Rhode Island Employment & Wage Analysis

2007

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 2007 and provides a comparison to annual employment and wage data from 2006. Key findings for 2007 include:

- A meager 22 private sector jobs were added in Rhode Island between 2006 and 2007.

- The 2007 average annual wage in the private sector increased by $1,095 from 2006.

- The Health Care & Social Assistance sector employed over 18 percent of the state’s private sector workforce and added nearly 1,600 jobs from 2006.


- Annual wage growth was reported in 14 of the 19 private industry sectors, with the annual wage in the Management of Companies & Enterprises sector increasing by over $5,600.

- Management of Companies & Enterprises was the highest paying sector, with workers averaging over $96,000 in 2007.

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](http://www.bls.gov)

Employment changes may be influenced by industry code revisions / or modifications to 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 private employment averaged 417,728 in 2007, a mere increase of 22 (+0.0%) jobs from 2006. Ten of the 19 industry sectors experienced job growth, while nine industry sectors reported employment losses.

The 2007 average annual wage in the private sector was $39,827; a $1,095 (+2.8%) increase from the $38,732 earned in 2006. Fifteen industry sectors reported a wage increase, while five sectors reported an annual wage decline during this period.

**Private Employment Analysis**

The Health Care & Social Assistance sector experienced significant employment growth between 2006 and 2007, adding 1,598 (+2.1%) positions, the largest gain among the 19 private industry sectors. The Ambulatory Health Care Services subsector added 592 (+2.7%) 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 535 and 527, respectively. Social Assistance (-56) was the only sub-sector to report a job loss within the Health Care & Social Assistance sector.

The Accommodation & Food Services sector reported the second largest employment growth between 2006 and 2007, with the workforce increasing by 643 (+1.5%) workers. The Food Services & Drinking Places sub-sector added 389 (+1.0%) positions, while the Accommodation sub-sector added 254 (+6.6%) jobs.

The Arts, Entertainment & Recreation (+428), Other Services (+415), Professional & Technical Services (+329) and Education (+282) sectors also reported sizable employment gains between 2006 and 2007.

Arts, Entertainment & Recreation led all sectors in employment growth on a percentage basis, expanding the workforce by 5.6 percent. Other Services (+2.3%) and Health Care & Social Assistance (+2.1%) reported the second and third largest percentage gains, respectively.
The Manufacturing sector lost 1,916 (-3.6%) workers between 2006 and 2007, the largest employment decline among the 19 private industry sectors. Fifteen of the 21 Manufacturing sub-sectors reported job losses, with the largest occurring in Fabricated Metal Product Manufacturing (-439), Textile Mills (-428) and Miscellaneous Manufacturing (-382). On a positive note, Transportation Equipment Manufacturing added 155 workers between 2006 and 2007, and Primary Metal Manufacturing reported an increase of 148 employees.

Between 2006 and 2007, the Construction sector workforce decreased by 690 (-3.0%) workers, the second largest employment decline during this period. All three sub-sectors within the Construction industry experienced job declines, with Specialty Trade Contractors employment decreasing by 369, followed by Construction of Buildings (-301) and Heavy and Civil Engineering Construction (-20).

Information (-535), Administrative & Waste Services (-459), Retail Trade (-252) and Real Estate, Rental & Leasing (-137) also reported sizable job declines between 2006 and 2007.

Agriculture, Forestry, Fishing & Hunting reported the largest employment percentage decline during this period, losing 64 workers, a 7.4 percent decrease. The Information sector experienced the second largest employment loss on a percentage basis, losing 4.9 percent of its workforce.
Overall, Health Care & Social Assistance represented Rhode Island’s largest employment sector in 2007, employing 76,034 workers. This sector accounted for 18.2 percent of the state’s private sector employment.

The Retail Trade sector with 51,501 employees is now the state’s second largest private employment industry sector. Manufacturing (50,810), Accommodation & Food Services (43,204) and Finance & Insurance (26,515) complete the top five employment sectors in 2007.

Mining represented the smallest segment of the state’s employment, employing 255 workers in 2007. Agriculture, Forestry, Fishing & Hunting (798) was the only other sector to employ less than a thousand workers.

**Private Wage Analysis**

Over $16.6 billion in private sector wages was paid in 2007, an increase of $458 million from 2006. The annual average wage in 2007 was $39,827, up 2.8 percent from the 2006 average of $38,732.

![Top Five Sectors by Annual Wage Increase 2006-2007](chart.png)

Management of Companies & Enterprises employees earned an average of $96,427 in 2007, the highest private sector wage in Rhode Island. This sector accounted for 5.5 percent of the $16.6 billion paid to the private sector workforce, while representing only 2.3 percent of the state’s private sector employment.

