



Rhode Island Economy Peak, Trough and Recovery

December 2006 – August 2009 (Peak to Trough)

In December 2006, Rhode Island’s total nonfarm employment level peaked at 496,400. Nearly three years later in August 2009, nonfarm employment decreased by 39,600 to 456,800, an eight percent decrease. Private sector employment declined by 8.4 percent or 36,100 jobs during this period, while government sector employment fell by 3,500 (-5.4%). Between December 2006 and August 2009, local government employment decreased by 2,400 (-6.4%), followed by state government (-1,500), while the federal government added 400 jobs.

In comparison, the New England region as a whole lost 273,400 (-3.9%) jobs while the nation lost over 6.9 million (-5.0%) jobs between December 2006 and August 2009.

On a percentage basis, Rhode Island lost 8.0 percent of its workforce during this period, the largest loss among all New England states. Trailing Rhode Island were Connecticut (-4.6%), Vermont (-3.8%), Maine (-3.7%), New Hampshire (-3.5%) and Massachusetts (-3.0%).

The Rhode Island Manufacturing sector was the hardest hit sector in terms of lost employment, losing 10,800 jobs between the peak and trough. The Construction and Retail Trade sectors also reported large numeric losses, declining by 6,600 and 5,100 jobs, respectively. Collectively, these three sectors accounted for over half (-56.8%) of the 39,600 jobs lost during this period.

The Construction lost sector 28.4 percent of its workforce between December 2006 and August 2009, the largest loss on a percentage basis. The Manufacturing (-20.8%) sector reported the second largest percentage loss, followed by Financial Activities (-14.4%) and Retail Trade (-9.8%).

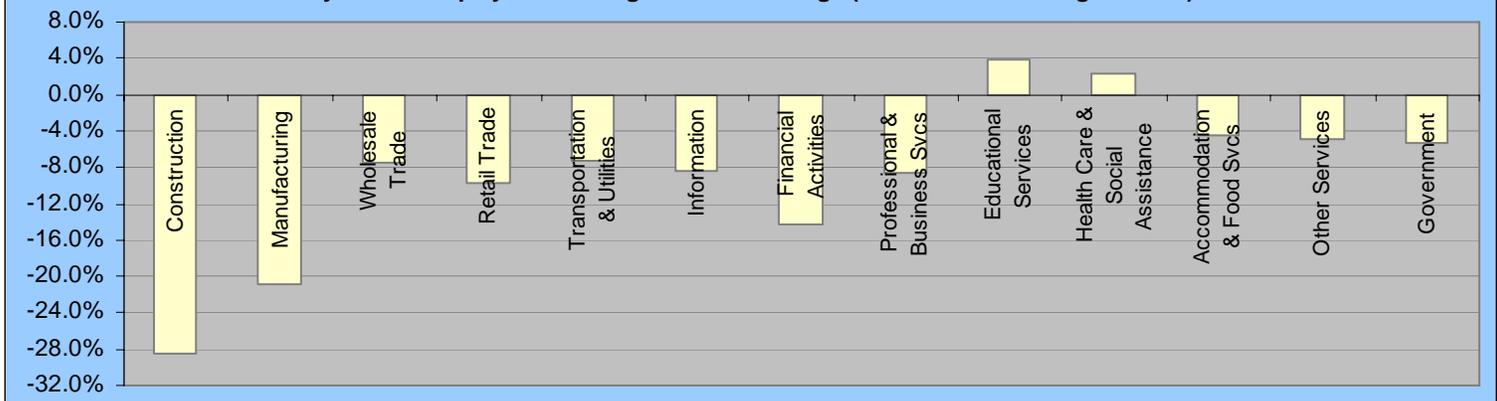
Within the New England region, the Manufacturing (-102,900), Construction (-67,900) and Retail Trade (-48,400) sectors accounted for the largest numeric losses and over three quarters (-80.2%) of the total jobs lost during this period. The Construction sector lost 22.1 percent of its employment, the largest decline on a percentage basis. The Manufacturing (-14.4%), Wholesale Trade (-8.1%) and Financial Activities (-6.9%) sectors also reported sizeable percentage declines.

