

# Fast Facts



**America's oil and natural gas industry** supports 9.2 million jobs throughout the economy and 7.5 percent of GDP.<sup>1</sup> Our industry provides higher-than-average wages and contributes to our nation's energy security:

- The national average annual salary for oil and gas exploration and production is \$96,844 or about \$47 per hour – more than double the average annual salary of all occupations.<sup>2</sup>
- From 2004-2007, the oil and natural gas industry was responsible for creating nearly 2 million additional domestic jobs.<sup>1</sup>

## The average U.S. citizen uses about 2 barrels of oil every month.<sup>3</sup>

Below are some more fast facts that you may not know about this important industry:

- America produces 5.4 million barrels of crude oil per day, 164 million barrels, per month, and almost 2 billion barrels per year.<sup>4</sup>
- The United States produces 72 billion cubic feet (bcf) of natural gas a day, 2,200bcf per month<sup>5</sup> and 26,000bcf per year.<sup>6</sup>
  - The United States is estimated to have enough natural gas to meet 100 percent of current domestic demand for at least 90 years.<sup>7</sup>
- The top five producing countries in the world are:
  - Oil: Saudi Arabia, Russia, United States, Iran and China.<sup>8</sup>
  - Gas: United States, Russia, Canada, Algeria and Iran.<sup>9</sup>
- World petroleum consumption is almost 84 million barrels/day.<sup>10</sup>
- In 2009, 41 percent of total U.S. energy consumption was used in residential and commercial buildings, 30 percent in industrial activities and 29 percent in transportation.<sup>11</sup>



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1 "The Economic Impacts of the oil and natural gas industry on the U.S. economy: employment, labor income and value added," PriceWaterhouseCoopers, September 8, 2009. Prepared for API.

2 <http://www.bls.gov/data/>.

3 The U.S. consumes about 19.5 million barrels/day ([http://tonto.eia.doe.gov/dnav/pet/pet\\_cons\\_psup\\_dc\\_nus\\_mbbpd\\_a.htm](http://tonto.eia.doe.gov/dnav/pet/pet_cons_psup_dc_nus_mbbpd_a.htm)). The U.S. population is roughly 300 million (<http://www.census.gov/main/www/popclock.html>). A barrel of oil contains 42 gallons. So, that's about 820 million gallons of oil per day divided by 300 million, which gives a per person, per day consumption of approximately 2.7 gallons, which equals approximately 2 barrels of oil per month, per person.

4 [http://www.eia.gov/dnav/pet/pet\\_crd\\_crpdn\\_adc\\_mbbm\\_m.htm](http://www.eia.gov/dnav/pet/pet_crd_crpdn_adc_mbbm_m.htm).

5 Total withdrawals: [http://www.eia.gov/dnav/ng/ng\\_prod\\_sum\\_dcu\\_NUS\\_m.htm](http://www.eia.gov/dnav/ng/ng_prod_sum_dcu_NUS_m.htm).

6 [http://www.eia.gov/dnav/ng/ng\\_prod\\_sum\\_dcu\\_NUS\\_a.htm](http://www.eia.gov/dnav/ng/ng_prod_sum_dcu_NUS_a.htm).

7 [http://www.eia.gov/dnav/ng/ng\\_prod\\_wells\\_s1\\_a.htm](http://www.eia.gov/dnav/ng/ng_prod_wells_s1_a.htm)

8 Based on thousands of barrels produced per day, <http://tonto.eia.doe.gov/country/index.cfm>.

9 Gross natural gas production, <http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=3&pid=3&aid=1&cid=&syid=2009&eyid=2009&unit=BCF>.

10 <http://tonto.eia.doe.gov/cfapps/ipdbproject/iedindex3.cfm?tid=5&pid=54&aid=2&cid=&syid=2009&eyid=2009&unit=TBPD>.

