

Arkansas

Arkansas's 239,619 small businesses provide economic opportunities to diverse groups of people and bring innovative products and services to the marketplace.* This profile from the Office of Advocacy compiles the latest facts and figures on the status and role of small business in the state. (Note that a small business is defined here as one with fewer than 500 employees.)

- Arkansas had 51,886 small employers in 2006, representing 97.0% of the state's employers and 48.8% of its private-sector employment.
- The health care and social assistance industry was the state's largest small business employer in 2006; manufacturing was the largest overall employer (Table 1).
- Small businesses created 29% of the state's net new jobs from 2004 to 2005 (Table 2).
- Arkansas's real gross state product increased by 1.5% in 2007. By comparison, growth in the Southeast region was 1.5% and the United States, 2.0%. (Source: U.S. Dept. of Commerce: Bureau of Economic Analysis)

For Further Information

- Data on all the states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- To learn about state efforts to adopt or implement regulatory flexibility, visit www.sba.gov/advo/laws/law_modeleg.html.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news and research reports.
- Visit www.sba.gov/advo/rsslibrary.html for RSS feeds.

* The number of small businesses is the number of small employers plus the number of nonemployers in 2006.

Arkansas Small Business Facts

	Level in 2006†	% Change from 2005 2000	
Number of Businesses			
Small employers (<500 employees)	51,886	-0.3	2.1
Large employers (500+ employees)	1,605	3.5	2.4
Nonemployers	187,733	0.5	22.8
	Level in 2002†	% Change from 1997	
Business Owner Demographics			
Male-owned	118,827	16.6	
Woman-owned	49,618	16.5	
Equally male/female-owned	33,624	-25.7	
African American-owned	8,942	33	
Asian-owned	2,013	34	
Hispanic-owned	2,094	-19.0	
Native American/Alaskan-owned	2,278	NA	
Hawaiian and Pacific Islander-owned	61	117.9	
	Level in 2007†	% Change from 2006 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	994	0.3	2.7
Government employment	210	1.3	10.3
Self-employed (incorp. & uninc.)	159	-2.3	27.6
Female self-employment	55	2.6	52.9
Male self-employment	104	-4.7	17.4
Minority self-employment	10	1.6	10.1
Veteran self-employment	19	-29.9	-13.7
Unemployment rate (%)	5.4	0.1	1.2
Business Turnover			
Quarterly establishment openings	12,250	-17.2	10.0
Quarterly establishment closings	11,710	-3.0	8.1
Business bankruptcies	397	43.8	-15.0
Income and Finance			
Proprietors' income (\$billion)	7	6.7	42.5
Bank branches	1,490	3.1	19.5
No. of bus. loans under \$100,000	60,750	-5.7	NA
Total value of business loans under \$100,000 (\$million)	1,660	-4.6	NA

Sources: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation, Summary of Deposits; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/lending.html).

† Latest available data; certain figures are economywide.

**Table 1. Firms and Employment in Arkansas by Industry and Firm Size, 2006
(Non-farm, thousands)**

Industry	Nonemployer firms	Employer firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	187.7	53.5	46.0	51.9	1,042.0	193.0	508.3
Forestry, etc. and agriculture support	4.5	0.8	0.7	0.8	5.5	3.2	4.4
Mining	1.2	0.3	0.2	0.3	5.0	1.0	2.5
Utilities	0.2	0.2	0.1	0.2	7.1	0.5	2.9
Construction	35.8	6.5	5.9	6.4	53.9	23.3	49.4
Manufacturing	2.6	2.8	1.8	2.5	200.6	10.1	52.6
Wholesale trade	2.9	2.9	2.1	2.6	48.8	10.0	28.2
Retail trade	18.4	8.0	7.0	7.8	145.0	33.0	62.9
Transportation and warehousing	11.0	2.3	1.9	2.1	63.0	6.8	17.7
Information	1.6	0.6	0.4	0.5	23.6	2.1	5.0
Finance and insurance	6.5	2.5	2.1	2.3	37.9	6.1	19.1
Real estate and rental and leasing	16.7	2.5	2.3	2.5	14.3	6.0	10.1
Professional, scientific, and technical svcs.	16.4	5.2	4.9	5.1	38.2	15.9	27.6
Management of companies and enterprises	--	0.3	0.0	0.2	29.8	0.1	3.0
Admin., support, waste mgt., remed. svcs.	15.7	2.2	1.8	2.1	52.6	6.8	25.0
Educational services	2.7	0.4	0.3	0.4	12.9	1.5	8.6
Health care and social assistance	11.5	5.5	4.7	5.4	159.0	22.4	79.1
Arts, entertainment, and recreation	4.7	0.8	0.7	0.8	9.2	2.7	7.7
Accommodation and food services	2.4	3.9	2.9	3.8	90.2	17.5	61.9
Other services (except public admin.)	32.9	6.4	6.0	6.4	45.2	23.9	40.5
Unclassified	--	0.1	0.1	0.1	0.2	0.2	0.2

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advo/research/data.html 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, 2002–2005 (Non-farm)

	Total	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
2003 - 2004	18,701	8,507	3,986	2,446	1,776	-341	16,374	2,327
2002 - 2003	13,456	9,211	3,313	1,829	4,221	-1,848	16,726	-3,270

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2007 (Non-farm, thousands)

	Establishments				Employment			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 4	3.3	14.5	14.3	2.7	10.7	49.6	46.4	8.0
Quarter 3	3.2	14.1	14.4	2.9	10.0	46.2	47.2	9.3
Quarter 2	2.6	14.1	14.8	2.9	9.2	45.7	53.1	8.4
Quarter 1	3.1	14.9	13.8	3.1	9.6	51.1	43.8	9.0

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: The establishment turnover figures contain all firm sizes, but Census data from 2005 showed that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.