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Employment Bulletin

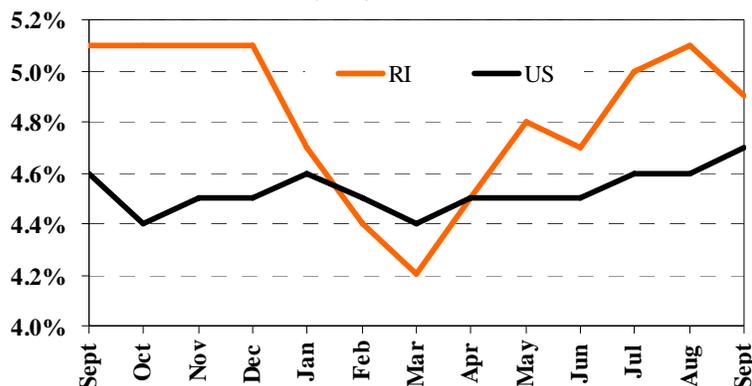
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October 2007

Rhode Island's Unemployment Rate Declines in September

- ◆ Rhode Island's seasonally adjusted unemployment rate fell 0.2 of a percentage point over the month to 4.9 percent in September, reversing a two-month increase.
- ◆ Compared to last September, the seasonally adjusted jobless rate is down 0.2 of a percentage point.
- ◆ Rhode Island's unemployment rate is 0.2 of a percentage point above the national average, which inched up 0.1 of a percentage point to 4.7 percent in September.
- ◆ The number of unemployed Rhode Island residents in September stood at 28,500, reflecting a drop of 300 from the August level of 28,800 and a decline of 1,200 from last year's level of 29,700.
- ◆ The number of employed Rhode Islanders climbed by 9,900 over the month to 552,000 in September 2007 and was up 2,700 from September 2006.

RI & US Unemployment Rates
Seasonally Adjusted 2006-2007



Seasonally Adjusted Labor Force Statistics
(in thousands)

	Rhode Island			United States		
	Sep 07	Aug 07	Sep 06	Sep 07	Aug 07	Sep 06
Civilian Labor Force	580.6	571.0	579.0	153,464	152,891	151,818
Resident Employment	552.0	542.1	549.3	146,257	145,794	144,906
Unemployment	28.5	28.8	29.7	7,207	7,097	6,912
Unemployment Rate	4.9%	5.1%	5.1%	4.7%	4.6%	4.6%

Employers, Consider Hiring a Veteran

In November, we celebrate Veterans' Day, which honors veterans for their service to our country. On Tuesday, November 13, 2007, the Providence netWORKri Career Center at One Reservoir Avenue and on Thursday, November 15, 2007, the Pawtucket netWORKri Career Center at 175 Main Street will host Veterans' Job Fairs.

If you would like to place a job order and take advantage of the experience and talent of our veteran population, please call 1-888-616-5627. Indicate your preference to hire a vet. Rhode Island employers are urged to hire vets who have training, a good work ethic, and an array of skills to add value to your business.



Questions relating to the Providence job fair may be directed to 401-462-8912.

Questions relating to the Pawtucket job fair may be directed to 401-722-3100, ext. 141.

Rhode Island Employment Trends and Workforce Issues, 2007

This report provides an overview of the current employment situation in Rhode Island, the progress made in creating good paying jobs, the condition of our labor force and unemployment levels, our expected future job growth and the effect that population trends and demographic changes may have on Rhode Island's ability to meet the new job demands. Visit the Labor Market Information web site at www.dlt.ri.gov/lmi/publications/trends.htm

Sign up to receive news releases and LMI announcements by email through **LMI Stat Track**. Call LMI at 401-462-8740 or email lmi@dlt.ri.gov

Job Count Continues to Grow

The total number of seasonally adjusted, non-farm jobs in the state reached 499,800 in September, up 300 jobs from the previous month's revised job count of 499,500. Ocean State employment has grown by 3,900 jobs since the beginning of the year.

