

State of the Northwest Arkansas Region

2024



nwa Northwest Arkansas Council



UNIVERSITY OF ARKANSAS

Sam M. Walton College of Business

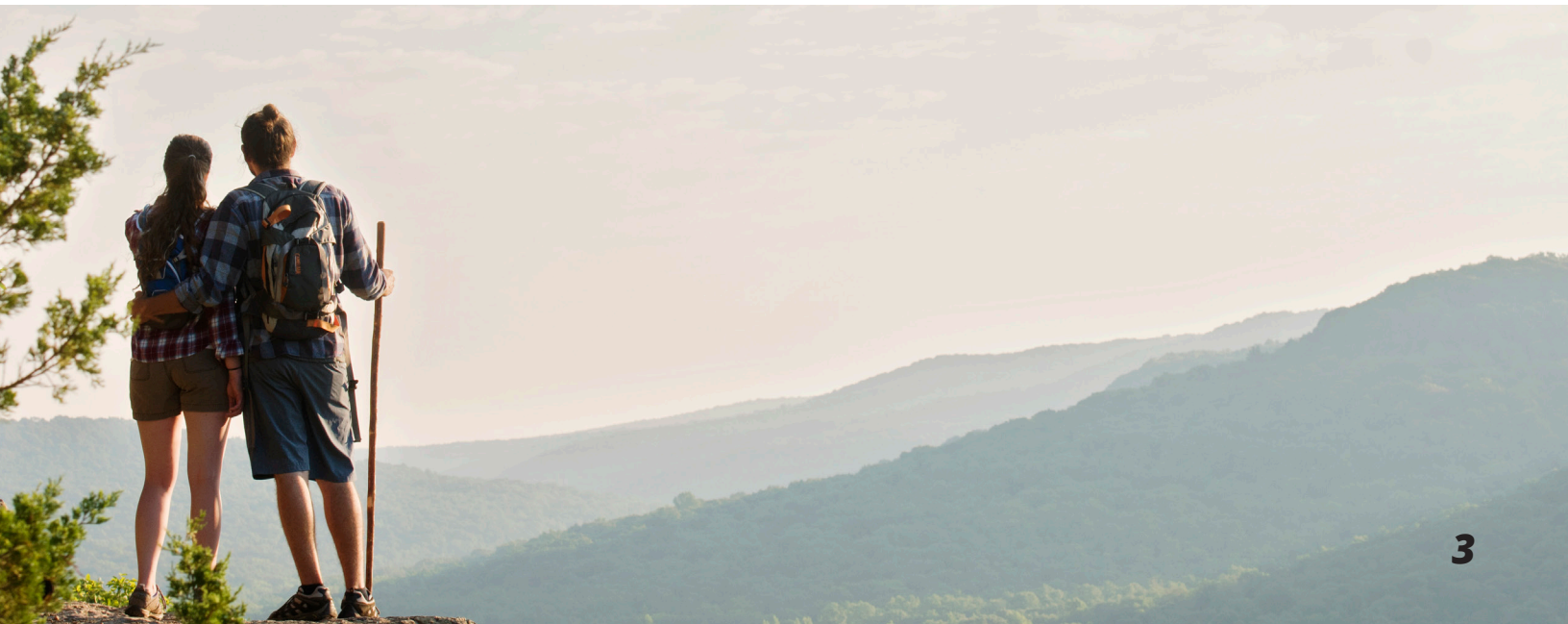
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Overview

The State of the Northwest Arkansas Region Report is an annual publication commissioned by the Northwest Arkansas Council that serves as a tool for evaluating economic performance. In July 2018, the Council created a new blueprint for development, benchmarking Northwest Arkansas against other high-performing regions, including Austin, Texas; Des Moines, Iowa; Madison, Wis.; Durham-Chapel Hill, N.C.; Raleigh, N.C.; and Provo-Orem, Utah. The 2024 report compares Northwest Arkansas with these regions in GDP, employment, unemployment, establishment growth, median household income, average annual wages, poverty, educational attainment, research and development, homeownership costs, commuting time and average domestic airfares.



