



**Rhode Island Department
of Labor and Training**

Rhode Island Employment & Wage Analysis



2006

**A publication of the
Labor Market Information Unit**

Summary of Findings

The annual report entitled, “Rhode Island Employment and Wage Analysis,” highlights Rhode Island’s employment and wage data in 2006, and provides a comparison to annual employment and wage data from 2005. Key findings for 2006 include:

- ▶ Nearly 2,800 private sector jobs were added in Rhode Island in 2006 when compared to 2005.
 - ▶ The 2006 average annual wage in the private sector increased by \$1,668 from 2005.
 - ▶ The Health Care & Social Assistance sector employed nearly 18 percent of the state’s private sector workforce and added over 1,600 jobs from 2005.
 - ▶ Annual wage growth was reported in all but one of the nineteen private industry sectors (see page 6), with the annual wage in the Professional & Technical Services sector increasing by over \$9,400.
 - ▶ Management of Companies & Enterprises was the highest paying sector, with workers within the sector averaging close to \$91,000 in 2006.
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Source: Quarterly Census of Employment and Wages, developed through a cooperative program between the state of Rhode Island and the US Bureau of Labor Statistics, www.bls.gov

Employment changes may be influenced by noneconomic code changes resulting from NAICS revisions and / or changes in employers reporting methods.

The Labor Market Information (LMI) Unit is the central state resource for the collection, analysis, and dissemination of information pertaining to the Rhode Island labor market. LMI is responsible for a wide range of labor market analysis and research involving industry trends, occupational projections, wage rates, labor force movements, population shifts, and demographics.

Rhode Island Employment & Wage Analysis by Industry 2006

Rhode Island private employment averaged 417,706 in 2006, an increase of 2,799 (+0.7%) jobs from 2005. Thirteen of the nineteen industry sectors experienced job growth, while five sectors reported employment losses and one sector remained even.

The 2006 average annual wage in the private sector increased by \$1,668 to \$38,732, when compared to the \$37,064 earned in 2005, a 4.5 percent increase. Only one sector reported a wage decline during this period.

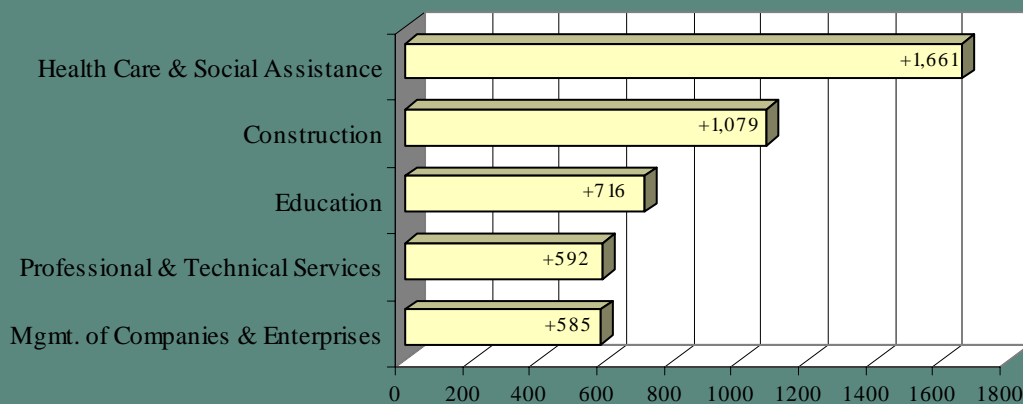
Private Employment Analysis

The Health Care & Social Assistance sector experienced significant employment growth between 2005 and 2006, adding 1,661 (+2.3%) positions, the largest gain among the nineteen private industry sectors. The Ambulatory Health Care Services sub-sector added 712 (+3.3%) positions over the year, the largest gain within the Health Care & Social Assistance sector. Employment in the Hospitals and Nursing Care & Residential Care Facilities increased by 442 and 323, respectively.



