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The Economic Impact of the Fayetteville Shale in White County

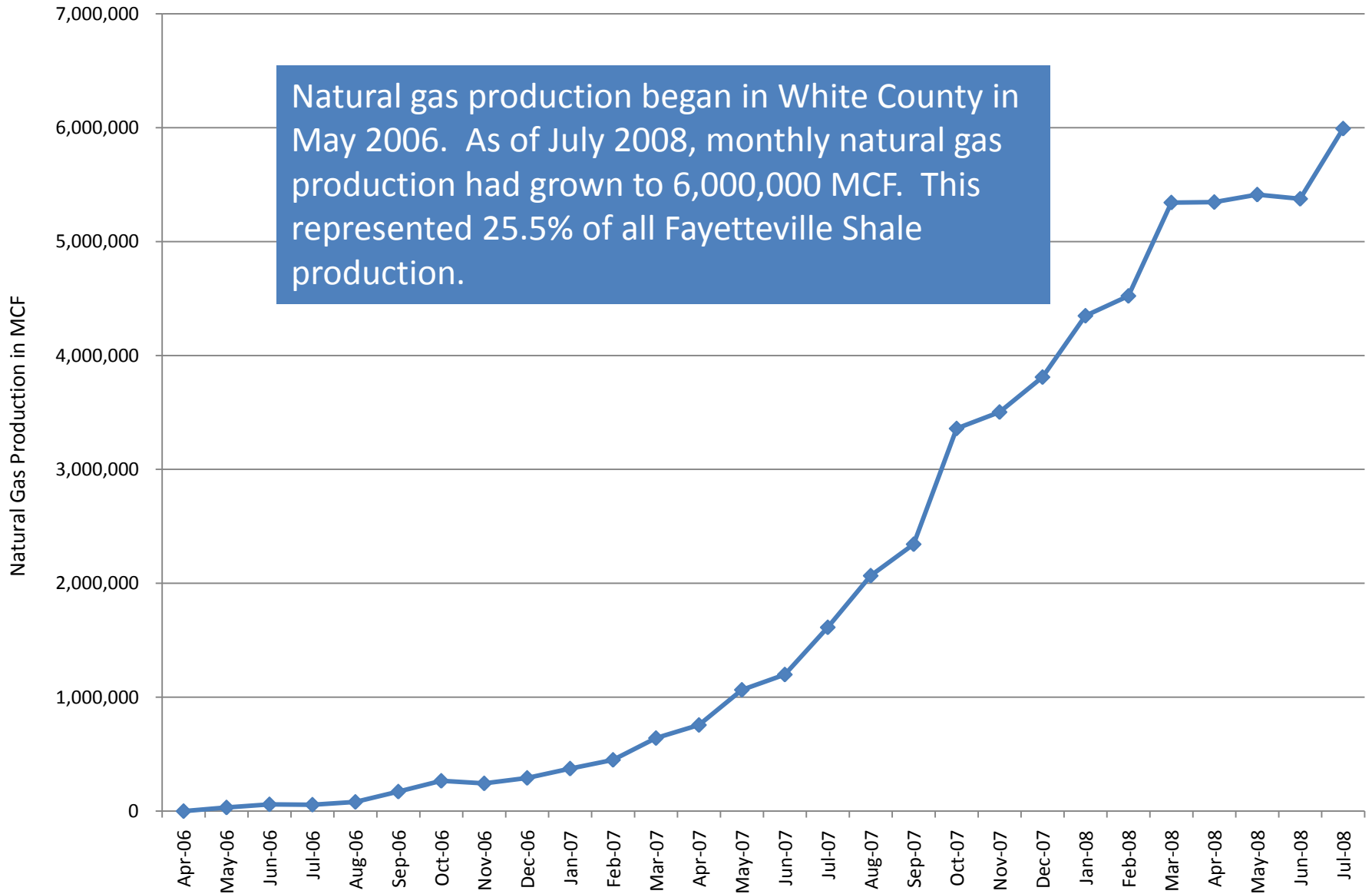
Kathy Deck, Director

Center for Business and Economic Research

Sam M. Walton College of Business

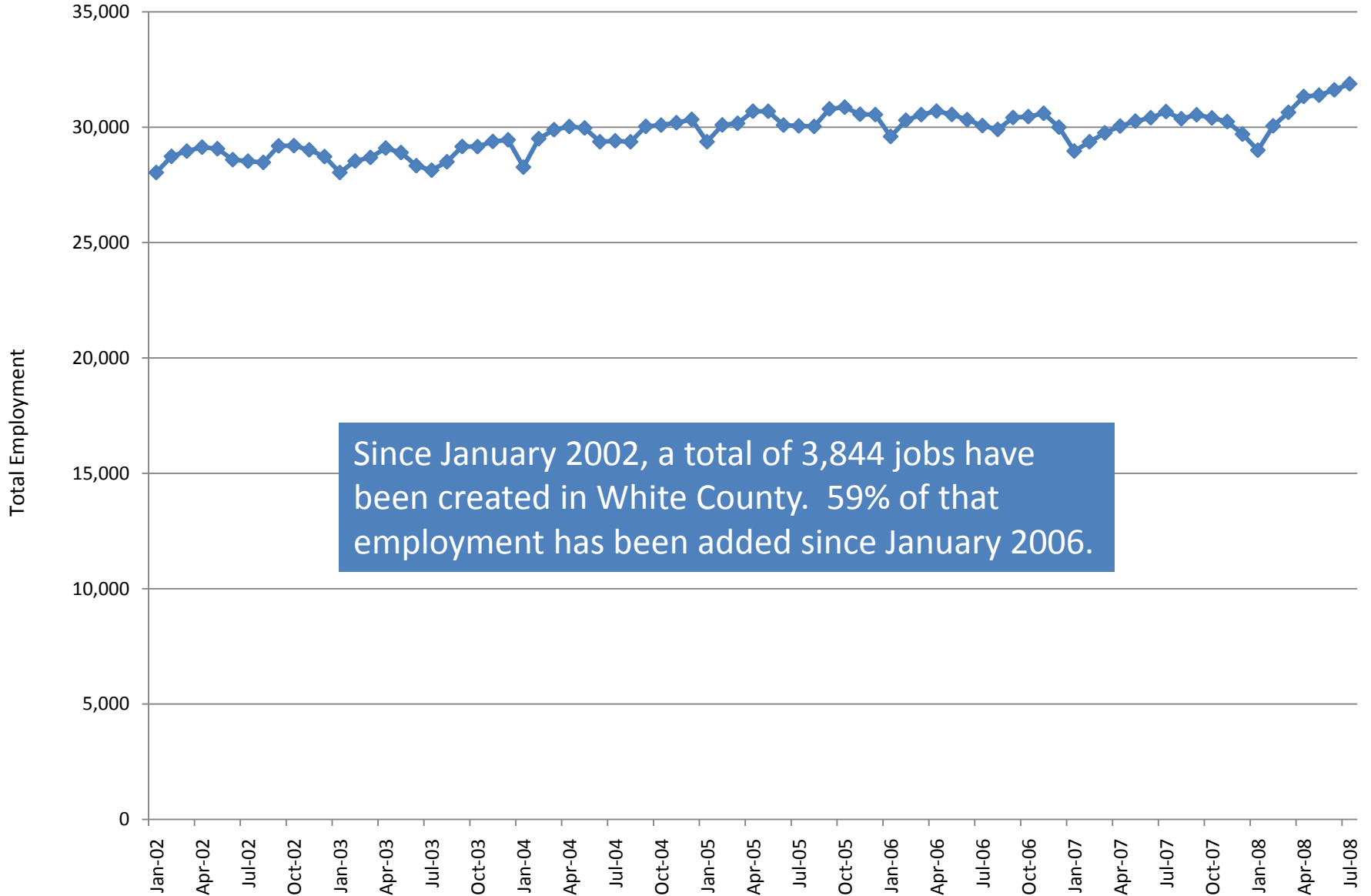
University of Arkansas

2002-2008 White County Natural Gas Production



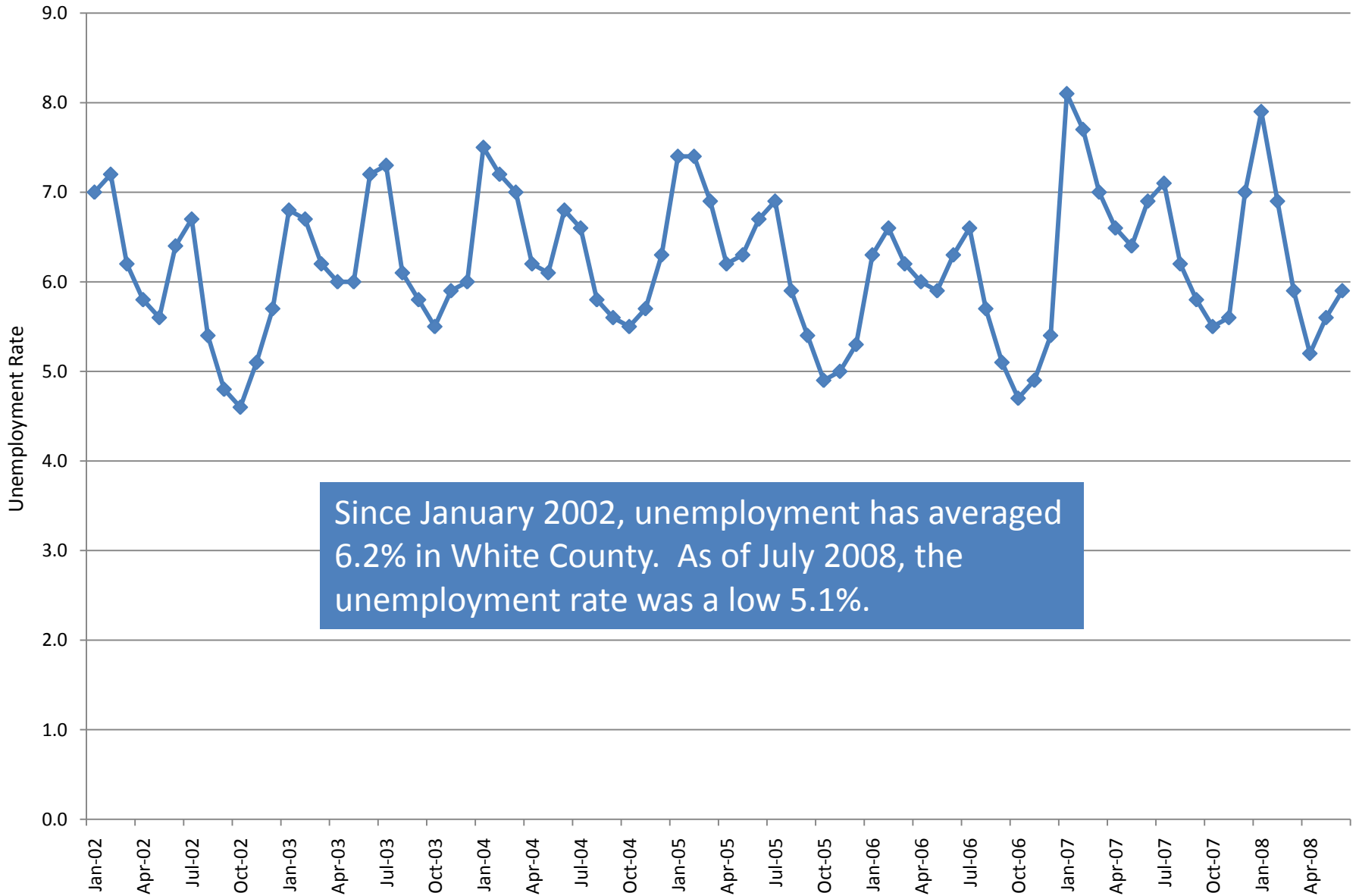
Source: Arkansas Oil and Natural Gas Commission

