



# Arkansas Economic Update

May 20, 2016

## Summary

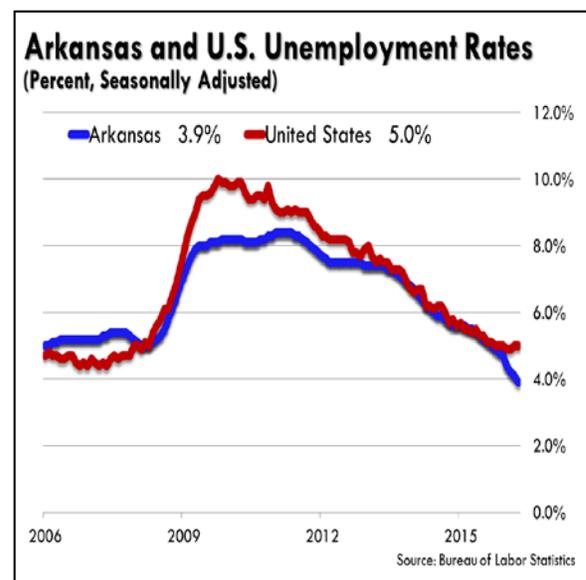
Nonfarm payroll employment in Arkansas increased by 700 jobs and the unemployment rate fell to 3.9 percent in April according to data released by the Bureau of Labor Statistics (BLS).

## Arkansas Unemployment Rate

During April, the unemployment rate in Arkansas declined by 0.2 percentage point to 3.9 percent. The number of people counted as unemployed fell by 2,449 in April to 52,683, while the labor force grew by 2,860 to 1,361,951. Among the 50 states and the District of Columbia, 12 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 3.9 percent in April 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 was unchanged at 5.0 percent in April. April's unemployment rate was 0.4 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.



## Arkansas Payroll Employment

Arkansas nonfarm payrolls increased by 700 jobs, or 0.06 percent, on a seasonally adjusted basis during April. In the prior month, nonfarm payrolls declined by 3,400. Over the past 12 months nonfarm payrolls in Arkansas increased by 25,200, or 2.10 percent.

Arkansas nonfarm payroll employment has increased in 10 of the past 12 months.

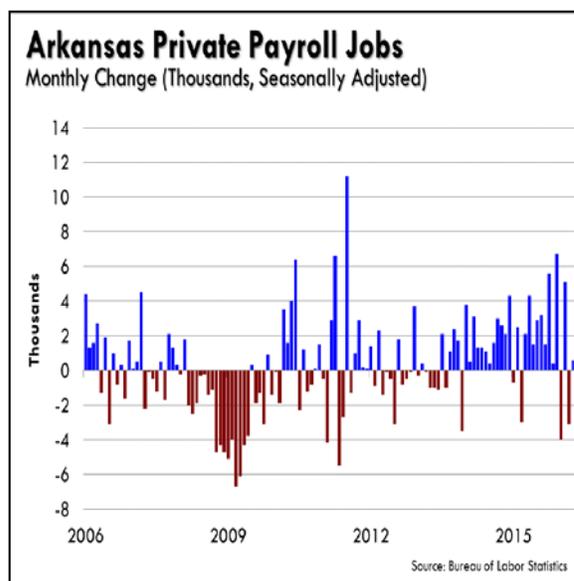
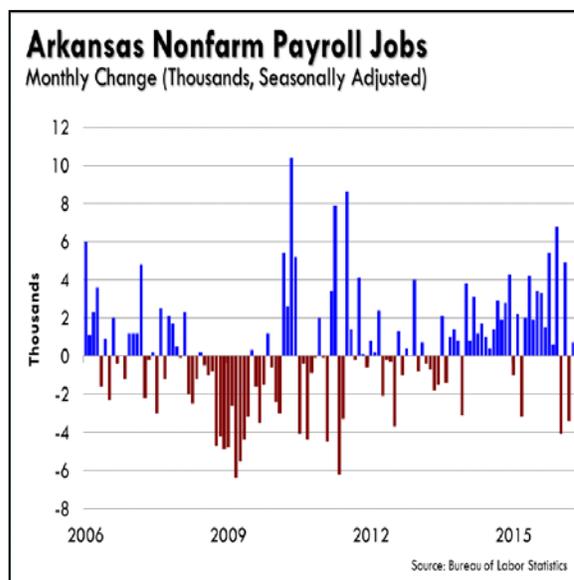
Nationally, nonfarm payrolls increased by 160,000 jobs in April, or 0.11 percent. Over the 12-month period ending April 2016 nonfarm payrolls grew by 2,692,000 jobs, or 1.91 percent. Arkansas ranks 19th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During April, Arkansas private sector payrolls increased by 600, or 0.06 percent. Private sector payrolls declined by 3,100 jobs in the prior month. Over the past 12 months, private sector payrolls in Arkansas increased by 24,700, or 2.50 percent. Arkansas private sector payroll employment has increased in 10 of the past 12 months.

