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Employment Bulletin

Rhode Island
Department of
Labor & Training

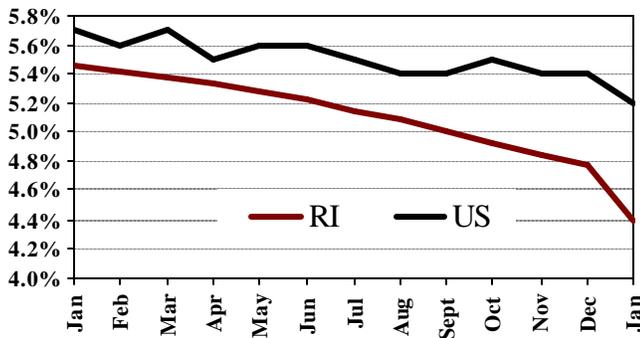
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Rhode Island's Unemployment Rate Declines in January

Rhode Island's seasonally adjusted unemployment rate for January was 4.4 percent, down 0.4 of a percentage point from December's revised estimate of 4.8 percent. The January unemployment rate is the lowest since April 2001. The number of unemployed Rhode Island residents fell by 1,900 in January to 24,800. A year ago, the unemployment rate was 5.5 percent, and the number of unemployed stood at 30,600. Nationally, the unemployment rate dipped to 5.2 percent in January from 5.4 percent in December. Rhode Island's unemployment rate has remained below the national average since August 2001.

RI & US Unemployment Rates
Seasonally Adjusted 2004 - 2005



"The Rhode Island labor market improved in January as our unemployment rate fell to 4.4 percent and the number of jobs in the state increased for the fourth straight month," said DLT Director Adelita S. Orefice. "We're encouraged to see that Rhode Island businesses are adding jobs and we're hoping to sustain this momentum throughout 2005."

The 2005 Rhode Island Employee Benefits Survey

Employee benefits have been at the forefront of political debates and labor negotiations for quite some time, putting increased emphasis on the demand for this data. The lack of information relating to benefits has left Rhode Island employers uncertain as to where they stand in comparison with other employers in the state.

To better serve our customers, the RI Department of Labor and Training's Labor Market Information Unit is conducting an Employee Benefits Survey (EBS). Nearly 2,000 employers have been selected to participate in this survey. If your company was selected for the 2005 RI Employee Benefits Survey, please return the completed survey as soon as possible. Be assured that all responses are kept strictly confidential and your firm will not be identified in any report. If you have received this survey and have any questions, please call the EBS staff at 401-462-8750 or e-mail us at: benefitssurvey@dlt.state.ri.us. Survey results will be available this summer. If you would like a copy, please e-mail us at the above address.

Improved Modeling Procedures

With the release of the January data, unemployment rates and the related labor force, employment, and unemployment estimates are based on improved modeling procedures. Prior years (back to 1976) have also been revised using the new models.

For more information on the redesigned models, visit www.dlt.ri.gov/lmi/laus/redesignqa.htm.

Seasonally Adjusted Labor Force Statistics

(in thousands)

	Rhode Island			United States		
	Jan 05	Dec 04	Jan 04	Jan 05	Dec 04	Jan 04
Civilian Labor Force	558.6	560.1	562.7	147,979	148,203	146,785
Resident Employment	533.8	533.4	532.0	140,241	140,156	138,481
Unemployment	24.8	26.7	30.6	7,737	8,047	8,303
Unemployment Rate	4.4%	4.8%	5.5%	5.2%	5.4%	5.7%

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Rhode Island Job Highlights

Rhode Island businesses added 1,300 (+0.3%) jobs last month, bringing the January job count to 491,500 (seasonally adjusted). Over-the-month employment gains in Financial Activities (+600); Educational & Health Services (+500); Professional & Business Services (+400); Government (+300); and Leisure & Hospitality (+200) offset job losses reported in Trade, Transportation & Utilities (-400) and Construction (-200). Manufacturing employment remained unchanged over the month.

