

# THE CENTRAL ARKANSAS ECONOMY IN 2026

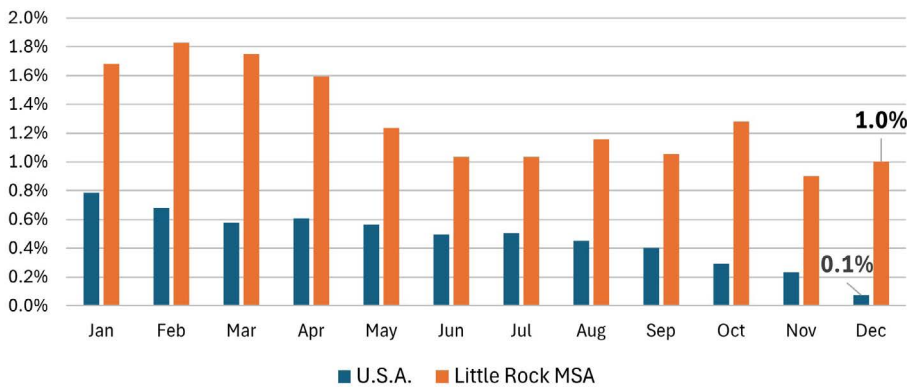


Jonathan Lupton, Metroplan

The Little Rock Metropolitan Statistical Area (MSA) continues growing jobs faster than the U.S. average, but more slowly than in previous years. Regional job growth of 1.0 percent from December 2024 to December 2025 was much faster than overall U.S. job growth of 0.1 percent in the same interval.

April 6, 2026

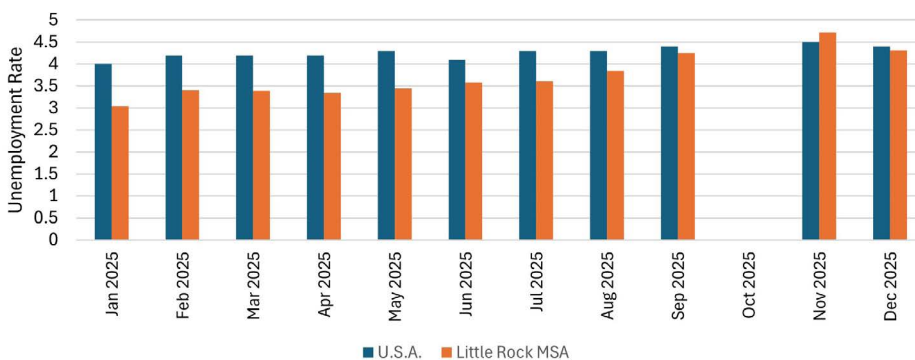
**Job Change by Month 2025**  
(Year-over-Year from 2024)



Source: U.S. Bureau of Labor Statistics.

Regional unemployment has risen since about June of 2025. The latest figure of 4.3 percent matched the U.S. average of 4.4 percent, down from a local 4.7 percent in November. The temporary closing of a large Amazon warehouse in the Port of Little Rock probably contributed to the recent bump in unemployment. The local economy has nonetheless shown signs of robustness, with unemployment edging back down by late year.

**U.S. and Little Rock MSA Unemployment 2025**



Source: U.S. Bureau of Labor Statistics. Figures are seasonally adjusted. No data for October 2025 due to federal shutdown.

**Year-over-Year Job Growth**  
2024–2025 (x 1,000)

	U.S.	Little Rock MSA
February 2024	158,316	399.5
February 2025	158,432	403.5
	0.1%	1.0%

**Jobs in Little Rock MSA**  
December 2025

Seasonally adjusted	403,500
Not seasonally adjusted	405,500

**Unemployment Rate Comparison**  
December 2025

	U.S.	Little Rock MSA
Seasonally adjusted	4.4	4.3
Not seasonally adjusted	4.1	3.9

Source: U.S. Bureau of Labor Statistics. Local seasonal adjustment to unemployment by Metroplan.