Nationally private-sector payroll jobs increased by 171,000 jobs in 1.91, or 0.14 percent. Over the past 12 months, the nation's economy has added 2,586,000 jobs in the private sector, an increase of 2.17 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 April, total government payroll employment in Arkansas increased by 100, or 0.05 percent. Federal government payroll employment was unchanged. State government payroll employment increased by 100, or 0.13 percent, while local government payroll employment was unchanged.



Over the past year, total government payroll employment increased by 500, or 0.24 percent. State government payroll employment increased by 600, or 0.77 percent. Local government payroll employment declined by 200, or 0.18 percent.

The best performing sectors on a seasonally adjusted basis during April were Construction (+1,100) and Trade, Transportation & Utilities (+800). The poorest performing sectors during the month were Leisure & Hospitality (-1,300) and Educational & Health Services (-400).

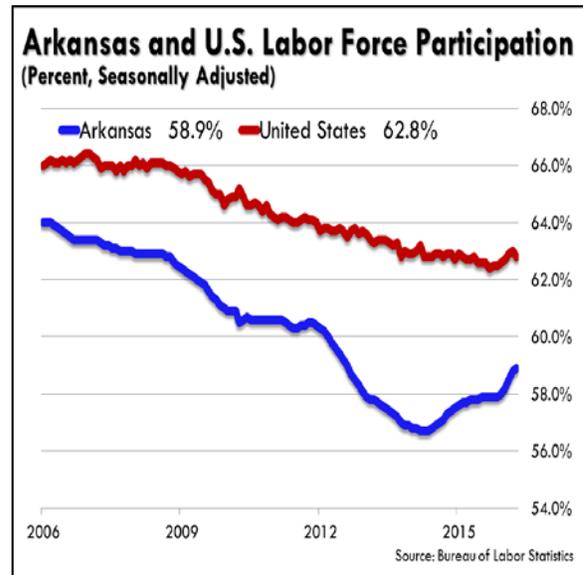
The best performing sectors during the last twelve months were Trade, Transportation & Utilities (+7,600) and Professional & Business Services (+5,800). The poorest performing sectors for the year were Manufacturing (-1,200) and Mining & Logging (-1,200).

#### Other Arkansas Labor Force Statistics

The labor force participation rate in Arkansas rose to 58.9 percent in April from 58.8 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 63.8 percent in May 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 declined by 0.2 percentage point to 62.8 percent in April 2016, 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 56.6 percent in April from 56.4 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 2.0 percentage points higher than a year earlier.

The 10 year high for the employment-to-population ratio in Arkansas was 60.5 percent in May 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 declined by 0.2 percentage point to 59.7 percent in April. That rate was 0.4 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 May is scheduled for release on June 17, 2016. The national employment situation report for May will be released on Friday, June 3, 2016.

