

## JOB CREATION LAGS STATES IN REGION

"Capital flight is an economic problem in Arkansas. Entrepreneurs have fled Arkansas, which has the highest top income tax rate (6.9) among border states. Three in the region ... do not levy an individual income tax." Policy Foundation column, *Arkansas Democrat-Gazette*, December 28, 2018

(January 2019) Various factors such as a skilled work force, infrastructure and tax rates influence economic development. The current economic expansion started in mid-2009. How does Arkansas' performance fare versus the region? Payroll employment is the broadest state-level economic indicator. U.S. Bureau of Labor Statistics (BLS) data<sup>1</sup> show job-creation rates in Texas (23.1 percent), Florida (22.9 percent) and Tennessee<sup>2</sup> (18.7 percent) outpace Arkansas (8.0 percent) in the current expansion, which dates to June 2009.<sup>3</sup> The three do not levy a state income tax.

State	June 2009	November 2018(p) <sup>4</sup>	Growth Rate
Texas	10,320,600	12,703,400	23.1%
Florida	7,222,000	8,873,000	22.9%
Tennessee	2,602,600	3,089,000	18.7%
South Carolina	1,809,100	2,138,000	18.2%
Georgia	3,898,300	4,581,200	17.5%
North Carolina	3,894,400	4,537,900	16.5%
Kentucky	1,754,200	1,940,200	10.6%
Virginia	3,652,200	4,031,700	10.4%
Oklahoma	1,565,500	1,704,200	8.9%
Missouri	2,685,400	2,911,900	8.5%
Alabama	1,901,900	2,054,800	8.0%
<b>Arkansas</b>	<b>1,161,400</b>	<b>1,254,100</b>	<b>7.98%</b>
Mississippi	1,096,200	1,172,800	7.0%
Louisiana	1,897,000	1,991,100	5.0%
West Virginia	749,400	753,600	0.6%

--Greg Kaza

<sup>1</sup> BLS, Current Employment Statistics. <https://www.bls.gov/home.htm>

<sup>2</sup> Tennessee taxed dividends and interest, but a 2016 measure phases out the income tax by 2022.

<sup>3</sup> National Bureau of Economic Research, <http://www.nber.org/cycles/cyclesmain.html>

<sup>4</sup> Arkansas trailed seven states in the region a year ago. Policy Foundation research memo (December 2017) "Arkansas Employment Growth Trails National Average"