The Arkansas Economic Outlook

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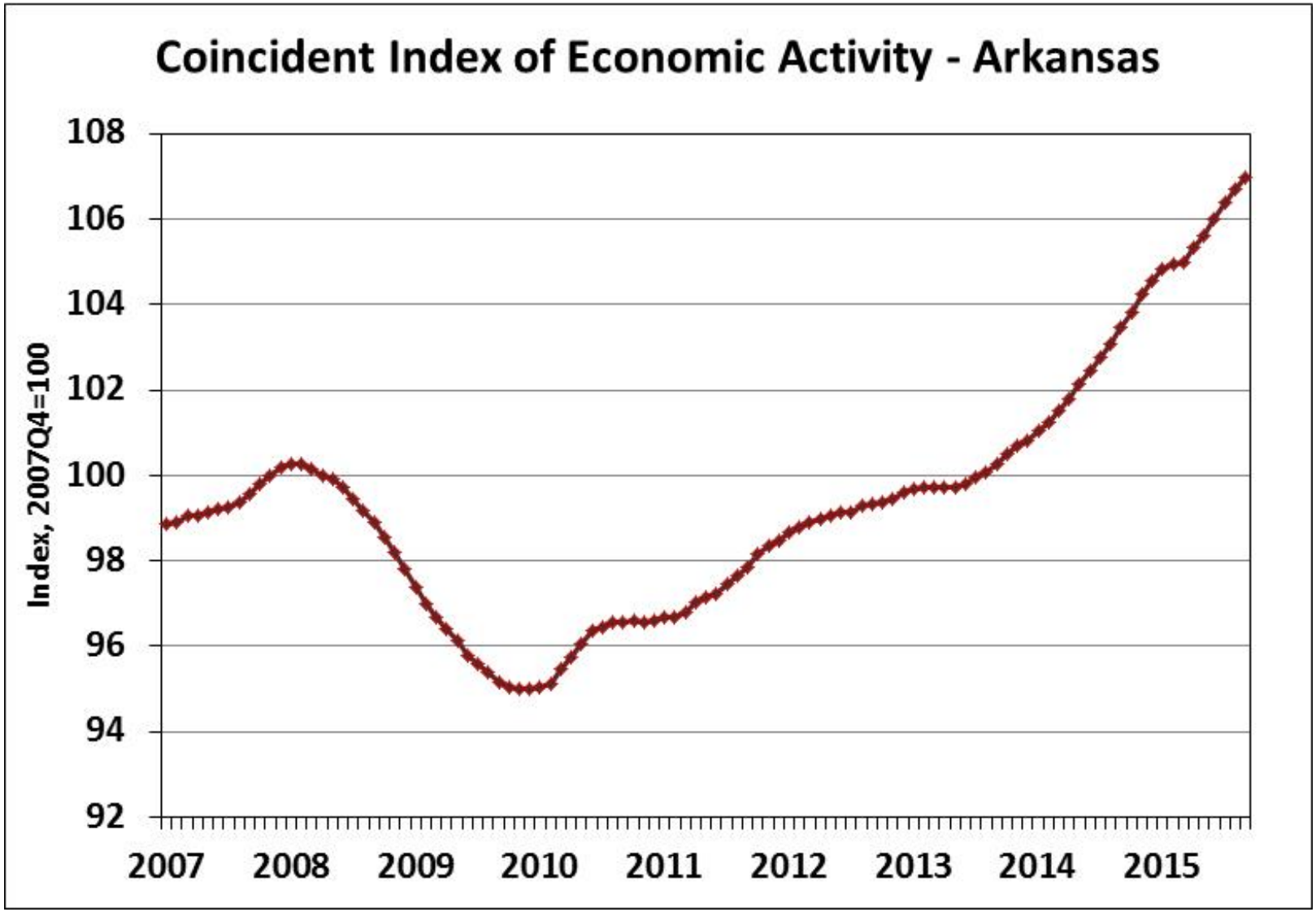
Arkansas' Experience



Source: Federal Reserve Bank of Philadelphia

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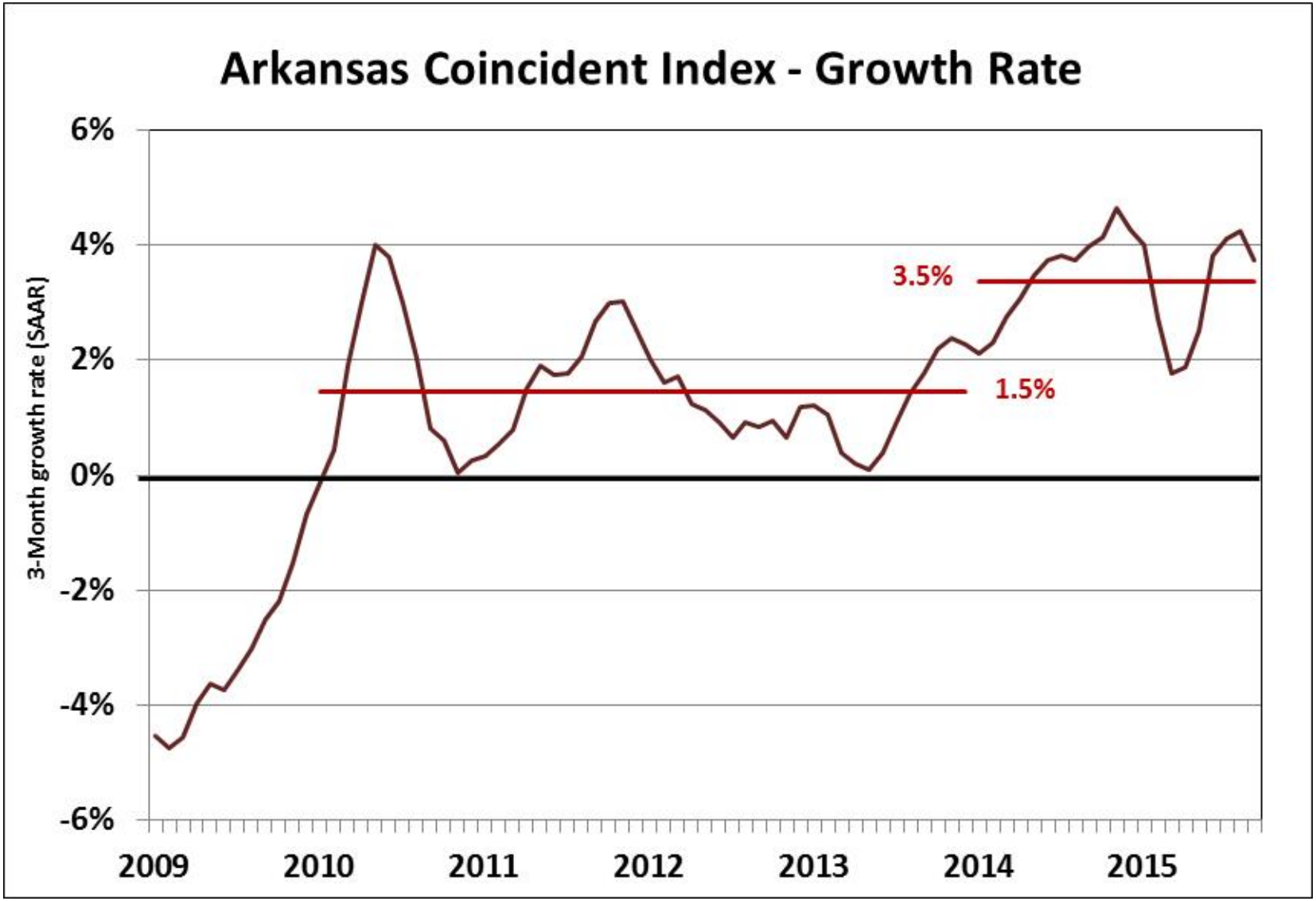
Arkansas' Experience



Source: Federal Reserve Bank of Philadelphia

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Arkansas' Experience

- Through most of the economic recovery (2010-2013) Arkansas has lagged the nation – particularly in employment
- Since 2014, employment growth has accelerated – positive signs in manufacturing and construction.
- Income growth has been relatively strong, but wage growth weak → slow consumer spending.
- Outlook: Slow, but positive economic growth.

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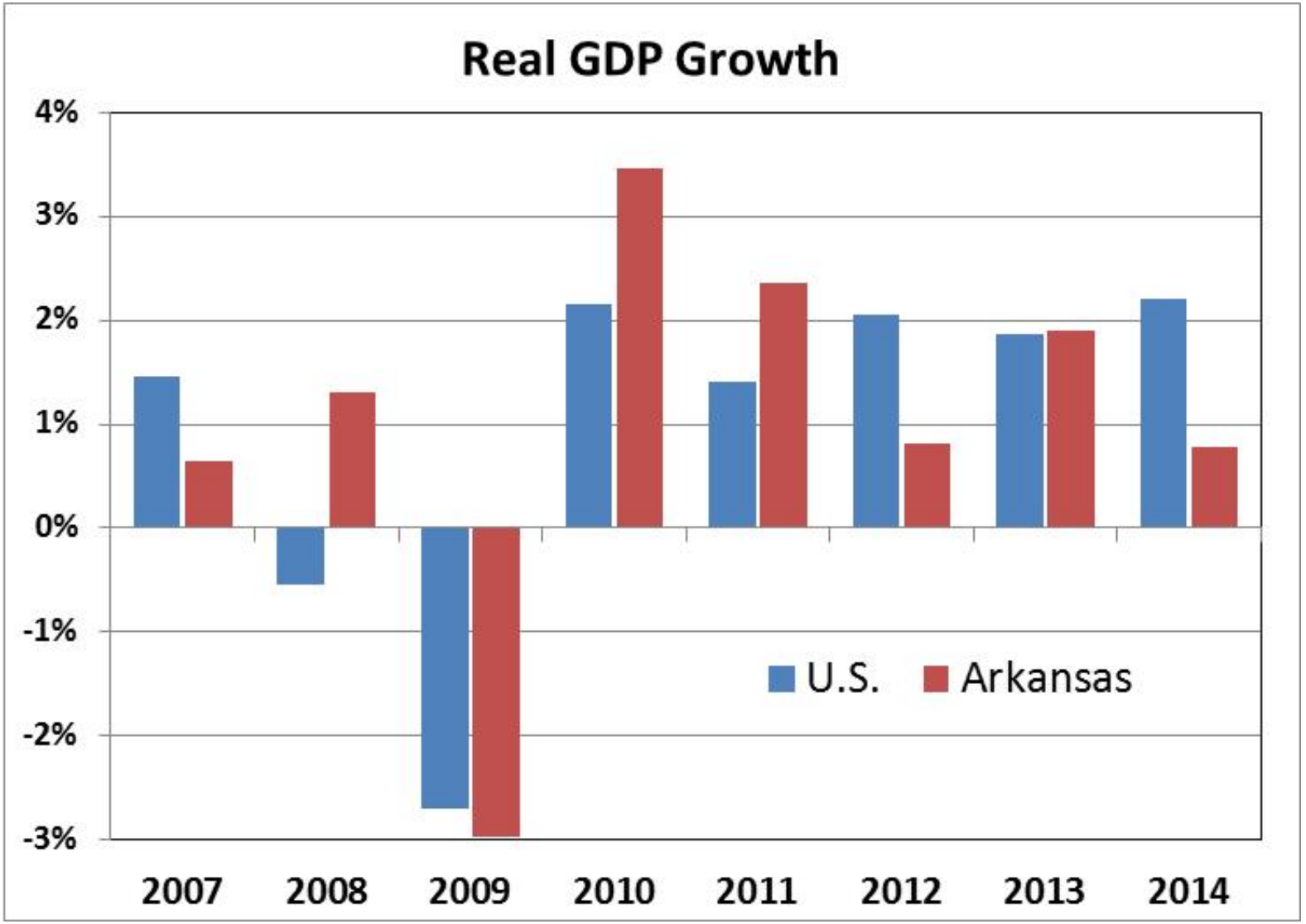
Gross Domestic Product



Source: Bureau of Economic Analysis

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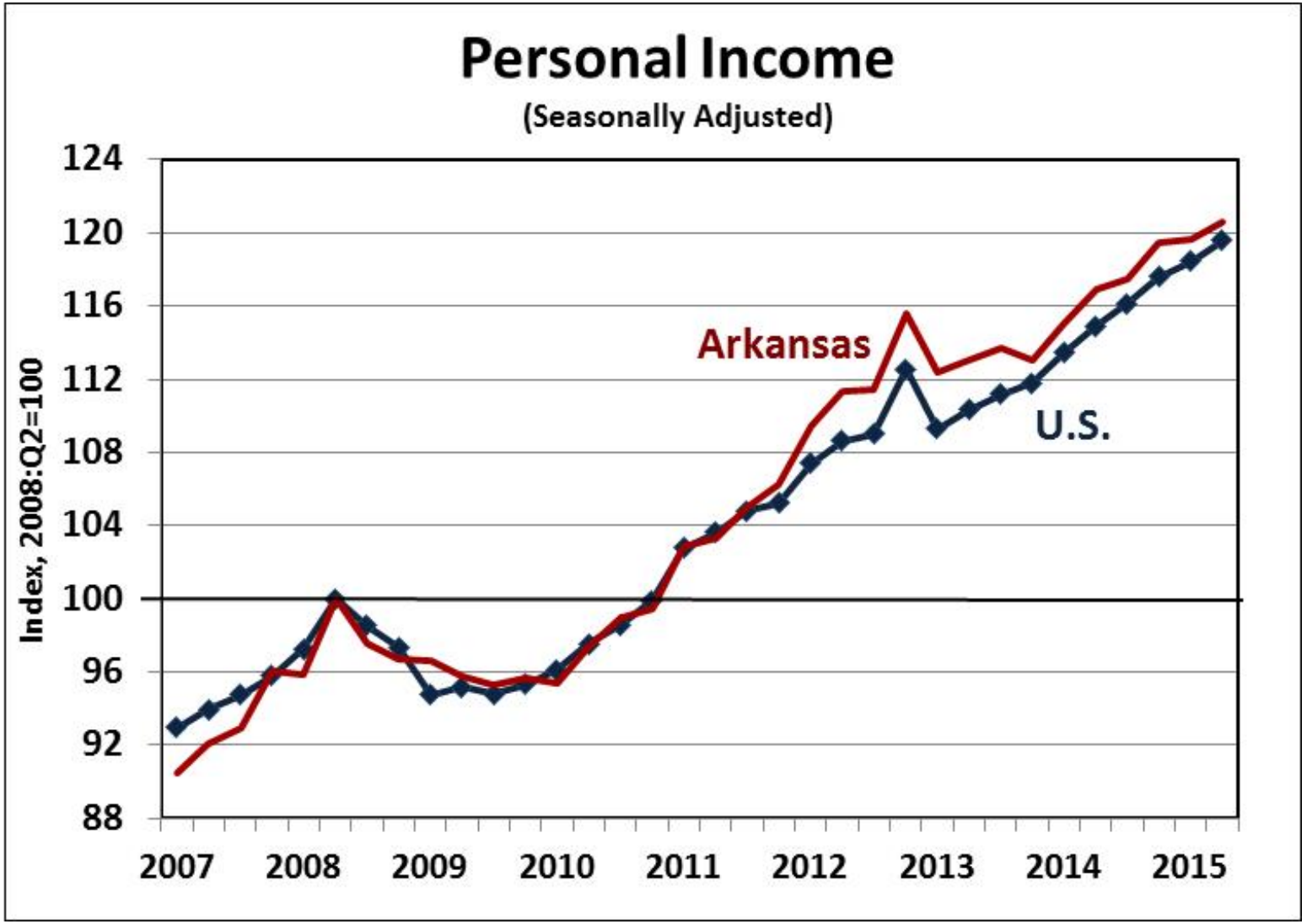
Personal Income



