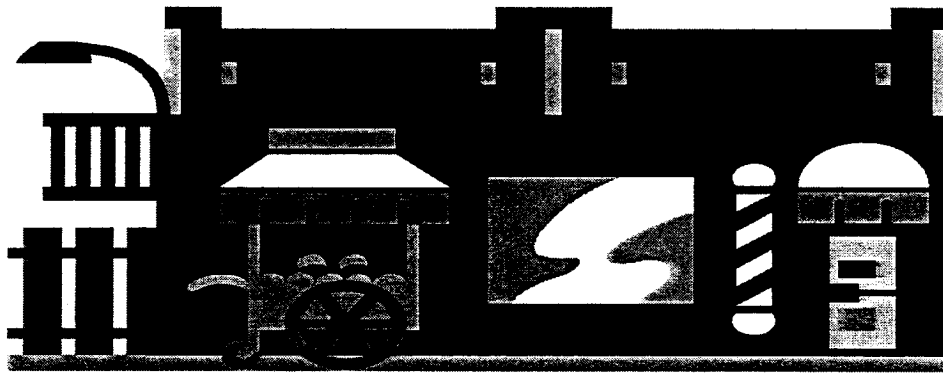


**1998 Economic Report  
and  
1999 Forecast  
for  
Conway and Faulkner County**

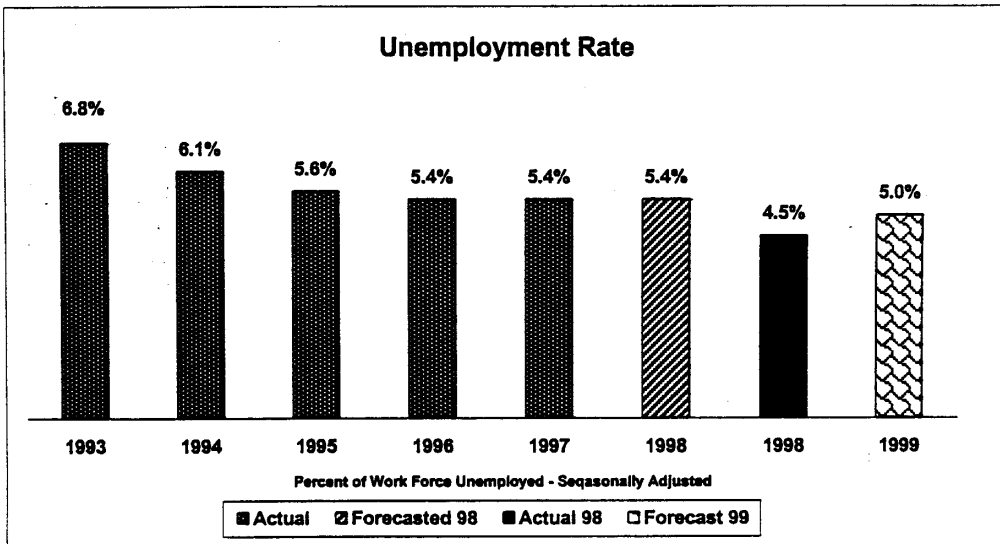
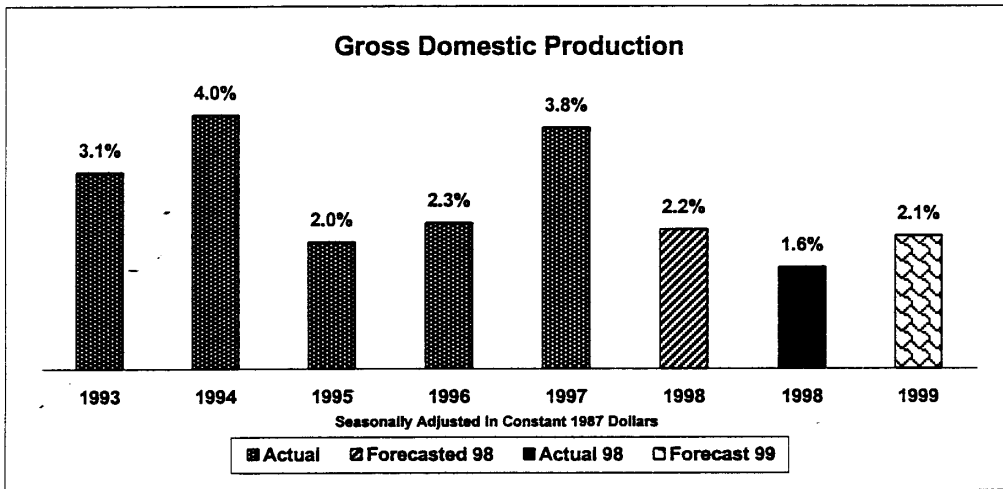
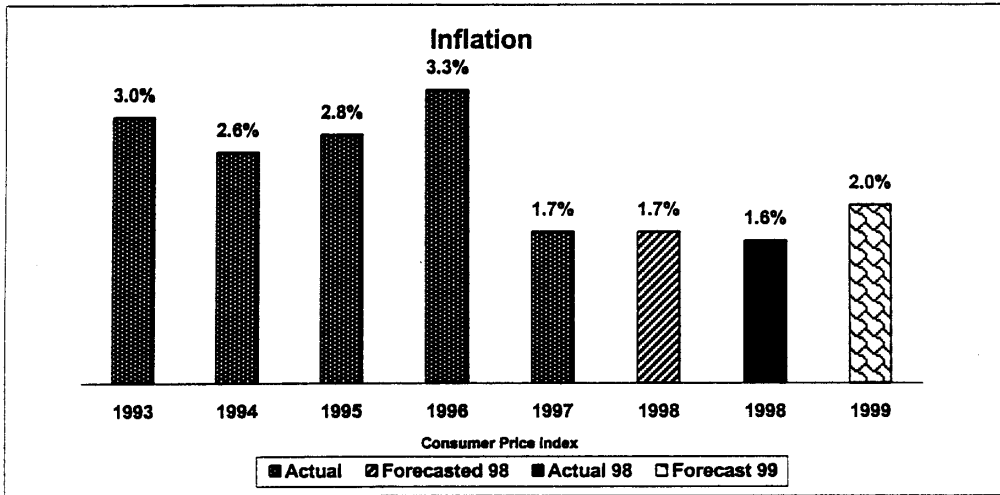


