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Employment Bulletin

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Rhode Island's Unemployment Rate Drops to 11.3 percent in January

- ◆ RI's seasonally adjusted unemployment rate for January was 11.3 percent, down two-tenths of a percentage point from December.
- ◆ RI's January unemployment rate is down five-tenths percentage points from last year's figure of 11.8 percent.
- ◆ The national rate was 9.0 percent, down four-tenths of a percentage point from December and down seven-tenths from the previous year.
- ◆ In January 2011, Rhode Island had the 4th highest unemployment rate in the nation, trailing Nevada (14.2%), California (12.4%) and Florida (11.9%).
- ◆ The January 2011 unemployment rate decreased in 24 states, including Rhode Island (-0.2) and Vermont (-0.1). Ten states saw their rates increase. Massachusetts, New Hampshire, Connecticut and Maine were unchanged. In all, ten states have unemployment rates in the double digits, with two states having a rate of 12.0 percent or higher.
- ◆ Rates in other New England States for January 2011—Connecticut 9.0 percent, Massachusetts 8.3 percent, Maine 7.5 percent, Vermont 5.7 percent and New Hampshire 5.6 percent.
- ◆ The number of employed RI residents totaled 511,100 in January 2011, unchanged from the previous month. Between January 2010 and January 2011, the number of employed RI residents grew by 6,700.
- ◆ In January, the number of unemployed Rhode Island residents decreased by 1,100 to 65,100. From January 2010 to January 2011, the number of unemployed residents decreased by 2,400.

Benchmark Revisions 2010

The 2010 Benchmark revealed that the state's economy performed better than initially reported in 2010, with RI-based jobs increasing by an average of 7,700 each month over original estimates. The benchmark also determined that the state's unemployment rate peaked at 11.8 percent, not the 12.7 percent originally estimated for the early months of 2010.

Each year, the Labor Market Information unit revises its monthly job estimates and labor force data for the prior two years. Monthly job estimates which are originally based on a survey of some 1,500 RI employers are revised based on employment data reported by all employers each quarter for UI program purposes. The labor force data are updated using the new monthly job estimates, revised claims data, the most recent population data and more complete Current Population Survey information. These processes are referred to as "Benchmarking."

As a result of the benchmark, the seasonally adjusted December 2010 job estimate (latest month for which both a pre- and post- benchmark estimate is available) is being revised up from 449,500 to 458,200. This means that there were 8,700 more Rhode Island based jobs in December 2010 than originally estimated. When compared to the revised December 2009 job count of 457,100 (revised up from 451,900), December 2010 jobs were up 1,100 over the year.

The sectors experiencing the largest upward revisions in December 2010 included Accommodation & Food Services (+2,900), Administrative & Waste Services (+2,400), Retail Trade (+2,100), Wholesale Trade (+1,100) and Manufacturing (+900). Approximately half of the gain in Administrative & Waste Services is attributed to employment services, a subsector which includes temporary help agencies. Most of the gain in Accommodation & Food Services (+2,900) is attributed to Full Service restaurants.

Offsetting the upward revisions were smaller downward revisions in the Construction (-600), Transportation & Utilities (-400), Other Services (-300) and Government (-200) sectors.

Seasonally Adjusted Labor Force Statistics

(in thousands)

	Rhode Island			United States		
	Jan 11	Dec 10	Jan 10	Jan 11	Dec 10	Jan 10
Civilian Labor Force	576.2	577.3	571.9	153,186	153,690	153,353
Resident Employment	511.1	511.1	504.4	139,323	139,206	138,511
Unemployment	65.1	66.2	67.5	13,863	14,485	14,842
Unemployment Rate	11.3%	11.5%	11.8%	9.0%	9.4%	9.7%



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Auxiliary aids and services are available
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TTY via RI Relay 711

Rhode Island Jobs Decrease by 1,300 in January

Estimated nonfarm payroll in Rhode Island totaled 456,900 in January, reflecting a loss of 1,300 jobs from the revised December employment figure of 458,200. The job declines can be attributed to four private industry sectors which experienced large over-the-month employment decreases.