"This represents the eighth consecutive month of job growth in Rhode Island," said Adelita Orefice, director of the RI Department of Labor and Training.

From August to September of this year, the largest employment gains were reported in the Accommodation & Food Services (+500), Other Services (+400), and Health Care & Social Assistance (+300) sectors. Smaller gains were noted in the Arts, Entertainment & Recreation (+200) and in the Retail Trade (+100) sectors.

This month's gains were partially offset by job losses of 300 each in the Professional & Business Services, Educational Services, and Government sectors, along with a loss of 100 each in the Manufacturing, Wholesale Trade, and Information sectors.

From September 2006 to September 2007, Rhode Island jobs grew 4,300, a 0.9 percent increase. The largest annual employment gains occurred in the Professional & Business Services (+1,800); Health Care & Social Assistance (+1,300); Construction (+1,100); and Arts, Entertainment & Recreation (+900) sectors. Manufacturing employment experienced the largest over-the-year loss (-1,400), followed by declines in Government (-700) and Wholesale Trade (-400).

Establishment Employment in Rhode Island Seasonally Adjusted

	Employment (in thousands)		Net Change
	Sep-07	Aug-07	
	499.8	499.5	
Total Nonfarm			
Natural Resources & Mining	0.3	0.3	0.0
Construction	24.2	24.2	0.0
Manufacturing	51.0	51.1	-0.1
Wholesale Trade*	16.6	16.7	-0.1
Retail Trade	52.0	51.9	0.1
Transportation & Utilities	11.3	11.3	0.0
Information	11.0	11.1	-0.1
Financial Activities	36.0	36.0	0.0
Professional & Business Services	58.8	59.1	-0.3
Educational Services	23.0	23.3	-0.3
Health Care & Social Assistance	76.1	75.8	0.3
Arts, Entertainment & Recreation	8.7	8.5	0.2
Accommodation & Food Services	43.1	42.6	0.5
Other Services	23.5	23.1	0.4
Government	64.2	64.5	-0.3

* State Calculated Estimate

Hours and Earnings

In September 2007, production workers in the Manufacturing sector earned \$13.95 per hour. The average hourly production wage was up one cent from August and up 50 cents per hour from a year ago. Manufacturing employees worked an average of 39.5 hours per week in September, unchanged over the month and up 0.3 of an hour since September 2006.

Manufacturing Employment in Rhode Island Not Seasonally Adjusted

	Employment					Production Worker Averages					
	(in thousands)			Net Change From		Weekly Hours			Hourly Earnings		
	Sep 07	Aug 07	Sep 06	Aug 07	Sep 06	Sep 07	Aug 07	Sep 06	Sep 07	Aug 07	Sep 06
Manufacturing	51.4	51.2	52.9	200	-1500	39.5	39.5	39.2	\$13.95	\$13.94	\$13.45
Durable Goods	33.6	33.4	34.4	200	-800	38.2	38.7	37.8	\$13.94	\$13.93	\$13.45
Fabricated Metal Product Mfg.	7.0	7.0	7.4	0	-400	41.0	40.4	39.6	\$12.87	\$12.71	\$12.01
Computer & Electronic Product Mfg.	4.8	4.9	4.7	-100	100	36.1	35.2	38.1	\$14.67	\$14.42	\$14.68
Miscellaneous Manufacturing	9.3	9.1	10.0	200	-700	35.5	35.8	37.2	\$11.92	\$11.89	\$11.28
Jewelry & Silverware	6.7	6.6	7.0	100	-300	37.8	37.4	40.1	\$10.60	\$10.59	\$10.42
Non-Durable Goods	17.8	17.8	18.5	0	-700	41.7	41.0	41.6	\$13.96	\$13.95	\$13.44
Chemical Manufacturing	4.1	4.2	4.6	-100	-500	40.8	40.9	40.1	\$16.31	\$16.49	\$15.47
Plastics & Rubber Products Mfg.	2.7	2.7	2.8	0	-100	44.9	43.3	42.2	\$14.42	\$14.39	\$14.48

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.