The table summarizes the performance of the Northwest Arkansas region (Benton, Madison and Washington counties) on these measures. Indicators such as population growth, household income and wages showed strong increases from the previous year, while improvements in metrics such as higher education attainment were more limited.

INDICATOR	MOST RECENT ANNUAL DATA	VALUE FROM 1 YEAR PRIOR	PERCENT CHANGE
Population Estimate, July 2023	590,295	576,724	2.4% 
Real GDP (<i>millions of chained 2017 dollars</i>), 2022	\$32,339	\$31,427	2.9% 
Avg. Annual Unemployment Rate, 2023	2.4%	2.3%	0.1% 
Total Nonfarm Employment, 2023	306,000	297,700	2.8% 
Median Household Income, 2023	\$77,695	\$73,364	5.9% 
Average Annual Wages, 2023	\$56,540	\$53,810	5.1% 
Business Establishments, 2023	15,654	15,050	4.0% 
% of Adult Population <i>w/a bachelor's degree or Higher, 2023</i>	36.6%	36.3%	0.3% 
Poverty Rate, 2023	10.4%	10.9%	0.5% 
R&D Expenditures (<i>thousands</i>), 2022	\$184,080	\$164,443	11.9% 
Average Domestic Airfare, 2023	\$492.34	\$483.73	1.8% 

PEER REGIONS OVERVIEW

RANKING SCALE	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th
	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, 2022-2023	2.4%	2.2%	1.1%	1.1%	-8.3%	1.7%	2.6%
Real GDP Growth, 2021-2022	2.9%	7.4%	-2.1%	1.8%	3.2%	3.5%	3.7%
Annual Unemployment Rate, 2023	2.4%	3.3%	2.8%	2.3%	3.0%	3.0%	2.6%
Nonfarm Employment Growth, 2022-2023	2.8%	4.5%	2.6%	2.3%	2.4%	3.5%	1.6%
Median Household Income, 2023	\$77,695	\$98,508	\$82,728	\$82,132	\$83,280	\$96,096	\$100,791
Average Annual Wages, 2023	\$56,540	\$69,150	\$62,790	\$66,020	\$75,590	\$66,230	\$60,080
Business Establishment Growth, 2022-2023	4.0%	1.2%	1.6%	0.7%	8.4%	9.1%	2.1%
% of Adults w/Bachelor's Degree or Higher, 2023	36.6%	52.1%	39.8%	49.2%	54.7%	52.7%	45.4%
Poverty Rate, 2023	10.4%	9.3%	10.1%	10.1%	10.3%	7.8%	9%
R&D Expenditures (thousands), 2022	\$184,080	\$845,896	\$393,184	\$1,523,513	\$1,361,028	\$1,390,538	\$670,119
% Change in Utility Patents Granted, 2021-2022	-17.3%	-3.9%	-21.7%	4.1%	-3.5%	-16.8%	-16.3%
High-Tech Employment Growth, 2022-2023	3.8%	1.9%	4.0%	6.3%	2.6%	8.3%	1.9%
% of Workers Traveling Fewer than 30 Min., 2023	75.1%	57.6%	77.4%	74.9%	73.0%	59.8%	69.6%
Avg. Domestic Airfare, 2023	\$492.34	\$370.30	\$390.67	\$528.09	\$366.55	\$366.55	\$438.34

EMPLOYMENT

Northwest Arkansas

CREATED

**8,300 NET
NEW JOBS**

Between 2022 - 2023



Employment in Northwest Arkansas increased **2.8%** from 297,700 in 2022 to 306,000 in 2023 which placed it in the third position when compared to peer regions. From 2018 to 2023, Northwest Arkansas' employment **grew at an average annual rate of 3.0%**, a pace that was faster than the peer average (2.9%), more than twice as fast as that of Arkansas (1.3%) and **more than 3 times as that of the United States (0.9%)**