2002-2008 White County Total Employment



Source: Bureau of Labor Statistics

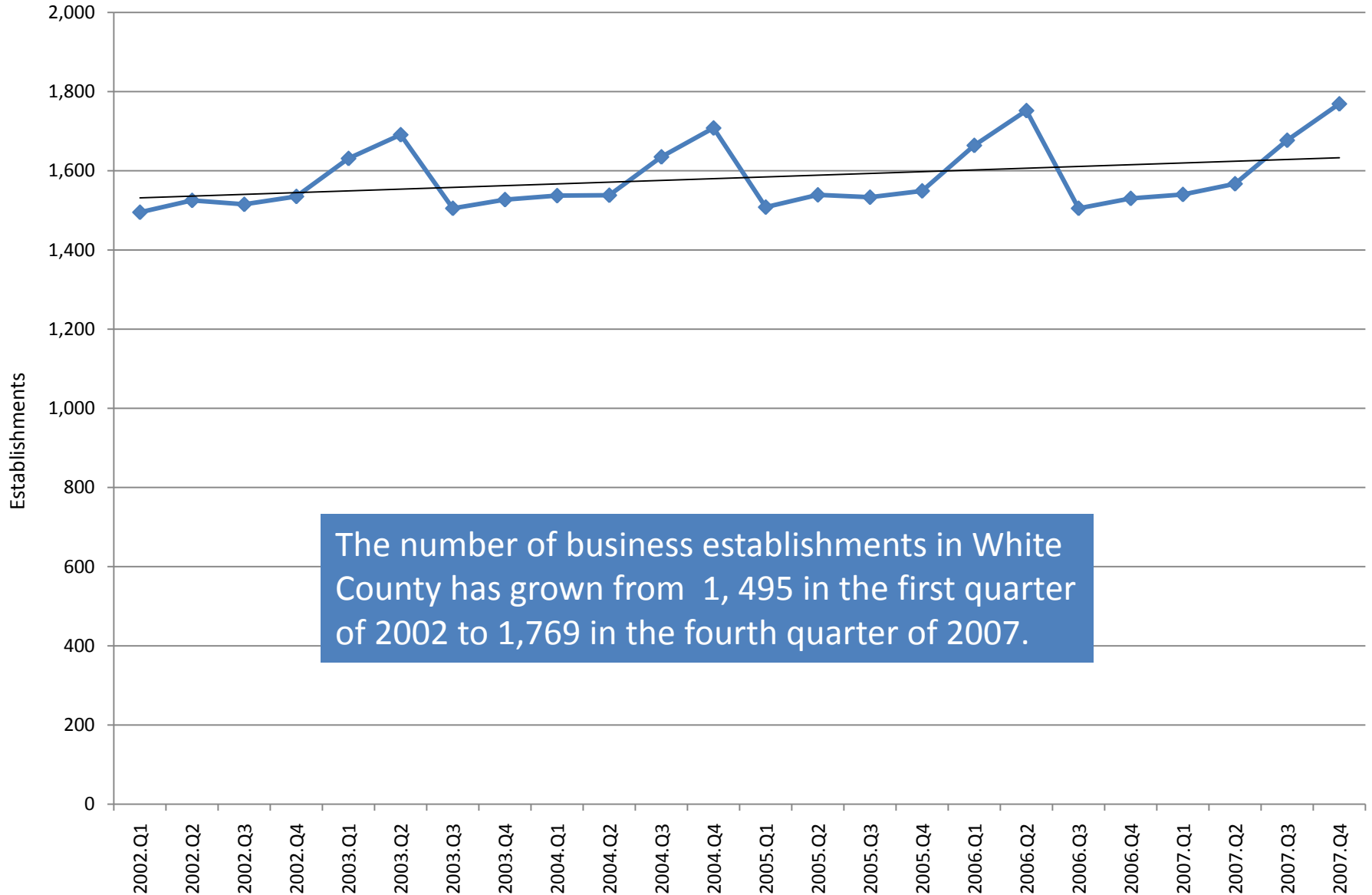
2002-2008 White County Unemployment Rate



Since January 2002, unemployment has averaged 6.2% in White County. As of July 2008, the unemployment rate was a low 5.1%.