Source: Bureau of Economic Analysis

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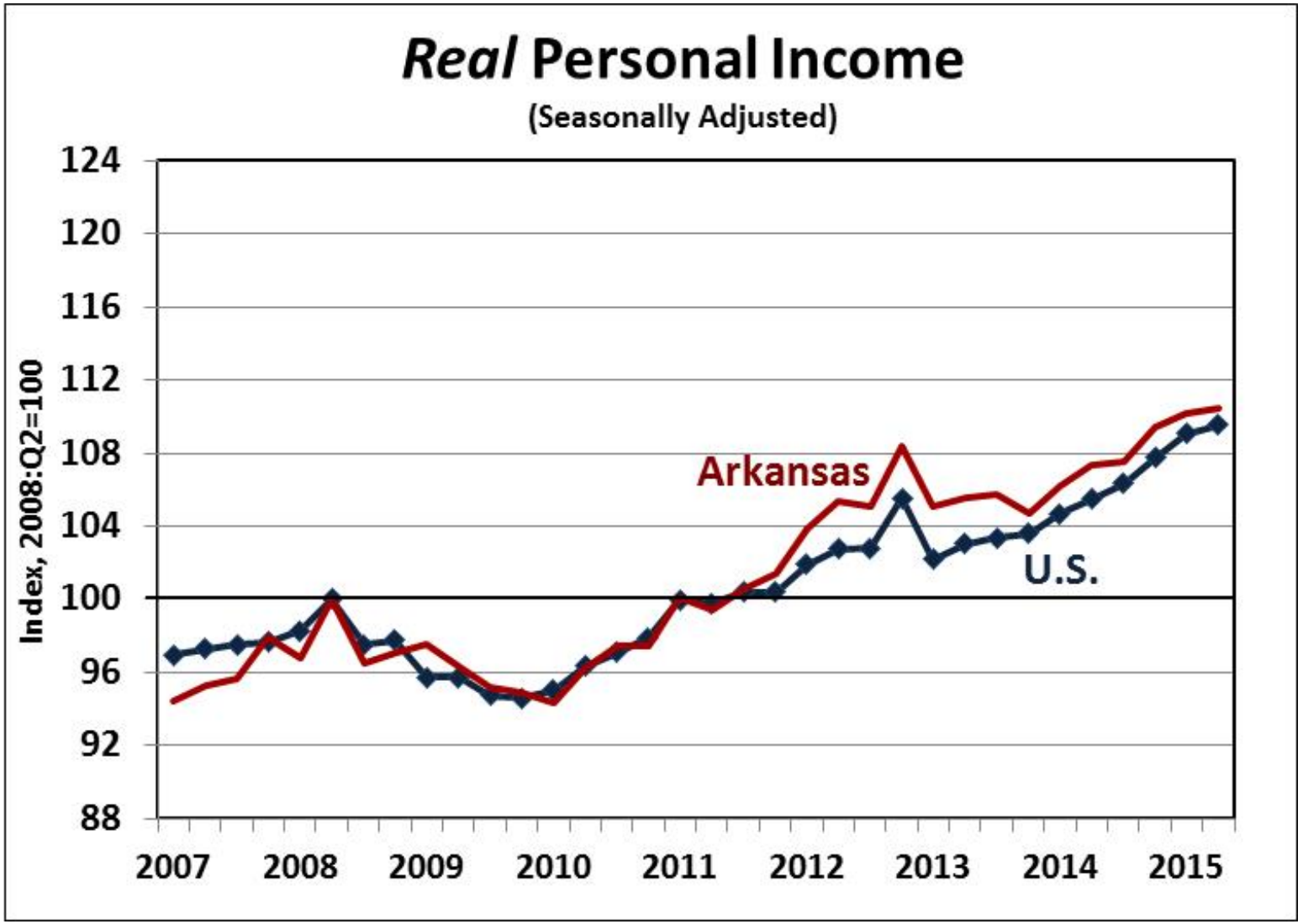
Personal Income



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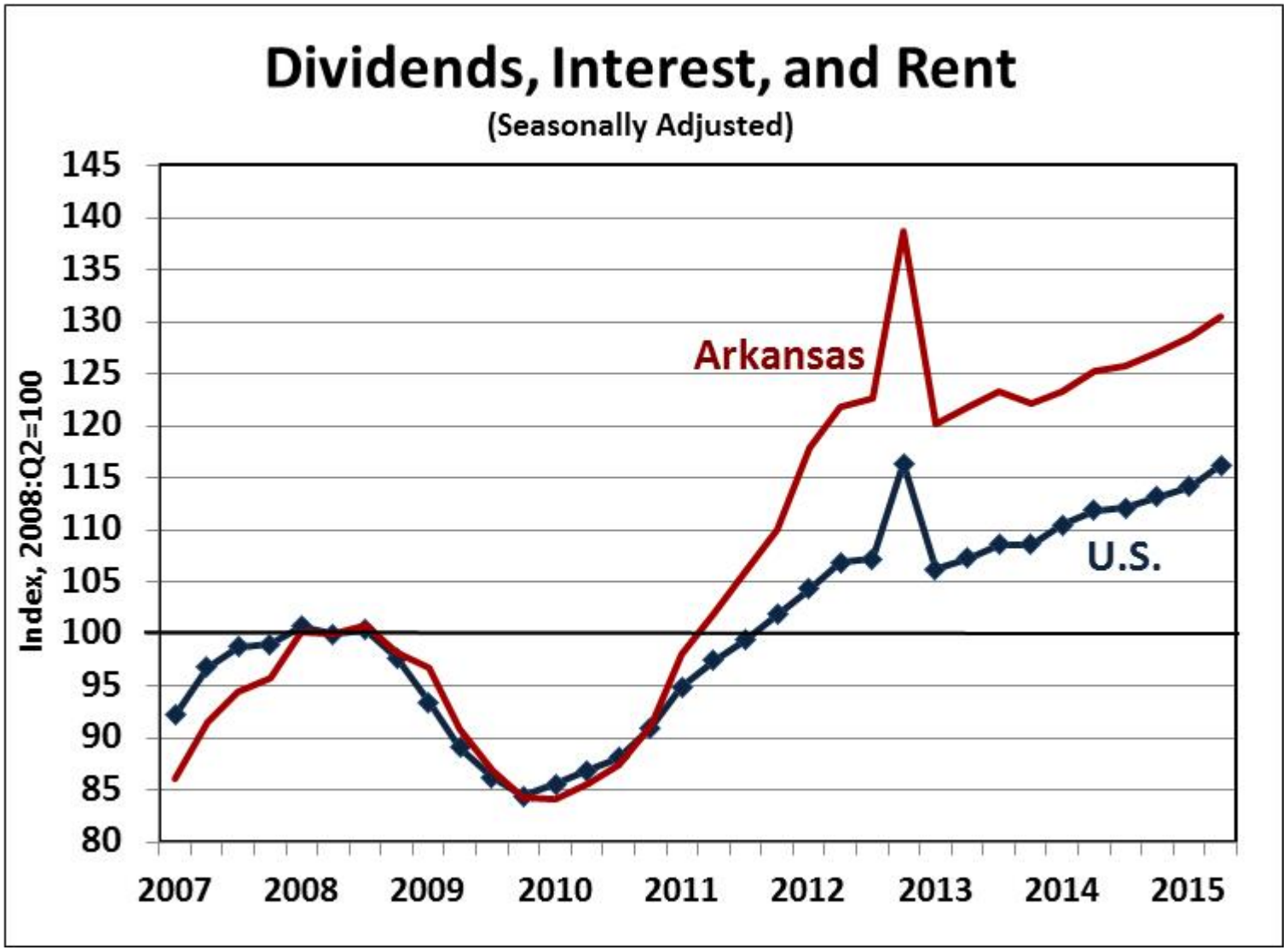

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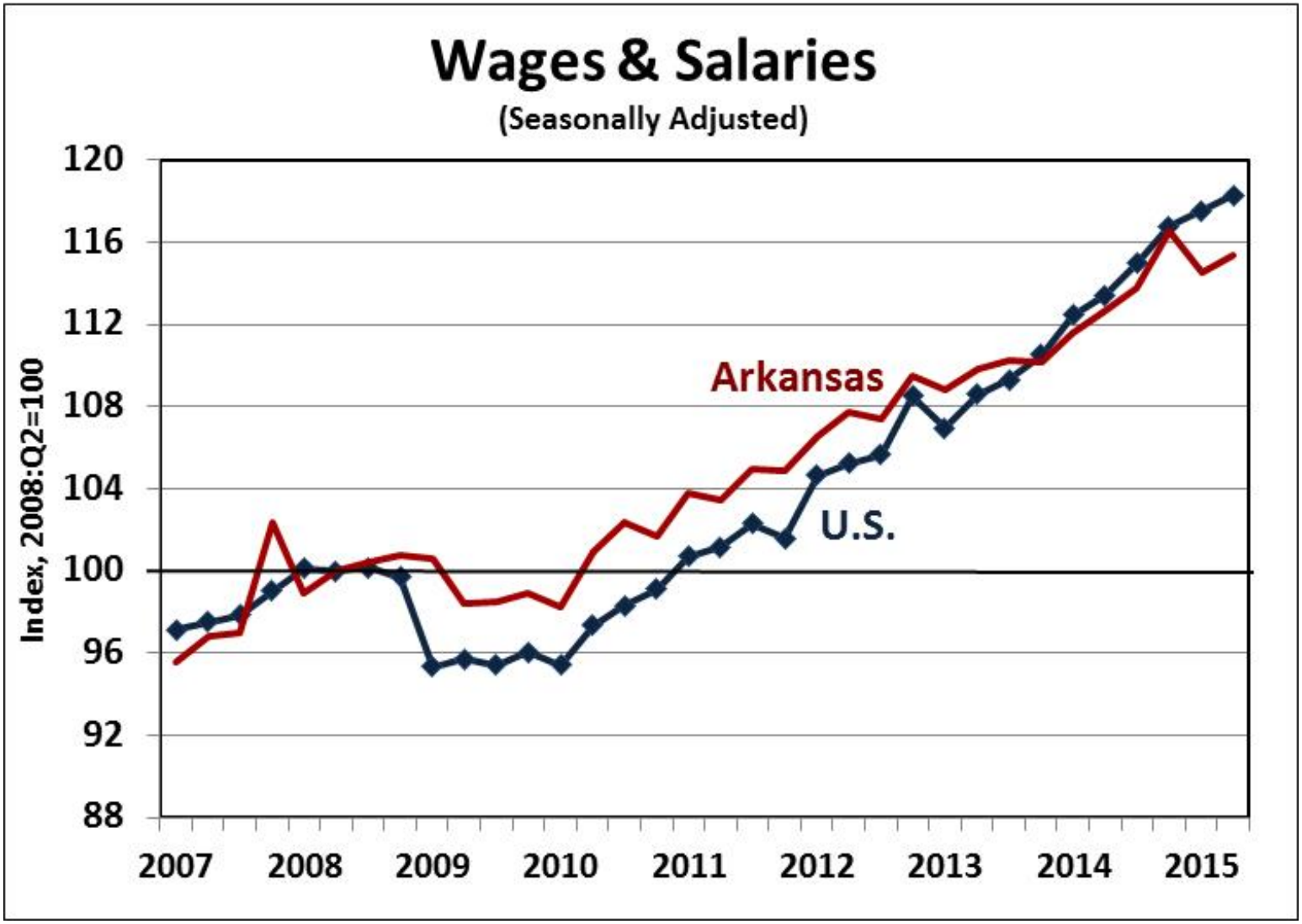

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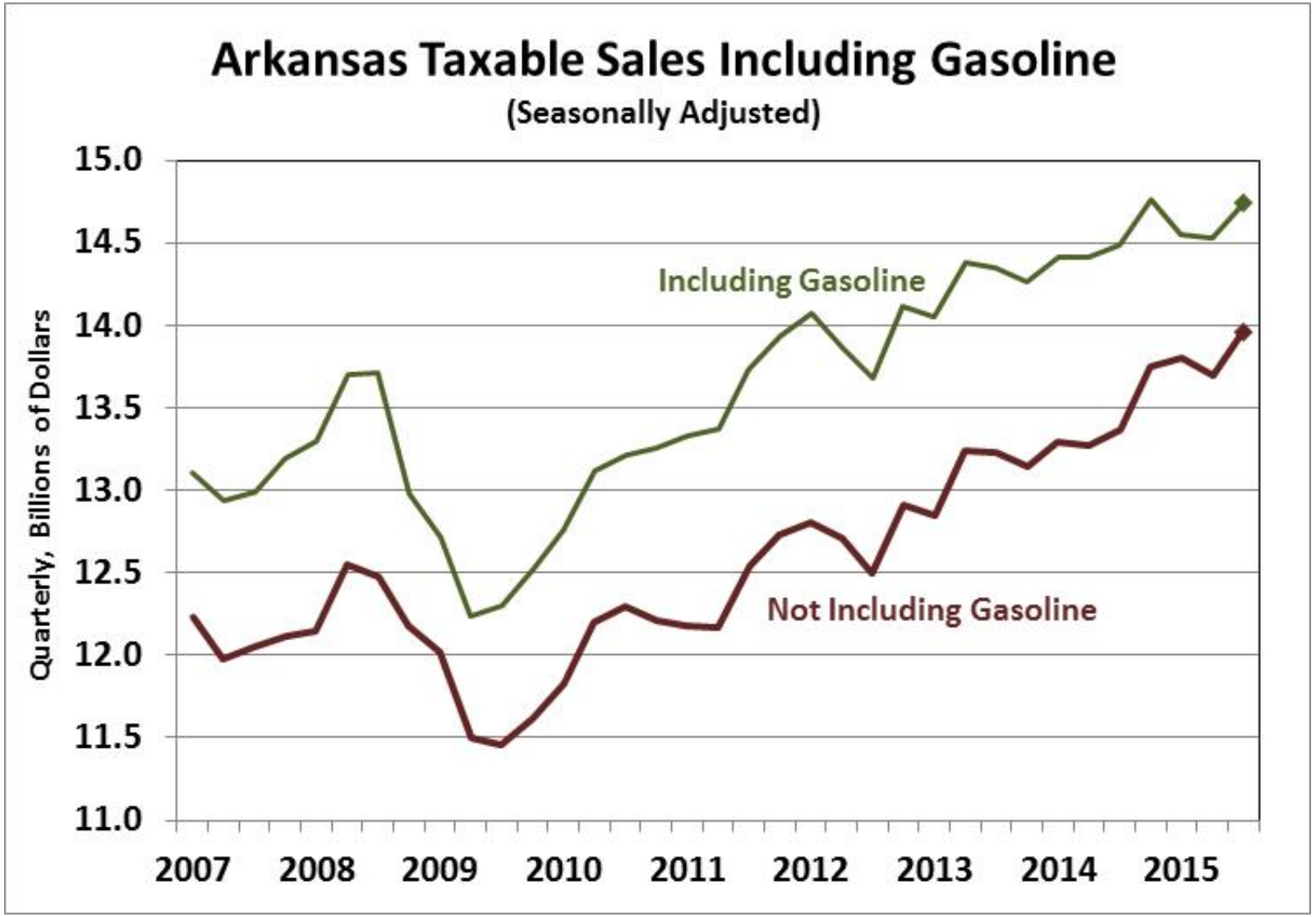
Taxable Sales



Sources: Arkansas Department of Finance and Administration, Oil Price Information Service, Institute for Economic Advancement.

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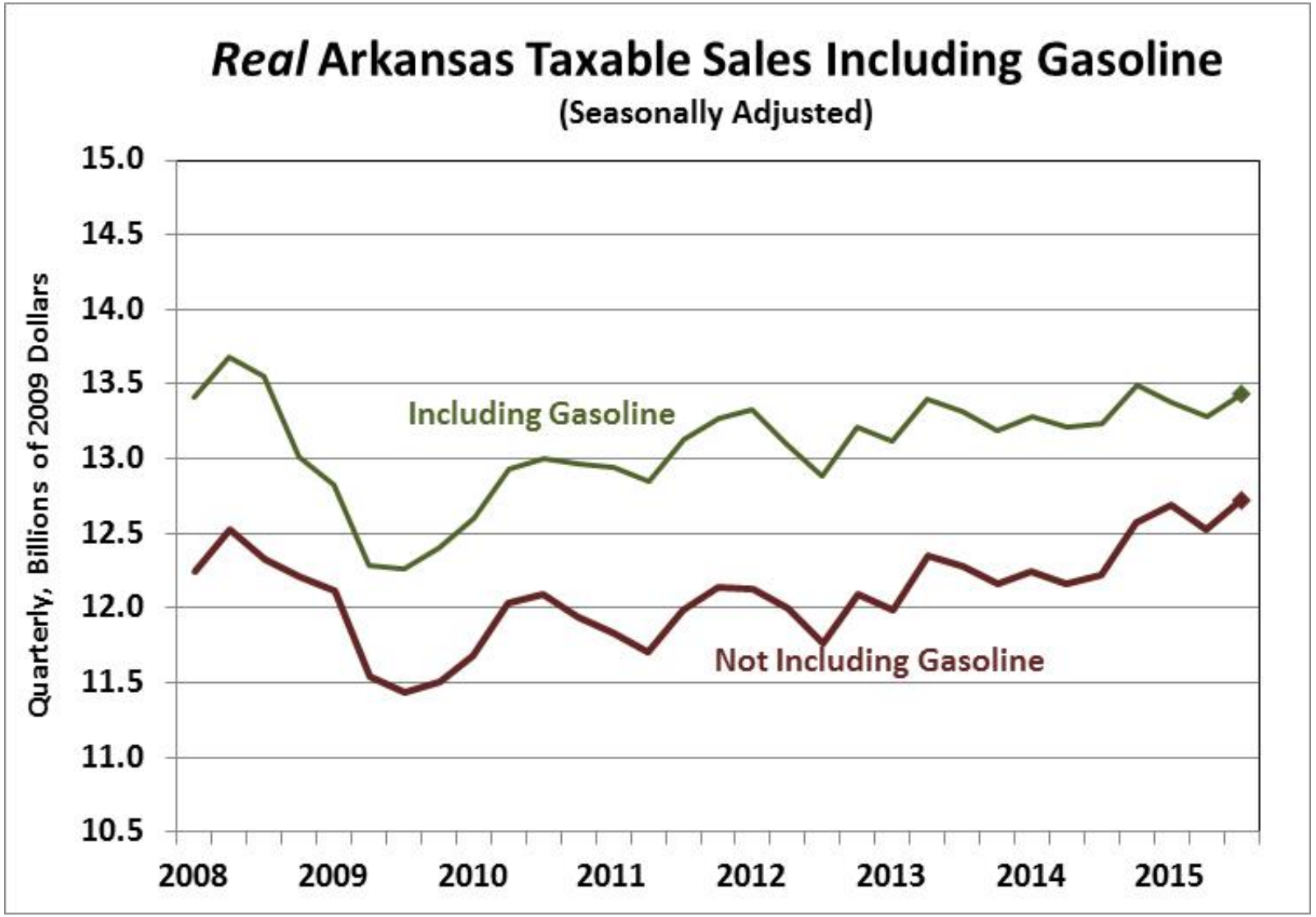

