



## Rhode Island's Unemployment Rate Drops to 9.8 percent in January

- ◆ RI's seasonally adjusted unemployment rate for January was 9.8 percent, down one-tenth of a percentage point from December.
- ◆ RI's January unemployment rate was down one percentage point from last January's figure of 10.8 percent.
- ◆ The national rate was 7.9 percent, up one-tenth from December and down four-tenths of a percentage point from the previous year.
- ◆ In January 2013, Rhode Island, along with California, had the highest unemployment rate in the nation at 9.8 percent.
- ◆ The January 2013 unemployment rate decreased in eight states, including Vermont (-0.2), Rhode Island (-0.1) and Connecticut (-0.1). Seventeen states' rates, including Massachusetts, were unchanged, while twenty-five states' rates, including Maine (+0.1) and New Hampshire (+0.1) increased. In all, seven states have unemployment rates at or above nine percent.
- ◆ Rates in other New England states for January 2013—Connecticut 8.1 percent, Maine 7.3 percent, Massachusetts 6.7 percent, New Hampshire 5.8 percent and Vermont 4.7 percent.
- ◆ The number of employed RI residents totaled 506,900 in January 2013, down 700 from the previous month. Between January 2012 and January 2013, the number of employed RI residents increased by 9,000.
- ◆ Over the month, the number of unemployed Rhode Island residents was down 700 to 54,900. From January 2012 to January 2013, the number of unemployed residents decreased by 5,300.

## Benchmark Revisions 2012

The department reports that the year ended with an unemployment rate of 9.9 percent in December, a full percentage point below the December 2011 unemployment rate of 10.9 percent and three-tenths lower than the 10.2 percent originally estimated. The highest unemployment rate recorded last year for Rhode Island was 10.8 percent in January 2012.

This latest information comes from the department's annual benchmarking process, where labor force data is recalculated based on updated monthly job estimates and revised population estimates. Annual benchmarking on labor statistics is performed for the latest five-year period (2008-2012). This process revealed that the highest unemployment rate experienced in Rhode Island, since the use of the current method established in 1976, was 11.9 percent in both January 2010 and February 2010. December 2012 marks the first time the unemployment rate has been below 10.0 percent since February 2009.

The department also reports that the state's economy did better than initially reported in 2012, as the annual average of RI-based unadjusted jobs was revised upward from original published estimates.

In ending the year in 2012, there were 6,800 (+1.5%) more jobs in December than the 458,800 jobs previously reported prior to the benchmark. In all, ten industry sectors experienced upward revisions as a result of the benchmark process with the largest gains being reported in the Professional & Business Services (+1,900), Other Services (+1,700), Accommodation & Food Services (+1,600), Health Care & Social Assistance (+1,500), Retail Trade (+1,500), Financial Activities (+1,000) and Government (+800) sectors. Smaller but still positive gains were noted in the Wholesale Trade (+400), Arts, Entertainment & Recreation (+200) and Transportation & Utilities (+200) sectors.

Offsetting the upward revisions were downward revisions reported in four industry sectors; Educational Services (-1,300), Information (-1,100), Manufacturing (-1,000) and Construction (-600).

### Seasonally Adjusted Labor Force Statistics (in thousands)

	Rhode Island			United States		
	Jan 13	Dec 12	Jan 12	Jan 13	Dec 12	Jan 12
Civilian Labor Force	561.8	563.2	558.1	155,654	155,511	154,356
Resident Employment	506.9	507.6	497.9	143,322	143,305	141,608
Unemployment	54.9	55.6	60.2	12,332	12,206	12,748
Unemployment Rate	9.8%	9.9%	10.8%	7.9%	7.8%	8.3%

## Rhode Island Jobs Increase by 2,800 in January

Estimated nonfarm payroll in Rhode Island totaled 468,400 in January, reflecting a gain of 2,800 jobs from the revised December employment estimate of 465,600. January marks three consecutive months of job gains totaling 4,300 jobs.