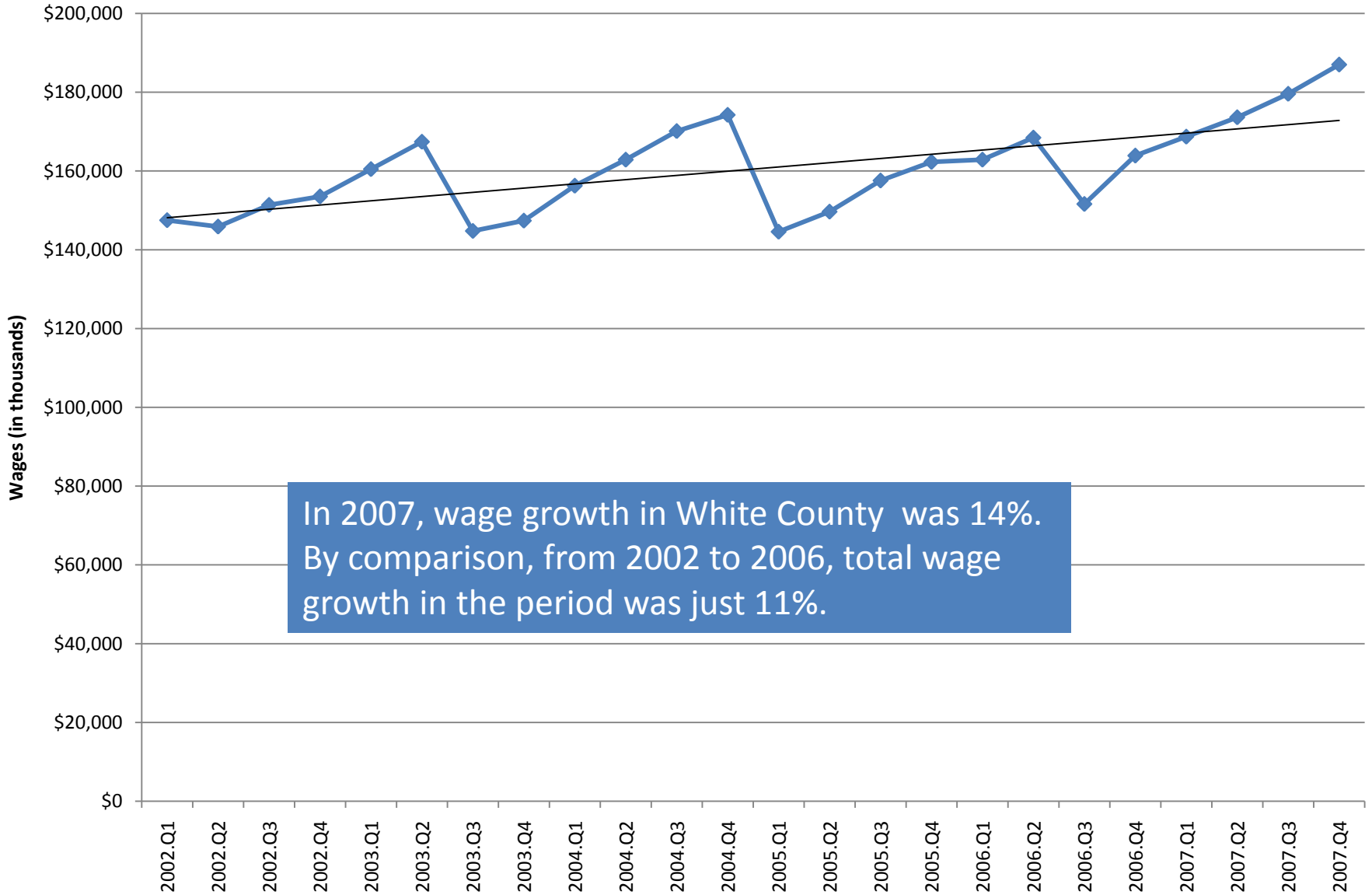
Source: Bureau of Labor Statistics

2002-2007 White County Number of Establishments



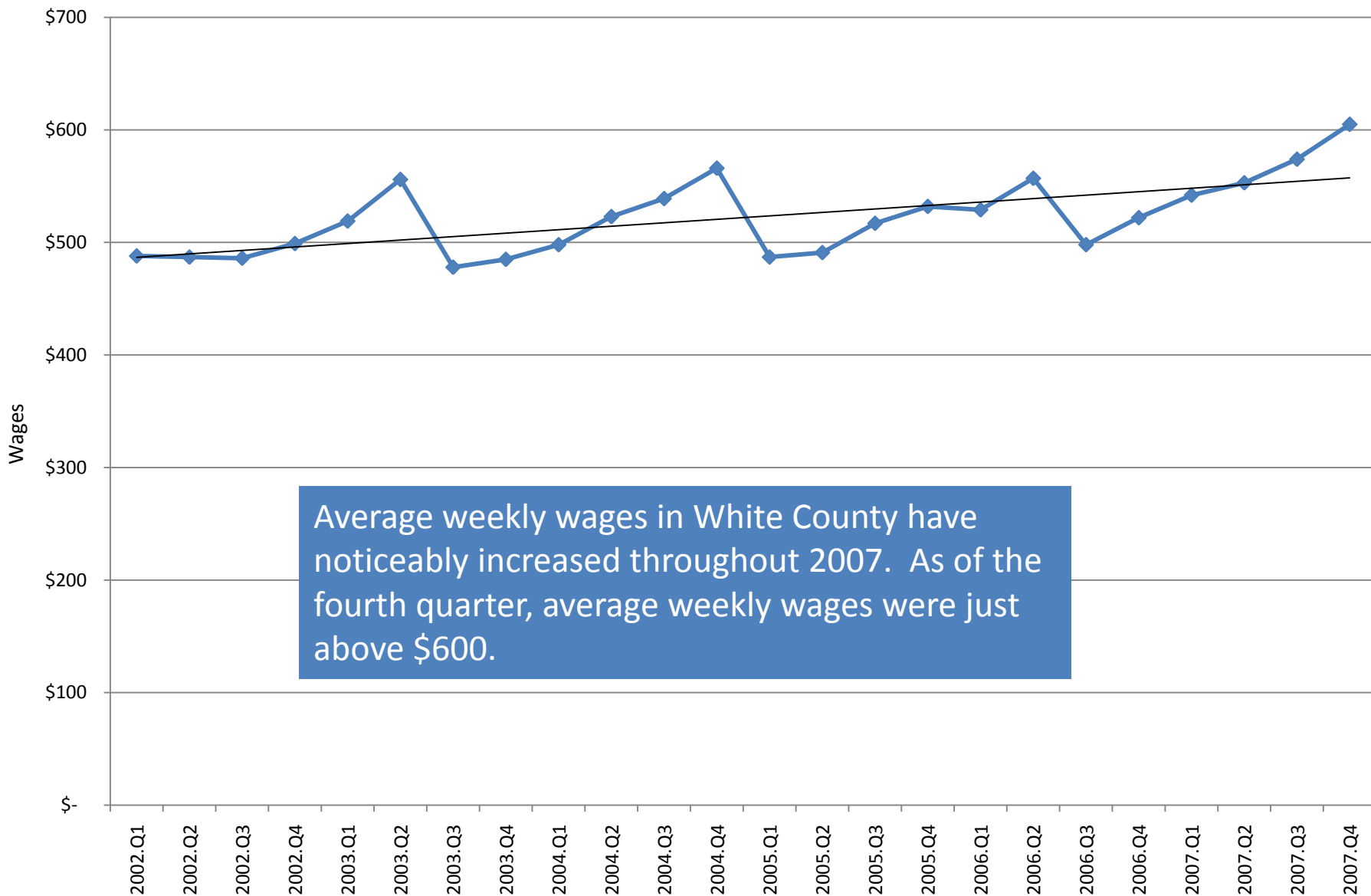
Source: Bureau of Labor Statistics

2002-2008 White County Total Wages



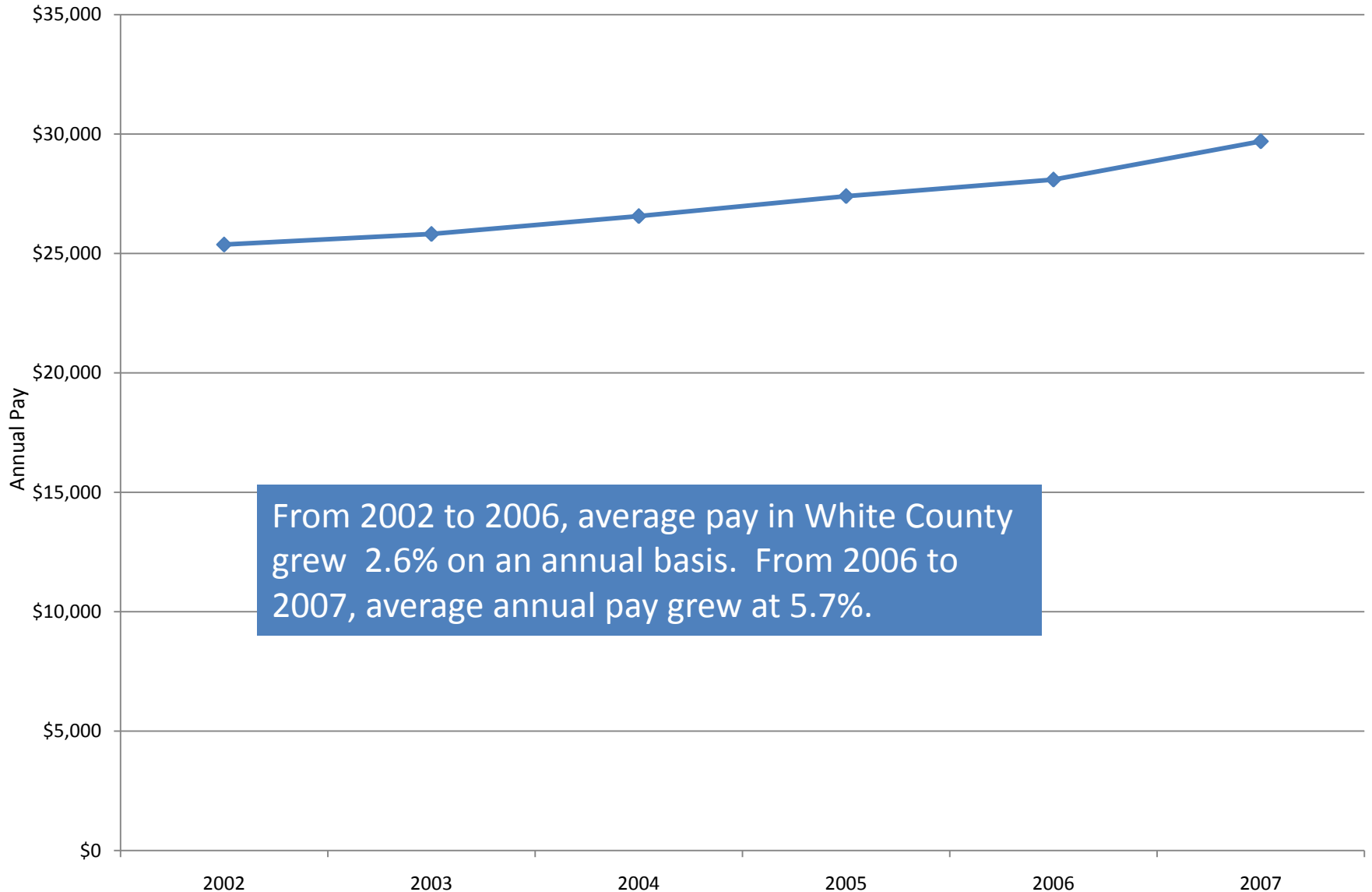
Source: Bureau of Labor Statistics

2002-2007 White County Average Weekly Wage



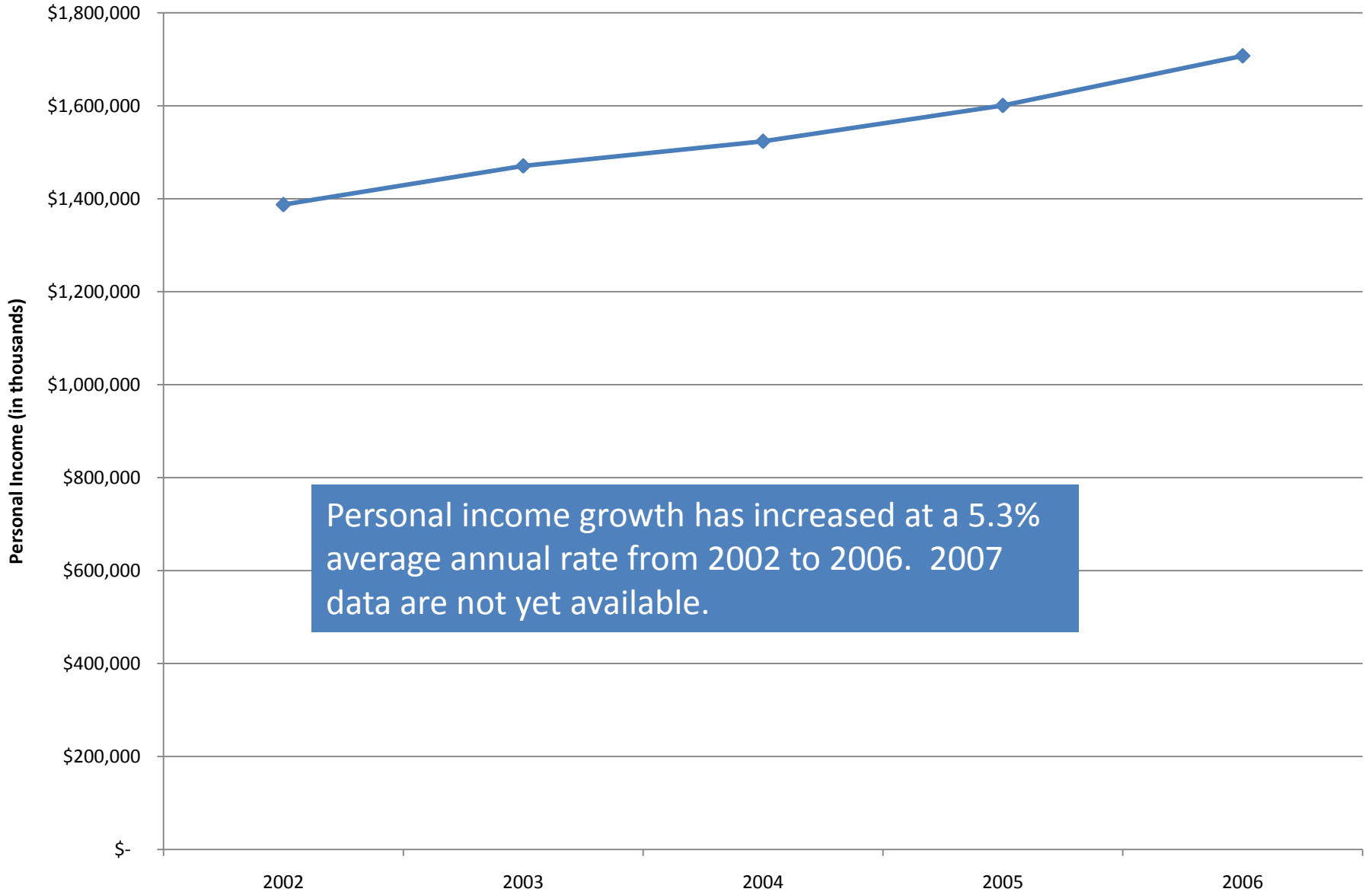
Source: Bureau of Labor Statistics

2002-2007 White County Average Annual Pay



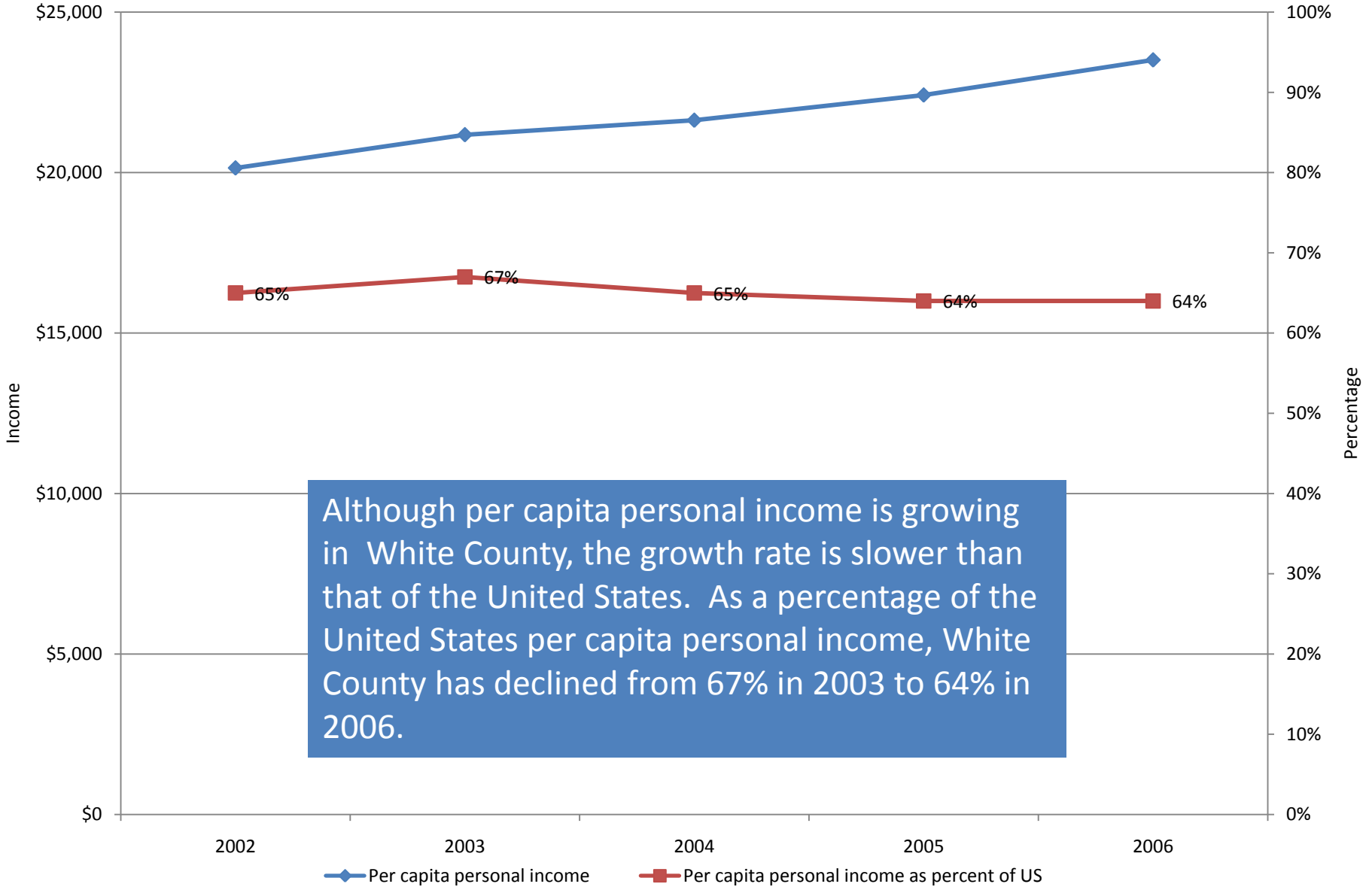
Source: Bureau of Labor Statistics

2002-2006 White County Total Personal Income



Source: Bureau of Economic Analysis

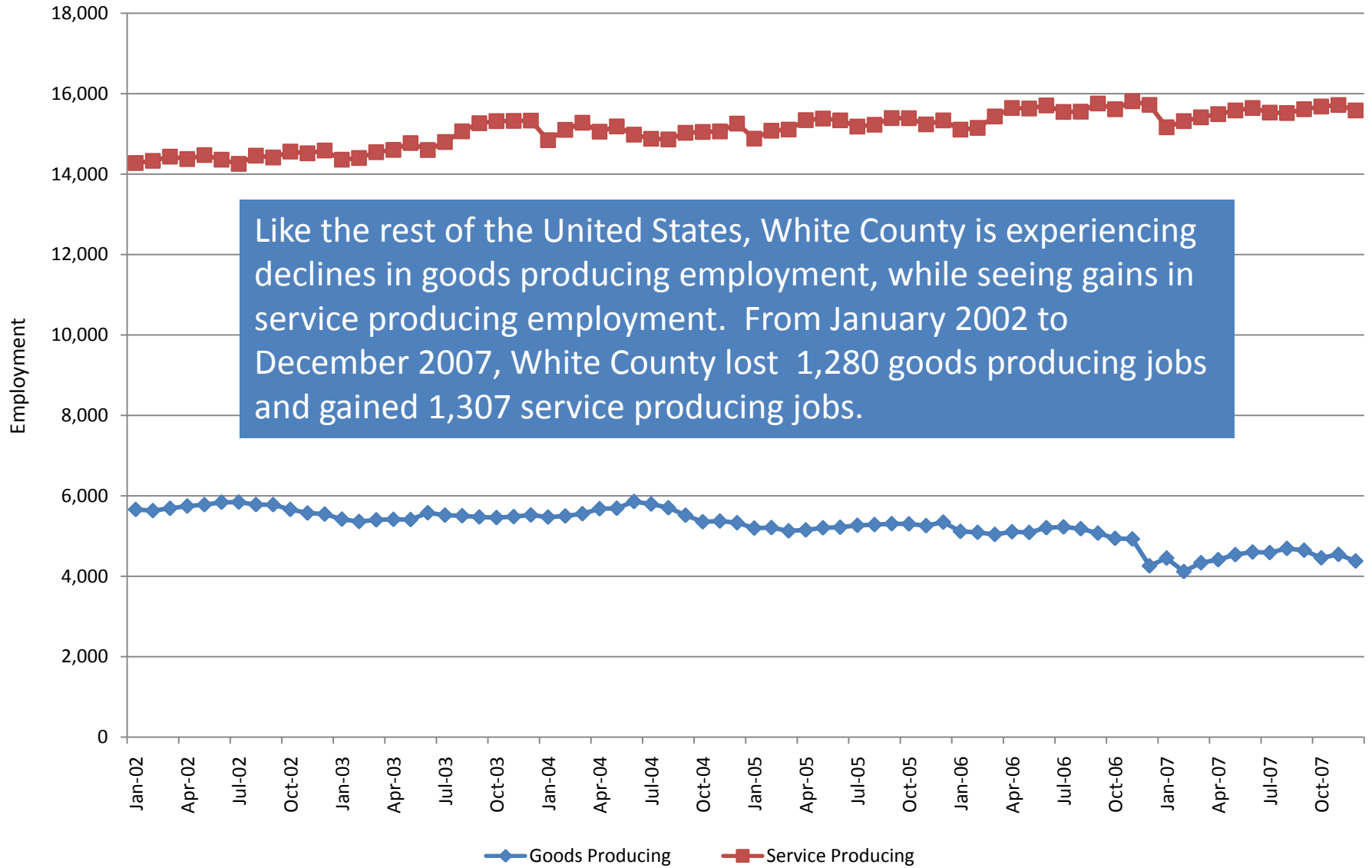
2002-2006 White County Per Capita Personal Income



Although per capita personal income is growing in White County, the growth rate is slower than that of the United States. As a percentage of the United States per capita personal income, White County has declined from 67% in 2003 to 64% in 2006.

