

2021

Hot Springs Village Social and Economic Contributions



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TABLE OF CONTENTS

Executive Summary	4
Fast Facts	4
Section I: A Profile of Hot Springs Village	6
Section II: Population Characteristics	8
Section III: Village Governance, Facilities & Supporting Services	15
Section IV: Lifestyle & Leisure	18
Section V: Economic Growth	22
Section VI: Public Sector Benefits	29
Acknowledgements	35
Appendices	36

Executive Summary

Hot Springs Village made a \$397 million contribution to the Arkansas economy in 2020, an increase of \$26 million from 2015. The greatest part of this contribution impacted Garland and Saline counties. Having passed their 50th birthday, the 26,192-acre community continues to grow and evolve. From a developer's dream to the largest gated community in the nation, the Village today is home to nearly 16,000 people who are having a bigger impact than ever before.

This is an updated report on the Village's social and economic impact and includes much of the historical information contained in the 2016 report. Combined with several web sites, including www.explorethevillage.com, it becomes an invaluable resource for information on the Village.

The report tells the story of a unique planned retirement, relocation, and recreation community in its third phase of evolution. First came Cooper Communities, Inc.'s initial planning and infrastructure construction. Then came growth. Lots were platted, streets built, homes added, and Villagers began moving in.

After 30 years, the Village eased into its current phase. As the last of 34,152 lots were sold, the developer backed away, and the property owners – through the Property Owners' Association – assumed the management and leadership role.

This study shows the Village's economic effect is enormous.

In 2020:

- Its contribution to the state's economy was \$397 million.
- Of that, resident and visitor spending contributed \$374 million.
- New residential home construction contributed \$17 million.
- Spending on infrastructure development and construction of commercial buildings contributed \$6 million.

While the Village's economic impact has been growing, so has its social impact. Villagers took major strides in recent years to be more involved with its two counties and two school districts, the cities of Hot Springs and Benton, and state government.

The result has been a greater understanding of the Village, its unique form of government and its residents, many of whom have the time, talent, experience, and financial wherewithal to help those around them. And they do.

This report is a snapshot of the way things were at the time the report was written. Every effort was made to include the latest information. While the world changes every day, advances in technology will help us keep the data fresh on our web sites.

FAST FACTS

POPULATION: 15,861.

MEDIAN AGE: 69 compared to 38 in Arkansas and 38 nationally.
Median household income: \$58,899 compared to \$47,597 in Arkansas and \$62,843 nationally.

ECONOMIC CONTRIBUTION: \$397 million in 2020 (four-fifths of this contribution occurred in Garland and Saline counties).

SIZE: 26,192.35 acres; 40.93 square miles; largest gated community in the nation.

PLATTED LOTS: 34,227. 26.4 percent are developed.

HOUSING UNITS: 9,038 – 201 assisted living, 99 time share, and 8,738 Single and Multi-Family homes.

COUNTIES: Garland and Saline

LAKES: 12, covering 2,105 acres, including the 106.9-acre Lake Lago reservoir that provides drinking water to the Village. Recreational lakes range from 963.5 acres (Balboa) to 12.4 acres (Segovia), with three marinas. There were 3,833 boats registered in Hot Springs Village in 2020.

GOLF COURSES: Nine total golf courses in Hot Springs Village and the Village POA owns and operates eight of these. One course has 27 holes and seven are 18-hole courses. The one private course has 18 holes. There were 233,076 rounds played in 2020 on POA-owned courses.

TENNIS COURTS: 13 tennis courts at Coronado Tennis Center complex, 10 of which are clay courts.

PICKLEBALL COURTS: 14 pickleball courts at the Desoto Outdoor Recreation Area.

FITNESS CENTER: A full-service Fitness Complex on Lake Coronado includes an indoor natatorium, walking track, free and nautilus weights, exercise machines, treadmills, elliptical sauna, steam room, hot tub, massage therapy and a full range of classes.

OTHER SPORTS: Bocce ball, lawn bowling, croquet, and archery.

OUTDOOR POOL: Desoto Pool with zero entry access and splash features for children.

HIKING TRAILS: Over 30 miles for all skill levels.

BIKE ROUTES: 22.8 miles.

STREETS: 500 miles – 472 miles paved and 29 miles unpaved.

PERFORMING-ARTS CENTER: 654-seat Woodlands Performing Arts Center. The Village Concerts Association, the POA and other groups sponsor 35-45 concerts, plays and productions each year.

COMMUNITY FACILITIES: Coronado Center (seats up to 300 in main auditorium with 6 additional meeting rooms), Coronado Library, Casa de Carta Bridge House (home to the 400-member Bridge Club), Cortez Lake Front Pavilion, Balboa Lake Front Pavilion, DeSoto Lake Beach, Waypoint Marina and Café, Grove Park, Desoto Park and Recreation area and Desoto Dog Park.

RV PARK: Located on Lake Coronado, the park features 21 sites with full-service hookups including water, sewer and 30/50-amp services.

POA-OWNED BUILDINGS: 115.

RESTAURANTS IN HOT SPRINGS VILLAGE: 14

POA-OWNED RESTAURANTS: 8.

CHURCHES: 20 serving 12 denominations.

CLUBS AND ORGANIZATIONS: 130 - including 17 service clubs, 22 art, music, and craft clubs, 13 women's groups, 10 recreation organizations, 15 hobby and 6 military.

OVERALL LOCATIONS:

- Key destinations within 30-minute drive: Hot Springs National Park, 1.8-million-acre Ouachita National Forest, 40,100-acre Lake Ouachita with 975 miles of undeveloped shoreline, Garvan Woodland Gardens, Oaklawn Racing & Gaming, three full-service hospitals, shopping malls.
- Key destinations within a one-hour drive: State capitol, University of Arkansas at Little Rock campus and UA Medical Center, Clinton national airport, Bass Pro Shop and outlet malls, Clinton Presidential Library, Arkansas Symphony Orchestra, Arkansas Repertory Theater, Heifer International world headquarters.
- Other popular day-trip destinations: Crystal Bridges Museum of American Art; University of Arkansas at Fayetteville; Memphis, Dallas, Shreveport.

FORM OF GOVERNMENT: Private corporation – the Hot Springs Village Property Owners' Association (POA) Board of Directors are elected by property owners.

POA OPERATES ITS OWN:

- Police and fire departments including four fire stations.
- Public works department, includes streets, water (with 6-million-gallon-a-day water-treatment plant), two sewage-treatment plants, and sanitation.
- Recreation department.
- Planning and inspections department.
- Animal-control program and shelter.

OTHER MISCELLANEOUS INFORMATION:

- Ambulance: Four fully equipped ambulance units with paramedics and EMTs are based in Village; 90 percent of calls answered in under nine minutes.
- Homes occupied by owners: 86 percent compared to 64 percent nationally.
- Homes occupied by renters: 14 percent, compared to 36 percent nationally.
- Property/sales taxes paid: Villagers paid \$4.4 million to Garland and Saline counties in 2020. The Village share of county expenses was \$3 million.
- Village students attending Jessieville schools: 401 (of 843 total enrollment); Fountain Lake schools: 242 (of 1,365 total).
- Property taxes paid to local schools: Villagers paid \$10.9 million to Fountain Lake (78 percent of total received) and \$3.9 million to Jessieville (76 percent of total).
- Weather averages:
 - High temperature: 72.5 degrees.
 - Mean temperature: 62.0 degrees.
 - Low temperature: 51.4 degrees.
 - Annual precipitation: 57.18 inches.

SECTION I

A Profile of Hot Springs Village

Hot Springs Village is a 26,192-acre planned retirement, relocation, and recreation community in the hills of the Ouachita Mountains, adjacent to the 1.8-million-acre Ouachita National Forest.

Historic Hot Springs is 15 miles south of the Village. It is the most popular tourist destination in Arkansas. The city surrounds Hot Springs National Park and its world-famous thermal baths. It is home to the Oaklawn Racing & Gaming Center, 232 restaurants, regional healthcare facilities, shopping, and outlet centers.

Little Rock, the state capital, is 45 miles northeast of the Village. It offers a full range of metropolitan experiences, including the Little Rock River Front Park, Clinton Presidential Center, fine restaurants and shopping, museums, theaters, entertainment, first-rate medical facilities and a major airport.

Fifteen miles west of the Village is 40,100-acre Lake Ouachita, a mecca for boating and fishing enthusiasts. The lake is one of the cleanest in the nation. It has 975 miles of shoreline and is surrounded by the Ouachita National Forest (www.arkansasstateparks.com/lakeouachita).

The Village is in eastern Garland and western Saline counties. Hot Springs is the seat of Garland County. Benton, 20 miles east of the Village, is the seat of Saline County.

Hot Springs Village is the largest gated community in the nation. It had a resident population of 15,861 and 34,227 platted lots and 9,038 housing units in 2020.

The development is worth more than \$2 billion. Amenities include nine outstanding golf courses, 13 tennis courts, 12 lakes, three marinas, a 654-seat performing arts center, fitness center, natatorium, library and 30 miles of nature trails.

There are 500 miles of roads in the Village. The community operates road, water, sewage, sanitation,

police, fire, golf, recreation, animal control and planning and inspections departments.

Three manned ambulance units with a fourth unmanned ambulance available for operations supervisor to man as needed are based in the Village.

The following sections provide an overview of the story of this residential community, its people and their social and economic contribution to the region and state.

VILLAGE ORIGINS

The history of Hot Springs Village, described by Andrews, Mills and Reik,¹ is shrouded in vignettes of mystery and intrigue.

Early accounts suggest a region explored by the Spanish conquistador Hernando DeSoto as part of his 1541 expedition, a claim disputed by more recent historians using computer technology to trace DeSoto's assumed routes (desototrails.com).

The DeSoto legend is, however, why the Village's developer used a Spanish theme to name the streets and amenities. A helmeted conquistador was adopted for the Village logo.²

In the 1700s, the French took control of the region. The lands were traveled mainly by French trappers who followed Indian trails and traded with the Native Americans. In 1803, the United States doubled its size with the Louisiana Purchase from France, a vast area which includes what today is Arkansas. In 1836, Arkansas was recognized as the 25th state in the union.

What would become Hot Springs Village was part of Marble Township in Saline County. With formation of Garland County in 1873, a portion of Marble Township was transferred to the northeast corner of Garland. Today the Village is in both counties.

In the late 19th and early 20th centuries, northeast Garland County was known as "The Dark Corner."

According to Andrews, et al, the name evolved from stories told by mountain folk of family feuds, murders, thievery, and moonshiners who took cover in the secluded and rugged mountains.

Illegal stills populated the area during the prohibition years of 1920-33. As late as 1975, Garland County deputy sheriffs made arrests for moonshine stills in the Jessieville area, two miles north of the west entrance to the Village.

JOHN A. COOPER

Most of what would become Hot Springs Village was once owned by Dierks Forests, Inc., a family-owned timber company founded in Nebraska in the 1890s. The firm's headquarters moved to Hot Springs in 1956.

By 1969, the company had 5,000 employees and owned vast tracts of timberland, including 1.8 million acres in Oklahoma and Arkansas.²

That same year, John A. Cooper Sr., an Arkansas native, a lawyer and head of Cooper Communities, Inc., was looking for an area west of Little Rock to develop a planned community that would improve on his earlier Cherokee Village and Bella Vista developments in Arkansas.

In the 1950s and 1960s, Cooper was one of the most successful builders and developers of retirement communities in the nation. In January 1969, he contacted Dierks Forests, about buying 20,000 acres of timberland east of Highway 7 in Garland County.

About the same time, Weyerhaeuser, a large paper company, purchased Dierks for more than \$300 million. The deal stipulated Weyerhaeuser would set aside the 20,000 acres for Cooper to buy.

Cooper Communities bought the property in increments, beginning with 4,000 acres in December 1969, followed by 2,500 additional acres and, later still, more acreage to the east. He broke ground for the Village in February 1970.

Cooper retained the services of E. Fay Jones, an Arkansas native and nationally recognized architect,



to design the west entrance, sales and administrative buildings and the DeSoto Club. The Village opened for business on June 1, 1970, 18 months after Cooper made initial contact to purchase the land.

DEVELOPMENT

Cooper began developing the Village eastward, following a plan that included road construction, water, sewer and electricity lines, lakes, golf courses, tennis courts, public buildings and numerous amenities.

One of John Cooper's founding principles was to keep at least 40 percent of the property undisturbed in green-belt zones and common property. In a testament to his commitment, Dierks notes this frequent comment from lot purchasers in the 1970s: "The most important thing Cooper Communities did was do what they said they would do."

A 2015 land-use chart illustrates the Cooper principle. Common property, golf courses and lakes account for 42 percent of the Village. The quantity and quality of amenities give further testimony to the fact that Cooper Communities, Inc., in concert with the Hot Springs Village Property Owners' Association, "did what they said they would do." (hsvpoa.org)

1. Andrews, Ted F, Fred V. Mills and Bob Reik. 2007, *A History of Hot Springs Village 1970 Through 2006*, 604 pp.

2. Dierks, Don, Jr. *Full Circle 1957-2002: A Historical Narrative on the Timberlands of Dierks Forests, Inc. Which Became Hot Springs Village*. Cedar Mountain Books. 2010, 84pp.