In January, the Health Care & Social Assistance sector reported a drop of 1,000 jobs. About a third of the loss can be attributed to restructuring at some of the state's hospitals which transferred jobs into the Professional & Business Services classification. The ambulatory health care services, nursing & residential care facilities and social assistance subsectors contributed to the remainder of the over-the-month decline.

The Other Services sector shed 800 jobs from December, mainly due to job losses in repair and maintenance services. Employment losses at limited-service restaurants contributed to a drop of 700 jobs in Accommodation & Food Services, while cutbacks at live theater and spectator sports establishments and country clubs resulted in a loss of 500 jobs in Arts, Entertainment & Recreation.

Smaller over-the-month declines were reported in the Manufacturing sector and Educational Services sector, with each losing 100 jobs in January. Employment remained unchanged in three sectors: Government, Information and Natural Resources & Mining.

Retail Trade employment was up 1,000 jobs in January, due to a decrease in seasonal layoffs. Job gains were also noted in the Professional & Business Services (+400), Construction (+200), Transportation & Utilities (+100), Wholesale Trade (+100) and Financial Services (+100) sectors.

Establishment Employment in Rhode Island Seasonally Adjusted

	Net Change From				
	Jan-11	Dec-10	Jan-10	Dec-10	Jan-10
Total Nonfarm	456.9	458.2	457.5	-1.3	-0.6
Natural Resources & Mining	0.2	0.2	0.1	0.0	0.1
Construction	15.3	15.1	16.2	0.2	-0.9
Manufacturing	40.4	40.5	40.4	-0.1	0.0
Wholesale Trade	16.5	16.4	15.8	0.1	0.7
Retail Trade	48.5	47.5	47.0	1.0	1.5
Transportation & Utilities	10.3	10.2	10.1	0.1	0.2
Information	10.5	10.5	9.8	0.0	0.7
Financial Activities	30.2	30.1	30.5	0.1	-0.3
Professional & Business Services	53.3	52.9	52.5	0.4	0.8
Educational Services	23.2	23.3	24.3	-0.1	-1.1
Health Care & Social Assistance	77.3	78.3	77.9	-1.0	-0.6
Arts, Entertainment & Recreation	6.6	7.1	7.5	-0.5	-0.9
Accommodation & Food Services	42.2	42.9	41.5	-0.7	0.7
Other Services	21.4	22.2	22.1	-0.8	-0.7
Government	61.0	61.0	61.8	0.0	-0.8

Manufacturing Employment in Rhode Island Not Seasonally Adjusted

	Employment				
	(in thousands)		Net Change From:		
	Jan 11	Dec 10	Jan 10	Dec 10	Jan 10
Manufacturing	40.3	40.9	40.2	-600	100
Durable Goods	25.7	26.0	25.7	-300	0
Fabricated Metal Product Mfg.	5.7	5.8	5.7	-100	0
Computer & Electronic Product Mfg.	3.8	3.8	3.7	0	100
Miscellaneous Manufacturing	6.4	6.6	6.6	-200	-200
Jewelry & Silverware	4.2	4.3	4.3	-100	-100
Non-Durable Goods	14.6	14.9	14.5	-300	100
Chemical Manufacturing	2.8	2.9	2.9	-100	-100

January 2011 employment was down 600 (-0.1%) from January 2010, with job declines reported in seven economic sectors. Educational Services (-1,100), Arts, Entertainment & Recreation (-900), Construction (-900), Government (-800), Other Services (-700), Health Care & Social Assistance (-600) and Financial Activities (-300) all reported annual employment declines. Manufacturing employment was unchanged over the year.

Retail Trade (+1,500), Professional & Business Services (+800), Accommodation & Food Services (+700), Information (+700), Wholesale Trade (+700), Transportation & Utilities (+200) and Natural Resources & Mining (+100) all experienced job growth over the year.

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.

