



Donald L. Carcieri
Governor
Adelita S. Orefice
Director

Employment Bulletin

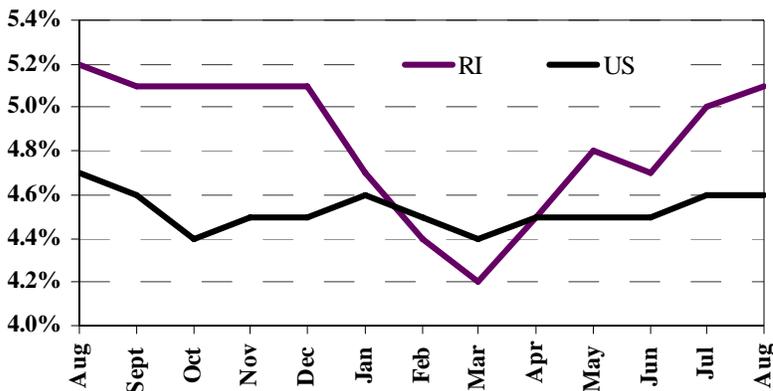
Rhode Island
Department of
Labor & Training
1511 Pontiac Ave.
Cranston, RI 02920
401-462-8740
www.dlt.ri.gov/lmi

September 2007

Unemployment Rate Shows Little Change

- ◆ Rhode Island's seasonally adjusted unemployment rate crept up 0.1 of a percentage point from 5.0 percent in July to 5.1 percent in August.
- ◆ Compared to last August, the unemployment rate is down 0.1 of a percentage point.
- ◆ Rhode Island's unemployment rate is 0.5 of a percentage above the national jobless rate, which held steady at 4.6 percent last month.
- ◆ The number of unemployed RI residents in August stood at 28,800, down 100 from July's level of 28,900 and 900 from last year's level of 29,800.
- ◆ The number of employed Rhode Islanders fell by 3,400 over the month to 542,100 in August 2007 and was down 5,200 from August 2006.

RI & US Unemployment Rates
Seasonally Adjusted 2006-2007



ESU Assists New Cranston Whole Foods Store

The Employer Service Unit (ESU) actively assisted Whole Foods in their overwhelmingly successful recruitment effort to staff their new Cranston facility. Employer Service Rep. Armand S. Tessaglia began the ESU's relationship with Whole Foods in the office of then-mayor Stephen Laffey at Cranston City Hall in March of 2005. Contractual problems with the property occupied by the Shaw's Supermarket delayed the Whole Foods transition to the site by over 2 years. In July 2007, with the logistical obstacles settled, Armand and the Whole Foods staff began planning for a major hiring effort.

On September 12th, 13th & 15th of this month, Whole Foods personnel and four (4) members of the ESU welcomed over 1,200 job seekers to a storefront in Garden City, Cranston to log in, retrieve pre-applied on-line applications and interview each and every job applicant. The enormous turnout was a testament to the advertising, organization, and planning of Whole Foods staffers and the expertise of the ESU in assisting and adapting to well-attended events.

Officials at Whole Foods expressed both surprise and gratitude at the contribution of the ESU and, in fact, one member of the Whole Foods Human Resource Department, who participates in these Company events nationwide remarked, "We could have NEVER done it without you!" This was Whole Foods first collaborative effort with a state agency and it appears that the partnership has succeeded in supplying sufficient numbers of qualified candidates to fill the more than 200 positions they expect to have available.

Seasonally Adjusted Labor Force Statistics (in thousands)

	Rhode Island			United States		
	Aug 07	Jul 07	Aug 06	Aug 07	Jul 07	Aug 06
Civilian Labor Force	571.0	574.5	577.0	152,891	153,231	151,734
Resident Employment	542.1	545.5	547.3	145,794	146,110	144,618
Unemployment	28.8	28.9	29.8	7,097	7,121	7,116
Unemployment Rate	5.1%	5.0%	5.2%	4.6%	4.6%	4.7%

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Rhode Island's Job Trend Remains Positive

The total number of seasonally adjusted, non-farm jobs in the state reached 499,600 in August, up 300 jobs from the previous month. This represents the seventh consecutive month of job growth in Rhode Island.

