



Almost no matter the metric, the U.S. oil and gas industry has flourished under President Joe Biden, even though his administration has pushed hard to transition the U.S. economy toward a carbon-free future to fight climate change.



Biden's oil boom

How fossil fuels thrived despite the White House's climate policies

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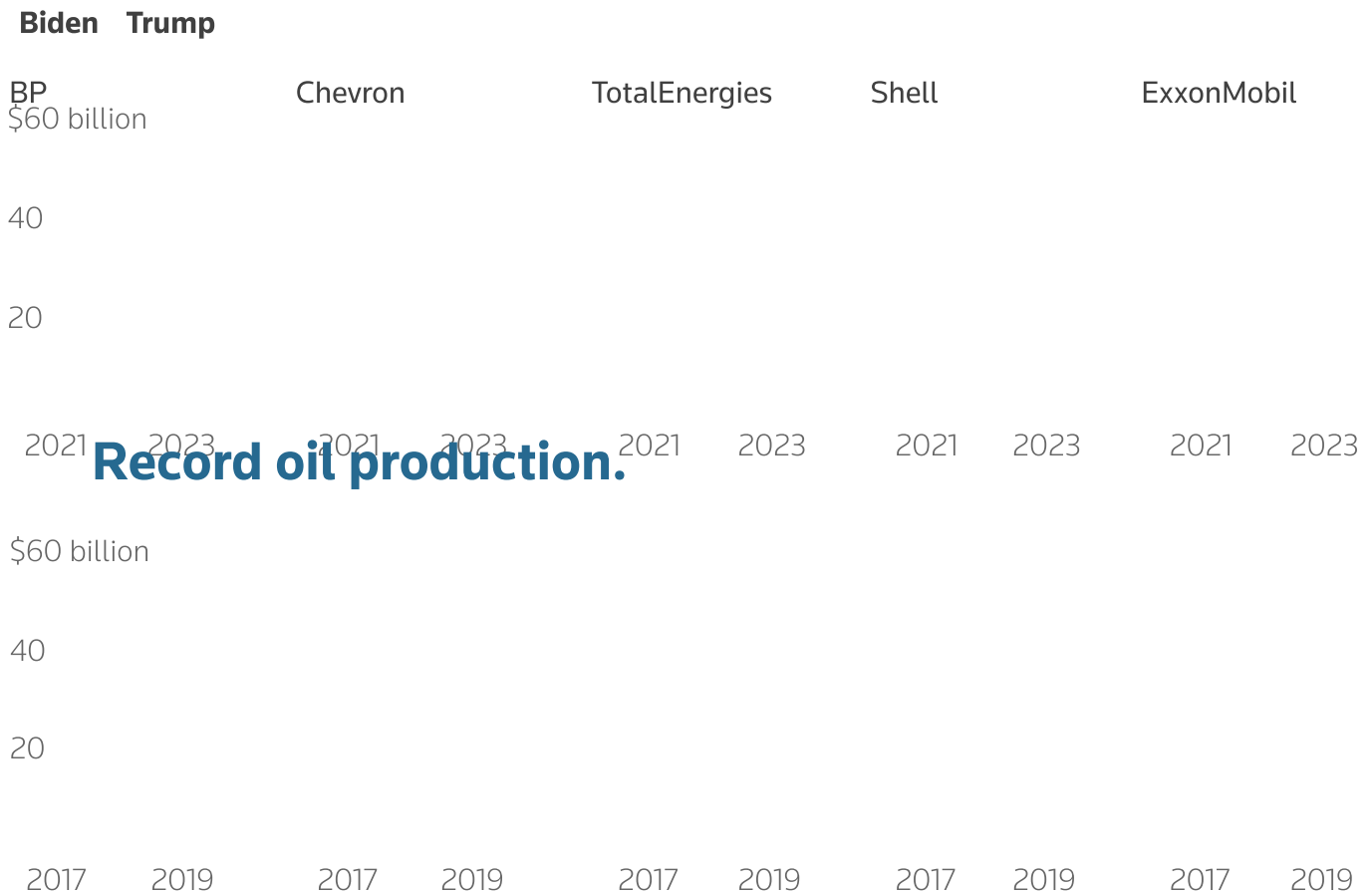
The counter-intuitive fossil fuel boom under Biden reflects an awkward truth for his supporters and detractors alike ahead of the November elections, proving that what happens in globally interconnected markets like oil and gas is often well outside the immediate control of the person in the White House.

In Biden's case, Russia's invasion of Ukraine pushed oil and gas prices so high that many producers worldwide made record profits, not just those in the United States.

The global economic recovery that followed the darkest days of the COVID pandemic also rapidly pumped up demand for fossil fuels.

