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Oil and gas price drop has the ‘Texas Miracle’ on ice

New TTARA research examines impact of the industry’s decline

(Austin, TX) – The Texas Taxpayers and Research Association (TTARA) has released a new research report, “[Miracle on Ice? What Low Oil Prices Mean for Texas](#),” that gives a comprehensive look at how the downturn in Texas’ oil and gas industry has profoundly hurt Texas’ entire economy.

“The ‘Texas Miracle,’ as our state’s nation-leading economic engine has been dubbed, is currently on ice,” said TTARA President Dale Craymer, author of the report. “Much of Texas’ growth has been fueled by oil and gas, and the recent price drop has taken its toll. Texas is no longer the nation’s most robust job creator. Although the state continues to add jobs, for the first time in 12 years our job engine has been lagging the rest of the nation.”

The research report determined, “While the nation as a whole may benefit from lower prices, it is a body blow to Texas, a state which produces over a third of the nation’s oil. Oil and gas are five times more important to the Texas economy than they are to the nation as a whole.”

Among the research findings:

- The loss of 65,000 oil and gas jobs has so far cost the overall Texas economy roughly 250,000 jobs.
- The loss of over 600 rigs equates to a drop in Texas investment of more than \$40 billion.
- Texas itself is part of the reason for the oversupply of oil on the market and the corresponding price drop.
- Unlike many previous “busts,” Texas state finances remain sound today for several reasons.
- While Texas should still add another 1 percent to its jobs tally in 2016, that is less than the state is used to and less than the nation overall.
- While lower oil and gas prices have and will continue to hurt the industry and related sectors, Texas also has a large energy-consuming economy that benefits from low energy prices.

The report can be found on the TTARA website at: <http://www.ttara.org/files/document/file-56f2da91b3234.pdf>.

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The Texas Taxpayers and Research Association (TTARA) is a non-profit, non-partisan membership-supported organization of businesses and individuals interested in state and local fiscal policies in Texas and the way those policies impact our economy. TTARA members operate in every part of Texas; they employ and provide incomes to thousands of Texans; they produce or provide every type of good or service Texans consume; and, they provide a major portion of the revenue that supports public services at every level of government. TTARA has been recognized as the state’s leading organization specializing in tax and fiscal policy for more than 50 years. The organization’s annual meeting, held in the fall each year, features top elected leaders and government officials discussing current tax, expenditure, and other public policy issues.