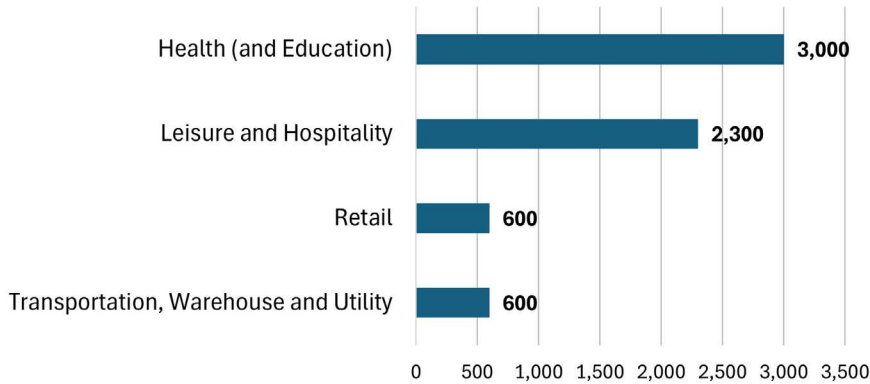


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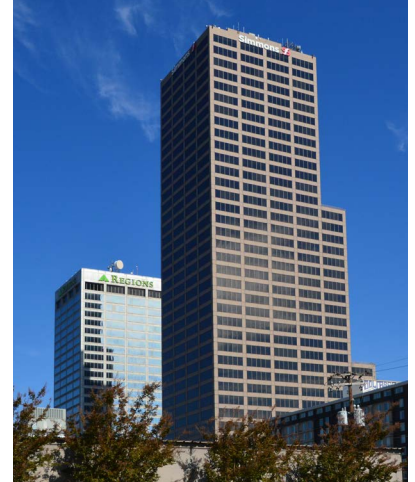
Above photo: 2025 Salem Road project in Conway. Photo credit: City of Conway, Arkansas.

Job growth was most pronounced in the health/education sector, followed by the leisure/hospitality sector. The region also saw moderate gains in transportation/warehousing, as well as retailing, with small additional gains in financial and manufacturing sectors.

### Top Sectors for Job Growth in Central Arkansas 2024–2025



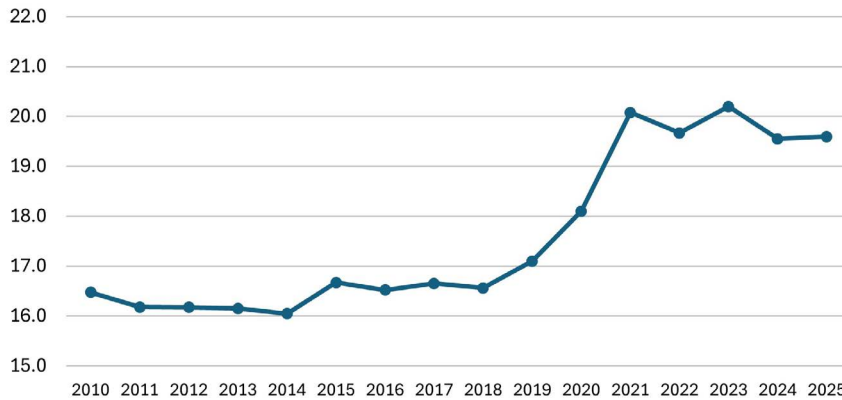
Source: U.S. Bureau of Labor Statistics.



72 percent of the region's finance and insurance jobs are in Little Rock.

Regional retail sales increased slightly during 2025, reversing a small decline the year before. After a big surge during the pandemic, the growth in U.S. e-commerce has slowed in the past 3–4 years. Less competition from e-commerce growth may suggest a greater degree of stability in local “brick-and-mortar” retail sales going forward.