Source: Bureau of Economic Analysis

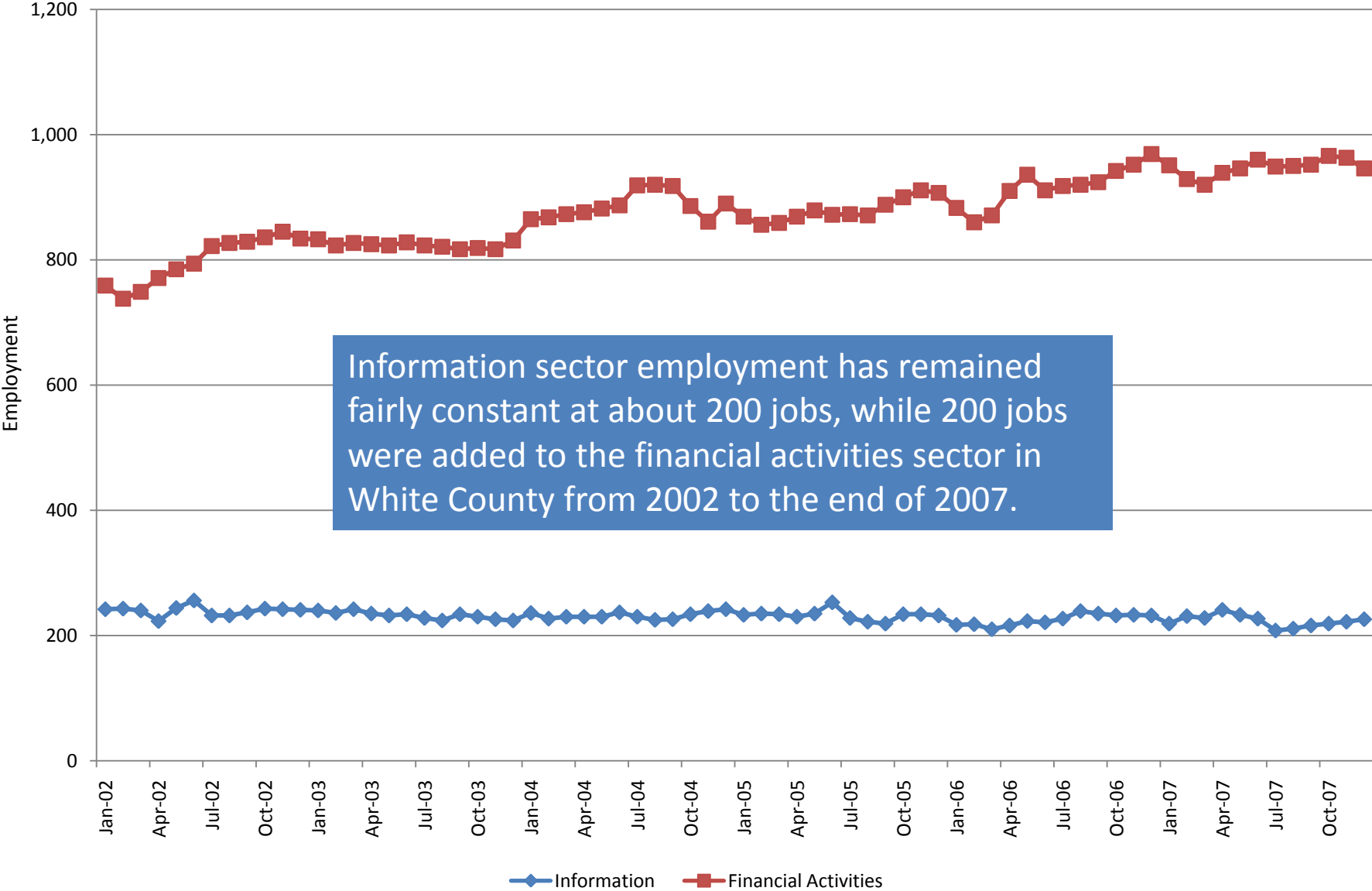
2002-2007 White County Goods Producing and Service Producing Employment



Like the rest of the United States, White County is experiencing declines in goods producing employment, while seeing gains in service producing employment. From January 2002 to December 2007, White County lost 1,280 goods producing jobs and gained 1,307 service producing jobs.

Source: Bureau of Labor Statistics

2002-2007 White County Information and Financial Activities Employment

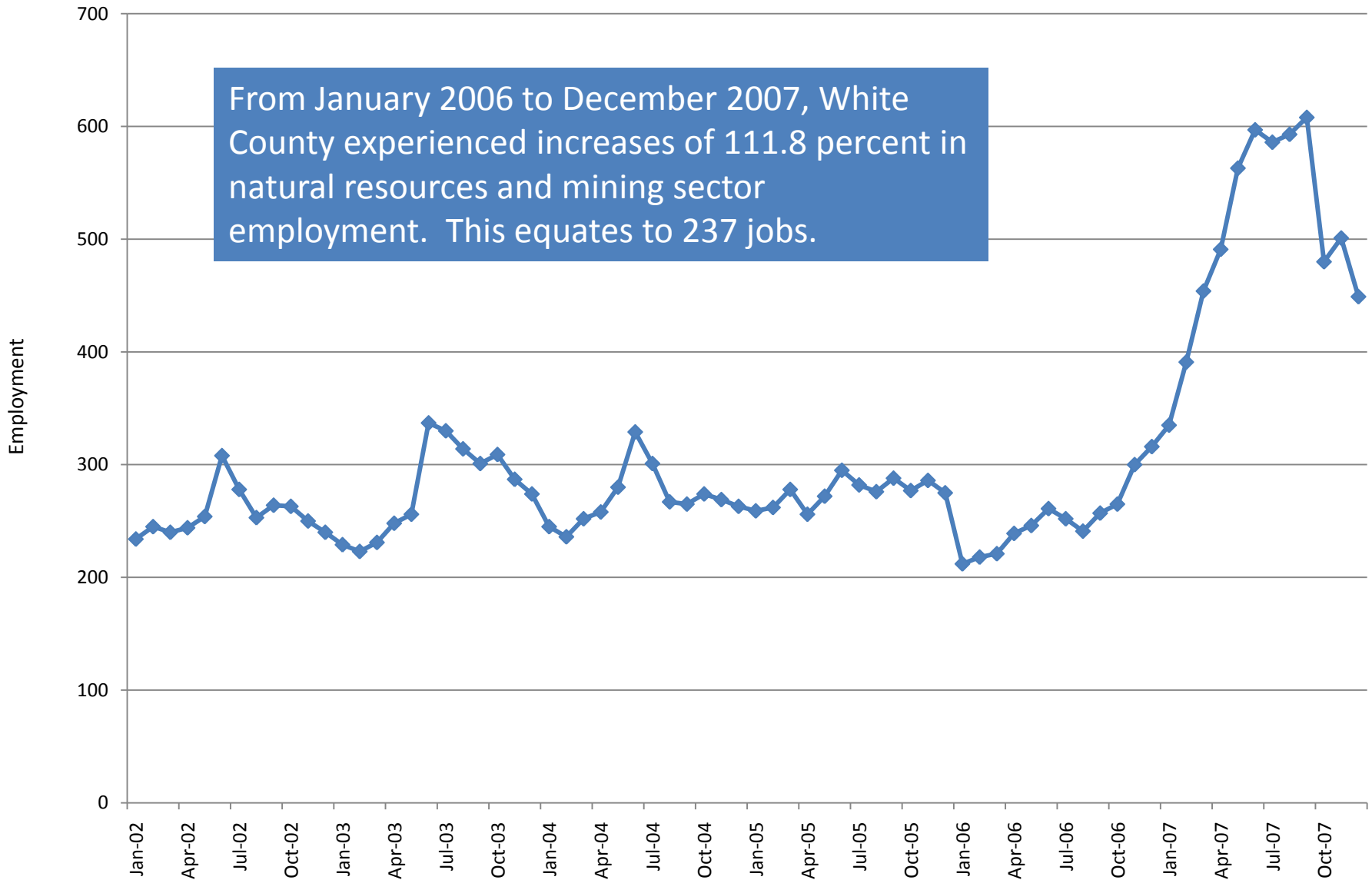


Information sector employment has remained fairly constant at about 200 jobs, while 200 jobs were added to the financial activities sector in White County from 2002 to the end of 2007.

