



# Economic Impact of the PennEast Pipeline's Construction and Operation

Drexel University and Econsult Solutions have analyzed the economic benefits of constructing the approximately 114-mile PennEast Pipeline, as well as the annual economic impact of the pipeline's ongoing operation. Further, the increase in supply of natural gas for families, businesses, industrial users and electric generators is expected to reduce natural gas prices, and subsequently, electricity prices. A companion study examining the benefits to consumer energy savings is forthcoming.

## BUILDING THE PENNEAST PIPELINE



**\$520 MILLION**  
PA: INDIRECT/INDUCED



**\$210 MILLION**  
NJ: INDIRECT/INDUCED



**12,160**  
TOTAL JOBS



**\$740 MILLION**  
WORKER WAGES



In addition to the direct economic impacts, the project will spur \$730 million in indirect and induced impacts in Pennsylvania and New Jersey. Of that, \$550 million will occur in the six-county pipeline region. Indirect impacts are from the local purchase of goods and services; induced impacts are from employees spending labor income. Additionally, construction will also produce tax revenue for both Pennsylvania and New Jersey; this includes \$17.5 million in state personal income tax.



PennEast will support 12,160 jobs, of which a large portion will be related to the construction industry. Hundreds of architectural and engineering jobs, and many additional jobs in several related industries will also be supported. Within the six-county region, slightly less than half of the employment impact will occur in industries other than construction, including: food services, landscaping, legal services, and the real estate establishment.

# OPERATING THE PENNEAST PIPELINE

## ONGOING ANNUAL ECONOMIC IMPACT



PennEast will operate and maintain the pipeline, the compressor station, and all other project facilities providing continued economic impacts. Frequent maintenance surveys and inspections will be conducted on the ground, providing information on encroachment, equipment operation, leak surveys, erosion, and cathodic protection system integrity, to name a few. Daily operations and expenditures will ensure PennEast provides safe and reliable delivery of natural gas supplies to the region.



The costs to operate and maintain the PennEast Pipeline will generate annually recurring economic impacts in both Pennsylvania and New Jersey. The estimated total economic impact in both states from ongoing operations of the project is \$23 million, supporting about 100 jobs with \$8.3 million in wages. In addition, labor from construction and the ongoing operations will generate fiscal benefits to each state government in the form of personal income taxes remitted.



## CONCLUSION

The PennEast Pipeline Project would generate a significant positive economic impact in Pennsylvania and New Jersey. Construction and ongoing operations of the Project will be economically beneficial to the counties in which the pipeline would be constructed, as well as to the region as a whole. The immediate construction and labor impacts of the Project are substantial and would greatly benefit local communities through construction, labor and project management jobs. The estimated total economic impact in both states during the design and construction of the project is \$1.62 billion, supporting more than 12,160 jobs with \$740 million in wages.

An additional significant economic benefit to New Jersey and Pennsylvania homeowners and businesses will come from significant energy cost savings that will result from an expanded (and stabilized) supply of natural gas. Lower energy bills lead to an increase in disposable income for consumers, allowing for additional spending in the economy. Drexel estimates that every \$10 million in increased disposable income derived from lower energy prices would generate a total economic impact of \$13.5 million and support 90 jobs.



**INCREASED NATURAL GAS  
SUPPLY**



**LOWER NATURAL GAS  
AND ELECTRICITY BILLS**



**INCREASED DISPOSABLE  
INCOME**



**INCREASED ECONOMIC  
ACTIVITY**