The Construction sector reported the second largest employment growth between 2005 and 2006, with the workforce increasing by 1,079 (+5.0%) workers. The Specialty Trade Contractors sub-sector was responsible for over 91 percent of the growth within the Construction sector, adding 983 (+7.0%) positions. Modest growth was reported in Construction of Buildings (+54) and Heavy & Civil Engineering Construction (+42).

**Top Five Sectors in Employment Growth
2005-2006**



Educational Services (+716), Professional & Technical Services (+592), Management of Companies & Enterprises (+585) and Finance and Insurance (+578) also reported sizable employment gains between 2005 and 2006.

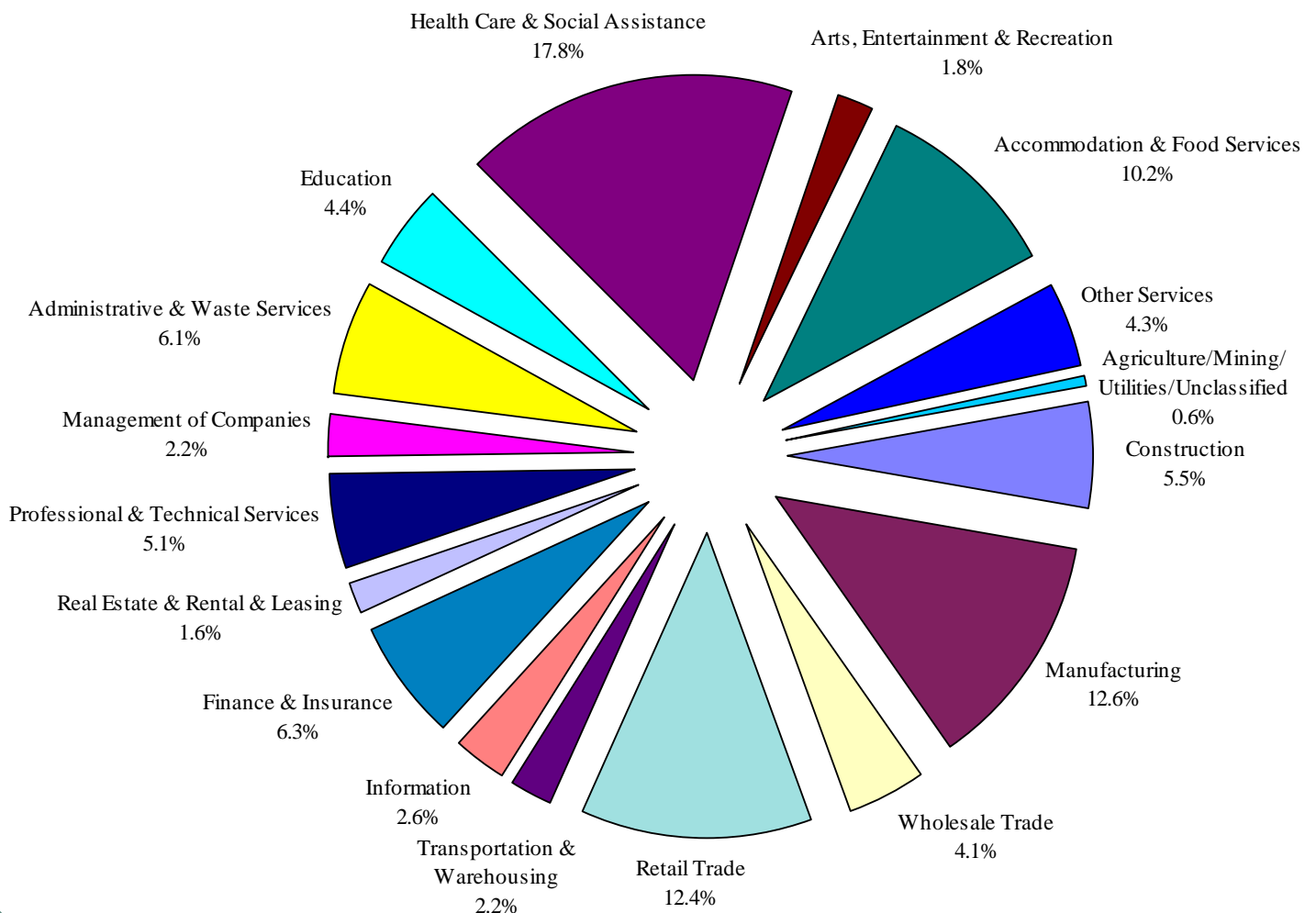
Management of Companies & Enterprises led all sectors in employment growth on a percentage basis, expanding the workforce by 6.7 percent. Construction (+5.0%) and Educational Services (+4.1%) reported the second and third largest percentage gains, respectively.