UNEMPLOYMENT

**2.4% of
ADULTS**

*in Northwest
Arkansas' labor
force were
unemployed
in 2023*

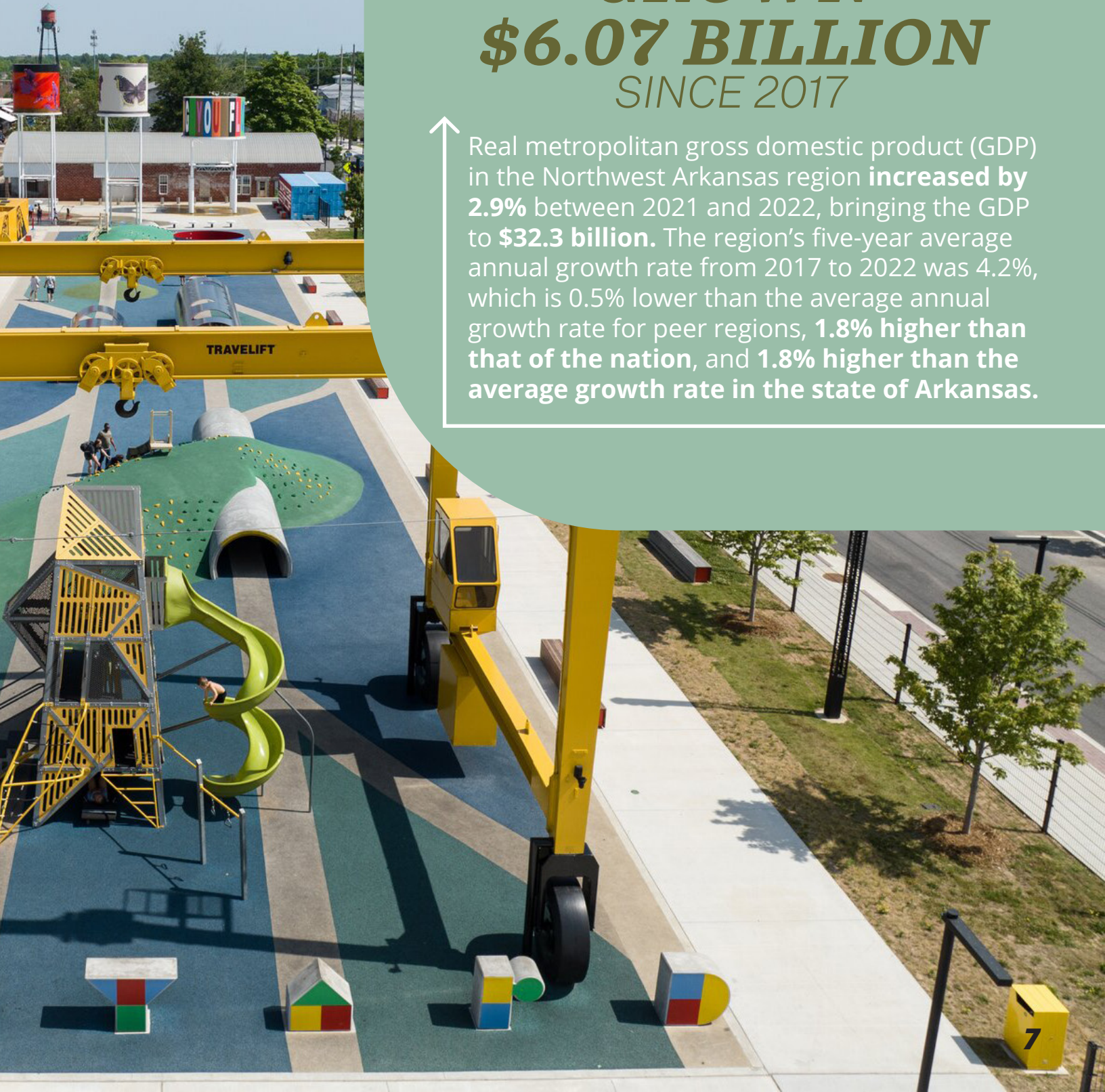


The unemployment rate for Northwest Arkansas in 2023 was **2.4%**, an increase of 0.1% from 2022. The 2023 unemployment rate in Northwest Arkansas was lower than all but one peer region and was also **significantly lower than the state** and national unemployment rate of 3.3% and 3.6%, respectively. **The unemployment rate decreased 0.4% from 2018.**

