



Employment Labor Market Information Bulletin

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Rhode Island Unemployment Rate Essentially Unchanged in October

The Unemployment Rate

Following the national trend, Rhode Island's seasonally adjusted unemployment rate inched up 0.1 of a percentage point over the month. The State unemployment rate for October was 5.2 percent compared to 5.1 percent in September. The number of employed Rhode Island residents declined by 300, while the number of unemployed increased by 500. A year ago October, the unemployment rate was 4.8 percent and the unemployment level stood at 23,900. Nationally, the unemployment rate for October was 5.7 percent. Rhode Island's jobless rate remained below the national average for the fifteenth month in a row.

"Labor market conditions in Rhode Island remained relatively stable over the month evidenced by the negligible change in our unemployment rate," said DLT Director Dr. Lee H. Arnold. "The labor force, which includes employed Rhode Island residents and those who do not have a job but are actively looking for one, grew by only 200 from September to October."

Rhode Island Job Highlights (Over the Year, Unadjusted Figures)

Jobs at Rhode Island businesses numbered 488,300 in October 2002, up 3,000 (+0.6%) from the 485,300 jobs reported last year. Employment growth occurred in Services (+2,100), Trade (+1,400), Finance, Insurance & Real Estate (+1,100) and Government (+700). However, declines in Manufacturing (-1,000), Contract Construction (-900) and Transportation & Public Utilities (-400) limited over-the-year employment gains.

Within the Services sector, a 1,900 job loss in Business Services was offset by increases in Health Services (+1,200), Social Services (+500) and Other Services (+1,900), which includes Engineering Services, Accounting Services, Membership Organizations, Landscape Services and unclassified employers. Employment growth in Trade was spurred by 1,100 additional jobs in Retail businesses. The net growth in Government employment is attributable to Local Government, which increased by 900 jobs. Declines in Durable Goods (-1,100) manufacturing were largely responsible for a net loss of 1,000 jobs in the Manufacturing sector. (Continued on Page 4)

2003 Taxable Wage Bases For UI & TDI

The wage base on which Unemployment Insurance taxes will be paid during the tax year beginning January 1, 2003, will remain at \$12,000. The taxable wage base is tied to the level of reserves in the Employment Security Fund. As of September 30, 2002, there was \$272.9 million in reserves to pay benefits. According to UI Law, if reserves exceed \$225 million on September 30th, the taxable wage base will be \$12,000 for the next calendar year. While the wage base limits the amount of wages taxable, employers' individual tax rates vary according to their experience with the UI system. Employers will be notified of their 2003 tax rates in December.

The Temporary Disability Insurance taxable wage base will be \$45,300 in 2003, an increase of \$1,300 over the 2002 wage base of \$44,000. The TDI Wage Base is equal to the annual earnings needed by an individual to qualify for the maximum weekly benefit rate of \$543 for the maximum duration of thirty weeks. The employee contribution rate will increase to 1.7 percent in 2003, up from 1.5 percent in 2002, reflecting an 8.6 percent increase in benefit payments paid over the prior year.

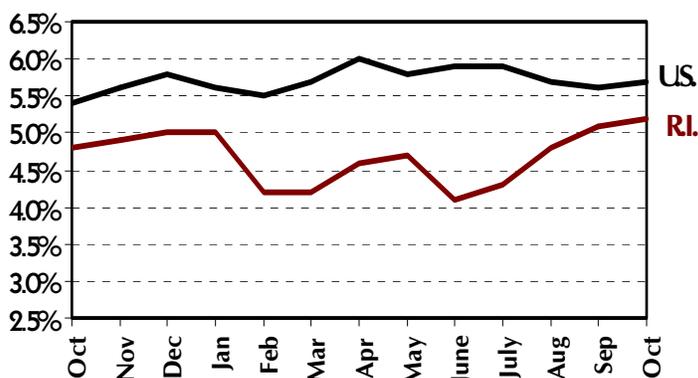
Rhode Island Labor Force Statistics* (in thousands)