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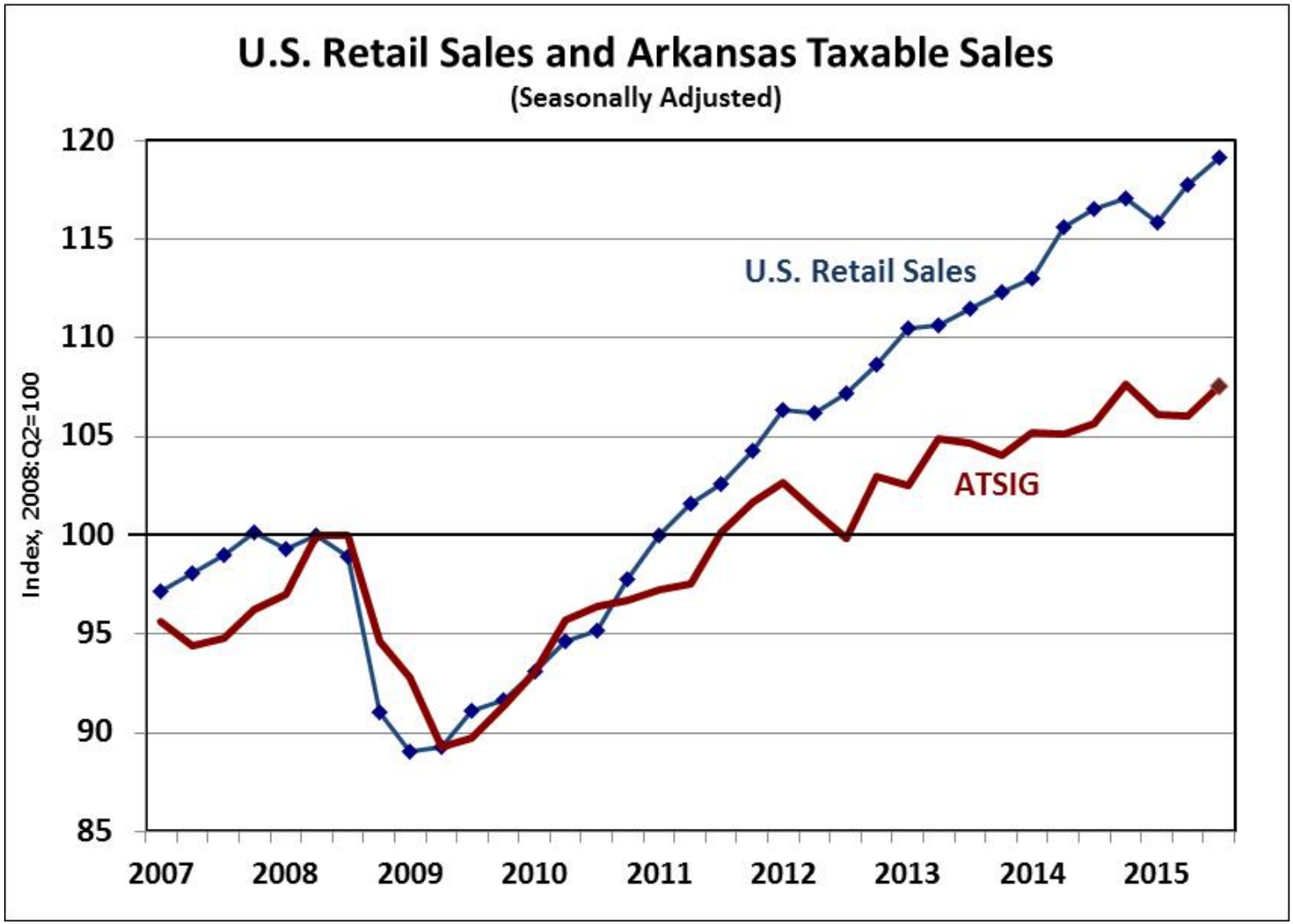

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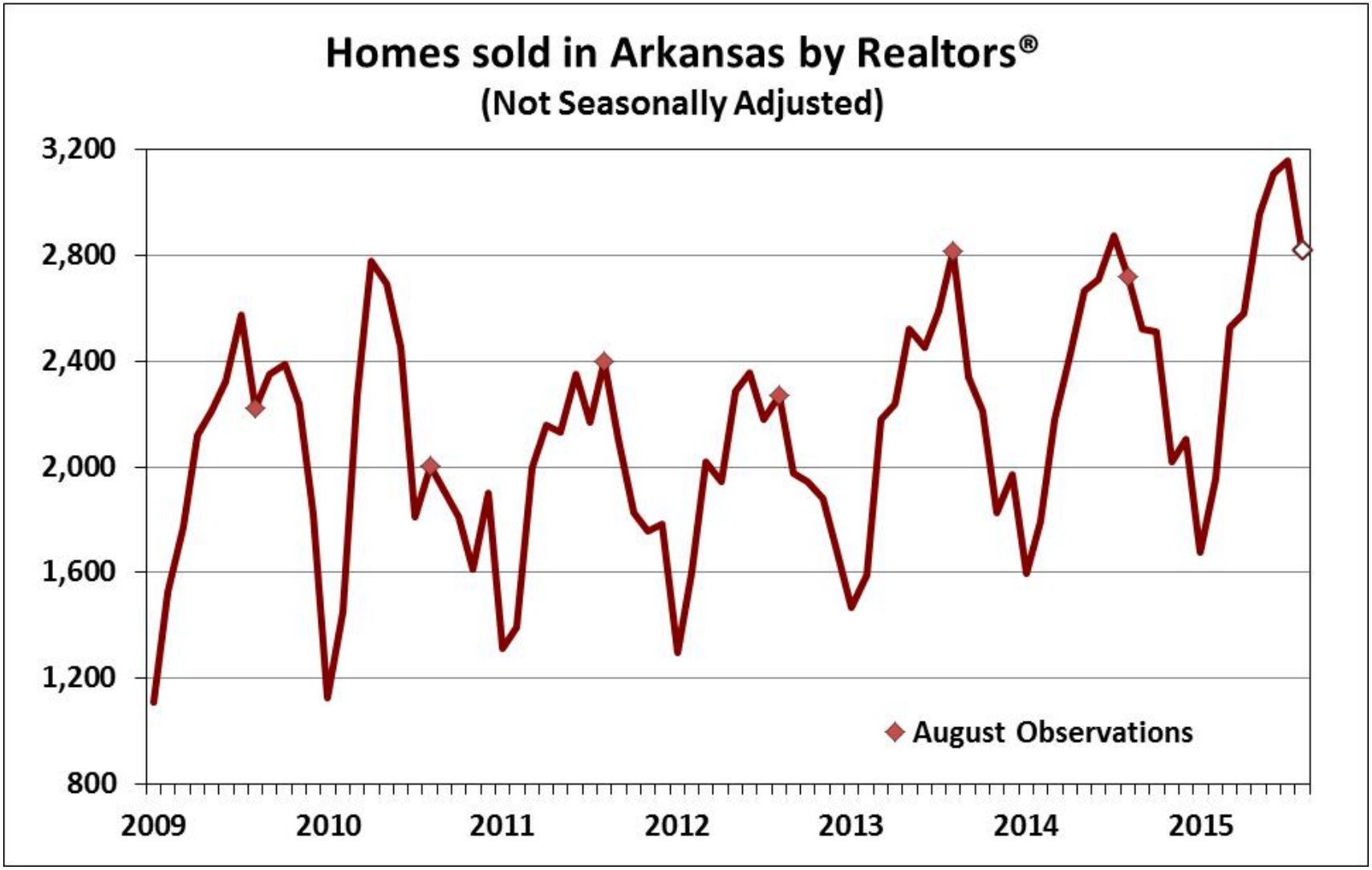
Home Sales



Sources: Arkansas Realtors® Association, Institute for Economic Advancement.

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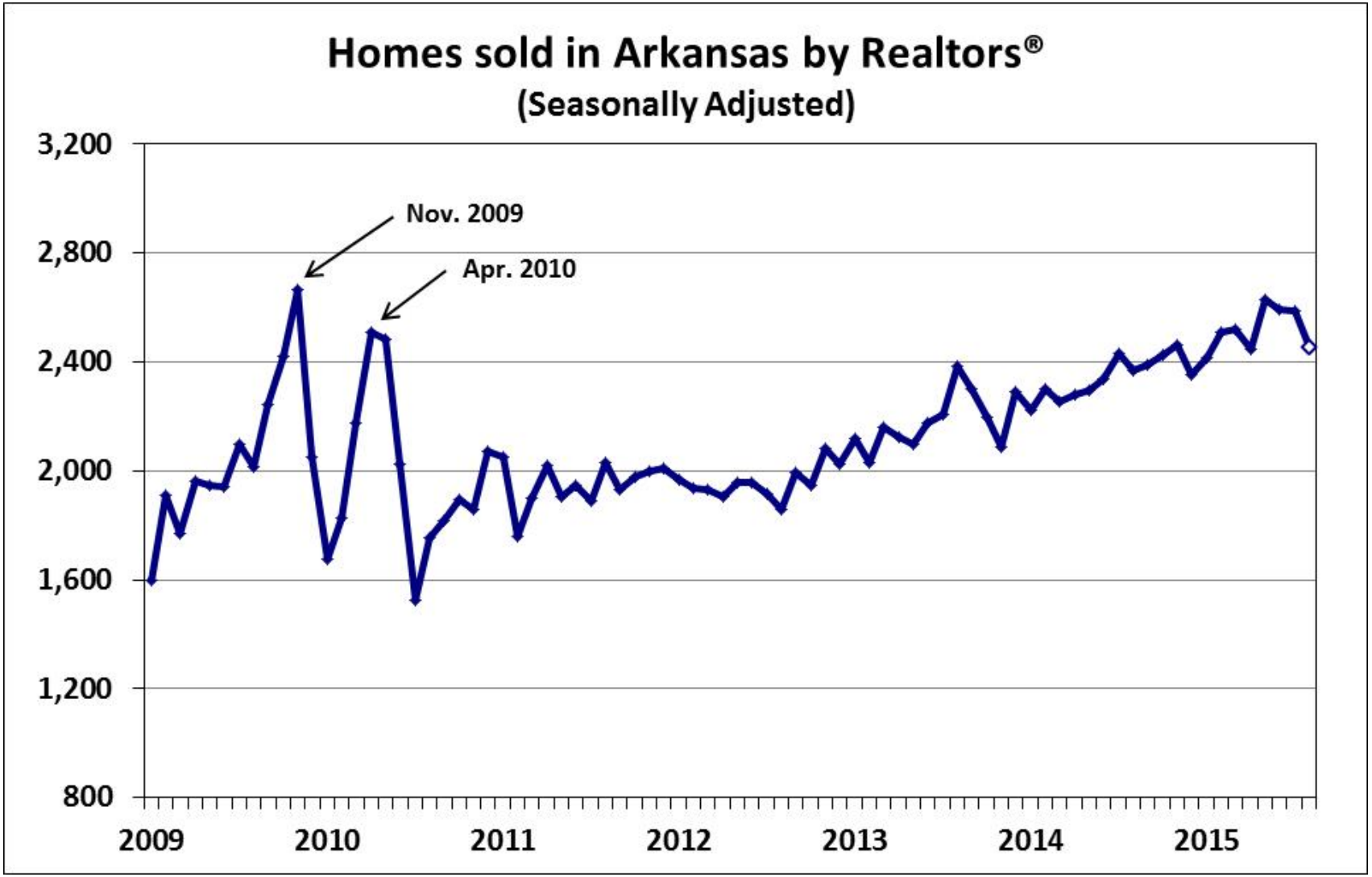
Home Sales



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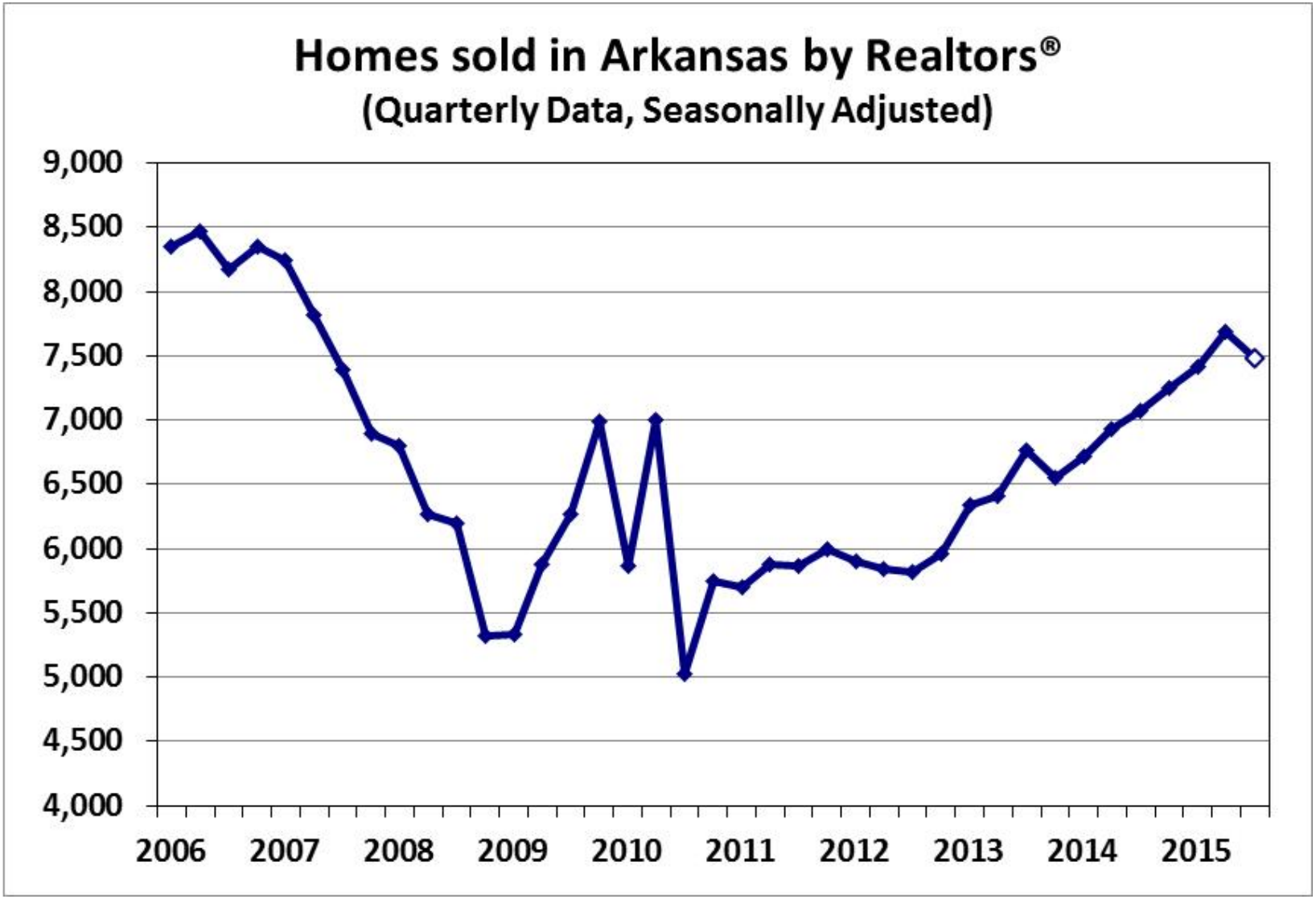

Sources: Arkansas Realtors® Association, Institute for Economic Advancement.