The Manufacturing sector lost 2,286 (-4.2%) workers between 2005 and 2006, the largest employment decline among the nineteen private industry sectors. Seventeen of the twenty-one Manufacturing sub-sectors reported job losses, with the largest occurring in Miscellaneous Manufacturing (-674), Transportation Equipment Manufacturing (-352) and Textile Mills (-316). On a positive note, Chemical Manufacturing added 259 workers between 2005 and 2006 and Nonmetallic Mineral Product Manufacturing reported an increase 31 employees.

Between 2005 and 2006, the Retail Trade workforce decreased by 753 (-1.4%) workers, the second largest employment decline during this period. Miscellaneous Store Retailers employment decreased by 298, followed by General Merchandise Stores (-288) and Food & Beverage Stores (-109). Despite the losses, there was some employment growth reported in the Health & Personal Care Stores (+107) and Motor Vehicle & Parts Dealers (+57) sub-sectors.

Other Services (-160), Accommodation & Food Services (-132) and Agriculture, Forestry, Fishing, & Hunting (-7) were the remaining industry sectors to report a job decline between 2005 and 2006, while Utilities employment remained unchanged.

Rhode Island Private Employment 2006



Overall, Health Care & Social Assistance represented Rhode Island's largest employment sector in 2006, employing 74,436 workers. This sector accounted for 17.8 percent of the state's private sector employment.

