

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

ARKANSAS



244,977
99.3%

Small Businesses
of Arkansas Businesses

481,170
48.5%

Small Business Employees
of Arkansas Employees



EMPLOYMENT
6,184
net new jobs



DIVERSITY
35,962
minority-owned
businesses



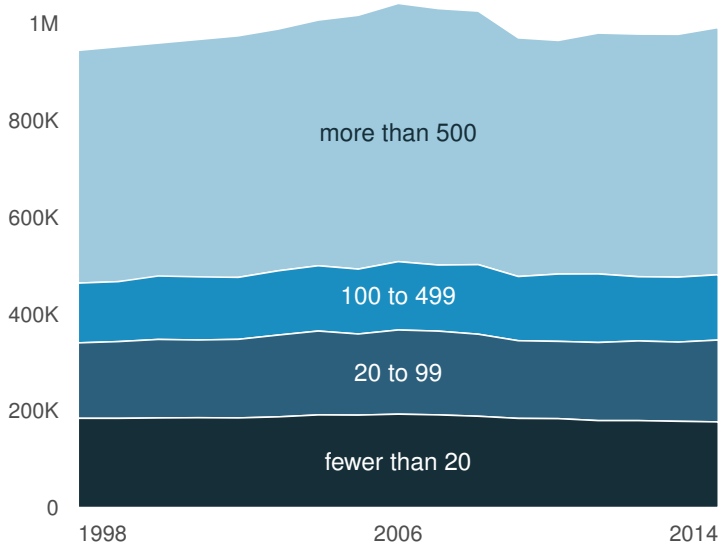
TRADE
79.5%
of Arkansas exporters

OVERALL ARKANSAS ECONOMY

- In the second quarter of 2016, Arkansas grew at an annual rate of 1.6%, which was faster than the overall US growth rate of 1.2%. Arkansas's 2015 growth rate of 0.5% was down from the 2014 rate of 1.4%. (Source: BEA)
- In November 2016, the unemployment rate was 4.0%, down from 4.7% at the close of 2015. This was below the November 2016 national unemployment rate of 4.6%. (Source: CPS)

EMPLOYMENT

Figure 1: Arkansas Employment by Business Size (Employees)



- Arkansas small businesses employed 481,170 people, or 48.5% of the private workforce, in 2014. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- During the year ending November 2016, private-sector employment increased 1.9%. This was below the previous year's increase of 2.5%. (Source: CPS)
- The number of proprietors increased in 2015 by 2.4% relative to the previous year. (Source: BEA)
- Small businesses created 6,184 net jobs in 2014. Among the seven BDS size-classes, firms employing 100 to 249 employees experienced the largest gains, adding 3,078 net jobs. The largest losses were in firms employing 1 to 4 employees, which lost 711 net jobs. (Source: BDS)

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 as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: FDIC)
- In 2014, 36,027 loans under \$100,000 (valued at \$578.2 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 \$44,609 in 2015. For individuals self-employed at their own unincorporated firms, this figure was \$20,273. (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.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Arkansas Small Business Ownership, 2012

