



# Employment Labor Market Information Bulletin

Volume 13, No. 10

October 2001

## Rhode Island's Unemployment Rate Declines to 3.9 Percent in September

### The Unemployment Rate

Rhode Island's seasonally adjusted unemployment rate declined for the second straight month. The September unemployment figure of 3.9 percent was down 0.6 of a percentage point from August's estimate of 4.5 percent. The unemployment rate was below the 4.0 percent mark for the first time since February. A year ago September, the unemployment rate stood at 3.9 percent. The number of employed Rhode Island residents increased by 6,000 over the month, while the number of unemployed fell by 3,300. Nationally, the unemployment rate for September was unchanged at 4.9 percent. Rhode Island's unemployment rate remained below the national average for the second consecutive month.

"While the drop in the unemployment rate is a positive sign for the Rhode Island economy, the labor force estimates do not yet reflect any local impact of the tragic events of September 11<sup>th</sup>," said DLT Director Dr. Lee H. Arnold. "The indirect effects of these events on businesses and workers in our local economy are not expected until the data for October become available next month."

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

In September, 483,100 workers were employed in Rhode Island, an increase of 1,900 jobs over the year. Several industry divisions reported annual employment gains with the largest occurring in Services and Contract Construction.

Nearly all industry components in the Services sector experienced annual growth with the largest gain noted in Health Services. Employment in Health Services was up by 700 over the year, accounting for one-third of the increase reported in the Services sector. Contract Construction payrolls were up 1,600 due mainly to increased employment among Special Trade Contractors (+1,300). The Trade sector reported an increase of 900 jobs, the smallest over-the-year gain reported since 1996. Wholesale-Nondurable Goods (+300) and Furniture and Fixtures (+300) reported the largest gains, overshadowing losses in Wholesale-Durable Goods (-400), Automotive Dealers (-100) and Apparel and Accessory Stores (-100). Government employment increased by 300 due to gains in Municipal Government (+500). Transportation & Public Utilities employment was up by 100 over the year while Finance, Insurance & Real Estate remained even. The Manufacturing sector posted an annual decline of 3,000 jobs. Nearly all industry segments reported annual losses with the largest factory cutbacks occurring in Instruments (-600), Fabricated Metals (-500), Jewelry/Silverware (-400), Nonelectrical Machinery (-400) and Printing and Publishing (-400). (Continued on Page 4)

## 2002 Taxable Wage Bases and Contribution Rates For UI & TDI

The wage base on which UI taxes will be paid during the tax year, beginning January 1, 2002, 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, 2001, there was \$294.3 million in reserve to pay benefits. According to UI Law if reserves exceed \$225 million on September 30<sup>th</sup>, 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 2002 tax rates in December.

The UI tax rate for new employers, those with less than three years of UI experience, will be 1.62 percent for calendar year 2002. The new employer rate is based on the State's five-year benefit cost rate for new employers which is determined by dividing the total amount of benefits charged to new employer accounts by the total taxable payroll for new employers over the last five experience years (years ending September 30). This rate does not include the 0.21 percent Job Development Assessment or the .03 percent Reemployment Fund assessment. In 2001, the new employer rate was 1.79%.

The TDI taxable wage base will be \$44,000 in 2002, an increase of \$2,000 over the 2001 wage base of \$42,000. The TDI Wage Base is equal to the annual earnings needed by an individual to qualify for the maximum weekly benefit rate of \$527 for the maximum duration of thirty weeks. The employee contribution rate will increase to 1.5 percent in 2002, up from 1.4 percent in 2001, reflecting an 8.9% increase in benefit payments over the prior year.

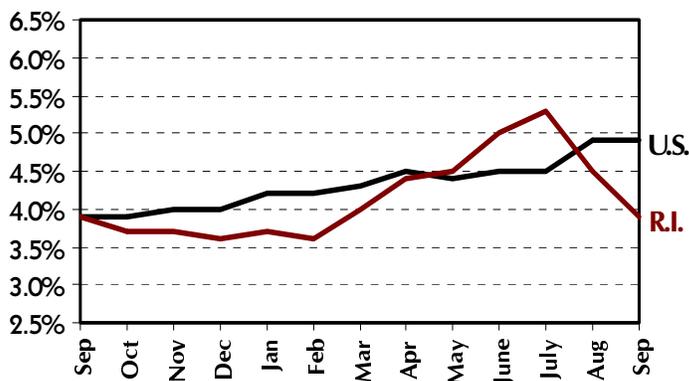
## Rhode Island Labor Force Statistics (in thousands)

