

# AEROSPACE & DEFENSE REPORT

ARKANSAS  
INC

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# INTRODUCTION

The Aerospace & Defense industry is a major part of Arkansas' economy. As such, these sectors have positioned our state as a leader in aerospace education, attracting many major companies that continue to invest and grow operations here. Along with business success, these companies have found staunch support from our strong workforce, industry associations and state government. And, with growth projected for the industry well into the foreseeable future, **Arkansas is well-positioned to secure our foothold in the global market.**





# INDUSTRY SNAPSHOT



Aerospace/aviation was Arkansas' **leading export** in 2022.

(Source: 2023 IHS Markit)

Aerospace & Defense exports made up over **15%** of the state's total exports in 2022 with over **\$890 million in goods** exported.

(Source: 2023 IHS Markit)



Dassault Falcon Jet's **largest facility in the world** is located in Little Rock.

The total value of Little Rock Air Force Base's economic impact was reported as **\$1.79B** in 2022.

(Source: LRAFB FY 2022 Economic Impact Statement)

# STRONG HISTORY

- ✈ As early as 1872, Arkansan Charles McDermott received a patent for a “flying machine.”

(Source: <https://www.littlerock.af.mil/News/Commentaries/Display/Article/358004/arkansas-aviation-history/>)

- ✈ In February 1908, the Hot Springs Airship Company opened shop and began building flying dirigibles.

(Source: <https://www.littlerock.af.mil/News/Commentaries/Display/Article/358004/arkansas-aviation-history/>)

- ✈ Arkansas’ first well-documented flight, piloted by **James C. “Bud” Mars**, took place in Fort Smith on May 21, 1910.

(Source: <https://www.littlerock.af.mil/News/Commentaries/Display/Article/358004/arkansas-aviation-history/>)

- ✈ Eberts Training Field near Lonoke opened to help meet the growing need for qualified pilots in 1917, when World War I was in full swing. It ranked second among aviation training fields maintained by the U.S. government.

(Source: <https://www.littlerock.af.mil/News/Commentaries/Display/Article/358004/arkansas-aviation-history/>)

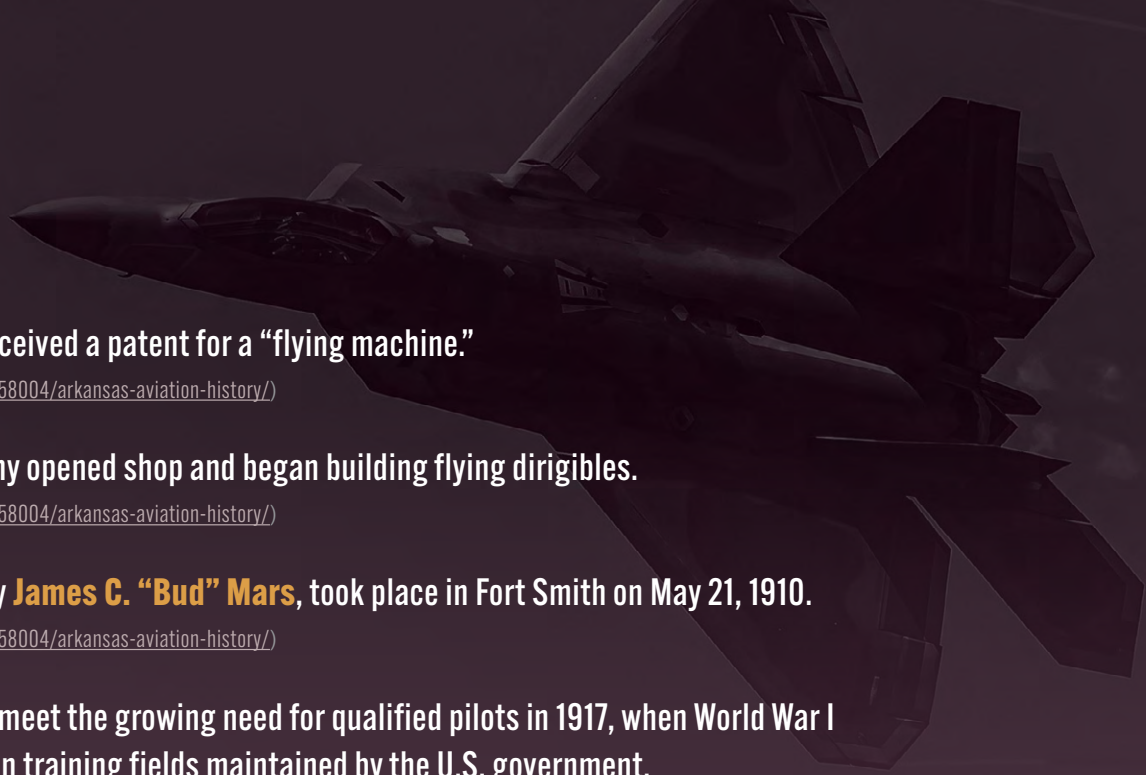
- ✈ The 154th Observation Squadron, an arm of the Arkansas National Guard, was established in 1925 and flew out of the Little Rock Municipal Airport. Now known as the 189th Airlift Wing, it is still active today in flying C-130s out of the Little Rock Air Force Base. (Source: <https://www.littlerock.af.mil/News/Commentaries/Display/Article/358004/arkansas-aviation-history/>)