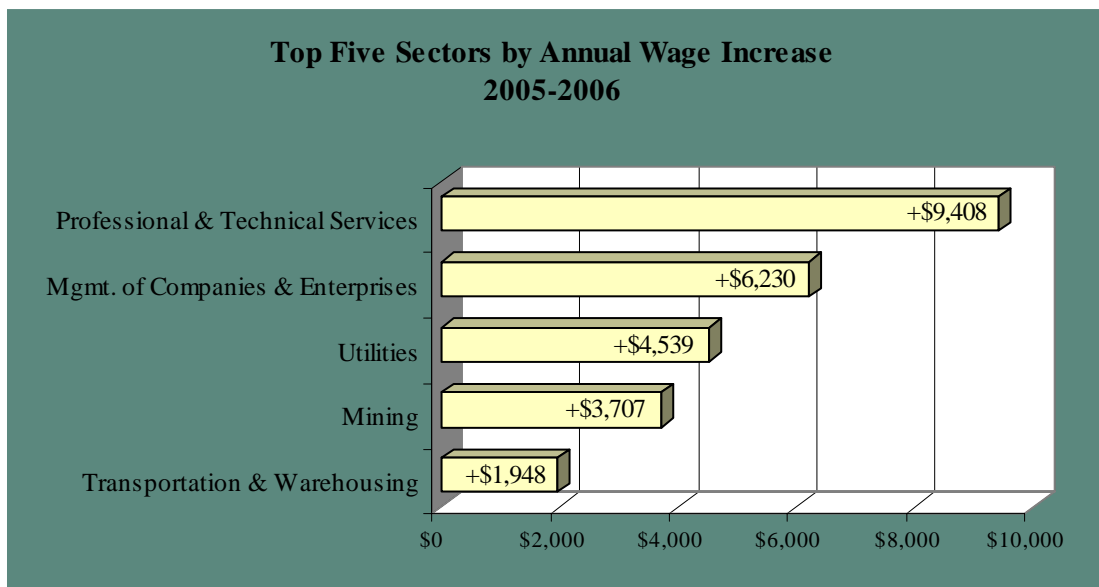


Despite losing over 4 percent of its workforce, the Manufacturing sector reported the second highest employment figure, employing 52,726 individuals. Retail Trade (51,753), Accommodation & Food Services (42,561) and Finance & Insurance (26,492) complete the top five employment sectors in 2006.

Mining represented the smallest segment of the state's employment, employing 259 workers in 2006. Agriculture, Forestry, Fishing & Hunting (862) was the only remaining sector to employ less than a thousand workers.

Private Wage Analysis

Over \$16.1 billion in private sector wages was paid in 2006, an increase of \$800 million (+5.2%) from 2005. As noted earlier, the annual average wage in 2006 was \$38,732, while the average weekly wage in the private sector was \$745, or 4.5 percent (+\$32) more than the \$713 earned in 2005.



The average annual wage in the Professional & Technical Services was \$64,142, earning \$9,408 (+17.2) more in 2006 than 2005, the largest annual wage increase among the nineteen private sectors. The 17.2 percent also reflected the largest annual wage gain on a percentage basis.

Salaries in the Management of Companies & Enterprises sector grew by \$6,230, the second largest annual wage gain between 2005 and 2006.

Employees of the Utilities (+\$4,539), Mining (+\$3,707) and Transportation & Warehousing (+\$1,948) sectors were also recipients of a significant wage increase during this period.

Accommodation & Food Services (+429), Real Estate, Rental & Leasing (+\$396) and Retail Trade (+\$341), reported the smallest annual wage gains.

Between 2005 and 2006, the Information sector was the only sector to report an annual wage decline. The \$58,465 earned in 2006 was \$2,968 (-4.8%) less than the \$61,433 earned in 2005.

In all, ten private industry sectors reported earnings higher than the 2006 average annual wage of \$38,732.

Management of Companies & Enterprises employees earned an average of \$90,803 in 2006, the largest private sector wage in Rhode Island. This sector accounted for 5.2 percent of the \$16 billion paid to the private sector workforce, while representing only 2.2 percent of the state's private sector employment.

The Utilities sector paid an average of \$70,978, the second highest annual wage in 2006. Professional & Technical Services (\$64,142), Information (\$58,465), Finance & Insurance (\$58,417) and Wholesale Trade (\$55,519) all earned over fifty-thousand dollars in 2006.

