The Little Rock zone of the Federal Reserve comprises the majority of Arkansas, except northeast Arkansas. The total population is approximately 2.5 million people, including the 710,000 who live in the Little Rock MSA.

Little Rock Business Contacts Appear Optimistic Heading into 2015

By Kevin L. Kliesen, Business Economist and Research Officer

A November survey of business contacts in the Little Rock zone revealed substantially more optimism about the near-term outlook compared with three months earlier. Several contacts reported that they have had difficulty hiring workers to expand their business operations.

Nonfarm payroll employment rose by 1.2 percent in the Little Rock MSA in the third quarter. Total nonfarm employment growth was modestly stronger in Fayetteville but modestly weaker in Fort Smith. Employment growth in Texarkana in the third quarter turned positive for the first time in three years.

The zone’s unemployment rate averaged 6 percent in the third quarter of 2014, similar to the nation’s rate (6.1 percent). Fayetteville’s unemployment rate fell below 5 percent in the third quarter for the first time in nearly six years.

Housing activity in the Little Rock zone was generally weaker than in the nation in the third quarter. However, there were pockets of strength, as evidenced by outsized increases in home prices and single-family building permits in Texarkana.

After falling in the second quarter, Arkansas’s per capita credit card balances rose modestly in the third quarter. Still, the state’s debt-to-income ratio fell for the third consecutive quarter.

Arkansas banks remained more profitable than their Eighth District and U.S. peers in the third quarter. Asset quality continued to improve at Arkansas banks.

Similar to the nation, most crop harvests in Arkansas were larger in 2014. Corn production was the exception because of a reduction in harvested acreage.
How to read this report

Unless otherwise noted, city names refer to the metropolitan statistical areas (MSAs), which are geographic areas that include cities and their surrounding suburbs, as defined by the Census Bureau.

Statistics for the Little Rock zone are based on data availability and are calculated as weighted averages of either the 62 counties in the zone or the six MSAs. As of 2012, approximately 74 percent of the zone’s labor force was located in an MSA. Specifically: 29 percent in Little Rock, 20 percent in Fayetteville, 11 percent in Fort Smith, 6 percent in Texarkana, 4 percent in Pine Bluff, and 4 percent in Hot Springs; 26 percent of the zone’s labor force was located in non-metropolitan areas.

Arrows in the tables are used to identify significant trends in the data. The direction of the arrow indicates the sign (up/down) and the color indicates the economic significance (green = good, red = poor). Arrows appear only when the change from the previous quarter is greater than 1 standard deviation. For example, the standard deviation of the change in the US unemployment rate is 0.4 percent. If the US unemployment rate declined from 8.4 percent to 8.2 percent, no arrow would appear; but if it declined from 8.4 percent to 7.9 percent, a green down arrow would appear in the table.

Selected variable definitions are located in the appendix.

Selected quotes from business contacts are generally verbatim, but some are lightly edited to improve readability.

Join Our Panel of Business Contacts

The anecdotal information in this report was provided by our panel of business contacts, who were surveyed between November 3 and November 14.

If you’re interested in becoming a member of our panel, follow this link to complete a trial survey:

http://research.stlouisfed.org/outlooksurvey/

or email us at beigebook@stls.frb.org.

For more information contact the St. Louis office:

Charles Gascon
charles.s.gascon@stls.frb.org

Media inquiries:
mediainquiries@stls.frb.org

Views expressed do not necessarily reflect official positions of the Federal Reserve System.
Labor Market Conditions Continued To Improve Across Little Rock Zone

By Maria A. Arias, Research Associate

“Qualified applicants for skilled positions are hard to find. Businesses are paying more.”
—Little Rock area banker

“Utilization of current staff and expectations for higher revenue in 2015 will drive new hiring in first quarter.”
—Little Rock area business contact

Anecdotal information from contacts in the Little Rock zone suggests that employment levels are likely to remain at a similar level through the end of the fourth quarter and be somewhat higher during the first quarter of 2015, compared with a year ago.

The unemployment rate continued to decline in all of the zone’s MSAs during the third quarter. In Little Rock and Fayetteville, the unemployment rate declined by 0.4 and 0.2 percentage points, respectively.

Payroll employment in the zone grew faster in the third quarter than in the second quarter, albeit more slowly than the national average. In particular, employment growth in Texarkana turned positive in the third quarter (see table).