Between December 2006 and August 2009, the US economy mirrored the regional economy as the Manufacturing (-2.3 million) and Construction (-1.8 million) sectors reported the largest employment declines. The Professional & Business Services (-1.3 million) sector also reported a sizeable employment loss. On a percentage basis, Construction sector employment in the US declined by 23.9 percent, followed by Manufacturing (-17.1%) and Information (-8.7%) employment.

The economic news was not all bad for the Ocean State as the Health Care & Social Assistance and Educational Services sectors added jobs between the peak and trough period. Health Care & Social Assistance employment increased by 1,800 (+2.4%) while Educational Services employment grew by 900 (+3.9%).

Both regionally and nationally, employment within the Health Care & Social Assistance, Educational Services and Government sectors increased between December 2006 and August 2009. In New England, Health Care & Social Assistance employment rose 6.6 percent, followed by Educational Services (+5.6%) and Government (+0.5%). Nationally, Health Care & Social Assistance employment increased by 6.7 percent, followed by Educational Services (+6.2%) and Government (+2.0%).

Key Sector Employment Change - Peak to Trough (December 2006-August 2009)



August 2009 – December 2012 (Recovery Period)

The recovery period will examine how the Rhode Island economy performed since the low point in August 2009 thru December 2012 (the latest annual data available). A comparison to the regional and national economy during this period will also be examined.

By December 2012, Rhode Island recovered a quarter of the jobs lost between the peak and trough as nonfarm employment averaged 466,800, an increase of 10,000 since the low employment level of 456,800. The private sector regained 32.1 percent or 11,600 of the lost jobs since the trough, while government employment continued to report additional losses. The public sector lost an additional 1,600 jobs since August 2009, as the local and federal government branch's shed 1,600 and 100 jobs, respectively. State government reported a modest increase since the trough, adding 100 jobs.

New England as a whole regained over 70 percent of its lost jobs, adding 192,100 (+2.8%) jobs between August 2009 and December 2012. Massachusetts led all regional states by adding 134,200 (+4.2%) jobs during this period, easily erasing the 99,300 jobs lost between December 2006 and August 2009. Vermont recovered nearly 83 percent of the lost employment since August 2009. New Hampshire recouped just over half of its lost employment, while Connecticut and Rhode Island respectively regained 34.1 percent and 25.3 percent of its lost jobs since August 2009. Maine added 300 jobs since August 2009, recovering a modest 1.3 percent of their lost jobs.

Nationally, employment rose nearly 4.7 million between August 2009 and December 2012, recovering of 67.6 percent of the 6.9 million jobs lost between December 2006 and August 2009.

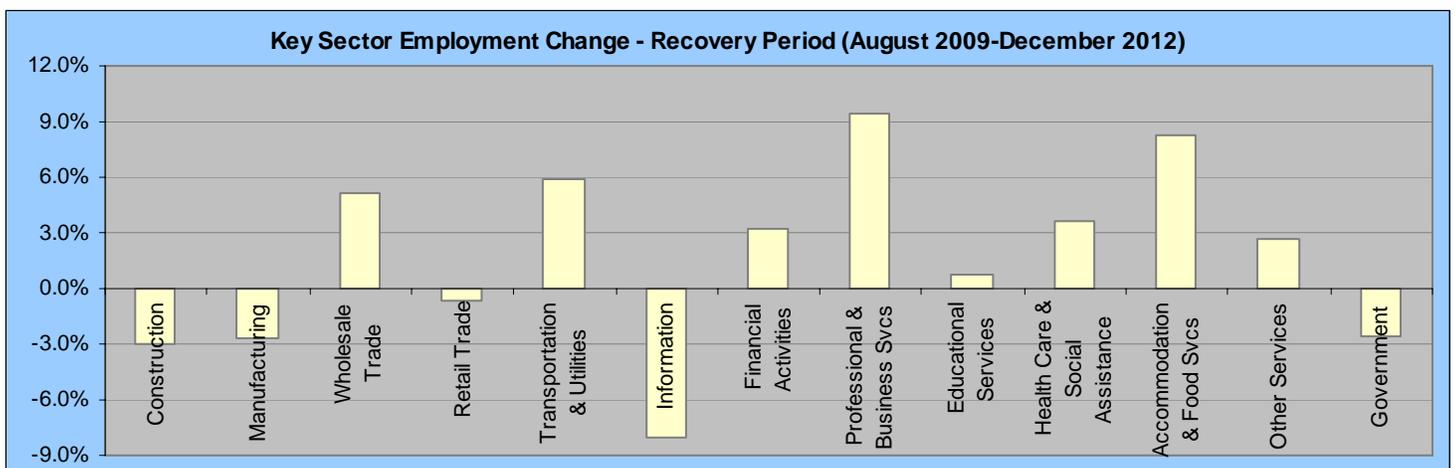
In Rhode Island, the Accommodation & Food Services sector added 3,400 between August 2009 and December 2012, recovering all of the 1,900 jobs lost between the peak and trough. In addition, the Arts, Entertainment & Recreation sector reported a surplus of 200 jobs since August 2009. The December 2012 employment level in Professional & Business Services equaled the August 2009 level, erasing the 4,900 job deficit left behind between the peak and trough.