- ✈ Little Rock built the first formal airfield in 1926, after the state’s Constitution was amended to authorize funding to create these spaces. It’s now the **Bill and Hillary Clinton National Airport**.

(Source: <https://encyclopediaofarkansas.net/entries/aviation-4589/> and <https://encyclopediaofarkansas.net/entries/bill-and-hillary-clinton-national-airport-2311/>)

- ✈ Pine Bluff and Fort Smith soon followed, opening their own airfields the next year.

(Source: <https://encyclopediaofarkansas.net/entries/aviation-4589/>)



- ✈ In 1928, **Arkansas Air Tours** began, supported by local enthusiasts who organized flying clubs.

(Source: <https://encyclopediaofarkansas.net/entries/aviation-4589/>)

- ✈ During World War II, Arkansas housed six ordnance plants, four of which were government owned and contractor operated. These plants manufactured detonators, fuses, primers and bombs; provided grounds for testing munitions, along with rocket loading, testing and storage; and produced chemical agents for bombs and other explosives.

(Source: <https://encyclopediaofarkansas.net/entries/world-war-ii-ordnance-plants-373/>)

- ✈ In 1946, Raymond J. Ellis started the state's first commuter service to Little Rock, South Central Air Transport. Seven years later, he founded his most enduring commuter service, Scheduled Skyways.

(Source: <https://encyclopediaofarkansas.net/entries/aviation-4589/>)

- ✈ Arkansas had two Air Force bases — Eaker outside of Blytheville, which opened in 1942, and Little Rock, which opened in 1955 — during the height of the Cold War. Eaker was shut down in 1992, though the Little Rock Air Force Base remains strong, as it alone is the **twelfth largest employer** in Arkansas.

(Source: <https://encyclopediaofarkansas.net/entries/aviation-4589/> & LRAFB FY 2022 Economic Impact Statement)



Source: Arkansas Economic Development Commission  
2023



# INDUSTRY PRESENCE & GROWTH

- ✈ Arkansas has a trained & skilled workforce in both the defense and aviation industries.
- ✈ Arkansas aerospace and defense industry manufacturing is comprised of **144 companies** employing **8,866**. Of that total, 5,952 employees are directly engaged in aerospace products and parts manufacturing sector with an **average wage of \$32.86/hour** (Annual 2022). (Source: Arkansas Department of Workforce Services)
- ✈ The Little Rock Air Force Base has 6,498 personnel, including active duty and Army Reserve Forces. The total value of LRAFB's economic impact was reported as **\$1.79B**. (Source: LRAFB FY 2022 Economic Impact Statement)
- ✈ Arms and Ammunitions of War exports are valued at approximately \$200 Million, while aircraft exports dominate at a value of nearly \$1B. (Source: Arkansas Economic Development Commission, 2022 Arkansas Export Statistics)
- ✈ In the defense sector, global spending is expected to increase about 2.5% in 2022. (Source: Deloitte, 2022 Aerospace and Defense Industry Outlook)
- ✈ Leading global commercial aerospace original equipment manufacturers (OEMs) estimate that global passenger traffic will return to 2019 levels by the end of 2023 or early 2024. (Source: Deloitte, 2023 Aerospace and Defense Industry Outlook)
- ✈ Defense spending is likely to keep the industry stable in 2021 and beyond, as passenger travel continues to inch closer to pre-pandemic levels. While passenger air travel continues to recover, companies are starting to shift their focus more on research and development in different technologies, supply chains, and sustainability.
- ✈ Emerging markets such as space, supersonics/hypersonics, and advanced air mobility (AAM) are poised to change the industry landscape and capabilities in the coming years. (Source: Deloitte, 2023 Aerospace and Defense Industry Outlook)

# CURRENT COMPANIES

Some of the aerospace industry's leading companies call Arkansas home. According to the Arkansas Division of Workforce Services, there are **8,866 employees** at **143 locations** throughout the state working in the Aerospace and Defense Industry alone.

