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Employment Bulletin

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Rhode Island's Unemployment Rate Rises to 12.8 Percent

- ◆ RI's seasonally adjusted unemployment rate for August was 12.8 percent, increasing one-tenth of a percentage point from the July rate of 12.7 percent.
- ◆ RI's August unemployment rate is up 4.5 percentage points from last year's figure of 8.3 percent.
- ◆ The national rate increased three-tenths of a percentage point to 9.7 percent. Rhode Island has the 3rd highest unemployment rate in the nation, trailing Michigan (15.2%) and Nevada (13.2%).
- ◆ The unemployment rate increased in 27 states - including Massachusetts (+0.3), Connecticut (+0.3), Maine (+0.1) and New Hampshire (+0.1). Sixteen states saw their rate decrease. Vermont was unchanged. In all, fourteen states have unemployment rates in the double digits, with five states having a rate above 12.0 percent.
- ◆ Rates in other New England States – Massachusetts 9.1 percent, Maine 8.6 percent, Connecticut 8.1 percent, New Hampshire 6.9 percent, Vermont 6.8 percent.
- ◆ The number of employed RI residents totaled 500,400 in August 2009, reflecting a decrease of 400 from the previous month. Between August 2008 and August 2009, the number of employed RI residents fell by 19,400.
- ◆ In August, the number of unemployed Rhode Island residents increased by 500 to reach 73,300, the state's highest jobless level on record. From August 2008 to August 2009, the number of unemployed residents increased by 26,500.

WorkShare in Rhode Island

WorkShare is a voluntary Unemployment Insurance program which provides Rhode Island employers with an alternative to layoffs. Employers participating in this program are able to reduce payroll costs by dividing available work hours among a specified group of employees as an alternative to totally laying off a smaller portion of the group. Affected employees are eligible to receive a percentage of their unemployment insurance benefits equivalent to the reduction in hours. WorkShare, which became effective in Rhode Island in October 1991, is available to private sector employers with two or more employees.

Employees who normally work 30 hours or more per week and would normally be eligible to receive regular unemployment insurance benefits in Rhode Island are eligible to participate in their employer's WorkShare plan. Workers participating in a Workshare plan which reduces weekly work hours by 20 percent would receive combined earnings and WorkShare benefits equivalent to 92 percent of their regular weekly earnings. A Workshare plan that reduces weekly work hours by 40 percent would replace approximately 84 percent of regular earnings, while a plan which reduces hours by 50 percent would replace 80 percent of regular weekly earnings.* An individual's WorkShare benefits will not be affected by any earnings the individual may have in the same week with another employer.

Private sector employers, with two or more employees, whose taxes are currently up to date are eligible to submit WorkShare plans. All WorkShare benefits are charged to the account of the WorkShare employer. Employers liable for payments in lieu of contributions (reimbursable employers) are responsible for reimbursing the employment security fund for the full amount of WorkShare benefits paid to their employees. (Continued on Page 4)

*Replacement ratios may be lower for individuals collecting the maximum benefit rate and greater for those with dependents and multiple jobs.

Seasonally Adjusted Labor Force Statistics

(in thousands)

| | Rhode Island | | | United States | | |
|----------------------|--------------|--------|--------|---------------|---------|---------|
| | Aug 09 | Jul 09 | Aug 08 | Aug 09 | Jul 09 | Aug 08 |
| Civilian Labor Force | 573.7 | 573.6 | 566.6 | 154,577 | 154,504 | 154,823 |
| Resident Employment | 500.4 | 500.8 | 519.8 | 139,649 | 140,041 | 145,273 |
| Unemployment | 73.3 | 72.8 | 46.8 | 14,928 | 14,462 | 9,550 |
| Unemployment Rate | 12.8% | 12.7% | 8.3% | 9.7% | 9.4% | 6.2% |

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Rhode Island Jobs Decrease by 2,400 in August

August total nonfarm payroll employment (461,900) in Rhode Island declined by 2,400 (-0.5%) from July's revised employment level of 464,300, the largest monthly job loss since February 2009. Since the start of the national recession in December 2007, employment in the state has fallen by 26,500.

The largest employment decreases were noted in the Manufacturing (-1,000) and Construction (-900) sectors, the two sectors which contributed heavily in July's over-the-month job gain.

The July gains reported in the Construction sector were eliminated this month as large losses were reported in the Specialty Trade Contractors field. In Manufacturing, the fewer than average number of seasonal shutdowns reported in July, resulted in less manufacturing workers being added back to the August payroll.

Other employment losses between July and August were reported in Professional & Business Services (-300), Retail Trade (-300), Financial Activities (-100), Wholesale Trade (-100) and Government (-100).

