

# Current Conditions Index

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Also available on my web site: <http://members.home.net/lardaro/current.htm>

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# 83

**NATIONAL RANK:**  
**Job Growth: #31**  
**Labor Force Growth: #7**  
**JI Index: #26**

	1999	1998
JAN	83	75
FEB	75	75
MAR	83	75
APR	92	75
MAY	75	75
JUN	83	75
JUL	83	83
AUG	92	67
SEP	92	67
OCT	75	83
NOV	83	83
DEC	83	67

\* Revised

**LABOR MARKET:**  
**Jobs Created: 6,900**  
**Jobs Lost: 1,000**

## Monthly Highlights

The CCI results for all of 1999 are now in. It is apparent that the current recovery remained fairly broadly based throughout last year, although Rhode Island's economy appears to have lost some momentum by year's end. The CCI beat year-earlier values for only seven months in 1999, indicating that while the recovery sustained and at times increased its fairly broad base, accelerations in the pace of economic activity were intermittent at best. In the fourth quarter, the CCI exceeded its year-earlier values only once, in December. A trend of moderated improvements in a number of CCI indicators was apparent in the fourth quarter as well.

Rhode Island did manage to eclipse its previous business cycle peak in payroll employment in 1999 (dating back from June of 1989), certainly a welcome event. And, while it closed out the year at full employment, and had remained at full employment for 10 months last year, by year's end Rhode Island's rate of unemployment had once again risen to the highest in New England. Along with this, Rhode Island moved from the #1 ranking in the **Jobless Improvement Index** for two consecutive months (March and April), back to #26 in December. It should be pointed out that this drop in the JI Index rank is partly the result of Rhode Island's success in seeing its

unemployment rate fall to below 4 percent, which reduced year-over-year improvements.

**Retail Sales** grew very sharply again in 1999, posting a 9.7 percent rise in December after double-digit gains in each prior month since The Providence Place Mall opened.

**Existing Home Sales** set yet another record in 1999, although with the computerizing of sales data, the official statistic for December was not yet available at the time this report is being written. The other pleasant surprises were: our **Labor Force**, which ended 1999 with a hefty 1.7 percent growth rate, #7 in the nation, part of a string of rapid increases dating back to April of 1999; and **Government Employment**, which has been on a "tear" lately, growing by 1.6 percent in December.

The greatest puzzle to me is the recent upward trend in **Benefit Exhaustions**. If, as everyone seems to say, anyone who can breathe can get a job, then why is Rhode Island experiencing rapid increases in exhaustions (+13.1% in December, the fifth rise in the last eight months)? Does this reflect an inability to sustain permanent reductions in the number of long-term unemployed here?

Soon, the rebenchmarked payroll employment data will be released. Let's hope my expectation of a noticeable upward revision (from +1.3% to +1.6%) proves to be correct.

### STANDOUT STATS



**Retail Sales: +9.7%**  
**Manufacturing Wage: +3.5%**  
**Resident Employment: +2.0%**  
**Labor Force: +1.7%**



**Benefit Exhaustions: +13.7%**  
**Manufacturing Man-hours: -0.3%**

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