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Employment Bulletin

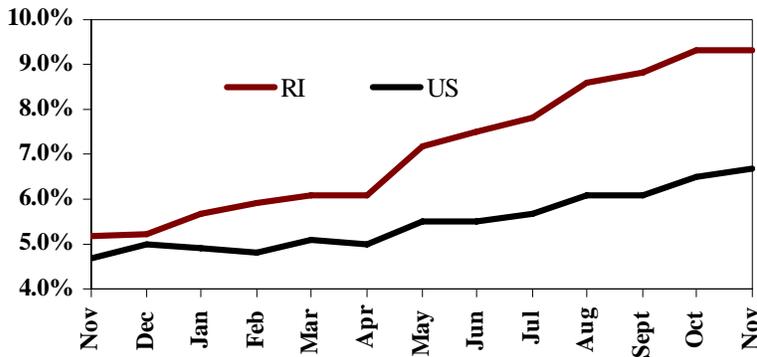
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December 2008

Rhode Island's Rate Unchanged at 9.3 Percent

- ◆ RI's seasonally adjusted unemployment rate for November was unchanged from the October level of 9.3 percent.
- ◆ RI's November unemployment rate is up 4.1 percentage points from last year's figure of 5.2 percent.
- ◆ The national rate increased 0.2 of a percentage point to 6.7 percent.
- ◆ In November, the number of unemployed Rhode Island residents increased by 200 to reach 53,100, the state's highest jobless level on record. On a year-over-year comparison, the number of unemployed residents increased 23,100 from November 2007 to November 2008.
- ◆ The number of employed RI residents totaled 517,100 in November 2008, reflecting a decrease of 400 from the previous month. On a year-over-year basis, the number of employed RI residents fell 29,500 between November 2007 and November 2008.

RI & US Unemployment Rates
Seasonally Adjusted 2007-2008



Financial Activities Sector in Rhode Island's Economy

The mortgage crisis, which began affecting the Rhode Island economy last summer, has had a negative impact on Rhode Island jobs. June 2008 payroll records from Rhode Island employers confirm a loss of 10,748 (-2.5%) jobs compared to June 2007. Businesses classified in the Financial Activities sector reported a decline of 1,812 (-5.4%) jobs, trailing Rhode Island's declining Manufacturing and Professional & Business Services sectors, down 2,573 (-5.0%) and 1,979 (-3.4%), respectively. Retail Trade (-1,930) and Construction (-1,539) also reported the loss of more than 1,000 jobs over the year.

Nearly all industries within the Financial Activities cluster reported job losses over the year, with the largest decline reported in Activities Related to Credit Intermediation (-1,002). This industry, which includes establishments primarily engaged in arranging mortgage and other types of loans on a commission or fee basis, was very negatively affected by the mortgage crisis.

Large losses were also reported in Nondepository Credit Intermediation which includes mortgage companies (-516); Depository Credit Intermediation, which includes commercial banks and credit unions (-268) and Real Estate Agents and Brokers (-128).

While employment in Financial Activities was down by over 1,800 jobs (-5.4%) over the year, reaction to the mortgage crisis among the state's largest financial institutions was mixed. Five of the state's ten largest institutions reported employment increases over the year totaling 343 jobs, while the other five reported losses totaling 611 jobs, resulting in a net loss of 268 jobs being reported by the state's financial giants.

Seasonally Adjusted Labor Force Statistics

(in thousands)

	Rhode Island			United States		
	Nov 08	Oct 08	Nov 07	Nov 08	Oct 08	Nov 07
Civilian Labor Force	570.2	570.5	576.6	154,616	155,038	153,828
Resident Employment	517.1	517.5	546.6	144,285	144,958	146,647
Unemployment	53.1	52.9	30.0	10,331	10,080	7,181
Unemployment Rate	9.3%	9.3%	5.2%	6.7%	6.5%	4.7%

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Rhode Island Jobs Decline by 4,000 in November

The number of Rhode Island jobs in November 2008 declined by 4,000 from the revised October employment figure of 475,800, reducing the job count to 471,800. November marks the largest over-the-month employment drop since April 1991 (-4,300) and the eleventh straight month of job losses for both Rhode Island and the United States.

Employment in Retail Trade fell by 1,400 over the month as several retail segments fell short of normal holiday hiring in November.

Also in November, employment in Manufacturing decreased by 500, followed by Construction (-400), Professional & Business Services (-400), Accommodation & Food Services (-400), Wholesale Trade (-300), Health Care & Social Assistance (-300), Financial Activities (-200), Arts, Entertainment & Recreation (-200) and Other Services (-100).