Rhode Island in the Great Recession



The Rhode Island economy is beginning to show some signs of improvement in the form of declining unemployment rates and decreasing job losses as the Ocean State and the nation emerge from the “Great Recession” which has plagued the local and national economy since 2007. Rhode Island’s job market began to deteriorate a full year before the official start (December 2007) of the current recession. Between December 2006 (peak RI employment) and September 2009 (current employment low), Rhode Island lost 39,700 (-8.0%) jobs. A job loss of 7,700 in 2007 was followed by losses of 16,200 and 15,700 in 2008 and 2009, respectively. The state’s unemployment rate rose from 4.9 percent in March 2007 to 11.8 percent in December 2009, its highest rate in over thirty years.

Nearly all economic sectors experienced declines between December 2006 and September 2009. The largest job losses were reported in the Manufacturing (-11,100), Construction (-6,700), Retail Trade (-5,100), Financial Activities (-5,400), Professional & Business Services (-5,100), Government (-3,200), Accommodation & Food Services (-1,600) and Other Services (-1,100) sectors. Only the Education (+1,200) and Healthcare & Social Assistance (+1,900) sectors reported job gains during the period.

Based on the number and percent of job losses, this recession ranks as the second worst that Rhode Island has experienced since the early 1970’s, behind only the 1989-1992 recessionary period. During the 1989-1992 recession, Rhode Island lost 50,500 (-10.8%) jobs from its peak employment of 496,500 in June 1989 to its low point of 416,600 in December 1991. Rhode Island’s unemployment rate peaked at 8.9 percent during this recession. It took the state nearly eight years to recover all the jobs lost during this period.

While the current recession officially ended in June 2009, Rhode Island is still struggling with high unemployment rates and little job growth. Through January 2011, Rhode Island-based jobs are up a mere 100 from September 2009 (current low). The state’s current (Jan. 2011) unemployment rate is 11.3 percent. While down from its high of 11.8 percent, Rhode Island’s unemployment rate is expected to remain in double digits through the remainder of the year.

Characteristics of the Insured Unemployed

A total of 20,721 individuals were eligible to collect “regular” Unemployment Insurance benefits in January 2011, down 1,334 (-6.0%) from the 22,055 collecting these benefits in January 2010. In addition, 12,943 individuals collected Emergency Unemployment Compensation and 3,532 collected Extended Benefits. In all, 54.6 percent of Rhode Island’s unemployed workers were eligible to collect unemployment benefits in January.

Of the 20,721 individuals collecting “regular” Unemployment Insurance benefits, 19.9 percent faced long-term unemployment (defined as collecting unemployment insurance for fifteen weeks or more), down from 23.4 percent in January 2010.

On an industry basis, 18.8 percent (3,902) of the State’s insured unemployed workers came from the Construction sector. There were also 2,939 individuals with an attachment to the Administrative & Waste Services sector, accounting for 14.2 percent of all insured unemployed workers. An additional 11.9 percent (2,461) of those collecting UI benefits in January had worked in the Accommodation & Food Services sector. Large numbers of insured unemployed were also reported in Manufacturing (1,823), Retail Trade (1,519) and Health Care & Social Assistance (1,480). For more information, go to www.dlt.ri.gov/lmi/uiadmin/characteristics.htm.

Characteristics of the Insured Unemployed, January 2011

	Total	Long-Term	Percent Long-Term
Total	20,721	4,125	19.9%
Male	12,850	1,945	15.1%
Female	7,871	2,180	27.7%
Selected Industries	20,721	4,125	19.9%
Construction	3,902	320	8.2%
Manufacturing	1,823	533	29.2%
Wholesale Trade	724	227	31.4%
Retail Trade	1,519	376	24.8%
Transportation & Warehousing	510	93	18.2%
Information	190	79	41.6%
Finance & Insurance	790	355	44.9%
Real Estate	407	72	17.7%
Professional & Tech. Services	771	212	27.5%
Administrative & Waste Services	2,939	338	11.5%
Educational Services	385	161	41.8%
Health Care & Social Assistance	1,480	580	39.2%
Arts, Entertainment & Recreation	931	54	5.8%
Accommodation & Food Services	2,461	333	13.5%
Other Services	653	177	27.1%
Public Administration	240	71	29.6%

**Consumer Price Index for
All Urban Consumers**

				% Change
	Jan 11	Dec 10	Jan 10	Prev. Year
All Items	220.2	219.2	216.7	1.6%

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

**Employer Demand for Workers
in Rhode Island**

The *Conference Board Help Wanted OnLine* (HWOL) data series reported that there were 16,300 advertisements for Rhode Island based jobs this month, a decrease of 200 (-1.2%) from the December 2010 postings, and unchanged from the 16,300 advertised vacancies posted online in January 2010. There were an estimated 2.85 advertised vacancies for every 100 persons in Rhode Island's labor force.