The Other Services (+300) and Accommodation & Food Services (+100) sectors added jobs over the month while several sectors, which include Transportation & Utilities, Information, Arts, Entertainment & Recreation, Health Care & Social Assistance, Education Services and Natural Resources & Mining, remained unchanged.

Between August 2008 and August 2009, job declines were reported in nearly all economic sectors, resulting in an overall loss of 19,200 (-4.0%) jobs during this period. Manufacturing (-5,100), Construction (-3,100), Retail Trade (-2,700), Professional & Business Services (-2,500) and Government (-2,200) reported the most significant annual employment declines. Smaller over-the-year losses were noted in Information (-900), Financial Activities (-800), Wholesale Trade (-800), Transportation & Utilities (-600), Health Care & Social Assistance (-500), Arts, Entertainment & Recreation (-400) and Other Services (-300).

| | Net Change From | | | | |
|----------------------------------|-----------------|--------------|--------------|-------------|--------------|
| | Aug-09 | Jul-09 | Aug-08 | Jul-09 | Aug-08 |
| Total Nonfarm | 461.9 | 464.3 | 481.1 | -2.4 | -19.2 |
| Natural Resources & Mining | 0.2 | 0.2 | 0.2 | 0.0 | 0.0 |
| Construction | 17.4 | 18.3 | 20.5 | -0.9 | -3.1 |
| Manufacturing | 42.7 | 43.7 | 47.8 | -1.0 | -5.1 |
| Wholesale Trade | 16.0 | 16.1 | 16.8 | -0.1 | -0.8 |
| Retail Trade | 46.9 | 47.2 | 49.6 | -0.3 | -2.7 |
| Transportation & Utilities | 10.6 | 10.6 | 11.2 | 0.0 | -0.6 |
| Information | 9.8 | 9.8 | 10.7 | 0.0 | -0.9 |
| Financial Activities | 32.5 | 32.6 | 33.3 | -0.1 | -0.8 |
| Professional & Business Services | 52.2 | 52.5 | 54.7 | -0.3 | -2.5 |
| Educational Services | 23.4 | 23.4 | 23.4 | 0.0 | 0.0 |
| Health Care & Social Assistance | 76.1 | 76.1 | 76.6 | 0.0 | -0.5 |
| Arts, Entertainment & Recreation | 7.5 | 7.5 | 7.9 | 0.0 | -0.4 |
| Accommodation & Food Services | 43.0 | 42.9 | 42.3 | 0.1 | 0.7 |
| Other Services | 22.4 | 22.1 | 22.7 | 0.3 | -0.3 |
| Government | 61.2 | 61.3 | 63.4 | -0.1 | -2.2 |

| | Employment | | | | |
|------------------------------------|----------------|-------------|-------------|------------------|---------------|
| | (in thousands) | | | Net Change From: | |
| | Aug 09 | Jul 09 | Aug 08 | Jul 09 | Aug 08 |
| Manufacturing | 42.9 | 41.7 | 47.8 | 1200 | -4,900 |
| Durable Goods | 27.7 | 26.7 | 31.0 | 1000 | -3,300 |
| Fabricated Metal Product Mfg. | 6.0 | 5.7 | 6.5 | 300 | -500 |
| Computer & Electronic Product Mfg. | 4.1 | 4.1 | 4.2 | 0 | -100 |
| Miscellaneous Manufacturing | 7.6 | 7.2 | 8.4 | 400 | -800 |
| Jewelry & Silverware | 5.0 | 4.6 | 5.5 | 400 | -500 |
| Non-Durable Goods | 15.2 | 15.0 | 16.8 | 200 | -1,600 |
| Chemical Manufacturing | 3.6 | 3.6 | 3.7 | 0 | -100 |

Accommodation & Food Services (+700) was the lone sector to add jobs over the year, while employment in Educational Services and Natural Resources & Mining remained unchanged.

MANUFACTURING: In August 2009, production workers in the Manufacturing sector earned \$13.95 per hour. The average hourly production wage was down fifty-three cents from July 2009 and up four cents from August 2008. Manufacturing employees worked an average of 37.5 hours per week in August, up an hour and three-tenths over the month, but down seven-tenths of an hour over the year.

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.



The Consumer Price Index (CPI)

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The CPI-U (for All Urban Consumers) represents about 87 percent of the total U.S. population. It is based on the expenditures of almost all residents of urban or metropolitan areas, including professionals, the self-employed, the poor, the unemployed and retired persons as well as urban wage earners and clerical workers. Not included in the CPI are the spending patterns of persons living in rural non-metropolitan areas, farm families, persons in the Armed Forces, and those in institutions, such as prisons and mental hospitals.