SECTION II

Population Characteristics

Villagers come from every state in the union and 12 foreign countries. Since some of the demographics of current residents differ from the state and nation it is helpful to describe and compare the Village demographics with comparable information for Arkansas and the nation.²

POPULATION

Over its 45-year history, Village growth has been positive, although the pace of growth has slowed. Over its first two decades from 1970 to 1990, the Village grew to 6,361 residents. Three decades later, the Village population has more than doubled to 15,861 (Figure II-1)

Even though population growth has slowed it surpassed growth in Arkansas and the nation from 2010 to 2020. The Village population grew 15.4 percent during this 10-year period compared to 7.4 percent growth in the nation and only 3.3 percent in Arkansas.

The Village is located in parts of Garland and

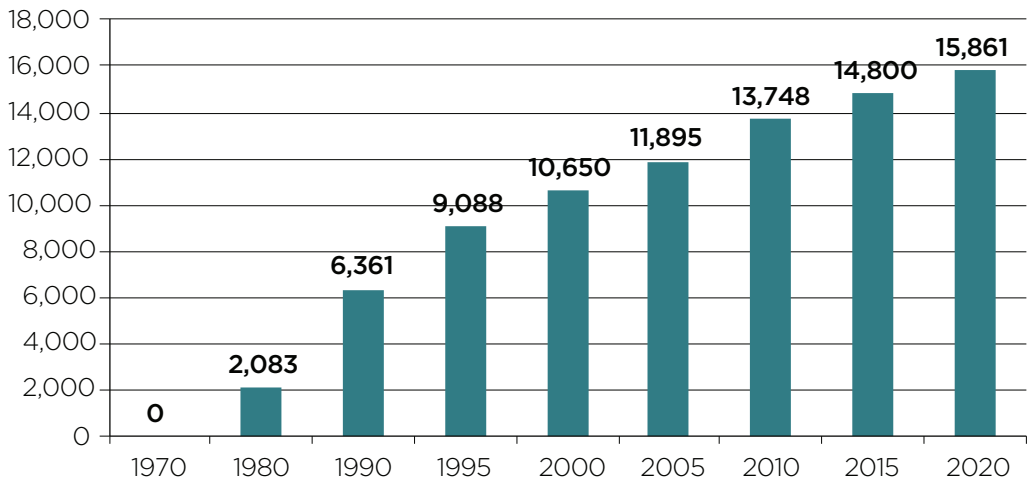
Saline counties. The west side of the Village is in Garland County and was the first area to be developed. Recent expansion has been on the east side of the Village which is in Saline County. Population growth in Saline County grew at about the same rate (15.2%) from 2010 to 2020 as did the Village. However, Garland County's population grew only 4.3 percent during this 10-year period.

AGE DISTRIBUTION

Most Village residents are older and retired from their work careers. However, increasing numbers moving to the Village continue working and enjoy an active lifestyle. The median age of Villagers is 69 compared to median age of 38 in both Arkansas and the U.S. However, younger couples and their children are also moving to the Village to enjoy the amenities of the Village. According to the 2020 population census there were 1,586 children ages 0 to 19 living in the Village. Six hundred forty-three (643) were enrolled in the Jessieville and Fountain Lake schools, which serve the Village.

As figure II-2 shows (pg.9), nearly three-fifths (59%) of the Village population are 65 years of age or older compared to only 16.7 percent in Arkansas and 15.6 percent in the U.S. Another 31 percent of the Village population are considered in the working age group from 20 to 64 years of age and children ages 0-19 make up

Figure II-1 . Hot Spring Village Population 1970 to 2020



Source: Census of Population and Population Estimates, U.S. Bureau of Census.

10 percent of the population. Therefore, while the Village is considered a retirement/recreation village, the Village contains a mix of population in different age groups.

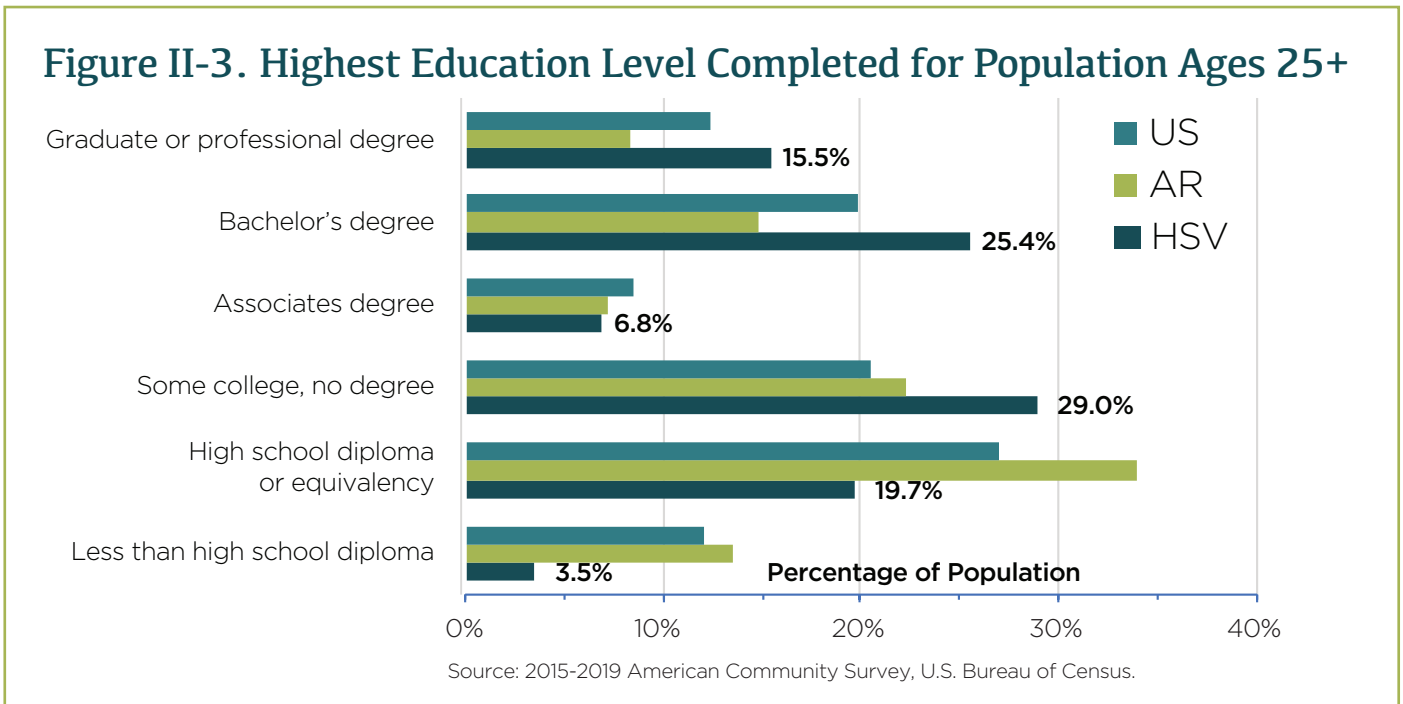
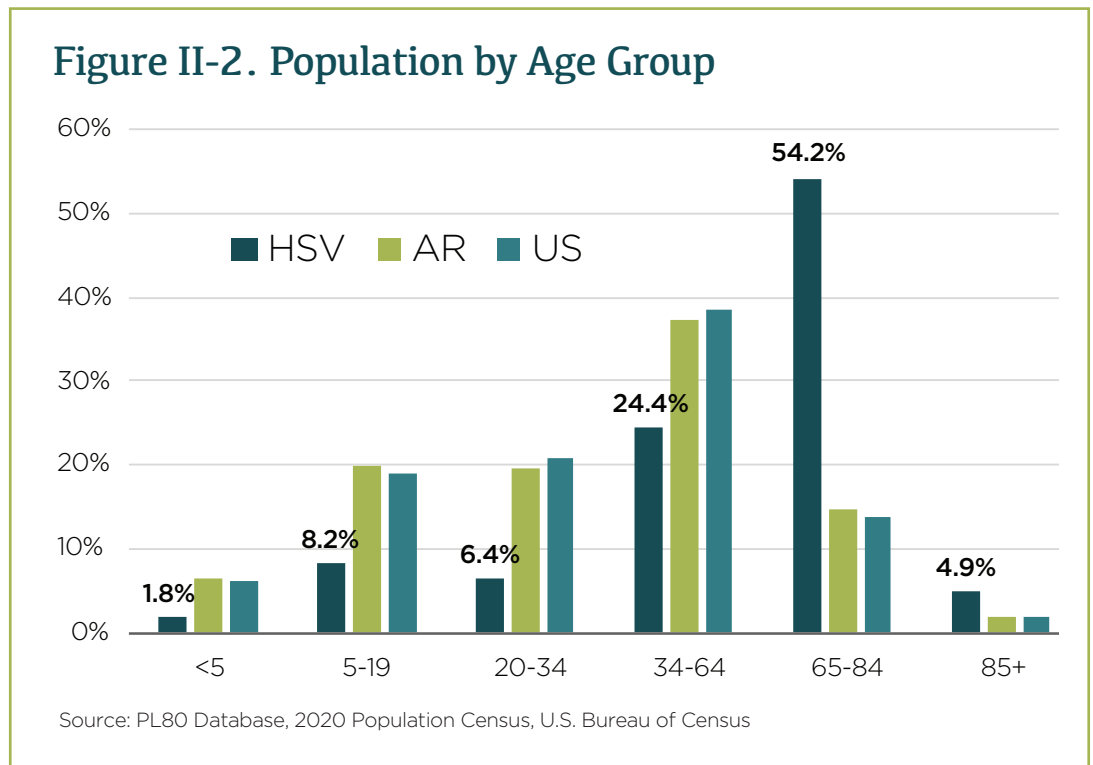
NATIVITY

Village residents come from many states. Seventy-four percent of Villagers were born in a state other than Arkansas. However, only three percent of residents were born outside the U.S. By

comparison, 15 percent of the U.S. population was born outside the U.S. and most – 58 percent continue to live in the state in which they were born.

EDUCATION

Education levels for Villagers are notably higher than the state and national averages (Figure II-3). Nearly 96 percent of Villagers 25 years and older graduated from high school or equivalency, eight percentage points



higher than the national figure and 10 points higher than Arkansas residents in the age category. Over two-fifths (41%) of Village residents in this age category have a bachelors, graduate or professional degree compared to only 23 percent in Arkansas and 32 percent in the U.S. This higher level of education combined with their many years of work experience is a valuable resource available to nearby communities and businesses.

EMPLOYMENT, TYPE OF EMPLOYER AND COMMUTING

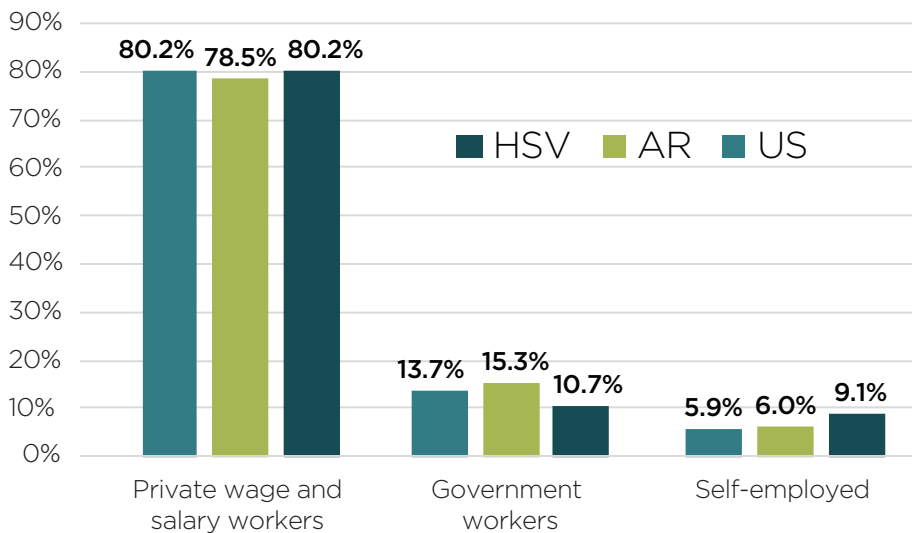
Twenty-eight percent of the Village population 16 years old and older were in the labor force compared to 58 percent in Arkansas and 63 percent nationwide. Similarly, 27 percent of the population were employed compared to 55 percent in Arkansas and nearly 60 percent nationwide. This lower participation in the labor force is not surprising

since the Village contains a much higher percent of elderly than either Arkansas or the nation.

Of the Village people employed approximately 80 percent were wage and salary workers which was similar to Arkansas and the nation. However, a smaller share of the employed were government workers and a somewhat larger share were self-employed in 2019 (Figure II-4).

