

Labor Force Participation in Arkansas: A Comprehensive Study

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Labor Market Information

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Definition

The Labor Force Participation Rate (LFPR) is the percentage of the civilian non-institutionalized population (aged 16+) that is either working or actively looking for work.

Importance

- ❑ An estimate of an economy's active workforce
- ❑ Represents the amount of labor resources available for the production of goods and services

Source: US Department of Labor, Bureau of Labor Statistics



National Trends

- ❑ National LFPR peaked at 67.3% in 2000
- ❑ Rates hovered around 66% until 2008, when rates began to steadily decline after the Great Recession
- ❑ US LFPR was 62.6% in March 2023

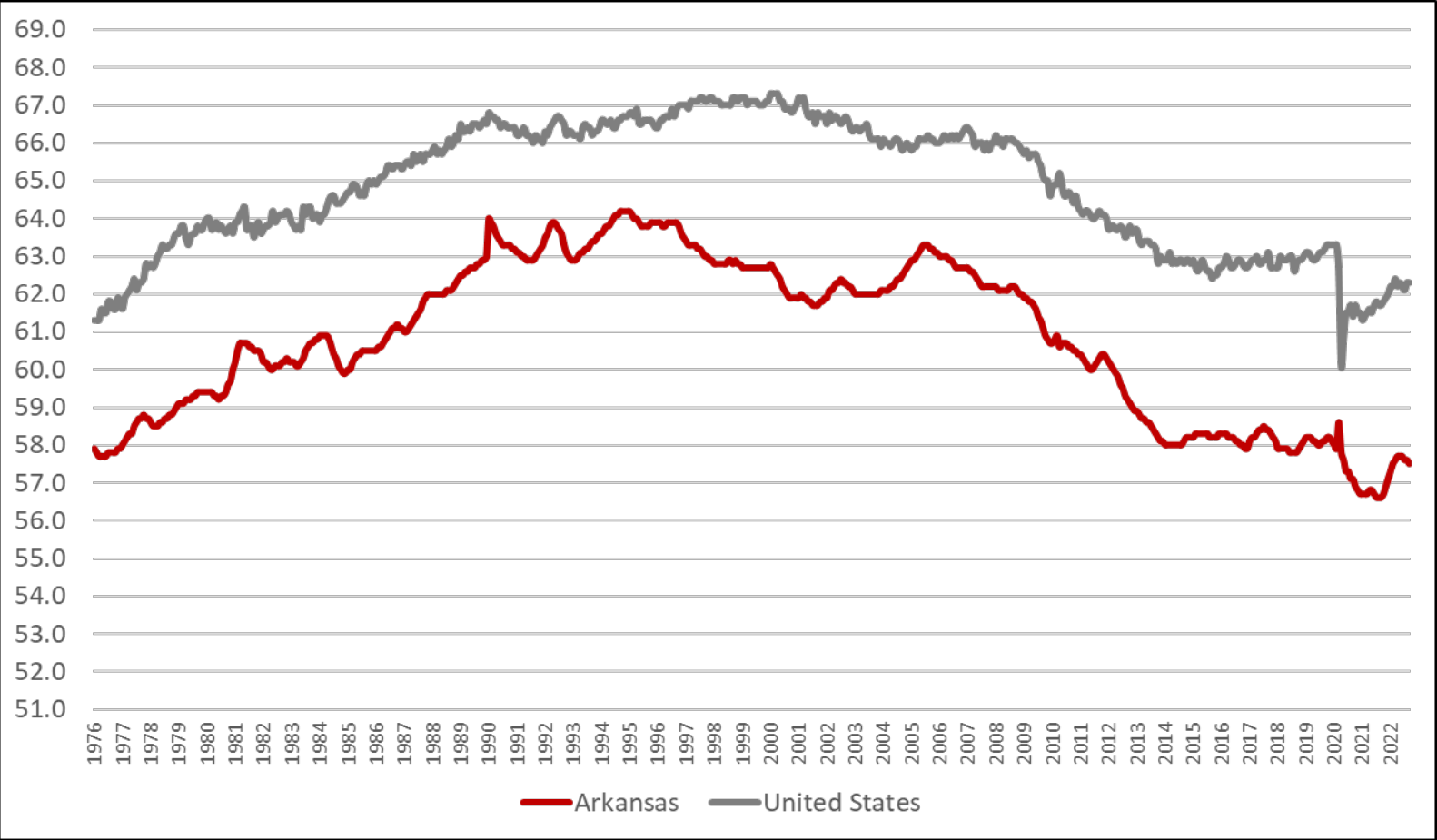
Arkansas Trends

- ❑ Arkansas' LFPRs were at their highest in 1994/95, reaching 64.2%
- ❑ Similar levels were seen again in 2005, but rates have steadily declined since then
- ❑ Current LFPR of 57.4% in March 2023

Source: US Department of Labor, Bureau of Labor Statistics



Labor Force Participation Rates (Seasonally Adjusted) January 1976 – March 2023 (AR vs US)