Meanwhile, during the recovery period, employment losses in Rhode Island continued in the Government, Manufacturing, Information, Construction and Retail Trade sectors. All five sectors reported a December 2012 employment level lower than their August 2009 level. The Government (-1,600) and Manufacturing (-1,100) sectors reported the largest numeric job losses since the trough in August 2009.

The Professional & Business Services (+73,200), Health Care & Social Assistance (+51,900) and Accommodation & Food Services (+46,600) sectors added the most jobs within the New England region during the recovery period. Sizeable employment losses within the six state region were reported in the Government (-14,800), Manufacturing (-11,500) and Financial Activities (-10,300) sectors.

Nationally, the Professional & Business Services (+1.7 million) added the most jobs between August 2009 and December 2012, followed by Health Care & Social Assistance (+1.0 million) and Accommodation & Food Services (+774,800).

Three US sectors; Government (-654,000), Construction (-140,000) and Information (-92,000), continued to report employment losses during this period.



December 2006 – December 2012 (Overall Impact)

In December 2012, the Rhode Island economy was down 6.0 percent or 29,600 jobs since the peak employment level of 496,400 in December 2006. Private sector employment decreased by 24,500 (-5.7%) while Government employment was down by 5,100 or 7.9 percent. Overall, local government lost 4,000 (-10.7%) employees between December 2006 and December 2012 while state government lost 1,400 employees (-8.0%). Federal government grew by 300 (+3.0%) during this period.

Among the New England states, Rhode Island (-6.0%) reported the largest employment loss on a percentage basis between December 2006 and December 2012, followed by Maine (-3.7%), Connecticut (-3.0%), New Hampshire (-1.7%) and Vermont (-0.6%). The Massachusetts economy, thriving over the past few years, has surpassed their December 2006 employment level by 34,900 jobs (+1.1%) but has still yet to reach their peak employment level set back in February 2001.

Between December 2006 and December 2012, the New England region as a whole lost 81,300 jobs or 1.2 percent of its workforce. During this six year period, the nation's economy was down over 2.2 million jobs or 1.6 percent.

Overall in Rhode Island, the Manufacturing sector suffered the largest employment loss, shedding -11,900 (-23.0%) positions. The Construction (-7,100), Retail Trade (-5,400) and Government (-5,100) sectors also reported sizeable employment declines between December 2006 and December 2012. The Construction sector lost 30.6 percent of its workforce during this period followed by the Manufacturing (-23.0%), Information (-15.6%), Financial Activities (-11.7%) and Retail Trade (-1.04%) sectors.