	Unadjusted			Seasonally Adjusted		
	Sept 01*	Aug 01*	Sept 00	Sept 01*	Aug 01*	Sept 00
Civilian Labor Force	507.9	509.9	506.0	505.9	503.0	503.4
Resident Employment	487.8	487.0	485.9	486.3	480.3	483.9
Unemployment	20.1	22.9	20.1	19.5	22.8	19.5
Unemployment Rate	4.0%	4.5%	4.0%	3.9%	4.5%	3.9%

## United States Labor Force Statistics (in thousands)

	Unadjusted			Seasonally Adjusted		
	Sept 01*	Aug 01*	Sept 00	Sept 01*	Aug 01*	Sept 00
Civilian Labor Force	141,576	141,862	140,357	142,190	141,350	140,847
Resident Employment	134,868	134,905	135,033	135,181	134,393	135,310
Unemployment	6,708	6,956	5,324	7,009	6,957	5,537
Unemployment Rate	4.7%	4.9%	3.8%	4.9%	4.9%	3.9%

## Rhode Island & United States Unemployment Rates Seasonally Adjusted 2000 - 2001



## City & Town Unadjusted Unemployment Rates

	Sept 01*	Sept 00
Barrington	2.6	2.7
Bristol	2.4	3.1
Burrillville	3.5	3.2
Central Falls	7.6	6.1
Charlestown	3.6	3.7
Coventry	3.6	4.0
Cranston	3.7	4.2
Cumberland	4.0	2.9
East Greenwich	3.7	3.5
East Providence	4.3	4.4
Exeter	3.0	3.1
Foster	5.2	3.7
Glocester	2.6	2.7
Hopkinton	2.2	1.7
Jamestown	2.8	3.5
Johnston	3.9	4.3
Lincoln	3.8	3.6
Little Compton	1.7	1.8
Middletown	3.0	2.9
Narragansett	1.7	1.8
New Shoreham	1.2	2.5
Newport	2.3	3.2
North Kingstown	3.1	3.2
North Providence	3.6	4.0
North Smithfield	3.1	2.9
Pawtucket	5.4	4.7
Portsmouth	2.3	3.0
Providence	5.8	5.7
Richmond	1.3	1.8
Scituate	3.9	4.0
Smithfield	3.2	3.5
South Kingstown	2.5	2.7
Tiverton	3.1	3.2
Warren	3.4	3.6
Warwick	3.5	3.9
West Greenwich	3.6	3.6
West Warwick	4.0	4.6
Westerly	2.6	2.7
Woonsocket	5.8	4.3
State of R.I.	4.0	4.0

## Unemployment Insurance Claims Activity

	Sept	Aug	Sept	% Change		Year to Date		
	2001	2001	2000	Aug 01	Sept 00	2001	2000	% Change
Initial Claims	4,977	5,543	4,007	-10.2%	24.2%	68,311	61,717	10.7%
Number of Payments	42,106	54,754	31,597	-23.1%	33.3%	483,808	434,080	11.5%
Amount of Payments (gross millions)	\$12.2	\$14.9	\$7.6	-18.2%	59.9%	\$134.6	\$105.0	28.2%
Exhaustions (Final Payments)	1,031	1,121	883	-8.0%	16.8%	9,699	9,676	0.2%
E.S. Fund Balance (millions)	\$294.3	\$301.3	\$293.4	-2.3%	0.3%			

\*Based on expanded household survey sample.

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](http://www.dlt.state.ri.us/lmi)

Now Available  
on the LMI Web Site!

*Trends in the Rhode Island Labor Market* is now on the LMI web site. This publication contains data about Rhode Island's population, labor force, establishment employment, employment by size class, occupational wages, industry projections, occupational projections, and expanding industries.

The *Employer Handbook* explains the rights and responsibilities of employers whose workers are protected by the RI Employment Security, Temporary Disability Insurance, and Workers' Compensation Act. Contained within the *Employer Handbook* is the *Digest of Labor Laws*, which provides information on the State's Labor Laws and the Workers' Compensation Insurance program.

These publications can be downloaded from the LMI Products section on the LMI web site at:

[www.dlt.state.ri.us/lmi](http://www.dlt.state.ri.us/lmi)