METROPOLITAN GDP

THE NWA GDP HAS
GROWN
\$6.07 BILLION
SINCE 2017

↑ Real metropolitan gross domestic product (GDP) in the Northwest Arkansas region **increased by 2.9%** between 2021 and 2022, bringing the GDP to **\$32.3 billion**. The region's five-year average annual growth rate from 2017 to 2022 was 4.2%, which is 0.5% lower than the average annual growth rate for peer regions, **1.8% higher than that of the nation**, and **1.8% higher than the average growth rate in the state of Arkansas**.



MEDIAN HOUSEHOLD INCOME

MEDIAN NWA
HOUSEHOLD INCOME
INCREASED 5.9%
SINCE 2022



The median household income for Northwest Arkansas grew **5.9% to \$77,695 from 2022 to 2023** — the fastest growth rate among all the peer regions. However, the median household income remained the lowest among the peer regions. From 2018 to 2023, Northwest Arkansas' average growth rate was 6.1%, which remained the **highest among the peer regions**.





ANNUAL WAGES

The average annual wage in Northwest Arkansas was the lowest among peer regions at **\$56,540** in 2023. Annual wages **increased 5.1%** since 2022, although the region's growth was 1 percentage point less than the peer region average. From 2018 to 2023, the annual wage growth averaged 4% per year in NWA, which was the second-lowest rate among peer regions, ahead of only the Des Moines-West Des Moines MSA. Annual wage growth was strongest in the Austin-Round Rock-Georgetown region between 2018 and 2023 at 5.1%.


The average worker in NWA saw a **\$10,070 GAIN** in annual wages since 2018.

POVERTY

In 2023, the poverty rate for Northwest Arkansas was **10.4%**, a **0.5% decrease** from 2022. The NWA region had the highest poverty rate among the peer regions. Since 2018, the poverty rate in Northwest Arkansas has **decreased 2.1%** and was the second fastest decline in poverty rates among the peer regions. The 2023 poverty rate in **Northwest Arkansas was lower** than the 15.5% poverty rate for the state of Arkansas.

Poverty in Northwest Arkansas **DROPPED TO** **10.4%** in 2023

EDUCATIONAL ATTAINMENT

 **36.6% of ADULTS (25 YEARS+)** in NWA had a bachelor's or higher in 2023, **HIGHER THAN THE NATIONAL AVERAGE.**

The percentage of adults 25 years or older with a bachelor's degree or higher in Northwest Arkansas increased by **0.3% to 36.6% between 2022 and 2023**. On average, 49.0% of adults 25 years or older had a bachelor's degree or higher in peer regions. Since 2018, higher education attainment grew 5% in Northwest Arkansas, higher than the average change of 4.2% among peer regions.

COST OF HOMEOWNERSHIP

MEDIAN price of existing single-family homes

GREW by 5.4%
compared to 2022



In Northwest Arkansas, the median home price of existing single-family homes grew by **5.4% between 2022 and 2023**, rising from **\$329,200 to \$346,900**. The rate of increase was the second highest compared to peer regions. When considering the cost of housing and transportation, the typical Northwest Arkansas resident spent **49% of their income on housing** and transportation, which is the highest alongside the Durham-Chapel Hill MSA. The typical resident in every other peer region had lower expenditures on housing and transportation.

