

ARKANSAS JOBS GROWTH DECLINED AFTER MINIMUM WAGE INCREASES

(March 2021) Arkansas' job creation rate in the Leisure and Hospitality employment supersector declined after two minimum wage increases last decade, U.S. Bureau of Labor Statistics (BLS) records show.

Early in the 21st century, Arkansas' job creation rate in the sector (16.1%) bested the national average (13.1%) in an economic expansion (November 2001-December 2007). Growth at the national level (29.4%) topped Arkansas (19.9%) in a second expansion (June 2009-February 2020), records show.

In 2014, Arkansas voters raised the minimum wage from \$6.25 to \$7.50 per hour (Jan. 1, 2015), to \$8 (Jan. 1, 2016) and to \$8.50 (Jan. 1, 2017). In 2018, voters again raised the minimum wage to \$9.25 (Jan. 1, 2019), to \$10 (Jan. 1, 2020) and to \$11 (Jan. 1, 2021).

Relative Position Declines Vs. Border States

Among the six states that border it, Arkansas is the only state to trail the national average in an expansion after leading the U.S. (see Appendix)

Leisure and Hospitality

Economists study Leisure and Hospitality when examining the minimum wage. The supersector includes the accommodation and food services sector, which "comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption," the BLS explains. The supersector also includes the arts, entertainment, and recreation sector.

--Greg Kaza

APPENDIX

First Expansion (November 2001-December 2007)

Texas	19.8%	(833,200; 997,900)
Tennessee	18.5%	(235,000; 278,400)
Arkansas	16.1%	(87,000; 101,000)
United States	13.1%	(11,985,000; 13,550,000)
Missouri	10.0%	(256,100; 281,700)
Oklahoma	9.2%	(127,200; 138,900)
Mississippi	6.1%	(119,900; 127,200)
Louisiana	0.8%	(195,900; 194,300)

Second Expansion (June 2009-February 2020)

Texas	41.9%	(1,006,800; 1,428,900)
Tennessee	35.1%	(264,000; 356,600)
United States	29.4%	(13,076,000; 16,915,000)
Oklahoma	25.4%	(140,600; 176,300)
Louisiana	25.0%	(194,500; 243,200)
Arkansas	19.9%	(100,100; 120,000)
Mississippi	16.2%	(120,300; 139,800)
Missouri	13.4%	(273,900; 310,600)

(Source: BLS, Current Employment Statistics)