

**"It is the engine that makes the difference.**  
For Louisiana, the oil and gas industry has  
indeed made all the difference..."

**310,217** Jobs for Louisianans  
**#1** Crude Oil Producer in the US  
**124,764** Miles of Pipeline  
**\$77.3** Billion Economic Impact  
**#2** Refining Capacity in the US  
**\$2.5** Billion Boost to State Treasury  
**#3** Natural Gas Producer in the US

"...The energy industry has been a powerful engine  
for economic growth in Louisiana."

- Dr. Loren Scott

# THE ENERGY SECTOR:

STILL A  
GIANT ECONOMIC  
ENGINE FOR THE  
LOUISIANA ECONOMY

*prepared by:*  
**Loren C. Scott, Ph.D.**

## EXECUTIVE SUMMARY

AUGUST 2011



Louisiana Mid-Continent Oil and Gas Association  
730 North Blvd., Baton Rouge, LA 70802  
P: 225.387.3205 | F: 225.344.5502  
[www.lmoga.com](http://www.lmoga.com)



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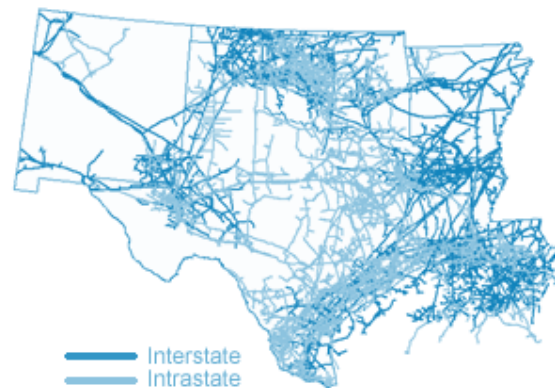
## STILL A GIANT ECONOMIC ENGINE FOR THE LOUISIANA ECONOMY

### OVERVIEW

The oil and gas industry is one of the leading industries in Louisiana with a huge economic impact on the state's economy. This study is an update of a study done by Dr. Loren Scott for Louisiana Mid-Continent Oil and Gas in 1996, and updated in 2002 and 2007 entitled, "The Energy Sector: A Giant Economic Engine for the Louisiana Economy." Focus of the study is on the impacts of the exploration & production, refining, and pipeline industries.

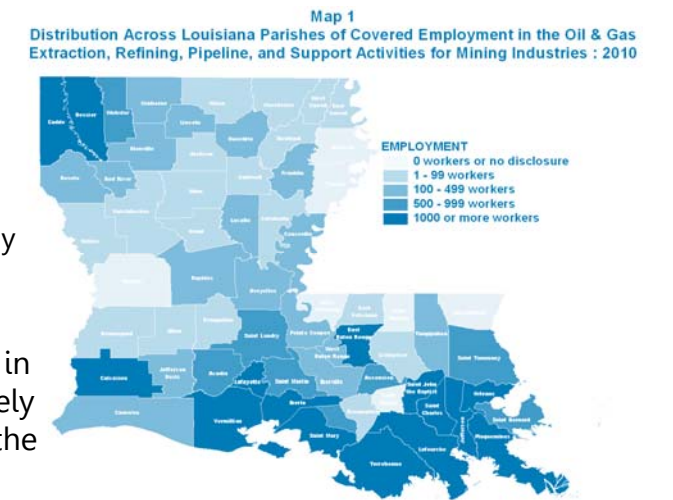
### THE FACTS...

- The oil and gas industry has a **\$77.3 billion** impact on the state of Louisiana through direct and indirect effects.
- Louisiana, through the luck of natural resource distribution, is the nation's **#1 producer of crude oil** (including federal OCS production) and the **#3 producer of natural gas** among the 50 states.
- Louisiana ranks **#2 in petroleum refining** capacity among the 50 states.
- There are nearly **125,000 miles of pipelines** transporting crude petroleum & natural gas within the state and offshore.
- Industry generated over **\$16.1 billion in household earnings** for Louisianans, and supported **310,217 jobs** in the state in 2009.
  - The \$16.1 billion in earnings represented **13.6 percent of total earnings** in Louisiana.
  - Eighty-six of the 185 countries ranked by the World Bank have smaller gross domestic products than \$16.1 billion.
- On average, every new job created in Louisiana's petroleum industry supports **5.0 additional jobs** in other sectors in the state.
  - Each refining job supports **11.0** other jobs in the state.
  - Each E&P job supports **3.7** other jobs in the state.
- Louisiana's refineries spent a massive **\$2.9 billion** on capital expenditures in 2009.



### Energy jobs and earnings are found in all of Louisiana's 64 parishes in 2010.

- 15 Louisiana parishes have more than 1,000 workers employed in the oil and gas industry.
- In Lafayette Parish (the highest employment parish), 14,696 workers were directly employed in these energy sectors.



### In 2010, there were **62,417 workers employed** in Louisiana's oil and gas industry---a number approximately equivalent to the 2008 population of Acadia Parish, the 18th most populous parish in the state.

- Fifty-six of Louisiana's 64 parishes had total covered employment smaller than this number in 2010.

Industry Sector	Average Weekly Wage
E&P	\$1,991
Refining	\$1,757
Pipeline	\$1,498
Manufacturing	\$1,097

- Industry paid over **\$5.0 billion in wages** for Louisiana households in 2010---equivalent to 6.8% of total covered wages in the state that year.
- Exploration & production wages average **81% higher** than average manufacturing wages while refining wages were **60% higher** and pipeline wages were **37% higher** than average manufacturing wages.

### VALUE ADDED is a broader measure of the total income created directly in an industry.

- In 2007, Louisiana's oil and gas exploration & production sector produced nearly **\$43 billion in total income**, which exceeds the sum of all the state's manufacturing sectors.
- The refining sector's value added in 2009 was \$11.4 billion, equivalent to 27.4% of the total value added the state's manufacturing sectors.

### TAX IMPACTS

- Industry directly paid **nearly \$1.4 billion in state taxes and fees** in FY10.
- State government collected an **additional \$1,125,100,000** in taxes from the \$16.1 billion in household earnings generated by the industry.
  - That's a total boost to the state treasury of **\$2.5 billion** in FY10.
- Industry directly paid **\$298 million in property taxes** to local governments in 2009.
  - In 41 of the state's 64 parishes, ad valorem taxes exceeded \$1 million. In 18 parishes the number exceeded \$5 million.
  - Dramatic increases in property tax receipts occurred in Caddo, Bossier, Desoto and Red River Parishes as a result of the new activity in the **Haynesville Shale**.
- Local governments collected approximately **\$707,200,000**---nearly three-quarters of a billion dollars---from the \$16.1 billion in household earnings in FY10.
  - That's a total of just over **\$1 billion** contributed to local government treasuries.