

Employment Labor Market Information Bulletin

Volume 12, No. 1

January 2000

The Unemployment Rate Remained Below 4.0 Percent for the Fourth Straight Month

The seasonally adjusted unemployment rate dropped to 3.8 percent in December from 4.1 percent a year ago. The unemployment rate remained below the 4.0 percent mark for the fourth month in a row. The number of jobs in Rhode Island increased by 5,900 over the year to 472,900 in December. The number of employed Rhode Island residents rose by 9,500 from December 1998 to December 1999, while the number of unemployed fell by 1,100.

The Unemployment Rate

Rhode Island's seasonally adjusted unemployment rate declined 0.1 of a percentage point over the month to 3.8 percent in December. The number of employed Rhode Islanders reached 489,600 in December, the highest level since January 1990. Nationally, the unemployment rate for December held steady at 4.1 percent. Rhode Island's unemployment figure remained below the US rate for the fourth straight month.

"The year ended on a positive note as the Rhode Island economy continued to move at a strong and steady pace," said DLT Director Dr. Lee H. Arnold. "Over the last four months our unemployment rate has been below the national average, and the number of Rhode Islanders working is the highest in ten years." (Continued on Page 4)

Update on Work Opportunity & Welfare to Work Tax Credits

Federal Tax Credit Update – the Work Opportunity Credit (WOTC) and the Welfare to Work Credit (WWTC) have been extended for 30 months.

Effective Date – The provision is effective for wages paid or incurred to a qualified individual who begins work for an employer on or after July 1, 1999, and before January 1, 2002.

If you have questions please call Joseph DesRoches, Federal Tax Coordinator at (401) 222-3724, or Linda Nardella, Federal Tax Manager at (401) 722-3100 ext 101.

Competitive Improvement Grants - Round X

The Competitive Improvement Program, administered by the Rhode Island Human Resource Investment Council (HRIC), addresses the need to upgrade the skills of the state's workforce in order to compete in a global economy. Grant proposal forms will be available in March and grant writing workshops will be offered for companies which may require assistance.

Any RI for-profit employer is eligible to receive training grants of up to \$25,000 and consortia of three (3) or more companies can receive up to \$50,000. Grants must be matched dollar for dollar with at least a 25% cash match. Last year, Round IX generated funding of \$1,350,135 for 56 companies! \$1.5 million has been allocated for Round X.

Some eligible training projects include:

- ◆ Total Quality Management
- ◆ ISO Preparation
- ◆ Computer/Technology Training
- ◆ Development/Operation of Apprenticeship Programs
- ◆ Skills Upgrade Training
- ◆ Cross Skills Training
- ◆ Worker Skill/Education Level Assessment
- ◆ GED Preparation/Testing
- ◆ Management/Executive Training
- ◆ English as a Second Language/Workplace English
- ◆ Labor/Management Cooperation Activities

How companies help to build Rhode Island's future workforce is an important part of the program. Successful grant proposals are those that demonstrate a commitment to working with the community, particularly in partnership with RI's School-to-Career system. For information about the Competitiveness Improvement Program and how you can participate call:

The Human Resource Investment Council
(401) 222-6700

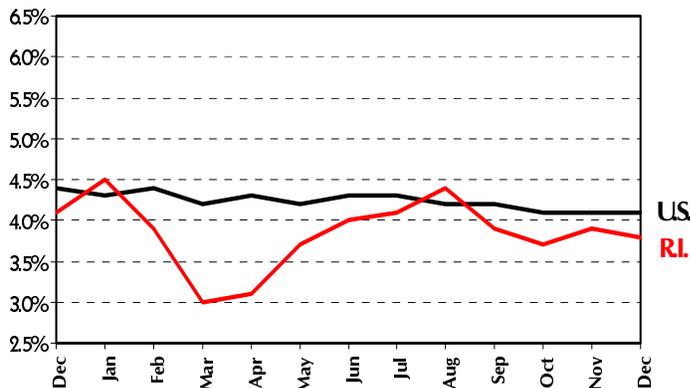
Rhode Island Labor Force Statistics* (in thousands)

	Unadjusted			Seasonally Adjusted		
	Dec 99	Nov 99	Dec 98	Dec 99	Nov 99	Dec 98
Civilian Labor Force	511.1	512.3	502.7	509.2	508.2	500.7
Resident Employment	494.0	494.9	484.5	489.6	488.6	480.1
Unemployment	17.0	17.4	18.2	19.5	19.6	20.6
Unemployment Rate	3.3%	3.4%	3.6%	3.8%	3.9%	4.1%

