

Arkansas

Small businesses significantly impact Arkansas's economy. They represent 96.8 percent of all employers and employ 50.0 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 241,455 in 2010.

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 2011, with real gross state product increasing 3.5 percent and private-sector employment decreasing 0.2 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 482,603 workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was weak, and small businesses in Arkansas had a net job loss (Table 2). The unemployment rate in 2010-2011 increased by 0.1 percent.
- Most of Arkansas's small businesses are very small as 79.0 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was higher than closing establishments, and the net employment change from this turnover was positive (Table 3).
- Self-employment in Arkansas improved over the last decade. Minority self-employment fared the best compared with other demographic groups.

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 www.sba.gov/updates to subscribe to Advocacy's Listservs.

Arkansas Small Business Facts

	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	49,421	49,753	50,837
Large employers (500+ employees)	1,651	1,672	1,568
Nonemployers	192,034	189,785	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	-	-	-
Veteran-owned	42	74	13,627
Publicly held, unclassified	8	519	143,441
	Level in	% Change from	
	2011*	2010	2000
Workforce (Thousands)			
Private-sector employment	941	-0.2	-2.8
Government employment	219	0.3	14.8
Self-employed (incorp. & uninc.)	125	-5.4	1.7
Female self-employment	39	-12.2	-3.5
Male self-employment	86	-1.9	4.2
Minority self-employment	17	40.4	61.8
Veteran self-employment	15	-0.8	-20.9
Unemployment Rate (Percent)	8	0.1†	3.8‡
Business Turnover			
Quarterly establishment openings	17,175	45.6	54.2
Quarterly establishment closings	17,085	31.3	57.7
Business bankruptcies	424	-21.0	62.5
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	7.5	7.2	6.2
Number of bank branches	1,484	1,483	1,247
No. of bus. loans under \$100,000‡	23,695	27,313	38,242
Total value of business loans under \$100,000 (\$million)‡	470	450	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, 2010
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	192.0	51.1	43.8	49.4	965.5	183.7	482.6
Forestry, etc. and agriculture support	4.6	0.6	0.6	0.6	4.5	2.6	4.1
Mining	1.3	0.4	0.2	0.3	8.8	1.2	4.1
Utilities	0.2	0.1	0.1	0.1	7.4	0.4	3.0
Construction	30.5	5.5	5.0	5.4	43.3	20.1	39.7
Manufacturing	2.5	2.5	1.7	2.2	155.1	9.0	44.2
Wholesale trade	2.8	2.7	1.9	2.4	43.3	8.7	27.3
Retail trade	17.2	7.3	6.4	7.0	135.0	29.6	55.5
Transportation and warehousing	9.8	2.1	1.7	1.9	47.0	6.3	16.2
Information	1.7	0.5	0.4	0.4	23.8	1.7	5.1
Finance and insurance	6.4	2.4	2.0	2.2	36.3	5.9	18.0
Real estate and rental and leasing	16.7	2.3	2.2	2.3	13.4	5.4	9.5
Professional, scientific, and technical svcs.	17.2	5.3	4.9	5.2	33.2	15.5	26.3
Management of companies and enterprises	0.0	0.3	0.0	0.2	36.2	0.1	2.6
Admin., support, waste mgt., remed. svcs.	20.2	2.2	1.9	2.1	50.0	7.2	21.1
Educational services	3.9	0.5	0.4	0.5	15.9	1.7	9.8
Health care and social assistance	13.5	5.8	4.8	5.7	170.3	23.7	86.0
Arts, entertainment, and recreation	5.8	0.8	0.7	0.8	9.1	2.7	7.7
Accommodation and food services	2.8	4.1	3.0	4.0	90.4	18.6	63.2
Other services (except public admin.)	35.2	6.3	5.9	6.3	42.4	23.3	39.1
Unclassified	0.0	0.1	0.1	0.1	D	D	D

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.)

(D) Data suppressed to protect the confidentiality of individual firms.

Table 2: Net Job Change by Firm Size, 2007–2010 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	3,806	5,727	567	-1,011	-2,845	4,957	7,395	-3,589
2009	-51,193	2,870	-3,205	-4,485	-10,202	-9,125	-24,147	-27,046
2008	217	5,345	-990	-1,966	-2,086	1,100	1,403	-1,186
2007	-5,337	6,548	-532	-1,003	-986	-2,605	1,422	-6,759

Note: Data source differs from previous publications.

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

Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	4.1	3.9	4.8	4.4	13.5	12.6	16.3	14.5
Expansions	13.0	13.0	13.5	13.9	42.8	41.2	45.5	44.5
Contractions	13.6	13.0	12.8	13.4	41.7	42.4	41.6	41.6
Closings	4.1	5.4	4.3	3.2	12.9	17.0	14.4	8.9

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 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.