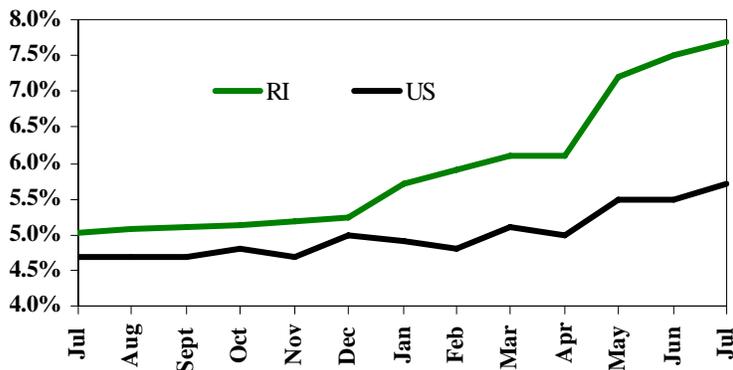


Rhode Island's Unemployment Rate Rises to 7.7 Percent

- ◆ RI's seasonally adjusted unemployment rate continued to trend upward in July, climbing to 7.7 percent, its highest level since September 1993 (7.7%).
- ◆ RI's July unemployment rate is up 2.7 percentage points from last year's figure of 5.0 percent.
- ◆ RI's jobless rate remained above the national rate, which rose 0.2 of a percentage point to 5.7 percent in July.
- ◆ In July, the number of unemployed RI residents grew to 44,300, representing a monthly increase of 1,600 and the highest jobless level since February 1993 (44,400). On a year-over-year comparison, the number of unemployed residents increased 15,300 from July 2007 to July 2008.
- ◆ The number of employed RI residents totaled 528,900 in July 2008, reflecting a drop of 600 from the previous month. On a year-over-year basis, the number of employed RI residents fell 18,200 between July 2007 and July 2008.

RI & US Unemployment Rates
Seasonally Adjusted 2007-2008



Employment by Size of Firm March 2008

The Rhode Island economy is characterized by a large number of small companies employing a small number of workers. As of March 2008, there were 32,803 private businesses in the state employing 400,396 workers. Nearly half the employers (48.2%) in the state have between one and four employees; however, they employ just 7.6% of the workforce. The largest employers, those with 1,000 or more employees, numbered 33 and employed 16.9% of Rhode Island's private sector workforce.

- ◆ Smaller employers, those with less than 20 employees, represented 89.8% of all employers in the state and employed approximately one quarter (25.3%) of the workforce.
- ◆ Mid-sized companies (20 to 99 workers) employed 27.6% of the private sector employment and accounted for 8.4% of the firms.
- ◆ There are just 580 (1.8%) firms in the state employing 100 or more workers. Together, they employ nearly half (47.1%) of the state's private sector employees.

The highest concentration of small firms is found in the Agriculture, Forestry, Fishing & Hunting (97.6%) sector, followed by Other Services (96.0%), Construction (95.9%) and Professional & Technical Services (95.1%). The Manufacturing sector had the smallest percentage of small firms (74.7%), followed by Educational Services (79.1%), Accommodation & Food Services (79.1%) and Utilities (80.8%).

For more information, see label page and/or visit www.dlt.ri.gov/lmi/es202/size.htm.

Seasonally Adjusted Labor Force Statistics (in thousands)

	Rhode Island			United States		
	Jul 08	Jun 08	Jul 07	Jul 08	Jun 08	Jul 07
Civilian Labor Force	573.2	572.1	576.1	154,603	154,390	153,182
Resident Employment	528.9	529.5	547.1	145,819	145,891	146,045
Unemployment	44.3	42.7	29.0	8,784	8,499	7,137
Unemployment Rate	7.7%	7.5%	5.0%	5.7%	5.5%	4.7%

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Rhode Island Jobs Continue to Trend Down

The number of seasonally adjusted nonfarm jobs in Rhode Island in July 2008 totaled 480,600, a decline of 1,700 from June's revised employment level of 482,300. July marks the seventh straight month of job losses for both Rhode Island and the United States. The Government sector reported the largest employment drop (-700), due to declines in the State and Local government segments. Losses in State government were primarily attributable to the retirement of a substantial number of state employees at the end of the fiscal year. Job cutbacks of 200 each were reported in the Construction, Financial Activities, Professional & Business Services, and Accommodation & Food Services sectors. The Wholesale Trade, Information and Health Care & Social Assistance sectors each lost 100 jobs.