Employment in Little Rock’s goods-producing sector grew twice as fast as the national rate and contributed about half of the total job gains in the MSA (see table and figure). The natural resources, mining, and construction sector was the fastest growing sector during the third quarter, reaching a year-over-year growth rate of almost 9 percent (see bar chart on cover).

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**Little Rock employment shows significant uptick**
Percent change from year ago

<table>
<thead>
<tr>
<th>Year</th>
<th>Government</th>
<th>Service-providing</th>
<th>Goods-producing</th>
<th>Nonfarm employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>2009</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2011</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2012</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2013</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: BLS.

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<table>
<thead>
<tr>
<th>Region</th>
<th>Little Rock</th>
<th>Fayetteville</th>
<th>Fort Smith</th>
<th>Texarkana</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate (Q3-14) (%)</td>
<td>5.6 ▼</td>
<td>4.7 ▼</td>
<td>6.2</td>
<td>6.1</td>
<td>6.1</td>
</tr>
<tr>
<td>Nonfarm employment (Q3-14)</td>
<td>1.2</td>
<td>1.4</td>
<td>0.3</td>
<td>1.0 ▲</td>
<td>1.9</td>
</tr>
<tr>
<td>Goods-producing sector</td>
<td>4.8 ▲</td>
<td>1.0</td>
<td>-3.5</td>
<td>0.5</td>
<td>2.4</td>
</tr>
<tr>
<td>Private service-providing sector</td>
<td>0.8</td>
<td>1.2</td>
<td>1.6</td>
<td>2.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Government sector</td>
<td>0.4</td>
<td>2.9</td>
<td>0.2</td>
<td>-1.7 ▲</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Note: Unless otherwise noted, values are percent change from one year ago. Arrows indicate a significant (± 1 standard deviation) change from the previous quarter. See appendix for notes and sources.
Manufacturing and Transportation

Fourth Quarter 2014

Manufacturing Conditions Improving in Little Rock

By Daniel Eubanks, Research Associate

“Increased construction demand has increased sales in many of the manufacturing companies producing related goods.”

— Little Rock area commercial banker

- Manufacturing employment growth in the third quarter accelerated in Arkansas, driven by a 4.2 percent uptick in durable goods manufacturing employment. Nondurable goods employment was flat. In the largest metropolitan areas, manufacturing employment growth was weaker. Little Rock matched the national average, while Fayetteville declined by 1.3 percent.

- Transportation employment growth was weak across the zone. Arkansas transportation grew at 0.4 percent, far below the national average of 3.4 percent. Little Rock grew by just 0.2 percent, while Fayetteville sharply contracted by 5.4 percent.

- Arkansas manufacturing exports increased 1.6 percent in the third quarter, below the national increase of 3.1 percent. Arkansas saw strength in chemicals and electronic products exports.

- Business contacts report that expansion plans have been frustrated by difficulty in hiring. Transportation service providers report that they are having problems filling truck driver vacancies, while manufacturers report that they are unable to find enough qualified employees to add additional shifts.

Durable goods drives manufacturing employment growth in Arkansas

Percent change from one year ago

<table>
<thead>
<tr>
<th>Year</th>
<th>Little Rock</th>
<th>Fayetteville</th>
<th>Arkansas</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>-12.0</td>
<td>-13.0</td>
<td>-14.0</td>
<td>0.0</td>
</tr>
<tr>
<td>2008</td>
<td>0.0</td>
<td>-15.0</td>
<td>-15.0</td>
<td>-5.0</td>
</tr>
<tr>
<td>2010</td>
<td>1.4</td>
<td>-5.4</td>
<td>2.1</td>
<td>3.4</td>
</tr>
<tr>
<td>2012</td>
<td>1.4</td>
<td>-1.3</td>
<td>0.9</td>
<td>1.4</td>
</tr>
<tr>
<td>2014</td>
<td>1.4</td>
<td>-0.5</td>
<td>1.6</td>
<td>3.1</td>
</tr>
</tbody>
</table>

“Durable goods drives manufacturing employment growth in Arkansas.”

Source: BLS.

