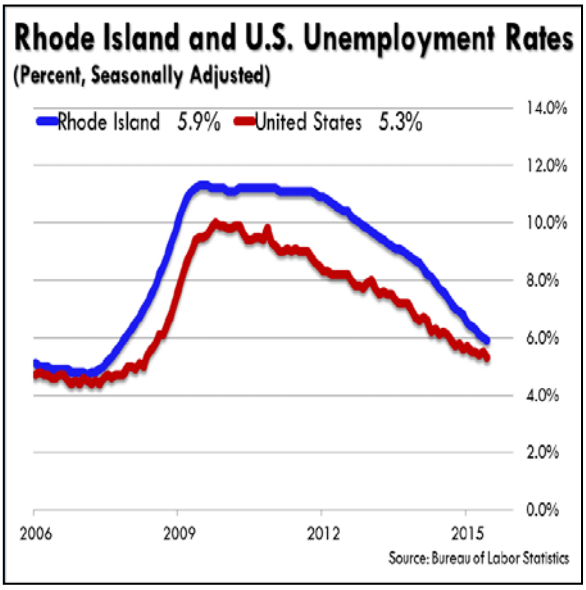
Rhode Island Economic Update

July 21, 2015

Summary

Nonfarm payroll employment in Rhode Island declined by 300 jobs and the unemployment rate fell to 5.9 percent in June according to data released by the Bureau of Labor Statistics (BLS).

Rhode Island Unemployment Rate



During June, the unemployment rate in Rhode Island declined by 0.1 percentage point to 5.9 percent. The number of people counted as unemployed fell by 120 in June to 32,999, while the labor force grew by 2,303 to 558,607. Among the 50 states and the District of Columbia, 36 posted lower unemployment rates for the month than Rhode Island. A year earlier, the unemployment rate in Rhode Island stood at 7.7 percent.

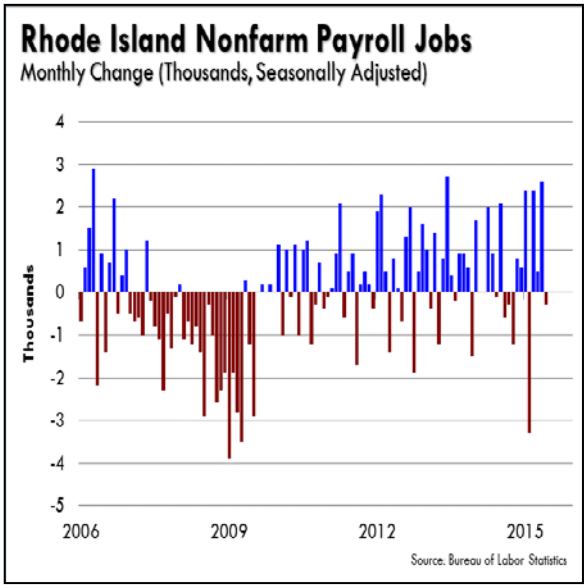
The 10 year peak for the unemployment rate in Rhode Island was 11.3 percent in August 2009. This also represents the series high for the unemployment rate in Rhode Island. The 10 year low for the unemployment rate in Rhode Island was 4.7 percent in February 2007. The series low for the unemployment rate in Rhode Island occurred in May 1988 when the unemployment rate reached 2.9 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined to 5.3 percent in June. June's unemployment rate was 0.8 percentage point lower than a year earlier when the rate stood at 6.1 percent. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.

