

**EMBARGOED until
Friday, September 16, 2011**

Media contacts:

Laura Hart (401) 462-8090 lhart@dlt.ri.gov
 Nicole Romeo (401) 462-8744 nromeo@dlt.ri.gov

	<u>Aug 11</u>	<u>Jul 11</u>	<u>Aug 10</u>
RI Unemployment Rate	10.6%	10.8%	11.5%
U.S. Unemployment Rate	9.1%	9.1%	9.6%
RI Job Count (<i>in thousands</i>)	460.9	467.2	460.5

Highlights:

- The August 2011 unemployment rate was down two-tenths of a percentage point over the month.
- RI-based employment dropped 6,300 over the month.
- The number of unemployed RI residents decreased for the 17th consecutive month.

Unemployment Rate Drops to 10.6 Percent

The RI Department of Labor and Training announced today that the state's **seasonally adjusted unemployment rate** for August 2011 was 10.6 percent, down two-tenths of a percentage point from the previous month and down nine-tenths of a percentage point from August 2010.

The U.S. unemployment rate was 9.1 percent in August, unchanged from the previous month and down five-tenths of a percentage point from August 2010.

The number of **unemployed RI residents**—those residents classified as available for and actively seeking employment—decreased by 1,500 over the July figures, falling to 59,600 in August, the 17th consecutive over-the-month decline. Over the year, the number of unemployed RI residents dropped by 7,000.

Due to numerous eligibility requirements, the number of unemployed RI residents differs from the number of **RI Unemployment Insurance recipients**. The average weekly claim load for RI Unemployment Insurance benefits in August was 32,187, down 510 (-1.6%) from the July average of 32,697 and down 5,111 (13.7%) from the August 2010 average of 37,298.

The number of **employed RI residents** decreased 1,600 over the July figures, totaling 501,700 in August. Over the year, the number of employed RI residents was down 8,200 from August 2010.

The RI labor force totaled 561,300 in August 2011, down 3,100 from July and down 15,200 from August 2010 estimates. The over-the-month decrease in the number of unemployed residents, combined with the decrease in the number of employed residents, caused the August labor force to drop to its lowest level since June 2005.

JOBS BASED IN RHODE ISLAND: Estimated nonfarm payroll in Rhode Island totaled 460,900 in August, reflecting a loss of 6,300 jobs from the revised July employment estimate of 467,200. Three sectors in particular—Retail Trade, Manufacturing and Accommodation & Food Services—each reported sizable losses of more than 1,000 each. The August loss represents the largest over-the-month job loss since January 1991 (-9,800). Despite the month's employment losses, RI-based jobs still increased by 4,000 from January to August of this year.

The Retail Trade sector lost 1,200 jobs over the month, with over half of these jobs resulting from temporary vacation closings and earlier than usual seasonal cutbacks. Other employment declines in this sector are attributable to losses in building materials; garden equipment and supply dealers; and food and beverage stores subsectors.

The 1,100 employment drop in the Manufacturing sector was the result of changes in the traditional July Manufacturing shut-down period. With fewer than average seasonal shutdowns being reported in July, less manufacturing workers were added back to the August payroll, resulting in distorted gains and losses in the seasonally adjusted numbers for those two months.

(continued)

Monthly Employment August 2011, page 2 of 2

Employment in the Accommodation and Food Services sector also fell by 1,100 over the month, mainly due to losses in both full-service and limited-service restaurant establishments within the food services and drinking places subsector.

Employment in the Information sector fell by 900 jobs in August, with many telecommunication workers being on strike and, therefore, off the company payrolls. Also in August, the Professional & Business Services sector fell by 900 as losses were reported by temporary help agencies along with the accounting, tax preparation, bookkeeping, and payroll services, as well as the advertising, public relations, and related services industry groups. Smaller losses were noted in the Educational Services (-400), Construction (-400), Transportation & Warehousing (-300), Financial Activities (-300) and Health Care & Social Assistance (-300) sectors.

Wholesale Trade (+400) and Government (+200) were the only two sectors to report job gains in August, while employment within the Arts, Entertainment & Recreation; Other Services; and Natural Resources & Mining sectors remained unchanged.