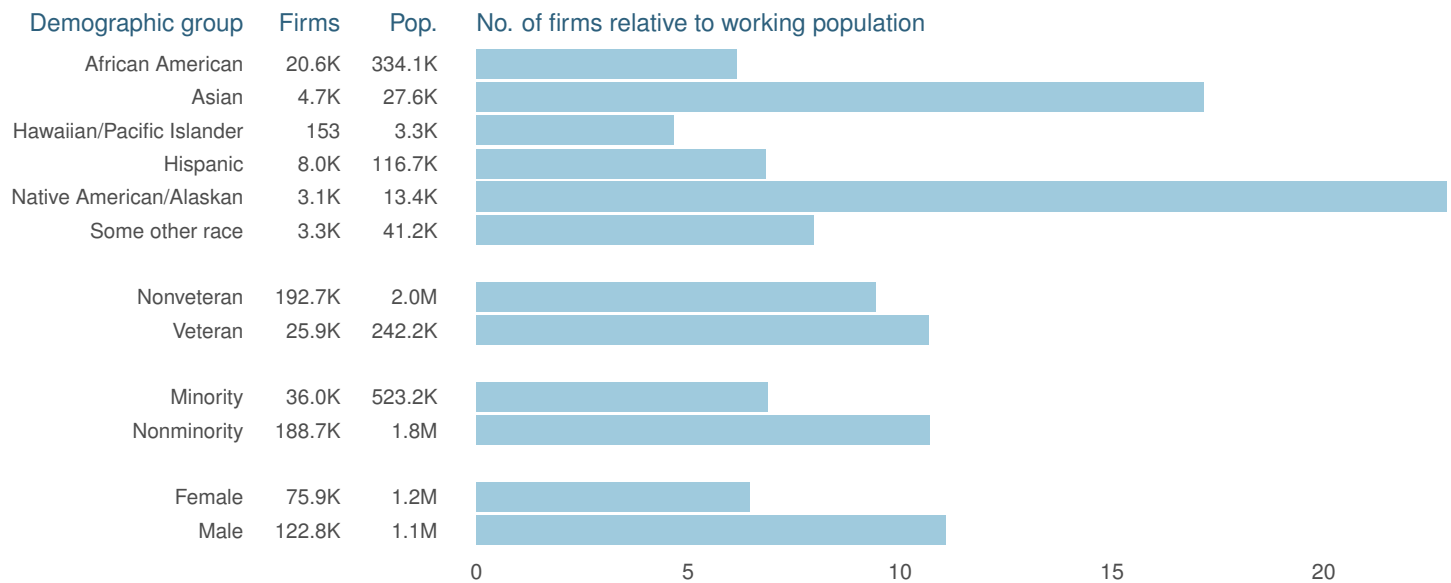
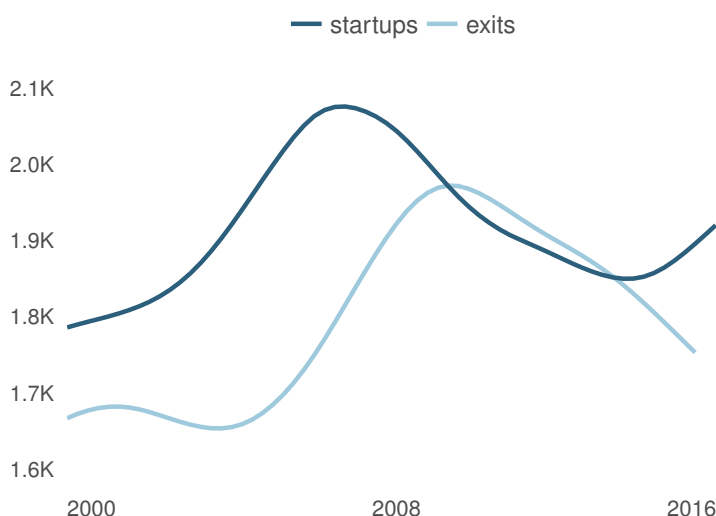


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 6 female-owned firms per 100 working age females or $75.9K \div 1.2M \times 100$. ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

BUSINESS TURNOVER

Figure 3: Arkansas Quarterly Startups and Exits



- In the second quarter of 2015, 1,893 establishments started up, generating 6,168 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, 1,765 establishments exited resulting in 4,509 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 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

The 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.

INTERNATIONAL TRADE

- A total of 2,365 companies exported goods from Arkansas in 2014. Among these, 1,879, or 79.5%, were small firms; they generated 21.4% of Arkansas's \$6.3 billion in total known exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Arkansas Employment by Industry, 2014