The Educational Services sector reported the only monthly job gain (+100), while employment remained stable in Manufacturing; Retail Trade; Transportation & Utilities; Arts, Entertainment & Recreation; Natural Resources & Mining; and Other Services.

From July 2007 to July 2008, RI jobs declined 13,000, a 2.6 percent decrease. This is the steepest annual employment decline since January 1992 (-15,300). The largest annual employment losses occurred in the Manufacturing (-3,100), Retail Trade (-2,100), Professional & Business Services (-2,000), Government (-1,600), Financial Activities (-1,300), Construction (-1,100) and Other Services (-1,000) sectors. Smaller losses were noted in Transportation & Utilities (-500); Accommodation & Food Services (-400); Arts, Entertainment & Recreation (-300); Wholesale Trade (-300); and Natural Resources & Mining (-100).

Establishment Employment in Rhode Island Seasonally Adjusted

	Net Change From				
	Jul-08	Jun-08	Jul-07	Jun-08	Jul-07
Total Nonfarm	480.6	482.3	493.6	-1.7	-13.0
Natural Resources & Mining	0.2	0.2	0.3	0.0	-0.1
Construction	20.9	21.1	22.0	-0.2	-1.1
Manufacturing	48.0	48.0	51.1	0.0	-3.1
Wholesale Trade*	16.8	16.9	17.1	-0.1	-0.3
Retail Trade	49.9	49.9	52.0	0.0	-2.1
Transportation & Utilities	10.6	10.6	11.1	0.0	-0.5
Information	10.9	11.0	10.5	-0.1	0.4
Financial Activities	33.3	33.5	34.6	-0.2	-1.3
Professional & Business Services	54.1	54.3	56.1	-0.2	-2.0
Educational Services	23.8	23.7	23.4	0.1	0.4
Health Care & Social Assistance	76.1	76.2	76.1	-0.1	0.0
Arts, Entertainment & Recreation	7.7	7.7	8.0	0.0	-0.3
Accommodation & Food Services	42.8	43.0	43.2	-0.2	-0.4
Other Services	22.2	22.2	23.2	0.0	-1.0
Government	63.3	64.0	64.9	-0.7	-1.6

* State Calculated Estimate

Manufacturing Employment in Rhode Island Not Seasonally Adjusted

	Employment				
	(in thousands)			Net Change From	
	Jul 08	Jun 08	Jul 07	Jun 08	Jul 07
Manufacturing	45.7	48.2	49.1	-2500	-3,400
Durable Goods	29.6	31.3	31.8	-1700	-2,200
Fabricated Metal Product Mfg.	6.3	6.6	6.7	-300	-400
Computer & Electronic Product Mfg.	4.3	4.3	4.5	0	-200
Miscellaneous Manufacturing	8.1	8.7	8.8	-600	-700
Jewelry & Silverware	5.4	5.9	6.0	-500	-600
Non-Durable Goods	16.1	16.9	17.3	-800	-1,200
Chemical Manufacturing	4.2	4.2	4.5	0	-300
Plastics & Rubber Products Mfg.	2.8	2.9	2.9	-100	-100

Only two industry sectors experienced over-the-year job gains. The Information and Educational Services sectors each reported an over-the-year increase of 400 jobs.

Employment in Health Care & Social Assistance was unchanged from July 2007 to July 2008.

In July 2008, production workers in the Manufacturing sector earned \$13.91 per hour. The average hourly production wage was up four cents from June but remained even compared to a year ago July. Manufacturing employees worked an average of 38.2 hours per week in July, down seven-tenths of an hour over the month and four-tenths of an hour since July 2007.

The employment figures in this section are derived from a survey of businesses in Rhode Island and measure the number of jobs in the state. Not seasonally adjusted total nonfarm employment data is available at: www.dlt.ri.gov/lmi/ces.htm. Current month's figures are preliminary and subject to change.