COMMUTING

In 2023, 75.1% of Northwest Arkansas workers spent **fewer than 30 minutes** commuting to work, which was the second highest among peer regions. The percentage of workers in Northwest Arkansas who used alternative modes of transportation to get to work, including biking, walking and public transit, **decreased from 2.6% in 2021 to 1.3% in 2023**. Every peer region had higher percentages of their workers using alternative modes of transport.

3 out of 4

workers in NWA commuted

LESS THAN 30 MINUTES

in 2023



AVERAGE ANNUAL DOMESTIC AIRFARE

Flights from Northwest Arkansas National Airport had an average annual domestic roundtrip fare of **\$492 in 2023, a 1.8% increase from 2022**. Fares remained relatively high as travel and tourism increased considerably and airlines dealt with pilot and plane shortages. The airport had the second-highest average fare among peers.

\$492

The average cost of domestic flight from NWA in 2023



ACADEMIC RESEARCH AND DEVELOPMENT


Research & development expenditure at UA was

**\$184.1
MILLION**
IN 2022 AND RANKED
**#138 in the
NATION**

The University of Arkansas had over **\$184.1 million** in research and development expenditures in 2022, **up 11.9%** from 2021. The increase in funds improved the University of Arkansas' ranking from No. 140 in 2021 to No. 138 in 2022 among all universities in the United States. The University of Arkansas, in 2022, received 63 invention disclosures (down from 65 in 2021), filed 86 new patent applications (down from 120 in 2021), and saw 11 patents issued (down from 28 in 2021).

BUSINESS ESTABLISHMENT GROWTH

The Northwest Arkansas business establishments

**GREW
by 604**
since 2022 and
has grown by
2,242 since 2018.

Northwest Arkansas business establishment **growth from 2022 to 2023 was 4.0%**, the third fastest of its peer regions. The five-year change in the number of establishments from 13,412 in 2018 to 15,654 in 2023 represents an average annual increase of **3.1%, a rate higher than one peer region.**

UTILITY PATENTS GRANTED

Northwest Arkansas has emerged as one of **America's innovation hot spots**, measured by the change in utility patents granted over time. The Fayetteville-Springdale-Rogers MSA had **144 utility patents granted in 2022, up from 113 in 2017** — an average annual growth of 5.0%, which is the second highest among peer regions, per U.S. Patent and Trademark Office data. The number of utility patents granted decreased from 174 in 2021.

Utility Patents granted in NWA had an average annual

**GROWTH
of 5%**

*from 2017
to 2022*



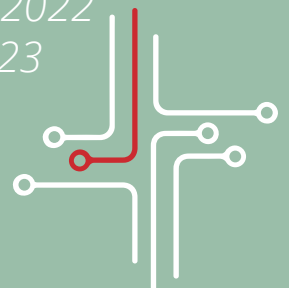
HIGH-TECHNOLOGY EMPLOYMENT

High-technology employment refers to jobs in industries that rely heavily on advanced technological development and innovation. These sectors typically involve significant investment in research and development (R&D) and require specialized knowledge in fields such as engineering, information technology, biotechnology, aerospace, telecommunications, and advanced manufacturing. Northwest Arkansas saw an increase in the number of high-tech jobs in recent years and ranks fourth among peer regions in the growth of high-tech jobs from 2022 to 2023. The number of employees in high-tech jobs increased from 12,580 to 13,060 in this period, a growth rate of 3.8%.

