



September 20, 2007

Role of Coal Mining in the Economy of Allegheny & Washington Counties

Research reported in this brief was prepared by Penn State's Office for Economic and Workforce Development (OEWD), a unit in Penn State Outreach.

OEWD advances the economic well-being of Pennsylvania by serving as a catalyst, facilitator, and collaborator for using the resources, expertise, and intellectual assets of Penn State to help create and retain jobs in the Commonwealth and enhance the skills of its workforce (see <http://www.oewd.psu.edu/>).

Analysis of Pennsylvania economic and workforce opportunities and issues are conducted in OEWD by its Workforce Assessment Center in collaboration with the Institute for Research in Training and Development, a 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 additional information about services available to help plan and evaluate economic and workforce development in the Commonwealth.

The **coal mining industry** is an important part of the history and economy of Allegheny and Washington 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 coal mining in Allegheny and Washington counties:

- *For every 100 jobs* — Due to the need to supply the coal mining industry, other industries in Allegheny and Washington counties employ an additional 60 workers. Spending of income earned by coal mining employees and by workers in Allegheny and Washington industries that supply coal mining on such items as housing, food, health care, and other retail goods and services creates an additional 100 jobs in Allegheny and Washington counties. In short, every 100 jobs in the Allegheny and Washington coal mining industry are associated with 260 total jobs in the counties.
- *For every 100 jobs* — The coal mining industry generates \$6.1 million compensation (wages, pensions, income of proprietors) for its own Allegheny and Washington employees and \$2.7 million compensation for employees whose jobs are created because their Allegheny and Washington firms supply the coal mining industry in the counties. Spending of income by coal mining employees and workers in supplying industries generates an additional \$2.9 million compensation for other Allegheny and Washington workers. In this way, the coal mining industry is responsible for generating \$11.7 million annual compensation for every 100 coal mining workers employed in Allegheny and Washington counties.
- *For every 100 jobs* — Business activity by the coal mining industry, the industry's impact on Allegheny and Washington industries that supply it, and the effect of spending by workers employed in the coal mining industry and its supplying industries generate \$1.5 million in property taxes that are paid annually by businesses and individuals in Allegheny and Washington counties to local governments.



This Brief contains an analysis of activity of establishments primarily engaged in coal mining in North American Industry Classification System code 2121. 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+irt@psu.edu; 814.863.2583). Dollar values are expressed as year 2002 dollars.