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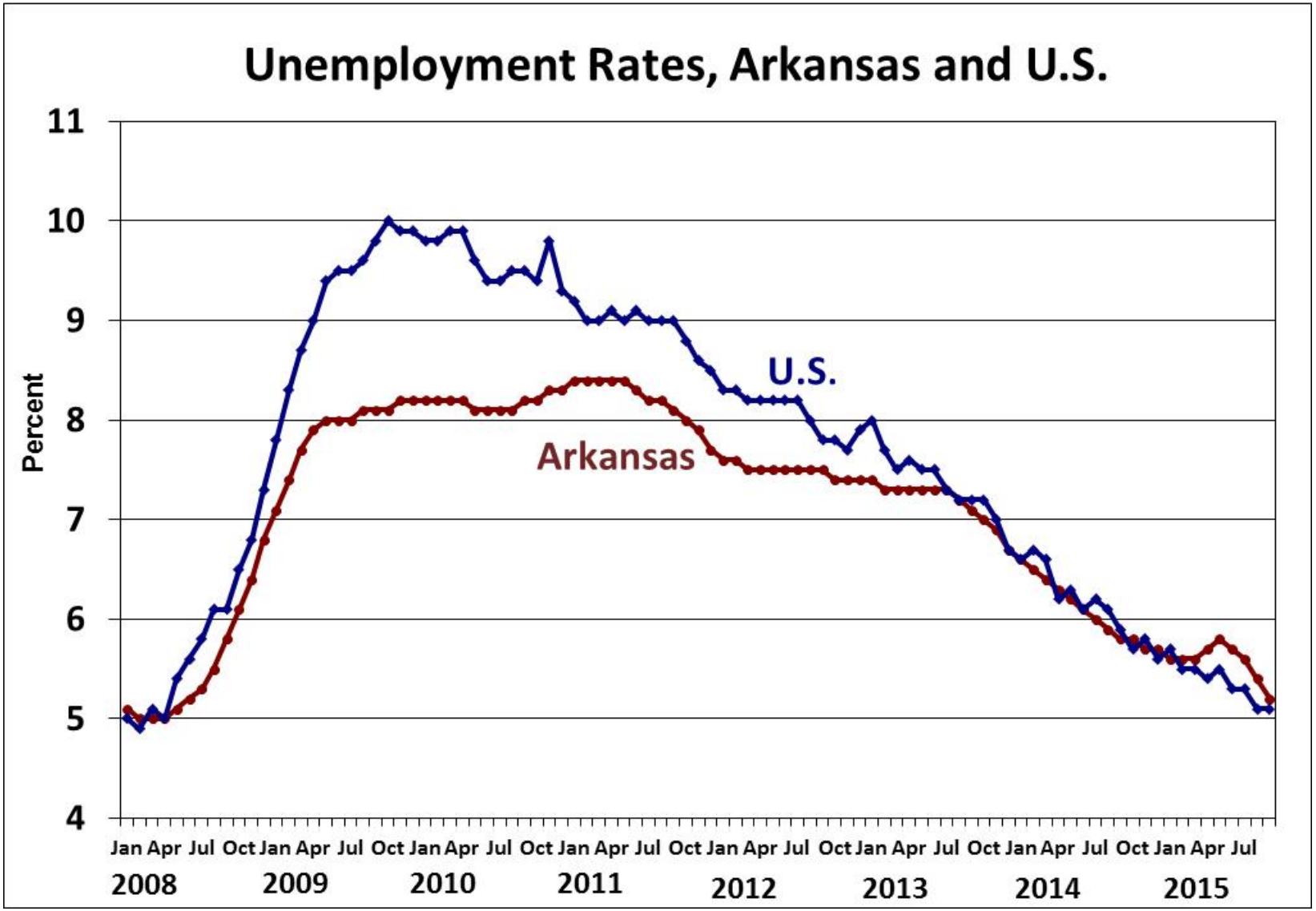
Unemployment



Source: Bureau of Labor Statistics.

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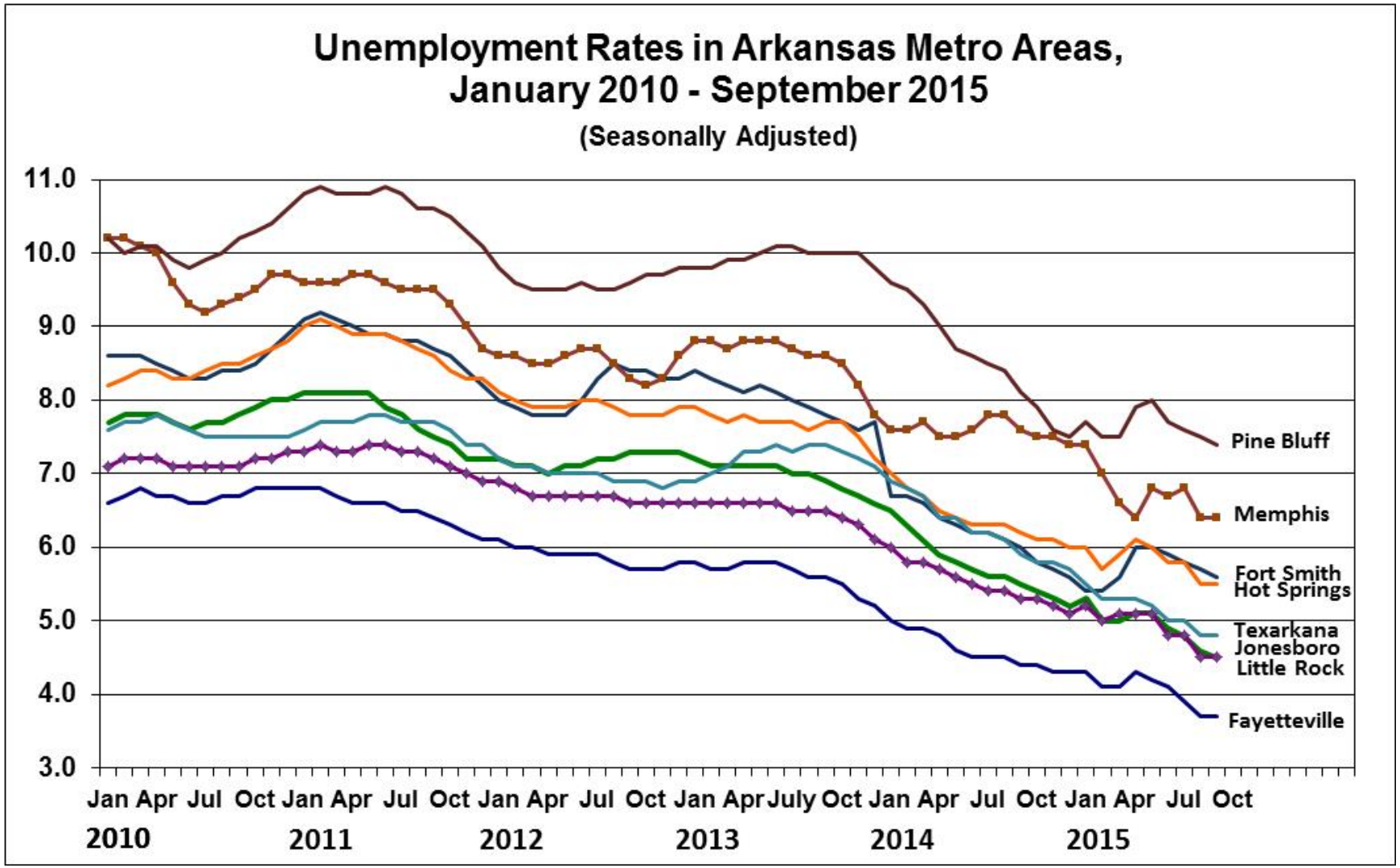

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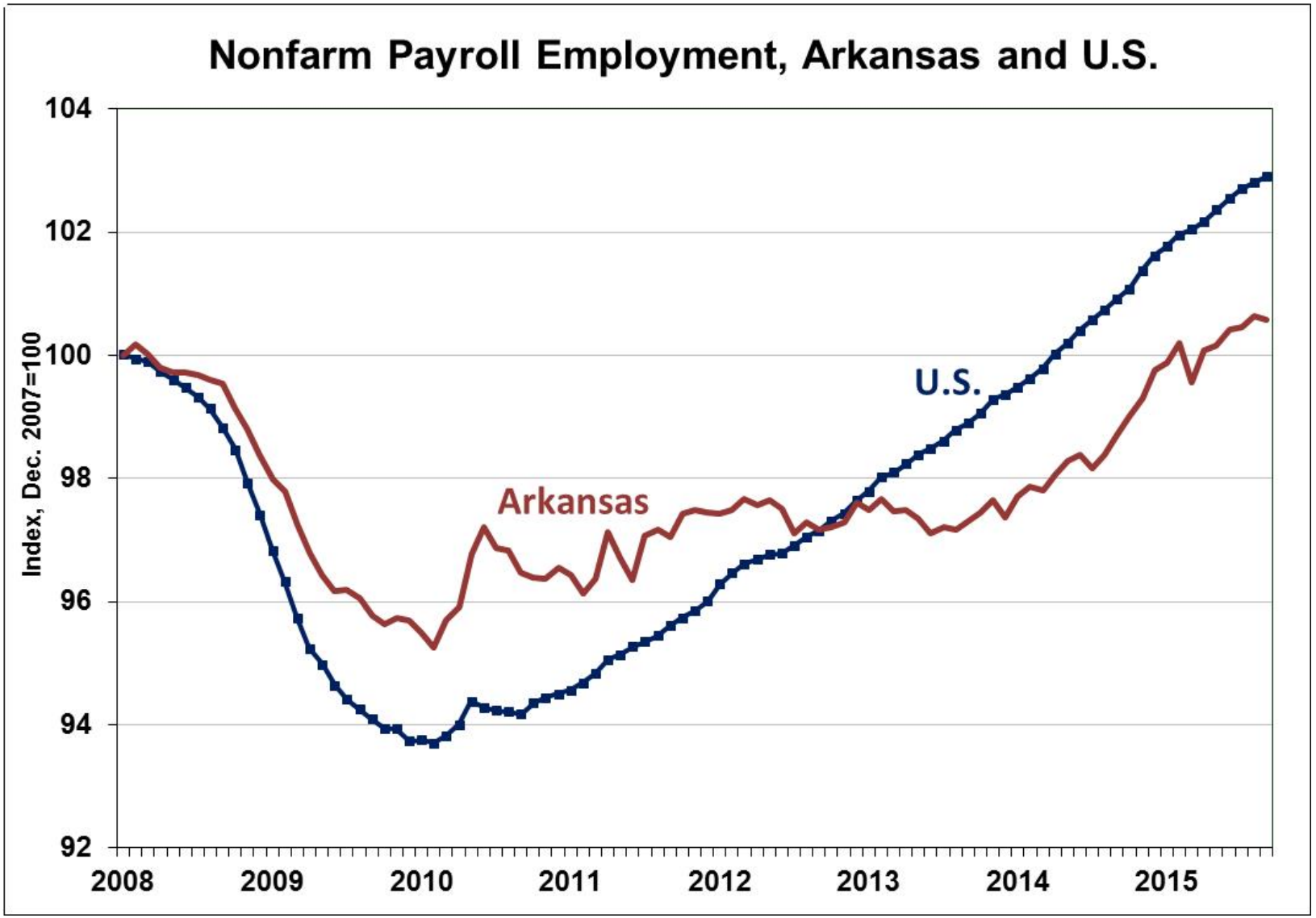
Employment



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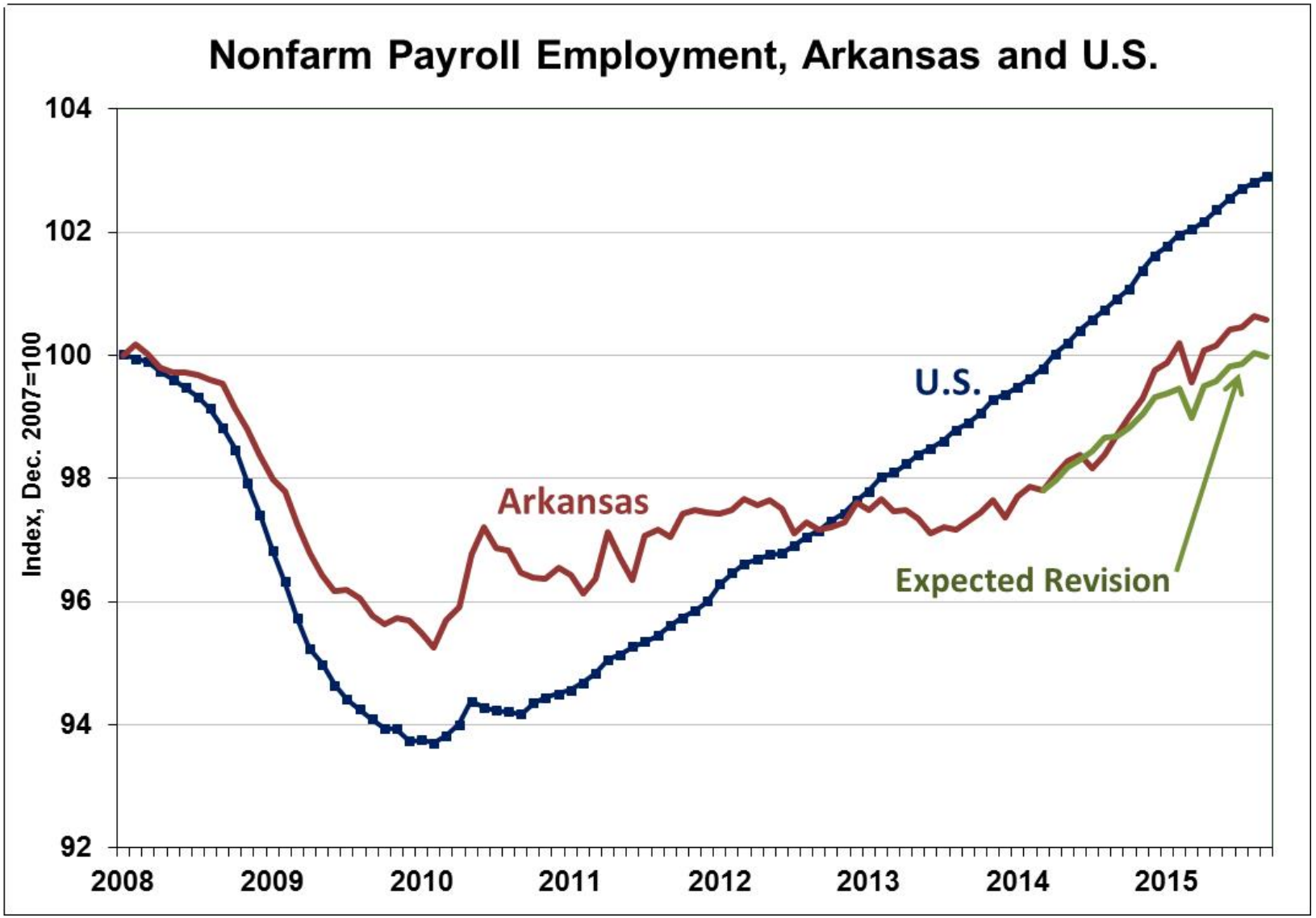
Employment



Source: Bureau of Labor Statistics.

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Employment

Arkansas Nonfarm Payroll Employment

Employment changes (thousands of jobs), December 2013 - September 2015

	As Published	Expected Revision	Change
Mining & Logging	-0.8	-0.9	-0.1
Construction	8.6	9.7	1.1
Manufacturing	-0.1	1.7	1.8
Wholesale Trade	3.0	2.0	-1.0
Retail Trade	1.8	4.6	2.8
Transportation & Utilities	1.3	1.4	0.1
Information Services	-0.2	-0.7	-0.5
Financial Services	1.3	0.7	-0.6
Professional & Business Services	7.9	7.4	-0.5
Education & Health Services	6.9	5.4	-1.5
Leisure & Hospitality Services	7.4	2.8	-4.6
Other Services	1.2	0.1	-1.1
Government	0.3	-1.9	-2.2
TOTAL	38.6	31.5	-7.1

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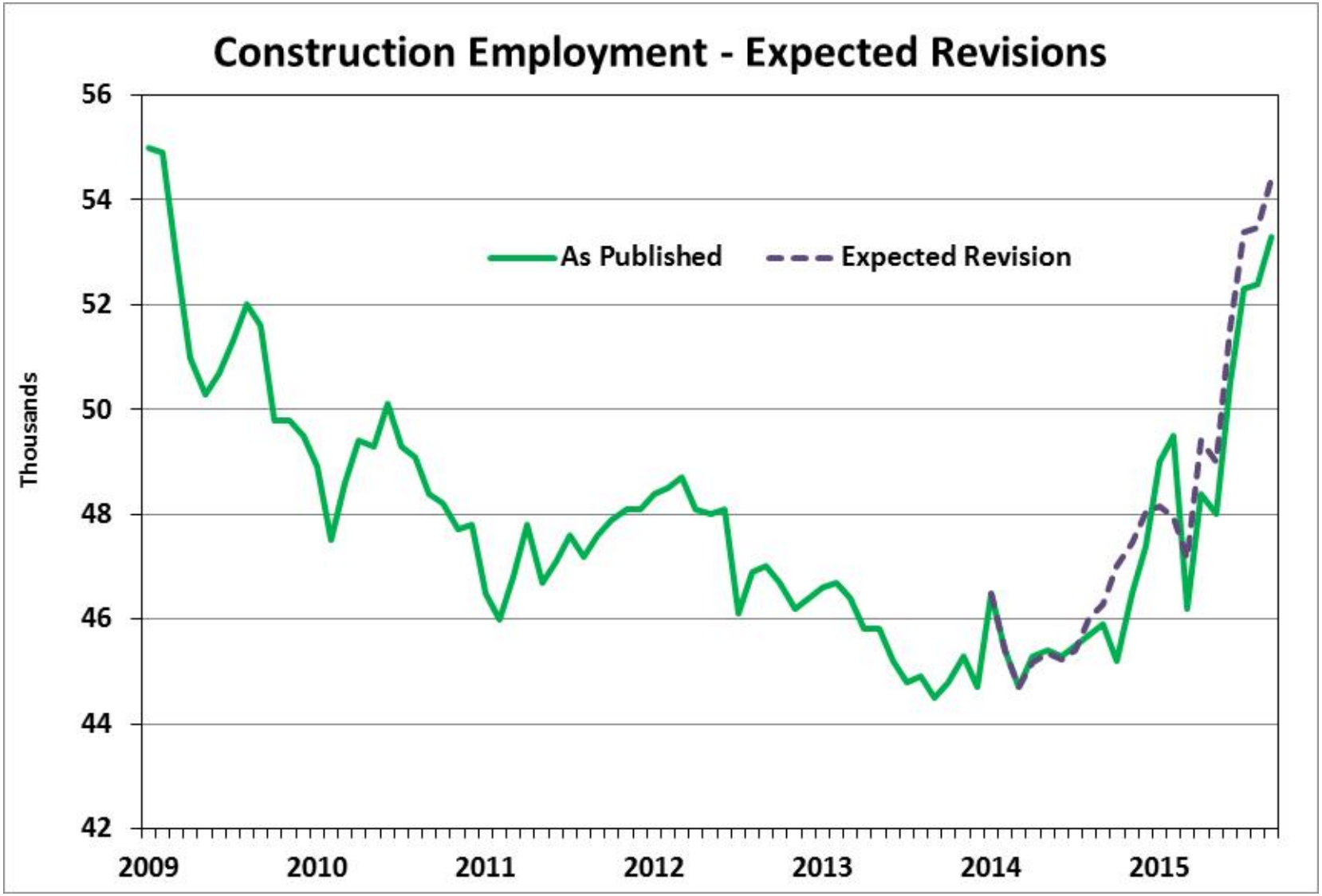
Employment