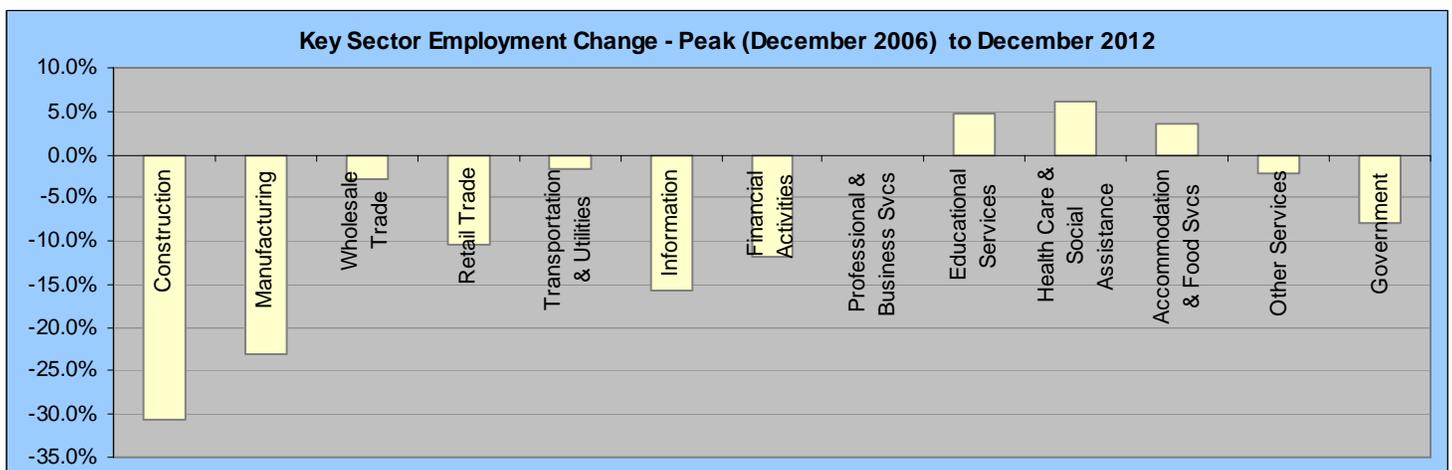
Employment in the Health Care & Social Assistance, Accommodation & Food Services and Educational Services sectors all reported positive gains in Rhode Island between December 2006 and December 2012, adding 4,600; 1,500 and 1,100 jobs, respectively. The Health Care & Social Assistance and Educational Services sectors had fared well throughout this period while the Accommodation & Food Services sector experienced job declines along the way eventually leading to a positive recovery.

In the New England, the hardest hit sectors during this period were the Construction (-16.8%), Manufacturing (-14.2%), Wholesale Trade (-9.7%), Financial Activities (-8.8%) and Information (-8.3%) sectors.

Between December 2006 and December 2012, the Health Care & Social Assistance (+10.5%), Educational Services (+8.8%), Accommodation & Food Services (+5.5%), Arts, Entertainment & Recreation (+5.4%), Professional & Business Services (+2.6%) and Other Services (+0.2%) sectors all reported positive employment growth within the New England region.

Nationally, the Manufacturing sector lost nearly 2.1 million (-14.7%) jobs between December 2006 and December 2012. The Construction sector also lost significant employment, losing over 1.9 million (-25.7%) employees, followed by Financial Activities (-563,000) and Retail Trade (-393,200). Construction (-25.7%) and Manufacturing (-14.7%) lost the most employment on a percentage basis.

The US Health Care & Social Assistance sector flourished during this period, adding over 2 million jobs. Solid job gains were also reported in the Accommodation & Food Services (+584,300), Educational Services (+425,800) and Professional & Business Services (+381,000) sectors.