**Help Wanted OnLine
Advertised Job Vacancies**

	Jan 11	Dec 10	Jan 10
RI Vacancies	16,300	16,500	16,300
<i>Labor Demand Rate *</i>			
Rhode Island	2.85	2.87	2.82
US	2.78	2.50	2.39
Connecticut	3.56	3.07	2.94
Massachusetts	3.78	3.50	3.31
Maine	2.83	2.55	2.63
New Hampshire	2.92	2.69	2.50
Vermont	3.26	2.82	2.99
<i>Supply/Demand Rate **</i>			
Rhode Island	3.99	4.01	4.14
US	3.24	3.78	4.04

* Number of advertised vacancies per 100 persons in labor force
** Number of unemployed persons in state per advertised vacancy

Source: The Conference Board

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

	2011	2010		2011	2010
Barrington	8.0	9.6	Newport	14.4	14.6
Bristol	11.4	13.1	North Kingstown	10.0	10.3
Burrillville	12.2	13.8	North Providence	11.1	11.9
Central Falls	14.7	14.4	North Smithfield	10.6	11.9
Charlestown	14.1	14.5	Pawtucket	12.3	13.4
Coventry	11.2	12.5	Portsmouth	11.6	11.9
Cranston	11.2	12.4	Providence	13.4	14.3
Cumberland	10.6	11.5	Richmond	8.5	9.4
East Greenwich	11.2	12.7	Scituate	11.4	12.4
East Providence	12.5	13.6	Smithfield	10.8	12.3
Exeter	13.0	11.5	South Kingstown	11.3	11.6
Foster	14.5	13.8	Tiverton	13.8	14.2
Glocester	10.3	11.2	Warren	11.6	13.8
Hopkinton	13.3	13.6	Warwick	10.4	11.5
Jamestown	10.5	11.3	West Greenwich	11.0	11.2
Johnston	13.3	13.9	West Warwick	12.8	13.4
Lincoln	10.2	11.3	Westerly	11.1	11.3
Little Compton	12.6	13.9	Woonsocket	13.3	15.0
Middletown	12.8	13.4			
Narragansett	8.9	9.4	State of R.I.	11.9	12.8
New Shoreham	30.3	27.6	United States	9.8	10.6

Nationally, there were an estimated 2.78 advertised vacancies for every 100 persons in labor force. Among the New England states, Massachusetts (3.78), Connecticut (3.56), Vermont (3.26) and New Hampshire (2.92) all had a higher vacancy rate than Rhode Island.

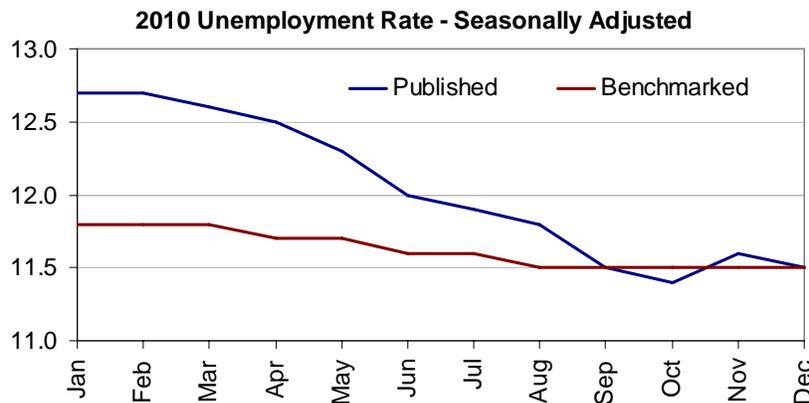
There were an estimated 3.99 unemployed Rhode Island residents for every advertised job in January, down from 4.01 unemployed residents estimated per December advertisements. Nationally, there were 3.24 unemployed persons for every job opening advertised in January, down from 3.78 in December.

