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Employment Bulletin

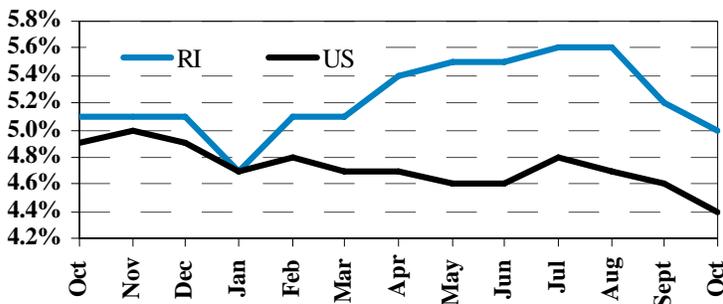
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October's Unemployment Rate Falls to Lowest Level Since January

Rhode Island's seasonally adjusted unemployment rate for October dropped 0.2 of a percentage point from September to 5.0 percent, the lowest jobless rate since January. In addition, the number of Rhode Island residents who were employed continued to grow, hitting a new record-high of 549,400 in October, while the number of unemployed Rhode Island residents declined by 1,400 over the month to 28,800. A year ago, the jobless level was 29,100 and the unemployment rate stood at 5.1 percent. Nationally, the unemployment rate for October dipped to 4.4 percent, down from 4.6 percent in September and 4.9 percent a year ago. Rhode Island's unemployment rate for October remained above the national average.

RI & US Unemployment Rates
Seasonally Adjusted 2005 - 2006



Holiday Message from the Director

Adelita S. Orefice, Director, and the staff of the Department of Labor and Training take this opportunity to wish a happy holiday season to the Rhode Island 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 provide 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.

Rhode Island Minimum Wage to Increase

The state's minimum wage will increase \$0.30 to \$7.40 an hour as of January 1, 2007. The last minimum wage increase in Rhode Island occurred in March 2006 (\$7.10). On January 1, 2007, the minimum wage will rise to \$7.65 in Connecticut and \$7.50 in Massachusetts.

Seasonally Adjusted Labor Force Statistics

(in thousands)

	Rhode Island			United States		
	Oct 06	Sep 06	Oct 05	Oct 06	Sep 06	Oct 05
Civilian Labor Force	578.2	579.0	572.3	151,998	151,799	150,043
Resident Employment	549.4	548.8	543.2	145,287	144,850	142,625
Unemployment	28.8	30.2	29.1	6,711	6,949	7,418
Unemployment Rate	5.0%	5.2%	5.1%	4.4%	4.6%	4.9%

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Private Sector Employment Increases by 700 Over the Month

Total establishment employment declined slightly (-100) last month, bringing the October job count to 493,800 (seasonally adjusted). Over-the-month job gains in Educational & Health Services (+800); Professional & Business Services (+500); Financial Activities (+100); and Construction (+100) were offset by employment declines in the Government (-800); Other Services (-300); Leisure & Hospitality (-200); and Manufacturing (-200) sectors. If we discount the drop in government jobs, private sector employment actually grew by 700 over the month.

“The drop in our unemployment rate for the second straight month combined with a new record-high resident employment level is certainly encouraging news. The increase of 700 private sector jobs over the month demonstrates that Rhode Island is continuing to build momentum in creating new jobs,” said DLT Director Adelita S. Orefice.

Employment gains in Educational & Health Services reflected additional hiring and the return of student workers to private colleges and universities. Job growth in Professional & Business Services can be partially attributed to gains in Employment Services, while job losses in Government are the result of employment declines at the local level.

Over the year, jobs were up 400 (+0.08%) from the 493,400 jobs reported in October 2005. Annual employment growth occurred in the Financial Activities (+2,300); Professional & Business Services (+1,300); Construction (+700); and Educational & Health Services (+600) sectors, offsetting losses in Leisure & Hospitality (-100); Other Services (-500); Trade, Transportation & Utilities (-700); Government (-900); and Manufacturing (-1,700).

Hours and Earnings

In October 2006, the \$13.55 average hourly wage earned by the Manufacturing sector’s production workers represented a monthly gain of ten cents per hour and an over-the-year gain of thirty-one cents per hour. Manufacturing employees worked an average of 39.2 hours per week in October, up 0.1 of an hour over the month and 0.5 of an hour since October 2005.