**Prepared for  
The Conway Noon Rotary Club**

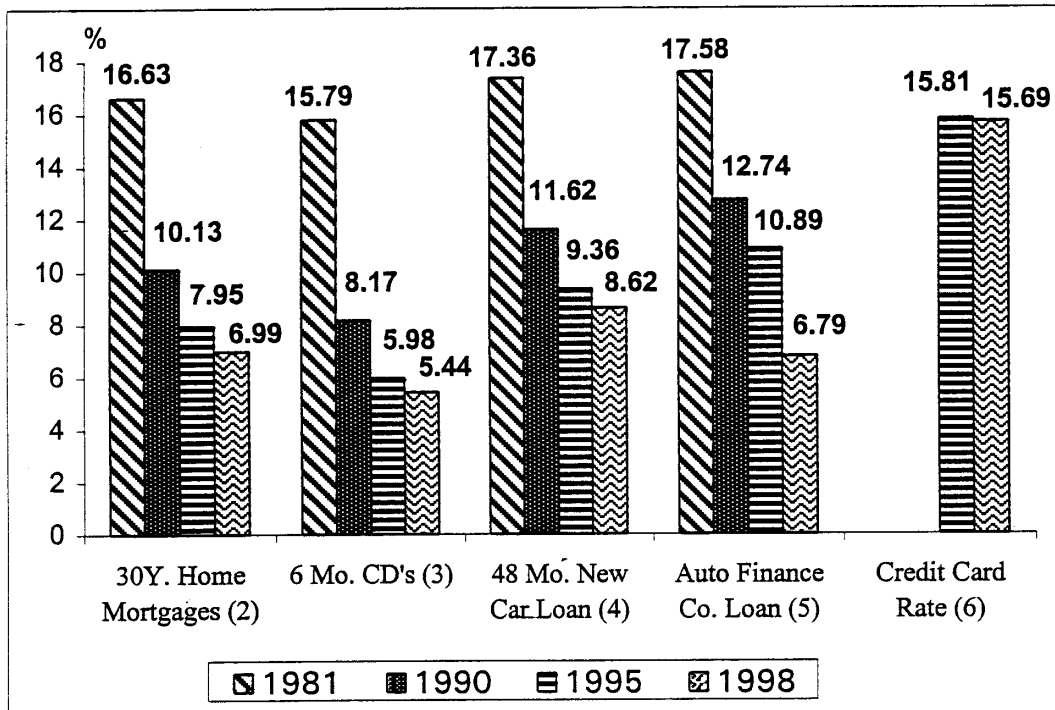
**By**

**Roger D. Lewis, Ph.D.  
Director of Institutional Research  
University of Central Arkansas**

## National Economy



## Interest Rates On Selected Consumer Products <sup>1</sup>



1. Data source, Federal Reserve System Statistical Releases

2. Federal Home Loan Mortgage Corporation Rates

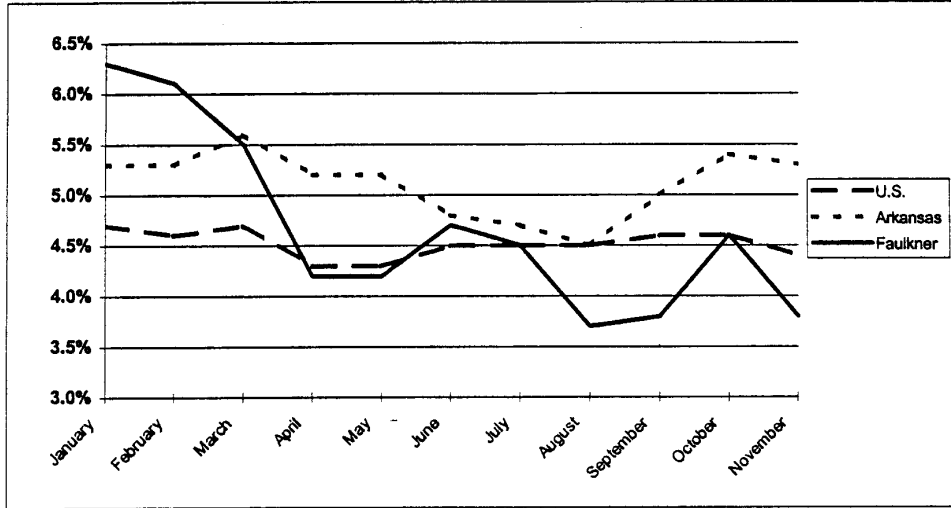
3. Average of Dealer Rates on Certificate of Deposits Nationally Traded in The Secondary Market