The CPI represents all goods and services purchased for consumption by the reference population. The Bureau of Labor Statistics (BLS) has classified all expenditure items into more than 200 categories, arranged into eight major groups. Major groups and examples of categories in each are as follows:

- ◆ **Apparel** (men’s shirts and sweaters, women’s dresses, jewelry)
- ◆ **Housing** (rent of primary residence, owners’ equivalent rent, fuel oil, bedroom furniture)
- ◆ **Food & Beverages** (breakfast cereal, milk, coffee, chicken, wine, full service meals, snacks)
- ◆ **Transportation** (new vehicles, airline fares, gasoline, motor vehicle insurance)
- ◆ **Medical Care** (prescription drugs and medical supplies, physicians’ services, eyeglasses and eye care, hospital services)
- ◆ **Recreation** (televisions, toys, pets and pet products, sports equipment, admissions)
- ◆ **Education & Communication** (college tuition, postage, telephone services, computer software and accessories)
- ◆ **Other Good & Services** (tobacco and smoking products, haircuts and other personal services, funeral expenses)

| | Aug 09 | Jul 09 | Aug 08 | % Change Prev. Year |
|-----------|--------|--------|--------|------------------------|
| All Items | 215.8 | 215.4 | 219.1 | -1.5% |

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

As the most widely used measure of inflation, the CPI is an indicator of the effectiveness of government policy. In addition, business executives, labor leaders and other private citizens use the index as a guide in making economic decisions. Over 2 million workers are covered by collective bargaining agreements which tie wages to the CPI. The index affects the income of almost 80 million people as a result of statutory action: 47.8 million Social Security beneficiaries, about 4.1 million military and Federal Civil Service retirees and survivors, and about 22.4 million food stamp recipients. *Source: www.bls.gov/cpi/home.htm*

Characteristics of the Insured Unemployed

A total of 22,421 individuals were eligible to collect “regular” Unemployment Insurance benefits in August 2009, up 6,342 (+39.4%) from the 16,079 collecting these benefits in August 2008. In addition, 12,107 individuals collected Emergency Unemployment Compensation and 3,121 collected Extended Benefits. In all, 51.5 percent of Rhode Island’s unemployed workers were eligible to collect unemployment benefits in August.

Of the 22,421 individuals collecting “regular” Unemployment Insurance benefits, 31.3 percent faced long-term unemployment (defined as collecting unemployment insurance for fifteen weeks or more), up from 23.1 percent in August 2008.

On an industry basis, 17.9 percent (4,022) of the State’s insured unemployed workers came from the Manufacturing sector. There were also 2,299 individuals with an attachment to the Construction sector, accounting for 10.3 percent of all insured unemployed workers. An additional 9.5 percent (2,134) of those collecting UI benefits in August had worked in the Accommodation & Food Services sector. Large numbers of insured unemployed were also reported in Health Care & Social Assistance (2,062), Transportation & Warehousing (1,794) and Retail Trade (1,718). For more information, go to www.dlt.ri.gov/lmi/uiadmin/characteristics.htm.

| | Total | Long-Term | Percent Long-Term |
|----------------------------------|---------------|--------------|----------------------|
| Total | 22,421 | 7,011 | 31.3% |
| Male | 10,781 | 3,748 | 34.8% |
| Female | 11,640 | 3,263 | 28.0% |
| Selected Industries | 22,421 | 7,011 | 31.3% |
| Construction | 2,299 | 716 | 31.1% |
| Manufacturing | 4,022 | 1,798 | 44.7% |
| Wholesale Trade | 931 | 410 | 44.0% |
| Retail Trade | 1,718 | 672 | 39.1% |
| Transportation & Warehousing | 1,794 | 150 | 8.4% |
| Information | 487 | 234 | 48.0% |
| Finance & Insurance | 1,097 | 554 | 50.5% |
| Real Estate | 394 | 140 | 35.5% |
| Professional & Tech. Services | 1,092 | 386 | 35.3% |
| Administrative & Waste Services | 1,637 | 459 | 28.0% |
| Educational Services | 924 | 85 | 9.2% |
| Health Care & Social Assistance | 2,062 | 638 | 30.9% |
| Arts, Entertainment & Recreation | 262 | 67 | 25.6% |
| Accommodation & Food Services | 2,134 | 278 | 13.0% |
| Other Services | 679 | 199 | 29.3% |
| Public Administration | 312 | 45 | 14.4% |

WorkShare in Rhode Island

(Continued from Page 1)

In 2008, a total of 286 employers established Workshare plans 10,546 initial claims were filed and 51,327 payments totaling \$4.7 million were issued. A total of 2,934 layoffs were averted in 2008, nearly double the previous year and the highest since 2001. In 2008, the average WorkShare payment was \$91.19.

