

Arkansas

242,063 Small Businesses

48,734 Small Businesses with Employees

193,329 Small Businesses without Employees (Nonemployers)

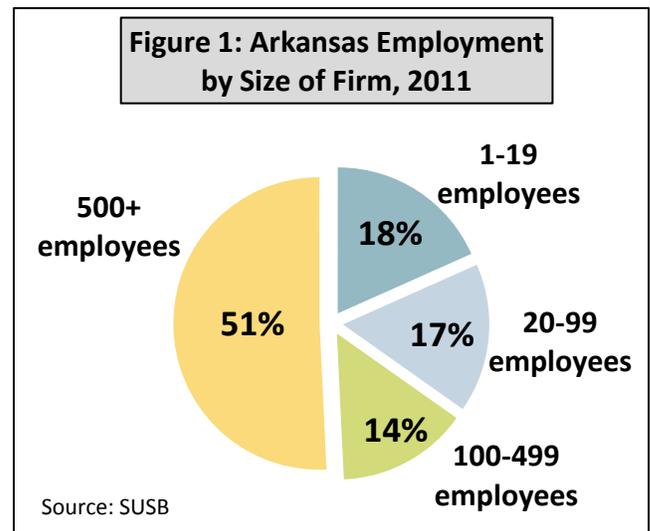
482,849 Workers Employed by Small Businesses

State Economy Overall

- Arkansas's economy grew at a slower rate than the United States in 2012. Arkansas's real gross state product increased by **1.3 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Arkansas has weakened. The unemployment rate in Arkansas modestly increased from **7.1 percent** in December 2012 to **7.4 percent** in December 2013. This is above the national average of **6.7 percent**. (Source: BLS)

Employment

- Arkansas's small businesses employed about half or **482,849** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **96.6 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance, accommodation & food services, and retail trade (**Table 4**).
- In Arkansas, small businesses created **9,331** net new jobs in 2011. 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 decreased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **0.2 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. 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

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **6.1 percent** in the 3rd quarter of 2013 and totaled **\$7.2 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?baritem=3.
- 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)

Business Owner Demographics

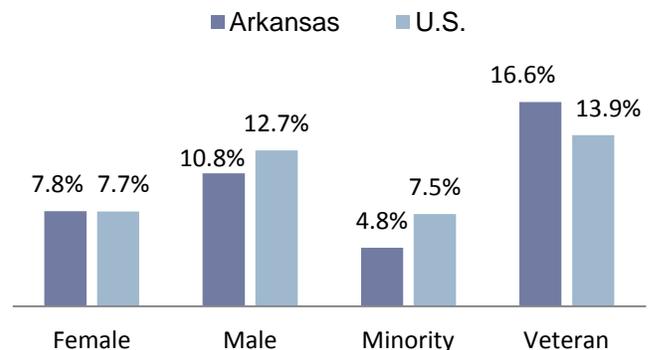
- In 2011, there were an estimated **60,000** woman-owned businesses and **24,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Arkansas Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	118,000	48.3
Woman Owned	60,000	24.5
Equally Male and Female Owned	58,000	23.6
Minority Owned	24,000	9.9
Veteran Owned	25,000	10.4

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/ar10.pdf.

Figure 2: Arkansas Self-Employment Demographics, 2012



Source: CPS

Note: Share of self-employed workers within a demographic group.

Business Turnover

- **Table 2** gives Arkansas's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **2,920** establishments opened and **2,631** closed in the state of Arkansas. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in Arkansas

	Establishments Opened*	Share Surviving Until 2012 (%)
2002	5,367	35.9
2007	6,502	46.6
2010	5,128	65.9

Source: BLS, BED. *Data year ending in March.

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 a quarter (**25.7 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Arkansas Small Firms by Industry, 2011
(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	6,825	6,218	17,123	23,948
Other services (except public admin.)	6,234	5,854	36,950	43,184
Health care & social assistance	5,675	4,854	14,239	19,914
Construction	5,179	4,749	29,337	34,516
Professional, scientific, & tech. svcs.	5,165	4,894	17,216	22,381
Accommodation & food services	4,000	3,015	2,970	6,970
Wholesale trade	2,396	1,857	2,821	5,217
Real estate & rental & leasing	2,227	2,105	16,648	18,875
Finance & insurance	2,203	2,007	6,301	8,504
Admin., supp., waste mgt., remed. svcs.	2,142	1,884	20,469	22,611
Manufacturing	2,104	1,558	2,613	4,717
Transportation & warehousing	1,927	1,703	9,392	11,319
Arts, entertainment, & recreation	789	692	5,866	6,655
Forestry, etc. & agriculture support	610	570	4,524	5,134
Educational services	487	375	3,646	4,133
Information	435	349	1,701	2,136
Mining	312	243	1,333	1,645
Management of comp. & enterprises	175	31	0	175
Utilities	125	105	180	305
Unclassified	104	104	0	104
Total	48,734	43,115	193,329	242,063

Table 4: Employment in Arkansas by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	85,604	171,336	50
Accommodation & food services	65,015	92,443	70
Retail trade	55,743	136,814	41
Manufacturing	43,167	156,024	28
Other services (except public admin.)	38,813	41,983	92
Construction	38,018	43,815	87
Wholesale trade	27,229	43,452	63
Professional, scientific, & tech. svcs.	26,124	33,583	78
Admin., supp., waste mgt., remed. svcs.	22,240	50,842	44
Finance & insurance	17,703	36,729	48
Transportation & warehousing	16,012	49,486	32
Educational services	10,293	16,632	62
Real estate & rental & leasing	9,372	13,053	72
Arts, entertainment, & recreation	7,636	9,080	84
Information	5,319	24,099	22
Mining	4,612	9,890	47
Forestry, etc. & agriculture support	4,075	4,417	92
Utilities	2,965	7,431	40
Management of comp. & enterprises	2,750	39,376	7
Unclassified	159	159	100
Total	482,849	980,644	49

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .