

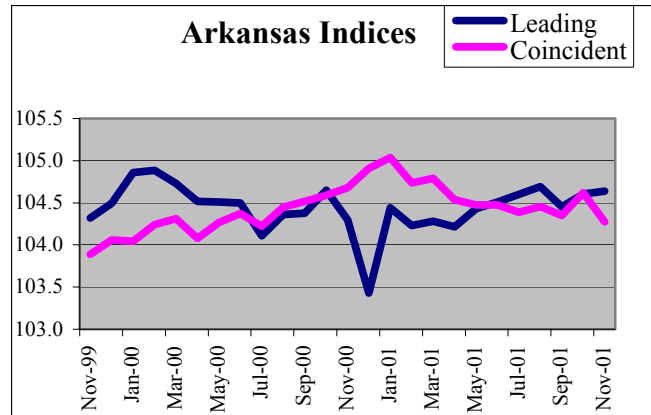


SAM M. WALTON COLLEGE of BUSINESS

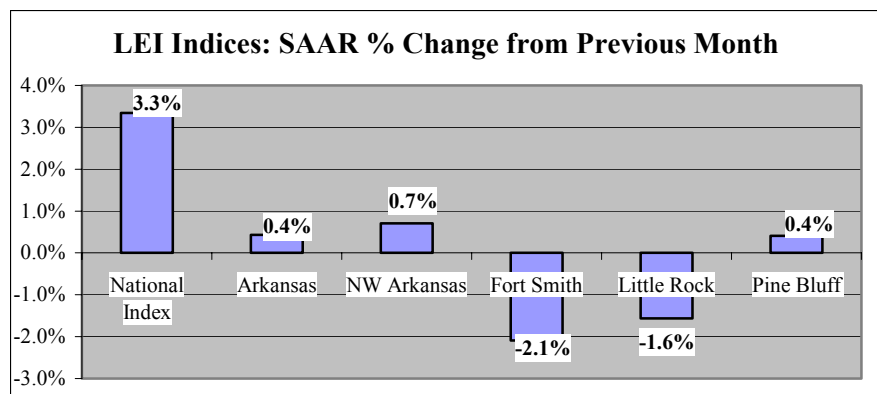
Center for Business and Economic Research

Forecasting Trends: Arkansas Indices of Economic Indicators, November 2001

The Arkansas Index of Leading Economic Indicators, which gauges economic conditions in the state six to nine months hence increased by a seasonally adjusted annual rate (SAAR) of 0.4% in November, after increasing by a SAAR of 1.7% in October. The index's positive contributors, from largest to smallest contribution, were a 3.3% SAAR increase in the national index of leading economic indicators, a 0.7% increase in construction employment, a 4.5% increase in the number of filings for new incorporations, and a 5.6% decline in the number of initial claims for unemployment insurance. The index's negative contributors, from larger to smaller contribution, were a 1.3% decline in average weekly manufacturing hours (AWMH) from a revised 39.8 hours in October to 39.3 hours in November and an 11.0% decline in the value of new building permits. The leading index now stands at 104.6, unchanged from its revised October level. Overall, the data suggest marginally more favorable economic conditions in the state in the second quarter of 2002.



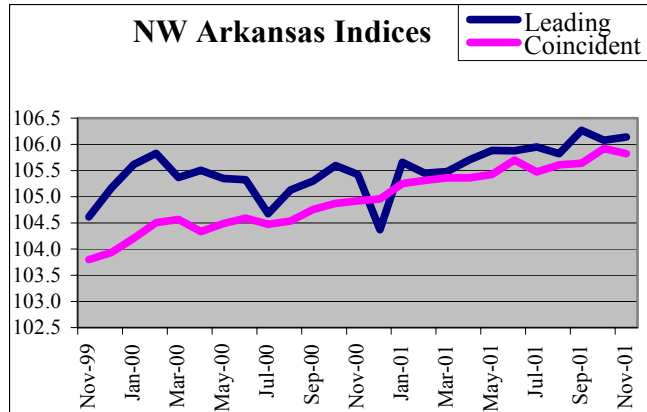
The Northwest Arkansas Leading Index of Economic Indicators, which incorporates data for the Fayetteville-Springdale-Rogers Metropolitan Statistical Area (MSA), increased by a SAAR of 0.7% in November and was the only MSA index to



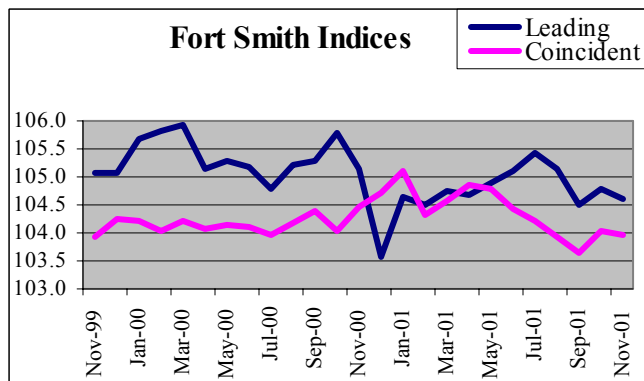
perform relatively better than the state's leading index. The leading index for the Pine Bluff MSA increased by a SAAR of 0.4% in November. The leading indices for the Little Rock and Fort Smith MSAs declined in November by SAARs of 1.6% and 2.1%, respectively.

After declining by a SAAR of 2.1% in October, the Northwest Arkansas Index of Leading Economic Indicators increased by a SAAR of 0.7% in November. The index's positive

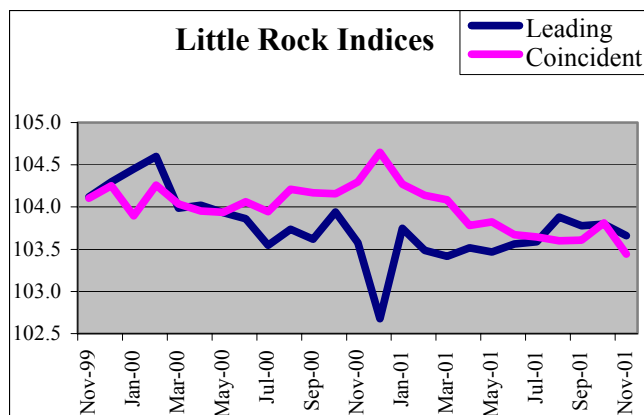
contributors, from larger to smaller contribution, were a 1.1% increase in construction employment and the 0.4% SAAR increase in the state's leading index. The index's negative contributors, from larger to smaller contribution, were a 1.0% decline in AWMH from a revised 39.4 hours in October to 39.0 hours in November and a 2.4% decline in the value of new building permits. The leading index now stands at 106.1, unchanged from its revised October level. Overall, the data suggest marginally more favorable economic conditions in Northwest Arkansas in the second quarter of 2002.



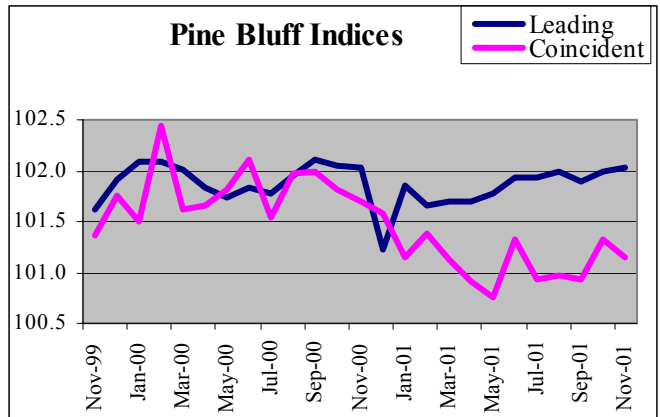
After increasing by a SAAR of 3.3% in October, the Fort Smith Index of Leading Economic Indicators declined by a SAAR of 2.1% in November. The index's positive contributors, from larger to smaller contribution, were the 0.4% increase in the state's leading index and a 7.2% increase in the value of new building permits. The index's negative contributors, from larger to smaller contribution, were a 2.0% decline in AWMH from a revised 39.5 hours in October to 38.7 hours in November and a 1.0% decline in construction employment. The leading index now stands at 104.6, down from a revised 104.8 in October. Overall, the data suggest less favorable economic conditions in Fort Smith in the second quarter of 2002.



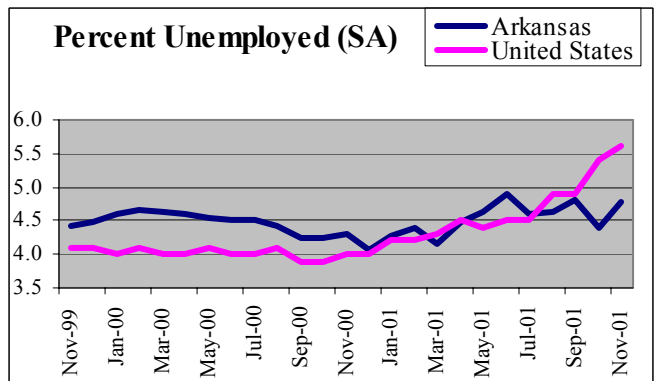
After increasing by a revised SAAR of 0.2% in October, the Little Rock Index of Leading Economic Indicators declined by a SAAR of 1.6% in November. The index's positive contributors, from larger to smaller contribution, were a 0.2% increase in construction employment and the 0.4% SAAR increase in the state's leading index. The index's negative contributors, from larger to smaller contribution, were a 2.9% decline in AWMH from a revised 40.7 hours in October to 39.5 hours in November and a 12.8% decline in the value of new building permits. The leading index now stands at 103.7, down from a revised 103.8 in October. Overall, the data suggest less favorable economic conditions in the capital city in the second quarter of 2002.



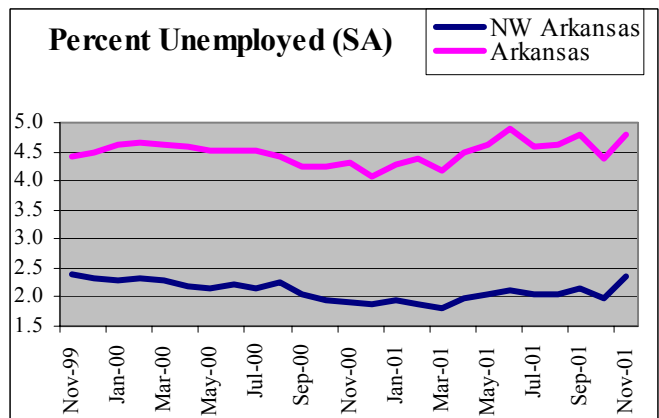
After increasing by a revised SAAR of 1.1% in October, the Pine Bluff Index of Leading Economic Indicators increased by a SAAR of 0.4% in November. The index's positive contributors, from largest to smallest contribution, were a 2.3% increase in construction employment, an 18.2% increase in the value of new building permits, and the 0.4% increase in the state's leading index. The index's sole negative contributor was a 0.6% decline in AWMH from a revised 40.4 hours in October to 40.2 hours in November. The leading index now stands at 102.0, unchanged from its revised October level. Overall, the data suggest marginally more favorable economic conditions in Pine Bluff in the second quarter of 2002.



The Arkansas Index of Coincident Economic Indicators, which gauges current economic conditions in the state, erased its October gains in November, falling by a SAAR of 3.9%. Non-farm employment in November held at its October level. The index's two negative contributors, from larger to smaller contribution, were a 0.4% increase in the unemployment rate and a 6.7% decline in taxable sales. The unemployment rate in Arkansas stood at 4.8% in November, 0.5% higher than in November 2000; the U.S. unemployment rate stood at 5.6% in November 2001 and 4.0% in November 2000. The coincident index now stands at 104.3, down from a revised 104.6 in October. Overall, the data suggest economic conditions in the state worsened in November.

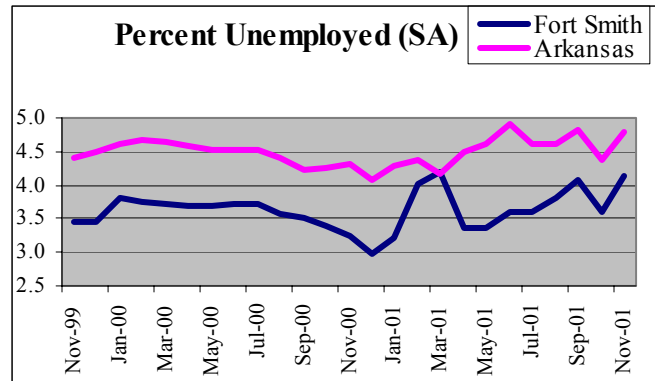


After increasing for three consecutive months, the Northwest Arkansas Index of Coincident Economic Indicators declined by a SAAR of 1.1% in November. The index's positive contributors, from larger to smaller contribution, were a 0.5% increase in non-farm employment and a 4.4% increase in taxable sales. The index's negative contributor was a 0.4% increase in the unemployment rate. The unemployment rate in Northwest Arkansas stood at 2.4% in November, 0.5% higher than in November