United States Labor Force Statistics (in thousands)

	Unadjusted			Seasonally Adjusted		
	Dec 99	Nov 99	Dec 98	Dec 99	Nov 99	Dec 98
Civilian Labor Force	139,941	139,895	138,297	140,108	139,834	138,545
Resident Employment	134,696	134,515	132,732	134,420	134,098	132,517
Unemployment	5,245	5,380	5,565	5,688	5,736	6,028
Unemployment Rate	3.7%	3.8%	4.0%	4.1%	4.1%	4.4%

Rhode Island & United States Unemployment Rates Seasonally Adjusted 1998-99



City & Town Unadjusted Unemployment Rates

	Dec 99	Dec 98
Barrington	2.2	1.9
Bristol	2.8	2.8
Burrillville	3.2	2.6
Central Falls	4.9	5.5
Charlestown	4.2	3.6
Coventry	2.9	3.2
Cranston	3.2	3.3
Cumberland	2.4	3.0
East Greenwich	3.0	3.3
East Providence	3.7	4.0
Exeter	2.9	3.1
Foster	3.8	4.7
Glocester	2.7	2.9
Hopkinton	2.3	2.2
Jamestown	2.8	3.0
Johnston	3.8	3.8
Lincoln	2.9	2.9
Little Compton	2.5	2.6
Middletown	3.1	4.0
Narragansett	1.9	2.2
New Shoreham	16.1	14.9
Newport	3.9	3.9
North Kingstown	2.7	2.5
North Providence	3.3	3.5
North Smithfield	2.5	2.5
Pawtucket	3.4	4.3
Portsmouth	2.9	3.5
Providence	4.4	4.9
Richmond	1.9	1.4
Scituate	3.2	3.7
Smithfield	3.0	2.8
South Kingstown	2.8	3.1
Tiverton	3.0	3.8
Warren	3.1	2.9
Warwick	2.9	3.2
West Greenwich	3.0	3.1
West Warwick	3.9	4.3
Westerly	3.0	3.3
Woonsocket	3.6	4.1
State of R.I.	3.3	3.6

Unemployment Insurance Claims Activity

	Dec.	Nov.	Dec.	% Change		Year to Date		
	1999	1999	1998	Nov 99	Dec 98	1999	1998	% Change
Initial Claims	12,529	5,976	13,887	109.7%	-9.8%	93,198	102,777	-9.3%
Number of Payments	40,854	39,164	47,147	4.3%	-13.3%	581,240	603,966	-3.8%
Amount of Payments (gross millions)	\$9.9	\$9.5	\$10.8	3.4%	-8.5%	\$135.9	\$132.1	2.9%
Exhaustions (Final Payments)	1,107	1,052	970	5.2%	14.1%	13,562	13,611	-0.4%
E.S. Fund Balance (millions)	\$260.5	\$270.2	\$220.0	-3.6%	18.4%			

*PLEASE NOTE: Current month figures are PRELIMINARY, prior month & year are REVISED. Farmers, Self-employed, Domestic & Armed Services personnel are excluded from Establishment Employment figures. Totals may not add due to rounding. Labor Force statistics are compiled by Labor Market Information, in cooperation with the Bureau of Labor Statistics, U.S. Dept. of Labor.

For additional information, comments or suggestions, contact
Labor Market Information, Phone (401)222-3706, Fax: (401)222-2731, www.dlt.state.ri.us/lmi/

The Economic Data We Provide Depends on the Information You Supply!

The Annual Refiling Survey has been mailed to this year's selected firms. The survey is designed to collect information about each establishment's primary business activity for the purpose of assigning an industry classification code. The Department of Labor and Training is in the third year of an initiative which replaces the Standard Industrial Classification (SIC) coding system with the new North American Industry Classification System (NAICS). If your company was chosen to participate in this year's survey, please complete the form and return it to the Labor Market Information unit. Your cooperation insures that the proper NAICS code will be assigned to your company.

If you have any questions about the Refiling Survey or would like more information about NAICS call the LMI unit at (401) 222-3702.