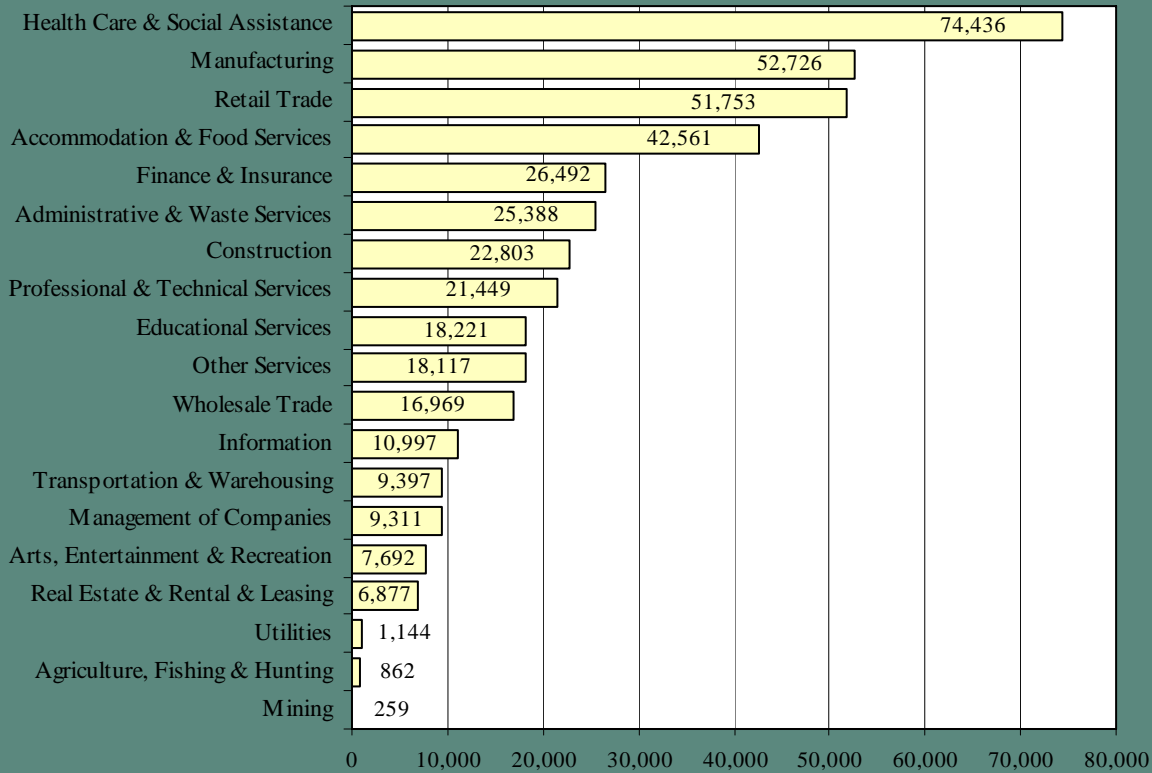
The remaining sectors to earn above the 2006 average annual wage were the Mining (\$47,108), Construction (\$46,668), Manufacturing (\$43,596) and Education (\$39,804) sectors.

Accommodation & Food Services (\$15,158) and Arts, Entertainment & Recreation (\$21,834) reported the lowest annual wage in 2006, reflecting the seasonal and part-time nature of these sectors.

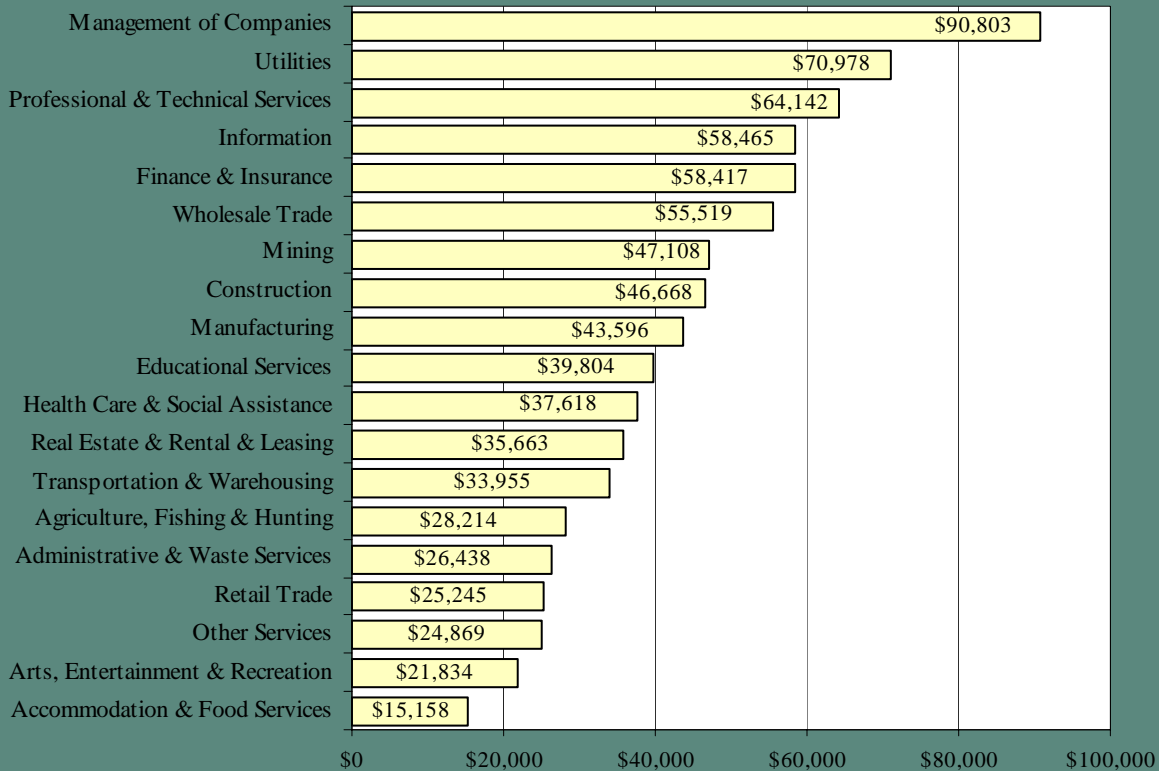
Quarterly bonuses and exercised stock options are included in the calculation and therefore may impact the average annual wage.

