

Arkansas

Small businesses totaled 236,501 in Arkansas in 2009. They represent 96.7 percent of all employers and employ 49.2 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to Arkansas's health and well-being.

This profile uses the latest available data to illustrate the status of Arkansas's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Arkansas's economy was mixed in 2010, with real gross state product increasing 0.9 percent and private-sector employment decreasing 0.3 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Arkansas's small businesses are very small as 78.4 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 477,491 workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in Arkansas represented all of the net new jobs from 2005-2008.
- Self-employment in Arkansas surged over the last decade. Female self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was lower than closing establishments and the net employment change from this turnover was negative (Table 3).

For Further Information

- Data on all states and territories are available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

Arkansas Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	49,753	51,035	50,837
Large employers (500+ employees)	1,672	1,664	1,568
Nonemployers	186,748	190,281	152,871
Level in 2007* (000)			
	Firms	Employment	Receipts(\$M)
Business Owner Demographics			
Male-owned	115	325	66,320
Woman-owned	59	62	8,594
Equally male/female-owned	57	90	11,196
African American-owned	13	6	531
Asian-owned	3	7	740
Hispanic-owned	5	4	646
Native American/Alaskan-owned	3	3	336
Hawaiian/Pacific Islander-owned	0	--	--
Veteran-owned	42	74	13,627
Publicly held, unclassified	8	519	143,441
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	945	-0.3	-2.4
Government employment	218	0.5	14.3
Self-employed (incorp. & uninc.)	136	2.5	10.5
Female self-employment	47	25.0	15.0
Male self-employment	89	-6.4	8.4
Minority self-employment	10	76.2	-2.0
Veteran self-employment	10	-19.3	-44.6
Unemployment Rate (Percent)	7.9	0.5†	3.7†
Business Turnover			
Quarterly establishment openings	11,792	-12.3	5.9
Quarterly establishment closings	13,010	-10.5	20.1
Business bankruptcies	537	-13.2	105.7
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	7.2	6.8	6.2
Number of bank branches	1,483	1,506	1,247
No. of bus. loans under \$100,000‡	95,499	49,846	38,242
Total value of business loans under \$100,000 (\$million)‡	1,380	537	579
Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.			
* Latest available data. †Percentage point change. ‡Data are for CRA loans.			

**Table 1: Firms and Employment in Arkansas by Industry and Firm Size, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	186.7	51.4	44.2	49.8	970.7	184.2	477.5
Forestry, etc. and agriculture support	4.4	0.7	0.6	0.6	4.4	2.6	4.0
Mining	1.2	0.4	0.2	0.3	8.2	1.2	4.2
Utilities	0.2	0.1	0.1	0.1	7.5	0.4	2.9
Construction	31.4	5.7	5.2	5.6	45.4	20.3	41.6
Manufacturing	2.5	2.6	1.7	2.3	163.8	9.5	43.9
Wholesale trade	2.7	2.7	1.9	2.4	42.9	9.1	27.6
Retail trade	17.1	7.4	6.5	7.2	137.4	30.1	56.1
Transportation and warehousing	9.9	2.1	1.7	2.0	48.8	6.3	15.7
Information	1.6	0.5	0.4	0.5	23.2	1.6	5.0
Finance and insurance	6.3	2.4	2.1	2.3	37.1	6.0	17.4
Real estate and rental and leasing	15.2	2.3	2.2	2.3	13.3	5.5	9.3
Professional, scientific, and technical svcs.	16.9	5.3	5.0	5.2	34.4	16.0	26.4
Management of companies and enterprises	--	0.3	0.0	0.2	36.6	0.1	2.7
Admin., support, waste mgt., remed. svcs.	19.7	2.2	1.9	2.1	47.4	7.1	21.4
Educational services	3.6	0.5	0.4	0.5	15.0	1.6	9.1
Health care and social assistance	12.8	5.8	4.9	5.6	162.7	23.1	82.7
Arts, entertainment, and recreation	5.7	0.8	0.7	0.8	9.1	2.6	7.3
Accommodation and food services	2.6	4.0	2.9	3.9	91.1	18.1	61.9
Other services (except public admin.)	33.0	6.3	5.9	6.3	42.2	22.9	38.3
Unclassified	--	0.1	0.1	0.1	0.1	0.1	0.1

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

Table 2: Net Job Change by Firm Size, 2005–2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2005 - 2006	25,011	8,100	2,049	1,113	4,602	5,973	21,837	3,174
2006 - 2007	-8,647	6,892	-553	-1,800	-1,848	-3,982	-1,291	-7,356
2007 - 2008	-5,124	5,556	-993	-1,946	-2,807	-54	-244	-4,880
2008 - 2009	-55,681	3,482	-2,843	-3,351	-10,073	-11,260	-24,045	-31,636

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	2.7	3.5	2.9	2.7	8.2	10.4	9.4	8.4
Expansions	12.9	13.9	13.5	13.5	44.1	48.8	44.7	42.8
Contractions	13.7	13.2	13.5	13.4	41.0	43.1	46.1	42.7
Closings	3.2	3.1	3.6	3.1	8.8	8.9	11.1	10.3

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/.)

Note: These figures contain all firm sizes; Census data from 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.