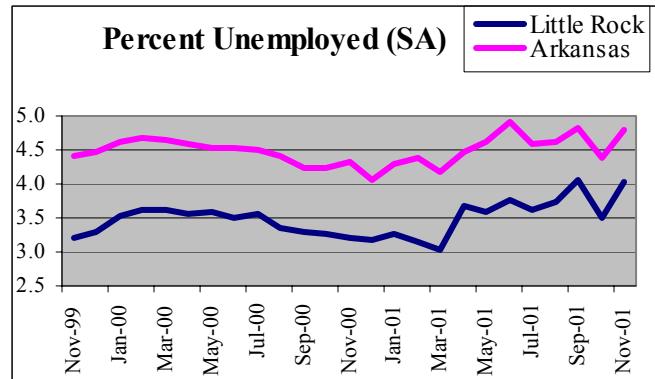


2000. The coincident index now stands at 105.8, down from a revised 105.9 in October. Overall, the data suggest economic conditions worsened in Northwest Arkansas in November.

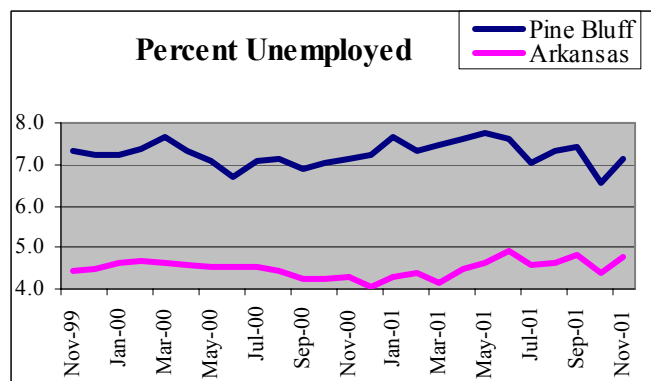
After increasing by a revised SAAR of 4.8% in October, the Fort Smith Index of Coincident Economic Indicators declined by a SAAR of 0.8% in November. The index's positive contributor was a 0.8% increase in non-farm employment. Taxable sales in November held steady at its October level. The index's negative contributor was a 0.5% increase in the unemployment rate. The unemployment rate in Fort Smith stood at 4.2% in November, 0.9% higher than in November 2000. The coincident index now stands at 104.0, down from a revised 104.1 in October. Overall, the data suggest economic conditions in Fort Smith worsened in November.



The Little Rock Index of Coincident Economic Indicators erased gains made in the previous two months, declining by a SAAR of 4.2% in November. The index's sole positive contributor was a 1.1% increase in taxable sales. The index's negative contributors, from larger to smaller contribution, were a 0.5% increase in the unemployment rate and a 0.2% decline in non-farm employment. The unemployment rate in Little Rock stood at 4.0% in November, 0.8% higher than in November 2000. The coincident index now stands at 103.4, down from a revised 103.8 in October. Overall, the data suggest economic conditions in the capital city worsened in November.



The Pine Bluff Index of Coincident Economic Indicators, after increasing by a SAAR of 4.9% in October, declined by a SAAR of 2.1% in November. The index's positive contributors, from larger to smaller contribution, were a 3.5% increase in taxable sales and a 0.2% increase in non-farm employment. The index's sole negative contributor was a 0.5% increase in the unemployment rate. The unemployment rate in Pine Bluff stood at 7.1% in November, equal to its level in November 2000. The coincident index now stands at 103.1, down from a revised 103.2 in October. Overall, the data suggest economic conditions in Pine Bluff worsened in November.



The coincident index now stands at 103.1, down from a revised 103.2 in October. Overall, the data suggest economic conditions in Pine Bluff worsened in November.