

# 2018 SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### ARKANSAS



**247,018** Small Businesses  
**99.3%** of Arkansas Businesses

**479,727** Small Business Employees  
**47.8%** of Arkansas Employees

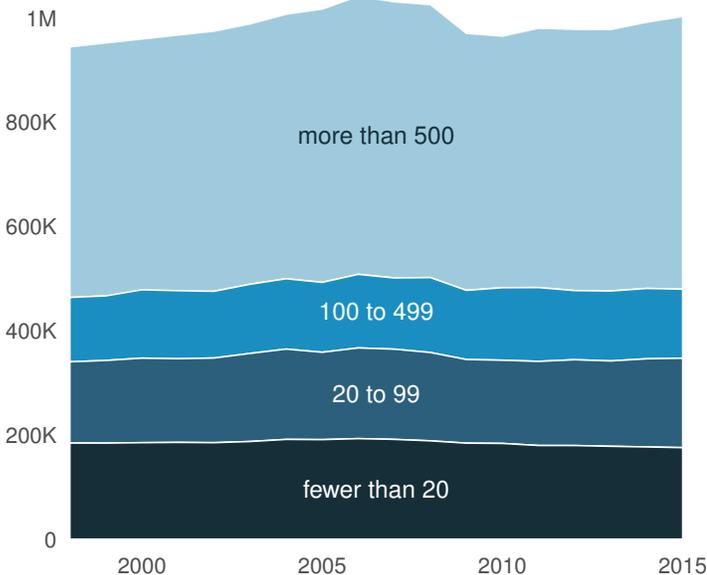


### OVERALL ARKANSAS ECONOMY

- In the third quarter of 2017, Arkansas grew at an annual rate of **2.0%**, which was slower than the overall US growth rate of **3.4%**. Arkansas's 2016 growth rate of **0.9%** was up from the 2015 rate of **0.5%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **3.7%**, unchanged from **3.7%** in January 2017. This was below the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

### EMPLOYMENT

Figure 1: Arkansas Employment by Business Size (Employees)



- Arkansas small businesses employed **479,727** people, or **47.8%** of the private workforce, in 2015. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **0.5%** during the 12-month period ending in January 2018. This was below the increase of **1.1%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **1.8%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **6,597** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **4,154** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **60** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2015 Statistics of US Businesses ([SUSB](#)), 2012 Survey of Business Owners ([SBO](#)), and 2015 International Trade Administration ([ITA](#)) data, respectively.

## INCOME AND FINANCE

- The number of banks decreased by 6 between June 2016 and June 2017 to 98 banks. (Source: FDIC)
- In 2016, 38,640 loans under \$100,000 (valued at \$647.6 million) were issued by Arkansas lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$45,044 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$21,128. (Source: ACS)