High-technology employment in NWA

**GREW
by 480**

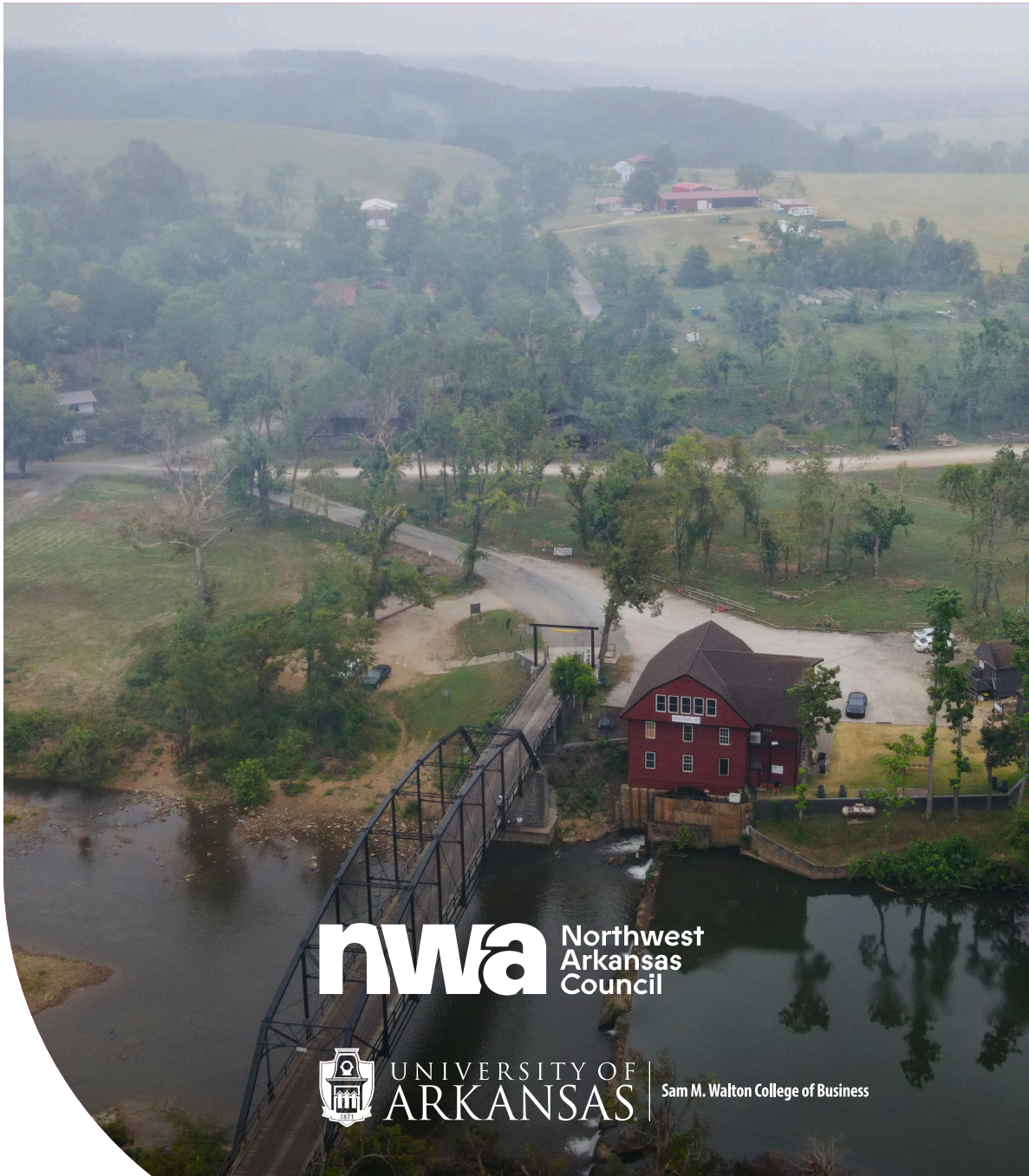
*from 2022
to 2023*







Information for this report was gathered from the following sources: Center for Neighborhood Technology, National Association of Realtors, National Science Foundation, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, U.S. Census Bureau and U.S. Bureau of Transportation Statistics.



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For questions about this report, contact:

MERVIN JEBARAJ, DIRECTOR
KASHFIA KAMAL, RESEARCH ASSOCIATE

CENTER FOR BUSINESS AND ECONOMIC RESEARCH,
SAM M. WALTON COLLEGE OF BUSINESS

UNIVERSITY OF ARKANSAS

1 UNIVERSITY OF ARKANSAS, FAYETTEVILLE, AR 72701-1201

(479) 575-4151

CBER.UARK.EDU