



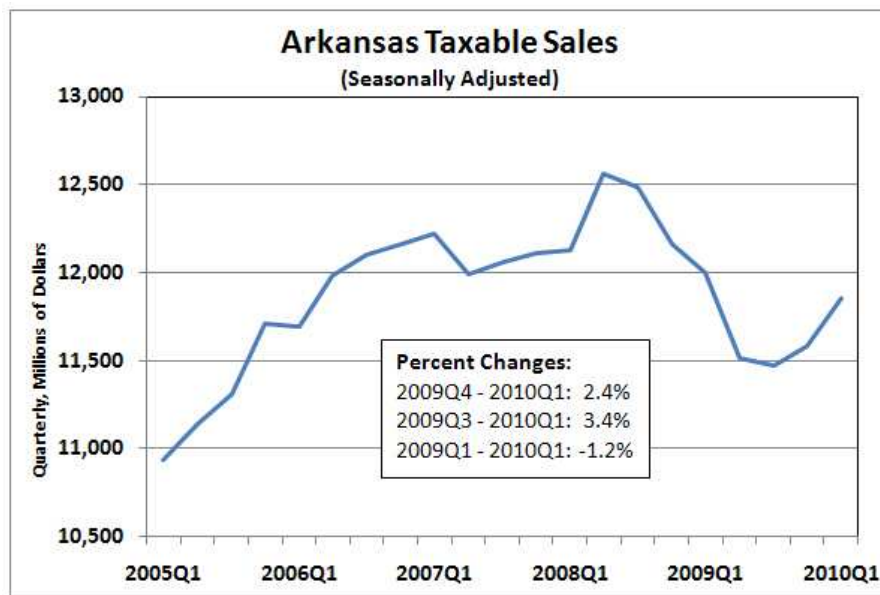
**PRESS RELEASE:**

For Immediate Release, May 10, 2010

**Arkansas Taxable Sales Up by 2.4 percent in the First Quarter of 2010**

The Institute for Economic Advancement (IEA), at the University of Arkansas at Little Rock's College of Business, announced the release of new preliminary\* data showing a 2.4 percent increase in Arkansas' taxable sales over the first three months of the year. The increase follows a 1.0 percent gain (revised) in the fourth quarter of 2009.

Chief Economist and State Economic Forecaster for the IEA, Dr. Michael Pakko, interpreted the rise as a significant sign of economic recovery, "With two consecutive quarterly increases, this is a clear indication that positive growth has taken hold in the Arkansas retail sales sector. Mirroring similar gains that we've seen in statistics for retail sales nationwide, this information confirms recent trends suggesting that Arkansas is firmly back in the expansion phase of the business cycle."



The IEA's Arkansas Taxable Sales data are based on sales and use tax reports from the Arkansas Department of Finance and Administration. After making adjustments for lags in the tax collection process, changes in tax law, and regularly fluctuating seasonal

patterns, the resulting statistics indicate growth in the underlying tax base – primarily retail sales.

Dr. Pakko commented, “Retail sales represent a significant portion of economic activity, but there have previously been no timely, readily-available statistics to measure that activity in Arkansas. The taxable sales statistics that we’ve constructed use officially published data to measure and report it in a way that is transparent and useful for evaluating conditions in the state’s retail sector.”

Details about the construction of the Arkansas Taxable Sales series are available on Pakko’s web-blog, [www.arkansaseconomist.com](http://www.arkansaseconomist.com), and are described in the forthcoming issue of the IEA publication, *Advancing Arkansas*.

\*Statistics for the first quarter of 2010 are preliminary, pending the forthcoming publication of detailed data in the Department of Finance and Administration’s report, *Arkansas Fiscal Notes*, for April 2010.

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The Institute for Economic Advancement is the applied customer-oriented research and extension arm of the College of Business at the University of Arkansas at Little Rock.

#### IEA Contact Information

Michael Pakko, Chief Economist and State Economic Forecaster:

[mrpakko@ualr.edu](mailto:mrpakko@ualr.edu), (501) 5569-8541

Jim Youngquist, Executive Director:

[jlyoungquist@ualr.edu](mailto:jlyoungquist@ualr.edu), (501) 569-8476