The profits of the top five publicly traded oil companies, for example — BP, Shell, Exxon, Chevron, and TotalEnergies — amounted to \$410 billion during the first three years of the Biden administration, a 100% increase over the first three years of Donald Trump's presidency, according to data compiled by Reuters.

Oil giants booked higher profits under Biden...



Jobs growth in U.S. fossil fuels also far outpaced that in the renewable energy industries Biden has been promoting to fight climate change, according to the data.

...and paid their shareholders larger dividends, too



Source: Reuters' reporting

Trump, Biden's Republican presidential challenger this November, nonetheless frequently uses Biden's energy policy as a punchline at his campaign rallies, promising to "drill baby, drill" and restore America's energy independence when he returns to the White House — even as the U.S. cements its position as a fossil fuel superpower.

Biden's supporters, meanwhile, rarely, if ever, tout the lofty oil and gas performance, focusing instead on his push for a green economy through lucrative subsidy packages for solar, wind, electric vehicles and other clean energy technologies that have sparked new manufacturing projects across the country.

"If Trump were president, he would be talking about the great oil boom in the United States, the great energy independence and be taking credit for the relatively low gas prices," said Ed Hirs, an energy economist at the University of Houston.

After pandemic slump, oil shares surge under Biden

Change in share price of Dow Jones U.S. oil and gas index from start of presidency



Note: Data plotted according to trading days. Latest share price data for Biden as of March 20.

Source: LSEG

The White House told Reuters that the high U.S. oil and gas output is helping, not hurting, U.S. efforts to decarbonize the economy because it ensures steady energy supply in the meantime.

“President Biden has led and delivered on the most ambitious climate agenda in history, restoring America’s climate leadership at home and abroad,” it said in a statement. “As we make the historic investments needed to transition to a clean energy economy, record domestic oil and gas production is helping to meet our immediate needs.”

Longer-term impact

Biden came to the White House vowing to accelerate the end of the oil and gas industry by shifting to a green economy powered by electric vehicles, hydrogen, wind and solar. Many of his actions could be transformative over time if allowed to remain in place.

Among his biggest actions: He canceled the Keystone XL Pipeline project to bring in more Canadian crude to U.S. refineries, paused new LNG export permits pending an environmental review, reduced the federal oil leasing schedule, and is using the regulatory system and tax credits to speed up the transition to electric vehicles and renewables.

Federal onshore drilling permit approvals up under Biden

	Year 1 in office	Year 2	Year 3
Biden	3,564 permits	2,884	3,622
Trump	2,588	3,478	3,826

Note: Year 1 runs from the inauguration day of each president to Dec. 31 of that year.

Source: Bureau of Land Management Automated Fluid Minerals Support System

His critics have sought to tie these actions to rising prices at the gas pump, which soared amid the turmoil of Russia's invasion of Ukraine and strain from a surge in post-COVID demand.

The average price at the pumps during Biden's first three years was \$3.60 a gallon, compared to \$2.57 during Trump's presidency, according to [data from the Energy Information Administration](#).

Biden's signature climate law — the Inflation Reduction Act — includes billions of dollars in tax credits to help bolster green industries, and while that package has already triggered a rush of new manufacturing announcements, its full impact won't be felt for years.

Dustin Meyer, senior vice president of policy, economics and regulatory affairs at the American Petroleum Institute, the top U.S. oil and gas trade group, said he feared