Information Financial Activities

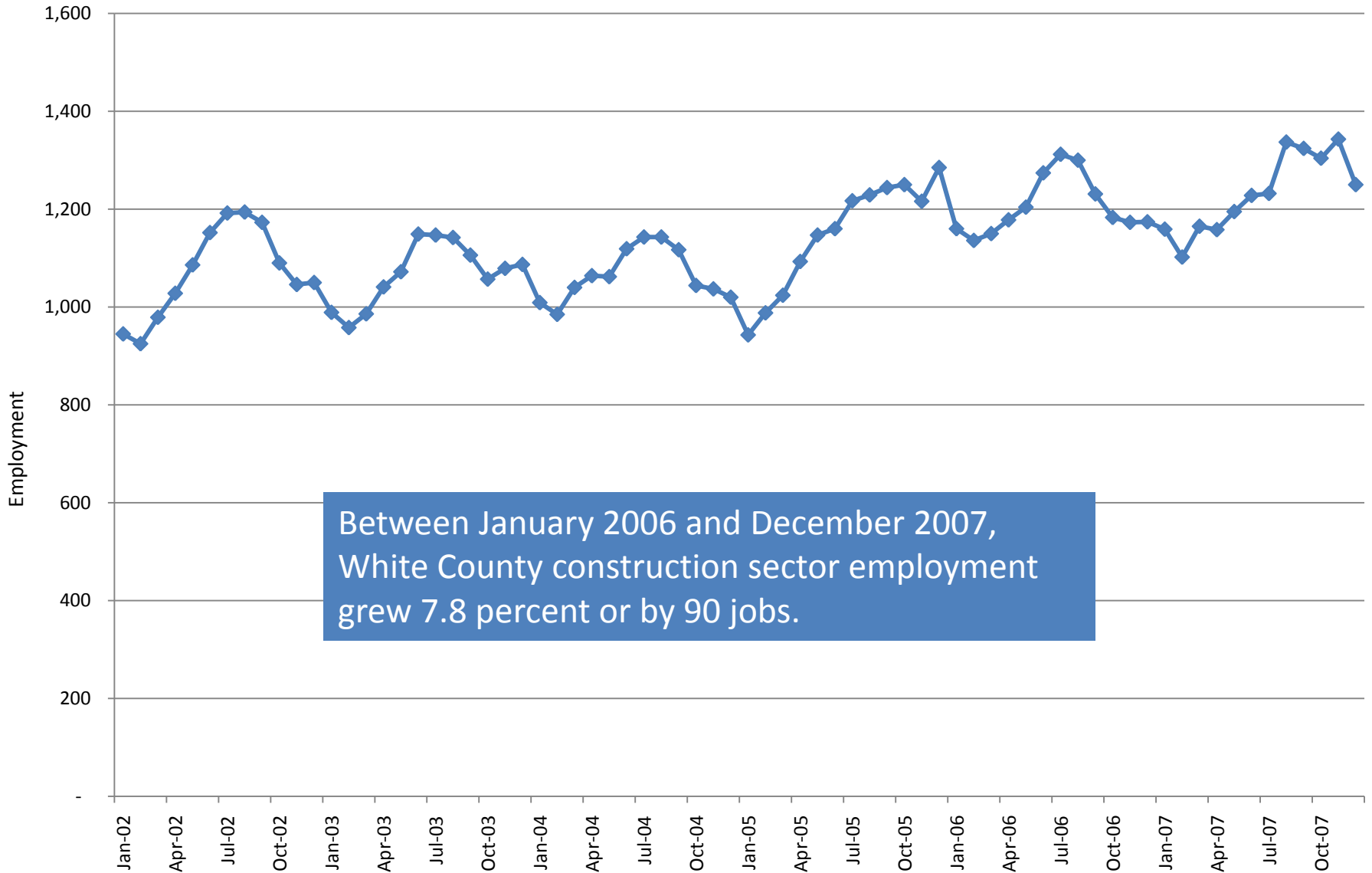
Source: Bureau of Labor Statistics

2002-2007 White County Natural Resources and Mining Employment



Source: Bureau of Labor Statistics

2002-2007 White County Construction Employment



Between January 2006 and December 2007, White County construction sector employment grew 7.8 percent or by 90 jobs.

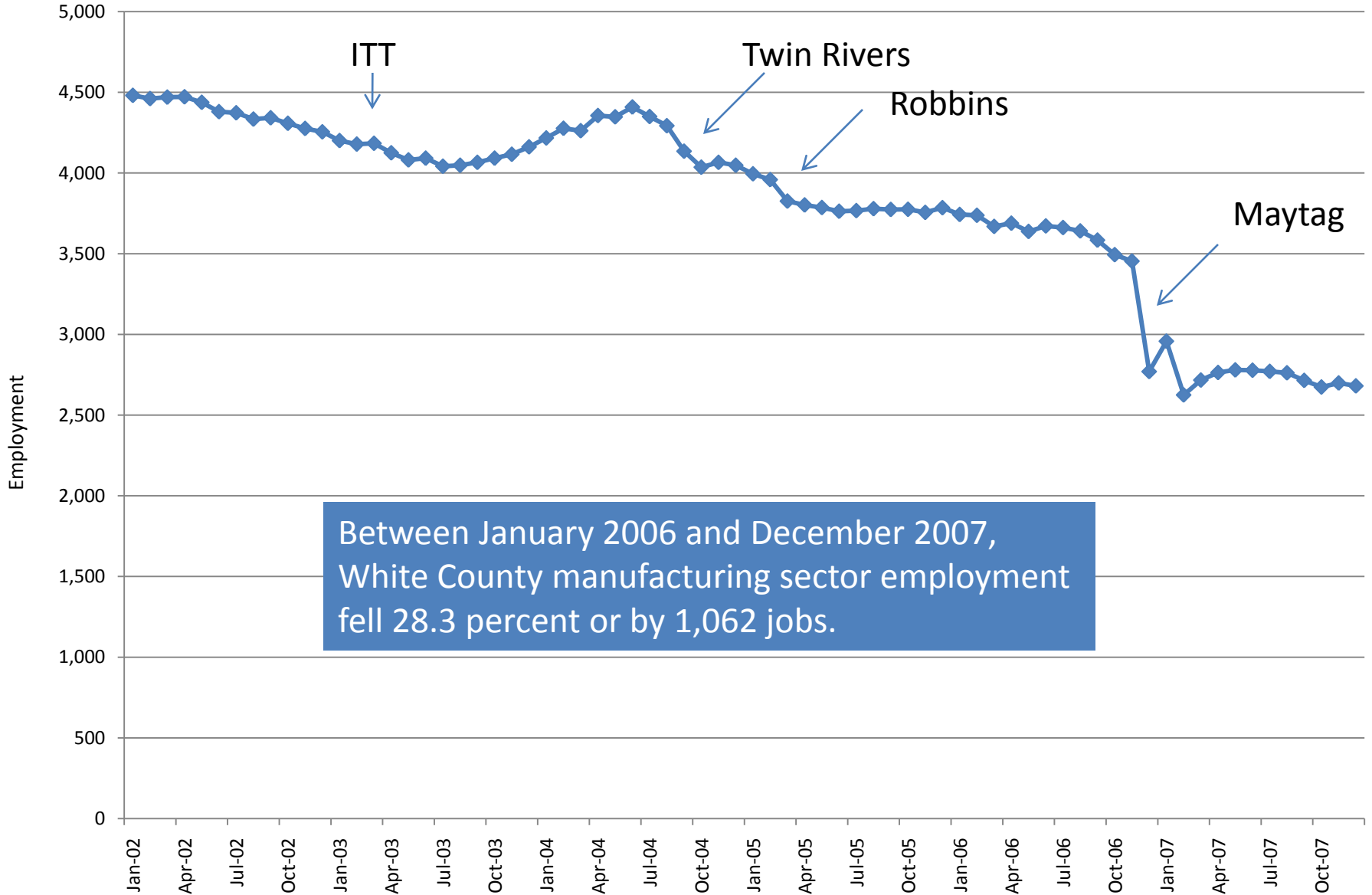
2002-2007 White County Leisure and Hospitality Employment



Between January 2002 and December 2007, leisure and hospitality sector employment in White County has increased by 29.8%, beginning in earnest in mid-2004 and increasing dramatically through 2006 and early 2007.

Source: Bureau of Labor Statistics

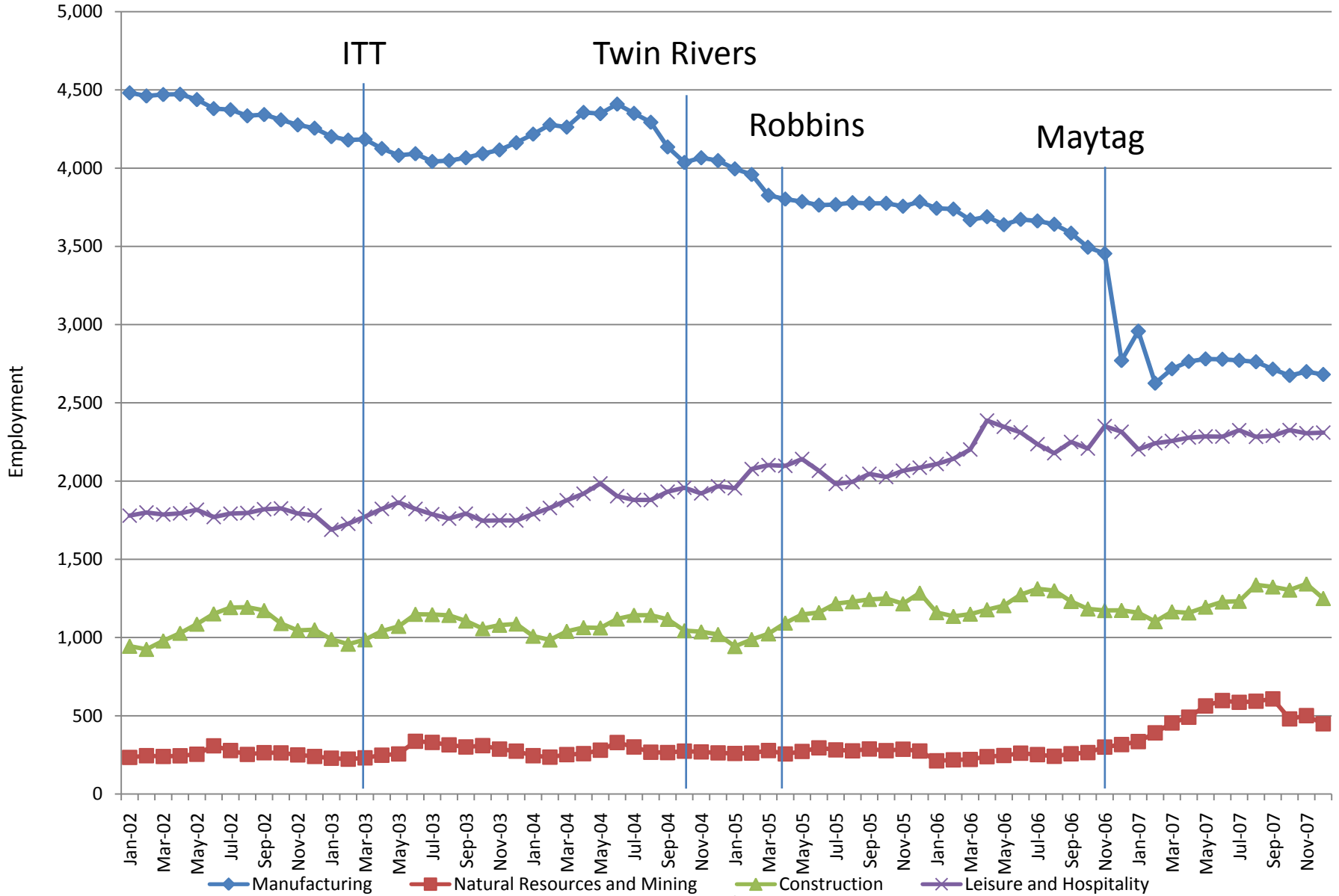
2002-2007 White County Manufacturing Employment



Between January 2006 and December 2007, White County manufacturing sector employment fell 28.3 percent or by 1,062 jobs.

