

STATE OF THE

Northwest Arkansas

REGION



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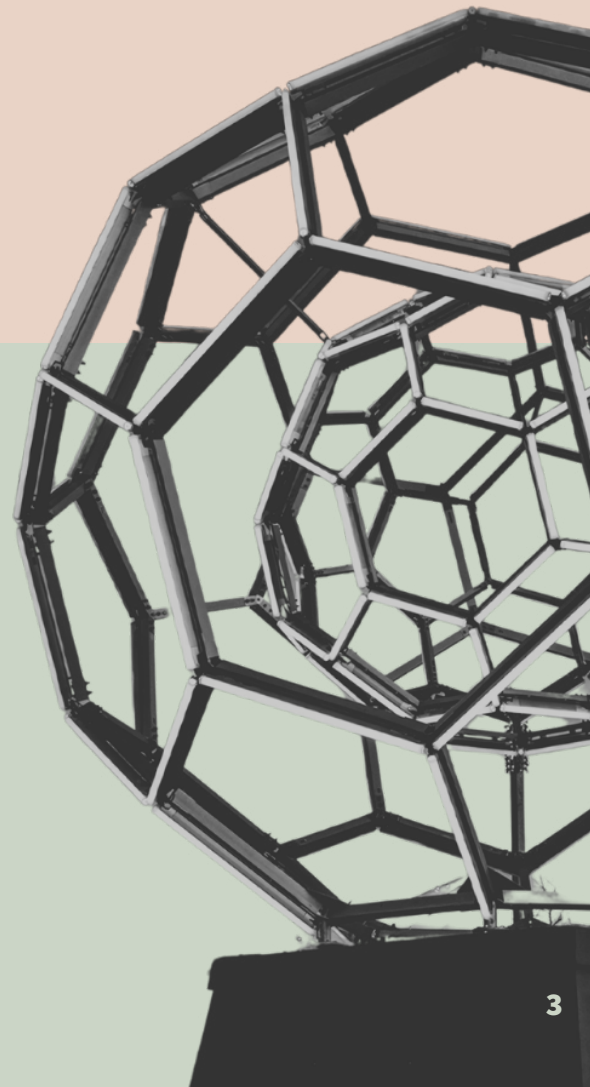
OVERVIEW

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 Northwest Arkansas Council created a new blueprint for development in which Northwest Arkansas is benchmarked with other contemporary, high-performing regions, namely Austin, Des Moines, Madison, Durham-Chapel Hill, Raleigh and Provo-Orem. The 2026 report compares Northwest Arkansas with these geographies in gross domestic product, employment, unemployment, establishment growth, median family income, average annual wages, research and development, homeownership costs and average domestic airfares using the latest available data. The table on the following page provides a summary of the performance of the Northwest Arkansas region (Benton, Madison and Washington counties) on these measures. Important indicators such as employment, family income and business establishment growth showed strong increases from 2024.

Updated data from the U.S. Census Bureau on poverty, educational attainment and commuting, along with updated utility patent data, were not available at the time of publication. The report will be updated to include these measures as data become available. Each indicator reflects the latest available data, with the year noted.

“The State of the Region report is an important tool to guide the Council’s priorities and measure the region’s progress,” said Nelson Peacock, president and CEO of the Northwest Arkansas Council. “Leading our peers in job growth while trailing in wages points to the need for more high-paying jobs across more sectors. Helping young companies grow, attracting investment and turning research into new businesses can diversify our economy, while aligning education and training with employers’ needs will prepare residents for those careers.”

**– NELSON PEACOCK
PRESIDENT AND CEO
NORTHWEST ARKANSAS COUNCIL**



Northwest Arkansas' latest economic indicators show continued growth in jobs, population and businesses, along with gains in median family income and wages. Gross domestic product and academic research and development spending also increased in the latest available year. While unemployment rose, the overall results point to an expanding regional economy. The table below summarizes these measures.

