



2018 PROPANE INDUSTRY'S ECONOMIC IMPACT REPORT

The 2018 Propane Industry's Economic Impact Report was created by ICF for the Propane Education & Research Council. The goal of this research was to estimate the aggregate GDP impact of propane industry activity, as well as the contribution of the odorized propane industry to employment and wages both on the national level and from a state-by-state perspective.

► METHODOLOGY

ICF took a two-step approach to perform a detailed value-chain analysis for odorized propane at the national and state level. First, it identified all points where value is added along the pathway from the wellhead to burner tip. Then, it allocated these values to individual states.

The study assessed the economic and employment impacts of the direct spending through the impacts of the Downstream Sector of the retail propane value chain analysis. The approach was designed to ensure that the economic impact of the retail propane sector is properly captured, and to ensure that the impacts are not counted twice.

► THREE-YEAR GROWTH (2015–2018)

Compared to 2015, the odorized propane industry's direct economic impact increased from \$40.5 billion to \$46.4 billion in 2018 — a 14.7 percent increase. Total employee count attributed to the odorized propane industry increased 5.8 percent, while growth in consumption and propane prices supported increased sales for the retail propane sector.

A BROAD IMPACT

In addition to the significant role propane plays in the residential sector, the propane industry directly serves:

50 MILLION
AMERICAN HOMES

1.1 MILLION
COMMERCIAL CUSTOMERS

184,700
INDUSTRIAL CUSTOMERS

504,700
AGRICULTURE CUSTOMERS

▶ DOMESTIC GROWTH

The increases seen between 2015 and 2018 were credited to growth in the domestic component of the odorized propane market, a sector whose value increased from \$45.4 billion in 2015 to \$54.6 billion in 2018. These gains were supported by a 13.4 percent increase in domestic propane/propylene production and a 13.6 percent increase in retail consumption, from 8.32 billion gallons in 2015 to 9.3 billion gallons in 2018. Additionally, the added economic value that the propane industry created (beyond production and distribution) continued to grow.

Following the rise in domestically produced propane, exports have increased to become the largest source of demand. In 2018, over 14.5 billion gallons of propane were exported. Propane exports are expected to continue to increase both in volume and in the share of domestic production that they support.

**14.7%
INCREASE
IN ECONOMIC
IMPACT**

▶ EMPLOYMENT

Total wages for the 11 propane-industry employment classifications* in 2018 were nearly \$105 billion, \$1.07 billion higher than 2015 wages. Of the total wages for these industries, production accounts for two thirds, followed by 23 percent from the retail sector and 15 percent in the transportation sector.

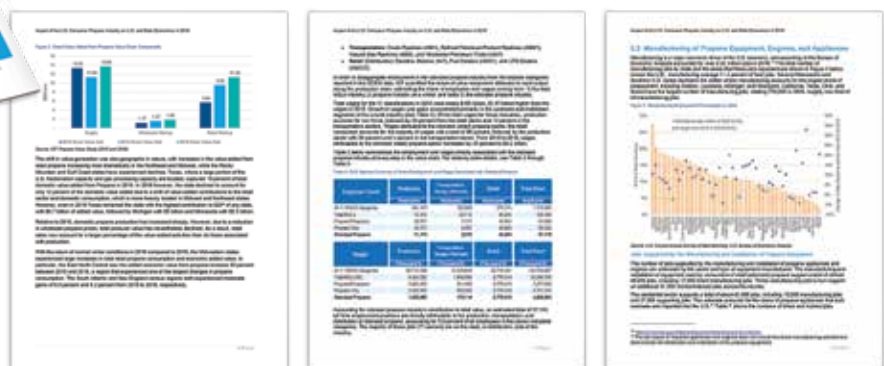
Accounting for the odorized propane industry's contribution to total value, an estimated 57,110 full-time employment positions are directly attributable to the production, transportation, and distribution of odorized propane. The majority of these jobs (77 percent) are in the retail or distribution side of the industry. ICF also estimates that for 2018, in addition to the 57,110 jobs directly created by the odorized propane industry, another 39,977 indirect and induced full-time jobs can be attributed to the industry.

**57,110
FULL-TIME
EMPLOYEES**



GET THE FULL REPORT

For a full copy of the 2018 Propane Industry's Economic Impact Report, including a more detailed industry breakdown and state-by-state data, visit Propane.com/Economic-Impact.



*As identified by the North American Industrial Classification System.