Total Establishment Employment in Rhode Island*

	Employment (in thousands)			Net Change From	
	Dec 99	Nov 99	Dec 98	Nov 99	Dec 98
TOTAL EMPLOYMENT	472.9	475.5	467.0	-2600	5900
GOODS PRODUCING	95.0	96.7	94.7	-1700	300
Contract Construction	16.3	17.2	15.8	-900	500
Manufacturing	78.7	79.5	78.9	-800	-200
SERVICE PRODUCING	377.9	378.8	372.3	-900	5600
Trans. & Public Utilities	16.2	16.2	16.2	-----	-----
Trade (Wholesale & Retail)	105.3	104.6	102.7	700	2600
Wholesale	19.6	19.6	19.1	-----	500
Durables=	12.1	12.0	11.9	100	200
Nondurables=	7.5	7.6	7.3	-100	200
Retail	85.7	85.0	83.6	700	2100
Building & Garden Supplies=	2.2	2.1	2.2	100	-----
General Merchandise	8.1	7.9	7.2	200	900
Food Stores=	15.7	15.6	15.8	100	-100
Automotive Dealers	7.8	7.8	7.4	-----	400
Apparel & Accessory Stores	4.6	4.4	4.3	200	300
Furn., Home Furn., & Equip.=	2.6	2.5	2.5	100	100
Eating and Drinking Places	29.4	29.6	29.1	-200	300
Miscellaneous Retail	15.3	15.1	15.1	200	200
Finance, Insurance & Real Estate	29.8	29.8	29.2	-----	600
Depository Institutions	8.6	8.6	8.2	-----	400
Services	160.3	162.4	159.0	-2100	1300
Hotels & Other Lodging=	3.8	4.3	3.6	-500	200
Business Services	29.1	29.6	28.8	-500	300
Auto & Misc. Repair=	5.1	5.2	5.1	-100	-----
Amusement & Recreation	4.7	4.9	4.5	-200	200
Health Services	52.6	52.6	51.8	-----	800
Educational Services	17.6	18.4	17.8	-800	-200
Social Services	14.3	14.2	13.9	100	400
Government	66.3	65.8	65.2	500	1100
Federal	10.8	10.5	11.1	300	-300
State	18.5	18.5	18.2	-----	300
Local	37.0	36.8	35.9	200	1100
Education=	24.0	23.8	23.5	200	500
Non Education=	13.0	13.1	12.4	-100	600

* = Publication of these industries is not approved by the Bureau of Labor Statistics (BLS)

Establishment Employment, Hours and Earnings in Manufacturing Industries in Rhode Island

	EMPLOYMENT (in thousands)					PRODUCTION-WORKER AVERAGES					
	Net Change					Weekly Hours			Hourly Earnings		
	Dec 99	Nov 99	Dec 98	Nov 99	Dec 98	Dec 99	Nov 99	Dec 98	Dec 99	Nov 99	Dec 98
MANUFACTURING	78.7	79.5	78.9	-800	-200	40.7	39.9	40.7	12.12	12.02	11.72
DURABLE MFG.	51.7	52.4	51.2	-700	500	40.7	40.2	40.8	11.97	11.86	11.63
Lumber/Furniture	3.8	3.9	3.5	-100	300	39.9	38.1	40.1	11.86	11.83	11.67
Stone-Clay-Glass	1.3	1.3	1.3	-----	-----	44.0	43.9	40.8	13.90	13.90	13.74
Primary Metals	4.7	4.8	4.7	-100	-----	40.0	42.5	43.8	12.99	12.92	12.89
Fabricated Metals	7.4	7.3	7.4	100	-----	39.2	37.8	37.6	11.13	11.05	10.71
Nonelectrical Mach.	5.1	5.1	4.7	-----	400	41.5	39.6	42.1	13.55	13.35	13.30
Electrical Mach.	5.2	5.2	5.4	-----	-200	43.6	40.3	41.8	11.59	11.72	11.12
Trans. Equipment	3.5	3.4	3.3	100	200	41.1	43.2	40.9	14.74	14.79	14.32
Instruments	6.1	6.0	5.3	100	800	38.9	37.7	43.6	12.79	12.51	12.62
Jewelry-Silverware	11.6	12.3	12.5	-700	-900	40.1	40.8	40.1	10.25	10.08	9.92
Miscellaneous Mfg.	3.0	3.1	3.1	-100	-100	43.2	40.4	38.9	11.40	11.17	11.34
NONDURABLE MFG.	27.0	27.1	27.7	-100	-700	40.9	39.2	40.5	12.42	12.36	11.88
Food Beverage	2.5	2.5	2.6	-----	-100	42.0	42.9	42.4	11.13	11.44	11.27
Textiles	6.7	6.8	7.1	-100	-400	41.4	39.2	41.6	10.42	10.43	10.13
Apparel	1.0	1.0	1.0	-----	-----	35.9	34.4	39.1	9.31	9.45	9.25
Paper Products	1.9	2.0	2.0	-100	-100	37.0	36.5	38.3	12.01	11.85	11.95
Printing-Publishing	5.9	5.9	6.0	-----	-100	42.8	40.3	39.0	16.53	16.46	15.26
Chemical Products	2.6	2.6	2.5	-----	100	41.6	38.8	39.3	13.74	13.72	13.60
Rubber Products	0.5	0.5	0.5	-----	-----	42.3	42.7	44.8	12.89	12.63	13.00
Plastics Products	4.9	4.8	4.9	100	-----	39.7	37.6	40.4	13.40	13.10	12.95
Leather Products	1.0	1.0	1.1	-----	-100	40.4	40.4	41.9	8.38	8.17	7.92