Educational Services and Transportation & Utilities each added 100 jobs in November, while employment in Natural Resources & Mining, Information and Government remained unchanged.

From November 2007 to November 2008, RI jobs declined 18,100 (-3.7%), the largest year-over-year loss since December 1990 (-30,200). Retail Trade (-3,600) reported the largest annual employment decline, followed by Manufacturing (-3,200), Professional & Business Services (-2,800), Government (-2,300), Construction (-1,600), Financial Activities (-1,400), Other Services (-1,400), Accommodation & Food Services (-800), Wholesale Trade (-600), Transportation & Utilities (-500), Arts, Entertainment & Recreation (-500) and Natural Resources & Mining (-100).

Establishment Employment in Rhode Island Seasonally Adjusted

	Net Change From				
	Nov-08	Oct-08	Nov-07	Oct-08	Nov-07
Total Nonfarm	471.8	475.8	489.9	-4.0	-18.1
Natural Resources & Mining	0.2	0.2	0.3	0.0	-0.1
Construction	19.9	20.3	21.5	-0.4	-1.6
Manufacturing	46.5	47.0	49.7	-0.5	-3.2
Wholesale Trade*	16.4	16.7	17.0	-0.3	-0.6
Retail Trade	47.8	49.2	51.4	-1.4	-3.6
Transportation & Utilities	10.5	10.4	11.0	0.1	-0.5
Information	10.7	10.7	10.7	0.0	0.0
Financial Activities	33.0	33.2	34.4	-0.2	-1.4
Professional & Business Services	52.8	53.2	55.6	-0.4	-2.8
Educational Services	23.7	23.6	23.5	0.1	0.2
Health Care & Social Assistance	76.5	76.8	76.0	-0.3	0.5
Arts, Entertainment & Recreation	7.4	7.6	7.9	-0.2	-0.5
Accommodation & Food Services	42.5	42.9	43.3	-0.4	-0.8
Other Services	21.8	21.9	23.2	-0.1	-1.4
Government	62.1	62.1	64.4	0.0	-2.3

* State Calculated Estimate

Manufacturing Employment in Rhode Island Not Seasonally Adjusted

	Employment				
	(in thousands)			Net Change From	
	Nov 08	Oct 08	Nov 07	Oct 08	Nov 07
Manufacturing	47.1	47.6	50.3	-500	-3,200
Durable Goods	30.8	31.0	32.8	-200	-2,000
Fabricated Metal Product Mfg.	6.5	6.5	6.9	0	-400
Computer & Electronic Product Mfg.	4.3	4.3	4.3	0	0
Miscellaneous Manufacturing	8.5	8.7	9.4	-200	-900
Jewelry & Silverware	5.9	6.0	6.5	-100	-600
Non-Durable Goods	16.3	16.6	17.5	-300	-1,200
Chemical Manufacturing	4.2	4.2	4.2	0	0
Plastics & Rubber Products Mfg.	2.8	2.8	2.9	0	-100

Health Care & Social Assistance and Educational Services reported an increase of 500 and 200 jobs, respectively, from November 2007 to November 2008, while employment in the Information sector remained even.

In November 2008, production workers in the Manufacturing sector earned \$14.00 per hour. The average hourly production wage was up two cents from October and up one cent from a year ago November. Manufacturing employees worked an average of 38.4 hours per week in November, unchanged over the month and down an hour and one-tenth since November 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.



WorkShare: an Alternative to Layoffs

Recent newspaper articles have highlighted employers looking to cut costs without layoffs. The Rhode Island Department of Labor and Training offers employers the **WorkShare** alternative. Previously, in a temporary layoff situation, employers who hoped to reemploy their workers ran the risk of losing those skilled workers to other business opportunities. The WorkShare program, however, allows employers to retain their skilled workers during times of slowdown by simply reducing the work hours of a larger group of employees. Employees whose hours and wages are reduced would be eligible to receive a portion of their regular unemployment insurance benefits to compensate for the lost wages. From January to November 2008, it is estimated that 2,577 layoffs have been averted in Rhode Island due to WorkShare.

Advantages of WorkShare

- ◆ Retain skilled workers.
- ◆ Improve employee morale
- ◆ Avoid financial and emotional hardships usually associated with layoffs
- ◆ Reduce hiring and retraining costs when business improves

Eligibility for WorkShare

To be eligible for WorkShare, an employer must cut its normal weekly hours by at least 10 percent but no more than 50 percent. The reduction in hours must be spread equally among all employees in an affected department or unit. A WorkShare plan can apply only to employees who normally work 30 to 40 hours per week, and may not serve as a subsidy for intermittent employment or seasonal employment during the off-season.