	Employment (in thousands)		Net Change
	Oct 06	Sept 06	
Total Nonfarm	493.8	493.9	-0.1
Construction	23.2	23.1	0.1
Manufacturing	52.8	53.0	-0.2
Trade, Transportation & Utilities	79.1	79.1	0.0
Financial Activities	37.0	36.9	0.1
Professional & Business Services	57.3	56.8	0.5
Educational & Health Services	97.2	96.4	0.8
Leisure & Hospitality	50.4	50.6	-0.2
Other Services	22.3	22.6	-0.3
Government	63.8	64.6	-0.8

Manufacturing Employment in Rhode Island Not Seasonally Adjusted

	Employment					Production Worker Averages					
	(in thousands)		Net Change From			Weekly Hours			Hourly Earnings		
	Oct 06	Sept 06	Oct 05	Sept 06	Oct 05	Oct 06	Sept 06	Oct 05	Oct 06	Sept 06	Oct 05
Manufacturing	53.4	53.4	55.1	0	-1700	39.2	39.1	38.7	13.55	13.45	13.24
Durable Goods	35.7	35.8	36.2	-100	-500	38.4	37.8	39.4	13.52	13.45	13.23
Fabricated Metal Product Mfg.	7.9	7.8	7.7	100	200	39.6	39.6	40.0	12.16	12.01	11.64
Computer & Electronic Product Mfg.	4.6	4.7	4.7	-100	-100	40.6	38.1	41.2	14.58	14.68	14.23
Miscellaneous Manufacturing	9.5	9.5	10.5	0	-1000	37.0	37.2	36.6	11.43	11.28	11.08
Jewelry & Silverware	6.6	6.6	7.4	0	-800	40.4	40.1	37.0	10.57	10.42	10.23
Non-Durable Goods	17.7	17.6	18.9	100	-1200	40.6	41.6	37.4	13.60	13.44	13.27
Chemical Manufacturing	4.3	4.3	4.2	0	100	38.6	40.1	40.2	15.64	15.47	15.45
Plastics & Rubber Products Mfg.	2.8	2.8	2.9	0	-100	40.1	42.2	39.6	14.51	14.48	14.68

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.

Characteristics of the Insured Unemployed

In October 2006, 36 percent of Rhode Island’s unemployed workers were eligible to collect Unemployment Insurance benefits. Numbering 9,101 people, these “insured unemployed” accounted for 1.6 percent of the state’s total employed (unadjusted). More than 33 percent (3,011) of the Ocean State’s insured unemployed faced long-term unemployment, defined as collecting unemployment benefits for more than fourteen weeks.

Twenty-six percent (2,355) of the people receiving Unemployment Insurance benefits were between the ages of 35 and 44, while an additional 25 percent (2,307) were 45 to 54 years old. Concentrations of long-term unemployment were highest among workers over 60 years of age, due, in part, to the difficulties workers face in finding new jobs as they grow older. For example, more than 44 percent of all insured unemployed workers 60 years and older had been collecting benefits for at least fourteen weeks, whereas 19 percent of those under 22 years of age and 28 percent of 22 to 24 year olds were considered long-term unemployed.

In October, approximately 44 percent (4,025) of those collecting Unemployment Insurance benefits had just a high school diploma. An additional 1,318 people (14.5%) had less than a high school diploma, while 18.8 percent (1,713) of the insured unemployed had at least a Bachelor’s degree. Roughly 34 percent of insured unemployed workers with less than a high school diploma had been collecting benefits for a minimum of fourteen weeks, while 34 percent of those with at least a Bachelor’s degree were also considered long-term unemployed.

On an industry basis, 19.5 percent (1,778) of the State’s insured unemployed workers came from the Manufacturing sector. There were also 1,022 individuals with an attachment to the Retail Trade sector, accounting for 11.2 percent of all insured unemployed workers. An additional 10.6 percent (965) of those collecting Unemployment Insurance benefits in October had worked in the Health Care & Social Assistance sector. Large numbers of insured unemployed were also reported in Construction (851), Administrative & Waste Services (699), Accommodation & Food Services (595) and Finance & Insurance (595).

Those previously employed in Office & Administrative occupations accounted for 18 percent (1,640) of the State’s insured unemployed. A large number of workers previously employed in Production (1,265), Sales & Related (647) and Transportation & Material Moving (528) occupations also collected Unemployment Insurance benefits in October. Numerous occupational groups reported concentrations of long-term unemployment above the state average, including Community & Social Services (46.9%), Production (42.9%), Legal (40.9%) and Business & Financial Operations (39.3%).

