



Arkansas Economic Update

January 27, 2016

Summary

Nonfarm payroll employment in Arkansas increased by 8,900 jobs and the unemployment rate decreased to 4.8 percent in December according to data released by the Bureau of Labor Statistics (BLS).

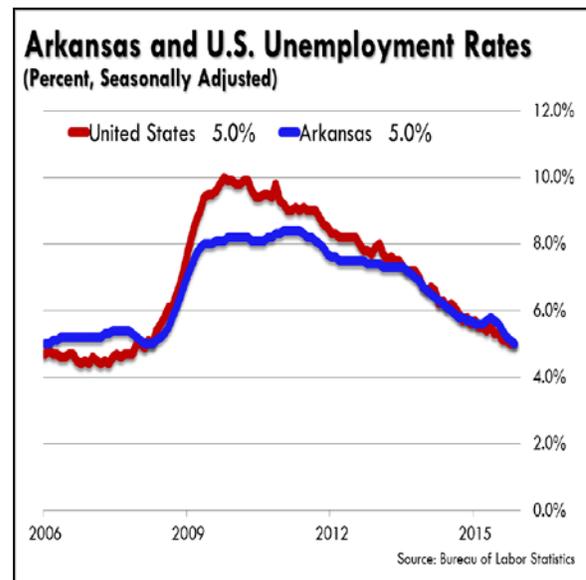
Arkansas Unemployment Rate

During December, the unemployment rate in Arkansas decreased to 4.8 percent. The number of people counted as unemployed decreased by 2,300 in December to 64,600, while the labor force increased by 1,500 to 1,337,600. A year earlier, the unemployment rate in Arkansas stood at 5.7 percent.

The 10-year peak for the unemployment rate in Arkansas was 8.4 percent in February 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 in Arkansas was 4.8 percent in December 2015.

The series low for the unemployment rate in Arkansas occurred in September 2000 when the unemployment rate reached 4.2 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 5.0 percent in December. December's unemployment rate was 0.6 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 2006.



Arkansas Payroll Employment

Arkansas nonfarm payrolls increased by 8,900 jobs, or 0.73 percent, on a seasonally adjusted basis during December. In the prior month, nonfarm payrolls decreased by 1,000. Over the past 12 months nonfarm payrolls in Arkansas increased by 19,400, or 1.6 percent. Arkansas nonfarm payroll employment has increased in 9 of the past 12 months.

Nationally nonfarm payrolls rose by 292,000 in December, or 0.21 percent. Over the 12-month period ending in December 2015 nonfarm payrolls have increased by 2,650,000 jobs, or 1.9 percent.

During December, Arkansas private sector payrolls increased by 8,900 or 0.9 percent. Private sector payrolls decreased by 1,100 jobs in the prior month. Over the past 12 months, private sector payrolls in Arkansas increased by 19,800, or 2.0 percent. Arkansas private sector payroll employment has increased in 9 of the past 12 months.

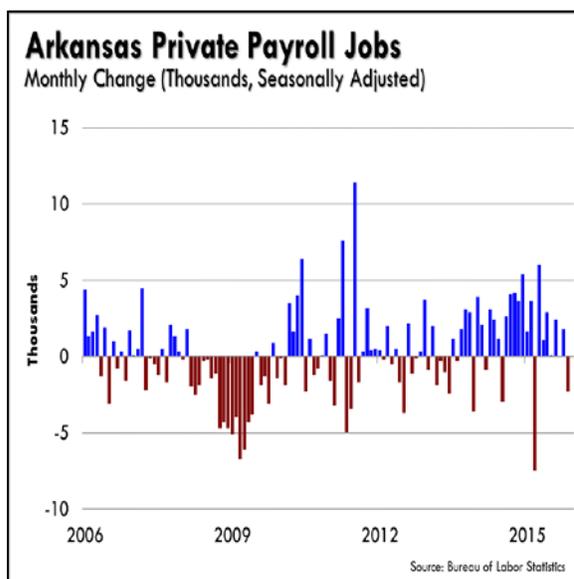
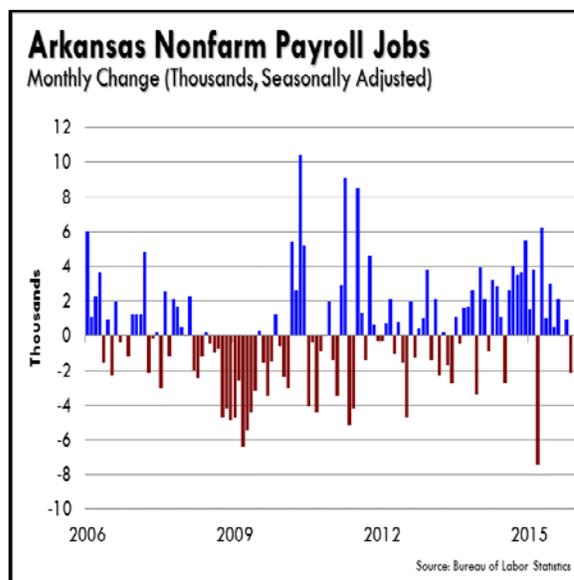
Nationally, private-sector payroll jobs increased by 275,000 in December, or 0.23 percent. Over the past 12 months, the nation's economy has added 2,551,000 jobs in the private sector, an increase of 2.1 percent.