The January preliminary employment increase was fueled by reported growth in the Accommodations & Food Services (+1,600) and Retail Trade (+1,100) sectors, combining for an increase of 2,700 jobs since December. Local restaurateurs appeared reluctant to cut payrolls as the January food services employment level of 36,900 represented the highest level in 10 years. The Retail Trade sector reported strong January employment following a weak holiday hiring season.

An increase of 800 jobs was also reported in the Financial Activities sector, mainly due to gains reported in the investment services, credit services and real estate subsectors. The Educational Services (+500), Construction (+300) and Wholesale Trade (+300) sectors also experienced positive employment growth in January.

Offsetting the large employment gains was a sizable job loss (-1,400) reported in the Professional & Business Services sector as payroll cutbacks were noted in employment services and services to buildings and dwellings.

The Transportation & Utilities and Other Services sectors each lost 200 jobs in January, while employment in the Manufacturing, Information, Health Care & Social Assistance, Arts, Entertainment & Recreation, Government and Mining & Logging sectors was unchanged.

Over the year, total nonfarm employment increased by 4,100, as job gains appeared in 10 economic sectors, including Accommodation & Food Services (+2,100), Financial Activities (+1,800), Manufacturing (+800), Professional & Business Services (+800), Health Care & Social Assistance (+700), Retail Trade (+200), Wholesale Trade (+100), Educational Services (+100), Other Services (+100) and Mining & Logging (+100).

<b>Establishment Employment in Rhode Island</b>					
<b>Seasonally Adjusted</b>					
	Net Change From				
	Jan-13	Dec-12	Jan-12	Dec-12	Jan-12
<b>Total Nonfarm</b>	<b>468.4</b>	<b>465.6</b>	<b>464.3</b>	<b>2.8</b>	<b>4.1</b>
<b>Total Private</b>	<b>408.7</b>	<b>405.9</b>	<b>404.1</b>	<b>2.8</b>	<b>4.6</b>
Natural Resources & Mining	0.2	0.2	0.1	0.0	0.1
Construction	15.0	14.7	16.3	0.3	-1.3
Manufacturing	40.2	40.2	39.4	0.0	0.8
Wholesale Trade	17.0	16.7	16.9	0.3	0.1
Retail Trade	47.2	46.1	47.0	1.1	0.2
Transportation & Utilities	10.7	10.9	10.9	-0.2	-0.2
Information	9.2	9.2	9.9	0.0	-0.7
Financial Activities	32.9	32.1	31.1	0.8	1.8
Professional & Business Services	56.2	57.6	55.4	-1.4	0.8
Educational Services	25.3	24.8	25.2	0.5	0.1
Health Care & Social Assistance	79.1	79.1	78.4	0.0	0.7
Arts, Entertainment & Recreation	7.6	7.6	7.6	0.0	0.0
Accommodation & Food Services	45.6	44.0	43.5	1.6	2.1
Other Services	22.5	22.7	22.4	-0.2	0.1
Government	59.7	59.7	60.2	0.0	-0.5

<b>Manufacturing Employment in Rhode Island</b>					
<b>Not Seasonally Adjusted</b>					
	Employment				
	(in thousands)		Net Change From:		
	Jan 13	Dec 12	Jan 12	Dec 12	Jan 12
<b>Manufacturing</b>	<b>40.0</b>	<b>40.4</b>	<b>39.0</b>	<b>-400</b>	<b>1000</b>
<b>Durable Goods</b>	<b>25.5</b>	<b>25.7</b>	<b>25.0</b>	<b>-200</b>	<b>500</b>
Fabricated Metal Product Mfg.	5.6	5.6	5.6	0	0
Computer & Electronic Product Mfg.	3.4	3.4	3.5	0	-100
Transportation Equipment Mfg.	3.6	3.6	3.3	0	300
Miscellaneous DG Manufacturing	5.8	5.9	6.0	-100	-200
Jewelry & Silverware	3.5	3.7	3.8	-200	-300
<b>Non-Durable Goods</b>	<b>14.5</b>	<b>14.7</b>	<b>14.0</b>	<b>-200</b>	<b>500</b>
Chemical Manufacturing	2.9	3.0	2.8	-100	100

Employment in four sectors, Construction (-1,300), Information (-700), Government (-500) and Transportation & Utilities (-200) was down over the year. Employment in Arts, Entertainment & Recreation was unchanged over the year.