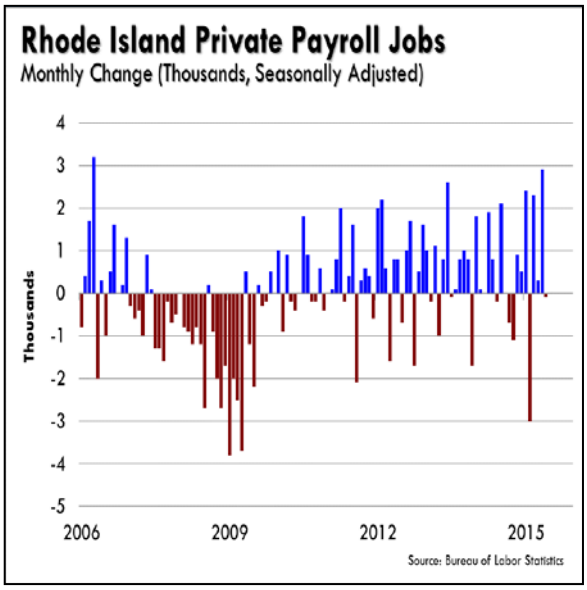
Prepared by the Joint Economic Committee
Senator Dan Coats, Chairman Rep. Kevin Brady, Vice Chairman

Rhode Island Payroll Employment

Rhode Island nonfarm payrolls declined by 300 jobs, or 0.06 percent, on a seasonally adjusted basis during June. In the prior month, nonfarm payrolls increased by 2,600. Over the past 12 months nonfarm payrolls in Rhode Island increased by 5,700, or 1.19 percent. Rhode Island nonfarm payroll employment has increased in 7 of the past 12 months.



Nationally nonfarm payrolls increased by 223,000 jobs in June, or 0.16 percent. Over the 12 month period ending in June 2015, nonfarm payrolls grew by 2,935,000 jobs, or 2.11 percent. Rhode Island ranks 35th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

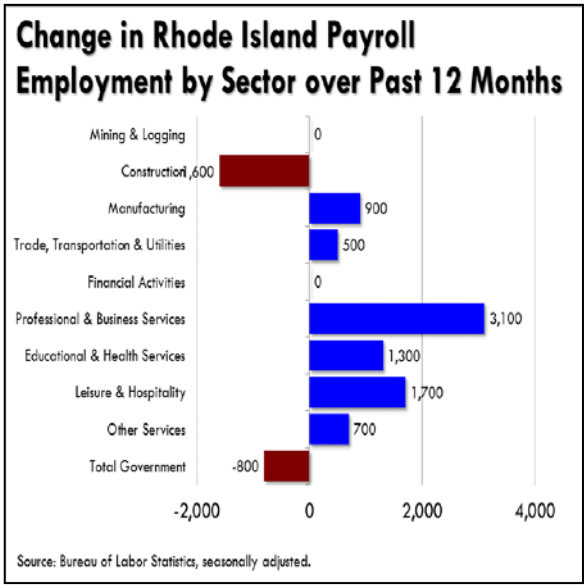


During June, Rhode Island private sector payrolls declined by 100, or 0.02 percent. Private sector payrolls increased by 2,900 jobs in the prior month. Over the past 12 months, private sector payrolls in Rhode Island increased by 6,500, or 1.56 percent. Rhode Island private sector payroll employment has increased in 7 of the past 12 months.

Nationally, private sector payroll jobs increased by 223,000 in June, or 0.19 percent. Over the past 12 months, the nation's economy has added 2,880,000 private sector payroll jobs, an increase of 2.46 percent. Rhode Island ranks 28th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During June, total government payroll employment in Rhode Island declined by 200, or 0.33 percent. Federal government payroll employment declined by 100, or 0.05 percent. State government payroll employment increased by 2,200, or 0.60 percent, while local government payroll employment increased by 1,900, or 0.15 percent.

Over the past year, total government payroll employment declined by 800, or 1.32 percent. State government payroll employment increased by 7,900, or 2.18 percent. Local government payroll employment increased by 13,300, or 1.04 percent.

