

## Demographic Trends

Arkansas, based on the latest population estimates released by the U.S. Census Bureau, has gotten older, more urban and more diverse on average.<sup>1</sup> “The trends in age indicate a looming economic challenge for the state and most of the country in trying to replace the unusually large baby-boom generation -- those born between 1946 and 1964 -- whose oldest members have started reaching their average life expectancy.” The latest data also shows that fewer college-age people in general are migrating to the state than in the past, and the link between that trend and the cost of out-of-state tuition was unknown. The state’s Hispanic population is on the rise (22.4% increase from 2010 to the 2017 estimate) and that group now makes up 7.6% of the state’s population, up from 6.4% in 2010. The number of nonwhite and nonblack Arkansans has been mostly steady or increasing while the state’s white population grew by only 0.1 percent and the black population grew statewide by 3.5 percent.

### Diversity on the rise

*Members of major racial groups increased in Arkansas from 2010 to 2017, according to U.S. Census Bureau population estimates released Thursday.*

Race/ethnic group	2010 population	2017 population	Percent increase
White	2,175,716	2,177,809	0.1%
Black	447,863	463,731	3.5
Hispanic	186,050	227,673	22.4
Asian	36,086	47,567	31.8
Native American	20,294	22,581	11.3
Pacific Islander	5,640	8,510	50.9
Two or more races	44,269	56,408	27.4

SOURCE: U.S. Census Bureau

Arkansas Democrat-Gazette

## Economic Trends

Arkansas is now a “tale of two economies with strong population and GDP growth in the urban-focused metropolitan areas of Northwest, Northeast and Central Arkansas, while the rural counties and communities elsewhere are declining in numbers and jobs.”<sup>2</sup> Economist Michael Pakko reported at an economic forecasting event in late 2018 that in Northeast Arkansas, the Jonesboro metropolitan statistical area had seen annual GDP growth of 1.6% post-recession. “There is a less optimistic story about the rest of the state,” said Pakko, noting that 23 of the 75 Arkansas counties have seen population

<sup>1</sup> <https://www.arkansasonline.com/news/2018/jun/22/state-more-diverse-older-in-census-data/>

<sup>2</sup> <https://talkbusiness.net/2018/11/u-s-arkansas-economy-to-peak-face-strong-headwinds-in-2019-economists-say/>

declines. “There is a lot disparity around the state. In fact, this is one of the major themes on what is happening to our state economy over the past decade.”

Regarding unemployment, the state had a record low unemployment late in September and October 2018, hitting an all-time low of 3.5%. However, Pakko warned the labor force participation rate, the measure of workers that are either employed or actively looking for work, had seen a stark decline. There was also a significant spike in the number of workers aged 45 to 64 years old that had simply dropped out of the labor force.

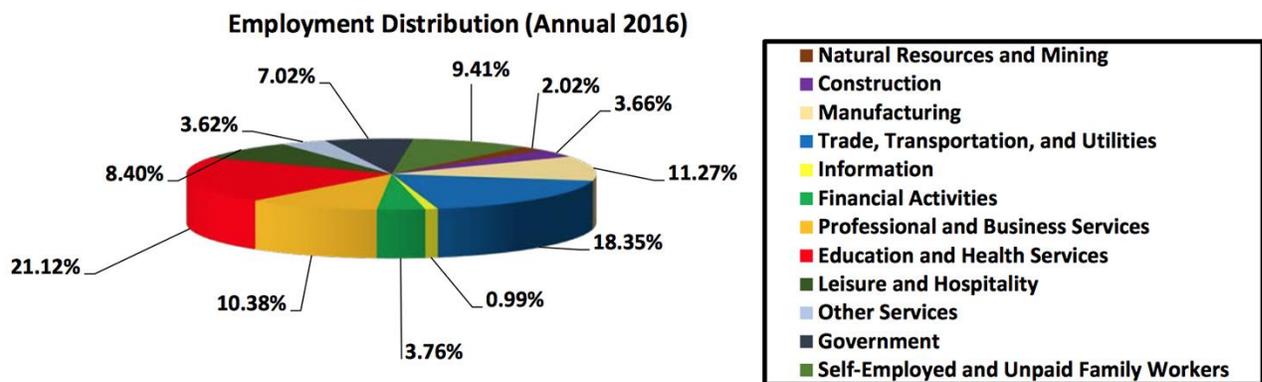
Pakko also predicted Arkansas would continue its transition from a goods-producing economy to a service-sector based economy. Professional and business services will continue to see strong growth in 2019, he said, and the leisure and hospitality industry was expected to get a boost following the passage of a ballot issue to legalize casino gambling in four Arkansas counties (Garland, Crittenden, Jefferson and Pope counties).<sup>3</sup>