Characteristics of the Insured Unemployed, October 2006

	Total	Long-Term	Percent Long-Term
Total	9,101	3,011	33.1%
Male	4,523	1,335	29.5%
Female	4,578	1,676	36.6%
Age	9,101	3,011	33.1%
Under 22	275	53	19.3%
22 - 24	485	135	27.8%
25 - 34	1,911	568	29.7%
35 - 44	2,355	769	32.7%
45 - 54	2,307	752	32.6%
55 - 59	789	302	38.3%
60 - 64	547	204	37.3%
65 or over	432	228	52.8%
Education	9,101	3,011	33.1%
Less than 9th Grade	397	142	35.8%
9th to 12th, no diploma	921	303	32.9%
High School Graduate	4,025	1,296	32.2%
Some College	1,744	597	34.2%
Bachelor's Degree	1,023	339	33.1%
Beyond Bachelor's	690	244	35.4%
Selected Industries	9,101	3,011	33.1%
Construction	851	116	13.6%
Manufacturing	1,778	731	41.1%
Wholesale Trade	379	106	28.0%
Retail Trade	1,022	407	39.8%
Transportation & Warehousing	180	59	32.8%
Information	218	45	20.6%
Finance & Insurance	595	235	39.5%
Real Estate	179	60	33.5%
Professional & Tech. Services	373	129	34.6%
Administrative & Waste Services	699	204	29.2%
Educational Services	363	126	34.7%
Health Care & Social Assistance	965	336	34.8%
Arts, Entertainment & Recreation	125	41	32.8%
Accommodation & Food Services	595	184	30.9%
Other Services	335	109	32.5%
Public Administration	74	18	24.3%
Selected Occupations	9,101	3,011	33.1%
Business & Financial Operations	374	147	39.3%
Computer & Mathematical	134	36	26.9%
Architecture & Engineering	86	31	36.0%
Life, Physical & Social Science	41	9	22.0%
Community & Social Services	113	53	46.9%
Legal	44	18	40.9%
Education, Training & Library	321	101	31.5%
Arts, Design, Ent., Sports & Media	172	60	34.9%
Healthcare Practitioner & Technical	153	53	34.6%
Healthcare Support	231	68	29.4%
Protective Service	82	30	36.6%
Food Preparation & Serving Related	429	127	29.6%
Bldg. & Grounds Cleaning & Maint.	139	26	18.7%
Personal Care & Service	122	33	27.0%
Sales & Related	647	238	36.8%
Office & Administrative Support	1,640	573	34.9%
Construction & Extraction	505	84	16.6%
Installation, Maintenance & Repair	377	124	32.9%
Production	1,265	543	42.9%
Transportation & Material Moving	528	177	33.5%

Consumer Price Index for All Urban Consumers

				% Change
	Oct 06	Sept 06	Oct 05	Prev. Year
All Items	201.8	202.9	199.2	1.3%

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

Industry Outlook - 2014

Rhode Island employment is expected to increase by over 55,000 jobs during the 2004 to 2014 projection period. Employment in 2014 is projected to reach 573,437, an increase of 55,292 (10.7%) from the 2004 employment level of 518,145. Much of this growth is attributed to the increased demand for the products and services provided by the Health Care & Social Assistance, Accommodation & Food Services, Educational Services and Retail Trade sectors.

Employment increases in Health Care & Social Assistance are attributed to a number of factors including a growing and aging population, medical advances and new technologies. Establishments within the State's Health Care & Social Assistance sector are expected to employ over 88,000 workers in 2014, accounting for 27 percent of the anticipated job growth.

Accommodation and Food Services are expected to add nearly 7,600 new jobs over the 2004-2014 projection period. Changes in dining style, dual-income families and the faster pace of society in general will contribute to job growth.

Changes in personal taste and shopping styles will result in the addition of some 5,200 new Retail Trade jobs. Trends in specialty stores, which carry lines of sporting goods, building and garden materials and gasoline stations/convenience stores will result in above average growth for some industries within the Retail Trade sector.

Population growth will also contribute to the employment gains projected for Educational Services. Increases in the school age population and heightened emphasis on the improvement and importance of education will produce over 5,000 new jobs.