“Jobs in Rhode Island have increased 1.3 percent in a year’s time,” says Director of Labor and Training Adelita Orefice. “This puts us slightly ahead of our neighbors in terms of workforce expansion.” While August data for neighboring states are not yet available, July data show a job growth rate of 1.1 percent in Connecticut and 1.2 percent in Massachusetts.

From July to August of this year, an employment gain of 500 was noted in the Professional & Business Services sector. The increase in Professional & Business Services employment was reflected in Temporary Help Agencies; Janitorial Services; Advertising & Related Services; Architectural, Engineering & Related Services; and Remediation Services.

Additional gains of 200 in the Transportation & Utilities sector, and an increase of 100 each in the Wholesale Trade, Educational Services, Health Care & Social Assistance, Accommodation & Foods Services, and Government sectors was also observed. The month’s gains were partially offset by job losses of 300 each in the Manufacturing and Retail Trade sectors; a loss of 200 in the Financial Activities sector; and a loss of 100 in the Construction sector.

From August 2006 to August 2007, RI jobs grew 6,200, a 1.3 percent increase. The largest annual employment gains occurred in the Professional & Business Services (+2,700); Construction (+1,100); Health Care & Social Assistance (+1,000); Educational Services (+700) and Arts, Entertainment & Recreation (+700) sectors. Manufacturing employment experienced the largest over-the-year loss (-1,200), followed by small declines in Government (-300), and Wholesale Trade (-200).

Hours and Earnings

In August 2007, production workers in the Manufacturing sector earned \$13.94 per hour. The average hourly production wage was up 3 cents per hour from July and up 51 cents per hour from a year ago. Manufacturing employees worked an average of 39.5 hours per week in August, up 0.9 of an hour over the month and up 0.4 of an hour since August 2006.

Establishment Employment in Rhode Island Seasonally Adjusted

	Employment (in thousands)			Net Change
	Aug-07	Jul-07		
	Total Nonfarm	499.6	499.3	
Natural Resources & Mining	0.3	0.3	0.0	
Construction	24.2	24.3	-0.1	
Manufacturing	51.1	51.4	-0.3	
Wholesale Trade*	16.7	16.6	0.1	
Retail Trade	51.8	52.1	-0.3	
Transportation & Utilities	11.4	11.2	0.2	
Information	11.1	11.1	0.0	
Financial Activities	35.9	36.1	-0.2	
Professional & Business Services	59.1	58.6	0.5	
Educational Services	23.3	23.2	0.1	
Health Care & Social Assistance	75.9	75.8	0.1	
Arts, Entertainment & Recreation	8.5	8.5	0.0	
Accommodation & Food Services	42.6	42.5	0.1	
Other Services	23.1	23.1	0.0	
Government	64.6	64.5	0.1	

