



Economic Overview And Outlook: Rhode Island

JOBS

- Across the country, job losses have slowed dramatically since President Obama took office, nearly coming to a halt. Congress and the Administration worked swiftly to pass the American Recovery and Reinvestment Act, which has boosted employment by an estimated 2.8 million jobs since it was enacted.
- The President's Council of Economic Advisers estimates that investments made through the Recovery Act have boosted employment in Rhode Island by 11,000 jobs through the 1st quarter of 2010.
- In Rhode Island, employees in the construction, manufacturing, and leisure and hospitality sectors faced the largest job losses (as a percent of employment within an industry) over the recession. In 2010, the following sectors in Rhode Island experienced the greatest employment increases: professional and business services; financial activities; and manufacturing.
- While job losses nationwide have dissipated, the weakness in the labor market has been compounded by lackluster job creation in the private sector during the previous administration's eight-year tenure.
- As the economy recovers from the Great Recession, service-providing industries are projected to add the most jobs between 2008 and 2018, with the largest gains in professional and business services, education, health care and social assistance, and State and local government. Within the goods-producing sector of the economy, only the construction industry is projected to add jobs above its 2008 level.

EMPLOYMENT

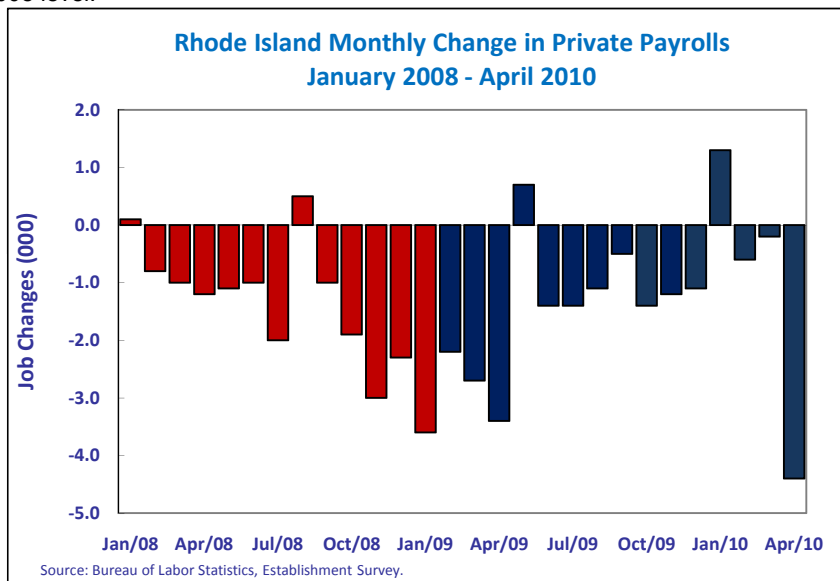
- The unemployment rate in Rhode Island was 12.5 percent in April 2010, up 6.5 percentage points from December 2007, but down from its most recent peak of 12.7 percent reached in February 2010.
- 72,000 Rhode Island residents were counted among the unemployed in Rhode Island during April 2010.

EARNINGS

- Between the start of the recession in the 4th quarter of 2007 and the 1st quarter of 2009, inflation-adjusted total personal income in the United States declined 2.5 percent. Most recently, in the 4th quarter of 2009, total personal income remained 2.8 percent below the 4th quarter 2007 peak.
- Real per capita personal income (in 2005 \$) in Rhode Island was \$37,647.10 in the 4th quarter of 2009, down from \$37,983.10 in the 4th quarter of 2007.

HOUSING

- Actions taken by Congress and the Administration have stabilized plummeting home prices, which fell 30.8 percent nationwide from the peak in March 2006 to the trough in April 2009. In Rhode Island, home prices fell 35.3 percent between January 2006 and May 2009, peak to trough. Most recently, home prices increased 0.41 percent in the state between November and December 2009.
- The median price of single-family homes in Rhode Island was \$277,500 in 2008, compared to \$250,000 nationwide.
- As of the 1st quarter of 2010, 3.6 percent of all mortgages, including 13.3 percent of subprime mortgages, were in foreclosure in Rhode Island.
- Housing starts in Rhode Island totaled 820 units (seasonally adjusted annual rate) in March 2010, an increase of 20.6 percent from February.
- Within the Northeast census region, which includes Rhode Island, sales of new single-family homes totaled 38,000 units in March 2010, an increase of 35.7 percent from February. Sales of existing single-family homes increased 4.9 percent to 640,000 units (at seasonally adjusted annual rates) from February to March 2010.