While the majority of workshare plans are established by manufacturers, recent economic conditions in the state have increased the program's popularity among professional business services such as architect, engineering and law firms, retail establishments, travel agencies, real estate agencies and construction firms. There are approximately 500 employers with active WorkShare plans. To date, 19,597 initial claims have been filed this year thereby averting nearly 5,000 layoffs, more than double the number (2,039) averted during the first eight months of 2008 and the most since the program began.

WorkShare Benefits

- ◆ Workers keep their jobs and maintain economic security.
- ◆ Employers retain skilled and trained workers.
- ◆ Workers continue to receive company benefits.
- ◆ Employers avoid the time and expense of training new employees.
- ◆ Workers maintain employment skills and remain available for advancement opportunities.
- ◆ Employers avoid disruption in business operations and can respond quickly as business improves.

City & Town Unadjusted Unemployment Rates for August

| | <u>2009</u> | <u>2008</u> | | <u>2009</u> | <u>2008</u> |
|-----------------|-------------|-------------|------------------|-------------|-------------|
| Barrington | 10.4 | 6.1 | Newport | 9.6 | 6.4 |
| Bristol | 11.5 | 7.5 | North Kingstown | 9.9 | 7.3 |
| Burrillville | 12.8 | 7.6 | North Providence | 12.4 | 8.8 |
| Central Falls | 15.5 | 11.4 | North Smithfield | 12.9 | 7.9 |
| Charlestown | 12.3 | 8.6 | Pawtucket | 14.9 | 10.3 |
| Coventry | 12.4 | 8.5 | Portsmouth | 9.7 | 6.4 |
| Cranston | 12.7 | 8.6 | Providence | 15.3 | 10.8 |
| Cumberland | 12.5 | 7.7 | Richmond | 8.6 | 5.9 |
| East Greenwich | 11.8 | 8.0 | Scituate | 13.9 | 8.3 |
| East Providence | 13.3 | 8.9 | Smithfield | 12.1 | 8.3 |
| Exeter | 10.6 | 7.5 | South Kingstown | 9.6 | 7.3 |
| Foster | 13.4 | 8.4 | Tiverton | 12.8 | 9.0 |
| Glocester | 10.9 | 6.9 | Warren | 12.8 | 8.7 |
| Hopkinton | 12.2 | 8.7 | Warwick | 11.6 | 7.8 |
| Jamestown | 8.0 | 5.8 | West Greenwich | 12.4 | 7.1 |
| Johnston | 13.4 | 9.1 | West Warwick | 13.5 | 9.1 |
| Lincoln | 12.1 | 7.9 | Westerly | 10.5 | 7.7 |
| Little Compton | 9.6 | 6.7 | Woonsocket | 14.7 | 10.3 |
| Middletown | 10.6 | 6.8 | | | |
| Narragansett | 7.0 | 5.3 | State of R.I. | 12.6 | 8.6 |
| New Shoreham | 4.3 | 3.0 | United States | 9.6 | 6.1 |

Rhode Island State Holidays

| <u>Holiday</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|-------------------------------|-------------|-------------|-------------|
| New Year's Day | 1/1 | 1/1 | 1/1 |
| Memorial Day | 5/31 | 5/30 | 5/28 |
| Independence Day | 7/4* | 7/4 | 7/4 |
| Victory Day | 8/9 | 8/8 | 8/13 |
| Labor Day | 9/6 | 9/5 | 9/3 |
| Columbus Day | 10/11 | 10/10 | 10/8 |
| Armistice Day / Veteran's Day | 11/11 | 11/11 | 11/11* |
| Thanksgiving Day | 11/25 | 11/24 | 11/22 |
| Christmas Day | 12/25 | 12/25* | 12/25 |

*When a legal holiday falls on Sunday, the day following is a full holiday.

