

CURRENT CONDITIONS INDEX

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And the beat goes on. Rhode Island's economy has now been expanding (with a CCI above 50) for fifteen consecutive months. Better yet, a noticeably improved pace of economic activity that began in August continued into September, as the Current Conditions Index rose to 92 with eleven of twelve indicators improving relative to a year ago. Even more impressive is the fact that many of the improvements in the CCI indicators over the past two months have occurred relative to fairly difficult "comps" from a year ago. There can be no doubt that Rhode Island has and continues to move well beyond its pandemic declines.

A number of key indicators have sustained their strength, most importantly the two "star" indicators throughout the entire pandemic and post-pandemic period, **Retail Sales** and **Total Manufacturing Hours**. A key leading indicator, **Employment Service Jobs**, appears to finally be moving beyond its downtrend as it has now improved for a third consecutive month.

Retail Sales growth slowed a bit in September from just under 9 percent in August to 3.7 percent in September. *It has now improved on a yearly basis every month since May of 2020*, through virtually all of the pandemic until now. The growth rate of **Total Manufacturing Hours** increased to 7.7 percent in September, as both the workweek and employment rose again this month. This indicator, also a leading indicator, has now improved for nineteen consecutive months, since February of 2021. Along with this, the **Manufacturing Wage** improved again, with its rate of growth accelerating beyond what it had been the

last two months. Like the nation, these two areas are continuing to propel Rhode Island through this recovery.

As has been the case for some time, two labor supply measures improved dramatically in September.

CCI Indicators - % Change	
Government Employment	0.3 Y
US Consumer Sentiment	-19.6
Single-Unit Permits	8.3 Y
Retail Sales	3.7 Y
Employment Services Jobs	2.1 Y
Priv. Serv-Prod Employment	3.1 Y
Total Manufacturing Hours	7.7 Y
Manufacturing Wage	6.2 Y
Labor Force	0.7 Y
Benefit Exhaustions	-70.2 Y
New Claims	-51.6 Y
Unemployment Rate (change)	-2.3 Y
Y = Improved Value	

Benefit Exhaustions, a reflection of long-term unemployment, fell by 70.2 percent in September, the continuation of a trend that began in May of 2021. **New Claims**, a leading labor indicator that reflects layoffs, declined by over 50 percent relative to a year ago. It too has fallen at double-digit rates since July of 2021, although given the massive fraud in Rhode Island associated with this indicator, actual yearly changes remain somewhat speculative.

As noted above, the best news this month was that for **Employment Service Jobs**, a leading labor market indicator that

includes temps. It rose for a third time after falling for the prior six months (annual declines). Its September improvement reflected a slower rate of growth than last month (2.1% vs 4.75%), but the important consideration now is whether this recent uptrend continues, which would point to a sustained future trend of rising employment, which is important since payroll employment in Rhode Island remains far below where it was pre-pandemic. Resident employment, on the other hand (the number of employed RI residents in state or out-of-state), rose again in September and has moved farther above its pre-pandemic level. Better yet, the percentage of our population that is employed (the **Employment Rate** — see table on right) rose in September, although it remains well below its early 2007 level

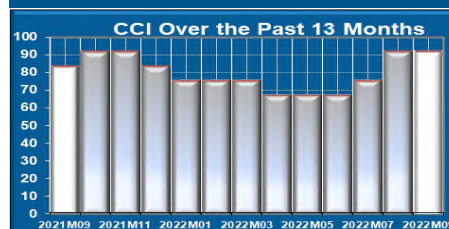
Of the two indicators that had performed badly of late, **US Consumer Sentiment** fell once again, by just under 20 percent and has failed to improve for fourteen consecutive months, while **Single-Unit Permits**, which reflect new home construction, rose for a second time since November of 2021, even with mortgage rates rising.

The **Labor Force**, which had declined since March, rose on a yearly basis for a second time in September. While the naive (official) **Unemployment Rate** rose a bit to 3.1 percent, the participation adjusted rate for September remained at 4.3 percent.

The monthly CCI was 58 for the second month, an improvement over earlier this year.

CCI Indicators - Monthly% Change	
Government Employment	-1.8
US Consumer Sentiment	-6.5
Single-Unit Permits	1.2 Y
Retail Sales	-2.1
Employment Services Jobs	2.7 Y
Priv. Serv-Prod Employment	-0.9
Total Manufacturing Hours	0.3 Y
Manufacturing Wage	1.3 Y
Labor Force	0.3 Y
Benefit Exhaustions	-28.8 Y
New Claims	-1.5 Y
Unemployment Rate (change)	0.3
Y = Improved Value	

LABOR FORCE:	SEP 2022	Peak (1/2007)
Participation Rate	63.9%	68.5%
Part Adj Unem %	4.3%	
Employment Rate	61.9%	65.1%



JOB CHURN	
DLT SEP 2022 (SA,Y/Y)	
Gain	15,000
Loss	1,300
Net Chg	13,700

92		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2021	17↓	17	58↑	92↑	92↑	100	100	67↑	83	92↑	92↑	92
	2022	75	75	75	67	67	67	75	92	92			