The Business Case for Equity: Executive Summary

Whether we were born here or chose to make this place our home, most of us want to see Arkansas become a thriving, prosperous state.

When nearly half of all households in Arkansas are ALICE (Asset-Limited, Income-Constrained, Employed), our potential for broad prosperity is severely constrained. And when wide disparities in health, earnings, wealth, homeownership, incarceration, and other life outcomes remain starkly uneven — determined by race, ethnicity and zip code — we all experience restrictions on our freedoms and opportunities to prosper.

41% of Arkansans are struggling to make ends meet.

Addressing these disparities isn’t just the right thing to do; it’s how we will grow the Arkansas economy in the future. Equity of opportunity will create a stronger workforce and customer base and a better fiscal outlook when Arkansas is aging and historically disadvantaged groups are sustaining the state’s population growth. By 2050, when today’s children are in their prime working years, there will be only 2.4 Arkansans of working age for every one of retirement age.

If economic equity were achieved and all households earned at least the minimum to make ends meet:

TOTAL ANNUAL INCOME IN THE STATE WOULD BE

$8.7 BILLION HIGHER

By 2050, GDP would be $23 BILLION HIGHER

THE STATE BUDGET WOULD GAIN

$2.5 BILLION per year through increased tax revenues ($889 million increase)

AND DECREASE SPENDING ON

- Medicaid ($1.35 billion savings)
- Corrections ($127 million savings)
- And income assistance ($162 million savings)

Arkansas businesses would be supported by $6.6 BILLION more in annual consumer spending power.

Regardless of our differences, we all want Arkansas to be prosperous. By choosing policies and practices that ensure real opportunities for Arkansans, we will create more goods, services, and higher living standards for all of us.

Equity is the path to unlocking Arkansas’s potential. It’s a boon for business, it’s the responsibility of government, and it’s a win for Arkansans.