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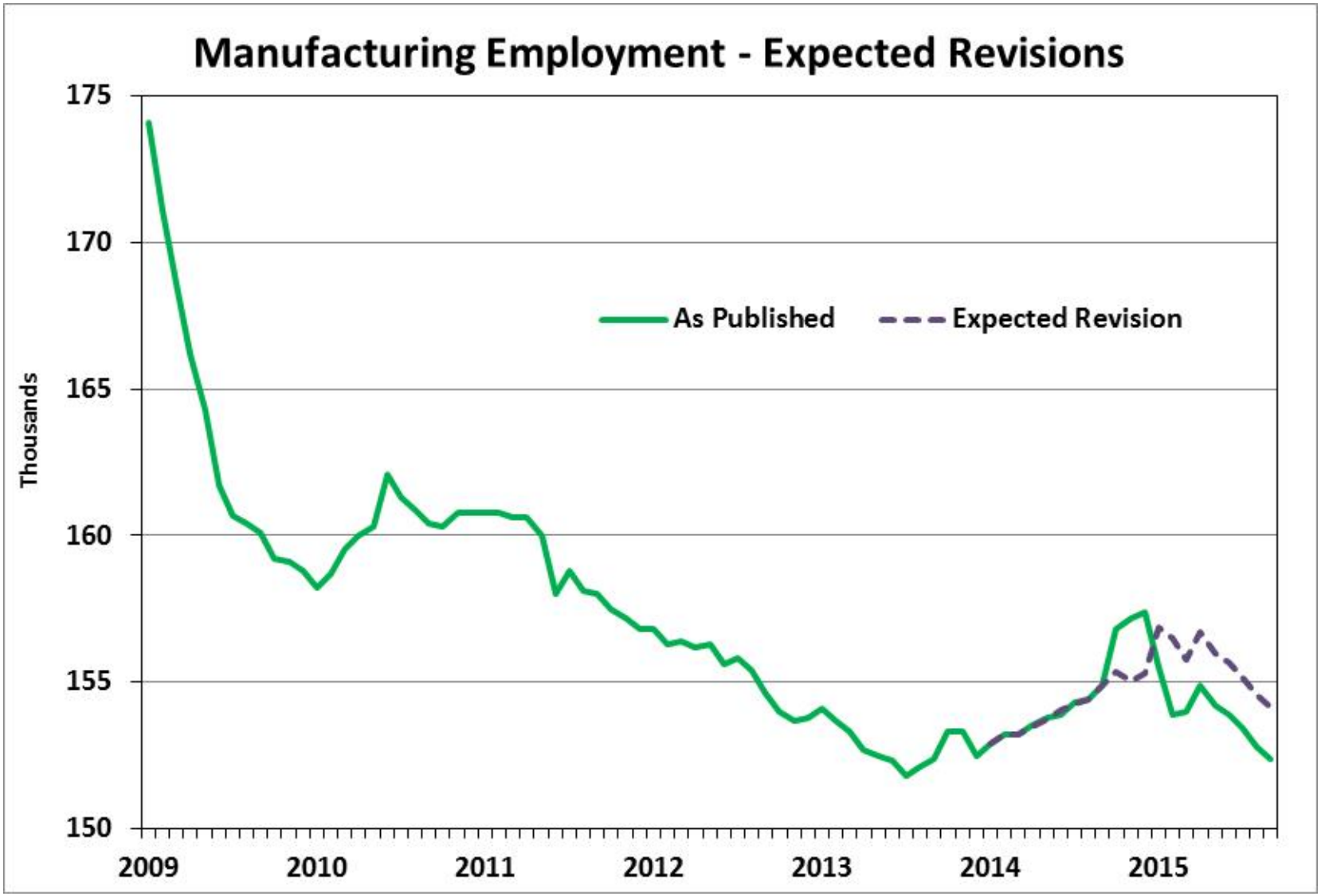

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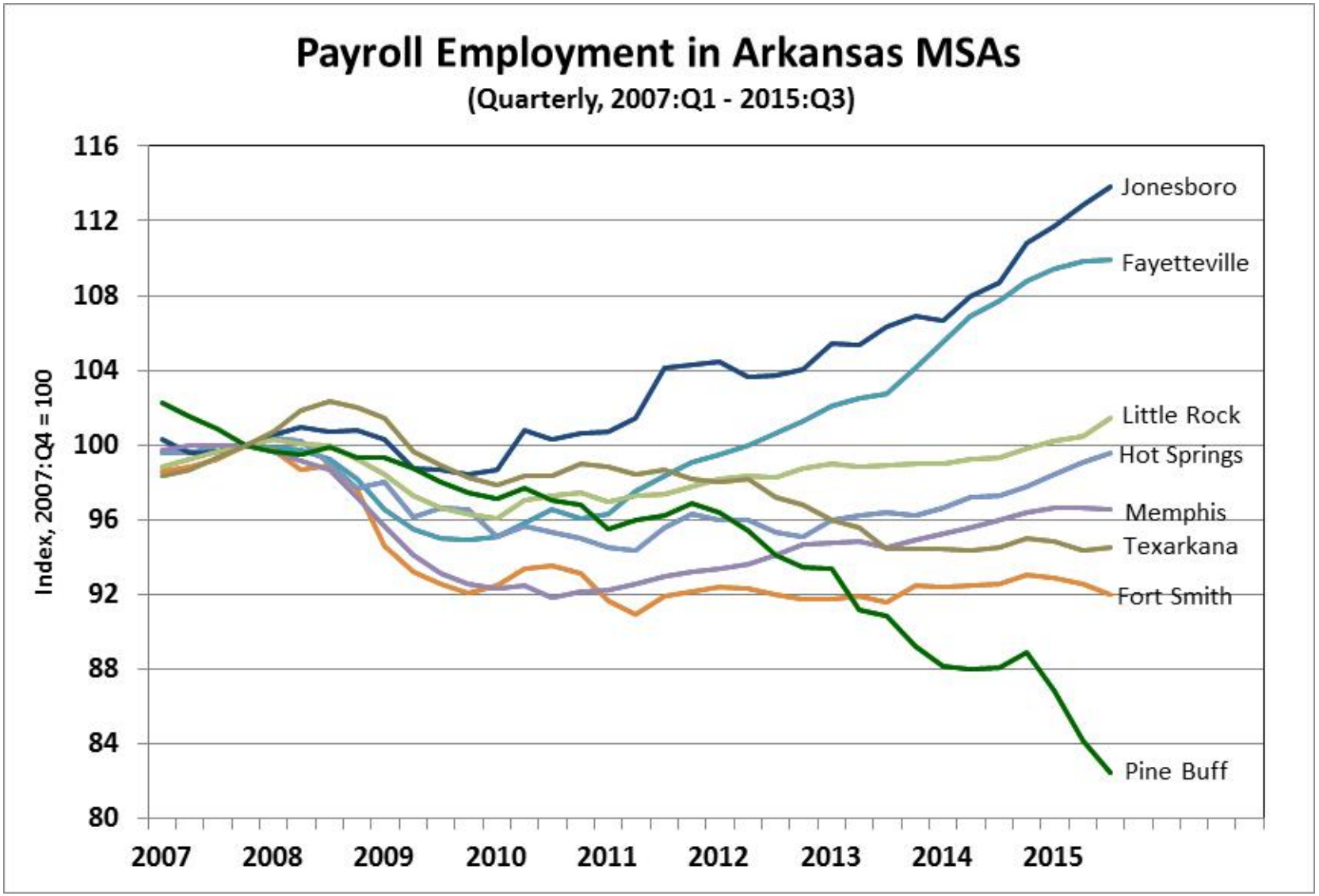

Source: Bureau of Labor Statistics.

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Economic Forecasts

“It’s tough to make predictions, especially about the future."

- Yogi Berra

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Forecast Methodology

Model: Arkansas Baseline from Moody's Analytics.

- Part of a structural econometric model of the U.S. Economy
- Linked to US forecast, with relationships estimated by sector
- Baseline forecast from Moody's macroeconomic U.S. model

Alternative Forecast Paths:

- Moody's
- Wells Fargo
- Wall Street Journal
- Blue Chip Consensus
- NABE

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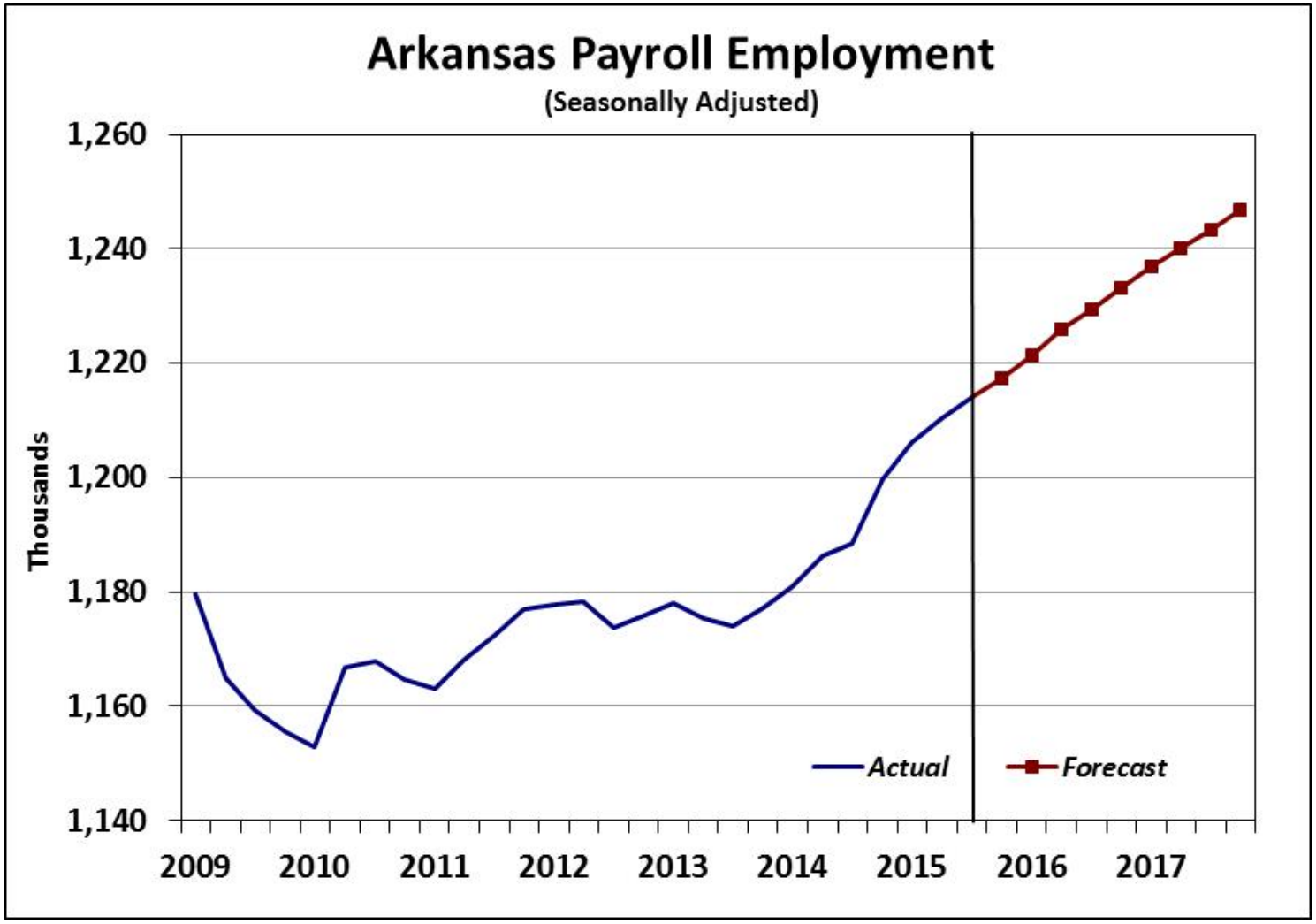
Employment

Q4/Q4 Growth	
2013	1.5K 0.1%
2014	22.4K 1.9%
2015	17.6K 1.5%
2016	15.7K 1.3%
2017	13.8K 1.1%



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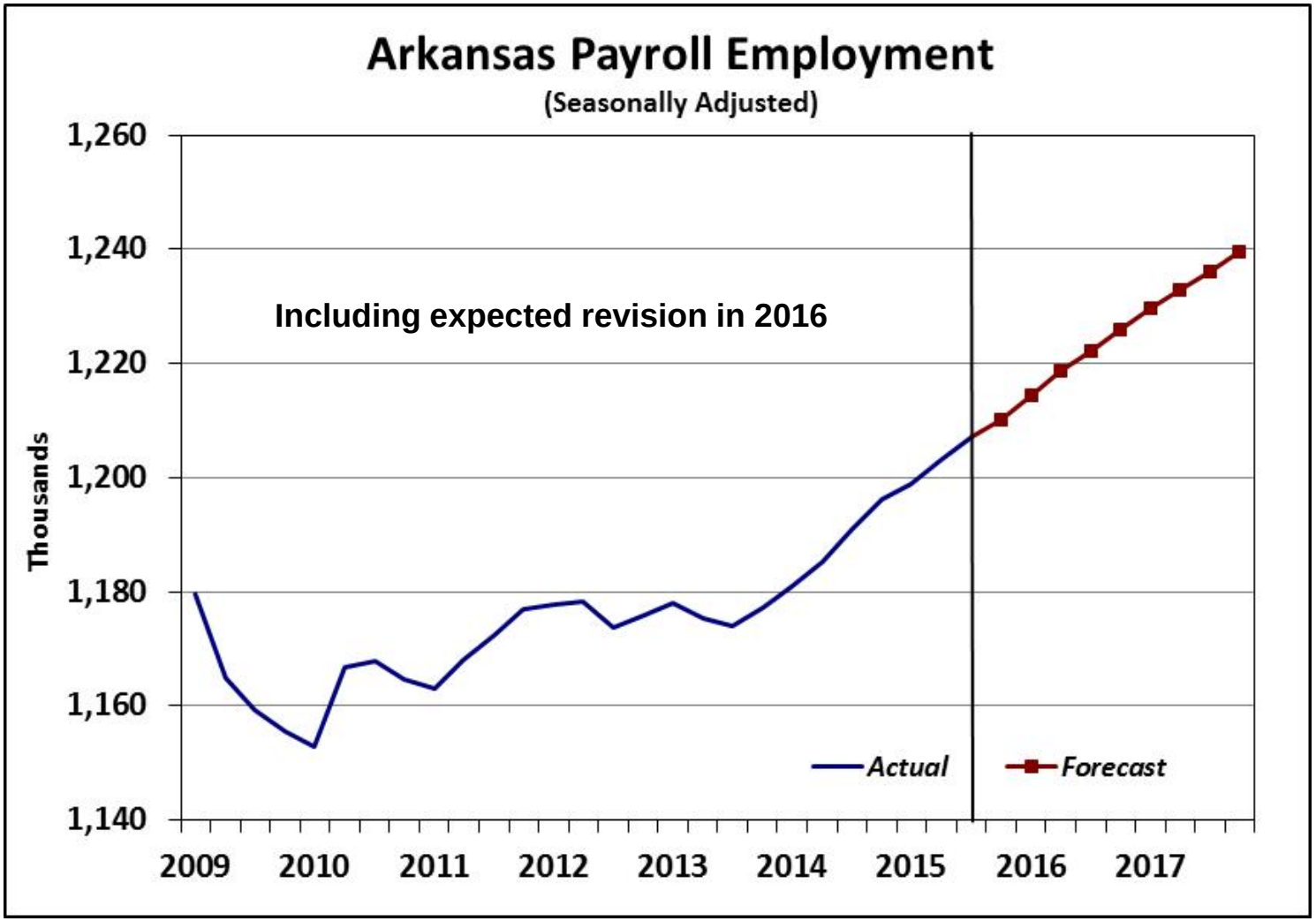
Employment