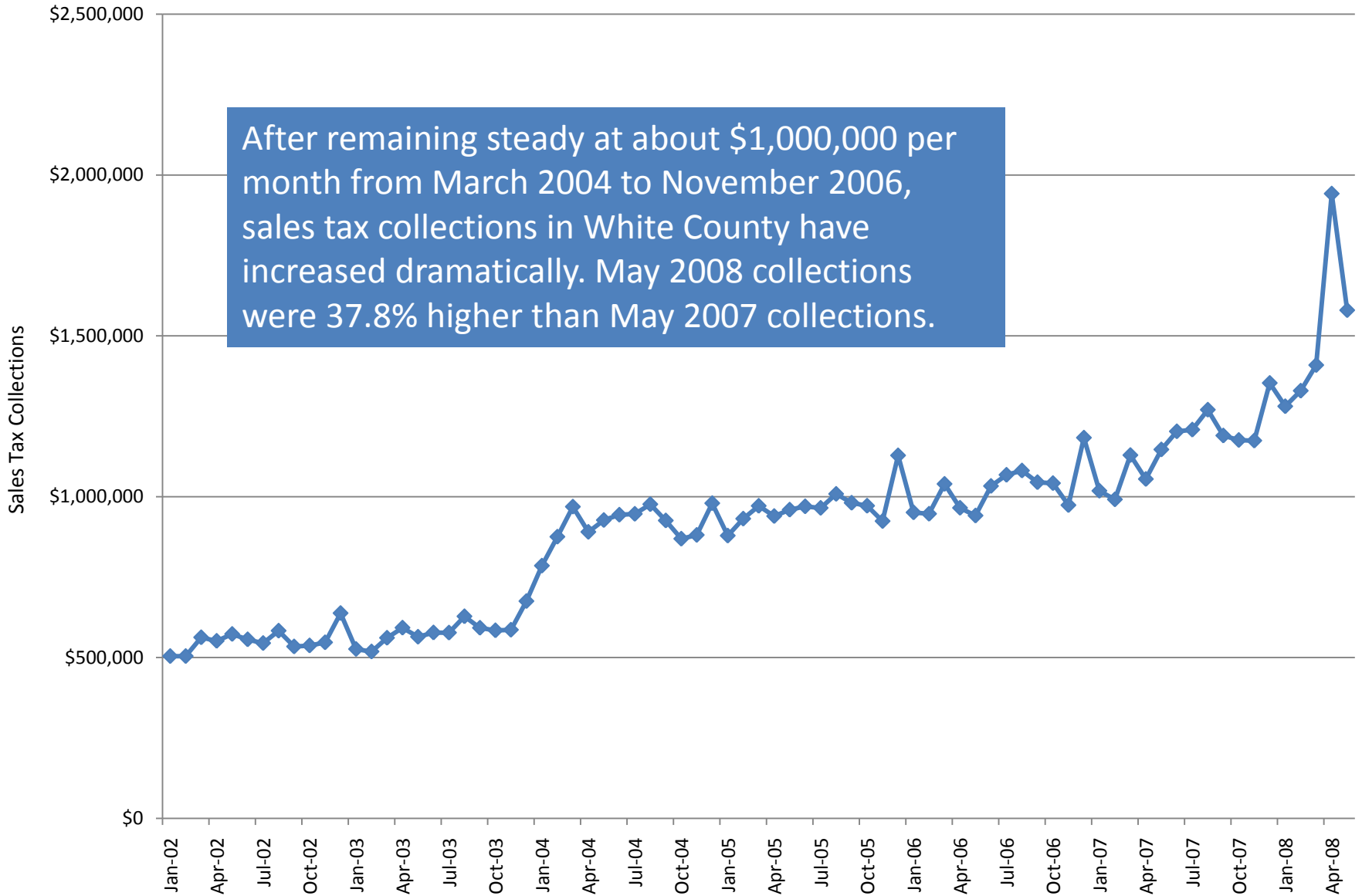
Source: Bureau of Labor Statistics

2002-2007 White County Employment



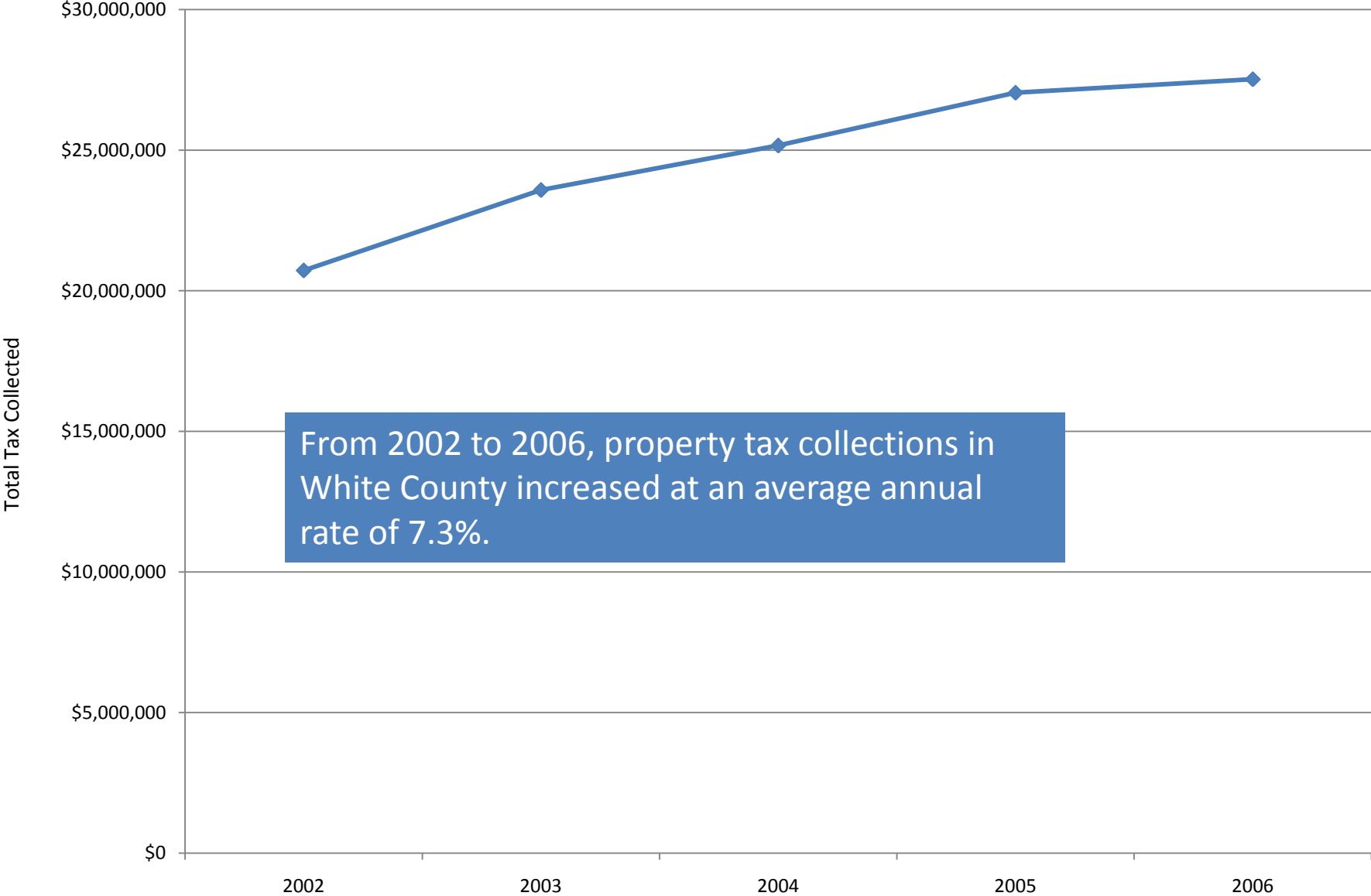
Source: Bureau of Labor Statistics

2002-2008 White County Sales Tax Collections



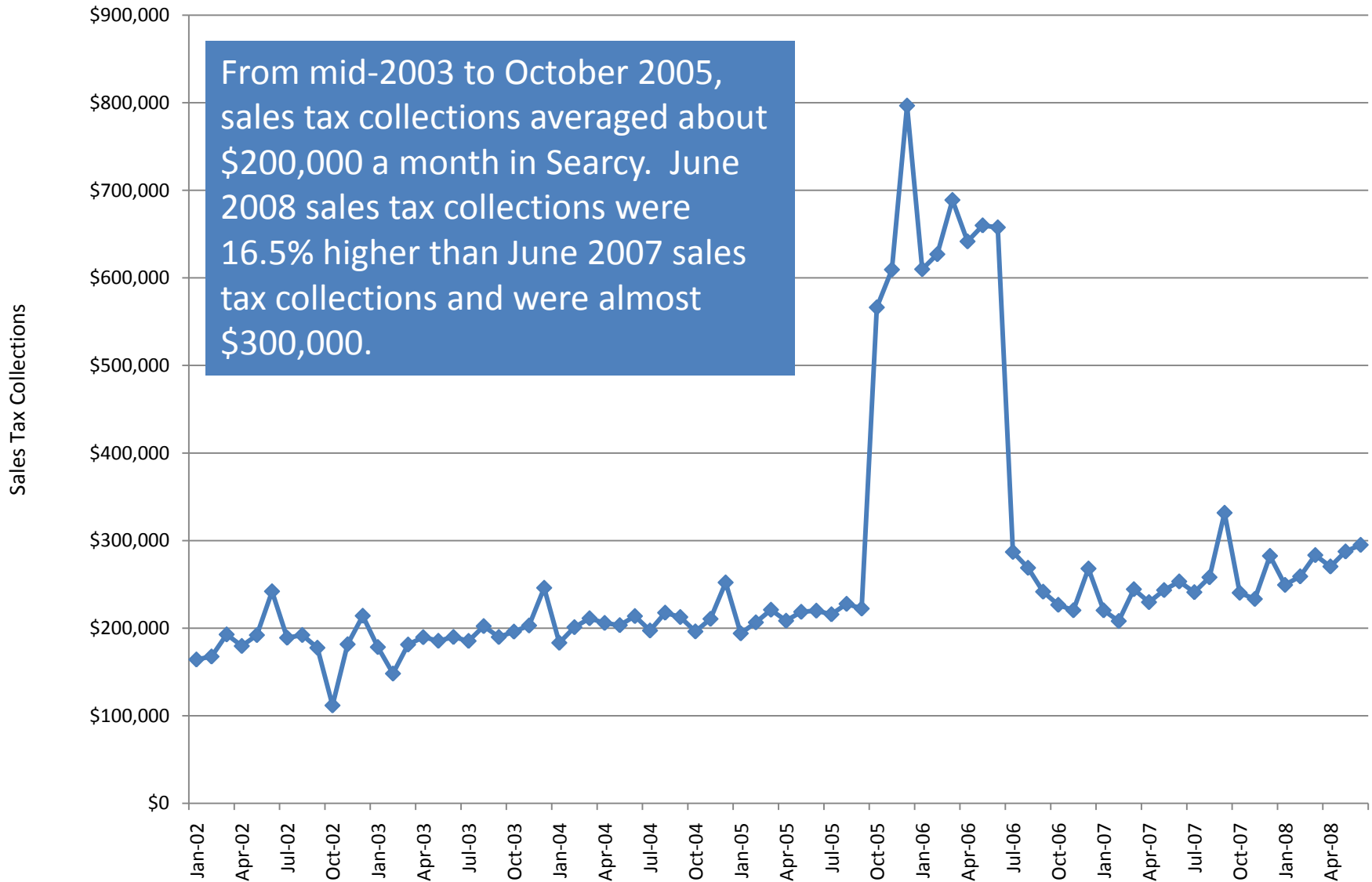
Source: Arkansas Department of Finance Administration