4. Commercial Bank Interest Rates on 48 Month New Car Loans

5. New Car Loans By Auto Finance Companies Approximatley 50 Month Loans.

6. Commercial Bank's All Credit Card Accounts

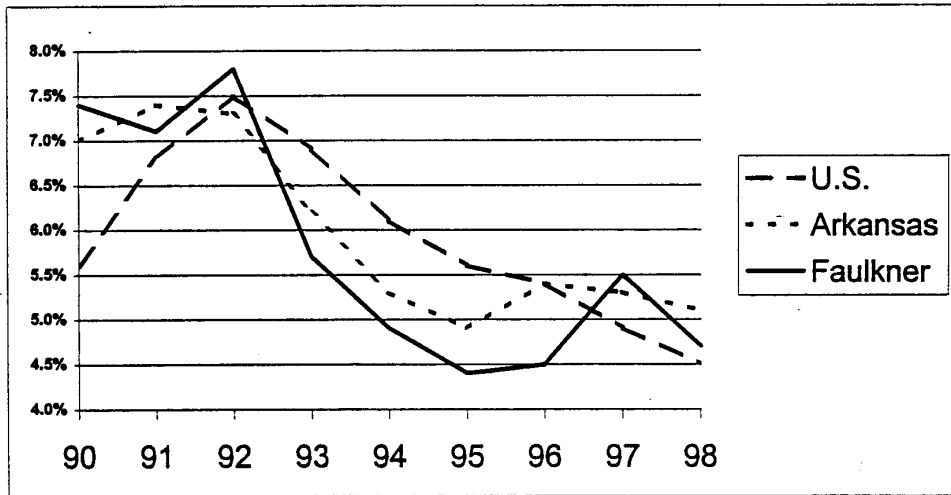
### Arkansas Economy 1998 Unemployment Rates\*



Month	U.S.	Arkansas	Faulkner
January	4.7	5.3	6.3
February	4.6	5.3	6.1
March	4.7	5.6	5.5
April	4.3	5.2	4.2
May	4.3	5.2	4.2
June	4.5	4.8	4.7
July	4.5	4.7	4.5
August	4.5	4.5	3.7
September	4.6	5.0	3.8
October	4.6	5.4	4.6
November	4.4	5.3	3.8
December	4.3	5.3	N/A
Average	4.5	5.1	4.7

