

# Coal as a Wealth Driver in Pennsylvania

## Pennsylvania Transfer of Wealth Study

09.15.15

### Background and Introduction

The Center for Rural Entrepreneurship has been retained by the [Center for Rural Pennsylvania](#) to update the Commonwealth's **Transfer of Wealth Opportunity (TOW)** analysis. Related to this project, the Center has prepared a [series](#) of mini-reports focusing on unique factors that impact community TOW opportunities. This mini-report addresses **Coal as a Wealth Driver**.

### Question and Additional Information

Don Macke – Center for Rural Entrepreneurship  
[don@e2mail.org](mailto:don@e2mail.org) – 402.323.7336 – [www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org)

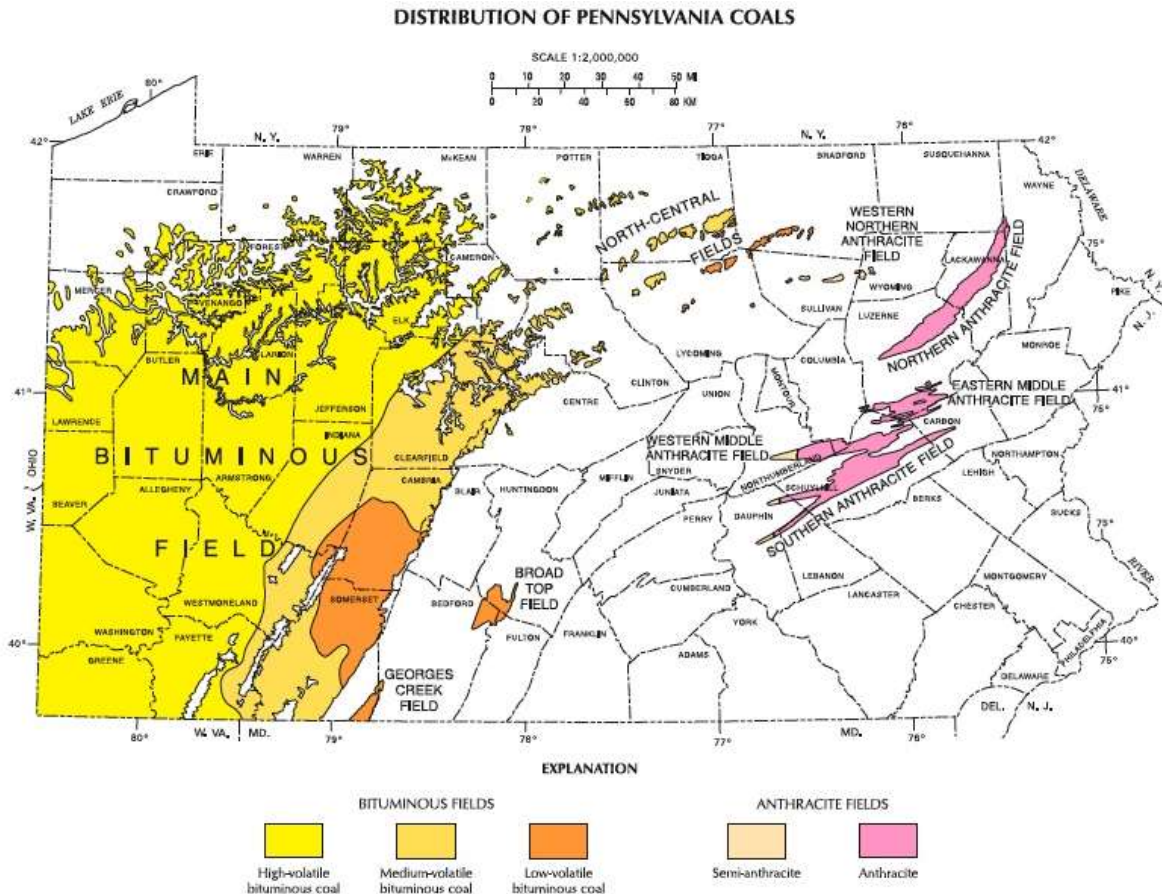
### What is the History of Coal Production?

As the map on the following page shows, coal underlies much of the Commonwealth of Pennsylvania. Anthracite fields comprise the core of the Pennsylvania Coal Region found in Lackawanna, Luzerne, Columbia, Carbon, Schuylkill, Northumberland, and a portion of Dauphin counties. These are the largest known anthracite fields in North America. However, large bituminous fields underlie much of southwestern Pennsylvania (see map). The first coal mine in the state was dug near Pittsburgh in 1761. Coal was shipped via railroad to the large cities of the Atlantic Seaboard. Coal production from the Commonwealth peaked at 277 million tons in 1918 using 330,000 miners, before falling to the 60-95 million ton range since the 1960s. The development of competing energy sources such as oil, nuclear reactors, and now natural gas have reduced dependence on coal. Coal fires, acid drainage, and other environmental damages have underscored the social cost of coal production. Half of Pennsylvania's production today comes from underground bituminous mines in Greene County. An estimated three-quarters of coal production goes for electricity production, while about four percent is used to produce the coke needed for steel production.

### Why is Coal Important?

A natural resource such as coal derives most of its value when it is put to productive use. Pennsylvania coal fueled the American industrial revolution following the Civil War. It built communities large and small in Pennsylvania from Pittsburgh to Scranton. The estimated 76 billion short tons of coal reserves in Pennsylvania are an important source of future wealth. Wages are much higher in the coal industry, averaging \$65,000 per year in 2007. Counties such as Greene and Washington are still generating wealth from coal. Although PA is now the fourth largest coal-producing state, and coal produced 48% of the state's electricity in 2010, the future for coal does not look promising. More strict air quality regulations threaten existing and new coal-fired power plants, while low-sulphur coal from Wyoming and Montana provides a cleaner substitute for domestic and

export use. Meanwhile, numerous environmental hazards from past mining have left a costly legacy in many communities. However, with continued innovation, possible new uses for coal may emerge in the future, once again turning Pennsylvania coal into a significant state asset.



## Supporting Research and Sources

The sources for this analysis are the Pennsylvania Earth Sciences Teachers Association,

<http://www.paesta.psu.edu/media-gallery/detail/1426/818>, *Coal in Pennsylvania* by William Edmunds for the PA Dept of Conservation and Natural Resources in 2002, and US Energy Information Administration,

<http://www.eia.gov/state/search/#?1=101&2=219>.



The Center promotes and sustains the vitality of Pennsylvania's rural and small communities by sponsoring research projects to identify policy options for legislative and executive branch consideration and action; collecting data on trends and conditions to understand the diversity of rural Pennsylvania; publishing information and research results to inform and educate audiences about the diverse people and communities of rural Pennsylvania; and participating in local, state and national forums on rural issues to present and learn from best practices.

Mary Kandray Gelenser – Center for Rural Pennsylvania – 717.787.9555

[gelensermk@rural.palegislature.us](mailto:gelensermk@rural.palegislature.us) – [www.rural.palegislature.us](http://www.rural.palegislature.us)