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Employment Bulletin

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Rhode Island's Unemployment Rate Drops to 12.9 Percent

- ◆ RI's seasonally adjusted unemployment rate for October was 12.9 percent, decreasing one-tenth of a percentage point from the September rate of 13.0 percent.
- ◆ RI's October unemployment rate is up 4.1 percentage points from last year's figure of 8.8 percent.
- ◆ The national rate increased four-tenths of a percentage point to 10.2 percent. Rhode Island has the 3rd highest unemployment rate in the nation, trailing Michigan (15.1%) and Nevada (13.0%).
- ◆ The unemployment rate increased in 29 states - including Connecticut (+0.4), Massachusetts (-0.4), New Hampshire (-0.4), Maine (-0.3), Vermont (-0.2) and Rhode Island (-0.1), along with eight other states, saw their rates decrease. In all, fourteen states have unemployment rates in the double digits, with five states having a rate of 12.0 percent or higher.
- ◆ Rates in other New England States – Massachusetts 8.9 percent, Connecticut 8.8 percent, Maine 8.2 percent, New Hampshire 6.8 percent, Vermont 6.5 percent.
- ◆ The number of employed RI residents totaled 496,100 in October 2009, reflecting a decrease of 200 from the previous month. Between October 2008 and October 2009, the number of employed RI residents fell by 20,400.
- ◆ In October, the number of unemployed Rhode Island residents decreased by 400 to 73,700, the first over-the-month decrease since February 2007. From October 2008 to October 2009, the number of unemployed residents increased by 23,700.

UI and TDI Taxable Wage Bases Announced for 2010

The taxable wage base on which employers pay Unemployment Insurance (UI) taxes for their employees will increase from \$18,000 to \$19,000 for the 2010 tax year. As of September 30, 2009, the Employment Security Fund is considered to have a negative balance since it is currently borrowing from the federal government to meet UI demand. According to the law, if the Employment Security Fund balance is less than \$75 million, the taxable wage base will be \$19,000 for the next calendar year.

Tax Schedule I, with rates ranging from a low of 1.69% to a high of 9.79%, will remain in effect in 2010. The new employer rate for UI purposes will be 2.30 percent for calendar year 2010, down from 2.36 percent in 2009. These tax rates do not include the 0.21 percent Job Development Assessment. Employers will be notified of their individual tax rates by the end of December.

The employee contribution rate to the Temporary Disability Insurance Fund will drop from 1.5 percent to 1.2 percent in 2010. The contribution rate is calculated by dividing the total adjusted TDI disbursements from October 1, 2008 to September 30, 2009 by the total taxable wages for that same time period.

The TDI taxable wage base will be set at \$57,900 in 2010, an increase of \$1,900 over last year's taxable wage base. The TDI taxable wage base is based on the maximum weekly benefit amount, which in July increased to \$694 per week. The maximum TDI contribution will be \$694.80 next year, a decrease of \$145.20 from the 2009 maximum contribution of \$840. Temporary Disability Insurance provides benefit payments to insured RI workers for weeks of unemployment caused by disability. Last year, approximately 411,000 workers contributed to the TDI fund and nearly 41,700 workers collected benefits totaling \$171 million.

Seasonally Adjusted Labor Force Statistics

(in thousands)

	Rhode Island			United States		
	Oct 09	Sep 09	Oct 08	Oct 09	Sep 09	Oct 08
Civilian Labor Force	569.8	570.4	566.5	153,975	154,006	154,878
Resident Employment	496.1	496.3	516.5	138,275	138,864	144,657
Unemployment	73.7	74.1	50.0	15,700	15,142	10,221
Unemployment Rate	12.9%	13.0%	8.8%	10.2%	9.8%	6.6%

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Rhode Island Jobs Decrease by 1,100 in October

In Rhode Island, the October 2009 total non-farm job count totaled 456,600, the lowest employment level since April 1998 (455,000). The October job count declined by 1,100 from the September revised employment level of 457,700.

Five industry sectors added jobs in October. The Health Care & Social Assistance sector added 500 jobs, with all four sector components (ambulatory health care services, hospitals nursing & residential care facilities & social assistance) reporting gains. Construction employment increased by 400 over the month, due mainly to reported gains in building construction. Wholesale Trade (+300), Professional & Business Services (+200) and Arts, Entertainment & Recreation (+100) sectors also showed job gains. Within Professional & Business Services, gains occurring among Professional & Technical Services overshadowed losses in Administrative & Waste Services.

