While total U.S. employment declined in 2005 to 2010, jobs in the energy sector grew. Much of that increase in jobs was a direct result of increased natural gas production. In addition, business growth – again, while down in the overall U.S. economy – was strong on the energy front, including among small and midsize firms. In fact, the energy sector is dominated by small businesses. Expanded demand for U.S. natural gas internationally will be a net positive, resulting in greater U.S. natural gas production, increased investment, enhanced GDP growth, rising incomes, and more jobs. Let’s look at the numbers.

**Natural Gas Production**


**Energy Jobs**

While U.S. total employment declined by 3.7 percent from 2005 to 2010, energy jobs grew:

- by 27.6 percent in the oil and gas extraction sector;
- by 15.1 percent in the drilling oil and gas wells sector;
- by 38.5 percent in the support sector for oil and gas operations;
- by 47 percent in the oil and gas pipeline and related structures construction sector;
- and by 62 percent in the oil and gas field machinery and equipment manufacturing sector.

**Small Business and Energy**

For all of the U.S., total employer firms declined by 4.2 percent from 2005 to 2010, including a 3.7 percent decline in firms with less than 20 workers, and a 4.2 percent fall in firms with less than 500 workers. Meanwhile, consider the following in key energy industries:

- Among oil and gas extraction businesses, the number of employer firms grew by 3.1 percent, including growth of 2.5 percent among firms with less than 20 workers and 3.0 percent among firms with less than 500 workers.
- Among drilling oil and gas wells businesses, the number of employer firms grew by 7.2 percent, including growth of 4.7 percent among firms with less than 20 workers and 7.3 percent among firms with less than 500 workers.
- Among oil and gas operations businesses, the number of employer firms grew by 24.5 percent, including growth of 24.5 percent among firms with less than 20 workers and 24.6 percent among firms with less than 500 workers.
- Among oil and gas pipeline and related structures construction businesses, the number of employer firms grew by 5.1 percent, including growth of 3.5 percent among firms with less than 500 workers.
- Among oil and gas field machinery and equipment manufacturing businesses, the number of employer firms grew by 61.0 percent, including growth of 59.0 percent among firms with less than 20 workers and 62.7 percent among firms with less than 500 workers.

In addition, each energy sector looked at here is over-
whelmingly populated by small and midsize firms:

• Among oil and gas extraction businesses, 91.3 percent of employer firms in 2010 had less than 20 workers, and 98.6 percent had fewer than 500 employees.

• Among drilling oil and gas wells businesses, 80.4 percent of employer firms in 2010 had less than 20 workers, and 97.8 percent had fewer than 500 employees.

• Among oil and gas operations businesses, 84.7 percent of employer firms in 2010 had less than 20 workers, and 98.8 percent had fewer than 500 employees.

• Among oil and gas pipeline and related structures construction businesses, 63.0 percent of employer firms in 2010 had less than 20 workers, and 95.3 percent had fewer than 500 employees.

• Among oil and gas field machinery and equipment manufacturing businesses, 60.3 percent of employer firms in 2010 had less than 20 workers, and 93.0 percent had fewer than 500 employees.

The Future: LNG Exports

Looking ahead, the opportunity exists for exporting liquefied natural gas (LNG), given the large differential in natural gas prices in the U.S. versus elsewhere in the world, and rising global demand. Expanded demand for U.S. natural gas in international markets will result in greater U.S. natural gas production, with such benefits as increased investment, GDP growth, rising incomes, and more jobs being among the developments. A recent study for the Brookings Institution noted, “In their analyses, both Deloitte and EIA found that the majority—63 percent, according to both studies—of the exported natural gas will come from new production as opposed to displaced consumption from other sectors.” Clearly, LNG exports guided by market forces mean further expanding opportunity for small and midsize businesses to be created, to grow, and to create jobs.