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Employment Bulletin

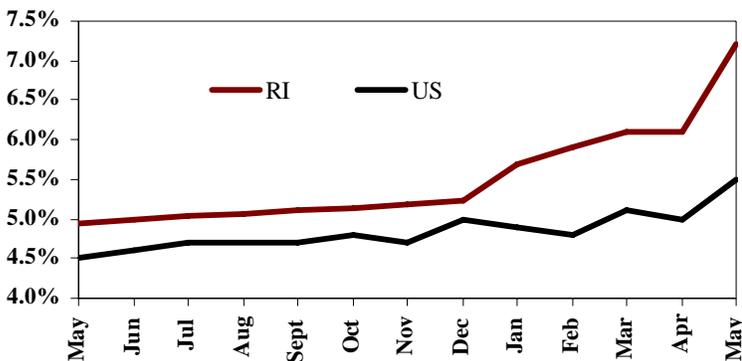
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June 2008

RI's Unemployment Rate Climbs to 7.2 Percent

- RI's seasonally adjusted unemployment rate in May climbed 1.1 percentage points over the month to 7.2 percent, the highest jobless rate since January 1994 (7.3 %).
- RI's May unemployment rate is up 2.2 percentage points from last year's figure of 5.0 percent.
- RI's jobless rate remained above the national rate, which increased 0.5 of a percentage point to 5.5 percent in May.
- In May, the number of unemployed Rhode Island residents rose to 41,100, an increase of 6,200 from April and the highest jobless level since July 1993 (41,400). On a year-over-year comparison, the number of unemployed residents increased 12,500 from May 2007 to May 2008.
- The number of employed RI residents totaled 530,400 in May 2008, reflecting a drop of 8,000 from the previous month. On a year-over-year basis, the number of employed RI residents fell 18,700 between May 2007 and May 2008.

RI & US Unemployment Rates
Seasonally Adjusted 2007-2008



New Maximum Weekly Benefit Rates for Unemployed Individuals

The RI Department of Labor and Training announces new maximum weekly benefit rates of \$528 for Unemployment Insurance (UI) and \$671 for Temporary Disability Insurance (TDI). The new UI and TDI rates will be in effect for claimants whose benefit years begin on or after July 1, 2008.

These new rates reflect an increase of \$15 for Unemployment Insurance and \$19 for Temporary Disability Insurance. The previous maximum rates were \$513 for UI and \$652 for TDI. Individuals who established claims prior to July 1, 2008 will continue to be paid at their present rate for the duration of their benefit year. A benefit year is the 52-week period that starts once a new claim is filed.

The maximum rate for UI benefits is set at 67 percent of the average weekly wage of workers covered by the Employment Security Act. The average weekly wage paid to workers covered by the Employment Security Act in calendar year 2007 was \$789.01. Sixty-seven percent of that average weekly wage is \$528.64. After rounding down to the next lower dollar amount, the new maximum for Unemployment Insurance will be \$528.

Maximum Benefit Rates 2008

UI - \$528
TDI - \$671

The maximum weekly benefit rate for TDI benefits is set at 85 percent of the average weekly wage paid to workers covered by the Employment Security Act. Accordingly, the new maximum for Temporary Disability Insurance is \$671 (85 percent of \$789.01 rounded to the next highest dollar amount).

Seasonally Adjusted Labor Force Statistics

(in thousands)

	Rhode Island			United States		
	May 08	Apr 08	May 07	May 08	Apr 08	May 07
Civilian Labor Force	571.5	573.2	577.8	154,534	153,957	152,776
Resident Employment	530.4	538.4	549.1	146,046	146,331	145,913
Unemployment	41.1	34.9	28.6	8,487	7,626	6,863
Unemployment Rate	7.2%	6.1%	5.0%	5.5%	5.0%	4.5%

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RI Jobs Decline by 1,800 in May

The number of seasonally adjusted nonfarm jobs in Rhode Island in May 2008 was 482,900, a decline of 1,800 from April's revised employment level of 484,700. May marks the fifth consecutive month of job losses for both Rhode Island and the United States. Over the month, employment losses were reported in a number of industry sectors with the largest in the Retail Trade (-600), Manufacturing (-300), Transportation & Utilities (-300), Accommodation & Food Services (-300) and Arts, Entertainment & Recreation (-200) sectors.

