

Unconventional Gas and Oil Development in the United States: Economic Experience and Policy Issues

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Abstract

This paper examines the economic experience of past energy booms and that of current unconventional shale gas and oil development. We focus on key economic characteristics of gas and oil production such as its employment potential, its geography, and its boom–bust nature. This background is used to discuss important economic policy issues arising with unconventional oil and gas development such as taxation, governmental use of those revenues, preemption, and equity in the distribution of costs and benefits. The paper concludes with economic policy recommendations for states and communities affected by such development including not viewing oil and gas development as an effective long-run economic development strategy, leveraging short-run financial gains from the development into permanent advantages, and strengthening the capacity for local governments to understand and manage this activity.

[Economic impact](#), [Marcellus shale](#), [Bakken shale](#), [natural gas](#)

[L71](#), [R11](#), [R12](#)

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