Total Establishment Employment in Rhode Island\*\*

	Employment (in thousands)			Net Change From	
	Sept 01	Aug 01	Sept 00	Aug 01	Sept 00
TOTAL EMPLOYMENT	483.1	478.8	481.2	4300	1900
GOODS PRODUCING	92.0	91.9	93.4	100	-1400
Contract Construction	21.6	21.5	20.0	100	1600
Manufacturing	70.4	70.4	73.4	-----	-3000
SERVICE PRODUCING	391.1	386.9	387.8	4200	3300
Trans. & Public Utilities	17.4	16.9	17.3	500	100
Trade (Wholesale & Retail)	111.6	112.9	110.7	-1300	900
Wholesale	21.0	20.9	20.9	100	100
Durables♦	12.9	12.8	13.3	100	-400
Nondurables♦	8.0	8.1	7.7	-100	300
Retail	90.6	92.0	89.8	-1400	800
Building & Garden Supplies♦	2.5	2.4	2.3	100	200
General Merchandise	7.5	7.5	7.3	-----	200
Food Stores♦	16.2	16.6	16.1	-400	100
Automotive Dealers	7.5	7.6	7.6	-100	-100
Apparel & Accessory Stores	4.5	4.7	4.6	-200	-100
Furn., Home Furn., & Equipt.♦	3.1	3.2	2.8	-100	300
Eating and Drinking Places	32.9	34.1	32.9	-1200	-----
Miscellaneous Retail	16.3	15.9	16.2	400	100
Finance, Insurance & Real Estate	31.3	31.4	31.3	-100	-----
Depository Institutions	9.3	9.3	9.3	-----	-----
Services	167.0	165.7	165.0	1300	2000
Hotels & Other Lodging♦	5.0	5.3	5.0	-300	-----
Business Services	29.6	29.3	29.5	300	100
Auto & Misc. Repair♦	5.5	5.5	5.5	-----	-----
Amusement & Recreation	6.4	7.1	6.3	-700	100
Health Services	52.8	52.8	52.1	-----	700
Educational Services	17.1	14.8	16.8	2300	300
Social Services	16.0	15.7	15.7	300	300
Government	63.8	60.0	63.5	3800	300
Federal	10.4	10.4	10.5	-----	-100
State	17.4	17.7	17.4	-300	-----
Local	36.0	31.9	35.6	4100	400
Education♦	23.0	17.8	23.0	5200	-----
Non Education♦	13.0	14.0	12.5	-1000	500

♦ 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		
	Sept 01	Aug 01	Sept 00	Aug 01	Sept 00	Sept 01	Aug 01	Sept 00	Sept 01	Aug 01	Sept 00
MANUFACTURING	70.4	70.4	73.4	-----	-3000	40.2	40.0	40.8	12.19	12.15	12.18
DURABLE MFG.	46.2	46.2	48.5	-----	-2300	40.1	39.8	40.6	12.04	11.99	11.94
Lumber/Furniture	2.7	2.7	2.9	-----	-200	41.2	41.1	41.1	11.81	11.81	12.09
Stone-Clay-Glass	0.8	0.8	1.0	-----	-200	40.6	40.6	40.7	13.90	13.91	13.81
Primary Metals	3.8	3.8	4.0	-----	-200	41.6	40.4	40.4	13.45	12.84	12.72
Fabricated Metals	8.2	8.1	8.7	100	-500	38.5	38.8	40.9	11.37	11.37	11.43
Nonelectrical Mach.	4.0	4.1	4.4	-100	-400	39.7	38.5	41.2	13.63	13.61	13.61
Electrical Mach.	5.8	5.8	5.8	-----	-----	39.1	40.2	39.6	11.54	11.52	11.45
Trans. Equipment	3.6	3.6	3.3	-----	300	41.1	41.7	41.1	14.40	14.42	14.39
Instruments	5.1	5.3	5.7	-200	-600	40.0	39.8	40.5	12.67	12.67	12.58
Jewelry-Silverware	9.3	9.0	9.7	300	-400	40.5	39.6	40.5	10.57	10.57	10.47
Miscellaneous Mfg.	2.9	3.0	3.0	-100	-100	41.4	39.3	39.7	11.63	11.62	11.44
NONDURABLE MFG.	24.2	24.2	24.9	-----	-700	40.4	40.5	41.2	12.47	12.46	12.64
Food Beverage	2.8	2.9	2.7	-100	100	40.7	41.7	42.2	11.45	11.47	11.48
Textiles	6.2	6.1	6.4	100	-200	40.8	41.0	40.9	10.87	10.89	10.86
Apparel	0.8	0.8	0.9	-----	-100	41.0	38.8	38.5	9.35	9.29	9.34
Paper Products	1.9	2.0	2.0	-100	-100	41.5	38.5	39.3	12.19	12.05	12.05
Printing-Publishing	4.9	4.9	5.3	-----	-400	38.4	38.6	41.0	16.58	16.56	16.70
Chemical Products	2.3	2.3	2.2	-----	100	40.5	41.4	42.5	14.01	14.04	13.97
Rubber Products	0.4	0.5	0.5	-100	-100	39.4	38.5	42.5	13.05	12.98	13.04
Plastics Products	4.5	4.3	4.4	200	100	40.9	41.8	42.2	13.42	13.39	13.42
Leather Products	0.4	0.4	0.5	-----	-100	38.5	38.9	40.5	8.35	8.35	8.33

\*\*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.