INDICATOR	MOST RECENT ANNUAL DATA	VALUE FROM 1 YEAR PRIOR	CHANGE
Population Estimate, <i>July 2025</i>	622,177	607,433	2.4% 
Real GDP <i>(millions of chained 2017 dollars), 2024</i>	\$35,574	\$33,197	7.2% 
Avg. Annual Unemployment Rate, <i>2025</i>	3.3%	2.8%	0.5% 
Total Nonfarm Employment, <i>2025</i>	302,100	293,800	2.8% 
Median Family Income, <i>2025</i>	\$101,800	\$94,400	7.8% 
Average Annual Wages, <i>2025</i>	\$61,240	\$59,550	2.8% 
Business Establishments, <i>2025</i>	16,876	15,779	7.0% 
Academic R&D Expenditures <i>(in thousands), 2024</i>	\$230,626	\$221,525	4.1% 
Average Domestic Airfare, <i>2025</i>	\$459	\$465	- 1.2% 

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-San Marcos MSA	Des Moines-West Des Moines MSA	Madison MSA	Durham-Chapel Hill MSA	Raleigh-Cary MSA	Provo-Orem-Lehi MSA
Population Growth, 2024-2025	2.4%	2.1%	1.0%	0.6%	1.2%	2.4%	1.9%
Real GDP Growth, 2023-2024	7.2%	3.5%	3.3%	2.7%	5.7%	4.0%	6.8%
Annual Unemployment Rate, 2025	3.3%	3.5%	3.5%	2.6%	3.4%	3.2%	3.6%
Nonfarm Employment Growth, 2024-2025	2.8%	2.0%	-0.6%	0.3%	-0.1%	2.1%	1.4%
Median Family Income, 2025	\$101,800	\$133,800	\$114,500	\$129,800	\$126,200	\$132,700	\$118,700
Average Annual Wages, 2025	\$61,240	\$74,580	\$65,970	\$70,990	\$79,700	\$70,740	\$64,230
Business Est. Growth, 2024-2025	7.0%	0.0%	0.1%	2.3%	-3.3%	-2.4%	2.4%
Academic R&D Expenditures, (in thousands) 2024	\$230,626	\$1,143,917	\$462,347	\$1,933,229	\$1,598,751	\$1,580,756	\$789,271
High-Tech Employment Growth, 2024-2025	10.9%	8.2%	-4.6%	3.6%	0.5%	2.1%	8.3%
Avg. Domestic Airfare, 2025	\$459	\$392	\$381	\$491	\$352	\$352	\$458

EMPLOYMENT

Employment in Northwest Arkansas increased 2.8% from 293,800 in 2024 to 302,100 in 2025, which placed it in first position when compared to peer regions. From 2020 to 2025, Northwest Arkansas' employment grew at an average annual rate of 3.7%, a pace that was just shy of the peer average (3.8%), and faster than that of Arkansas (2.0%) and the United States (2.2%).

NWA CREATED

8,300

NET NEW JOBS BETWEEN
2024 AND 2025.



UNEMPLOY- **ONE IN 30**

(3.3%) ADULTS IN
NORTHWEST ARKANSAS'
LABOR FORCE WERE
UNEMPLOYED IN 2025.

The unemployment rate for Northwest Arkansas in 2025 was 3.3%, an increase of 0.5% from 2024. The 2025 unemployment rate in Northwest Arkansas was lower than all but two peer regions, Madison MSA and Raleigh-Cary MSA. The region's unemployment rate was also lower than the state and national rates of 4.1% and 4.3%, respectively. The unemployment rate declined from 4.6% in 2020.



GDP

Real metropolitan gross domestic product (GDP) in the Northwest Arkansas region increased by 7.2% between 2023 and 2024, bringing the GDP to \$35.57 billion. The region's four-year average annual growth rate from 2020 to 2024 was 5.4%, putting Northwest Arkansas in the middle of the pack compared to peer regions but faster than the average annual growth rate the nation and the average growth rate in the state of Arkansas.

THE NWA GDP
HAS GROWN

\$6.75 BILLION

SINCE 2020.

MEDIAN FAMILY INCOME

The median family income for Northwest Arkansas grew 7.8% to \$101,800 in 2025 from \$94,400 in 2024, and it was the fourth-fastest growth rate among all the peer regions. However, the median family income was still the lowest among the peer regions. From 2020 to 2025, Northwest Arkansas' average annual growth rate was 6.7%, which was also fourth highest among the peer regions.

THE MEDIAN FAMILY INCOME
FOR NWA INCREASED

7.8%
SINCE 2024.