## Main Industries / Businesses

### Arkansas Employment Outlook (2016-2026)

#### Top 5 Employment Sectors in 2016

1. Education and Health Services (21.12%)
2. Trade, Transportation and Utilities (18.35%)
3. Manufacturing (11.27%)
4. Professional and Business Services (10.38%)
5. Self-Employed and Unpaid Family Workers (9.41%).<sup>4</sup>



<sup>3</sup> <https://www.arktimes.com/arkansas/arkansas-becomes-casino-country/Content?oid=25648105>

<sup>4</sup> [http://www.discover.arkansas.gov/Portals/194/Publications/Projections/2016-2026/LT\\_St\\_16\\_26.pdf](http://www.discover.arkansas.gov/Portals/194/Publications/Projections/2016-2026/LT_St_16_26.pdf)

*Top 5 Growing Industries by Numeric Change (2016-2026)*

1. Restaurants and Other Eating Places (13,745 jobs)
2. Individual and Family Services (9,134)
3. Management of Companies and Enterprises (8,029)
4. Offices of Physicians (5,183)
5. Elementary and Secondary Schools (4,875)

*Top 5 Fastest Growing Industries by Percent Change (2016-2026)*

1. Pharmaceutical and Medicine Manufacturing (70.77%)
2. Other Transit and Ground Passenger Transportation (45%)
3. Home Health Care Services (44.98%)
4. Used Merchandise Stores (44.73%)
5. Outpatient Care Centers (42.37%)

*Fastest Growing Occupations*

More than half of the state’s top 10 fastest growing occupations (2016-2026) by percentage change are related to healthcare.<sup>5</sup> Only two of those occupations have an annual average wage less than the 2017 state cost of living for a single adult, which was \$21,600.<sup>6</sup>

Occupations	Percent Change	Annual Average Wage
Physician Assistants	40.36%	\$82,050
Personal Care Aides	38.16%	\$20,800
Nurse Practitioners	37.14%	\$95,230
Forest Fire Inspectors and Prevention Specialists	35.93%	\$34,240
Software Developers, Applications	35.76%	\$87,500
Occupational Therapy Assistants	35.23%	\$56,020
Home Health Aides	35.15%	\$21,370
Operations Research Analysts	34.08%	\$60,900
Physical Therapist Assistants	31.27%	\$56,510
Physical Therapist Aides	31.03%	\$25,330

<sup>5</sup> <http://www.discover.arkansas.gov/Portals/194/Publications/Career%20Resources%20-%20Other/Arkansas%20Employment%20Outlook%20Brochure.pdf>

<sup>6</sup> <https://www.dws.arkansas.gov/wp-content/uploads/2018/10/2018-Arkansas-Economic-Security-Report.pdf>

*Top Occupations requiring a Bachelor's degree or Higher*

The top three occupations requiring a higher education degree with the greatest percentage change are Market Research Analysts and Marketing Specialists (30.56%), Medical and Health Services Managers (22.26%) and Management Analysts (19.36%).