Q4/Q4 Growth	
2013	1.5K 0.1%
2014	18.9K 1.6%
2015	14.0K 1.2%
2016	15.6K 1.3%
2017	13.7K 1.1%



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Employment

Arkansas Nonfarm Payroll Employment Growth Forecasts for 2015:Q4-2017:Q4

	Employment changes	
	Thousands of Jobs	Percent
Mining & Logging	1.6	19.6
Construction	1.1	2.1
Manufacturing	4.4	2.9
Wholesale Trade	0.3	0.6
Retail Trade	-0.3	-0.2
Transportation & Utilities	0.7	0.0
Information Services	0.0	-0.2
Financial Services	-0.2	-0.5
Professional & Business Services	10.1	7.2
Education & Health Services	5.3	3.0
Leisure & Hospitality Services	5.1	4.5
Other Services	2.4	5.5
Government	-1.1	-0.5
TOTAL	29.5	2.4

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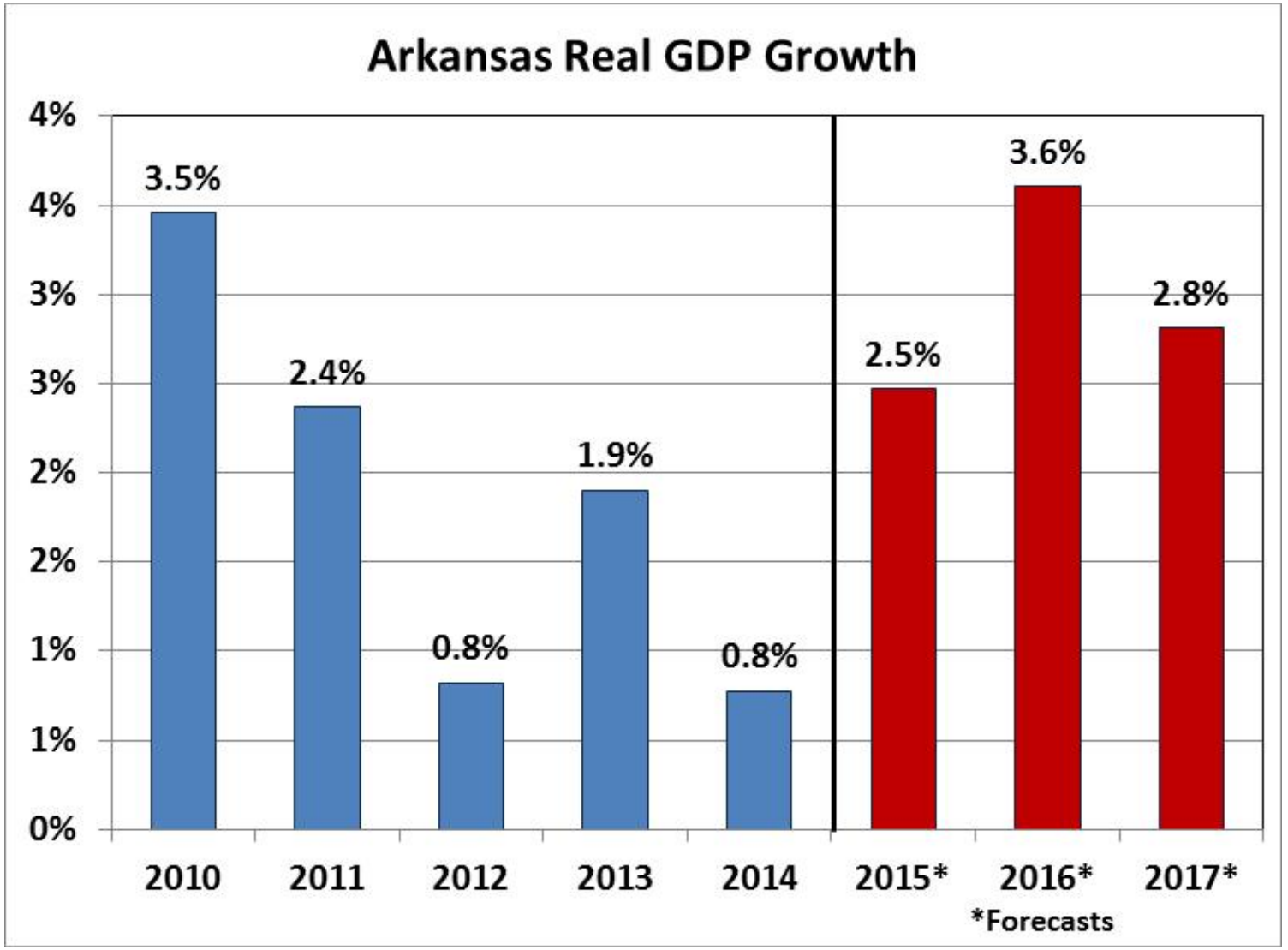
Real GDP



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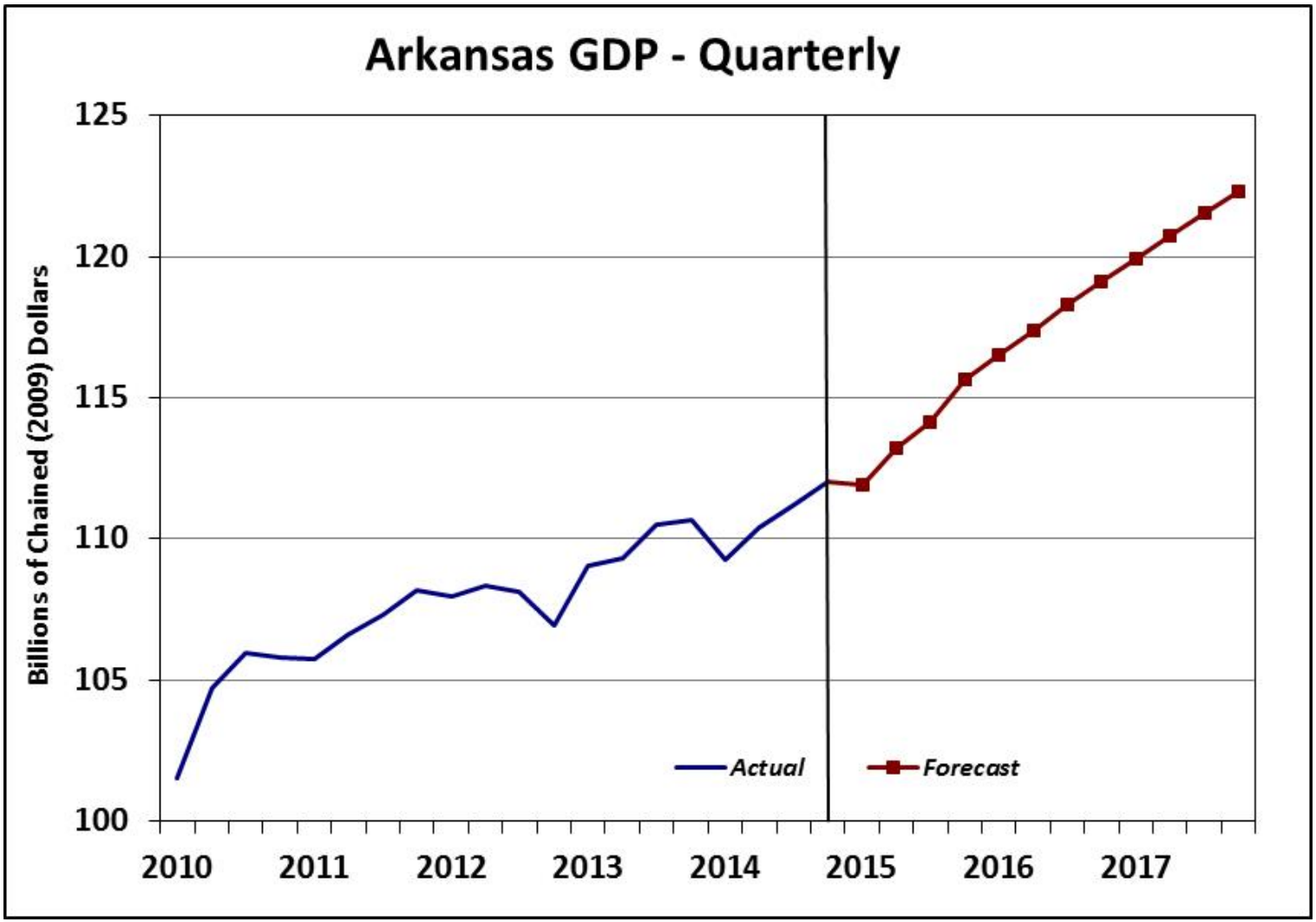
Real GDP

Q4/Q4 Growth (%)	
2014	1.2
2015	3.2
2016	3.0
2017	2.7



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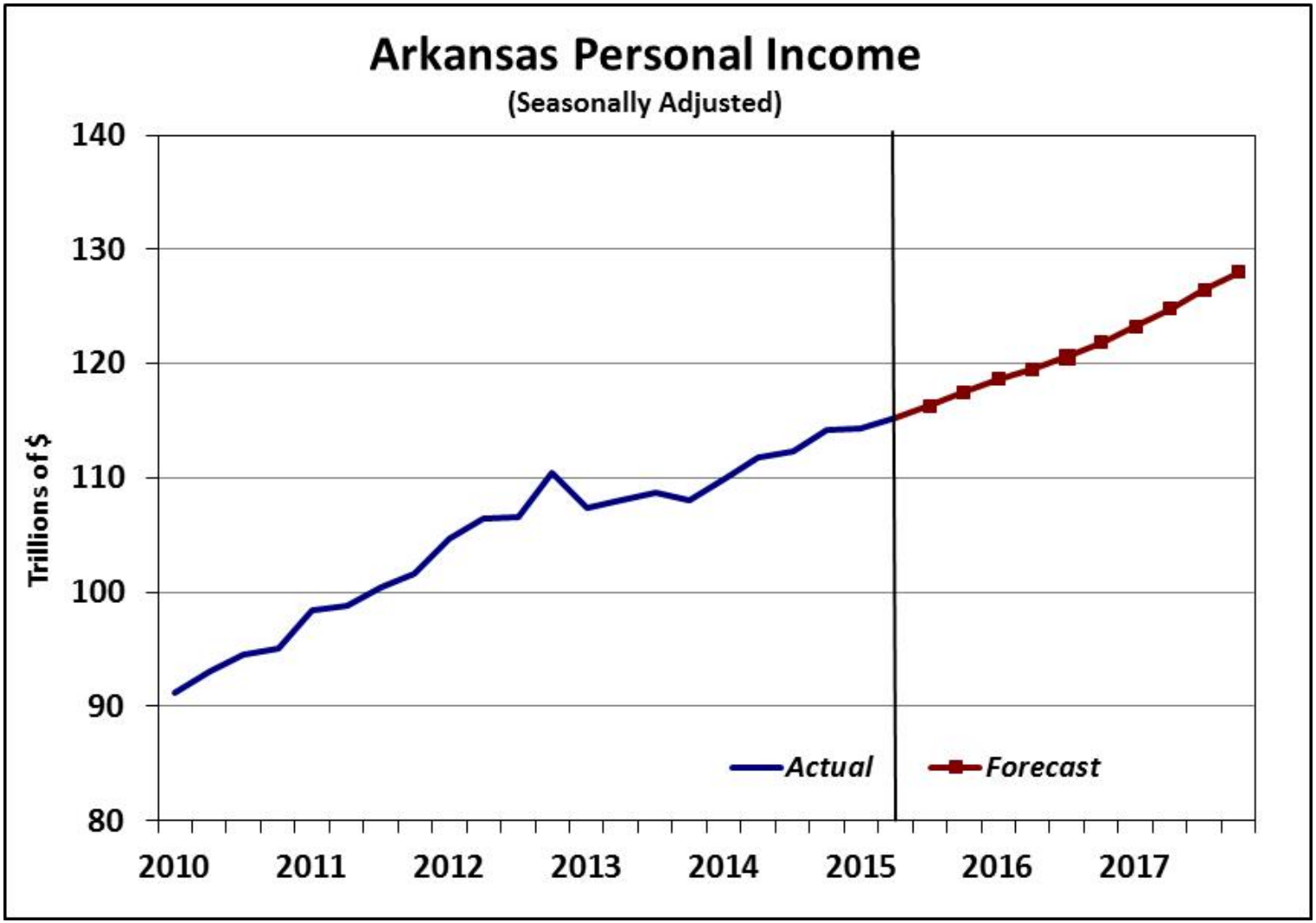
Personal Income

Q4/Q4 Growth (%)	
2014	5.7
2015	2.9
2016	3.7
2017	5.1



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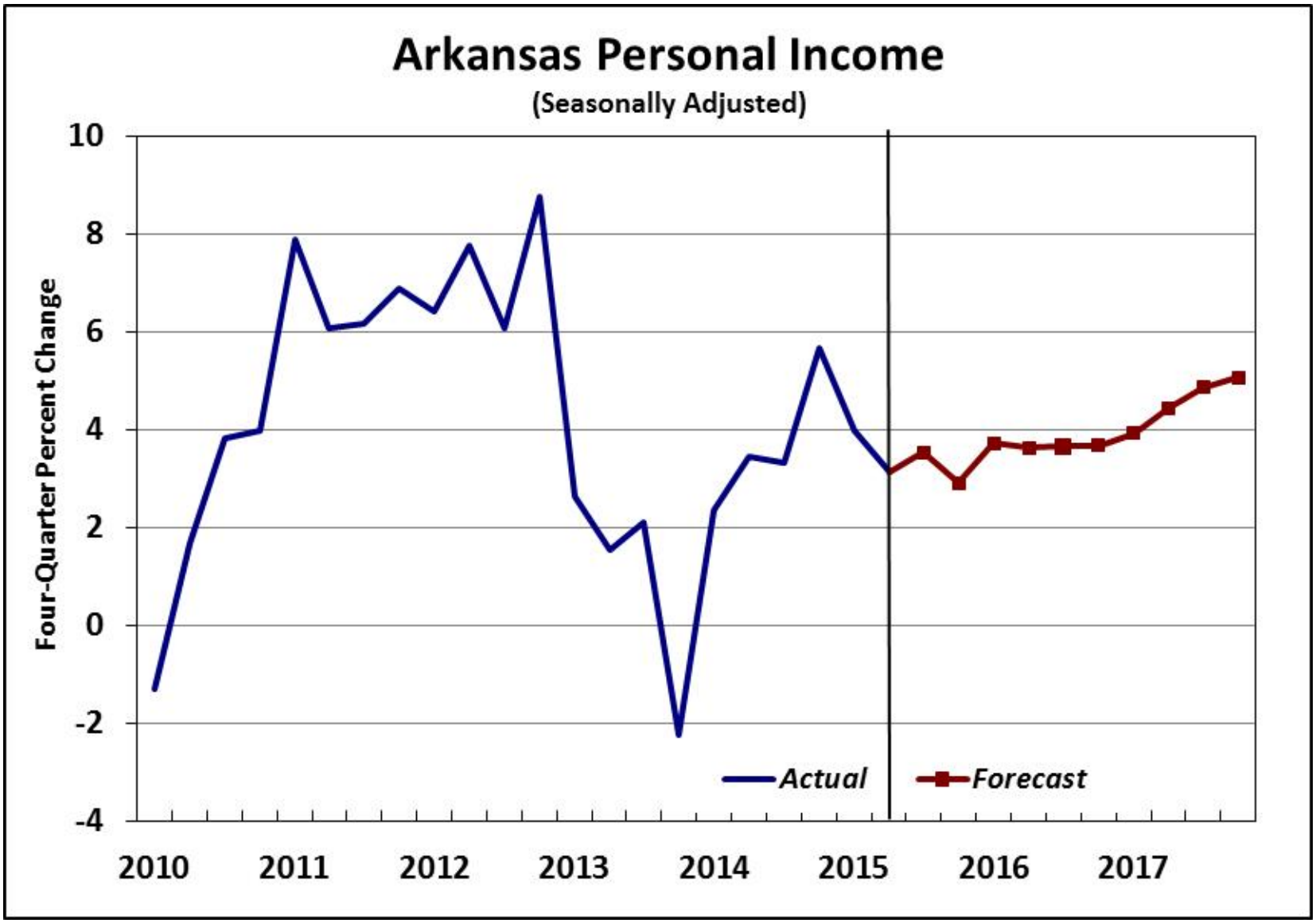