WorkShare is available to any private employer with two or more employees. Employees who normally work 30 hours or more per week and who would normally be eligible to receive regular unemployment insurance benefits in Rhode Island are eligible to participate in WorkShare.

For more information on WorkShare, visit www.dlt.ri.gov/ui/WS.htm on the web or call (401) 243-9177.

Characteristics of the Insured Unemployed

In November 2008, 31 percent of Rhode Island's unemployed workers were eligible to collect Unemployment Insurance (UI) benefits. Numbering 14,952 people, these "insured unemployed" accounted for 2.9 percent of the State's total employed (unadjusted). More than 26 percent (3,930) 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, 18.1 percent (2,706) of the State's insured unemployed workers came from the Manufacturing sector. There were also 2,091 individuals with an attachment to the Construction sector, accounting for 14.0 percent of all insured unemployed workers. An additional 9.6 percent (1,432) of those collecting UI benefits in November had worked in the Retail Trade sector. Large numbers of insured unemployed were also reported in Administrative & Waste Services (1,348), Health Care & Social Assistance (1,295) and Accommodation & Food Services (1,021). For more information, go to www.dlt.ri.gov/lmi/uiadmin/characteristics.htm.

Characteristics of the Insured Unemployed, November 2008

	<i>Total</i>	<i>Long-Term</i>	<i>Percent Long-Term</i>
Total	14,952	3,930	26.3%
Male	8,476	1,907	22.5%
Female	6,476	2,023	31.2%
Selected Industries	14,952	3,930	26.3%
Construction	2,091	305	14.6%
Manufacturing	2,706	679	25.1%
Wholesale Trade	583	189	32.4%
Retail Trade	1,432	409	28.6%
Transportation & Warehousing	429	87	20.3%
Information	301	107	35.5%
Finance & Insurance	860	335	39.0%
Real Estate	261	67	25.7%
Professional & Tech. Services	619	190	30.7%
Administrative & Waste Services	1,348	266	19.7%
Educational Services	415	191	46.0%
Health Care & Social Assistance	1,295	443	34.2%
Arts, Entertainment & Recreation	359	83	23.1%
Accommodation & Food Services	1,021	226	22.1%
Other Services	524	170	32.4%
Public Administration	105	43	41.0%

**Consumer Price Index for
All Urban Consumers**

				% Change
	Nov 08	Oct 08	Nov 07	Prev. Year
All Items	212.4	216.6	210.2	1.1%

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

**Rhode Island Job Vacancies
Spring 2008**

The Department of Labor and Training's annual Job Vacancy Survey provides information on the quantity and characteristics of job vacancies available at the time of the survey. The 2008 survey results indicated that there were an estimated 8,912 job vacancies between May and June 2008. This translated to a job vacancy rate of 2.2 percent, or a little more than two job openings for every one hundred jobs filled. In comparison, there were 10,949 vacancies reported during the same survey period in 2006, reflecting a vacancy rate of 2.7 percent.

During spring 2008, job vacancies were reported in all economic sectors and among all occupational groups.

Economic sectors with the most openings included Health Care & Social Assistance (2,122), Accommodation & Food Services (1,809) and Retail Trade (1,770). However, each sector reported fewer vacancies this year than in spring 2006. Likewise, the three occupational groups with the most estimated vacancies—Food Preparation & Serving (1,803), Sales & Related (1,425) and Office & Administrative Support (1,032)—recorded more vacancies in 2006 than in 2008.

The majority (78.4%) of the 2008 vacancies were for permanent positions. The remaining vacancies (21.6%) were for seasonal or temporary positions concentrated among Food & Beverage Serving occupations to meet the summertime needs of Leisure & Hospitality businesses.

For more information, visit www.dlt.ri.gov/lmi/jvs/results08.htm.

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

	2008	2007		2008	2007
Barrington	6.6	3.6	Newport	7.5	4.3
Bristol	8.0	4.1	North Kingstown	7.4	4.0
Burrillville	8.4	3.9	North Providence	8.4	4.8
Central Falls	12.5	5.9	North Smithfield	7.7	3.9
Charlestown	7.8	4.1	Pawtucket	10.6	5.4
Coventry	7.8	4.5	Portsmouth	7.0	3.7
Cranston	8.5	4.8	Providence	10.1	5.6
Cumberland	7.8	4.2	Richmond	5.1	2.5
East Greenwich	9.0	4.5	Scituate	7.9	4.3
East Providence	9.5	4.9	Smithfield	7.9	4.2
Exeter	7.7	3.7	South Kingstown	7.1	4.0
Foster	7.8	4.2	Tiverton	8.3	4.3
Glocester	6.5	3.4	Warren	9.2	4.5
Hopkinton	7.2	4.1	Warwick	7.8	4.7
Jamestown	5.5	3.3	West Greenwich	6.7	4.0
Johnston	9.4	5.0	West Warwick	9.0	5.0
Lincoln	7.7	4.3	Westerly	6.9	3.9
Little Compton	6.8	4.3	Woonsocket	10.0	5.4
Middletown	7.2	3.9			
Narragansett	5.9	3.6	State of R.I.	8.5	4.7
New Shoreham	10.2	8.0	United States	6.7	4.7

Even during less favorable economic conditions, some businesses struggle to find qualified applicants to meet their needs.