	Seasonally Adjusted			Unadjusted		
	Oct 02	Sep 02	Oct 01	Oct 02	Sep 02	Oct 01
Civilian Labor Force	508.6	508.4	502.9	510.2	509.8	505.0
Resident Employment	482.4	482.7	479.0	485.2	485.1	482.3
Unemployment	26.2	25.7	23.9	24.9	24.7	22.7
Unemployment Rate	5.2%	5.1%	4.8%	4.9%	4.8%	4.5%

United States Labor Force Statistics (in thousands)

	Seasonally Adjusted			Unadjusted		
	Oct 02	Sep 02	Oct 01	Oct 02	Sep 02	Oct 01
Civilian Labor Force	143,123	143,277	142,280	142,878	142,745	142,004
Resident Employment	134,914	135,185	134,615	135,237	135,063	134,898
Unemployment	8,209	8,092	7,665	7,640	7,683	7,106
Unemployment Rate	5.7%	5.6%	5.4%	5.3%	5.4%	5.0%

Rhode Island & United States Unemployment Rates Seasonally Adjusted 2001 - 2002



City & Town Unadjusted Unemployment Rates

	Oct 02	Oct 01
Barrington	3.3	3.0
Bristol	3.9	3.0
Burrillville	5.3	3.8
Central Falls	8.5	8.3
Charlestown	4.6	4.9
Coventry	4.8	4.2
Cranston	4.8	4.2
Cumberland	4.9	4.7
East Greenwich	5.1	4.4
East Providence	5.6	5.0
Exeter	3.9	3.0
Foster	4.4	5.5
Glocester	3.8	3.0
Hopkinton	2.4	2.2
Jamestown	3.8	3.2
Johnston	5.3	4.5
Lincoln	4.6	4.5
Little Compton	4.8	2.1
Middletown	3.2	3.3
Narragansett	3.0	2.1
New Shoreham	1.4	0.9
Newport	3.4	2.9
North Kingstown	4.0	3.5
North Providence	5.1	4.2
North Smithfield	5.0	2.9
Pawtucket	6.0	6.6
Portsmouth	3.5	2.5
Providence	6.1	6.3
Richmond	2.5	1.9
Scituate	4.8	4.0
Smithfield	4.7	3.8
South Kingstown	3.1	3.0
Tiverton	4.2	3.2
Warren	4.2	3.7
Warwick	4.4	3.9
West Greenwich	4.8	3.7
West Warwick	4.8	4.2
Westerly	2.5	3.1
Woonsocket	7.5	6.2
State of R.I.	4.9	4.5

Unemployment Insurance Claims Activity

	Oct	Sept	Oct	% Change		Year to Date		
	2002	2002	2001	Sept 02	Oct 01	2002	2001	% Change
Initial Claims	6,074	4,986	6,905	21.8%	-12.0%	69,739	75,216	-7.3%
Number of Payments	41,849	48,567	48,787	-13.8%	-14.2%	598,452	532,595	12.4%
Amount of Payments (gross millions)	\$12.8	\$14.5	\$14.5	-11.7%	-11.7%	\$177.0	\$149.1	18.7%
Exhaustions (Final Payments)	1,237	1,437	1,399	-13.9%	-11.6%	15,286	11,098	37.7%
E.S. Fund Balance (millions)	\$263.8	\$272.9	\$294.3	-3.3%	-10.3%			

*Current month figures are preliminary; prior month and year are revised. 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)462-8740, Fax: (401)462-8766, www.dlt.state.ri.us/lmi

A Holiday Message from the Director



Dr. Lee H. Arnold, Director, and the staff of the Department of Labor and Training take this opportunity to wish a happy holiday season to the RI employer community and to all readers of the Employment Bulletin.

A special word of thanks is extended to those employers who assist the Department by providing essential employment information each month. Key indicators, such as industry employment levels, weekly production hours, and workers' earnings become the basis for both state and national reports and statistics prepared and published by the Department.

As individuals and as an agency we pledge to do all we can to help people and companies through difficult economic times. Our effectiveness is heavily dependent on your cooperation in providing us with information. In the upcoming new year we will continue to publish timely data every month to assist readers of the Employment Bulletin in making informed economic decisions and planning for future employment needs.

Again, our thanks, and our best wishes for a happy, healthy and joyous holiday season.