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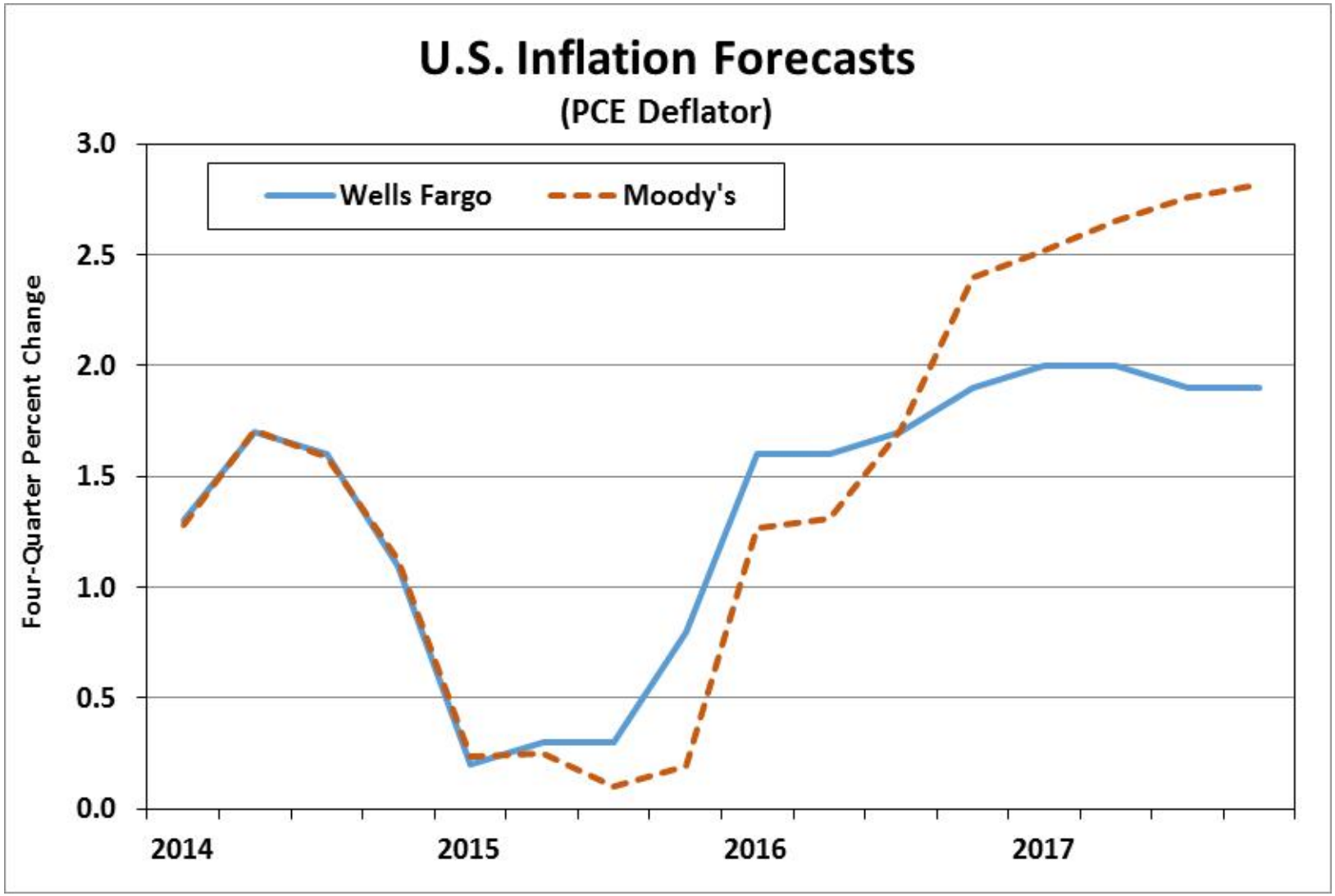

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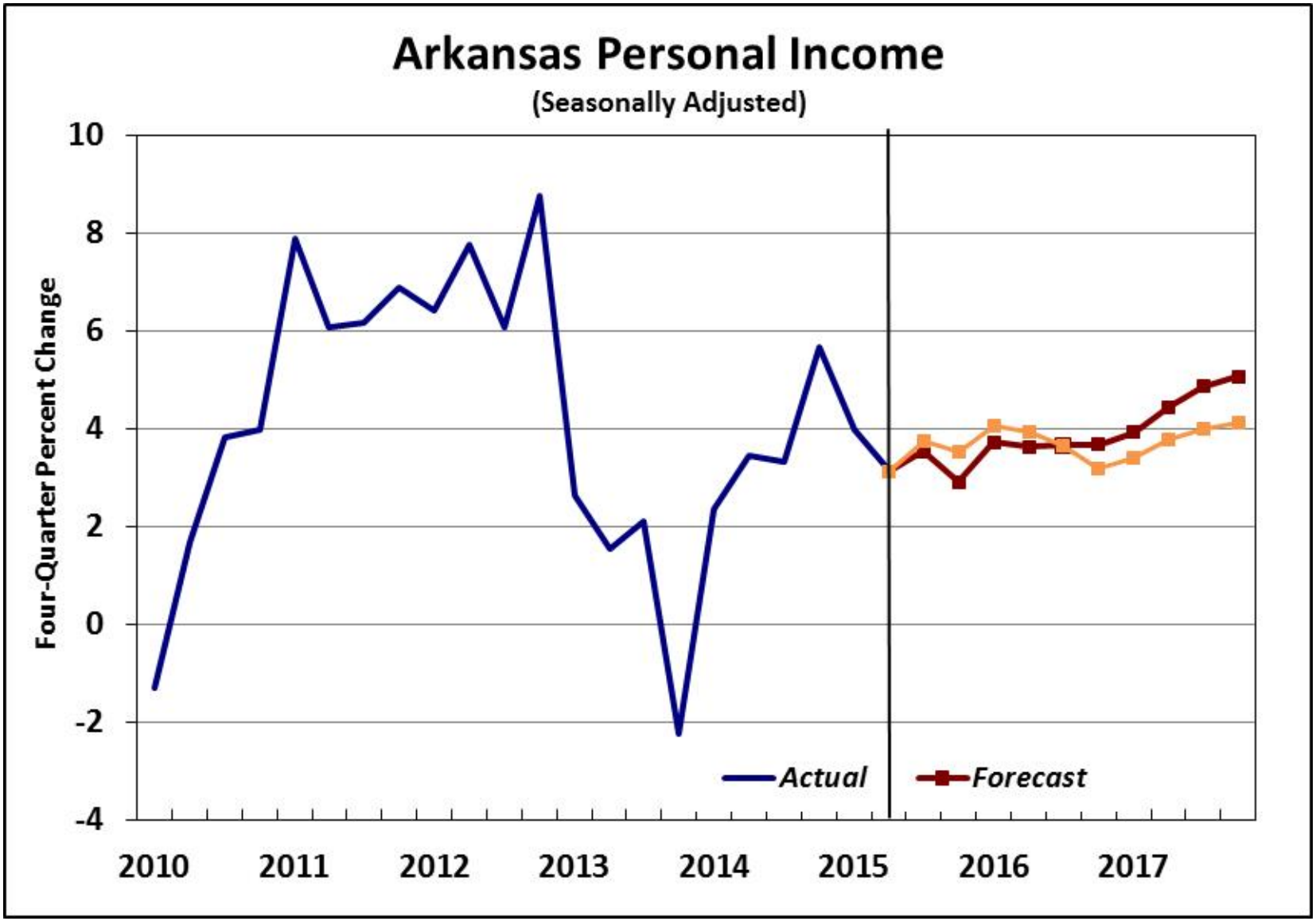

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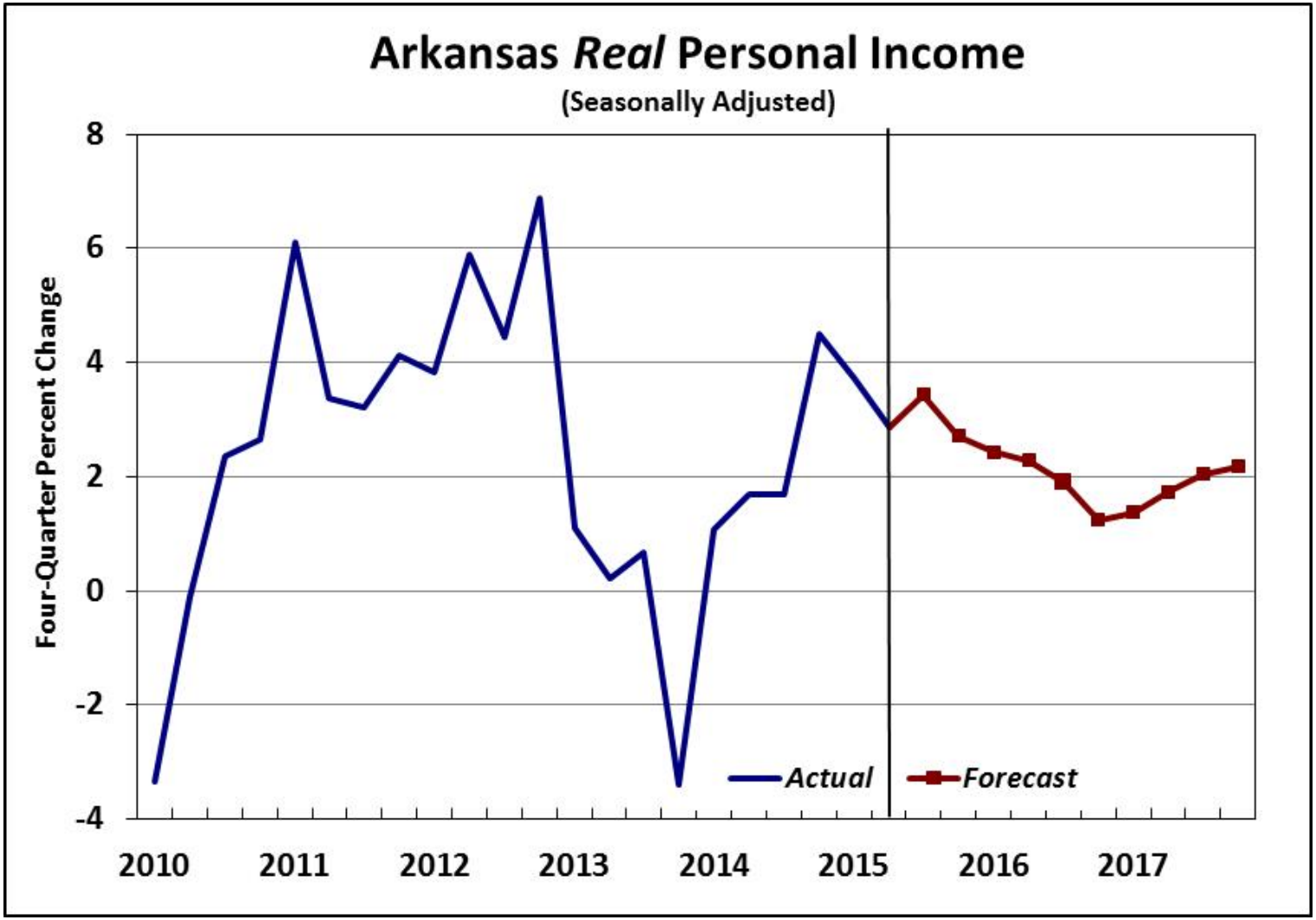
Real Personal Income

Q4/Q4 Growth (%)	
2014	4.5
2015	2.7
2016	1.2
2017	2.2



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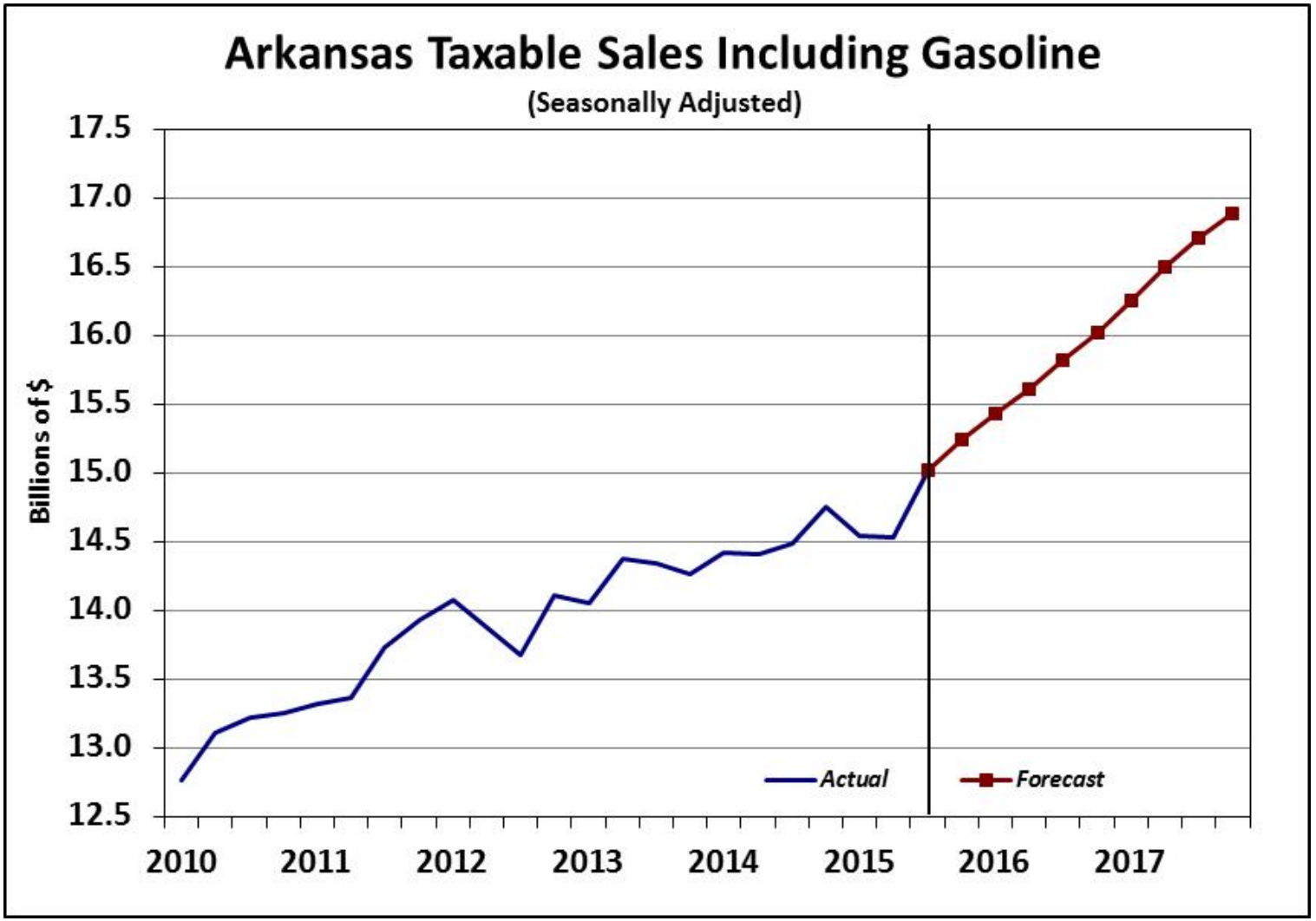
Retail Sales

Q4/Q4 Growth (%)	
2014	3.5
2015	3.3
2016	5.2
2017	5.4



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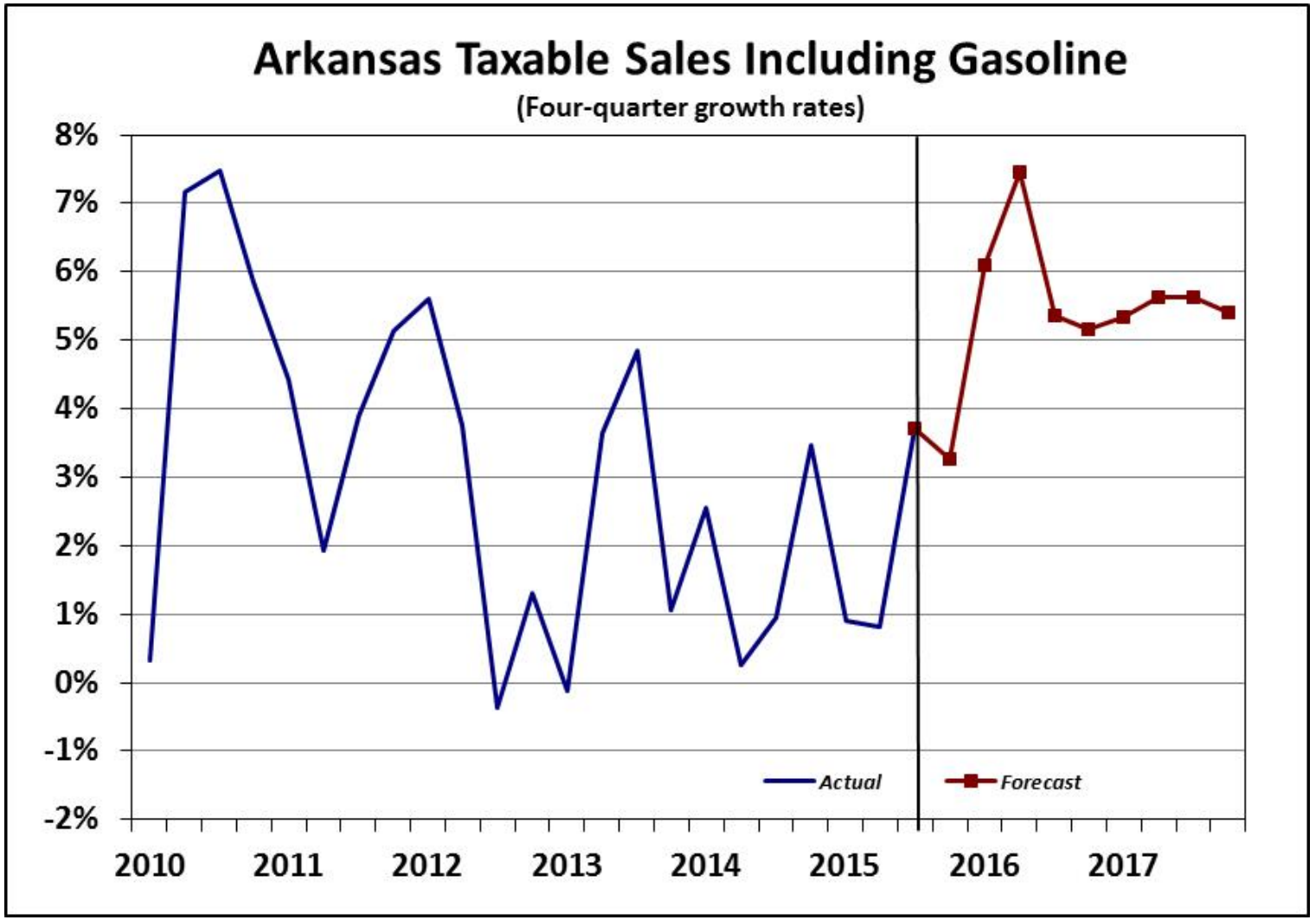
Q4/Q4 Growth (%)	
2014	3.5
2015	3.3
2016	5.2
2017	5.4