Unemployment Insurance Claims Activity

	Jan.	Dec.	Jan.	% Change		Annual Total		
	2011	2010	2010	Dec 10	Jan 10	2010	2009	% Change
Regular Claims								
Initial Claims	10,250	12,802	12,250	-19.9%	-16.3%	100,246	116,118	-13.7%
Number of Payments	87,533	63,717	81,558	37.4%	7.3%	863,929	1,109,239	-22.1%
Amount of Payments (gross millions)	\$32.3	\$23.3	\$30.5	38.6%	5.9%	\$315.4	\$411.3	-23.3%
Exhaustions (Final Payments)	2,587	2,109	2,257	22.7%	14.6%	27,881	34,632	-19.5%
Emergency Unemployment Compensation						2010	Since Program Began	
Initial Claims	3,094	2,520	3,515	22.8%	-12.0%	36,001	101,343	
Number of Payments	64,610	58,558	79,696	10.3%	-18.9%	796,222	1,676,369	
Amount of Payments (gross millions)	\$23.9	\$21.6	\$29.2	10.6%	-18.2%	\$293.7	\$610.6	
Extended Benefits						2010	Since Program Began	
Initial Claims	507	2,754	94	-81.6%	439.4%	17,744	29,261	
Number of Payments	17,362	12,921	6,033	34.4%	187.8%	205,260	353,078	
Amount of Payments (gross millions)	\$6.4	\$4.7	\$2.1	36.2%	204.8%	\$75.9	\$128.1	
Exhaustions (Final Payments)	527	623	660	-15.4%	-20.2%	10,206	16,225	

Benchmark Revisions Employment and Labor Force Estimates

December 2010 Nonfarm Employment in Rhode Island Seasonally Adjusted (in thousands)			
	<u>Benchmarked</u>	<u>Published</u>	<u>Adjustment</u>
Total Nonfarm	458.2	449.5	8.7
Total Private	397.2	388.3	8.9
Natural Resources & Mining	0.2	0.2	0.0
Construction	15.1	15.7	-0.6
Manufacturing	40.5	39.6	0.9
Durable Goods	25.7	24.8	0.9
Non-Durable Goods	14.8	14.8	0.0
Trade, Transportation & Utilities	74.1	71.3	2.8
Wholesale Trade	16.4	15.3	1.1
Retail Trade	47.5	45.4	2.1
Transportation & Utilities	10.2	10.6	-0.4
Information	10.5	10.2	0.3
Financial Activities	30.1	30.3	-0.2
Professional & Business Services	52.9	50.7	2.2
Administrative & Waste Services	23.1	20.7	2.4
Education & Health Services	101.6	101.2	0.4
Educational Services	23.3	23.2	0.1
Health Care & Social Assistance	78.3	78	0.3
Leisure & Hospitality	50	46.6	3.4
Arts, Entertainment & Recreation	7.1	6.6	0.5
Accommodation & Food Services	42.9	40	2.9
Other Services	22.2	22.5	-0.3
Government	61	61.2	-0.2
State Government	16	16.1	-0.1
Local Government	34.8	34.8	0.0



Seasonally Adjusted Rhode Island Unemployment Rates												
2010	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Published	12.7	12.7	12.6	12.5	12.3	12.0	11.9	11.8	11.5	11.4	11.6	11.5
Benchmarked	11.8	11.8	11.8	11.7	11.7	11.6	11.6	11.5	11.5	11.5	11.5	11.5

All benchmark data are available on the LMI web site and include:

- *Unadjusted establishment employment data for 2009 & 2010
- *Seasonally adjusted establishment employment data for 1990 to 2010
- *Unadjusted labor force statistics for 2006 to 2010
- *Seasonally adjusted labor force statistics for 2006 to 2010