



Marcellus Shale Update

- The Pennsylvania Department of Labor and Industry has released newly calculated Marcellus Shale job numbers, finding that as of the first quarter of 2015, there were an estimated 83,996 people in Pennsylvania employed either in natural gas extraction development, by suppliers to the industry, or at companies that provide goods and services to the industry's employees.
- Direct employment in natural gas development grew from 8,345 to 30,403 over the past eight years of the Marcellus boom, an increase of 22,058. This increase in direct employment led to an additional estimated 15,706 jobs at suppliers and 19,912 jobs at companies that provide goods and services to the industry's employees.
- To calculate these figures, the department took Bureau of Labor Statistics data from six "Core Industry" classifications¹ and utilized IMPLAN, a standard economic impact model, to develop the best possible estimates of the number of additional jobs attributable to the industry.
- According to the IMPLAN modeling, the supplier industries with the most jobs attributable to natural gas extraction include architectural and engineering services, wholesale trade businesses, management services, and real estate establishments. Among industries providing goods and services to employees of natural gas extraction companies, the industries with the most jobs include food services and drinking places, private hospitals, physician and dentist offices, and retail stores.
- This new methodology replaces the previous one published in the Marcellus Shale Fast Facts, which sought to track employment change over time through the use of the six core industries and an additional 29 ancillary industries considered to be related to Marcellus Shale activity.
- While the majority of Marcellus Shale related employment was found in these core and ancillary industries, not all establishments in these industries were involved in Marcellus Shale, which led to an over estimation of actual Marcellus Shale activity employment levels.
- The prior estimate for example, included every highway construction worker, every steel mill worker, every coal fired electric power plant worker, every truck driver, and sewage treatment plant operator in the state. Every Pennsylvania employee of the EPA, DEP, DCNR, and Fish and Boat Commission was also counted as a gas job.
- The new methodology is used by economists and economic development specialists to estimate the economic impact of an industry.

¹ Core Industries Include (NAICS in parentheses) Cured Petroleum & Natural Gas Extraction (211111), Natural Gas Liquid Extraction (211112), Drilling Oil & Gas Wells (213111), Support Activities for Oil & Gas Operations (213112), Oil & Gas Pipeline & Related Structures Construction (237120), and Pipeline Transportation of Natural Gas (486210).