Certainly, Stephens is more than just a community in Ouachita County today. But, in 1881 it would become a community because a decision was made to bypass Magnolia during the construction of the Cotton Belt Railroad as a route to Texarkana was established. At that time town settlements were located in the area. One was Seminary, which was west of the present site of Stephens in Ouachita County. The other was Richland, which was southeast of Stephens in Columbia County.

In 1883, M. L. Edwards moved his family and his mercantile business from Richland into the recently created town of Stephens and that became the first business establishment in the new town.

Stephens was laid out on one of the oldest tracts of settled land for three hundred and twenty acres of land on February 19, 1846. In 1883 many settlers began to move onto part of that land and into the new town. The Stephens Post Office was established on September 3, 1883, and James Smith became the first postmaster. Smith was also the head of a business establishment in the town, Smith Brothers and Company, a mercantile business.

Stephens was incorporated as a town in 1888. Major T. J. Edwards was the first mayor, and C. T. Boggs was the recorder. By 1900 the town had grown to a population of six hundred. It had one hotel; a furniture store; nine grocery stores; a meat market; two physicians and one drug store; three general stores; and one attorney at law.

September of 1945 became another monumental time for the Ouachita County town when it was discovered that a large pool of oil existed three miles east of Stephens in Section 24, Township 15 South. Earlier the Smart Oil Field came in approximately three miles north of Stephens. This new asset allowed and the development it engendered produced the growth necessary to allow Stephens to become a city of the second class.

In 1982 Stephens celebrated its centennial, and it became one of the older areas of settlement in Ouachita County.