

Socio-Economic Impacts Presentation

For

High Plains Economic Development District Meetings August 31, 2010 – September 2, 2010

Cheyenne	6:00 – 8:00 pm	8/31
Torrington	11:00 am – 1:30 pm	9/1
Wheatland	6:00 – 8:00 pm	9/1

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OVERALL IMPACTS OF OIL AND GAS (2007)^[1]

CATEGORY	INDUSTRY	STATE
Gross State Product (value added)	\$13.3b/43%	\$31.2b
Total Economic Output	\$18.6b/31.6%	\$58.8b
Economic Contribution Without Royalty and Tax Payments	\$15.5b	
Assessed Valuation	\$11.3b/52.6%	\$21.5b
Sales and Use Taxes	\$50.3m/5.5%	\$907m
Total Employment	73,229/19.8%	369,565
Labor Earnings	\$3.9b/25.3%	\$15.5b
Employment Multiplier	3.65	
Earnings Multiplier	2.57	
Earnings Per Worker	\$53,457	\$41,907

Oil and gas tax revenues pay for 38% of all government employment. The sector's GSP of \$13.3b is 5 times greater than travel at \$2.6b. Economic contributions will vary year to year based on commodity prices and production levels.

^[1] Wyoming Oil and Gas Economic Contributions Study prepared by Booz Allen Hamilton for the Wyoming Business Alliance/Wyoming Heritage Foundation, August 2008

ASSESSED VALUATION

COUNTY	2000	2005	2009	% INCREASE 2000-2009
Johnson	\$78M	\$211M	\$1.8B	2307%
Sheridan	\$145M	\$435M	\$793M	546%
Goshen	\$78M	\$95M	\$127M	62%
Platte	\$110M	\$123M	\$135M	23%
Laramie	\$442M	\$647M	\$916M	207%
State	\$7.8B	\$16.4B	\$29.2B	375%

Johnson County valuation was 18% of Laramie County in 2000. Today, it is nearly two times greater. Johnson County was 19th; today it ranks 4th ---behind Campbell, Sublette and Sweetwater Counties. A five-fold increase in assessed valuation would result in Goshen growing from \$127m to \$635; Platte from \$135m to \$675m.

POPULATION

COUNTY	2000	2005	2009	% INCREASE 2000-2009
Johnson	7100	7600	8500	20%
Sheridan	26,500	27,000	29,200	10%
Goshen	12,500	12,000	12,300	-2%
Platte	8800	8400	8200	-7%
Laramie	82,000	85,000	89,000	8.5%
State	498,000	506,000	544,000	9%

While Johnson County assessed valuation has increased tremendously (over 2000%), its population increased by just 20% between 2000 and 2009. The population increased, but not by a significant “boom” margin.

SALES AND USE TAX REVENUES

COUNTY	FY01	FY05	FY10	% 2000-2009
Johnson	\$5.4M	\$8.5M	\$12.8M	237%
Sheridan	\$25M	\$33M	\$34.3M	37%
Goshen	\$5.8M	\$6.3M	\$7.3M	24%
Platte	\$6.4M	\$6.7M	\$8.8M	38%
Laramie	\$64.5M	\$86.3M	\$88M	36%
State	\$521M	\$673M	\$789M	51%

Johnson County's sales and use tax more than doubled, but the base was low by comparison to Sheridan County. Sheridan County, despite coalbed methane, actually had a 37% increase in those years-- similar to Laramie County which has had minimal oil/gas activity to date. The industry support centers (ie. Casper and Gillette) would likely see more revenue increases than Laramie County. Goshen and Platte could see increases like Johnson County.

SUMMARY, p.1

1. The Niobrara oil play is just beginning. Data and results regarding exploratory drilling are not yet available. Whether there will be a boom is still an unknown. Many assume there will be increased activity.
2. Niobrara...like plays in North Dakota, Louisiana, and Pennsylvania—is the result of new technology: directional drilling and fracking.
3. Wyoming's rigs count today is 44; a year ago it was 34; several years ago it was 110.
4. The average oil rig can employ 40-50 people over a 6-8 week time frame.
5. Wyoming normally has 3000 APD'S; there are 70 in Southeast Wyoming.

SUMMARY, p.2

- 6) Casper and Gillette are energy service centers which provide support to such areas as Northeast Wyoming and even North Dakota. In Johnson County, many-- essentially most --of the coal bed methane workforce commutes from Gillette.

- 7) The economic impacts of potential oil development in Southeast Wyoming could be very significant, specially regarding assessed valuations and royalties to land owners. Sales tax revenue should increase. Abrupt increases in population which impact housing, schools, and medical/social services, based on the Johnson County data, may not occur.

Thank you

The 77 page Wyoming Business Alliance/Wyoming Heritage Foundation Wyoming Oil and Gas Economic Contributions Study is available from:



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