Source: Bureau of Labor Statistics- March 2023



Regional Trends

- ❑ LFPR trends can be seen at the regional level
- ❑ States in the Southern Region of the US have the lowest average LFPR of 60.9%
- ❑ The Midwest Region of the US has the highest average LFPR of 63.9%
- ❑ In March 2023, only 5 states reported lower LFPR rates than Arkansas
 - New Mexico= 56.7%
 - Alabama= 56.7%
 - South Carolina= 56.1%
 - West Virginia= 54.6%
 - Mississippi= 54.4%

Source: Bureau of Labor Statistics- March 2023

Labor Force Participation Rates by State (Seasonally Adjusted) March 2023



Source: Bureau of Labor Statistics- March 2023



Trends in Surrounding States

☐ Arkansas has the 2nd lowest LFPR of all the surrounding border states
(March 2023)

- | | | | |
|---------------|-------|-----------------|-------|
| ▪ Texas = | 63.9% | ▪ Tennessee = | 59.0% |
| ▪ Missouri = | 62.9% | ▪ Arkansas = | 57.4% |
| ▪ Oklahoma = | 61.0% | ▪ Mississippi = | 54.4% |
| ▪ Louisiana = | 59.3% | | |

Source: Bureau of Labor Statistics- March 2023

Demographics of LFP

Age and Gender

- Highest levels of LFP are in 'Working Aged' adults Aged 20-54 (73.5%)
- LFPRs decline after age 55, particularly for women
- In 2022, there were roughly 179,400 Men Aged 20-54 Out of the LF
- In 2022, there were roughly 274,000 Women Aged 20-54 Out of the LF

See Charts on Pages 7-8 for Age and Gender LFPR breakdowns

Source: Current Population Survey - 2022

Demographics of LFP

Race and Gender

- Hispanic Males have the highest levels of LFP (83.4%)
- White Females have the lowest levels of LFP (51.6%)

- LFPRs ranked by Race and Gender
 - Hispanic Males= 83.4%
 - White Males= 62.0%
 - Black Males= 60.3%
 - Black Females= 57.3%
 - Hispanic Females= 55.1%
 - White Females= 51.6%

See Chart on Page 9 for Race and Gender LFPR breakdowns

Source: Current Population Survey- 2022

Demographics of LFP

Educational Attainment

- Correlation between higher educational attainment and higher wages/lower unemployment
- Also a correlation between higher levels of educational attainment and higher labor force participation

Educational Attainment	LFPR	Civilian Non-Institutionalized Population	Total In the CLF	Out of the CLF
Less than HS Diploma	38.8%	183,800	71,400	112,400
HS Graduate, No College	53.3%	726,300	387,400	338,900
Some College or Associates	58.2%	551,600	321,000	230,600
Bachelor's Degree or Higher	66.8%	567,400	379,000	188,400

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Source: Current Population Survey- 2022

Reasons for LF Participation Decline

Researchers from various fields and governmental agencies have conducted studies on declining LFPR and have isolated 6 potential causes:

- Aging and Declining Population
- Decline of Men in the Workforce
- Trends in Young Workers and Educational Attainment
- Increase in the Number of Disabled
- High Incarceration Rates
- Addiction and Drug Abuse

Source: Bureau of Labor Statistics



Aging and Declining Population

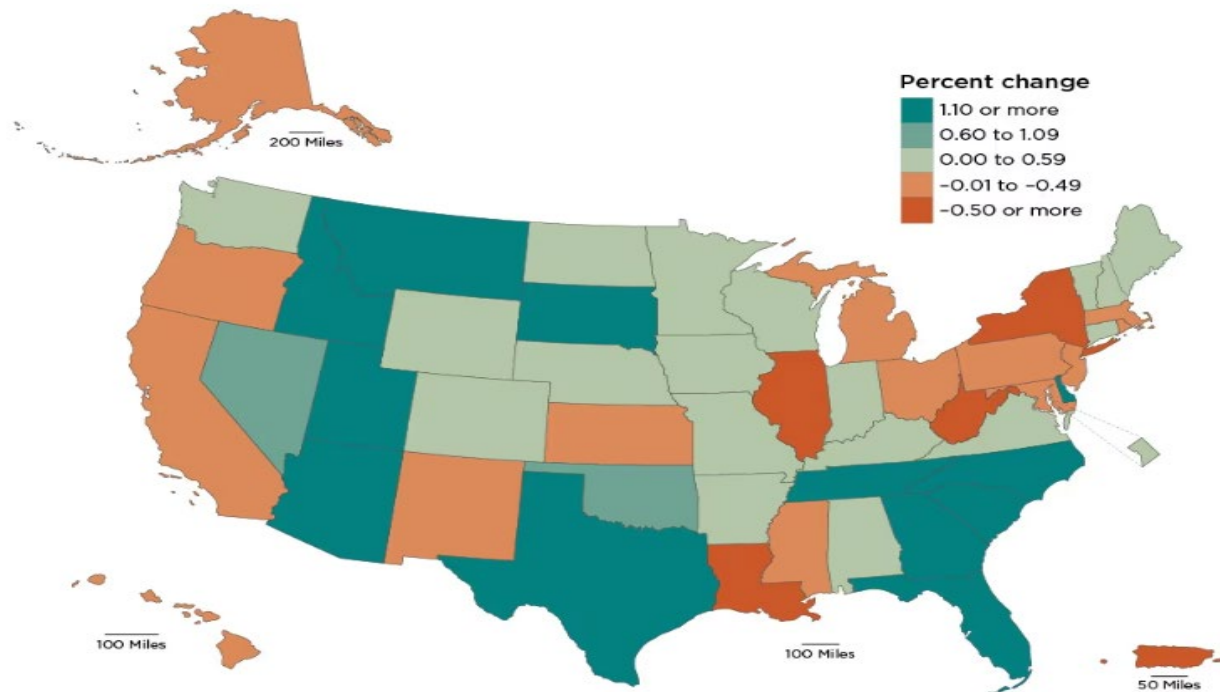
- ❑ The Bureau of Labor Statistics predicts that the country's aging population will have lasting impacts on the Labor Force
- ❑ The entire Baby Boomer generation is now over the age of 58
- ❑ In 2021, 23.4% of the US population was Age 60+
- ❑ In 2021, 23.7% of Arkansas' population was Age 60+
- ❑ Arkansas is attractive to retirees, due to the low cost of living and mild climate