Note: Values are percent change from one year ago. Arrows indicate a significant (± 1 standard deviation) change from the previous quarter; see appendix for notes and sources.
Residential Real Estate Market Stabilizes in Little Rock

By Diana Cooke, Research Associate

“The stabilization in building permit values along with continued brisk absorption of new construction means that we’re not seeing the kind of buildup of new housing inventory that could cause future headaches.”

—Economic researcher

“Slow, steady improvement has been what we have observed in the commercial real estate market.”

—Economic researcher

- The residential market showed signs of stabilization in the third quarter. Home sales in Little Rock increased over 2 percent in the third quarter compared with last year, and the decrease in home prices was slower in the third quarter than in the second quarter. Similarly, single-family building permits stabilized in Little Rock and Fayetteville (see figure).

- Realtors and homebuilders in the Little Rock area are concerned that increasing mortgage rates, tightening credit availability, and student loan debt may be contributing to the muted housing recovery.

- The apartment market is a hot spot in Little Rock, and asking rents increased in the third quarter. As a result, developers continue to look for new sites to build apartment complexes. However, there is some concern about over-capacity; vacancy rates also increased in the third quarter on a year-over-year basis (see table).

- Contacts noted a couple of industrial projects in the works in Little Rock. In southeastern Arkansas, a poultry company recently reopened a previously closed facility. In Osceola, Arkansas, a company announced plans to open up a processing center. Construction of the processing center will begin in the second quarter of 2015.

### Non-residential market (Little Rock, Q3-14)

<table>
<thead>
<tr>
<th></th>
<th>Apartment</th>
<th>Office</th>
<th>Retail</th>
<th>Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy rate (%)</td>
<td>6.7</td>
<td>12.0</td>
<td>11.7</td>
<td>8.9</td>
</tr>
<tr>
<td>Asking rent</td>
<td>1.4</td>
<td>0.2</td>
<td>0.1</td>
<td>▼ 2.4</td>
</tr>
</tbody>
</table>

Source: Census Bureau.

### Residential market (Q3-14)

<table>
<thead>
<tr>
<th></th>
<th>Little Rock</th>
<th>Fayetteville</th>
<th>Fort Smith</th>
<th>Hot Springs</th>
<th>Pine Bluff</th>
<th>Texarkana</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>CoreLogic Home Price Index</td>
<td>-1.1</td>
<td>2.6</td>
<td>0.7 ▲</td>
<td>-4.1</td>
<td>-0.4</td>
<td>10.7 ▲</td>
<td>6.0 ▼</td>
</tr>
<tr>
<td>Single-family building permits</td>
<td>-24.7</td>
<td>3.9</td>
<td>-13.5</td>
<td>-17.1</td>
<td>-81.7</td>
<td>89.8</td>
<td>1.2</td>
</tr>
<tr>
<td>New and existing home sales</td>
<td>-2.6</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>-4.5</td>
</tr>
</tbody>
</table>

Note: Sales and permits data are year-to-date percent change. Prices are percent change from one year ago. Arrows indicate a significant (±1 standard deviation) change from previous quarter. See appendix for notes and sources.
Debt-to-Income Ratios Steadily Below Pre-Recession Levels

By Peter B. McCrory, Research Associate

“Winter is coming and it may be a bad one. [A bad winter] kills retail.”
— Little Rock area banker

“The slower recovery from the recession has made consumers more cautious about spending money on automobiles and therefore [many consumers] have repaired their current auto instead of trading it in. The trade cycle has lengthened per person.”
— Conway area auto dealer

Per capita personal income in Arkansas grew by 2.5 percent relative to one year ago, up from a considerably slower rate of growth, 0.6 percent, in the first quarter.

In line with national trends, households in the Little Rock zone reduced the rate at which they are unwinding mortgage debt and increased their credit card and auto loan balances.

Although debt balances are growing, personal income in Arkansas is growing faster—spurred on by improving consumer confidence and a stabilizing labor market. The ratio of household debt balances to personal income in Arkansas fell in the second quarter of 2014. During the recession, this ratio rose to its peak in early 2010, at which point it began to fall dramatically as income grew and debt balances fell. This ratio stabilized at pre-recession levels in early 2012, where it has remained since (see figure).

Mortgage and credit card delinquency rates were lower in the third quarter than they were in the second quarter. Auto loan delinquencies remained level at 2.3 percent. Along all lines, households in the Little Rock zone remained less delinquent than households across the nation.

