

Current Conditions Index

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Also available on my web site: <http://members.home.net/lardaro/current.htm>

Volume VI, Number 4

February 2000

92

NATIONAL RANK:
Job Growth: #31
Labor Force Growth: #43
JI Index: #23

	2000	1999	1998
JAN	83*	83	75
FEB	92	75	75
MAR		83	83
APR		92	75
MAY		75	75
JUN		83	75
JUL		75*	83
AUG		92	67
SEP		92	67
OCT		75	83
NOV		75*	83
DEC		67	58

* Revised

LABOR MARKET:
Jobs Created: 11,600
Jobs Lost: 2,000

Monthly Highlights

February's economic data bring welcome news for Rhode Island. While the fourth quarter of 1999 showed the pace of growth to be slowing a bit, as the CCI fell from 92 to 75 to 67, this trend has clearly reversed in the first quarter of 2000. January's CCI was revised upward to 83 (from 75), and for February, the CCI posted a healthy 92, as eleven of twelve indicators showed improvement, many by impressive margins.

Consider some of the numbers. **Retail Sales** rose by an incredible 17.4% — and this comes on the heels of a 15.7% increase in January. So much for the effects of FED tightening! **Benefit Exhaustions** fell by 13.4% after a 4.9% decline in January, hopefully marking the end of the upward trend they displayed in 1999. **New Claims**, a measure of layoffs, once again fell by a healthy amount, 7.9%. They declined at a 24 percent rate in January! Then there's Additional UI claims, which reflects the extent to which persons who have become re-employed suffered subsequent jobless spells. This fell by 21.2% for February, ironically, a *slower* rate of improvement than it displayed in January when the decline was 24.4%. And **Help Wanted**, a measure of the strength of labor demand, rose by five percentage points to its highest level (tied with January) in this entire recovery.

Have higher interest rates taken their toll on Rhode Island's housing market? As of February,

they hadn't. While **Single-Unit Permits** declined in February by 2.6%, they remained above the annual unit threshold of 2,500 units that had alluded us throughout the early years of this recovery. Their "weakness" is partially the result of restrictions on the number of permits allowed in several towns. And, while **Existing Home Sales**, our best performer throughout the past several years, rose by only 0.9 percent in February, it is more the lack of supply than the adverse effects of higher interest rates that have slowed the rate of growth. In spite of their "slow" growth, they remain comfortably above 9,200 annual units.

Even our payroll employment growth, which lagged every New England state but Connecticut, was not all that negative. The real "culprit" appears to be the seasonal adjustment method of the Bureau of Labor Statistics which again visited us with a gaping divergence between non-seasonally adjusted and seasonally adjusted rates of growth.

In February, our **Unemployment Rate** remained at 3.8 percent, giving us a **Jobless Improvement Index** rank of #23. We have now been at full employment for a year. The only "bad" news for this month is that Rhode Island's unemployment rate remains the highest in New England.

	JOB GROWTH*	National RANK
Maine	2.89%	8
Massachusetts	2.09%	20
Vermont	2.01%	22
New Hampshire	1.98%	23
Rhode Island	1.61%	31
Connecticut	1.43%	35

*(Seasonally adjusted, year-over-year)

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