**MANUFACTURING:** In January 2013, production workers in the Manufacturing sector earned \$18.55 per hour, up 14 cents from December 2012 and up 82 cents from January 2012. Manufacturing employees worked an average of 40.8 hours per week in January, up four-tenths of an hour over the month and up three-tenths of an hour from a year ago.

*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](http://www.dlt.ri.gov/lmi/ces.htm).*

*Current month's figures are preliminary and subject to change.*



## Alternative Measures of Labor Utilization for Rhode Island

Unemployment rates are derived each month from the Current Population Survey (CPS). There are six alternative measures available through the CPS which provide narrower as well as broader definitions of labor underutilization. These alternative measures, which are referred to as U-1 through U-6, are available on a quarterly basis. State unemployment averages derived solely from the CPS data are not strictly comparable to the official state average unemployment rates, which incorporates other data. However, these alternative measures can provide insight into the volume of states' discouraged populations and those working part-time for economic reasons.

- ◆ The U-3 rate is the rate closest to the standard definition of unemployment - individuals in the labor force without a job who are available for and actively seeking work. Rhode Island's average unemployment rate for the four quarters ending December 2012 obtained directly from the CPS survey\* was 10.5 percent.
- ◆ Expanding this definition to include "discouraged workers" (U-4), individuals who want a job, but have given up looking for work because they believe there is no work available for them, would yield an unemployment rate of 10.9 percent, or four-tenths of a percentage point higher (+0.4%) than the standard definition. Prior to the recession, inclusion of this group would have yielded an unemployment rate two-tenths higher (+0.2%) than the standard definition.
- ◆ The inclusion of discouraged workers and those that are "marginally attached" (U-5), individuals who want a job, are currently available for work, but have not looked in the past twelve months for a variety of reasons other than discouragement, yields an unemployment rate of 11.8 percent.
- ◆ The broadest measure of unemployment (U-6) includes discouraged workers, marginally attached workers and those working part-time for economic reasons yields an unemployment rate of 17.6 percent, 7.1 percentage points higher than the rate calculated using the official definition, with most of the increase (+5.8 %) associated with the involuntary part-time worker. Prior to the recession involuntary part-time workers comprised 2.7 percent of the labor force.

\*Rhode Island's official state average unemployment rate for this period was 10.4 percent.

## Characteristics of the Insured Unemployed

A total of 17,621 individuals were eligible to collect "regular" Unemployment Insurance benefits in January 2013, down 1,141 (-6.1%) from the 18,762 collecting these benefits in January 2012. In addition, 7,454 individuals collected Emergency Unemployment Compensation. In all, 42.8 percent of Rhode Island's unemployed workers were eligible to collect unemployment benefits in January.

Of the 17,621 individuals collecting "regular" Unemployment Insurance benefits, 20.6 percent faced long-term unemployment (defined as collecting unemployment insurance for fifteen weeks or more), down from 21.7 percent in January 2013.

On an industry basis, 16.4 percent (2,885) of the State's insured unemployed workers came from the Construction sector. There were also 2,699 individuals with an attachment to the Administrative & Waste Services sector, accounting for 15.3 percent of all insured unemployed workers. An additional 12.0 percent (2,106) of those collecting UI benefits in January had worked in the Accommodation & Food Services sector. Large numbers of insured unemployed were also reported in Health Care & Social Assistance (1,626), Manufacturing (1,508) and Retail Trade (1,404). For more information, go to [www.dlt.ri.gov/lmi/uiadmin/characteristics.htm](http://www.dlt.ri.gov/lmi/uiadmin/characteristics.htm).