This month's employment loss was slightly offset by gains of 100 each in the Construction, Information, and Health Care & Social Assistance sectors. Employment remained unchanged in the Natural Resources & Mining, Financial Activities, and Other Services sectors.

Job losses in the Retail Trade sector were the result of reductions in department store and drug store employment. Reductions in Manufacturing employment were reported in the durable goods segment. The Accommodation & Food Services sector experienced declines in both hotel and restaurant employment.

From May 2007 to May 2008, RI jobs declined 11,300, a 2.3 percent decrease. The largest annual employment losses in Rhode Island occurred in the Manufacturing (-2,900), Professional & Business Services (-2,300), Retail Trade (-1,700), Financial Activities (-1,700), and Construction (-1,200) sectors. Smaller losses were noted in Other Services (-700); Government (-700); Wholesale Trade (-500), and Arts, Entertainment & Recreation (-500).

Establishment Employment in Rhode Island Seasonally Adjusted

	Net Change From				
	May-08	Apr-08	May-07	Apr-08	May-07
Total Nonfarm	482.9	484.7	494.2	-1.8	-11.3
Natural Resources & Mining	0.2	0.2	0.3	0.0	-0.1
Construction	21.0	20.9	22.2	0.1	-1.2
Manufacturing	48.1	48.4	51.0	-0.3	-2.9
Wholesale Trade*	16.7	16.8	17.2	-0.1	-0.5
Retail Trade	50.0	50.6	51.7	-0.6	-1.7
Transportation & Utilities	10.8	11.1	11.0	-0.3	-0.2
Information	10.9	10.8	10.5	0.1	0.4
Financial Activities	33.7	33.7	35.4	0.0	-1.7
Professional & Business Services	54.3	54.4	56.6	-0.1	-2.3
Educational Services	23.8	23.9	23.3	-0.1	0.5
Health Care & Social Assistance	76.3	76.2	75.9	0.1	0.4
Arts, Entertainment & Recreation	7.6	7.8	8.1	-0.2	-0.5
Accommodation & Food Services	42.9	43.2	43.0	-0.3	-0.1
Other Services	22.5	22.5	23.2	0.0	-0.7
Government	64.1	64.2	64.8	-0.1	-0.7

* State Calculated Estimate

Manufacturing Employment in Rhode Island Not Seasonally Adjusted

	Employment				
	(in thousands)			Net Change From	
	May 08	Apr 08	May 07	Apr 08	May 07
Manufacturing	48.1	48.4	51.1	-300	-3,000
Durable Goods	31.2	31.5	32.9	-300	-1,700
Fabricated Metal Product Mfg.	6.6	6.6	6.9	0	-300
Computer & Electronic Product Mfg.	4.3	4.3	4.4	0	-100
Miscellaneous Manufacturing	8.7	8.9	9.4	-200	-700
Jewelry & Silverware	6.0	6.2	6.6	-200	-600
Non-Durable Goods	16.9	16.9	18.2	0	-1,300
Chemical Manufacturing	4.2	4.2	4.5	0	-300
Plastics & Rubber Products Mfg.	2.9	2.9	2.9	0	0

Educational Services employment experienced the largest over-the-year gain (+500). Other gains were noted in Information (+400) and Health Care & Social Assistance (+400).

In May 2008, production workers in the Manufacturing sector earned \$13.93 per hour. The average hourly production wage was up one cent from April and up 18 cents per hour from a year ago. Manufacturing employees worked an average of 38.6 hours per week in May, up 0.4 of an hour over the month and down one hour since May 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.



2007 Annual Average Wages

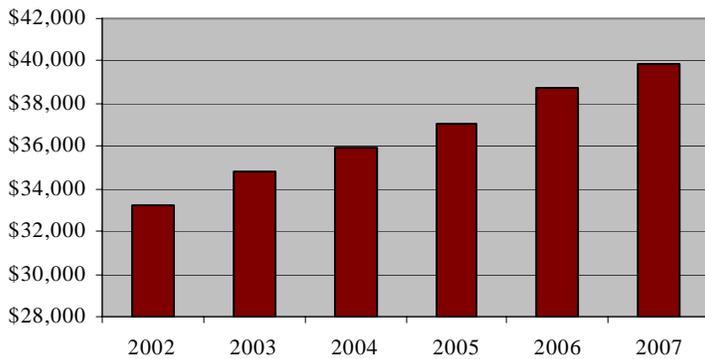
Rhode Island's private sector workers earned an annual average wage of \$39,827 in 2007, an increase of \$1,095, or 2.8%, from the \$38,732 earned in 2006. This was the smallest annual percentage increase since 1994 (+2.3%).