2002-2006 White County Property Tax Collections



Source: Arkansas Department of Finance Administration

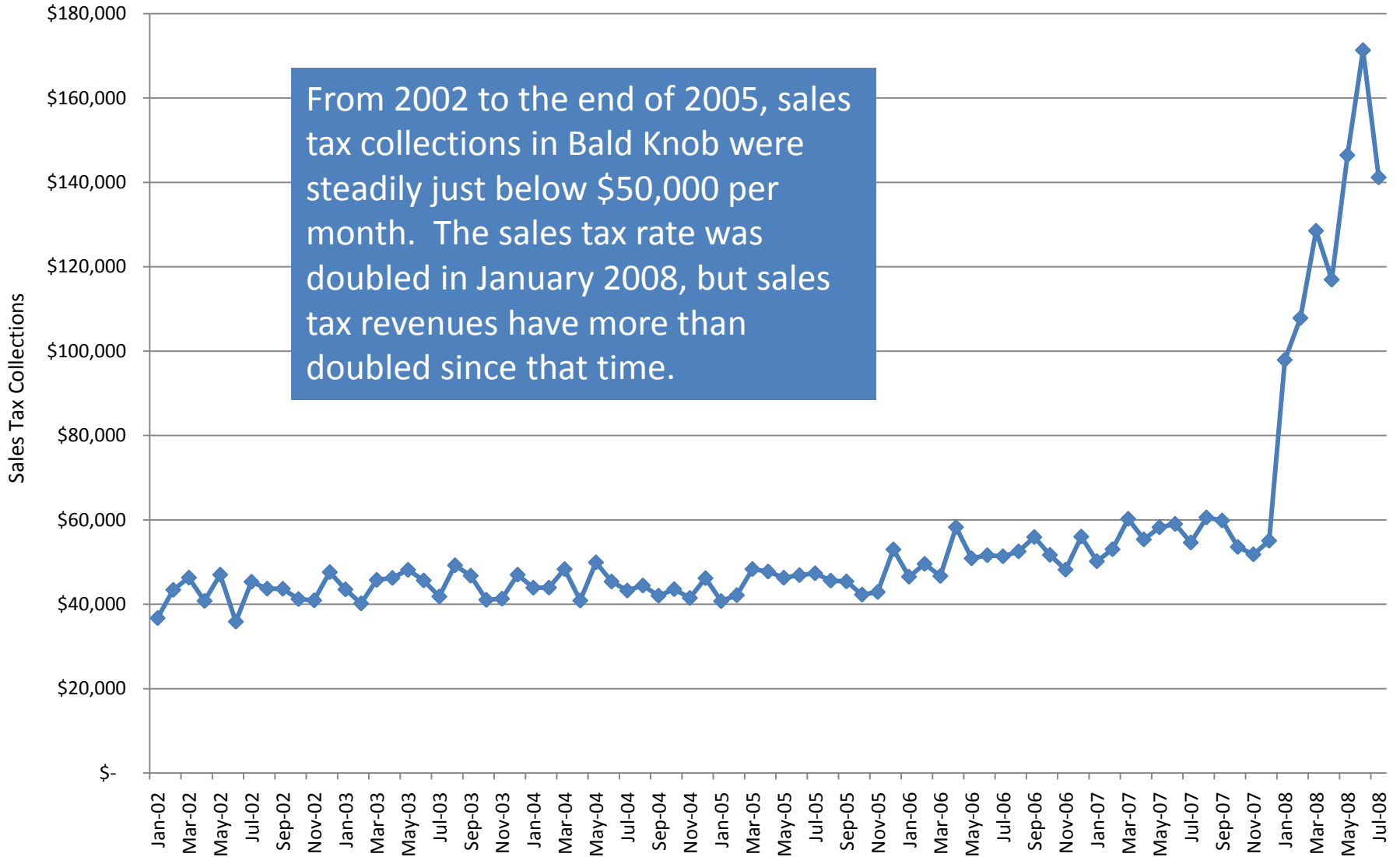
City of Searcy Sales Tax Collections



Source: Arkansas Department of Finance and Administration

Note: From October 2005 to June 2006, the sales tax rate was 1.5%. During the rest of the period, the sales tax rate was 0.5%.

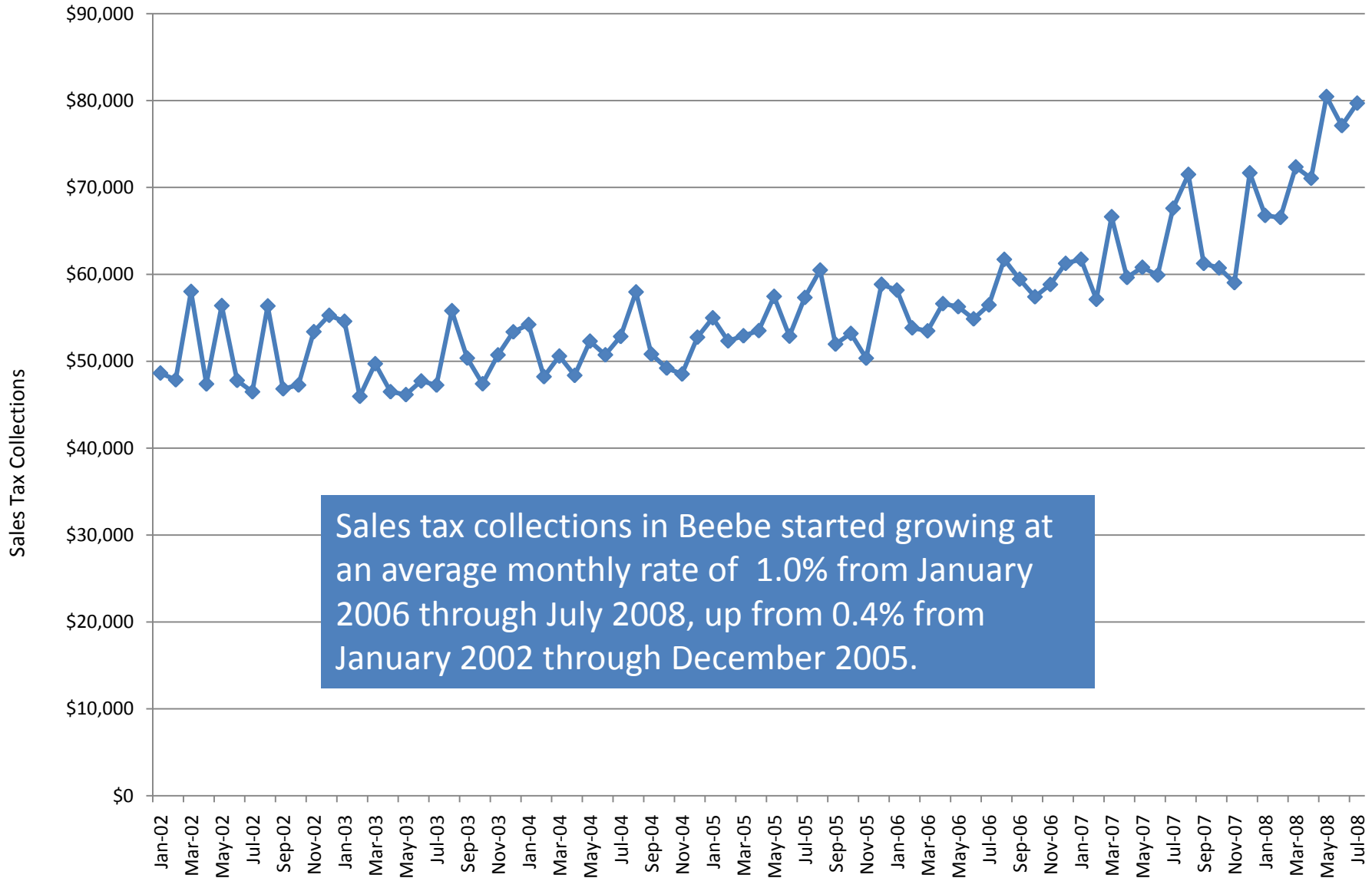
City of Bald Knob Sales Tax Collections



Source: Arkansas Department of Finance and Administration

Note: From July 2001 to December 2007, the sales tax rates was 2.0%. From January 1, 2008, the sales tax rate was 4.0%.

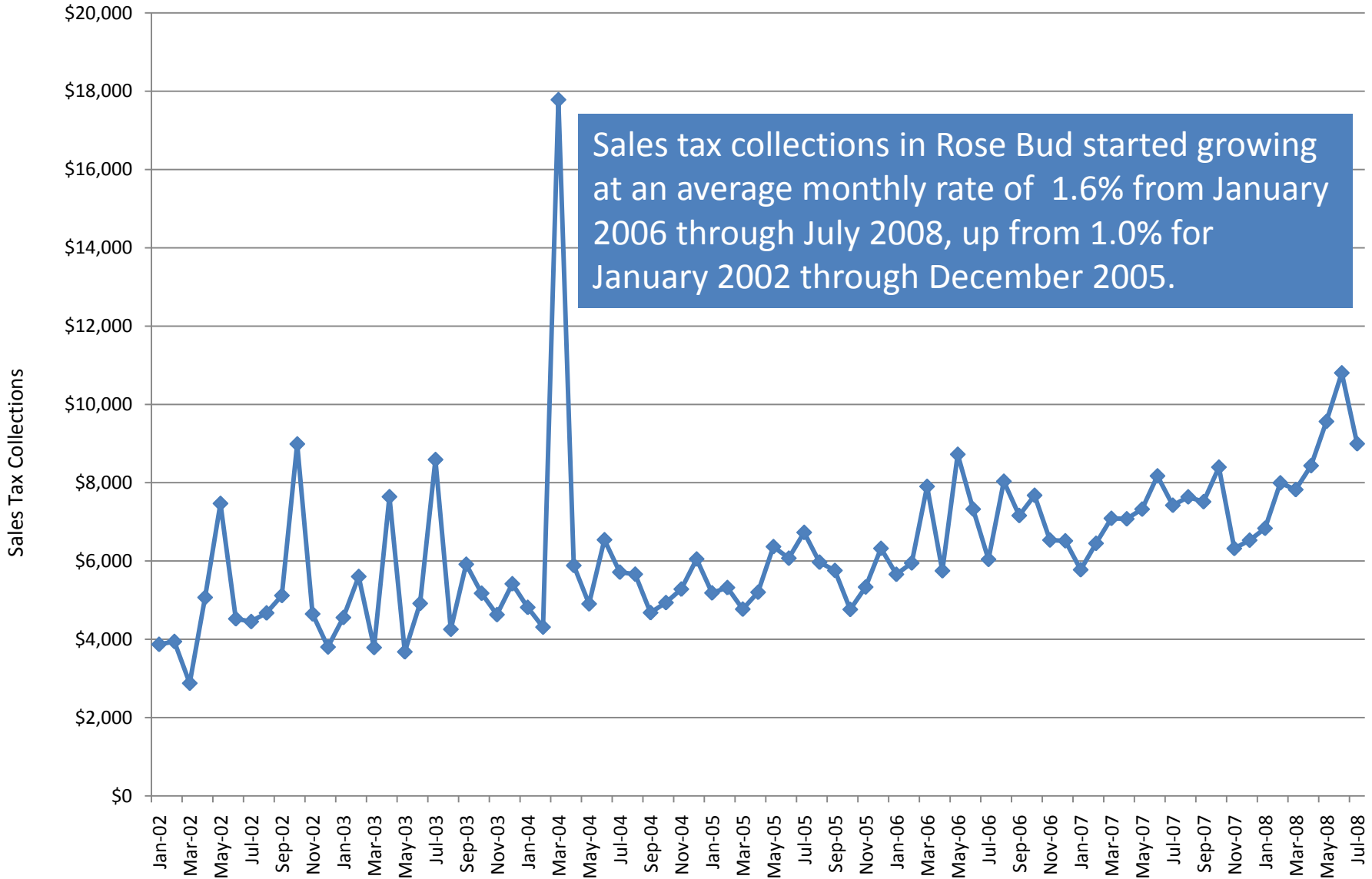
City of Beebe Sales Tax Collections



Sales tax collections in Beebe started growing at an average monthly rate of 1.0% from January 2006 through July 2008, up from 0.4% from January 2002 through December 2005.

