

Rhode Island's employment data has developed a seasonal pattern — and it isn't captured in the "seasonal adjustments" that the federal Bureau of Labor Statistics (BLS) applies to the data. Throughout the spring and early summer, employment numbers in the Ocean State undergo inexplicable improvement with no relation to other empirical or anecdotal evidence in the state. In the latter half of the year, the increases stop, perhaps receding a bit. Then, the BLS revises the numbers the following January, dropping both employment and the labor force (employed plus looking for work) and smoothing out the curves.

We're currently in the inexplicable-growth season.

According to the BLS, in March, a net 2,401 Rhode Islanders gained employment, while 2,074 joined the labor force. Those two variables are the basis for the unemployment rate. The first chart at right shows that, with the melting of the snow, the labor force turned around its steady, eight-year decline, while employment has taken off like a rocket. We'll see.

The second chart shows the degree to which it will take more than statistical blips for the Ocean State to catch up with its neighbors. Both Connecticut and Massachusetts are now well above their labor force and employment rates as of January 2007, while Rhode Island isn't even close. With the annual downward revisions of the monthly estimates, it's been a long, frustrating climb for Rhode Islanders.

The final chart illustrates the point from a different angle. The blue line shows the official unemployment rate; the red line shows what the state's unemployment rate would be if residents weren't giving up their quest for work. With the big jump in the labor force, the difference between the two lines dropped, this month. Still, unemployment would be 10% with the January 2007 size of the labor force. Conspicuously, though, the labor force only jumps when employment does. Otherwise, the unemployment rate would go up, which is something the public would notice.

