



# *Energy IQ Survey*

Prepared for American Petroleum Institute

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# Methodology and Sample Design

- Harris Interactive, on behalf of API, conducted a survey within the United States between May 29<sup>th</sup> and June 4<sup>th</sup>, 2007, using the Internet.
- The total sample size was 1,333 adults aged 18 and over.
- Figures for region, age within gender, education, household income and race/ethnicity were weighted where necessary to bring them into line with their actual proportions in the population.
- With a pure probability sample of 1,333 one could say with a 95 percent probability that the overall results would have a sampling error of +/- 3 percentage points.
- Respondents were asked to answer a series of 20 multiple choice questions on energy issues.

# Overall Conclusions

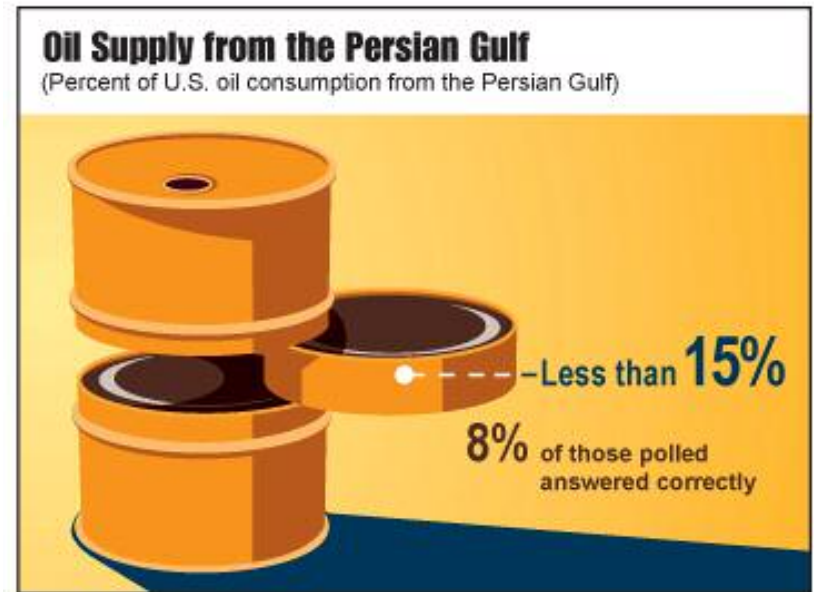
- Most U.S. adults have a fundamental lack of knowledge regarding energy demand and supplies and the role of America's oil and natural gas companies.
- For 20 multiple choice questions, on average more than 25 percent of respondents said they were "not sure," and in many cases people chose the response that is farthest from the correct answer.
- Americans know very little about where energy comes from, what it takes to get it to market and the challenges the energy industry faces to meet growing demand.
- This survey shows that when it comes to important energy questions, the public is not just uninformed, they are misinformed.

# Four Key Themes

- Those surveyed greatly overestimate the amount of oil the United States imports from the Middle East.
- Americans seriously overestimate the size of U.S. oil and natural gas companies relative to competing companies that are owned by foreign governments.
- The public underestimates the continued importance of fossil fuels in meeting future global energy demand, and overestimates the impact renewable sources will have in meeting that demand.
- People overestimate the profits of U.S. oil and natural gas companies and underestimate the significant investments these companies are making in emerging energy technologies.

