Rhode Island Department
of Labor and Training

Rhode Island Employment Trends and Workforce Issues

2008

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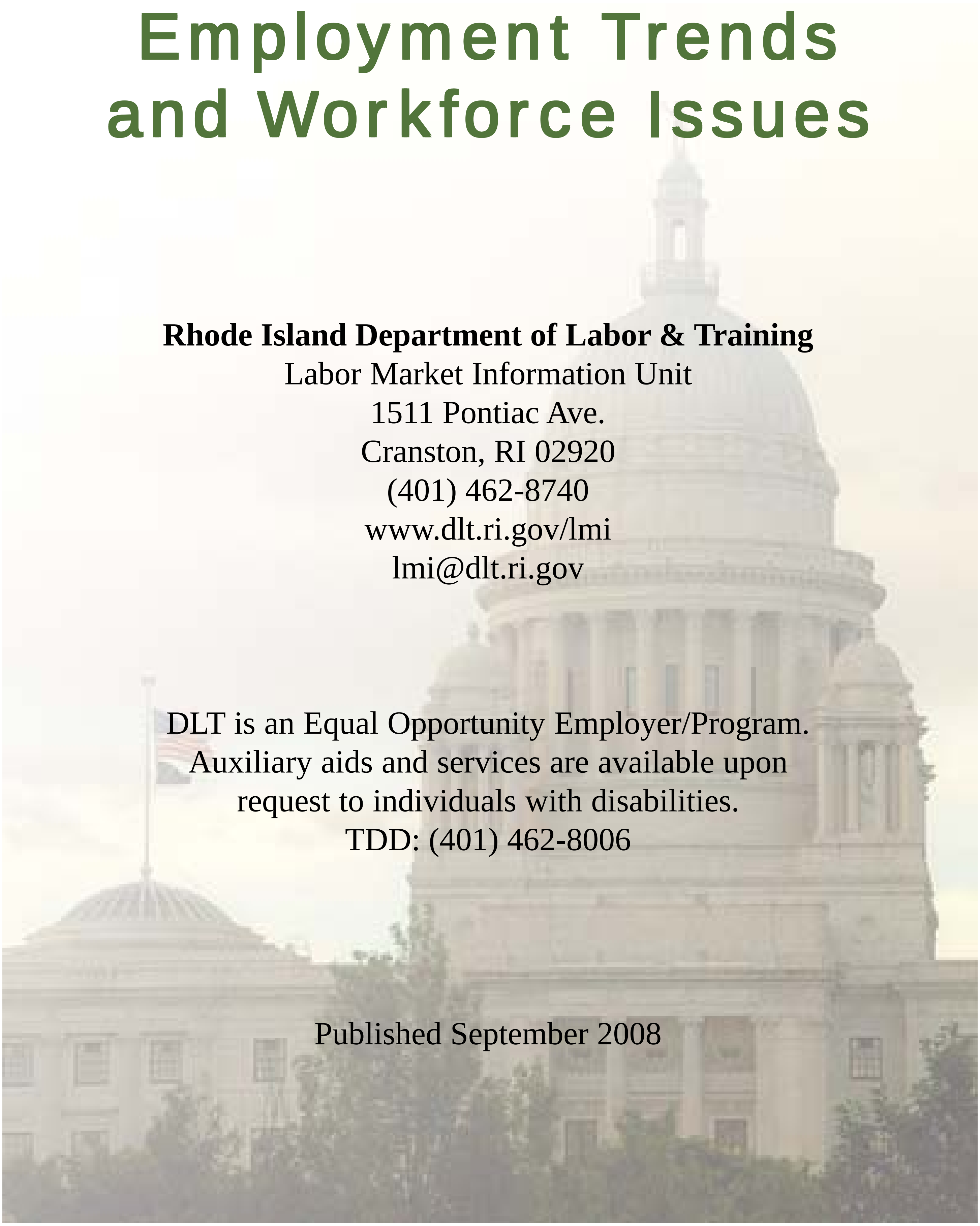
Labor Market Information Unit

Rhode Island Employment Trends and Workforce Issues



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

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TDD: (401) 462-8006

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Executive Summary

This report provides an overview of the current employment situation in Rhode Island, the condition of our job market, 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.

Rhode Island Industry Employment – 2007 Recap

The make-up of the Rhode Island employer community is dominated by a large number of small employers. Employers with less than 20 employees accounted for almost 90 percent of all private sector employers, but only employed one-quarter (25.4%) of our workforce. On the opposite end, our largest firms – those employing 250 or more workers – employed almost one-third (31.3%) of our private workforce.

In 2007, Rhode Island's private sector employed an average of 417,728 workers, who were paid an average annual wage of $39,827. The public sector employed an average of 62,504 workers last year, who were paid an average annual wage of $53,647.

On the employment side, the Health Care & Social Assistance sector employed the largest number of private workers (76,034) in Rhode Island, followed by Retail Trade (51,501), and Manufacturing (50,810). Together, these three sectors employed four of every ten private sector workers in the state.

The average annual wage for Rhode Island's private sector ($39,827) was below the 2007 national average of $44,355. Within New England, Rhode Island ranked fourth in private sector average annual wages, trailing Connecticut ($59,174), Massachusetts ($55,819) and New Hampshire ($44,308).

Economic Momentum Began to Shift in 2007

From 2002 to 2006, Rhode Island experienced an economic upswing as the number of private sector jobs grew by 16,700. During that period, Rhode Island's private sector job growth rate was nearly double that of the New England region. Only New Hampshire performed better than Rhode Island.

Rhode Island's economic momentum began to shift in 2007. After peaking in January 2007, Rhode Island's private sector job growth has declined sharply compared to the other New England states. Over 75 percent of our private sector jobs gained over the four years beginning in December 2002 were lost over the 18-month period ending in June 2008.

From December 2006 to June 2008, Rhode Island's private sector lost 12,800 jobs, while Government jobs were down 900. The industry sectors posting the steepest job declines included Professional & Business Services, Financial Activities, Construction and Manufacturing.

The state's current employment climate underscores the toll that the state budget crisis, increased energy costs and the housing and credit collapses are taking on companies and job seekers. The fallout from the economic downturn has spread into many sectors of the state's job market with the loss of 8,600 jobs in the first six months of 2008.

Labor Force and Unemployment Reflect Economic Downturn

Rhode Island's labor force, which had been growing since 2004, weakened considerably in 2008, following the same trend as the job numbers. The demand for labor softened as the number of unemployed residents rose dramatically (+13,900) from June 2007 to June 2008. During the same period, the number of employed Rhode Island residents was down nearly 20,000.

Rhode Island's seasonally adjusted unemployment rate, which had been trending upward through 2007, hit 7.5 percent in June 2008. This is the highest unemployment rate in nearly 15 years. Since 2005, our unemployment rate has surpassed both the national and New England unemployment rates.

Our Unemployment Insurance (UI) claims data (Initial Claims, Weeks Claimed and Final Payments) indicate that for the first six months of 2008 significant increases in claims activity have occurred, reflecting the state's escalating unemployment rate. The number of individuals exhausting their UI benefits is at its highest level since 1997.

High school graduates made up the largest share of those collecting Unemployment Insurance benefits in June 2008. Those with higher education levels were less likely to be unemployed.

The percentage of Unemployment Insurance claimants from the Manufacturing and Construction sectors was nearly double the percentage of total jobs in each of these sectors, indicating a general surplus of labor. In contrast, the Government and Health Care & Social Assistance sectors had a low percentage of UI claimants but a higher percentage of total jobs, indicating a tighter labor market in these sectors.

Job vacancy data show that from July 2007 to July 2008, job vacancies in Rhode Island dropped more than any other New England state, reflecting the state's tighter labor market.

Modest Job Growth is Expected

Over the ten-year projection period (2006-2016), it is estimated that total Rhode Island employment will increase at an average rate of 4,755 jobs per year. However, new workers will be needed to fill an average of nearly 17,200 jobs per year due to the combination of new jobs (5,400 per year) created through economic expansion and the need to replace existing workers who leave their jobs (11,800 per year) for retirement and other reasons.

Over half of the new jobs expected to be created over the next ten years will require skills learned on-the-job, while nearly one-third will require a college degree. Even though many of the lower skilled jobs will be easy to fill, it is, and will continue to be, more difficult for employers to fill jobs that require higher level skills.

Emerging Demographics Present Challenges

Rhode Island's total resident population has been declining after peaking in 2004. The slower population growth is evident among all the New England states, primarily due to net-outmigration as more people left than entered the region. This trend of slow growth points to labor shortages throughout the Northeast Region. As the baby boomer cohort ages and the numbers of younger, working-age individuals decrease, the already existing shortage of skilled labor will likely grow.

The demographic makeup of the state has changed with foreign immigration playing a major role in generating our population growth over the past decades. Hispanics represent the largest share of new foreign-born immigrants and will be a major source of our future labor supply. The unprecedented growth in the Hispanic population has lead to a number of workforce issues including language barriers, documentation problems and skill barriers between countries. Furthermore, the high percentage of Hispanics with less than a high school diploma (40%) underscores the critical need for literacy education.

As the labor pool shrinks and the economy becomes more complex and sophisticated, better educated and higher skilled workers will have greater opportunities. On the other hand, these same conditions will create greater risk of displacement for the poorly educated, the unskilled and those unable to adapt to the demands of technological innovation and foreign competition.

Unless the labor force attachment of older worker increases sharply by postponement of retirement along with a more gradual labor market withdrawal, the aging of the labor force will result in labor shortages and impede economic growth. Attitudes on the value of older workers in the workforce are changing. Recent trends show that fewer older workers are electing early retirement. Removing barriers and increasing incentives to retain more of these workers could ease expected labor shortages in some industry sectors.

Employers have become more selective and, while they do need skilled workers, are reluctant to hire workers who do not have the qualifications to fill their needs. The current trends will create opportunities for groups who have had difficulty entering the workforce (minorities, immigrants, dislocated workers) and those who wish to remain in the workforce (older workers), provided they are equipped with the skills and training required by industry. The state must continue its efforts to strengthen its existing workforce and find ways to leverage the capital of its emerging workforce.

Rhode Island Employment by Size of Firm

The Rhode Island economy is characterized by a large number of small companies employing a small number of workers. As of March 2008, there were 32,803 private businesses in the state employing 400,396 workers. Nearly half the employers (48.2%) in the state have between one and four employees; however, they employ just 7.6 percent of the workforce. The largest employers, those with 1,000 or more employees, numbered 33 and employed 16.9 percent of Rhode Island's private sector workforce.

- Smaller employers, those with less than 20 employees, represented 89.8 percent of all employers in the state and employed approximately one-quarter (25.4%) of the workforce.
- Mid-sized companies (20 to 99 workers) employed 27.6 percent of the private sector workers and accounted for 8.4 percent of the firms.
- There are just 580 (1.8%) firms in the state employing 100 or more workers. Together, they employed nearly half (47.1%) of the state's private sector employees.

Private Sector Employment
March 2008

Size Class	Employers Number	Employers Percent	Employment Number	Employment Percent
Total:	32,803	100.0%	400,396	100.0%
Zero	5,960	18.2%	0	0.0%
1-4	15,805	48.2%	30,484	7.6%
5-9	4,743	14.5%	31,152	7.8%
10-19	2,956	9.0%	39,846	10.0%
20-49	2,062	6.3%	62,453	15.6%
50-99	697	2.1%	48,072	12.0%
100-249	413	1.3%	62,995	15.7%
250-499	102	0.3%	34,302	8.6%
500-999	32	0.1%	23,276	5.8%
1000+	33	0.1%	67,816	16.9%

The highest concentration of small firms is found in the Agriculture, Forestry, Fishing & Hunting (97.6%) sector, followed by Other Services (96.0%), Construction (95.9%) and Professional & Technical Services (95.1%).

The Manufacturing sector had the smallest percentage of small firms (74.7%), followed by Educational Services (79.1%), Accommodation & Food Services (79.1%) and Utilities (80.8%).

Of the 580 firms in the state employing 100 or more workers, more than half were concentrated in Health Care & Social Assistance (144), Manufacturing (97) and Retail Trade (68).

Among the state's ten largest companies there are four hospitals, two financial institutions, a private university, a supermarket chain, an investment company and a drug store chain.

Top Ten Rhode Island Companies

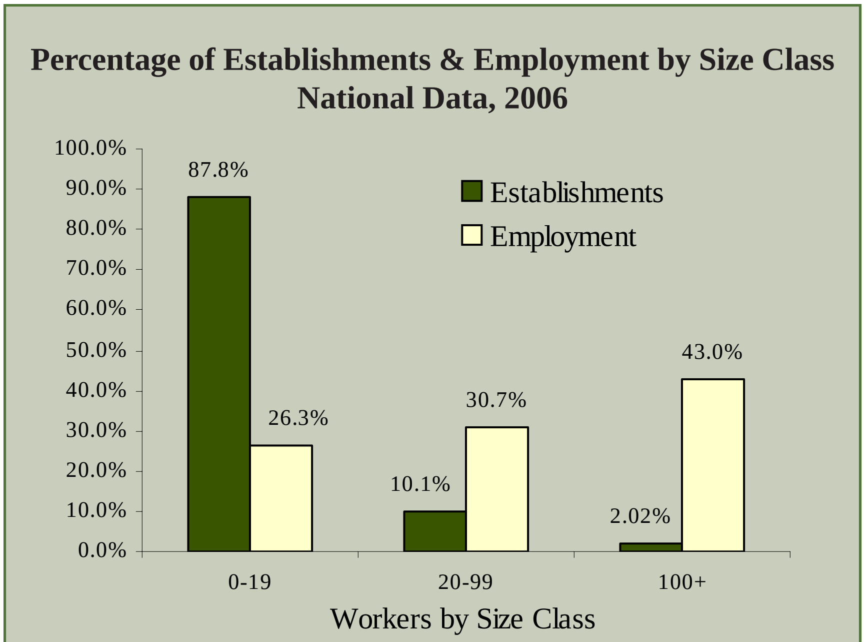
Company	Employment
Rhode Island & Hasbro Hospitals	6,829
CVS Corporation	5,780
Citizens Financial Group	5,500
Bank of America Corporation*	4,500
Brown University	4,443
Stop & Shop Supermarket Co, Inc.	4,385
Women & Infants Hospital	2,880
The Miriam Hospital	2,399
Kent County Memorial Hospital	2,300
Fidelity Investments	2,200

*Estimate

Source: RI Economic Development Corporation

National Employment by Size of Establishment*

Nationally, small establishments comprise an overwhelming majority of the nation's businesses. In 2006, the latest year for which data are available for all states, 87.8 percent of the establishments in the US had less than 20 workers. Establishments employing between 20 and 99 workers accounted for 10.1 percent of the US establishments, and those employing over a 100 workers accounted for just 2.0 percent of establishments nationwide.



Source: US Bureau of Labor Statistics

- Small establishments dominate the economies in all states, ranging from 90.9 percent in Montana to 84.5 percent in Tennessee.
- In 2006, 88.6 percent of Rhode Island establishments employed less than 20 workers, ranking the state 17th in terms of its percentage of small firms.
- States with a greater percentage of small establishments than Rhode Island include the New England states of Maine (90.0%), Vermont (89.6%), and New Hampshire (88.7%).
- California (90.1%), New York (89.6%) and Florida (89.5%), the three largest states in terms of the number of establishments, all have a greater percentage of small establishments than in Rhode Island.
- Rhode Island, along with Alaska, rank 37th in the nation in the percentage of large establishments (100 employees or more) located within each state. Included among the 13 states below Rhode Island (1.66%) in this 2006 ranking are New Hampshire (1.64%), Maine (1.43%) and Vermont (1.33%).
- Both Massachusetts (2.11%) and Connecticut (2.00%) have a higher percentage of large establishments than Rhode Island.
- The states with the greatest percentages of large establishments are Tennessee (2.89%), Ohio (2.65%) and Indiana (2.57%). Montana (0.84%) and Wyoming (0.96%) have the smallest percentages of large establishments.
- More business establishments are located in California than in any other state in the country. Over 90 percent of these establishments employ less than 20 workers and just 1.61 percent employ more than 100 workers.

*Establishment refers to the separate location of firms with multiple locations i.e. supermarkets, banks, department stores. The total employment level of a multi-establishment company (firm) is not available for all states from the Bureau of Labor Statistics. Therefore, the state comparisons are done by size of establishment.