\* Percentage of the work force unemployed, seasonally adjusted except for Faulkner County

### Average Employment Rates By Year 1990 Through 1998



**December Year-To-Date General Revenues**  
(July 1 to December 30)

	1993		1994		1995		1996		1997		1998	
	Amount	% Incr.	Amount	% Incr.	Amount	% Incr.	Amount	% Incr.	Amount	% Incr.	Amount	% Incr.
Individual	\$477,544,677		\$523,876,818	9.70	\$569,305,413	8.67	\$602,248,485	5.79	\$650,102,882	7.95	\$709,172,017	9.09
Corporate Income	75,761,380		73,545,697	-2.92	82,542,444	12.23	84,784,005	2.72	83,708,188	-1.27	88,160,535	5.32
Sales & Use	593,393,035		645,647,549	8.81	684,399,927	6.00	712,141,183	4.05	737,113,394	3.51	772,916,715	4.86
All Other	122,241,645		133,753,129	9.42	116,648,121	-12.79	113,910,898	-2.35	111,338,171	-2.26	102,743,612	-7.72
<b>Gross Revenues</b>	<b>\$1,268,940,737</b>		<b>\$1,376,823,193</b>	<b>8.50</b>	<b>\$1,452,895,905</b>	<b>5.53</b>	<b>\$1,513,084,571</b>	<b>4.14</b>	<b>\$1,582,262,635</b>	<b>4.57</b>	<b>\$1,672,992,879</b>	

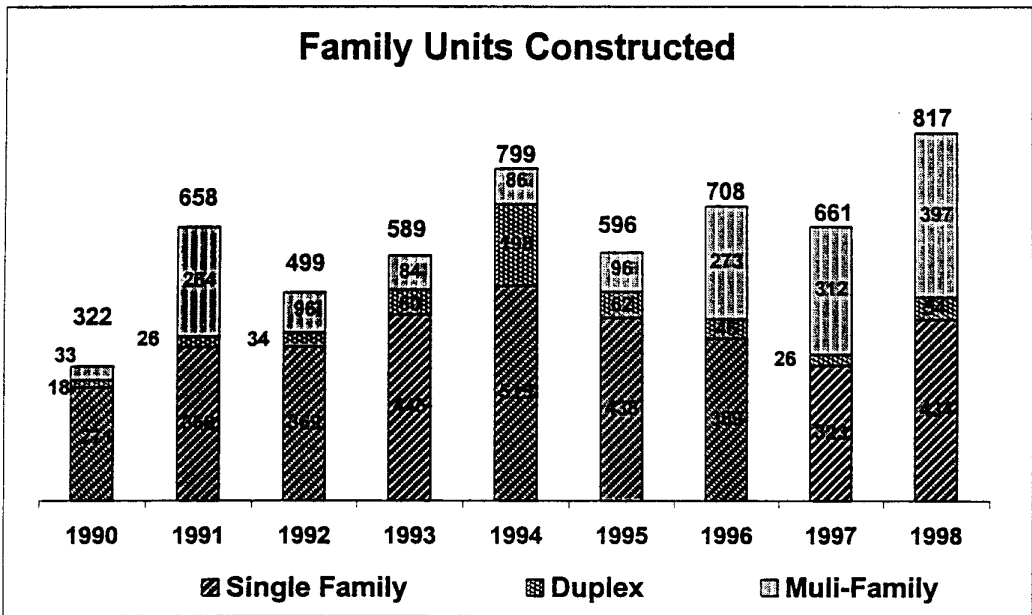
Amount of Increase Over The Previous Year:  
\$107,882,456