* State Calculated Estimate

Manufacturing Employment in Rhode Island Not Seasonally Adjusted

	Employment (in thousands)					Production Worker Averages					
				Net Change From		Weekly Hours			Hourly Earnings		
	Aug 07	Jul 07	Aug 06	Jul 07	Aug 06	Aug 07	Jul 07	Aug 06	Aug 07	Jul 07	Aug 06
Manufacturing	51.2	48.8	52.3	2400	-1100	39.5	38.6	39.1	\$13.94	\$13.91	\$13.43
Durable Goods	33.4	31.8	34.1	1600	-700	38.7	37.5	37.8	\$13.93	\$13.91	\$13.51
Fabricated Metal Product Mfg.	7.0	6.8	7.4	200	-400	41.2	39.6	40.2	\$12.70	\$12.83	\$11.85
Computer & Electronic Product Mfg.	4.9	4.9	4.7	0	200	35.2	36.0	37.8	\$14.42	\$14.29	\$14.51
Miscellaneous Manufacturing	9.2	8.7	9.8	500	-600	35.8	34.1	36.3	\$11.89	\$11.87	\$11.41
Jewelry & Silverware	6.7	6.2	6.8	500	-100	37.4	37.2	38.9	\$10.59	\$10.56	\$10.55
Non-Durable Goods	17.8	17.0	18.2	800	-400	41.0	40.6	41.2	\$13.95	\$13.92	\$13.30
Chemical Manufacturing	4.2	4.3	4.6	-100	-400	40.9	38.9	42.7	\$16.49	\$16.13	\$15.61
Plastics & Rubber Products Mfg.	2.7	2.7	2.8	0	-100	42.3	44.4	41.7	\$14.39	\$14.41	\$14.33

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.



Leisure, Hospitality and Tourism

Tourism crosses many industrial sectors, significantly influencing the success of the various industries within those sectors. Industries that are **heavily** dependent on tourism and tourist-related activities include Leisure & Recreation, Accommodation & Food Services, Air & Ground Transportation and Travel Arrangements & Reservations. We refer to this industry cluster as **Leisure, Hospitality and Tourism**. Other types of businesses, such as gasoline stations, retail stores, and linen, food and other suppliers are also affected by tourist and tourist-related activities, but to a lesser degree.

In 2006, the Leisure, Hospitality and Tourism industry cluster employed an average of 55,252 workers with employment reaching 60,000 during the summer months. Leisure, Hospitality and Tourism accounted for more than 13 percent of jobs in the State's private sector. By 2014, Leisure, Hospitality and Tourism employment is expected to exceed 64,000 jobs.

Over 90 percent of the employment in Leisure, Hospitality and Tourism is included in Leisure & Recreation and Accommodation & Food Services. During the 2004 to 2014 projection period, nearly 17 percent of the new jobs that are expected to be created in Rhode Island are projected to be in these two industry clusters. Jobs in the Accommodation & Food Services sector are expected to increase by 17.9 percent, much faster than the average growth rate expected for the State (10.7%) and surpassing

the national growth rate of 16.5 percent which was projected for this sector. Leisure & Recreation jobs are projected to increase by 22.9 percent, more than twice the growth rate projected for all industries in the State.

Leisure, Hospitality and Tourism 2006			
Industry	Number of Units	Average Employment	Average Wage
Total Private & Government	35,976	480,589	\$40,435
Total Private Only	35,297	417,706	\$38,732
Total for Leisure, Hospitality & Tourism	3,888	55,252	\$17,338
Leisure & Recreation	577	8,103	\$21,356
Accommodation & Food Services	2,874	42,561	\$15,158
Air & Ground Transportation	213	1,747	\$30,512
Travel Arrangements & Reservations	224	2,841	\$30,438

Overall, Leisure, Hospitality and Tourism workers earned an average annual wage of \$17,338 in 2006, significantly lower than the private sector average (\$38,732) due, in part, to the seasonal and part-time nature of the industry.

Characteristics of the Insured Unemployed

In August 2007, 47 percent of Rhode Island's unemployed workers were eligible to collect Unemployment Insurance (UI) benefits. Numbering 13,781 people, these "insured unemployed" accounted for 2.5 percent of the State's total employed (unadjusted). Nearly 22 percent (3,018) 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, 13.2 percent (1,818) of the State's insured unemployed workers came from the Manufacturing sector. There were also 1,626 individuals with an attachment to the Accommodation & Food Services sector, accounting for 11.8 percent of all insured unemployed workers. An additional 10.3 percent (1,425) of those collecting UI benefits in August had worked in the Health Care & Social Assistance sector. Large numbers of insured unemployed were also reported in Transportation & Warehousing (1,376), Retail Trade (1,154) and Construction (1,092). For more information, go to www.dlt.ri.gov/lmi/uiadmin/characteristics.htm.

