Energy Insight - Fueling the Economy

4/3/2025

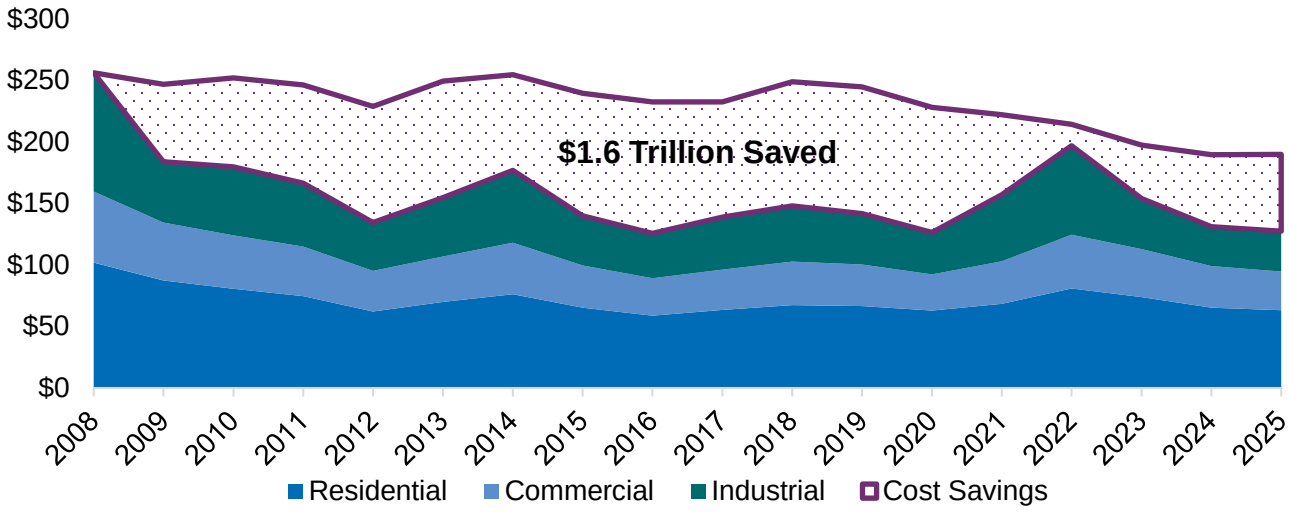
Since the Great Recession of 2007-08, the direct use of natural gas has proven to be a lasting source of low-cost energy for homes and businesses. Over the last 17 years, including current forecasts for 2025, natural gas has led to an overall inflation-adjusted savings of $1.6 trillion compared to pre-recovery prices in 2008. For the average household, this equals $3,445 in adjusted savings. Growth in shale production has been a major player in this change by contributing 80 percent of the current supply, doubling production, and increasing direct use volumes by 13 percent.

Key Findings

- Households have saved a total of $234 billion over the last 17 years. This amounts to a 15 percent reduction in natural gas spending despite growing the end user base by 9 million or 13 percent. The average natural gas household saved $3,445 over the 17-year period.
- Overall, commercial and industrial end users saved $247 billion and $854 billion since 2008. Commercial and industrial users reduced costs by 27 percent and 50 percent, respectively. The average 17-year cost savings were $45.1 thousand for commercial users and $4.6 million for industrials.
- From 2022 to 2023, nominal natural gas prices were notably higher. However, since that year, prices have declined sharply. The near-term savings since 2023 for residential, commercial, and industrial were $7.6 billion, $13.2 billion, and $68 billion each, or $89 billion in total.
- Electricity prices have outpaced inflation, with average nominal residential prices rising 50 percent in 17 years compared to 33 percent for inflation. Primary actors behind price growth have been replacing and constructing new generation and transmission lines. The division between the two sources of energy in buildings and industry exemplifies the continued value of natural gas.

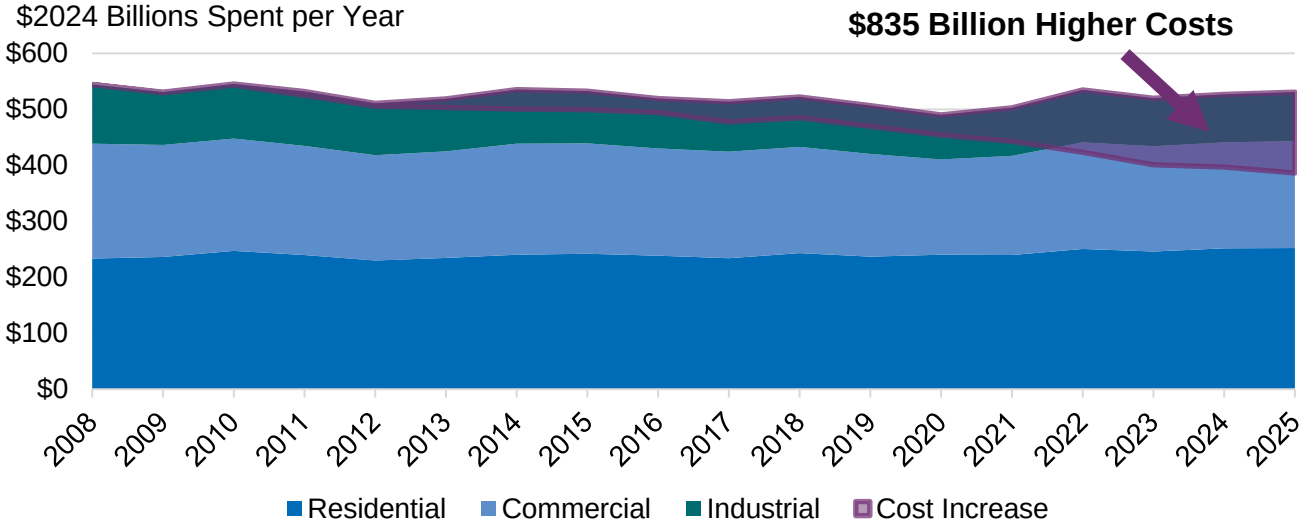
Economy-Wide Savings from Lower Natural Gas Prices

$2024 Billions Spent per Year



Economy Wide Costs from Higher Electricity Prices

$2024 Billions Spent per Year



Source: Based on data from the Energy Information Administration, Bureau of Labor and Statistics

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