When the Great Recession took hold, the price of oil dropped from $136 per barrel by mid-2008 to as low as $39 by the beginning of 2009. The fallout led to 115,000 jobs lost in the mining sector. When oil prices surged during the recovery, mining jobs peaked at 825,000 just after the price of oil peaked at $107 per barrel in mid-2014. When prices dropped to below $40 a barrel in 2015, mining payrolls shed almost 140,000 by year-end.

Oil Price Booms and Busts
The reallocation of energy sector workers

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About two-thirds of those employed in the mining sector in September 2008 were still working in the sector a year later; workers who left the sector mostly went into manufacturing, as shown in the chart above. In contrast, the chart shows, slightly less than two-thirds of those employed in mining in September 2014 were still working in the sector a year later, and those who left moved into a broader range of sectors.

Earnings also differed between the two periods. Much of the difference depended on whether workers stayed in the mining sector. In 2009, 44.6 percent of workers who stayed in the sector saw their earnings decline compared to 63.4 percent of workers who left. When mining employment was growing, workers were more evenly split between increased and decreased earnings. However, as job losses continued in the later months of 2015, the percentage of respondents who reported higher earnings decreased, while the percentage reporting lower earnings increased regardless of whether they stayed or left mining.

Brown and Kodaka found that during the recession, workers who stayed in mining were better off earnings-wise than workers who left. That reversed in the most recent employment decrease—more workers who left mining saw their earnings increase, while some who stayed experienced a decrease.