NAICS Sector	Statewide - Private Sector 2006			Over-the-Year Difference 2005-2006		
	Employment	Total Wages	Average Annual Wage	Employment	Total Wages	Average Annual Wage
Total Private Only	417,706	\$16,178,446,118	\$38,732	2,799	\$800,390,795	\$1,668
Agriculture, Fishing & Hunting	862	\$24,320,785	\$28,214	-7	\$1,003,588	\$1,382
Mining	259	\$12,201,078	\$47,108	7	\$1,263,985	\$3,707
Utilities	1,144	\$81,198,574	\$70,978	0	\$5,192,687	\$4,539
Construction	22,803	\$1,064,172,845	\$46,668	1,079	\$91,104,272	\$1,876
Manufacturing	52,726	\$2,298,632,073	\$43,596	-2,286	\$2,142,700	\$1,851
Wholesale Trade	16,969	\$942,094,310	\$55,519	313	\$36,897,504	\$1,172
Retail Trade	51,753	\$1,306,510,613	\$25,245	-753	-\$1,098,470	\$341
Transportation & Warehousing	9,397	\$319,074,353	\$33,955	115	\$21,988,363	\$1,948
Information	10,997	\$642,943,639	\$58,465	228	-\$18,633,240	-\$2,968
Finance & Insurance	26,492	\$1,547,590,787	\$58,417	578	\$80,566,097	\$1,806
Real Estate & Rental & Leasing	6,877	\$245,255,955	\$35,663	145	\$7,838,169	\$396
Professional & Technical Services	21,449	\$1,375,786,799	\$64,142	592	\$234,210,018	\$9,408
Mgt of Companies & Enterprises	9,311	\$845,469,231	\$90,803	585	\$107,483,547	\$6,230
Administrative & Waste Mngmnt.	25,388	\$671,215,707	\$26,438	91	\$27,974,406	\$1,010
Educational Services	18,221	\$725,265,103	\$39,804	716	\$41,030,188	\$716
Health Care & Social Assistance	74,436	\$2,800,107,000	\$37,618	1,661	\$142,672,872	\$1,102
Arts, Entertainment, & Recreation	7,692	\$167,949,163	\$21,834	268	\$11,587,713	\$772
Accommodation & Food Services	42,561	\$645,120,767	\$15,158	-132	\$16,313,899	\$429
Other Services	18,117	\$450,557,135	\$24,869	-160	\$8,478,583	\$681

Sectors by Average Annual Employment



Sectors by Average Annual Wage





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