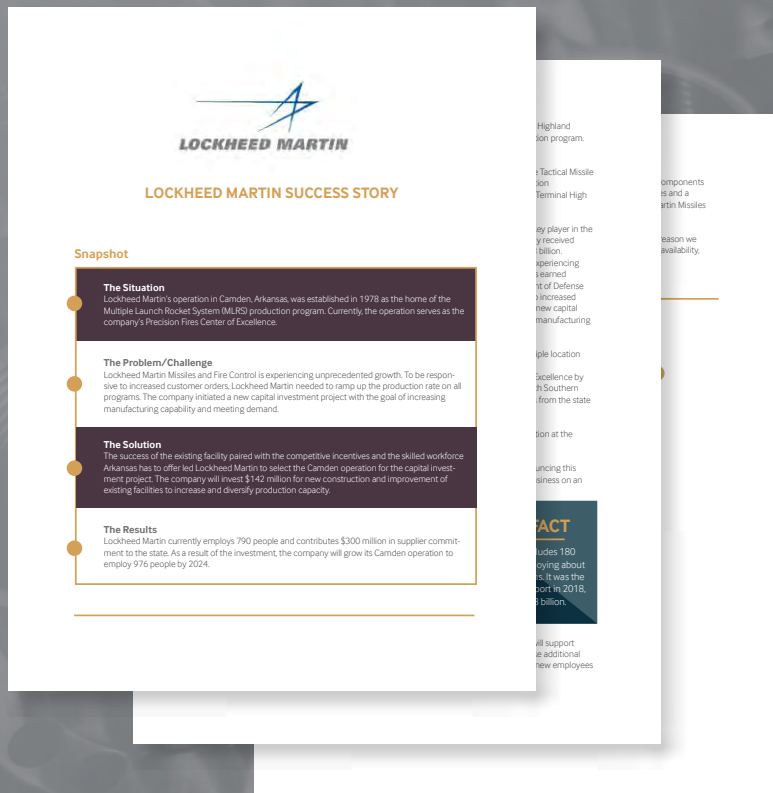
## ARKANSAS AEROSPACE COMPANIES MAP



Source: Arkansas Economic Development Commission  
2023



## CASE STUDY: LOCKHEED MARTIN SUCCESS STORY



Learn more about the success Lockheed Martin has had in Arkansas by downloading our [Case Study](#).



Lockheed Martin's operation in Camden, Arkansas, was established in 1978 as the home of the Multiple Launch Rocket System (MLRS) production program. Currently, the operation serves as the company's Precision Fires Center of Excellence.

In 2018, Lockheed Martin continued to be a key player in the aerospace and defense industry. **The company received record orders of \$68.1 billion, a year-end backlog of \$147.1 billion, and net sales of \$65.4 billion.**

(Source: Lockheed Martin Annual Report 2020)

In order to be responsive to increased customer orders, Lockheed Martin initiated a new capital investment project to expand the company's manufacturing capability.

## CASE STUDY: GALLEY SUPPORT INNOVATIONS FINDS SUCCESS IN ARKANSAS



Gina Radke and her husband, Wade, were living in Florida when they decided they were ready to start their own business. They considered buying the family business, aircraft interior hardware company Galley Support Innovations. After eventually buying the business, they relocated it from California to Arkansas.

Almost 15 years later, the Radkes credit Arkansas for its support in helping to grow the company from a husband-and-wife team to one with nearly 30 employees producing just under **\$5 million in annual sales**.



### GALLEY SUPPORT INNOVATIONS SUCCESS STORY

#### The Situation

Gina Radke and her husband, Wade, were living in Florida when they decided they were ready to start their own business. The timing couldn't have been more perfect as Wade's Uncle was interested in moving away from the business the family started in the 1950s. Thinking it a horrible idea at first, the Radkes came around and eventually bought the rights to the products and equipment originally owned by Wade's grandfather using money from the sale of their home in Florida. The result was Galley Support Innovations, GSI for short, today's leading designer and manufacturer of interior hardware for aircraft.

The Radkes looked at relocating the business from California to Texas but decided on Arkansas where Gina grew up, primarily due to the state's competitive cost of living and cost of doing business. In the beginning, the company strictly served commercial aviation companies but has since focused more and more on private aviation.

#### The Challenge

The jumping off point came when GSI began developing a product for Falcon Jet. Gina and Wade met leaders from Dassault Falcon and Gulfstream at trade shows and began working with them. Dassault Falcon has a sizable operation in Central Arkansas, which has proven advantageous for the business partnership.

As the private aviation business side of the company grew, it was imperative for the company to meet the needs of a distinguishing customer base accustomed to luxury. GSI's personalized design capabilities set the company apart from its competitors. Rather than picking stock options out of a catalog, GSI's customers receive personalized designs just for them.

Learn more about Galley Support Innovations' success in Arkansas by downloading our [Case Study](#).