Unemployment Insurance Claims Activity

| | August | July | August | % Change | | Year to Date | | |
|--|--------|--------|--------|----------|--------|--------------|---------------------|----------|
| | 2009 | 2009 | 2008 | July 09 | Aug 08 | 2009 | 2008 | % Change |
| Regular Claims | | | | | | | | |
| Initial Claims | 7,398 | 10,934 | 6,145 | -32.3% | 20.4% | 84,564 | 62,738 | 34.8% |
| Number of Payments | 98,920 | 92,350 | 60,862 | 7.1% | 62.5% | 831,949 | 527,333 | 57.8% |
| Amount of Payments (gross millions) | \$35.7 | \$33.6 | \$20.8 | 6.3% | 71.6% | \$307.3 | \$188.0 | 63.5% |
| Exhaustions (Final Payments) | 3,450 | 3,162 | 1,574 | 9.1% | 119.2% | 23,949 | 13,106 | 82.7% |
| Emergency Unemployment Compensation | | | | | | 2009 | Since Program Began | |
| Initial Claims | 4,090 | 4,084 | 2,544 | 0.1% | 60.8% | 26,112 | 44,264 | |
| Number of Payments | 61,142 | 47,087 | 32,267 | 29.8% | 89.5% | 385,979 | 546,871 | |
| Amount of Payments (gross millions) | \$22.4 | \$17.1 | \$11.1 | 31.0% | 101.8% | \$137.6 | \$193.8 | |
| Extended Benefits | | | | | | 2009 | Since Program Began | |
| Initial Claims | 869 | 843 | 62 | 3.1% | -- | 4,899 | 8,342 | |
| Number of Payments | 15,546 | 13,811 | 8 | 12.6% | -- | 64,584 | 81,848 | |
| Amount of Payments (gross millions) | \$5.5 | \$4.9 | \$2.1k | 12.2% | -- | \$22.6 | \$28.7 | |



For more information on WorkShare, visit www.dlt.ri.gov/ui/ws.htm or call 401-462-8418

Rhode Island
Department of Labor and Training

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WorkShare

Preserving Rhode Island's Jobs!

*A Guide for
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For more information,
call (401) 243-9177 or
visit www.dlt.ri.gov/ui/ws

| WorkShare Activity 1992 - 2009 | | | | | | | |
|-----------------------------------|----------------|--------------------|--------------------|-----------------|----------------|-------------------|---------------------------------------|
| Calendar Year | Initial Claims | Number of Payments | Amount of Payments | Average Payment | Layoffs Advert | Total UI Payments | WorkShare Payments as a Percent of UI |
| 2009* | 19,597 | 122,171 | \$13,252,035 | \$108.47 | 4,892 | \$304,500,000 | 4.4% |
| 2008 | 10,546 | 51,327 | \$4,680,686 | \$91.19 | 2,934 | \$273,306,512 | 1.7% |
| 2007 | 6,451 | 23,528 | \$2,138,166 | \$90.88 | 1,472 | \$222,747,081 | 1.0% |
| 2006 | 5,618 | 23,280 | \$2,005,135 | \$86.13 | 1,288 | \$192,680,882 | 1.0% |
| 2005 | 5,006 | 23,901 | \$2,044,110 | \$85.52 | 1,165 | \$193,243,952 | 1.1% |
| 2004 | 4,452 | 24,428 | \$1,954,908 | \$80.03 | 1,017 | \$198,199,113 | 1.0% |
| 2003 | 7,832 | 38,516 | \$3,372,889 | \$87.57 | 1,801 | \$204,488,690 | 1.6% |
| 2002 | 8,370 | 36,575 | \$3,367,102 | \$92.06 | 2,602 | \$204,565,541 | 1.6% |
| 2001 | 10,803 | 35,772 | \$3,134,600 | \$87.63 | 3,998 | \$177,436,950 | 1.8% |
| 2000 | 4,036 | 9,341 | \$617,005 | \$66.05 | 1,408 | \$139,740,304 | 0.4% |
| 1999 | 5,399 | 16,066 | \$1,053,082 | \$65.55 | 1,656 | \$144,232,433 | 0.7% |
| 1998 | 5,749 | 19,620 | \$1,211,216 | \$61.73 | 1,773 | \$138,641,929 | 0.9% |
| 1997 | 5,120 | 13,411 | \$1,165,241 | \$86.89 | 2,140 | \$151,532,151 | 0.8% |
| 1996 | 6,643 | 15,802 | \$1,080,886 | \$68.40 | 2,033 | \$184,892,764 | 0.6% |
| 1995 | 6,456 | 19,060 | \$1,189,983 | \$62.43 | 2,228 | \$185,512,543 | 0.6% |
| 1994 | 4,628 | 13,515 | \$902,339 | \$66.77 | 1,474 | \$178,554,343 | 0.5% |
| 1993 | 5,003 | 14,315 | \$963,235 | \$67.29 | 1,400 | \$156,640,672 | 0.6% |
| 1992 | 9,652 | 23,064 | \$1,399,731 | \$60.69 | 2,173 | \$198,124,879 | 0.7% |

*January 2009 – August 2009 year-to-date