January's gain of 1,300 jobs marks the fourth consecutive monthly increase in the state. Private sector employment showed continued growth, as Professional & Business Services and Educational & Health Services each maintained successive monthly job gains of four months and three months, respectively. Leisure & Hospitality as well as Financial Activities have each recorded monthly employment increases for two consecutive months. Manufacturing remained stable in January following two months of job declines. Construction posted a decline this month, following three months of job gains. Trade, Transportation & Utilities was the only sector to record a continued monthly decline, losing jobs in each of the last three months.

	Employment (in thousands)		Net Change
	Jan 05	Dec 04	
Total Nonfarm	491.5	490.2	1.3
Construction	20.8	21.0	-0.2
Manufacturing	56.4	56.4	0.0
Trade, Transportation & Utilities	78.9	79.3	-0.4
Financial Activities	35.0	34.4	0.6
Professional & Business Services	55.0	54.6	0.4
Educational & Health Services	94.2	93.7	0.5
Leisure and Hospitality	50.8	50.6	0.2
Government	65.6	65.3	0.3

Over the year, employment was up 5,600 (+1.2%) from the 485,900 jobs reported in January 2004. The largest gains were noted in Professional & Business Services (+2,700); Educational & Health Services (+2,500); Leisure & Hospitality (+1,400) and Financial Activities (+1,000). The largest private sector employment losses occurred in Trade, Transportation & Utilities (-1,900) and Manufacturing (-700). Government employment increased by 100.

Hours and Earnings

The \$13.05 average hourly wage earned by the Manufacturing sector's production workers in January 2005 represented a yearly gain of ten cents and a monthly loss of seven cents per hour. In January 2005, Manufacturing employees worked an average of 37.9 hours per week, a decrease of 1.0 hour over the month and a decline of 1.6 hours from last year.

	Employment					Production Worker Averages					
	(in thousands)		Net Change From:			Weekly Hours			Hourly Earnings		
	Jan 05	Dec 04	Jan 04	Dec 04	Jan 04	Jan 05	Dec 04	Jan 04	Jan 05	Dec 04	Jan 04
Manufacturing	56.1	57.1	56.7	-1000	-600	37.9	38.9	39.5	13.05	13.12	12.95
Durable Goods	36.9	37.6	37.5	-700	-600	38.3	38.7	39.3	13.07	13.13	12.96
Fabricated Metal Product Mfg.	7.8	7.9	7.9	-100	-100	36.8	37.3	39.6	11.72	11.80	11.54
Computer & Electronic Product Mfg.	5.1	5.0	5.3	100	-200	38.8	39.5	36.5	14.04	13.98	13.75
Miscellaneous Manufacturing	10.4	10.9	10.9	-500	-500	37.5	37.4	37.0	10.97	10.95	10.77
Jewelry and Silverware	7.5	7.9	7.8	-400	-300	36.5	37.6	37.5	10.30	10.27	10.10
Non-Durable Goods	19.2	19.5	19.2	-300	0	37.2	39.2	39.8	13.01	13.09	12.93
Chemical Manufacturing	4.2	4.2	4.3	0	-100	41.0	43.0	40.4	15.36	15.34	15.45
Plastics & Rubber Products Mfg.	3.1	3.0	3.0	100	100	39.6	41.4	41.1	14.59	14.56	14.74

The employment figures in the "Rhode Island Job Highlights" section are derived from a survey of businesses in Rhode Island and measure the number of jobs in the state. With the release of the January data, the seasonally adjusted jobs figures for 2000-2004 reflect changes due to the annual benchmark revision process.

2004 : A Year in Review

In 2004, Rhode Island employers added 4,100 jobs to the local economy according to new data released by the Department of Labor and Training. Although this 0.8 percent increase was slightly less than originally estimated, it reflects an upward revision of the state's 2003 establishment employment total to 484,300 jobs. Since 2002, nonfarm employers in the Ocean State have reported a 1.9 percent (+9,000) growth in annual average employment, on par with what the Department originally estimated prior to these most recent revisions.

Year-over-year employment growth was reported in every month of the 2004 calendar year, with the largest gains occurring in February (+5,600), March (+5,000), and May (+5,000). In fact, the state has experienced year-over-year gains in total nonfarm employment for thirty-two straight months, dating back to May 2002.