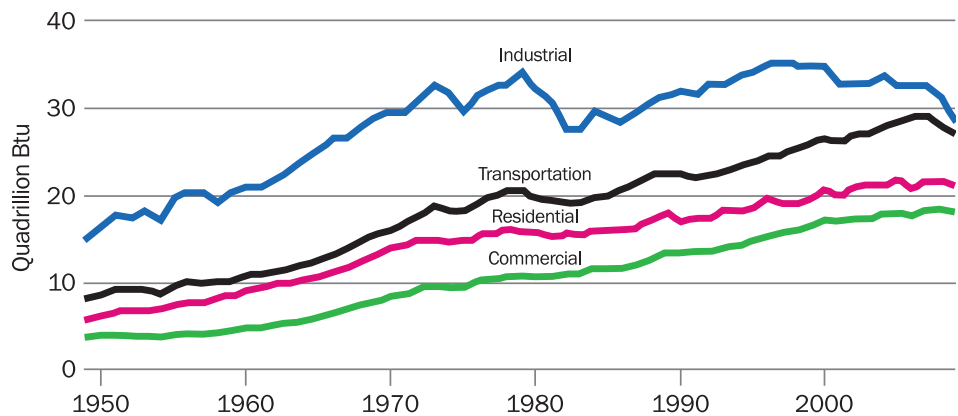
11 *Annual Energy Review 2009*, U.S. Energy Information Administration, August 2010.

12 <http://www.eia.doe.gov/country/index.cfm>

13 <http://tonto.eia.doe.gov/cfapps/ipdbproject/IEDIndex3.cfm?tid=3&pid=26&aid=2>.

14 [http://www.eia.doe.gov/pub/oil\\_gas/petroleum/data\\_publications/company\\_level\\_imports/current/import.html](http://www.eia.doe.gov/pub/oil_gas/petroleum/data_publications/company_level_imports/current/import.html).

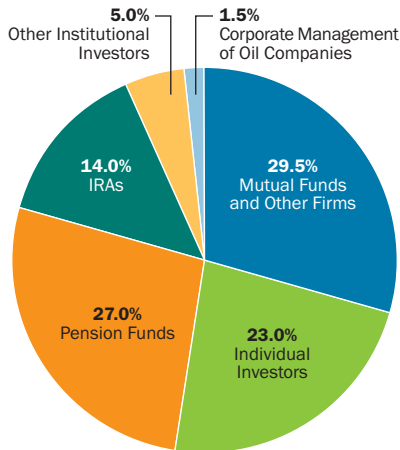
### Total Consumption by End-Use Sector, 1949-2009



Source: *Annual Energy Review 2009*, U.S. Energy Information Administration, August 2010.

- The top five consuming countries in the world are:
  - Oil: United States, China, Japan, India, and Russia.<sup>12</sup>
  - Gas: United States, Russia, Iran, Japan, and the UK.<sup>13</sup>
- The United States imports oil from all over the world, not just one region. The top five imports come from:
  - Canada (2.1 million barrels per day), Mexico (1.2 million barrels per day), Nigeria (1.1 million barrels per day), Saudi Arabia (1.0 million barrels per day), and Venezuela (1.0 million barrels per day).<sup>14</sup>

# The Industry



Source: *The Distribution of Ownership of U.S. Oil and Natural Gas Companies*, SONECON, September 2007.

**Over the last five years**, earnings for the oil and natural gas industry have been in line with U.S. manufacturing – averaging just 7 cents for every dollar of sales.<sup>15</sup>

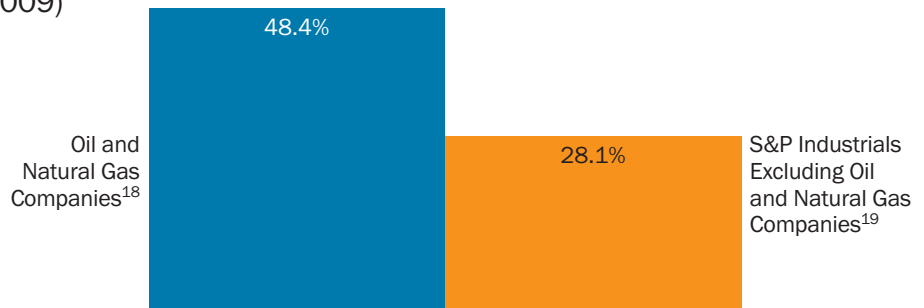
Contrary to popular belief and what some critics might say, America's oil companies aren't owned by a small group of wealthy investors.

