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Report Touts Robust NW Arkansas Regional Job Growth

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Employment in northwest Arkansas grew by 3% from 2011 to 2012, a rate that outstripped the growth rate in peer regions, the state and the nation, according to [a report](#) commissioned by the Northwest Arkansas Council and compiled by the University of Arkansas Center for Business and Economic Research.

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Jobs are the key to continued economic buoyancy, according to Kathy Deck, CBER Director.

In the year reviewed, the 3% increase in local jobs was almost twice the national rate and five times better than the state results, Deck said.

More recent economic data indicates nonfarm employment added 9,000 local jobs between January 2012 and January 2013. Nonfarm payrolls rose again to 217,000 workers adding 4,000 more positions through June 2013, according to the latest [Compass Report](#), compiled by The City Wire.

Deck said employment growth continues to be the region's most outstanding feature. The university's report also indicates the region's economic development focus should be on improving establishment growth, adult education and acquisition of federal research dollars.

From 2007 to 2012, the number of business establishments declined by 1.9% in Northwest Arkansas. This decline was more pronounced than those in the peer regions, the state, and the nation. Deck said the number of business establishments declined 2.6% in 2009, falling 1.2% in 2010 before starting to rebound in 2011 and 2012. During 2012 the region's establishment growth rate improved to competitive levels with its peer regions, the state and the nation, Deck said.

Another strong metric in the local economy is the region's real GDP which grew by 7% between 2007 and 2011. Gross Domestic Product is the sum of personal and government consumption, business and government investment and the net balance between imports and exports.

One of the major catalysts in GDP growth is housing as the National Association of Home Builders estimates residential investment has historically averaged 5% of the nation's GDP, while housing services accounts for about 12% of GDP.

Northwest Arkansas housing has shown a robust resurgence over the past two years, with new residential building permit values rising 60% between January 2011 and the start of 2012, according the Compass Report. Building 100 single-family homes creates more than 300 full-time jobs and generates \$8.9 million in federal, state and local tax revenues, according to the National Association of Home Builders.

Homes sales have also gained momentum across Northwest Arkansas since 2011. Agents sold 6,063 homes during 2012 in Benton and Washington counties, up 3.58% from the prior year. Through August of 2013 agents have sold 4,927 homes, up 53% from the same period in 2012, according to MountData.com. During the same periods, median home prices rose to \$155,000 as of August. Median prices jumped 29.2% over the past two years, according to MountData.com.

Economists agree that higher home prices boost consumer confidence, as real estate is generally the largest asset a family owns.



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Mike Malone, CEO of the Northwest Arkansas Council, recently said the 27 to 30 new residents moving to the area daily are also a catalyst for the continued economic expansion. He said they are moving here because of the jobs but also the quality of life linked to the infrastructure, parks, trails and entertainment venues.

The one concern that Malone has for the growing region is the constant need for more infrastructure and the time required to get more roads improved and additional schools built.

One other platform for the region's continued advancement is increasing the rate of college graduates. Business leaders continue to express a gap between open positions and many of the unemployed applicants.

The UA report indicates nearly 27.8% of local adults had attained a bachelor's degree as of 2011. The college graduate rate increased from 25.6% in 2007, but still trailed its peer average of 30.1%.



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