Unemployment Insurance Claims Activity

	Nov 2008	Oct 2008	Nov 2007	% Change		Year to Date		
				Oct 08	Nov 07	2008	2007	% Change
Regular Claims								
Initial Claims	7,369	6,151	6,352	19.8%	16.0%	82,682	71,626	15.4%
Number of Payments	52,734	49,792	42,552	5.9%	23.9%	689,509	587,433	17.4%
Amount of Payments (gross millions)	\$19.3	\$18.2	\$15.5	6.3%	24.8%	\$246.8	\$204.5	20.6%
Exhaustions (Final Payments)	1,655	1,640	1,131	0.9%	46.3%	18,298	13,701	33.6%
Extended Unemployment Compensation								
Initial Claims	1,661	1,841	n/a	-9.8%	n/a	14,281	n/a	n/a
Number of Payments	14,509	17,926	n/a	-19.1%	n/a	114,435	n/a	n/a
Amount of Payments (gross millions)	\$5.1	\$6.3	n/a	-19.0%	n/a	\$39.9	n/a	n/a
Extended Benefits								
Initial Claims	902	1,854	n/a	-51.3%	n/a	3,364	n/a	n/a
Number of Payments	9,413	6,318	n/a	49.0%	n/a	17,002	n/a	n/a
Amount of Payments (gross millions)	\$3.4	\$2.3	n/a	49.9%	n/a	\$6.0	n/a	n/a

R.I. DEPARTMENT OF LABOR AND TRAINING
2009 UI AND TDI QUICK REFERENCE
(Effective January 1, 2009)

	UNEMPLOYMENT INSURANCE	TEMPORARY DISABILITY INSURANCE
TAXABLE WAGE BASE	\$18,000	\$56,000
TAX SCHEDULES/TAX RATES Employment Security Job Development Assessment (JDA)	Schedule I: 1.90% to 10.0% 1.69% to 9.79% 0.21%	1.5% Deducted from Employee's Wages
NEW EMPLOYER RATE	2.36% (+0.21% JDA)	NONE (Employee Tax)
EMPLOYEE WAGE DEDUCTION	NONE (employer payroll tax)	1.5% of first \$56,000 earned
WAITING PERIOD	7 days	7 days (paid retroactively if customer out for 28 consecutive days or more)
BASE PERIOD	The first four of the last five completed calendar quarters prior to claim; or last 4 completed quarters if needed to meet minimum earnings requirement.	
ELIGIBILITY - MONETARY Based on a Minimum Wage of \$7.40/hour.	\$8,880 in base period wages; or \$1,480 in one of the base period quarters and total base period wages of at least 1.5 times the highest quarter earnings, and total base period earnings of at least \$2,960.	
ELIGIBILITY - NONMONETARY	Worked for a subject employer and unemployed through no fault.	Worked for a subject employer and have medically certified disability.
WEEKLY BENEFIT RATE	4.62% of total high quarter wages in base period.	
MIN. WEEKLY BENEFIT AMOUNT Based on minimum wage of \$7.40/hour	\$68 per week	\$69 per week
MAX. WEEKLY BENEFIT AMOUNT Based on the 2007 average weekly wage of \$789.01.	\$528 per week	\$671 per week
DEPENDENT'S ALLOWANCE	Greater of \$10 or 5% of weekly benefit rate (up to 5 depts.)	Greater of \$10 or 7% of weekly benefit rate (up to 5 depts.)
MAX. WEEKLY BENEFIT AMOUNT WITH MAX. 5 DEPENDENTS	\$660 per week	\$905 per week
MAXIMUM DURATION	26 weeks	30 weeks
REASONS FOR DENIAL OF BENEFITS	Quit without good cause; fired for misconduct; refusal of suitable work; labor dispute (except lock-out); insufficient earnings in base period.	No medical certification; insufficient earnings in the base period. Receipt of unemployment or workers' compensation benefits.
BENEFIT APPLICATIONS	Call (401) 243-9100 to file.	Call (401) 462-8420 for application