

## Recommendations Going Forth

- ◆ Comprehensive Input / Output Study of Wyoming's Top Industries—Agriculture, Construction, Government, Health Care, Mining, Oil and Gas, & Travel
- ◆ State Funded / Every 10 Years

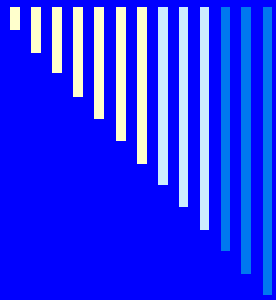
**Exhibit 8.11. 2007 Employment Impacts by Industry Associated with All Oil and Gas Activities**

IMPLAN Sector	Direct Employment	Downstream Employment (i.e., Induced and Indirect)	Total Employment	Percent of Total Oil and Gas Employment
Public Administration/Government	0	25,149	25,149	34.3%
Mining (includes Oil and Gas)	17,146	855	18,001	24.6%
Retail Trade	0	4,893	4,893	6.7%
Health Care & Social Assistance	0	3,801	3,801	5.2%
Accommodations & Food Service	0	3,548	3,548	4.8%
Other Services (except public administration)	1,768	887	2,654	3.6%
Wholesale Trade	0	2,748	2,748	3.8%
Professional & Technical Services	0	2,086	2,086	2.8%
Administrative & Waste Services	0	1,582	1,582	2.2%
Construction	1,177	543	1,720	2.3%
Transportation & Warehousing	0	1,430	1,430	2.0%
Finance & Insurance	0	1,388	1,388	1.9%
Real Estate & Rental & Leasing	0	1,218	1,218	1.7%
Arts, Entertainment, & Recreation	0	828	828	1.1%
Information	0	528	528	0.7%
Manufacturing	0	409	409	0.6%
Private Educational Services	0	375	375	0.5%
Utilities	0	377	377	0.5%
Management of Companies & Enterprises	0	313	313	0.4%
Agriculture/Forestry/Fishing/Hunting	0	181	181	0.2%
<b>Totals</b>	<b>20,090</b>	<b>53,139</b>	<b>73,229</b>	<b>100.0%</b>



IMPLAN Sector	Direct Labor Earnings	Downstream Labor Earnings (i.e., induced and indirect)	Total Labor Earnings	Percent of Total Oil and Gas Labor Earnings
Public Administration/Government	\$0	\$1,469,170,391	\$1,469,170,391	37.5%
Mining (includes Oil and Gas)	\$1,367,226,287	\$62,294,535	\$1,429,520,822	36.5%
Wholesale Trade	\$106,668,471	\$53,508,809	\$160,177,280	4.1%
Health Care & Social Assistance	\$0	\$147,534,019	\$147,534,019	3.8%
Retail Trade	\$0	\$119,347,080	\$119,347,080	3.0%
Professional & Technical Services	\$0	\$89,428,251	\$89,428,251	2.3%
Construction	\$55,745,280	\$25,388,703	\$81,133,983	2.1%
Finance & Insurance	\$0	\$51,523,086	\$51,523,086	1.3%
Real Estate & Rental & Leasing	\$0	\$39,489,572	\$39,489,572	1.0%
Transportation & Warehousing	\$0	\$58,529,555	\$58,529,555	1.5%
Other Services (except public administration)	\$0	\$44,629,435	\$44,629,430	1.1%
Accommodations & Food Service	\$0	\$56,627,522	\$56,627,522	1.4%
Administrative & Waste Services	\$0	\$33,091,985	\$33,091,985	0.8%
Utilities	\$0	\$35,921,343	\$35,921,343	0.9%
Management of Companies & Enterprises	\$0	\$27,300,570	\$27,300,570	0.7%
Information	\$0	\$21,375,380	\$21,375,380	0.5%
Arts, Entertainment, & Recreation	\$0	\$19,824,371	\$19,824,371	0.5%
Private Educational Services	\$0	\$6,892,840	\$6,892,840	0.2%
Manufacturing	\$0	\$20,087,307	\$20,087,307	0.5%
Agriculture/Forestry/Fishing/Hunting	\$0	\$3,028,528	\$3,028,528	0.1%
<b>Totals</b>	<b>\$1,529,640,037</b>	<b>\$2,384,993,282</b>	<b>\$3,914,633,314</b>	<b>100.0%</b>

