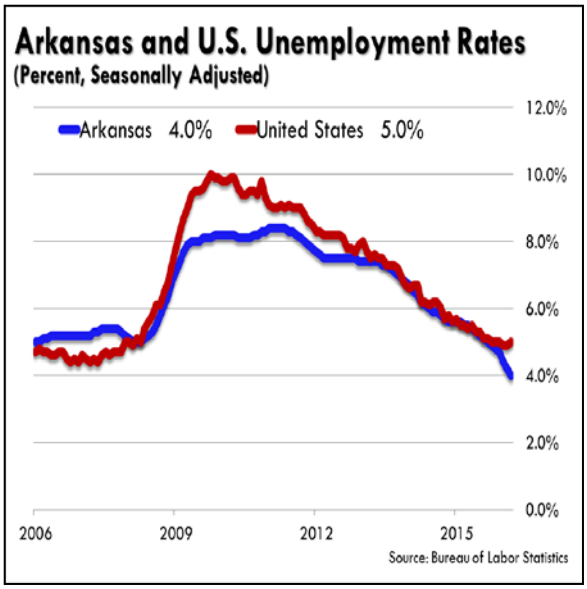
Arkansas Economic Update

April 15, 2016

Summary

Nonfarm payroll employment in Arkansas declined by 3,900 jobs and the unemployment rate fell to 4.0 percent in March according to data released by the Bureau of Labor Statistics (BLS).

Arkansas Unemployment Rate



During March, the unemployment rate in Arkansas declined by 0.2 percentage point to 4.0 percent. The number of people counted as unemployed fell by 2,307 in March to 55,007, while the labor force grew by 7,262 to 1,358,908. Among the 50 states and the District of Columbia, 13 posted lower unemployment rates for the month than Arkansas. A year earlier, the unemployment rate in Arkansas stood at 5.5 percent.

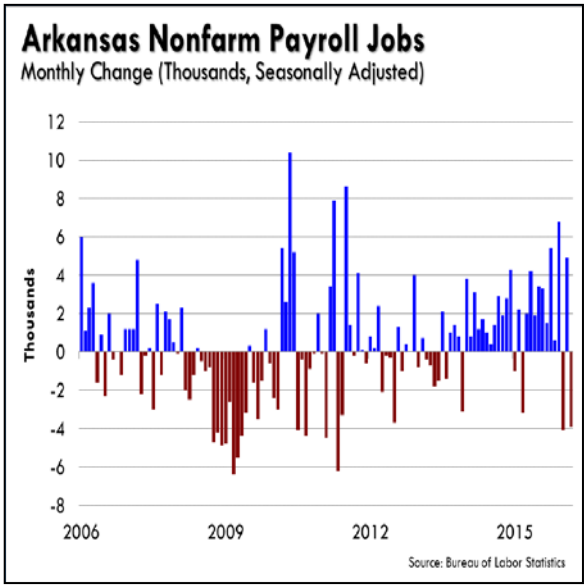
The 10 year peak for the unemployment rate in Arkansas was 8.4 percent in May 2011. The series high for the unemployment rate in Arkansas occurred in February 1983 when the unemployment rate reached 10.3 percent. The 10 year low for the unemployment rate was 4.0 percent in March 2016. This also represents the series low for the unemployment rate in Arkansas. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate rose by 0.1 percentage point to 5.0 percent in March. March's unemployment rate was 0.5 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.

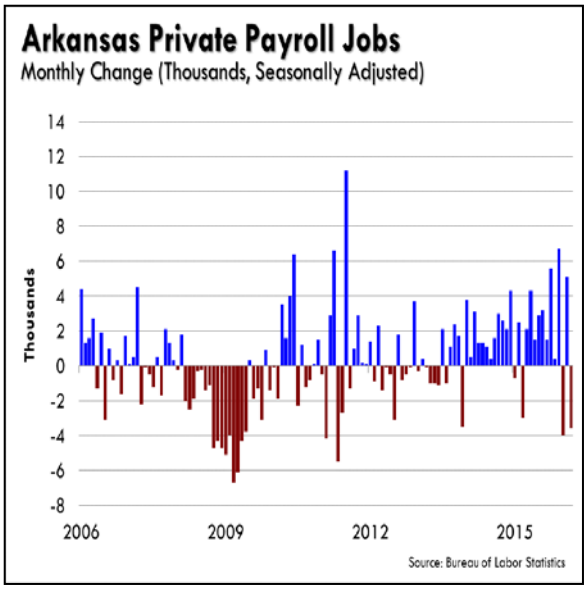
Prepared by the Joint Economic Committee
Senator Dan Coats, Chairman Representative Pat Tiberi, Vice Chairman

Arkansas Payroll Employment

Arkansas nonfarm payrolls declined by 3,900 jobs, or 0.32 percent, on a seasonally adjusted basis during March. In the prior month, nonfarm payrolls increased by 4,900. Over the past 12 months nonfarm payrolls in Arkansas increased by 26,000, or 2.17 percent. Arkansas nonfarm payroll employment has increased in 10 of the past 12 months.



Nationally, nonfarm payrolls increased by 215,000 jobs in March, or 0.15 percent. Over the 12-month period ending March 2016 nonfarm payrolls grew by 2,802,000 jobs, or 1.99 percent. Arkansas ranks 19th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.