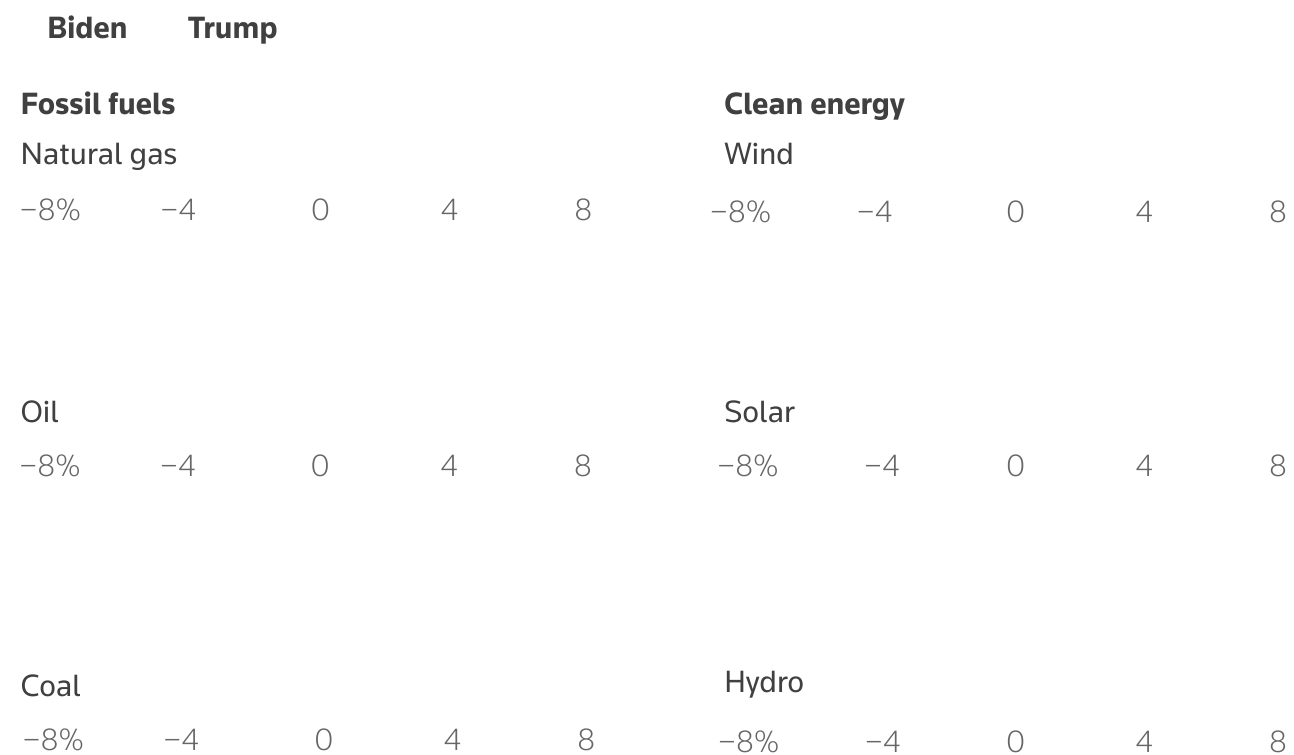
Biden’s policy choices could damage oil and gas in years to come, even if they are having little impact now.

“There’s only so much that an administration of either party can do in the near term to impact supply or demand,” he said. “We are concerned about the administration’s policies when it comes to leasing, when it comes to LNG, when it comes to infrastructure development, and they are going to make it very difficult for us to meet the energy needs of the future.”

In the meantime, though, fossil fuels jobs have expanded more quickly than clean energy jobs during Biden’s presidency.

Jobs in clean energy rise under Biden, but so did those in fossil fuels

The first two years of the Trump and Biden administrations saw a growth in jobs in electric power generation



Source: BW Research

The number of U.S. jobs in oil, gas, and coal rose by 11.3% during the first two years of Biden’s presidency, outpacing the 8.8% growth posted in solar and wind energy jobs, according to figures compiled by BW Research.

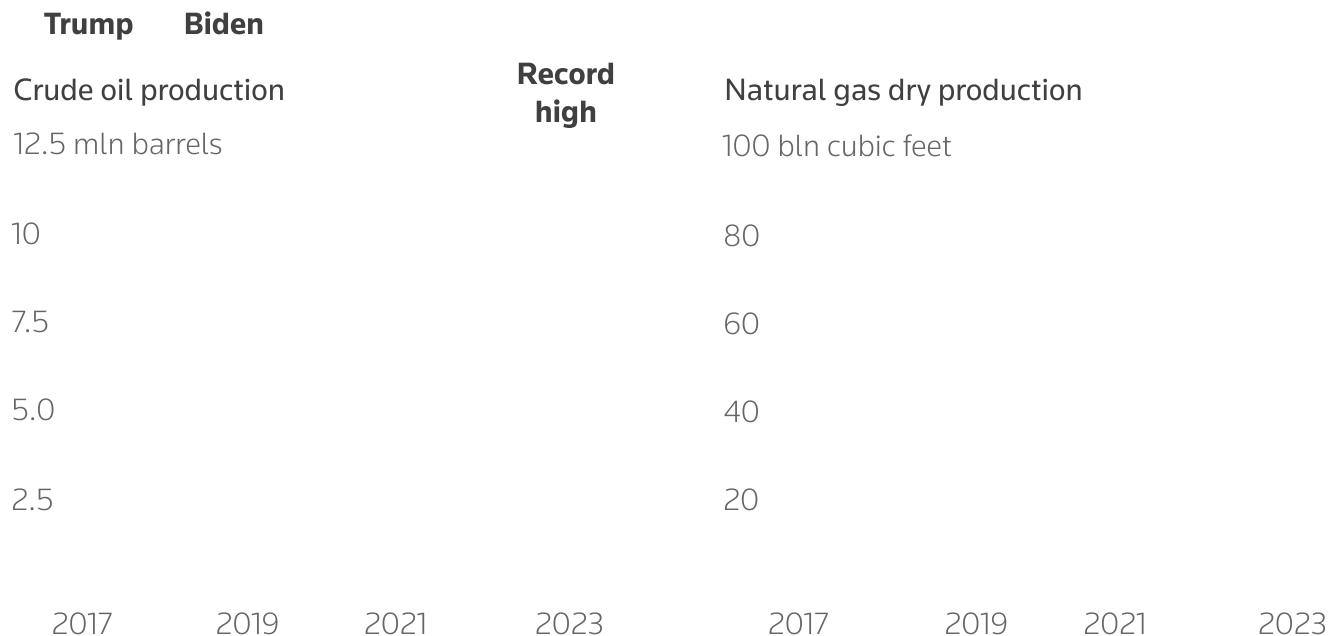
The discrepancy was even greater in terms of total jobs, with fossil fuels growing by nearly 80,000 compared with just over 38,000 for solar and wind, according to the BW figures.

