While total U.S. employment declined in 2005 to 2010, jobs expanded Oklahoma, including 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 Oklahoma, especially in energy sectors, including among small and midsize 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 Oklahoma.

**Natural Gas Production**

Oklahoma’s natural gas production expanded by 15.2 percent from 2005 to 2011.

**Energy Jobs**

While U.S. total employment declined from 2005 to 2010, Oklahoma employment grew overall, including in the energy sector, expanding:

- by 48.7 percent in the oil and gas extraction sector;
- by 13.3 percent in the drilling oil and gas wells sector;
- by 30 percent in the support sector for oil and gas operations;
- and by 29.4 percent in the oil and gas pipeline and related structures construction sector.

**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 Oklahoma, total establishments increased by 1.7 percent, including a 1.4 percent increase among establishments with less than 20 workers, and a 1.7 percent rise among those with less than 500 workers.

**Energy Jobs**

Compare the U.S. decline to the growth in these energy industries in Oklahoma:

- Among oil and gas extraction businesses, the number of employer establishments grew by 11.8 percent, including growth of 10.2 percent among establishments with less than 20 workers and 11.8 percent among establishments with less than 500 workers.
- Among oil and gas operations businesses, the number of employer establishments grew by 37.3 percent, including growth of 35.7 percent among establishments with less than 20 workers and 37.3 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 14.3 percent, including growth of 9.0 percent among establishments with less than 20 workers and 13.3 percent among establishments with less than 500 workers.
- Among oil and gas field machinery and equipment manufacturing businesses, the number of employer estab-
lishments grew by 28.4 percent, including growth of 36.1 percent among establishments with less than 20 workers and 28.8 percent among establishments with less than 500 workers.

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

- Among oil and gas extraction businesses, 90.6 percent of employer establishments in 2010 had less than 20 workers, and 99.9 percent had fewer than 500 employees.
- Among drilling oil and gas wells businesses, 79.7 percent of employer establishments in 2010 had less than 20 workers, and 98.3 percent had fewer than 500 employees.
- Among oil and gas operations businesses, 86.9 percent of employer establishments in 2010 had less than 20 workers, and 99.8 percent had fewer than 500 employees.
- Among oil and gas pipeline and related structures construction businesses, 64.3 percent of employer establishments in 2010 had less than 20 workers, and 99.1 percent had fewer than 500 employees.
- Among oil and gas field machinery and equipment manufacturing businesses, 57 percent of employer establishments in 2010 had less than 20 workers, and 98.8 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.