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

## EMPLOYER BUSINESS OWNER DEMOGRAPHICS

Figure 2: Arkansas Employees per Business by Owner's Demographic, 2015

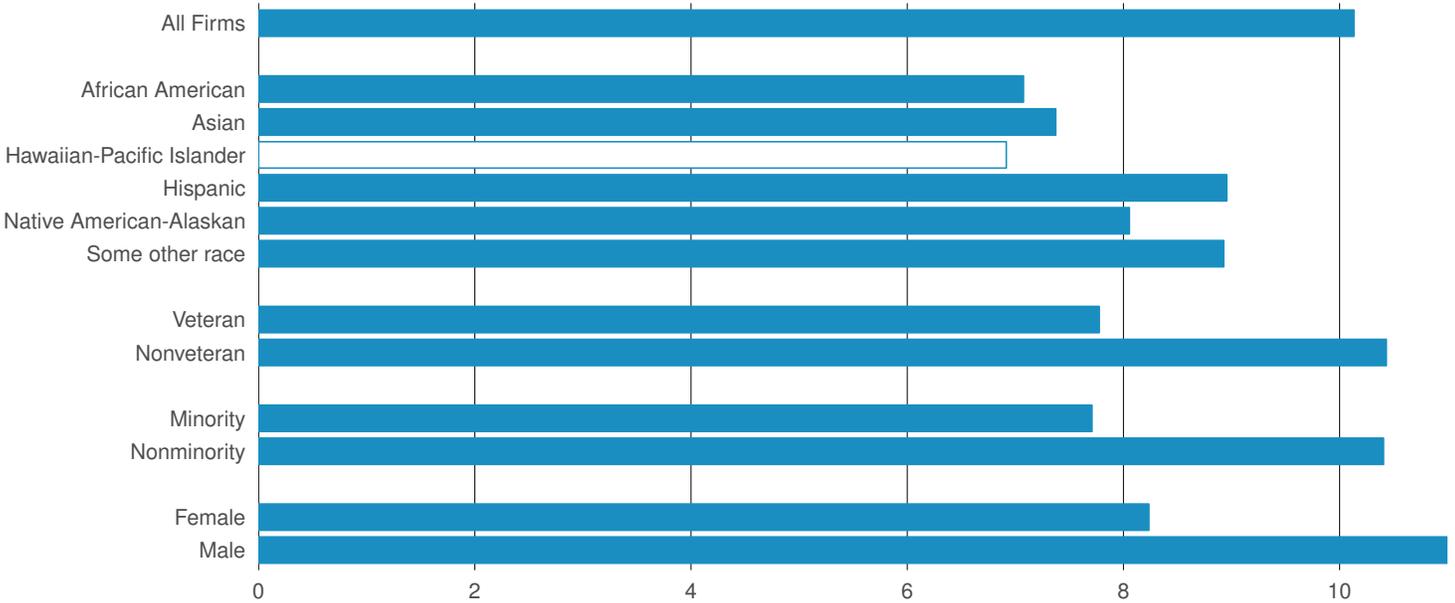
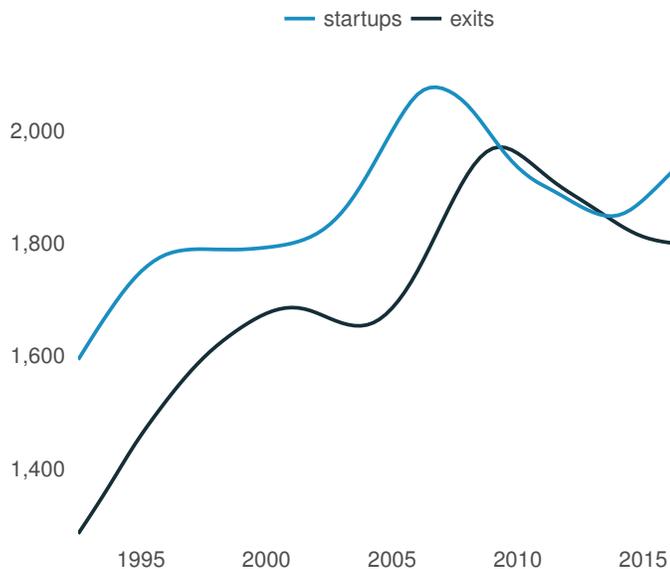


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

## TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Arkansas Quarterly Startups and Exits



- In the third quarter of 2016, 1,962 establishments started up, generating 8,564 new jobs in Arkansas. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 1,873 establishments exited resulting in 5,020 jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: BDM)
- Figure 3 displays quarterly startups and exits from 1992 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

## INTERNATIONAL TRADE

- A total of 2,345 companies exported goods from Arkansas in 2015. Of these, 1,831, or 78.1%, were small firms; they generated 28.3% of Arkansas's \$5.4 billion in total exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Arkansas Employment by Industry, 2015

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	82,948	168,568	49.2
Accommodation and Food Services	69,760	100,906	69.1
Retail Trade	53,337	143,230	37.2
Manufacturing	40,761	155,487	26.2
Construction	38,460	43,465	88.5
Other Services (except Public Administration)	38,032	40,757	93.3
Wholesale Trade	27,333	44,463	61.5
Professional, Scientific, and Technical Services	26,307	36,828	71.4
Administrative, Support, and Waste Management	22,666	60,761	37.3
Transportation and Warehousing	16,782	52,637	31.9
Finance and Insurance	16,779	36,327	46.2
Educational Services	10,697	15,724	68.0
Real Estate and Rental and Leasing	9,196	12,440	73.9
Arts, Entertainment, and Recreation	7,554	9,385	80.5
Information	5,060	24,670	20.5
Agriculture, Forestry, and Fishing and Hunting	4,177	4,773	87.5
Management of Companies and Enterprises	3,450	37,991	9.1
Mining, Quarrying, and Oil and Gas Extraction	3,344	7,163	46.7
Utilities	2,887	7,341	39.3
Industries not classified	197	197	100.0
<b>Total</b>	<b>479,727</b>	<b>1,003,113</b>	<b>47.8</b>

