

Benefits of Natural Gas Production and Exports for U.S. Small Businesses: State Analysis Highlights



National

Natural Gas Production: U.S. natural gas marketed production grew by 35 percent between 2005 and 2013.

Impact on Jobs: While U.S. total employment declined by 0.3 percent from 2005 to 2012, jobs grew by 46.1 percent in the oil and gas extraction sector; by 61.0 percent in the drilling oil and gas wells sector; by 100.2 percent in the support sector for oil and gas operations; by 66.1 percent in the oil and gas pipeline and related structures construction sector; and by 67.1 percent in the oil and gas field machinery and equipment manufacturing sector.

Impact on Small Business: It is important to recognize that these new jobs created by natural gas investment are largely generated by small to medium sized businesses. In each energy sector examined, more than 90 percent of business had fewer than 500 employees, clearly indicating the boon in energy production is fueled by smaller business.

Arkansas:

Natural Gas Production: Via the Fayetteville Shale, Arkansas natural gas production expanded by 501.7 percent from 2005 to 2012.

Impact on Jobs: While Arkansas total employment declined by 3.8 percent from 2005 to 2012, jobs grew in the five vital energy industries between 125 percent and 388 percent. Overall the industry added 6,500 new jobs.

Impact on Small Business: Small to mid-size businesses grew in key energy industries in Arkansas between 2005 and 2012, while the number of employer establishments overall declined. In addition, each energy sector is completely populated by businesses with less than 500 employees.

Colorado:

Natural Gas Production: Colorado's natural gas production expanded by 139.1 percent from 2005 to 2012.

Impact on Jobs: While U.S. total employment declined, Colorado total employment grew by 5.1 percent from 2005 to 2012. On the energy front, jobs grew between 42 percent and 153 percent in energy sectors.

Impact on Small Business: Not only is each energy sector overwhelmingly populated by smaller establishments, while the number of businesses declined nationally, each Colorado energy sector showed strong growth between 2005 and 2012, including a 58 percent increase in the number of businesses with less than 20 workers in the support for oil and gas operations sector.

Louisiana:

Natural Gas Production: Louisiana's natural gas production expanded by 83.0 percent from 2005 to 2013.

Impact on Jobs: Overall employment increased between 2005 and 2012 in Louisiana, with jobs growing by 40.8 percent in the support sector for oil and gas operations.

Impact on Small Business: Small businesses make up a majority of the energy sector in Louisiana, with growth occurring in key sectors, such as the number of oil and gas field machinery and equipment manufacturing establishments with less than 20 workers growing by 59 percent between 2005 and 2012.

North Dakota:

Natural Gas Production: North Dakota's natural gas production expanded by 240.6 percent from 2005 to 2012.

Impact on Jobs: While U.S. total employment declined between 2005 and 2012, North Dakota employment grew overall (by 22.5 percent), including in each energy sector for which data was available, most notably, by 874.4 percent in the drilling oil and gas wells sector and by 900.6 percent in the support sector for oil and gas operations.

Impact on Small Business: Small businesses supporting oil and gas operations with less than 20 workers grew by 155.1 percent between 2005 and 2012, with 212.7 percent growth among establishments with less than 500 workers. For oil and gas pipeline and related structures businesses, the number of businesses with less than 20 workers grew by 83.3 percent, with 185.7 percent growth among establishments with less than 500 workers.

Oklahoma:

Natural Gas Production: Natural gas production in Oklahoma expanded by 30.8 percent from 2005 to 2013.

Impact on Jobs: Jobs grew robustly in the energy sector between 2005 and 2012, with growth ranging from 49 percent to 93 percent across sectors. Overall, employers in the energy industries included in the report added 28,609 jobs.

Impact on Small Business: The number of businesses in each energy sector in Oklahoma grew between 2005 and 2012. For example, establishments supporting oil and gas operations with less than 20 workers grew by 56.8 percent, and by 64.3 percent among establishments with less than 500 workers. Also, the Oklahoma energy sector is the domain of small businesses. For example, among oil and gas extraction businesses, 89.6 percent of employer establishments had less than 20 workers.

Pennsylvania:

Natural Gas Production: Via the Marcellus Shale, Pennsylvania's natural gas production expanded by 1,239.3 percent from 2005 to 2012.

Impact on Jobs: While U.S. total employment declined from 2005 to 2012, Pennsylvania jobs grew over 100% in all vital energy industries analyzed. Notably, jobs grew by 512.3 percent in the support sector for oil and gas operations.

Impact on Small Business: Each energy sector is dominated by small businesses, and business growth was strong in each between 2005 and 2012. For example, establishments supporting oil and gas operations with less than 20 workers grew by 173.3 percent, and those with less than 500 workers grew by 236.4 percent.

Texas:

Natural Gas Production: Texas natural gas production expanded by 39.8 percent from 2005 to 2013.

Impact on Jobs: Markedly in Texas, jobs in the support sector for oil and gas operations grew by 119.3 percent between 2005 and 2012. Overall employers in the energy industries included in the report added 131,867 jobs.

Impact on Small Business: While business establishment growth in energy industries in Texas was substantial, small business gains dominated. For example, the support for the oil and gas operations sector, establishment with less than 20 workers grew by 44.4 percent between 2005 and 2012.

Utah:

Natural Gas Production: Utah's natural gas production expanded by 62.8 percent from 2005 to 2012.

Impact on Jobs: While Utah total employment increased, jobs in energy industries grew in the range of 35 percent to 122 percent between 2005 and 2012.

Impact on Small Business: Business growth was strong in each energy sector between 2005 and 2012. For example, in the drilling oil and gas wells sector, establishments with less than 20 workers grew by 42.4 percent; and those less than 500 workers expanded by with 64.8 percent.

Virginia:

Natural Gas Production: Virginia's natural gas production expanded by 65.2 percent from 2005 to 2012.

Impact on Jobs: Jobs in Virginia grew by 102.4 percent in the oil and gas pipeline and related structures construction sector between 2005 and 2012.

Impact on Small Business: Establishments supporting oil and gas operations grew by 80 percent between 2005 and 2012, and all had less than 500 workers.

West Virginia:

Natural Gas Production: West Virginia's natural gas production expanded by 144.2 percent from 2005 to 2012.

Impact on Jobs: The growth in jobs in each of the energy sectors for which there is data ranged between 44 percent and 310 percent between 2005 and 2012.

Impact on Small Business: While total establishments declined in West Virginia between 2005 and 2012, the growth in energy industries in West Virginia was significant. For example, among supporting oil and gas operations businesses the number of employer establishments grew by 52.1 percent among establishments with less than 20 workers and by 72.4 percent among establishments with less than 500 workers.

Wyoming:

Natural Gas Production: Wyoming's natural gas production expanded by 15.2 percent from 2005 to 2013.

Impact on Jobs: Employment growth in Wyoming was positive over the period of 2005 to 2012, compared to a decline nationally, with Wyoming's energy sector showing particularly solid expansion. Overall jobs grew most notably in oil and gas pipeline and related structures construction sector – by 268.4 percent.

Impact on Small Business: With small businesses dominating each energy sector in Wyoming, the growth among small to medium-sized businesses within the energy sector was extensive between 2005 and 2012. For example, among oil and gas pipeline and related structures construction businesses, the number of employer establishments grew by 32.4 percent among those with less than 20 workers, and by 33.3 percent among establishments with less than 500 workers.