	Employment (in thousands)			Employment Change					
	Dec '06	Aug '09	Dec '12	Dec '06 - Aug '09		Aug '09 - Dec '12		Dec '06 - Dec '12	
Rhode Island									
Total Nonfarm	496.4	456.8	466.8	-39.6	-8.0%	10.0	2.2%	-29.6	-6.0%
Total Private	431.5	395.4	407.0	-36.1	-8.4%	11.6	2.9%	-24.5	-5.7%
Mining & Logging	0.3	0.2	0.2	-0.1	-33.3%	0.0	0.0%	-0.1	-33.3%
Construction	23.2	16.6	16.1	-6.6	-28.4%	-0.5	-3.0%	-7.1	-30.6%
Manufacturing	51.8	41.0	39.9	-10.8	-20.8%	-1.1	-2.7%	-11.9	-23.0%
Wholesale Trade	17.1	15.8	16.6	-1.3	-7.6%	0.8	5.1%	-0.5	-2.9%
Retail Trade	52.0	46.9	46.6	-5.1	-9.8%	-0.3	-0.6%	-5.4	-10.4%
Transportation & Utilities	11.0	10.2	10.8	-0.8	-7.3%	0.6	5.9%	-0.2	-1.8%
Information	10.9	10.0	9.2	-0.9	-8.3%	-0.8	-8.0%	-1.7	-15.6%
Financial Activities	36.0	30.8	31.8	-5.2	-14.4%	1.0	3.2%	-4.2	-11.7%
Professional & Business Services	57.1	52.2	57.1	-4.9	-8.6%	4.9	9.4%	0.0	0.0%
Educational Services	23.0	23.9	24.1	0.9	3.9%	0.2	0.8%	1.1	4.8%
Health Care & Social Assistance	75.2	77.0	79.8	1.8	2.4%	2.8	3.6%	4.6	6.1%
Arts, Entertainment & Recreation	7.8	7.7	7.9	-0.1	-1.3%	0.2	2.6%	0.1	1.3%
Accommodation & Food Services	43.0	41.1	44.5	-1.9	-4.4%	3.4	8.3%	1.5	3.5%
Other Services	23.1	22.0	22.6	-1.1	-4.8%	0.6	2.7%	-0.5	-2.2%
Government	64.9	61.4	59.8	-3.5	-5.4%	-1.6	-2.6%	-5.1	-7.9%
Federal	9.9	10.3	10.2	0.4	4.0%	-0.1	-1.0%	0.3	3.0%
State	17.5	16.0	16.1	-1.5	-8.6%	0.1	0.6%	-1.4	-8.0%
Local	37.5	35.1	33.5	-2.4	-6.4%	-1.6	-4.6%	-4.0	-10.7%

	Employment (in thousands)			Employment Change					
	Dec '06	Aug '09	Dec '12	Dec '06 - Aug '09		Aug '09 - Dec '12		Dec '06 - Dec '12	
New England									
Total Nonfarm	7,022.0	6,748.6	6,940.7	-273.4	-3.9%	192.1	2.8%	-81.3	-1.2%
Total Private	6,028.5	5,749.7	5,956.6	-278.8	-4.6%	206.9	3.6%	-71.9	-1.2%
Mining & Logging	7.4	6.3	5.7	-1.1	-14.9%	-0.6	-9.5%	-1.7	-23.0%
Construction	306.6	238.7	243.2	-67.9	-22.1%	4.5	1.9%	-63.4	-20.7%
Manufacturing	715.1	612.2	600.7	-102.9	-14.4%	-11.5	-1.9%	-114.4	-16.0%
Wholesale Trade	282.6	259.7	255.6	-22.9	-8.1%	-4.1	-1.6%	-27.0	-9.6%
Retail Trade	818.1	769.7	789.9	-48.4	-5.9%	20.2	2.6%	-28.2	-3.4%
Transportation & Utilities	191.4	180.2	188.3	-11.2	-5.9%	8.1	4.5%	-3.1	-1.6%
Information	166.2	155.8	152.8	-10.4	-6.3%	-3.0	-1.9%	-13.4	-8.1%
Financial Activities	491.4	457.4	447.1	-34.0	-6.9%	-10.3	-2.3%	-44.3	-9.0%
Professional & Business Services	878.6	833.9	907.1	-44.7	-5.1%	73.2	8.8%	28.5	3.2%
Educational Services	288.5	304.8	322.0	16.3	5.6%	17.2	5.6%	33.5	11.6%
Health Care & Social Assistance	979.9	1,044.9	1,096.8	65.0	6.6%	51.9	5.0%	116.9	11.9%
Arts, Entertainment & Recreation	102.4	100.9	107.8	-1.5	-1.5%	6.9	6.8%	5.4	5.3%
Accommodation & Food Services	542.2	533.3	579.9	-8.9	-1.6%	46.6	8.7%	37.7	7.0%
Other Services	258.1	251.9	259.9	-6.2	-2.4%	8.0	3.2%	1.8	0.7%
Government	993.5	998.9	984.1	5.4	0.5%	-14.8	-1.5%	-9.4	-0.9%
Federal	106.5	106.8	102.5	0.3	0.3%	-4.3	-4.0%	-4.0	-3.8%
State	268.8	274.4	280.9	5.6	2.1%	6.5	2.4%	12.1	4.5%
Local	618.2	617.7	600.7	-0.5	-0.1%	-17.0	-2.8%	-17.5	-2.8%