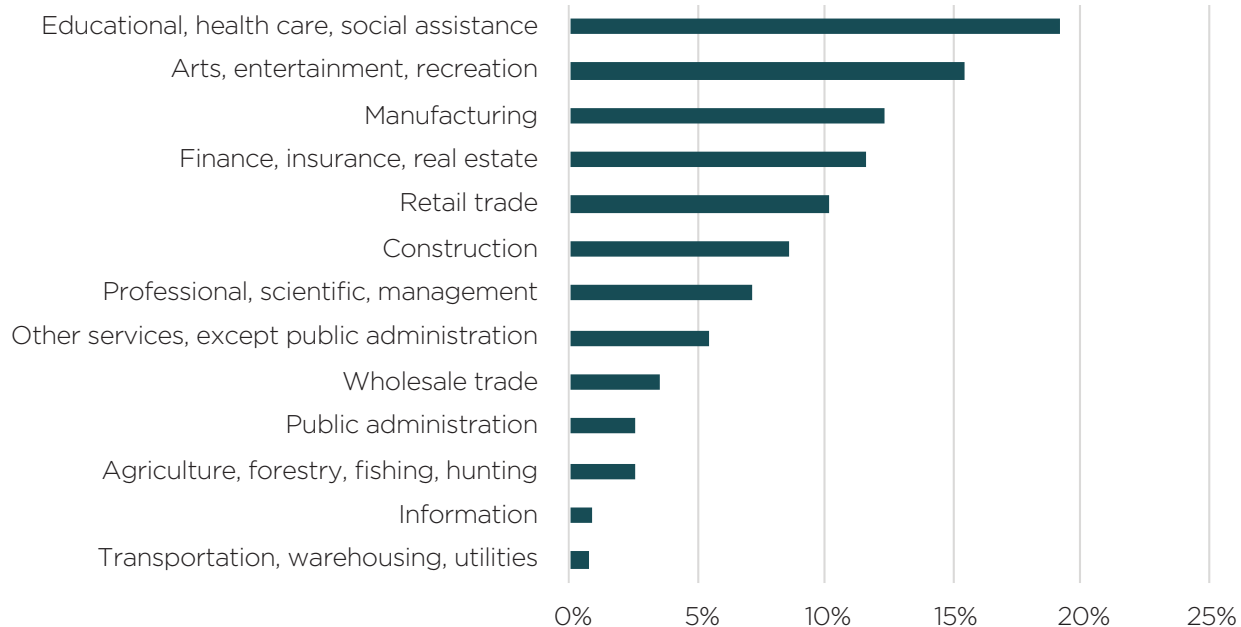
Figure II-5 shows the distribution of Village workers across industries.

Figure II-4. Class of Worker



Source: 2015-2019 American Community Survey, U.S. Bureau of Census

Figure II-5. Hot Springs Village Workforce Employed by Industry



Source: 2015-2019 American Community Survey, U.S. Bureau of Census

Two sectors – education services, health care and social assistance, and arts, entertainment, recreation, accommodation, and food services– employ 35 percent of Village workers. Village workers are more likely to be employed in arts, entertainment, recreation, accommodation and food services industry and the finance, insurance and real estate industry compared to workers in Arkansas and the nation. Over one-fourth (27%) of Village workers are employed in these two industries compared to only 13 percent in Arkansas and 16 percent nationally.

A smaller share of Village workers was employed in the education, health care and social assistance industry and the transportation, warehousing and mining industry compared to workers in Arkansas and the nation. Only one-fifth (20%) of Village workers are employed in these two industries compared to 30 percent in Arkansas and 29 percent nationally.

In terms of occupations, a smaller share of Village workers had production, transportation and material moving jobs than those in Arkansas and the nation. Village workers are more likely to be employed in sales and office occupations.

Even though Hot Springs Village is approximately 53 miles to Little Rock and 18 miles to Hot Springs, the average commute time of workers is only 29 minutes, which is only slightly higher than the average commute time for workers in Arkansas and nationally.

INCOME AND HEALTH INSURANCE

The median household income in the Village (\$58,899) is slightly lower than the national median of \$62,843, but substantially higher than the Arkansas median of \$47,597 (Figure II-6).

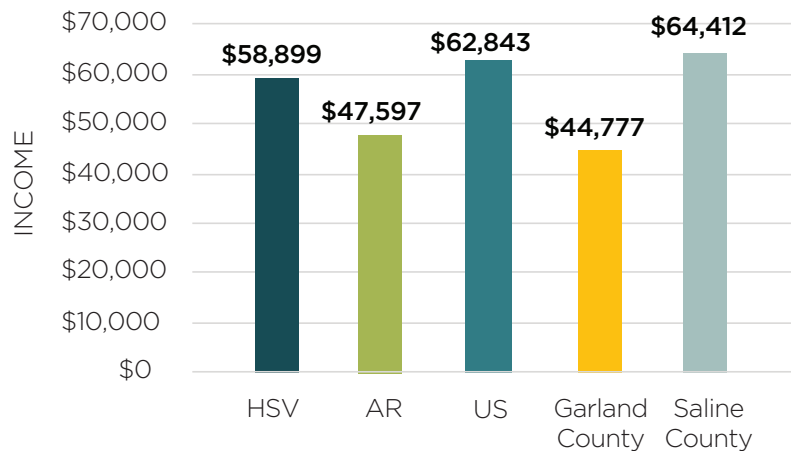
Likewise, the Village median household income of \$58,899 is considerably higher than the Garland County median of \$44,777 but less than the Saline County median of \$64,412.

Thirty-six percent of Village households had wage earners compared to 78 percent of U.S.

households, 74 percent in Arkansas and 76 and 68 percent of households in Saline and Garland Counties, respectively.

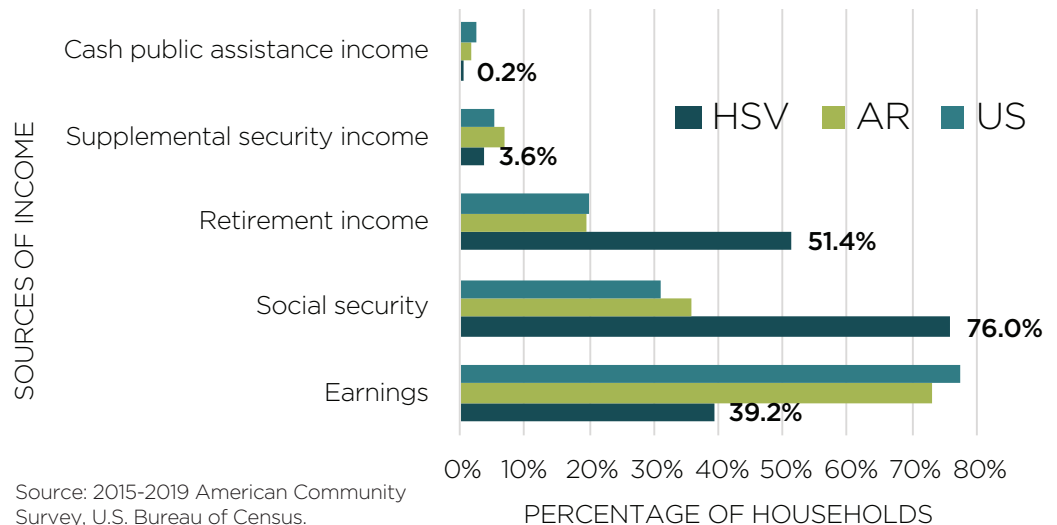
Fifty-four percent of Village households received retirement income other than Social Security compared to 18 percent of both U.S. and Arkansas households.

Figure II-6. Median Household Income



Source: 2015-2019 American Community Survey, U.S. Bureau of Census.

Figure II-7. Household Income Sources



Source: 2015-2019 American Community Survey, U.S. Bureau of Census.

Not surprisingly three-fourths (76%) of Village households received Social Security income, which was a much higher percentage than Arkansas (36%) and U.S. (31%) households (Figure II-7, pg. 11).

Over one-half of Village households receive other retirement income compared to only about 20 percent of households in Arkansas and the nation. A much smaller share of the Village households received supplemental security and cash public assistance income compared to households in Arkansas and the nation. Therefore, there is less reliance on local, state, and national governments for financial assistance.

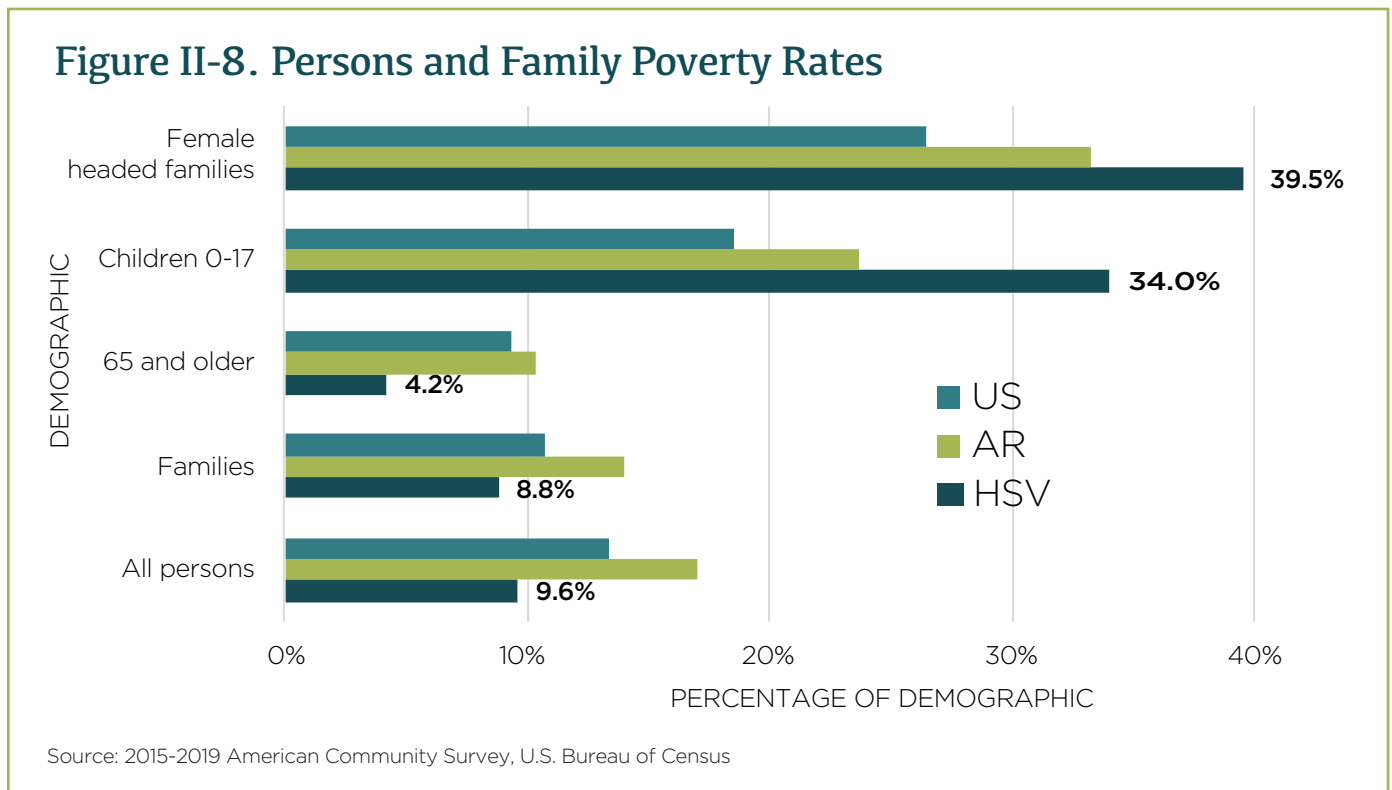
Village households received nearly \$270 million in social security and other retirement income in 2019. This was nearly two-thirds (64%) of all income received by Village households and indicates the large sums of money coming into the village, much of which is spent in the region providing additional jobs and income for residents.

Most Village residents (96%) also have health insurance and the share of residents with health insurance is slightly higher than both Arkansas (92%) and the U.S. (91%).

POVERTY

Given that Village household income levels are higher compared to Arkansas households, it is not surprising that Village poverty rates considerably below the state and national averages. Only 9.6 percent of Villagers had income below the poverty level compared to 13.4 percent of the U.S. population and 17.0 percent in Arkansas (Figure II-8). Also, a very small share of the Village population (4.2%) lives below the poverty line compared to 9.3 percent in the U.S. and 10.3 percent in Arkansas.

What is surprising is that the 2015-19 American Community Survey data show that female headed families and children under 18 in the Village have very high poverty rates, which are much higher than the state and national averages for these demographics. This suggests that slightly over one-third of Village children live in poverty and nearly two-fifths of female headed families live in poverty. However, the sample size for the Village is very small and the margin of error of these estimates is very high indicating the unreliability of these estimates.



HOUSEHOLDS AND FAMILIES

The average household in the Village has 2 persons compared to a national average of 2.6 and 2.5 in Arkansas. The average family size in the Village is 2.4 compared to 3.1 and 3.2 in Arkansas and the U.S. respectively.

Married-couple families made up a larger share of households compared to Arkansas and the U.S. In 2019, married-couple families were 64 percent of Village households compared to 48 percent in Arkansas and the U.S. Among Village residents 15 years old and older, 74 percent of males and 64 percent of females are married. Comparable percentages in the U.S. are 50 percent and 47 percent respectively, and in Arkansas they are 52 percent and 48 percent respectively.

HOUSING UNIT CHARACTERISTICS AND OCCUPANCY

Most of the housing units in Hot Springs Village are single-unit structures. Of the 9,038 housing units in the Village, 94 percent are single-unit structures compared to 68 percent in the U.S. and 71 percent in Arkansas.