Characteristics of the Insured Unemployed, August 2007

	Total	Long-Term	Percent Long-Term
Total	13,781	3,018	21.9%
Male	5,780	1,562	27.0%
Female	8,001	1,456	18.2%
Selected Industries	13,781	3,018	21.9%
Construction	1,092	261	23.9%
Manufacturing	1,818	619	34.0%
Wholesale Trade	445	147	33.0%
Retail Trade	1,154	361	31.3%
Transportation & Warehousing	1,376	65	4.7%
Information	157	39	24.8%
Finance & Insurance	891	253	28.4%
Real Estate	250	45	18.0%
Professional & Tech. Services	563	179	31.8%
Administrative & Waste Services	957	215	22.5%
Educational Services	694	47	6.8%
Health Care & Social Assistance	1,425	337	23.6%
Arts, Entertainment & Recreation	208	43	20.7%
Accommodation & Food Services	1,626	180	11.1%
Other Services	422	114	27.0%
Public Administration	238	28	11.8%

Consumer Price Index for All Urban Consumers

				% Change
	Aug 07	Jul 07	Aug 06	Prev. Year
All Items	207.9	208.3	203.9	2.0%

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

Rhode Island's Population is Aging

Population changes that will occur over the next decade will impact the resident labor supply, thus influencing the capacity of the State to create jobs. As the baby boomers begin to retire, a shortage of skilled workers could be a major drawback for economic growth.

To meet the increasing workforce requirements over the next ten years, particularly as young, college-educated persons leave the State, employers will need to look to older workers as a source of labor supply and consider ways to connect this age cohort to the labor market.

While Rhode Island's total working-age population (aged 16 years and older) will grow at a relatively modest pace of 6.7% between 2005 and 2015, trends in population growth are expected to vary among age groups. (See accompanying label page.)

- ◆ The "baby boomers" (persons born between 1946 and 1964) entering the traditional pre-retirement and retirement ages sharply increase the size of the 55 and older age group, which is expected to grow by 22.6% over the 2005 to 2015 period.
- ◆ The Under 55 working-age population is projected to shrink by 0.3% from 2005-2015.
- ◆ The size of Rhode Island's "core working-age" population (25-54 years) is projected to decline by 1.8%, primarily due to the loss of residents in the 35-44 age group.
- ◆ Comparably, the percentage of teens, aged 16-19 is projected to fall by 4.1%, while the percentage of young adults, aged 20-24 is expected to grow by nearly 13%, partially due to the increasing number of young, foreign immigrants into the State.
- ◆ The labor force participation rate for older workers (aged 55+) is considerably lower than for the under 55 working-age adults – 36.5% versus 81.9%.
- ◆ Within the 55 years and older age group, participation in the labor force is higher among the 55-64 pre-retirement cohort (64.3 %) compared to 25% for 65-74 year olds and only 6% for residents who are 75 years or older.



City & Town Unadjusted Unemployment Rates for August

	2007	2006		2007	2006
Barrington	3.9	3.9	Newport	4.0	4.4
Bristol	4.5	4.9	North Kingstown	3.9	4.2
Burrillville	4.7	5.0	North Providence	5.6	5.3
Central Falls	6.2	6.7	North Smithfield	4.7	5.2
Charlestown	5.2	5.1	Pawtucket	5.8	6.1
Coventry	4.9	5.0	Portsmouth	3.6	4.1
Cranston	5.4	5.3	Providence	6.7	6.8
Cumberland	4.7	4.9	Richmond	3.2	3.5
East Greenwich	4.6	4.9	Scituate	5.3	5.1
East Providence	5.3	5.1	Smithfield	4.8	5.2
Exeter	4.7	4.5	South Kingstown	4.2	4.8
Foster	5.8	5.4	Tiverton	5.1	5.3
Glocester	4.1	4.1	Warren	5.0	5.5
Hopkinton	4.7	5.0	Warwick	4.8	4.9
Jamestown	3.4	3.7	West Greenwich	5.2	5.2
Johnston	5.4	5.5	West Warwick	5.4	5.5
Lincoln	4.7	4.6	Westerly	4.0	4.0
Little Compton	3.7	3.7	Woonsocket	5.6	5.6
Middletown	4.2	4.4			
Narragansett	3.3	3.4	State of R.I.	5.1	5.3
New Shoreham	1.8	2.0	United States	4.6	4.6

