Rhode Island Current Conditions Index -- April 2004

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The second quarter began with a whimper. While the April Current Conditions Index rose above its disappointing (and downwardly revised) value of 50 in March, and values this year continue to significantly outpace their year-earlier levels, several worrisome trends have arisen. The good news: The Current Conditions Index for April was 67, as eight of its twelve indicators improved. The bad news: for 2004, on a month-to-month basis, Rhode Island’s payroll employment has continued to fall — at the same time that national job growth has risen dramatically. And, if this isn’t bad enough, April saw Rhode Island’s Unemployment Rate rise above the national rate for the first time since July of 2001.

Rhode Island’s manufacturing labor market showed some strength in April as Manufacturing Man-hours rose by a slight 0.1 percent after falling by almost one percent in March (-0.8%). Rhode Island’s Manufacturing Wage grew by 1.1 percent in April, less than the rates of recent months, leaving our average Manufacturing Wage below $13 per hour.

In April, Rhode Island’s Labor Force fell slightly (-0.4%) while its Unemployment Rate fell from 5.5 percent last April to 5.7 percent this month, the first time our jobless rate has exceeded the national rate since July of 2001.

In the stock market there is a phrase: “The trend is your friend.” I’m afraid that the current trend here, if it continues, might prove to be anything but friendly. What we are seeing is the natural outgrowth of our state’s failing to define its dominant niche in the post-manufacturing era (that began in late 1987!!).