Total All Industries	Total		0 to 19 Workers		20 to 99 Workers		100 or more Workers	
	Percent of Estab.	Percent of Employment	Percent of Estab.	Percent of Employment	Percent of Estab.	Percent of Employment	Percent of Estab.	Percent of Employment
US Total	***100.0%***	***100.0%***	***87.8%***	***26.3%***	***10.1%***	***30.7%***	***2.02%***	***43.0%***
Alabama	1.3%	1.4%	86.0%	28.1%	11.9%	32.6%	2.12%	39.2%
Alaska	0.2%	0.2%	88.8%	32.0%	9.6%	32.1%	1.66%	35.9%
Arizona	1.7%	2.0%	87.0%	20.8%	10.5%	27.8%	2.55%	51.4%
Arkansas	0.9%	0.9%	88.5%	28.8%	9.8%	29.6%	1.75%	41.6%
California	14.6%	11.7%	90.1%	26.9%	8.3%	31.8%	1.61%	41.3%
Colorado	2.0%	1.7%	89.1%	30.6%	9.3%	33.1%	1.57%	36.3%
Connecticut	1.3%	1.3%	88.1%	27.4%	9.9%	30.3%	2.00%	42.3%
District of Columbia	0.4%	0.4%	88.5%	20.0%	8.9%	26.3%	2.52%	53.7%
Delaware	0.4%	0.3%	89.4%	24.8%	8.8%	28.5%	1.87%	46.7%
Florida	6.8%	6.2%	89.5%	26.6%	8.6%	28.7%	1.89%	44.7%
Georgia	3.0%	3.0%	87.4%	25.0%	10.5%	31.9%	2.11%	43.1%
Hawaii	0.4%	0.4%	86.4%	27.3%	11.5%	32.6%	2.11%	40.1%
Idaho	0.6%	0.5%	90.2%	35.8%	8.7%	32.8%	1.16%	31.4%
Illinois	4.0%	4.4%	87.3%	22.3%	10.4%	29.3%	2.35%	48.4%
Indiana	1.8%	2.2%	85.2%	23.7%	12.2%	30.3%	2.57%	46.0%
Iowa	1.0%	1.1%	87.0%	28.9%	11.0%	31.0%	2.01%	40.1%
Kansas	0.9%	1.0%	87.4%	26.8%	10.5%	30.7%	2.11%	42.5%
Kentucky	1.2%	1.3%	86.3%	26.1%	11.4%	31.5%	2.31%	42.5%
Louisiana	1.4%	1.3%	87.2%	28.3%	11.0%	34.4%	1.82%	37.2%
Maine	0.5%	0.4%	90.0%	33.2%	8.6%	31.6%	1.43%	35.2%
Maryland	1.9%	1.8%	87.5%	26.8%	10.4%	32.8%	2.07%	40.4%
Massachusetts	2.4%	2.5%	87.7%	25.8%	10.1%	29.6%	2.11%	44.5%
Michigan	3.0%	3.2%	87.8%	23.6%	9.9%	28.1%	2.36%	48.3%
Minnesota	1.9%	2.0%	87.3%	24.8%	10.5%	29.9%	2.24%	45.3%
Mississippi	0.8%	0.8%	87.0%	28.5%	11.0%	31.2%	1.99%	40.4%
Missouri	1.9%	2.0%	86.8%	26.5%	11.1%	31.4%	2.05%	42.1%
Montana	0.5%	0.3%	90.9%	41.6%	8.2%	35.8%	0.84%	22.6%
Nebraska	0.6%	0.7%	87.3%	28.7%	10.8%	30.9%	1.85%	40.4%
Nevada	0.8%	1.0%	86.5%	22.1%	11.2%	27.6%	2.29%	50.3%
New Hampshire	0.5%	0.5%	88.7%	32.2%	9.7%	32.7%	1.64%	35.1%
New Jersey	3.1%	3.0%	89.0%	27.4%	9.1%	29.2%	1.92%	43.4%
New Mexico	0.6%	0.5%	87.4%	29.8%	10.9%	34.3%	1.70%	35.9%
New York	6.6%	6.2%	89.6%	27.0%	8.7%	27.4%	1.75%	45.6%
North Carolina	2.7%	2.9%	86.2%	26.4%	11.7%	33.0%	2.11%	40.6%
North Dakota	0.3%	0.2%	88.5%	32.7%	9.9%	33.9%	1.58%	33.4%
Ohio	3.3%	4.0%	84.7%	23.9%	12.6%	31.5%	2.65%	44.6%
Oklahoma	1.1%	1.1%	87.2%	29.0%	10.9%	32.3%	1.90%	38.7%
Oregon	1.4%	1.3%	88.7%	32.4%	9.8%	33.0%	1.54%	34.6%
Pennsylvania	3.7%	4.3%	85.8%	25.6%	11.8%	31.1%	2.38%	43.3%
Rhode Island	**0.4%**	**0.4%**	**88.6%**	**28.5%**	**9.8%**	**33.4%**	**1.66%**	**38.1%**
South Carolina	1.4%	1.4%	88.1%	26.7%	9.9%	31.5%	1.96%	41.8%
South Dakota	0.3%	0.3%	89.1%	34.5%	9.5%	32.4%	1.44%	33.1%
Tennessee	1.6%	2.1%	84.5%	22.5%	12.6%	28.6%	2.89%	48.8%
Texas	6.1%	7.3%	85.1%	24.4%	12.3%	31.2%	2.52%	44.3%
Utah	0.9%	0.9%	88.5%	29.6%	9.8%	32.5%	1.67%	37.8%
Vermont	0.3%	0.2%	89.6%	35.4%	9.1%	31.5%	1.33%	33.0%
Virginia	2.4%	2.6%	86.0%	26.3%	11.8%	32.7%	2.21%	41.0%
Washington	2.4%	2.0%	89.5%	30.2%	8.9%	31.5%	1.62%	38.3%
West Virginia	0.5%	0.5%	87.7%	33.1%	10.7%	33.3%	1.64%	33.6%
Wisconsin	1.9%	2.1%	86.1%	24.5%	11.4%	30.6%	2.44%	44.9%
Wyoming	0.3%	0.2%	90.6%	41.8%	8.4%	34.8%	0.96%	23.5%

Source: US Bureau of Labor Statistics

The Employment Situation - 2007 Recap

Rhode Island's 33,298 businesses employed an average of 480,232 workers in 2007 and paid nearly $20 billion in wages.

Private sector employment averaged 417,728 in 2007, representing 87.0 percent of the state's employment.

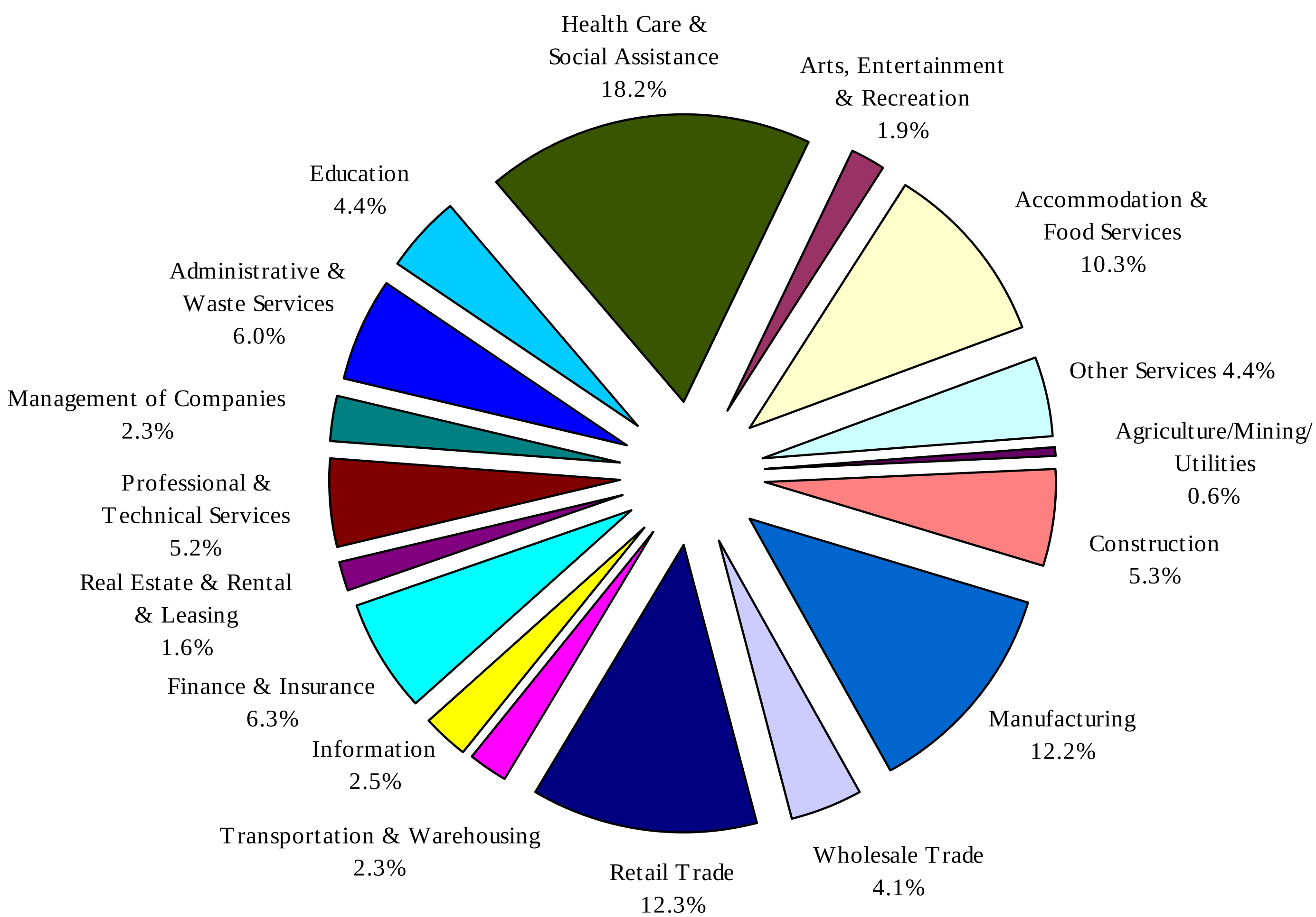
- Within the private sector, Health Care & Social Assistance (76,034) employed the most workers, accounting for 18.2 percent of the private sector employment.
- A little more than a third of private sector jobs were in the Retail Trade (51,501), Manufacturing (50,810), and Accommodation & Food Services (43,204) sectors.
- Finance & Insurance (26,515), Administrative & Waste Services (24,929), Construction (22,113) and Professional & Technical Services (21,788) all employed over 20,000 workers.

Average Annual Employment for 2007	
Total Employment	**480,232**
Private Sector Employment	417,728
Health Care & Social Assistance	76,034
Retail Trade	51,501
Manufacturing	50,810
Accommodation & Food Services	43,204
Finance & Insurance	26,515
Administrative & Waste Services	24,929
Construction	22,113
Professional & Technical Services	21,778
Other Services	18,532
Educational Services	18,503
Wholesale Trade	17,194
Information	10,462
Transportation & Warehousing	9,534
Management of Companies	9,451
Arts, Entertainment, & Recreation	8,120
Real Estate & Rental & Leasing	6,740
Utilities	1,112
Agriculture, Fishing & Hunting	798
Mining	255
Government Employment	62,504

In 2007, the public sector employed 62,504 workers, accounting for 13.0 percent of the state's employment. More than half (35,863) of the public sector workers were employed in local governments, followed by the state (16,783) and federal (9,858) segments. *(The pie chart on the next page provides a breakout of Rhode Island's private sector employment by major industry group.)*

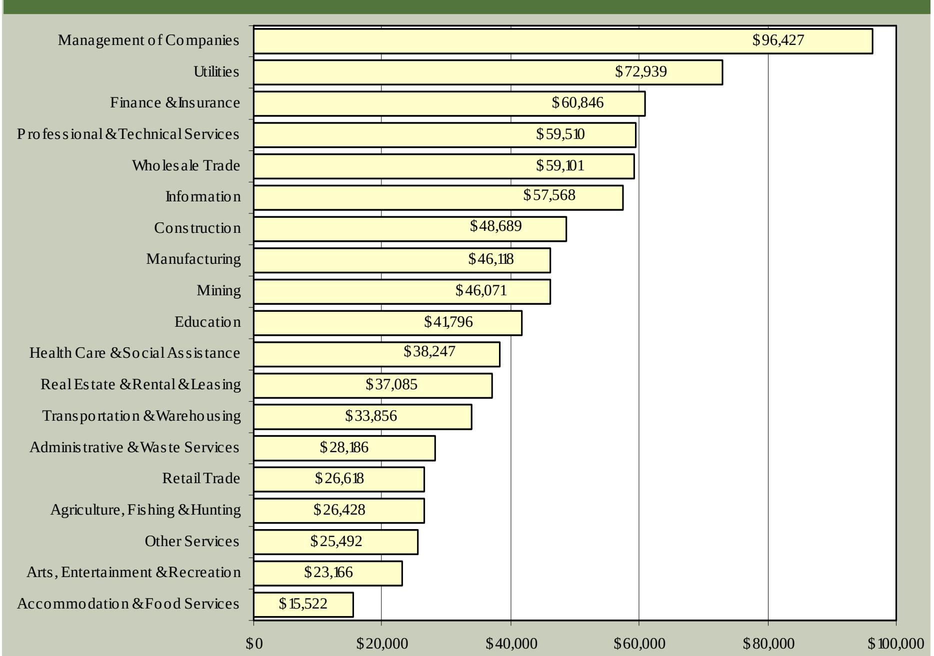
Private sector wages accounted for 83.2 percent of the $19.9 billion dollars in wages paid in 2007. Private sector workers averaged $39,827, while pay for public sector workers averaged $53,647. The 2007 average annual wage for all workers was $41,626.

Rhode Island Private Employment, 2007



- The highest wages were paid in Management of Companies ($96,427), Utilities ($72,939), and Finance & Insurance ($60,846).
- Professional & Technical Services ($59,510), Wholesale Trade ($59,101), and Information ($57,568) all paid over $50,000 in average wages.
- The remaining sectors to pay above the 2007 average annual private sector wage included Construction ($48,689), Manufacturing ($46,118), Mining ($46,071), and Education ($41,796).

RI Sectors by Average Annual Wage, 2007



Source: Bureau of Labor Statistics

- Nine sectors had average annual wages below the private sector average including Health Care & Social Assistance ($38,247), the state's largest sector.

- The lowest wages were paid in Accommodation & Food Services ($15,522) and Arts, Entertainment & Recreation ($23,166), due, in part, to the seasonal and part-time nature of these sectors.

- Other sectors with average annual earnings below $30,000 included Administrative & Waste Services ($28,186); Retail Trade ($26,618); Agriculture, Fishing & Hunting ($26,428); and Other Services ($25,492).

- The remaining sectors earning below the private sector average in 2007 were Real Estate & Rental & Leasing ($37,085) and Transportation & Warehousing ($33,856).

The 2007 average annual wage in Rhode Island's private sector ($39,827) was 89.8 percent of the national average wage of $44,355. Within New England, Rhode Island reported the fourth highest average annual wage, trailing Connecticut ($59,174), Massachusetts ($55,819) and New Hampshire ($44,308).

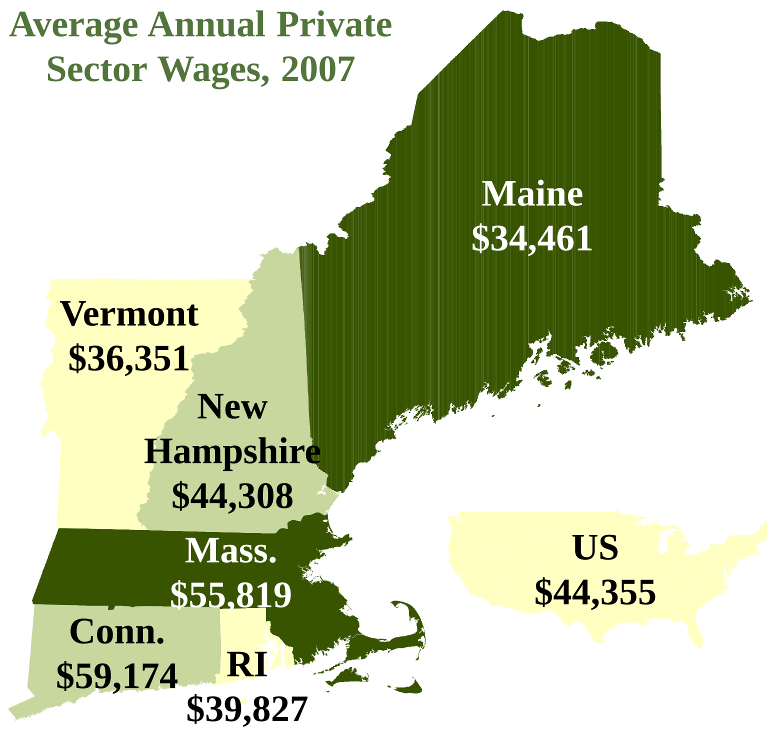
Average annual wages earned by Rhode Island workers were below the national average in nearly all economic sectors and generally ranked fourth in New England, most often trailing Connecticut, Massachusetts and New Hampshire.

Rhode Island workers were paid average annual wages above the national average in five economic sectors: Construction; Management of Companies; Education; Agriculture, Forestry & Fishing; and Retail Trade.

Rhode Island ranked third in three categories within the New England states. The sectors are Construction; Retail Trade; and Arts, Entertainment, & Recreation.

Rhode Island's Management of Companies sector reported the highest annual wage in 2007, paying workers an average of $96,427, slightly more (1.0%) than the $95,501 earned nationally. In New England, Connecticut ($157,730), New Hampshire ($105,091) and Massachusetts ($99,776) paid higher wages to workers in this sector.

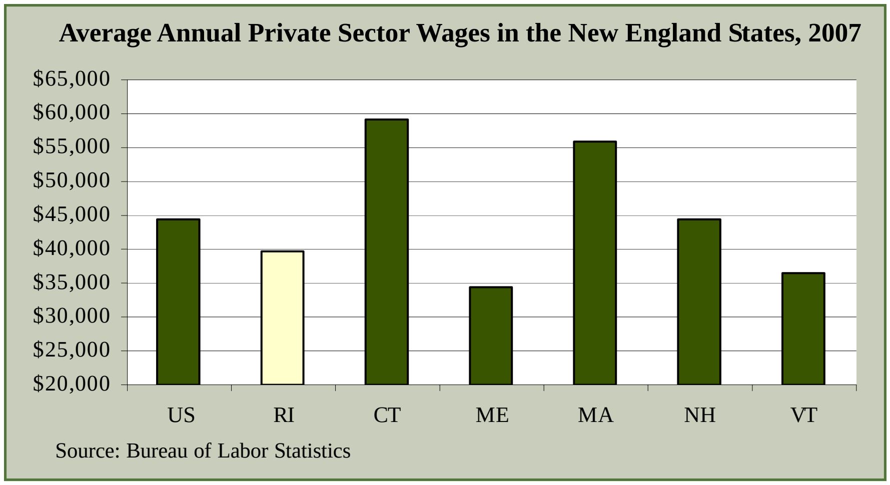
Average Annual Private Sector Wages, 2007



Source: Bureau of Labor Statistics

Nationally, employees of Management of Companies earned the highest average wage, as was the case in four New England states. The two exceptions are Vermont ($87,393), with the highest average wages paid in the Utilities sector, and Massachusetts ($116,086) where the Finance & Insurance sector reported the highest average wage.