See Page 12 for more information

Source: US Census Bureau



Percent Change in State Population: July 1, 2021 to July 1, 2022



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Census
Bureau

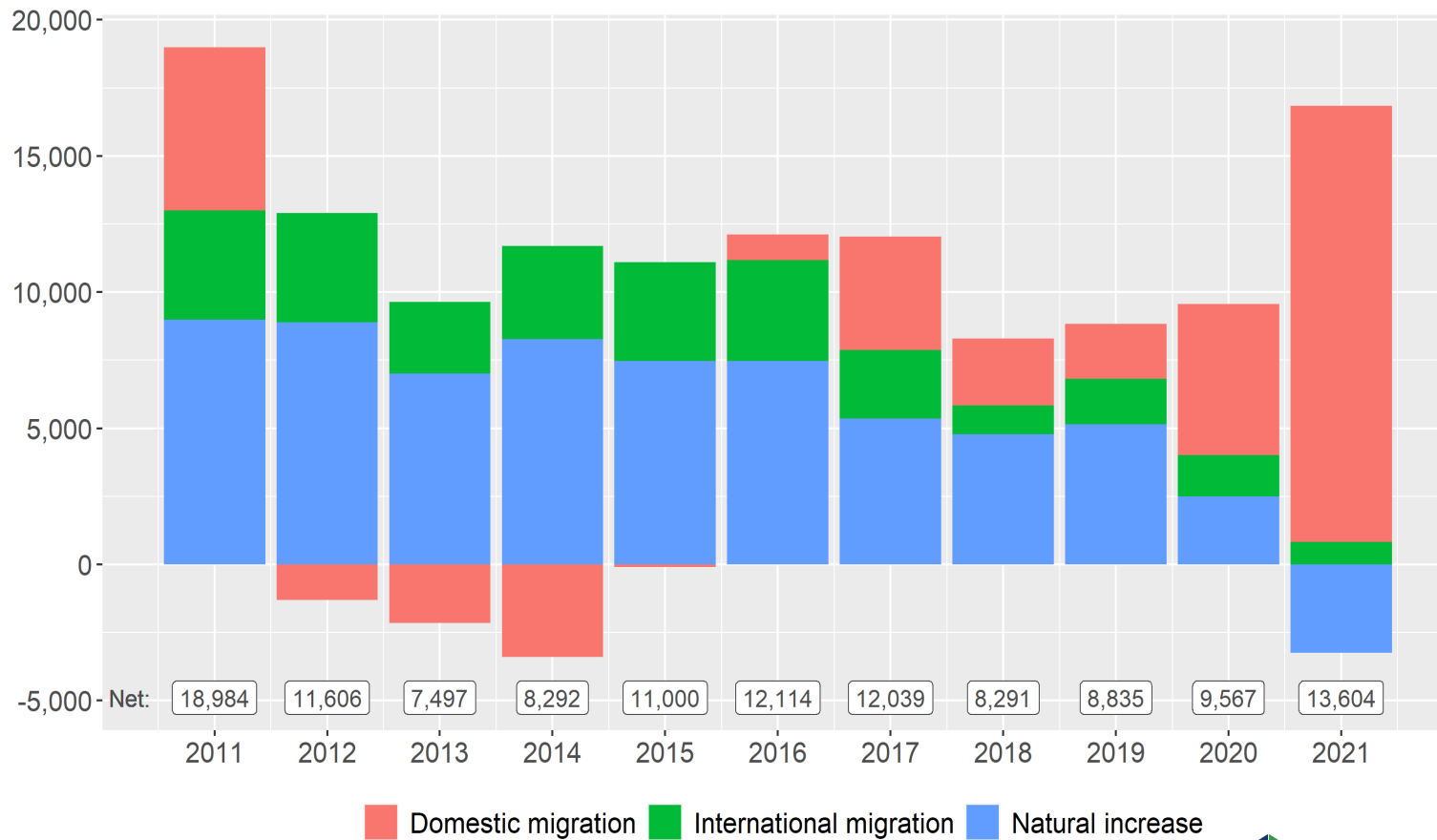
U.S. Department of Commerce
U.S. CENSUS BUREAU
[census.gov](https://www.census.gov)