During December, total government payroll employment in Arkansas remained unchanged.

Federal government payroll employment also remained unchanged. State government payroll employment increased by 100, or 0.13 percent, while local government payroll employment decreased by 100, or 0.09 percent.

Over the past year, total government payroll employment decreased by 500, or 0.23 percent. State government payroll employment increased by 600, or 0.77 percent. Local government payroll employment decreased by 1,300, or 1.13 percent.

The best performing sectors on a seasonally adjusted basis during December were Leisure and Hospitality (+3,300) and Trade, Transportation, and Utilities (+1,800). The poorest



performing sectors during the month were Financial Activities (-500) and Government (+0).

The best performing sectors during the last twelve months were Education and Health Services (+7,000) and Professional and Business Services (+6,400). The poorest performing sectors for the year were Manufacturing (-4,500) and Government (-500).

Other Arkansas Labor Force Statistics

The labor force participation rate in Arkansas remained unchanged at 58.0 percent in December. The labor force participation rate in Arkansas is above its level 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.

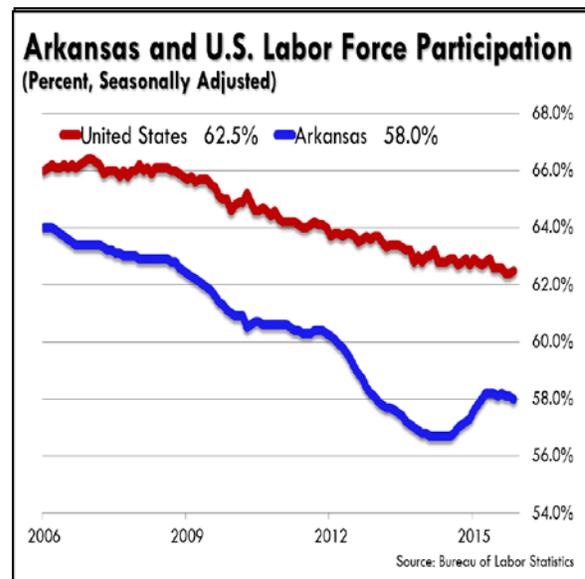
The 10-year high for the labor force participation rate in Arkansas was 64.0 percent in March 2006. The series high for the labor force participation rate in Arkansas occurred in January 1995, when the labor force participation rate hit 65.1 percent. The 10-year low for the labor force participation rate was 56.7 percent in July 2014.

The national labor force participation rate increased to 62.6 percent in December. That rate was 0.1 percentage point lower than a year earlier. At 62.6 percent, the labor force participation rate remains near its post-recession low.

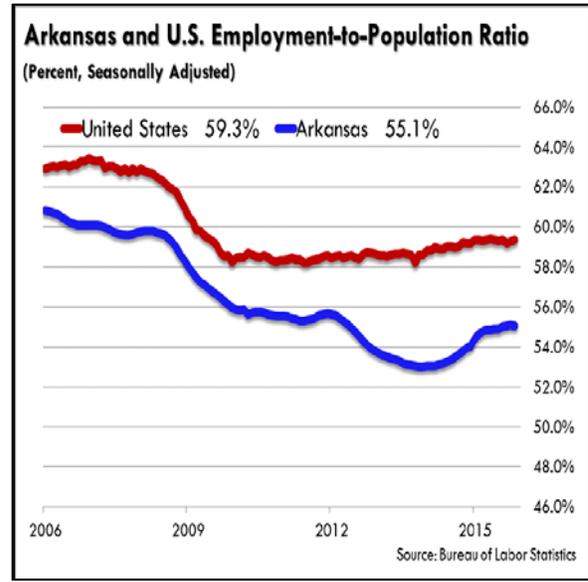
The employment-to-population ratio, or the percentage of the Arkansas civilian noninstitutionalized population 16 years and older counted as employed, increased to 55.2 percent in December. The employment-to-population ratio in Arkansas is 1.2 percentage point higher than a year earlier.

The 10-year high for the employment-to-population ratio in Arkansas was 60.8 percent in February 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 December 2013. The series low for the employment-to-population ratio occurred in February 1976 when the employment-to-population ratio hit 53.0 percent.



The national employment-to-population ratio rose by 0.1 percentage point to 59.5 percent in December. That rate was 0.3 percentage point higher than a year earlier, and 0.1 percentage point higher than it was when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent 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 January is scheduled for release on March 14th. The national employment situation report for January will be released on Friday, February 5th.