Annual average wage gains were reported in 14 of the 19 economic sectors, with the largest occurring in the Administrative & Waste Management Services (+6.6%); Wholesale Trade (+6.5%); Management of Companies & Enterprises (+6.2%); Arts, Entertainment & Recreation (+6.1%); and Manufacturing (+5.8%) sectors.

The five industry sectors to report an annual wage decline between 2006 and 2007 include the Professional, Scientific & Technical Services (-7.2%); Agriculture, Forestry, Fishing & Hunting (-6.3%); Mining (-2.2%); Information (-1.5%); and Transportation & Warehousing (-0.3%) sectors.

The highest annual average wages were paid in Management of Companies & Enterprises (\$96,427) and Utilities (\$72,939) followed by the Finance & Insurance (\$60,846), Professional & Technical Services (\$59,510), Wholesale Trade (\$59,101) and Information (\$57,568) sectors. In addition, the Construction (\$48,689), Manufacturing (\$46,118), Mining (\$46,071) and Educational Services (\$41,796) sectors paid wages above the private sector annual average wage of \$39,827.

**Annual Average Wage - Private Sector
2002 - 2007**



The lowest annual average wages were reported in the Accommodation & Food Services (\$15,522) and Arts, Entertainment & Recreation (\$23,166) sectors, reflecting the seasonal and part-time nature of these businesses. Other industry sectors paying lower-than-average wages included Other Services (\$25,492); Agriculture, Forestry, Fishing & Hunting (\$26,428); and Retail Trade (\$26,618).

For more information concerning industry wages, visit the Quarterly Census of Employment and Wages web site at: www.dlt.ri.gov/lmi/es202.htm.

Characteristics of the Insured Unemployed

In May 2008, 33 percent of Rhode Island's unemployed workers were eligible to collect Unemployment Insurance (UI) benefits. Numbering 13,441 people, these "insured unemployed" accounted for 2.6 percent of the State's total employed (unadjusted). Nearly 33 percent (4,419) 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, 17.8 percent (2,387) of the State's insured unemployed workers came from the Manufacturing sector. There were also 2,062 individuals with an attachment to the Construction sector, accounting for 15.3 percent of all insured unemployed workers. An additional 11.2 percent (1,506) of those collecting UI benefits in May had worked in the Retail Trade sector. Large numbers of insured unemployed were also reported in Administrative & Waste Services (1,296), Health Care & Social Assistance (1,140) and Accommodation & Food Services (816). For more information, go to www.dlt.ri.gov/lmi/uiadmin/characteristics.htm.

Characteristics of the Insured Unemployed, May 2008

	Total	Long-Term	Percent Long-Term
Total	13,441	4,419	32.9%
Male	7,290	2,517	34.5%
Female	6,151	1,902	30.9%
Selected Industries	13,441	4,419	32.9%
Construction	2,062	762	37.0%
Manufacturing	2,387	727	30.5%
Wholesale Trade	547	214	39.1%
Retail Trade	1,506	525	34.9%
Transportation & Warehousing	360	108	30.0%
Information	186	56	30.1%
Finance & Insurance	790	324	41.0%
Real Estate	245	89	36.3%
Professional & Tech. Services	688	181	26.3%
Administrative & Waste Services	1,296	377	29.1%
Educational Services	151	43	28.5%
Health Care & Social Assistance	1,140	344	30.2%
Arts, Entertainment & Recreation	253	50	19.8%
Accommodation & Food Services	816	290	35.5%
Other Services	458	160	34.9%
Public Administration	77	19	24.7%

Consumer Price Index for All Urban Consumers

				% Change
	May 08	Apr 08	May 07	Prev. Year
All Items	216.6	214.8	207.9	4.2%

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

Jobless Benefit Extension

The US Congress recently passed a bipartisan war funding bill which also includes up to 13 weeks of extended unemployment insurance (UI) benefits for all states. President Bush signed the bill on June 30th. The federal extended unemployment compensation program, which is totally financed with federal funds, is effective July 6, 2008 and is scheduled to end June 30, 2009. The last federal benefits extension was in March 2002, following the economic downturn in the aftermath of the September 11 terrorist attacks.