Source: Vintage 2022 Population Estimates

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Source: US Census Bureau

Components of Population Change in Arkansas 2011 – 2021

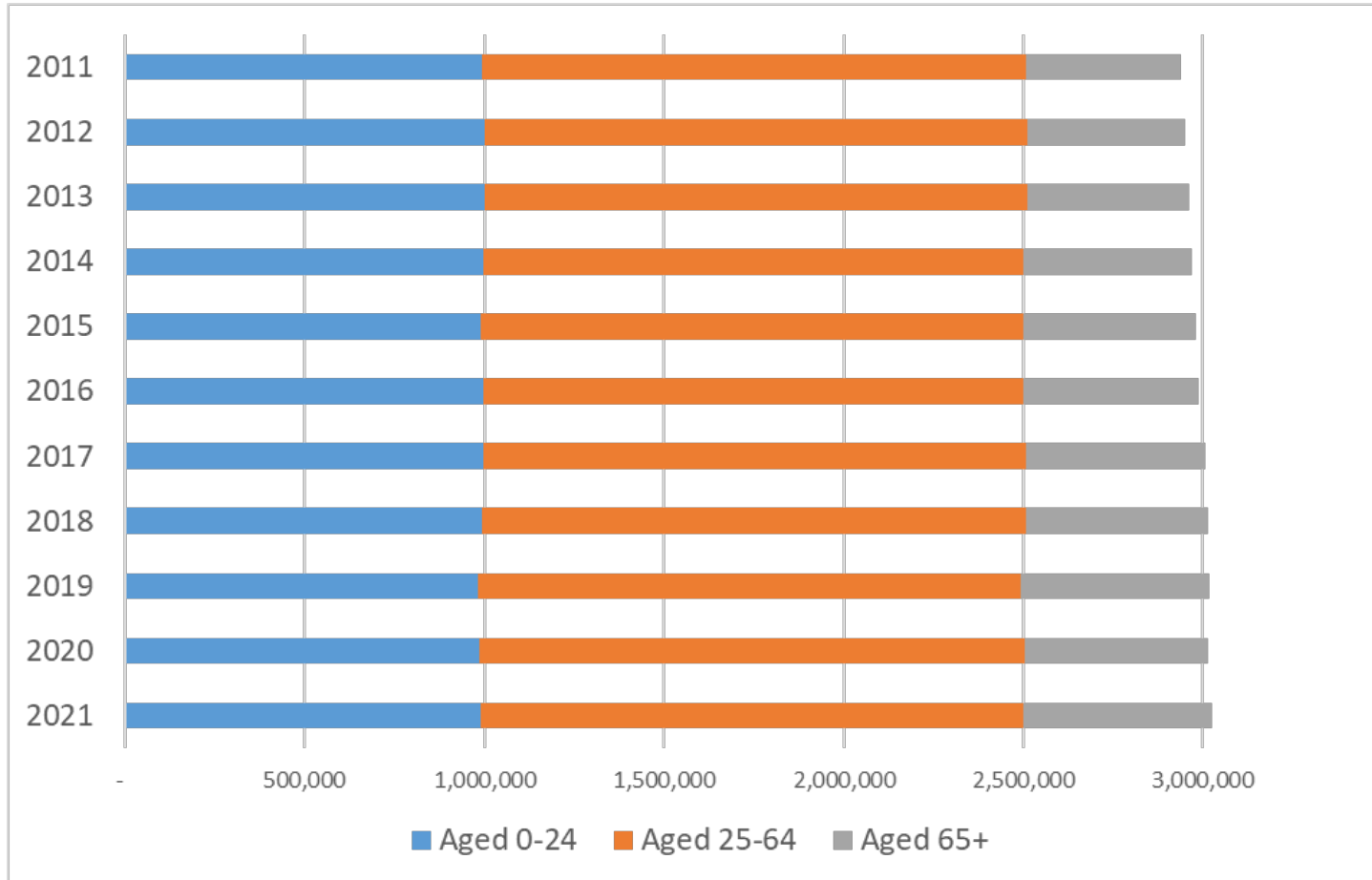


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Source: US Census Bureau



Total Population of Arkansans by Age Cohort 2011 - 2021



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Source: US Census Bureau

Decline of Men in the Work Force

- ❑ For the last 6 decades, the US has seen a slow decline of Males Aged 25-54 participating in the labor force
 - Males in Arkansas Aged 45-54 are less likely to participate in the LF than those aged 25-34 and 35-44

**Labor Force Participation Rates for Males
2018 – 2022 (State of Arkansas)**

Age Range	2018	2019	2020	2021	2022
Male, Age 16-19	35.1	38.9	35.9	35.5	33.8
Male, Age 20-24	73.8	78.0	73.4	75.4	77.6
Male, Age 25-34	81.3	85.4	85.4	87.9	89.9
Male, Age 35-44	85.8	86.5	86.2	85.9	86.0
Male, Age 45-54	81.6	82.5	80.4	82.1	79.1
Male, Age 55-64	63.2	63.0	60.6	57.0	58.4
Male, Age 65+	19.8	19.0	21.2	19.8	17.7