\$60,188,666

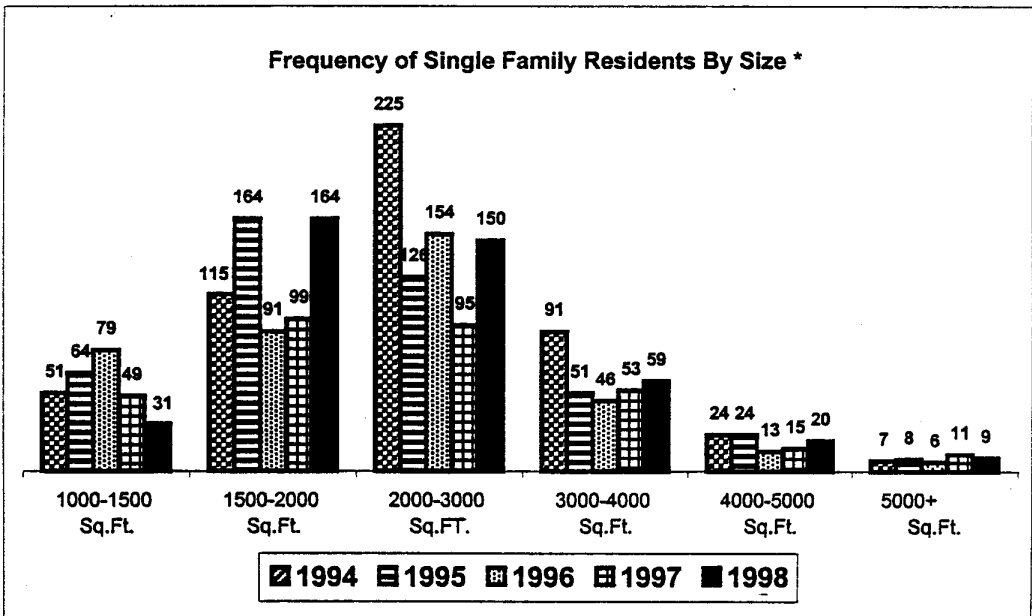
\$69,178,064

Fiscal Year Net Revenues Ending June 30:

## Building Permits Issued and Family Units Constructed In Conway From 1990 to 1998



	1990	1991	1992	1993	1994	1995	1996	1997	1998
Single Family	271	368	369	445	515	438	389	323	434
Duplex	18	26	34	60	198	62	46	26	54
Multi-Family	33	264	96	84	86	96	273	312	397
<b>Total Units</b>	<b>322</b>	<b>658</b>	<b>499</b>	<b>589</b>	<b>799</b>	<b>596</b>	<b>708</b>	<b>661</b>	<b>885</b>

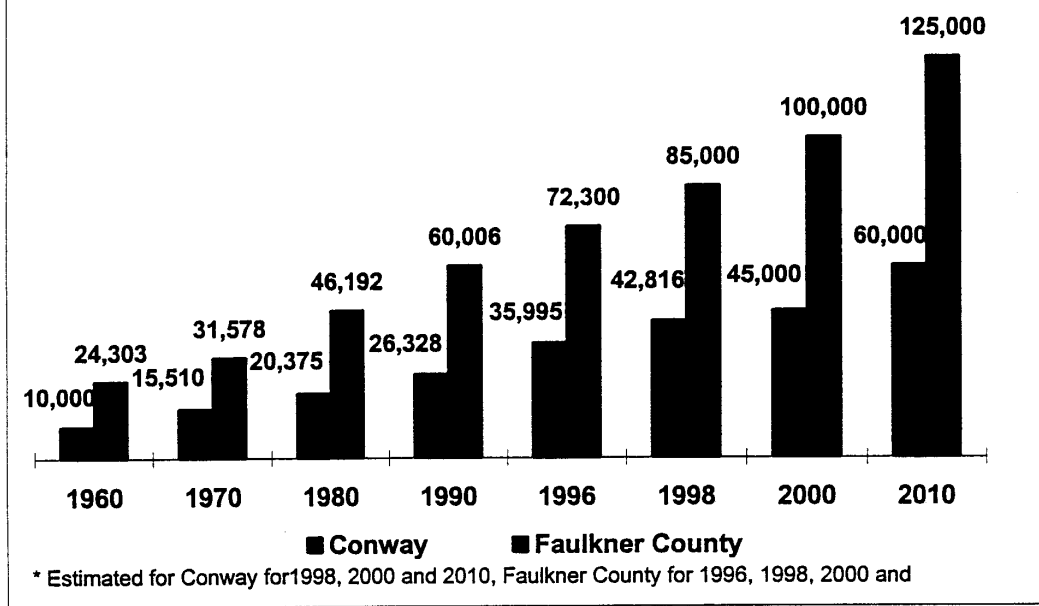


Averages for Single Family Residences	1994	1995	1996	1997	1998
Area*	2,501	2,290	2,222	2,447	2385
Construction Cost Per Sq. Ft.	\$40.72	\$42.91	\$44.56	\$48.05	\$50.80

\* Includes everything Under Roof

Data Source: Conway Planning Department Year End Reports, Bill Polk Director.