## CASE STUDY: OZARK INTEGRATED CIRCUITS

Ozark Integrated Circuits (OZIC) is a small company doing big things. And, with the help of Arkansas Economic Development Commission's Technology Development Program investments and the Technology Transfer Assistance Grant Program, the company has acquired more than 23 Small Business Innovation Research grants, contracts and subcontracts, **totaling more than \$9 million in federal grants** from DARPA, the U.S. Air Force, NASA and The Department of Energy. OZIC was recently awarded \$250k from the AEDC Seed Capital Investment Program to commercialize some new technology.

But the company never intended to focus solely on government contracts. It has used each product it has designed to develop another piece of its product roadmap. In 2014, OZIC developed a consulting business, paving the way for it to develop custom electronics for commercial companies.

One of its most notable successes is its pitch to NASA, which sought to outperform Russian scientists in developing a reliable ultraviolet imager to study the environment on Venus. OZIC proposed a microcontroller and an ultraviolet imager using silicon carbide, winning **\$245,000** to conduct a feasibility study simulating the products. The ultraviolet imager was selected for further funding and is currently being tested.



Learn more about the Fayetteville-based company's continued achievements in Arkansas by downloading our [Case Study](#).



# HOW IS ARKANSAS MEETING THE WORKFORCE NEED?



Arkansas is a leader in aerospace education in the South, offering a wide variety of certification programs and degrees.

Fields of study related to the aerospace industry are available at **15 four-year universities** and **22 two-year colleges** covering every geographic area of the state in the following programs and classes:

AVIATION AIRFRAME AND POWERPLANT MAINTENANCE

MATHEMATICS AND STATISTICS

GENERAL AVIATION MAINTENANCE

AVIATION INSTRUMENT RATING

COMMERCIAL PILOT

PROFESSIONAL PILOT

CYBERSECURITY AND PRIVACY

CYBER CRIMINOLOGY

HOMELAND SECURITY

DATA MANAGEMENT

CYBER SYSTEMS

NETWORK ENGINEERING

NETWORKING

COMPUTER TECHNOLOGY & NETWORKING

INDUSTRIAL RADIOLOGY

ENGINEERING

ENVIRONMENTAL MANAGEMENT

PRECISION PRODUCTION TRADES

MILITARY TECHNOLOGIES & APPLIED SCIENCES

BUSINESS MANAGEMENT, MARKETING, AND RELATED SUPPORT SERVICES

- ✈ Southern Arkansas University Tech (SAU Tech) was the first school in the state to become certified as an aviation maintenance training facility with the Federal Aviation Administration (FAA). Today, SAU Tech operates two certified schools, one in Camden and the other in Texarkana.
- ✈ The program is made up of general maintenance, airframe and powerplant maintenance curricula. Upon completion, students in this field can then take the written, oral and practical tests to earn the FAA A&P Certificate.
- ✈ Students can go on to earn an associate of applied science degree in aviation maintenance technology with just an extra **15 hours** of general education.
- ✈ The school has produced **more than 20 percent** of all aviation-related certificates and degrees from 2014-2018.  
(Source: Arkansas Department of Higher Education)
- ✈ Its graduates are highly skilled and are able to work anywhere in the world that aircraft must be maintained.

**“I now live in Little Rock and work for Central Flying Service. We work as contract maintenance for all of the airlines that fly in and out of the Bill and Hillary Clinton National Airport. **I love every minute of it.**”**

**- Daniel Castleberry, SAU Tech graduate**

(Source: <http://www.sautech.edu/wp-content/uploads/2018/01/Aviation%20Brochure%202018.pdf>)

# ARKANSAS ADVANTAGES

ARKANSAS IS THE MOST **ADVANTAGEOUS LOCATION** FOR AEROSPACE AND DEFENSE MANUFACTURING FACILITIES.

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WE'RE A **BUSINESS-FRIENDLY STATE**, MAKING IT AS SIMPLE AS POSSIBLE FOR COMPANIES TO START, RELOCATE AND/OR EXPAND OPERATIONS.

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ARKANSAS IS ONE OF 28 **RIGHT-TO-WORK** STATES, AS GUARANTEED IN OUR STATE'S CONSTITUTION.

## AVAILABLE SITES/BUILDINGS/HANGARS

- ✈ **Hawker Hangar space in Little Rock: 191,389 SF** (Source: <https://arkansassiteselection.com/Property/Detail/8046/Hawker-Facility-Bldg-200>)
- ✈ **Arkansas Aeroplex in Blytheville, formerly Eaker Air Force Base, boasts the state's largest runway available for public use at 11,600 feet and has room for more investments.** (Source: Arkansas Aeroplex)
- ✈ **Northwest Arkansas/Alice Walton Hangar space**
- ✈ **Highland Industrial Park in Camden has more than 1,000 buildings, making up more than 5.5 million SF for manufacturing and warehousing.** (Source: Highland Industrial Park)





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