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Economic & Workforce Brief

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Role of Gas & Oil Extraction & Refining in the Economy of McKean County

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, 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.



The **gas and oil extraction and refining industry** is an important part of the history and economy of McKean County in Pennsylvania. The industry creates jobs and compensation for workers and influences tax revenues in the County.

The impact of jobs in gas and oil extraction and refining in McKean County:

- *For every 100 jobs* — Due to the need to supply the gas and oil extraction and refining industry, other industries in McKean County employ an additional 325 workers. Spending of income earned by gas and oil extraction and refining employees and by workers in McKean County industries that supply gas and oil extraction and refining on such items as housing, food, health care, and other retail goods and services creates an additional 130 jobs in McKean County. In short, every 100 jobs in the McKean gas and oil extraction and refining industry are associated with 555 total jobs in the County.
- *For every 100 jobs* — The gas and oil extraction and refining industry generates \$6.5 million compensation (wages, pensions, income of proprietors) for its own McKean County employees and \$15.8 million compensation for employees whose jobs are created because their McKean County firms supply the gas and oil extraction and refining industry in the County. Spending of income by gas and oil extraction and refining employees and workers in supplying industries generates an additional \$3.1 million compensation for other McKean County workers. In this way, the gas and oil extraction and refining industry is responsible for generating \$25.4 million annual compensation for every 100 gas and oil extraction and refining workers employed in McKean County.
- *For every 100 jobs* — Business activity by the gas and oil extraction and refining industry, the industry's impact on McKean County industries that supply it, and the effect of spending by workers employed in the gas and oil extraction and refining industry and its supplying industries generate \$2.1 million in property taxes that are paid annually by businesses and individuals in McKean County to local governments.

This Brief contains an analysis of activity of establishments primarily engaged in gas and oil extraction and refining in North American Industry Classification System codes 211, 213111, 213112, and 32411. 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; 814.865.9919) or David L. Passmore (dlp+irttd@psu.edu; 814.863.2583). Dollar values reported in the Brief are expressed as year 2006 dollars.