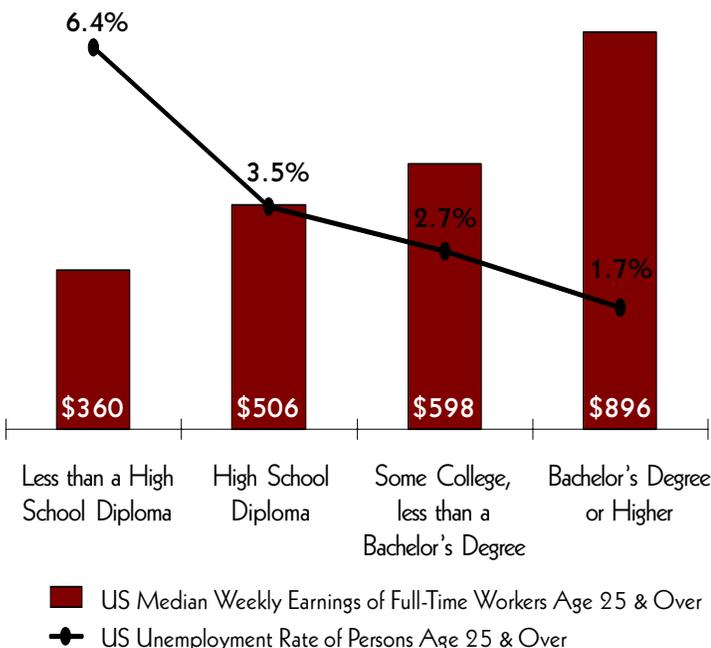
## More Education: Higher Earnings, Lower Unemployment

Today's job market places a much higher premium on education and technical training than was the case years ago when skills were learned on the job. The transition from a strong manufacturing based economy to a service based economy has had a powerful effect on the benefits derived from gaining additional years of schooling. Higher education has almost become a requirement to increase the chances for better employment opportunities. Since workers are increasingly classified into occupations based on their formal schooling backgrounds, educational attainment has become an important determinant of earnings. New data from the US Department of Labor reiterate this story – the more you learn, the more you earn and the less chance you will be unemployed.

As the table below shows, relatively low levels of education do not bode well for long term employment and higher earnings experiences. Opportunities for employment, job advancement, and higher earnings increase for those with additional years of schooling. Education pays, in part, because employers believe educated workers learn tasks more easily and are better organized. The data provided in the table are averages; it should be noted that variations occur at all education levels. The main reason for the variation in earnings is the different occupations people enter as a result of their education.

Based on 2000 data, approximately 81 percent of Rhode Islanders 25 years and over graduated from high school. This compares to 72 percent in 1990. In 2000, 26 percent of the 25+ population held a bachelor's degree or higher compared to 21.3 percent in 1990.

**US Unemployment Rate and Median Weekly Earnings  
Based on Educational Attainment - 2000**



## Consumer Price Index for All Urban Consumers

	Sept 01	Aug 01	Sept 00	% Change Prev. Year
All Items	178.3	177.5	173.7	2.6%

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

## Rhode Island's Unemployment Rate Declines to 3.9 Percent in September (Continued from Page 1)

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

The number of jobs in Rhode Island rose by 4,300 over the month, due to the start of the school year. The September job total normally reflects the return of school personnel following the summer vacation period.

**Government** – Government payrolls increased by 3,800 as public school workers returned to their jobs after the summer break. The local government segment added 4,100 jobs over the month due to a 5,200 increase in education employment.

**Services** – Services employment rose by 1,300 over the month reaching an all-time September high of 167,000 jobs. A large increase in private education employment (+2,300) more than offset seasonal declines in Amusement & Recreation (-700) and Hotels & Other Lodging (-300).

**Transportation, Communication and Public Utilities** – Employment increased by 500 jobs over the month due, in part, to the return of school bus drivers.

**Manufacturing** – Manufacturing employment remained even over the month as minor gains and losses were reported in a number of industry segments. Employment in this sector typically increases from August to September, averaging a monthly gain of 800 jobs over the last ten years.

**Trade** – Employment in Trade was down 1,300 over the month mainly due to a seasonal loss of 1,200 jobs in Restaurant employment. Miscellaneous Retail Stores (+400), Building and Garden Supplies (+100) and Wholesale Trade-Durables (+100) were the only industry segments reporting monthly employment gains.