- Only 1.5 percent of industry shares are owned by corporate management. The rest is owned by tens of millions of Americans.<sup>15</sup>
- If you are part of the 55 million U.S. households with a mutual fund, or the 45 million with personal retirement accounts, there is a good chance you invest in oil and natural gas stocks.<sup>15</sup>
- Since 2000, the oil and natural gas industry has invested \$1.7 trillion in U.S. capital projects to advance all forms of energy, including alternatives, while reducing the industry's environmental footprint.<sup>16</sup>
- Between 2000 and 2008, the industry invested more than \$58 billion in new low and zero carbon emissions technologies.<sup>17</sup>

## Challenges facing the industry could mean fewer jobs...

There are those in Congress who want to raise taxes on only American oil and natural gas companies, despite the fact that they already have an effective tax rate higher than other S&P Industrials.<sup>15</sup>

### Income Tax Expenses as Share of Net Income Before Income Taxes (2009)



Source: Compustat North America Database (January 2010 update).



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API represents more than 400 oil and natural gas companies, leaders of a technology-driven industry that supplies America's energy.

<sup>15</sup> [http://www.api.org/statistics/earnings/upload/earnings\\_perspective.pdf](http://www.api.org/statistics/earnings/upload/earnings_perspective.pdf).

<sup>16</sup> *Oil & Gas Journal*, March 1, 2010.

<sup>17</sup> [http://www.api.org/aboutoilgas/upload/Energizing\\_America\\_Facts.pdf](http://www.api.org/aboutoilgas/upload/Energizing_America_Facts.pdf).

<sup>18</sup> Oil and gas extraction (NAICS 211) and petroleum refining (NAICS 32411).

<sup>19</sup> Excludes companies engaged in oil and gas extraction (NAICS 211) and petroleum refining (NAICS 32411).

<sup>20</sup> <http://www.api.org/Newsroom/taxes-hurt-oil-prod.cfm>, API calculations based on Wood Mackenzie study.

<sup>21</sup> [http://press.ihs.com/article\\_display.cfm?article\\_id=4297](http://press.ihs.com/article_display.cfm?article_id=4297).

<sup>22</sup> <http://www.api.org/Newsroom/voters-oppose-taxes.cfm>.

<sup>23</sup> <http://www.api.org/Newsroom/taxes-hurt-oil-prod.cfm>.

- Repealing the job-creating Section 199 domestic manufacturing tax deduction and denying the deductibility of intangible drilling costs will place 58,800 jobs at risk in 2011 and 165,000 by 2012.<sup>20</sup>
- Additional taxes on foreign earnings could compromise the ability of U.S. oil and natural gas companies to compete in the global marketplace and invest in the U.S.<sup>21</sup>
- The public opposes increased taxes on oil and natural gas companies. According a recent poll among 6,000 registered voters, 64 percent in 10 states oppose an increase in oil and gas taxes, including 46 percent of voters who strongly oppose.<sup>22</sup>

## ...and place our nation's energy security at risk.

- Studies show that with some of these tax proposals, the potential loss of domestic production could be as high as 600,000 barrels of oil equivalent per day, placing \$15 billion in capital at risk in 2011 and almost \$130 billion over the next ten years.<sup>23</sup>
- In the first year of tax changes, approximately 1 percent of oil and 5 percent of natural gas production is at risk.<sup>23</sup>