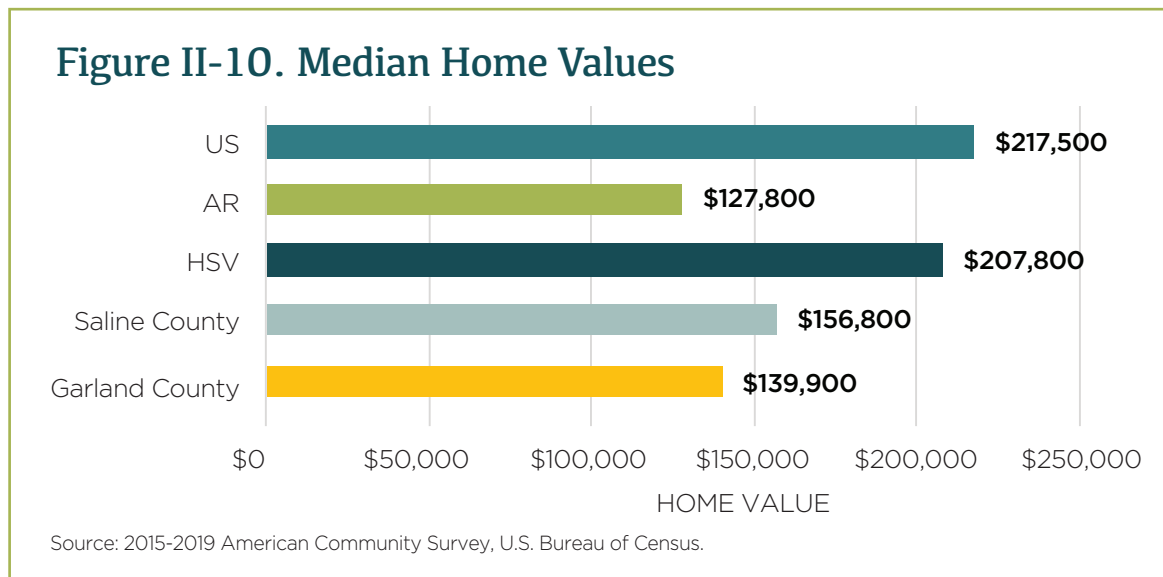
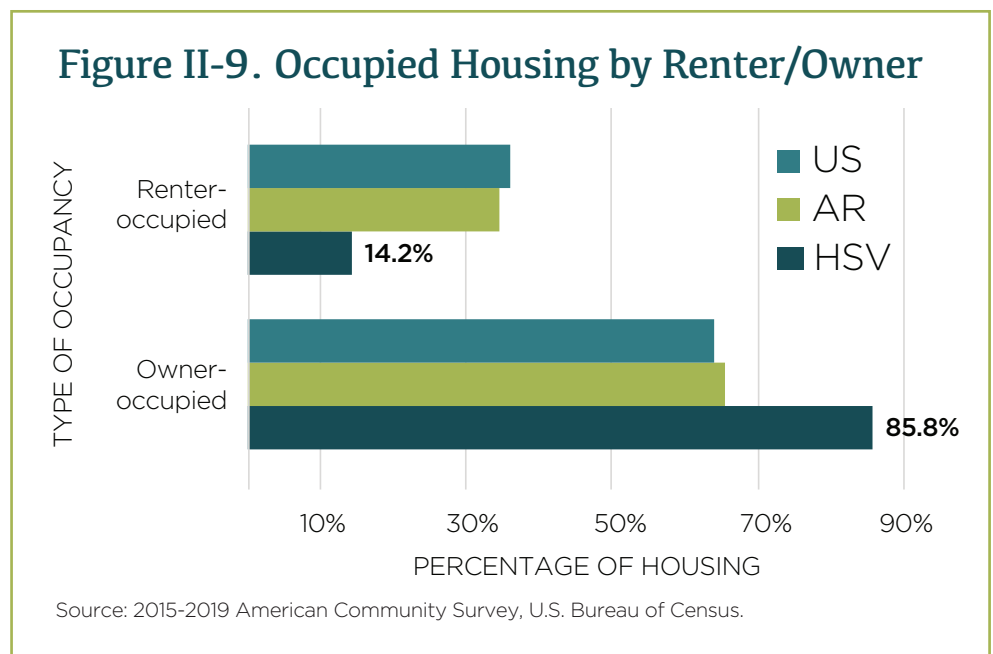
Sixty percent of Village housing was built since 1990 compared to 33 percent of U.S. housing and 41 percent in Arkansas.

The median number of rooms in housing units in the Village is six compared to 5.4 in Arkansas and 5.5 in the U.S. However, 74 percent of Village housing units have three or more bed-rooms compared with 64 percent in Arkansas and 60 percent in the U.S.

Eighty-six percent of Village occupied housing units are owner occupied, as are 60 percent nationally and 66 percent in Arkansas (Figure II-9).

HOME VALUES AND HOUSING COSTS

The median home value in

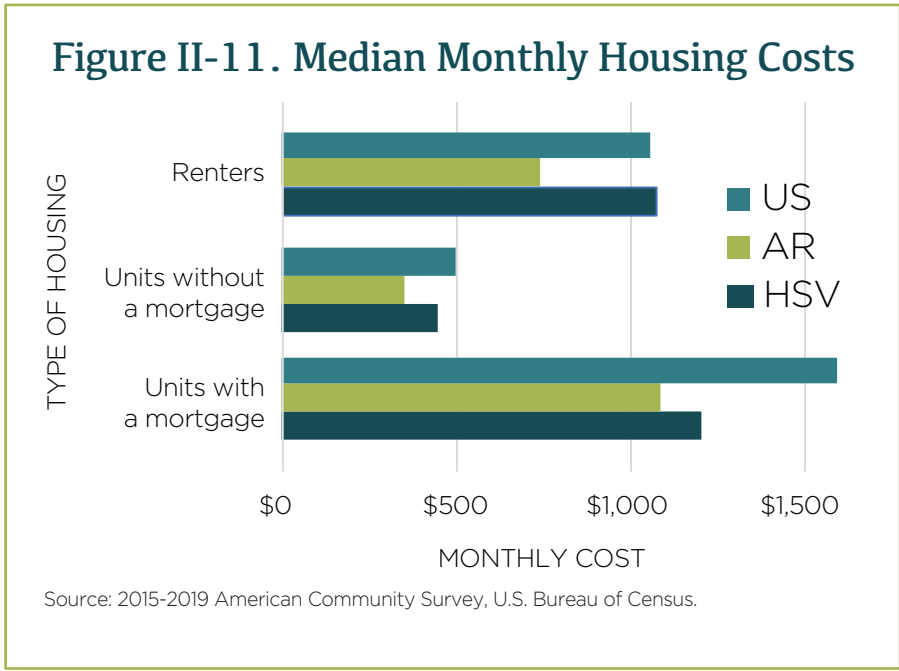


the Village was markedly higher than in Garland and Saline counties and the state, but somewhat lower than the U.S. median (Figure II-10, pg. 13). The median home value in the Village of \$207,800 was 63 percent higher than for the state of Arkansas and 48 percent and 33 percent higher than in Garland and Saline counties respectively. The median home value in the Village was slightly lower than the national median of \$217,500.

The median monthly housing cost for mortgaged homeowners in the Village is 24 percent lower than the national average – \$1,208 compared to \$1,595. The median monthly housing cost for mortgaged homeowners in Arkansas is \$1,089.

Median monthly housing cost for Village non-mortgaged owners is \$451 compared to \$509 for the national average and \$353 in Arkansas (Figure II-11). The median monthly housing cost in the Village for renters is \$1,076 as compared to \$1,062 nationally and \$745 in Arkansas.

Only 50 percent of Village owner-occupied units have a mortgage, compared to 63 percent nationally and 55 percent in Arkansas.



SECTION III

Village Governance, Facilities & Supporting Services

All Village property owners belong to the Hot Springs Village Property Owners' Association (POA). The POA is a not-for-profit organization and members elect a Board of Directors to govern Village affairs.

The Village is a Census Designated Place, a populated area identified by name, not incorporated but, otherwise, resembling an incorporated place. The Village extends into two counties, giving the Village a unique administrative status.

The Village's developer, Cooper Communities Inc. (CCI), envisioned a largely single-family, residential retirement community with a wealth of amenities. That goal was realized over the community's first four decades. Today an era of transition is underway.

In 2007, Cooper transferred enforcement of the Village protective covenants to the POA. This marked a shift in management and leadership responsibilities. The national recession slowed the pace of growth and raised the age of those who were retiring, historically a prime source of new residents.

Concurrently, an emerging baby-boomers generation with new retirement expectations energized the transition.

The leadership of the POA has changed over the past several years as the growth of the Village has led to demands for a more business-focused and financially savvy administration. With the increasing demands made by the almost-50-year infrastructure, the board and POA leadership have re-visited the financial structure established by Cooper to reach out for new ways to generate additional revenue.

The pandemic and social unrest that began in 2019 has led to a significant amount of new housing development in Hot Springs Village, which in turn has led to increasing property values throughout the Village.

VILLAGE GOVERNANCE

The POA Board of Directors is charged with governing the Village consistent with the protective

covenants, which ensure the viability of the Village by establishing and managing goals and objectives.

The Board vision statement says the Village "offers a welcoming, dynamic lifestyle with first-class amenities and provides a variety of activities for all ages."



The Village administration consists of a General Manager, administrative staff and seven departments: Finance/Administration, Public Works, Police, Fire, Golf, Recreation and Permitting/Inspections. The General Manager reports to the Board of Directors which consists of seven members elected to staggered three-year terms.

Standing committees are appointed by the Board to advise the staff and board. Governmental Affairs Committee advises and assists the POA Board in enhancing Village relationships with area, local, state, and federal government agencies, elected officials, and abutting school districts. The Architectural Control Committee, established in the original governing documents, is charged with reviewing proposed and remodeled residential and

commercial structures for conformity with Covenants. A Permits and Inspections Department issues permits, monitors construction through various inspections and enforces the Covenants.

The seven other standing committees are: Finance and Planning, Common Property & Forest, Golf, Lakes, Public Safety, Public Works, Recreation, and Trails.

Maintaining and expanding infrastructure is a major function of the POA. The Village owns and operates an extensive water and wastewater distribution and treatment system, sanitation department, eight golf courses, 12 lakes, 115 buildings, 30 miles of trails and 500 miles of roads. The POA has 450 employees of various trades, skills, and specialties to maintain the amenities and facilities.

Ownership of the water- and wastewater-treatment plants, built together with CCI, was later transferred to the POA as sole owner. The facilities consist of a six million gallon a day water plant and two wastewater-treatment plants. All were designed to be expanded as the Village grows.

Two power utilities serve the Village – Entergy and First Electric. AT&T and Suddenlink provide telephone and cable services in the Village. Suddenlink offers 50 megabyte-per-second internet service and First Electric is implementing a program to provide fiber-optic internet service to its customers in the Saline County side of the Village.

PUBLIC SAFETY SERVICES

Public safety is another major component of the POA. The fire department has four stations strategically located in the Village. They are manned at all times by full-time employees and more than 30 volunteers. The fire service maintains a Class 4 rating from the Insurance Service Office (hsvpoa.org/services/public-safety/fire-department).



Policing services are headed by a full-time chief. All officers meet state requirements for law enforcement and are commissioned by Garland and Saline counties.

The Compliance Department oversees the animal-control division, operates a full-service animal shelter and enforces leash and other pet ordinances. An active Animal Welfare League provides volunteer support for operation of the Village Animal Shelter.

The east and west gates to the Village are staffed, and five electronic gates are available to property owners and others who register with the POA.

Ambulance service is provided under a contract with LifeNet, a private company. Four advanced life-support units are based in the Village. They have an excellent reputation and respond to 90 percent of calls within nine minutes. The Village maintains Enhanced 911 service throughout the Village.

FACILITIES

The POA operates 115 buildings to support the Village and leisure interests of the community. They include:

- The Ponce de Leon Center features the 654-seat Woodlands performing-arts center, which is home to the Village Concerts Association. The VCA is a not-for-profit organization that has brought quality and affordable entertainment to Hot Springs Village since 1991. Now celebrating its 30th season, the VCA's Board of Directors is comprised entirely of volunteers dedicated to bringing artists and audiences together for the thrill of live performances in a variety of genres ranging from Bluegrass to Broadway to Pop and Folk. The Woodlands is also home to an annual series of concerts sponsored by the POA and musical performances by various Village groups. A Christmas concert performed by the Arkansas Symphony Orchestra is one of the highlights of the Woodlands season.
- The Ouachita Building which is adjacent to the Woodlands Auditorium has rooms for meetings and seminars. It is home to Casa de Carta, the Village Card Club.
- The Coronado Community Center has an auditorium and meeting rooms which serve a wide variety of Village activities. The Center hosts arts and crafts fairs, large dinners, club meetings, and political gatherings.

- The Coronado Library offers a wide selection of fiction, including an impressive number of new releases. The library also offers newspapers, periodicals, magazines, audio books and DVDs, and a collection of literature and nonfiction books. The library is equipped with wi-fi and computer terminals. It stocks a sizeable paperback and puzzle collection for lending.

RECENT VILLAGE INITIATIVES

Several initiatives consistent with improving the infrastructure of the Village have been completed or are underway.

The capacity of the freshwater-treatment plant was expanded in 2013-14 by 50 percent to 6 million gallons a day, at a cost of \$6 million.



The Village's native stone, signature entrances with accompanying signage at the Highway 7 and Highway 5 gates, were expanded and enhanced. The iconic E. Fay Jones fountain with surrounding pools, water features and landscaping at the West Gate entrance were rebuilt. An additional entrance lane was added at the East Gate.