## Population of Conway and Faulkner County \*



	1960	1970	1980	1990	1996	1998	2000	2010
Conway	10,000	15,510	20,375	26,328	35,995	42,816	46,000	60,000
Faulkner County	24,303	31,578	46,192	60,006	72,300	85,000	100,000	125,000

Conway's population estimate for the year 2,000 & 2010 is based on 600 family units constructed per year with an average of 2.6 occupants per unit.

Faulkner County's estimate is from projections made by the Arkansas Institute for Economic Advancement.

## Utilities \*

### Conway Corporation Revenues & Capital Expenditures

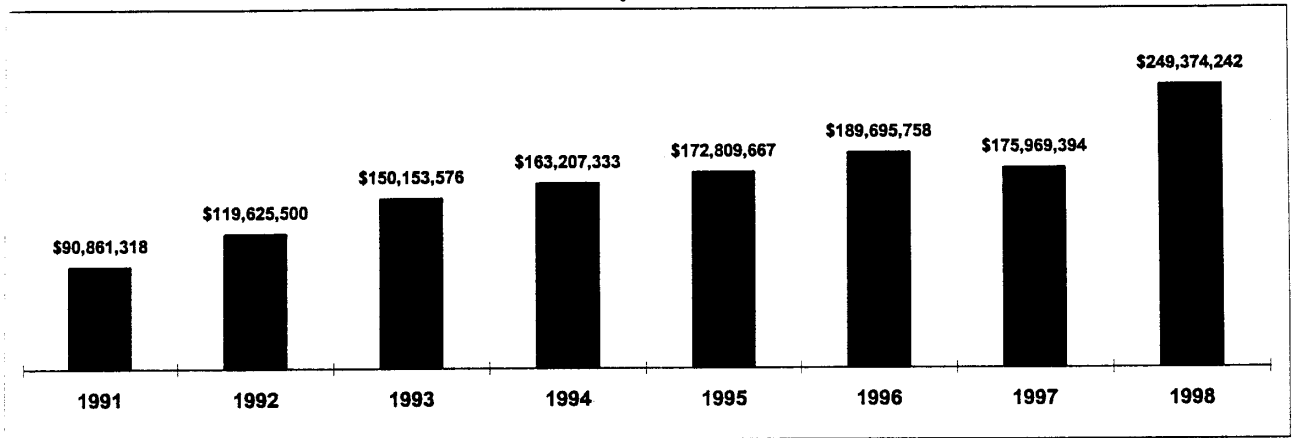
In Million dollars

	Revenue	Capital Expenditures	Residential Electric Customers	Total Electric Customers	Percent Increase
1999	\$46.9	\$5.6	17,175	19,345	5.2
1998	47.2	5.8	16,280	18,389	7.2
1997	42.4	5.2	15,169	17,154	3.4
1996	40.3	6.2	14,675	16,588	5.4
1995	37.7	4.3	13,897	15,732	5.4
1994	33.6	3.4	13,168	14,921	

\* Actual for 1994 through 1997, 10 month actual and 2 month estimated for 1998 and for budgeted for 1999

In April of 1996 census the population was 35,995 and there were 13,694 residential electric meters or 2.63 residents per meter.

### Faulkner County Real Estate Sales \*



1991	1992	1993	1994	1995	1996	1997	1998
\$90,861,318	\$119,625,500	\$150,153,576	\$163,207,333	\$172,809,667	\$189,695,758	\$175,969,394	\$249,374,242

\* Based on Revenue Tax Stamps Sold

### Faulkner County Property Tax Assessment Values (as of June each Year)

Year	Real Estate			All Property *		
	Amount	Percent Increase		Amount	Percent Increase	
		Yearly	Since 92		Yearly	Since 92
1998	379,129,163	3.7	55.0	552,296,656	2.8	59.8
1997	365,748,470	1.1	** 49.5	537,089,567	3.6	** 55.4
1996	361,653,000	17.6	** 47.9	518,255,000	17.4	** 49.9
1995	307,600,000	6.4	25.8	441,399,700	7.3	27.7
1994	289,063,000	8.1	18.2	411,318,000	12.6	19.0
1993	267,466,000	9.4	9.4	365,343,968	5.7	5.7
1992	244,585,000			345,683,719		

\* Includes Personal Property, Utilities and Carriers

\*\* Approximately 60% of the increase in 1996 is from reassessment and then in 1997 the reassessment was

## Faulkner County Retail Sales <sup>1</sup>

Year	Sales Tax Collections	% Incr	Estimated Gross Sales	Percent Increase
1998 *	12,275,795	0.3	265,422,595	-1.0
1997	12,241,395	1.8	268,110,102	0.4
1996	12,020,116	-1.9	267,113,689	-1.9
1995	12,247,153		272,158,956	

\* November and December is estimated for 1998 previous year though November of the current year.

