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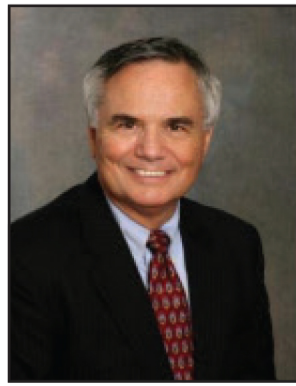
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Better Consumer Conditions Set the Stage for Job Growth

By Katherine A. Deck



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According to the National Bureau of Economic Research, the organization tasked with deciding such things, the Great Recession ended in June 2009, about five and a half years ago. Since that time, the United States has gained more than 9.4 million jobs, surpassing its previous all-time high employment level, while at the same time, the national unemployment rate dropped from a high of 10% percent all the way down to 5.8%.

These numbers represent an impressive, if slowly paced, national economic recovery. Here in Arkansas, however, many regular people feel like we have not experienced improvement at all. While it is true that the pace

of employment growth in the state has lagged the country, Arkansas finds itself poised to reach new employment heights in 2015 and 2016.

Economic vitality in Arkansas is absolutely dependent upon the individual metropolitan areas thriving. At the end of 2014, about two-thirds of all jobs in the state of Arkansas were located in six of the state's metropolitan areas: Central Arkansas, Northwest Arkansas, Fort Smith, Jonesboro, Pine Bluff and Hot Springs.

As we move into 2015, there is strength in the construction and manufacturing sectors in Arkansas, but growth in our core trade services sectors has been subpar.

ROBUST NORTHEAST ARKANSAS

The metro area that stood out for its positive economic performance in 2014 was Jonesboro. From November 2013 to November 2014, Jonesboro gained 1,600 jobs. Half of those employment gains were private services, 200 were government jobs and 600 were goods producing. This kind of

sectorial distribution indicates that the Northeast Arkansas economic hub is clicking along and creating a diversified set of opportunities.

MODEST GROWTH IN NORTHWEST

Northwest Arkansas, known for its spectacular job growth numbers for the last 25 years, had a surprisingly modest 2014. The area, which has about four times the number of employees as the Jonesboro metro, gained only 2,300 jobs from November 2013 to November 2014. The biggest factor holding back the area from the kinds of gains seen in the recent past was that the trade, transportation and utilities sector shed 1,800 jobs during the year.

Each of the subsectors – wholesale trade, retail trade, and transportation and utilities – was down during that period. The downturn in this key area of employment for Northwest Arkansas is somewhat surprising, given the continuing national economic recovery and the strong gains in the sector during the 2010 to 2013 time period. However, improving domestic consumer demand, perhaps from long pent-up wage increases and low gas prices, could help boost Northwest Arkansas employment along in 2015.

CENTRAL ARKANSAS ADDS JOBS

The Central Arkansas metro, including Little Rock, North Little Rock and Conway, also experienced slow growth in 2014. The area gained 2,100 jobs to bring employment to a total of 350,300. Weakness in hiring in leisure and hospitality, trade, transportation and utilities, information, and professional and business services meant that gains in construction and manufacturing employment were offset.

In Hot Springs, there were 400 jobs gained, in Fort Smith, there were 200 jobs gained, and in Pine Bluff there were 400 jobs lost.

As we move into 2015, there is strength in the construction and manufacturing sectors in Arkansas, but growth in our core trade services sectors has been subpar. Leisure and hospitality employment gains have been a positive point across most of the state's regions. Professional services and health care continue to make gains in the state, as well.

Improving national consumer conditions set the stage for Arkansas and its metros to take advantage of our retail and logistics strengths and enjoy the kind of job growth in 2015 that leaves us with no doubt that the recession is long over.