

The Economic Impact of Shale Gas Extraction



Why Take the Risk?

Jobs?
Income?
Tax Revenue?

Oil & Gas Industry

10 Times More Capital Intensive
than the Average Industry

Job Creation from Alternative Energy Sources

Direct & Indirect Jobs Created from \$1,000,000
in Expenditures on Producing Alternative Energy:

- **Oil & Natural Gas: 3.7 jobs**
- **Wind: 9.5 jobs**
- **Solar: 9.8 jobs**
- **Biomass: 12.4 jobs**

Source: “The Economic Benefits of Investing in Clean Energy”, U. Mass, Dept. of Economics & Policy Research Institute, June 2009.

Studies of Economic Impact

- Biased
- Dated
- Seriously Flawed
- Inapplicable to Our Region

Economic Impact Studies

- New York (SGEIS, Broome County, Cornell University)
- Pennsylvania (Penn State, American Petroleum Institute)
- Arkansas (University of Arkansas)
- Texas (Perryman Group)
- Western States (Headwaters Economics, Sociological Inquiry)

Costs are Ignored

- Infrastructure Costs
- Drinking water contamination
- Land, Stream and Air Pollution
- Declines in Property Values
- Declines in Other Industries (Tourism, agriculture, organic farming, sport hunting and fishing)

ECONOMIC REALITY: NY

Gas-Intensive NYS Counties Are Not Better Off

- More Families Below Poverty Level
- Lower Median Household Income
- Higher Unemployment Rate

Benefits are Exaggerated

- Industry overstates gas production
- Industry misinterprets economic data

Characteristics of Counties not focused on fossil fuel extraction

- Higher growth rates
- More diverse economies
- Better-educated populations
- Smaller gap between high and low income households
- More retirement and investment income

Source: Headwaters Economics, 2008

**“Mining the Data: Analyzing the Economic
Implications of Mining for Nonmetropolitan Regions”**

CONCLUSIONS:

**Unemployment and Poverty Rates Worsen
AND
Highest Levels of Long-Term Poverty**

Source: Freudenburg, [Sociological Inquiry](#), 2002

A Few More Examples

Dr. Kinnaman, Bucknell University

Dr. Christopherson, Cornell University

Dr. Power, University of Montana

Dr. Perry, Rensselaer Polytechnic Institute

Some Additional Concerns

“Throw Away” Communities

Small Towns’ Greater Impact

Pipelines and Future Development

Impact on Nearby Communities

The only parties likely to benefit financially are the gas companies and a few lucky landowners.

Economic Assessment for Revised Draft SGEIS

Ignores Costs

Exaggerates Benefits

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