Retail Trade

The Retail Trade sector includes establishments that are organized to sell merchandise in small quantities to the general public. The sector includes two types of retailers: store, those who operate from a physical location designed to attract a high volume of walk-in customers and nonstore, those who market their merchandise through infomercials, catalogs (paper and electronic), door to door sales, in-home demonstrations and vending machines.

In 2006, the 4,000 retail establishments in Rhode Island employed an average of 51,753 workers and paid wages in excess of \$1.3 billion. Wages averaged \$25,245 in 2006, about a third less than the private sector average of \$38,732.

Slightly slower than average growth is projected for this sector during the 2004 to 2014 projection period with employment expected to reach 58,000 by 2014. It is estimated that employers will seek to fill an average of 2,225 job openings each year, three-quarters of

Employment in Retail Trade

	Number of Units	Average Employment	Average Annual Wage
Total	4,036	51,753	\$25,245
Motor vehicle and parts dealers	464	6,199	\$38,048
Furniture and home furnishings stores	213	1,688	\$28,675
Electronics and appliance stores	182	1,307	\$32,511
Building material and garden supply stores	244	4,148	\$31,097
Food and beverage stores	683	8,539	\$19,273
Health and personal care stores	295	5,660	\$31,858
Gasoline stations	311	1,916	\$19,618
Clothing and clothing accessories stores	515	5,659	\$17,397
Sporting goods, hobby, book and music stores	253	1,922	\$16,874
General merchandise stores	164	9,869	\$20,895
Miscellaneous store retailers	494	2,840	\$19,771
Nonstore retailers	223	2,007	\$37,389

which are due to employee turnover. In addition, employment generally increases during the fall months as retailers prepare for the holiday season.

More than half the workers in Retail Trade are employed as Retail Sales Clerks, Cashiers and Stock Clerks. These occupations have high turnover rates, which are reflected in low wages and short training periods. However, these occupations are good starting places for new entrants to the labor force and also offer opportunities for part-time employment.

Characteristics of the Insured Unemployed

In September 2007, 42 percent of Rhode Island's unemployed workers were eligible to collect Unemployment Insurance (UI) benefits. Numbering 10,555 people, these "insured unemployed" accounted for 1.9 percent of the state's total employed (unadjusted). More than 29 percent (3,084) 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, 15.8 percent (1,669) of the State's insured unemployed workers came from the Manufacturing sector. There were also 1,263 individuals with an attachment to the Retail Trade sector, accounting for 12 percent of all insured unemployed workers. An additional 11 percent (1,156) of those collecting UI benefits in September had worked in the Construction sector. Large numbers of insured unemployed were also reported in Health Care & Social Assistance (1,025), Finance & Insurance (980) and Administrative & Waste Services (805). For more information, go to www.dlt.ri.gov/lmi/uiadmin/characteristics.htm.

Characteristics of the Insured Unemployed, September 2007

	<i>Total</i>	<i>Long-Term</i>	<i>Percent Long-Term</i>
Total	10,555	3,084	29.2%
Male	5,463	1,629	29.8%
Female	5,092	1,455	28.6%
Selected Industries	10,555	3,084	29.2%
Construction	1,156	215	18.6%
Manufacturing	1,669	590	35.4%
Wholesale Trade	436	149	34.2%
Retail Trade	1,263	375	29.7%
Transportation & Warehousing	258	70	27.1%
Information	166	54	32.5%
Finance & Insurance	980	288	29.4%
Real Estate	218	74	33.9%
Professional & Tech. Services	554	183	33.0%
Administrative & Waste Services	805	210	26.1%
Educational Services	419	58	13.8%
Health Care & Social Assistance	1,025	338	33.0%
Arts, Entertainment & Recreation	158	38	24.1%
Accommodation & Food Services	586	195	33.3%
Other Services	347	109	31.4%
Public Administration	97	24	24.7%

