



Human Energy™

Energizing California:

Mapping Chevron's Economic Impacts on the Golden State

With the variety of challenges faced by California's economy today, it's important to understand the fundamental role that the oil and natural gas sector plays in the state.

To that end, Chevron worked with the Milken Institute, a pre-eminent California think tank, to analyze the sector and Chevron's economic contributions to the state.

The Milken Institute concluded that the oil and natural gas sector is a stabilizing factor in the California economy. According to the report's analysis, using data from 2007, the industry:

- Supports the employment of nearly 305,000 Californians
- Generated a total of \$46.3 billion in economic output in 2007
- Directly employs 65,000 people in the state, many of whom are highly specialized and skilled workers, engineers and scientists; through the multiplier effect,⁽¹⁾ the industry indirectly supports the employment of an additional 240,000 Californians, including professionals and skilled labor, in a wide variety of business services, supply and manufacturing industries
- Has one of the largest employment multipliers in the state⁽²⁾

Chevron's Leadership Role

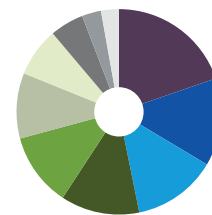
As the largest company in California and the only major oil and natural gas producer headquartered here, Chevron was directly or indirectly responsible for nearly 70,000 California jobs and more than \$9 billion in economic activity in 2007.

According to the report, Chevron:

- Generated \$9.2 billion in economic output in California in 2007, directly or indirectly, through its supply chain and consumption, as determined by standard multiplier effects
- Directly employs approximately 10,000 workers in the state. Every Chevron job creates nearly six additional jobs in other sectors, so that Chevron supports a total of nearly 70,000 jobs, or about 1 in 250 jobs in California
- Generated an average of \$460,000 in economic output per employee in 2007 - four times the state average and on par with the productivity levels of high-technology workers in the state
- Spent \$750 million in 2007 to support minority- and women-owned businesses in California

Economic activity generated by Chevron

Industries most impacted in California



Manufacturing	18.9%
Transportation and Warehousing	13.3%
Real Estate	12.7%
Mining*	11.9%
Wholesale and Retail Trade	11.1%
Professional and Scientific Services	9.9%
Other Services	7.4%
Finance and Insurance	5.1%
Health Care	2.9%
Information	2.7%

* includes oil and natural gas extraction

(1) To capture both the direct and broader ripple effect of the oil and natural gas industry and Chevron in the state, the Milken Institute applied unique coefficients, known as "multipliers," developed by the Bureau of Economic Analysis (BEA). These multipliers capture and quantify the additional jobs, earnings, and output created by the company and beyond the industry.

(2) The petroleum-refining sector had the third largest employment multiplier in the state at 8.18 in 2007, a level of impact only exceeded by electric computer manufacturing with a multiplier of 16.0 and funds, trusts and other financial vehicles at 12.6.

Chevron's Local Contributions

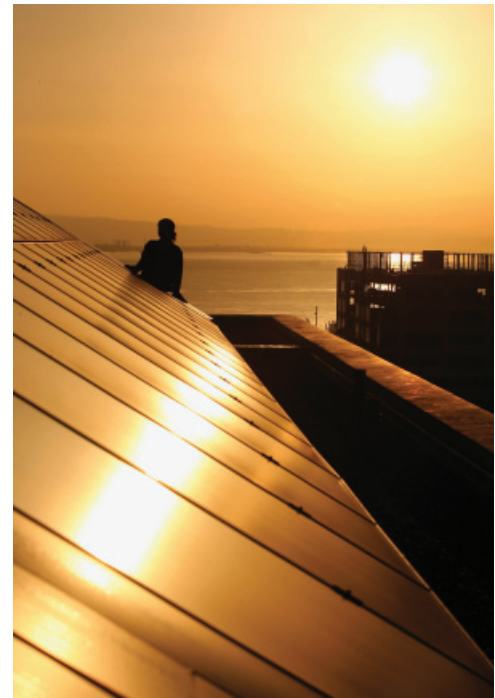
The effects of Chevron's business in the state are most pronounced in the Bay Area, Los Angeles and Bakersfield regions where the company's major business operations are located.

- In the San Francisco Bay Area, Chevron supported nearly 37,000 jobs and generated more than \$4.4 billion in economic activity in 2007. The Bay Area is home to Chevron's global headquarters; the third-largest refinery in the state; transportation management facilities; the manufacture of important fuel additives; research and development activities; and Chevron Energy Solutions, its subsidiary devoted to energy efficiency solutions
- In Los Angeles, Chevron supported approximately 10,000 jobs and created more than \$1.7 billion in economic activity in 2007. Los Angeles is home to the El Segundo refinery, one of the largest facilities in the state. Nearly one in every three refinery industry workers in the Los Angeles area is employed through Chevron at this facility
- In Bakersfield, Chevron accounts for nearly a fourth of the region's entire economy, generating more than \$884 million in total economic activity while supporting more than 5,000 jobs in 2007. Its production in the Kern River oil field alone accounts for 14 percent of all the oil produced in California. Chevron also operates more than 35 percent of the Midway-Sunset oil field, the state's largest oil producing field

Investing for the Future

The Milken Institute report also highlights Chevron's efforts to ensure the state's energy future through continued investment in energy infrastructure, energy efficiency, renewable energy and conservation, including:

- Investments in renewable energy and energy-efficiency initiatives around the world, with a significant portion of this spending in California
- Investments in early-stage companies within California developing renewable energy and advanced technology
- A multi-year research partnership with the University of California, Davis, to explore the development of non-food feedstock as a fuel source
- A joint venture with Weyerhaeuser to develop a manufacturing process for biofuels using forest products and waste paper
- Installation of energy-efficient solar power systems in schools and government agencies throughout the state that have created significant energy savings
- New ways to extract additional oil from existing fields using steam flooding and other advanced technology
- Providing irrigation water reclaimed from this steam for use by California farmers



To view the entire report, please visit www.milkeninstitute.org. Click on Publications/Research Reports.