

2021 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 the annual revision of labor force statistics through an 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 2017.

Benchmark revisions to the state's 2021 unemployment rate indicate that the state ended the year with a 4.5 percent unemployment rate, down three-tenths of a percentage point from the rate initially reported for December 2021. Unemployment rates were revised downward seven months of the year, from January through April and October through December and were revised upward June, July and September. The unemployment rate was unchanged for May and August. The largest downward revision occurred in February when the rate was revised down by one and two-tenths (-1.2) percentage points, while the March rate was revised down by one (-1.0) percentage point. The largest increase in the unemployment rate occurred in June and July, where the rate was revised upward by three-tenths (+0.3) of a percentage point. Over the year, the December rate was down two and two-tenths (-2.2) percentage points from the revised December 2020 rate of 6.7 percent; pre-benchmarked data indicated a decrease of three and one-tenth (-3.1) percentage points.

Also of note, the April 2020 unemployment rate was revised up to 18.4 percent, the highest unemployment rate during the pandemic related shut-down and the highest rate on record.

REVISED Seasonally Adjusted Labor Force Statistics (in thousands)													
	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Labor Force	565.5	565.6	567.1	568.8	571.4	572.6	574.7	574.8	574.2	572.7	571.5	570.3	569.6
Employment	527.5	529.9	532.4	534.8	536.8	538.3	539.2	540.0	540.8	541.8	543.0	543.6	543.9
Unemployment	38.0	35.6	34.7	34.0	34.6	34.3	35.5	34.8	33.5	30.9	28.6	26.7	25.7
Unemployment Rate	6.7	6.3	6.1	6.0	6.1	6.0	6.2	6.0	5.8	5.4	5.0	4.7	4.5
PREVIOUSLY RELEASED Seasonally Adjusted Labor Force Statistics (in thousands)													
	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Labor Force	538.6	540.2	538.7	541.5	539.6	539.7	536.9	536.1	534.7	578.0	551.6	553.9	552.2
Employment	495.9	501.2	499.6	503.4	505.8	507.1	505.0	505.3	503.8	547.8	522.1	525.5	525.5
Unemployment	42.8	39.0	39.2	38.2	33.8	32.6	31.9	30.8	30.9	30.2	29.5	28.4	26.7
Unemployment Rate	7.9	7.2	7.3	7.0	6.3	6.0	5.9	5.7	5.8	5.2	5.3	5.1	4.8
Change in Labor Force Estimates													
	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Labor Force	26,900	25,400	28,400	27,300	31,800	32,900	37,800	38,700	39,500	-5,300	19,900	16,400	17,400
Employment	31,600	28,700	32,800	31,400	31,000	31,200	34,200	34,700	37,000	-6,000	20,900	18,100	18,400
Unemployment	-4,800	-3,400	-4,500	-4,200	800	1,700	3,600	4,000	2,600	700	-900	-1,700	-1,000
Unemployment Rate	-1.2	-0.9	-1.2	-1.0	-0.2	0.0	0.3	0.3	0.0	0.2	-0.3	-0.4	-0.3

The benchmark process also revealed that the number of unemployed RI residents was overestimated for six months in 2021. The largest downward revision occurred in February, when the number of unemployed was revised down by 4,500. The year ended with 25,700 unemployed RI residents, 1,000 less than the previous December 2021 estimate indicated. Over the year, the number of unemployed RI residents declined 12,300 from the revised December 2020 estimate which was revised down 4,800; pre-benchmarked data showed a decrease of 16,100.

The seasonally adjusted employment level was understated for eleven months of 2021 and overstated for September. The largest upward revisions occurred in August (+37,000), July (+34,700) and June (+34,200). September's employment level was revised downward by 6,000. The year ended with 543,900 employed RI residents, 18,400 more than the previous December 2021 estimate indicated. Over the year, the number of employed RI residents was up 16,400 from the revised December 2020 level of 527,500. Pre-benchmarked estimates indicated a gain of 29,600.

Labor force estimates were revised upward for eleven months of 2021, with the largest upward revisions occurring in August (+39,500), July (+38,700) and June (+37,800). September's labor force was revised downward by 5,300. Over the year (December 2020 to December 2021) the RI labor force grew by 4,100; pre-benchmarked data indicated an increase of 13,600.

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 2017. For information on population controls used during this benchmarking process, visit <https://www.bls.gov/lau/important-information-on-revisions-to-data-for-model-based-areas-in-2022.htm>