### Table: Per Capita Personal Income and Debt Balances

<table>
<thead>
<tr>
<th></th>
<th>Little Rock Zone</th>
<th>Arkansas</th>
<th>Little Rock MSA</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita personal income (Q2-14)</td>
<td>--</td>
<td>2.5</td>
<td>--</td>
<td>3.3</td>
</tr>
<tr>
<td>Per capita debt balances (Q3-14)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage</td>
<td>-0.7</td>
<td>-0.4</td>
<td>-0.9</td>
<td>1.3</td>
</tr>
<tr>
<td>Credit card</td>
<td>0.5 ▲</td>
<td>0.3 ▲</td>
<td>-1.0 ▲</td>
<td>-0.2 ▲</td>
</tr>
<tr>
<td>Auto loan</td>
<td>9.9</td>
<td>10.4</td>
<td>9.6</td>
<td>8.8 ▲</td>
</tr>
</tbody>
</table>

### Table: 90+ Day Delinquency Rates (%)

<table>
<thead>
<tr>
<th></th>
<th>Little Rock Zone</th>
<th>Arkansas</th>
<th>Little Rock MSA</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage</td>
<td>1.6 ▼</td>
<td>1.7 ▼</td>
<td>1.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Credit card</td>
<td>6.8</td>
<td>6.8</td>
<td>5.8</td>
<td>7.2</td>
</tr>
<tr>
<td>Auto loan</td>
<td>2.3</td>
<td>2.3</td>
<td>2.7</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Note: Unless otherwise noted, values are percent change from one year ago. Arrows indicate a significant (±1 standard deviation) change from the previous quarter. See appendix for notes and sources.
Competition and Credit Terms Are Causing Concern for Arkansas Bankers

By Michelle Neely, Economist and Hannah Shell, Research Analyst

“Several competitors—bank and nonbank lenders—are beginning to offer aggressive fixed rates with no requirement of the business owner to provide a personal guarantee. This easing of a key credit quality consideration is causing a shift of business banking relationships among banks.”

—Little Rock banker

“Competition in Northeast Arkansas is the driving factor in business lending. Margins are getting tighter as the abundance of competition causes an increase in the pricing of deposits while forcing interest rates on credit extensions to remain at historically low levels.”

—Jonesboro banker

Return on average assets (ROA) improved slightly at Arkansas banks in the third quarter, rising 2 basis points to 1.27 percent. Average ROA at Arkansas banks remains substantially above that of District and U.S. peers (see table).

ROA continues to be boosted by increases in the average net interest margin (NIM). The average NIM at Arkansas banks reached 4.27 percent in the third quarter, 6 basis points above its second quarter level and 16 basis points above its year-ago level. After narrowing for a period in 2013, the gap in average NIM between Arkansas banks and their District and national peers has widened again (see figure).

Asset quality as measured by the ratio of nonperforming loans to total loans remains a relative weak spot for Arkansas banks, although it is improving rapidly. The nonperforming loan ratio fell 22 basis points to 1.61 percent in the third quarter and is down 70 basis points from a year ago. Mergers and acquisitions by Arkansas institutions of failing banks largely explain the gap between Arkansas banks and their District and U.S. peers.

Bankers surveyed in the Little Rock zone expect overall loan delinquencies to be the same or somewhat lower in the fourth quarter of 2014. The same conditions are expected in the first quarter of 2015. In particular, over half the bankers surveyed expect fewer delinquencies on commercial and industrial loans.

<table>
<thead>
<tr>
<th>Banking performance (Q3-14)</th>
<th>Arkansas</th>
<th>8th District</th>
<th>US Peer Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average assets</td>
<td>1.27</td>
<td>1.10</td>
<td>1.01</td>
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<tr>
<td>Net interest margin</td>
<td>4.27</td>
<td>3.81</td>
<td>3.85</td>
</tr>
<tr>
<td>Nonperforming loans / total loans</td>
<td>1.61</td>
<td>1.40 ▼</td>
<td>1.48</td>
</tr>
<tr>
<td>Loan loss reserve coverage ratio</td>
<td>96.27</td>
<td>106.43</td>
<td>99.32</td>
</tr>
</tbody>
</table>

Note: All values are percentage points. Arrows indicate a significant (± 1 standard deviation) change from the previous quarter. See appendix for notes and sources.
Bountiful Arkansas Crop Production Drags Down Commodity Prices & Farm Income

By Lowell R. Ricketts, Senior Research Associate

“Even though it benefits my business through reduced feed costs, I would much rather see $4.50 per bushel of corn rather than the $3.50 we are seeing today. I’m concerned that not enough corn will be planted in Arkansas next year. Current prices are below input costs for many farmers. In response, many farmers will switch crops from corn to soybeans.”

