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Oversight hearing on “*American Energy Jobs: Opportunities for Women and Minorities.*”

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PREPARED TESTIMONY:

Minority and Female Employment in the Oil & Gas and Petrochemical Industries

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Chairman Lamborn, Ranking Member Holt, and distinguished members of the Committee on Natural Resources, it is an honor to speak with you today on the role that oil, gas, and petrochemical industries play in creating job opportunities for women and minorities in America.

The United States is in the midst of an energy boom that has spurred growth in the oil, gas, and petrochemical industries within our own borders. This boom has transitioned our dependency on natural gas imports to prospects of exportation, and has provided our petrochemical industries with an inexpensive supply source, improving our global competitiveness in these industries. A number of economic impact analyses have been conducted by IHS and other firms, which have documented the growth of various energy-related industry segments. IHS Economics recently completed a demographic study entitled *Minority and Female Employment in the Oil & Gas and Petrochemical Industries*, where we examined the distribution of jobs that we project will be created by occupation, gender, and race, based upon current trends in industry growth, occupational mix, and labor force participation. Today, I am here to speak on the job opportunities available to women and minorities in the oil and gas industries. Consistent with our report, I will use the term “minorities” to refer to self-defined African American and Hispanic workers throughout this testimony.

First, let’s focus our attention on jobs today. In 2010, nearly 1.2 million jobs were attributed to the oil, gas, and petrochemical industries in the United States. In these industries, African Americans accounted for 8% of total employment, and Hispanics over 15%. Women accounted for 19% of total employment in these industries, a share that is lower than the female share of employment economy-wide primarily because of the high share of traditionally male-dominated blue-collar jobs in the industry. Almost half of jobs in the industry were occupations classified as skilled and semi-skilled blue-collared occupations. Examples of these types of occupations are Pump Operators, Industrial Machinery Mechanics, Roustabouts, and Heavy Truck Drivers. Minorities captured 27% of skilled and semi-skilled blue collared jobs, but women captured fewer than 5% of jobs in these specific occupations. When we turn to the upstream industry segment, which accounts for 60% of the oil, gas, and petrochemical industry jobs, we find that women represented up to 15 % of the workforce, but were concentrated in Office &

Administrative Support occupations such as Accounting Clerks and Secretaries. Minorities in the upstream industry hold 27% of skilled blue-collared jobs, such as Carpenters and Electricians.

Job opportunities in the oil, gas, and petrochemical industries are projected to grow over the next 20 years, spurred on by capital investment projects, job replacements for retirees, and potentially, accelerated growth scenarios from additional drilling and exploration opportunities.

How will this translate into job opportunities for women and minorities?

Over the past four decades, American women have steadily increased their participation in the labor force. With black women leading the way, over 57% of women now participate in the labor force and over 35% of women are college graduates. National occupational trends from the Bureau of Labor Statistics show that an increasingly educated female labor force held 51 % of management, professional, and similar jobs in 2011. We expect to see these trends impact the demographic mix of management and professional occupations in the oil and gas industries over the next two decades. Women will share in the growth of skilled white-collar jobs in the industry. Opportunities will exist for women as petroleum engineers, managers, and other professionals, as 70 thousand job opportunities are projected for women in these areas from 2010 through 2030.

Minorities are also expected to benefit from improvements in educational attainment. Minorities are projected to absorb nearly 20% of the management, business, and financial job opportunities in the oil and gas industry through 2030. Hispanic employment growth is projected to show larger gains due to faster growth of the Hispanic population, their high labor force participation rate, and a decline in the unemployment rate for Hispanics over time. Additionally, there will be tremendous opportunities for all workers in blue collar occupations, as these jobs will continue to make-up the bulk of job opportunities in the industry through 2030. Minority employment is projected to rise from one-quarter of employment in the industry in 2010 to one-third of the total in 2030.

In Conclusion --

The share of minorities employed in upstream, midstream, and downstream oil, gas, and petrochemical industries is rising. Job opportunities for women and minorities in America will increase over the next twenty years, and will be fueled by growth in the energy sectors. Thank you for your attention.