Rhode Island workers in Health Care & Social Assistance, the state's largest economic sector, earned an average annual wage of $38,247, approximately $2,400 (6.0%) less than the national average ($40,684). Regionally, Massachusetts ($47,093) paid the highest wage to workers in this sector, followed by Connecticut ($44,342) and New Hampshire ($42,628).



The $33,856 average wage paid to Transportation & Warehousing workers in Rhode Island was $8,762 (20.6%) less than the national average ($42,618) and the lowest in New England.

Rhode Island workers earned less than their Connecticut and Massachusetts counterparts in all economic sectors.

In every New England state and nationally, Accommodation & Food Services workers earned the lowest average annual wage among all industry sectors.

Average Annual Private Sector Wages by Industry Sector, 2007

	US	RI	CT	ME	MA	NH	VT
Total Private	**$44,355**	**$39,827**	**$59,174**	**$34,461**	**$55,819**	**$44,308**	**$36,351**
Agriculture, Forestry, Fishing & Hunting	$25,187	$26,428	$27,679	$31,865	$45,413	$29,990	$25,542
Mining	$81,995	$46,071	$61,171	$38,506	$55,077	$50,542	$48,183
Construction	$46,781	$48,689	$55,927	$38,609	$59,045	$48,361	$39,987
Utilities	$82,272	$72,939	$105,502	$60,366	$94,047	$80,494	$87,393
Manufacturing	$53,485	$46,118	$69,359	$44,467	$69,542	$57,687	$49,254
Wholesale Trade	$60,713	$59,101	$79,877	$49,643	$74,753	$71,361	$48,060
Retail Trade	$26,127	$26,618	$30,153	$23,140	$27,594	$26,442	$24,944
Transportation & Warehousing	$42,618	$33,856	$46,764	$34,032	$41,190	$35,189	$34,944
Information	$69,161	$57,568	$68,945	$42,940	$83,444	$66,426	$43,162
Finance & Insurance	$84,872	$60,846	$146,285	$52,927	$116,086	$71,299	$61,855
Real Estate & Rental & Leasing	$43,465	$37,085	$53,581	$30,675	$56,580	$38,080	$31,246
Professional & Technical Services	$72,037	$59,510	$83,368	$51,339	$93,086	$69,020	$57,328
Management of Companies	$95,501	$96,427	$157,730	$66,976	$99,776	$105,091	$66,809
Administrative & Waste Services	$30,879	$28,186	$36,536	$27,851	$37,771	$38,807	$28,567
Educational Services	$39,483	$41,796	$48,614	$35,674	$50,362	$42,314	$37,382
Health Care & Social Assistance	$40,684	$38,247	$44,342	$36,662	$47,093	$42,628	$35,462
Arts, Entertainment & Recreation	$30,901	$23,166	$28,151	$20,633	$34,403	$21,536	$19,879
Accommodation & Food Services	$16,362	$15,522	$17,821	$14,949	$18,847	$16,271	$17,213
Other Services	$27,937	$25,492	$29,225	$24,952	$27,623	$30,050	$26,432

Source: Bureau of Labor Statistics for US and other New England states. Wages are preliminary and subject to change.

Job Losses Reported in 2007

Average employment increased by a mere 22 (0.005%) jobs in Rhode Island's private sector between 2006 and 2007. During the first seven months of 2007 (January to July) private sector employers reported an average monthly gain of 3,100 jobs. However, as escalating foreclosures and rising gas prices plagued the Rhode Island economy, employers cut a monthly average of 3,325 jobs during the last five months of the year. At year's end, December 2007 employment was down 6,551 compared to December 2006. The largest declines were reported in Manufacturing (-2,123), Construction (-1,933), Finance & Insurance (-1,724) and Retail Trade (-1,223).

- Job losses were reported in several industries within the Manufacturing sector including Miscellaneous Manufacturing (-498), Chemical Manufacturing (-482), Textile Mills (-425), Computer & Electronic Product Manufacturing (-324) and Electrical Equipment & Appliance Manufacturing (-268). Transportation Equipment Manufacturing (+274) and Primary Metal Manufacturing (+111) were the only industries within the Manufacturing sector to report gains in excess of 100 jobs.

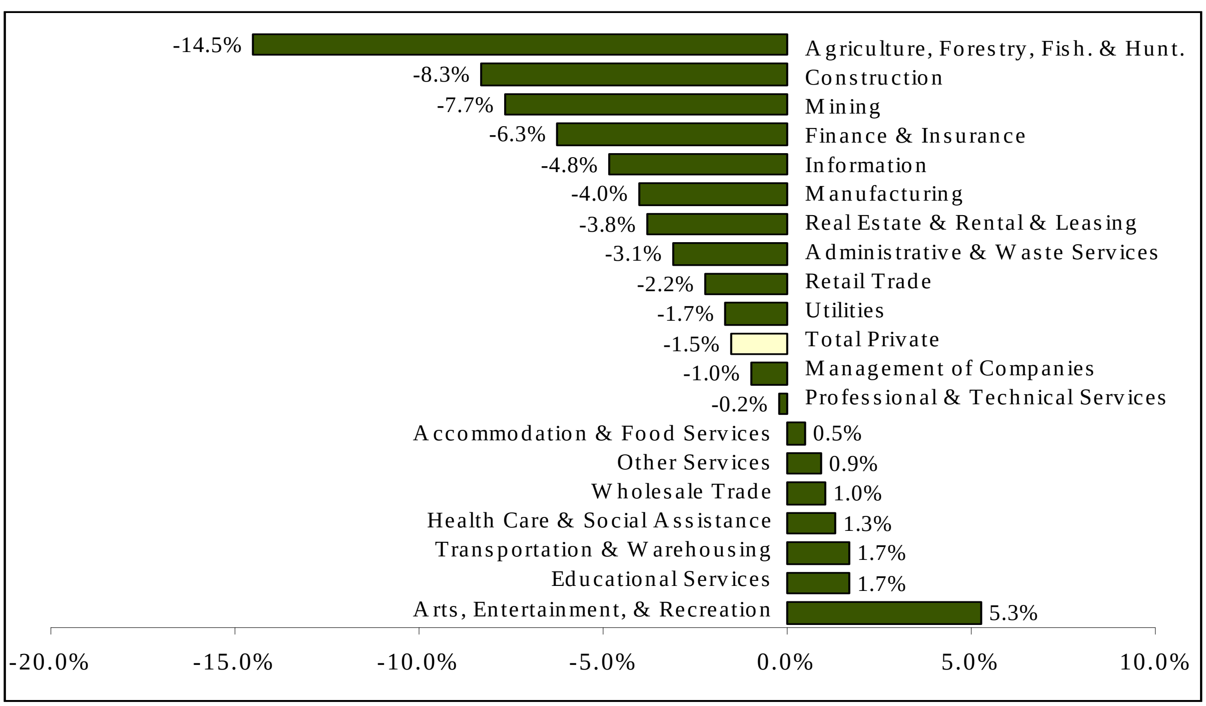
- Within the Construction sector, Special Trades Contractors (-1,347), Construction of Buildings (-483) and Heavy & Civil Engineering Construction (-103) all reported job losses as construction projects declined across the state.

- Losses in the Finance & Insurance sector were the result of declines in Credit Intermediation & Related Activities (-1,967) as mortgage foreclosures negatively affected this industry.

- Several industries within Retail Trade reported job losses with the largest declines in Motor Vehicle & Parts Dealers (-443) and Clothing & Clothing Accessories Stores (-305).

- Sectors reporting job growth over the year included Health Care & Social Assistance (+986); Arts, Entertainment & Recreation (+378); Educational Services (+313); Accommodation & Food Services (+203); Wholesale Trade (+177); Other Services (+170); and Transportation & Warehousing (+165).

Percentage Change in Employment by Industry Sector, December 2006 to December 2007



Approximately 60 percent of the job losses reported between December 2006 and December 2007 were in high wage industries – industries that paid more than the national average wage ($44,355 in 2007).

- Of the 33 industries that paid more than the national average, 23 reported job losses totaling 5,971 jobs, while 10 reported gains totaling 1,981 jobs. In all, high wage industries reported a net loss of 3,990 jobs in 2007.

- Industries paying less than the national average reported a net loss of 2,561 jobs. Job losses, totaling 4,913, were reported in 35 industries, while job gains, totaling 2,352, were reported in 20 industries.

- Of the ten industries reporting the most job losses, five were high paying industries.

- Of the ten industries reporting the most job gains, six were in high wage industries.

Industries Adding Most Jobs in 2007

Industry	Dec. 2006 to Dec. 2007 Change	2007 Average Annual Wage
Ambulatory Health Care Services	373	$47,028
Nursing & Residential Care Facilities	364	$26,871
Accommodation	363	$23,689
Amusements, Gambling, & Recreation	347	$22,339
Hospitals	321	$46,057
Educational Services	313	$41,796
Insurance Carriers & Related Activities	305	$59,490
Telecommunications	294	$63,731
Transportation Equipment Manufacturing	274	$48,214
Electronic Markets & Agents & Brokers	211	$81,171

Industries Losing Most Jobs in 2007

Industry	Dec. 2006 to Dec. 2007 Change	2007 Average Annual Wage
Credit Intermediation & Related Activities	-1967	$48,093
Specialty Trade Contractors	-1347	$46,111
Administrative & Support Services	-753	$27,024
Motion Picture & Sound Recording Industries	-528	$18,725
Miscellaneous Manufacturing	-498	$39,548
Construction of Buildings	-483	$50,839
Chemical Manufacturing	-482	$68,091
Motor Vehicle & Parts Dealers	-443	$39,255
Textile Mills	-425	$37,317
Computer & Electronic Product Manufacturing	-324	$61,700

Rhode Island Job Changes
December 2006 to December 2007

	December Employment 2006	December Employment 2007	Total Change Net	Total Change Percent	2007 Average Annual Wage
Total, Private Only	**423,570**	**417,019**	**-6,551**	**-1.5%**	**$39,827**
Agriculture, Forestry, Fishing & Hunting	**841**	**719**	**-122**	**-14.5%**	**$26,428**
111 Crop Production	611	520	-91	-14.9%	$25,258
112 Animal Production	95	107	12	12.6%	$21,769
114 Fishing, Hunting & Trapping	89	57	-32	-36.0%	$42,462
115 Agriculture and Forestry Support Activities	45	34	-11	-24.4%	$25,096
Mining	**261**	**241**	**-20**	**-7.7%**	**$46,071**
212 Mining, Except Oil & Gas	259	237	-22	-8.5%	$45,596
Utilities	**1,128**	**1,109**	**-19**	**-1.7%**	**$72,939**
221 Utilities	1,128	1,109	-19	-1.7%	$72,939
Construction	**23,296**	**21,363**	**-1,933**	**-8.3%**	**$48,689**
236 Construction of Buildings	5,773	5,290	-483	-8.4%	$50,839
237 Heavy & Civil Engineering Construction	2,198	2,095	-103	-4.7%	$61,079
238 Specialty Trade Contractors	15,325	13,978	-1,347	-8.8%	$46,111
Manufacturing	**52,532**	**50,409**	**-2,123**	**-4.0%**	**$46,118**
311 Food Manufacturing	2,948	2,970	22	0.7%	$28,825
312 Beverage & Tobacco Product Manufacturing	543	537	-6	-1.1%	$44,293
313 Textile Mills	3,187	2,762	-425	-13.3%	$37,317
314 Textile Product Mills	655	602	-53	-8.1%	$32,264
315 Apparel Manufacturing	216	195	-21	-9.7%	$28,121
316 Leather & Allied Product Manufacturing	137	136	-1	-0.7%	$21,613
321 Wood Product Manufacturing	648	690	42	6.5%	$37,183
322 Paper Manufacturing	1,384	1,344	-40	-2.9%	$40,058
323 Printing & Related Support Activities	1,976	1,950	-26	-1.3%	$40,580
324 Petroleum & Coal Products Manufacturing	49	45	-4	-8.2%	$61,929
325 Chemical Manufacturing	4,549	4,067	-482	-10.6%	$68,091
326 Plastics & Rubber Products Manufacturing	2,864	2,906	42	1.5%	$44,195
327 Nonmetallic Mineral Product Manufacturing	719	571	-148	-20.6%	$44,837
331 Primary Metal Manufacturing	1,477	1,588	111	7.5%	$50,777
332 Fabricated Metal Product Manufacturing	7,253	7,079	-174	-2.4%	$40,583
333 Machinery Manufacturing	2,240	2,190	-50	-2.2%	$47,841
334 Computer & Electronic Product Manufacturing	4,684	4,360	-324	-6.9%	$61,700
335 Electrical Equipment & Appliance Mfg.	1,843	1,575	-268	-14.5%	$77,182
336 Transportation Equipment Manufacturing	3,512	3,786	274	7.8%	$48,214
337 Furniture & Related Product Manufacturing	1,839	1,745	-94	-5.1%	$38,478
339 Miscellaneous Manufacturing	9,809	9,311	-498	-5.1%	$39,548
Wholesale Trade	**17,056**	**17,233**	**177**	**1.0%**	**$59,101**
423 Merchant Wholesalers, Durable Goods	8,798	8,881	83	0.9%	$55,532
424 Merchant Wholesalers, Nondurable Goods	5,243	5,126	-117	-2.2%	$51,930
425 Electronic Markets & Agents & Brokers	3,015	3,226	211	7.0%	$81,171
Retail Trade	**54,575**	**53,352**	**-1,223**	**-2.2%**	**$26,618**
441 Motor Vehicle & Parts Dealers	6,135	5,692	-443	-7.2%	$39,255
442 Furniture & Home Furnishings Stores	1,883	1,782	-101	-5.4%	$29,376
443 Electronics & Appliance Stores	1,361	1,241	-120	-8.8%	$34,206
444 Building Material & Garden Supply Stores	4,057	3,928	-129	-3.2%	$31,089
445 Food & Beverage Stores	12,106	12,193	87	0.7%	$20,690
446 Health & Personal Care Stores	6,113	6,204	91	1.5%	$39,394
447 Gasoline Stations	1,911	1,831	-80	-4.2%	$20,265
448 Clothing & Clothing Accessories Stores	6,530	6,225	-305	-4.7%	$17,701
451 Sporting Goods, Hobby, Book & Music Stores	2,115	2,055	-60	-2.8%	$17,121
452 General Merchandise Stores	7,058	7,058	0	0.0%	$20,837
453 Miscellaneous Store Retailers	3,034	2,878	-156	-5.1%	$20,237
454 Nonstore Retailers	2,272	2,265	-7	-0.3%	$38,404
Transportation & Warehousing	**9,913**	**10,078**	**165**	**1.7%**	**$33,856**
481 Air Transportation	428	419	-9	-2.1%	$38,631