Source: Arkansas Department of Finance and Administration

City of Rose Bud Sales Tax Collections

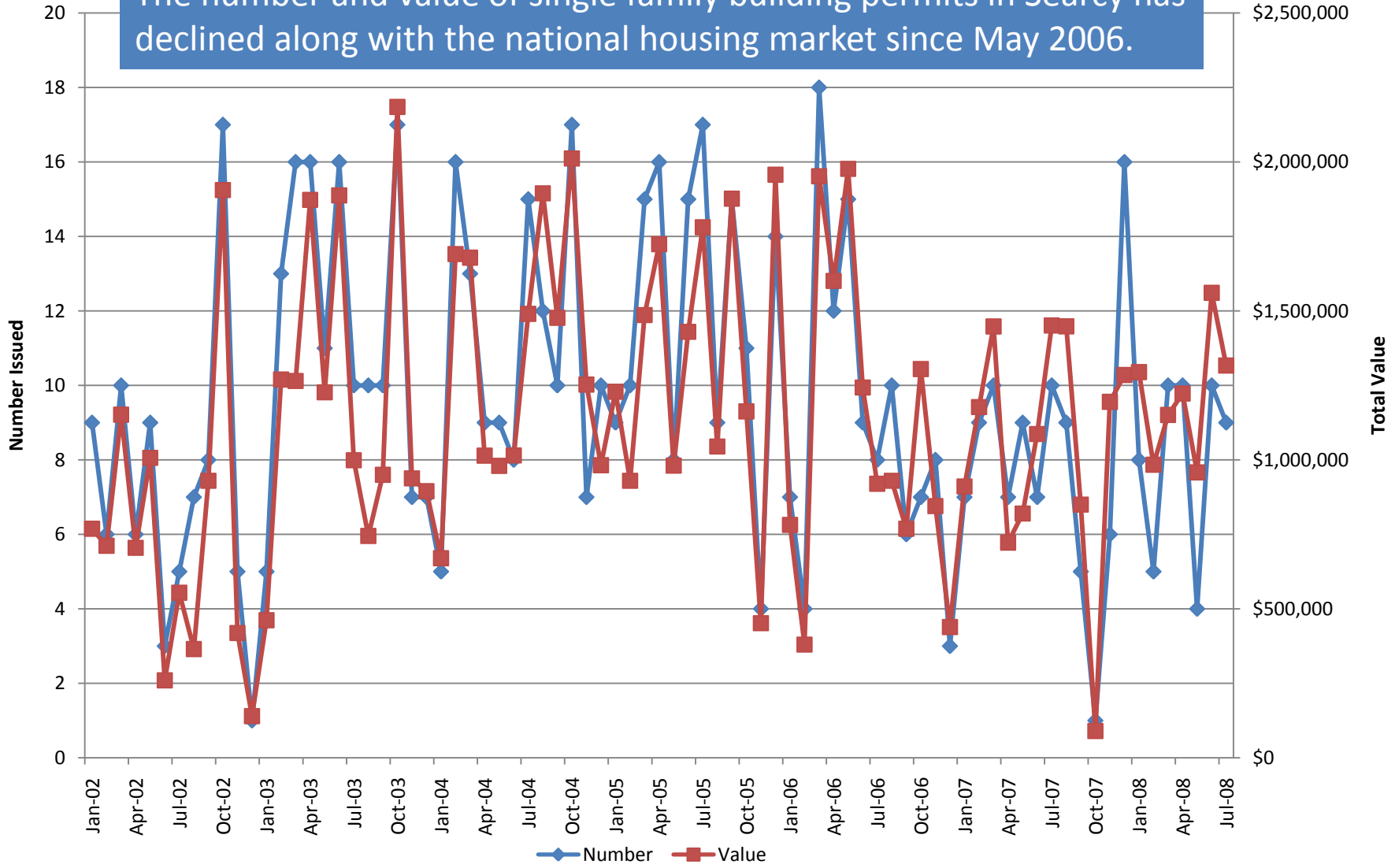


Sales tax collections in Rose Bud started growing at an average monthly rate of 1.6% from January 2006 through July 2008, up from 1.0% for January 2002 through December 2005.

Source: Arkansas Department of Finance and Administration

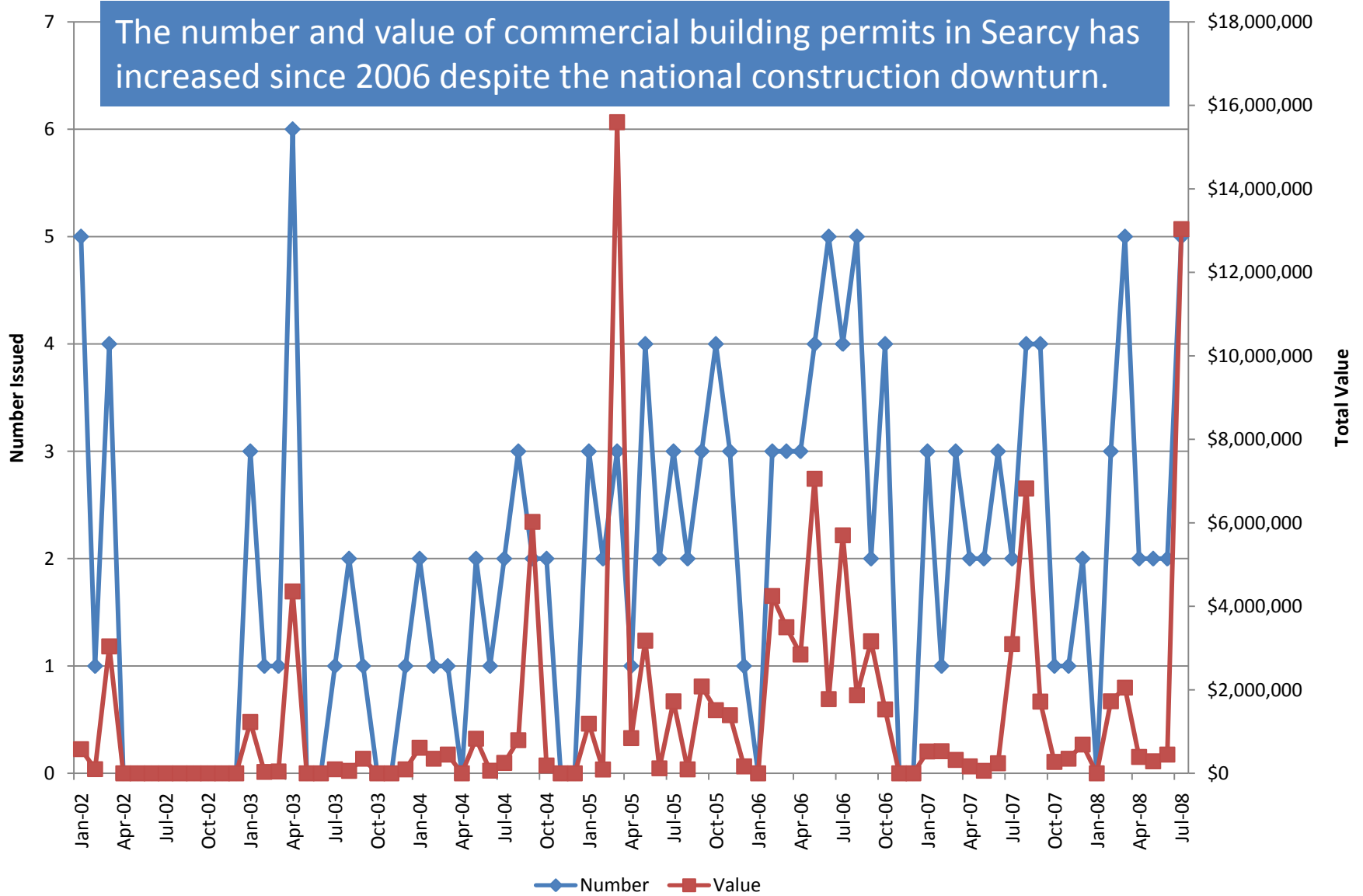
2002-2008 City of Searcy Single Family Building Permits

The number and value of single family building permits in Searcy has declined along with the national housing market since May 2006.



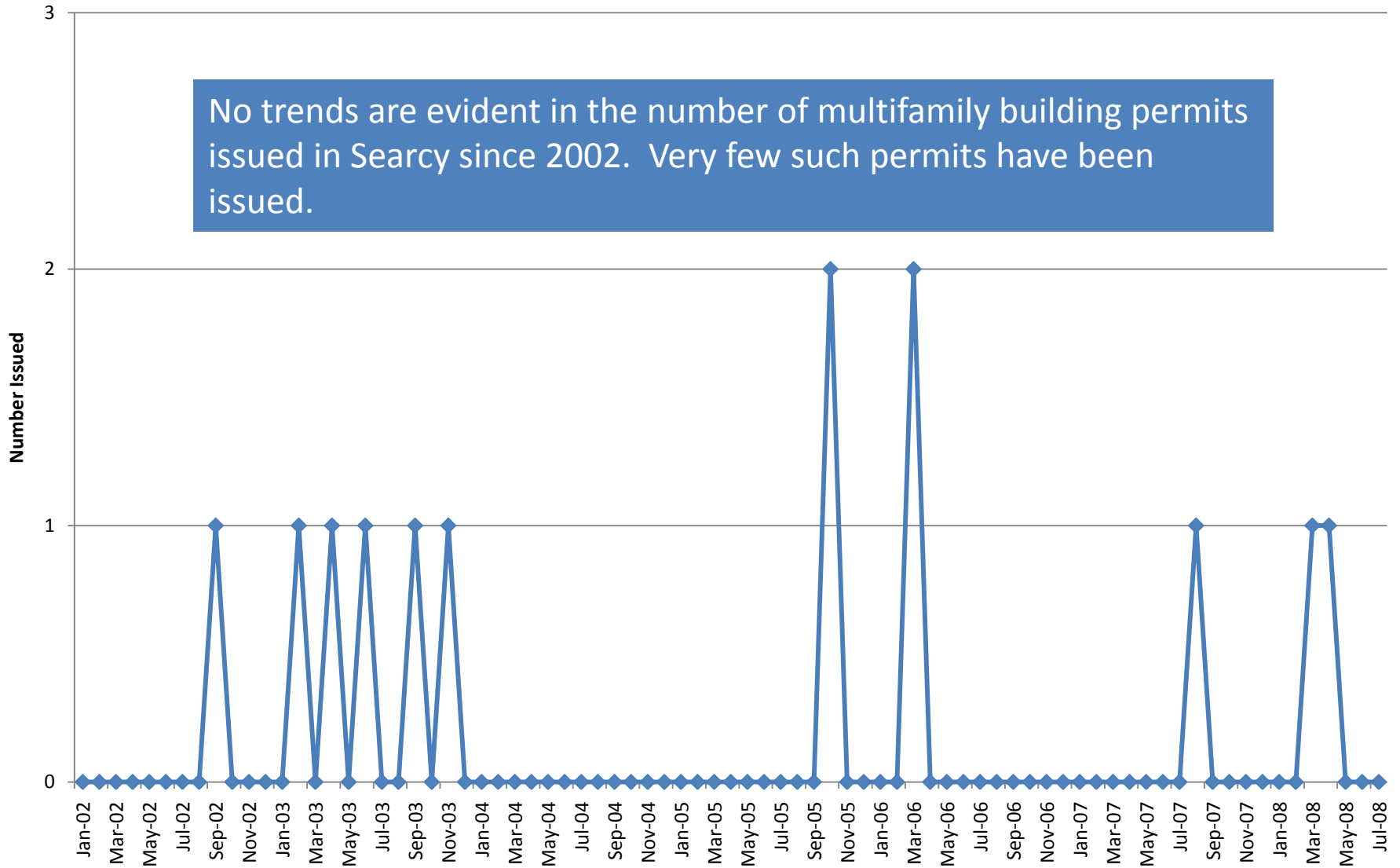
Source: City of Searcy

2002-2008 City of Searcy Commercial Building Permits



Source: City of Searcy

2002-2008 City of Searcy Multifamily Building Permits



Source: City of Searcy

Summary

- As of July 2008, monthly natural gas production in White County has grown to 6,000,000 MCF, 25.5% of Fayetteville Shale production.
- Since January 2002, almost 3,000 jobs have been created in White County with 59% added after January 2006.

Summary

- Since January 2002, unemployment in White County has averaged 6.2%. As of July 2008, it was down to 5.1%.
- Almost 300 business establishments have been added in White County since the beginning of 2002.

Summary

- In 2007, wage growth was 14%, better than total wage growth from 2002 to 2006.
- Average weekly wages in White County surpassed \$600 in the fourth quarter of 2007.
- The rate of growth of average annual pay doubled for 2007 from its five year average.

Summary

- Since 2002, manufacturing employment has declined by about 1,800 jobs, but overall job growth has been positive.
- The natural resources, construction, and services sectors all added employment over the period.

Summary

- The economic impact of the Fayetteville Shale shows up most clearly in the dramatic increase in White County sales tax revenues.
- The cities of Searcy, Bald Knob, Beebe, and Rose Bud have also seen clear increases in their sales tax revenues since the beginning of 2006.

Summary

- Residential construction in Searcy has slowed, concurrent with the national downturn in the housing sector.
- However, commercial construction in Searcy shows clear increases throughout 2007 and 2008, despite a national downturn.