

Current Conditions Index

LEONARD LARDARO URI

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

Volume VI, Number 3

January 2000

75

NATIONAL RANK:
Job Growth: #33
Labor Force Growth: #34
JI Index: #22

	2000	1999	1998
JAN	75	83	75
FEB		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: 12,200
Jobs Lost: 1,900

Monthly Highlights

The CCI for January was 75, as nine of the twelve indicators showed improvement. According to the January employment data, Rhode Island's job growth was a stellar (for us) 2.3 percent. Based on this and a large jump in **Help Wanted** advertising, (+10.9%), it appeared as though January was a "blowout" month — perhaps the strongest in years. Then came the release of several other indicators and the rebenchmarked labor market data.

Higher interest rates and the sheer momentum of strength over the past few years moderated the pace of activity in Rhode Island's housing market. While **Single-Unit Permits** sustained an above 2,500 annual unit level for a second consecutive year in 1999, in January, they fell by 11.5 percent compared to their value one year ago. **Existing Home Sales**, arguably our best performer throughout the past several years, rose by only 0.3 percent.

Then there was the rebenchmarked labor market data. So much for my prediction that payroll employment growth would be revised upward from 1.3% to 1.6%. The actual change was only 1.4%, an increase of a mere 200 jobs over the originally released data. It gets worse! Remember those 3.0 and 3.1 percent unemployment rates in 1999? According to the revised data, they never occurred. In fact, the new unemployment data show that Rhode

Island failed to breach a 4 percent unemployment rate until the fourth quarter of 1999. The good news is that full employment for Rhode Island is 4.2 percent, so we were at or near full employment for almost all of last year. In January, our **Unemployment Rate** fell to 3.8 percent, a nice drop from the 4.7 percent last January, giving us a **Jobless Improvement Index** rank of #22 nationally. The bad news is that Rhode Island's unemployment rate was once again the highest in New England.

The real "kick in the pants" came from the seasonally adjusted employment growth figure. While non seasonally adjusted employment grew by a healthy 2.3 percent compared to a year ago, the BLS growth rate for seasonally adjusted employment was 1.6%, giving Rhode Island a job growth rank of #33 nationally. I'm beginning to think the BLS doesn't like us!

In spite of this, there was still enough good news to go around. **Retail Sales** turned in an incredible performance in January, growing by 15.7 percent. **New Claims** for Unemployment Insurance fell by 24.3 percent. And, **Miscellaneous Service** employment growth accelerated to 2 percent.

How much will the combined effects of higher gasoline prices, medical premiums, and interest rates slow our momentum in the coming months? Let's keep our fingers crossed.

STANDOUT STATS



New Claims: -24.3%
Retail Sales: +15.7%
Benefit Exhaustions: -4.7%
Manufacturing Wage: +2.6%
Resident Employment: +2.2%



Manufacturing Man-hours: -2.6%
Single-Unit Permits: -11.5%

Current Conditions Index