Rhode Island Job Changes
December 2006 to December 2007

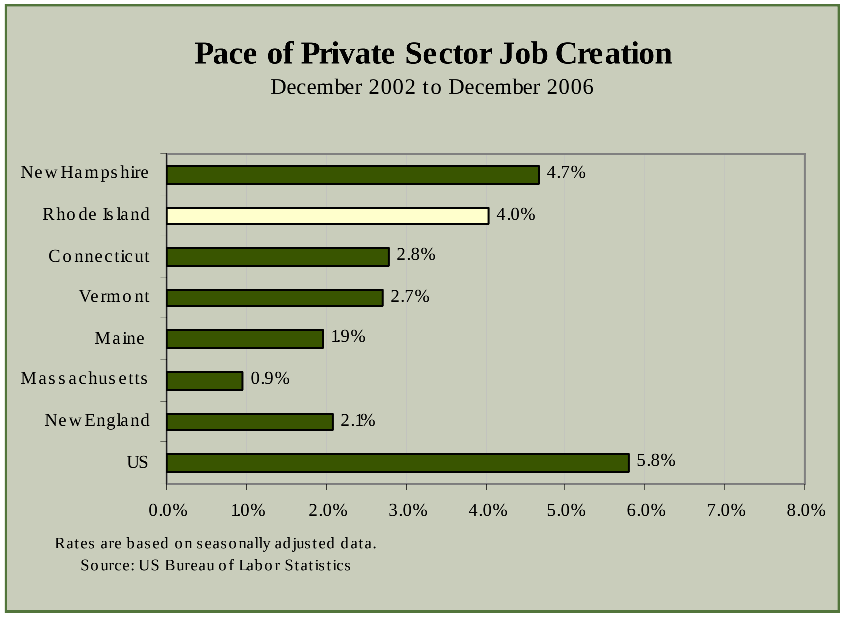
		December Employment 2006	December Employment 2007	Total Change Net	Total Change Percent	2007 Average Annual Wage
Transportation & Warehousing (Continued)						
483	Water Transportation	154	143	-11	-7.1%	$34,611
484	Truck Transportation	2,247	2,311	64	2.8%	$42,163
485	Transit & Ground Passenger Transportation	2,276	2,313	37	1.6%	$21,474
486	Pipeline Transportation	50	49	-1	-2.0%	$59,255
487	Scenic & Sightseeing Transportation	235	232	-3	-1.3%	$21,407
488	Support Activities for Transportation	1,020	1,092	72	7.1%	$37,808
492	Couriers & Messengers	2,264	2,283	19	0.8%	$34,225
493	Warehousing & Storage	1,236	1,231	-5	-0.4%	$36,026
Information		**10,971**	**10,442**	**-529**	**-4.8%**	**$57,568**
511	Publishing Industries, Except Internet	2,855	2,749	-106	-3.7%	$58,721
512	Motion Picture & Sound Recording Industries	1,017	489	-528	-51.9%	$18,725
515	Broadcasting, Except Internet	799	791	-8	-1.0%	$52,464
516	Internet Publishing & Broadcasting	58	0	-58	-100.0%	---
517	Telecommunications	2,996	3,290	294	9.8%	$63,731
518	ISPs, Search Portals, & Data Processing	2,726	2,524	-202	-7.4%	$65,333
519	Other Information Services	520	599	79	15.2%	$26,885
Finance & Insurance		**27,503**	**25,779**	**-1,724**	**-6.3%**	**$60,846**
522	Credit Intermediation & Related Activities	14,437	12,470	-1,967	-13.6%	$48,093
523	Securities, Commodity Contracts, Investments	4,072	4,079	7	0.2%	$106,282
524	Insurance Carriers & Related Activities	8,872	9,177	305	3.4%	$59,490
525	Funds, Trusts, & Other Financial Vehicles	122	53	-69	-56.6%	$57,892
Real Estate & Rental & Leasing		**6,955**	**6,692**	**-263**	**-3.8%**	**$37,085**
531	Real Estate	4,849	4,719	-130	-2.7%	$40,647
532	Rental & Leasing Services	2,040	1,936	-104	-5.1%	$28,033
533	Lessors of Nonfinancial Intangible Assets	66	37	-29	-43.9%	$84,246
Professional & Technical Services		**22,122**	**22,077**	**-45**	**-0.2%**	**$59,510**
541	Professional & Technical Services	22,122	22,077	-45	-0.2%	$59,510
Management of Companies & Enterprises		**9,266**	**9,177**	**-89**	**-1.0%**	**$96,427**
551	Management of Companies & Enterprises	9,266	9,177	-89	-1.0%	$96,427
Administrative & Waste Services		**25,441**	**24,658**	**-783**	**-3.1%**	**$28,186**
561	Administrative & Support Services	23,846	23,093	-753	-3.2%	$27,024
562	Waste Management & Remediation Services	1,595	1,565	-30	-1.9%	$45,374
Educational Services		**18,740**	**19,053**	**313**	**1.7%**	**$41,796**
611	Educational Services	18,740	19,053	313	1.7%	$41,796
Health Care & Social Assistance		**75,659**	**76,645**	**986**	**1.3%**	**$38,247**
621	Ambulatory Health Care Services	22,710	23,083	373	1.6%	$47,028
622	Hospitals	23,847	24,168	321	1.3%	$46,057
623	Nursing & Residential Care Facilities	18,298	18,662	364	2.0%	$26,871
624	Social Assistance	10,804	10,732	-72	-0.7%	$21,339
Arts, Entertainment, & Recreation		**7,140**	**7,518**	**378**	**5.3%**	**$23,166**
711	Performing Arts & Spectator Sports	1,309	1,268	-41	-3.1%	$27,117
712	Museums, Historical Sites, Zoos, & Parks	732	804	72	9.8%	$23,109
713	Amusements, Gambling, & Recreation	5,099	5,446	347	6.8%	$22,339
Accommodation & Food Services		**41,647**	**41,850**	**203**	**0.5%**	**$15,522**
721	Accommodation	3,354	3,717	363	10.8%	$23,689
722	Food Services & Drinking Places	38,293	38,133	-160	-0.4%	$14,669
Other Services, except Public Administration		**18,332**	**18,502**	**170**	**0.9%**	**$25,492**
811	Repair & Maintenance	4,132	3,978	-154	-3.7%	$35,161
812	Personal & Laundry Services	5,595	5,738	143	2.6%	$22,004
813	Membership Associations & Organizations	7,824	7,870	46	0.6%	$23,829
814	Private Households	781	916	135	17.3%	$20,033

Recent Labor Force Developments

Between 2002 and 2006, Rhode Island experienced an economic upswing as total nonfarm jobs showed a net gain of 15,300 during this period. Private sector jobs grew by 16,700, while the Government sector shed 1,400 jobs. The industry sectors adding the most jobs between December 2002 and December 2006 included Professional & Business Services (+8,700), Education & Health Services (+8,000), Construction (+3,900), Leisure & Hospitality (+2,900) and Financial Activities (+2,500).

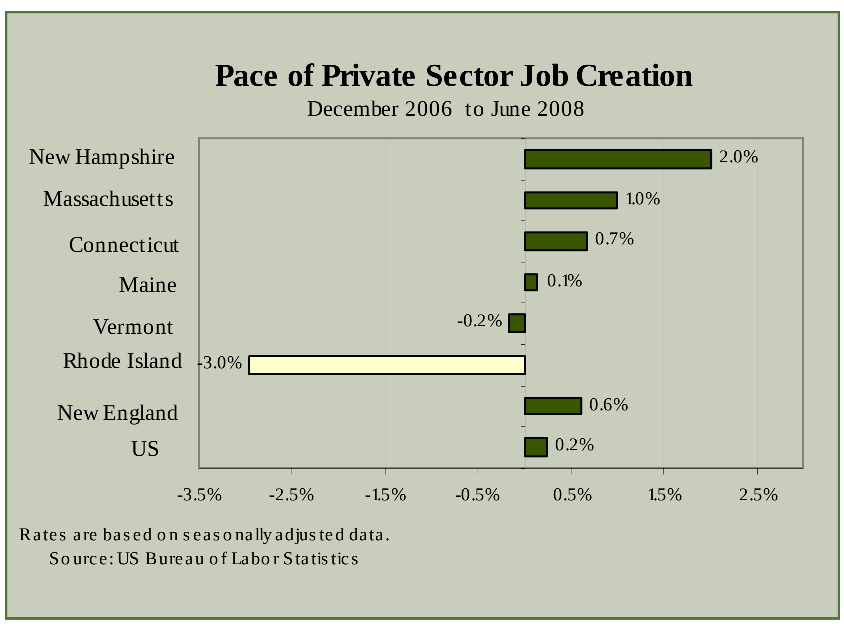
- The pace of private sector job creation in Rhode Island from December 2002 to December 2006 trailed only New Hampshire in New England.

- Rhode Island's 4.0 percent rate of private sector job growth lagged behind the US pace of 5.8 percent from December 2002 to December 2006, but surpassed the rate of private sector job growth in New England (2.1 %) over that period.



Rhode Island's economic momentum began to shift in 2007. After peaking in January 2007, the total nonfarm job count in the state began to trend downward. From December 2006 to June 2008, total nonfarm jobs in Rhode Island showed a net loss of 13,700. The private sector lost 12,800 jobs, while the Government sector was down 900.

The industries that had gained jobs over the December 2002-December 2006 period posted large job losses between December 2006 and June 2008. Professional & Business Services, which includes temporary help agencies, fell by 2,500, while jobs in the Financial Activities and Construction sectors were down by 2,400 and 2,000, respectively. Manufacturing continued to lose jobs, declining by 3,700 from December 2006 to June 2008.



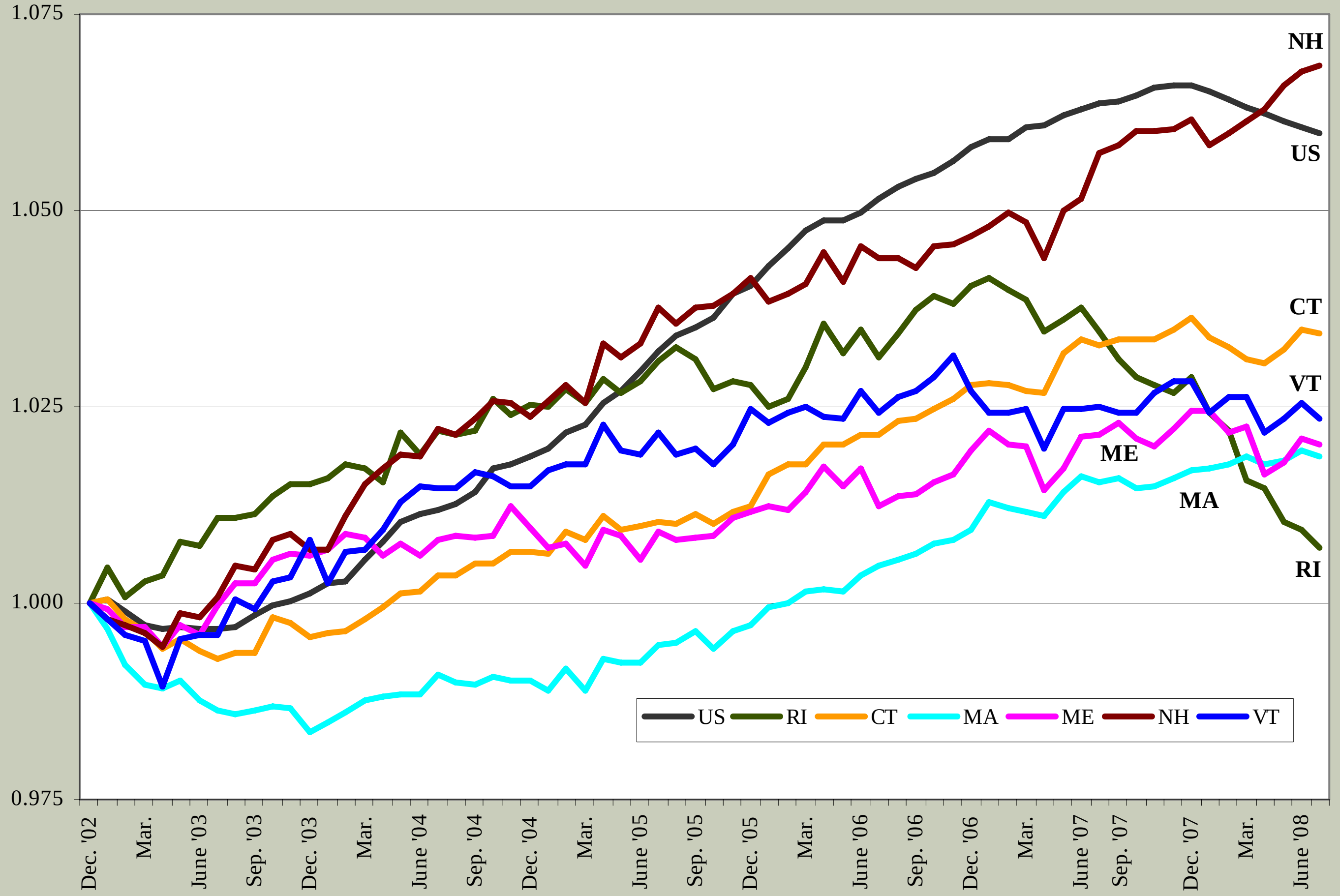
- Even though four out of the six New England states added jobs between December 2006 and June 2008, the pace of private sector job creation slowed in all six states.

- Rhode Island, which lost 12,800 private sector jobs in the December 2006-June 2008 period, was one of only two New England states to record a job decline.

- Rhode Island's 3.0 percent private sector job loss (-12,800) in the eighteen months from December 2006 to June 2008 represents a dramatic turn-around from the 4.0 percent job gain (+16,700) recorded over the four-year period from December 2002 to December 2006.

- Over 75 percent of the private sector jobs gained over the four years beginning in December 2002 were lost over the 18-month period ending in June 2008.

Total Private Employment Growth (Seasonally Adjusted)
Indexed to December 2002



Source: RI Department of Labor and Training, Labor Market Information Unit, Current Employment Statistics

- From December 2002 through its employment peak in January 2007, Rhode Island consistently outperformed most of the New England states in job growth with the exception of New Hampshire.

- Since January 2007, Rhode Island's private sector job growth has declined precipitously, while the rest of the New England states have fared much better. However, with the exception of New Hampshire, private sector employment growth in the other New England states has also slowed considerably over the last year.

It has been a turbulent year so far for the Rhode Island economy. In 2008, the state found itself in the midst of a severe economic downturn. For six straight months, Rhode Island employers have cut jobs.

The state's employment climate underscored the toll that the state budget crisis, increased oil prices and the housing and credit collapses are taking on companies and job seekers. The fallout from the economic downturn spread into many sectors of the job market.

Rhode Island's ailing economy lost 11,900 jobs from June 2007 to June 2008 with 8,600 of those job losses coming in just the first six months of 2008. A comparison of June 2007 and June 2008 employment levels show that over-the-year job losses are being recorded in most industry sectors.

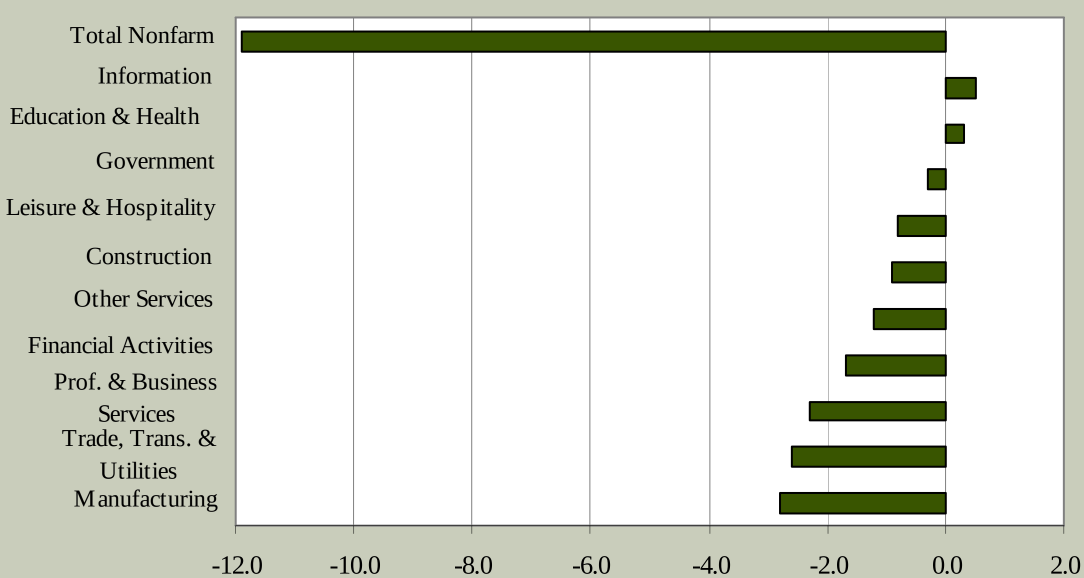
- Manufacturing (-2,800); Trade, Transportation & Utilities (-2,600); Professional & Business Services (-2,300); Financial Activities (-1,600); Other Services (-1,200) and Construction (-900) experienced the steepest job declines.

- In response to reduced consumer spending, retailers eliminated 1,900 jobs from June 2007 to June 2008.

- Leisure & Hospitality was down 800 jobs, which includes losses of 400 each in Arts, Entertainment & Recreation and Accommodation & Food Services.

- Collectively, these job losses overwhelmed the modest gains in the Information and Education & Health Services sectors, which increased by 500 and 300 jobs, respectively. Even Health Care & Social Assistance, typically a stalwart of job creation, added only 100 jobs since June 2007.

RI Job Changes By Major Industry Super Sector
Change from June 2007 to June 2008
(Seasonally Adjusted, In Thousands)



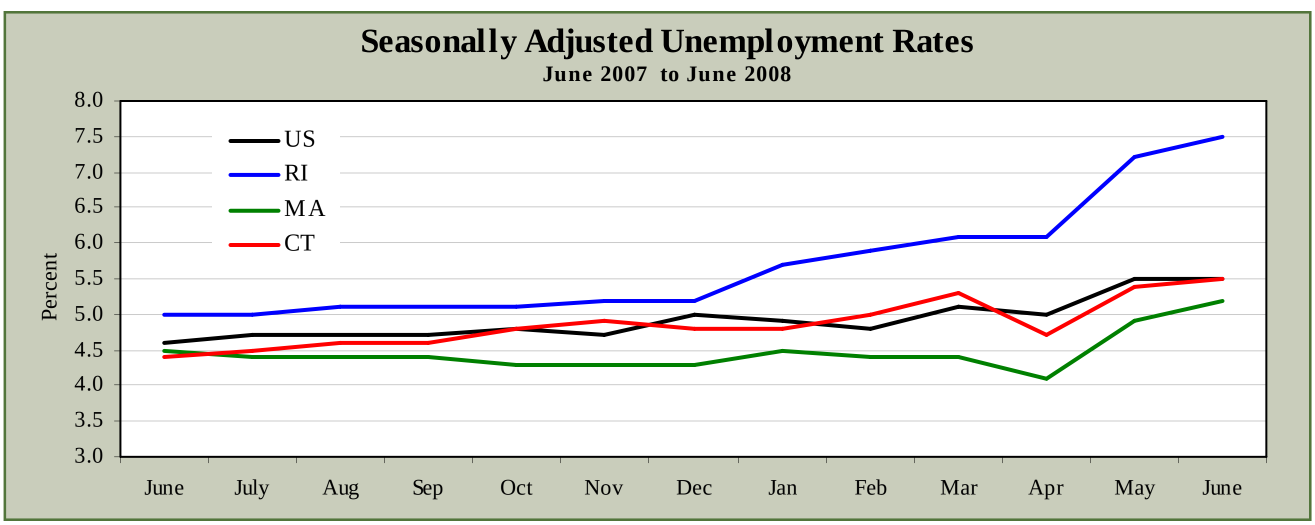
Current Labor Force Data Reflect Sluggish Economy

Rhode Island's labor force, which had been trending upward since 2004, weakened considerably in 2008. The number of employed Rhode Island residents in June 2008 dropped significantly from June 2007. Resident employment fell 19,700 over the year. At the same time, the demand for labor softened as the number of unemployed residents experienced a big jump, climbing to 42,700 in June 2008, an increase of 13,900 from the June 2007 level of 28,800. So far in 2008, the total number of unemployed residents has remained well above the levels of the same month a year ago. For those who are out of work, finding a job got tougher.