**Consumer Price Index for
All Urban Consumers**

	Sept 07	Aug 07	Sept 06	% Change Prev. Year
All Items	208.5	207.9	202.9	2.8%

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

Resources for Ocean State Employers

The Rhode Island Department of Labor and Training's latest seminar, *Resources for Ocean State Employers*, brings a variety of state agencies together to discuss employer grant monies, tax credits and innovative personnel management to benefit your bottom line. Part of the ongoing Employer Education Series, *Resources for Ocean State Employers* is scheduled for Tuesday, Dec. 11 at 8:30 a.m. at the RIDLT offices at 1511 Pontiac Ave., Cranston. Pre-registration is required and can be completed online at www.dlt.ri.gov/EmployerSeminars.htm.

Examples of financial assistance available to RI employers include Workforce Expansion Grants, offered by the Governor's Workforce Board RI, in which 10 or more new hires may qualify for training grants of up to \$5,000 per new employee. Also available through the Governor's Workforce Board are Comprehensive Workforce Training Grants, through which companies can apply for up to \$50,000 in matching funds to increase the skill base of incumbent workers.

The RI Dept. of Labor and Training administers a Work Opportunity Tax Credit, which provides financial incentive for employers to hire from specific groups: welfare recipients, youth and ex-felons. An employer can earn a federal income tax credit of \$1,500 to \$9,000 for new employees, while Summer youth hires can qualify for a \$1,200 credit.

As part of the seminar, a RI Economic Development Corporation representative will explain how Enterprise Zone Business Tax Credits can offer eligible employers up to \$5,000 per employee or a \$50,000 reduction of the federal adjusted gross. Rhode Island has designated enterprise zones in Cranston, Central Falls/Lincoln, East Providence, Pawtucket/Lincoln, Providence, Portsmouth/Tiverton, Warren/Bristol, West Warwick and Woonsocket/Cumberland.

Through *Resources*, participants learn how the DLT Employer Service Unit works with individual companies to recommend tax credits, grants and training programs. In addition, Employer Service Representatives can help businesses institute cost-sharing programs that could avert layoffs.

Lastly, the seminar explores valuable occupation and wage data available at no charge through the RI Dept. of Labor and Training Labor Market Information Unit. LMI tracks economic indicators that may help employers set competitive wages, plan business expansion and site location or design marketing strategies.

**City & Town
Unadjusted Unemployment Rates for September**

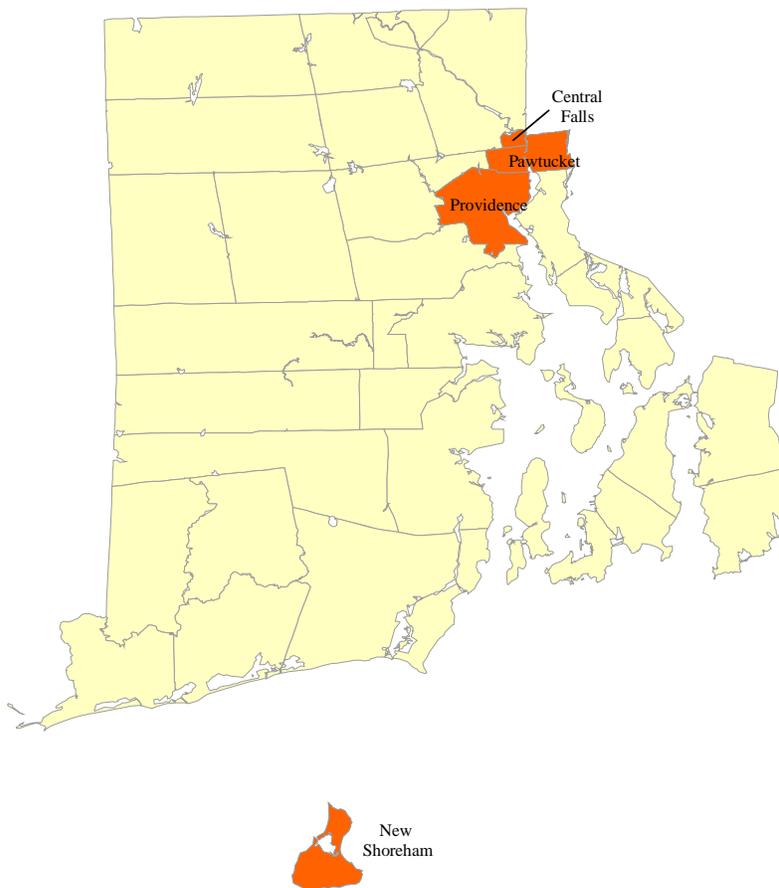
	2007	2006		2007	2006
Barrington	3.4	3.4	Newport	3.4	3.8
Bristol	3.7	4.1	North Kingstown	3.6	3.5
Burrillville	3.7	4.1	North Providence	4.9	4.6
Central Falls	5.8	6.2	North Smithfield	3.7	4.1
Charlestown	3.7	4.0	Pawtucket	5.1	5.5
Coventry	3.8	3.9	Portsmouth	3.1	3.6
Cranston	4.9	4.6	Providence	5.7	5.7
Cumberland	3.9	3.9	Richmond	2.5	2.7
East Greenwich	4.3	4.6	Scituate	3.9	4.1
East Providence	4.6	4.5	Smithfield	3.9	4.3
Exeter	3.2	3.7	South Kingstown	3.4	3.9
Foster	4.4	3.9	Tiverton	4.0	4.2
Glocester	3.4	3.4	Warren	4.0	4.5
Hopkinton	3.6	4.0	Warwick	4.3	4.3
Jamestown	2.7	3.1	West Greenwich	4.1	3.6
Johnston	4.9	4.9	West Warwick	4.7	4.6
Lincoln	3.9	3.8	Westerly	3.4	3.7
Little Compton	3.1	3.6	Woonsocket	4.9	4.8
Middletown	3.1	3.5			
Narragansett	2.9	3.2	State of R.I.	4.4	4.5
New Shoreham	2.1	2.2	United States	4.5	4.4

Unemployment Insurance Claims Activity

	Sept 2007	Aug 2007	Sept 2006	% Change Aug 07 Sept 06	Year to Date		
					2007	2006	% Change
Initial Claims	4,430	5,174	4,306	-14.4%	59,844	56,017	6.8%
Number of Payments	40,707	52,727	35,365	-22.8%	498,627	462,314	7.9%
Amount of Payments (gross millions)	\$14.4	\$17.8	\$11.8	-19.1%	\$172.5	\$153.0	12.7%
Exhaustions (Final Payments)	1,032	1,148	905	-10.1%	11,247	10,713	5.0%

Labor Surplus Areas for Rhode Island

October 1, 2007 - September 30, 2008



Effective October 1, 2007, 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

Pawtucket

New Shoreham*

Providence

This list will remain in effect until September 30, 2008. 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 2005-December 2006) which was at least 20 percent above the national average unemployment rate for the same two-year reference period. The national average unemployment rate during this period (including data for Puerto Rico) was 4.9 percent. After applying the 1.20 ratio, the unemployment rate for qualifying an area as having a surplus of labor for fiscal year 2008 is 6.0 percent. Therefore, areas are included on the current annual labor surplus area list because their average unemployment rate during the reference period was 6.0 percent or above.

*The inclusion of the town of New Shoreham on the labor surplus area list is primarily due to the seasonal nature of the island community. The unemployment rate for New Shoreham can fall below 2.0 percent during the summer months but may rise to a double-digit level during the winter months. As a result of this seasonal variation in the monthly unemployment rates, New Shoreham met the criterion for classification as a labor surplus area.