

2020 Labor Force Revisions

The Rhode Island Department of Labor and Training's Labor Market Information Division in conjunction with the US Bureau of Labor Statistics (BLS) recently completed their annual revision of labor force statistics through the annual process known as "Benchmarking." This year labor force statistics for both the seasonally adjusted data and not seasonally adjusted data were revised back to January 1976.

Benchmark revisions to the state's 2020 unemployment rate indicate that the state ended the year with a 7.9 percent unemployment rate, down two-tenths of a percentage point from the rate initially reported for December 2020. Unemployment rates were revised downward six months of the year, from March through June and August and December and were revised upward January, February, July and September through November. The largest downward revision occurred in May when the rate was revised down by three and a half (-3.5) percentage points, while the June rate was revised down by one and seven-tenths (-1.7) percentage points. The largest increase in the unemployment rate occurred in July, where the rate was revised upward by two and seven-tenths (+2.7) percentage points.

Over the year, the December rate was up four and three-tenths (+4.3) percentage points from the revised December 2019 rate of 3.6 percent; pre-benchmarked data indicated an increase of four and six-tenths (+4.6) percentage points.

REVISED Seasonally Adjusted Labor Force Statistics (in thousands)													
	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Labor Force	562.2	562.0	562.0	562.3	545.7	520.9	513.0	535.7	530.0	557.7	535.9	538.8	538.6
Employment	541.8	540.8	539.8	539.6	451.0	453.7	457.2	460.8	463.3	497.0	496.9	496.2	495.9
Unemployment	20.4	21.2	22.2	22.7	94.7	67.3	55.8	74.9	66.7	60.7	38.9	42.6	42.8
Unemployment Rate	3.6	3.8	4.0	4.0	17.4	12.9	10.9	14.0	12.6	10.9	7.3	7.9	7.9
PREVIOUSLY RELEASED Seasonally Adjusted Labor Force Statistics (in thousands)													
	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Labor Force	556.9	557.6	558.5	565.2	529.1	522.5	551.8	557.0	540.4	559.7	542.3	541.7	542.4
Employment	537.6	538.6	539.8	538.7	433.3	436.7	482.4	493.9	470.9	501.1	503.7	502.3	498.4
Unemployment	19.3	18.9	18.8	26.5	95.8	85.8	69.4	63.1	69.5	58.6	38.6	39.4	44.0
Unemployment Rate	3.5	3.4	3.4	4.7	18.1	16.4	12.6	11.3	12.9	10.5	7.1	7.3	8.1
Change in Labor Force Estimates													
	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Labor Force	5,300	4,400	3,500	-2,900	16,600	-1,600	-38,800	-21,300	-10,400	-2,000	-6,400	-2,900	-3,800
Employment	4,200	2,200	0	900	17,700	17,000	-25,200	-33,100	-7,600	-4,100	-6,800	-6,100	-2,500
Unemployment	1,100	2,300	3,400	-3,800	-1,100	-18,500	-13,600	11,800	-2,800	2,100	300	3,200	-1,200
Unemployment Rate	0.1	0.4	0.6	-0.7	-0.7	-3.5	-1.7	2.7	-0.3	0.4	0.2	0.6	-0.2

The benchmark process also revealed that the number of unemployed RI residents was overestimated for six months in 2020. The largest downward revision occurred in May, when the number of unemployed was revised down by 18,500. The year ended with 42,800 unemployed RI residents, 1,200 less than the previous December 2020 estimate indicated. Over the year, the number of unemployed RI residents rose 22,400 from the revised December 2019 estimate which was revised up 1,100; pre-benchmarked data showed an increase of 24,700.

The seasonally adjusted employment level was overstated for the last seven months of 2020 and understated for January and March through April. The largest downward revisions occurring in July (-33,100) and June (-25,200). The year ended with 495,900 employed RI residents, 2,500 fewer than the previous December 2020 estimate indicated. Over the year, the number of employed RI residents was down 45,900 from the revised December 2019 level of 541,800. Pre-benchmarked estimates indicated a loss of 39,200.

Labor force estimates were revised downward for nine months of 2020, with the largest downward revisions occurring in June (-38,800), July (-21,300) and August (-10,400). April's labor force was revised upward by 16,600. Over the year (December 2019 to December 2020) the RI labor force shrank by 23,600; pre-benchmarked data indicated a decrease of 14,500.

The Benchmarking Process: A Brief Explanation

Labor force statistics are revised to incorporate updated inputs, new population controls, re-estimation of models, revised seasonal adjustment factors, and adjustment to new division and national control totals. This year, seasonally adjusted data and not seasonally adjusted data were revised back to 1976. The new population controls will reflect the annual updating of population estimates by the US Census Bureau.