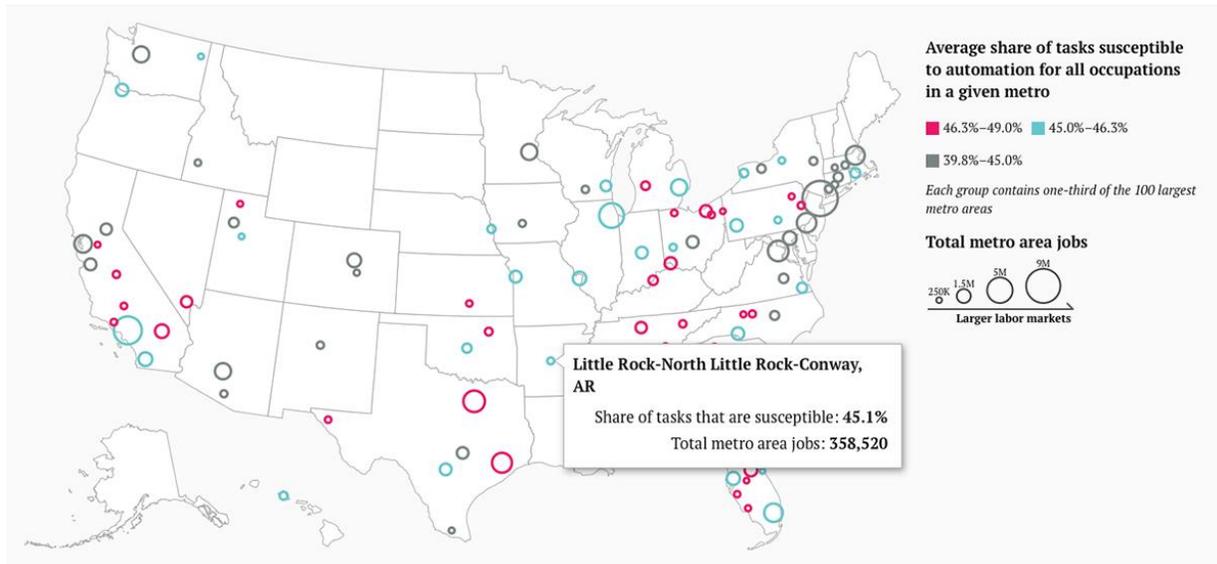
**Top 10 Occupations/Bachelor's Degree or Higher**

SOC Code	SOC Title	2016 Estimated Employment	2026 Projected Employment	Numeric Change	Percent Change	Annual Openings-Exits	Annual Openings-Transfers	Annual Openings-Change	Annual Openings-Total
11-1021	General and Operations Managers	21,180	23,901	2,721	12.85%	467	1,344	272	2,083
29-1141	Registered Nurses	24,535	28,403	3,868	15.77%	758	575	387	1,720
21-2011	Clergy	8,598	9,354	756	8.79%	412	551	76	1,039
25-2021	Elementary School Teachers, Except Special Education	11,880	12,951	1,071	9.02%	410	460	107	977
13-2011	Accountants and Auditors	7,273	8,268	995	13.68%	229	447	100	776
25-2031	Secondary School Teachers, Except Special and Career/Technical Education	9,676	10,558	882	9.12%	310	378	88	776
13-1111	Management Analysts	4,421	5,277	856	19.36%	156	251	86	493
13-1161	Market Research Analysts and Marketing Specialists	3,400	4,439	1,039	30.56%	104	269	104	477
25-2022	Middle School Teachers, Except Special and Career/Technical Education	5,671	6,186	515	9.08%	196	220	52	468
11-9111	Medical and Health Services Managers	3,895	4,762	867	22.26%	118	211	87	416

**Job Automation in Arkansas**

Arkansas was among the five states with the highest share of jobs at risk for being wiped out by automation, part of the one-quarter of all jobs across the United States that have a high chance of being automated, per a new report from the [Brookings Institute](https://www.brookings.edu/).<sup>7</sup> The five states were Indiana (29%), Kentucky (29%), South Dakota (28%), Arkansas (28%) and Iowa (28%).

Furthermore, the Little Rock-North Little Rock-Conway metro area had an average 45.1% share of tasks susceptible to automation for all occupations (358,520 total metro area jobs).



<sup>7</sup> <https://www.axios.com/newsletters/axios-future-6f3b138d-44bf-440d-b601-e52d3871455e.html>

