

Current Conditions Index

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NATIONAL RANK:
Job Growth: #35
Labor Force Growth: #41
JI Index: #31

	2000	1999	1998
JAN	83*	83	75
FEB	92	75	75
MAR	92	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: 10,300
Jobs Lost: 1,800

Monthly Highlights

The first quarter of 2000 ended with a bang rather than a wimper. Clearly, the slower pace of economic activity we witnessed in the fourth quarter of last year has passed. In fact, the first quarter was so strong that **Manufacturing Man-hours** actually *rose* for two of the three months! It's been quite a while since we witnessed that.

Through March, Rhode Island's economy remained largely immune to the effects of FED tightening. **Retail Sales** showed continued strength, rising by 6.8% in March. For the first three months of 2000, they were an incredible 13.2 percent higher than in the same period last year. Retail trade employment increased by 3,700, or 4.5%, over that period as well. **Existing Home Sales** rose by 4.6% in March. Through March they remained 2% above their record-setting pace of the first quarter of last year. And, **Single-Unit Permits** rose by a healthy 6.4% in March, ending a two month string of declines.

The labor market remained strong as well, continuing to show signs of increased tightness. **Benefit Exhaustions** fell by a dramatic 22.4% after a double-digit decline last month. The upward trend we witnessed last year appears to have ended. **New Claims**, a measure of layoffs, once again fell by a healthy amount, 7.3%. They have now declined for each of the last twelve months. Additional UI claims, which reflect the extent to which persons who have become re-employed suffer subsequent jobless spells, fell by 26.5% for March, their third consecutive month

with a greater than 20% decline. **Help Wanted**, a measure of the strength of labor demand, remained at its highest level this recovery.

As the result of these trends: declining layoffs, fewer persons exhausting benefits or filing additional UI claims, and greater labor demand, Rhode Island's March **Unemployment Rate** fell to a recovery low of 3.7 percent. *Rhode Island has now been at full employment for fourteen consecutive months.* The March combination of a 3.7% unemployment rate along with a 0.3 percentage point decline from last March's value gave Rhode Island a **Jobless Improvement Index** rank of #31.

Whether or not there is any "bad" news in the March data depends on the perspective one takes. Being parochial, as Rhode Islanders typically are, this was a blowout month. But, from a comparative perspective, Rhode Island's unemployment rate remained the highest in New England while its job growth was the slowest in our region. Is this *déjà vu* all over again? Sadly, this unemployment-job growth combination has haunted us for far too many years. Along with the imminent FED tightening, the critical fiscal choices that are made in the next few months will determine whether or not Rhode Island is able to permanently move beyond this dubious "niche."

	Job Growth	National Rank
Maine	2.80%	9
Vermont	2.25%	18
Massachusetts	1.89%	25
New Hampshire	1.80%	26
Connecticut	1.65%	31
Rhode Island	1.47%	35

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