The Unemployment Rate Remained Below 4.0 Percent

(Continued from Page 1)

The Number of Jobs in Rhode Island (Over the Year)

Since December 1998, the number of jobs in Rhode Island increased by 5,900, or 1.3 percent. Year-over-year growth was especially strong in trade (+2,600), particularly the retail segment. General merchandise stores posted the largest increase (+900) mostly due to hiring at Providence Place Mall. Services, led by an increase in health services, added 1,300 jobs. Government employment rose by 1,100 due to gains in the state and local segments. Bolstered by hiring in financial institutions and real estate firms, the number of jobs in finance, insurance, and real estate increased by 600. Contract construction payrolls expanded by 500 with special trades construction accounting for most of the increase. Transportation/public utilities remained even, while manufacturing posted a yearly decline of 200 jobs. Despite the net drop in factory employment, several industry groups reported over-the-year job gains. The largest increases occurred in instruments (+800), nonelectrical machinery (+400), and lumber/furniture (+300).

Rhode Island Job Highlights (Over the Month)

The number of jobs in Rhode Island declined by 2,600 from November to December, largely the result of seasonal losses in services (-2,100), contract construction (-900), and manufacturing (-800). These reductions more than offset job increases in trade (+700) and government (+500). Transportation/public utilities and finance/insurance/real estate remained even.

Trade—Retailers reported a net gain of 700 jobs over the month. This increase was average for December, following the pre-holiday hiring surge in November. Modest increases in general merchandise stores, food stores, appare/accessory stores and miscellaneous retail stores slightly offset a decline in restaurants.

Government—Public sector employment posted a gain of 500 in December with growth concentrated in the federal and local segments. Federal government employment rose seasonally due to an increase in the number of postal workers hired for the holiday rush. Local government added 200 workers, while the state government segment was unchanged.

Manufacturing—The number of factory jobs fell by 800. This decline primarily reflected reduced employment in durable goods industries such as jewelry/silverware (-700).

Contract Construction—Activity in contract construction normally slows in December. However, the drop of 900 was larger than usual for this time of year as construction projects at the Providence Place Mall continued to wind down.

Services—The services sector declined by 2,100 due to seasonal losses in several industry groups. Employment at private educational institutions was down 800 as work study students left for winter break. Business services posted a drop of 500, mostly in the area of temporary help agencies. Employment also declined in vacation-related industries—hotels/lodging and amusement/recreation trimmed their payrolls by 500 and 200 jobs, respectively.

Consumer Price Index for All Urban Consumers

				% Change
	Dec 99	Nov 99	Dec 98	Prev. Year
All Items	168.3	168.3	163.9	2.7%

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

Population of the New England States

The population increased in all of the New England between July 1998 and July 1999. Rhode Island's population increased for the second straight year. As of July 1999, the number of people living in the State was estimated at 990,819, an increase of 3,115 or 0.3 percent over the year.

Of the six New England states, the 1999 populations of Rhode and Connecticut were below the 1990 populations. In both cases, the net outmigration of people outweighed the natural increase—births minus deaths.

New England Population Estimates 1990-1999

Area	1990	07/01/1998		07/01/1999		Change		Change	
	Census Population	Estimate	Estimate	1990 - 1999	Percent	1998 - 1999	Percent		
New England	13,206,943	13,428,630	13,495,933	288,990	2.2%	67,303	0.5%		
Rhode Island	1,003,464	987,704	990,819	-12,645	-1.3%	3,115	0.3%		
Connecticut	3,287,116	3,272,563	3,282,031	-5,085	-0.2%	9,468	0.3%		
Maine	1,227,928	1,247,554	1,253,040	25,112	2.0%	5,486	0.4%		
Massachusetts	6,016,425	6,144,407	6,175,169	158,744	2.6%	30,762	0.5%		
New Hampshire	1,109,252	1,185,823	1,201,134	91,882	8.3%	15,311	1.3%		
Vermont	562,758	590,579	593,740	30,982	5.5%	3,161	0.5%		

Source: Population Estimates Branch, U.S. Bureau of the Census