

Planning Information Center

Census Data Bulletin

RHODE ISLAND
STATEWIDE
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PROGRAM



Rhode Island Statewide Planning Program
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Economic Sustainability

There are as many opinions about Rhode Island's economic future as there are residents in the state. With so many ideas and proposals in circulation, it is helpful to look at the wealth of available data on the strengths and weaknesses of economic conditions in the state. Rhode Island's Sustainable Communities project recently released an analysis of available data on the Rhode Island economy. *Economy RI: Economic Development Data Analysis and Assessment*, a research report by the independent research and strategy firm Fourth Economy Consulting, examines the trends of hundreds of relevant statistics characterizing the Rhode Island economy. This month's Data Bulletin highlights some of the positive and negative conditions detailed in the report.

The Decade in Review: Employment Flux

Over the past ten years, employment in major industries like health services, hospitality, and business services has changed in the state and nationwide. *Economy RI* analyzes the similarities and differences between (nonfarm) employment change in Rhode Island and in the United States. Employment in *Education and health services* grew in Rhode Island by 16.9% and in the United States by 25.5%. *Professional and business services* and *Leisure and hospitality* employment also grew in both the state and nation. Other industries lost employment in both the state and the nation, such as construction and manufacturing.

The only major industry whose employment grew more in Rhode Island than in the nation is *Education services* (when separated from the industry group that includes both education and health services).

BY THE NUMBERS

3rd Rhode Island's rank among all states for average educational attainment of U.S. in-migrants

50th RI rank for average educational attainment of international in-migrants

34.7% growth in educational services jobs over past decade, the largest growth rate of any industry group examined

Source: Economy RI, *Fourth Economy Consulting*

Information jobs and *Wholesale trade* jobs declined less in Rhode Island than they did in the United States. Major differences between the state and the nation include *Government* jobs, which declined 9.7% in Rhode Island but grew 2.1% nationwide, and *Trade, Transportation, and Utilities* jobs which declined 10.3% in Rhode Island and only 0.6% nationwide.

Wealth Generation, Resource Availability

Economy RI pulls out many measures that captures and compares aspects of wealth generation and resource availability at the heart of all state economies. Compared with other states, Rhode Island ranks high in non-industry investment R&D (includes public sector, university and non-profit support) and for its relative paucity of state and local employees. Areas in which Rhode Island ranks lowest compared with other states include property taxes, health insurance mandates and unemployment insurance tax rates, and the unemployment rate.

ABOUT THE DATA

Data in this Bulletin are drawn from the report *Economy RI: Economic Development Data Analysis and Assessment* by Fourth Economy Consulting. This report draws data from many sources. This report was funded by Rhode Island's federal Partnership for Sustainable Communities' Regional Planning Grant.

Nonfarm Employment 2002-2012

	2002	2012	Change 2002 - 2012	RI % Change 2002 - 2012	U.S. % Change 2002 - 2012
Total Nonfarm	479,442	457,692	(21,750)	-4.5%	2.2%
Natural Resources & Mining	208	183	(25)	-12.0%	43.5%
Construction	19,417	15,833	(3,583)	-18.5%	-17.6%
Manufacturing	62,308	40,992	(21,317)	-34.2%	-21.7%
+ Durable Goods	41,025	26,583	(14,442)	-35.2%	-21.2%
+ Non-Durable Goods	21,283	14,408	(6,875)	-32.3%	-22.5%
Trade, Transportation & Utilities	80,458	72,208	(8,250)	-10.3%	-0.6%
+ Wholesale Trade	16,450	16,400	(50)	-0.3%	-0.5%
+ Retail Trade	53,125	45,117	(8,008)	-15.1%	-1.6%
+ Transportation & Utilities	10,883	10,692	(192)	-1.8%	2.5%
Information	11,200	10,400	(800)	-7.1%	-22.5%
Financial Activities	32,892	30,725	(2,167)	-6.6%	-1.4%
Professional & Business Services	48,908	54,033	5,125	10.5%	12.0%
+ Administrative & Waste Services	23,192	23,775	583	2.5%	4.9%
Education & Health Services	88,058	102,942	14,883	16.9%	25.5%
+ Educational Services	19,267	25,958	6,692	34.7%	25.6%
+ Health Care & Social Assistance	68,792	76,983	8,192	11.9%	25.4%
Leisure & Hospitality	47,967	49,367	1,400	2.9%	13.8%
+ Arts, Entertainment & Recreation	7,125	7,292	167	2.3%	8.2%
+ Accommodation & Food Services	40,842	42,075	1,233	3.0%	14.8%
Other Services	21,992	21,383	(608)	-2.8%	0.0%
Government	66,033	59,625	(6,408)	-9.7%	2.1%
+ Federal Government	10,242	10,008	(233)	-2.3%	1.7%
+ State Government	18,117	16,000	(2,117)	-11.7%	0.7%
+ Local Government	37,675	33,617	(4,058)	-10.8%	2.7%