THE AVERAGE WORKER IN
NWA SAW A
\$10,770 GAIN
IN ANNUAL WAGES
SINCE 2020.

WAGES

The average annual wage in Northwest Arkansas was the lowest among peer regions at \$61,240 in 2025. Annual wages increased at a rate of 2.8% since 2024, which was 0.8% higher than the average across peer regions. From 2020 to 2025, the annual wage growth averaged 3.9% per year in Northwest Arkansas, which was the second lowest among peer regions. Annual wage growth was strongest in the Austin-Round Rock-San Marcos MSA region between 2020 and 2025 at 5.2%.

HOMES

In Northwest Arkansas, the median home price of existing single-family homes grew by 3.2% between 2024 and 2025, up from \$363,600 to \$375,100. The rate of increase was highest compared to our peer regions. When considering the cost of housing and transportation, typical Northwest Arkansas residents spent 43% of their income on housing and transportation, which is tied for second highest, alongside the Provo-Orem-Lehi and Madison MSAs. Excluding Durham-Chapel Hill MSA (highest at 44%), the typical residents in every other region had lower expenditures on housing and transportation.

SINCE 2020, THE MEDIAN
PRICE OF EXISTING
SINGLE-FAMILY HOMES IN
NWA GREW BY
65.8%,
FASTER THAN ALL PEER
REGIONS.

AVERAGE DOMESTIC AIRFARE

The average domestic round-trip airfare from Northwest Arkansas National Airport was \$459 in 2025, down 1.2% from 2024. The airport had the second highest average fare among the peer regions.

THE AVERAGE COST OF A
DOMESTIC ROUND-TRIP
FLIGHT FROM NWA WAS

\$459

IN 2025.



ACADEMIC R&D

The University of Arkansas had over \$230.6 million in research and development expenditures in 2024, up 4.1% from 2023. Even with the increase in funds, the University of Arkansas' ranking dropped from 132 to 134 between 2023 and 2024, among all universities in the United States. In 2025, the University of Arkansas received 101 invention disclosures (significantly up from 86 in 2024), filed 86 new patent applications (same as in 2024), and was issued 18 patents (down from 33 in 2024).

UNIVERSITY OF A R&D EXPENDITURES
TOTALLED

\$230.6M

IN 2024, RANKING
NO. 134 IN THE NATION.



Northwest Arkansas business establishment growth from 2024 to 2025 was 7.0%, which was the fastest growth rate in all of its peer regions. The five-year change in the number of establishments from 14,121 in 2020 to 16,876 in 2025 represents an average annual increase of 3.6%, which was the third lowest of the peer regions.

HIGH TECHNOLOGY EMPLOY- MENT

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 has seen a growth in high-tech jobs in recent years and ranks first among all peer regions in the growth of high-tech jobs from 2024 to 2025. The total number of employees in high-tech jobs increased from 14,150 to 15,690 in this period, a growth rate of 10.9%.

NWA ADDED

1,097

BUSINESS ESTABLISHMENTS
SINCE 2024 AND 2,755
SINCE 2020.

HIGH-TECH EMPLOYMENT
IN NWA INCREASED BY

1,540

FROM 2024 TO 2025.

SOURCES AND METHODOLOGY CHANGES

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, U.S. Department of Housing and Urban Development and U.S. Bureau of Transportation Statistics.

DATA AVAILABILITY

Updated data from the U.S. Census Bureau on poverty, educational attainment and commuting, along with updated utility patent data, were not available at the time of publication. The report will be updated to include these measures as data become available. Each indicator reflects the latest available data, with the year noted.

INCOME

Because updated U.S. Census Bureau median household income data were unavailable at the time of publication, this report uses HUD median family income, also known as area median income (AMI), as a one-time substitute. Unlike median family income, median household income includes people living alone and households of unrelated people, so the figures are not directly comparable with those in previous reports. Annual and five-year growth calculations use HUD data throughout.

GROSS DOMESTIC PRODUCT

Because the Bureau of Economic Analysis no longer publishes metropolitan-area GDP statistics, this report calculates regional GDP from BEA county-level data using the agency's methodology. Historical figures were recalculated using the same method to ensure consistent comparisons over time.



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