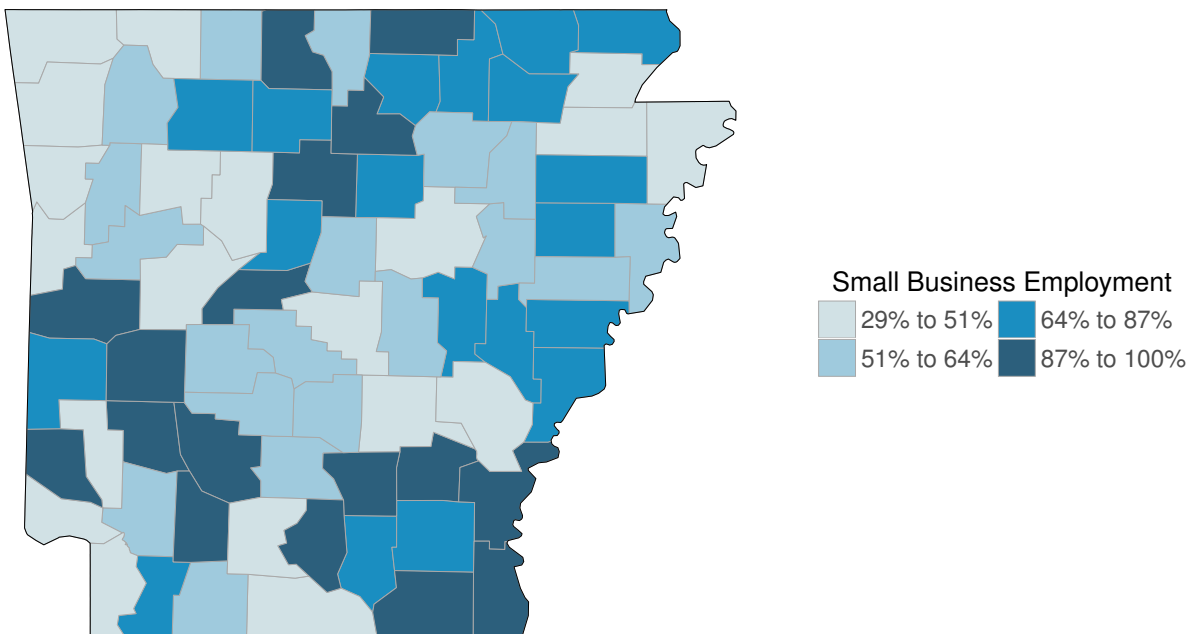
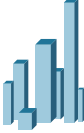




 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	86,418	170,306	51%
Accommodation and Food Services	67,366	98,592	68%
Retail Trade	53,672	141,256	38%
Manufacturing	41,002	153,715	27%
Other Services (Except Public Administration)	38,303	41,124	93%
Construction	37,264	41,363	90%
Wholesale Trade	27,799	43,907	63%
Professional, Scientific, and Technical Services	26,340	37,324	71%
Administrative, Support, and Waste Management	23,538	57,121	41%
Finance and Insurance	17,117	36,294	47%
Transportation and Warehousing	16,894	50,142	34%
Educational Services	10,293	15,849	65%
Real Estate and Rental and Leasing	9,098	13,397	68%
Arts, Entertainment, and Recreation	7,504	9,215	81%
Information	5,107	25,782	20%
Agriculture, Forestry, and Fishing and Hunting	4,158	4,538	92%
Mining, Quarrying, and Oil and Gas Extraction	3,582	8,101	44%
Utilities	2,538	7,478	34%
Total	481,170	992,201	48%

Figure 4: Arkansas Small Business Percent of Employment by County



SMALL BUSINESSES BY INDUSTRY

Table 2: Arkansas Small Businesses by Industry and Firm Size, 2014

	 Industry	 1-499 Employees	 1-20 Employees	 Nonemployer Firms	 Total Small Firms
Other Services (Except Public Administration)	6,197	5,807	36,704	42,901	
Construction	5,036	4,588	28,226	33,262	
Retail Trade	6,605	5,991	18,062	24,667	
Professional, Scientific, and Technical Services	5,263	4,966	17,638	22,901	
Administrative, Support, and Waste Management	2,128	1,855	20,320	22,448	
Health Care and Social Assistance	5,699	4,834	15,362	21,061	
Real Estate and Rental and Leasing	2,224	2,097	17,261	19,485	
Transportation and Warehousing	1,853	1,630	9,471	11,324	
Finance and Insurance	2,258	2,058	6,274	8,532	
Arts, Entertainment, and Recreation	775	682	6,602	7,377	
Accommodation and Food Services	4,028	2,997	3,117	7,145	
Wholesale Trade	2,344	1,781	2,961	5,305	
Agriculture, Forestry, and Fishing and Hunting	610	571	4,335	4,945	
Educational Services	535	420	4,358	4,893	
Manufacturing	2,035	1,489	2,721	4,756	
Information	417	338	1,676	2,093	
Mining, Quarrying, and Oil and Gas Extraction	303	248	1,339	1,642	
Utilities	124	103	166	290	
Total	48,384	42,578	196,593	244,977	

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

REFERENCES

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

ACS	American Community Survey, 5-year estimates, U.S. Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, U.S. Census Bureau
BLS	Bureau of Labor Statistics, U.S. Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, U.S. Census Bureau
SBO	Survey of Business Owners, U.S. Census Bureau
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau

