

## DESPITE RECESSION, U.S. OILFIELD JOBS BOOM



Since the year 2003, jobs in the oil and gas drilling industries account for a little more than one in eight of all net new jobs in the United States that are considered non-farm. They also account for close to one in five in the private sector of the country according to the Bureau of Labor and Statistics. One of the fastest growing industries in the country is that of oil and gas drilling. The industry is posting near-record prices that have spurred expansion in employment within the industry. The statistics released by the Bureau of Labor and Statistics show that jobs in the industry have risen by 200,000, an 80 percent increase, since the year 2003. The industry now employs roughly 430,000 workers across the country. Because of the recession, during the same timeframe, the non-farm industry in the country added only 1.49 million employees. There was a sharp drop in employment within the industry for a short period when the recession hit the country because of U.S. crude oil prices dropping to less than \$50 per barrel. The employment numbers within the industry currently sit at their highest in over two decades. The Bureau of Labor and Statistics does not separate the jobs in the gas and oil drilling industries, they count as one industry. Early in the decade of the 2000s, the majority of the employment was in the gas segment of the industry, but now the majority of the employment is in the oilfield industry. The reason for this is that gas prices have decreased, focusing rig crews on liquid-rich areas of the country. For the first time since the middle of the 1980s, crude production in the United States has risen, causing an increase in oil and gas output. When oil and gas output rises, job creation within the industry also rises. The oil industry has always been cyclical because as prices remain high for longer amounts of time, adaptation will accelerate. The majority of the new jobs within the industry are considered low-skilled jobs. The higher skilled jobs, such as construction workers and experienced engineers, are somewhat difficult to fill because there are not that many qualified people out there. This puts pressure on costs and wage rates within the industry. The Society of Petroleum Engineers and the National Academy of Engineering have released surveys that claim the industry will struggle through shortages in qualified workers for quite some time. The cure for this problem is easy; a growing demand and rising compensation. Schools will begin to shift the focus of their graduate studies from areas such as physics and engineering to the training of petroleum engineers. The reason for this will be the altered salary pattern and incentives for careers within the industry.

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