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State of the Northwest Arkansas Region & Quarterly Business Analysis

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October 8, 2020

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NORTHWEST ARKANSAS ECONOMIC INDICATORS

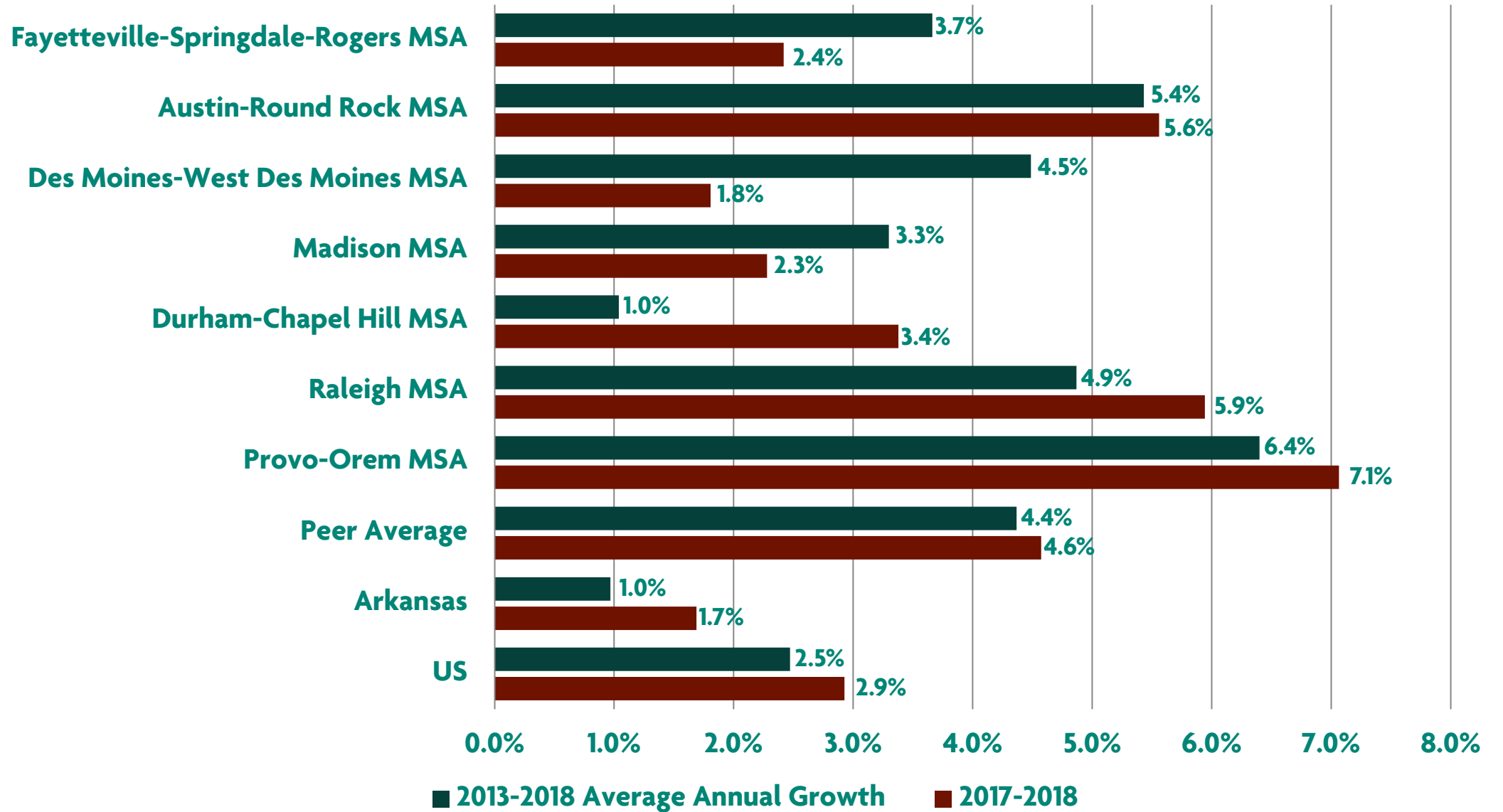
INDICATOR	MOST RECENT ANNUAL DATA	PREVIOUS YEAR	% CHANGE FROM PREVIOUS YEAR
POPULATION ESTIMATE, JULY 2019	534,904	525,239	↑ 1.8%
REAL GDP (MILLIONS OF CHAINED 2012 DOLLARS), 2018	\$23,482	\$22,927	↑ 2.4%
AVERAGE ANNUAL UNEMPLOYMENT RATE, 2019	2.6%	2.8%	-0.2% ↓
TOTAL NONFARM EMPLOYMENT, 2019	263,500	258,300	↑ 2.0%
MEDIAN HOUSEHOLD INCOME, 2019	\$61,674	\$57,911	↑ 6.5%
AVERAGE ANNUAL WAGES, 2019	\$47,600	\$46,470	↑ 2.4%
BUSINESS ESTABLISHMENTS, 2019	13,736	13,412	↑ 2.4%
% OF ADULT POPULATION AGE 25 AND OLDER WITH A BACHELOR'S DEGREE OR HIGHER, 2019	33.0%	31.6%	↑ 1.4%
POVERTY RATE, 2019	12.6%	12.5%	↑ 0.1%
R&D EXPENDITURES (IN THOUSANDS), 2018	\$175,498	\$157,791	↑ 11.2%
AVERAGE DOMESTIC AIRFARE, 2019	\$485	\$536	-9.6% ↓



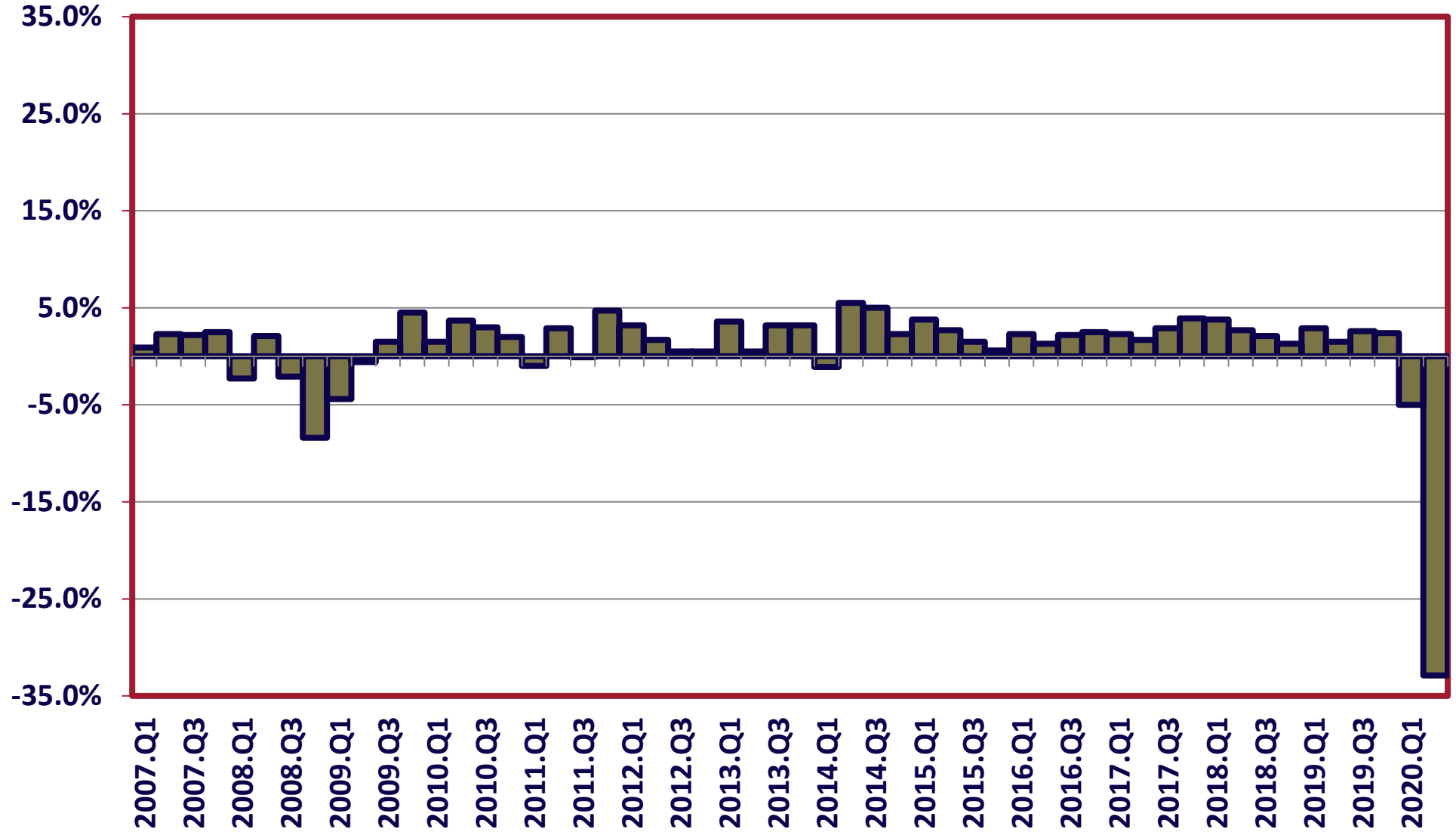


Change in Real GDP

Source: U.S. Bureau of Economic Analysis



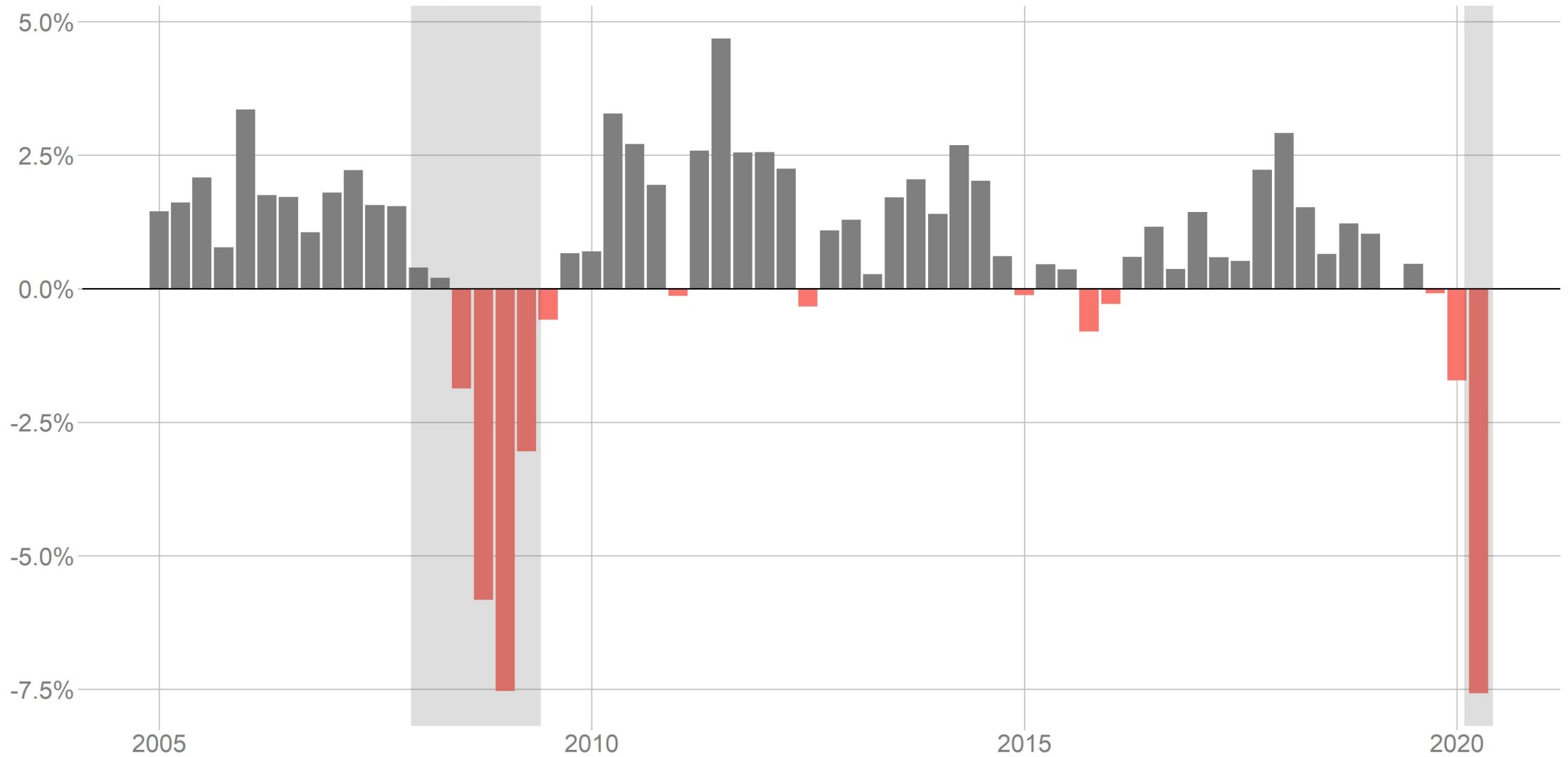
Real U.S. Gross Domestic Product Growth Rate



Source: U.S. Commerce Department, Bureau of Economic Analysis

Quarterly Change in Business Investment

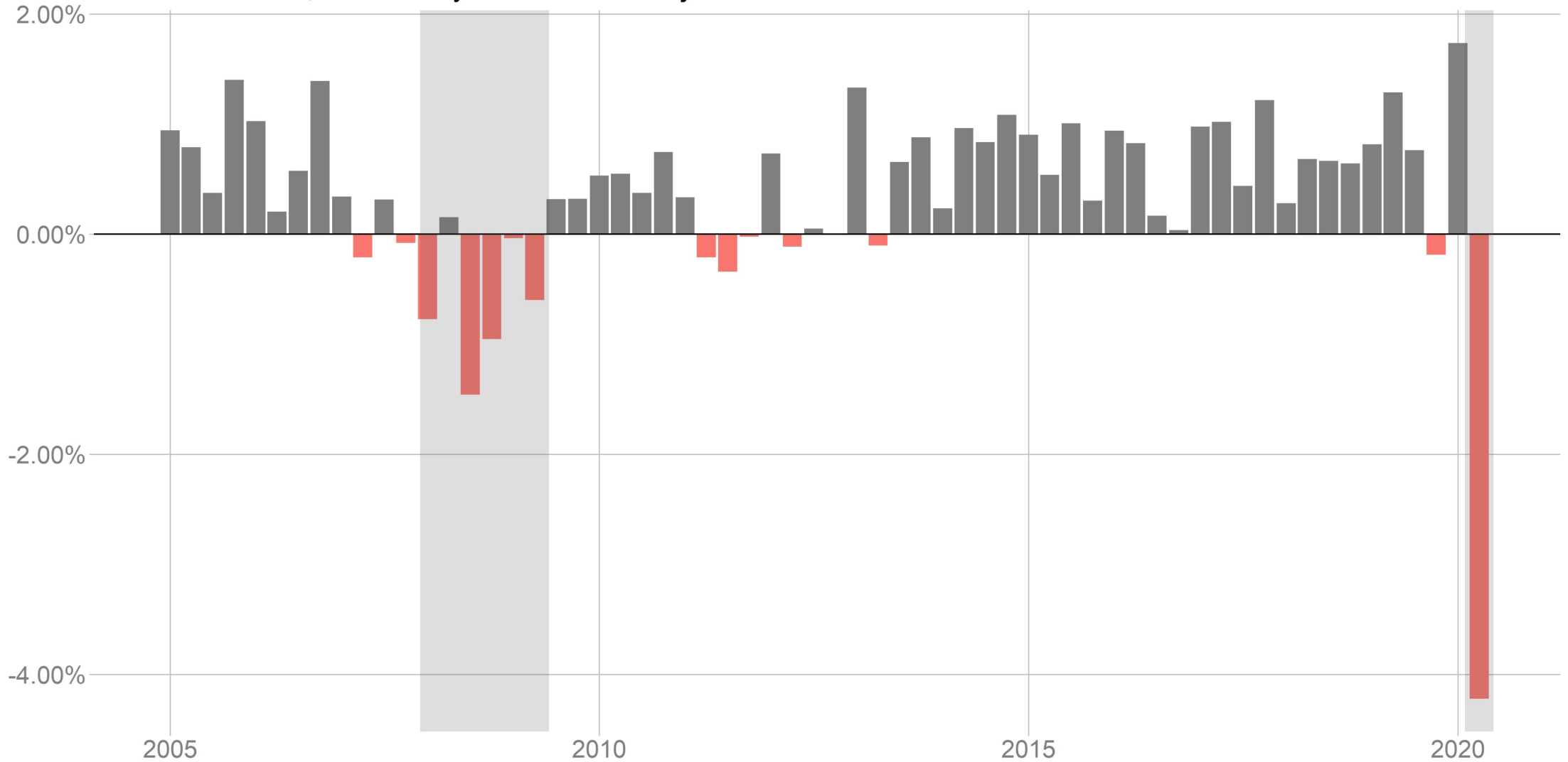
Non-annualized, seasonally and inflation adjusted. Shaded areas denote recessions.



Source: Bureau of Economic Analysis

Quarterly Change in Nondurable Goods

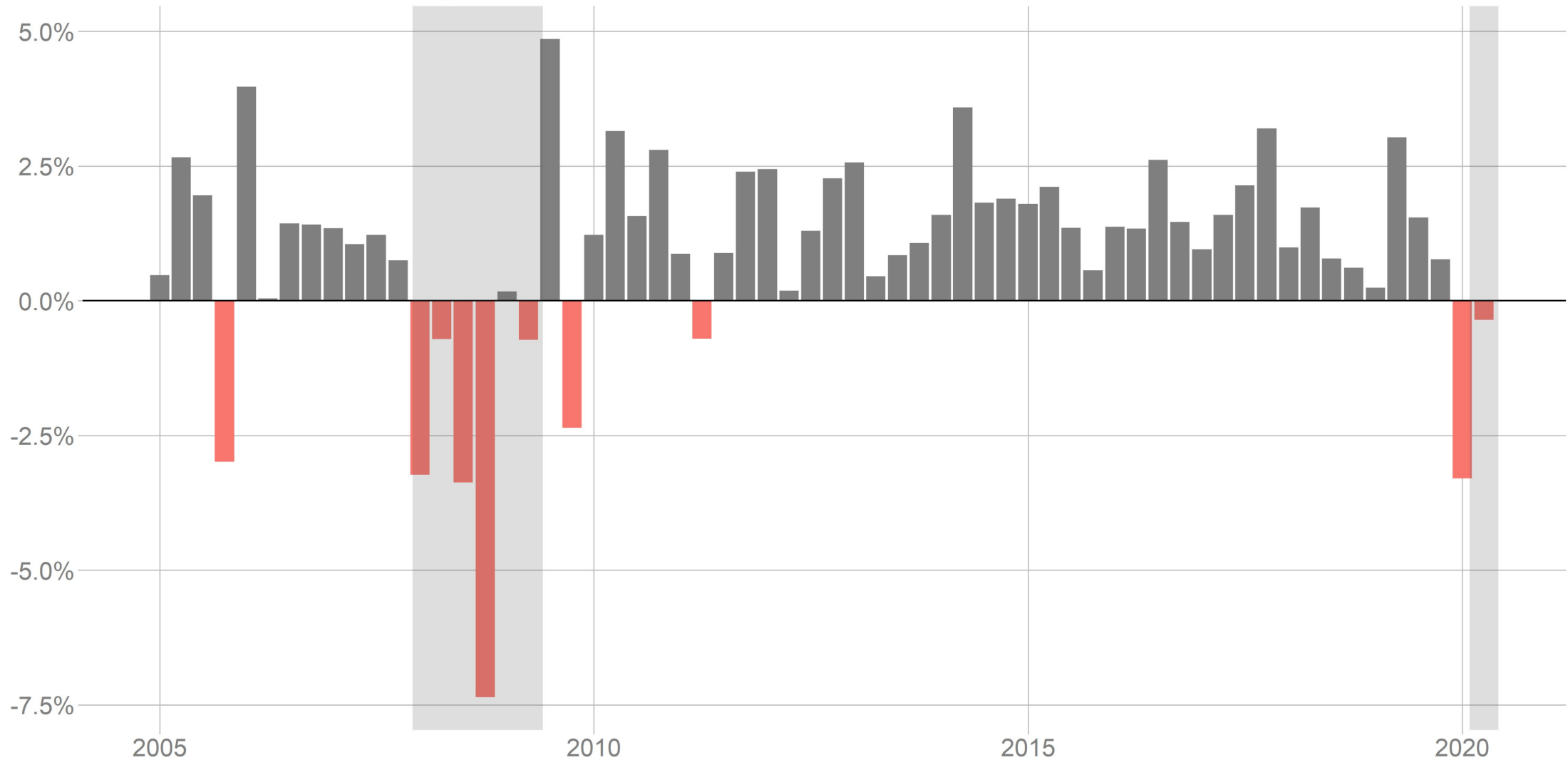
Non-annualized, seasonally and inflation adjusted. Shaded areas denote recessions.



Source: Bureau of Economic Analysis

Quarterly Change in Durable Goods

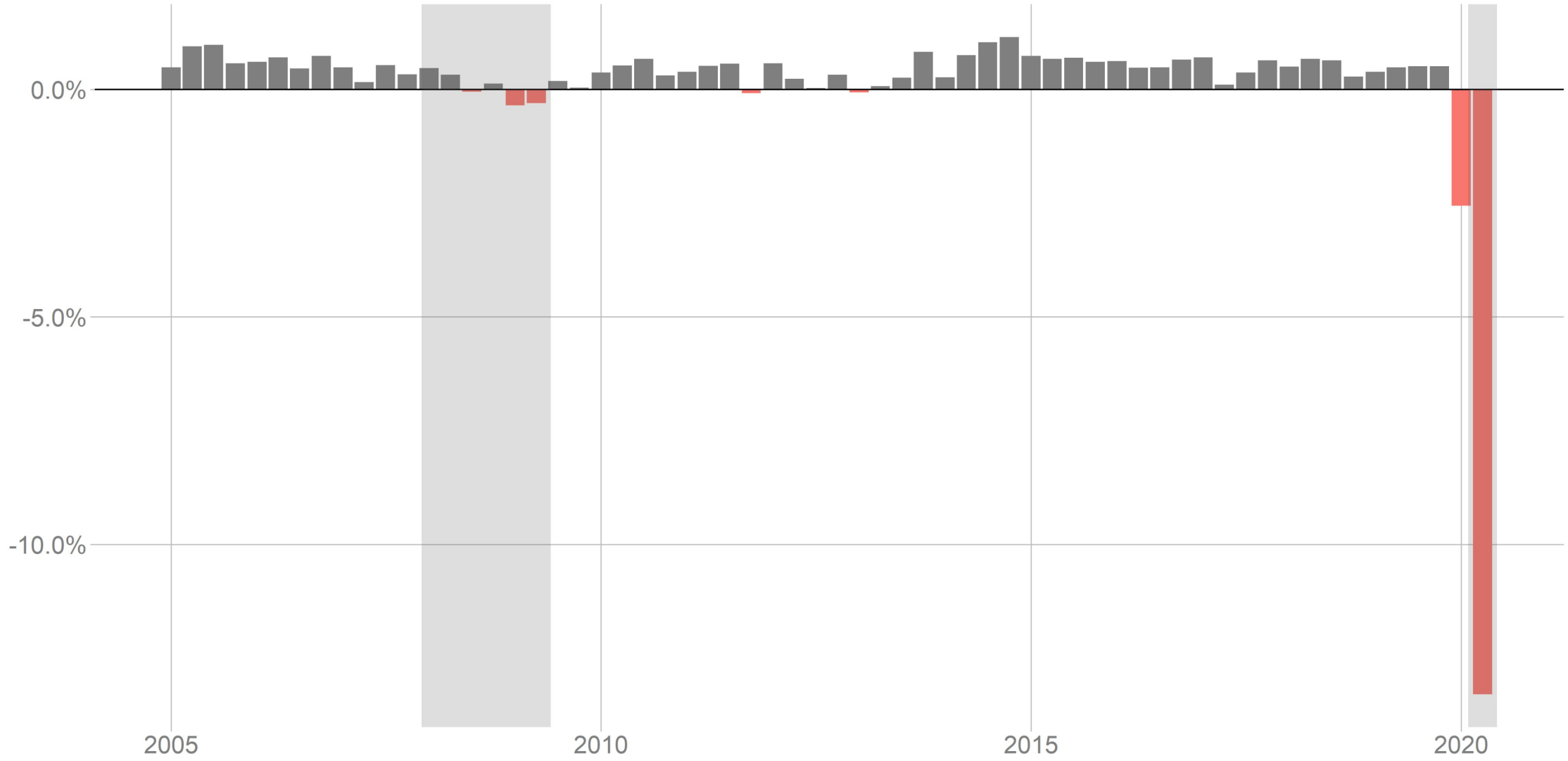
Non-annualized, seasonally and inflation adjusted. Shaded areas denote recessions.



Source: Bureau of Economic Analysis

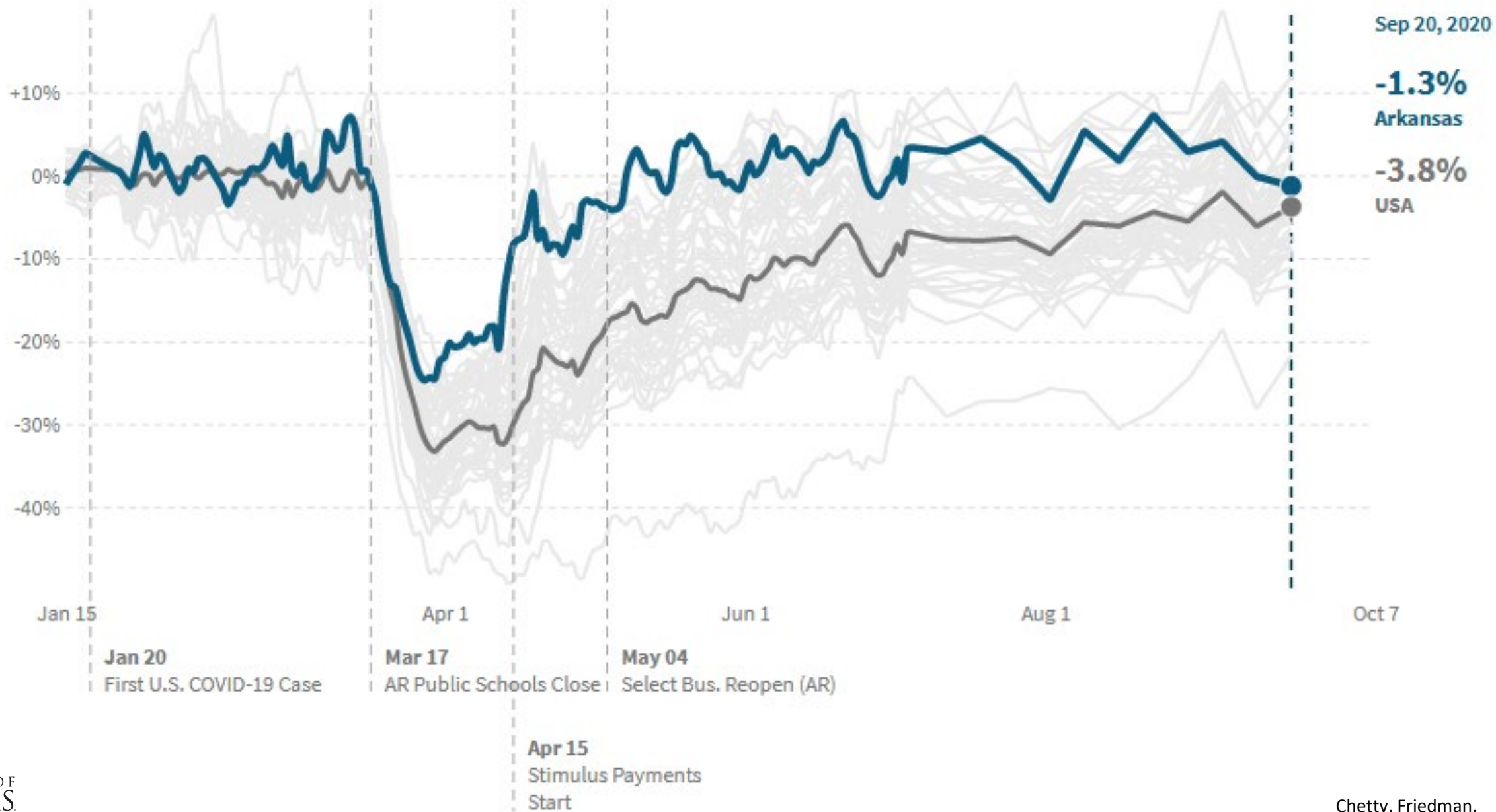
Quarterly Change in Services

Non-annualized, seasonally and inflation adjusted. Shaded areas denote recessions.

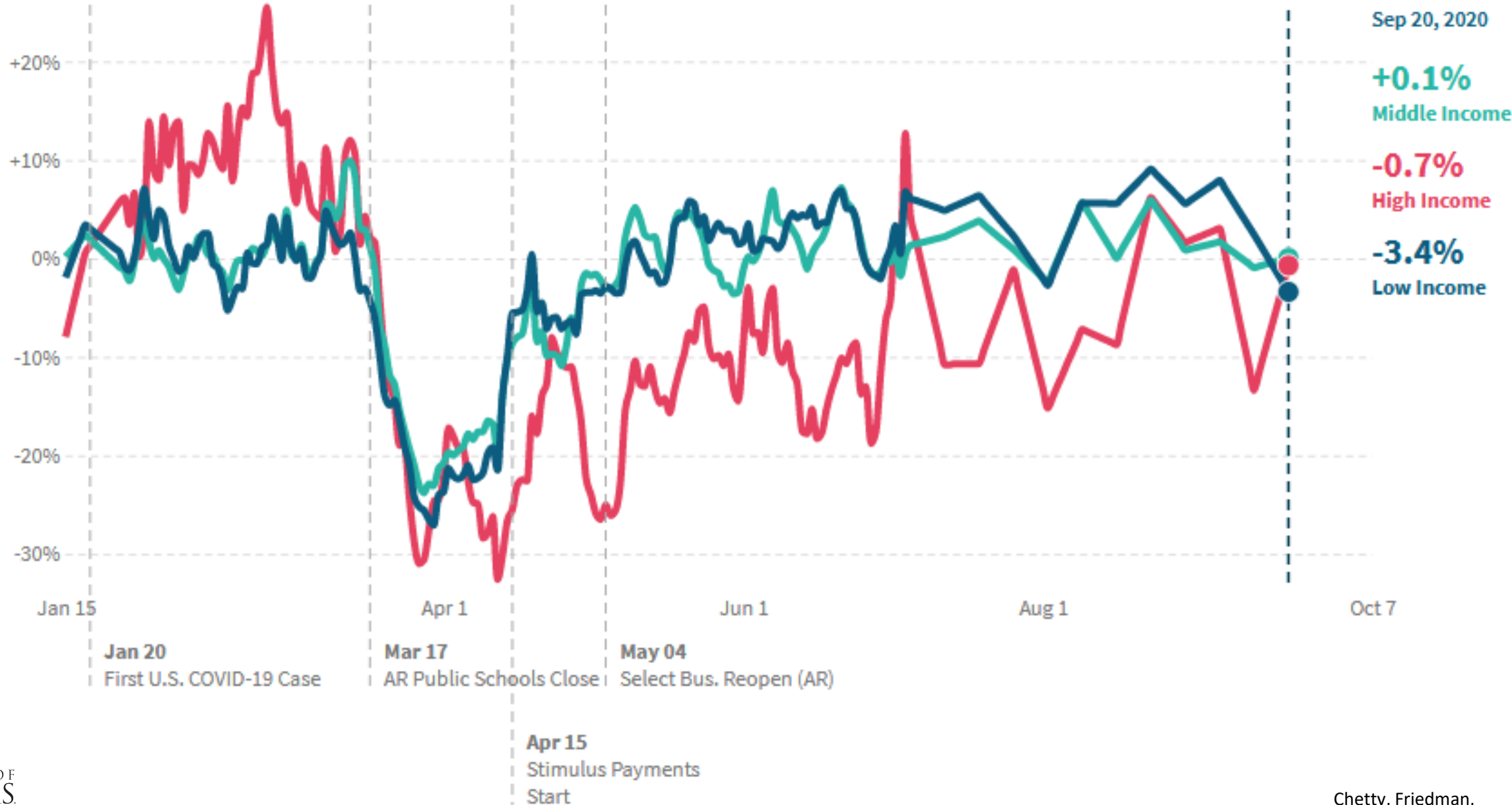


Source: Bureau of Economic Analysis

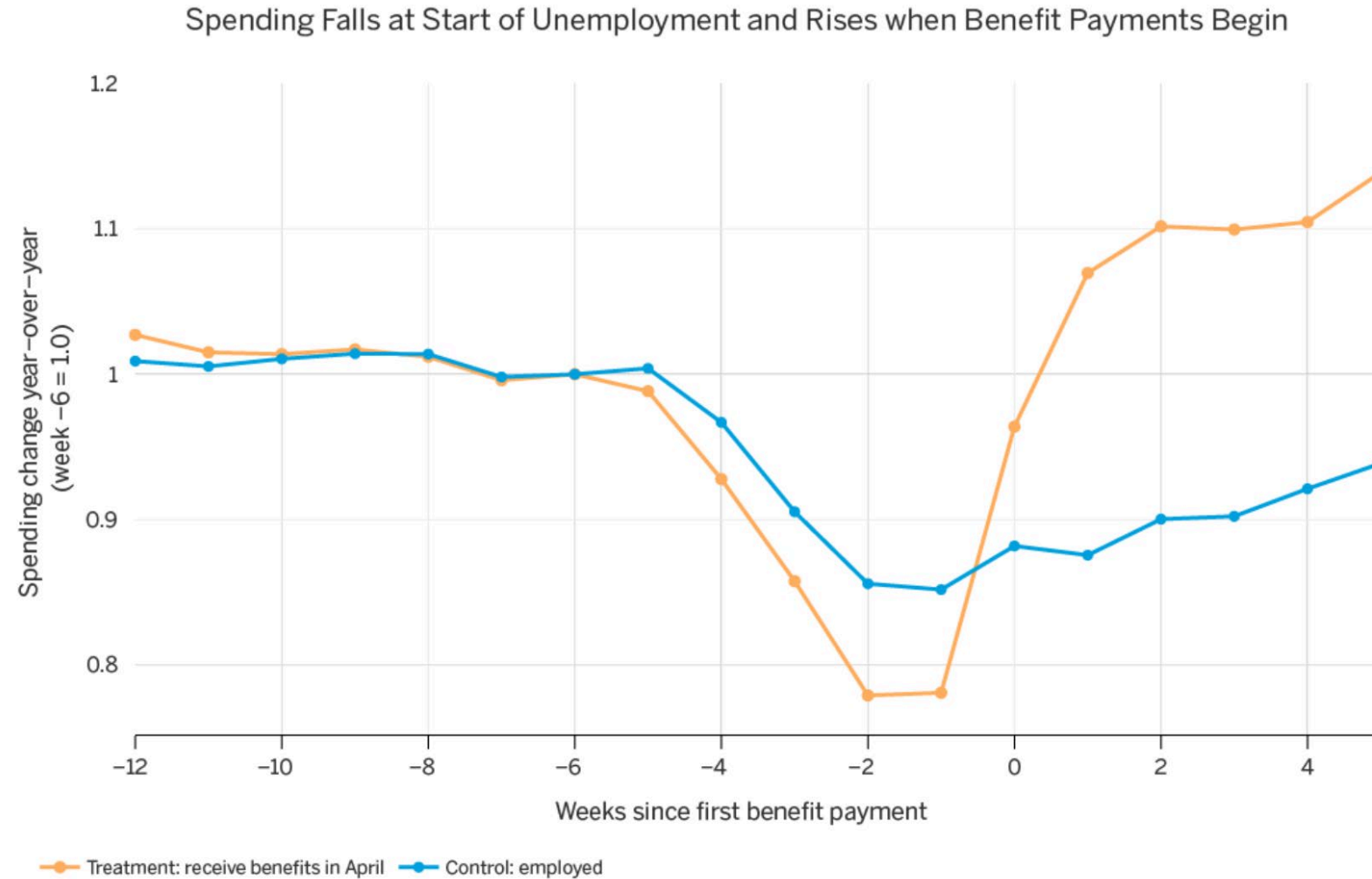
Percent Change in All Consumer Spending



Percent Change in All Consumer Spending

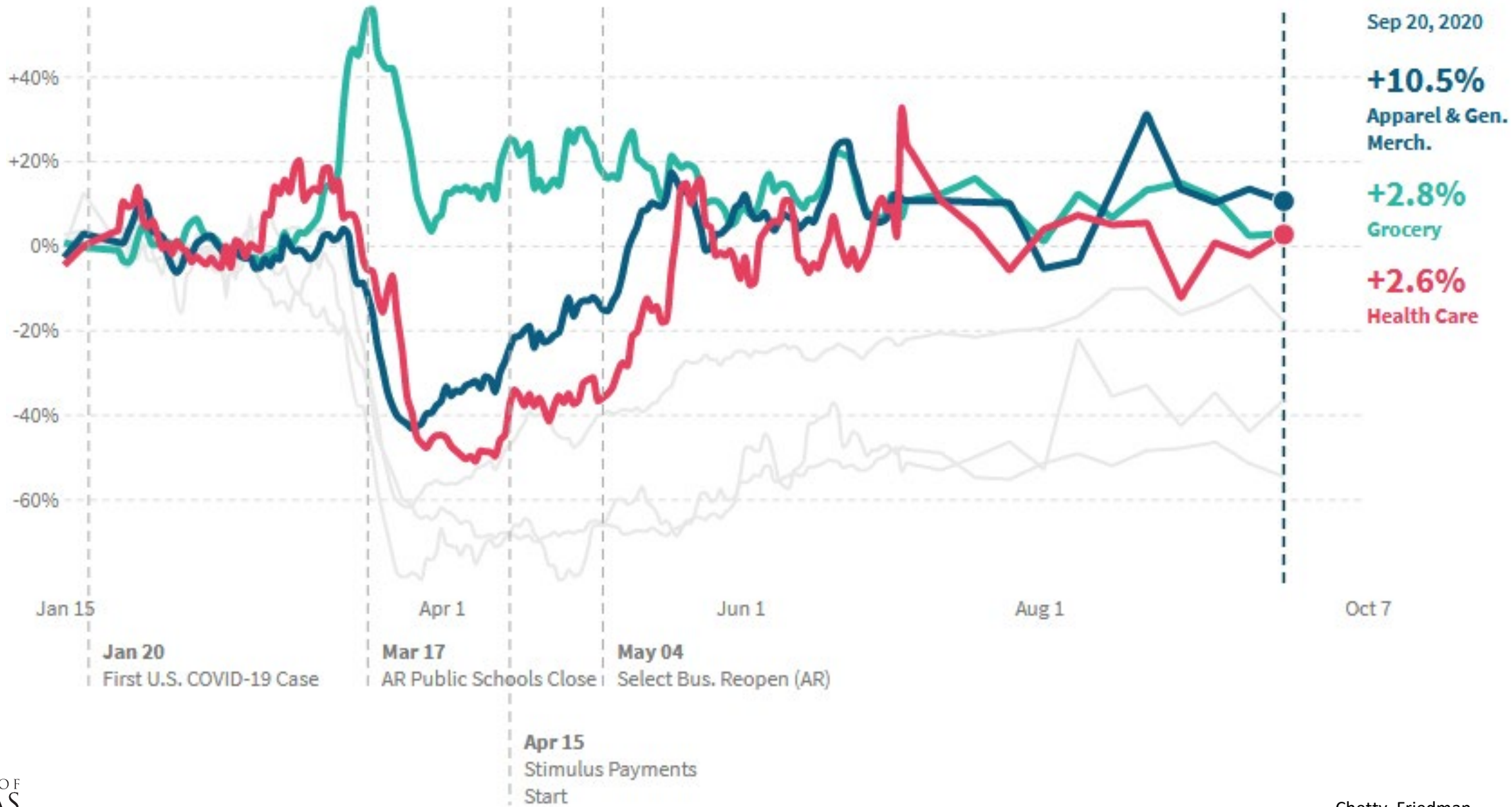


Finding One: While aggregate spending of the employed was down by 10 percent during the initial months of the pandemic, the spending of unemployment benefit recipients increased 10 percent, a pattern which is likely explained by the \$600 federal weekly benefit supplement.

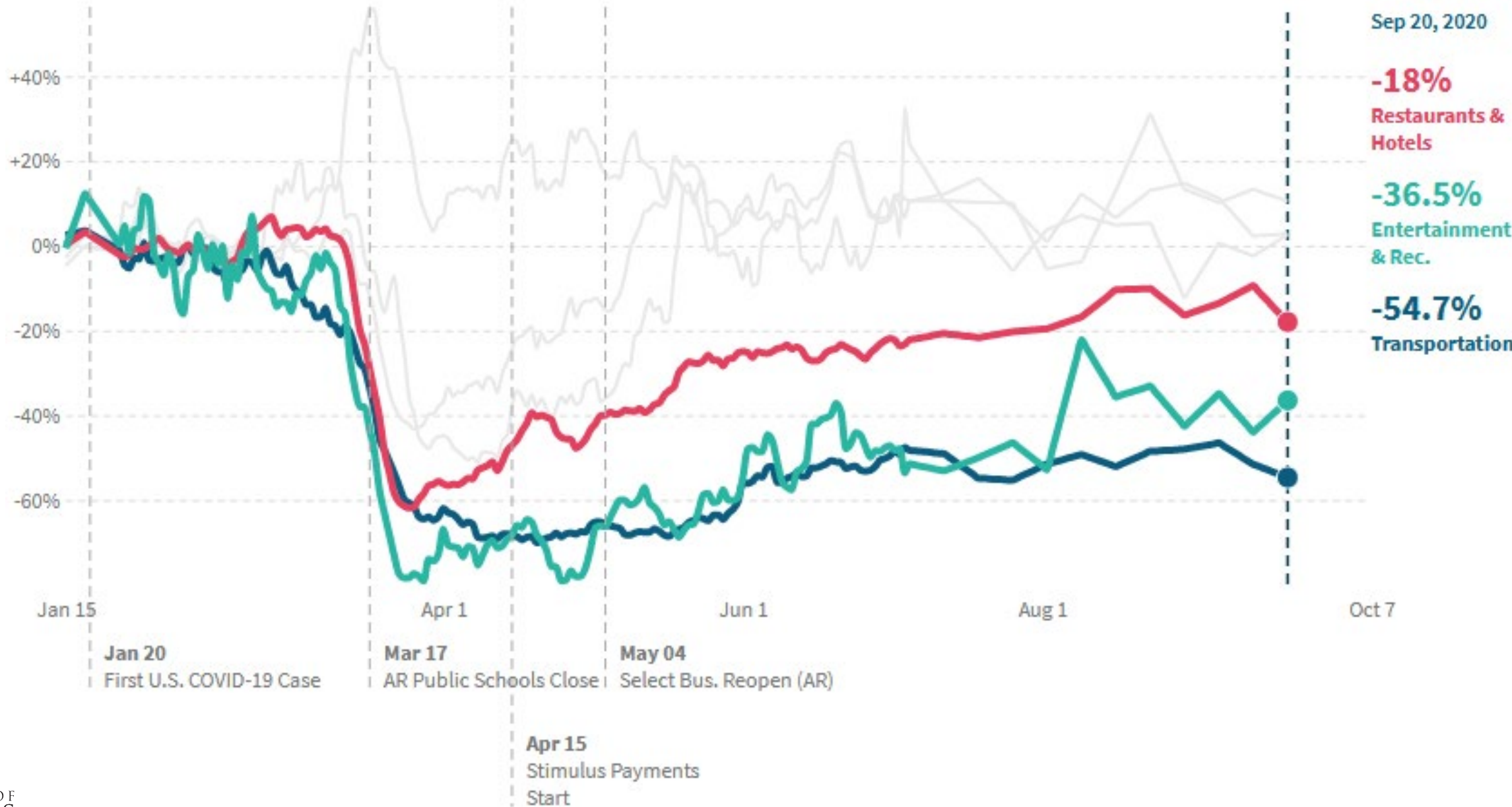


Note: This figure shows the change in spending year-over-year around the start of unemployment benefits. The x-axis shows the number of weeks since the first benefit payment. The treatment group, shown in orange, receives benefits beginning in April. The control group, shown in blue, is employed workers. See "Data and analytical approach" section for details on how the control group is constructed. The y-axis is normalized to one at six weeks prior to the first benefit payment.

Percent Change in All Consumer Spending

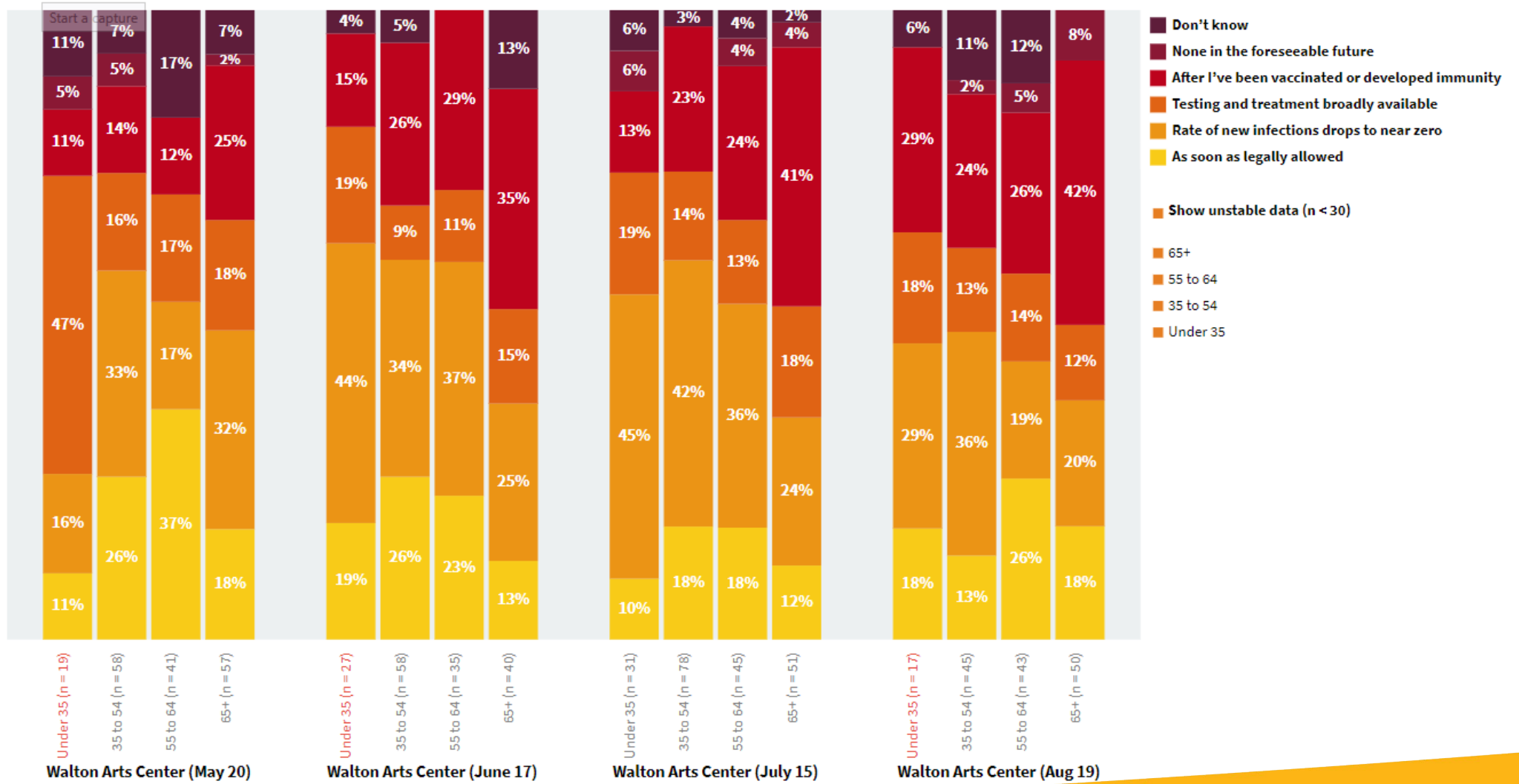


Percent Change in All Consumer Spending



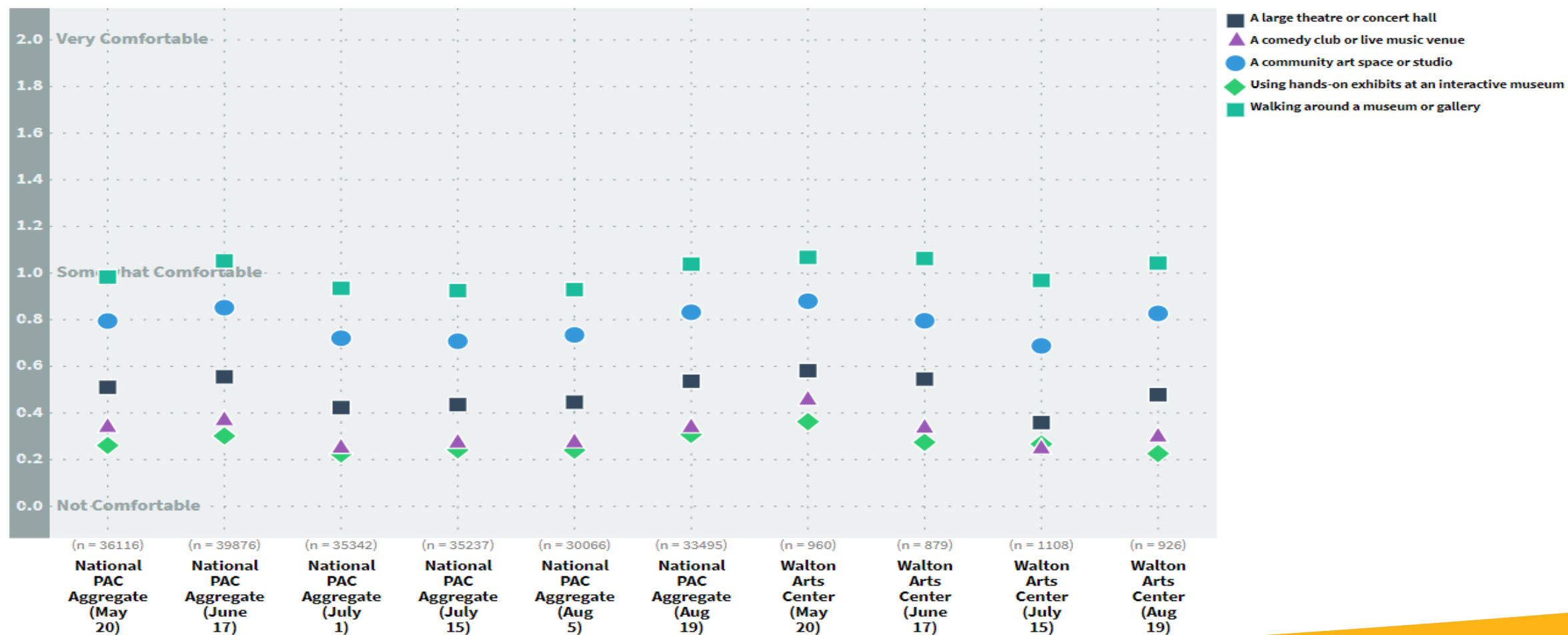
Under what conditions will you resume attending arts and cultural events?

Filter: Age (4 cohorts)

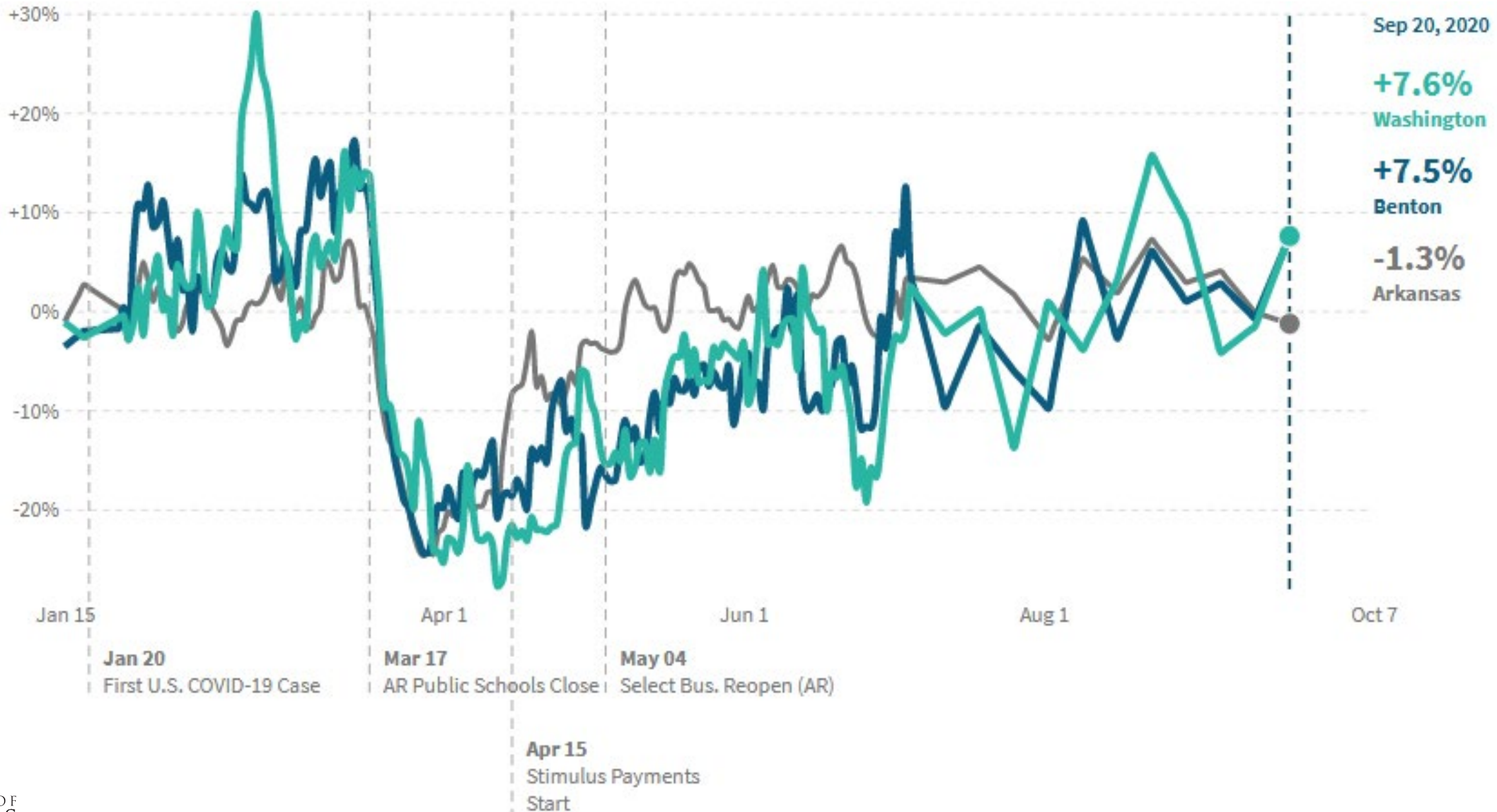


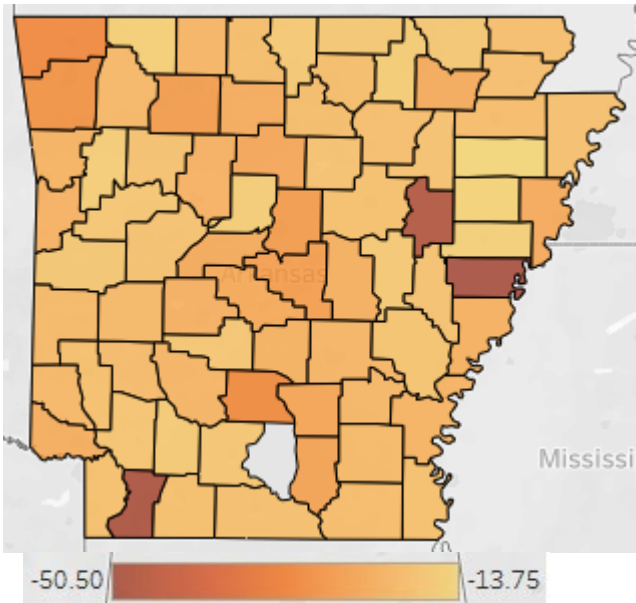
How comfortable would you feel attending the following types of indoor cultural facilities today, assuming they were open and following social distancing guidelines and other health safety procedures?

(Protocol v1 did not explicitly specify that these were indoor facilities. Outdoor Festival or Concert was dropped for protocol v2 however several organizations from different cohorts used protocol v1 for Aug. 5 deployment.) ***Please pay attention to N values (sample sizes).

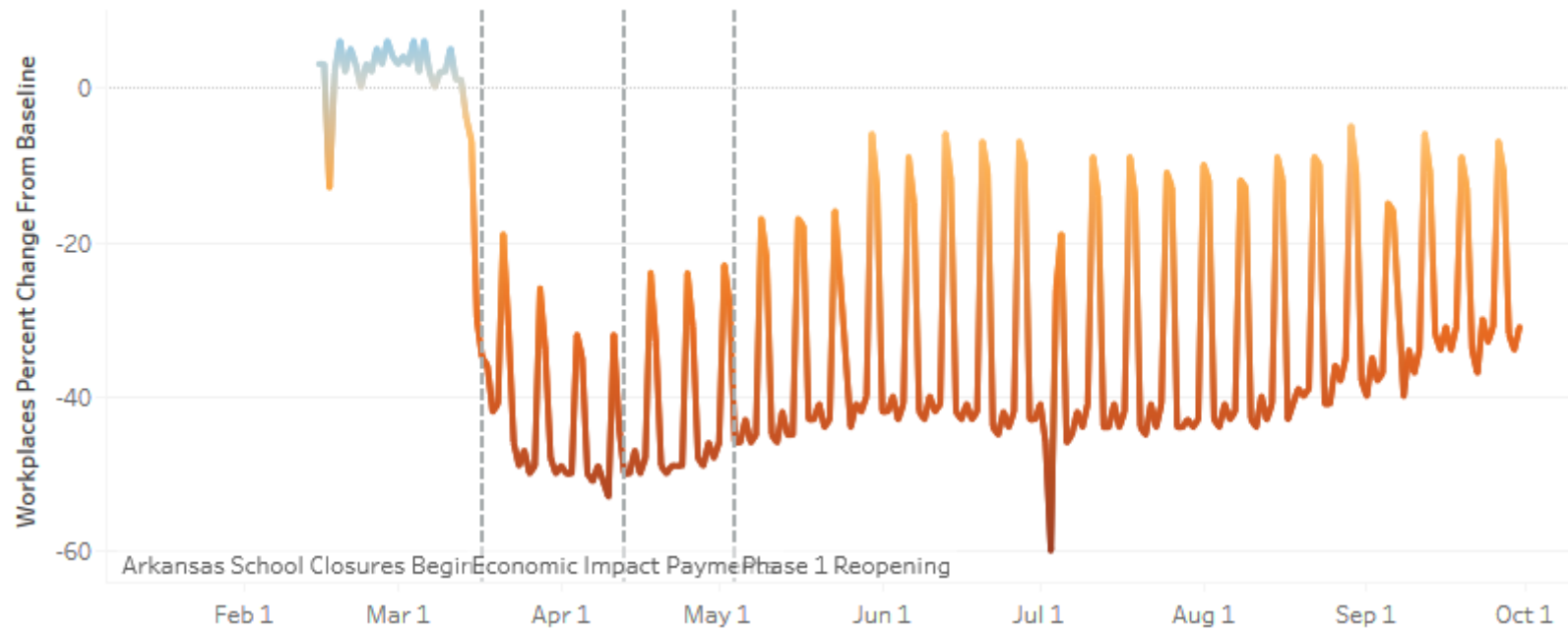


Percent Change in All Consumer Spending

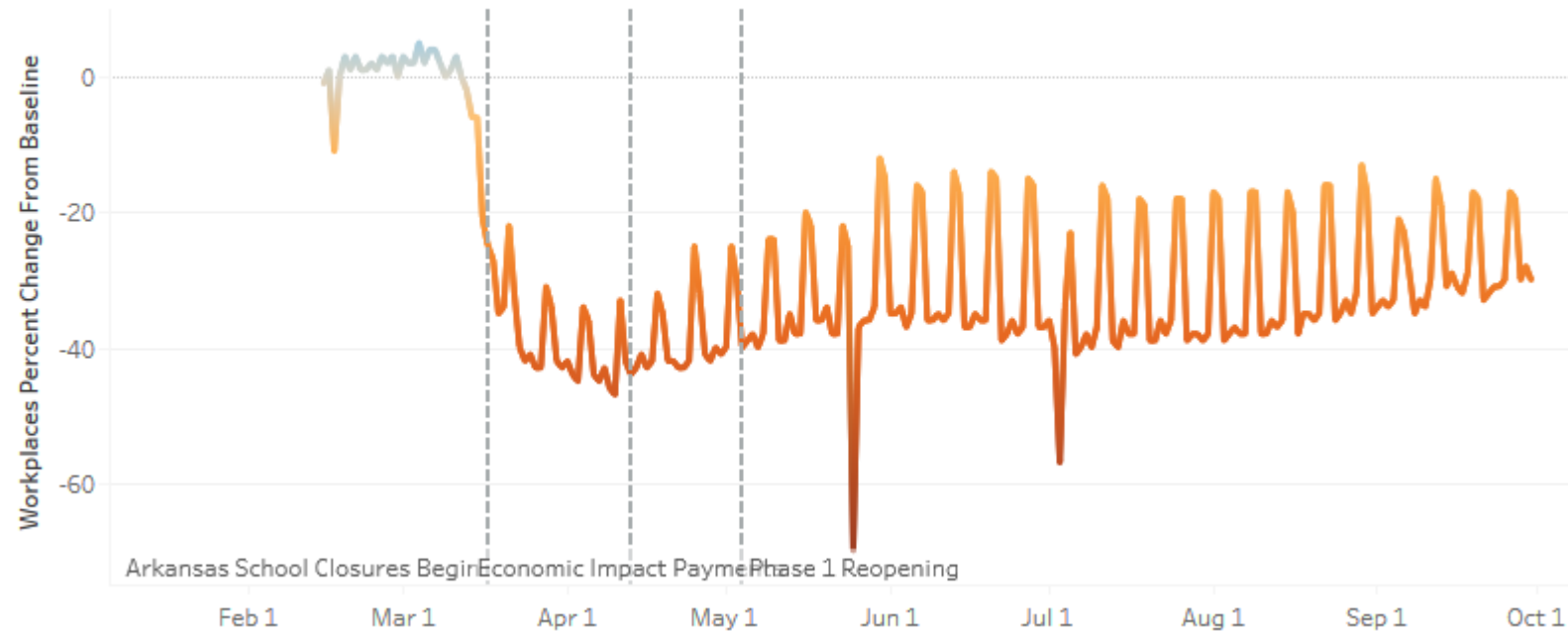




Percentage Change in Workplaces - Benton County



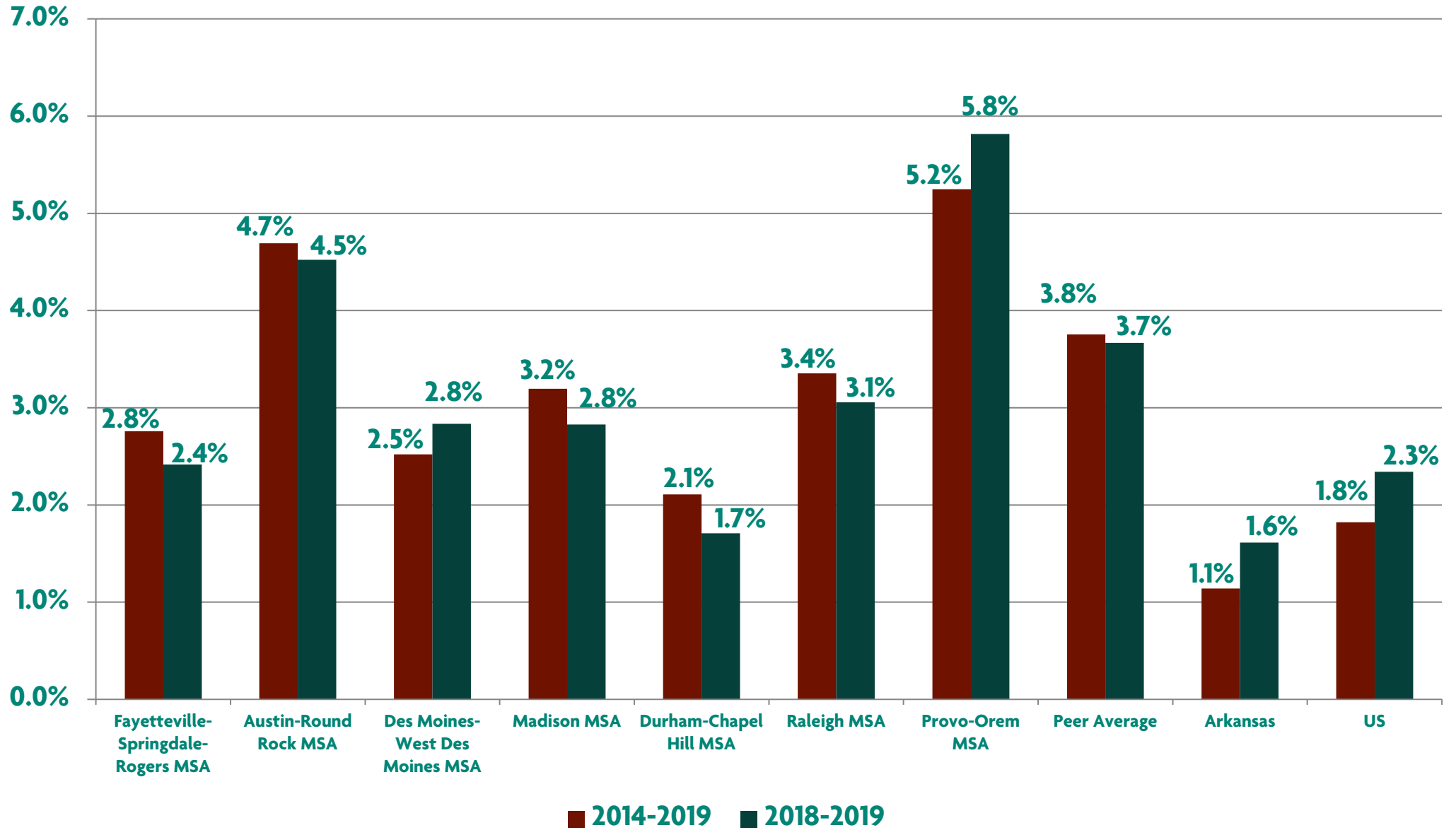
Percentage Change in Workplaces - Washington County



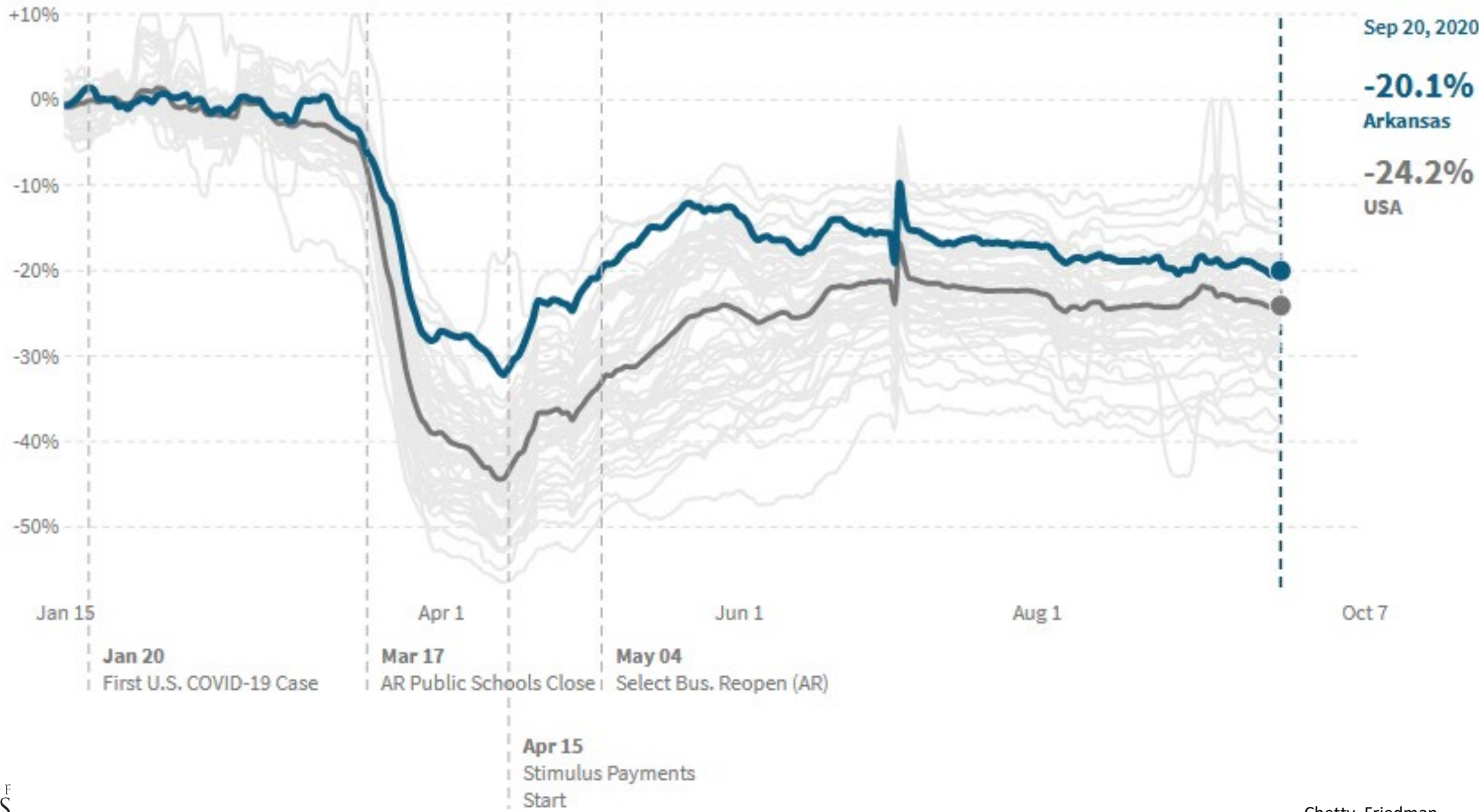


Business Establishment Growth

Source: U.S. Bureau of Labor Statistics



Percent Change in Number of Small Businesses Open



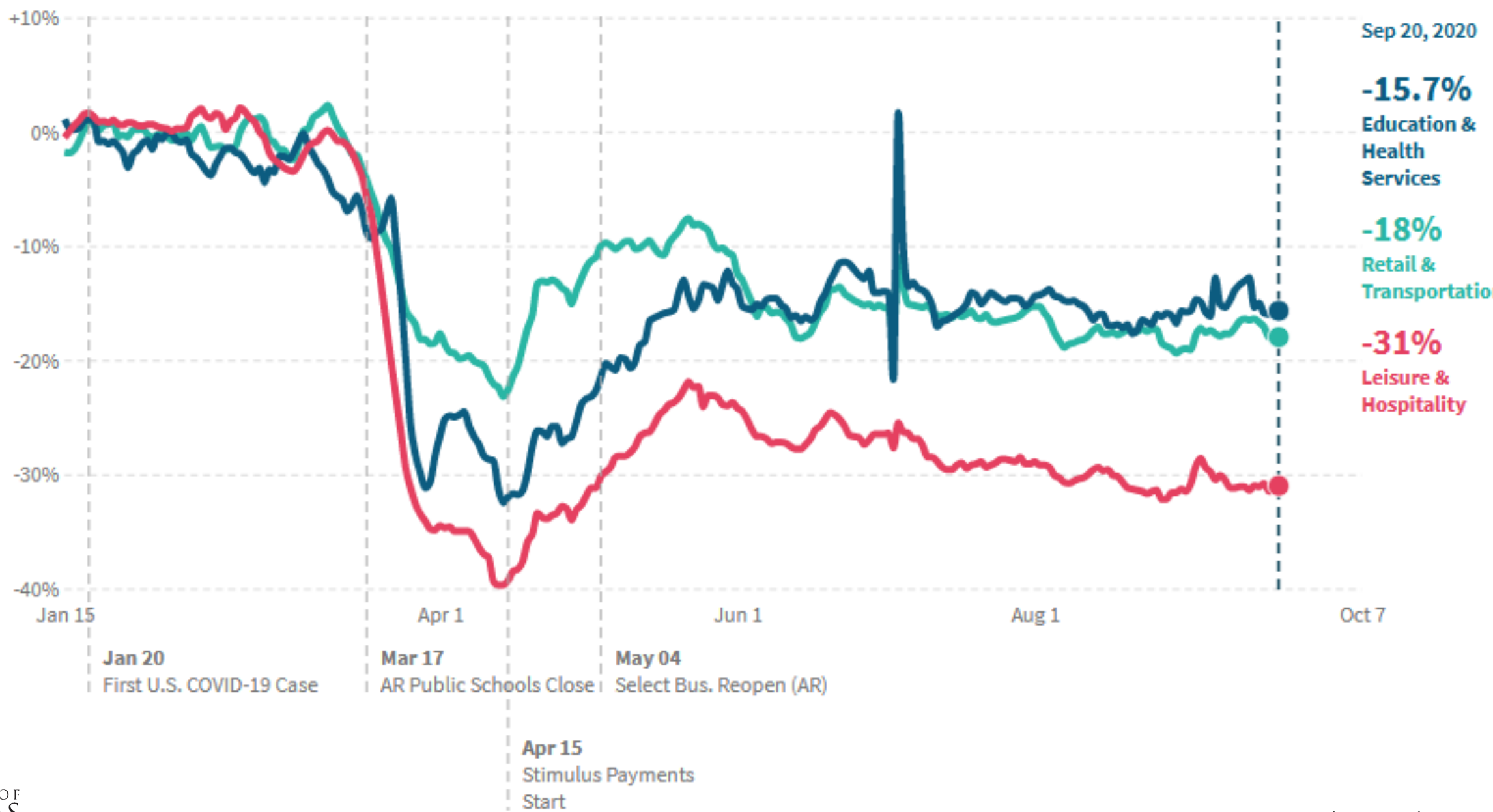
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Chetty, Friedman, Hendren, Stepner, and the OI Team (2020)

Percent Change in Number of Small Businesses Open

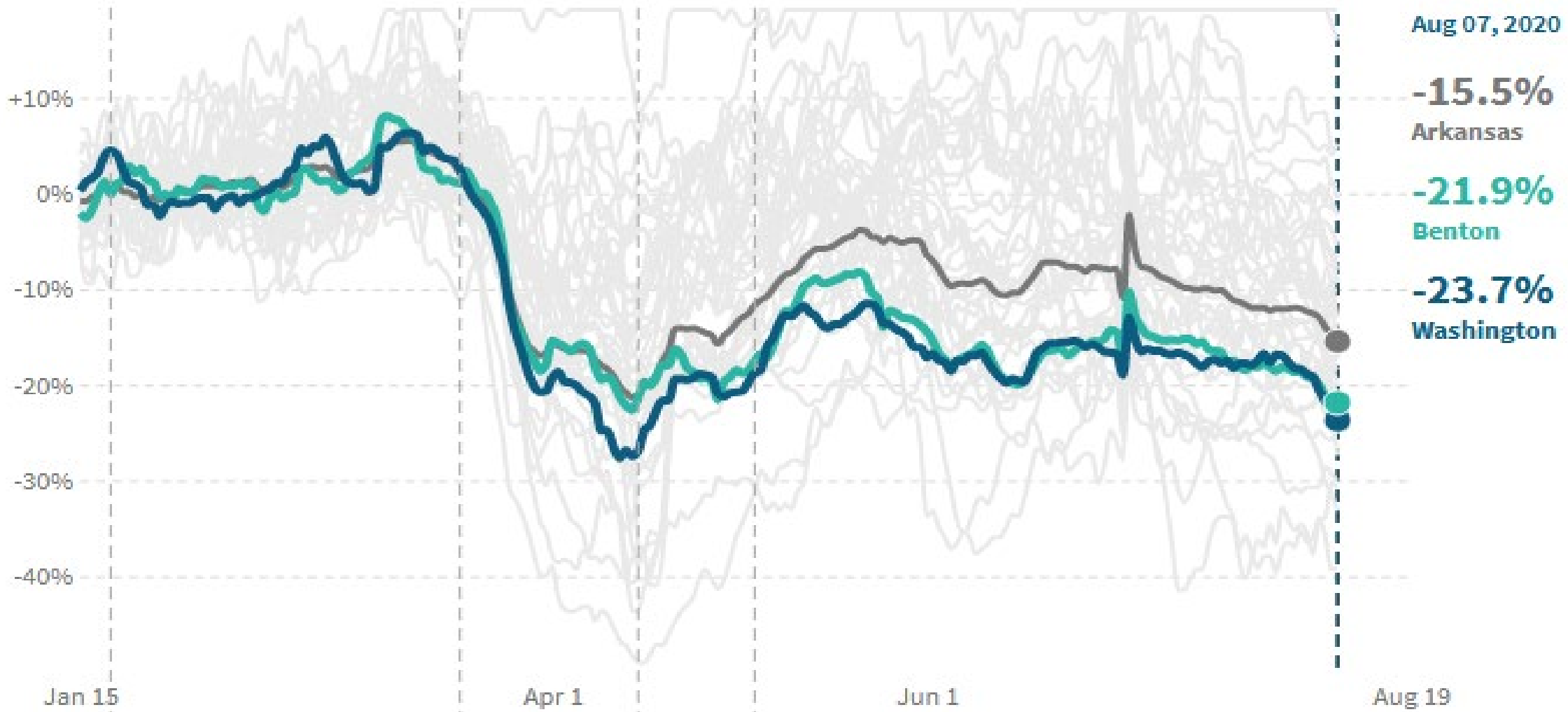


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Chetty, Friedman, Hendren, Stepner, and the OI Team (2020)

Percent Change in Number of Small Businesses Open



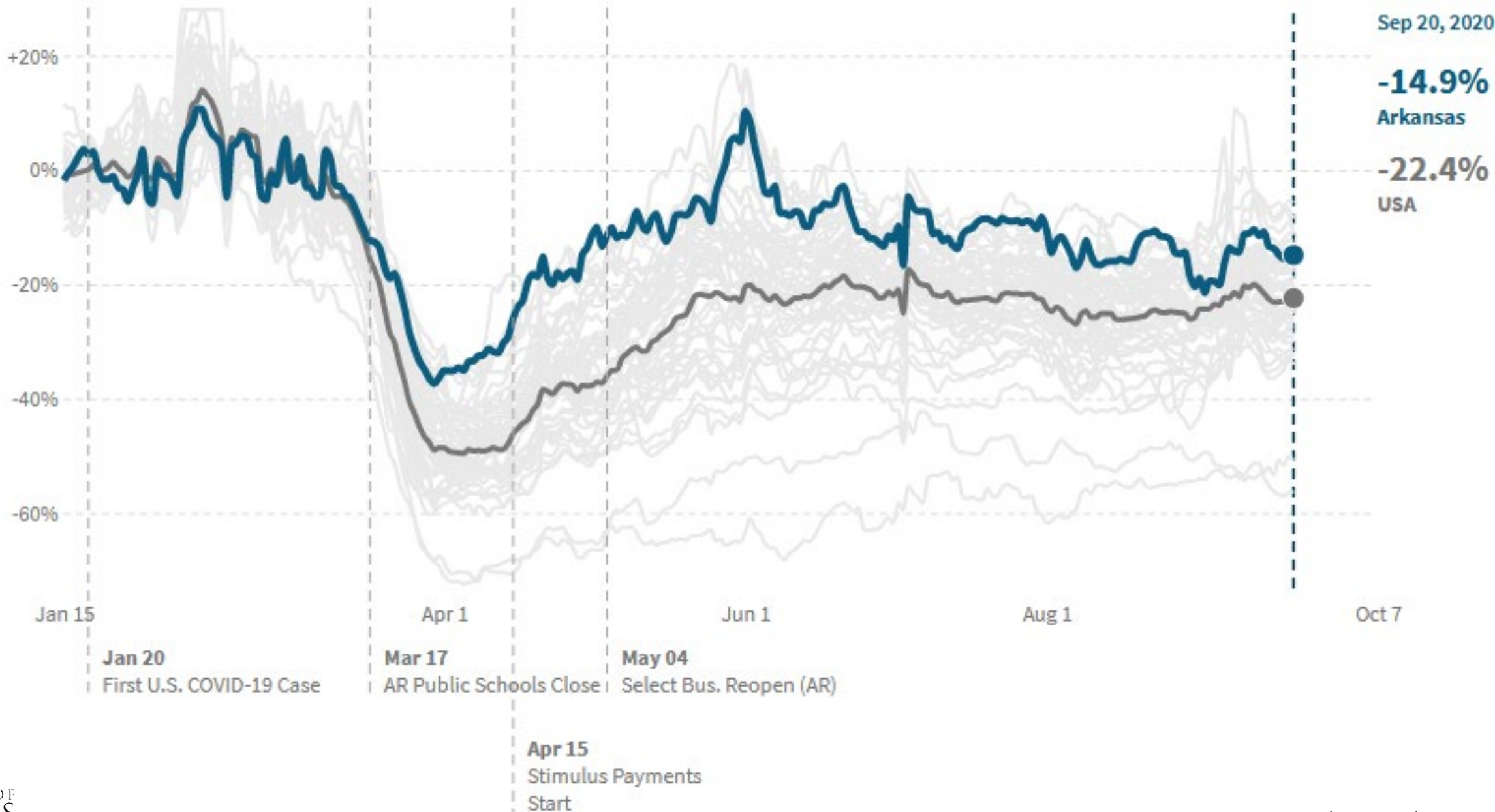
Jan 20 First U.S. COVID-19 Case
Mar 17 AR Public Schools Close
Apr 15 Stimulus Payments Start
May 04 Select Bus. Reopen (AR)

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Chetty, Friedman, Hendren, Stepner, and the OI Team (2020)

Percent Change in Number of Small Businesses Revenue



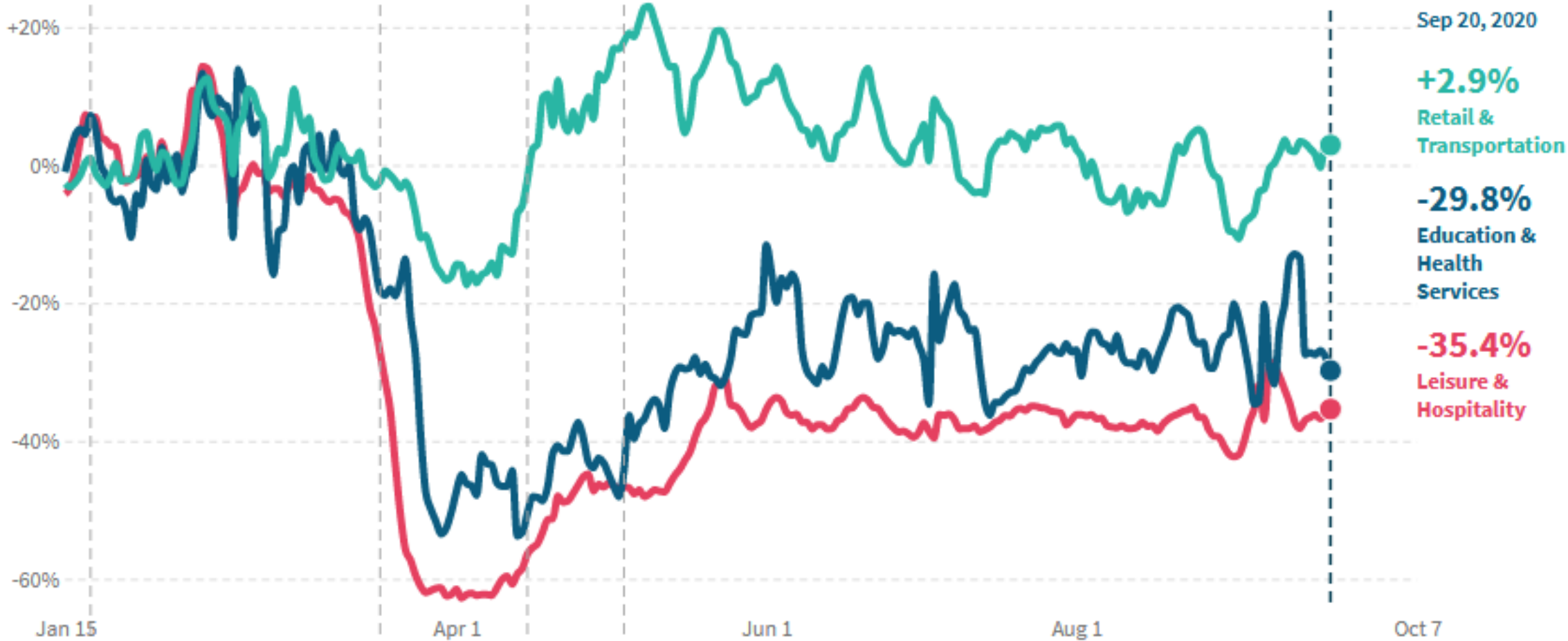
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Chetty, Friedman, Hendren, Stepner, and the OI Team (2020)

Percent Change in Number of Small Businesses Revenue



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Jan 20
First U.S. COVID-19 Case

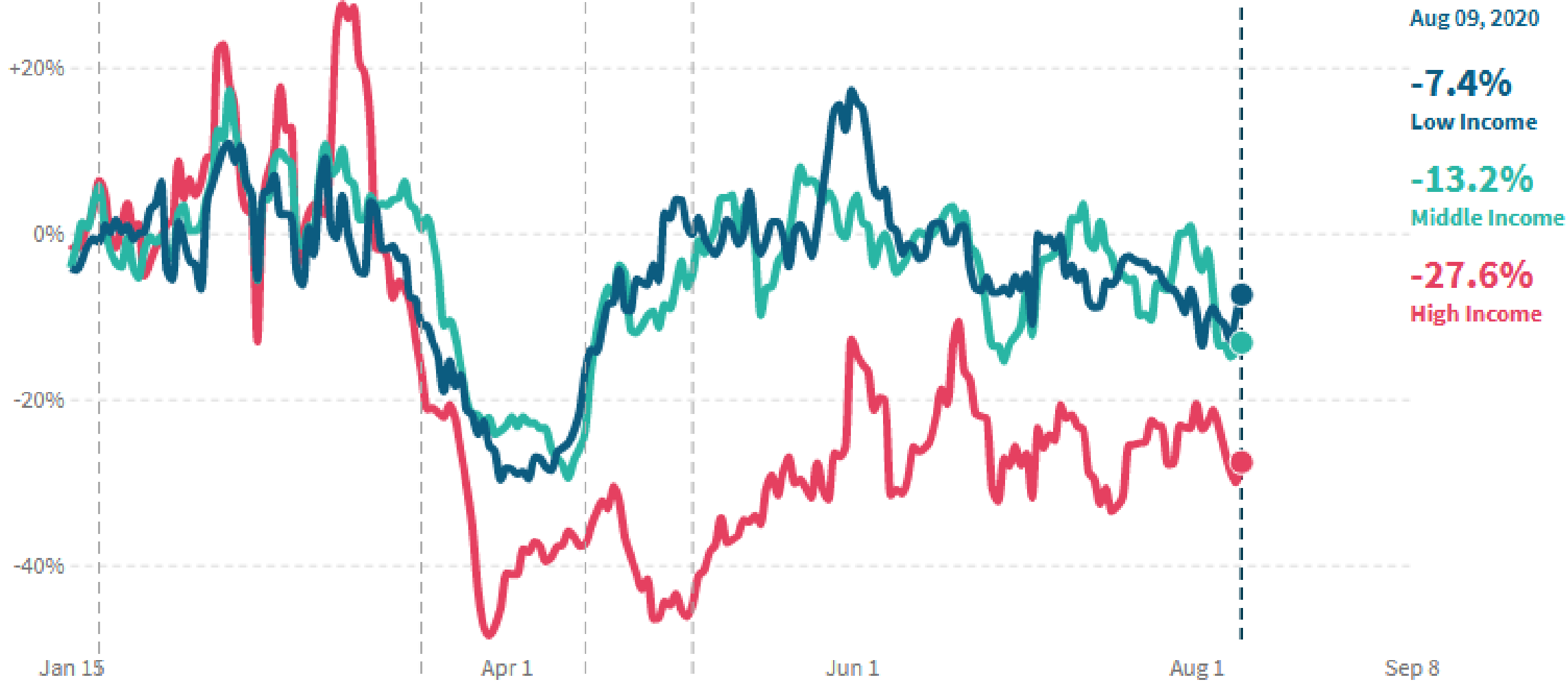
Mar 17
AR Public Schools Close

May 04
Select Bus. Reopen (AR)

Apr 15
Stimulus Payments
Start

Chetty, Friedman,
Hendren, Stepner, and
the OI Team (2020)

Percent Change in Number of Small Businesses Revenue



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Jan 20
First U.S. COVID-19 Case

Mar 17
AR Public Schools Close

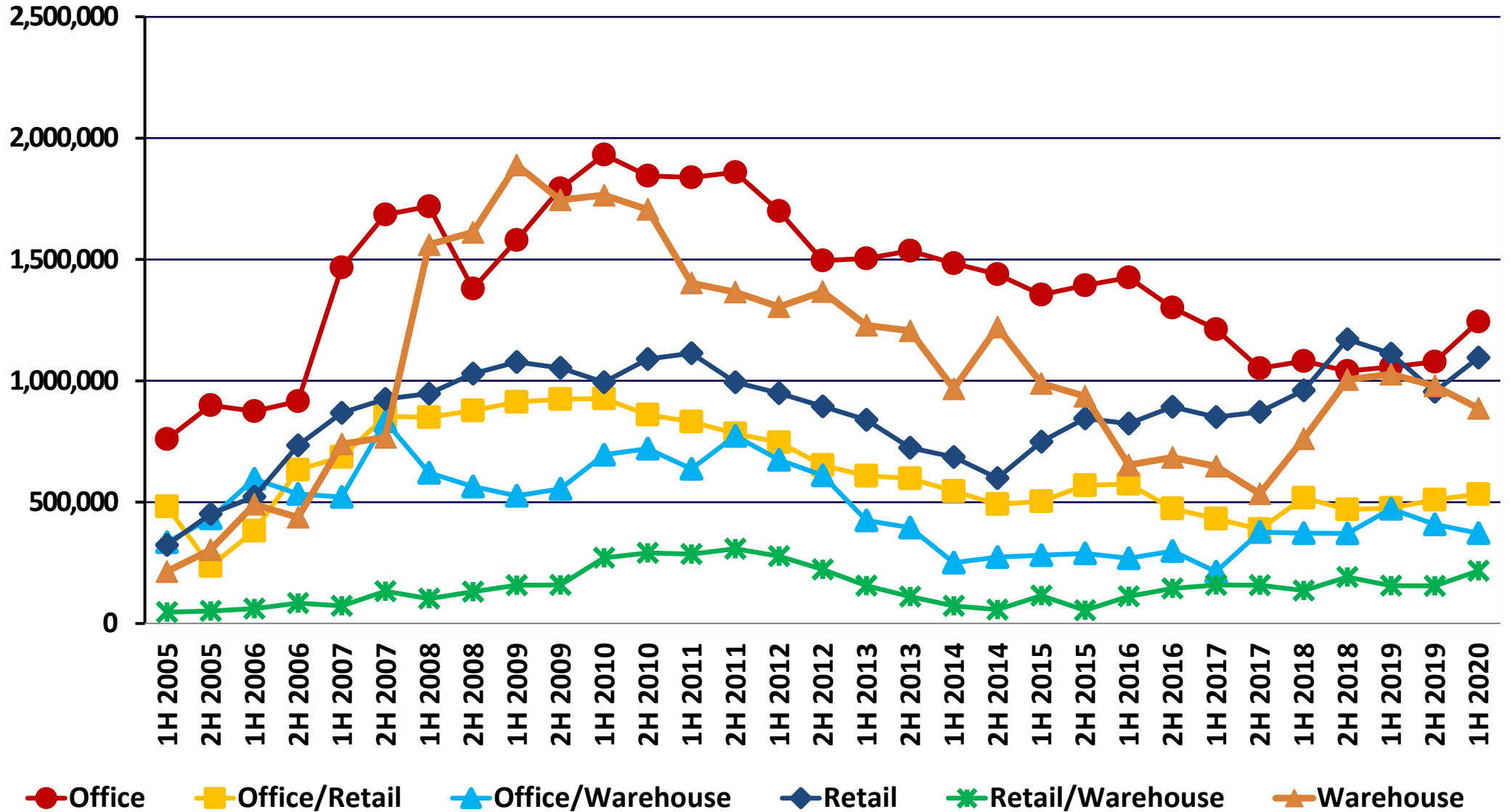
May 04
Select Bus. Reopen (AR)

Apr 15
Stimulus Payments
Start

Sep 8

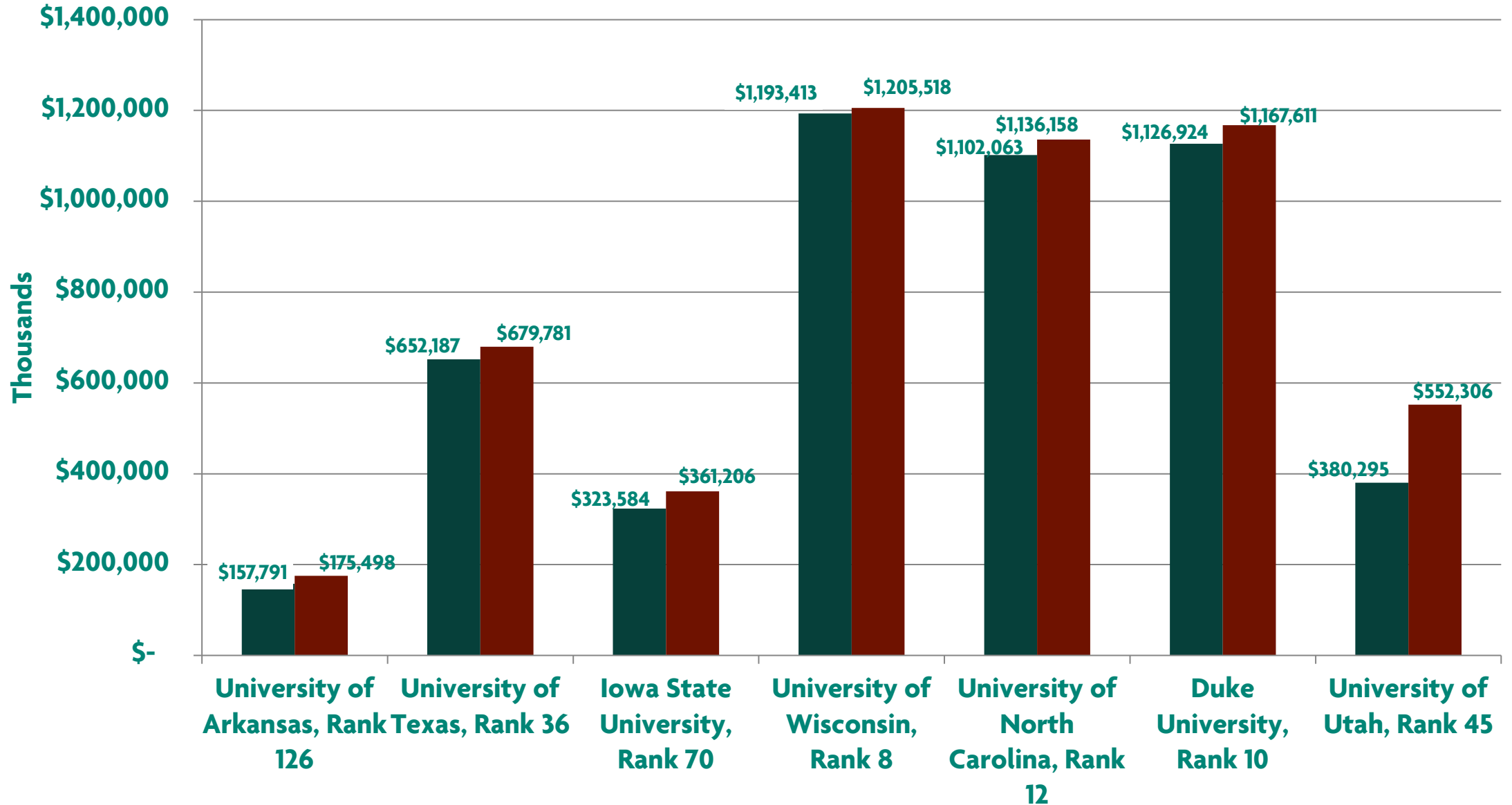
Chetty, Friedman,
Hendren, Stepner, and
the OI Team (2020)

Northwest Arkansas Available Square Footage

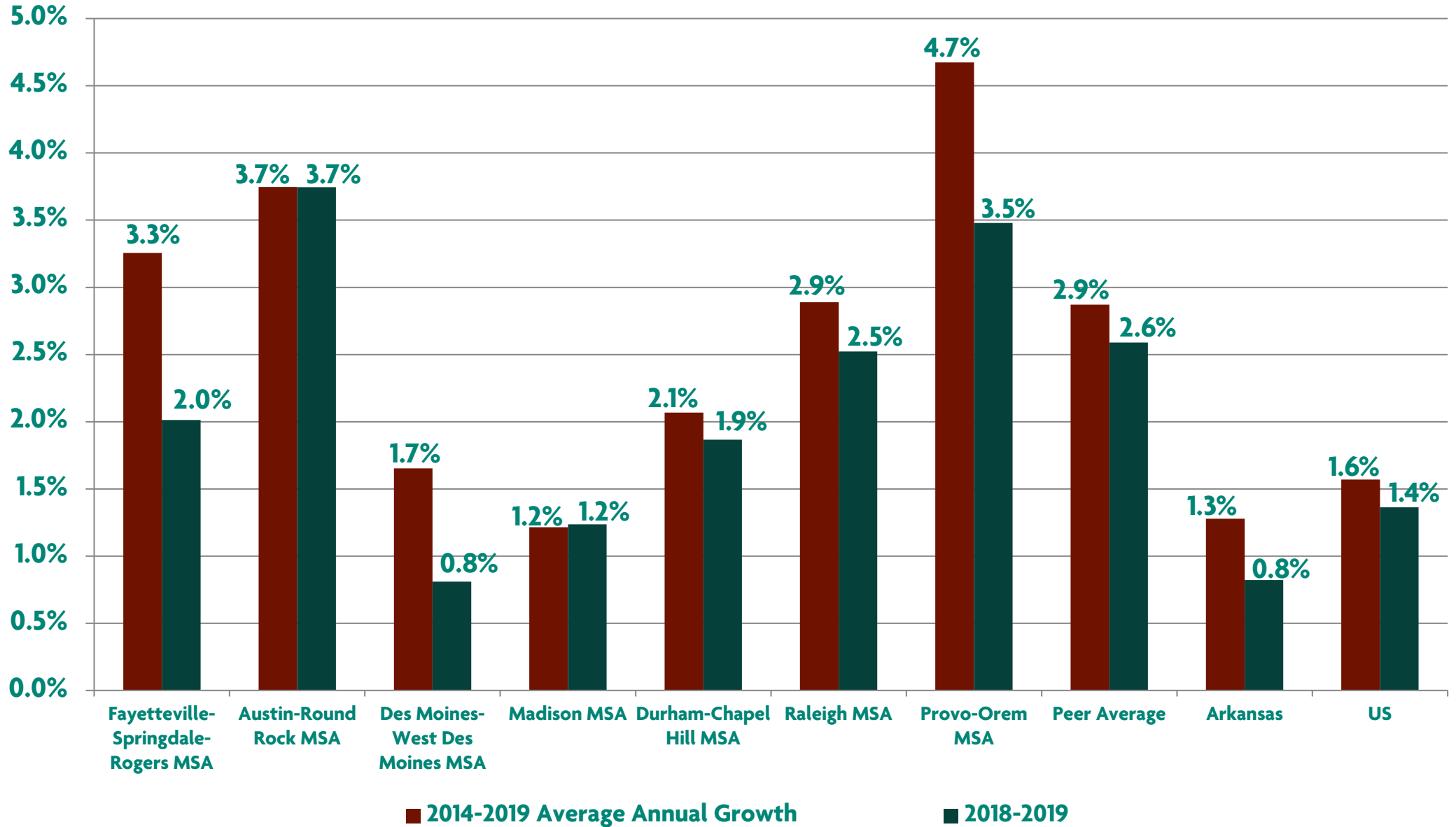


R&D Expenditures 2017-2018

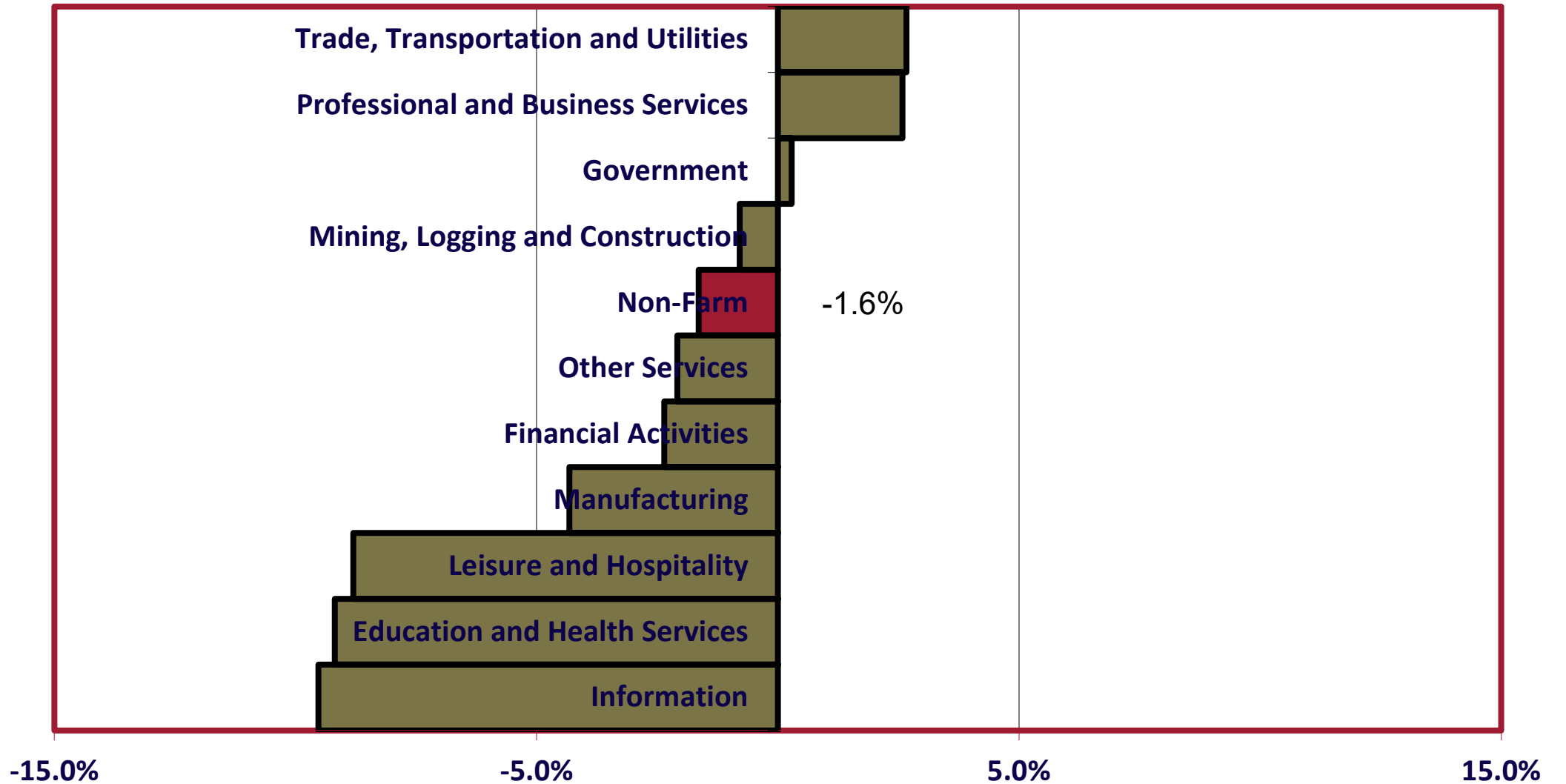
Source: National Science Foundation



Employment Growth Rate Source: U.S. Bureau of Labor Statistics

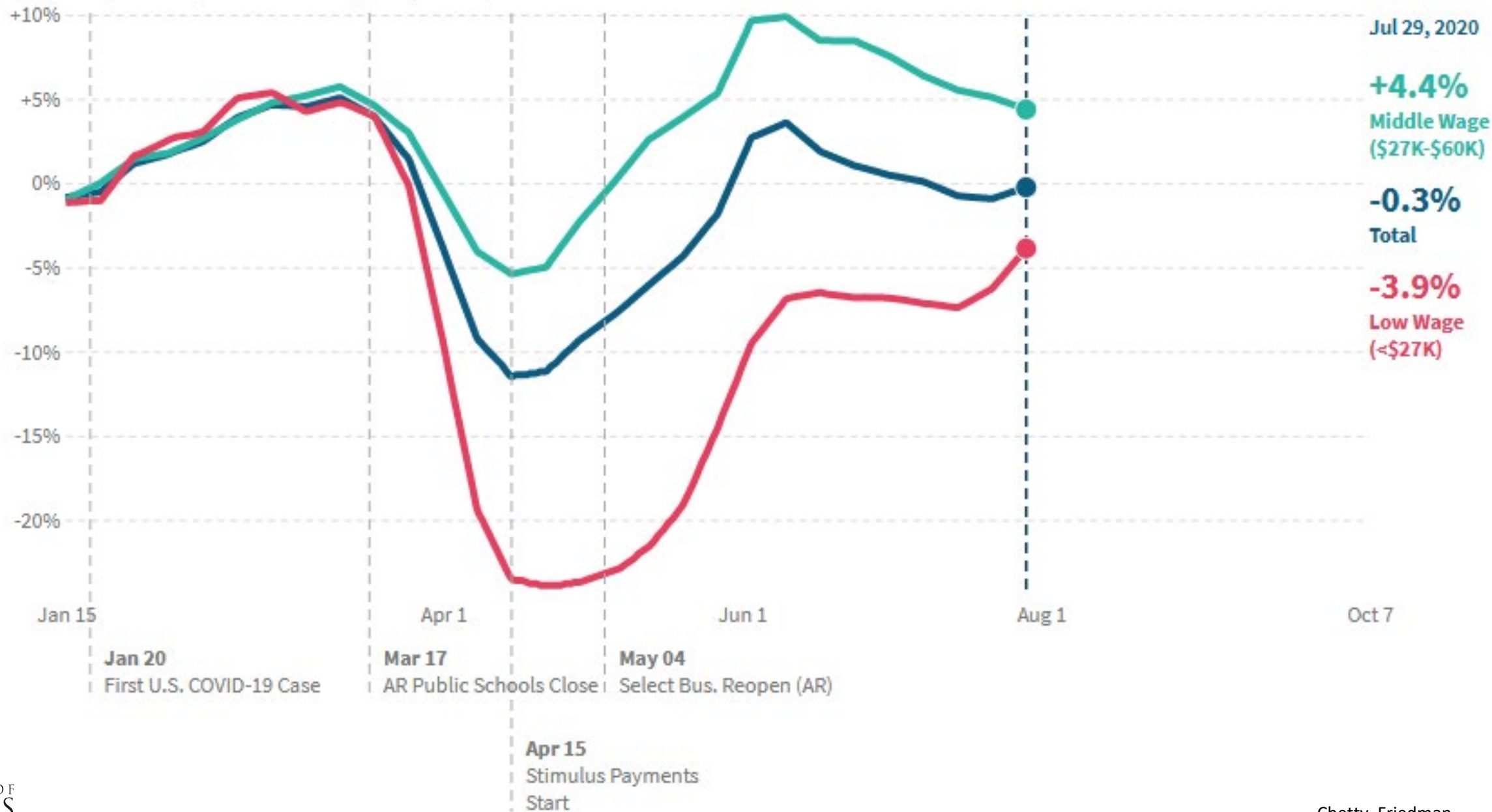


Change in Northwest Arkansas MSA Employment by Sector, August 2019 - August 2020



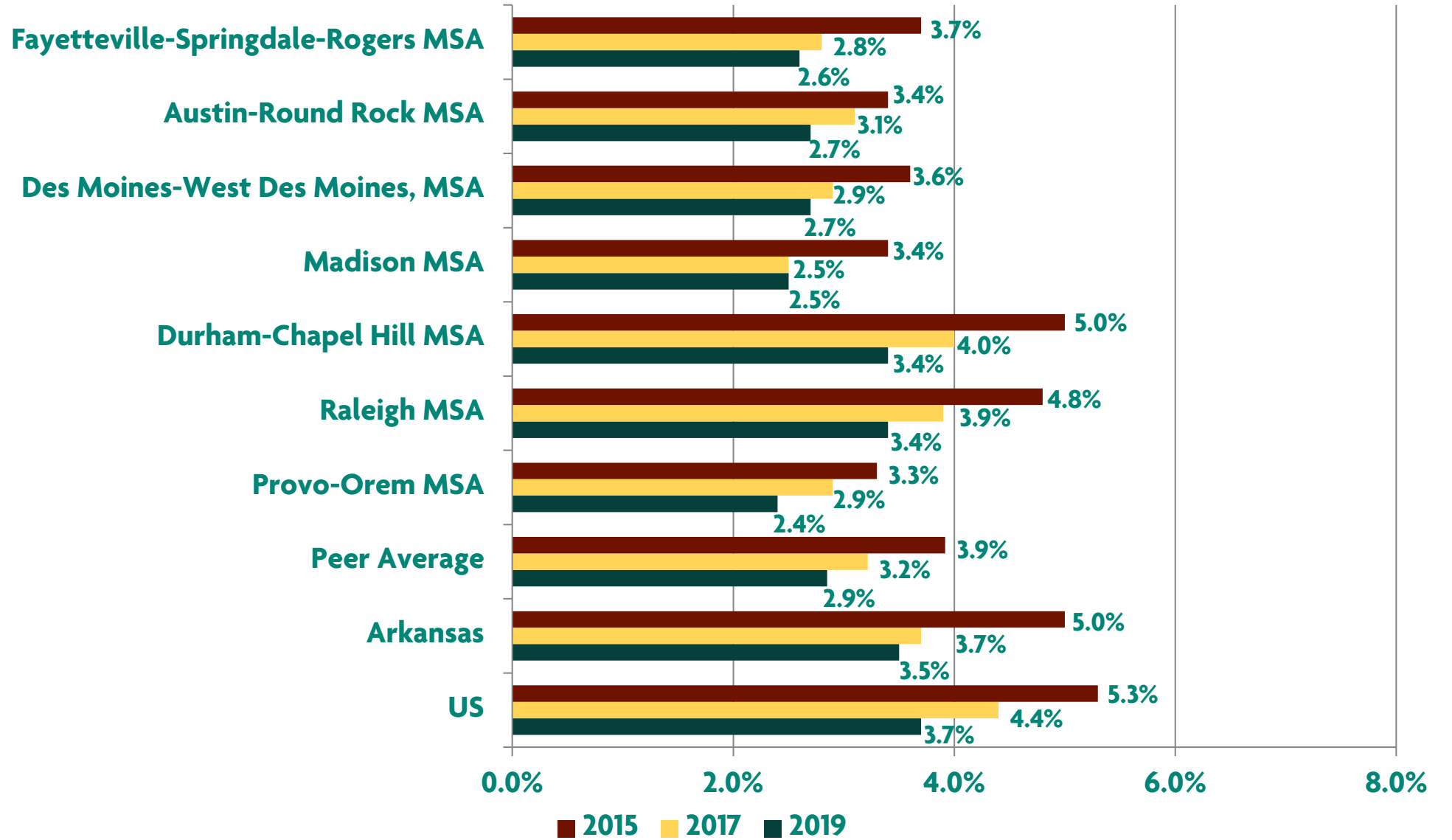
Source: Bureau of Labor Statistics, CBER Calculations

Percent Change in Employment by Income Quartile



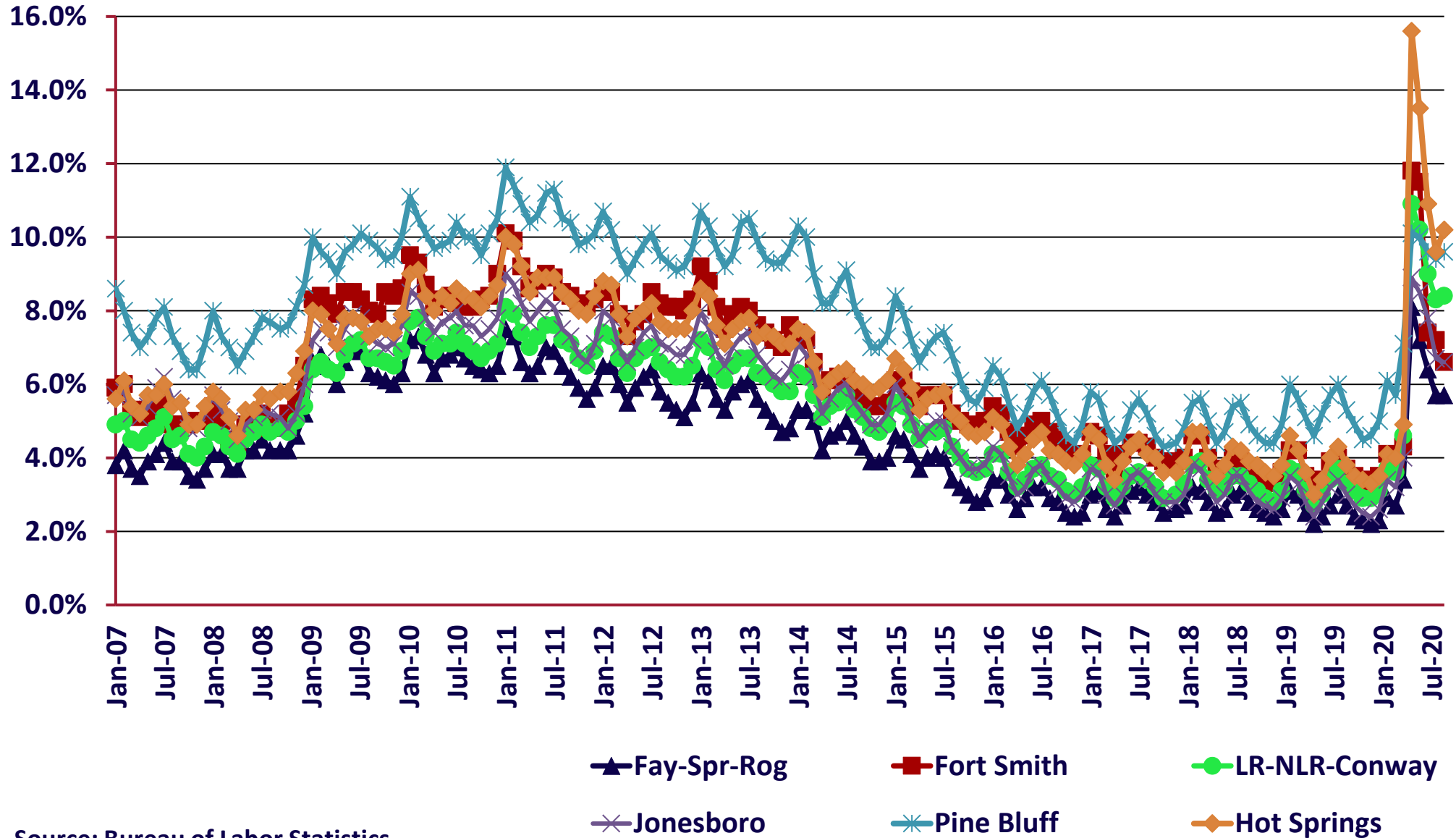
Unemployment Rate, Annual Average

Source: U.S. Bureau of Labor Statistics





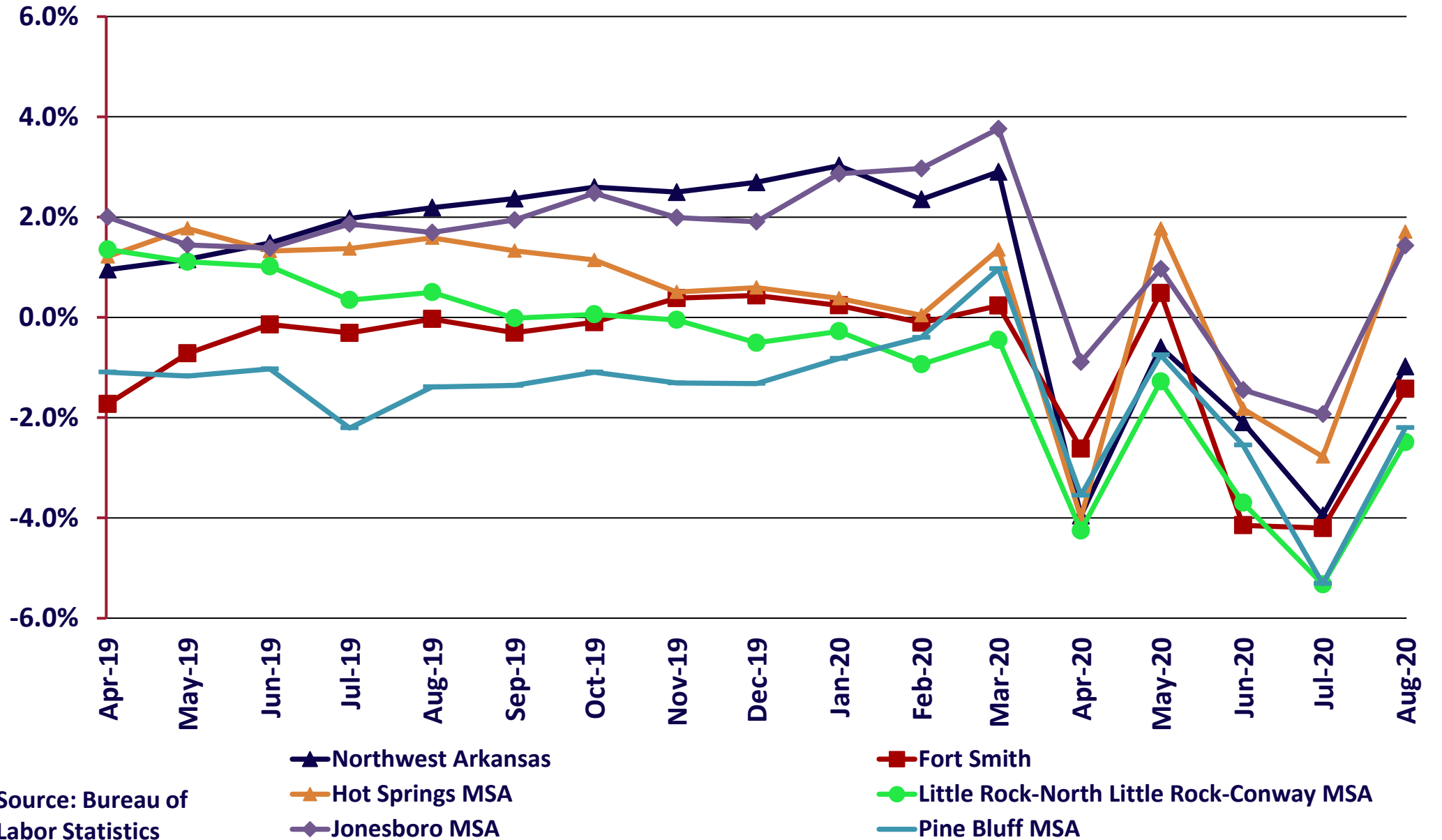
Unemployment Rates, Not Seasonally Adjusted



Source: Bureau of Labor Statistics



Labor Force, Year Over Year Percent Change

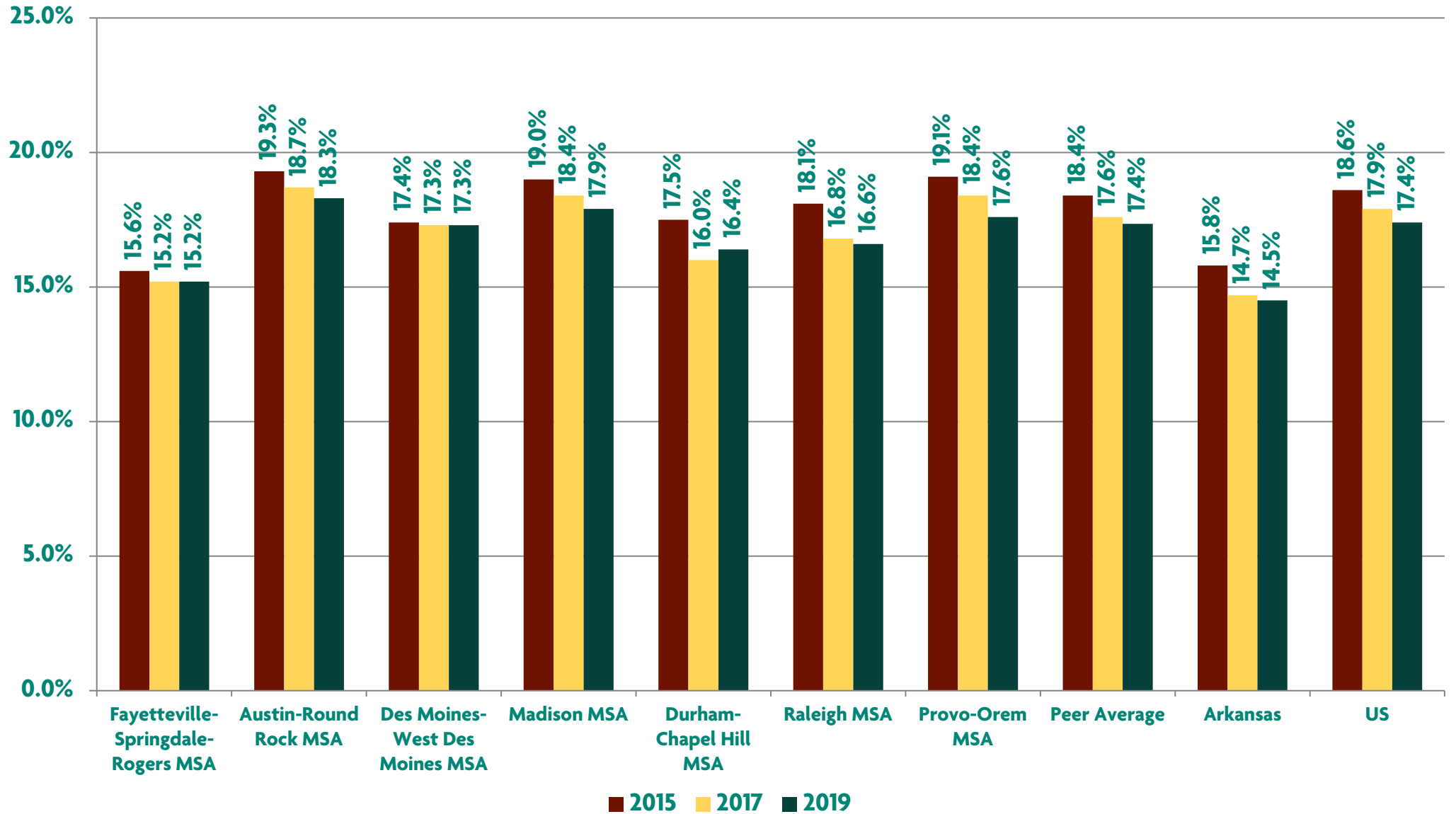


Source: Bureau of Labor Statistics

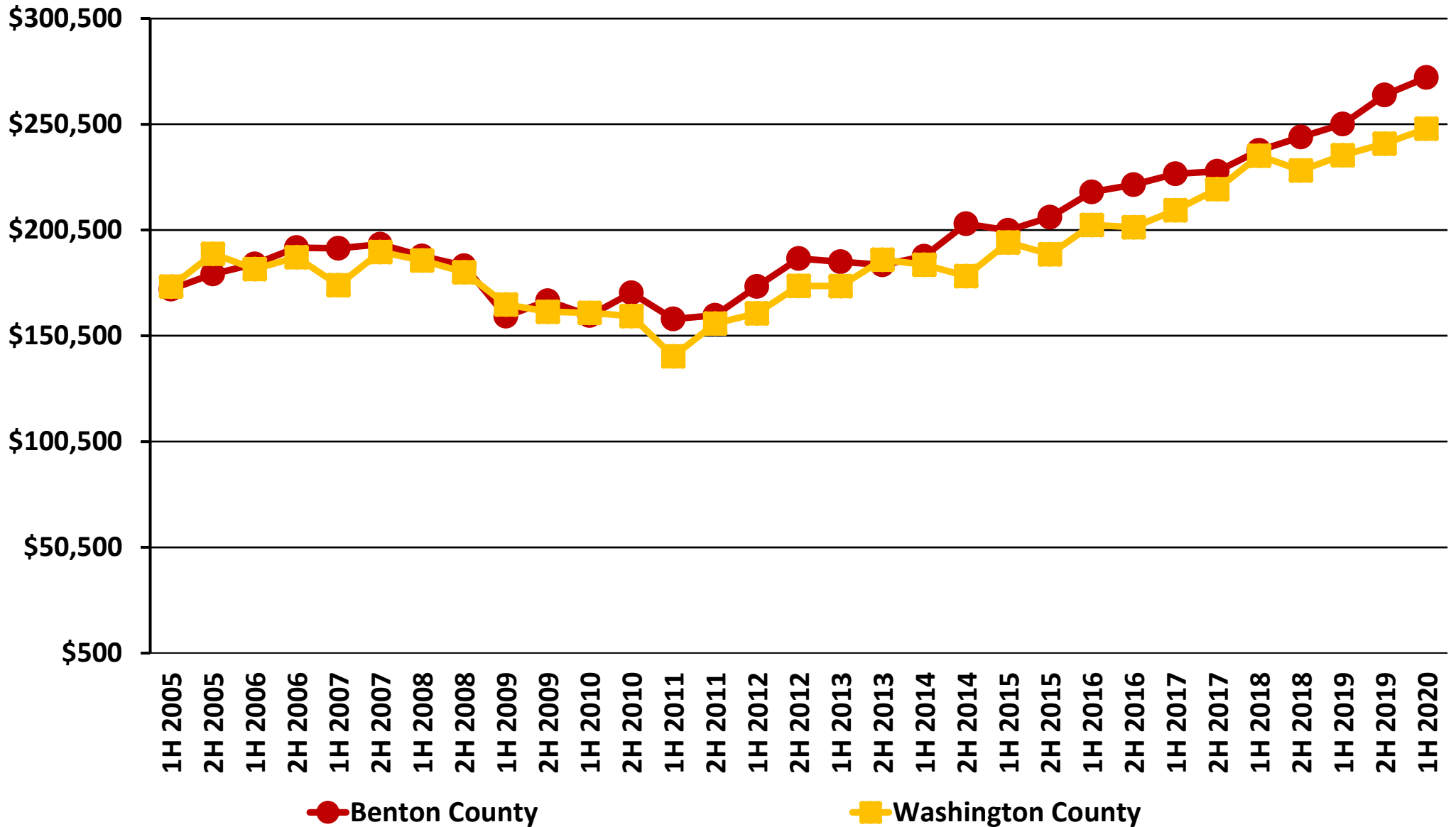


Median Cost of Homeownership as Percent of Income

Source: U.S. Census Bureau

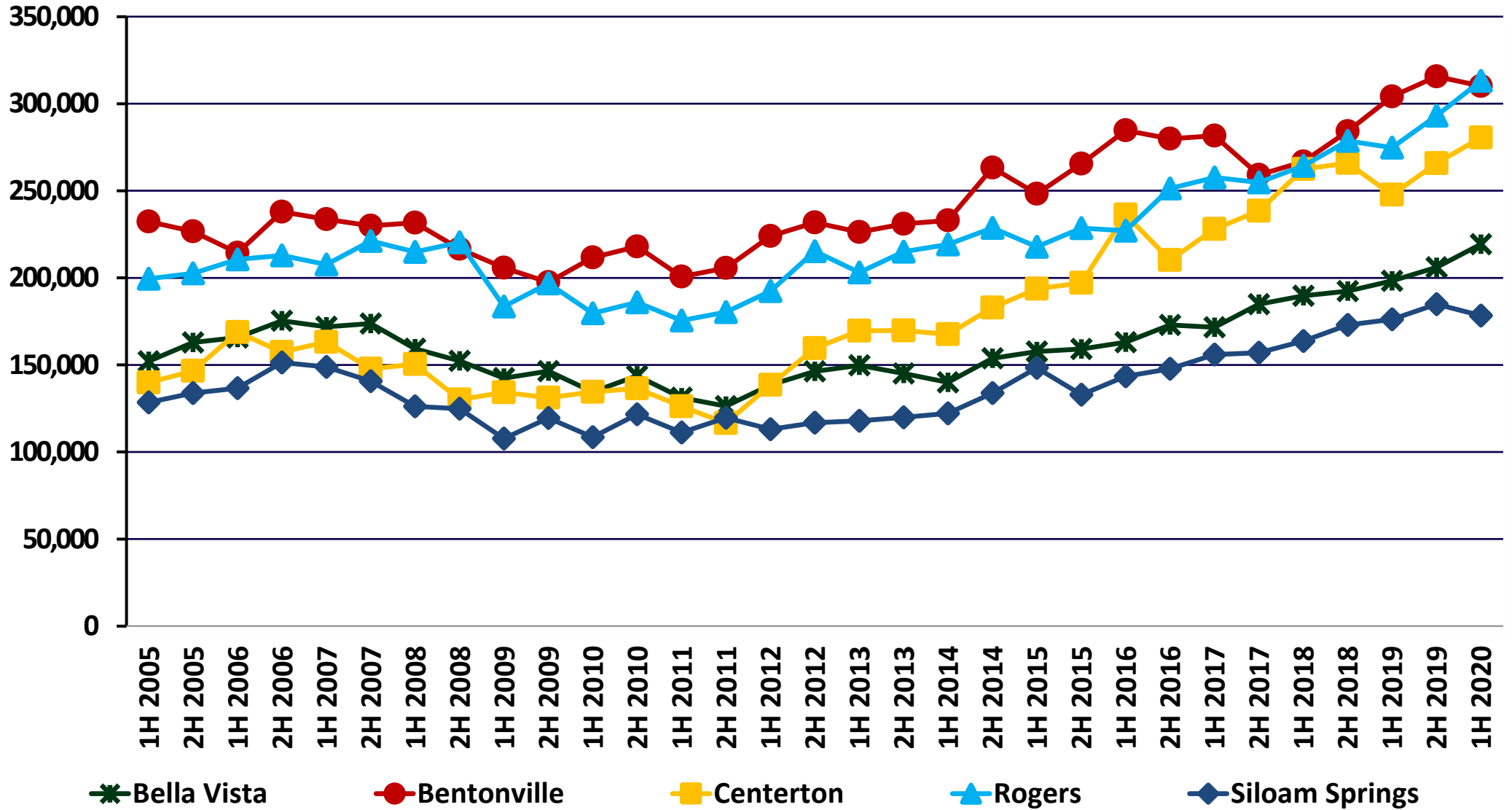


Benton and Washington County Average Price of Houses Sold

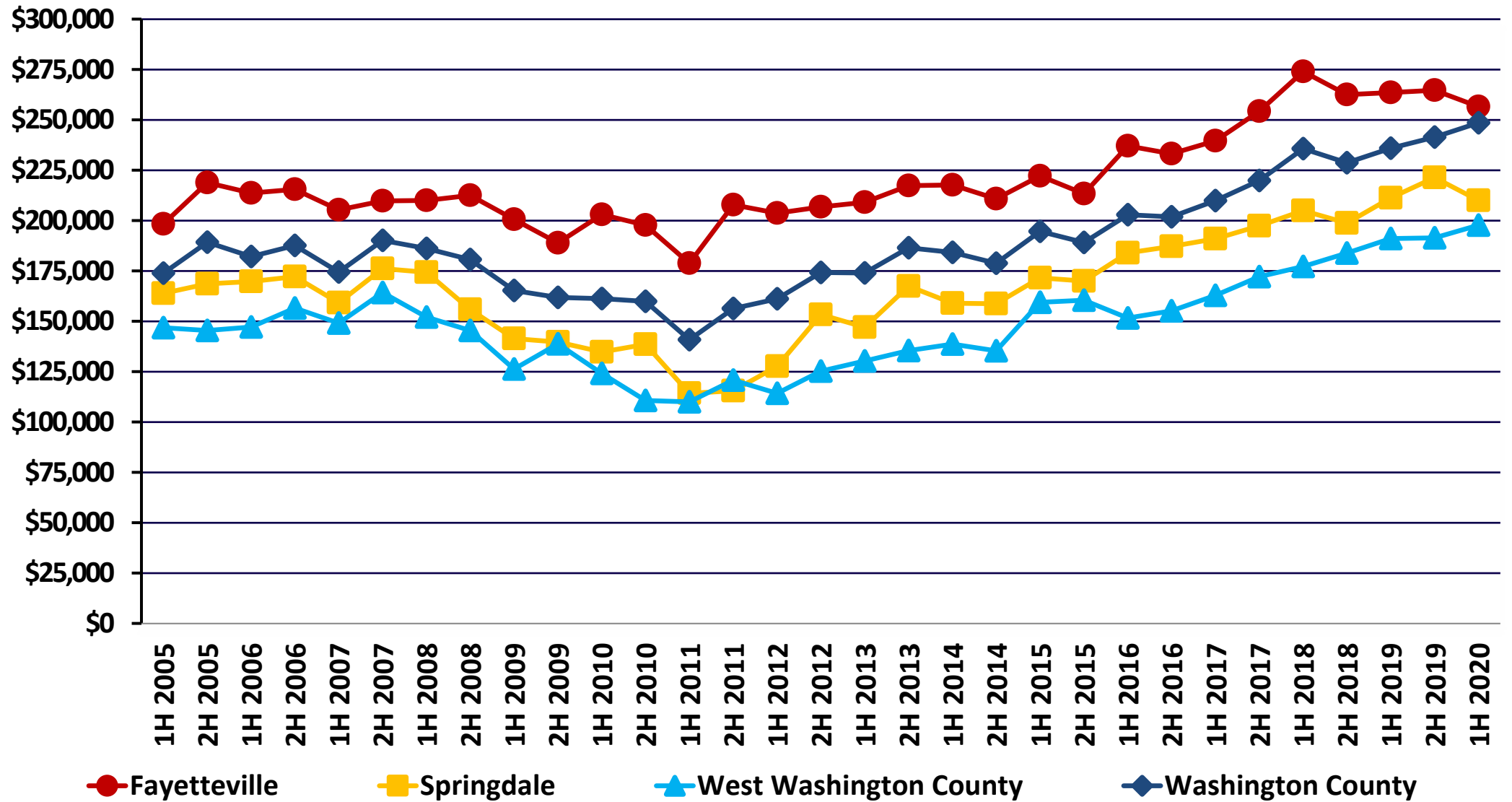




Selected Cities in Benton County Average Price of Houses Sold

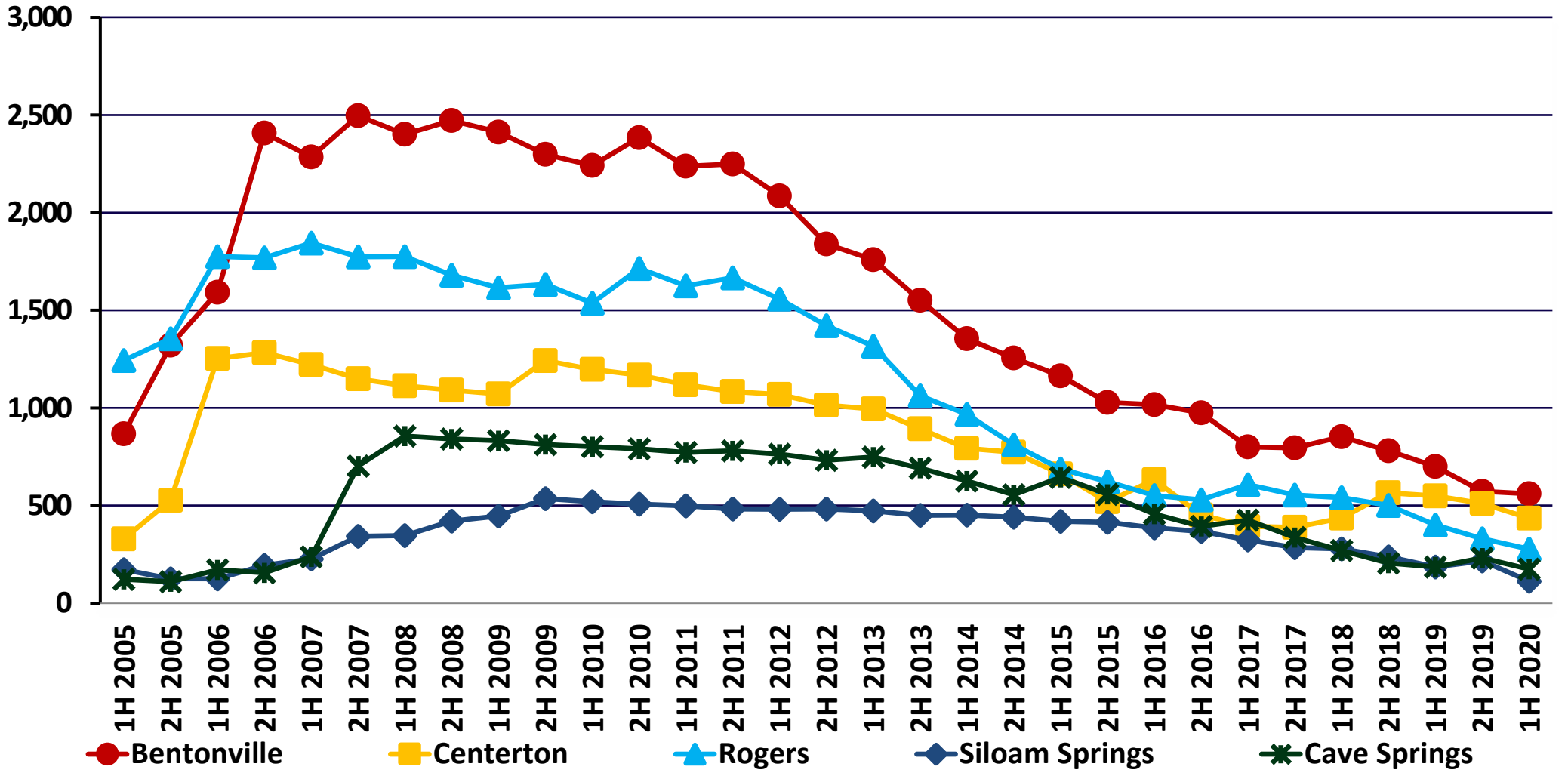


Selected Cities in Washington County Average Price of Houses Sold



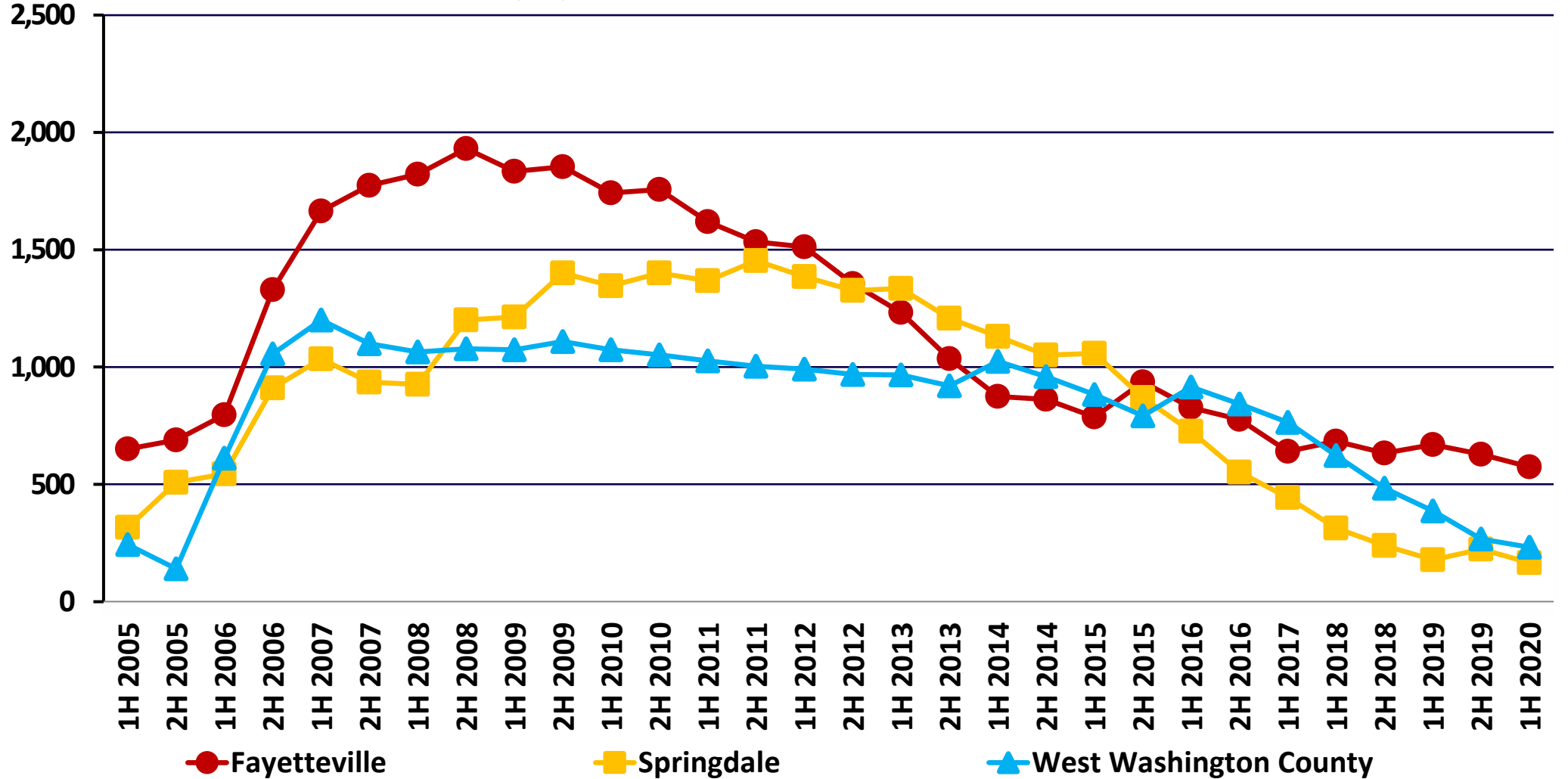


Selected Cities in Benton County Empty Lots in Active Subdivisions



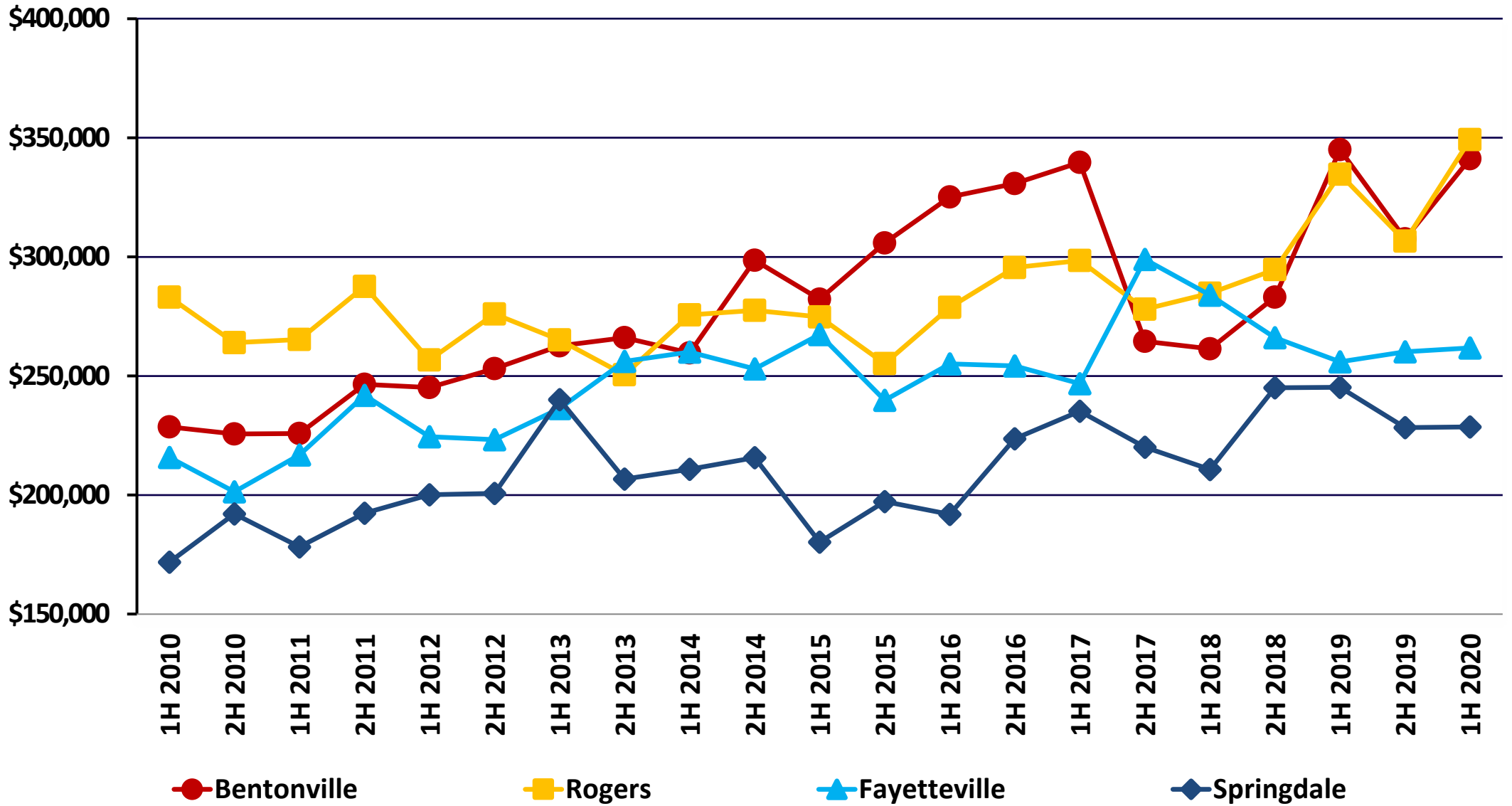


Selected Cities in Washington County Empty Lots in Active Subdivisions

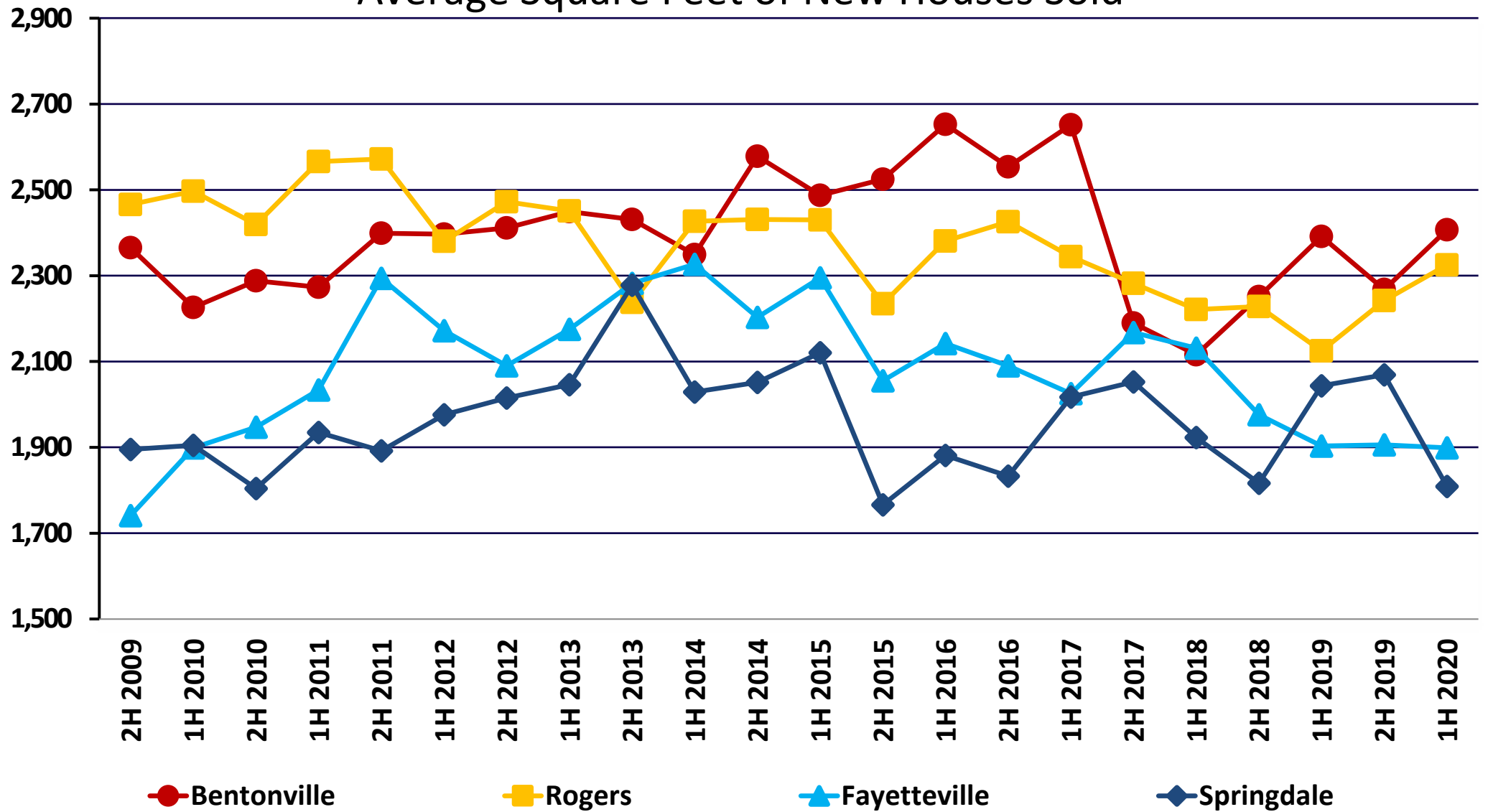




Average Price of New Houses Sold



Bentonville, Fayetteville, Rogers, Springdale Average Square Feet of New Houses Sold



PEER REGION OVERVIEW

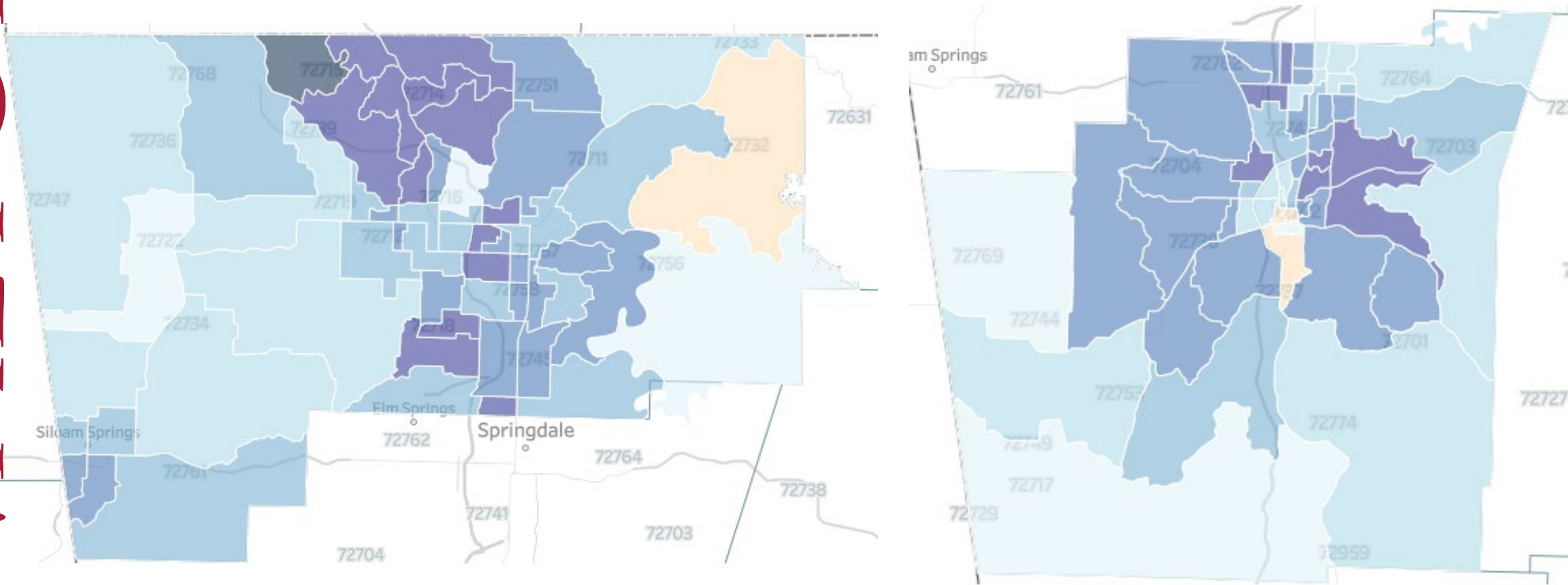
INDICATOR	FAYETTEVILLE/ SPRINGDALE/ ROGERS MSA*	AUSTIN/ ROUND ROCK/ GEORGE- TOWN MSA**	DES MOINES/ WEST DES MOINES MSA	DURHAM/ CHAPEL HILL MSA	MADISON MSA	PROVO/ OREM MSA	RALEIGH/ CARY MSA***
POPULATION GROWTH, 2018-2019	1.8%	2.8%	1.2%	1.1%	0.7%	2.4%	2.1%
REAL GDP GROWTH, 2017-2018	2.4%	5.6%	1.8%	3.4%	2.3%	7.1%	5.9%
ANNUAL UNEMPLOYMENT RATE, 2019	2.6%	2.7%	2.7%	3.4%	2.5%	2.9%	3.4%
NONFARM EMPLOYMENT GROWTH, 2019	2.0%	3.7%	0.8%	1.9%	1.2%	3.5%	2.5%
MEDIAN HOUSEHOLD INCOME, 2019	\$61,674	\$80,954	\$71,164	\$65,303	\$75,545	\$79,152	\$80,096
AVERAGE ANNUAL WAGES, 2019	\$47,600	\$55,190	\$52,890	\$61,220	\$54,300	\$48,970	\$54,850
BUSINESS ESTABLISHMENT GROWTH, 2019	2.4%	4.5%	2.8%	1.7%	2.8%	5.8%	3.1%
% OF ADULTS WITH A BACHELOR'S DEGREE OR HIGHER, 2019	33.0%	46.2%	38.0%	46.3%	48.6%	40.6%	48.0%
POVERTY RATE, 2019	12.6%	10.9%	8.7%	14.0%	8.9%	10.0%	8.9%
R&D EXPENDITURES (MILLIONS), 2018	\$175.5	\$679.8	\$361.2	\$1,136.2	\$1,205.5	\$552.3	\$1,167.6
MONTHLY HOMEOWNERSHIP COSTS AS A % OF HOUSEHOLD INCOME, 2019	15.2%	18.3%	17.3%	16.4%	17.9%	17.6%	16.6%
% OF WORKERS TRAVELING FEWER THAN 30 MINUTES, 2019	74.6%	57.8%	77.5%	65.1%	72.1%	72.6%	58.8%
AVERAGE DOMESTIC AIRFARE, 2019	\$485	\$340	\$382	\$330	\$442	\$376	\$330

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CENSUS 2020 Response Rate



Questions and Comments?

The 2019 State of the Northwest Arkansas Region Report is available at <http://cber.uark.edu>.

Business Forecast 2020 is January 29, 2021

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