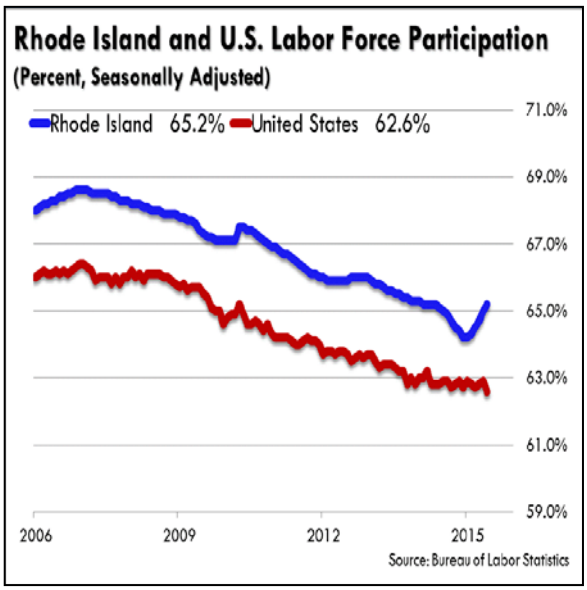


The best performing sectors on a seasonally adjusted basis during June were Educational & Health Services (+1,100) and Professional & Business Services (+1,100). The poorest performing sectors during the month were Leisure & Hospitality (-1,100) and Construction (-700).

The best performing sectors during the last twelve months were Professional & Business Services (+3,100) and Leisure & Hospitality (+1,700). The poorest performing sectors for the year were Construction (-1,600) and Total Government (-800).

<u>Other Rhode Island Labor Force Statistics</u>

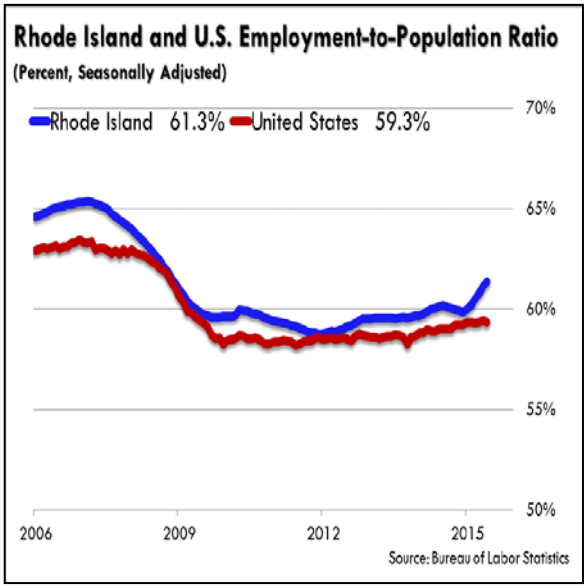
The labor force participation rate in Rhode Island rose to 65.2 percent in June from 65.0 percent the prior month. Among the 50 states and the District of Columbia, 18 have a higher labor force participation rate than Rhode Island. The labor force participation rate in Rhode Island is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.



The 10 year high for the labor force participation rate in Rhode Island was 68.6 percent in February 2007. This also represents the series high for the labor force participation rate in Rhode Island. The 10 year low for the labor force participation rate was 64.2 percent in January 2015. The series low for the labor force participation rate occurred in October 1976 when the labor force participation rate hit 62.8 percent.

The national labor force participation rate declined by 0.3 percentage point to 62.6 percent in June. That rate is 0.2 percentage point lower than a year earlier and the lowest recorded since October 1977.

The employment-to-population ratio, or the percentage of the Rhode Island civilian noninstitutionalized population 16 years and older counted as employed, rose to 61.3 percent in June from 61.1 percent the prior month. Among the 50 states and the District of Columbia, 21 have higher employment-to-population ratios than Rhode Island. The employment-to-population ratio in Rhode Island is 1.2 percentage points higher than a year earlier.



The 10 year high for the employment-to-population ratio in Rhode Island was 65.4 percent in February 2007. The series high for the employment-to-population ratio in Rhode Island occurred in March 1989 when the employment-to-population ratio hit 66.0 percent. The 10 year low for the employment-to-population ratio was 58.7 percent in December 2011. The series low for the employment-to-population ratio occurred in December 1976 when the employment-to-population ratio hit 57.5 percent.

The national employment-to-population ratio ticked down to 59.3 percent in June. At 59.3 percent, the national employment-to-population ratio is below its level of 59.4 percent when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in June 2000. The 10 year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for June is scheduled for release on Tuesday, July 21. The national employment situation report for June is scheduled for release on Friday, August 21. The national employment situation for July will be released on Friday, August 7.