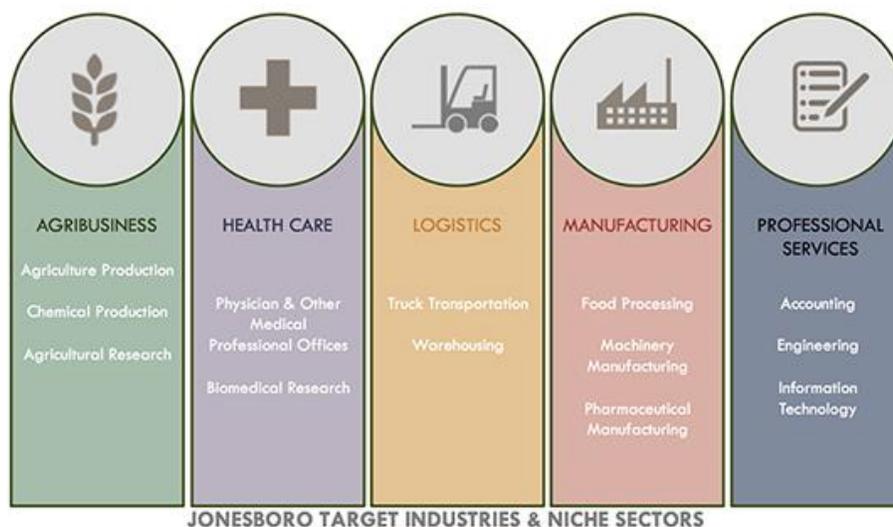
The McKinsey Global Institute found the potential impact of automation on employment varies by occupation and sector.<sup>8</sup> The most susceptible to automation include jobs in predictable environments, such as operating machinery and preparing fast food, and jobs involving the collection and processing of data, leading to displacement of large amounts of jobs in fields such as mortgage origination, paralegal work and account and back-office transaction processing. Jobs that should be less impacted by automation include those involving managing people, applying expertise and social interactions, along with jobs in unpredictable environments such as gardeners, plumbers or providers of child- and eldercare. Jobs in the latter category are technically difficult to automate and often command relatively lower wages, making automation a less attractive business proposition.

## Regional Economic Development

### “Momentum Jonesboro”

In February 2019, two years into its five-year “Momentum Jonesboro” plan, Jonesboro Unlimited, a private partnership organization dedicated to the advancement of economic prosperity in Jonesboro and the region, announced it was 90% towards its goal of creating 2,500 direct, new jobs. It also wants to bring 2,600 indirect or induced jobs.<sup>9</sup>

*Targeted Business Sectors* After a careful review of local and national trends, competitive assets, and community vision, the plan targeted the following sectors<sup>10</sup>



<sup>8</sup> <https://www.mckinsey.com/featured-insights/future-of-work/jobs-lost-jobs-gained-what-the-future-of-work-will-mean-for-jobs-skills-and-wages>

<sup>9</sup> <https://talkbusiness.net/2019/02/jonesboro-unlimited-nears-five-year-jobs-goal-in-just-two-years/>

<sup>10</sup> [Jonesboro Unlimited Strategic Plan Executive Summary](#)

### Agribusiness

A leading agribusiness region with a broad array of agribusiness assets, Jonesboro has an existing industrial base, significant farm production, academic programs at Arkansas State University and strong community support

- Agriculture production leader (rice and soybean production strengths)
- Employment gains in aligned sectors like chemical production
- Arkansas State University's programs provide opportunities in agricultural research

### Health Care

Jonesboro has emerged as the leading health care destination within Northeast Arkansas during the past 20 years and employs approximately 7,500 workers within the metro area (a nearly 40% increase during the past decade)

- [NYIT College of Osteopathic Medicine at Arkansas State](#) opened in 2016, providing biomedical research opportunities
- Sustained population growth and increasing health care coverage will support additional physician and other medical professional offices
- Two of the area's largest employers, St. Bernards and NEA Baptist Health System, have transformed the city into a healthcare hub

### Logistics

Although a small but growing employment sector, Jonesboro's location and the recent designation of I-555 (cementing the region's link to the leading transportation hub of Memphis) and future I-57 as freeways could make the city a logistics titan in the mid-south

- The locally resurgent manufacturing industry and strong agricultural production have supported recent job gains and truck transportation and warehousing

### Manufacturing

The single most concentrated industry in Jonesboro relative to the U.S. average, manufacturing employs nearly 6,500 workers regionally

- Food processing, attracted by the region's low electricity prices and available water supply, is the largest employer in the sector
- Machinery manufacturing and pharmaceutical manufacturing are other targeted sectors that could be lured to the area by the city's low utility rates

### Professional Services

Employment in this sector remains significantly less concentrated relative to the U.S. average

- Momentum Jonesboro wishes to attract locally produced engineering, account and IT talent with skills in demand among existing companies within the region

*Regional Challenges*<sup>11</sup>

- Limited number of workers with certain specific skill sets challenge the expansion of local businesses and deters businesses from locating an operation within the region
- Momentum Jonesboro says the city lacks the array of industrial sites and facilities that once made it a compelling choice
- Economic development efforts are significantly underfunded versus competing communities

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<sup>11</sup> [Momentum Jonesboro Brochure](#)