
Energy Insight - Fueling the Economy

4/3/2025

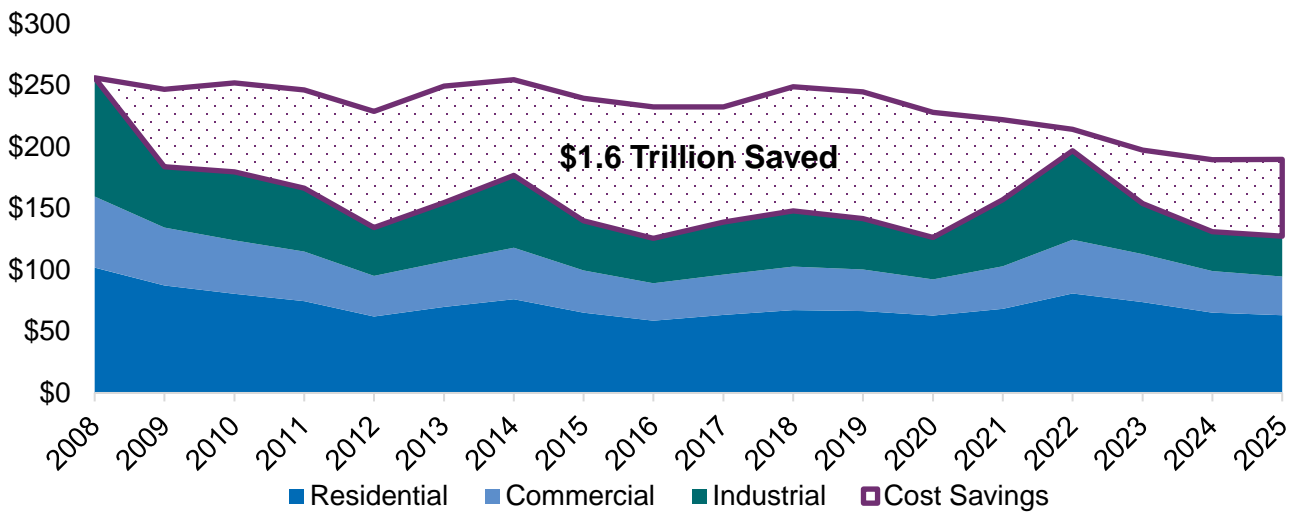
Since the Great Recession of 2007-08, the direct use of natural gas has proven to be a lasting source of low-cost energy for homes and businesses. Over the last 17 years, including current forecasts for 2025, natural gas has led to an overall inflation-adjusted savings of \$1.6 trillion compared to pre-recovery 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

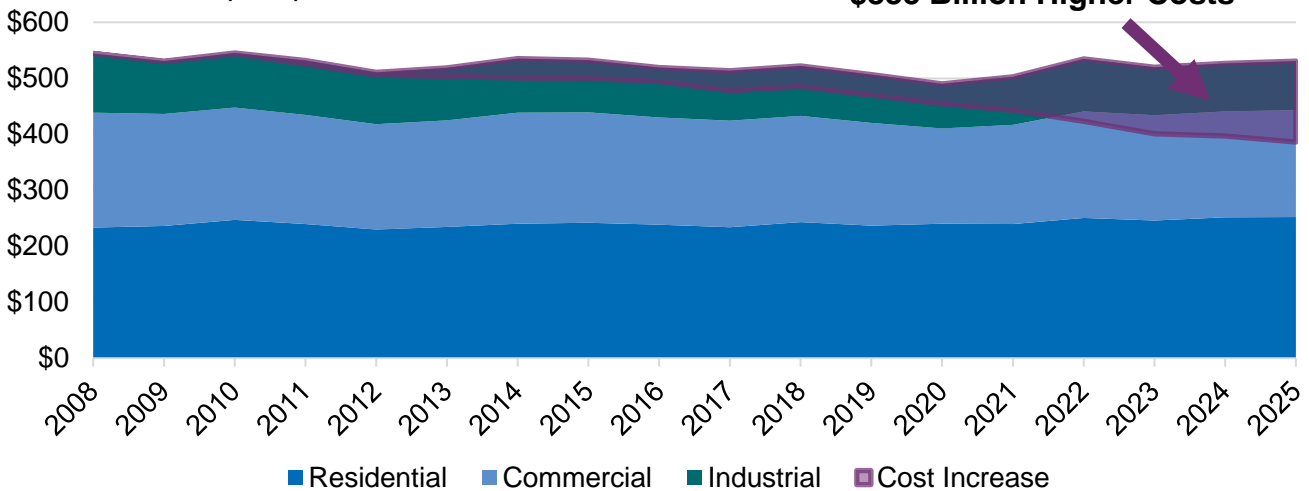
\$2024 Billions Spent per Year



Economy Wide Costs from Higher Electricity Prices

\$2024 Billions Spent per Year

\$835 Billion Higher Costs



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

AGA Contact: Brendan O'Brien (bobrien@aga.org) 202-824-7220.

Notice

In issuing and making this publication available, AGA is not undertaking to render professional or other services for or on behalf of any person or entity. Nor is AGA undertaking to perform any duty owed by any person or entity to someone else. Anyone using this document should rely on his or her own independent judgment or, as appropriate, seek the advice of a competent professional in determining the exercise of reasonable care in any given circumstances. The statements in this publication are for general information and represent an unaudited compilation of statistical information that could contain coding or processing errors. AGA makes no warranties, express or implied, nor representations about the accuracy of the information in the publication or its appropriateness for any given purpose or situation. This publication shall not be construed as including advice, guidance, or recommendations to take, or not to take, regarding any matter, including without limitation relating to investments or the purchase or sale of any securities, shares or other assets of any kind. Should you take any such action or decision; you do so at your own risk. Information on the topics covered by this publication may be available from other sources, which the user may wish to consult for additional views or information not covered by this publication.

Copyright © 2025 American Gas Association. All rights reserved