Grove Park, an outdoor venue with performance stage, opened in 2014. It is designed to accommodate art festivals, entertainment, a farmers' market, and community gatherings (hsvpoa.org/blog/grove-park-events).

The DeSoto Marina was redesigned, remodeled, and expanded to offer regular marina services, boat slips, kayak rentals, food, and beverages. A new feature is Waypoint, an information center and headquarters for Basecamp, which handles regional outdoor adventures and equipment rentals.

A new dog park was opened near the lawn-bowling center, which had a new carpet installed in 2015.

The DeSoto Club Event Center, a Village landmark designed by E. Fay Jones, nationally prominent Frank Lloyd Wright apprentice and native Arkansas architect,

was renovated at a cost of \$2.2 million and re-opened in June 2016. It includes the clubhouse for the DeSoto Golf Course.

Mount Carmel Community (www.mtcarmelcommunity.com/hot-springs-village) opened in 2013. Together with Good Samaritan Society (www.good-sam.com/hsv), the two providers, located on separate campuses, offer senior services including independent living, assisted-living apartments, rehabilitation, memory, and long-term care.

SUPPORTING SERVICES

Many private services – banks, food stores, restaurants, health services, home decorating and repair, hardware, appliance, real estate, landscape, automotive parts and repair, insurance and other conveniences and services – are available within the Village gates and in the nearby surrounding area.

The Village is working with regional planning agencies to promote better highways. A high priority is extension of the Martin Luther King Expressway tying the Village directly to south Hot Springs. When completed, it will link medical and hospital services, major shopping, restaurant, entertainment, and employment opportunities to the junction of beltline Highways 5 and 7 southwest of the Village.

The State Highway Department is remedying safety concerns and inconveniences with Highway 5 to speed travel to Benton, Little Rock, and other points east. Work to widen portions of Highway 7 south from its intersection with Highway 5 to Highway 7S and north from that intersection to Highway 192 is also underway.

A Village initiative secured inexpensive transportation for Village residents through the South-Central Arkansas Transit (SCAT). It provides transportation to medical facilities, shopping, nutrition centers, field trips and various destinations in the area.



SECTION IV

Lifestyle & Leisure

A temperate climate, low cost of living, reasonable property taxes, diversity of housing, beautiful scenery and being “away from the rat race” are common reasons for moving to Hot Springs Village.

Once they’ve moved, most Villagers find a wide range of things to do, many unexpected. Old interests can be rekindled, new ones explored, and friendships made.

At the heart of the lifestyle are a wide range of Village amenities and the clubs and organizations – 130 of them – supporting virtually every interest.

At the top of the list of amenities are nine highly regarded golf courses (one is private), including several judged best in the state.

Beyond golf, there are 12 lakes, indoor and outdoor swimming pools, a complete fitness center with a three-lane walking track, 13 tennis courts, 14 pickleball courts, a private country club, 30 miles of nature trails, a performing-arts center, community activities building, a Village Card Club facility, library, 20 churches and more. All make the Village an attractive place to live, work, raise a family, retire, relax, and have fun.

GOLF

Hot Springs Village was designed to be a golfer’s paradise. The POA has seven 18-hole courses, one



27-hole complex and there is a private-membership club. “The best golf value in the country” is a description often heard from Villagers and visitors alike. Unlimited golf and cart use on all seven POA courses cost only \$3,766 in 2022.

The rich variety of Village courses offers challenges for duffers and scratch golfers alike <https://www.explorethevillage.com/visit-us/play-golf>. There are 171 different fairways through hills and forests, past lakes, and streams. Each hole has three to five tee boxes allowing golfers to play according to their skills and the level of challenge they prefer. Each course has its own pro shop, restaurant, and maintenance operation.

Among the accolades awarded the Village golf courses:

- Cortez Golf Course – opened in 1979 and refurbished in 1999, rated the No. 6 best course in Arkansas by Golf Digest.
- Balboa Golf Course – opened in 1987 and ranked the No. 7 best course in Arkansas by Golf Digest.
- Ponce de Leon – opened in 1991 and named one of the top 100 courses in the nation by Golf World; rated No. 3 best golf course in Arkansas; for three successive years it hosted qualifying rounds for the PGA Nationwide tour.
- Magellan Golf Course – opened in 1996 and ranked the No. 5 best course in Arkansas by Golf Digest.
- Isabella Golf Course – opened in 2000 and named the sixth best new private course in the United States by Golf Digest; rated No. 1 course in Arkansas for four years by Golf Digest. Isabella is part of the Arkansas Golf Trail.
- Granada Golf course – opened in 2004 and rated a top-10 course in Arkansas by Golf Digest.
- Diamante Golf Course, a private-membership club – opened in 1995, rated the No. 1 course in Arkansas for six years by Golf Digest; hosted the First Tee Arkansas Classic, a Nationwide Tour event,

from 1995-2000; ranked one of the “10 Toughest ClubCorp Courses” by Private Clubs magazine; and ranked in 2009 as the 38th most-difficult course in the United States by Golf Digest.

The Village has several golf leagues. An 18-hole men’s league has 300 members and a 9-hole men’s league has about 200 members. There are four complementary women’s leagues – two 18-hole and two 9-hole – as well as a couple’s league.

The leagues hold weekly tournaments from April to October and are integral to golf activity in the Village. Individual championship tournaments are also scheduled.

Every summer a volunteer junior golf program teaches golf basics to boys and girls between 8 and 17 years old.

Golf instruction from three PGA professionals is available for all ages at several courses.

TENNIS

Coronado Tennis Center is home to Village tennis. The complex has 13 courts. Ten are clay, and three are hard surfaced for practice and lessons from United States Tennis Association teaching professionals. The Center schedules USTA-sanctioned tournaments as well as weekly play <https://www.explorethevillage.com/golf-recreation/racquet-sports>.

The Village’s 1,450-square-foot tennis clubhouse opened in 2003.

The Village Tennis Association has more than 400 members and enjoys a five-star rating. It offers all levels of league play including mixed leagues, women’s, and men’s doubles, USTA Team Tennis, USTA sanctioned tournaments, junior tennis instruction and other organized play.

Since its inception in 1989, the Coronado Tennis Center has produced significant honors, including more than 20 championship teams, a national champion, national finalist, sectional champion and 20 state championships.

In 2005 the center was named USTA Southern Tennis Association’s Welcome Tennis Center of the Year for



its programming and promotion. A year later, the Center was named “Facility of the Year in Arkansas.” In 2005 and 2006 the Arkansas Tennis Association awarded 5-star status to the Village Tennis Association for its efforts at developing the sport as a community association.

Diamante, a private club, also offers tennis facilities and four lighted clay courts

OTHER ACTIVITIES

The Village promotes many other sports and organized activities. The Coronado Fitness Center offers a workout opportunity geared to individual interests. The Center is a full workout facility including an expansive exercise area with weight and cardio equipment, a three-lane walking/jogging track, exercise classroom, 25-meter heated indoor pool, whirlpool, steam room, sauna, and massage therapy.

The Village pickleball club has more than 300 members who participate in open play, league, and tournament play, on 14 outdoor courts equipped with lights in the Family Recreation Area.



Bowling leagues abound, played in facilities along Highway 7 bordering the Village. There are also men’s horse basketball, bocce ball, lawn bowling, a bike club and 26 miles of nature trails.

EDUCATION

The Village is served by the Jessieville and Fountain Lake School Districts. Four-hundred-one Village students attended Jessieville and 242 attended Fountain Lake schools in 2020.

A significant number of students from the Village are commuting to the 11 colleges and universities within 50 miles of the Village: National Park College, College of the Ouachitas, Henderson State University, Ouachita Baptist University, Remington College-Little Rock campus, University of Phoenix-Little Rock campus, ITT Technical Institute, University of Arkansas at Little Rock, Arkansas Baptist College, Philander Smith College and Pulaski Technical College.

LEISURE INTERESTS

There are 130 clubs and organizations in Hot Springs Village, and new groups form each year.

One of the most popular organizations is the Village Card Club, founded in 1976. The club offers duplicate and rubber bridge, pinochle, and cribbage five days a week and offers bridge classes several times a year. It has more than 400 members, more than 100 of which are Life Masters.

The club is housed in the 5,700-square-foot Casa de Carta (“House of Cards”) in the Ponce de Leon Center. Forty-two tables of bridge can play at the same time. The club set a record in 2011 with more than 10,000 tables played. State of the art computers

are used for scoring at each table. In recent years, the Club has sponsored a sectional tournament which has exceeded 500 tables, making it one of the largest sectional tournaments in the United States (<https://www.bridgewebs.com/casacarta>).

There are myriad other clubs catering to varying tastes, from woodworking and photography to motorcycles and sports cars to drone flying, quilting, bicycling, and more. Works by members of Village art clubs are displayed in galleries throughout the region.

WATER ACTIVITIES

The Village’s 11 recreational lakes cover more than 2,000 acres (a twelfth lake – 100-acre Lake Lago – is the community’s protected reservoir).

There are 3,833 boats registered in the Village with the majority registered to Village property owners. This includes both motorized and motorless boats.

Fishing enthusiasts pursue bass, catfish, bluegill, and sunfish.

Others prefer water skiing, kayaking, paddle boarding, swimming, or lying on one of two swimming beaches: Balboa and DeSoto. Two lakes have covered pavilions, and three have marinas. All have restrooms and some combination of picnic tables, grills, adjoining shade areas for picnics or open views of lake activities.





Ouachita State Park, about 20 minutes west of the Village, includes 40,100-acre Lake Ouachita, one of the cleanest lakes in the United States. Forty miles long, it has 970 miles of undeveloped shoreline and is surrounded by national forest. Visitors rent kayaks, boats, fish, camp, hike, go snorkeling, scuba diving and much more. The Park offers RV sites equipped with water and sewer services. Lake Ouachita is a fisherman's dream.

The POA's Basecamp, headquartered at Waypoint on Lake DeSoto, is an information center for outdoor enthusiasts who want to explore the Ouachita National Forest, Ouachita Mountains, numerous lakes, rivers, and streams, or find easy access to the best mountain trails, wilderness areas and waterways in the state. Basecamp puts on several outdoor activities every year.

The Ouachita Rod & Gun pursues diverse hunting opportunities in addition to fishing.

VOLUNTEERISM

A defining characteristic of Villagers is how much they contribute to their community, region, and state. "Give something back" is a unifying value shared in the Village.

The Village commitment to volunteerism was elevated to national prominence in 1992 when President George H.W. Bush awarded the Village a "1000 Points of Light" award in a White House ceremony recognizing volunteers. Hot Springs Village is the only community ever to win the honor.

The Village was selected in 2000 by the Arkansas Department of Human Services Division of

Volunteerism to receive one of its 12 "Volunteer Community of the Year" awards. That year, Village volunteers gave more than 106,000 hours of charitable service valued at \$2,862,921 and \$68,280 in direct financial aid and scholarships.

Giving back continues today:

- Jackson House, a primary source of crisis intervention in the Hot Springs area, operates a food pantry and served over 55,000 lunches in 2020. Many of the volunteers and Jackson House Board members live in the Village.
- Villagers also take their civic responsibilities seriously. In 2020, voter turnout was 19 percentage points higher than the state and eight percentage points above the national average.
- Villagers have a significant boots-on-the-ground presence in crisis intervention for groups such as Habitat for Humanity and the International Red Cross.
- Villagers are major supporters of Heifer International "passing on the gift" program, a sustainable development initiative that has helped 15.5 million families in more than 125 countries improve their quality of life and move toward greater self-reliance.
- Villagers generously support the United Way, the Arkansas Symphony Orchestra, which makes regular appearances in the Village, and serve as volunteers at Garvan Woodland Gardens (www.garvangardens.org) and the Clinton Presidential Library (clintonfoundation.org/clinton-presidential-center).



SECTION V

Economic Growth

Planned retirement/relocation communities attract households with new wealth. This, in turn, stimulates local, regional, and state-wide economic growth. The positive impact of Hot Springs Village on public and private sectors throughout Arkansas is similar to what is generated by new manufacturing and tourism.

In 2020 Hot Springs Village had a measurable economic contribution of \$397 million to the State economy. Though Garland and Saline counties, where the Village is located, experienced much of this economic benefit, spending by Village residents and tourists radiated throughout the state.

PRIVATE SECTOR BENEFITS

The Village benefits the private sector in diverse ways. Investments by the developer and the POA and spending by Village residents, visitors and temporary residents increases employment opportunities, incomes and value added to the state and local economies (Figure V-1).

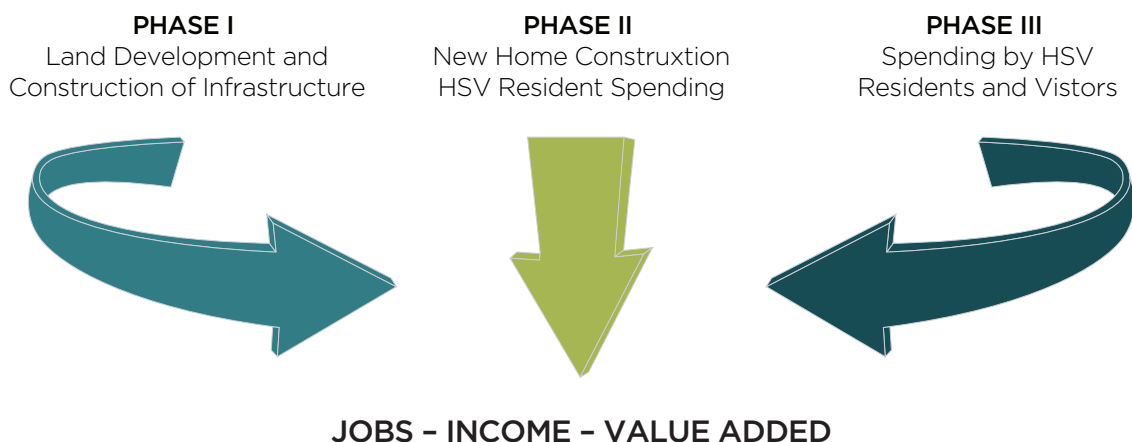
- In the Village's early years, the developer used its resources to develop the site, construct facilities, and bring prospective residents to visit the community.