Accommodation & Food Services ($15,522) and Arts, Entertainment & Recreation ($23,166) reported the lowest annual wages in 2007, reflecting the seasonal and part-time nature of these sectors.

In all, ten private industry sectors reported earnings higher than the 2007 average annual wage of $39,827.

The Utilities sector paid an average of $72,939, the second highest annual wage in 2007. In addition, the Finance & Insurance ($60,846), Professional & Technical Services ($59,510), Wholesale Trade ($59,101), and Information ($57,568) sectors averaged over $50,000 in 2007.

The remaining sectors to earn above the 2007 average annual wage were the Construction ($48,689), Manufacturing ($46,118), Mining ($46,071) and Education ($41,796) sectors.

Of the ten private industry sectors paying more than the state average, five of the sectors, Professional & Technical Services (+329), Educational Services (+282), Wholesale Trade (+225), Management of Companies & Enterprises (+140) and Finance & Insurance (+23), added jobs in 2007 totaling 999.
Nine sectors paid below the state average with five sectors, Health Care & Social Assistance (+1,598), Accommodation & Food Services (+643), Arts, Entertainment & Recreation (+428), Other Services (+415) and Transportation & Warehousing (+137) adding 3,221 jobs in 2007.

The Management of Companies & Enterprises sector experienced the largest year-over-year wage gain, with the annual wage increasing by $5,623 (+6.2%) between 2006 and 2007.

Salaries in the Wholesale Trade sector grew by $3,582 (+6.5%), the second largest annual wage gain during this period. Employees of the Manufacturing (+$2,523), Finance & Insurance (+$2,429) and Construction (+$2,021) sectors were also recipients of a significant wage increase during this period.

The Administrative & Waste Services sector experienced the largest annual wage increase on a percentage basis, with wages growing by 6.6 percent.

Between 2006 and 2007, the Professional & Technical Services sector reported the largest annual wage decline, with wages decreasing by $4,632 (-7.2%) between 2006 and 2007. This also represents the largest annual wage decline on a percentage basis.

Agriculture, Forestry, Fishing & Hunting (-$1,786), Mining (-$1,038), Information (-$897) and Transportation & Warehousing (-$99) were the remaining sectors to experience an annual wage decline during this period.

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

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<tr>
<td>Total Private Only</td>
<td>417,728</td>
<td>41,282,576</td>
<td>22</td>
<td>458,328,576</td>
<td>1,095</td>
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<td>Agriculture, Fishing &amp; Hunting</td>
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<td>21,089,880</td>
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<td>Mining</td>
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<td>Wholesale Trade</td>
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<td>Finance &amp; Insurance</td>
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<td>1,613,339,538</td>
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<td>Real Estate &amp; Rental &amp; Leasing</td>
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<td>Professional &amp; Technical Services</td>
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<td>329</td>
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<td>Mgt of Companies &amp; Enterprises</td>
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<td>911,328,231</td>
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<td>Educational Services</td>
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<td>Health Care &amp; Social Assistance</td>
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<td>Arts, Entertainment, &amp; Recreation</td>
<td>8,120</td>
<td>188,110,637</td>
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<td>Accommodation &amp; Food Services</td>
<td>43,204</td>
<td>670,592,262</td>
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<td>Other Services</td>
<td>18,532</td>
<td>472,425,470</td>
<td>415</td>
<td>21,868,335</td>
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</table>
**Sectors by Average Annual Employment - 2007**

- Health Care & Social Assistance: 76,034
- Retail Trade: 51,501
- Manufacturing: 50,810
- Accommodation & Food Services: 43,204
- Finance & Insurance: 26,515
- Administrative & Waste Services: 24,929
- Construction: 22,113
- Professional & Technical Services: 21,778
- Other Services: 18,532
- Education: 18,503
- Wholesale Trade: 17,194
- Information: 10,462
- Transportation & Warehousing: 9,534
- Management of Companies: 9,451
- Arts, Entertainment & Recreation: 8,120
- Real Estate & Rental & Leasing: 6,740
- Utilities: 1,112
- Agriculture, Fishing & Hunting: 798
- Mining: 255

**Sectors by Average Annual Wage - 2007**

- Management of Companies: $96,427
- Utilities: $72,939
- Finance & Insurance: $60,846
- Professional & Technical Services: $59,510
- Wholesale Trade: $59,391
- Information: $57,568
- Construction: $48,689
- Manufacturing: $46,118
- Mining: $46,071
- Education: $41,796
- Health Care & Social Assistance: $38,247
- Real Estate & Rental & Leasing: $37,085
- Transportation & Warehousing: $33,856
- Administrative & Waste Services: $28,186
- Retail Trade: $26,618
- Agriculture, Fishing & Hunting: $26,428
- Other Services: $25,492
- Arts, Entertainment & Recreation: $23,366
- Accommodation & Food Services: $15,522