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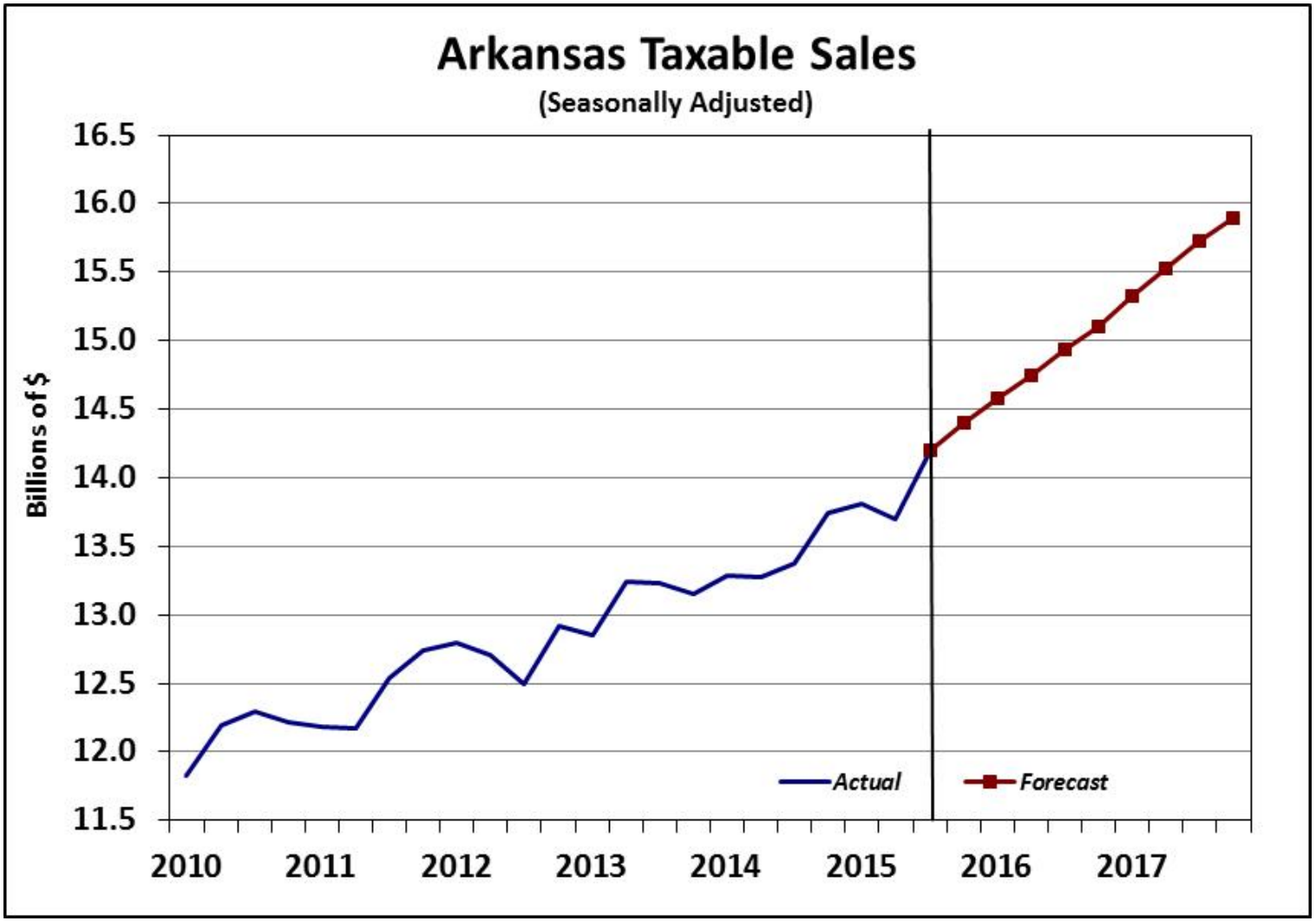
Retail Sales

Q4/Q4 Growth (%)	
2014	4.5
2015	4.8
2016	4.9
2017	5.2



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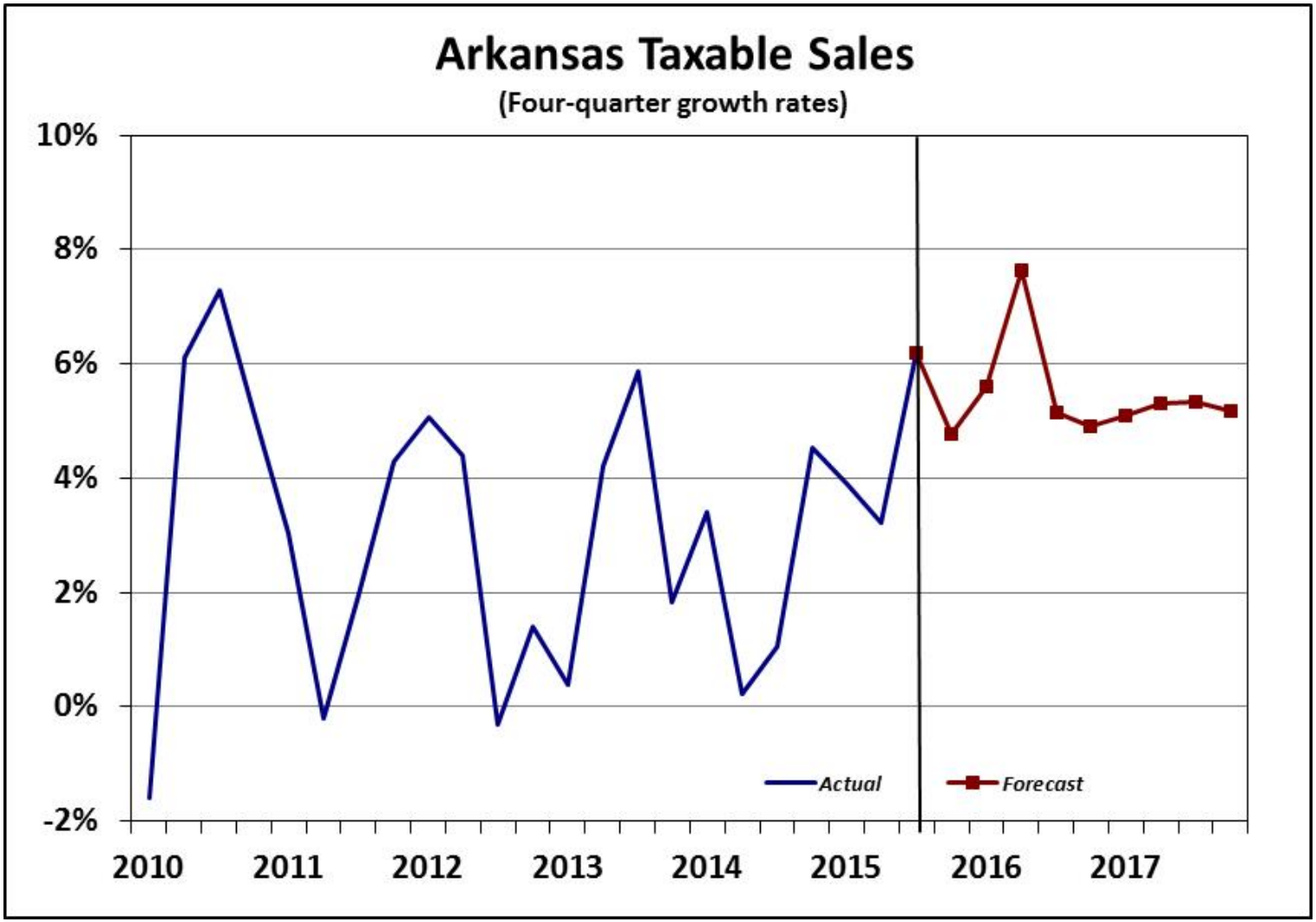
Retail Sales

Q4/Q4 Growth (%)	
2014	4.5
2015	4.8
2016	4.9
2017	5.2



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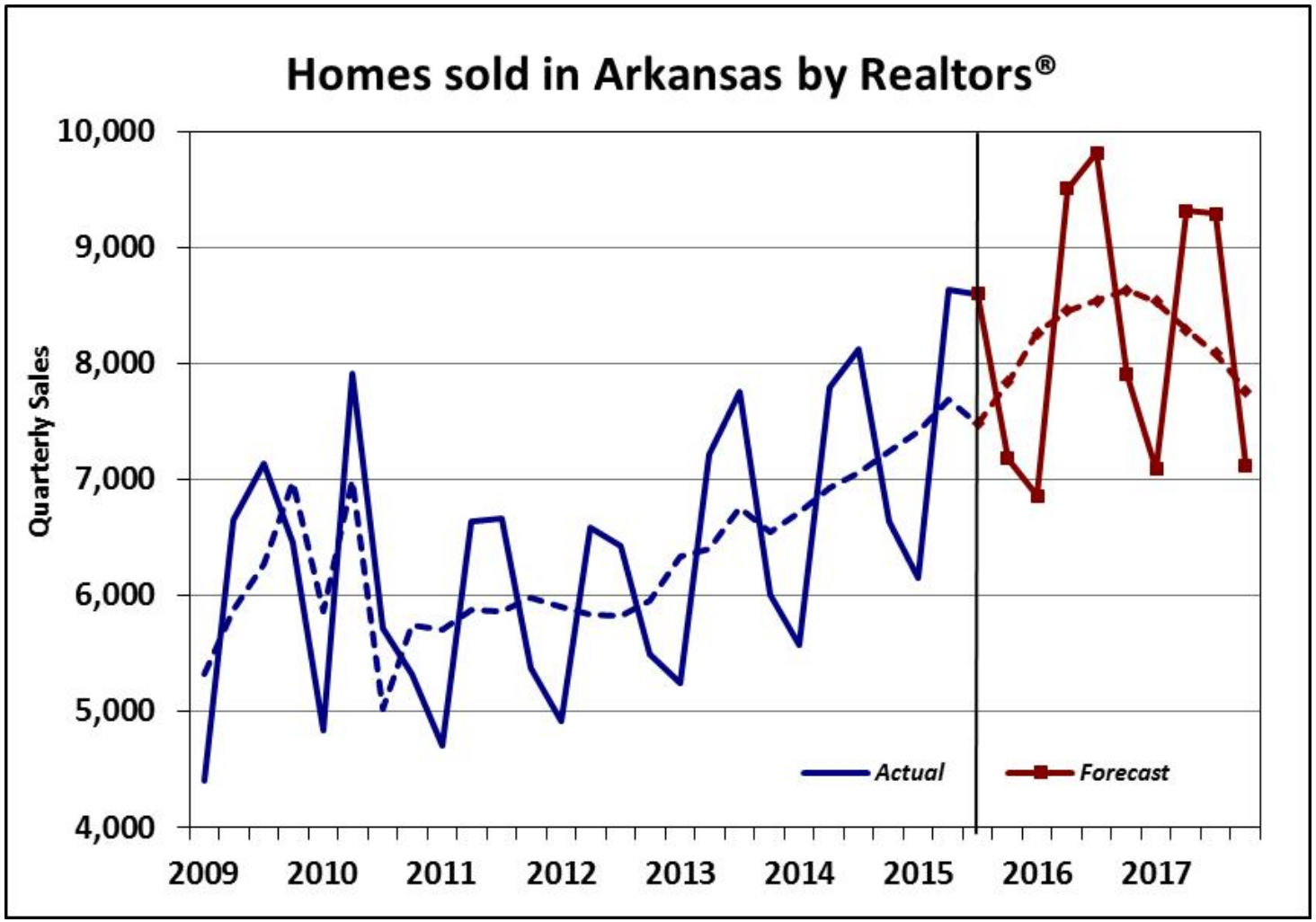
Home Sales

Sales (Pct. Change)	
2013	26.2K 11.9%
2014	28.1K 7.3%
2015	30.6K 8.7%
2016	34.1K 11.5%
2017	32.8K -3.7%



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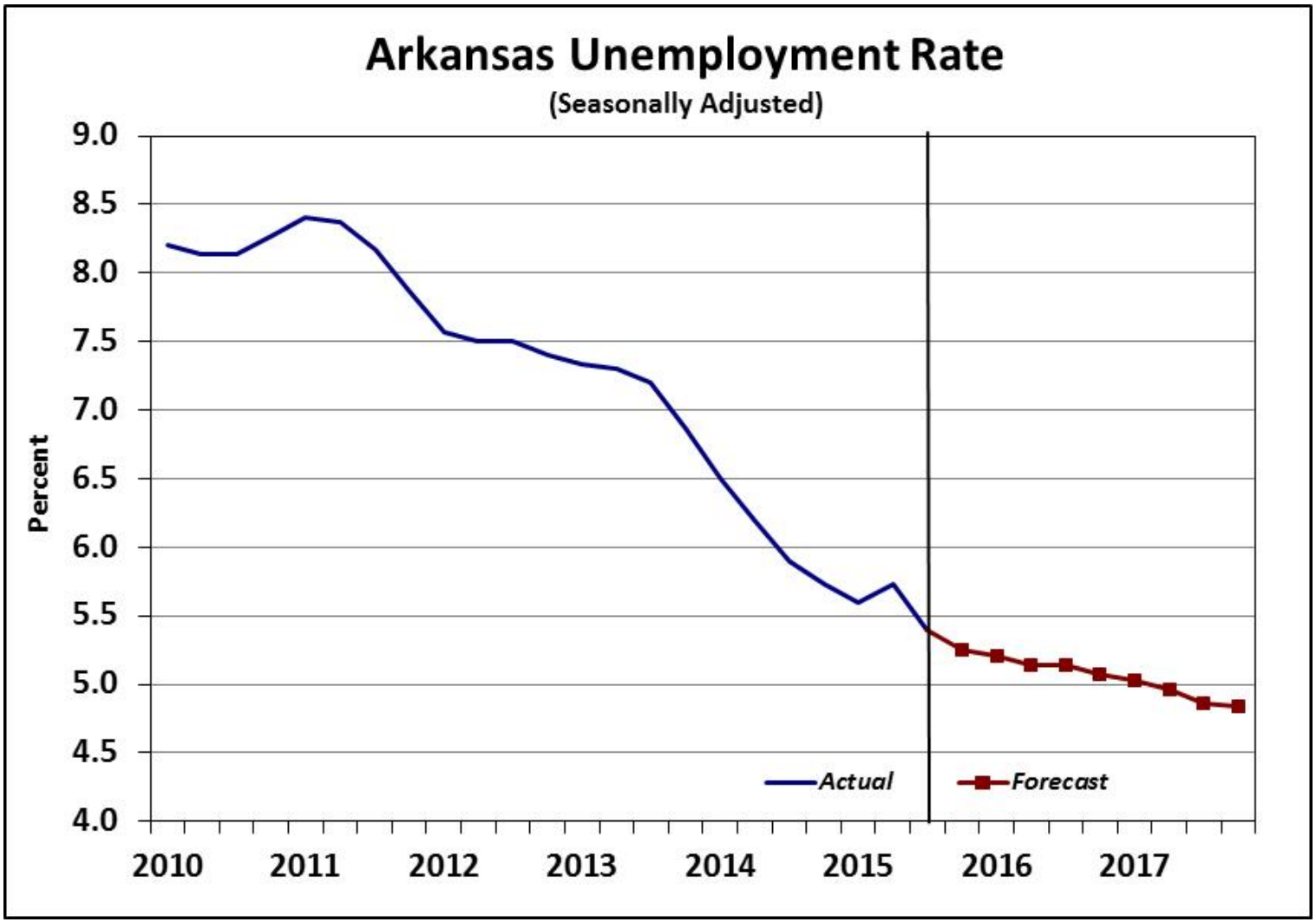
Unemployment

End of Year (Q4)	
2014	5.7
2015	5.2
2016	5.1
2017	4.8



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