

Alaska Oil and Gas Association



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McDowell Group's latest oil and gas economic impact study: \$4.8 billion in public and private sector payroll in 2018

Both private and public employment impacts measured

FOR IMMEDIATE RELEASE

Anchorage, Jan. 27, 2020 – Last Thursday in a presentation to Alaska State Legislators and staff, Donna Logan, Vice President of the McDowell Group, released the updated *The Role of the Oil and Gas Industry in Alaska's Economy*. McDowell Group prepared the economic impact study on behalf of AOGA, who commissions the study every few years.

Among the key findings:

- In 2018, Alaska's oil and gas industry's total impact (including multiplier effects) accounted for 77,600 jobs in Alaska, and \$4.8 billion in Alaska wages.
- Alaska residents represent 84% of primary company total employment in Alaska.
- For every primary company job, another eight jobs are supported by primary company activity in Alaska, and seven more jobs supported by oil-related taxes and royalties payments to the State of Alaska.
- For each dollar earned by employees of the primary companies, a total of \$4 in additional indirect and induced wages are generated in Alaska.
- The oil and gas industry paid \$3.1 billion in state and local taxes and royalties in State Fiscal Year (SFY) 2019, including \$2.7 billion to state government, and \$449 million to local governments.

McDowell Group analyzed not only the economic impact of oil company spending on employment and wages in Alaska's private sector, but also the impact resulting from state and local government spending of taxes and royalties paid by the oil and gas industry.

"Alaska's oil and gas companies are proud to contribute to Alaska's economy and quality of life. When our industry thrives, our state benefits in many ways -- from funding essential services, to employing Alaskans, to contributing to the health of the Permanent Fund. As the data shows, Alaska's oil and gas industry remains the single most important economic engine in the state, and we are proud of the work we do to benefit all Alaskans," said Kara Moriarty, AOGA President and CEO.

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To conduct the study, the McDowell Group team independently collected data from a variety of sources, including spending and payroll data from the following 17 “primary companies”:

- Alaska Gasline Development Corporation (AGDC)
- Alyeska Pipeline Service Company
- BlueCrest Energy
- BP Alaska
- Brooks Range Petroleum
- Chevron
- ConocoPhillips Alaska, Inc.
- eni petroleum
- ExxonMobil Production Company
- Furie Operating Alaska
- Glacier Oil and Gas
- Hilcorp Alaska
- Marathon Petroleum
- Oil Search Alaska
- Petro Star Inc.
- Repsol E&P USA
- Shell Exploration & Production Company

Many of the companies were able to provide detailed financial information, including the amount of money spent with specific Alaska companies, job counts, and payroll information by both place of work and place of residence, and amounts paid in state and local taxes.

Data collected for studying the public sector employment impact was provided by the Alaska Department of Labor and Workplace Development; the Alaska Department of Revenue; the Alaska Department of Commerce, Community and Economic Development; the U.S. Bureau of Labor Statistics; the U.S. Bureau of Economic Analysis, and the U.S. Department of Energy’s Energy Information Administration, among others.

Other highlights of the economic study include local and regional impacts for the Municipality of Anchorage; Fairbanks North Star Borough; Kenai Peninsula Borough; Matanuska-Susitna Borough; North Slope Borough; and the City of Valdez, as well as specific, detailed oil revenue impacts on state and local government programs.

A full copy of the report is available on [AOGA’s website](#), along with a [Frequently Asked Questions](#) document and [PowerPoint presentation](#) prepared by the McDowell Group.

AOGA is a professional trade association whose mission is to foster the long-term viability of the oil and gas industry in Alaska for the benefit of all Alaskans. More information about the organization can be found at www.aoga.org, on Facebook ([AlaskaOilAndGas](#)), Twitter ([@AOGA](#)), and Instagram ([@alaskaoilgasassociation](#))

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