Figure 4: Arkansas Small Business Employment by County, 2015

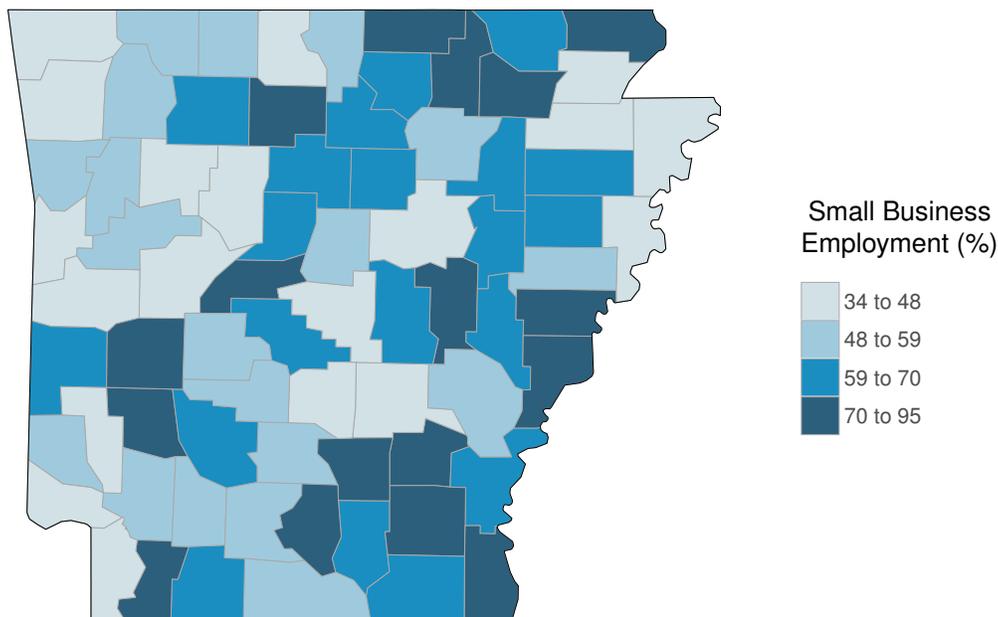


Table 2: Arkansas Small Businesses by Industry and Firm Size, 2015

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Retail Trade	6,570	5,959	18,483	25,053
Other Services (except Public Administration)	6,206	5,830	36,700	42,906
Health Care and Social Assistance	5,690	4,859	15,553	21,243
Professional, Scientific, and Technical Services	5,325	5,037	17,780	23,105
Construction	5,100	4,649	27,853	32,953
Accommodation and Food Services	4,134	3,040	3,130	7,264
Wholesale Trade	2,316	1,752	3,010	5,326
Finance and Insurance	2,289	2,090	6,108	8,397
Real Estate and Rental and Leasing	2,262	2,135	17,870	20,132
Administrative, Support, and Waste Management	2,153	1,883	20,327	22,480
Manufacturing	2,027	1,482	2,764	4,791
Transportation and Warehousing	1,841	1,618	9,975	11,816
Arts, Entertainment, and Recreation	769	683	6,718	7,487
Agriculture, Forestry, and Fishing and Hunting	605	560	4,474	5,079
Educational Services	544	425	4,552	5,096
Information	409	326	1,709	2,118
Mining, Quarrying, and Oil and Gas Extraction	299	245	1,201	1,500
Utilities	125	103	173	298
<b>Total</b>	<b>48,638</b>	<b>42,809</b>	<b>198,380</b>	<b>247,018</b>

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES).

REFERENCES

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xQT4w>.

- ASE Annual Survey of Entrepreneurs, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SBO Survey of Business Owners, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau