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State of the National, State and Regional Economy

Mervin Jebaraj, Director

Center for Business and Economic Research

October 27, 2022

Twitter:

#nwasotr @NWArkCouncil @MervinJebaraj



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NORTHWEST ARKANSAS ECONOMIC INDICATORS

INDICATOR	MOST RECENT ANNUAL DATA	VALUE FROM 2 YEARS PRIOR	2 YEAR % CHANGE
Population Estimate, July 2021	560,709	534,904	4.8% ^
Real GDP (millions of chained 2012 dollars), 2020	\$25,224	\$24,300	3.8% ^
Average Annual Unemployment Rate, 2021	2.9%	2.5%	0.4% ^
Total Nonfarm Employment, 2021	272,100	264,600	2.8% ^
Median Household Income, 2021	\$71,767	\$61,674	16.4% ^
Average Annual Wages, 2021	\$47,600	\$47,600	8.4% ^
Business Establishments, 2021	14,570	13,741	6.0% ^
Percent of Adult Population with a Bachelor's Degree or Higher, 2021	33.1%	33.0%	0.1% ^
Poverty Rate, 2021	9.8%	12.6%	2.8% v
R&D Expenditures (in thousands), 2020	\$165,887	\$175,498	-5.5% v
Average Domestic Airfare, 2021	\$392	\$485	19.1% v

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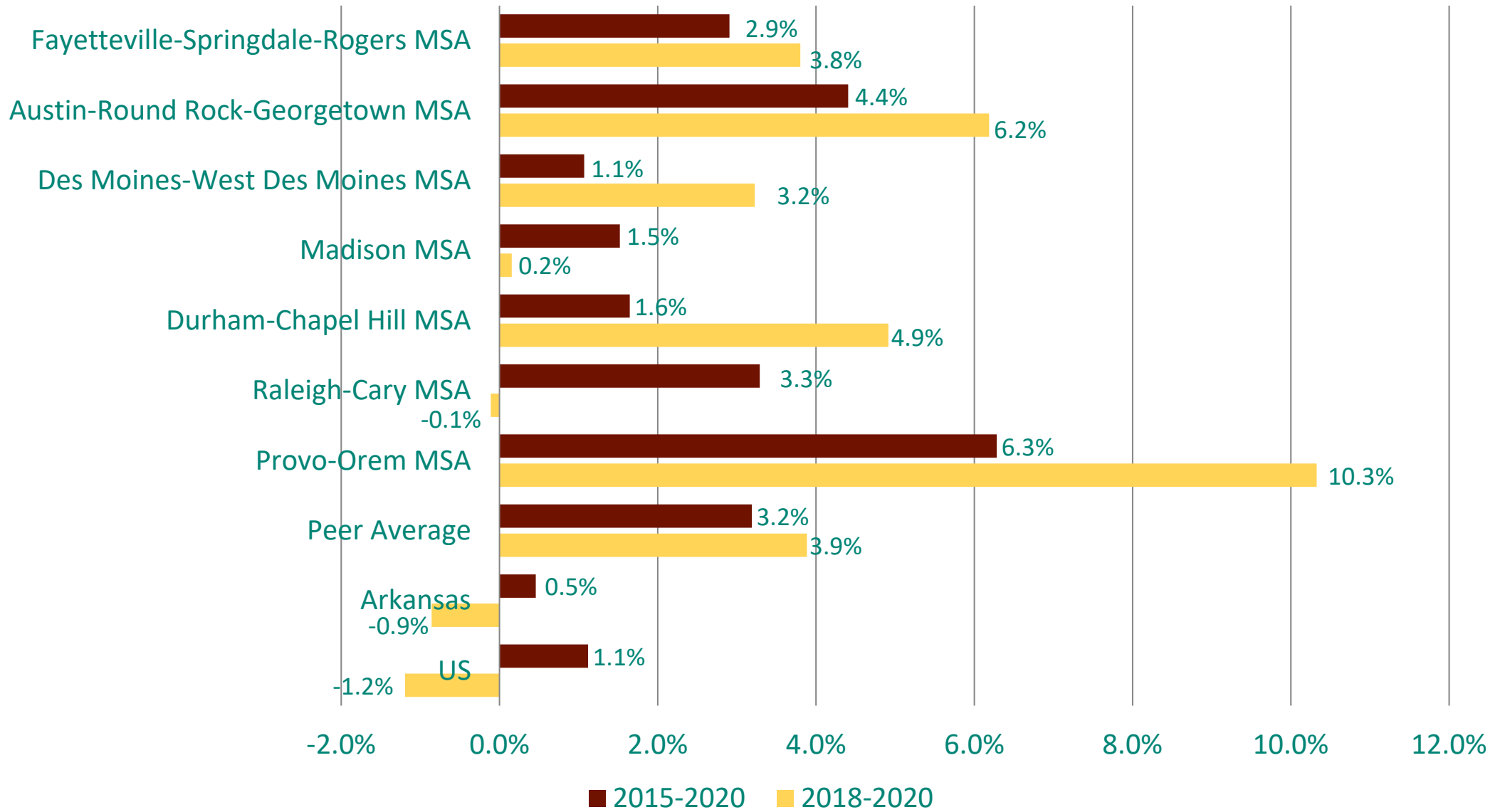
PEER REGIONS OVERVIEW

	Fayetteville-Springdale-Rogers MSA	Austin-Round Rock-Georgetown MSA	Des Moines-West Des Moines MSA	Madison MSA	Durham-Chapel Hill MSA	Raleigh-Cary MSA	Provo-Orem MSA
Population Growth, 2019-2021	4.8%	5.6%	2.8%	2.8%	1.5%	4.1%	7.5%
Real GDP Growth, 2018-2020	3.8%	6.2%	3.2%	0.2%	4.9%	-0.1%	10.3%
Annual Unemployment Rate, 2021	2.9%	4.1%	4.2%	2.9%	3.9%	4.0%	2.3%
Nonfarm Employment Growth, 2019-2021	2.8%	4.3%	-1.2%	-2.9%	1.8%	2.5%	7.7%
Median Household Income, 2021	\$71,767	\$86,530	\$74,208	\$76,731	\$71,601	\$85,303	\$86,629
Average Annual Wages, 2021	\$51,590	\$60,260	\$57,210	\$59,510	\$68,710	\$58,550	\$52,100
Business Establishment Growth, 2021	6.0%	14.1%	5.5%	2.6%	12.1%	14.0%	12.2%
% of Adults w/Bachelor's Degree or Higher, 2021	33.1%	50.0%	38.2%	48.8%	50.8%	50.7%	45.5%
Poverty Rate, 2021	9.8%	10.3%	8.8%	10.9%	14.0%	10.1%	7.9%
R&D Expenditures (thousands), 2020	\$165,887	\$797,199	\$363,107	\$1,363,931	\$1,159,725	\$1,196,638	\$607,061
% of Workers Traveling Fewer than 30 Min., 2021	75.1%	60.6%	78.4%	75.8%	69.1%	59.9%	73.7%
Average Domestic Airfare, 2021	\$392	\$298	\$323	\$395	\$299	\$299	\$333
RANKING SCALE	1st	2nd	3rd	4th	5th	6th	7th



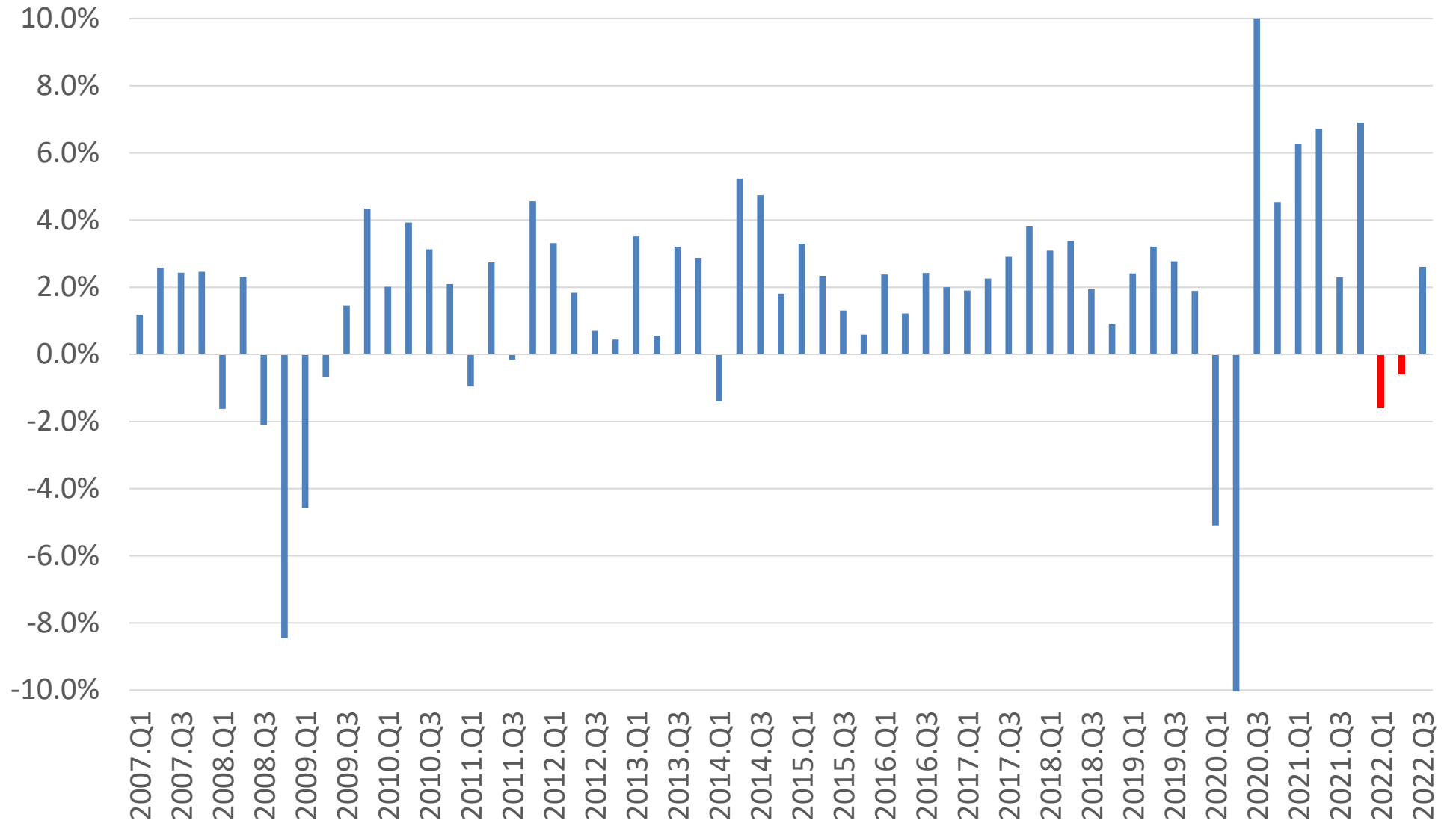
Change in Real GDP

Source: U.S. Bureau of Economic Analysis



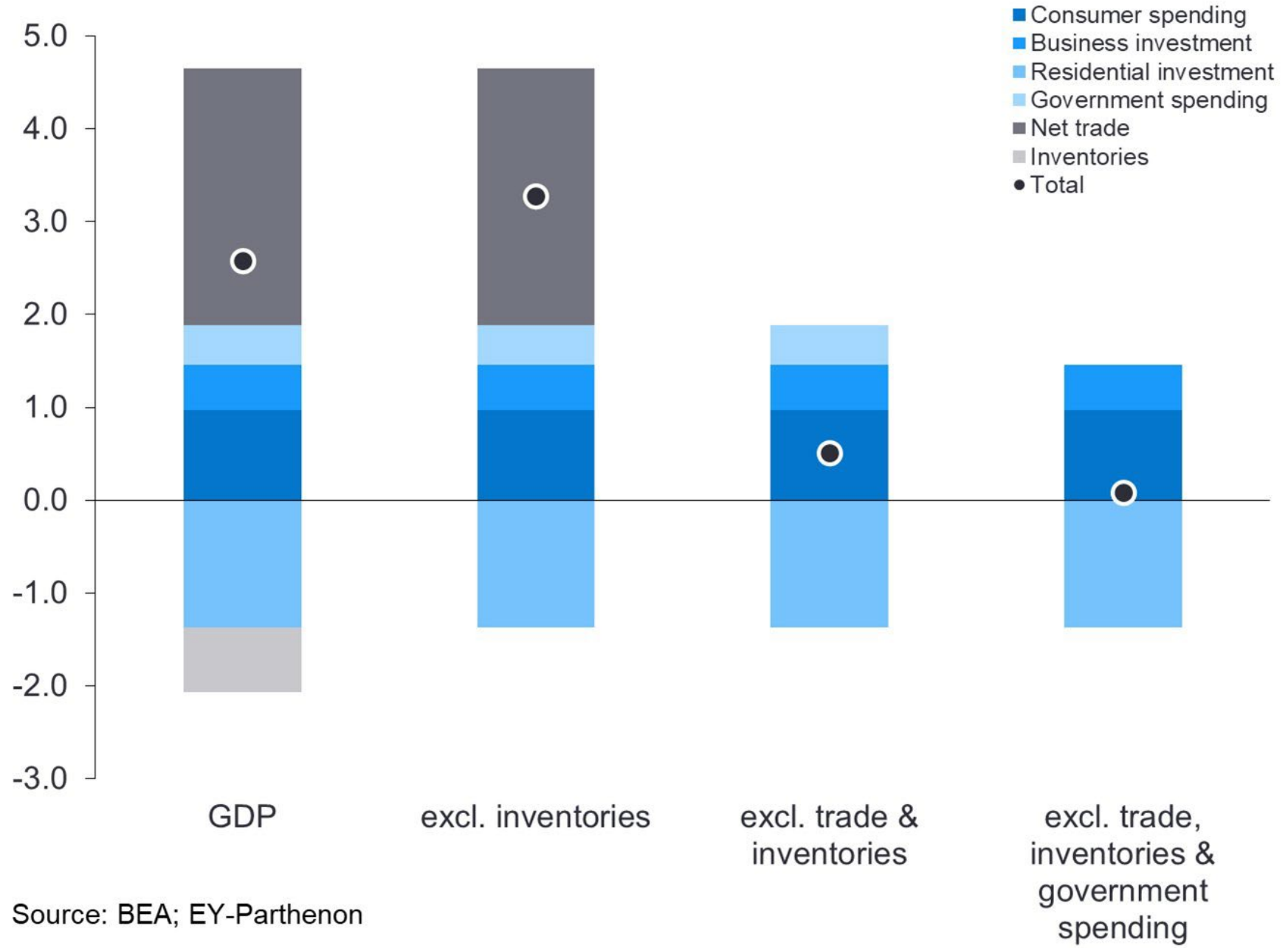


Real U.S. Gross Domestic Product Growth Rate



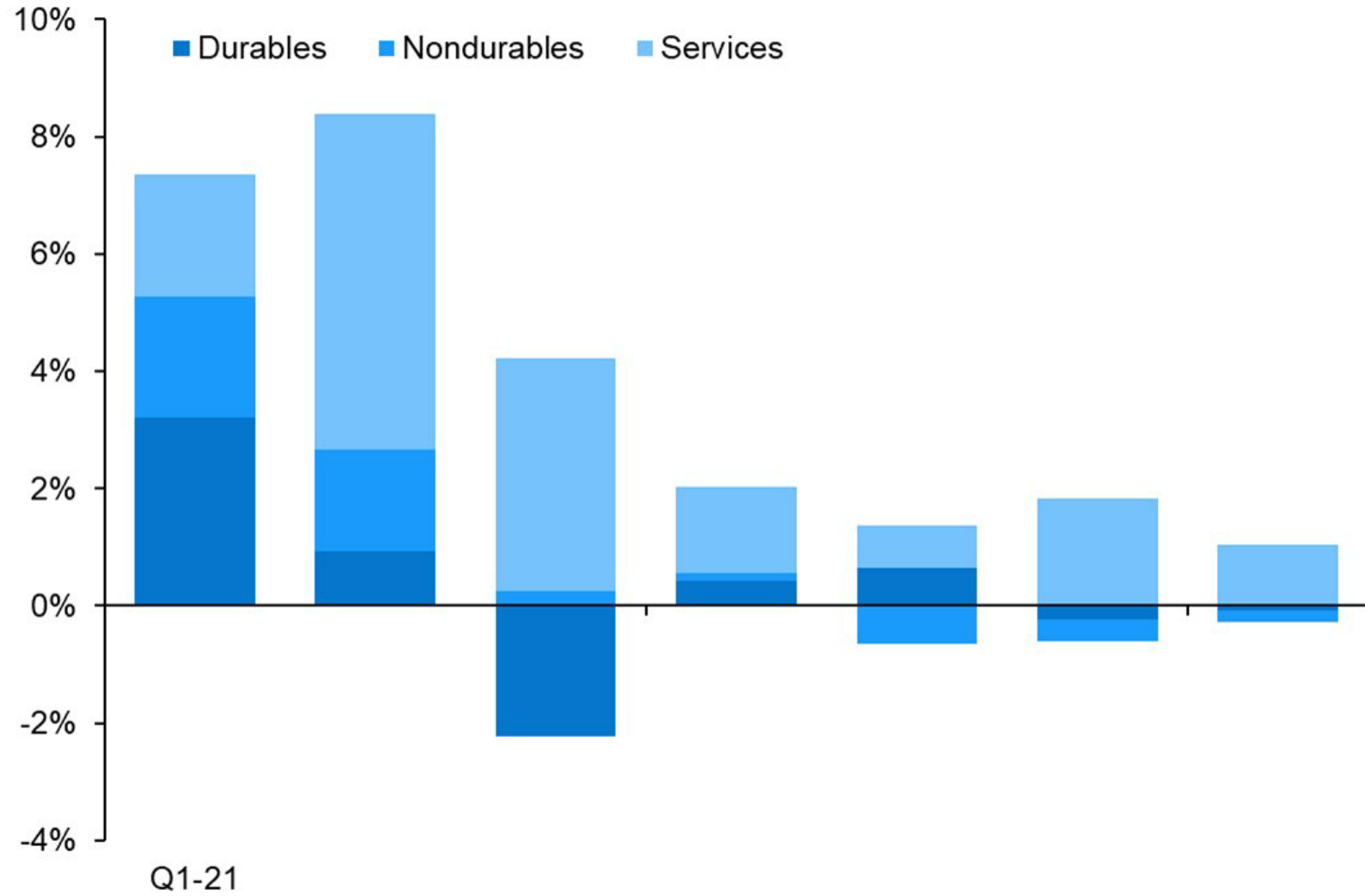
Source: U.S. Commerce Department, Bureau of Economic Analysis

Real GDP Percentage points contribution to GDP growth in Q2 2022



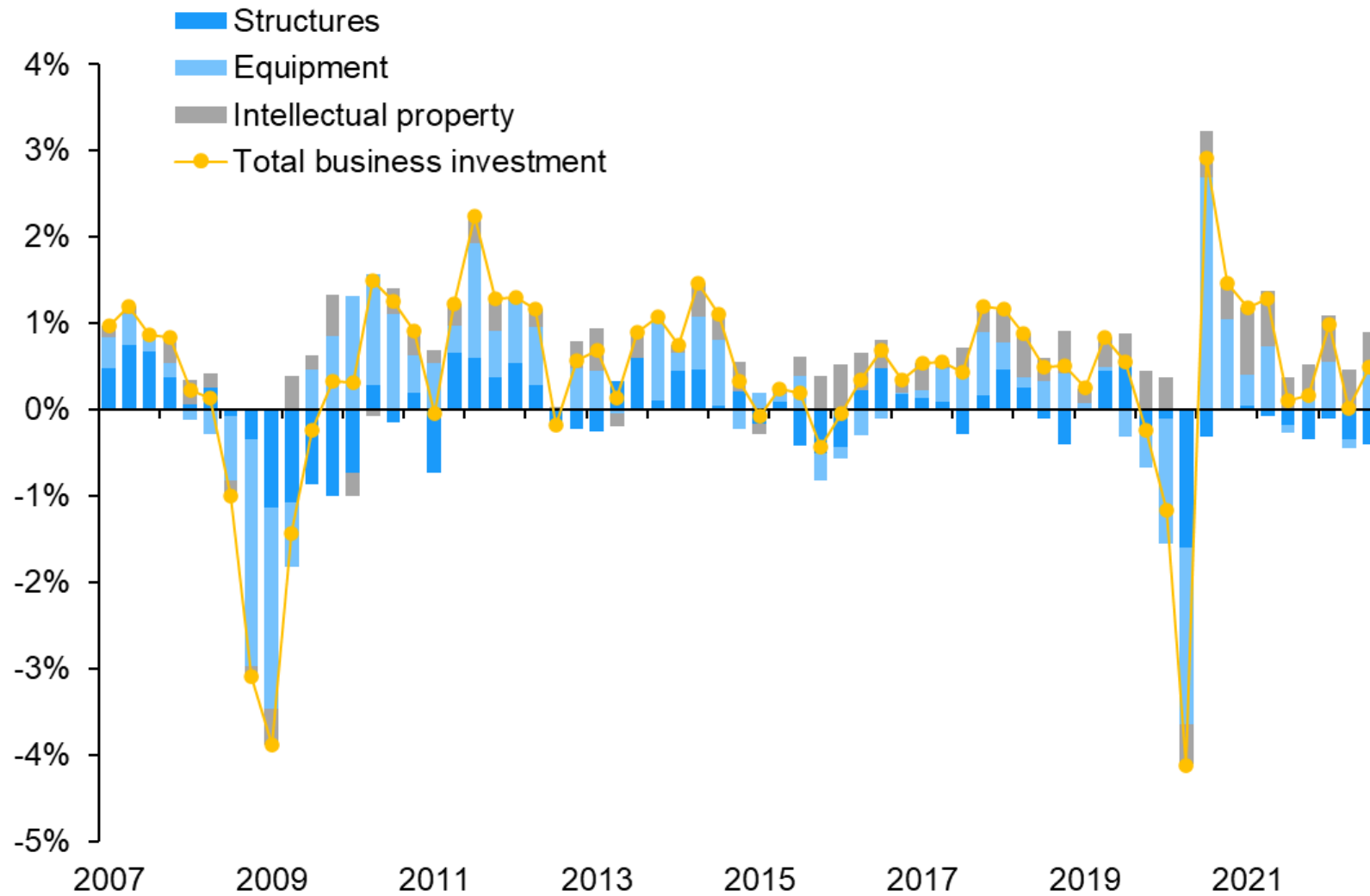
Source: BEA; EY-Parthenon

US: Consumer spending contribution to GDP 2010Q1-2022Q3



Source: BEA; EY-Parthenon

Real business investment 2007Q1-2022Q3, contribution to GDP growth, annualized

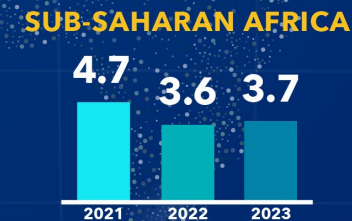
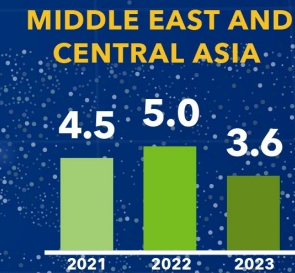
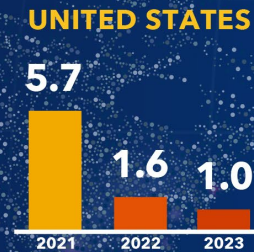


Source: BEA; EY-Parthenon

WORLD ECONOMIC OUTLOOK OCTOBER 2022

GROWTH PROJECTIONS BY REGION

(PERCENT CHANGE)



[IMF.org/social](https://www.imf.org/social)

Source: IMF, *World Economic Outlook*, October 2022.

Note: Order of bars for each group indicates (left to right): 2021, 2022 projections, and 2023 projections.

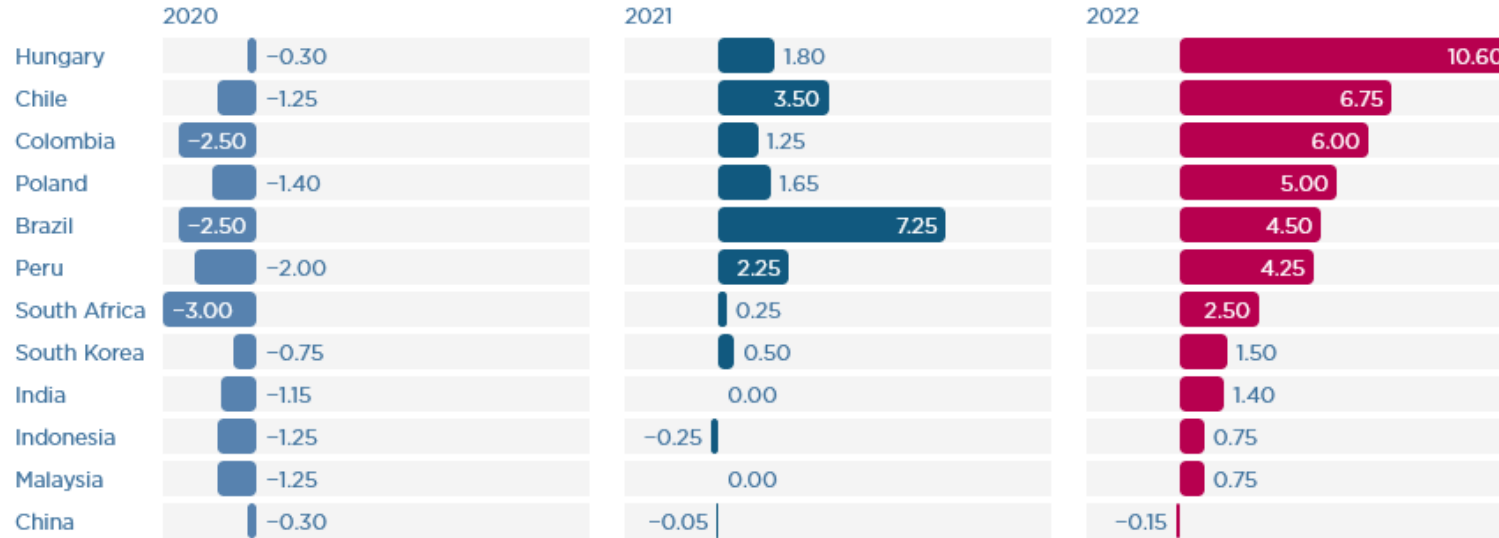


Central banks are raising rates nearly everywhere, risking a global recession

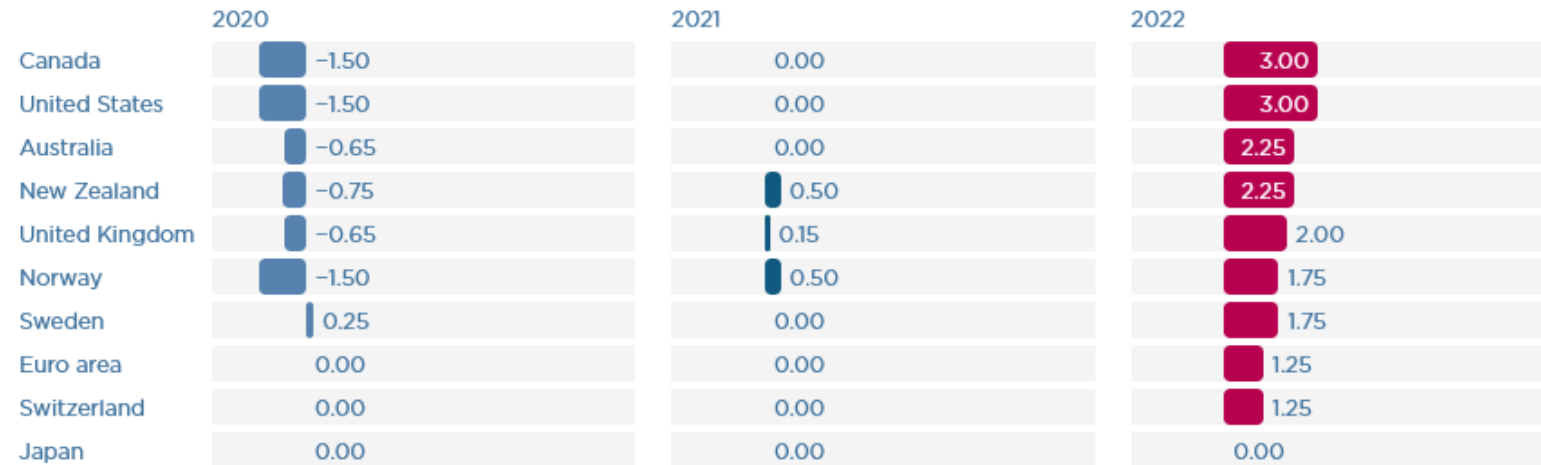
Year-on-year percentage point change in policy interest rate, as of September 27, 2022

a. Emerging-market and developing economies

■ 2020 ■ 2021 ■ 2022



b. Advanced economies



**Q: What is a recession? What is an expansion?**

A: The NBER's traditional definition of a recession is that it is a significant decline in economic activity that is spread across the economy and that lasts more than a few months. The committee's view is that while each of the three criteria—depth, diffusion, and duration—needs to be met individually to some degree, extreme conditions revealed by one criterion may partially offset weaker indications from another. For example, in the case of the February 2020 peak in economic

Q: Where does the committee obtain the data for the indicators that it generally consults in determining the dates of its monthly and quarterly chronologies?

A: Data for all indicators can be found and downloaded from “FRED”, the data website maintained by the Federal Reserve Bank of St. Louis. These are the search terms that will bring up each monthly series listed in the earlier FAQ:

- FRED real personal income less transfers
- FRED nonfarm payrolls
- FRED real personal consumption expenditures
- FRED real manufacturing and trade sales
- FRED household employment
- FRED index of industrial production

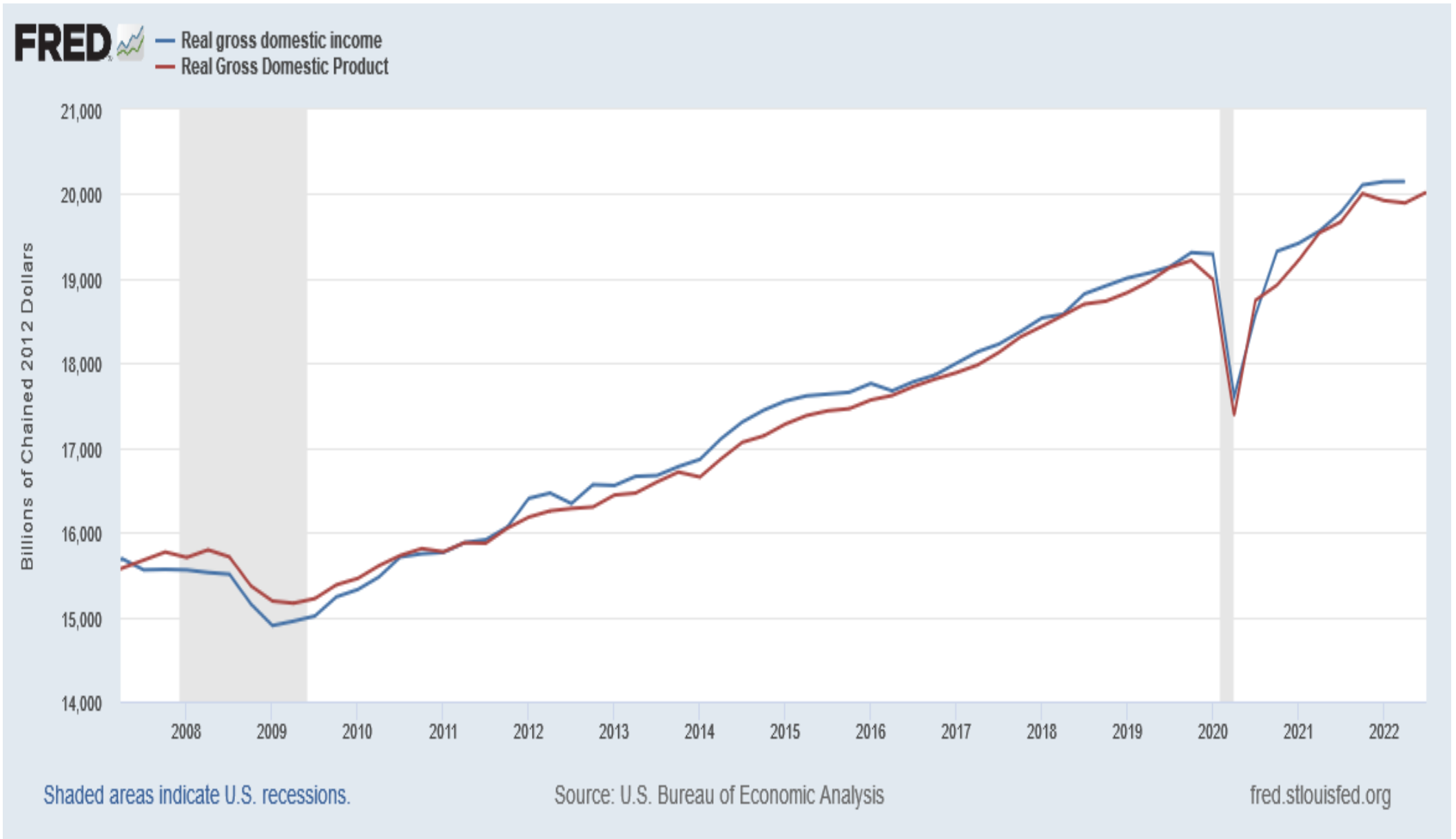
The dating of the quarterly turning point dates also considers the average of real Gross Domestic Product (GDP) and real Gross Domestic Income (GDI):

- FRED real GDP
- FRED real GDI

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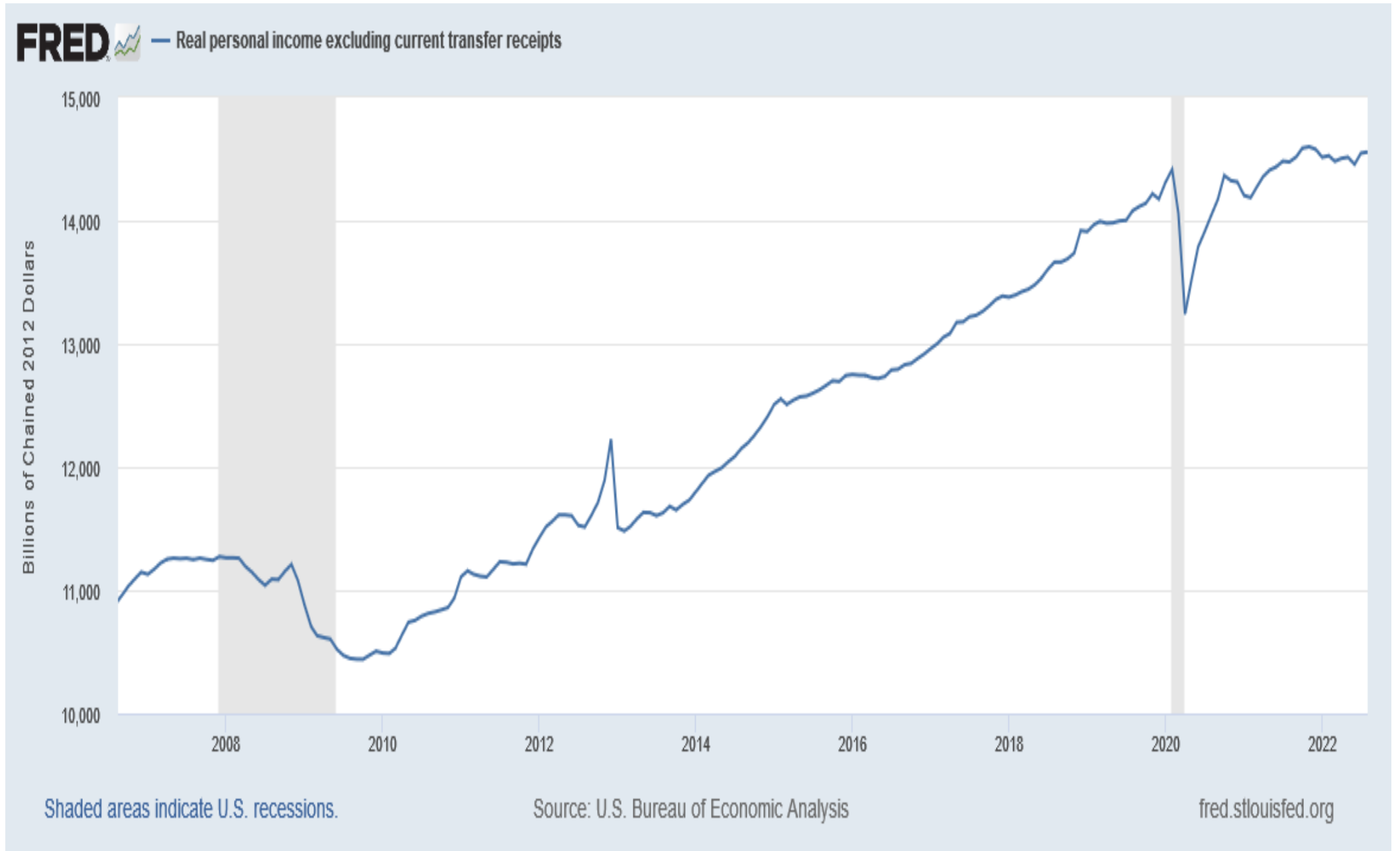
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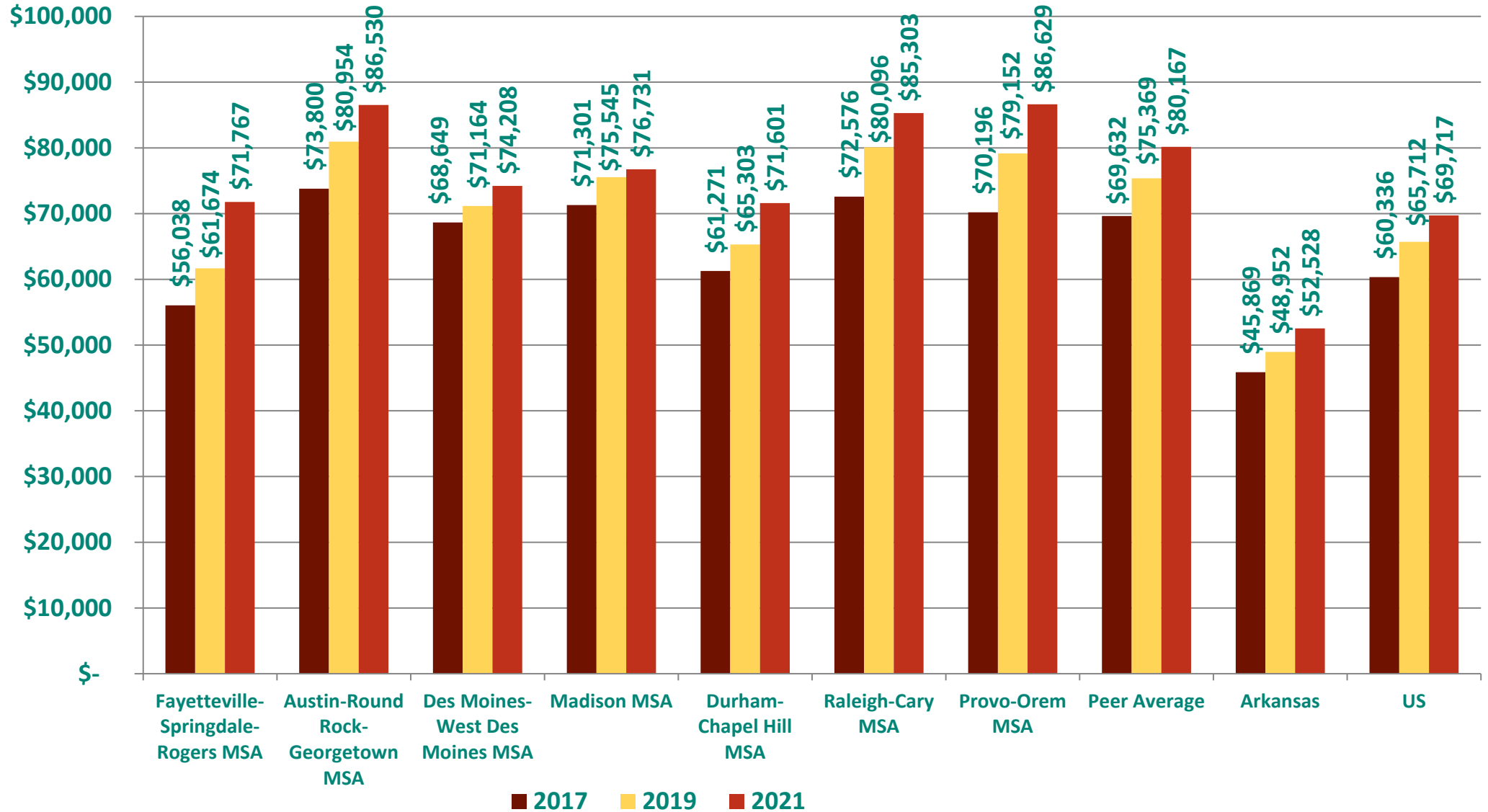


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Median Household Income

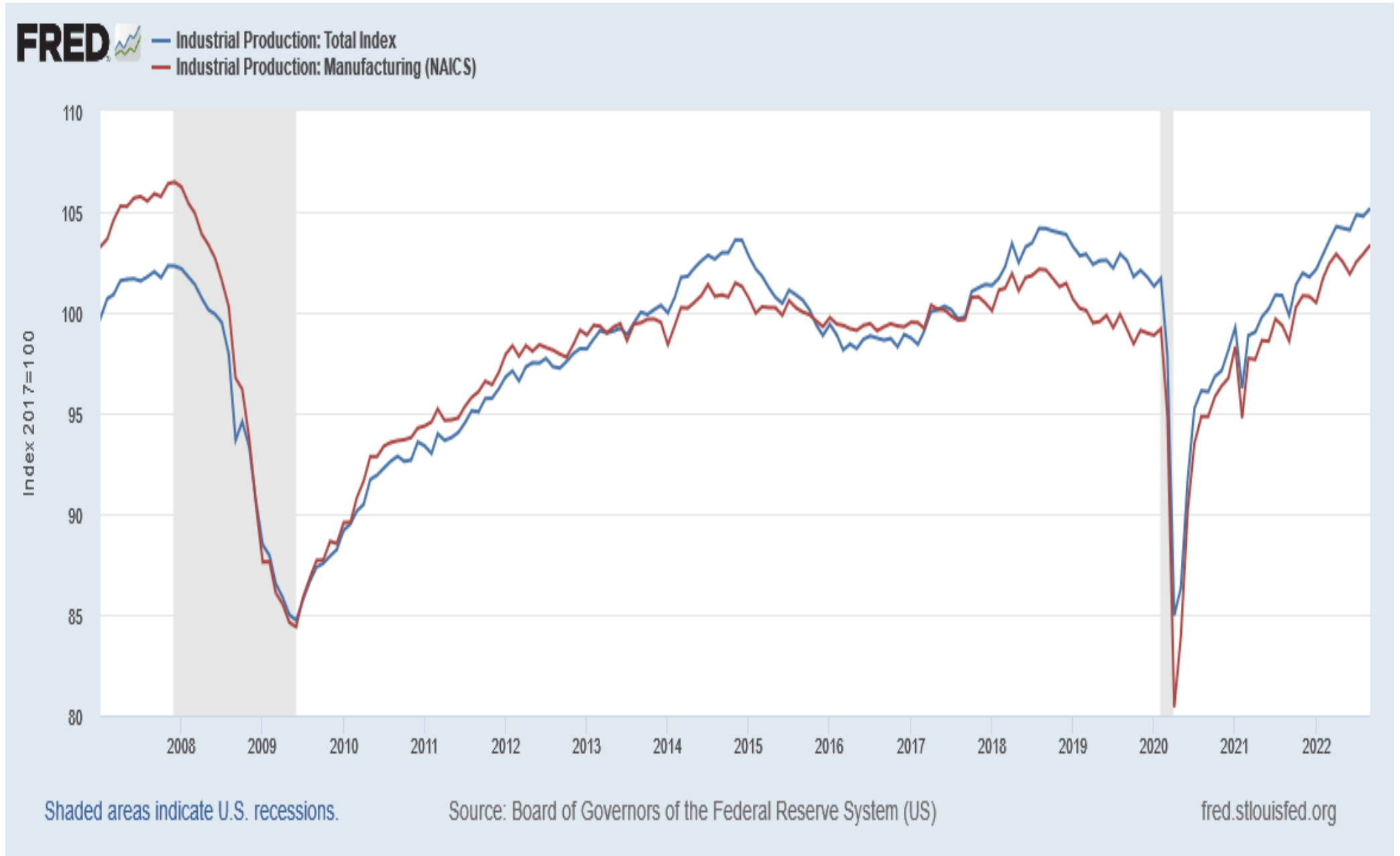
Source: U.S. Census Bureau



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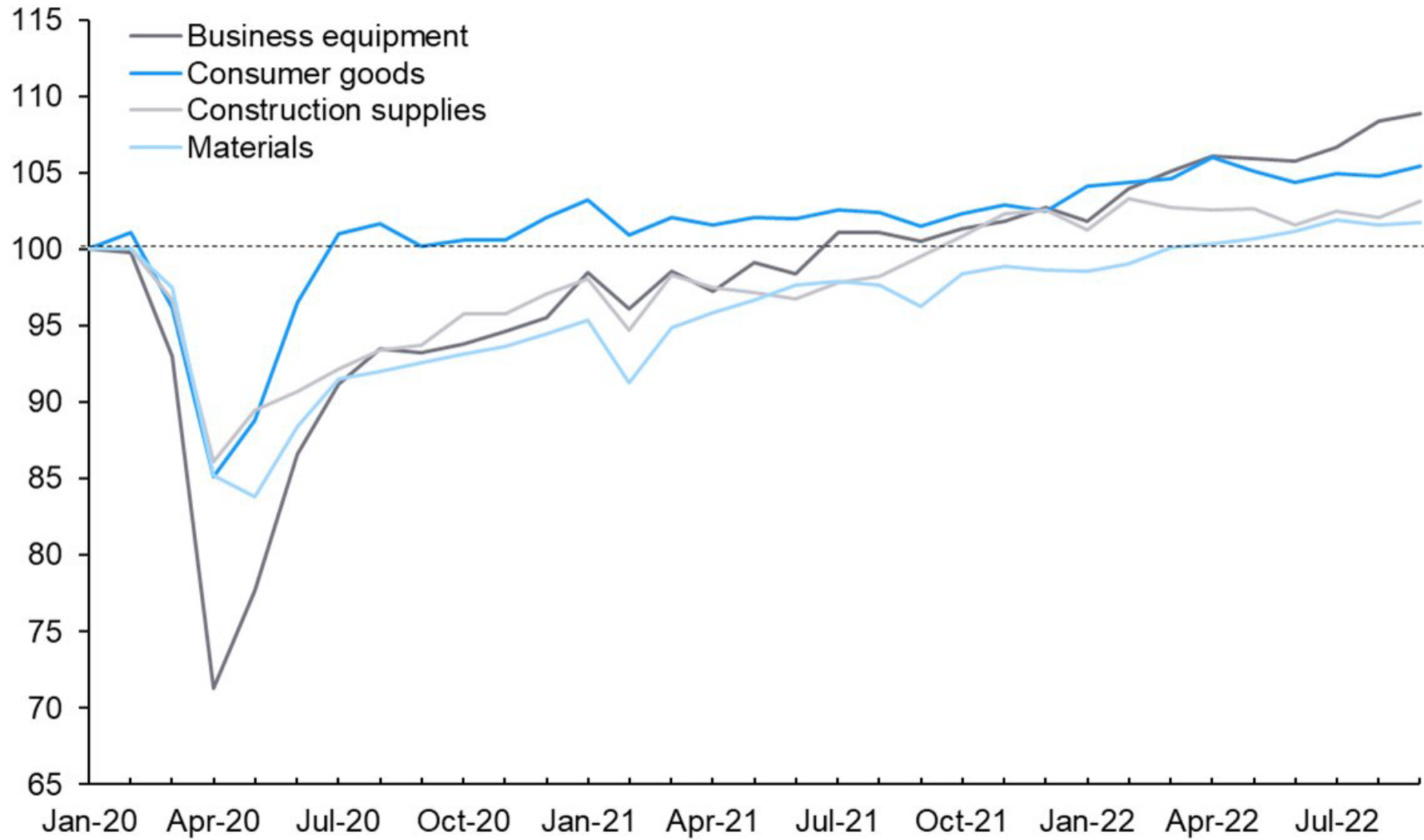


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US Industrial production by market group January 2020 - September 2022 (January 2020=100)

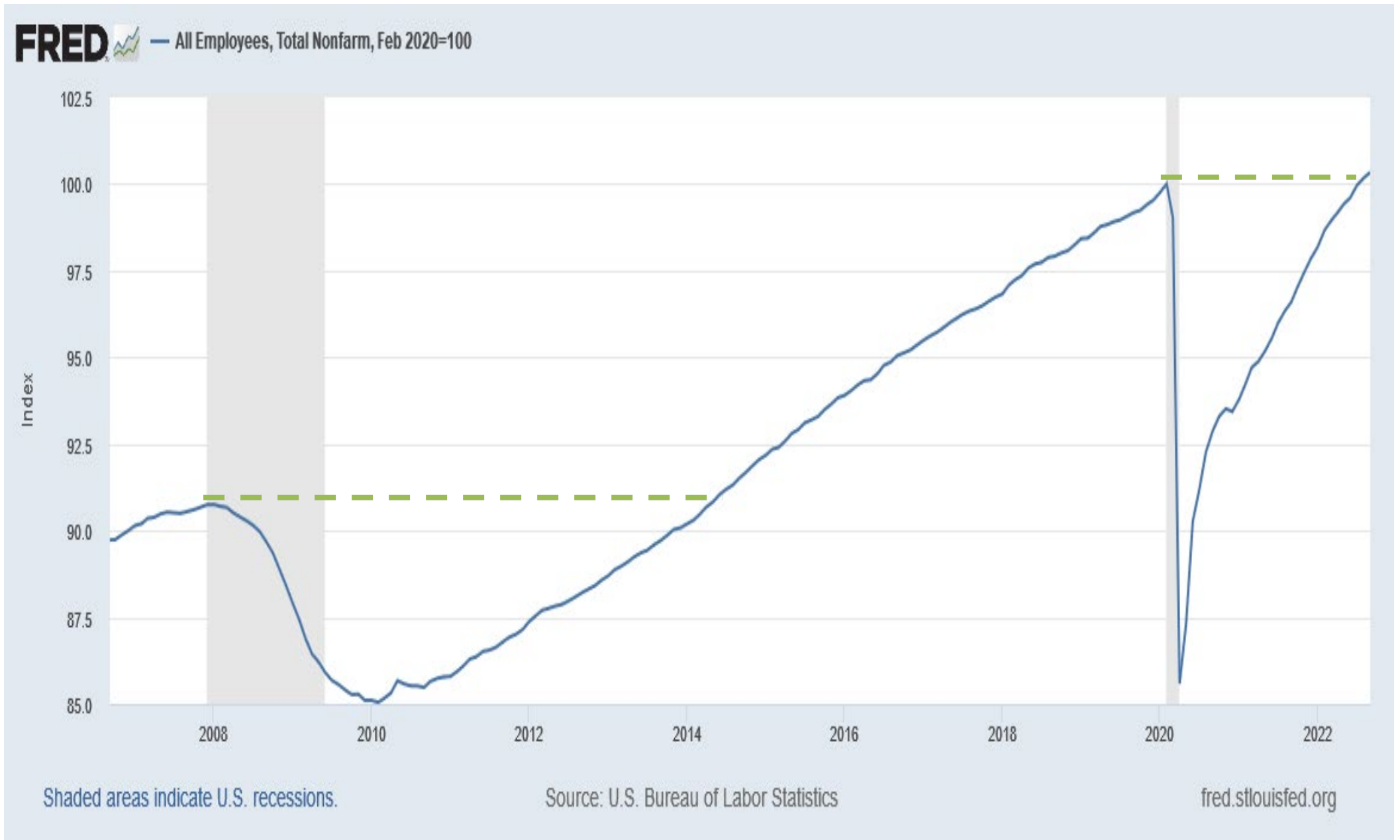


Source: Federal Reserve; EY-Parthenon

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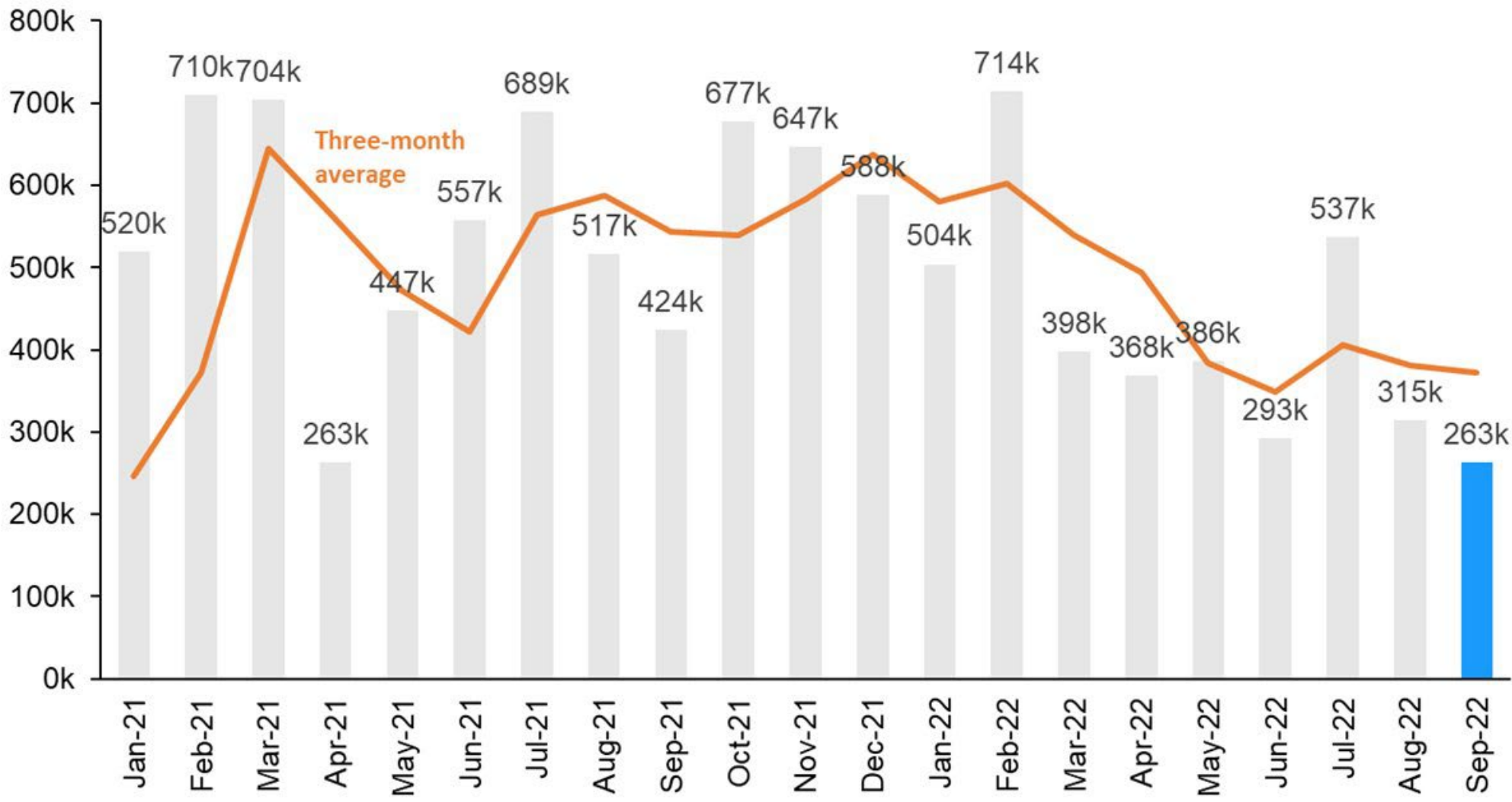


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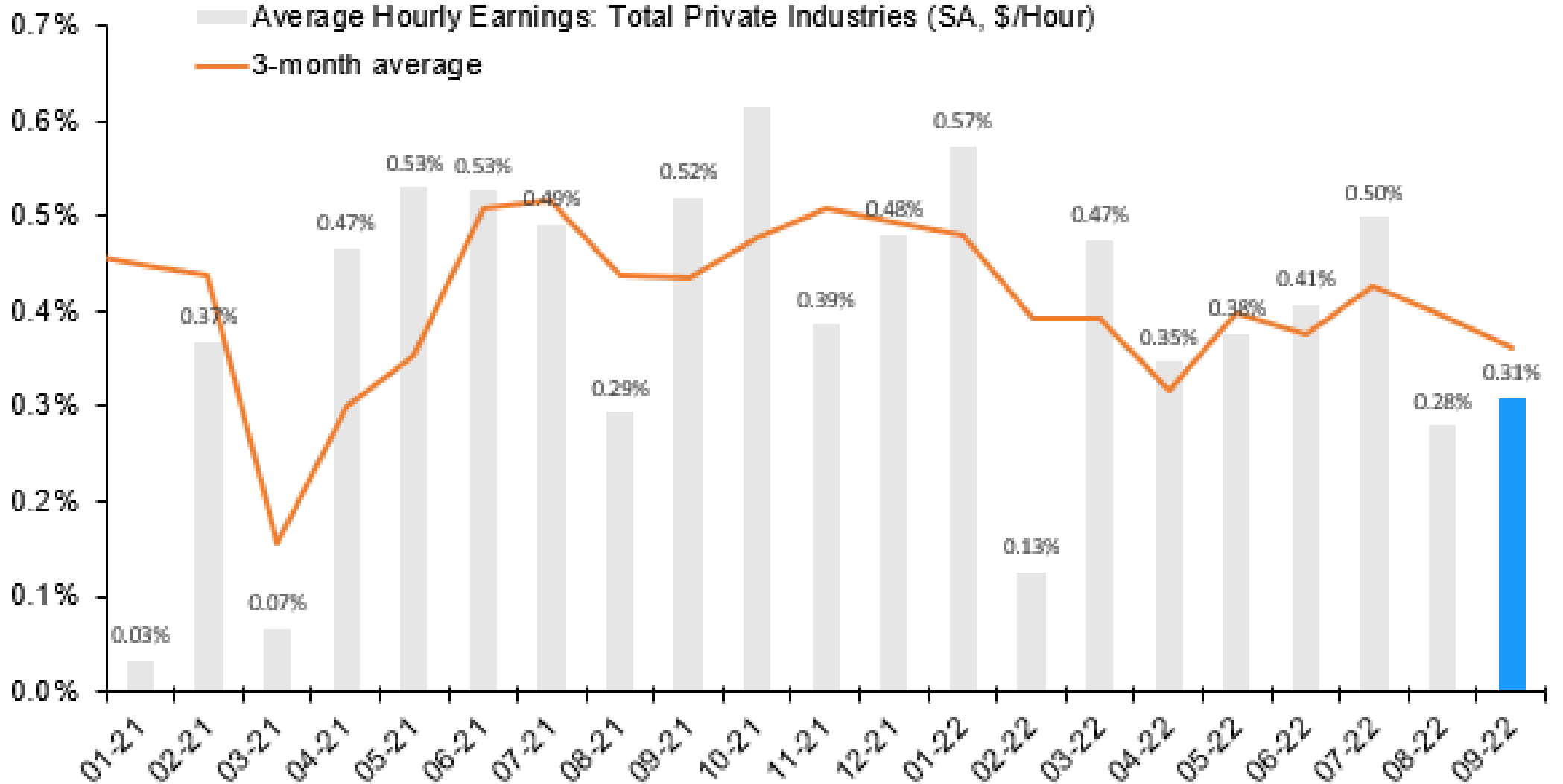


Month-over-month change in total nonfarm employment: 2021 - 2022



Source: BLS; EY-Parthenon

Month-over-month percent change in private average hourly earnings 2021 - 2022

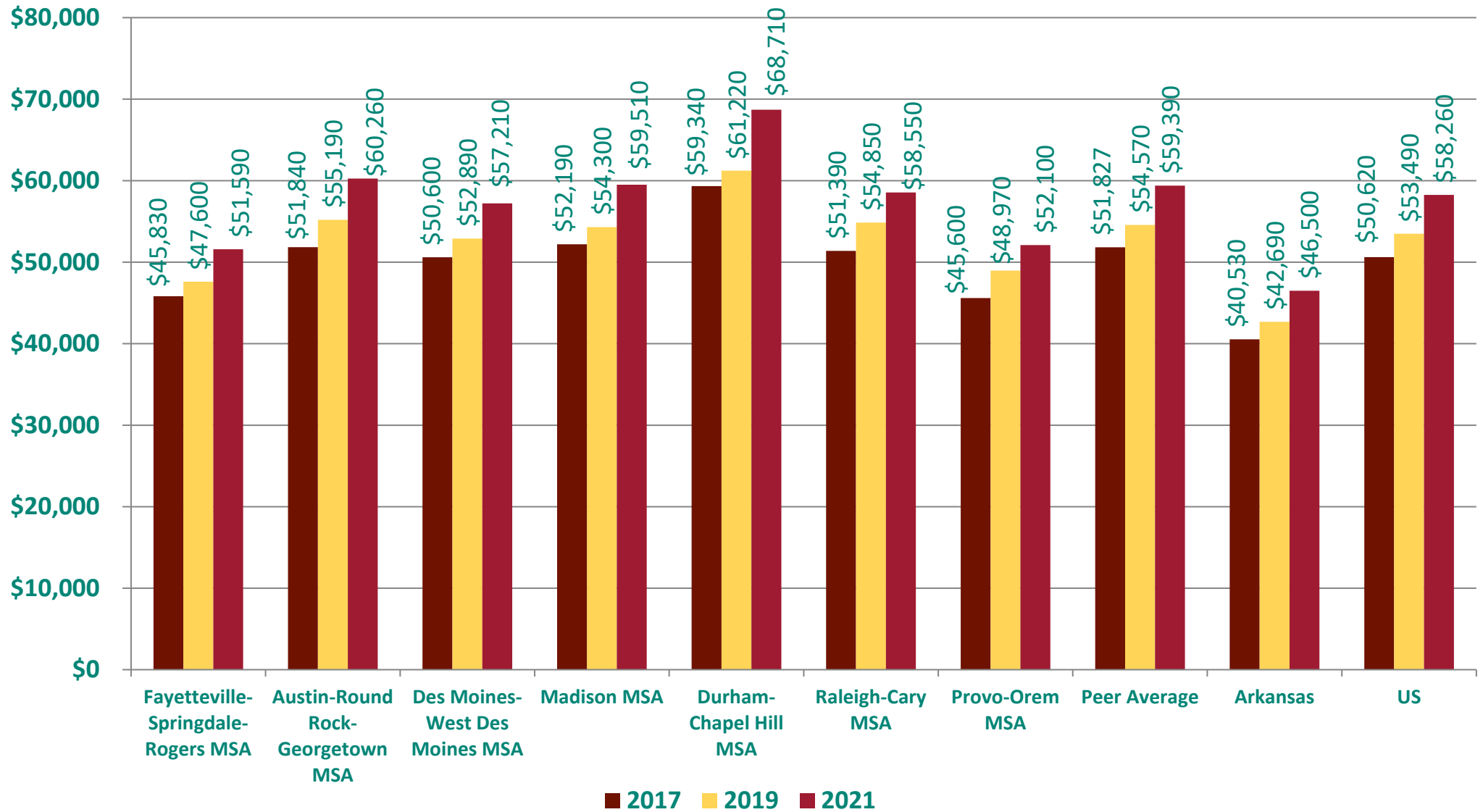


Source: BLS; EY-Parthenon



Average Annual Wages

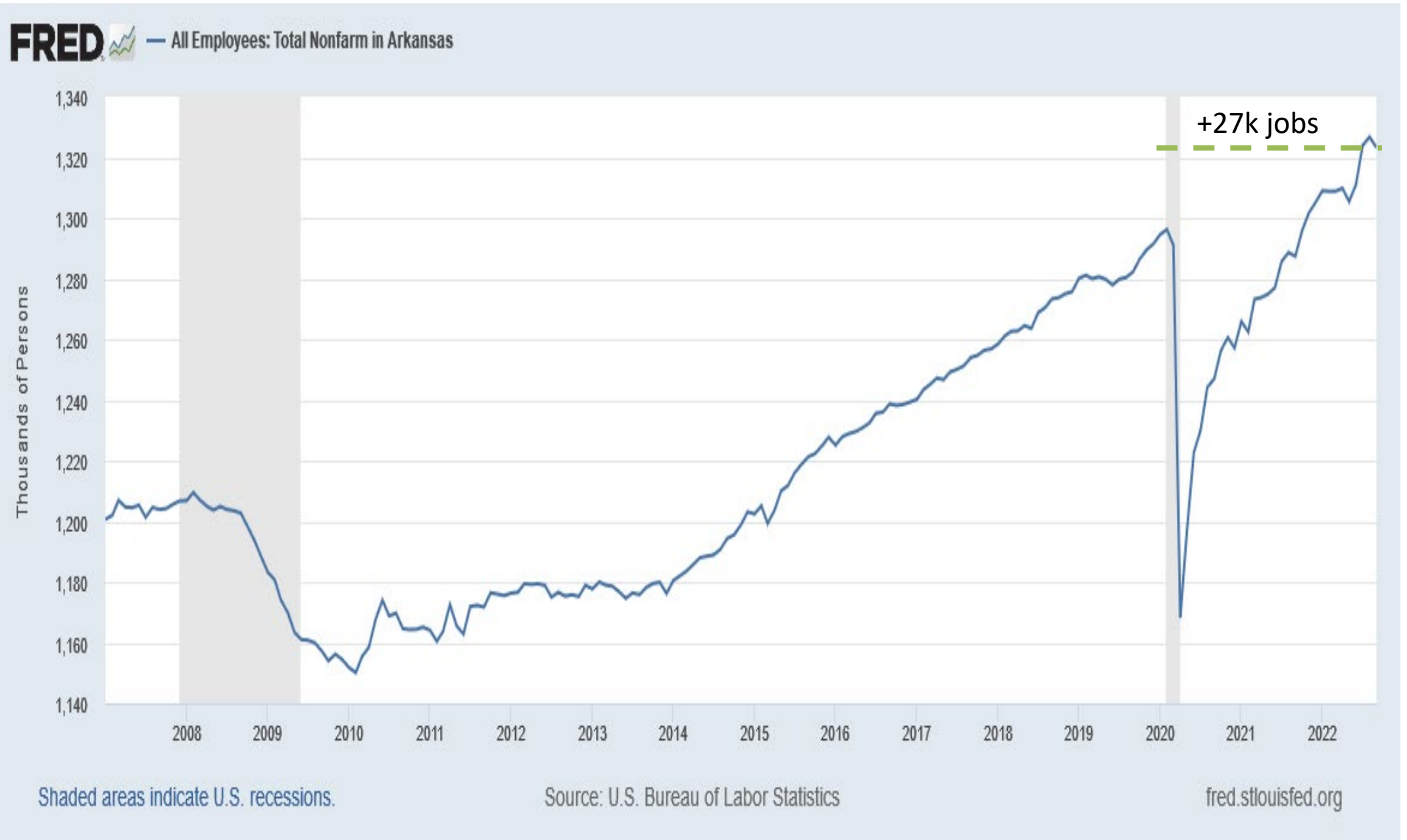
Source: U.S. Bureau of Labor Statistics



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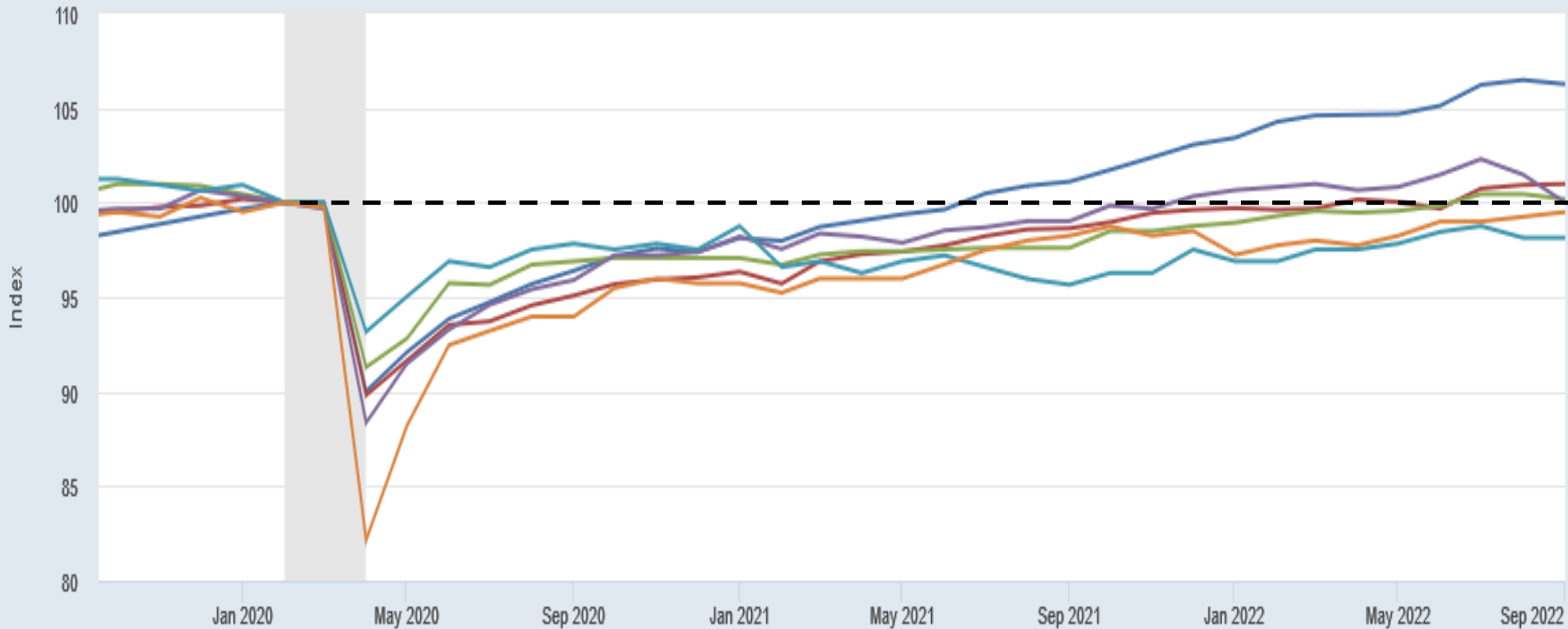
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FRED

- All Employees: Total Nonfarm in Fayetteville-Springdale-Rogers, AR-MO (MSA), Feb 2020=100
- All Employees: Total Nonfarm in Little Rock-North Little Rock-Conway, AR (MSA), Feb 2020=100
- All Employees: Total Nonfarm in Fort Smith, AR-OK (MSA), Feb 2020=100
- All Employees: Total Nonfarm in Jonesboro, AR (MSA), Feb 2020=100
- All Employees: Total Nonfarm in Pine Bluff, AR (MSA), Feb 2020=100
- All Employees: Total Nonfarm in Hot Springs, AR (MSA), Feb 2020=100

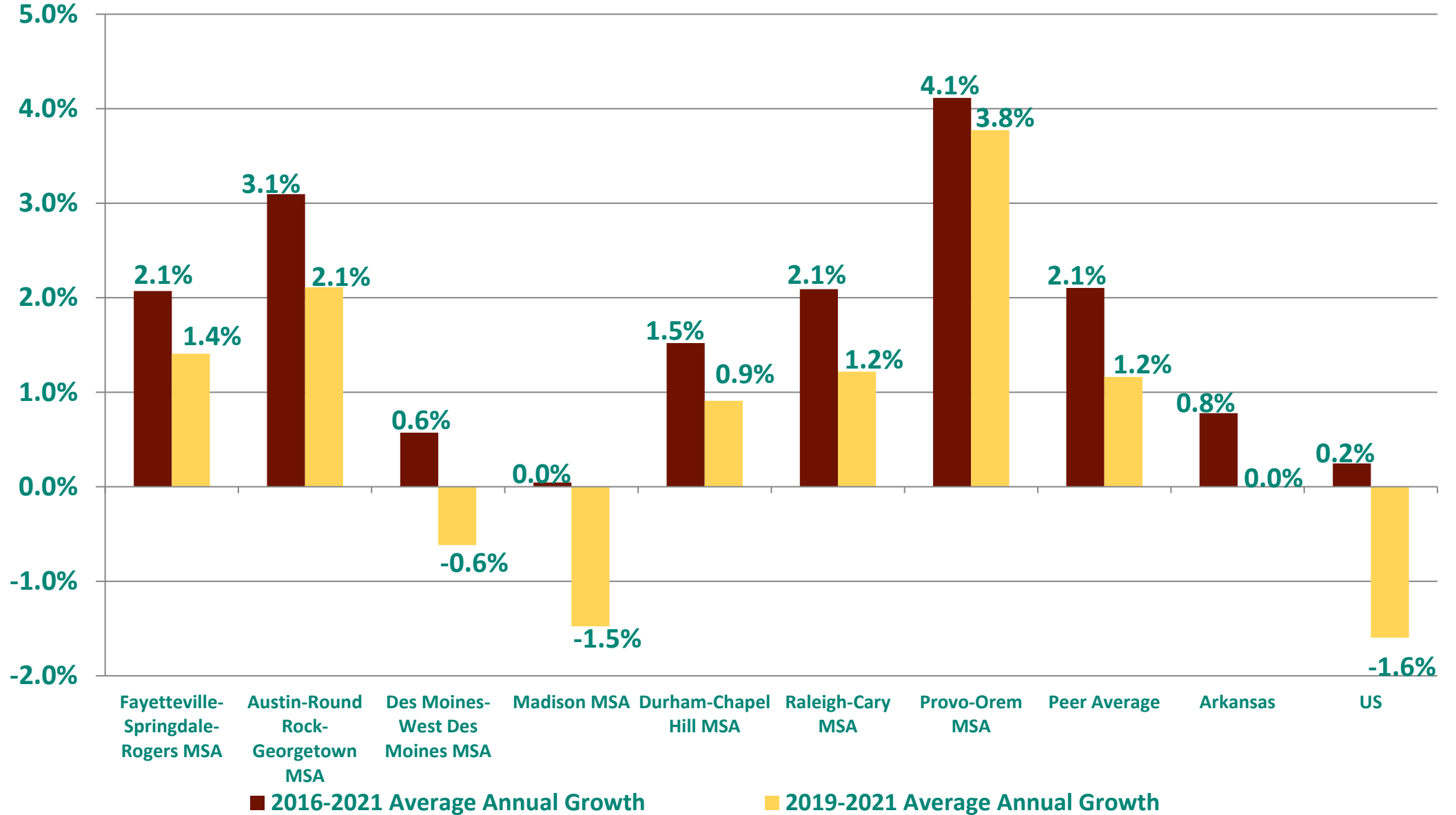


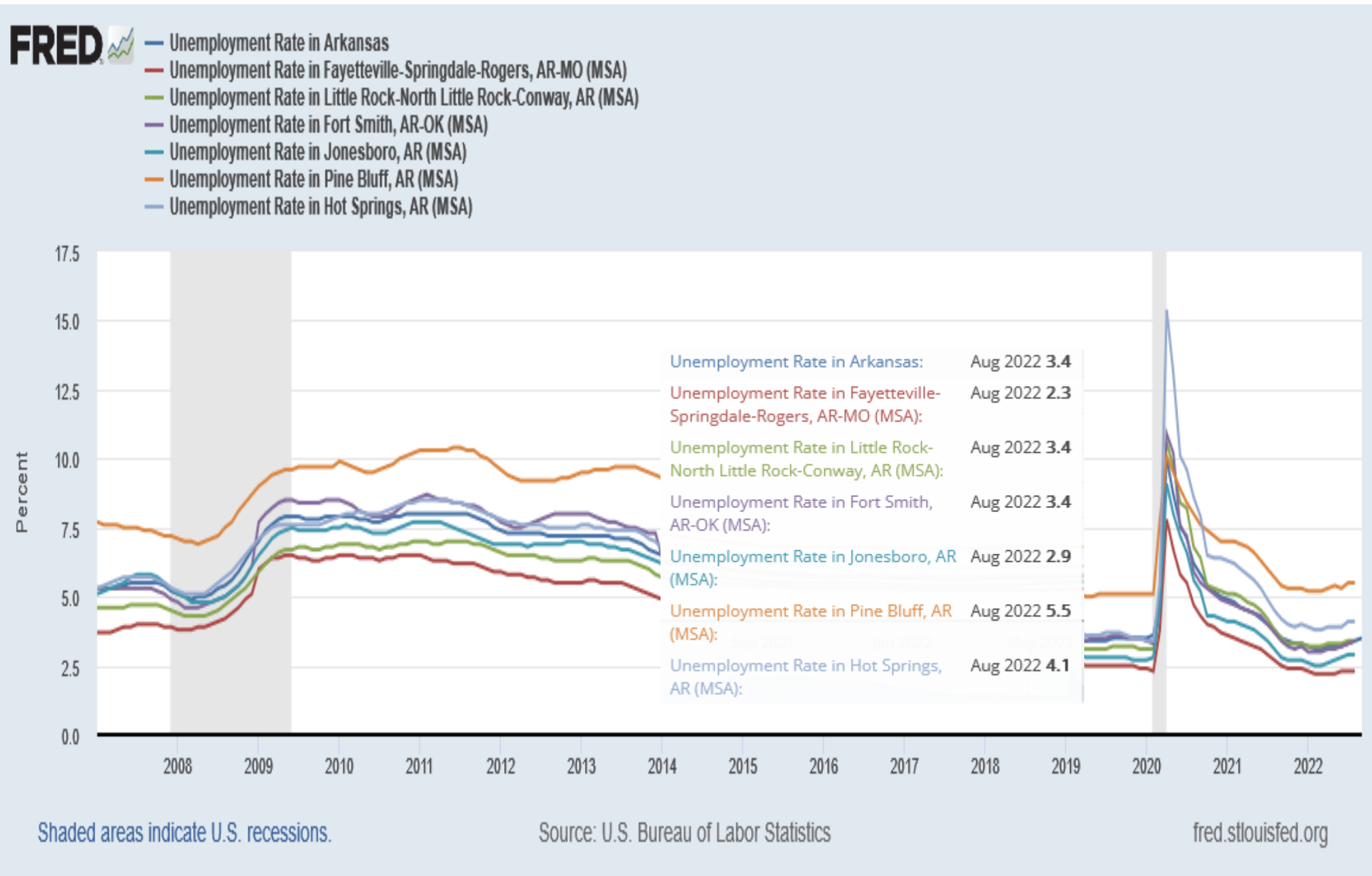
Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Labor Statistics

fred.stlouisfed.org

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

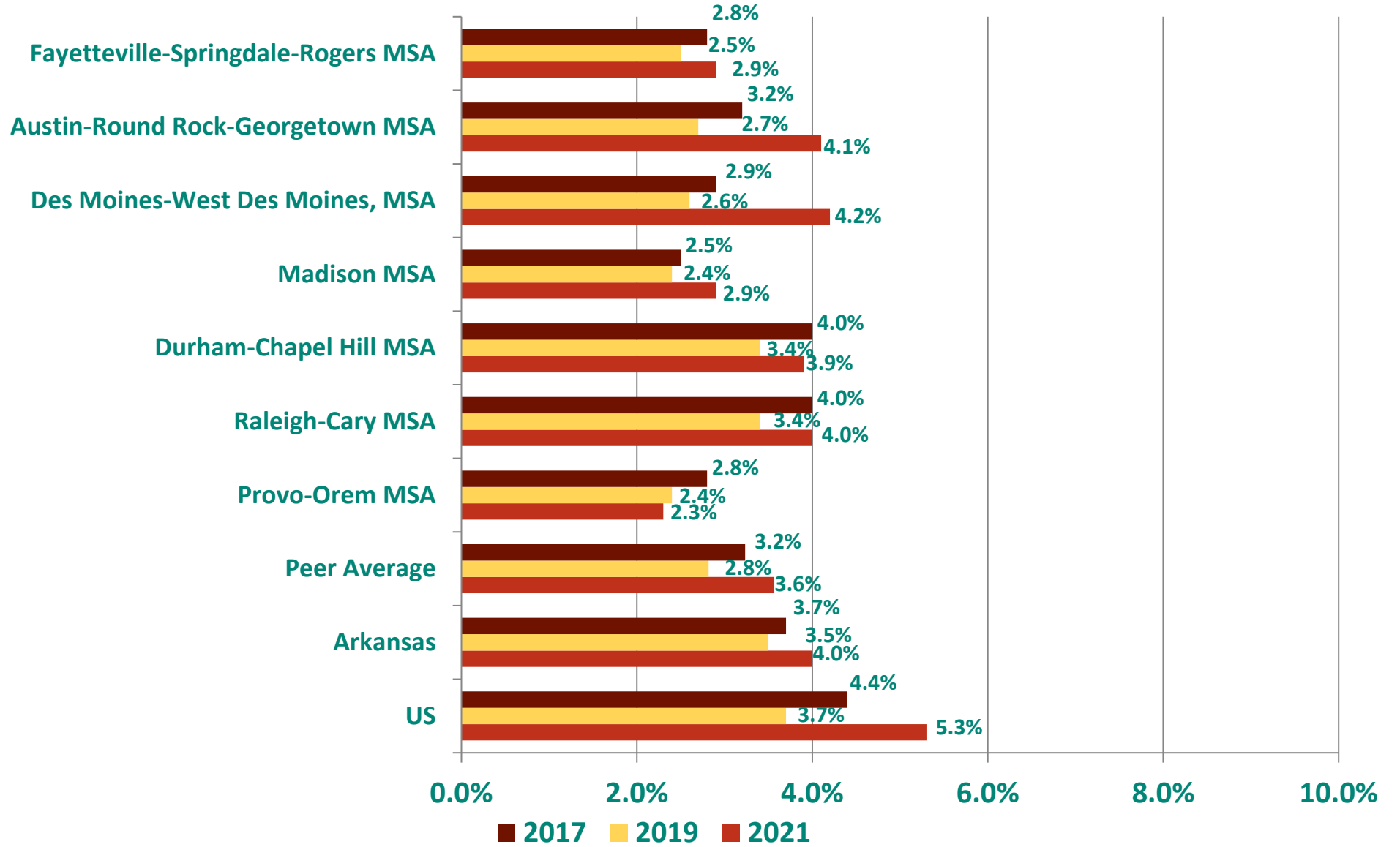






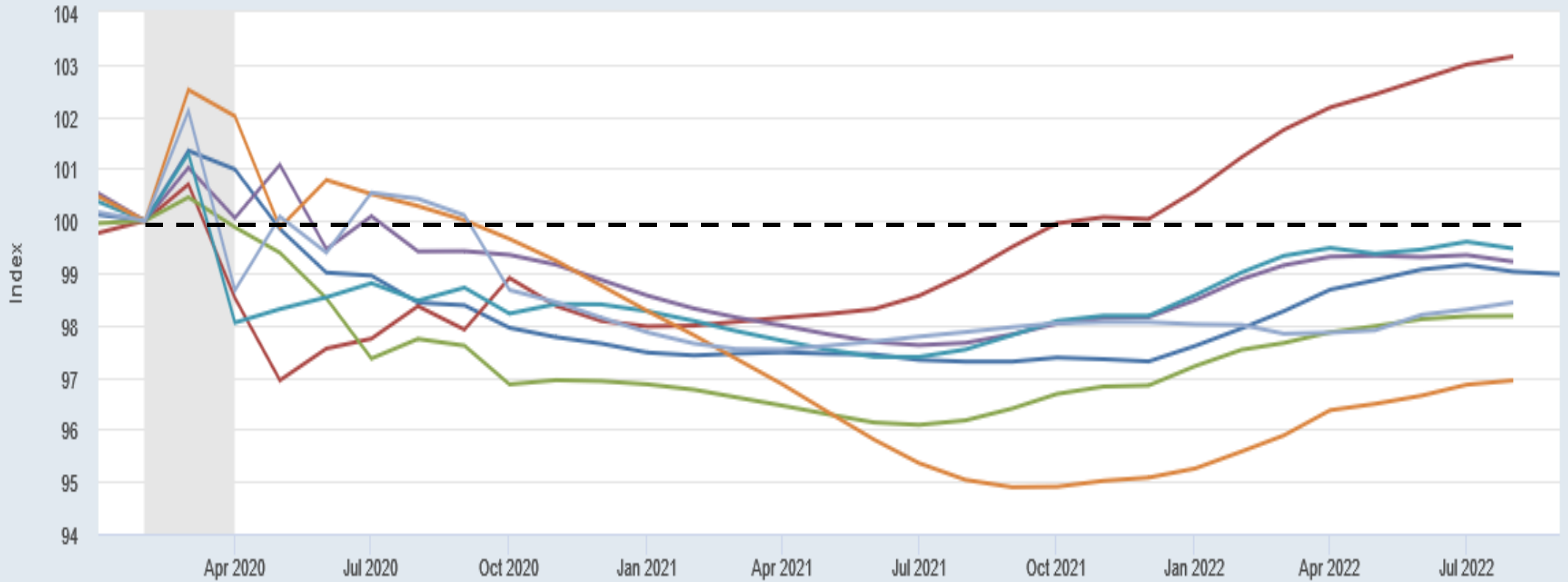
Unemployment Rate, Annual Average

Source: U.S. Bureau of Labor Statistics



FRED

- Civilian Labor Force in Arkansas, Feb 2020=100
- Civilian Labor Force in Fayetteville-Springdale-Rogers, AR-MO (MSA), Feb 2020=100
- Civilian Labor Force in Little Rock-North Little Rock-Conway, AR (MSA), Feb 2020=100
- Civilian Labor Force in Fort Smith, AR-OK (MSA), Feb 2020=100
- Civilian Labor Force in Jonesboro, AR (MSA), Feb 2020=100
- Civilian Labor Force in Pine Bluff, AR (MSA), Feb 2020=100
- Civilian Labor Force in Hot Springs, AR (MSA), Feb 2020=100



Shaded areas indicate U.S. recessions.

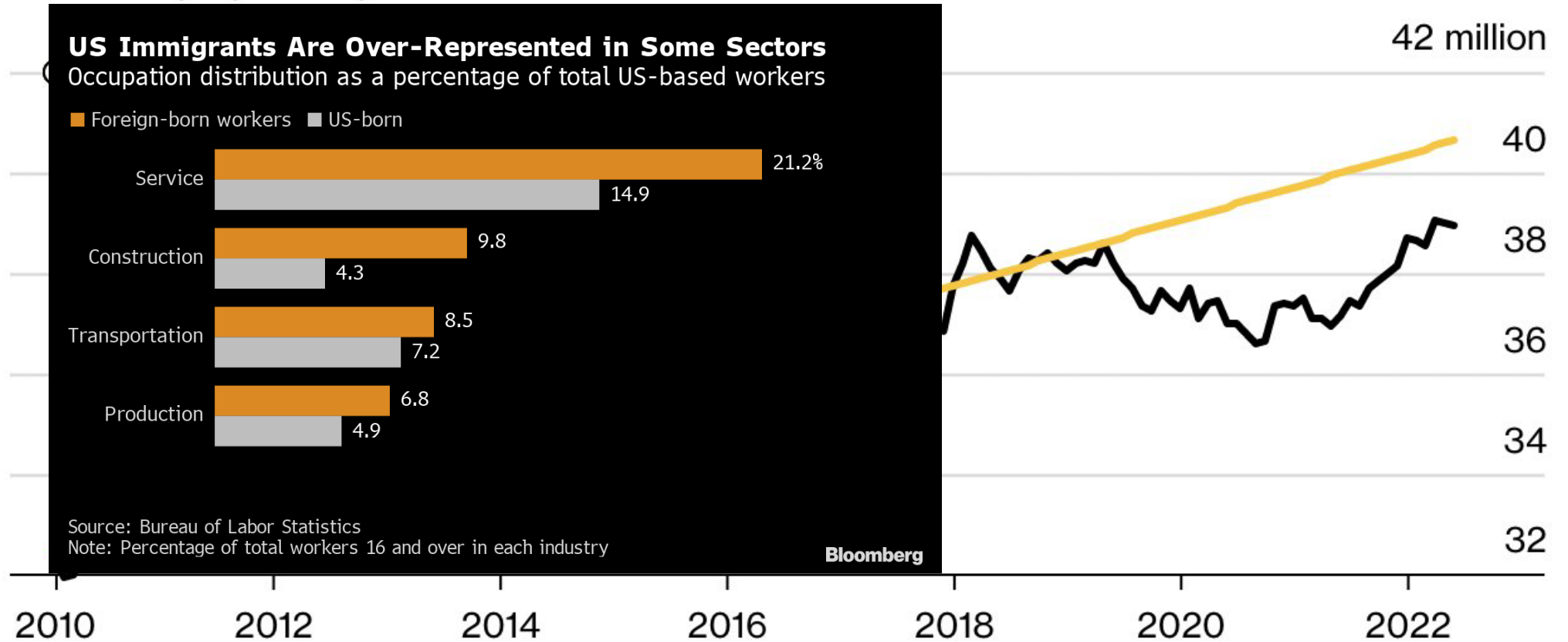
Source: U.S. Bureau of Labor Statistics

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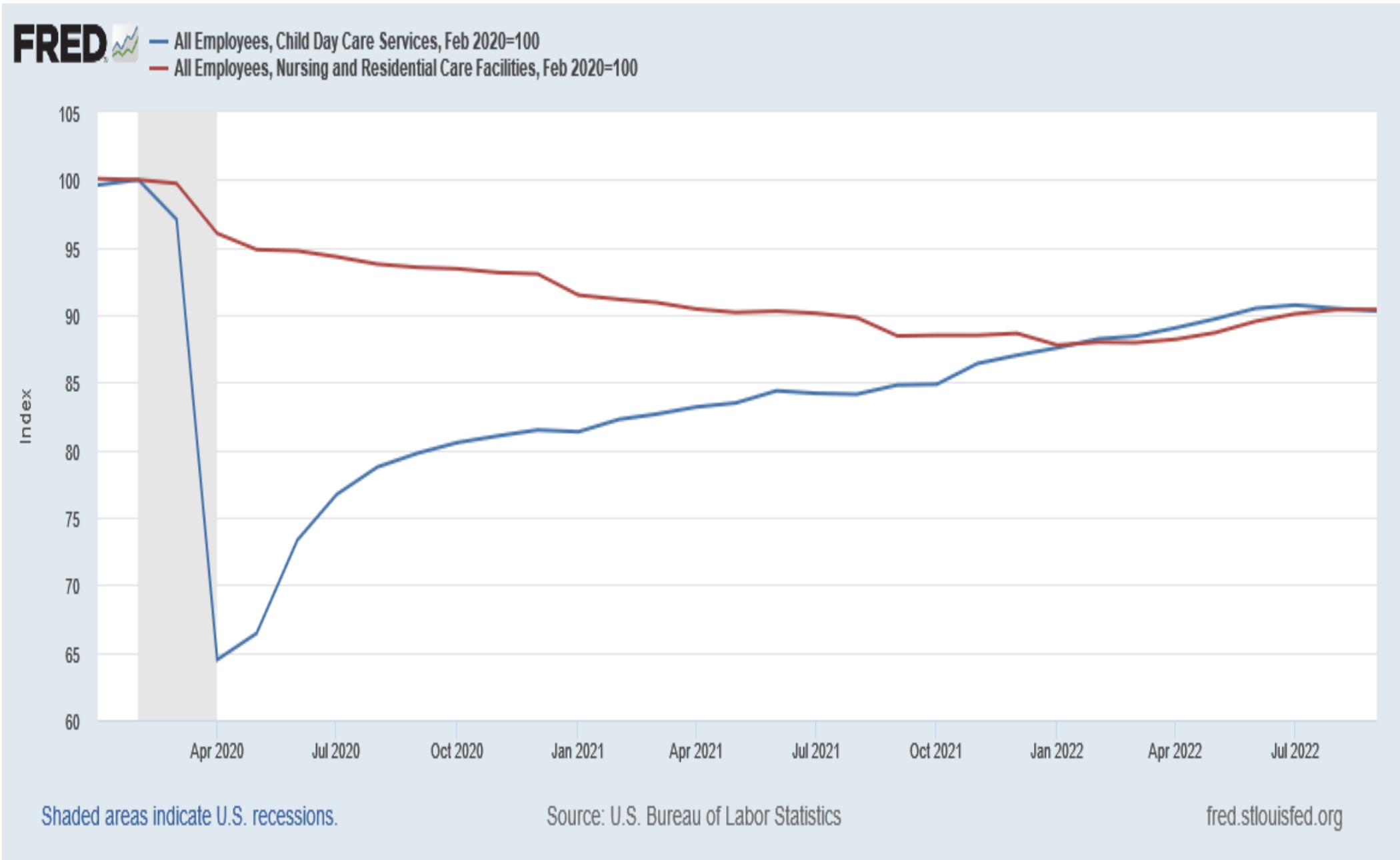
Missing US Immigrants

US has 1.7 million fewer working-age immigrants versus pre-2020 trend

Working-age immigrants / Pre-2020 trend



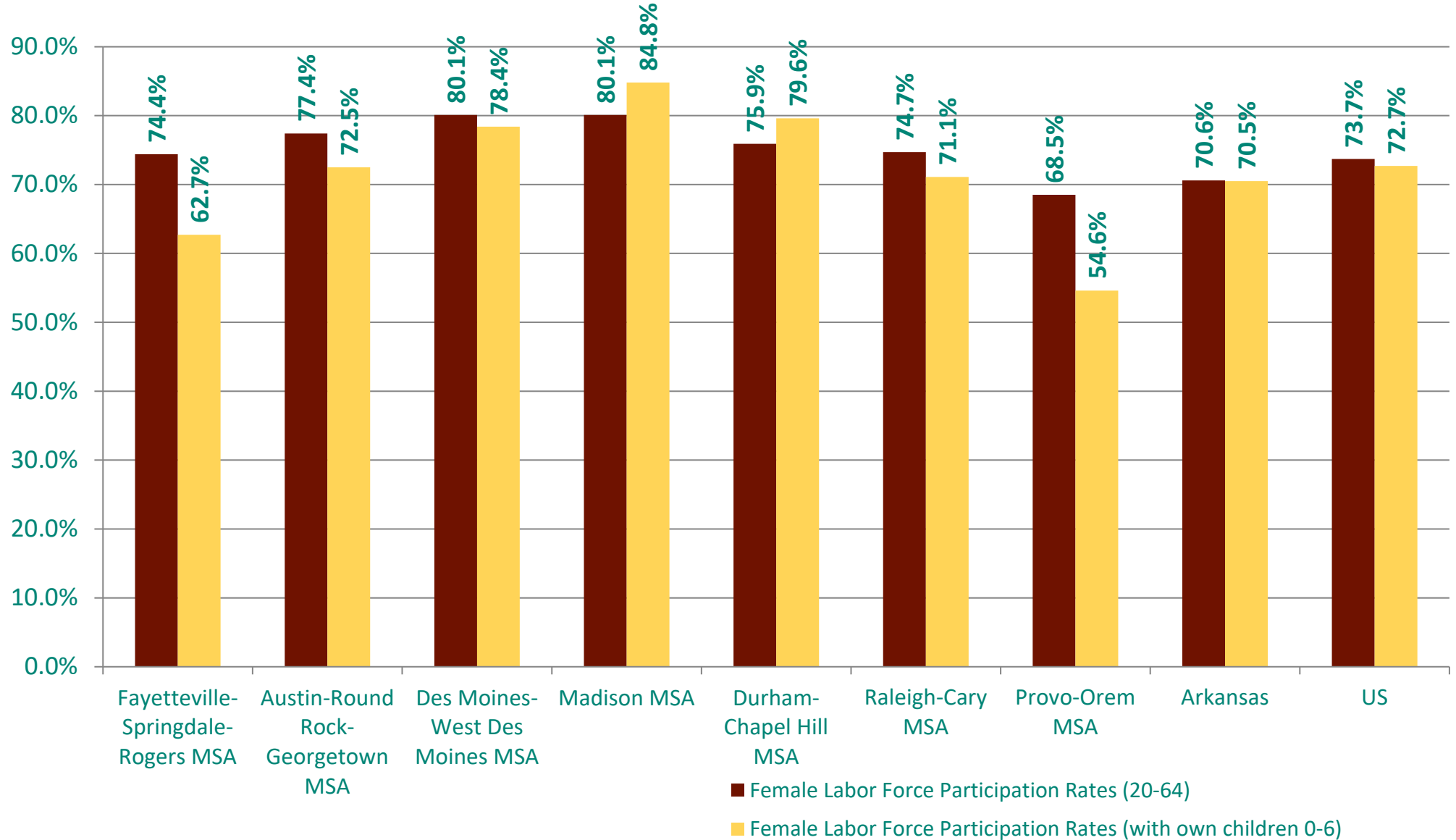
Source: Analysis of Census Bureau's Current Population Survey data by Giovanni Peri and Reem Zaiour from University of California, Davis



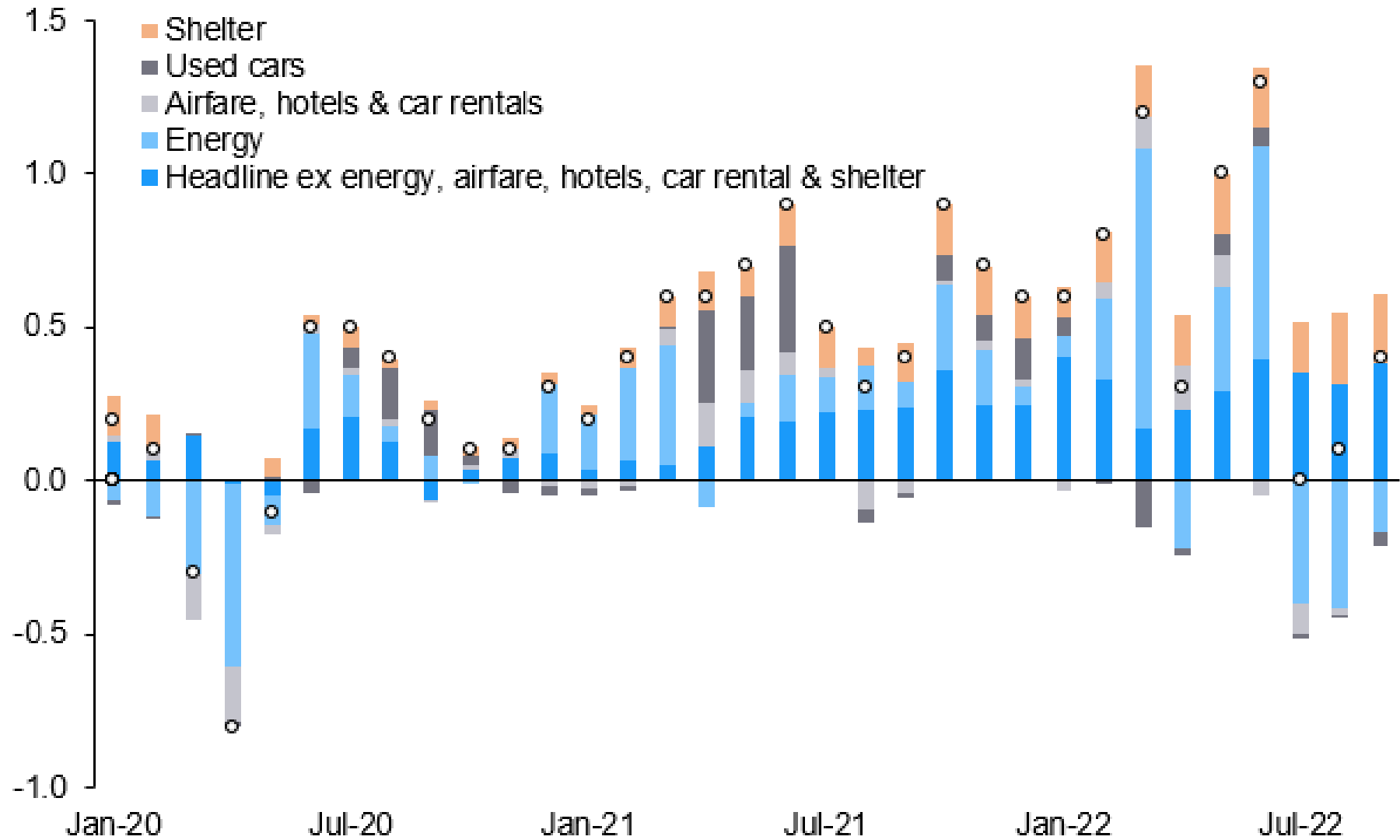


2021 Female Labor Force Participation Rates

Source: U.S. Census Bureau



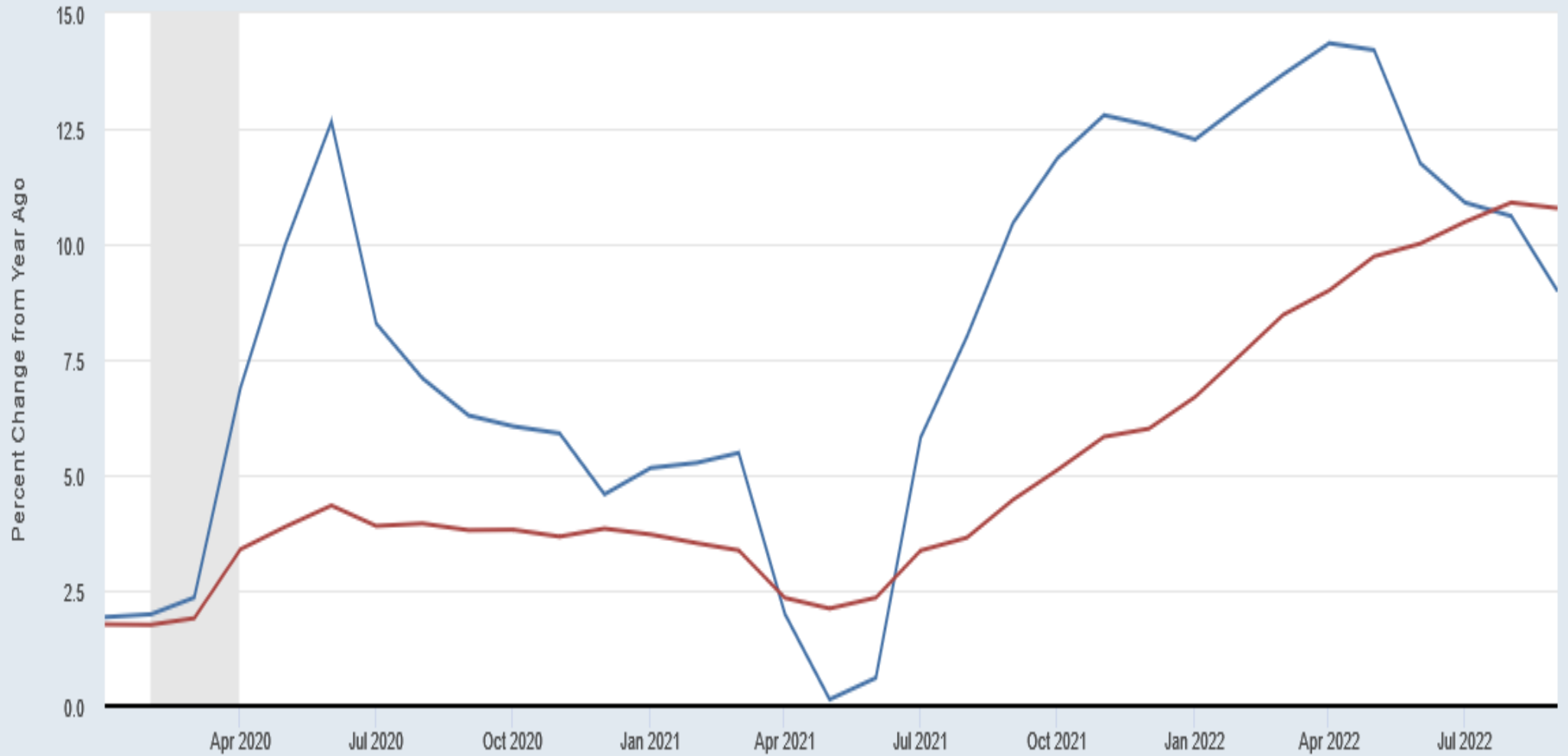
Month-over-month percent change in consumer price index (CPI) January 2020 - September 2022



Source: BLS; EY-Parthenon



FRED — Consumer Price Index for All Urban Consumers: Meats, Poultry, Fish, and Eggs in U.S. City Average
— Consumer Price Index for All Urban Consumers: Food and Beverages in U.S. City Average



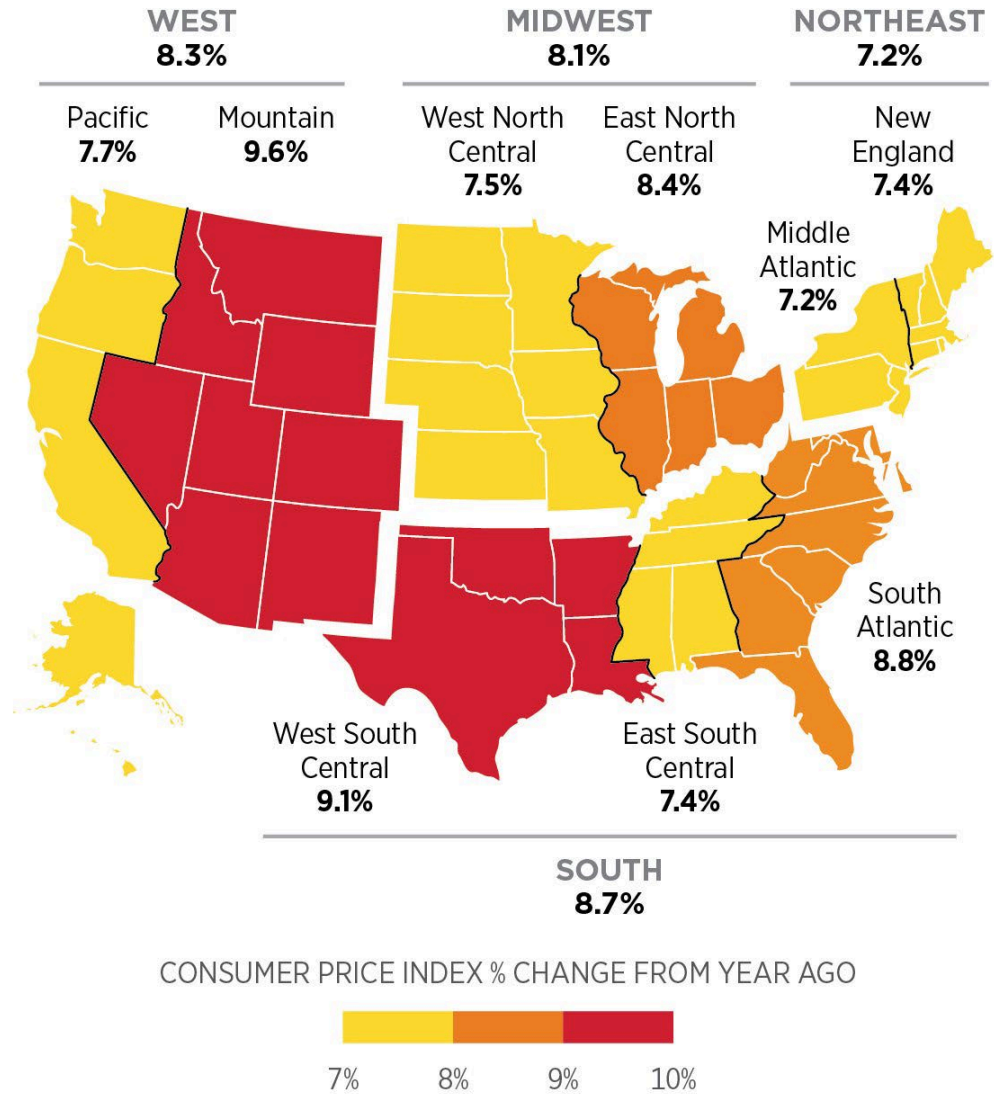
Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Labor Statistics

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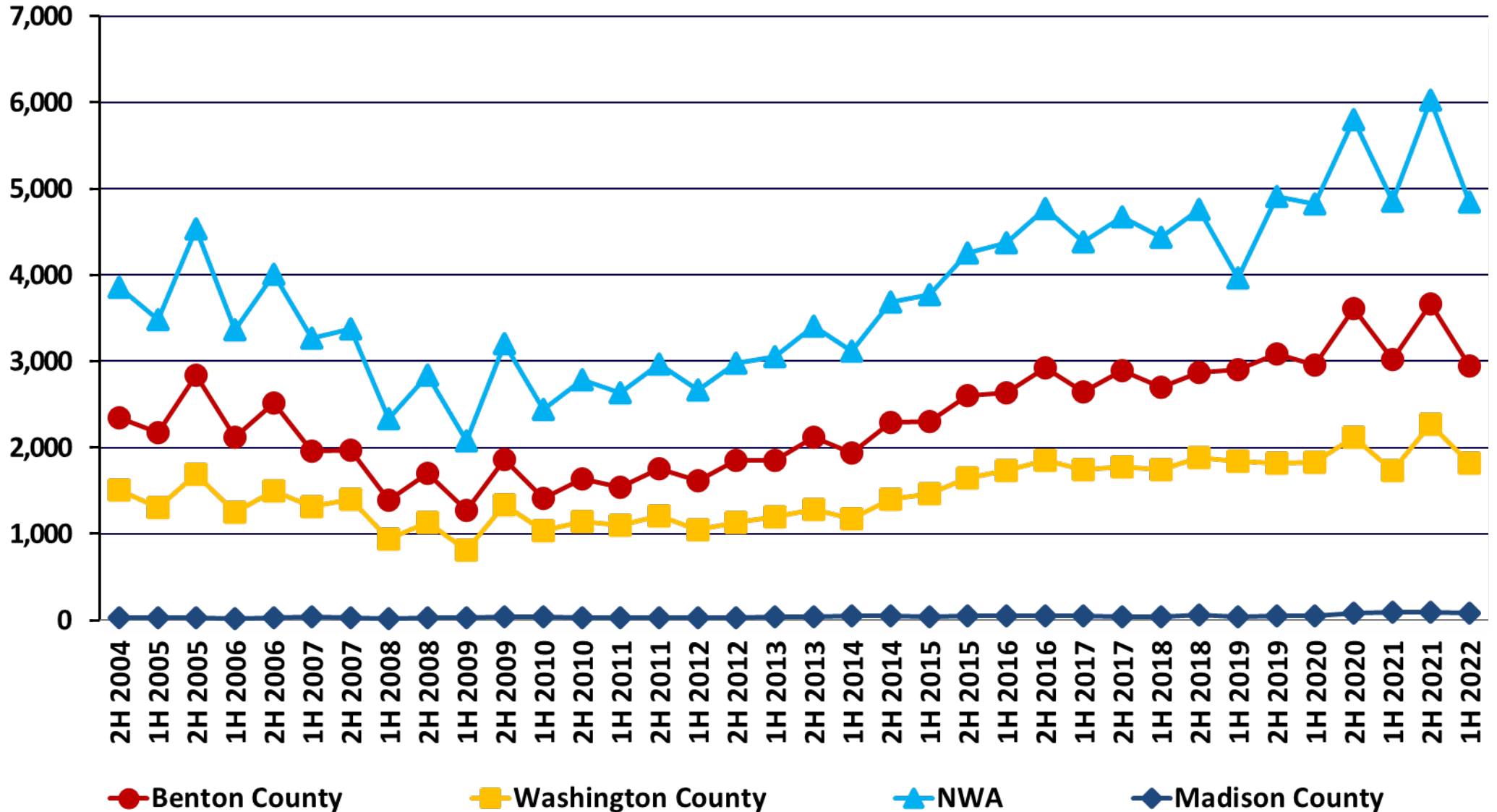
Regional Inflation Rates



SOURCE: U.S. Bureau of Labor Statistics

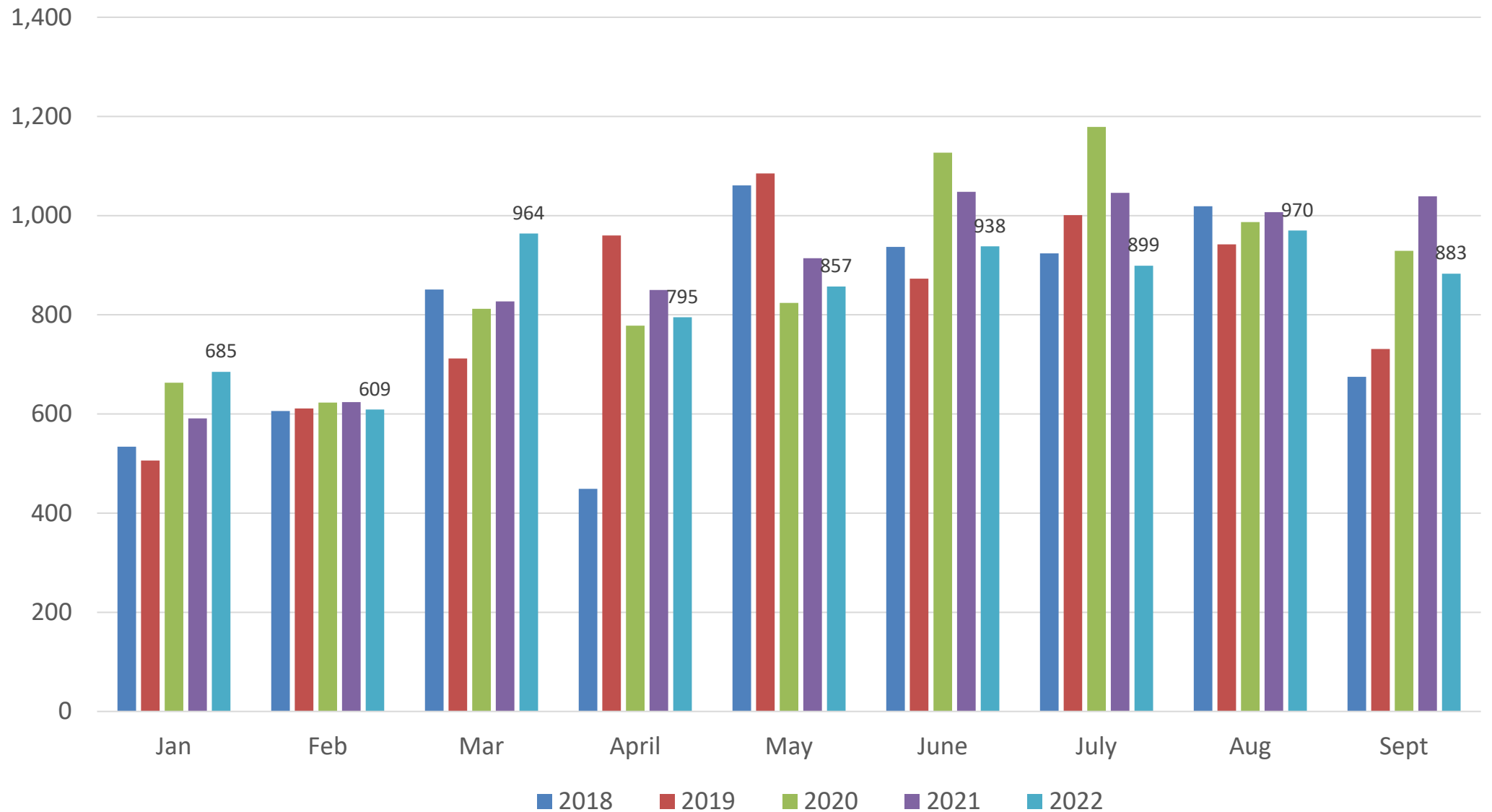
(S)DailySignal.com

Benton, Madison and Washington County Number of Houses Sold



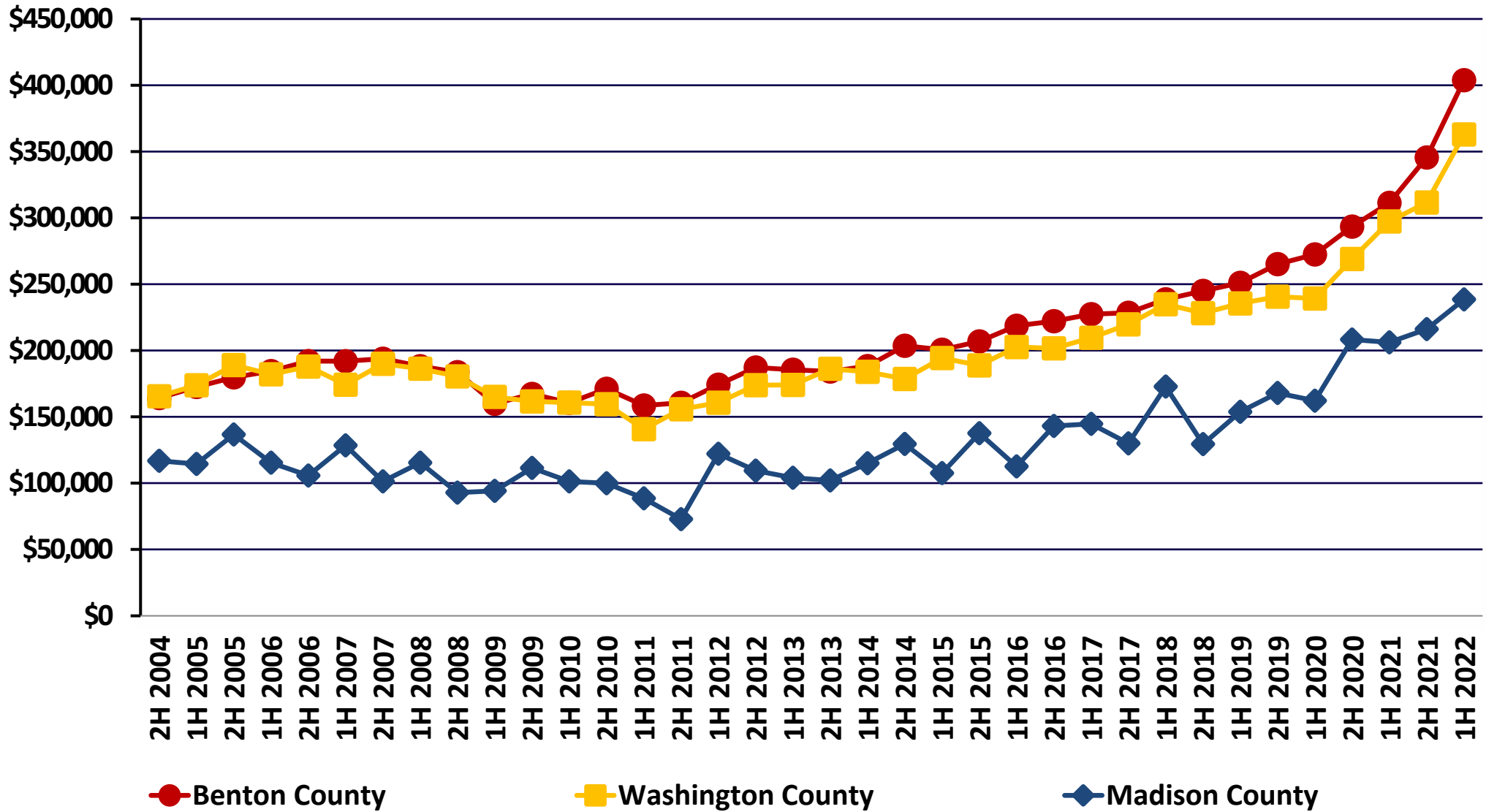


NWA Number of Houses Sold

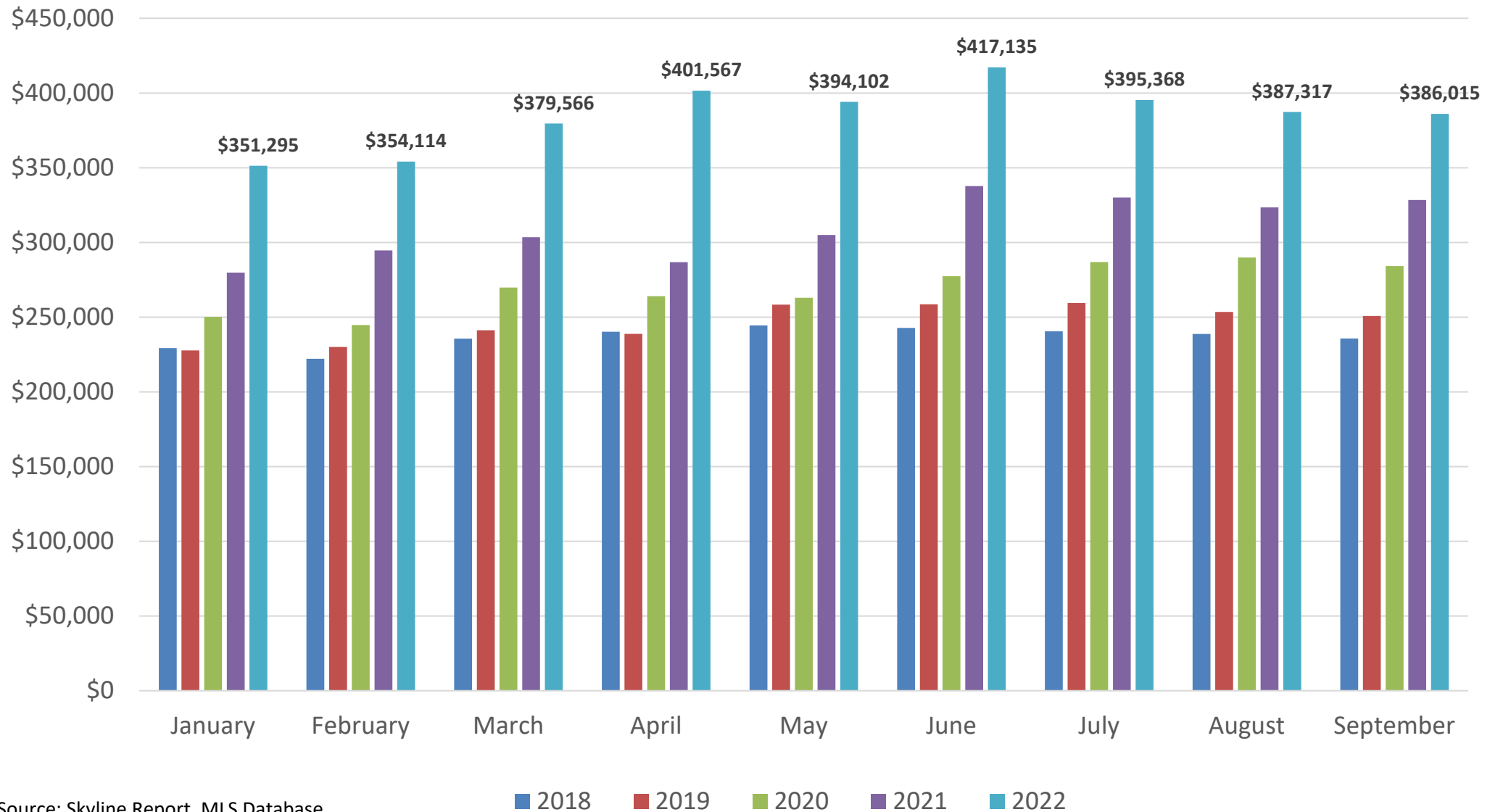


Source: Skyline Report, MLS Database

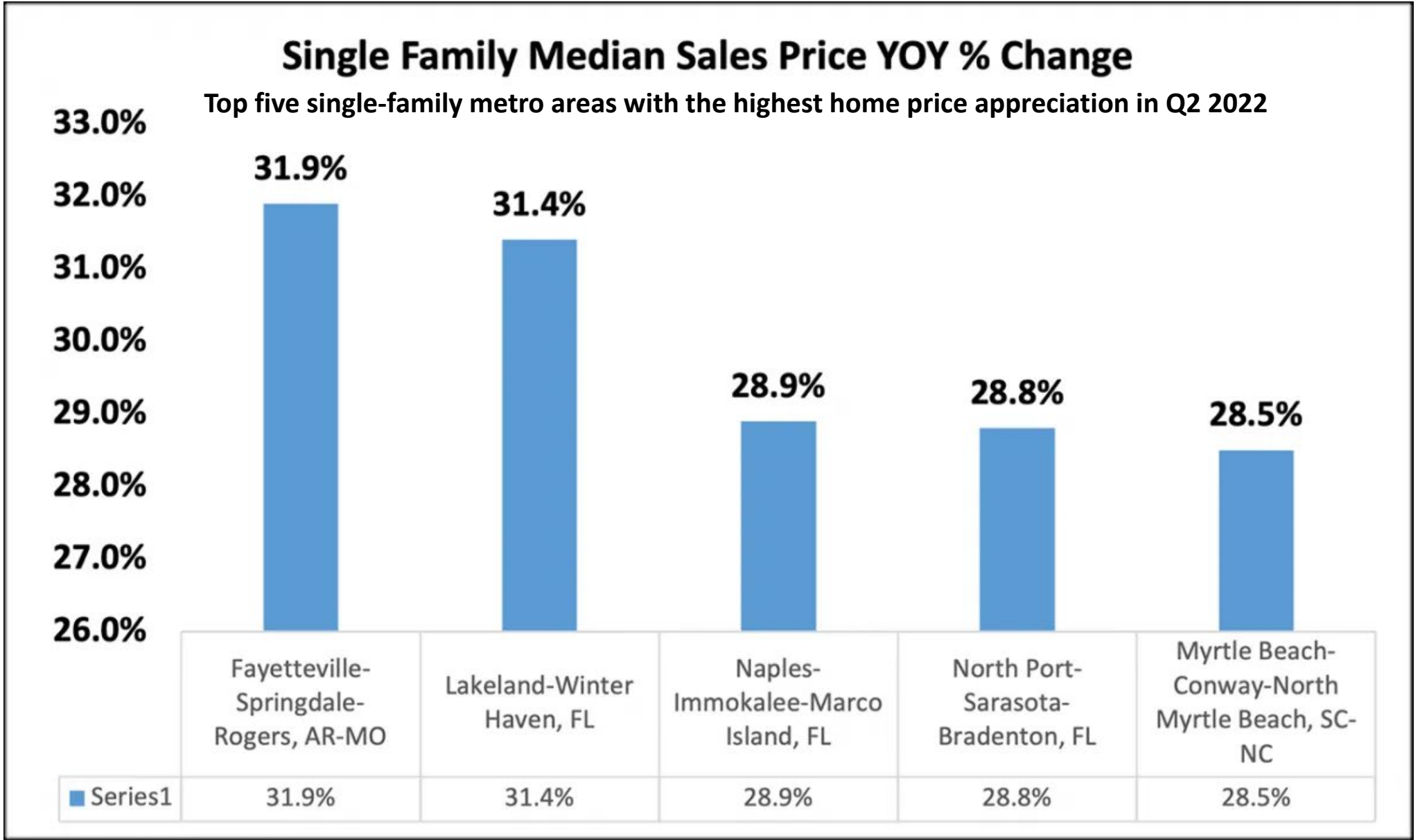
Benton, Madison and Washington County Average Price of Houses Sold



Northwest Arkansas Average Price of Houses Sold

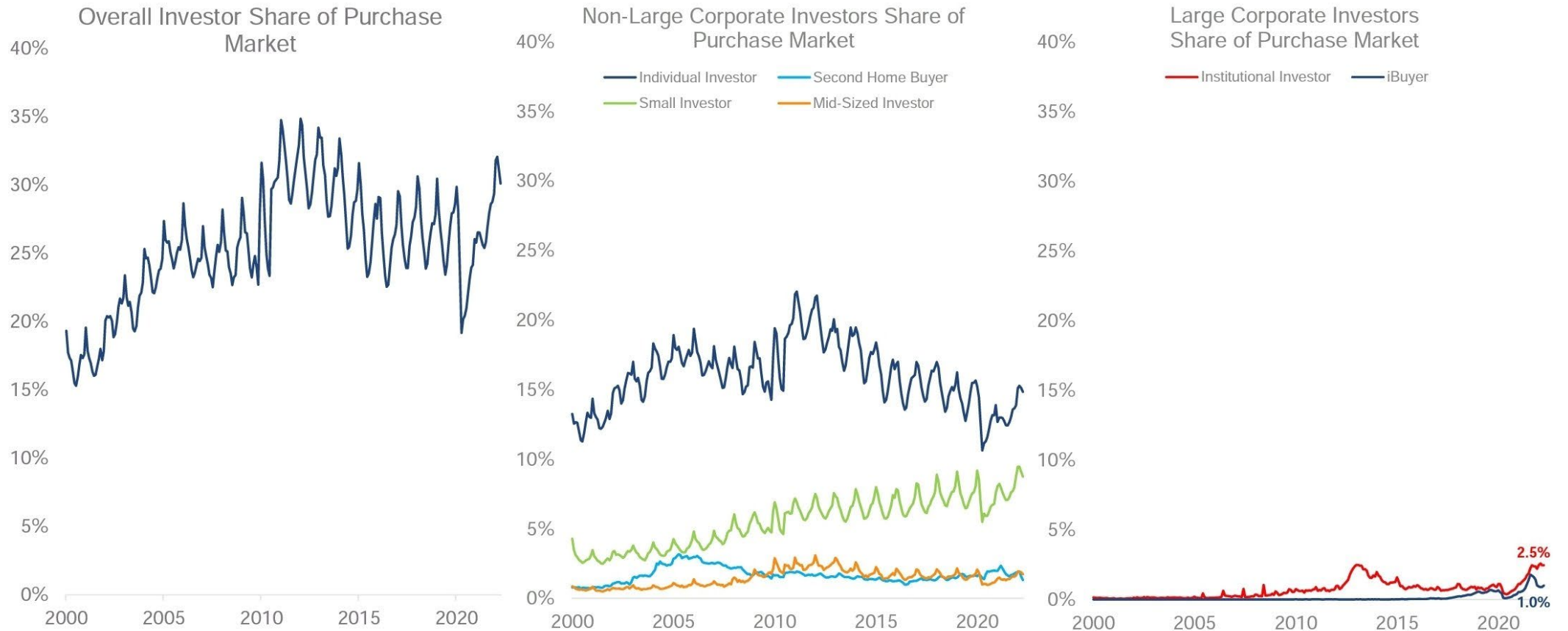


Source: Skyline Report, MLS Database





Investors Share Up Modestly, Large Corporate Investor Purchases are Rising but Remain a Small Share of the Market, Small Investors Are Rising the Most



Source: CoreLogic



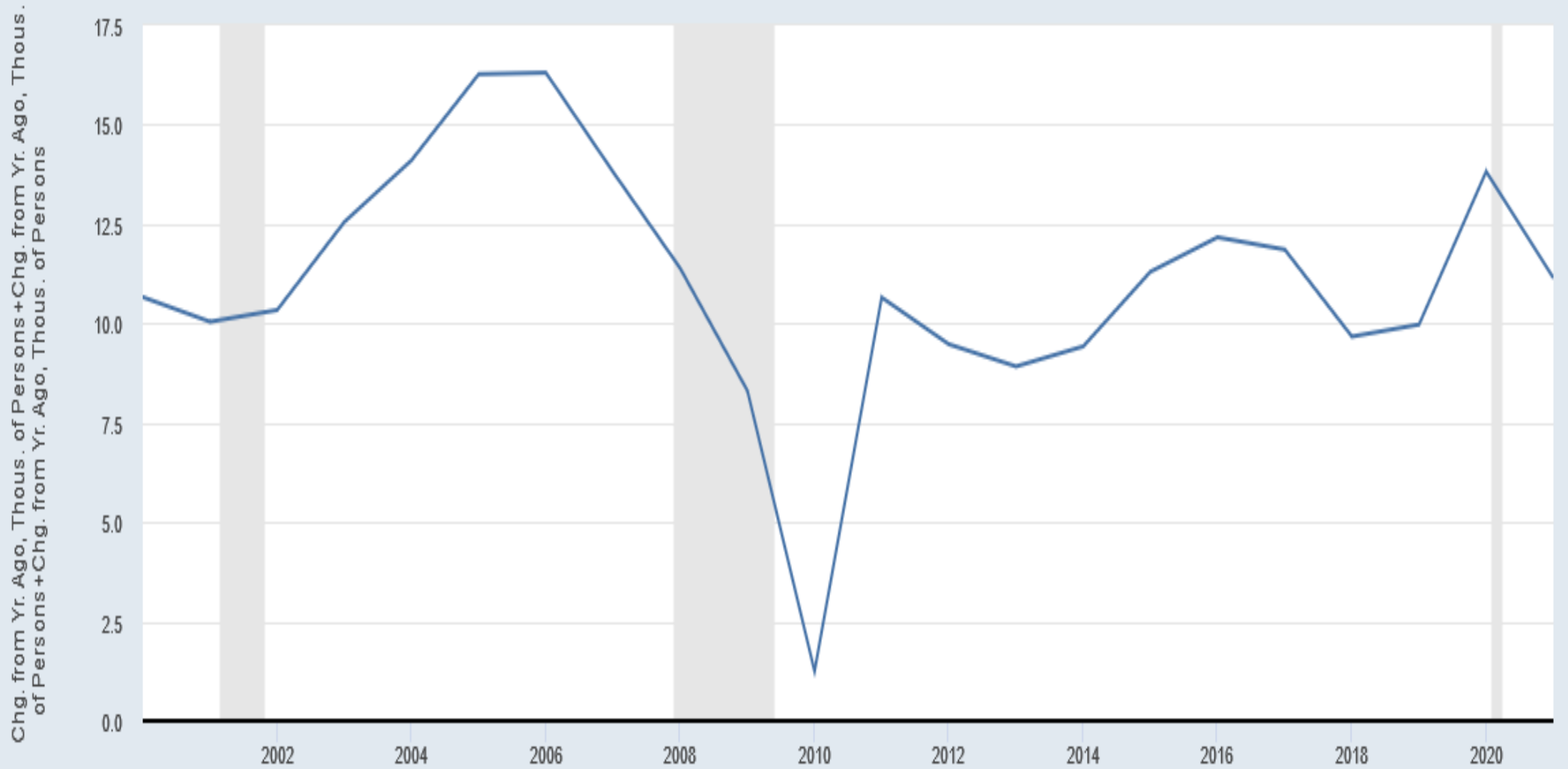
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— Resident Population in Benton County, AR+Resident Population in Washington County, AR+Resident Population in Madison County, AR



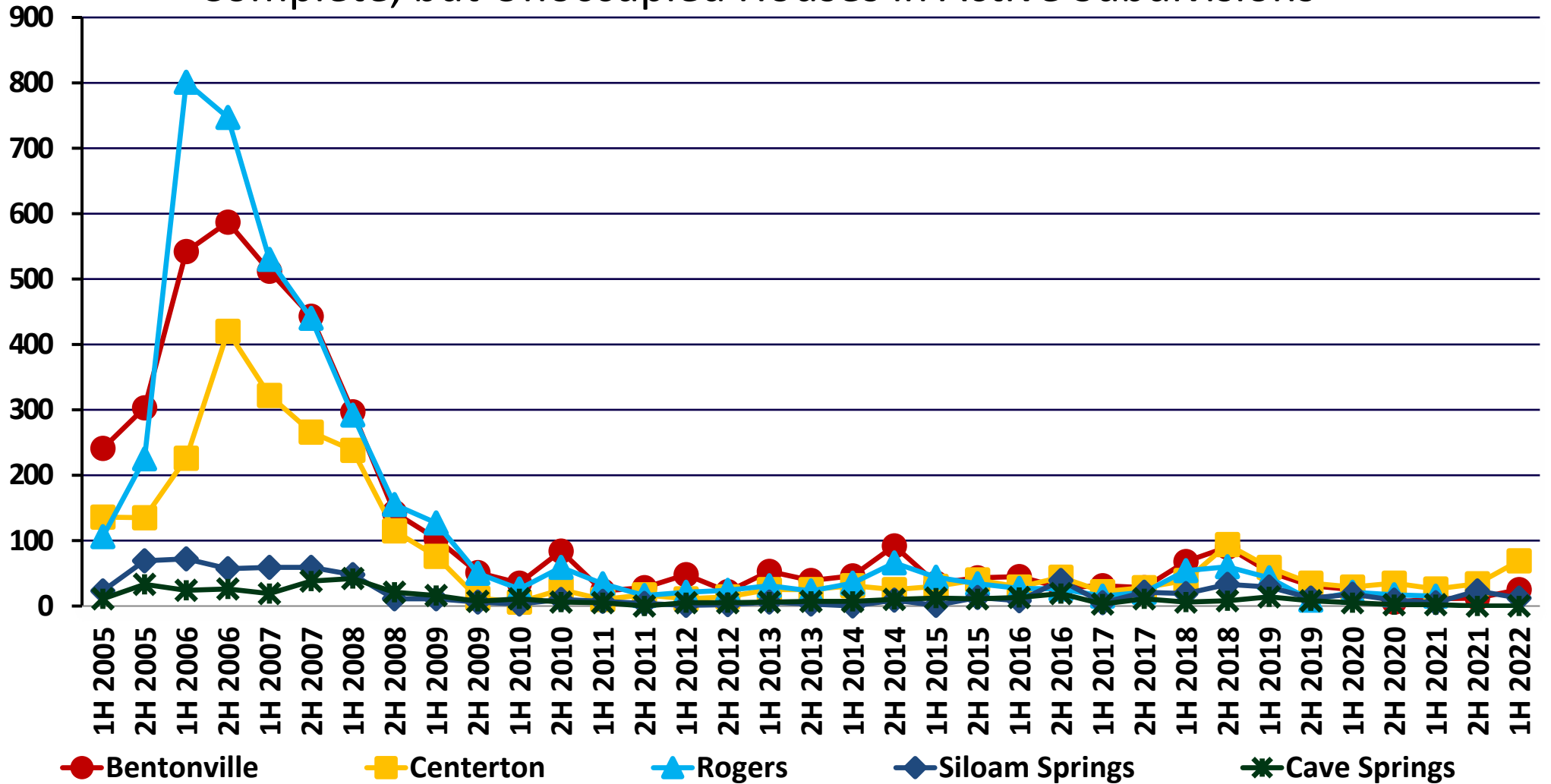
Shaded areas indicate U.S. recessions.

Source: U.S. Census Bureau

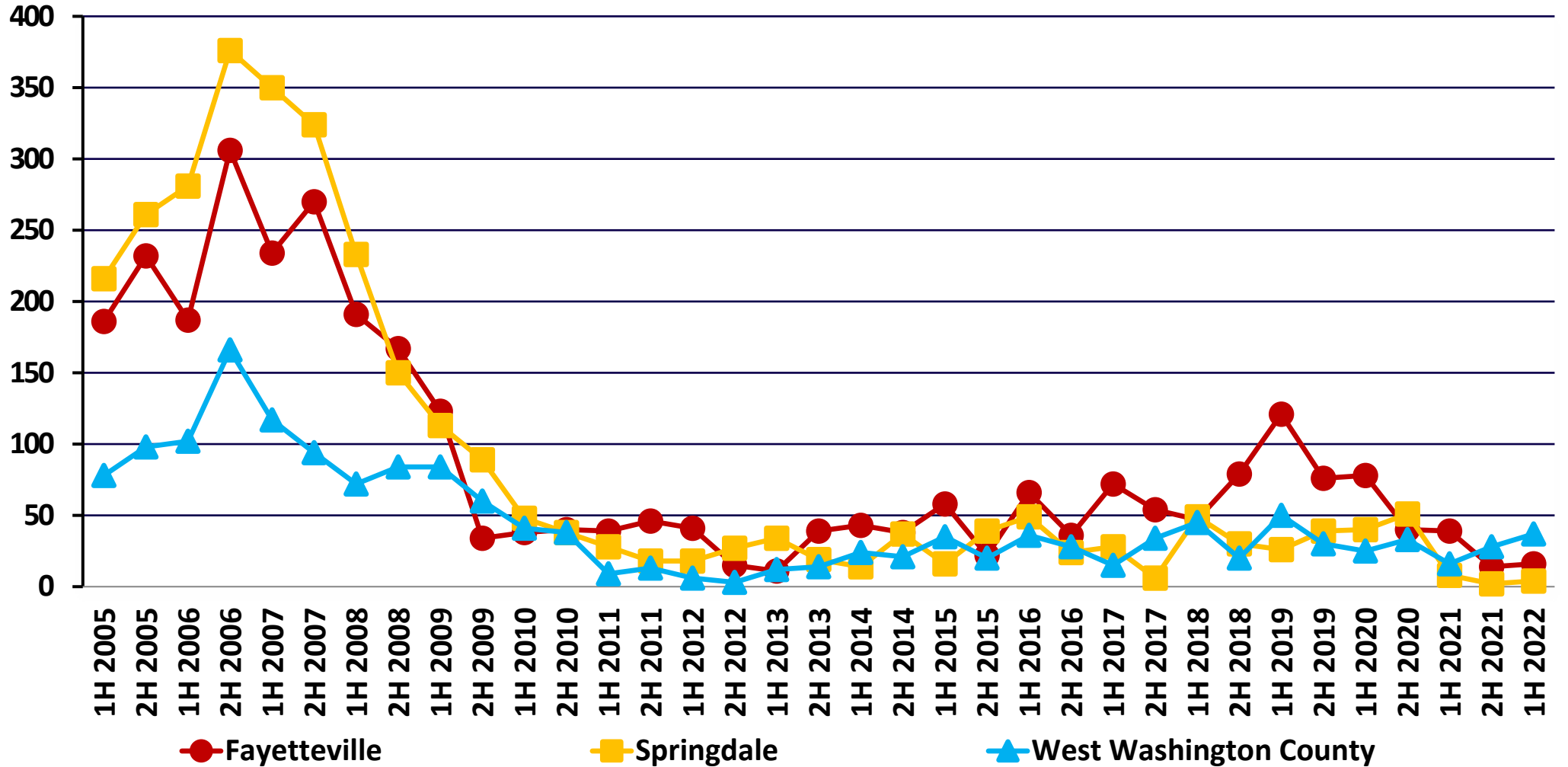
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Selected Cities in Benton County Complete, but Unoccupied Houses in Active Subdivisions



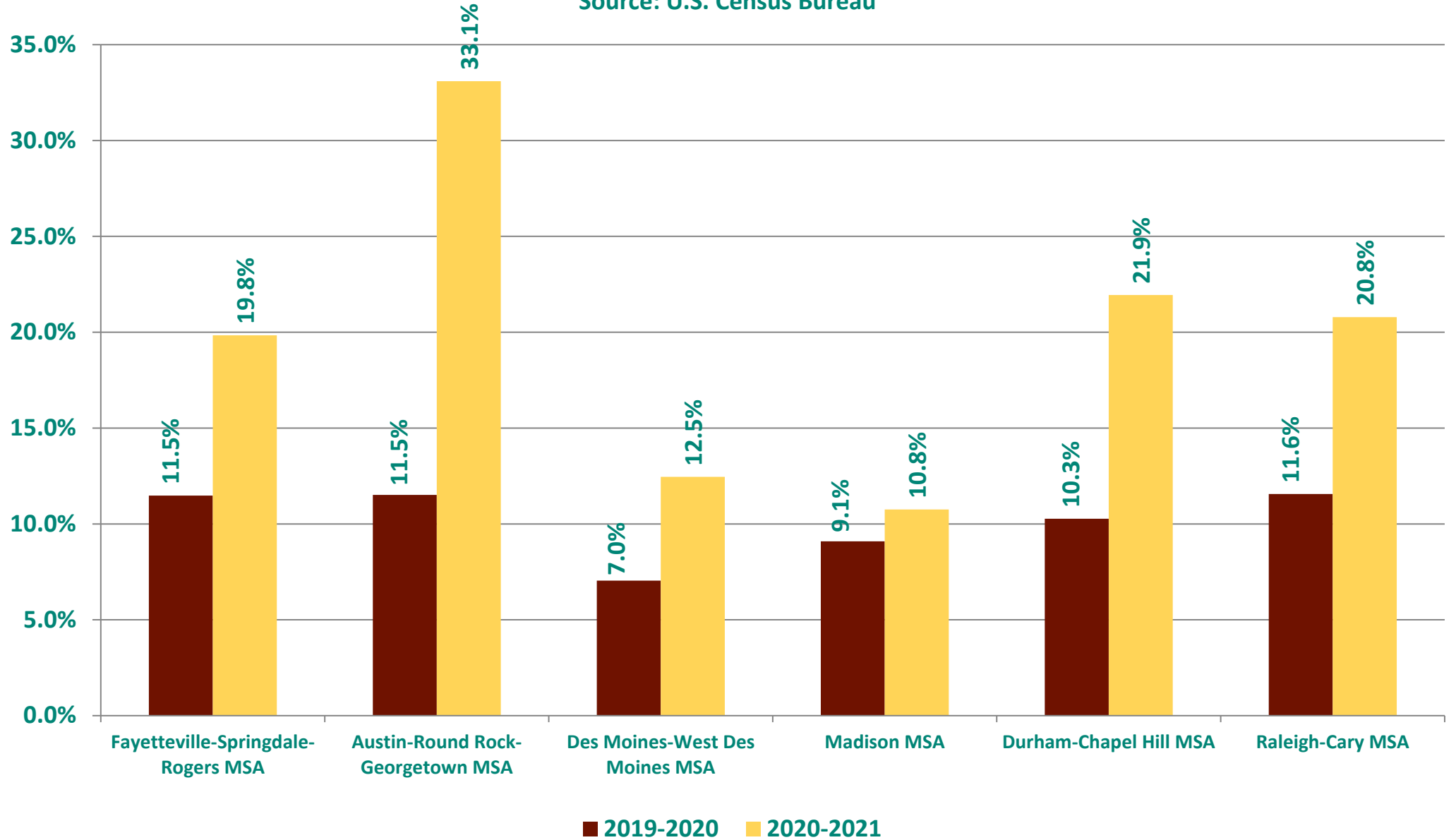
Selected Cities in Washington County Houses Completed but Unoccupied in Active Subdivisions



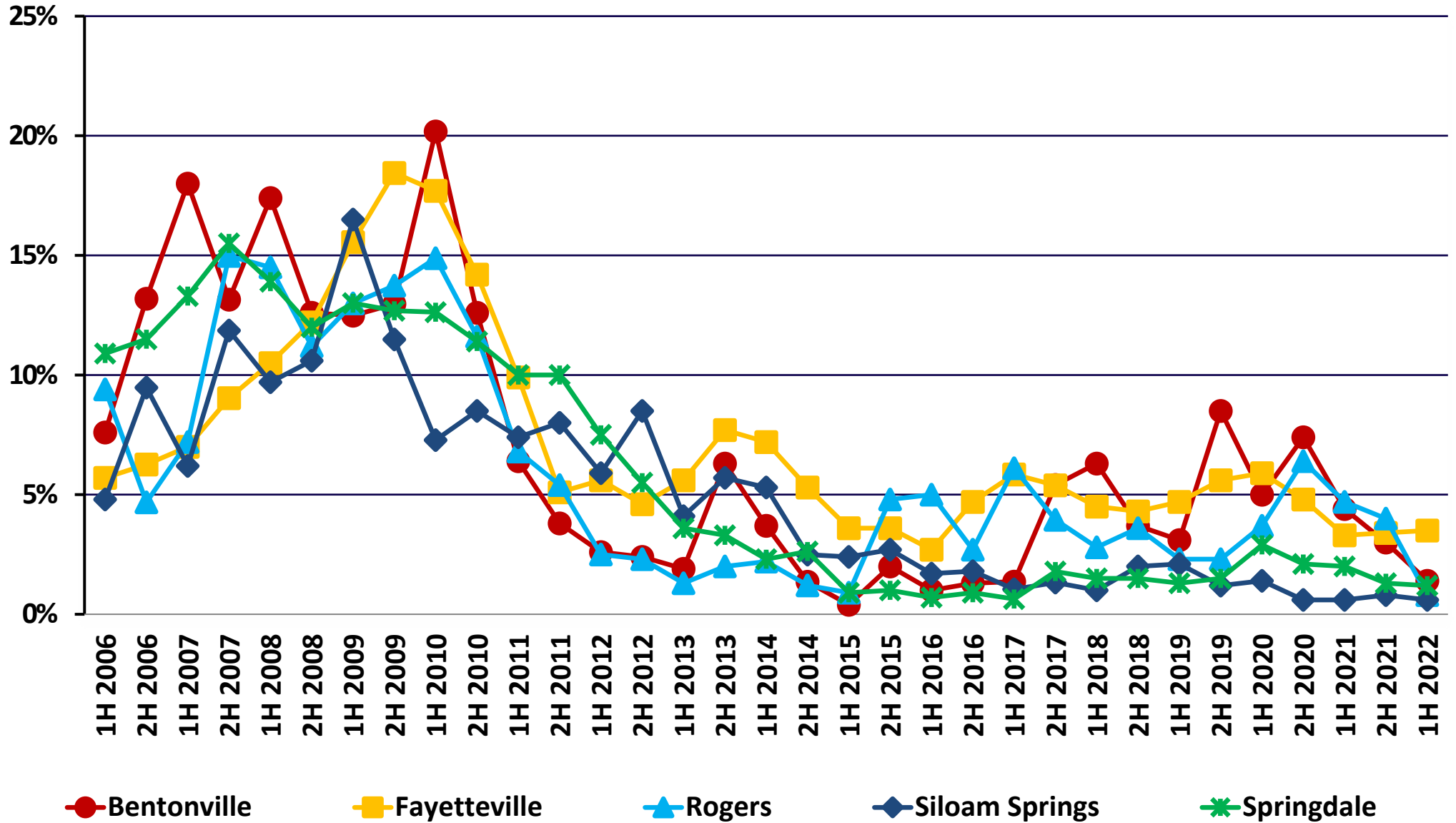


Median Sales Price of Existing Single Family Homes

Source: U.S. Census Bureau

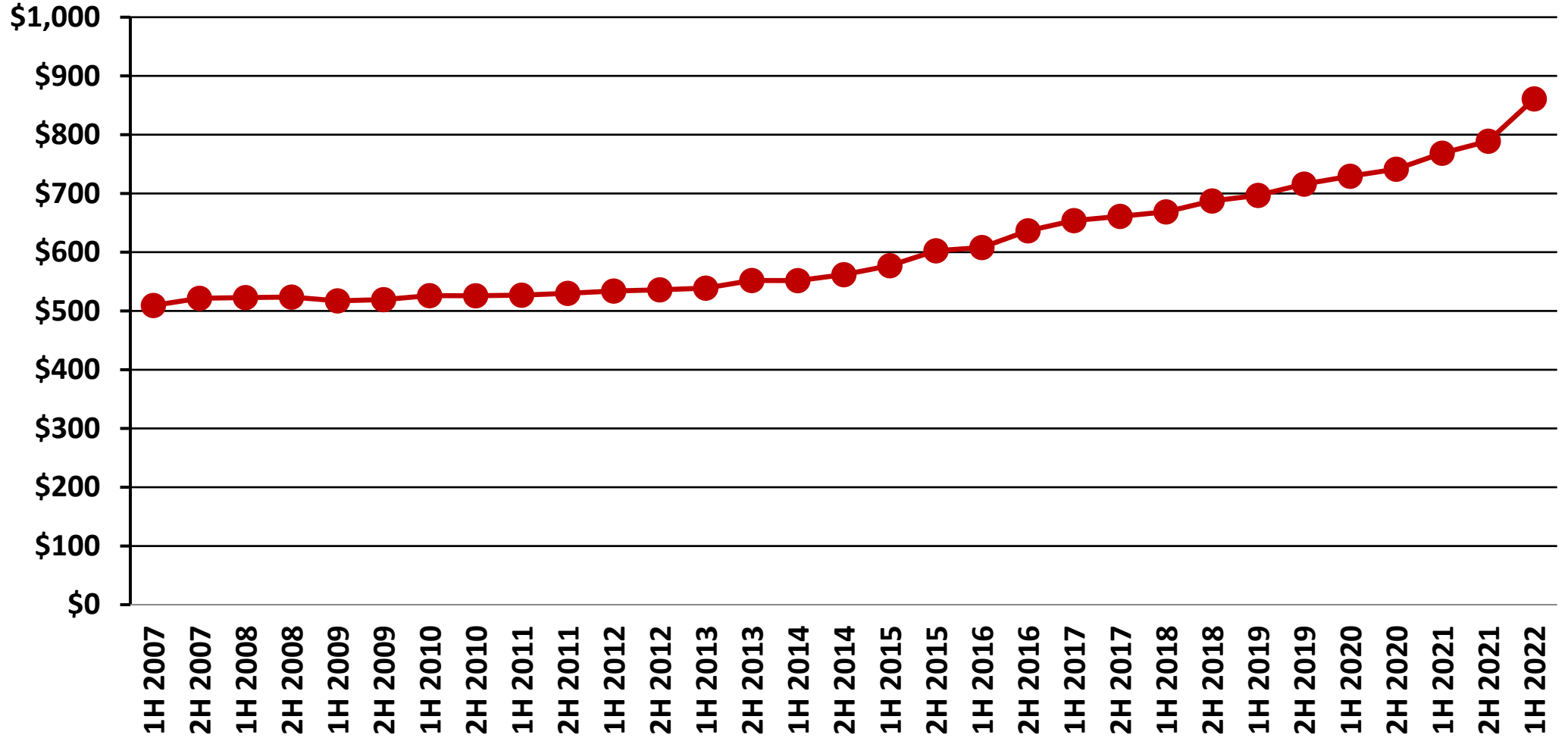


Selected Cities Multifamily Average Vacancy Rates by City

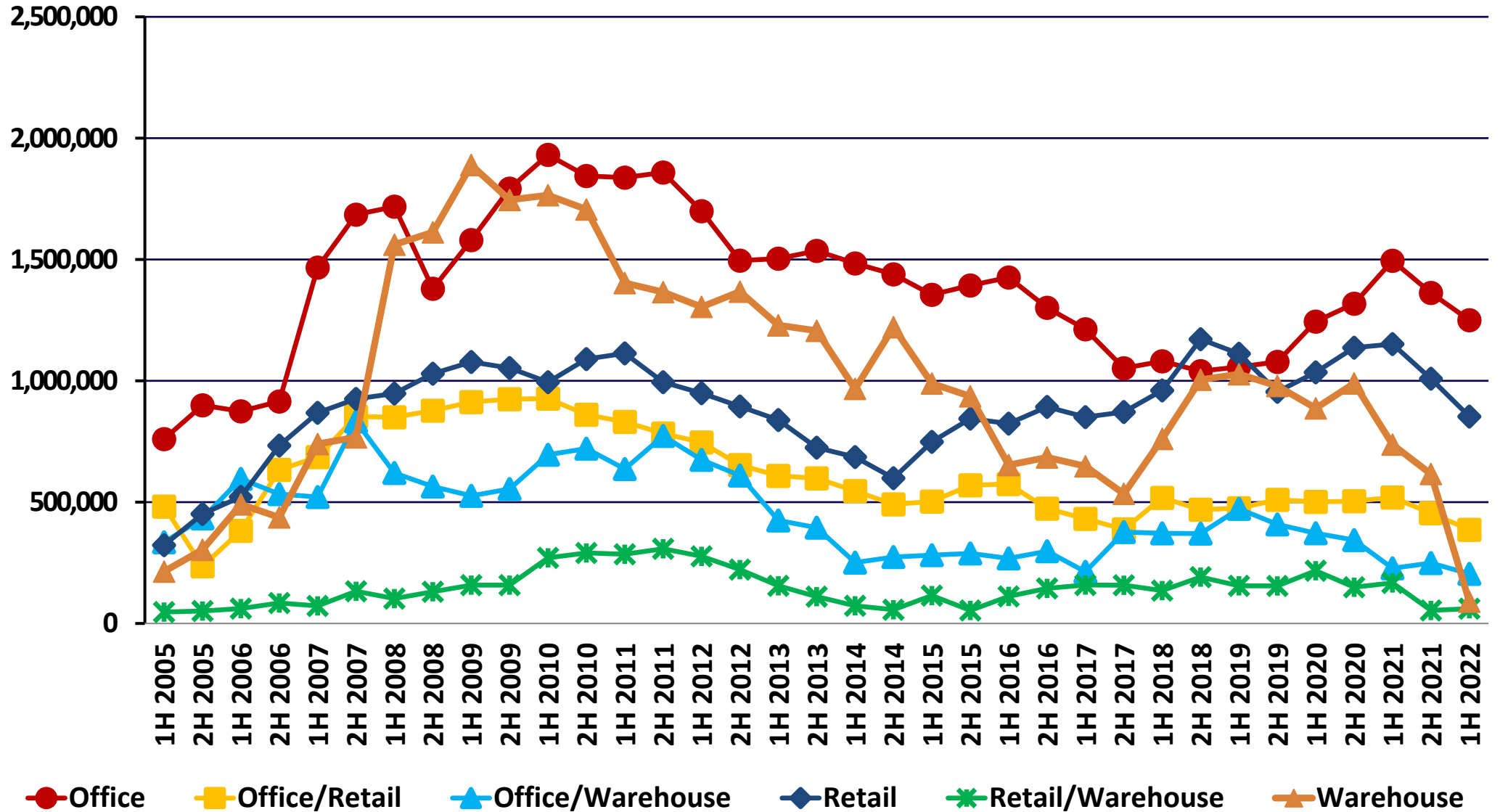




NWA Multifamily Average Price Per Unit



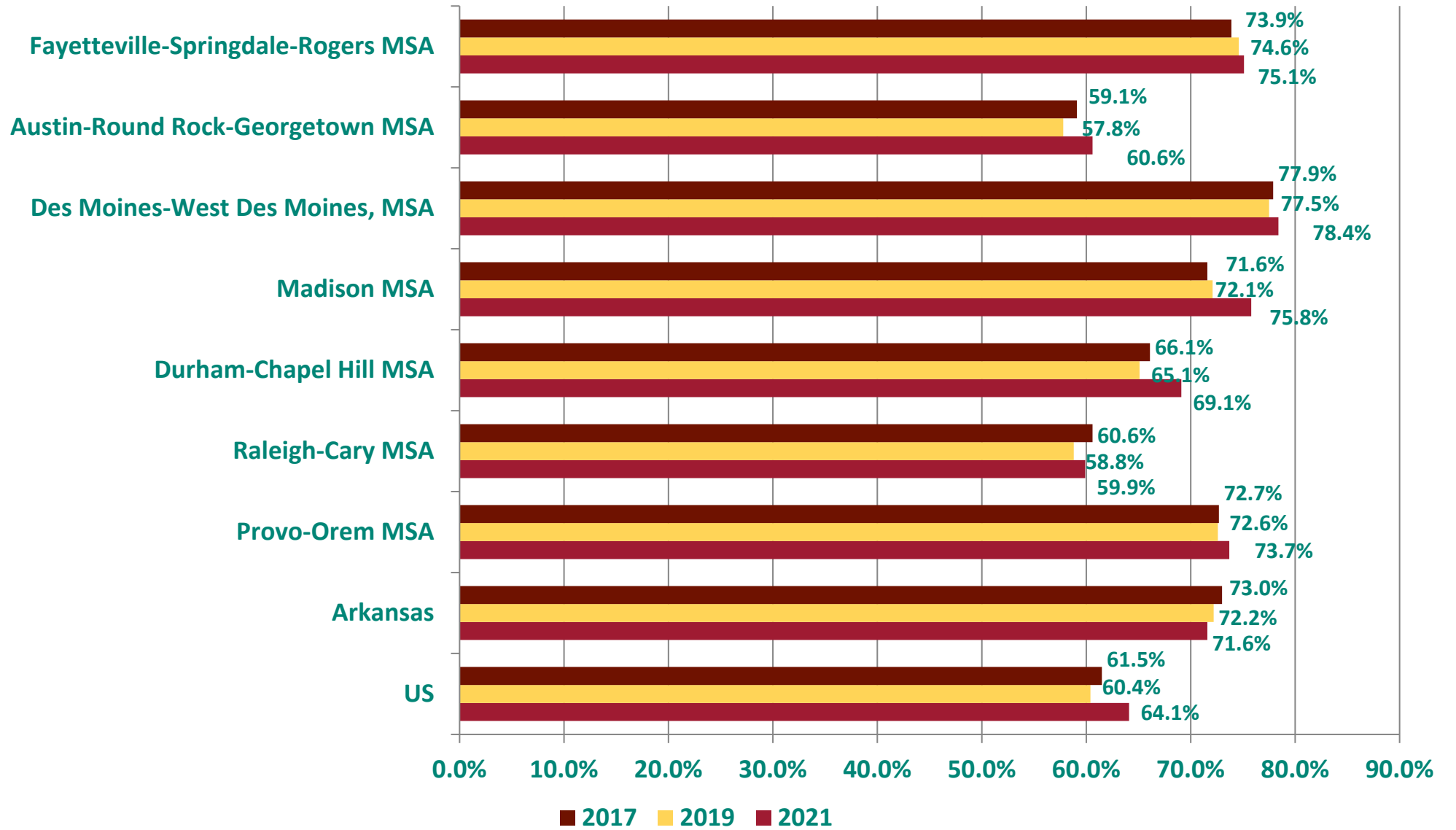
Northwest Arkansas Available Square Footage





Commuting: Percent of Workers Traveling Fewer than 30 Minutes

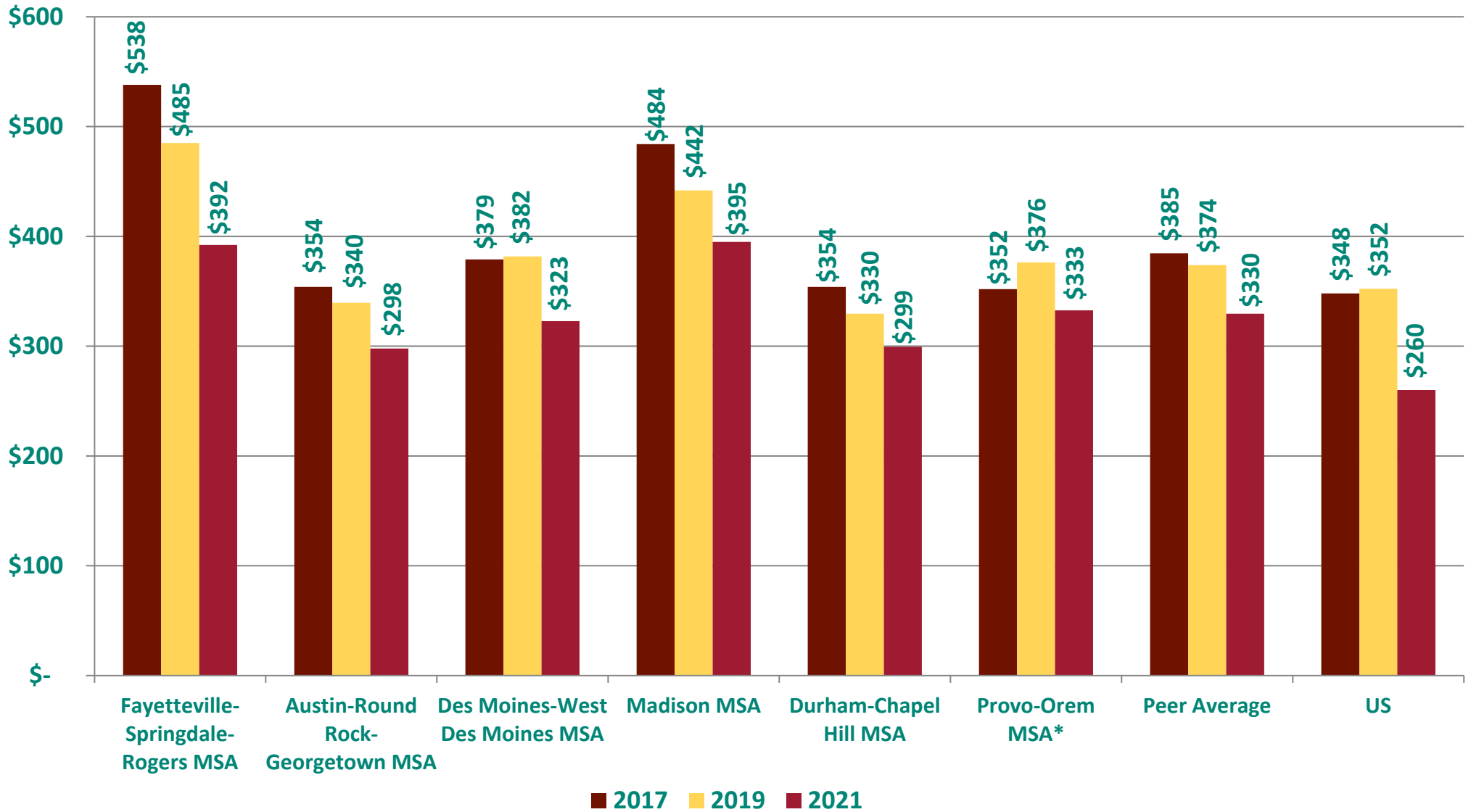
Source: U.S. Census Bureau





Average Annual Domestic Airfare

Source: U.S. Bureau of Transportation Statistics



Questions and Comments?

The 2022 State of the Northwest Arkansas Region Report is available at <http://cber.uark.edu>.

Business Forecast 2023 is January 27, 2023

Contact at mjebaraj@walton.uark.edu

or on Twitter: @MervinJebaraj

