

Current Conditions Index

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

Volume VII, Number 1

November 2000

58

NATIONAL RANK:

Job Growth: #29

Labor Force Growth: #47

JI Index: #21

	2000	1999	1998
JAN	83	83	75
FEB	92	75	75
MAR	100	83	83
APR	58	92	75
MAY	50	75	75
JUN	67	83	75
JUL	67	83	83
AUG	50	92	67
SEP	67	92	67
OCT	50*↓	75	83
NOV	58	75	83
DEC		58	58

* Revised

LABOR MARKET:

Jobs Created: 8,500

Jobs Lost: 1,300

Monthly Highlights

November provided further evidence of a slowing pace of economic activity for Rhode Island. The CCI rose from a revised value of 50 in October to 58 for November. Overall, the CCI has failed to better its year-earlier value for every month since April, a reflection of the fact that the first quarter of 2000 was the only strong quarter of the last five.

Take heart: strength is still reflected in several areas. The November **Unemployment Rate**, 3.6 percent, was below the national rate and our third consecutive month at full employment. Ironically, *two New England states had jobless rates below 2 percent in November*, and, yes, once again, Rhode Island had the highest rate of any New England state. Ironically, Rhode Island's payroll employment growth, 1.5 percent, was identical to that of the nation. While Rhode Island's job growth has continually lagged national job growth, in November, a slowing national rate coincided with the Rhode Island rate that has remained between 1.5 - 2.1 percent since June (see graph below). **Retail Sales**, while slowing, still grew at a healthy 2.7 percent rate. **Existing Home Sales** improved relative to year-earlier values, at just above a 9,700 unit annual rate. Construction employment rose at a 2.7 percent annual rate. And, **Benefit Exhaustions**, which reflect long-term unemployment, fell by a healthy 18.8 percent.

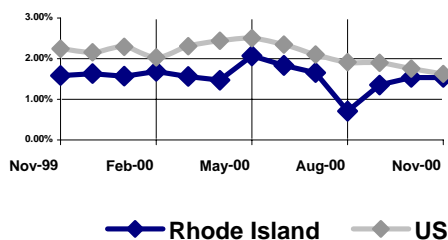
That's where the good news ends. Several not so happy trends continued this month. **New**

Claims increased at a 15.6 percent annual rate, reflecting a continuing trend of rising layoffs. And additional claims, an indicator I pay a great deal of attention to, rose for the first time in months. This is an important indicator since it tracks the number of persons with "repeat" jobless spells. So, the initial and middle portions of the jobless "pipe" are showing a disturbing upward trend. Once this spreads to long-term unemployment and benefit exhaustions, these days of full employment will quickly become a fond memory.

As further evidence of lost momentum in the labor market, **Manufacturing Wage** growth fell to a one-percent annual rate, its slowest growth in over a year, **Manufacturing Man-hours** declined at an accelerating rate, resident employment failed to grow in November, and our resident **Labor Force** declined once again. One could also view the fall in **Help Wanted Advertising** as a reflection of weakness, but it is as much an indication of firms not placing job ads as the result of frustration in past months. Non-labor market weakness is evident in the performance of **Single-Unit Permits**, which reflects new home construction. These have unexpectedly dropped to recession levels over the past few months.

Slower growth here should continue and accelerate early next year, as the national economy continues to grow more slowly and Rhode Island's "buildup phase" of large construction projects comes to an end.

Comparative Employment Growth Rates



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