In October, seven industry sectors reported job declines, with the largest losses noted in Retail Trade (-600), Educational Services (-500) and

Government (-500). Within the Retail Trade sector, job losses were attributed to weak seasonal hiring, while declines in Educational Services were attributed to drops in the numbers of student workers hired at some of the state's private colleges and universities. Losses in Government employment were attributed to declines at the local level in the non-educational segment. Job losses were also reported in the Other Services (-400), Accommodation & Food Services (-300), Financial Activities (-200) and Manufacturing (-100) sectors. Employment in Information, Transportation & Utilities and Natural Resources & Mining remained unchanged in October.

Between October 2008 and October 2009, job declines were reported in nearly all economic sectors, resulting in an overall loss of 20,800 (-4.4%) jobs during this period. Manufacturing (-4,800), Retail Trade (-2,800), Construction (-2,500), Professional & Business Services (-2,400), Other Services (-1,500), Financial Activities (-1,200), Accommodation & Food Services (-1,100) and

Government (-1,000) reported the most significant annual employment declines. Smaller over-the-year losses were noted in Information (-800), Health Care & Social Assistance (-800), Wholesale Trade (-700), Transportation & Utilities (-500), Educational Services (-400) and Arts, Entertainment & Recreation (-300).

MANUFACTURING: In October 2009, production workers in the Manufacturing sector earned \$14.31 per hour. The average hourly production wage was up eight cents from September 2009 and up forty cents from October 2008. Manufacturing employees worked an average of 37.6 hours per week in October, unchanged over the month, but down seven-tenths of an hour over the year.

Establishment Employment in Rhode Island Seasonally Adjusted

	Net Change From				
	Oct-09	Sep-09	Oct-08	Sep-09	Oct-08
Total Nonfarm	456.6	457.7	477.4	-1.1	-20.8
Natural Resources & Mining	0.2	0.2	0.2	0.0	0.0
Construction	17.5	17.1	20.0	0.4	-2.5
Manufacturing	42.0	42.1	46.8	-0.1	-4.8
Wholesale Trade	16.2	15.9	16.9	0.3	-0.7
Retail Trade	45.9	46.5	48.7	-0.6	-2.8
Transportation & Utilities	10.3	10.3	10.8	0.0	-0.5
Information	9.7	9.7	10.5	0.0	-0.8
Financial Activities	32.2	32.4	33.4	-0.2	-1.2
Professional & Business Services	51.5	51.3	53.9	0.2	-2.4
Educational Services	22.9	23.4	23.3	-0.5	-0.4
Health Care & Social Assistance	76.3	75.8	77.1	0.5	-0.8
Arts, Entertainment & Recreation	7.5	7.4	7.8	0.1	-0.3
Accommodation & Food Services	41.6	41.9	42.7	-0.3	-1.1
Other Services	21.3	21.7	22.8	-0.4	-1.5
Government	61.5	62.0	62.5	-0.5	-1.0

Manufacturing Employment in Rhode Island Not Seasonally Adjusted

	Employment				
	(in thousands)			Net Change From:	
	Oct 09	Sept 09	Oct 08	Sept 09	Oct 08
Manufacturing	42.5	42.6	47.4	-100	-4,900
Durable Goods	27.7	27.5	30.7	200	-3,000
Fabricated Metal Product Mfg.	6.0	6.0	6.5	0	-500
Computer & Electronic Product Mfg.	4.0	4.1	4.1	-100	-100
Miscellaneous Manufacturing	7.7	7.6	8.4	100	-700
Jewelry & Silverware	5.1	5.0	5.6	100	-500
Non-Durable Goods	14.8	15.1	16.7	-300	-1,900
Chemical Manufacturing	3.6	3.6	3.6	0	0

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. With the release of the January estimates, the seasonally adjusted jobs and unemployment data have been revised back to 2004. Current month's figures are preliminary and subject to change.

Labor Surplus Areas for Rhode Island



Effective October 1, 2009, the U.S. Department of Labor, Employment and Training Administration, released the following list of labor surplus areas for the State of Rhode Island:

- | | | |
|------------------|--------------------|---------------|
| *Central Falls | *Johnston | *Scituate |
| *Coventry | *New Shoreham | *Tiverton |
| *Cranston | *North Providence | *Warren |
| *East Providence | *Pawtucket | *West Warwick |
| *Foster | *Providence | *Woonsocket |
| *Hopkinton | *Providence County | |

This list will remain in effect until September 30, 2010. Employers located in the labor surplus area may be given preference in bidding on federal procurement contracts. The purpose in providing such preference is to help direct the government's procurement dollars into areas where people are in the most severe economic need based on their high unemployment rates.

