

Economic Overview And Outlook: Rhode Island

JOBS

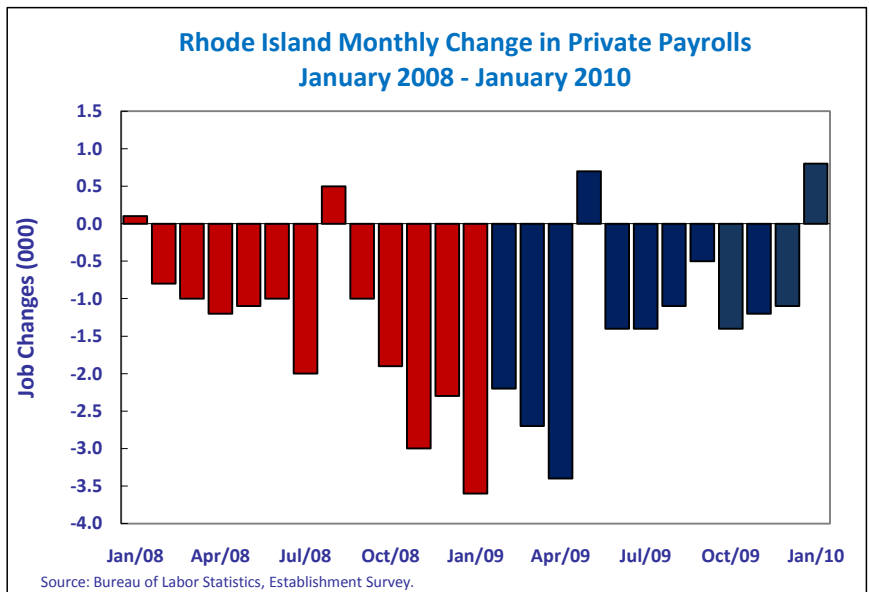
- Across the country, job losses have slowed dramatically since President Obama took office, nearly coming to a halt. Congress and the Administration worked swiftly to pass the American Recovery and Reinvestment Act, which has boosted employment by an estimated 2 million jobs since it was enacted.
- The President's Council of Economic Advisers estimates that investments made through the Recovery Act have boosted employment in Rhode Island by 8,000 jobs through the 4th quarter of 2009.
- In Rhode Island, employees in construction, manufacturing, and transportation and utilities faced the largest job losses (as a percent of employment within an industry) over the recession.
- 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 12.7 percent in January 2010, up 6.7 percentage points from December 2007, matching its most recent peak reached in December 2009.
- 73,000 Rhode Island residents were counted among the unemployed in Rhode Island during January 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, before leveling off. Most recently, in the 3rd quarter of 2009, total personal income remained 2.4 percent below the 4th quarter 2007 peak.
- Real per capita personal income (in 2005 \$) in Rhode Island was \$37,876.80 in the 3rd quarter of 2009, down from \$38,143.10 in the 3rd quarter of 2007.



HOUSING

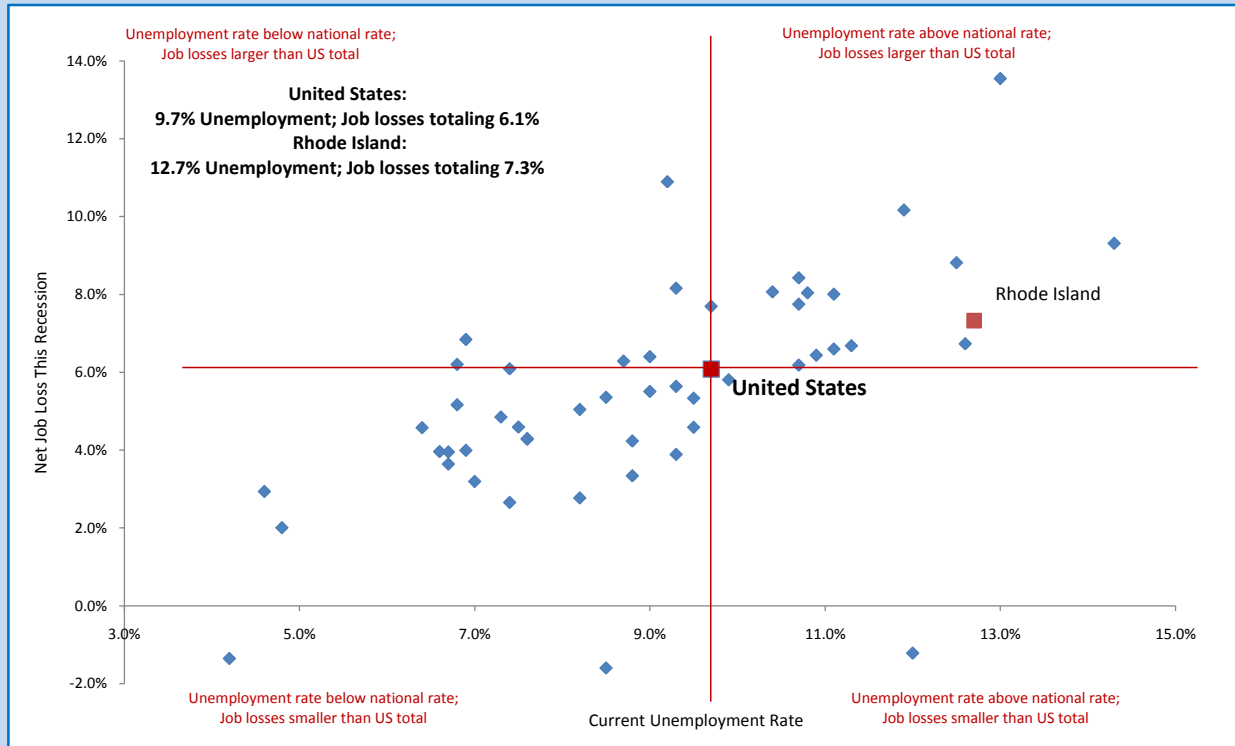
- Actions taken by Congress and the Administration have stabilized plummeting home prices, which fell 31.2 percent nationwide from the peak in April 2006 to the trough in March 2009. In Rhode Island, home prices fell 34.7 percent between February 2006 and May 2009, peak to trough. Most recently, home prices decreased 0.3 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 4th quarter of 2009, 4.0 percent of all mortgages, including 15.5 percent of subprime mortgages, were in foreclosure in Rhode Island.
- Housing starts in Rhode Island totaled 910 units (seasonally adjusted annual rate) in January 2010, an increase of 16.7 percent from December.
- Within the Northeast census region, which includes Rhode Island, sales of new single-family homes totaled 24,000 units in January 2010, a decrease of 35.1 percent from December. Sales of existing single-family homes decreased 9.1 percent to 600,000 units (at seasonally adjusted annual rates) from December to January 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	January 2008	6.1%	5.0%
	January 2009	9.6%	7.7%
	January 2010	12.7%	9.7%
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
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%

Prepared by the Majority Staff of the Joint Economic Committee