— Western Arkansas poultry farmer

“Changes in the new farm bill and decreases in farm commodity prices (rice, soybeans, corn) are hurting our local economy.”

— Central Arkansas farmer

• Mother nature was kind to row crop farmers for the second consecutive year. Arkansas farmers produced more of almost every crop in 2014 than in 2013. The only exception was corn production, which was lower due to 36 percent fewer acres of farmland allocated to corn. Both cotton and rice production increased significantly in Arkansas as well as across the nation.

• The last two bumper harvests have pushed up the supply in commodity markets (see figure). While prices specific to the Arkansas market were unavailable for corn and rice, the national trend likely mirrors the overall trend. Corn, soybeans, and rice prices have all declined on a year-over-year basis. National corn prices had barely recovered from the lows following the previous harvest before precipitously dropping in recent months. Compared with the same time last year, corn and soybean prices declined 36 and 16 percent, respectively.

• Per the Nov. 25 estimates, the USDA has forecasted a 23 percent drop in net national farm income. Arkansas farmers reported they expect a similar downward trend in farm income given falling commodity prices. However, an Arkansas farmer expressed optimism that his peers “weren’t foolish enough to think that the crazy good times would continue in perpetuity. They are preparing for depressed farm income accordingly.”

Commodity prices decline for major Arkansas crops

<table>
<thead>
<tr>
<th>Commodity</th>
<th>3-Month MA of $ per BU/CWT, indexed value (Jan. 2012=100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US: Rice</td>
<td></td>
</tr>
<tr>
<td>US: Corn</td>
<td></td>
</tr>
<tr>
<td>AR: Soybeans</td>
<td></td>
</tr>
</tbody>
</table>

Source: USDA/NASS.

Natural resources (Q3-14)

<table>
<thead>
<tr>
<th>Natural resources</th>
<th>Arkansas</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and logging employment</td>
<td>2.1</td>
<td>5.7</td>
</tr>
<tr>
<td>Coal production</td>
<td>--</td>
<td>-1.9</td>
</tr>
</tbody>
</table>

Production (2014)

<table>
<thead>
<tr>
<th>Production</th>
<th>Arkansas</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>-35.8</td>
<td>3.5</td>
</tr>
<tr>
<td>Cotton</td>
<td>6.9</td>
<td>27.0</td>
</tr>
<tr>
<td>Rice</td>
<td>36.8</td>
<td>16.4</td>
</tr>
<tr>
<td>Sorghum</td>
<td>13.9</td>
<td>4.9</td>
</tr>
<tr>
<td>Soybean</td>
<td>12.4</td>
<td>17.9</td>
</tr>
</tbody>
</table>

Note: Values are percent change from one year ago. Arrows indicate a significant (± 1 standard deviation) change from the previous quarter or year. See appendix for notes and sources.
Appendix

Cover Page

Sources

Bureau of Labor Statistics
Unemployment rate, nonfarm payroll employment.

Labor Markets

Table Sources

Bureau of Labor Statistics
Unemployment rate. Nonfarm employment and contributions by sector.

Notes

Goods-producing sector comprises the manufacturing and natural resources, mining, and construction sectors.

Private service-providing sector includes the following sectors: Trade, Transportation, and Utilities; Information; Financial Activities; Professional and Business Services; Education and Health Services; Leisure and Hospitality; and Other Services.

Unemployment rate data are seasonally adjusted.

Manufacturing and Transportation

Table Sources

Bureau of Labor Statistics
Transportation employment: includes transportation and warehousing industries.

Manufacturing employment: total, durable, and nondurable goods.

World Institute for Strategic Economic Research
Manufacturing exports: dollar value.

Notes

Manufacturing labor input is defined as the average weekly hours worked by production and nonsupervisory employees in the manufacturing industry multiplied by the monthly average of total number of production and nonsupervisory employees in the manufacturing industry.