Spotlight on the Unemployment Rate



The unemployment rate is the most visible labor statistic, appearing in the newspaper, on TV, radio, in economic reports, etc. Often referred to as the **total unemployment rate**, this figure represents the percentage of the labor force that is unemployed. To be classified as unemployed, a person must be available for a job and making an active attempt to find a job.

The total unemployment rate reflects not only those people claiming Unemployment Insurance benefits, but also those who have exhausted benefits or who have been denied benefits and are still unemployed, and those not monetarily eligible, including people coming into the labor force for the first time (new entrants) and those returning to the labor force (re-entrants) after a spell of being out of the labor force since they last had a job.

The unemployment rate does not come from a physical count of unemployed residents nor does it come from a count of all those collecting Unemployment Insurance benefits. The state unemployment rate is derived from complex statistical models developed by the US Bureau of Labor Statistics (BLS). These advanced economic models rely primarily on a monthly survey of households (approximately 1,200 in Rhode Island) and state supplied inputs. Simply put, the monthly unemployment rate is a carefully calculated estimate - but it is, nonetheless, an estimate.

All states in the country use BLS statistical models to develop their labor force estimates so the process is consistent and the estimates are comparable state to state.

Each month, highly trained Census Bureau employees interview persons in sample households in Rhode Island for information on the labor force activities or non-labor force status of all members of these households (16 years and over) during the week that includes the 12th of the month (reference week).

Characteristics of the Insured Unemployed

In July 2008, 34 percent of Rhode Island's unemployed workers were eligible to collect Unemployment Insurance (UI) benefits. Numbering 15,910 people, these "insured unemployed" accounted for 3.0 percent of the State's total employed (unadjusted). Nearly 25 percent (3,891) of the Ocean State's insured unemployed faced long-term unemployment, defined as collecting unemployment benefits for more than fourteen weeks.

On an industry basis, 14.1 percent (2,248) of the State's insured unemployed workers came from the Manufacturing sector. There were also 1,737 individuals with an attachment to the Accommodation & Food Services sector, accounting for 10.9 percent of all insured unemployed workers. An additional 10.8 percent (1,720) of those collecting UI benefits in July had worked in the Health Care & Social Assistance sector. Large numbers of insured unemployed were also reported in Construction (1,520), Retail Trade (1,501) and Transportation & Warehousing (1,315). For more information, go to www.dlt.ri.gov/lmi/uiadmin/characteristics.htm.

Characteristics of the Insured Unemployed, July 2008

	<i>Total</i>	<i>Long-Term</i>	<i>Percent Long-Term</i>
Total	15,910	3,891	24.5%
Male	7,084	2,003	28.3%
Female	8,826	1,888	21.4%
Selected Industries	15,910	3,891	24.5%
Construction	1,520	429	28.2%
Manufacturing	2,248	724	32.2%
Wholesale Trade	543	178	32.8%
Retail Trade	1,501	520	34.6%
Transportation & Warehousing	1,315	115	8.7%
Information	189	66	34.9%
Finance & Insurance	797	250	31.4%
Real Estate	292	90	30.8%
Professional & Tech. Services	764	185	24.2%
Administrative & Waste Services	1,209	265	21.9%
Educational Services	547	47	8.6%
Health Care & Social Assistance	1,720	429	24.9%
Arts, Entertainment & Recreation	249	76	30.5%
Accommodation & Food Services	1,737	228	13.1%
Other Services	511	156	30.5%
Public Administration	219	24	11.0%

**Consumer Price Index for
All Urban Consumers**

	Jul 08	Jun 08	Jul 07	% Change Prev. Year
All Items	220.0	218.8	208.3	5.6%

Source: U.S. Dept. of Labor, Bureau of Labor Statistics

2007 City & Town Analysis

Rhode Island private sector employment averaged 417,728 in 2007, a mere increase of 22 jobs from 2006. Twenty of the state's 39 cities and towns experienced job growth, while 19 municipalities reported private employment declines.

