

## Arkansas

**241,462** Small Businesses

**48,716** Small Businesses with Employees

**192,746** Small Businesses without Employees (Nonemployers)

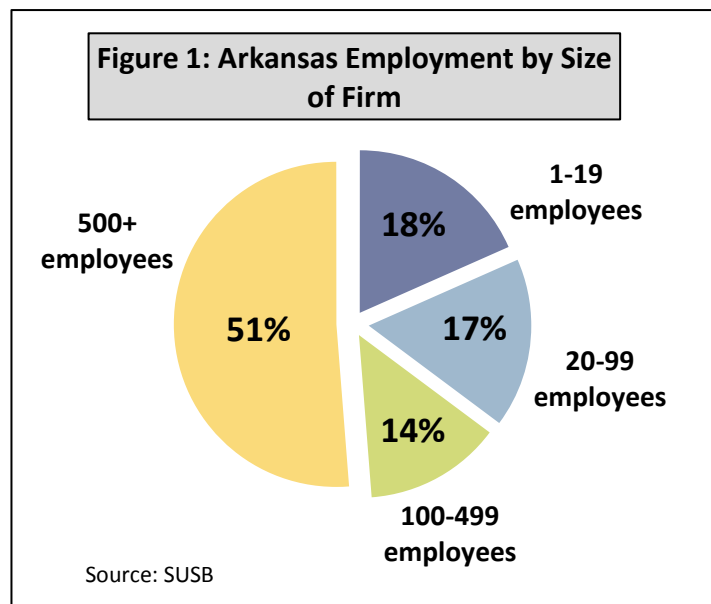
**477,046** Workers Employed by Small Businesses

### State Economy Overall

- Arkansas's economy grew at a faster rate than the United States in 2013. Arkansas's real gross state product increased by **2.4 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in Arkansas has improved. The unemployment rate in Arkansas declined from **7.6 percent** in October 2013 to **6.0 percent** in October 2014. This is above the national average of **5.8 percent** for the same time period. (Source: BLS)

### Employment

- Arkansas's small businesses employed about half or **477,046** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **96.6 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- In Arkansas, small businesses created **5,464** net new jobs in 2012. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed in 2013 decreased by **2.3 percent** relative to the previous year.
- The state's private-sector employment growth increased by **0.3 percent** over the 12-month period ending in October 2014; this was below the national average growth rate of **2.6 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

## Income and Finance

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- In 2012, **38,528** loans under \$100,000 (and valued at **\$505.5 million**) were issued by Community Reinvestment Act lending institutions in Arkansas. (Source: FFIEC)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$46,411** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$18,568**. (Source: ACS)

Note: Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## Business Owner Demographics

- Table 1** shows the top industry for nine business owner demographics. For example, **39.4 percent** of female-owned businesses were in the other services industry, and female-owned firms made up **20.8 percent** of this industry.

**Table 1: Top Industry by Demographic Group in Arkansas, 2007**

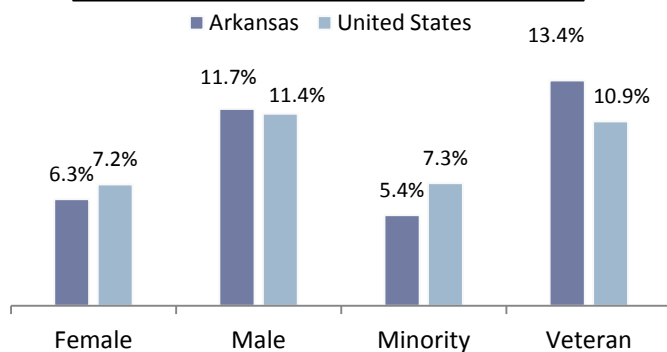
Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Other services	39.4	20.8
Male	Construction	68.5	24.9
American Indian and Alaska Native	Construction	1.3	20.5
Asian	Other services	2.6	23.9
Black or African American	Other services	10.0	23.4
Native Hawaiian and Other Pacific Islander	*	*	*
White	Construction	95.4	18.9
Hispanic	Construction	3.6	27.8
Veteran	Construction	11.6	19.5

\*Indicates that the sample size was too small to be representative of the population. For more detailed information on businesses in your state, see [www.sba.gov/advocacy/847/841921](http://www.sba.gov/advocacy/847/841921).

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **6.3 percent** of females were self-employed, and **Figure 2b** shows that **33.5 percent** of all self-employed people were female.

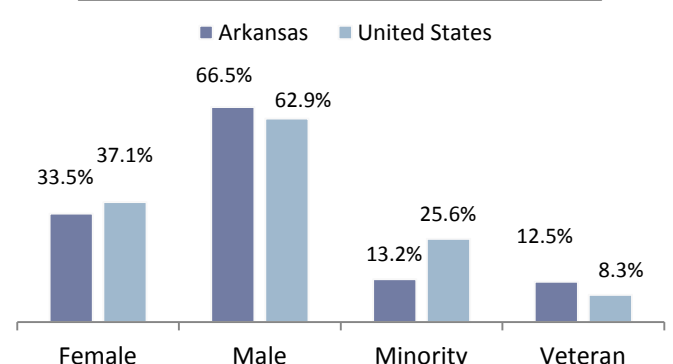
**Figure 2a: What percent of each demographic group are self-employed in Arkansas?**