Classification of Labor Surplus Areas

In order to be classified as a labor surplus area, a civil jurisdiction must have had an unemployment rate during the previous two calendar years (January 2007-December 2008) which was at least 20 percent above the national average unemployment rate for the same two year reference period. A floor of 6.0 percent is used during periods of low national unemployment in order for an area to qualify as a labor surplus area. The 6.0 percent floor comes into effect whenever the average unemployment rate for all states during the two-year reference period was 5.0 percent or less.

The national average unemployment rate during the period of January 2007 through December 2008 was 5.3 percent. Therefore, the qualifying rate for labor surplus area classification was 6.3 percent or above. For more information visit www.dlt.ri.gov/lmi/laus/lsa.htm.

Characteristics of the Insured Unemployed

A total of 16,738 individuals were eligible to collect "regular" Unemployment Insurance benefits in October 2009, up 3,436 (+25.8%) from the 13,302 collecting these benefits in October 2008. In addition, 13,282 individuals collected Emergency Unemployment Compensation and 2,918 collected Extended Benefits. In all, 47.5 percent of Rhode Island's unemployed workers were eligible to collect unemployment benefits in October.

Of the 16,738 individuals collecting "regular" Unemployment Insurance benefits, 36.3 percent faced long-term unemployment (defined as collecting unemployment insurance for fifteen weeks or more), up from 29.5 percent in October 2008.

On an industry basis, 17.7 percent (2,967) of the State's insured unemployed workers came from the Manufacturing sector. There were also 2,446 individuals with an attachment to the Construction sector, accounting for 14.6 percent of all insured unemployed workers. An additional 9.6 percent (1,605) of those collecting UI benefits in October had worked in the Health Care & Social Assistance sector. Large numbers of insured unemployed were also reported in Retail Trade (1,414), Administrative & Waste Services (1,350) and Accommodation & Food Services (1,084). For more information, go to www.dlt.ri.gov/lmi/uiadmin/characteristics.htm.

Characteristics of the Insured Unemployed, October 2009

	Total	Long-Term	Percent Long-Term
Total	16,738	6,074	36.3%
Male	9,318	3,002	32.2%
Female	7,420	3,072	41.4%
Selected Industries	16,738	6,074	36.3%
Construction	2,446	522	21.3%
Manufacturing	2,967	1,253	42.2%
Wholesale Trade	739	327	44.2%
Retail Trade	1,414	545	38.5%
Transportation & Warehousing	441	148	33.6%
Information	332	153	46.1%
Finance & Insurance	891	412	46.2%
Real Estate	323	129	39.9%
Professional & Tech. Services	916	368	40.2%
Administrative & Waste Services	1,350	399	29.6%
Educational Services	664	289	43.5%
Health Care & Social Assistance	1,605	687	42.8%
Arts, Entertainment & Recreation	266	54	20.3%
Accommodation & Food Services	1,084	352	32.5%
Other Services	595	193	32.4%
Public Administration	144	70	48.6%

**Consumer Price Index for
All Urban Consumers** % Change

	Oct 09	Sept 09	Oct 08	Prev. Year
All Items	216.2	216.0	216.6	-0.2%

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

2010 Annual Refiling Survey Notice

Every year, the Labor Market Information (LMI) unit conducts an Annual Refiling Survey (ARS) of Rhode Island businesses. Approximately one-third of all RI businesses are surveyed each year. The purpose of the survey is to review and update previously assigned North American Industry Classification System (NAICS) codes and to collect and verify the Rhode Island physical location(s) of the business.

NAICS is an industry classification system that groups establishments into industries based on the activities in which they are primarily engaged. The NAICS code is assigned to all businesses, public or private. The NAICS code acts as a statistical tool to measure the economic health of industries both local and statewide. NAICS makes it possible to determine current employment wage trends and economic forecasts by industry. The NAICS code helps determine statistically how industries are growing or shrinking and how occupations within industries are emerging or declining. The LMI unit is about to conduct the first mailing for the 2010 ARS. If you receive an Industry Verification Form, (BLS3023), we are asking that you complete this form and return it to the LMI unit. You can also respond by telephone using the Touchtone Response System (TRS). If your company is TRS eligible, simply follow the instructions on the back of the cover letter.