See Page 15 for more information

Source: Current Population Survey

Decline of Men in the Work Force

- ❑ Manufacturing jobs have declined significantly since the 1990s, due largely to a shift to overseas production



See Page 16 for more information

Source: US Department of Labor, Current Employment Statistics

Young Workers and Educational Attainment

- ❑ LFPRs of young adults Aged 16-19 and Aged 20-24 have been decreasing in the US since the 1970s
- ❑ Rates began to decline even faster after the 2007-2009 recession
- ❑ Trend in Arkansas changed post-pandemic, with increased LFPRs in 2022 compared to 2018

**Labor Force Participation Rates by Gender (Aged 20-24)
State of Arkansas (2018-2022)**

Age Range/Gender	2018	2019	2020	2021	2022
Male, Age 20-24	73.8%	78.0%	73.4%	75.4%	77.6%
Female, Age 20-24	63.2%	68.7%	66.3%	70.0%	76.6%
Total, Age 20-24	68.5%	73.4%	69.9%	72.7%	77.1%

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Source: Current Population Survey

Young Workers and Educational Attainment

- ❑ School enrollment declined for Arkansans Aged 20-24 over the last 5 years

**School Enrollment by Year (Aged 20-24)
State of Arkansas**

Year	% Enrollment	# Enrolled
2015	37.8%	75,644
2016	35.7%	69,808
2017	34.6%	69,340
2018	34.7%	69,338
2019	35.4%	70,081
2020	34.9%	70,209
2021	30.7%	61,575

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Source: US Census Bureau

Increase in the Number of Disabled

- ❑ Research suggests that an increase in the number of individuals on Social Security Disability Insurance and those who identify as being disabled has had an impact on LFPR:

Note- The data represents Arkansans Aged 16+ that self identify as having a disability and it's impact on their labor force participation. This is not the same as the number of Arkansans drawing Social Security Disability Insurance.

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**Number of Disabled by Year (Aged 16+)
State of Arkansas**

Year	# Disabled	% Out of Labor Force	# of the LF due to Disability
2011	452,399	74.1%	335,228
2012	440,147	74.6%	328,350
2013	459,896	76.8%	353,200
2014	461,891	76.4%	352,885
2015	465,144	76.5%	355,835
2016	466,051	76.0%	354,199
2017	493,533	76.1%	375,579
2018	487,552	76.6%	373,465
2019	484,710	75.6%	366,441
2020	485,829	76.0%	369,230
2021	476,616	73.4%	349,836

Source: US Census Bureau

High Incarceration Rates

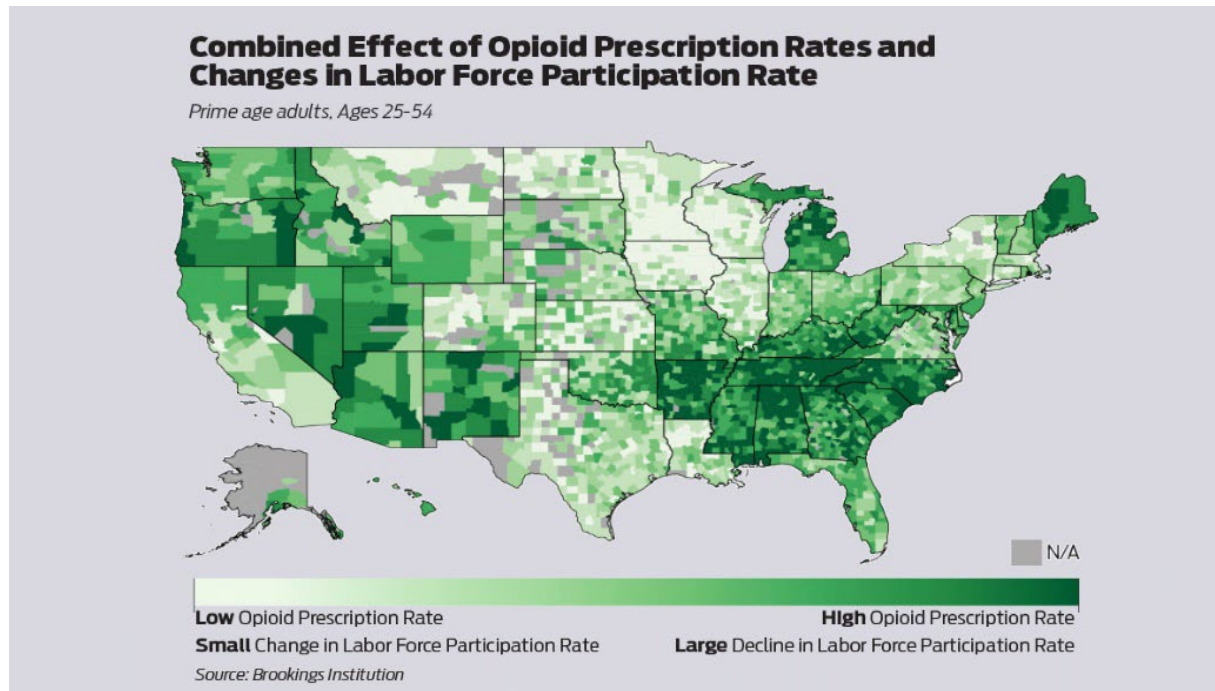
- ❑ Some researchers have established a link between high incarceration rates and decreased LFPR
 - Incarceration rates began to increase sharply in the 1980s
 - In 2021, there were 17,022 adult inmates incarcerated in federal, state, county, and city facilities
 - Arkansas has the 2nd highest incarceration rate of 559 per 100,000 residents
 - More than 1% of Males in Arkansas were incarcerated at some point in 2021