- In the next phase, the developer's presence in the Village was overshadowed by increasing numbers of new residents constructing homes and purchasing goods and services from local businesses.
- As the Village matured, spending by residents and increasing numbers of visitors and temporary residents became the major generator of economic activity by the Village.

NEW WEALTH STIMULATES GROWTH

Hot Springs Village, like other retirement/relocation communities, grows the local, regional, and state economies by attracting wealth from outside the state. The money is then spent to purchase lots, construct new homes, and purchase goods and services from local businesses. This spending creates jobs and additional income for the owners and employees of these businesses. The owners and employees receiving this additional income in turn purchase goods and services from local businesses creating additional jobs and income in the region

Figure V-1 . Village Contributors to Local, Regional and State Economic Growth Over Time



and statewide. These are called multiplier effects.

The economic contribution of the Village, including multiplier effects², is calculated from the direct spending by:

- The Hot Springs Village Property Owners' Association, for construction of new infrastructure.
- Businesses, for construction of new facilities.
- Village residents and visitors, for new home construction and purchases of goods and services.
- Federal government for Medicare/Medicaid/Tricare payments to medical care providers, for services provided to HSV residents.

The direct effects of the Village on the regional (Garland and Saline counties) and state economies are calculated using figures provided by the POA; secondary sources of household income and Medicare payments; and consumer and tourist expenditure patterns.

Three measures of economic activity are provided to show economic contribution of the Village to the state and local economies. These are:

- Employment
- Labor Income³
- Value added⁴

The Village's economic contribution (Value Added) to the state economy in 2020 is estimated to be \$397.4 million (Table V-7, Value Added). The Village also generated 5,500 jobs and the owners and employees of these benefitting businesses received \$240.3 million in wage, salary, and proprietor income. A large share of this economic contribution occurs within the two-county region of Garland and Saline counties.

Many sectors of the economy benefit from the economic activity generated by the Village. More jobs and income are created in the health care sector

than any other sector. Other major sectors that benefit from increased employment and income for employees and proprietors are the other services, retail, and construction sectors.

The following sections describe how these economic contributions were calculated. The contributions were calculated separately for:

- Village infrastructure and commercial buildings.
- New home construction; and
- Visitor and resident spending.

The results of the three calculations were combined to obtain the total contributions reported in tables V-7 and V-8 on page 27. The following analyses also estimate the economic contributions that occur in the state and how much of that contribution occurs in the two-county region.

INFRASTRUCTURE AND COMMERCIAL DEVELOPMENT

Capital expenditures for infrastructure development and maintenance and construction of commercial buildings have a one-time impact on the regional and state economies and, therefore, are considered separately from resident and visitor spending, which is a recurring expenditure.

During the five-year period from 2016 to 2020, approximately \$36.4 million was spent on developing and maintaining Village infrastructure and construction of new commercial buildings. This is about \$7.3 million a year. Most of these expenditures (\$31.8 million) were for water and wastewater infrastructure capital improvements and maintenance. Other capital expenditures included road and electrical substation improvements, and construction of new recreational facilities and commercial buildings.

The annual economic contribution is computed using the average yearly infrastructure spending

²The multiplier effects are estimated using the IMPLAN economic input-output model for Arkansas. Access to the model and data are purchased from the IMPLAN Group, LLC.

³Labor income includes wage, salary, and proprietor income.

⁴Value added is similar to Gross State Product (GSP) which is a measure of the size of the economy.

of \$7.3 million for the period from 2016 to 2020. Annualizing the infrastructure costs over a five-year period provides an estimate of the yearly economic contributions to the state and regional economies. This \$7.3 million is entered into the economic input-output model (IMPLAN) which uses industry averages to identify the number of jobs, income and value added associated with this spending. The model then uses region specific multipliers to estimate the total contributions of this spending for the state and two-county regions. The multipliers include both the effect of this spending on backward linked industries, i.e. lumber stores, and the effect of additional spending for consumer goods and services from the additional income received by employees and owners of the affected industries.

It is estimated these annual infrastructure construction activities generated 61 jobs, 28 of which are in

the construction industry, 21 in the businesses supply goods and services for the construction and maintenance of the infrastructure and 12 jobs in the businesses providing goods and services to households (Table V-1). Similarly, owners and employees of businesses in the state that benefit from this infrastructure spending received additional income of \$3.2 million. The value added to the state economy from this activity was \$6.2 million.

Most of the economic activity generated by infrastructure spending was captured in the two-county region. The region captures about 90 percent of the jobs and approximately 80 percent of labor income and value added (Table V-2).

Village residents make three types of economic contributions to the area economy: New-home construction, resident and visitor spending, and

Medicare funding received by health-care providers for medical care provided to Village residents. The economic contributions of these activities are described in the next two sections.

NEW-HOME CONSTRUCTION

Like spending for infrastructure, new-home construction also has a one-time impact on the regional and state economies. Three hundred four new homes were built in the Village during the five-year period from 2016 to 2020 for an average of nearly 61 per year. Using an average construction cost of new homes at \$300,000, the average annual construction cost of new homes was approximately \$18.2 million.

Table V-1. HSV Infrastructure Contribution - Arkansas

Impact	Employment	Labor Income (Million \$)	Value Added (Million \$)
Infrastructure	28	\$1.6	\$3.3
Supplying Industries	21	\$1.1	\$ 1.9
Retail & Service Businesses	12	\$0.5	\$1.0
TOTAL	61	\$ 3.2	\$6.2

Source: Computed from Arkansas database and IMPLAN Input-Output Model, IMPLAN Group, LLC.

Table V-2. Contribution of Infrastructure Spending on State and Region

Contribution	Employment	Labor Income (Million \$)	Value Added (Million \$)
Within Two-County Region	56	\$2.6	\$5.1
Outside Two-County Region	5	\$0.6	\$1.1
TOTAL	61	\$ 3.2	\$6.2

Source: Computed from Arkansas database and IMPLAN Input-Output Model, IMPLAN Group, LLC.

The annual economic contribution of new home construction is estimated using the \$18.2 million as the average annual construction cost of new single-family homes in the Village. Including multiplier effects of this construction activity, as described in the previous section, 271 jobs were created and nearly \$12.8 million in additional labor income was generated in an average year (Table V-3). The additional value added to the state economy was \$17.3 million.

While most of the benefits accrue to the new home construction industry, businesses that supply goods and services for the construction of new homes like building supply stores that also benefit and add additional employees, provide more wages and salaries to residents. Finally, the additional income earned by employees and owners of the construction companies and supplying businesses is spent on consumer goods and services which generates additional jobs and income for residents.

As shown in Table V-3 it required 180 employees to construct the new homes in an average year. These employees and proprietors of these businesses received income of \$8.7 million (labor income) because of this new home construction.

Businesses that supplied materials and services to the firms that build the homes supported 42 employees and these employees and owners received \$2 million because of new home construction

Table V-3. Annual Economic Contribution of New Home Construction to the State Economy

Impact	Employment	Labor Income (Million \$)	Value Added (Million \$)
Construction Industry	180	\$8.7	\$9.6
Supplying Businesses	42	\$2.0	\$3.7
Retail & Service Businesses	49	\$2.1	\$4.0
TOTAL	271	\$12.8	\$17.3

Source: Computed from Arkansas database and IMPLAN Input-Output Model, IMPLAN Group, LLC.

Table V-4. Annual Contribution of New Home Construction on Region and State

Contribution	Employment	Labor Income (Million \$)	Value Added (Million \$)
Within Two-County Region	253	\$12.0	\$15.4
Outside Two-County Region	18	\$0.8	\$1.9
Statewide Contribution	271	\$12.8	\$17.3

Source: Computed from Arkansas database and IMPLAN Input-Output Model, IMPLAN Group, LLC.

in the Village. Some of the additional income earned by employees and owners of the construction and supplying businesses was spent to purchase goods and services within the state benefiting retail and service businesses. These businesses supported 49 employees and provided additional income of \$2.1 million income to their employees and owners from the spending of some of the \$10.7 million additional labor income.

As shown in Table V-4, most of this economic activity occurred within the two-county region of Garland and Saline counties. Over 90 percent of employment and additional labor income occurred in businesses residing in region including Garland and Saline counties. This suggests that most of the benefits also accrued to residents of the two counties.

RESIDENT AND VISITOR SPENDING

Household income information for Village households was obtained from the most recent five-year U. S. Census Bureau American Community Survey (2015-19) and was used to estimate the economic contribution of Village residents' spending on the regional and state economies.

Total Village household income in 2019 was nearly \$500 million. Of this, approximately \$321 million was from social security and other retirement income, \$174 million from earnings and another \$5 million from Supplemental Security and Cash Public Assistance. Therefore, nearly two-thirds of Village household income came from outside the two-county region and spending this income locally generates new economic activity in the region. Total income by income category was used with IMPLAN to estimate spending patterns and the economic contribution of this spending to the economic activity in the regional and state economies.

It is estimated that temporary residents and recreational and seasonal visitors spent approximately \$66 million during their stay in the Village in 2020. Most of which was spent in the local two-county region⁵. This translates into permanent and temporary residents of the Village combined spending of \$566 million per year.

MEDICARE

Medicare pays some of the medical expenses for Villagers in addition to out-of-pocket spending for health care. Medicare dollars flowing to health-care providers attributed to Village residents was estimated and included as a contribution of the Village to the regional and state economies.

Table V-5. Household, Visitor and Medicare Spending Contribution - Arkansas

Impact	Employment	Labor Income (Million \$)	Value Added (Million \$)
Spending to Health Care Providers and Tourism Industry	1,701	\$74.7	\$93.3
Supplying Industries	352	\$16.0	\$25.9
Retail & Service Businesses	3,121	\$133.6	\$254.7
TOTAL	5,174	\$224.4	\$373.9

Source: Computed from Arkansas database and IMPLAN Input-Output Model, IMPLAN Group, LLC.

Table V-6. Household, Visitor and Medicare Spending Contribution 2020

Contribution	Employment	Labor Income (Million \$)	Value Added (Million \$)
Within Two-County Region	4,775	\$185.3	\$303.9
Outside Two-County Region	399	\$39.1	\$70.0
Statewide Contribution	5,174	\$224.4	\$373.9

Source: Computed from Arkansas database and IMPLAN Input-Output Model, IMPLAN Group, LLC.

⁵We used information from our 2015 study of Hot Springs Village and updated this data to 2020 dollars to compute the economic contribution of visitors since we were unable to obtain information on the number of visitors to the Village from sources that had provided this information in 2015.

Information on the exact amount Medicare pays medical providers was not available and, therefore, was estimated from the average Medicare expenditure per enrollee in Arkansas. The Center for Medicare Services reported that Medicare expenditures for each enrollee in Arkansas was \$10,296 in 2019.

We use this average Medicare spending as an estimate, recognizing that Hot Springs Village residents may be healthier and more active than the average person 65 years of age and older, and therefore, the average Medicare spending may overstate the payment given to medical-care providers.

According to the 2015-19 ACS, 8,746 Village residents were 65 years of age and older in 2019. Therefore, we estimate health-care providers in the state received approximately \$90 million in 2019 for health care expenses of Village residents.

We combined Village resident, visitor, and Medicare spending to estimate the economic contribution of this spending to the regional and state economies as reported in Table V-5. This spending generated over 5,100 jobs, provides more than \$224 million income to state residents and contributes nearly \$374 million to the state economy.

Like spending for capital investments and new home construction, most of the benefits of spending by Village residents and visitors

accrue to businesses in the two-county region. Over 90 percent of employment and over 80 percent of labor income and value added generated by this spending accrue to businesses in Garland and Saline counties (Table V-6). Assuming that most of the 5,174 employees also reside in the two-county region, suggests that local residents benefit greatly from the employment opportunities and additional income provided from spending by Village residents and visitors.

SUMMARY

As shown in the first part of this section the total contribution of the Village to the state economy was

Table V-7. Hot Spring Village Contributions to the State Economy

Impact	Employment	Labor Income (Million \$)	Value Added (Million \$)
Infrastructure & Commercial Construction & Maintenance	61	\$3.2	\$6.2
New Home Construction	271	\$12.8	\$17.3
Resident, Visitor & Medicare Spending	5,174	\$224.4	\$373.9
TOTAL	5,506	\$240.3	\$397.4

Source: Computed from Arkansas database and IMPLAN Input-Output Model, IMPLAN Group, LLC.

Table V-8. Hot Spring Village Contributions to the Regional and State Economies

Contribution	Employment	Labor Income (Million \$)	Value Added (Million \$)
Within Two-County Region	5,084	\$199.8	\$324.4
Outside Two-County Region	422	\$40.5	\$73.0
Statewide Contribution	5,506	\$240.3	\$397.4

Source: Computed from Arkansas database and IMPLAN Input-Output Model, IMPLAN Group, LLC.