Total Establishment Employment in Rhode Island**

	Employment (in thousands)			Net Change From	
	Oct 02	Sept 02	Oct 01	Sept 02	Oct 01
TOTAL EMPLOYMENT	488.3	486.3	485.3	2000	3000
GOODS PRODUCING	86.6	86.8	88.5	-200	-1900
Contract Construction	18.8	19.2	19.7	-400	-900
Manufacturing	67.8	67.6	68.8	200	-1000
SERVICE PRODUCING	401.7	399.5	396.8	2200	4900
Trans. & Public Utilities	17.0	17.1	17.4	-100	-400
Trade (Wholesale & Retail)	109.7	109.9	108.3	-200	1400
Wholesale	18.9	19.0	18.6	-100	300
Durables♦	11.6	11.7	11.4	-100	200
Nondurables♦	7.3	7.4	7.2	-100	100
Retail	90.8	90.9	89.7	-100	1100
Building & Garden Supplies♦	2.8	2.8	2.6	-----	200
General Merchandise	6.5	6.3	6.6	200	-100
Food Stores♦	15.4	15.5	15.4	-100	-----
Automotive Dealers	7.8	7.8	7.8	-----	-----
Apparel & Accessory Stores	4.8	4.7	4.7	100	100
Furn., Home Furn., & Equipt.♦	3.0	2.9	2.7	100	300
Eating and Drinking Places	33.3	34.1	32.9	-800	400
Miscellaneous Retail	17.2	16.8	17.0	400	200
Finance, Insurance & Real Estate	33.7	33.8	32.6	-100	1100
Depository Institutions	10.1	10.1	9.2	-----	900
Services	175.1	174.0	173.0	1100	2100
Hotels & Other Lodging♦	4.8	5.0	4.8	-200	-----
Business Services	25.9	25.8	27.8	100	-1900
Auto & Misc. Repair♦	5.9	5.8	5.7	100	200
Amusement & Recreation	6.2	7.0	6.1	-800	100
Health Services	54.0	54.0	52.8	-----	1200
Educational Services	19.9	18.0	20.0	1900	-100
Social Services	16.7	16.9	16.2	-200	500
Government	66.2	64.7	65.5	1500	700
Federal	10.3	10.4	10.3	-100	-----
State	18.3	17.2	18.5	1100	-200
Local	37.6	37.1	36.7	500	900
Education♦	24.8	23.9*	24.3	900	500
Non Education♦	12.8	13.2	12.4	-400	400

*Labor Dispute ♦ 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					
	Oct 02	Sept 02	Oct 01	Net Change		Weekly Hours			Hourly Earnings		
				Sept 02	Oct 01	Oct 02	Sept 02	Oct 01	Oct 02	Sept 02	Oct 01
MANUFACTURING	67.8	67.6	68.8	200	-1000	40.1	40.3	40.3	12.27	12.30	12.24
DURABLE MFG.	44.3	44.1	45.4	200	-1100	40.3	40.4	40.3	12.06	12.10	12.03
Primary Metals	3.1	3.1	3.3	---	-200	41.4	40.2	38.4	12.96	12.96	12.82
Fabricated Metals	8.0	7.9	7.7	100	300	39.9	38.9	38.6	11.79	11.80	11.46
Nonelectrical Machinery	3.6	3.6	3.8	-----	-200	39.3	39.8	43.0	13.72	13.72	13.75
Electrical Machinery	4.7	4.7	5.0	-----	-300	41.4	41.2	40.9	11.45	11.45	11.53
Trans. Equipment	4.0	4.0	3.8	-----	200	39.8	41.6	41.2	14.46	14.47	14.42
Instruments	5.0	5.1	5.3	-100	-300	41.1	41.3	39.9	12.84	12.85	12.77
Miscellaneous Mfg.	12.1	11.9	12.7	200	-600	40.5	40.8	39.6	10.74	10.71	10.70
Jewelry, Incl. Costume	9.2	9.0	9.6	200	-400	40.7	41.0	39.5	10.52	10.52	10.50
All Other Durables	3.8	3.8	3.8	-----	-----	39.7	40.6	43.6	12.42	12.44	12.51
NONDURABLE MFG.	23.5	23.5	23.4	-----	100	39.8	40.1	40.2	12.67	12.65	12.64
Textiles	5.2	5.2	5.4	-----	-200	39.3	40.6	41.5	10.92	10.92	10.97
Printing-Publishing	5.2	5.2	5.0	-----	200	39.4	39.4	42.1	16.63	16.63	16.66
Rubber & Plastic Products	4.3	4.3	4.4	-----	-100	40.9	40.0	39.4	13.29	13.30	13.21
All Other Nondurables	8.8	8.8	8.6	-----	200	39.8	40.0	38.9	11.76	11.76	11.70