Between 2003 and 2004, job growth was reported in Administrative & Waste Services (+2,300), Health Care & Social Assistance (+1,200), Accommodation & Food Services (+900), Professional & Technical Services (+700), Educational Services (+600), Financial Activities (+500), and Other Services (+200). In Natural Resources & Mining, Construction, and Arts, Entertainment & Recreation, annual average employment remained unchanged during this period.

Over-the-year declines in establishment employment were reported in several industry sectors, led by Manufacturing (-1,800), Transportation, Warehousing & Utilities (-400), and Government (-400). A small number of Retail Trade (-200), Information (-100), and Wholesale Trade (-100) jobs were also lost between 2003 and 2004.

On a percentage basis, annual average establishment employment in Administrative & Waste Services rose by 10.0 percent, by far the largest gain reported. Notable job growth also occurred in Professional & Technical Services (+3.6%), Educational Services (+2.9%), Accommodation & Food Services (+2.2%), Health Care & Social Assistance (+1.7%), and Financial Activities (+1.5%).

The over-the-year loss of 400 Transportation, Warehousing & Utilities jobs in Rhode Island translated into a 3.6 percent decline, while Manufacturing employment dipped by 3.1 percent in 2004.

Annual Average Establishment Employment by Industry Sector *Employment in Thousands*

	<u>2004</u>	<u>2003</u>	<u>Change</u>	<u>Percent Change</u>
Total Nonfarm	488.4	484.3	4.1	0.8%
Goods Producing	77.9	79.6	-1.7	-2.1%
Natural Resources & Mining	0.2	0.2	0	0.0%
Construction	20.8	20.8	0	0.0%
Manufacturing	56.9	58.7	-1.8	-3.1%
Service-Providing	410.5	404.7	5.8	1.4%
Wholesale Trade	16.3	16.4	-0.1	-0.6%
Retail Trade	53.0	53.2	-0.2	-0.4%
Transport., Warehousing & Utilities	10.8	11.2	-0.4	-3.6%
Information	10.9	11.0	-0.1	-0.9%
Financial Activities	34.2	33.7	0.5	1.5%
Professional & Technical Services	20.0	19.3	0.7	3.6%
Administrative & Waste Services	25.2	22.9	2.3	10.0%
Educational Services	21.2	20.6	0.6	2.9%
Health Care & Social Assistance	71.6	70.4	1.2	1.7%
Arts, Entertainment & Recreation	7.3	7.3	0	0.0%
Accommodation & Food Services	42.6	41.7	0.9	2.2%
Other Services	23.2	23.0	0.2	0.9%
Government	65.8	66.2	-0.4	-0.6%

*Current month figures are preliminary; prior month and year are revised. Totals may not add due to rounding.

Labor Force statistics are compiled by the Labor Market Information unit,

in cooperation with the Bureau of Labor Statistics, U.S. Dept. of Labor.

Visit the Labor Market Information (LMI) web site at www.dlt.ri.gov/lmi. To contact LMI, call (401) 462-8740 or e-mail lmi@dlt.state.ri.us.

Consumer Price Index for All Urban Consumers

				% Change
	Jan 05	Dec 04	Jan 04	Prev. Year
All Items	190.7	190.3	185.2	3.0%

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

An Explanation of the Consumer Price Index

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. It is based on prices of food, clothing, shelter, transportation, medical care, and other goods and services that people buy for day-to-day living. The U.S. Dept. of Labor, Bureau of Labor Statistics produces the CPI every month. It is used as an indicator of inflation, a deflator of other economic series, and as an escalator for income payments. You can access CPI data on the BLS Webpage at www.bls.gov/cpi.

The CPI represents the US city average and is not seasonally adjusted. It is calculated for two population groups only, All Urban Consumers (CPI-U), which we publish monthly, and Urban Wage Earners and Clerical Workers (CPI-W). The CPI-U represents roughly 87% of the total U.S. population and is based on the expenditures of all families living in urban areas. The CPI-W is a subset of the CPI-U, representing roughly 32% of the population, and is based on expenditure of urban families who meet additional criteria related to employment; more than one-half the family's income has to be earned from clerical/hourly wage occupations. There is no separate Consumer Price Index for Rhode Island or any area within the state.