See Page 19 for more information

Source: Bureau of Justice Statistics

Addiction and Drug Abuse

- ❑ A Princeton University study in 2017 found links between opioid prescriptions and LFPR
- ❑ Counties with high opioid prescription rates saw larger declines in LFPR over the last 15 years



Source: Princeton University

Addiction and Drug Abuse

- ❑ Arkansas has the 2nd highest number of legal opioid prescriptions per capita in 2020
- ❑ Arkansas has nearly twice the national average number of opioid prescriptions
- ❑ Arkansas is 'tied for the state economy most damaged by the opioid crisis'
- ❑ An estimated 43,400 Arkansas workers were lost to opioid addiction between 1999 and 2015

See Page 19 for more information

Source: National Institute on Drug Abuse

Recap on Labor Force Participation Rates

- Aging Population- need a younger workforce to compensate for the aging population
- Decline of Men in the Labor Force- need an increase in jobs for men, particularly those with lower education levels
- Trends in Young Workers and Education- need to promote and increase educational attainment
- Increases in the Number of Disabled- increase LFP of disabled Arkansans
- High Incarceration Rates- invest in programs to help previously incarcerated Arkansans return to the workforce
- Addiction and Drug Abuse- invest in programs to combat drug dependency and addiction

Labor and Population Changes at the Substate Level

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Population Changes

Counties with Largest Population Declines 2012 - 2022

County	Decline	County	Decline	County	Decline
Jefferson	-10,388	Ashley	-3,161	Columbia	-2,197
Mississippi	-6,657	Union	-3,109	Drew	-1,877
St. Francis	-5,541	Crittenden	-3,016	Lee	-1,820
Phillips	-5,432	Hempstead	-2,891	Desha	-1,819
Ouachita	-3,349	Arkansas	-2,452	Poinsett	-1,804

Counties with Largest Population Growth 2012 - 2022

County	Growth	County	Growth	County	Growth
Benton	67,925	Faulkner	9,142	Sebastian	1,488
Washington	44,298	Lonoke	5,116	Pope	1,434
Saline	15,915	Greene	3,219	Baxter	1,355
Craighead	13,024	Garland	3,103	Carroll	1,119
Pulaski	9,920	Madison	1,889		

Source: US Census Bureau

Inactive in the Labor Force*

*Inactive in the Labor Force is not a calculation produced or endorsed by the Bureau of Labor Statistics (BLS). This number was calculated in-house by Arkansas' Labor Market Information staff using a combination of Civilian Labor Force statistics and Population by Age data collected by the US Census Bureau. Inactive in the Labor Force was calculated by subtracting the Civilian Labor Force from the Population Aged 20-64. While it provides an estimate of how many residents are Inactive in the Labor Force, it does include some double counting of residents in the Civilian Labor Force that are aged 16-19 and over the age of 65. This number is intended as a guide for determining what portion of a county's population is Inactive in the Labor Force and should not be published or treated as an official estimate.

Source: Arkansas Labor Market Information

Inactive in the Labor Force*

Inactive in the Labor Force* by County (2021) Residents Aged 20-64

County	Inactive in LF*	County	Inactive in LF*	County	Inactive in LF*
Pulaski	45,195	Independence	4,356	Drew	2,166
Benton	27,052	Cleburne	4,063	Franklin	2,159
Washington	22,019	Columbia	3,680	Madison	1,875
Sebastian	18,652	Logan	3,567	Stone	1,773
Faulkner	14,563	Sharp	3,507	Montgomery	1,689
Saline	12,559	Yell	3,393	Bradley	1,566
Garland	12,124	Conway	3,315	Perry	1,416
Jefferson	11,237	Ashley	3,306	Hempstead	1,388
Lonoke	10,286	Izard	3,237	Pike	1,385
White	10,195	Clark	3,227	Howard	1,284
Pope	9,095	Sevier	3,153	Fulton	1,260
Craighead	8,241	Randolph	2,878	Searcy	1,241
Crawford	7,933	Poinsett	2,811	Scott	1,098
Greene	7,172	Lee	2,620	Lafayette	1,053
Union	6,160	Clay	2,521	Little River	1,053
Crittenden	6,105	Marion	2,520	Nevada	1,040
St. Francis	6,023	Ouachita	2,475	Cleveland	1,014
Mississippi	5,958	Van Buren	2,417	Desha	888
Miller	5,535	Polk	2,368	Monroe	838
Hot Spring	5,328	Phillips	2,363	Prairie	793
Lincoln	4,891	Chicot	2,358	Newton	522
Boone	4,834	Lawrence	2,351	Dallas	514
Baxter	4,702	Cross	2,254	Woodruff	458
Johnson	4,468	Carroll	2,227	Calhoun	348
Jackson	4,401	Grant	2,192		