\$397 million in 2020 (Table V-7). The Village also generates, either directly or indirectly, over 5,500 jobs and additional labor income of \$240 million for state residents and proprietors. The vast majority of these jobs and labor income accrue to businesses and residents of the two-county region.

By far the greatest economic contribution to the state economy is generated from spending by Village residents and visitors and Medicare spending for Village residents' health care. This spending contributes over 90 percent of the total Village contribution to the state economy.

Most of this economic activity generated by the Village occurs in the two-county region of Garland

and Saline counties (Table V-8). Over 90 percent of employment and over 80 percent of labor income and value added that the Village contributes to the state economy occurs in the two-county region. Many different industries and businesses benefit from the spending on infrastructure, new homes, and goods and services by Village residents, visitors, and businesses, and the Property Owners Association. The health care and other services sectors benefit greatly, but businesses in the retail and construction sectors of the two-county region also benefit from the increased economic activity generated by the Village. Residents of the two-county region also have more employment opportunities and increased income.

SECTION VI

Public Sector Benefits

A PARTNERSHIP AMONG NEIGHBORS

A strong and vibrant partnership has developed closely linking Hot Springs Village and the surrounding communities. The result: Village residents are participating more actively and in larger numbers in the governance and activities of Saline and Garland counties and the Fountain Lake and Jessieville school districts.

Similarly, more individuals from the surrounding communities are lending a hand in the growth and development of the Village and taking advantage of the broad spectrum of recreational and cultural opportunities its offers.

The Village is unique among its neighbors by remaining an unincorporated private community. Yet the surrounding counties and school districts have responded openly to its needs in ordinary circumstances and in times of natural disaster.

Both counties, for example, have recognized the Village is distant from the center of their governments and are providing satellite opportunities for early voting, tax payments, passport acquisition, veterans services, communication opportunities with county judges and other local government services.

The counties also provided interface between the Village and state and federal officials in time of natural

disasters. That leadership and coordination led to more than a million dollars in tornado and excessive snow clean-up funds for the Village.

Likewise, the counties have been aggressive partners and strong advocates in the continuing drive for better and safer highways between the Village and Hot Springs, Benton, Little Rock and points beyond.

The schools, in addition to providing quality education for more than 600 elementary, middle- and high-school students from the Village, have opened the doors of their athletic and arts facilities to Village organizations.

Today Village residents can be found “giving back” to the larger community by holding seats on the Quorum Courts and economic-development mechanisms of both counties as well as the Boards of Education of each school district.

The schools also benefit from scores of volunteers from the Village serving in myriad instructional and support roles.

The counties also draw on the Village’s vast repository of experience and expertise in such areas as water supply, transportation, roads and highways, wastewater, and a variety of other community issues.

While the door linking the Village and its neighboring communities clearly swings both ways, the tax revenue provided by Village residents and businesses remain a major source of revenue for the two county governments and two school districts encompassing the Village. Some revenue is also generated for some municipalities with the region from the municipal sales taxes collected on purchases by Village residents, visitors, and businesses.

Property-tax revenue from Village property owners and county and city sales taxes collected on purchases by Village residents, visitors and businesses provide substantial portions of the operating revenue for the two counties and two school districts in the region.



Since the Village provides its own public safety and public works departments, the counties are relieved of spending their funds for these purposes in Village.

Tax revenue generated by Village property owners is particularly beneficial to the area's two public school districts – Fountain Lake and Jessieville. The influx of new residents into the Village over the last two decades, spurring new-home construction has become the primary source of financing elementary and secondary school construction and operation in those districts.

In addition, most Village households do not have school-age children requiring public education.

County Governments

GARLAND AND SALINE COUNTY REVENUES

Arkansas counties are funded by revenue from several sources, including property and sales taxes, fees for services, and intergovernmental revenues from state and federal governments and other miscellaneous sources.

Garland County generates the largest share of its revenue from the sales tax, whereas Saline County only recently approved a small sales tax of 0.375 percent and relies more on the property tax to generate the largest share of its revenue. In 2019, Garland County raised 41 percent of its revenue from the sales tax and 9 percent from the property tax whereas Saline County collected only 8 percent from the sales tax and 40 percent from the property tax.

Together, property and sales tax revenues accounted for about 50 percent of revenue received by Garland County in 2019 compared to 48 percent in Saline County. Since property and sales tax revenue are the largest source of local revenue, we identify the contribution of the Village to these to revenue sources and compare with the share of county expenses associated with the Village to determine the net benefit/cost.

PROPERTY TAX REVENUE

The property owners in the Village pay a larger share of the property tax revenue collected compared to their share of the population in the counties. Assuming counties are able to collect all property taxes owed, the Village property owners paid 11.5 percent of Saline County government property tax revenue in 2020 while having just 6 percent of the county's population. Likewise, the Village property owners paid 9.4 percent of the property tax revenue collected by the Garland County Government with approximately 8 percent of the population.

Table VI-1 shows the property tax revenue that could be collected from the two counties and the Village if all property taxes were collected in 2020. Property tax revenue was calculated using the property assessment data provided by the county assessors in Garland and Saline counties and the county government millage rates of 3.6 and 9.7 in Garland and Saline counties respectively. Although total property assessments were slightly higher in Garland County, Saline County collected substantially more revenue from the property tax in 2020 because the millage rate was substantially higher in Saline County (9.7 mills) than Garland County (3.6 mills).

Saline County could collect \$19 million in property tax revenue compared to a little more than \$7 million in Garland County. Property owners in the Village paid \$675,870 or 9.4 percent of total county government property tax revenue in Garland County and nearly \$2.2 million or 11.5 percent in Saline County in 2020. In total, Village property owners paid over \$2.8 million in

Table VI-1. Estimated Property Tax Revenue for County Governments, 2020

Region	Garland (3.6)	Saline (9.7)	Total
County-Total	\$7,213,911	\$19,053,008	\$26,266,919
Hot Springs Village (HSV)	\$675,870	\$2,181,643	\$2,857,513
HSV as Percent of Total	9.4%	11.5%	10.9%

Source: Computed from property tax assessment data provided by the Garland and Saline County Assessors

property tax revenue for the two county governments or nearly 11 percent of property tax revenue collected.

SALES TAX REVENUE

In 2020, Garland County generated nearly 43 percent of its revenue from a 1.5-cent county sales tax. The exact amount of sales tax paid by Village residents, visitors and employees can't be determined, but it is estimated they pay approximately \$1.5 million in sales tax each year – roughly 5 percent of the county's \$28.8 million sales tax revenue.

Villagers are believed to pay more sales tax per person because their income is higher than the average of Garland County residents. Studies also show older people spend more in the local area than younger people.

As reported in the previous section, Saline County derives less of its income from the sales tax as the sales tax rate in 2020 was only 0.375 percent (0.375%). In 2020 Saline County generated approximately \$7.6 million in sales tax revenue from the county-wide tax. Of this, it is estimated that Hot Springs Village residents, visitors and employees paid \$200,000 in sales taxes that went to the Saline County government.

COUNTY EXPENSES

Garland County expenditures in 2020 were \$60.1 million, or \$600 for each county resident. Saline County expenditures in 2020 were \$38.7 million, or \$313 for each resident.

Some of the revenue for each county's spending comes from non-local sources and fee for services. Non-local sources are primarily state turnback funds and federal transfers. Fee for services include such items as sanitation, 911, jail, franchise, court fines and fees and others. Revenue from non-local sources and fee for services was deducted from total expenditures to derive the cost of county government services paid by property and sales tax revenue. After these deductions, spending from taxes collected from local residents was an estimated \$222 for each person in Garland County and \$159 in Saline County.

These figures may overestimate the cost of county services to the Village because the Hot Springs Village Property Owners' Association provides law enforcement, streets and roads, fire protection, sanitation, and other utilities for Village residents.

NET BENEFITS TO GARLAND AND SALINE COUNTY GOVERNMENTS

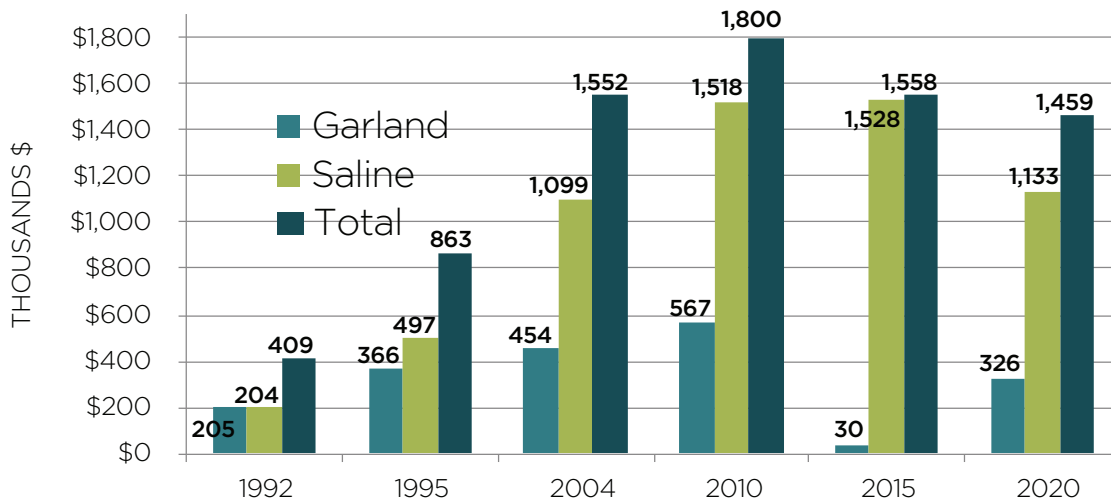
Hot Springs Village provides a financial benefit to Garland and Saline County governments. The property and sales tax revenue paid by property owners, residents and visitors was greater than the cost of services provided to the Village in 2020 (Table VI-2). The estimated net difference between revenue and expense in Saline is approximately \$1.1 million and in Garland it is nearly \$330,000. The net benefit to Saline County is greater than for Garland County primarily due to the different mix of local taxes in the two counties. Garland County relies more on the sales tax and Saline County relies more on the

Table VI-2. Estimated Net Benefits to Garland and Saline County Governments, 2020

Region	Garland (Million \$)	Saline (Million \$)	Total (Million \$)
Property Tax revenue (HSV)	\$0.53	\$2.18	\$2.71
Sales Tax revenue (HSV)	\$1.58	\$0.20	\$1.78
HSV Residents Share of Expenses	\$1.77	\$1.25	\$3.02
Net Benefits from HSV	\$0.33	\$1.13	\$1.46

Source: Property Tax Revenue was computed from Property Tax Assessments provided by the Garland and Saline County Assessors' offices; Sales tax Revenue was computed from resident and visitor expenditure patterns obtained from the Consumer Expenditure Survey, U.S. Bureau of Economic Analysis and Visitor Spending patterns from the U.S. Travel Association; and HSV Residents' Share of Expenses were calculated as presented in Appendix I on page 36.

Figure VI-1. Estimated Annual Net Benefits to Garland and Saline County Governments 1992 - 2020



Source: Computed from property assessment data provided by the Garland and Saline County Assessor's Offices; school district expenditures from the Arkansas Department of Education; and school enrollment provided by the Fountain Lake and Jessieville School District officials.

property tax to generate local revenue. Also, Garland County per capita expenditures are higher compared to Saline County.

The Village contribution to the two county governments has grown substantially since the early 1990s, from providing revenues in excess of expenses of approximately \$400,000 in 1991 to approximately \$1.5 million annually from 2004 to 2020 (Figure VI-1). The relatively small net benefit to the Garland County Government in 2015 was due in large part to higher than normal Garland County expenditures in the year that the net benefits were estimated. Garland County government expenditures in 2014 were one-third higher than the previous year. This resulted in a much higher per capita cost (\$574) for Village residents and therefore, a much smaller net benefit for the Village. The higher expenditures in 2014 was primarily due to the construction of the jail.

School Districts

REVENUES

The Village provides a large share of property tax revenue to the Fountain Lake and Jessieville school districts while only a small share of students attending these schools are from the Village. Therefore, both

school districts benefit greatly from the Village monetary contributions to their schools.

The Fountain Lake School District generated substantially more of its revenue from local sources in the 2019/20 school year than did the Jessieville School District, 85 percent and 51 percent respectively⁶. Property taxes were the primary source of local funding for the Fountain

Lake and Jessieville school districts in 2019/20 – 96 percent for Fountain Lake and 90 percent for Jessieville.

Fountain Lake School District received 78 percent of its property tax revenue from Village property owners with only 18 percent of students from the Village. Similarly, Jessieville School District received 76 percent of its property tax revenue from Village property owners, while about 48 percent of its students live in the Village (Table VI-3).

Village property owners contributed nearly \$10.9 million and \$3.9 million respectively to the Fountain Lake and Jessieville school districts in 2020 for a total of \$14.8 million.

⁶Computed from 2019/20 Annual Statistical Report, Arkansas Department of Education.