RI Labor Force and Unemployment Data
(Seasonally Adjusted, in Thousands)

	June 2008	May 2008	June 2007	% Change May 08	% Change June 07	Six-Month Average 2008	Six-Month Average 2007	Six-Month Average % Change
Labor Force	572.1	571.6	578.0	0.1%	-1.0%	572.6	577.5	-0.8%
Employed	529.5	530.4	549.2	-0.2%	-3.6%	535.9	549.0	-2.4%
Unemployed	42.7	41.2	28.8	3.6%	48.3%	36.7	28.5	28.8%
Unemployment Rate	7.5%	7.2%	5.0%	4.2%	50.0%	6.4%	4.9%	29.9%

- By June 2008, Rhode Island's seasonally adjusted unemployment rate had climbed to 7.5 percent, which it last hit in November 1993 when the state was emerging from the recession of the early 1990s.
- Rhode Island's seasonally adjusted unemployment rate for June was 2.5 percentage points above the June 2007 jobless rate of 5.0 percent.
- In June 2008, Rhode Island's unemployment rate of 7.5 percent was the highest in New England and ranked second (behind Michigan) among the 50 states.
- Rhode Island's unemployment rate has been equal to or above the national jobless rate since 2005.



Characteristics of the Insured Unemployed

According to the data on the insured unemployed, in June 2008, approximately 30 percent of Rhode Island's unemployed workers were eligible to collect Unemployment Insurance (UI) benefits. The typical unemployed individual who was collecting UI benefits in Rhode Island in June 2008 was more likely to be a male, to be between the ages of 45 and 54 and to have just a high school education.

Selected Industries & Occupations of the Insured Unemployed

	June 2008		June 2007		Numeric	Percent
	Number	Percent	Number	Percent	Change	Change
Total	**12,931**	**100.0%**	**10,678**	**100.0%**	**2,253**	**21.1%**
Male	6,627	51.2%	5,621	52.6%	1,006	17.9%
Female	6,304	48.8%	5,057	47.4%	1,247	24.7%
Age						
Under 22	403	3.1%	305	2.9%	98	32.1%
22 - 24	716	5.5%	579	5.4%	137	23.7%
25 - 34	2,700	20.9%	2,291	21.5%	409	17.9%
35 - 44	3,131	24.2%	2,634	24.7%	497	18.9%
45 - 54	3,307	25.6%	2,685	25.1%	622	23.2%
55 - 69	1,142	8.8%	982	9.2%	160	16.3%
60 - 64	849	6.6%	695	6.5%	154	22.2%
65 or over	683	5.3%	507	4.7%	176	34.7%
Education						
Less than 9th Grade	555	4.3%	459	4.3%	96	20.9%
9th to 12th, no diploma	1,239	9.6%	1,138	10.7%	101	8.9%
High School Graduate	5,977	46.2%	4,734	44.3%	1,243	26.3%
Some College	2,536	19.6%	2,082	19.5%	454	21.8%
Bachelor's Degree	1,119	8.7%	1,084	10.2%	35	3.2%
Beyond Bachelor's	1,014	7.8%	752	7.0%	262	34.8%
Unknown	491	3.8%	429	4.0%	62	14.5%

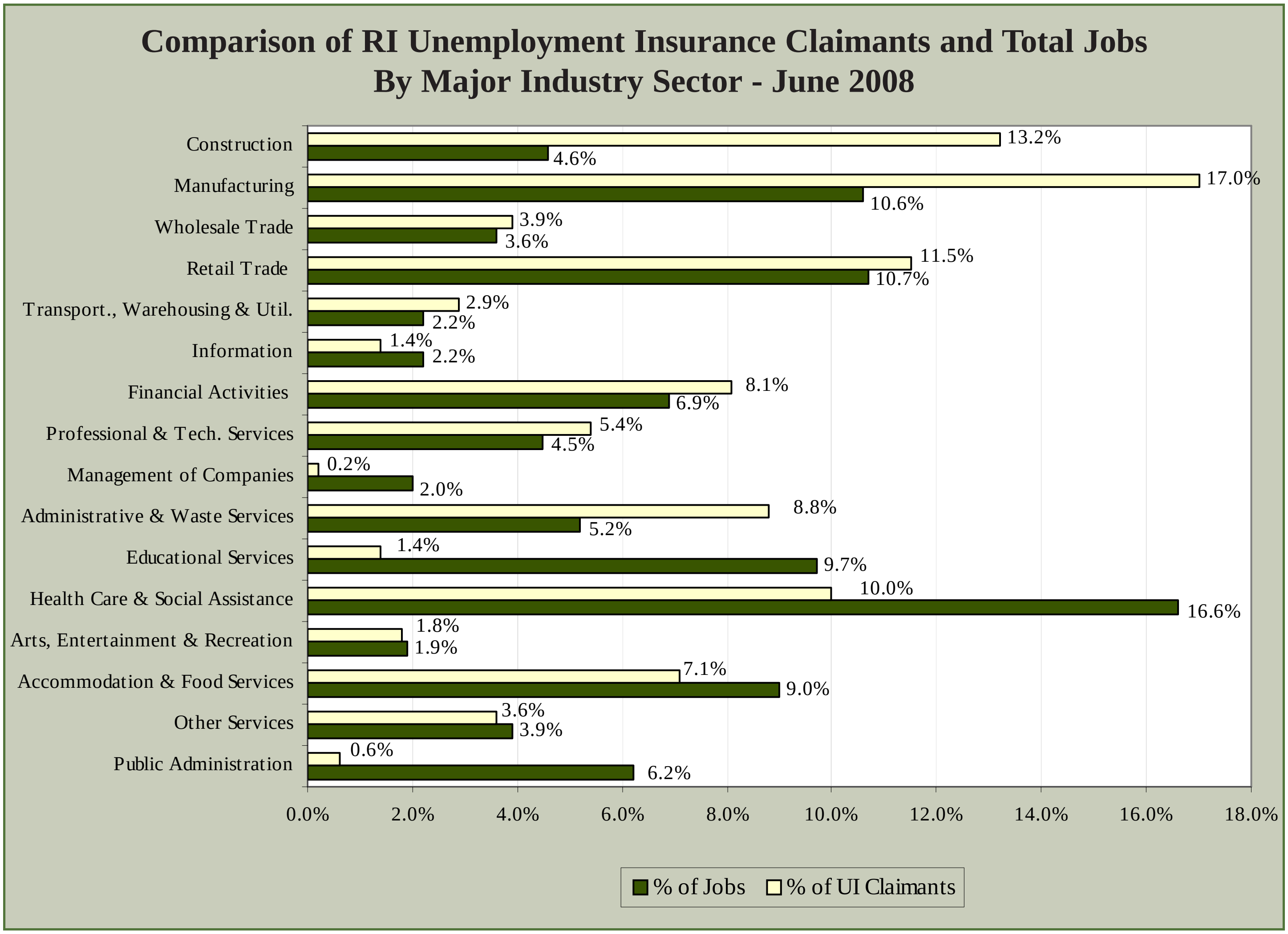
- The largest percentage of the insured unemployed were male.
- Over 70 percent of the insured unemployed were concentrated in the prime working age years – 25 to 54.
- According to the 2006 American Community Survey, high school graduates made up only 29.4 percent of the 25 and over population. However, high school graduates made up the largest proportion of the insured unemployed (46.2%).
- Higher education levels lessened the chance of being unemployed.

The number of individuals collecting UI benefits in June 2008 increased by 2,253 (+21.1%) from June 2007. In June 2008, there were 1,708 claimants in the Construction sector, an increase of 385 claimants (+29.1%), compared to 1,323 in June 2007. The number of UI claimants in the Retail Trade sector increased by 358, followed by 338 in the Manufacturing sector. On a percentage basis, the number of UI claimants in the Arts, Entertainment, & Recreation sector increased by 51.6 percent.

Among selected occupations, Office & Administrative Support Occupations reported 613 (+32.7%) more UI claimants in June 2008 compared to June 2007. Production Occupations and Construction & Extraction Occupations added 460 and 174 claimants, respectively. Life, Physical & Social Science Occupations showed a 97.3 percent increase during this period, the largest annual gain on a percentage basis.

Selected Industries & Occupations of the Insured Unemployed

	June 2008		June 2007		Numeric	Percent
	Number	Percent	Number	Percent	Change	Change
Total	**12,931**	**100.0%**	**10,678**	**100.0%**	**2,253**	**21.1%**
Selected Industries						
Construction	1,708	13.2%	1,323	12.4%	385	29.1%
Manufacturing	2,200	17.0%	1,862	17.4%	338	18.2%
Wholesale Trade	507	3.9%	443	4.1%	64	14.4%
Retail Trade	1,491	11.5%	1,133	10.6%	358	31.6%
Transportation & Warehousing	349	2.7%	314	2.9%	35	11.1%
Information	186	1.4%	137	1.3%	49	35.8%
Finance & Insurance	754	5.8%	711	6.7%	43	6.0%
Real Estate	288	2.2%	208	1.9%	80	38.5%
Professional & Tech. Services	704	5.4%	539	5.0%	165	30.6%
Administrative & Waste Services	1,141	8.8%	869	8.1%	272	31.3%
Educational Services	184	1.4%	186	1.7%	-2	-1.1%
Health Care & Social Assistance	1,291	10.0%	1,109	10.4%	182	16.4%
Arts, Entertainment & Recreation	238	1.8%	157	1.5%	81	51.6%
Accommodation & Food Services	915	7.1%	789	7.4%	126	16.0%
Other Services	467	3.6%	362	3.4%	105	29.0%
Government	77	0.6%	103	1.0%	-26	-25.2%
Selected Occupations						
Business & Financial Operations	453	3.5%	483	4.5%	-30	-6.2%
Computer & Mathematical	128	1.0%	104	1.0%	24	23.1%
Architecture & Engineering	137	1.1%	109	1.0%	28	25.7%
Life, Physical & Social Science	73	0.6%	37	0.3%	36	97.3%
Community & Social Services	138	1.1%	128	1.2%	10	7.8%
Legal	60	0.5%	61	0.6%	-1	-1.6%
Education, Training & Library	234	1.8%	229	2.1%	5	2.2%
Arts, Design, Ent., Sports & Media	206	1.6%	196	1.8%	10	5.1%
Healthcare Practitioner & Technical	213	1.6%	161	1.5%	52	32.3%
Healthcare Support	264	2.0%	226	2.1%	38	16.8%
Protective Service	105	0.8%	125	1.2%	-20	-16.0%
Food Preparation & Serving Related	712	5.5%	575	5.4%	137	23.8%
Bldg. & Grounds Cleaning & Maint.	195	1.5%	128	1.2%	67	52.3%
Personal Care & Service	269	2.1%	193	1.8%	76	39.4%
Sales & Related	849	6.6%	708	6.6%	141	19.9%
Office & Administrative Support	2,487	19.2%	1,874	17.6%	613	32.7%
Construction & Extraction	823	6.4%	649	6.1%	174	26.8%
Installation, Maintenance & Repair	482	3.7%	405	3.8%	77	19.0%
Production	1,897	14.7%	1,437	13.5%	460	32.0%
Transportation & Material Moving	873	6.8%	730	6.8%	143	19.6%



- The proportion of Unemployment Insurance (UI) claimants from the Manufacturing and Construction sectors was almost double their respective proportion of total jobs in June 2008. Combined, these sectors represented 30.2 percent of the UI claimants in June, but they accounted for only 15.2 percent of the total jobs. In general, this is an indication that there was a surplus of workers for jobs in these sectors.

- The Administrative & Waste Services and Financial Activities sectors also had a higher proportion of claimants than jobs.

- Conversely, three sectors – Public Administration, Health Care & Social Assistance and Educational Services – represented a significantly smaller proportion of UI Claimants in June 2008 than their respective proportion of total jobs.

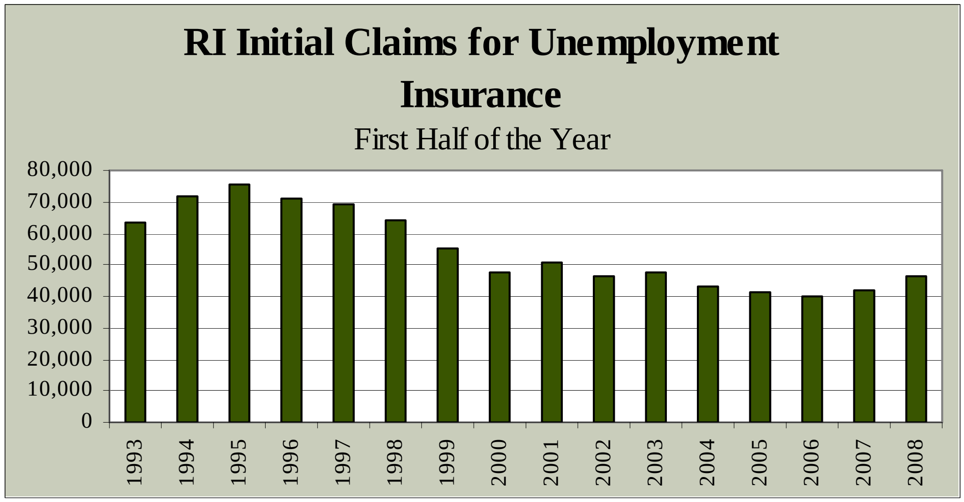
- Only 12.0 percent of the UI claimants in June 2008 were from the Government, Health Care & Social Assistance and Educational Services sectors, but they accounted for almost one-third (32.7%) of the total jobs. In general, this indicates that there was a tighter labor supply for job openings in these sectors.

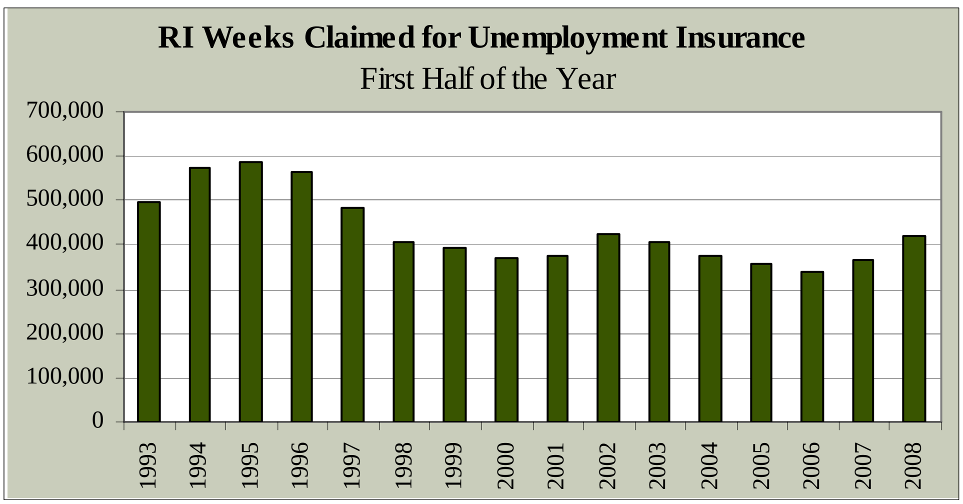
- Other sectors with lower proportions of claimants than jobs included Accommodation & Food Services, Management of Companies and Information.

- Federal legislation passed in June 2008 provides additional unemployment benefits to eligible unemployed jobseekers who have exhausted their regular UI claims. Some 6,500 individuals applied for these benefits during the first month (July 2008) of the program.

During the first half of 2008, Unemployment Insurance claims activity increased significantly, reflecting the state's escalating unemployment rate.

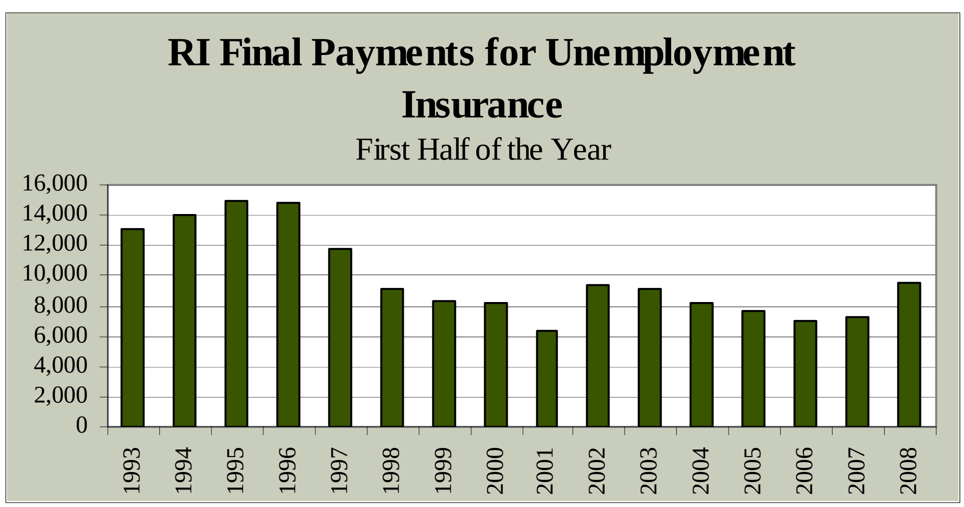
Initial claims for the first six months of 2008 are at their highest level since the January to June period in 2003.





