While total U.S. and Louisiana employment declined in 2005 to 2010, jobs expanded in the state's energy sector, in part due to growth in natural gas production. In addition, business growth – again, while down in the overall U.S. economy – was positive in key Louisiana energy sectors, including among small and mid-size businesses. 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 for Louisiana.

**Natural Gas Production**

Louisiana's natural gas production expanded by 133.7 percent from 2005 to 2011.

**Energy Jobs**

While overall employment declined between 2005 and 2010 in Louisiana – though at a much slower rate than the decline in the U.S. overall – jobs grew markedly in the energy sector given the expansion in energy production. Specifically, Louisiana employment grew in three of the four energy sectors for which data was available, expanding:

- by 3.7 percent in the drilling oil and gas wells sector;
- by 23.7 percent in the support sector for oil and gas operations;
- and by 100 percent in the oil and gas pipeline and related structures construction industry.

**Small Business and Energy**

For all of the U.S., total employer establishments declined by 1.4 percent from 2005 to 2010, including a 3.5 percent decline in establishments with less than 20 workers, and a 3.1 percent fall in establishments with less than 500 workers. In Louisiana, total establishments increased by 0.6 percent, including a 0.5 percent increase among establishments with less than 20 workers, and a 0.6 percent rise among those with less than 500 workers. Compare the U.S. decline to the growth in these energy industries in Louisiana:

- Among oil and gas extraction businesses, the number of employer establishments grew by 6.0 percent, including growth of 8.8 percent among establishments with less than 20 workers and 6.6 percent among establishments with less than 500 workers.
- Among oil and gas operations businesses, the number of employer establishments grew by 24.1 percent, including growth of 27.7 percent among establishments with less than 20 workers and 24.6 percent among establishments with less than 500 workers.
- Among oil and gas pipeline and related structures construction businesses, the number of employer establishments grew by 25.7 percent, including growth of 24.3 percent among establishments with less than 500 workers.
- Among field machinery and equipment manufacturing businesses, the number of employer establishments grew by 35.6 percent, including growth of 63 percent among establishments with less than 20 workers and 35.6 percent among establishments with less than 500 workers.

In addition, each Louisiana energy sector looked at here is
overwhelmingly populated by small and midsize establishments:

• Among oil and gas extraction businesses, 79.6 percent of employer establishments in 2010 had less than 20 workers, and 99.5 percent had fewer than 500 employees.

• Among drilling oil and gas wells businesses, 69.5 percent of employer establishments in 2010 had less than 20 workers, and 99.4 percent had fewer than 500 employees.

• Among oil and gas operations businesses, 74 percent of employer establishments in 2010 had less than 20 workers, and 98.9 percent had fewer than 500 employees.

• Among oil and gas pipeline and related structures construction businesses, 43.9 percent of employer establishments in 2010 had less than 20 workers, and 97 percent had fewer than 500 employees.

• Among oil and gas field machinery and equipment manufacturing businesses, 55 percent of employer establishments in 2010 had less than 20 workers, and 100 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.