Source: Arkansas Labor Market Information



Inactive in the Labor Force*

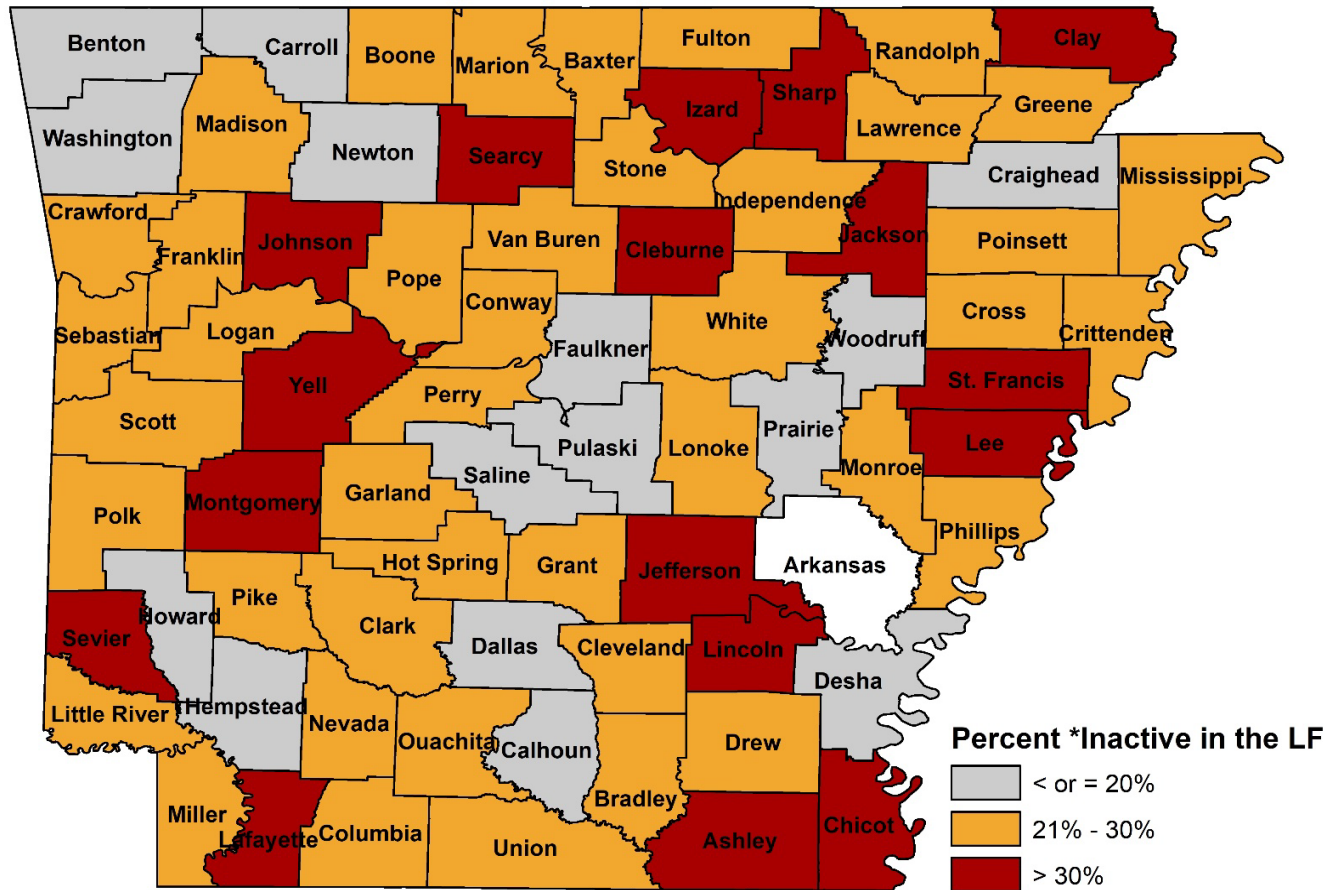
Percent Inactive in the Labor Force* by County (2021)
Residents Aged 20-64

County	% Inactive in LF*	County	% Inactive in LF*	County	% Inactive in LF*
Lincoln	57%	Stone	28%	Baxter	22%
Lee	51%	Hot Spring	28%	Poinsett	22%
Jackson	44%	Bradley	28%	Grant	21%
St. Francis	44%	Greene	27%	Independence	21%
Chicot	44%	Clark	27%	Scott	21%
Izard	42%	Mississippi	27%	Little River	20%
Sharp	38%	Lawrence	26%	Fulton	20%
Sevier	37%	Perry	26%	Ouachita	20%
Montgomery	37%	Sebastian	25%	Madison	20%
Ashley	33%	Pope	25%	Pulaski	20%
Clay	32%	Pike	25%	Faulkner	19%
Johnson	31%	Cleveland	25%	Howard	19%
Lafayette	31%	Cross	24%	Prairie	18%
Cleburne	31%	Monroe	24%	Saline	18%
Yell	30%	Nevada	24%	Benton	16%
Jefferson	30%	Lonoke	24%	Dallas	16%
Searcy	30%	Boone	23%	Desha	15%
Logan	30%	Polk	23%	Carroll	15%
Columbia	30%	Crawford	23%	Washington	15%
Van Buren	29%	White	23%	Woodruff	14%
Marion	29%	Crittenden	23%	Newton	14%
Union	29%	Franklin	23%	Hempstead	13%
Phillips	29%	Miller	23%	Calhoun	13%
Conway	29%	Garland	23%	Craighead	13%
Randolph	28%	Drew	22%		