Source: ACS

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**Figure 2b: What percent of self-employed individuals in Arkansas are in each demographic group?**



Source: ACS

## Business Turnover

- In 2010, **5,128** establishments opened in Arkansas, and **65.9 percent** survived through 2012. In 2013, **5,715** establishments opened, and **77.5 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **3,002** establishments opened and **3,075** closed in the state of Arkansas. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

## International Trade

- A total of **2,242** companies exported goods from the state in 2012. Of these, **1,758** or **78.4 percent** were small firms; they generated over a quarter (**25.7 percent**) of the state's total known export value. (Source: ITA)

## Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

**Table 2: Number of Arkansas Small Firms by Industry, 2012**  
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Retail trade	6,752	6,156	17,504	24,256
Other services (except public admin.)	6,258	5,866	36,299	42,557
Health care & social assistance	5,672	4,858	14,378	20,050
Professional, scientific, & tech. svcs.	5,172	4,883	17,306	22,478
Construction	5,154	4,716	28,207	33,361
Accommodation & food services	4,070	3,073	2,872	6,942
Wholesale trade	2,453	1,898	2,900	5,353
Finance & insurance	2,251	2,046	6,316	8,567
Real estate & rental & leasing	2,205	2,066	16,830	19,035
Admin., supp., waste mgt., remed. svcs.	2,155	1,886	20,359	22,514
Manufacturing	2,101	1,557	2,733	4,834
Transportation & warehousing	1,882	1,637	9,279	11,161
Arts, entertainment, & recreation	759	670	6,277	7,036
Forestry, etc. & agriculture support	609	568	4,523	5,132
Educational services	504	389	3,866	4,370
Information	423	341	1,616	2,039
Mining, quarrying, and oil & gas extrac.	306	236	1,306	1,612
Management of comp. & enterprises	177	29	*	177
Utilities	128	109	175	303
Unclassified	56	56	*	56
<b>Total</b>	<b>48,716</b>	<b>43,000</b>	<b>192,746</b>	<b>241,462</b>

Source: SUSB and Nonemployer Statistics. \*Data for nonemployers not collected in these two categories.

See [www.sba.gov/advocacy/additional-data-state-profiles](http://www.sba.gov/advocacy/additional-data-state-profiles) for more detailed data.

- **Table 3** shows small firm employment by industry. The three Arkansas industries with the most small business employment were: health care and social assistance; accommodation and food services; and retail trade (**Table 3**).

**Table 3: Employment in Arkansas by Industry and Firm Size, 2012  
(ranked by small firm employment)**

Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Health care & social assistance	81,696	165,215	49.4
Accommodation & food services	65,187	95,396	68.3
Retail trade	54,408	137,209	39.7
Manufacturing	42,722	155,336	27.5
Other services (except public admin.)	39,638	42,312	93.7
Construction	37,652	43,079	87.4
Wholesale trade	27,189	43,431	62.6
Professional, scientific, & tech. svcs.	25,632	32,693	78.4
Admin., supp., waste mgt., remed. svcs.	22,709	55,266	41.1
Finance & insurance	17,089	36,374	47.0
Transportation & warehousing	16,988	49,281	34.5
Educational services	10,362	17,297	59.9
Real estate & rental & leasing	9,004	12,945	69.6
Arts, entertainment, & recreation	7,481	9,026	82.9
Information	5,360	22,863	23.4
Mining, quarrying, and oil & gas extraction	4,367	9,488	46.0
Forestry, etc. & agriculture support	4,123	4,444	92.8
Management of comp. & enterprises	2,831	39,242	7.2
Utilities	2,538	7,552	33.6
Unclassified	D	D	D
<b>Total</b>	<b>477,046</b>	<b>978,519</b>	<b>48.8</b>

Source: SUSB. (D) indicates data suppressed to protect the confidentiality of individual firms.

For more detailed information on businesses in your state, see [www.sba.gov/advocacy/847/841921](http://www.sba.gov/advocacy/847/841921).

## Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, <a href="http://www.census.gov/acs">www.census.gov/acs</a> .
BEA	Bureau of Economic Analysis, U.S. Department of Commerce, <a href="http://www.bea.gov">www.bea.gov</a> .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, <a href="http://www.bls.gov/bdm">www.bls.gov/bdm</a> .
BDS	Business Dynamics Statistics, U.S. Census Bureau, <a href="http://www.census.gov/ces/dataproducts/bds">www.census.gov/ces/dataproducts/bds</a> .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, <a href="http://www.bls.gov">www.bls.gov</a> .
CEA	Council of Economic Advisers, <a href="http://www.whitehouse.gov/administration/eop/cea">www.whitehouse.gov/administration/eop/cea</a> .
FDIC	Federal Deposit Insurance Corporation, <a href="http://www.fdic.gov">www.fdic.gov</a> .
FFIEC	Federal Financial Institutions Examination Council, <a href="http://www.ffiec.gov">www.ffiec.gov</a> .
ITA	International Trade Administration, U.S. Department of Commerce, <a href="http://www.trade.gov">www.trade.gov</a> .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, <a href="http://www.census.gov/econ/nonemployer">www.census.gov/econ/nonemployer</a> .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, <a href="http://www.census.gov/econ/susb">www.census.gov/econ/susb</a> .
U.S. Courts	Administrative Office of the U.S. Courts, <a href="http://www.uscourts.gov">www.uscourts.gov</a> .