Data for 2023 has not yet been released.

During Trump’s presidency, fossil fuels jobs shrank, driven mainly by an economic contraction triggered by the COVID pandemic.

Crude oil output hits a record high in 2023

Output per day

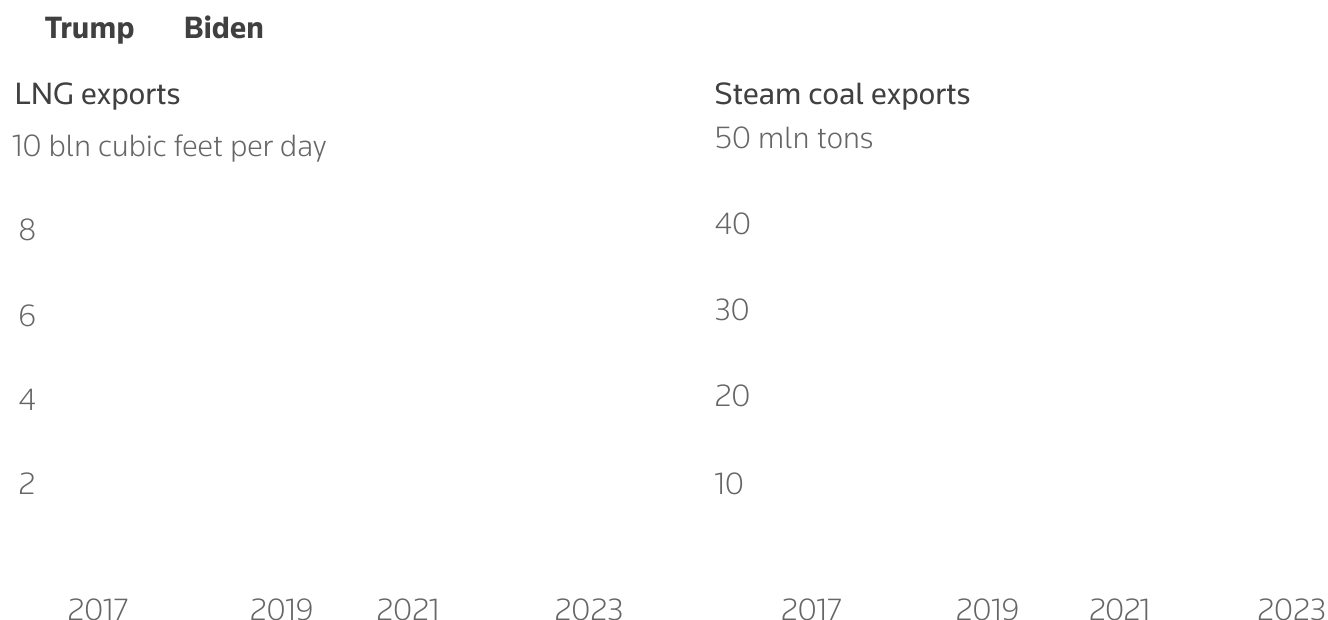


Note: 2023 data for natural gas dry production is a projection.

Source: U.S. Energy Information Administration

U.S. oil production, meanwhile, has also hit record highs under Biden, continuing to outpace rivals Saudi Arabia and Russia. The U.S. also produces more natural gas than ever, pulling record volumes from wells that spread from Texas to Pennsylvania. As a result, American ports are sending record volumes of both abroad, including to allies in Europe who are weaning themselves off Russia for energy supplies.

As production peaks, US ships more oil abroad



Note: 2023 data for LNG exports is a projection.

Source: U.S. Energy Information Administration

All of this has been good for companies and their shareholders.

In addition to soaring share prices, dividend payments and share buybacks by the top five oil companies were \$111 billion during the first three years of the Biden administration, a 57% increase over the first three years of Trump’s presidency, according to the data.

“You could make an argument that the industry has been more productive, relatively speaking, under this president than ever before,” said Hirs.

Sources

U.S. Energy Information Administration, BW Research, Bureau of Land Management, LSEG

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