<sup>1</sup> Does not include sales or taxes that are collected and reported by companies that have consolidated tax reports such as Walmart, McDonalds and Payless Shoes. Also the rate increased from 4.5% to 4.625% in July of 1997.

## Conway Sales Tax Collections

	Sales Tax Collections		Increase over Previous Yr.	Estimated Gross Sales *	Percent Increase
	@1%*	@1/2% **	@ 1% Rate		
1998	\$6,212,823	\$3,096,188	4.8	\$621,282,300	4.8
1997	5,928,576	2,944,183	6.6	592,857,600	6.6
1996	5,563,496	2,779,524	6.8	556,349,600	6.8
1995	5,209,329	2,562,489	9.1	520,932,900	9.1
1994	4,772,788	2,186,410	12.8	477,278,800	12.8
1993	4,232,954	3,705		423,295,400	

\* Estimated Gross Sales is Understated in that only \$25.00 local sales tax is collected for each one percent of tax for purchases over \$2500.

## Vehicles Sold By Authorized New Car Dealers \*

New Vehicles:	1994 <u>1980</u>	1995 <u>1696</u>	1996 ** <u>1862</u>	1997 ** <u>2022</u>	1998 *** <u>2099</u>	Percent Increase
Autos						3.8 %
Trucks	1192	1224	1483	1556	1693	8.8
Total (New)	3172	2920	3345	3578	3792	6.0
<b>Used Vehicles:</b>						
Autos	2716	1988	1999	1670	1613	-3.4 %
Trucks	1057	988	1238	976	937	-4.0
Total (Used)	3773	2976	3237	2646	2550	-3.6 %
Grand Total	6945	5896	6582	6224	6342	1.9 %

\* Self reported by survey - the 1994 and 1995 data may have included used vehicles that were wholesaled.

\*\* There is one new dealership reported in 1996 and another new one in 1997

\*\*\* One dealer did not report for 1998 and 1997 figures were used

## Sales Taxes Collected in Faukner County on Automobile Purchases

	<u>Collection</u>	<u>Sales</u>
1997	\$5,239,204	\$114,495,692
1996	5,051,936	112,265,244

The rate increased from 4.5% to 4.625% in July of 1997

## Motor Vehicle Registration

<u>Year</u>	<u>Passenger</u>	<u>Trucks</u>	<u>Cycles</u>	<u>Total</u>	<u>Increase</u>	<u>% Increase</u>
1997	36,007	18,434	470	54,911	1,918	3.6
1996	34,400	18,148	445	52,993	1,877	3.7
1995	32,683	17,998	435	51,116	3,509	7.4
1994	30,898	16,333	376	47,607	3,188	7.2
1993	28,785	15,271	363	44,419	2,150	5.1
1992	27,323	14,607	339	42,269	1,642	4.0
1991	26,261	14,033	333	40,627	1,626	4.2
1990	25,173	13,500	328	39,001		

### Agriculture Production In Faulkner County

Crop							Percent
	1993	1994	1995	1996	1997	1998	Increase
Beef	\$21,250,000	\$17,500,000	\$10,500,000	\$12,000,000	\$16,000,000	\$15,200,000	-5.00 %
Dairy	4,537,500	4,870,840	4,719,000	4,900,000	4,637,500	4,004,000	-13.66
Hay	1,300,000	2,340,000	2,200,000	2,400,000	3,750,000	3,125,000	-16.67
Soybeans	1,965,600	2,310,000	1,875,000	2,126,250	2,318,400	,990,000	-57.30
Greenhouses	NA	800,000	800,000	850,000	1,000,000	2,000,000	100.00
Rice	468,750	1,232,500	750,000	1,280,000	1,211,250	1,316,250	8.67
Wheat	600,000	633,600	695,600	710,400	770,000	560,000	-27.27
Forestry	500,000	600,000	600,000	700,000	800,000	900,000	12.50
Fruits & Vegetables	620,000	550,000	550,000	200,000	350,000	600,000	71.43
Silage	500,000	700,000	350,000	500,000	250,000	200,000	-20.00
Hogs	20,800	117,000	117,000	95,000	107,000	78,000	-27.10
Corn	36,000	36,000	63,000	75,000	119,700	81,000	-32.33
Oats	10,000	20,000	14,000	1,000	,	,	
Grain Sorghum	24,000	36,000	12,750	9,500	12,000	4,500	-62.50
<b>Total</b>	<b>\$31,832,650</b>	<b>\$31,745,940</b>	<b>\$23,246,350</b>	<b>\$25,847,150</b>	<b>\$31,325,850</b>	<b>\$29,058,750</b>	<b>-7.24</b>
Percent Change		-0.27%	-26.77%	11.19%	21.20%	-7.24%	