Source: Arkansas Labor Market Information

Inactive in the Labor Force*

Percent Inactive in the Labor Force* by County (2021)
Residents Aged 20-64



Source: Arkansas Labor Market Information



Analysis by LWDA

Eastern Local Workforce Development Area
Crittenden, Cross, Lee, Phillips, and St. Francis

Population and Labor Force Composition Eastern LWDA Counties

	Crittenden	Cross	Lee	Phillips	St. Francis	LWDA
Population						
2012	50,077	17,703	10,184	20,736	27,992	126,692
2022	47,061	16,601	8,364	15,304	22,451	109,781
10-Year Change	-3,016	-1,102	-1,820	-5,432	-5,541	-16,005
Population Aged 20-64						
2011	29,158	10,113	6,335	11,637	17,247	74,490
2021	26,504	9,236	5,167	8,192	13,648	62,747
10-Year Change	-2,654	-877	-1,168	-3,445	-3,599	-11,743
Civilian Labor Force						
2011	22,636	8,785	3,675	8,391	9,789	53,277
2021	20,399	6,982	2,547	5,829	7,625	43,583
10-Year Change	-2,237	-1,803	-1,128	-2,562	-2,164	-9,694
Employment						
2011	20,277	8,084	3,342	7,415	8,747	47,866
2021	19,285	6,673	2,403	5,381	7,153	41,099
10-Year Change	-992	-1,411	-939	-2,034	-1,594	-6,767
Inactive in the Labor Force*						
2011	6,522	1,328	2,660	3,246	7,458	21,213
2021	6,105	2,254	2,620	2,363	6,023	19,164
10-Year Change	-417	926	-40	-883	-1,435	-2,049

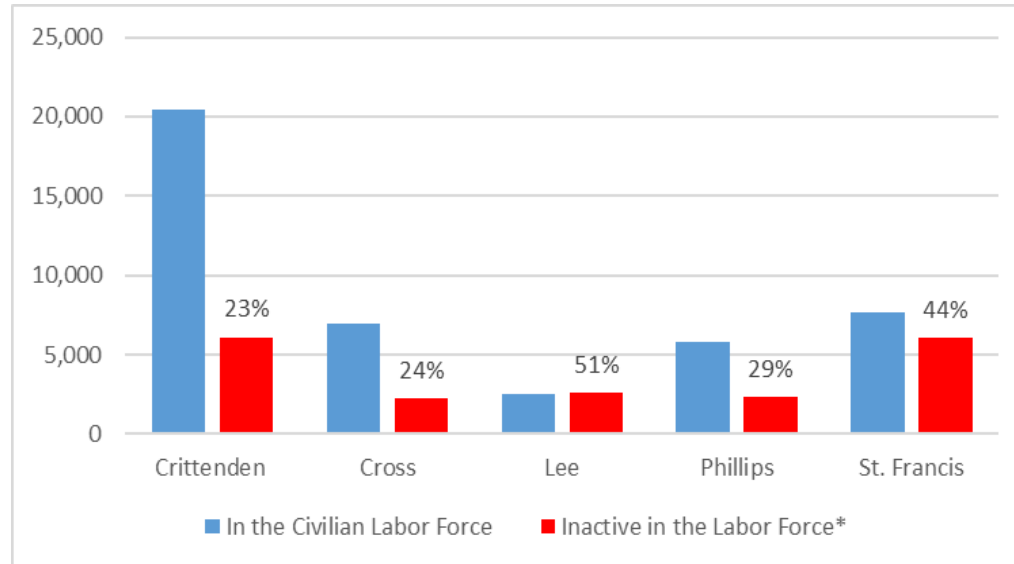
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Source: US Census Bureau, Bureau of Labor Statistics, and Arkansas Labor Market Information



Eastern LWDA

Employment Status of Residents Aged 20-64
Annual Average 2021



The chart above shows the number of residents In the Civilian Labor force vs the residents that are Inactive in the Labor Force*. The percentage of Inactive* residents ranges from 23% in Crittenden County to as much as 51% in Lee County (2nd highest in the State). Note that 23% of Crittenden County residents is roughly 6,105 individuals while 51% of Lee County residents is only 2,620 individuals, based on differences in population levels. **Lee and St. Francis counties are both home to prison facilities, which brings up the rate of Inactive* residents.**

Source: US Census Bureau, Bureau of Labor Statistics, and Arkansas Labor Market Information