Redefinition of Rhode Island Labor Market Areas

Every ten years, following the Decennial Census, the nation's metropolitan areas and labor market areas (LMAs) are geographically redefined based on new population and commuting pattern data. The most recent data indicate that Rhode Island and Massachusetts will share the Providence-Fall River-Warwick, RI-MA Metropolitan New England City/Town Area. (NECTA) This newly defined metropolitan area includes 37 communities in Rhode Island and twelve in Massachusetts. The former Newport LMA, excluding New Shoreham, is now part of this large metropolitan area. New Shoreham is the state's only small labor market area. The town of Westerly is part of the Norwich-New London, CT-RI Metropolitan NECTA. As a result of the geographic changes, monthly employment and unemployment series for these new areas will be revised back to January 1990.

A map showing the new area configurations is included on the accompanying label page.

City & Town Unadjusted Unemployment Rates for January

	2005		2004		
	2005	2004	2005	2004	
Barrington	3.3	4.7	Newport	6.7	7.7
Bristol	5.3	6.5	North Kingstown	4.8	5.4
Burrillville	5.3	6.4	North Providence	5.3	6.4
Central Falls	8.0	10.0	North Smithfield	5.1	6.1
Charlestown	5.7	6.9	Pawtucket	6.6	8.2
Coventry	5.3	6.3	Portsmouth	4.6	5.7
Cranston	5.4	6.5	Providence	6.5	7.8
Cumberland	5.1	6.3	Richmond	3.9	4.4
East Greenwich	5.3	6.1	Scituate	5.5	6.8
East Providence	6.0	7.3	Smithfield	4.8	6.0
Exeter	5.2	6.1	South Kingstown	5.4	6.3
Foster	6.7	7.7	Tiverton	6.4	7.9
Glocester	4.4	5.8	Warren	5.8	7.0
Hopkinton	5.7	6.6	Warwick	5.0	5.8
Jamestown	4.4	5.7	West Greenwich	5.6	5.7
Johnston	6.1	7.3	West Warwick	6.3	7.5
Lincoln	4.4	6.1	Westerly	5.0	6.1
Little Compton	5.9	6.6	Woonsocket	6.2	7.8
Middletown	5.8	6.7			
Narragansett	4.3	5.1	State of R.I.	5.6	6.8
New Shoreham	12.4	14.8	United States	5.7	5.8

Unemployment Insurance Claims Activity

	Jan	Dec	Jan	% Change		Annual Comparison		
	2005	2004	2004	Dec 04	Jan 04	2004	2003	% Change
Initial Claims	9,790	11,097	10,690	-11.8%	-8.4%	82,174	89,198	-7.9%
Number of Payments	70,791	47,462	66,169	49.2%	7.0%	644,534	695,359	-7.3%
Amount of Payments (gross millions)	\$23.3	\$15.5	\$20.5	50.3%	13.7%	\$203.5	\$209.1	-2.7%
Exhaustions (Final Payments)	1,515	1,284	1,409	18.0%	7.5%	16,151	18,255	-11.5%
Employment Services Fund Balance	\$162.4	\$184.3	\$189.1	-11.9%	-14.1%			

New Metropolitan NECTA Definitions 2005



Providence-Fall River-Warwick Metro NECTA		New Shoreham LMA	Norwich-New London Metro NECTA	
Rhode Island			Connecticut	
Barrington	Narragansett	New Shoreham	Bozrah	Old Lyme
Bristol	Newport		Canterbury	Preston
Burrillville	North Kingstown		East Lyme	Salem
Central Falls	North Providence		Franklin	Sprague
Charlestown	North Smithfield		Griswold	Stonington
Coventry	Pawtucket		Groton	Voluntown
Cranston	Portsmouth		Ledyard	Waterford
Cumberland	Providence		Lisbon	
East Greenwich	Richmond		Lyme	
East Providence	Scituate		Montville	Rhode Island
Exeter	Smithfield		New London	
Foster	South Kingstown		North Stonington	Westerly
Glocester	Tiverton		Norwich	
Hopkinton	Warren			
Jamestown	Warwick			
Johnston	West Greenwich			
Lincoln	West Warwick			
Little Compton	Woonsocket			
Middletown				