City & Town Unadjusted Unemployment Rates for October

	2006	2005		2006	2005
Barrington	3.0	3.4	Newport	3.7	4.0
Bristol	3.4	3.5	North Kingstown	3.3	3.1
Burrillville	3.8	3.7	North Providence	4.6	4.5
Central Falls	6.4	6.6	North Smithfield	4.3	3.5
Charlestown	3.7	4.0	Pawtucket	5.4	5.6
Coventry	3.8	4.5	Portsmouth	3.5	3.4
Cranston	4.5	4.8	Providence	5.5	5.7
Cumberland	3.9	3.8	Richmond	2.6	2.4
East Greenwich	4.5	4.2	Scituate	4.4	4.6
East Providence	4.7	5.0	Smithfield	3.9	3.9
Exeter	3.7	3.6	South Kingstown	3.5	3.4
Foster	4.3	4.6	Tiverton	4.3	4.4
Glocester	3.1	3.3	Warren	4.5	4.8
Hopkinton	3.8	3.6	Warwick	4.2	4.2
Jamestown	3.3	2.7	West Greenwich	3.1	3.2
Johnston	4.8	4.6	West Warwick	4.6	5.3
Lincoln	3.7	3.7	Westerly	3.7	4.0
Little Compton	3.3	3.8	Woonsocket	4.8	4.9
Middletown	3.9	3.6			
Narragansett	3.1	2.8	State of R.I.	4.4	4.5
New Shoreham	3.0	3.4	United States	4.6	4.1

New Wage Bases/Rates for UI and TDI in 2007

- The Unemployment Insurance (UI) Taxable Wage Base for Rhode Island employers for the tax year beginning January 1, 2007 will drop to \$14,000, down from \$16,000 in 2006.
- The Temporary Disability Insurance (TDI) Taxable Wage Base for Rhode Island employees for the tax year beginning January 1, 2007 will be \$52,100, up from \$50,600 in 2006.
- The TDI Tax Rate will be 1.3%, down from 1.4% in 2006.
- Individual employer UI Tax Rates will range from a low of 1.69% to a high of 9.79% in 2007. Employers will be notified of their individual 2007 tax rates in December. The UI New Employer Rate will be 2.41%, up from 2.34% in 2006. The above rates do not include the 0.21% Job Development Assessment.

Unemployment Insurance Claims Activity

	Oct	Sept	Oct	% Change		Year to Date		
	2006	2006	2005	Sept 06	Oct 05	2006	2005	% Change
Initial Claims	4,654	4,306	4,966	8.1%	-6.3%	60,671	61,402	-1.2%
Number of Payments	38,519	35,365	37,597	8.9%	2.5%	500,833	521,531	-4.0%
Amount of Payments (gross millions)	\$13.1	\$11.8	\$12.5	11.0%	4.8%	\$166.1	\$170.0	-2.3%
Exhaustions (Final Payments)	1,067	905	1,135	17.9%	-6.0%	11,780	12,688	-7.2%

Employment by Major Industry

NAICS Code	Sector Title	Employment		Net Change	Percent Change
		2004	2014		
	Total, All Industries	518,145	573,437	55,292	10.67%
11	Agriculture, Forestry, Fishing and Hunting	800	830	30	3.75%
21	Mining	188	280	92	48.94%
22	Utilities	1,090	1,155	65	5.96%
23	Construction	21,007	25,280	4,273	20.34%
(31-33)	Manufacturing	56,853	50,935	-5,918	-10.41%
42	Wholesale Trade	16,340	17,410	1,070	6.55%
(44-45)	Retail Trade	52,961	58,185	5,224	9.86%
(48-49)	Transportation and Warehousing	9,814	10,950	1,136	11.58%
51	Information	10,857	12,615	1,758	16.19%
52	Finance and Insurance	25,604	29,895	4,291	16.76%
53	Real Estate and Rental and Leasing	6,673	7,160	487	7.30%
51	Professional, Scientific, and Technical Services	20,006	25,000	4,994	24.96%
55	Management of Companies and Enterprises	8,393	9,750	1,357	16.17%
56	Administrative and Waste Services	25,040	27,780	2,740	10.94%
61	Educational Services	45,818	51,000	5,182	11.31%
62	Health Care and Social Assistance	73,151	88,220	15,069	20.60%
71	Arts, Entertainment, and Recreation	7,372	9,035	1,663	22.56%
72	Accommodation and Food Services	42,402	50,000	7,598	17.92%
81	Other Services (Except Government)	18,241	20,055	1,814	9.94%
92	Government	33,602	33,955	353	1.05%
	Self-Employed, Unpaid Family & Unclassified	41,833	43,600	2,100	5.06%