	Employment (in thousands)			Employment Change					
	Dec '06	Aug '09	Dec '12	Dec '06 - Aug '09		Aug '09 - Dec '12		Dec '06 - Dec '12	
United States									
Total Nonfarm	136,927.0	130,017.0	134,691.0	-6,910.0	-5.0%	4,674.0	3.6%	-2,236.0	-1.6%
Total Private	114,839.0	107,489.0	112,817.0	-7,350.0	-6.4%	5,328.0	5.0%	-2,022.0	-1.8%
Mining & Logging	705.0	668.0	860.0	-37.0	-5.2%	192.0	28.7%	155.0	22.0%
Construction	7,685.0	5,851.0	5,711.0	-1,834.0	-23.9%	-140.0	-2.4%	-1,974.0	-25.7%
Manufacturing	14,014.0	11,623.0	11,951.0	-2,391.0	-17.1%	328.0	2.8%	-2,063.0	-14.7%
Wholesale Trade	5,964.6	5,535.0	5,715.3	-429.6	-7.2%	180.3	3.3%	-249.3	-4.2%
Retail Trade	15,397.3	14,478.3	15,004.1	-919.0	-6.0%	525.8	3.6%	-393.2	-2.6%
Transportation & Utilities	5,077.7	4,752.3	5,049.1	-325.4	-6.4%	296.8	6.2%	-28.6	-0.6%
Information	3,032.0	2,768.0	2,676.0	-264.0	-8.7%	-92.0	-3.3%	-356.0	-11.7%
Financial Activities	8,394.0	7,783.0	7,831.0	-611.0	-7.3%	48.0	0.6%	-563.0	-6.7%
Professional & Business Services	17,771.0	16,391.0	18,152.0	-1,380.0	-7.8%	1,761.0	10.7%	381.0	2.1%
Educational Services	2,918.9	3,099.1	3,344.7	180.2	6.2%	245.6	7.9%	425.8	14.6%
Health Care & Social Assistance	15,120.9	16,137.9	17,150.9	1,017.0	6.7%	1,013.0	6.3%	2,030.0	13.4%
Arts, Entertainment & Recreation	1,957.3	1,898.2	1,982.0	-59.1	-3.0%	83.8	4.4%	24.7	1.3%
Accommodation & Food Services	11,334.9	11,144.4	11,919.2	-190.5	-1.7%	774.8	7.0%	584.3	5.2%
Other Services	5,466.0	5,359.0	5,470.0	-107.0	-2.0%	111.0	2.1%	4.0	0.1%
Government	22,088.0	22,528.0	21,874.0	440.0	2.0%	-654.0	-2.9%	-214.0	-1.0%
Federal	2,730.0	2,825.0	2,799.0	95.0	3.5%	-26.0	-0.9%	69.0	2.5%
State	5,098.0	5,170.0	5,040.0	72.0	1.4%	-130.0	-2.5%	-58.0	-1.1%
Local	14,260.0	14,533.0	14,035.0	273.0	1.9%	-498.0	-3.4%	-225.0	-1.6%