### Characteristics of the Insured Unemployed, January 2013

	Percent		
	Total	Long-Term	Long-Term
<b>Total</b>	<b>17,621</b>	<b>3,627</b>	<b>20.6%</b>
Male	11,001	1,762	16.0%
Female	6,620	1,865	28.2%
<b>Selected Industries</b>	<b>17,621</b>	<b>3,627</b>	<b>20.6%</b>
Construction	2,885	286	9.9%
Manufacturing	1,508	421	27.9%
Wholesale Trade	651	174	26.7%
Retail Trade	1,404	401	28.6%
Transportation & Warehousing	478	71	14.9%
Information	142	44	31.0%
Finance & Insurance	426	166	39.0%
Real Estate	349	69	19.8%
Professional & Tech. Services	697	226	32.4%
Administrative & Waste Services	2,699	314	11.6%
Educational Services	381	150	39.4%
Health Care & Social Assistance	1,626	621	38.2%
Arts, Entertainment & Recreation	736	41	5.6%
Accommodation & Food Services	2,106	285	13.5%
Other Services	594	184	31.0%
Public Administration	138	21	15.2%

### Consumer Price Index for All Urban Consumers

				% Change
	Jan.13	Dec. 12	Jan. 12	Prev. Year
All Items	230.3	229.6	226.7	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 20,300 advertisements for Rhode Island based jobs this month, an increase of 200 (+1.0%) from the December 2012 postings, and up 3,000 (+17.3%) from the advertised vacancies posted online in January 2012. There were an estimated 3.58 advertised vacancies for every 100 persons in Rhode Island's labor force.

#### Help Wanted OnLine Advertised Job Vacancies

	Jan 13	Dec 12	Jan 12
RI Vacancies	20,300	20,100	17,300
<i>Labor Demand Rate *</i>			
Rhode Island	3.58	3.54	3.09
US	3.24	3.18	2.84
Connecticut	3.70	3.57	3.30
Massachusetts	4.23	4.22	3.69
Maine	3.22	3.21	2.75
New Hampshire	3.42	3.35	3.08
Vermont	3.57	3.55	3.68
<i>Supply/Demand Rate **</i>			
Rhode Island	2.70	2.77	3.48
US	2.44	2.47	2.91

\* 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

	2013	2012		2013	2012
Barrington	7.6	7.7	Newport	12.7	14.1
Bristol	9.8	10.6	North Kingstown	9.0	10.5
Burrillville	10.4	11.2	North Providence	10.2	10.4
Central Falls	13.6	15.3	North Smithfield	8.6	8.9
Charlestown	12.2	14.2	Pawtucket	11.6	12.9
Coventry	9.5	10.9	Portsmouth	9.4	11.5
Cranston	10.3	11.1	Providence	12.1	13.2
Cumberland	8.9	9.9	Richmond	7.4	8.0
East Greenwich	9.6	10.9	Scituate	10.0	10.5
East Providence	11.2	12.6	Smithfield	8.9	10.2
Exeter	10.1	11.4	South Kingstown	9.8	10.6
Foster	11.9	12.0	Tiverton	11.1	12.0
Glocester	8.9	10.0	Warren	11.8	11.4
Hopkinton	9.8	10.6	Warwick	9.1	10.2
Jamestown	8.2	8.8	West Greenwich	8.9	11.0
Johnston	10.8	12.5	West Warwick	11.4	12.8
Lincoln	9.2	10.2	Westerly	9.3	11.0
Little Compton	10.3	12.4	Woonsocket	12.4	13.6
Middletown	11.3	13.5			
Narragansett	8.0	9.0	State of R.I.	10.5	11.6
New Shoreham	29.5	28.9	United States	8.5	8.8

Nationally, there were an estimated 3.24 advertised vacancies for every 100 persons in labor force. Among the New England states, Massachusetts (4.23) and Connecticut (3.70) had higher vacancy rates than Rhode Island.

