

## **Study: R.I. Jobless Rate To Peak In 2010 No Relief In New England Employment Picture Seen This Year**

By Ted Nesi  
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BOSTON – The Rhode Island unemployment rate is likely to continue to rise through the first half of next year before peaking at well over 10 percent, New England’s chief economic forecaster said today.

The economies of all six New England states are now in recession and likely will be for the rest of this year, with only “modest improvement” expected in 2010, according to Ross Gittell, a professor at the University of New Hampshire and vice president and New England forecast manager at the New England Economic Partnership, a nonprofit supported by businesses, educational organizations and government agencies.

His forecast is being presented at the partnership’s spring economic outlook conference, which is being held today at the Federal Reserve Bank of Boston. The meeting’s title is “Can We Afford the Future? The Fiscal and Economic Outlook for New England.”

Gittell said the current recession is likely to cost the six New England states more than 450,000 of the more than 7 million jobs they had before the economic crisis began. The job market is expected to continue to worsen through the first half of next year.

Unsurprisingly given its early descent into recession, Rhode Island’s economy faces the worst prognosis. Gittell said the state would experience a total increase in the unemployment rate of 7.8 percentage points, the largest increase of any New England state. New Hampshire is expected to fair best, with only a 4.4 percentage point gain in joblessness.

The Rhode Island unemployment rate already stood at 10.5 percent in March, unchanged from the previous month, according to the R.I. Department of Labor and Training. The state jobless rate for April will be released tomorrow morning.

Rhode Island is also the only state expected to suffer a higher top unemployment rate than that of the nation as a whole. Gittell said the partnership’s economists expect U.S. unemployment to peak at 10.3 percent, compared with a 10.9 percent peak in Rhode Island and a 9.2 percent peak across New England as a whole by mid-2010.

“The forecasted unemployment rate peak in the region is more than a full percentage point below the expected national peak of 10.3 percent,” Gittell said. “This is due to the relatively slow growth in population and labor force and the relatively high level of educational attainment in the region.”

The U.S. unemployment rate was 8.9 percent in April, according to the U.S. Department of Labor.

Massachusetts' unemployment rate is expected to top out at 9.5 percent, he said. The Bay State jobless rate was 8 percent in April, up from 7.7 percent the previous month, the Mass. Executive Office of Labor and Workforce Development said today.

"Recessions are not new to New England," Gittell said, noting that the unemployment rates forecast for 2009 and 2010 are somewhat below those the region experienced in the early 1990s.

In addition to the housing and financial services sectors, the other industries whose work forces are expected to be hardest hit are trade and manufacturing, Gittell said. Jobs in health care and education are predicted to face a far less severe decline.

"The demand for health services is continuing to grow, exacerbated by the physical and emotional problems associated with household members and individuals dealing with job losses and poor financial prospects, while the ability of patients to pay has declined significantly," Gittell said.

"The increasing demand for health care along with the decreased ability of those needing health care services to pay puts significant pressure on the health care system to reduce the costs of provision and the quality of services provided and the bottom line of health care – people's health and quality of life – can suffer," he added.

More information on the partnership's forecasts will appear in an op-ed by Edward M. Mazze, professor of business administration at the University of Rhode Island, and Edinaldo Tebaldi, assistant professor of economics at Bryant University, in Monday's print edition of Providence Business News.

*Additional information on the New England Economic Partnership is available at [NEEPecon.org](http://NEEPecon.org).*