### Central Arkansas Retail Sales 2010–2025 (\$Billions, Inflation-Adjusted)



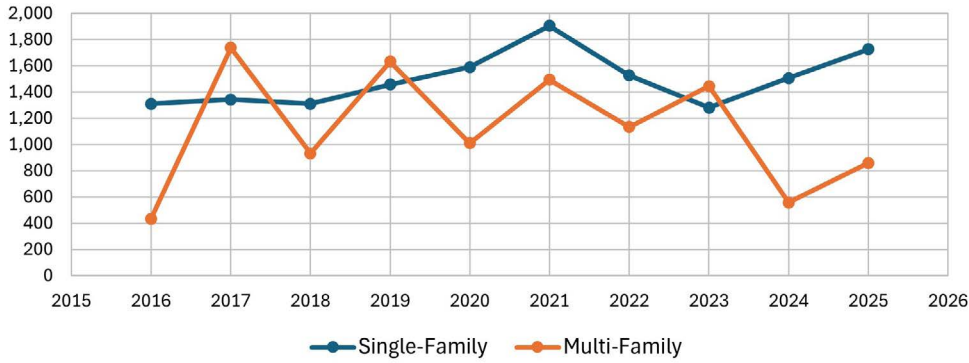
Source: Arkansas Department of Finance and Administration. Data for Faulkner, Lonoke, Pulaski and Saline Counties. Figures adjusted for inflation.



Regional retail sales rose 0.2 percent during 2025, after inflation adjustment.

The regional housing market continues in sync with a stable regional economic trend. The year 2025 saw the largest number of new single-family housing starts since 2021. Multi-family construction in 2025 was a little faster than in 2024, but slower than the years 2019 to 2023. It is possible the multi-family market is still absorbing this earlier construction spree.

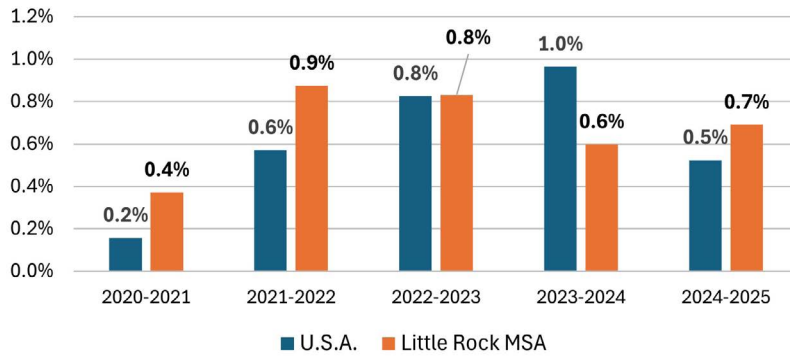
### Little Rock MSA New Housing Units 2016–2025



The revitalizing Pettaway neighborhood is boosting property values in its area.

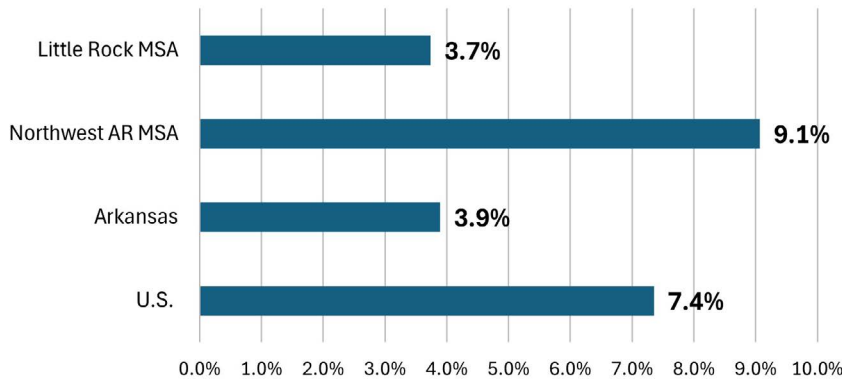
Local population trends will be a critical factor for housing markets looking forward. National population growth has slowed sharply in response to altered migration policies, dropping nearly by half from 2024 to 2025.<sup>1</sup> The impact on local population growth will be less, since the region’s share of foreign-born population runs at about half the national average. While non-citizens account for about 7.4 percent of U.S. population, the local share is 3.7 percent.<sup>2</sup>

### Annual Rate of Population Growth



The region continues seeing net natural increase, but the pace of population growth has slowed compared with decades past. Photo credit: iStockphoto.com.

### Share of Population Foreign Born 2024



Based on population in households. Source: ACS 2024 one-year.

<sup>1</sup> U.S. population grew by 0.52 percent 2024-2025, down from 0.96 percent 2023-2024. U.S. Bureau of the Census. <sup>2</sup> American Community Survey 2024 one-year, Table DP03.