Exhibit 8.13. Labor Earnings Impacts by Industry Associated with All Oil and Gas Activities (2007\$)

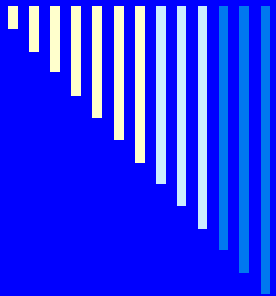


**Exhibit 9.1. Oil and Gas Industry Activity as a Fraction of the State's Economy (2007\$)**

Indicator	All Oil and Gas Activities in Wyoming	All Economic Activity in Wyoming	Percent of Oil and Gas to State	Source
Total Economic Contribution	\$18,617,065,044	58,831,050,621	31.6%	IMPLAN 2006
Total Employment <sup>1</sup>	73,229	369,565	19.8%	IMPLAN 2006
Total Labor Earnings	\$3,914,633,314	\$15,487,363,835	25.3%	IMPLAN 2006
Average Earnings	\$53,457	\$41,907	127.6%	IMPLAN 2006
Gross State Product (i.e., Value Added)	\$13,329,075,050	\$31,205,616,410	42.7%	IMPLAN 2006
Severance Tax	\$666,397,115	\$882,383,479	75.5%	WY Department of Revenue Annual Report 2007
Mineral Ad Valorem Levies (i.e., Property Taxes)	\$712,637,118	\$913,011,683	78.1%	WY Department of Revenue Annual Report 2007
Assessed Valuation (Taxable Value) <sup>2</sup>	\$11,303,378,284	\$21,491,267,438	52.6%	WY Department of Revenue Annual Report 2007
Federal Mineral Royalties (WY Disbursements, 50%) <sup>3</sup>	\$515,500,646	\$931,394,926	55.3%	Minerals Management Service, 2007
State Mineral Royalties	\$90,031,996	\$138,201,502	65.1%	Wyoming Office of State Lands and Investments 2007
Sales and Use Taxes	\$50,344,215	\$906,973,329	5.5%	Wyoming Depart of Revenue Annual Report 2007

**Exhibit 9.2. Economic Comparison of Oil and Gas and Travel Activities in Wyoming (2007\$)**

Economic Indicator	Travel Activities <sup>1</sup>	Oil and Gas Activities		Ratio of Oil and Gas Industry to Travel Industry	
		Excluding Tax Impacts	Including Tax Impacts	Excluding Tax Impacts	Including Tax Impacts
Direct Revenue Impacts	\$2,601,751,748	\$13,425,429,277	\$15,421,454,183	516%	593%
Total Employment	43,430	39,913	73,229	92%	169%
Total Earnings	\$1,054,083,793	\$2,237,368,349	\$3,914,633,314	212%	371%
Gross State Product (i.e., value added)	\$933,484,517	\$11,184,440,523	\$13,329,075,050	1198%	1428%
Average Employee Earnings	\$24,271	\$56,056	\$53,457	231%	220%
Employment Multiplier	1.45	1.99	3.65	137%	251%
Earnings Multiplier	1.65	1.47	2.57	89%	156%
State and Local Tax Payments <sup>2</sup>	\$106,595,239	\$1,996,024,906		1873%	



**Exhibit 9.4. Comparison of Wyoming and Colorado Economic Indicators (2007\$)**

Indicator	All Oil & Gas Activities in Wyoming	Percentage of Oil and Gas to Wyoming State Total	All Oil & Gas Activities in Colorado <sup>2</sup>	Percentage of Oil and Gas to Colorado State Total
Total Economic Contribution <sup>1</sup>	18,617,065,044	31.6%	\$26,009,797,212	6.1%
Total Employment	73,229	19.8%	70,779	2.2%
Total Earnings <sup>1</sup>	\$3,914,633,314	25.3%	\$4,493,147,743	3.2%
Average Earnings	\$53,457	\$41,907 <sup>3</sup>	\$63,481	\$48,073 <sup>3</sup>
Gross State Product	\$13,329,075,050	42.7%	\$17,764,844,651	7.1%
Assessed Valuation	\$11,303,378,284	52.6%	\$7,223,758,012	7.2%