During March, Arkansas private sector payrolls declined by 3,600, or 0.35 percent. Private sector payrolls increased by 5,100 jobs in the prior month. Over the past 12 months, private sector payrolls in Arkansas increased by 25,700, or 2.61 percent. Arkansas private sector payroll employment has increased in 10 of the past 12 months.

Nationally private-sector payroll jobs increased by 195,000 jobs in 1.99, or 0.16 percent. Over the past 12 months, the nation's economy has added 2,681,000 jobs in the private sector, an increase of 2.25 percent. Arkansas ranks 19th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

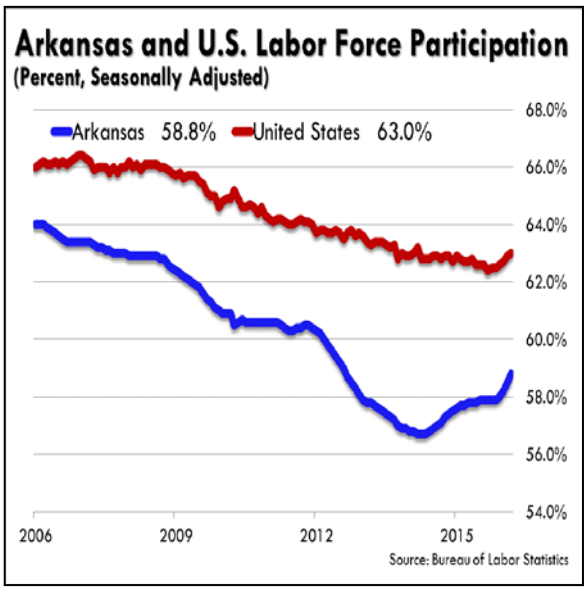
During March, total government payroll employment in Arkansas declined by 300, or 0.14 percent. Federal government payroll employment increased by 100, or 0.49 percent. State government payroll employment was unchanged, while local government payroll employment declined by 400, or 0.35 percent.

Over the past year, total government payroll employment increased by 300, or 0.14 percent. State government payroll employment increased by 500, or 0.64 percent. Local government payroll employment declined by 400, or 0.35 percent.

The best performing sectors on a seasonally adjusted basis during March were Professional & Business Services (+2,900) and Educational & Health Services (+500). The poorest performing sectors during the month were Trade, Transportation & Utilities (-2,400) and Manufacturing (-2,000).

The best performing sectors during the last twelve months were Professional & Business Services (+7,100) and Trade, Transportation & Utilities (+7,000). The poorest performing sectors for the year were Manufacturing (-2,100) and Mining & Logging (-1,300).

Other Arkansas Labor Force Statistics

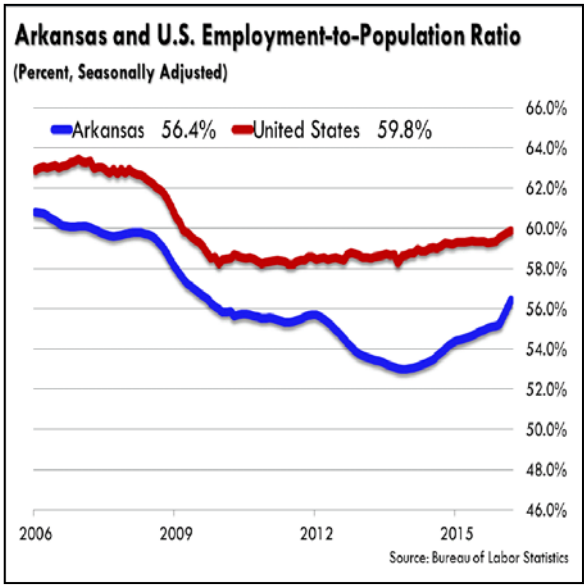


The labor force participation rate in Arkansas rose to 58.8 percent in March from 58.5 percent the prior month. Among the 50 states and the District of Columbia, 45 have a higher labor force participation rate than Arkansas. The labor force participation rate in Arkansas is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Arkansas was 63.9 percent in April 2006. The series high for the labor force participation rate in Arkansas occurred in January 1995 when the labor force participation rate hit 65.1 percent. The 10 year low for the labor force participation rate was 56.7 percent in May 2014. This also represents the series low for the labor force participation rate in Arkansas.

The national labor force participation rate rose by 0.1 percentage point to 63.0 percent in March, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Arkansas civilian noninstitutionalized population 16 years and older counted as employed, rose to 56.4 percent in March from 56.1 percent the prior month. Among the 50 states and the District of Columbia, 42 have higher employment-to-population ratios than Arkansas. The employment-to-population ratio in Arkansas is 1.9 percentage points higher than a year earlier.



The 10 year high for the employment-to-population ratio in Arkansas was 60.6 percent in April 2006. The series high for the employment-to-population ratio in Arkansas occurred in January 1995 when the employment-to-population ratio hit 62.0 percent. The 10 year low for the employment-to-population ratio was 53.0 percent in January 2014. The series low for the employment-to-population ratio occurred in March 2014 when the employment-to-population ratio hit 53.0 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.9 percent in March. That rate was 0.6 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for April is scheduled for release on May 20, 2016. The national employment situation report for April will be released on Friday, May 6, 2016.