

Arkansas

Arkansas's small businesses are key to the state's well-being. They account for a significant share of the state's economic production and hiring. This profile from the Office of Advocacy uses the latest available data to illustrate the status and contributions of Arkansas small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Small businesses totaled 241,316 in the state in 2008. Of these, 51,035 were employers, and they accounted for 48.6% of private-sector jobs in the state (Table 1). Small firms made up 96.8% of the state's employers.
- Arkansas's real gross state product increased by 0.7% and private-sector employment decreased by 4.2% in 2009. By comparison, real GDP in the United States grew 0.7% and private-sector employment declined by 5.5%.
- Business ownership is becoming more inclusive in the state. The number of both women and minority business owners has grown. In particular, minority-owned businesses numbered 23,622 in 2007, a 56.3% increase over 2002.
- The state's small business employment has undergone major shifts in recent years (Table 2).
- The state's businesses showed signs of stability and improvement in the fourth quarter of 2009 compared to the first quarter (Table 3).

For Further Information

- Data on all states and territories is 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.

Arkansas Small Business Facts

	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	51,035	52,066	50,837
Large employers (500+ employees)	1,664	1,631	1,568
Nonemployers	190,281	195,459	152,871
	Level in 2007*	% Share in 2007	% Change 2002-2007
Business Owner Demographics			
Male-owned	115,509	48.3	-2.8
Woman-owned	58,604	24.5	18.1
Equally male/female-owned	56,549	23.6	68.2
African American-owned	13,259	5.5	48.3
Asian-owned	3,389	1.4	68.4
Hispanic-owned	5,436	2.3	159.6
Native American/Alaskan-owned	2,652	1.1	16.4
Hawaiian/Pacific Islander-owned	164	0.1	168.9
Veteran-owned	24,879	10.4	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	931	-4.2	-2.2
Government employment	201	1.3	13.8
Self-employed (incorp. & uninc.)	148	-5.0	18.9
Female self-employment	47	-13.1	32.8
Male self-employment	101	-0.5	13.2
Minority self-employment	13	2.9	21.5
Veteran self-employment	20	24.9	-7.9
Unemployment rate (%)	7.3	2.1†	3.1†
Business Turnover			
Quarterly establishment openings	12,146	-6.2	9.0
Quarterly establishment closings	13,891	9.1	28.3
Business bankruptcies	619	24.5	137.2
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	7.1	8.4	4.9
Number of bank branches	1,506	1,513	1,247
No. of bus. loans under \$100,000‡	49,846	70,132	38,242
Total value of business loans under \$100,000 (\$million)‡	537	819	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, 2008
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	190.3	52.7	45.2	51.0	1,026.0	188.7	502.1
Forestry, etc. and agriculture support	4.5	0.7	0.7	0.7	5.4	2.8	4.3
Mining	1.4	0.3	0.2	0.3	7.3	1.0	3.8
Utilities	0.2	0.1	0.1	0.1	7.6	0.4	2.8
Construction	33.2	6.0	5.5	6.0	51.7	21.8	46.0
Manufacturing	2.6	2.7	1.8	2.4	183.5	9.9	49.8
Wholesale trade	2.9	2.8	2.0	2.5	47.0	9.5	29.5
Retail trade	17.9	7.8	6.8	7.5	141.8	31.6	60.3
Transportation and warehousing	10.7	2.2	1.8	2.1	54.9	6.7	16.6
Information	1.7	0.5	0.4	0.5	25.3	1.8	5.8
Finance and insurance	6.6	2.5	2.1	2.3	38.3	6.2	17.7
Real estate and rental and leasing	16.1	2.5	2.3	2.4	13.8	5.9	9.7
Professional, scientific, and technical svcs.	17.1	5.4	5.0	5.3	34.5	15.9	26.9
Management of companies and enterprises	--	0.3	0.0	0.2	33.7	D	3.0
Admin., support, waste mgt., remed. svcs.	19.1	2.2	1.8	2.1	59.3	7.0	23.9
Educational services	3.4	0.5	0.4	0.5	14.0	1.6	8.5
Health care and social assistance	12.2	5.7	4.8	5.6	162.7	23.1	82.5
Arts, entertainment, and recreation	5.7	0.8	0.7	0.8	8.5	2.7	7.3
Accommodation and food services	2.7	4.0	2.9	3.9	93.6	17.5	64.0
Other services (except public admin.)	32.2	6.3	5.9	6.3	43.0	23.1	39.5
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, 2004–2007 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	12,442	6,665	1,330	-1,367	-3,848	828	3,608	8,834
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	-7,356	-1,291

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, 2009 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	3.1	13.0	14.9	3.6	10.2	41.1	55.4	10.9
Quarter 2	2.7	12.5	14.6	3.7	9.2	39.8	58.4	11.6
Quarter 3	2.9	12.6	13.7	3.5	10.8	42.7	46.9	11.3
Quarter 4	3.3	12.8	13.7	3.1	13.1	43.4	44.0	9.7

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

Note: These figures contain all firm sizes; Census data from 2007 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.