**Current month figures are PRELIMINARY. Prior month & year are REVISED. Totals may not add due to rounding. Farmers, Self-employed, Domestic & Armed Services personnel are excluded from Establishment Employment figures.

Rhode Island Unemployment Rate Essentially Unchanged in October

(Continued from Page 1)

Rhode Island Job Highlights (Over the Month, Unadjusted Figures)

Increased hiring at the State's higher education institutions resulted in a 2,000 job gain over September's employment level of 486,300. Service Producing components added 2,200 jobs over the month, while employment in Goods Producing businesses fell slightly (-200).

Government – State Government added 1,100 jobs in October, mainly the result of increased hiring at public colleges and universities. Local Government contributed an additional 500 jobs, mostly school-related staff. Employment on the Federal level fell by 100.

Services – The re-opening of private educational facilities helped Services-related employment grow by 1,100 jobs over the month. Educational Services (+1,900) added the most jobs of all sector components, while a seasonal decline in Amusement & Recreation resulted in a loss of 800 jobs.

Manufacturing – Manufacturing employment was up 200 over the month due to gains in Jewelry & Silverware and Fabricated Metals.

Trade – Wholesale & Retail Trade employment showed a net loss of 200 jobs over the month as a seasonal cutback in Eating & Drinking Places (-800) was somewhat offset by job growth in Miscellaneous Retail (+400) and General Merchandise (+200) stores.

Consumer Price Index for All Urban Consumers

	Oct 02	Sept 02	Oct 01	% Change Prev. Year
All Items	181.3	181.0	177.7	2.0%

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

RI Industries Adding the Most New Jobs 1998-2008

Industry Group	Projected Growth
Elementary and Secondary Schools	5,234
Eating and Drinking Places	4,481
Computer and Data Processing Services	4,029
Personnel Supply Services	3,522
Nursing and Personal Care Facilities	3,454
Residential Care	2,081
Hotels and Motels	1,733
Department Stores	1,661
Offices & Clinics Of Medical Doctors	1,612
Colleges and Universities	1,585
Drug Stores & Proprietary Stores	1,484
Miscellaneous Shopping Goods Stores	1,392
Miscellaneous Amusement and Recreation Service	1,302
Management & Public Relations	1,211
Miscellaneous Durable Goods	1,090
Family Clothing Stores	1,060

Overtime Laws Deserve Close Scrutiny

With the holiday season approaching, issues regarding overtime wages inevitably emerge. Both federal and state laws require that an employer pay certain "non-exempt employees" overtime wages which are time-and-a-half wages for each hour worked over forty in individual workweeks.

There are four categories which exempt specific employees from receiving overtime wages. They are A. Executive B. Administrative C. Professional and D. Outside Salespeople. In order to be a bona fide member of any group, distinct "tests" have been established (U.S. Department of Labor, Fair Labor Standards Act, Section 13 (a) (1).) to determine eligibility.

Perhaps one of the most common misconceptions among both employers and employees is that a worker is *not* entitled to overtime wages if they are paid on a salaried basis. THIS IS FALSE! Salaried employees are entitled to overtime pay as long as their job duties do not fit within one of the exemptions to the overtime pay laws. The mere fact that they are salaried does not disqualify them from receiving time and one-half for hours worked over their regular work shift. In addition, an employee's title (manager, supervisor, lead person etc.) is of little or no assistance in making a determination of exemption. The status of any particular employee must be determined on the basis of whether the duties, responsibilities and salary meet all the requirements of the appropriate section of the regulations.

If you have any concerns or reservations about the rules and regulations regarding overtime, call the Employer Service Unit at 401-462-8724 or log on to www.dol.gov/esa/regs/compliance.htm.