For those not eligible for TRS, a postage paid envelope is provided for a mailed return. A high response rate is essential for accurate statistical data. Once this year's survey is completed, you should not have to participate again until the 2013 survey. If you have any questions regarding this survey, please contact the LMI unit at (401) 462-8760. Thank you for your assistance!

City & Town Unadjusted Unemployment Rates for October

	2009	2008		2009	2008
Barrington	9.7	6.3	Newport	9.5	6.5
Bristol	11.2	8.1	North Kingstown	9.6	7.4
Burrillville	12.2	8.2	North Providence	12.5	8.4
Central Falls	15.0	12.2	North Smithfield	11.7	7.4
Charlestown	12.1	7.7	Pawtucket	14.5	10.8
Coventry	11.8	8.1	Portsmouth	9.2	6.4
Cranston	12.5	8.6	Providence	14.5	10.2
Cumberland	11.3	7.7	Richmond	8.2	5.1
East Greenwich	12.6	8.9	Scituate	12.7	7.4
East Providence	13.1	9.5	Smithfield	12.0	7.5
Exeter	11.1	7.2	South Kingstown	8.8	6.9
Foster	12.6	7.4	Tiverton	11.7	8.2
Glocester	9.3	6.2	Warren	13.0	8.3
Hopkinton	9.8	7.7	Warwick	11.5	7.9
Jamestown	9.4	5.9	West Greenwich	10.8	7.0
Johnston	13.0	9.1	West Warwick	12.7	8.8
Lincoln	11.4	7.7	Westerly	9.8	6.9
Little Compton	9.0	5.6	Woonsocket	14.9	9.9
Middletown	11.4	6.9			
Narragansett	7.3	5.7	State of R.I.	12.2	8.5
New Shoreham	9.0	6.5	United States	9.5	6.1

Unemployment Insurance Claims Activity

	Oct.	Sept.	Oct.	% Change		Year to Date		
	2009	2009	2008	Sept. 09	Oct. 08	2009	2008	% Change
Regular Claims								
Initial Claims	6,909	6,605	6,151	4.6%	12.3%	98,078	75,313	30.2%
Number of Payments	62,270	71,272	49,792	-12.6%	25.1%	965,491	636,775	51.6%
Amount of Payments (gross millions)	\$23.5	\$26.6	\$18.2	-11.7%	29.1%	\$357.4	\$227.5	57.1%
Exhaustions (Final Payments)	2,611	2,687	1,640	-2.8%	59.2%	29,247	16,643	75.7%
Emergency Unemployment Compensation						2009	Since Program Began	
Initial Claims	4,248	4,245	1,841	0.1%	130.7%	34,605	52,757	
Number of Payments	55,008	54,390	17,926	1.1%	206.9%	495,377	656,269	
Amount of Payments (gross millions)	\$20.5	\$20.2	\$6.3	1.5%	225.4%	\$178.2	\$234.4	
Exhaustions (Final Payments)	1,189	1,100	n/a	8.1%	n/a	11,482	11,482	
Extended Benefits						2009	Since Program Began	
Initial Claims	989	939	1,854	5.3%	-46.7%	6,827	10,270	
Number of Payments	12,357	12,398	6,273	-0.3%	97.0%	89,339	106,603	
Amount of Payments (gross millions)	\$4.3	\$4.4	\$2.2	-2.3%	95.5%	\$31.3	\$37.4	
Exhaustions (Final Payments)	659	702	n/a	-6.1%	n/a	4,034	4,034	

R.I. DEPARTMENT OF LABOR AND TRAINING
2010 UI AND TDI QUICK REFERENCE
(Effective January 1, 2010)

	UNEMPLOYMENT INSURANCE	TEMPORARY DISABILITY INSURANCE
TAXABLE WAGE BASE	\$19,000	\$57,900
TAX SCHEDULES/TAX RATES Employment Security Job Development Assessment (JDA)	Schedule I: 1.90% to 10.0% 1.69% to 9.79% 0.21%	1.2% Deducted from Employee's Wages
NEW EMPLOYER RATE	2.30% (+0.21%JDA)	NONE (Employee Tax)
EMPLOYEE WAGE DEDUCTION	NONE (employer payroll tax)	1.2% of first \$57,900 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 2008 average weekly wage of \$815.98	\$546 per week	\$694 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	\$682 per week	\$936 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