Transportation employment in Little Rock and Fayetteville covers transportation, warehousing, and utility industries. About 90 percent of the reported jobs are contributed by transportation and warehousing industries.

Manufacturing exports are defined as total dollar amount of exports by the manufacturing industries.

Durable goods manufacturing sector is defined by the Bureau of Labor Statistics as industries with a NAICS classification code of 311 (Food Manufacturing); 312 (Beverage and Tobacco Product Manufacturing); 313 (Textile Mills); 314 (Textile Product Mills); 315 (Apparel Manufacturing); 316 (Leather and Allied Product Manufacturing); 322 (Paper Manufacturing); 323 (Printing and Related Support Activities); 324 (Petroleum and Coal Products Manufacturing); 325 (Chemical Manufacturing); and 326 (Plastics and Rubber Products Manufacturing).

Nondurable goods manufacturing sector is defined by the Bureau of Labor Statistics as industries with a NAICS classification code of 311 (Food Manufacturing); 312 (Beverage and Tobacco Product Manufacturing); 313 (Textile Mills); 314 (Textile Product Mills); 315 (Apparel Manufacturing); 316 (Leather and Allied Product Manufacturing); 322 (Paper Manufacturing); 323 (Printing and Related Support Activities); 324 (Petroleum and Coal Products Manufacturing); 325 (Chemical Manufacturing); and 326 (Plastics and Rubber Products Manufacturing).

Real Estate and Construction

Table Sources

CoreLogic
Home price index, including distressed sales.

Census Bureau
Year-to-date single-family building permits.

Janet Jones Company Realtors
Year-to-date new and existing home sales.

Notes

Asking rent is the publicized asking rent price. Data are in current dollars.

Vacancy rate is the percentage of total inventory physically vacant as of the survey date, including direct vacant and sublease space.

New and existing home sales consist of single-family home sales.

Household Sector

Table Sources

Equifax based on authors’ calculations
All figures are based on a 5 percent sample of individual credit reports. Balances are geographical averages of various debt categories. The mortgage category includes first mortgages and home equity installment loans, but home equity lines of credit are omitted. Auto loans include those financed by finance company or bank loans. Credit cards are revolving accounts at banks, bankcard companies, national credit card companies, credit unions, and savings and loan associations.

Haver Analytics
Per capita income.

Notes

Delinquency rates are calculated as the percentage of payments past due by more than 90 days, weighted by the dollar value of the loan.
Banking and Finance

Table Sources

*Federal Financial Institutions Examination Council*

- Return on average assets: USL15ROA.
- Net interest margin: USL15NIM.
- Nonperforming loans: USL15NPTL.
- Loan loss reserve/Total loans: USL15LLRTL.
- Net loan losses/Average total loans: USL15LSTL.

Note: The data available in the table can be found in FRED.

Notes

**Loan loss provisions** are expenses banks set aside as an allowance for bad loans.

**Nonperforming loans** are those loans managers classify as 90 days or more past due or nonaccrual, which means they are more likely to default.

**Loan loss coverage ratio** is loan loss reserves divided by nonperforming loans.

**US peer banks** are those commercial banks with assets of less than $15 billion.

Due to the seasonal nature of bank return on average assets and net interest margin, the arrows in the table denote significant changes from one year ago.

Agriculture and Natural Resources

Table Sources

*Energy Information Administration (EIA)*

- Coal production.

Arkansas coal production data has been omitted due to the high volatility in year-over-year percentage changes. For example, coal production in the second quarter of 2014 was 1,524 percent higher than at the same time in 2013. The year-over-year changes are exceptionally volatile due to the small amount of overall production.

*Bureau of Labor Statistics (BLS)*

- Mining and logging employment.

*United States Department of Agriculture (USDA)*

- Crop production. Note: Production trends identified in report may be inconsistent with previous reports due to data revisions.

Agricultural land values taken from the Census of Agriculture. The Census is conducted every five years; the last survey was in 2012. Consequently, land values shown in the figure are only available at 5-year intervals and a linear trend was used for interpolation of missing values. Land values include the value of buildings located on the land.

Note

The results of the Federal Reserve Bank of St. Louis *Agricultural Finance Monitor* are not reported due to a low response rate for the Little Rock zone.