◀ Rhode Island percent of change outperforming U.S. percent of change

Graphic: Fourth Economy Consulting. Data Source: RI Department of Labor and Training

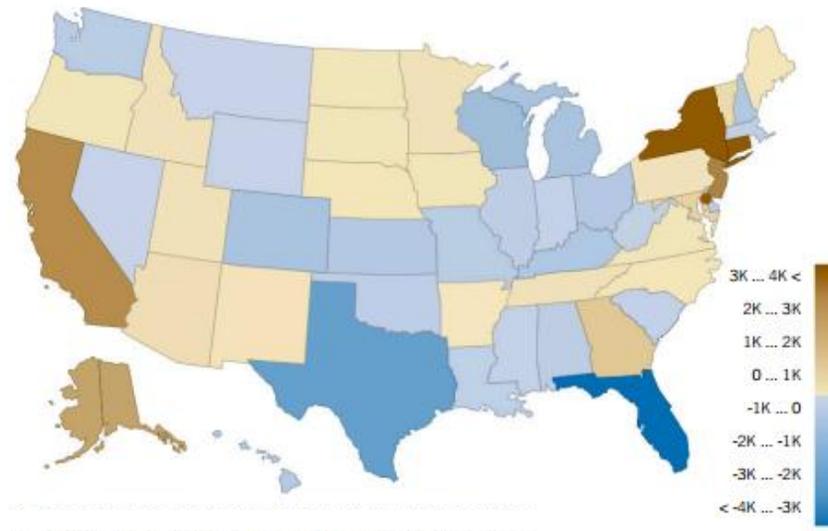
The Labor Pool: Talent, Migration, Diversity

Economy RI also shows what kind of residents Rhode Island is attracting or losing. States that send the most residents to Rhode Island are located in the Northeast, including New York, Connecticut and New Jersey, each with net migration to Rhode Island over 3,000 between 2009 and 2011. On the other hand, Rhode Island lost residents to several far-flung states including Florida and Texas, with net migrations of -4,815 and -2,445 respectively. The report also looks at the New Economy Index's ranking of education migration by state, finding that Rhode Island ranks third for average educational attainment of new residents aged 25 years and over who

moved from within the United States. At the opposite end of the spectrum, Rhode Island ranks 50th for average educational attainment of immigrants aged 25 and over from abroad.

Turning to diversity, the report finds that Rhode Island is underperforming in linking women, minorities, and low-income populations to economic opportunities. The state ranks last for business ownership by gender and homeownership by race and by income. Homeownership by family structure, underemployment by race, and four-year degrees by race are also areas in which Rhode Island falls in the

States by Net Migration To / From Rhode Island, 2009-2011



Graphic: Fourth Economy Consulting. Data Source: American Community Survey, 2009, 2010, 2011

bottom quintile of all states. The state's highest rankings in this area are in business ownership by race (21st) and "openness" (21st), a measure generated by the Beacon Hill Institute that captures exports per capita, incoming foreign direct investment per capita, and percent of the population born abroad.

Sustainability

Economy RI looks into several indicators of the future sustainability of the economy and the resources it relies upon. Sustainability indicators in which Rhode Island outperforms most other states include the business formation rate (9th), job churning (10th), uninsured low-income parents (8th), and agricultural businesses that utilize internet and broadband (3rd). However the state ranks very low in export-focused manufacturing and services and movement to the green economy (both 50th) and per capita government debt (47th).

For more information on the Sustainable Communities Grant, contact Melanie Army, Supervising Planner at melanie.army@doa.ri.gov.

TO LEARN MORE...

Economy RI: Economic Development Data Analysis and Assessment by Fourth Economy Consulting is available at <http://www.planning.ri.gov/documents/LU/economyri.pdf>.

Many of the indicators and rankings reported in this Bulletin come from reputable outside sources, such as the Information Technology and Innovation Foundation's [2012 State New Economy Index](#), the [Beacon Hill Institute's State Competitiveness Report](#), and the [Small Business Survival Index 2011](#) by the Small Business and Entrepreneurship Council. The U.S. Census Bureau generates many economic data resources which are available at <http://www.census.gov/econ/>.

For further information about Planning Information Center resources, contact Amanda Martin at Rhode Island Statewide Planning: amanda.martin@doa.ri.gov or (401) 222-4720.