The number of individuals collecting Unemployment Insurance benefits increased by 58,424 claims during the first half of 2008. This was the largest annual gain since 1994.

Final payments – a count of those exhausting their Unemployment Insurance benefits – are up 30 percent over the January to June 2007 period and are at their highest level since 1997.



Job Vacancies are Down Over the Year

In October 2006, **The Conference Board** began publishing a new series called the **Help-Wanted OnLine Data Series (HWOL).** This relatively new economic indicator can be combined with unemployment data to provide detailed monthly data on labor demand (vacancies) for the US and the 50 states.

According to its July 2008 report, The Conference Board reported that online advertised job vacancies were down 5.4 percent over the year on a national basis. There were 2.48 advertised vacancies online for every 100 persons in the labor force in July. The New England region fared worse than the national trend, dropping 9.3 percent over the July '07-July '08 period. When compared to last July, Rhode Island's online total job vacancies dropped more (-12.4%) than any other New England state, followed closely by Connecticut (-12.3%). Vermont was the only New England state to show an increase (+5.2%). The July figures reflect the sum of the number of unduplicated online job ads for each day from mid-June to mid-July.

State Levels of Total Ads and New Ads
Seasonally Adjusted

	Total Ads (Thousands)[1]			New Ads (Thousands)[2]		
	July '07	July '08	Change	July '07	July '08	Change
Connecticut	76.2	66.8	-12.3%	43.9	40.5	-7.7%
Maine	21.3	19.8	-7.0%	12.1	12.1	0.0%
Massachusetts	146.7	133.2	-9.2%	88.2	84.4	-4.3%
New Hampshire	25.8	23.5	-8.9%	14.9	14.6	-2.0%
Rhode Island	21.8	19.1	-12.4%	13.0	12.5	-3.8%
Vermont	11.5	12.1	5.2%	6.2	7.5	21.0%
United States	4,084.2	3,864.1	-5.4%	2,609.3	2,708.0	3.8%

Source: The Conference Board

1 Total ads are unduplicated ads appearing during the reference period. This figure includes ads from previous months that have been reposted as well as new ads. Total ads appear only once per defined geographic area.

2 New ads are unduplicated ads which did not appear during the previous reference period. An online help wanted ad is counted as "New" only in the month it first appears and only once per defined geographic area.

Rhode Island's decline in the number of total online job vacancies reflected the state's tighter job market. Even though total online vacancies were down, when comparing the number of job vacancies with the state's civilian labor force, Rhode Island ranked 18th nationally. For July 2008, Rhode Island had 3.31 online job vacancies per 100 persons in the labor force. Our neighboring states of Massachusetts (3.85) and Connecticut (3.50) also fared well in the number of online job vacancies per 100 persons in the labor force. Vermont was the only New England state to show an increase in the Total Ad Rate from last July. The US average was only 2.48 online job vacancies per 100 persons in the labor force.

A comparison of the number of unemployed persons in relation to the number of online job vacancies provides a measure of supply/demand ratio. A ratio greater than one (less favorable for workers) indicates that the number of unemployed workers exceeds the number of online job ads. A ratio less than one (more favorable for workers) means that there are fewer unemployed workers than online job vacancies.

The table below shows that Rhode Island had a ratio of 1.97 unemployed persons to the number of online job ads in June. This indicates that the demand for jobs in Rhode Island was much higher than the supply of jobs in July.

State Labor Supply/Labor Demand Indicators
Not Seasonally Adjusted

	Total Ad Rates (%)[1]		Unemp. Rate[2]	Unemployed June '08 (Thousands)	Total Ads June '08 (Thousands)	June '08 Supply/ Demand Rate[3]
	July '07	July '08				
Connecticut	4.01	3.50	5.7%	108.5	72.9	1.49
Maine	2.94	2.75	5.0%	36.2	21.9	1.65
Massachusetts	4.22	3.85	5.3%	184.2	144.8	1.27
New Hampshire	3.43	3.11	4.0%	29.9	25.1	1.19
Rhode Island	3.74	3.31	7.5%	42.9	21.7	1.97
Vermont	3.14	3.38	4.7%	16.7	139.0	1.21
United States	2.65	2.48	5.7%	8,933.0	4,194.9	2.13

Source: The Conference Board

1 Total ad rate is calculated as a percent of the most currently available Bureau of Labor Statistics civilian labor force data. Ad rates represent the number of ads per 100 persons in the civilian labor force.

2 Unemployment data are from the Bureau of Labor Statistics Current Population Survey and Local Area Unemployment Statistics programs, June 2008.

3 Supply/Demand rate is the number of unemployed divided by the number of total ads for the designated month.

Rhode Island's Supply/Demand ratio was higher than the rest of New England but still below the US level (2.13). New Hampshire (1.19), Vermont (1.21) and Massachusetts (1.27) fared the best among New England states.

While Rhode Island was slightly better than the national average, the fact that there were many more workers looking for jobs than there are jobs available supports the belief that there is a mismatch between the needs of workers and the types of job openings employers have available. The causes for the mismatch likely vary among many reasons such as worker skill levels not matching employer needs, the level of pay may not match worker needs, the working conditions (hours, benefits, etc.) may not be acceptable to the worker or the job location may not be desirable.

Job Vacancies in Rhode Island - Spring 2008

The Department of Labor and Training's annual Job Vacancy Survey provides information on the quantity and characteristics of job vacancies available at the time of the survey. The 2008 survey results indicate that there were an estimated 8,912 job vacancies between May and June 2008. This translated to a job vacancy rate of 2.2 percent, or a little more than two job openings for every one hundred jobs filled. In comparison, there were 10,949 vacancies reported during the same survey period in 2006, reflecting a vacancy rate of 2.7 percent.

- Over half (53.8%) of the 2008 estimated job vacancies were for full-time jobs.
- The majority (78.4%) of the vacancies were for permanent positions, while 21.6 percent were for seasonal or temporary positions.
- Nearly half (45.1%) of the estimated vacancies had been open for less than 30 days and under 10 percent had been open for 60 days or longer. Employers reported that they were constantly recruiting for more than 30 percent of their vacant positions.
- The majority of vacancies were for educated and experienced workers. One-third (33.3%) required a college degree (associate or higher) and nearly 38 percent required a high school diploma/GED. Less than one-quarter of the job openings had no educational requirement.
- Nearly 60 percent (58.6%) required experience in a related position and 20 percent required general work experience.
- Many of the vacancies provided benefits such as health insurance (62.0%), paid vacation (59.8%), retirement/ pension plan (52.0%) and paid sick leave (51.9%).

Private Sector Job Vacancy Data Summary
Spring 2008

	2008	2006
Number of Job Vacancies	8,912	10,949
Job Vacancy Rate (vacancies per 100 filled jobs)	2.2%	2.7%
Full-Time Positions	53.8%	55.8%
Part-Time Positions	46.2%	44.2%
Vacancies Open < 30 Days	45.1%	35.8%
Vacancies Open Between 30-59 Days	15.1%	17.8%
Vacancies Open > 60 Days	8.8%	12.6%
Constantly Recruiting/Always Hiring	30.9%	33.7%
Permanent Positions	78.4%	87.0%
Temporary/Seasonal Positions	21.6%	13.0%
Vacancies Requiring a Diploma/GED	37.6%	41.0%
Vacancies Requiring Vocational Training	5.1%	8.3%
Vacancies Requiring an Associate Degree	8.5%	8.3%
Vacancies Requiring a Bachelor Degree	21.9%	16.1%
Vacancies Requiring an Advanced Degree	2.9%	3.7%
No Education Requirement	24.1%	22.3%
License or Certificate Required	14.7%	25.8%
General Work Experience Required	19.9%	20.2%
Experience Related to Position Required	58.6%	51.7%
No Experience Required	21.5%	28.1%
Median Hourly Wage Range	$12.81 to $14.67	$11.00 to $12.00
Vacancies with Health Insurance	62.0%	63.9%
Vacancies with Paid Sick Leave	51.9%	52.9%
Vacancies with Paid Vacation	59.8%	65.4%
Vacancies with Tuition Reimbursement	30.9%	40.2%
Vacancies with Retirement /Pension Plan	52.0%	60.9%
Vacancies with No Benefits Offered	32.6%	27.2%

In Spring 2008, job vacancies were reported in all economic sectors and all occupational groups. Economic sectors with the most openings included Health Care & Social Assistance (2,122), Accommodation & Food Services (1,809) and Retail Trade (1,770). However, each sector reported fewer vacancies this year than in 2006.

- With a job vacancy rate of 2.8 percent, the Health Care & Social Assistance sector reported nearly one-quarter of the job vacancies, more than any other economic sector, as employers sought to find candidates to fill some 2,122 openings during the spring months. Nearly half the vacancies were for Registered Nurses and Nursing Aides.

- The Accommodation & Food Services sector, with an estimated 1,809 vacancies had the highest vacancy rate (4.0%) and the second highest number of job openings. Over 70 percent of the openings were for part-time positions, with Waiters & Waitresses the most commonly sought position.

- The Retail Trade sector with a vacancy rate of 3.5 percent reported the third highest number (1,770) of job vacancies.

Job vacancies in over 300 occupations were reported with approximately half (50.3%) concentrated in three occupational groups – Food Preparation & Serving (1,803), Sales & Related (1,425) and Office & Administrative Support (1,032) occupations.

- Occupations with the most estimated vacancies during the survey period included Retail Salespersons (844), Registered Nurses (613), Waiters & Waitresses (523), Nursing Aides, Orderlies & Attendants (401), Food Preparation Workers (302), Cashiers (296), Counter Attendants (285), Customer Service Representatives (232), Maids & Housekeepers (190) and Social & Human Service Assistants (189).

Job Vacancy Data by Industry Sector

Industry	Estimated* Employment	Projected Vacancies	Vacancy Rate	Part Time Vacancies	Percent of Total Vacancies
Total	**405,100**	**8,912**	**2.2%**	**46.2%**	**100%**
Health Care & Social Assistance	75,359	2,122	2.8%	47.5%	23.8%
Accommodation & Food Services	45,741	1,809	4.0%	71.4%	20.3%
Retail Trade	50,132	1,770	3.5%	55.1%	19.9%
Finance & Insurance	25,609	551	2.2%	5.4%	6.2%
Manufacturing	49,646	485	1.0%	10.9%	5.4%
Arts, Entertainment, & Recreation	9,466	342	3.6%	98.2%	3.8%
Educational Services	17,578	320	1.8%	11.3%	3.6%
Wholesale Trade	15,480	298	1.9%	0.0%	3.3%
Management of Companies	9,390	256	2.7%	27.7%	2.9%
Information	10,145	221	2.2%	3.6%	2.5%
Administrative & Waste Services	24,825	172	0.7%	55.2%	1.9%
Professional & Technical Services	19,209	165	0.9%	9.1%	1.9%
Other Services	16,515	117	0.7%	64.1%	1.3%
Transportation & Warehousing	9,104	103	1.1%	53.4%	1.2%
Real Estate & Leasing	6,115	89	1.5%	16.9%	1.0%
Construction	21,226	78	0.4%	69.2%	0.9%

* Third quarter 2007 average employment of companies with three or more employees.

Opportunities for Tomorrow's Workforce

The Future of Industry and Occupations in Rhode Island

Industry Outlook

Rhode Island employment is expected to increase by over 47,000 jobs during the 2006-2016 projection period. Employment in 2016 is projected to reach 570,461, an increase of 47,550 (9.1%) from the 2006 employment level. Much of this growth is attributed to the increased demand for the products and services provided by the Health Care & Social Assistance; Accommodation & Food Services; Educational Services; Professional, Scientific & Technical Services; and Finance & Insurance sectors.

Rhode Island Industry Projections by Economic Sector 2006 - 2016

Industry Title	2006 Estimated Employment	2016 Projected Employment	Numeric Change	Percent Change
Total, All Industries	**522,911**	**570,461**	**47,550**	**9.1%**
Health Care & Social Assistance	76,081	91,100	15,019	19.7%
Accommodation & Food Services	42,560	48,900	6,340	14.9%
Educational Services	46,322	51,000	4,678	10.1%
Self-Employed & Unpaid Family Workers	42,132	46,546	4,414	10.5%
Professional, Scientific, & Technical Services	21,569	25,680	4,111	19.1%
Finance & Insurance	26,492	29,895	3,403	12.8%
Retail Trade	51,714	54,550	2,836	5.5%
Construction	22,803	24,965	2,162	9.5%
Other Services (Except Government)	18,118	20,150	2,032	11.2%
Arts, Entertainment, & Recreation	7,693	9,145	1,452	18.9%
Transportation & Warehousing	9,834	11,250	1,416	14.4%
Administrative & Waste Services	25,388	26,800	1,412	5.6%
Wholesale Trade	16,969	18,255	1,286	7.6%
Information	10,878	12,050	1,172	10.8%
Management of Companies & Enterprises	9,341	10,500	1,159	12.4%
Real Estate & Rental & Leasing	6,847	6,940	93	1.4%
Utilities	1,144	1,160	16	1.4%
Mining	259	270	11	4.2%
Agriculture, Forestry, Fishing & Hunting	902	905	3	0.3%
Government	33,139	32,500	-639	-1.9%
Manufacturing	52,726	47,900	-4,826	-9.2%

- The largest gains continue to occur in the Health Care & Social Assistance (+15,019) sector. A number of factors, including a growing and aging population along with medical advances and new technologies, will result in an employment increase of some 15,000 (+19.7%) jobs. Within the Health Care & Social Assistance Sector, Nursing & Residential Care Facilities (+5,516), Ambulatory Health Care Services (+4,004), Social Assistance Services (+2,792) and Hospitals (+2,707), are all expected to grow at above average rates. This sector is expected to account for 28 percent of all new job growth occurring in the state during the 2006-2016 projection period.

- The Accommodation & Food Services sector, which includes Food Services & Drinking Places (+5,271) and Accommodation (+1,069), is expected to grow by 15 percent during the projection period. Cultural changes in dining habits along with dual-income families will contribute to the job growth in this industry.

- Average growth is expected in Educational Services as private and public schools and colleges strive to meet the needs of their students. An increase of nearly 4,700 jobs is expected during the period.

- The Professional, Scientific and Technical Services sector is expected to grow at more than twice the average rate adding over 4,100 (+19.1%) jobs to the state's economy. Included in this sector are establishments engaged in performing services that require a high degree of expertise and training. In Rhode Island, this sector is dominated by businesses offering legal services, accounting and payroll services, computer services and architectural and engineering services to both businesses and individuals.

Industries Adding the Most Jobs

Industry Title	**Projected Growth**
Nursing & Residential Care Facilities	5,516
Food Services & Drinking Places	5,271
Educational Services	4,678
Professional, Scientific & Technical Services	4,111
Ambulatory Health Care Services	4,004
Social Assistance	2,792
Hospitals	2,707
Securities, Commodity Contracts & Other Financial Investments & Related Activities	1,596
Specialty Trade Contractors	1,508
Credit Intermediation & Related Activities	1,267

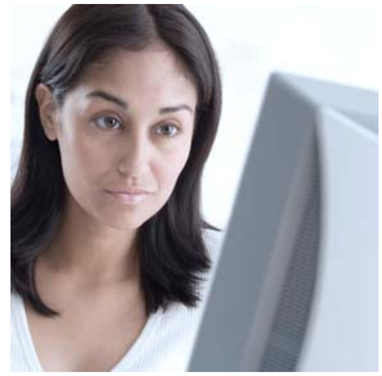
- Approximately 3,400 new jobs are expected in the Finance & Insurance sector due to gains in Securities, Commodity Contracts & Other Financial Investments (+1,596) and Credit Intermediation & Related Activities (+1,267), accounting for over half of the sector employment.

- Showing steady but slowing growth, nearly all industries in the Retail Trade sector are expected to grow, resulting in the addition of some 2,800 (+5.5%) new jobs. Over 2,000 new jobs are also expected in the Construction (+2,162) and Other Services (+2,032) sectors.

- Following the national trend, continued employment declines are projected for Rhode Island's Manufacturing sector. Job loses of nearly 5,000 are expected with the largest losses occurring in Miscellaneous Manufacturing (-1,771), Textile Mills (-1,124) and Fabricated Metal Products (-899). A few industries within this sector are expected to add jobs, with the largest gains projected for Chemical Manufacturing (+860) and Transportation Equipment Manufacturing (+532).

Occupational Outlook

Job openings result from the need to replace workers who leave an occupation and the need to fill vacancies created by business expansion. During the 2006-2016 projection period, it is estimated that employers will need to find workers to fill over 171,000 job openings. Nearly one-third of the projected job openings are attributed to the economic growth that is expected to occur during the projection period. The remaining openings are due to replacement needs resulting from employee turnover.



Among the major occupational groups, the greatest number of expected job openings will occur in Food Preparation & Serving Related Occupations (+ 24,460), Office & Administrative Support Occupations (+23,914), Sales & Related Occupations (+19,391) and Healthcare Practitioners & Technical Occupations (+11,565).

Occupational declines result from decreasing industry employment and from technological modifications. The only occupational group with a projected job loss is Production Occupations (-5.3%). It is important to note that while the number of production jobs is expected to decline, there will still be a substantial demand for workers in this occupational group resulting from the need to replace workers who leave their jobs. In addition, some occupations within the group are projected to grow during this period, resulting in 550 new job openings.