## The Prospect for 2026

While regional unemployment increased during the second half of 2025, it veered down slightly by December. It is likely that the Amazon warehouse closure affected these trends, but the downward tick late in the year suggests the job market is reabsorbing displaced workers. The local transportation/warehousing sector, while sizeable, accounts for just 6 percent of regional jobs. The region’s overall vector of job growth has remained above the U.S. average through the 2024–2025 period, suggesting it can grow despite losses.

The national and international economies present their own uncertainties. Today’s war with Iran has shaken world oil markets, and long-term impacts are likely.<sup>3</sup> Inflation is currently about 2.4 percent, and the relationship between interest rates and inflation will be a key measure to watch over 2026.

U.S. GDP has grown well over the past year. The “AI boom” continues, raising productivity and encouraging investment. Like the “dotcom” boom of the late 1990s, this one may eventually yield overvaluation and a possible market correction, but the timing cannot be foreseen.

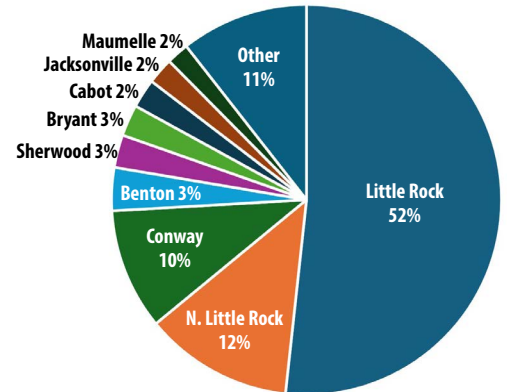
Retail sales have resumed a steady pattern in the pandemic’s aftermath, while the rate of overall e-commerce growth has slowed. This should help retailers with a local footprint. Consumer income trends will factor in, too. Tax cuts at the federal level could yield an increase in consumer spending, but local job market conditions are a critical driving force.

The regional economic situation will track overall U.S. economic trends. If inflation ticks up at the national level, local residents will feel the impact. On the plus side, the region saw above-average job growth over the past year. This, coupled with a local emphasis in stable industries like health care, education and government, suggests a degree of resilience looking forward.



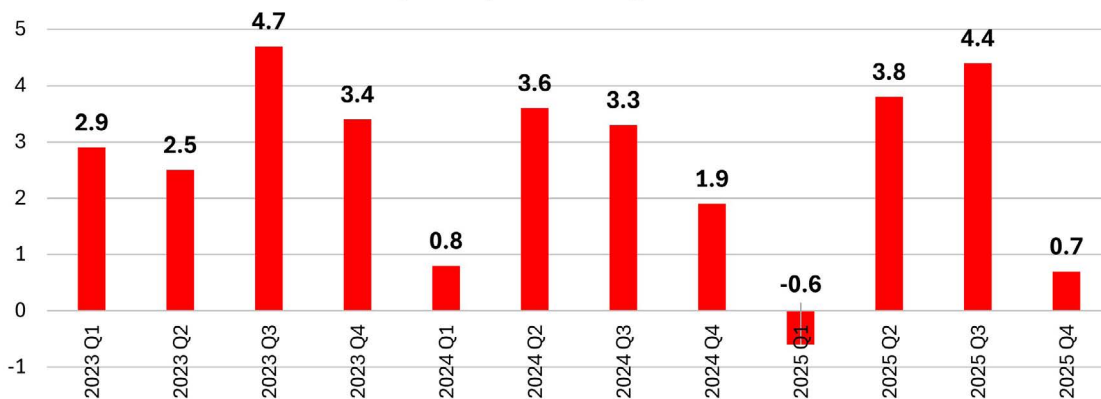
The outlook for 2026 includes fuel price uncertainties.

**Little Rock MSA Jobs by Place of Work 2023**



Source: U.S. Bureau of the Census, LEHD.

**U.S. Quarterly GDP Change 2023–2025**



Source: U.S. Bureau of Economic Analysis, adjusted for inflation and seasonality.

<sup>3</sup> “Nightmare War Scenario is Becoming Reality in Energy Markets,” Economist March 3, 2026.