

**COVERED EMPLOYMENT AND EARNINGS
STATE OF ARKANSAS
THIRD QUARTER 2020**

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EMPLOYMENT AND EARNINGS
UNDER THE ARKANSAS EMPLOYMENT SECURITY LAW
THIRD QUARTER 2020

DESCRIPTION AND CLASSIFICATION OF DATA

This publication contains covered employment and payroll data by industry and county for the Third Quarter 2020 and a record for total covered employment by month, quarterly payroll data, average weekly earnings, and total taxable earnings for 2013 through 2020. These data are compiled from quarterly contributions and wage reports submitted by employers subject to the Arkansas Employment Security Law.

Employment data have been tabulated for each month of the quarter by industry under the **North American Industry Classification System** (NAICS) by state, county, and workforce area. Payroll data represent the total wages paid during the quarter and are classified by industry for the state and by publishable industry groups for each county and workforce area.

Due to industry classification revisions, previously published data will not always be comparable with current data. For this reason, comparisons should not be made between the same industries under different revisions. For more information, visit the NAICS home page at <http://www.census.gov/naics>.

Industry Classification Revisions

- SIC (Standard Industrial Classification) 1987 to NAICS 2002
- NAICS 2002 to NAICS 2007
- NAICS 2007 to NAICS 2012
- NAICS 2012 to NAICS 2018

The tabulation of this data is a joint effort in conjunction with the United States Bureau of Labor Statistics. Data included in this publication are subject to revisions. Revisions are typically reflected in the Annual Covered Employment and Earnings publication.

DEFINITION OF COVERED EMPLOYMENT AND EARNINGS

Covered Employment is the total number of workers employed by establishments subject to the Arkansas Employment Security Law that worked or received pay for the payroll period including the 12th of the month. Earnings include all wages paid to any covered employee by their employer including salaries, bonuses, commissions, fees, fringe benefits, sick pay made directly to employees or dependents, deferred compensation, and reported tips. These wages include both taxable and nontaxable wages. Only the first \$7,000 paid to each worker by an employer in the calendar year is taxable under the Arkansas Employment Security Law.

An Arkansas state unemployment insurance account is required of any entity meeting the definition of an employer. As described by Arkansas Division of Workforce Services Law, the definition of an employer includes, but is not limited to, a sole proprietorship, partnership, corporation, associations, trust, estate, and receiver or trustee in bankruptcy. The entity must employ one or more individuals for ten or more days in a calendar year, whether or not the days are consecutive.

Currently excluded from coverage is employment covered by the Railroad Unemployment Insurance Act, some domestic service workers, employees of small agricultural establishments, self-employed workers, unpaid family workers, insurance and real estate agents paid only on a commission basis, and employees of churches and religious organizations except separately incorporated schools.

Civilian federal workers are covered by Unemployment Compensation for Federal Employees (UCFE).

SIGNIFICANT DEVELOPMENTS DURING THIRD QUARTER 2020

AVERAGE EMPLOYMENT CHANGES

Covered employment averaged 1,131,541 during the Third Quarter 2020 (refer to Table 1), an increase of 15,409 (1.4%) from the previous quarter and a loss of 49,368 (-4.2%) from the average recorded one year ago. The over-the-year comparison is more significant when used as an economic indicator and allows for seasonal factors that appear when comparing over-the-quarter data to be disregarded.

Average Covered Employment by NAICS

Industry Classification	Percent of Employment
Natural Resources & Mining	1.4
Construction	4.7
Manufacturing	13.5
Trade, Transportation & Utilities	21.6
Information	1.0
Financial Activities	4.6
Professional & Business Services	12.0
Education & Health Services	15.9
Leisure & Hospitality	9.5
Other Services	2.1
State & Local Government	13.8

EMPLOYMENT CHANGES FROM SECOND QUARTER 2020

Eight major industry sectors reported gains. Large increases occurred in Leisure & Hospitality (15,525), Trade, Transportation & Utilities (7,783), Education & Health Services (3,626), Professional & Business Services (3,448), Manufacturing (1,778), and Other Services (1,180). Losses occurred in three major industry sectors. The only large decline occurred in State & Local Government (-18,575).

EMPLOYMENT CHANGES FROM SECOND QUARTER 2019 (QUARTER YEAR AGO COMPARISON)

Over-the-year losses were recorded in nine major industry groups. (refer to Table 1). Significant declines occurred in Leisure & Hospitality (-14,975), Manufacturing (-9,032), Education & Health Services (-7,985), Professional & Business Services (-7,858), State & Local Government (-3,966), Trade, Transportation & Utilities (-3,110), and Other Services (-1,651). Two major industry sectors reported small gains.

COVERED WAGES

Wages paid to covered workers totaled \$12,998,944,628 for the Third Quarter 2020 (refer to Table 1), for an average weekly wage of \$883.68 (refer to Table 5). Calhoun County workers recorded the highest average weekly wage (\$1,152.57), and employees in Montgomery reported the lowest (\$555.87) (refer to Table 6). Information recorded the highest average weekly wage for the State of Arkansas (\$1,299.86). The Leisure & Hospitality sector recorded the lowest (\$356.13) (refer to Table 5).

Average Weekly Wage By Industry

Industry Classification	Average Weekly Wage
Natural Resources and Mining	\$932.81
Construction	\$978.54
Manufacturing	\$969.48
Trade, Transportation and Utilities	\$848.15
Information	\$1,299.86
Financial Activities	\$1,176.32
Professional and Business Services	\$1,110.74
Education and Health Services	\$917.34
Leisure and Hospitality	\$356.13
Other Services	\$718.78
State and Local Government	\$842.96

For table on Statewide, County, or Local Workforce Development area please click link below:

<http://www.discover.arkansas.gov/Data-Search-Tool/QCEW>