The town of Lincoln added 513 (+3.8%) private sector jobs between 2006 and 2007, the largest gain among all Rhode Island communities. Lincoln's Arts, Entertainment & Recreation sector added 324 (+29.1%) new jobs, followed by the Manufacturing (+106) and Finance & Insurance (+85) sectors.

Between 2006 and 2007, private sector employment in North Kingstown increased by 463 (+3.6%), the second largest employment gain during this period. Large job gains were noted in the Health Care & Social Assistance (+147), Administrative Support & Waste Management Services (+121) and Retail Trade (+90) sectors.

Smithfield (+388), East Providence (+380) and Coventry (+354) also experienced significant job gains during this period. Exeter increased its private sector workforce by 7.0 percent, the largest annual employment gain on a percentage basis, followed by Foster (+5.9%).

West Greenwich lost 737 (-17.2%) private sector jobs between 2006 and 2007, the largest employment decline among all cities and towns. However, it should be noted that roughly 680 of the lost jobs were attributed to the relocation of a large company. Job losses were also reported in the Manufacturing (-42) and Accommodation & Food Services (-40) sectors.

Johnston (-503), Warwick (-478), Cranston (-313) and West Warwick (-196) also reported significant employment declines during this period. Due to the relocation of a major company, West Greenwich (-17.2%) experienced the largest employment decline on a percentage basis, followed by Johnston (-4.5%).

The 2007 average annual wage in the private sector was \$39,827; a \$1,095 (+2.8%) increase from the \$38,732 earned in 2006. Thirty-four cities and towns reported an annual wage increase, while West Greenwich (-\$31,813), Exeter (-\$573), Richmond (-\$283), Scituate (-\$203) and East Providence (-\$108) reported an annual wage decline. The relocation of the West Greenwich company contributed to the drastic wage decline during this period.

**City & Town
Unadjusted Unemployment Rates for July**

	2008	2007		2008	2007
Barrington	5.9	4.1	Newport	6.1	4.3
Bristol	7.1	4.9	North Kingstown	6.5	4.1
Burrillville	7.5	5.2	North Providence	8.6	6.0
Central Falls	11.2	7.2	North Smithfield	7.3	5.2
Charlestown	8.2	5.7	Pawtucket	10.0	6.5
Coventry	7.7	5.4	Portsmouth	5.8	3.8
Cranston	8.1	5.6	Providence	10.1	7.3
Cumberland	7.3	4.8	Richmond	5.3	3.2
East Greenwich	7.3	4.9	Scituate	8.3	5.6
East Providence	8.2	5.7	Smithfield	7.9	5.1
Exeter	7.0	5.0	South Kingstown	6.8	4.7
Foster	7.8	6.2	Tiverton	8.1	5.4
Glocester	6.3	4.4	Warren	8.3	5.3
Hopkinton	8.2	5.1	Warwick	7.4	5.2
Jamestown	5.5	3.7	West Greenwich	7.4	5.0
Johnston	8.8	5.9	West Warwick	8.3	5.8
Lincoln	7.5	4.8	Westerly	7.4	4.7
Little Compton	5.9	4.0	Woonsocket	9.7	5.8
Middletown	6.1	4.4			
Narragansett	4.8	3.5	State of R.I.	8.1	5.5
New Shoreham	2.8	2.0	United States	6.0	4.9

**Top Ten Municipalities by
Average Private Sector
Employment - 2007**

Providence	97,747
Warwick	48,320
Cranston	29,491
Pawtucket	24,155
East Providence	21,286
Lincoln	13,891
Woonsocket	13,765
North Kingstown	13,251
Newport	13,014
Smithfield	12,641

Unemployment Insurance Claims Activity

	July	June	July	% Change		Year to Date		
	2008	2008	2007	June 08	July 07	2008	2007	% Change
Initial Claims	7,529	8,584	7,323	-12.3%	2.8%	56,593	50,240	12.6%
Number of Payments	62,623	58,026	60,378	7.9%	3.7%	466,471	405,193	15.1%
Amount of Payments (gross millions)	\$21.4	\$20.3	\$20.3	5.4%	5.4%	\$167.2	\$140.5	19.0%
Exhaustions (Final Payments)	1,552	1,711	1,359	-9.3%	14.2%	11,532	9,067	27.2%