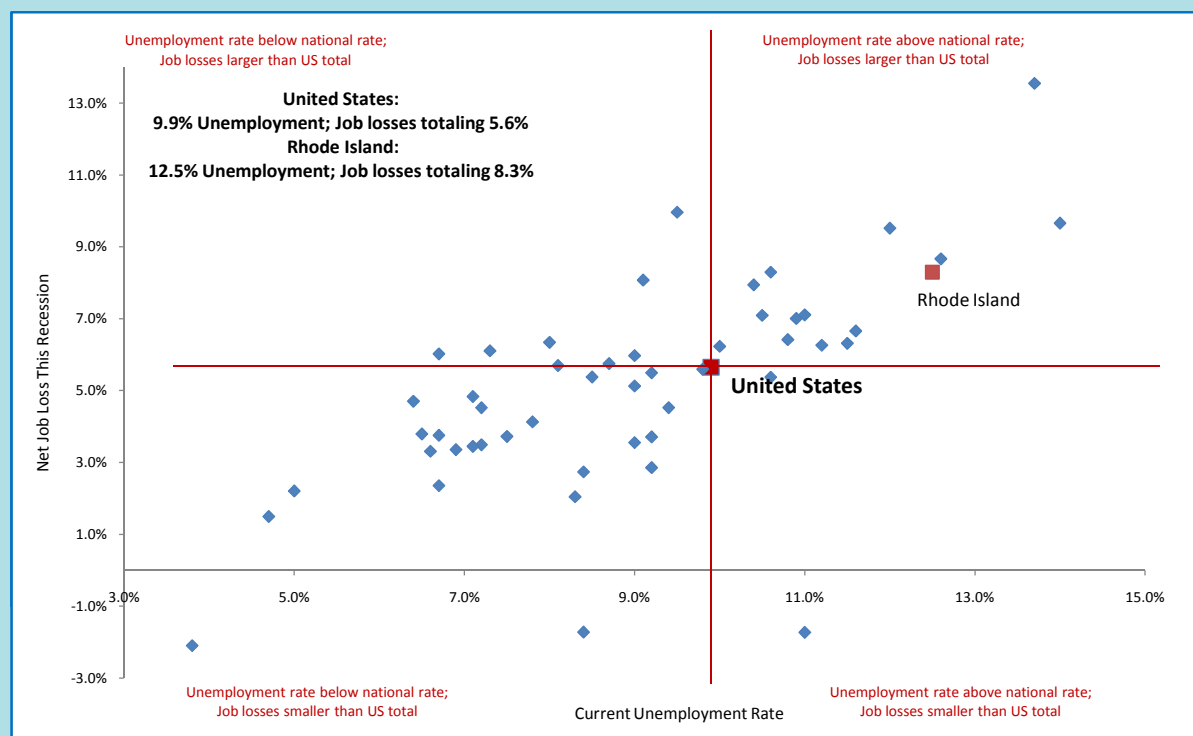


How Does Rhode Island Compare To Other States?

Workers across the country have been hard hit by the Great Recession. This chart allows you to compare Rhode Island to other states using two metrics.

The current unemployment rate (measured along the horizontal axis) serves as a gauge of current labor market conditions faced by residents, while the proportion of jobs lost within Rhode Island over the course of the recession (shown along the vertical axis) measures the toll the recession has taken on the job supply in Rhode Island.

States falling in the upper right quadrant have lost a disproportionate share of jobs, relative to the total United States, and have unemployment rates higher than the national unemployment rate. States falling in the lower left quadrant have unemployment rates lower than the national average and smaller job losses over the recession.



STATE QUICK FACTS

		Rhode Island	United States
Unemployment Rates	April 2008	6.8%	5.0%
	April 2009	10.4%	8.9%
	April 2010	12.5%	9.9%
Percent of Population Who Are Veterans	2008	10.1%	9.8%
Veterans' Unemployment Rate	2009	10.2%	8.1%
Median Household Income	2000	\$ 53,968	\$ 52,532
	(2008 \$) 2008	\$ 54,767	\$ 51,233
Poverty Rate	2000	10.1%	11.6%
	2008	11.1%	12.9%
No Health Insurance	2000	6.6%	13.9%
	2008	11.3%	15.3%

For more Rhode Island specific labor statistics or additional information, please refer to the Rhode Island office:
<http://www.dlt.ri.gov/lmi/news/lrelease.htm>