

Thursday, November 01, 2012 3:13 PM ET  Extra

# ACSF: Economic engine of shale development will roar into next decade

By [Bryan Schutt](#)

Unconventional oil and gas production is expected to create long-term growth across the country as virtually all sectors of the economy respond to upstream developments and supply chain needs, according to a new report prepared for the American Clean Skies Foundation.

Based on analysis from ICF International, the [ACSF report](#) concluded that the oil and gas industry has served as an economic stimulus for the nation and it will continue to do so for years to come.

"The report gives us considerable confidence that the economic benefits we are seeing today will last well into the next decade given the large available resource base opened up by technological advances and the extensive business plans in place for its production and use," Harry Vidas, vice president of the Oil and Gas Division at ICF, said in a statement.

Just as a [recent study from IHS](#) documented, the ACSF report said shale production is a significant job creator and GDP contributor. In terms of GDP, the study forecasts a net increase of \$167 billion to \$245 billion in 2017. From a jobs perspective, the report said total employment gains would exceed the entire auto manufacturing industry employment, the report said.

"The study projects additional annual employment gains of 835,000 to 1.6 million jobs nationwide by 2017, the equivalent to more than the entire U.S. auto manufacturing industry (including parts suppliers) at the low end," the report said. "Sectors of the economy experiencing the greatest employment gains include the service sector, manufacturing, wholesale and retail trade, and the oil and gas sector itself."

IHS agreed that job growth from the sector will be significant. That study, released Oct. 23, said unconventional production would support more than 1.7 million jobs this year and would support 2.5 million jobs by 2015. The IHS study also expected that unconventional energy activity will contribute \$237 billion in value-added contributions to GDP in 2012, a figure that will increase to \$475 billion annually in 2035.

The economic impacts of unconventional production will be spread throughout the country, the ACSF report said. While states with significant upstream activity, such as Texas and Pennsylvania, will obviously benefit, so too will states without shale development. For example, demand for proppants has led to a sand rush in Wisconsin, natural gas turbine manufacturing is creating jobs in the Carolinas, and a new nitrogen fertilizer factory is slated to be built in Iowa.

Consumers also benefit, thanks to shale development, the report found.

"The rise in natural gas production has resulted in large price reductions to both direct and indirect end-users. This results in direct savings to natural gas consumers, and indirect savings through lower electricity prices and lower prices for industrial products," the report said. "Consumers are expected to experience a net benefit of \$41 billion in 2017, enough to cover the electricity bill on 30 million homes."