Employment by Major Occupational Group

	Employment 2006	Employment 2016	Net Change	Percent Change	Openings Due to Growth	Openings Due to Replacement
Total, All Occupations	**522,911**	**570,461**	**47,550**	**9.1%**	**54,154**	**117,364**
Food Preparation & Serving Related Occupations	45,408	52,319	6,911	15.2%	6,911	17,549
Healthcare Practitioners & Technical Occupations	33,423	38,755	5,332	16.0%	5,367	6,198
Healthcare Support Occupations	18,244	22,442	4,198	23.0%	4,230	1,887
Office & Administrative Support Occupations	85,692	89,541	3,849	4.5%	5,904	18,010
Education, Training, & Library Occupations	32,704	36,503	3,799	11.6%	3,807	6,497
Sales & Related Occupations	50,399	54,126	3,727	7.4%	3,902	15,489
Business & Financial Operations Occupations	22,456	25,803	3,347	14.9%	3,366	3,951
Personal Care & Service Occupations	16,811	19,935	3,124	18.6%	3,133	3,662
Construction & Extraction Occupations	27,447	29,980	2,533	9.2%	2,539	4,703
Community & Social Services Occupations	10,636	12,947	2,311	21.7%	2,311	1,788
Building & Grounds Cleaning & Maintenance Occupations	18,569	20,627	2,058	11.1%	2,058	3,114
Management Occupations	27,047	28,891	1,844	6.8%	1,922	5,914
Computer & Mathematical Occupations	10,136	11,934	1,798	17.7%	1,884	2,306
Installation, Maintenance, & Repair Occupations	16,729	17,895	1,166	7.0%	1,207	2,704
Arts, Design, Entertainment, Sports, & Media Occupations	9,492	10,390	898	9.5%	919	2,283
Transportation & Material Moving Occupations	28,705	29,445	740	2.6%	1,695	6,214
Architecture & Engineering Occupations	8,722	9,334	612	7.0%	616	1,963
Protective Service Occupations	10,765	11,321	556	5.1%	575	3,172
Life, Physical, & Social Science Occupations	3,934	4,369	435	11.1%	438	980
Legal Occupations	4,265	4,568	303	7.1%	320	750
Farming, Fishing, & Forestry Occupations	1,674	1,797	123	7.3%	128	306
Production Occupations	39,653	37,539	-2,114	-5.3%	922	7,924

High Demand Occupations

The top fifty occupations with the greatest number of annual openings represent numerous opportunities for finding employment in the years ahead. They are considered “High Demand” occupations. It is projected that during the 2006-2016 period, employers will need to fill over 171,000 jobs resulting from employee turnover and economic growth. These “High Demand” occupations will account for more than half of all job openings projected for Rhode Island.

Rhode Island High Demand Occupations
2006 - 2016

Occupational Title	Annual Openings
Waiters & Waitresses	754
Retail Salespersons	632
Cashiers	583
Registered Nurses	453
Cafeteria & Concession Counter Attendants	361
Customer Service Representatives	324
General Office Clerks	314
Combined Food Prep & Serving Workers	285
Nursing Aides, Orderlies, & Attendants	257
Child Care Workers	224
Janitors & Cleaners	212
Laborers, Freight, Stock, & Material Movers	203
Food Preparation Workers	195
Bookkeeping, Accounting, & Auditing Clerks	190
Home Health Aides	176
Receptionists & Information Clerks	174
General & Operations Managers	173
Secondary School Teachers, Except Special & Vocational Ed	166
Social and Human Service Assistants	160
Carpenters	159
First-Line Supervisors-Retail Sales Workers	154
Accountants & Auditors	151
Maids & Housekeeping Cleaners	151
Bartenders	150
Elementary School Teachers, Except Special Education	149
Sales Representatives	147
Tellers	146
Stock Clerks & Order Fillers	125
Teacher Assistants	122
First-Line Supervisors-Office & Administrative Support Workers	122
Landscaping & Groundskeeping Workers	116
Dishwashers	114
Personal & Home Care Aides	114
Cooks, Restaurant	113
Truck Drivers, Light or Delivery Services	113
Secretaries, Except Legal, Medical, & Executive	109
Truck Drivers, Heavy & Tractor-Trailer	107
Executive Secretaries & Administrative Assistants	103
Computer Systems Analysts	99
Dining Room & Cafeteria Attendants & Bartender Helpers	95
Security Guards	90
Team Assemblers	90
Medical Secretaries	88
Licensed Practical & Vocational Nurses	85
Cooks, Fast Food	83
Automotive Service Technicians & Mechanics	83
Counter & Rental Clerks	81
Pharmacy Technicians	79
Management Analysts	78
Plumbers, Pipefitters, & Steamfitters	75

2016 Projected Outlook & Training Requirements for Available Jobs

Employment in Rhode Island is projected to grow at all education and skill levels, from jobs requiring on-the-job training to those requiring advanced degrees. During the 2006-2016 projection period, it is estimated that employers will need to find workers to fill over 54,000 new jobs and to replace some 117,000 workers who will leave their jobs for various reasons.

- Jobs where necessary skills are learned on-the-job make up the largest portion of the Rhode Island labor market. They account for 59 percent of the 2006 employment and dominate the occupational structure in many of the state's economic sectors. Over half of the job growth projected for the 2006 to 2016 period is expected to occur among jobs requiring on-the-job training.

- Jobs where the minimum educational requirement is a college degree (associate degree or higher) accounted for more than a quarter (26.4%) of the 2006 employment. Nearly one-third (32.8%) of the new job growth projected for the 2006 to 2016 period is expected to occur among jobs requiring an associate degree or higher.

- The remaining jobs in the state's economy require work experience in a related occupation or vocational training. Together, they accounted for approximately 15 percent of the 2006 employment. Jobs requiring vocational training are expected to grow faster-than-average, while slower-than-average growth is expected for jobs requiring work experience in a related occupation.

Employment by Education and Training Requirements

	Employment Estimate		Annual Openings Due to		Total
	2006 Estimate	2016 Projection	Growth	Replacements	Total Annual Openings
Total, All Occupations	**522,911**	**570,461**	**5,415**	**11,736**	**17,151**
Jobs Requiring On-The-Job Training	**308,714**	**331,710**	**2,897**	**7,650**	**10,547**
Short-term on-the-job training	180,646	195,389	1,794	5,210	7,004
Moderate-term on-the-job training	91,485	97,388	830	1,643	2,473
Long-term on-the-job training	36,583	38,933	273	797	1,070
Jobs Requiring Vocational Training or Related Job Experience	**76,384**	**83,379**	**752**	**1,377**	**2,129**
Work experience in a related occupation	44,877	48,179	357	860	1,217
Postsecondary vocational training	31,507	35,200	395	517	912
Jobs Requiring College Degrees	**137,813**	**155,372**	**1,784**	**2,731**	**4,515**
Associate Degree	25,189	29,068	390	480	870
Bachelor's Degree	65,018	73,567	865	1,281	2,146
Bachelor's or Higher Degree, Plus Work Experience	23,049	24,853	190	510	700
Master's Degree	10,373	12,039	170	197	367
Doctoral Degree	4,872	5,672	82	93	175
First Professional Degree	9,312	10,173	87	170	257

RI’s Population Growth Slows

Between 2000 and 2007, every New England state reported population growth, although at a slower growth rate than the nation as a whole (7.2%). Population growth in Rhode Island slowed considerably during the course of the decade after peaking at 1,072,859 in 2004. Rhode Island’s population growth rate was only 0.9 percent, ranking it last in New England.

The demographic components of population change consist of natural change (the difference between births and deaths) and net migration (the difference between the number of individuals moving into and out of an area).

The slower population growth in Rhode Island between 2000 and 2007 was due to total net out-migration. Even though Rhode Island gained more people from other countries than it lost (international in-migration), the state actually lost more people to other states (domestic out-migration).

Between 2006 and 2007, every New England state, with the exception of Rhode Island, recorded population gains ranging from 0.1 percent in Vermont to 0.3 percent in New Hampshire. Comparably, these growth rates were well below the national population increase of 1.0 percent.

Population Data for New England States
Census 2000 - 2006 - 2007

	2000 Census Population	2006 Census Estimate	2007 Census Estimate	Numerical Change 2000-2007	Numerical Change 2006-2007	Percent Change 2000-2007	Percent Change 2006-2007
Connecticut	3,405,602	3,495,753	3,502,309	96,707	6,556	2.8%	0.2%
Maine	1,274,921	1,314,910	1,317,207	42,286	2,297	3.3%	0.2%
Massachusetts	6,349,105	6,434,389	6,449,755	100,650	15,366	1.6%	0.2%
New Hampshire	1,235,786	1,311,821	1,315,828	80,042	4,007	6.5%	0.3%
Rhode Island	**1,048,319**	**1,061,641**	**1,057,832**	**9,513**	**-3,809**	**0.9%**	**-0.4%**
Vermont	608,827	620,778	621,254	12,427	476	2.0%	0.1%
United States	281,424,602	298,754,819	301,621,157	20,196,555	2,866,338	7.2%	1.0%

Source: US Census Bureau, 2000 Census and 2006-2007 Census Population Estimates

- Rhode Island and Michigan were the only states in the nation to lose population between 2006 and 2007.
- The resident population in Rhode Island declined by 0.4 of a percent, or just over 3,800 individuals, to an estimated 1.058 million residents in 2007.
- The lower rates of population growth in the New England states were primarily due to domestic net-outmigration as more people left than entered the region.
- The Northeast was the slowest growing region in the country (+0.2%) between 2006 and 2007, while the South and West regions added the highest percentage of residents (+1.4% each) during this period.

Local Population Trends

- Mirroring the overall decline in Rhode Island's population (-0.4%) from 2006 to 2007, every county in Rhode Island lost population over the past year.
- Of the 39 cities and towns, 18 communities lost a larger share of their population than the state.
- The city of Newport reflected the largest annual population percentage decline (-1.1%), followed by the towns of Middletown (-1.0%) and Tiverton (-0.8%).
- Only seven communities in Rhode Island reported population percentage gains between 2006 and 2007: Lincoln, Westerly, North Kingstown, North Smithfield, Foster, Portsmouth and Cumberland.
- The towns of Lincoln, North Kingstown, Westerly and Cumberland each added at least 50 residents to their respective population counts over the year.
- The cities of Warwick (-541), Pawtucket (-482), Cranston (-441) and Providence (-395) lost the greatest number of residents.

Rhode Island City and Town Population Estimates

Geographic Area	Census Pop. Est. 2006	2007	Numeric Change	Percent Change
Rhode Island	**1,061,641**	**1,057,832**	**-3,809**	**-0.4%**
Bristol County	**50,228**	**50,079**	**-149**	**-0.3%**
Barrington	16,506	16,444	-62	-0.4%
Bristol	22,571	22,552	-19	-0.1%
Warren	11,151	11,083	-68	-0.6%
Kent County	**169,486**	**168,639**	**-847**	**-0.5%**
Coventry	34,548	34,510	-38	-0.1%
East Greenwich	13,417	13,349	-68	-0.5%
Warwick	85,638	85,097	-541	-0.6%
West Greenwich	6,408	6,394	-14	-0.2%
West Warwick	29,475	29,289	-186	-0.6%
Newport County	**83,335**	**82,777**	**-558**	**-0.7%**
Jamestown	5,530	5,515	-15	-0.3%
Little Compton	3,540	3,535	-5	-0.1%
Middletown	16,419	16,259	-160	-1.0%
Newport	25,644	25,359	-285	-1.1%
Portsmouth	16,999	17,030	31	0.2%
Tiverton	15,203	15,079	-124	-0.8%
Providence County	**631,491**	**629,435**	**-2,056**	**-0.3%**
Burrillville	16,507	16,505	-2	0.0%
Central Falls	18,950	18,823	-127	-0.7%
Cranston	80,904	80,463	-441	-0.5%
Cumberland	34,264	34,314	50	0.1%
East Providence	49,007	48,779	-228	-0.5%
Foster	4,499	4,511	12	0.3%
Glocester	10,551	10,536	-15	-0.1%
Johnston	28,836	28,680	-156	-0.5%
Lincoln	22,009	22,105	96	0.4%
North Providence	32,929	32,885	-44	-0.1%
North Smithfield	11,261	11,294	33	0.3%
Pawtucket	72,824	72,342	-482	-0.7%
Providence	172,854	172,459	-395	-0.2%
Scituate	10,890	10,870	-20	-0.2%
Smithfield	21,368	21,279	-89	-0.4%
Woonsocket	43,838	43,590	-248	-0.6%
Washington County	**127,101**	**126,902**	**-199**	**-0.2%**
Charlestown	8,171	8,120	-51	-0.6%
Exeter	6,227	6,195	-32	-0.5%
Hopkinton	8,014	8,003	-11	-0.1%
Narragansett	16,632	16,511	-121	-0.7%
New Shoreham	1,028	1,021	-7	-0.7%
North Kingstown	26,612	26,708	96	0.4%
Richmond	7,704	7,659	-45	-0.6%
South Kingstown	29,395	29,277	-118	-0.4%
Westerly	23,318	23,408	90	0.4%

Source: US Census Bureau

The Role of Foreign Immigration in RI's Labor Force Growth

Rhode Island's total resident population showed only modest growth in the late 1980s and the 1990s with increases of 5.9 percent from 1980-1990 and 4.5 percent from 1990-2000. In comparison, the nation's population expanded by 9.8 percent from 1980-1990 and 13.2 percent from 1990-2000.

The demographic makeup of the state has changed over the past decades with immigration playing a critical role in generating RI's population growth.

- Between 1980 and 1990, foreign immigration accounted for nearly 70 percent of the state's total population gain of 56,310.

- Betweeen 1990 and 2000, Rhode Island's total population grew by 44,855, due entirely to foreign born immigrants who were responsible for 107 percent (48,151) of the net growth in resident population.

- If it had not been for the immigration of foreign born persons, the state would have actually lost population between 1990 and 2000.

Share of New Immigrant Population Growth in RI
1980-1990 1990-2000 2000-2006

	1980-1990	1990-2000	2000-2006
Total Population Growth in Rhode Island	56,310	44,855	19,291
Number of New Immigrants into RI over the Decade	39,312	48,151	36,107
New Immigrants as % of Population Growth	69.8%	107.3%	187.2%

Note: New immigrants refer to persons born outside the US who migrated to US over each of the decades.
Source: US Census Bureau
Data tabulated by the Center for Labor Market Studies, Northeastern University

The latest information from the Census Bureau's American Community Survey (ACS) confirms what has been anecdotally apparent: Foreign immigration continued to fuel RI's population growth during the current decade.

- Between 2000 and 2006, Rhode Island's total resident population showed a net gain of 19,291, a growth rate of only 1.8 percent.

- Rhode Island experienced an influx of 36,100 new foreign born immigrants (those who entered the state from 2000-2006).

- Between 2000 and 2006, new foreign immigrants accounted for 187 percent of the state's net resident population growth.

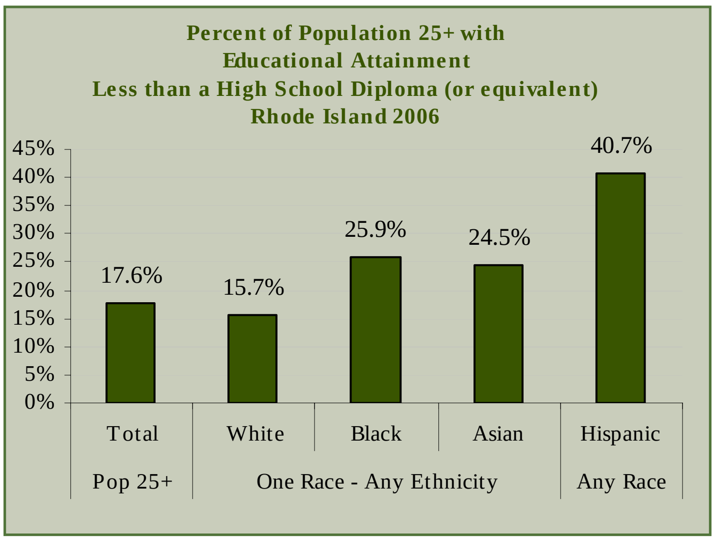
- Hispanics represented the largest share (56%) of new foreign-born immigrants.

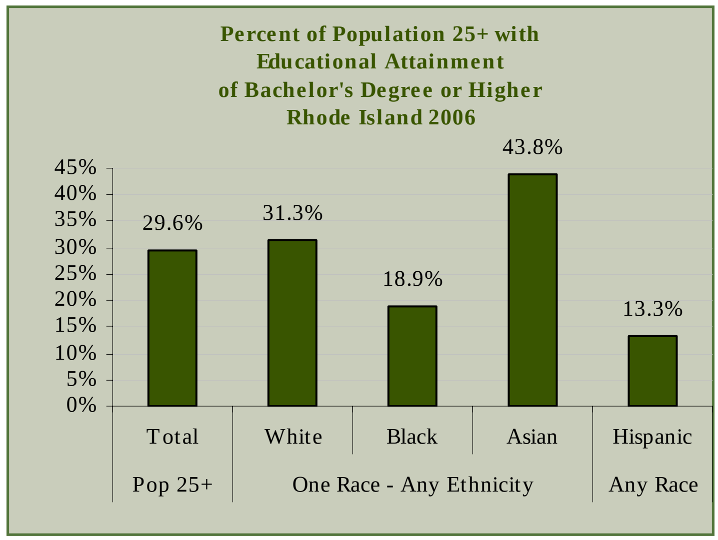
- The most recent population figures for the state show that Rhode Island actually lost population from 2006 to 2007 (-0.4%) due to domestic outmigration. This continued downtrend in population underscores the importance of foreign immigration in the state's labor force supplementation.

The most striking shift in Rhode Island's population growth since 1990 has been a surge in the Hispanic population. The number of Hispanics residing in Rhode Island has grown by 157 percent from 1990 to 2006. Immigrants from Latin America constitute the majority (44%) of the new foreign born immigrants who arrived in the state between 2000 and 2006.

This unprecedented growth in the number of Hispanics has lead to a number of workforce issues including language barriers, documentation problems and skill transfers between countries.