There were an estimated 2.70 unemployed Rhode Island residents for every advertised job in January, down from 2.77 unemployed residents estimated per December advertisements. Nationally, there were 2.44 unemployed persons for every job opening advertised in January, down from 2.47 in December.

### Unemployment Insurance Claims Activity

	Jan.	Dec.	Jan.	% Change		Annual Total		
	2013	2012	2012	Dec.12	Jan.12	2012	2011	% Change
<b>Regular Claims</b>								
Initial Claims	10,684	10,191	10,998	4.8%	-2.9%	90,039	94,173	-4.4%
Number of Payments	65,542	59,154	81,790	10.8%	-19.9%	705,082	770,647	-8.5%
Amount of Payments (gross millions)	\$22.7	\$20.2	\$30.4	12.4%	-25.3%	\$255.8	\$279.6	-8.5%
Exhaustions (Final Payments)	1,444	1,699	2,325	-15.0%	-37.9%	21,778	24,657	-11.7%
<b>Emergency Unemployment Compensation</b>						2012	Since Program Began	
Initial Claims	1,976	2,101	2,778	-5.9%	-28.9%	27,600	161,929	
Number of Payments	31,737	39,500	59,424	-19.7%	-46.6%	531,248	2,880,653	
Amount of Payments (gross millions)	\$12.1	\$14.8	\$21.8	-18.2%	-44.5%	\$196.7	\$1,055.4	

## Rhode Island Labor Force Estimates and Jobs in RI Benchmark to Preliminary Comparison, 2012

### Seasonally Adjusted Labor Force (in thousands)

2012	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Benchmark	558.1	558.2	558.5	558.9	559.4	559.9	560.5	561.2	561.9	562.4	562.8	563.2
Preliminary	560.1	559.0	558.2	556.3	556.8	555.2	554.8	554.7	558.1	563.4	564.9	566.2
Change	-2.0	-0.8	0.3	2.6	2.5	4.6	5.7	6.5	3.8	-1.0	-2.0	-3.0

### Seasonally Adjusted Employment (in thousands)

2012	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Benchmark	497.9	498.6	499.3	499.8	500.2	500.7	501.6	502.9	504.3	505.7	506.7	507.6
Preliminary	498.8	497.4	496.1	494.1	495.4	495.0	494.9	495.5	499.5	504.7	506.2	508.4
Change	-0.9	1.3	3.2	5.6	4.8	5.8	6.8	7.4	4.9	1.0	0.5	-0.8

### Seasonally Adjusted Unemployment (in thousands)

2012	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Benchmark	60.2	59.6	59.2	59.1	59.2	59.2	58.9	58.3	57.6	56.8	56.1	55.6
Preliminary	61.3	61.7	62.1	62.2	61.4	60.3	59.9	59.2	58.7	58.7	58.7	57.8
Change	-1.1	-2.1	-2.9	-3.1	-2.2	-1.1	-1.0	-0.9	-1.1	-2.0	-2.5	-2.2

### Seasonally Adjusted Unemployment Rate

2012	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Benchmark	10.8	10.7	10.6	10.6	10.6	10.6	10.5	10.4	10.2	10.1	10.0	9.9
Preliminary	10.9	11	11.1	11.2	11	10.9	10.8	10.7	10.5	10.4	10.4	10.2
Change	-0.1	-0.3	-0.5	-0.6	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.3

### Seasonally Adjusted Establishment Employment (Jobs in RI in thousands)

2012	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Benchmark	464.3	465.3	466.3	464.7	465.3	465.2	465.1	466.4	465.6	464.1	465.1	465.6
Preliminary	457.9	458.3	457.7	458.3	458	457.1	455.8	456	459.5	457.3	457.6	458.8
Change	6.4	7.0	8.6	6.4	7.3	8.1	9.3	10.4	6.1	6.8	7.5	6.8