**Rhode Island Private Covered Employers
Size Class by Industry
March 2008**

Major Industry	Firms/ Employees	Number of Employees										
		Total Private	0	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+
Total	# Firms	32,803	5,960	15,805	4,743	2,956	2,062	697	413	102	32	33
	# Employees	400,396	0	30,484	31,152	39,846	62,453	48,072	62,995	34,302	23,276	67,816
Agriculture, Forestry, Fishing & Hunting	# Firms	164	53	81	19	7	3	*				
	# Employees	521	0	148	122	98	*	*				
Mining	# Firms	22	2	10	4	4	1	1				
	# Employees	195	0	25	29	54	*	*				
Utilities	# Firms	26	5	9	3	4	3	1			1	
	# Employees	1,119	0	17	23	65	91	*			*	
Construction	# Firms	4,221	1,292	1,973	521	260	134	27	12	2		
	# Employees	18,711	0	3,881	3,418	3,506	3,890	1,735	1,703	*		
Manufacturing	# Firms	1,940	181	642	358	269	265	128	67	23	3	4
	# Employees	50,406	0	1,432	2,410	3,676	8,291	8,946	10,280	7,541	1,764	6,066
Wholesale Trade	# Firms	3,020	522	1,810	293	198	142	39	14	2		
	# Employees	16,616	0	2,890	1,923	2,585	4,140	2,628	1,773	*		
Retail Trade	# Firms	3,313	404	1,540	599	373	249	80	45	15	3	5
	# Employees	48,860	0	3,392	3,929	4,980	7,723	5,426	6,683	5,201	1,835	9,691
Transportation & Warehousing	# Firms	720	157	334	83	65	53	13	12	1	1	1
	# Employees	8,500	0	615	527	880	1,671	898	1,611	*	*	*
Information	# Firms	579	133	282	57	39	32	18	13	2	2	1
	# Employees	9,194	0	425	391	531	917	1,326	1,979	*	*	*
Finance & Insurance	# Firms	1,437	287	764	175	90	61	22	20	8	5	5
	# Employees	29,137	0	1,516	1,160	1,185	1,831	1,567	3,259	2,703	3,450	12,466
Real Estate & Rental & Leasing	# Firms	1,117	224	631	137	63	41	13	7	*		
	# Employees	6,413	0	1,159	875	883	1,215	849	*	*		
Professional & Technical Services	# Firms	4,025	743	2,377	458	248	142	36	17	3		*
	# Employees	21,611	0	4,144	2,957	3,273	4,189	2,497	2,579	*		*
Mgmt. of Companies & Enterprises	# Firms	162	26	88	15	15	10	5		1	1	*
	# Employees	5,320	0	134	104	205	301	378		*	*	*
Administrative & Waste Services	# Firms	2,307	778	906	266	143	118	52	37	6		1
	# Employees	21,872	0	1,702	1,705	1,936	3,590	3,606	6,097	2,121		1,115
Educational Services	# Firms	488	83	209	57	37	62	18	13	2	2	5
	# Employees	18,908	0	364	373	507	1,995	1,246	1,917	*	*	10,426
Health Care & Social Assistance	# Firms	2,549	122	987	586	387	210	113	101	24	11	8
	# Employees	77,870	0	2,175	3,909	5,216	6,627	8,019	15,572	7,779	8,113	20,460
Arts, Entertainment & Recreation	# Firms	563	123	209	101	64	41	16	7	1	1	
	# Employees	6,564	0	396	658	845	1,257	1,016	1,131	*	*	
Accommodation & Food Services	# Firms	2,561	359	754	470	444	390	94	39	9	1	1
	# Employees	40,215	0	1,813	3,181	6,175	11,481	6,309	6,103	3,231	*	*
Other Services	# Firms	3,466	391	2,152	540	246	105	20	9	2	1	
	# Employees	18,301	0	4,200	3,451	3,246	3,117	1,452	1,341	*	*	

* Not shown due to the possibility of data being identified with an individual employer.