Table VI-3. School District Property Tax Assessments and Revenue, 2019_2020

Region	Fountain Lake	Jessieville	Total
Property Assessments 2019			
School District-Total	\$399,546,548	\$131,509,124	\$531,055,672
Hot Springs Village (HSV)	\$312,541,510	\$100,103,272	\$412,644,782
HSV Share of Total	78.2%	76.1%	77.7%
School District Millage	34.8	38.7	
Property Tax Revenue 2020			
School District-Total	\$ 13,904,220	\$5,089,403	\$18,993,623
Hot Springs Village (HSV)	\$10,876,445	\$3,873,997	\$14,750,441
HSV Share of Total	78.2%	76.1%	77.7%

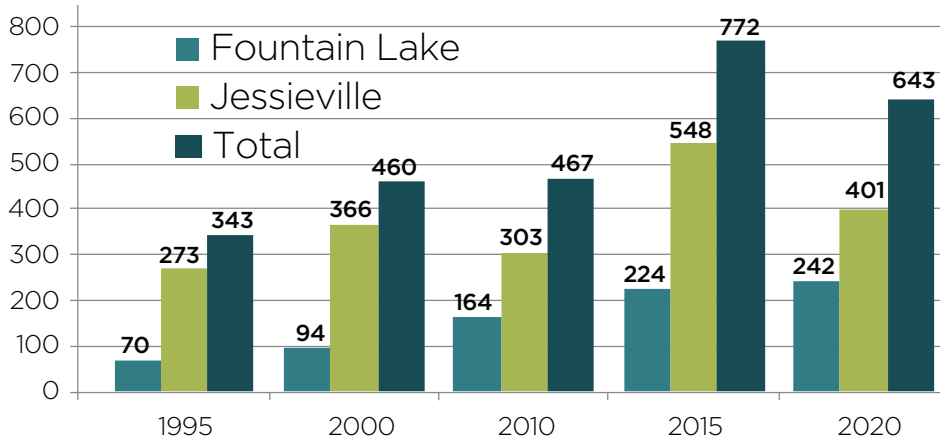
Source: Computed from 2019 Property Tax Assessments and School District Millage provided by County Assessors.

COSTS

According to school district officials, there were 401 students from the Village attending Jessieville schools and 242 students from the Village attending Fountain Lake schools during the 2020-21 school year. As shown in Figure VI-2 there was a decline in students enrolled in Jessieville schools since 2015, but a steady increase of students from the Village attending Fountain Lake schools.

Like enrollment the share of students from the Village attending Jessieville schools declined from 2015 to 2020 while the share of students from the Village attending Fountain Lake schools has increased steadily since 1995 (Figure VI-3). Out of 1,365 students enrolled in Fountain Lake schools in 2020-21, 242 or 18 percent were from the Village. Students from the Village comprised nearly one half (48%) of total enrollment, in the Jessieville schools, 401 out of 843 students.

Figure VI-2. Students from the Village Attending Fountain Lake and Jessieville Schools



Source: Fountain lake and Jessieville School District Officials

According to the Annual Statistical Report for the 2019-20 school year, per-pupil spending in the Jessieville School District was \$11,527 and \$12,102 in the Fountain Lake School District. However, substantial funding comes from the state and federal governments which reduces the amount local taxpayers must pay to support their local schools.

Since Jessieville receives 51 percent of its revenue from local sources compared

to 85 percent for Fountain Lake, the per pupil costs borne by school district residents for the Jessieville and Fountain Lake school districts were \$5,883 and \$10,279 respectively. Using the local costs per student, the total local cost for the 401 students from the Village attending Jessieville schools in 2019-20 was nearly \$2.4 million. Similarly, the share of expenses that were paid from local revenue for the 242 students attending Fountain Lake schools was approximately \$2.5 million.

NET BENEFITS

School districts gain disproportionately from the Village because there are few students living in the Village in proportion to the property tax revenue generated from property owners. The net monetary benefit of the two school districts from revenue generated from the Village in 2020 was approximately \$8.4 million and 1.5 million for the Fountain Lake and Jessieville school districts respectively (Table VI-4). Combined the net benefits received by the two school districts was \$9.9 million in 2020.

In addition to receiving assistance from volunteers living in the Village, the Jessieville and Fountain Lakes school districts have received monetary benefits for many years. As the Village grew so did the benefits to the two school districts reaching a high of \$11 million in 2015 and still nearly \$10 million in 2020 with more students from the Village attending the Jessieville and Fountain Lake schools (Figure VI-4).

Figure VI-3. Students from the Village as Share of Total Enrollment in Jessieville and Fountain Lake School Districts

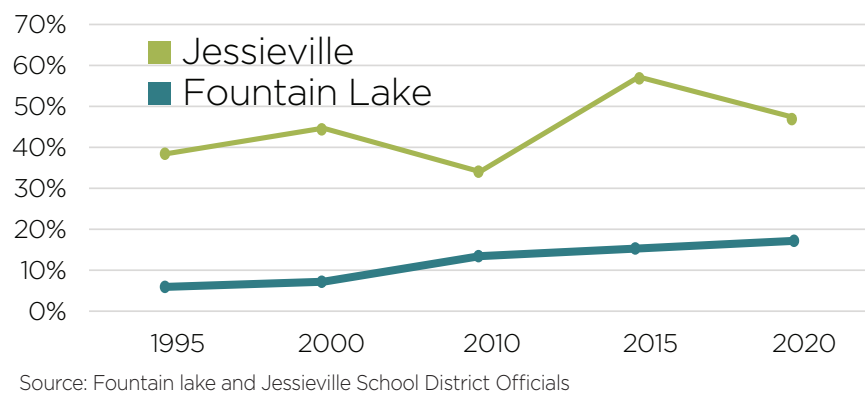
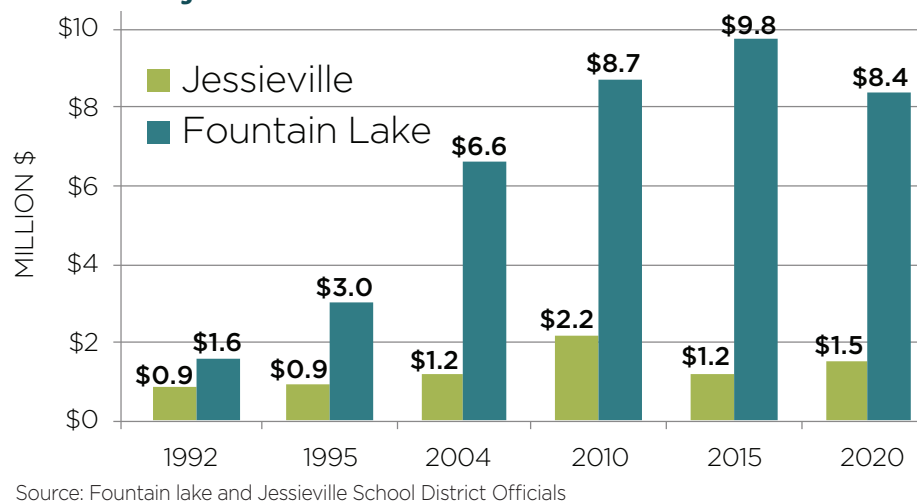


Table VI-4. Estimated Net Benefits to School Districts 2019/20

Region	Jessieville	Fountain Lake	Total
Property Tax Revenue from Village Property Owners	\$3.9	\$10.9	\$14.8
Village Students - Share of Expenses	\$(2.4)	\$(2.5)	\$(4.8)
Net Benefits from the Village	\$1.5	\$8.4	\$9.9

Source: Computed from property tax assessments provided by the Garland and Saline counties assessors' offices and the 2019_2020 Annual Statistical Report from the Arkansas Department of Education.

Figure VI-4. Net Benefits Received by Fountain Lake and Jessieville School Districts



HSV SOCIAL & ECONOMIC CONTRIBUTIONS

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APPENDICES

Appendix I. Garland & Saline County Revenues & Expenses_2020

	Garland County	Saline County	Total
Assessments (2019)			
County Total	\$2,003,864,069	\$1,964,227,646	\$3,968,091,715
Hot Spring Village	\$187,741,573	\$224,911,641	\$412,653,214
HSV as % of Total	9.4%	11.5%	10.4%
Millage*	2.8	9.7	
Property Tax Revenue (2020)			
County Total	\$5,610,819	\$19,053,008	\$24,663,828
Hot Spring Village	\$ 525,676	\$2,181,643	\$2,707,319
HSV as % of Total	9.4%	11.5%	11.0%
Sales Tax Revenue (2020)			
Sales Tax Revenue (County)	\$28,816,706	\$7,621,223	\$36,437,929
Sales Tax Revenue (HSV)	\$1,575,205	\$199,468	\$1,774,673
Sales Tax Revenue HSV (%)	5.5%		4.9%
Property & Sales Tax Revenue (2020)			
Property & Sales Tax Revenue (County)	\$34,427,525	\$6,674,231	\$61,101,757
Property & Sales Tax Revenue (HSV)	\$2,100,881	\$2,381,111	\$4,481,992
Hot Springs Village (% of total)	6.1%	8.9%	7.3%
Population (2020)			
County Population	100,180	123,416	223,596
Hot Spring Village	8,000	7,861	15,861
HSV % of County	8%	6%	7.1%
County Expenses Estimated (2020)			
County Expense (Total)**	\$60,082,912	\$38,690,003	\$98,772,915
County Expense (per capita)	\$600	\$313	
HSV Resident Expenses (per capita)***	\$222	\$ 159	
Revenue from Hot Springs Village			
Property Tax	\$525,676	\$2,181,643	\$2,707,319
Sales Tax	\$1,575,205	\$ 199,468	\$1,774,673
HSV Residents Share of Expenses	\$(1,774,406)	\$(1,249,537)	\$(3,023,944)
Net Benefits From HSV	\$326,475	\$1,131,574	\$1,458,049

Appendix II. Property Tax Assessments, Revenue and Costs - 2020 School Districts and Hot Springs Village

	Jessieville	Fountain Lake	Totals
Assessments (2019)			
School District	\$130,835,693	\$397,542,659	\$528,378,352
Hot Springs Village	\$100,103,272	\$312,541,510	\$412,644,782
HSV % of Total	76.5%	78.6%	78.1%
Millage			
	38.7	34.8	
Property Tax Revenue (2020)			
School District	\$5,063,341	\$13,834,485	\$18,897,826
Hot Springs Village	\$3,873,997	\$10,876,445	\$14,750,441
HSV % of Total	76.5%	78.6%	78.1%
School District Expenditures			
Per Pupil Expenditures	\$11,527	\$12,102	
Share of Expenses from Local Revenue	51.0%	84.9%	
Per Pupil Expenditures	\$5,883	\$10,279	
School District Enrollment			
School District Enrollment	843	1,365	2,208
Students from Hot Springs Village	401	242	643
Hot Springs Village Students (% of Total)	47.6%	17.7%	29.1%
Net Revenue			
Property Tax Revenue from HSV	\$3,873,997	\$10,876,445	\$14,750,441
Hot Springs Village Student Costs	\$2,359,105	\$2,487,529	\$4,846,634
Net Revenue from HSV to School Districts	\$1,514,891	\$8,388,916	\$9,903,807

Source: Computed from assessment data provided by Saline and Garland County Assessors' Offices and the Arkansas Assessment Coordination Department and school district expenditures from the Arkansas Department of Education.

APPENDICES

Appendix III. IMPLAN® Model Description

This study used IMPLAN®, an economic impact assessment modeling system to estimate the economic contribution of Hot Springs Village to the two-county region and to Arkansas. IMPLAN® allows the user to build economic models to estimate the economic impact of changes in the economy as well as the contribution of an industry to a state, region, county, and community. The impacts and contributions are reported as changes in employment, income, output, and value added for a specified geographic region.

The IMPLAN model was originally developed by the USDA Forestry Service to estimate the impacts of changing management practices of the National Forest System. Since its inception, the model has been developed and refined so that it can be used to address a range of economic issues, from estimating the impact of new industries to the impact of tourism or retirees. In 1993 the Minnesota IMPLAN Group, Inc. (MIG) took responsibility for maintaining the model and updating the databases used to generate the estimates. In 2013 the IMPLAN Group LLC purchased the model from the Minnesota IMPLAN Group, Inc. and took responsibility for updating the model and database. Currently, there are over 1,500 IM-PLAN users, including universities, federal, state, and local governments, nonprofit organizations, and many private consulting firms.

There are two major components of the IMPLAN model. The first is the software which performs the computations necessary to derive economic impact estimates. Second is the database which is updated annually. The database provides county-level information for output, employment, income, and value added for 536 industries. The production function coefficients used in IMPLAN are derived from the U.S. Department of Commerce's national input-output model which is updated every five years. The IMPLAN accounts closely follow the accounting conventions used by the Bureau of Economic Analysis and the format recommended by the United Nations.

The model is also flexible and allows the user to make changes in the data, model formulation and geographic area. The flexibility of the model is what allows the model to be used to estimate the economic impact of recreation/retirement communities. Since there is no recreation/retirement community industry in the model, there is not a single multiplier that can be used to estimate the economic impact of recreation/retirement communities. Instead, economic impacts and contributions are estimated using total household spending of Hot Springs Village residents obtained from the American Community Survey. Expenditures are allocated to approximately 280 industries in the IMPLAN model.

The IMPLAN model treats household and business operating spending differently from capital spending. Therefore, two separate estimates were made for household spending and new-home construction. The economic impacts are estimated for two geographic regions, the combined area of Garland and Saline counties and the state of Arkansas

University of Arkansas, United States Department of Agriculture and County Governments Cooperating

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