Over the year, employment was up 400 (+0.1%) from August 2010, with job gains reported in seven economic sectors. Retail Trade (+1,900), Wholesale Trade (+700), Health Care & Social Assistance (+600), Professional & Business Services (+600), Other Services (+500), Manufacturing (+500) and Accommodation & Food Services (+400) all reported over-the-year gains. Educational Services and Natural Resources & Mining employment remained even over the year. From August 2010 to August 2011, however, Government employment was down 1,600, as were Financial Activities (-1,000), Construction (-900), Information (-800), Arts, Entertainment & Recreation (-400) and Transportation & Warehousing (-100).

SEASONALLY-ADJUSTED NON-FARM EMPLOYMENT IN RHODE ISLAND					
<i>(in thousands)</i>					
	Aug-11	Jul-11	Aug-10	Net Change From	
				Jul-11	Aug-10
Total Nonfarm	460.9	467.2	460.5	-6.3	0.4
Natural Resources & Mining	0.2	0.2	0.2	0.0	0.0
Construction	15.0	15.4	15.9	-0.4	-0.9
Manufacturing	40.8	41.9	40.3	-1.1	0.5
Wholesale Trade	16.7	16.3	16.0	0.4	0.7
Retail Trade	49.0	50.2	47.1	-1.2	1.9
Transportation & Utilities	9.9	10.2	10.0	-0.3	-0.1
Information	9.4	10.3	10.2	-0.9	-0.8
Financial Activities	29.6	29.9	30.6	-0.3	-1.0
Professional & Business Services	53.8	54.7	53.2	-0.9	0.6
Educational Services	23.9	24.3	23.9	-0.4	0.0
Health Care & Social Assistance	78.9	79.2	78.3	-0.3	0.6
Arts, Entertainment & Recreation	7.3	7.3	7.7	0.0	-0.4
Accommodation & Food Services	42.9	44.0	42.5	-1.1	0.4
Other Services	22.9	22.9	22.4	0.0	0.5
Government	60.6	60.4	62.2	0.2	-1.6

MANUFACTURING: In August 2011, production workers in the Manufacturing sector earned \$16.97 per hour. The average hourly production wage was up 37 cents from July 2011 and up \$2.20 from August 2010. Manufacturing employees worked an average of 38.6 hours per week in August, down six-tenths of an hour over the month, and down two-tenths of an hour over the year.

METHODOLOGY: Beginning with the release of the March 2011 employment estimates, the production of state and metropolitan area estimates transferred from individual State Workforce Agencies to the U.S. Bureau of Labor Statistics (BLS). Concurrent with the transition, the BLS implemented several methodological changes to standardize the estimation approach across states. While these changes have reduced the potential for statistical bias in state and metropolitan area estimates, they may increase the month-to-month variability of the estimates especially in smaller areas and states. The Rhode Island Department of Labor and Training's Labor Market Information unit will continue to provide the BLS with information on local events that may affect the estimates, such as large layoffs or expansions at businesses not covered by the survey, and to disseminate and analyze the Current Employment Statistics (CES) estimates for local data users. More detailed information on the changes to procedures for producing CES estimates is available on the BLS web site at <http://www.bls.gov/sae/cesprocs.htm>.

The unemployment figures are based largely on a survey of households in Rhode Island and measure the unemployment status of people who live in the state. Unemployment rates prior to 1976 are not recognized by the U.S. Bureau of Labor Statistics as official since the methodology used at that time is not comparable to today's methods. The establishment employment figures are derived from a survey of businesses in Rhode Island and measure the number of jobs in the state. Rhode Island labor market information is available at www.dlt.ri.gov/lmi. The September labor force figures are scheduled to be released on Friday, October 21, 2011.

ABOUT DLT: The RI Department of Labor and Training offers employment services, educational services and economic opportunity to both individuals and employers. DLT protects Rhode Island's workforce by enforcing labor laws, prevailing wage rates and workplace health and safety standards. The department also provides temporary income support to unemployed and temporarily disabled workers. For more information, please call the RI Department of Labor and Training at (401) 462-8000 or visit the web site at www.dlt.ri.gov.