		Yeild		Percent
		1997	1998	
		1997	1998	1997-98
Rice	Bushels/Acre	150	130	-13.33 %
Soybeans	Bushels/Acre	28	15	-46.43
Corn	Bushels/Acre	105	90	-14.29
Wheat	Bushels/Acre	50	56	12.00
Beef	Head Sold	50,000	54,000	8.00
Hogs	1500 Head	1,500	1,500	0.00
Dairy	lbs. Per cow	13,250	13,000	-1.89

Data Source: Bill Dodgen, Cooperative Extension Service-Faulkner County

## Faulkner County Employment and Earnings By Industry From 1993 Through 1997

	1993			1994			1995			1996			1997			Increase Form 1993 Through 1997			
	Firms		Earnings *	Firms		Earnings *	Firms		Earnings *	Firms		Earnings *	Firms		Earnings *	Firms		Earnings *	
	N	%	Amount	N	%	Amount	N	%	Amount	N	%	Amount	N	%	Amount	N	%	Amount	
<b>Manufacturing</b>	81	6.765	\$150,608,921	83	7.098	\$163,428,575	85	7.225	\$172,531,089	85	7.302	\$185,079,840	85	7.242	\$195,556,918	4	4.9	\$44,947,997	29.8
Nonmanufacturing:																			
Construction	168	1.465	27,088,699	203	1.820	36,776,509	212	2.052	44,004,024	221	2.175	49,084,443	231	2.329	\$55,843,933	63	37.5	28,757,234	106.2
Transportation & Public Services	48	531	13,232,570	48	501	13,911,276	50	548	15,535,607	48	524	14,804,120	50	602	17,407,366	2	4.2	4,174,796	31.5
Wholesale & Retail Trade	389	4.935	56,759,611	409	5.280	62,690,871	432	5.526	68,936,523	462	6.090	79,829,862	491	6.543	87,544,398	102	26.2	30,784,788	54.2
Financial, Insurance & Real Estate	97	644	12,957,205	106	654	13,421,948	113	694	15,452,521	118	686	16,388,035	131	738	18,852,337	34	35.1	5,895,132	45.5
Services	389	5.181	100,914,209	403	5.602	109,355,585	436	6.254	133,997,522	476	6.683	150,952,850	483	7.088	172,408,627	94	24.2	71,482,418	70.8
Government	49	4.267	81,558,168	48	4.386	96,486,871	51	4.450	104,228,716	52	4.570	110,680,687	53	4.667	117,888,412	4	8.2	26,330,244	28.8
Other	21	98	1,415,437	23	103	1,685,267	23	132	2,460,814	29	161	2,777,004	30	164	3,095,315	9	42.9	1,679,878	118.7
<b>Total Non Manufacturing</b>	1161	17.121	\$303,923,899	1241	18.346	\$334,328,327	1317	19.656	\$384,616,527	1406	20.889	\$424,497,081	1469	22.131	\$473,038,389	308	26.5	\$169,114,490	55.6
<b>Grand Total</b>	1242	23.886	\$454,532,820	1324	25.445	\$497,754,902	1402	26.881	\$557,147,626	1491	28.191	\$608,576,921	1554	29.373	\$668,595,307	312	25.1	\$214,062,487	47.1

\* Earnings Include Fringe Bene



## Downtown in Conway

### Characteristics of Conway

- Large percentage of work force work out of town
- Conway is a stop over place for travelers
- Eight motels and two more coming
- Retail by locally owned businesses is declining
- Antique shops is the predominate downtown business
- Conway has many talented artist
- Close proximity to large population for one day trips
- Conway institutions draw many visitors

## Downtown in Juntura

[Redacted]

[Redacted]

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## What Will It Take?

- Commitment
- Organization
- Promotion
- Funding
- Evening and Weekend Business Hours
- Investment