- Under the new federal bill, Rhode Island workers who have already exhausted the standard 26-week term of unemployment compensation would be eligible for half of their UI entitlement up to a maximum of 13 weeks of additional benefits at the previously determined weekly benefit rate. (e.g., this means a person qualifying for 26 weeks of regular state UI benefits would receive 13 weeks under the new federal extension; a person qualifying for 20 weeks of regular state UI would receive 10 weeks under the federal extension).
- The federal bill provides emergency UI benefits to individuals who have exhausted regular unemployment compensation and whose benefit year ended May 5, 2007 or later.
- Potentially eligible individuals will be receiving written notification with specific instructions as to when to call Rhode Island's Unemployment Insurance Call Center to file for these benefits.

City & Town Unadjusted Unemployment Rates for May

	2008	2007		2008	2007
Barrington	5.0	3.6	Newport	5.9	4.0
Bristol	6.1	4.2	North Kingstown	6.0	3.7
Burrillville	6.4	4.2	North Providence	7.4	4.6
Central Falls	10.6	6.6	North Smithfield	6.6	4.5
Charlestown	6.9	4.2	Pawtucket	8.7	5.6
Coventry	6.7	4.3	Portsmouth	5.3	3.7
Cranston	7.1	4.9	Providence	9.1	6.0
Cumberland	6.1	4.1	Richmond	4.4	3.0
East Greenwich	6.9	4.2	Scituate	7.1	4.7
East Providence	7.6	5.1	Smithfield	6.1	3.8
Exeter	5.7	4.2	South Kingstown	6.1	3.9
Foster	6.3	5.5	Tiverton	6.7	4.6
Glocester	5.4	3.7	Warren	6.7	4.4
Hopkinton	6.8	4.2	Warwick	6.6	4.4
Jamestown	4.6	3.4	West Greenwich	5.9	4.1
Johnston	7.6	5.1	West Warwick	7.3	5.0
Lincoln	6.4	4.1	Westerly	6.4	4.0
Little Compton	5.6	4.0	Woonsocket	8.8	5.6
Middletown	5.5	4.1			
Narragansett	4.7	3.0	State of R.I.	7.2	4.7
New Shoreham	7.0	5.5	United States	5.2	4.3

Federal Minimum Wage Increase

Beginning July 24, 2008, the federal minimum wage will increase from \$5.85 to \$6.55 per hour.

Many states, including Rhode Island, have minimum wage laws that differ from the federal law, but employees must be paid the higher of the differing wages.

Minimum Hourly Wages New England & United States as of July 24, 2008

Connecticut	\$7.65	New Hampshire*	\$6.55
Maine	\$7.00	Rhode Island	\$7.40
Massachusetts	\$8.00	Vermont	\$7.68

Federal Minimum Wage \$6.55

*NH will increase to \$7.25 as of 9/1/08

Unemployment Insurance Claims Activity

	May 2008	Apr 2008	May 2007	% Change Apr 08	% Change May 07	Year to Date 2008	Year to Date 2007	% Change
Initial Claims	5,633	7,815	4,836	-27.9%	16.5%	40,480	35,408	14.3%
Number of Payments	51,890	62,541	43,721	-17.0%	18.7%	345,822	304,324	13.6%
Amount of Payments (gross millions)	\$18.5	\$22.4	\$15.3	-17.4%	20.9%	\$125.5	\$106.2	18.2%
Exhaustions (Final Payments)	1,608	1,779	1,303	-9.6%	23.4%	8,269	6,666	24.0%

R.I. DEPARTMENT OF LABOR AND TRAINING
2008 UI AND TDI QUICK REFERENCE
(Effective July 1, 2008)

	UNEMPLOYMENT INSURANCE	TEMPORARY DISABILITY INSURANCE
TAXABLE WAGE BASE	\$14,000	\$54,400
TAX SCHEDULES/TAX RATES Employment Security Job Development Assessment (JDA)	Schedule I: 1.90% to 10.0% 1.69% to 9.79% 0.21%	1.3% Deducted from Employee's Wages
NEW EMPLOYER RATE	2.43% (+0.21%JDA)	NONE (Employee Tax)
EMPLOYEE WAGE DEDUCTION	NONE (employer payroll tax)	1.3% of first \$54,400 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