Slightly more than 40 percent of Hispanics 25 years and older lack a high school diploma or its equivalent, while only 13 percent hold a bachelor's degree or higher. Among the total population, 25 years and older, 17.6 percent lack a high school diploma or equivalent, while nearly 30 percent have a bachelor's degree or higher. Hispanics/Latinos represent a primary source of labor supply in Rhode Island. Building a labor force that reflects the demographic changes in the state requires bridging the education gap.





Source: American Community Survey

While some immigrants arrive with little education and few marketable skills, others are highly educated and may have skills required by employers. However, many skilled immigrants do not have access to jobs because they do not speak English well or are unable to transfer their educational degrees or training to US equivalents.

- According to data from the American Community Survey, 46 percent of new immigrants in Rhode Island reported that they speak little or no English.

- New foreign born immigrants with limited English-speaking proficiencies tend to have a lower attachment to the labor force and their access to higher skilled/higher wage occupations is greatly reduced.

- An improvement in the ability to speak English contributes to an improvement in the employability and earnings potential for new foreign immigrants.

Education Counts

Not long ago, most people were able to get a job with not much more than a high school diploma. However, today's economy places a much higher premium on additional years of schooling – even for an entry-level position, a high school diploma or GED may not be enough.
Our ability to compete in a global economy is dependent on the knowledge and skills of our workforce and its ability to learn and adapt to new situations.

Each level of education attained provides more return than the level below. The benefits gained from an educated workforce are important for both the residents and the economy as a whole. Research shows that higher levels of individual educational attainment lead to:

- Higher rates of workforce participation
- An increase in annual earnings
- More job opportunities
- Readily transferable skills
- Reduced reliance on government assistance programs

Educational Attainment in RI, 2006

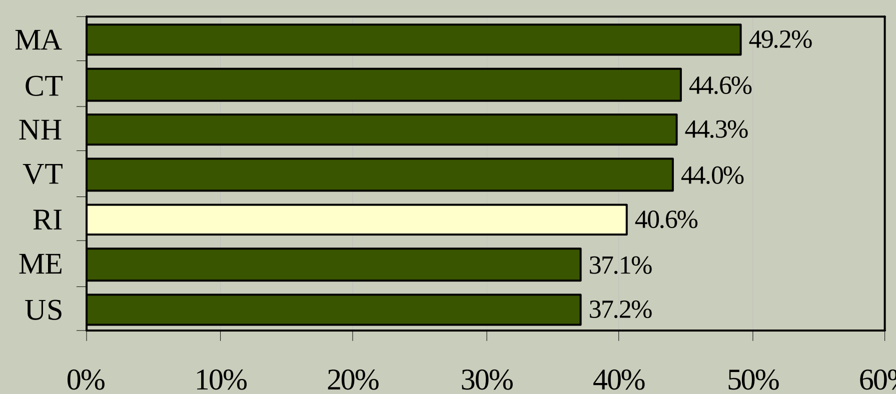
Population (25 Years and Older)	**712,984**
< 9th grade	7.3%
9th -12th, no diploma	10.4%
High School Graduate	29.4%
Some College, no degree	16.2%
Associate Degree	7.1%
Bachelor Degree	18.3%
Graduate/Professional Degree	11.3%
High School Graduate or Higher	82.4%
Bachelor's Degree or Higher	**29.6%**

Source: American Community Survey, 2006

The Adult Learning in Focus Report, 2008, produced by the Council for Adult and Experiential Learning in partnership with the National Center for Higher Education Management Systems, provides a comprehensive look at adult learning at the state and national levels. According to the data, more than 60 percent of the US population does not have an associate's degree or higher.

- Rhode Island ranks fifth in New England and fourteenth nationally in the percentage of working-age adults (25-64 years), with an associate's degree or higher.
- Rhode Island ranks fifth in New England and thirty-sixth nationally in the percentage of working-age adults (28.2%) who graduated from high school but did not go on to college.
- Rhode Island ranks fourth in New England and forty-fourth nationally in the percentage of working-age adults (17.6%) who attended college but did not complete a degree.

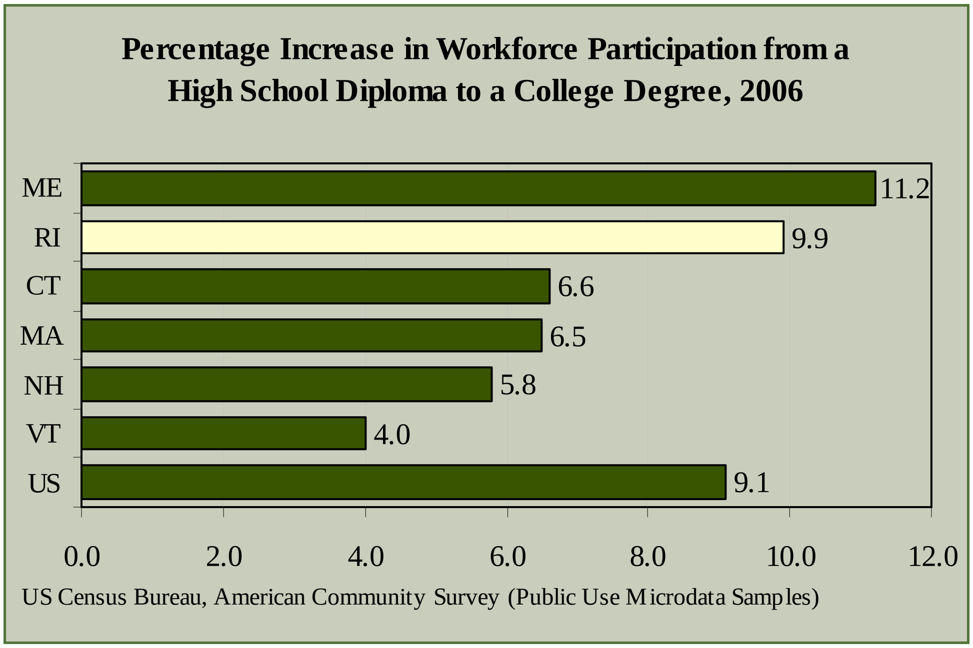
Percentage of Adults Aged 25-64 with an Associate's Degree or Higher, 2006



US Census Bureau, American Community Survey (Public Use Microdata Samples)

Nationally, individuals with college degrees have workforce participation rates that are 9.1 percent higher than those with high school diplomas.

In New England, the payoff in terms of workforce participation for those earning a college degree varies from a high of 11.2 percent in Maine to a low of 4.0 percent in Vermont.

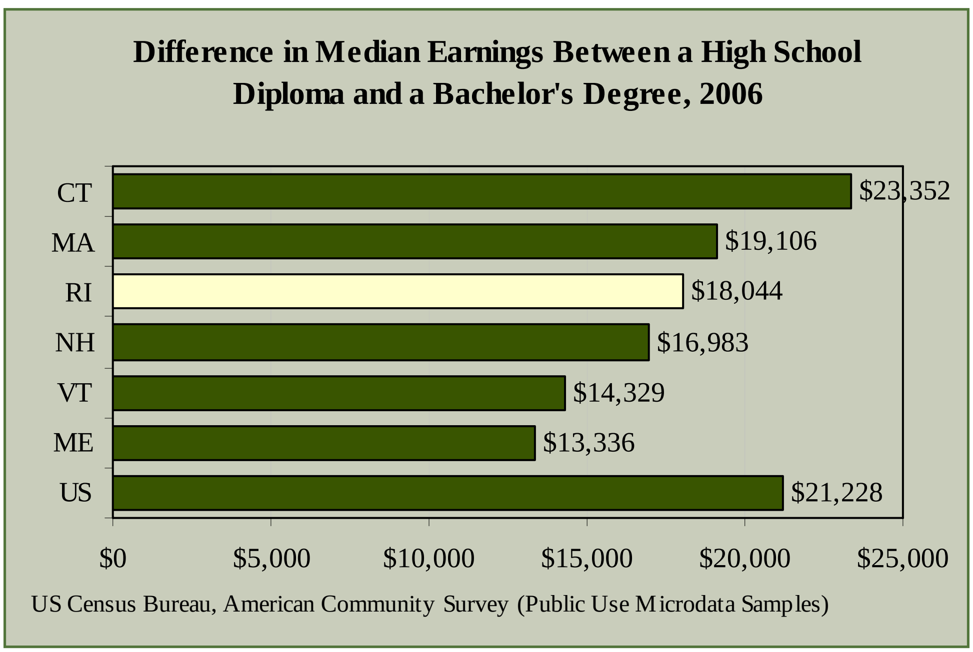


Rhode Islanders experienced nearly a 10.0 percent increase in workforce participation between those with a high school diploma and those with a college degree.

It should be noted that the starting point for workforce participation rates of adults (aged 25-64) varies depending on the state. In New England, the workforce participation rate of working-age adults ranged from a high of 83.0 percent in New Hampshire to a low of 78.5 percent in Maine. Rhode Island's labor force participation rate for this age group was 79.4 percent.

"The more you learn, the more you earn." Higher levels of education are associated with higher earnings. This is evident in the differences in median earnings across educational levels. The monetary returns of higher educational attainment in Rhode Island illustrate this premise:

- The increase in median earnings attributable to having a high school diploma and not having one is $7,569.
- The increase attributable to having an associate's degree over a high school diploma is $6,369.
- The increase attributable to having a bachelor's degree over a high school diploma is $18,044.



Education benefits not only the individual but our state economy as well. Highlighting Rhode Island's workforce demographics is only a first step in focusing attention on the relationship between adult learning and workforce development.

Worker Shortage Ahead

Over the next decade, the professional workforce will age and shrink. As the majority of baby boomers – born between 1946 and 1964 – move into their 50s and 60s, the median age of the population and the labor force will increase. By 2015, workers aged 55-64 will be the fastest growing segment of the labor force. In Rhode Island, this age group is projected to increase by 31 percent.

The next generation represents a much smaller pool of available workers and will likely not be able to fill positions vacated by retirees who have left the workforce. Despite an influx of immigrants, which has fueled RI's population growth over the past few decades, it has not been enough to offset the aging of the baby boom generation.

- Nationally, the young worker population, aged 25-44, declined modestly by only -1.5 percent between 2000 and 2007.
- The workforce drain among the population aged 25-44 is most evident in the Northeast and Midwest.
- Between 2000 and 2007, every New England state experienced a decline in the 25-44 age group, ranging from -7.5 percent in New Hampshire to -10.5 percent in Vermont.
- Rhode Island's young worker population declined by -8.8 percent during this period.

Young Worker Population in New England, 2007

	Population Aged 25-44	% Change 2000-2007
Connecticut	930,829	-9.9%
Maine	338,398	-8.7%
Massachusetts	1,798,128	-9.6%
New Hampshire	352,678	-7.5%
Rhode Island	**283,432**	**-8.8%**
Vermont	158,041	-10.4%
United States	83,752,215	-1.5%

Source: US Census Bureau, 2007 Population Estimates

As Rhode Island and the entire Northeast Region suffer from domestic outmigration, primarily among younger people, gaps in the workforce have been intensified by retiring older workers.

Unless the labor force attachment of older workers increases sharply by a postponement of retirement along with a more gradual labor market withdrawal, the aging of the labor force will result in labor shortages and impede economic growth.

Industry sectors that have a higher share of older workers will be more at risk for impending workforce reductions and will have a more urgent need to replace these older workers or retain policies to keep them.

One of the newest resources to identify potentially problematic areas that may require special attention is the Local Employment Dynamics (LED) program from the US Census Bureau. LED data shed light on the sectors of the economy that employ older workers in the state as well as identify sectors where older workers are underrepresented. Throughout the state, the aging of our workforce will have some impact on all industries and organizations.

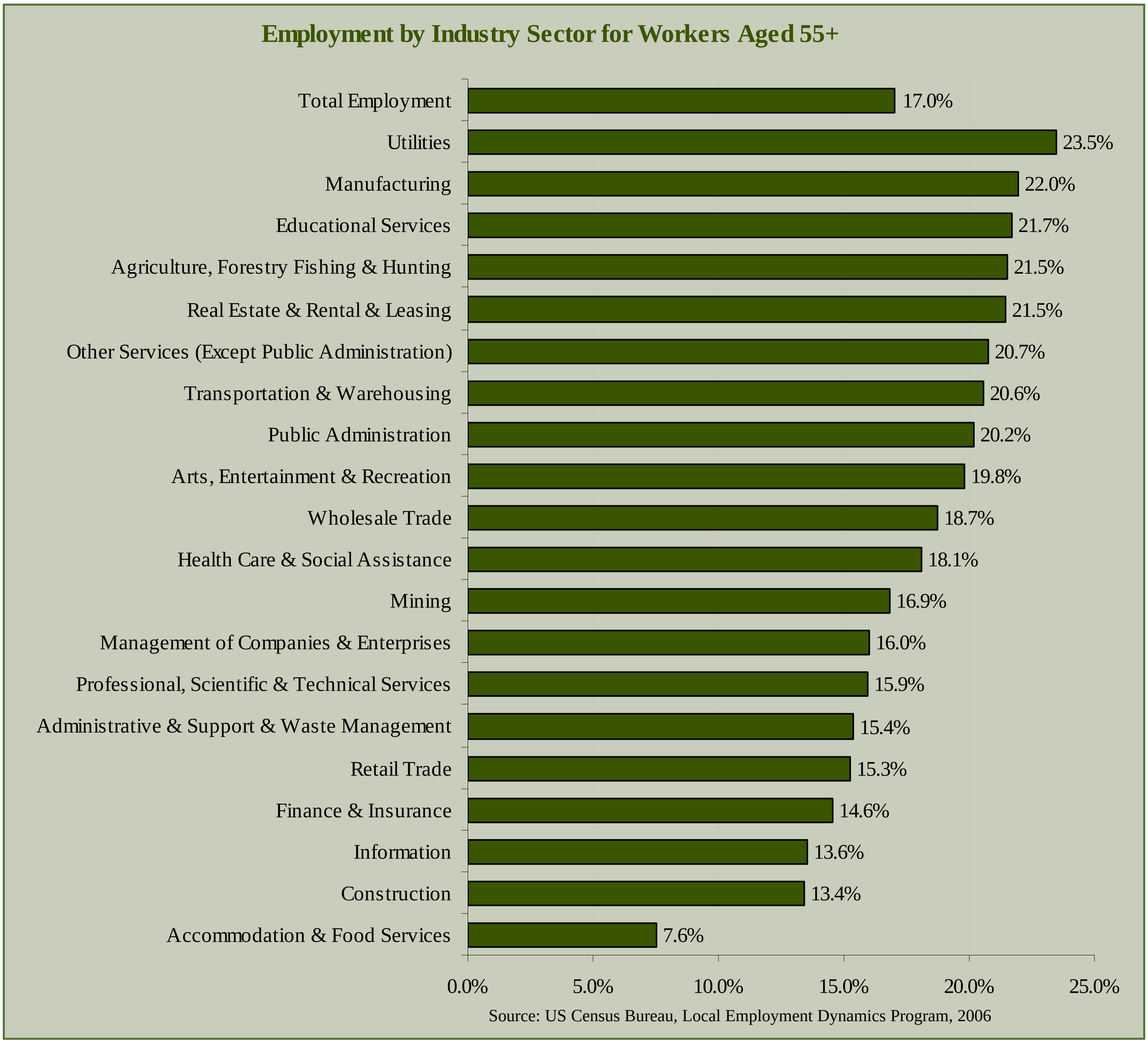
Several industry sectors that currently employ a high percentage of older workers (55+), such as Utilities, Manufacturing and Educational Services, are facing the prospect of worker shortages.

- LED data show that out of a total of 448,706 workers employed in Rhode Island, 17 percent are 55 years of age and older.

- Approximately, one in five workers who are currently employed in the Manufacturing; Educational Services; Real Estate & Rental & Leasing; Other Services (Except Public Administration); Transportation & Warehousing; and Pubic Administration sectors is 55 and older.

- Of the total workforce employed in the Utilities sector (1,474), nearly one quarter (346) is 55 years of age and older.

- The smallest share of older workers in Rhode Island (7.6%) is employed in Accommodation & Food Services.



Sources

Unless otherwise indicated, the Rhode Island Department of Labor and Training, Labor Market Information unit is the source of the data for this publication.

Several programs provided the foundation for the information:

- **Current Employment Statistics (CES)** program provides current estimates of non-farm establishment employment as well as hours and earnings for production workers employed in the Manufacturing sector. The CES program derives its data from a monthly survey of approximately 1,500 Rhode Island businesses.

- **Quarterly Census of Employment and Wages (QCEW)** program provides monthly employment and quarterly wages by industry, location and size of employer. The QCEW program derives its data from the quarterly tax reports submitted by employers subject to Rhode Island's Unemployment Insurance law. This information is supplemented with data collected from government agencies and businesses with multiple locations.

- **Local Area Unemployment Statistics (LAUS)** program provides monthly estimates of the labor force, resident employment, number of unemployed and the unemployment rates for the state and cities and towns. The LAUS estimates are derived from the Current Population Survey, a household survey.

- **Industry and Occupational Projections** provide outlook information on future job growth expectations by industry and occupation. The ten-year projections data are updated every two years and are derived from a national model which incorporates Rhode Island industry data and economic variables.

- **Administrative Data** provides statistics on claims activities, which are derived from the Department of Labor and Training's Unemployment Insurance records.

The Labor Market Information unit also acknowledges the following organizations for their contribution to our publication:

- The Bureau of Labor Statistics
- The Bureau of the Census
- The Conference Board
- The Center for Labor Market Studies at Northeastern University
- Council for Adult and Experiential Learning
- National Center for Higher Education Management Systems

STATE OF RHODE ISLAND

HOPE