# Key Theme #1 – Middle East Imports

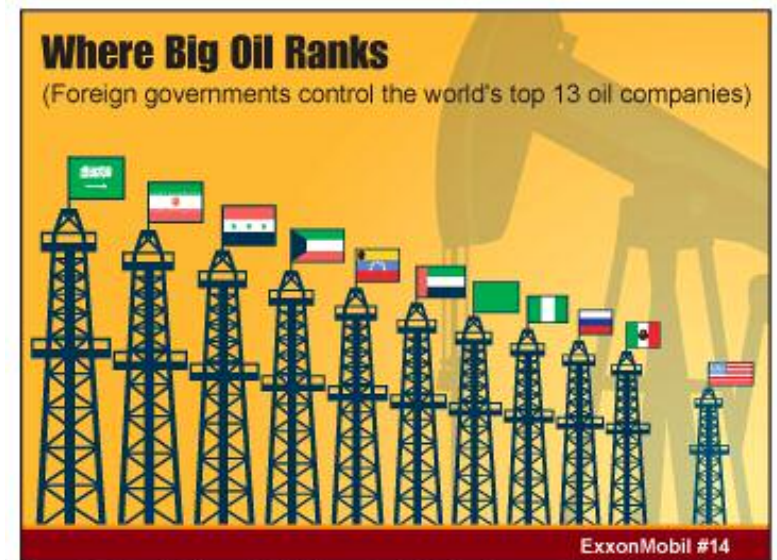
- When asked which country was the largest U.S. supplier of oil, almost 60 percent chose Saudi Arabia, which is actually the fifth largest supplier, after Canada, Mexico, Nigeria and Venezuela. Only one in 10 people correctly identified Canada as the largest supplier to the United States.
- Only eight percent correctly noted that less than 15 percent of the oil the United States consumes comes from Persian Gulf countries. Just over one-quarter of people pegged the figure between 46 and 60 percent – 3 to 4 times higher than the actual figure.



Source: EIA, "Petroleum Supply Monthly," February 2007, Table 4 and Table 52.

# Key Theme #2 – Where U.S. Oil Companies Rank

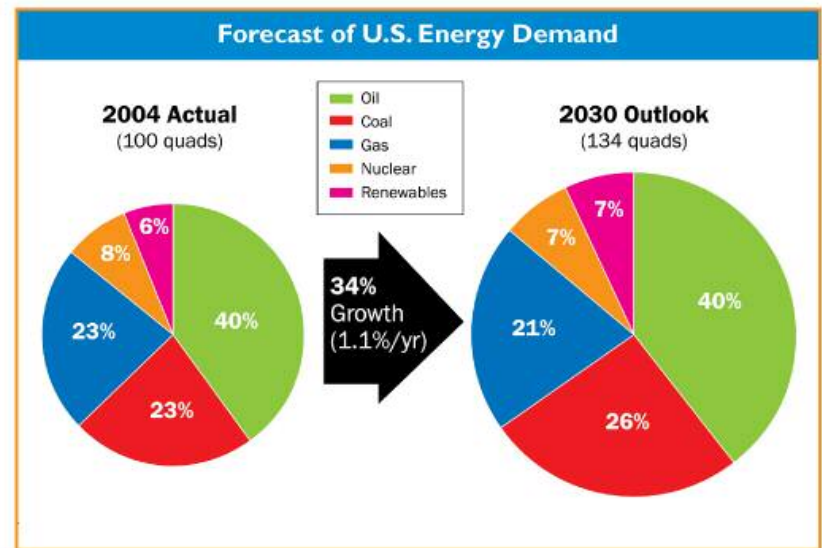
- When asked “What percentage of the world’s 10 biggest oil and natural gas companies are owned and operated by foreign governments?,” only two percent of respondents knew that all of the top 10 companies fall into that category.
- Similarly, only eight percent knew that ExxonMobil, the largest U.S. oil and natural gas company, was not among the top 10 largest oil reserve holders. More than one in three people (36 percent) thought ExxonMobil was among the top three largest companies.



Source: Petroleum Intelligence Weekly, December 18, 2006, p. 1.

# Key Theme #3 – Future Energy Sources

- While the International Energy Agency projects that 81 percent of global energy demand in 2030 will be met by fossil fuels like oil, natural gas and coal, only 14 percent of respondents chose this answer. The majority thought it would be 61 percent or less.
- While the U.S. Energy Information Administration projects that less than 10 percent of U.S. energy use will be supplied by renewable sources in 2030, only five percent of respondents chose this answer. More than one-third thought renewable sources would account for 20 percent or more.



Source: EIA, "Annual Energy Outlook 2007," p. 14, Table 1.

# Key Theme #4 – Profits and Investments

- On profits, 42 percent of respondents guessed that the industry earned between 16 and 20 cents on every dollar of gasoline sales in 2006. In fact, the industry earned 9.5 cents – a choice selected by only 14 percent of respondents.
- On investments, only seven percent correctly estimated that U.S. oil and natural gas companies invested almost \$100 billion in emerging energy technologies in North America alone between 2000 and 2005. More than one third estimated industry investments to be less than \$25 billion, the lowest possible choice.



Source: API Calculation based on Oil Daily, Profile section, March 14, 2007, pp. 10-11.