Unemployment Insurance Claims Activity

	Aug 2007	Jul 2007	Aug 2006	% Change		Year to Date		
				Jul 07	Aug 06	2007	2006	% Change
Initial Claims	5,174	7,323	4,886	-29.3%	5.9%	55,414	51,711	7.2%
Number of Payments	52,727	60,378	49,087	-12.7%	7.4%	457,920	426,949	7.3%
Amount of Payments (gross millions)	\$17.8	\$20.2	\$15.5	-11.9%	14.8%	\$158.1	\$141.2	12.0%
Exhaustions (Final Payments)	1,148	1,359	984	-15.5%	16.7%	10,215	9,808	4.1%

Rhode Island's Population is Aging

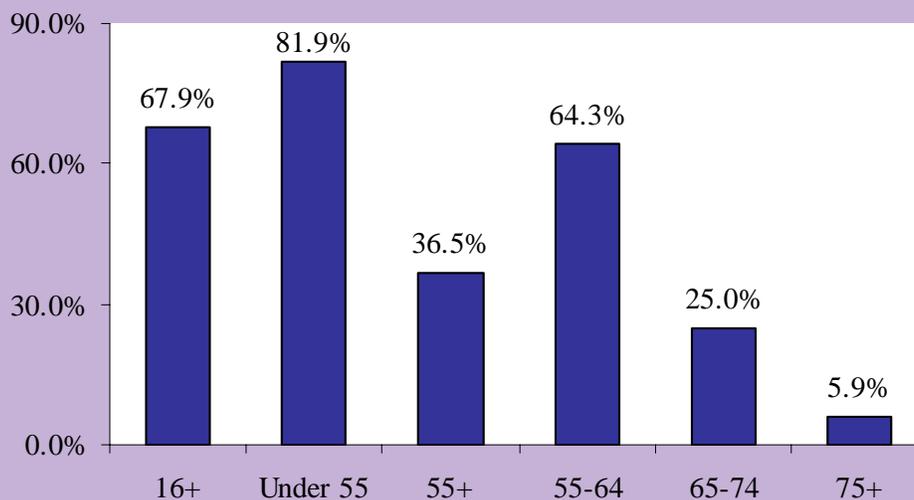
Projections of the Size of the Working-Age Population in Rhode Island by Age Group, 2005-2015

Age Group	2005	2015	Absolute Change	Percent Change
16 and over	863,896	921,681	57,785	6.7%
16-19 year olds	65,660	62,977	-2,683	-4.1%
20-24 year olds	75,242	84,960	9,718	12.9%
25-29 year olds	72,638	78,991	6,353	8.7%
30-34 year olds	66,782	74,209	7,427	11.1%
35-44 year olds	161,287	140,872	-20,415	-12.7%
45-54 year olds	159,696	157,679	-2,017	-1.3%
55-64 year olds	111,700	146,751	35,051	31.4%
65 and older	150,891	175,242	24,351	16.1%
Under 55	601,305	599,688	-1,617	-0.3%
55 and older	262,591	321,993	59,402	22.6%

Source: Census Population Estimates

Tabulated by Center for Labor Market Studies, Northeastern University

Rhode Island Labor Force Participation Rate by Age, 2005



Source: Center for Labor Market Studies, Northeastern University